



**BROWNSVILLE
PUBLIC UTILITIES BOARD**

2026-2030

Strategic Business Plan

December 2025





Strategic Business Plan 2026-2030

Letter from Ms. Marilyn D. Gilbert, General Manager & Chief Executive Officer Brownsville Public Utilities Board

It is my honor to present the Brownsville Public Utilities Board's 2026–2030 Strategic Business Plan, a first-of-its-kind roadmap that establishes a unified direction for our organization and reflects the aspirations of the community we serve. A strategic plan defines an organization's long-term direction by setting clear goals, priorities, and actions that guide decision-making and align resources toward a shared vision. At BPUB, we are more than a utility — we are stewards of vital electricity, water, and wastewater services for our community. This plan outlines where BPUB is headed and how we will strengthen the reliability and affordability of our utility systems over the next five years.

This plan was deliberately shaped and collaboratively developed. From the beginning, we engaged our regional partners—including the City of Brownsville, Cameron County, the Brownsville Navigation District, the Greater Brownsville Incentives Corporation, and the Brownsville Community Improvement Corporation—as well as our customers through the Public Utilities Board Consumer Advisory Panel (PUBCAP). Equally important, BPUB's employees played a central role, ensuring that the plan is grounded in operational reality and informed by the people who serve our customers every day.

Through stakeholder feedback, we refined our mission and vision to reflect a renewed commitment to service and community leadership. Our vision—Empowering greater Brownsville's future through exceptional utility services, community leadership, and operational excellence—captures the role we strive to play in the region's growth and resilience. It acknowledges that our work goes beyond delivering power and water. We empower lives, support progress, and lead with purpose. Our mission – to deliver safe, reliable, and affordable utility services that empower our community, champion growth, and operate with financial strength, transparency, and strong leadership – reaffirms the essential role BPUB plays in our customers' lives.



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The plan identifies ten strategic focus areas that prioritize and guide our work ahead: Employee Engagement & Development, Optimizing Water Supply, Community Engagement, Customer Experience, Power Supply Optimization, Enterprise Risk Management, Technology Modernization, Resiliency & Reliability, Affordability, and Interorganizational Effectiveness. These focus areas strengthen our ability to meet customer needs, increase the return on the community's investment in our water and electric systems, support a vibrant local economy, and improve transparency across our operations, finances, and governance. We will also adopt new technologies to modernize our systems and explore innovative ways to connect with and serve our customers.

I want to extend my most profound appreciation to our Board of Directors. Their commitment, guidance, and invaluable insights throughout this process demonstrate the trust they place in the professionals at BPUB and empower us to implement this plan with accountability and excellence.

As we move forward, we invite the community to follow our progress and engage with the work ahead by visiting www.brownsville-pub.com. Together with our partners, customers, and employees, we are building a stronger, more resilient BPUB, one that will continue to serve Brownsville with pride for generations to come.

Very Respectfully,

Marilyn D. Gilbert

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

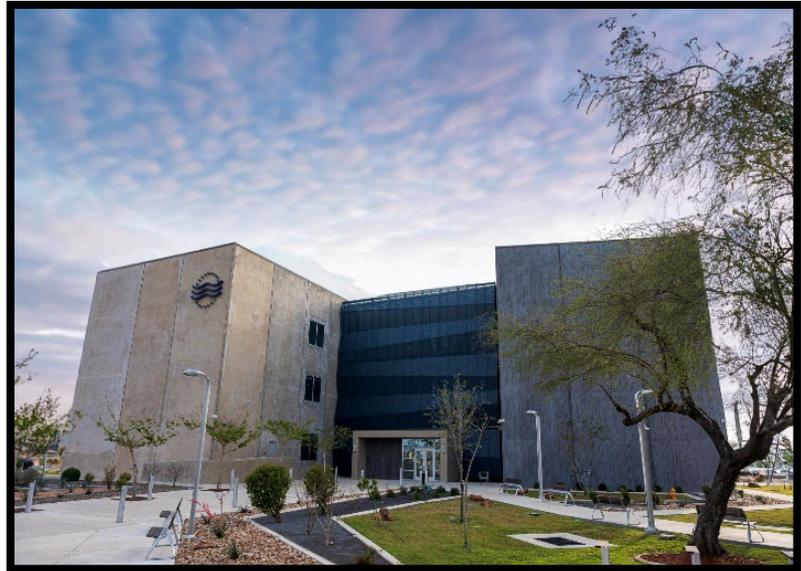


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General Description of the Brownsville Public Utilities Board

Establishment and Authority

The Brownsville Public Utilities Board (BPUB) is a separate and distinct agency of the City of Brownsville, Texas, established under the City's Municipal Code to manage and operate the community's electric, water, and wastewater utility systems. Created to ensure the reliable and sustainable provision of essential services, BPUB operates under authority granted by the City Charter, which provides the Board with full control and management of utility operations, assets, and revenues, except as otherwise provided by law.



While the Brownsville City Commission retains the authority to set rates, fees, and charges, BPUB exercises broad powers to regulate service delivery, establish operational and customer policies, and plan, construct, and maintain utility infrastructure to meet the city's present and future needs. These authorities enable BPUB to deliver reliable, affordable, and environmentally responsible services while supporting community growth and economic development.

Governance and Organizational Structure

BPUB is governed by a seven-member Board of Directors, consisting of the mayor, who serves as an ex officio voting member, and six qualified citizen appointees confirmed by a two-thirds supermajority of the City Commission. Board members serve staggered four-year terms, providing governance continuity and community oversight.



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The Board appoints a General Manager/Chief Executive Officer, who oversees all utility operations, strategic initiatives, and regulatory compliance. The General Manager is supported by an executive leadership team that includes the Assistant General Manager/Chief Operating Officer, Chief Financial Officer, Chief Administrative Officer, and General Counsel/Chief Legal Officer.

BPUB employs approximately 607 personnel and operates on a fiscal year ending September 30. The organization fosters a culture of safety, accountability, and professional excellence, emphasizing continuous workforce development and operational improvement across all departments.

Utility Operations and Regional Partnerships

BPUB operates one of the most comprehensive and vital municipal utility systems in South Texas, providing safe, reliable, and affordable water and electric services that sustain economic growth, protect public health, and enhance community resilience. Through strategic planning, regional collaboration, and disciplined investment, BPUB ensures that essential infrastructure continues to meet the region's increasing demand for high-quality service and long-term resource sustainability.

Water System Operations

BPUB's water system is one of the region's most vital public assets, delivering safe and reliable potable water to over 56,000 customers. The system draws raw water from the Rio Grande River through a river rock weir, two river pump stations, and two raw water reservoirs with a combined storage capacity of 187 million gallons. The Resaca network, distributaries of the Rio Grande, provides supplemental storage and conveyance capacity that enhances operational flexibility, drought resilience, and local recharge.





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BPUB operates two surface water treatment plants, each rated at 20 million gallons per day (MGD), producing high-quality potable water that meets all state and federal standards. Supporting infrastructure includes two clear wells with 6.9 million gallons of ground storage, four elevated storage tanks with 7.0 million gallons of capacity, and four high-service pumping stations that maintain consistent pressure throughout 715 miles of transmission and distribution mains.

BPUB holds municipal water rights totaling 31,965.6 acre-feet annually from the Texas Commission on Environmental Quality (TCEQ), along with Permit No. 1838, which authorizes up to 40,000 acre-feet of surplus water. The system maintains a “Superior” water system rating under TCEQ regulations, reflecting exemplary performance in water quality, reliability, and operational management.

The service area includes the City of Brownsville and portions of its extraterritorial jurisdiction (ETJ), supplying both retail and wholesale customers, the latter accounting for approximately 8% of total water sales. Wholesale customers include neighboring systems such as the Brownsville Navigation District, El Jardin Water Supply Corporation, and Military Highway Water Supply Corporation, which purchase treated water under long-term agreements.

BPUB also serves as the majority partner and operating agency of the Southmost Regional Water Authority (SRWA), a regional collaboration established by state legislation in 1981 to enhance drought preparedness and secure alternative water supplies for southern Cameron County. SRWA’s member entities include the City of Los Fresnos, the Town of Indian Lake, the Valley Municipal Utility District No. 2, the Brownsville Navigation District, and BPUB.

In 2004, SRWA completed the Regional Brackish Groundwater Treatment Facility, a \$29 million investment that produces 7.5 MGD of treated water using reverse osmosis (RO) technology. The facility draws brackish groundwater from the Rio Grande Alluvium aquifer through 20 wells, ranging in depth from 250 to 300 feet. BPUB holds a 92.91% ownership interest and manages all operations, maintenance, and administration under an annual operating budget of approximately \$7.5 million. The facility produces about 29% of BPUB’s total supply, contributing significantly to source diversification and system resiliency.

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Electric System Operations

The BPUB electric system provides dependable retail electric service within and beyond the City of Brownsville, serving approximately 54,000 customers and supporting a peak demand of 332 megawatts (MW) in January 2025. The system is designed to maintain high reliability, cost efficiency, and operational flexibility through a diversified power supply portfolio that combines owned generation, long-term Power Purchase Agreements (PPAs), and strategic participation in the ERCOT wholesale market.



BPUB's owned generation assets include the Silas Ray Power Production Facilities, which consist of one conventional steam turbine unit and a repowered combined-cycle configuration featuring a combustion turbine, a steam turbine, and a GE LM6000 gas turbine generator. These facilities provide approximately 115 MW of natural gas-fired capacity. BPUB also holds a 21% ownership interest in the Calpine Hidalgo Energy Center, securing 105 MW of firm energy and capacity through its share of this high-efficiency combined-cycle plant.

In addition to owned resources, BPUB maintains long-term PPAs to ensure a balanced and sustainable supply portfolio. These include a renewable energy PPA with Constellation Energy Corporation, providing up to 78 MW of capacity, and a flexible market-based supply agreement with AEP Energy Partners, Inc., providing approximately 65 MW. To optimize cost and reliability, BPUB's Qualified Scheduling Entity (QSE) conducts economy energy purchases in the ERCOT market, supplementing its contracted and owned resources as needed.

The electric system's infrastructure is robust and modern, consisting of 15 substations, 49.95 miles of transmission lines, 390.29 miles of overhead distribution, and 426.81 miles of underground distribution. These assets form a resilient network designed for system redundancy and rapid restoration in the event of outages.

Through continued investment in generation assets, transmission reliability, and workforce capability, BPUB ensures that its electric operations meet Public Utility

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Commission of Texas (PUCT) and ERCOT reliability standards while advancing local sustainability and resiliency goals. Like its water operations, BPUB's electric system operates under a mission of public service—not profit—focused on delivering safe, reliable, and affordable energy to the community.

Wastewater Operations

BPUB's wastewater system is one of the region's most crucial public assets, providing safe, reliable, and environmentally responsible collection, treatment, and discharge services to around 53,000 customers. This system safeguards public health, protects local waterways, and supports sustainable community growth across the City of Brownsville and parts of its extraterritorial jurisdiction (ETJ). The



collection network includes extensive gravity mains complemented by force mains and approximately 177 lift stations that ensure uninterrupted conveyance where topography limits gravity flow. This integrated system reliably transports wastewater from residential, commercial, and industrial sources to BPUB's two centralized treatment facilities.

BPUB operates the Southside Wastewater Treatment Plant and the Robindale Wastewater Treatment Plant, which together provide a combined permitted treatment capacity of 27.3 million gallons per day (MGD). The Southside facility, rated at 12.8 MGD, uses a complete-mix activated sludge process to remove organic material and produce treated effluent suitable for discharge or reuse. The Robindale facility, rated at 14.5 MGD, was renovated and expanded in 2014 through a \$37.5 million project supported by \$15.8 million in U.S. Environmental Protection Agency funding. Robindale uses the Modified Ludzack-Ettinger (MLE) process, incorporating anoxic and aerobic zones for enhanced nutrient removal and denitrification. Currently, average flows across both plants total approximately 15.9 MGD.

Under existing operations, the Robindale facility discharges roughly 8 MGD of treated effluent to the Gulf of Mexico via San Martin Lake, fully complying with strict state and federal standards. BPUB is actively evaluating an indirect potable reuse (IPR) initiative that would redirect a portion of this effluent to Resaca De La Guerra, a raw water source



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for one of BPUB’s surface water treatment plants. If implemented, this project would strengthen regional water supply resilience by increasing raw water availability, diversifying sources, and reducing reliance on the Rio Grande during drought or peak demand.

The wastewater system operates under oversight from the Texas Commission on Environmental Quality (TCEQ) and the U.S. Environmental Protection Agency, ensuring adherence to all regulatory requirements. Ongoing investments in collection system rehabilitation, lift station reliability, and treatment plant upgrades advance BPUB’s strategic objectives for operational excellence, environmental stewardship, and sustainable growth—reinforcing the utility’s commitment to protecting public health and supporting the region’s economic vitality.



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Strategic Business Plan Development Process

The 2026-2030 Strategic Business Plan (The Plan) Development Project Team consisted of Project Sponsor, Mark Dombroski (Asst. General Manager / COO), Project Lead, Luis Jimenez (Operations Administrator), and Team Members, Marilyn Gilbert (General Manager & CEO), Mike Perez (Chief Financial Officer), Constanza Miner (Chief Administrative Officer), and Paul Gonzalez (General Counsel & Chief Legal Officer). Additional input and support were provided by the Directors of Water/Wastewater Operations, Water/Wastewater Engineering, Electric Transmission & Distribution, Electric Operations, Power Supply & Market Operations, Environmental Services, Human Resources, Communications & Support Services, Enterprise Solutions, and Finance.

Historically, BPUB has used a five-year strategic planning cycle. For the 2026-2030 Strategic Business Plan, BPUB created a comprehensive framework that aligns all ten departmental business plans into one unified strategy. The Plan establishes clear strategic outcomes and key performance indicators (KPIs) to improve operational efficiency, prepare for future challenges, and support long-term, sustainable growth.

In June of 2025, BPUB entered into a contract with ScottMadden, a management consulting firm with extensive experience working with municipally owned utilities, to lead the development of the 2026-2030 Strategic Business Plan. The approach used to develop The Plan was designed to align The BPUB Board, Senior Leadership, and other stakeholders around the organization's strategic direction, with a focus on prioritizing the most impactful outcomes. The approach broke down into two phases: (1) Strategic Assessment and (2) Strategy Development and Implementation Planning. The key activities associated with each phase breakdown are as follows:

- Phase 1 - Strategic Assessment
 - Stakeholder Engagement
 - SWOT Analysis
 - Strategic Framework Development
- Phase 2 - Strategy Development and Implementation Planning
 - Plan Formulation
 - Recommendations & Implementation Guidance
 - Socialization of Strategic Business Plan



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Key Activities

Activity	Date
Entered Contract with ScottMadden	June 2025
Formally Kicked Off the Strategic Planning Effort	July 2025
Conducted 45+ Internal & External Stakeholder Interviews	July 2025
Deployed Strategic Themes Survey	August 2025
Developed SWOT Analysis	August 2025
Developed Strategic Framework	August 2025
Board & Leadership Team Offsite	August 2025
Developed Strategic Focus Areas & Strategic Challenges	August 2025
Developed Statements of Strategic Direction	September 2025
Drafted Revised Vision & Mission Statements	September 2025
Developed Strategic Initiatives	October 2025
Presented Revised Vision & Mission to Board for Approval	October 2025
Developed Strategic Initiative Implementation Timelines	October 2025
Drafted The Plan	November 2025
Developed Public-Facing Website	November 2025
Presented The Plan to the Board for Adoption	December 2025
The Board Adopted The Plan	December 2025

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SWOT Analysis

As part of the strategic planning process, BPUB conducted a thorough SWOT Analysis to evaluate its internal capabilities and external environment. Drawing on legacy documentation, stakeholder interviews, publicly available data, and market trends, the findings offered essential clarity on BPUB’s strengths, weaknesses, opportunities, and threats, providing a solid foundation for long-term strategy and informed decision-making.

The insights gained from this SWOT Analysis played a pivotal role in shaping BPUB’s 2026-2030 Strategic Business Plan. Each element—strengths, weaknesses, opportunities, and threats—was carefully considered to ensure the plan is both responsive to current challenges and proactive in leveraging future opportunities, aligning with BPUB’s mission to deliver safe, reliable, and affordable utility services that empower our community, champion growth, and are guided by operational excellence, financial strength, transparency, and strong leadership.



Strengths: BPUB demonstrates strong financial health, reliable electric service, and competitive rates, supported by municipal ownership and a committed workforce. Its



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governance benefits from a locally engaged board and a robust capital project pipeline aligned with long-term goals. Water supply diversification further enhances resilience.

Weaknesses: Operational inefficiencies persist due to outdated technology systems, decentralized project governance, and limited IT oversight. Asset management maturity and talent acquisition challenges—exacerbated by manual HR processes—also hinder performance.

Opportunities: Becoming a data-driven organization, accelerating digital transformation, exploring private capital, and implementing demand-side management programs will enable BPUB to enhance customer engagement, modernize HR systems, and manage electrification growth, further strengthening its strategic position.

Threats: Aging infrastructure, competition for the workforce from private-sector employers, reputational risks, climate-related vulnerabilities in water supply, rate pressures, cybersecurity concerns, and an aging workforce nearing retirement pose threats, and it will be critical for BPUB to address them to sustain operational continuity and public trust.





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Vision, Mission and Values

Vision: Empowering greater Brownsville's future through exceptional utility services, community leadership, and operational excellence.

Mission: To deliver safe, reliable, and affordable utility services that empower our community, champion growth, and are guided by operational excellence, financial strength, transparency, and strong leadership.

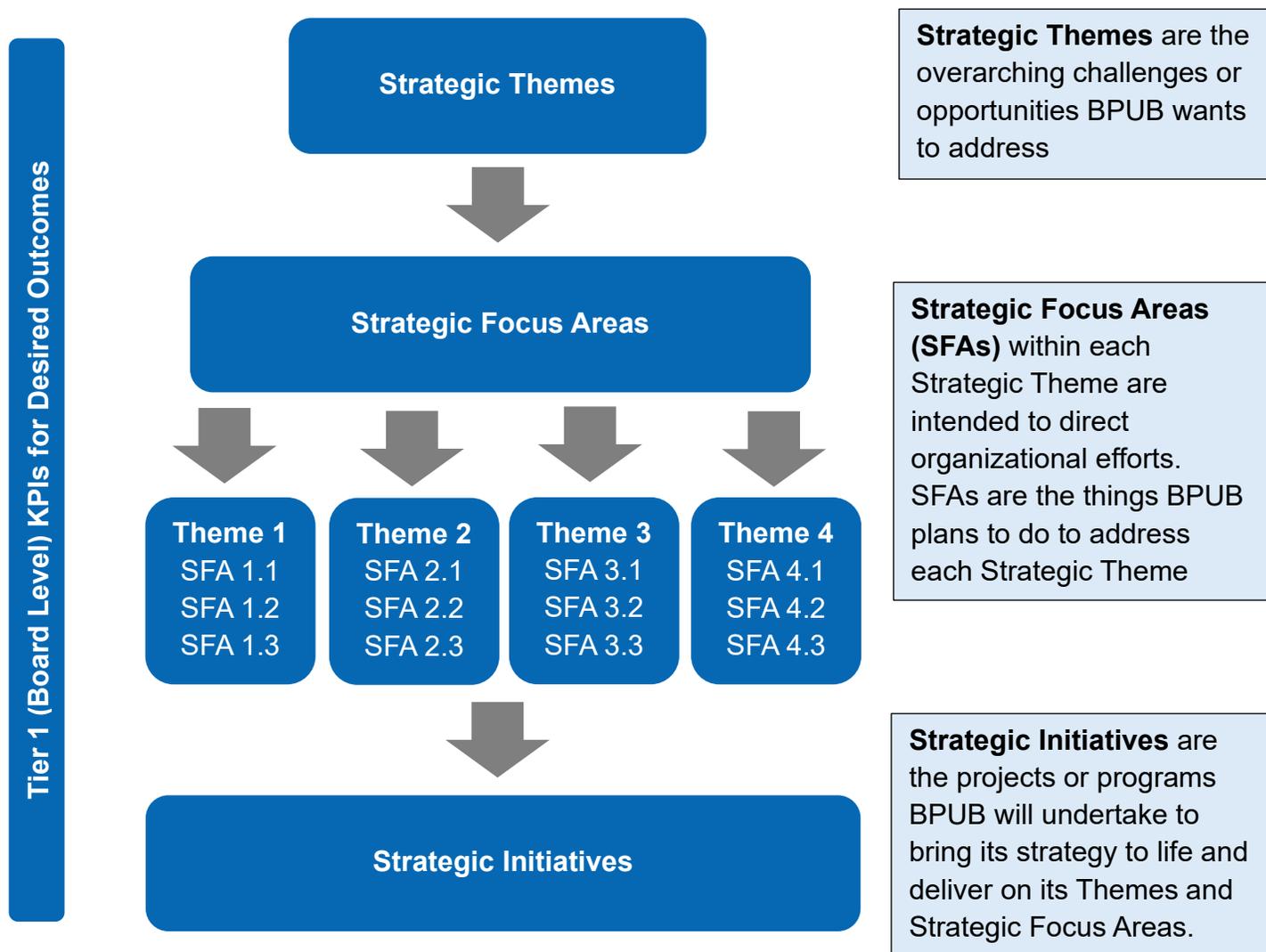
Values: BPUB's values are its most deeply held beliefs, and they are embraced by every member of the organization:

- **Customer Service & Community Partnership** – We address our customers' needs and expectations to continuously deliver high-quality services.
- **Employee Satisfaction & Collaboration** – We honor respect, accountability, and teamwork as employees work to provide quality service and exceed customer expectations.
- **Environmental Stewardship** – We are focused on lessening our footprint and improving our environment.
- **Innovation and Continuous Improvement** – We continuously challenge the status quo and embrace innovation to improve and strengthen our performance.
- **Open Communication** – We promote honesty and transparency by sharing information and ensuring opportunities for employees, customers, and stakeholders to provide feedback.
- **Safety** – We commit to providing a safe work environment for our employees, and to the safe delivery of quality services for our customers.

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Strategic Framework

The Strategic Framework utilized in the development of the Strategic Business Plan breaks down as follows:



The Board and Executive Leadership identified BPUB’s Strategic Themes, prioritized them via survey, and identified the Strategic Themes with the largest gaps. Priorities



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and gaps were reviewed during a Board and Leadership Team Offsite conducted on August 20, 2025, where the following was discussed:

- Performance gaps associated with each Strategic Theme.
- Recommendations for closing performance gaps.
- Strategic Focus Areas related to each Strategic Theme to include in The Plan.

From this offsite, a formal list of ten (10) Strategic Focus Areas (SFAs) was developed, with the following desired outcomes:

- Desired Outcome 1 – Maintain rates that are fair, transparent, and financially sustainable for all customer classes.
- Desired Outcome 2 – Attract, Develop, and Retain talent by fostering a motivated, high performing, and resilient workforce.
- Desired Outcome 3 – Improve customer sentiment by enhancing the customer experience and promoting the value of a municipal utility.
- Desired Outcome 4 – Enhance Resiliency & Reliability for electric, water, and wastewater utility services.

The Project Team then worked with Executive Leads and Subject Matter Experts for each Focus Area to develop Strategic Initiatives to address the Strategic Challenges for each Strategic Focus Area and achieve the desired outcomes.



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Strategic Focus Areas

Strategic Focus Area Definition	Description of the Strategic Focus Area (SFA)
Strategic Challenge	A statement of the challenge or problem presented by the SFA.
Statement of Strategic Direction (SSD)	<p>The SSDs are a directional approach to the SFA and the Strategic Challenge and are defined by the following:</p> <ul style="list-style-type: none"> • Developed based on survey results, Board and Leadership Team Offsite, one-on-one interviews, BPUB documentation, and multiple rounds of feedback from the board and executive leadership. • Intended to establish a directionally correct approach to address an SFA. • Represent the direction of Executive Leadership.

- SFA 1: Employee Engagement & Development
- SFA 2: Optimizing Water Supply
- SFA 3: Community Engagement
- SFA 4: Customer Experience
- SFA 5: Power Supply Optimization
- SFA 6: Enterprise Risk Management
- SFA 7: Technology Modernization
- SFA 8: Resiliency & Reliability
- SFA 9: Affordability
- SFA 10: Interorganizational Effectiveness

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Strategic Focus Area 1 – Employee Engagement & Development	
SFA Definition	It is important for BPUB to foster a motivated, high-performing, and resilient workforce by building a culture of accountability, recognition, and professional growth—supported by strategic investments in talent attraction, development, training, and succession planning to boost satisfaction, retention, and performance.
Strategic Challenge	Given BPUB's traditionally tenured, change-resistant workforce, as well as middle-management gaps, limited succession planning, and challenges attracting talent in an increasingly competitive job market, it is critically important for BPUB to retain and develop its talent to ensure continuity, operational excellence, and the successful implementation of strategic initiatives.

SSD-1: BPUB will build a resilient and future-ready workforce through enhanced recruiting practices, leadership development, and structured succession planning.

SSD-2: BPUB will increase employee retention by enhancing engagement, focusing on financial wellness, and modernizing HR practices.





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SSD-1: BPUB will build a resilient and future-ready workforce through enhanced recruiting practices, leadership development, and structured succession planning.

- **Initiative 1:** BPUB will establish a structured leadership development program to build a high-performing leadership culture across BPUB. This initiative will support succession planning and strategic priorities by developing current and emerging leaders. The program will target mid-level managers, then expand to front-line management and top leadership.
- **Initiative 2:** BPUB will establish a curated database of prospective candidates who have proactively expressed interest in joining BPUB. Leveraging planned and consistent communication, this initiative aims to foster engagement, streamline recruitment efforts, and support strategic workforce planning by ensuring timely access to qualified talent.

SSD-2: BPUB will increase employee retention by enhancing engagement, focusing on financial wellness, and modernizing HR practices.

- **Initiative 3:** BPUB will establish clear job families, progression paths, and professional development opportunities across all departments to increase employee retention and engagement.
- **Initiative 4:** BPUB will launch a referral program encouraging employees to recommend qualified candidates for open roles. Incentives will be awarded upon the candidate's successful completion of initial probation period and on their one-year anniversary date.
- **Initiative 5:** BPUB will create the VOICE Program (Valuing Our Identity, Culture, and Engagement) as a cornerstone initiative designed to welcome and incorporate all employees into the evolving BPUB culture and foster a workplace where every individual feels seen, heard, and empowered to contribute meaningfully:
Valuing - Diverse experiences & contributions
Openness - Through transparent dialogue
Inclusion - Sense of belonging and purpose
Collaboration - Drive innovation and unity
Empowerment - Leadership development

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Strategic Focus Area 2 – Optimizing Water Supply	
SFA Definition	It is essential for BPUB to optimize the management, diversification, and efficient use of available water resources, including strengthening water supply through expanding reuse, conservation programs, and infrastructure investments, while proactively addressing risks such as drought, aging assets, and overdependence on the Rio Grande River.
Strategic Challenge	Amid rising demand, persistent drought, regulatory pressures, and supply limits of the Rio Grande, BPUB must further diversify its water portfolio, strengthen conservation, and upgrade aging infrastructure to ensure reliable service, manage costs, and support regional growth.

- SSD-3:** BPUB will diversify water supply sources to reduce reliance on the Rio Grande and increase drought resilience.
- SSD-4:** BPUB will enhance conservation efforts to extend supply and reduce system strain.
- SSD-5:** BPUB will improve operational efficiency through technology, data, and proactive asset management.





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SSD-3: BPUB will diversify water supply sources to reduce reliance on the Rio Grande and increase drought resilience.

- **Initiative 6:** BPUB will utilize Indirect Potable Reuse (IPR) to increase raw water supply, reduce raw water demands, and improve overall water resource efficiency.

SSD-4: BPUB will enhance conservation efforts to extend supply and reduce system strain.

- **Initiative 7:** BPUB will expand the reach, impact, and operational capacity of existing energy efficiency and water conservation programs by increasing participation, increasing awareness, enhancing delivery infrastructure, integrating modern technologies, and targeting high-impact customer segments.

SSD-5: BPUB will improve operational efficiency through technology, data, and proactive asset management.

- **Initiative 8:** BPUB will explore improving the efficiency, cost-effectiveness, and sustainability of SRWA's operations by optimizing plant run schedules, exploring whether it is possible to "ramp" SRWA when other lower-cost water sources are available.

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Strategic Focus Area 3 – Community Engagement	
SFA Definition	It is important for BPUB to strengthen its relationship with the community it serves by proactively engaging stakeholders and improving transparency, making BPUB more accessible, relatable, and responsive through inclusive outreach, education, and technology-enabled customer service.
Strategic Challenge	BPUB must overcome the community’s limited understanding of how it operates and the value it provides, while addressing public mistrust stemming from legacy events.

SSD-6: BPUB will build community understanding of its role, services, and the value of municipal ownership, while offering opportunities for involvement.





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- SSD-6:** BPUB will build community understanding of its role, services, and the value of municipal ownership, while offering opportunities for involvement.
- **Initiative 9:** BPUB will rebuild and modernize its brand, restoring community trust, increasing public understanding of municipal utility value, and aligning the brand with the organization's evolving strategic goals, technology investments, and customer expectations.
 - **Initiative 10:** BPUB will build and deploy a network of trained Employee Ambassadors to actively engage with customers and stakeholders, and with the broader Brownsville community, promoting awareness of the value of municipal ownership, humanizing BPUB's services through authentic employee voices, and increasing trust and customer satisfaction through transparent, consistent messaging.
 - **Initiative 11:** BPUB will design and launch a comprehensive monthly email newsletter tailored for media contacts, community stakeholders, and customers. The newsletter will ensure the timely, proactive, and reliable dissemination of operational updates, major project milestones, and regulatory news.
 - **Initiative 12:** BPUB will explore the feasibility of being featured on a monthly podcast produced by a local studio to promote the BPUB brand.

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Strategic Focus Area 4 – Customer Experience	
SFA Definition	It is important for BPUB to enhance the quality, responsiveness, and accessibility of BPUB’s services. Delivering a consistent, transparent, and customer-focused experience directly influences trust, customer satisfaction, and BPUB’s reputation.
Strategic Challenge	Without real-time communication tools, integrated data systems, and a strong feedback loop, BPUB struggles to deliver the level of responsiveness and transparency its customers demand, and is viewed primarily as a billing entity rather than a service-oriented utility.

SSD-7: BPUB will make the customer journey intuitive, efficient, and trusted across service channels.

SSD-8: BPUB will use customer insights and KPIs to inform continuous improvement.





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SSD-7: BPUB will make the customer journey intuitive, efficient, and trusted across service channels.

- **Initiative 13:** BPUB will improve customer satisfaction to be on par with state public utility benchmarks by FY30, implementing targeted communications focused on reliability and customer experience improvements, informed by a biennial Customer Satisfaction Survey.
- **Initiative 14:** BPUB will modernize its call center communication infrastructure with an enhanced, intelligent phone system that improves the customer experience, operational efficiency, and data-driven decision-making.
- **Initiative 15:** BPUB will implement the Customer Service Empowerment and Excellence Program to enhance customer satisfaction, reduce issue resolution times, and improve staff engagement.

SSD-8 BPUB will use customer insights and KPIs to inform continuous improvement.

- **Initiative 16:** BPUB will implement a Customer Insight Program to establish a feedback loop and an integrated framework for systematically gathering insights from customers, enabling BPUB to turn feedback into actionable improvements.

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Strategic Focus Area 5 – Power Supply Optimization	
SFA Definition	It is important for BPUB to optimize its generation mix, market participation, and long-term planning to enhance resilience, affordability, and sustainability.
Strategic Challenge	With aging generation assets, evolving market dynamics in ERCOT, and growing demand, including potential large industrial loads, BPUB must make critical decisions about infrastructure investments, ownership strategies, and participation models, while balancing risk, cost, and community expectations.

SSD-9: BPUB will optimize ownership and utilization of existing and future generation and gas utility assets, including strategic evaluation of the Cross-Valley Pipeline corridor and municipal natural gas utility authority.

SSD-10: BPUB will optimize electric and gas market participation strategies to mitigate volatility and enhance financial resilience, including the potential for transmission or retail service roles.





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SSD-9: BPUB will optimize ownership and utilization of existing and future generation and gas utility assets, including strategic evaluation of the Cross-Valley Pipeline corridor and municipal natural gas utility authority.

- **Initiative 17:** BPUB will assess the feasibility, cost-effectiveness, and strategic value of new electric generation options—both self-owned and contracted—consistent with the 2025 Integrated Resource Plan (IRP) to enhance long-term capacity, grid resiliency, and rate stability for customers.
- **Initiative 18:** BPUB will develop a plan for integrating DERs, DSM programs, and advanced technologies into its power supply planning and operations to increase system flexibility, reliability, and customer participation.
- **Initiative 19:** Municipal Natural Gas Utility Authority - BPUB will establish a Natural Gas Utility Planning Task Force, commission a comprehensive feasibility study to evaluate the viability, risks, and benefits of each strategic option, and conduct a comprehensive inventory mapping of Cross-Valley Pipeline easements.
- **Initiative 20:** Municipal Natural Gas Utility Authority - BPUB will prepare preliminary regulatory filings and initiate consultations with the Railroad Commission of Texas, TCEQ, and PHMSA, and develop a legal framework for potential asset acquisition or transition from Texas Gas Service.
- **Initiative 21:** Municipal Natural Gas Utility Authority - BPUB will commission engineering studies to evaluate infrastructure scenarios, including pipeline construction, industrial service connections, and alternative uses.
- **Initiative 22:** Municipal Natural Gas Utility Authority - BPUB will conduct stakeholder engagement, develop financial modeling for each strategic option, and explore funding mechanisms.
- **Initiative 23:** Municipal Natural Gas Utility Authority - BPUB will publish a Strategic Readiness Report and develop a Decision Matrix to evaluate trade-offs among strategic options.



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- **Initiative 24:** BPUB will invest in GIS and asset management systems, staff training, and policy monitoring to support long-term readiness and ensure BPUB remains informed of regulatory and market developments.

SSD-10: BPUB will optimize electric and gas market participation strategies to mitigate volatility and enhance financial resilience, including the potential for transmission or retail service roles.

- **Initiative 25:** BPUB will establish itself as an ERCOT-certified Level 1 Qualified Scheduling Entity (QSE), enabling it to manage its energy, scheduling, dispatch, market settlements, and ERCOT compliance independently, enhancing operational flexibility and supporting market strategies such as DER and DSM.

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Strategic Focus Area 6 – Enterprise Risk Management	
SFA Definition	It is important for BPUB to develop and institutionalize a comprehensive Enterprise Risk Management (ERM) framework to identify, monitor, and mitigate strategic, operational, financial, regulatory, and reputational risks.
Strategic Challenge	Without a dedicated ERM function, BPUB lacks consistent visibility into risks that could impact its operation, reputation, and financial health, exposing the organization to blind spots and reactive decision-making.

SSD-11: BPUB will integrate risk management into business planning and operational decision-making.

SSD-12: BPUB will establish a dedicated risk function with clear oversight and reporting responsibilities, fostering a culture in which risk awareness and accountability are shared across the organization.



Source: Getty Images



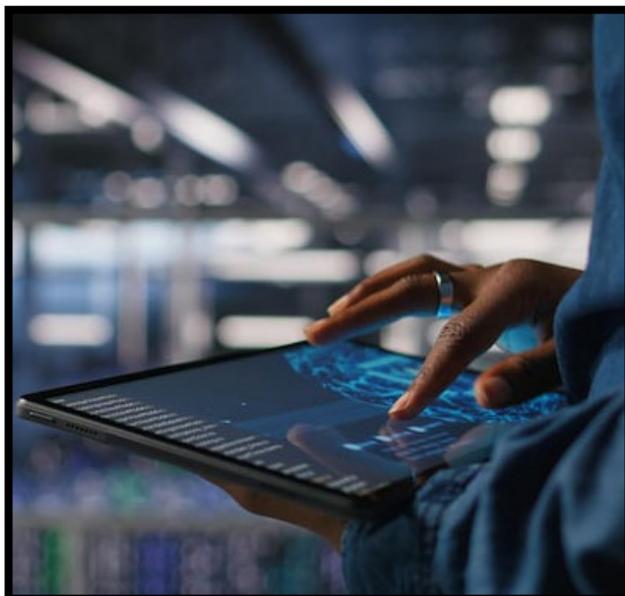
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- SSD-11:** BPUB will integrate risk management into business planning and operational decision-making.
- **Initiative 26:** BPUB will develop a comprehensive Enterprise Risk Register to identify, classify, and prioritize strategic, operational, regulatory, financial, and reputational risks across all business units.
- SSD-12:** BPUB will establish a dedicated risk function with clear oversight and reporting responsibilities, fostering a culture in which risk awareness and accountability are shared across the organization.
- **Initiative 27:** BPUB will develop and implement a formal, well-documented, and sustainable governance framework that aligns with BPUB's charter, clarifies decision rights, improves accountability, and ensures transparency across the organization.

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Strategic Focus Area 7 – Technology Modernization	
SFA Definition	It is important for BPUB to transform into a modern, data-driven utility by aligning technology investments with enterprise needs. Technology modernization goes beyond just implementing new tools and requires rethinking processes, establishing IT governance, and ensuring that systems implemented are the best fit for the organization.
Strategic Challenge	BPUB’s past approach to technology has been marked by isolated system deployments, weak governance, and quick-fix solutions, resulting in redundancy, poor coordination, and underutilized system capabilities.

- SSD-13:** BPUB will centralize technology governance to ensure strategic alignment and avoid fragmented deployments.
- SSD-14:** BPUB will deploy modern technologies that support strategic capabilities like predictive maintenance, customer communication, and operational analytics, while addressing cybersecurity risks.
- SSD-15:** BPUB will integrate and streamline systems to improve data flow, reporting, and customer responsiveness.





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- SSD-13:** BPUB will centralize technology governance to ensure strategic alignment and avoid fragmented deployments.
- **Initiative 28:** BPUB will develop a formal IT Policy that defines decision-making authority, governs technology use, aligns technology investments with organizational goals, and enhances cybersecurity.
 - **Initiative 29:** BPUB will develop a comprehensive Technology Roadmap that identifies all mission-critical systems (e.g., AMI, OMS, GIS, Banner), assesses current-state capabilities and integration gaps, and prioritizes future enterprise technology investments over a 5-year horizon.
- SSD-14:** BPUB will deploy modern technologies that support strategic capabilities like predictive maintenance, customer communication, and operational analytics, while addressing cybersecurity risks.
- **Initiative 30:** BPUB will complete deployment and activation of Advanced Metering Infrastructure (AMI) for 112,523 electric and water customer endpoints to enable real-time consumption monitoring, remote reads, outage detection, and operational data analytics.
 - **Initiative 31:** BPUB will modernize and integrate SCADA systems across electric, water, and wastewater operations to improve real-time monitoring, fault detection, outage response, grid performance analytics, and cybersecurity posture.
- SSD-15:** BPUB will integrate and streamline systems to improve data flow, reporting, and customer responsiveness.
- **Initiative 32:** BPUB will implement a modern, GIS-integrated OMS that leverages real-time telemetry from the upgraded SCADA system to enable advanced outage detection, automatic customer notifications, crew dispatch optimization, and system performance analytics for BPUB's electric distribution system.

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Strategic Focus Area 8 – Resiliency & Reliability	
SFA Definition	It is important for BPUB to deliver consistent, uninterrupted, and high-quality utility services while maintaining the ability to quickly recover from unexpected disruptions, thereby protecting customers, supporting growth, and improving public trust.
Strategic Challenge	BPUB must address limited system redundancy, immature asset management practices, and gaps in maintenance practices that increase the risk of equipment failure and extended outages, and must do so without compromising affordability.

- SSD-16:** BPUB will focus on improving preventative and predictive maintenance practices.
- SSD-17:** BPUB will strengthen utility resilience against extreme weather events, system failures, and future growth pressures.
- SSD-18:** BPUB will deliver capital projects with greater precision and accountability to reduce system risks.
- SSD-19:** BPUB will strengthen its ability to import power from ERCOT while improving regional transmission planning and development.





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SSD-16: BPUB will focus on improving preventative and predictive maintenance practices.

- **Initiative 33:** BPUB will develop and implement an Asset Management System (AMS) for water distribution, wastewater collection, lift stations, and facilities, including asset inventory structures, asset criticality evaluations, and development of performance metrics.
- **Initiative 34:** BPUB will develop and implement an Asset Management System (AMS) for power generation, transmission, and distribution, including asset inventory structures, criticality evaluations, and the development of performance metrics.

SSD-17: BPUB will strengthen utility resilience against extreme weather events, system failures, and future growth pressures.

- **Initiative 35:** BPUB will improve the reliability and resilience of its electric distribution system in alignment with APPA benchmarks and best practices, delivering more consistent service to customers and reducing the duration and frequency of outages.
- **Initiative 36:** BPUB will identify and designate “Opportunity Zones” within its service territory where utility infrastructure can be aligned with economic development goals, supporting growth while ensuring system resiliency, reliability, and financial sustainability.
- **Initiative 37:** BPUB will continue executing the Water Loss Reduction Program to minimize non-revenue water (NRW) caused by leaks, main breaks, meter inaccuracies, and unauthorized consumption.
- **Initiative 38:** BPUB will strengthen utility resilience against extreme weather events by developing comprehensive Overhead Line Engineering Design Guidelines, including pole-loading standards and procedures for replacing poles to adhere to revised wind ratings.
- **Initiative 39:** BPUB will upgrade/add distribution feeders and power transformers, incorporating smart technology, to increase substation capacity.



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- SSD-18:** BPUB will deliver capital projects with greater precision and accountability to reduce system risks.
- **Initiative 40:** BPUB will improve CIP execution by establishing an Enterprise Project Management Organization (EPMO) focused on the execution, governance, and alignment of capital and strategic projects across electric, water, and wastewater utilities.
- SSD-19:** BPUB will strengthen its ability to import power from ERCOT while improving regional transmission planning and development.
- **Initiative 41:** BPUB will expand electric Transmission & Distribution (T&D) infrastructure by developing new lines and substations.

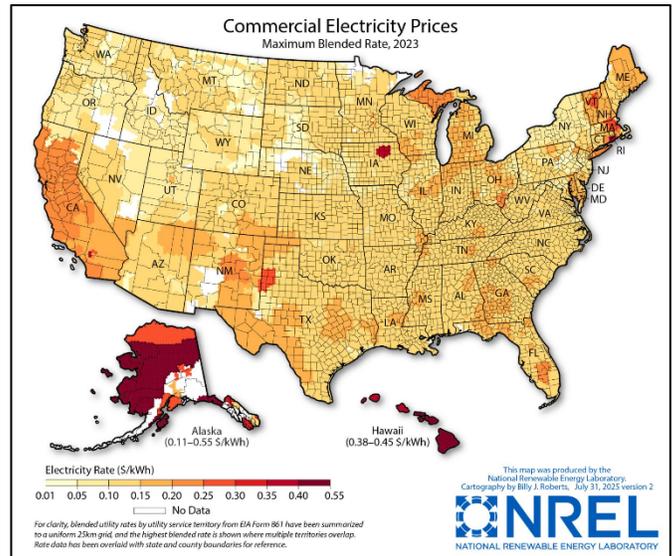
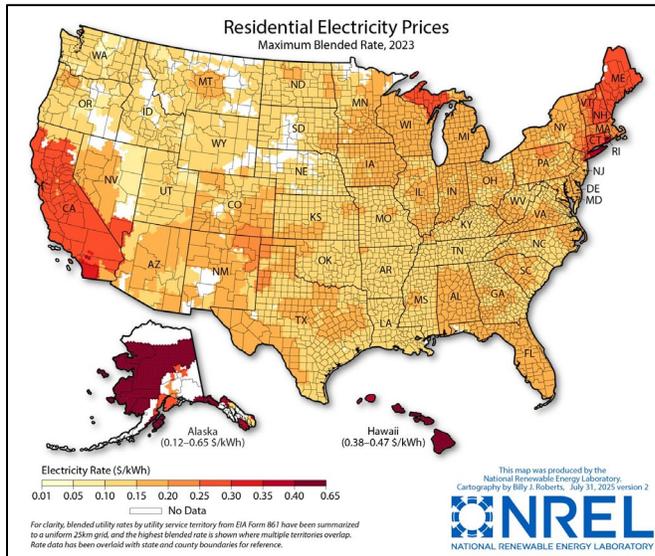


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Strategic Business Plan 2026-2030

Strategic Focus Area 9 – Affordability	
SFA Definition	It is important for BPUB to deliver high-quality utility services while maintaining rates that are fair, transparent, and financially sustainable for all customer classes, ensuring electric and water rate structures reflect actual costs, reducing cross-subsidization, and providing revenue stability.
Strategic Challenge	Current rate structures create imbalances across customer classes, with commercial customers subsidizing residential rates and fixed costs being recovered through variable charges, constraining BPUB’s ability to invest strategically and recover costs sustainably.

- SSD-20:** BPUB will align rate and fee structures across customer classes to better reflect the actual cost of service.
- SSD-21:** BPUB will use reserves and hedging strategies to mitigate energy market volatility.
- SSD-22:** BPUB will maximize external funding opportunities to offset capital costs.



Source: NREL



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SSD-20: BPUB will align rate and fee structures across customer classes to better reflect the actual cost of service.

- **Initiative 42:** BPUB will conduct a comprehensive evaluation of current electric rate structures and develop a set of recommended alternatives for electric residential, commercial & industrial customers.
- **Initiative 43:** BPUB will conduct a comprehensive evaluation of current water & wastewater rate structures and develop a set of recommended alternatives for water & wastewater residential, commercial & industrial customers.

SSD-21: BPUB will use reserves and hedging strategies to mitigate energy market volatility.

- **Initiative 44:** BPUB will optimize and continue to utilize the Power Supply Reserve Fund (PSRF) as a hedge to protect customers from cost spikes in energy purchases and fuel.

SSD-22 BPUB will maximize external funding opportunities to offset capital costs.

- **Initiative 45:** BPUB will explore securing external funding: grants, incentives, and private capital to reduce reliance on internal debt and customer-funded capital for new generation projects.

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Strategic Focus Area 10 – Interorganizational Effectiveness	
SFA Definition	It is important for BPUB to enhance coordination and communication with community organizations (e.g., City of Brownsville, GBIC, Port of Brownsville, BCIC, etc.) to ensure that decisions are made with clarity around roles and responsibilities. Strong alignment is essential to advancing regional development, infrastructure investment, and community trust in BPUB’s role as a public utility.
Strategic Challenge	Lack of role clarity and communication gaps have led to poor coordination and collaboration between BPUB and community organizations. BPUB and these organizations must work together to advance the growth of the Brownsville Community.

SSD-23: BPUB will document, communicate, and operate within its defined roles, responsibilities, and governance structures, both internally and in collaboration with other public entities, to support and advance our shared missions.





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SSD-23: BPUB will document, communicate, and operate within its defined roles, responsibilities, and governance structures, both internally and in collaboration with other public entities, to support and advance our shared missions.

- **Initiative 46:** BPUB will establish a recurring joint meeting structure with local economic development corporations, in which the local economic development corporation convenes prospective businesses or industries and introduces them to BPUB, enabling BPUB to lead the infrastructure and service planning process, streamline onboarding, and expedite service delivery.
- **Initiative 47:** BPUB will create an External Liaison role responsible for tracking meetings of other community organizations, reviewing agendas, and identifying the appropriate BPUB representation to attend, ensuring BPUB remains informed, visible, and strategically aligned with them.
- **Initiative 48:** BPUB will develop a structured, transparent framework to clearly communicate expectations, data requests, and coordination needs to the City of Brownsville, supporting regional growth, utility readiness, and strategic alignment.



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Tier 1 (Board Level) KPIs for Desired Outcomes

Desired Outcome 1

Maintain rates that are fair, transparent, and financially sustainable for all customer classes.

- KPI 1: BPUB will maintain electric utility rates less than 2.5% of the median household income.
- KPI 2: BPUB will maintain water utility rates less than 1.5% of the median household income.
- KPI 3: BPUB will maintain wastewater utility rates less than 1.5% of the median household income.
- KPI 4: BPUB will maximize Peak Load Offset with On-System Generation to reduce ERCOT market exposure and scarcity costs.

Desired Outcome 2

Attract, Develop, and Retain talent by fostering a motivated, high-performing, and resilient workforce.

- KPI 5: BPUB will maintain a 12-month average Vacancy Rate at or below the median benchmark for peer municipal utilities.
- KPI 6: BPUB will maintain an Employee Retention Rate at or above the Society for Human Resource Management (SHRM) utility benchmark.
- KPI 7: BPUB will maintain a rolling 12-month average Days to Fill Vacancies below the median of public sector organizations.



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Desired Outcome 3

Improve customer sentiment by enhancing the customer experience and promoting the value of a municipal utility.

- KPI 8: BPUB will maintain a customer satisfaction score aligned with state public utility benchmarks.
- KPI 9: BPUB will maintain an after-call satisfaction score of 80%.

Desired Outcome 4

Enhance Resiliency & Reliability for electric, water, and wastewater utility services.

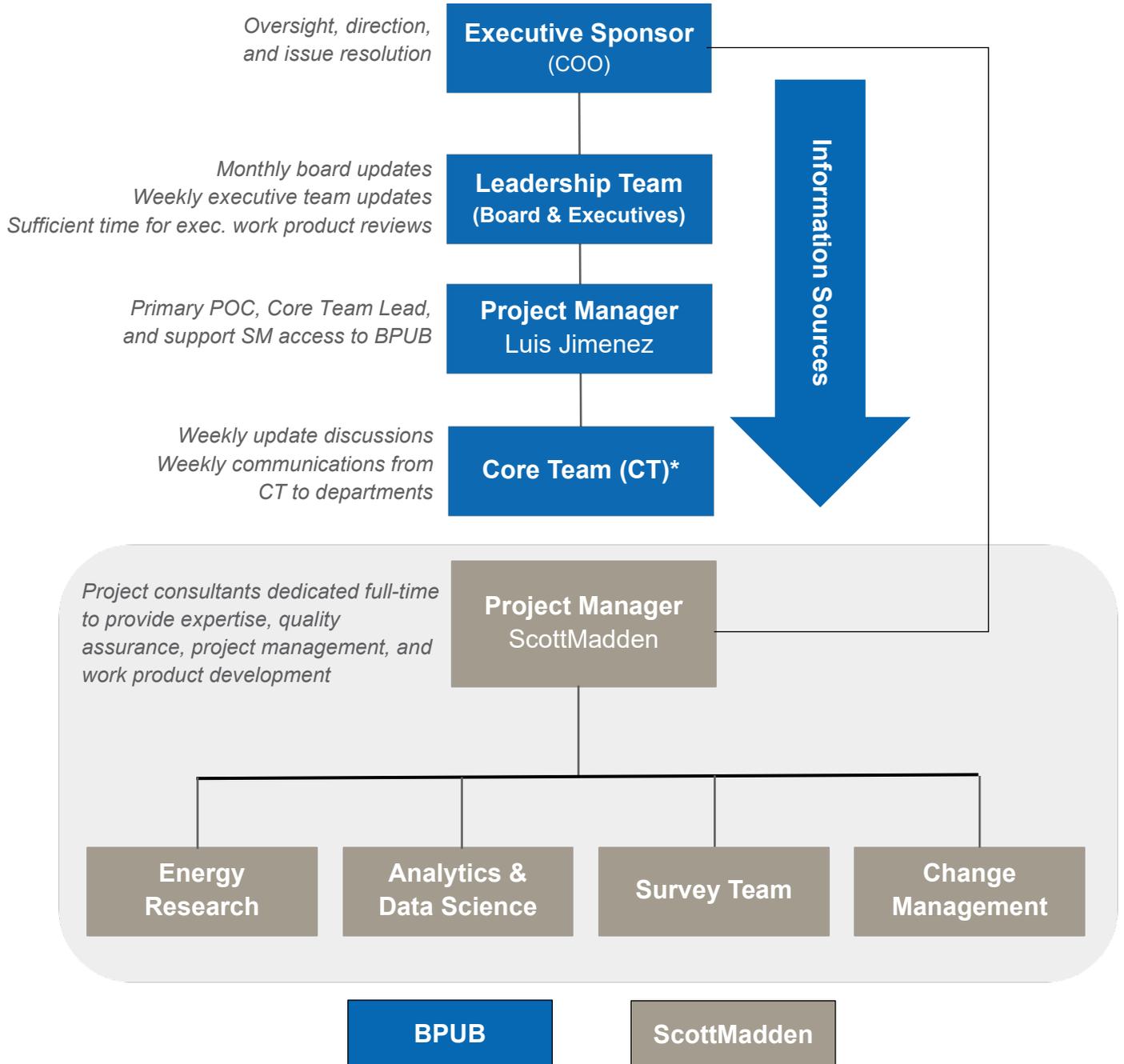
- KPI 10: BPUB will maintain a rolling 12-month average electric System Average Interruption Duration Index (SAIDI) at the top-quartile American Public Power Association (APPA) benchmark.
- KPI 11: BPUB will maintain a rolling 12-month average electric Customer Average Interruption Duration Index (CAIDI) at the top-quartile APPA benchmark.
- KPI 12: BPUB will maintain a rolling 12-month average electric System Average Interruption Frequency Index (SAIFI) at the top-quartile APPA benchmark.
- KPI 13: BPUB will maintain a rolling 12-month average electric Momentary Average Interruption Frequency Index (MAIFI) at the top-quartile APPA benchmark.
- KPI 14: BPUB will improve water system efficiency by maintaining a line loss rate of less than or equal to 13%.
- KPI 15: BPUB will target a Gallons Per Capita per Day (GPCD) of less than or equal to 95 gallons.
- KPI 16: BPUB will maintain a top-quartile Asset Failure Index (AFI) when compared to peer utilities.



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Strategic Planning Team Roles & Responsibilities





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BPUB Executive Team



Marilyn D. Gilbert
General Manager &
CEO



Mark Dombroski
Asst. General Manager /
COO



Miguel "Mike" Perez
Chief Financial Officer



Constanza Miner
Chief Administrative
Officer



Paul Gonzalez
General Counsel &
Chief Legal Officer



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BPUB Board of Directors



Gerardo Martinez
Chair



Alonzo "Al" Villarreal
Vice Chair



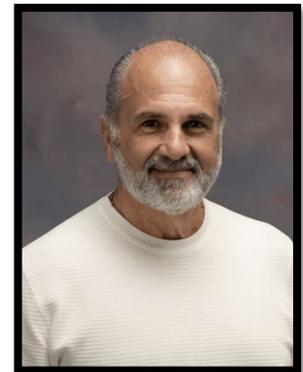
Daisy Zamora, Ph. D
Secretary / Treasurer



Alexandro Najera
Member



Joseph L. Hollmann, Ph. D
Member



Martin Sarkis
Member



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