



Communications & Marketing

Wednesday, October 5, 2022
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City of Brownsville Statement in Response to Approval of the Tenaska Audit Report

On October 4, 2022, the City Commission received and approved the Tenaska Audit's Executive Summary Report and its supporting full forensic audit report (collectively, "the Tenaska Audit Reports") conducted by the independent auditor, Carr, Riggs & Ingram (CRI).

The Tenaska Audit was initiated by the City Commission in December 2021 to determine the facts and circumstances related to a Brownsville Public Utilities Board (BPUB) project which never came to fruition. The Tenaska project was to have resulted in the construction of a new energy production facility to meet projected demands. Under the scope of the project, BPUB would have owned a percentage of the production. In order to raise the necessary funds for BPUB's ownership share in the facility, utility rates were raised, and monies were collected over the course of several years. Confirming what drove feasibility over the course of the project, and disposition of the ratepayer's monies were key considerations during the audit.

The Tenaska Audit is one of several accountability measures that the City Commission has initiated to address transparency, conflicts of interest, and other ethical and legal issues across the city, its respective boards, and BPUB. It was also in December 2021 when the City Commission passed an ordinance that expanded the scope and strengthened the authority of the Ethics Advisory Commission, under the City's Code of Ethics, Chapter 38, originally created in 2019. Among other changes, the new revisions required several city boards, including the Brownsville Public Utilities Board (BPUB), to comply with the provisions of Chapter 38, including the filing of personal finance statements and other city ethics requirements.

The audit was expected to take several months to complete and ultimately ran longer than expected in the interest of ensuring a full and transparent result.

Over the past several months, CRI has carefully reviewed over 10,000 documents and interviewed numerous individuals previously involved or having important information about the Tenaska Project. Generally, the report identifies several concerning errors, omissions, and potential misrepresentations as it relates to the management of the Tenaska Project. The full audit report and a detailed accounting of the audit's findings can be accessed on the Brownsville City Auditor's website.



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In addition to the steps already executed by the City to ensure accountability and transparency on future projects, the City Commission remains committed to further resolving the specific issues and concerns listed in the Tenaska Audit Reports. The City of Brownsville will provide more information on its website at www.brownsvilletx.gov as it becomes available. We will also provide updates via the City of Brownsville's Facebook page as they become available.

These reports have been shared with the Brownsville Public Utilities Board, their legal counsel and General Manager. The City Commission expects BPUB will join the city's efforts in addressing the audit's findings.



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