

MINUTES
NEW BRAUNFELS UTILITIES
AUGUST BOARD OF TRUSTEES MEETING

NBU BOARD ROOM
263 MAIN PLAZA, NEW BRAUNFELS, TEXAS 78130
THURSDAY, AUGUST 27, 2026, AT 1:00 PM

Board President Wayne Peters opened the meeting at 1:00 pm. A quorum of the NBU Board was present.

PRESENT

Board President Wayne Peters, Board Trustee Stuart Blythin, Board Trustee Yvette Barrera Villanueva, and Mayor Michael French

ABSENT

Board Vice President Judith Dykes-Hoffmann

NBU PERSONNEL

Ryan Kelso, Ragan Dickens, Greg Brown, Jessica Williams, Connie Lock, Rocio G. Hilliard, Mark Steelman, David Hubbard, Amanda Collins, Rebekah Llamas
Adriana Sanchez, Carlos Salas, Darrin Jensen, Jason Theurer, John Warren, Julia Haynes, Kimberly DaCosta, Justin Green, Mike Short, Rachel Leier, Reagan Pena, Will Riley, Adam Williard, Anna Melton, Azura Kerr, Brandon Thomas, Brent Lundmark, Bruce Haby, Daniel Mendez, David Guerrero, Jr., Doug Clifton, Jacob Tschoepe, Jason Rammel, Jeffrey Morriss, Jenna Mathis, Jesse Luna, Jessica Coleman, Jessica Green, Justin Stroup, Katie Storey, Kristi Villasana, Mike Penschorn, Missy Quent, Nicole Wesley, Peter Vanderstoep, Robert Aleman

NBU CONSULTANTS

Ed O'Boyle, Gallup

CALL TO ORDER

PLEDGE OF ALLEGIANCE AND INVOCATION

NBU CEO Ryan Kelso led the Pledge of Allegiance and offered the invocation.

RECOGNITIONS

- 1. Recognition of Outgoing Community Advisory Panel ("CAP") Members, Bobby Avary, Stuart Blythin, Darren Hill, Jonathan Packer, Dr. Les Shephard, Chris Snider, and Julissa Vela**
CEO Ryan Kelso recognized members who previously served on the Community Advisory Panel. CAP members who were present are Bobby Avary, Stuart Blythin, and Jonathan Packer.

NBU EMPLOYEE RECOGNITIONS

- 1. Recognition of NBU Texas Lineman's Rodeo Participants**
CEO Ryan Kelso recognized NBU Electric Journeymen, Apprentices, and BBQ Teams who participated in the Texas Lineman's Rodeo. NBU was represented by Journeymen: Karson Pennick, Nate Wallsmith, Austin Klaerner, Bradley Dietert, Chris Gavigan, Ty McFarlin, Klayton Rothrock,

Brenner Magott, and Chance Miller; Apprentices: Bradley Spencer, Matt De La Riva, Tyler Robinson, Cole Jurgajtis, Jacob Ridge, and Lane Dietert; and Barbeque teams made up of Randy Willard, Kristen Anderson, George Herrera, Javier Nieto, Elliot Girard, and Ryan Korhorst.

Additional recognition was extended to volunteer judges Steve Thies, Nick Woods, John Espinoza, Michael Najera, and Cace Lawless; Justin Green and Coby Henk for preparing our competitors for the event, and to organizers Keith Marsh, Mike Hardick, and Genevieve Morales.

PUBLIC COMMENT

Kevin Sullivan, resident, addressed the Board on considering additional technical enhancements to customer portals for better customer service.

ITEMS FROM THE CHAIR

- 1. American Public Power Association Annual Conference Update**
Board President Wayne Peters provided an update on attending the APPA Annual National Conference.
- 2. Texas Public Power Association Conference Update**
Board President Wayne Peters provided an update on attending the TPPA Annual State Conference.
- 3. Update from the CAP Board Committee Regarding CAP Member Appointments to Include CAP Vice-Chair, Future CAP Meeting Topics, and Future CAP Meeting Dates**
Board President Wayne Peters provided a report from the Community Advisory Panel Board Committee meeting on August 17, 2026. Items discussed included an update on current CAP member terms, review of the nominations received by City Council for new members, the nomination of Marcie Rodriguez to serve as CAP Vice Chair, proposed topics for CAP to consider, and potential future CAP meeting dates.
- 4. Any Items Permitted Under Section 551.0415 of the Texas Government Code**
No additional comments were made.

ITEMS FROM STAFF

1. CEO's Update
 - a. Leadership Announcement of Position Change: Director of Financial Services Kimberly DaCosta**
Kimberly DaCosta was promoted to Director of Financial Services. Kimberly most recently served as Accounting Manager and Interim Director of Financial Services.
 - b. NBU Water Engineer Project Manager, Ashley Zimmermann, Presents at American Water Works Association Annual Conference**
Members of NBU's Water Engineering, Water Operations, and Water Treatment and Compliance teams recently attended the American Water Works Association Conference. Ashley Zimmermann, Project Manager for Water Engineering, presented alongside Arcadis on "From Reactive to Proactive: Successfully Planning a 50-Year Water Supply in a Fast-Growing, Drought-Prone Region," sharing how long-term

planning, collaboration, and a diversified water portfolio are helping meet the needs of one of the fastest-growing communities in Texas.

c. NBU Community Engagement Team Volunteers at Local Community Events and Participates in Community Career Fairs, Summer Camps, Job Fairs, and Expositions at Local School District Campuses

The Community Engagement team collaborated with the New Braunfels Youth Collaborative and Comal ISD to teach local youth about water conservation, environmental stewardship, and utility careers, while also supporting educators for the upcoming 26–27 school year through local fairs and a Comal ISD Science teacher professional development day at Headwaters. Additionally, they hosted well-attended DIY Rain Barrel workshops, collecting more than 75 resumes at local career fairs, and supported the Electric Operations team at the Texas Lineman's Rodeo.

d. NBU Chief Financial Officer, Jessica Williams, Presents at Government Finance Officers Association Conference in Chicago

Jessica Williams presented a pre-conference session on "Establishing, Enhancing, and Effectuating Your Debt Policy" at the national GFOA conference as part of her service on the GFOA Committee on Governmental Debt and Fiscal Policy.

e. Tour of NBU Facilities with New Braunfels City Councilmember Toni Carter

NBU hosted New Braunfels City Councilmember Toni Carter for a tour of our NBU facilities.

f. NBU CEO Ryan Kelso Presents the Drought Contingency Plan to New Braunfels City Council

CEO Ryan Kelso and Andrew Cummings, Director of Customer Solutions, presented proposed amendments to NBU's Drought Contingency Plan to the New Braunfels City Council. The amendments, approved by the NBU Board of Trustees in February 2026, include updated drought triggers, revisions to the drought surcharge, and changes to customer requirements during declared stages.

g. Headwaters Operations & Engagement Specialist, Kim Klausner, Accepted in the HOLT Values-Based Leadership™ Fellows Program through the San Antonio Area Foundation

Kim Klausner has been accepted into the San Antonio Area Foundation's HOLT CAT Values-Based Leadership Fellows Program.

h. NBU Director of Customer Solutions, Andrew Cummings, Presents at Texas Commission on Environmental Quality (TCEQ) Public Drinking Water Conference

Andrew Cummings, NBU's Director of Customer Solutions, participated in a panel titled "Promoting Smart Water Usage and Conservation: Success Stories on Outreach and Implementation" at TCEQ's 2026 Public Drinking Water Conference.

i. NBU Hosts All-Employee Meeting

NBU held an All-Employee Meeting that brought together the majority of our workforce to align around NBU's updated mission, vision, and values, discuss key organization-wide initiatives, and reinforce our strategic direction.

j. Any Other Items Permitted Under Section 551.0415 of the Texas Government Code

*No additional items were discussed.

2. Update to the CEO End of Year Performance Evaluation Process

General Counsel/Chief Ethics Officer Connie Lock presented information on the updated CEO end of year performance evaluation process.

3. Financial Update and Report

Director of Financial Services Kimberly DeCosta provided an update on the financial status of NBU.

5. Fiscal Year 2026 End of Year Strategic Plan Update

Director of Enterprise Project Management Office Darrin Jensen provided an update on the end of year strategic plan update.

5. Monthly NBU Backup Operations Center and Headquarters Progress Update

Program Portfolio Manager Jacob Tschoepe provided an update on the progress of the NBU Backup Operations Center and Headquarters projects.

CONSENT ITEMS FOR ACTION

Board Trustee Stuart Blythin made a motion, and Mayor Michael French seconded the motion to approve the Consent Items for Action as follows: #1, #2, #3, #4, #5, #6, #7, #8, #9, #10, #11, #12, #13, #14, #15, #16, #17, #18, and #19. The vote was unanimous.

1. Approve Minutes of the NBU Regular Board Meeting of June 25, 2026
2. Approve the Change Order Log from May 15, 2026, through July 15, 2026
3. Approve the Electric Line of Business Alternative Procurements from May 15, 2026, through July 15, 2026
4. Approve the Reports for Water and Electric Engineering Contracts from August 1, 2025, through July 15, 2026
5. Approve the Fiscal Year 2027 City Transfer
6. Appoint Bob King, Jimmy Owens, and Jerico McKennon to the NBU Community Advisory Panel and Appoint Marcie Rodriguez as CAP Vice Chair
7. Authorize the CEO or His Designee to Negotiate and Execute a Materials Agreement with Ferguson Enterprises LLC for the Purchase of Water Meters
8. Approve the NBU Mutual Aid Policy
9. Authorize the CEO or His Designee to Negotiate and Execute a Construction Contract with Guerra Underground LLC for the Construction of the Water and Sewer Infrastructure Replacement Project Located at Bridge Street, Butcher Street, Sunset Drive, and Hampshire Street
10. Authorize the CEO or His Designee to Negotiate and Execute a Construction Contract with MGC Contractors, Inc. for the Construction of the FM 1101 Pump Station and Ground Storage Tank Project

11. Authorize the CEO or His Designee to Negotiate and Execute a Construction Contract with Keeley Construction Group, Inc. for the Construction of the Loop 337 Ground Storage Tank Improvements Project
12. Authorize the CEO or His Designee to Negotiate and Execute a Professional Services Agreement with Freese and Nichols, Inc. for the Design of the Common Street Relocation Project Located Along Common Street from North Liberty Avenue to Loop 337
13. Authorize the CEO or His Designee to Negotiate and Execute a Professional Services Agreement with Freese and Nichols, Inc. for the Design of the Water Tank Rehabilitation Phase 3 Project for the Mission Hills Ranch and Gruene Road Water Storage Tanks
14. Authorize the CEO or His Designee to Negotiate and Execute a Professional Services Agreement with Kimley-Horn and Associates, Inc. for the Design of the Downtown Water and Wastewater Improvements Project
15. Authorize the CEO or His Designee to Negotiate and Execute a Construction Contract with R.L. Jones, LP for the Construction of the Water and Wastewater Infrastructure Replacement Package 2 Project Located at Simon Avenue, Seele Street, Samuels Avenue, Seele Alley, Hill Avenue, and Interstate Highway 35 Northbound Frontage Road
16. Authorize the CEO or His Designee to Negotiate and Execute a Professional Services Agreement with Freese and Nichols, Inc. for Preparation and Implementation of a Compliance Program Required by the U.S. Environmental Protection Agency Lead and Copper Rule Improvements
17. Adopt Resolution #R-2026-221 Recommending Acquisition, By Use of the Power of Eminent Domain, of a 0.7402-Acre Permanent Utility Easement Out of the A.M. Esnaurizar Survey, Abstract 98, Comal County, Texas, Being All of Lot 8, Block 4, Resubdivision of Villa Rio, According to the Plat of Record in Volume 129, Page 312, of the Deed Records of Comal County, Texas, Located at 470 Rio Drive, New Braunfels, Texas 78130, Assigned Comal Appraisal District Property ID 67480, Owned by The Villa Rio Subdivision Recreation Committee, Operated by the Spanish Colony Property Owners Association DBA Villa Rio Subdivision Recreation Committee, Which is Necessary to Advance and Achieve the Public Use of Expanding and Improving the New Braunfels Utilities' Sewer System to Meet Existing and Future Needs and Ensure Reliability
18. Adopt Resolution #R-2026-222 Authorizing and Approving (i) the Conveyance of a 0.196 Acre Permanent Easement and a 0.196 Acre Temporary Construction Easement to SJWTX, Inc., a Texas Corporation Doing Business as the Texas Water Company, Formerly Known as Canyon Lake Water Service Company, on a 4.030 Acre Tract of Real Property Conveyed to New Braunfels Utilities, in Document No. 200206040402, Real Property Records, Comal County, Texas, Also Known as the Highway 46 Substation Site; (ii) the CEO or His Designee to Execute Any and All Documents Necessary to Effectuate the Conveyance Thereof; and (iii) Other Matters in Connection Therewith
19. Authorize the CEO or His Designee to Negotiate and Execute a DIR Cooperative Agreement, DIR Contract No. DIR-CPO-5253, with Gartner, Inc., for IT Research and Advisory Subscription Services

PRESENTATION ITEMS

- 1. Presentation and Update on the City of New Braunfels Edwards Aquifer Habitat Conservation Plan (EAHCP) - Incidental Take Permit Renewal**
Amy Niles of the City of New Braunfels presented information on EAHCP, including information on what an Incident Take Permit is and the current Habitat Conservation Plan.
- 2. Presentation from Gallup on the Fiscal Year 2026 Employee Engagement Survey Results**
Director of People and Culture Adriana Sanchez introduced Ed O'Boyle from Gallup, who presented the Gallup Employee Engagement Survey results.
- 3. Presentation from the NBU Employee Experience Team on the Proposed NBU Employee Engagement Action Items Based on the Results from the Employee Engagement Survey**
Following the Gallup Employee Engagement Survey Results, the NBU Employee Experience Team presented information on the key takeaways, successes, and future action items proposed to address the Employee Engagement Survey Results.
- 4. Presentation on Large Load Electric Projects and Regulatory Developments**
CFO Jessica Williams and CESO Rebekah Llamas presented information on the state of the market, an update on large load inquiries within the NBU service area, and regulatory initiatives.

ITEMS FOR FUTURE ACTION

- 1. Presentation on Amendments to Chapter 130, Article IV, Division 4, Section 130-187 of the New Braunfels Code of Ordinances Related to Establishing New Meter Connections**
Director of Engineering, Mike Short, presented information on a proposed amendment to the New Braunfels Code of Ordinances as related to new meter connections. If approved by the NBU Board, it will be taken to City Council for consideration.
- 2. Presentation Regarding the Fiscal Year 2027 Strategic Plan**
Director of Enterprise Project Management Office, Darrin Jensen, presented information on proposed changes to the Customer and Community strategic goal measures.

ACTION ITEMS

- 1. Discuss and Consider Future Topics for the Community Advisory Panel**
Director of External Relations, Julia Haynes, provided information on two proposed future topics for the Community Advisory Panel to consider. Topics include the proposed impact fee and FY2028 – 2030 rate plan.

Board Trustee Yvette Barrera Villanueva made a motion, and Board Trustee Stuart Blythin seconded the motion to approve the future topics for the Community Advisory Panel as presented. The vote was unanimous.

EXECUTIVE SESSION

Board President Wayne Peters recessed the Open Session at 3:46 pm and announced that the Board would go into an Executive Session meeting. The Board of Trustees may recess into Executive Session for any purpose permitted by the Texas Open Meetings Act, including but not limited to:

1. Consultation with Attorney Regarding Pending or Contemplated Litigation, Settlement Offers, and/or Other Matters Protected by Attorney-Client Privilege (Section 551.071 – Texas Government Code) pertaining to the following:
 - a. Discuss *New Braunfels Utilities v. TRC Engineers, Inc.*, Cause No. C2024-1980D (433rd District Court, Comal County, Texas)
 - b. Discuss Lease Agreement between NBU and JGC Tennis, Inc., and Related Matters

The Executive Session was opened at 3:52 pm and closed at 4:37 pm.

The Board of Trustees, upon reconvening in Open Session, will discuss and consider any necessary action regarding closed session items.

RECONVENE INTO OPEN SESSION AND TAKE ANY NECESSARY ACTION RELATING TO THE EXECUTIVE SESSION AS DESCRIBED ABOVE

The Regular Session resumed at 4:38 p.m. Only the matters cited above, and no others, were discussed.

The following actions were taken relating to the Executive Session as described above.

Trustee Stuart Blythin made a motion, and Mayor Michael French seconded the motion to authorize the CEO or his designee to negotiate and execute a settlement agreement and any related documents with TRC Engineers, Inc. in connection with the case styled *New Braunfels Utilities v. TRC Engineers, Inc.*, Cause No. C2024-1980D (433rd District Court, Comal County, Texas). The vote was unanimous.

ADJOURN

There was no further business, and Board President Wayne Peters adjourned the meeting at 4:40 p.m.



Wayne Peters, President
Approved

Attest:



Ryan Kelso, Secretary of the Board
Chief Executive Officer

Date Approved: September 22, 2026