

# REGULATORY/POLICY COMMITTEE MEETING

• • WEDNESDAY, NOVEMBER 19, 2025



# Call Open Meeting To Order



## **Public Comments**

# Items For Presentation and Discussion

- 1. Presentation and Discussion regarding 89th Legislative Session -Paul Gonzalez
- 2. Presentation and Discussion of the proposed Warehouse Policy Diane Solitaire
- 3. Presentation and Discussion of the proposed Asset Management Policy. –David Ramirez
- 4. Presentation and Discussion of the proposed Enterprise Project Management Office Policy -David Ramirez
- 5. Presentation and Discussion of Revisions to the Brownsville Public Utilities Board Personnel Policies & Procedures, Policy No. 11 Funeral Leave -Claudia Lujan
- 6. Presentation and Discussion of Revisions to the Brownsville Public Utilities Board Personnel Policies & Procedures, Policy No. 15 Hours of Work and Overtime -Claudia Lujan
- 7. Presentation and Discussion of Revisions to the Brownsville Public Utilities Board Personnel Policies & Procedures, Policy No. 20 Educational Assistance Program -Claudia Lujan
- 8. Presentation and Discussion of Proposed Brownsville Public Utilities Board Personnel Policies & Procedures, Policy No. 45 Professional Development -Claudia Lujan
- 9. Presentation and Discussion of Proposed Brownsville Public Utilities Board Rules of Governance -Paul Gonzalez

# REGULATORY / POLICY COMMITTEE BROWNSVILLE PUBLIC UTILITIES BOARD



PRESENTATION OF STATE LEGISLATIVE AND REGULATORY ACTIVITIES
November 19, 2025







### **TODAY'S DISCUSSION**

- 89<sup>th</sup> Legislative Session Review, including two called special sessions
  - 89(R) Jan.14 June 2
  - 89(1) July 21 Aug. 15
  - 89(2) Aug. 15 Sept. 4
- Background leading to beginning of 89<sup>th</sup> Legislative Session
- Key electric legislation
- Key water and environmental legislation
- Upcoming issues and a look ahead
- Interim charges to Legislature
  - House and Senate meetings until next session beginning 2027
- Nov. 4, 2025 General Election
  - Constitutional Amendments
  - Special Elections
- Question and Answers



## 89<sup>TH</sup> SESSION PARTISAN MAKEUP

***	Senate:	20 Republicans	11 Democrats	3 Freshmen	
	House:	88 Republicans	62 Democrats	31 Freshmen	
Ť	Started the Session with a Speakers Race				
( <u>\$</u> )	Rep. Burrows elected Speaker by vote of 88Y – 55N – 10PNV				
<b>~</b>	88Y = 36R and 49D				
血	No Democrat chairs in either chamber; only "subcommittee" D chairs in the House				



### 89<sup>TH</sup> SESSION BY THE NUMBERS

- 9,014 bills/constitutional amendments (JRs, S.B.s & H.B.s)
- 2,500+ bills effecting municipalities (25+%)
- 1,231 bills/joint resolutions passed
- 260+ bill passed directly impacting cities (24%)



# ANDREWS LEGISLATIVE DELEGATION



Sen. Adam Hinojosa (R)

- Administration, Vice-Chair
  - Border Security
  - Education K-16
  - State Affairs
- Water, Agriculture, and Rural Affairs
- Disaster Preparedness and Flooding, Select



Rep. Oscar Longoria (D)

- Licensing & Administrative Procedures
- Trade, Workforce & Economic Development
  - S/C on International Relations Vice Chair
  - S/C on Workforce Chair



Rep. Janie Lopez (R)

- Agriculture & Livestock
   Appropriations
  - Appropriations
- Appropriations S/C on Article III
- Appropriations S/C on Articles I, IV, & V
  - Calendars



Rep. Erin Gámez (D)

- General Investigating, Vice Chair
  - Natural Resources
- The July 2025 Flooding Events, General Investigating
  - Transportation



## **GOV. ABBOTT PRIORITIES**

	Topic	Result	Result
1	School Choice	Largest day-one school choice program in the nation	Passed
2	Property Tax Relief	\$10 billion in funding for property tax relief: Increased homestead exemption for homeowners, senior citizens; Reduced business personal property taxes	Passed
3	Water Infrastructure	Dedicated a \$20 billion generational investment in Texas' water infrastructure	Passed
4	<b>Teacher Pay Raise</b>	Provided \$4 billion for teacher and staff pay raises	Passed
5	Expand Career Training	Expanded career training education with an additional \$153 million so students can go directly into good-paying jobs	Passed
6	Bail Reform	Made it tougher for violent criminals to get out of jail on bail; Prohibited parole for human traffickers	Passed
7	Create a Texas Cyber Command	Established the Texas Cyber Command, the largest state-based cybersecurity department in America	Passed



### LT. GOV. PATRICK PRIORITIES

Bill#	Topic	Result
S.B. 2	School Choice	Passed
S.B. 3	Banning THC in Texas	Vetoed
S.B. 4	Increasing Homestead Exemption to \$140,000	Passed
S.B. 7	Increasing Investments in Texas' Water Supply	Passed
S.B. 9	Reforming Bail	Passed
S.B. 10	Placing the Ten Commandments in School	Passed
S.B. 11	Freedom to Pray in School	Passed
S.B. 12	Parental Bill of Rights in Public Education	Passed
S.B. 13	Inappropriate Books in Public Schools	Passed
S.B. 14	Texas DOGE	Passed
S.B. 15	Removing Barriers to Affordable Housing	Passed
S.B. 17	Stopping Foreign Adversaries' Land Grabs	Passed
S.B. 19	Stopping Taxpayer Dollars for Lobbyists	Died in House



### **LEADERSHIP PERSPECTIVE**

"The Speaker and I don't keep track of what's a S.B. or a House bill. That simply depends on the flow of legislation ... The Speaker and I, and the members from both chambers, have never had a more positive and collaborative relationship in my 18 years in office and that's why this session will be the most productive in history ...." – Lt. Gov. Dan Patrick

"As a longtime conservative member of the Texas House, I appreciate the input and perspective from our Senate colleagues in crafting legislation and the support of Lieutenant Governor Patrick in making sure this was a banner conservative session for our state." – Speaker Dustin Burrows



# ELECTRIC UTILITIES SESSION OVERVIEW

#### **Entering the session anticipating electric legislation centered on the following:**

- How would the grid incorporate the increased demand for large loads, specifically data centers developing AI?
- Focusing on grid reliability, including specific attention given to recent wildfires and wind storm driven outages.
- Continuing discussion of reviewing the significant surge of new renewable energy resources and their impact on the grid (solar, wind and battery).
- Continuing conversation on generation siting and transmission build out.
- Renewed attention on policies to achieve a greater amount of dispatchable generation
  within a deregulated market and exploring research and development for nuclear power
  and furthering incentives for fossil fuel generation and lessening renewable generation.
- Key players in these policy discussions included Sen. Schwertner (Chairman of Senate Business and Commerce), Rep. Ken King (Chairman of House State Affairs), Sen. Phil King, Rep. Drew Darby, Governor's and Lt. Governor's office, ERCOT and PUCT.



### **KEY ELECTRIC BILLS PASSED**

- SB 6 (Sen. King)- Sets forth a regulatory process for interconnection and service to large loads. Includes financial requirements, disclosures of developer's intentions, expedites interconnection process, addresses co-location with dedicated generation resources, establishes new review of cost allocation methodology for transmission charges.
- SB 75 (Sen. Hall) Creates a Texas Grid Security Commission tasked to evaluating Grid resiliency in addition to the activities of local government and private infrastructure services and to provide a report to the Legislature by 12/01/2026, with a comprehensive plan protecting critical infrastructure.
- HB 14 (Rep. Harris) Establishes the Texas Advanced Nuclear Energy Office within the Governor's
  office to support development of advanced nuclear reactors (ANRs) in Texas and provides
  significant grants.
- SB 2268 (Sen. Schwertner)- Gives PUCT additional authorities to make Texas Energy Fund Loans and disbursements after 12/31/2025. TEF also received an additional \$5Billion Appropriations from the State's general revenue funds to continue administering the program.



### **KEY ELECTRIC BILLS PASSED**

- SB 1202 (Rep. King ) Allows authorized third parties to provide development inspections of home back up power installations connected at 600 volts or less. Provides options to avoid delays in municipal permitting.
- SB 1252(Rep. King) Prohibits municipality from adopting or enforcing amendment to the National Electric Code that would regulate the inspection or installation of a residential energy backup system that provides no more than 50kw of electricity to the residence or has a storage capacity of no more than 100 kwh. Note: MOUs may still regulate the installation or inspection of these systems.
- SB 1789 (Sen. Schwertner) Requires the PUC to adopt standards for transmission and distribution pole structural integrity and requires MOUs to file annual reports of inspection and remediation under their own standards.
- HB 144 (Rep. King) Comparable to SB 1789 requiring each distribution utility to develop a plan for the management and inspection of their system distribution poles
- HB 1991 (Rep. Guillen) Requiring municipalities to publish terms and conditions of utility charges on both the utility system's and the municipality's websites.



### **KEY ELECTRIC BILLS PASSED**

- HB 3809 (Rep. Darby) Battery energy storage facility decommissioning requirements modeled on the applicable wind and solar decommissioning statutes.
- HB 3824 (Rep. King )- Battery energy storage system fire safety legislation based on national standards with rules developed by the Texas Department of Insurance. Includes provision for fire safety inspection reports and emergency operations plan and annual training for local first responders.
- HB 1606 (Rep. Metcalf) Requires electric utilities, munis and coops to adopt a procedure for customers to request vegetation management near a transmission or distribution line.
- HB 1584 (Rep. Hull ) Requires electric utility to maintain a list of priority facilities in addition to medical facilities that are in its service area that are crucial for the protection or maintenance of public safety.
- SB 482 (Sen. Alvarado) Provides for a 3<sup>rd</sup> degree felony if a person assaults an employee or agent of a utility performing a duty within the scope of their employment or agency in an area that is the subject of a declaration of a state of disaster or emergency.
- HB 3092(Rep. Gerdes )-Increases exemption for requiring a CCN for a transmission line connecting a lad-serving substation or metering point to the transmission facilities from three to five miles.



# WATER UTILITIES SESSION OVERVIEW

Entering the session anticipating water related legislation centered on water infrastructure and the need to improve it through planning and funding, all in recognition of severe water shortages, drought and historic reservoir low levels:

- Significant efforts were made to examine the state's water needs and to recognize the necessity of updates to the State Water Plan, including long range funding.
- Discussions were had regarding the relationship of state and local entities to planning and funding local water projects, including the implementation of direct grants from state appropriations and a review of the Texas Water Development Board's grant process.
- Policy makers showed a favored interest to regional projects and joint planning/agreements between local entities.
- Key players in these policy discussions included Sen. Charles Perry (Chairman of Senate Ag and Rural Affairs) and Rep. Cody Harris, as well as Governor and Lt. Gov. staff.



# KEY WATER AND ENVIRONMENTAL BILLS PASSED

- HJR 7/SB 7 (Rep. Harris / Sen. Perry) Creation of Texas Water Fund subject to approval of voters in November, dedicating \$1Billion to water infrastructure.
- SB 1261 (Sen. Perry) Provides for optional financing tools to enable affordable implementation of large regional water supply projects included in the State Water Plan.
- SB 480 (Sen. Perry) Provides for water planning interlocal agreements with certain governmental entities to participate in water research and planning activities.
- SB 6 (Sen. King) Aids Laredo desalination project providing electric generation built to support water desalination facility in Laredo may sell excess electricity to the grid and use revenues for water service corporation operational expenses (originally was HB 3896 but later amended to SB 6).
- SB 1169 (Sen. Hinojosa w/ Rep Guillen sponsor) Allows public entities to operate jointly as "public utility authority" to finance water & sewer service project.
- HB 29 (Rep. Gerdes) Water audit validation (requires water loss mitigation plan) for municipally owned utility that has more than 150,000 service connections.
- SB 14 (Sen. Perry)(2nd called session) Requires political subdivision establish tax credit procedures for builder or developer who utilizes or installs water infrastructure resulting in water reuse/conservation/savings.



# KEY WATER AND ENVIRONMENTAL BILLS PASSED

- HB 500 (Rep. Bonnen) Supplemental state budget. BPUB received \$47,258,000 of general revenue grants for two projects:
  - \$34,558,000 for the Banco Morales Reservoir surplus water impound
  - \$12,700,000 for City of Brownsville Direct Potable Reuse Project
- Senate Concurrent Resolution 13 (Sen. Hinojosa) Respectfully urges the US Department of State & the US International Boundary & Water Commission to take appropriate action to ensure that Mexico complies with the 1944 Water Treaty regarding shared water resources, and to take all necessary steps to make deliveries.



## POTENTIALLY HARMFUL MOU-RELATED PROPOSALS DEFEATED

- MOU competition
- General Transfer Fund
- Community advocacy limitations
- Governance statutes changes
- Major market design changes



# APPOINTMENTS TO STATE AGENCIES OF JURISDICTION

- PUCT Commissioner Morgan Johnson
- TCEQ Commissioner Tonya Miller
- TWDB Director Brady Franks
- ERCOT
  - Member Christopher A. Krummel
  - Member Kathleen S. McAllister
- We continue to monitor, follow and educate new appointees and existing appointees and agency staff at agencies of jurisdiction:
  - PUCT
  - ERCOT
  - TCEQ
  - TWDB
  - Comptroller



### **UPCOMING ISSUES**

#### **ENERGY**

- DRRS protocol development (fall 2025) and stakeholder approval (2026)
- First ERCOT reliability assessment (2026) and potential market design changes
- SB 6 implementation and large load approval processes
- 765-kV STEP buildout progress and additional segments
- Generation interconnection queue evolution which projects achieve synchronization?
- VPP program expansion and residential demand response scaling
- Co-location regulatory clarity and project pipeline development
- Nuclear initiatives gaining traction (SMRs, existing plant expansions)
- Energy storage deployment (180 GW in the interconnection queue)
- Extreme weather responses and grid resilience investments
- Rising energy costs

#### **WATER**

Impact of high-capacity and large volume groundwater production will continue to be studied &
we anticipate legislation next session to address groundwater production, potentially statewide
based on the development plans in the Neches & Trinity Valleys Groundwater Conservation
District.



### **LOOKING AHEAD**

- Not a likelihood for additional special legislative sessions
- Senate and House will issue Interim charges 4th quarter with hearings until late 2026.
- November 4, 2025 constitutional amendment election (see next slide) as well as scattered special elections across state.
- Primary election March 3, 2026. More than 2 dozen lawmakers decided not to return for the 90<sup>th</sup> session, so many (but not all) of their seats will be decided in this primary election. All major statewide legislative leaders will also be on the primary ballot, including the Governor, Lt. Gov., Attorney General, Comptroller, RRC Chairman, and AG Commissioner.
- Potential primary election campaign issues:
  - Rising energy cost
  - Gov. Abbott: "Local governments are hiking your property taxes incessantly," he said.
     "It's time to drive a stake through the heart of the ability of local property tax hikes for good."
- Continued legal review of mid decennial Congressional redistricting.



# ALL PROPOSITIONS ON NOV. 4 BALLOT PASSED

- Prop 1 TSTC Permanent Technical Institute Infrastructure Fund
- Prop 2 Capital Gains Tax Prohibition
- Prop 3 Bail Reform
- Prop 4 Texas Water Fund
- Prop 5 Ag Feed Property Tax Exemption
- Prop 6 Securities Occupation Tax Prohibition
- Prop 7 Veteran Surviving Spouse Property Tax Exemption
- Prop 8 Death Tax Prohibition
- Prop 9 Business Personal Property Tax Exemption
- Prop 10 Temporary Property Tax Exemption for Homestead Destroyed by Fire
- Prop 11 Increase Property Tax Exemption for Seniors and Disabled
- Prop 12 Judicial Reforms
- Prop 13 Increase Property Tax Exemption for All Homesteads
- Prop 14 Establish Dementia Prevention and Research Institute of Texas
- Prop 15 Parental Rights Affirmation
- Prop 16 Voters Must Be U.S. Citizens
- Prop 17 Border Security Property Tax Exemptions



### **NEXT STEPS**

- Attend and monitor interim legislative hearings and agency meetings.
- Continue participation in TPPA and support their efforts to promote public power.
- Continue efforts with BPUB legislative delegation, regulatory agencies and stakeholder discussions.
- Discuss ongoing issues with BPUB management, develop and finalize BPUB legislative and regulatory agenda for 89th Legislative Session.
- Identify any areas to promote BPUB's positions in the legislative and regulatory venues.





## **Questions?**





Thank you for the opportunity to serve your community



## **Warehouse Policy**

## PRESENTATION AND DISCUSSION OF THE PROPOSED WAREHOUSE POLICY

REGULATORY/POLICY COMMITTEE | November 19, 2025

Diane Solitaire

Purchasing and Warehouse Manager

Purchasing and Warehouse Department

## **Current Policy**

Last revised & approved by the Board on January 10, 2022.

Establishes standards for receiving, storing, and issuing materials and equipment and legally disposing of scrap/surplus materials in accordance with Texas Local Government Code (TLGC).

## **Proposed Policy Changes**

#### **General Changes:**

- The policy was reviewed and updated to ensure it is current and in compliance with local regulations-TLGC.
- Introduced and updated new sections to provide a clear and detailed outline.



## **Asset Management Policy**

## PRESENTATION AND DISCUSSION OF THE PROPOSED ASSET MANAGEMENT POLICY

REGULATORY/POLICY COMMITTEE | November 19, 2025

David Ramirez, PE

Asset Management & CIP Delivery Manager

Asset Management & CIP Delivery Department

## **Policy Statement**

➤ To implement and maintain a corporate Asset Management System (AMS) consistent with the standards and guidelines established by the Institute of Asset Management (IAM) and ISO 55000/55001

> To implement contemporary and emerging technologies to improve asset value, efficiency, reliability, condition monitoring, and failure forecasting

## **Policy Statement**

➤ To design processes that generate large-scale operational data, enabling bigdata analytics and operational insights to improve performance visibility and decision-making at all levels of the organization

> To support operations groups strategically maintain assets based on criticality and economics

## **Types of Assets Covered**

➤ The Asset Management System (AMS) covers assets needing regular maintenance and inspection to remain efficient, reliable, and compliant.



## **Questions?**



# Enterprise Project Management Office (EPMO) Policy

PRESENTATION AND DISCUSSION OF THE PROPOSED ENTERPRISE PROJECT MANAGEMENT OFFICE POLICY

REGULATORY/POLICY COMMITTEE | November 19, 2025

David Ramirez, PE

Asset Management & CIP Delivery Manager

Asset Management & CIP Delivery Department

## **Policy Statement**

➤ To implement and maintain an Enterprise Project Management Office (EPMO) consistent with the framework established by the Project Management Institute (PMI) and Construction Management Association of America (CMAA)

# Enterprise Project Management Office (EPMO) Scope

- Applies to capital projects and programs managed by BPUB
- Establishes Procedures and Standards of Best Practice for Project and Program Management
- > Planning, budgeting, execution, cost forecasting and monitoring, and closing

## **Types of Projects Covered**

> The EPMO applies to projects funded through capital improvement funding of any size that originate in any of the divisions in the organization

# Objectives of the Enterprise Project Management Office (EPMO)

- 1. Raise the Standards of the Project Management Practice at BPUB
- 2. Ensure Project Managers Across the Organization Receive Project Management

  Training
- 3. Develop Project Management Performance Insights
- 4. Foster Continuous Improvement in the Project Management Practice at BPUB



#### **Questions?**



#### Policy 11 – Funeral Leave

PRESENTATION AND DISCUSSION OF REVISIONS TO THE BROWNSVILLE PUBLIC UTILITIES BOARD PERSONNEL POLICIES & PROCEDURES

REGULATORY/POLICY COMMITTEE | Wednesday, November 19, 2025

Claudia Lujan

Director of Human Resources

**Human Resources Division** 

#### **Current Policy**

- Last revised and approved by the Board on December 8, 2003.
- Establishes the amount of paid funeral leave an employee may take for the death of an immediate family member.

## **Policy Updates**

- The policy was reviewed and updated to ensure it is current and in compliance with federal, state, and local regulations.
- Policy formatting was updated, reorganized and revised to align with current policy structure.

## **Policy Changes**

#### **CURRENT**

- Funeral Leave
- 3 Days
- Immediate Family Allowable Leave 24 hours

#### **PROPOSED**

- Bereavement Leave
- 40 Hours
- Immediate Family Allowable Leave 40 hours
- 8 hours for Non-Immediate Family

#### **Leave Matrix**

Covered Relationship	Full-time Employees	Part-time Employees
Spouse, child, parent, or persons in loco parentis (including step relationships)	40 hours	Proportionate to work schedule
Brother, sister, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, brother-in-law or sister-in-law (including step relationships)	24 hours	Proportionate to work schedule
Aunt, uncle, niece, nephew or spouse's grandparent	8 hours	8 hours



#### **Questions?**



## Policy 15 – Hours of Work and Overtime

PRESENTATION AND DISCUSSION OF REVISIONS TO THE BROWNSVILLE PUBLIC UTILITIES BOARD PERSONNEL POLICIES & PROCEDURES

REGULATORY/POLICY COMMITTEE | Wednesday, November 19, 2025

Claudia Lujan

**Director of Human Resources** 

Division of Human Resources

#### **Current Policy**

Last revised and approved by the Board on October 10, 2005.

Establishes the general hours of work and how overtime and call-out are paid.

## **Policy Updates**

Reformatted and revised to align with current policy structure

 Limited work hours to 14 consecutive hours with 8 hours of rest in between shifts

 General Manager & CEO can authorize additional work hours for an emergency or to maintain uninterrupted services

On-call status includes both primary and secondary on-call work

## **Policy Updates**

- Limited on-call to 10 consecutive days with a minimum of 3 days on-call rest period
- Employees on a paid leave status cannot be placed in on-call status until they have returned to work
- Added clarity specific to non-compliance and uniformity



#### **Questions?**



#### Policy 20 – Educational Assistance

PRESENTATION AND DISCUSSION OF REVISIONS TO THE BROWNSVILLE PUBLIC UTILITIES BOARD PERSONNEL POLICIES & PROCEDURES

REGULATORY/POLICY COMMITTEE | Wednesday, November 19, 2025

Claudia Lujan

Director of Human Resources

**Human Resources Division** 

#### **Current Policy**

- Last revised and approved by the Board on October 10, 2005.
- Provides for educational assistance for BPUB employees obtaining an undergraduate degree.

#### **Policy Changes**

#### **CURRENT**

- Educational Assistance Program
- Full-time employees
- Undergraduate
- Must complete initial probationary period
- 60% Reimbursement\*

#### **PROPOSED**

- Tuition Assistance
- Full-time and part-time employees
- Associate's, Bachelor's, Master's
- Employees eligible day one
- Stratified Reimbursement\*
  - > A = 100%
  - $\rightarrow$  A & B = 80%
  - $\rightarrow$  A, B & C = 60%

<sup>\*</sup>Based on the current UTRGV tuition and fees plan

#### **Policy Changes**

#### **CURRENT**

 Employee repays BPUB if they separate from BPUB within 24 months of graduation

#### **PROPOSED**

- Employee repays BPUB if they separate from BPUB within 24 months of graduation
- Upon completion of a Bachelor's or Master's degree, the employee will receive a 1% annual increase for 3 consecutive years



#### **Questions?**



#### Policy 45 – Professional Development

PRESENTATION AND DISCUSSION OF PROPOSED BROWNSVILLE PUBLIC UTILITIES BOARD PERSONNEL POLICIES & PROCEDURES

• • REGULATORY/POLICY COMMITTEE | Wednesday, November 19, 2025

Claudia Lujan

Director of Human Resources

**Human Resources Division** 

#### **Current Status**

- BPUB implemented a Professional Development program under its 2013–2018 Strategic Plan.
- Over the past decade, this program has enabled more than 25 individuals to earn professional licensure or certifications, strengthening our community through skilled expertise.

## **Policy Highlights**

Formalizes the Professional Development Program into policy

Supports employee growth and development by reimbursing 100% of the cost of work related certifications and licenses

#### Program Benefits:

- Employee investment
- Provides access to professional development within their discipline
- Creates bench strength for succession planning
- Promotes employee engagement and retention



#### **Questions?**



#### Presentation and Discussion of Proposed Brownsville Public Utilities Board Rules of Governance

REGULATORY/POLICY COMMITTEE | Wednesday, November 19, 2025

Paul Gonzalez

General Counsel & Chief Legal Officer

Legal Services



## Adjournment