

**MINUTES  
NEW BRAUNFELS UTILITIES BOARD OF DIRECTORS  
REGULAR BOARD MEETING**

**1:00 P.M.  
TUESDAY, MAY 25, 2021  
GOTOMEETING – VIDEO CONFERENCE**

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

**PRESENT**

Board President John Harrell, Board Vice President Judith Dykes-Hoffmann, Board Trustee Bob Gray, Board Trustee Wayne Peters, and Mayor Rusty Brockman

**ABSENT**

None

**NBU PERSONNEL**

Ian Taylor, Ryan Kelso, Dawn Schriewer, Connie Lock, Melissa Krause, Robin Britton, David Hubbard, and Laura Rivers

**NBU CONSULTANTS**

None

**PLEDGE AND INVOCATION**

Board President John Harrell led the pledge of allegiance and offered the invocation.

**PUBLIC COMMENT**

Nick and Carmen Tancredi, Bridget and Richard Cooper, Monica Chisolm, Cathy Byrom, Stephanie Gardner, and Mary and Steve Odierna, provided comments related to The Addition in Copper Ridge.

**NBU EMPLOYEE RECOGNITIONS**

CEO Ian Taylor recognized Alex Alvarado and Lupita Sutton for 20 years of dedicated service to New Braunfels Utilities. Mr. Taylor also recognized NBU COO, Ryan Kelso, and NBU Chief Technology & Security Officer, Robin Britton, on their graduation from Leadership New Braunfels. In addition, Lauren Strack, Assistant Manager of the Headwaters at the Comal, was recognized as an award winner of the 2021 New Braunfels Jaycees Rising Stars.

**ITEMS FROM THE CHAIR**

**1. Report from the Ad Hoc Governance and Personnel Committee**

Board Vice President Judith Dykes-Hoffmann provided a report from the Ad Hoc Governance and Personnel Committee meeting held on May 20, 2021. Attendees included: Judith Dykes-Hoffman, John Harrell, Christine Reinhardt, and Connie Lock. The committee met to review and revise the Governance Policies and the CEO Executive Agreement. This

report relates solely to the Governance Policies and the committee will present a separate report regarding the CEO Executive Agreement at the Board Meeting scheduled on June 24, 2021.

The committee discussed the need to make the following revisions to the Governance Policies: a.) add a preface explaining the purpose of the Governance Policies and any related revision history, b.) structure operational policies around NBU's strategic goals, c.) set minimum time periods for setting and reviewing NBU's strategic goals, d.) incorporate strategic goal measurements in lieu of maintaining separate operational and outcome policies, e.) rename policies as follows: Operational Policies to Strategic Goals, and Governance Process to Board Governance, with no change to the current policy name of Board-Management Delegation, f.) update policies to reflect current or preferred Board and NBU practices, g.) add new policies describing the Vice President's role and addressing Board member discipline, resignation, and removal, h.) clarify timing of the annual planning process, i.) add reference to additional training resources in the policy on Governance Investment, j.) clarify Board and CEO communication requirements, k.) reorganize misplaced policies or language, and l.) revise vague, unclear, or outdated language. The committee presented the proposed revisions to the Board at its retreat on March 31, 2021 and again at its regular meeting on April 29, 2021. On May 20, 2021, the Committee discussed additional feedback after its April Board meeting and made the following changes: a.) updated Board committees, and b.) clarified emergency executive CEO succession planning. The Committee discussed that it would meet as the Governance Committee in the future on an as needed basis to ensure that the Governance Policies remain current.

## **ITEMS FROM THE STAFF**

- 1. CEO'S Update**
  - a. Water Main Break near Comal River
  - b. NBU Headquarters Road Access
  - c. Re-Entry Plan

CEO Ian Taylor provided the Board with an update on the water main break near the Comal River, where roughly 1.5 million gallons of potable water was discharged into Blieders Creek. Due to the failing, aging water infrastructure that led to the water main break, approximately 2,300 fish were killed. NBU staff have begun reviewing all aging infrastructure to manage risk more efficiently in the future. Also, Mr. Taylor briefed the Board on the proposed NBU Headquarters and access road, along with ongoing meetings with the homeowner's associations (HOA) in the area and evaluating a traffic impact analysis. The re-entry plan has been updated and employees will be returning to the office beginning June 14 through June 28. In-person board meetings will resume June 24, 2021. NBU has removed all mask requirements to enter NBU buildings. Lastly, Mr. Taylor reported that New Braunfels has moved out of drought Stage I.

- 2. Financial Update and Report**

Accounting Manager Kimberly Huffman provided an update on the financial status of NBU. Ms. Huffman reviewed the financial and statistical reports for April 2021.

- 3. Quarterly Investment Report**

Finance Manager John Warren updated the Board on the Quarterly Investment Report.

### **CONSENT ITEMS FOR ACTION**

**Board Trustee Wayne Peters made a motion and Board Trustee Bob Gray seconded the motion to approve the Consent Items for Action as follows: #1, #2, #3, #4, #5, #6, #7, #8, #9, #10, and #11. The vote was unanimous.**

1. Approve Minutes of the NBU Regular Board Meeting of April 29, 2021
2. Approve 2020 Fourth Quarter Charge-Off Accounts
3. Approve the Change Order Log from March 15, 2021, through April 15, 2021
4. Approve the Reports for Water and Electric Engineering Contracts from August 1, 2020, through April 15, 2021
5. Authorize CEO or His Designee to Negotiate and Execute a Construction Contract with Harper Brothers Construction, LLC for the Construction of the 24-Inch McQueeney Road Water Line Project
6. Authorize CEO or His Designee to Negotiate and Execute a Construction Contract with JM Pipeline, LLC for the Construction of the Nautilus Tract Offsite Sewer Project
7. Authorize CEO or His Designee to Negotiate and Execute a Professional Services Agreement with Freese and Nichols, Inc. for the Design of the Landa Pump Station Phase 2 Project
8. Authorize CEO or His Designee to Negotiate and Execute a Contract with Siemens Industry, Inc. and a Contract with Siemens Energy, Inc. for the Installation and Purchase of Eleven (11) Substation Breakers
9. Authorize CEO or His Designee to Negotiate and Execute a Contract with Lambda Construction I, Ltd. for Foundation Additions at the E.C. Mornhinweg, TXI, and Hortontown Substations
10. Authorize CEO or His Designee to Negotiate and Execute an Amendment to the Services and Goods Agreement with Precision Calibrate for Large Water Meter Testing and Repair Services
11. Adopt Resolution #2021-146 by the Board of Trustees of New Braunfels Utilities (i) Approving Amendments to Chapter 130, Article II, Section 130-30 of the Code of Ordinances of the City of New Braunfels Providing the Right to Board Members to Waive Annual Compensation and to Revoke Such Waiver and Reinstate Annual Compensation at Any Time and (ii) Authorizing Presentation of Same to the City Council of New Braunfels for Its Consideration and Passage

### **ACTION ITEMS**

1. **Discuss and Consider Adoption of Resolution #2021-147 Relating to the Issuance of the “City of New Braunfels, Texas, Utility System Revenue Refunding Bonds, Series 2021” and Resolving Other Matters Incident and Related Thereto**

Board Trustee Bob Gray made a motion and Board Trustee Wayne Peters seconded the motion to adopt Resolution #2021-147 relating to the issuance of the “City of New Braunfels,

Texas, Utility System Revenue Refunding Bonds, Series 2021” and resolving other matters incident and related thereto. The vote was unanimous.

**2. Discuss and Consider Approval and Authorization to Select the Underwriting Team for the City of New Braunfels, Texas, Utility System Revenue Refunding Bonds, Series 2021**

Board Vice President Judith Dykes-Hoffmann made a motion and Board Trustee Bob Gray seconded the motion to select the underwriting team for the City of New Braunfels, Texas, Utility System Revenue Refunding Bonds, Series 2021. The vote was unanimous.

**3. Discuss and Consider Approval for the Headwaters at the Comal Board of Directors to Appoint Jordan Matney as a Class C Board Member of the Headwaters at the Comal**

Board Trustee Wayne Peters made a motion and Board Trustee Bob Gray seconded the motion to approve the appointment of Jordan Matney as a Class C Board Member of the Headwaters at the Comal Board of Directors. The vote was unanimous.

**4. Discuss and Consider Approval of Proposed Revisions to the NBU Board Governance Policies**

Mayor Rusty Brockman made a motion and Board Vice President Judith Dykes-Hoffmann seconded the motion to approve the proposed revisions to the NBU Board Governance policies. The vote was unanimous.

**PRESENTATION ITEMS**

**1. Presentation and Update on the 100% NBU HQ Schematic Design from Marmon Mok**

Marmon Mok provided an update on the 100% schematic design of the NBU Headquarters.

**2. Presentation and Quarterly Update on the Headwaters at the Comal**

Managing Director Nancy Pappas updated the Board on the Headwaters at the Comal Project.

**3. Presentation and Update of the Strategic Plan – Third Quarter, FY 2021**

Members of the Senior Management Team reviewed the progress on the Third Quarter, FY 2021, Strategic Plan.

**4. Presentation on the New Braunfels Utilities (NBU) Customer Satisfaction Survey Results for Fiscal Year 2021 from GreatBlue Research**

Taylor Foss of GreatBlue Research reviewed the NBU Customer Satisfaction Survey results for FY 2021.

**EXECUTIVE SESSION**

Board President John Harrell recessed the Open Session at 3:46 pm and announced that the Board would go into an Executive Session Meeting. The Executive Session included Power Supply Resources – Competitive Matters, Consultation with Attorney Regarding Contemplated Litigation,

Settlement Offer, or Other Matters Protected by Attorney Client Privilege, and Personnel Matters. The Executive Session was opened at 4:01 pm and closed at 6:49 pm.

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

**ADJOURN**

The Regular Session resumed at 6:50 pm. Upon reconvening, Board President John Harrell stated that on Friday, May 21, 2021, the developer for The Addition to Copper Ridge submitted a request to the NBU Board to consider authorizing the CEO to negotiate and execute a Second Modification to the Second Amendment to the Utility Cost Sharing Agreement for the Copper Ridge Subdivision among NBU, Southerland Communities NB Land Properties, Ltd., and Southerland Copper Ridge, LLC. The Second Modification would extend Milestone 4's existing deadline of May 31, 2021, to September 30, 2021, and Milestone 5's existing deadline of July 12 to September 30, 2021.

Board Vice President Judith Dykes-Hoffmann made a motion and Board Trustee Wayne Peters seconded the motion not to authorize the CEO to negotiate and execute a Second Modification to the Second Amendment to the Utility Cost Sharing Agreement for the Copper Ridge Subdivision among NBU, Southerland Communities NB Land Properties, Ltd., and Southerland Copper Ridge, LLC. The vote was unanimous.

There was no further business and Board President John Harrell adjourned the Board Meeting at 6:52 pm.

  
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*John A. Harrell, President*  
*Approved*

**Attest:**

  
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*Ian Taylor, Secretary of the Board*  
*Chief Executive Officer*

*Date Approved: June 24, 2021*