



BROWNSVILLE
PUBLIC UTILITIES BOARD

At the heart
of every home

2024-2025 ANNUAL REPORT

Overview



Electric Peak Demand

332

megawatts on

MAY
9th



Water Peak Demand

26.6

million gallons on

AUG
4th



Total Combined
Budget

\$276.32
million

Customer Contracts
(year end)

158.2K

Electric, Water &
Wastewater
(combined)



Employees (year end)

632

Bond Rating

A2

Moody's

A-

Standard & Poor's

A-

Fitch



A Legacy of Community Commitment

As early as 1900 the citizens of Brownsville undertook the responsibility to secure the funding to build the infrastructure necessary to provide reliable public utility services. In 1960 the Brownsville Public Utilities Board (BPUB) was created through the City Charter as a separate entity to carry on with the responsibility of providing reliable water, wastewater and electric services while remaining a municipally owned utility. This unique status empowers us to prioritize the needs of Brownsville's residents, reinvesting revenues directly into improving infrastructure, enhancing services, and supporting local initiatives.



BPUB's legacy is built on a foundation of community-focused values. As a public utility, we have the privilege of aligning our goals with the priorities of our customers – our neighbors. This includes keeping rates competitive, maintaining dependable service, and spearheading innovative programs like renewable energy integration and sustainable water management.

Our commitment to transparency and accountability ensures that every decision we make reflects the best interests of Brownsville. From upgrading critical infrastructure to supporting economic development, BPUB continues to honor its mission of improving the quality of life in our community while planning for the challenges of tomorrow.

As we look to the future, our role as a municipally owned utility remains central to our vision: powering growth, ensuring sustainability, and delivering value to every resident we serve.

Board of Directors

Gerado Martinez
Chair

Alonzo "Al" Villarreal
Vice-chair

Daisy Zamora, Ph.D.
Secretary/Treasurer

Alejandro Najera
Member

Joseph L. Hollmann, Ph.D.
Member

Martin Sarkis
Member

John F. Cowen, Jr.
Ex-Officio Member, Elected

Executive Management

Marilyn D. Gilbert
General Manager & CEO

Mark Dombroski
Asst. General Manager & COO

Mike Perez
Chief Financial Officer

Constanza Miner
Chief Administrative Officer

Paul Gonzalez
General Counsel & Chief Legal Officer



CEO Letter

Marilyn D. Gilbert

To our Customers and Community,

Reflecting on 2025, it is clear that resilience is more than just a goal at BPUB; it is how we operate. Over the past year, we faced challenges that tested both our systems and our people. Those obstacles did not slow us down. Instead, they reinforced our core mission: delivering the reliable, transparent, and high-quality service Brownsville deserves.

We did not just maintain the status quo this year. We treated 2025 as the essential preparation for our future. We prioritized the critical infrastructure that keeps the lights on and the water flowing, but we also looked inward. We invested in our workforce and modernized our technology because we know that our people are just as vital to our success as our pipes and wires.

What I am most proud of is our commitment to real, measurable accountability. We spent this year setting the stage for a new level of transparency. Whether it was improving our financial performance or enhancing how we engage with you, our customers, every decision was driven by data and the reality of a growing city. We are benchmarking our performance against state and national standards to ensure we are delivering the best possible value.

With the launch of our 2026–2030 Strategic Business Plan, we now have a definitive playbook for our future. This five year roadmap is already in motion, guiding our efforts to keep rates fair, our systems resilient, and our community's trust at the center of everything we do. It is a deliberate, structured commitment that ensures we are not just reacting to the present, but actively building for the next generation.

BPUB is a community owned utility, which means we answer to you. Our success this past year is a testament to the hard work of our employees and the strength of our partnership with the City of Brownsville. Together, we are building a foundation that will support this community for generations to come.

Sincerely,

Marilyn D. Gilbert,
General Manager & CEO
Brownsville Public Utilities Board

Strong Financial Outlook

Excellence in Financial Reporting

In 2025, BPUB continued strong financial stewardship while investing in infrastructure, workforce development, and customer service improvements.

The organization received national recognition for financial transparency and accountability, earning both the Government Finance Officers Association (GFOA) Certificate of Excellence in Financial Reporting and the GFOA Distinguished Budget Presentation Award for Fiscal Year 2024. These honors recognize clear reporting, responsible budgeting, and effective communication of financial information.

During the year, \$60.855 million in Utility System Refunding Bonds were issued, improving debt structure and increasing long-term financial flexibility.

Fitch Ratings also upgraded the credit rating from A- to A, noting continued strength in financial management, governance, and operations.

Grant funding added further support with six awards totaling \$56,788,654 secured during fiscal year 2025. These funds are helping offset capital costs and move projects forward without placing an additional burden on ratepayers.

Overall, financial decisions continue to focus on long-term stability, with careful planning, use of external funding, and responsible debt management supporting future growth and infrastructure needs.



David Medrano, Director of Finance, along with the Finance Department, has been awarded both the Government Finance Officers Association (GFOA) Certificate of Excellence in Financial Reporting and the GFOA Distinguished Budget Presentation Award for Fiscal Year 2024.

\$51.7M

total funding through four grants:

\$3M



Resaca de la Guerra

Bureau of Reclamation grant to restore and enhance the ecological health of the Resaca de la Guerra in Brownsville by removing invasive vegetation, replanting native species, and constructing a walking trail for public access.

\$1M



Wastewater Improvements

Install new sewer infrastructure in the Saldivar-Central Estates Colonia to address the lack of water service and improve living conditions.

\$500K



Water Plant No. 1 Improvements

Upgrade the Water Treatment Plant No. 1 Raw Water Pumping Station by replacing three turbine pumps to improve water flow control and efficiencies.

\$34.5M



Banco Morales Reservoir Projects

Construct an off-channel reservoir to capture surplus Rio Grande flows, adding 400 million gallons of storage capacity.

\$12.7M



Indirect Potable Reuse (IRP) Project

BPUB is retrofitting the Robindale Wastewater Treatment Plant to treat and reuse up to 8 million gallons per day (MGD), increasing the city's available water supply by about 22%. Through the Indirect Potable Reuse (IPR) project, reclaimed water will be diverted to the Resaca de la Guerra as an environmental buffer, then further treated at Water Treatment Plant No. 2 for drinking water. The project follows Texas Senate Bill 905 and TCEQ potable reuse regulations, and is estimated to cost about \$40 million, with construction expected to be completed by 2028.

General Financial Summary

Fiscal Year 2024 Highlights

\$276.32M

Total Combined Budget

\$17.58M

Transfer to the City of Brownsville

\$11.31M

Net Cash Transfer to COB after usage

BPUB Financial Highlights for the FY2025

\$649.08M

Capital Assets, net of accumulated depreciation

General Financial Summary

Customer Unit Sales / Operating Revenues			
Sales	Audited FY2023	Audited FY2024	Audited 2025
Electric Service - kWh	1,349,673,258	1,366,953,084	1,380,191,805
Water Service - 1,000 gallons	6,696,094	6,629,130	6,518,665
Wastewater Service - 1,000 gallons	4,784,339	4,735,972	4,701,467
Operating Revenues	Audited FY2023	Audited FY2024	Audited 2025
Electric Service	\$214,279,060	\$175,332,512	\$166,673,238
Water Service	\$36,470,609	\$39,461,604	\$39,976,467
Wastewater Service	\$28,901,403	\$31,424,566	\$33,279,624
Total Utility	\$279,651,072	\$246,218,682	\$239,929,329
Summary of BPUB Transfers to the City			
Year Ended	Cash Transfers to the City	City of Brownsville Usage	Total Transfers
September 30, 2023	\$12,055,925	\$6,053,425	\$18,109,350
September 30, 2024	\$11,393,548	\$6,089,411	\$17,482,959
September 30, 2025	\$12,452,738	\$4,894,364	\$17,347,102
Debt Service Coverage			
	FY 2023	FY 2024	FY 2025
Debt Service Coverage Ratio	2.84	2.48	2.23

Protecting Water Resources During Prolonged Drought Conditions

South Texas continues to experience drought conditions, making water conservation and responsible resource management a daily priority. BPUB maintained active drought-response measures aligned with regional water-planning strategies and community needs.

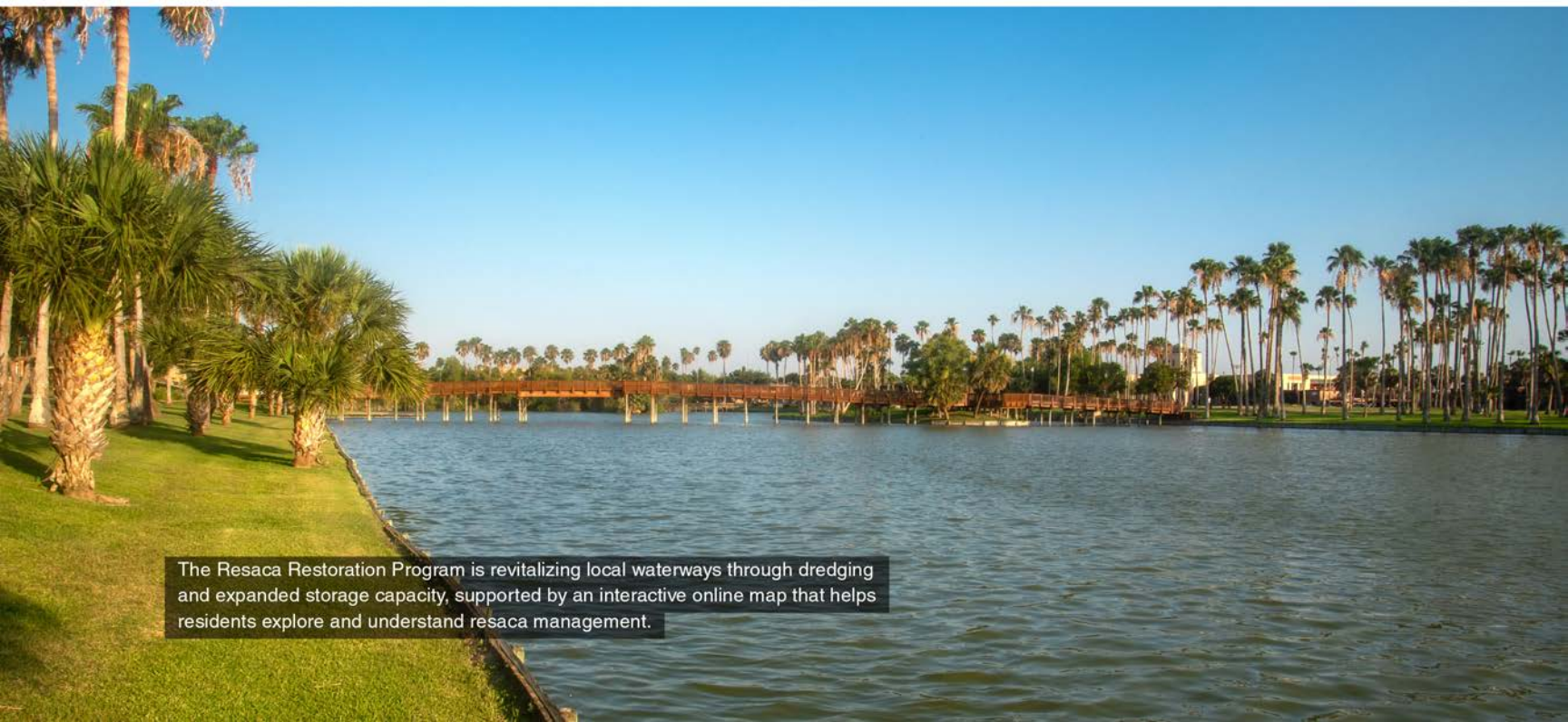
Stage 2 measures stayed in place throughout the year, focusing on outdoor watering schedules, conservation awareness, and demand management. Non-essential watering is prohibited, such as washing buildings, using water for dust control, or allowing water to run into the streets. Lawn watering by a sprinkler system is restricted to two days a week, based on the last digit of the service address, from midnight through 7:00 a.m. and from 7:00 p.m. through midnight.

Outreach efforts encouraged customers to adopt water-saving practices through consistent messaging across digital platforms, billboards, and community events.

Initiatives like the Conservation Superheroes contest engaged residents in a creative way, while the GoGreen program promoted water-efficient upgrades through a toilet rebate incentive. The promotion ran from June 17 to September 30, increasing the rebate from \$50 to \$100 per toilet, with 374 residential and commercial customers participating by the end of the year.

At the same time, long-term projects continued moving forward, including infrastructure improvements and efforts to expand reservoir capacity. The Resaca Restoration Program remains a key part of this work, with a pilot dredging project now in full implementation. The project is expected to remove approximately 100,000 cubic yards of sediment and restore about 20 million gallons of storage capacity.

To support public awareness, an interactive map was launched on the website, helping residents better understand the resacas and their management. Together, these efforts support both current conservation needs and the long-term reliability of the water system.



The Resaca Restoration Program is revitalizing local waterways through dredging and expanded storage capacity, supported by an interactive online map that helps residents explore and understand resaca management.

Delivering Reliable
Public Utility Services

BPUB’s mission is centered on serving customers and delivering safe, reliable utility services. As a community-owned utility, the organization recognizes the vital role that electricity, water, and wastewater play in everyday life and in supporting a strong, stable community.

Reliability remains a top priority. The utility invests in infrastructure maintenance and system modernization to strengthen performance and reduce service interruptions. When disruptions do occur, the focus is on clear communication, quick response, and minimizing the impact on customers.

Affordability is also a key part of the approach, with efforts focused on balancing operational needs while keeping services accessible. Across all areas, customer service guides decision-making and reinforces BPUB’s role as a trusted partner in the community.



Community First

As a municipally owned utility, we serve the community's interests by delivering services efficiently and affordably



Local Response

Staff and facilities are local, resulting in faster response times and reduced customer downtime.



Nonprofit Status

This means BPUB reinvests earnings into the community and supports job creation, infrastructure improvements, educational initiatives, and public services.



Customer-Led Governance

With a representative board appointed by City Commissioners and the city mayor serving as an ex officio member, the community has a voice in decisions regarding the local utilities.

Electric Rate Comparisons:
Based on 1,000 kWh usage

Electric Rate:

10.62¢
per kWh

Residential Bill:

\$106.24
per kWh

Company	Rate (cents)	Bill
MVEC	11.10¢	\$110.95
Amigo Energy	12.76¢	\$127.59
Cirro Corp.	15.11¢	\$151.10
TXU	15.55¢	\$155.54
Direct Energy	15.46¢	\$154.58
IGS Energy	15.89¢	\$158.85
Reliant	15.86¢	\$158.60
Ambit Energy	19.26¢	192.59

Data as of September 2025: At the close of Fiscal Year 2025, BPUB maintained competitive electric rates, with residential customers paying an average of 10.62¢ per kWh based on 1,000 kWh usage. This rate remains lower than many private providers, reflecting BPUB’s commitment to affordability and transparency. A detailed chart in this section illustrates how BPUB’s rates compare to those of other providers, highlighting our focus on delivering value to our community.

Planning for the Future

BPUB's 2025 Integrated Resource Plan

In fiscal year 2024–2025, BPUB completed its 2025 Integrated Resource Plan, a comprehensive roadmap to guide our energy future through 2055 with a clear commitment to reliable, affordable, and sustainable service for customers.

The process introduced a new level of stakeholder engagement, bringing together the Public Utilities Board Community Advisory Panel (PUBCAP), Board of Directors, City Commission, economic development groups, and customers through six public workshops. During the 10-month process, the plan was developed through key milestones, including the initial project rollout, load forecasting, resource cost analysis, PUBCAP recommendations, and final Board approval in March 2025. PUBCAP helped define evaluation criteria that went beyond cost to include reliability, environmental performance, and local economic benefits such as job creation.

Following a comprehensive review, the Board selected the Preferred Balanced Portfolio, selected for its lowest total risk-adjusted cost and its balance of affordability, reliability, and environmental responsibility. The plan includes a mix of 40 percent gas-fired capacity and 60 percent renewable energy, supported by solar generation, battery storage, flexible natural gas resources, and expanded energy efficiency programs.

The strategy was tested across a range of scenarios, including extreme weather conditions, significant demand growth of over 100 MW post-2030, fuel price fluctuations, and potential policy changes. Across each scenario, the approach remained firm. Renewables consistently hedged against fuel price risk, while flexible natural gas resources provided the quick-start reliability needed during peak events.



Brownsville Mayor John Cowen, along with members of the Public Utility Advisory Panel and key stakeholders, participated in the Integrated Resource Plan Workshop.

BPUB's load forecast anticipates steady energy sales growth of about 0.6 percent annually, with increasing electric vehicle adoption expected to gradually shift peak demand from summer to winter by around 2045. From 2025 through 2030, planning efforts include retiring aging Silas Ray units, issuing requests for new capacity, expanding energy efficiency programs, and working with ERCOT on transmission upgrades in the Lower Rio Grande Valley. The Integrated Resource Plan will be revisited every three to five years to stay aligned with changes in technology, market conditions, and community needs.

The 2025 IRP lays out a clear path forward, grounded in community input and focused on delivering reliable, forward-looking energy solutions for Brownsville over the long term.



FOUR RESOURCE TYPES FORM THE BACKBONE OF BPUB'S RESILIENT GRID:

Battery Energy Storage Systems to shift energy to when customers need it most

Demand-Side Management Programs to reduce consumption and lower peak load requirements

Flexible Natural Gas-Fired Resources for fast-responding peak capacity

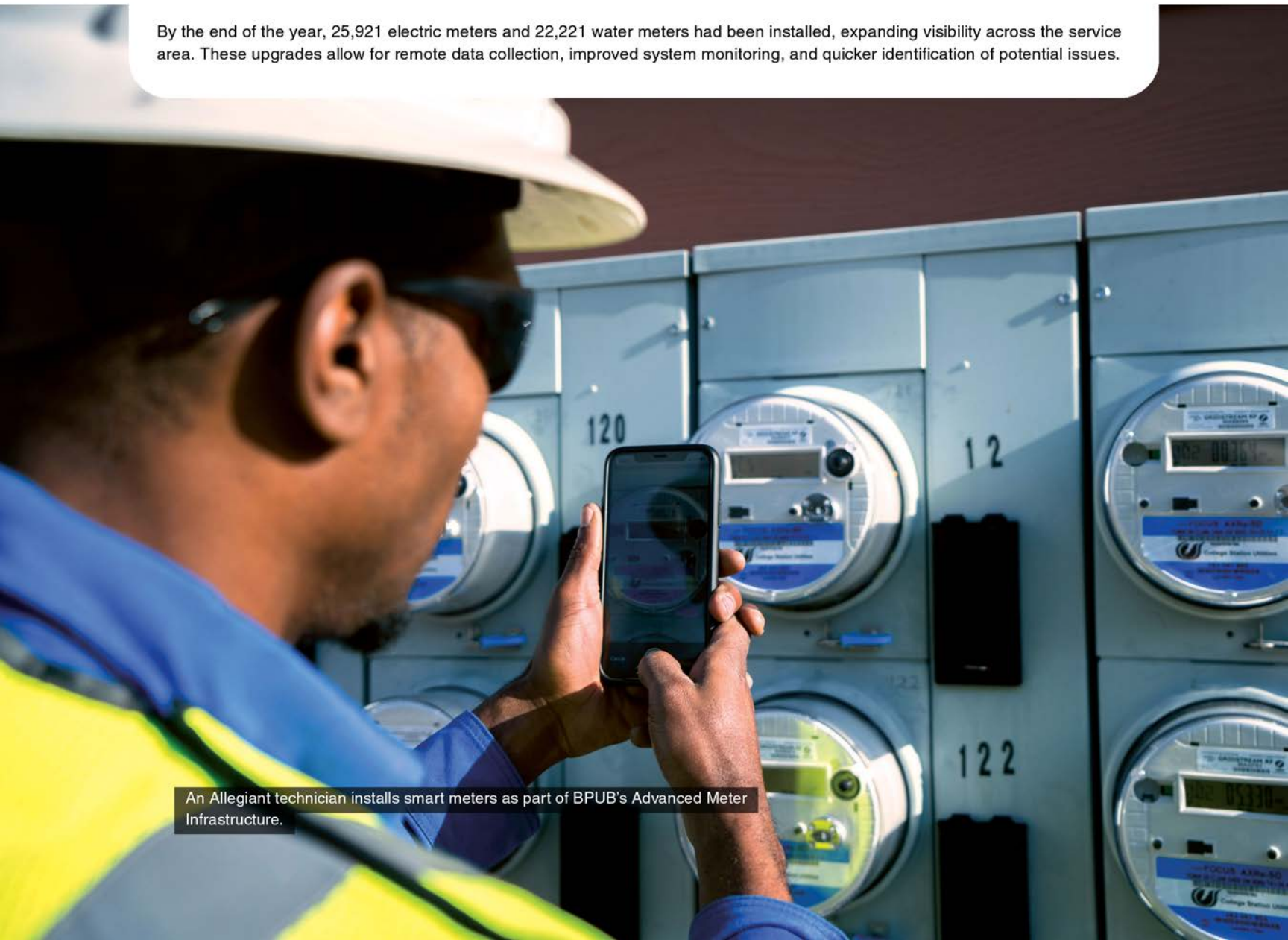
Solar PV and Wind to diversify supply and reduce fuel price exposure

Infrastructure Improvements: AMI

Major infrastructure projects continued moving forward, with a focus on strengthening reliability, safety, and long-term efficiency across both electric and water services.

One of the most significant investments was the continued rollout of Advanced Metering Infrastructure (AMI), which went live on October 31, 2025. This multi-platform system connects several core technologies, creating a more integrated data environment that supports real-time monitoring and faster response times.

By the end of the year, 25,921 electric meters and 22,221 water meters had been installed, expanding visibility across the service area. These upgrades allow for remote data collection, improved system monitoring, and quicker identification of potential issues.



An Allegiant technician installs smart meters as part of BPUB's Advanced Meter Infrastructure.

Operations



BPUB's AMI System Drives Millions in Savings, Improves Safety, and Strengthens Operations

AMI implementation is already improving operations across multiple areas. Enhanced pipe identification and better coordination in warehouse and logistics processes contributed to approximately \$1 million in savings, while efficiencies in meter lid replacement added an estimated \$90,000 in cost reductions.

The system is also delivering practical, day-to-day benefits. A total of 1,306 customer accounts were flagged for potential continuous water use, allowing teams to reach out early and help identify possible leaks. At the same time, AMI data is supporting system planning efforts, including integration with electrical modeling tools to strengthen load forecasting and infrastructure decisions.

Safety has also improved with fewer manual meter-reading routes. Several service cycles now rely on automated readings, reducing field visits, lowering vehicle use, and creating safer working conditions for staff.

Transmission infrastructure improvements

BPUB continues advancing transmission upgrades to support growth across the service area. Current projects include construction of the Ocelot Substation along Morrison Road and improvements at the Brownsville Airport substation on North Central Avenue. To maintain service during construction, the airport load was shifted to a temporary mobile substation, with work continuing through 2026. The new Ocelot Substation will serve the northwest area of Brownsville and support ongoing development.

Efforts to modernize water infrastructure also moved forward with the removal of the decommissioned water tower near the University of Texas Rio Grande Valley (UTRGV). The structure was safely demolished over a 45-day period.

That UTRGV tank has been replaced by the Southmost Elevated Water Storage Tank, which opened in November 2023. The new 2-million-gallon tank improves storage capacity, water pressure, and overall service in surrounding areas. It also replaces another elevated tank removed in 2018, bringing capacity into a single, more efficient system designed to support current needs and future growth.



The University of Texas at Rio Grande Valley (UTRGV) was taken down over 45 days and was replaced by the new Southmost Elevated Water Storage Tank.

Human Resources/Organizational Development

Building a Strong Workforce for the Future

BPUB's Human Resources team continued building a stronger workforce through hiring efforts, career development, and employee wellness initiatives.

Talent acquisition efforts remained active throughout the year, with 3,576 applications processed and 153 positions filled, including 76 internal promotions. These efforts helped reduce vacancy rates by 5 percent while creating more opportunities for employees to grow within the organization.

Internship and apprenticeship programs expanded early-career pipelines, with 13 interns participating in the largest internship group to date. Two interns transitioned into temporary or full-time roles, and a new apprenticeship program was introduced to support near-graduating interns as they move into full-time positions.

Employee wellness remained a focus, highlighted by a Wellness Fair that brought together 25 exhibitors offering screenings, vaccinations, physical exams, and other resources. The event reached approximately 206 employees and supported ongoing efforts to promote overall well-being across the organization.



Mike Perez, Chief Financial Officer (left), and Marilyn Gilbert, General Manager and Chief Executive Officer (right), pose with BPUB's interns as part of the 2025 Internship Program.



General Manager and CEO Marilyn Gilbert, Safety and Security Operations Manager Eduardo Martinez of the Brownsville Public Utilities Board stand with representatives from Sam Houston State University as they present BPUB with the Institute for Homeland Security Legends Partnership Award for its leadership in safety, preparedness and critical infrastructure training.

Getting Prepared to Minimize Service Disruptions

Safety, preparedness, and protecting critical infrastructure remain central to daily operations. The Safety and Security Operations Department (SSOD) continued strengthening these efforts through training, coordination, and emergency readiness.

The team received the Sam Houston State University Institute for Homeland Security Legends Partnership Award, recognizing collaboration and leadership in advancing infrastructure protection across Texas. This partnership has led to the development of specialized training focused on situational awareness, system resilience, and maintaining operations during disruptions.

These training programs are now being used by the Texas Commission on Environmental Quality (TCEQ) and delivered to utilities across the state, extending their reach beyond the local service area and supporting broader industry readiness.

Emergency preparedness remained an ongoing focus, with tabletop exercises conducted at least twice a year. These sessions simulate hurricane and winter weather scenarios, allowing teams to practice coordination, review response procedures, and strengthen communication across departments.

Water quality also remains a key part of overall system reliability. Each year, customers receive a Drinking Water Quality Report, also known as the Consumer Confidence Report, in compliance with the Texas Commission on Environmental Quality (TCEQ) and the Environmental Protection Agency (EPA). As in previous years, the BPUB's water met or exceeded all standards and continues to be rated as a superior public water system.



Attendees explore the BPUB Headquarters during the Big Public Utilities Bash on Friday, Oct. 10.

Bringing the Community Together Through Engagement and Outreach

Community engagement continued to grow through expanded partnerships, increased outreach, and new opportunities to connect directly with residents. One of the highlights of the year was hosting the first large-scale community event at BPUB facilities.

The inaugural Big Public Utilities Bash brought together over 2000 residents for a day of interaction, learning, and community connection. The event featured local vendors, nonprofit organizations, city departments, and community groups, along with educational booths and family-friendly activities, such as touch-a-truck, solar car race, costume contest, public presentations, and others. Attendees had the opportunity to engage directly with staff and learn more about services, programs, and upcoming initiatives.

The event was made possible through strong collaboration with partners across the community, including the Brownsville Wellness Coalition, Brownsville Fire Department, Brownsville Police Department, Brownsville Traffic Department, Gladys Porter Zoo, BISD, Jubilee Academy, Visit Brownsville, Parks and Recreation, BARCC, BCIC, ROCA, and the Brownsville Affordable Homeowner Association.

In collaboration with these partnerships, we created a space where residents could explore resources, ask questions, and connect with organizations that serve the community.

Outreach efforts continued throughout the year with participation in 42 community events focused on utility awareness, energy efficiency, and available assistance programs. These efforts help residents better understand services and make informed decisions at home.

The Public Utilities Board Community Advisory Panel remains an important connection point with customers, providing a space for residents to share feedback, raise concerns, and stay informed. The group also played a key role in offering input during the development of the Integrated Resource Plan.

Community support also extends through the annual sponsorship program, which helps support more than 60 community events and over 35 organizations, including Good Neighbor Settlement House, Gladys Porter Zoo, Charro Days, the Mr. Amigo Association, and Sombrero Festival. These partnerships help fund local programs, celebrate traditions, and contribute to the overall quality of life in Brownsville.

Community Engagement

BPUB Brings Learning to Life Through School Outreach and Award-Winning Campaigns

Education remains an important part of community outreach efforts. Employees regularly visit local schools to participate in career fairs, Careers on Wheels, and other campus events, introducing students to opportunities in public service and utility careers. Students are also welcomed on-site for guided tours and hands-on learning experiences that show how water, wastewater, and electric services are delivered safely each day.

These efforts help create early awareness and spark interest in career pathways, while giving students a better understanding of how essential services operate behind the scenes.

Education also extends into marketing and customer outreach. A video campaign, "Energy Conservation: It Starts with You!", received a national Award of Merit from the American Public Power Association. Developed entirely in-house, the campaign focused on practical ways for residential and small business customers to reduce energy use.

The videos covered simple, everyday actions such as adjusting thermostats, improving window efficiency, and reducing "energy vampires," or devices that continue to draw power even when not in use.

+1M
total views



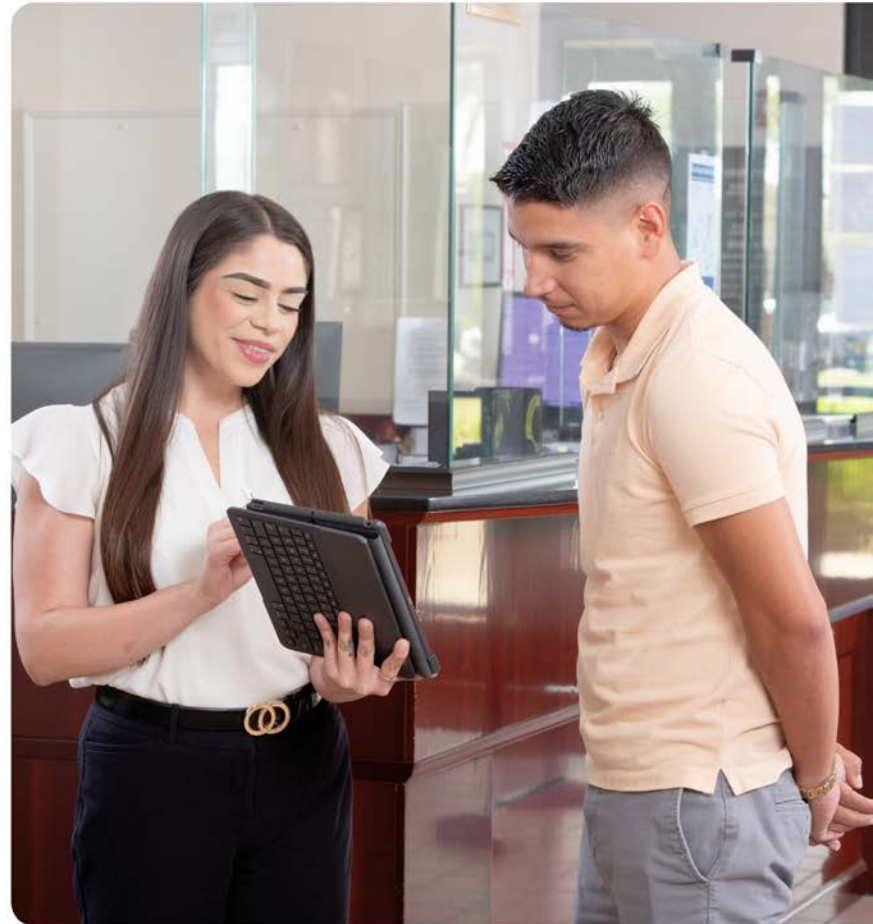
Improving Customer Service

Customer Experience Through Technology and Service Innovation

Improving the customer experience remained a priority in 2025, with new tools and service enhancements focused on accessibility, responsiveness, and convenience.

The Customer Service team conducted a comprehensive satisfaction survey, reaching more than 90,000 customers. Participants shared feedback on service reliability, outage restoration, staff interactions, digital tools, and community programs. The results offered a clearer picture of customer expectations and are now being used to guide service improvements and support future planning.

In-person service was also enhanced through an upgraded appointment scheduling system. Customers can now book visits in advance, helping reduce wait times and improve the overall flow for both scheduled and walk-in visits.



Payment options will expand with new electronic kiosks, including a 24/7 kiosk planned near the drive-through lanes for after-hours access and a cash-accepting kiosk planned inside the BPUB Administration Lobby. A third kiosk is also planned in partnership with the City of Brownsville to further extend payment access across the community.

Operational improvements also took place behind the scenes. A new multi-channel contact platform was introduced to streamline call routing, improve agent efficiency, and strengthen performance tracking. The transition to Texas Regional Bank, along with updates to card processing fees, resulted in an estimated \$870,000 in cost avoidance for fiscal year 2025.



..... Moving Forward

Chairman's Letter

As we look back on 2025, we're proud of the progress made and the direction we're heading as a community utility. The work underway today is helping shape how we serve Brownsville for years to come.

The launch of our 2026 to 2030 Strategic Plan is an important step forward. It focuses on strengthening our system, modernizing infrastructure, supporting our workforce, and continuing to improve the overall customer experience. It also keeps affordability at the center as we plan for future growth across our community.

We also remain focused on listening. Feedback from our customers, community partners, and advisory groups plays an important role in shaping our priorities and how we move forward. Staying connected helps us better understand what matters most and where we can continue to improve.

In the year ahead, we will continue investing in technology, expanding conservation efforts, and working alongside our partners to support long-term community needs. Our focus remains on providing reliable service while continuing to improve how we serve you every day.

As our community grows, so does the need for strong, dependable infrastructure and thoughtful planning. We are committed to making decisions that support both today's needs and the future of Brownsville.

This progress is made possible by the dedication of our employees, the leadership of our Board of Directors, and the trust of our customers. We appreciate the opportunity to serve you and look forward to continuing that work together as we build a stronger utility for our community.

Sincerely,

Gerardo Martinez,
Brownsville Public Utilities Board



BROWNSVILLE
PUBLIC UTILITIES BOARD

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