NOTICE OF OPEN MEETING

OCTOBER BOARD OF TRUSTEES MEETING
NBU Board Room, 263 Main Plaza, New Braunfels, Texas 78130
October 29, 2026, at 1:00 PM
www.nbutexas.com

AGENDA

CALL TO ORDER

PLEDGE OF ALLEGIANCE AND INVOCATION

Board Trustee Yvette Villanueva Barrera

PUBLIC COMMENT

ITEMS FROM THE CHAIR

1. Report from the Governance Committee
2. Report from the Security Committee
3. Review of the NBU 2027 Board Meeting Calendar
4. Review of the NBU Board Annual Self-Evaluation Process
5. Any Other Items Permitted Under Section 551.0415 of the Texas Government Code

ITEMS FROM STAFF

1. CEO's Update
    a. Leadership Announcement of Position Changes and New Hires: Interim Chief Communications Officer, Reagan Pena; Interim Chief External Affairs Officer, Julia Haynes; and Accounting Manager, Jai Brown
    b. CEO Community Engagement: New Braunfels Jaycees and Corridor Title Group
    c. NBU Community Engagement Team Volunteers at Local Community Events and Participates in Community Career Fairs, Summer Camps, Job Fairs, and Expositions at Local School District Campuses
    d. NBU Celebrates One Million Man Hours with No Lost Time Incidents
    e. NBU Receives Government Finance Officers Association Certificate for Excellence in Financial Reporting for Fiscal Year 2025
    f. NBU Geographic Information System (GIS) Analysts, Avery Wilson and Jacob Brandis, Present at the Alamo Area GIS Conference
    g. Headwaters at the Comal Hosts Ribbon-Cutting Ceremony for New Archaeology Exhibits

h. NBU Hosts National Night Out at the Headwaters at the Comal

i. NBU Participates in the New Braunfels Chamber of Commerce's Intercity Visit to Huntsville, Alabama

j. NBU Hosts Employee Health Fair

k. NBU Employees Participate in 2026 International Lineman's Rodeo in Overland Park, Kansas

l. Update of NBU Exhibit at McKenna Children's Museum

m. Texas Public Power Leadership Academy (TXPPLA) Kick-Off

n. Texas Public Power Association (TPPA) Leadership Program Kick-Off

o. NBU Hosts All-Retiree Luncheon

p. NBU CEO, Ryan Kelso, Presents State of NBU to New Braunfels City Council

q. NBU Chief Administrative Officer, David Hubbard, Presents at Texas State Management of Organizations Classes

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

2. Financial Update and Report

3. Quarterly Capital Projects Update – Fiscal Year 2026 Fourth Quarter

4. Monthly NBU Backup Operations Center and Headquarters Update

CONSENT ITEMS FOR ACTION

1. Approve Minutes of the NBU Regular Board Meeting of September 22, 2026

2. Approve the Change Order Log from August 15, 2026, through September 15, 2026

3. Approve the NBU Headquarters Change Order Log from September 15, 2026, through October 13, 2026

4. Approve the Reports for Water and Electric Engineering Contracts from August 1, 2026, through September 15, 2026

5. Approve the Electric Line of Business Alternative Procurements from August 15, 2026, through September 15, 2026

6. Authorize the CEO or His Designee to Negotiate and Execute a Construction Contract with Guerra Underground, LLC for the Construction of the North Kuehler Interceptor Segment 3 Phase I Project in the Amount of $3,992,782.24 Plus a $400,000 Contingency for a Total Amount Not to Exceed $4,392,782.24

7. Authorize the CEO or His Designee to Negotiate and Execute a Construction Contract with Guerra Underground, LLC for the Construction of the Rio to Kuehler River Crossing Project in the Amount of $665,948.19 Plus a $100,000 Contingency for a Total Amount Not to Exceed $765,948.19

8. Authorize the CEO or His Designee to Negotiate and Execute a Professional Services Agreement with Egis USA, Inc. for the Design of the Downtown High Elevations Pressure Zone Conversions Project for a Total Amount Not to Exceed $875,656

9. Authorize the CEO or His Designee to Negotiate and Execute a Vendor Agreement with Brink's, Incorporated for Armored Transportation Services for an Initial One-Year Term in the Amount of $60,000, with up to Four Optional One-Year Renewals for a Total Amount Not to Exceed $300,000

10. Authorize the CEO or His Designee to Negotiate and Execute a Professional Services Agreement with Focused Advocacy LLC for Government Affairs and Lobbying Services for an Initial One-Year Term in the Amount of $150,000, with up to Four Optional One-Year Renewals for a Total Amount Not to Exceed $750,000

11. Authorize the CEO or His Designee to Negotiate and Execute a Cooperative Agreement with DataVox, Inc. for the Purchase, Configuration, and Installation of Network Hubs for a Total Amount Not to Exceed $321,262.76

12. Reject All Bids Received by NBU in Response to the Enterprise Resource Planning System Portion of Request for Proposal #26-0063 and Continue Contract Negotiations for the Customer Information System

PRESENTATION ITEMS

1. Presentation on Fiscal Year 2027 Strategic Plan Annual Priorities – Strategic Goals and Measures

2. Presentation on the One Water Program – 2026 Annual Report

3. Presentation and Update on the Aquifer Storage and Recovery Project

4. Presentation and Update on the 2026 Water & Wastewater Master Plan

5. Presentation on Land Use Assumptions, Capital Improvements Plan, and Maximum Allowable Impact Fees

6. Presentation of the Water and Wastewater Impact Fee Financial Audit

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. Discuss and Consider Agreement for Energy Risk Management Services

   b. Discuss and Consider the Annual Power Cost at Risk (PCAR) Recommendation

   c. Discuss the 2026 Request for Proposals for ERCOT Energy from Physical Resources

2. Consultation with Attorney Regarding Pending or Contemplated Litigation, Settlement Offers, and/or Other Matters Protected by Attorney-Client Privilege (Section 551.071 – Texas Government Code) pertaining to the following:

   a. Discuss Lease Agreement between NBU and JGC Tennis, Inc. and Related Matters

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

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

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 on a bulletin board at a place convenient to the public at the City of New Braunfels City Hall, 550 Landa Street, New Braunfels, Texas; the New Braunfels Utilities Main Office, 263 Main Plaza, New Braunfels, Texas; and the New Braunfels Utilities Customer Solutions Center, 1488 South Seguin Avenue, New Braunfels, Texas, on the **23rd day of October 2026**, and remained posted continuously for at least three business days before the scheduled date of the meeting.

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

NEW BRAUNFELS UTILITIES

Meeting Date:	October 29, 2026	**Agenda Type:**	Items from Chair
From:	Laura Ayala Board Relations Coordinator	**Reviewed by:**	Rocio G. Hilliard Chief of Staff
Submitted by:	Rocio G. Hilliard Chief of Staff	**Approved by:**	Ryan Kelso Chief Executive Officer

RECOMMENDED ACTION: Review of the NBU 2027 Board Meeting Calendar

2027 NBU Board Meeting Calendar

NBU Board Meeting Date	Meeting Type	Location	Time
January 28, 2027	Regular	NBU Board Room	1:00 pm
February 9, 2027	Strategic Planning	NBU Board Room	8:30 am
February 25, 2027	Regular	NBU Board Room	1:00 pm
March 25, 2027	Regular	NBU Board Room	1:00 pm
April 29, 2027	Regular	NBU Board Room	1:00 pm
May 27, 2027	Regular	NBU Board Room	1:00 pm
June 10, 2027	Budget Workshop	NBU Board Room	9:00 am
June 24, 2026	Regular	NBU Board Room	1:00 pm
No July Regular Board Meeting			
August 26, 2027	Regular	NBU Board Room	1:00 pm
September 30, 2027	Regular	NBU Board Room	1:00 pm
October 28, 2027	Regular	NBU Board Room	1:00 pm
No November Regular Board Meeting			
November TBD	Strategic Planning	Off-Site Location TBD	TBD
December 16, 2027	Regular	NBU Board Room	1:00 pm

NEW BRAUNFELS UTILITIES

Meeting Date:	October 29, 2026	**Agenda Type:**	Items from Chair
From:	Judith Dykes-Hoffmann Board Vice President and Governance Committee Member	**Reviewed by:**	Judith Dykes-Hoffmann Board Vice President and Governance Committee Member
Submitted by:	Judith Dykes-Hoffmann Board Vice President and Governance Committee Member	**Approved by:**	Ryan Kelso Chief Executive Officer

RECOMMENDED ACTION: Review of the NBU Board Annual Self-Evaluation Process

Review of the NBU Board Annual Self-Evaluation Process



October 29, 2026

NBU NEW BRAUNFELS UTILITIES

Annual Board Self-Evaluation Schedule

- **October 29, 2026 –** Board Vice President to discuss upcoming annual Board self-evaluation and schedule with the Board
- **October 30, 2026 –** NBU staff to email self-evaluation form to the Board of Trustees
- **November 20, 2026 –** Board members to return completed self-evaluation forms to General Counsel
- **November 23, 2026 –** General Counsel to send compiled Board self-evaluation forms to Board Vice President
- **December 8, 2026 –** Governance Committee will meet to review the results of the annual Board self-evaluation
- **December 17, 2026 –** Governance Committee will review the results of the self-evaluation with the Board and determine if any action is necessary


Questions?

NEW BRAUNFELS UTILITIES

Meeting Date:	October 29, 2026	**Agenda Type:**	Items from Staff
From:	Jai Brown Accounting Manager	**Reviewed by:**	Kimberly DaCosta Director of Financial Services
Submitted by:	Jessica Williams Chief Financial Officer	**Approved by:**	Ryan Kelso Chief Executive Officer

RECOMMENDED ACTION: Financial Update and Report

BACKGROUND

NBU's service territory experienced higher temperatures and lower rainfall during the month of September than historically. The average temperature was 86.2 degrees, which was 8.6 degrees higher than the historical average temperature of 77.6 degrees. Rainfall totaled 0.48 inches for the month of September, which was 3.05 inches lower than the historical average rainfall of 3.53 inches.

For the month of September 2026, NBU recorded a change in net position after contributions ("CNPAC") of $923,000 which represents a decrease of $7,104,000 compared to the budgeted monthly CNPAC of $8,027,000. Operating service revenues of $31,432,000 were less than budget, by $2,794,000, or 8%, for the month of September. A $2,801,000 decrease in electric revenue, a $318,000 increase in water revenue, and a $311,000 decrease in wastewater revenue contributed to the overall service revenues. Other operating revenues of $647,000 were greater than budget by $39,000 for the month of September. Purchased power costs were $9,143,000 greater than budget for September 2026 and $7,389,000 less for Year-to-Date ("YTD"). A decrease in other operating expenses of $2,163,000 resulted in total operating expenses to be $6,980,000, or 28%, greater than the budgeted amount of $25,310,000. The net revenue and operating expense variances contributed to an unfavorable net operating income variance of $9,734,000 from budget. Net non-operating items had a $1,394,000 favorable variance compared to budget. Impact fees were greater than budget by $1,125,000, and services income was greater than budget by $210,000. September 2026 YTD CNPAC was $16,489,000, which was $6,804,000 greater than the budgeted amount of $9,685,000.

FINANCIAL IMPACT

Electric

The Electric Line of Business reported total operating revenues of $22,033,000, a $2,765,000 decrease from the September budgeted amount of $24,799,000. The net rate realized per kWh was $0.1054, which was 13% less than the budgeted rate of $0.1205 for the month of September. September kWh sales were 203.9 million kWh, a 2.3 million kWh increase, or 1%, in comparison to the budgeted amount of 201.6 million kWh.

Purchased power costs totaled $22,057,000, which was $9,143,000 greater than the budgeted amount of $12,914,000. Electric gross margin, which is total operating revenues minus purchased power, resulted in the amount of ($24,000) for the month of September and $15,718,000 YTD. These amounts were $11,909,000 less than and $536,000 less than the budgeted amount of $11,885,000 Month-to-Date ("MTD") and $16,254,000 YTD, respectively. Other operating expenses were less than budget by $714,000. These items resulted in the Electric Line of Business reporting net operating income of ($2,702,000), which was $11,194,000 less than the budgeted amount of $8,492,000. Net non-operating items provided a favorable variance from budget of $48,000. Services income was greater than budget by $142,000. The Electric Line of Business reported in September 2026 CNPAC of ($3,574,000) and YTD CNPAC of $9,485,000. These amounts were $11,004,000 less than and $1,818,000 greater than their respective September 2026 MTD and September 2026 YTD budget amounts.

Water

The Water Line of Business reported total operating revenues of $6,156,000, a $322,000 increase, or 6%, from the September budgeted amount of $5,834,000. In September, water gallons sold of 464,809,000 were greater than the budgeted amount of 446,483,000 (a 18,326,000-gallon variance from budget, or 4%). NBU's net realized price per 1,000 gallons sold in September was $13.07, which was greater than the budgeted amount of $12.90. Operating expenses for September were $4,530,000, which was $704,000 less than the budgeted amount of $5,234,000. The net effect of greater revenues and lower operating expenses than budgeted resulted in Water's net operating income of $1,626,000, which was greater than budget. Net non-operating items provided a favorable variance of $450,000 from budget. Impact fees of $2,332,000 were greater than budget by $902,000, and services income of $155,000 was greater than budget by $68,000. The Water Line of Business reported in September 2026 CNPAC of $3,226,000 and YTD CNPAC of $4,929,000. These amounts were $2,446,000 greater than and $2,875,000 greater than their respective September 2026 MTD and September 2026 YTD budget amounts.

Wastewater

The Wastewater Line of Business reported total operating revenues of $3,889,000, a $312,000 decrease from the September budgeted amount of $4,201,000. Total operating expenses of $3,024,000 were $746,000 less than the budgeted amount of $3,770,000. As a result, the Wastewater Line of Business reported net operating income of $865,000, which was $434,000 greater than the budgeted amount of $431,000. Net non-operating items provided a favorable variance of $895,000 from budget. Impact fees were greater than budget by $224,000. The Wastewater Line of Business reported September 2026 CNPAC of $1,271,000 and YTD CNPAC of $2,075,000. These amounts were $1,454,000 greater than and $2,111,000 greater than their respective September 2026 MTD and September 2026 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 UTLITIES
OVERVIEW COMPARISON TO BUDGET & PRIOR FISCAL YEAR
YTD Amounts for the Period Ending September 30, 2026

		AMOUNT	VARIANCE*	% CHANGE	FAV/UNFAV	Variance Explanation +/-30%
ELECTRIC						
Sales Volume (MWh)	Actual	405.8				
	Budget	410.6	(4.8)	-1%		
	Prior Year	378.3	27.5	7%		
Revenues ($M)	Actual	$ 42.4				
	Budget	$ 50.3	$ (7.9)	-16%		
	Prior Year	38.1	$ 4.3	11%		
Gross Margin ($M)	Actual	$ 15.7				
(Total Operating Revenues Minus Purchased Pwr)	Budget	$ 16.3	$ (0.5)	-3%		
	Prior Year	13.5	$ 2.2	16%		
Operating Income ($M)	Actual	$ 10.9				
	Budget	$ 9.8	$ 1.1	12%		
	Prior Year	9.1	$ 1.8	20%		
WATER						
Sales Volume (Million Gallons)	Actual	0.9				
	Budget	0.9	(0.0)	0%		
	Prior Year	0.9	0.0	1%		
Revenues ($M)	Actual	$ 10.7				
	Budget	$ 11.6	$ (0.9)	-8%		
	Prior Year	9.6	$ 1.1	11%		
Gross Margin ($M)	Actual	$ 8.3				
(Total Operating Revenues Minus Purchased Water)	Budget	$ 9.0	$ (0.7)	-8%		
	Prior Year	7.2	$ 1.1	15%		
Operating Income ($M)	Actual	$ 2.2				
	Budget	$ 1.7	$ 0.5	30%		Variance to budget is primarily due to lower Support Service Allocation expenses.
	Prior Year	1.4	$ 0.8	59%		Variance to budget is primarily higher residential revenues.
WASTEWATER						
Revenues ($M)	Actual	$ 7.6				
	Budget	$ 8.3	$ (0.7)	-9%		
	Prior Year	7.2	$ 0.4	6%		
Operating Income ($M)	Actual	$ 2.0				
	Budget	$ 1.2	$ 0.8	71%		Variance to budget is primarily due to lower depreciation, amortization & the support services allocation.
	Prior Year	2.1	$ (0.0)	-2%		
COMBINED						
Operating Expenses ($M)**	Actual	$ 8.7				
	Budget	$ 11.3	$ (2.6)	-23%		Variance to budget is primarily due to lower Transmission & Distribution operating expenses & the support services allocation.
	Prior Year	8.2	$ 0.5	6%		
Operating Income ($M)	Actual	$ 15.2				
	Budget	$ 12.7	$ 2.5	20%		
	Prior Year	12.6	$ 2.6	20%		
Change in Net Position Before Contributions	Actual	$ 10.5				
	Budget	$ 5.5	$ 5.0	91%		Higher than budget from lower purchase power costs and interest expense.
	Prior Year	10.9	$ (0.4)	-4%		
Impact Fees ($M)	Actual	$ 5.5				
	Budget	$ 3.8	$ 1.7	44%		Water $1.3M and Wastewater $360K higher than budget. $695K is related to commercial developmemt. The rest is made up primarily of residential home builders.
	Prior Year	3.4	$ 2.2	64%		
Change in Net Position After Contributions ($M)	Actual	$ 16.5				
	Budget	$ 9.7	$ 6.8	70%		Higher than budget from lower purchase power costs and interest expense.
	Prior Year	14.7	$ 1.8	12%		

**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 September 30, 2026
Amounts Shown in Thousands

	September 30 2026	August 31 2026	Variance	% Change
ASSETS				
UTILITY PLANT				
Utility Plant in Service	$ 1,598,407	$ 1,598,407	$ -	0%
Less: Accumulated Depreciation	(457,068)	(453,223)	(3,846)	1%
Construction in Progress	327,373	318,357	9,016	3%
TOTAL UTILITY PLANT	**$ 1,468,711**	**$ 1,463,541**	**$ 5,170**	**0%**
CURRENT & ACCRUED ASSETS				
Cash & Temporary Investments	$ 29,403	$ 35,648	$ (6,245)	-18%
Accounts Receivable - Customers (Net of Allowance for Bad Debt)	26,632	24,896	1,736	7%
Accounts Receivable - Other	8,645	8,788	(143)	-2%
Accrued Unbilled Revenue	17,770	17,811	(41)	0%
Inventory	8,435	8,567	(133)	-2%
Prepaid Expenses	12,025	11,910	115	1%
Accrued Interest Receivable	102	76	26	34%
Rents Receivable	1	1	-	0%
TOTAL CURRENT & ACCRUED ASSETS	**$ 103,013**	**$ 107,698**	**$ (4,685)**	**-4%**
RESTRICTED ASSETS & DEFERRED DEBITS				
Restricted Funds	$ 209,534	$ 204,190	$ 5,344	3%
Designated Funds	117,240	116,962	278	0%
Long Term Investments	-	-	-	0%
Pension Deferred Outflows	13,528	13,528	-	0%
Power Cost Adjustments - Under-Recovered	-	-	-	0%
Mid-Basin Regulatory Asset	2,948	2,948	-	0%
Other Deferred Debits	3,005	2,331	674	29%
TOTAL RESTRICTED ASSETS & DEFERRED DEBITS	**$ 346,254**	**$ 339,959**	**$ 6,295**	**2%**
TOTAL ASSETS	**$ 1,917,979**	**$ 1,911,198**	**$ 6,781**	**0%**
LIABILITIES & NET POSITION				
BONDS PAYABLE				
Bonds Payable	$ 783,629	$ 783,627	$ 2	0%
Unamortized Bond Discount/Premium	29,277	29,550	(272)	-1%
TOTAL BONDS PAYABLE	**$ 812,907**	**$ 813,177**	**$ (270)**	**0%**
CURRENT & ACCRUED LIABILITIES				
Accounts Payable	$ 24,991	$ 24,725	$ 266	1%
Accrued Purchased Power	9,643	3,893	5,751	148%
Commercial Paper Payable	20,000	20,000	-	0%
Note Purchase Payable	-	-	-	0%
Customer Deposits	16,783	16,916	(133)	-1%
Accrued Payroll & Benefits (Including Compensated Absences)	4,712	5,439	(727)	-13%
Interest Accrued on Long Term Debt	8,683	6,138	2,545	41%
Current Portion of Long Term Debt	10,500	10,500	-	0%
Other Payables	4,959	4,322	637	15%
TOTAL CURRENT & ACCRUED LIABILITIES	**$ 100,271**	**$ 91,933**	**$ 8,338**	**9%**
NONCURRENT LIABILITIES & DEFERRED CREDITS				
Accumulated Provision for Pension	$ 16,747	$ 16,747	$ -	0%
Pension & OPEB Deferred Inflows	$ 9,269	$ 9,269	$ -	0%
Power Cost Adjustments - Over-Recovered	21,955	20,033	1,923	10%
Other Deferred Credits	21,267	26,554	(5,287)	-20%
TOTAL NONCURRENT LIABILITIES & DEFERRED CREDITS	**$ 69,239**	**$ 72,603**	**$ (3,364)**	**-5%**
TOTAL LIABILITIES	**$ 982,417**	**$ 977,713**	**$ 4,704**	**0%**
NET POSITION				
Reserve for Restricted Assets	$ 196,038	$ 192,826	$ 3,212	2%
Reserve for Intergovernmental	13,632	14,439	(807)	-6%
Unrestricted Assets	388,434	388,762	(328)	0%
Contributed Capital	337,459	337,459	-	0%
TOTAL NET POSITION	**$ 935,562**	**$ 933,485**	**$ 2,077**	**0%**
TOTAL LIABILITIES & NET POSITION	**$ 1,917,979**	**$ 1,911,198**	**$ 6,781**	**0%**

NEW BRAUNFELS UTILITIES
Statement of Revenues & Expenses
For the Period Ending September 30, 2026
Amounts Shown in Thousands

	MTD Actual	MTD Budget	Variance	% Variance	YTD Actual	YTD Budget	Variance	% Variance
VOLUME/RATES								
Electric Sales kWh	203,948	201,643	2,305	1%	405,788	410,578	(4,791)	-1%
Electric Sales Rate Per kWh	$ 0.1054	$ 0.1205	$ (0.0151)	-13%	$ 0.1019	$ 0.1201	$(0.0183)	-15%
Purchased kWh	204,521	194,379	10,142	5%	424,370	415,710	8,660	2%
Purchased Rate per kWh	$ 0.1078	$ 0.0664	$ 0.0414	62%	$ 0.0629	$ 0.0819	$(0.0191)	-23%
Gallons Sold	464,809	446,483	18,326	4%	907,510	909,769	(2,259)	0%
Rate per 1,000 Gallons Sold	$ 13.07	$ 12.90	$ 0.18	1%	$ 11.64	$ 12.63	$ (1.00)	-8%
OPERATING REVENUES								
SERVICE REVENUE								
Electric Service	$ 21,500	$ 24,301	$ (2,801)	-12%	$ 41,339	$ 49,323	$ (7,984)	-16%
Water Service	6,076	5,758	318	6%	10,561	11,493	(932)	-8%
Wastewater Service	3,856	4,167	(311)	-7%	7,531	8,242	(711)	-9%
TOTAL SERVICE REVENUE	**$ 31,432**	**$ 34,226**	**$ (2,794)**	**-8%**	**$ 59,431**	**$ 69,058**	**$ (9,627)**	**-14%**
OTHER OPERATING REVENUE								
Electric Other	$ 169	$ 130	$ 39	30%	$ 328	$ 259	$ 69	27%
Water Other	60	55	5	9%	116	110	6	5%
Wastewater Other	34	34	-	0%	71	68	3	4%
Transmission System Revenue	315	308	7	2%	629	616	13	2%
Electric Pole Attachments	49	60	(11)	-18%	98	121	(23)	-19%
Water Tower Antenna Lease	20	21	(1)	-5%	41	43	(2)	-5%
TOTAL OTHER OPERATING REVENUE	**$ 647**	**$ 608**	**$ 39**	**6%**	**$ 1,283**	**$ 1,217**	**$ 66**	**5%**
TOTAL OPERATING REVENUE	**$ 32,079**	**$ 34,834**	**$ (2,755)**	**-8%**	**$ 60,714**	**$ 70,275**	**$ (9,561)**	**-14%**
OPERATING EXPENSES								
ELECTRIC								
Purchased Power	$ 22,057	$ 12,914	$ 9,143	71%	$ 26,676	$ 34,065	$ (7,389)	-22%
Electric O&M Expenses	631	890	(260)	-29%	942	1,620	(678)	-42%
Electric Depreciation & Amortization	997	1,270	(272)	-21%	1,994	2,541	(547)	-22%
Electric Support Services Allocated Operating Expenses	1,050	1,232	(182)	-15%	1,845	2,302	(457)	-20%
TOTAL ELECTRIC OPERATING EXPENSE	**$ 24,735**	**$ 16,306**	**$ 8,429**	**52%**	**$ 31,457**	**$ 40,528**	**$ (9,071)**	**-22%**
WATER								
Purchased Water	$ 1,230	$ 1,347	$ (117)	-9%	$ 2,461	$ 2,694	$ (233)	-9%
Water O&M Expenses	780	880	(100)	-11%	1,290	1,627	(337)	-21%
Water Depreciation & Amortization	1,462	1,576	(114)	-7%	2,923	3,152	(229)	-7%
Water Support Services Allocated Operating Expenses	1,058	1,431	(372)	-26%	1,847	2,479	(632)	-25%
TOTAL WATER OPERATING EXPENSE	**$ 4,530**	**$ 5,234**	**$ (704)**	**-13%**	**$ 8,521**	**$ 9,952**	**$ (1,431)**	**-14%**
WASTEWATER								
Wastewater O&M Expenses	$ 799	$ 819	$ (21)	-3%	$ 1,286	$ 1,409	$ (123)	-9%
Wastewater Depreciation & Amortization	1,387	1,901	(514)	-27%	2,773	3,802	(1,029)	-27%
Wastewater Support Services Allocated Operating Expenses	839	1,050	(211)	-20%	1,501	1,906	(405)	-21%
TOTAL WASTERWATER OPERATING EXPENSE	**$ 3,025**	**$ 3,770**	**$ (745)**	**-20%**	**$ 5,560**	**$ 7,117**	**$ (1,557)**	**-22%**
TOTAL OPERATING EXPENSES	**$ 32,290**	**$ 25,310**	**$ 6,980**	**28%**	**$ 45,538**	**$ 57,597**	**$(12,059)**	**-21%**
NET OPERATING INCOME								
ELECTRIC	$ (2,702)	$ 8,492	$ (11,194)	*	$ 10,937	$ 9,791	$ 1,146	12%
WATER	1,626	600	1,026	*	2,197	1,694	503	30%
WASTEWATER	865	431	434	*	2,042	1,193	849	71%
TOTAL NET OPERATING INCOME	**$ (211)**	**$ 9,523**	**$ (9,734)**	*	**$ 15,176**	**$ 12,678**	**$ 2,498**	**20%**
NONOPERATING REVENUES (EXPENSES)								
Interest Income	$ 804	$ 592	$ 212	36%	$ 1,917	$ 1,184	$ 733	62%
Intergovernmental Expense	(1,155)	(1,185)	30	-3%	(2,310)	(2,370)	60	-3%
Interest and Amortization Expense	(2,794)	(3,501)	707	-20%	(5,508)	(7,003)	1,495	-21%
Other	942	497	445	90%	1,181	994	187	19%
TOTAL NONOPERATING REVENUES (EXPENSES)	**$ (2,203)**	**$ (3,597)**	**$ 1,394**	**-39%**	**$ (4,720)**	**$ (7,195)**	**$ 2,475**	**34%**
CHANGE IN NET POSITION BEFORE CONTRIBUTIONS	**$ (2,414)**	**$ 5,926**	**$ (8,340)**	*	**$ 10,456**	**$ 5,483**	**$ 4,973**	**91%**
CAPITAL CONTRIBUTIONS								
Impact Fees	$ 3,040	$ 1,915	$ 1,125	59%	$ 5,511	$ 3,829	$ 1,682	44%
Services	297	87	210	*	522	175	347	*
GBRA Capital Participation Fee	-	99	(99)	-100%	-	198	(198)	-100%
TOTAL CAPITAL CONTRIBUTIONS	**$ 3,337**	**$ 2,101**	**$ 1,236**	**59%**	**$ 6,033**	**$ 4,202**	**$ 1,831**	**44%**
CHANGE IN NET POSITION AFTER CONTRIBUTIONS	**$ 923**	**$ 8,027**	**$ (7,104)**	**-89%**	**$ 16,489**	**$ 9,685**	**$ 6,804**	**70%**

*Denotes variance greater than 100%

NEW BRAUNFELS UTILITIES
ELECTRIC LINE OF BUSINESS
Statement of Revenues & Expenses
For the Period Ending September 30, 2026
Amounts Shown in Thousands

	MTD Actual	MTD Budget	Variance	% Variance	YTD Actual	YTD Budget	Variance	% Variance
ELECTRIC OPERATING REVENUES								
ELECTRIC SERVICE REVENUE								
Electric Service	$ 21,500	$ 24,301	$ (2,800)	-12%	$ 41,339	$ 49,323	$ (7,984)	-16%
TOTAL ELECTRIC SERVICE REVENUE	**$ 21,500**	**$ 24,301**	**$ (2,800)**	**-12%**	**$ 41,339**	**$ 49,323**	**$ (7,984)**	**-16%**
OTHER ELECTRIC OPERATING REVENUE								
Electric Other	$ 169	$ 130	$ 39	30%	$ 328	$ 259	$ 69	27%
Transmission System Revenue	315	308	7	2%	629	616	13	2%
Electric Pole Attachments	49	60	(11)	-18%	98	121	(23)	-19%
TOTAL OTHER ELECTRIC OPERATING REVENUE	**$ 533**	**$ 498**	**$ 35**	**7%**	**$ 1,055**	**$ 996**	**$ 59**	**6%**
TOTAL ELECTRIC OPERATING REVENUE	**$ 22,033**	**$ 24,799**	**$ (2,765)**	**-11%**	**$ 42,394**	**$ 50,319**	**$ (7,925)**	**-16%**
ELECTRIC OPERATING EXPENSES								
Purchased Power & Other Power Supply	$ 22,057	$ 12,914	$ 9,143	71%	$ 26,676	$ 34,065	$ (7,389)	-22%
Transmission & Distribution	519	816	(297)	-36%	827	1,477	(650)	-44%
Customer Service	67	50	17	34%	64	100	(36)	-36%
Administrative & General	44	24	20	83%	51	43	8	19%
Depreciation & Amortization	997	1,271	(273)	-21%	1,994	2,541	(547)	-22%
Support Services Allocated Operating Expenses	1,051	1,232	(182)	-15%	1,845	2,302	(457)	-20%
TOTAL ELECTRIC OPERATING EXPENSE	**$ 24,735**	**$ 16,307**	**$ 8,429**	**52%**	**$ 31,457**	**$ 40,528**	**$ (9,071)**	**-22%**
ELECTRIC NET OPERATING INCOME	**$ (2,702)**	**$ 8,492**	**$ (11,194)**	*****	**$ 10,937**	**$ 9,791**	**$ 1,146**	**12%**
NONOPERATING REVENUES (EXPENSES)								
Interest Income	$ 418	$ 302	$ 116	38%	$ 989	$ 605	$ 384	63%
Intergovernmental Expense	(853)	(881)	28	-3%	(1,706)	(1,762)	56	-3%
Interest and Amortization Expense	(712)	(611)	(101)	17%	(1,273)	(1,222)	(51)	4%
Other	133	128	5	4%	276	255	21	8%
TOTAL NONOPERATING REVENUES (EXPENSES)	**$ (1,014)**	**$ (1,062)**	**$ 48**	**-5%**	**$ (1,714)**	**$ (2,124)**	**$ 410**	**19%**
CHANGE IN NET POSITION BEFORE CONTRIBUTIONS	**$ (3,716)**	**$ 7,430**	**$ (11,146)**	*****	**$ 9,223**	**$ 7,667**	**$ 1,556**	**20%**
ELECTRIC CAPITAL CONTRIBUTIONS								
Services	$ 142	$ -	$ 142	0%	$ 262	$ -	$ 262	0%
TOTAL ELECTRIC CAPITAL CONTRIBUTIONS	**$ 142**	**$ -**	**$ 142**	**0%**	**$ 262**	**$ -**	**$ 262**	**0%**
CHANGE IN NET POSITION AFTER CONTRIBUTIONS	**$ (3,574)**	**$ 7,430**	**$ (11,004)**	*****	**$ 9,485**	**$ 7,667**	**$ 1,818**	**24%**

*Denotes variance greater than 100%

NEW BRAUNFELS UTILITIES
WATER LINE OF BUSINESS
Statement of Revenues & Expenses
For the Period Ending September 30, 2026
Amounts Shown in Thousands

	MTD Actual	MTD Budget	Variance	% Variance	YTD Actual	YTD Budget	Variance	% Variance
WATER OPERATING REVENUES								
WATER SERVICE REVENUE								
Water Service	$ 6,076	$ 5,758	$ 318	6%	$ 10,561	$ 11,493	$ (932)	-8%
TOTAL WATER SERVICE REVENUE	**$ 6,076**	**$ 5,758**	**$ 318**	**6%**	**$ 10,561**	**$ 11,493**	**$ (932)**	**-8%**
OTHER WATER OPERATING REVENUE								
Water Other	$ 60	$ 55	$ 5	9%	$ 115	$ 110	$ 5	5%
Water Tower Antenna Lease	20	21	(1)	-5%	41	43	(2)	-5%
TOTAL OTHER WATER OPERATING REVENUE	**$ 80**	**$ 76**	**$ 4**	**5%**	**$ 156**	**$ 153**	**$ 3**	**2%**
TOTAL WATER OPERATING REVENUE	**$ 6,156**	**$ 5,834**	**$ 322**	**6%**	**$ 10,717**	**$ 11,646**	**$ (929)**	**-8%**
WATER OPERATING EXPENSES								
Purchased Water	$ 1,230	$ 1,347	$ (117)	-9%	$ 2,460	$ 2,694	$ (234)	-9%
Supply Source	9	3	6	*	10	3	7	*
Transmission & Distribution	206	314	(108)	-34%	361	612	(251)	-41%
Pumping	221	268	(47)	-18%	388	533	(145)	-27%
Water Treatment	292	252	40	16%	471	417	54	13%
Customer Service	22	10	12	*	22	19	3	16%
Administrative & General	30	33	(3)	-9%	38	43	(5)	-12%
Depreciation & Amortization	1,462	1,576	(114)	-7%	2,923	3,152	(229)	-7%
Support Services Allocated Operating Expenses	1,058	1,431	(373)	-26%	1,847	2,479	(632)	-25%
TOTAL WATER OPERATING EXPENSE	**$ 4,530**	**$ 5,234**	**$ (704)**	**-13%**	**$ 8,520**	**$ 9,952**	**$ (1,432)**	**-14%**
WATER NET OPERATING INCOME	**$ 1,626**	**$ 600**	**$ 1,026**	*****	**$ 2,197**	**$ 1,694**	**$ 503**	**30%**
NONOPERATING REVENUES (EXPENSES)								
Interest Income	$ 173	$ 130	$ 43	33%	$ 416	$ 260	$ 156	60%
Intergovernmental Expense	(137)	(137)	-	0%	(274)	(275)	1	0%
Interest and Amortization Expense	(950)	(1,516)	566	-37%	(1,945)	(3,032)	1,087	-36%
Other	27	186	(159)	-85%	92	372	(280)	-75%
TOTAL NONOPERATING REVENUES (EXPENSES)	**$ (887)**	**$ (1,337)**	**$ 450**	**-34%**	**$ (1,711)**	**$ (2,675)**	**$ 964**	**-36%**
CHANGE IN NET POSITION BEFORE CONTRIBUTIONS	**$ 739**	**$ (737)**	**$ 1,476**	*****	**$ 486**	**$ (981)**	**$ 1,467**	*****
WATER CAPITAL CONTRIBUTIONS								
Impact Fees	$ 2,332	$ 1,430	$ 902	63%	$ 4,183	$ 2,860	$ 1,323	46%
Services	155	87	68	78%	260	$ 175	85	49%
TOTAL WATER CAPITAL CONTRIBUTIONS	**$ 2,487**	**$ 1,517**	**$ 970**	**64%**	**$ 4,443**	**$ 3,035**	**$ 1,408**	**46%**
CHANGE IN NET POSITION AFTER CONTRIBUTIONS	**$ 3,226**	**$ 780**	**$ 2,446**	*****	**$ 4,929**	**$ 2,054**	**$ 2,875**	*****

*Denotes variance greater than 100%

NEW BRAUNFELS UTILITIES
WASTEWATER LINE OF BUSINESS
Statement of Revenues & Expenses
For the Period Ending September 30, 2026
Amounts Shown in Thousands

	MTD Actual	MTD Budget	Variance	% Variance	YTD Actual	YTD Budget	Variance	% Variance
WASTEWATER OPERATING REVENUES								
WASTEWATER SERVICE REVENUE								
Wastewater Service	$ 3,856	$ 4,167	$ (311)	-7%	$ 7,531	$ 8,242	$ (711)	-9%
TOTAL WASTEWATER SERVICE REVENUE	**$ 3,856**	**$ 4,167**	**$ (311)**	**-7%**	**$ 7,531**	**$ 8,242**	**$ (711)**	**-9%**
OTHER WASTEWATER OPERATING REVENUE								
Wastewater Other	$ 33	$ 34	$ (1)	-3%	$ 71	$ 68	$ 3	4%
TOTAL OTHER WASTEWATER OPERATING REVENUE	**$ 33**	**$ 34**	**$ (1)**	**-3%**	**$ 71**	**$ 68**	**$ 3**	**4%**
TOTAL WASTEWATER OPERATING REVENUE	**$ 3,889**	**$ 4,201**	**$ (312)**	**-7%**	**$ 7,602**	**$ 8,310**	**$ (708)**	**-9%**
WASTEWATER OPERATING EXPENSES								
Transmission & Distribution	$ 2	$ -	$ 2	100%	$ 3	$ -	$ 3	100%
Wastewater Operations & Maintenance	760	796	(36)	-5%	1,241	1,367	(126)	-9%
Customer Service	28	12	16	*	28	25	3	12%
Administrative & General	8	11	(3)	-27%	14	18	(4)	-22%
Depreciation & Amortization	1,387	1,901	(514)	-27%	2,773	3,801	(1,028)	-27%
Support Services Allocated Operating Expenses	839	1,050	(211)	-20%	1,501	1,906	(405)	-21%
TOTAL WASTERWATER OPERATING EXPENSE	**$ 3,024**	**$ 3,770**	**$ (746)**	**-20%**	**$ 5,560**	**$ 7,117**	**$ (1,557)**	**-22%**
WASTEWATER NET OPERATING INCOME	**$ 865**	**$ 431**	**$ 434**	*****	**$ 2,042**	**$ 1,193**	**$ 849**	**71%**
NONOPERATING REVENUES (EXPENSES)								
Interest Income	$ 213	$ 160	$ 53	33%	$ 512	$ 320	$ 192	60%
Intergovernmental Expense	(165)	(166)	1	-1%	(330)	(332)	2	-1%
Interest and Amortization Expense	(1,132)	(1,374)	242	-18%	(2,290)	(2,749)	459	-17%
Other	782	183	599	*	813	366	447	*
TOTAL NONOPERATING REVENUES (EXPENSES)	**$ (302)**	**$(1,197)**	**$ 895**	**-75%**	**$ (1,295)**	**$ (2,395)**	**$ 1,100**	**-46%**
CHANGE IN NET POSITION BEFORE CONTRIBUTIONS	**$ 563**	**$ (766)**	**$ 1,329**	*****	**$ 747**	**$ (1,202)**	**$ 1,949**	*****
WASTEWATER CAPITAL CONTRIBUTIONS								
Impact Fees	$ 708	$ 484	$ 224	46%	$ 1,328	$ 969	$ 359	37%
GBRA Capital Participation Fee	-	99	(99)	-100%	-	197	(197)	-100%
TOTAL WASTEWATER CAPITAL CONTRIBUTIONS	**$ 708**	**$ 583**	**$ 125**	**21%**	**$ 1,328**	**$ 1,166**	**$ 162**	**14%**
CHANGE IN NET POSITION AFTER CONTRIBUTIONS	**$ 1,271**	**$ (183)**	**$ 1,454**	*****	**$ 2,075**	**$ (36)**	**$ 2,111**	*****

*Denotes variance greater than 100%

NEW BRAUNFELS UTILITIES
Statement of Cash Flows
For the Period Ending September 30, 2026
Amounts Shown in Thousands

	MTD	YTD
NET POSITION BEFORE CONTRIBUTIONS	$ (2,414)	$ 10,456
Operating activities, cash flows provided by or used in:		
Depreciation	$ 3,846	$ 7,691
Decrease (increase) in accounts receivable	(1,552)	352
Decrease (increase) in inventories	133	257
Decrease (increase) in other assets	3,703	2,809
Increase (decrease) in current liabilities	10,541	(9,237)
Increase (decrease) in other liabilities	(3,364)	(4,149)
Net Cash Flow from Operating Activities	**$ 10,892**	**$ 8,179**
Investing activities, cash flows provided by or used in:		
Capital Expenditures	$ (9,016)	$ (17,610)
Investments	(5,622)	(6,759)
Rents/Interest Receivable	(26)	72
Net Cash Flow from Investing Activities	**$ (14,664)**	**$ (24,297)**
Financing activities, cash flows provided by or used in:		
Transfers to City of New Braunfels	$ (2,203)	$ (4,720)
Increase (decrease) in long-term debt	(270)	(540)
Net Cash Flow from Financing Activities	**$ (2,473)**	**$ (5,260)**
Net Increase (Decrease) in Cash and Cash Equivalents	**$ (6,245)**	**$ (21,378)**

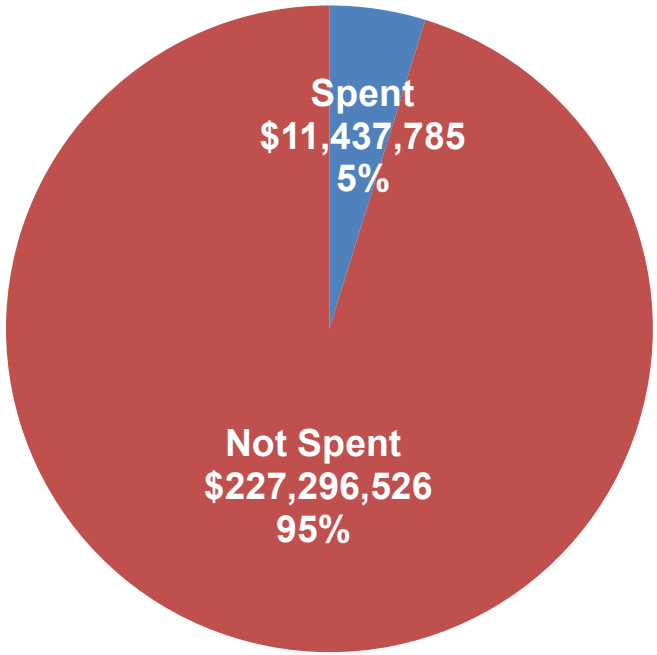
CAPITAL EQUIPMENT SUMMARY - FY 2027
YTD for the Period Ending September 30, 2026

Department	Capital Equipment Description	YTD Actual	FY 2027 Budget	Budget Remaining
ELECTRIC				
116	Ford Ranger	-	40,000	40,000
116	GPS Unit	-	33,000	33,000
117	Altec AM 60E	-	315,000	315,000
117	Ford F-550 Electric/International CV	-	150,000	150,000
117	Ford F-550 Electric/International CV	-	150,000	150,000
117	Ford F-350	-	85,000	85,000
117	Cargo Trailer	-	40,000	40,000
117	Cargo Trailer	-	25,000	25,000
119	Ford F-550 Electric/International CV	-	170,000	170,000
119	Ford F-250	-	140,000	140,000
119	Vanguard EZCT-2000c Plus Current Transformer Test Set	-	16,500	16,500
	TOTAL ELECTRIC	**$ -**	**$ 1,164,500**	**$ 1,164,500**
WATER				
220	Ford F-550 Water/ International CV	-	150,000	150,000
220	Ford F-550 Water/ International CV	-	150,000	150,000
220	Ranger	-	32,000	32,000
	TOTAL WATER	**$ -**	**$ 332,000**	**$ 332,000**
WASTEWATER				
320	Ford F-550 Water w/Crane	-	160,000	160,000
	TOTAL WASTEWATER	**$ -**	**$ 160,000**	**$ 160,000**
SHARED WATER/WASTEWATER				
217/317	SEA Combo Unit	-	550,000	550,000
217/317	Vermeer VX 50	-	185,000	185,000
217/317	Ford F-550 Water/ International CV	-	150,000	150,000
217/317	Ford F-550 Water/ International CV	-	150,000	150,000
217/317	Ford F-550 Water/ International CV	-	150,000	150,000
217/317	CAT 306 CR	-	100,000	100,000
217/317	Ford F-150	-	56,000	56,000
217/317	Ford Ranger	-	32,000	32,000
217/317	Ford Ranger	-	32,000	32,000
217/317	Dump Trailer	-	15,000	15,000
217/317	Dump Trailer	-	15,000	15,000
	TOTAL SHARED WATER/WASTEWATER	**$ -**	**$ 1,435,000**	**$ 1,435,000**
PURCHASING				
527	Indoor High Reach Truck	-	100,000	100,000
527	CAT Forklift Med	-	100,000	100,000
527	CAT Forklift Med	-	75,000	75,000
527	Indoor Cherry Picker	-	25,000	25,000
	TOTAL PURCHASING	**$ -**	**$ 300,000**	**$ 300,000**
FLEET/FACILITIES				
528	New HQ Garage Equipment	-	615,364	615,364
528	Ford F-550 Water/ International CV	-	150,000	150,000
528	Ford F-150	-	56,000	56,000
528	Ford Explorer	-	40,000	40,000
	TOTAL FLEET/FACILITIES	**$ -**	**$ 861,364**	**$ 861,364**
TECHNOLOGY SYSTEMS				
531	PC Replacements	-	400,000	400,000
531	Radio Equipment	-	120,000	120,000
531	Network Equipment	-	118,000	118,000
531	Telecommunications Equipment and Enhancement	-	65,000	65,000
531	iPads	-	30,000	30,000
531	UPS Replacement	-	25,000	25,000
531	Copiers and Printers	-	10,000	10,000
	TOTAL TECHNOLOGY SYSTEMS	**$ -**	**$ 768,000**	**$ 768,000**
OPERATIONAL TECHNOLOGY				
532	OT Equipment Lifecycle Management	-	250,000	250,000
532	EGM Line Sensor	-	75,000	75,000
	TOTAL OPERATIONAL TECHNOLOGY	**$ -**	**$ 325,000**	**$ 325,000**
SECURITY				
534	Security Equipment Lifecycle Management	-	50,000	50,000
	TOTAL SECURITY	**$ -**	**$ 50,000**	**$ 50,000**
RATES AND REVENUE				
626	Ranger	-	32,000	32,000
	TOTAL RATES AND REVENUE	**$ -**	**$ 32,000**	**$ 32,000**
	TOTAL CAPITAL EQUIPMENT	**$ -**	**$ 5,427,864**	**$ 5,427,864**
	TOTAL	**$ -**	**$ 5,427,864**	**$ 5,427,864**

FY 2027 Capital Expenditure Summary
As of September 30, 2026

16% of Year Completed

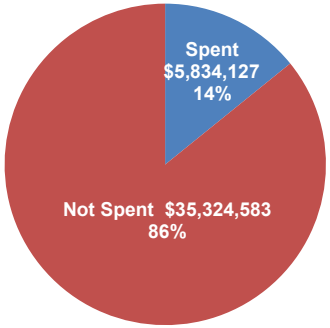
	Spent	Not Spent	Total Budget	% of Total Budget Spent
Electric	$ 5,834,127	$ 35,324,583	$ 41,158,710	14%
Water	1,785,901	64,223,870	66,009,771	3%
Wastewater	2,262,598	67,181,237	69,443,835	3%
Support Services	1,555,160	60,566,835	62,121,996	3%
TOTAL	**$ 11,437,785**	**$ 227,296,526**	**$ 238,734,312**	
	5%	***95%***	***100%***	



Electric Line of Business
FY 2027 Capital Expenditure Summary
As of September 30, 2026

16% of Year Completed

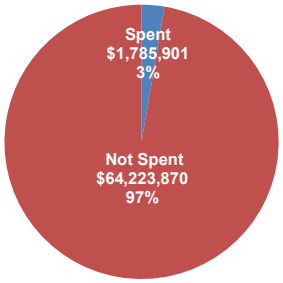
Project		[1] Total Spent YTD	[2] FY27 Project Budget	FY27 Budget Remaining	Project Life Total Budget	[1][2] % Spent YTD	% Physical Completion
Budgeted Projects:							
System Extensions	ELE - DIST (OH/UD) - SVC TERR-WD - EXT	$ 1,676,854	$ 6,896,329	$ 5,219,475	$ 6,896,329	24%	0%
Distribution Transformers	ELE - XFMR - SYSWD - XFMR GROWTH/XFMR REPL	139,079	3,294,521	3,155,442	3,294,521	4%	0%
Electric Meters	ELE - MTRS - SYSWD - GROWTH/REPL	180,944	1,913,301	1,732,357	1,913,301	9%	0%
Electric Aging Infrastructure	ELE - DIST - SMITHSON VLY / SYSWD - REPL	598,172	3,531,666	2,933,494	3,531,666	17%	0%
Three-Phase Extensions	ELE - FEED UPG - CITYWD - EXT (3PH)	523,494	1,040,025	516,531	10,203,415	50%	90%
Fiber Optic Extensions	ELE - FIB/COMM - HUECO SPR / KOHLENBERG / FM3009 SUBS - FIB EXT	-	130,277	130,277	1,688,044	0%	50%
Sheriff's Posse to Marion, T-340 Upgrade	ELE - TX LINE - SHERIFFS POSSE–MARION (T-340) - LINE UPG	-	603,214	603,214	15,092,581	0%	22%
Industrial Substation PWT Replacement (TXI T1)	ELE - PWR XFMR - GPI / CEMEX BALCONES - XFMR REPL	30,107	204,808	174,701	3,289,072	15%	70%
Residential OH to UG Conversion	ELE - DIST CONV - WALNUT EST - UG	4,914	3,934,687	3,929,773	7,607,744	0%	15%
Kohlenberg Rd Substation	ELE - SUB - FM1101 & KOHLENBERG RD / MAYFAIR E CORR - NEW SUB	1,237,553	9,132,900	7,895,347	24,211,526	14%	80%
Electric Aging Infrastructure, Substation	ELE - SUB - SYSWD - REPL	-	480,009	480,009	3,767,692	0%	100%
Freiheit Breaker Addiitons & Control House	ELE - SUB - FREIHEIT SUB - BKR ADD	67,771	2,990,055	2,922,284	7,774,747	2%	85%
EC23 FM 482 Feeder	ELE - FEED - EC MORN SUB / SCHWAB RD / FM482 - NEW FEED	-	389,735	389,735	2,471,714	0%	50%
HE11 Conrads Rd Feeder	ELE - FEED - CONRADS RD / FM1102 / HUNTER RD - FEED UPG	71,230	873,531	802,301	2,566,387	8%	50%
Transmission Access & Wildlife Protection	ELE - TX ACC - SYSWD - WILDLIFE PROT	-	281,901	281,901	2,247,263	0%	0%
Comal T3 Replacement & Feeder CO33	ELE - XFMR+FEED - COMAL SUB / CO33 CORR - XFMR REPL	16,964	699,553	682,589	5,133,282	2%	90%
Distribution Feeder Breaker Addition & Replacements	ELE - FEED BKR - SYSWD SUBS - BKR ADD	94,856	1,210,788	1,115,932	2,760,676	8%	43%
CONB Road Widening Adjustments	ELE - DIST ADJ - CNB PROJ (VAR) - RELOC	6,717	2,155,588	2,148,871	3,816,946	0%	10%
FM3009 Substation	ELE - SUB - FM3009 AREA - NEW SUB	4,515	1,231,608	1,227,093	10,854,889	0%	12%
Sheriff's Posse T3	ELE - PWR XFMR - SHERIFFS POSSE SUB - XFMR ADD	-	82,107	82,107	8,991,363	0%	0%
Comal Substation Breaker & Half	ELE - TX LINE - COMAL SUB - BKR-HALF CONFIG	-	82,107	82,107	6,209,002	0%	0%
Total Budgeted Projects		**$ 4,653,171**	**$ 41,158,710**	**$ 36,505,539**	**$ 134,322,160**	**11%**	
Unbudgeted Projects:							
Hueco Springs Substation	ELE - SUB - VERAMENDI / N NBU - NEW SUB	$ 39,206	$ -	$ (39,206)	$ 21,450,882	0%	98%
Henne Substation Breaker & Half	ELE - TX LINE - HENNE SUB - BKR-HALF ADD	108,175	-	(108,175)	5,484,759	0%	98%
HW14 to FM 3009 Extension Phase 2	ELE - SUB - FM3009 AREA - NEW SUB	1,033,574	-	(1,033,574)	1,609,054	0%	40%
Total Unbudgeted Projects		**$ 1,180,955**	**$ -**	**$ (1,180,955)**	**$ 28,544,695**		
TOTAL		**$ 5,834,127**	**$ 41,158,710**	**$ 35,324,583**	**$ 162,866,855**	**14%**	



Water Line of Business
FY 2027 Capital Expenditure Summary
As of September 30, 2026

16% of Year Completed

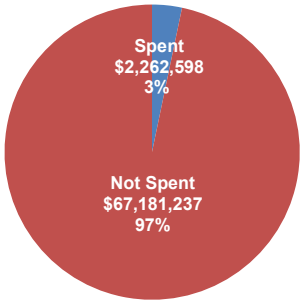
Project		(1) Total Spent YTD	(2) FY27 Project Budget	FY27 Budget Remaining	Project Life Total Budget	(1)/(2) % Spent YTD	% Physical Completion
Budgeted Projects:							
System Extensions	WTR - DIST MAIN - SYSWD - SYS EXT	$ 194,313	$ 484,990	$ 290,677	$ 484,990	40%	0%
Water Meters	WTR - METERING - SYSWD - NEW SVCS / GROWTH - REPL/AGING	641,137	3,881,630	3,240,493	3,881,630	17%	0%
Aging System Replacements	WTR - DIST M&S - SYSWD - REPL	240,577	913,847	673,270	913,847	26%	0%
Aquifer Strg & Recovery Project	WTR - ASR - SYSWD - ASR DEV (PH1)	-	2,051,929	2,051,929	24,543,807	0%	84%
AC Pipe Replacement - Solms	WTR - DIST M&S - SOLMS - REPL	14,733	2,343,356	2,328,623	3,204,857	1%	15%
Infrastructure Replacement Package 2-W	WTR - DIST M&S - MULTI LOC - (PKG 2)	-	1,352,161	1,352,161	1,523,133	0%	10%
Infrastructure Replacement Package 3-W	WTR - DIST M&S - MULTI LOC - REPL (PKG 3)	6,518	1,065,375	1,058,857	1,343,146	1%	3%
Solms Pump Station and Ground Storage Tank	WTR - PS+GST - SOLMS - NEW CAP	-	8,191,439	8,191,439	25,813,501	0%	14%
SWTP Expansion - Water Supply Facilities	WTR - TRMT PLT - SWTP SITE - EXP	-	542,617	542,617	112,947,854	0%	5%
Western Downtown to Morningside PZ Conversion	WTR - PZ CONV - WESTERN DNTN→MSIDE PZ - PRV & SHORT MAINS	34,715	7,085,888	7,051,173	12,263,109	0%	17%
FM 1044 EST	WTR - EST - FM 1044 - NEW CAP	445,429	1,953,636	1,508,207	16,594,764	23%	83%
Goodwin/Conrads Water Adjustments (CNB)-W	WTR - DIST M&S - GOODWIN–CONRADS CNB - UTILITY RELOC	846	257,754	256,908	1,662,550	0%	56%
FM 1101 Pump Station & GST	WTR - PS+GST - FM 1101 - NEW CAP	5,044	6,675,061	6,670,017	24,398,222	0%	17%
FM 1101 Discharge Line	WTR - TM - FM 1101 - PS DISCH MAIN	145	3,158,598	3,158,453	14,847,194	0%	6%
Barbarosa Waterline CNB	WTR - TM - BARBAROSA CNB - UTILITY RELOC	53,576	558,358	504,782	11,372,577	10%	4%
Central Downtown to Morningside PZ Conversion	WTR - PZ CONV - CENTRAL DNTN→MSIDE PZ - PRV & SHORT MAINS	278,491	2,932,116	2,653,625	14,242,600	9%	8%
City Street Projects CNB	WTR - DIST M&S - CNB - UTILITY RELOC	-	651,100	651,100	8,053,525	0%	1%
Hwy 46 Water Line (Mission) Phase 2	WTR - TM - HWY 46 (MISSION AREA) - NEW CAP	-	308,917	308,917	5,871,272	0%	6%
Downtown to Loop PZ Conversion	WTR - PZ CONV - DNTN→LOOP PZ - PRV & SHORT MAINS	-	3,607,904	3,607,904	4,069,939	0%	3%
Loop GST Improvements	WTR - PS - LOOP GST SITE - SITE & EQPT IMPR	-	350,452	350,452	3,883,276	0%	13%
Rio to Keuhler River Crossing	WTR - TM - RIO→KUEHLER - RIVER XING	10,811	2,393,259	2,382,448	3,048,280	0%	9%
San Antonio St Rehabilitation Phase 3 CNB	WTR - DIST M&S - SAN ANTONIO ST CNB - UTILITY RELOC (PH3)	3,327	902,897	899,570	2,455,123	0%	32%
Senate Bill 3 EPP Generators Phase 2	WTR - EMERG PWR / GEN - SYSWD - (PH2)	-	1,499,134	1,499,134	2,929,585	0%	11%
Well 6 Site Improvements	WTR - WELL - WELL 6 - SITE & EQPT IMPR	-	245,317	245,317	5,942,525	0%	14%
Water Infrastructure Replacement	WTR - DIST M&S - MULTI LOC - REPL	-	1,918,726	1,918,726	2,109,160	0%	13%
AC Pipe Replacement - Balcones Phase 2	WTR - DIST M&S - BALCONES - REPL (PH2)	16,767	798,729	781,962	1,679,512	2%	4%
Altgelt EST	WTR - EST - ALTGELT - NEW CAP	-	292,044	292,044	14,268,150	0%	0%
Bretzke to Hoffman Discharge Line	WTR - TM - BRETZKE→HOFFMANN PZ - PS DISCH MAIN	8,613	571,840	563,227	7,591,972	2%	0%
Coll Street Relocations CNB	WTR - DIST M&S - COLL ST CNB - UTILITY RELOC	2,896	612,493	609,597	1,406,349	0%	8%
Kowald Lane Rehabilitation CNB	WTR - DIST M&S - KOWALD LN CNB - UTILITY RELOC	-	706,607	706,607	1,957,099	0%	7%
River Chase EST	WTR - EST - RIVER CHASE - NEW CAP	689	292,044	291,355	7,810,735	0%	0%
Senate Bill 3 EPP Generators Phase 3	WTR - EMERG PWR / GEN - SYSWD - (PH3)	-	189,289	189,289	3,836,229	0%	1%
Water Tank Rehabilitations Phase 2	WTR - GST - MULTI LOC - RH (PH2)	-	5,338,837	5,338,837	5,801,510	0%	6%
Bretzke Pump Station for Hoffmann Pressure Zone	WTR - PS - BRETZKE→HOFFMANN PZ - NEW CAP	8,613	580,348	571,735	7,562,872	1%	0%
Water Tank Rehabilitations Phase 3	WTR - GST - MULTI LOC - RH (PH3)	-	525,678	525,678	5,350,640	0%	0%
Downtown High Elevations PZ Conversion	WTR - PZ CONV - DNTN HIGH ELEV - PRV & SHORT MAINS	-	362,134	362,134	2,118,559	0%	0%
Lead Service Replacement	WTR - LSL - SYSWD - LSL REPL	-	216,113	216,113	8,755,571	0%	0%
WTR - DIST MAIN - FM1044 - SYS EST	WTR - DIST MAIN - FM1044 - SYS EST	-	87,613	87,613	1,920,160	0%	0%
County Line Pump Station Discharge Line	WTR - TM - COUNTY LINE - PS DISCH MAIN	-	57,115	57,115	13,849,592	0%	0%
WTR - DIST M&S - FREDERICKSBERG - REPL	WTR - DIST M&S - FREDERICKSBERG - REPL	1,988	52,426	50,438	425,881	4%	0%
Total Budgeted Projects		**$ 1,969,228**	**$ 66,009,771**	**$ 64,040,543**	**$ 392,735,297**	**3%**	
Unbudgeted Projects:							
Trinity Expansion Treatment Plant - TWDB	WTR - TRMT PLT - TRINITY WTP SITE - EXP	(282,572)	-	282,572	30,008,495	0%	97%
Trinity Expansion Well Field - TWDB		10,071	-	(10,071)	13,004,030	0%	98%
Senate Bill 3 EPP Generators	WTR - EMERG PWR / GEN - SYSWD - (PH1)	5,861	-	(5,861)	2,288,988	0%	86%
Broken and Critical Valve Replacements	WTR - VALVES - SYSWD - CRIT VALVE RENEW (PH1)	63,408	-	(63,408)	436,946	0%	13%
Hueco Springs SWTP 2	WTR - TRMT PLT - SWTP SITE - NEW	19,904	-	(19,904)	19,978,271	0%	2%
Total Unbudgeted Projects		**$ (183,327)**	**$ -**	**$ 183,327**	**$ 65,716,731**		
TOTAL		**$ 1,785,901**	**$ 66,009,771**	**$ 64,223,870**	**$ 458,452,028**	**3%**	



Wastewater Line of Business
FY 2027 Capital Expenditure Summary
As of September 30, 2026

16% of Year Completed

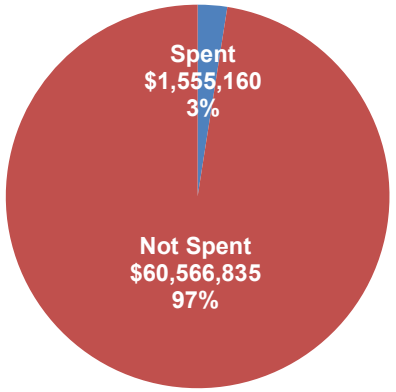
Project		[1] Total Spent YTD	[2] FY27 Project Budget	FY27 Budget Remaining	Project Life Total Budget	[1]/[2] % Spent YTD	% Physical Completion
Budgeted Projects:							
System Extensions	WWT - GRAV M&S - SYSWD - EXT	$ 205,838	$ 165,540	$ (40,298)	$ 165,540	124%	98%
Aging System Replacements	WWT - GRAV M&S - SYSWD - REPL	112,370	882,878	770,508	882,878	13%	78%
Manhole Rehabilitation	WWT - MH - SYSWD - RH	-	662,158	662,158	662,158	0%	58%
Infrastructure Replacement Package 2-WW	WWT - GRAV M&S - MULTI LOC - REPL (PKG 2)	-	2,419,196	2,419,196	2,582,382	0%	5%
Infrastructure Replacement Package 3-WW	WWT - GRAV M&S - MULTI LOC - REPL (PKG 3)	1,183	1,555,520	1,554,337	1,948,873	0%	4%
McKenzie WRF Expansion	WWT - WRF - MCKENZIE - EXP	175,107	10,131,984	9,956,877	88,438,302	2%	90%
I-35 Interceptor Upgrade	WWT - INTERC - I-35 CORR → RIO LS - CAP UPSIZE	11,374	568,097	556,723	17,786,037	2%	11%
Kuehler WRF Access Road-Courtyard Dr	WWT - WRF - COURTYARD DR - ACCESS RD	-	1,606,985	1,606,985	2,322,010	0%	30%
McKenzie Interceptor Upgrade	WWT - INTERC - MCKENZIE BASIN - CAP UPSIZE	5,445	3,785,549	3,780,104	27,556,556	0%	73%
Kuehler WRF Rehabilitation	WWT - WRF - N & S KUEHLER - RH	138,991	27,976,847	27,837,856	75,579,007	0%	12%
Saengerhalle North Interceptor	WWT - INTERC - NORTH SAENGERHALLE BASIN - CAP UPSIZE	-	1,965,127	1,965,127	4,244,723	0%	25%
Goodwin/Conrads Adjustments (CNB)-WW	WWT - GRAV M&S - GOODWIN–CONRADS CNB - UTILITY RELOC	694	248,216	247,522	1,678,458	0%	57%
North Kuehler Interceptor - Segment 3	WWT - INTERC - N KUEHLER BASIN - CAP UPSIZE (SEG 3)	306,791	3,773,156	3,466,365	13,835,411	8%	4%
Dove Crossing Force Main	WWT - FM - DOVE XING LS → S KUEHLER INTERC - REPL	219,256	140,619	(78,637)	5,795,024	0%	4%
City Street Projects CNB	WWT - UTILITY RELOC - SYSWD - CNB CORR	-	704,601	704,601	8,297,586	0%	0%
Coll Street Relocations CNB	WWT - GRAV M&S - COLL ST CNB - UTILITY RELOC	2,376	603,183	600,807	1,221,695	0%	4%
Gruene Lift Station Expansion	WWT - LS - GRUENE - EXP	2,722	1,656,496	1,653,774	12,679,731	0%	9%
San Antonio St Rehabilitation Phase 3 CNB	WWT - GRAV M&S - SAN ANTONIO ST CNB- UTILITY RELOC (PH3)	2,730	869,487	866,757	1,979,416	0%	20%
Wastewater Infrastructure Replacement	WWT - GRAV M&S - MULTI LOC - REPL	-	1,608,673	1,608,673	1,796,819	0%	12%
Barbarosa Wastewater Line CNB	WWT - TM - BARBAROSA CNB - UTILITY RELOC	7,845	59,743	51,898	1,503,699	13%	4%
Gruene WRF Expansion	WWT - WRF - GRUENE - EXP	339,942	4,334,476	3,994,534	82,169,963	8%	1%
Kowald Lane Rehabilitation CNB	WWT - COLL (GRAV) - KOWALD LN CNB - UTILITY RELOC	-	226,820	226,820	624,032	0%	7%
South Kuehler Interceptor Phase 2	WWT - INTERC - S KUEHLER BASIN - CAP UPSIZE (PH2)	53,677	380,741	327,064	10,952,329	14%	0%
Solms LS and Force Main	WWT - LS/FM - SOLMS - NEW CAP	29	1,008,666	1,008,637	23,749,615	0%	6%
Walnut Heights Wastewater Main	WWT - TM - WALNUT HEIGHTS - CAP UPSIZE	-	469,029	469,029	8,288,328	0%	0%
WWT - INTERC - FREDERICKSBERG - CAP UPSIZE	WWT - INTERC - FREDERICKSBERG - CAP UPSIZE	-	571,349	571,349	7,145,637	0%	0%
WWT - INTERC - BLIEDERS CREEK - CAP UPSIZE	WWT - INTERC - BLIEDERS CREEK - CAP UPSIZE	-	449,978	449,978	7,763,572	0%	0%
WWT - COLL (GRAV) - NORTH HICKORY - REPL	WWT - COLL (GRAV) - NORTH HICKORY - REPL	-	421,855	421,855	1,116,690	0%	0%
WWT - TM - COMAL AVE - CAP UPSIZE	WWT - TM - COMAL AVE - CAP UPSIZE	-	196,866	196,866	1,335,116	0%	0%
Total Budgeted Projects		**$ 1,586,369**	**$ 69,443,835**	**$ 67,857,466**	**$ 414,101,588**	**2%**	
Unbudgeted Projects:							
South Kuehler Interceptor Phase 1		$ 6,195	$ -	$ (6,195)	$ 7,536,680	0%	88%
Gruene Rd Sewer Main Rehabilitation/Relocation		670,033	-	(670,033)	7,328,655	0%	85%
Total Unbudgeted Projects		**$ 676,228**	**$ -**	**$ (676,228)**	**$ 14,865,335**		
TOTAL		**$ 2,262,598**	**$ 69,443,835**	**$ 67,181,237**	**$ 428,966,923**	**3%**	



16% of Year Completed

Support Services Line of Business
FY 2027 Capital Expenditure Summary
As of September 30, 2026

Project		[1] Total Spent YTD	[2] FY27 Project Budget	FY27 Budget Remaining	Project Life Total Budget	[1]/[2] % Spent YTD	% Physical Completion
Budgeted Projects:							
Headwaters at the Comal	SPRT - FAC - HW - EXP (PH3)	$ 1,063,475	$ 2,472,815	$ 1,409,340	$ 33,442,676	43%	80%
NBU Headquarters, Maint & Support Facility	SPRT - FAC - SYSWD - HQ CAMPUS	250,608	49,375,670	49,125,062	186,536,670	1%	72%
Backup Operations Center	SPRT - FAC - SYSWD - BOC	35,971	8,511	(27,460)	6,932,246	423%	82%
Fiber Network Distribution Expansion	SPRT - IT - SYSWD - FIB EXP	63,888	250,000	186,113	1,427,016	26%	55%
GIS Utility Network Migration	SPRT - IT - SYSWD - GIS UTIL NET MIG	-	500,000	500,000	2,000,000	0%	18%
Water SCADA Replacement & Integration	SPRT - OT - SYSWD - SCADA REPL &	64,572	800,000	735,428	2,989,001	8%	50%
Future Facilities Rehab Projects	SPRT - FAC - SYSWD - RH PROG	-	85,000	85,000	728,567	0%	47%
Cyber Security Systems	SPRT - CYBER - SYSWD - CORE SYS	-	230,000	230,000	272,030	0%	0%
GP Replacement	SPRT - IT - SYSWD - ERP (GP) REPL	-	7,800,000	7,800,000	7,800,000	0%	0%
Security Department Enhancements	SPRT - FAC - SEC - ENH	-	300,000	300,000	469,709	0%	23%
IOT Sensor Devices for manholes and fire hydrants	SPRT - OT - SYSWD - MH & FH (IoT) SENS	-	100,000	100,000	371,665	0%	0%
Water Wastewater SCADA Capital Support	SPRT - OT - SYSWD - SCADA CAP SUPP	47,939	200,000	152,061	200,000	24%	0%
Total Budgeted Projects		**$ 1,526,452**	**$ 62,121,996**	**$ 60,595,544**	**$ 243,169,579**	**2%**	
Unbudgeted Projects:							
Equipment Lifecycle Management		$ 28,708	$ -	$ (28,708)	$ (28,708)	0%	100%
Total		**$ 28,708**	**$ -**	**$ (28,708)**	**(28,708)**		
Total		**$ 1,555,160**	**$ 62,121,996**	**$ 60,566,835**	**$ 243,140,870**	**3%**	



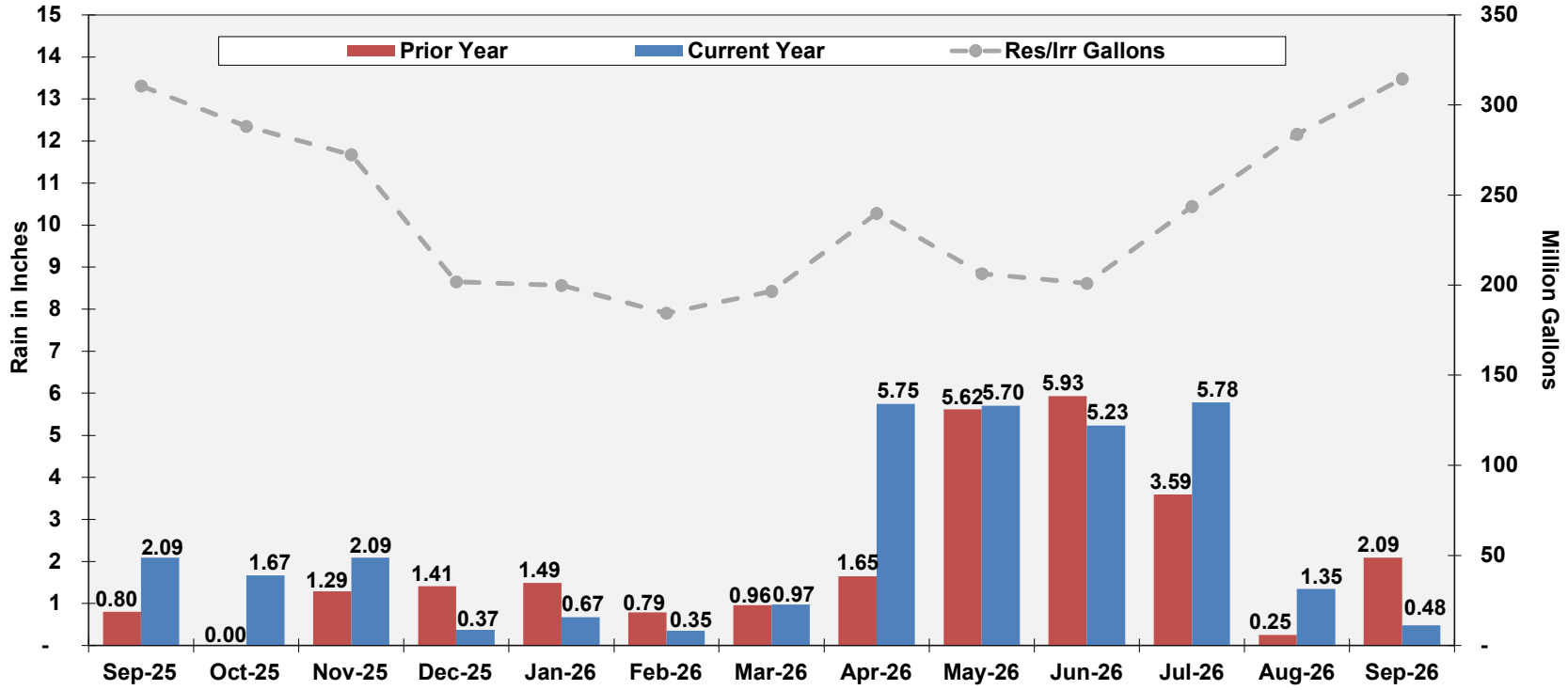
Electric Statistics are provided separately due to competitive matters.

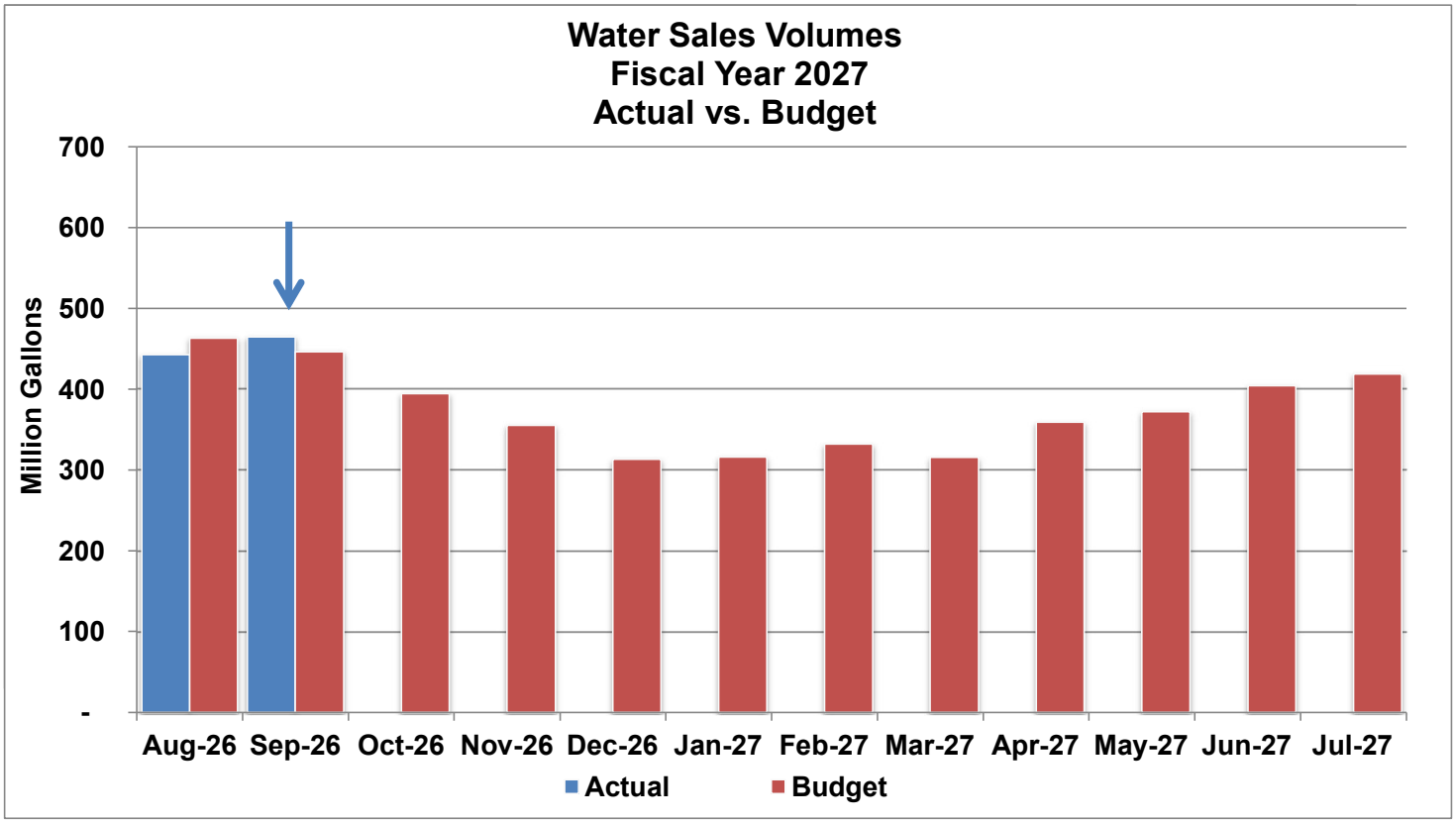
WATER STATISTICS

NEW BRAUNFELS UTILITIES
WATER STATISTICS
HIGHLIGHTS OVERVIEW

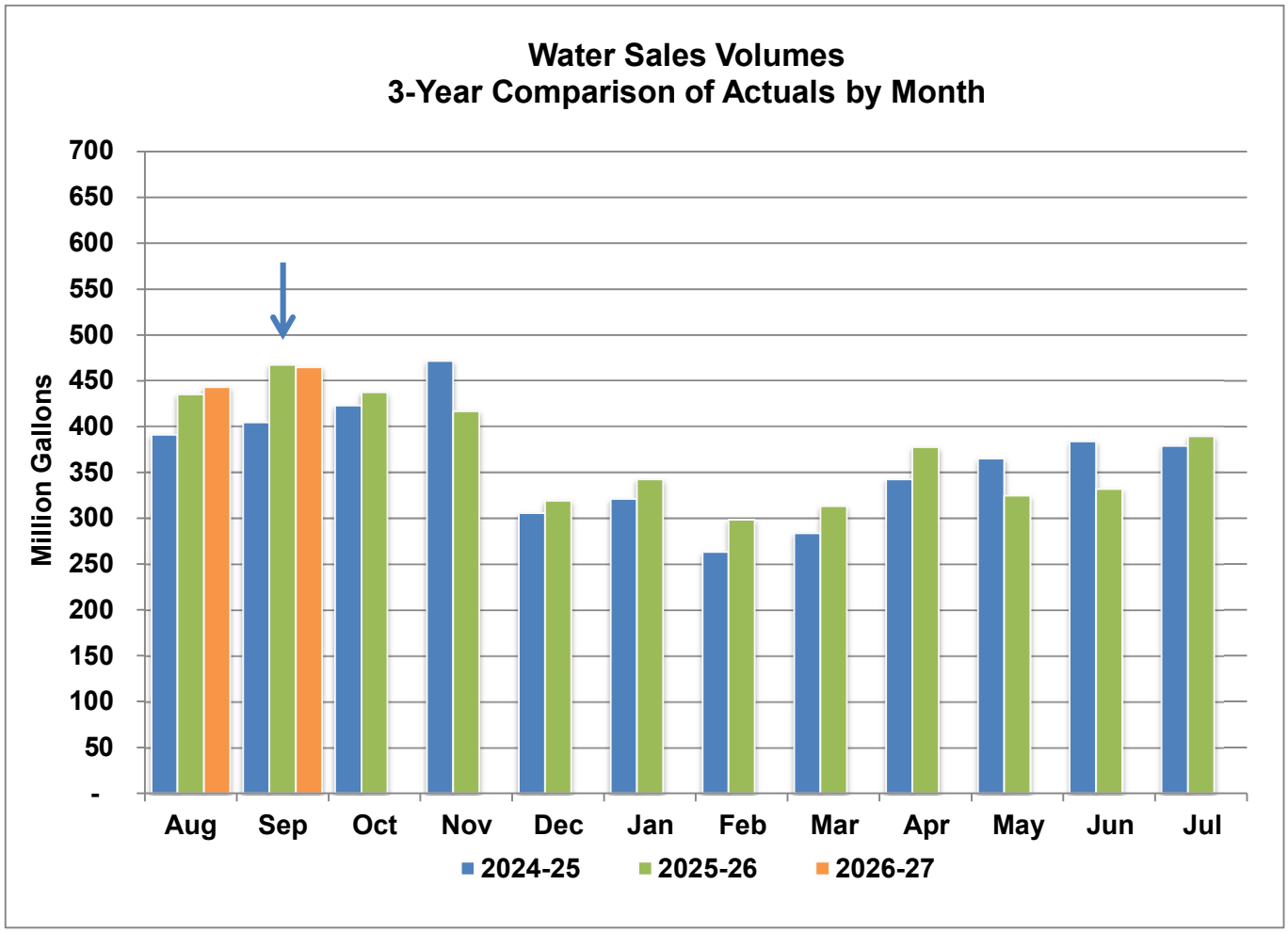
- September MTD rainfall was lower than the prior year rainfall, totaling 0.48 inches for the month. The September rainfall total of 0.48 inches was 3.05 inches lower than the historical average rainfall of 3.53 inches. For September 2026, there was one rain day during the month compared to one rain day in 2025.
- September YTD rainfall totaled 1.83 inches compared to the prior year total of 2.34 inches, which is a decrease of 0.51 inches compared to prior year YTD. For YTD, there have been two rain days compared to two rain days for prior year YTD.
- Average MTD consumption by residential water customer in September 2026 was 5,713 gallons compared to 5,921 gallons in September 2025, reflecting a 3.5% decrease.
- Actual YTD consumption by residential water customer through September 2026 was 11,092 gallons compared to 11,451 for YTD through September 2025, reflecting a decrease of 3.1%.
- 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 5.1 million gallons, or 0.6% (907.5 million gallons for FY 2027 YTD vs. 902.4 million gallons for FY 2026 YTD).
- Actual total water sales volume for year-to-date FY 2027 is 907.5 million gallons, which is 2.3 million less than the budgeted amount of 909.8 million gallons for the same time period.
    - The following are major contributors, by rate classification, towards the 2.3 million gallons change from budget:
        - Residential – decrease of 29.2 million gallons (down 6.2% from budget)
        - Multi-Unit 2-4 - decrease of 0.5 million gallons (down 13.7% from budget)
        - Multi-Unit 5+ - increase of 3.3 million gallons (up 5.3% from budget)
        - Residential Irrigation – increase of 7.8 million gallons (up 5.3% from budget)
        - Commercial Irrigation – decrease of 6.6 million gallons (down 9.9% from budget)
        - Small General Services – decrease of 1.8 million gallons (down 3.0% from budget)
        - Large General Services – increase of 21.3 million gallons (up 25.3% from budget)
        - Other Sales – increase of 4.1 million gallons (up 34.5% from budget)
        - ReUse Water – decrease of 0.5 million gallons (down 99.7% from budget)

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



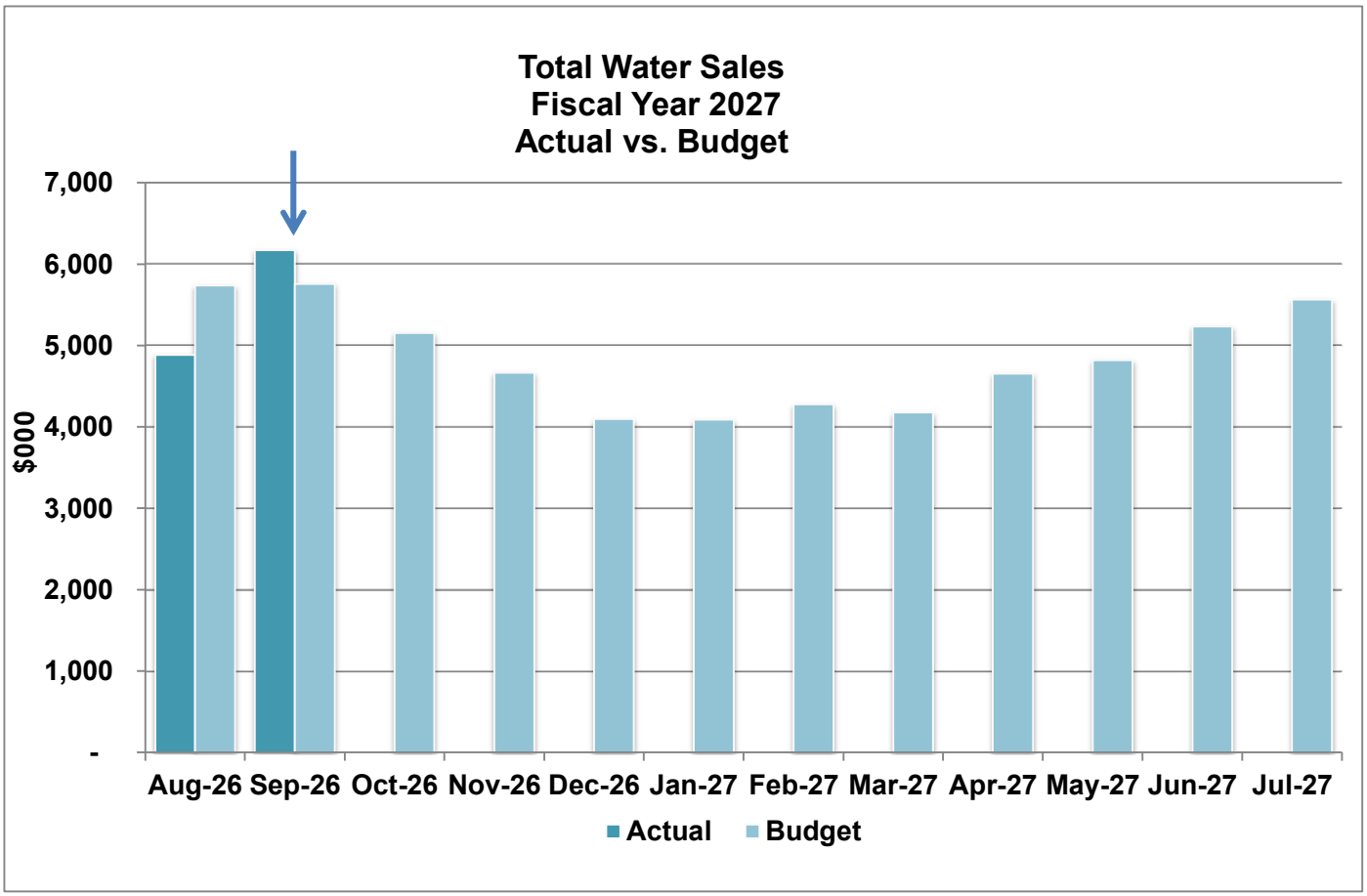


Month	Actual	Budget
Aug-26	443	463
Sep-26	465	446
Oct-26	-	395
Nov-26	-	355
Dec-26	-	314
Jan-27	-	316
Feb-27	-	332
Mar-27	-	316
Apr-27	-	359
May-27	-	372
Jun-27	-	404
Jul-27	-	419
TOTAL	908	4,490



	Water Sales Volumes (Million Gallons)		
Month	2024-25	2025-26	2026-27
Aug	391	435	443
Sep	404	467	465
Oct	423	437	-
Nov	471	417	-
Dec	306	319	-
Jan	321	342	-
Feb	263	299	-
Mar	284	313	-
Apr	342	377	-
May	365	325	-
Jun	384	332	-
Jul	379	389	-
TOTAL	4,333	4,452	908

Meter Count	FY 2025	% Change 2023-2024	FY 2026	% Change 2024-2025	FY 2027
Residential	37,416	4.01%	38,917	3.23%	40,175
Irrigation	15,699	7.84%	16,930	6.86%	18,091
Other	3,150	3.71%	3,267	1.90%	3,329
TOTAL	**56,265**	**5.06%**	**59,114**	**4.20%**	**61,595**



Month	Total Water Sales ($000) Actual	Budget
Aug-26	$ 4,884	$ 5,735
Sep-26	$ 6,173	$ 5,758
Oct-26	$ -	$ 5,156
Nov-26	$ -	$ 4,666
Dec-26	$ -	$ 4,094
Jan-27	$ -	$ 4,087
Feb-27	$ -	$ 4,275
Mar-27	$ -	$ 4,178
Apr-27	$ -	$ 4,651
May-27	$ -	$ 4,820
Jun-27	$ -	$ 5,233
Jul-27	$ -	$ 5,565
TOTAL	**$ 11,056**	**$ 58,219**

WATER SUPPLEMENTAL INFORMATION

NEW BRAUNFELS UTILITIES
Water Volume (Gallons)
For Month Ending September 30, 2026

DESCRIPTION	2026 AUG	2026 SEP	FY 2027 YTD ACT	FY 2027 YTD AVG
Residential				
Actuals	213,583,882	229,534,861	**443,118,743**	**221,559,372**
Budget	233,928,578	238,408,953	**472,337,530**	**236,168,765**
Prior Year	214,513,253	230,415,569	**444,928,822**	**222,464,411**
Multi-Unit 2-4				
Actuals	1,690,388	1,670,789	**3,361,177**	**1,680,589**
Budget	1,953,061	1,939,505	**3,892,565**	**1,946,283**
Prior Year	1,749,745	2,032,111	**3,781,856**	**1,890,928**
Multi-Unit 5+				
Actuals	33,247,830	32,235,539	**65,483,369**	**32,741,685**
Budget	31,007,542	31,207,274	**62,214,816**	**31,107,408**
Prior Year	34,417,988	35,180,807	**69,598,795**	**34,799,398**
Residential Irrigation				
Actuals	70,227,051	84,985,796	**155,212,847**	**77,606,424**
Budget	79,207,339	68,181,575	**147,388,914**	**73,694,457**
Prior Year	70,980,533	80,180,841	**151,161,374**	**75,580,687**
Commercial Irrigation				
Actuals	26,403,018	34,034,466	**60,437,484**	**30,218,742**
Budget	35,146,558	31,937,106	**67,083,664**	**33,541,832**
Prior Year	26,910,126	32,242,847	**59,152,973**	**29,576,487**
SGS				
Actuals	29,674,649	28,803,371	**58,478,020**	**29,239,010**
Budget	30,171,114	30,129,551	**60,300,665**	**30,150,332**
Prior Year	29,851,963	29,792,097	**59,644,060**	**29,822,030**
LGS				
Actuals	57,916,734	47,644,691	**105,561,425**	**52,780,713**
Budget	45,267,493	38,964,418	**84,231,911**	**42,115,956**
Prior Year	47,400,354	45,527,760	**92,928,114**	**46,464,057**
Other Sales				
Actuals	9,955,402	5,899,505	**15,854,907**	**7,927,454**
Budget	6,221,118	5,571,021	**11,792,139**	**5,896,070**
Prior Year	9,267,999	11,922,857	**21,190,856**	**10,595,428**
ReUse Water				
Actuals	1,706	-	**1,706**	**853**
Budget	383,258	143,255	**526,512**	**263,256**
Prior Year	-	-	**-**	**-**
Total Sales				
Actuals	**442,700,660**	**464,809,018**	**907,509,678**	**453,754,839**
Budget	**463,286,059**	**446,482,658**	**909,768,717**	**454,884,359**
Prior Year	**435,091,961**	**467,294,889**	**902,386,850**	**451,193,425**

NEW BRAUNFELS UTILITIES
Water Volume (Gallons) Variance
For Month Ending September 30, 2026

DESCRIPTION	2026 AUG	2026 SEP	FY 2027 YTD ACT	FY 2027 YTD AVG
Residential				
Actuals	213,583,882	229,534,861	**443,118,743**	**221,559,372**
Actual vs Budget	(20,344,696)	(8,874,092)	**(29,218,787)**	**(14,609,394)**
Actual vs Prior Year	(929,371)	(880,708)	**(1,810,079)**	**(905,040)**
Multi-Unit 2-4				
Actuals	1,690,388	1,670,789	**3,361,177**	**1,680,589**
Actual vs Budget	(262,673)	(268,716)	**(531,388)**	**(265,694)**
Actual vs Prior Year	(59,357)	(361,322)	**(420,679)**	**(210,340)**
Multi-Unit 5+				
Actuals	33,247,830	32,235,539	**65,483,369**	**32,741,685**
Actual vs Budget	2,240,288	1,028,265	**3,268,553**	**1,634,276**
Actual vs Prior Year	(1,170,158)	(2,945,268)	**(4,115,426)**	**(2,057,713)**
Residential Irrigation				
Actuals	70,227,051	84,985,796	**155,212,847**	**77,606,424**
Actual vs Budget	(8,980,288)	16,804,221	**7,823,933**	**3,911,966**
Actual vs Prior Year	(753,482)	4,804,955	**4,051,473**	**2,025,737**
Commercial Irrigation				
Actuals	26,403,018	34,034,466	**60,437,484**	**30,218,742**
Actual vs Budget	(8,743,540)	2,097,360	**(6,646,180)**	**(3,323,090)**
Actual vs Prior Year	(507,108)	1,791,619	**1,284,511**	**642,256**
SGS				
Actuals	29,674,649	28,803,371	**58,478,020**	**29,239,010**
Actual vs Budget	(496,465)	(1,326,180)	**(1,822,645)**	**(911,322)**
Actual vs Prior Year	(177,314)	(988,726)	**(1,166,040)**	**(583,020)**
LGS				
Actuals	57,916,734	47,644,691	**105,561,425**	**52,780,713**
Actual vs Budget	12,649,241	8,680,273	**21,329,514**	**10,664,757**
Actual vs Prior Year	10,516,380	2,116,931	**12,633,311**	**6,316,656**
Other Sales				
Actuals	9,955,402	5,899,505	**15,854,907**	**7,927,454**
Actual vs Budget	3,734,284	328,484	**4,062,768**	**2,031,384**
Actual vs Prior Year	687,403	(6,023,352)	**(5,335,949)**	**(2,667,975)**
ReUse Water				
Actuals	1,706	-	**1,706**	**853**
Actual vs Budget	(381,552)	(143,255)	**(524,806)**	**(262,403)**
Actual vs Prior Year	1,706	-	**1,706**	**853**
Total Sales				
Actuals	**442,700,660**	**464,809,018**	**907,509,678**	**453,754,839**
Actual vs Budget	**(20,585,399)**	**18,326,360**	**(2,259,039)**	**(1,129,520)**
Actual vs Prior Year	**7,608,699**	**(2,485,871)**	**5,122,828**	**2,561,414**

NEW BRAUNFELS UTILITIES
Water Revenue
For Month Ending September 30, 2026

DESCRIPTION	2026 AUG	2026 SEP	FY 2027 YTD ACT	FY 2027 YTD AVG
Residential				
Actuals	$ 1,779,653	$ 2,520,837	**$ 4,300,491**	**$ 2,150,245**
Budget	$ 2,408,113	$ 2,528,641	**$ 4,936,754**	**$ 2,468,377**
Prior Year	$ 1,625,466	$ 2,280,916	**$ 3,906,382**	**$ 1,953,191**
Multi-Unit 2-4				
Actuals	$ 22,324	$ 23,778	**$ 46,102**	**$ 23,051**
Budget	$ 25,167	$ 26,277	**$ 51,444**	**$ 25,722**
Prior Year	$ 20,176	$ 23,925	**$ 44,100**	**$ 22,050**
Multi-Unit 5+				
Actuals	$ 464,181	$ 505,623	**$ 969,805**	**$ 484,902**
Budget	$ 455,983	$ 480,139	**$ 936,123**	**$ 468,061**
Prior Year	$ 377,687	$ 416,848	**$ 794,534**	**$ 397,267**
Residential Irrigation				
Actuals	$ 1,151,913	$ 1,492,722	**$ 2,644,635**	**$ 1,322,317**
Budget	$ 1,317,755	$ 1,235,579	**$ 2,553,335**	**$ 1,276,667**
Prior Year	$ 1,018,214	$ 1,247,048	**$ 2,265,262**	**$ 1,132,631**
Commercial Irrigation				
Actuals	$ 438,175	$ 630,194	**$ 1,068,369**	**$ 534,185**
Budget	$ 608,079	$ 585,028	**$ 1,193,107**	**$ 596,554**
Prior Year	$ 399,570	$ 533,787	**$ 933,357**	**$ 466,679**
SGS				
Actuals	$ 349,052	$ 394,717	**$ 743,768**	**$ 371,884**
Budget	$ 402,708	$ 423,434	**$ 826,142**	**$ 413,071**
Prior Year	$ 313,597	$ 363,684	**$ 677,281**	**$ 338,640**
LGS				
Actuals	$ 497,613	$ 471,574	**$ 969,187**	**$ 484,594**
Budget	$ 409,934	$ 384,351	**$ 794,284**	**$ 397,142**
Prior Year	$ 355,741	$ 383,625	**$ 739,366**	**$ 369,683**
Other Sales				
Actuals	$ 180,913	$ 133,083	**$ 313,997**	**$ 156,998**
Budget	$ 107,648	$ 94,661	**$ 202,309**	**$ 101,154**
Prior Year	$ 145,924	$ 184,339	**$ 330,263**	**$ 165,132**
ReUse Water				
Actuals	$ 74	$ 72	**$ 146**	**$ 73**
Budget	$ -	$ -	**$ -**	**$ -**
Prior Year	$ 60	$ 66	**$ 126**	**$ 63**
Total Sales				
Actuals	**$ 4,883,899**	**$ 6,172,601**	$ 11,056,500	$ 5,528,250
Budget	**$ 5,735,387**	**$ 5,758,110**	$ 11,493,497	$ 5,746,749
Prior Year	**$ 4,256,434**	**$ 5,434,238**	$ 9,690,671	$ 4,845,336

NEW BRAUNFELS UTILITIES
Water Revenue Variance
For Month Ending September 30, 2026

DESCRIPTION	2026 AUG	2026 SEP	FY 2027 YTD ACT	FY 2027 YTD AVG
Residential				
Actuals	$ 1,779,653	$ 2,520,837	**$ 4,300,491**	**$ 2,150,245**
Actual vs Budget	$ (628,460)	$ (7,803)	**$ (636,263)**	**$ (318,131)**
Actual vs Prior Year	$ 154,188	$ 239,921	**$ 394,109**	**$ 197,055**
Multi-Unit 2-4				
Actuals	$ 22,324	$ 23,778	**$ 46,102**	**$ 23,051**
Actual vs Budget	$ (2,843)	$ (2,499)	**$ (5,342)**	**$ (2,671)**
Actual vs Prior Year	$ 2,148	$ (147)	**$ 2,002**	**$ 1,001**
Multi-Unit 5+				
Actuals	$ 464,181	$ 505,623	**$ 969,805**	**$ 484,902**
Actual vs Budget	$ 8,198	$ 25,484	**$ 33,682**	**$ 16,841**
Actual vs Prior Year	$ 86,495	$ 88,776	**$ 175,270**	**$ 87,635**
Residential Irrigation				
Actuals	$ 1,151,913	$ 1,492,722	**$ 2,644,635**	**$ 1,322,317**
Actual vs Budget	$ (165,842)	$ 257,142	**$ 91,300**	**$ 45,650**
Actual vs Prior Year	$ 133,699	$ 245,674	**$ 379,373**	**$ 189,687**
Commercial Irrigation				
Actuals	$ 438,175	$ 630,194	**$ 1,068,369**	**$ 534,185**
Actual vs Budget	$ (169,904)	$ 45,166	**$ (124,738)**	**$ (62,369)**
Actual vs Prior Year	$ 38,605	$ 96,407	**$ 135,012**	**$ 67,506**
SGS				
Actuals	$ 349,052	$ 394,717	**$ 743,768**	**$ 371,884**
Actual vs Budget	$ (53,656)	$ (28,718)	**$ (82,374)**	**$ (41,187)**
Actual vs Prior Year	$ 35,455	$ 31,033	**$ 66,488**	**$ 33,244**
LGS				
Actuals	$ 497,613	$ 471,574	**$ 969,187**	**$ 484,594**
Actual vs Budget	$ 87,679	$ 87,224	**$ 174,903**	**$ 87,451**
Actual vs Prior Year	$ 141,872	$ 87,949	**$ 229,821**	**$ 114,910**
Other Sales				
Actuals	$ 180,913	$ 133,083	**$ 313,997**	**$ 156,998**
Actual vs Budget	$ 73,265	$ 38,423	**$ 111,688**	**$ 55,844**
Actual vs Prior Year	$ 34,989	$ (51,256)	**$ (16,267)**	**$ (8,133)**
ReUse Water				
Actuals	$ 74	$ 72	**$ 146**	**$ 73**
Actual vs Budget	$ 74	$ 72	**$ 146**	**$ 73**
Actual vs Prior Year	$ 14	$ 7	**$ 20**	**$ 10**
Total Sales				
Actuals	**$ 4,883,899**	**$ 6,172,601**	$ 11,056,500	$ 5,528,250
Actual vs Budget	**$ (851,488)**	**$ 414,491**	$ (436,998)	$ (218,499)
Actual vs Prior Year	**$ 627,465**	**$ 738,363**	$ 1,365,828	$ 682,914

NEW BRAUNFELS UTILITIES
Water Meters
For Month Ending September 30, 2026

DESCRIPTION	2026 AUG	2026 SEP	FY 2027 YTD AVG
Residential			
Actuals	39,710	40,175	**39,943**
Budget	40,210	40,311	**40,260**
Prior Year	38,787	38,917	**38,852**
Multi-Unit 2-4			
Actuals	218	218	**218**
Budget	219	219	**219**
Prior Year	221	220	**221**
Multi-Unit 5+			
Actuals	333	333	**333**
Budget	325	327	**326**
Prior Year	319	320	**320**
Residential Irrigation			
Actuals	16,849	17,131	**16,990**
Budget	17,139	17,239	**17,189**
Prior Year	15,938	16,024	**15,981**
Commercial Irrigation			
Actuals	947	960	**954**
Budget	1,038	1,042	**1,040**
Prior Year	905	906	**906**
SGS			
Actuals	2,367	2,384	**2,376**
Budget	2,370	2,374	**2,372**
Prior Year	2,352	2,351	**2,352**
LGS			
Actuals	261	261	**261**
Budget	261	261	**261**
Prior Year	252	258	**255**
Other Sales			
Actuals	135	132	**134**
Budget	118	118	**118**
Prior Year	114	117	**116**
ReUse Water			
Actuals	1	1	**1**
Budget	1	1	**1**
Prior Year	1	1	**1**
Total Meters			
Actuals	**60,821**	**61,595**	**61,208**
Budget	**61,683**	**61,891**	**61,787**
Prior Year	**58,889**	**59,114**	**59,002**
New Meters	**(143)**	**774**	**316**
New Meter Growth	**-0.2%**	**1.3%**	**0.5%**

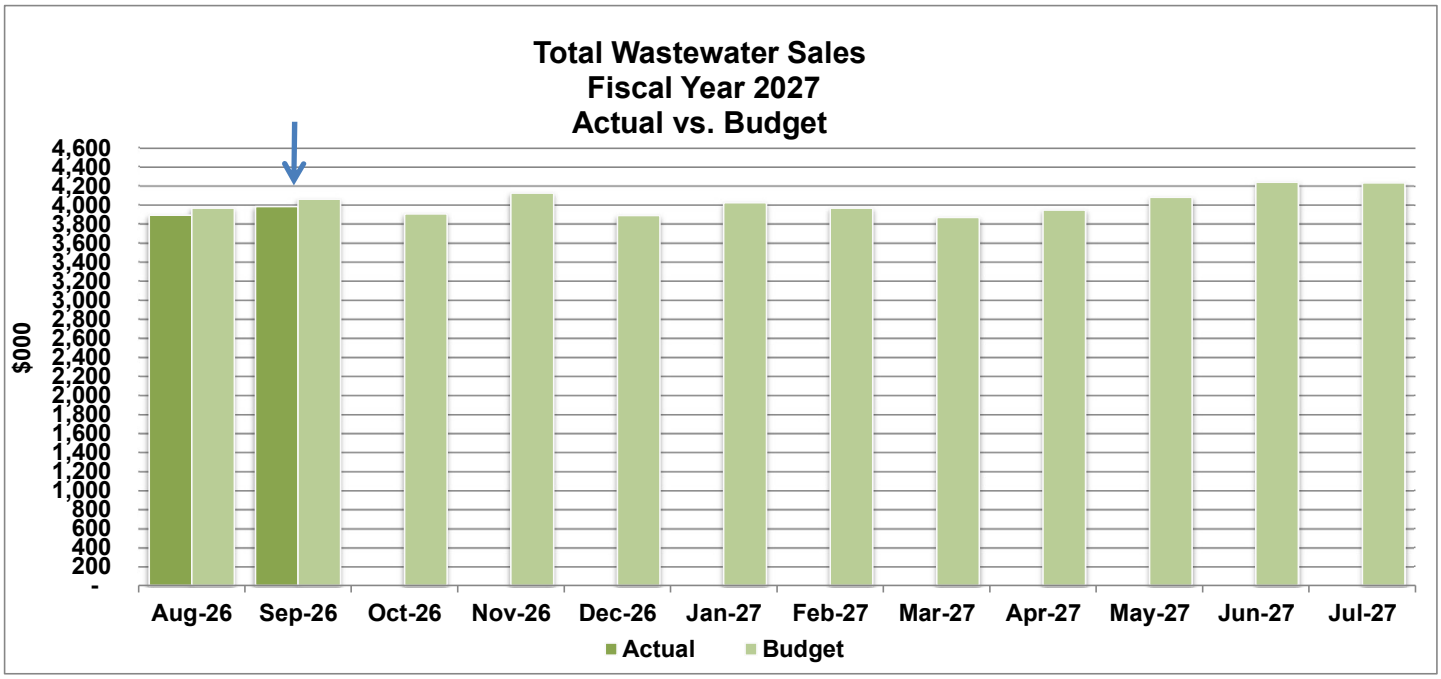
NEW BRAUNFELS UTILITIES
Water Volume per Meter (Gallons)
For Month Ending September 30, 2026

DESCRIPTION	2026 AUG	2026 SEP	FY 2027 YTD ACT	FY 2027 YTD AVG
Residential				
Actuals	5,379	5,713	**11,092**	**5,546**
Budget	5,818	5,914	**11,732**	**5,866**
Prior Year	5,531	5,921	**11,451**	**5,726**
Multi-Unit 2-4				
Actuals	7,754	7,664	**15,418**	**7,709**
Budget	8,914	8,847	**17,761**	**8,880**
Prior Year	7,917	9,237	**17,154**	**8,577**
Multi-Unit 5+				
Actuals	99,843	96,803	**196,647**	**98,323**
Budget	95,305	95,523	**190,828**	**95,414**
Prior Year	107,893	109,940	**217,833**	**108,917**
Residential Irrigation				
Actuals	4,168	4,961	**9,129**	**4,564**
Budget	4,621	3,955	**8,576**	**4,288**
Prior Year	4,454	5,004	**9,457**	**4,729**
Commercial Irrigation				
Actuals	27,881	35,453	**63,333**	**31,667**
Budget	33,845	30,653	**64,498**	**32,249**
Prior Year	29,735	35,588	**65,323**	**32,662**
SGS				
Actuals	12,537	12,082	**24,619**	**12,309**
Budget	12,729	12,693	**25,422**	**12,711**
Prior Year	12,692	12,672	**25,364**	**12,682**
LGS				
Actuals	221,903	182,547	**404,450**	**202,225**
Budget	173,439	149,289	**322,728**	**161,364**
Prior Year	188,097	176,464	**364,561**	**182,280**
Other Sales				
Actuals	73,744	44,693	**118,437**	**59,218**
Budget	52,714	47,203	**99,917**	**49,958**
Prior Year	81,298	101,905	**183,203**	**91,601**
ReUse Water				
Actuals	1,706	-	**1,706**	**853**
Budget	383,258	143,255	**526,512**	**263,256**
Prior Year	-	-	**-**	**-**

NEW BRAUNFELS UTILITIES
Water Rates (per Gallon)
For Month Ending September 30, 2026

DESCRIPTION	2026 AUG	2026 SEP	FY 2027 YTD AVG
Residential			
Actuals	$ 0.0083	$ 0.0110	**$ 0.0097**
Budget	$ 0.0103	$ 0.0106	**$ 0.0105**
Prior Year	$ 0.0076	$ 0.0099	**$ 0.0087**
Multi-Unit 2-4			
Actuals	$ 0.0132	$ 0.0142	**$ 0.0137**
Budget	$ 0.0129	$ 0.0135	**$ 0.0132**
Prior Year	$ 0.0115	$ 0.0118	**$ 0.0117**
Multi-Unit 5+			
Actuals	$ 0.0140	$ 0.0157	**$ 0.0148**
Budget	$ 0.0147	$ 0.0154	**$ 0.0150**
Prior Year	$ 0.0110	$ 0.0118	**$ 0.0114**
Residential Irrigation			
Actuals	$ 0.0164	$ 0.0176	**$ 0.0170**
Budget	$ 0.0166	$ 0.0181	**$ 0.0174**
Prior Year	$ 0.0143	$ 0.0156	**$ 0.0149**
Commercial Irrigation			
Actuals	$ 0.0166	$ 0.0185	**$ 0.0176**
Budget	$ 0.0173	$ 0.0183	**$ 0.0178**
Prior Year	$ 0.0148	$ 0.0166	**$ 0.0157**
SGS			
Actuals	$ 0.0118	$ 0.0137	**$ 0.0127**
Budget	$ 0.0133	$ 0.0141	**$ 0.0137**
Prior Year	$ 0.0105	$ 0.0122	**$ 0.0114**
LGS			
Actuals	$ 0.0086	$ 0.0099	**$ 0.0092**
Budget	$ 0.0091	$ 0.0099	**$ 0.0095**
Prior Year	$ 0.0075	$ 0.0084	**$ 0.0080**
Other Sales			
Actuals	$ 0.0182	$ 0.0226	**$ 0.0204**
Budget	$ 0.0173	$ 0.0170	**$ 0.0171**
Prior Year	$ 0.0157	$ 0.0155	**$ 0.0156**
ReUse Water			
Actuals	$ 0.0433	$ -	**$ 0.0216**
Budget	$ -	$ -	**$ -**
Prior Year	$ -	$ -	**$ -**

WASTEWATER STATISTICS



Month	Total Wastewater Sales ($000) Actual	Budget
Aug-26	$ 3,896	$ 3,970
Sep-26	$ 3,985	$ 4,062
Oct-26	$ -	$ 3,911
Nov-26	$ -	$ 4,127
Dec-26	$ -	$ 3,894
Jan-27	$ -	$ 4,026
Feb-27	$ -	$ 3,970
Mar-27	$ -	$ 3,870
Apr-27	$ -	$ 3,949
May-27	$ -	$ 4,084
Jun-27	$ -	$ 4,241
Jul-27	$ -	$ 4,235
TOTAL	**$ 7,880**	**$ 48,341**

Customer Count	FY 2025	% Change 2023-2024	FY 2026	% Change 2024-2025	FY 2027
Residential	33,920	4.34%	35,393	3.49%	36,628
Other	2,685	1.49%	2,725	1.39%	2,763
TOTAL	**36,605**	**4.13%**	**38,118**	**3.34%**	**39,391**

WASTEWATER SUPPLEMENTAL INFORMATION

NEW BRAUNFELS UTILITIES
Wastewater Revenue
For Month Ending September 30, 2026

DESCRIPTION	2026 AUG	2026 SEP	FY 2027 YTD ACT	FY 2027 YTD AVG
Residential				
Actuals	$ 2,361,139	$ 2,473,268	**$ 4,834,407**	**$ 2,417,203**
Budget	$ 2,370,399	$ 2,523,543	**$ 4,893,942**	**$ 2,446,971**
Prior Year	$ 2,135,811	$ 2,250,585	**$ 4,386,396**	**$ 2,193,198**
Multi-Unit 2-4				
Actuals	$ 18,961	$ 19,136	**$ 38,097**	**$ 19,048**
Budget	$ 19,027	$ 19,817	**$ 38,843**	**$ 19,422**
Prior Year	$ 17,555	$ 18,249	**$ 35,803**	**$ 17,902**
Multi-Unit 5+				
Actuals	$ 581,045	$ 616,049	**$ 1,197,094**	**$ 598,547**
Budget	$ 550,758	$ 556,729	**$ 1,107,487**	**$ 553,743**
Prior Year	$ 442,131	$ 463,914	**$ 906,045**	**$ 453,022**
SGS				
Actuals	$ 932,318	$ 874,241	**$ 1,806,559**	**$ 903,279**
Budget	$ 1,028,105	$ 960,101	**$ 1,988,207**	**$ 994,103**
Prior Year	$ 846,491	$ 854,433	**$ 1,700,924**	**$ 850,462**
Schertz Sewer				
Actuals	$ 2,154	$ 2,146	**$ 4,300**	**$ 2,150**
Budget	$ 1,822	$ 1,818	**$ 3,640**	**$ 1,820**
Prior Year	$ 1,802	$ 1,789	**$ 3,591**	**$ 1,795**
Total Sales				
Actuals	**$ 3,895,616**	**$ 3,984,841**	**$ 7,880,457**	**$ 3,940,228**
Budget	**$ 3,970,111**	**$ 4,062,008**	**$ 8,032,119**	**$ 4,016,059**
Prior Year	**$ 3,443,790**	**$ 3,588,969**	**$ 7,032,760**	**$ 3,516,380**

NEW BRAUNFELS UTILITIES
Wastewater Revenue Variance
For Month Ending September 30, 2026

DESCRIPTION	2026 AUG	2026 SEP	FY 2027 YTD ACT	FY 2027 YTD AVG
Residential				
Actuals	$ 2,361,139	$ 2,473,268	**$ 4,834,407**	**$ 2,417,203**
Actual vs Budget	$ (9,260)	$ (50,274)	**$ (59,535)**	**$ (29,767)**
Actual vs Prior Year	$ 225,327	$ 222,683	**$ 448,011**	**$ 224,005**
Multi-Unit 2-4				
Actuals	$ 18,961	$ 19,136	**$ 38,097**	**$ 19,048**
Actual vs Budget	$ (66)	$ (681)	**$ (747)**	**$ (373)**
Actual vs Prior Year	$ 1,406	$ 887	**$ 2,293**	**$ 1,147**
Multi-Unit 5+				
Actuals	$ 581,045	$ 616,049	**$ 1,197,094**	**$ 598,547**
Actual vs Budget	$ 30,287	$ 59,321	**$ 89,608**	**$ 44,804**
Actual vs Prior Year	$ 138,914	$ 152,135	**$ 291,050**	**$ 145,525**
SGS				
Actuals	$ 932,318	$ 874,241	**$ 1,806,559**	**$ 903,279**
Actual vs Budget	$ (95,788)	$ (85,860)	**$ (181,648)**	**$ (90,824)**
Actual vs Prior Year	$ 85,826	$ 19,808	**$ 105,634**	**$ 52,817**
Schertz Sewer				
Actuals	$ 2,154	$ 2,146	**$ 4,300**	**$ 2,150**
Actual vs Budget	$ 332	$ 328	**$ 660**	**$ 330**
Actual vs Prior Year	$ 352	$ 358	**$ 709**	**$ 355**
Total Sales				
Actuals	**$ 3,895,616**	**$ 3,984,841**	**$ 7,880,457**	**$ 3,940,228**
Actual vs Budget	**$ (74,495)**	**$ (77,167)**	**$ (151,662)**	**$ (75,831)**
Actual vs Prior Year	**$ 451,826**	**$ 395,871**	**$ 847,697**	**$ 423,849**

NEW BRAUNFELS UTILITIES
Wastewater Usage (Gallons)
For Month Ending September 30, 2026

DESCRIPTION	2026 AUG	2026 SEP	FY 2027 YTD ACT	FY 2027 YTD AVG
Residential				
Actuals	117,353,962	112,810,278	**230,164,240**	**115,082,120**
Prior Year	114,352,136	113,805,347	**228,157,483**	**114,078,742**
Multi-Unit 2-4				
Actuals	832,156	767,063	**1,599,219**	**799,610**
Prior Year	829,423	812,644	**1,642,067**	**821,034**
Multi-Unit 5+				
Actuals	33,124,257	32,077,498	**65,201,755**	**32,600,878**
Prior Year	28,209,736	28,083,813	**56,293,549**	**28,146,775**
SGS*				
Actuals	70,708,757	61,831,744	**132,540,501**	**66,270,251**
Prior Year	135,426,797	128,283,527	**263,710,325**	**131,855,162**
Schertz Sewer				
Actuals	435,000	433,400	**868,400**	**434,200**
Prior Year	434,600	143,767	**578,367**	**289,183**
Total Sales				
Actuals	**222,454,132**	**207,919,983**	**430,374,115**	**215,187,058**
Prior Year	**279,252,693**	**271,129,098**	**550,381,791**	**275,190,895**

*An SGS data audit was completed, as the volumes were being duplicated. As of FY27, the volumes duplication has been corrected.

NEW BRAUNFELS UTILITIES
Wastewater Customers
For Month Ending September 30, 2026

DESCRIPTION	2026 AUG	2026 SEP	FY 2027 YTD AVG
Residential			
Actuals	36,183	36,628	**36,406**
Budget	36,739	36,833	**36,786**
Prior Year	35,264	35,393	**35,329**
Multi-Unit 2-4			
Actuals	185	185	**185**
Budget	185	185	**185**
Prior Year	187	186	**187**
Multi-Unit 5+			
Actuals	334	333	**334**
Budget	345	347	**346**
Prior Year	312	312	**312**
SGS			
Actuals	2,231	2,244	**2,238**
Budget	2,237	2,240	**2,238**
Prior Year	2,224	2,226	**2,225**
Schertz Sewer			
Actuals	1	1	**1**
Budget	1	1	**1**
Prior Year	1	1	**1**
Total Accounts			
Actuals	**38,934**	**39,391**	**39,163**
Budget	**39,508**	**39,606**	**39,557**
Prior Year	**37,988**	**38,118**	**38,053**
New Customers	**(108)**	**457**	**175**
New Customer Growth %	-0.3%	1.2%	**0.4%**

NEW BRAUNFELS UTILITIES
Wastewater Rates (per Customer)
For Month Ending September 30, 2026

DESCRIPTION	2026 AUG	2026 SEP	FY 2027 YTD AVG
Residential			
Actuals	$ 65.26	$ 67.52	**$ 66.39**
Budget	$ 64.52	$ 68.51	**$ 66.52**
Prior Year	$ 60.57	$ 63.59	**$ 62.08**
Multi-Unit 2-4			
Actuals	$ 102.49	$ 103.44	**$ 102.96**
Budget	$ 102.79	$ 107.01	**$ 104.90**
Prior Year	$ 93.88	$ 98.11	**$ 95.99**
Multi-Unit 5+			
Actuals	$ 1,739.66	$ 1,850.00	**$ 1,794.83**
Budget	$ 1,594.54	$ 1,605.29	**$ 1,599.92**
Prior Year	$ 1,417.09	$ 1,486.90	**$ 1,451.99**
SGS			
Actuals	$ 417.89	$ 389.59	**$ 403.74**
Budget	$ 459.60	$ 428.63	**$ 444.12**
Prior Year	$ 380.62	$ 383.84	**$ 382.23**
Schertz Sewer			
Actuals	$ 2,154.08	$ 2,146.15	**$ 2,150.12**
Budget	$ 1,821.78	$ 1,818.07	**$ 1,819.93**
Prior Year	$ 1,802.24	$ 1,788.56	**$ 1,795.40**

Financial Update



- **September 2026 Financials**

- Jai Brown, Accounting Manager

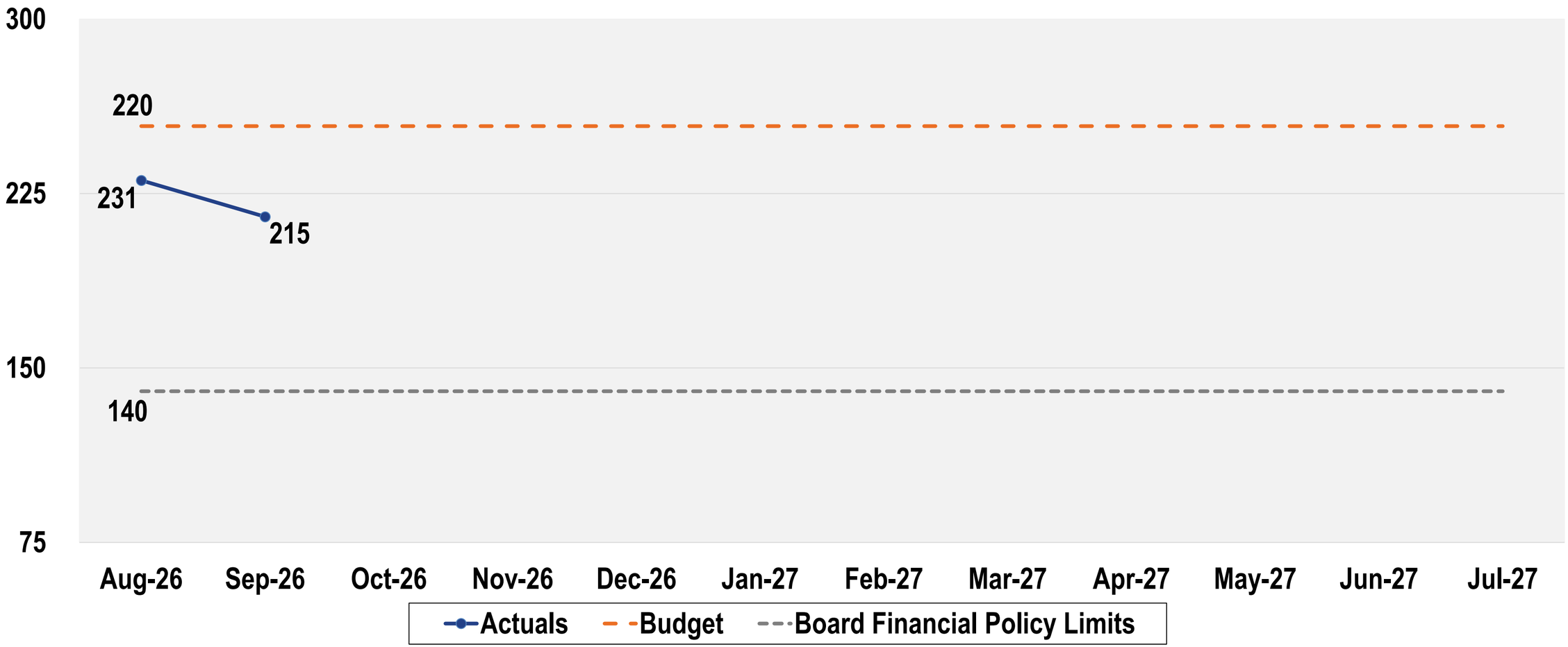
NBU NEW BRAUNFELS UTILITIES

Board Financial Policy Compliance - September 2026 YTD

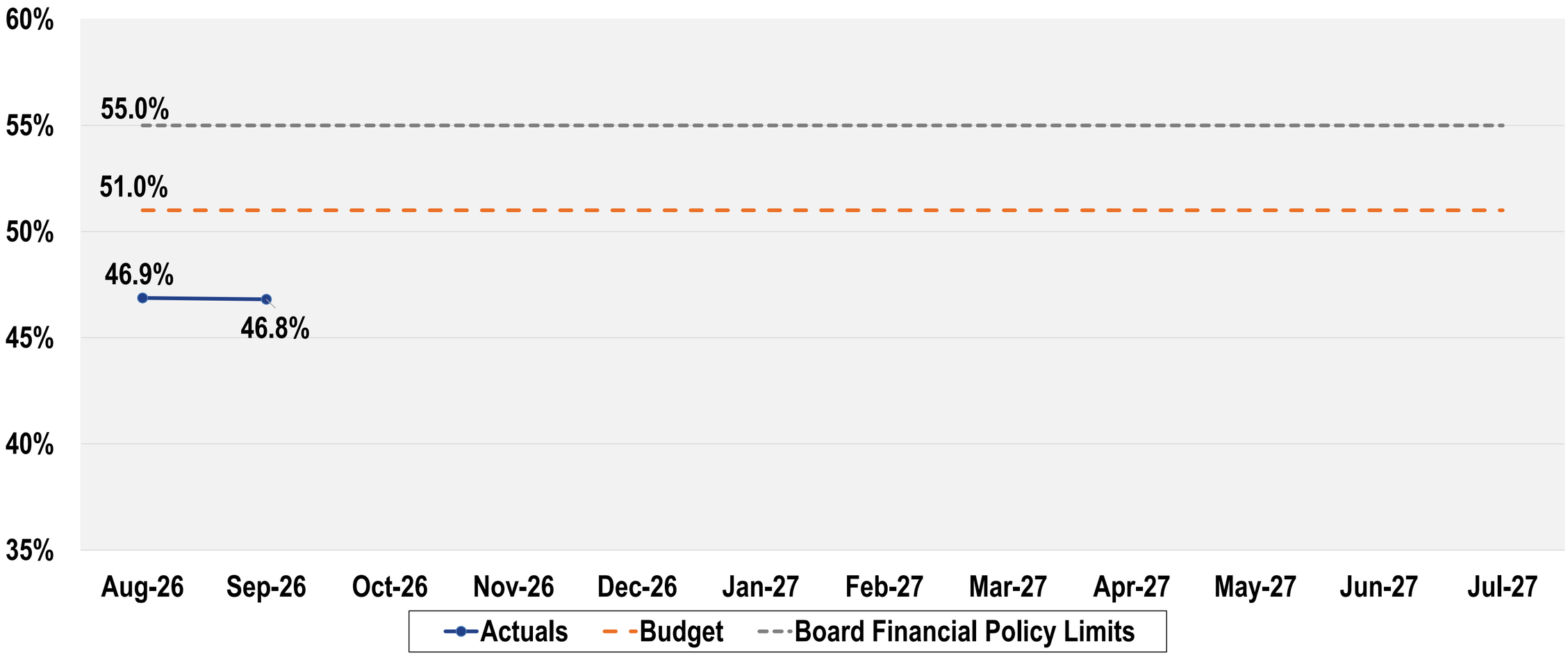
	FY 2027 Budget	Financial Policy	FY 2027 Actual*
Debt to Capitalization (lower is better)	51.0%	≤55.0%	**46.8%**
Debt Service Coverage (higher is better)	2.95	≥2.25	**4.20**
Days Cash on Hand (higher is better)	254	≥140	**215**
Days Liquidity on Hand (higher is better)	N/A	N/A	**480**

* Amounts are calculated by annualizing the YTD results

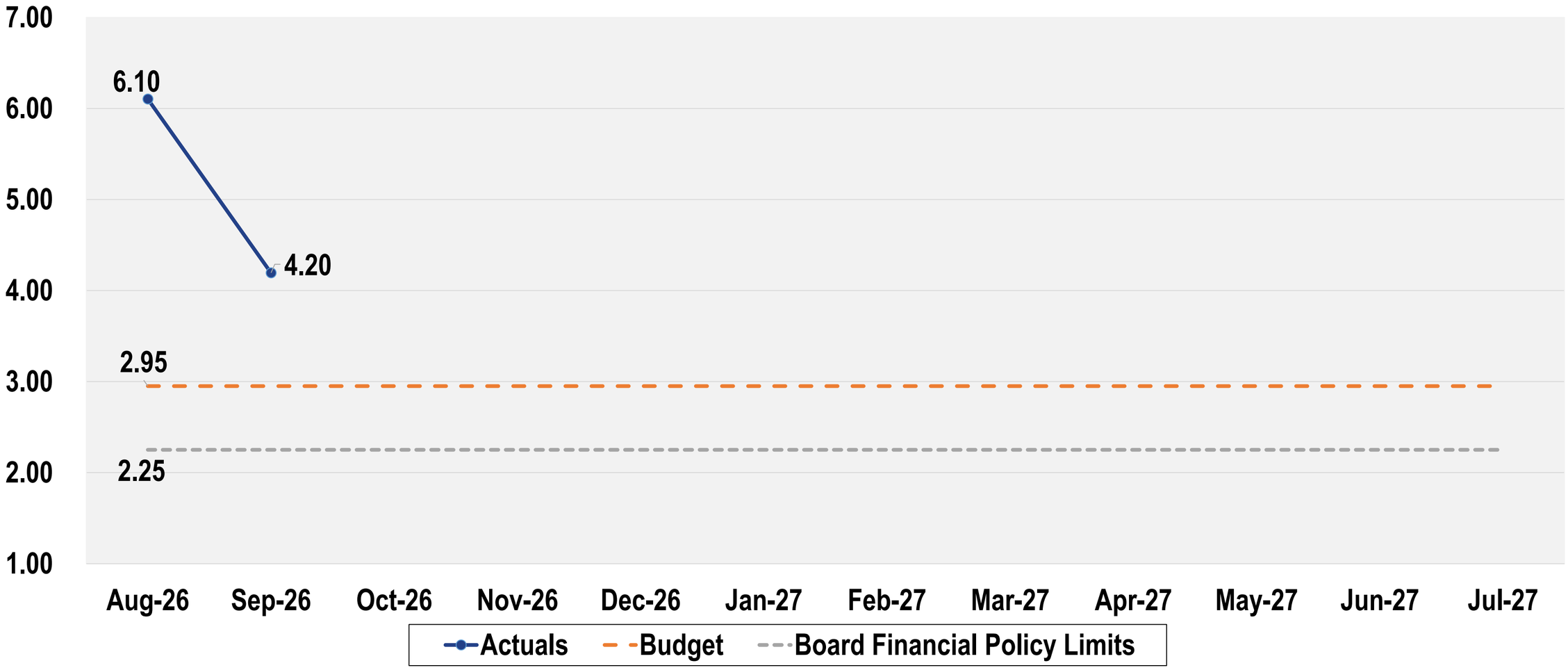
Days Cash on Hand - September 2026 YTD



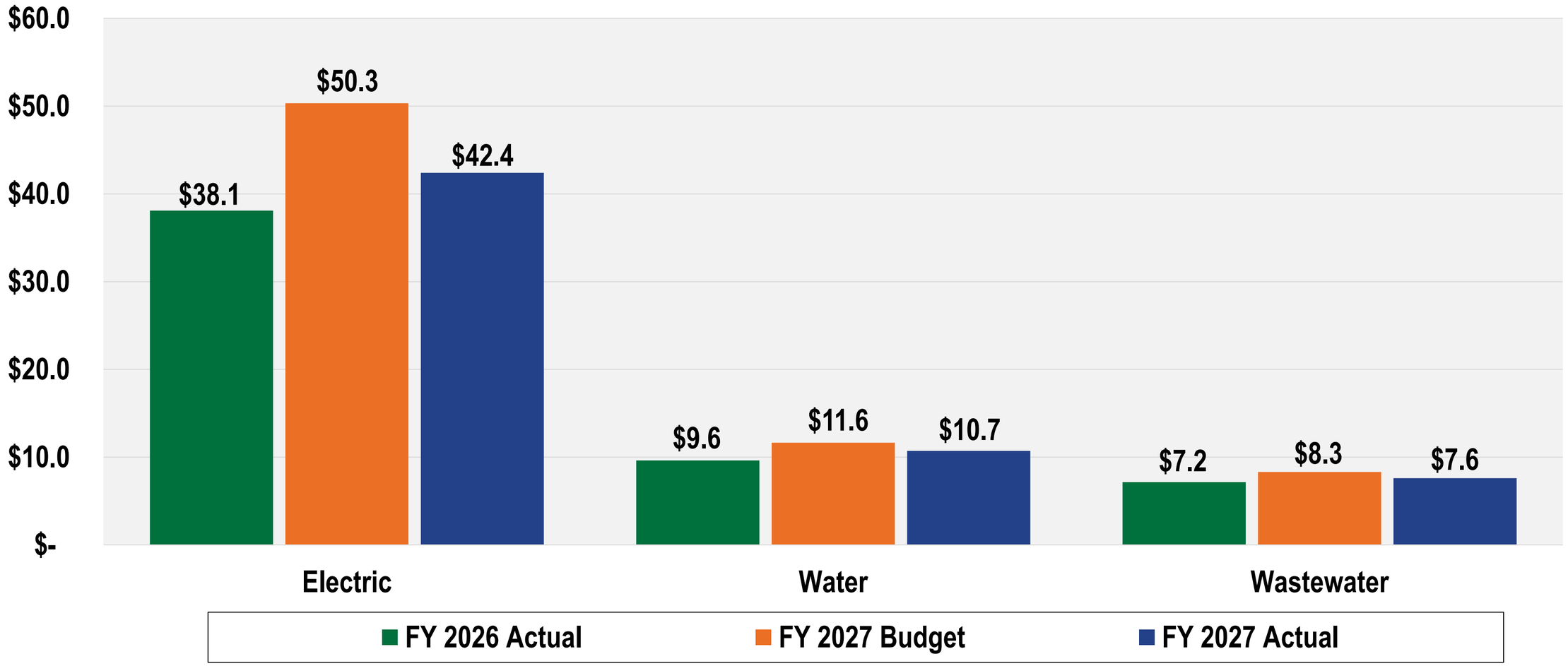
Debt to Capitalization - September 2026 YTD



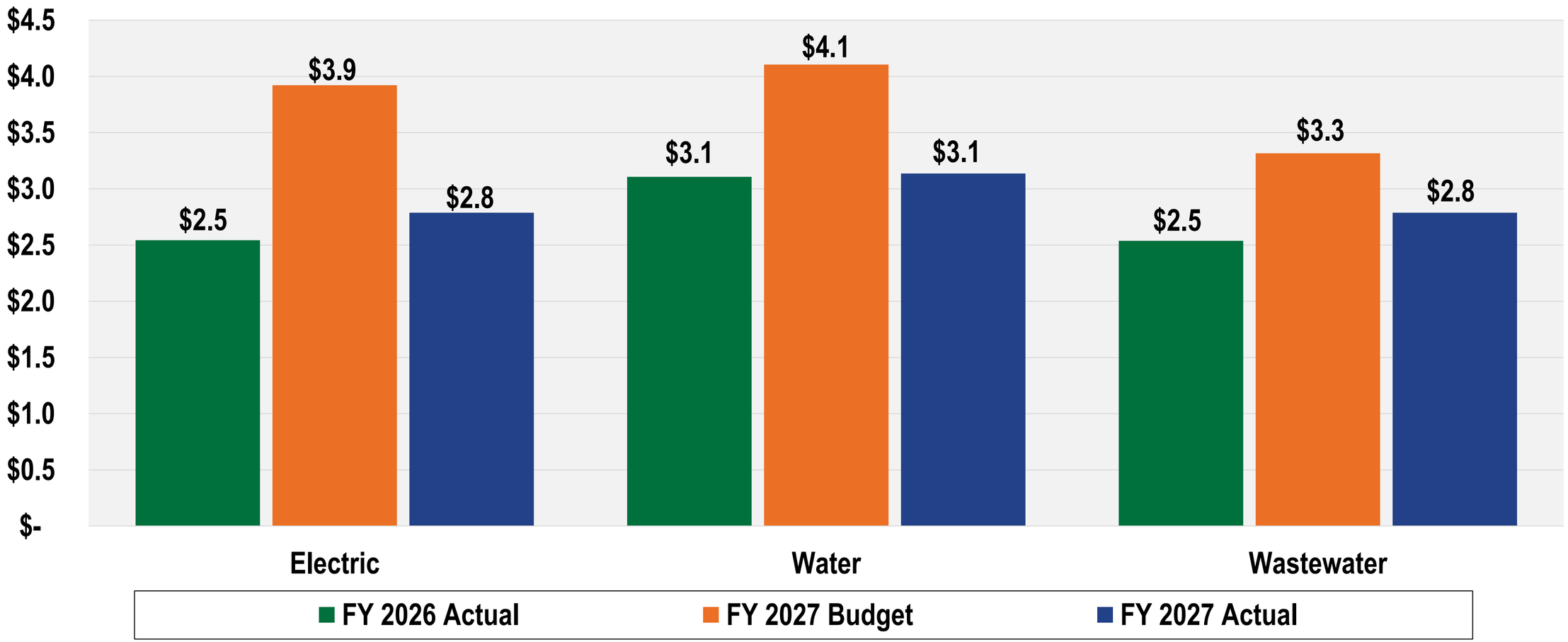
Debt Service Coverage - September 2026 YTD



Operating Revenue by LOB
September 2026 YTD – Amounts in Millions

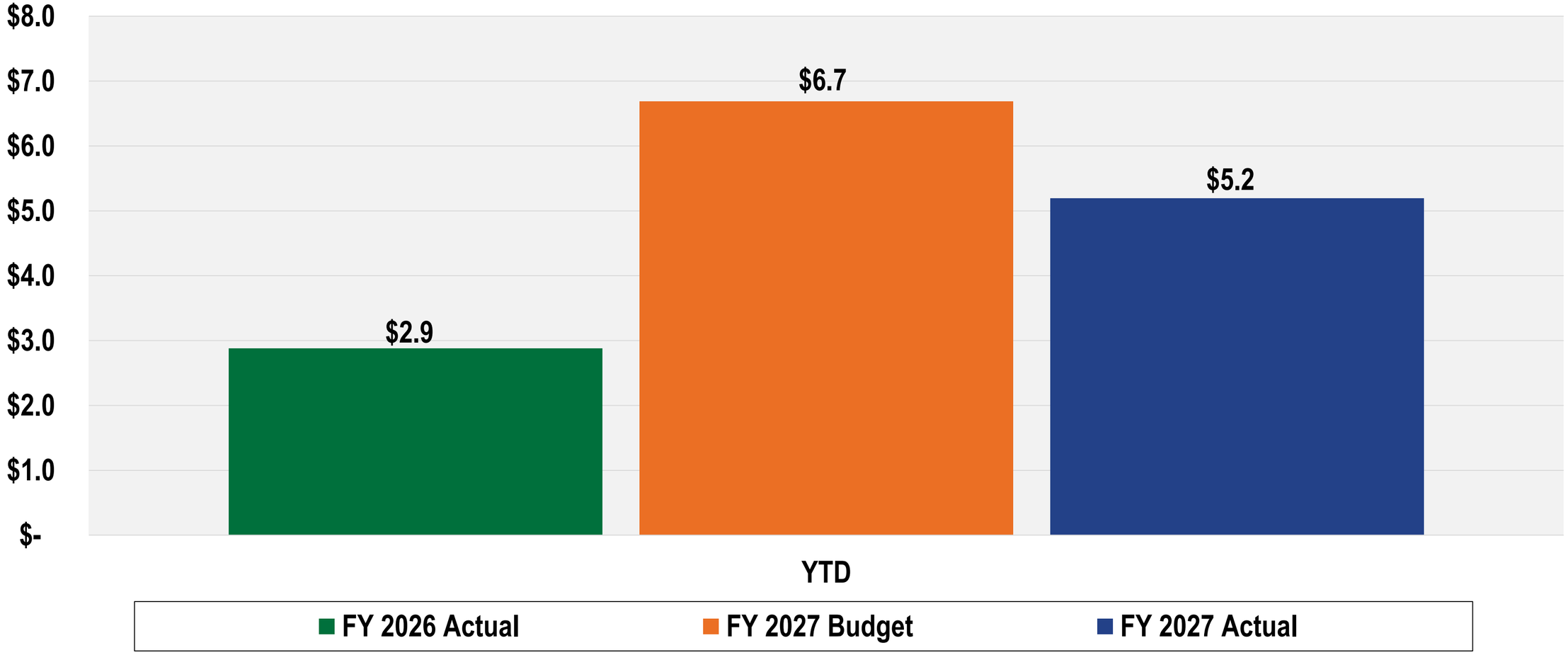


Operating Expenses* by LOB
September 2026 YTD – Amounts in Millions



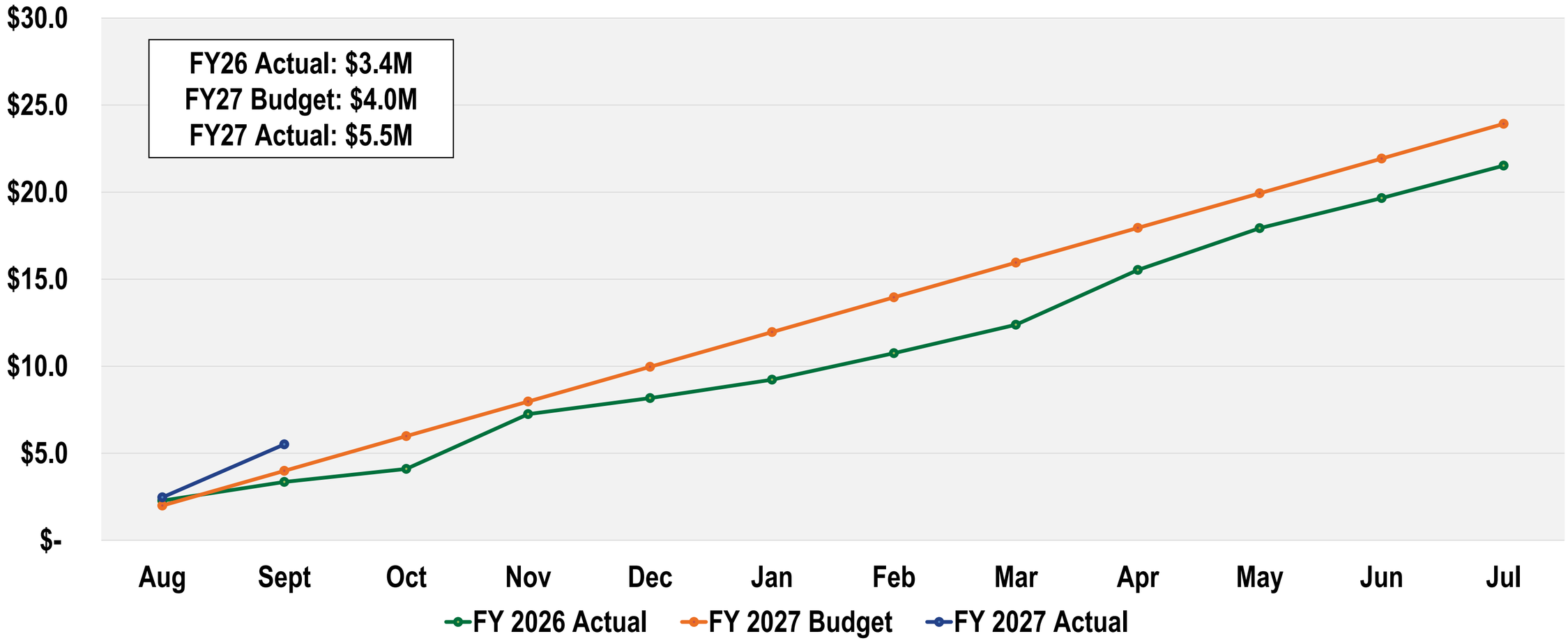
*Excludes purchased power, purchased water, and depreciation expense. Includes Support Services Allocation.

Operating Expenses for Support Services
September 2026 – Amounts in Millions



* Prior to allocation to each line of business.

Impact Fee Revenue
September 2026 YTD – Amounts in Millions*

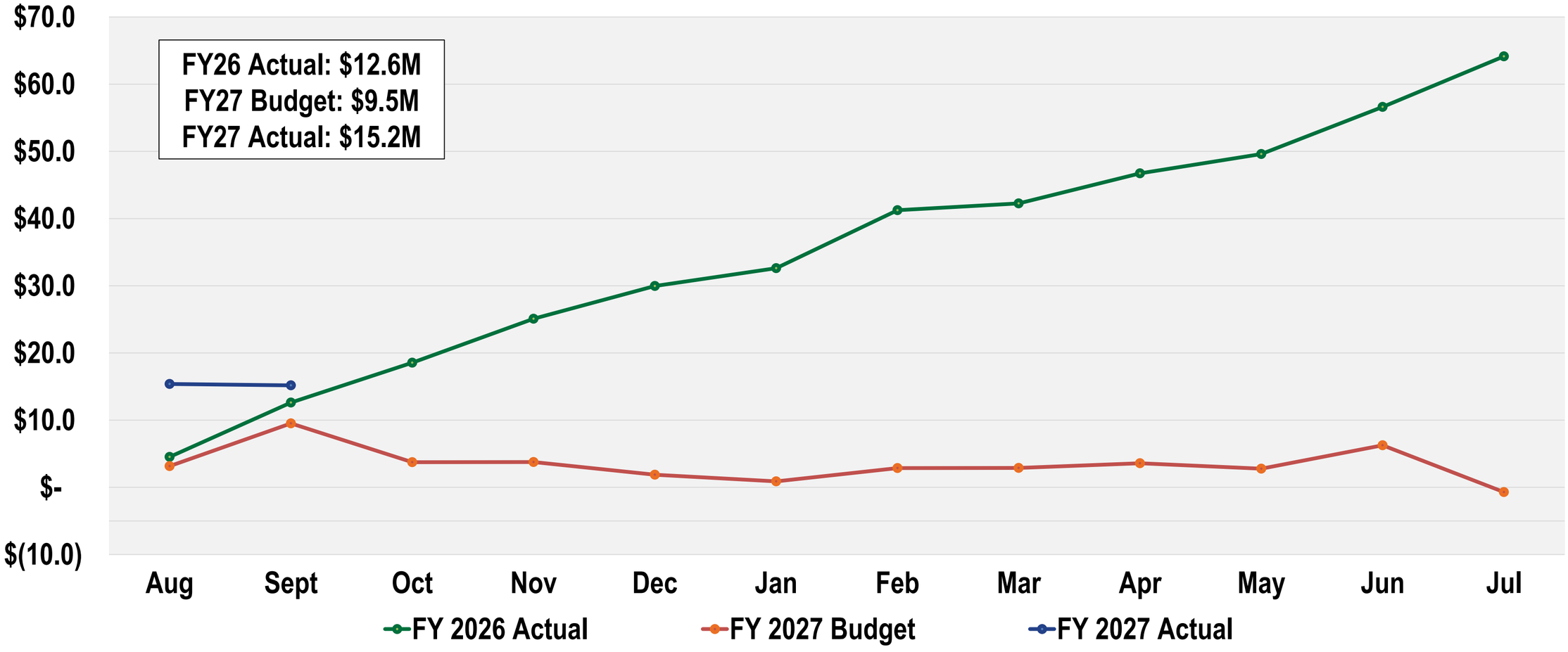


* Amounts shown are YTD for each month

Power Stabilization Fund

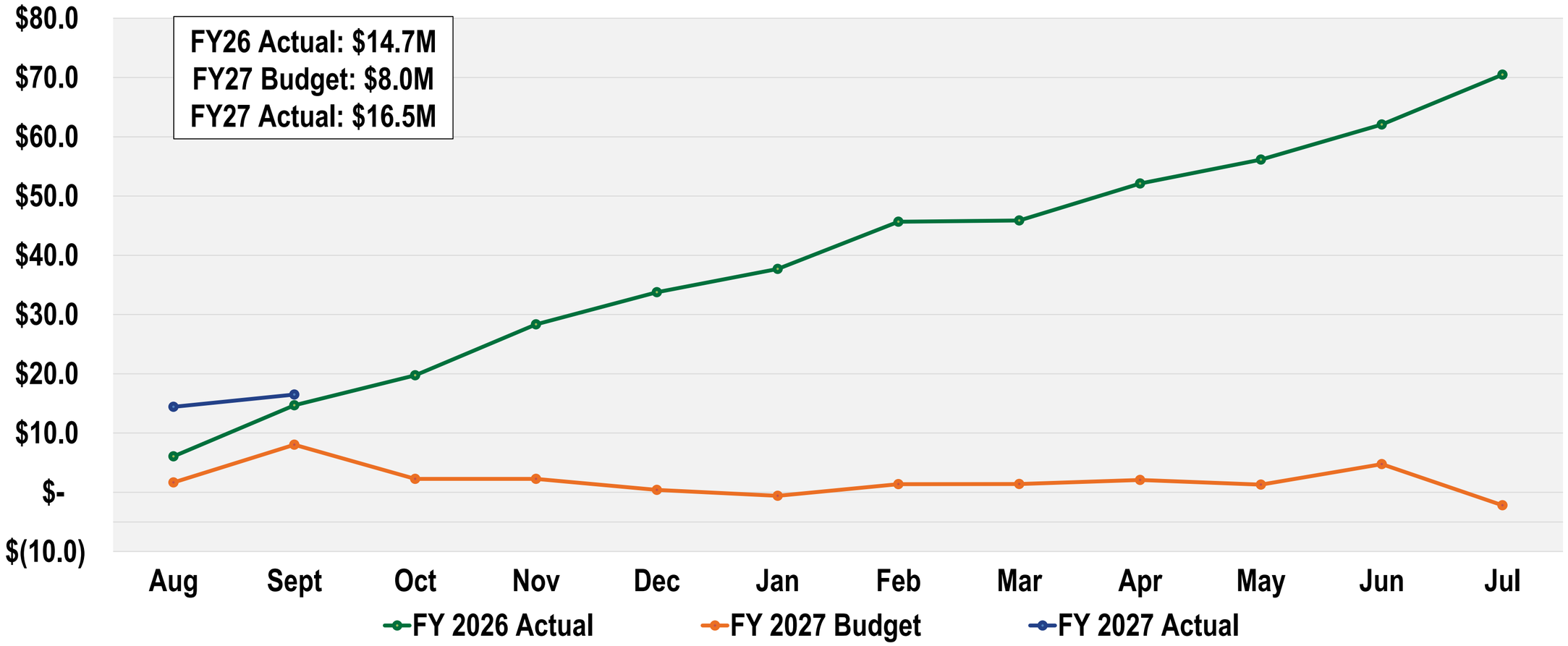
	Power Stabilization Fund FY27	Power Stabilization Fund Full, FY28
As of FY27 Budget		
Target	$80M	$95M
As of September 30, 2026	$70M	$70M

Net Operating Income
September 2026– Amounts in Millions*



* Amounts shown are YTD for each month

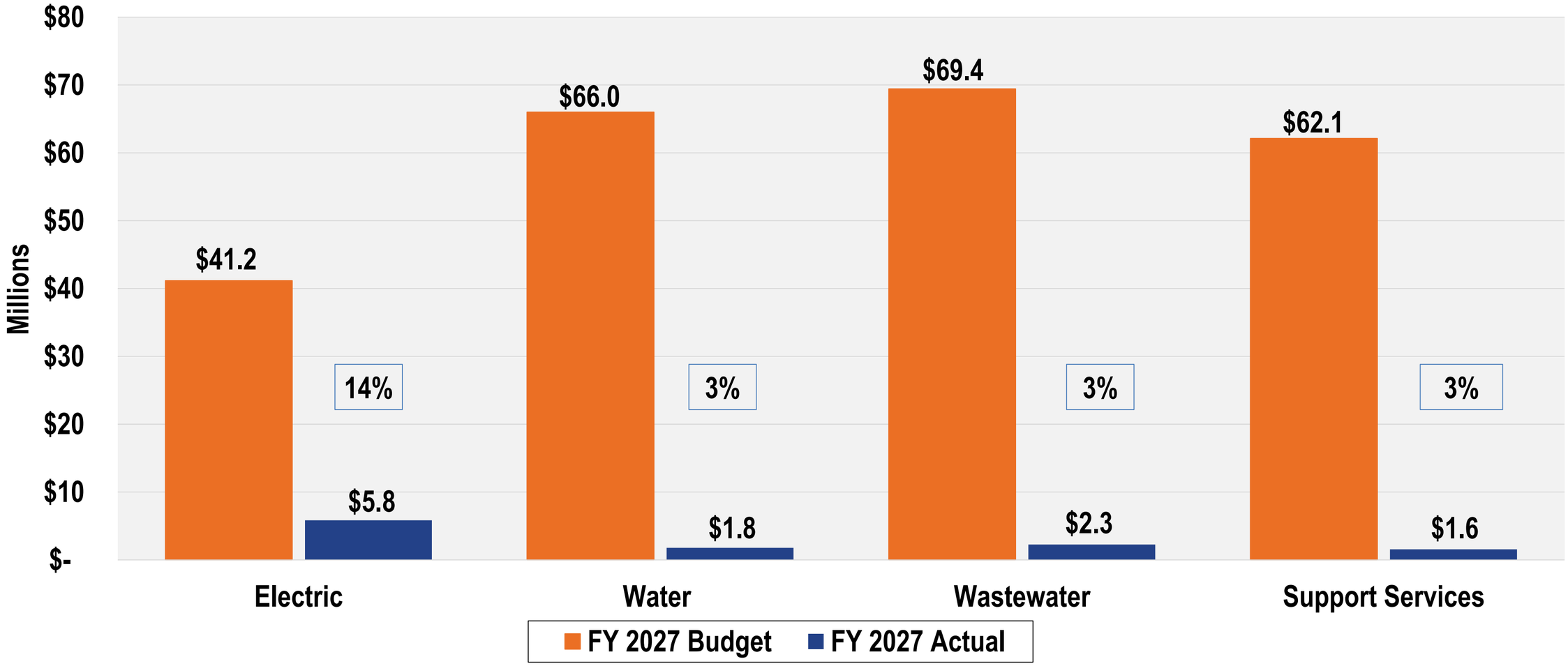
Change in Net Position After Contributions September 2026– Amounts in Millions*



* Amounts shown are YTD for each month

Capital Project Expenditures
September 2026 YTD – Amounts in Millions*

16% of the Fiscal Year Elapsed




Questions?

Meeting Date:	October 29, 2026	**Agenda Type:**	Items from Staff
From:	Darrin Jensen Director of Enterprise Project Management Office	**Reviewed by:**	David Hubbard Chief Administrative Officer
Submitted by:	David Hubbard Chief Administrative Officer	**Approved by:**	Ryan Kelso Chief Executive Officer

RECOMMENDED ACTION: Quarterly Capital Projects Update – Fiscal Year 2026 Fourth Quarter

Quarterly Capital Projects Update



- Fiscal Year 2026 Fourth Quarter

October 29, 2026

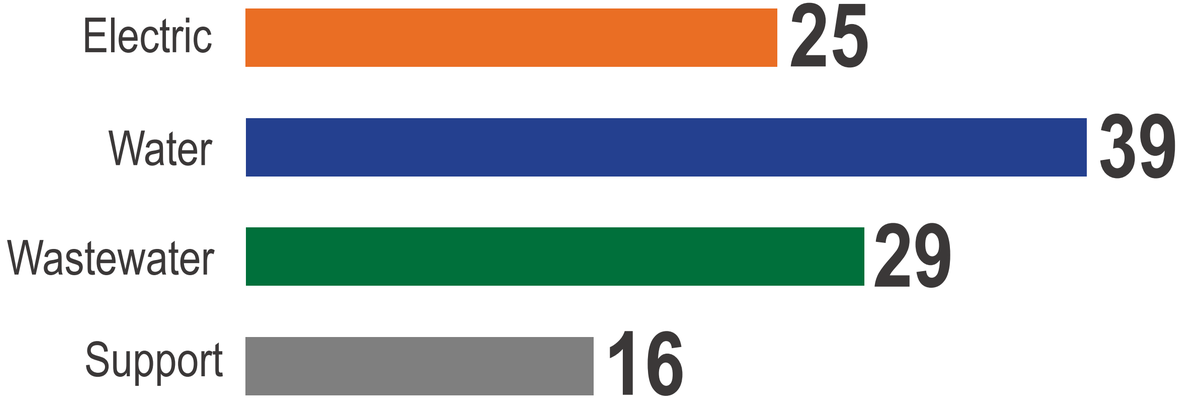
NBU NEW BRAUNFELS UTILITIES

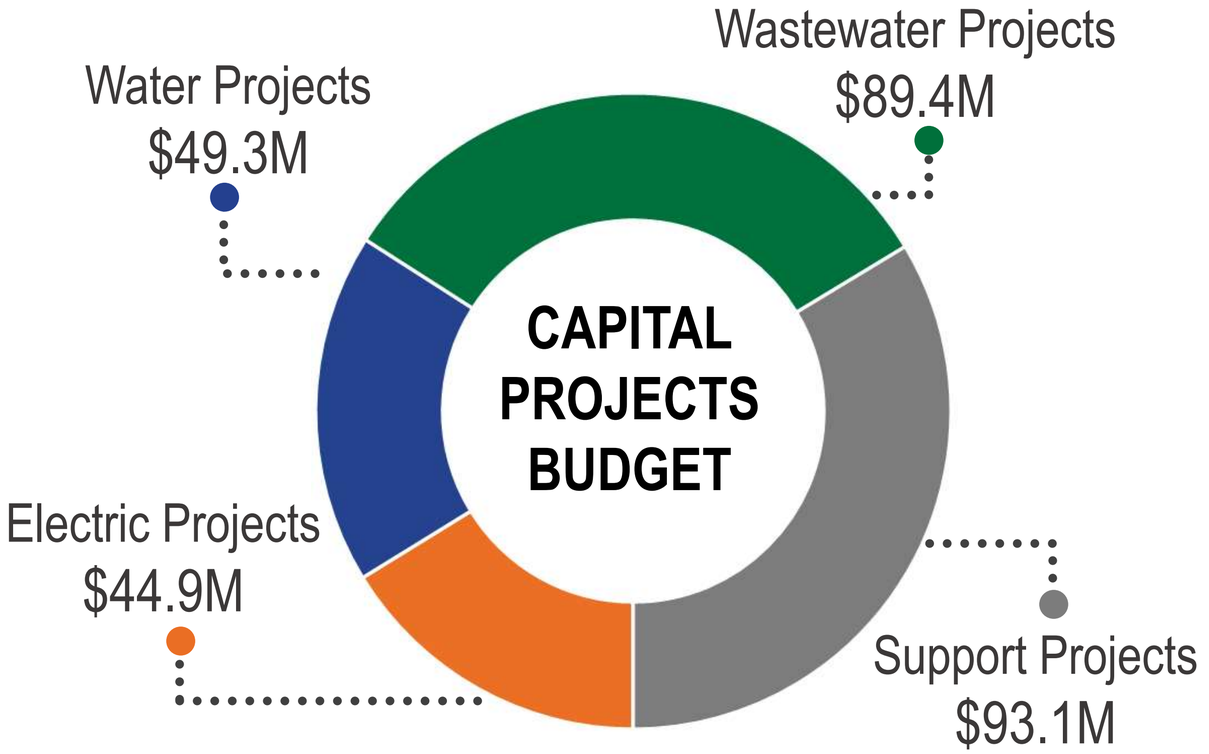
Overview

- ❑ Portfolio Status through July 2026
- ❑ Performance & Accomplishments for each line of business

FY 2026 Capital Projects

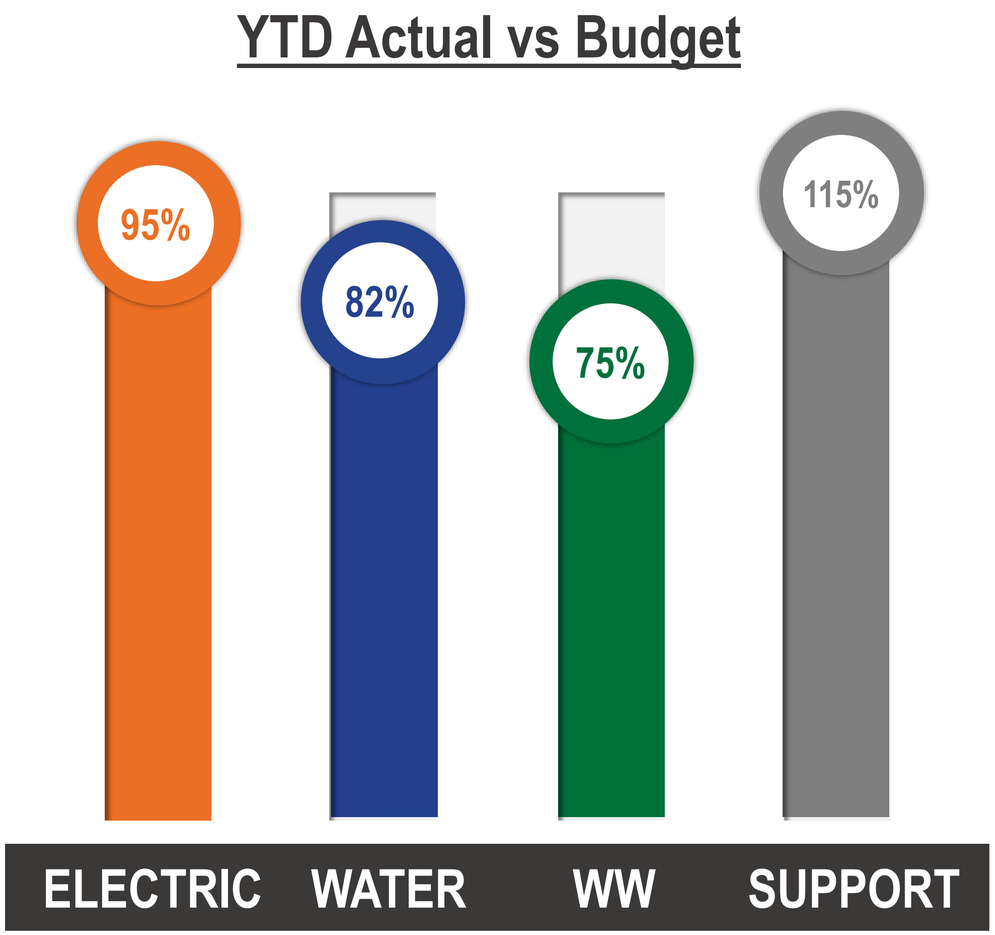
PROJECT COUNT





BUDGET	Actual	YTD %	Balance
Developed in February 2025 based on expected project costs	Year-to-date project spending through July 2026	Year-to-date project spending versus budget (July 2026)	Difference between budget and actual costs
$276,789,087	$257,311,932	93%	$19,477,155

FY 2026 Actual vs Budget

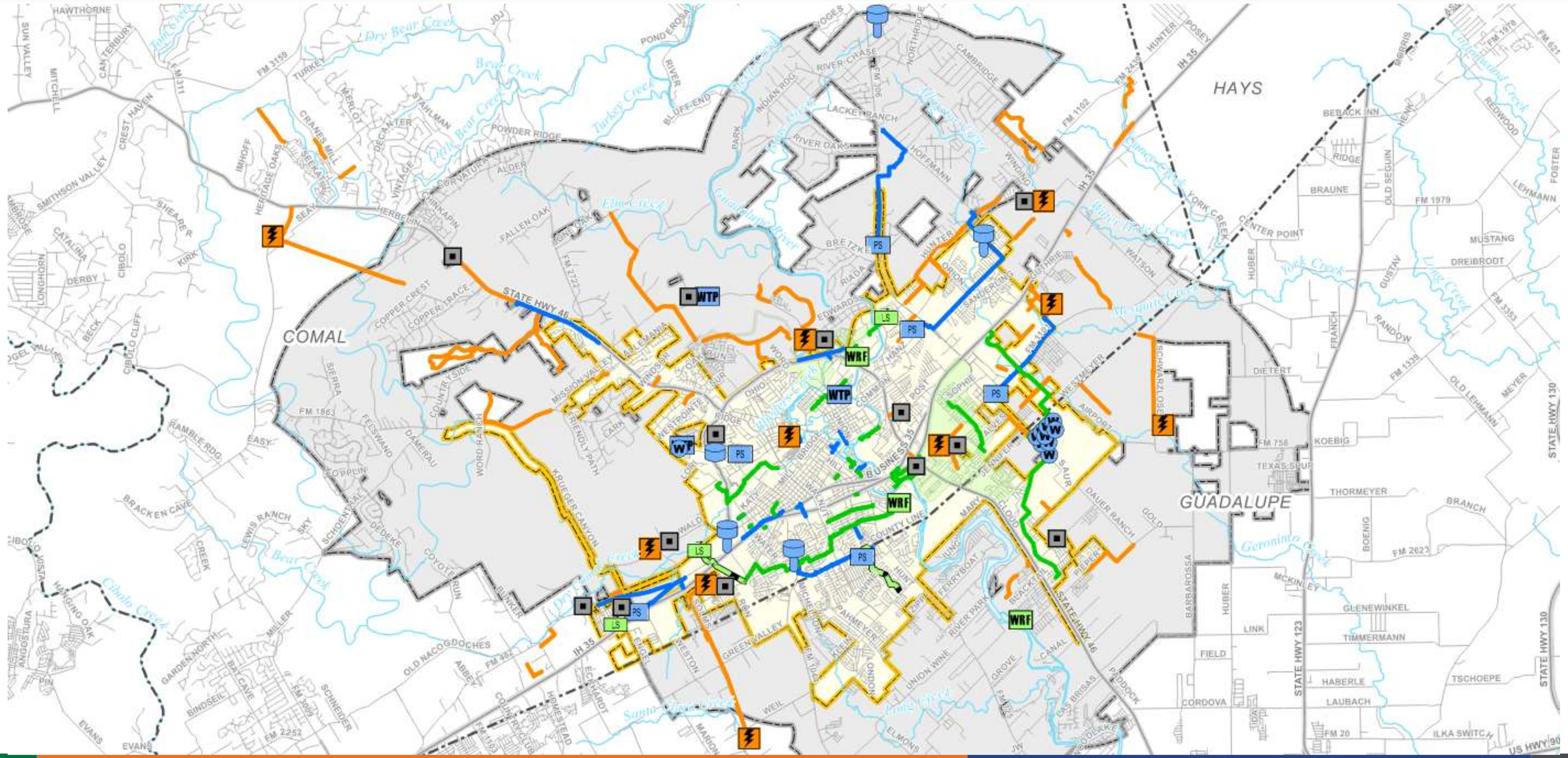


- The NBU HQ schedule ahead of plan, resulting in an overage in the support budget
- Overall FY26 CIP spending came in at 93% of budget
- FY26 finished significantly closer to budget than FY25, which came in at 69% of budget.

Project Stage

	INITIATING	PLANNING	EXECUTING	CLOSING
ELECTRIC	1	11	6	13
WATER	1	15	22	13
WASTEWATER	2	12	16	6
SUPPORT	3	5	11	2
Q4 TOTAL	7	43	55	34

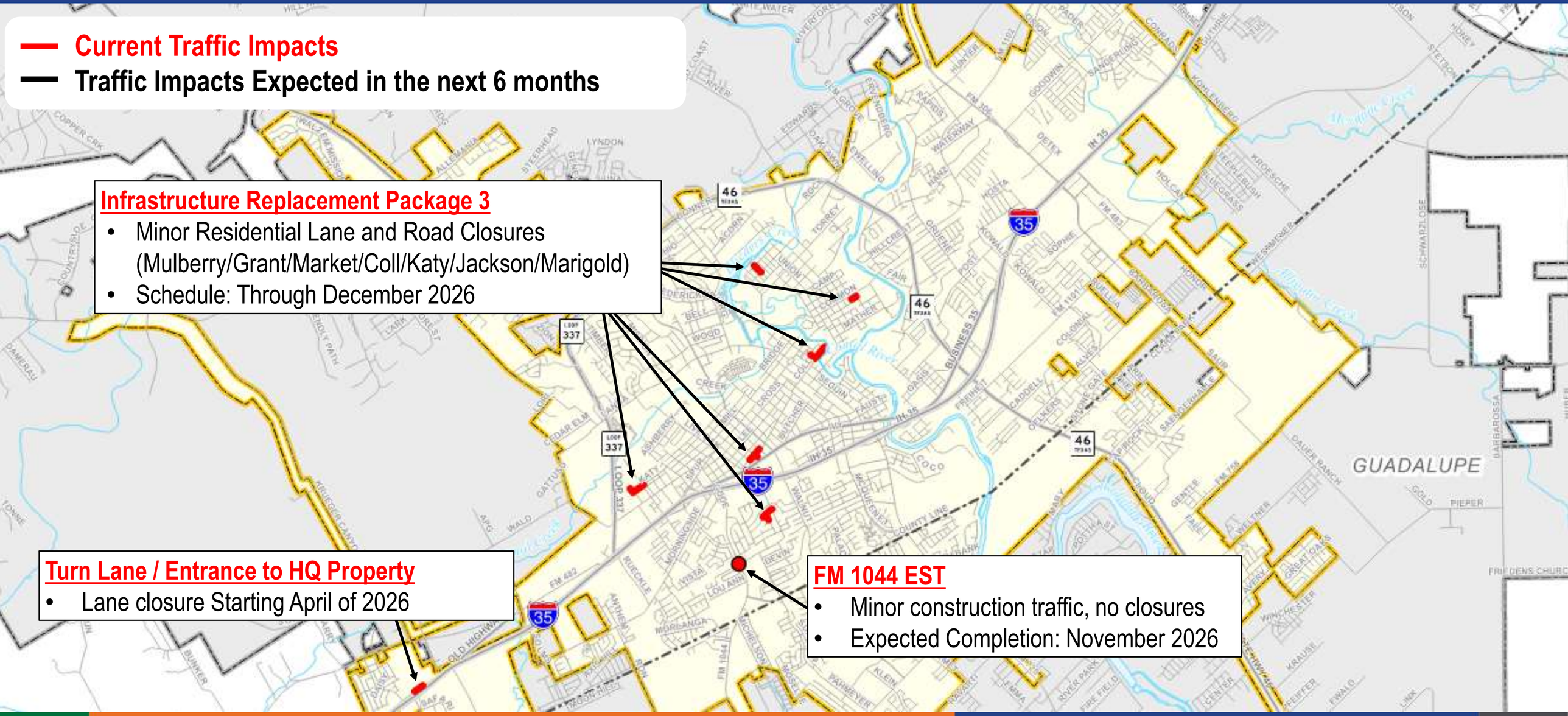
Capital Projects (FY26 5-Year Plan)



Traffic Impacts

Current Traffic Impacts

Traffic Impacts Expected in the next 6 months



Infrastructure Replacement Package 3

- Minor Residential Lane and Road Closures (Mulberry/Grant/Market/Coll/Katy/Jackson/Marigold)
- Schedule: Through December 2026

Turn Lane / Entrance to HQ Property

- Lane closure Starting April of 2026

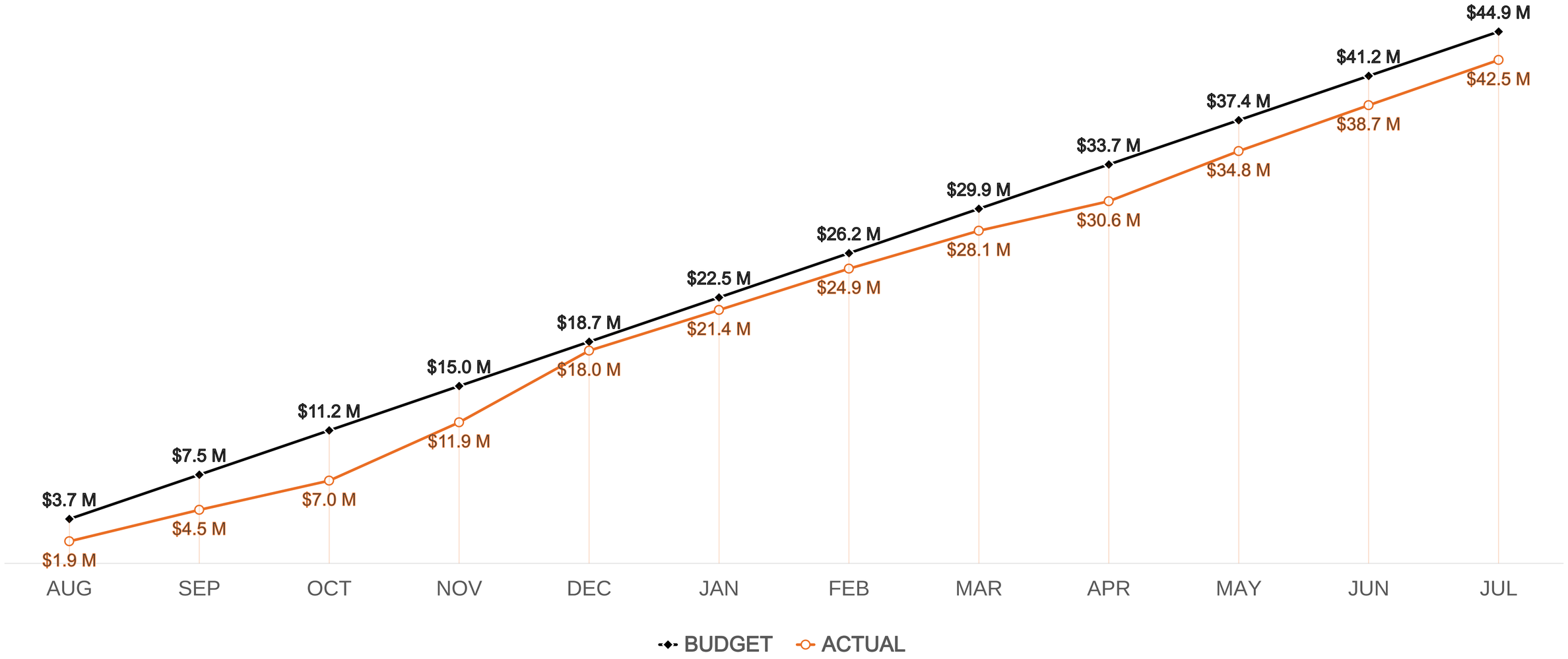
FM 1044 EST

- Minor construction traffic, no closures
- Expected Completion: November 2026

CIP Performance and Accomplishments



Electric – Budget to Actual



Q4 Electric Accomplishments

- Added 416 metered customers in Q3 FY26, within previously completed developments and wholly new developments. This is a three year low in quarterly customer additions.

- Energized service to 5 single-family residential projects. Projects include
  - Kohlenberg 2B (Legacy at Lake Dunlap)
  - Mayfair E-12
  - Gatehouse U3
  - Veramendi 30-1
  - Sky Ranch 1A

- Land Clearing is initiated for the HW14 FM 3009 extension, to then tie into FM 3009, and have HW14 relieve HW22 Herbelin Rd. feeder.

- Completed Maytown Dr. Extension, for immediate service to Costco & for future tie-in to Kohlenberg Substation.







Q4 Electric Accomplishments

- Completed Aerial Crossings to Union Pacific & FM 482 (TxDOT) outside of E.C. Mornhinweg Substation. Feeders EC22 and EC23 are in-service now.

- Completed Feeder Highway 46 Feeder 23 (HW23) Purlsong Feeder, in preparation for the Purlsong master planned development.

- Completed 750’ gap bulk circuit upgrade along Mission Valley Rd., increasing reliability to Newcomes Estates, and preparing for future tie to FM 1863.

- Completed 1,000’ three-phase bulk overhead extension to Cranes Mill industrial park.

- Conrads Rd./Hunter Rd. feeder extension project is initiated. Project totals 14,700’ of extension & upgrade.



Electric Featured Projects

ELECTRIC

DISTRIBUTION

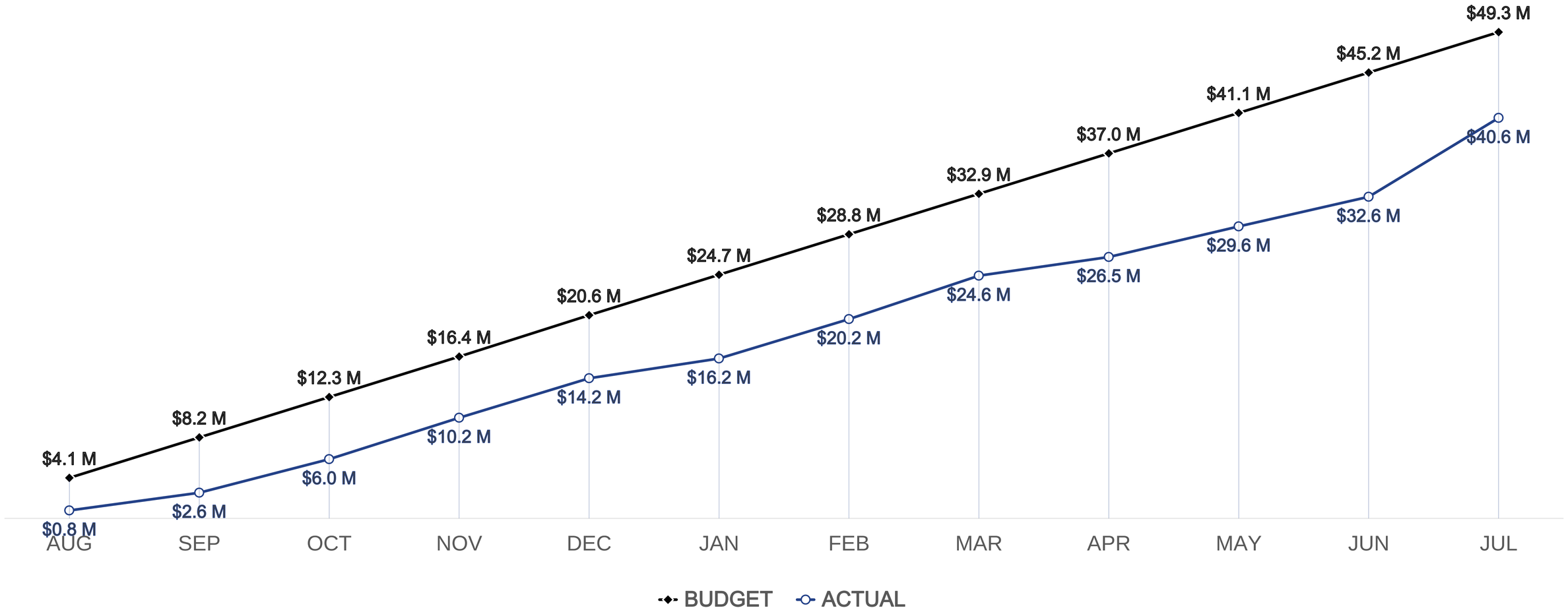
TRANSMISSION

SUBSTATION



- <u>Kohlenberg Substation</u>
- Completion: Spring of 2027
- Purpose: In the long term, the existing feeder capacity at the Freiheit and Henne substations will be insufficient to meet projected demand. The proposed substation will provide additional capacity and significantly improve system reliability. The project will construct NBU's 13th substation, and its 11th distribution substation, near the intersection of FM 1101 and Kohlenberg Road. The facility will be master-planned with a high-side ring-bus configuration, two 20/26.6/33.3 MVA power transformers, and capacity for six distribution feeders. This configuration is consistent with the designs used at the Weltner Road and Hueco Springs substations. Both transformers, T1 and T2, will be energized when the substation is commissioned. Four feeders will initially exit the station, with the remaining feeder positions reserved for future expansion.

Water – Budget to Actual



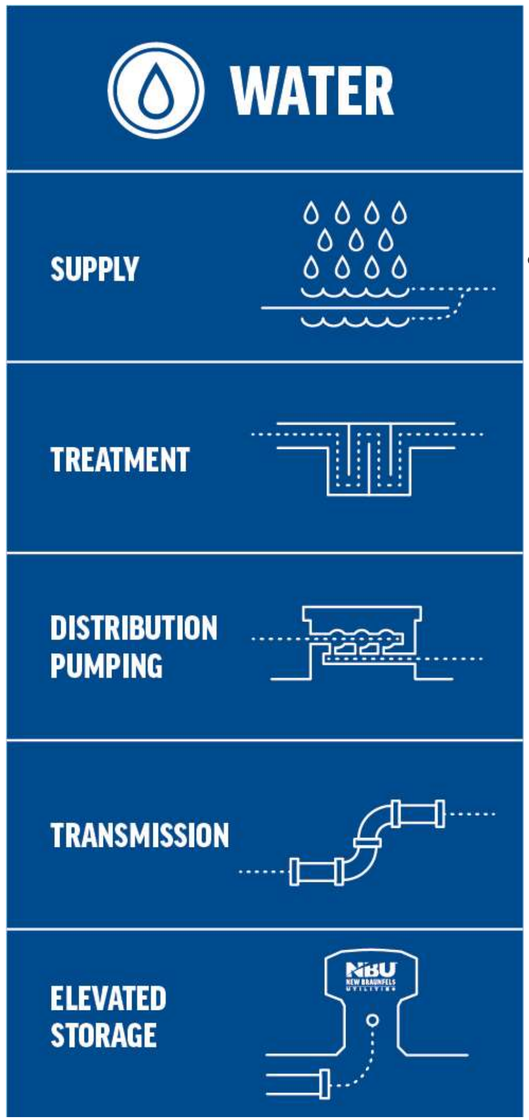
Q4 Water Accomplishments

- Design Complete
  - Loop GST Improvements
  - Well 6 Improvements
  - Water and Sewer Infrastructure Replacement
  - Rio to Kuehler River Crossing
  - FM 1101 Pump Station & Ground Storage Tank
  - Infrastructure Replacement Pkg 2
  - Water Tank Rehab Phase 2
    - Kerlick EST
    - Newks EST
  - Schmidt Avenue Water & Wastewater Relocation
    - FM 306 Pump Station Expansion & Discharge Line





Water Featured Projects

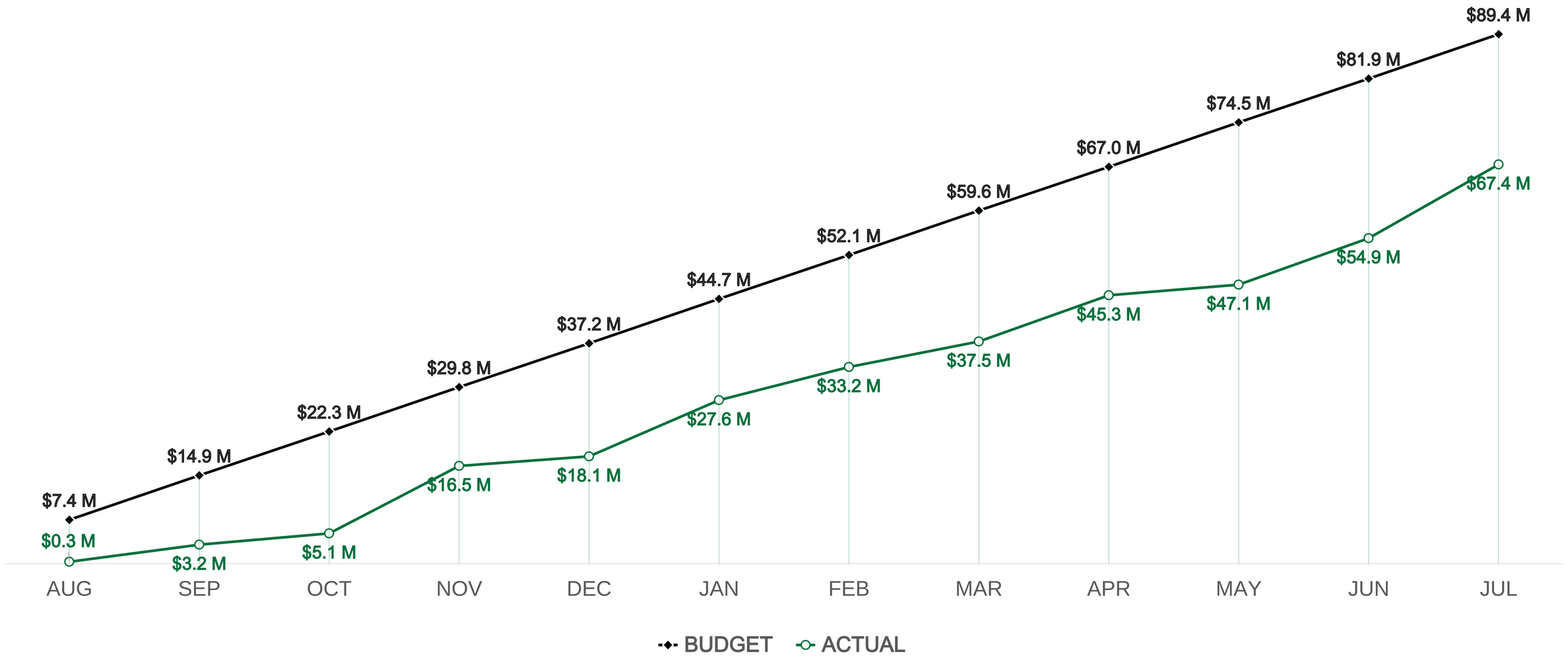




Well 6 Improvements

- Expected NTP: Fall 2026
- Scope: Demolition of all existing Well 6 facilities except for the well and pump motor
- New CMU building with HVAC, plumbing, electrical, VFD, and chemical equipment
- New instrumentation controls, security controls, SCADA, and chemical feeds
- Emergency generator and automatic transfer switch

Wastewater – Budget to Actual



Q4 Wastewater Accomplishments

- Design Complete
  - Infrastructure Replacement Pkg 2
  - Water and Sewer Infrastructure Replacement
  - Schmidt Avenue Water & Wastewater Relocation

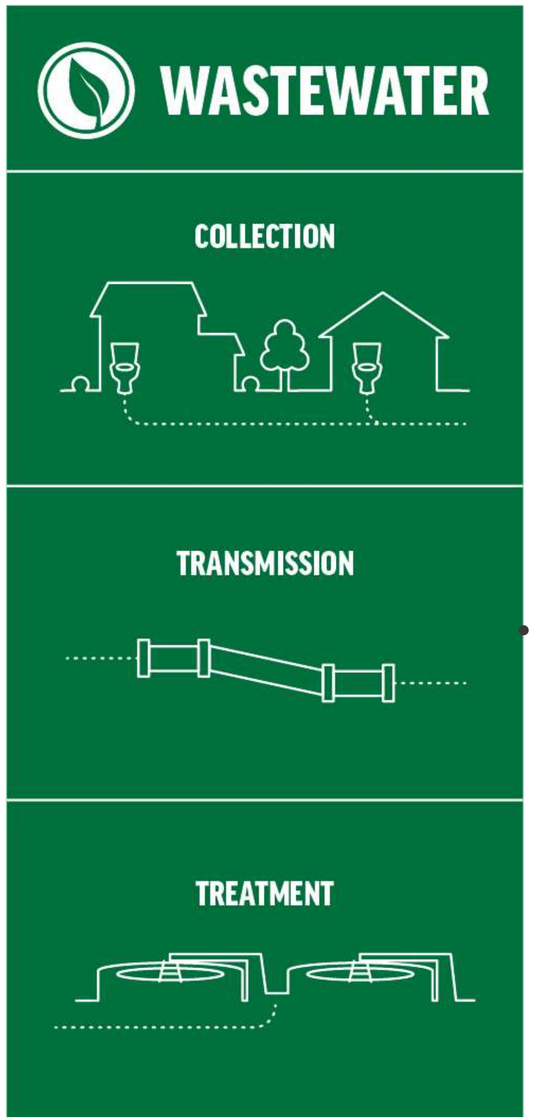
- Heavy Construction Ongoing on McKenzie Interceptor and McKenzie WRF Expansion
  - Interceptor: 66% Complete thru Q3
  - WRF Expansion: 78% Complete thru Q3







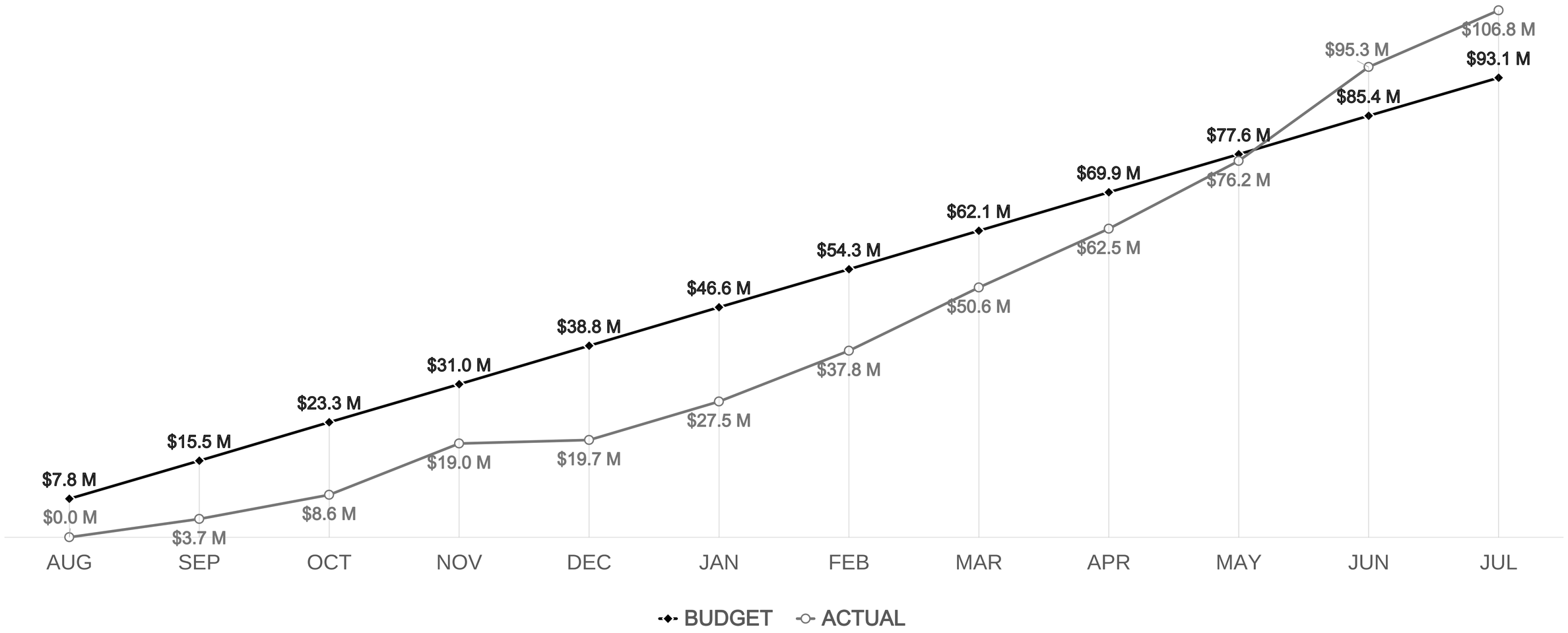
Wastewater Featured Project





- Schmidt Avenue Water & Wastewater Relocation
- Expected NTP: Fall 2026
- Scope: Installation of approximately 1,250 linear feet of 8-inch and 16-inch water main and approximately 700 linear feet of 8-inch and 12-inch sewer main along Schmidt Avenue in conflict with upcoming TxDOT roadway improvements.

Support – Budget to Actual



Q4 Support Accomplishments

Server Cluster Migration:

- Supports the goal of the organization to maintain Resilient Technology Infrastructure
- Migrating all virtual servers to the new HyperV Management Platform; currently 99% complete, estimated completion in Q4 FY26

Enterprise Platforms:

- Supports the strategic initiative of Technology Modernization
- Posted RFP to select a vendor to migrate GIS data from the Geometric Network to the Utility Network
- Posted RFP to select a vendor to implement and migrate to a new ERP and CIS
- Completed the deployment of new PCI Settlement Software
- Finalizing automated connections to energy market data



Support Featured Project

SUPPORT

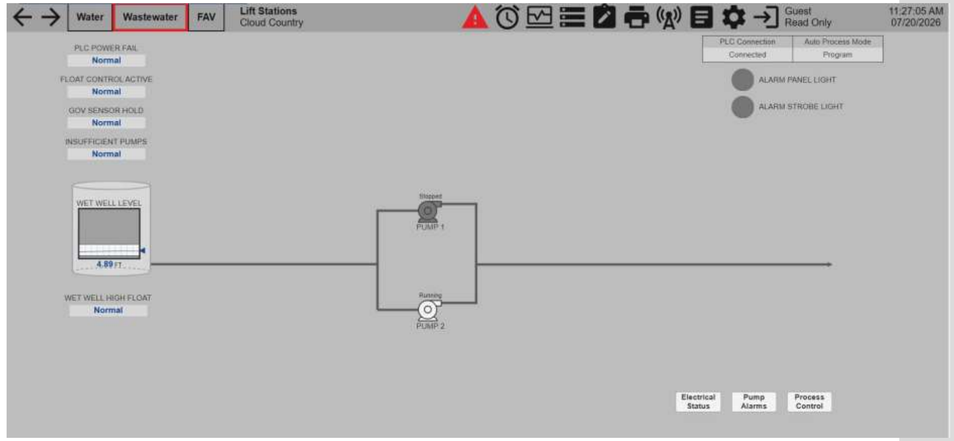
FLEET & FACILITIES

TECHNOLOGY SYSTEMS

OPERATIONAL TECHNOLOGY

DATA STRATEGY

SECURITY / CYBERSECURITY



- Feature Project: Water SCADA Migration
- Completion: Tentatively scheduled for EOY FY27
- Purpose: Supports the strategic initiative for Technology Modernization and Resilient Infrastructure
- Replace legacy hardware and software
- Easily add new devices or facilities without major architectural changes
- Aligns with Industrial Automation Control Systems (IACS) cybersecurity best practices
- Enhance and improve alarm management

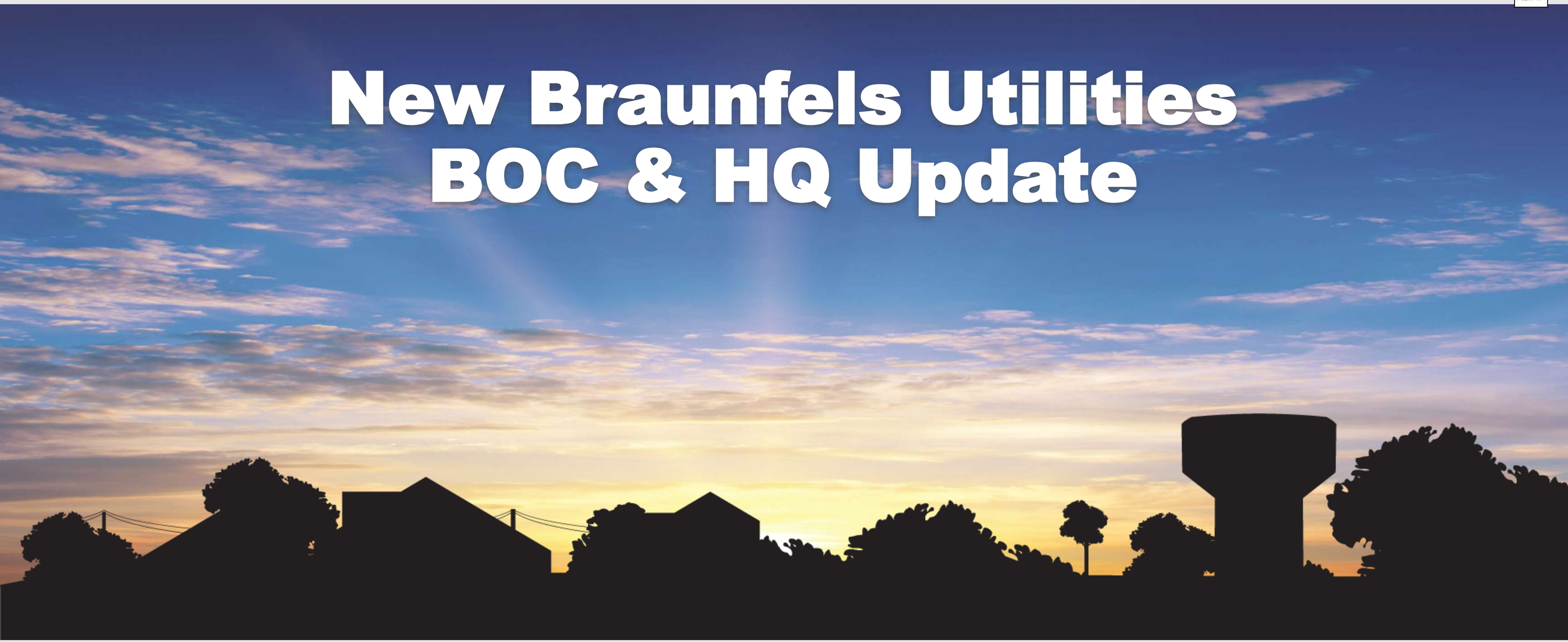

Questions?

NEW BRAUNFELS UTILITIES

Meeting Date:	October 29, 2026	**Agenda Type:**	Items from Staff
From:	Darrin Jensen Director of Enterprise Project Management Office	**Reviewed by:**	David Hubbard Chief Administrative Officer
Submitted by:	David Hubbard Chief Administrative Officer	**Approved by:**	Ryan Kelso Chief Executive Officer

RECOMMENDED ACTION: Monthly NBU Backup Operations Center and Headquarters Update

New Braunfels Utilities
BOC & HQ Update



- October 29, 2026

NBU NEW BRAUNFELS UTILITIES

NBU BOC Recent Milestones

- **September | Completed Milestones**
  - Control room flooring and consoles installed.
  - Data racks and cabling completed.
  - Concrete perimeter fencing installed.
  - Exterior grading.
  - Final generator set in place.
  - Final paint.

- **October | Upcoming Milestones**
  - Landscaping & tree installation.
  - Parking lot striping.
  - Security gate installation.
  - Security/access control established at front gate.
  - Roadway sidewalk pour.
  - AV package installation, including displays and monitors.



NBU HQ Recent Milestones

- Site Paving - 73% Complete
- Building Envelope – 71% Complete
- Interior Rough-in – 99% Complete
- Flooring Installation
- Ceiling Grid Completed on Levels 2 and 3
- Maintenance Building Finishes Progressed
- IH-35 Frontage Road Work
- Telecom Rooms 40% Complete













Legend Key

1. Training and Testing Field
2. Equipment Building
3. Recycle/Trash Dumpsters
4. OperationsDock
5. Warehouse
6. Administration Bldg.
7. Spoils
8. Wire Storage
9. Pipe Storage
10. Wood Pole Storage
11. Transformer Storage
12. Steel Pole Storage
13. Maintenance Bldg.
14. Recieving Dock
15. Jurisdictional Waters Buffer Area
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. Cistern
30. Emplyee Entry Bridge







Legend Key

1. Training and Testing Field
2. Equipment Building
3. Recycle/Trash Dumpsters
4. OperationsDock
5. Warehouse
6. Administration Bldg.
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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. Cistern
30. Emplyee Entry Bridge





Legend Key

1. Training and Testing Field
2. Equipment Building
3. Recycle/Trash Dumpsters
4. OperationsDock
5. Warehouse
6. Administration Bldg.
7. Spoils
8. Wire Storage
9. Pipe Storage
10. Wood Pole Storage
11. Transformer Storage
12. Steel Pole Storage
13. Maintenance Bldg.
14. Recieving Dock
15. Jurisdictional Waters Buffer Area
16. Paved Yard
17. Oversized Parking
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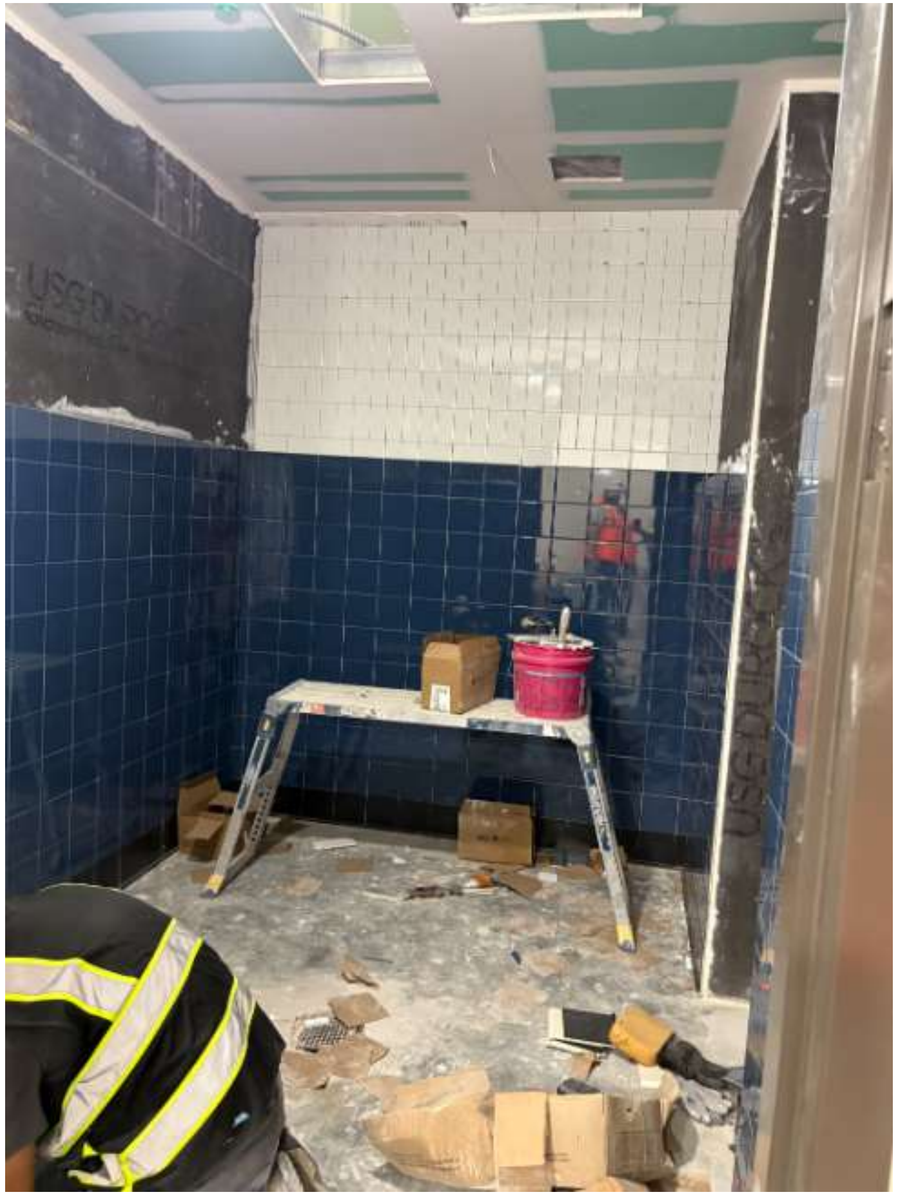
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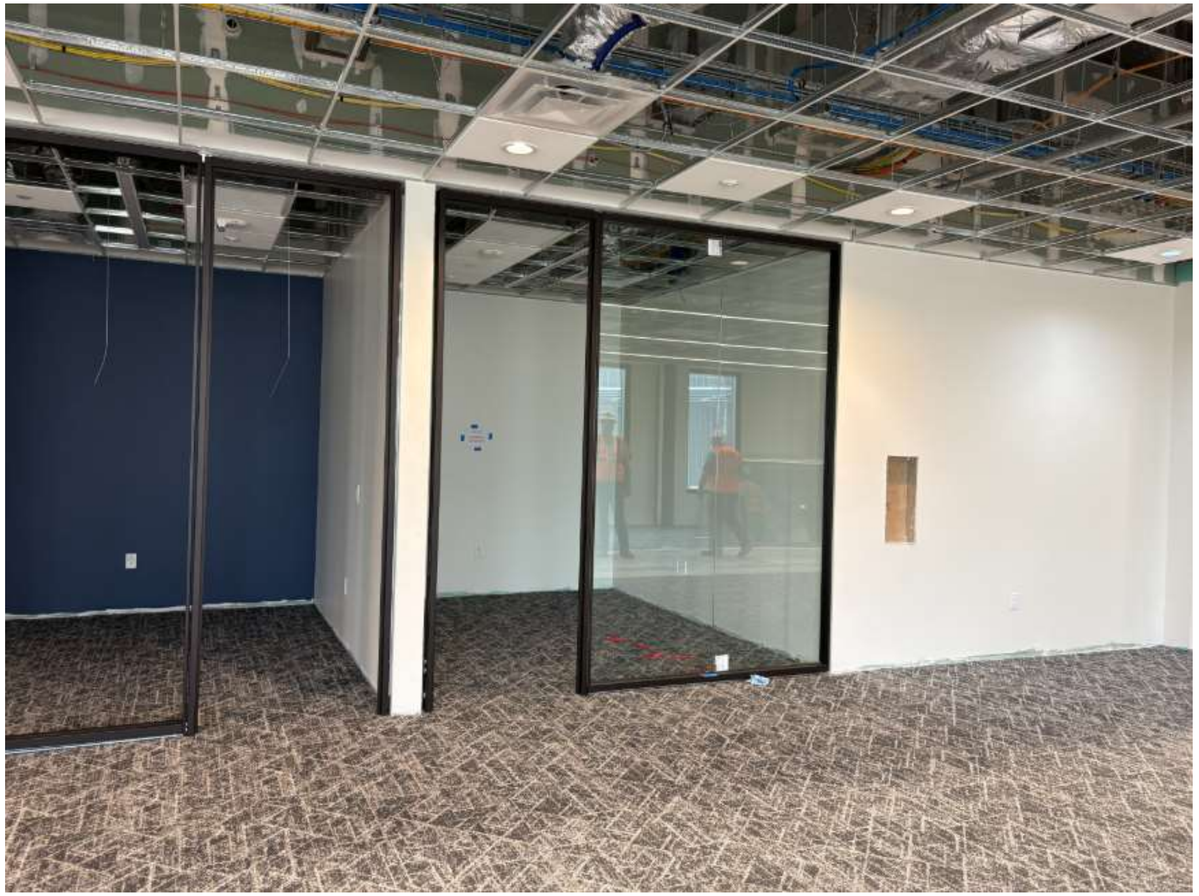


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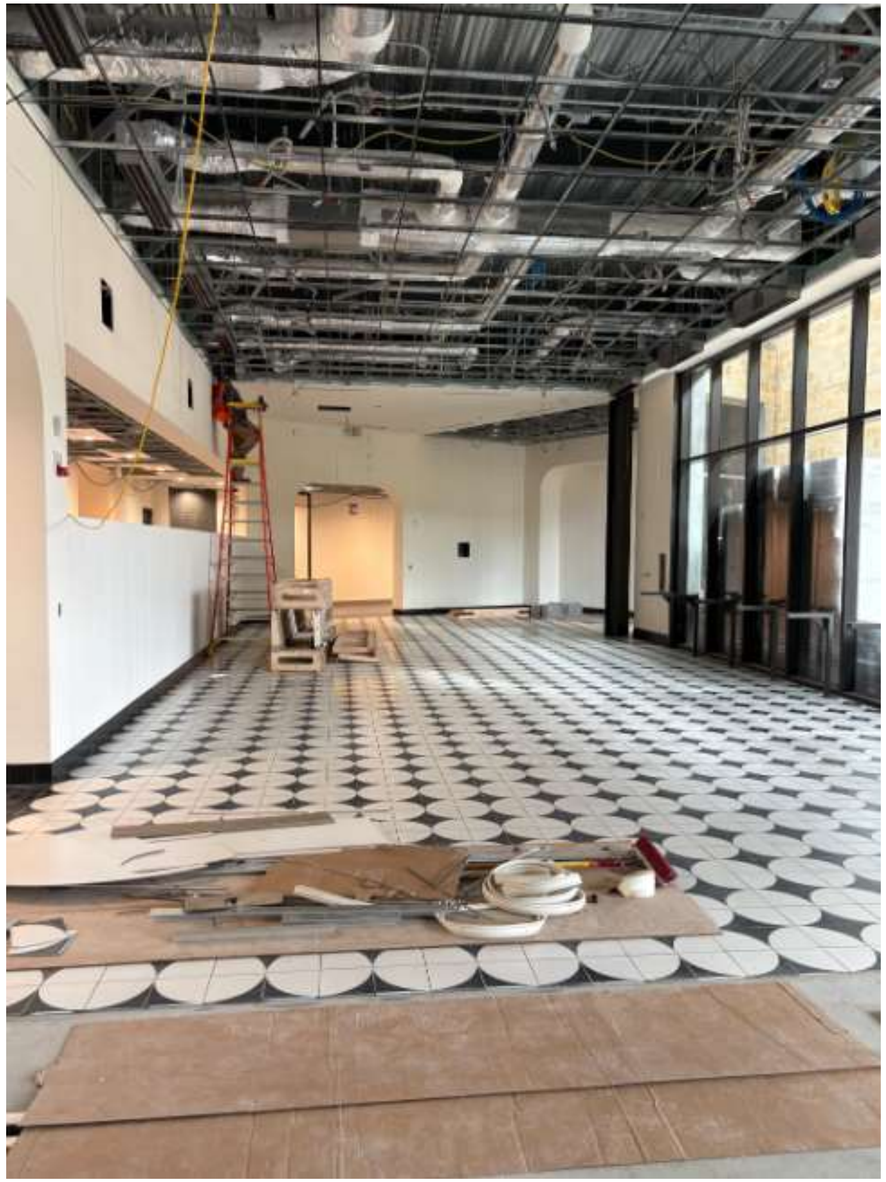






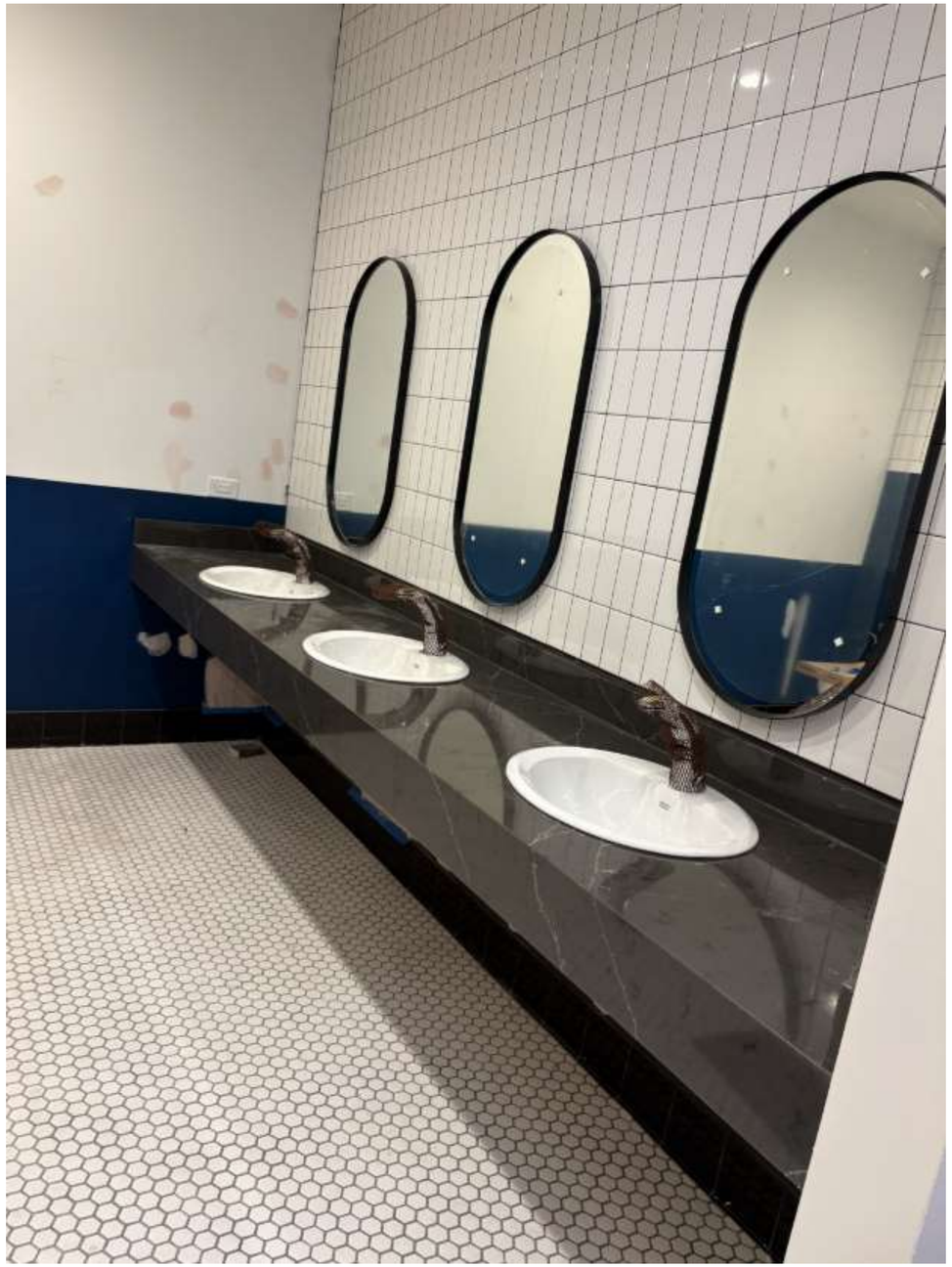



















Questions?

NEW BRAUNFELS UTILITIES

Meeting Date:	October 29, 2026	**Agenda Type:**	Consent Items for Action
From:	Laura Ayala Board Relations Coordinator	**Reviewed by:**	Rocio G. Hilliard Chief of Staff
Submitted by:	Rocio G. Hilliard Chief of Staff	**Approved by:**	Ryan Kelso Chief Executive Officer

RECOMMENDED ACTION: Approve Minutes of the NBU Regular Board Meeting of September 22, 2026

BACKGROUND

None

FINANCIAL IMPACT

None

LINK TO STRATEGIC PLAN

Customers and Community

EXHIBITS

1. September 22, 2026 Regular Board Meeting Minutes

MINUTES

NEW BRAUNFELS UTILITIES
AUGUST BOARD OF TRUSTEES MEETING

NBU BOARD ROOM
263 MAIN PLAZA, NEW BRAUNFELS, TEXAS 78130
THURSDAY, SEPTEMBER 22, 2026, AT 3:00 PM

Board President Wayne Peters opened the meeting at 3:00 pm. A quorum of the NBU Board was present.

PRESENT

Board President Wayne Peters, Board Vice President Judith Dykes-Hoffmann, Board Trustee Yvette Barrera Villanueva, and Mayor Michael French

ABSENT

Board Trustee Stuart Blythin,

NBU PERSONNEL

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

NBU CONSULTANTS

None

CALL TO ORDER

PLEDGE OF ALLEGIANCE AND INVOCATION

Board President Wayne Peters led the Pledge of Allegiance and offered the invocation.

NBU EMPLOYEE RECOGNITIONS

1. **Recognizing NBU Employees Eddie Ybarra for 30 Years of Service, Lupita Sutton and J.D. Amaro for 25 Years of Service, and Alex Rosales, Adriana Sanchez, and Jason Theurer for 20 Years of Service**
   NBU CEO Ryan Kelso presented service pins to employees Eddie Ybarra, Lupita Sutton, J.D. Amaro, Alex Rosales, Adriana Sanchez, and Jason Theurer for years of service.

PUBLIC COMMENT

There were no public comment requests.

ITEMS FROM THE CHAIR

1. **Any Items Permitted Under Section 551.0415 of the Texas Government Code**
   Board President Wayne Peters helped to introduce NBU's new mascot, Axel. Community Engagement Manager, Nicole Wesley, introduced Axel to the Board.

ITEMS FROM STAFF

1. CEO's Update

   a. NBU Community Engagement Team Volunteers at Local Community Events and Participates in Community Career Fairs, Summer Camps, Job Fairs, and Expositions at Local School District Campuses
   Our community engagement team focused on outreach and highlighting core utility operations by hosting a tour of the Gruene Treatment Plant and an interactive "Meet the Trucks" event. These initiatives capped off a busy late-summer schedule that also included a Veteran's Career Transition Lab presentation, the launch of our United Way Employee Giving Campaign, and Big Brothers Big Sisters interviews.

   b. NBU's Plant Operator II, Draven Cruz, Awarded the Texas Water Utilities Association Operator of the Year
   NBU Plant Operator 2, Draven Cruz, was awarded the Texas Water Utilities Association Operator of the Year Award. This award recognizes water and wastewater operators who demonstrate outstanding performance, professionalism, and dedication to their profession.

   c. NBU's Assistant Water Treatment & Compliance Manager, John Krause, Receives the Texas Water Utilities Association Daniel C. Allen Distinguished Service Award
   NBU Assistant Water Treatment and Compliance Manager, John Krause, received the Texas Water Utilities Association's Daniel C. Allen Distinguished Service Award. This award recognizes individuals who have demonstrated sustained dedication, leadership, and service that positively impact both the Texas Water Utilities Association and the broader water utility profession.

   d. NBU's Chief of Staff, Rocio G. Hilliard, Chosen for Leadership New Braunfels Class of 2027
   NBU's Chief of Staff, Rocio Hilliard, has been selected to join the Leadership New Braunfels Class of 2027, a program led by the Greater New Braunfels Chamber of Commerce. This eight-month program develops and strengthens leadership skills for business and civic engagement.

   e. NBU CEO Ryan Kelso Attends Meeting with State Representative Carrie Isaac
   CEO Ryan Kelso met with State Representative Carrie Isaac to discuss key topics affecting utilities in the state and to highlight the valuable role and benefits of public power.

f. NBU Staff Participates in New Braunfels Councilmember District 3 Neighborhood Forum

NBU staff participated in a presentation and "Q & A" District 3 public forum. The forum provided key highlights and information regarding customer sewer system concerns in the area. The presentation provided awareness for NBU monitoring, maintenance, and mitigation, in addition to proactive steps to continuously improve our customers' experience.

g. Generation Cost Recovery Factor (GCRF) Rate Reduction for Distribution Customers Effective September 1, 2026

NBU is in a position to lower the GCRF rate for distribution customers, while maintaining financial stability going into the winter of 2027.

The current GCRF rate for distribution customers is $0.008 per kilowatt hour. Due to favorable market conditions, the GCRF rate will decrease beginning September 1, 2026, to $0.002 per kWh. This GCRF rate decrease translates to a $7.20 per month decrease for customers using 1,200 kWh per month.

h. Any Other Items Permitted Under Section 551.0415 of the Texas Government Code
*No additional items were discussed.

2. Financial Update and Report, including an Update on the Impact Fee Program Effective February 1, 2023 (referred to as Program E)

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

2. Quarterly Investment Report

Financial Planning and Analyst Manager Jessica Coleman provided an update on the Quarterly Investment Report

3. Quarterly Update on the Headwaters at the Comal

Headwaters at the Comal Managing Director Nancy Pappas provided an update on the Headwaters at the Comal.

5. Quarterly Drought Update Report

Director of Customer Solutions Jesse Luna provided the quarterly drought update.

6. End of Year Update on the NBU Developer and Vendor Process Improvement Project

Director of Enterprise Project Management Office Darrin Jensen provided an update on the NBU Developer and Vendor Process Improvement Project.

7. Monthly NBU Backup Operations Center and Headquarters Progress Update

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

CONSENT ITEMS FOR ACTION

Board Vice President Judith Dykes-Hoffmann made a motion, and Board Trustee Yvette Barrera Villanueva seconded the motion to approve the Consent Items for Action as follows: #1, #2, #3, #4, #5, #6, #7, #8, #9, and #10. The vote was unanimous.

1. Approve Minutes of the NBU Regular Board Meeting of August 27, 2026

2. Approve the Change Order Log from July 15, 2026, through August 15, 2026

3. Approve the Reports for Water and Electric Engineering Contracts from August 1, 2025, through August 15, 2026

4. Approve the Electric Line of Business Alternative Procurements from July 15, 2026, through August 15, 2026

5. Adopt Resolution #R-2026-223 Recommending and Requesting that the New Braunfels City Council Issue a Resolution Declaring Expectation to Reimburse Expenditures Related to the Acquisition, Construction, and Equipping of NBU Capital Improvement Projects Paid in Fiscal Year 2027 with Proceeds of Future Debt; and Resolving other Matters in Connection Therewith

6. Authorize the CEO or His Designee to Negotiate and Execute a Construction Contract with Viking Painting LLC for the Construction of the Water Tank Rehabilitation Phase 2 – Newks Elevated Storage Tank Project in the Amount of $1,393,700.00 Plus a $140,000.00 Contingency for a Total Budgeted Amount Not to Exceed $1,533,700.00

7. Authorize the CEO or His Designee to Negotiate and Execute a Construction Contract with Crom CFG Industries, LLC for the Construction of the Water Tank Rehabilitation Phase 2 – Kerlick Elevated Storage Tank Project in the Amount of $1,788,243.65 Plus a $180,000.00 Contingency for a Total Budgeted Amount Not to Exceed $1,968,243.65

8. Authorize the CEO or His Designee to Negotiate and Execute a Professional Services Agreement with Utilis Inc., dba Asterra, for Satellite Leak Detection Services for an Initial One-Year Term in the Amount of $145,000.00, with up to Four Additional One-Year Renewals for a Total Contract Amount Not to Exceed $725,000.00

9. Adopt Resolution #R-2026-224 Authorizing and Approving (I) the Conveyance of Three Easements to Lower Colorado River Authority Transmission Services Corporation ("LCRA TSC") Totaling Approximately 3.853 Acres Out of Property Owned by New Braunfels Utilities at 434 Maytown Drive, New Braunfels, Comal County, Texas, in Furtherance of the Kohlenberg Substation Project; (II) the Partial Assignment of a Separate Access and Utility Easement to LCRA TSC Benefiting the Foregoing Property; (III) the CEO or His Designee to Execute Any and All Documents Necessary to Effectuate the Conveyance Thereof; and (IV) Other Matters in Connection Therewith

10. Approve Resolution Amending Authorized Representatives of NBU for Texas Local Government Investment Pool Transactions

ACTION ITEMS

1. **Discuss and Consider Adoption of Resolution #R-2026-225 Approving Proposed Amendments to Chapter 130, Article IV, Division 4, Section 130-187 of the Code of Ordinances of the City of New Braunfels That Establish Conditions for (I) Use of a Single Water Meter Serving Multiple Non-Residential Buildings on a Single Lot, and (II) Use of Private Submeters for Multifamily Residential Buildings; Authorizing Presentation of Same to the City Council of the City of New Braunfels for its Consideration and Passage; and Resolving Matters in Connection Therewith**

Board Trustee Yvette Barrera Villanueva made a motion, and Board Vice President Judith Dykes-Hoffmann seconded the motion to adopt Resolution #R-2026-225 Approving Proposed Amendments to Chapter 130, Article IV, Division 4, Section 130-187 of the Code of Ordinances of the City of New Braunfels That Establish Conditions for (I) Use of a Single Water Meter Serving Multiple Non-Residential Buildings on a Single Lot, and (II) Use of Private Submeters for Multifamily Residential Buildings; Authorizing Presentation of Same to the City Council of the City of New Braunfels for its Consideration and Passage; and Resolving Matters in Connection Therewith. The vote was unanimous.

2. **Discuss and Consider Approval of Changes to the Fiscal Year 2027 Strategic Plan**

   Board Vice President Judith Dykes-Hoffmann made a motion, and Mayor Michael French seconded the motion to approve the changes to the Fiscal Year 2027 Strategic Plan. The vote was unanimous

PRESENTATION ITEMS

1. **Informational Update Regarding the NBU Financial Roadmap and Finance Department Internal Process Initiatives**
   Chief Financial Officer Jessica Williams provided an informational update on new internal process initiatives and their relationship to the NBU Financial roadmap.

EXECUTIVE SESSION

Board President Wayne Peters recessed the Open Session at 4:52 pm and announced that the Board would go into an Executive Session meeting. The Executive Session included:

1. Power Supply Resources – Competitive Matters
   (Section 551.086 – Texas Government Code)

   a. Power Supply Update

   b. Discuss and Consider Amendments to Edison Electric Institute (EEI) Master Agreement Related to Power Supply Transactions

   c. Discuss the 2026 Request for Proposals for ERCOT Energy from Physical Resources

2. Personnel Matters
   (Section 551.074 – Texas Government Code)

   a. CEO Evaluation – Deliberate the Appointment, Employment, Evaluation, and Duties of the CEO

The Executive Session was opened at 4:59 pm and closed at 6:16 pm.

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

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

The Regular Session resumed at 6:16 p.m. Only the matters cited above, and no others, were discussed. The board voted on the competitive matter listed on the agenda; however, no other votes were taken in the Executive Session.

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

Trustee Yvette Villanueva Barrera made a motion, and Board Vice President Judith Dykes-Hoffmann seconded the motion to increase the Chief Executive Officer's annual base salary from $345,345.00 to $362,612.00 effective October 1, 2026, and continue the annual car allowance of $9,600.00 and the annual phone allowance of $900.00. The vote was unanimous.

ADJOURN

There was no further business, and Board President Wayne Peters adjourned the meeting at 6:18 p.m.

Wayne Peters, President
Approved

Attest:

Ryan Kelso, Secretary of the Board
Chief Executive Officer

Date Approved: October 29, 2026

NEW BRAUNFELS UTILITIES

Meeting Date:	October 29, 2026	**Agenda Type:**	Consent Items for Action
From:	Anna Melton Procurement Manager	**Reviewed by:**	Kimberly DaCosta Director of Financial Services
Submitted by:	Jessica Williams Chief Financial Officer	**Approved by:**	Ryan Kelso Chief Executive Officer

RECOMMENDED ACTION: Approve the Change Order Log from August 15, 2026, through September 15, 2026

BACKGROUND

The Board of Trustees approved the NBU Purchasing Policy on May 26, 2026. 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 director or department manager, as appropriate, 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 Procurement Manager for the period of August 15, 2026, through September 15, 2026.

FINANCIAL IMPACT

Change orders less than $50,000:

Item #	Project Name	Description of Work	Vendor	Change Order #	Cost Change in $ +/(-)
1	Infrastructure Replacement Package 3 (UEG)	Asphalt pavement adjustment	Pesado Construction Company	2	21,919.35
2	South Kuehler Interceptor Phase 1	Sable Circle privacy fence	Pesado Construction Company	6	2,652.00
3	Gruene Rd Sewer Main Rehabilitation/Relocation	Owner's Contingency - Cost of striping Gruene Road per CoNB request for full-width paving	Spiess Construction Co., Inc.	9	0.00

4	NBU Headquarters	Contingency Request for the additional labor, material, equipment, and supervision for (1) framing, sheetrock, tape, float and painting for the hard lid ceilings that were added at the Maintenance Building and Custodial rooms, and the furr-out added at the column in the Office Building room	SpawGlass	CTR 019	8,664.00
5	NBU Headquarters	Contingency Request for the labor and material to install 2x4 black ACT ceiling tile above the black ceiling grid in all rooms/locations that have the ACG1 and ACG2 ceiling types in order to meet fire/smoke barrier requirements	SpawGlass	CTR 020	19,798.00
6	Headwaters	Emory Sedge in Sunken Garden	Byrne Construction	PCO 028	2,758.61
7	NBU Headquarters	Owner Contingency Request for the additional labor, material, equipment, and supervision for all added flannery at window locations, and rework at coffee bar location walls to add receptacles at floors B2, B3, and B4	SpawGlass	OCT 32	36,072.00
8	NBU Headquarters	Steel allowance transfer to infill the 14-1/4" gaps located at staircase 4	SpawGlass	OAT 006	3,287.00
9	NBU Headquarters	Contingency Request for the labor, material, equipment, and supervision to excavate / clear the 5' fence line area between the NBU HQ property and the Magnolia Supervision	SpawGlass	OCT 38	32,436.00
10	NBU Headquarters	Contingency Request for the ability to use the service elevator for construction use for 8 months	SpawGlass	CTR 22	33,586.00

11	NBU Headquarters	Contingency Request for the labor and material to install shower tile in the Office Building Area C men's and women's locker rooms, and in the Maintenance Building	SpawGlass	CTR 21	19,420.00
Total increase/(decrease) in change orders less than $50,000:					**$180,592.96**

Change orders more than $50,000:

Item #	Project Name	Description of Work	Vendor	Change Order #	Cost Change in $ +/(-)
1	Trinity Expansion Well Field	Deduction change order removing bid items that were not needed	Kutscher Drilling, LTD	3	(201,225.00)
Total change orders more than $50,000:					**($201,225.00)**

LINK TO STRATEGIC PLAN

Infrastructure and Technology

EXHIBITS

None

NEW BRAUNFELS UTILITIES

Meeting Date:	October 29, 2026	**Agenda Type:**	Consent Items for Action
From:	Anna Melton Procurement Manager	**Reviewed by:**	Kimberly DaCosta Director of Financial Services
Submitted by:	Jessica Williams Chief Financial Officer	**Approved by:**	Ryan Kelso Chief Executive Officer

RECOMMENDED ACTION: Approve the NBU Headquarters Change Order Log from September 15, 2026, through October 13, 2026

BACKGROUND

The Board of Trustees approved the NBU Purchasing Policy on May 26, 2026. 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 director or department manager, as appropriate, 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 for the construction of NBU’s Headquarters submitted to the Procurement Manager for the period of September 15, 2026, through October 13, 2026.

FINANCIAL IMPACT

Change orders less than $50,000:

None.

Change orders more than $50,000:

Item #	Project Name	Description of Work	Vendor	Change Order #	Cost Change in $ +/(-)
1	NBU Headquarters	Owner Contingency Request for the additional labor, material, equipment, and supervision to complete the IH-35 TXDOT work based upon the IH-35 TXDOT Improvements approved	SpawGlass	OCT 039	277,183.00

		permit set, and the driveway revision permit set, including the added contractual time of 40 calendar days / 28 work days as a result of delays receiving the TXDOT permit.			
				Total change orders more than $50,000:	**$277,183.00**

LINK TO STRATEGIC PLAN

Infrastructure and Technology

EXHIBITS

None

NEW BRAUNFELS UTILITIES

Meeting Date:	October 29, 2026	**Agenda Type:**	Consent Items for Action
From:	Anna Melton Procurement Manager	**Reviewed by:**	Kimberly DaCosta Director of Financial Services
Submitted by:	Jessica Williams Chief Financial Officer	**Approved by:**	Ryan Kelso Chief Executive Officer

RECOMMENDED ACTION: Approve the Reports for Water and Electric Engineering Contracts from August 1, 2026, through September 15, 2026

BACKGROUND

The Board of Trustees approved the NBU Purchasing Policy on May 26, 2026. 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 director or department manager, as appropriate, 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 Procurement Manager before each Board of Trustees' meeting. The Procurement 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 Procurement Manager for the period of August 1, 2026, through September 15, 2026.

FINANCIAL IMPACT

The total financial impact of new water engineering contracts during this period was $3,227,883.00. No electric engineering contracts were executed during this period.

LINK TO STRATEGIC PLAN

Infrastructure and Technology

EXHIBITS

1. Exhibit A – Report for Water Engineering Contracts

Exhibit A – Report for Water Engineering Contracts July 2026

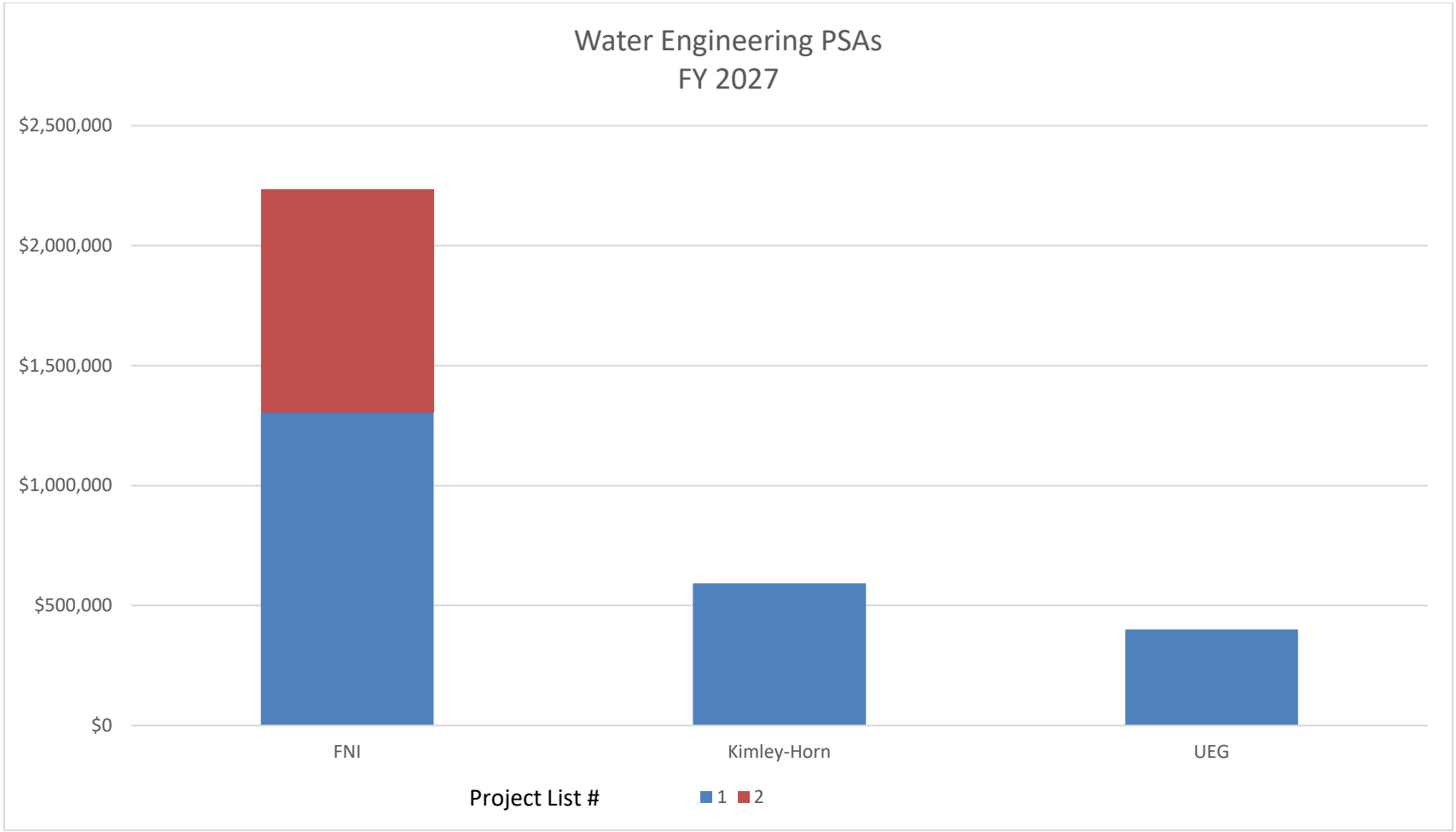


Exhibit A – Report for Water Engineering Contracts July 2026

Project List #	Project	Vendor	Contract Amount	Board Date	Type of Contract	Comment	Executed Date
1	Common St Widening (Loop to 306) Relocations (CNB)	Utility Engineering Group, PLLC (UEG)	$400,380.00	NA	Engineering	Professional Service Agreement	8/20/2026
1	AC Pipe Replacement - Solms	Quiddity Engineering, LLC	$0.00	NA	Engineering	Amendment - Supplemental Services	8/20/2026
1	Water Tank Rehabilitations Phase 3	Freese and Nichols, Inc.	$1,306,008.00	8/27/2026	Engineering	Professional Service Agreement	8/28/2026
2	Common St (Liberty to Loop) Relocations (CNB)	Freese and Nichols, Inc.	$928,495.00	8/27/2026	Engineering	Professional Service Agreement	8/28/2026
1	Downtown Water and Wastewater Improvements	Kimley-Horn and Associates, Inc.	$593,000.00	8/27/2026	Engineering	Professional Service Agreement	8/28/2026
August 1, 2026, through August 15, 2026, Total			$0.00				
August 15, 2026, through September 15, 2026, Total			$3,227,883.00				
Fiscal Year 2027 Total			**$3,227,883.00**				

NEW BRAUNFELS UTILITIES

Meeting Date:	October 29, 2026	**Agenda Type:**	Consent Items for Action
From:	Anna Melton Procurement Manager	**Reviewed by:**	Kimberly DaCosta Director of Financial Services
Submitted by:	Jessica Williams Chief Financial Officer	**Approved by:**	Ryan Kelso Chief Executive Officer

RECOMMENDED ACTION: Approve the Electric Line of Business Alternative Procurements from August 15, 2026, through September 15, 2026

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 May 26, 2026. 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 $250,000.00, submitted to the Procurement Manager for the period of August 15, 2026, through September 15, 2026, using the electric line of business alternative procurement process.

FINANCIAL IMPACT

Electric Line of Business purchases more than $250,000.00:

- There were no Electric Line of Business purchases exceeding $250,000.00 during this period.

LINK TO STRATEGIC PLAN

Infrastructure and Technology

Stewardship

EXHIBITS

None

NEW BRAUNFELS UTILITIES

Meeting Date:	October 29, 2026	**Agenda Type:**	Consent Items for Action
From:	Adam Willard, P.E. Chief Engineer of Water Systems	**Reviewed by:**	Michael Short, P.E. Director of Engineering
Submitted by:	Mark Steelman Chief Operations Officer	**Approved by:**	Ryan Kelso Chief Executive Officer

RECOMMENDED ACTION: Authorize the CEO or His Designee to Negotiate and Execute a Construction Contract with Guerra Underground, LLC for the Construction of the North Kuehler Interceptor Segment 3 Phase I Project in the Amount of $3,992,782.24 Plus a $400,000 Contingency for a Total Amount Not to Exceed $4,392,782.24

BACKGROUND

On June 22, 2026, New Braunfels Utilities ("NBU") issued a request for proposals for the North Kuehler Interceptor Segment 3 Phase 1 Project, which includes (i) construction of 2,030 linear feet ("LF") of 27-inch gravity sewer main by open cut construction; (ii) construction of 410 LF of 27-inch gravity sewer main with 48-inch steel casing by trenchless methods; (iii) construction of 571 LF of 15-inch gravity sewer main by open cut construction; (iv) construction of 180 LF of 15-inch gravity sewer main with 36-inch steel casing by trenchless methods across Union Pacific Railroad right-of-way; (v) construction of new manholes; (vi) abandonment and grout filling of existing sanitary sewer mains and associated manholes; (vii) connections to the NBU sanitary sewer system; (viii) sewer bypass pumping for construction; (ix) traffic control; (x) storm water pollution prevention; (xi) restoration; and (xii) all other appurtenances necessary to complete the Project (the "Project"). The Project will help improve system reliability by replacing aging infrastructure which has reached the end of its service life and increasing capacity for future growth.

On July 30, 2026, NBU received eight (8) proposals for the Project during the public bidding process. The Project team evaluated the proposals and recommended the selection of Guerra Underground, LLC. ("Guerra Underground") for the Project. Guerra Underground was selected as the respondent who provides the best value to NBU based on the selection criteria, the weighted value for those criteria, and the ranking evaluation, including their cost of work, proposed schedule, past performance on similar projects, overall qualifications, available resources, corporate history, and references. Guerra Underground's proposal includes a base bid of $3,992,782.24, which was the lowest base bid out of the eight (8) respondents.

NBU staff requests that the Board of Trustees approve the Construction Contract Agreement (the "Contract") with Guerra Underground for the Project.

This item is being presented to the Board because the total amount of this contract exceeds $250,000.00.

FINANCIAL IMPACT

The total financial impact of the Contract with Guerra Underground for the Project is $3,992,782.24. The Project is budgeted within the Fiscal Year 2027 through Fiscal Year 2029 NBU Board approved Capital Improvements Projects Budget. Anticipating the need for Project change orders, a contract contingency in the amount of $400,000.00, which is approximately 10% of the total contract amount, will be added to the Project construction budget. The total Contract amount plus contingency is $4,392,782.24.

LINK TO STRATEGIC PLAN

Customers and Community

Infrastructure and Technology

Stewardship

EXHIBITS

1. Construction Contract with Guerra Underground
2. Bid Tabulation – (CSP 27-0026)

Bid Tabulation (CSP 27-0026)		
Item	Bidder	Cost
1.	Guerra Underground, LLC.	$3,992,782.24
2.	Spiess Construction Company, Inc.	$4,544,153.00
3.	Ella Contracting	$4,931,728.90
4.	Blackrock Construction	$4,065,609.00
5.	Pesado Construction Company, Inc.	$5,461,108.00
6.	Skyblue Utilities, Inc.	$4,558,778.58
7.	Santa Clara Construction, Ltd.	$5,467,734.00
8.	M5 Utilities, LLC.	$6,897,704.26

3. Bid Evaluation Matrix – Competitive Sealed Proposal (27-0026)

Bid Evaluation Matrix								
Criteria	Guerra Underground, LLC.	Spiess Construction Company, Inc.	Ella Contracting	Blackrock Construction	Pesado Construction Company, Inc.	Skyblue Utilities, Inc.	Santa Clara Construction, Ltd.	M5 Utilities, LLC.
Cost of work (50%)	50.0	43.9	41.8	49.0	36.6	46.4	37.6	28.9
Proposed Schedule/Contract Time (30%)	18.0	18.0	21.0	9.0	21.0	9.0	18.0	18.0
Past Performance on Similar Projects (5%)	2.5	3.0	3.0	3.5	3.0	2.0	1.5	2.5
Overall Qualifications, Reputation, Past Relationship with NBU and Public Owners (10%)	6.0	7.0	6.0	5.0	6.0	6.0	2.0	6.0
Available resources to complete the Project (2.5%)	1.3	1.8	1.5	1.5	1.3	1.5	1.3	1.5
The Contractor's corporate history and stability (2.5%)	1.0	1.5	1.8	1.5	1.5	1.5	0.5	1.5
Total Score (Max Score 100)	78.8	75.1	75.1	69.5	69.4	66.4	60.9	58.4

THIS AGREEMENT (the "Agreement" or the "Contract") is between **NEW BRAUNFELS UTILITIES**, a Texas municipally owned utility ("NBU"), and **GUERRA UNDERGROUND, LLC**, a Texas limited liability company (the "Contractor").

NBU and the Contractor, in consideration of the mutual covenants set forth herein, agree as follows:

ARTICLE 1 - WORK

1.01 The Contractor shall complete all Work as specified or indicated in the Contract Documents as listed below:

Contract Agreement and the related Exhibits;
Standard General Conditions of the Contract;
Special Conditions;
Technical Specifications;
Payment Bond;
Performance Bond;
Technical Specifications produced by Pawelek & Moy, Inc., dated July 24, 2026 (conformed set); and
Design Drawings produced by Pawelek & Moy, Inc., dated July 24, 2026 (conformed set).

1.02 The Work is generally described as follows:

The Project includes the following items within its scope: (i) construction of 2,030 linear feet ("LF") of 27-inch gravity sewer main by open cut construction; (ii) construction of 410 LF of 27-inch gravity sewer main with 48-inch steel casing by trenchless methods; (iii) construction of 571 LF of 15-inch gravity sewer main by open cut construction; (iv) construction of 180 LF of 15-inch gravity sewer main with 36-inch steel casing by trenchless methods across Union Pacific Railroad Right of Way; (v) construction of new manholes; (vi) abandonment and grout filling of existing sanitary sewer mains and associated manholes; (vii) connections to the NBU sanitary sewer system; (viii) sewer bypass pumping for construction; (ix) traffic control; (x) storm water pollution prevention; (xi) restoration; and (xii) all other appurtenances necessary to complete the Project.

ARTICLE 2 - THE PROJECT

2.01 The Project for which the Work under the Contract Documents may be the whole or only a part is generally described as follows**:**

North Kuehler Interceptor Segment 3 Phase I

ARTICLE 3 - ENGINEER

3.01 The Project has been designed by:

John Moy, P.E.
Pawelek and Moy, Inc.
130 W. Jahn St
New Braunfels, TX 79130
830-629-2563

(the "Engineer"), who is to act as NBU's representative, assume all duties and responsibilities, and have the rights and authority assigned to the Engineer in the Contract Documents in connection with the completion of the Work in accordance with the Contract Documents.

ARTICLE 4 - CONTRACT TIMES

4.01 *Time of the Essence*

A. Time limits stated in the Contract Documents are of the essence of the Contract. In all aspects of the Work, including any time limits for Milestones, Substantial Completion, and Final Completion, time is of the essence of the Contract. Additionally, time limits stated in the Project Schedule are of the essence. By executing this Agreement, the Contractor confirms that the Contract Time is a reasonable period for performing the Work.

4.02 *Initial Milestone, Days to Achieve Substantial Completion and Final Payment*

A. Except as set forth in and subject to Section 4.02B, the Work shall be substantially complete within **five hundred forty (540) calendar days from the Notice to Proceed date** and ready for final payment in accordance with Section 14.07 of the General Conditions within 30 calendar days after the substantially complete date.

B. Initial Milestone

The "Initial Milestone" is defined as Substantial Completion of a portion of the Work, specifically the improvements set forth in the Initial Milestone Limits table below. Prior to commencing Work at any other locations or other sections of the Project, the Contractor shall complete all Work necessary for the Initial Milestone, including installation, testing, surface restoration, and acceptance of the sewer lines and related improvements and appurtenances. The Substantial Completion date for the Initial Milestone shall be **one hundred eighty (180) calendar days from the date of Notice to Proceed**; provided, however, that Work necessary for the Initial Milestone may only be performed between November 15, 2026, and May 15, 2027.

Initial Milestone Limits

Sanitary Sewer	Station Limits
Line A	Sta 0+60 to Sta 18+50

The Contractor may be allowed, with NBU's conditional written approval, to commence Work concurrently on other sections of the Project.

Should the Contractor fail to timely complete the Initial Milestone in accordance with this Section 4.02B, the Contractor shall be subject to liquidated damages as set forth in Section 4.03.

4.03 *Liquidated Damages*

A. The Contractor and NBU recognize that time is of the essence of this Agreement and that NBU will suffer financial loss if the Work is not completed within the times specified in Sections 4.02A and 4.02B, plus any extensions thereof allowed in accordance with Article 12 of the General Conditions. The parties also recognize the delays, expense, and difficulties involved in proving in a legal or arbitration proceeding the actual loss suffered by NBU if the Work is not completed on time. Accordingly, instead of requiring any such proof, NBU and the Contractor agree that as liquidated damages for delay (but not as a penalty), the Contractor shall pay to NBU **One Thousand Two Hundred and Eighteen Dollars ($1,218)** per calendar day for each day that expires after the time specified in Sections 4.02A and 4.02B for Substantial Completion until the Work is substantially complete. After Substantial Completion, if the Contractor shall

neglect, refuse, or fail to complete the remaining Work within the Contract Time or any proper extension thereof granted by NBU, the Contractor shall pay to NBU **One Thousand Two Hundred and Eighteen Dollars ($1,218)** per calendar day for each day that expires after the time specified in Paragraph 4.02 for completion and readiness for final payment until the Work is completed and ready for final payment.

4.04 *Special Damages*

A. In addition to the amount provided for in liquidated damages, the Contractor shall reimburse NBU (1) for any fines or penalties imposed on NBU as a direct result of the Contractor's failure to attain Substantial Completion according to the Contract Times, and (2) for the actual costs reasonably incurred by NBU for engineering, construction observation, inspection, and administrative services needed after the time specified in Section 4.02 for Substantial Completion (as duly adjusted pursuant to the Contract), until the Work is substantially complete.

B. After Contractor achieves Substantial Completion, if the Contractor shall neglect, refuse, or fail to complete the remaining Work within the Contract Times, the Contractor shall reimburse NBU for the actual costs reasonably incurred by NBU for engineering, construction observation, inspection, and administrative services needed after the time specified in Section 4.02 for Work to be completed and ready for final payment (as duly adjusted pursuant to the Contract), until the Work is completed and ready for final payment.

ARTICLE 5 - CONTRACT PRICE

5.01 NBU shall pay the Contractor for completion of the Work in accordance with the Contract Documents the amounts that follow, subject to adjustment under the Contract:

A. For all Work, at the prices stated in the Contractor's Bid Form, attached hereto as Exhibit B.

ARTICLE 6 - PAYMENT PROCEDURES

6.01 *Submittal and Processing of Payments*

A. The Contractor shall submit Applications for Payment in accordance with Article 14 of the General Conditions. Applications for Payment will be processed by the Engineer as provided in the General Conditions.

6.02 *Progress Payments; Retainage*

A. NBU shall make progress payments on account of the Contract Price on the basis of the Contractor's Applications for Payment within 30 days of NBU's acceptance of the payment application:

    1. Prior to Substantial Completion, NBU shall make progress payments in an amount equal to the percentage indicated below but, in each case, less the aggregate of payments previously made and less such amounts as the Engineer may determine or NBU may withhold, including but not limited to liquidated damages, in accordance with Section 14.02 of the General Conditions:

        a. 95% (percent) of Work completed; and

        b. 95% (percent) of cost of materials and equipment not incorporated in the Work.

6.03 *Final Payment*

A. Upon final completion and acceptance of the Work in accordance with Section 14.07 of the General Conditions, NBU shall pay the remainder of the Contract Price, including any retainage held, as recommended by the Engineer as provided in said Section 14.07 of the General Conditions.

ARTICLE 7 – CONTRACTOR'S REPRESENTATIONS

7.01 To induce NBU to enter into this Agreement, the Contractor makes the following representations:

A. The Contractor has examined and carefully studied the Contract Documents and the other related data identified in the Bidding Documents.

B. The Contractor has visited the Site and become familiar with and is satisfied as to the general, local, and Site conditions that may affect cost, progress, and performance of the Work.

C. The Contractor is familiar with and is satisfied as to all federal, state, and local Laws and Regulations that may affect cost, progress, and performance of the Work.

D. The Contractor has obtained and carefully studied (or assumes responsibility for doing so) all examinations, investigations, explorations, tests, studies, and data concerning conditions (surface, subsurface, and Underground Facilities) at or contiguous to the Site that may affect cost, progress, or performance of the Work or which relate to any aspect of the means, methods, techniques, sequences, and procedures of construction to be employed by the Contractor, including any specific means, methods, techniques, sequences, and procedures of construction expressly required by the Bidding Documents, and safety precautions and programs incident thereto.

E. The Contractor does not consider that any further examinations, investigations, explorations, tests, studies, or data are necessary for the performance of the Work at the Contract Price, within the Contract Times, and in accordance with the other terms and conditions of the Contract Documents.

F. The Contractor is aware of the general nature of work to be performed by NBU and others at the Site that relates to the Work as indicated in the Contract Documents.

G. The Contractor has correlated the information known to the Contractor, information and observations obtained from visits to the Site, reports and drawings identified in the Contract Documents, and all additional examinations, investigations, explorations, tests, studies, and data with the Contract Documents.

H. The Contractor has given the Engineer written notice of all conflicts, errors, ambiguities, or discrepancies that the Contractor has discovered in the Contract Documents, and the written resolution thereof by the Engineer is acceptable to the Contractor.

I. The Contract Documents are generally sufficient to indicate and convey understanding of all terms and conditions for performance and furnishing of the Work.

ARTICLE 8 - MISCELLANEOUS

8.01 *Terms*

A. Terms used in this Agreement will have the meanings stated in the Standard General Conditions of the Contract.

8.02 *Assignment of Contract*

A. No assignment by a party hereto of any rights under or interests in the Agreement will be binding on another party hereto without the written consent of the party sought to be bound; and, specifically, but without limitation, money that may become due and money that is due may not be assigned without such consent (except to the extent that the effect of this restriction may be limited by law), and unless specifically stated to the contrary in any written consent to an assignment, no assignment will release or discharge the assignor from any duty or responsibility under the Contract Documents. Should an assignment occur, the terms of this provision survive and control any further assignment by an assignee.

8.03 *Successors and Assigns*

A. NBU and the Contractor each binds itself, its partners, successors, assigns, and legal representatives to the other party hereto, its partners, successors, assigns, and legal representatives in respect to all covenants, agreements, and obligations contained in the Contract Documents.

8.04 *Severability*

A. Any provision or part of the Contract Documents held to be void or unenforceable under any Law or Regulation shall be deemed stricken, and all remaining provisions shall continue to be valid and binding upon NBU and the Contractor, who agree that the Contract Documents shall be reformed to replace such stricken provision or part thereof with a valid and enforceable provision that comes as close as possible to expressing the intention of the stricken provision.

8.05 *Governing Law*

A. The Contract shall be governed by the law of the State of Texas without regard to its conflict of law principles.

8.06 *Venue*

A. This Agreement is entered into and performed in Comal County, Texas, and the Contractor and NBU agree that exclusive and mandatory venue for any legal action related to this Agreement shall be in the District Courts of Comal County, Texas.

8.07 *Prohibition on Contracts with Companies Boycotting Israel*

A. The Contractor 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.

B. The foregoing verification is made solely to comply with Chapter 2271.002 of the Texas Government Code, as amended. 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 Contractor understands "affiliate" to mean an entity that controls, is controlled by, or is under common control with the Contractor and exists to make a profit.

8.08 *Contracts with Companies Engaged in Business with Iran, Sudan or Foreign Terrorist Organizations Prohibited*

A. The Contractor 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/publications/divestment.php.

B. The foregoing representation is made solely to comply with Section 2252.152, Texas Government Code, as amended, and excludes the Contractor 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 Contractor understands "affiliate" to

mean an entity that controls, is controlled by, or is under common control with the Contractor and exists to make a profit.

8.09 *Prohibition on Contracts with Companies in China, Iran, North Korea, or Russia*

A. If the Contractor is granted direct or remote access to or control of critical infrastructure in the State of Texas under this Agreement, the Contractor represents the following:

1. it is not owned by or the majority of stock or other ownership interest in the Contractor is not held or controlled by:

   a. 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

   b. 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

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

B. The foregoing representation is made solely to comply with Chapter 2275 of the Texas Government Code, as amended. 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.

8.10 *Prohibition on Contracts with Companies Boycotting Energy Companies*

A. The Contractor 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.

B. The foregoing verification is made solely to comply with Section 2276.002 of the Texas Government Code, as amended. 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 Contractor understands "affiliate" to mean an entity that controls, is controlled by, or is under common control with the Contractor and exists to make a profit.

8.11 *Prohibition on Contracts with Companies that Discriminate Against Firearm and Ammunition Industries*

A. The Contractor 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.

B. The foregoing verification is made solely to comply with Section 2274.002 of the Texas Government Code, as amended. 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 Contractor understands "affiliate" to mean an entity that controls, is controlled by, or is under common control with the Contractor and exists to make a profit.

8.12 *Texas Public Information Act*

A. The Contractor recognizes that this Project is publicly owned, and NBU is subject to the disclosure requirements of the Texas Public Information Act (the "PIA"). As part of its obligations within the Contract Documents, the Contractor agrees, at no additional cost to NBU, to cooperate with NBU for any particular needs or obligations arising out of NBU's obligations under the PIA. This acknowledgment and obligation are in addition to and complementary to NBU's audit rights.

B. 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.

C. The Contractor 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 Contractor on request of NBU; and
3. on completion of the Agreement, either:
   a. provide at no cost to NBU all contracting information related to the Agreement that is in the custody or possession of the Contractor; or
   b. preserve the contracting information related to the Agreement as provided by the records retention requirements applicable to NBU.

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

8.13 *Electronic Signatures*

A. 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.

ARTICLE 9 - INSURANCE

9.01 *Evidence of the Contractor's Insurance*

A. Before any Work at the Site may commence, Contractor shall deliver to NBU the certificates of insurance and policy endorsements pages for all insurance policies required to be provided by the Contractor in accordance with the Insurance Rider that is Exhibit A to this Agreement.

Exhibit A – Insurance Rider

Exhibit B – Contractor's Bid Form

IN WITNESS WHEREOF, NBU and the Contractor have signed this Agreement in duplicate. One counterpart each has been delivered to NBU and the Contractor. All portions of the Contract Documents have been signed or identified by NBU and the Contractor or on their behalf.

This Agreement will be effective on _____, _____ (which is the Effective Date of the Agreement).

NEW BRAUNFELS UTILITIES, a Texas municipally owned utility:

By:_____

Printed Name:___Ryan Kelso_____

Title:_Chief Executive Officer_____

[CORPORATE SEAL]

Attest:_____

Title:_____

Address for giving notices:

_____

_____

_____

(If NBU is a corporation, attached evidence of authority to sign. If NBU is a public body, attach evidence of authority to sign and resolution or other documents authorizing execution of NBU-Contractor Agreement.)

GUERRA UNDERGROUND LLC, a Texas limited liability company:

By:_____

Printed Name:_____

Title:_____

[CORPORATE SEAL]

Attest:_____

Title:_____

Address for giving notices:

_____

_____

_____

License No.:_____
(Where Applicable)

Agent for service or process:

_____
(If the Contractor is a corporation or a partnership, attach evidence or authority to sign.)

END OF DOCUMENT

Exhibit A to Contract Agreeme
Owner's Insurance Requirements of Contractor

1. Specific Insurance Requirements

The following insurance shall be maintained in effect with limits not less than those set forth below at all times during the term of this Agreement and thereafter as required:

Insurance	Coverage/Limits	Other Requirements
Commercial General Liability (Occurrence Basis)	Amounts of coverage shall be no less than: ▪ $1,000,000 Per Occurrence ▪ $2,000,000 General Aggregate ▪ $2,000,000 Products/Completed Operations Aggregate ▪ $1,000,000 Personal And Advertising Injury ▪ Designated Construction Project(s) General Aggregate Limit	▪ Current ISO edition of CG 00 01 ▪ Additional insured status shall be provided in favor of Owner Parties on a combination of ISO forms CG 20 10 10 01 and CG 20 37 10101 or an equivalent. ▪ This coverage shall be endorsed to provide primary and non-contributing liability coverage. It is the intent of the parties to this Agreement that all insurance coverage required herein shall be primary to and will not seek contribution from any other insurance held by Owner Parties, with Owner Parties' insurance being excess, secondary and non-contributing. ▪ Stop Gap coverage shall be provided if any work is to be performed in a monopolistic workers' compensation state. ▪ The following exclusions/limitations (or their equivalent(s), are prohibited: o Contractual Liability Limitation CG 21 39 o Amendment of Insured Contract Definition CG 24 26 o Exclusion-Damage to Work Performed by Subcontractors On Your Behalf, CG 22 94 or CG 22 95 o Any Classification limitation o Any Construction Defect Completed Operations exclusion o Any endorsement modifying the Employer's Liability exclusion or deleting exception to it o Any endorsement modifying or deleting Explosion, Collapse or Underground coverage o Any Habitational or Residential exclusion applicable to the Work o Any "Insured vs. Insured" exclusion except Named Insured vs. Named Insured o Any Punitive, Exemplary or Multiplied Damages exclusion o Any Subsidence exclusion

Business Auto Liability	Amount of coverage shall be no less than: ▪ $1,000,000 Combined Single Limit	▪ Current ISO edition of CA 00 01 ▪ Arising out of any auto (Symbol 1), including owned, hired and non-owned
Workers' Compensation and Employer's Liability	Amounts of coverage shall be no less than: ▪ Statutory Limits ▪ $1,000,000 Each Accident and Disease ▪ Alternate Employer endorsement	▪ The State in which work is to be performed must listed under Item 3.A. on the Information Page ▪ Such insurance shall cover liability arising out of the Contractor's employment of workers and anyone for whom the Contractor may be liable for workers' compensation claims. Workers' compensation insurance is required, and no "alternative" forms of insurance shall be permitted. ▪ Where a Professional Employer Organization (PEO) or "leased employees" are utilized, Contractor shall require its leasing company to provide Workers' Compensation insurance for said workers and such policy shall be endorsed to provide an Alternate Employer endorsement in favor of Contractor and Owner. Where Contractor uses leased employees with Workers' Compensation insurance provided by a PEO or employee leasing company, Contractor is strictly prohibited from subletting any of its work without the express written agreement of Owner.
Excess Liability (Occurrence Basis)	Amounts of coverage shall be no less than: ▪ $5,000,000 Each Occurrence	▪ Coverage shall "follow form" over underlying policies listed herein.
Professional Liability	Amounts of coverage shall be no less than: ▪ $1,000,000 Each Claim ▪ $2,000,000 Annual Aggregate ▪ If a combined Contractor's Pollution Liability and Professional Liability policy is utilized, the limits shall be $3,000,000 Each Claim. ▪ Such insurance shall cover all services rendered by the Contractor and its consultants under the Agreement, including but not limited to design or design/build services. ▪ Policies written on a Claims-Made basis shall be maintained for at least two years beyond termination of the Agreement.	▪ Such insurance shall cover all services rendered by the Contractor and its subcontractors under the Agreement. ▪ This insurance is not permitted to include any type of exclusion or limitation of coverage applicable to claims arising from: o bodily injury or property damage where coverage is provided on behalf of design professionals or design/build contractors o habitational or residential operations o mold and/or microbial matter and/or fungus and/or biological substance ▪ Any retroactive date must be effective prior to beginning of services for the Owner. ▪ Policies written on a Claims-Made basis shall have an extended reporting period of at least two years beyond termination of the Agreement. Contractor shall trigger the extended reporting period if identical

		coverage is not otherwise maintained with the expiring retroactive date.
~~Contractors Pollution Liability~~	~~Amounts of coverage shall be no less than:~~ ~~▪ $1,000,000 Each Claim~~ ~~▪ If a combined Contractor's Pollution Liability and Professional Liability policy is utilized, the limits shall be $3,000,000 Each Claim.~~ ~~▪ The policy must provide coverage for:~~ ~~o the full scope of the named insured's operations (on-going and completed) as described within the scope of work for this Agreement~~ ~~o loss arising from pollutants including but not limited to fungus, bacteria, biological substances, mold, microbial matter, asbestos, lead, silica and contaminated drywall~~ ~~o third party liability for bodily injury, property damage, clean up expenses, and defense arising from the operations;~~ ~~o diminution of value and Natural Resources damages~~ ~~o contractual liability~~ ~~o claims arising from non-owned disposal sites utilized in the performance of this Agreement.~~	~~▪ The policy must insure contractual liability, name Owner Parties as an Additional Insured, and be primary and noncontributory to all coverage available to the Additional Insured.~~ ~~▪ This insurance is not permitted to include any type of exclusion or limitation of coverage applicable to claims arising from:~~ ~~o Insured vs. insured actions. However exclusion for claims made between insured within the same economic family are acceptable.~~ ~~o impaired property that has not been physically injured~~ ~~o materials supplied or handled by the named insured. However, exclusions for the sale and manufacture of products are allowed. Exclusionary language pertaining to materials supplied by the insured shall be reviewed by the certificate holder for approval.~~ ~~o property damage to the work performed by the contractor~~ ~~o faulty workmanship as it relates to clean up costs~~ ~~o work performed by subcontractors~~ ~~▪ If coverage is provided on a Claims Made basis, coverage will at least be retroactive to the earlier of the date of this Agreement or the commencement of contractor services relation to the Work.~~ ~~▪ The policy will offer an extended discovery or extended reporting clause of at least three (3) years.~~ ~~▪ Completed Operations coverage shall be maintained through the purchase of renewal policies to protect the insured and additional insured for at least two (2) years after the property owner accepts the project or this contract is terminated. The purchase of an extended discovery period or an extended reporting period on a Claims Made policy or the purchase of occurrence-based Contractors Environmental Insurance will not be sufficient to meet the terms of this provision.~~
Builders Risk	▪ Coverage shall be provided in an amount equal at all times to the full contract value, including change orders, and cost of debris removal for any single occurrence.	▪ Insureds shall include Owner Parties, General Contractor, all Loss Payees and Mortgagees, and subcontractors of all tiers in the Work as Insureds.

	▪ Coverage shall be at least as broad as an unmodified ISO Special form, shall be provided on a completed-value basis, and shall be primary to any other insurance coverage available to the named insured parties, with that other insurance being excess, secondary and non-contributing. ▪ The policy must provide coverage for: o Agreed Value — Included o Damage arising from error, omission or deficiency in construction methods, design, specifications, workmanship or materials, including collapse — $1,000,000 o Debris removal additional limit — $5,000,000 o Earthquake and Earthquake Sprinkler Leakage — $5,000,000 o Flood — Included o Freezing — Included o Mechanical breakdown including hot & cold testing — $1,000,000 o Ordinance or law — $ 25,000 o Pollutant clean-up and removal — Included o Preservation of property — Included o Theft — $10,000 • Deductible shall not exceed — 2% subject to $50,000 minimum o All Risks of Direct Damage, Per Occurrence, except — $100,000 o Named Storm — $100,000 o Earthquake and Earthquake Sprinkler Leakage, Per Occurrence o Flood, Per Occurrence or excess of NFIP if in Flood Zone A or V	▪ Such insurance shall cover: o all structure(s) under construction, including retaining walls, paved surfaces and roadways, bridges, glass, foundation(s), footings, underground pipes and wiring, excavations, grading, backfilling or filling; o all temporary structures (e.g., fencing, scaffolding, cribbing, false work, forms, site lighting, temporary utilities and buildings) located at the site; o all property including materials and supplies on site for installation; o all property including materials and supplies at other locations but intended for use at the site; o all property including materials and supplies in transit to the site for installation by all means of transportation other than ocean transit; and o other Work at the site identified in the Agreement to which this Exhibit is attached. • No protective safeguard warranty shall be permitted. • The termination of coverage provision shall be endorsed to permit occupancy of the covered property being constructed. This insurance shall be maintained in effect, unless otherwise provided for the Agreement Documents, until the earliest of: o the date on which all persons and organizations who are insureds under the policy agree that it shall be terminated; o occupancy, in whole or in part; o the date on which release of substantial completion is executed; or o the date on which the insurable interests of Contractor in the Covered Property has ceased. • A waiver of subrogation provision shall be provided in favor of all insureds listed above.

2. General Insurance Requirements

A. Definitions. For purposes of this Agreement:

i. "ISO" means Insurance Services Office.
ii. "Contractor" shall include the Builder and its subcontractors of any tier.
iii. "Owner Parties" means (a) New Braunfels Utilities (collectively referred to as "Owner"), (b) the Project, (c) any lender whose loan is secured by a lien against the Work, (d) their respective shareholders, members, partners, joint venturers, affiliates, subsidiaries, successors and assigns, (e) any directors, officers, employees, or agents of such persons or entities, and (f) others as required by the Contract Documents.

B. Policies.

i. Contractor shall maintain such Excess Liability, Professional and Pollution insurance in identical coverage, form and amount, including required endorsements, for at least two (2) years following Date of Substantial Completion of the Work to be performed under this Agreement. Contractor shall maintain such General Liability insurance in identical coverage, form and amount, including required endorsements, for at least ten (10) years following Date of Substantial Completion of the Work to be performed under this Agreement. Contractor shall provide written representation to Owner stating Work completion date.
ii. All policies must:
   a. Be written through insurance companies authorized to do business in the State in which the work is to be performed and rated no less than A-: VII in the most current edition of A. M. Best's Key Rating Guide at all times Work is to be performed.
   b. Provide a waiver of subrogation in favor of Owner Parties on all insurance coverage carried by Contractor, whether required herein or not.
   c. Contain an endorsement providing for thirty (30) days prior written notice of cancellation to Owner.
   d. Be provided to the Owner Parties in compliance with the requirements herein and shall contain no endorsements that restrict, limit, or exclude coverage required herein in any manner without the prior express written approval of the Owner.
iii. Failure of any Owner Party to demand such certificate or other evidence of full compliance with these insurance requirements or failure of any Owner Party to identify a deficiency from evidence that is provided shall not be construed as a waiver of the Contractor's obligation to maintain such insurance.
iv. The Owner shall have the right to prohibit the Contractor or any subcontractor from performing any Work until such certificate of insurance, evidence of insurance and/or required endorsements are received and approved by the Owner.

C. Limits, Deductibles and Retentions

i. No deductible or self-insured retention shall exceed $25,000 without prior written approval of the Owner, except as otherwise specified herein. All deductibles and/or retentions shall be paid by, assumed by, for the account of, and at the Contractor's sole risk.

D. **Evidence of Insurance**.

The Contractor shall furnish evidence of insurance to NBU that confirms all required insurance policies are in full force and effect. Evidence of insurance shall be in a form acceptable to NBU.
Insurance must be evidenced as follows:

i. ACORD Form 25 Certificate of Liability Insurance for liability coverages.
ii. ACORD Form 28 Evidence of Commercial Property Insurance for property coverages.
iii. Evidence shall be provided to Owner prior to commencing Work and prior to the expiration of any required coverage.
iv. ACORD Forms specify:
   a. Owner as certificate holder at Owner's mailing address;

b. Insured's name, which must match that on this Agreement;
c. Insurance companies producing each coverage and the policy number and policy date of each coverage;
d. Producer of the certificate with correct address and phone number and have the signature of the authorized representative of the producer;
e. Additional Insured status in favor of Owner Parties;
f. Amount of any deductible or self-insured retention in excess of $25,000;
g. Designated Construction Project(s) General Aggregate Limit;
h. Primary and non-contributory status;
i. Waivers of subrogation; and
j. All exclusions and limitations added by endorsement to the General Liability coverage. This can be achieved by attachment of the Schedule of Forms and Endorsements page.

v. Copies of the following shall also be provided:
a. General Liability Additional insured endorsement(s);
b. General Liability Schedule of Forms and Endorsements page(s); and
c. 30 Day Notice of Cancellation endorsement applicable to all required policies.

E. Contractor Insurance Representations to Owner Parties

i. It is expressly understood and agreed that the insurance coverages required herein (a) represent Owner Parties' minimum requirements and are not to be construed to void or limit the Contractor's indemnity obligations as contained in this Agreement; and (b) are being, or have been, obtained by the Contractor in support of the Contractor's liability and indemnity obligations under this Agreement.
ii. Failure to obtain and maintain the required insurance shall constitute a material breach of, and default under, this Agreement. In the event of any failure by the Contractor to comply with the provisions of this Agreement, the Owner may, without in any way compromising or waiving any right or remedy at law or in equity, on notice to the Contractor, purchase such insurance and offset all costs and expenses from the Contract Sum. Owner's exercise of this right shall not relieve or excuse Contractor from the obligation to obtain and maintain such insurance amounts and coverages.
iii. This Exhibit is an independent contract provision and shall survive the termination or expiration of the Contract Agreement.

F. Insurance Requirements of Contractor's Subcontractors

i. Insurance similar to that required of the Contractor shall be provided by all subcontractors (or provided by the Contractor on behalf of subcontractors) to cover operations performed under any subcontract agreement. The Contractor shall be held responsible for any modification in these insurance requirements as they apply to subcontractors. The Contractor shall maintain certificates of insurance from all subcontractors containing provisions similar to those listed herein (modified to recognize that the certificate is from subcontractor) enumerating, among other things, the waivers of subrogation, additional insured status, and primary liability as required herein, and make them available to the Owner upon request.
ii. The Contractor is fully responsible for loss and damage to its property on the site, including tools and equipment, and shall take necessary precautions to prevent damage to or vandalism, theft, burglary, pilferage and unexplained disappearance of property. Any insurance covering the Contractor's or its subcontractor's property shall be the Contractor's and its subcontractor's sole and complete means or recovery for any such loss. To the extent any loss is not covered by said insurance or subject to any deductible or co-insurance, the Contractor shall not be reimbursed for same. Should the Contractor or its subcontractors choose to self-insure this risk, it is expressly agreed that the Contractor hereby waives, and shall cause its subcontractors to waive, any claim for damage or loss to said property in favor of the Owner Parties.

G. Use of the Owners Equipment

The Contractor, its agents, employees, subcontractors or suppliers shall use the Owners equipment only with express written permission of the Owners designated representative and in accordance with the Owners terms and condition for such use.

H. Release and Waiver

The Contractor hereby releases, and shall cause its subcontractors to release, the Owner Parties from any and all claims or causes of action whatsoever which the Contractor and/or its subcontractors might otherwise now or hereafter possess resulting in or from or in any way connected with any loss covered by insurance, whether required herein or not, or which should have been covered by insurance required herein, including the deductible and/or uninsured portion thereof, maintained and/or required to be maintained by the Contractor and/or its subcontractors pursuant to this Agreement. **THE FOREGOING RELEASE AND WAIVER APPLY EVEN IF THE LOSS OR DAMAGE IS CAUSED IN WHOLE OR IN PART BY THE FAULT OR NEGLIGENCE OR STRICT LIABILITY OF THE OWNER PARTIES.**

Exhibit B to Contract Agreement
Bidding Requirements, Contract Forms & Conditions of the Contract
Addendum #3 BID FORM

New Braunfels Utilities
355 FM 306
New Braunfels, TX 78130

PROJECT: North Kuehler Interceptor Segment 3 Phase I

1. The undersigned BIDDER proposes and agrees, if this Bid is accepted, to enter into an agreement with New Braunfels Utilities ("NBU") in the form included in the Contract Documents to perform and furnish all Work as specified or indicated in the Contract Documents for the Contract Price and within the Contract Time indicated in this Bid and in accordance with the other terms and conditions of the Contract Documents.
2. BIDDER accepts all the terms and conditions of the Request for Proposal, including without limitation those dealing with the disposition of Bid security. This Bid will remain subject to RFP: evaluation and ranking for forty-five (45) days after the day of Bid opening. BIDDER will sign and submit the Agreement with the Bonds and other Documents required by the Bidding Requirements within ten (10) days after the date of NBU's Notice of Award.
3. In submitting this bid, BIDDER represents, as more fully set forth in the Agreement, that:
   a) BIDDER has examined copies of all the Bidding Documents and of all addenda.
   b) BIDDER has familiarized itself with the nature and extent of the Contract Documents, Work, Site, locality and all local conditions and Laws and Regulations that in any manner may affect cost, progress, performance, or furnishing of the work.
   c) BIDDER has obtained and carefully studied (or assumes responsibility for obtaining and carefully studying) all such examinations, investigations, explorations, tests and studies that pertain to the subsurface of physical conditions at the site or otherwise may affect the cost, progress, performance or furnishing of Work as BIDDER considers necessary for the performance or finishing of the Work at the Contract Price, within the Contract Time and in accordance with the other terms and conditions of the Contract Documents, including specifically the provisions of Section 4.02 of the Standard General Conditions of the Contract; and no additional examinations, investigations, explorations, tests, reports, or similar information or data are or will be required by BIDDER for such purposes.
   d) BIDDER has reviewed and checked all information and data shown or indicated on the Contract Documents with respect to existing Underground Facilities at or contiguous to the site and assumed responsibility for the accurate location of said Underground Facilities. No additional examinations, investigations, explorations, tests, reports or similar information or data in respect of said Underground Facilities are or will be required by the BIDDER in order to perform and furnish the Work at the Contract Price, within the Contract Time and in accordance with the other terms and conditions of the Contract Documents, including specifically the provisions of Section 4.04 of the Standard General Conditions of the Contract.
   e) BIDDER has correlated the results of all such observations, examinations, investigations, explorations, tests, reports, and studies with the terms and conditions of the Contract Documents.
   f) BIDDER has given OWNER written notice of all conflicts, errors or discrepancies that it has discovered in the Contract Documents and the written resolution thereof by OWNER is acceptable by BIDDER.
   g) The Bid is genuine and not made in the interest of or on behalf of any undisclosed person, firm, or corporation and is not submitted in conformity with any agreement or rules of any group, association, organization or corporation; BIDDER has not directly or indirectly induced or solicited any other BIDDER to submit a false or sham Bid; BIDDER has no solicited or induced any person, firm or corporation to refrain from bidding; and BIDDER has not sought by collusion to obtain for itself any advantage over any other BIDDER or over NBU.

4. BIDDER will complete the Work for the following prices:

Sewer Improvements

Item No.	Description	Unit	Estimated Quantity	Unit Price	Total
100 (TxDOT)	PREPARING RIGHT OF WAY (INCLUDES TREE REMOVAL)	STA	33	$ 2,530.00	$ 83,490.00
104 (TxDOT)	REMOVING CONC. (DRIVEWAY)	SY	128	$ 35.27	$ 4,514.56
121 (NBU)	TRENCH EXCAVATION SAFETY PROTECTION(MAINS & SERVICES)	LF	2,714	$ 6.58	$ 17,858.12
164 (TxDOT)	CELLULOSE FIBER MULCH SEEDING (PERM)	SY	47,035	$ 1.17	$ 55,030.95
303(NBU)	NEW MANHOLE CONSTRUCTION(5' DIA)(POLYMER CONCRETE)(ALL DEPTHS)	EA	14	$ 47,287.79	$ 662,029.06
303(NBU)	NEW MANHOLE CONSTRUCTION(5' DIA)(POLYMER CONCRETE)(VENTED WITH ODOR CANISTER - UNPAVED)(ALL DEPTHS)	EA	1	$ 53,609.95	$ 53,609.95
303(NBU)	NEW MANHOLE CONSTRUCTION(6' DIA)(POLYMER CONCRETE)(ALL DEPTHS)	EA	1	$ 56,656.82	$ 56,656.82
303(NBU)	NEW MANHOLE CONSTRUCTION(6' DIA)(POLYMER CONCRETE)(VENTED WITH ODOR CANISTER - UNPAVED)(ALL DEPTHS)	EA	1	$ 70,552.87	$ 70,552.87
304(NBU)	NEW MANHOLE CONSTRUCTION(4' DIA)(CONCRETE)	EA	4	$ 12,030.91	$ 48,123.64
304(NBU)	NEW MANHOLE CONSTRUCTION(4' DIA)(CONCRETE)(VENTED WITH ODOR CANISTER - UNPAVED)	EA	1	$ 27,216.92	$ 27,216.92
304(NBU)	EXTRA DEPTH MANHOLE (4' DIA)(>8 FT)	VF	18	$ 1,880.76	$ 33,853.68
304(NBU)	ABANDONMENT OF EXISTING MANHOLES	EA	6	$ 1,924.29	$ 11,545.74
304(NBU)	MANHOLE MODIFICATION (TIE-INS/ADJUSTMENTS TO EXISTING MANHOLE) (COMPLETE)(EACH TIE-IN CONNECTION)	EA	2	$ 5,896.48	$ 11,792.96
315 (NBU)	PIPE, 15" DIA. SEWER (CLAY/PVC) (ALL DEPTHS)(SEWER MAIN PRE CCTV INSPECTION)	LF	777	$ 3.73	$ 2,898.21

315 (NBU)	PIPE, 21" DIA. SEWER (CLAY) (ALL DEPTHS)(SEWER MAIN PRE CCTV INSPECTION)	LF	2,163	$ 3.73	$ 8,067.99
315 (NBU)	PIPE, 27" DIA. SEWER (FRP) (ALL DEPTHS)(SEWER MAIN PRE CCTV INSPECTION)	LF	24	$ 3.73	$ 89.52
315 (NBU)	PIPE, 8" DIA. SEWER (PVC) (ALL DEPTHS)(SEWER MAIN POST CCTV INSPECTION)	LF	44	$ 2.85	$ 125.40
315 (NBU)	PIPE, 15" DIA. SEWER (PVC) (ALL DEPTHS)(SEWER MAIN POST CCTV INSPECTION)	LF	751	$ 2.85	$ 2,140.35
315 (NBU)	PIPE, 16" DIA. SEWER (PVC) (ALL DEPTHS)(SEWER MAIN POST CCTV INSPECTION)	LF	27	$ 2.85	$ 76.95
315 (NBU)	PIPE, 27" DIA. SEWER (FRP) (ALL DEPTHS)(SEWER MAIN POST CCTV INSPECTION)	LF	2,440	$ 2.85	$ 6,954.00
320 (NBU)	27" FRP GRAVITY SEWER LINE - (ASTM D-3262)(SN 72)(ALL DEPTHS)	LF	2,030	$ 226.67	$ 460,140.10
320 (NBU)	27" FRP GRAVITY SEWER LINE - (ASTM D-3262)(SN 72)(ALL DEPTHS)(CARRIER PIPE IN CASING)(INCLUDES SPACERS & END SEALS)(COMPLETE)	LF	410	$ 235.30	$ 96,473.00
330 (NBU)	TEMPORARY BYPASS PUMPING	LS	1	$ 253,000.00	$ 253,000.00
341 (TXDOT)	D-GR HMA, TY-D, PG70-22 (2")(CAMP LANDA STREETS)	TON	637	$ 254.35	$ 162,020.95
354 (TXDOT)	PLANE ASPHALT CONC. PAVEMENT (2")(CAMP LANDA STREETS)	SY	5,785	$ 2.15	$ 12,437.75
500 (TxDOT)	MOBILIZATION	LS	1	$ 253,000.00	$ 253,000.00
501 (NBU)	JACK AND BORE(UPRR)(INCLUDES 36 IN STEEL CASING)(0.5625 IN MIN.)(UPRR)	LF	180	$ 1,057.54	$ 190,357.20
501 (NBU)	JACK AND BORE(INCLUDES 48 IN STEEL CASING)(0.500 IN MIN.)	LF	410	$ 1,552.75	$ 636,627.50
502 (TXDOT)	BARRICADES, SIGNS, AND TRAFFIC HANDLING	MO	10	$ 885.50	$ 8,855.00
503 (TXDOT)	PORTABLE CHANGEABLE MESSAGE SIGN	EA	2	$ 2,403.50	$ 4,807.00
505 (NBU)	CONCRETE ENCASEMENT FOR 8" DIA. PVC	CY	2	$ 218.45	$ 436.90
505 (NBU)	CONCRETE ENCASEMENT FOR 27" DIA. FRP	CY	207	$ 217.05	$ 44,929.35
506 (TXDOT)	TYPE I FILTER DAM (INSTALL)	LF	50	$ 40.48	$ 2,024.00

506 (TXDOT)	TYPE I FILTER DAM (REMOVE)	LF	50	$ 17.71	$ 885.50
506 (TXDOT)	TEMP SEDMT CONTROL FENCE (INSTALL)	LF	2,810	$ 3.54	$ 9,947.40
506 (TXDOT)	TEMP SEDMT CONTROL FENCE (REMOVE)	LF	2,810	$ 1.90	$ 5,339.00
506 (TXDOT)	CONSTRUCTION EXIT (INSTALL)	SY	448	$ 27.20	$ 12,185.60
506 (TXDOT)	CONSTRUCTION EXIT (REMOVE)	SY	448	$ 18.98	$ 8,503.04
510 (NBU)	6" SEWER SERVICE (SDR-26 PVC)(RECONNECT)(COMPLETE)	EA	4	$ 3,509.60	$ 14,038.40
510 (NBU)	PIPE, 8" DIA. SEWER - (PVC) (SDR-26) (ALL DEPTHS)	LF	44	$ 120.58	$ 5,305.52
510 (NBU)	PIPE, 15" DIA. SEWER - (PVC) (SDR-26) (ALL DEPTHS)	LF	571	$ 165.79	$ 94,666.09
510 (NBU)	PIPE, 15" DIA. SEWER - (PVC) (SDR-26)(ALL DEPTHS)(CARRIER PIPE IN CASING)(INCLUDES SPACERS & END SEALS)(COMPLETE)	LF	180	$ 141.96	$ 25,552.80
510 (NBU)	PIPE, 16" DIA. SEWER - (PVC) (C-900)(DR 25)(165 PSI)(GREEN) (ALL DEPTHS)(COMPLETE)	LF	27	$ 207.20	$ 5,594.40
510 (NBU)	ABANDON AND GROUT FILL, 15" DIA WASTEWATER MAIN (750 LF)	CY	34	$ 526.35	$ 17,895.90
510 (NBU)	ABANDON AND GROUT FILL, 21" DIA WASTEWATER MAIN (2,163 LF)	CY	193	$ 461.49	$ 89,067.57
510 (NBU)	ABANDON AND GROUT FILL, 27" DIA WASTEWATER MAIN (24 LF)	CY	4	$ 526.35	$ 2,105.40
512 (TXDOT)	PORT CTB (FUR & INST)(LOW PROF)(TY 1)	LF	60	$ 179.63	$ 10,777.80
512 (TXDOT)	PORT CTB (REMOVE)(LOW PROF)(TY 1)	LF	60	$ 25.30	$ 1,518.00
530 (TXDOT)	CONCRETE DRIVEWAYS (PER CITY OF NEW BRAUNFELS)	SY	128	$ 122.44	$ 15,672.32
552 (TXDOT)	BARBED WIRE FENCE (REMOVE)	LF	216	$ 102.53	$ 22,146.48
552 (TXDOT)	BARBED WIRE FENCE (INSTALL)	LF	200	$ 18.11	$ 3,622.00
552 (TXDOT)	16' GATE (TYPE 2)	EA	1	$ 2,013.88	$ 2,013.88
1001-SS	WORK IN UPRR RIGHT OF WAY (UPRR FLAGGERS, RAIL MONITORING, UTILITY LOCATES, ETC.)	LS	1	$ 189,750.00	$ 189,750.00

CONTINGENCY ITEMS BELOW (ONLY AS AUTHORIZED BY OWNER)					
341 (TXDOT	D-GR HMA, TY-D, PG70-22 (2")(CAMP LANDA STREETS)	TON	637	$ 254.35	$ 162,020.95
354 (TXDOT)	PLANE ASPHALT CONC. PAVEMENT (2")(CAMP LANDA STREETS)	SY	5,785	$ 2.15	$ 12,437.75

TOTAL BID - SEWER IMPROVEMENTS: $ 3,992,782.24

5. BIDDER agrees that the Work will be substantially complete and ready for final payment in accordance with Section 14.07 of the Standard General Conditions of the Contract within the Calendar days indicated in the Agreement. BIDDER accepts the provisions of the Agreement as to liquidated damages and special damages in the event of failure to complete the Work on time.
6. The following documents are attached to and made a condition of this Bid:
   a) Required Bid security of five percent (5%) of the Bidder's maximum base bid price and in the form of approved Bid Bond.
   b) List of BIDDER's primary Subcontractors and Suppliers for the Work. Any changes in the Subcontractor and Supplier list shall require additional approval by OWNER prior to contract execution.
7. Communication concerning this Bid shall be addressed to:
   New Braunfels Utilities
   Purchasing Manager
   355 FM 306
   New Braunfels, TX 78130
   Phone: 830-608-8867
   Email: Purchasing@NBUTexas.com
8. The terms used in this Bid that are defined in the Standard General Conditions of the Contract included as part of the Contract Documents have the meanings assigned to them in the Standard General Conditions of the Contract.
9 The undersigned acknowledges receipt of the following addenda:

Addendum No. 1 dated 07/06/26 Received KRA
Addendum No. 2 dated 07/15/26 Received KRA
Addendum No. 3 dated 07/20/26 Received KRA
Addendum No. 4 dated 07/24/26 Received KRA

Exhibit B to Contract Agreement
Bidding Requirements, Contract Forms & Conditions of the Contract
Addendum #3 BID FORM

Secretary, *if bidder is a corporation

(Seal)

Copy of Corporate Resolution and minutes with certificate of officer of bidder as to authority of signatory to bind bidder is to be signed and dated no earlier than one week before bid date, and attached to this document

Guerra Underground, LLC
Company Name of Bidder

Authorized Signature

07/30/2026
Date

Kody Molina
Printed Name of Authorized Signature

9810 FM 969

Austin, Texas 78724
Address

512-454-4450
Telephone Number/Fax Number

END OF DOCUMENT

NEW BRAUNFELS UTILITIES

Meeting Date:	October 29, 2026	**Agenda Type:**	Consent Items for Action
From:	Adam Willard, P.E. Chief Engineer of Water Systems	**Reviewed by:**	Michael Short, P.E. Director of Engineering
Submitted by:	Mark Steelman Chief Operations Officer	**Approved by:**	Ryan Kelso Chief Executive Officer

RECOMMENDED ACTION: Authorize the CEO or His Designee to Negotiate and Execute a Construction Contract with Guerra Underground, LLC for the Construction of the Rio to Kuehler River Crossing Project in the Amount of $665,948.19 Plus a $100,000 Contingency for a Total Amount Not to Exceed $765,948.19

BACKGROUND

On July 2, 2026, New Braunfels Utilities ("NBU") issued a request for proposals for the Rio to Kuehler River Crossing Project, which includes (i) construction of approximately 150 linear feet ("LF") of 6-inch and 12-inch water main by open-cut, (ii) construction of approximately 520 LF of 12-inch water main by horizontal directional drilling under the Guadalupe River, (iii) abandonment of the existing water main, (iv) connections to the NBU water system, (v) storm water pollution prevention, (vi) restoration, and all other appurtenances necessary to complete the Project (the "Project"). The Project will bring this water line into better alignment with NBU's current standards, add reliability and redundancy to the system, and reduce operations and maintenance costs.

On August 6, NBU received two (2) proposals for the Project during the public bidding process. The Project team evaluated the bids and recommends the selection of Guerra Underground, LLC ("Guerra") for the Project. Guerra was selected as the respondent who provides the best value to NBU based on the selection criteria, the weighted value for those criteria, and the ranking evaluation, including their cost of work, proposed schedule, past performance on similar projects, overall qualifications, available resources, corporate history, and references. Guerra's proposal includes a base bid of $665,948.19, which was the lowest base bid out of the two (2) respondents.

NBU staff requests that the Board of Trustees approve the Construction Contract Agreement (the "Contract") with [Professional's Abbreviated Name] for the Project.

This item is being presented to the Board because the total amount of this contract exceeds $250,000.00.

FINANCIAL IMPACT

The total financial impact of the Contract with Guerra for the Project is $665,948.19. The Project is budgeted within the Fiscal Year 2027 NBU Board approved Capital Improvements Projects Budget. Anticipating the need for Project change orders, a contract contingency in the amount of $100,000.00, which is approximately 15% of the total contract amount, will be added to the Project construction budget. The total Contract amount plus contingency is $765,948.19.

LINK TO STRATEGIC PLAN

Infrastructure and Technology

Safety and Security

Stewardship

EXHIBITS

1. Construction Contract with Guerra
2. Bid Tabulation – (CSP 26-0070)

Bid Tabulation (CSP 26-0070)		
1	Guerra Underground, LLC	$665,948.19
2	Spiess Construction	$1,048,652.00

3. Bid Evaluation Matrix – Competitive Sealed Proposal (26-0070)

Bid Evaluation Matrix			
Item	Criteria	Guerra Underground	Spiess Construction
1.	Cost of the Work (50%)	50	31.8
2.	Proposed Schedule / Contract Time (20%)	12	14
3.	Past Performance on Similar Projects (10%)	5	8
4.	Overall Qualifications, Reputation, Past Relationship with NBU and Public Owners (10%)	6	8
5.	Available Resources to Complete the Project (5%)	2	4
6.	Corporate History and Stability (5%)	2	3
	Total Score	77	68.8

THIS AGREEMENT (the "Agreement" or the "Contract") is between **NEW BRAUNFELS UTILITIES**, a Texas municipally owned utility ("NBU"), and **GUERRA UNDERGROUND, LLC**, a Texas limited liability company (the "Contractor").

NBU and the Contractor, in consideration of the mutual covenants set forth herein, agree as follows:

ARTICLE 1 - WORK

1.01 The Contractor shall complete all Work as specified or indicated in the Contract Documents as listed below:

Contract Agreement and the related Exhibits;
Standard General Conditions of the Contract;
Special Conditions;
Technical Specifications;
Payment Bond;
Performance Bond;
Design Drawings issued by BGE, Inc. dated August 11, 2026; and
Technical Specifications issued by BGE, Inc. dated August 11, 2026

1.02 The Work is generally described as follows:

The Project includes but is not limited to the following items within its scope: (i) construction of approximately 150 linear feet ("LF") of 6-inch and 12-inch water main by open-cut; (ii) construction of approximately 520 LF of 12-inch water main by horizontal directional drilling under the Guadalupe River; (iii) abandonment of the existing water main; (iv) connections to the NBU water system; (v) storm water pollution prevention; (vi) restoration; and (vii) all other appurtenances necessary to complete the Project.

ARTICLE 2 - THE PROJECT

2.01 The Project for which the Work under the Contract Documents may be the whole or only a part is generally described as follows**:**

Rio to Kuehler River Crossing

ARTICLE 3 - ENGINEER

3.01 The Project has been designed by:

Brittany Lynn Fairburn, P.E.
BGE, Inc.
1701 Directors Blvd.,
Suite 1000
Austin, Texas 78744
(512) 879-0400

(the "Engineer"), who is to act as NBU's representative, assume all duties and responsibilities, and have the rights and authority assigned to the Engineer in the Contract Documents in connection with the completion of the Work in accordance with the Contract Documents.

ARTICLE 4 - CONTRACT TIMES

4.01 *Time of the Essence*

A. Time limits stated in the Contract Documents are of the essence of the Contract. In all aspects of the Work, including any time limits for Milestones, Substantial Completion, and Final Completion, time is of the essence of the Contract. Additionally, time limits stated in the Project Schedule are of the essence. By executing this Agreement, the Contractor confirms that the Contract Time is a reasonable period for performing the Work.

4.02 *Days to Achieve Substantial Completion and Final Payment*

A. The Work shall be substantially complete within **two hundred ten (210) calendar days from the Notice to Proceed date** and ready for final payment in accordance with Section 14.07 of the General Conditions within 30 calendar days after the substantially complete date.

4.03 *Liquidated Damages*

A. The Contractor and NBU recognize that time is of the essence of this Agreement and that NBU will suffer financial loss if the Work is not completed within the times specified in Paragraph 4.02 above, plus any extensions thereof allowed in accordance with Article 12 of the General Conditions. The parties also recognize the delays, expense, and difficulties involved in proving in a legal or arbitration proceeding the actual loss suffered by NBU if the Work is not completed on time. Accordingly, instead of requiring any such proof, NBU and the Contractor agree that as liquidated damages for delay (but not as a penalty), the Contractor shall pay to NBU **One Thousand Five Hundred Thirty-Seven Dollars ($1,537.00)** per calendar day for each day that expires after the time specified in Paragraph 4.02 for Substantial Completion until the Work is substantially complete. After Substantial Completion, if the Contractor shall neglect, refuse, or fail to complete the remaining Work within the Contract Time or any proper extension thereof granted by NBU, the Contractor shall pay to NBU **One Thousand Five Hundred Thirty-Seven Dollars ($1,537.00)** per calendar day for each day that expires after the time specified in Paragraph 4.02 for completion and readiness for final payment until the Work is completed and ready for final payment.

4.04 *Special Damages*

A. In addition to the amount provided for in liquidated damages, the Contractor shall reimburse NBU (1) for any fines or penalties imposed on NBU as a direct result of the Contractor's failure to attain Substantial Completion according to the Contract Times, and (2) for the actual costs reasonably incurred by NBU for engineering, construction observation, inspection, and administrative services needed after the time specified in Section 4.02 for Substantial Completion (as duly adjusted pursuant to the Contract), until the Work is substantially complete.

B. After Contractor achieves Substantial Completion, if the Contractor shall neglect, refuse, or fail to complete the remaining Work within the Contract Times, the Contractor shall reimburse NBU for the actual costs reasonably incurred by NBU for engineering, construction observation, inspection, and administrative services needed after the time specified in Section 4.02 for Work to be completed and ready for final payment (as duly adjusted pursuant to the Contract), until the Work is completed and ready for final payment.

ARTICLE 5 - CONTRACT PRICE

5.01 NBU shall pay the Contractor for completion of the Work in accordance with the Contract Documents the amounts that follow, subject to adjustment under the Contract:

A. For all Work, at the prices stated in the Contractor's Bid Form, attached hereto as Exhibit B.

ARTICLE 6 - PAYMENT PROCEDURES

6.01 *Submittal and Processing of Payments*

A. The Contractor shall submit Applications for Payment in accordance with Article 14 of the General Conditions. Applications for Payment will be processed by the Engineer as provided in the General Conditions.

6.02 *Progress Payments; Retainage*

A. NBU shall make progress payments on account of the Contract Price on the basis of the Contractor's Applications for Payment within 30 days of NBU's acceptance of the payment application:

1. Prior to Substantial Completion, NBU shall make progress payments in an amount equal to the percentage indicated below but, in each case, less the aggregate of payments previously made and less such amounts as the Engineer may determine or NBU may withhold, including but not limited to liquidated damages, in accordance with Section 14.02 of the General Conditions:

    a. 95% (percent) of Work completed; and

    b. 95% (percent) of cost of materials and equipment not incorporated in the Work.

6.03 *Final Payment*

A. Upon final completion and acceptance of the Work in accordance with Section 14.07 of the General Conditions, NBU shall pay the remainder of the Contract Price, including any retainage held, as recommended by the Engineer as provided in said Section 14.07 of the General Conditions.

ARTICLE 7 – CONTRACTOR'S REPRESENTATIONS

7.01 To induce NBU to enter into this Agreement, the Contractor makes the following representations:

A. The Contractor has examined and carefully studied the Contract Documents and the other related data identified in the Bidding Documents.

B. The Contractor has visited the Site and become familiar with and is satisfied as to the general, local, and Site conditions that may affect cost, progress, and performance of the Work.

C. The Contractor is familiar with and is satisfied as to all federal, state, and local Laws and Regulations that may affect cost, progress, and performance of the Work.

D. The Contractor has obtained and carefully studied (or assumes responsibility for doing so) all examinations, investigations, explorations, tests, studies, and data concerning conditions (surface, subsurface, and Underground Facilities) at or contiguous to the Site that may affect cost, progress, or performance of the Work or which relate to any aspect of the means, methods, techniques, sequences, and procedures of construction to be employed by the Contractor, including any specific means, methods, techniques, sequences, and procedures of construction expressly required by the Bidding Documents, and safety precautions and programs incident thereto.

E. The Contractor does not consider that any further examinations, investigations, explorations, tests, studies, or data are necessary for the performance of the Work at the Contract Price, within the Contract Times, and in accordance with the other terms and conditions of the Contract Documents.

F. The Contractor is aware of the general nature of work to be performed by NBU and others at the Site that relates to the Work as indicated in the Contract Documents.

G. The Contractor has correlated the information known to the Contractor, information and observations obtained from visits to the Site, reports and drawings identified in the Contract Documents, and all

additional examinations, investigations, explorations, tests, studies, and data with the Contract Documents.

H. The Contractor has given the Engineer written notice of all conflicts, errors, ambiguities, or discrepancies that the Contractor has discovered in the Contract Documents, and the written resolution thereof by the Engineer is acceptable to the Contractor.

I. The Contract Documents are generally sufficient to indicate and convey understanding of all terms and conditions for performance and furnishing of the Work.

ARTICLE 8 - MISCELLANEOUS

8.01 *Terms*

A. Terms used in this Agreement will have the meanings stated in the Standard General Conditions of the Contract.

8.02 *Assignment of Contract*

A. No assignment by a party hereto of any rights under or interests in the Agreement will be binding on another party hereto without the written consent of the party sought to be bound; and, specifically, but without limitation, money that may become due and money that is due may not be assigned without such consent (except to the extent that the effect of this restriction may be limited by law), and unless specifically stated to the contrary in any written consent to an assignment, no assignment will release or discharge the assignor from any duty or responsibility under the Contract Documents. Should an assignment occur, the terms of this provision survive and control any further assignment by an assignee.

8.03 *Successors and Assigns*

A. NBU and the Contractor each binds itself, its partners, successors, assigns, and legal representatives to the other party hereto, its partners, successors, assigns, and legal representatives in respect to all covenants, agreements, and obligations contained in the Contract Documents.

8.04 *Severability*

A. Any provision or part of the Contract Documents held to be void or unenforceable under any Law or Regulation shall be deemed stricken, and all remaining provisions shall continue to be valid and binding upon NBU and the Contractor, who agree that the Contract Documents shall be reformed to replace such stricken provision or part thereof with a valid and enforceable provision that comes as close as possible to expressing the intention of the stricken provision.

8.05 *Governing Law*

A. The Contract shall be governed by the law of the State of Texas without regard to its conflict of law principles.

8.06 *Venue*

A. This Agreement is entered into and performed in Comal County, Texas, and the Contractor and NBU agree that exclusive and mandatory venue for any legal action related to this Agreement shall be in the District Courts of Comal County, Texas.

8.07 *Prohibition on Contracts with Companies Boycotting Israel*

A. The Contractor 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.

B. The foregoing verification is made solely to comply with Chapter 2271.002 of the Texas Government Code, as amended. 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 Contractor understands "affiliate" to mean an entity that controls, is controlled by, or is under common control with the Contractor and exists to make a profit.

8.08 *Contracts with Companies Engaged in Business with Iran, Sudan or Foreign Terrorist Organizations Prohibited*

A. The Contractor 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/publications/divestment.php.

B. The foregoing representation is made solely to comply with Section 2252.152, Texas Government Code, as amended, and excludes the Contractor 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 Contractor understands "affiliate" to mean an entity that controls, is controlled by, or is under common control with the Contractor and exists to make a profit.

8.09 *Prohibition on Contracts with Companies in China, Iran, North Korea, or Russia*

A. If the Contractor is granted direct or remote access to or control of critical infrastructure in the State of Texas under this Agreement, the Contractor represents the following:

1. it is not owned by or the majority of stock or other ownership interest in the Contractor is not held or controlled by:

    a. 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

    b. 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

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

B. The foregoing representation is made solely to comply with Chapter 2275 of the Texas Government Code, as amended. 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.

8.10 *Prohibition on Contracts with Companies Boycotting Energy Companies*

A. The Contractor 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.

B. The foregoing verification is made solely to comply with Section 2276.002 of the Texas Government Code, as amended. 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 Contractor understands "affiliate" to mean an entity that controls, is controlled by, or is under common control with the Contractor and exists to make a profit.

8.11 *Prohibition on Contracts with Companies that Discriminate Against Firearm and Ammunition Industries*

A. The Contractor 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.

B. The foregoing verification is made solely to comply with Section 2274.002 of the Texas Government Code, as amended. 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 Contractor understands "affiliate" to mean an entity that controls, is controlled by, or is under common control with the Contractor and exists to make a profit.

8.12 *Texas Public Information Act*

A. The Contractor recognizes that this Project is publicly owned, and NBU is subject to the disclosure requirements of the Texas Public Information Act (the "PIA"). As part of its obligations within the Contract Documents, the Contractor agrees, at no additional cost to NBU, to cooperate with NBU for any particular needs or obligations arising out of NBU's obligations under the PIA. This acknowledgment and obligation are in addition to and complementary to NBU's audit rights.

B. 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.

C. The Contractor 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 Contractor on request of NBU; and
3. on completion of the Agreement, either:
    a. provide at no cost to NBU all contracting information related to the Agreement that is in the custody or possession of the Contractor; or
    b. preserve the contracting information related to the Agreement as provided by the records retention requirements applicable to NBU.

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

8.13 *Electronic Signatures*

A. 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.

ARTICLE 9 - INSURANCE

9.01 *Evidence of the Contractor's Insurance*

A. Before any Work at the Site may commence, Contractor shall deliver to NBU the certificates of insurance and policy endorsements pages for all insurance policies required to be provided by the Contractor in accordance with the Insurance Rider that is Exhibit A to this Agreement.

Exhibit A – Insurance Rider

Exhibit B – Contractor's Bid Form

IN WITNESS WHEREOF, NBU and the Contractor have signed this Agreement in duplicate. One counterpart each has been delivered to NBU and the Contractor. All portions of the Contract Documents have been signed or identified by NBU and the Contractor or on their behalf.

This Agreement will be effective on _____, _____ (which is the Effective Date of the Agreement).

NEW BRAUNFELS UTILITIES, a Texas municipally owned utility:

_____

By:_____

Printed Name:_____Ryan Kelso_____

Title:_____Chief Executive Officer_____

[CORPORATE SEAL]

Attest:_____

Title:_____

Address for giving notices:

_____

_____

_____

(If NBU is a corporation, attached evidence of authority to sign. If NBU is a public body, attach evidence of authority to sign and resolution or other documents authorizing execution of NBU-Contractor Agreement.)

GUERRA UNDERGROUND LLC, a Texas limited liability company:

_____

By:_____

Printed Name:_____

Title:_____

[CORPORATE SEAL]

Attest:_____

Title:_____

Address for giving notices:

_____

_____

_____

License No.:_____
(Where Applicable)

Agent for service or process:

_____
(If the Contractor is a corporation or a partnership, attach evidence or authority to sign.)

END OF DOCUMENT

Exhibit A to Contract Agreeme
Owner's Insurance Requirements of Contractor

1. Specific Insurance Requirements

The following insurance shall be maintained in effect with limits not less than those set forth below at all times during the term of this Agreement and thereafter as required:

Insurance	Coverage/Limits	Other Requirements
Commercial General Liability (Occurrence Basis)	Amounts of coverage shall be no less than: ▪ $1,000,000 Per Occurrence ▪ $2,000,000 General Aggregate ▪ $2,000,000 Products/Completed Operations Aggregate ▪ $1,000,000 Personal And Advertising Injury ▪ Designated Construction Project(s) General Aggregate Limit	▪ Current ISO edition of CG 00 01 ▪ Additional insured status shall be provided in favor of Owner Parties on a combination of ISO forms CG 20 10 10 01 and CG 20 37 10101 or an equivalent. ▪ This coverage shall be endorsed to provide primary and non-contributing liability coverage. It is the intent of the parties to this Agreement that all insurance coverage required herein shall be primary to and will not seek contribution from any other insurance held by Owner Parties, with Owner Parties' insurance being excess, secondary and non-contributing. ▪ Stop Gap coverage shall be provided if any work is to be performed in a monopolistic workers' compensation state. ▪ The following exclusions/limitations (or their equivalent(s), are prohibited: o Contractual Liability Limitation CG 21 39 o Amendment of Insured Contract Definition CG 24 26 o Exclusion-Damage to Work Performed by Subcontractors On Your Behalf, CG 22 94 or CG 22 95 o Any Classification limitation o Any Construction Defect Completed Operations exclusion o Any endorsement modifying the Employer's Liability exclusion or deleting exception to it o Any endorsement modifying or deleting Explosion, Collapse or Underground coverage o Any Habitational or Residential exclusion applicable to the Work o Any "Insured vs. Insured" exclusion except Named Insured vs. Named Insured o Any Punitive, Exemplary or Multiplied Damages exclusion o Any Subsidence exclusion

Business Auto Liability	Amount of coverage shall be no less than: ▪ $1,000,000 Combined Single Limit	▪ Current ISO edition of CA 00 01 ▪ Arising out of any auto (Symbol 1), including owned, hired and non-owned
Workers' Compensation and Employer's Liability	Amounts of coverage shall be no less than: ▪ Statutory Limits ▪ $1,000,000 Each Accident and Disease ▪ Alternate Employer endorsement	▪ The State in which work is to be performed must listed under Item 3.A. on the Information Page ▪ Such insurance shall cover liability arising out of the Contractor's employment of workers and anyone for whom the Contractor may be liable for workers' compensation claims. Workers' compensation insurance is required, and no "alternative" forms of insurance shall be permitted. ▪ Where a Professional Employer Organization (PEO) or "leased employees" are utilized, Contractor shall require its leasing company to provide Workers' Compensation insurance for said workers and such policy shall be endorsed to provide an Alternate Employer endorsement in favor of Contractor and Owner. Where Contractor uses leased employees with Workers' Compensation insurance provided by a PEO or employee leasing company, Contractor is strictly prohibited from subletting any of its work without the express written agreement of Owner.
Excess Liability (Occurrence Basis)	Amounts of coverage shall be no less than: ▪ $5,000,000 Each Occurrence	▪ Coverage shall "follow form" over underlying policies listed herein.
Professional Liability	Amounts of coverage shall be no less than: ▪ $1,000,000 Each Claim ▪ $2,000,000 Annual Aggregate ▪ If a combined Contractor's Pollution Liability and Professional Liability policy is utilized, the limits shall be $3,000,000 Each Claim. ▪ Such insurance shall cover all services rendered by the Contractor and its consultants under the Agreement, including but not limited to design or design/build services. ▪ Policies written on a Claims-Made basis shall be maintained for at least two years beyond termination of the Agreement.	▪ Such insurance shall cover all services rendered by the Contractor and its subcontractors under the Agreement. ▪ This insurance is not permitted to include any type of exclusion or limitation of coverage applicable to claims arising from: o bodily injury or property damage where coverage is provided on behalf of design professionals or design/build contractors o habitational or residential operations o mold and/or microbial matter and/or fungus and/or biological substance ▪ Any retroactive date must be effective prior to beginning of services for the Owner. ▪ Policies written on a Claims-Made basis shall have an extended reporting period of at least two years beyond termination of the Agreement. Contractor shall trigger the extended reporting period if identical

		coverage is not otherwise maintained with the expiring retroactive date.
~~Contractors Pollution Liability~~	~~Amounts of coverage shall be no less than:~~ ~~▪ $1,000,000 Each Claim~~ ~~▪ If a combined Contractor's Pollution Liability and Professional Liability policy is utilized, the limits shall be $3,000,000 Each Claim.~~ ~~▪ The policy must provide coverage for:~~ ~~o the full scope of the named insured's operations (on-going and completed) as described within the scope of work for this Agreement~~ ~~o loss arising from pollutants including but not limited to fungus, bacteria, biological substances, mold, microbial matter, asbestos, lead, silica and contaminated drywall~~ ~~o third party liability for bodily injury, property damage, clean up expenses, and defense arising from the operations;~~ ~~o diminution of value and Natural Resources damages~~ ~~o contractual liability~~ ~~o claims arising from non-owned disposal sites utilized in the performance of this Agreement.~~	~~▪ The policy must insure contractual liability, name Owner Parties as an Additional Insured, and be primary and noncontributory to all coverage available to the Additional Insured.~~ ~~▪ This insurance is not permitted to include any type of exclusion or limitation of coverage applicable to claims arising from:~~ ~~o Insured vs. insured actions. However exclusion for claims made between insured within the same economic family are acceptable.~~ ~~o impaired property that has not been physically injured~~ ~~o materials supplied or handled by the named insured. However, exclusions for the sale and manufacture of products are allowed. Exclusionary language pertaining to materials supplied by the insured shall be reviewed by the certificate holder for approval.~~ ~~o property damage to the work performed by the contractor~~ ~~o faulty workmanship as it relates to clean up costs~~ ~~o work performed by subcontractors~~ ~~▪ If coverage is provided on a Claims Made basis, coverage will at least be retroactive to the earlier of the date of this Agreement or the commencement of contractor services relation to the Work.~~ ~~▪ The policy will offer an extended discovery or extended reporting clause of at least three (3) years.~~ ~~▪ Completed Operations coverage shall be maintained through the purchase of renewal policies to protect the insured and additional insured for at least two (2) years after the property owner accepts the project or this contract is terminated. The purchase of an extended discovery period or an extended reporting period on a Claims Made policy or the purchase of occurrence-based Contractors Environmental Insurance will not be sufficient to meet the terms of this provision.~~
~~Builders Risk~~	~~▪ Coverage shall be provided in an amount equal at all times to the full contract value, including change orders, and cost of debris removal for any single occurrence.~~	~~▪ Insureds shall include Owner Parties, General Contractor, all Loss Payees and Mortgagees, and subcontractors of all tiers in the Work as Insureds.~~

	• Coverage shall be at least as broad as an unmodified ISO Special form, shall be provided on a completed-value basis, and shall be primary to any other insurance coverage available to the named insured parties, with that other insurance being excess, secondary and non-contributing. • The policy must provide coverage for: o Agreed Value — Included o Damage arising from error, omission or deficiency in construction methods, design, specifications, workmanship or materials, including collapse — $1,000,000 o Debris removal additional limit — $5,000,000 o Earthquake and Earthquake Sprinkler Leakage — $5,000,000 o Flood — Included o Freezing — Included o Mechanical breakdown including hot & cold testing — $1,000,000 o Ordinance or law — $ 25,000 o Pollutant clean-up and removal — Included o Preservation of property — Included o Theft — $10,000 • Deductible shall not exceed — 2% subject to $50,000 minimum o All Risks of Direct Damage, Per Occurrence, except — $100,000 o Named Storm — $100,000 o Earthquake and Earthquake Sprinkler Leakage, Per Occurrence o Flood, Per Occurrence or excess of NFIP if in Flood Zone A or V	• Such insurance shall cover: o all structure(s) under construction, including retaining walls, paved surfaces and roadways, bridges, glass, foundation(s), footings, underground pipes and wiring, excavations, grading, backfilling or filling; o all temporary structures (e.g., fencing, scaffolding, cribbing, false work, forms, site lighting, temporary utilities and buildings) located at the site; o all property including materials and supplies on site for installation; o all property including materials and supplies at other locations but intended for use at the site; o all property including materials and supplies in transit to the site for installation by all means of transportation other than ocean transit; and o other Work at the site identified in the Agreement to which this Exhibit is attached. • No protective safeguard warranty shall be permitted. • The termination of coverage provision shall be endorsed to permit occupancy of the covered property being constructed. This insurance shall be maintained in effect, unless otherwise provided for the Agreement Documents, until the earliest of: o the date on which all persons and organizations who are insureds under the policy agree that it shall be terminated; o occupancy, in whole or in part; o the date on which release of substantial completion is executed; or o the date on which the insurable interests of Contractor in the Covered Property has ceased. • A waiver of subrogation provision shall be provided in favor of all insureds listed above.

2. General Insurance Requirements

A. Definitions. For purposes of this Agreement:

i. "ISO" means Insurance Services Office.
ii. "Contractor" shall include the Builder and its subcontractors of any tier.
iii. "Owner Parties" means (a) New Braunfels Utilities (collectively referred to as "Owner"), (b) the Project, (c) any lender whose loan is secured by a lien against the Work, (d) their respective shareholders, members, partners, joint venturers, affiliates, subsidiaries, successors and assigns, (e) any directors, officers, employees, or agents of such persons or entities, and (f) others as required by the Contract Documents.

B. Policies.

i. Contractor shall maintain such Excess Liability, Professional and Pollution insurance in identical coverage, form and amount, including required endorsements, for at least two (2) years following Date of Substantial Completion of the Work to be performed under this Agreement. Contractor shall maintain such General Liability insurance in identical coverage, form and amount, including required endorsements, for at least ten (10) years following Date of Substantial Completion of the Work to be performed under this Agreement. Contractor shall provide written representation to Owner stating Work completion date.
ii. All policies must:
    a. Be written through insurance companies authorized to do business in the State in which the work is to be performed and rated no less than A-: VII in the most current edition of A. M. Best's Key Rating Guide at all times Work is to be performed.
    b. Provide a waiver of subrogation in favor of Owner Parties on all insurance coverage carried by Contractor, whether required herein or not.
    c. Contain an endorsement providing for thirty (30) days prior written notice of cancellation to Owner.
    d. Be provided to the Owner Parties in compliance with the requirements herein and shall contain no endorsements that restrict, limit, or exclude coverage required herein in any manner without the prior express written approval of the Owner.
iii. Failure of any Owner Party to demand such certificate or other evidence of full compliance with these insurance requirements or failure of any Owner Party to identify a deficiency from evidence that is provided shall not be construed as a waiver of the Contractor's obligation to maintain such insurance.
iv. The Owner shall have the right to prohibit the Contractor or any subcontractor from performing any Work until such certificate of insurance, evidence of insurance and/or required endorsements are received and approved by the Owner.

C. Limits, Deductibles and Retentions

i. No deductible or self-insured retention shall exceed $25,000 without prior written approval of the Owner, except as otherwise specified herein. All deductibles and/or retentions shall be paid by, assumed by, for the account of, and at the Contractor's sole risk.

D. **Evidence of Insurance**.

The Contractor shall furnish evidence of insurance to NBU that confirms all required insurance policies are in full force and effect. Evidence of insurance shall be in a form acceptable to NBU.
Insurance must be evidenced as follows:

i. ACORD Form 25 Certificate of Liability Insurance for liability coverages.
ii. ACORD Form 28 Evidence of Commercial Property Insurance for property coverages.
iii. Evidence shall be provided to Owner prior to commencing Work and prior to the expiration of any required coverage.
iv. ACORD Forms specify:
    a. Owner as certificate holder at Owner's mailing address;

b. Insured's name, which must match that on this Agreement;
c. Insurance companies producing each coverage and the policy number and policy date of each coverage;
d. Producer of the certificate with correct address and phone number and have the signature of the authorized representative of the producer;
e. Additional Insured status in favor of Owner Parties;
f. Amount of any deductible or self-insured retention in excess of $25,000;
g. Designated Construction Project(s) General Aggregate Limit;
h. Primary and non-contributory status;
i. Waivers of subrogation; and
j. All exclusions and limitations added by endorsement to the General Liability coverage. This can be achieved by attachment of the Schedule of Forms and Endorsements page.

v. Copies of the following shall also be provided:
a. General Liability Additional insured endorsement(s);
b. General Liability Schedule of Forms and Endorsements page(s); and
c. 30 Day Notice of Cancellation endorsement applicable to all required policies.

E. Contractor Insurance Representations to Owner Parties

i. It is expressly understood and agreed that the insurance coverages required herein (a) represent Owner Parties' minimum requirements and are not to be construed to void or limit the Contractor's indemnity obligations as contained in this Agreement; and (b) are being, or have been, obtained by the Contractor in support of the Contractor's liability and indemnity obligations under this Agreement.
ii. Failure to obtain and maintain the required insurance shall constitute a material breach of, and default under, this Agreement. In the event of any failure by the Contractor to comply with the provisions of this Agreement, the Owner may, without in any way compromising or waiving any right or remedy at law or in equity, on notice to the Contractor, purchase such insurance and offset all costs and expenses from the Contract Sum. Owner's exercise of this right shall not relieve or excuse Contractor from the obligation to obtain and maintain such insurance amounts and coverages.
iii. This Exhibit is an independent contract provision and shall survive the termination or expiration of the Contract Agreement.

F. Insurance Requirements of Contractor's Subcontractors

i. Insurance similar to that required of the Contractor shall be provided by all subcontractors (or provided by the Contractor on behalf of subcontractors) to cover operations performed under any subcontract agreement. The Contractor shall be held responsible for any modification in these insurance requirements as they apply to subcontractors. The Contractor shall maintain certificates of insurance from all subcontractors containing provisions similar to those listed herein (modified to recognize that the certificate is from subcontractor) enumerating, among other things, the waivers of subrogation, additional insured status, and primary liability as required herein, and make them available to the Owner upon request.
ii. The Contractor is fully responsible for loss and damage to its property on the site, including tools and equipment, and shall take necessary precautions to prevent damage to or vandalism, theft, burglary, pilferage and unexplained disappearance of property. Any insurance covering the Contractor's or its subcontractor's property shall be the Contractor's and its subcontractor's sole and complete means or recovery for any such loss. To the extent any loss is not covered by said insurance or subject to any deductible or co-insurance, the Contractor shall not be reimbursed for same. Should the Contractor or its subcontractors choose to self-insure this risk, it is expressly agreed that the Contractor hereby waives, and shall cause its subcontractors to waive, any claim for damage or loss to said property in favor of the Owner Parties.

G. Use of the Owners Equipment

The Contractor, its agents, employees, subcontractors or suppliers shall use the Owners equipment only with express written permission of the Owners designated representative and in accordance with the Owners terms and condition for such use.

H. Release and Waiver

The Contractor hereby releases, and shall cause its subcontractors to release, the Owner Parties from any and all claims or causes of action whatsoever which the Contractor and/or its subcontractors might otherwise now or hereafter possess resulting in or from or in any way connected with any loss covered by insurance, whether required herein or not, or which should have been covered by insurance required herein, including the deductible and/or uninsured portion thereof, maintained and/or required to be maintained by the Contractor and/or its subcontractors pursuant to this Agreement. **THE FOREGOING RELEASE AND WAIVER APPLY EVEN IF THE LOSS OR DAMAGE IS CAUSED IN WHOLE OR IN PART BY THE FAULT OR NEGLIGENCE OR STRICT LIABILITY OF THE OWNER PARTIES.**

Exhibit B to Contract Agreement
Bidding Requirements, Contract Forms & Conditions of the Contract
BID FORM

New Braunfels Utilities
355 FM 306
New Braunfels, TX 78130

PROJECT: Rio to Kuehler River Crossing

1. The undersigned BIDDER proposes and agrees, if this Bid is accepted, to enter into an agreement with New Braunfels Utilities ("NBU") in the form included in the Contract Documents to perform and furnish all Work as specified or indicated in the Contract Documents for the Contract Price and within the Contract Time indicated in this Bid and in accordance with the other terms and conditions of the Contract Documents.
2. BIDDER accepts all the terms and conditions of the Request for Proposal, including without limitation those dealing with the disposition of Bid security. This Bid will remain subject to RFP: evaluation and ranking for forty-five (45) days after the day of Bid opening. BIDDER will sign and submit the Agreement with the Bonds and other Documents required by the Bidding Requirements within ten (10) days after the date of NBU's Notice of Award.
3. In submitting this bid, BIDDER represents, as more fully set forth in the Agreement, that:
   a) BIDDER has examined copies of all the Bidding Documents and of all addenda.
   b) BIDDER has familiarized itself with the nature and extent of the Contract Documents, Work, Site, locality and all local conditions and Laws and Regulations that in any manner may affect cost, progress, performance, or furnishing of the work.
   c) BIDDER has obtained and carefully studied (or assumes responsibility for obtaining and carefully studying) all such examinations, investigations, explorations, tests and studies that pertain to the subsurface of physical conditions at the site or otherwise may affect the cost, progress, performance or furnishing of Work as BIDDER considers necessary for the performance or finishing of the Work at the Contract Price, within the Contract Time and in accordance with the other terms and conditions of the Contract Documents, including specifically the provisions of Section 4.02 of the Standard General Conditions of the Contract; and no additional examinations, investigations, explorations, tests, reports, or similar information or data are or will be required by BIDDER for such purposes.
   d) BIDDER has reviewed and checked all information and data shown or indicated on the Contract Documents with respect to existing Underground Facilities at or contiguous to the site and assumed responsibility for the accurate location of said Underground Facilities. No additional examinations, investigations, explorations, tests, reports or similar information or data in respect of said Underground Facilities are or will be required by the BIDDER in order to perform and furnish the Work at the Contract Price, within the Contract Time and in accordance with the other terms and conditions of the Contract Documents, including specifically the provisions of Section 4.04 of the Standard General Conditions of the Contract.
   e) BIDDER has correlated the results of all such observations, examinations, investigations, explorations, tests, reports, and studies with the terms and conditions of the Contract Documents.
   f) BIDDER has given OWNER written notice of all conflicts, errors or discrepancies that it has discovered in the Contract Documents and the written resolution thereof by OWNER is acceptable by BIDDER.
   g) The Bid is genuine and not made in the interest of or on behalf of any undisclosed person, firm, or corporation and is not submitted in conformity with any agreement or rules of any group, association, organization or corporation; BIDDER has not directly or indirectly induced or solicited any other BIDDER to submit a false or sham Bid; BIDDER has no solicited or induced any person, firm or corporation to refrain from bidding; and BIDDER has not sought by collusion to obtain for itself any advantage over any other BIDDER or over NBU.

4. BIDDER will complete the Work for the following prices:

Water Items

ITEM NO.	DESCRIPTION	UNIT	QUANTITY	UNIT COST, $	TOTAL, $
1	TRENCH SAFETY SYSTEMS (ALL DEPTHS)	LF	219	$ 27.98	$ 6,127.62
2	HDD 12 IN. HDPE PIPE, DR 11 CLASS 160	LF	520	$ 661.00	$ 343,720.00
3	SPLIT ENCASEMENT PIPE 16 IN. DIA., ASTM A134 STEEL, 3/8-INCH THICKNESS	LF	18	$ 807.87	$ 14,541.66
4	FACTORY RESTRAINED JOINT PIPE, 6 IN. DIA DI CLASS 350 (ALL DEPTHS), INCLUDING EXCAVATION AND BACKFILL	LF	40	$ 184.36	$ 7,374.40
5	FACTORY RESTRAINED JOINT PIPE, 12 IN. DIA DI CLASS 350 (ALL DEPTHS), INCLUDING EXCAVATION AND BACKFILL	LF	103	$ 297.34	$ 30,626.02
6	WET CONNECTIONS, 6 IN. DIAMETER X 6 IN. DIAMETER	EA	2	$ 6,216.00	$ 12,432.00
7	PRESSURE TAPS, 24 IN. DIAMETER X 12 IN. DIAMETER	EA	1	$ 12,113.90	$ 12,113.90
8	ABANDON BY CUT AND PLUG, 6 IN. DIA WATER MAIN	EA	4	$ 355.21	$ 1,420.84
9	DUCTILE IRON FITTINGS 4 INCH THROUGH 24 INCH	TON	1	$ 10,482.23	$ 10,482.23

10	VALVES, RESILIENT WEDGE GATE VALVE, 12 IN. DIAMETER	EA	4	$ 7,587.68	$ 30,350.72
11	FIRE HYDRANT ASSEMBLY	EA	1	$ 12,233.50	$ 12,233.50
12	AUTOMATIC COMBINATION AIR/VACUUM RELEASE VALVE ASSEMBLY, 2 IN. DIAMETER	EA	2	$ 6,187.80	$ 12,375.60

Erosion Control Items

ITEM No.	DESCRIPTION	UNIT	QUANTITY	UNIT COST, $	TOTAL, $
13	TREE PROTECTION (INSTALL)	EA	7	$ 3,300.00	$ 23,100.00
14	TREE PROTECTION (REMOVE)	EA	7	$ 504.47	$ 3,531.29
15	TEMP SEDMT CONT FENCE (INSTALL)	LF	926	$ 3.83	$ 3,546.58
16	STORM INLET SEDIMENT TRAP	EA	2	$ 429.00	$ 858.00
17	TEMP SEDMT CONT FENCE (REMOVE)	LF	926	$ 1.98	$ 1,833.48
18	STABILIZED CONSTRUCTION ENTRANCE	SY	251	$ 28.38	$ 7,123.38
19	TRIANGULAR SEDIMENT FILTER DIKE	LF	355	$ 13.46	$ 4,778.30

General Items

ITEM No.	DESCRIPTION	UNIT	QUANTITY	UNIT COST, $	TOTAL, $
20	PREPARING ROW	AC	2	$ 14,520.00	$ 29,040.00

21	REMOVE CONCRETE	SY	80	$ 28.45	$ 2,276.00
22	BROADCAST SEED (PERM_URBAN_CLAY)	SY	2,210	$ 1.35	$ 2,983.50
23	VEGETATIVE WATERING	TGL	325	$ 9.55	$ 3,103.75
24	SALV, HAUL & STKPL RECLM ASPH PAV	SY	120	$ 10.72	$ 1,286.40
25	PRIME COAT (MULTI OPTION)	GAL	15	$ 6.60	$ 99.00
26	D-GR HMA TY-D PG64-22	TON	15	$ 1,180.24	$ 17,703.60
27	FLOWABLE BACKFILL	CY	20	$ 209.88	$ 4,197.60
28	MOBILIZATION (not to exceed 5% of all other bid items)	LS	1	$ 31,680.00	$ 31,680.00
29	BARRICADES, SIGNS AND TRAFFIC HANDLING	MO	3	$ 2,046.00	$ 6,138.00
30	PORTABLE CHANGEABLE MESSAGE SIGN	DAY	90	$ 85.80	$ 7,722.00
31	DRIVEWAYS (CONC)	SY	48	$ 191.40	$ 9,187.20
32	DRIVEWAYS (GRAVEL)	SY	30	$ 95.05	$ 2,851.50
33	CHAIN LINK FENCE (INSTALL) (4')	LF	30	$ 64.68	$ 1,940.40
34	CHAIN LINK FENCE (REMOVE)	LF	30	$ 39.97	$ 1,199.10
35	GATE (INSTALL)(DBL)12'X4')	EA	1	$ 1,145.23	$ 1,145.23
36	GATE (REMOVE)	EA	1	$ 733.39	$ 733.39
37	ONE-WAY TRAF CONT (PORT TRAF SIG)	MO	1	$ 2,508.00	$ 2,508.00
38	LANE CLOSURE (SETUP & REM) (TYP 1)	EA	1	$ 1,584.00	$ 1,584.00

Exhibit B to Contract Agreement
Bidding Requirements, Contract Forms & Conditions of the Contract
BID FORM

WATER ITEMS:	$ 493,798.49
EROSION CONTROL ITEMS:	$ 44,771.03
GENERAL ITEMS:	$ 127,378.67
TOTAL BASE BID	$ 665,948.19

5. BIDDER agrees that the Work will be substantially complete and ready for final payment in accordance with Section 14.07 of the Standard General Conditions of the Contract within the Calendar days indicated in the Agreement. BIDDER accepts the provisions of the Agreement as to liquidated damages and special damages in the event of failure to complete the Work on time.
6. The following documents are attached to and made a condition of this Bid:
   a) Required Bid security of five percent (5%) of the Bidder's maximum base bid price and in the form of approved Bid Bond.
   b) List of BIDDER's primary Subcontractors and Suppliers for the Work. Any changes in the Subcontractor and Supplier list shall require additional approval by OWNER prior to contract execution.
7. Communication concerning this Bid shall be addressed to:
   New Braunfels Utilities
   Purchasing Manager
   355 FM 306
   New Braunfels, TX 78130
   Phone: 830-608-8867
   Email: Purchasing@NBUTexas.com
8. The terms used in this Bid that are defined in the Standard General Conditions of the Contract included as part of the Contract Documents have the meanings assigned to them in the Standard General Conditions of the Contract.
9 The undersigned acknowledges receipt of the following addenda:

Addendum No. 1 dated 07/13/2026 Received KPM
Addendum No. 2 dated 07/30/2026 Received KPM
Addendum No. 3 dated _____ Received _____

Exhibit B to Contract Agreement
Bidding Requirements, Contract Forms & Conditions of the Contract
BID FORM

Secretary, *if bidder is a corporation

(Seal)

Guerra Underground, LLC
Company Name of Bidder

Authorized Signature

08/06/2026
Date

Kody Molina
Printed Name of Authorized Signature

9810 FM 969

Austin, Texas 78724
Address

512-454-4450
Telephone Number/Fax Number

Copy of Corporate Resolution and minutes with certificate of officer of bidder as to authority of signatory to bind bidder is to be signed and dated no earlier than one week before bid date, and attached to this document

END OF DOCUMENT

NEW BRAUNFELS UTILITIES

Meeting Date:	October 29, 2026	**Agenda Type:**	Consent Items for Action
From:	Adam Willard, P.E. Chief Engineer of Water Systems	**Reviewed by:**	Michael Short, P.E. Director of Engineering
Submitted by:	Mark Steelman Chief Operations Officer	**Approved by:**	Ryan Kelso Chief Executive Officer

RECOMMENDED ACTION: Authorize the CEO or His Designee to Negotiate and Execute a Professional Services Agreement with Egis USA, Inc. for the Design of the Downtown High Elevations Pressure Zone Conversions Project for a Total Amount Not to Exceed $875,656

BACKGROUND

This Professional Services Agreement (the "Agreement") with Egis USA, Inc. ("Egis") provides project management, final design, field services, permitting and stakeholder coordination services, bid phase services, and construction phase services for the New Braunfels Utilities ("NBU") Downtown High Elevations Pressure Zone Conversions Project (the "Project"). The Project will move the higher elevations of the Downtown Pressure Zone into several other pressure zones so that the additional storage capacity can be counted as effective storage per TCEQ and provide adequate elevated storage to serve projected growth with the construction of a new transmission main. Due to the alignment considerations of the new transmission main, the aged wastewater main and water distribution line that are in the immediate vicinity of the transmission main work along Wood Road will be removed and replaced.

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

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

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 August 2028. NBU staff plans to begin construction in September 2028 and complete construction by September 2029.

FINANCIAL IMPACT

The total financial impact for the Agreement with Egis for the Project is $875,656.00, including supplemental services. The Project is budgeted within the Fiscal Year 2027 through Fiscal Year 2029 NBU Board approved Capital Improvements Projects Budget. Given that this Project is expected to extend into Fiscal Year 2030, the Capital Improvements Projects Budget will be updated to reflect this change in the next budget cycle.

LINK TO STRATEGIC PLAN

Infrastructure and Technology

EXHIBITS

1. Professional Services Agreement with Egis

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 **EGIS USA, INC.**, a Wisconsin corporation authorized to transact business in the State of Texas (the "Professional"). For good and valuable consideration, the receipt and sufficiency of which is acknowledged, the parties agree as set forth herein.

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 time limits for the Services stated in Exhibit A are of the essence of the Agreement. By executing this Agreement, the Professional confirms that the timeframe in Exhibit A is a reasonable period for performing the Services.

(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 Services shall be described 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 Services; Additional Work.

(A) Changes to the Services. The Professional shall make such revisions to any work related to the Services 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 related to the Services, 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 reduce the scope of 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 AGREEMENT; 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, and Board of Trustees as an Additional Insured 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, officers, employees, and Board of Trustees 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,

and Board of Trustees 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, and Board of Trustees 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
263 Main Plaza
New Braunfels, TX 78130

With copy to:

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

If to the Professional:

Egis USA, Inc.
Attn: Michael Persyn, PE
40 NE Loop 410, Suite 545
San Antonio, TX 78216

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. NBU reserves the right to condition or terminate the Professional's access to NBU's information technology infrastructure or data at any time. The Professional agrees that the requirements of this Section shall be incorporated into all subcontractor agreements entered into by the Professional. The parties further agree 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. 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/publications/divestment.php.

The foregoing representation is made solely to comply with Section 2252.152, Texas Government Code, as amended, 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. 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. 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. 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 the Effective Date.

NBU:
NEW BRAUNFELS UTILITIES,
a Texas municipally owned utility

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

PROFESSIONAL:
EGIS USA, INC.,
a Wisconsin corporation authorized to transact
business in the State of Texas

By: _____
Name: Michael Persyn
Title: _____
Date: _____

Exhibit A

Services

The Professional shall provide all labor, material, and equipment necessary to provide project management services, final design phase services, field services, permitting and stakeholder coordination services, bid phase services, and construction phase services (the "Services") for the Downtown High Elevation Pressure Zone Conversion Project (the "Project"). The Project consists of five (5) sites located at the intersection of Sundance Parkway and Common Street, at the intersection of Chartwell Avenue and Warwick Place, at the intersection of Dragon Trail and Chapel Bend, at Fischer Park, and at Wood Road from Moss Rock Drive to Laurel Lane, one (1) pressure reducing valve, and installation of two (2) new division valves at the intersection of Chartwell Entry and Chartwell Avenue and the intersection of Chapel Bend and Heaton Hall Drive in New Braunfels, Texas (the "Project Sites").

I. SUMMARY OF PROJECT SERVICES

A. Water Pipeline Design

1. The Project includes approximately twenty (20) linear feet ("LF") of new 8-inch water main installed by open-cut methods, including all appurtenances, at the intersection of Chartwell Avenue and Warwick Place, and installation of a new 8-inch valve at the intersection of Chartwell Entry and Chartwell Avenue.
2. The Project includes approximately thirty (30) LF of new 8-inch water main installed by open cut methods on Dragon Trail, starting at the intersection of Chapel Bend to the intersection of Jester Ridge, and installation of a new 8-inch valve at the intersection of Chapel Bend and Heaton Hall Drive.
3. The Project includes approximately 250 LF of new 12-inch water main installed by trenchless and open cut methods at the intersection of Sundance Parkway and Common Street.
4. The Project includes approximately 1,700 LF of new 8-inch water main installed by open-cut methods within Fischer Park and connecting to an existing main at Morningside Drive.

5. The Project includes approximately 2,500 LF of new 8-inch water main installed by open cut methods at Wood Road from Moss Rock Drive to Laurel Lane.
6. The Project includes installation of an 8-inch pressure reducing valve in a vault to be constructed on Moss Rock Drive or Laurel Lane.
7. The Project includes approximately 2,500 LF of new 24-inch water main installed by open cut methods at Wood Road from Moss Rock Drive to Laurel Lane.

B. Wastewater Pipeline Design

1. The Project includes approximately 2,500 LF of new 8-inch gravity wastewater pipeline installed by open-cut methods including manholes, at Wood Road from Moss Rock Drive to Laurel Lane.

II. SERVICES BY TASK

The Professional shall provide the following Services in accordance with the tasks described herein, corresponding to the schedule set out in Table 1 below.

Task 1. Project Management

1. The Professional shall provide the following project management services described in this Section.

1.1. SCHEDULE. The Professional shall develop a baseline design schedule for the Project using Microsoft ("MS") Project and prepare updated design schedules for the Project on a monthly basis, on or before the 25th day of each month, for NBU to monitor progress and identify design submittal dates. The Professional shall provide schedules to the NBU project manager ("Project Manager") via email in PDF format.

1.2. QUALITY CONTROL. The Professional shall develop a quality assurance/quality control 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 with monthly electronic Project progress reports and submit written invoices via email on or before the 25th day of each month for the previous month's effort.

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 meeting minutes and action item log to NBU's Project Manager within one (1) week after each meeting. Meeting agendas,

minutes, and action item logs will be provided to the NBU Project Manager in PDF format via email. The Professional shall provide updates on the action item logs with their monthly progress reports identified in Section 1.3.

1.5. PROJECT CONTROLS. The Professional shall manage Project integration, scope, schedule, cost, quality, staff resources, sub-consultants, communications, risk analysis and management, and procurements as NBU directs, including, but not limited to, the following:

1.5.1. assigning a senior advisor to oversee quality assurance;

1.5.2. developing an engineer's opinion of probable construction cost ("OPCC") using recent bid tabs from similar projects or vendor prices;

1.5.3. using MS Project to manage the schedule;

1.5.4. coordinating communication with sub-consultants through emails and meetings;

1.5.5. assisting with cash flow monitoring upon NBU's request; and

1.5.6. assisting with maintaining a risk register log provided by NBU.

Task 2. Final Design Phase

2. Upon NBU providing NTP to the Professional, the Professional shall perform the final design phase services described in this Section.

2.1. MEETINGS. The Professional shall attend the following meetings and provide meeting agendas and meeting minutes to NBU in accordance with the requirements listed in Section 1.4:

2.1.1. Project kick-off meeting with NBU (one (1) in-person meeting);

2.1.2. route study review meeting (one (1) meeting);

2.1.3. 60% design review meeting (2-hour in-person workshop);

2.1.4. 90% design review meeting (2-hour in-person workshop);

2.1.5. monthly design meetings (up to fourteen (14) meetings virtually unless NBU schedules an in-person meeting in advance);

2.1.6. meetings with property owners (up to three (3) in-person meetings);

2.1.7. meetings with franchise utilities (up to two (2) meetings virtually unless NBU schedules an in-person meeting in advance);

2.1.8. permitting meeting with the City of New Braunfels ("CoNB") (up to six (6) in-person meetings);

2.1.9. meeting with the CoNB Parks Department (up to three (3) in-person meetings); and

2.1.10. meetings with additional stakeholders (up to three (3) in-person meetings).

2.2. ALTERNATIVE ROUTE EVALUATION. The Professional shall perform an alternative route evaluation for up to two (2) routes for the Wood Road from Moss Rock Drive to Laurel Lane site. The Professional shall:

2.2.1. use existing geographic information system ("GIS") and as-built information to determine locations of existing utilities on the Project Site;

2.2.2. perform two (2) preliminary site visits to gather project information;

2.2.3. locate all existing wastewater service laterals using as-builts, existing closed-circuit television ("CCTV") and pipeline assessment certification program databases provided by NBU; new CCTV services are not included;

2.2.4. coordinate with appropriate stakeholders to gather all available information on the Project;

2.2.5. evaluate up to two (2) potential routes and make recommendation of the preferred route based on cost, constructability, right of way ("ROW")/road requirements, public impact, utility conflicts, etc.; the Professional shall produce GIS exhibits showing proposed pipeline alignments and provide maps of up to two (2) potential pipeline routes;

2.2.6. evaluate up to two (2) potential locations for installation of the pressure reducing valve in a vault at either Moss Rock Drive or Laurel Lane;

2.2.7. provide a Class 4 OPCC as specified by the Association for the Advancement of Cost Engineering for each route; and

2.2.8. develop a technical memorandum documenting analysis and recommendations.

2.3. 60% DESIGN DOCUMENTS. The Professional shall prepare 60% plans, specifications, and OPCC. NBU shall provide the Professional with easement requirements for each parcel via email to incorporate into the plan. 60% design documents shall include:

2.3.1. collection and review of existing data, reports, mapping, and records from NBU; 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;

2.3.2. a table of contents for required specifications and specifications that are provided by the Professional with the exception of NBU's standard specifications; and

2.3.3. a Class 2 OPCC based on 60% design documents.

2.4 TRENCHLESS CONSTRUCTION METHODS. The Professional shall 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. The Professional shall determine the preferred method of trenchless construction for up to one (1) crossing or alignment.

2.5 90% DESIGN DOCUMENTS. Upon NBU's written approval of 60% design documents, the Professional shall prepare 90% plans, specifications, and OPCC. 90% design documents shall include:

2.5.1 call outs for all design items on the plan sheets;

2.5.2 complete specifications; and

2.5.3 a Class 1 OPCC based on 90% design documents and specifications.

2.6 100% (FINAL) DESIGN DOCUMENTS. Upon NBU's written approval of 90% design documents, the Professional shall prepare 100% plans, specifications, and OPCC. 100% design documents shall include:

2.6.1 a final signed and sealed set of construction drawings and specifications based on decisions made in the 90% design phase;

2.6.2 project files to include; .dwg, .mxd, and .kmz;

2.6.3 preparation of the bid form; and

2.6.4 a Class 1 OPCC based on 100% design documents.

2.7 DELIVERABLES. The Professional shall provide the following deliverables to NBU in accordance with the timelines listed in Table 1:

2.7.1 alternative route evaluation - maps of up to two (2) potential pipeline routes and a Class 4 OPCC for the Wood Road from Moss Rock Drive to Laurel Lane site;

2.7.2 60% design documents – one (1) KMZ or SHP electronic file, one (1) PDF electronic file, and one (1) PDF electronic file of a Class 2 OPCC;

2.7.3 90% design documents – one (1) KMZ or SHP electronic file, one (1) PDF electronic file, and one (1) PDF electronic file of a Class 1 OPCC; and

2.7.4 100% design documents – one (1) KMZ or SHP electronic file, one (1) PDF

electronic file, and one (1) PDF electronic file of a Class 1 OPCC.

Task 3. Field Services

3. The Professional shall perform the field services described in this Section.

3.1. TOPOGRAPHIC SURVEY. The Professional shall obtain a topographic, utility, and boundary survey as described below. Survey shall include a minimum of two (2) benchmarks within 1,000 feet of each of the five (5) Project Sites.

3.1.1. The Professional shall tie in all existing surface topographic features and structures within the survey limits. This shall include, but is not limited to: tops of curbs, edges of pavement, pavement materials, driveways, sidewalks, retaining walls, drainage structures (top, edges, and flow line), channels and drainage ways (tops, toes, and flow line), 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, and 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. Trees shall be tagged and tabulated by size and species in compliance with the CoNB Tree Preservation Ordinance as defined in the CoNB Zoning Ordinance Chapter 5.3-5i. The Professional shall provide sufficient ground shots to create one (1) foot contours for the Project.

3.1.2. The Professional shall conduct a utility survey and locate existing utilities within the Project boundary. The Professional shall contact all 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 municipally 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.

3.1.3. The Professional shall locate up to eleven (11) geotechnical borings and field locate the borings by survey to match the Project survey.

3.1.4. The Professional shall set and install control points and/or benchmarks as required for the survey work. 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.

3.1.5. The Professional shall coordinate right of entry ("ROE"). The Professional shall contact private property owners and attempt to ascertain permission to enter and perform field services within private properties. If the Professional cannot ascertain permission to enter private property, the Professional shall notify NBU and NBU shall coordinate with property owners to assist with ROE. The Professional shall compile a list of property owners which may be impacted by the Project, request current contact information from NBU, develop a notification ROE letter, deliver letters to property owners, follow up with phone contact, and manage receipt and communication regarding response to the ROE request.

3.1.6. The Professional shall research and review adjoining plats and deeds along the survey corridor. The Professional shall locate property corners and identify existing ROW along the survey corridor, based on found monuments and record documents.

3.2. EASEMENT DOCUMENTS. The Professional shall prepare a metes and bounds description and exhibits for required easements for the Project for up to one (1) parcel based on the following criteria:

3.2.1. The Professional shall perform deed, plat, and courthouse record research, request title reports, and obtain copies of deeds and easement documents.

3.2.2. The Professional shall survey property corners, fences, and appurtenant property evidence.

3.2.3. 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. 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 (1)

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 review.

3.2.4. The exhibit plat and legal description must meet all the rules of the Texas Board of Professional Land Surveying and the Professional Land Surveying Practices Act and the Manual of Practice for Land Surveying in the State of Texas as published by the Texas Society of Professional Surveyors, utilizing the latest versions.

3.2.5. 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 will be reproduced on 8.5″ x 14″ size paper. All documents provided by the Professional must be legible. The exhibit plat or legal description shall be able to stand alone.

3.2.6. The Professional shall stake final easement boundaries. Easement boundaries will be staked once with survey lathes placed every 100 feet or where there is a change in direction.

3.3. SUBSURFACE UTILITY ENGINEERING. The Professional shall perform subsurface utility engineering ("SUE") as described in this Section.

3.3.1. The Professional shall perform SUE "Quality Level A," as defined by the American Society for Civil Engineers, 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 pipe, which should be noted on the drawing.

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

3.3.1.2. The Professional shall provide traffic control based on an estimated two (2) lane closures, depending on the directed dig site locations.

3.3.2. The Professional shall provide SUE "Quality Level C," as defined by the American Society for Civil Engineers, utility locates along the entire alignment of the pipeline. Level C involves surveying visible utility facilities (e.g., manholes, valve boxes, etc.) and correlating this information with existing utility records.

3.3.3. The Professional shall provide SUE "Quality Level D," as defined by the American Society for Civil Engineers, utility locates along the entire alignment of the pipeline. Level D includes investigation solely from existing utility records or verbal recollections.

3.4. GEOTECHNICAL DATA REPORT. The Professional shall conduct a geotechnical investigation to complete a Geotechnical Data Report ("GDR") for the Project as described in this Section.

3.4.1. Field Exploration:

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

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

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

3.4.1.3.1. nine (9) borings to a maximum depth of fifteen (15**)** feet below existing grade; and

3.4.1.3.2. two (2) borings to a maximum depth of twenty (20**)** feet below existing grade.

3.4.1.4. The boring method conducted on the Project Sites shall be advanced using standard rotary drilling equipment with continuous-flight augers or rotary wash methods. Subsurface samples shall be collected using a 2-inch diameter split-spoon sampler in conjunction with the standard penetration test ("SPT"). Intermittent 3-inch diameter Shelby tube samples will be collected in between the SPTs.

3.4.1.5. The Professional shall record groundwater observations within the borings at the time of drilling and at the completion of drilling and sampling.

3.4.1.6. The Professional shall backfill borings with auger cuttings upon completion of drilling and sampling.

3.4.1.7. The Professional shall patch borings drilled through pavement with like material (asphalt, concrete) upon completion of backfilling.

3.4.1.8. The Professional shall have 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 general accordance with the American Society for Testing and Materials standard number D2488 and the Unified Soil Classification System during drilling and sampling.

3.4.2. The Professional shall provide laboratory testing to include the following:

3.4.2.1. testing on samples obtained from the borings to determine soil classification and pertinent engineering properties of the subsurface materials; and

3.4.2.2. laboratory tests assigned for the specific subsurface materials encountered during exploration on the Project Sites, but which are expected to include the following number and type of tests:

3.4.2.2.1. Atterberg limits tests (up to thirty-three (33) tests);

3.4.2.2.2. percent passing the #200 sieve (up to thirty-three (33) tests);

3.4.2.2.3. sieve analysis (gradation) tests (up to six (6) tests);

3.4.2.2.4. moisture content tests (up to forty-four (44) tests); and

3.4.2.2.5. unconfined compressive strength tests (with unit weights; up to twenty-two (22) tests).

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

3.4.3.1. a summary of the field and laboratory sampling and testing program;

3.4.3.2. boring logs and laboratory testing results;

3.4.3.3. 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;

3.4.3.4. trenchless construction feasibility and recommendations of auger boring and/or horizontal directional drilling;

3.4.3.5. a general discussion of expected construction related issues; and

3.4.3.6. earthwork related recommendations for use during development of plans and specifications.

3.5. ENVIRONMENTAL AND CULTURAL INVESTIGATIONS. The Professional shall conduct a natural resources desktop assessment (all segments), archaeology desktop review and agency coordination (all segments), and a karst feature survey (Chartwell Avenue, Sundance Parkway, Northpark Ridge, Chapel Bend, and Wood Road only) for the Project. The Professional shall perform the following:

3.5.1. a desktop habitat assessment to characterize the ecological setting and identify potential habitat types within the five (5) segments based on available geospatial data and literature sources; this information will be used to evaluate the potential for suitable habitat for state and federally protected species to be present;

3.5.2. 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; and

3.5.3. an initial reconnaissance survey performed under the supervision of a qualified geoscientist in accordance with the methodology described in the referenced United States Fish and Wildlife Service publication.

3.6. DELIVERABLES. The Professional shall provide the following deliverables to NBU in accordance with the timelines listed in Table 1:

3.6.1. ROE list of property owners – one (1) Excel file electronic copy submitted with 60% design deliverables; the list shall be updated and managed as ROE is granted and services are completed;

3.6.2. signed and sealed metes and bounds – one (1) PDF electronic copy submitted with 60% design deliverables;

3.6.3. GDR – one (1) PDF electronic copy submitted with 60% design deliverables; and

3.6.4. environmental and cultural investigation documents and permits – one (1) PDF electronic copy submitted with 60% design deliverables.

Task 4. Permitting and Stakeholder Coordination

4. The Professional shall coordinate with the following stakeholders/agencies as described in this Section.

4.1. TEXAS HISTORICAL COMMISSION. The Professional shall prepare and provide a coordination letter and desktop review to the THC to coordinate areas that would potentially require archeological pedestrian surveys and/or historical reconnaissance field surveys. A pedestrian survey and historical reconnaissance field surveys are not included in this scope.

4.2. TEXAS COMMISSION ON ENVIRONMENTAL QUALITY ("TCEQ"). The Professional shall prepare and submit permit applications to TCEQ for approval of all design documents. The permit applications include the following:

4.2.1. a variance letter; and

4.2.2. an approval letter for water lines.

4.3. CITY OF NEW BRAUNFELS. The Professional shall prepare and submit permit applications to the CoNB to obtain the following permits:

4.3.1. a floodplain permit (permit fees are not included in scope); and

4.3.2. a public infrastructure permit (permit fees are not included in scope).

4.4. EASEMENT ACQUISITION COORDINATION. The Professional shall coordinate and provide support to NBU to obtain easements for up to one (1) parcel. The Professional shall provide the following easement acquisition coordination support services:

4.4.1. attend up to one (1) meeting per easement with NBU and/or the property owner.

4.5. DELIVERABLES. The Professional shall provide the following deliverables to NBU not later than the bid advertisement date:

4.5.1. THC coordination letter – one (1) PDF electronic copy;

4.5.2. TCEQ permit/approval letter – one (1) PDF electronic copy; and

4.5.3. CoNB permit – one (1) PDF electronic copy;

Task 5. Bid Phase

5. Upon completion of the final design, the Professional shall proceed with the bid phase services described in this Section.

5.1. PREBID CONFERENCE. The Professional shall attend a pre-bid conference in-person, to be administered by NBU. The Professional shall assist NBU with preparation of the

agenda, provide NBU with a meeting summary, and coordinate conference responses with NBU. The Professional shall provide NBU with 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.

5.2. INTERPRET BID DOCUMENTS. The Professional shall assist NBU with responding to questions, interpreting bid documents, and preparing up to four (4) addenda to the bid documents if necessary, and if requested by NBU.

5.3. BID EVALUATION. The Professional shall attend a bid-opening conference to be administered by NBU. The Professional shall assist NBU in opening and analyzing the bids received for the Project, which includes researching contractor qualifications and references.

5.4. CONFORMED CONSTRUCTION DOCUMENTS. The Professional shall conform the construction documents by incorporating all addenda items into the plans and specifications.

5.5. DELIVERABLES. The Professional shall deliver the following deliverables to NBU:

5.5.1. addenda – one (1) PDF electronic copy of each addendum between advertisement and bid opening;

5.5.2. bid tab evaluation – one (1) Excel file electronic copy after bid opening; and

5.5.3. conformed construction documents – one (1) PDF electronic copy by construction NTP.

Task 6. Construction Phase

6. Upon completion of the bid phase services, the Professional shall proceed with construction phase administration services. The Professional shall provide general construction contract administration services as described in this Section.

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

6.1.1. assist NBU with conducting an in-person, pre-construction conference with the construction contractor; the Professional shall prepare a meeting agenda, document and provide NBU with meeting minutes, and coordinate any follow-up conference responses with NBU in accordance with the meeting deliverables timeline specified in Section 1.4;

6.1.2. conduct one (1) construction document control workshop for the contractor in person;

6.1.3. attend up to a total of twelve (12) monthly construction progress meetings in person; the Professional shall prepare the agenda, and submit meeting minutes to NBU and the contractor in accordance with the timeline specified in Section 1.4;

6.1.4. attend up to a total of twenty-four (24) bi-weekly site visits during construction of the Project, to observe the progress and the quality of work and to determine if the work is proceeding in accordance with the contract; the Professional shall prepare and provide NBU with electronic observation reports for each site visit and notify NBU of any non-conforming work performed by the contractor;

6.1.5. conduct, with NBU's representatives, one (1) substantial completion inspection and punch list review of the Project for conformance with the design concept of the Project and compliance with the construction contract within fourteen (14) days of substantial completion; the Professional shall prepare a list of deficiencies to be corrected by the contractor before recommendation of final payment; and

6.1.6. conduct one (1) final completion inspection of the Project within seven (7) days of final completion for conformance with the design concept of the Project and the construction contract; the Professional shall prepare final completion reports and make recommendation of final payment to the contractor.

6.2. SUBMITTAL MANAGEMENT. The Professional shall use FNiManager, a document management system for construction documents, to monitor the processing of contractor's submittals (shop drawings, requests for information, schedules, certified test reports, etc.), 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 and submit them to NBU by the 25th day of the month indicating the status of all submittals in the review process.

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

6.2.1.1. shop drawings (up to twenty-eight (28));

6.2.1.2. requests for information (up to five (5));

6.2.1.3. schedules (up to twelve (12));

6.2.1.4. miscellaneous submittals (up to five (5)).

6.3. CHANGE ORDERS. The Professional shall manage the field/change order documents, requests for proposals, and the contractor claim process for the Project as follows:

6.3.1. adhere to NBU-established procedures and document construction changes required to implement modifications to the Project;

6.3.2. process contract modifications and negotiate with the contractor at NBU's direction to determine the cost and time impacts of the changes;

6.3.3. prepare field/change order documentation for up to five (5) field orders for minor alterations and up to five (5) change orders; and

6.3.4. evaluate up to three (3) 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.

6.4. INTERPRET DRAWINGS AND SPECIFICATIONS. The Professional shall interpret the drawings and specifications for NBU and contractor during the course of construction per the schedule stated herein.

6.5. PAY ESTIMATES. The Professional shall review and comment on monthly and final estimates for payment to the contractor pursuant to the construction contract during the course of the construction Project per the schedule stated herein.

6.6. CLOSE-OUT DOCUMENTS

6.6.1. 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 the drawings to NBU via email within sixty (60) days of receipt of as-built drawings from the contractor or final completion, whichever comes first.

6.7. DELIVERABLES. The Professional shall provide the following deliverables to NBU:

6.7.1. Project Site visit memo – one (1) per site visit, which must be submitted (i) in PDF format; (ii) on FNiManager, and (iii) no later than three (3) days after each site visit;

6.7.2. responses to contractor submittals, requests for information, and other documents

within fourteen (14) days of receipt; and

6.7.3. record drawings and specifications in accordance with NBU standards, with features adjusted to the location of GPS points collected in the field by the contractor – one (1) PDF electronic copy and one (1) georeferenced .dwg file within sixty (60) days of receipt of record drawings from contractor or final completion, whichever comes first.

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 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	11/02/2026	
60% Final Design	11/02/2026	06/20/2027
90% Final Design	06/21/2027	11/17/2027
100% Final Design	11/18/2027	01/16/2028
Permitting	06/21/2027	03/31/2028
Bid Phase	04/1/2028	08/31/2028
Construction Phase	09/1/2028	09/03/2029

Exhibit B

Compensation

NBU agrees to pay the Professional for the Services and the Supplemental Services rendered under this Agreement in accordance with Table 2 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 $775,656 as further described in Table 2 below and made part of this Agreement.

Table 2

Task	**Cost**
Task 1: Project Management	$24,525
Task 2: Final Design Phase	$394,180
Task 3: Field Services	$234,911
Task 4: Permitting and Stakeholder Coordination	$11,880
Task 5: Bid Phase	$16,280
Task 6: Construction Phase	$93,880
Total	$775,656

Supplemental Services

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

NEW BRAUNFELS UTILITIES

Meeting Date:	October 29, 2026	**Agenda Type:**	Consent Items for Action
From:	Lindsey Kaminski Customer Service Process Coordinator	**Reviewed by:**	Andrew Cummings Director of Customer Solutions
Submitted by:	Amanda Collins Chief Customer Officer	**Approved by:**	Ryan Kelso Chief Executive Officer

RECOMMENDED ACTION: Authorize the CEO or His Designee to Negotiate and Execute a Vendor Agreement with Brink's, Incorporated for Armored Transportation Services for an Initial One-Year Term in the Amount of $60,000, with up to Four Optional One-Year Renewals for a Total Amount Not to Exceed $300,000

BACKGROUND

This Vendor Agreement (the "Agreement") with Brink's, Incorporated ("Brink's") will provide armored transportation services (the "Services") for New Braunfels Utilities ("NBU"). Brink's shall pick up cash and check payments from NBU five (5) days a week and deliver them to Frost Bank for processing.

The proposed Agreement will be for a one-year term beginning November 1, 2026, with up to four (4) successive one-year term renewals, if mutually agreed upon.

NBU staff requests that the Board of Trustees approve the Agreement with Brink's for the Services.

This item is being presented to the Board because the total amount of this Agreement exceeds $250,000.00.

FINANCIAL IMPACT

The total financial impact for the Agreement with Brink's for the Services is not to exceed the amount of $60,000.00 annually, with up to four (4) additional one-year renewals for a total Agreement amount not to exceed $300,000.00. The Agreement is budgeted within the NBU Board-approved Operations and Maintenance Budget ("O&M Budget") for Fiscal Years 2027 through Fiscal Year 2031.

LINK TO STRATEGIC PLAN

Customers and Community

Financial Excellence

Safety and Security

EXHIBITS

1. Vendor Agreement with Brink’s

SERVICES AGREEMENT

AGREEMENT # 10000136167

This SERVICES AGREEMENT (together with Attachment(s), including without limitation the Service Terms and Conditions attached hereto, this "Agreement") is made by and between Brink's, Incorporated ("Brink's"), a Delaware corporation with offices located at 555 Dividend Drive, Coppell, TX 75019, and NEW BRAUNFELS UTILITIES, a Texas municipal utility provider (EIN: 74-6001783) ("Customer"), with offices located at 1488 S. Seguin Avenue, New Braunfels, TX 78130 and is entered into as of November 1, 2026 ("Effective Date"). Unless otherwise indicated, all capitalized terms used herein shall have the meaning stated in the Service Terms and Conditions.

Customer wishes to engage Brink's to provide certain cash logistics and/or cash management solutions, and Brink's is willing to provide such cash management and/or logistics services for Customer in accordance with terms and conditions set forth in this Agreement. For and in consideration of the mutual agreements herein contained, the parties hereby agree as follows:

1. **SERVICES.** Brink's hereby agrees to provide the following services to Customer, as more fully described in the Attachment(s) signed by Brink's and Customer (check all that apply):

   ☑ Armored Transportation Services (as set forth in the Armored Transportation Services SOW)
   ☐ ATM Services (as set forth in the ATM Services SOW)
   ☐ Cash Vault Services (as set forth in the Cash Vault Services SOW)
   ☐ CompuSafe/Cash Recycler Services (as set forth in the CompuSafe/Cash Recycler Services SOW)
   ☐ Kiosk Services (as set forth in the Kiosk Services SOW)
   Other (describe)_____

2. **TERM.** The Agreement Term shall commence on the Effective Date and shall continue for a period of one (1) year, unless earlier terminated as provided herein or otherwise stated in a SOW. Thereafter, this Agreement shall automatically renew for up to four (4) successive one (1) year periods until terminated by either party upon at least sixty (60) days' written notice prior to the expiration of the then current term. In the event that this Agreement expires prior to the expiration of an Attachment hereunder, the Agreement shall be automatically extended and shall govern such Attachment(s) until the expiration or termination thereof. In no event shall this Agreement extend beyond October 31, 2031.

3. **FEES.** Customer agrees to pay Brink's Fees for the Services, and any additional applicable fees, at the rates set out in in the applicable SOW Exhibits. NBU shall pay Brink's at the rates set forth herein in an amount not exceed $60,000 annually and a total not to exceed amount of $300,000 for the duration of the Agreement.

4. **COUNTERPARTS.** The persons executing this Agreement represent and warrant that they have the authority to execute it on behalf of the party for whom they have signed and with an intent to bind their respective party to its terms. This Agreement may be executed in multiple counterparts, each of which will be deemed an original but all of which together will constitute one and the same instrument.

5. **PROMPT PAYMENT ACT.** The provisions of the Agreement relating to payment and the computation of interest are subject to Chapter 2251 of the Texas Government Code, as applicable.

6. **SECTION 7.A. LIMITATION.** Section 7.A. of the Service Terms and Conditions is inapplicable if Customer terminates this Agreement as permitted under Section 2 above.

7. **PUBLIC INFORMATION ACT.** Brink's acknowledges Customer is a governmental body subject to the Public Information Act, Texas Government Code Chapter 552. To the extent permitted by applicable law, Customer will provide Brink's with prompt notice of any request for disclosure of information identified by Brink's as confidential, proprietary, or a trade secret so that Brink's may seek protection from disclosure as permitted by applicable law.

8. **VENUE AND APPLICABLE LAW.** Notwithstanding Section XI.K., the laws of the State of Texas shall govern this Agreement regardless of conflict of law principles and mandatory venue over any actions relating to this Agreement shall lie in Comal County, Texas.

9. **APPROPRIATIONS.** The obligation of Customer to make any payment under this Agreement is a curre expense of Customer, payable from and subject to annual appropriations, and is not indebtedness of Customer as described in Article 11, Section 5 of the Texas Constitution. Any termination resulting from the failure to appropriate funds will not relieve Customer of its obligation to pay amounts accrued for Services performed or other amounts due prior to the effective date of termination.

10. **PROHIBITION ON CONTRACTS WITH COMPANIES BOYCOTTING ISRAEL.** To the extent Texas Government Code Section 2271.002 applies to this Agreement, Brink's verifies that it does not boycott Israel and will not boycott Israel during the term of this Agreement as described in Chapter 2271 of the Texas Government Code, as amended.

11. **CONTRACTS WITH COMPANIES ENGAGED IN BUSINESS WITH IRAN, SUDAN, OR FOREIGN TERRORIST ORGANIZATIONS PROHIBITED.** Brink's represents that it is not identified on a list described in Section 2252.152of the Texas Government Code, as amended, that would prohibit Customer from entering into this Agreement with Brink's. The foregoing representation is made solely to comply with Section 2252.152, Texas Government Code, as amended.

12. **PROHIBITION ON CONTRACTS WITH COMPANIES BOYCOTTING ENERGY COMPANIES.** To the extent Texas Government Code Section 2276.002 applies to this Agreement, Brink's verifies that it does not boycott energy companies and will not boycott energy companies during the term of this Agreement as described in Chapter 2276 of the Texas Government Code, as amended

13. **PROHIBITION ON CONTRACTS WITH COMPANIES THAT DISCRIMINATE AGAINST FIREARM AND AMMUNITION INDUSTRIES.** To the extent Texas Government Code Section 2274.002 applies to this Agreement, Brink's verifies that it does not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and 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.

14. **WAIVERS.** Any waiver by Customer set forth herein is applicable to the extent it does not violate Texas law.

14.

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed and delivered as of the date first written above.

NEW BRAUNFELS UTILITIES	**BRINK'S, INCORPORATED**
By: _____ (Authorized Representative)	By: _____ (Authorized Representative)
Name: _____	Name: _____
Title: _____	Title: _____

SERVICE TERMS AND CONDITIONS

I. DEFINITIONS

A. "Additional Fees" means any Fees owed by Customer in addition to the per month or per trip rate set forth in the applicable Attachment.

B. "Agreement Term" means the term of this Agreement as set forth in paragraph 2, above.

C. "AML Legislation" means the Proceeds of Crime Act of 2002, and all other anti-money laundering legislation.

D. "Analog" means equipment which is analogous to the Equipment that may be used to perform Services.

E. "Applicable Laws" means any legislation, statute, regulation, ordinance, rule, judgment, order, decree, ruling or other standard or requirement enacted, promulgated or imposed by any domestic or foreign governmental authority or judicial or regulatory body (including any self-regulatory body) at any level (e.g., municipal, county, provincial, state or national) that is applicable to or enforceable against any party. For the avoidance of doubt, Applicable Law includes the laws of the United States, Canada and any other jurisdiction in which Services are provided by Brink's pursuant to this Agreement.

F. "Armored Transportation Services" means armored transportation of Property and related services to be provided to Customer as described in the Armored Transportation SOW.

G. "Attachment" means any SOW, exhibit, schedule, amendment or addendum, all of which are hereby incorporated into this Agreement.

H. "Brink's 24SEVEN" means the customer portal application and associated services by which the Services are utilized and managed.

I. "Business Day" means weekdays other than federally observed holidays.

J. "Change Order" means small currency denominations delivered to a Service Location conjunctively with Services hereunder.

K. "Checks" means checks or other financial instruments, excluding currency.

L. "Confidential Information" includes but is not limited to (a) the Services, terms, conditions and pricing provided hereunder; (b) any information clearly identified as confidential or disclosed in oral form, if identified as confidential at the time of disclosure; (c) any information of either party regarding computer software, hardware or systems, equipment, vehicles, financial and accounting data, employee information, methods of operation, current and prospective customer and supplier lists, audit reports, present and future business plans, products and product development plans, marketing plans and surveys, copyrights, trade secrets, trademarks, technologies and other non-public information that if disclosed would give a competitor an economic advantage. Confidential Information shall not include information which (i) is in the public domain at the time of disclosure or later enters the public domain through no fault of the Receiving Party, (ii) is received from a third party independent of the Disclosing Party without restriction, (iii) is presently known to the Receiving Party or is independently developed by the Receiving Party without use of Confidential Information, or (iv) is required to be disclosed by law; provided that the Receiving Party shall inform the Disclosing Party of such disclosure order, to the extent permitted by law, and allow the Disclosing Party to object to such disclosure.

M. "Content Report" means a report provided by the Equipment, if applicable, that sets forth the value of each Shipment of Property collected from the Equipment. For cash recyclers, the Content Report shall only include the value of each Shipment of Property collected from the Deposit Content Unit.

N. "Contractor" means an authorized contractor or agent of Brink's.

O. "Customer" means the party specified in the recital above and shall include, where appropriate, any agents specified by Customer as well as employees and other representatives.

P. "Declared Value" means the amount of Property (i) in a Shipment as reported by Customer at the time the Shipment is picked up by Brink's or (ii) inserted into the Equipment using a Bill Validator.

Q. "Delivery Location" means the location designated by Customer as the place where Brink's is to deliver Shipments, which may include a Brink's Facility.

R. "Deposit Content Unit" means, for the CompuSafe/Cash Recycler Services under the applicable SOW, separate and secure coin and currency storage unit(s) inside the Equipment, into which Property is electronically deposited and verified via the Equipment and stored until collected by Brink's.

S. "Disclosing Party" means the party furnishing or disclosing Confidential Information to the other party.

T. "Distinctively and Securely Sealed" means the container used to hold any Property has been closed and fastened with a device or method of sealing having a distinguishing mark that can be clearly seen and recognized as a unique identification number or special mark that is attached to the container so that the Property is firmly enclosed, and the device or method of sealing cannot be removed and reapplied to the container without leaving visible external evidence of tampering to the container. The container must also include bar coding compliant with Brink's specifications.

U. "Documentation" means any written and/or electronic materials describing the function and use of the Equipment.

V. "Enhanced Content Guarantee" means the terms set forth in Exhibit F of the RCS SOW, if applicable.

W. "Equipment" means the Brink's technology-enabled device or smart safe (with or without a Bill Validator) provided by Brink's and any other items of equipment described in Exhibit A to the CompuSafe/Cash Recycler Services Statement of Work, if applicable, together with all related software and accessories and Documentation.

X. "Facility(ies)" means Brink's location(s) where certain Services will be performed.

Y. "Fees" means charges for Services as listed in Attachment(s), including any surcharges for which Brink's has provided notice to Customer.

Z. "Force Majeure Event" means internet or communication network outages, pandemics, strikes, lockouts or other labor disturbances, riots, authority of law, acts of God, fire,

flood, tornado, hurricane, earthquake or other events beyond Brink's control.

AA. "Fragile Property" means any breakable item, including without limitation, decorative pieces, works of art, and jewelry.

BB. "Loss" means any loss, damage, theft, or destruction of Property while in the possession, custody or control of Brink's for which Customer has provided timely Notice to Brink's.

CC. "Maximum Liability Amount" means the total liability assumed by Brink's for a Loss as specified in the Attachment(s).

DD. "Night Depository" means a non-ATM receptacle in which Customer's customers can deposit Property.

EE. "Nominal Shortage" means an individual Loss at a unit of Equipment in the amount of $100.00 or less per Property removal.

FF. "Notice" means a written notice provided in accordance with the requirements of Section X.B.

GG. "Ongoing Pattern of Shortages" means four (4) or more shortages in a six (6) month period at serviced Equipment.

HH. "Pick-Up Location" means the location designated by Customer in an Attachment as the place where Brink's is to receive Shipments, whether or not Equipment is installed.

II. "Property" means currency, coin, Checks, securities, other financial instruments, and other valuables agreed upon by Brink's in an Attachment.

JJ. "Receiving Party" means the party to whom Confidential Information is furnished or disclosed.

KK. "Repeat Install Trips" means a subsequent dispatch to the Service Location for installation due to failure of the Customer to have the installation location ready on the initial installation date

LL. "Representatives" means a party's employees, agents, contractors, subcontractors and other representatives.

MM. "Scheduled Installation Date" means the date agreed in the Agreement for installation of the Equipment.

NN. "Service Location" means the location where the Equipment is installed as set out in the RCS SOW, if applicable.

OO. "Services" means services to be provided by Brink's under this Agreement.

PP. "Shipment" means one or more containers of Property collected or received by Brink's in one place at any one time for delivery to a single Delivery Location

QQ. "SOW" means a Statement of Work hereunder, signed by Brink's and Customer.

RR. "Stipulated Loss Value" means the amount to be paid by Customer in the event that Equipment is lost or destroyed, as further described in the RCS SOW

SS. "Storage Fees" means the fees to be paid by Customer in the event that a (i) Service Location is not available on the Scheduled Installation Date or (ii) Customer requests that Brink's store Equipment off-site from the Service Location, as further described in the RCS SOW.

TT. "Unpaid Obligations" means all Fees remaining unpaid after the invoice due date, plus interest and Brink's collection costs, including reasonable attorney's fees and costs incurred in filing claims and recouping property in relevant judicial fora.

II. SERVICES

A. Brink's shall perform Services as set forth in the SOW(s).

B. Services will be performed on Business Days, unless otherwise specified in the applicable Attachment(s). In the event of inclement weather or some other irregularity, performance shall be as mutually agreed upon.

III. CHARGES AND PAYMENT

A. Within thirty (30) days of the date of each invoice, Customer shall pay Brink's the Fees plus all applicable federal, state and local taxes. Payment shall be made by check, electronic funds transfer (EFT) or Fedwire.

B. For Pick-Up Locations with Equipment, Brink's shall commence billing Fees on the earlier of (i) the Scheduled Installation Date or (ii) the date each unit of Equipment is actually installed. Customer shall remain responsible for payment of Fees until all Equipment is returned to Brink's (unless otherwise owned by Customer).

C. If Customer disputes the accuracy of an invoice, Customer will provide Brink's written Notice of the claimed inaccuracy within fifteen (15) days of the invoice date or such claim will be deemed waived by Customer.

D. All charges remaining unpaid after the invoice due date are subject to an interest charge at the lesser of: 1½% per month or the maximum rate allowed by law.

E. In addition to any and all other remedies, Customer agrees that Brink's shall be permitted to retain as a credit and to offset against such Unpaid Obligations, on a dollar-for-dollar basis, any Property which Brink's has in its possession under this Agreement. Customer hereby pledges and assigns to Brink's all Shipments and Property which come into Brink's possession as collateral to secure Customer's obligations to Brink's hereunder and authorizes Brink's to take all actions necessary to protect and perfect its lien in such collateral, including, without limitation, filing of UCC-1 statements.

F. Fees are subject to periodic rate increases and additional surcharges upon at least thirty (30) days advanced written communication to the Customer. Brink's may also increase Fees upon written communication in the event of a change in economic conditions that increases Brink's operating costs. Brink's will provide thirty (30) days prior written notice for a Fee increase due to a change in economic conditions affecting the services in Customer's service areas. A change in economic conditions may include, but is not limited to: (i) an increase in labor costs in Customer's service areas; (ii) legislative or regulatory requirements related to the performance of the Services hereunder; or (iii) any event that affects Brink's ability to obtain insurance as required under this Agreement.

G. Customer shall pay Brink's for all agreed changes in scope of Services (e.g. frequency, days of service, addition or deletion of locations, etc.) whether requested by Customer in writing or verbally.

H. Customer shall also pay the fuel surcharge as set forth at https://us.brinks.com/fuel-surcharge, which may be updated from time to time by Brink's in its sole discretion.

IV. BRINK'S LIABILITY; LIMITATIONS; EXCLUSIONS

A. Notwithstanding anything to the contrary, but expressly excluding Loss as further addressed and limited under Section IV.D, Brink's total liability related to this Agreement for any reason, whether in tort, contract, warranty or otherwise, shall be limited to actual direct damages not to exceed the total Fees paid or payable by Customer in the twelve (12) months before such claim arises.

B. Brink's shall not be liable for non-performance or delays of Service, whether in storage or in transit, due to a Force Majeure Event.

C. Unless otherwise explicitly set out in this Agreement, neither party's liability to the other party for any damages in connection with this Agreement, whether as a result of breach of contract, tort, indemnity, warranty or otherwise, shall, under any circumstances, include special, incidental, consequential, indirect or punitive losses or damages (including, but not limited to, lost profits, interest or savings) whether or not caused by the fault or negligence of that party and whether or not that party had knowledge that such losses or damages might be incurred.

D. **Brink's Liability for Loss**.

i. Brink's liability for Loss of a Shipment, shall not exceed the lesser of the following: (1) Maximum Liability Amount; (2) the actual value of the Loss, as may be evidenced by the Content Report, if applicable; or (3) the Declared Value of the Property subject to the Loss.

ii. Customer shall not conceal or misrepresent any material fact or circumstance concerning the Property delivered to Brink's and agrees, in the event of Loss, to be bound by Customer's Declared Value.

iii. Brink's liability shall commence when Property has been received into Brink's possession, custody or control and a receipt has been signed by Brink's or its subcontractor, if applicable, and shall terminate when the Property has been delivered to the Customer-specified location or agent or alternatively returned to Customer in the event that delivery cannot reasonably be made by Brink's or its subcontractor, if applicable.

iv. Brink's shall not be liable for any shortage within any Shipment if: (1) the Shipment is not Distinctively and Securely Sealed by Customer; (2) the shortage or cause of the shortage occurred before Brink's received possession of the Shipment; (3) the Shipment shows no external evidence of tampering when received by and when delivered by Brink's; or (4) Brink's is not properly notified of the shortage within the timeframe stipulated in this Agreement.

v. Brink's shall not be liable for a Loss, liability or expenses directly or indirectly caused by, contributed to, resulting or arising from any negligence, criminal acts or fraud by Customer, Customer's Representatives or any other party acting on the Customer's behalf.

vi. Does Customer have the ability to reconstruct checks? YES ☑ NO ☐
In the event of a Loss of Checks, Brink's agrees to pay for: (1) Customer's reasonable costs in identifying and replacing the Checks, plus (2) except for those Checks which could not be collected on at the time of the Loss, the face value of the Checks not identified and replaced, up to a combined limit of $25,000 per Shipment. The Maximum Liability Amount that applies to the Shipment shall include the referenced $25,000. Customer shall maintain a complete record of all Checks it places in a Shipment and agrees to diligently pursue identification and replacement efforts of the Checks. Customer further agrees to reimburse Brink's for all amounts that are recovered as the result of such efforts.

vii. Brink's shall not be liable for a Loss (or for any cost, expense or liability related thereto) caused by or resulting from: (1) war, hostile or warlike action in time of peace or war, including action in hindering, combating or defending against an actual, impending or expected attack (a) by any government or sovereign power (*de jure* or *de facto*), or by any authority maintaining or using military, naval or air forces; or (b) by military, naval or air forces; or (c) by an agent of any such government, power, authority or forces; (2) insurrection, rebellion, revolution, civil war, usurped power, or action taken by governmental authority in hindering, combating or defending against such an occurrence or confiscation by order of any government or public authority.

viii. In no case shall Brink's be liable for Loss (or for any cost, expense or liability related thereto) directly or indirectly caused by or contributed to or arising from: (1) any chemical, biological, bio-chemical or electromagnetic weapon; (2) the use or operation, as a means for inflicting harm, of any computer, computer system, computer software program, malicious code, computer virus or process or any other electronic system; (3) ionizing radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel; (4) the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof; (5) any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter; or
(6) the radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter. The exclusion in sub-clause (6) does not extend to radioactive isotopes, other than nuclear fuel, when such isotopes are being prepared, carried, stored or used for commercial, agricultural, medical, scientific or other similar peaceful purposes.

ix. The **following limitation shall not apply to Property in transit**. Brink's shall not be liable for Loss (or for any liability, cost or expense related thereto) directly or indirectly caused by, resulting from or in connection with, any act of terrorism or any action taken in controlling, preventing, suppressing or in any way

relating to any Act of Terrorism. An "Act of Terrorism" means an act, including but not limited to the use of force or violence and/or the threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organization(s) or government(s), committed for political, religious, ideological or similar purposes including the intention to influence any government and/or to put the public, or any section of the public, in fear.

V. INSURANCE

A. Brink's is not an insurer under this Agreement. Brink's will maintain at all times during the term of this Agreement, insurance payable to Brink's in such amounts and against such risks as shall adequately cover the Maximum Liability Amount. Upon Customer's written request, Brink's will provide a certificate of insurance. Customer shall be given thirty (30) days' notice in the event such insurance coverage is canceled, not renewed or materially restricted.

B. Customer shall at all times maintain (i) insurance against loss or damage to the Equipment, if applicable, by fire, theft, explosion, water damage and all other hazards and risks ordinarily insured against by owners or users of such properties in similar businesses and (ii) comprehensive general liability insurance coverage, including contractual liability and premises liability. Such insurance shall be in reasonable amounts and with insurance companies of recognized financial responsibility. Upon written request, Customer shall provide to Brink's evidence of such insurance coverage, and Customer agrees that Brink's shall be given thirty (30) days' notice in the event that such insurance coverage shall be canceled, not renewed or materially restricted.

VI. FILING OF CLAIMS; PROOF OF LOSS

A. In the event of any claim for a Loss or a suspected Loss, Customer shall inform Brink's as soon as practicable upon discovery and provide written Notice of a Loss claim to Brink's via Brink's 24SEVEN Case Management no more than thirty (30) days after the Property which is the subject of the claim was received into Brink's possession or, as applicable, the inventory report or transaction report indicating a Loss or discrepancy is delivered to Customer. Timely and complete submission of a Loss claim shall constitute notice of Loss under this paragraph. Customer shall retain a copy of the notification of Loss receipt provided via email or available from Brink's 24SEVEN. It is Customer's responsibility to promptly verify deliveries, transaction reports, and inventory reports, as applicable. **Unless such Notice is given in the time and manner specifically prescribed by this Section VI.A, Brink's shall not be liable to Customer for any Loss claim and Customer shall be deemed to have expressly waived any such claim.**

B. Customer shall maintain a record of all Property placed in a Shipment and agrees to promptly and diligently assist Brink's in the investigation of any Loss or suspected Loss, including, but not limited to providing supplemental records it maintains to track Property. Customer agrees to mitigate its damages in connection with any Loss.

C. Brink's and Customer shall fully cooperate in conducting an investigation, and any question of a Loss or the cause thereof, to the extent reasonably possible, shall be resolved by the findings of such investigation.

D. Upon payment of a claim by Brink's, Customer hereby assigns to Brink's all of its right, title and interest in the Property which was the subject of the Loss and all rights of recovery against third parties that are the subject of the claim. Customer will execute any documents necessary to perfect such assignment upon request by Brink's or Brink's insurers.

VII. DEFAULT; REMEDIES; TERMINATION

A. If Customer terminates this Agreement or any SOW, in whole or in part, other than for material breach by Brink's, Customer agrees that actual damages might be sustained by Brink's which are uncertain and would be difficult to determine. In the event of early termination during the first half of the term of the applicable SOW(s), Customer shall pay Brink's the remainder of all Fees to be paid by Customer during the remaining portion of the term with respect to the applicable Attachment(s) or location(s), as the case may be. In the event of early termination after the first half of the term of the applicable Attachment(s), Customer shall pay Brink's ten percent (10%) of the Fees to be paid by Customer during the remaining portion of the term with respect to the applicable Attachment(s) or location(s), as the case may be. Upon the occurrence of any event of termination relating to a specific Attachment, all remaining Attachments shall remain in full force and effect. Upon the occurrence of any event of termination relating to a specific location or locations, this Agreement and the applicable Attachment shall remain in full force and effect with respect to all other locations. Said termination fees provided in this section shall be in addition to all Fees due to Brink's for Services already provided.

B. Either party may terminate this Agreement and/or any Attachment in the event of a material breach of this Agreement or applicable Attachment (including non-payment) by the other party, provided that such breach continues for a period of thirty (30) days after receipt by the breaching party of written Notice from the non-breaching party specifying the nature of such breach. Notwithstanding the foregoing, no written Notice or cure period is required if the breach is non-payment of amounts due. If such breach is cured within the applicable cure period, then this Agreement and the applicable Attachment(s) shall continue in full force and

effect.

C. No failure or delay on the part of Brink's to exercise any right or remedy hereunder shall operate as a waiver thereof. No express or implied waiver by Brink's of any default shall constitute a waiver of any other default by Customer or a waiver of any of Brink's rights.

D. In addition to Brink's rights under Section VII.B, upon the occurrence of a material breach by Customer of this Agreement or any Attachment(s), Brink's may exercise any one or more of the following remedies, including any judicial remedies Brink's may have:
   i. If applicable, require Customer, at Customer's sole cost and expense, to return any and all of the Equipment, or Brink's, at its option, may enter the Pick-Up Location, and repossess and remove the Equipment (except for any Equipment owned by Customer);
   ii. Declare immediately due and payable all Fees for services provided under this Agreement, and any Fees owed pursuant to Section VII.A hereof.
   iii. Liquidate all collateral to satisfy Customer's outstanding obligations.
   iv. Except as otherwise stated in an Attachment, exercise an offset against all Property, Shipments and other property of Customer in Brink's possession to satisfy Customer's outstanding obligations; and/or
   v. Upon written notice to Customer, suspend or terminate the applicable Attachment(s) or the Services to the Pick-Up Locations associated with the breach or default.

E. Notwithstanding the Agreement Term set forth above: (i) if Brink's is required by any court of law or governmental agency to cease operating or to recall the Equipment or (ii) if any other party is deemed to have rights in the Equipment other than Brink's and/or Customer, then Brink's shall have the right to terminate this Agreement without any penalty, provided Brink's has given Customer thirty (30) days prior written notice of its decision to terminate and Brink's arranges, at its sole cost and expense, for the pick-up and return of the Equipment. Such costs and expenses are limited solely to the removal of the Equipment from Customer's premises and its transportation to Brink's facility and will in no case cover the cost of returning Customer's premises to its original state (except for damages caused by Brink's negligence in performing such removal).

VIII. CONFIDENTIALITY

A. Each party hereby agrees to main the confidentiality of any and all Confidential Information delivered or furnished to such party by the other party during the term of this Agreement and for a period of three (3) years after expiration thereof. If any actual or threatened use or disclosure of Confidential Information by either party in breach of this subsection may cause the other party irreparable damage for which recovery of money damages may be inadequate, such party shall be entitled to seek timely injunctive or other equitable relief from a court with competent jurisdiction without the necessity of posting a bond. Any such relief shall be in addition to and not in lieu of any appropriate relief in the way of monetary damages.

B. Notwithstanding the foregoing, Customer hereby expressly consents to the use and disclosure of certain Customer information by Brink's and/or Contractors for the limited purposes of delivering, supporting, and enhancing the Services for Customer and enforcing the terms of this Agreement, including, but not limited to, complying with Brink's regulatory compliance requirements. Any and all technical information, transactional data, or other content generated or derived from Brink's performance of the Services or monitoring of Customer's access to or use of the Services, but specifically excluding personal identifiable information received from Customer regarding the Customer during Brink's KYC process ("System Data") shall constitute the property of Brink's and Brink's shall retain all rights, title and interest to such System Data. System Data which has been anonymized, deidentified and/or aggregated such that it cannot be associated with Customer may be retained and used by Brink's during and after the Agreement Term for the operation and improvement of the Services, the development and enhancements of Service features, and the development and enhancement of new Brink's products and services.

IX. COMPLIANCE

A. Customer hereby represents and warrants that Customer will only request transportation of currency hereunder (i) from a Customer location to Customer's bank account at Customer's financial institution (or the outsourced vault provider for such financial institution, which may be Brink's), (ii) from Customer's account at a financial institution to a Customer location, or (iii) one location of Customer to another location of Customer. Customer hereby agrees that it shall obtain Brink's prior written approval in the event Customer adds a Pick Up location that is not a Customer location or adds a Delivery location that is not Customer's account at a financial institution or a Customer location.

Customer represents and warrants that it will monitor and comply with AML Legislation in jurisdictions in which Customer operates and where Services are provided under this Agreement. Customer will ensure compliance with all client identification and Know Your Customer (KYC) obligations as required by such laws and Brink's requirements. Customer agrees that Brink's shall have the right to review Customer's AML policy and procedures from time to time to ensure implementation of and compliance with such policy and procedures. Brink's reserves the right to suspend and/or terminate this Agreement and/or any SOW if Brink's reasonably determines that Customer has failed to comply with any AML Legislation and regulations in any jurisdictions in which Customer operates or if Brink's determines, based on its KYC policy, procedures, or otherwise in its sole discretion, that Customer no longer fits Brink's risk profile. Customer will have no recourse, financial or otherwise, under this Agreement or otherwise against Brink's if Brink's suspends or terminates the Agreement pursuant to this clause and shall, in particular, not be entitled to any

damages for any loss, cost, or expense resulting, directly or indirectly, from any such suspension or termination.

X. MISCELLANEOUS

A. Brink's obligations under this Agreement may be met by Brink's or its Contractors; provided that Brink's shall remain responsible as if Brink's were acting on its own behalf. Contractors shall be entitled to the benefit of every limitation and defense to which Brink's is entitled hereunder. Notwithstanding the foregoing, Customer shall look solely to Brink's for reimbursement of any Loss in accordance with the terms of this Agreement.

B. All Notices under this Agreement shall be in writing and shall be deemed given to the other party immediately upon personal or messenger delivery (with proof of such delivery); proof of transmission date of facsimile transmission; or delivery date of overnight courier or certified mail service. Notice shall be sent to the party at the address shown on the front of this Agreement or to such other address as either party may specify by Notice. Notice to Brink's, including bankruptcy notifications, shall also be sent to: Brink's Inc., Attn: Legal Department, 555 Dividend Drive, Coppell, TX 75019. Solely with respect to Notices for claims of Loss, pursuant to Section VI, Notice to Brink's shall be sent to Brink's 24SEVEN Case Management.

C. Conflicting terms in Attachments will prevail over terms stated in this Agreement. Any pre-printed terms and conditions contained in any purchase order or other similar document used by Customer shall be null and void and have no force or effect in modifying the terms and conditions of this Agreement.

D. This Agreement governs the rights and responsibilities of Customer and Brink's. Customer agrees to look only to the provisions of this Agreement for any claim against Brink's relating to Customer's Property and the Services.

E. Each party agrees to comply with all applicable laws, rules and regulations in the performance of its obligations hereunder.

F. Except for any warranty hereunder, if applicable, the sole and exclusive remedies for any breach of the terms and provisions of this Agreement shall be those remedies available at law or in equity for breach of contract only (as such contractual remedies have been further limited or excluded pursuant to the express terms of this Agreement), and neither of the parties hereto, nor other person or entity will have any other entitlement, remedy or recourse, whether in contract, tort or otherwise.

G. Neither party shall use the other party's trade name, likeness, trademarks or logo, or make public announcements regarding this Agreement without the other party's prior written consent.

H. The illegality or invalidity of any provision of this Agreement shall not affect or invalidate the remainder of the Agreement.

I. Customer and Brink's hereby knowingly, voluntarily and intentionally waive the right either may have to a trial by jury in respect of any litigation arising In any way out of this AGREEMENT. This provision is a material inducement for the parties to enter into this Agreement.

J. The provisions of this Agreement, which by their sense and context are meant to survive expiration of this Agreement, shall so survive.

K. Customer shall have no right(s) of abatement, deduction, setoff or recoupment against Brink's.

L. THE LAWS OF THE STATE OF DELAWARE SHALL GOVERN THE VALIDITY OF THIS AGREEMENT, THE construction OF ITS TERMS AND CONDITIONS, THE INTERPRETATION OF THE RIGHTS AND RELATIONSHIPS OF THE PARTIES HERETO, including BUT NOT LIMITED TO ALL CLAIMS OR CAUSES OF ACTION (WHETHER BROUGHT IN CONTRACT OR TORT) THAT MAY BE BASED ON, ARISE OUT OF OR RELATE TO THIS AGREEMENT, WITHOUT REGARD TO THE CONFLICTS OF LAWS AND PRINCIPLES THEREOF.

M. If Customer files for protection under any provision of the Bankruptcy Code (11 U.S.C. S. 101, et seq.), Customer shall file among its first day motions a motion seeking authorization to: (1) assume the Brink's contract, (2) pay Brink's all amounts due under the Agreement on an ongoing basis, and (3) pay as a cure claim any past due amounts. Customer acknowledges that the Services are critical to the continued and uninterrupted operation of its business locations and cash flow. Customer shall promptly seek court authority to treat Brink's as a critical vendor.

N. To the extent Services include transportation, Customer agrees: (a) that none of the provisions of the Carmack Amendment apply to any obligation of Brink's under this Agreement and (b) Customer shall comply with the Private Express Statutes (United States Postal Laws and Regulations) in the preparation of all Shipments.

O. Customer will not assign this Agreement without the prior written consent of Brink's. All of the covenants, conditions and obligations contained herein shall be binding upon and inure to the benefit of the parties and their respective permitted successors and assigns.

P. To the extent not prohibited by law, Customer must commence any action, suit, or proceeding for a Loss within twelve (12) months after receipt of the Property into Brink's possession.

Q. This Agreement and the Attachments, all as may be amended from time to time, constitute the entire agreement and understanding between Customer and Brink's with respect to the subject matter hereof and supersedes all prior agreements and understandings, whether oral or written, express or implied. Unless otherwise specified herein, this Agreement may only be amended or superseded by a writing signed by the parties.

BRINKS

ARMORED TRANSPORTATION SERVICES
STATEMENT OF WORK

AGREEMENT # 10000136167 SOW # 30922

This Armored Transportation Services Statement of Work (the "Armored Transportation SOW") entered into as of August 10, 2026 (the "Effective Date"), is an Attachment to the Services Agreement by and between NEW BRAUNFELS UTILITIES ("Customer") and Brink's, Incorporated ("Brink's"), dated (the "Agreement"). This Armored Transportation SOW and any additional Attachments hereto: (i) are incorporated by reference into the Agreement, (ii) apply only to the Armored Transportation Services and not to products or services covered by any other SOW or Attachment under the Agreement, and (iii) amend and supplement the terms of the Agreement as set forth herein. Capitalized terms not defined herein shall have the same meaning as set forth in the Agreement.

1. SCOPE OF SERVICES

A. Brink's Responsibilities
   (i) Brink's shall: arrive at the Pick-Up Location to collect Shipments and deliver such Shipments to the Delivery Location.
   (ii) Brink's may return the Shipment to the Pick-Up Location in the event that delivery to the applicable Delivery Location cannot reasonably be made by Brink's.

B. Customer's Responsibilities
   (i) Customer shall place all Property to be received by Brink's in Distinctively and Securely Sealed containers.
   (ii) Customer warrants that it shall declare the actual value of each Shipment and in each Distinctively and Securely Sealed container in the Shipment. Customer shall not conceal or misrepresent any material fact or circumstance concerning the Property delivered to Brink's and agrees, in the event of Loss, to be bound by its Declared Value.
   (iii) Customer will not include Fragile Property in a Shipment unless specifically agreed to by Brink's in an Attachment.

2. BRINK'S LIABILITY

A. SUBJECT TO THE TERMS OF THE AGREEMENT, BRINK'S **MAXIMUM LIABILITY AMOUNT** FOR THE SERVICES UNDER THIS ARMORED TRANSPORTATION SERVICES SOW SHALL BE $350,000.00 PER SHIPMENT UNLESS OTHERWISE DESIGNATED IN AN ATTACHMENT.

B. Brink's is not responsible for determining the contents or value of any Shipment.

C. Night Depository (if applicable). Brink's shall not be liable for any Property contained in a Night Depository. Customer agrees that such Property shall be in Brink's possession only after Brink's removes the Property from the Night Depository. Brink's count of the number of items collected from a Night Depository is binding and conclusive. Brink's shall not be liable for any unexplained Night Depository shortage. Customer is responsible for assuring that the Night Depository is secure.

3. FEES

Customer agrees to pay the Fees for the Armored Transportation Services as described in Exhibit A. The Fees set forth in Exhibit A are based on the frequency of service and number of locations thereunder. Should Customer request a reduction of 10% or more to the total number of locations (in the aggregate) or service stops, the Fees will be subject to a revision.

NEW BRAUNFELS UTILITIES

By: _____
(Authorized Representative)

Name: _____

Title: _____

BRINK'S, INCORPORATED

By: _____
(Authorized Representative)

Name: _____

Title: _____

BRINKS

EXHIBIT A
ARMORED TRANSPORTATION SERVICES SOW
LOCATIONS & FEES

AGREEMENT # 10000136167 SOW # 30922

This Exhibit A to the Armored Transportation SOW, entered into as of November 1, 2026, by and between Brink's and Customer, sets forth the locations and Fees for armored transportation Services. This Exhibit A and the Armored Transportation SOW are Attachments to the Services Agreement by and between Customer and Brink's, dated November 1, 2026 (the "Agreement") and: (i) are incorporated by reference into the Agreement, (ii) apply only to the Armored Transportation Services and not to products or services covered by any other SOW or Attachment under the Agreement, and (iii) amend and supplement the terms of the Agreement as set forth herein. Capitalized terms not defined herein shall have the same meaning as set forth in the Agreement.

I. Service Locations

Service		Day or Date	Liability
(A) Call at:	Customer's locations listed in Section II	Service days as shown in Section II	Maximum : $350,000.00
Deliver to:	Designated local bank for deposit into Customer's account	Same or following banking day	
(B) Call at:	Customer's bank account at Designated local bank	At same time as Item A	Maximum : $350,000.00
Deliver to:	Customer's locations listed in Section II	Next scheduled day	

II. Rates

PRICE LIST	LOCATION ID	SERVICE ADDRESS	BRINK'S FACILITY	CONJ	FREQ	ZONE	SERVICE DAY(S)	RATE/ MO.	RATE/ TRIP	EXCESS ITEMS	EXCESS LIAB	EXCESS PREMISES
Price List 001	NEW BRAUNFELS UTILITIES_1	1488 SOUTH SEGUIN AVENUE, NEW BRAUNFELS, TX, 78130-3853	SCHERTZ	No	Weekly	URB	M T W Th F	$1,801.21		10	$350,000.00	8 minutes - 00:01 - 23:59

Price List 001

Monthly Billed Service

CIT Service	Urban	Rural	Over the Road
1 day a week	$360.24	$381.30	$467.96
2 day a week	$720.48	$762.61	$935.93
3 day a week	$1,080.72	$1,143.91	$1,403.89
4 day a week	$1,440.97	$1,525.22	$1,871.86
5 day a week	$1,801.21	$1,906.52	$2,339.82
6 day a week	$2,161.45	$2,287.82	$2,807.78
7 day a week	$2,521.69	$2,669.13	$3,275.75
Every other Week	$189.13	$200.18	$245.68
Once a month	$95.61	$101.20	$124.20

Usage Billed Service

Service Description	Urban	Rural	Over the Road
Excess Items	$2.50	$2.50	$2.50
Excess Liability per $1000	$0.50	$0.50	$0.50
Excess Time	$4.00	$4.00	$4.00
Holiday Service	$89.00	$89.00	$89.00
Unscheduled Service	$141.00	$150.00	$184.00

Service Description	Urban		Rural		Over the Road	
Emergency Service - Per Hour	$175/Hr	(0-1)/Hrs	$400/Hr	(0-2)/Hrs	$1000/Hr	(0-4)/Hrs
	$175/Hr	(1-2)/Hrs	$200/Hr	(2-3)/Hrs	$250/Hr	(4-5)/Hrs
	$175/Hr	(2-3)/Hrs	$200/Hr	(3-4)/Hrs	$250/Hr	(5-6)/Hrs
	$175/Hr	(3-4)/Hrs	$200/Hr	(4-5)/Hrs	$250/Hr	(6-7)/Hrs
	$175/Hr	(4-5)/Hrs	$200/Hr	(5-6)/Hrs	$250/Hr	(7-8)/Hrs
	$175/Hr	(5-6)/Hrs	$200/Hr	(6-7)/Hrs	$250/Hr	(8-9)/Hrs
	$175/Hr	(6-7)/Hrs	$200/Hr	(7-8)/Hrs	$250/Hr	(9-10)/Hrs
	$175/Hr	(7-8)/Hrs	$200/Hr	(8-9)/Hrs		
	$175/Hr	(8-9)/Hrs	$200/Hr	(9-10)/Hrs		
	$175/Hr	(9-10)/Hrs				

Security Surcharge - Customer shall pay surcharge equal to 6.50% of the monthly invoice for services provided under the Agreement.

Environmental Surcharge - Customer shall pay surcharge equal to 2.50% of the monthly invoice for services provided under the Agreement.

*Hourly rates are charged for round-trip hours - Portal to Portal

Holiday List
New Year's Day; Martin Luther King Day; Presidents Day; Memorial Day; Juneteenth; Independence Day; Labor Day; Columbus Day; Veterans' Day; Thanksgiving Day; Christmas Day

NEW BRAUNFELS UTILITIES

Meeting Date:	October 29, 2026	**Agenda Type:**	Consent Items for Action
From:	Julia Haynes Interim Chief External Affairs Officer	**Reviewed by:**	Julia Haynes Interim Chief External Affairs Officer
Submitted by:	Julia Haynes Interim Chief External Affairs Officer	**Approved by:**	Ryan Kelso Chief Executive Officer

RECOMMENDED ACTION: Authorize the CEO or His Designee to Negotiate and Execute a Professional Services Agreement with Focused Advocacy LLC for Government Affairs and Lobbying Services for an Initial One-Year Term in the Amount of $150,000, with up to Four Optional One-Year Renewals for a Total Amount Not to Exceed $750,000

BACKGROUND

New Braunfels Utilities ("NBU") issued a Request for Proposals ("RFP") for Government Affairs and Lobbying Services on June 8, 2026. The RFP sought qualified respondents to provide legislative monitoring, reporting, advocacy, and strategic advisory services (the "Services"). Through an online competitive bid system, nine (9) competitive sealed proposals were received by the July 6, 2026, deadline. Of the nine (9) respondents, Focused Advocacy, LLC was selected as the successful respondent. Focused Advocacy, LLC was selected as the respondent who provides the best value to NBU based on (i) the selection criteria and the weighted value for those criteria, and (ii) the ranking evaluation, specifically their experience with similar entities for similar services.

Services to be performed by Focused Advocacy, LLC, as outlined in the Professional Services Agreement (the "Agreement"), will include, but are not limited to, keeping NBU informed of relevant legislative and regulatory activity, advancing NBU's policy priorities, and offering clear, actionable guidance on issues that may impact its operations during both legislative and interim sessions. The proposed term for the contract is one (1) initial one-year term with up to four (4) additional one-year terms.

NBU Staff requests that the Board of Trustees approve the Agreement with Focused Advocacy, LLC for Government Affairs and Lobbying Services.

This item is being presented to the Board because the total Agreement amount exceeds $250,000.00.

FINANCIAL IMPACT

The total financial impact of the Professional Services Agreement with Focused Advocacy, LLC is budgeted for a one (1) initial one-year term in the amount of $150,000.00, with a not-to-exceed amount of $150,000.00 per year, and up to four (4) additional one-year terms for a total budgeted amount not to exceed $750,000.00. This Agreement is budgeted within the Fiscal Year 2027 NBU Board approved Operations and Maintenance ("O&M") Budget.

LINK TO STRATEGIC PLAN

Customers and Community

EXHIBITS

1. RFP Aggregate Score Summary and Evaluation Criteria
2. Professional Services Agreement between New Braunfels Utilities and Focused Advocacy, LLC for Government Affairs and Lobbying Services

Aggregate Scores Summary

Vendor	Evaluator 1	Evaluator 2	Evaluator 3	**Total Score (Max Score 100)**	**Total Average Rank**
Focused Advo…	77.7 (1)	77.7 (1)	77.7 (1)	**77.7**	**1**
Forma Group …	48.3 (6)	48.3 (6)	48.3 (6)	**48.3**	**6**
Hance Scarbor…	45.5 (8)	45.5 (8)	45.5 (8)	**45.45**	**8**
HillCo Partners	57.4 (4)	57.4 (4)	57.4 (4)	**57.35**	**4**
Holland & Knig…	72.5 (3)	72.5 (3)	72.5 (3)	**72.45**	**3**
Lloyd Gosselin…	74 (2)	74 (2)	74 (2)	**74**	**2**
One World Str…	50 (5)	50 (5)	50 (5)	**50**	**5**
True Construct…	45.9 (7)	45.9 (7)	45.9 (7)	**45.9**	**7**
Vulcan Technol…	32.8 (9)	32.8 (9)	32.8 (9)	**32.75**	**9**

Vendor Scores by Evaluation Criteria

Vendor	**Executive Summ** 0-5 Points 15 Points (15%)	**Project Experien** 0-5 Points 40 Points (40%)	**Key Personnel C** 0-5 Points 20 Points (20%)	**Cost Proposal** 0-5 Points 25 Points (25%)	**Total Score (Max Score 100)**
Focused Advo…	4	4.5	4.5	2.3	**77.7**
Forma Group …	2	2	3	2.9	**48.3**
Hance Scarbor…	3	2	2	2.5	**45.45**
HillCo Partners	3	3	4	1.7	**57.35**
Holland & Knig…	4	4	4	2.5	**72.45**
Lloyd Gosselin…	3	3	4	5	**74**
One World Str…	3	2	2	3.4	**50**
True Construct…	2	1	2	4.8	**45.9**
Vulcan Technol…	3	1	1	2.4	**32.75**

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 **FOCUSED ADVOCACY LLC**, a Texas limited liability company (the "Professional"). For good and valuable consideration, the receipt and sufficiency of which is acknowledged, the parties agree as set forth herein.

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 November 1, 2026, to October 31, 2027 (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 Term extend beyond October 31, 2031.

Section 2. Scope of Services.

(A) The Professional shall perform the services described in Exhibit A (the "Services") within the timeframe specified therein.

(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 Services shall be described 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 Services; Additional Work.

(A) Changes to the Services. The Professional shall make such revisions to any work related to the Services 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 related to the Services, 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 reduce the scope of 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, and Board of Trustees as an Additional Insured 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, officers, employees, and Board of Trustees 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 $500,000 for each occurrence and a $500,000 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, and Board of Trustees 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 $100,000 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, and Board of Trustees 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. 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 External Relations
263 Main Plaza
New Braunfels, TX 78130

With copy to:

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

If to the Professional:

Focused Advocacy LLC

3267 Bee Caves Rd. STE 107-72
Austin, TX 78746-6700

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. NBU reserves the right to condition or terminate the Professional's access to NBU's information technology infrastructure or data at any time. The Professional agrees that the requirements of this Section shall be incorporated into all subcontractor agreements entered into by the Professional. The parties further agree 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, 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. 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/publications/divestment.php.

The foregoing representation is made solely to comply with Section 2252.152, Texas Government Code, as amended, 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. 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. 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. 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.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the Effective Date.

NBU:
NEW BRAUNFELS UTILITIES,
a Texas municipally owned utility

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

PROFESSIONAL:
FOCUSED ADVOCACY LLC,
a Texas limited liability company

By: _____
Name: _____
Title: _____
Date: _____

Exhibit A

Services

The Professional shall support the development and execution of New Braunfels Utilities' ("NBU") state legislative strategy and agenda by providing legislative monitoring, reporting, advocacy, and strategic advisory services (the "Services") for NBU's electric, water, and wastewater operations. The Services, as described below, include keeping NBU informed of relevant legislative and regulatory activity, advancing NBU's policy priorities, and offering clear, actionable guidance on issues that may impact its operations during both legislative and interim sessions.

1. SCOPE OF SERVICES

1.1 Legislative Monitoring and Reporting Services

The Professional shall:

1.1.1 monitor and keep NBU informed of existing and proposed legislative and regulatory policy changes that may impact NBU interests, including but not limited to water, wastewater, and electric services, specifically provided by a municipally-owned utility;

1.1.2 participate, as needed, on behalf of NBU in legislative committee hearings, legislative sessions, state agency meetings, trade association meetings, and any other relevant forums;

1.1.3 provide regular updates, weekly during the legislative session or as otherwise needed, on administrative activities, proposed legislation, and the political landscape to identify potential issues and opportunities; the updates shall be delivered in writing and, in addition, may be provided verbally, and shall include an evaluation of potential impacts to NBU, along with any recommended action; the frequency of updates may be adjusted upon mutual agreement between NBU and the Professional;

1.1.4 provide copies of legislative bills, amendments, committee reports and analyses, regulations, and other reasonably available information, which may be pertinent to NBU interests and, in certain cases, the Texas utility space writ large; and

1.1.5 provide oral and/or written briefing reports summarizing key issues, legislation, and administrative activities; briefings may be utilized at NBU Board Meetings and the Professional may be requested to present such briefings to the NBU Board.

1.2 Advocacy and Coordination Services

The Professional shall:

1.2.1 accurately and persuasively present NBU's views and initiatives to the legislature;
1.2.2 coordinate and engage with key public officials, legislative committee members, state agencies, trade associations, and other stakeholders to seek support for and advancement of NBU's policy priorities;
1.2.3 coordinate meetings and establish relationships between NBU and key decision-makers, including public officials, their staffs and agency or department leaders;
1.2.4 provide strategic guidance and preparation for key meetings with public officials and stakeholders; and
1.2.6 draft advocacy materials, including talking points, position papers, public comments, and correspondence supporting NBU's positions; all formal communications shall be approved and signed by the NBU Chief Executive Officer or his or her designee.

1.3 Legislative Services during Interim Session

During periods when the legislature is not in session, the Professional shall:

1.3.1 adjust, with NBU approval, the frequency and format of reporting and updates to reflect the legislative cycle; and
1.3.2 continue to monitor and report on relevant developments, including but not limited to interim charges, committee hearings, regulatory activity, and emerging policy issues that may impact NBU.

1.4 Travel Services

The Professional shall travel as needed to:

1.4.1 the State Capitol in Austin, TX, during the Legislative Session (January – June); and
1.4.2 New Braunfels, Comal County, and state legislative districts during the legislative interim.

2. REIMBURSABLE COSTS

The following pre-approved expenditures incurred in the performance of the Services shall be charged a 0% administration fee, as authorized by Section 3(C), Reimbursable Expenses, of the Agreement:

2.1 travel to New Braunfels, Comal County, legislative districts, or other locations requested by NBU;
2.2 mileage, lodging, parking, airfare or other travel costs associated with pre-approved travel;
2.3 registration fees for pre-approved events or meetings;
2.4 third-party printing, production, or mailing costs requested by NBU; and
2.5 other direct, pre-approved expenses incurred specifically in support of NBU's engagement.

Any expenses incurred outside of those specified in this section are subject to NBU approval for reimbursement.

Exhibit B

Compensation

NBU shall pay the Professional for the Services rendered under this Agreement in an amount not to exceed $150,000.00 annually during the Term of the Agreement and a total not to exceed amount of $750,000.00 for the duration of the Agreement.

NBU shall pay the Professional a monthly flat fee of $8,500. The Professional must submit any requests for rate adjustments to NBU at least three (3) months before the annual Effective Date of the renewal of the Agreement. Any changes in compensation shall only be effective upon mutual agreement of the parties and execution of a written contract amendment, in accordance with Section 12(D) of the Agreement.

NEW BRAUNFELS UTILITIES

Meeting Date:	October 29, 2026	**Agenda Type:**	Consent Items for Action
From:	Jeffrey Jones Information Technology Manager	**Reviewed by:**	Carlos Salas Director of Technology
Submitted by:	Greg Brown Chief Technology and Security Officer	**Approved by:**	Ryan Kelso Chief Executive Officer

RECOMMENDED ACTION: Authorize the CEO or His Designee to Negotiate and Execute a Cooperative Agreement with DataVox, Inc. for the Purchase, Configuration, and Installation of Network Hubs for a Total Amount Not to Exceed $321,262.76

BACKGROUND

New Braunfels Utilities (NBU) invested in a Fiber Master Distribution Project to create a redundant Fiber Optic Infrastructure. To achieve full redundancy for this project, we need to purchase and install network switches and redundant connection hardware at the five major fiber hubs. This effort supports NBU's commitment to the resiliency of essential services and enhanced customer experience.

The total amount for the purchase, configuration, and installation is $321,262.76. NBU's selection of DataVox, Inc., to enter into this cooperative agreement through Texas DIR contracts DIR-CPO-5347 and DIR-CPO-5370 satisfies the bidding requirements under Texas law.

NBU staff requests that the Board of Trustees approve this purchase with DataVox, Inc., to improve network redundancy and business reliability for NBU's critical Fiber Optic Infrastructure.

This item is being presented to the Board because the total amount of the contract exceeds $250,000.00.

FINANCIAL IMPACT

The total financial impact of the agreement is $321,262.76. The Project is budgeted within the Fiscal Year 2027 Capital Equipment budget.

LINK TO STRATEGIC PLAN

Infrastructure and Technology

Financial Excellence

EXHIBITS

1. A8. 26-0152 NBU IT Cooperative Terms
2. A9. Fiber Hubs SOW and Quote DVXQ36279-05
3. A10. DataVox - Standard Terms and Conditions

Vendor

Additional Terms and Conditions under Texas DIR-CPO-5370 and DIR-CPO-5347

between

DataVox, Inc.
("Vendor" or "DataVox")
6650 West Sam Houston Parkway South,
Houston, Texas 77072

and

New Braunfels Utilities
("Customer" or "NBU")
263 Main Plaza
New Braunfels, Texas 78130

For good and valuable consideration, the receipt and sufficiency of which is acknowledged, Vendor and Customer agree as follows. Effective as of the date of the last signature below (the "Effective Date"), Texas Department of Information Resources ("DIR") Contract DIR-CPO-5370 ("DIR Contract 5370") and DIR-CPO-5347 ("DIR Contract 5347") (collectively referenced herein as "DIR Contracts") are incorporated by reference into and made part of these Additional Terms and Conditions (all collectively, the "Agreement"). Vendor is a party to DIR Contract 5370, under which Vendor provides those data storage, data communications, and network equipment and related services identified in DIR Contract 5370. Vendor is a designated Order Fulfiller for Cisco Systems, Inc. under DIR Contract 5347, pursuant to which Vendor provides order fulfillment and installation and configuration services relative to the Cisco Systems, Inc. products identified in DIR Contract 5347. The DIR Contracts applicable to the specific products and services purchased by Customer under this Agreement govern the purchases, orders, and statements of work ("SOW") that are made between Customer and Vendor during the term of the DIR Contract for Cisco-branded products, Cisco-branded product-related services, data storage, data communications and networking equipment products, and related services. Customer is an eligible purchaser of the offerings under the DIR Contracts, which are publicly available on the DIR website at:

https://dir.texas.gov/contracts/dir-cpo-5370

and

https://dir.texas.gov/contracts/dir-cpo-5347

This Agreement shall become effective on the Effective Date and shall remain in effect for a term of three (3) years unless sooner terminated under the DIR Contracts. Customer shall pay Vendor the amount of $291,262.76 for the products and services in Quote # DVXQ36279-05. Cumulative purchases under the Agreement shall not exceed $321,262.76.

Per the DIR Contracts, Vendor will secure and maintain throughout the term of this Agreement at least the minimum insurance coverages specified in the DIR Contracts. Promptly, upon execution of this Agreement and upon future request from NBU, Vendor shall provide proof of such insurance coverage by providing a Certificate of Insurance demonstrating compliance with the insurance coverages to NBU listed as additional insured. Vendor will provide an updated Certificate of Insurance to NBU prior to the expiration of each applicable policy.

In the event that data collected or obtained by the Vendor in connection with this Agreement is believed to have been compromised or in the event of a cybersecurity event or breach, the Vendor shall notify NBU immediately. Before NBU will allow Vendor access to the NBU network after a cybersecurity event or

breach, Vendor shall provide NBU with: (1) an audit of the systems compromised to be completed by an independent firm unaffiliated with Vendor and (2) evidence that the Vendor's system is no longer a threat to the NBU network.

This Agreement and all of the rights and obligations of the parties shall be governed by and enforced under the laws of the State of Texas and the United States, as applicable. The exclusive venue for any litigation relating to or arising from this Agreement shall be in a court of competent jurisdiction in Comal County, Texas. The parties agree to communicate and cooperate to resolve any concerns prior to filing litigation. Any mediation will be conducted by a mediator selected by both parties, and mediation shall be located in New Braunfels, Texas.

REPRESENTATIONS:

Prohibition on Contracts with Companies Boycotting Israel. Vendor 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. Vendor understands "affiliate" to mean an entity that controls, is controlled by, or is under common control with Vendor and exists to make a profit.

Contracts with Companies Engaged in Business with Iran, Sudan or Foreign Terrorist Organizations Prohibited. Vendor 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 Vendor 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. Vendor understands "affiliate" to mean an entity that controls, is controlled by, or is under common control with Vendor and exists to make a profit.

Prohibition on Contracts with Companies in China, Iran, North Korea, or Russia. To the extent this Agreement relates to critical infrastructure in the State of Texas, Vendor represents the following:

(A) it is not owned by or the majority of stock or other ownership interest in Vendor is not held or controlled by:

i. individuals who are citizens of China, Iran, North Korea, Russia, or a country designated by 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.

Prohibition on Contracts with Companies Boycotting Energy Companies. Vendor 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. Vendor understands "affiliate" to mean an entity that controls, is controlled by, or is under common control with Vendor and exists to make a profit.

Prohibition on Contracts with Companies that Discriminate Against Firearm and Ammunition Industries. Vendor 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. Vendor understands "affiliate" to mean an entity that controls, is controlled by, or is under common control with Vendor and exists to make a profit.

NBU and Vendor agree to reference the applicable current DIR Contracts for quotations, purchase orders, and SOWs that are for offerings available from Vendor as an Order Fulfiller under the DIR Contracts. The parties also agree to cooperate to resolve any administrative issues for proper processing of orders and billing related to this Agreement. This Agreement is entered into on behalf of the parties by their below authorized representatives:

Vendor: **DataVox, Inc.**
Signature:
Name:
Position:
Date:

Customer: **New Braunfels Utilities**
Signature:
Name:
Position:
Date:

Fiber Hubs

Proposal

Prepared for: New Braunfels Utilities

Presented on: 9/11/2026

Version

Quote # DVXQ36279-06

DataVox

New Braunfels Utilities Fiber Hubs SOW

Revision History

Revision	Date	Name	Description of Change
Version 1	July 9, 2026	Paul Yau	Initial Draft

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1.0 Executive Summary

New Braunfels Utilities is deploying a redundant fiber-ring network that interconnects five fiber hub sites — Loop 337, Comal, Rio, Sherrif's Posse, and Gruene — with the Headquarters (HQ) and Backup Operations Center (BOC) serving as the two independent Internet exit points for the ring. This Scope of Work covers the design, configuration, and implementation of the ruggedized Cisco Catalyst industrial switching at the five fiber hub sites.

Each fiber hub connects into the redundant fiber ring so that a fiber cut or a single-site failure does not isolate the remaining sites. To preserve the security posture required for utility operations, each hub carries three physically separate network segments — Business, Electric, and Water. Only the Business segment has a path toward the HQ and BOC Internet exits; the Electric and Water segments remain air-gapped in accordance with the SCADA Purdue reference model. DataVox will provide the equipment identified in the Bill of Materials and the professional services required to install, configure, and validate the switching at each of the five fiber hub sites.

1.1 Solution Summary

DataVox is proposing ruggedized Cisco Catalyst IE9300 series industrial switches at each of the five fiber hub sites. The five hubs are configured identically for consistency, sparing, and operational simplicity, and each hub connects to the redundant fiber ring over 10G industrial single-mode optics.

- Fiber Hub Sites (5) : Loop 337, Comal, Rio, Sherrif's Posse, and Gruene, each equipped identically.
- Ring / Aggregation : two Cisco Catalyst IE-9320-22S2C4X-E switches per hub (24x GE SFP downlinks with 4x 10G uplinks) providing redundant fiber-ring connectivity and segment aggregation.
- Access / PoE : one Cisco Catalyst IE-9310-16P8S4X-E switch per hub (16x GE PoE+ and 8x GE SFP with 4x 10G uplinks) for powered field devices and copper/fiber access.
- Fiber-Ring Optics : twelve 10GBASE-LR industrial SFP modules per hub for the redundant 10G ring uplinks, plus 1G copper (GLC-TE) and 100BASE-FX rugged (GLC-FE-100FX-RGD) SFPs for field connectivity.
- Segmentation : each hub carries the Business, Electric, and Water segments; the Electric and Water segments are air-gapped with no path to the Internet, consistent with the SCADA Purdue model.
- Management & Licensing : Cisco DNA Essentials (3-year term) and zero-touch Plug-and-Play provisioning across all hub switches.

1.2 Primary Project Contacts

The table lists the primary DataVox and New Braunfels Utilities contacts for this project.

DataVox		New Braunfels Utilities	
Name/Role	**Contact Information**	**Name/Role**	**Contact Information**

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Jonathan Montoya / **Account Manager**	**Phone:** 713-881-7081 **Email:** jonathanmo@datavox.net	Tim Brown	**Phone:** 830-629-8400 **Email:** tbrown@nbutexas.com

2.0 In-Scope Services

This Scope of Work (“SOW”) defines the services that DataVox will provide New Braunfels Utilities and the pricing for these services. DataVox has developed an initial architecture plan and design from the scoping discussions with New Braunfels Utilities.This Section lists the in-scope services that DataVox will provide New Braunfels Utilities at the following locations:

Location	Address
Loop 337 Substation	**3087 Loop 337, New Braunfels, TX 78130**
Gruene WWTP (Wastewater Treatment Plant)	**322 Loop 337, New Braunfels, TX 78130**
Comal Substation	**154 Fredericksburg Rd, New Braunfels, TX 78130**
Sherriff's Posse Substation	**3955 S IH 35, , New Braunfels, TX 78130**
Rio Lift Station	**1901 Kuehler Ave, New Braunfels, TX 78130**

2.1 Project Initiation and Planning Phase

2.1.1 Project Initiation and Planning

- Gather information for all network devices related to the project
- Review the finalize BoM
- Inventory equipment and verify basic operation: Power on all equipment, check diagnostics, update software and enable licensing
- Stage and build out any necessary hardware (for example module power supplies, fans or supervisors)
- Identify tasks and estimated efforts to finalize a project plan

2.2 Project Execution Phase

2.2.1 Fiber Hub Sites — Cisco Catalyst IE9300 (Ruggedized Industrial)

- The following installation and configuration tasks are performed at each of the five fiber hub sites: Loop 337, Comal, Rio, Sherrif’s Posse, and Gruene.
- Mount and install the Cisco Catalyst IE-9310 and the two Cisco Catalyst IE-9320 switches in the provided cabinet or enclosure at each hub.
- Install and connect the ruggedized AC/DC power supplies and verify redundant power where provided.
- Install the 10G industrial optics (SFP-10G-LR10-I) and the 1G (GLC-TE) and 100BASE-FX (GLC-FE-100FX-RGD) SFP modules.

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- Perform base configuration (hostname, management IP, SSH, AAA, SNMP, syslog, NTP) and apply Cisco DNA Essentials licensing via zero-touch Plug-and-Play.
- Apply baseline device hardening and access control lists per NBU standards.

2.2.2 Redundant Fiber Ring

- Configure the 10G fiber-ring uplinks between adjacent hub sites and toward the HQ and BOC exit points.
- Configure ring resiliency and loop protection (e.g., Resilient Ethernet Protocol or spanning tree) so the ring survives a single fiber or node failure.
- Verify ring failover and recovery to the design target.

2.2.3 Network Segmentation (Business, Electric, Water)

- Create the Business, Electric, and Water segment VLANs at each hub.
- Configure the Business segment to reach the HQ and BOC Internet exit points over the ring.
- Configure the Electric and Water segments as physically and logically separated, air-gapped networks with no routed path to the Internet, consistent with the SCADA Purdue reference model.
- Configure inter-hub segment transport so each segment remains isolated end to end across the ring.

2.2.4 Testing and Validation

- Verify switch reachability, licensing, and management at all five hubs.
- Verify redundant fiber-ring failover and recovery.
- Verify the physical and logical separation and air-gap of the Electric and Water segments.
- Verify Business segment egress toward the HQ and BOC Internet exits.

2.3 Project Deliverables

Each in-scope phase has specific deliverables attached.

As part of this SOW the following deliverables will be developed throughout the project with the involvement of New Braunfels Utilities's IT team.

- **Project Initiation and Planning** – This includes the project plan and timeline.
- **Project Execution** – This includes results of the system testing.
- **Project Knowledge Transfer and Closing** – This includes project wrap-up documentation such as: as-built files, configuration files, Visio Diagram(s), and administration and maintenance guides.

NOTES:

- Custom documents and runbooks are outside this scope of work.
- Documentation not explicitly listed in this SOW can be provided at additional cost.
- All documents will be delivered electronically. It is Customer's responsibility to make the necessary print copies.

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3.0 Project Management Services

This Section describes DataVox Project Management Services. DataVox follows the Project Management Institute (PMI) project management methodology, condensed into the following phases for the simplicity of presentation of phases in this SOW:

- Project Execution

DataVox offers three (3) Project Management Packages: Basic, Enhanced, and Premium. The following table lists the Project Management Package that DataVox will provide.

Project Management Package		Description
	Basic	• Notification of resource assignment and scheduling. • Provide equipment tracking and delivery notifications. • Provide documentation and project sign-off.
X	Enhanced	• Facilitate Kickoff Meeting. • Facilitate Technical Discovery Meeting(s). • Project planning using Microsoft Project. • Ongoing project tracking and progress reporting. • Provide documentation in a Project Wrap-Up Meeting.
	Premium	• Facilitate Kickoff Meeting. • Facilitate Technical Discovery Meeting(s). • Project planning using Microsoft Project. • Ongoing project tracking and progress reporting. • Provide a Communication and Implementation Plan. • Risk and issues planning. • Provide a Test Plan. • Provide documentation and review lessons learned in a Project Wrap-Up Meeting.

As part of the project management process, DataVox will assign a business team to the project soon after official project award. At a minimum, the project team will include an Account Manager, Lead Systems Engineer, Project Manager, and Solution Architect. The Project Manager will incorporate additional resources in the project as required by the project.

All personnel will have the requisite skills necessary to fulfill the project scope. DataVox strives to keep the same project team intact throughout the project but reserves the right to make changes to the team as necessary. DataVox will notify the Customer of any changes made to the project resources.

4.0 Out-of-Scope Services

Changes to the initial agreed upon parameters are referred to as “out-of-scope.” Out-of-scope items require a written and signed Change Order to be processed and may be subject to additional charges. For more information regarding change orders, please refer to Section 8.0.

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Any service that is not explicitly listed as “In-Scope”, is considered to be out-of-scope for this engagement and includes but is not limited to:

- ⊗ Site inspection activities such as a comprehensive analysis of Customer facility’s power, cooling humidity, airborne contaminant, vibration levels, and determination of whether the data center’s raised floor has sufficient structural capability to accommodate the weight of newly installed equipment.
- ⊗ Environmental compliance or site preparation.
- ⊗ Application integration or integration of third-party products or peripherals not included with the provided project bill of materials.
- ⊗ Assembly of racks or other computer room site preparation.
- ⊗ Any configuration of New Braunfels Utilities’s existing equipment, unless specifically stated in the In-Scope section of this document.
- ⊗ Manage the process of coordination with the Customer’s telecommunications service provider to order services or make changes to existing services.
- ⊗ Training classes not listed in this SOW.
- ⊗ Documentation not listed in this SOW.
- ⊗ Installation, splicing, or termination of fiber-optic cabling or the fiber-ring transport between sites.
- ⊗ Civil, electrical, environmental, or enclosure/cabinet work at the hub sites (e.g., outdoor cabinets, grounding, HVAC, power provisioning).
- ⊗ Configuration, integration, or troubleshooting of SCADA/OT end devices (RTUs, PLCs, HMIs, meters) on the Electric and Water segments.
- ⊗ Configuration of the HQ and BOC sites, which are covered under separate scopes of work.
- ⊗ Hardwiring the IE switches.

IMPORTANT: Miscellaneous items may be required for completion during project execution (e.g., copper or fiber patch cables, power cords, and optics.) If miscellaneous items are required beyond what is included in the Bill of Materials, these items will be provided by Customer or the items can be purchased from DataVox following the standard change management process.

5.0 Assumptions and Responsibilities

5.1 DataVox Assumptions

This section lists the project assumptions:

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- DataVox will be given remote VPN access to New Braunfels Utilitiess network for the duration of this SOW.
- DataVox will be given access to New Braunfels Utilities's network while onsite from a DataVox provided laptop.
- UPS systems, network racks and high voltage electrical work are to be provided by third parties unless explicitly stated in Section 2.0.
- DataVox assumes no responsibility for the configuration of the Customer's existing infrastructure environments. DataVox will provide design recommendations consistent with those used to configure the infrastructure listed in the Bill of Materials for this SOW, however, it is Customer's responsibility to configure and troubleshoot their existing infrastructure in order for the solution to work properly using the provided design recommendations.
    - **IMPORTANT:** Network consulting services to implement existing infrastructure design recommendations are available. These services are considered billable and outside the scope of work.
- Unless agreed to in advance and explicitly stated in this SOW, Cutovers at each site will be flash cutovers (i.e. not a phased cutover) performed during weekday afterhours (after 5:00 PM CST) unless otherwise detailed within this SOW.
- If the project requires manufacturer entitlement for technical support services or software update/upgrade licensing, it is New Braunfels Utilities's responsibility to provide the necessary vendor contract information and access to the DataVox project team.
- This SOW covers the five fiber hub sites (Loop 337, Comal, Rio, Sherrif's Posse, and Gruene). The BOC is addressed under separate scopes of work.
- New Braunfels Utilities will provide the fiber-ring transport, fiber terminations, and any service-provider circuits between the hub sites, HQ, and BOC. DataVox will connect to the fiber terminations presented at each hub.
- New Braunfels Utilities will provide suitable, powered, and environmentally rated enclosures or cabinets at each hub for the ruggedized switches; industrial/outdoor mounting and environmental preparation are performed by others.
- The three network segments (Business, Electric, and Water) will be physically separated at each hub, and the Electric and Water segments will remain air-gapped with no routed path to the Internet, in accordance with the SCADA Purdue reference model.
- New Braunfels Utilities will provide IP addressing, VLAN, and routing standards for each segment prior to configuration.
- Configuration of SCADA end devices, RTUs, PLCs, HMIs, meters, and other operational-technology equipment on the Electric and Water segments is the responsibility of New Braunfels Utilities and/or its OT integrators and is not included in this SOW.

5.2 Customer Responsibilities

- Participate in project meetings including, but not limited to: Kickoff, Design and Wrap-Up Meetings.
- Complete any necessary database information.

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- Configure existing infrastructure using the provided design recommendations by DataVox, if recommended.
- Provide access to the network and existing customer documentation to facilitate project objectives.
- Provide access to Customer's technical team to collect information and answer questions about the current configuration and define any business requirements that will impact the configuration of any new equipment subject to this SOW.
- Provide any existing IP addressing and configuration standards used in the infrastructure.
- Approve the project plan.
- Provide adequate space, power, and cooling based on DataVox recommendations.
- Provide adequate storage of project equipment at the relevant installation sites.
- Provide adequate security of project equipment once delivered to the relevant installation site.
- Provide any necessary asset tagging.
- Provide adequate workspace for the DataVox project team while onsite at Customer's facility.
- Provide terminated fiber-optic connections at each hub for the ring uplinks and segment transport.
- Provide suitable powered, environmentally rated enclosures or cabinets and physical mounting at each hub.
- Provide IP addressing, VLAN, and routing standards for each of the three segments.
- Configure and maintain all SCADA/OT end devices on the air-gapped Electric and Water segments.
- Confirm and maintain the physical separation and air-gap requirements between the Business, Electric, and Water segments at each hub.
- Coordinate with certified electrician to hardwire the IE 9300 switches.

5.3 DataVox Responsibilities

- Participate in project meetings including, but not limited to: Kickoff, Design and Wrap-Up Meetings.
- Review physical requirements with Customer (e.g. power, space, cooling, and network).
- Provide Customer guidance in the completion of the necessary database information.
- Completion of all in-scope services and project management services as defined in Section 2.0 and 3.0, respectively.

6.0 Completion Criteria

The services provided for within this SOW will be considered complete when:

- The services specified in **Section 2.0** are complete,
- The system testing is complete.
- Project deliverables are provided to Customer.

6.1 Deliverables Acceptance

Unless multiple project milestones are designated within this SOW, upon project completion, DataVox will provide New Braunfels Utilities with a Delivery Acceptance Form that Customer shall sign and return

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to DataVox within thirty (30) days. If project milestones are created pursuant to this SOW, then a Delivery Acceptance Form will be required upon completion of each milestone. If Customer takes issue with the Delivery Acceptance Form, Customer shall inform DataVox within thirty (30) days of receipt of the same. Customer acknowledges and agrees that if it fails to provide the signed or fails to provide its rejection within the above-stated timeframe, DataVox will assume that all deliverables are considered accepted and shall continue with the next relevant phase.

7.0 Pricing and Payment Information

The price to complete this engagement is based on the criteria and assumptions provided within this SOW. Invoicing will occur according to the table below, subject to final credit approval.

7.1 Professional Services

The professional services will be provided on a fixed cost basis based on the criteria and assumptions in this scope of work. Changes to the scope of the project or price of the services will follow the change management process specified in Section 8.0

7.2 Project Summary Pricing

This table provides a summary of the costs associated with the project based on the criteria and assumptions in this scope of work.

SubTotal	$291,262.76
Tax	$0.00
Shipping	$0.00
Grand Total	$291,262.76
Deposit Required	$0.00

7.3 Project Invoicing

Project invoicing will occur as follows, subject to final credit approval:

- The deposit listed above will be billed upon the execution of this SOW and will be due immediately. The deposit must be received by DataVox prior to any project equipment being ordered and Kickoff Meeting.
- All equipment will be billed upon delivery to either DataVox's facility for staging or Customer's location.
- The remaining project balance will be progress-billed as services are completed and equipment is delivered.
- All invoices, other than the project deposit, are due net 30 days from invoice date.

7.4 Pricing Adjustments

Due to industry-wide constraints and fluctuations, DataVox reserves the right to change the price of this proposal prior to execution of this SOW.

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8.0 Change Management Process

Either DataVox or the Customer may request a change to this SOW by executing a written change order signed by both DataVox and the Customer.

9.0 Termination

DataVox is committed to resolving any issues that Customer is experiencing with the equipment and services subject to this SOW.

Either party may terminate this Agreement for reasonable cause, after being afforded a thirty (30) day opportunity to cure.

If mutually agreed upon, both parties may terminate this Agreement for convenience at any time during the term of this Agreement. Customer shall be obligated to pay for any non-returnable equipment and services which have been rendered until such effective date of termination.

10.0 Terms and Conditions

Contract #DIR-CPO-5370, Contract #DIR-CPO-5347, and the Additional Terms and Conditions attached hereto and incorporated herein by reference as Exhibit A-1 and executed by DataVox and Customer, and DataVox Standard Terms and Conditions attached hereto and incorporated herein by reference as Exhibit A-2, as modified by the parties, shall govern the execution of this scope of work.

In the event of conflict between the documents, the Contract #DIR-CPO-5370 and Contract #DIR-CPO-5347 shall control over all other documents.

11.0 Notices

All notices required to be sent or given under this Agreement shall be sent in writing and shall be deemed duly given and effective (i) immediately, if delivered in person; (ii) the next business day, if delivered via electronic mail; (iii) if sent by registered mail, return receipt requested or first class postage prepaid, two (2) business days after deposit in the mail; or (iv) if sent by internationally recognized overnight delivery service, one (1) business day after delivery to a recognized overnight delivery service. In each case, notice must be addressed to the party entitled to receive the same at the address specified below:

If to Customer, then to:

Customer Name: _____

Attention: _____

Address: _____

Telephone: _____

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New Braunfels Utilities Fiber Hubs SOW

Email: _____

If to DataVox, then to

DataVox, Inc.

Attention: Greg Smith, Vice President of Sales

6650 W. Sam Houston Parkway S.

Houston, Texas 77072

Telephone: 713-881-7467

With a copy to:

Legal Department – DataVox

Attention: Anuja Deshpande, General Counsel

6650 W. Sam Houston Parkway S.

Houston, Texas 77072

Telephone: 713-881-7090

Email: legalnotices@datavox.net

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Acceptance of Scope of Work

The use of signatures on this Scope of Work is to ensure agreement by New Braunfels Utilities on project objectives and the work to be performed by DataVox.

Parties to Agreement

This Scope of Work (SOW) is made and entered into between DataVox, Inc., 6650 West Sam Houston Parkway South, Houston, Texas 77072 (“DataVox”) and New Braunfels Utilities, 263 E Main Plaza, New Braunfels, TX 78130 (“Customer”), as of the date listed on the title page of this document.

Terms

When (but only when) signed by Customer and an authorized representative of DataVox this shall be a binding, legal contract.

The prices, specifications, and conditions in this SOW are satisfactory, and are hereby accepted in their entirety. Customer hereby agrees to purchase the Equipment and authorizes DataVox to do the work, and provide the materials specified, and payment will be made as outlined in the Payment section of this document. The price quoted in this SOW is based upon the Equipment included in the attached Bill of Material. Any changes in the Equipment or installation may result in a change in the price. Any such change must be in writing and signed by all parties.

DataVox reserves the right to modify payment terms at any time based on a review of the Customer's credit.

THIS AGREEMENT, WHEN SIGNED BY BOTH PARTIES (BELOW), SHALL BE GOVERNED BY THE TERMS AND CONDITIONS SET FORTH IN THIS DOCUMENT. THE AGREEMENT IS INCORPORATED BY REFERENCE AS IF FULLY SET FORTH HEREIN. THERE ARE NO OTHER AGREEMENTS, OR WARRANTIES, ORAL OR WRITTEN, EXCEPT AS EXPRESSLY STATED IN THIS DOCUMENT. THIS AGREEMENT CANNOT BE MODIFIED EXCEPT IN WRITING AND SIGNED BY BOTH PARTIES.

Customer acknowledges having read and understood all of the terms and conditions specified in this SOW and acknowledges receipt of a complete executed copy of this SOW. Customer understands and agrees that this SOW and all of the terms and conditions hereof shall be a binding, enforceable contract when signed by Customer and by an authorized representative of DataVox.

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Quote # DVXQ36279-06

New Braunfels Utilities Fiber Hubs SOW

Approval Signatures

IN WITNESS WHEREOF, the duly authorized representatives of the parties hereto have caused this SOW to be duly executed.

DataVox, Inc.		New Braunfels Utilities	
By:	_____ (Signature)	**By:**	_____ (Signature)
Name:	_____	**Name:**	_____
Title:	_____	**Title:**	_____
Date:	_____	**Date:**	_____

Date: July 9, 2026 Technical validation provided by Paul Yau

Quote file name: DVXQ36792_5_Hubs_Switches_Implementation-New-Braunfels-Utilities-2026-07-09_rev1

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DataVox

Quote #DVXQ36279-06
Expiration: 10/9/2026

New Braunfels Utilities Fiber Hubs

Part #	Description	DIR #	Qty	Unit Price	Ext. Price
Loop 337					
IE-9310-16P8S4X-E	IE9300 w/ 16x GE PoE+ & 8x GE SFP w/ 4x 10G SFP uplinks	DIR-CPO-5347	1	$4,742.51	$4,742.51
CON-SSSNT-IE9310ZX	SOLN SUPP 8X5XNBD IE9300 w 16x GE PoE+ and 8x GE SFP w 4x	DIR-CPO-5347	1	$2,515.50	$2,515.50
IE9300-DNA-E	Cisco DNA Essentials license for IE9300 Series	DIR-CPO-5347	1	$0.00	$0.00
CON-SSTCM-IE93000D	SOLN SUPP SW SUB Cisco DNA Essentials license for IE9300	DIR-CPO-5347	1	$243.00	$243.00
IE9300-DNA-E-3Y	IE 9300 DNA Essentials, 3 Year Term license	DIR-CPO-5347	1	$303.06	$303.06
PWR-RGD-AC-DC-400	Higher PoE, 400W PSU for IE9300, 100-240VAC/100-250VDC	DIR-CPO-5347	1	$1,087.81	$1,087.81
IE93X0_SW	Software for Catalyst IE9300 rugged series	DIR-CPO-5347	1	$0.00	$0.00
RPS-IE5000-COVER	Power Supply Blank for IE5000/IE9300	DIR-CPO-5347	1	$0.00	$0.00
NETWORK-PNP-LIC	Network Plug-n-Play Connect for zero-touch device deployment	DIR-CPO-5347	1	$0.00	$0.00
DIGITAL-DL-CODE	Digital Download Code for Software License	DIR-CPO-5347	1	$0.00	$0.00
IOT-UTILITIES	Utilities Industry Solutions; For tracking only.	DIR-CPO-5347	1	$0.00	$0.00
IOT-TRANS-OTHER	Not related to an IoT Transportation Solution; Tracking only	DIR-CPO-5347	1	$0.00	$0.00
IE-9320-22S2C4X-E	24 Port SFP Downlinks with 4 10G Uplinks	DIR-CPO-5347	2	$12,863.53	$25,727.06
CON-SSSNT-IE932CXE	SOLN SUPP 8X5XNBD 24 Port SFP Downlinks with 4 10G Uplinks	DIR-CPO-5347	2	$6,822.00	$13,644.00
IE9300-DNA-E	Cisco DNA Essentials license for IE9300 Series	DIR-CPO-5347	2	$0.00	$0.00
CON-SSTCM-IE93000D	SOLN SUPP SW SUB Cisco DNA Essentials license for IE9300	DIR-CPO-5347	2	$243.00	$486.00
IE9300-DNA-E-3Y	IE 9300 DNA Essentials, 3 Year Term license	DIR-CPO-5347	2	$303.06	$606.12

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Part #	Description	DIR #	Qty	Unit Price	Ext. Price
PWR-RGD-AC-DC-H	IE4010/5000 Hazloc Pwr Supply High AC/DC 85-264VAC/88-300VDC	DIR-CPO-5347	2	$373.43	$746.86
IE9300_SW	Software for Catalyst IE9300 rugged series	DIR-CPO-5347	2	$0.00	$0.00
RPS-IE5000-COVER	Power Supply Blank for IE5000/IE9300	DIR-CPO-5347	2	$0.00	$0.00
NETWORK-PNP-LIC	Network Plug-n-Play Connect for zero-touch device deployment	DIR-CPO-5347	2	$0.00	$0.00
DIGITAL-DL-CODE	Digital Download Code for Software License	DIR-CPO-5347	2	$0.00	$0.00
IOT-UTILITIES	Utilities Industry Solutions; For tracking only.	DIR-CPO-5347	2	$0.00	$0.00
IOT-TRANS-OTHER	Not related to an IoT Transportation Solution; Tracking only	DIR-CPO-5347	2	$0.00	$0.00
SFP-10G-LR10-I-DVX	CISCO SFP-10G-LR10-I COMP XCVR TAA 10G-LR LC 1310NM 10KM SMF SFP+	DIR-CPO-5370	12	$166.67	$2,000.04
GLC-TE-DVX	DATAVOX OPTICS CISCO COMP SFP GLC-TE TX SFP 100M RJ-45 DVX ONLY	DIR-CPO-5370	10	$46.67	$466.70
GLC-FE-100FX-RGD-DVX	DATAVOX OPTICS CISCO COMP SFP GLC-FE-100FX-RGD FX SFP LC DVX ONLY	DIR-CPO-5370	5	$33.33	$166.65
				Loop 337 SubTotal	**$52,735.31**

Comal					
IE-9310-16P8S4X-E	IE9300 w/ 16x GE PoE+ & 8x GE SFP w/ 4x 10G SFP uplinks	DIR-CPO-5347	1	$4,742.51	$4,742.51
CON-SSSNT-IE9310ZX	SOLN SUPP 8X5XNBD IE9300 w 16x GE PoE+ and 8x GE SFP w 4x	DIR-CPO-5347	1	$2,515.50	$2,515.50
IE9300-DNA-E	Cisco DNA Essentials license for IE9300 Series	DIR-CPO-5347	1	$0.00	$0.00
CON-SSTCM-IE93000D	SOLN SUPP SW SUB Cisco DNA Essentials license for IE9300	DIR-CPO-5347	1	$243.00	$243.00
IE9300-DNA-E-3Y	IE 9300 DNA Essentials, 3 Year Term license	DIR-CPO-5347	1	$303.06	$303.06
PWR-RGD-AC-DC-400	Higher PoE, 400W PSU for IE9300, 100-240VAC/100-250VDC	DIR-CPO-5347	1	$1,087.81	$1,087.81
IE93X0_SW	Software for Catalyst IE9300 rugged series	DIR-CPO-5347	1	$0.00	$0.00
RPS-IE5000-COVER	Power Supply Blank for IE5000/IE9300	DIR-CPO-5347	1	$0.00	$0.00
NETWORK-PNP-LIC	Network Plug-n-Play Connect for zero-touch device deployment	DIR-CPO-5347	1	$0.00	$0.00

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DIGITAL-DL-CODE	Digital Download Code for Software License	DIR-CPO-5347	1	$0.00	$0.00
IOT-UTILITIES	Utilities Industry Solutions; For tracking only.	DIR-CPO-5347	1	$0.00	$0.00
IOT-TRANS-OTHER	Not related to an IoT Transportation Solution; Tracking only	DIR-CPO-5347	1	$0.00	$0.00
IE-9320-22S2C4X-E	24 Port SFP Downlinks with 4 10G Uplinks	DIR-CPO-5347	2	$12,863.53	$25,727.06
CON-SSSNT-IE932CXE	SOLN SUPP 8X5XNBD 24 Port SFP Downlinks with 4 10G Uplinks	DIR-CPO-5347	2	$6,822.00	$13,644.00
IE9300-DNA-E	Cisco DNA Essentials license for IE9300 Series	DIR-CPO-5347	2	$0.00	$0.00
CON-SSTCM-IE93000D	SOLN SUPP SW SUB Cisco DNA Essentials license for IE9300	DIR-CPO-5347	2	$243.00	$486.00
IE9300-DNA-E-3Y	IE 9300 DNA Essentials, 3 Year Term license	DIR-CPO-5347	2	$303.06	$606.12
PWR-RGD-AC-DC-H	IE4010/5000 Hazloc Pwr Supply High AC/DC 85-264VAC/88-300VDC	DIR-CPO-5347	2	$373.43	$746.86
IE9300_SW	Software for Catalyst IE9300 rugged series	DIR-CPO-5347	2	$0.00	$0.00
RPS-IE5000-COVER	Power Supply Blank for IE5000/IE9300	DIR-CPO-5347	2	$0.00	$0.00
NETWORK-PNP-LIC	Network Plug-n-Play Connect for zero-touch device deployment	DIR-CPO-5347	2	$0.00	$0.00
DIGITAL-DL-CODE	Digital Download Code for Software License	DIR-CPO-5347	2	$0.00	$0.00
IOT-UTILITIES	Utilities Industry Solutions; For tracking only.	DIR-CPO-5347	2	$0.00	$0.00
IOT-TRANS-OTHER	Not related to an IoT Transportation Solution; Tracking only	DIR-CPO-5347	2	$0.00	$0.00
SFP-10G-LR10-I-DVX	CISCO SFP-10G-LR10-I COMP XCVR TAA 10G-LR LC 1310NM 10KM SMF SFP+	DIR-CPO-5370	12	$166.67	$2,000.04
GLC-TE-DVX	DATAVOX OPTICS CISCO COMP SFP GLC-TE TX SFP 100M RJ-45 DVX ONLY	DIR-CPO-5370	10	$46.67	$466.70
GLC-FE-100FX-RGD-DVX	DATAVOX OPTICS CISCO COMP SFP GLC-FE-100FX-RGD FX SFP LC DVX ONLY	DIR-CPO-5370	5	$33.33	$166.65
				Comal SubTotal	**$52,735.31**

Rio

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Part #	Description	DIR #	Qty	Unit Price	Ext. Price
IE-9310-16P8S4X-E	IE9300 w/ 16x GE PoE+ & 8x GE SFP w/ 4x 10G SFP uplinks	DIR-CPO-5347	1	$4,742.51	$4,742.51
CON-SSSNT-IE9310ZX	SOLN SUPP 8X5XNBD IE9300 w 16x GE PoE+ and 8x GE SFP w 4x	DIR-CPO-5347	1	$2,515.50	$2,515.50
IE9300-DNA-E	Cisco DNA Essentials license for IE9300 Series	DIR-CPO-5347	1	$0.00	$0.00
CON-SSTCM-IE93000D	SOLN SUPP SW SUB Cisco DNA Essentials license for IE9300	DIR-CPO-5347	1	$243.00	$243.00
IE9300-DNA-E-3Y	IE 9300 DNA Essentials, 3 Year Term license	DIR-CPO-5347	1	$303.06	$303.06
PWR-RGD-AC-DC-400	Higher PoE, 400W PSU for IE9300, 100-240VAC/100-250VDC	DIR-CPO-5347	1	$1,087.81	$1,087.81
IE93X0_SW	Software for Catalyst IE9300 rugged series	DIR-CPO-5347	1	$0.00	$0.00
RPS-IE5000-COVER	Power Supply Blank for IE5000/IE9300	DIR-CPO-5347	1	$0.00	$0.00
NETWORK-PNP-LIC	Network Plug-n-Play Connect for zero-touch device deployment	DIR-CPO-5347	1	$0.00	$0.00
DIGITAL-DL-CODE	Digital Download Code for Software License	DIR-CPO-5347	1	$0.00	$0.00
IOT-UTILITIES	Utilities Industry Solutions; For tracking only.	DIR-CPO-5347	1	$0.00	$0.00
IOT-TRANS-OTHER	Not related to an IoT Transportation Solution; Tracking only	DIR-CPO-5347	1	$0.00	$0.00
IE-9320-22S2C4X-E	24 Port SFP Downlinks with 4 10G Uplinks	DIR-CPO-5347	2	$12,863.53	$25,727.06
CON-SSSNT-IE932CXE	SOLN SUPP 8X5XNBD 24 Port SFP Downlinks with 4 10G Uplinks	DIR-CPO-5347	2	$6,822.00	$13,644.00
IE9300-DNA-E	Cisco DNA Essentials license for IE9300 Series	DIR-CPO-5347	2	$0.00	$0.00
CON-SSTCM-IE93000D	SOLN SUPP SW SUB Cisco DNA Essentials license for IE9300	DIR-CPO-5347	2	$243.00	$486.00
IE9300-DNA-E-3Y	IE 9300 DNA Essentials, 3 Year Term license	DIR-CPO-5347	2	$303.06	$606.12
PWR-RGD-AC-DC-H	IE4010/5000 Hazloc Pwr Supply High AC/DC 85-264VAC/88-300VDC	DIR-CPO-5347	2	$373.43	$746.86
IE9300_SW	Software for Catalyst IE9300 rugged series	DIR-CPO-5347	2	$0.00	$0.00
RPS-IE5000-COVER	Power Supply Blank for IE5000/IE9300	DIR-CPO-5347	2	$0.00	$0.00
NETWORK-PNP-LIC	Network Plug-n-Play Connect for zero-touch device deployment	DIR-CPO-5347	2	$0.00	$0.00
DIGITAL-DL-CODE	Digital Download Code for Software License	DIR-CPO-5347	2	$0.00	$0.00

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Part #	Description	DIR #	Qty	Unit Price	Ext. Price
IOT-UTILITIES	Utilities Industry Solutions; For tracking only.	DIR-CPO-5347	2	$0.00	$0.00
IOT-TRANS-OTHER	Not related to an IoT Transportation Solution; Tracking only	DIR-CPO-5347	2	$0.00	$0.00
SFP-10G-LR10-I-DVX	CISCO SFP-10G-LR10-I COMP XCVR TAA 10G-LR LC 1310NM 10KM SMF SFP+	DIR-CPO-5370	12	$166.67	$2,000.04
GLC-TE-DVX	DATAVOX OPTICS CISCO COMP SFP GLC-TE TX SFP 100M RJ-45 DVX ONLY	DIR-CPO-5370	10	$46.67	$466.70
GLC-FE-100FX-RGD-DVX	DATAVOX OPTICS CISCO COMP SFP GLC-FE-100FX-RGD FX SFP LC DVX ONLY	DIR-CPO-5370	5	$33.33	$166.65
				Rio SubTotal	**$52,735.31**

Sherrif's Posse

IE-9310-16P8S4X-E	IE9300 w/ 16x GE PoE+ & 8x GE SFP w/ 4x 10G SFP uplinks	DIR-CPO-5347	1	$4,742.51	$4,742.51
CON-SSSNT-IE9310ZX	SOLN SUPP 8X5XNBD IE9300 w 16x GE PoE+ and 8x GE SFP w 4x	DIR-CPO-5347	1	$2,515.50	$2,515.50
IE9300-DNA-E	Cisco DNA Essentials license for IE9300 Series	DIR-CPO-5347	1	$0.00	$0.00
CON-SSTCM-IE93000D	SOLN SUPP SW SUB Cisco DNA Essentials license for IE9300	DIR-CPO-5347	1	$243.00	$243.00
IE9300-DNA-E-3Y	IE 9300 DNA Essentials, 3 Year Term license	DIR-CPO-5347	1	$303.06	$303.06
PWR-RGD-AC-DC-400	Higher PoE, 400W PSU for IE9300, 100-240VAC/100-250VDC	DIR-CPO-5347	1	$1,087.81	$1,087.81
IE93X0_SW	Software for Catalyst IE9300 rugged series	DIR-CPO-5347	1	$0.00	$0.00
RPS-IE5000-COVER	Power Supply Blank for IE5000/IE9300	DIR-CPO-5347	1	$0.00	$0.00
NETWORK-PNP-LIC	Network Plug-n-Play Connect for zero-touch device deployment	DIR-CPO-5347	1	$0.00	$0.00
DIGITAL-DL-CODE	Digital Download Code for Software License	DIR-CPO-5347	1	$0.00	$0.00
IOT-UTILITIES	Utilities Industry Solutions; For tracking only.	DIR-CPO-5347	1	$0.00	$0.00
IOT-TRANS-OTHER	Not related to an IoT Transportation Solution; Tracking only	DIR-CPO-5347	1	$0.00	$0.00
IE-9320-22S2C4X-E	24 Port SFP Downlinks with 4 10G Uplinks	DIR-CPO-5347	2	$12,863.53	$25,727.06

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Part #	Description	DIR #	Qty	Unit Price	Ext. Price
CON-SSSNT-IE932CXE	SOLN SUPP 8X5XNBD 24 Port SFP Downlinks with 4 10G Uplinks	DIR-CPO-5347	2	$6,822.00	$13,644.00
IE9300-DNA-E	Cisco DNA Essentials license for IE9300 Series	DIR-CPO-5347	2	$0.00	$0.00
CON-SSTCM-IE93000D	SOLN SUPP SW SUB Cisco DNA Essentials license for IE9300	DIR-CPO-5347	2	$243.00	$486.00
IE9300-DNA-E-3Y	IE 9300 DNA Essentials, 3 Year Term license	DIR-CPO-5347	2	$303.06	$606.12
PWR-RGD-AC-DC-H	IE4010/5000 Hazloc Pwr Supply High AC/DC 85-264VAC/88-300VDC	DIR-CPO-5347	2	$373.43	$746.86
IE9300_SW	Software for Catalyst IE9300 rugged series	DIR-CPO-5347	2	$0.00	$0.00
RPS-IE5000-COVER	Power Supply Blank for IE5000/IE9300	DIR-CPO-5347	2	$0.00	$0.00
NETWORK-PNP-LIC	Network Plug-n-Play Connect for zero-touch device deployment	DIR-CPO-5347	2	$0.00	$0.00
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IOT-UTILITIES	Utilities Industry Solutions; For tracking only.	DIR-CPO-5347	2	$0.00	$0.00
IOT-TRANS-OTHER	Not related to an IoT Transportation Solution; Tracking only	DIR-CPO-5347	2	$0.00	$0.00
SFP-10G-LR10-I-DVX	CISCO SFP-10G-LR10-I COMP XCVR TAA 10G-LR LC 1310NM 10KM SMF SFP+	DIR-CPO-5370	12	$166.67	$2,000.04
GLC-TE-DVX	DATAVOX OPTICS CISCO COMP SFP GLC-TE TX SFP 100M RJ-45 DVX ONLY	DIR-CPO-5370	10	$46.67	$466.70
GLC-FE-100FX-RGD-DVX	DATAVOX OPTICS CISCO COMP SFP GLC-FE-100FX-RGD FX SFP LC DVX ONLY	DIR-CPO-5370	5	$33.33	$166.65
				Sherrif's Posse SubTotal	**$52,735.31**

Gruene

IE-9310-16P8S4X-E	IE9300 w/ 16x GE PoE+ & 8x GE SFP w/ 4x 10G SFP uplinks	DIR-CPO-5347	1	$4,742.51	$4,742.51
CON-SSSNT-IE9310ZX	SOLN SUPP 8X5XNBD IE9300 w 16x GE PoE+ and 8x GE SFP w 4x	DIR-CPO-5347	1	$2,515.50	$2,515.50
IE9300-DNA-E	Cisco DNA Essentials license for IE9300 Series	DIR-CPO-5347	1	$0.00	$0.00
CON-SSTCM-IE93000D	SOLN SUPP SW SUB Cisco DNA Essentials license for IE9300	DIR-CPO-5347	1	$243.00	$243.00
IE9300-DNA-E-3Y	IE 9300 DNA Essentials, 3 Year Term license	DIR-CPO-5347	1	$303.06	$303.06

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Part #	Description	DIR #	Qty	Unit Price	Ext. Price
PWR-RGD-AC-DC-400	Higher PoE, 400W PSU for IE9300, 100-240VAC/100-250VDC	DIR-CPO-5347	1	$1,087.81	$1,087.81
IE93X0_SW	Software for Catalyst IE9300 rugged series	DIR-CPO-5347	1	$0.00	$0.00
RPS-IE5000-COVER	Power Supply Blank for IE5000/IE9300	DIR-CPO-5347	1	$0.00	$0.00
NETWORK-PNP-LIC	Network Plug-n-Play Connect for zero-touch device deployment	DIR-CPO-5347	1	$0.00	$0.00
DIGITAL-DL-CODE	Digital Download Code for Software License	DIR-CPO-5347	1	$0.00	$0.00
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IE-9320-22S2C4X-E	24 Port SFP Downlinks with 4 10G Uplinks	DIR-CPO-5347	2	$12,863.53	$25,727.06
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IE9300-DNA-E	Cisco DNA Essentials license for IE9300 Series	DIR-CPO-5347	2	$0.00	$0.00
CON-SSTCM-IE93000D	SOLN SUPP SW SUB Cisco DNA Essentials license for IE9300	DIR-CPO-5347	2	$243.00	$486.00
IE9300-DNA-E-3Y	IE 9300 DNA Essentials, 3 Year Term license	DIR-CPO-5347	2	$303.06	$606.12
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IE9300_SW	Software for Catalyst IE9300 rugged series	DIR-CPO-5347	2	$0.00	$0.00
RPS-IE5000-COVER	Power Supply Blank for IE5000/IE9300	DIR-CPO-5347	2	$0.00	$0.00
NETWORK-PNP-LIC	Network Plug-n-Play Connect for zero-touch device deployment	DIR-CPO-5347	2	$0.00	$0.00
DIGITAL-DL-CODE	Digital Download Code for Software License	DIR-CPO-5347	2	$0.00	$0.00
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Part #	Description	DIR #	Qty	Unit Price	Ext. Price
GLC-FE-100FX-RGD-DVX	DATAVOX OPTICS CISCO COMP SFP GLC-FE-100FX-RGD FX SFP LC DVX ONLY	DIR-CPO-5370	5	$33.33	$166.65
				Gruene SubTotal	**$52,735.31**
DataVox Professional Services					
DVX-EE-PROSVC-STD	DataVox Professional Services	DIR-CPO-5347		$27,586.21	$27,586.21

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EXHIBIT A-2
DataVox Terms and Conditions

This document defines the terms and conditions that shall govern the execution of all scope of work.

1. Changes

The Customer may, by written notice to DataVox, make changes within the general scope of this SOW, in any one or more of the following: (a) drawings, designs, or specifications; (b) project schedule, or (c) scope of services.

Should any such changes increase the cost of or the time required for the performance of this SOW, an equitable adjustment may be requested by DataVox in the price, project schedule or both. Every claim must be accompanied by a detailed estimate of charges for materials, services, or both. Nothing contained in this section shall relieve DataVox from proceeding without delay in the performance of the services as changed. Any change to this SOW shall be made by written amendment signed by both parties.

Changes that will impact the scheduling of project resources must be submitted to DataVox at least two (2) weeks prior to the scheduled event. Failure to provide timely notification of a change in schedule that will cause a rescheduling of project resources WILL incur additional charges (For example, if a Customer cancels a scheduled DataVox project activity less than two (2) weeks before the scheduled event, the Customer will be billed at the prevailing rate for the time the DataVox resources were scheduled to perform the activities.).

2. Software Defect Resolution

DataVox shall use its best commercial efforts to troubleshoot software issues that may arise during the project. If a software issue is determined to be a software defect (previously documented or newly discovered), resolution of said issue is expressly outside of the scope of work. Issues of this kind do not constitute a valid reason for non-payment in full.

It is the responsibility of the customer and software manufacturer to resolve the issue. Should the Customer want DataVox to be involved in the process to downgrade, update, upgrade and/or test software releases, the Customer may authorize the out of scope expenses using the standard project change request process.

3. Creation of a Security Interest

Until such a time as Customer had paid the agreed purchase price, DataVox hereby retains and Customer hereby grants a purchase money security interest in the described equipment. In connection therewith, Customer agrees to execute all instruments (including financing statements) deemed necessary by DataVox under applicable law to establish, maintain and continue perfected purchase money security interest of DataVox in the equipment or otherwise protect its rights in and to said equipment.

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4. Limitation and Exclusion of Warranties

Except as otherwise provided herein, DataVox hereby warrants the described equipment against defective parts from the date of installation for the period specified by the manufacturer; and warrants that the installation of said equipment shall be performed in a workmanlike manner. Customer acknowledges that DataVox may provide products and services manufactured or provided by others. DataVox makes no independent warranty with respect to such products and services provided by third parties. Customer acknowledges and agrees that DataVox shall have no responsibility or liability for products or services manufactured or provided by any third party. Subject to payment by Customer of all amounts due under this Agreement, DataVox hereby transfers any transferable warranties from the manufacturers of products and services provided under this Agreement. Customer's exclusive remedy under these warranties shall be the repair and replacement by DataVox at the expense of DataVox of non-conforming equipment or parts thereof with reasonably equivalent equipment or parts; unless, however, the equipment or any part thereof is damaged or rendered unserviceable as a result of Customer's negligence, abuse, mishandling, attempting to connect the equipment to direct current, or damaged by lightning or acts of God in any of which case or cases, DataVox shall have no obligations to Customer.

DataVox recommends that all DataVox installed systems be equipped with battery backups. If the Customer disregards this recommendation; and a failure is directly attributed to not having a battery backup, such service as may be required will be billed for time and materials.

THIS WARRANTY IS THE ONLY WARRANTY GIVEN BY DATAVOX, AND ALL OTHER WARRANTIES, EXPRESS OR IMPLIED ARE EXCLUDED, INCLUDING ANY IMPLIED WARRANTY OF MERCHANTABILITY OR ANY IMPLIED WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE. THERE ARE NO WARRANTIES THAT EXTEND BEYOND THE FACE HEREOF.

Voice and data transmission are provided by third parties, such as a telephone company or over the internet. Accordingly, DataVox cannot warrant that such transmission will always be available or will be of acceptable quality. In particular, if Customer elects to use the Voice over Internet Protocol (VoIP) to transmit voice over the internet, Customer may experience (i) transmission that is not of uniform, reliable or acceptable quality; (ii) inability to connect directly to emergency and “911” services; and (iii) inability to connect to directory and operator assistance. Customer should be aware that VoIP service is not regulated by the Federal Communications Commission (FCC) and the FCC does not provide certain consumer safeguards that are available in the traditional telephone environment.

Only DataVox may perform service or maintenance on equipment covered by this warranty. IT IS EXPRESSLY AGREED AND UNDERSTOOD THAT THIS WARRANTY WILL BE NULL AND VOID IF ANY PERSON OTHER THAN A DATAVOX EMPLOYEE PERFORMS ANY SERVICE OR MAINTENANCE WORK ON THE EQUIPMENT COVERED BY THIS WARRANTY. In such event, DataVox shall have no further obligation or liability under this warranty.

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5. Waiver, Amendment, Notice, Termination

Any waiver of rights hereunder or any amendment or requirement of notice of termination hereof shall not be effective unless made in writing and signed by the party against whom such waiver, amendment, notice or termination is sought to be enforced.

6. Risk of Loss; Non-Performance by Telephone Company and Others

Upon installation of the Equipment, Customer shall bear the risk of loss regardless of any breach by DataVox of any provisions hereof. Although DataVox, Inc. will or may assist Customer by coordinating initiation or transfer of service through telephone companies or other third parties, Customer assumes all risk of non-performance, including untimely or otherwise improper performance, of any such third parties; DataVox, Inc. and its employees assume no responsibility for any failings of these third parties or their service and equipment. With regard to VOICE MAIL systems, if any, Customer further assumes all risk of malfunction and deficient or substandard performance caused by third party telecommunication transmission equipment, lines and systems, including pay phones, cellular phones and long distance services; DataVox, Inc. and its employees assume no responsibility for any failings of these third parties or their service and equipment.

7. Intentionally omitted.

8. Virus Protection

Customer agrees and understands it is Customer's responsibility to install and run an antivirus program on all workstations and servers at/or prior to installation. Customer agrees to take whatever steps Customer deems appropriate to ensure there is adequate and up to date virus protection on all workstations and servers. Customer expressly agrees that DataVox, Inc. shall have no liability for the loss of any such data, downtime or other damage caused by a computer virus.

9. Data Back-up

Customer agrees to take whatever steps Customer deems appropriate to ensure there are adequate, up to date back-ups made of all data on any computer, server, hard drive, or other storage device of Customer. In the event of failure, it is expressly understood that DataVox will restore the most recent back-up for systems covered under warranty or maintenance. Any additional programming due to out of date database will not be covered under warranty or maintenance and will be billed on an hourly basis. Customer expressly agrees that DataVox shall have no liability for the loss of any such data, which may

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occur during or after the installation process, or for any consequential damage resulting from any such loss of data.

10. Intentionally omitted.

11. Intentionally omitted.

12. Intentionally omitted.

13. Assignment

Customer may not delegate its performance or assign its rights under this Agreement except upon the express written consent of DataVox.

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14. Construction

Subject to DIR Contract #DIR-CPO-5370, Contract #DIR-CPO-5347, and the Additional Terms and Conditions executed by DataVox and Customer, this writing constitutes the agreement between the parties and is a complete statement of the terms of the agreement. No course of prior dealings between the parties or trade usage shall be relevant to determine the meaning of this Agreement. This Agreement is entered into and shall be performable in the State of Texas.

15. Intentionally omitted.

16. Severability

This Agreement and all provisions hereof are intended to be severable, and this Agreement shall remain enforceable in the event any provision hereof is declared invalid.

17. Intentionally omitted.

18. Work Hours

DataVox has priced the professional service proposal assuming that all work will be done during normal business hours which DataVox defines as Monday through Friday, 8:00am to 5:00pm, excluding holidays. The go live activity is the only activity in which DataVox will work after business hours. This project milestone activity can be scheduled outside of normal business hours Monday through Friday, excluding holidays. The start time for the go live activity can be scheduled to start no later than 7:00pm. Any request to perform the system go live or any other activity outside of normal business hours is considered outside the scope of work and will result in additional project costs. Scheduling and availability of resources outside of normal business hours is not guaranteed unless the Project Manager/Coordinator has approved it.

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19. Intentionally omitted.

20. Return Material Authorization

DataVox has a Return Material Authorization policy that explains product returns. Approval to return defective and non-defective products is at the sole discretion of DataVox. Products that are defective or dead on arrival (DOA) will be repaired, replaced, or credited according to the manufacturer's warranty. Any custom ordered product cannot be returned. Additional detail concerning the DataVox Return Material Authorization policy is available upon request.

21. Currency

Unless otherwise specified, all currency listed in DataVox documentation is in US dollars.

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NEW BRAUNFELS UTILITIES

Meeting Date:	October 29, 2026	**Agenda Type:**	Consent Items for Action
From:	Carlos Salas Director of Technology	**Reviewed by:**	Carlos Salas Director of Technology
Submitted by:	Greg Brown Chief Technology and Security Officer	**Approved by:**	Ryan Kelso Chief Executive Officer

RECOMMENDED ACTION: Reject All Bids Received by NBU in Response to the Enterprise Resource Planning System Portion of Request for Proposal #26-0063 and Continue Contract Negotiations for the Customer Information System

BACKGROUND

On April 6, 2026, New Braunfels Utilities ("NBU") issued a request for proposals ("RFP"), RFP# 26-0063 - ERP & CIS Modernization, seeking to contract with a vendor to provide Software Licenses and Integration Services for a new Customer Information System ("CIS") and an Enterprise Resource Planning System ("ERP"). These software platforms advance the strategic goal of Technology Modernization, providing improved customer experience and supporting enhanced financial management, as well as replacing existing systems that are approaching end of life.

The deadline to submit proposals was May 11, 2026. NBU received eleven (11) proposals and evaluated them based on the criteria in the RFP. Under the RFP, NBU reserved the right to evaluate and award the CIS and ERP separately and also reserved its right to reject any and all proposals. NBU staff recommends (i) rejecting all bids received in response to the ERP portion of the RFP and (ii) continuing to negotiate with the successful respondent(s) for the CIS platform.

This item is being presented to the Board because the Purchasing Policy and Section 252.043(f) of the Texas Local Government Code require the governing body to authorize the rejection of any and all proposals submitted in response to a solicitation.

FINANCIAL IMPACT

None

LINK TO STRATEGIC PLAN

Customers and Community

Infrastructure and Technology

Financial Excellence

EXHIBITS

None

NEW BRAUNFELS UTILITIES

Meeting Date:	October 29, 2026	**Agenda Type:**	Presentation
From:	David Guerrero Resource Strategy Manager	**Reviewed by:**	Darrin Jensen Director of Enterprise Project Management Office
Submitted by:	David Hubbard Chief Administrative Officer	**Approved by:**	Ryan Kelso Chief Executive Officer

RECOMMENDED ACTION: Presentation on Fiscal Year 2027 Strategic Plan Annual Priorities – Strategic Goals and Measures

Presentation on Fiscal Year 2027 Strategic Plan Annual Priorities



Strategic Goals and Measures

ePMO

October 29, 2026

NBU NEW BRAUNFELS UTILITIES

FY27 Annual Priorities – (Company Focused Projects)

Agenda

FY27 Annual Priorities Update

FY27 Annual Priorities – (Company Focused Projects)

Customer Experience

- Establish Real-Time Automated Data Reporting
- Select Customer Case Management System

Technology Modernization

- Select Financial System and Begin Implementation
- Select Customer Information System

Strategic Plan

- Execute Communication Plan
- Select Lagging and Leading Indicators
- Align Strategic Focus Areas with FY28/29 2-year Rate Plan

FY27 Annual Priorities – (Company Focused Projects)

Customer Experience

- Establish Real-Time Automated Data Reporting
- Select Customer Case Management System

Technology Modernization

- Select Financial System and Begin Implementation
- Select Customer Information System

Strategic Plan

- Execute Communication Plan
- Select Lagging and Leading Indicators
- Align Strategic Focus Areas with FY28/29 2-year Rate Plan

FY27 Annual Priorities – (Company Focused Projects)

Technology Modernization

- Select Financial System and Begin Implementation
- Select Customer Information System

Technology Modernization

- Select Financial System
- Select Customer Information System and Begin Implementation

FY27 Annual Priorities – (Company Focused Projects)

Strategic Plan

- Execute Communication Plan
- Select Lagging and Leading Indicators
- Align Strategic Focus Areas with FY28/29 2-year Rate Plan

Strategic Plan

- Execute Communication Plan
- Select Lagging and Leading Indicators
- Align Strategic Focus Areas with FY28/29/30 3-year Rate Plan

FY27 Annual Priorities – (Company Focused Projects)

Customer Experience

- Establish Real-Time Automated Data Reporting
- Select Customer Case Management System

Technology Modernization

- Select Financial System
- Select Customer Information System and Begin Implementation

Strategic Plan

- Execute Communication Plan
- Select Lagging and Leading Indicators
- Align Strategic Focus Areas with FY28/29/30 3-year Rate Plan


Questions?

NEW BRAUNFELS UTILITIES

Meeting Date:	October 29, 2026	**Agenda Type:**	Presentation Items
From:	Robin Gary One Water Program Manager	**Reviewed by:**	Julia Haynes Interim Chief of External Relations
Submitted by:	Julia Haynes Interim Chief of External Relations	**Approved by:**	Ryan Kelso Chief Executive Officer

RECOMMENDED ACTION: Presentation on the One Water Program – 2026 Annual Report

BACKGROUND

The One Water New Braunfels program began in 2023 with the approval of a 3-year Interlocal Agreement between New Braunfels Utilities ("NBU"), the City of New Braunfels, and the Guadalupe-Blanco River Authority. In June 2026, the first extension of the ILA was approved, which authorizes three additional years of collaboration. After each program year, an annual report is provided to the governing bodies of the three partner agencies to keep leadership informed of the year's accomplishments and what is planned for the next year.

One Water New Braunfels was formed to help ensure that the treasured local waters of New Braunfels remain celebrated, sustainable, and protected features of our community for generations to come. One Water is the mindset that all water has value. From treated drinking water to the rivers running through New Braunfels, all water must be sustainably managed for the benefit of the economy, community, and environment.

FINANCIAL IMPACT

None

LINK TO STRATEGIC PLAN

Customers and Community

Stewardship

EXHIBITS

None

ONE WATER
NEW BRAUNFELS

2026 Annual Report

NBU Board of Trustees, October 29, 2026



Topics



1. Program Overview
2. Year 3 Accomplishments
3. Year 4 Project Priorities
4. Recognition

Program Overview



Shared Vision:

Ensure water remains a celebrated and protected feature of our community by collaboratively managing our water resources to safeguard watersheds, waterways, and groundwater.

What is One Water?

One Water is an integrated **PLANNING** and **IMPLEMENTATION** approach to managing finite water resources for long-term resilience and reliability, meeting both community and ecosystem needs.

Water Research Foundation, 2017





One Water Communities



This list of One Water communities is a collection of the locations of respondents who self-reported working on or having completed a One Water plan, as well as the locations named by respondents where One Water projects are taking place.

Based on survey responses, we discovered 80 One Water communities where a plan is in place. This list may not be comprehensive.

US Water Alliance, 2023 State of the One Water Field

ALABAMA
Mobile

ARIZONA
Chandler
Phoenix
Tucson

ARKANSAS
Little Rock

CALIFORNIA
Fountain Valley
Los Angeles
Monterey
Morro Bay
Oakland
Palo Alto
Riverside
San Diego
San Francisco
Santa Barbara

COLORADO
Castle Rock
Denver

DC
Washington

FLORIDA
Fort Myers
Kissimmee
Miami
Oldsmar
Sanford
Tallahassee
Tampa
Titusville
Winter Haven

GEORGIA
Athens
Atlanta

HAWAII
Honolulu

ILLINOIS
Chicago

IOWA
Des Moines

LOUISIANA
New Orleans

MARYLAND
Annapolis

MASSACHUSETTS
Boston

MICHIGAN
Ann Arbor
Detroit
Flint
Lansing

MINNESOTA
Minneapolis
Richfield
St Paul

MISSOURI
Kansas City

NEW JERSEY
Camden
Trenton

NEW MEXICO
Albuquerque

NEW YORK
Buffalo
New York City

NORTH CAROLINA
Cary
Charlotte
Durham
Greensboro
Kernersville
Raleigh
Wilmington

OHIO
Akron
Cleveland
Columbus
Findlay
Toledo

OREGON
Bend
Hillsboro
Portland
Salem

PENNSYLVANIA
Philadelphia
Pittsburgh

TEXAS
Austin
Dallas
Houston
New Braunfels
San Antonio
Sugar Land

VERMONT
Burlington

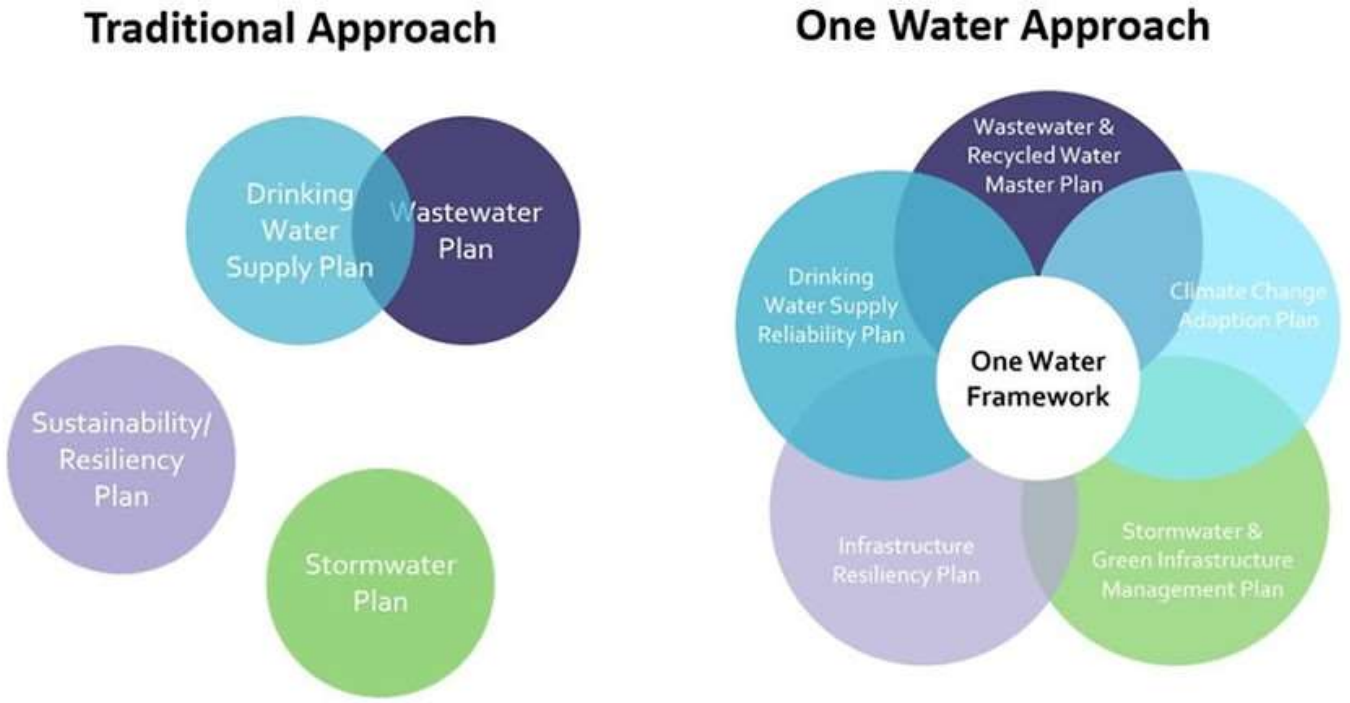
VIRGINIA
Ashburn
Centreville
Richmond

WASHINGTON
Seattle
Wenatchee

WISCONSIN
Green Bay
Milwaukee

Planning

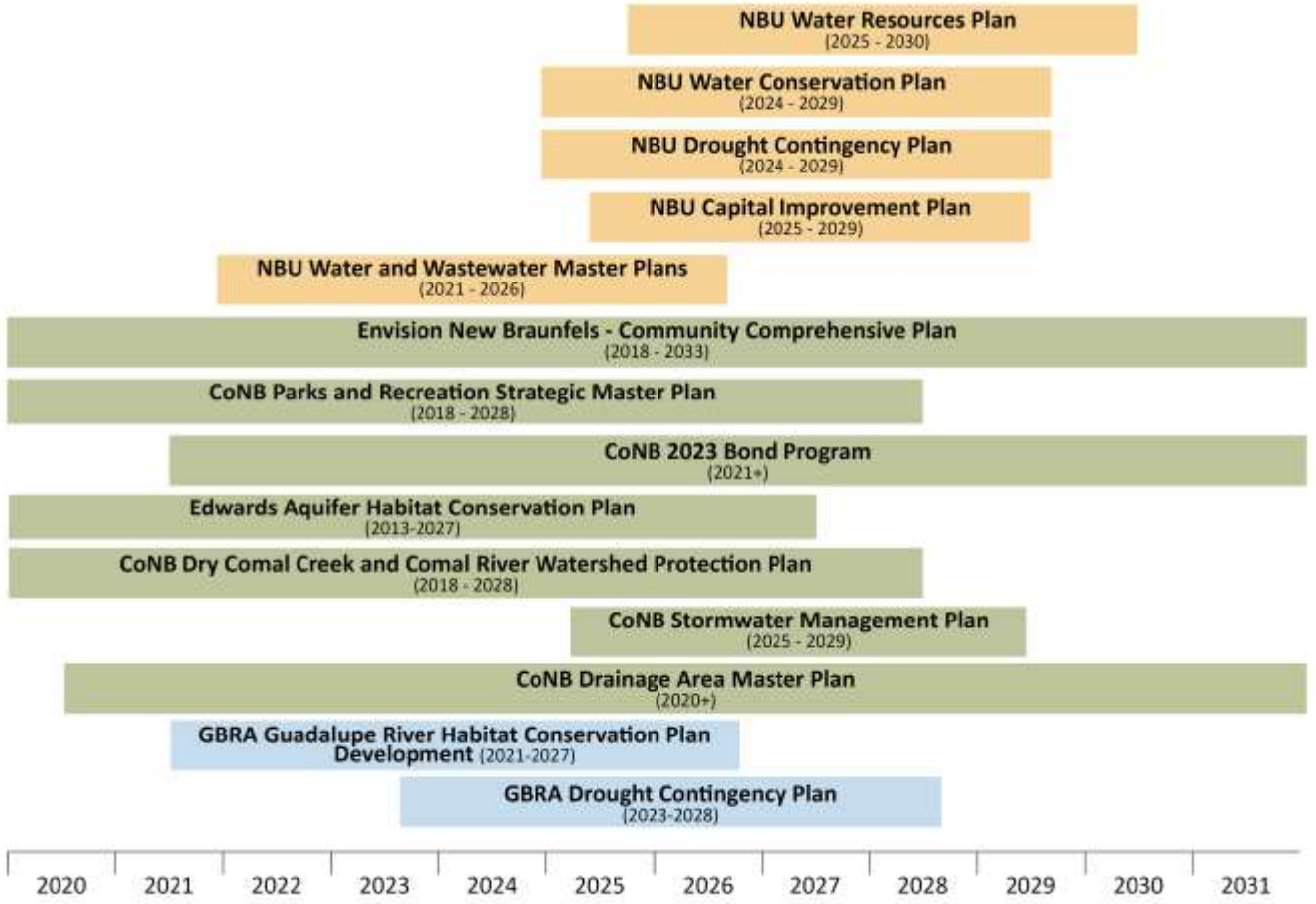
- A mindset that all water has value
- A focus on achieving multiple benefits



Source: Based on The Water Research Foundation (2017) - adapted by Richards Consulting (2020).

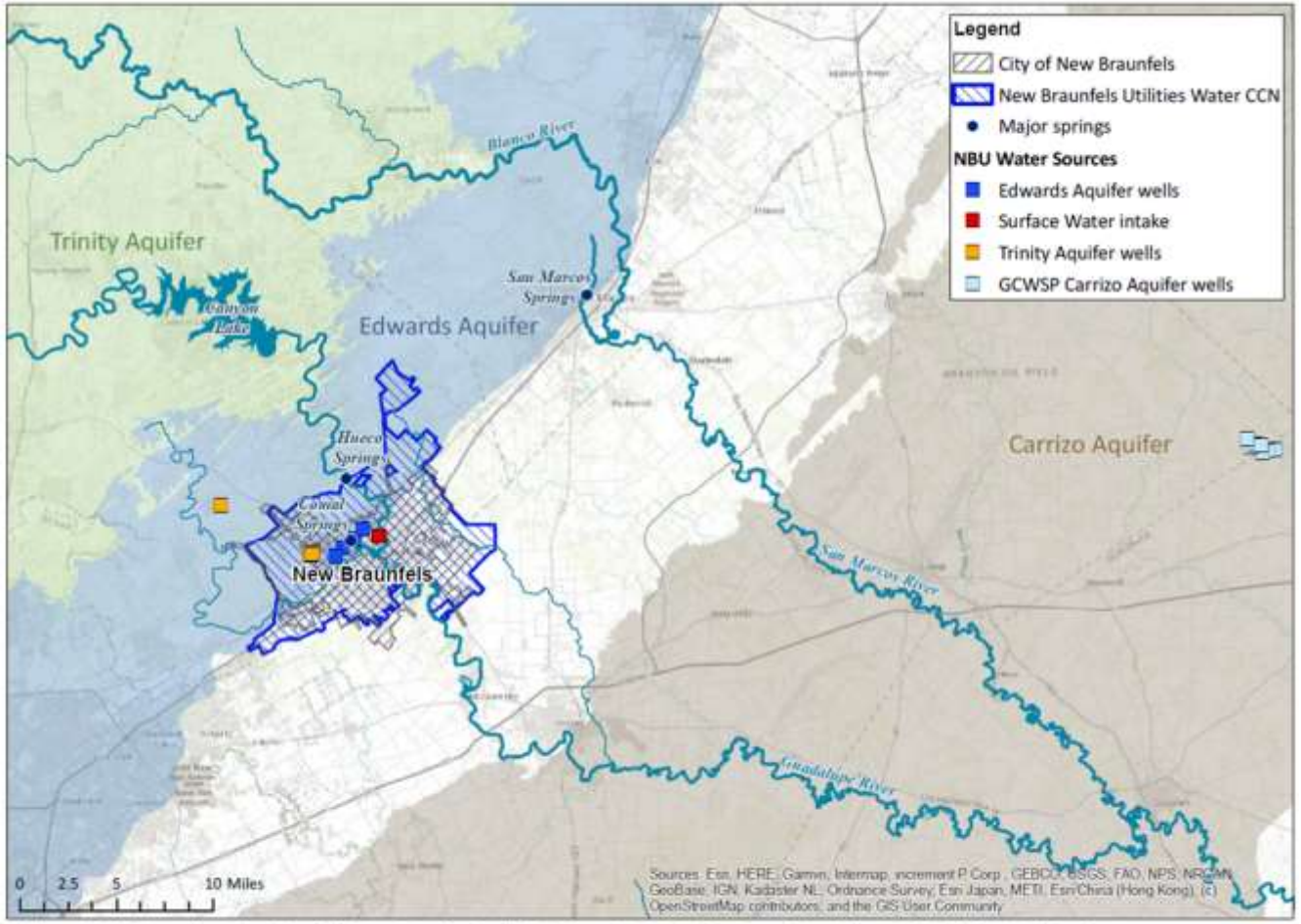
Planning

- A mindset that all water has value
- A Focus on achieving multiple benefits
- **A systems approach**



Planning

- A mindset that all water has value
- A focus on achieving multiple benefits
- A systems approach
- **Watershed-scale thinking and action**
- **Cross-sector partnerships**



Major springs from Springs of Texas, Geanne Brune, 1981. Spring locations from Texas Water Development Board (TWDB) Groundwater Database. Water wells from TWDB Submitted Drillers Reports. Major Aquifers from TWDB. Rivers and water bodies from USGS National Hydrologic Database. New Braunfels Utilities Water Certificate of Convenience and Necessity (CCN) boundary from the Public Utility Commission and City Boundary from Texas Department of Transportation. Map by One Water New Braunfels, May 2026.

Implementation

Demand Reduction	Site Harvested Supply	Supplement Supply	Water Quality Protection
			
Examples: Water Conservation Water Efficiency **Native Landscaping**	Examples: Rainwater Harvesting AC Condensate Collection **Stormwater Capture**	Examples: **Non-potable Reuse** Recharge Enhancement Aquifer Storage & Recovery	Examples: **Green Stormwater Infrastructure** Natural Infrastructure Low Impact Design

Learn more about One Water in action at www.onewaternb.com/spotlights

One Water New Braunfels Timeline



Organization

NBU NEW BRAUNFELS UTILITIES Board

City of New Braunfels City Council

GBRA Guadalupe-Blanco River Authority Board

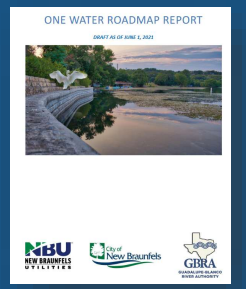
NBU Director of External Relations
Provide guidance and direction for Program Manager

One Water Program Manager
Manage One Water program

One Water Advisory Council
Budgetary & strategic decision-making authority
NBU Chief Executive Officer, CoNB City Manager, GBRA General Manager

One Water Governance Committee
Program oversight
3 members appointed by the Advisory Council

One Water Working Group
Collaborate and implement Roadmap projects
40+ members
15+ different departments



One Water New Braunfels Guidance

ONE WATER ROADMAP REPORT

DRAFT AS OF JUNE 1, 2021



NBU NEW BRAUNFELS UTILITIES

City of New Braunfels

GBRA GUADALUPE-BLANCO RIVER AUTHORITY

VISION

To ensure water remains a celebrated & protected feature of our community by collaboratively managing our water resources to safeguard watersheds, waterways & groundwater.

1. Plan for & manage water resources holistically & sustainably
2. Maximize environmental, social, & economic benefits to the greater New Braunfels area
3. Ensure water remains a celebrated feature of New Braunfels
4. Provide sustainable & high-quality water
5. Ensure healthy watersheds, waterways & groundwater resources

Collaboration for our shared resources

NBU NEW BRAUNFELS UTILITIES

City of New Braunfels

GBRA Guadalupe-Blanco River Authority

ONE WATER NEW BRAUNFELS

Year 3 Accomplishments

Committee	Y3 Projects
Education & Comms	Community Education and Engagement Plan Development
	Website Content Enhancement
	Coordinated Communications
	Events and presentations
Project Pipeline	Compile list and summary of local Plans relevant to One Water (OW) and track opportunities for enhancements
	Create additional One Water Project Spotlights
	Continue use of Triple Bottom Line Evaluation
Governance Committee	Develop and execute an ILA for the next 5 years

1. One Water New Braunfels Partnership Collaboration
2. Interlocal Agreement extended
3. Community Education and Engagement Plan Development
4. One Water Related Plans posted on One Water website
5. One Water Demo: NBU Water Supply & Planning

Community Education & Engagement Plan



1 ALIGNMENT

We begin with a kick-off meeting to verify our understanding of project goals, confirm priorities, and refine the work plan in partnership with the NBU One Water team.

2 RESEARCH

Through staff interviews, workshops, and community data analytics, we gather insights to identify opportunities, challenges, and audience needs.

3 PLAN DEVELOPMENT & ADOPTION

We translate findings into a clear, actionable communication and engagement plan, including message frameworks, outreach strategies, and recommended tactics.

4 MATERIAL DEVELOPMENT

We design and produce accessible, public-facing materials to bring the plan to life.

5 DELIVERY & ADAPTATION

We implement the plan in collaboration with the One Water Coordinator and partners, monitor performance, and adjust strategies to verify long-term effectiveness and community impact.

Summary of One Water Related Plans

ONE WATER NEW BRAUNFELS

SPOTLIGHTS NEWS LIBRARY ABOUT

Celebrated + Protected

One Water is the mindset that all water has value. From treated drinking water to the rivers running through New Braunfels, all water must be sustainably managed for the benefit of the economy, community, and environment.



A Transformative Collaboration

New Braunfels Utilities, the City of New Braunfels, and Guadalupe-Blanco River Authority are pleased to introduce One Water New Braunfels, a transformative collaborative program to ensure the treasured local waters of New Braunfels remain celebrated, sustainable, and protected features of our community for generations.

NBU NEW BRAUNFELS UTILITIES

City of New Braunfels

GBRA Guadalupe-Blanco River Authorit

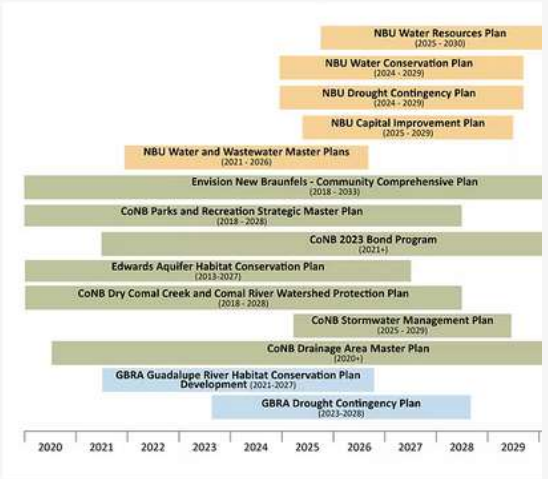
www.OneWaterNB.com

Water Planning

A Systems Approach

A systems approach is one of the hallmarks of One Water and highlights that if we tackle problems bas cycle of water and larger infrastructure systems—rather than limiting ourselves to one piece of the equ advance more effective and lasting solutions.

New Braunfels Utilities (NBU), City of New Braunfels (CoNB), and the Guadalupe-Blanco River Authority activities, response, and strategic planning; they offer opportunities to incorporate One Water element



New Braunfels Utilities Plans

Water Resources Plan

Current Stage: Implementation Phase: 8/2025 - 7/2030
Estimated Update Frequency: Annual updates / New report every 5 years

The Water Resources Plan (WRP) is a guide to how NBU will address its future water needs. I water supply plan looking at New Braunfels Utilities (NBU) water needs on an annual basis. T demand through 2075 and compares demand to NBU's current and planned future water so

Read more

Water Conservation Plan

Current Stage: Implementation Phase: 5/2024 - 4/2029
Estimated Update Frequency: Every 5 years

NBU's goal for water conservation is to reduce non-revenue, residential, commercial, and ins use to postpone or eliminate the need for additional water supplies and to protect our existi The Plan describes the utility's efforts to ensure water use efficiency, strategies for reducing

Read more

Drought Contingency Plan

Current Stage: Implementation Phase: 5/2024 - 4/2029
Estimated Update Frequency: Every 5 years, Amendment planned for Summer 2026

City of New Braunfels Plans

Envision New Braunfels - Community Comprehensive Plan

Current Stage: Implementation Phase 8/2018 - 9/2033
Estimated Update Frequency: Every 5-10 years

The Comprehensive Plan is a long range, over-arching community-wide plan that informs all other plans. Implementation is achieved through relationships and collaboration with a variety of entities, businesses and organizations. ...

Read more

Parks and Recreation Strategic Master Plan

Current Stage: Implementation Phase began 1/2018
Estimated Update Frequency: 5-10 years

This document is the culmination of an extensive planning process involving the elected officials, staff, Parks and Recreation Steering Committee, and most importantly the citizens of New Braunfels. Our purpose is to create a timeless document that represents the vision for the parks system over the next ten years. This ...

Read more

2023 Bond Program

Current Stage: Implementation Phase began 5/2021
Estimated Update Frequency: As needed

The 2023 Bond Program outlines City of New Braunfels capital & infrastructure projects. Note: Implementation of plan is dependent on capital funding.

...

Read more

Edwards Aquifer Habitat Conservation Plan

Current Stage: Implementation (Start: 1/2013 - 12/2027)
Estimated Update Frequency: As needed

The EAHCP is a plan to protect endangered species within the Comal and San Marcos spring and river systems. The plan includes both spring flow and habitat protection measures. The EAHCP includes minimum spring flow objectives for Comal Springs. The spring flow protection measures are to be implemented during prolonged ...

Read more

Guadalupe-Blanco River Authority Plans

Guadalupe River Habitat Conservation Plan

Current Stage: Planning 2021 - 2027
Estimated Update Frequency: As needed

The Guadalupe-Blanco River Authority (GBRA) is developing the Guadalupe River Habitat Conservation Plan (GRHCP), a basin-wide initiative designed to protect the health of the Guadalupe River while supporting reliable water supplies for the communities it serves. The plan brings together a diverse group of partners to ...

Read more

Drought Contingency Plan

Current Stage: Implementation Phase 5/2023 - 5/2028
Estimated Update Frequency: Every 5 years

The Guadalupe-Blanco River Authority (GBRA) adopted a revised Drought Contingency Plan (DCP) in May 2 for wholesale customers of Canyon Reservoir to safeguard the water supply for the communities it serves. DCP defines wholesale user actions and drought thresholds set to coordinate conservation in order to ...

Read more

One Water Demo: NBU Water Supply & Planning

Selected External Programs:

1. 5/5/26: **Monthly Headwaters Community Program began**
2. 5/21/26: **Texas Demographic Center Conference**
3. 5/27/26: **Rotary Club of New Braunfels**
4. 5/28/26: **UT Hydro Field Methods Class**
5. 6/11/26: **NB Chamber, Natural Resource Committee**
6. 7/31/26: **Guadalupe Basin Coalition**
7. 8/5/26: **Comal ISD Science Teacher Workshop**





Outreach

One Water New Braunfels in the limelight:

1. 1/22/26: **Behind the Meter, Staff Spotlight**
2. 4/18/26: **Earth Day at Headwaters**
3. 5/1/26: **Water Supply and Demand (Herald-Zeitung)**
4. 7/9/26: **Hill Country Leadership Institute**
5. 7/22/26: **US Water Alliance, Community Centered Planning Task Force**
6. 7/23/26: **NBU Details 50-Year Water Strategy & One Water Initiative (Community Impact)**









Year 4 Priorities

Committee	Y4 Proposed Projects
All OWWG	Implement Community Education and Engagement Plan
Governance Committee	Refine Roadmap Strategic Direction and Indicators
	Review Roadmap Targets and Action Plan suggestions from Committees
Education & Comms	Update Roadmap Action Areas 1 & 3 – Targets and Action Plans
	Coordinated Communications
Project Pipeline	Update Roadmap Action Areas 2, 4 & 5 – Targets and Action Plans

One Water Working Group

NBU NEW BRAUNFELS UTILITIES

City of New Braunfels

GBRA Guadalupe-Blanco River Authority

Departments		
Conservation & Customer Solutions	Communications & Community Engagement	Communications & Community Engagement
Enterprise Communications	Executive Leadership	Education
External Relations	Neighborhood & Community Planning	Engineering
Headwaters at the Comal	Parks & Recreation	Environmental Science
Research & Strategy	Public Works	Executive Leadership
Water Services	Transportation & Construction Services	GIS Services

ONE WATER
NEW BRAUNFELS

Thank You!

NBU NEW BRAUNFELS UTILITIES

City of New Braunfels

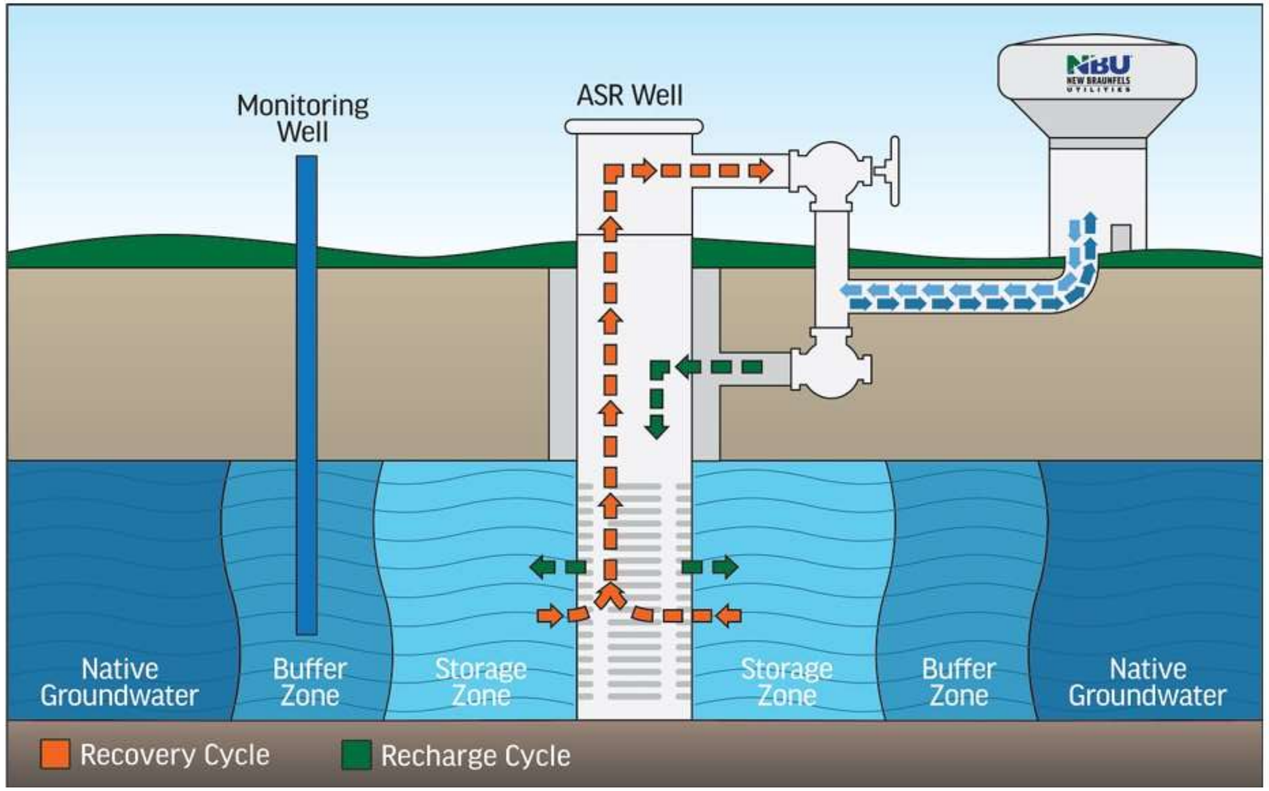
GBRA Guadalupe-Blanco River Authority

NEW BRAUNFELS UTILITIES

Meeting Date:	October 29, 2026	**Agenda Type:**	Presentation Items
From:	Adam Willard, P.E. Chief Engineer of Water Systems	**Reviewed by:**	Michael G. Short, P.E. Director of Engineering
Submitted by:	Mark Steelman Chief Operations Officer	**Approved by:**	Ryan Kelso Chief Executive Officer

RECOMMENDED ACTION: Presentation and Update on the Aquifer Storage and Recovery Project

Presentation and Update on the Aquifer Storage and Recovery Project



- October 29, 2026

NBU NEW BRAUNFELS UTILITIES

Agenda

- Background
- Demonstration Project and Cycle Testing
- Status of Cycle 3 Testing
- Current Status
- Tentative Schedule
- Future Planned Improvements

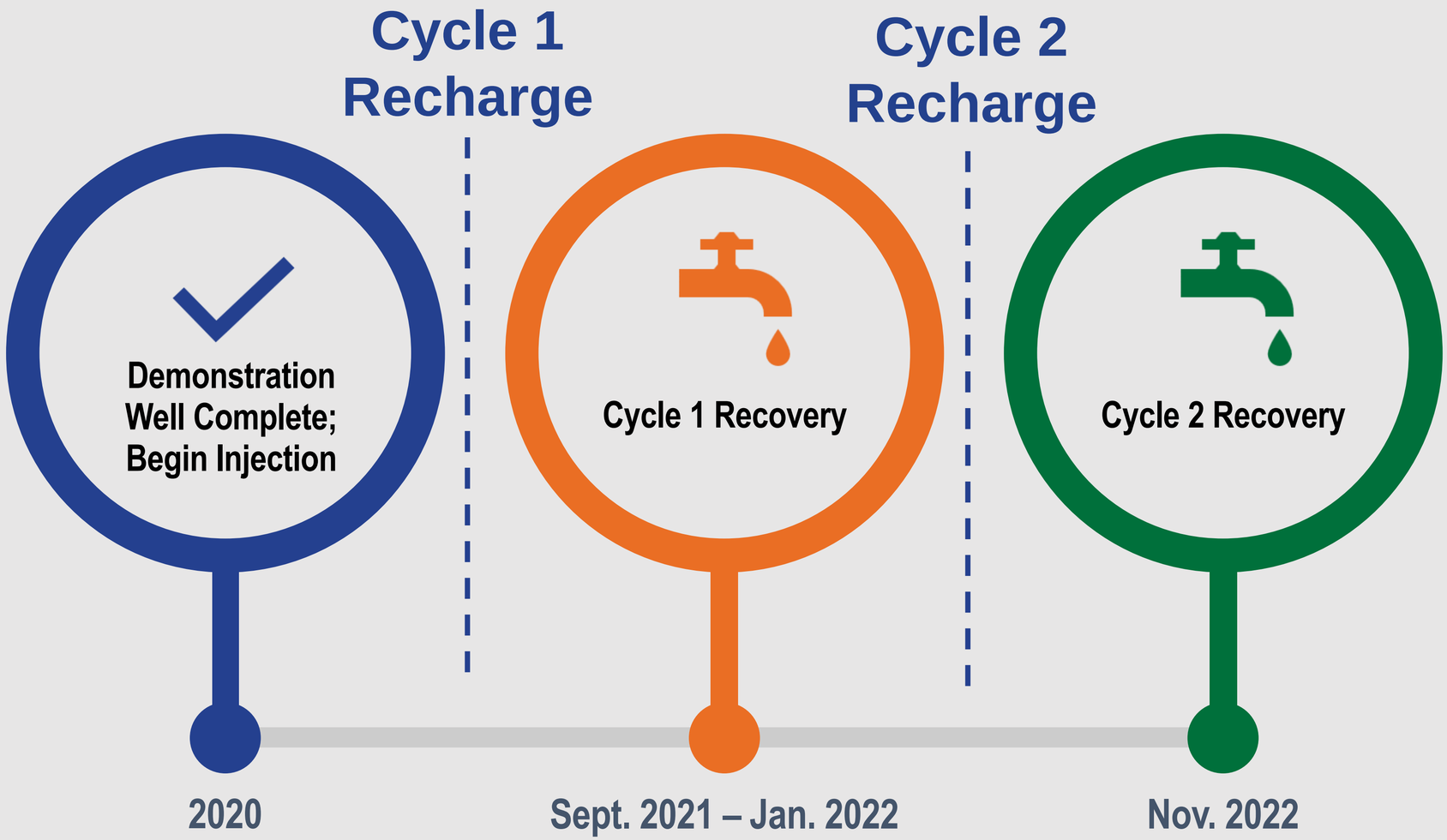


Background

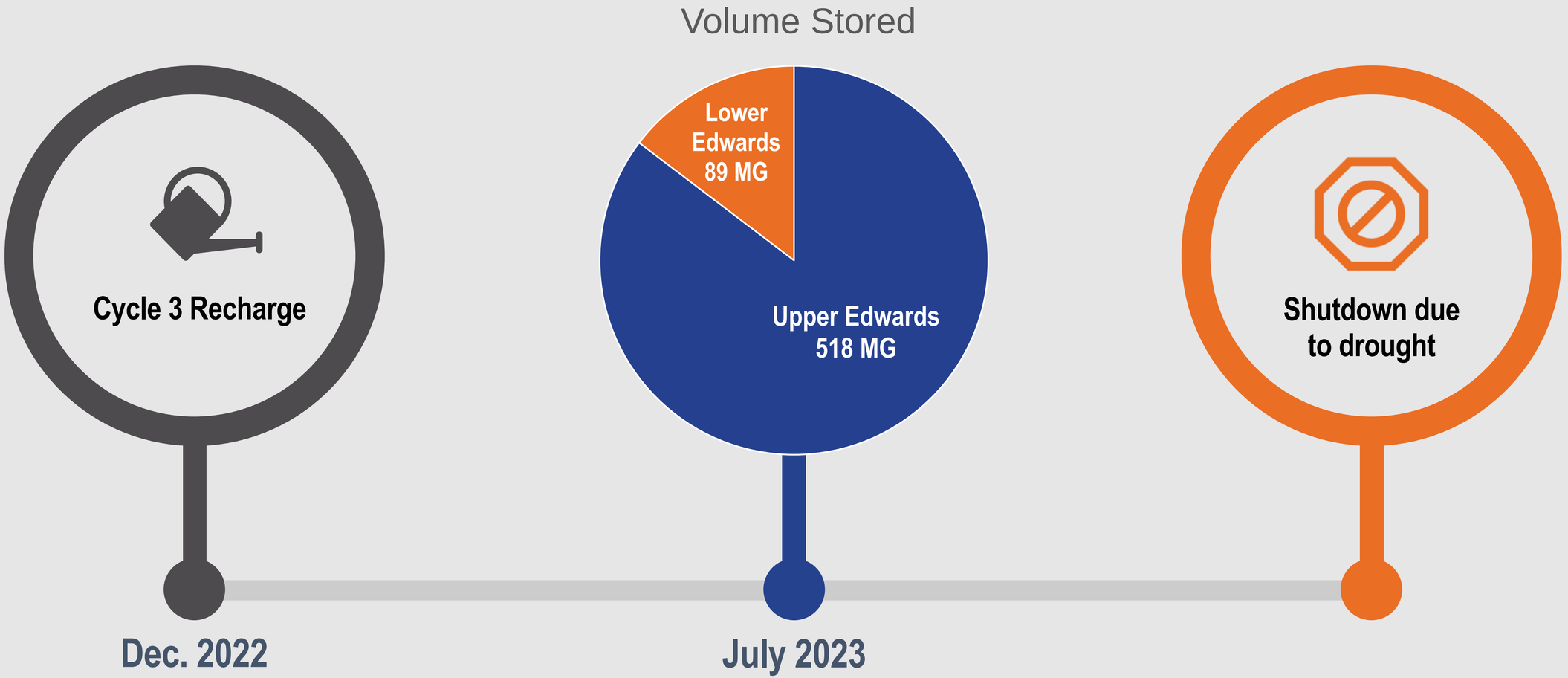
- Arcadis Engaged in 2011
- Hydrogeology Confirmed Conducive
- Design Targets:
  - Recharge Rate: 4 Million Gallons a Day (“MGD”)
  - Recovery Rate: 9 MGD
  - Up to 9 wells at ~1 MGD recovery each



Demonstration Project and Cycle Testing



Status of Cycle 3 Testing



Current Status

ASR Demonstration 1 (D1) Well Deepening

- Increase water in Lower Edwards
- Dual well capable of storing and recovering from the Upper and Lower Edwards

Conceptual Wellfield Design

- Can be phased or all at once
- Likely only 4 additional wells needed

Aquifer Modeling

Experimental Permit Extension



Tentative Schedule

Well Deepening

Well Deepening at Final Completion- Pending Additional Improvements

Fall 2026

Cycle 3

Continue Recharge

Fall 2026
Winter 2027

Cycle 3

Recovery

Spring - Summer 2027

Operation

ASR-D1

2027

Future Planned Improvements

- **Permits & Regulatory**
  - Experimental Permit Extension
  - Full TCEQ Operating Permit
- **Wellfield Expansion**
  - Kohlenberg Tank Monitor Well
  - ASR Wellfield Buildout
  - Additional Monitor Wells



Kohlenberg GST – Additional Monitoring Well Site


Questions?

NEW BRAUNFELS UTILITIES

Meeting Date:	October 29, 2026	**Agenda Type:**	Presentation Items
From:	Adam Willard, P.E. Chief Engineer of Water Systems	**Reviewed by:**	Michael G. Short, P.E. Director of Engineering
Submitted by:	Mark Steelman Chief Operations Officer	**Approved by:**	Ryan Kelso Chief Executive Officer

RECOMMENDED ACTION: Presentation and Update on the 2026 Water & Wastewater Master Plan

Presentation and Update on the 2026 Water & Wastewater Master Plan



Stephanie Neises, PE

Water and Wastewater Master Planning Engineer

Freese and Nichols, Inc.

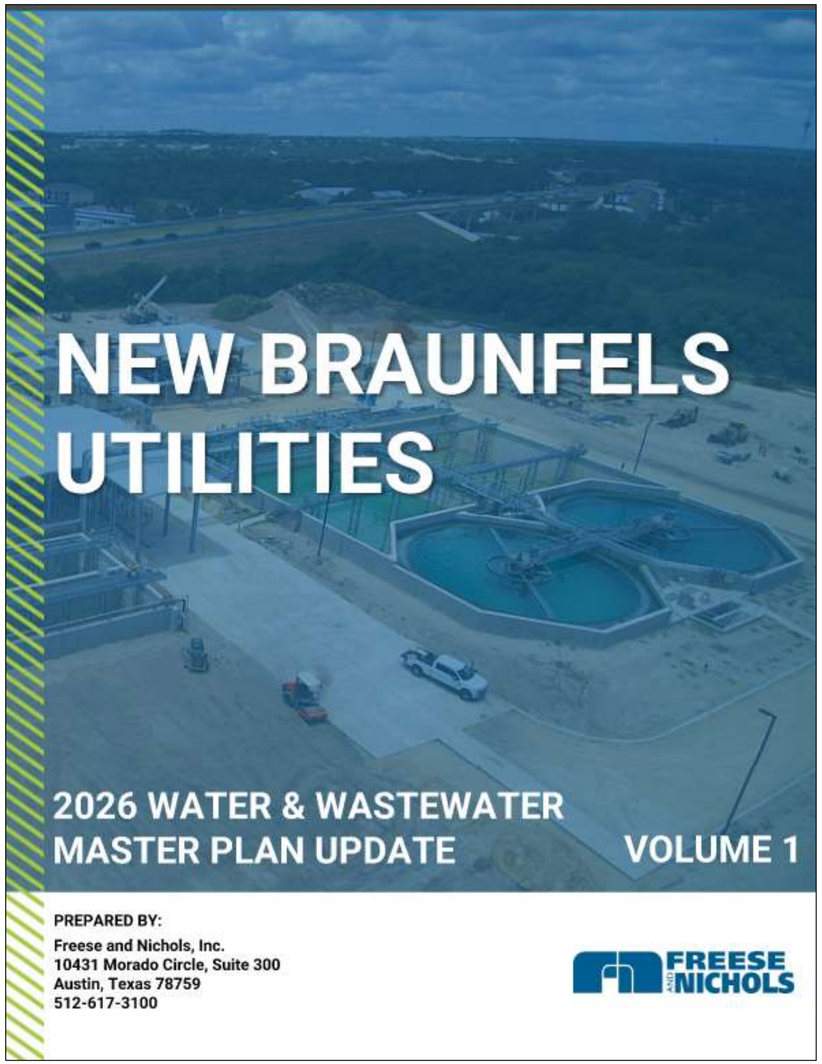
October 29, 2026

NBU NEW BRAUNFELS UTILITIES

2026 W&WW Master Plan Update

- Provides a roadmap for assessing current system performance, identifying infrastructure needs, and prioritizing capital improvements

- Data-driven planning document that guides NBU in managing and expanding its water and wastewater infrastructure

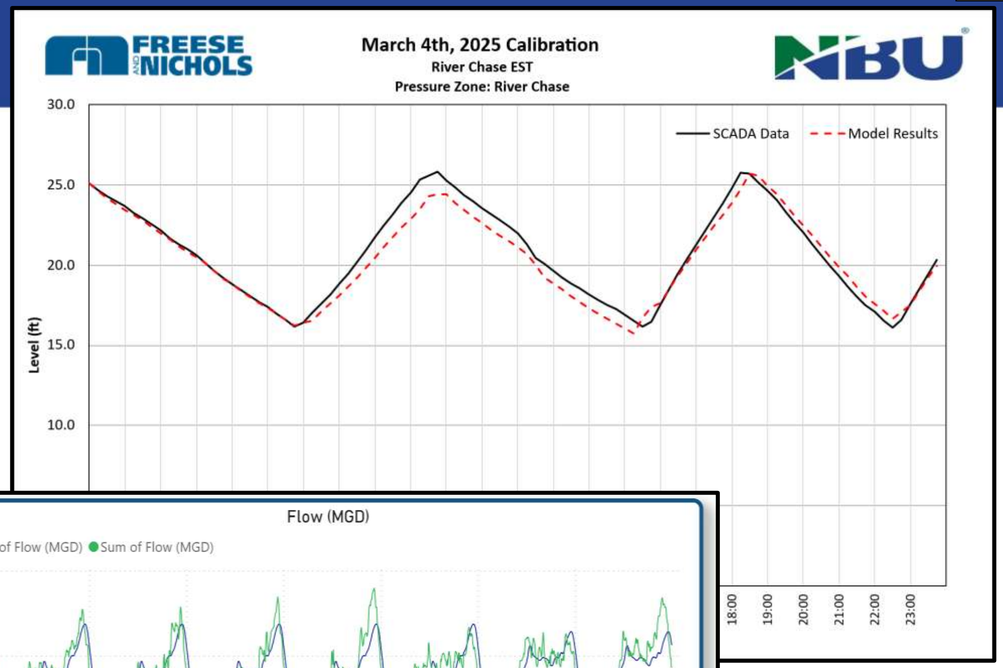


NBU Project Team

- Project Manager
  - George Perkins, PE
- Water Engineering
  - Adam Willard, PE
  - Lee Perry, PE
  - Ashley Zimmermann
  - Nick Puckett, PE
  - Herb Shadrock
- Water Operations and Compliance
  - Jason Theurer
  - Brent Lundmark
  - Doug Clifton
  - John Krause
- Data Analytics
  - Peter Vanderstoep
  - Skylar Smetzer
- Mike Short, PE
- Mark Steelman

Project Highlights

- Updated and calibrated both hydraulic models
  - Water System Model
    - Three rounds of temporary pressure recording at 20 locations
  - Wastewater System Model
    - Temporary flow monitoring at 11 locations
    - Captured 3 major rain events to assess impacts of wet weather on collection system





low Monitor	Sum of Modeled 7-day Volume (MG)	Sum of Observed 7-day Volume (MG)
MK_T01	11.48	11.34
K_T05	10.27	9.95
NK_T02	9.78	9.47
K_T02	6.67	6.50
MK_T03	3.56	3.47
GR_T02	3.08	2.98
Total	53.14	51.97

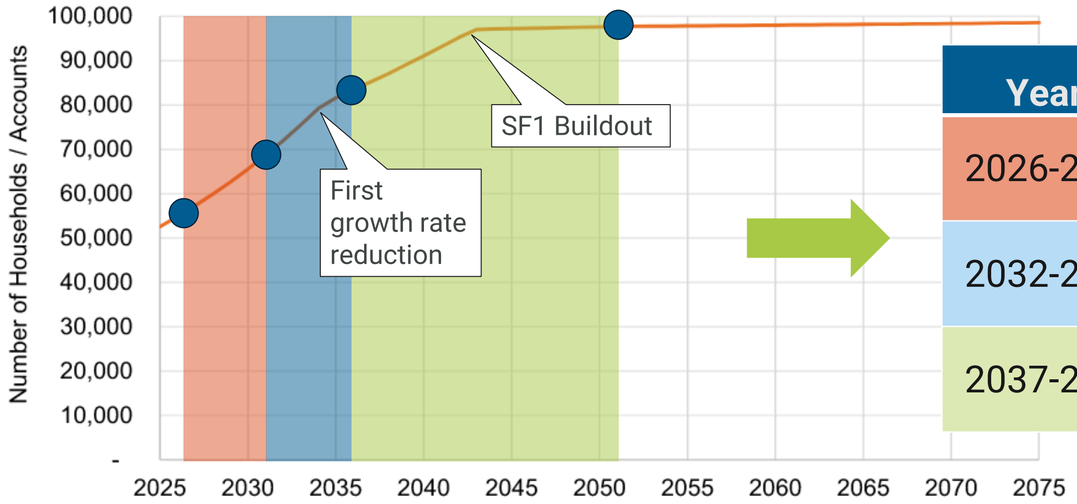


Project Highlights

- Developed updated growth projections for the service areas that align with 2025 Water Resource Plan Update

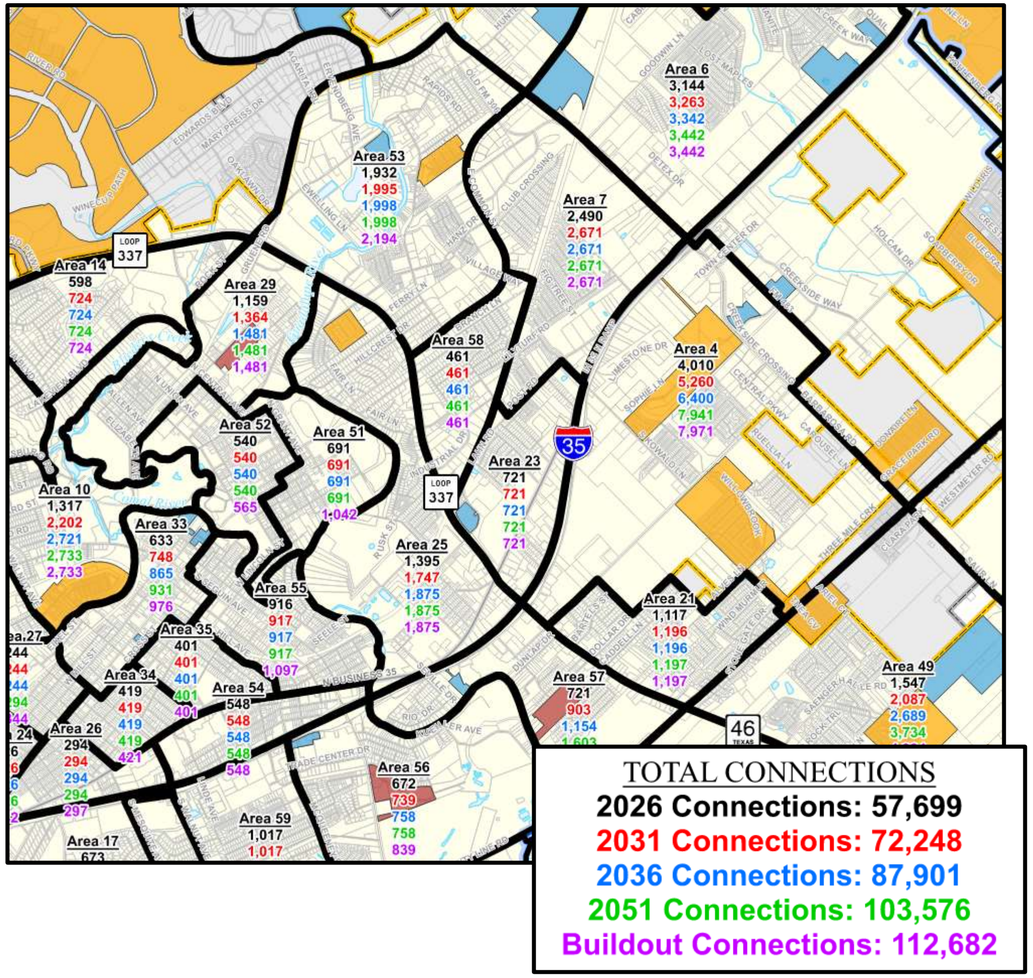
- Collaborated with NBU staff to allocate growth throughout updated service areas

2025 Water Resource Plan Growth Projections



2026 Master Plan Growth Rates

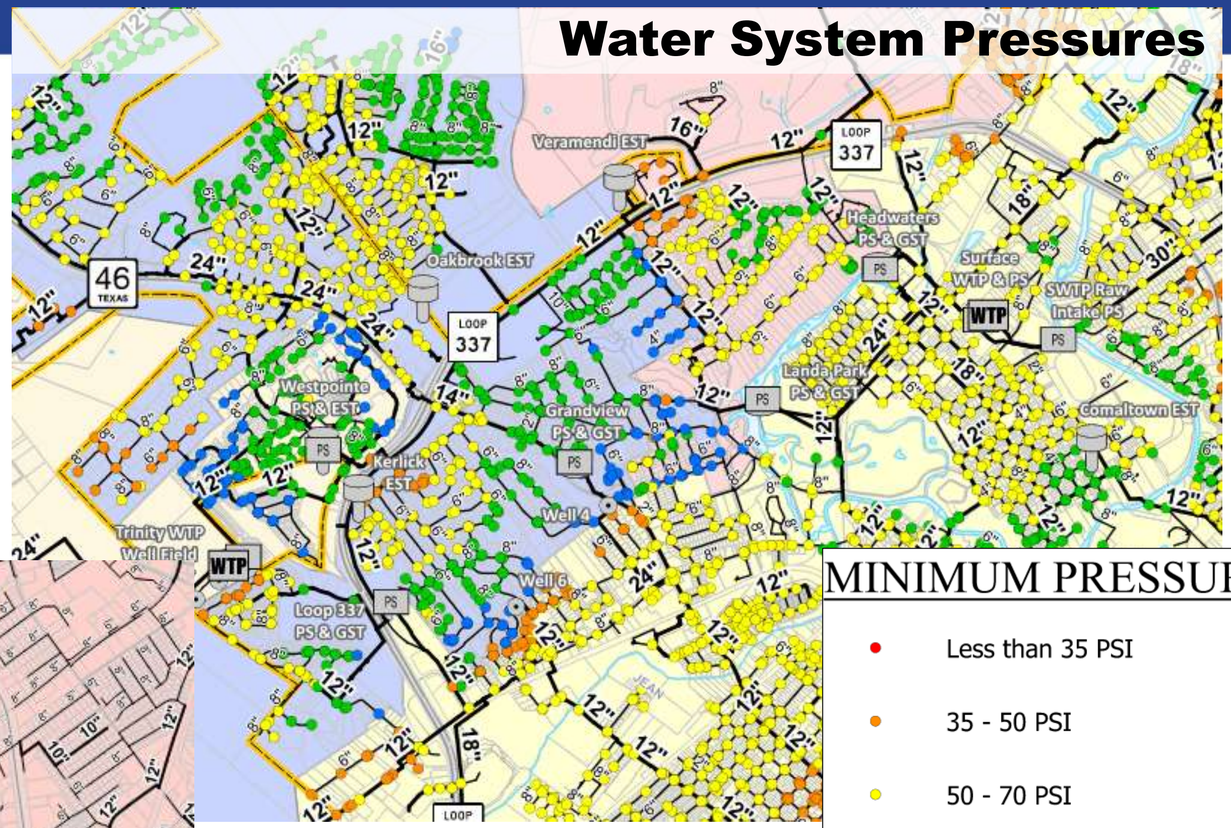
Years	Growth Rate
2026-2031	4.6%
2032-2036	4.0%
2037-2051	1.1%

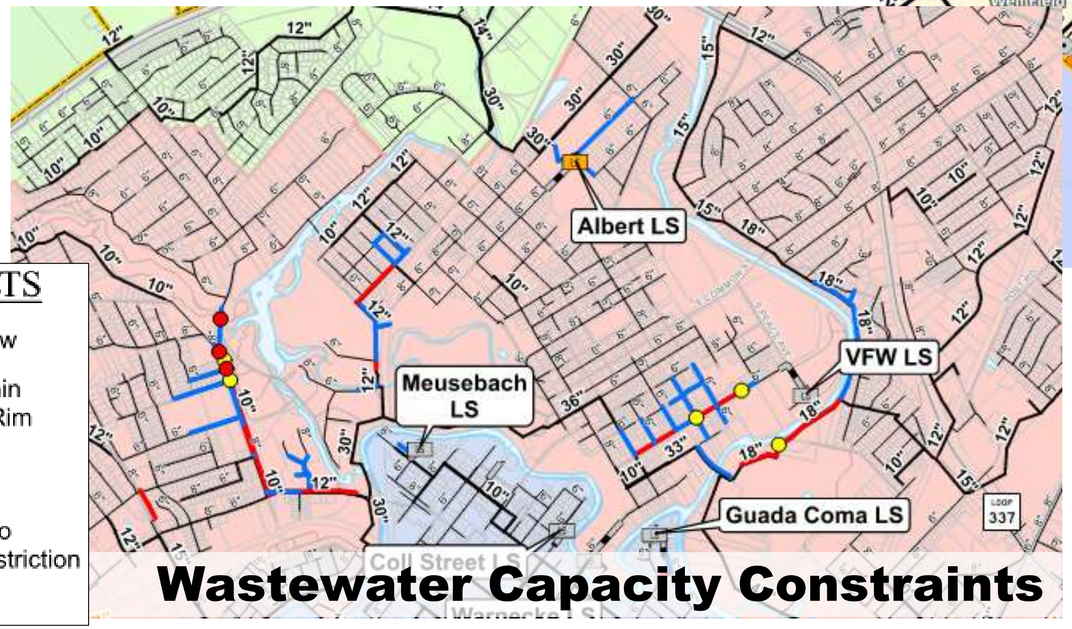


TOTAL CONNECTIONS
2026 Connections: 57,699
2031 Connections: 72,248
2036 Connections: 87,901
2051 Connections: 103,576
Buildout Connections: 112,682

Project Highlights

- Conducted hydraulic analysis and evaluated system capacities
- Identified improvements to accommodate growth and operational needs





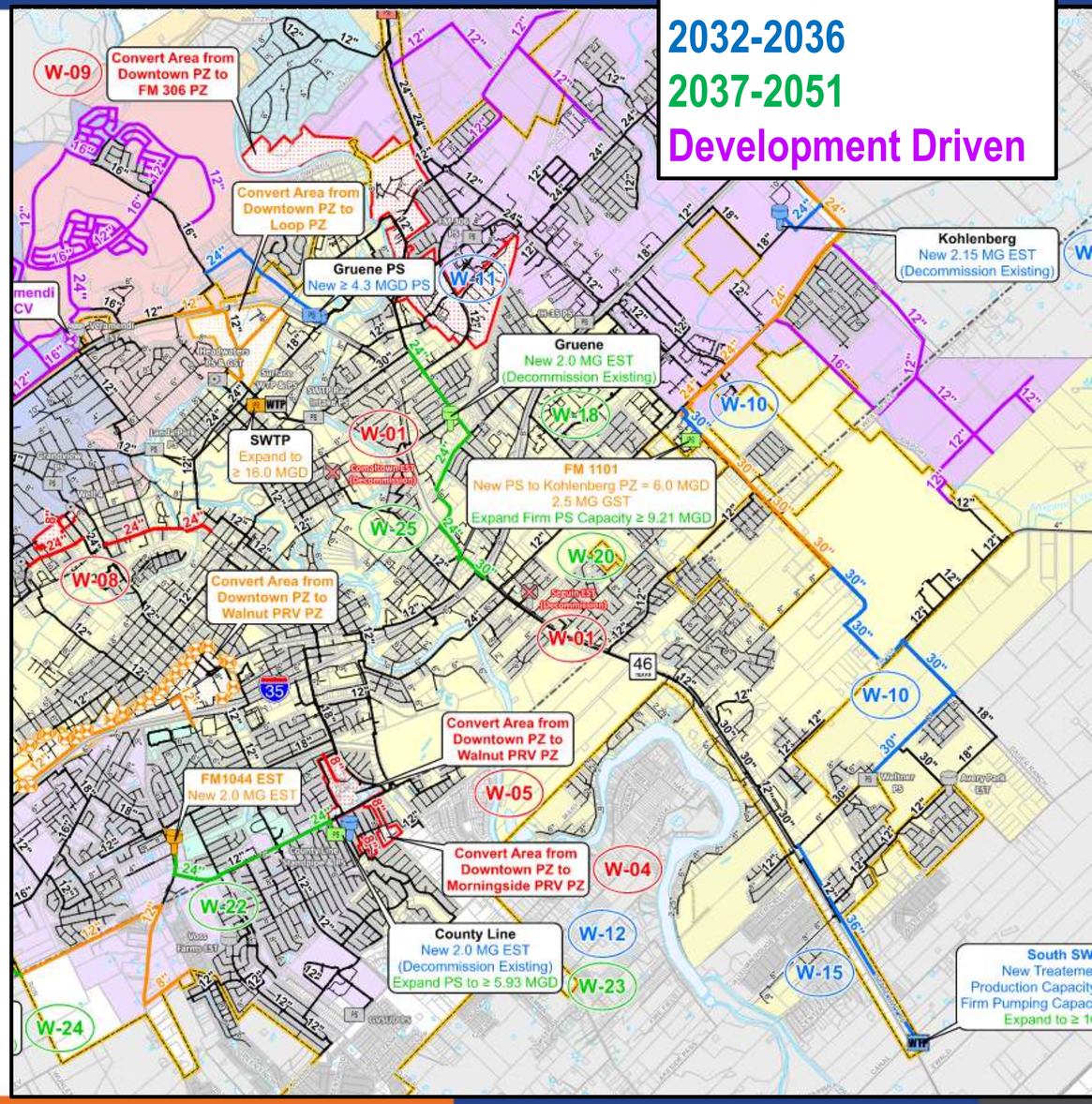
Wastewater Capacity Constraints

Water System Capital Improvements

- **2026-2031 Water System CIP – $63,263,700**
  - New elevated storage tanks (EST) in Downtown and River Chase pressure zones (PZ)
  - Pressure zone conversions to better utilize existing EST capacity in Downtown PZ
  - New pump station (PS) to enhance redundancy to Hoffmann and River Chase PZs
  - New water lines to improve transmission capacity from east to west in the Downtown PZ

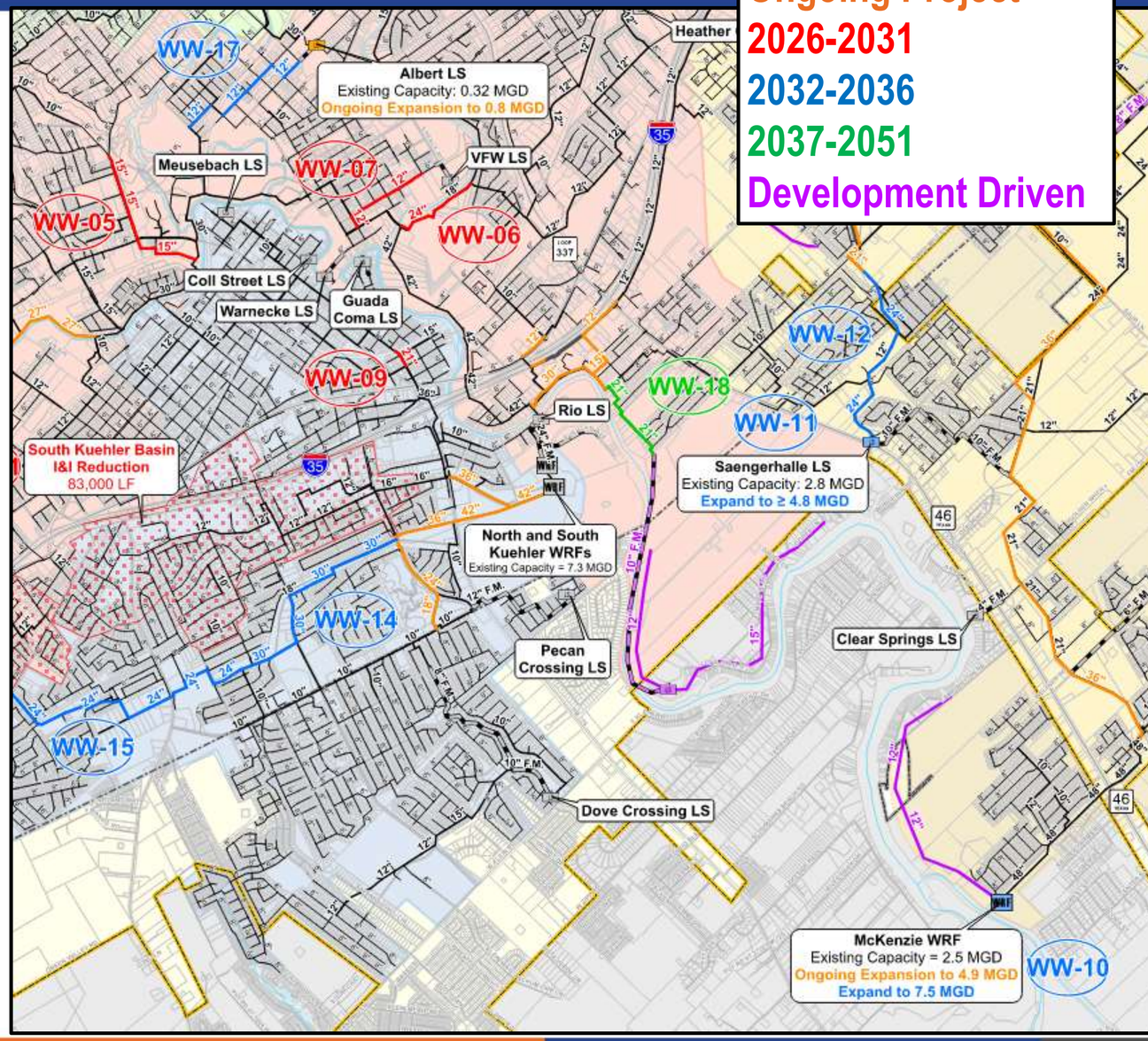
- **2032-2036 Water System CIP – $261,835,700**
  - New pump station to serve continued growth in Veramendi development
  - New ESTs in the Downtown and Kohlenberg PZs
  - New South Surface Water Treatment Plant (SWTP) and raw water pump station

- **2037-2051 Water System CIP – $194,738,000**
  - New EST in the Downtown PZ
  - South SWTP Expansion
  - Hoffmann Lane PS and EST improvements
  - PS and EST improvements in the Morningside PZ
  - New water lines to improve transmission capacity from north to south in the Downtown PZ



Wastewater System Capital Improvements

- **2026-2031 Wastewater System CIP – $32,573,300**
  - Inflow and infiltration reduction effort
  - Solms Lift Station (LS) and Force Main (FM) improvements
  - Various interceptor improvements
- **2032-2036 Wastewater System CIP – $224,020,100**
  - McKenzie Water Reclamation Facility (WRF) Expansion to 7.5 MGD
  - McKenzie WRF Basin lift station improvements
  - South Kuehler Interceptor Phase 2 and 3 improvements
- **2037-2051 Wastewater System CIP – $2,822,600**
  - Various interceptor improvements to serve projected growth




Questions?

NEW BRAUNFELS UTILITIES

Meeting Date:	October 29, 2026	**Agenda Type:**	Presentation Items
From:	Jessica Coleman Financial Planning and Analysis Manager	**Reviewed by:**	John Warren Director of Financial Planning and Analysis
Submitted by:	Jessica Williams Chief Financial Officer	**Approved by:**	Ryan Kelso Chief Executive Officer

RECOMMENDED ACTION: Presentation on Land Use Assumptions, Capital Improvements Plan, and Maximum Allowable Impact Fees

Presentation on Land Use Assumptions, Capital Improvements Plan, and Maximum Allowable Impact Fees



October 29, 2026

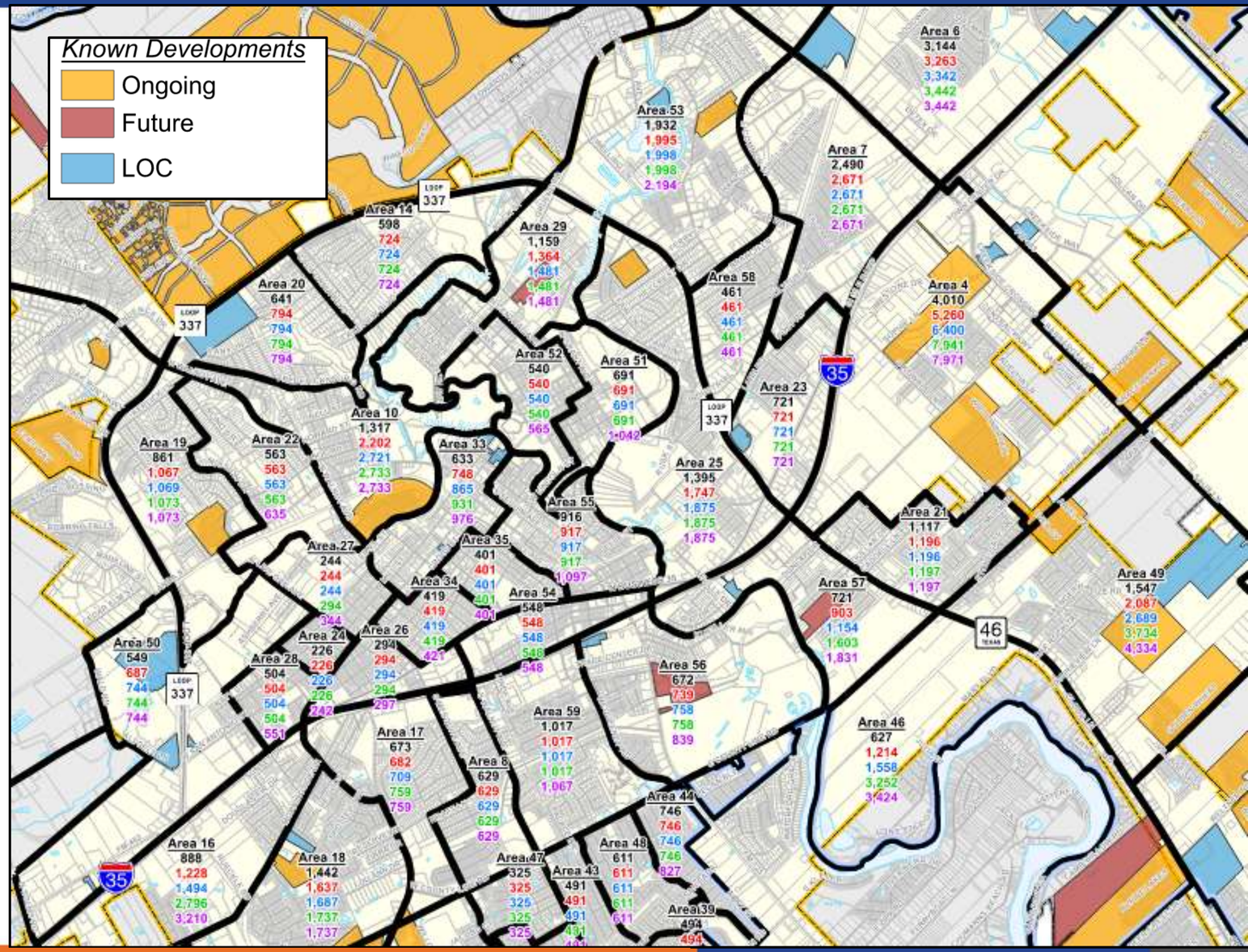
NBU NEW BRAUNFELS UTILITIES

Impact Fee Update Process

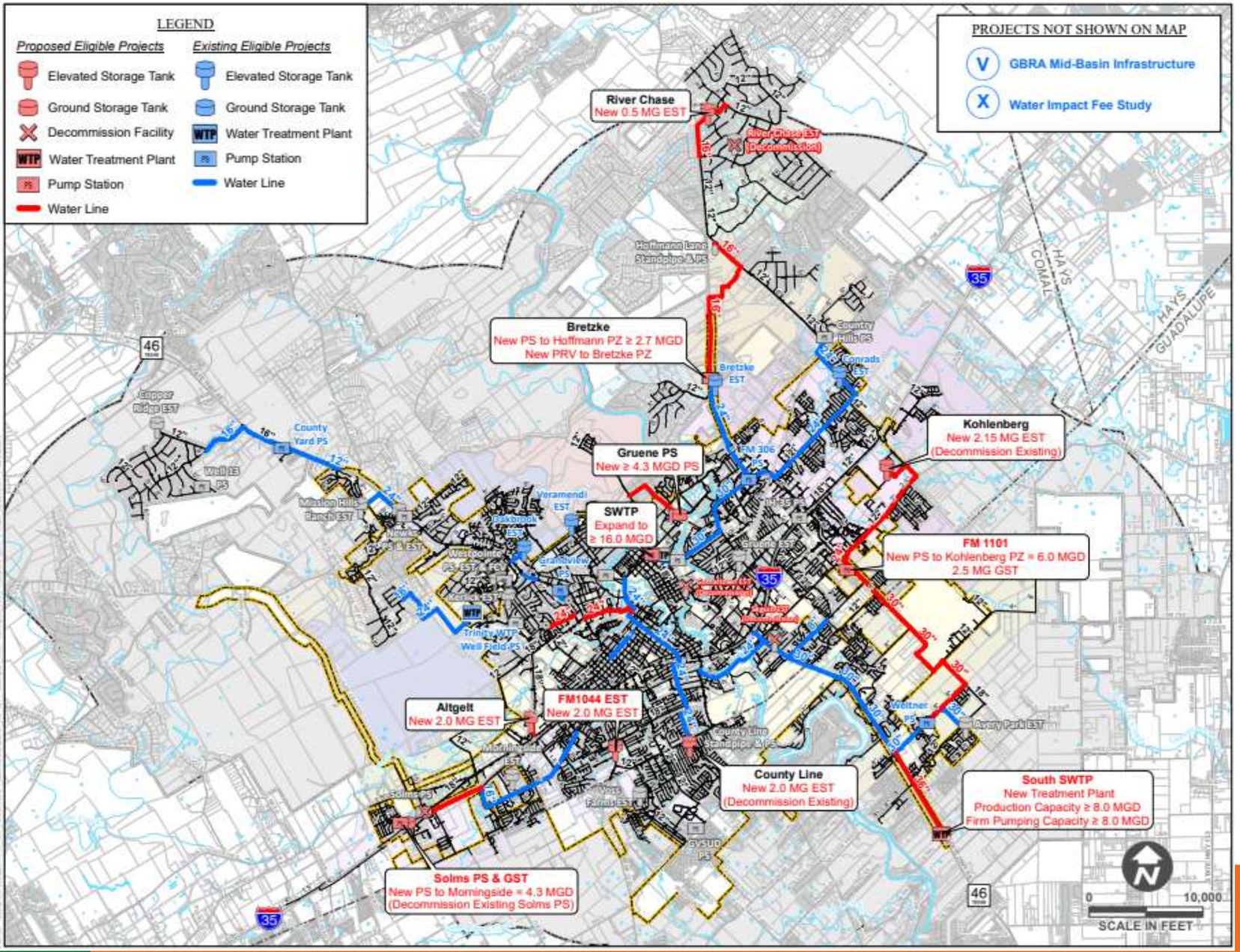
Develop Land Use Assumptions	• Determine existing customer base • Estimate growth over next 10-years • Develop water demand and wastewater flow projections
Establish Capital Improvement Plan (CIP)	• Utilize Land Use Assumptions to determine required system improvements to serve 10-year growth • Based on Water and Wastewater Master Plan recommendations
Conduct Impact Fee Calculations	• Determine 10-year capacity utilization for projects • Establish growth in Living Unit Equivalents (LUEs) • Calculate maximum allowable impact fee
Stakeholder Meetings	• Staff meetings • IFAC meetings, CAP meetings, Developer Community meetings • Board and City Council presentations
Public Hearing and Adoption of Ordinance	• Public Hearing requires 30-day public notice • Impact Fee report to be available to the public 60 days before public notice • Ordinance update requires two readings at City Council meeting, Board approves NBU impact fee policy

Land Use Assumptions

- **Projections based on:**
  - 2025 Water Resources Plan
  - 2026 W/WW Master Plan
  - FY 2027 Budget Plan
- **Utilized historical growth rates by customer type**
- **Incorporated ongoing and future proposed development information to spatially distribute growth**
- **Projected 10-year Average Growth Rate = 4.3%**



Water System Improvements



Existing Projects

- 2 Pump Stations
- 5 Storage Tanks
- 3 Production Facilities
- 32 Miles of Pipeline

Proposed Projects

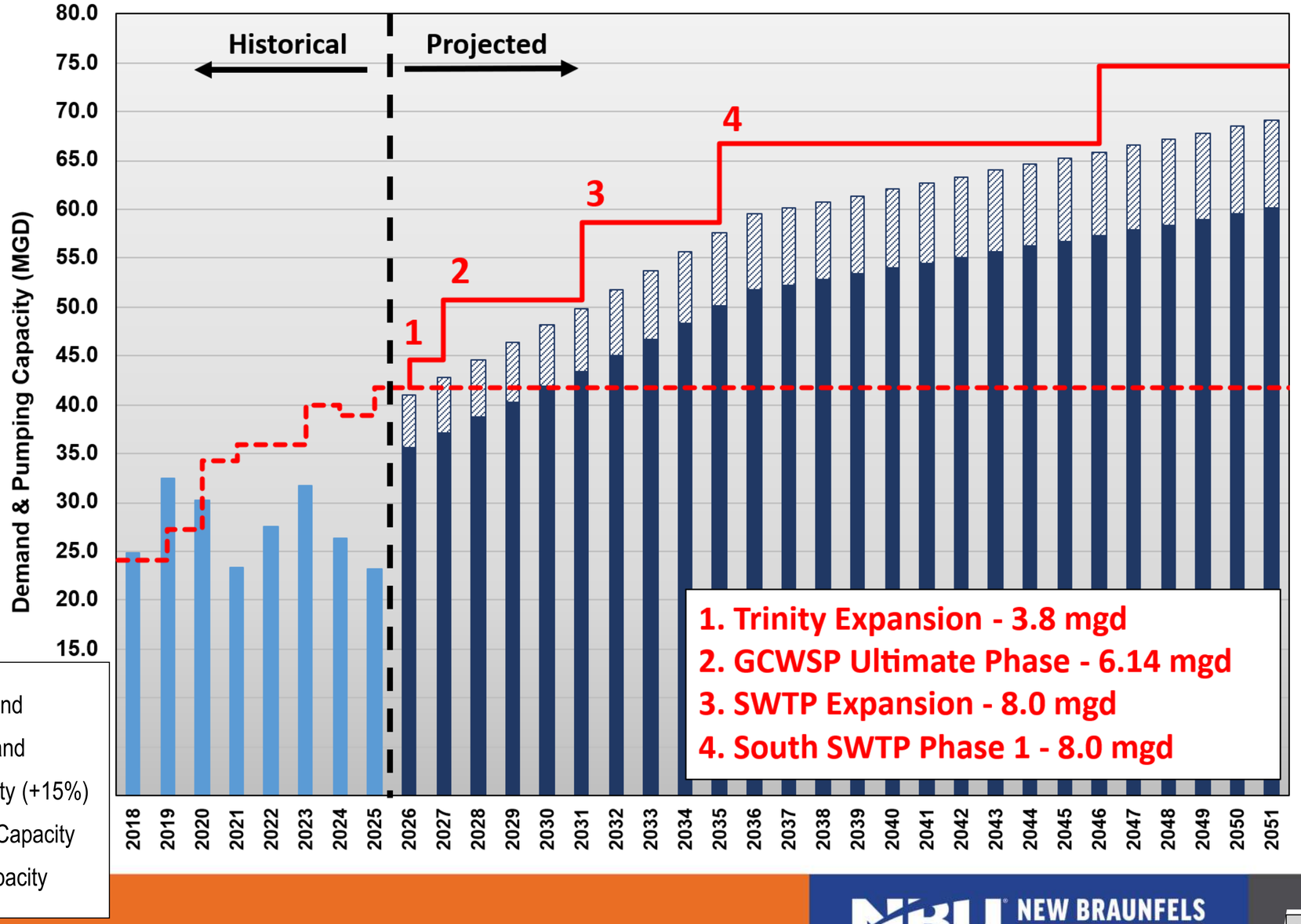
- 3 Pump Stations
- 5 Elevated Storage Tanks
- 1 Ground Storage Tank
- 2 Production Facilities
- 18 Miles of Pipeline

NBU NEW BRAUNFELS UTILITIES

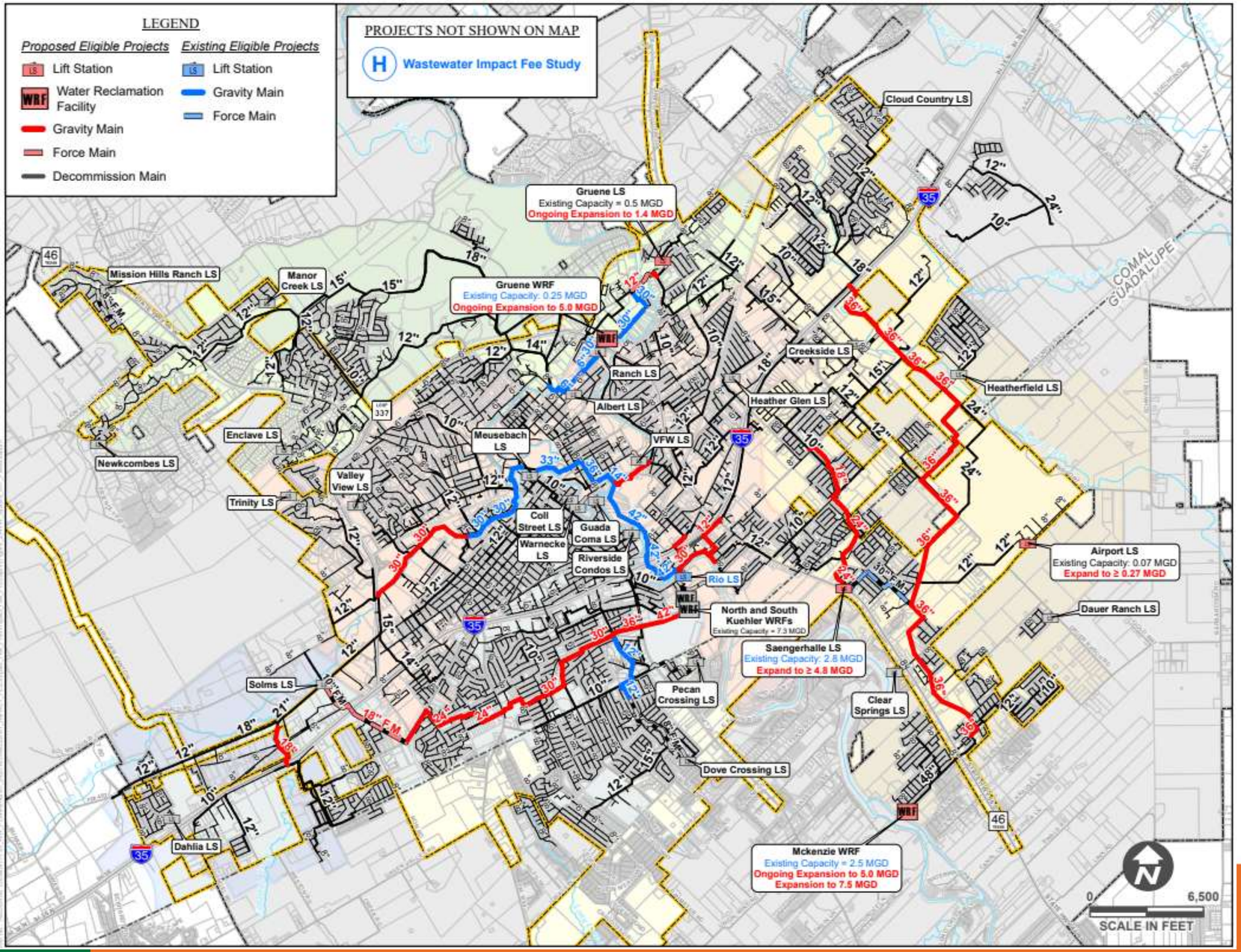
Water Production Capacity

- Trinity Expansion, Weltner Pump Station, Surface Water Treatment Plant (SWTP) Expansion, and new South SWTP all impact fee eligible

- Production capacity needed to serve growth across the water system, based on maximum day demand (MDD) projections



Wastewater System Improvements



Existing Projects

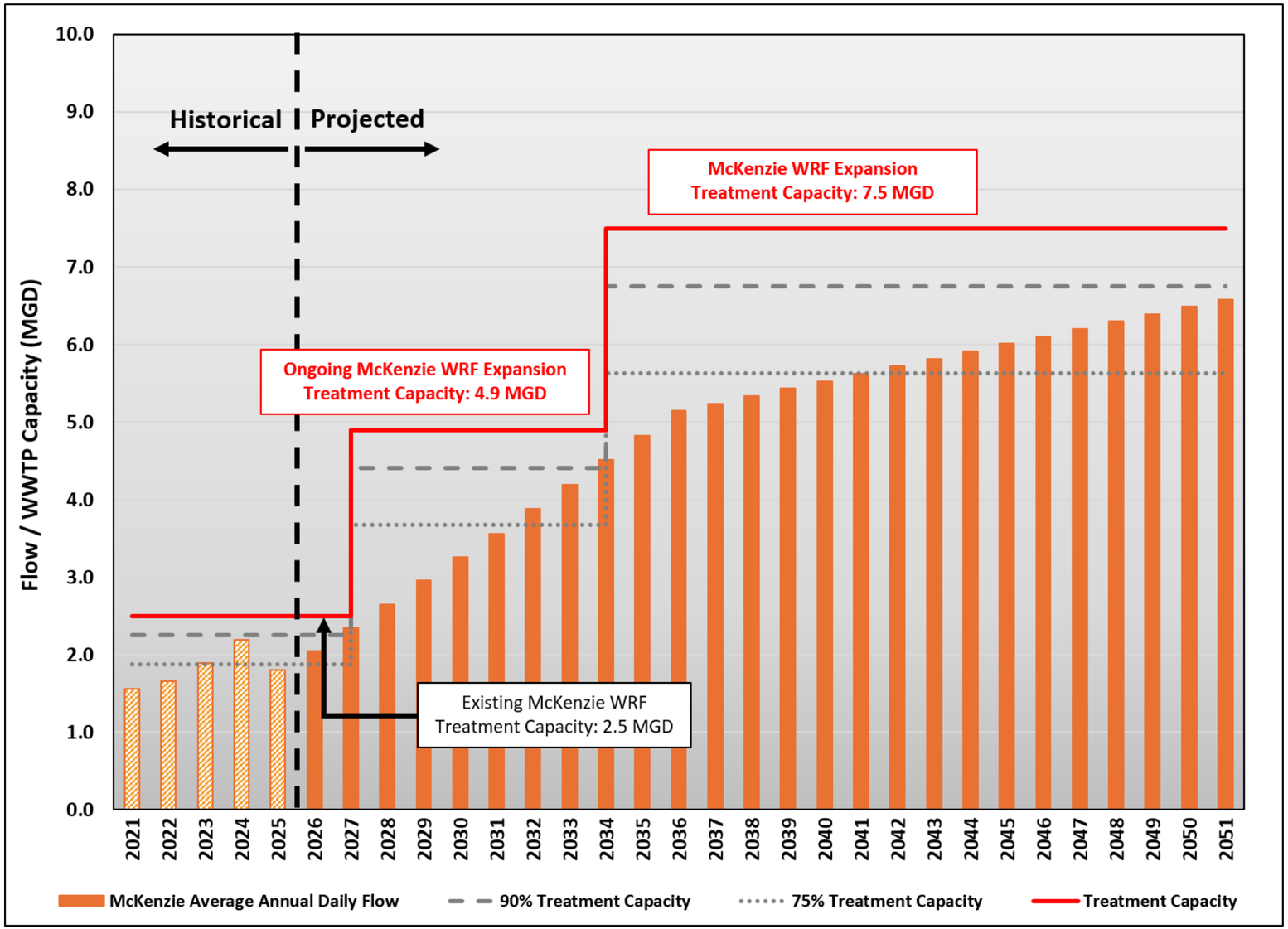
- 2 Lift Stations
- 2 Water Reclamation Facilities (WRF)
- 8 Miles of Pipeline

Proposed Projects

- 4 Lift Stations
- 3 WRF Expansions
- 18 Miles of Pipeline

NBU NEW BRAUNFELS UTILITIES

McKenzie Water Reclamation Facility (WRF)



- **Texas Commission on Environmental Quality (TCEQ) “75/90” rule:**
  - When a WRF exceeds 75% of its permitted annual average flow for three consecutive months, the utility must begin planning for a facility expansion
  - When flows exceed 90% of the permitted annual average flow, the facility must begin construction of its next expansion
- **Ongoing McKenzie WRF Expansion project will increase treatment capacity to 4.9 MGD**
- **Additional McKenzie WRF Expansion needed by 2034**

Impact Fee Calculations

Impact Fee Calculations

- Only the percentage of a project utilized in the 10-year period is eligible
- Used hydraulic model and planning criteria to determine percent utilization
- Performed analysis to credit any portion of project costs that will be included in future water rates
- Impact fees calculated by dividing eligible project costs by growth in service units

$$\text{Impact Fee per Service Unit} = \frac{\text{Impact Fee CIP Cost} - \text{Credit}}{\text{New Service Units}}$$

Eligible Cost Calculations

No.	Project ID	Project Description	Percent Utilization			Cost Based on 2026 Dollars	
			2026	2036	10-year Utilization	Total Project Cost	Impact Fee Eligible Cost
EXISTING ELIGIBLE							
A	2-C20GPSEX	Grandview Pump Station Expansion	96%	100%	4%	$6,077,320	$243,093
B	2-C18CR1PS	Highway 46 Water System Expansion	69%	100%	31%	$12,231,194	$3,791,670
C	2-C14MSR	MSR Reconstruction (CNB) - W	59%	87%	28%	$4,053,223	$1,134,902
D	2-C19SAST2	San Antonio St Rehabilitation Phase 2 (CNB) – W	68%	100%	32%	$1,490,961	$477,108
E	2-C17306GT	Old FM 306 Ground Storage Tank	45%	71%	26%	$3,353,369	$871,876
F	2-C14ALVES	Alves Ln Improvements (CNB) – W	93%	100%	7%	$1,905,928	$133,415
G	2-C17AP20	Avery Park 30" Water Main	40%	76%	36%	$17,052,481	$6,138,893
H	2-C19WRGST	Weltner Road Ground Storage Tank and Pump Station – Phase 1	14%	100%	86%	$11,828,245	$10,172,290
I	2-C20BRTZC	3.0 MG Bretzke EST and 24-inch Bretzke Waterline	89%	100%	11%	$8,954,705	$985,018
J	2-C19VTFCV	Veramendi 1.5 MG EST	19%	85%	66%	$286,906	$189,358
K	2-C21306PS	FM 306 Pump Station and Discharge Pipeline	14%	100%	86%	$10,547,758	$9,071,072
L	2-C21GLWL	Goodwin Lane Water Main	79%	100%	21%	$11,075,806	$2,325,919
M	2-C20MQPWL	24-Inch McQueeney Road Parallel Water Line	59%	95%	36%	$5,207,505	$1,874,702
N	2-C20SWDIS	30/24-Inch SWTP Discharge Line	40%	100%	60%	$13,801,000	$8,280,600
O	2-C21GEST	Conrads EST	62%	100%	38%	$9,868,312	$3,749,958
P	2-C20OBEST	Oakbrook EST, Pipeline & Flow Control Valve	15%	75%	60%	$6,605,229	$3,963,137
Q	2-C23MWCW	Mission/Westpointe Connection Waterlines	10%	26%	16%	$6,533,119	$1,045,299
R	2-C21TEXP	Trinity Expansion - Water Supply Facilities	0%	5%	5%	$27,815,110	$1,390,755
S	2-C20IH35W	I-35 Water Line	28%	65%	37%	$10,452,096	$3,867,276
T	2-C16CASTL	Castell Ave Rehabilitation (CNB) - W	66%	96%	30%	$6,965,754	$2,089,726
U	2-C21GVDL	Grandview Discharge Line Upgrades	96%	100%	4%	$6,967,668	$278,707
V	-	GBRA Mid-Basin Infrastructure	14%	100%	86%	$113,640,000	$97,730,400
X	-	Water Impact Fee Study	0%	100%	100%	$116,462	$116,462
PROPOSED ELIGIBLE							
1	2-C261101W	FM 1101 PS Discharge Water Line	10%	43%	33%	$13,091,654	$4,320,246
2	2-C261101P	FM 1101 PS and GST	0%	72%	72%	$19,543,383	$14,071,236
3	2-C20SLGST	Solms Ground Storage Tank and Flow Control Valve	60%	87%	27%	$1,929,257	$520,900
4	2-C20SWEXP	SWTP Expansion - Water Supply Facilities	0%	100%	100%	$4,858,091	$4,858,091

Impact fee eligible costs (Total Cost x 10-year Utilization)

% Utilized in 10-year period

Project Costs

AUTHORIZATION FOR EXPENDITURES (AFE)
CAPITAL PROJECT BUDGET FOR FISCAL YEAR 2027

Department: Water | Project: WTR - TRMT PLT - SWTP SITE - EXP
New Project: No | Project Start Date: 8/1/2019 | Est. Completion Date: 7/31/2031

Impact Fees: Impact Fee Eligible? Yes; If yes, what %? 40%
Third Party Reimbursements: Reimbursable by 3rd party? No; If yes, from whom?; When?; Total Lifetime Projected Reimb. Amount?
Projected 5 Yr. Reimb. Amounts: FY 2027* $ -; FY 2028* $ -; FY 2029 $ -; FY 2030 $ -; FY 2031 $ -

Project Grouping: Treatment Plants | New Capital or Aging Infra.: New Capital

Project Description/Scope:

The current surface water treatment plant (SWTP) has a design capacity of 8.0 mgd. Doubling the plant size will provide a total of 15.0 mgd sustained capacity. A plant expansion will allow NBU to treat all its Canyon Reservior water and will increase NBU's ability to divert and treat a greater amount of our run of river rights.

This project is requested on the basis of:

NBU needs new water production facilities to meet demand.

If proposed project is NOT undertaken in year proposed, NBU will incur an adverse impact of (please explain):

NBU will need to find other sources of production supply to meet its future water needs.

If project increases/decreases from original plan (current fiscal year or total), why?

OPCC increased significantly from the previous 2021 design due to additional requirements from permitting review, revisions to the operational needs, and additional aging infrastructure of the existing SWTP.

PROJECTED CAPITAL PROJECT EXPENDITURES

	FY25 and Earlier	FY 26 Projections	FY 2027*	FY 2028*	FY 2029	FY 2030	FY 2031	Project Total
Internal Labor	610,317	16,935	13,935	3,000	1,027,828	1,028,938	1,024,500	$ 3,725,453
Contract Engineering	4,979,872	577,311	475,333	102,057	1,260,940	1,297,920	1,150,000	$ 9,843,433
Contract Labor	-	-	-	-	33,000,000	33,000,000	33,000,000	$ 99,000,000
Materials	353	-	-	-	-	-	-	$ 353
Land/Easements	-	-	-	-	-	-	-	$ -
Overhead			53,349	9,272	-	-	-	$ 62,621
Total	5,590,542	594,246	542,617	114,330	35,288,768	35,326,858	35,174,500	$ 112,631,860
Previous Year's Project Forecast Totals	$ 309,673	$ 16,614,464	$ 21,965,409	$ 18,135,541	$ -	Prev Proj Total		$ 62,743,313
						Difference		$ 49,888,547
*The FY2027 plan reflects full project funding across FY2027 and FY2028 only.						LIFETIME PROJECT COST		$ 112,631,860

RESULTING ASSETS CREATED	% Allocation	Fiscal Year Depreciation Amt. 2032
3310-Water Op Water Treatment/Structures & Improv	70%	78,842,302
3320-Water Op & Trtmt/Sand or Otr Media Filt Equip	20%	22,526,372
3340-Water Op Water Treatment/Other Water Treat Equip	8%	9,010,549
3440-Water-Operating Transmission / Generators	2%	2,252,637
		-
		-
		-
		-
Total	100%	112,631,860

2-C20SWEXP | Requested Contract No. | 2-C20SWEXP

AUTHORIZATION FOR EXPENDITURES (AFE)
CAPITAL PROJECT BUDGET FOR FISCAL YEAR 2027

water | Project: WWT - WRF - MCKENZIE - EXP
Project Start Date: 8/1/2019 | Est. Completion Date: 7/31/2027

ies | Third Party Reimbursements
Eligible? Yes; hat %? 9%
Reimbursable by 3rd party? Yes; If yes, from whom? Mayfair (53%); When? FY24; Total Lifetime Projected Reimb. Amount? $ 37,111,589.13
Projected 5 Yr. Reimb. Amounts: FY 2027 $ -; FY 2028 $ -; FY 2029 $ -; FY 2030 $ -; FY 2031 $ -

WRF – Capacity Expansion | New Capital or Aging Infra.: New Capital

BNR treatment process from 2.5 MGD to 5 MGD including: construction of new flow splitter box, expansion of headworks facilities
l treatment basins, construction of new secondary clarifiers, expansion of tertiary filters, expansion of UV disinfection equipment
ns, expansion of solids dewatering system (possible), and construction of new electrical equipment, site piping, and miscellaneous site

e basis of:

ent capacity for future growth in the McKenzie basin. Without this project, projected average daily flow will exceed the permitted

ertaken in year proposed, NBU will incur an adverse impact of (please explain):

rom original plan (current fiscal year or total), why?

PROJECTED CAPITAL PROJECT EXPENDITURES

and er	FY 26 Projections	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	Project Total
915,581	810,310	270,199	-	-	-	-	$ 5,896,090
993,333	1,197,447	1,318,460	-	-	-	-	$ 10,109,240
167,481	26,312,454	7,867,640	-	-	-	-	$ 73,347,576
13,534	-	-	-	-	-	-	$ 13,534
-	-	-	-	-	-	-	$ -
		675,685	-	-	-	-	$ 675,685
89,929	28,320,211	10,131,984	-	-	-	-	$ 90,042,125
Totals	$ 24,245,223	$ 778,776	$ -	$ -	$ -	$ -	Prev Proj Total $ 91,888,323
							Difference $ (1,846,198)
							LIFETIME PROJECT COST $ 90,042,125

RESULTING ASSETS CREATED	% Allocation	Fiscal Year Depreciation Amt. 2028
3310-Sewer Treatment / Structure & Improvements	40%	36,016,850
3330-Sewer Treatment / Primary Treatment Equip	25%	22,510,531
3340-Sewer Treatment / Secondary Treatment Equip	20%	18,008,425
3370-Sewer Treatment / SludgeTreat&DisposalEquip	10%	9,004,212
3380-Sewer Treatment / Plant Site Piping	5%	4,502,106
Total	100%	90,042,125

3-C20MKEXP | Requested Contract No. | 3-C20MKEXP

Water Costs

Total Project Costs = **$780,853,720**

Impact Fee Eligible Costs = **$384,262,187**

Wastewater Costs

Total Project Costs = **$617,211,772**

Impact Fee Eligible Costs **$184,178,244**

Living Unit Equivalents

Meter Size	Maximum Flow Rate for Continuous Duty (gpm)	Living Unit Equivalent
5/8”	10	1.0
1”	25	2.5
1 ½”	50	5.0
2”	80	8.0
3”	175	17.5
4”	300	30.0
6”	675	67.5
8”	2,400	240.0
10”	3,500	350.0

- Service equivalent to a water connection for a single-family residence
- NBU utilizes 5/8-inch meters for typical single-family connections
- Equivalencies calculated based on American Water Works Association (AWWA) C700 and C702 maximum continuous capacity for water meters
- Multi-family: 0.5 LUE per dwelling unit

Service Unit Equivalents

WATER

Customer Type	Meter Size	2026 Total LUEs	2036 Total LUEs	2026-2036 Growth in LUEs
Single-Family & Non-Residential	5/8"	39,701	62,305	22,604
	1"	1,950	2,428	478
	1 1/2"	1,505	1,870	365
	2"	2,632	3,272	640
	3"	298	368	70
	4"	180	210	30
	6"	68	68	0
	10"	700	700	0
Multi-Family Residential	-	7,162	10,200	3,039
TOTAL GROWTH IN LUEs				**27,225**

WASTEWATER

Customer Type	Meter Size	2026 Total LUEs	2036 Total LUEs	2026-2036 Growth in LUEs
Single-Family & Non-Residential	5/8"	36,513	54,744	18,231
	1"	1,688	2,023	335
	1 1/2"	1,505	1,800	295
	2"	2,608	3,120	512
	3"	280	350	70
	4"	180	210	30
	6"	68	68	0
	10"	700	700	0
Multi-Family Residential	-	7,138	10,177	3,039
TOTAL GROWTH IN LUEs				**22,512**

Credit Analysis

Texas Local Government Code Chapter 395:

The CIP must contain…a plan for awarding:

A. a credit for the portion of…revenues generated by new service units during the program period that is used for the payment of improvements, including the payment of debt, that are included in the CIP

or, in the alternative

B. a credit equal to 50% of the total projected cost of implementing the CIP

Maximum Allowable Impact Fees

Water Impact Fee	
Total Eligible Capital Improvement Costs	$384,262,187
Total Eligible Financing Costs	$234,123,950
Total Eligible Impact Fee Costs	$618,386,137
Total Impact Fee Credits	$1,683,202
Maximum Allowable Eligible Costs	$616,702,935
Growth in Service Units	27,225
Maximum Allowable Water Impact Fee	**$22,652**

- **Current water impact fee = $19,448**
- **Increase in the maximum allowable fee = $3,204**

- **Increased construction costs are main factor contributing to increase**
- **Significant increase in treatment costs**
  - SWTP Expansion: $52,556,400 → $108,843,786
  - New South SWTP: $137,592,000

Maximum Allowable Impact Fees

Wastewater Impact Fee	
Total Eligible Capital Improvement Costs	$184,178,244
Total Eligible Financing Costs	$110,296,975
Total Eligible Impact Fee Costs	$294,475,219
Total Impact Fee Credits	$2,488,815
Maximum Allowable Eligible Costs	$291,986,404
Growth in Service Units	22,512
Maximum Allowable Wastewater Impact Fee	**$12,970**

- **Current wastewater impact fee = $6,244**
- **Increase in the maximum allowable fee = $6,726**

- **Main factors contributing to increase:**
  - Construction costs
  - Location of growth
- **Significant increase in treatment costs**
  - McKenzie WRF Expansion: $59,735,434 → $83,470,350
  - Gruene WRF Expansion: $44,490,000 → $122,421,000
  - New McKenzie WRF Expansion: $122,850,000

Next Steps

Next Steps

Impact Fee Report available to public by **December 1, 2026**

City Council Resolution to set the public hearing date **January 25, 2027**

Conduct public hearing on impact fees on **March 8, 2027**

City Council to consider adoption of impact fees

NBU Board to consider setting impact fee collection rate on **April 29, 2027**

Questions and Discussion

CONTACT INFORMATION:
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FREESE AND NICHOLS

NBU NEW BRAUNFELS UTILITIES

NEW BRAUNFELS UTILITIES

Meeting Date:	October 29, 2026	**Agenda Type:**	Presentation Items
From:	Jessica Coleman Financial Planning and Analysis Manager	**Reviewed by:**	John Warren Director of Financial Planning and Analysis
Submitted by:	Jessica Williams Chief Financial Officer	**Approved by:**	Ryan Kelso Chief Executive Officer

RECOMMENDED ACTION: Presentation of the Water and Wastewater Impact Fee Financial Audit

Presentation on the Water and Wastewater Impact Fee Financial Audit



October 29, 2026

NBU NEW BRAUNFELS UTILITIES

Legislation: Senate Bill 1883



The Trigger

Senate Bill 1883 amended Texas Local Government Code §395.059.

The Requirement

Additional review required when a political subdivision considers increasing existing impact fees or adopting new ones.

The Outcome

Delivers enhanced transparency and accountability regarding the collection and use of impact fee funds.

SB 1883 added an independent review component to the impact fee update process, equipping the Board of Trustees and Impact Fee Advisory Committee with verified data for evaluation.

Auditor Selection

The Engagement (Agreed-Upon Procedures)

Review Period:	Feb 1, 2023 – July 31, 2025
Standards:	Performed in accordance with AICPA SSAE No. 19
Purpose:	Provide factual findings related to NBU's collection, allocation, and use of impact fees.

Key Distinction: This is an Agreed-Upon Procedures engagement, providing factual findings rather than a traditional financial statement audit.

The Independent Auditor (JMS CPAs, PLLC)

Independent San Antonio firm serving Texas municipalities. Confirmed independence under professional/ethical standards.

- Highest Peer Review Rating ("Pass") in National Program.
- Juan M. Sanchez, CPA (Engagement Partner) – Governmental & Compliance Expert (Serves on TSCPA Professional Ethics Committee).
- 2024 TSCPA San Antonio Distinguished Services Award Recipient.

Audit Results

Management Information & Representations




Questions?