

# **Mission Economic Development Corporation Tax-Exempt Bond Financing**



**Upwell Water LLC  
UW CMC LLC**

**Zero Liquid Discharge &  
Transforming Brines into Industrial Chemicals**

NOVEMBER 7, 2023

CITY OF EL PASO

# ZERO LIQUID DISCHARGE FACILITY OVERVIEW

## Project at a Glance

- Blue Brine ("BB"), through its project company UW CMC LLC (the "Company"), is raising financing for a state-of-the-art water processing plant (the "Plant").
- The Plant, located in TX, has executed a 20+ year contract with El Paso Water (S&P & Fitch AA+, "EPWU" or "Offtaker").
- Offtaker supplies feedstock at zero cost. The Plant processes and returns fresh water, which Offtaker purchases, take-or-pay.
- The Plant also recovers minerals and produces byproducts (primarily hydrochloric acid ("HCl"), caustic soda ("NaOH") and gypsum, collectively "Byproducts").
- Byproducts, representing a majority of revenue, are contracted for volume at market price, with a cost advantage in the regional market.
- Company has already largely constructed the Plant with scheduled full operation ("COD") in early 2025.
- The Plant contributes to the circular economy. It returns ~1 billion gallons per year of fresh water, creates zero liquid discharge, avoids transport and underground discharge, and produces Byproducts locally. This avoids long transportation ranges and associated carbon emissions.

## Strategic Partners



Crestview **Jacobs** NORAM

## Asset and Plant Overview

### Project Location



*The plant will supply El Paso Water with ~1 billion gallons of fresh water per year.*



# THE ZLD OPPORTUNITY IN DESALINATION

## Benefits and Impact

- **Resource Recovery:** Lower production costs for water and “Green” minerals.
- **Water Conservation:** Approximately 1 billion gallons of fresh water production annually from previously discharged brine generated by the Kay Bailey Hutchinson desalination facility.
- **Environmental Protection:** Zero Liquid Discharge of anything to the environment.
- **Energy Efficiency:** Cogenerated water and Industrial green minerals is highly efficient.
- **ESG benefits:** Lower GHG production and no deep well reinjection impact.
- **Enhanced Public Image:** Implementing ZLD demonstrates a commitment to environmental sustainability, improves a company’s image and relationships with stakeholders.
- **Economic Development:** Satisfies rapidly growing demands for potable water.

# TAX-EXEMPT BOND FINANCING FOR FACILITY UPGRADES AND EXPANSION

## Tax-Exempt Bond Overview

- **Cost of Upgrades:** Company is investing approximately \$100 million to upgrade and expand production at the facility located at 3640 Global Reach, El Paso.
- **Public Hearing Requirement:** To utilize tax-exempt bonds, under federal tax law a public hearing must be held pursuant to Section 147(f) of the Internal Revenue Code of 1986, as amended.
- **Resolution Requirement:** Approval of the City Council is required under Texas law (for the MEDC Issuer's Bonds) pursuant to the Development Corporation Act, Local Government Code, Chapter 501, as amended.
- **Fiscal Impact:** There is no payment obligation, risk or liability to the City of El Paso with regards to holding the public hearing or approving the resolution.
- **Prior Approval:** El Paso held a public hearing and approved a resolution for a similar \$48 million tax-exempt bond transaction for this facility on October 20, 2015.

**Questions?**