CITY OF EL PASO, TEXAS
AGENDA ITEM
DEPARTMENT HEAD'S SUMMARY FORM

DEPARTMENT: El Paso Water

AGENDA DATE: 10/14/25

PUBLIC HEARING DATE:

CONTACT PERSON NAME: Rene Leon **PHONE NUMBER:** 915-594-5613

2nd CONTACT PERSON NAME: **PHONE NUMBER:**

DISTRICT(S) AFFECTED: All

STRATEGIC GOAL:
7: Enhance and Sustain El Paso's Infrastrcuture Network

SUBGOAL:
7.1: Provide reliable and sustainable water supply and distribution systems and stormwater management

SUBJECT:
Discussion and action to authorize the Mayor on behalf of the City of El Paso to sign a resolution as part of the city council-approved application to the Office of the Governor Texas Military Preparedness Commission for the Defense Economic Adjustment Assistance Grant (DEAAG) for expansion of the Kay Bailey Hutchison Desalination Plant.

BACKGROUND / DISCUSSION:

The Kay Bailey Hutchison Desalination Plant is the largest inland desalination plant in the world. The KBH Plant currently has a production capacity of 27.5 million gallons per day (MGD). The proposed expansion will increase that capacity to 33.5 MGD. This project will enhance El Paso's resiliency during times of drought and will provide additonal water security for Fort Bliss when the installation's own wells may be out of service for maintenance or in an emergency.

COMMUNITY AND STAKEHOLDER OUTREACH:

N/A

PRIOR COUNCIL ACTION:

Council has previously approved similar resolutions, most recently in 2023.

AMOUNT AND SOURCE OF FUNDING:

El Paso Water will contribute $3,891,983 using water system revenue funds toward the total cost of the project.

REPORTING OF CONTRIBUTION OR DONATION TO CITY COUNCIL:

N/A

NAME	AMOUNT ($)

**********REQUIRED AUTHORIZATION**********

DEPARTMENT HEAD: _____

(If Department Head Summary Form is initiated by Purchasing, client department should sign also)

REVISED
2:55 pm, Sep 30, 2025

RESOLUTION

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EL PASO:

That the City Manager or designee is authorized to submit an application to the Office of the Governor, Texas Military Preparedness Commission, for the Fiscal Year 2025 Defense Economic Adjustment Assistance Grant ("DEAAG") to fund the Kay Bailey Hutchison Desalination Plant (KBH) Sixth Skid Expansion Project (the "Project"). The Project is the installation of a sixth water treatment unit at KBH that will serve to increase water production capacity, therefore enhancing resilience for Fort Bliss as a military installation with a total project cost of approximately $10,516,983.00. Through the DEAAG application, the City is requesting funding in the amount of $4,000,000.00 (38% of the project cost), with the El Paso Water Utilities-Public Service Board providing a local match of $6,516,983.00.

Further, that the City Manager, or designee, be authorized to explore funding sources and partnerships and to execute any documents and agreements in relation to the grant, funding sources, and/or partnership agreements, after consultation with the City Attorney's Office. In addition, the City Manager or designee is authorized to sign any related documents, including but not limited to budget transfer authorizations, revisions to the operation plan, grant amendments, and/or corrections or extensions of the grant that increase, decrease or de-obligate program funds.

APPROVED this _____ day of _____ 2025.

CITY OF EL PASO:

_____
Renard U. Johnson
Mayor

ATTEST:

_____
Laura D. Prine
City Clerk

APPROVED AS TO FORM:

Roberta Brito
Roberta Brito
Senior Assistant City Attorney

APPROVED AS TO CONTENT:

Yvette Hernandez
Yvette Hernandez, P.E.
Deputy City Manager & City Engineer

HQ 5820 | Tran #620605| EPW
Kay Bailey Hutchison Desalination Plant (KBH) Sixth Skid Expansion Project- DEAAG
RAB

DEFENSE ECONOMIC ADJUSTMENT ASSISTANCE GRANT

OFFICE OF THE GOVERNOR
Texas Military Preparedness Commission

Fall 2025

For TMPC Use Only
Date Received
Applicant
Project

Program Overview

The program is administered by the Texas Military Preparedness Commission (Commission) within the Office of the Governor. The Defense Economic Assistance Adjustment Grant (DEAAG) is codified in Texas Government Code Chapter 436 and in Subchapter B of Title 1, Chapter 4 of the Texas Administrative Code.

Eligible local governmental entities may be awarded a grant if the commission determines that the entity may be adversely or positively affected by an anticipated, planned, announced, or implemented action of the United States Department of Defense (DoD) to close, reduce, increase, or otherwise realign defense worker jobs or facilities.

To review Texas Government Code 436, visit https://statutes.capitol.texas.gov/Docs/GV/htm/GV.436.htm.

To review the Texas Administrative Code, visit https://texreg.sos.state.tx.us/public/readtac$ext.ViewTAC?tac_view=5&ti=1&pt=1&ch=4&sch=B&rl=Y

All grant funds must be expended within two years of the award date. This grant follows the Texas Grant Management Standards.

A defense community is eligible for a grant from DEAAG if the commission determines that it satisfies one of the eligibility criteria as referenced above in the Texas Government Code and Texas Administrative Code. The grant funds are administered on a reimbursement basis. Administrative costs will not be allowed for reimbursement. Please contact the Texas Military Preparedness Commission at **tmpc@gov.texas.gov** or (512) 475-1475 should you have any questions.

The grant will be scored on the following criteria: military value, project probability, relation to the National Defense Strategy, dual military/community benefit, resiliency, and efficiency.

Unauthorized changes to this application will render the application and any subsequent grant void.

An endorsement letter from the installation commander is required. Other support letters can be attached to application but are not part of the scoring process.

This application is limited to 50 pages.

Applications are due no later than 5:00 PM CT on Friday, October 17, 2025. Applications received after this time will be ineligible for consideration.

Applications are accepted via email (preferred) at tmpc@gov.texas.gov, in-person, or at the addresses below postmarked by the application deadline:

Mailing Address:
Texas Military Preparedness Commission
Commission Office of the Governor
P.O. Box 12428
Austin, TX 78711

Street Address:
Texas Military Preparedness
Office of the Governor
1100 San Jacinto
Austin, TX 78701

For additional information on DEAAG, please refer to http://www.gov.texas.gov/military/grants.

Applicant Information

Name of Applicant **City of El Paso**

Address **1154 Hawkins Blvd., El Paso, Texas 79925**

Point of Contact **Bianca Arriaga**

Point of Contact Phone **(915) 594-5680**

Point of Contact Email **Bianca.Arriaga@epwater.org**

1. Are all involved entities current on all obligations with the State of Texas?

[X] Yes [ ] No

If no, please explain. Attach additional pages as necessary as Attachment A.

Not Applicable

2. Is there a pending claim or litigation against any entity involved with the project?

[ ] Yes [X] No

If yes, please explain. Attach additional pages as necessary as Attachment B.

Not applicable. There is no pending claim or litigation that involves or affects the City's ability to participate in this project.

3. Please provide documentation authorizing entity to participate in program. An example is public hearing, ordinance, or resolution. Attach as Attachment C.

Project Summary

Project Name: **Kay Bailey Hutchison (KBH) Sixth Skid Expansion Project**

4. Provide a **short** summary of the project to be funded.

The Kay Bailey Hutchison (KBH) Desalination Plant, a facility located on leased Fort Bliss property and established in partnership with Fort Bliss for water resilience, is able to produce up to 27.5 million gallons per day (MGD) of fresh water with its current five treatment units (skids). Upon completion of this sixth skid project, the plant will increase production capacity from 27.5 MGD to 33.5 MGD, which amounts to 6 MGD, adding to water supply and drought resilience for the El Paso service area and for Fort Bliss.

The expansion of water supply via desalination inherently reduces EPWater's dependence on groundwater and provides resilience in times of drought and/or when Fort Bliss or El Paso wells are taken out of service for maintenance or in an emergency. The KBH Plant also plays an important role with brackish (saltwater) wells strategically placed to protect fresh groundwater from brackish water intrusion.

5.

Funding Source	Total Dollar Amount	Percentage Share of Project
A. Requested Amount of DEAAG	$4,000,000	38%
B. Federal	$2,625,000	25%
If DEAAG is being used towards matching a federal grant, please note the total amount of the federal grant.	n/a	0%
C. Local Community Funding (Note if funding is in-kind).	$ 3,891,983	37%
D. Other Sources	n/a	0%
Total Project	**$ 10,516,983**	100%

Eligibility

6. An entity is eligible for DEAAG if it satisfies one of the following; please select which qualification applies:

[X] Municipality or county that is a defense community as defined in Local Government Code 397.001.

[ ] Regional planning commission that has a defense community within its boundaries.

[ ] Public junior college district that is wholly or partly located in a defense community.

[ ] Campus or extension center for education purposes of the Texas State Technical College System located in a defense community.

[ ] Defense base development authority created under Local Government Code 379B.

[ ] Political subdivision having the power of a defense base development authority created under Local Government Code 379B.

Eligibility of Adversely Affected Community

[X] This applicant is not adversely affected. Please proceed to question 8.

7. An entity is an adversely affected defense community if it has experienced:

[ ] An anticipated, planned, announced, or implemented action of the Department of Defense to close, reduce, or otherwise realign defense worker jobs or facilities.

Eligibility of a Positively Affected Community

[ ] This applicant is not positively affected. Please proceed to question 9.

8. An entity is a positively affected defense community if it has experienced:

[X] Increase in military missions, including personnel gains at a military installation, within a municipality or county as a result of a Department of Defense anticipated, planned, announced, or implemented action to increase or otherwise realign defense worker jobs or facilities.

Summary of Impact & Eligibility

9. Provide a Summary of Eligibility regarding status as positively or negatively affected community with documentation.

   Describe the impact of the change in mission or personnel in the military installation or defense facility and community or the gain that is predicted to occur. Describe the impact on housing, transportation, infrastructure, and security where applicable. Attach additional pages as necessary as Attachment D.

Fort Bliss stands as one of the most strategically important military installations in the United States. It is a multi-mission, multi-functional post that supports all branches of the armed services as well as federal agencies, hosting the 1st Armored Division, the 32nd Army Air and Missile Defense Command, the Joint Modernization Command, William Beaumont Army Medical Center, the United States Sergeants Major Academy, Joint Task Force North, and the U.S. Army Garrison Command, among others. Spanning more than 1.12 million acres, Fort Bliss offers unparalleled training capacity, extensive airspace, and unique capabilities such as electronic warfare testing and high-altitude training. It is anchored by Biggs Army Airfield and supported by vital rail and interstate connections, positioning it as the Army's premier power projection platform.

The 2005 Base Realignment and Closure (BRAC) process marked a turning point for Fort Bliss, when a $6 billion federal investment initiated the largest expansion of any base in Department of Defense history. This transformation brought the 1st Armored Division from Germany, multiple brigade combat teams, a combat aviation brigade, and other units that more than tripled the size of the installation. The soldier population rose dramatically, from just over 9,300 in 2005 to nearly 40,000 today, while the base now supports more than 40,000 family members and employs over 13,000 civilians. Including retirees and their families, the total Fort Bliss community reaches as many as 175,000 people. Since BRAC, 198 new facilities encompassing more than 13 million square feet have been built, with additional expansion planned, including the East Bliss development. The new William Beaumont Army Medical Center alone, a complex of six buildings totaling 1.13 million square feet, underscores the increasing demand for reliable infrastructure—particularly water.

See Attachment D for more information.

Project Description

DEAAG program consideration/eligibility is dependent on supporting documentation.

10. Check all that apply:

- [ ] Construct New Facility / Infrastructure[1]
- [X] Expand Existing Facility / Infrastructure[1]
- [ ] Renovate Facility / Infrastructure[1]
- [ ] Federal Grant Match[2]
- [ ] Property Purchase[3]
- [ ] Purchase of Insurance[4]
- [ ] Purchase Capital Equipment
- [ ] Purchase Training Equipment

[1] New Construction, Expansion or Renovation of Facilities or Infrastructure – Describe the use of the facility or infrastructure to be constructed or replaced, expanded, or renovated.

[2] Federal Match Grant – Summarize the use of the DEAAG funding in obtaining federal funding. A federal award letter, Memorandum of Understanding, or agreement must be provided before the release of state grant funds.

[3] Property Purchase – Describe the real or personal property to be purchased. Include general description of buildings and a map of the property to be purchased accompanied by a copy of the conveyance documents or a summary of conveyance negotiations.

[4] Purchase of Insurance – Describe the insurance to be purchased including the type of coverage limits.

11. Provide a description of the project in the space below including specific details and documentation of the applicable project description as noted above. Examples include anticipated costs, project timeline, military gifting timeline, etc. Attach additional pages as necessary as Attachment E.

EPWater supplies potable water to approximately 96% of El Paso County's population and meets 25% of the water needs at the Fort Bliss Army base, including 100% of the water delivered to McGregor Range. The Kay Bailey Hutchison (KBH) Desalination Plant, located on leased Fort Bliss property, treats brackish groundwater from the expansive saline zones of the Hueco Bolson aquifer. EPWater is seeking funding to construct a sixth reverse osmosis (RO) treatment unit to expand the plant's production capacity by 6 million gallons per day (MGD), raising the total capacity to 33.5 MGD.

See attached for Attachment E for more information.

12. Does the project add military value to a military installation or defense facility? How? Attach additional pages as necessary as Attachment F.

Desalination by reverse osmosis was selected as an ideal technology option for the Army and surrounding residential community when the KBH Plant was built (on Fort Bliss property) given the vast brackish water resources in the underground aquifer beneath the base that can serve the Fort Bliss and broader community for many years to come. Desalination can occur regardless of drought or river water availability.

El Paso Water and Fort Bliss have collaborated to develop a set of joint priorities to improve water and mission resiliency, and the KBH Plant expansion is the number one priority identified that will benefit Fort Bliss and the City of El Paso. In addition to providing additional water supply desalination supports Fort Bliss's efforts at long-term aquifer management and support the life expectancy of the wells that provide the remaining 75% of the installation's potable water supply.

See more in Attachment F.

13. Does the project fit into the most recent National Defense Strategy? How? Attach additional pages as necessary as Attachment G.

Yes, this project fits into the most recent National Defense Strategy

While a new National Defense Strategy is due to be released in the near future, the fundamental relationship of a reliable water source of military operations will not change, regardless of priorities. Fort Bliss is one of the U.S. Department of Defense's flagship power projection platforms comprised of state-of-the-art training areas, ranges, an airfield, and facilities; led by adaptive innovative and warrior-focused professionals, concentrated on individual and unit readiness, leadership development, deployment security, and the well-being of Fort Bliss. Fort Bliss trains and sustains, mobilizes and deploys members of the joint team to conduct global, full spectrum operations in support of the national military strategy, while providing for the well-being of the regional military community.

See Attachment G for more information.

14. Does the project have dual community/military benefit? How? Attach additional pages as necessary as Attachment H.

YES – The additional water supply from the desalination plant expansion will meet the needs of a growing community, will serve the needs of a growing military base and will provide resilience benefits to both. The expansion will provide added benefits in protecting the existing freshwater aquifer and enable long-term sustainable management of this resource.

See Attachment H for more information.

15. Does the project add resiliency to the military installation? How? Attach additional pages as necessary as Attachment J.

Yes, this project adds resiliency to the military installation.
The Kay Bailey Hutchison (KBH) Desalination Plant, strategically located on Fort Bliss property, was built in part to strengthen the base's water resilience in a desert environment where fresh groundwater resources need to be appropriately managed for long-term sustainability. The desalination expansion is identified in the Far West Texas 50-Year Water Plan as a critical supply strategy, essential to meeting future demand under conservative state population growth projections.

The expansion directly supports Fort Bliss by increasing drought resiliency, accommodating mission growth, and slowing declines in the Hueco Bolson aquifer's freshwater sections. The project also protects freshwater reserves by maximizing the use of vast brackish resources beneath Fort Bliss, while furthering state and national leadership in inland desalination research.
See Attachment I for more information.

16. Does the project help the military installation become more efficient or save money on costs such as utilities? How? Attach additional pages as necessary as Attachment K.

Fort Bliss and the El Paso community continue to demonstrate strong collaboration, most recently recognized at the Army Community Partnership Awards Ceremony in May 2025. This award highlights partnerships that strengthen military–community relationships, improve efficiency, and create cost savings. A prime example is the construction and ongoing expansion of the KBH desalination facility.

Through collaboration with the local utility and the U.S. Bureau of Reclamation, the City ensures that the financial responsibility for both the construction and expansion of the desalination plant is equitably shared. Without the EPWater's leadership in advancing this project, Fort Bliss would be required to allocate substantial capital resources toward developing an independent water supply system in order to maintain reliability and resilience. By assuming primary responsibility and maintenance for the project, and proactively pursuing additional federal funding opportunities, EPWater has acted to minimize the fiscal burden placed on Fort Bliss. Importantly, among all new supply alternatives evaluated, desalination expansion has been demonstrated to be the most cost-effective long-term option.

See Attachment K for more information.

Projected Completion Date & Project Milestones

17. Complete the following applicable milestones:

Begin Construction: June 2026

Complete Construction: January 2028

Purchase Machinery & Equipment _____

Begin Operations January 2028

Fully Operational 2028

18. Is construction on Department of Defense property?

[X] Yes [ ] No

19. Is construction on local, city, or county owned property?

☐ Yes ☒ No

20. Please provide limited and relevant information concerning your expenses for the project. For example, provide an overview of a budget as opposed to the full budget. Please provide as attachment L.

Administrative costs will not be reimbursed through this grant.

The Office of the Governor follows Texas Grant Management Standards as set by the State of Texas and the Federal Government. Please review these standards before submitting your projected expenses. ***For more information, visit***
https://comptroller.texas.gov/purchasing/grant-management/

Project Expense Estimate

Expense Estimates Schedule (Grant Funds Only)

Purchase of Property	
Professional & Consultant Services	
New Construction (Infrastructure)	$4,000,000
Rehabilitation & Renovation (Infrastructure)	
Capital Equipment 5	
Facilities Insurance	
Training Equipment 6	
Training Supplies 7	
Total Cost (Grant Funds Only)	$ 4,000,000

Provide any clarification in the following space.

Funding for design is not being sought for this project, as it has already been completed. The funding being requested will cover expenses related to the installation of the sixth skid.

5 Per TxGMS, "Equipment" means an article of nonexpendable, tangible personal property having a useful life of more than one year and a per unit acquisition cost of $5,000 or more. **6** *Id.*

7 Per TxGMS, items of equipment with a per unit acquisition cost of less than $5,000 are considered supplies.

Project Funding Sources

Funding Schedule

21. Please complete the following where applicable:

Funding Type	Source	Amount of Funding
Federal		
	US Bureau of Reclamation (USBR)	$2,625,000
State		
	DEAAG TMPC	$4,000,000
Other State/Entity		
Local		
	El Paso Water	$3,891,983
Other		
Total		$ 10,516,983

Other Financial Partners

22. Is DEAAG the sole source of project funding? If no, please provide additional information in the section below.

☐ Yes ☒ No

Provide a description explaining the funding types and sources identified in the funding schedule. Include a description of any ongoing efforts to acquire funding from other sources including federal agencies and other financial partners. Attach additional pages as necessary as Attachment M.

EPWater applied for and was awarded a grant from the US Bureau of Reclamation in the amount of $2,625,000. If awarded the DEAGG grant for the requested amount of $4,000,000, EPWater would be responsible for the remaining local match amount of $3,891,983.

Request for Exceptional Funding

☒ Applicant is **not** requesting exceptional funding.

If requesting more than 50% of the project funds from the TMPC, the following information is needed. Only 50% of the request can be granted without the required justification.

23. Establish and provide justification if requesting greater than 50 percent grant match under Texas Government Code §436.202 and 1 TAC § 4.34; provide explanation and documentation that local community budget and resources are not adequate or available. Justification should include information on the lack of revenue and resources prompting this request. Provide specific information on local efforts to secure adequate funding. A*ttach additional pages as necessary as Attachment N.*

Not Applicable

Additional Information

If additional information specific to this project is needed, please attach pages as Attachment O.

Applications are limited to 50 pages.

Certification of Application

Grantee Governing Body Representative (Required)

Prefix **Ms.**

First Name **Dionne**

Last Name **Mack**

Title **City Manager**

Organization **City of El Paso**

Mailing Address **300 N. Campbell, El Paso, Texas 79901**

Phone Number **915-212-0023**

Fax Number

Email Address mackdx@elpasotexas.gov

To the best of my knowledge and belief, the information contained in this Defense Economic Adjustment Assistance Grant Application is true and correct, as evidence by my signature below. Furthermore, I affirm the authorized representative, the applicant author, or contact person and the project administrator have read chapter 436 of the Texas Government Code and the program administrative rules may be found in Subchapter B of Title 1, Chapter 4 of the Texas Administrative Code and are familiar with the provisions contained therein.

Signature _____ Date _____

(*Governing Body Representative*)

Participating Legal Counsel (Optional)

☐ No legal counsel involved in the project.

This page may be discarded from application package if not used.

Prefix _____

First Name **Roberta**

Last Name **Brito**

Title Senior Assistant City Attorney

Organization **City of El Paso**

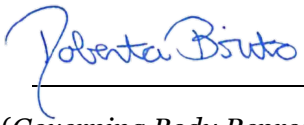
Mailing Address **300 N. Campbell, El Paso, Texas 79901**

Phone Number **915-212-0000**

Fax Number **915-212-0022**

Email Address **BritoRA@elpasotexas.gov**

I confirm that the above-named legal counsel has been retained to participate in this application process as outlined above.

Signature  Date 9/29/2025

(*Governing Body Representative*)

Printed Name Roberta Brito Title Senior Assistant City Attorney

To the best of my knowledge and belief, the information in this Defense Economic Adjustment Assistance Grant Application is true and correct.

Signature _____ Date _____

(*Participating Legal Counsel*)

Printed Name _____ Title _____

Participating Grant Administrator (Optional)

☐ No grant administrator involved in the project.

This page may be discarded from application package if not used.

Prefix _____

First Name **Elda**

Last Name **Rodriguez-Hefner**

Title **Grant Administrator**

Organization **City of El Paso**

Mailing Address **300 N. Campbell, El Paso, Texas 79901**

Phone Number **915-212-1795**

Fax Number

Email Address **Rodriguez-HefnerE@elpasotexas.gov**

Please provide a brief description of grant administrator's role with this application:

Ms. Rodriguez-Hefner, in her role as Grants Coordinator for the City of El Paso, will provide grant oversight on behalf of the City.

I confirm that the above-named grant administrator has been retained to participate in this application process as outlined above.

Signature _____ Date _____

(*Governing Body Representative*)

Printed Name _____ Title _____

To the best of my knowledge and belief, the information in this Defense Economic Adjustment Assistance Grant Application is true and correct.

Signature _____ Date _____

(*Participating Grant Administrator*)

Printed Name _____ Title _____

ATTACHMENT C - City Council Resolution

RESOLUTION

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EL PASO:

That the City Manager or designee is authorized to submit an application to the Office of the Governor, Texas Military Preparedness Commission, for the Fiscal Year 2025 Defense Economic Adjustment Assistance Grant ("DEAAG") to fund the Kay Bailey Hutchison Desalination Plant (KBH) Sixth Skid Expansion Project (the "Project"). The Project is the installation of a sixth water treatment unit at KBH that will serve to increase water production capacity, therefore enhancing resilience for Fort Bliss as a military installation with a total project cost of approximately $10,516,983. Through the DEAAG application, the City is requesting funding in the amount of $4,000,000 (38% of the project cost), with the El Paso Water Utilities-Public Service Board providing a local match of $6,516,983.

Further, that the City Manager, or designee, be authorized to explore funding sources and partnerships and to execute any documents and agreements in relation to the grant, funding sources, and/or partnership agreements, after consultation with the City Attorney's Office. In addition, the City Manager or designee is authorized to sign any related documents, including but not limited to budget transfer authorizations, revisions to the operation plan, grant amendments, and/or corrections or extensions of the grant that increase, decrease or de-obligate program funds.

APPROVED this _____ day of _____ 2025.

CITY OF EL PASO:

_____
Renard Johnson
Mayor

ATTEST:

_____
Laura D. Prine
City Clerk

APPROVED AS TO FORM:

_____
Roberta Brito
Senior Assistant City Attorney

APPROVED AS TO CONTENT:

_____
Yvette Hernandez
Deputy City Manager & City Engineer

ATTACHMENT C – EPWater Public Service Board Resolution

RESOLUTION

A RESOLUTION AUTHORIZING THE PRESIDENT/CEO'S SUPPORT OF THE CITY OF EL PASO'S SUBMISSION OF A GRANT APPLICATION TO THE TEXAS MILITARY PREPAREDNESS COMMISION (TMPC) "DEFENSE ECONOMIC ADJUSTMENT ASSISTANCE GRANT" IN THE AMOUNT OF $4,000,000 IN GRANT FUNDS FOR THE KAY BAILEY HUTCHISON (KBH) SIXTH SKID EXPANSION PROJECT (PROJECT); AUTHORIZE EL PASO WATER'S COMMITMENT TO ALLOCATE AN ESTIMATED $6,516,983 TO THE PROJECT IF GRANT FUNDS ARE AWARDED; AND FURTHER AUTHORIZE THE PRESIDENT/CEO TO PROVIDE AND SIGN ANY DOCUMENTS RELATED TO THIS PROJECT AND GRANT, INCLUDING A MEMORANDUM OF UNDERSTANDING WITH THE CITY OF EL PASO TO ALLOCATE FUNDS IN CONNECTION WITH THIS PROJECT.

WHEREAS, the El Paso Water Utilities Public Service Board (EPWater or PSB) 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 provides Fort Bliss with water service, accounting for twenty-five percent of Fort Bliss' total water supply. Fort Bliss is the second largest Army installation in the United States, and is critical for military training and testing of weapons systems, equipment, and tactics. The expansion of the Kay Bailey Hutchison (KBH) Desalination Plant's production will strengthen Fort Bliss' resiliency to drought.

WHEREAS, EPWater has historically worked with the City of El Paso and the TMPC to obtain funds through the Defense Economic Adjustment Assistance Grants and received funds for EPWater water infrastructure projects to benefit the residents of the City and County of El Paso and Fort Bliss; and

WHEREAS, TMPC has released a funding opportunity through the Defense Economic Adjustment Assistance Grant program and is soliciting eligible proposals for project funding. TMPC requires a resolution of this type for support of a submittal of a formal application by the City of El Paso for such grant funds. If awarded by TMPC, the City and EPWater will enter into a Memorandum of Understanding, authorizing EPWater to fully implement the Project; and

WHEREAS, The application requests a grant amount of $4,000,000, which accounts for approximately 38% of the Project cost. EPWater's estimated funding match will be $6,516,983, which includes grant funding from the US Bureau of Reclamation (USBR) in the amount of $2,625,000; and

WHEREAS, EPWater has determined that the Project, which will involve the installation of a sixth skid (water treatment unit) within the KBH Desalination Plant on Fort Bliss property, meets the objectives and requirements outlined under Texas Administrative Code Title 1, Part 1, Chapter 4, (4.30-4.40).

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 its Government Affairs division, has reviewed and supports the City of El Paso's application for the funding opportunity under TMPC's Defense Economic Adjustment Assistance Grant program for the Project.

Section 3. If awarded, the PSB authorizes the President/CEO to enter into a Memorandum of Understanding with the City of El Paso related to the Project and sign any related documents to the grant, including documents for the acceptance of grant funds required for the funding opportunity under the Defense Economic Adjustment Assistance Grant program in the amount of $4,000,000 for the installation of the sixth skid expansion at the KBH Desalination Plant.

Section 4. That the PSB authorizes EPWater's funding commitment to allocate an estimated $6,516,983 to the Project if Grant funds are awarded by the TMPC.

Section 5. That the PSB agrees to conduct this Project, if awarded, according to all of the water planning, environmental, engineering reporting and accounting procedures required by the TMPC. Additionally, EPWater will work with the City of El Paso and the TMPC to meet established deadlines for entering into a grant agreement and/or interlocal agreement to effectuate the funds.

PASSED AND APPROVED at the regular meeting of the Public Service Board, this 8th day of October 2025 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

_____
Bryan Morris, Chair

ATTEST:

_____
Stefanie Block Uribarri, Secretary-Treasurer

APPROVED AS TO FORM:

_____

Daniel Ortiz, General Counsel

ATTACHMENT D - Eligibility regarding status as positively or negatively affected community with documentation. (continued)

Army policy mandates that Fort Bliss maintain utility infrastructure capable of sustaining operations for two weeks during national emergencies, a requirement that makes water security critical to mission assurance. Currently, Fort Bliss obtains approximately 25 percent of its water from El Paso Water, while 75 percent comes from a private contractor. Between 2011 and 2019, the city utility supplied just under one million gallons of water per day to the base, which translates to an overall daily demand of roughly four million gallons. During periods of peak activity, demand spiked to nearly 7.6 million gallons per day. These figures highlight the urgency of securing greater capacity.

The Kay Bailey Hutchison (KBH) Desalination Plant already plays an important role in meeting these needs. Operated by EPWater in partnership with Fort Bliss, the facility is the world's largest inland desalination plant, with a capacity of 27.5 million gallons per day. Expanding this capacity by an additional six million gallons per day would add more than the equivalent of Fort Bliss's average daily requirements, providing critical redundancy and a safeguard against disruptions. As El Paso and the surrounding region face water stress due to drought cycles and limited surface water availability, desalination offers a reliable and drought-proof source of supply. The brackish wells feeding the KBH facility also help protect freshwater aquifers by slowing brackish water intrusion, making the expansion environmentally beneficial as well.

The positive impacts of expanding Fort Bliss's water supply extend beyond the base itself. With more than 50,000 soldiers, civilians, and employees and a community of 175,000 when including families and retirees, water supports not only mission readiness but also the health, housing, and quality of life of thousands of people. Reliable water ensures the uninterrupted functioning of schools, medical facilities, housing, and fire protection systems. At the regional level, the Texas Comptroller estimates that Fort Bliss contributes nearly $28 billion annually to the state economy, making its stability vital to El Paso's prosperity. Protecting this economic engine requires protecting the infrastructure on which it depends.

Finally, an expanded and resilient water supply directly supports national defense. Fort Bliss is one of only two Army locations with airspace suitable for high-altitude training and the only one capable of supporting large-scale live-fire exercises. It is the Army's key power projection hub, able to deploy forces rapidly by rail, road, or air to both the Atlantic and Pacific coasts. Any constraints on its ability to operate at full capacity due to water shortages would have national security implications. Expanding desalination capacity ensures that Fort Bliss can continue accommodating new missions, testing advanced technologies, and serving as a mobilization center for future operations.

In sum, the expansion of Fort Bliss's water supply is not simply an infrastructure upgrade. It is a strategic investment in national security, regional stability, and long-term sustainability. By strengthening water resilience through desalination expansion, Fort Bliss will be positioned to meet growing operational demands, protect its community, and sustain its vital role as one of America's most important military installations.

ATTACHMENT E – Description of the project (continued)

The KBH Plant employs reverse osmosis to convert brackish water from the Hueco Bolson—estimated to contain 20 million acre-feet of water—into potable drinking water. Previously considered unusable, this groundwater is treated through a high-pressure process where raw water is forced through fine membranes that remove salts and other contaminants. The plant recovers approximately 83% of the input water; the remaining 17% is discharged as concentrate, which is disposed of via deep well injection. The resulting desalted water, or permeate, is stored in a tank for distribution. This desalination process has enabled EPWater to develop a sustainable and innovative water supply for the arid region.

The KBH Plant expansion is divided into three parts.

- Part A, already completed with some assistance from DEAAG funding, was distinct in that it was instrumental in optimizing the provision of water source(s) via a constructed water pipeline that significantly increased the volume of brackish water reaching the plant for treatment.
- Part B will consist of installing the sixth RO treatment unit and making associated facility upgrades within the existing plant infrastructure, which has available space to accommodate the new unit. With the installation of the sixth skid, it will immediately be put into operation, but the new full capacity of 33.5 MGD at the plant may be constrained until implementation of Part C.
- Part C will implement concentrate management solutions, which will likely involve an additional pipeline or expanded pipeline to accommodate additional concentrate and transfer it for disposal to the TCEQ-permitted disposal site.

The upcoming Part B -- installation of the sixth RO unit -- will further enhance the facility's ability to deliver high-quality potable water to the community.

Summary of Improvements

	Description	**Timeframe**	**Cost**
Part A	New brackish water supply parallel pipeline from source water to KBH Plant (6.6 miles)	2018-2019 – Design 2019-2021 - **Construction COMPLETED**	$8.2 million
Part B	Install reverse osmosis treatment unit, building and chemical storage upgrades for new RO treatment unit	2022-2027 Design and construction 2028 - Operation	$10.5 million

Part C	Brine minimization and concentrate management solutions	2027-2030	$5 – $15 million (estimated)
Results: 6 MGD of increased capacity			

This project - Part B of the KBH Plant expansion -- will include several elements to support the addition of the sixth reverse osmosis treatment unit such as:

- Sand Strainers – The increased capacity of 6 MGD will cause existing sand strainers will reach their maximum flow capacity. An additional sand strainer of the same capacity as the existing ones will provide redundancy and alleviate the increase in particle loading.
- Cartridge Filter Housings – To meet increased feed flow, one additional cartridge filter housing will be required.
- Chemical System Evaluation – The increased capacity resulting from the sixth RO treatment unit will require chemical systems to be evaluated and adjusted to continue to meet all necessary regulations and specifications.
- Instrumentation and Controls – Original installed equipment may require upgrades for compatibility with current market software necessary to support the addition of the six RO treatment unit.

The sixth skid installation will be fully functional and operational in 2028. It will be put into a rotation with the remaining five skids. However, full plant capacity of 33.5 MGD requires the additional concentrate solutions implementation (Part C). In the meantime, the plant will be able to increase production capacity by 2 MGD.

KBH Sixth Skid Expansion Project Cost Estimate:

Item No.	Qty	UOM	Description	Unit Price	Cost
1	1	L.S.	Insurance, Bonds, and Move-in Related Expenses. (Not to Exceed 5% of Proposal Item Nos. 2 through 4. If Item No. 1 exceeds 5%, proposal may be deemed non-responsive).	$ 454,214	$ 454,214
2	1	L.S.	Construction of the entire project, excluding Items 1, 3, 4, complete in place	$ 8,525,137	$ 8,525,137
2a	1	L.S.	Sand Strainer	$ 969,229	$ 969,229
2b	1	L.S.	Sand Strainer PLC Improvements	$ 542,765	$ 542,765
2c	1	L.S.	Sand Strainer Monorail	$ 123,824	$ 123,824
2d	1	L.S.	Blow-Off Line	$ 714,807	$ 714,807
2e	1	L.S.	Cartridge Filter	$ 457,766	$ 457,766
2f	1	L.S.	RO Feed Pump	$ 662,907	$ 662,907
2g	1	L.S.	RO Unit 6	$ 3,984,966	$ 3,984,966
2h	1	L.S.	CIP Improvements	$ 46,212	$ 46,212
2i	1	L.S.	Sodium Hydroxide and Corrosion Inhibitor Pumps	$ 280,685	$ 280,685
2j	1	L.S.	Corrosion Inhibitor Tank and Containment	$ 657,565	$ 657,565
2k	1	L.S.	Yard Flow Meter Vault	$ 84,411	$ 84,411
3	1	L.S.	Trench Safety System: Trench Box Method and/or Shoring, Sheeting, and Bracing Method, complete in place	$ 11,961	$ 11,961
4	1	ALLOWANCE	Allowance for Owner Approved Items - furnishing and installing 16”-20” magnetic flow meters, furnishing and installing gate valves for 16”-36” water lines, linestops, temporary bypass for 16”-36” water lines, less than 100 LF of 16”-36” pipeline replacement, or improvements to existing electrical, SCADA or instrumentation necessary or required by code for the implementation of this Project	$ 569,582	$ 569,582
Subtotal					**$ 9,560,894**
Contingency (10%)					$ 956,089
Total					**$ 10,516,983**

KBH Sixth Skid Expansion Project Schedule for Construction/Installation:

Milestone	Projected Date
First Advertisement	February 2026
Open Bids	March 2026
Award of Contract	May 2026
Forecasted Start of Construction	June 2026
Final Completion	January 2028

ATTACHMENT F - Military value for installation

The Kay Bailey Hutchison Desalination Plant (KBH): A Critical Water Source

The Kay Bailey Hutchison Desalination Plant (KBH), a joint project between EPWater and Fort Bliss, plays a central role in supporting water needs for the installation. Completed in 2007, KBH is the world's largest inland desalination plant and a model for inland cities facing water scarcity. With a peak capacity of 27.5 million gallons per day (MGD), it has produced over 47 billion gallons of potable water since its opening.

The plant currently contributes approximately 25% of the drinking water for the Fort Bliss Cantonment Area. Its strategic location near the William Beaumont Army Medical Center also positions it to support the area known as "East Bliss," which is slated for future mission growth and expansion of residential, dining, administrative, and mission-critical facilities.

Planned Expansion of KBH and Future Needs

Fort Bliss is poised for continued growth in both population and mission scope. As its infrastructure expands, it is essential that water supply capacity keeps pace. Fort Bliss has indicated the need to increase water delivery to McGregor Range to support mission expansion. Enhancing water infrastructure on the range will allow the installation to better meet current and future national security objectives.

To address these needs, a proposed expansion of the KBH plant would add a sixth water treatment skid, boosting capacity from 27.5 to 33.5 MGD. This would not only support the range's growing needs but also provide a redundant water source for East Bliss—eliminating the need for the Army to drill new wells and reducing long-term costs.

Strategic Significance and State-Level Recognition

The 2021 Texas Military Value Task Force Report identified the KBH plant as a key strength for Fort Bliss. The report also highlighted opportunities for partnerships between the Department of Defense, private sector, and academia to enhance military missions in Texas. While EPWater is not a private entity, its collaboration with Fort Bliss represents a strong and beneficial economic partnership.

El Paso's long-term water planning has prioritized diversification and drought resiliency. The city continues to explore new supply options to meet a projected need for an additional 13,000 acre-feet of water by 2040, as recommended in the Texas Water Plan. Desalination remains a cornerstone of this strategy, ensuring that El Paso and Fort Bliss can continue to thrive amid increasing demand and limited freshwater resources.

	2020	2030	2040	2050	2060	2070
Fort Bliss Total Projected Demand	5,679	5,719	5,822	5,980	6,129	6,279

EPWater Contribution (25%)	1,420	1,430	1,456	1,495	1,532	1,570
KBH Average Production	8,128**	16,000	17,400	18,800	20,300	24,800

The expansion of the KBH plant is a critical water supply project designed to secure Fort Bliss's water needs while supporting the long-term economic vitality of the region.

Another benefit of expansion lies in its ability to provide a buffer during seasonal fluctuations and unanticipated surges in demand. For example, during the severe river drought of 2012, the KBH plant was forced to run at peak capacity in May and June to meet the community's needs. By expanding production capability, EPWater ensures it can compensate during times of crisis or drought, while also safeguarding against emergency peaking situations. In essence, the expansion not only secures today's supply but also establishes a robust contingency plan for the future.

ATTACHMENT G - Fit with National Defense Strategy

Expanding the capacity of the Kay Bailey Hutchison Desalination Plant (KBH) is vital to meeting all four main objectives identified in the 2022 National Defense Strategy (NDS): 1) Defending the homeland; 2) Deterring attacks against the U.S and its foreign allies; 3) Deterring foreign aggression; and 4) Strengthening America's "Joint Force" and defense ecosystem. It is important to keep in mind that, while the Plant delivers approximately 25% of the total water consumed on Fort Bliss, it delivers 100% of the water consumed on the McGregor Range, which is the premier field training range in the Army. Safe, reliable, and resilient water supply is critical to training tomorrow's warfighter today, and maintaining the Army's readiness to implement the National Defense Strategy worldwide.

Following are 2022 key priorities, objectives and themes outlined in communications by the DoD on the Nation Defense Strategy and specific areas where this project and Fort Bliss and McGregor Range missions fit with the National Defense Strategy (NDS).

NDS Priorities

1. Defending the homeland, paced to the growing multi-domain threat posed by the PRC
2. Deterring strategic attacks against the United States, Allies, and partners
3. Deterring aggression, while being prepared to prevail in conflict when necessary, prioritizing the PRC challenge in the Indo-Pacific, then the Russia challenge in Europe
4. Building a resilient Joint Force and defense ecosystem.

Fort Bliss and McGregor Range together provide a unique "convening" asset that brings together all branches of the Armed Forces for training exercises and also brings NATO allies together for joint training. Fort Bliss and its training ranges epitomize the concept of the defense ecosystem mentioned in the fourth priority. While much of that ecosystem spans the nation and globe, Fort Bliss is one of the few places where there is direct in-person coordination, engagement, and training. Expansion of the KBH Plant will enhance the capacity for training through put, meaning that more power may be brought to bear in a more timely fashion.

NDS Goals

- Integrated deterrence entails developing and **combining our strengths to maximum effect, by working seamlessly across warfighting domains**, theaters, the spectrum of conflict, other instruments of U.S. national power, and our unmatched network of Alliances and partnerships. Integrated deterrence is enabled by combat-credible forces, backstopped by a safe, secure, and effective nuclear deterrent.
- Campaigning will strengthen deterrence and enable us to gain advantages against the full range of competitors' coercive actions. The United States will operate forces, synchronize broader Department efforts, and align Department activities with other instruments of national power, to undermine acute forms of competitor coercion, complicate competitors' military preparations, and **develop our own warfighting capabilities together with Allies and partners.**
- Building enduring advantages for the future Joint Force involves undertaking reforms to accelerate force development, getting the technology we need more quickly, and making

investments in the extraordinary people of the Department, who remain our most valuable resource.

Similar to strengths outlined in the priorities above, Fort Bliss and the McGregor Range missions fit well with the NDS goals and contribute to development of warfighting capabilities with Allies and partners," and "working seamlessly across warfighting domains."

NDS Themes

The following themes are mentioned that show alignment between this project, the missions of Fort Bliss; and McGregor Range and the NDS.

- "The Department will take necessary actions to **increase resilience**…"
- "Mutually-beneficial **Alliances and partnerships** are an enduring strength for the United States, and are critical to achieving our objectives…"
- "This requires a Joint Force that is lethal, **resilient, sustainable**, survivable, agile, and responsive."

The expansion of KBH to deliver increased water quantities for current and future McGregor Range missions is all about resilience, sustainability and fostering the alliances and partnerships through training opportunities. In addition, the enhanced capacity of KBH will allow for it to serve as an emergency redundant water supply for the main Cantonment Area, and provide the potential to serve future mission expansion on the East Bliss area of the Post.

ATTACHMENT H - Dual Community/Military Benefit

Water Security

The planned expansion of the KBH Desalination Plant is a vital step in ensuring water security for both the El Paso community and Fort Bliss. By increasing the supply of treated water, the project addresses the needs of a growing civilian population and a growing military base, while also safeguarding the region's long-term resilience against drought and protecting the long-term sustainability of the aquifer.

For decades, the primary water source for El Paso and Fort Bliss was the Hueco Bolson aquifer. Historically, over-pumping led to declines in water levels and an overall drop of nearly 200 feet over the last century. While conservation, expanded use of river water and the construction of the KBH plant have slowed these declines, long-term sustainability requires that water needs be met by other sources. The desalination plant expansion will reduce pressure on the aquifer, protect this shared resource and enable sustainable management.

Surface water supplies from the Rio Grande, once a dependable source have become increasingly unreliable due to drought cycles. Average annual precipitation in El Paso is just 9.69 inches, and Elephant Butte Reservoir—where river water is stored—has been at alarmingly low levels, holding only three percent of capacity as of September 2025. Over the past decade, drought cycles have cut El Paso's annual surface water supply by 30%, with water deliveries limited to only two months this year. These fluctuations highlight the urgency of diversifying water resources, a challenge the KBH plant expansion directly addresses.

The expansion is not only necessary but also cost-effective. Within El Paso's 50-Year Water Plan, it is identified as one of the most affordable and practical strategies for securing water supply. Fort Bliss staff actively participate in this planning process because they recognize that water resources are shared and that the military's mission readiness depends on the same reliable supplies as the civilian community. By expanding the KBH plant, El Paso Water takes a proactive step to stabilize regional water supplies, ensuring that both residents and the military have access to the resources that need to thrive.

Water Infrastructure Creates Economic Benefits

In 2017, the Value of Water Campaign produced *The Economic Benefits of Investing in Water Infrastructure* report. The study reported that if $123 billion were invested in water infrastructure in the U.S., it would lead to over $220 billion in total annual economic activity to the country. Using this formula, a $1 million investment would produce $1.78 million in economic activity. The capital cost of the KBH Sixth Skid Project is $10M, which would produce $17,800,000 worth of economic activity.

The report also states that a $1 million investment in water infrastructure is estimated to generate over 15 jobs throughout the economy. To apply this to the KBH Sixth Skid Expansion Project, the $10,516,000 investment will translate into 150 jobs because of economic activity directly related to the project.

Total Capital Costs	Economic Impact of KBH Expansion – Sixth Skid	Total Jobs Created in the Economy
$10,516,000	$17,800,000	150

Fort Bliss Contributions to El Paso and Texas Economy

The Texas Comptroller of Public Accounts analyzed the impact on the state's economy of the U.S. military installations within Texas at the request of the Texas Military Preparedness Commission. The Comptroller estimated the following economic benefits of Fort Bliss, based on 2021 data. Fort Bliss contributes $23 billion to the Texas economy, and much of that directly benefits El Paso.

The KBH Expansion project will help Fort Bliss to continue to thrive and grow and contribute to the broader El Paso economy.

Metric	Value
Total Direct/Indirect Employment	46,971/120,799
Gross Domestic Product	$13.6 billion
Disposable Personal Income	$7.9 billion

Ultimately, the KBH desalination plant expansion represents a dual investment in community resilience and national security. For El Paso's 830,000 residents, it means greater reliability in an era of climate uncertainty. For Fort Bliss, it means the assurance that training and operational readiness will not be undermined by water scarcity. Together, these benefits underscore why the expansion is not just a local project, but a regional necessity.

ATTACHMENT I – Resiliency to the military installation (continued)

KBH is strategically placed on leased Fort Bliss property. Its proximity to critical Fort Bliss infrastructure is beneficial given the direct connection to a master meter - one of nine. The figure above outlines the placement of the KBH Desalination Plant which feeds into a blended pipeline along Loop 375. Before it hits that line, however, there is a line that feeds into a set of Fort Bliss water storage tanks. Although there is not a dedicated water line to these tanks, they are positioned to receive the first direct allocation of KBH treated water before hitting the blended water line along Loop 375.

Currently, desalination accounts for about 5% of EPWater's supply, but with full expansion the contribution will double to 10% by 2070 under non-drought conditions. Because KBH operations are flexible, this percentage could increase significantly in times of drought or reduced surface water availability, making it a key resilience strategy during times of uncertainty of Rio Grande allocations. The addition of a sixth skid will further enhance reliability for Fort Bliss by allowing continuous production during maintenance, strengthening operational flexibility.

Fort Bliss' unique location in an arid, high-altitude desert makes water resilience particularly critical. While the terrain is ideal for military training, it creates unique supply challenges. KBH has enabled substantial base growth despite these limitations, supporting critical infrastructure such as the William Beaumont Army Medical Center, which opened in 2021. Facilities like this expand the base's capacity to provide combat support and new mission readiness—growth that would not be possible without innovative and resilient water solutions. The Fort Bliss 2020 installation master plan anticipates planned East Bliss expansion beyond the Medical Center to include facility siting, quality-of-life facilities, growth of family housing, childcare, and other service amenities. As infrastructure grows, there is need for water services to be provided, the KBH Plant with expansion can meet those growth needs.

By securing a redundant, supplemental, and adaptable water supply, the KBH expansion ensures Fort Bliss can continue to thrive. It not only strengthens the resilience of the base's current operations but also lays the foundation for future mission expansion, making the desalination plant a cornerstone of both military readiness, and long-term regional stability and resilience.

ATTACHMENT K – Efficiency, saving resources, or saving money (continued)

Comparative cost analyses indicate that groundwater is the least expensive source at approximately $250 per acre-foot for treatment, followed by river water at $340, and desalinated water at $500. However, river water remains an unpredictable and unreliable resource, particularly during off-season periods, and exclusive reliance on groundwater is not sustainable due to risks of over-extraction and the risks of saltwater intrusion. Furthermore, as Fort Bliss expands eastward, newly developed wells in that area are predicted to exhibit elevated salinity levels, rendering well drilling unsuitable as a viable supply option for groundwater treatment. This would, however, be a viable source of water by adding desalination treatment processes. However, through its partnership with EPWater, Fort Bliss secures a reliable and resilient supply without the need for direct capital investment. This partnership also leverages EPWater's extensive expertise in desalination, eliminating the inefficiencies and risks associated with the base developing its own desalination capacity. While desalination carries higher unit costs, EPWater effectively integrates these expenses into its broader system operations, thereby maintaining affordable rates for all ratepayers, including Fort Bliss.

The planned expansion of the Kay Bailey Hutchison Desalination Plant is therefore essential to the region's long-term water security. This initiative will expand available supplies, support continued population and economic growth, and enhance the resilience of El Paso's and Fort Bliss's water systems. Sustaining and strengthening this critical infrastructure is integral not only to maintaining a reliable water supply, but also to advancing regional economic stability and national security objectives.