



NOTICE OF OPEN MEETING
MAY BOARD OF TRUSTEES
NBU Board Room, 263 Main Plaza, New Braunfels, Texas 78130
May 30, 2024, at 1:00 PM
www.nbutexas.com

AGENDA

CALL TO ORDER

PLEDGE OF ALLEGIANCE AND INVOCATION

Board Vice President Judith Dykes-Hoffmann

NBU MISSION, VISION, CORE VALUES

Greg Brown, Chief Technology and Security Officer

1. NBU Operations Team Electric Restoration Efforts from May Storms
2. NBU Provides Mutual Restoration Aid to the City of San Marcos

PUBLIC COMMENT

NBU EMPLOYEE RECOGNITIONS

1. Presentation of Service Pins
 - a. Recognizing NBU Employees Gus Lara and Mike Vineyard for 25 Years of Service
2. Retirement Recognition of Jimmy Quiroz

ITEMS FROM THE CHAIR

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

ITEMS FROM STAFF

1. CEO's Update
 - a. Safety Update: 365 Days of Work Performed with No Lost Time Incidents
 - b. NBU Conservation Team's Participation in the City of New Braunfels' "Thru the Chute" Competition
 - c. Community Outreach: Career Day Visits at Local Elementary Schools
 - d. CEO Roadshow: Participating in the New Braunfels Economic Development Foundation's All-Board Members Luncheon Water Panel Discussion on the Future of Water in New Braunfels
 - e. Texas Public Power Corridor Academy Graduation

- f. Public Service Recognition Week
 - g. Tour of Interim Waste Water Treatment Plant at Mayfair
 - h. NBU University Graduation
 - i. NBU Employees Graduate from Leadership New Braunfels
 - j. Leadership Announcements: New Hire Joe Vargas, Security Manager
 - k. Any Other Items Permitted Under Section 551.0415 of the Texas Government Code
2. Financial Update and Report, Including an Update on the Filing of the NBU Transmission Cost of Service Application with the Public Utility Commission of Texas
 3. Quarterly Power Supply Report to Include a Power Stabilization Fund Update
 4. Quarterly Investment Report
 5. Quarterly NBU Headquarters and Annex Progress Update
 6. Quarterly Update on the Headwaters at the Comal
 7. Fiscal Year 2024 Strategic Plan Update

CONSENT ITEMS FOR ACTION

1. Approve Minutes of the NBU Regular Board Meeting of April 25, 2024
2. Approve the Change Order Log from March 15, 2024, through April 15, 2024
3. Approve the Reports for Water and Electric Engineering Contracts from August 1, 2023, through April 15, 2024
4. Approve the Electric Line of Business Alternative Procurements from March 15, 2024, through April 15, 2024
5. Approve 2023 Fourth Quarter Charge-Off Accounts
6. Approve the Appointment of Gretchen Reuwer as an NBU Member of the Headwaters at the Comal Board of Directors
7. Authorize CEO or His Designee to Negotiate and Execute a Second Amendment to the Professional Services Agreement with Merrick & Company for the Development Plan Review Project for Water and Wastewater Construction
8. Authorize CEO or His Designee to Negotiate and Execute a Professional Services Agreement with Pawelek & Moy, Inc. for the Design of the North Kuehler Interceptor Segment 3 Project
9. Authorize CEO or His Designee to Negotiate and Execute a Fourth Amendment to the Professional Services Agreement with Arcadis U.S., Inc. for the Design of Phase 4 of the Aquifer Storage and Recovery Project

10. Authorize CEO or His Designee to Negotiate and Execute a Professional Services Agreement with Freese and Nichols, Inc. for Environmental Services for the Water and Wastewater Capital Improvements Program
11. Authorize CEO or His Designee to Negotiate and Execute an Interlocal Agreement with the Edwards Aquifer Authority for Operation of a Water Level Observation Well at Comal Plant No. 3 Adjacent to Comal Springs, New Braunfels, Texas

PRESENTATION ITEMS

1. Presentation on the New Braunfels Utilities (NBU) Customer Satisfaction Survey Results for Fiscal Year 2024 from Great Blue Research

EXECUTIVE SESSION

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. Power Supply Resources – Competitive Matters
(Section 551.086 – Texas Government Code)
 - a. Power Supply Update Including Changes to the Power Stabilization Fund
 - b. Discuss Generation Capacity Opportunities
2. Consultation with Attorney Regarding Matters Protected by Attorney Client Privilege
(Section 551.071 – Texas Government Code)
 - a. Discuss the Effects of the San Antonio Water System's Application for Water Use Permit No. 13098 on NBU's Water Rights in the Guadalupe River Basin
3. Personnel Matters
(Section 551.074 – Texas Government Code)
 - a. Deliberate the Employment, Evaluation, and Duties of the Chief Executive Officer

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

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

ADJOURN

If you require assistance in participating at a public meeting due to a disability as defined under the Americans with Disabilities Act, reasonable assistance, adaptations, or accommodations will be provided upon request. Please contact the Board Relations Coordinator at least three (3) days prior to the scheduled meeting date at (830) 629-8400 or the NBU Main Office at 263 Main Plaza, New Braunfels, Texas, for additional information.

CERTIFICATE OF POSTING

I, Ryan Kelso, Secretary to the Board of Trustees, do hereby certify that this Notice of Meeting was posted at the City of New Braunfels City Hall, 550 Landa Street, New Braunfels, Texas, and New Braunfels Utilities Main Office, 263 Main Plaza, New Braunfels, Texas, on the **23rd day of May 2024**, and remained posted continuously for at least 72 hours preceding the scheduled time of the meeting.



Ryan Kelso, Chief Executive Officer
Secretary to the Board of Trustees



Meeting Date: May 30, 2024 **Agenda Type:** Items from Staff

From: Kimberly Huffman **Reviewed by:** Ashley Van Booven
Accounting Manager Director of Finance

Submitted by: Dawn Schriever **Approved by:** Ryan Kelso
Chief Financial Officer Chief Executive Officer

RECOMMENDED ACTION: Financial Update and Report, Including an Update on the Filing of the NBU Transmission Cost of Service Application with the Public Utility Commission of Texas

BACKGROUND

NBU's service territory experienced higher temperatures and lower rainfall during the month of April than historically. The average temperature was 72.4 degrees, which was 3.6 degrees higher than the historical average temperature of 68.8 degrees. Rainfall totaled 2.3 inches for the month of April, which was 0.6 inches lower than the historical average rainfall of 2.9 inches.

For the month of April 2024, NBU recorded a change in net position after contributions ("CNPAC") of \$1,382,000, which represents an increase of \$1,781,000 compared to the budgeted monthly CNPAC of (\$399,000). Operating service revenues of \$16,742,000 were less than budget by \$3,512,000, or 17%, for the month of April. A \$2,244,000 decrease in electric revenue, a \$764,000 decrease in water revenue, and a \$504,000 decrease in wastewater revenue contributed to the overall service revenues. Other operating revenues of \$443,000 were greater than budget by \$23,000 for the month of April. Purchased power costs were \$4,281,000 less than budget for April 2024 and \$446,000 less for Year-to-Date ("YTD"). A decrease in other operating expenses of \$562,000 resulted in total operating expenses to be \$4,843,000, or 23%, less than the budgeted amount of \$21,049,000. The net revenue and operating expense variances contributed to a favorable net operating income variance of \$1,353,000 from budget. Net non-operating items had a \$265,000 favorable variance compared to budget. Impact fees were greater than budget by \$311,000, services income was less than budget by \$80,000, and capital participation fees was less than budget by \$66,000. April 2024 YTD CNPAC was \$37,502,000, which was \$22,231,000 greater than the budgeted amount of \$15,271,000.

FINANCIAL IMPACT

Electric

The Electric Line of Business reported total operating revenues of \$11,303,000, a \$2,255,000 decrease, or 17%, from the April budgeted amount of \$13,558,000. The net rate realized per kWh was \$0.0930, which was 2% less than the budgeted rate of \$0.0949. April kWh sales were 117.9 million kWh, a 21.3 million kWh decrease, or 15%, in comparison to the budgeted amount of 139.2 million kWh. Purchased power costs totaled \$7,192,000, which was \$4,281,000 less than the budgeted amount of \$11,473,000.

Electric gross margin, which is total operating revenues minus purchased power, resulted in the amount of \$4,111,000 for the month of April and \$46,345,000 YTD. These amounts were \$2,206,000 greater and \$4,644,000 greater than the budgeted amount of \$2,085,000 Month-to-Date (“MTD”) and \$41,701,000 YTD. Other operating expenses were less than budget by \$357,000. These items resulted in the Electric Line of Business reporting net operating income of \$1,498,000, which was \$2,384,000 greater than the budgeted amount of (\$886,000). Net non-operating items provided an unfavorable variance from budget of \$206,000. Services income was less than budget by \$177,000. The Electric Line of Business reported April 2024 CNPAC of \$559,000 and YTD CNPAC of \$20,733,000. These amounts were \$2,001,000 greater and \$11,212,000 greater than their respective April 2024 MTD and April 2024 YTD budget amounts.

Water

The Water Line of Business reported total operating revenues of \$3,026,000, a \$738,000 decrease, or 20%, from the April budgeted amount of \$3,764,000. In April, water gallons sold of 310,742,000 was less than the budgeted amount of 370,784,000 (a 60,042,000-gallon variance from budget, or 16%). NBU’s net realized price per 1,000 gallons sold in April was \$9.47, which was less than the budgeted amount of \$10.00. Operating expenses for April were \$3,749,000, which was \$167,000 less than the budgeted amount of \$3,916,000. The net effect of less revenues and less operating expenses than budgeted resulted in the Water’s net operating income of (\$723,000), which was less than budget. Net non-operating items provided a favorable variance of \$160,000 from budget. Impact fees of \$1,041,000 were greater than budget by \$25,000, and services income was greater than budget by \$96,000. The Water Line of Business reported April 2024 CNPAC of \$150,000 and YTD CNPAC of \$8,748,000. These amounts were \$291,000 less than and \$6,999,000 greater than their respective April 2024 MTD and April 2024 YTD budget amounts.

Wastewater

The Wastewater Line of Business reported total operating revenues of \$2,856,000, a \$496,000 decrease, or 15%, from the April budgeted amount of \$3,352,000. Total operating expenses of \$2,653,000 were \$36,000 less than the budgeted amount of \$2,689,000. As a result, the Wastewater Line of Business reported net operating income of \$203,000, which was \$460,000 less than the budgeted amount of \$663,000. Net non-operating items provided a favorable variance of \$311,000 from budget. Impact fees were greater than budget by \$286,000, and capital participation fees were less than budget by \$66,000. The Wastewater Line of Business reported April 2024 CNPAC of \$673,000 and YTD CNPAC of \$8,021,000. These amounts were \$71,000 greater than and \$4,020,000 greater than their respective April 2024 MTD and April 2024 YTD budget amounts.

LINK TO STRATEGIC PLAN

Financial Excellence

EXHIBITS

1. Overview Comparison to Budget and Prior Fiscal Year
2. Financial Statements
3. Capital Expenditure Summary
4. Statistics - Electric (Provided separately due to competitive matters)
5. Statistics - Water
6. Statistics - Wastewater

NEW BRAUNFELS UTILITIES
 OVERVIEW COMPARISON TO BUDGET & PRIOR FISCAL YEAR
 For the Period Ending April 30, 2024

		AMOUNT	VARIANCE*	% CHANGE	FAV/UNFAV	Variance Explanation +/-30%
ELECTRIC						
Sales Volume (MWh)	Actual	1,269.3				
	Budget	1,423.2	(153.9)	-11%		
	Prior Year	1,284.4	(15.1)	-1%		
Revenues (\$M)	Actual	\$ 149.0				
	Budget	\$ 144.8	\$ 4.2	3%		
	Prior Year	147.5	\$ 1.5	1%		
Gross Margin (\$M) <i>(Total Operating Revenues Minus Purchased Pwr)</i>	Actual	\$ 46.3				
	Budget	\$ 41.7	\$ 4.6	11%		
	Prior Year	37.9	\$ 8.5	22%		
Operating Income (\$M)	Actual	\$ 24.2				
	Budget	\$ 14.5	\$ 9.6	66%		Higher YTD operating revenues. Primarily from residential.
	Prior Year	16.9	\$ 7.3	43%		Higher operating revenues year-over-year. Primarily from lower Purchased Power costs
WATER						
Sales Volume (Million Gallons)	Actual	3.3				
	Budget	3.3	(0.0)	0%		
	Prior Year	3.1	0.2	5%		
Revenues (\$M)	Actual	\$ 30.4				
	Budget	\$ 32.0	(1.6)	-5%		
	Prior Year	25.8	\$ 4.6	18%		
Gross Margin (\$M) <i>(Total Operating Revenues Minus Purchased Water)</i>	Actual	\$ 21.3				
	Budget	\$ 22.7	(1.3)	-6%		
	Prior Year	20.0	\$ 1.3	6%		
Operating Income (\$M)	Actual	\$ (0.8)				
	Budget	\$ (3.6)	\$ 2.8	-78%		Lower YTD operating expenses. Primarily from Transmission & Distribution and Support Services Allocation.
	Prior Year	1.6	(2.4)	*		Higher YTD operating expenses compared to Prior Year. Primarily from Purchased Water costs and Support Service Allocation.
WASTEWATER						
Revenues (\$M)	Actual	\$ 26.3				
	Budget	\$ 29.3	(3.0)	-10%		
	Prior Year	24.0	\$ 2.3	9%		
Operating Income (\$M)	Actual	\$ 4.7				
	Budget	\$ 4.5	\$ 0.1	2%		
	Prior Year	5.1	(0.5)	-9%		
COMBINED						
Operating Expenses (\$M)**	Actual	\$ 37.3				
	Budget	\$ 46.2	(8.8)	-19%		
	Prior Year	33.1	\$ 4.3	13%		
Operating Income (\$M)	Actual	\$ 28.0				
	Budget	\$ 15.5	\$ 12.5	81%		YTD Electric Service revenues are greater than budget, primarily from Residential, and Water & Wastewater expenses are lower than expected at this time.
	Prior Year	23.6	\$ 4.5	19%		
Change in Net Position Before Contributions (\$M)	Actual	\$ 17.2				
	Budget	\$ (0.3)	\$ 17.5	*		YTD Electric Service revenues are greater than budget, primarily from Residential, and Water & Wastewater expenses are lower than expected. Interest Income is also higher than budget.
	Prior Year	12.7	\$ 4.6	36%		YTD Electric Operating expenses from the prior year are higher, primarily due to Purchase Power.
Impact Fees (\$M)	Actual	\$ 16.7				
	Budget	\$ 12.6	\$ 4.1	33%		Several apartment complexes contributed to higher impact fees.
	Prior Year	14.9	\$ 1.8	12%		
Change in Net Position After Contributions (\$M)	Actual	\$ 37.5				
	Budget	\$ 15.3	\$ 22.2	*		
	Prior Year	31.0	\$ 6.5	21%		

*Note: Variances are based on rounding of actual numbers and not summary numbers in previous column.

**Note: Operating expenses less purchased power, purchased water, and depreciation & amortization.

LEGEND			
Favorable		Unfavorable	
Within +10%		Within -10%	
Exceeds +10%		Exceeds -10%	

NEW BRAUNFELS UTILITIES

Balance Sheet

For the Period Ending April 30, 2024

Amounts Shown in Thousands

Item 2.

	April 30 2024	March 31 2024	Variance	% Change
ASSETS				
UTILITY PLANT				
Utility Plant in Service	\$ 1,210,865	\$ 1,203,795	\$ 7,070	1%
Less: Accumulated Depreciation	(370,240)	(366,981)	(3,259)	1%
Construction in Progress	163,964	149,159	14,804	10%
TOTAL UTILITY PLANT	\$ 1,004,589	\$ 985,974	\$ 18,615	2%
CURRENT & ACCRUED ASSETS				
Cash & Temporary Investments	\$ 40,006	\$ 36,978	\$ 3,028	8%
Accounts Receivable - Customers (Net of Allowance for Bad Debt)	11,362	12,099	(737)	-6%
Accounts Receivable - Other	6,992	6,995	(3)	0%
Accrued Unbilled Revenue	13,956	14,178	(222)	-2%
Inventory	9,323	9,597	(274)	-3%
Prepaid Expenses	15,994	16,660	(666)	-4%
Accrued Interest Receivable	316	220	96	44%
Rents Receivable	5	58	(53)	-91%
TOTAL CURRENT & ACCRUED ASSETS	\$ 97,953	\$ 96,785	\$ 1,169	1%
RESTRICTED ASSETS & DEFERRED DEBITS				
Restricted Funds	\$ 107,935	\$ 112,846	\$ (4,911)	-4%
Designated Funds	72,201	71,173	1,028	1%
Pension Deferred Outflows	16,755	16,755	-	0%
Mid-Basin Regulatory Asset	3,405	3,335	70	2%
Other Deferred Debits	3,574	3,574	-	0%
TOTAL RESTRICTED ASSETS & DEFERRED DEBITS	\$ 203,870	\$ 207,683	\$ (3,812)	-2%
TOTAL ASSETS	\$ 1,306,413	\$ 1,290,441	\$ 15,971	1%
LIABILITIES & NET POSITION				
BONDS PAYABLE				
Bonds Payable	474,945	\$ 474,936	\$ 9	0%
Unamortized Bond Discount/Premium	26,556	26,805	(248)	-1%
TOTAL BONDS PAYABLE	\$ 501,501	\$ 501,741	\$ (240)	0%
CURRENT & ACCRUED LIABILITIES				
Accounts Payable	\$ 14,022	\$ 7,310	\$ 6,712	92%
Accrued Purchased Power	6,507	6,487	20	0%
Commercial Paper Payable	-	-	-	0%
Customer Deposits	13,338	13,220	117	1%
Accrued Payroll & Benefits (Including Compensated Absences)	3,806	4,029	(223)	-6%
Interest Accrued on Long Term Debt	6,323	4,678	1,645	35%
Current Portion of Long Term Debt	8,045	8,045	-	0%
Other Payables	3,098	2,645	453	17%
TOTAL CURRENT & ACCRUED LIABILITIES	\$ 55,139	\$ 46,415	\$ 8,724	19%
NONCURRENT LIABILITIES & DEFERRED CREDITS				
Accumulated Provision for Pension	\$ 29,068	\$ 29,068	\$ -	0%
Power Cost Adjustments - Over-Recovered	9,099	6,545	2,554	39%
Other Deferred Credits	23,878	23,503	375	2%
TOTAL NONCURRENT LIABILITIES & DEFERRED CREDITS	\$ 62,044	\$ 59,115	\$ 2,929	5%
TOTAL LIABILITIES	\$ 618,684	\$ 607,271	\$ 11,413	2%
NET POSITION				
Reserve for Restricted Assets	\$ 95,646	\$ 102,905	\$ (7,259)	-7%
Reserve for Intergovernmental	9,697	9,963	(266)	-3%
Unrestricted Assets	310,849	301,941	8,908	3%
Contributed Capital	271,537	268,361	3,175	1%
TOTAL NET POSITION	\$ 687,729	\$ 683,171	\$ 4,558	1%
TOTAL LIABILITIES & NET POSITION	\$ 1,306,413	\$ 1,290,441	\$ 15,971	1%

NEW BRAUNFELS UTILITIES
Statement of Revenues & Expenses
For the Period Ending April 30, 2024
Amounts Shown in Thousands

	MTD Actual	MTD Budget	Variance	% Variance	YTD Actual	YTD Budget	Variance	% Variance
VOLUME/RATES								
Electric Sales kWh	117,874	139,186	(21,312)	-15%	1,269,283	1,423,196	(153,913)	-11%
Electric Sales Rate Per kWh	\$ 0.0930	\$ 0.0949	\$ (0.0019)	-2%	\$ 0.1147	\$ 0.0996	\$ 0.0151	15%
Purchased kWh	151,044	147,666	3,378	2%	1,371,983	1,441,538	(69,555)	-5%
Purchased Rate per kWh	\$ 0.0476	\$ 0.0777	\$ (0.0301)	-39%	\$ 0.0748	\$ 0.0715	\$ 0.0033	5%
Gallons Sold	310,742	370,784	(60,042)	-16%	3,281,271	3,295,049	(13,777)	0%
Rate per 1,000 Gallons Sold	\$ 9.47	\$ 10.00	\$ (0.53)	-5%	\$ 9.03	\$ 9.55	\$ (0.52)	-5%
OPERATING REVENUES								
SERVICE REVENUE								
Electric Service	\$ 10,968	\$ 13,212	\$ (2,244)	-17%	\$ 145,578	\$ 141,720	\$ 3,858	3%
Water Service	2,944	3,708	(764)	-21%	29,634	31,467	(1,833)	-6%
Wastewater Service	2,830	3,334	(504)	-15%	26,050	29,124	(3,074)	-11%
TOTAL SERVICE REVENUE	\$ 16,742	\$ 20,254	\$ (3,512)	-17%	\$ 201,262	\$ 202,311	\$ (1,049)	-1%
OTHER OPERATING REVENUE								
Electric Other	\$ 70	\$ 100	\$ (30)	-30%	\$ 1,067	\$ 900	\$ 167	19%
Water Other	61	42	19	45%	582	375	207	55%
Wastewater Other	26	18	8	44%	255	158	97	61%
Transmission System Revenue	230	217	13	6%	2,063	1,952	111	6%
Electric Pole Attachments	35	29	6	21%	325	262	63	24%
Water Tower Antenna Lease	21	15	6	40%	189	131	58	44%
TOTAL OTHER OPERATING REVENUE	\$ 443	\$ 420	\$ 23	5%	\$ 4,480	\$ 3,778	\$ 702	19%
TOTAL OPERATING REVENUE	\$ 17,185	\$ 20,674	\$ (3,489)	-17%	\$ 205,742	\$ 206,089	\$ (347)	0%
OPERATING EXPENSES								
ELECTRIC								
Purchased Power	\$ 7,192	\$ 11,473	\$ (4,281)	-37%	\$ 102,688	\$ 103,134	\$ (446)	0%
Electric O&M Expenses	513	809	(296)	-37%	4,886	7,492	(2,606)	-35%
Electric Depreciation & Amortization	1,118	1,215	(97)	-8%	9,863	10,936	(1,073)	-10%
Electric Support Services Allocated Operating Expenses	982	947	35	4%	7,427	8,741	(1,314)	-15%
TOTAL ELECTRIC OPERATING EXPENSE	\$ 9,805	\$ 14,444	\$ (4,639)	-32%	\$ 124,864	\$ 130,303	\$ (5,439)	-4%
WATER								
Purchased Water	\$ 1,008	\$ 1,032	\$ (24)	-2%	\$ 9,058	\$ 9,289	\$ (231)	-2%
Water O&M Expenses	752	844	(92)	-11%	5,844	7,713	(1,869)	-24%
Water Depreciation & Amortization	956	1,032	(76)	-7%	8,357	9,288	(931)	-10%
Water Support Services Allocated Operating Expenses	1,032	1,008	24	2%	7,940	9,272	(1,332)	-14%
TOTAL WATER OPERATING EXPENSE	\$ 3,749	\$ 3,916	\$ (167)	-4%	\$ 31,200	\$ 35,562	\$ (4,362)	-12%
WASTEWATER								
Wastewater O&M Expenses	\$ 761	\$ 699	\$ 62	9%	\$ 5,759	\$ 6,673	\$ (914)	-14%
Wastewater Depreciation & Amortization	1,185	1,306	(121)	-9%	10,403	11,757	(1,354)	-12%
Wastewater Support Services Allocated Operating Expenses	706	684	22	3%	5,490	6,304	(814)	-13%
TOTAL WASTEWATER OPERATING EXPENSE	\$ 2,652	\$ 2,689	\$ (37)	-1%	\$ 21,652	\$ 24,734	\$ (3,082)	-12%
TOTAL OPERATING EXPENSES	\$ 16,206	\$ 21,049	\$ (4,843)	-23%	\$ 177,716	\$ 190,599	\$ (12,883)	-7%
NET OPERATING INCOME								
ELECTRIC	\$ 1,498	\$ (886)	\$ 2,384	*	\$ 24,168	\$ 14,531	\$ 9,637	66%
WATER	(723)	(152)	(571)	*	(796)	(3,588)	2,792	-78%
WASTEWATER	203	663	(460)	-69%	4,654	4,547	107	2%
TOTAL NET OPERATING INCOME	\$ 978	\$ (375)	\$ 1,353	*	\$ 28,026	\$ 15,490	\$ 12,536	81%
NONOPERATING REVENUES (EXPENSES)								
Interest Income	\$ 914	\$ 431	\$ 483	*	\$ 7,148	\$ 3,880	\$ 3,268	84%
Intergovernmental Expense	(945)	(989)	44	-4%	(8,490)	(8,900)	410	-5%
Interest and Amortization Expense	(1,626)	(1,376)	(250)	18%	(13,097)	(12,385)	(712)	6%
Other	166	178	(12)	-7%	3,622	1,598	2,024	*
TOTAL NONOPERATING REVENUES (EXPENSES)	\$ (1,491)	\$ (1,756)	\$ 265	-15%	\$ (10,816)	\$ (15,807)	\$ 4,991	32%
CHANGE IN NET POSITION BEFORE CONTRIBUTIONS	\$ (513)	\$ (2,131)	\$ 1,618	-76%	\$ 17,210	\$ (317)	\$ 17,527	*
CAPITAL CONTRIBUTIONS								
Impact Fees	\$ 1,710	\$ 1,399	\$ 311	22%	\$ 16,730	\$ 12,594	\$ 4,136	33%
Services	186	266	(80)	-30%	3,562	2,398	1,164	49%
GBRA Capital Participation Fee	-	66	(66)	-100%	-	597	(597)	-100%
TOTAL CAPITAL CONTRIBUTIONS	\$ 1,896	\$ 1,732	\$ 163	9%	\$ 20,292	\$ 15,588	\$ 4,704	30%
CHANGE IN NET POSITION AFTER CONTRIBUTIONS	\$ 1,382	\$ (399)	\$ 1,781	*	\$ 37,502	\$ 15,271	\$ 22,231	*

*Denotes variance greater than 100%

NEW BRAUNFELS UTILITIES
ELECTRIC LINE OF BUSINESS
Statement of Revenues & Expenses
For the Period Ending April 30, 2024
Amounts Shown in Thousands

Item 2.

	MTD Actual	MTD Budget	Variance	% Variance	YTD Actual	YTD Budget	Variance	% Variance
ELECTRIC OPERATING REVENUES								
ELECTRIC SERVICE REVENUE								
Electric Service	\$ 10,968	\$ 13,212	\$ (2,244)	-17%	\$ 145,578	\$ 141,720	\$ 3,858	3%
TOTAL ELECTRIC SERVICE REVENUE	\$ 10,968	\$ 13,212	\$ (2,244)	-17%	\$ 145,578	\$ 141,720	\$ 3,858	3%
OTHER ELECTRIC OPERATING REVENUE								
Electric Other	\$ 70	\$ 100	\$ (30)	-30%	\$ 1,067	\$ 900	\$ 167	19%
Transmission System Revenue	230	217	13	6%	2,063	1,952	111	6%
Electric Pole Attachments	35	29	6	21%	325	262	63	24%
TOTAL OTHER ELECTRIC OPERATING REVENUE	\$ 335	\$ 346	\$ (11)	-3%	\$ 3,455	\$ 3,114	\$ 341	11%
TOTAL ELECTRIC OPERATING REVENUE	\$ 11,303	\$ 13,558	\$ (2,255)	-17%	\$ 149,033	\$ 144,834	\$ 4,199	3%
ELECTRIC OPERATING EXPENSES								
Purchased Power & Other Power Supply	\$ 7,192	\$ 11,473	\$ (4,281)	-37%	\$ 102,688	\$ 103,133	\$ (445)	0%
Transmission & Distribution	498	754	(256)	-34%	4,485	7,018	(2,533)	-36%
Customer Service	(3)	35	(38)	*	200	317	(117)	-37%
Administrative & General	18	19	(1)	-5%	201	158	43	27%
Depreciation & Amortization	1,118	1,215	(97)	-8%	9,863	10,936	(1,073)	-10%
Support Services Allocated Operating Expenses	982	947	35	4%	7,427	8,741	(1,314)	-15%
TOTAL ELECTRIC OPERATING EXPENSE	\$ 9,805	\$ 14,444	\$ (4,639)	-32%	\$ 124,865	\$ 130,303	\$ (5,438)	-4%
ELECTRIC NET OPERATING INCOME	\$ 1,498	\$ (886)	\$ 2,384	*	\$ 24,168	\$ 14,531	\$ 9,637	66%
NONOPERATING REVENUES (EXPENSES)								
Interest Income	\$ 388	\$ 183	\$ 205	*	\$ 3,322	\$ 1,649	\$ 1,673	*
Intergovernmental Expense	(753)	(799)	46	-6%	(6,759)	(7,194)	435	-6%
Interest and Amortization Expense	(706)	(246)	(460)	*	(3,609)	(2,218)	(1,391)	63%
Other	93	90	3	3%	1,160	812	348	43%
TOTAL NONOPERATING REVENUES (EXPENSES)	\$ (978)	\$ (772)	\$ (206)	-27%	\$ (5,886)	\$ (6,951)	\$ 1,065	15%
CHANGE IN NET POSITION BEFORE CONTRIBUTIONS	\$ 520	\$ (1,658)	\$ 2,178	*	\$ 18,282	\$ 7,580	\$ 10,702	*
ELECTRIC CAPITAL CONTRIBUTIONS								
Services	\$ 39	\$ 216	\$ (177)	-82%	\$ 2,451	\$ 1,942	\$ 509	26%
TOTAL ELECTRIC CAPITAL CONTRIBUTIONS	\$ 39	\$ 216	\$ (177)	-82%	\$ 2,451	\$ 1,942	\$ 509	26%
CHANGE IN NET POSITION AFTER CONTRIBUTIONS	\$ 559	\$ (1,442)	\$ 2,001	*	\$ 20,733	\$ 9,521	\$ 11,212	*

*Denotes variance greater than 100%

NEW BRAUNFELS UTILITIES
WATER LINE OF BUSINESS
Statement of Revenues & Expenses
For the Period Ending April 30, 2024
Amounts Shown in Thousands

	MTD Actual	MTD Budget	Variance	% Variance	YTD Actual	YTD Budget	Variance	% Variance
WATER OPERATING REVENUES								
WATER SERVICE REVENUE								
Water Service	\$ 2,944	\$ 3,708	\$ (764)	-21%	\$ 29,634	\$ 31,467	\$ (1,833)	-6%
TOTAL WATER SERVICE REVENUE	\$ 2,944	\$ 3,708	\$ (764)	-21%	\$ 29,634	\$ 31,467	\$ (1,833)	-6%
OTHER WATER OPERATING REVENUE								
Water Other	\$ 61	\$ 42	\$ 19	45%	\$ 582	\$ 375	\$ 207	55%
Water Tower Antenna Lease	21	15	6	40%	189	131	58	44%
TOTAL OTHER WATER OPERATING REVENUE	\$ 82	\$ 56	\$ 26	46%	\$ 771	\$ 506	\$ 265	52%
TOTAL WATER OPERATING REVENUE	\$ 3,026	\$ 3,764	\$ (738)	-20%	\$ 30,404	\$ 31,973	\$ (1,569)	-5%
WATER OPERATING EXPENSES								
Purchased Water	\$ 1,008	\$ 1,032	\$ (24)	-2%	\$ 9,058	\$ 9,289	\$ (231)	-2%
Supply Source	4	10	(6)	-60%	75	85	(10)	-12%
Transmission & Distribution	304	318	(14)	-4%	2,014	2,842	(828)	-29%
Pumping	170	235	(65)	-28%	1,725	2,173	(448)	-21%
Water Treatment	224	216	8	4%	1,619	2,050	(431)	-21%
Customer Service	(1)	9	(10)	*	53	76	(23)	-30%
Administrative & General	50	57	(7)	-12%	357	487	(130)	-27%
Depreciation & Amortization	956	1,032	(76)	-7%	8,357	9,288	(931)	-10%
Support Services Allocated Operating Expenses	1,032	1,007	25	2%	7,940	9,272	(1,332)	-14%
TOTAL WATER OPERATING EXPENSE	\$ 3,749	\$ 3,916	\$ (167)	-4%	\$ 31,199	\$ 35,562	\$ (4,363)	-12%
WATER NET OPERATING INCOME	\$ (723)	\$ (152)	\$ (571)	*	\$ (796)	\$ (3,589)	\$ 2,793	-78%
NONOPERATING REVENUES (EXPENSES)								
Interest Income	\$ 255	\$ 120	\$ 135	*	\$ 1,855	\$ 1,082	\$ 773	71%
Intergovernmental Expense	(93)	(90)	(3)	3%	(839)	(810)	(29)	4%
Interest and Amortization Expense	(523)	(577)	54	-9%	(5,201)	(5,198)	(3)	0%
Other	47	73	(26)	-36%	1,416	661	755	*
TOTAL NONOPERATING REVENUES (EXPENSES)	\$ (314)	\$ (474)	\$ 160	-34%	\$ (2,768)	\$ (4,265)	\$ 1,497	-35%
CHANGE IN NET POSITION BEFORE CONTRIBUTIONS	\$ (1,038)	\$ (626)	\$ (412)	66%	\$ (3,564)	\$ (7,854)	\$ 4,290	-55%
WATER CAPITAL CONTRIBUTIONS								
Impact Fees	\$ 1,041	\$ 1,016	\$ 25	2%	\$ 11,201	\$ 9,146	\$ 2,055	22%
Services	147	51	96	*	1,111	456	655	*
TOTAL WATER CAPITAL CONTRIBUTIONS	\$ 1,188	\$ 1,067	\$ 121	11%	\$ 12,312	\$ 9,602	\$ 2,710	28%
CHANGE IN NET POSITION AFTER CONTRIBUTIONS	\$ 150	\$ 441	\$ (291)	-66%	\$ 8,748	\$ 1,749	\$ 6,999	*

*Denotes variance greater than 100%

NEW BRAUNFELS UTILITIES
WASTEWATER LINE OF BUSINESS
Statement of Revenues & Expenses
For the Period Ending April 30, 2024
Amounts Shown in Thousands

	MTD Actual	MTD Budget	Variance	% Variance	YTD Actual	YTD Budget	Variance	% Variance
WASTEWATER OPERATING REVENUES								
WASTEWATER SERVICE REVENUE								
Wastewater Service	\$ 2,830	\$ 3,334	\$ (504)	-15%	\$ 26,050	\$ 29,123	\$ (3,073)	-11%
TOTAL WASTEWATER SERVICE REVENUE	\$ 2,830	\$ 3,334	\$ (504)	-15%	\$ 26,050	\$ 29,123	\$ (3,073)	-11%
OTHER WASTEWATER OPERATING REVENUE								
Wastewater Other	\$ 26	\$ 18	\$ 8	44%	\$ 255	\$ 158	\$ 97	61%
TOTAL OTHER WASTEWATER OPERATING REVENUE	\$ 26	\$ 18	\$ 8	44%	\$ 255	\$ 158	\$ 97	61%
TOTAL WASTEWATER OPERATING REVENUE	\$ 2,856	\$ 3,352	\$ (496)	-15%	\$ 26,305	\$ 29,281	\$ (2,976)	-10%
WASTEWATER OPERATING EXPENSES								
Transmission & Distribution	\$ 1	\$ -	\$ 1	100%	\$ 2	\$ -	\$ 2	100%
Wastewater Operations & Maintenance	731	671	60	9%	5,468	6,290	(822)	-13%
Customer Service	(1)	9	(10)	*	71	81	(10)	-12%
Administrative & General	30	19	11	58%	218	301	(83)	-28%
Depreciation & Amortization	1,185	1,306	(121)	-9%	10,403	11,757	(1,354)	-12%
Support Services Allocated Operating Expenses	706	684	22	3%	5,490	6,304	(814)	-13%
TOTAL WASTEWATER OPERATING EXPENSE	\$ 2,653	\$ 2,689	\$ (36)	-1%	\$ 21,652	\$ 24,734	\$ (3,082)	-12%
WASTEWATER NET OPERATING INCOME	\$ 203	\$ 663	\$ (460)	-69%	\$ 4,654	\$ 4,547	\$ 107	2%
NONOPERATING REVENUES (EXPENSES)								
Interest Income	\$ 271	\$ 128	\$ 143	*	\$ 1,971	\$ 1,149	\$ 822	72%
Intergovernmental Expense	(99)	(100)	1	-1%	(892)	(896)	4	0%
Interest and Amortization Expense	(397)	(552)	155	-28%	(4,287)	(4,970)	683	-14%
Other	26	14	12	86%	1,046	126	920	*
TOTAL NONOPERATING REVENUES (EXPENSES)	\$ (199)	\$ (510)	\$ 311	-61%	\$ (2,162)	\$ (4,591)	\$ 2,429	-53%
CHANGE IN NET POSITION BEFORE CONTRIBUTIONS	\$ 4	\$ 153	\$ (149)	-97%	\$ 2,492	\$ (44)	\$ 2,536	*
WASTEWATER CAPITAL CONTRIBUTIONS								
Impact Fees	\$ 669	\$ 383	\$ 286	75%	\$ 5,529	\$ 3,448	\$ 2,081	60%
GBRA Capital Participation Fee	-	66	(66)	-100%	-	597	(597)	-100%
TOTAL WASTEWATER CAPITAL CONTRIBUTIONS	\$ 669	\$ 449	\$ 220	49%	\$ 5,529	\$ 4,045	\$ 1,484	37%
CHANGE IN NET POSITION AFTER CONTRIBUTIONS	\$ 673	\$ 602	\$ 71	12%	\$ 8,021	\$ 4,001	\$ 4,020	*

*Denotes variance greater than 100%

NEW BRAUNFELS UTILITIES
Statement of Cash Flows
For the Period Ending April 30, 2024
Amounts Shown in Thousands

	<u>MTD</u>	<u>YTD</u>
NET POSITION BEFORE CONTRIBUTIONS	\$ (513)	\$ 17,210
<i>Operating activities, cash flows provided by or used in:</i>		
Depreciation	\$ 3,259	\$ 28,623
Decrease (increase) in accounts receivable	962	16,432
Decrease (increase) in inventories	274	(2,786)
Decrease (increase) in other assets	5,667	32,494
Increase (decrease) in current liabilities	10,215	(43,274)
Increase (decrease) in other liabilities	2,929	(257)
Net Cash Flow from Operating Activities	<u>\$ 22,794</u>	<u>\$ 48,443</u>
<i>Investing activities, cash flows provided by or used in:</i>		
Capital Expenditures	\$ (21,874)	\$ (122,343)
Investments	3,882	(40,050)
Rents/Interest Receivable	(43)	257
Net Cash Flow from Investing Activities	<u>\$ (18,035)</u>	<u>\$ (162,136)</u>
<i>Financing activities, cash flows provided by or used in:</i>		
Transfers to City of New Braunfels	\$ (1,491)	\$ (10,816)
Increase (decrease) in long-term debt	(240)	104,025
Net Cash Flow from Financing Activities	<u>\$ (1,731)</u>	<u>\$ 93,209</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>\$ 3,028</u>	<u>\$ (20,484)</u>

CAPITAL EQUIPMENT SUMMARY - FY 2024
YTD for the Period Ending April 30, 2024



Department	Capital Equipment Description	YTD Actual	FY 2024 Budget	Budget Remaining
ELECTRIC				
117	SEA Air Excavation Unit	-	650,000	650,000
117	Altec Pressure Dipper	429,317	400,000	(29,317)
117	Altec AM 60E	-	300,000	300,000
117	Altec 5F Articulating Boom	-	300,000	300,000
117	Altec AM 60E	21,900	85,000	63,100
117	Acc. Demo Trailer	-	150,000	150,000
117	Ford F-550	111,982	-	-
117	Ford F-550	-	11,982	11,982
117	Ford F-550	-	11,982	11,982
117	Ford F-550	-	55,000	55,000
117	Ford F-150	-	55,000	55,000
117	Ford F-150	-	55,000	55,000
117	Ford F-150	-	55,000	55,000
117	Locator Unit	-	45,000	45,000
117	Dump Trailer	12,733	15,000	2,267
119	Ford F-550 w/Drum	-	150,437	150,437
119	Ford F-550 Electric	-	61,393	61,393
	TOTAL ELECTRIC	\$ 575,942	\$ 2,894,750	\$ 2,318,816
WATER				
216	Ford F-150	26,995	55,000	28,005
220	Ford F-550 w/Crane	-	150,437	150,437
220	Ford F-150	54,845	55,000	155
	TOTAL WATER	\$ 81,840	\$ 260,437	\$ 178,597
WASTEWATER				
320	Ford F-550 w/Crane	-	150,437	150,437
320	Ford F-150	54,845	175,000	120,155
320	Small Utility Unit	-	15,000	15,000
	TOTAL WASTEWATER	\$ 54,845	\$ 220,437	\$ 165,592
SHARED WATER/WASTEWATER				
217/317	CAT 313 Excavator	214,865	250,000	35,135
217/317	Ford F-550	388,120	244,534	(143,586)
217/317	International Dump Truck	-	230,000	230,000
217/317	International HST	85,749	175,000	89,251
217/317	SEA Truck Mounted letter	152,947	150,000	(2,947)
217/317	CAT Backhoe w/Ext	158,995	125,000	(33,995)
217/317	Ford F-550	-	122,267	122,267
217/317	Ford F-550	-	122,267	122,267
217/317	Ford F-550	-	122,267	122,267
217/317	International Dump Truck	-	115,000	115,000
217/317	CAT Backhoe	137,855	115,000	(22,855)
217/317	CAT Backhoe	137,855	115,000	(22,855)
217/317	CAT Backhoe	158,995	115,000	(43,995)
217/317	E.H. Wachs Large VE	83,732	85,000	2,268
217/317	E.H. Wachs Large VE	83,732	85,000	2,268
217/317	1500' of Bypass Hose	-	85,000	85,000
217/317	CAT Skid Steer	57,985	65,000	7,015
217/317	Ford F-150	54,845	55,000	155
217/317	Scorpion Towable Attenuator	-	35,000	35,000
217/317	Towable Air Compressor	23,444	25,000	1,556
217/317	Tools for F-550	-	15,000	15,000
217/317	DTS Trailer	6,637	10,000	3,363
	TOTAL SHARED WATER/WASTEWATER	\$ 1,865,755	\$ 2,463,335	\$ 597,580
BUSINESS PLANNING				
425	Ford Escape	-	30,000	30,000
425	GPS Unit	-	30,000	30,000
	TOTAL BUSINESS PLANNING	\$ -	\$ 60,000	\$ 60,000
SAFETY				
524	Ford Explorer	54,845	38,000	(16,845)
	TOTAL SAFETY	\$ 54,845	\$ 38,000	\$ (16,845)
PURCHASING				
527	Ford F-350	-	75,500	75,500
	TOTAL PURCHASING	\$ -	\$ 75,500	\$ 75,500
FLEET/FACILITIES				
528	Ford F-550 Fleet Service	-	85,000	85,000
528	Ford F-350	-	85,576	85,576
528	Ford F-150	54,845	55,000	155
528	Ford F-150	54,845	55,000	155
528	Ford F-150	54,845	55,000	155
528	Ford F-150	42,935	55,000	12,065
528	Ford F-150	-	55,000	55,000
528	Ford Escape	-	30,000	30,000
528	Lawn Mowing Equipment	-	25,000	25,000
528	Other	-	25,000	25,000
528	Pressure washing trailer	-	16,000	16,000
528	Janitorial Equipment	-	15,000	15,000
	TOTAL FLEET/FACILITIES	\$ 207,470	\$ 656,576	\$ 449,106
CONSERVATION AND CUSTOMER SOLUTIONS				
529	Ford Escape Plug-in Hybrid	26,995	40,000	13,005
529	Ford Escape Plug-in Hybrid	26,995	40,000	13,005
	TOTAL CONSERVATION AND CUSTOMER SOLUTIONS	\$ 53,990	\$ 80,000	\$ 26,010
TECHNOLOGY				
531	Server Replacements	646,595	600,000	(46,595)
531	PC Replacements	311,528	400,000	88,472
531	Dell Monitor	400,000	400,000	-
531	Network Equipment Replacements	95,650	200,000	104,350
531	IT to Purchase Unit	-	50,000	50,000
531	Copier and High-end Printer & Plotter Replacements	-	37,500	37,500
531	UPS Replacements	-	10,000	10,000
	TOTAL TECHNOLOGY	\$ 1,053,773	\$ 1,697,500	\$ 643,727
SYSTEM CONTROL				
532	Ford Escape	26,995	30,000	3,005
532	Ford Escape	26,995	30,000	3,005
532	Ford Escape	26,995	30,000	3,005
532	Ford Escape	26,995	30,000	3,005
532	Ford Escape	27,995	30,000	2,005
532	Ford Escape	27,995	30,000	2,005
	TOTAL SYSTEMS CONTROL	\$ 163,930	\$ 180,000	\$ 16,070
	TOTAL CAPITAL EQUIPMENT	\$ 4,112,390	\$ 8,626,543	\$ 4,514,153

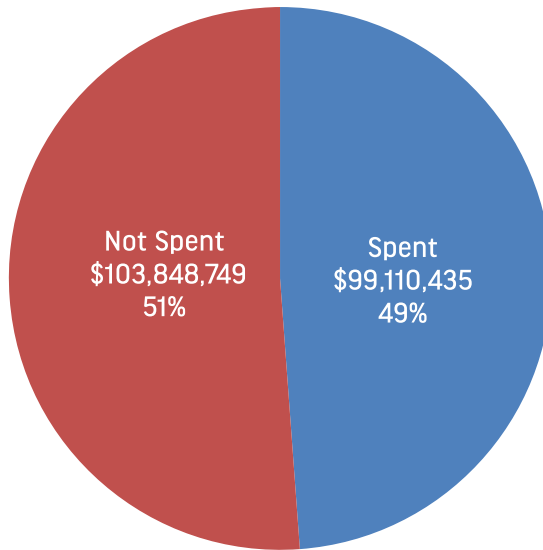
BUDGETED PRIOR YEAR ITEMS

Department	Capital Equipment Description	YTD Actual	FY 2024 Budget	Budget Remaining
ELECTRIC				
117	Magnum Pintle Trailer (FY23)	50,813	-	(50,813)
	TOTAL ELECTRIC	\$ 50,813	\$ -	\$ (50,813)
WATER				
220	2023 Aluminum Dump Trailer (FY22)	21,080	-	(21,080)
220	2023 Ford F150 4x4 Super crew (FY22)	54,845	-	(54,845)
220	2023 Ford F150 4x4 Super crew (FY22)	54,845	-	(54,845)
220	2023 Ford Explorer (FY23)	38,994	-	(38,994)
220	E.H. Wachs Large VE (FY22)	83,732	-	(83,732)
	TOTAL WATER	\$ 253,496	\$ -	\$ (253,496)
SHARED WATER/WASTEWATER				
217/317	2022 CUES Sewer Truck CCTV (FY22)	330,894	-	(330,894)
217/317	2023 Ford F150 4x4 Supercrew (FY22)	54,845	-	(54,845)
217/317	2024 Ford Explorer	42,935	-	(42,935)
217/317	2024 Holt Caterpillar	158,995	-	(158,995)
	TOTAL SHARED WATER/WASTEWATER	\$ 587,669	\$ -	\$ (587,669)
	TOTAL BUDGETED PRIOR YEAR CAPITAL EQUIPMENT	\$ 891,978	\$ -	\$ (891,978)
UNBUDGETED ITEMS				
FLEET/FACILITIES				
528	2023 Ford Explorer	38,994	-	(38,994)
528	2023 Ford Explorer	38,994	-	(38,994)
	TOTAL FLEET/FACILITIES	\$ 77,988	\$ -	\$ (77,988)
	TOTAL UNBUDGETED CAPITAL EQUIPMENT	\$ 77,988	\$ -	\$ (77,988)

FY 2024 Capital Expenditure Summary As of April 30, 2024

75% of Year
Completed

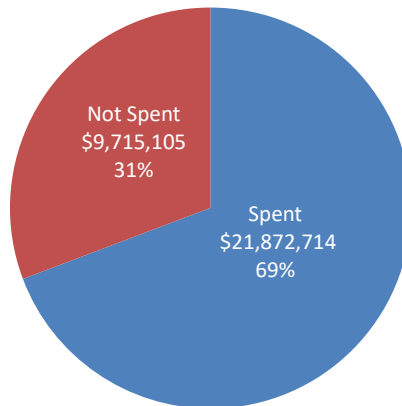
	<u>Spent</u>	<u>Not Spent</u>	<u>Total Budget</u>	<u>% of Total Budget Spent</u>
Electric	\$ 21,872,714	\$ 9,715,105	\$ 31,587,819	69%
Water	42,128,972	29,856,184	71,985,156	59%
Wastewater	17,677,611	34,652,944	52,330,555	34%
Support Services	17,431,138	29,624,515	47,055,653	37%
TOTAL	\$ 99,110,435	\$ 103,848,749	\$ 202,959,183	
	<i>49%</i>	<i>51%</i>	<i>100%</i>	



**Electric Line of Business
FY 2024 Capital Expenditure Summary
As of April 30, 2024**

75% of Year Completed

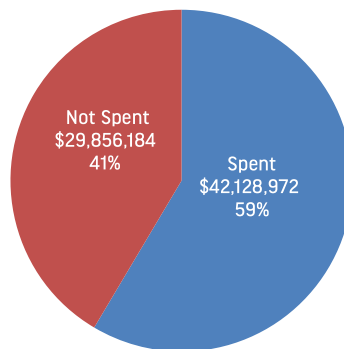
Project	¹ Total Spent YTD	² FY24 Project Budget	FY24 Budget Remaining	Project Life Total Budget	^{(1)/(2)} % Spent YTD	% Physical Completion
Budgeted Projects:						
System Extensions	\$ 6,007,293	\$ 5,582,835	\$ (424,458)	\$ 5,582,835	108%	75%
Distribution Transformers	7,900,689	5,642,698	(2,257,991)	5,642,698	140%	75%
Electric Meters	1,820,276	3,514,000	1,693,724	3,514,000	52%	75%
Electric Aging Infrastructure	1,187,741	2,967,536	1,779,795	2,967,536	40%	75%
Electric Technology Upgrades	6,488	149,106	142,618	149,106	4%	80%
Three-Phase Extensions	1,142,961	1,806,177	663,216	9,313,421	63%	100%
Fiber Optic Extensions	639	102,624	101,985	1,086,371	1%	5%
Hueco Springs Substation	1,003,590	7,301,106	6,297,516	9,939,535	14%	44%
Electric Aging Infrastructure, Substation	222,527	115,672	(106,855)	4,666,606	192%	100%
Freiheit Breaker Additons & Control House	144,015	2,371,748	2,227,733	2,445,650	6%	15%
EC23 FM 482 Feeder	56,952	712,665	655,713	812,622	8%	50%
HE11 Conrads Rd Feeder	119,898	114,026	(5,872)	1,966,183	105%	15%
Transmission Access & Wildlife Protection	247,677	175,117	(72,560)	953,166	141%	100%
Comal T3 Replacement & Feeder C033	180,142	377,427	197,285	3,644,220	48%	42%
Distribution Feeder Breaker Addition & Replacements	-	159,067	159,067	3,113,453	0%	10%
FR24 Kowald Ln. Feeder	55,985	91,221	35,236	880,778	61%	10%
Henne Substation Breaker & Half	18,168	171,040	152,872	2,419,085	11%	23%
CONB Road Widening Adjustments	113,263	233,754	120,491	2,256,995	48%	20%
Total Budgeted Projects	\$ 20,228,305	\$ 31,587,819	\$ 11,359,514	\$ 61,354,259	64%	
Unbudgeted Projects:						
Sheriff's Posse T3 Addition	\$ 20,904	\$ -	\$ (20,904)	\$ 7,622,556	0%	99%
E.C. Mornhinweg T2 & Feeders	156,339	-	(156,339)	4,093,931	0%	85%
Residential OH to UG Conversion	454,719	-	(454,719)	3,776,463	0%	97%
Weltner Rd Feeder 13, Clear Springs	14,927	-	(14,927)	965,027	0%	100%
L023 Loop 337 FM 1863 Extension Phase 2	15,396	-	(15,396)	1,224,681	0%	100%
C014 Kentucky Rd Feeder	98,381	-	(98,381)	601,370	0%	50%
HE23 IH-35 Stolte Feeder	762,017	-	(762,017)	1,564,074	0%	45%
Freiheit Feeder 11, Alves Ln	41,874	-	(41,874)	1,951,344	0%	100%
Kohlenberg Rd Substation	74,847	-	(74,847)	44,780	0%	24%
Industrial Substation PWT Replacement (TXI T1)	5,005	-	(5,005)	1,155,967	0%	100%
Total Unbudgeted Projects	\$ 1,644,409	\$ -	\$ (1,644,409)	\$ 23,000,192		
TOTAL	\$ 21,872,714	\$ 31,587,819	\$ 9,715,105	\$ 84,354,451	69%	



**Water Line of Business
FY 2024 Capital Expenditure Summary
As of April 30, 2024**

75% of Year Completed

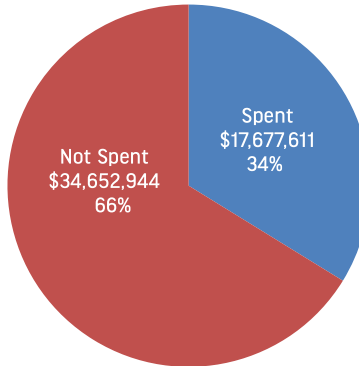
Project	¹ Total Spent YTD	² FY24 Project Budget	FY24 Budget Remaining	Project Life Total Budget	^{(1)/(2)} % Spent YTD	% Physical Completion
Budgeted Projects:						
System Extensions	\$ 1,017,105	\$ 375,703	\$ (641,402)	\$ 375,703	271%	66%
Water Meters	2,669,589	1,844,670	(824,919)	1,844,670	145%	47%
Water Technology Upgrades	-	140,116	140,116	140,116	0%	2%
Aging System Replacements	1,377,961	2,092,123	714,162	2,092,123	66%	19%
ASR Feasibility Dev (IF)	123,512	2,069,462	1,945,950	38,120,155	6%	41%
Wood Meadows Water Line River Crossing	467,668	216,373	(251,295)	3,052,319	216%	28%
I-35 Water Line (Downtown)	8,712,201	7,963,912	(748,289)	11,468,136	109%	67%
1.00MG Solms Ground Storage Tank and Flow Control Valve	278	235,473	235,195	4,337,137	0%	1%
Western Downtown to Morningside PZ Conversion	101,763	308,393	206,630	8,525,525	33%	21%
FM 306 Pump Station & Discharge Pipeline	1,543,468	1,885,704	342,236	10,821,940	82%	71%
Conrads EST	2,257,488	5,488,218	3,230,730	6,852,776	41%	28%
Goodwin Lane Water Main	5,200,443	6,884,157	1,683,714	12,624,155	76%	87%
Klein Rd Reconstruction Phase 2	456,374	1,126,496	670,122	1,404,382	41%	80%
Landa Pump Station Phase 2/Well 5	4,012,613	6,242,981	2,230,368	15,931,146	64%	82%
Trinity Expansion- Treatment Plant	8,188,640	17,173,917	8,985,277	27,357,602	48%	61%
Trinity Expansion- Well Field	2,833,804	7,057,207	4,223,403	10,222,796	40%	32%
FM 1044 EST	68,124	1,373,451	1,305,327	13,187,743	5%	2%
GBRA Interconnect Metering Station	1,328,701	701,780	(626,921)	996,909	189%	61%
Garden Street Bridge Water Line	385,010	390,851	5,841	587,926	99%	100%
Goodwin/Conrads Water Adjustments	1,209	403,683	402,474	434,276	0%	4%
Mision/Westpointe Connection Waterlines	68,253	5,539,877	5,471,624	6,495,952	1%	11%
Senate Bill 3 EPP Generators	188,355	1,301,224	1,112,869	1,328,362	14%	4%
Tank Decommission	555,924	865,803	309,879	954,937	64%	79%
Water Tank Rehabilitations	142,637	303,582	160,945	303,582	47%	10%
Total Budgeted Projects	\$ 41,701,118	\$ 71,985,156	\$ 30,284,038	\$ 179,460,368	58%	
Unbudgeted Projects:						
Castell Ave Rehabilitation (CNB)	\$ -	\$ -	\$ -	\$ 26,681,290		100%
Infrastructure Replacement Package 1-W	234	-	(234)	2,762		10%
30/24-inch SWTP Discharge Line (Downtown)	17,449	-	(17,449)	21,587,112		100%
Well 4 to Grandview Pump Station & Discharge Line Upgrades	189,817	-	(189,817)	9,460,061		100%
Weltner Rd Ground Strg Tank & Pump Station-Ph 1	145,719	-	(145,719)	24,173,897		100%
24-inch McQueeney Road Parallel Water Line (Downtown)	74,635	-	(74,635)	9,659,699		
Total Unbudgeted Projects	\$ 427,853	\$ -	\$ (427,853)	\$ 91,564,820		
TOTAL	\$ 42,128,972	\$ 71,985,156	\$ 29,856,184	\$ 271,025,188	59%	



**Wastewater Line of Business
FY 2024 Capital Expenditure Summary
As of April 30, 2024**

75% of Year Completed

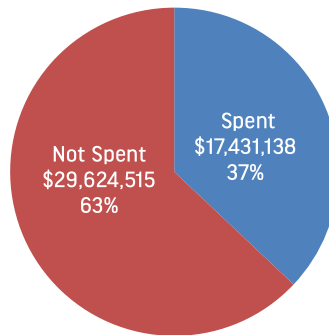
Project	¹ Total Spent YTD	² FY24 Project Budget	FY24 Budget Remaining	Project Life Total Budget	^{(1)/(2)} % Spent YTD	% Physical Completion
Budgeted Projects:						
System Extensions	\$ 429,651	\$ 249,038	\$ (180,613)	\$ 249,038	173%	57%
Aging System Replacements	878,092	2,046,224	1,168,132	2,046,224	43%	12%
Wastewater Technology Upgrades	-	145,563	145,563	145,563	0%	1%
Manhole Rehabilitation	230,005	789,673	559,668	789,673	29%	41%
South Kuehler Interceptor Phase 1	88,169	480,284	392,115	5,426,066	18%	16%
Gruene Rd Sewer Main Rehabilitation/Relocation	6,024	107,441	101,417	2,896,802	6%	6%
McKenzie WRF Expansion	13,741,448	20,026,694	6,285,246	72,312,120	69%	19%
Solms Lift Station Expansion	684,622	1,076,397	391,775	1,705,332	64%	39%
I-35 Interceptor Upgrade	310,200	4,090,487	3,780,287	14,155,678	8%	8%
Kuehler WRF Access Road-Courtyard Dr	69,187	3,265,043	3,195,856	3,739,824	2%	15%
McKenzie Interceptor Upgrade	720,595	2,291,295	1,570,700	50,706,156	31%	3%
Kuehler WRF Rehabilitation	41,787	12,890,556	12,848,769	44,788,333	0%	3%
Sewer Infrastructure Replacement Package 2	197,882	739,180	541,298	4,957,511	27%	10%
Saengerhalle North Interceptor	54,227	215,817	161,590	5,888,532	25%	13%
Goodwin/Conrads Adjustments (CNB)-WW	27,600	406,908	379,308	1,114,676	7%	6%
Gruene WRF Spoils & Materials Yard	79,192	447,632	368,440	1,061,999	18%	100%
North Kuehler Manhole Rehabilitation-Segment 3	-	494,109	494,109	1,016,271	0%	100%
Kuehler WRF Rehabilitation-Clarifier Replacement	204,183	2,568,214	2,364,031	2,758,806	8%	9%
Total Budgeted Projects	\$ 17,762,862	\$ 52,330,555	\$ 34,567,693	\$ 215,758,603	34%	
Unbudgeted Projects:						
Castell Ave Rehabilitation (CNB)	\$ -	\$ -	\$ -	\$ 5,585,413		100%
North Kuehler 42" Interceptor Upgrade	2,217	-	(2,217)	15,524,017		100%
North Kuehler 30 and 33-inch Interceptor Upgrade	40	-	(40)	26,748,112		100%
Gruene Rd Sewer Main Odor Control	68,559	-	(68,559)	239,659		18%
Infrastructure Replacement Package 1-WW	9,617	-	(9,617)	123,819		20%
Rio Lift Station Expansion	55,136	-	(55,136)	3,576,417		100%
Schmidt I-35 N Sewer Main Replacement	(236,923)	-	236,923	376,069		97%
Saengerhalle Lift Station Expansion & Force Main	16,102	-	(16,102)	4,892,290		100%
Total Unbudgeted Projects	\$ (85,251)	\$ -	\$ 85,251	\$ 57,065,796		
TOTAL	\$ 17,677,611	\$ 52,330,555	\$ 34,652,944	\$ 272,824,400	34%	



**Support Services Line of Business
FY 2024 Capital Expenditure Summary
As of April 30, 2024**

75% of Year Completed

Project	¹ Total Spent YTD	² FY24 Project Budget	FY24 Budget Remaining	Project Life Total Budget	⁽¹⁾⁺⁽²⁾ % Spent YTD	% Physical Completion
Budgeted Projects:						
Headwaters at the Comal	\$ 3,371,466	\$ 4,500,000	\$ 1,128,534	\$ 25,670,681	75%	60%
Cyber Security System	78,500	325,000	246,500	325,000	24%	15%
Software Replacement and Enhancements	-	130,000	130,000	130,000	0%	10%
NBU Headquarters, Maint & Support Facility	11,963,023	25,000,000	13,036,977	134,505,960	48%	10%
Laserfiche Development	-	300,000	300,000	570,867	0%	20%
Backup Operations Center	67,023	1,280,000	1,212,977	8,452,700	5%	20%
Upgrade or Replace all NBU Radios	-	200,000	200,000	200,000	0%	10%
Kerlick Tower Modifications	-	450,000	450,000	457,597	0%	20%
Data Strategy Upgrades - BDAP	688,585	1,185,653	497,068	1,185,653	58%	33%
System Technology Upgrades - Monitoring	83,144	400,000	316,856	400,000	21%	0%
Fiber Network Distribution Expansion	-	650,000	650,000	1,428,700	0%	10%
Fleet AVL	-	75,000	75,000	75,000	0%	0%
Data Strategy Upgrades - GIS Upgrades	-	200,000	200,000	1,900,000	0%	15%
Pioneer Upgrade	-	171,000	171,000	171,000	0%	5%
Smartsheet Control Center	-	73,000	73,000	73,000	0%	0%
Tele-Communications Enhancements	6,500	102,000	95,500	181,754	6%	40%
Water/Wastewater SCADA Aging Infrastructure	-	1,000,000	1,000,000	1,000,000	0%	0%
Water SCADA Replacement & Integration	307,636	2,000,000	1,692,364	3,413,098	15%	50%
OT Security	-	50,000	50,000	50,000	0%	0%
Customer Bill Pay Portal	35,022	160,000	124,978	230,044	22%	0%
ARCGIS Indoors	-	50,000	50,000	50,000	0%	0%
Loop 337 Substation Control House	-	42,000	42,000	42,000	0%	0%
Replace Control Center Console	196,525	100,000	(96,525)	100,000	197%	0%
Future Facilities Rehab Projects	-	150,000	150,000	1,229,990	0%	0%
Firewall and VPN Replacement	-	120,000	120,000	120,000	0%	0%
Gruene Rd Fence	21,250	32,000	10,750	32,000	66%	100%
CIS Functionality Upgrade	-	1,500,000	1,500,000	1,500,000	0%	0%
Ipads for Cityworks Mobile & mcare	-	125,000	125,000	125,000	0%	30%
Customer Service Kiosk	-	78,000	78,000	78,000	0%	0%
Level 2 EV Chargers	-	72,000	72,000	72,000	0%	0%
Meraki Wifi Replacement	77,304	125,000	47,696	125,000	62%	60%
RTU replacement 4.6,7 Main office	62,800	40,000	(22,800)	40,000	157%	0%
New Braunfels Police Department	400,487	3,585,000	3,184,513	3,645,000	11%	0%
RuggedCom Switch Replacement	-	200,000	200,000	600,000	0%	10%
Sheriff's Posse Control House Recondition	-	35,000	35,000	35,000	0%	0%
Solar Array and Battery Storage	-	50,000	50,000	50,000	0%	0%
Mass Meter Change Out	-	2,000,000	2,000,000	2,000,000	0%	0%
Water Meter Study	-	500,000	500,000	500,000	0%	0%
Total Budgeted Projects	\$ 17,359,266	\$ 47,055,653	\$ 29,696,387	\$ 190,765,042	37%	
Unbudgeted Projects:						
Physical Security Systems	\$ 71,872	\$ -	\$ (71,872)	\$ 71,872		90%
Total	\$ 71,872	\$ -	\$ (71,872)	\$ 71,872		
Total	\$ 17,431,138	\$ 47,055,653	\$ 29,624,515	\$ 190,836,914	37%	



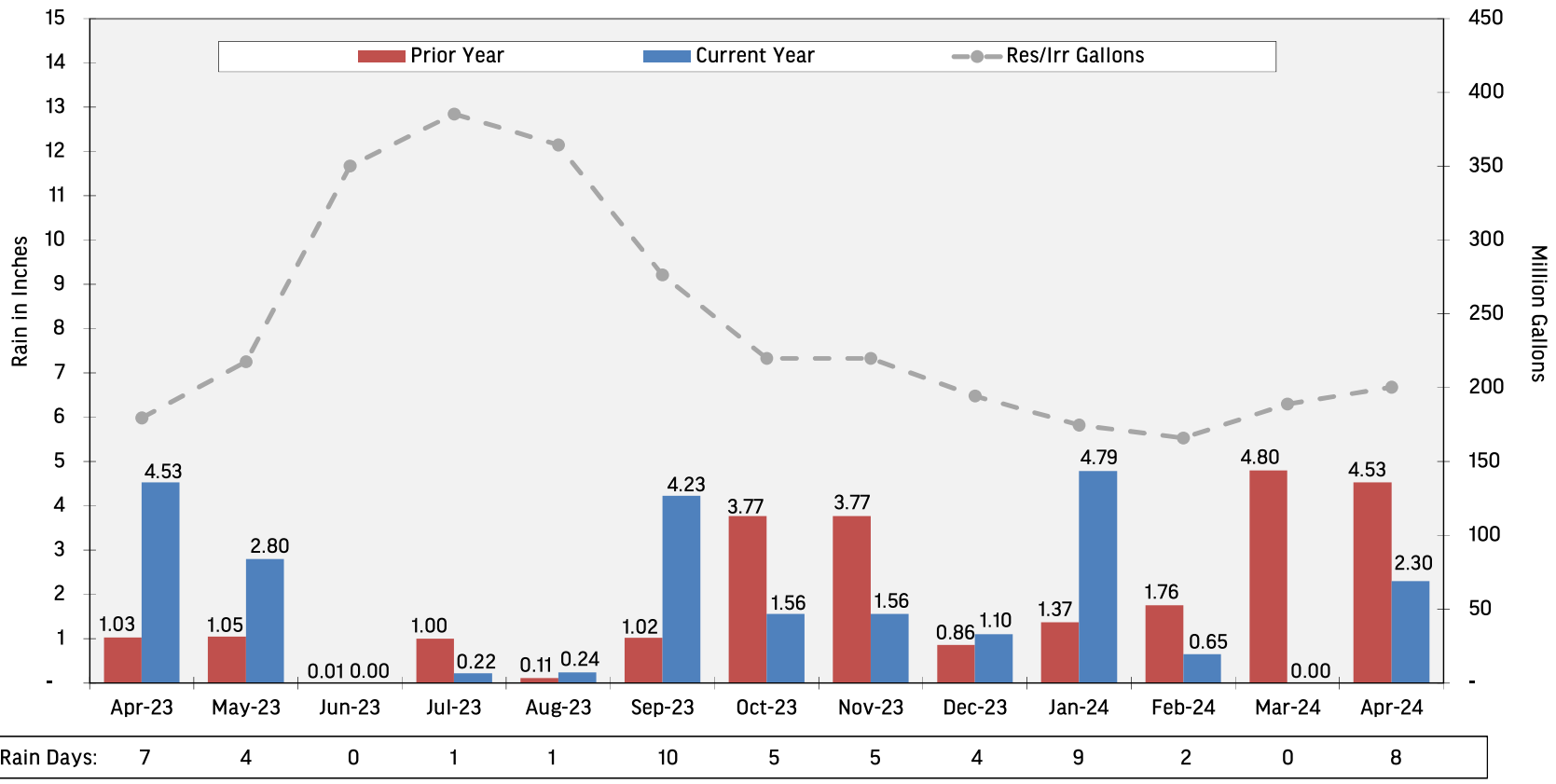
Electric Statistics are provided separately due to competitive matters.

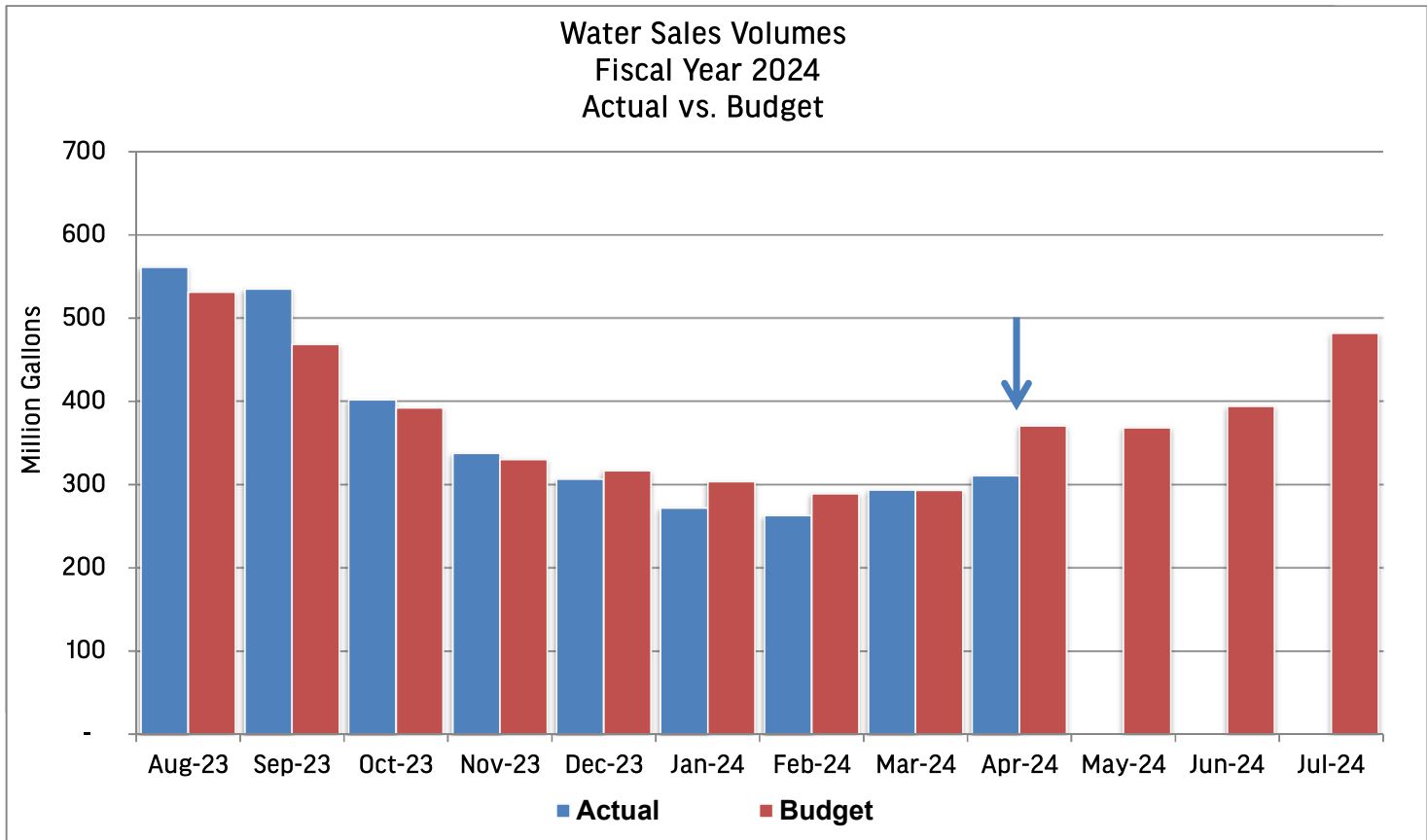
WATER STATISTICS

**NEW BRAUNFELS UTILITIES
WATER STATISTICS
HIGHLIGHTS OVERVIEW**

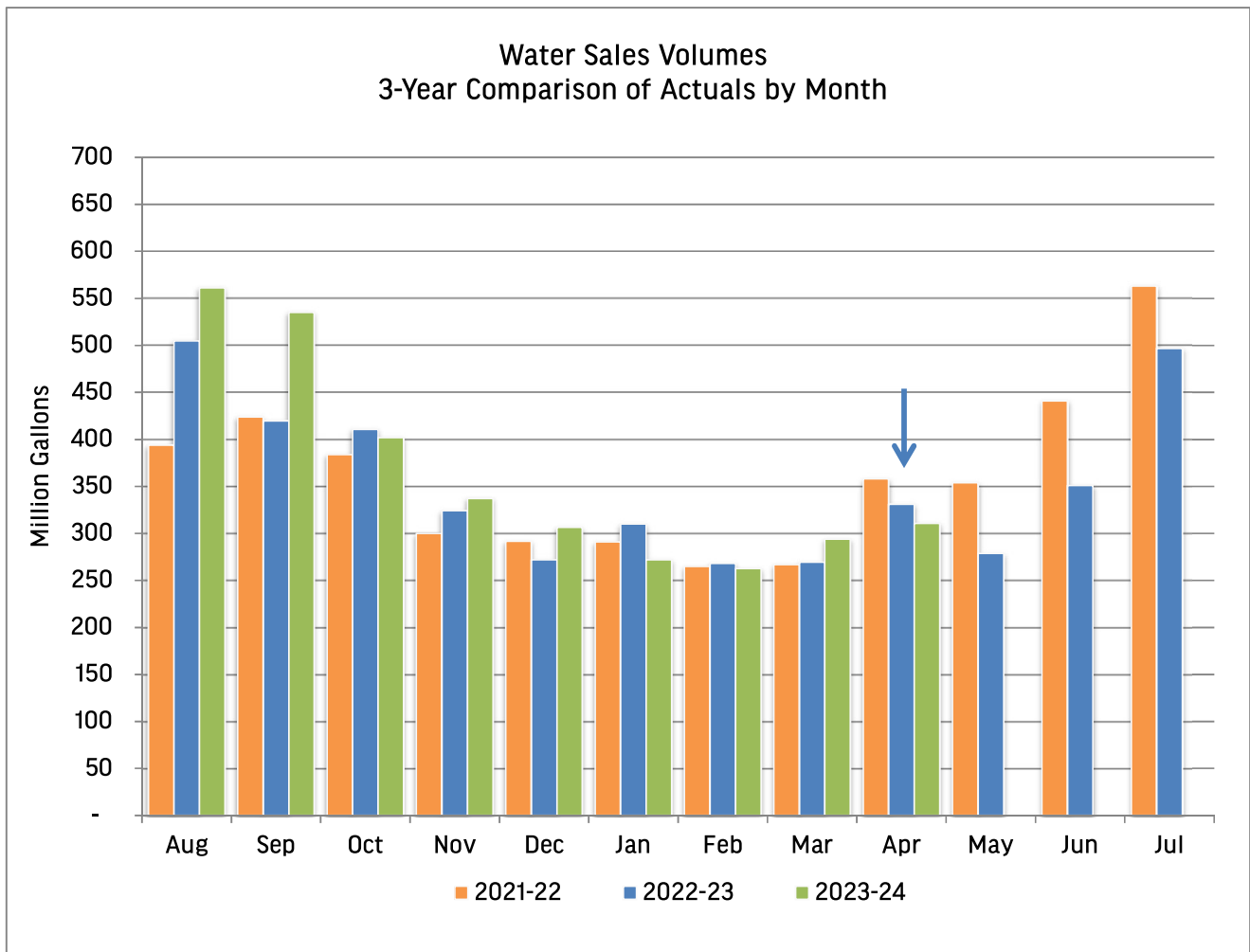
- April MTD rainfall was lower than the prior year rainfall, totaling 2.30 inches for the month. The April rainfall total of 2.30 inches was 0.60 inches lower than the historical average rainfall of 2.90 inches. For April 2024, there were eight rain days during the month compared to seven rain days in April 2023.
- April YTD rainfall totaled 16.43 inches compared to the prior year total of 21.99 inches, which is a decrease of 5.56 inches compared to prior year YTD. For YTD, there have been 44 rain days compared to 42 rain days for prior year YTD.
- Average MTD consumption by residential water customer in April 2024 was 4,378 gallons compared to 5,070 gallons in April 2023, reflecting a 13.6% decrease.
- Actual YTD consumption by residential water customer through April 2024 was 47,587 gallons compared to 47,285 for YTD through April 2023, reflecting an increase of 0.6%.
- Overall trend for fiscal year-to-date in total water sales volume is more than the sales volume over the same period for the previous year with the change being 170.9 million gallons, or 5.5% (3,281.3 million gallons for FY 2024 YTD vs. 3,110.4 million gallons for FY 2023 YTD).
- Actual total water sales volume for year-to-date FY 2024 is 3,281.3 million gallons, which is 13.8 million less than the budgeted amount of 3,295.1 million gallons for the same time period.
 - The following are major contributors, by rate classification, towards the 13.8 million gallons change from budget:
 - Residential – decrease of 45.3 million gallons (down 2.6% from budget)
 - Multi-Unit 5+ - increase of 19.6 million gallons (up 9.1% from budget)
 - Residential Irrigation – decrease of 45.5 million gallons (down 9.2% from budget)
 - Commercial Irrigation – increase of 17.3 million gallons (up 9.8% from budget)
 - Small General Services – increase of 77.5 million gallons (up 31.2% from budget)
 - Large General Services – decrease of 71.1 million gallons (down 20.6% from budget)
 - Other Sales – increase of 25.3 million gallons (up 81.1% from budget)
 - ReUse Water – increase of 8.1 million gallons (up 486.8% from budget)

Monthly Rain Data
 Prior Year vs. Current Year
 Rolling 13 Months





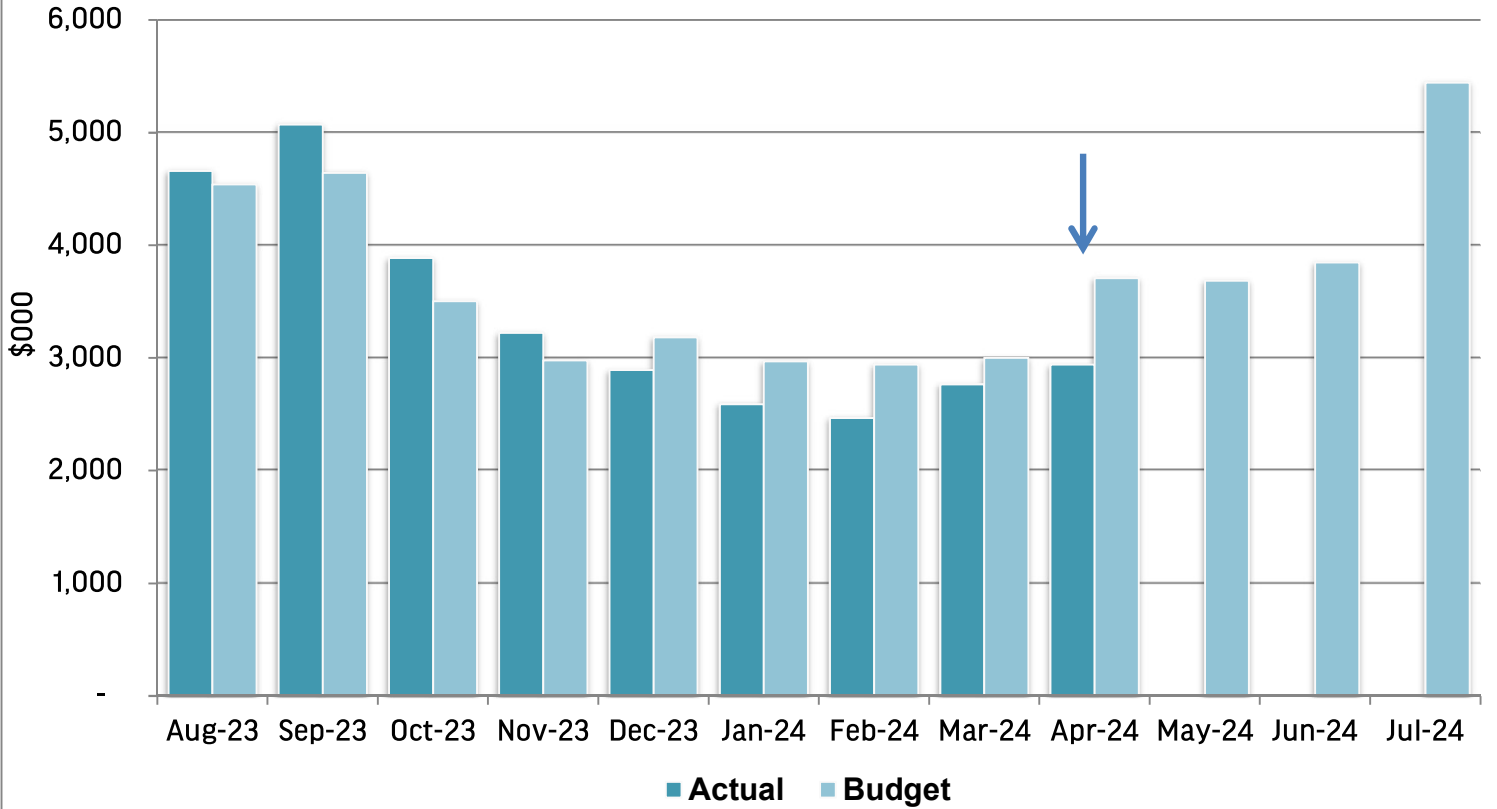
Month	Actual	Budget
Aug-23	561	531
Sep-23	535	468
Oct-23	402	392
Nov-23	337	330
Dec-23	306	317
Jan-24	272	304
Feb-24	263	289
Mar-24	294	293
Apr-24	311	371
May-24	-	368
Jun-24	-	394
Jul-24	-	482
TOTAL	3,281	4,539



Water Sales Volumes (Million Gallons)			
Month	2021-22	2022-23	2023-24
Aug	394	505	561
Sep	424	420	535
Oct	384	411	402
Nov	300	324	337
Dec	292	272	306
Jan	291	310	272
Feb	265	268	263
Mar	267	269	294
Apr	358	331	311
May	354	279	-
Jun	441	351	-
Jul	563	497	-
TOTAL	4,333	4,237	3,281

Meter Count	FY 2022	% Change 2022-2023	FY 2023	% Change 2023-2024	FY 2024
Residential	34,205	2.78%	35,155	4.74%	36,820
Irrigation	12,878	6.79%	13,752	9.90%	15,114
Other	2,946	0.48%	2,960	5.51%	3,123
TOTAL	50,029	3.67%	51,867	6.15%	55,057

**Total Water Sales
Fiscal Year 2024
Actual vs. Budget**



Month	Total Water Sales (\$000)	
	Actual	Budget
Aug-23	\$ 4,660	\$ 4,539
Sep-23	\$ 5,070	\$ 4,642
Oct-23	\$ 3,888	\$ 3,503
Nov-23	\$ 3,224	\$ 2,978
Dec-23	\$ 2,890	\$ 3,184
Jan-24	\$ 2,587	\$ 2,971
Feb-24	\$ 2,465	\$ 2,943
Mar-24	\$ 2,767	\$ 2,999
Apr-24	\$ 2,942	\$ 3,708
May-24	\$ -	\$ 3,685
Jun-24	\$ -	\$ 3,847
Jul-24	\$ -	\$ 5,445
TOTAL	\$ 30,495	\$ 44,444

WATER SUPPLEMENTAL INFORMATION

NEW BRAUNFELS UTILITIES
Water Volume (Gallons)
For Month Ending April 30, 2024

DESCRIPTION	2023	2023	2023	2023	2023	2024	2024	2024	2024	FY 2024 YTD	
	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	ACT	AVG
Residential											
Actuals	286,378,437	269,971,015	205,507,686	172,501,880	161,600,866	152,601,010	153,302,646	157,174,649	161,205,629	1,720,243,818	191,138,202
Budget	278,669,478	237,292,325	207,072,688	175,109,490	173,209,570	174,176,159	163,056,961	162,170,495	194,797,667	1,765,554,834	196,172,759
Prior Year	264,945,370	214,133,721	210,921,150	168,052,918	147,195,572	177,670,848	150,738,797	147,502,230	178,229,197	1,659,389,803	184,376,645
Multi-Unit 2-4											
Actuals	2,241,863	2,314,345	1,899,923	1,522,212	1,378,280	1,409,153	1,552,115	1,324,190	1,401,093	15,043,174	1,671,464
Budget	2,133,762	2,020,591	1,702,965	1,531,918	1,502,289	1,598,116	1,411,754	1,326,910	1,520,816	14,749,120	1,638,791
Prior Year	2,255,895	1,811,283	1,706,631	1,468,178	1,558,732	1,991,094	1,731,278	1,499,746	1,772,742	15,795,579	1,755,064
Multi-Unit 5+											
Actuals	27,135,318	27,407,982	22,473,477	24,538,890	28,093,615	25,622,619	27,819,886	26,634,330	24,746,326	234,472,443	26,052,494
Budget	25,326,666	25,620,852	24,285,693	22,896,149	23,054,060	23,641,597	23,603,566	22,619,338	23,808,093	214,856,014	23,872,890
Prior Year	25,435,941	26,247,479	23,126,169	22,573,660	22,243,553	27,640,694	24,981,709	20,919,119	23,207,100	216,375,424	24,041,714
Residential Irrigation											
Actuals	99,066,089	94,465,846	70,964,442	47,428,899	32,889,344	22,127,445	12,702,243	31,763,383	39,166,067	450,573,758	50,063,751
Budget	101,916,516	89,848,970	67,370,554	47,455,669	40,755,051	29,226,787	25,896,276	31,239,450	62,350,426	496,059,698	55,117,744
Prior Year	75,502,265	57,908,800	60,546,492	42,139,788	25,242,936	22,372,220	18,434,179	28,352,401	37,104,469	367,603,550	40,844,839
Commercial Irrigation											
Actuals	39,196,600	41,949,117	32,913,746	22,756,456	17,084,238	10,744,133	5,317,364	9,807,255	14,536,190	194,305,099	21,589,455
Budget	31,806,969	32,170,482	23,953,236	19,136,346	16,184,358	13,285,633	10,869,113	11,380,673	18,210,497	176,997,307	19,666,367
Prior Year	33,744,774	30,535,334	28,118,852	21,721,253	14,886,687	8,439,663	8,440,206	9,447,251	15,636,975	170,970,995	18,996,777
SGS											
Actuals	88,144,880	36,085,131	31,847,997	31,141,415	29,299,975	26,281,878	27,100,968	27,988,408	28,101,017	325,991,669	36,221,297
Budget	31,764,131	29,773,888	26,212,617	27,978,022	28,661,024	23,437,606	27,384,033	28,582,232	24,726,924	248,520,477	27,613,386
Prior Year	78,178,199	78,468,416	69,448,844	58,815,374	57,772,260	67,638,990	59,416,751	55,376,946	68,417,902	593,533,683	65,948,187
LGS											
Actuals	-	48,367,404	27,029,314	34,572,371	31,871,386	31,180,200	32,332,096	33,005,019	36,014,141	274,371,931	30,485,770
Budget	51,137,660	44,700,916	38,954,200	34,714,127	32,435,703	36,602,561	33,955,022	31,959,274	40,994,427	345,453,891	38,383,766
Prior Year	-	-	-	-	-	-	-	-	-	-	-
Other Sales											
Actuals	14,773,264	12,569,962	7,367,839	2,816,330	4,160,045	2,123,877	2,696,819	5,633,216	4,339,353	56,480,705	6,275,634
Budget	7,964,649	7,211,502	2,237,575	1,361,680	320,031	1,497,983	2,870,647	3,420,026	4,305,181	31,189,273	3,465,475
Prior Year	19,291,639	10,429,974	11,829,866	6,504,861	2,722,722	4,009,008	2,940,187	5,494,272	5,654,538	68,877,067	7,653,007
ReUse Water											
Actuals	4,312,900	1,955,900	1,821,400	-	-	-	-	466,049	1,232,407	9,788,656	1,087,628
Budget	613,050	(292,400)	117,738	177,998	442,163	235,575	84,025	219,800	70,149	1,668,097	185,344
Prior Year	5,486,000	267,200	5,113,000	2,946,800	285,200	470,300	1,369,400	762,700	1,138,300	17,838,900	1,982,100
Total Sales											
Actuals	561,249,351	535,086,702	401,825,824	337,278,453	306,377,749	272,090,315	262,824,137	293,796,498	310,742,223	3,281,271,252	364,585,695
Budget	531,332,881	468,347,126	391,907,266	330,361,397	316,564,249	303,702,017	289,131,396	292,918,198	370,784,181	3,295,048,711	366,116,523
Prior Year	504,840,083	419,802,207	410,811,004	324,222,832	271,907,662	310,232,817	268,052,507	269,354,665	331,161,223	3,110,385,001	345,598,333

NEW BRAUNFELS UTILITIES
Water Volume (Gallons) Variance
For Month Ending April 30, 2024

DESCRIPTION	2023	2023	2023	2023	2023	2024	2024	2024	2024	FY 2024 YTD	
	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	ACT	AVG
Residential											
Actuals	286,378,437	269,971,015	205,507,686	172,501,880	161,600,866	152,601,010	153,302,646	157,174,649	161,205,629	1,720,243,818	191,138,202
Actual vs Budget	7,708,959	32,678,690	(1,565,002)	(2,607,610)	(11,608,704)	(21,575,149)	(9,754,315)	(4,995,846)	(33,592,038)	(45,311,016)	(5,034,557)
Actual vs Prior Year	21,433,067	55,837,294	(5,413,464)	4,448,962	14,405,294	(25,069,838)	2,563,849	9,672,419	(17,023,568)	60,854,015	6,761,557
Multi-Unit 2-4											
Actuals	2,241,863	2,314,345	1,899,923	1,522,212	1,378,280	1,409,153	1,552,115	1,324,190	1,401,093	15,043,174	1,671,464
Actual vs Budget	108,101	293,754	196,958	(9,706)	(124,009)	(188,963)	140,361	(2,720)	(119,723)	294,054	32,673
Actual vs Prior Year	(14,032)	503,062	193,292	54,034	(180,452)	(581,941)	(179,163)	(175,556)	(371,649)	(752,405)	(83,601)
Multi-Unit 5+											
Actuals	27,135,318	27,407,982	22,473,477	24,538,890	28,093,615	25,622,619	27,819,886	26,634,330	24,746,326	234,472,443	26,052,494
Actual vs Budget	1,808,652	1,787,130	(1,812,216)	1,642,741	5,039,555	1,981,022	4,216,320	4,014,992	938,233	19,616,429	2,179,603
Actual vs Prior Year	1,699,377	1,160,503	(652,692)	1,965,230	5,850,062	(2,018,075)	2,838,177	5,715,211	1,539,226	18,097,019	2,010,780
Residential Irrigation											
Actuals	99,066,089	94,465,846	70,964,442	47,428,899	32,889,344	22,127,445	12,702,243	31,763,383	39,166,067	450,573,758	50,063,751
Actual vs Budget	(2,850,427)	4,616,876	3,593,888	(26,770)	(7,865,707)	(7,099,342)	(13,194,033)	523,933	(23,184,359)	(45,485,940)	(5,053,993)
Actual vs Prior Year	23,563,824	36,557,046	10,417,950	5,289,111	7,646,408	(244,775)	(5,731,936)	3,410,982	2,061,598	82,970,208	9,218,912
Commercial Irrigation											
Actuals	39,196,600	41,949,117	32,913,746	22,756,456	17,084,238	10,744,133	5,317,364	9,807,255	14,536,190	194,305,099	21,589,455
Actual vs Budget	7,389,631	9,778,635	8,960,510	3,620,110	899,880	(2,541,500)	(5,551,749)	(1,573,418)	(3,674,307)	17,307,791	1,923,088
Actual vs Prior Year	5,451,826	11,413,783	4,794,894	1,035,203	2,197,551	2,304,470	(3,122,842)	360,004	(1,100,785)	23,334,103	2,592,678
SGS											
Actuals	88,144,880	36,085,131	31,847,997	31,141,415	29,299,975	26,281,878	27,100,968	27,988,408	28,101,017	325,991,669	36,221,297
Actual vs Budget	56,380,749	6,311,243	5,635,380	3,163,393	638,951	2,844,272	(283,065)	(593,824)	3,374,093	77,471,192	8,607,910
Actual vs Prior Year	9,966,681	(42,383,285)	(37,600,847)	(27,673,959)	(28,472,285)	(41,357,112)	(32,315,783)	(27,388,539)	(40,316,885)	(267,542,014)	(29,726,890)
LGS											
Actuals	-	48,367,404	27,029,314	34,572,371	31,871,386	31,180,200	32,332,096	33,005,019	36,014,141	274,371,931	30,485,770
Actual vs Budget	(51,137,660)	3,666,488	(11,924,886)	(141,756)	(564,317)	(5,422,361)	(1,622,926)	1,045,745	(4,980,286)	(71,081,960)	(7,897,996)
Actual vs Prior Year	-	48,367,404	27,029,314	34,572,371	31,871,386	31,180,200	32,332,096	33,005,019	36,014,141	274,371,931	30,485,770
Other Sales											
Actuals	14,773,264	12,569,962	7,367,839	2,816,330	4,160,045	2,123,877	2,696,819	5,633,216	4,339,353	56,480,705	6,275,634
Actual vs Budget	6,808,615	5,358,460	5,130,264	1,454,650	3,840,014	625,894	(173,828)	2,213,190	34,172	25,291,432	2,810,159
Actual vs Prior Year	(4,518,375)	2,139,988	(4,462,027)	(3,688,531)	1,437,323	(1,885,131)	(243,368)	138,944	(1,315,185)	(12,396,362)	(1,377,374)
ReUse Water											
Actuals	4,312,900	1,955,900	1,821,400	-	-	-	-	466,049	1,232,407	9,788,656	1,087,628
Actual vs Budget	3,699,850	2,248,300	1,703,662	(177,998)	(442,163)	(235,575)	(84,025)	246,249	1,162,259	8,120,559	902,284
Actual vs Prior Year	(1,173,100)	1,688,700	(3,291,600)	(2,946,800)	(285,200)	(470,300)	(1,369,400)	(296,651)	94,107	(8,050,244)	(894,472)
Total Sales											
Actuals	561,249,351	535,086,702	401,825,824	337,278,453	306,377,749	272,090,315	262,824,137	293,796,498	310,742,223	3,281,271,252	364,585,695
Actual vs Budget	29,916,470	66,739,576	9,918,558	6,917,056	(10,186,500)	(31,611,702)	(26,307,259)	878,301	(60,041,958)	(13,777,459)	(1,530,829)
Actual vs Prior Year	56,409,268	115,284,495	(8,985,180)	13,055,621	34,470,087	(38,142,502)	(5,228,370)	24,441,833	(20,419,000)	170,886,251	18,987,361

NEW BRAUNFELS UTILITIES
Water Revenue
For Month Ending April 30, 2024

DESCRIPTION	2023	2023	2023	2023	2023	2024	2024	2024	2024	FY 2024 YTD	
	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	ACT	AVG
Residential											
Actuals	\$ 1,827,272	\$ 2,392,640	\$ 1,747,250	\$ 1,412,358	\$ 1,306,382	\$ 1,224,701	\$ 1,225,157	\$ 1,264,360	\$ 1,311,569	\$ 13,711,689	\$ 1,523,521
Budget	\$ 1,675,906	\$ 1,751,798	\$ 1,399,790	\$ 1,266,297	\$ 1,417,615	\$ 1,371,746	\$ 1,309,178	\$ 1,327,852	\$ 1,556,587	\$ 13,076,768	\$ 1,452,974
Prior Year	\$ 1,435,468	\$ 1,424,172	\$ 1,284,509	\$ 1,094,836	\$ 976,144	\$ 1,109,772	\$ 972,939	\$ 975,688	\$ 1,119,548	\$ 10,393,076	\$ 1,154,786
Multi-Unit 2-4											
Actuals	\$ 19,957	\$ 20,786	\$ 18,489	\$ 16,371	\$ 15,628	\$ 15,725	\$ 16,542	\$ 15,215	\$ 15,642	\$ 154,356	\$ 17,151
Budget	\$ 20,133	\$ 22,197	\$ 18,479	\$ 17,431	\$ 18,354	\$ 19,284	\$ 18,172	\$ 17,245	\$ 18,850	\$ 170,144	\$ 18,905
Prior Year	\$ 19,176	\$ 17,926	\$ 16,683	\$ 15,050	\$ 16,630	\$ 17,942	\$ 16,479	\$ 15,143	\$ 16,741	\$ 151,769	\$ 16,863
Multi-Unit 5+											
Actuals	\$ 260,228	\$ 257,270	\$ 230,761	\$ 241,325	\$ 263,312	\$ 255,463	\$ 270,981	\$ 260,191	\$ 253,681	\$ 2,293,211	\$ 254,801
Budget	\$ 266,804	\$ 279,964	\$ 279,474	\$ 255,175	\$ 286,678	\$ 288,535	\$ 286,395	\$ 284,064	\$ 303,441	\$ 2,530,529	\$ 281,170
Prior Year	\$ 241,401	\$ 258,388	\$ 239,757	\$ 226,649	\$ 220,174	\$ 253,389	\$ 237,675	\$ 217,571	\$ 228,301	\$ 2,123,306	\$ 235,923
Residential Irrigation											
Actuals	\$ 1,117,789	\$ 1,105,950	\$ 869,979	\$ 647,488	\$ 517,007	\$ 421,127	\$ 336,040	\$ 510,115	\$ 579,763	\$ 6,105,258	\$ 678,362
Budget	\$ 1,313,660	\$ 1,294,138	\$ 883,179	\$ 648,549	\$ 645,400	\$ 503,243	\$ 523,810	\$ 556,623	\$ 880,800	\$ 7,249,402	\$ 805,489
Prior Year	\$ 876,750	\$ 751,431	\$ 715,064	\$ 518,829	\$ 371,346	\$ 345,040	\$ 310,796	\$ 396,258	\$ 477,192	\$ 4,762,706	\$ 529,190
Commercial Irrigation											
Actuals	\$ 477,522	\$ 504,909	\$ 398,908	\$ 276,791	\$ 210,617	\$ 136,872	\$ 75,668	\$ 126,890	\$ 181,555	\$ 2,389,732	\$ 265,526
Budget	\$ 424,000	\$ 469,064	\$ 310,403	\$ 234,897	\$ 222,201	\$ 184,303	\$ 153,156	\$ 159,906	\$ 254,611	\$ 2,412,540	\$ 268,060
Prior Year	\$ 405,253	\$ 401,101	\$ 328,274	\$ 240,204	\$ 164,788	\$ 94,550	\$ 97,630	\$ 109,278	\$ 175,133	\$ 2,016,211	\$ 224,023
SGS											
Actuals	\$ 765,231	\$ 343,842	\$ 309,028	\$ 304,058	\$ 291,599	\$ 267,962	\$ 267,142	\$ 280,827	\$ 278,162	\$ 3,107,850	\$ 345,317
Budget	\$ 434,693	\$ 388,629	\$ 291,965	\$ 281,162	\$ 354,123	\$ 315,931	\$ 346,915	\$ 358,489	\$ 321,559	\$ 3,093,468	\$ 343,719
Prior Year	\$ 616,047	\$ 678,287	\$ 558,030	\$ 450,987	\$ 450,757	\$ 516,134	\$ 461,766	\$ 434,665	\$ 524,879	\$ 4,691,553	\$ 521,284
LGS											
Actuals	\$ -	\$ 288,946	\$ 208,593	\$ 235,009	\$ 213,600	\$ 214,437	\$ 218,252	\$ 222,743	\$ 242,619	\$ 1,844,199	\$ 204,911
Budget	\$ 290,436	\$ 325,951	\$ 289,257	\$ 252,430	\$ 233,412	\$ 259,549	\$ 243,598	\$ 229,544	\$ 295,520	\$ 2,419,698	\$ 268,855
Prior Year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Sales											
Actuals	\$ 179,419	\$ 155,792	\$ 105,303	\$ 58,471	\$ 72,249	\$ 50,717	\$ 55,637	\$ 84,058	\$ 72,005	\$ 833,650	\$ 92,628
Budget	\$ 110,730	\$ 111,853	\$ 30,081	\$ 20,845	\$ 5,798	\$ 28,566	\$ 61,475	\$ 65,352	\$ 76,585	\$ 511,286	\$ 56,810
Prior Year	\$ 241,628	\$ 145,742	\$ 143,275	\$ 89,711	\$ 50,358	\$ 62,775	\$ 51,200	\$ 76,503	\$ 77,511	\$ 938,702	\$ 104,300
ReUse Water											
Actuals	\$ 12,545	\$ 173	\$ 165	\$ 32,382	\$ 56	\$ 56	\$ 56	\$ 2,732	\$ 7,330	\$ 55,495	\$ 6,166
Budget	\$ 3,125	\$ (1,309)	\$ 634	\$ 952	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,402	\$ 378
Prior Year	\$ 25,191	\$ 1,078	\$ 24,810	\$ 14,201	\$ 1,166	\$ 2,072	\$ 6,476	\$ 3,504	\$ 5,344	\$ 83,841	\$ 9,316
Total Sales											
Actuals	\$ 4,659,963	\$ 5,070,307	\$ 3,888,476	\$ 3,224,252	\$ 2,890,450	\$ 2,587,060	\$ 2,465,474	\$ 2,767,131	\$ 2,942,326	\$ 30,495,439	\$ 3,388,382
Budget	\$ 4,539,486	\$ 4,642,285	\$ 3,503,262	\$ 2,977,737	\$ 3,183,581	\$ 2,971,156	\$ 2,942,699	\$ 2,999,075	\$ 3,707,953	\$ 31,467,235	\$ 3,496,359
Prior Year	\$ 3,860,913	\$ 3,678,125	\$ 3,310,402	\$ 2,650,466	\$ 2,251,363	\$ 2,401,673	\$ 2,154,961	\$ 2,228,611	\$ 2,624,648	\$ 25,161,163	\$ 2,795,685

NEW BRAUNFELS UTILITIES
Water Revenue Variance
For Month Ending April 30, 2024

DESCRIPTION	2023	2023	2023	2023	2023	2024	2024	2024	2024	FY 2024 YTD	
	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	ACT	AVG
Residential											
Actuals	\$ 1,827,272	\$ 2,392,640	\$ 1,747,250	\$ 1,412,358	\$ 1,306,382	\$ 1,224,701	\$ 1,225,157	\$ 1,264,360	\$ 1,311,569	\$ 13,711,689	\$ 1,523,521
Actual vs Budget	\$ 151,366	\$ 640,842	\$ 347,460	\$ 146,062	\$ (111,232)	\$ (147,045)	\$ (84,021)	\$ (63,492)	\$ (245,018)	\$ 634,921	\$ 70,547
Actual vs Prior Year	\$ 391,804	\$ 968,468	\$ 462,741	\$ 317,523	\$ 330,238	\$ 114,929	\$ 252,218	\$ 288,671	\$ 192,020	\$ 3,318,613	\$ 368,735
Multi-Unit 2-4											
Actuals	\$ 19,957	\$ 20,786	\$ 18,489	\$ 16,371	\$ 15,628	\$ 15,725	\$ 16,542	\$ 15,215	\$ 15,642	\$ 154,356	\$ 17,151
Actual vs Budget	\$ (176)	\$ (1,410)	\$ 10	\$ (1,060)	\$ (2,726)	\$ (3,559)	\$ (1,630)	\$ (2,030)	\$ (3,208)	\$ (15,788)	\$ (1,754)
Actual vs Prior Year	\$ 781	\$ 2,861	\$ 1,806	\$ 1,321	\$ (1,001)	\$ (2,216)	\$ 62	\$ 73	\$ (1,099)	\$ 2,587	\$ 287
Multi-Unit 5+											
Actuals	\$ 260,228	\$ 257,270	\$ 230,761	\$ 241,325	\$ 263,312	\$ 255,463	\$ 270,981	\$ 260,191	\$ 253,681	\$ 2,293,211	\$ 254,801
Actual vs Budget	\$ (6,575)	\$ (22,694)	\$ (48,714)	\$ (13,849)	\$ (23,366)	\$ (33,072)	\$ (15,414)	\$ (23,873)	\$ (49,760)	\$ (237,318)	\$ (26,369)
Actual vs Prior Year	\$ 18,828	\$ (1,119)	\$ (8,997)	\$ 14,676	\$ 43,138	\$ 2,074	\$ 33,305	\$ 42,620	\$ 25,380	\$ 169,905	\$ 18,878
Residential Irrigation											
Actuals	\$ 1,117,789	\$ 1,105,950	\$ 869,979	\$ 647,488	\$ 517,007	\$ 421,127	\$ 336,040	\$ 510,115	\$ 579,763	\$ 6,105,258	\$ 678,362
Actual vs Budget	\$ (195,872)	\$ (188,188)	\$ (13,200)	\$ (1,062)	\$ (128,393)	\$ (82,116)	\$ (187,769)	\$ (46,507)	\$ (301,037)	\$ (1,144,144)	\$ (127,127)
Actual vs Prior Year	\$ 241,039	\$ 354,519	\$ 154,916	\$ 128,659	\$ 145,660	\$ 76,086	\$ 25,245	\$ 113,857	\$ 102,571	\$ 1,342,552	\$ 149,172
Commercial Irrigation											
Actuals	\$ 477,522	\$ 504,909	\$ 398,908	\$ 276,791	\$ 210,617	\$ 136,872	\$ 75,668	\$ 126,890	\$ 181,555	\$ 2,389,732	\$ 265,526
Actual vs Budget	\$ 53,522	\$ 35,845	\$ 88,505	\$ 41,894	\$ (11,584)	\$ (47,431)	\$ (77,488)	\$ (33,016)	\$ (73,056)	\$ (22,808)	\$ (2,534)
Actual vs Prior Year	\$ 72,269	\$ 103,808	\$ 70,634	\$ 36,587	\$ 45,828	\$ 42,322	\$ (21,962)	\$ 17,612	\$ 6,423	\$ 373,520	\$ 41,502
SGS											
Actuals	\$ 765,231	\$ 343,842	\$ 309,028	\$ 304,058	\$ 291,599	\$ 267,962	\$ 267,142	\$ 280,827	\$ 278,162	\$ 3,107,850	\$ 345,317
Actual vs Budget	\$ 330,538	\$ (44,787)	\$ 17,063	\$ 22,896	\$ (62,525)	\$ (47,969)	\$ (79,774)	\$ (77,663)	\$ (43,397)	\$ 14,382	\$ 1,598
Actual vs Prior Year	\$ 149,184	\$ (334,445)	\$ (249,002)	\$ (146,929)	\$ (159,159)	\$ (248,172)	\$ (194,625)	\$ (153,839)	\$ (246,717)	\$ (1,583,703)	\$ (175,967)
LGS											
Actuals	\$ -	\$ 288,946	\$ 208,593	\$ 235,009	\$ 213,600	\$ 214,437	\$ 218,252	\$ 222,743	\$ 242,619	\$ 1,844,199	\$ 204,911
Actual vs Budget	\$ (290,436)	\$ (37,006)	\$ (80,664)	\$ (17,421)	\$ (19,812)	\$ (45,112)	\$ (25,346)	\$ (6,801)	\$ (52,900)	\$ (575,499)	\$ (63,944)
Actual vs Prior Year	\$ -	\$ 288,946	\$ 208,593	\$ 235,009	\$ 213,600	\$ 214,437	\$ 218,252	\$ 222,743	\$ 242,619	\$ 1,844,199	\$ 204,911
Other Sales											
Actuals	\$ 179,419	\$ 155,792	\$ 105,303	\$ 58,471	\$ 72,249	\$ 50,717	\$ 55,637	\$ 84,058	\$ 72,005	\$ 833,650	\$ 92,628
Actual vs Budget	\$ 68,689	\$ 43,939	\$ 75,222	\$ 37,625	\$ 66,451	\$ 22,151	\$ (5,838)	\$ 18,706	\$ (4,580)	\$ 322,364	\$ 35,818
Actual vs Prior Year	\$ (62,209)	\$ 10,051	\$ (37,972)	\$ (31,240)	\$ 21,891	\$ (12,059)	\$ 4,437	\$ 7,554	\$ (5,505)	\$ (105,052)	\$ (11,672)
ReUse Water											
Actuals	\$ 12,545	\$ 173	\$ 165	\$ 32,382	\$ 56	\$ 56	\$ 56	\$ 2,732	\$ 7,330	\$ 55,495	\$ 6,166
Actual vs Budget	\$ 9,420	\$ 1,482	\$ (470)	\$ 31,430	\$ 56	\$ 56	\$ 56	\$ 2,732	\$ 7,330	\$ 52,093	\$ 5,788
Actual vs Prior Year	\$ (12,646)	\$ (905)	\$ (24,645)	\$ 18,181	\$ (1,109)	\$ (2,016)	\$ (6,419)	\$ (772)	\$ 1,986	\$ (28,346)	\$ (3,150)
Total Sales											
Actuals	\$ 4,659,963	\$ 5,070,307	\$ 3,888,476	\$ 3,224,252	\$ 2,890,450	\$ 2,587,060	\$ 2,465,474	\$ 2,767,131	\$ 2,942,326	\$ 30,495,439	\$ 3,388,382
Actual vs Budget	\$ 120,477	\$ 428,022	\$ 385,214	\$ 246,514	\$ (293,131)	\$ (384,096)	\$ (477,225)	\$ (231,944)	\$ (765,628)	\$ (971,797)	\$ (107,977)
Actual vs Prior Year	\$ 799,050	\$ 1,392,183	\$ 578,074	\$ 573,785	\$ 639,087	\$ 185,387	\$ 310,513	\$ 538,520	\$ 317,677	\$ 5,334,275	\$ 592,697

NEW BRAUNFELS UTILITIES
Water Meters
For Month Ending April 30, 2024

DESCRIPTION	2023	2023	2023	2023	2023	2024	2024	2024	2024	FY 2024 YTD
	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	AVG
Residential										
Actuals	35,651	35,942	36,027	36,016	36,162	36,355	36,419	36,593	36,820	36,221
Budget	35,570	35,716	35,862	36,008	36,154	36,301	36,447	36,593	36,739	36,154
Prior Year	34,863	35,017	35,058	35,080	35,155	35,219	35,235	35,253	35,155	35,115
Multi-Unit 2-4										
Actuals	208	221	225	223	223	222	222	220	221	221
Budget	208	208	208	208	208	208	208	208	208	208
Prior Year	208	209	207	208	209	209	208	206	207	208
Multi-Unit 5+										
Actuals	262	269	270	270	273	274	275	275	275	271
Budget	260	262	263	265	267	269	270	272	274	267
Prior Year	257	257	259	258	258	259	259	259	257	258
Residential Irrigation										
Actuals	13,351	13,533	13,592	13,610	13,749	13,895	13,938	14,102	14,262	13,781
Budget	13,187	13,347	13,507	13,668	13,828	13,989	14,149	14,310	14,470	13,828
Prior Year	12,525	12,620	12,669	12,722	12,769	12,831	12,901	12,915	12,893	12,761
Commercial Irrigation										
Actuals	884	830	831	832	839	841	845	847	852	845
Budget	860	862	865	868	870	873	876	878	881	870
Prior Year	845	835	849	849	850	851	855	858	859	850
SGS										
Actuals	2,412	2,282	2,276	2,270	2,290	2,293	2,290	2,293	2,297	2,300
Budget	2,268	2,271	2,275	2,277	2,280	2,284	2,288	2,292	2,296	2,282
Prior Year	2,380	2,383	2,383	2,386	2,389	2,384	2,383	2,382	2,381	2,383
LGS										
Actuals	-	198	213	214	219	218	219	221	225	192
Budget	133	134	134	136	137	137	137	137	137	136
Prior Year	-	-	-	-	-	-	-	-	-	-
Other Sales										
Actuals	109	111	116	108	107	102	101	100	104	106
Budget	151	153	154	156	158	160	161	163	165	158
Prior Year	124	124	130	132	124	120	115	118	114	122
ReUse Water										
Actuals	1	1	1	1	1	1	1	1	1	1
Budget	1	1	1	1	1	1	1	1	1	1
Prior Year	1	1	1	1	1	1	1	1	1	1
Total Meters										
Actuals	52,878	53,387	53,551	53,544	53,863	54,201	54,310	54,652	55,057	53,938
Budget	52,638	52,954	53,271	53,588	53,904	54,221	54,537	54,854	55,171	53,904
Prior Year	51,203	51,446	51,556	51,636	51,755	51,874	51,957	51,992	51,867	51,698
New Meters	241	509	164	(7)	319	338	109	342	405	269
New Meter Growth	0.5%	1.0%	0.3%	0.0%	0.6%	0.6%	0.2%	0.6%	0.7%	0.5%

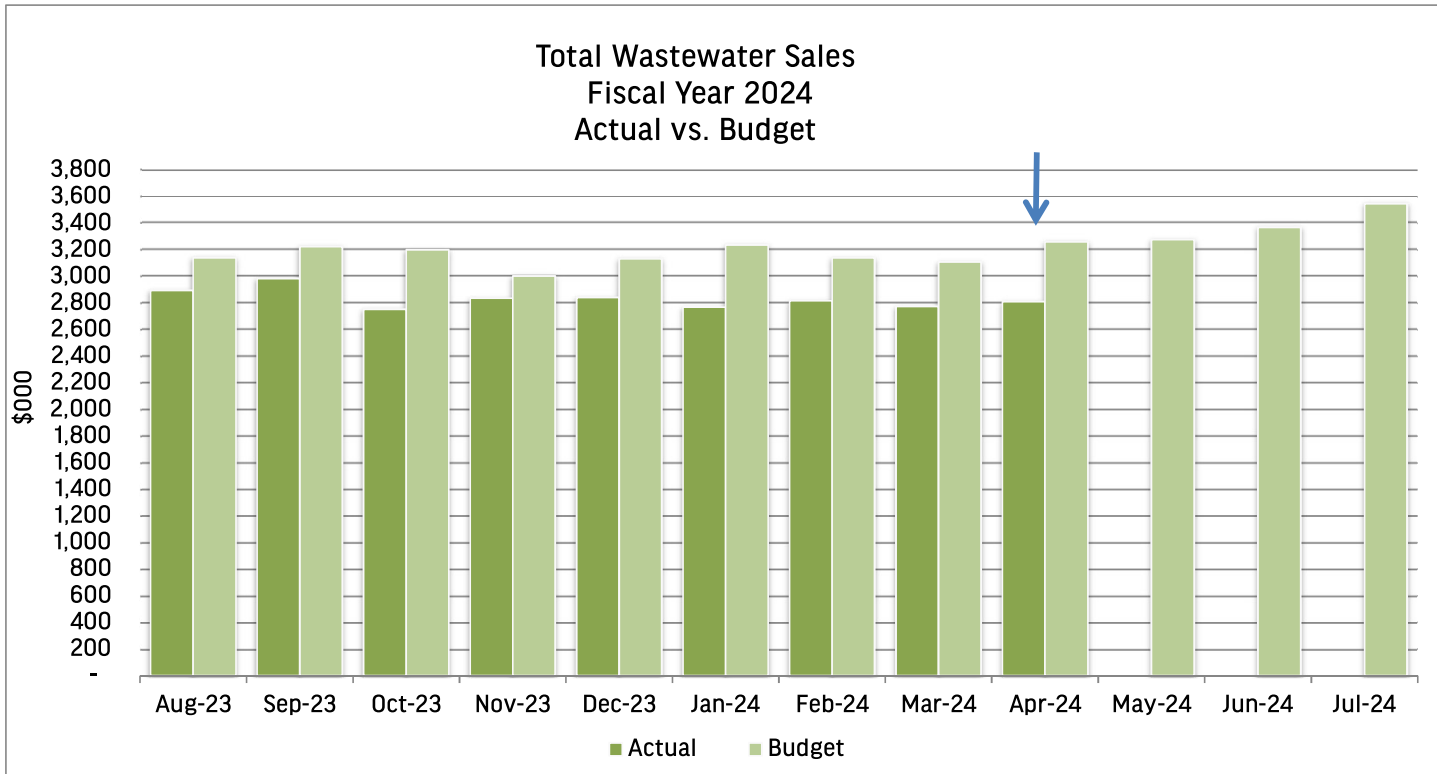
NEW BRAUNFELS UTILITIES
Water Volume per Meter (Gallons)
For Month Ending April 30, 2024

DESCRIPTION	2023	2023	2023	2023	2023	2024	2024	2024	2024	FY 2024 YTD	
	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	ACT	AVG
Residential											
Actuals	8,033	7,511	5,704	4,790	4,469	4,198	4,209	4,295	4,378	47,587	5,287
Budget	7,834	6,644	5,774	4,863	4,791	4,798	4,474	4,432	5,302	48,912	5,435
Prior Year	7,600	6,115	6,016	4,791	4,187	5,045	4,278	4,184	5,070	47,285	5,254
Multi-Unit 2-4											
Actuals	10,778	10,472	8,444	6,826	6,181	6,348	6,992	6,019	6,340	68,399	7,600
Budget	10,258	9,714	8,187	7,365	7,223	7,683	6,787	6,379	7,312	70,909	7,879
Prior Year	10,846	8,666	8,245	7,059	7,458	9,527	8,323	7,280	8,564	75,968	8,441
Multi-Unit 5+											
Actuals	103,570	101,888	83,235	90,885	102,907	93,513	101,163	96,852	89,987	864,000	96,000
Budget	97,504	97,976	92,253	86,400	86,426	88,050	87,340	83,159	86,970	806,079	89,564
Prior Year	98,973	102,130	89,290	87,495	86,215	106,721	96,454	80,769	90,300	838,347	93,150
Residential Irrigation											
Actuals	7,420	6,980	5,221	3,485	2,392	1,592	911	2,252	2,746	33,001	3,667
Budget	7,729	6,732	4,988	3,472	2,947	2,089	1,830	2,183	4,309	36,279	4,031
Prior Year	6,028	4,589	4,779	3,312	1,977	1,744	1,429	2,195	2,878	28,931	3,215
Commercial Irrigation											
Actuals	44,340	50,541	39,607	27,352	20,363	12,775	6,293	11,579	17,061	229,911	25,546
Budget	36,995	37,302	27,689	22,053	18,594	15,217	12,411	12,956	20,668	203,885	22,654
Prior Year	39,935	36,569	33,120	25,585	17,514	9,917	9,872	11,011	18,204	201,726	22,414
SGS											
Actuals	36,544	15,813	13,993	13,719	12,795	11,462	11,834	12,206	12,234	140,600	15,622
Budget	14,002	13,108	11,520	12,285	12,568	10,260	11,966	12,468	10,767	108,943	12,105
Prior Year	32,848	32,928	29,143	24,650	24,183	28,372	24,934	23,248	28,735	249,041	27,671
LGS											
Actuals	-	244,280	126,898	161,553	145,531	143,028	147,635	149,344	160,063	1,278,333	142,037
Budget	384,494	333,589	290,703	255,251	236,757	267,172	247,847	233,279	299,229	2,548,321	283,147
Prior Year	-	-	-	-	-	-	-	-	-	-	-
Other Sales											
Actuals	135,535	113,243	63,516	26,077	38,879	20,822	26,701	56,332	41,725	522,830	58,092
Budget	52,714	47,203	14,487	8,721	2,028	9,391	17,809	20,998	26,162	199,512	22,168
Prior Year	155,578	84,113	90,999	49,279	21,957	33,408	25,567	46,562	49,601	557,064	61,896
ReUse Water											
Actuals	4,312,900	1,955,900	1,821,400	-	-	-	-	466,049	1,232,407	9,788,656	1,087,628
Budget	613,050	(292,400)	117,738	177,998	442,163	235,575	84,025	219,800	70,149	1,668,097	185,344
Prior Year	5,486,000	267,200	5,113,000	2,946,800	285,200	470,300	1,369,400	762,700	1,138,300	17,838,900	1,982,100

NEW BRAUNFELS UTILITIES
Water Rates (per Gallon)
For Month Ending April 30, 2024

DESCRIPTION	2023	2023	2023	2023	2023	2024	2024	2024	2024	FY 2024 YTD
	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	AVG
Residential										
Actuals	\$ 0.0064	\$ 0.0089	\$ 0.0085	\$ 0.0082	\$ 0.0081	\$ 0.0080	\$ 0.0080	\$ 0.0080	\$ 0.0081	\$ 0.0080
Budget	\$ 0.0060	\$ 0.0074	\$ 0.0068	\$ 0.0072	\$ 0.0082	\$ 0.0079	\$ 0.0080	\$ 0.0082	\$ 0.0080	\$ 0.0075
Prior Year	\$ 0.0054	\$ 0.0067	\$ 0.0061	\$ 0.0065	\$ 0.0066	\$ 0.0062	\$ 0.0065	\$ 0.0066	\$ 0.0063	\$ 0.0063
Multi-Unit 2-4										
Actuals	\$ 0.0089	\$ 0.0090	\$ 0.0097	\$ 0.0108	\$ 0.0113	\$ 0.0112	\$ 0.0107	\$ 0.0115	\$ 0.0112	\$ 0.0105
Budget	\$ 0.0094	\$ 0.0110	\$ 0.0109	\$ 0.0114	\$ 0.0122	\$ 0.0121	\$ 0.0129	\$ 0.0130	\$ 0.0124	\$ 0.0117
Prior Year	\$ 0.0085	\$ 0.0099	\$ 0.0098	\$ 0.0103	\$ 0.0107	\$ 0.0090	\$ 0.0095	\$ 0.0101	\$ 0.0094	\$ 0.0097
Multi-Unit 5+										
Actuals	\$ 0.0096	\$ 0.0094	\$ 0.0103	\$ 0.0098	\$ 0.0094	\$ 0.0100	\$ 0.0097	\$ 0.0098	\$ 0.0103	\$ 0.0098
Budget	\$ 0.0105	\$ 0.0109	\$ 0.0115	\$ 0.0111	\$ 0.0124	\$ 0.0122	\$ 0.0121	\$ 0.0126	\$ 0.0127	\$ 0.0118
Prior Year	\$ 0.0095	\$ 0.0098	\$ 0.0104	\$ 0.0100	\$ 0.0099	\$ 0.0092	\$ 0.0095	\$ 0.0104	\$ 0.0098	\$ 0.0098
Residential Irrigation										
Actuals	\$ 0.0113	\$ 0.0117	\$ 0.0123	\$ 0.0137	\$ 0.0157	\$ 0.0190	\$ 0.0265	\$ 0.0161	\$ 0.0148	\$ 0.0157
Budget	\$ 0.0129	\$ 0.0144	\$ 0.0131	\$ 0.0137	\$ 0.0158	\$ 0.0172	\$ 0.0202	\$ 0.0178	\$ 0.0141	\$ 0.0155
Prior Year	\$ 0.0116	\$ 0.0130	\$ 0.0118	\$ 0.0123	\$ 0.0147	\$ 0.0154	\$ 0.0169	\$ 0.0140	\$ 0.0129	\$ 0.0136
Commercial Irrigation										
Actuals	\$ 0.0122	\$ 0.0120	\$ 0.0121	\$ 0.0122	\$ 0.0123	\$ 0.0127	\$ 0.0142	\$ 0.0129	\$ 0.0125	\$ 0.0126
Budget	\$ 0.0133	\$ 0.0146	\$ 0.0130	\$ 0.0123	\$ 0.0137	\$ 0.0139	\$ 0.0141	\$ 0.0141	\$ 0.0140	\$ 0.0137
Prior Year	\$ 0.0120	\$ 0.0131	\$ 0.0117	\$ 0.0111	\$ 0.0111	\$ 0.0112	\$ 0.0116	\$ 0.0116	\$ 0.0112	\$ 0.0116
SGS										
Actuals	\$ 0.0087	\$ 0.0095	\$ 0.0097	\$ 0.0098	\$ 0.0100	\$ 0.0102	\$ 0.0099	\$ 0.0100	\$ 0.0099	\$ 0.0097
Budget	\$ 0.0137	\$ 0.0131	\$ 0.0111	\$ 0.0100	\$ 0.0124	\$ 0.0135	\$ 0.0127	\$ 0.0125	\$ 0.0130	\$ 0.0124
Prior Year	\$ 0.0079	\$ 0.0086	\$ 0.0080	\$ 0.0077	\$ 0.0078	\$ 0.0076	\$ 0.0078	\$ 0.0078	\$ 0.0077	\$ 0.0079
LGS										
Actuals	\$ -	\$ 0.0060	\$ 0.0077	\$ 0.0068	\$ 0.0067	\$ 0.0069	\$ 0.0068	\$ 0.0067	\$ 0.0067	\$ 0.0060
Budget	\$ 0.0057	\$ 0.0073	\$ 0.0074	\$ 0.0073	\$ 0.0072	\$ 0.0071	\$ 0.0072	\$ 0.0072	\$ 0.0072	\$ 0.0071
Prior Year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Sales										
Actuals	\$ 0.0121	\$ 0.0124	\$ 0.0143	\$ 0.0208	\$ 0.0174	\$ 0.0239	\$ 0.0206	\$ 0.0149	\$ 0.0166	\$ 0.0170
Budget	\$ 0.0139	\$ 0.0155	\$ 0.0134	\$ 0.0153	\$ 0.0181	\$ 0.0191	\$ 0.0214	\$ 0.0191	\$ 0.0178	\$ 0.0171
Prior Year	\$ 0.0125	\$ 0.0140	\$ 0.0121	\$ 0.0138	\$ 0.0185	\$ 0.0157	\$ 0.0174	\$ 0.0139	\$ 0.0137	\$ 0.0146
ReUse Water										
Actuals	\$ 0.0029	\$ 0.0001	\$ 0.0001	\$ -	\$ -	\$ -	\$ -	\$ 0.0059	\$ 0.0059	\$ 0.0017
Budget	\$ 0.0051	\$ 0.0045	\$ 0.0054	\$ 0.0053	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 0.0023
Prior Year	\$ 0.0046	\$ 0.0040	\$ 0.0049	\$ 0.0048	\$ 0.0041	\$ 0.0044	\$ 0.0047	\$ 0.0046	\$ 0.0047	\$ 0.0045

WASTEWATER STATISTICS



Month	Total Wastewater Sales (\$000)	
	Actual	Budget
Aug-23	\$ 2,896	\$ 3,143
Sep-23	\$ 2,985	\$ 3,224
Oct-23	\$ 2,755	\$ 3,201
Nov-23	\$ 2,838	\$ 3,005
Dec-23	\$ 2,845	\$ 3,134
Jan-24	\$ 2,770	\$ 3,238
Feb-24	\$ 2,818	\$ 3,140
Mar-24	\$ 2,775	\$ 3,111
Apr-24	\$ 2,811	\$ 3,260
May-24	\$ -	\$ 3,279
Jun-24	\$ -	\$ 3,370
Jul-24	\$ -	\$ 3,549
TOTAL	\$ 25,495	\$ 38,653

Customer Count	FY 2022	% Change 2022-2023	FY 2023	% Change 2023-2024	FY 2024
Residential	30,789	2.97%	31,703	5.16%	33,338
Other	2,551	0.43%	2,562	3.83%	2,660
TOTAL	33,340	2.77%	34,265	5.06%	35,998

WASTEWATER SUPPLEMENTAL INFORMATION

NEW BRAUNFELS UTILITIES
Wastewater Revenue
For Month Ending April 30, 2024

DESCRIPTION	2023	2023	2023	2023	2023	2024	2024	2024	2024	FY 2024 YTD	
	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	ACT	AVG
Residential											
Actuals	\$ 1,620,385	\$ 1,780,256	\$ 1,690,795	\$ 1,737,263	\$ 1,758,843	\$ 1,732,442	\$ 1,739,432	\$ 1,718,326	\$ 1,726,642	\$ 15,504,383	\$ 1,722,709
Budget	\$ 1,877,005	\$ 1,952,128	\$ 1,949,215	\$ 1,872,739	\$ 1,976,311	\$ 2,036,536	\$ 1,986,258	\$ 1,949,832	\$ 2,012,386	\$ 17,612,410	\$ 1,956,934
Prior Year	\$ 1,431,988	\$ 1,602,167	\$ 1,517,326	\$ 1,513,842	\$ 1,516,902	\$ 1,594,334	\$ 1,541,595	\$ 1,489,397	\$ 1,595,886	\$ 13,803,436	\$ 1,533,715
Multi-Unit 2-4											
Actuals	\$ 14,354	\$ 16,278	\$ 15,918	\$ 16,127	\$ 16,106	\$ 15,819	\$ 15,767	\$ 15,496	\$ 15,387	\$ 141,252	\$ 15,695
Budget	\$ 15,982	\$ 16,707	\$ 16,656	\$ 15,857	\$ 16,392	\$ 16,876	\$ 16,643	\$ 16,260	\$ 17,527	\$ 148,899	\$ 16,544
Prior Year	\$ 12,873	\$ 14,215	\$ 13,595	\$ 13,583	\$ 13,704	\$ 14,466	\$ 13,990	\$ 13,418	\$ 14,418	\$ 124,262	\$ 13,807
Multi-Unit 5+											
Actuals	\$ 362,783	\$ 369,364	\$ 327,198	\$ 343,852	\$ 349,655	\$ 349,101	\$ 367,256	\$ 344,244	\$ 338,402	\$ 3,151,856	\$ 350,206
Budget	\$ 387,068	\$ 401,507	\$ 399,515	\$ 372,282	\$ 397,709	\$ 411,152	\$ 404,255	\$ 389,172	\$ 404,391	\$ 3,567,051	\$ 396,339
Prior Year	\$ 324,197	\$ 352,643	\$ 334,562	\$ 322,131	\$ 318,915	\$ 360,340	\$ 334,996	\$ 310,016	\$ 325,846	\$ 2,983,646	\$ 331,516
SGS											
Actuals	\$ 897,364	\$ 818,036	\$ 720,079	\$ 739,767	\$ 718,962	\$ 671,740	\$ 694,327	\$ 696,069	\$ 729,560	\$ 6,685,904	\$ 742,878
Budget	\$ 861,177	\$ 851,972	\$ 833,952	\$ 741,792	\$ 741,660	\$ 771,065	\$ 730,594	\$ 753,402	\$ 823,837	\$ 7,109,450	\$ 789,939
Prior Year	\$ 720,511	\$ 787,794	\$ 743,962	\$ 649,301	\$ 662,503	\$ 740,317	\$ 672,769	\$ 629,555	\$ 741,030	\$ 6,347,741	\$ 705,305
Schertz Sewer											
Actuals	\$ 1,307	\$ 1,320	\$ 1,296	\$ 1,313	\$ 1,213	\$ 1,311	\$ 1,407	\$ 1,192	\$ 1,449	\$ 11,808	\$ 1,312
Budget	\$ 1,902	\$ 1,867	\$ 1,902	\$ 1,865	\$ 1,853	\$ 2,085	\$ 2,178	\$ 1,877	\$ 2,082	\$ 17,610	\$ 1,957
Prior Year	\$ 1,476	\$ 1,282	\$ 1,310	\$ 1,306	\$ 1,194	\$ 1,269	\$ 1,425	\$ 1,178	\$ 1,251	\$ 11,690	\$ 1,299
Total Sales											
Actuals	\$ 2,896,192	\$ 2,985,254	\$ 2,755,286	\$ 2,838,322	\$ 2,844,779	\$ 2,770,413	\$ 2,818,188	\$ 2,775,328	\$ 2,811,440	\$ 25,495,203	\$ 2,832,800
Budget	\$ 3,143,133	\$ 3,224,180	\$ 3,201,239	\$ 3,004,535	\$ 3,133,925	\$ 3,237,713	\$ 3,139,928	\$ 3,110,543	\$ 3,260,223	\$ 28,455,420	\$ 3,161,713
Prior Year	\$ 2,491,044	\$ 2,758,100	\$ 2,610,754	\$ 2,500,162	\$ 2,513,218	\$ 2,710,727	\$ 2,564,775	\$ 2,443,564	\$ 2,678,431	\$ 23,270,775	\$ 2,585,642

NEW BRAUNFELS UTILITIES
Wastewater Revenue Variance
For Month Ending April 30, 2024

DESCRIPTION	2023	2023	2023	2023	2023	2024	2024	2024	2024	FY 2024 YTD	
	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	ACT	AVG
Residential											
Actuals	\$ 1,620,385	\$ 1,780,256	\$ 1,690,795	\$ 1,737,263	\$ 1,758,843	\$ 1,732,442	\$ 1,739,432	\$ 1,718,326	\$ 1,726,642	\$ 15,504,383	\$ 1,722,709
Actual vs Budget	\$ (256,620)	\$ (171,872)	\$ (258,420)	\$ (135,477)	\$ (217,468)	\$ (304,094)	\$ (246,826)	\$ (231,506)	\$ (285,744)	\$ (2,108,027)	\$ (234,225)
Actual vs Prior Year	\$ 188,397	\$ 178,089	\$ 173,470	\$ 223,421	\$ 241,941	\$ 138,108	\$ 197,837	\$ 228,929	\$ 130,756	\$ 1,700,947	\$ 188,994
Multi-Unit 2-4											
Actuals	\$ 14,354	\$ 16,278	\$ 15,918	\$ 16,127	\$ 16,106	\$ 15,819	\$ 15,767	\$ 15,496	\$ 15,387	\$ 141,252	\$ 15,695
Actual vs Budget	\$ (1,628)	\$ (430)	\$ (738)	\$ 270	\$ (286)	\$ (1,056)	\$ (876)	\$ (764)	\$ (2,139)	\$ (7,648)	\$ (850)
Actual vs Prior Year	\$ 1,481	\$ 2,063	\$ 2,323	\$ 2,544	\$ 2,402	\$ 1,353	\$ 1,776	\$ 2,078	\$ 969	\$ 16,990	\$ 1,888
Multi-Unit 5+											
Actuals	\$ 362,783	\$ 369,364	\$ 327,198	\$ 343,852	\$ 349,655	\$ 349,101	\$ 367,256	\$ 344,244	\$ 338,402	\$ 3,151,856	\$ 350,206
Actual vs Budget	\$ (24,285)	\$ (32,143)	\$ (72,316)	\$ (28,430)	\$ (48,054)	\$ (62,050)	\$ (37,000)	\$ (44,928)	\$ (65,989)	\$ (415,194)	\$ (46,133)
Actual vs Prior Year	\$ 38,586	\$ 16,721	\$ (7,364)	\$ 21,721	\$ 30,740	\$ (11,239)	\$ 32,260	\$ 34,228	\$ 12,556	\$ 168,211	\$ 18,690
SGS											
Actuals	\$ 897,364	\$ 818,036	\$ 720,079	\$ 739,767	\$ 718,962	\$ 671,740	\$ 694,327	\$ 696,069	\$ 729,560	\$ 6,685,904	\$ 742,878
Actual vs Budget	\$ 36,188	\$ (33,935)	\$ (113,873)	\$ (2,025)	\$ (22,698)	\$ (99,326)	\$ (36,267)	\$ (57,332)	\$ (94,277)	\$ (423,546)	\$ (47,061)
Actual vs Prior Year	\$ 176,854	\$ 30,242	\$ (23,883)	\$ 90,466	\$ 56,459	\$ (68,578)	\$ 21,558	\$ 66,515	\$ (11,470)	\$ 338,163	\$ 37,574
Schertz Sewer											
Actuals	\$ 1,307	\$ 1,320	\$ 1,296	\$ 1,313	\$ 1,213	\$ 1,311	\$ 1,407	\$ 1,192	\$ 1,449	\$ 11,808	\$ 1,312
Actual vs Budget	\$ (595)	\$ (547)	\$ (606)	\$ (552)	\$ (640)	\$ (774)	\$ (771)	\$ (685)	\$ (633)	\$ (5,802)	\$ (645)
Actual vs Prior Year	\$ (169)	\$ 38	\$ (14)	\$ 7	\$ 19	\$ 41	\$ (18)	\$ 14	\$ 198	\$ 117	\$ 13
Total Sales											
Actuals	\$ 2,896,192	\$ 2,985,254	\$ 2,755,286	\$ 2,838,322	\$ 2,844,779	\$ 2,770,413	\$ 2,818,188	\$ 2,775,328	\$ 2,811,440	\$ 25,495,203	\$ 2,832,800
Actual vs Budget	\$ (246,941)	\$ (238,926)	\$ (445,953)	\$ (166,214)	\$ (289,145)	\$ (467,300)	\$ (321,740)	\$ (335,215)	\$ (448,783)	\$ (2,960,218)	\$ (328,913)
Actual vs Prior Year	\$ 405,148	\$ 227,154	\$ 144,532	\$ 338,159	\$ 331,561	\$ 59,686	\$ 253,414	\$ 331,764	\$ 133,009	\$ 2,224,428	\$ 247,159

NEW BRAUNFELS UTILITIES
Wastewater Usage (Gallons)
For Month Ending April 30, 2024

DESCRIPTION	2023	2023	2023	2023	2023	2024	2024	2024	2024	FY 2024 YTD	
	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	ACT	AVG
Residential											
Actuals	104,591,818	110,400,361	98,017,580	104,695,640	106,901,538	102,505,493	103,123,767	100,389,112	99,651,088	930,276,400	103,364,044
Prior Year	105,945,683	113,046,276	100,144,142	99,574,341	99,394,434	165,422,006	103,083,536	95,079,883	112,004,672	993,694,973	110,410,553
Multi-Unit 2-4											
Actuals	835,859	859,259	803,385	849,140	838,636	814,487	800,547	771,054	756,820	7,329,187	814,354
Prior Year	834,405	876,991	783,357	774,377	790,783	904,980	832,938	758,277	902,042	7,458,150	828,683
Multi-Unit 5+											
Actuals	26,464,494	26,498,569	21,294,621	23,400,792	23,794,355	23,835,720	25,905,743	23,228,453	22,304,354	216,727,101	24,080,789
Prior Year	25,753,140	28,032,246	23,907,336	22,819,107	22,650,042	27,891,169	24,467,609	20,651,634	22,916,972	219,089,255	24,343,251
SGS											
Actuals	147,287,980	131,416,134	111,637,606	114,268,301	111,907,830	102,975,607	107,558,109	108,463,284	115,704,856	1,051,219,710	116,802,190
Prior Year	130,005,417	129,722,018	125,164,836	97,417,889	104,504,690	119,839,409	108,336,432	99,625,140	121,947,383	1,036,563,217	115,173,691
Schertz Sewer											
Actuals	433,200	437,700	429,500	435,300	402,200	434,500	466,400	395,200	429,100	3,863,100	429,233
Prior Year	145,500	141,667	144,733	144,333	131,933	140,267	157,433	130,133	138,233	1,274,233	141,581
Total Sales											
Actuals	279,613,351	269,612,023	232,182,693	243,649,174	243,844,560	230,565,808	237,854,567	233,247,104	238,846,219	2,209,415,498	245,490,611
Prior Year	262,684,145	271,819,198	250,144,405	220,730,048	227,471,883	314,197,831	236,877,949	216,245,068	257,909,303	2,258,079,829	250,897,759

NEW BRAUNFELS UTILITIES
Wastewater Customers
For Month Ending April 30, 2024

DESCRIPTION	2023	2023	2023	2023	2023	2024	2024	2024	2024	FY 2024 YTD
	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	AVG
Residential										
Actuals	32,187	32,472	32,558	32,545	32,691	32,878	32,947	33,120	33,338	32,748
Budget	34,071	34,211	34,352	34,494	34,636	34,779	34,922	35,066	35,211	34,638
Prior Year	31,424	31,569	31,602	31,627	31,697	31,757	31,772	31,793	31,703	31,660
Multi-Unit 2-4										
Actuals	173	186	189	188	188	187	187	186	187	186
Budget	182	182	182	182	182	182	182	182	182	182
Prior Year	174	174	173	174	175	175	174	172	173	174
Multi-Unit 5+										
Actuals	261	268	269	269	270	270	270	270	270	269
Budget	260	261	263	265	267	268	270	272	274	267
Prior Year	256	257	259	258	258	258	258	258	256	258
SGS										
Actuals	2,158	2,167	2,168	2,167	2,185	2,191	2,190	2,192	2,202	2,180
Budget	2,135	2,139	2,142	2,146	2,150	2,154	2,158	2,162	2,166	2,150
Prior Year	2,125	2,127	2,131	2,131	2,134	2,127	2,130	2,133	2,132	2,130
Schertz Sewer										
Actuals	1	1	1	1	1	1	1	1	1	1
Budget	1	1	1	1	1	1	1	1	1	1
Prior Year	1	1	1	1	1	1	1	1	1	1
Total Accounts										
Actuals	34,780	35,094	35,185	35,170	35,335	35,527	35,595	35,769	35,998	35,384
Budget	36,648	36,794	36,941	37,088	37,236	37,384	37,533	37,683	37,833	37,238
Prior Year	33,980	34,128	34,166	34,191	34,265	34,318	34,335	34,357	34,265	34,223

New Customers	85	314	91	(15)	165	192	68	174	229	145
----------------------	----	-----	----	------	-----	-----	----	-----	-----	-----

New Customer Growth %	0.2%	0.9%	0.3%	0.0%	0.5%	0.5%	0.2%	0.5%	0.7%	0.4%
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NEW BRAUNFELS UTILITIES
Wastewater Rates (per Customer)
For Month Ending April 30, 2024

DESCRIPTION	2023	2023	2023	2023	2023	2024	2024	2024	2024	FY 2024 YTD
	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	AVG
Residential										
Actuals	\$ 50.34	\$ 54.82	\$ 51.93	\$ 53.38	\$ 53.80	\$ 52.69	\$ 52.79	\$ 51.88	\$ 51.79	\$ 52.60
Budget	\$ 55.09	\$ 57.06	\$ 56.74	\$ 54.29	\$ 57.06	\$ 58.56	\$ 56.88	\$ 55.60	\$ 57.15	\$ 56.49
Prior Year	\$ 45.57	\$ 50.75	\$ 48.01	\$ 47.87	\$ 47.86	\$ 50.20	\$ 48.52	\$ 46.85	\$ 50.34	\$ 48.44
Multi-Unit 2-4										
Actuals	\$ 82.97	\$ 87.52	\$ 84.22	\$ 85.78	\$ 85.67	\$ 84.60	\$ 84.31	\$ 83.31	\$ 82.29	\$ 84.52
Budget	\$ 87.80	\$ 91.78	\$ 91.48	\$ 87.08	\$ 90.01	\$ 92.65	\$ 91.36	\$ 89.25	\$ 96.19	\$ 90.85
Prior Year	\$ 73.98	\$ 81.69	\$ 78.58	\$ 78.06	\$ 78.31	\$ 82.66	\$ 80.40	\$ 78.01	\$ 83.34	\$ 79.45
Multi-Unit 5+										
Actuals	\$ 1,389.97	\$ 1,378.22	\$ 1,216.35	\$ 1,278.26	\$ 1,295.02	\$ 1,292.97	\$ 1,360.21	\$ 1,274.98	\$ 1,253.34	\$ 1,304.37
Budget	\$ 1,490.48	\$ 1,535.99	\$ 1,518.40	\$ 1,405.67	\$ 1,491.88	\$ 1,532.25	\$ 1,496.72	\$ 1,431.48	\$ 1,477.75	\$ 1,486.74
Prior Year	\$ 1,266.40	\$ 1,372.15	\$ 1,291.75	\$ 1,248.57	\$ 1,236.11	\$ 1,396.67	\$ 1,298.43	\$ 1,201.61	\$ 1,272.83	\$ 1,287.17
SGS										
Actuals	\$ 415.83	\$ 377.50	\$ 332.14	\$ 341.38	\$ 329.04	\$ 306.59	\$ 317.04	\$ 317.55	\$ 331.32	\$ 340.93
Budget	\$ 403.40	\$ 398.37	\$ 389.25	\$ 345.61	\$ 344.93	\$ 357.97	\$ 338.57	\$ 348.52	\$ 380.42	\$ 367.45
Prior Year	\$ 339.06	\$ 370.38	\$ 349.11	\$ 304.69	\$ 310.45	\$ 348.06	\$ 315.85	\$ 295.15	\$ 347.57	\$ 331.15
Schertz Sewer										
Actuals	\$ 1,306.75	\$ 1,320.32	\$ 1,295.59	\$ 1,313.08	\$ 1,213.24	\$ 1,310.67	\$ 1,406.90	\$ 1,192.12	\$ 1,449.03	\$ 1,311.97
Budget	\$ 1,902.07	\$ 1,866.97	\$ 1,901.70	\$ 1,864.68	\$ 1,853.06	\$ 2,084.54	\$ 2,178.27	\$ 1,877.19	\$ 2,081.67	\$ 1,956.68
Prior Year	\$ 1,476.00	\$ 1,282.01	\$ 1,309.76	\$ 1,306.14	\$ 1,193.93	\$ 1,269.34	\$ 1,424.69	\$ 1,177.64	\$ 1,250.94	\$ 1,298.94



Financial Update

- April 2024 Financials

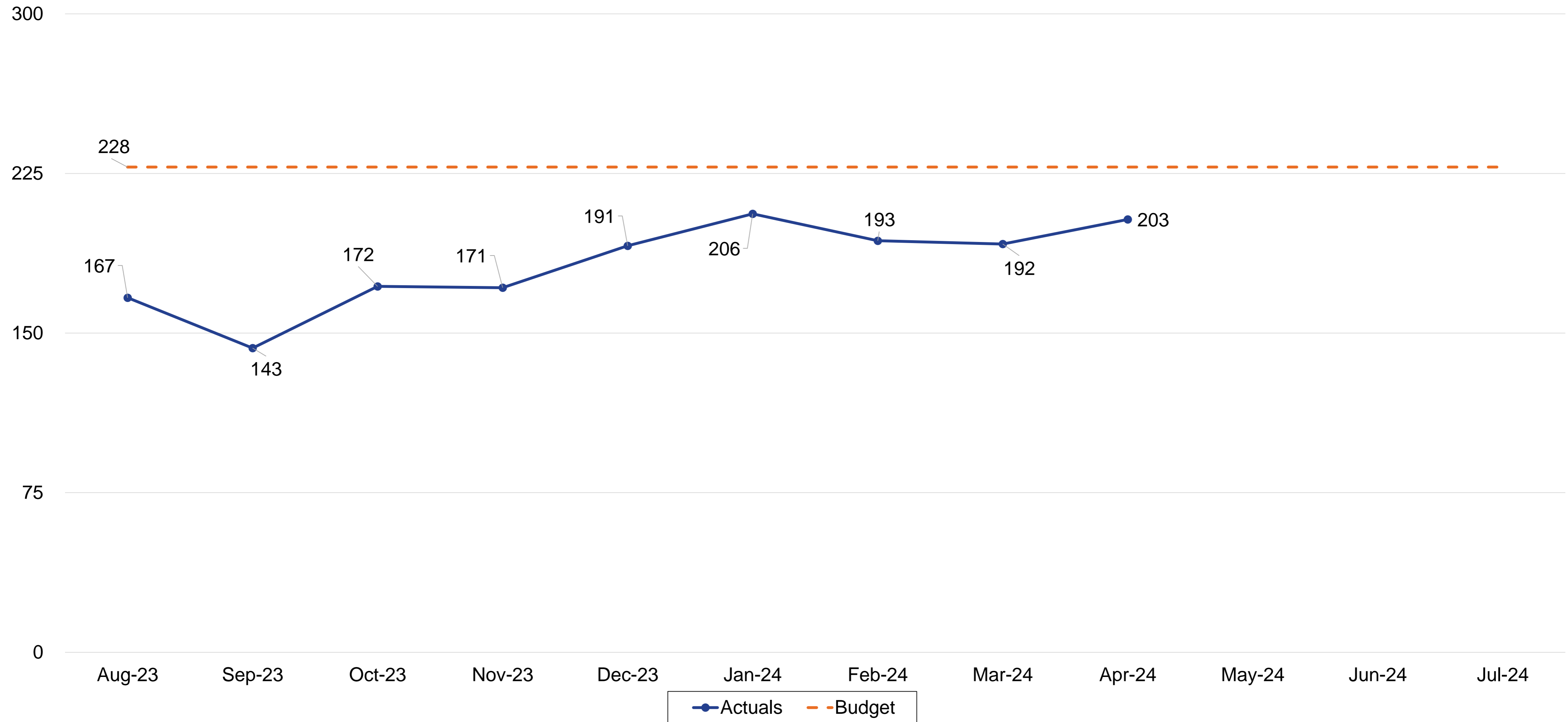
- Kimberly Huffman, Accounting Manager

Board Financial Policy Compliance - April 2024 YTD

	FY 2023 Actual	FY 2024 Budget	Financial Policy	FY 2024 Actual*
Debt to Capitalization (lower is better)	39.1%	47.4%	≤55.0%	42.6%
Debt Service Coverage (higher is better)	5.05	4.28	≥2.40	4.62
Days Cash on Hand (higher is better)	214	228	≥140	203
Days Liquidity on Hand (higher is better)	442	N/A	N/A	521

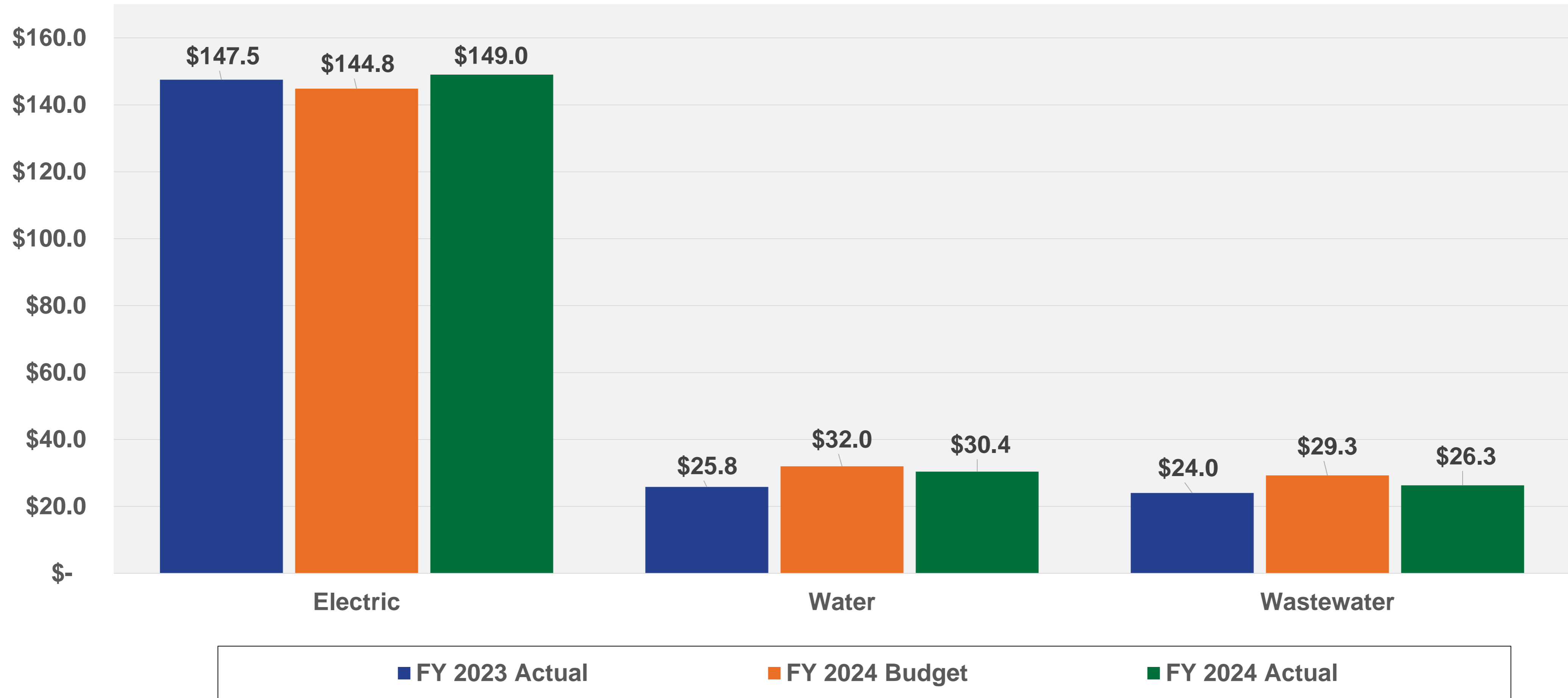
* Amounts are calculated by annualizing the YTD results

Days Cash on Hand - April 2024 YTD



Operating Revenue by LOB

April 2024 YTD – Amounts in Millions



Mission

Strengthening our community by providing resilient essential services



Vision

Be a trusted community partner dedicated to excellence in service

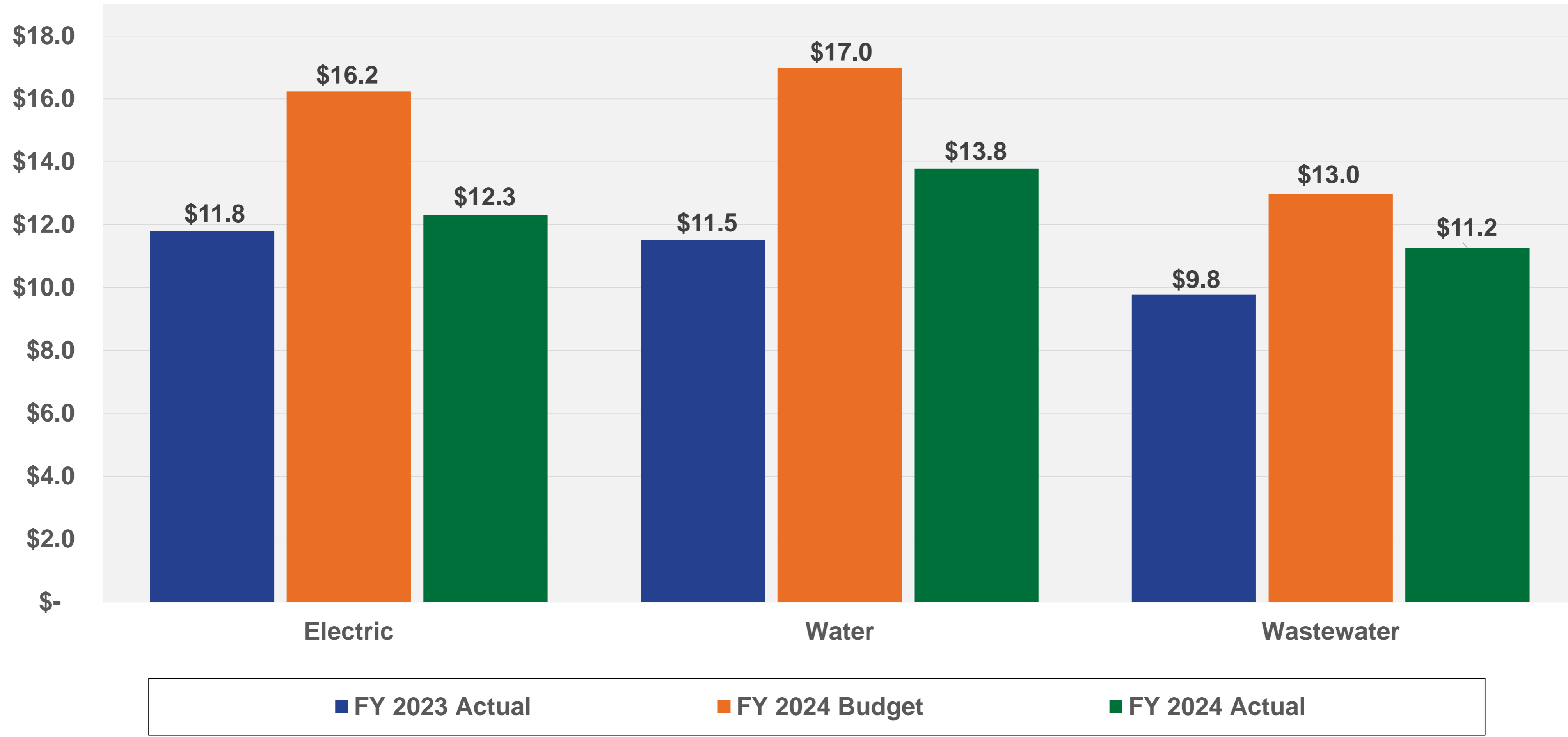


Core Values

Safety, Team, Integrity, Culture, and Stewardship

Operating Expenses* by LOB

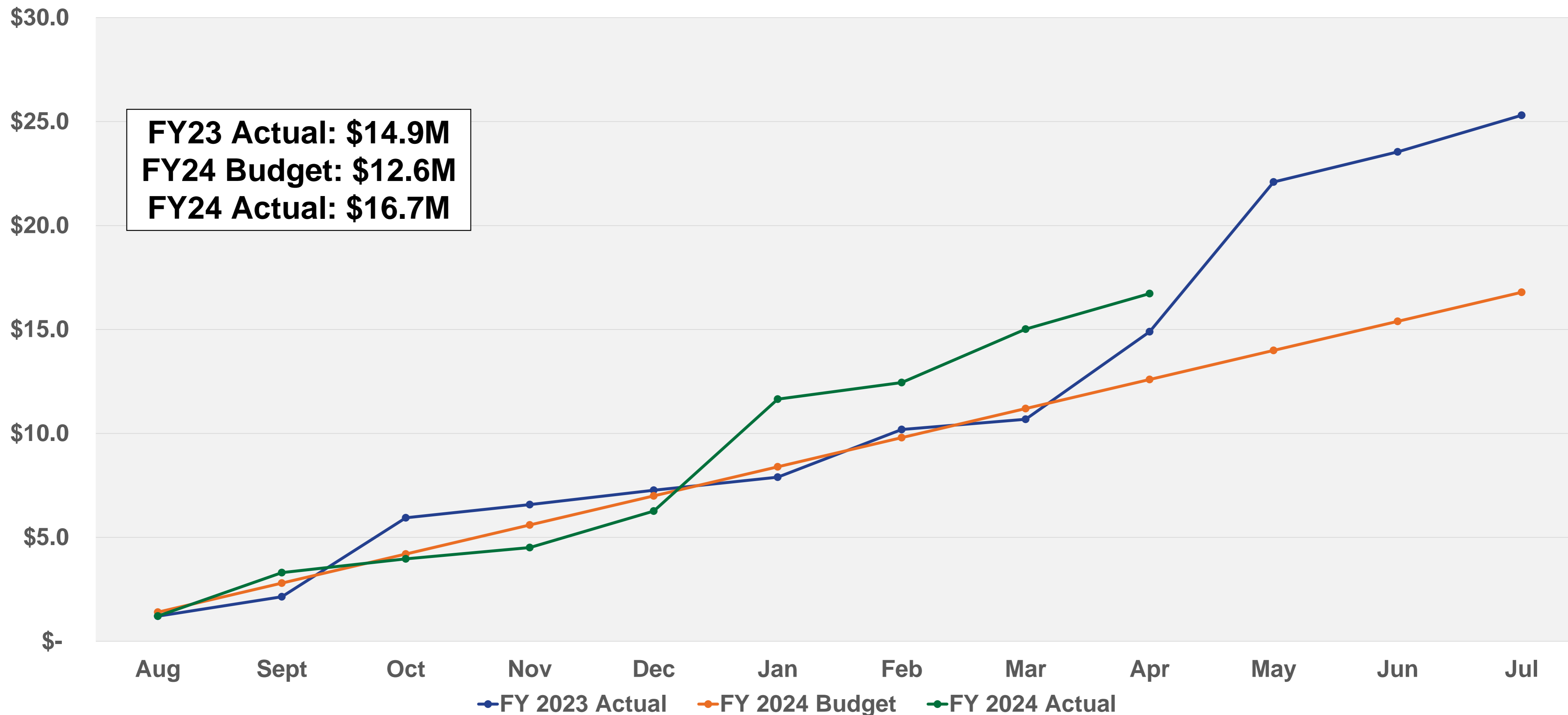
April 2024 YTD – Amounts in Millions



*Excludes purchased power, purchased water, and depreciation expense

Impact Fees

April 2024 YTD – Amounts in Millions*



* Amounts shown are YTD for each month

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Vision

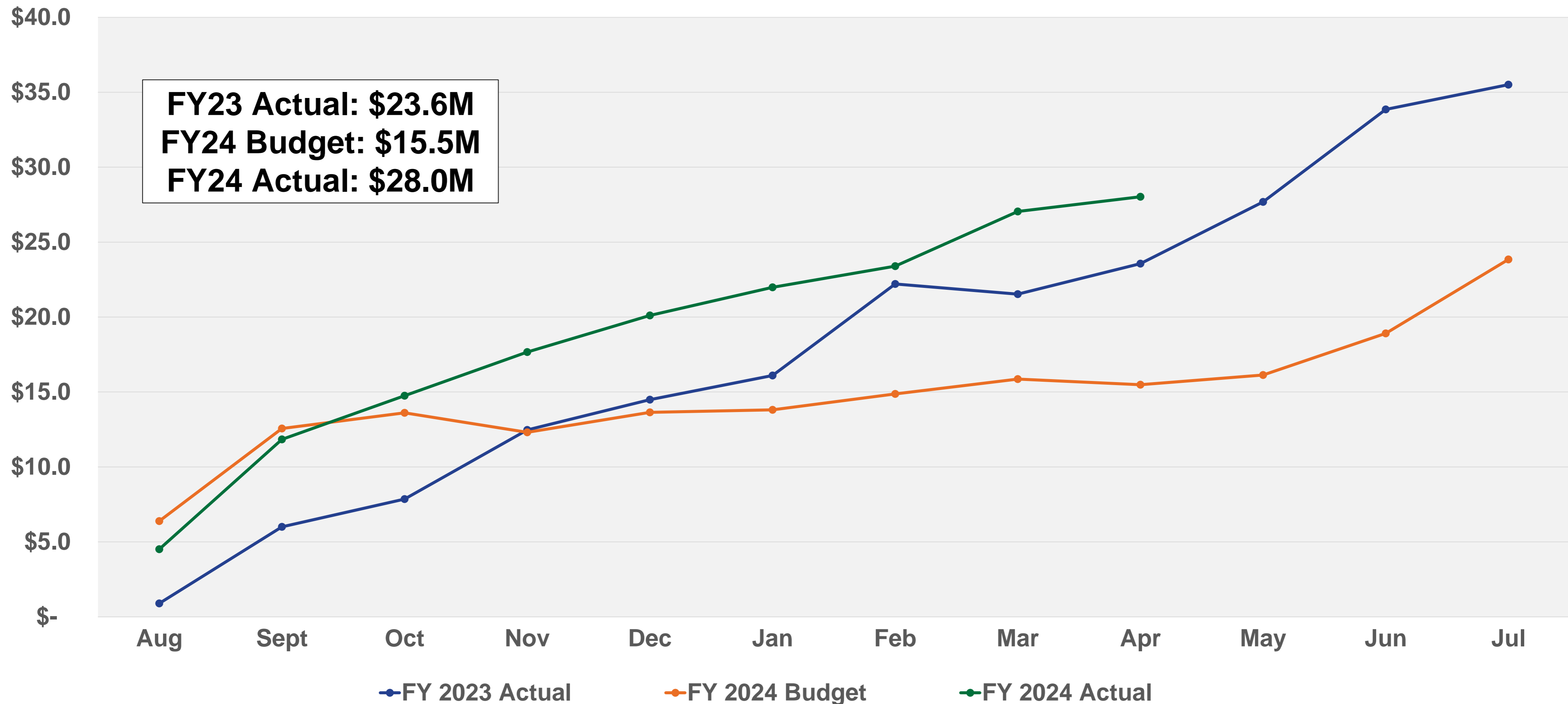
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Net Operating Income April 2024– Amounts in Millions*



* Amounts shown are YTD for each month

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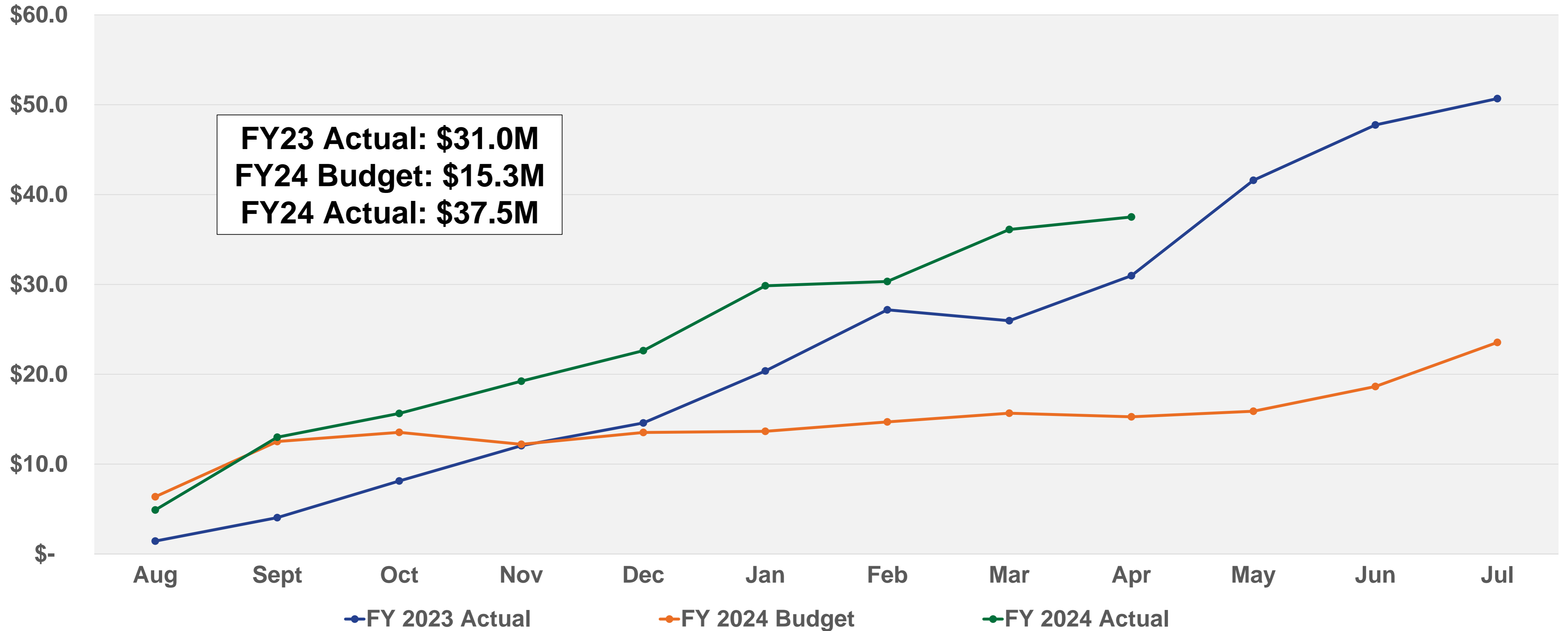


Core Values

Safety, Team, Integrity, Culture, and Stewardship

Change in Net Position After Contributions

April 2024– Amounts in Millions*



* Amounts shown are YTD for each month

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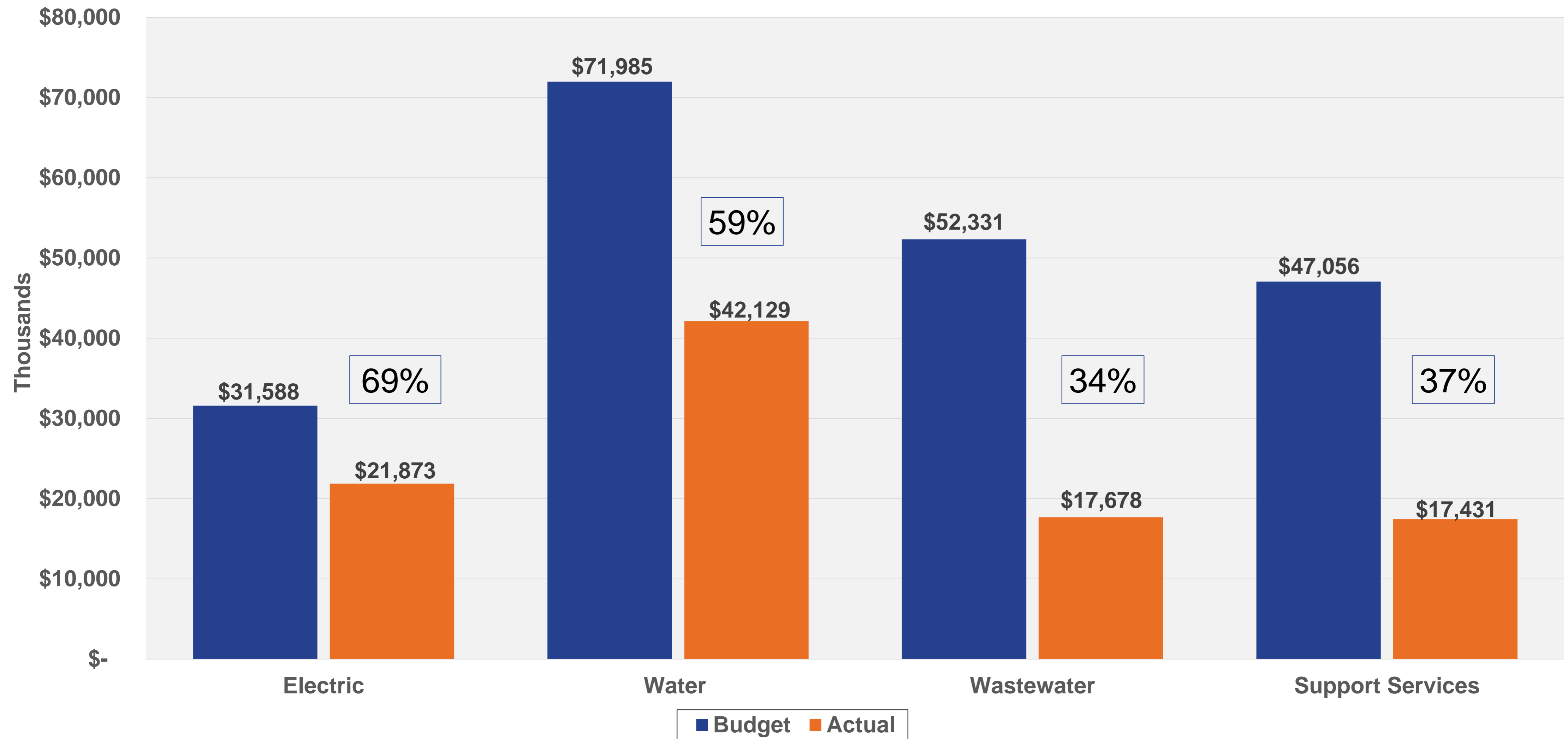


Core Values

Safety, Team, Integrity, Culture, and Stewardship

Capital Project Expenditures

April 2024 YTD – Amounts in Thousands



Questions?

Transmission Cost of Service Update



May 30, 2024

TCOS Update

- **NBU filed a full Transmission Cost of Service (TCOS) Application with the PUCT on April 11, 2024**
- **NBU needed to file due to the fact that LCRA was terminating the transmission lease it had with NBU**
- **Through the filing, NBU will recover those revenues through an updated TCOS rate**
- **NBU last filed a full TCOS in 2017**
- **NBU is anticipating increasing its TCOS revenue of \$1,666,838 per year to \$3,698,142**

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Vision

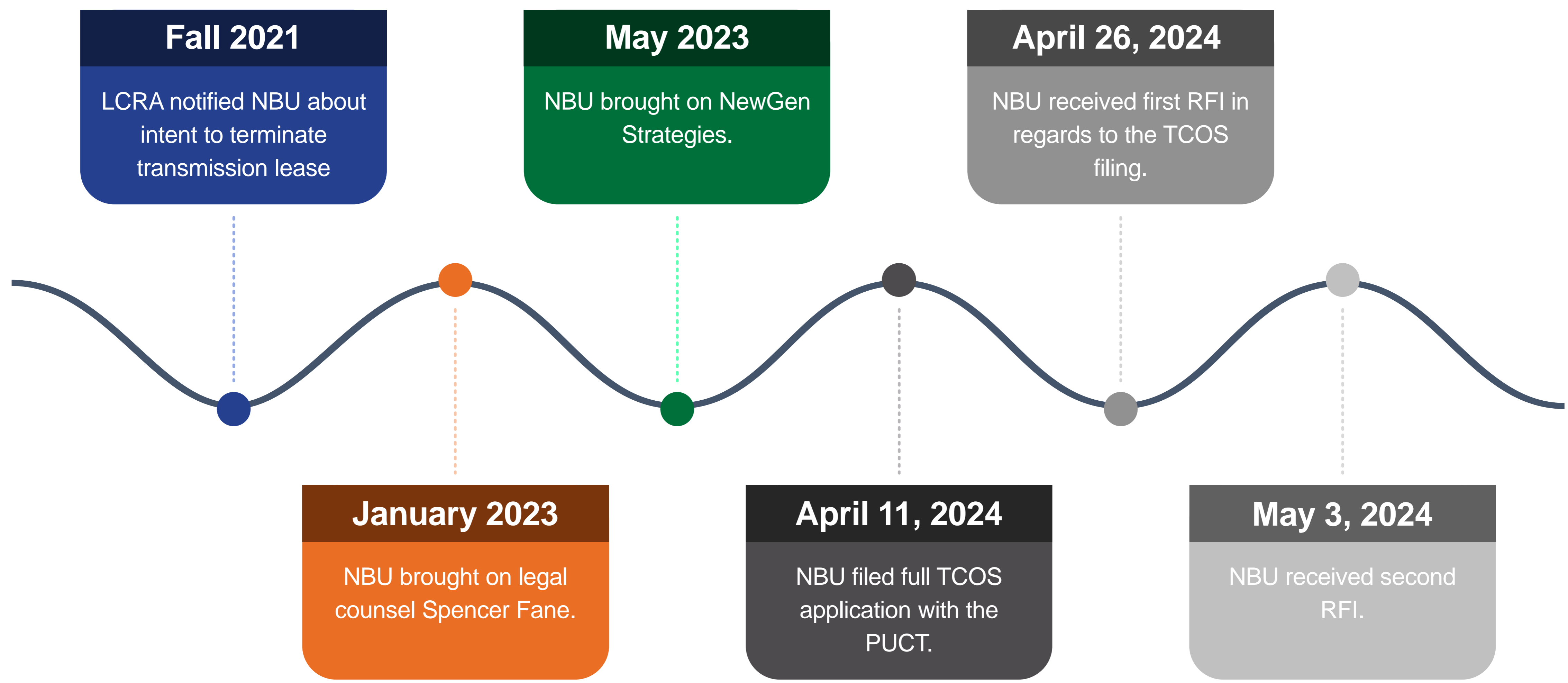
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TCOS Timeline



Next Steps

- **Complete RFI requests**
- **Commission to make final decision**
 - 5 to 7 months

Power Stabilization Fund Update

Board of Trustees Meeting

- May 30, 2024

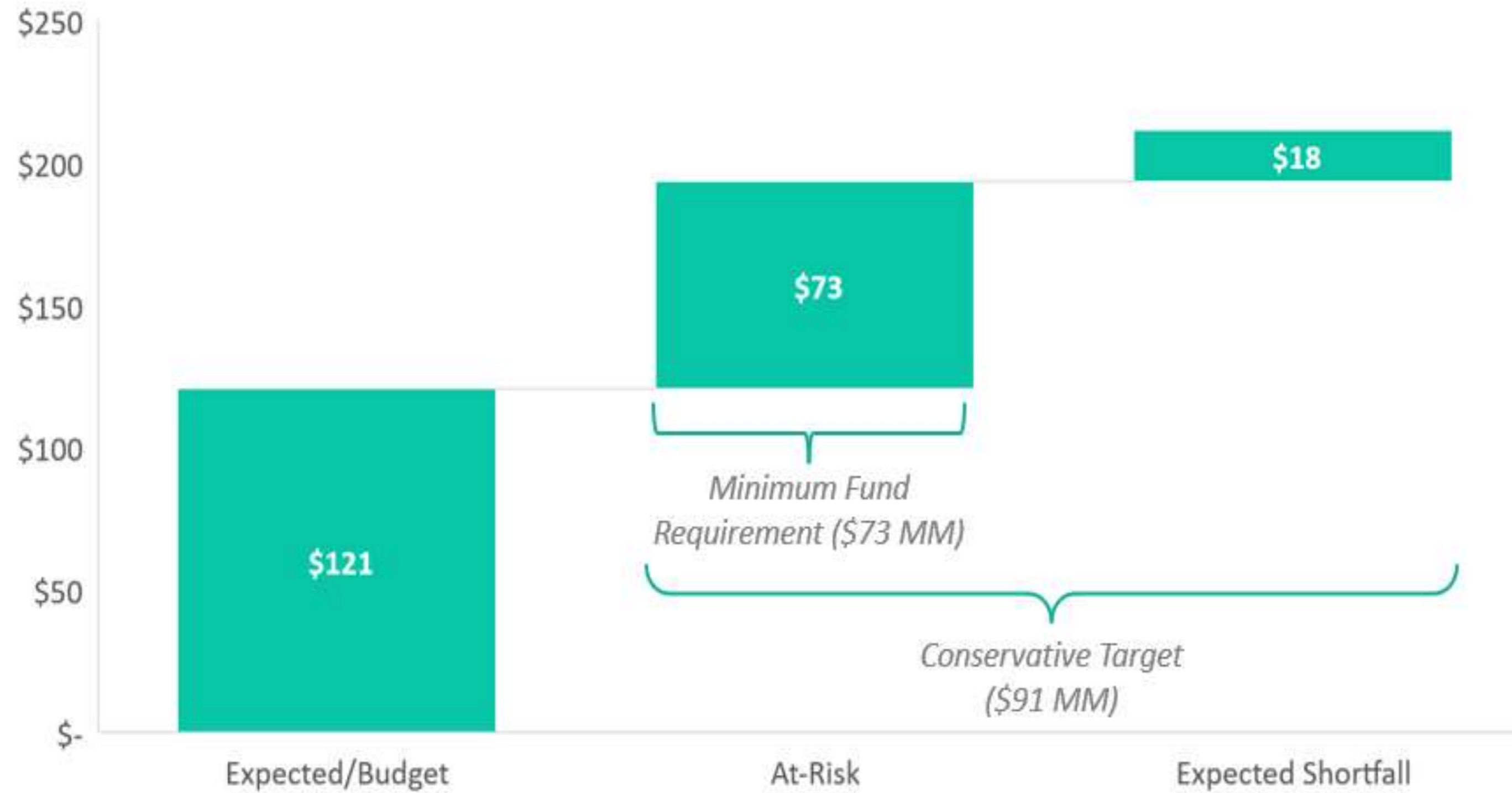


TEA Analysis

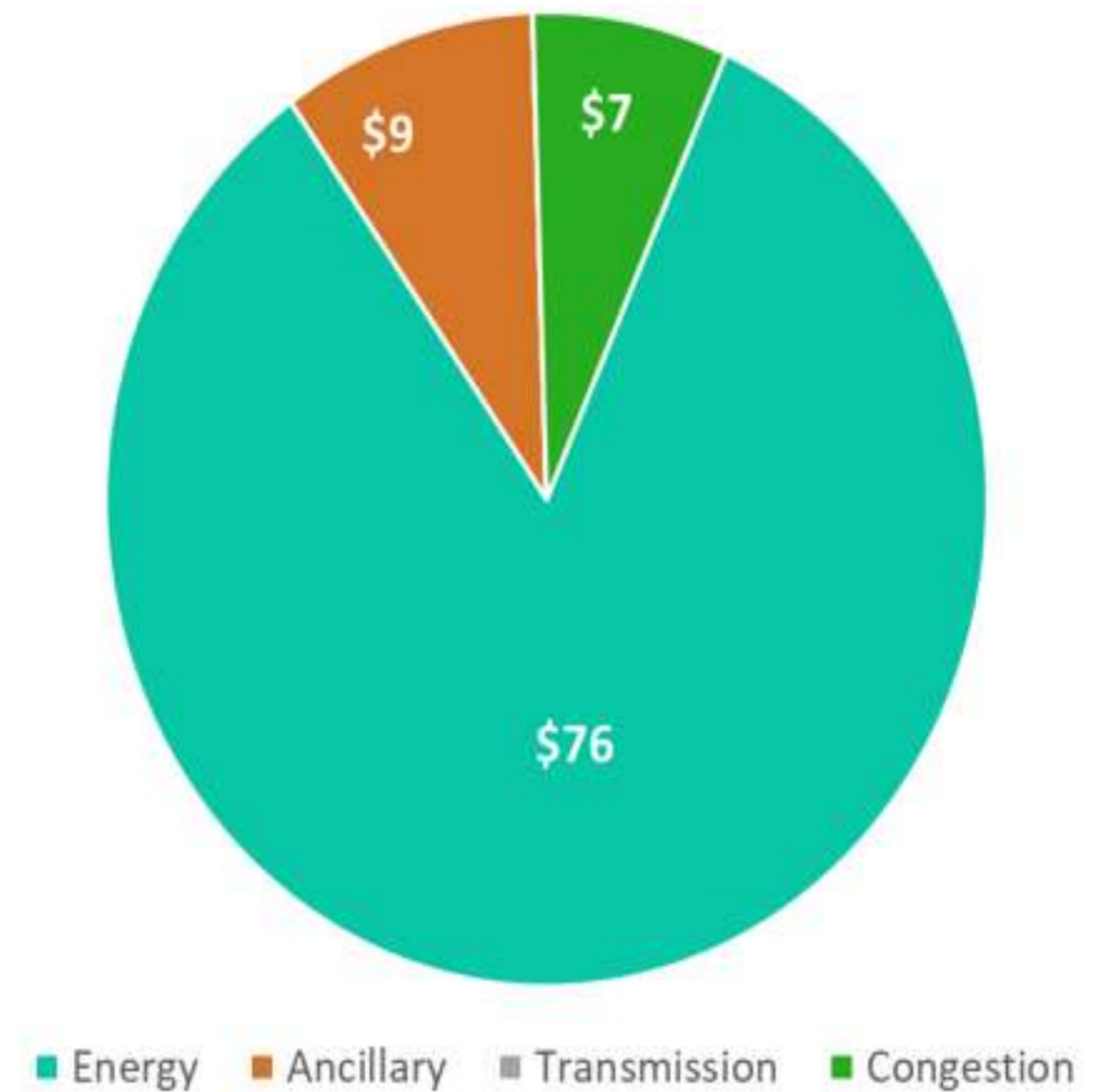
- Reviewed last years calculation and updated data
- Conducted analysis based on stochastic modeling
- Looked at 1000 iterations

TEA Analysis

Power Stabilization Fund - Recommendation (\$ MM)



Power Stabilization Fund by Component (\$ MM)



Represents Conservative Target (\$91 MM)

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- **~\$95MM appears “steady-state” Expected Shortfall assuming reasonable pricing and hedging practices**
 - PSF (FY 24/25) → \$91MM
 - PSF (FY 23/24) → \$95MM (assumed additional winter + summer hedges during time of study)
- **Consider deviating from the above target when/if NBU system changes materially**
 - Structural decision to hedge more
 - Loss of generation resource
 - Addition of generation resources pursuant to IRP (e.g., CT)

Plan

- **Continue with the current \$95M target**
- **Fund full target FY28**
- **Analysis updated annually**

Mission

Strengthening our community by providing resilient essential services

+

Vision

Be a trusted community partner dedicated to excellence in service

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Core Values

Safety, Team, Integrity, Culture, and Stewardship



Meeting Date: May 30, 2024 **Agenda Type:** Items from Staff

From: John Warren **Reviewed by:** Ashley Van Booven
 Finance Manager Director of Finance

Submitted by: Dawn Schriewer **Approved by:** Ryan Kelso
 Chief Financial Officer Chief Executive Officer

RECOMMENDED ACTION: Quarterly Investment Report

BACKGROUND

As required by the Public Funds Investment Act and the New Braunfels Utilities Investment Policy, the Investment Officers of NBU submit the quarterly report of investment activity for the quarter ended April 30, 2024. Attached is the NBU Investment Portfolio beginning January 31, 2024 and ending April 30, 2024.

This is a report showing the changes to the portfolio during the quarter. This report has been modified to conform to the preferred reporting format illustrated in Statement No. 31 of the Governmental Accounting Standards Board, which mandates fair value accounting on investments held by public entities.

FINANCIAL IMPACT

NBU budgeted \$5,173,000 in interest income for FY 2024.

LINK TO STRATEGIC PLAN

Financial Excellence

EXHIBITS

1. Quarterly Investment Report

New Braunfels Utilities
Quarterly Investment Report
01/31/2024 – 04/30/2024

Investment Balances and Activity

As required by the Public Funds Investment Act and the New Braunfels Utilities Investment Policy, the Investment Officers of NBU hereby submit this quarterly report of investment activity for the quarter ended April 30, 2024. Statement No. 31 of the Governmental Accounting Standards Board, effective for reporting periods beginning after June 15, 1997, mandates fair value accounting on investments held by public entities. Attached is the NBU Investment Portfolio beginning January 31, 2024 and ending April 30, 2024. This is a report showing the changes to the portfolio during the quarter. This report has been modified to conform to the preferred reporting format illustrated in Statement No. 31.

The fair values of the Federally Insured Cash Account, Pooled, and Money Market Fund Groups (including \$25,395,897.17 in demand deposits and \$38,556,503.81 in escrow funds at April 30, 2024). for the beginning and end of the reporting period are as follows:

	Fair Value
01/31/2024	\$158,865,622.68
04/30/2024	\$164,348,644.23

NBU had additions to the Pooled Fund Groups of \$87,551,876.85 and withdrawals totaling \$82,068,855.30.

The fair values of the Separately Invested Assets for the beginning and end of the reporting period are as follows:

	Fair Value
01/31/2024 ¹	\$44,647,144.86
04/30/2024	\$55,950,756.99

NBU had additions to the Separately Invested Assets of \$29,710,479.72 and withdrawals of \$18,528,301.89 due to maturities. The change in fair value due to amortization of premium and discount and mark to market changes from January 31, 2024 to April 30, 2024 was an increase of \$121,434.30.

The fair values of the entire portfolio for the beginning and end of the reporting period for the quarter ended April 30, 2024 are as follows:

	Fair Value
01/31/2024 ²	\$203,512,767.54
04/30/2024	\$220,299,401.22

¹ The ending fair value reported for the quarter ending 01/31/24 was \$45,118,683.45. The beginning fair value reported for the quarter ending 04/30/24 reflects a decrease of \$471,538.59 due to a reporting adjustment made after 01/31/24.

² The ending fair value reported for the quarter ending 01/31/24 was \$203,984,306.13. The beginning fair value reported for the quarter ending 04/30/24 reflects a decrease of \$471,538.59 due to a reporting adjustment made after 01/31/24.

New Braunfels Utilities
Quarterly Investment Report
01/31/2024 – 04/30/2024

Compliance with GAAP

The investment portfolio complied with generally accepted accounting principles (GAAP) throughout the quarter. Although the Public Funds Investment Act requires book value accounting for investments, it also contains a clause that requires conformance to GAAP. Statement No. 31 supersedes the Public Funds Investments Act in the GAAP hierarchy and mandates fair value accounting. The fair market value of investments was determined by utilizing a third-party service provider, ICE Data Pricing and Reference Data, LLC, formerly called Interactive Data Pricing.

Compliance with NBU Investment Policy

The investment portfolio funds are invested in compliance with the strategies outlined in the NBU Investment Policy, which the Board re-affirmed on March 30, 2023. Investments in each security type are within the allowable range established by the Investment Policy. The investment portfolio's weighted-average maturity of 46 days and weighted-average maturity to first call date of 35 days are within the 450 days and 300 days limit, respectively, stated in the NBU Investment Policy. Please note that the WAM and WAMC do not include the investment in the Community Assistance Fund, which was specifically authorized in the Investment Policy to permit investments up to ten years.

NBU is also required to maintain daily liquid funds of at least 30 days of budgeted operating expenses. At April 30, 2024, NBU had daily liquid funds of 237 days. Pooled investments are in no load money market mutual funds and eligible specified investment pools that are continuously rated AAA or higher by at least one nationally recognized rating agency and that have a dollar-weighted average stated maturity of 90 days or less. These same investments maintain a stable net asset value of \$1 for each share.

NBU has obtained collateral reports at quarter-end from third party custodians that confirm the collateral securities in NBU's name are at least equal to or greater than the required amount of uninsured balances as of April 30, 2024.

NBU Investment Officers:



Finance Manager



Director of Finance



Chief Financial Officer



NBU Investments
GASB 31 Compliance Detail
Sorted by Fund - Fund
February 1, 2024 - April 30, 2024

CUSIP	Investment #	Fund	Maturity Date	Beginning Invested Value	Purchase of Principal	Addition to Principal	Redemption of Principal	Change in Market Value/Amortization	Ending Invested Value
Fund: Special Funds-Cont. Sys.									
313384XF1	10914	114F	05/24/2024	3935273.32	0.00	0.00	0.00	50660.00	3985933.32
912797JV0	10913	114F	05/07/2024	2958543.99	0.00	0.00	0.00	38816.76	2997360.75
Subtotal				6,893,817.31	-	-	-	89,476.76	6,983,294.07
Fund: Consumer Deposit									
3130B0LC1	10920	119F	03/27/2025	0.00	8000000.00	0.00	0.00	-23898.72	7976101.28
912797GN1	10907	119F	02/15/2024	4989815.25	0.00	0.00	5000000.00	10184.75	0.00
912797GP6	10912	119F	02/29/2024	6971380.57	0.00	0.00	7000000.00	28619.43	0.00
912797KC0	10919	119F	08/22/2024	0.00	4871490.00	0.00	0.00	46459.45	4917949.45
Subtotal				11,961,195.82	12,871,490.00	-	12,000,000.00	61,364.91	12,894,050.73
Fund: Special Funds- Community Assistance									
912828YS3	10853	117F	11/15/2029	4465820.30	0.00	0.00	0.00	-168945.30	4296875.00
Subtotal				4,465,820.30	-	-	-	(168,945.30)	4,296,875.00
Fund: Unrestricted Short Term									
912797JS7	10923	110F	07/18/2024	0.00	3947600.00	0.00	0.00	6835.00	3954435.00
Subtotal				-	3,947,600.00	-	-	6,835.00	3,954,435.00
Fund: Power Stabilization Fund									
912797HR1	10918	195F	05/23/2024	0.00	6908562.50	0.00	0.00	68850.81	6977413.31
Subtotal				-	6,908,562.50	-	-	68,850.81	6,977,413.31
Fund: Bond Reserve Fund									
3130ANRB8	10867	170F	12/17/2024	1929324.08	0.00	0.00	0.00	13147.82	1942471.90
3130AVRK0	10909	170F	05/17/2024	4526770.51	0.00	0.00	4528301.89	1531.38	0.00
3130AXRV2	10911	170F	11/28/2025	1997388.64	0.00	0.00	2000000.00	2611.36	0.00
3130AYBQ8	10915	170F	12/26/2024	4000675.40	0.00	0.00	0.00	-15312.48	3985362.92
313384WR6	10910	170F	05/10/2024	4929027.80	0.00	0.00	0.00	63645.80	4992673.60
3133EP5K7	10921	170F	03/13/2026	0.00	5982827.22	0.00	0.00	-50761.44	5932065.78
91282CCC3	10864	170F	05/15/2024	3943125.00	0.00	0.00	0.00	48989.68	3992114.68
Subtotal				21,326,311.43	5,982,827.22	-	6,528,301.89	63,852.12	20,844,688.88
Total				44,647,144.86	29,710,479.72	-	18,528,301.89	121,434.30	55,950,756.99

Change due to amortization of premium/discount	323,766.39
Change due to mark to market	<u>(202,332.09)</u>
Total	121,434.30



NBU Investments
GASB 31 Compliance Detail
Sorted by Fund - Fund
February 1, 2024 - April 30, 2024

Investment #	Fund	Beginning Invested Value	Purchase of Principal	Addition to Principal	Redemption of Principal	Change in Market Value	Ending Invested Value		
FEDERALLY INSURED CASH ACCOUNT, POOLED, AND MONEY MARKET FUND GROUPS									
TexPool - Commercial Paper Series A	RRP	10845	191	4344340.99	0.00	28769.70	4362721.35	0.00	10389.34
TexPool - Commercial Paper Series B	RRP	10846	192	384.95	0.00	5.40	0.00	0.00	390.35
TexPool - Impact Fees W	SYS10090	10090	184F	12520931.72	0.00	5466588.79	7060250.88	0.00	10927269.63
TexPool - Temp-Cash	SYS10149	10149	110T	110389.53	0.00	1453.94	0.00	0.00	111843.47
TexPool - Impact Fees S	SYS10221	10221	185F	4542613.23	0.00	2548121.85	5790443.86	0.00	1300291.22
TexPool - Central Facilities-W	SYS10224	10224	182F	953.96	0.00	12.60	0.00	0.00	966.56
TexPool - Central Facilities-S	SYS10225	10225	183F	0.01	0.00	0.00	0.00	0.00	0.01
Texas Daily - Temp-Cash	SYS10244	10244	110D	572602.94	0.00	7514.42	0.00	0.00	580117.36
Texas Daily - I&P 2004	SYS10543	10544	163	330649.55	0.00	136702.02	0.00	0.00	467351.57
TexPool - Contingency Systems	SYS10572	10573	114F	6956853.02	0.00	91629.50	0.00	0.00	7048482.52
TexPool - Consumer Deposit	SYS10572	10572	119T	1034064.85	0.00	7349553.85	8000000.00	0.00	383618.70
TexPool - Bond Reserve	SYS10701	10701	170	141571.32	0.00	11527729.37	5989577.22	0.00	5679723.47
Texas Daily - I&P 2015	SYS10763	10763	167	554958.59	0.00	3263.22	400349.21	0.00	157872.60
StoneCastle - Community Assistance	SYS10779	10779	117SC	44530.78	0.00	570.95	0.00	0.00	45101.73
Texas Daily - I&P 2016	SYS10788	10788	168	707133.96	0.00	720885.37	0.00	0.00	1428019.33
Frost Bank - General Fund	SYS10809	10809	110FGF	45889685.23	0.00	10888366.58	33577261.59	0.00	23200790.22
Frost Bank - Payroll Fund	SYS10810	10810	110FPP	1130528.61	0.00	2788805.02	1724226.68	0.00	2195106.95
Texas Daily - I&P 2018	SYS10831	10831	169	861776.21	0.00	728267.37	0.00	0.00	1590043.58
TexPool - Power Stabilization Fund	SYS10849	10849	195	26425688.47	0.00	3114083.35	6908562.50	0.00	22631209.32
Texas Daily - I&P 2020	SYS10855	10855	196	1479306.16	0.00	1297083.85	0.00	0.00	2776390.01
TexPool - Taxable Note Payment Fund	SYS10863	10863	197	0.01	0.00	0.00	0.00	0.00	0.01
Texas Daily - I&P 2021	SYS10866	10866	198	921219.58	0.00	921900.39	0.00	0.00	1843119.97
StoneCastle - Contingency Systems	SYS10880	10880	114SC	10691064.91	0.00	137072.70	0.00	0.00	10828137.61
Texas Daily - I&P 22	SYS10889	10889	199	996659.26	0.00	1170137.34	0.00	0.00	2166796.60
Texas Daily - I&P 22A	SYS10894	10894	200	383069.67	0.00	348316.86	0.00	0.00	731386.53
Bond Fund 22A	SYS10896	10896	201	38055075.10	0.00	501428.71	0.00	0.00	38556503.81
Texas CLASS - Temp-Cash	SYS10904	10904	110TC	57982.58	0.00	10062723.84	0.00	0.00	10120706.42
TexPool - One Water Fund	SYS10908	10908	202	111587.49	0.00	1469.79	0.00	0.00	113057.28
Texas Daily - I&P 2024	SYS10916	10916	203	0.00	238931.43	1963992.67	0.00	0.00	2202924.10
TexPool - Bond Fund 2024	SYS10917	10917	204	0.00	25000000.00	266625.76	8255462.01	0.00	17011163.75
TexPool - Mayfair Impact Fees Water	SYS10922	10922	205	0.00	223692.00	16178.21	0.00	0.00	239870.21
Total				158,865,622.68	25,462,623.43	62,089,253.42	82,068,855.30	-	164,348,644.23
Portfolio Total				203,512,767.54	55,173,103.15	62,089,253.42	100,597,157.19	121,434.30	220,299,401.22

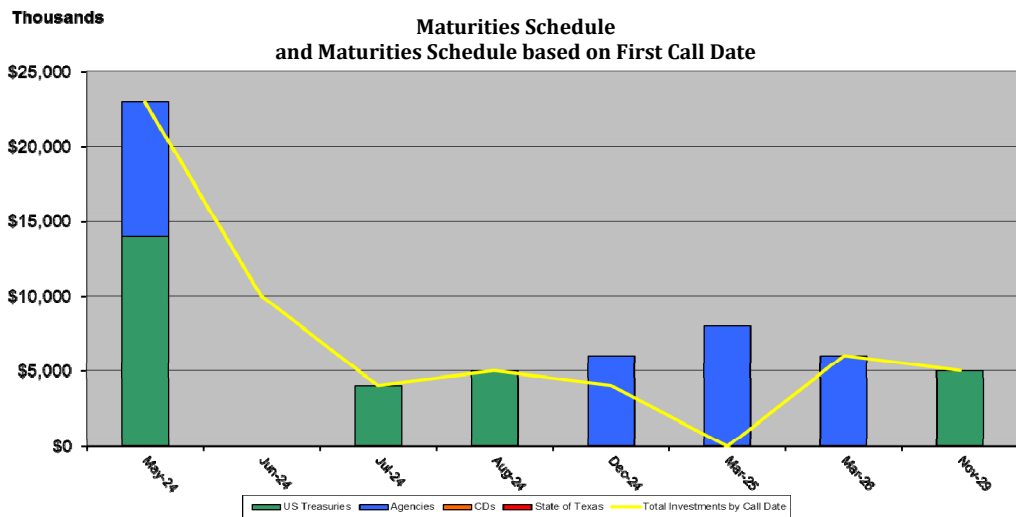
**New Braunfels Utilities
Investment Summary
Quarter Ended April 30, 2024
(000's)**



	Ending Invested Value	Percentage of Portfolio	Weighted Average Maturity (in days)	Weighted Average Days to Call
Daily Liquidity Funds				
Money Markets	\$ -	0.0%	1	1
Pooled Funds	89,523,004	40.6%	1	1
Total Money Markets & Pooled	\$ 89,523,004	40.6%	1	1
Federally Insured Cash Account	\$ 10,873,239	4.9%	1	1
Demand Deposits	25,395,897	11.5%	1	1
Daily Liquidity Funds Total	\$ 125,792,140	57.1%	1	1
Escrow Funds Total				
	\$ 38,556,504	17.5%	2	2
U.S. Agencies	\$ 28,814,609	13.1%	285	37
U.S. Treasuries *	27,136,148	12.3%	40	5
Certificates of Deposit	-	0.0%	0	0
Obligations of The State of Texas, Agencies & Instrumentalities	-	0.0%	0	0
Total Invested Funds	\$ 220,299,401	100.0%	46	35
			Max = 450	Max = 300

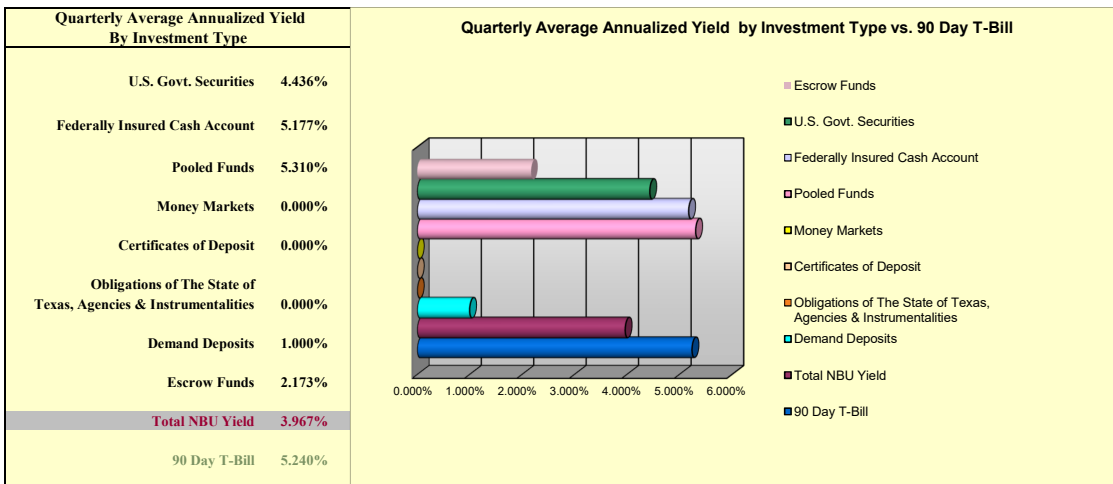
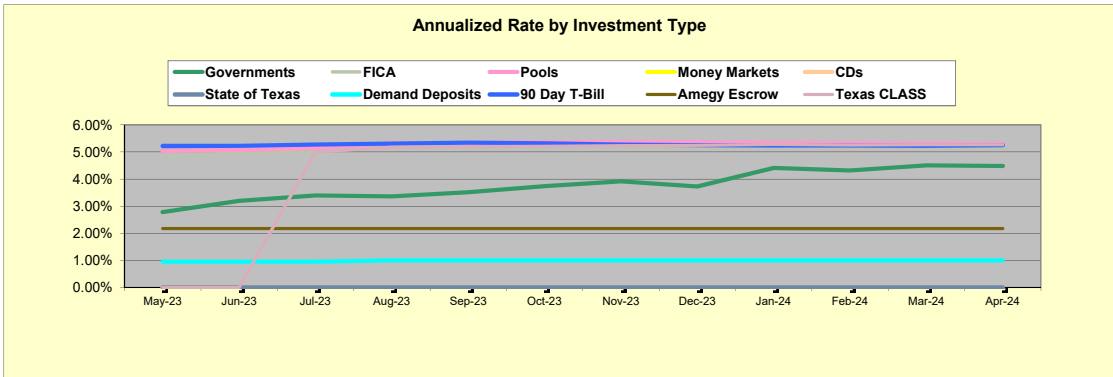
* WAM and WAM to Call exclude a \$5 Million investment in the Community Assistance Fund having a remaining maturity of 5.5 years.

Liquidity Requirement	
Total Daily Liquid Funds	\$ 125,792,140
Average Monthly Operating Expense (FY 2024 Budgeted Operating Expenses ÷ 12)	\$ 15,943,333
Operating Expense Liquidity Coverage Ratio	\$ 7.89
Number of Days Coverage of Operating Expenses	237
	Min = 30



* U.S Treasury Securities include a \$5 Million 10 year Community Assistance investment with a remaining maturity of 5.5 years as an approved exception to the investment policy.

New Braunfels Utilities
Investment Comparison
Quarter Ended April 30, 2024



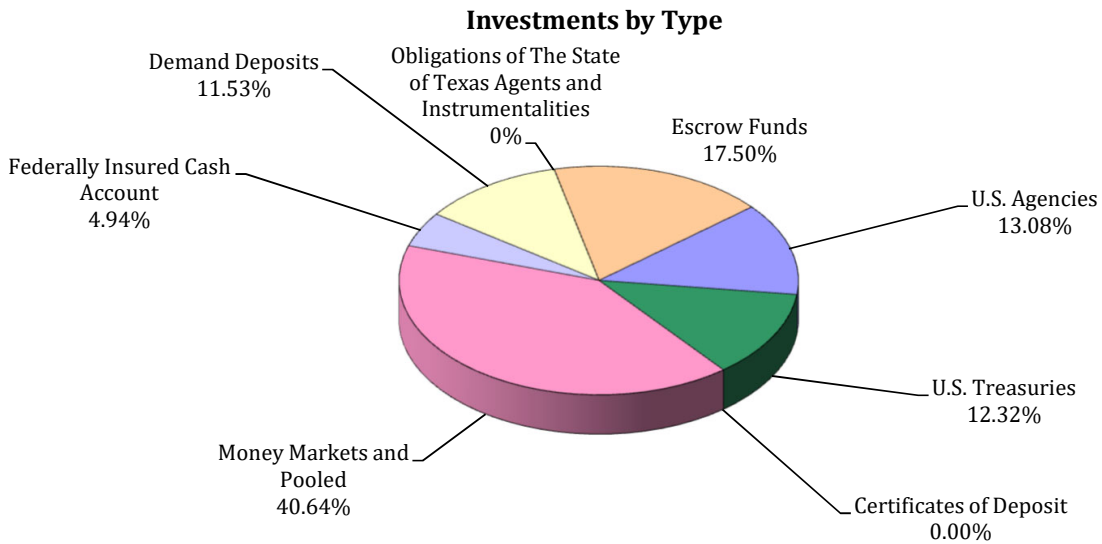
Rolling Four Quarter Annualized Yield By Investment Type For The Fiscal Quarter Ended

	7/31/2023	10/31/2023	1/31/2024	4/30/2024	Rolling Four Quarter Average
U.S. Govt. Securities*	3.127%	3.537%	4.019%	4.436%	3.780%
Federally Insured Cash Account	4.940%	5.193%	5.200%	5.177%	5.128%
Pooled Funds	5.082%	5.335%	5.364%	5.310%	5.273%
Money Markets	0.000%	0.000%	0.000%	0.000%	0.000%
Certificates of Deposit	0.000%	0.000%	0.000%	0.000%	0.000%
Obligations of The State of Texas, Agencies & Instrumentalities	0.000%	0.000%	0.000%	0.000%	0.000%
Demand Deposits**	0.950%	1.000%	1.000%	1.000%	0.988%
Escrow Funds	2.173%	2.173%	2.173%	2.173%	2.173%
Total NBU Yield	3.290%	3.719%	3.648%	3.967%	3.656%
90 Day T-Bill	5.243%	5.328%	5.253%	5.240%	5.266%

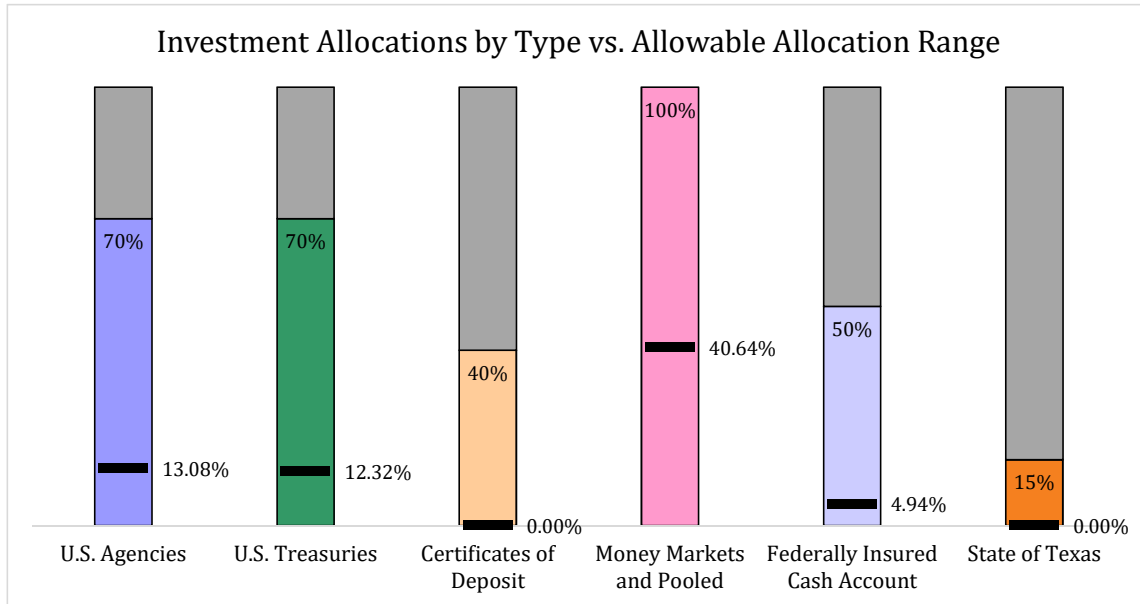
* U.S. Govt. Securities includes a \$5 million 10 year Community Assistance maturity at 1.79%

** The Demand Deposits interest rate reflects NBU's earnings credit rate with Frost Bank. Earnings are solely used to offset Frost Bank fees for the month.

New Braunfels Utilities
Investment Portfolio Mix vs. Allowable Allocations
Quarter Ended April 30, 2024
(000's)



Investment Allocations by Type vs. Allowable Allocation Range



Note: Colored area in bar represents allowable allocation range

Quarterly Investment Report

As of April 30, 2024



John Warren, Finance Manager

Investment Portfolio Summary as of April 30, 2024

Item 4.

	Ending Invested Value	Percentage of Portfolio	Weighted Average Maturity (in days)	Weighted Average Days to Call
Daily Liquidity Funds				
Money Markets	\$ -	0.0%	1	1
Pooled Funds	89,523,004	40.6%	1	1
Total Money Markets & Pooled	\$ 89,523,004	40.6%	1	1
Federally Insured Cash Account	\$ 10,873,239	4.9%	1	1
Demand Deposits	25,395,897	11.5%	1	1
Daily Liquidity Funds Total	\$ 125,792,140	57.1%	1	1
Escrow Funds Total	\$ 38,556,504	17.5%	2	2
U.S. Agencies	\$ 28,814,609	13.1%	285	37
U.S. Treasuries *	27,136,148	12.3%	40	5
Certificates of Deposit	-	0.0%	0	0
Obligations of The State of Texas, Agencies & Instrumentalities	-	0.0%	0	0
Total Invested Funds	\$ 220,299,401	100.0%	46	35
			Max = 450	Max = 300

* WAM and WAM to Call exclude a \$5 Million investment in the Community Assistance Fund having a remaining maturity of 5.5 years.

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Rolling Four Quarter Annualized Yield By Investment Type For the Fiscal Quarter Ended April 30, 2024

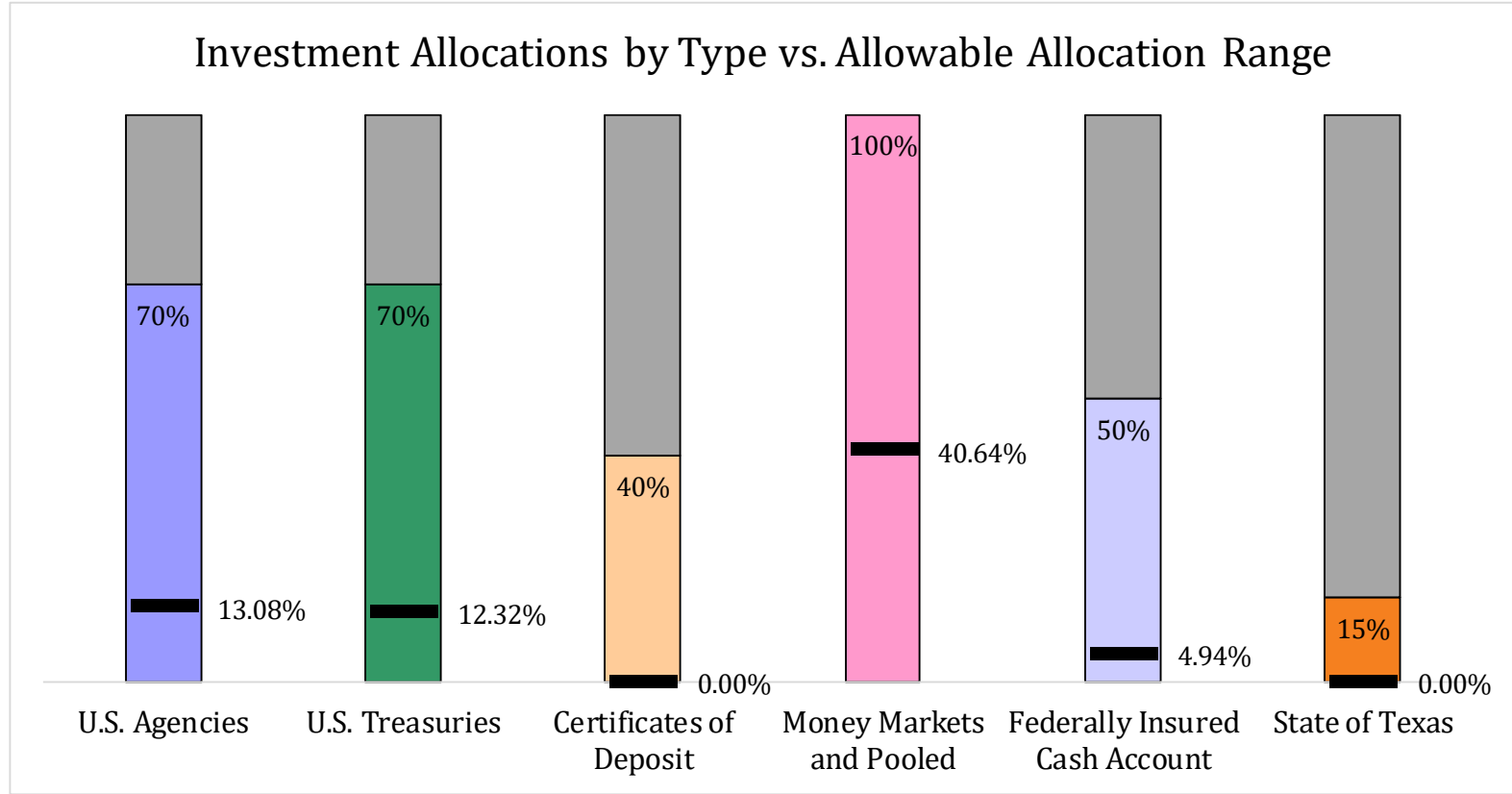
Item 4.

Rolling Four Quarter Annualized Yield By Investment Type For The Fiscal Quarter Ended		
	4/30/2024	Rolling Four Quarter Average
U.S. Govt. Securities*	4.436%	3.780%
Federally Insured Cash Account	5.177%	5.128%
Pooled Funds	5.310%	5.273%
Money Markets	0.000%	0.000%
Certificates of Deposit	0.000%	0.000%
Obligations of The State of Texas, Agencies & Instrumentalities	0.000%	0.000%
Demand Deposits**	1.000%	0.988%
Escrow Funds	2.173%	2.173%
Total NBU Yield	3.967%	3.656%
90 Day T-Bill	5.240%	5.266%

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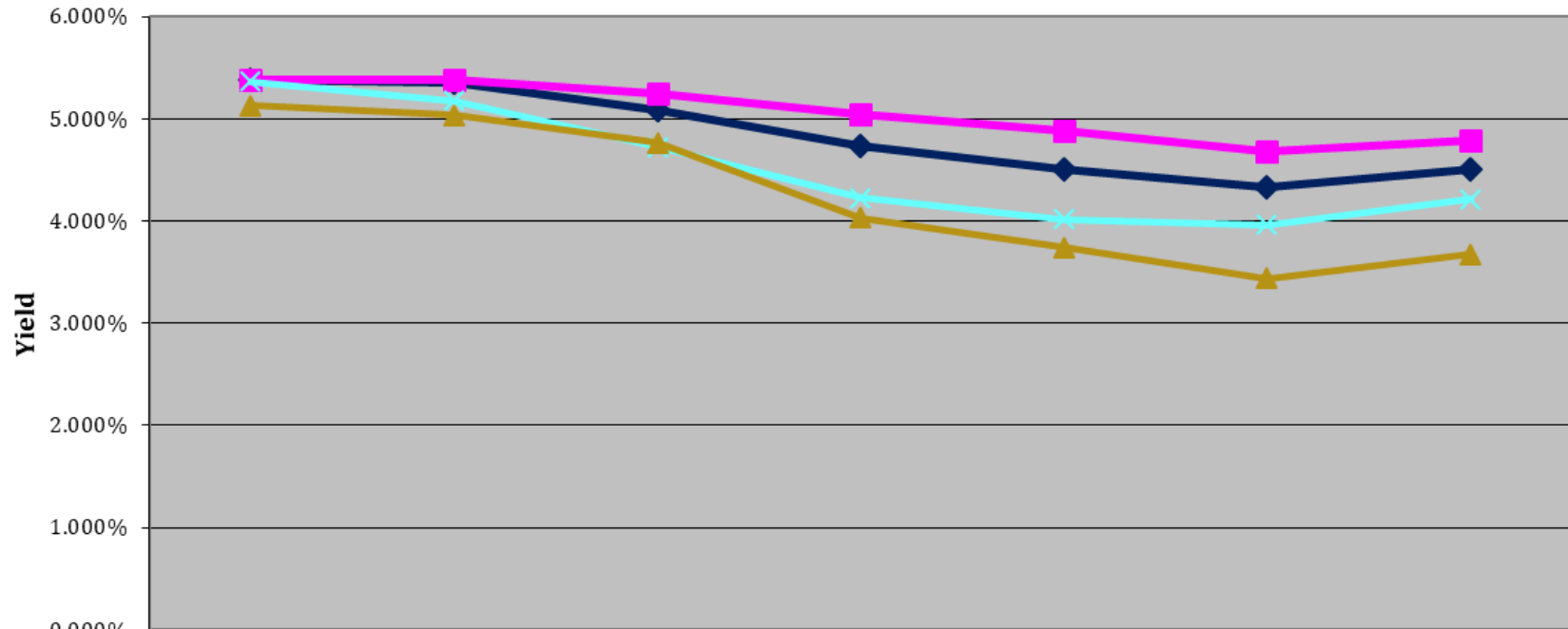
Investment Allocations vs. Investment Allowable Ranges at April 30, 2024



Note: Colored area in bar represents allowable allocation range

U. S. Treasury Yield Curve as of May 15, 2024

Item 4.



	3 Mo	6 Mo	12 Mo	2 Yr	3 Yr	10 Yr	30 Yr
◆ Current (05/15/2024)	5.379%	5.350%	5.089%	4.738%	4.510%	4.336%	4.508%
■ Quarter End (04/30/2024)	5.384%	5.377%	5.244%	5.050%	4.882%	4.682%	4.786%
✕ Last Quarter (01/31/2024)	5.365%	5.175%	4.726%	4.229%	4.019%	3.965%	4.215%
▲ Four Quarters Ago (04/30/2023)	5.129%	5.033%	4.762%	4.029%	3.741%	3.437%	3.672%

Mission

Strengthening our community by providing resilient essential services

+ Vision

Be a trusted community partner dedicated to excellence in service

+ Core Values

Safety, Team, Integrity, Culture, and Stewardship

Commercial Paper Update

CUSIP	Par Amount	Nominal Rate	Issue Date	Maturity Date	Total Days	Total Interest
64257PBQ2	33,500,000.00	3.85%	11/8/2023	2/6/2024	90	317,672.99
64257PBS8	7,000,000.00	3.70%	12/12/2023	2/6/2024	56	39,667.19
64257PBT6	24,500,000.00	4.00%	12/12/2023	2/6/2024	56	150,092.07
64257PBU3	10,000,000.00	3.70%	12/20/2023	2/6/2024	48	48,557.82

Note: The table above shows the commercial paper notes with an issue date and/or maturity date that occurred during the reporting period and any currently outstanding commercial paper notes.



Meeting Date: May 30, 2024 **Agenda Type:** Items from Staff

From: Jacob Tschoepe **Reviewed by:** Shawn Schorn
Program Portfolio Manager Director of Business Planning

Submitted by: Shawn Schorn **Approved by:** Ryan Kelso
Director of Business Planning Chief Executive Officer

RECOMMENDED ACTION: Quarterly NBU Headquarters and Annex Progress Update

NBU Headquarters Quarterly Update

Quarter Three 2024
May 30, 2024



Meet the Team

Building Value & Principles

Progress Update

Looking Ahead

Meet the Team

Architect

Owner's
Representative

Construction
Manager at Risk



Meet the Vision Team



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Executive Steering Committee



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Building Guiding Principles

DESIGN PRINCIPLES

NBU HQ | VISION TEAM & STAKEHOLDER MEETING SUMMARY | DEC 05 2023

MISSION

Strengthening our community by providing resilient essential services.

VISION

Be a trusted community partner dedicated to excellence in service.

GUIDING PRINCIPLES

- 1 Being a good neighbor by incorporating NBU Guiding principles and values.
- 2 Providing a campus for NBU customers and employees that is safe and inviting.
- 3 A campus that is sustainable and incorporates energy and water saving concepts that can be used to educate the community.
- 4 A campus that supports, unites, and celebrates the hard-working employees NBU and their families.
- 5 A project that uses funds in a responsible way, while meeting the current and future needs of NBU.
- 6 An innovative building that supports resilience for the community.
- 7 A campus that improves efficiency by promoting collaboration with all NBU departments.



Mission

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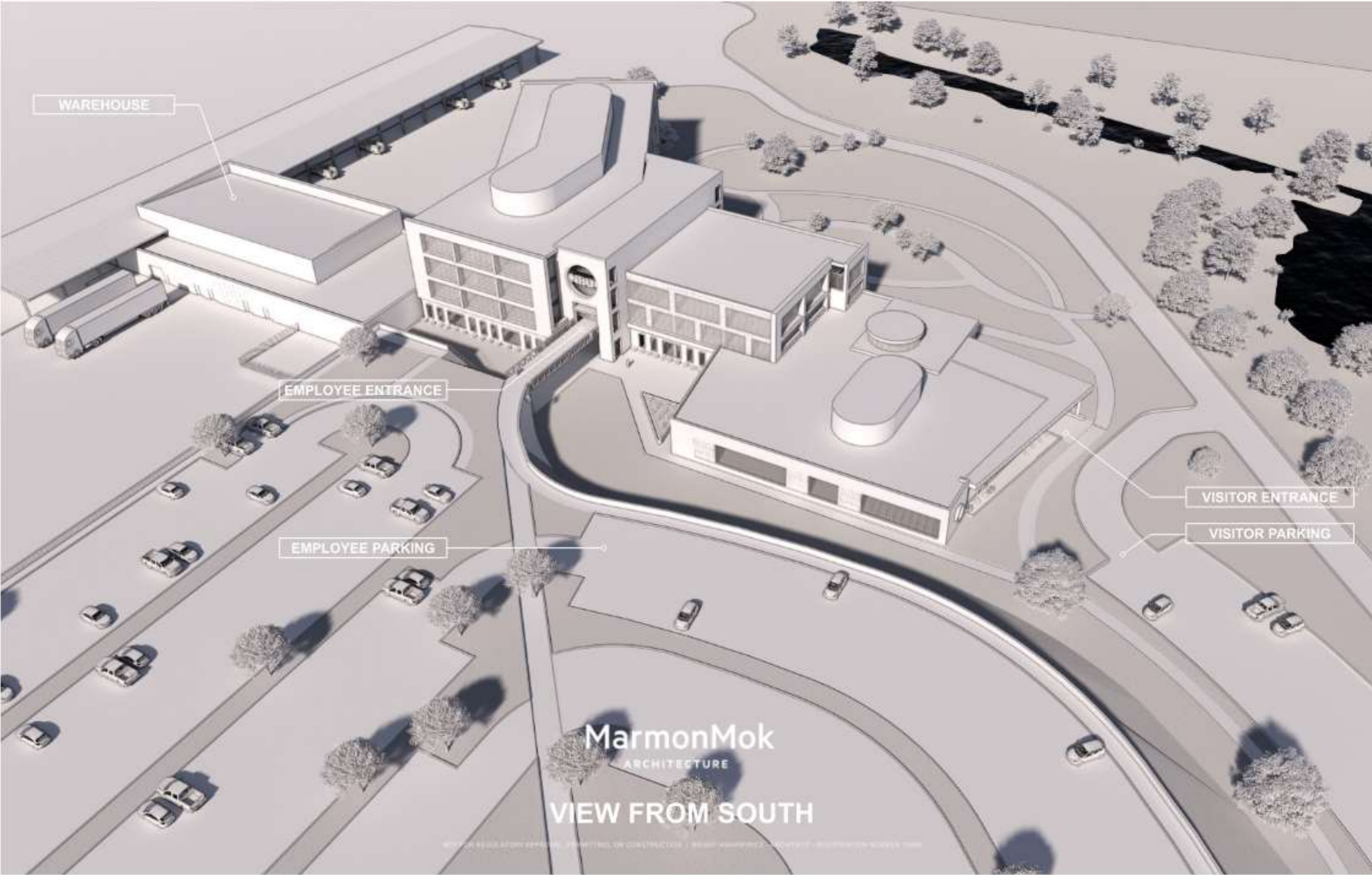
Site Plan

Legend Key

- ① Training and Testing Field
- ② Equipment Building
- ③ Recycle/Trash Dumpsters
- ④ Dock
- ⑤ Warehouse
- ⑥ Administration Bldg.
- ⑦ Indoor Storage
- ⑧ Wire Storage
- ⑨ Pipe Storage
- ⑩ Wood Pole Storage
- ⑪ Transformer Storage
- ⑫ Steel Pole Storage
- ⑬ Maintenance Bldg.
- ⑭ Protection Area
- ⑮ Creek
- ⑯ Paved Yard
- ⑰ Oversized Parking
- ⑱ Fleet Parking
- ⑲ Employee Parking
- ⑳ Public Parking
- ㉑ Walking Trail
- ㉒ Crew Ops
- ㉓ Dock Parking
- ㉔ Bulk Storage
- ㉕ Employee Courtyard
- ㉖ Ground Storage Tank
- ㉗ Site Fencing
- ㉘ Monument Sign
- ㉙ Executive Parking
- ㉚ Covered Walkway



NOT FOR REGULATORY APPROVAL, PERMITTING, OR CONSTRUCTION | BRIAN HARKENRICH - ARCHITECT - REGISTRATION NUMBER 12688



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+ Core Values

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Mission

Strengthening our community by providing resilient essential services



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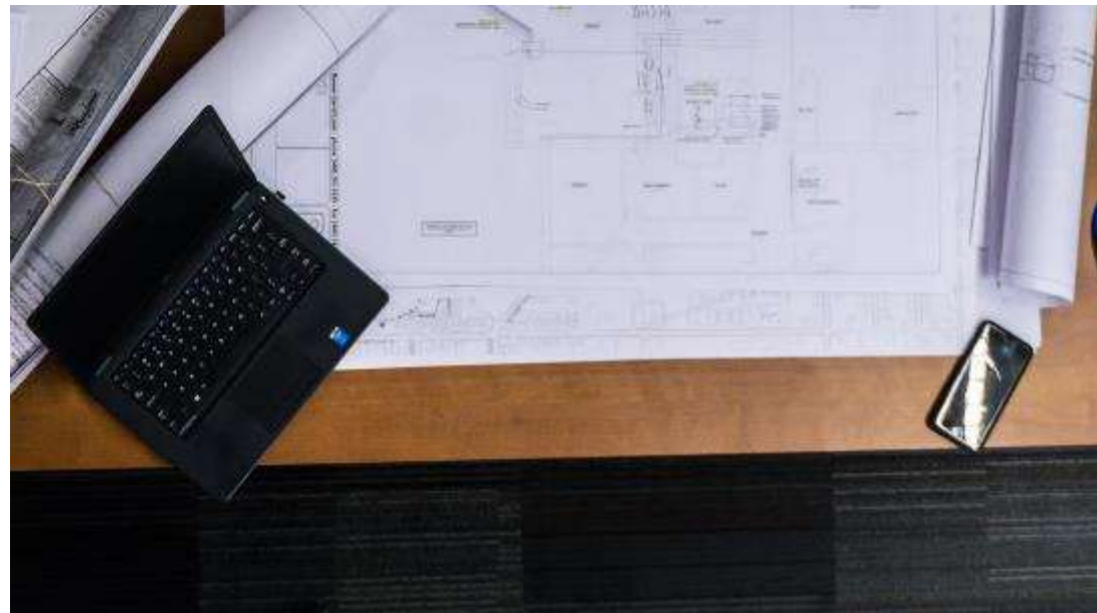


Core Values

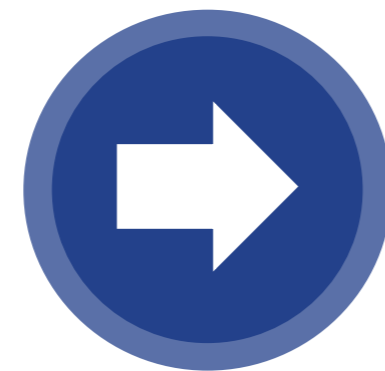
Safety, Team, Integrity, Culture, and Stewardship

Anticipated Schedule

Design



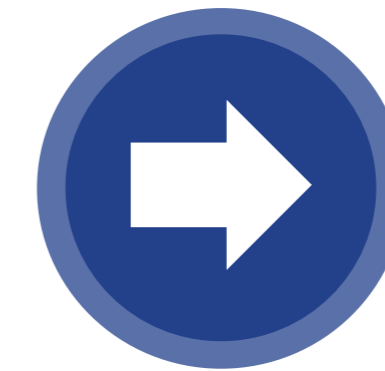
October 2023 - December 2024



Construction



December 2024 – Mid 2027



Move-In



Mid 2027

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Mission
Strengthening our community by providing resilient essential services

+ **Vision**
Be a trusted community partner dedicated to excellence in service

+ **Core Values**
Safety, Team, Integrity, Culture, and Stewardship



Meeting Date: May 30, 2024 **Agenda Type:** Items from Staff

From: Nancy Pappas **Reviewed by:** Dawn Schriewer
Managing Director,
Headwaters at the Comal Chief Financial Officer

Submitted by: Dawn Schriewer **Approved by:** Ryan Kelso
Chief Financial Officer Chief Executive Officer

RECOMMENDED ACTION: Quarterly Update on the Headwaters at the Comal

Quarterly Update

Item 6.



HEADWATERS™
AT THE COMAL

Construction Update

Item 6.

- Site Work & Building Envelope package
 - Walls, roof, windows!
 - Site work: removal of asphalt
 - Installation of sidewalks
 - Drop-off area
 - Pads for rain cisterns
 - Substantial completion July 2, 2024
- Next package projected to come to NBU Board in June
 - \$1.8 Million contribution from Headwaters' funders
 - Includes site security, lighting, safety



Headwaters at the Comal
333 E Klingemann St., New Braunfels, Texas 78130

5/8/2024



BYRNE
CONSTRUCTION SERVICES

Headwaters at the Comal
333 E Klingemann St., New Braunfels, Texas 78130

5/8/2024



Archaeology

- Archaeological monitoring was required for site work
- Test investigations required for wastewater line.
 - Work to obtain testing permit caused delays
 - Delays resulted additional \$157,000 general conditions
 - Change order to authorize will come to board in June.
 - Still Water Foundation donated \$50,000 to help offset
 - No major finds – additional Burned rock middens, points, and a bison jaw bone!

Development Update

Item 6.

- May 15th : Houston Lunch-n-Learn
- Submitted \$150,000 in grant requests since January
- May 11th : Mayfair Promise



Headwaters' youth programs make science learning and conservation FUN!

Item 6.

STEWARDSHIP



SCIENCE



ART



EXPLORATION



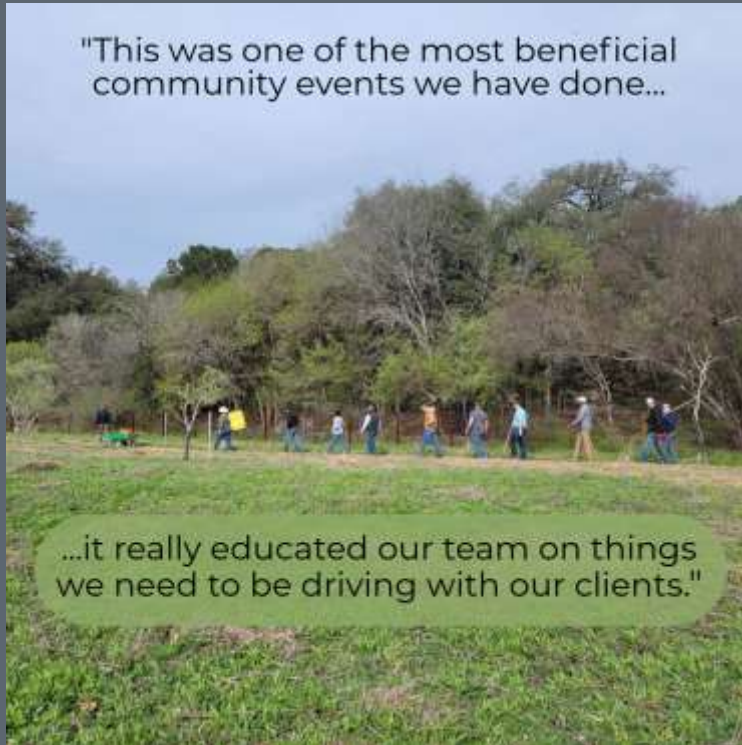
"It was a great opportunity to learn about our ecosystem, and the impact we can have on our planet, all while having fun!"

"We love the balance of educational and hands-on."

"My son really enjoyed the camp, so much so that he was removing invasive plants in our yard yesterday!"

Headwaters is a Demonstration Site For Low Impact Development

Item 6.



"As an Owners Rep... **we have a duty to our clients** and communities **to offer sustainable ideas** to help deal with the extreme growth, strains and water issues we are facing here in Texas.

We are **so appreciative to the Headwaters** at the Comal **for teaching and educating us on what we can ALL do to make a positive impact** on our watershed and our environment."

- *Ryan Rosborough, AGCM*



HEADWATERS™
AT THE COMAL

Volunteer Stewardship

Headwaters' Earth Day Event is a **FREE, FUN, FAMILY-FRIENDLY** event that builds community!

Item 6.



Over 300 attendees
Over 100 youth!
13 partner activities
+Story Walk from NB library

Headwaters is powered by an amazing group of volunteers!

Item 6.

Over 10,000 volunteer hours have been donated to the Headwaters project.

Volunteer Appreciation Event
May 21st at 5pm



HEADWATERSTM
AT THE COMAL

Volunteers

Headwaters is a demonstration site for One Water Principles.

Item 6.

"We've found that storytelling is one of the most powerful education tools.

Finding success stories to share is a strong focus at the US Water Alliance."

-Sarah Robinson, US Water Alliance



"This is remarkable!

I could go home and feel like I got what I needed from this trip."

-Mami Hara, CEO, US Water Alliance



Meeting Date: May 30, 2024 **Agenda Type:** Items from Staff

From: Shawn Schorn **Reviewed by:** Shawn Schorn
Director of Business Planning Director of Business Planning

Submitted by: Shawn Schorn **Approved by:** Ryan Kelso
Director of Business Planning Chief Executive Officer

RECOMMENDED ACTION: Fiscal Year 2024 Strategic Plan Update

FY 2024 Strategic Plan Update

Presented by Shawn Shorn
Director of Business Planning

• May 30, 2024



Agenda

- **Mission, Vision, and Core Values**
- **Guiding Principles and Definitions**
- **Strategic Goals Update**
- **Annual Priorities Update**
- **Key Performance Indicators Update**

MISSION

Strengthening our community by providing resilient essential services



CORE VALUES

Safety, Team, Integrity, Culture, and Stewardship



VISION

Be a trusted community partner dedicated to excellence in service



Mission

Strengthening our community by providing resilient essential services



Vision

Be a trusted community partner dedicated to excellence in service



Core Values

Safety, Team, Integrity, Culture, and Stewardship

Guiding Principles and Definitions

ONE UTILITY, ONE TEAM

Place organizational success above individual priorities and work together to maintain a team-oriented culture.

SPEAK UP, LEAD, AND CARE FOR ALL

Lead and foster an environment of shared responsibility where everyone feels valued and empowered to perform their job.

KNOW AND DO THE RIGHT THING

Uphold the trust and confidence of the community and the organization.

Mission

Strengthening our community by providing resilient essential services

+

Vision

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Core Values

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Guiding Principles and Definitions

CONTINUOUSLY IMPROVE

Plan thoughtfully, set realistic expectations, and learn when things do not turn out as expected.

BE CONVENIENT

Anticipate expectations and provide a positive experience.

BE FLEXIBLE AND INNOVATIVE

View challenges as opportunities and pursue new solutions.

BE RESILIENT

Be prepared to adapt to and recover from disruptions.

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Guiding Principles and Definitions

- Customers and Community
- People and Culture
- Infrastructure and Technology
- Financial Excellence
- Safety and Security
- Stewardship



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FY 2024 Strategic Goals

■ On Track
 ■ Off Track
 ■ On Hold
 ■ At Risk
 ■ Complete

#	Strategic Goal	Goal Measures	Q1	Q2	Q3
1	Customer and Community	Customer Satisfaction Survey Benchmark Organizational characteristics by the vendor (Great Blue) at or above Texas Organizational Characteristics of 56.6%. Measurement data from Public Power Data Source (PPDS).			Will Not Meet
2	People and Culture	Maintain Gallup employee engagement survey participation > 80%			On Track
3	People and Culture	Implement select recommendations as presented from the Employee Experience Team			On Track
4	Infrastructure and Technology	Maintain a three-year rolling average SAIDI in top 10% of Texas utilities or three-year rolling average <52.56 minutes (99.99% reliability)			On Track
5	Infrastructure and Technology	Maintain Information Technology Systems Reliability ≥ 97% uptime for production systems			On Track
6	Infrastructure and Technology	Infrastructure Leakage Index (ILI) < 3.0 over a three-year rolling average			On Track
7	Infrastructure and Technology	Wastewater Treatment Compliance Events – maintain > 98% compliance			On Track
8	Financial Excellence	Maintain a competitive bond rating of A or greater			On Track
9	Safety and Security	Maintain equipment damage incidents to ≤ 2.7% per 200,000 man-hours worked			Need Update
10	Safety and Security	Manage preventable damage to vehicles at ≤ 10 incidents per 1,000,000 miles driven			Need Update
11	Stewardship	Two year project priority list with SMART goals established and approved by One Water Advisory Council by end of FY 2024			On Track

FY 2024 Annual Priorities

■ On Track
 ■ Off Track
 ■ On Hold
 ■ At Risk
 ■ Complete

#	Annual Priorities	Objective or Milestones	Q1	Q2	Q3
1	Electric Transportation (ET) Program Creation	Contract with consulting firm signed			Off Track
2	Water Efficiency	Define framework for calculating and measuring water use efficiency and a timeline for implementing the framework.			Off Track
3	Integrated Resource Plan	Complete draft of the resource plan			On Track
4	Enterprise Asset Management	Execute contract with consulting firm			Complete
5	Enterprise Project Management	Build Enterprise level Project Management Information System and begin training and roll-out			Complete
6	NBU HQ	Close on the HQ property			Complete
7	Emergency Management	Standardize Emergency Management Plans into one Emergency Management Plan that addresses risks and events, targeting 50% completion.			Need Update
8	Power Supply (The Energy Authority) Roadmap	Implement Phase 1 items of the roadmap, including an evaluation of NBU's target hedging strategies, risk tolerance, and Key Performance Indicators (KPI)			Off Track
9	Optimizing Customer Experience	Launch Customer Experience Roadmap Project, approve project charter, and publicly solicit the request for proposal.			Off Track

Mission

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+ Vision

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+ Core Values

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Levels of Service (LOS) & Key Performance Indicators (KPI)

- **Scarcity & growth have focused resources on meeting basic needs- i.e. regulatory compliance, systems capacity, procurement**
- **In the next 5 years, focus turns to meeting service expectations**
- **Current and expected LOS – along with KPI – assigned to every functional area NBU**
- **Currently measuring 19 KPIs across departments, KPIs will inform how and where find efficiencies and add/deploy resources**

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Core Values

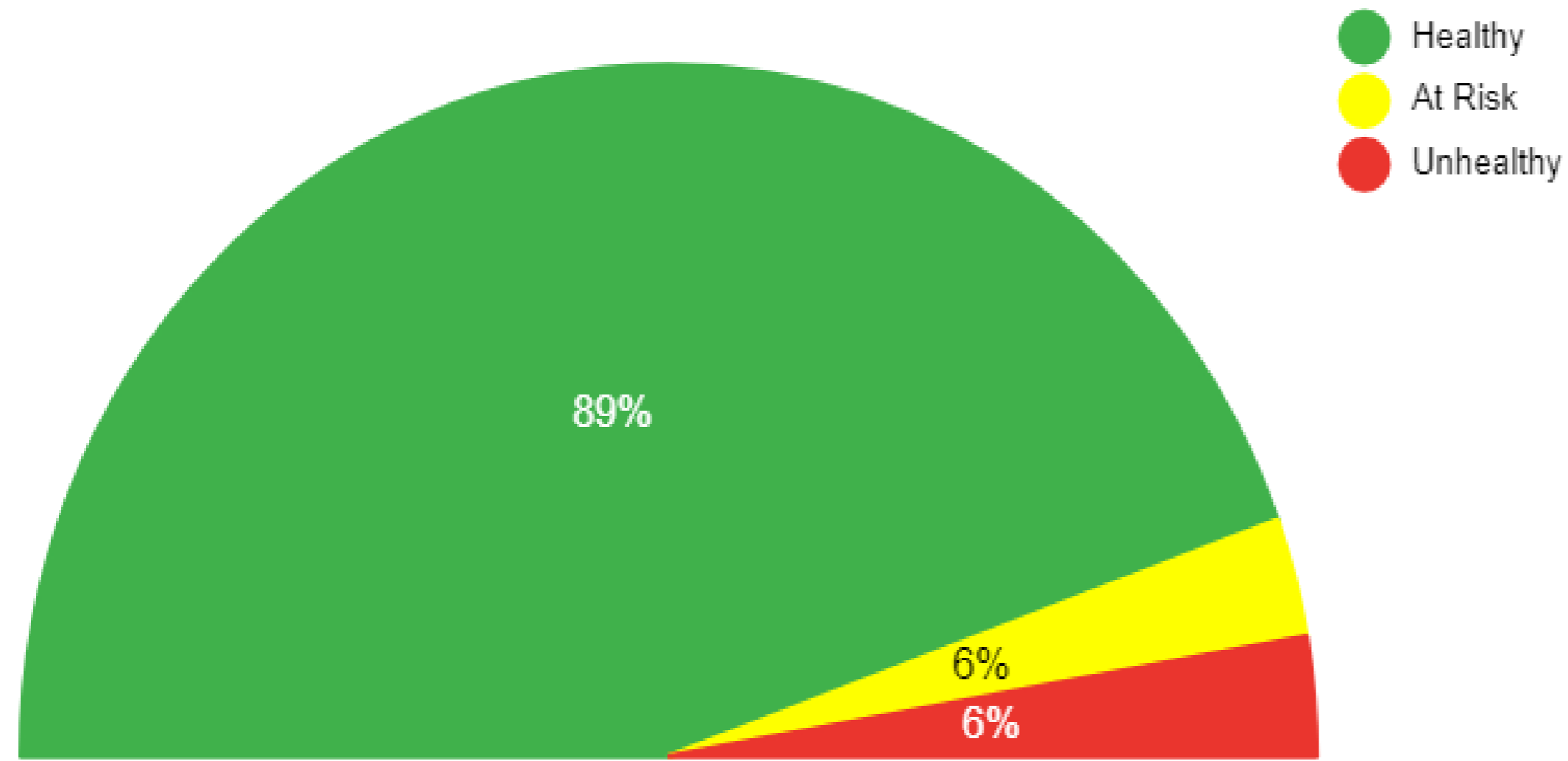
Safety, Team, Integrity, Culture, and Stewardship

Levels of Service KPI's

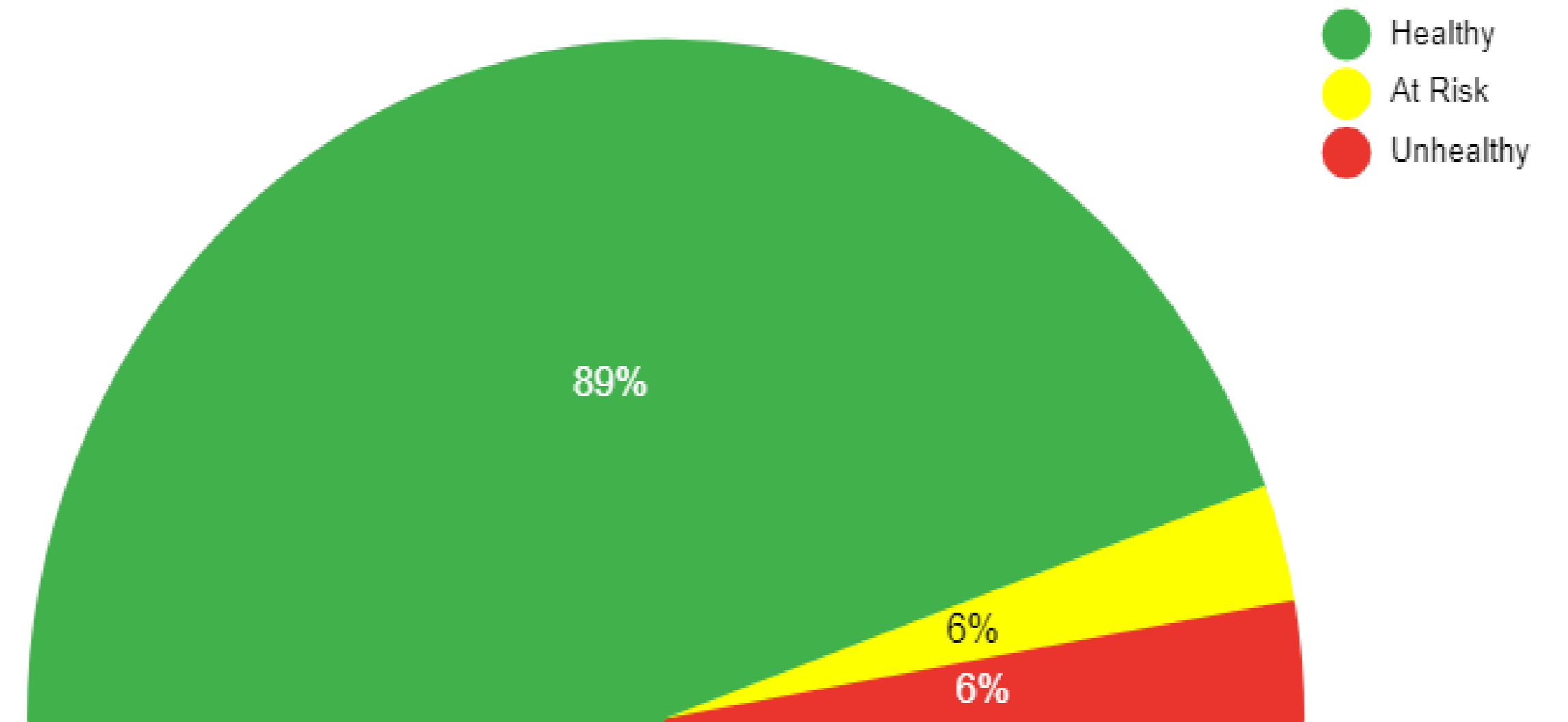
	KPI	Department	Frequency	Who Owns?	Current LOS	Aspiration LOS
1	Debt to cap	Finance	Monthly	Dawn Schriewer	2	2
2	Debt service coverage	Finance	Monthly	Dawn Schriewer	2	2
3	Days cash on hand	Finance	Monthly	Dawn Schriewer	2	2
4	Interconnection review time after all documentation is provided	Electric Engineering	Monthly	Gretchen Reuwer	1	3
5	Interconnection review time after all documentation is provided	Electric Engineering	Monthly	Gretchen Reuwer	1	3
6	Align with solar/DER design review timeline	Electric Operations	Monthly	Gretchen Reuwer	2	2
7	Infrastructure Leakage Index (ILI)	Water Operations	Biannually	Mike Short	3	3
8	≥ 90% of Plan Review Responses will be delivered within 15 working days	Water Systems Engineering	Quarterly	Mike Short	2	3
9	"Compliance events"	Water Treatment & Compliance	Quarterly	Mike Short	2	2
10	Backlog	Data Strategy	Monthly	Greg Brown	1	2
11	Percentage network up time	Information Technology	Monthly	Greg Brown	2	3
12	Percentage server up time	Information Technology	Monthly	Greg Brown	2	3
13	Total vs open tickets	Information Technology	Monthly	Greg Brown	3	3
14	% SCADA Up time	Systems Control	Monthly	Justin Stroupe	2	2
15	Evaluate and revise legal templates	Legal	Annually	Connie Lock	2	2
16	Collect and evaluate ethics compliance certificates	Ethics	Annually	Connie Lock	2	2
17	Attendance at City and developer predevelopment meetings	Real Estate	Monthly	Connie Lock	2	2
18	Max call hold time	Customer Service	Monthly	Connie Lock	1	3
19	Average Percentage of the overhead electric system	Electric Operations	Monthly & Annually	Dawn Schriewer	2	4

Levels of Service Dashboard

LOS Health



KPI Health



Mission

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- **Call hold time (Max 30 minutes)** – On April 26, 2024 the max call hold time was 1 hour and 17 minutes due to having 2 representatives out that day.
- **Plan reviews ($\geq 90\%$ responses within 15-days)** - Staff is currently overwhelmed with the number of new submittals and re-submittals from the development community. Currently at 90%, but may slip.

FY 2024 Performance Measure Payout

- 70% for Strategic Goals: \$280,000 (75% for full payout)
- 30% for Annual Priorities: \$120,000 (100% for full payout)
- Total Payout Budget: \$400,000

Currently, the anticipated payout is 100%

QUESTIONS?



Meeting Date: May 30, 2024 **Agenda Type:** Consent Items for Action

From: Laura Ayala
Board Relations Coordinator **Reviewed by:** Laura Rivers
Chief of Staff

Submitted by: Laura Rivers
Chief of Staff **Approved by:** Ryan Kelso
Chief Executive Officer

RECOMMENDED ACTION: Approve Minutes of the NBU Regular Board Meeting of April 25, 2024

BACKGROUND

None

FINANCIAL IMPACT

None

LINK TO STRATEGIC PLAN

Customers and Community

EXHIBITS

- 1. April 25, 2024 Regular Board Meeting Minutes

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

**1:00 P.M.
Thursday, April 25, 2024
NBU Board Room
263 MAIN PLAZA, NEW BRAUNFELS, TEXAS 78130**

Board President Wayne Peters opened the meeting at 1:02 p.m. A quorum of the NBU Board was present.

PRESENT

Board President Wayne Peters, Board Vice President Judith Dykes-Hoffmann, Board Trustee John Harrell, and Board Trustee Yvette Barrera Villanueva

ABSENT

Mayor Neal Linnartz

NBU PERSONNEL

Ryan Kelso, Dawn Schriewer, Connie Lock, David Hubbard, Greg Brown, and Laura Rivers

NBU CONSULTANTS

John Miri

PLEDGE AND INVOCATION

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

NBU CORE VALUE: Safety

Chief Administrative Officer Dave Hubbard spoke to one of New Braunfels Utilities' Core Values. This month the focus was on the NBU Core Value Safety.

PUBLIC COMMENT

There were no public comment requests.

ITEMS FROM THE CHAIR

1. **Any Other Items Permitted Under Section 551.0415 of the Texas Government Code**
Board President Wayne Peters shared that the Department of Energy finalized energy efficiency standards for transformers. Approximately 75% can maintain the current steel standards with 25% use of new steel material standards.

ITEMS FROM STAFF

1. CEO Update

CEO Ryan Kelso presented updates on the following events that NBU staff participated in:

- a. New Braunfels Utilities ("NBU") Employees Attend the Texas Water Conference and Participate in the Meter Madness Competition and One Water Panel

New Braunfels Utilities had two employees who participated in this year's Texas Water Conference Meter Madness Competition. Out of 19 competitors, they placed 4th and 17th.

Also featured was the One Water New Braunfels Program. The program was showcased alongside other state initiatives.

- b. NBU Employee Invited to Participate in the University of Iowa's Energy Executive Course
Electric Operations Manager Justin Green has been chosen to participate in the Energy Executive Course.

- c. CEO Roadshow: Reliance Residential Realtors

CEO Ryan Kelso presented the state of NBU to the Reliance Residential Realtor group.

- d. New Braunfels City Council Approves Ordinance for Annexation and Zoning of Property for Future NBU Headquarters Site

On April 8, 2024, the New Braunfels City Council unanimously approved the annexation and zoning of the future NBU headquarters property.

- e. Presentation to New Braunfels City Council for Five-Year Water Conservation Plan

On April 15, 2024, NBU staff presented an informational overview of the adopted NBU Five-Year Water Conservation Plan to the New Braunfels City Council.

- f. Headwaters at the Comal Earth Day Event on April 20, 2024

On April 20, 2024, Headwaters at the Comal hosted their 6th Annual Earth Day event. Over 300 attendees attended the event.

- g. Communication Rollout Plan for Summer Base Electric Generation Rate Effective June 1, 2024, and Previously Approved Rate Increase Effective August 1, 2024

NBU electric customers will see summer rates for June through September beginning on June 1st. Additionally, beginning on August 1st, the average NBU bill will increase by approximately 6.4% for fiscal year 2025.

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

2. Financial Update and Report

Accounting Manager Kimberly Huffman provided an update on the financial status of NBU.

3. NBU Community Advisory Panel Update Regarding the Integrated Resource Plan Process

Chief of Staff Laura Rivers introduced Kimberly Britton from Britton Strategies and Justin Meadows, who serves as the NBU Community Advisory Panel Chair, to provide an update to the Board on the progress the Panel has made in discussion of the Integrated Resource Plan.

4. Quarterly Capital Improvement Plan Update

Program Portfolio Manager Jacob Tschoepe updated the board on the Quarterly Capital Improvement Plan Update.

CONSENT ITEMS FOR ACTION

Board Trustee Yvette Barrera Villanueva made a motion, and Board Trustee John Harrell seconded the motion to approve the Consent Items for Action, with the exception of item #6, as follows: #1, #2, #3, #4, #5, #7, #8, #9, #10, #11, #12, #13 and #14. The vote was unanimous.

1. Approve Minutes of the NBU Regular Board Meeting of March 28, 2024
2. Approve the Change Order Log from February 15, 2024, through March 15, 2024
3. Approve the Reports for Water and Electric Engineering Contracts from August 1, 2023, through March 15, 2024
4. Approve the Electric Line of Business Alternative Procurements from February 15, 2024, through March 15, 2024
5. Approve the Appointment of Elizabeth Bowerman as a Community Member of the Headwaters at the Comal Board of Directors
6. Authorize CEO or His Designee to Negotiate and Execute a Construction Contract with Skyblue Utilities, Inc. for the Construction of the Infrastructure Replacement Package 1 Project ***pulled from consent, no action taken**
7. Authorize Resolution #2024 -183 Approving (i) The Conveyance of 1.209 Acres Being Lot 1, Block 36, Veramendi Est No. 1 Subdivision From Veramendi PE-Brisbane, LLC To New Braunfels Utilities, together With The Elevated Storage Tank Located Thereon and an Access Easement For Ingress and Egress; (ii) Execution of Any and All Related Documents Associated with Closing the Transaction; and (iii) Other Matters In Connection Therewith
8. Authorize CEO or His Designee to Negotiate and Execute a Professional Services Agreement with Merrick & Company for the Design of the Solms Pump Station and Ground Storage Tank Project
9. Authorize CEO or His Designee to Negotiate and Execute a Cooperative Services Agreement with Gartner, Inc. for Financial Maturity Assessment
10. Authorize CEO or His Designee to Negotiate and Execute a Cooperative Agreement with Gartner, Inc. for IT Research and Advisory Subscription Services

11. Authorize CEO or His Designee to Negotiate and Execute a Services and Goods Agreement with B Comm Constructors L.L.C. for Fiber Optic Outside Plant Maintenance and Emergency Services
12. Authorize CEO or His Designee to Negotiate and Execute a Professional Services Agreement with Paloma Blanca Enterprises, Inc., for Construction, Maintenance, and Site Work of All Right-of-Ways for New Braunfels Utilities
13. Authorize CEO or His Designee to Negotiate and Execute an Electric Service Agreement Between Veramendi Development Company, LLC and NBU Concerning the Construction of an Underground Electric Feeder to Supply Electric Service to NBU Customers
14. Authorize CEO or His Designee to Negotiate and Execute a First Amendment to the Professional Services Agreement with Public Relations Advertising Company doing business as Vladimir Jones for a Three-Year Strategic Communication and Marketing Plan

ACTION ITEMS

1. **Reject All Proposals Submitted for the Purchase and Development of the Real Property and Improvements Located at 263 Main Plaza In Connection with RFQ# 02601 and RFP# 02601-2 and Authorize the CEO or His Designee to Terminate the Memorandum of Understanding Dated February 25, 2022, Between NBU and Seals Family Properties, LLC, Regarding the Same**
 Board Trustee Yvette Barrera Villanueva made a motion, and Board Trustee John Harrell seconded the motion reject All Proposals Submitted for the Purchase and Development of the Real Property and Improvements Located at 263 Main Plaza In Connection with RFQ# 02601 and RFP# 02601-2 and Authorize the CEO or His Designee to Terminate the Memorandum of Understanding Dated February 25, 2022, Between NBU and Seals Family Properties, LLC, Regarding the Same. The vote was unanimous.
2. **Discuss and Consider Resolution #2024-184 Approving (i) the Transfer of Approximately 1.126 Acres of Real Property Located at 263 Main Plaza, New Braunfels, Texas (the “Main Plaza Property”), to the City of New Braunfels; (ii) the Lease of the Main Plaza Property from the City of New Braunfels to New Braunfels Utilities; (iii) Execution of Any and All Documents Necessary to Convey and Lease the Main Plaza Property; and (iv) Other Matters in Connection Therewith**
 Board Trustee John Harrell made a motion, and Board Trustee Yvette Barrera Villanueva seconded the motion to approve (i) the Transfer of Approximately 1.126 Acres of Real Property Located at 263 Main Plaza, New Braunfels, Texas (the “Main Plaza Property”), to the City of New Braunfels; (ii) the Lease of the Main Plaza Property from the City of New Braunfels to New Braunfels Utilities; (iii) Execution of Any and All Documents Necessary to Convey and Lease the Main Plaza Property; and (iv) Other Matters in Connection Therewith
 The vote was unanimous.

PRESENTATION ITEMS

1. **Presentation and Discussion of a Three-Year Strategic Communication and Marketing Plan from Public Relations Advertising Company doing business as Vladimir Jones**
Bryan Glasshagel, with Vladimir Jones, presented information on a Strategic Communication and Marketing review of NBU. The presentation included information on the employee, stakeholder, and community survey results.
2. **Presentation on the Guadalupe-Blanco River Authority's Drought Contingency Plan for Wholesale Customers and its Impact on NBU**
Mike Short presented information on the Guadalupe-Blanco River Authority's Drought Contingency Plan and the potential impact it would have on NBU.
3. **Presentation on the Revised Water Engineering Design Standards Effective June 2024**
Adam Willard presented information on the revised water engineering design standards that will become effective in June 2024 for new projects.

EXECUTIVE SESSION

Board President Wayne Peters recessed the Open Session at 4:06 pm and announced that the Board would go into an Executive Session meeting. The Executive Session included Deliberations Regarding Security Devices or Security Audits (TGC Section 551.089) to include discussion regarding network security information and discussion regarding security assessments of deployments relating to information resoruces technology.
The Executive Session was opened at 4:06 pm and closed at 4:52 pm.

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

ADJOURN

There was no further business, and Board President Wayne Peters adjourned the meeting at 4:56 p.m.

Attest:

Wayne Peters, President
Approved

Ryan Kelso, Secretary of the Board
Chief Executive Officer

Date Approved: May 30, 2024



Meeting Date: May 30, 2024 **Agenda Type:** Consent Items for Action

From: Jesse Luna **Reviewed by:** David Hubbard
Purchasing Manager Chief Administrative Officer

Submitted by: David Hubbard **Approved by:** Ryan Kelso
Chief Administrative Officer Chief Executive Officer

RECOMMENDED ACTION: Approve the Change Order Log from March 15, 2024, through April 15, 2024

BACKGROUND

The Board of Trustees approved the NBU Purchasing Policy on October 31, 2019. The Purchasing Policy defines the process for obtaining approval of change orders. In addition to the individual approval by the Board of Trustees for change orders greater than \$50,000, the policy further states, “Each department manager will keep a log of all change orders and forward that log on a monthly basis to the Purchasing Manager before each Board of Trustees’ meeting. The Purchasing Manager will prepare a consent agenda item to request approval of those change orders at the next Board of Trustees’ meeting.”

Listed below are the change orders submitted to the Purchasing Manager for the period of March 15, 2024, through April 15, 2024.

FINANCIAL IMPACT

Change orders less than \$50,000:

- GBRA Interconnect Metering Station, Out of Owner's contingency - 24" pipe realignment, new pump skid, Argo Utilities LLC, Change order No. 1, No cost increase.

Change orders more than \$50,000:

- None reported during this period.

LINK TO STRATEGIC PLAN

Customers and Community

People and Culture

Stewardship

EXHIBITS

None



Meeting Date: May 30, 2024 **Agenda Type:** Consent Items for Action

From: Jesse Luna **Reviewed by:** David Hubbard
Purchasing Manager Chief Administrative Officer

Submitted by: David Hubbard **Approved by:** Ryan Kelso
Chief Administrative Officer Chief Executive Officer

RECOMMENDED ACTION: Approve the Reports for Water and Electric Engineering Contracts from August 1, 2023, through April 15, 2024

BACKGROUND

The Board of Trustees approved the NBU Purchasing Policy on October 31, 2019. The Purchasing Policy defines the process for obtaining approval of Professional Engineering Contracts. In addition to the individual approval by the Board of Trustees for Professional Engineering Contracts greater than \$500,000, the policy further states, “The limit for expenditures to be paid to a licensed professional engineer or a firm of licensed professional engineers as defined in Chapter 2254 of the Texas Government Code, as amended, performing engineering services without the prior approval of the Board of Trustees shall be \$500,000 per vendor per contract. Each department manager, who hires a licensed professional engineer or firm of licensed professional engineers, shall prepare a report specifying the following:

1. name of licensed professional engineer or firm of licensed professional engineers engaged to complete a project;
2. project name;
3. contract amount and amendments to original contract amount;
4. total cumulative number of contracts and contract amounts approved in a fiscal year to that licensed professional engineer/firm of licensed engineers; and
5. date presented to the Board of Trustees.

This report shall be prepared on a monthly basis and be delivered to the Purchasing Manager before each Board of Trustees’ meeting. The Purchasing Manager will prepare a consent agenda item to request approval of the report at the next Board of Trustees’ meeting.”

Exhibits attached to this agenda item are the Professional Engineering report(s) submitted to the Purchasing Manager for the period of August 1, 2023, through April 15, 2024.

FINANCIAL IMPACT

The total value of new contracts added from March 15th to April 15th is \$138,570.00.

LINK TO STRATEGIC PLAN

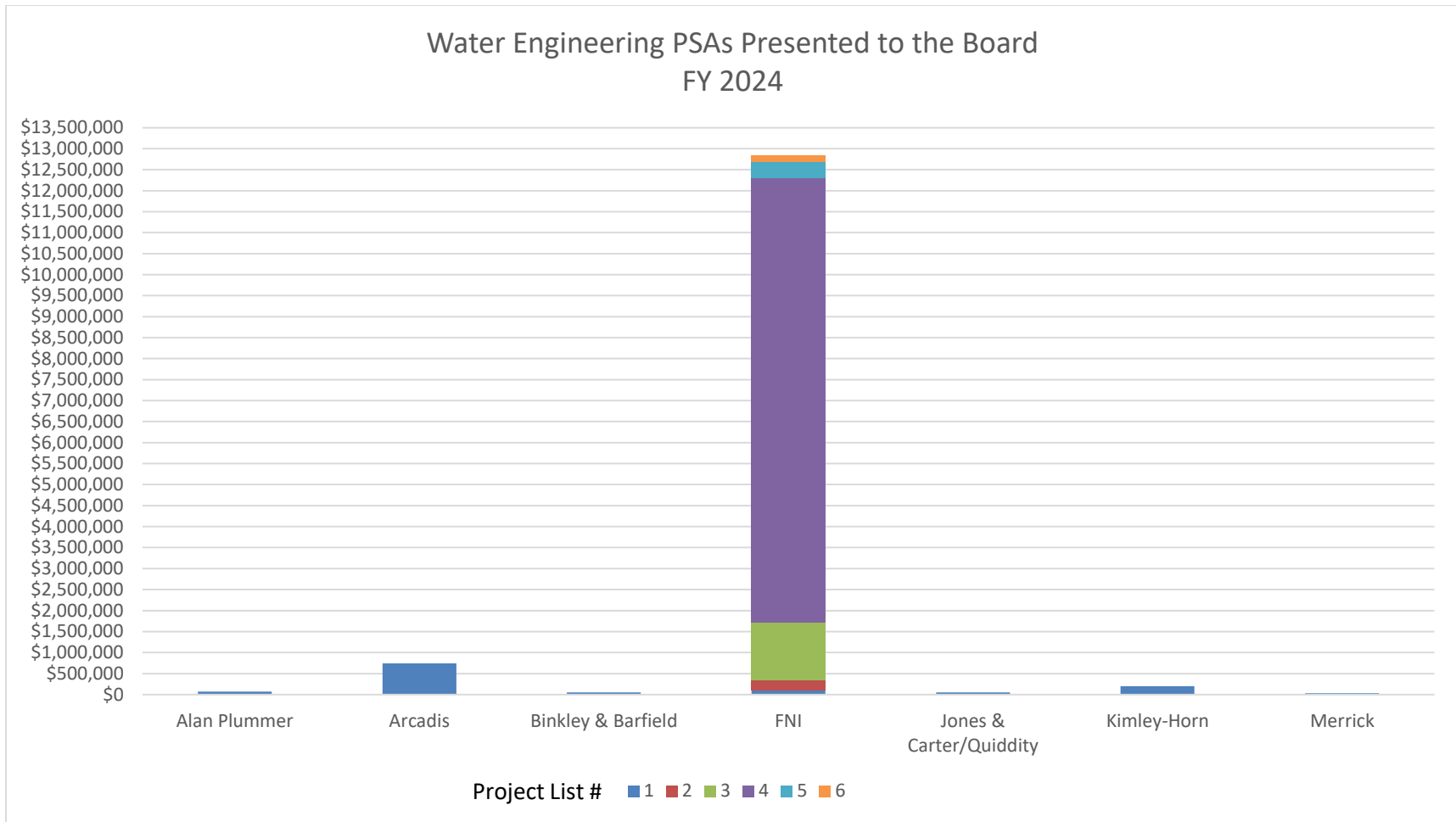
Customers and Community

People and Culture

Stewardship

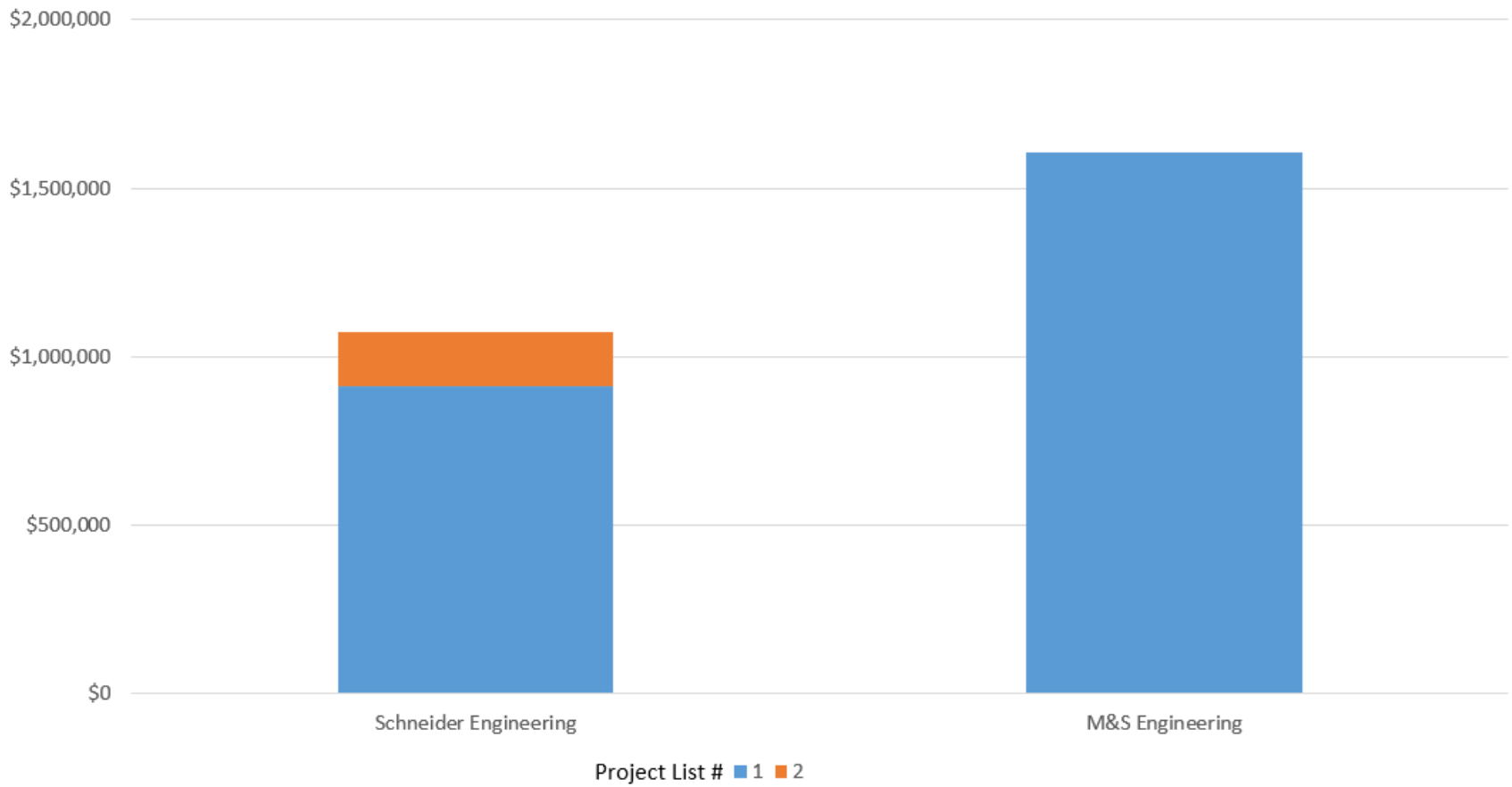
EXHIBITS

1. Exhibit A – Report for Water Engineering Contracts
2. Exhibit B – Report for Electric Engineering Contracts



Vendor	Contract Amount	Board Date	Type of contract	Comment	Executed Date
Binkley and Barfield Inc.	\$ 50,892.00	8/31/2023	Engineering	Amendment	9/1/2023
Merrick & Company	\$ 30,988.00	8/31/2023	Engineering	Amendment	9/1/2023
Freese and Nichols, Inc.	\$ 108,850.00	8/31/2023	Engineering	Amendment	9/7/2023
Quiddity Engineering, LLC	\$ 66,410.00		Engineering	Amendment	10/3/2023
Quiddity Engineering, LLC	\$ 52,780.00	9/28/2023	Engineering	Amendment	10/3/2023
Alan Plummer and Associates, Inc.	\$ 70,000.00	9/28/2023	Engineering	Amendment	10/3/2023
Freese and Nichols, Inc.	\$ 228,917.00	9/28/2023	Engineering	Amendment	10/3/2023
Quiddity Engineering, LLC	\$ 341,540.00		Engineering	PSA	11/3/2023
Freese and Nichols, Inc.	\$ 1,380,592.00	10/26/2023	Engineering	PSA	11/13/2023
Arcadis, US, Inc.	\$ -	12/14/2023	Engineering	Amendment	12/22/2023
Arcadis, US, Inc.	\$ 744,898.00	12/14/2023	Engineering	Amendment	12/22/2023
Freese and Nichols, Inc.	\$ 10,578,296.00	12/14/2023	Engineering	PSA	12/22/2023
Freese and Nichols, Inc.	\$ 394,525.00	1/25/2024	Engineering	Amendment	2/21/2024
Kimley-Horn and Associates, Inc.	\$ 199,000.00	1/25/2024	Engineering	Amendment	2/21/2024
Freese and Nichols, Inc.	\$ 138,570.00	3/28/2024	Engineering	Amendment	4/12/2024

Electric Engineering PSAs Presented to the Board FY 2024



Project List #	Project	Vendor	Contract Amount	Board Date	Type of contract	Comment	Executed Date
1	Substation and transmission Design FY 2024	Schneider Engineering	\$ 912,000.00	8/31/2023	Engineering		9/1/2023
1	Electric Distribution Projects	M&S Engineering	\$ 1,607,590.00	8/31/2023	Engineering		9/1/2023
2	Electric Regulatory Compliance Consulting Services	Schneider Engineering	\$ 162,000.00		Engineering		3/25/2024



Meeting Date: May 30, 2024 **Agenda Type:** Consent Items for Action

From: Jesse Luna **Reviewed by:** David Hubbard
Purchasing Manager Chief Administrative Officer

Submitted by: David Hubbard **Approved by:** Ryan Kelso
Chief Administrative Officer Chief Executive Officer

RECOMMENDED ACTION: Approve the Electric Line of Business Alternative Procurements from March 15, 2024, through April 15, 2024

BACKGROUND

Section 252.022(c) of the Texas Local Government Code provides that a municipally owned electric utility may define, by resolution, an alternative procurement procedure for the purchase of goods and services related to the electric utility. On June 28, 2018, the Board of Trustees approved the NBU Purchasing Policy, by resolution, which defined a procedure for procurement of goods and services for NBU's electric line of business. The Purchasing Policy was later revised and approved on October 31, 2019. Among other conditions, the Purchasing Policy requires NBU staff to notify the Board of Trustees of any procurement over \$250,000 that uses the electric line of business procurement procedure.

Listed below are the procurements, in excess of \$250,000, submitted to the Purchasing Manager for the period of March 15, 2024, through April 15, 2024, using the electric line of business alternative procurement process.

FINANCIAL IMPACT

Electric Line of Business purchases more than \$250,000:

- Inventory Materials, KBS Electrical Distributor, Sun Enterprises, Cost of \$253,310.00, See Exhibit B, Quote E1755, for reference

LINK TO STRATEGIC PLAN

Customers and Community

People and Culture

Stewardship

EXHIBITS

1. Exhibit A – Quote E1755

Item 4.

Item	class no.	Description	Qty	UOM	IRBY	ANIXTER	KDS
					076200	099398	036825
1	285-084-00016	TRANSFORMER PD MT 1500KVA, 3PH W/TAPS 277/480	1	EA			\$53,180.00
		(PER NBU SPECS)					
			TOTAL				\$53,180.00
			DELIVERY				24-26 WKS
2	285-084-00019	TRANSFORMER PD MT 75KVA, 1PH NO TAPS 120/240	30	EA			\$3,752.00
		(PER NBU SPECS)					
			TOTAL				\$112,560.00
			DELIVERY				60-62 WKS
3	285-084-00032	TRANSFORMER CONV. 50KVA, 1PH NO TAPS 120/240	10	EA			\$2,652.00
		(PER NBU SPECS)					
			TOTAL				\$26,520.00
			DELIVERY				22-24 WKS
4	28-084-00049	TRANSFORMER PD MT 1000KVA, 3PH W/TAPS 277/480	1	EA			\$41,760.00
		(PER NBU SPECS)					
			TOTAL				\$41,760.00
			DELIVERY				25 WKS
5	285-108-00007	ENC. SEC. 3PH 18"X48"X30" - 3 PLACE	30	EA	\$643.00		
		(TRINETICS # CW348-18TH/63388003)					
			TOTAL		\$19,290.00		
			DELIVERY		2-4 WKS		



Meeting Date: May 30, 2024 **Agenda Type:** Consent Items for Action

From: Jenna Mathis **Reviewed by:** Dawn Schriewer
 Customer Service Assistant Chief Financial Officer
 Manager

Submitted by: Dawn Schriewer **Approved by:** Ryan Kelso
 Chief Financial Officer Chief Executive Officer

RECOMMENDED ACTION: Approve 2023 Fourth Quarter Charge-Off Accounts

BACKGROUND

Charge-offs for the fourth quarter of calendar year 2023 (October, November, and December) netted \$96,414.09 for NBU accounts that have unpaid balances. New Braunfels Utilities applied \$56,393.58 in customer deposits to the delinquent account balance of \$152,807.67, which reduced the total unpaid balance by 37%.

When compared to total revenue billings for the same quarter, the charge-off balance amounts to 0.15%. For every \$100 billed to our customers, we received \$99.85.

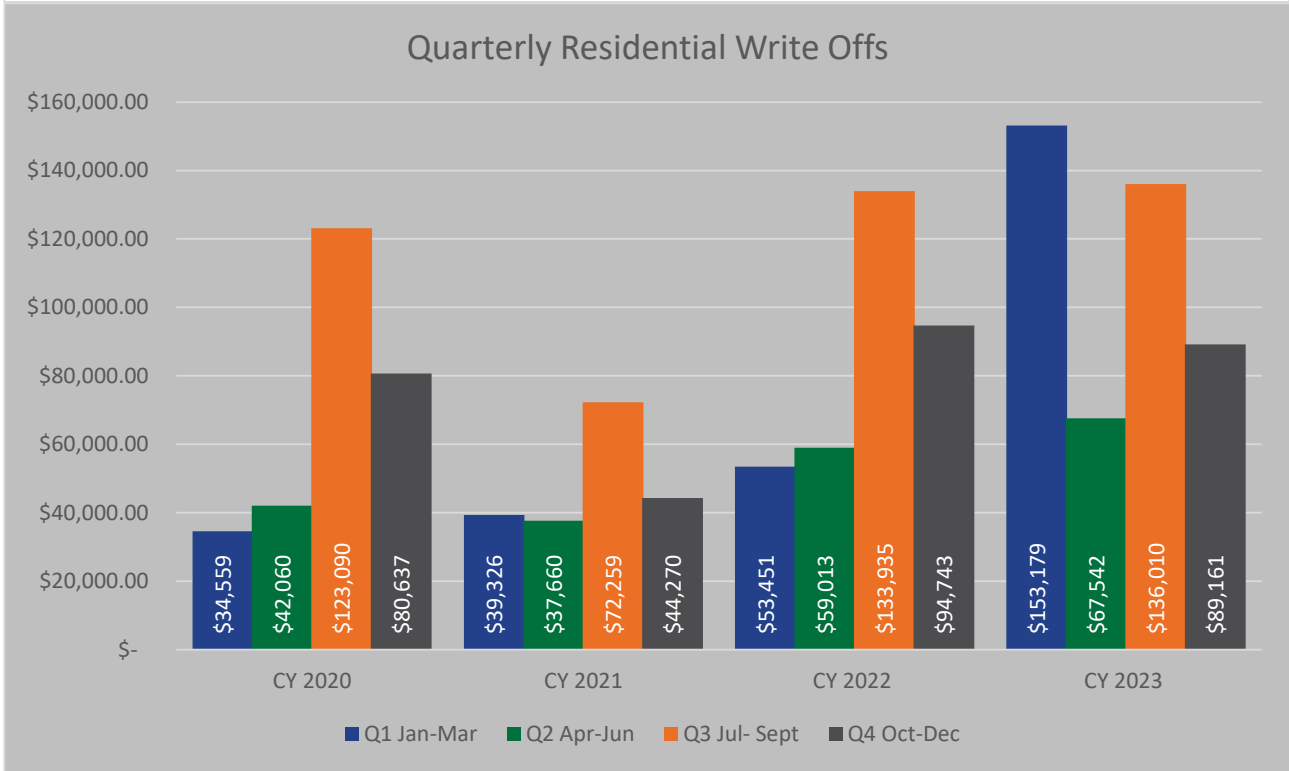
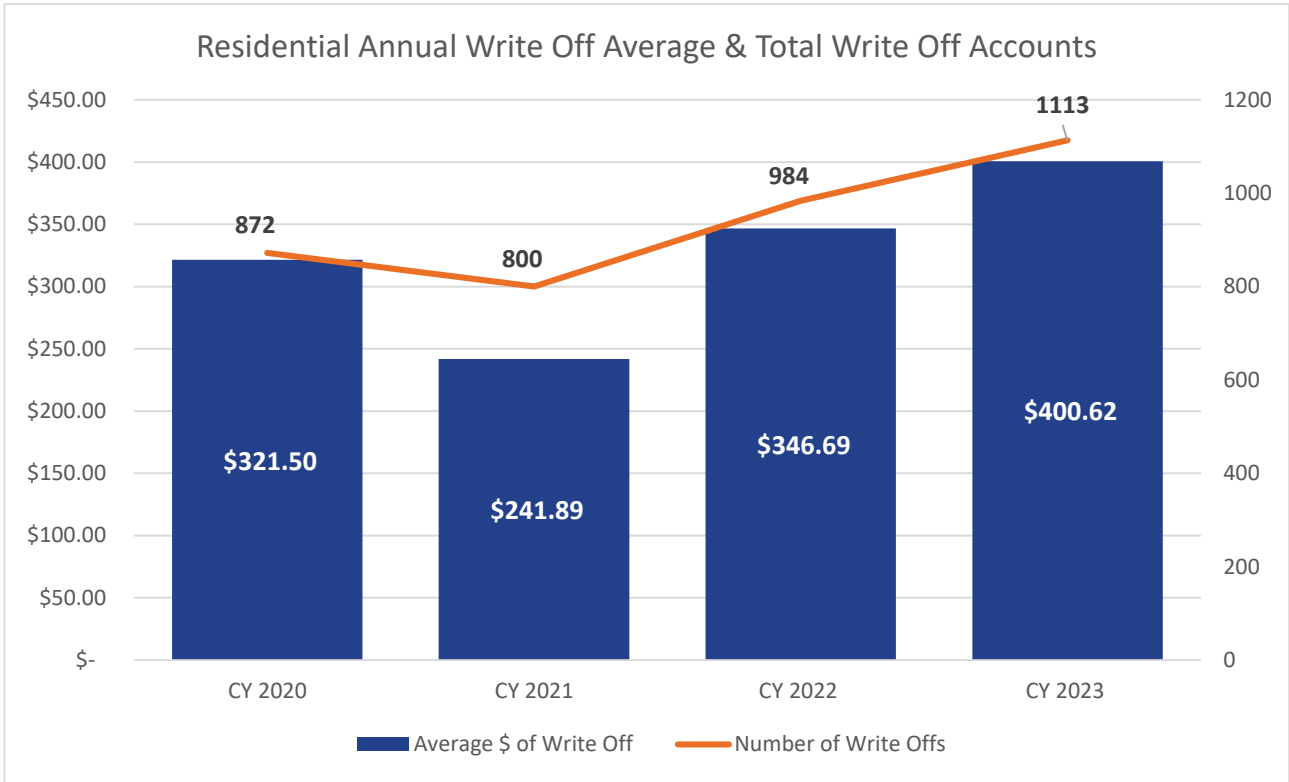
The number of residential accounts included in the charge-offs increased by 20.18% compared to the previous 3 years' average for the same quarter, and the dollar amount increased by 21.78%. Residential customers accounted for 98% of the number of charge-off accounts.

The accounts that included insufficient funds due to returned checks and failed auto-draft payments totaled \$3,338.73.

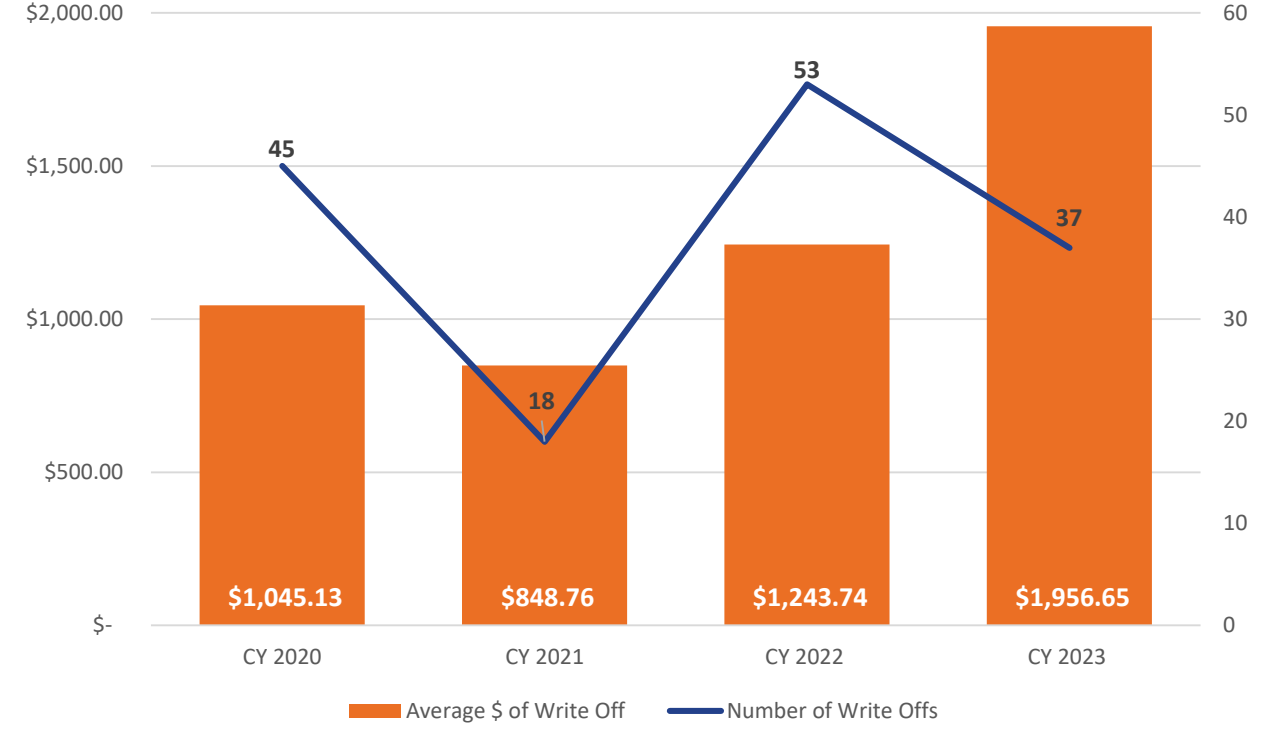
The primary factors driving the increase in charge-offs for Q4 of 2023 include failure to comply with payment extensions, overall higher utility bills and account deposits calculated on previous rates, and not equaling a two-month annual average.

The NBU credit rating summary for this report is as follows:

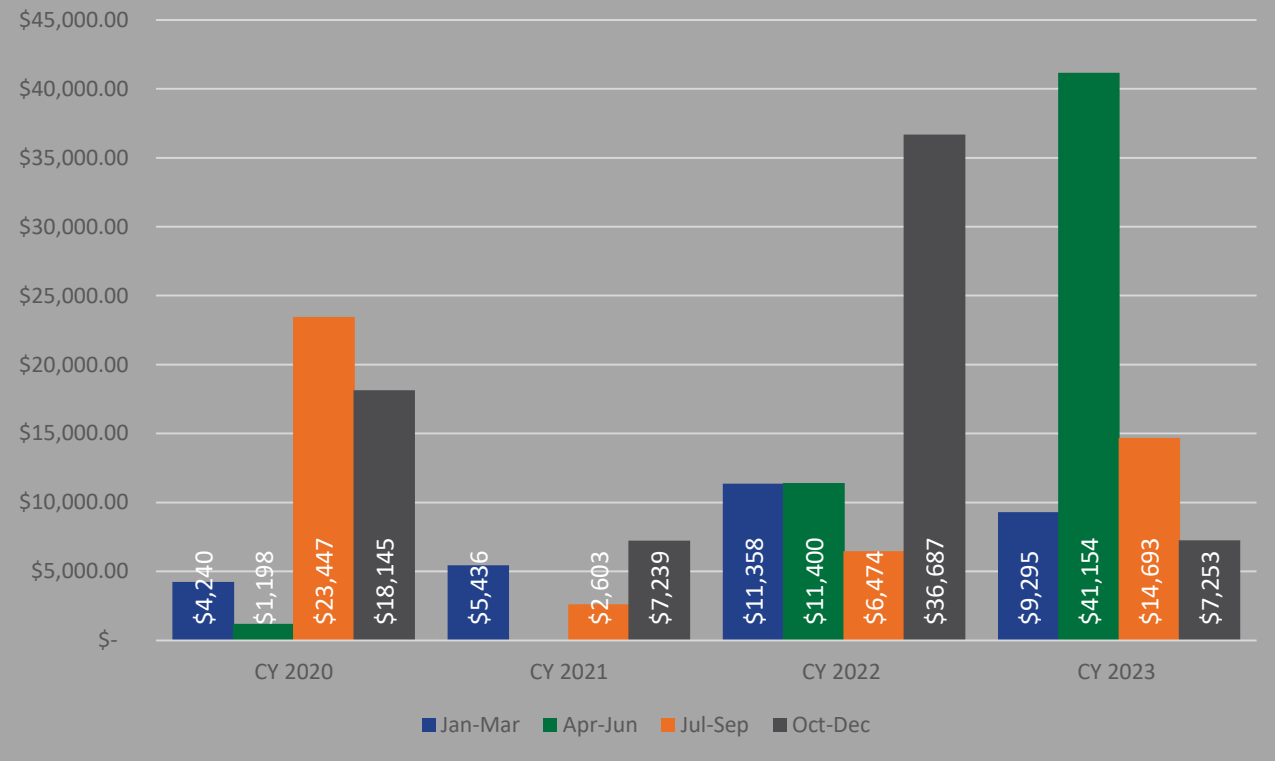
Credit Rating	Number of Active Customers	Number of Charge-off Customers	Percentage of Charge-off Customers
A	52,141	17	0.03%
B	7,213	68	0.94%
C	4,555	177	3.89%
D	4	6	150.00%

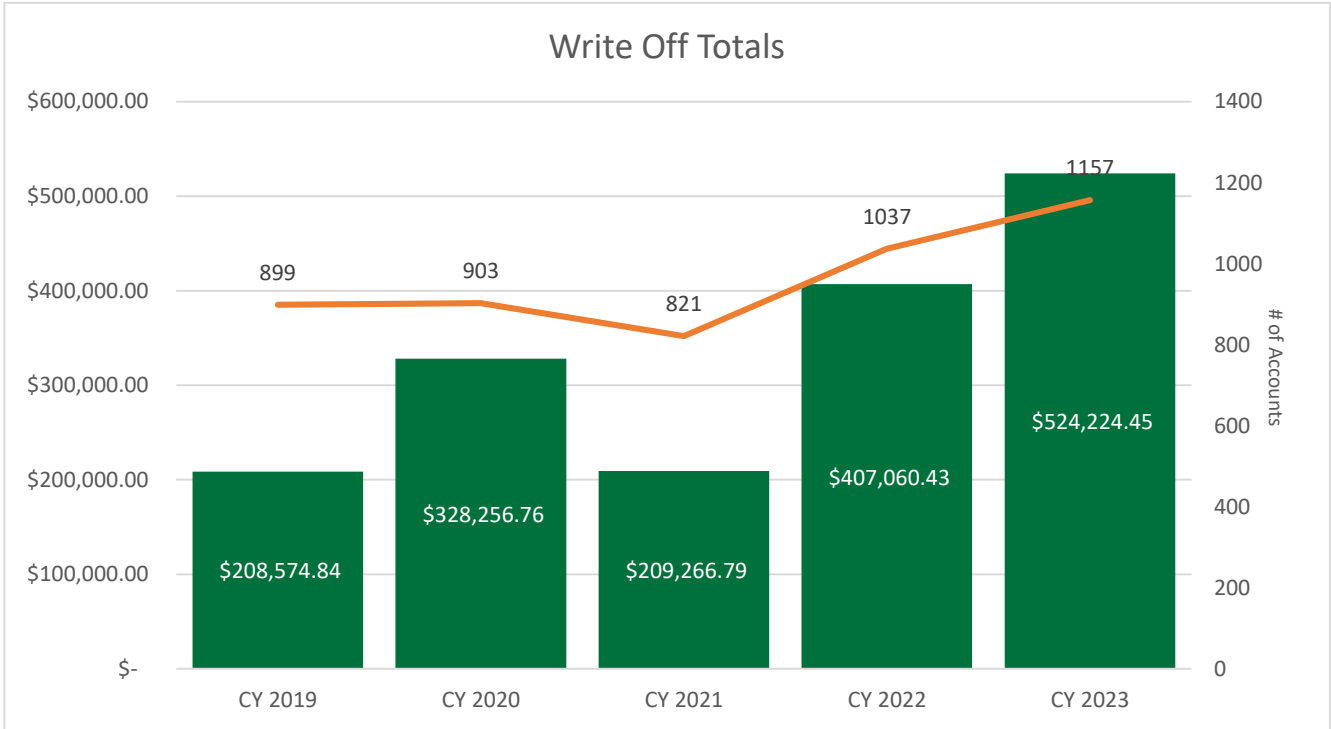


Commercial Annual Write Off Average & Total Write Off Accounts



Quarterly Commercial Write Offs





FINANCIAL IMPACT

NBU has an estimate included in the Financial Operating Plan for charge off amounts and updates the estimate annually.

LINK TO STRATEGIC PLAN

Financial Excellence

EXHIBITS

- 1. Charge-off Summary

**Charge Off Summary
May 2024**

<u>TYPE OF CUSTOMER</u>	<u>AMOUNT BEFORE DEPOSIT/INTEREST APPLIED</u>	<u>DEPOSIT APPLIED</u>	<u>AMOUNT AFTER DEPOSIT/INTEREST APPLIED</u>	<u>AMOUNT OF CHARGE OFF PER \$100 BILLED</u>
Residential	\$140,654.49	\$51,493.85	\$89,160.64	0.138%
Commercial	\$12,153.18	\$4,899.73	\$7,253.45	0.011%
Miscellaneous	\$0.00	\$0.00	\$0.00	0.000%
Bankruptcy	\$0.00	\$0.00	\$0.00	0.000%
Total	\$152,807.67	\$56,393.58	\$96,414.09	0.149%

Historical Charge-Off Information

	2023			2022			2021		
	<u>Charge-Off Amount</u>	<u># of Charge-Offs</u>	<u>Average Amount</u>	<u>Charge-Off Amount</u>	<u># of Charge-Offs</u>	<u>Average Amount</u>	<u>Charge-Off Amount</u>	<u># of Charge-Offs</u>	<u>Average Amount</u>
1st Qtr	\$166,886.39	309	\$540.09	\$64,808.78	230	\$281.78	\$44,693.78	172	\$259.85
2nd Qtr	\$108,696.15	221	\$491.84	\$70,413.13	248	\$283.92	\$37,659.80	179	\$210.39
3rd Qtr	\$152,227.82	359	\$424.03	\$140,408.89	334	\$420.39	\$74,861.77	256	\$292.43
4th Qtr	\$96,414.09	268	\$359.75	\$131,429.63	225	\$584.13	\$51,983.87	214	\$242.92



Meeting Date: May 30, 2024 **Agenda Type:** Consent Item for Action

From: Nancy Pappas **Reviewed by:** Dawn Schriewer
 Managing Director,
 Headwaters at the Comal Chief Financial Officer

Submitted by: Laura Rivers **Approved by:** Ryan Kelso
 Chief of Staff Chief Executive Officer

RECOMMENDED ACTION: Approve the Appointment of Gretchen Reuwer as an NBU Member of the Headwaters at the Comal Board of Directors

BACKGROUND

In accordance with the Headwaters at the Comal’s (“Headwaters”) First Amended and Restated Bylaws, approved by the New Braunfels Utilities (“NBU”) Board of Trustees on February 23, 2023, the Headwaters Board structure consists of a seven-member Board comprised of four (4) NBU employees and three (3) community members. The NBU employee representatives are to be recommended by NBU’s Chief Executive Officer and appointed by the NBU Board of Trustees.

Currently, Dawn Schriewer, CFO, Shawn Schorn, Director of Business Planning, Brent Lundmark, Manager Water Treatment and Compliance serve on the Headwaters Board. The NBU CEO would like to recommend Gretchen Reuwer, Director of Electric Services and Compliance to serve as the fourth NBU employee representative, effective May 30, 2024.

FINANCIAL IMPACT

None

LINK TO STRATEGIC PLAN

Stewardship

EXHIBITS

1. Headwaters at the Comal First Amended and Restated Bylaws

FIRST AMENDED AND RESTATED BYLAWS

FOR THE HEADWATERS AT THE COMAL

ARTICLE 1 – NAME, PURPOSES, POWERS, AND OFFICES

1.1 Name

The name of this corporation is The Headwaters at the Comal (the “Corporation” or the “Headwaters”).

1.2 Purposes

The Corporation is organized and shall be operated exclusively for scientific, charitable, and educational purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986 or the corresponding provisions of any subsequent federal revenue law (the “Code”), including, but not limited to, the making of gifts and grants in a manner consistent with the requirements for organizations described in Section 501(c)(3) of the Code, and to conduct, accomplish, and carry on its objectives, functions, and purposes or any part thereof set forth in the governing documents of the Corporation as amended from time to time.

Within the scope of the foregoing purposes and not by limitation thereof, the Corporation is organized and operated as a place that establishes a relationship between the community and its natural resources, in order to demonstrate the regeneration and protection of water and ecological resources and be an educational tool for the New Braunfels community and the many expected visitors. The assets and property of the Corporation are hereby pledged for use in performing its exempt purposes.

The Corporation is additionally organized to promote, encourage, and foster any other similar charitable, scientific, or educational activities; to accept, hold, invest, and reinvest and administer any gifts, legacies, bequests, devises, funds, and property of any sort or nature, and to use, expend, or donate its assets, and all income therefrom, for and to devote the same to, the foregoing purposes of the Corporation; and to do any and all lawful acts and things which may be necessary, useful, suitable, or proper for the furtherance of accomplishment of the purposes of this Corporation. Provided however, no act may be performed which would violate section 501(c)(3) of the Code as it now exists or as it may hereafter be amended.

1.3 Powers

The Corporation is a Texas nonprofit corporation and has all the powers, duties, authorizations and responsibilities as provided by the Texas Business Organizations Code (“TBOC”); provided that the Corporation shall neither have nor exercise any power, nor engage directly or indirectly in any activity, that would invalidate its status as a Corporation that is exempt from federal income tax as an organization described in Section 501(c)(3) of the Code.

1.4 Offices

The principal business office of the Corporation in the State of Texas shall be 333 E. Klingemann, New Braunfels, Texas 78130. The Corporation may have such other offices as the Board of Directors (also referred to as “Headwaters Board”) may determine or as the affairs of the Corporation may require from time to time.

1.5 Registered Office

The Corporation shall comply with the requirements of the TBOC and maintain a registered office and registered agent in Texas. The registered office may, but need not, be identical with the Corporation's principal office in Texas. The Headwaters Board may change the registered office and the registered agent as provided in the TBOC.

ARTICLE 2 – NO MEMBERS

2.1 Membership

The Corporation shall have no “members” as that term is used in the TBOC. The Corporation is a Board of Director-managed organization, as described in Article 3. The Corporation may, nevertheless, use the word “members” to describe persons having such status and privileges as may be prescribed herein or as determined by the Headwaters Board. Such “members” shall have no voting or other legal or equitable right in the Corporation.

ARTICLE 3 – BOARD OF DIRECTORS

3.1 General Powers

The activities, property, and affairs of the Corporation shall be managed by its Headwaters Board. The Headwaters Board may exercise all such powers of the Corporation and do all such lawful acts and things as are permitted by law, by the Certificate of Formation, or by these Bylaws, unless otherwise expressly provided herein.

3.2 Number and Qualifications

The Headwaters Board shall consist of at least three (3) directors. The initial directors shall be those persons named as directors in the Certificate of Formation. Decreasing the number of directors will not shorten the term of any incumbent director.

There shall be two classes of directors.

(a) Class A. Class A shall consist of four (4) employees of New Braunfels Utilities *recommended by the CEO of New Braunfels Utilities and appointed by the New Braunfels Utilities Board of Trustees*.

(b) Class B. Class B shall consist of three (3) community members *recommended by the Headwaters Board and appointed by the New Braunfels Utilities Board of Trustees*.

3.3 Term of Office

The initial directors of the Corporation shall be those persons named in the Certificate of Formation as the initial directors, and they shall hold office until their successors are chosen and qualified.

Thereafter, the Class A directors will serve until a successor director is appointed.

Class B directors shall hold office for a three-year term and until such director's successor is chosen and qualified, or until such director's earlier death, resignation, retirement, disqualification or removal from office. There shall be staggered terms of office for Class B directors so that approximately one-third of the Class B directors shall be selected each year.

3.4 Selection of Directors

Class A directors shall *be recommended by the CEO of New Braunfels Utilities and appointed by the New Braunfels Utilities Board of Trustees.*

Class B directors shall *be recommended by the Headwaters Board and appointed by the New Braunfels Utilities Board of Trustees.*

3.5 Duties of Directors

Directors will perform their duties in good faith, with ordinary care, and in a manner they reasonably believe to be in the best interest of the Corporation. Ordinary care is care that prudent persons in similar positions would exercise under similar circumstances. In the performance of any duty imposed or power conferred on directors, they may in good faith rely on information, opinions, reports, or statements, including financial statements and other financial data, concerning the Corporation or another person that were prepared or presented by a variety of persons, including officers and employees of the Corporation, professional advisors, or experts such as accountants or attorneys. A director is not relying in good faith if the director has knowledge concerning a matter in question that renders reliance unwarranted.

3.6 Vacancies

Class A vacancy. Any vacancy occurring in the Headwaters Board resulting from the death, resignation, retirement, disqualification, or removal from office of a Class A director shall be filled *by the New Braunfels Utilities Board of Trustees based on a recommendation from the CEO of New Braunfels Utilities.*

Class B Vacancy. Any vacancy occurring in the Headwaters Board resulting from the death, resignation, retirement, disqualification, or removal from office of a Class B director shall be filled *by the New Braunfels Utilities Board of Trustees based on a recommendation from the Headwaters Board.*

3.7 Removal

Any director may be removed, either for or without cause, by the affirmative vote of a majority of the directors present at any meeting of the Headwaters Board at which a quorum is present, if notice of the intention to act upon such matter shall have been given in the notice of such meeting and if such notice is provided to the director proposed to be removed; provided, however, once the Headwaters Board votes to remove a director, the Headwaters Board must provide such recommendation to the New Braunfels Utilities Board of Trustees to consider for approval before the removal becomes effective.

Regardless of any vote by the Headwaters Board, any director may be removed, either for or without cause, by the affirmative vote of a majority of the trustees present at any meeting of the New Braunfels Utilities Board of Trustees at which a quorum is present, if notice of the intention to act upon such matter shall have been given in the notice of such meeting and if such notice is provided to the director proposed to be removed.

3.8 Resignation

Any director may resign at any time by delivering written notice to the Secretary or President of the Headwaters Board and communicated within one (1) business day to the CEO of the New Braunfels Utilities and the New Braunfels Utilities Board of Trustees. Such resignation shall take effect upon receipt or, if later, at the time specified in the notice.

3.9 Directors' Compensation

Directors will not receive any salaries or other compensation for their services from the Corporation, but, by resolution of the Headwaters Board, may be reimbursed for any actual expenses incurred in the performance of their duties for the Corporation, as long as a majority of disinterested directors approve the reimbursement. The Corporation will not loan money or property to, or guarantee the obligation of, any director.

ARTICLE 4 – NOTICES

4.1 Notice

At least three (3) days' written notice must be given to all directors of any meeting of the Headwaters Board. Notice of meetings may be given by electronic transmission (i.e., e-mail) if all directors individually and collectively consent in writing. Attendance of a director at a meeting shall constitute a waiver of notice of such meeting, except when a director attends a meeting for the express purpose of objecting to a meeting not properly called.

ARTICLE 5 – MEETINGS

5.1 Regular & Special Meetings

The Headwaters Board will hold at least one meeting a year.

Regular meetings of the Headwaters Board will be held at such times and places as may be selected by resolution adopted by the Headwaters Board and communicated by written notice to all directors. Except as otherwise provided by law, by the Certificate of Formation, or by these Bylaws, any and all business may be transacted at any regular meeting.

Special meetings of the Headwaters Board may be called by or at the request of the Headwaters Board President or a majority of directors. A person or persons authorized to call special meetings of the Headwaters Board may select any place as the place for holding a special meeting. The person calling a special meeting will notify the Secretary of the Headwaters Board of the information required to be included in the notice of the meeting. The Secretary of the Headwaters Board will give notice to the directors as required in the Bylaws.

5.2 Quorum and Manner of Acting

A majority of the number of directors then in office will constitute a quorum for the transaction of business at any meeting of the Headwaters Board.

The directors present at a duly called or held meeting at which a quorum is present may continue to transact business even if enough directors leave the meeting so that less than a quorum remains. However, no action may be approved without the vote of at least a majority of the number of directors required to constitute a quorum. If a quorum is present at no time during a meeting, a majority of the directors present may adjourn and reconvene the meeting one time without further notice.

5.3 Proxy Voting Prohibited

Proxy voting is not permitted.

5.4 Written Consent of Directors

Any action required or permitted to be taken at any meeting of the Headwaters Board or any committee may be taken without a meeting if a consent in writing setting forth the action to be taken is signed by the number of directors or officers whose vote would be necessary to take action at a meeting at which all such persons entitled to vote were present and voted, as the case may be. Such consent must be filed with the minutes of proceedings of the Headwaters Board or of the committee. Such consent shall have the same force and effect as a vote at a meeting where such directors or officers were present and voted and may be stated as such in any document.

5.5 Electronic Meetings

Subject to the provisions of applicable law and these Bylaws regarding notice of meetings, directors or members of any committee designated by the Headwaters Board may, unless otherwise restricted by statute, by the Certificate of Formation or by these Bylaws, participate in and hold any meeting of the Headwaters Board or committee by using conference telephone or similar communications equipment, or another suitable electronic communications system, including videoconferencing technology or the Internet, or any combination, if the telephone or other equipment system permits each person participating in the meeting to communicate with all other persons participating in the meeting. If voting is to take place at the meeting, reasonable measures must be implemented to verify that every person voting at the meeting by means of remote communications is sufficiently identified and a record must be kept of any vote or other action taken. Participation in a meeting pursuant to this Section shall constitute presence in person at such meeting, except when a person participates in the meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting was not lawfully called or convened.

5.6 Minutes

At meetings of the Headwaters Board, business shall be transacted in such order as the Headwaters Board may determine from time to time. In the event the Secretary of the Headwaters Board is unavailable, the Headwaters Board President shall appoint a person to act as Secretary at each meeting. The Secretary of the Headwaters Board, or the person appointed to act as Secretary, shall prepare minutes of the meetings, which shall be delivered to the Corporation to be placed in the minute books of the Corporation.

ARTICLE 6 – COMMITTEES

6.1 Committees of Directors

The Headwaters Board may establish one or more committees, may delegate specified authority to a committee, and may appoint or remove members of a committee. A committee shall include one or more directors and may include persons who are not directors. If the Headwaters Board delegates any of its authority to a committee, the majority of the committee shall consist of directors.

6.2 Advisory Boards or Committees

Advisory boards or committees not having and exercising the authority, responsibility or duties of the Headwaters Board in the management of the Corporation may be designated by a resolution adopted by the directors. Except as otherwise provided in such resolution, members of each such advisory board or committee need not be directors of the Corporation. The Headwaters Board President shall appoint the members of such advisory boards or committees. Any committee

member may be removed by the Headwaters Board President whenever in the Headwaters Board President's judgment the best interests of the Corporation shall be served by such removal.

ARTICLE 7 – OFFICERS

7.1 Appointed Officers

On an annual basis, following a recommendation from the CEO of New Braunfels Utilities, the New Braunfels Utilities Board of Trustees shall appoint the President of the Headwaters Board.

The Headwaters Board may also appoint one or more Assistant Secretaries and Assistant Treasurers and such other officers and assistant officers and agents as it shall from time to time deem necessary, who shall exercise such powers and perform such duties as shall be set forth in these Bylaws or determined from time to time by the Headwaters Board.

7.2 Elected Officers

The elected officers of the Corporation shall include a Secretary and may include one or more Vice Presidents and/or a Treasurer, as may be determined from time to time by the Headwaters Board. Any two (2) or more offices may be held by the same person, except that the President and Secretary shall not be the same person.

7.3 Election

All officers, except the President, will be elected by the Headwaters Board, so far as is practicable, at each annual meeting of the Headwaters Board.

7.4 Term of Office; Removal; Filling of Vacancies

Officers shall hold a one-year term. An officer may be re-elected or re-appointed to serve consecutive terms of office. Each elected or appointed officer of the Corporation shall hold office until such officer's successor is chosen and qualified in such officer's stead or until such officer's earlier death, resignation, retirement, disqualification or removal from office.

Any officer, except for the President, of the Headwaters Board may be removed at any time by the affirmative vote of a majority of the Headwaters Board. The President of the Headwaters Board may be removed at any time by the New Braunfels Utilities Board of Trustees. If any office except the President becomes vacant for any reason, the vacancy shall be filled by the Headwaters Board. If the office of the President becomes vacant for any reason, the vacancy shall be filled by the New Braunfels Utilities Board of Trustees based on a recommendation from the CEO of New Braunfels Utilities.

7.5 President

The President shall be the chief executive officer of the Corporation; shall preside at all meetings of the directors; shall be an ex-officio member of all standing committees; and shall have general and active management of the business of the Corporation.

7.6 Secretary

The Secretary shall keep the minutes of the meetings of the Headwaters Board in one or more books provided for that purpose; see that all notices are duly given in accordance with the provisions of these Bylaws or as required by law; keep custody of the corporate records of the Corporation; keep a register of the post office address of each director which shall be furnished to the Secretary by such directors; and in general perform all duties incident to the office of Secretary

and such other duties as from time to time may be assigned by the President or the Headwaters Board.

7.7 Vice President

In the absence of the President or in the event of the President's inability or refusal to act, the Vice President, if any, (or in the event there be more than one Vice President, Vice Presidents in the order of their election) shall perform the duties of and be subject to all the restrictions of the President. Any Vice President shall perform such other duties as from time to time may be assigned by the President or by the Headwaters Board.

7.8 Treasurer

The Treasurer, if any, shall keep correct and complete books and records of account and make the reports as the Headwaters Board shall require; shall receive and give receipts for monies due and payable to the Corporation from any source whatsoever, and deposit all such monies in the name of the Corporation in such banks, trust companies or other depositories as shall be selected by the Headwaters Board; and, in general, perform all duties incident to the office of Treasurer and such other duties as from time to time may be assigned by the President or by the Headwaters Board.

7.9 Additional Powers and Duties

In addition to the foregoing specially enumerated duties, services and powers, the several elected and appointed officers of the Corporation shall perform such other duties and services and exercise such further powers as may be provided by law, the Certificate of Formation or these Bylaws, or as the Headwaters Board may from time to time determine or as may be assigned by any competent superior officer.

ARTICLE 8 – STAFF

8.1 Staff

New Braunfels Utilities (“NBU”) shall appoint a staff, including an Executive Director (currently named Managing Director until formal action is taken by the Headwaters Board to change such title by resolution or written agreement), and/or a management company to serve at the Headwaters Board's discretion and to carry out whatever tasks the Headwaters Board from time-to-time resolves.

8.2 Executive Director and/or Management Company

The Executive Director and/or management company (“Management”) shall be compensated and/or paid a fee as set by NBU. The Headwaters Board may provide input as to performance metrics and evaluation of staff as requested by NBU; provided, however, that, if Management is employed by NBU, then NBU shall be solely responsible for all decisions as it relates to staff evaluation, hiring, promotion, discipline, and other matters in connection therewith. Subject to such supervisory powers as are vested in the Headwaters Board, Management shall supervise, direct, and control the business of the Corporation and actively manage the Corporation's business, and shall have such other powers and duties as may be prescribed by the Headwaters Board or by these Bylaws. Management may engage in negotiations involving commitments of the resources of the Corporation or the acceptance of money or resources by the Corporation in furtherance of the purposes of the Corporation as set out in the Certificate of

Formation and these Bylaws. Management shall generally be expected to attend all meetings of the Headwaters Board, yet Management does not have a vote on the Headwaters Board.

ARTICLE 9 – OPERATIONS

9.1 Contracts

The Headwaters Board may authorize any officer or officers, or agent or agents, of the Corporation, in addition to the officers so authorized by these Bylaws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation, and such authority may be general or confined to specific instances. The Headwaters Board shall be required to obtain NBU approval for any contracts that affect or pertain to real property owned by NBU or staff employed by NBU.

9.2 Disbursement of Funds

Management may dispense with the funds of the Corporation in accordance with the annual budget approved by the Headwaters Board and the purposes of the Corporation as set out in the Certificate of Formation and these Bylaws.

Financial transactions with the value of \$5,000 or more that are not in the annual budget shall require majority approval of the Headwaters Board.

Notwithstanding the above, all checks of more than \$5,000 disbursing funds from any of the Corporation's accounts shall require the signatures of Management and at least one of the following officers who is an authorized signer: President, Vice President, Secretary, or Treasurer.

9.3 Records

The Corporation will keep correct and complete records of account and will also keep minutes of the proceedings of the Headwaters Board meetings and Committees. The Corporation will keep at its principal place of business the original or a copy of these Bylaws, including any amendments to date certified by the Secretary of the Corporation.

9.4 Conflicts of Interest

The Corporation shall adopt a conflict of interest policy in the form attached hereto as Schedule A.

9.5 Dividends Prohibited

No part of the net income of the Corporation shall inure to the benefit of any private individual and no dividend shall be paid and no part of the income of the Corporation shall be distributed to its directors or officers.

The Corporation may reimburse its directors as provided in Section 3.9.

9.6 Loans to Officers and Directors Prohibited

The Corporation will not make loans to its officers and directors, and any directors voting for or assenting to the making of any such loan, and any officer participating in the making thereof, shall be jointly and severally liable to the Corporation for the amount of such loan until repayment thereof.

9.7 Fiscal Year

The fiscal year of the Corporation will be January 1 to December 31.

9.8 Invalid Provisions

If any part of these Bylaws shall be held invalid or inoperative for any reason, the remaining parts, so far as is possible and reasonable, shall remain valid and operative.

ARTICLE 10 – INDEMNIFICATION

10.1 Right to Indemnification

The Corporation shall indemnify any person who was, is, or is threatened to be made a named defendant or respondent in a proceeding (as hereinafter defined) because the person (i) is or was a director, officer, or committee member of the Corporation or (ii) while a director, officer, or committee member of the Corporation, is or was serving at the request of the Corporation as a director, officer, committee member, partner, or other enterprise, to the fullest extent that a corporation may grant indemnification to a director under the TBOC as the same exists or may hereafter be amended. TO THE EXTENT PERMITTED BY THEN-APPLICABLE LAW, THE GRANT OF MANDATORY INDEMNIFICATION TO ANY PERSON PURSUANT TO THIS ARTICLE SHALL EXTEND TO PROCEEDINGS INVOLVING THE NEGLIGENCE OF SUCH PERSONS. Such right shall be a contract right and shall include the right to be paid by the Corporation expenses incurred in defending any such proceeding in advance of its final disposition to the maximum extent permitted under the TBOC as the same exists or may hereafter be amended. As used herein, the term "proceeding" means any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, arbitrative, or investigative, any appeal in such an action, suit, or proceeding, and any inquiry or investigation that could lead to such an action, suit, or proceeding.

10.2 Reimbursement

If a claim for indemnification or advancement of expenses hereunder is not paid in full by the Corporation within one-hundred and eighty (180) days after a written claim has been received by the Corporation, the claimant may at any time thereafter, provided within the applicable statute of limitations, bring suit against the Corporation to recover the unpaid amount of the claim, and if successful in whole or in part, the claimant shall be entitled to be paid also the reasonable expenses of prosecuting such claim. It shall be a defense to any such action that such indemnification or advancement of costs of defense are not permitted under the TBOC, but the burden of proving such defense shall be on the Corporation. Neither the failure of the Corporation (including its Headwaters Board or any committee thereof, special legal counsel, or members, if any) to have made its determination prior to the commencement of such action that indemnification of, or advancement of costs of defense to, the claimant is permissible in the circumstances nor an actual determination by the Corporation (including its Board or any committee thereof, special legal counsel, or members, if any) that such indemnification or advancement is not permissible shall be a defense to the action or create a presumption that such indemnification or advancement is not permissible.

10.3 Right to Indemnity

In the event of the death of any person having a right of indemnification under the foregoing provisions, such right shall inure to the benefit of his heirs, executors, administrators, and personal representatives.

10.4 Insurance

The Corporation shall purchase and maintain insurance on behalf of any person who is serving the Corporation against any liability asserted against him and incurred by him in such a capacity or arising out of his status as such a person, whether or not the Corporation would have the power to indemnify him against that liability under these Bylaws or by statute. Notwithstanding the foregoing, no person shall be indemnified pursuant to the provisions of this Article and no insurance may be maintained on behalf of any person if such indemnification or maintenance of insurance would subject the Corporation or such person to income or excise tax under the Code, including any tax asserted under Chapter 42 of the Code. The Corporation may additionally indemnify any person covered by the grant of mandatory indemnification contained above to such further extent as is permitted by law and may indemnify any other person to the fullest extent permitted by law. The rights conferred above shall not be exclusive of any other right which any person may have or hereafter acquire under any statute, bylaw, resolution of members, if any, or directors, agreement, or otherwise.

ARTICLE 11 – AMENDMENTS TO BYLAWS

11.1 Powers to Amend

These Bylaws may be amended or repealed, or new bylaws may be adopted at any annual or special meeting of the Headwaters Board at which a quorum is present by the affirmative vote of a majority of the directors present at the meeting, provided notice of the proposed amendment, repeal or adoption be contained in the notice of such meeting; and provided further, that the foregoing notice requirement shall not prohibit the directors from adopting the proposed amendment, effecting the proposed repeal or adopting the proposed new bylaws, as the case may be, in a modified form which is not identical to that described or set forth in the notice of such meeting. Any amendment, repeal, or adoption of the Bylaws must also be approved by the New Braunfels Utilities Board of Trustees.

ARTICLE 12 –DISSOLUTION

12.1 Distribution of Assets

The Corporation pledges its assets for use in performing the Corporation’s charitable functions. In the event the Corporation is dissolved, after all liabilities and obligations of the Corporation are paid or provision is made therefore, the Headwaters Board shall distribute remaining assets of the Corporation as they shall determine but only for tax-exempt purposes to such organization or organizations organized and operated exclusively for charitable or educational purposes and which are exempt under Section 501(c)(3) of the Code. Any of such assets not so disposed of shall be disposed of by a court of competent jurisdiction of the county which the principal office of the Corporation is then located, to one or more organizations exempt under Section 501(c)(3) of the Code in a manner which best accomplishes the purposes of the Corporation. No director or officer of the Corporation and no private individual will be entitled to share in the distribution of any assets of the Corporation in the event of its dissolution.

12.2 Decision Making Authority

The Headwaters Board shall have the sole and exclusive right to vote and make decisions regarding or in any way involving the dissolution, merger, and/or consolidation of the Corporation

and decisions regarding the sale of substantially all of the Corporation's assets, provided any such decision is approved by the New Braunfels Utilities Board of Trustees.

CERTIFICATION

I, the undersigned duly elected and acting Secretary of the Corporation hereby certify that the foregoing Bylaws were adopted as of the Corporation as of the 1st day of March, 2023, that the same constitute the Bylaws of said nonprofit corporation, and that the Bylaws have not been modified, amended or rescinded as of such date.

IN WITNESS WHEREOF, I have signed this certification effective as of March 1, 2023.



Leonard Dougal
Secretary of the Headwaters Board of Directors

SCHEDULE A. CONFLICT OF INTEREST POLICY

ARTICLE 1 - PURPOSE

The purpose of the Conflict of Interest Policy (“Policy”) is to protect The Headwaters of the Comal’s (the “Corporation”) interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer, director, or key employee of the Corporation that might result in a possible excess benefit transaction. This Policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

ARTICLE 2 - DEFINITIONS

2.1. Interested Person

Any director, principal officer, or member of a committee with powers delegated by the Corporation’s Board of Directors (the “Headwaters Board”), who has a direct or indirect financial interest, as defined below, is an interested person.

2.2. Financial Interests

Financial interests include, but are not limited to:

- a. An ownership, investment interest, or compensation arrangement with any entity with which the Corporation has a transaction or arrangement;
- b. A compensation arrangement with the Corporation or with any entity or individual with which the Corporation has a transaction or arrangement; or
- c. A potential ownership, investment interest, or compensation arrangement with any entity or individual with which the Corporation is negotiating a transaction or arrangement, including a commission or fee, share of the proceeds, the prospect of promotion or profit, or any other form of financial reward.

2.3. Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial. Compensation, however, does not include any salary or benefits paid by New Braunfels Utilities to any director in exchange for employment services rendered.

2.4. A financial interest is not necessarily a conflict of interest. Under Article III, Section 2, a person who has a financial interest may have a conflict of interest only if the Headwater Board decides that a conflict of interest exists.

ARTICLE 3 – PROCEDURES

3.1. Duty to Disclose

In connection with the actual or potential conflict of interest, an interested person must disclose the existence of his financial interest and all material facts to the directors and members of committees with Headwaters Board-delegated powers considering the proposed transaction or arrangement and shall abstain from voting on such matters.

3.2. Determining Whether a Conflict of Interest Exists

After disclosure of the financial interest and all material facts, and after any discussion with the interested person, the interested party shall leave the Headwaters Board or committee meeting

while the determination of a conflict of interest is discussed and voted upon. The remaining Headwaters Board or committee members shall decide if a conflict of interest exists.

3.3. Procedures for Addressing the Conflict of Interest

- a. An interested person may make a presentation at the Headwaters Board or committee meeting, but after such presentation, he shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement that results in the conflict of interest.
- b. The President or Chair of a committee shall appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement, if appropriate.
- c. After exercising due diligence, the Headwaters Board or committee shall determine whether the Corporation can obtain a more advantageous transaction or arrangement with reasonable efforts from a person or entity that would not give rise to a conflict of interest.
- d. If a more advantageous transaction or arrangement is not reasonably attainable under circumstances that would not give rise to a conflict of interest, the Headwaters Board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the Corporation's best interest and for its own benefit and whether the transaction is fair and reasonable to the Corporation. The Corporation shall make its decision as to whether to enter into the transaction or arrangement in conformity with such determination.

3.4. Violations of the Conflict of Interest Policy

- a. If the Headwaters Board or committee has reasonable cause to believe that a person has failed to disclose actual or possible conflicts of interest, it shall inform the person of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.
- b. If, after hearing the response of the person and making such further investigation as may be warranted in the circumstances, the Headwaters Board or committee determines that the person has in fact failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action, including, but not limited to, removal from the Headwaters Board.

ARTICLE 4 – RECORDINGS AND PROCEEDINGS

4.1. The minutes of the Headwaters Board and committees with Headwaters Board-delegated powers shall contain:

- a. The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the Headwaters Board's or committee's decision as to whether a conflict of interest in fact existed; and
- b. The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection therewith.

ARTICLE 5 – COMPENSATION

5.1 A voting member of the Headwaters Board who receives compensation, directly or indirectly, from the Corporation for services is precluded from voting on matters pertaining to that member's compensation.

5.2 A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Corporation for services is precluded from voting on matters pertaining to that member's compensation.

5.3 No voting member of the Headwaters Board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Corporation, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

ARTICLE 6 – ANNUAL STATEMENT

6.1 Each director, officer, and committee member with Board-delegated powers shall annually sign a statement that affirms that such person:

- a. Has received a copy of the Policy;
- b. Has read and understands the Policy;
- c. Has agreed to comply with the Policy; and
- d. Understands that the Corporation is a charitable organization and that in order to maintain its federal tax exemption it must engage primarily in activities that accomplish one or more of its tax-exempt purposes.

ARTICLE 7 – PERIODIC REVIEWS

7.1 To ensure the Corporation operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

- a. Whether compensation arrangements and benefits are reasonable, based on competent survey information and the result of arm's length bargaining.
- b. Whether partnerships, joint ventures, and arrangements with management organizations conform to the Corporation's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes and do not result in inurement, impermissible private benefit or in an excess benefit transaction.
- c. When conducting the periodic reviews, the Corporation may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the Headwaters Board of its responsibility for ensuring periodic reviews are conducted.

Conflict of Interest Annual Disclosure Statement

By signing the form below, I agree to ALL the statements below:

- I serve in of the following function(s) for the Corporation: Director, Board Advisor, Staff, Volunteer, Contractor, or _____ (specify other).
- I have received a copy of the Conflict of Interest Policy.
- I have READ and UNDERSTAND the Conflict of Interest Policy and know that I can directly contact the Corporation’s Executive Director or Board Chairman on matters that may pertain to a “real or perceived” conflict of interest.
- I agree to comply with this Conflict of Interest Policy.
- I understand that the corporation is a nonprofit corporation with 501(c)(3) tax exempt status, and that the Corporation, in order to maintain its federal tax-exemption, that is must engage primarily in activities that accomplish one or more of its tax-exempt purposes;

NAME

TITLE

DATE

ACCEPTANCE OF NOTICE BY EMAIL

I agree to accept meeting notice and other Headwaters Board materials via email at the email address listed below. I agree to meet electronically should the meeting notice include the electronic contact information.

Director’s Email Address, Date



Meeting Date: May 30, 2024 **Agenda Type:** Consent Items for Action

From: Adam Willard, P.E.
Chief Engineer of Water Systems **Reviewed by:** Michael Short, P.E.
Director of Water Services and Compliance

Submitted by: Michael Short, P.E.
Director of Water Services and Compliance **Approved by:** Ryan Kelso
Chief Executive Officer

RECOMMENDED ACTION: Authorize CEO or His Designee to Negotiate and Execute a Second Amendment to the Professional Services Agreement with Merrick & Company for the Development Plan Review Project for Water and Wastewater Construction

BACKGROUND

On August 6, 2021, New Braunfels Utilities (“NBU”) entered into a Professional Services Agreement (the “Agreement”) with Merrick & Company (“Merrick”) for professional engineering services for the Development Plan Review project (the “Project”). On January 26, 2023, the Board approved a Professional Services Contract Amendment (the “First Amendment”) in order to (i) reduce the Professional’s time to provide comments on construction plans; (ii) add a weekly reporting requirement for the Professional regarding the status of construction plan review; (iii) add a Renewal Term (defined therein), thereby extending the completion date to July 31, 2024; and (iv) increase the total not to exceed amount of compensation to be paid to the Professional to \$560,000.00.

NBU has identified a need to further extend this Agreement, due to the high volume of plan submittals associated with rapid growth in New Braunfels’ water and wastewater service areas. As a result, NBU staff requests that the Board approve the Second Amendment to the Agreement (the “Second Amendment”), to (i) revise the hourly billing rate structure; (ii) increase the Professional’s construction plan review time; (iii) add two one-year renewal terms, thereby extending the completion date to July 31, 2026; and (iv) increase the total not to exceed amount of compensation to be paid to the Professional under the Agreement to \$850,000.00.

This item is being presented to the Board because it modifies the Agreement beyond the parameters the Board previously approved.

FINANCIAL IMPACT

The total financial impact for the Second Amendment is \$290,000.00. The total contract amount for the Agreement, the First Amendment, and the Second Amendment with Merrick for the Project is \$850,000.00. The Project is budgeted within the fiscal year 2024 through fiscal year 2026 NBU Board approved Capital Improvements Projects Budget.

LINK TO STRATEGIC PLAN

Customers and Community

Stewardship

EXHIBITS

1. Second Amendment to the Professional Services Agreement with Merrick

**SECOND AMENDMENT TO PROFESSIONAL SERVICES AGREEMENT
(DEVELOPMENT PLAN REVIEW)**

This **SECOND AMENDMENT TO PROFESSIONAL SERVICES AGREEMENT** (the “Second Amendment”) is made and entered into by and between **NEW BRAUNFELS UTILITIES**, a Texas municipal owned utility (“NBU”), and **MERRICK & COMPANY**, a Colorado corporation authorized to transact business in the State of Texas (the “Professional”) (collectively, “the Parties”).

RECITALS

WHEREAS, NBU and the Professional entered into a Professional Services Agreement dated August 6, 2021 (the “Original Agreement”), for all labor, material, and equipment necessary to provide engineering support to review construction plans for water and wastewater improvements that are needed for new residential and commercial developments located within NBU’s service area (the “Original Services”) for a term of one (1) year with an automatic renewal for an additional twelve (12) months;

WHEREAS, the Original Agreement did not require Board approval because the cost for the Original Services totaled \$260,000 and did not exceed the \$500,000 threshold for Board approval required by the NBU Purchasing Policy;

WHEREAS, the Parties entered into a First Amendment to Professional Services Agreement on February 8, 2023, to (i) reduce the Professional’s time to provide comments on construction plans; (ii) add a weekly reporting requirement for the Professional regarding the status of construction plan review; (iii) add a Renewal Term (defined therein), thereby extending the completion date to July 31, 2024; and (iv) increase the total not to exceed amount of compensation to be paid to the Professional to \$560,000 (the “First Amendment” and, together with the Original Agreement, the “Agreement”);

WHEREAS, in connection with the NBU Purchasing Policy, the NBU Board of Trustees approved the First Amendment because together the Original Agreement and the First Amendment exceed \$500,000;

WHEREAS, the Parties have identified a need to (i) revise the hourly billing rate structure; (ii) increase the Professional’s construction plan review time; (iii) extend the completion date; and (iv) increase the compensation to be paid to the Professional under the Agreement;

WHEREAS, the Agreement requires the Parties to agree in writing to amend the Agreement;
and

WHEREAS, the Parties desire to amend the Agreement to (i) revise the hourly billing rate structure; (ii) increase the Professional’s construction plan review time; (iii) add two one-year renewal terms, thereby extending the completion date to July 31, 2026; and (iv) increase the total not to exceed amount of compensation to be paid to the Professional under the Agreement to \$850,000.

NOW THEREFORE, in consideration of the foregoing promises and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

AGREEMENT

Section 1. Amendment to the Agreement. As of the effective date of this Second Amendment, Section 1 of the Agreement is hereby deleted and replaced in its entirety as follows:

Section 1. Term of the Agreement. This Agreement will be effective on the latest date subscribed below, and will remain in full force and effect for a period of one (1) year from August 1, 2021, to July 31, 2022 (the “Initial Term”), unless terminated as otherwise provided pursuant to the terms and conditions of this Agreement. After the expiration of the Initial Term, this Agreement shall automatically renew for four (4) successive one-year terms (each, a “Renewal Term”), unless either party provides written notice of its intent to terminate the Agreement to the other party at least thirty (30) days prior to the expiration of any term. The Initial Term and any Renewal Term(s) are collectively referenced herein as the “Term.” Upon renewal, the terms and conditions of this Agreement will remain in full force and effect. In no event will the contract Term extend beyond July 31, 2026.

Section 2. Amendment to Exhibit A. Exhibit A to the Agreement is hereby amended, in part, as described by Exhibit A to this Second Amendment as of the effective date of this Second Amendment.

Section 3. Amendment to Exhibit B. Exhibit B to the Agreement is hereby deleted and replaced in its entirety by Exhibit B to this Second Amendment as of the effective date of this Second Amendment.

Section 4. Remaining Terms. Except as stated herein, all other terms and conditions of the Agreement remain in full force and effect.

Section 5. Entire Agreement. This Second Amendment, together with the Agreement, sets forth the entire understanding of NBU and the Professional and supersedes all prior agreements and understandings, whether written or oral, with respect to the subject matter hereof.

Section 6. Binding Effect. This Second Amendment will extend to and be binding upon NBU and the Professional and their respective successors and permitted assigns.

Section 7. Severability. If any term or provision of this Second Amendment is held to be invalid, illegal, or unenforceable in any respect under applicable law, the legality, validity or enforceability of the remaining terms or provisions of this Second Amendment shall not be affected thereby, and this Second Amendment shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein.

Section 8. Governing Law. This Second Amendment shall be governed by and construed in accordance with the laws of the State of Texas.

(The remainder of this page is intentionally left blank.)

IN WITNESS WHEREOF, the Parties hereto, upon lawful approval and authority, have executed this Second Amendment on this the ____ day of _____, 2024.

NBU:

NEW BRAUNFELS UTILITIES,
a Texas municipal owned utility

By: _____
Name: Ryan Kelso
Title: CEO

THE PROFESSIONAL:

MERRICK & COMPANY,
a Colorado corporation authorized to
transact business in the State of Texas

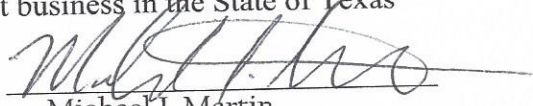
By: 
Name: Michael J. Martin
Title: Sr. Vice President

Exhibit A

Services

NO CHANGE

Task 1. Construction Plan Review

NO CHANGE

1.1. NO CHANGE

1.2. NO CHANGE

1.3. NO CHANGE

1.4. The Professional shall provide a letter in Microsoft Word format with written comments to NBU for NBU to submit back to the issuing design engineer within 14 calendar days of receipt of submittal from NBU.

1.5. NO CHANGE

1.6. NO CHANGE

1.7. NO CHANGE

1.7.1 NO CHANGE

1.7.2 NO CHANGE

1.7.3 NO CHANGE

1.7.4 NO CHANGE

Time of Completion

The Professional is authorized to perform the Services upon execution of this Agreement for the period of time described in Section 1 of the Agreement, as amended.

Exhibit B

Compensation

NBU shall pay the Professional for the Services rendered under this Agreement in an amount not to exceed \$850,000 for the duration of the Agreement in accordance with the table below.

Cost Breakdown	Original Agreement Amount	First Amendment	Second Amendment	Total Amount
Initial Term (August 2021 – July 2022)	\$130,000	\$0	\$0	\$130,000
First Renewal Term (August 2022 – July 2023)	\$130,000	\$85,000	\$0	\$215,000
Second Renewal Term (August 2023 – July 2024)	\$0	\$215,000	\$0	\$215,000
Third Renewal Term (August 2024 – July 2025)	\$0	\$0	\$145,000	\$145,000
Fourth Renewal Term (August 2025 – July 2026)	\$0	\$0	\$145,000	\$145,000
Total	\$260,000	\$300,000	\$290,000	\$850,000

The Professional's hourly rates are included below for informational purposes only.



SCHEDULE OF HOURLY BILLING RATES

EFFECTIVE January 1, 2024

ADMINISTRATION & PROCESS CONTROLS:	
Admin I	\$100
Admin II	\$120
Admin III	\$140
Admin IV	\$155
DRAFTING:	
Designer I	\$100
Designer II	\$120
Designer III	\$140
Designer IV	\$155
Designer V	\$170
Senior Design Consultant	\$200
Design Manager	\$210
PROJECT ENGINEERING:	
Project Engineer I	\$120
Project Engineer II	\$140
Project Engineer III	\$155
Project Engineer IV	\$170
Project Engineer V	\$190
Senior Project Engineer	\$200
Practice Leader (Engineering & Technical Design)	\$275
Senior Practice Leader (Engineering & Technical Design)	\$300
PROJECT MANAGEMENT:	
Project Manager	\$240.00
Senior Project Manager	\$250.00
OTHER:	
Subconsultant	Cost + 10%
Courier	Cost + 10%
Minimum Charge	\$30.00
Personal Vehicle Mileage	Current Allowable IRS Rate
Other Materials or Equipment	Other Materials or Equipment Cost + 10%



Meeting Date: May 30, 2024 **Agenda Type:** Consent Items for Action

From: Adam Willard, P.E. **Reviewed by:** Michael Short, P.E.
 Chief Engineer of Water Director of Water Services and
 Systems Compliance

Submitted by: Michael Short, P.E. **Approved by:** Ryan Kelso
 Director of Water Services Chief Executive Officer
 and Compliance

RECOMMENDED ACTION: Authorize CEO or His Designee to Negotiate and Execute a Professional Service Agreement with Pawelek & Moy, Inc. for the Design of the North Kuehler Interceptor Segment 3 Project

BACKGROUND

This Professional Services Agreement (the “Agreement”) with Pawelek & Moy, Inc. (“P&M”) provides project management, preliminary engineering design, final design, field services, permitting and coordination with stakeholders, bid phase services, and construction phase services for the New Braunfels Utilities (“NBU”) North Kuehler Interceptor Segment 3 Project (the “Project”). The Project is anticipated to add approximately 8,000 linear feet of 15-inch, 24-inch, and 27-inch diameter sewer main improvements and will remove aged and undersized infrastructure, improving wastewater service within the Kuehler wastewater basin.

NBU staff requests that the Board of Trustees approve the Agreement with P&M for the Project.

This item is being presented to the Board because the total amount of the Agreement exceeds \$500,000.

Upon completion of the final design, NBU staff will solicit a construction contract and anticipates bringing the construction contract to the Board for approval in June 2026. NBU staff plans to begin construction in August 2026 and complete construction by August 2027.

FINANCIAL IMPACT

The total financial impact for the Agreement with John Moy for the Project is \$924,200, including supplemental services. The Project is budgeted within the fiscal year 2025 through fiscal year 2026 NBU Board approved Capital Improvements Projects Budget.

LINK TO STRATEGIC PLAN

Customers and Community

Infrastructure and Technology

Stewardship

EXHIBITS

1. Professional Services Agreement with P&M

PROFESSIONAL SERVICES AGREEMENT

This **PROFESSIONAL SERVICES AGREEMENT** (the “Agreement”) is made and entered by and between **NEW BRAUNFELS UTILITIES**, a Texas municipally owned utility (“NBU”), and **PAWELEK & MOY, INC.**, a Texas corporation (the “Professional”). For good and valuable consideration, the receipt and sufficiency of which is acknowledged, the parties agree as follows:

Section 1. Term of Agreement. This Agreement shall become effective the date on which the last party to this Agreement executes this Agreement and this Agreement shall not be binding until executed by all parties (the “Effective Date”). Once this Agreement is executed by both parties, this Agreement shall remain in effect until the completion date specified in Exhibit A, unless terminated as provided for in this Agreement. Subject to Section 271.904 of the Texas Local Government Code, as amended, Exhibit A shall provide, in either calendar days or by providing a final date, a time of completion prior to which the Professional shall have completed all tasks related to the Services (hereinafter defined).

Section 2. Scope of Services.

(A) The Professional shall perform the services described in Exhibit A (the “Services”) within the timeframe specified therein. The scope of work described in the Services constitutes the “Project.”

(B) The quality of Services provided hereunder shall be of the level of professional quality performed by professionals regularly rendering this type of service.

(C) The Professional shall perform the Services in compliance with all statutory, regulatory, and contractual requirements now or hereafter in effect as may be applicable to the rights and obligations set forth in the Agreement.

(D) The Professional may rely upon the accuracy of reports and surveys provided to it by NBU except when defects should have been apparent to a reasonably competent professional or when it has actual notice of any defects in the reports and surveys.

Section 3. Compensation.

(A) Amount. The Professional shall be paid the amount set forth in Exhibit B as described herein.

(B) Billing Period. NBU shall pay the Professional within thirty (30) days after receipt and approval of invoices and based upon work satisfactorily performed and completed to date. All invoices shall document and itemize all work completed to date. Each invoice statement shall include a record of time expended and work performed in sufficient detail to justify payment. In the event any uncontested portions of any invoice are not paid within thirty (30) days of receipt and approval of the Professional’s invoice, the Professional shall have the right to suspend work.

(C) Reimbursable Expenses. Any and all reimbursable expenses related to the Project shall be described in the Services defined in Exhibit A and accounted for in the total compensation amount in Exhibit B. If these items are not specifically accounted for in both Exhibit A and Exhibit B, NBU shall not be required to pay such amounts unless otherwise agreed to in writing by both parties or unless agreed to pursuant to Section 4 of this Agreement.

Section 4. Changes to the Project Work; Additional Work.

(A) Changes to Work. The Professional shall make such revisions to any work that has been completed as are necessary to correct any errors or omissions as may appear in such work. If NBU finds it necessary to make changes to previously satisfactorily completed work or parts thereof, the Professional shall make such revisions if requested and as directed by NBU and such services shall be considered as additional work and paid for as specified under the following paragraph.

(B) Additional Work. NBU retains the right to make changes to the Services at any time by a written contract amendment. Work that is clearly not within the general description of the Services under this Agreement must be approved in writing by NBU by contract amendment before the additional work is undertaken by the Professional. If the Professional is of the opinion that any work is beyond that contemplated in this Agreement and the Services described in Exhibit A and therefore constitutes additional work, the Professional shall promptly notify NBU of that opinion in writing. If NBU agrees that such work does constitute additional work, then NBU and the Professional shall execute a contract amendment for the additional work and NBU shall compensate the Professional for the additional work on the same basis of the rates for the Services contained in Exhibit B. If the changes deduct from the extent of the scope of work for the Services, the contract sum shall be adjusted accordingly. All such changes shall be executed under the conditions of the original Agreement. Any work undertaken by the Professional not previously approved as additional work shall be at risk of the Professional.

Section 5. Ownership of Documents. Upon completion or termination of this Agreement, all documents prepared by the Professional or furnished to the Professional by NBU shall be delivered to and become the property of NBU. All drawings, charts, calculations, plans, specifications and other data, including electronic files and raw data, prepared under or pursuant to this Agreement shall be made available, upon request, to NBU without restriction or limitation on the further use of such materials; however, such materials are not intended or represented to be suitable for reuse by NBU or others. Any reuse of the materials related to the Services without prior verification or adaptation by the Professional for the specific purpose intended will be at NBU's sole risk and without liability to the Professional. Where applicable, the Professional shall retain all pre-existing proprietary rights in the materials provided to NBU but shall grant to NBU a non-exclusive, perpetual, royalty-free license to use such proprietary information solely for the purposes for which the information was provided. The Professional may, at the Professional's expense, have copies made of the documents or any other data furnished to NBU under or pursuant to this Agreement.

Section 6. Personnel. The Professional shall provide adequate, experienced personnel, capable of and devoted to the successful completion of the Services to be performed under this Agreement. The Professional agrees that, upon commencement of the Services to be performed

under this Agreement, key personnel will not be removed or replaced without prior written notice to NBU. If key personnel are not available to perform the Services for a continuous period exceeding thirty (30) calendar days, or are expected to devote substantially less effort to the Services than initially anticipated, the Professional shall immediately notify NBU of same and shall replace such personnel with personnel possessing substantially equal ability and qualifications.

Section 7. Licenses; Materials. The Professional shall maintain in current status all federal, state, and local licenses and permits required for the Professional to perform the Services and operate its business. NBU has no obligation to provide the Professional, its employees or subcontractors any business registrations or licenses required to perform the Services described in this Agreement. NBU has no obligation to provide tools, equipment, or materials to the Professional.

Section 8. Professional's Seal; Standard of Care. To the extent the Professional has a professional seal, the Professional shall place such seal on all final documents and data furnished by the Professional to NBU. Preliminary documents released from a license holder's control shall identify the purpose of the document, the engineer(s) of record and the engineer license number(s), and the release date on the title sheet of bound engineering reports, specifications, details, calculations or estimates, and each sheet of plans or drawings regardless of size or binding. As required by Section 271.904 of the Texas Local Government Code, as amended, all services provided under this Agreement will be performed with the professional skill and care ordinarily provided by competent engineers or architects, as applicable, practicing under the same or similar circumstances and professional license. The Professional shall perform its services as expeditiously as is prudent considering the ordinary professional skill and care of a competent engineer or architect, as applicable. The plans, specifications, and data provided by the Professional shall be adequate and sufficient to enable those performing the actual work to perform the work as and within the time contemplated by NBU and the Professional. NBU acknowledges that the Professional does not have control over the methods or means of work or the costs of labor, materials, or equipment. Unless otherwise agreed in writing, any estimates of costs by the Professional are for informational purposes only and are not guarantees.

Section 9. Indemnification.

(A) GENERAL. TO THE EXTENT PERMITTED BY LAW, INCLUDING SECTION 271.904 OF THE TEXAS LOCAL GOVERNMENT CODE, THE PROFESSIONAL SHALL INDEMNIFY AND HOLD HARMLESS NBU AND EACH BOARD MEMBER, OFFICER, EMPLOYEE, AGENT, AND REPRESENTATIVE THEREOF (NBU AND ANY SUCH PERSON BEING HEREIN CALLED AN "INDEMNIFIED PARTY") FOR, FROM AND AGAINST ANY AND ALL LOSSES, CLAIMS, DAMAGES, LIABILITIES, COSTS AND EXPENSES (INCLUDING, BUT NOT LIMITED TO, REASONABLE ATTORNEYS' FEES AND COURT COSTS) INCURRED BY ANY INDEMNIFIED PARTY WHICH ARE:

- i. DUE TO THE VIOLATION OF ANY ORDINANCE, REGULATION, STATUTE, OR OTHER LEGAL REQUIREMENT IN THE PERFORMANCE OF THIS AGREEMENT, BY THE PROFESSIONAL, ITS AGENT, EMPLOYEE, ANY CONSULTANT UNDER CONTRACT, OR ANY OTHER ENTITY OVER WHICH THE PROFESSIONAL EXERCISES CONTROL;**

- ii. CAUSED BY OR RESULTING FROM ANY NEGLIGENT OR INTENTIONAL ACT OR OMISSION IN VIOLATION OF PROFESSIONAL’S STANDARD OF CARE, BY THE PROFESSIONAL, ITS AGENT, ANY CONSULTANT UNDER CONTRACT, OR ANY OTHER ENTITY OVER WHICH THE PROFESSIONAL EXERCISES CONTROL;
- iii. CAUSED BY OR RESULTING FROM ANY CLAIM ASSERTING INFRINGEMENT OR ALLEGED INFRINGEMENT OF A PATENT, TRADEMARK, COPYRIGHT OR OTHER INTELLECTUAL PROPERTY RIGHT IN CONNECTION WITH THE INFORMATION FURNISHED BY OR THROUGH THE PROFESSIONAL, ITS AGENT, ANY CONSULTANT UNDER CONTRACT, OR ANY OTHER ENTITY OVER WHICH THE PROFESSIONAL EXERCISES CONTROL;
- iv. DUE TO THE FAILURE OF THE PROFESSIONAL, ITS AGENT, ANY CONSULTANT UNDER CONTRACT, OR ANY OTHER ENTITY OVER WHICH THE PROFESSIONAL EXERCISES CONTROL TO PAY THEIR CONSULTANTS OR SUBCONSULTANTS AMOUNTS DUE FOR SERVICES PROVIDED IN CONNECTION WITH THE PROJECT; OR
- v. OTHERWISE ARISING OUT OF OR RESULTING FROM THE PERFORMANCE OF THE SERVICES UNDER THIS AGREEMENT, INCLUDING SUCH CLAIMS, DAMAGES, LOSSES OR EXPENSES ATTRIBUTABLE TO BODILY INJURY, SICKNESS, DISEASE OR DEATH, OR TO INJURY TO OR DESTRUCTION OF TANGIBLE PROPERTY, INCLUDING LOSS OF USE RESULTING THEREFROM, BUT ONLY TO THE EXTENT SUCH CLAIMS, DAMAGES, LOSSES, COSTS AND EXPENSES ARE CAUSED BY OR RESULT FROM ANY NEGLIGENT OR INTENTIONAL ACTS OR OMISSIONS OF THE PROFESSIONAL, ITS AGENT, ANY CONSULTANT UNDER CONTRACT, OR ANY OTHER ENTITY OVER WHICH THE PROFESSIONAL EXERCISES CONTROL.

(B) REIMBURSEMENT OF NBU’S FEES IN DEFENSE OF CLAIMS. TO THE EXTENT NBU INCURS ATTORNEY’S FEES IN DEFENSE OF ANY CLAIM ASSERTED AGAINST NBU THAT ARISES OR RESULTS FROM THE ALLEGED ACTS OR OMISSIONS OF THE PROFESSIONAL DESCRIBED IN THIS SECTION, THE PROFESSIONAL SHALL REIMBURSE NBU ITS REASONABLE ATTORNEY’S FEES IN PROPORTION TO THE PROFESSIONAL’S LIABILITY FOUND AFTER A FINAL ADJUDICATION OF LIABILITY.

The obligations of the Professional under this Section shall survive the termination of this Agreement.

Section 10. Insurance.

(A) General.

- i. Insurer Qualifications. Without limiting any obligations or liabilities of the Professional, the Professional shall purchase and maintain, at its own expense,

hereinafter stipulated minimum insurance with insurance companies authorized to do business in the State of Texas with an A.M. Best, Inc. rating of A- VII or above with policies and forms satisfactory to NBU. Failure to maintain insurance as specified herein may result in termination of this Agreement at NBU's option.

- ii. No Representation of Coverage Adequacy. By requiring insurance, NBU does not represent that coverage and limits will be adequate to protect the Professional. NBU reserves the right to review any and all of the insurance policies and/or endorsements cited in this Agreement, but has no obligation to do so. Failure to demand such evidence of full compliance with the insurance requirements set forth in this Agreement or failure to identify any insurance deficiency will not relieve the Professional from, nor be construed or deemed a waiver of, its obligation to maintain the required insurance at all times during the performance of this Agreement.
- iii. Additional Insured. All insurance coverage and self-insured retention or deductible portions, except Workers' Compensation insurance and Professional Liability insurance, if applicable, shall name, to the fullest extent permitted by law for claims arising out of the performance of this Agreement, NBU, its agents, representatives, officers, directors, officials and employees as an Additional Insured (CG 2010 07/04 and CG 2037 07/04 or an equivalent on the general liability policy) as specified under the respective coverage sections of this Agreement.
- iv. Coverage Term. All insurance required herein shall be maintained in full force and effect until all the Services required to be performed under the terms of this Agreement are satisfactorily performed, completed and formally accepted by NBU, unless specified otherwise in this Agreement.
- v. Primary Insurance. The Professional's insurance shall be primary insurance with respect to performance of this Agreement and in the protection of NBU as an Additional Insured.
- vi. Claims Made. In the event any insurance policies required by this Agreement are written on a "claims made" basis, coverage will extend, either by keeping coverage in force or purchasing an extended reporting option, for three years after the conclusion of the term of this Agreement. Such continuing coverage will be evidenced by submission of annual certificates of insurance stating applicable coverage is in force and containing provisions as required herein for the three-year period.
- vii. Waiver. All policies (except for Professional Liability, if applicable), including Workers' Compensation insurance, will contain a waiver of rights of recovery (subrogation) against NBU, its agents, representatives, officials, officers and employees for any claims arising out of the Services performed by the Professional. The Professional shall arrange to have such subrogation waivers incorporated into each policy via formal written endorsement thereto.

- viii. Policy Deductibles and/or Self-Insured Retentions. The policies set forth in these requirements may provide coverage that contains deductibles or self-insured retention amounts. Such deductibles or self-insured retention shall not be applicable with respect to the policy limits provided to NBU. The Professional shall be solely responsible for any such deductible or self-insured retention amount.
- ix. Use of Subcontractors. The Professional shall not use subcontractors for all or any work under this Agreement without the prior written consent of NBU in its sole discretion. If any work under this Agreement is subcontracted in any way, the Professional shall execute written agreements with its subcontractors containing the indemnification provisions set forth in this Agreement and insurance requirements set forth herein protecting NBU and the Professional. The Professional shall be responsible for executing any agreements with its subcontractors and obtaining certificates of insurance verifying the insurance requirements.
- x. Evidence of Insurance. Prior to the Effective Date of this Agreement, the Professional shall provide suitable evidence of insurance to NBU, which confirms that all required insurance policies are in full force and effect. Evidence of insurance shall be in a form acceptable to NBU. Confidential information such as the policy premium may be redacted from the documents evidencing each insurance policy, provided that such redactions do not alter any of the information required by this Agreement. NBU will rely upon the requested information, including, but not limited to, certificates of insurance, endorsements, schedule of forms and endorsements, or other policy language as evidence of coverage but such acceptance and reliance will not waive or alter in any way the insurance requirements or obligations of this Agreement. If any of the policies required by this Agreement expire during the life of this Agreement, it will be the Professional's responsibility to forward renewal certificates and evidence of insurance to NBU five (5) days prior to the expiration date.

(B) Required Insurance Coverage. Any of the coverage set forth below may be waived by NBU in its sole discretion, but any such waiver must be signed by an authorized representative of NBU on or before the Effective Date of this Agreement.

- i. Commercial General Liability. The Professional shall maintain "occurrence" form Commercial General Liability insurance with an unimpaired limit of not less than \$1,000,000 for each occurrence and a \$2,000,000 General Aggregate Limit. The policy shall cover liability arising from premises, operations, independent contractors, products, completed operations, personal injury, and property damage. The definition of insured contract cannot have any modifications as outlined in the ISO policy form CG 0001 0413. Third party action over coverage must not be specifically excluded. To the fullest extent allowed by law, for claims arising out of the performance of this Agreement, NBU, its agents, representatives, officers, officials and employees shall be cited as an Additional Insured. If any Excess insurance is utilized to fulfill the requirements of this subsection, such Excess

insurance shall be “follow form” equal or broader in coverage scope than underlying insurance.

- ii. Auto Liability. The Professional shall maintain Automobile Liability insurance with a limit of \$1,000,000 combined single limit on the Professional’s owned or hired and non-owned vehicles, as applicable, assigned to or used in the performance of the Services by the Professional under this Agreement. To the fullest extent allowed by law, for claims arising out of the performance of this Agreement, NBU, its agents, representatives, officers, directors, officials and employees shall be cited as an Additional Insured. If any Excess insurance is utilized to fulfill the requirements of this subsection, such Excess insurance shall be “follow form” equal or broader in coverage scope than underlying insurance.
- iii. Professional Liability. The Professional shall maintain Professional Liability insurance covering negligent errors and omissions arising out of the Services performed by the Professional, or anyone employed by the Professional, or anyone for whose negligent acts, mistakes, errors and omissions the Professional is legally liable, with an unimpaired liability insurance limit of \$1,000,000 each claim and \$2,000,000 annual aggregate. In the event the Professional Liability insurance policy is written on a “claims made” basis, coverage shall extend for three years after the conclusion of the term of this Agreement, and the Professional shall be required to submit certificates of insurance and other requested information evidencing proper coverage is in effect as required above. Confidential information such as the policy premium or proprietary information may be redacted from the insurance information requested, provided that such redactions do not alter any of the information required by this Agreement.
- iv. Workers’ Compensation and Employer’s Liability Insurance. The Professional shall maintain Workers’ Compensation insurance to cover the Professional’s employees engaged in the performance of the Services under this Agreement and shall also maintain Employers Liability Insurance of not less than \$1,000,000 for each accident, \$1,000,000 disease for each employee and \$1,000,000 disease policy limit.

(C) Cancellation and Expiration Notice. Insurance required herein shall not expire, be canceled, or be materially changed without thirty (30) days’ prior written notice to NBU.

Section 11. Termination.

(A) For NBU’s Convenience. This Agreement is for the convenience of NBU and, as such, may be terminated by NBU for any reason upon thirty (30) days’ written notice by NBU to the Professional. Upon termination for convenience, the Professional will be paid for the Services performed to the termination date less any offsets to which NBU may be entitled under the terms of this Agreement. By written notice to NBU, the Professional may suspend work if the Professional reasonably determines that working conditions at the site (outside the Professional’s control) are unsafe, or in violation of applicable laws, or in the event NBU has not made timely

payment in accordance with this Agreement, or for other circumstances not caused by the Professional that are materially interfering with the normal progress of the work. The Professional's suspension of work hereunder shall be without prejudice to any other remedy of the Professional at law or equity.

(B) For Cause. If either party violates any provision or fails to perform any obligation of this Agreement and such party fails to cure its nonperformance within thirty (30) days after written notice of nonperformance is given by the non-defaulting party, such party will be in default. In the event of such default, the non-defaulting party may terminate this Agreement immediately for cause and will have all remedies that are available to it at law or in equity including, without limitation, the remedy of specific performance. If the nature of the defaulting party's nonperformance is such that it cannot reasonably be cured within thirty (30) days, then the defaulting party will have such additional period of time as may be reasonably necessary under the circumstances, provided the defaulting party immediately (i) provides written notice to the non-defaulting party and (ii) commences to cure its nonperformance and thereafter diligently continues to completion the cure of its nonperformance. In no event will any such cure period exceed ninety (90) days. Only one notice of nonperformance will be required during the term of this Agreement and in the event of a second breach or violation, the nondefaulting party may immediately terminate this Agreement without notice to the defaulting party. In the event of any termination for cause by NBU, payment will be made by NBU to the Professional for the undisputed portion of its fee due as of the termination date less any offsets to which NBU may be entitled under the terms of this Agreement.

(C) Non-Collusion. The Professional represents and warrants that the Professional has not given, made, promised or paid, nor offered to give, make, promise or pay any gift, bonus, commission, money or other consideration to any person as an inducement to or in order to obtain the work to be provided to NBU under this Agreement. If NBU determines that the Professional gave, made, promised, paid or offered any gift, bonus, commission, money, or other consideration to NBU or any of its officers, agents, or employees to secure this Agreement, NBU may elect to cancel this Agreement by written notice to the Professional. The Professional further agrees that the Professional shall not accept any gift, bonus, commission, money, or other consideration from any person (other than from NBU pursuant to this Agreement) for any of the Services performed by the Professional under or related to this Agreement. If any such gift, bonus, commission, money, or other consideration is received by or offered to the Professional, the Professional shall immediately report that fact to NBU and, NBU, at its sole option, may elect to cancel this Agreement by written notice to the Professional.

(D) Agreement Subject to Appropriation. This Agreement is subject to appropriation of funds. The provisions of this Agreement for payment of funds by NBU shall be effective when funds are appropriated for purposes of this Agreement and are actually available for payment. NBU shall be the sole judge and authority in determining the availability of funds under this Agreement and NBU shall keep the Professional fully informed as to the availability of funds for the Agreement. The obligation of NBU to make any payment pursuant to this Agreement is a current expense of NBU, payable exclusively from such annual appropriations, and is not a general obligation or indebtedness of NBU. If sufficient funds are not appropriated to pay the amounts as set forth in this Agreement during any immediately succeeding fiscal year, this Agreement shall terminate at

the end of the then-current fiscal year and NBU and the Professional shall be relieved of any subsequent obligation under this Agreement.

Section 12. Miscellaneous.

(A) Independent Contractor. The Professional acknowledges that the Professional is an independent contractor of NBU and is not an employee, agent, official or representative of NBU. The Professional shall not represent, either expressly or through implication, that the Professional is an employee, agent, official or representative of NBU. Income taxes, self-employment taxes, social security taxes and the like shall be the sole responsibility of the Professional.

(B) Governing Law; Venue. This Agreement and all of the transactions contemplated herein shall be governed by and construed in accordance with the laws of the State of Texas. The provisions and obligations of this Agreement are performable in Comal County, Texas such that exclusive venue for any action arising out of this Agreement shall be in Comal County, Texas.

(C) Compliance with Laws. The Professional shall comply with all federal, state and local laws, statutes, ordinances, rules and regulations, and the orders and decrees of any courts, administrative, or regulatory bodies in any matter affecting the performance of this Agreement, including, without limitation, worker's compensation laws, minimum and maximum salary and wage statutes and regulations, and licensing laws and regulations. When required, the Professional shall furnish satisfactory proof of compliance to NBU.

(D) Amendments. This Agreement may only be amended, modified, or supplemented by a written amendment signed by persons duly authorized to enter into contracts on behalf of NBU and the Professional.

(E) Provisions Required by Law. Each and every provision of law and any clause required by law to be in the Agreement shall be read and enforced as though it were included herein and, if through mistake or otherwise any such provision is not inserted, or is not correctly inserted, then upon the application of either party, the Agreement shall promptly be physically amended to make such insertion or correction.

(F) Severability. If any term or provision of this Agreement is held to be invalid, illegal, or unenforceable in any respect under applicable law, the legality, validity or enforceability of the remaining terms or provisions of this Agreement shall not be affected thereby, and this Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein.

(G) Entire Agreement; Interpretation; Parol Evidence. This Agreement and the related Exhibits constitute the entire agreement of the parties with respect to the subject matter, and all previous agreements, whether oral or written, entered into prior to this Agreement are hereby revoked and superseded thereby. No representations, inducements or oral agreements have been made by any of the parties except as expressly set forth in this Agreement. This Agreement shall be construed and interpreted according to its plain meaning, and no presumption shall be deemed to apply in favor of, or against the party drafting the Agreement.

(H) No Assignment. Neither party shall have the right to assign that party's interest in this Agreement without the prior written consent of the other party. Any purported assignment in violation of this Section shall be null and void.

(I) Subcontractors. The Professional shall not transfer any portion of the work related to the Services under this Agreement to any subcontractor without the prior written consent of NBU, which consent shall not be unreasonably withheld. The approval or acquiescence of NBU in the subletting of any work shall not relieve the Professional of any responsibility for work done by such subcontractor. Failure to pay subcontractors in a timely manner pursuant to any subcontract shall be a material breach of this Agreement by the Professional.

(J) Waiver. No waiver by any party of any of the provisions of this Agreement shall be effective unless explicitly set forth in writing and signed by the party so waiving. No waiver of any breach or violation of any term of this Agreement shall be deemed or construed to constitute a waiver of any other breach or violation, whether concurrent or subsequent, and whether of the same or of a different type of breach or violation. No failure to exercise, or delay in exercising, any right, remedy, power, or privilege arising from this Agreement shall operate or be construed as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power, or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power, or privilege.

(K) Attorneys' Fees. In the event either party brings any action for any relief, declaratory or otherwise, arising out of this Agreement or on account of any breach or default hereof, the prevailing party will be entitled to receive from the other party reasonable attorneys' fees and reasonable costs and expenses, which will be deemed to have accrued on the commencement of such action.

(L) Liens. All materials or services provided under this Agreement shall be free of all liens and, if NBU requests, a formal release of all liens shall be delivered to NBU.

(M) Offset.

- i. Offset for Damages. In addition to all other remedies at law or equity, NBU may offset from any money due to the Professional any amount the Professional owes to NBU for damages resulting from breach or deficiencies in performance or breach of any obligation under this Agreement, including but not limited to all costs, expenses, fines, fees, and charges associated with obtaining performance from alternative sources, shipping, handling, materials, equipment rental, travel expenses and associated costs.
- ii. Offset for Delinquent Fees or Taxes. NBU may offset from any money due to the Professional any amount the Professional owes to NBU for delinquent fees, including any interest or penalties.

(N) Notices. Any notice or other communication required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been duly given if (i) delivered to the party at the address set forth below, (ii) deposited in the U.S. Mail, registered or certified, return receipt requested, to the address set forth below, or (iii) given to a recognized and reputable overnight delivery service, to the address set forth below:

If to NBU:

New Braunfels Utilities
Attn: Director of Water Services
355 FM 306
New Braunfels, TX 78130

With copy to:

Purchasing Manager
New Braunfels Utilities
355 FM 306
New Braunfels, TX 78130

If to the Professional:

Pawelek & Moy, Inc.
130 W Jahn St.
New Braunfels, TX 78130

or at such other address, and to the attention of such other person or officer, as any party may designate by providing thirty (30) days' prior written notice of such change to the other party in the manner set forth in this Section. Notices shall be deemed received (i) when delivered to the party, (ii) three business days after being placed in the U.S. Mail, properly addressed, with sufficient postage or (iii) the following business day after being given to a recognized overnight delivery service, with the person giving the notice paying all required charges and instructing the delivery service to deliver on the following business day. If a copy of a notice is also given to a party's counsel or other recipient, the provisions above governing the date on which a notice is deemed to have been received by a party shall mean and refer to the date on which the party, and not its counsel or other recipient to which a copy of the notice may be sent, is deemed to have received the notice.

(O) Confidentiality of Records. The Professional shall establish and maintain procedures and controls that are acceptable to NBU for the purpose of ensuring that information contained in its records or obtained from NBU or from others in carrying out the Professional's obligations under this Agreement shall not be used or disclosed by it, its agents, officers, or employees, except as required to perform the Professional's duties under this Agreement. Persons requesting such information should be referred to NBU. The Professional also agrees that any information pertaining to individual persons shall not be divulged other than to employees or officers of the Professional as needed for the performance of duties under this Agreement.

(P) Right to Audit. NBU shall have the right to examine and audit the books and records of the Professional with regard to the Services, or any subsequent changes, at any reasonable time. Such books and records shall be maintained in accordance with generally accepted principles of accounting and shall be adequate to enable determination of: (1) the substantiation and accuracy of any payments required to be made under this Agreement; and (2) compliance with the provisions of this Agreement.

(Q) Paragraph Headings; Construction. The paragraph headings contained in this Agreement are for convenience only and shall in no way enlarge or limit the scope or meaning of the various and several paragraphs hereof. Both parties have participated in the negotiation and preparation of this Agreement and this Agreement shall not be construed either more or less strongly against or for either party.

(R) Binding Effect. Except as limited herein, the terms and provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, devisees, personal and legal representatives, successors and assigns.

(S) Gender. Within this Agreement, words of any gender shall be held and construed to include any other gender, and words in the singular number shall be held and construed to include the plural, unless the context otherwise requires.

(T) Multiple Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, and all of which shall constitute but one and the same instrument.

(U) Exhibits. Except as specified in Subsection (V) of this Section, all exhibits to this Agreement are incorporated herein by reference for all purposes wherever reference is made to the same.

(V) Conflicting Terms. In the case of any conflicts between the terms of this Agreement and the Exhibits, the statements in the body of this Agreement shall govern. The Exhibits are intended to detail the technical scope of services, fee schedule, and the term of the contract only and shall not dictate Agreement terms.

(W) Relationship of Parties. Nothing contained in this Agreement shall be deemed or construed by the parties hereto or by any third party to create the relationship of principal and agent or of partnership or of joint venture or of any association whatsoever between the parties, it being expressly understood and agreed that no provision contained in this Agreement nor any act or acts of the parties hereto shall be deemed to create any relationship between the parties other than the relationship of independent parties contracting with each other solely for the purpose of effecting the provisions of this Agreement.

(X) No Third-Party Beneficiaries. This Agreement is for the sole benefit of the parties hereto and their respective assigns and nothing herein, express or implied, is intended to or shall confer

upon any other person or entity any legal or equitable right, benefit, or remedy of any nature whatsoever under or by reason of this Agreement.

(Y) Non-Exclusive Contract. This Agreement is entered into with the understanding and agreement that it is for the sole convenience of NBU. NBU reserves the right to obtain like goods and services from another source when necessary.

Section 13. Force Majeure. If the performance of any covenant or obligation to be performed hereunder by any party is delayed as a result of circumstances that are beyond the reasonable control of such party (which circumstances may include, without limitation, acts of God, war, acts of civil disobedience, epidemic, pandemic, fire or other casualty, shortage of materials, adverse weather conditions (such as, by way of illustration and not of limitation, severe rain storms or below freezing temperatures, or tornados), labor action, strikes or similar acts, moratoriums or regulations or actions by governmental authorities), the time for such performance shall be extended by the amount of time of such delay, but no longer than the amount of time reasonably occasioned by the delay. In no event will any delay or failure of performance caused by any force majeure condition extend this Agreement beyond its stated Term unless both parties agree in writing to such extension in an amendment to this Agreement. The party claiming delay of performance as a result of any of the foregoing force majeure events shall deliver written notice of the commencement of any such delay resulting from such force majeure event not later than seven (7) days after the claiming party becomes aware of the same, and if the claiming party fails to so notify the other party of the occurrence of a force majeure event causing such delay and the other party shall not otherwise be aware of such force majeure event, the claiming party shall not be entitled to avail itself of the provisions for the extension of performance contained in this subsection.

Section 14. Dispute Resolution. In accordance with the provisions of Subchapter I, Chapter 271 of the Texas Local Government Code, as amended, the parties agree that, prior to instituting any lawsuit or other proceeding arising from a dispute under this agreement, the parties shall first attempt to resolve the dispute by taking the steps described in this Section. First, the dissatisfied party shall deliver to the other party a written notice substantially describing the nature of the dispute, which notice shall request a written response to be delivered to the dissatisfied party not less than five (5) days after receipt of the notice of dispute. Second, if the response does not reasonably resolve the dispute, in the opinion of the dissatisfied party, the dissatisfied party shall give five (5) days' written notice to that effect to the other party whereupon each party shall appoint a person having authority over the activities of the respective parties who shall promptly meet, in person, in an effort to resolve the dispute. Third, if those persons cannot or do not resolve the dispute, then the parties shall each appoint a person from the highest tier of managerial responsibility within each respective party, who shall then promptly meet, in person, in an effort to resolve the dispute.

Section 15. Disclosure of Business Relationships/Affiliations; Conflict of Interest Questionnaire. The Professional represents that it is in compliance with the applicable filing and disclosure requirements of Chapter 176 of the Texas Local Government Code, as amended.

Section 16. Information Technology

(A) Limited Access. If necessary for the fulfillment of the Agreement, NBU may provide the Professional with non-exclusive, limited access to NBU's information technology infrastructure. The Professional understands and agrees to abide by NBU policies, standards, regulations and restrictions regarding access and usage of NBU's information technology infrastructure. The Professional shall reasonably enforce such policies, standards, regulations and restrictions with all the Professional's employees, agents or any tier of subcontractor granted access in the performance of this Agreement, and shall be granted and authorize only such access as may be necessary for the purpose of fulfilling the requirements of the Agreement. The Professional's employees, agents and subcontractors must receive prior, written approval from NBU before being granted access to NBU's information technology infrastructure and data and NBU, in its sole determination, shall determine accessibility and limitations thereto. The Professional agrees that the requirements of this Section shall be incorporated into all subcontractor agreements entered into by the Professional. It is further agreed that a violation of this Section shall be deemed to cause irreparable harm that justifies injunctive relief in court. A violation of this Section may result in immediate termination of this Agreement without notice.

(B) Data Confidentiality. All data, regardless of form, including originals, images and reproductions, prepared by, obtained by or transmitted to the Professional in connection with this Agreement is confidential, proprietary information owned by NBU. Except as specifically provided in this Agreement, the Professional shall not intentionally disclose data generated in the performance of the Services to any third party without the prior, written consent of NBU.

(C) Data Security. Personal identifying information, financial account information, or restricted NBU information, whether electronic format or hard copy, is confidential and must be secured and protected at all times to avoid unauthorized access. At a minimum, the Professional must encrypt or password-protect electronic files. This includes data saved to laptop computers, computerized devices or removable storage devices.

(D) Compromised Security. In the event that data collected or obtained by the Professional in connection with this Agreement is believed to have been compromised or in the event of a Security Incident, as defined by Section 2054.603 of the Texas Government Code, the Professional shall notify NBU within twenty-four (24) hours of discovery of such compromise or Security Incident. **TO THE EXTENT PERMITTED BY SECTION 271.904 OF THE TEXAS LOCAL GOVERNMENT CODE, AS AMENDED, THE PROFESSIONAL SHALL INDEMNIFY AND HOLD NBU HARMLESS FROM ANY CLAIMS RESULTING FROM AN ACT OF NEGLIGENCE, INTENTIONAL TORT, INTELLECTUAL PROPERTY INFRINGEMENT, OR FAILURE TO PAY A SUBCONTRACTOR OR SUPPLIER COMMITTED IN CONNECTION WITH THE PERFORMANCE OF THIS AGREEMENT BY THE PROFESSIONAL, ITS OFFICERS, EMPLOYEES, CONSULTANTS, AGENTS, ANY TIER OF SUBCONTRACTOR, OR ANY ENTITY OVER WHICH THE PROFESSIONAL EXERCISES CONTROL.**

(E) Survival. The obligations of the Professional under this Section shall survive the termination of this Agreement.

Section 17. Prohibition on Contracts with Companies Boycotting Israel. The Professional hereby verifies that it and its parent company, wholly-or majority owned subsidiaries, and other

affiliates, if any, do not boycott Israel and, to the extent this Agreement is a contract for goods or services, will not boycott Israel during the term of this Agreement as described in Chapter 2271 of the Texas Government Code, as amended. The foregoing verification is made solely to comply with Section 2271.002 of the Texas Government Code, as amended, and to the extent such Section does not contravene applicable federal and State law. As used in the foregoing verification, “boycott Israel” means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes. The Professional understands “affiliate” to mean an entity that controls, is controlled by, or is under common control with the Professional and exists to make a profit.

Section 18. Contracts with Companies Engaged in Business with Iran, Sudan or Foreign Terrorist Organizations Prohibited. The Professional represents that neither it nor any of its parent company, wholly-or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Texas Government Code, as amended, and posted on any of the following pages of such officer’s internet website:

<https://comptroller.texas.gov/purchasing/docs/sudan-list.pdf>,
<https://comptroller.texas.gov/purchasing/docs/iran-list.pdf>, or
<https://comptroller.texas.gov/purchasing/docs/fto-list.pdf>.

The foregoing representation is made solely to comply with Section 2252.152, Texas Government Code, as amended, and to the extent such Section does not contravene applicable federal or State law and excludes the Professional and each of its parent company, wholly-or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization. The Professional understands “affiliate” to mean an entity that controls, is controlled by, or is under common control with the Professional and exists to make a profit.

Section 19. Prohibition on Contracts with Companies in China, Iran, North Korea, or Russia. If the Professional is granted direct or remote access to or control of critical infrastructure in the State of Texas under this Agreement, the Professional represents the following:

- (A) it is not owned by or the majority of stock or other ownership interest in the Professional is not held or controlled by:
- i. individuals who are citizens of China, Iran, North Korea, Russia, or a country designated by the Governor of Texas as a threat to critical infrastructure under Section 2275.0103 of the Texas Government Code, as amended (“designated country”); or
 - ii. a company or other entity, including a governmental entity, that is owned or controlled by citizens of or is directly controlled by the government of China, Iran, North Korea, Russia, or a designated country; or

(B) it is not headquartered in China, Iran, North Korea, Russia, or a designated country.

The foregoing representation is made solely to comply with Chapter 2275 of the Texas Government Code, as amended, and to the extent such Section does not contravene applicable federal or State law. As used in the foregoing verification, “critical infrastructure” means a communication infrastructure system, cybersecurity system, electric grid, hazardous waste treatment system, or water treatment facility. “Affiliate,” with respect to a company entering into an agreement in which the critical infrastructure is electric grid equipment, has the meaning assigned by the protocols of the independent organization certified under Section 39.151, Utilities Code, for the ERCOT power region.

Section 20. Prohibition on Contracts with Companies Boycotting Energy Companies. The Professional hereby verifies that it and its parent company, wholly-or majority owned subsidiaries, and other affiliates, if any, do not boycott energy companies and, to the extent this Agreement is a contract for goods or services, will not boycott energy companies during the term of this Agreement as described in Chapter 2276 of the Texas Government Code, as amended.

The foregoing verification is made solely to comply with Section 2276.002 of the Texas Government Code, as amended, and to the extent such Section does not contravene applicable federal and State law. As used in the foregoing verification, “boycott energy companies” has the meaning used in Section 809.001 of the Texas Government Code, as amended. The Professional understands “affiliate” to mean an entity that controls, is controlled by, or is under common control with the Professional and exists to make a profit.

Section 21. Prohibition on Contracts with Companies that Discriminate Against Firearm and Ammunition Industries. The Professional hereby verifies that it and its parent company, wholly-or majority owned subsidiaries, and other affiliates, if any, do not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and, to the extent this Agreement is a contract for goods or services, will not discriminate against a firearm entity or firearm trade association during the term of this Agreement as described in Chapter 2274 of the Texas Government Code, as amended.

The foregoing verification is made solely to comply with Section 2274.002 of the Texas Government Code, as amended, and to the extent such Section does not contravene applicable federal and State law. As used in the foregoing verification, “discriminate against a firearm entity or firearm trade association” has the meaning used in Section 2274.001(3) of the Texas Government Code, as amended. The Professional understands “affiliate” to mean an entity that controls, is controlled by, or is under common control with the Professional and exists to make a profit.

Section 22. Texas Public Information Act. The Professional recognizes that NBU is subject to the disclosure requirements of the Texas Public Information Act (the “PIA”). As part of its obligations within this Agreement, the Professional agrees, at no additional cost to NBU, to cooperate with NBU for any particular needs or obligations arising out of the NBU’s obligations under the PIA. This acknowledgment and obligation are in addition to and complementary to the NBU’s audit rights in Section 12(P).

This provision applies if the Agreement has a stated expenditure of at least \$1 million in public funds for the purchase of goods or services by NBU or results in the expenditure of at least \$1 million in public funds for the purchase of goods or services by NBU in a fiscal year of NBU.

The Professional must (1) preserve all contracting information related to the Agreement as provided by the records retention requirements applicable to NBU for the duration of the Agreement; (2) promptly provide to NBU any contracting information related to the Agreement that is in the custody or possession of the Professional on request of NBU; and (3) on completion of the Agreement, either:

- (i) provide at no cost to NBU all contracting information related to the Agreement that is in the custody or possession of the Professional; or
- (ii) preserve the contracting information related to the Agreement as provided by the records retention requirements applicable to NBU.

The requirements of Subchapter J, Chapter 552, Texas Government Code, may apply to this Agreement and the Professional agrees that the Agreement can be terminated if the Professional knowingly or intentionally fails to comply with a requirement of that subchapter.

Section 23. Electronic Signatures. Pursuant to Chapter 322 of the Texas Business and Commerce Code, as amended, the parties agree to the use of electronic signatures herein and that the use of an electronic signature, whether digital or encrypted, is intended to have the same force and effect as a manual signature. Electronic signature means any electronic sound, symbol or process attached to or logically associated with a record and executed and adopted by a party with the intent to sign such record, including facsimile or e-mail electronic signatures. Each party further agrees that if it agrees to conduct a transaction by electronic means in this Agreement, it may refuse to conduct other transactions by electronic means and that such right may not be waived by this Agreement.

(The remainder of this page intentionally left blank)

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on this the ___ day of _____, 2024.

NBU:
NEW BRAUNFELS UTILITIES,
a Texas municipally owned utility

By: _____
Name: Ryan Kelso
Title: Chief Executive Officer

PROFESSIONAL:
PAWELEK & MOY, INC,
a Texas corporation

By: John J. Moy Jr.
Name: John J. Moy Sr.
Title: Vice President

Exhibit A

Services

The Professional shall provide all labor, material, and equipment necessary to provide project management services, preliminary engineering phase services, final design phase services, field services, permitting services and coordination with stakeholders, bid phase services, and construction phase services for the North Kuehler Interceptor - Segment 3 Project. The North Kuehler Interceptor - Segment 3 Project will include a combined total of approximately 8,000 linear feet of 15-inch, 24-inch and 27-inch diameter sewer main improvements (see Figure 1) (the “Project”).

SERVICES

The Professional shall provide the following Services in accordance with the tasks described herein.

Task 1. Project Management

The Professional shall provide the project management services described herein.

- 1.1. SCHEDULE. The Professional shall develop a baseline design schedule for the Project and prepare updated design schedules for the Project on a monthly basis, on or before the twenty-fifth (25th) day of each month, for NBU to monitor progress and identify design submittal dates. The Professional shall provide design schedules to the NBU Project Manager in PDF format via email.
- 1.2. QUALITY ASSURANCE/QUALITY CONTROL (“QA/QC”). The Professional shall develop a QA/QC program for the Project, which shall be explained in detail via a written document and provided to NBU’s Project Manager via email within thirty (30) days of notice to proceed (“NTP”).
- 1.3. PROGRESS REPORTS. The Professional shall provide NBU’s Project Manager with electronic monthly project progress reports and written invoices, which shall be submitted on or before the twenty-fifth (25th) day of each month for the previous month’s effort. The Professional shall provide progress reports to the NBU Project Manager via email.
- 1.4. MEETING AGENDA/MINUTES. The Professional shall provide a meeting agenda one (1) day prior to each meeting and provide a copy of the summary meeting minutes and action item log to NBU’s Project Manager within one (1) week after each meeting via email.
- 1.5. PROJECT CONTROLS. The Professional shall manage the Project integration, scope,

schedule, cost, staff resources, sub-consultants, communications, and procurements as NBU's Project Manager directs, including, but not limited to, the following:

- 1.5.1. assigning a senior advisor to oversee the QA/QC program;
- 1.5.2. developing cost estimates using recent bid tabs from similar projects, the Professional's prices, or Texas Department of Transportation ("TxDOT") unit prices; and
- 1.5.3. coordinating communication with subconsultants through emails and meetings.

Task 2. Preliminary Engineering Phase

Upon NBU providing NTP to the Professional, the Professional shall perform the preliminary engineering phase services described herein.

2.1. MEETINGS. The Professional shall attend the following meetings and provide meeting agendas and meeting minutes to NBU's Project Manager in accordance with the requirements listed in Task 1.4 for the following meetings:

- 2.1.1. project kick-off meeting with NBU (one (1) meeting);
- 2.1.2. monthly progress status meetings (eight (8) meetings);
- 2.1.3. route study review meeting (one (1) meeting);
- 2.1.4. 30% design review meeting (one (1) meeting);
- 2.1.5. Preliminary Engineering Report ("PER") review meeting (one (1) meeting);
- 2.1.6. City of New Braunfels ("CoNB") (one (1) meeting),
- 2.1.7. Union Pacific Railroad ("UPRR") (two (2) meetings); and
- 2.1.8. utility companies (two (2) meetings, as needed).

2.2. ENVIRONMENTAL AND CULTURAL INVESTIGATION. The Professional shall provide the environmental and cultural services described herein.

- 2.2.1. The Professional shall determine the delineation of the Waters of the United States by performing a desktop analysis to identify areas that could contain jurisdictional waters and wetlands and then obtaining these limits by utilizing global positioning system equipment.
- 2.2.2. The Professional shall define stream beds that shall be disturbed during construction and conduct formal coordination with the United States Army Corps of Engineers ("USACE") to conform with the 1987 USACE Wetland Delineation Manual and the Regional Supplemental to the Delineation Manual for the Great Plains Region.

- 2.2.3. The Professional shall perform a pedestrian survey to identify potential habitat for federally listed threatened and endangered species including potential karst habitat identification.
- 2.2.4. The Professional shall conduct two (2) meetings to coordinate with the NBU contracted cultural consultant to provide a coordination letter and desktop review to the Texas Historical Commission (“THC”) that identifies areas that would potentially require archeological pedestrian surveys and/or historical reconnaissance field surveys. If needed, based on the THC concurrence, the Professional shall perform additional archeological investigations of the Project area. The Professional shall utilize shovel testing, in addition to the visual inspection of the ground surface, to search for shallowly buried cultural deposits. The Professional shall utilize deep testing via backhoe trenching, up to six (6) backhoe trench excavations, and hand auguring to identify any deeply buried cultural deposits within the Project area. All the Professional’s work shall comply with the archeological standards set forth by the Council of Texas Archeologists and adopted by the THC.
- 2.2.5. The Professional shall prepare a preliminary review for hazardous materials for the Project. The purpose of this review is to determine, to the extent feasible, the presence or absence of recognized environmental conditions associated with the proposed Project. The Professional shall perform the search distances in accordance with the American Society for Testing and Materials (“ASTM”) International Standard’s E 1527-21 guidance document titled: Standard Practice for Environmental Site Assessments: Phase I Environmental Site Assessment Process.
- 2.2.6. The Professional shall prepare draft and final environmental documents to include the results of the analysis described in Section 2.2.

2.3. 30% DESIGN DOCUMENTS

- 2.3.1. The Professional shall perform up to four (4) preliminary site visits during the preliminary engineering phase timeframe described in Table 1 to gather Project information.
- 2.3.2. The Professional shall collect and review existing data, reports, mapping, and records from NBU associated with the Project. The Professional shall provide analysis of

NBU’s requirements for the Project, including planning, surveys, site evaluations, and comparative studies of prospective sites and solutions.

- 2.3.3. The Professional shall prepare 30% design drawings, including plan views of all proposed infrastructure with callouts for major design items within the Project site.
- 2.3.4. The Professional shall prepare a table of contents for required technical specifications that are provided by the Professional with the exception of NBU’s standard technical specifications.
- 2.3.5. The Professional shall prepare a Class 4 opinion of probable construction cost (“OPCC”) based on the 30% design drawings.

2.4. PRELIMINARY ENGINEERING REPORT (“PER”).

- 2.4.1 The Professional shall prepare a PER that describes the scope of the Project for final design, 30% preliminary design plans, right of way (“ROW”) requirements, easement requirements, permitting, constructability, OPCC, and an estimated construction schedule for the overall Project. The PER shall include Project implementation, phasing, and packaging for all portions of the Project. In accordance with Table 1 located in the Time of Completion section, the Professional shall submit a draft PER for NBU’s Project Manager’s review and comment, as well as a final PER incorporating all NBU comments.

2.5. DELIVERABLES. The Professional shall provide the following preliminary engineering phase deliverables to NBU’s Project Manager within one (1) day of the Task 2 end date as shown in Table 1 located in the Time of Completion section:

- 2.5.1. 30% design – the Professional shall provide one (1) electronic copy, and one (1) table of contents of specifications in PDF format;
- 2.5.2. draft and final environmental documents, described in Section 2.2, in PDF format; and,
- 2.5.3. PER – one (1) electronic copy in PDF format along with ArcGIS shapefiles (.shp), and a final Class 4 OPCC.

Task 3. Final Design Phase

Upon approval of the PER by NBU, the Professional shall perform the final design phase services described herein.

3.1. MEETINGS. The Professional shall attend the following meetings and provide a meeting agenda one (1) day prior to each meeting, and meeting minutes no later than one (1) week after the meeting to NBU's Project Manager for the following meetings:

- 3.1.1. 60% design review meeting (one (1) meeting);
- 3.1.2. 90% design review meeting (one (1) meeting);
- 3.1.3. 100% design review meeting (one (1) meeting);
- 3.1.4. monthly design meetings (six (6) meetings);
- 3.1.5. a permitting meeting with the CoNB (one (1) meeting); and
- 3.1.6. a meeting with additional stakeholders (one (1) meeting).

3.2. 60% DESIGN DOCUMENTS. Upon approval by NBU of the PER and 30% design documents, the Professional shall prepare 60% plans, specifications, and an OPCC. 60% design documents shall include:

- 3.2.1. a plan view and/or site layout of the proposed facilities;
- 3.2.2. a profile view of the proposed sewer line;
- 3.2.3. call outs for design items;
- 3.2.4. specification list table of contents; and
- 3.2.5. a Class 3 OPCC in PDF format based on 60% design documents.

3.3. 90% DESIGN DOCUMENTS. Upon approval by NBU of the 60% design documents, the Professional shall prepare 90% plans, specifications, and an OPCC. 90% design documents shall include:

- 3.3.1. a traffic control plan that includes a development of traffic sheet layouts for the Project and TxDOT traffic control plans standards for the contractor's use during construction, and shall satisfy the CoNB's requirements for permit acquisition;
- 3.3.2. a plan view and/or site layout of the proposed facilities;
- 3.3.3. a profile view of the proposed sewer line;
- 3.3.4. call outs for design items;

- 3.3.5. draft specifications;
- 3.3.6. a draft bid form; and
- 3.3.7. a Class 2 OPCC in PDF format based on 90% design documents.

3.4.100% (FINAL) DESIGN DOCUMENTS. Upon approval by NBU of the 90% design documents, the Professional shall prepare 100% plans, specifications, and an OPCC. 100% design documents shall include:

- 3.4.1 an engineer signed and sealed set of final construction plans and specifications;
- 3.4.2. a final bid form; and
- 3.4.3. a Class 1 OPCC in PDF format based on 100% design documents.

3.5. DELIVERABLES. The Professional shall provide the following final design phase deliverables to NBU's Project Manager in accordance with the timelines listed in Table 1:

- 3.5.1. 60% design – the Professional shall provide one (1) electronic copy of plans, specification, table of contents, and a Class 3 OPCC during the 60% design phase timeframe in Table 1;
- 3.5.2. 90% design – the Professional shall provide one (1) electronic copy, draft specifications, a draft bid form, and a Class 2 OPCC during the 90% design phase timeframe in Table 1; and
- 3.5.3. 100% design – the Professional shall provide one (1) electronic copy and three (3) hard copies of final 22x34 size design plans, specifications, a final bid form, and a Class 1 OPCC during the 100% design phase timeframe in Table 1.

Task 4. Field Services

The Professional shall perform the field services described herein.

4.1. TOPOGRAPHIC SURVEY. The Professional shall obtain a topographic, utility, and boundary control survey as described herein.

- 4.1.1. The Professional shall tie in existing surface topographic features along the alignment shown in Figure 1 and approximately 100 feet in width. This shall include tops of curbs, edges of pavement, pavement materials, driveways, sidewalks, retaining walls,

- drainage structures (tops, edges and flow line), channels and drainage ways (tops, toes and flow line), and manholes (rim, flow lines and diameters of pipes, type of material and photographs of the inside of manholes and drainage structures), including the same survey data for upstream and downstream manholes and structures that are outside of the survey limits for all gravity wastewater and drainage lines within the survey limits. Visible valves, meters, clean-outs, slabs, utility signs, utility poles and structures, fences, landscaping features, shrubbery, trees (including the approximate drip-line), tree canopies, buildings (edges within the survey limits), mailboxes, etc. shall also be included in the survey. Trees shall be tagged and tabulated by size and species specific in compliance with the CoNB Tree Preservation Ordinance as defined in the CoNB Zoning Ordinance Chapter. The survey limits shall extend approximately 100 feet on intersecting streets. The Professional shall provide sufficient ground shots to create one (1) foot contours for the Project.
- 4.1.2. The Professional shall conduct a utility survey to locate existing utilities along the Project boundary alignment as shown in Figure 1. The Professional shall contact utility service providers by calling Texas 811 and NBU to coordinate flagging of existing franchise utilities. The Professional shall request drawings of existing agency and municipal owned utilities and shall include locations of these utilities in the survey. The Professional shall tie in the locations of the existing utilities on the survey. The Professional shall bear all costs for the services associated with utility locates.
- 4.1.3. The Professional shall locate up to ten (10) geotechnical borings and fifteen (15) subsurface utility engineering “potholes” and tie them into the Project survey.
- 4.1.4. The Professional shall set and install control points or benchmarks as required for the survey work (minimum 1,000-foot intervals). The Professional shall provide horizontal and vertical coordinates of the benchmarks in the required coordinate system and datum and show the benchmarks on the survey drawing.
- 4.1.5. NBU shall coordinate and obtain any right(s) of entry needed from private property owners to ascertain permission for the Professional to enter and perform field services within private properties.
- 4.1.6. The Professional shall research and review adjoining plats and deeds along the survey corridor. The Professional shall locate property corners and identify existing ROW’s

along the survey corridor, based on found monuments and record documents.

4.2. SUBSURFACE UTILITY ENGINEERING (“SUE”). The Professional shall perform SUE as described herein.

4.2.1. The Professional shall provide SUE “Quality Level B” utility locates at select locations along the alignment of the pipeline. Level B includes two-dimensional horizontal information obtained through the application and interpretation of non-destructive surface geophysical methods providing horizontal positioning of subsurface utilities to within approximately one (1) foot.

4.2.2. The Professional shall perform SUE “Quality Level A” for up to fifteen (15) pothole locations. Level A includes physically locating the actual utility – often by ‘potholing.’ Once the utility is potholed it is located horizontally and vertically by survey measurements. This location is typically to the top of the pipe and shall be noted on the design plans.

4.2.3. The Professional shall provide coordination for utility locates/clearance and permitting required to conduct SUE potholes.

4.2.4. The Professional shall provide traffic control, depending on the directed dig site locations.

4.3. GEOTECHNICAL DATA REPORT (“GDR”). The Professional shall conduct a geotechnical investigation to complete a GDR for the Project as described herein.

4.3.1. Field Exploration:

4.3.1.1. The Professional shall determine the required boring locations on the Project site. The Professional shall provide a boring site location map that shows the exploratory borings within the vicinity of the proposed improvements and along the proposed sewer main alignments.

4.3.1.2. The Professional shall coordinate with NBU, the CoNB, and Texas 811 regarding underground utilities within the vicinity of the planned boring locations prior to commencement of the field exploration activities.

4.3.1.3. The Professional shall drill exploratory borings for the proposed improvements according to the schedule provided below:

- 4.3.1.3.1. ten (10) borings to a maximum depth of twenty 20 feet below existing grade.
- 4.3.1.4. The borings located on the Project site shall be advanced using standard rotary drilling equipment with continuous-flight augers or rotary wash methods. The Professional shall collect subsurface samples using a two (2)-inch diameter split-spoon sampler in conjunction with the standard penetration test (“SPT”). The Professional shall collect intermittent three (3)-inch diameter Shelby tube samples in between the SPTs.
- 4.3.1.5. The Professional shall record groundwater observations within the borings during drilling activities and at the completion of drilling and sampling.
- 4.3.1.6. The Professional shall backfill borings with auger cuttings upon completion of drilling and sampling.
- 4.3.1.7. The Professional shall patch borings drilled through pavement with like material (asphalt, concrete) upon completion of backfilling.
- 4.3.1.8. The Professional shall provide personnel experienced in logging borings, directing the drilling, and handling and transporting the samples. The Professional shall provide visual classification of the subsurface stratigraphy in accordance with the ASTM, standard number D2488 and the Unified Soil Classification System during drilling and sampling.
- 4.3.1.9. The Professional shall provide traffic control, depending on the directed dig site locations.
- 4.3.2. The Professional shall provide laboratory testing to include the following:
 - 4.3.2.1. testing on samples obtained from the borings to determine soil classification and pertinent engineering properties of the subsurface materials; and
 - 4.3.2.2. laboratory tests assigned for the specific subsurface materials encountered during exploration on the Project site, but which are expected to include the following tests:
 - 4.3.2.2.1. Atterberg limits;
 - 4.3.2.2.2. percent passing the #200 Sieve;
 - 4.3.2.2.3. sieve analysis (gradation);
 - 4.3.2.2.4. moisture content; and

4.3.2.2.5. unconfined compressive strength.

4.3.3. The Professional shall prepare a GDR that includes the following information and recommendations, as applicable:

- 4.3.3.1. a summary of the field and laboratory sampling and testing program;
- 4.3.3.2. boring logs and laboratory testing results;
- 4.3.3.3. a review of general site conditions including descriptions of the site, the subsurface stratigraphy, groundwater conditions, and the presence and condition of fill materials, if encountered;
- 4.3.3.4. review trenchless construction methods and evaluate the feasibility of trenchless construction in locations that have a depth of more than twenty five (25) feet, have surface conflicts, or require limited surface disturbance in high traffic areas;
- 4.3.3.5. trenchless sewer main construction feasibility and recommendations of auger boring and/or other trenchless methodologies;
- 4.3.3.6. general discussion of expected construction related issues; and
- 4.3.3.7. earthwork-related recommendations for use during development of plans and specifications.

4.3.4. The Professional shall provide the final GDR electronically in PDF to NBU's Project Manager as a 100% design deliverable with the specifications during the timeframe described for the Field Services phase in Table 1.

4.4. EASEMENT DOCUMENTS. The Professional shall prepare a metes and bounds description and exhibits for required easements for the Project for up to twenty (20) parcels based on the following criteria:

- 4.4.1. the Professional shall perform deed, plat and courthouse record research, request title reports, and obtain copies of deeds and easement documents;
- 4.4.2. the Professional shall survey property corners, fences and appurtenant property evidence;
- 4.4.3. easements shall consist of a permanent easement and a temporary construction easement. There shall be a separate document for permanent easements and

temporary easements for each parcel. Easements shall be signed and sealed by a registered professional land surveyor, currently registered in the State of Texas. Each easement shall have attached to it a copy of the corresponding deed for that property and a closure computation sheet for the easement tract. In accordance with the timeframe described in Table 1, a draft copy of the easement shall be submitted for review by the Professional to NBU. The Professional shall incorporate comments as appropriate and submit one final copy of the easement and deed to NBU. Each draft metes and bounds exhibit shall be revised up to one (1) time per NBU's Project Manager review;

- 4.4.4. legal descriptions shall include sufficient information to identify the location, boundaries, monumentation, and area of the described tract, as well as its relationship to the parent tract out of which it is surveyed. Each legal description shall be accompanied by an exhibit plat that depicts the worded description. Legal descriptions and exhibit plats shall be reproduced on 8.5" x 11" size paper. All must be legible. The exhibit plat or legal description should be able to stand alone; and
- 4.4.5. the Professional shall stake final easement boundaries.

Task 5. Permitting & Stakeholders

The Professional shall coordinate with the following stakeholders/agencies as described herein.

- 5.1. The USACE. If NBU determines it is needed, the Professional shall prepare and provide a Department of the Army Permit Application to obtain a USACE Section 404 permit.
- 5.2. The CoNB. The Professional shall prepare and submit permit applications to the CoNB through the CoNB's Permitting Portal to obtain permits for:
 - 5.2.1. public infrastructure;
 - 5.2.2. floodplain; and
 - 5.2.3. traffic control.
- 5.3. The UPRR. The Professional shall prepare and submit the application to UPRR for the bore permit.
- 5.4. DELIVERABLES. In accordance with the timeframe described in Table 1 for the Permitting and Stakeholders phase, the Professional shall produce the following:

- 5.4.1. a USACE Section 404 permit application, if needed - one (1) electronic copy;
- 5.4.2. a CoNB Public Infrastructure, floodplain and traffic control permit application - one (1) electronic copy; and
- 5.4.3. a UPRR bore application – one (1) electronic copy.

Task 6. Bid Phase Services

Upon completion of the final design, the Professional shall perform the bid phase services described herein.

- 6.1. PREBID CONFERENCE. The Professional shall attend one (1) pre-bid conference to be administered by the NBU Purchasing Department. The Professional shall assist NBU with preparation of the meeting agenda, provide NBU with meeting notes within one (1) week after the conference, and coordinate conference responses with NBU. The Professional shall provide to NBU written responses to issues identified at the pre-bid conference, which shall be in the form of addenda issued after the conference and prior to bid opening.
- 6.2. INTERPRET BID DOCUMENTS. The Professional shall assist NBU with responding to questions, interpreting bid documents, and preparing addenda to the bid documents.
- 6.3. BID EVALUATION. The Professional shall attend one (1) bid-opening conference to be administered by NBU's Purchasing Department. The Professional shall assist NBU in analyzing the bids received for the Project, which includes researching contractor qualifications and references. The Professional shall recommend award of contract or other actions as appropriate to be taken by NBU in the form of a letter of recommendation.
- 6.4. CONFORMED CONSTRUCTION DOCUMENTS. The Professional shall conform the construction documents by incorporating all addenda items into the plans and specifications.
- 6.5. DELIVERABLES. The Professional shall provide the following to NBU's Project Manager during the following timeframes stated:
 - 6.5.1. addenda submitted to the NBU Project Manager no later than 2 days after the deadline date for questions has passed - one (1) PDF electronic copy of each;
 - 6.5.2. letter of recommendation submitted to the NBU Project Manager no later than 1 week after the evaluation is completed - one (1) electronic copy; and
 - 6.5.3. conformed construction documents submitted to the NBU Project Manager no later

than 2 weeks before the pre-bid conference- one (1) PDF electronic copy and three (3) hard copies will be submitted on 22" x 34" size paper.

Task 7. Construction Phase Services

Upon completion of the bid phase services, the Professional shall perform the construction phase administration services described herein.

7.1. MEETINGS AND SITE VISITS. The Professional shall provide the following services for meetings and site visits:

- 7.1.1. assist NBU in conducting a pre-construction conference with the construction contractor, prepare and provide NBU with meeting minutes within one (1) week after the meeting occurs, and coordinate conference responses with NBU;
- 7.1.2. conduct a construction document control workshop;
- 7.1.3. attend up to a total of twenty-four (24) bi-weekly construction progress meetings. The Professional shall prepare agenda, record and distribute meeting minutes to the NBU Project Manager and the contractor via email;
- 7.1.4. attend up to a total of twelve (12) monthly site visits during construction of the Project to observe the progress of the work and to determine if the work is proceeding in general accordance with the contract documents. Within one (1) day of completion, the Professional shall prepare and provide NBU with electronic observation reports via email for each site visit and notify NBU of any non-conforming work performed by the contractor observed on the site visits;
- 7.1.5. conduct with NBU's representatives one (1) substantial completion observation and punch list reviews of the Project for conformance with the design concept of the Project and compliance with the construction contract documents. The Professional shall prepare within two (2) weeks of substantial completion observation, a list of deficiencies to be corrected by the contractors before recommendation of final payment; and
- 7.1.6. conduct one (1) final completion observation of the Project for conformance with the design concept of the Project and compliance with the construction contract documents. The Professional shall prepare within two (2) weeks of substantial completion observation final completion reports and make recommendation of final payment.

7.2. SUBMITTAL MANAGEMENT. The Professional shall use FNiManager, a document management system for construction documents. The Professional shall monitor the processing of contractor's submittals, provide for filing and retrieval of Project documentation, and verify that the contractor is sending and processing submittals in accordance with the schedules. The Professional shall produce monthly reports during the 1st week of each month, and submit a PDF version to the NBU Project Manager via email indicating the status of all submittals in the review process.

7.2.1. SUBMITTAL REVIEW. The Professional shall review all contractor submittals for compliance with the design concepts to include the following:

- 7.2.1.1. shop drawings, up to twenty (20);
- 7.2.1.2. record data, up to one (1);
- 7.2.1.3. requests for information, up to twenty (20);
- 7.2.1.4. schedules, up to twelve (12);
- 7.2.1.5. certified test reports, up to five (5); and
- 7.2.1.6. miscellaneous submittals, up to five (5).

7.3. CHANGE ORDERS. The Professional shall manage the field/change order documents, requests for proposals, and contractor claim process for the Project as described herein.

7.3.1. The Professional shall establish procedures and document construction changes required to implement modifications to the Project.

7.3.2. The Professional shall process contract modifications and negotiate with the contractor at NBU's Project Manager's direction to determine the cost and time impacts of these changes.

7.3.3. The Professional shall prepare field/change order documentation for up to five (5) field orders for minor alterations and up to five (5) change orders.

7.3.4. The Professional shall evaluate notices of contractor claims and make initial recommendations to NBU on the merit and value of the claim based on information submitted by the contractor or available Project documentation. The Professional shall negotiate a settlement value with the contractor at NBU's direction.

7.4. INTERPRET DRAWINGS AND SPECIFICATIONS. The Professional shall interpret the

drawings and specifications for NBU and contractor during the course of construction per the schedule assumed herein.

7.5. PAY ESTIMATES. The Professional and NBU's Project Manager shall review and comment on monthly and final estimates for payment to the contractor pursuant to the general conditions of the construction contract during the course of the construction project per the schedule assumed herein.

7.6. CLOSE-OUT DOCUMENTS

7.6.1. RECORD DRAWINGS. The Professional shall prepare the record drawings based on the revised redline construction drawings and information furnished by the construction contractor reflecting changes in the Project made during construction. The Professional shall prepare one (1) set of record drawings at the completion of the Project and submit to the NBU Project Manager as a PDF via email within sixty (60) days of final completion.

7.6.2. ASSET INFORMATION. The Professional shall prepare a memorandum that provides the asset information for all new and abandoned pipelines and above grade appurtenances for insurance purposes within thirty (30) days after substantial completion.

7.6.3. ADDITION/RETIREMENT FORMS. The Professional shall prepare addition and retirement forms for all new and abandoned pipelines and above grade appurtenances within thirty (30) days after substantial completion.

7.7. DELIVERABLES. The Professional shall provide the following deliverables to NBU's Project Manager within one (1) month of the Construction Phase end date as shown in Table 1:

7.7.1. project site visit memos and construction progress meeting minutes;

7.7.2. one (1) PDF electronic copy of record drawings, plans, and specifications and at least one (1) georeferenced .dwg file of record drawings and plans in accordance with NBU standards, with features adjusted to the location of Global Positioning System points collected in the field by the contractor; and

7.7.3. one (1) PDF electronic copy of Asset Information memorandum.

SUPPLEMENTAL SERVICES

Pursuant to Section 4(B) of this Agreement, the Professional shall seek prior written approval from NBU before commencing work on any Supplemental Services described in this Section. If NBU requests the Professional to perform the Supplemental Services, NBU and the Professional shall execute a supplemental services agreement or contract amendment, as appropriate, detailing the Supplemental Services to be performed and the completion date. The Supplemental Services shall only include Project specific professional engineering services contemplated by Chapter 2254 of the Texas Government Code. The Professional acknowledges the contract duration will not increase as a result of engaging the Supplemental Services unless noted in the supplemental services agreement or contract amendment, as appropriate.

TIME OF COMPLETION

The Professional is authorized to commence work on the Services upon execution of this Agreement and agrees to complete these Services in accordance with the schedule in Table 1.

Table 1

Project Milestones	Start Date	End Date
Notice to Proceed	August 1, 2024	
Task 1 – Project Management	August 1, 2024	December 31, 2025
Task 2 – Preliminary Engineering Phase	August 1, 2024	March 31, 2025
Task 3 – Final Design Phase: 60% Design Phase	April 1, 2025	May 31, 2025
Task 3 – Final Design Phase: 90% Design	June 1, 2025	July 31, 2025
Task 3 – Final Design Phase: 100% Design	August 1, 2025	September 30, 2025
Task 4 – Field Services	August 1, 2024	March 31, 2025
Task 5 – Permitting and Stakeholders	April 1, 2025	December 31, 2025
Task 6 – Bid Phase Services	January 1, 2026	July 31, 2026
Task 7 – Construction Phase Services	August 1, 2026	July 31, 2027

Figure 1

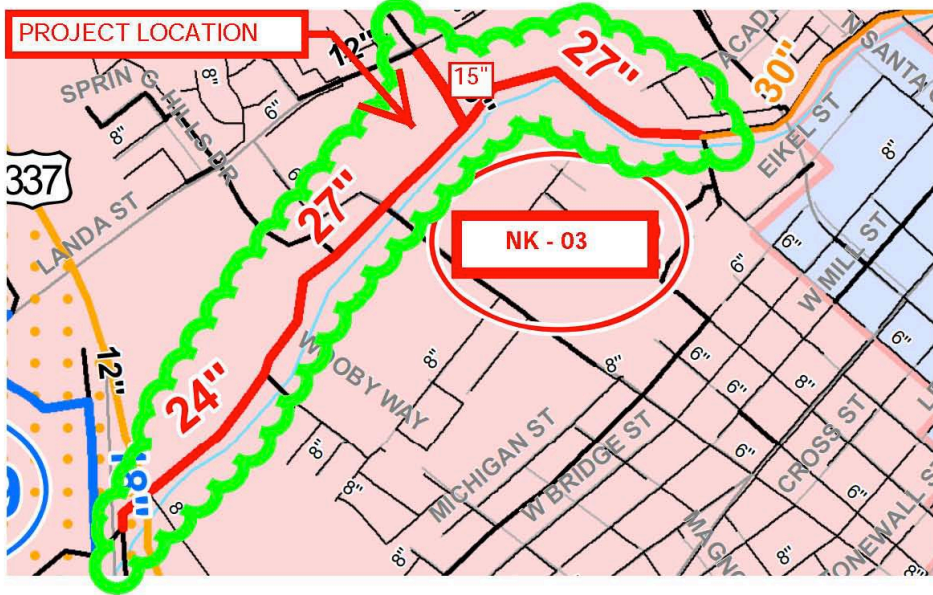


Exhibit B

Compensation

NBU agrees to pay the Professional for the Services and the Supplemental Services rendered under this Agreement in accordance with the tables below and made part of this Agreement.

Services

NBU agrees to pay the Professional for the Services during the term of this Agreement in an amount not to exceed \$824,200 in accordance with the table below and made a part of this Agreement.

Services Cost Breakdown	
Task	Cost
Task 1: Project Management	\$46,000
Task 2: Preliminary Engineering Phase	\$178,475
Task 3: Final Design Phase	\$184,060
Task 4: Field Services	\$242,225
Task 5: Permitting and Stakeholders	\$48,890
Task 6: Bid Phase Services	\$10,350
Task 7: Construction Phase Services	\$114,200
Total	\$824,200

Supplemental Services

NBU shall pay the Professional for the Supplemental Services in an amount not to exceed \$100,000; provided, however, that NBU must provide written approval in the form of a supplemental services agreement or contract amendment, as appropriate, prior to the Professional performing the Supplemental Services.



Meeting Date: March 28, 2024 **Agenda Type:** Consent Items for Action

From: Adam Willard, P.E.
Chief Engineer of Water Systems **Reviewed by:** Michael Short, P.E.
Director of Water Services and Compliance

Submitted by: Michael Short, P.E.
Director of Water Services and Compliance **Approved by:** Ryan Kelso
Chief Executive Officer

RECOMMENDED ACTION: Authorize CEO or His Designee to Negotiate and Execute a Fourth Amendment to the Professional Service Agreement with Arcadis U.S., Inc. for the Design of Phase 4 of the Aquifer Storage and Recovery Project

BACKGROUND

On December 16, 2020, the New Braunfels Utilities (“NBU”) Board of Trustees approved a Professional Services Agreement (the “Agreement”) with Arcadis U.S., Inc. (“Arcadis”) for general aquifer storage and recovery support, NBU/Edwards Aquifer Authority (“EAA”) Interlocal Agreement (“ILA”) work group support, analytical modeling of ASR formations, and Phase 4 ASR cycle testing for Phase 4 - Aquifer Storage and Recovery (“ASR”) Project (the “Project”). On January 28, 2022, the Board approved a First Amendment to the Agreement (the “First Amendment”) to modify the Supplemental Services from the Agreement. On October 31, 2022, the Board approved a Second Amendment to the Agreement (the “Second Amendment”) for the Texas Commission on Environmental Quality (“TCEQ”) operating permit support, and wellfield modeling and conceptual design support services. On December 14, 2023, the Board approved a Third Amendment to the Agreement (the “Third Amendment”) for design and bid phase services for the ASR D1 Well to extend the depth of the well for better water quality.

Upon further evaluation of the project, NBU and the Professional have identified the need for (i) monitoring well construction administration and onsite observation services, (ii) additional demonstration well cycle test support services, (iii) a geophysical survey of the proposed well alignment; and (iv) additional modeling and agency coordination (the “New Services”).

As a result, NBU staff requests that the Board approve the Fourth Amendment to the Agreement (the “Fourth Amendment”), which includes (i) adding the New Services and (ii) authorizing the related compensation for the New Services in an amount not to exceed \$341,922.00.

This item is being presented to the Board because it modifies the Agreement beyond the parameters the Board previously approved.

Upon completion of the final design, NBU staff will solicit a construction contract and bring the construction contract to the Board for approval in October 2026. NBU staff plans to begin construction in December 2026 and complete construction by December 2028.

FINANCIAL IMPACT

The total financial impact of the Fourth Amendment is \$341,922. The total contract amount for the Agreement, First Amendment, Second Amendment, Third Amendment, and Fourth Amendment with Arcadis U.S., Inc. for the Project is \$3,059,739. The Project is budgeted within the fiscal year 2024 through fiscal year 2028 NBU Board approved Capital Improvements Projects Budget.

LINK TO STRATEGIC PLAN

Infrastructure and Technology

Stewardship

EXHIBITS

1. Fourth Amendment to the Professional Services Agreement with Arcadis

**FOURTH AMENDMENT TO PROFESSIONAL SERVICES AGREEMENT
(AQUIFER STORAGE AND RECOVERY SUPPORT)**

This **FOURTH AMENDMENT TO PROFESSIONAL SERVICES AGREEMENT** (the “Fourth Amendment”) is made and entered into by and between **NEW BRAUNFELS UTILITIES**, a Texas municipally owned utility (“NBU”), and **ARCADIS U.S., INC.**, a Delaware corporation authorized to transact business in the state of Texas (the “Professional”) (collectively, “the Parties”).

RECITALS

WHEREAS, NBU and the Professional entered into a Professional Services Agreement dated December 16, 2020 (the “Original Agreement”), for (i) general aquifer storage and recovery (“ASR”) support, (ii) NBU/Edwards Aquifer Authority (“EAA”) Interlocal Agreement (“ILA”) work group support, (iii) analytical modeling of ASR formations, and (iv) Phase 4 ASR cycle testing (collectively the “Services”) for the ASR project (the “Project”);

WHEREAS, NBU and the Professional entered into a First Amendment to the Original Agreement dated January 28, 2022, to (i) delete the Original Supplemental Services and replace them with the New Supplemental Services; (ii) reallocate the funds to distribute the money more evenly between all of the fiscal years; (iii) engage the New Supplemental Services; and (iv) define a time of completion for the New Supplemental Services (the “First Amendment”);

WHEREAS, NBU and the Professional entered into a Second Amendment to the Original Agreement dated October 31, 2022, to provide support to NBU in securing a TCEQ ASR Wellfield Operating Permit (the “Second Amendment”);

WHEREAS, NBU and the Professional entered into a Third Amendment to the Original Agreement dated December 22, 2023, for (i) improvements to the ASR D1 Well to extend the depth of the well for better water quality, to include design, bid, and construction phase services; and (ii) design and bid phase services for an additional ASR monitoring well (the “Third Amendment” and, together with the First Amendment, the Second Amendment, and the Original Agreement, the “Agreement”);

WHEREAS, NBU and the Professional have identified the need for (i) monitoring well construction administration and onsite observation services; (ii) additional demonstration well cycle test support services; (iii) a geophysical survey of the proposed well alignment; and (iv) additional modeling and agency coordination services (the “New Services” and, together with the Original Services, as amended by the First Amendment, the Second Amendment, and the Third Amendment, the “Services”);

WHEREAS, the New Services require an increase in the compensation to the Professional and an extension of the completion date for the Services described in Exhibit A, Task 3 – Analytical Modeling;

WHEREAS, the Agreement requires NBU and the Professional to agree in writing to amend or modify the Agreement; and

WHEREAS, NBU and the Professional agree to amend the Agreement to (i) add the New Services; (ii) increase compensation to be paid to the Professional; and (iii) extend the time of completion for the New Services described in Exhibit A, Task 3 – Analytical Modeling.

NOW THEREFORE, in consideration of the foregoing promises and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree, as follows:

AGREEMENT

Section 1. Amendment to Exhibit A. Exhibit A to the Agreement is hereby amended, in part, as described by Exhibit A to this Fourth Amendment as of the effective date of this Fourth Amendment.

Section 2. Amendment to Exhibit B. Exhibit B to the Agreement is hereby replaced in its entirety by Exhibit B to this Fourth Amendment as of the effective date of this Fourth Amendment.

Section 3. Remaining Terms. Except as stated herein, all other terms and conditions of the Agreement remain in full force and effect.

Section 4. Entire Agreement. This Fourth Amendment, together with the Agreement, sets forth the entire understanding of NBU and the Professional and supersedes all prior agreements and understandings, whether written or oral, with respect to the subject matter hereof.

Section 5. Binding Effect. This Fourth Amendment will extend to and be binding upon NBU and the Professional and their respective successors and permitted assigns.

Section 6. Severability. If any term or provision of this Fourth Amendment is held to be invalid, illegal, or unenforceable in any respect under applicable law, the legality, validity or enforceability of the remaining terms or provisions of this Fourth Amendment shall not be affected thereby, and this Fourth Amendment shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein.

Section 7. Governing Law. This Fourth Amendment shall be governed by and construed in accordance with the laws of the State of Texas.

(The remainder of this page is intentionally left blank.)

IN WITNESS WHEREOF, the Parties hereto, upon lawful approval and authority, have executed this Fourth Amendment on this the ____ day of _____, 2024.

NBU:

NEW BRAUNFELS UTILITIES,
a Texas municipally owned utility

By: _____
Name: Ryan Kelso
Title: Chief Executive Officer

THE PROFESSIONAL:

ARCADIS U.S., INC.,
a Delaware corporation authorized to transact
business in the State of Texas


By:  _____
Name: Charles Schoening
Title: Principal-in-Charge

Exhibit A
Services

NO CHANGE

Task 1. General ASR Support

NO CHANGE

Task 2. ILA Work Group Support

NO CHANGE

Task 3. Prepare Analytical Models

3.1 NO CHANGE

3.2 NO CHANGE

3.3 NO CHANGE

3.4 NO CHANGE

3.5 The Professional shall provide additional modeling support and agency coordination necessary to meet the intent of interlocal agreements, permitting requirements, and to better understand aquifer behavior.

Task 4. Phase 4 Cycle Testing

4.1 NO CHANGE

4.2 NO CHANGE

4.3 NO CHANGE

4.4 NO CHANGE

4.5 NO CHANGE

4.6 NO CHANGE

4.7 NO CHANGE

4.8 NO CHANGE

4.9 NO CHANGE

4.10 New ASR Monitoring Well. The Professional shall provide design and bid phase services for a new ASR monitoring well to be located at a New Braunfels site specified by NBU. The Professional shall:

4.10.1 NO CHANGE

4.10.2 NO CHANGE

4.10.3 NO CHANGE

4.10.4 NO CHANGE

4.10.5 NO CHANGE

4.10.6 provide onsite observation of the well driller during execution of the monitoring well project;

4.10.7 review and respond to contractor submittals, requests for information, and pay requests during construction;

4.10.8 oversee well completion and testing for the ASR well once deepening is completed by the contractor;

4.10.9 conduct periodic progress meetings with contractor no less often than once per month;

4.10.10 provide updates to NBU on status of construction no later than one (1) week after the progress meetings conducted under Section 4.10.10; and

4.10.11 coordinate all Project closeout documentation.

4.11 The Professional shall provide an extension of Cycle Testing support to ensure a full recovery period is attained after deepening of the ASR demonstration well.

4.12 The Professional shall conduct a geophysical survey of the proposed wellfield alignment to validate and model underground conditions prior to wellfield expansion.

Task 5. Supplemental Services

5.1 NO CHANGE

5.2 NO CHANGE

5.3 NO CHANGE

5.4 NO CHANGE

5.5 NO CHANGE

Schedule

Milestone	Due Date
Task 1 – General ASR Support	NO CHANGE
Task 2 – ILA Support	NO CHANGE
Task 3 – Analytical Modeling	July 31, 2025
Task 4 – Phase 4 Cycle Testing	NO CHANGE
Task 5 – Supplemental Services	NO CHANGE

Exhibit B
Compensation

NBU shall pay the Professional for the Services rendered under this Agreement in accordance with the table below. NBU shall pay the Professional for the Services performed throughout the term of this Agreement in an amount not to exceed \$3,059,739 for the duration of the Agreement.

Fiscal Year	Original Contract	First Amendment	Second Amendment	Third Amendment	Fourth Amendment	Revised Contract Amount
FY 2021	\$550,000	\$0	\$0	\$0	\$0	\$550,000
FY 2022	\$365,000	\$0	\$0	\$0	\$0	\$365,000
FY 2023	\$210,000	\$0	\$432,919	\$0	\$0	\$642,919
FY 2024	\$215,000	\$0	\$0	\$744,898	\$0	\$959,898
FY 2025	\$200,000	\$0	\$0	\$0	\$341,922	\$541,922
TOTAL	\$1,540,000	\$0	\$432,919	\$744,898	\$341,922	\$3,059,739

Supplemental Services:

NBU shall pay the Professional for the Supplemental Services performed throughout the term of this Agreement in an amount not to exceed \$135,000; provided, however, that NBU shall provide written approval in the form of a supplemental agreement or contract amendment, as appropriate, prior to the Professional performing the Supplemental Services.

Fiscal Year	Original Contract	First Amendment	Second Amendment	Third Amendment	Fourth Amendment	Revised Contract Amount
FY 2021	\$50,000	(\$15,000)	\$0	\$0	\$0	\$35,000
FY 2022	\$35,000	(\$10,000)	\$0	\$0	\$0	\$25,000
FY 2023	\$15,000	\$10,000	\$0	\$0	\$0	\$25,000
FY 2024	\$10,000	\$15,000	\$0	\$0	\$0	\$25,000
FY 2025	\$25,000	\$0	\$0	\$0	\$0	\$25,000
Total	\$135,000	\$0	\$0	\$0	\$0	\$135,000



Meeting Date: May 30,2024 **Agenda Type:** Consent Items for Action

From: Adam Willard, P.E. **Reviewed by:** Michael Short, P.E.
 Chief Engineer of Water Director of Water Services and
 Systems Compliance

Submitted by: Michael Short, P.E. **Approved by:** Ryan Kelso
 Director of Water Services Chief Executive Officer
 and Compliance

RECOMMENDED ACTION: Authorize CEO or His Designee to Negotiate and Execute a Professional Services Agreement with Freese and Nichols, Inc. for Environmental Services for the Water and Wastewater Capital Improvements Program

BACKGROUND

This Professional Services Agreement (the “Agreement”) with Freese and Nichols, Inc. (“FNI”) provides environmental assessments, impact statements, routing studies, National Environmental Policy Act compliance reviews, endangered species reviews, coordination of US Army Corps of Engineers and Texas Water Development Board Environmental permitting, and coordination with applicable federal, state, and local regulatory agencies services for the New Braunfels Utilities (“NBU”) Water and Wastewater Capital Improvements Program (the “Project”). The Project is anticipated to provide necessary environmental services to meet the capital improvement project requirements.

NBU staff requests that the Board of Trustees approve the Agreement with FNI for the Project.

This item is being presented to the Board because the total amount of the Agreement is \$500,000.00.

FINANCIAL IMPACT

The total financial impact for the Agreement with FNI for the Project is \$500,000.00, including supplemental services. The Project is budgeted within the fiscal year 2024 through fiscal year 2029 NBU Board approved Capital Improvements Projects Budget.

LINK TO STRATEGIC PLAN

Infrastructure and Technology

Safety and Security

Stewardship

EXHIBITS

1. Professional Services Agreement with FNI

PROFESSIONAL SERVICES AGREEMENT

This **PROFESSIONAL SERVICES AGREEMENT** (the “Agreement”) is made and entered by and between **NEW BRAUNFELS UTILITIES**, a Texas municipally owned utility (“NBU”), and **FREESE AND NICHOLS, INC.**, a Texas corporation (the “Professional”). For good and valuable consideration, the receipt and sufficiency of which is acknowledged, the parties agree as follows:

Section 1. Term of Agreement. This Agreement will be effective on the latest date subscribed below (the “Effective Date”) and will remain in full force and effect for a period of one (1) year from July 1, 2024, to June 30, 2025 (the “Initial Term”), unless terminated as otherwise provided pursuant to the terms and conditions of this Agreement. After the expiration of the Initial Term, this Agreement shall automatically renew for four (4) successive one-year terms (each, a “Renewal Term”), unless either party provides written notice of its intent to terminate the Agreement to the other party at least thirty (30) days prior to the expiration of any term. The Initial Term and any Renewal Term(s) are collectively referred to herein as the “Term.” Upon renewal, the terms and conditions of this Agreement will remain in full force and effect. In no event will the contract Terms extend beyond June 30, 2029.

Section 2. Scope of Services.

(A) The Professional shall perform the services described in Exhibit A (the “Services”) within the timeframe specified therein. The scope of work described in the Services constitutes the “Project.”

(B) The quality of Services provided hereunder shall be of the level of professional quality performed by professionals regularly rendering this type of service.

(C) The Professional shall perform the Services in compliance with all statutory, regulatory, and contractual requirements now or hereafter in effect as may be applicable to the rights and obligations set forth in the Agreement.

(D) The Professional may rely upon the accuracy of reports and surveys provided to it by NBU except when defects should have been apparent to a reasonably competent professional or when it has actual notice of any defects in the reports and surveys.

Section 3. Compensation.

(A) **Amount.** The Professional shall be paid the amount set forth in Exhibit B as described herein.

(B) **Billing Period.** NBU shall pay the Professional within thirty (30) days after receipt and approval of invoices and based upon work satisfactorily performed and completed to date. All invoices shall document and itemize all work completed to date. Each invoice statement shall include a record of time expended, work performed in sufficient detail to justify payment, and a copy of the Work Authorization form, attached hereto as Exhibit C. In the event any uncontested

portions of any invoice are not paid within thirty (30) days of receipt and approval of the Professional's invoice, the Professional shall have the right to suspend work.

(C) Reimbursable Expenses. Any and all reimbursable expenses related to the Project shall be described in the Services defined in Exhibit A and accounted for in the total compensation amount in Exhibit B. If these items are not specifically accounted for in both Exhibit A and Exhibit B, NBU shall not be required to pay such amounts unless otherwise agreed to in writing by both parties or unless agreed to pursuant to Section 4 of this Agreement.

Section 4. Changes to the Project Work; Additional Work.

(A) Changes to Work. The Professional shall make such revisions to any work that has been completed as are necessary to correct any errors or omissions as may appear in such work. If NBU finds it necessary to make changes to previously satisfactorily completed work or parts thereof, the Professional shall make such revisions if requested and as directed by NBU and such services shall be considered as additional work and paid for as specified under the following paragraph.

(B) Additional Work. NBU retains the right to make changes to the Services at any time by a written contract amendment. Work that is clearly not within the general description of the Services under this Agreement must be approved in writing by NBU by contract amendment before the additional work is undertaken by the Professional. If the Professional is of the opinion that any work is beyond that contemplated in this Agreement and the Services described in Exhibit A and therefore constitutes additional work, the Professional shall promptly notify NBU of that opinion in writing. If NBU agrees that such work does constitute additional work, then NBU and the Professional shall execute a contract amendment for the additional work and NBU shall compensate the Professional for the additional work on the same basis of the rates for the Services contained in Exhibit B. If the changes deduct from the extent of the scope of work for the Services, the contract sum shall be adjusted accordingly. All such changes shall be executed under the conditions of the original Agreement. Any work undertaken by the Professional not previously approved as additional work shall be at risk of the Professional.

Section 5. Ownership of Documents. Upon completion or termination of this Agreement, all documents prepared by the Professional or furnished to the Professional by NBU shall be delivered to and become the property of NBU. All drawings, charts, calculations, plans, specifications and other data, including electronic files and raw data, prepared under or pursuant to this Agreement shall be made available, upon request, to NBU without restriction or limitation on the further use of such materials; however, such materials are not intended or represented to be suitable for reuse by NBU or others. Any reuse of the materials related to the Services without prior verification or adaptation by the Professional for the specific purpose intended will be at NBU's sole risk and without liability to the Professional. Where applicable, the Professional shall retain all pre-existing proprietary rights in the materials provided to NBU but shall grant to NBU a non-exclusive, perpetual, royalty-free license to use such proprietary information solely for the purposes for which the information was provided. The Professional may, at the Professional's expense, have copies made of the documents or any other data furnished to NBU under or pursuant to this Agreement.

Section 6. Personnel. The Professional shall provide adequate, experienced personnel, capable of and devoted to the successful completion of the Services to be performed under this Agreement. The Professional agrees that, upon commencement of the Services to be performed under this Agreement, key personnel will not be removed or replaced without prior written notice to NBU. If key personnel are not available to perform the Services for a continuous period exceeding thirty (30) calendar days, or are expected to devote substantially less effort to the Services than initially anticipated, the Professional shall immediately notify NBU of same and shall replace such personnel with personnel possessing substantially equal ability and qualifications.

Section 7. Licenses; Materials. The Professional shall maintain in current status all federal, state, and local licenses and permits required for the Professional to perform the Services and operate its business. NBU has no obligation to provide the Professional, its employees or subcontractors any business registrations or licenses required to perform the Services described in this Agreement. NBU has no obligation to provide tools, equipment, or materials to the Professional.

Section 8. Performance Warranty. The Professional warrants that the Services provided under this Agreement shall conform to the professional standards performed by professionals regularly rendering this type of service.

Section 9. Indemnification. **TO THE FULLEST EXTENT PERMITTED BY LAW, THE PROFESSIONAL SHALL INDEMNIFY, DEFEND, AND HOLD HARMLESS NBU AND EACH BOARD MEMBER, OFFICER, EMPLOYEE OR AGENT THEREOF (NBU AND ANY SUCH PERSON BEING HEREIN CALLED AN “INDEMNIFIED PARTY”), FOR, FROM AND AGAINST ANY AND ALL LOSSES, CLAIMS, DAMAGES, LIABILITIES, COSTS AND EXPENSES (INCLUDING, BUT NOT LIMITED TO, REASONABLE ATTORNEYS’ FEES AND COURT COSTS) TO WHICH ANY SUCH INDEMNIFIED PARTY MAY BECOME SUBJECT, UNDER ANY THEORY OF LIABILITY WHATSOEVER (“CLAIMS”), INsofar AS SUCH CLAIMS (OR ACTIONS IN RESPECT THEREOF) RELATE TO, ARISE OUT OF, OR ARE CAUSED BY THE GOODS OR SERVICES PROVIDED BY THE PROFESSIONAL, ITS OFFICERS, EMPLOYEES, AGENTS, OR ANY TIER OF SUBCONTRACTOR IN THE PERFORMANCE OF THIS AGREEMENT. THE AMOUNT AND TYPE OF INSURANCE COVERAGE REQUIREMENTS SET FORTH BELOW SHALL IN NO WAY BE CONSTRUED AS LIMITING THE SCOPE OF THE INDEMNITY IN THIS SECTION.**

Section 10. Insurance.

(A) General.

- i. Insurer Qualifications. Without limiting any obligations or liabilities of the Professional, the Professional shall purchase and maintain, at its own expense, hereinafter stipulated minimum insurance with insurance companies authorized to do business in the State of Texas with an A.M. Best, Inc. rating of A- VII or above with policies and forms satisfactory to NBU. Failure to maintain insurance as specified herein may result in termination of this Agreement at NBU’s option.

- ii. No Representation of Coverage Adequacy. By requiring insurance, NBU does not represent that coverage and limits will be adequate to protect the Professional. NBU reserves the right to review any and all of the insurance policies and/or endorsements cited in this Agreement, but has no obligation to do so. Failure to demand such evidence of full compliance with the insurance requirements set forth in this Agreement or failure to identify any insurance deficiency will not relieve the Professional from, nor be construed or deemed a waiver of, its obligation to maintain the required insurance at all times during the performance of this Agreement.
- iii. Additional Insured. All insurance coverage and self-insured retention or deductible portions, except Workers' Compensation insurance and Professional Liability insurance, if applicable, shall name, to the fullest extent permitted by law for claims arising out of the performance of this Agreement, NBU, its agents, representatives, officers, directors, officials and employees as an Additional Insured (CG 2010 1001 and CG 2037 1001 or an equivalent on the general liability policy) as specified under the respective coverage sections of this Agreement.
- iv. Coverage Term. All insurance required herein shall be maintained in full force and effect until all the Services required to be performed under the terms of this Agreement are satisfactorily performed, completed and formally accepted by NBU, unless specified otherwise in this Agreement.
- v. Primary Insurance. The Professional's insurance shall be primary insurance with respect to performance of this Agreement and in the protection of NBU as an Additional Insured.
- vi. Claims Made. In the event any insurance policies required by this Agreement are written on a "claims made" basis, coverage will extend, either by keeping coverage in force or purchasing an extended reporting option, for three years after the conclusion of the term of this Agreement. Such continuing coverage will be evidenced by submission of annual certificates of insurance stating applicable coverage is in force and containing provisions as required herein for the three-year period.
- vii. Waiver. All policies (except for Professional Liability, if applicable), including Workers' Compensation insurance, will contain a waiver of rights of recovery (subrogation) against NBU, its agents, representatives, officials, officers and employees for any claims arising out of the Services performed by the Professional. The Professional shall arrange to have such subrogation waivers incorporated into each policy via formal written endorsement thereto.
- viii. Policy Deductibles and/or Self-Insured Retentions. The policies set forth in these requirements may provide coverage that contains deductibles or self-insured retention amounts. Such deductibles or self-insured retention shall not be

applicable with respect to the policy limits provided to NBU. The Professional shall be solely responsible for any such deductible or self-insured retention amount.

- ix. Use of Subcontractors. The Professional shall not use subcontractors for all or any work under this Agreement without the prior written consent of NBU in its sole discretion. If any work under this Agreement is subcontracted in any way, the Professional shall execute written agreements with its subcontractors containing the indemnification provisions set forth in this Agreement and insurance requirements set forth herein protecting NBU and the Professional. The Professional shall be responsible for executing any agreements with its subcontractors and obtaining certificates of insurance verifying the insurance requirements.
- x. Evidence of Insurance. Prior to the Effective Date of this Agreement, the Professional shall provide suitable evidence of insurance to NBU, which confirms that all required insurance policies are in full force and effect. Evidence of insurance shall be in a form acceptable to NBU. Confidential information such as the policy premium may be redacted from the documents evidencing each insurance policy, provided that such redactions do not alter any of the information required by this Agreement. NBU will rely upon the requested information, including, but not limited to, certificates of insurance, endorsements, schedule of forms and endorsements, or other policy language as evidence of coverage but such acceptance and reliance will not waive or alter in any way the insurance requirements or obligations of this Agreement. If any of the policies required by this Agreement expire during the life of this Agreement, it will be the Professional's responsibility to forward renewal certificates and evidence of insurance to NBU five (5) days prior to the expiration date.

(B) Required Insurance Coverage. Any of the coverage set forth below may be waived by NBU in its sole discretion, but any such waiver must be signed by an authorized representative of NBU on or before the Effective Date of this Agreement.

- i. Commercial General Liability. The Professional shall maintain "occurrence" form Commercial General Liability insurance with an unimpaired limit of not less than \$1,000,000 for each occurrence and a \$2,000,000 General Aggregate Limit. The policy shall cover liability arising from premises, operations, independent contractors, products, completed operations, personal injury, and property damage. The definition of insured contract cannot have any modifications as outlined in the ISO policy form CG 0001 0413. Third party action over coverage must not be specifically excluded. To the fullest extent allowed by law, for claims arising out of the performance of this Agreement, NBU, its agents, representatives, officers, officials and employees shall be cited as an Additional Insured. If any Excess insurance is utilized to fulfill the requirements of this subsection, such Excess insurance shall be "follow form" equal or broader in coverage scope than underlying insurance.

- ii. Auto Liability. The Professional shall maintain Automobile Liability insurance with a limit of \$1,000,000 combined single limit on the Professional's owned or hired and non-owned vehicles, as applicable, assigned to or used in the performance of the Services by the Professional under this Agreement. To the fullest extent allowed by law, for claims arising out of the performance of this Agreement, NBU, its agents, representatives, officers, directors, officials and employees shall be cited as an Additional Insured. If any Excess insurance is utilized to fulfill the requirements of this subsection, such Excess insurance shall be "follow form" equal or broader in coverage scope than underlying insurance.
- iii. Professional Liability. The Professional shall maintain Professional Liability insurance covering negligent errors and omissions arising out of the Services performed by the Professional, or anyone employed by the Professional, or anyone for whose negligent acts, mistakes, errors and omissions the Professional is legally liable, with an unimpaired liability insurance limit of \$1,000,000 each claim and \$2,000,000 annual aggregate. In the event the Professional Liability insurance policy is written on a "claims made" basis, coverage shall extend for three years after the conclusion of the term of this Agreement, and the Professional shall be required to submit certificates of insurance and other requested information evidencing proper coverage is in effect as required above. Confidential information such as the policy premium or proprietary information may be redacted from the insurance information requested, provided that such redactions do not alter any of the information required by this Agreement.
- iv. Workers' Compensation and Employer's Liability Insurance. The Professional shall maintain Workers' Compensation insurance to cover the Professional's employees engaged in the performance of the Services under this Agreement and shall also maintain Employers Liability Insurance of not less than \$1,000,000 for each accident, \$1,000,000 disease for each employee and \$1,000,000 disease policy limit.

(C) Cancellation and Expiration Notice. Insurance required herein shall not expire, be canceled, or be materially changed without thirty (30) days' prior written notice to NBU.

Section 11. Termination.

(A) For NBU's Convenience. This Agreement is for the convenience of NBU and, as such, may be terminated by NBU for any reason upon thirty (30) days' written notice by NBU to the Professional. Upon termination for convenience, the Professional will be paid for the Services performed to the termination date less any offsets to which NBU may be entitled under the terms of this Agreement. By written notice to NBU, the Professional may suspend work if the Professional reasonably determines that working conditions at the site (outside the Professional's control) are unsafe, or in violation of applicable laws, or in the event NBU has not made timely payment in accordance with this Agreement, or for other circumstances not caused by the Professional that are materially interfering with the normal progress of the work. The

Professional's suspension of work hereunder shall be without prejudice to any other remedy of the Professional at law or equity.

(B) For Cause. If either party violates any provision or fails to perform any obligation of this Agreement and such party fails to cure its nonperformance within thirty (30) days after written notice of nonperformance is given by the non-defaulting party, such party will be in default. In the event of such default, the non-defaulting party may terminate this Agreement immediately for cause and will have all remedies that are available to it at law or in equity including, without limitation, the remedy of specific performance. If the nature of the defaulting party's nonperformance is such that it cannot reasonably be cured within thirty (30) days, then the defaulting party will have such additional period of time as may be reasonably necessary under the circumstances, provided the defaulting party immediately (i) provides written notice to the non-defaulting party and (ii) commences to cure its nonperformance and thereafter diligently continues to completion the cure of its nonperformance. In no event will any such cure period exceed ninety (90) days. Only one notice of nonperformance will be required during the term of this Agreement and in the event of a second breach or violation, the nondefaulting party may immediately terminate this Agreement without notice to the defaulting party. In the event of any termination for cause by NBU, payment will be made by NBU to the Professional for the undisputed portion of its fee due as of the termination date less any offsets to which NBU may be entitled under the terms of this Agreement.

(C) Non-Collusion. The Professional represents and warrants that the Professional has not given, made, promised or paid, nor offered to give, make, promise or pay any gift, bonus, commission, money or other consideration to any person as an inducement to or in order to obtain the work to be provided to NBU under this Agreement. If NBU determines that the Professional gave, made, promised, paid or offered any gift, bonus, commission, money, or other consideration to NBU or any of its officers, agents, or employees to secure this Agreement, NBU may elect to cancel this Agreement by written notice to the Professional. The Professional further agrees that the Professional shall not accept any gift, bonus, commission, money, or other consideration from any person (other than from NBU pursuant to this Agreement) for any of the Services performed by the Professional under or related to this Agreement. If any such gift, bonus, commission, money, or other consideration is received by or offered to the Professional, the Professional shall immediately report that fact to NBU and, NBU, at its sole option, may elect to cancel this Agreement by written notice to the Professional.

(D) Agreement Subject to Appropriation. This Agreement is subject to appropriation of funds. The provisions of this Agreement for payment of funds by NBU shall be effective when funds are appropriated for purposes of this Agreement and are actually available for payment. NBU shall be the sole judge and authority in determining the availability of funds under this Agreement and NBU shall keep the Professional fully informed as to the availability of funds for the Agreement. The obligation of NBU to make any payment pursuant to this Agreement is a current expense of NBU, payable exclusively from such annual appropriations, and is not a general obligation or indebtedness of NBU. If sufficient funds are not appropriated to pay the amounts as set forth in this Agreement during any immediately succeeding fiscal year, this Agreement shall terminate at the end of the then-current fiscal year and NBU and the Professional shall be relieved of any subsequent obligation under this Agreement.

Section 12. Miscellaneous.

(A) Independent Contractor. The Professional acknowledges that the Professional is an independent contractor of NBU and is not an employee, agent, official or representative of NBU. The Professional shall not represent, either expressly or through implication, that the Professional is an employee, agent, official or representative of NBU. Income taxes, self-employment taxes, social security taxes and the like shall be the sole responsibility of the Professional.

(B) Governing Law; Venue. This Agreement and all of the transactions contemplated herein shall be governed by and construed in accordance with the laws of the State of Texas. The provisions and obligations of this Agreement are performable in Comal County, Texas such that exclusive venue for any action arising out of this Agreement shall be in Comal County, Texas.

(C) Compliance with Laws. The Professional shall comply with all federal, state and local laws, statutes, ordinances, rules and regulations, and the orders and decrees of any courts, administrative, or regulatory bodies in any matter affecting the performance of this Agreement, including, without limitation, worker's compensation laws, minimum and maximum salary and wage statutes and regulations, and licensing laws and regulations. When required, the Professional shall furnish satisfactory proof of compliance to NBU.

(D) Amendments. This Agreement may only be amended, modified, or supplemented by a written amendment signed by persons duly authorized to enter into contracts on behalf of NBU and the Professional.

(E) Provisions Required by Law. Each and every provision of law and any clause required by law to be in the Agreement shall be read and enforced as though it were included herein and, if through mistake or otherwise any such provision is not inserted, or is not correctly inserted, then upon the application of either party, the Agreement shall promptly be physically amended to make such insertion or correction.

(F) Severability. If any term or provision of this Agreement is held to be invalid, illegal, or unenforceable in any respect under applicable law, the legality, validity or enforceability of the remaining terms or provisions of this Agreement shall not be affected thereby, and this Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein.

(G) Entire Agreement; Interpretation; Parol Evidence. This Agreement and the related Exhibits constitute the entire agreement of the parties with respect to the subject matter, and all previous agreements, whether oral or written, entered into prior to this Agreement are hereby revoked and superseded thereby. No representations, inducements or oral agreements have been made by any of the parties except as expressly set forth in this Agreement. This Agreement shall be construed and interpreted according to its plain meaning, and no presumption shall be deemed to apply in favor of, or against the party drafting the Agreement.

(H) No Assignment. Neither party shall have the right to assign that party's interest in this Agreement without the prior written consent of the other party. Any purported assignment in violation of this Section shall be null and void.

(I) Subcontractors. The Professional shall not transfer any portion of the work related to the Services under this Agreement to any subcontractor without the prior written consent of NBU, which consent shall not be unreasonably withheld. The approval or acquiescence of NBU in the subletting of any work shall not relieve the Professional of any responsibility for work done by such subcontractor. Failure to pay subcontractors in a timely manner pursuant to any subcontract shall be a material breach of this Agreement by the Professional.

(J) Waiver. No waiver by any party of any of the provisions of this Agreement shall be effective unless explicitly set forth in writing and signed by the party so waiving. No waiver of any breach or violation of any term of this Agreement shall be deemed or construed to constitute a waiver of any other breach or violation, whether concurrent or subsequent, and whether of the same or of a different type of breach or violation. No failure to exercise, or delay in exercising, any right, remedy, power, or privilege arising from this Agreement shall operate or be construed as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power, or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power, or privilege.

(K) Attorneys' Fees. In the event either party brings any action for any relief, declaratory or otherwise, arising out of this Agreement or on account of any breach or default hereof, the prevailing party will be entitled to receive from the other party reasonable attorneys' fees and reasonable costs and expenses, which will be deemed to have accrued on the commencement of such action.

(L) Liens. All materials or services provided under this Agreement shall be free of all liens and, if NBU requests, a formal release of all liens shall be delivered to NBU.

(M) Offset.

- i. Offset for Damages. In addition to all other remedies at law or equity, NBU may offset from any money due to the Professional any amount the Professional owes to NBU for damages resulting from breach or deficiencies in performance or breach of any obligation under this Agreement, including but not limited to all costs, expenses, fines, fees, and charges associated with obtaining performance from alternative sources, shipping, handling, materials, equipment rental, travel expenses and associated costs.
- ii. Offset for Delinquent Fees or Taxes. NBU may offset from any money due to the Professional any amount the Professional owes to NBU for delinquent fees, including any interest or penalties.

(N) Notices. Any notice or other communication required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been duly given if (i) delivered to the

party at the address set forth below, (ii) deposited in the U.S. Mail, registered or certified, return receipt requested, to the address set forth below, or (iii) given to a recognized and reputable overnight delivery service, to the address set forth below:

If to NBU:

New Braunfels Utilities
Attn: Chief Operations Officer
263 Main Plaza
New Braunfels, TX 78130

With copy to:

Purchasing Manager
New Braunfels Utilities
355 FM 306
New Braunfels, TX 78130

If to the Professional:

Freese and Nichols, Inc.
801 Cherry St.
Ste 2800
Fort Worth, TX 76102

or at such other address, and to the attention of such other person or officer, as any party may designate by providing thirty (30) days' prior written notice of such change to the other party in the manner set forth in this Section. Notices shall be deemed received (i) when delivered to the party, (ii) three business days after being placed in the U.S. Mail, properly addressed, with sufficient postage or (iii) the following business day after being given to a recognized overnight delivery service, with the person giving the notice paying all required charges and instructing the delivery service to deliver on the following business day. If a copy of a notice is also given to a party's counsel or other recipient, the provisions above governing the date on which a notice is deemed to have been received by a party shall mean and refer to the date on which the party, and not its counsel or other recipient to which a copy of the notice may be sent, is deemed to have received the notice.

(O) Confidentiality of Records. The Professional shall establish and maintain procedures and controls that are acceptable to NBU for the purpose of ensuring that information contained in its records or obtained from NBU or from others in carrying out the Professional's obligations under this Agreement shall not be used or disclosed by it, its agents, officers, or employees, except as required to perform the Professional's duties under this Agreement. Persons requesting such information should be referred to NBU. The Professional also agrees that any information pertaining to individual persons shall not be divulged other than to employees or officers of the Professional as needed for the performance of duties under this Agreement.

(P) Right to Audit. NBU shall have the right to examine and audit the books and records of the Professional with regard to the Services, or any subsequent changes, at any reasonable time. Such books and records shall be maintained in accordance with generally accepted principles of accounting and shall be adequate to enable determination of: (1) the substantiation and accuracy of any payments required to be made under this Agreement; and (2) compliance with the provisions of this Agreement.

(Q) Paragraph Headings; Construction. The paragraph headings contained in this Agreement are for convenience only and shall in no way enlarge or limit the scope or meaning of the various and several paragraphs hereof. Both parties have participated in the negotiation and preparation of this Agreement and this Agreement shall not be construed either more or less strongly against or for either party.

(R) Binding Effect. Except as limited herein, the terms and provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, devisees, personal and legal representatives, successors and assigns.

(S) Gender. Within this Agreement, words of any gender shall be held and construed to include any other gender, and words in the singular number shall be held and construed to include the plural, unless the context otherwise requires.

(T) Multiple Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, and all of which shall constitute but one and the same instrument.

(U) Exhibits. Except as specified in Subsection (V) of this Section, all exhibits to this Agreement are incorporated herein by reference for all purposes wherever reference is made to the same.

(V) Conflicting Terms. In the case of any conflicts between the terms of this Agreement and the Exhibits, the statements in the body of this Agreement shall govern. The Exhibits are intended to detail the technical scope of services, fee schedule, and the term of the contract only and shall not dictate Agreement terms.

(W) Relationship of Parties. Nothing contained in this Agreement shall be deemed or construed by the parties hereto or by any third party to create the relationship of principal and agent or of partnership or of joint venture or of any association whatsoever between the parties, it being expressly understood and agreed that no provision contained in this Agreement nor any act or acts of the parties hereto shall be deemed to create any relationship between the parties other than the relationship of independent parties contracting with each other solely for the purpose of effecting the provisions of this Agreement.

(X) No Third-Party Beneficiaries. This Agreement is for the sole benefit of the parties hereto and their respective assigns and nothing herein, express or implied, is intended to or shall confer upon any other person or entity any legal or equitable right, benefit, or remedy of any nature whatsoever under or by reason of this Agreement.

(Y) Non-Exclusive Contract. This Agreement is entered into with the understanding and agreement that it is for the sole convenience of NBU. NBU reserves the right to obtain like goods and services from another source when necessary.

Section 13. Force Majeure. If the performance of any covenant or obligation to be performed hereunder by any party is delayed as a result of circumstances that are beyond the reasonable control of such party (which circumstances may include, without limitation, acts of God, war, acts of civil disobedience, epidemic, pandemic, fire or other casualty, shortage of materials, adverse weather conditions (such as, by way of illustration and not of limitation, severe rain storms or below freezing temperatures, or tornados), labor action, strikes or similar acts, moratoriums or regulations or actions by governmental authorities), the time for such performance shall be extended by the amount of time of such delay, but no longer than the amount of time reasonably occasioned by the delay. In no event will any delay or failure of performance caused by any force majeure condition extend this Agreement beyond its stated Term unless both parties agree in writing to such extension in an amendment to this Agreement. The party claiming delay of performance as a result of any of the foregoing force majeure events shall deliver written notice of the commencement of any such delay resulting from such force majeure event not later than seven (7) days after the claiming party becomes aware of the same, and if the claiming party fails to so notify the other party of the occurrence of a force majeure event causing such delay and the other party shall not otherwise be aware of such force majeure event, the claiming party shall not be entitled to avail itself of the provisions for the extension of performance contained in this subsection.

Section 14. Dispute Resolution. In accordance with the provisions of Subchapter I, Chapter 271 of the Texas Local Government Code, as amended, the parties agree that, prior to instituting any lawsuit or other proceeding arising from a dispute under this agreement, the parties shall first attempt to resolve the dispute by taking the steps described in this Section. First, the dissatisfied party shall deliver to the other party a written notice substantially describing the nature of the dispute, which notice shall request a written response to be delivered to the dissatisfied party not less than five (5) days after receipt of the notice of dispute. Second, if the response does not reasonably resolve the dispute, in the opinion of the dissatisfied party, the dissatisfied party shall give five (5) days' written notice to that effect to the other party whereupon each party shall appoint a person having authority over the activities of the respective parties who shall promptly meet, in person, in an effort to resolve the dispute. Third, if those persons cannot or do not resolve the dispute, then the parties shall each appoint a person from the highest tier of managerial responsibility within each respective party, who shall then promptly meet, in person, in an effort to resolve the dispute.

Section 15. Disclosure of Business Relationships/Affiliations; Conflict of Interest Questionnaire. The Professional represents that it is in compliance with the applicable filing and disclosure requirements of Chapter 176 of the Texas Local Government Code, as amended.

Section 16. Information Technology

(A) Limited Access. If necessary for the fulfillment of the Agreement, NBU may provide the Professional with non-exclusive, limited access to NBU's information technology infrastructure. The Professional understands and agrees to abide by NBU policies, standards, regulations and restrictions regarding access and usage of NBU's information technology infrastructure. The Professional shall reasonably enforce such policies, standards, regulations and restrictions with all the Professional's employees, agents or any tier of subcontractor granted access in the performance of this Agreement, and shall be granted and authorize only such access as may be necessary for the purpose of fulfilling the requirements of the Agreement. The Professional's employees, agents and subcontractors must receive prior, written approval from NBU before being granted access to NBU's information technology infrastructure and data and NBU, in its sole determination, shall determine accessibility and limitations thereto. The Professional agrees that the requirements of this Section shall be incorporated into all subcontractor agreements entered into by the Professional. It is further agreed that a violation of this Section shall be deemed to cause irreparable harm that justifies injunctive relief in court. A violation of this Section may result in immediate termination of this Agreement without notice.

(B) Data Confidentiality. All data, regardless of form, including originals, images and reproductions, prepared by, obtained by or transmitted to the Professional in connection with this Agreement is confidential, proprietary information owned by NBU. Except as specifically provided in this Agreement, the Professional shall not intentionally disclose data generated in the performance of the Services to any third party without the prior, written consent of NBU.

(C) Data Security. Personal identifying information, financial account information, or restricted NBU information, whether electronic format or hard copy, is confidential and must be secured and protected at all times to avoid unauthorized access. At a minimum, the Professional must encrypt or password-protect electronic files. This includes data saved to laptop computers, computerized devices or removable storage devices.

(D) Compromised Security. In the event that data collected or obtained by the Professional in connection with this Agreement is believed to have been compromised or in the event of a Security Incident, as defined by Section 2054.603 of the Texas Government Code, the Professional shall notify NBU within twenty-four (24) hours of discovery of such compromise or Security Incident. **THE PROFESSIONAL SHALL INDEMNIFY, DEFEND, AND HOLD NBU HARMLESS FROM ANY CLAIMS RESULTING FROM THE PROFESSIONAL'S FAILURE TO COMPLY WITH ITS OBLIGATIONS UNDER THIS SECTION.**

(E) Survival. The obligations of the Professional under this Section shall survive the termination of this Agreement.

Section 17. Prohibition on Contracts with Companies Boycotting Israel. The Professional hereby verifies that it and its parent company, wholly-or majority owned subsidiaries, and other affiliates, if any, does not boycott Israel and, to the extent this Agreement is a contract for goods or services, will not boycott Israel during the term of this Agreement as described in Chapter 2271 of the Texas Government Code, as amended. The foregoing verification is made solely to comply with Section 2271.002 of the Texas Government Code, as amended, and to the extent such Section does not contravene applicable federal and State law. As used in the foregoing verification,

“boycott Israel” means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes. The Professional understands “affiliate” to mean an entity that controls, is controlled by, or is under common control with the Professional and exists to make a profit.

Section 18. Contracts with Companies Engaged in Business with Iran, Sudan or Foreign Terrorist Organizations Prohibited. The Professional represents that neither it nor any of its parent company, wholly-or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Texas Government Code, as amended, and posted on any of the following pages of such officer’s internet website:

<https://comptroller.texas.gov/purchasing/docs/sudan-list.pdf>,
<https://comptroller.texas.gov/purchasing/docs/iran-list.pdf>, or
<https://comptroller.texas.gov/purchasing/docs/fto-list.pdf>.

The foregoing representation is made solely to comply with Section 2252.152, Texas Government Code, as amended, and to the extent such Section does not contravene applicable federal or State law and excludes the Professional and each of its parent company, wholly-or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization. The Professional understands “affiliate” to mean an entity that controls, is controlled by, or is under common control with the Professional and exists to make a profit.

Section 19. Prohibition on Contracts with Companies in China, Iran, North Korea, or Russia. If the Professional is granted direct or remote access to or control of critical infrastructure in the State of Texas under this Agreement, the Professional represents the following:

- (A) it is not owned by or the majority of stock or other ownership interest in the Professional is not held or controlled by:
 - i. individuals who are citizens of China, Iran, North Korea, Russia, or a country designated by the Governor of Texas as a threat to critical infrastructure under Section 2275.0103 of the Texas Government Code, as amended (“designated country”); or
 - ii. a company or other entity, including a governmental entity, that is owned or controlled by citizens of or is directly controlled by the government of China, Iran, North Korea, Russia, or a designated country; or
- (B) it is not headquartered in China, Iran, North Korea, Russia, or a designated country.

The foregoing representation is made solely to comply with Chapter 2275 of the Texas Government Code, as amended, and to the extent such Section does not contravene applicable federal or State law. As used in the foregoing verification, “critical infrastructure” means a

communication infrastructure system, cybersecurity system, electric grid, hazardous waste treatment system, or water treatment facility. “Affiliate,” with respect to a company entering into an agreement in which the critical infrastructure is electric grid equipment, has the meaning assigned by the protocols of the independent organization certified under Section 39.151, Utilities Code, for the ERCOT power region.

Section 20. Prohibition on Contracts with Companies Boycotting Energy Companies. The Professional hereby verifies that it and its parent company, wholly-or majority owned subsidiaries, and other affiliates, if any, do not boycott energy companies and, to the extent this Agreement is a contract for goods or services, will not boycott energy companies during the term of this Agreement as described in Chapter 2276 of the Texas Government Code, as amended

The foregoing verification is made solely to comply with Section 2276.002 of the Texas Government Code, as amended, and to the extent such Section does not contravene applicable federal and State law. As used in the foregoing verification, “boycott energy companies” has the meaning used in Section 809.001 of the Texas Government Code, as amended. The Professional understands “affiliate” to mean an entity that controls, is controlled by, or is under common control with the Professional and exists to make a profit.

Section 21. Prohibition on Contracts with Companies that Discriminate Against Firearm and Ammunition Industries. The Professional hereby verifies that it and its parent company, wholly-or majority owned subsidiaries, and other affiliates, if any, do not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and, to the extent this Agreement is a contract for goods or services, will not discriminate against a firearm entity or firearm trade association during the term of this Agreement as described in Chapter 2274 of the Texas Government Code, as amended.

The foregoing verification is made solely to comply with Section 2274.002 of the Texas Government Code, as amended, and to the extent such Section does not contravene applicable federal and State law. As used in the foregoing verification, “discriminate against a firearm entity or firearm trade association” has the meaning used in Section 2274.001(3) of the Texas Government Code, as amended. The Professional understands “affiliate” to mean an entity that controls, is controlled by, or is under common control with the Professional and exists to make a profit.

Section 22. Texas Public Information Act. The Professional recognizes that NBU is subject to the disclosure requirements of the Texas Public Information Act (the “PIA”). As part of its obligations within this Agreement, the Professional agrees, at no additional cost to NBU, to cooperate with NBU for any particular needs or obligations arising out of the NBU’s obligations under the PIA. This acknowledgment and obligation are in addition to and complementary to the NBU’s audit rights in Section 12(P).

This provision applies if the Agreement has a stated expenditure of at least \$1 million in public funds for the purchase of goods or services by NBU or results in the expenditure of at least \$1 million in public funds for the purchase of goods or services by NBU in a fiscal year of NBU.

The Professional must (1) preserve all contracting information related to the Agreement as provided by the records retention requirements applicable to NBU for the duration of the Agreement; (2) promptly provide to NBU any contracting information related to the Agreement that is in the custody or possession of the Professional on request of NBU; and (3) on completion of the Agreement, either:

- (i) provide at no cost to NBU all contracting information related to the Agreement that is in the custody or possession of the Professional; or
- (ii) preserve the contracting information related to the Agreement as provided by the records retention requirements applicable to NBU.

The requirements of Subchapter J, Chapter 552, Texas Government Code, may apply to this Agreement and the Professional agrees that the Agreement can be terminated if the Professional knowingly or intentionally fails to comply with a requirement of that subchapter.

Section 23. Electronic Signatures. Pursuant to Chapter 322 of the Texas Business and Commerce Code, as amended, the parties agree to the use of electronic signatures herein and that the use of an electronic signature, whether digital or encrypted, is intended to have the same force and effect as a manual signature. Electronic signature means any electronic sound, symbol or process attached to or logically associated with a record and executed and adopted by a party with the intent to sign such record, including facsimile or e-mail electronic signatures. Each party further agrees that if it agrees to conduct a transaction by electronic means in this Agreement, it may refuse to conduct other transactions by electronic means and that such right may not be waived by this Agreement.

(The remainder of this page intentionally left blank)

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on this the ____ day of _____, 2024.

NBU:

NEW BRAUNFELS UTILITIES,
a Texas municipally owned utility

By: _____
Name: Ryan Kelso
Title: Chief Executive Officer

PROFESSIONAL:
FRESE & NICHOLS, INC.,
a Texas corporation

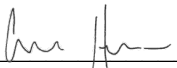
By:  _____
Name: Anne Hoskins
Title: Principal

Exhibit A

Services

The Professional shall provide all labor, equipment, materials, and transportation necessary to provide on-call environmental assessments, impact statements, routing studies, National Environmental Policy Act (“NEPA”) compliance reviews, endangered species reviews, coordination of US Army Corps of Engineers and Texas Water Development Board Environmental (“TWDB”) permitting, and coordination with applicable federal, state, and local regulatory agencies.

SCOPE OF SERVICES

The environmental consulting services include environmental assessments, impact statements, and routing studies. The Professional shall perform the following environmental consulting services;

1. perform environmental constraints level analysis;
2. perform environmental site assessments and remediation services;
3. conduct environmental specifications for construction projects;
4. conduct NEPA compliance and general conformity reviews of capital development projects;
5. review technical documents and reports;
6. conduct endangered species reviews;
7. assist with US Army Corps of Engineers Section 404 Permitting;
8. complete TWDB Environmental Permitting in accordance with requirements;
9. coordinate with floodplain administrators, as necessary;
10. coordinate with applicable federal and state regulatory agencies, including the Texas Parks and Wildlife Department, United States Corps of Engineers, Texas Historical Commission, and United States Fish and Wildlife Service; and
11. conduct surveys during construction for potentially impacted species as dictated by TWDB environmental determination.

The Professional shall submit a proposed service plan and quote for each project that NBU requests to be performed under this Agreement. NBU will either approve or disapprove each proposed service plan. NBU’s approval shall be evidenced by a finalized Work Authorization executed by both parties, attached as Exhibit C to this Agreement. The specific requirements as to location, conditions, procedures, timeframe for completion, and associated services pertaining to an assigned project shall be agreed to between NBU and the Professional in such individual Work Authorization form.

Work Authorizations shall be numbered sequentially, starting with number one (1) and shall reference this Agreement. The assigned and accepted Work Authorizations to the Professional shall be incorporated into and become a part of this Agreement.

The Professional understands and agrees that NBU makes no minimum guarantees with regard to the amount of services under this Agreement.

Exhibit B

Compensation

The Professional shall perform the Services described in Exhibit A for a particular project outlined in each NBU Work Authorization attached as Exhibit C, and in accordance with the Professional’s Fee Schedule below; however, the compensation for all Services rendered under this Agreement shall not exceed \$100,000 annually, with a total not to exceed amount of \$500,000 for the duration of the Agreement.

The following rate table is included for informational purposes only.

Fee Schedule

Service/Job Descriptions	Rate
Principal	\$289
Program Director	\$172
Project Manager	\$149
Env. Specialist/Planner IV	\$146
Env. Specialist/Planner III	\$117
Env. Specialist/Planner II	\$99
Env. Specialist/Planner I	\$76
Sr. Historical Architect	\$143
Architectural Historian/Historian IV	\$171
Architectural Historian/Historian III	\$137
Architectural Historian/Historian II	\$89
Architectural Historian/Historian I	\$73
Archeologist VI/Sr. Principal Investigator	\$136
Archeologist V/Principal Investigator/Lab Director	\$108
Archeologist IV/Project Archeologist	\$99
Archeologist III/Field Director	\$86
Archeologist II/Crew Chief	\$85
Archeologist I/Technician	\$69
GIS Specialist	\$131
GIS Technician/Illustrator/Drafter	83
Admin	\$126
Document Production Spvr/Editor	\$81
Clerical	\$75

Additional Costs: (Itemized with pricing):

Direct Costs

Item
Expenses: Cost plus 15%

Exhibit C

Work Authorization



Work Authorization No. _____

New Braunfels Utilities ("NBU") Attn: Director of Water Services 263 E. Main Plaza New Braunfels, Texas 78130	CIP Project No.:
	Agreement No.:
	Date:
This Work Authorization No. ____ is in accordance with the terms and conditions outlined in the Professional Services Agreement between _____ ("Professional") and NBU dated _____ (the "Agreement").	
Project Description:	
Description of Services: The Professional shall provide the Services in accordance with Exhibit A of the Agreement and more particularly described in Appendix __ to this Work Authorization.	
Deliverables:	
Compensation shall be as follows: Compensation shall be on a lump sum basis in the amount of \$##### for the Services and Deliverables described in this Work Authorization No. _____ in accordance with the Fee Schedule described in Exhibit B of the Agreement.	
	Amount of this Authorization \$
Schedule shall be as follows:	

The above described services shall proceed upon return of this Work Authorization. Services will be billed as they are done. If the Work Authorization conflicts with the Agreement, the Agreement controls.

This Work Authorization will serve as notice to proceed.

PROFESSIONAL:

NEW BRAUNFELS UTILITIES:

BY: _____

BY: _____

Print or Type Name

Print or Type Name

TITLE: _____

TITLE: _____

DATE: _____

DATE: _____



Meeting Date: May 30, 2024 **Agenda Type:** Consent Items for Action

From: Adam Willard, P.E. **Reviewed by:** Michael Short, P.E.
 Chief Engineer of Water Director of Water Services and
 Systems Compliance

Submitted by: Michael Short, P.E. **Approved by:** Ryan Kelso
 Director of Water Services Chief Executive Officer
 and Compliance

RECOMMENDED ACTION: Authorize CEO or His Designee to Negotiate and Execute an Interlocal Agreement with the Edwards Aquifer Authority for Operation of a Water Level Observation Well at Comal Plant No. 3 Adjacent to Comal Springs, New Braunfels, Texas

BACKGROUND

On November 15, 2008, New Braunfels Utilities (“NBU”) entered into an interlocal agreement (“ILA”) with the Edwards Aquifer Authority for the operation of a water level observation well at Comal Plant No. 3 (DX-68-23-304) (the “Well”). The ILA established the terms for EAA’s use of the Well for observation, monitoring, and sampling activities. Those activities listed within the ILA were to end no later than November 15, 2018, with the intent to terminate the ILA on that same date. However, continuous monitoring of the Well has occurred subsequent to the termination date.

The Well is adjacent to Fredericksburg Street, northwest of the former Comal Power Plant in New Braunfels, Texas. The Lower Colorado River Authority (“LCRA”) owns the Well, and NBU controls it and its site through a lease agreement with LCRA.

Both EAA and NBU share a deep understanding of the significance of spring flows at the Comal Springs for the survival of several endangered species of plants and animals. We also acknowledge the critical role of continuous monitoring of the Comal Springs as part of the Edwards Aquifer Habitat Conservation Plan, and as part of NBU’s aquifer storage and recovery (“ASR”) project at the Well location.

Staff has determined that it is in NBU’s best interest to continue to cooperate with the EAA in data collection activities regarding the Edwards Aquifer and Comal Springs. In collaboration with EAA, Staff has prepared a proposed interlocal agreement with the Edwards Aquifer Authority and New Braunfels Utilities for the formal continuation of the operation of a water level observation Well at Comal Plant No. 3 adjacent to Comal Springs, New Braunfels, Texas (“Proposed ILA”). The Proposed ILA is generally consistent with the previous ILA. All cost associated with EAA’s observation, monitoring and sampling

costs of the Well are to EAA's cost (i.e., not NBU costs). Staff recommends approval of the Proposed ILA.

This item is being presented to the Board because it creates an agreement between NBU and EAA.

FINANCIAL IMPACT

There are no immediate significant financial impacts other than those required in dedicating Staff resources to prepare and review the ILA.

LINK TO STRATEGIC PLAN

Customers and Community

Stewardship

EXHIBITS

1. New ILA



INTERLOCAL AGREEMENT

between the

EDWARDS AQUIFER AUTHORITY

and the

NEW BRAUNFELS UTILITIES

for the

OPERATION OF A WATER LEVEL OBSERVATION
 WELL AT COMAL PLANT NO. 3 (DX-68-23-304) ADJACENT TO COMAL
 SPRINGS, NEW BRAUNFELS, TEXAS

THIS INTERLOCAL AGREEMENT made effective this, 1st day of May, 2024, between the EDWARDS AQUIFER AUTHORITY (EAA), a political subdivision of the State of Texas, organized and existing under and by virtue of article XVI, section 59 of the Texas Constitution; and the NEW BRAUNFELS UTILITIES (NBU), an agency of the City of New Braunfels, Texas, acting through its Board of Trustees, charged with sole management and control of the City’s water system, organized and existing under and by virtue of section 11.09, of the City Charter of the City of New Braunfels, Texas.

RECITALS

WHEREAS, the EAA was created by the Edwards Aquifer Authority Act of May 30, 1993, 73rd Leg., R.S., ch. 626, 1993 Tex. Gen. Laws 2350, as amended (Act); and

WHEREAS, under Section 1.02 of the Act, the EAA is a conservation and reclamation district created by virtue of Article XVI, Section 59 of the Texas Constitution, and is a governmental agency and body politic and corporate vested with the full authority to exercise the powers and to perform the functions specified in the Act; and

WHEREAS, under Section 1.08(a) of the Act, the EAA has all the powers, rights, and privileges necessary to manage, conserve, preserve, protect the Edwards Aquifer (Aquifer), increase the recharge of, and prevent the waste or pollution of water in the Aquifer; and

WHEREAS, under Sections 1.01, 1.11, 1.14 and 1.26A of the Act, the EAA is authorized to implement programs designed to protect threatened and endangered species associated with the Aquifer; and

WHEREAS, under Section 1.27 of the Act, the EAA may conduct research; and

WHEREAS, under Section 1.11(d)(2) of the Act, the EAA, and other applicable law, may enter into contracts; and

WHEREAS, on February 5, 2013, Incidental Take Permit No. TE63663A-0 (later amended to TE-6366A-1) (ITP) was issued by the U.S. Fish and Wildlife Service to the EAA, the City of San Marcos, the City of San Antonio, acting by and through its San Antonio Water System, the City of New Braunfels, and Texas State University, under Section 10(a) (16 U.S.C.A. § 1539(a)) of the ESA; and

WHEREAS, the term of the ITP is from March 18, 2013 (the effective date) to March 31, 2028 (the expiration date); and

WHEREAS, under Section 49.057(a), Texas Water Code, the EAA may contract with all persons, firms, partnerships, corporations, or other entities, public or private, deemed necessary by the EAA's Board of Directors for the conduct of the affairs of the EAA; and

WHEREAS, under Section 49.211(a), Texas Water Code, the EAA has the functions, powers, authority, rights, and duties that will permit it to accomplish the purposes for which it was created or the purposes authorized by the Constitution, the Texas Water Code, or any other law; and

WHEREAS, under Section 49.213(b), Texas Water Code, the EAA may enter into contracts with any person or any public or private entity in the performance of any purpose or function permitted by the EAA; and

WHEREAS, under Section 49.213(c)(7), Texas Water Code, the EAA may enter into contracts with persons or any public or private entities on the terms and conditions the EAA's Board of Directors may consider desirable, fair, and advantageous for, among other things, the exercise of any rights, powers, and duties granted to the EAA; and

WHEREAS, the Edwards Aquifer of south-central Texas supplies drinking water for approximately 2 million people and supplies springflow to at least two major springs, one located at New Braunfels and another at San Marcos, Texas; and

WHEREAS, springflows at the Comal and San Marcos Springs are vital to the survival of several endangered species of plants and animals; and

WHEREAS, the proper protection of the Edwards Aquifer and springflows is a high priority for federal, state and local authorities; and

WHEREAS, a mission and goal of the EAA is to protect the Aquifer system and to maintain continuous springflows in accordance with the requirements of the Act; and

WHEREAS, the EAA, in cooperation with the U.S. Geological Survey (USGS), operates streamflow gauging stations on the Comal River and the San Marcos River to determine daily springflow, which daily springflow data is of paramount importance to water and wildlife managers in the Edwards Aquifer region; and

WHEREAS, additional continuous monitoring stations were installed at Comal Springs and San Marcos Springs in 2013 and continue to operate as part of the Edwards Aquifer Habitat Conservation Plan, and are also central to aquifer storage and recovery (ASR) monitoring; and

WHEREAS, NBU wishes to cooperate with the EAA in data collection activities regarding the Edwards Aquifer and Comal Springs; and

WHEREAS, under previous agreements between NBU and the EAA, the EAA has used the Comal Plant #3 Well, which has been given the State Well Number DX-68-23-304 (the Comal Plant #3 Well), to collect continuous Edwards Aquifer water level data since the year 2000, and these data have proven extremely valuable in studies to evaluate groundwater flowpaths in the vicinity of Comal Springs; and

WHEREAS, both NBU and the EAA desire water level data collection to continue at the Comal Plant #3 Well to further develop the correlation of water levels at the Well and Comal Springs discharge over a wide range of hydrologic conditions; and

WHEREAS, the Comal Plant #3 Well is located adjacent to Fredericksburg Street, northwest of the former Comal Power Plant in New Braunfels, Texas; and Comal Plant #3 Well is owned by the Lower Colorado River Authority (LCRA) and, through a lease agreement between LCRA and NBU, NBU controls the Well and Well site;

WHEREAS, the EAA and NBU are local governments pursuant to Section 791.003(4)(A), Texas Government Code; and

WHEREAS, the activities to be performed by the EAA under this Agreement are governmental functions and services under Sections 791.003(3)(D), (I), (K), (N), and 791.011(c), Texas Government Code.

NOW, THEREFORE, for and in consideration of the mutual promises contained in this Agreement, the parties agree as follows:

1. DEFINITIONS.

- A. "EAA" means the Edwards Aquifer Authority.
- B. "NBU" means the New Braunfels Utilities.
- C. "USGS" means the United States Geological Survey.
- D. "Well" means the Comal Plant No. 3 Well, State Well Number DX-68-23-304, as identified in Exhibit A, attached hereto and incorporated herein for all purposes. The specific location of the Well is: Latitude 29° 42' 40.8"/Longitude 098° 08' 15.4".

2. AUTHORITY FOR AGREEMENT.

A. This Agreement is entered into pursuant to the Interlocal Cooperation Act, Chapter 791, Texas Government Code.

B. The EAA represents that it has the legal authority to enter into, and that its Board of Directors has duly approved, this Agreement pursuant to law, including but not limited to, compliance with the Open Meetings Act, Chapter 551, Texas Government Code.

C. NBU represents that it has the legal authority to enter into, and that its Board of Trustees has duly approved, this Agreement pursuant to law, including but not limited to, compliance with the Open Meetings Act.

D. NBU represents that the Well is owned by the LCRA but, through a lease agreement between LCRA and NBU dated February 24, 1987, as modified by an agreement dated March 27, 1998, NBU controls the Well and Well site. NBU further represents and warrants to the EAA that it has the legal power and authority to enter into this Agreement and nothing in the agreements between NBU and LCRA shall impact, diminish or alter the EAA's rights under this Agreement.

E. Each party will furnish the other party with proof that its governing body has authorized the Agreement. Proof shall include a certified resolution or minutes of the meeting of the governing body authorizing a designated representative to sign this Agreement.

3. PURPOSE.

The sole purpose of this Agreement is to authorize the EAA's use of the Well as set forth herein. The EAA may not use the Well for any other purpose or beyond the term of this Agreement with the exception of the use of the Well for short-term scientific tests such as water quality tests, geophysical tests, and tracer tests dependent upon the approval of the Chief Executive Officer of NBU, and except as otherwise provided in Interlocal Cooperative Contract No. 17-837-EX between the EAA and NBU for the development and use of an ASR project (ICC No. 17-837-EX). In the event of a conflict between this Agreement and ICC No. 17-837-EX, ICC No. 17-837-EX shall prevail.

4. TERM.

This Agreement is effective on the 1st day of May 2024, and continuing until terminated by one of the parties pursuant to paragraph 15 of this Agreement.

5. COSTS OF MONITORING ACTIVITIES.

A. Except as provided in ICC No. 17-837-EX and in Subsection C, all costs for the activities to be performed by the EAA under this Agreement shall be borne solely by the EAA.

B. In the event that in conducting its authorized activities under Section 8 of this Agreement, the EAA determines that the Well requires repair or modification, then the EAA shall give written notice to NBU of the specific Well deficiencies and an estimate of the cost to correct the deficiencies. NBU shall review the notice and shall be entitled to a reasonable period of time

thereafter to inspect or hire a contractor to inspect the Well and verify the deficiencies identified by EAA. Subject to such verification, NBU will then issue a:

1. Stop work order, after which the EAA will remove its equipment from the Well site; or
2. Notice for the EAA to proceed with the repair or modification to the Well and to proceed with the activities authorized under this Agreement after the Well has been repaired or modified to make it suitable.

C. If NBU issues a notice to proceed, then the cost of the repairs or modifications shall be borne by the parties as follows:

1. The EAA will pay the cost of all repairs or modifications as they are completed.
2. If the Agreement remains in effect for a period of 24 months following completion of the repairs or modifications, the EAA will bear all repair costs.
3. If the Agreement is cancelled by NBU in less than 24 months after repairs or modifications are made, NBU shall share a proportion of the costs calculated in accordance with the following formula.

(Authorized repair or modification cost ÷ 24) X (24 minus number of months elapsed from date repair or modification completed until Agreement cancelled).

The EAA will provide NBU with an invoice for the repair or modification costs and the amount due from NBU within 30 days after receiving notice of cancellation by NBU. NBU shall pay to the EAA the amount due no later than 30 days after the invoice is received. NBU has no reimbursement obligation if this Agreement is cancelled more than 24 months after the repairs or modifications are completed.

4. Authorization by NBU to proceed with repairs or modifications shall constitute NBU's full agreement with the repair or modification costs and NBU agrees not to contest the cost of repairs or modifications at any later date if the cost is equal to or less than the amount estimated by the EAA per Subsection 5.B. of this Agreement.

5. In the event of NBU's termination of this Agreement, reimbursement obligations in this section survive.

6. CONTROL OF THE WELL.

Nothing in this Agreement shall be construed to be a grant of the ownership of the Well itself or the real property on which the Well is situated. During the term of this Agreement, NBU shall retain the right to withdraw and use groundwater produced from the Well, and the right to enter the Well site at any time for any reason, provided that such use and access by NBU shall not interfere with the rights conveyed to the EAA under this Agreement.

7. ACCESS TO THE WELL SITE.

During the term of this Agreement, NBU authorizes the EAA to enter the Well site for the purpose of conducting the activities authorized under Section 8 of this Agreement.

8. AUTHORIZED ACTIVITIES.

A. The EAA may conduct the following general activities on the Well and at the Well site:

1. assessment of the correlation between the discharge of the Comal Springs and the water level in the Well;
2. conducting geophysical logging, or other downhole surveys that further the understanding of the hydrologic behavior of the Well and Aquifer system surrounding the Well;
3. collecting grab and composite water quality samples from the Well; and
4. performing tracer testing studies at the Well including the injection of dyes and/or the monitoring of the Well for dyes.

B. The EAA may conduct the following specific activities on the Well and at the Well site:

1. Continuous water level and/or water quality monitoring of the Well. Data will be collected using a pressure transducer, multiprobe, and data logger or similar continuous recording device. Data analysis of the water level data from the Well will include the correlation with gauge height (stage) data and springflow data from the USGS gauging station on the Comal River near the San Antonio Street viaduct;

2. conducting water quality sampling of the Aquifer at the Well:

a. water quality sampling of the Well will require the Well to be pumped or flowed at a controlled and measured rate so that a minimum of three Well volumes of water are purged from the Well prior to sampling. The volume of the Well bore is approximately 15,000 gallons. This procedure will require the purging of approximately 45,000 gallons of water. If Well purging must be performed using a pump, purging will require about 7.5 hours, at a pumping rate of 100 gallons per minute (gpm). If sufficient natural artesian pressure is present at the Well, the Well may be allowed to flow naturally at a rate up to 500 gpm. The purged waters will be disposed of into a storm-water sewer inlet located at Fredericksburg and Howard Streets that will discharge downstream of Landa Lake. The EAA understands that this discharge location has been approved by the Texas Commission on Environmental Quality (TCEQ) and the U.S. Fish and Wildlife Service (USFWS), however NBU makes no representation in this regard. Water quality sampling of the Well will occur no more than once per year without receiving separate approval from NBU; and

b. water quality analysis will include the measurement of field parameters and laboratory analysis of a grab or composite sample of water derived, at least in part, from the Aquifer, that is discharged at the Well head. Field water quality parameters will generally

include specific conductance, water temperature, pH, dissolved oxygen, turbidity, and alkalinity. Laboratory analysis of water samples may include but are not limited to the following constituents: major ions, minor elements, volatile organic compounds, organophosphate pesticides, organochlorine pesticides, chlorophenoxy herbicides, biochemical oxygen demand nutrients, and other compounds or isotopes as needed. The sampling protocols used will meet criteria established by U.S. Environmental Protection Agency, and TCEQ, following the EAA's Groundwater Sampling Plan and quality assurance/quality control plan; and

c. the water quality data collected will be used to evaluate the quality of Aquifer source water proximate to the Well, and to aid in the assessment of overall spring and Aquifer system health; and

3. conducting geophysical logging, or other downhole surveys designed to improve the understanding of the Aquifer system, or to collect specific water quality data from subsurface isolated intervals either related to the freshwater or saline water components of the Aquifer system at the Well; and

4. performing tracer testing studies at the Well, including the injection of dyes and/or the monitoring of the Well for dyes. The injection of dye will be performed by inserting a plastic tubing into the top of the Well standpipe to the top of the Aquifer limestone and then injecting the dye into the tube using a low volume pump. The dye will be flushed from the Well bore and into the Well using high-capacity pumps at the Well head. Only water withdrawn from the Aquifer may be injected into the Well. Monitoring for dye may require the collection of a water sample, the insertion of a granular activated carbon dye trap into the Well, or insertion of a dye detection instrument into the Well. Tracer testing is usually a process occurring over many months.

C. The activities authorized in Subparagraphs 8(A) and 8(B) will be conducted within the following time frames:

1. the water level monitoring activities will be ongoing and will end no later than May 1, 2034, or as may be extended by written agreement of the parties pursuant to Paragraph 13 of this Agreement.

2. The water quality sampling activities will begin no later than May 1, 2024, and end no later than May 1, 2034, or as may be extended by written agreement of the parties pursuant to Paragraph 13 of this Agreement.

D. The EAA may not use the Well or the Well site for artificial springflow augmentation, for pumping more than 100 gpm, or for flowing the Well at more than 500 gpm using natural artesian pressure for longer than it takes to complete the purging activities described in Paragraph 8(B)(2)(a) of this Agreement or for any purpose not specifically authorized herein.

E. Any data collected from the Well will be provided to NBU upon request.

9. PERMITS.

The EAA must obtain all legally required permits, licenses, or other governmental

authorizations prior to performing any of the activities authorized to be performed in this Agreement. At the written request of NBU, the EAA will provide proof satisfactory to NBU that the EAA has obtained all such permits, licenses, or authorizations. NBU will provide a copy to the EAA of its authorization from the TCEQ to allow discharges to water in connection with the Well.

10. AGREEMENT COORDINATOR.

A. For the EAA, the Agreement coordinator to administer this Agreement is Mr. Paul Bertetti, Director of Research and Modeling, Edwards Aquifer Authority, 900 E. Quincy Street., San Antonio, Texas 78215, (210) 222-2204.

B. For NBU, the Agreement coordinator to administer this Agreement is Michael G. Short, New Braunfels Utilities, 263 Main Plaza, P.O. Box 310289, New Braunfels, Texas 78131-0289, (830) 629-8470.

C. Each party must give written notice to the other party within fifteen business days of a change in the Agreement coordinator.

11. NOTICES.

Any notice to be given under this Agreement must be in writing. The notice shall be deemed given when mailed, postage prepaid, or hand delivered, to the Agreement coordinator identified in Paragraph 10 of this Agreement.

12. RECORDS.

The EAA will establish and maintain appropriate records pertaining to the activities performed by the EAA under this Agreement, in the form of data records maintained within database applications and made available to NBU on request or other electronic means of access. The records will be subject to review, copying and distribution pursuant to the Public Information Act, Chapter 552, Texas Government Code.

13. INTEGRATION CLAUSE; AMENDMENTS.

This Agreement contains the entire agreement between the parties relating to the rights granted and the obligations assumed in it. Any oral representations, modifications, or amendments concerning this Agreement, including to extend the terms of the Agreement, shall be of no force or effect unless contained in a subsequent writing, signed by the party to be charged.

14. ASSIGNMENTS.

This Agreement is not assignable without the express prior, written consent of the parties.

15. TERMINATION.

This Agreement may be terminated for any reason by either party upon 30 calendar days written notice, without prejudice to the parties' rights to enforce provisions hereof which expressly survive termination. Otherwise, this Agreement terminates on May 1, 2034, unless extended by

written agreement of the parties pursuant to Paragraph 13 of this Agreement.

16. RESTORATION.

If, in exercising the EAA's rights in and to the Well and Well site as provided in this Agreement, the EAA directly or indirectly causes any damage to the Well or Well site or any other property appurtenant thereto or any improvements located on the Well site, the EAA will, at EAA's sole cost and expenses and within a reasonable time, but in no event later than 30 calendar days from the date the damage occurred, restore the Well or Well site and/or such improvements to the original condition existing prior to the damage. The provisions of this paragraph survive termination of this Agreement.

17. COMPLIANCE WITH LAWS.

The EAA agrees to comply at all times and at its sole cost with all applicable federal, state and local laws, rules, regulations and safety standards in connection with the EAA's activities under this Agreement. By its use of the Well and the Well site, the EAA will not cause or permit the Well or Well site or NBU to be in violation of, or do anything or permit anything to be done by the EAA, its contractors, subcontractors, agents, or employees which will subject the Well, the Well site or NBU to any remedial obligations under applicable laws pertaining to health, the environment or endangered species (such laws as they now exist or are hereafter enacted and/or amended are hereinafter sometimes collectively called "Applicable Environmental Laws"). The EAA will promptly notify NBU in writing of any existing, pending or, to the best knowledge of EAA, threatened investigation or inquiry by any governmental authority in connection with any Applicable Environmental Laws concerning the EAA's use of the Well and Well site.

18. TIME.

Time is of the essence. In the event the date for performance of any obligation under this Agreement falls on a Saturday, Sunday or Texas legal banking holiday, then that obligation will be performed on the next following regular business day.

19. COUNTERPARTS

This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, and all of which shall constitute but one and the same instrument.

(Signatures on the following pages.)

IN WITNESS WHEREOF, the parties have executed this Agreement, and it is effective on the day and year first written above.

EDWARDS AQUIFER AUTHORITY

By: _____
Roland Ruiz
General Manager

ATTEST:

Jennifer Wong-Esparza
Assistant to the Secretary

APPROVED AS TO FORM:

Darcy A. Frownfelter
General Counsel
Edwards Aquifer Authority

NEW BRAUNFELS UTILITIES

By: _____
Ryan Kelso
Chief Executive Officer

ATTEST:

Rocio Gallegos
Executive Assistant to the Chief Executive
Officer

APPROVED AS TO FORM:

Connie C. Lock
General Counsel
New Braunfels Utilities

Exhibit A





Meeting Date: May 30, 2024 **Agenda Type:** Presentation Item

From: Vania Fuentes-Caballero **Reviewed by:** Dawn Schriewer
Customer Service Manager Chief Financial Officer

Submitted by: Dawn Schriewer **Approved by:** Ryan Kelso
Chief Financial Officer Chief Executive Officer

RECOMMENDED ACTION: Presentation on the New Braunfels Utilities (NBU) Customer Satisfaction Survey Results for Fiscal Year 2024 from Great Blue Research



2024 Customer Satisfaction Study



Report of Findings

11 April 2024
Confidential & Proprietary

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SECTION ONE
Project Overview

SECTION TWO
Key Study Findings

SECTION THREE
Considerations

SECTION FOUR
Aggregate Data (Provided Separately)



Project Overview

Research Objectives

- GreatBlue Research was commissioned by New Braunfels Utilities (hereinafter "NBU") to conduct market research to understand how satisfied their customers are with NBU and its recent advancements.
- The primary goals of this research study were to assess the effectiveness of NBU's ability to serve its customers, identify areas for improvement, and isolate areas that may increase engagement.
- The outcome of this research will enable NBU personnel to a) more clearly understand, and ultimately set, customer expectations, b) act on near-term opportunities for improvement, and c) create a strategic roadmap to increase customer satisfaction.



Areas of Investigation in 2024

The NBU Residential & Commercial Customer Satisfaction Survey leveraged a telephone and digital research methodology to address the following areas of investigation:

- Rating NBU's organizational characteristics
- Satisfaction with customer service and field service
- Satisfaction with the reliability of NBU's services
- Expectations of NBU and the extent to which they are met
- Perceived value of NBU's programs and services
- Preferred communication methods
- Perception of NBU's efforts to help customers reduce usage and conserve resources
- Demographic profile of respondents
- Firmographic profile of respondents

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Item 1.

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Research Methodology | Residential Snapshot

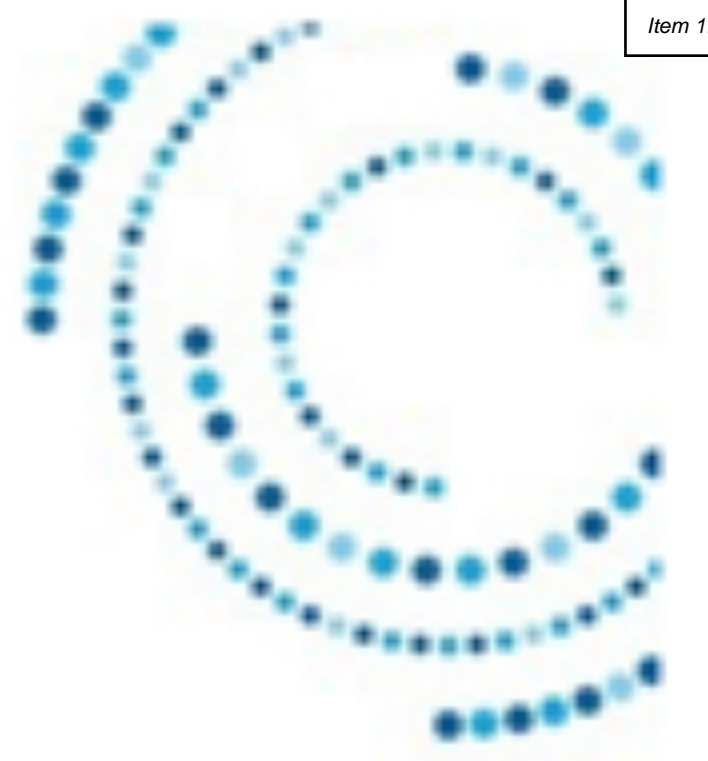
Methodology Digital / Telephone	No. of Completes 1,837 Total (1,585 Digital and 252 Telephone)	No. of Questions 48*	Incentive None	Sample Customer Sample
Target Residential Customers	Quality Assurance Dual-level**	Margin of Error +/- 2.2%	Confidence Level 95%	Research Dates February 26 - March 26, 2024

* This represents the total possible number of questions; not all respondents will answer all questions based on skip patterns and other instrument bias.

** Data quality personnel, in addition to computer-aided interviewing platforms, ensure the integrity of the data is accurate.

Residential Customers

Key Takeaways





- Methodology impacts ratings - customers who took the survey online provided lower ratings than customers who took the survey by phone, across the board.
 - This is very common - in online surveys, respondents provide more honest and candid feedback, which can sometimes mean more negative feedback, than in phone surveys.
 - Declined ratings in many cases can be attributed to an increase in online survey responses across the past few studies.
- GreatBlue is also seeing declines due to more younger customers (Millennials and Gen Z) taking surveys, who generally have higher expectations and provide lower ratings for their utility as a result.
- GreatBlue saw declines in data in Texas through PPDS from 2022 to 2023.
- As the NBU community continues to grow, you will likely continue to see more young customers, renters, and newer residents completing surveys, who tend to provide lower ratings.

Satisfaction | Organizational Characteristics

In 2024, customers provided an average positive rating of 44.4% for NBU’s organizational characteristics, which marked a decrease of 3.1 percentage points from 2023. This decline stemmed from customers providing lower ratings for three (3) of eight (8) benchmarking characteristics compared to 2023. Of note, while online survey respondents provided a decreased average positive rating for NBU, the average positive rating among phone survey respondents increased.

Aggregate of "Somewhat agree - 04" and "Strongly agree - 05" responses without "don't know" responses

	2022			2023			2024				
	Phone	Online	Composite	Phone	Online	Composite	Phone	Online	Composite		
NBU’s staff is helpful and knowledgeable	87.7%	76.4%	81.2%	69.6%	56.4%	60.6%	72.1%	55.9%	58.4%	58.6%	65.5%
NBU is involved in the community	75.1%	72.9%	73.7%	61.0%	53.6%	56.0%	66.2%	45.2%	48.7%	52.8%	59.3%
NBU does a good job communicating with customers	83.2%	68.9%	74.8%	57.1%	48.7%	51.2%	70.1%	44.6%	48.3%	60.4%	65.3%
NBU promptly responds to customer questions and complaints	84.1%	68.4%	75.1%	59.7%	46.1%	50.5%	66.2%	44.8%	48.2%	59.8%	65.7%
I am satisfied overall with NBU	85.5%	68.0%	75.1%	60.7%	41.7%	47.3%	64.3%	40.6%	43.9%	61.7%	68.0%
NBU is open and honest about company operations and policies	72.9%	54.9%	62.4%	51.5%	33.3%	39.0%	55.1%	35.1%	38.2%	54.2%	59.7%
NBU provides good service and value for the cost of utilities	73.9%	56.8%	63.7%	52.6%	34.7%	40.1%	58.4%	33.4%	36.9%	55.0%	60.9%
The conservation tips and advice NBU provides helps me save money on my utility bill	80.1%	72.3%	75.5%	40.8%	33.6%	35.8%	40.0%	31.0%	32.4%	50.5%	54.0%
Average	80.3%	67.3%	72.7%	56.6%	43.5%	47.5%	61.6%	41.3%	44.4%	56.6%	62.3%



Q1-8: To begin, I will read you a list statements about NBU. For each one please use a scale of one (1) to five (5) where one is “strongly disagree” and five is “strongly agree.”



Font color indicates statistical significance at a 95% confidence level compared to the previous year.

Satisfaction | Organizational Characteristics

NBU received an overall satisfaction rating of 43.9% in 2024, which is 17.8 percentage points lower than the Texas overall satisfaction rating of 61.7%.

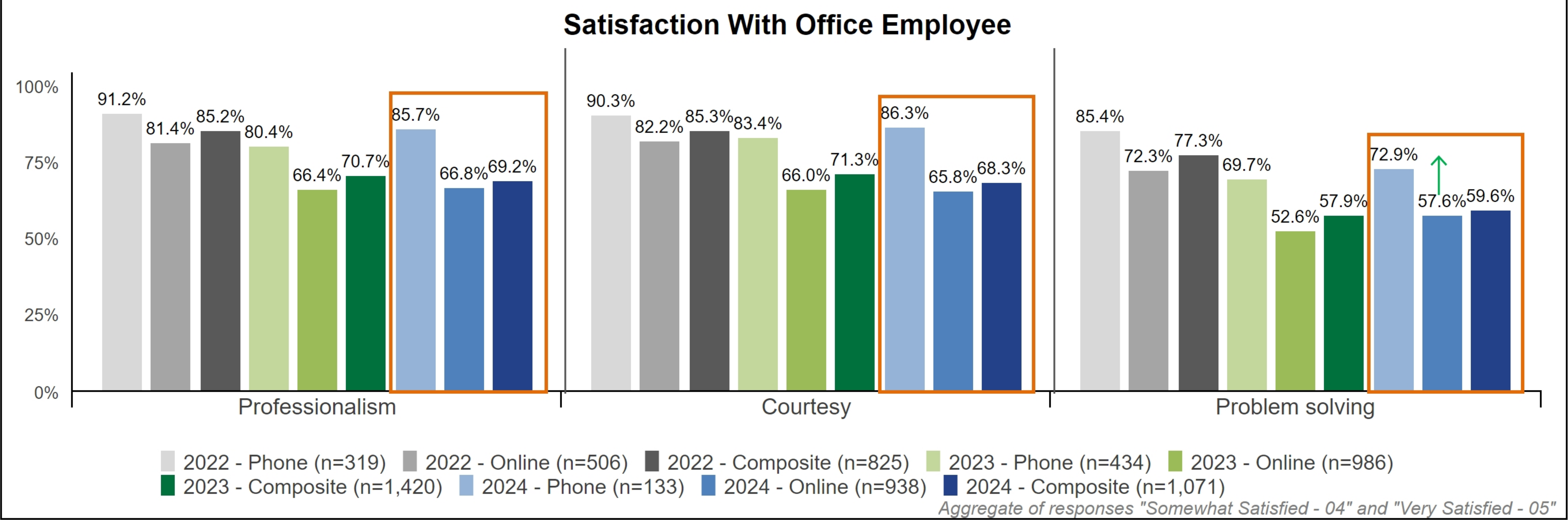
Aggregate of "Somewhat agree - 04" and "Strongly agree - 05" responses without "don't know" responses

	2024				
	Phone	Online	Composite		
NBU does a good job communicating with customers	70.1%	44.6%	48.3%	60.4%	65.3%
NBU promptly responds to customer questions and complaints	66.2%	44.8%	48.2%	59.8%	65.7%
The conservation tips and advice NBU provides helps me save money on my utility bill	40.0%	31.0%	32.4%	50.5%	54.0%
NBU is open and honest about company operations and policies	55.1%	35.1%	38.2%	54.2%	59.7%
NBU provides good service and value for the cost of utilities	58.4%	33.4%	36.9%	55.0%	60.9%
NBU is involved in the community	66.2%	45.2%	48.7%	52.8%	59.3%
NBU's staff is helpful and knowledgeable	72.1%	55.9%	58.4%	58.6%	65.5%
I am satisfied overall with NBU	64.3%	40.6%	43.9%	61.7%	68.0%
Average	61.6%	41.3%	44.4%	56.6%	62.3%

 : 2023 Positive ratings for organizational characteristics among Texas public power utility customers via the Public Power Data Source tool
 : 2023 Positive ratings for organizational characteristics among National public power utility customers via the Public Power Data Source tool

Satisfaction | Office Employees

More than two-thirds of customers who engaged with NBU office personnel rated them positively for both courtesy and professionalism, which was consistent with 2023. Additionally, three-fifths of customers reported satisfaction with the problem-solving skills of NBU employees, which was a slight increase compared to 2023 (+1.7 percentage points).

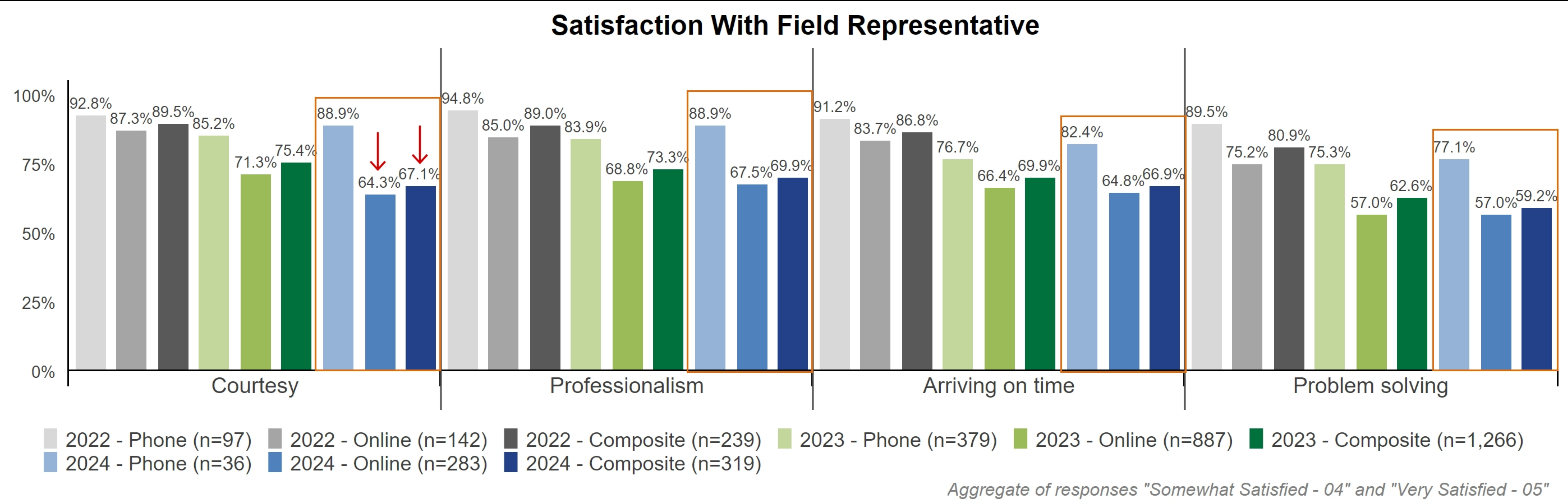


Q10: Please rate the NBU office employees you dealt with in the following areas of service. (Total "satisfied" w/o "don't know")

Arrows indicate statistical significance at a 95% confidence level, with the color and direction of the arrow denoting whether it is higher or lower than the previous year.

Satisfaction | Field Service Employees

Among customers who have had contact with a field representative in the last year, more than two-thirds rated the representative positively for their professionalism, courtesy, and punctuality. However, the rating for the field representatives' "courtesy" declined in 2024 (-8.3 percentage points).



Q13: Now, using the same one to five scale where one is "very dissatisfied" and five is "very satisfied," please rate the NBU employees you dealt with in the following areas of service. (Total "satisfied" w/o "don't know")

Arrows indicate statistical significance at a 95% confidence level, with the color and direction of the arrow denoting whether it is higher or lower than the previous year.

Satisfaction | Issue Resolution

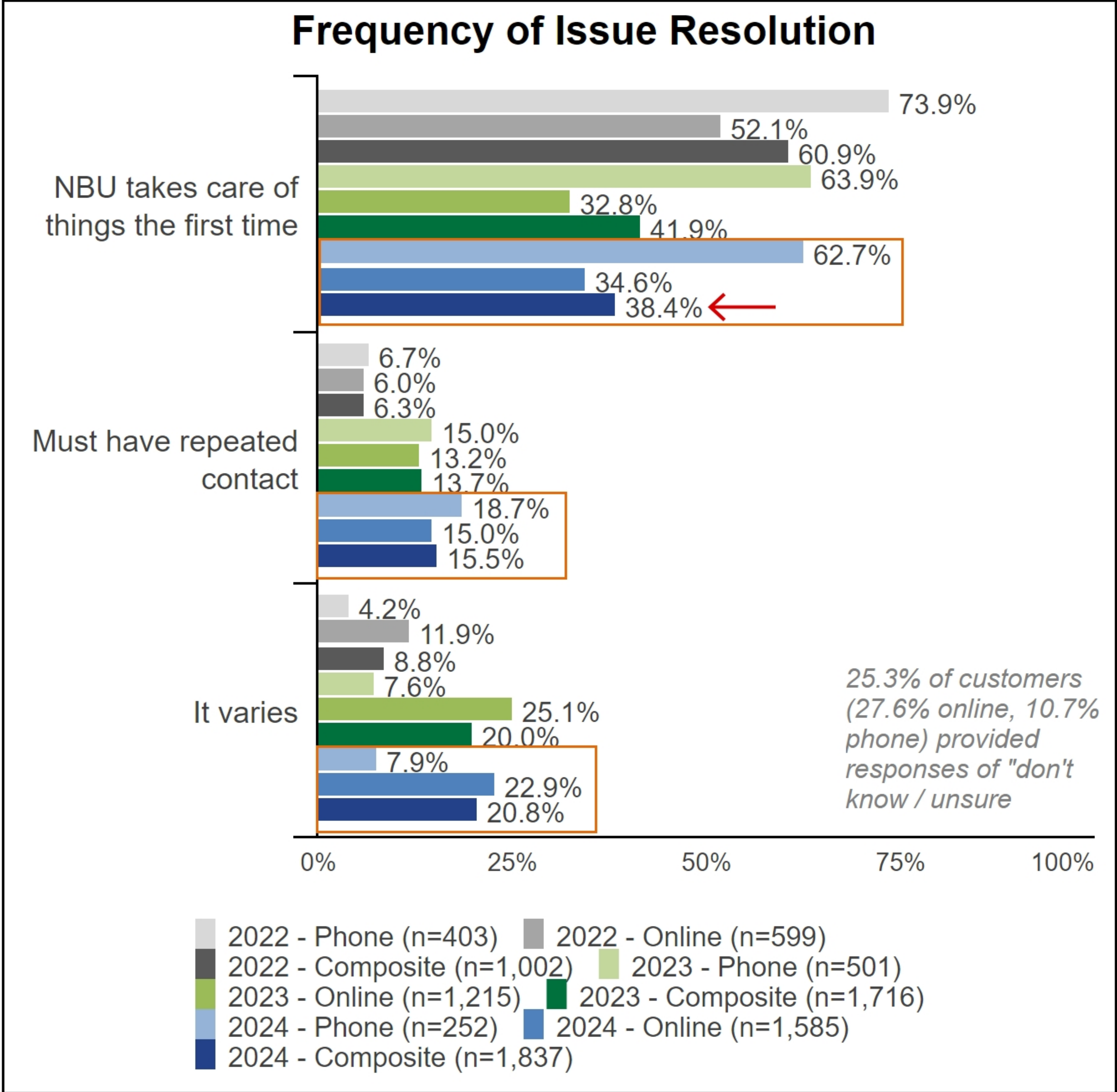
In 2024, there was a significant decline in the frequency of residential customers reporting that NBU tends to resolve issues on the the first point of contact (-3.5 percentage points). This metric holds significance as 73.4% of customers who reported their issue was resolved on the first point of contact reported being satisfied with NBU overall, compared to the 9.2% overall satisfaction rating provided by customers who indicated they must have repeated contact with NBU before their issue is resolved.

73.4%

of residential customers (composite)

The percentage of customers who had their **issue resolved** on first contact that reported to be **“satisfied”** overall with NBU

Q15: Generally, when you contact NBU, are things taken care of to your satisfaction the first time, or must you have repeated contact with them?



Arrows indicate statistical significance at a 95% confidence level, with the color and direction of the arrow denoting whether it is higher or lower than the previous year.

Expectations | Services Received from NBU

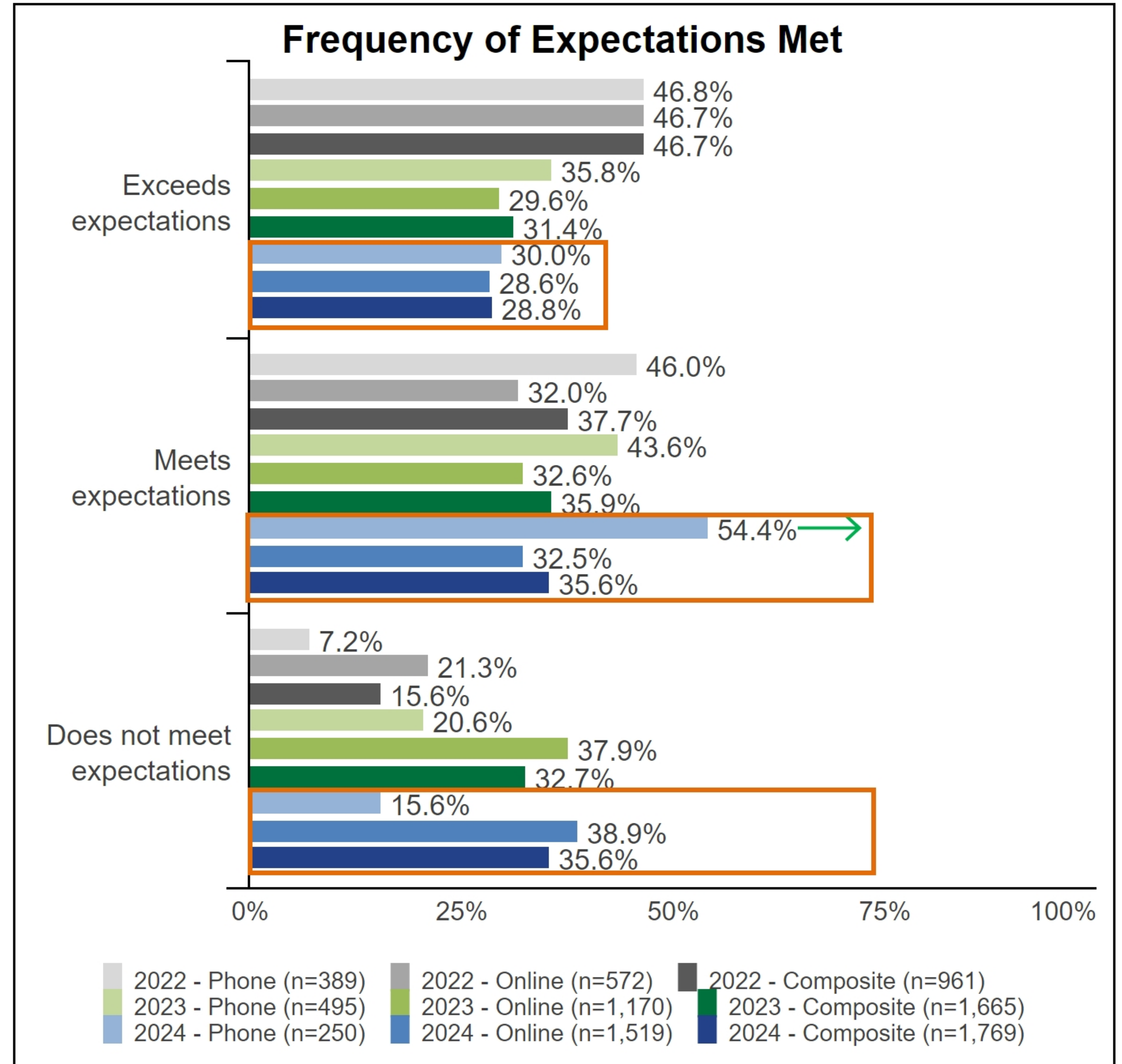
The top expectation among customers in 2024 was "low prices / fair pricing / cost savings," followed by "reliable / consistent service" and "clean water / safe water." One-quarter of customers reported NBU "exceeds expectations," (-2.6 percentage points), while over one-third of customers indicated NBU meets their expectations.

Top Expectations	2024		
	Phone	Online	Composite
Low prices/fair pricing/cost savings	40.9%	60.0%	57.4%
Reliable/consistent service	55.6%	38.0%	40.4%
Clean water/safe water	16.3%	37.8%	34.8%
Transparency/honesty/fairness	14.3%	26.3%	24.7%
Proper billing/easy to understand bill/prompt processing	10.7%	25.4%	23.4%

Top 5 responses shown

Q17: Everyone has expectations of the organizations they do business with over time. What are the top three expectations you have regarding the service you receive from NBU.

Q18: To what extent has NBU met your expectations? (w/o "don't know")



Expectations | Not met, Future Considerations

Among those respondents who indicated NBU has not exceeded their expectations, nearly one-third suggested NBU should offer "cost savings / lower prices / flexibility with payment" to exceed customer expectations in the future.

Others indicated NBU should "increase communication / more access to information" and "eliminate / reduce fees, charges and deposits."

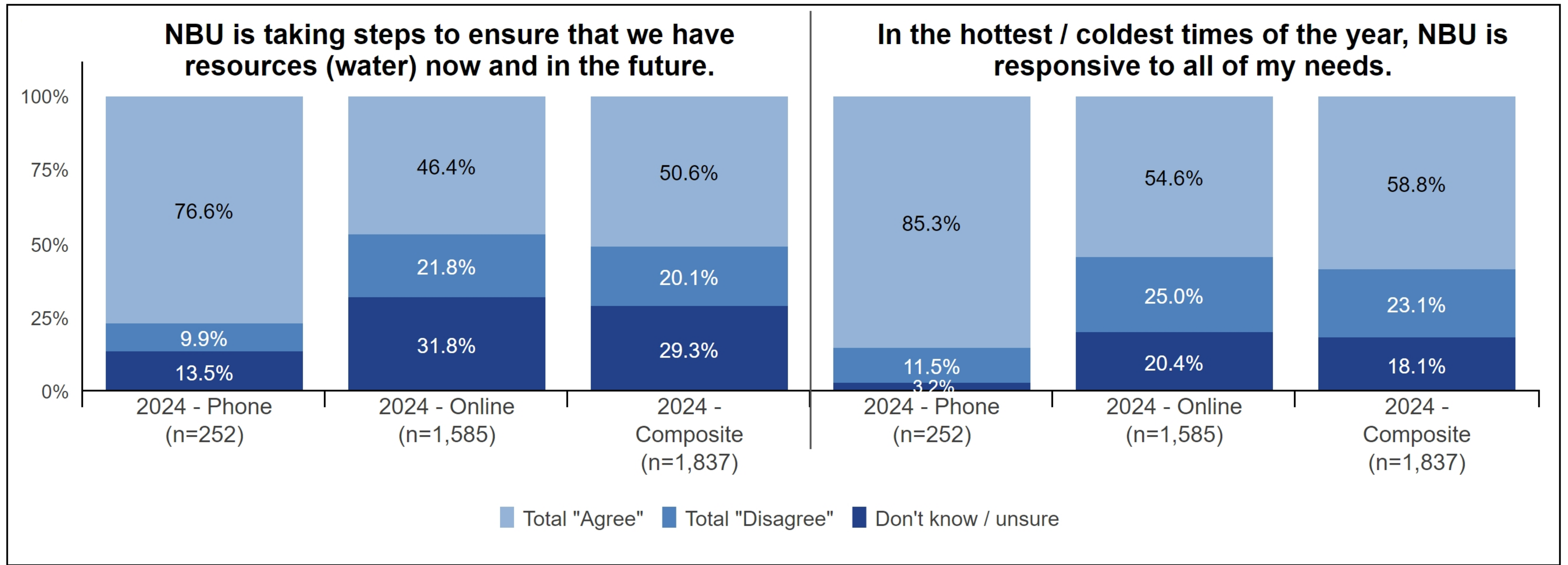
How to Exceed Expectations in the Future	2024		
	Phone	Online	Composite
<i>Sample size</i>	214	1341	1555
Cost savings/lower prices/flexibility with payment	26.6%	32.6%	31.8%
None/Nothing	12.6%	12.8%	12.7%
Expressed multiple concerns	7.0%	10.1%	9.6%
Keep up the good work/Fine as is	11.2%	5.8%	6.6%
Don't know/unsure/refused	6.1%	5.1%	5.2%
Increase communication/more access to information	5.6%	3.1%	3.5%
Eliminate / reduce fees, charges, deposits	2.3%	3.6%	3.4%
Proper billing/improved billing/better payment system	4.2%	3.2%	3.3%
Other	2.3%	2.9%	2.8%

Top 9 responses shown

Q19: If NBU has not exceeded your expectations, please tell me what is needed to exceed them in the future?

Water | Resource / Crisis Management

Nearly three-fifths of customers agreed NBU is responsive to all their needs during the hottest / coldest times of the year. Similarly, one-half of customers agreed NBU is taking steps to ensure that customers have resources both now and in the future.



Q20-21: Please indicate if you would strongly disagree, disagree, agree or strongly agree with each of the following statements regarding NBU's management of water resources and extreme weather:

Communication | Current vs. Preferred

Nearly one-half of customers look for information about NBU on its website, while over one-quarter rely on bill inserts for this information, and a similar frequency use social media. Over one-half reported a preference for contacting NBU by live phone call.

Current Method of Looking for Information about NBU

	2024		
	Phone	Online	Composite
Website	63.9%	43.2%	46.1%
Utility's bill inserts	11.5%	31.9%	29.1%
Social media	6.3%	28.1%	25.1%
Utility's newsletter/brochures	3.2%	20.3%	17.9%
Direct mail	5.6%	16.8%	15.3%
Direct contact	2.0%	11.2%	9.9%
Friends and co-workers	0.4%	10.4%	9.0%
Newspaper ads / stories	4.8%	7.3%	6.9%
Community organizations	1.2%	4.9%	4.4%
TV ads	0.8%	2.2%	2.0%

Top 10 responses shown

Q32: Please tell me where you currently look for information about NBU such as energy efficiency programs, rebates, and rate changes.

Q34: How do you prefer to contact NBU?

Preferred Method of Contacting NBU

	2024		
	Phone	Online	Composite
A live phone call	68.3%	51.8%	54.1%
Text message	9.5%	24.2%	22.2%
Website	7.9%	8.6%	8.5%
Email	6.0%	4.7%	4.8%
In-person	6.0%	3.7%	4.0%
Social media	0.4%	0.6%	0.5%
Other	1.2%	2.5%	2.3%
Don't know / Unsure	0.8%	3.8%	3.4%

Commercial Customers

Research Methodology | Commercial Snapshot

Methodology Digital / Telephone	No. of Completes 164 Total (38 Digital and 126 Telephone)	No. of Questions 27*	Incentive None	Sample Customer Sample
Target Commercial Customers	Quality Assurance Dual-level**	Margin of Error +/- 7.0%	Confidence Level 95%	Research Dates February 26 - March 26, 2024

* This represents the total possible number of questions; not all respondents will answer all questions based on skip patterns and other instrument bias.

** Data quality personnel, in addition to computer-aided interviewing platform, ensure the integrity of the data is accurate.

Satisfaction | Organizational Characteristics

In 2024, commercial customers provided a slightly higher average positive rating of 61.2% for NBU’s organizational characteristics (+1.5 percentage points over 2023). The highest-rated characteristic for commercial customers was "NBU's staff is helpful and knowledgeable," which also saw a 1.5 percentage point increase over 2023. The most notable increase among organizational characteristics was for "NBU is open and honest about company operations and policies," which saw an increase of 6.5 percentage points over 2023.

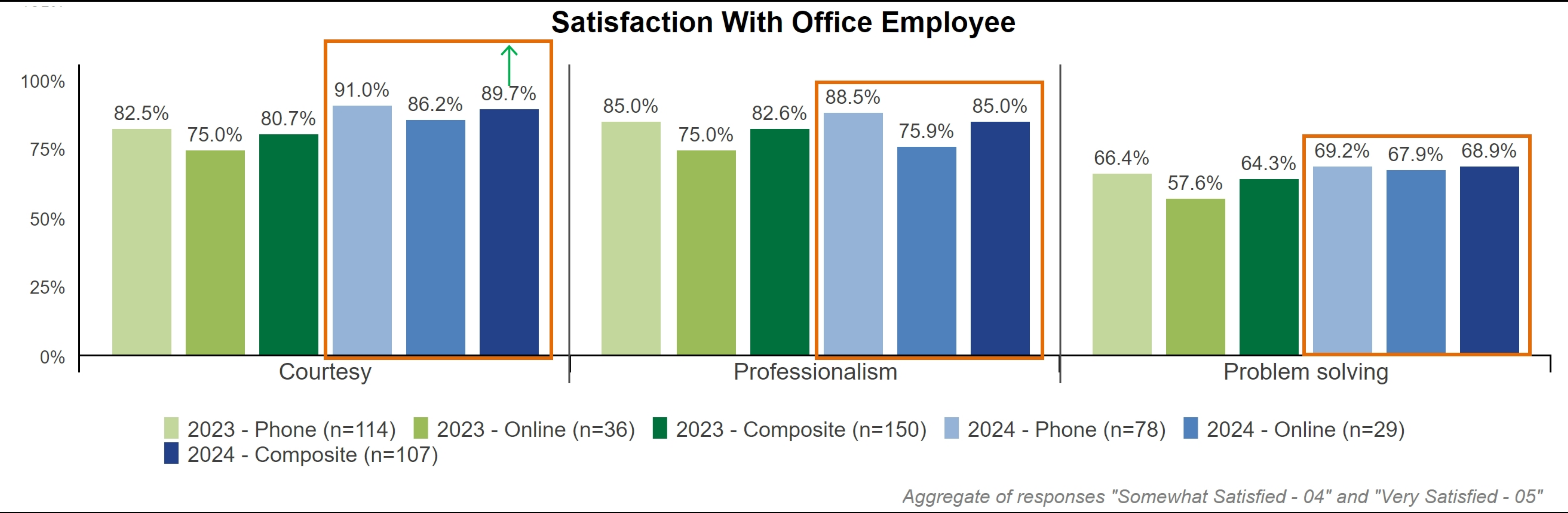
Aggregate of "Somewhat agree - 04" and "Strongly agree - 05" responses without "don't know" responses

	2023			2024		
	Phone	Online	Composite	Phone	Online	Composite
NBU’s staff is helpful and knowledgeable	71.9%	65.8%	70.4%	73.9%	64.7%	71.9%
NBU is involved in the community	72.2%	75.8%	73.1%	66.7%	72.4%	67.9%
NBU promptly responds to customer questions and complaints	67.5%	52.8%	64.1%	68.3%	60.0%	66.5%
I am satisfied overall with NBU	72.8%	39.0%	64.5%	68.0%	52.6%	64.4%
NBU does a good job communicating with customers	64.5%	57.9%	63.0%	65.3%	59.5%	64.0%
NBU is open and honest about company operations and policies	56.5%	37.1%	52.0%	61.7%	46.9%	58.5%
NBU provides good service and value for the cost of utilities	57.6%	41.0%	53.5%	57.9%	48.6%	55.8%
The conservation tips and advice NBU provides helps me save money on my utility bill	33.3%	47.1%	36.8%	39.4%	45.2%	40.7%
Average	62.0%	52.1%	59.7%	62.7%	56.2%	61.2%

Q1-8: To begin, I will read you a list statements about NBU. For each one please use a scale of one (1) to five (5) where one is “strongly disagree” and five is “strongly agree.” (w/o "don't know")

Satisfaction | Office Employees

Ratings for NBU's office personnel staffing showing "courtesy" increased significantly in 2024 (+9.0 percentage points), while customers also provided slightly higher ratings for the staff's "problem solving" abilities (+4.6 percentage points) and for showing "professionalism" (+2.4 percentage points).

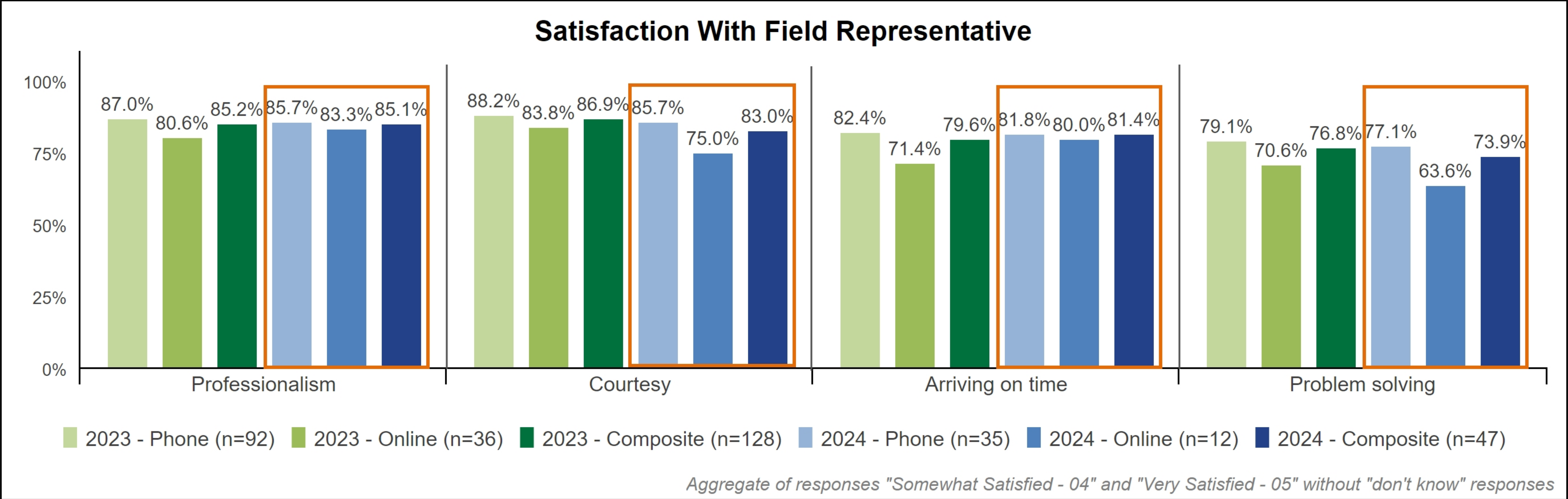


Q10: Please rate the NBU office employees you dealt with in the following areas of service. (Total "satisfied" w/o "don't know")

Arrows indicate statistical significance at a 95% confidence level, with the color and direction of the arrow denoting whether it is higher or lower than the previous year.

Satisfaction | Field Service Employees

Over four-fifths of customers provided positive ratings for NBU's field representatives demonstrating "professionalism" (85.1%), "courtesy" (83.0%) and "arriving on time" (81.4%). Further, there was a slight increase in the frequency of customers reporting that field representatives arrived on time compared to 2023 findings (+1.8 percentage points).



Q13: Now, using the same one to five scale where one is "very dissatisfied" and five is "very satisfied," please rate the NBU employees you dealt with in the following areas of service.

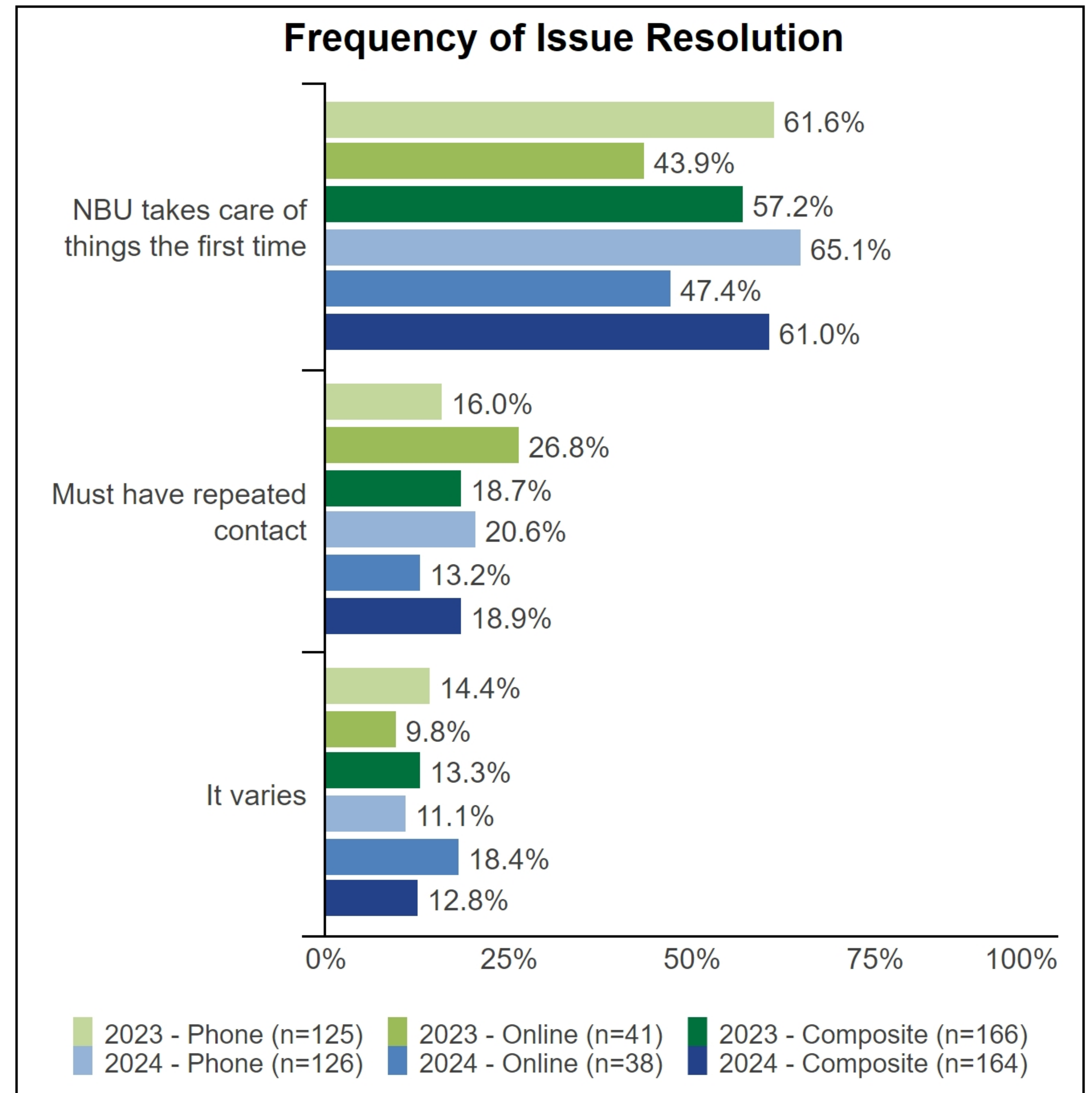
Satisfaction | Issue Resolution

Over three-fifths of commercial customers reported that NBU tends to resolve issues on their first point of contact with the utility, which is 3.8 percentage point higher than 2023. This metric is crucial to track, as 82.8% of commercial customers who reported their issues were resolved on the first point of contact were also satisfied with NBU, compared to the overall satisfaction rating provided by those who require repeated contact for their issue to be resolved (25.8%).

82.8%
of commercial
customers

The percentage of customers who had their issue resolved on first contact that reported to be “satisfied” overall with NBU

Q15: Generally, when you contact NBU, are things taken care of to your satisfaction the first time, or must you have repeated contact with them?

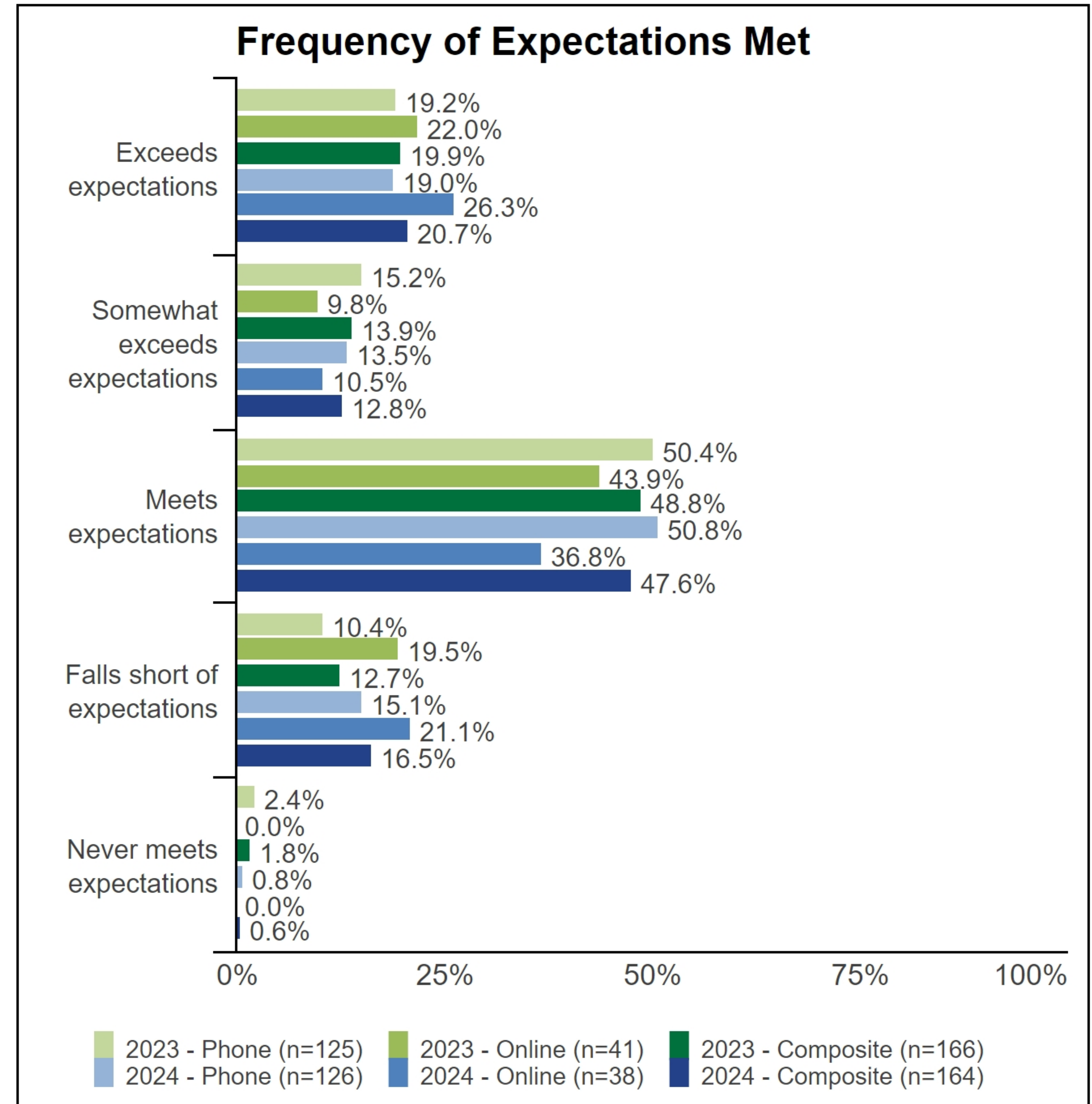


Expectations | Services Received from NBU

The top expectations among commercial customers included "reliable/consistent service," "low prices/fair pricing/cost savings," and "good customer service/availability to answer questions. One-third of commercial customers (33.5%) indicated NBU either exceeds or somewhat exceeds those expectations, which is consistent with 33.8% who reported the same in 2023. Additionally, nearly one-half of commercial customers reported NBU "meets expectations," which is also consistent with 2023 (48.8%).

Top Expectations	2024		
	Phone	Online	Composite
Reliable/consistent service	61.1%	34.2%	54.9%
Low prices/fair pricing/cost savings	38.1%	52.6%	41.5%
Good customer services/answer questions/be available	31.7%	21.1%	29.3%

Top 3 responses shown



Q15: Everyone has expectations of the organizations they do business with over time. What are the top three expectations you have regarding the service you receive from NBU? (w/o "don't know")

Expectations | Not met, Future Considerations

Among the 130 respondents who indicated NBU has not exceeded their expectations, nearly one-fifth suggested NBU should offer "cost savings / lower prices / flexibility with payment."

Additionally, others indicated NBU should have a "prompt response time" and "better customer service" in order to exceed their expectations in the future.

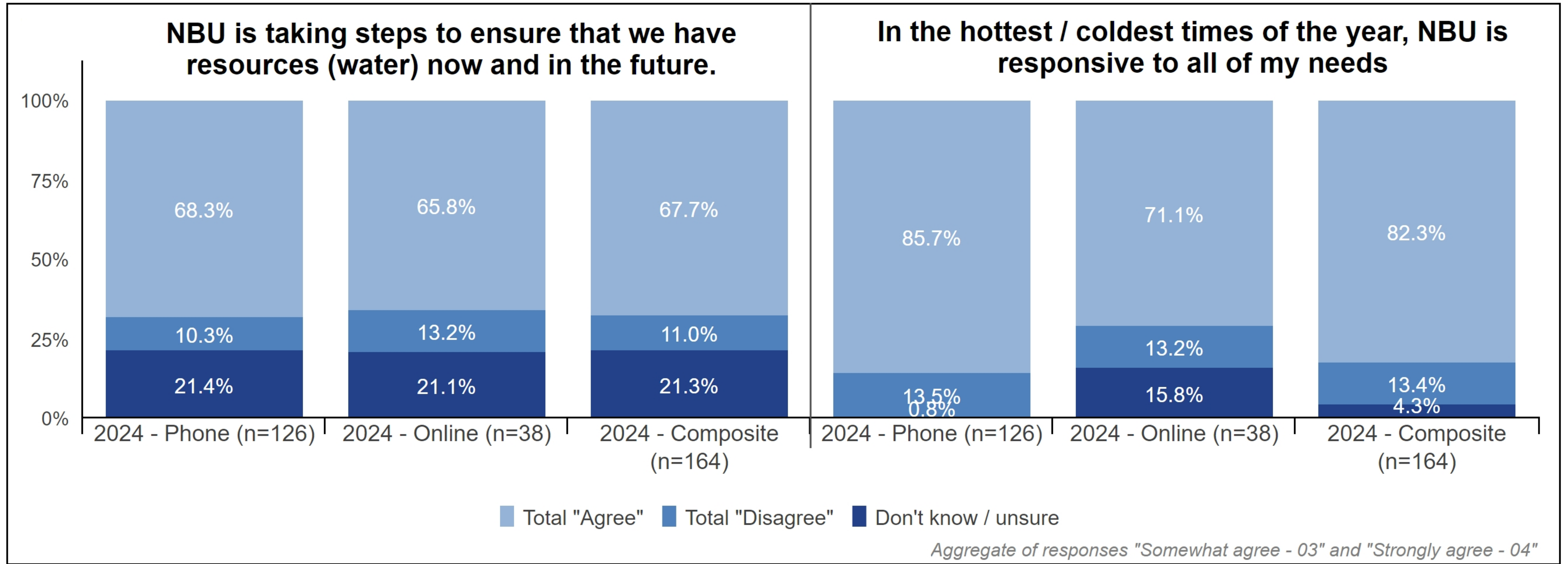
Ways to Exceed Expectations in the Future	2024		
	Phone	Online	Composite
Sample size	102	28	130
Cost savings/lower prices/flexibility with payment	16.7%	25.0%	18.5%
Keep up the good work/Fine as is	18.6%	3.6%	15.4%
None/Nothing	10.8%	14.3%	11.5%
Expressed multiple concerns	9.8%	10.7%	10.0%
Don't know/unsure/refused	8.8%	7.1%	8.5%
Prompt response time	6.9%	7.1%	6.9%
Better customer service	3.9%	14.3%	6.2%
Increase communication/more access to information	3.9%	3.6%	3.8%
Reliable utility service / fewer outages	3.9%	3.6%	3.8%
Increase water pressure, water levels/clean water	2.0%	3.6%	2.3%
Other	2.9%	0.0%	2.3%

Top 11 responses shown

Q19: If NBU has not exceeded your expectations, please tell me what is needed to exceed them in the future?

Water | Resource / Crisis Management

Over four-fifths of commercial customers agreed NBU is responsive to all their needs during the hottest / coldest times of the year. Additionally, approximately two-thirds of commercial customers agreed NBU is taking steps to ensure customers have resources both now and in the future.



Q20-21: Please indicate if you would strongly disagree, disagree, agree or strongly agree with each of the following statements regarding NBU's management of water resources and extreme weather:

Communication | Current vs. Preferred

Over three-fifths of commercial customers indicated they currently seek information about NBU on the website. When contacting NBU directly, nearly three-quarters prefer to do so through a live phone call.

Current Method of Receiving Information about NBU

	2024		
	Phone	Online	Composite
<i>Sample size</i>	126	38	164
Website	68.3%	44.7%	62.8%
None	14.3%	10.5%	13.4%
Social media	9.5%	26.3%	13.4%
Utility's bill inserts	9.5%	23.7%	12.8%
Direct contact	4.8%	18.4%	7.9%
Other	7.1%	5.3%	6.7%
Newspaper	3.2%	7.9%	4.3%
Utility's newsletter/brochures	0.8%	15.8%	4.3%
Direct mail	1.6%	10.5%	3.7%
Don't know / Unsure	1.6%	10.5%	3.7%

Preferred Method of Contacting NBU

	2024		
	Phone	Online	Composite
<i>Sample size</i>	126	38	164
A live phone call	81.7%	47.4%	73.8%
Text message	4.8%	28.9%	10.4%
Email	4.0%	10.5%	5.5%
Website	4.0%	2.6%	3.7%
In-person	3.2%	5.3%	3.7%
Don't know / Unsure	0.8%	5.3%	1.8%
Other	1.6%	0.0%	1.2%

Q32: Please tell me where you currently look for information about NBU such as energy efficiency programs, rebates, and rate changes.

Q34: How do you prefer to contact NBU?

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Considerations



Focus Communication on Community Outreach Activities & Conservation Efforts

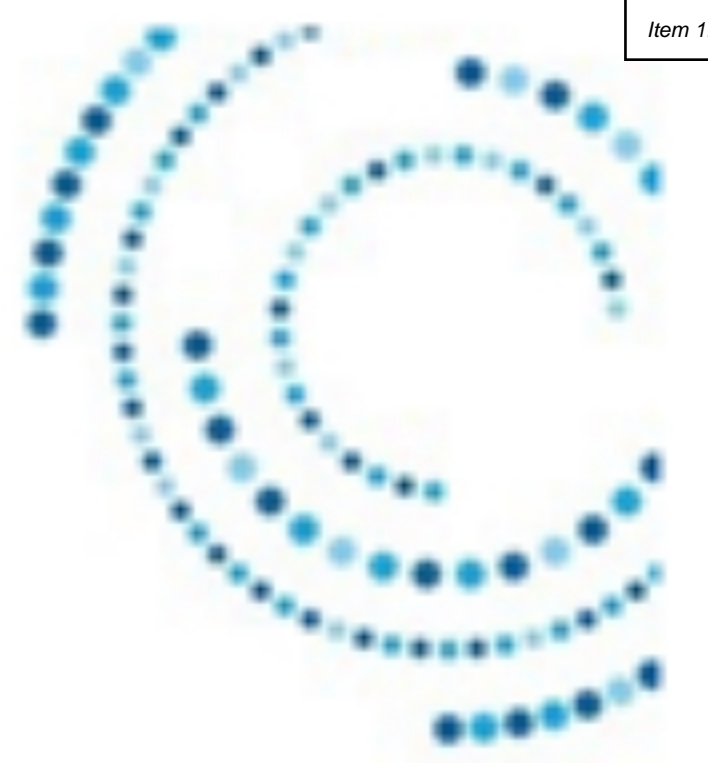
In 2024, NBU saw a notable decline in overall satisfaction ratings among residential customers, with a significant 3.1 percentage point decrease in the average positive rating for NBU's organizational characteristics compared to the previous year. This decline encompasses key benchmarking characteristics such as community involvement, where there was a noticeable drop in satisfaction levels. To address decreased ratings in these areas, NBU should prioritize strengthening community engagement initiatives. With nearly two-thirds of customers not participating in NBU community outreach activities, and over two-fifths indicating this was because they were unaware of the events scheduled, there is an opportunity to better promote events and increase attendance of customers.

Additionally, refining communication strategies to more effectively convey the benefits of conservation efforts is crucial, especially considering the decline in positive feedback in this area. By implementing these targeted strategies, NBU can work towards regaining customer loyalty, ultimately enhancing the overall customer experience and satisfaction levels.



Expand Programs that Help Customers Reduce Bills

NBU customers have expressed that they find value in programs aimed at reducing their water or electric bills, indicating a strong desire for cost-saving opportunities. To capitalize on this interest and address customers' dissatisfaction with rates, NBU should strategically expand its existing programs to provide more comprehensive support and incentives for energy and water conservation. This expansion could include initiatives such as offering more rebates for energy-efficient appliances, and providing more resources for water-saving technologies like low-flow fixtures and irrigation systems. Additionally, NBU should prioritize educating customers about these programs through targeted communication campaigns, leveraging various channels such as the website, social media, text messages and direct mailings. By proactively addressing customers' concerns about rates and offering practical solutions to help them lower their utility bills, NBU can enhance customer satisfaction and foster a stronger sense of trust within the community.



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WHAT'S NEXT.



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GreatBlue Research

Customer Satisfaction Survey Next Steps

FY2025



May, 2024

ADDRESSING TAKE AWAYS

Item 1.

- **Importance of Issue Resolution/First Contact Resolution**
 - Customer Experience Team (Core Team in Place, Project Kick Off July 2025)
 - Real Time Survey, August 2024
 - SilverBlaze, Customer Payment Portal, August 2024
 - Enhancement to our website

- **Expand Programs that Help Customers Reduce Bills/Low Cost Utility**
 - Conservation and Customer Solutions:
 - Enhance Rebate Options (FY 2025)
 - Home and Commercial Irrigation Assessments with Rebates
 - Water Wise Landscape Rebate
 - Community Stakeholder initiatives:
 - Engage local officials and community stakeholders
 - Establish water conservation partnerships with local trade organizations

ADDRESSING TAKE AWAYS CONTINUED

Item 1.

- Communications:
 - Comprehensive Communication Plan Developed (Implementation Next 3 Years)
 - Water Conservation and outreach plan (FY 2025)
 - Community Outreach Coordinator position created in FY 2023 to spearhead all Community Events / Involvement
 - SafeHaven campaign revival
 - McKenna Children's Museum remodeling of NBU exhibit
 - Continuous consumption alert improvements
 - Expansion and completion of AMI readability (FY 2025 - FY 2026)

QUESTIONS?