



NOTICE OF OPEN MEETING
MAY BOARD OF TRUSTEES
NBU Board Room, 263 Main Plaza, New Braunfels, Texas 78130
May 26, 2026, at 1:00 PM
www.nbutexas.com

AGENDA

CALL TO ORDER

PLEDGE OF ALLEGIANCE AND INVOCATION

Stuart Blythin

NBU EMPLOYEE RECOGNITIONS

1. Recognizing NBU Employee Alex Alvarado for 25 Years of Service
2. Recognizing NBU Employee Darla Roessing for 20 Years of Service and Retirement
3. Retirement Recognition of Susan Williams

PUBLIC COMMENT

ITEMS FROM THE CHAIR

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

ITEMS FROM STAFF

1. CEO's Update
 - a. Leadership Announcement of New Hires: Chief Customer Officer, Amanda Collins, and Chief Energy Supply Officer, Rebekah Llamas
 - b. NBU Enterprise Communications Launches "Our Future Is Strong" Water Campaign
 - c. NBU Enterprise Communications Presents "Restoring the Connection: A People-First Approach" at the Texas Public Power Association Customer Service and Communications Conference
 - d. NBU Celebrates National Records Month
 - e. NBU Community Engagement Team Volunteers at Local Community Events and Participates in Community Career Fairs, Leaders Camps, Mock Interviews, Job Fairs, and Expositions at Local School District Campuses
 - f. NBU Conducts First Annual NBU Intramural Lineman's Rodeo
 - g. NBU Earns 2025 Certificate of Excellence in Reliability from the American Public Power Association
 - h. NBU CEO Presents at the Texas Water Conference

- i. NBU Water Operations Team Participates in Texas Water Meter Madness Competition
 - j. NBU Celebrates Public Service Week
 - k. NBU Staff Hosts One Water Workshop Demonstrations on NBU's Water Supply Portfolio
 - l. NBU Celebrates FM 1044 Elevated Storage Tank Milestone
 - m. Texas Public Power Leadership Academy Graduation
 - n. NBU CEO Presents at Red Stiletto Republican Women's Group
 - o. NBU Employee Ragan Dickens Graduates from Leadership New Braunfels
 - p. Moody's Rating Reaffirms NBU's Aa1 Credit Rating
 - q. NBU CEO Presents at City of New Braunfels River Advisory Committee Meeting
 - r. Any Other Items Permitted Under Section 551.0415 of the Texas Government Code
2. Financial Update and Report, Including an Update on the Impact Fee Program Effective February 1, 2023 (referred to as Program E)
 3. Quarterly Investment Report
 4. Quarterly Drought Update Report
 5. Monthly NBU Headquarters Progress Update

CONSENT ITEMS FOR ACTION

1. Approve Minutes of the NBU Regular Board Meeting of April 30, 2026
2. Approve the Change Order Log from March 15, 2026, through April 15, 2026
3. Approve the Electric Line of Business Alternative Procurements from March 15, 2026, through April 15, 2026
4. Approve the Reports for Water and Electric Engineering Contracts from August 1, 2025, through April 15, 2026
5. Authorize the CEO or His Designee to Negotiate and Execute a Construction Contract with MGC Contractors, Inc. for the Construction of the North and South Kuehler Wastewater Treatment Plant Rehabilitation Project
6. Authorize the CEO or His Designee to Negotiate and Execute a Fourth Amendment to the Professional Services Agreement with Arcadis, U.S., Inc. for the Surface Water Treatment Plant Expansion Project
7. Authorize the CEO or His Designee to Negotiate and Execute a Construction Contract with Lambda Construction I, LTD. for the Construction of the Kohlenberg Substation Project

8. Authorize the CEO Or His Designee to Execute a Professional Service Agreement with Burns and McDonnell Engineering Company, Inc. for Engineering, Design, and Construction Management Services for the Sheriff's Posse Substation and T340 Upgrade Project
9. Authorize the CEO or His Designee to Negotiate and Execute a Construction Contract with Lambda Construction I, LTD. for the Freiheit Breaker and Control House Addition Project
10. Authorize the CEO or His Designee to Negotiate and Execute a Professional Services Agreement with Aerotract, LLC for Pole Inspection Services
11. Authorize the CEO or His Designee to Negotiate and Execute a BuyBoard Cooperative Agreement, BuyBoard Contract No. 724-23, with Chastang Enterprises – Houston, LLC d/b/a Chastang Ford for the Purchase of One (1) 2025 Ford F-550 CCTV Truck
12. Authorize the CEO or His Designee to Negotiate and Execute a Professional Services Agreement with Elk Ridge Construction, LLC for Grounds Maintenance Services
13. Authorize the CEO or His Designee to Negotiate and Execute a Professional Services Agreement with Residuals Transport Corporation for Biosolids and Debris Disposal Services

ACTION ITEMS

1. Discuss and Consider Adoption of Resolution R-2026-215 Approving Revisions to the NBU Purchasing Policy and Other Matters in Connection Therewith
2. Provide an Update on the Quarterly Strategic Plan – Third Quarter of Fiscal Year 2026 and Discuss and Consider Approval of Changes to Fiscal Year 2026 & 2027 Leading and Lagging Indicators
3. Discuss and Consider Adoption of Resolution R-2026-216 Relating to the Issuance of Short Term Obligations and Resolving Other Matters Incident and Related Thereto

PRESENTATION ITEMS

1. Presentation on the New Braunfels Utilities Customer Satisfaction Survey Results for Fiscal Year 2026 from Great Blue Research

EXECUTIVE SESSION

The Board of Trustees may recess into Executive Session for any purpose permitted by the Texas Open Meetings Act, including but not limited to:

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

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 *MMF NBTX LAND, LLC v. City of New Braunfels, New Braunfels Utilities, and Ryan Kelso, in his official capacity as Chief Executive Officer of New Braunfels Utilities*, Cause No. C2025-1252D (433rd District Court, Comal County, Texas)
 - b. Discuss *New Braunfels Utilities v. TRC Engineers, Inc.*, Cause No. C2024-1980D (433rd District Court, Comal County, Texas)

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 **19th day of May 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



Meeting Date: May 26, 2026 **Agenda Type:** Items from Staff

From: Kimberly DaCosta **Reviewed by:** Jessica Williams
 Interim Director of Financial Chief Financial Officer
 Services

Submitted by: Jessica Williams **Approved by:** Ryan Kelso
 Chief Financial Officer Chief Executive Officer

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

BACKGROUND

NBU's service territory experienced higher temperatures and higher rainfall during the month of April than historically. The average temperature was 72.4 degrees, which was 5.8 degrees higher than the historical average temperature of 66.6 degrees. Rainfall totaled 5.75 inches for the month of April, which was 3.29 inches higher than the historical average rainfall of 2.46 inches.

For the month of April 2026, NBU recorded a change in net position after contributions ("CNPAC") of \$6,250,000 which represents an increase of \$5,268,000 compared to the budgeted monthly CNPAC of \$982,000. Operating service revenues of \$22,973,000 were greater than budget, by \$205,000, or 1%, for the month of April. A \$221,000 decrease in electric revenue, a \$474,000 increase in water revenue, and a \$48,000 decrease in wastewater revenue contributed to the overall service revenues. Other operating revenues of \$602,000 were greater than budget by \$17,000 for the month of April. Purchased power costs were \$1,922,000 less than budget for April 2026 and \$16,090,000 less for Year-to-Date ("YTD"). A decrease in other operating expenses of \$555,000 resulted in total operating expenses to be \$2,477,000, or 11%, less than the budgeted amount of \$21,586,000. The net revenue and operating expense variances contributed to a favorable net operating income variance of \$2,700,000 from budget. Net non-operating items had an \$853,000 favorable variance compared to budget. Impact fees were greater than budget by \$1,162,000, and services income was greater than budget by \$553,000. April 2026 YTD CNPAC was \$52,116,000, which was \$42,810,000 greater than the budgeted amount of \$9,306,000.

FINANCIAL IMPACT

Electric

The Electric Line of Business reported total operating revenues of \$15,315,000, a \$239,000 decrease from the April budgeted amount of \$15,553,000. The net rate realized per kWh was \$0.1029, which was 10% less than the budgeted rate of \$0.1144 for the month of April. April kWh sales were 144.4 million kWh, a 12.6 million kWh increase, or 10%, in comparison to the budgeted amount of 131.8 million kWh.

Purchased power costs totaled \$8,550,000, which was \$1,922,000 less than the budgeted amount of \$10,472,000. Electric gross margin, which is total operating revenues minus purchased power, resulted in the amount of \$6,765,000 for the month of April and \$64,794,000 YTD. These amounts were \$1,684,000 greater than and \$16,180,000 greater than the budgeted amount of \$5,081,000 Month-to-Date (“MTD”) and \$48,614,000 YTD, respectively. Other operating expenses were less than budget by \$410,000. These items resulted in the Electric Line of Business reporting net operating income of \$3,936,000, which was \$2,093,000 greater than the budgeted amount of \$1,843,000. Net non-operating items provided a favorable variance from budget of \$321,000. Services income was greater than budget by \$486,000. The Electric Line of Business reported in April 2026 CNPAC of \$3,828,000 and YTD CNPAC of \$38,863,000. These amounts were \$2,900,000 greater than and \$28,634,000 greater than their respective April 2026 MTD and April 2026 YTD budget amounts.

Water

The Water Line of Business reported total operating revenues of \$4,497,000, a \$493,000 increase, or 12%, from the April budgeted amount of \$4,004,000. In April, water gallons sold of 377,442,000 were greater than the budgeted amount of 348,455,000 (a 28,987,000-gallon variance from budget, or 8%). NBU’s net realized price per 1,000 gallons sold in April was \$11.65, which was greater than the budgeted amount of \$11.26. Operating expenses for April were \$4,728,000, which was \$98,000 greater than the budgeted amount of \$4,630,000. The net effect of higher revenues and higher operating expenses than budgeted resulted in Water’s net operating income of (\$231,000), which was greater than budget. Net non-operating items provided a favorable variance of \$213,000 from budget. Impact fees of \$2,402,000 were greater than budget by \$943,000, and services income of \$164,000 was greater than budget by \$68,000. The Water Line of Business reported in April 2026 CNPAC of \$1,571,000 and YTD CNPAC of \$6,442,000. These amounts were \$1,619,000 greater than and \$6,328,000 greater than their respective April 2026 MTD and April 2026 YTD budget amounts.

Wastewater

The Wastewater Line of Business reported total operating revenues of \$3,765,000, a \$31,000 decrease from the April budgeted amount of \$3,796,000. Total operating expenses of \$3,004,000 were \$242,000 less than the budgeted amount of \$3,246,000. As a result, the Wastewater Line of Business reported net operating income of \$761,000, which was \$211,000 greater than the budgeted amount of \$550,000. Net non-operating items provided a favorable variance of \$319,000 from budget. Impact fees were greater than budget by \$219,000. The Wastewater Line of Business reported April 2026 CNPAC of \$851,000 and YTD CNPAC of \$6,811,000. These amounts were \$749,000 greater than and \$7,848,000 greater than their respective April 2026 MTD and April 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

Financial Update



- April 2026 Financials

- Kimberly DaCosta, Accounting Manager

Board Financial Policy Compliance - April 2026 YTD

	FY 2026 Budget	Financial Policy	FY 2026 Actual*
Debt to Capitalization (lower is better)	48.9%	≤55.0%	38.7%
Debt Service Coverage (higher is better)	2.75	≥2.40	4.53
Days Cash on Hand (higher is better)	220	≥140	218
Days Liquidity on Hand (higher is better)	N/A	N/A	347

* Amounts are calculated by annualizing the YTD results

Mission

Strengthening our community by providing resilient essential services



Vision

Be a trusted community partner dedicated to excellence in service

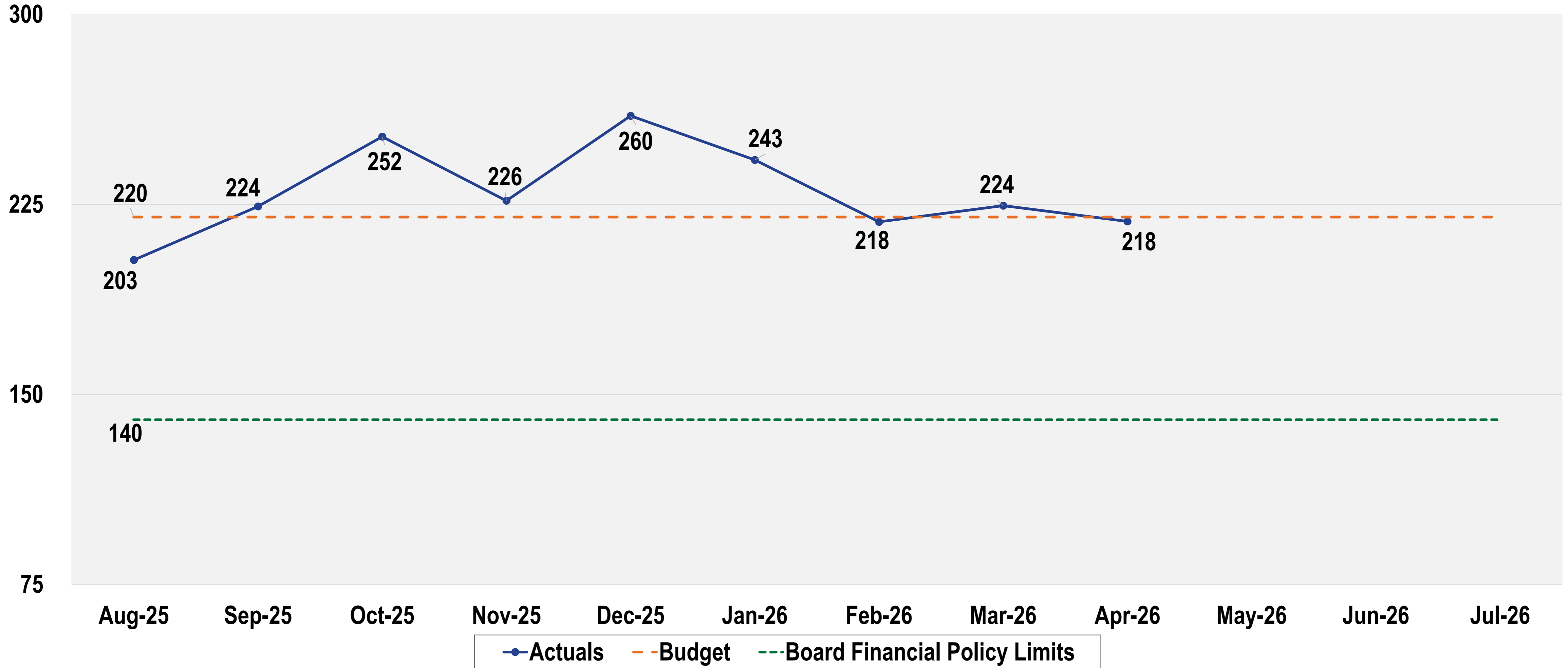


Core Values

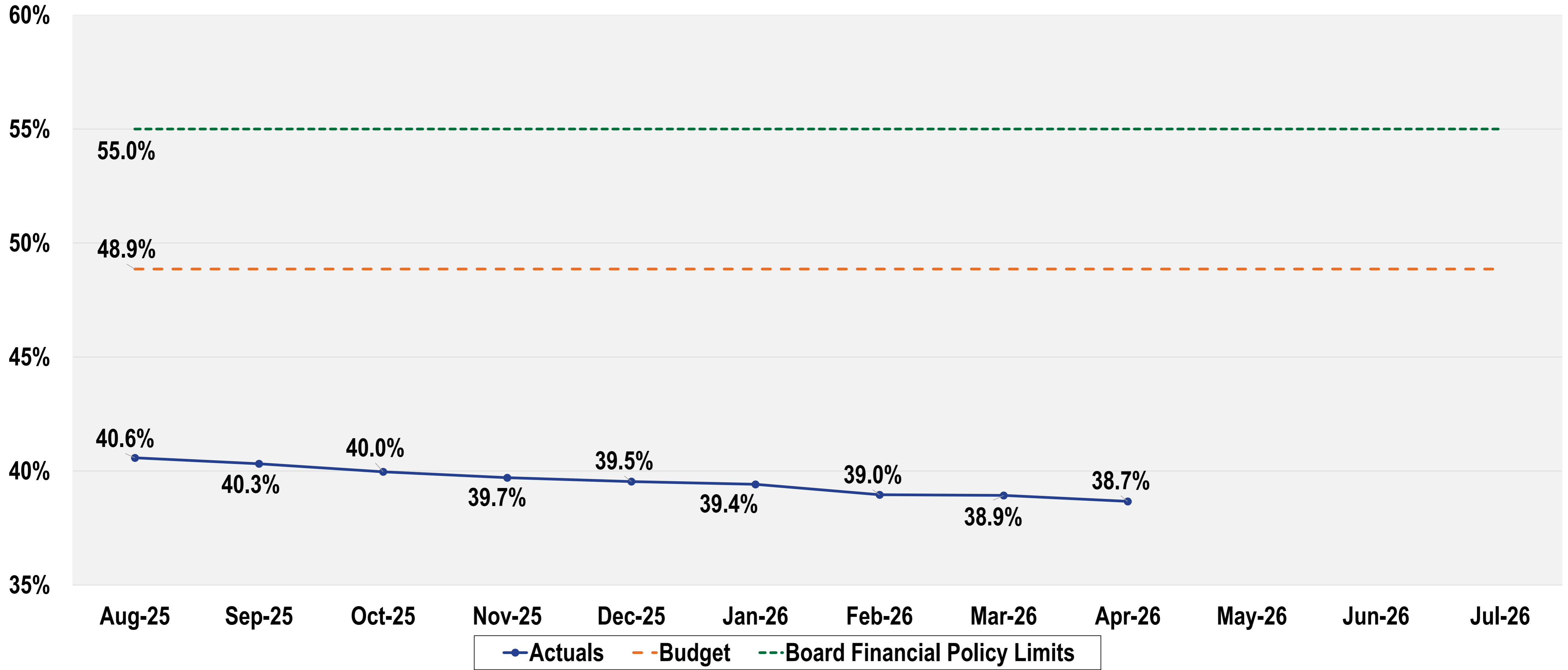
Safety, Team, Integrity, Culture, and Stewardship



Days Cash on Hand - April 2026 YTD



Debt to Capitalization - April 2026 YTD



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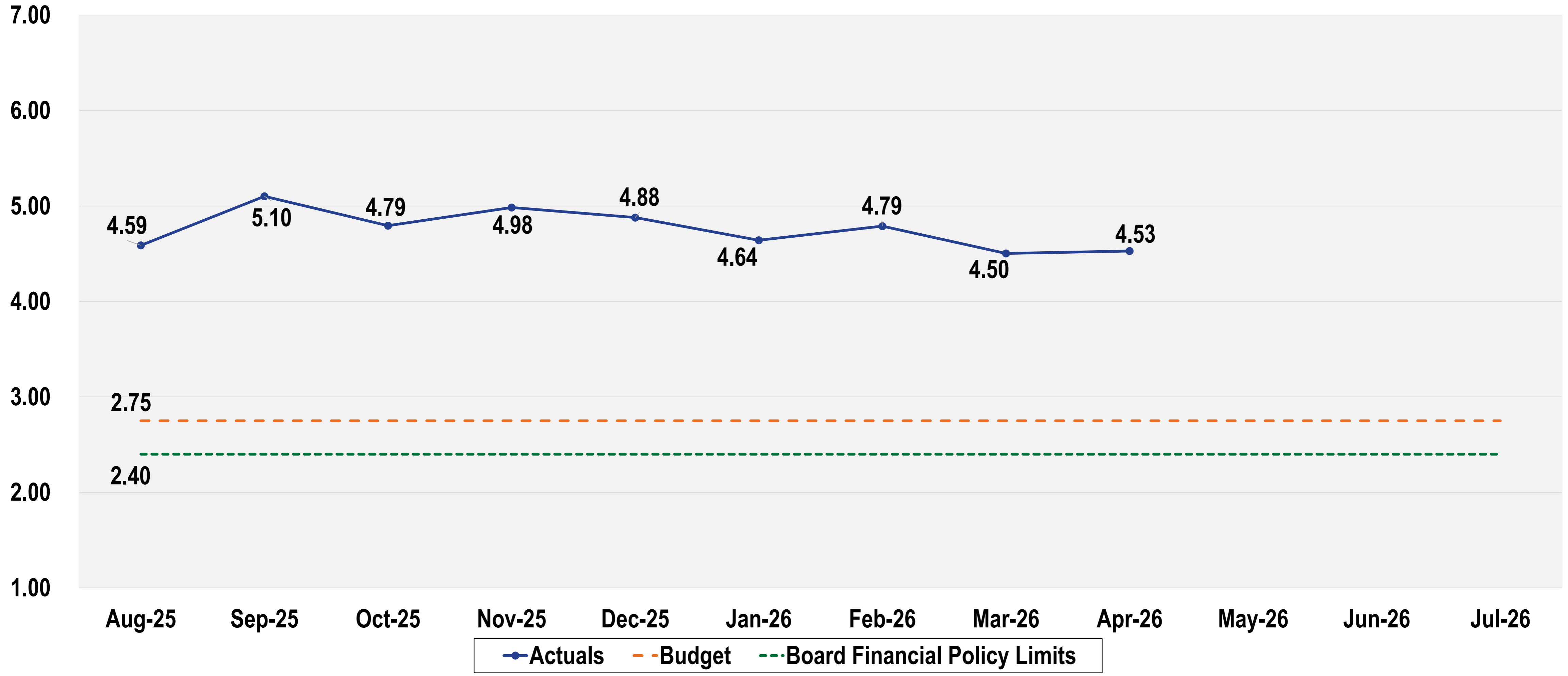
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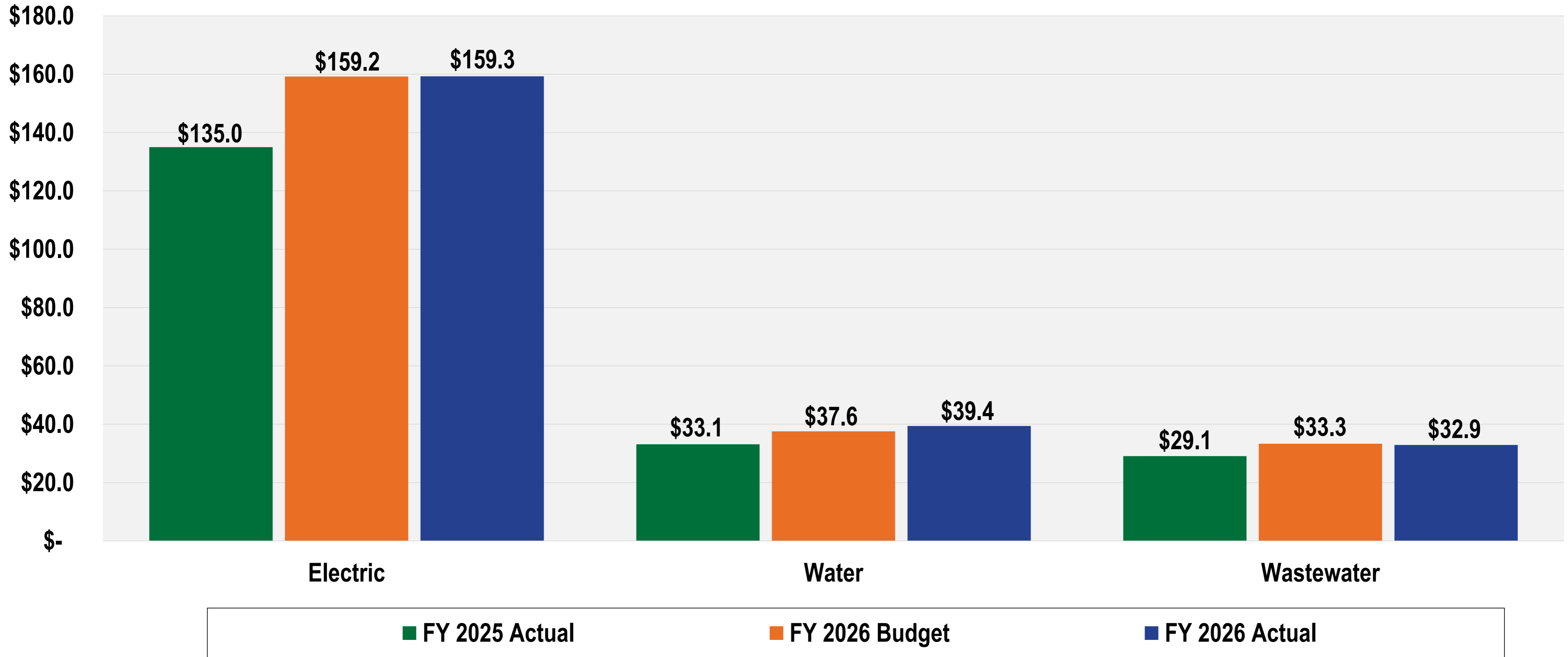
Safety, Team, Integrity, Culture, and Stewardship

Debt Service Coverage - April 2026 YTD



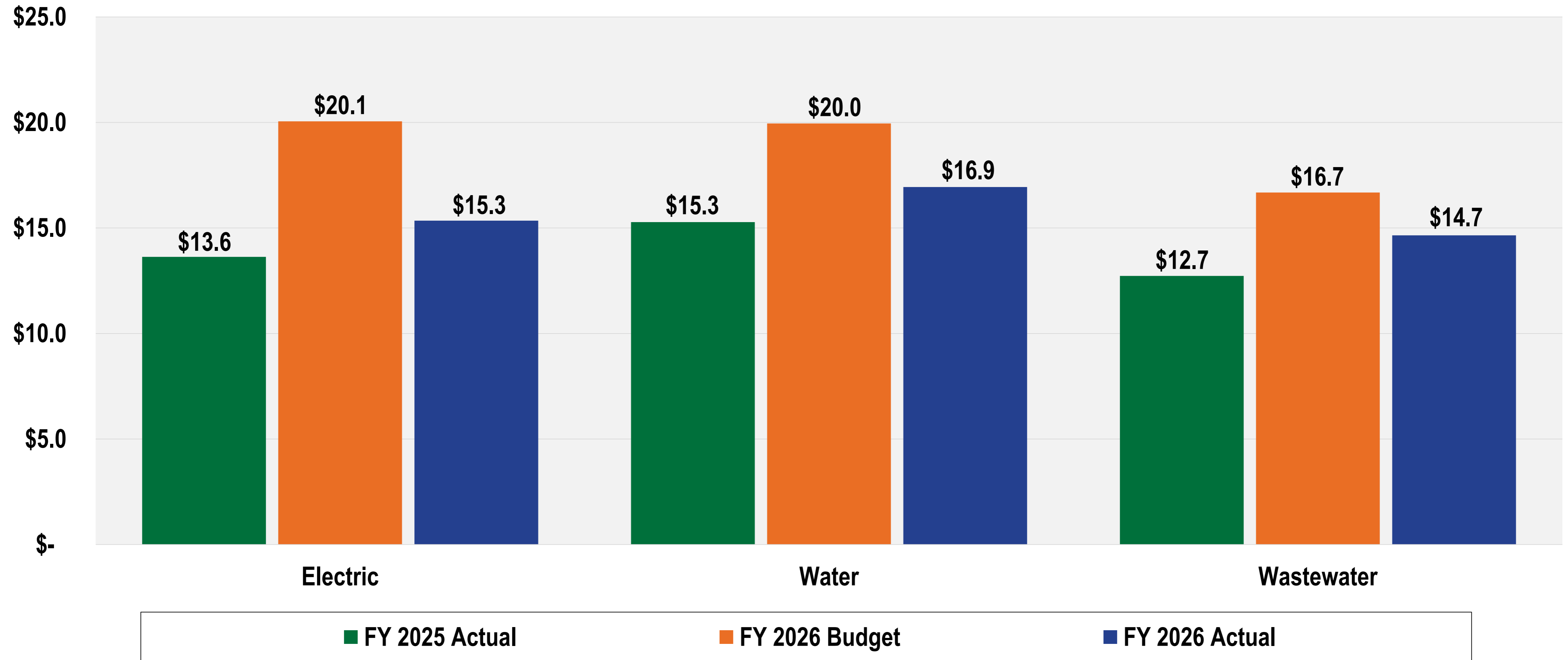
Operating Revenue by LOB

April 2026 YTD – Amounts in Millions



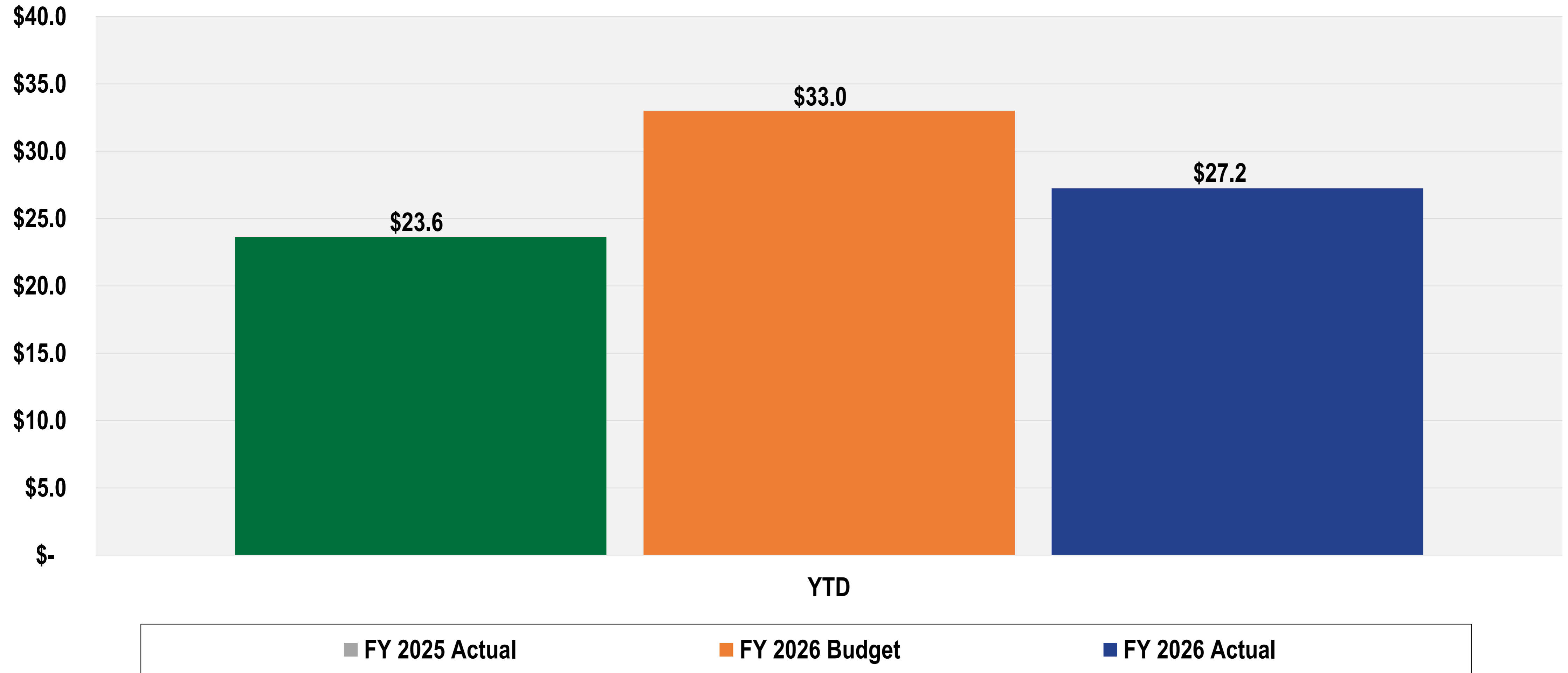
Operating Expenses* by LOB

April 2026 YTD – Amounts in Millions



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

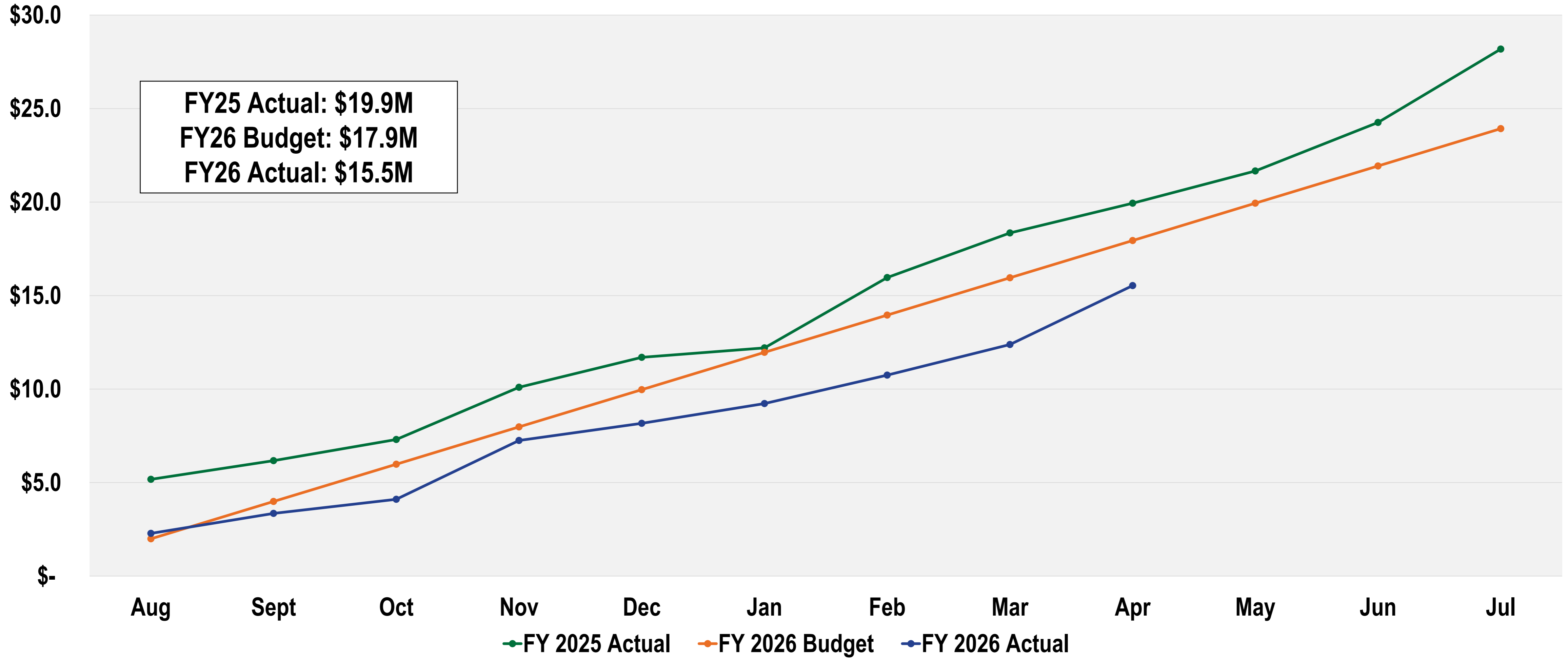
Operating Expenses for Support Services April 2026 – Amounts in Millions



* Prior to allocation to each line of business.

Impact Fee Revenue

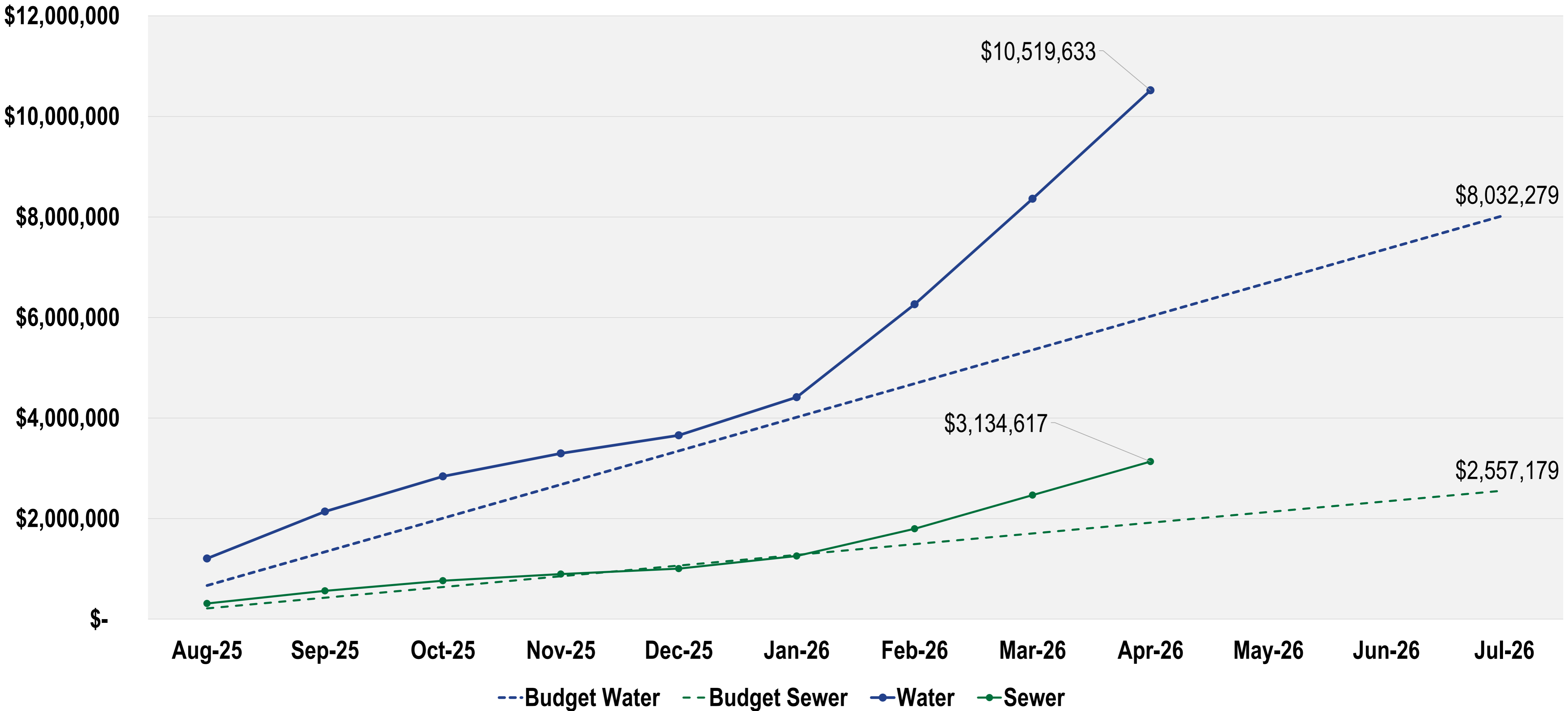
April 2026 YTD – Amounts in Millions*



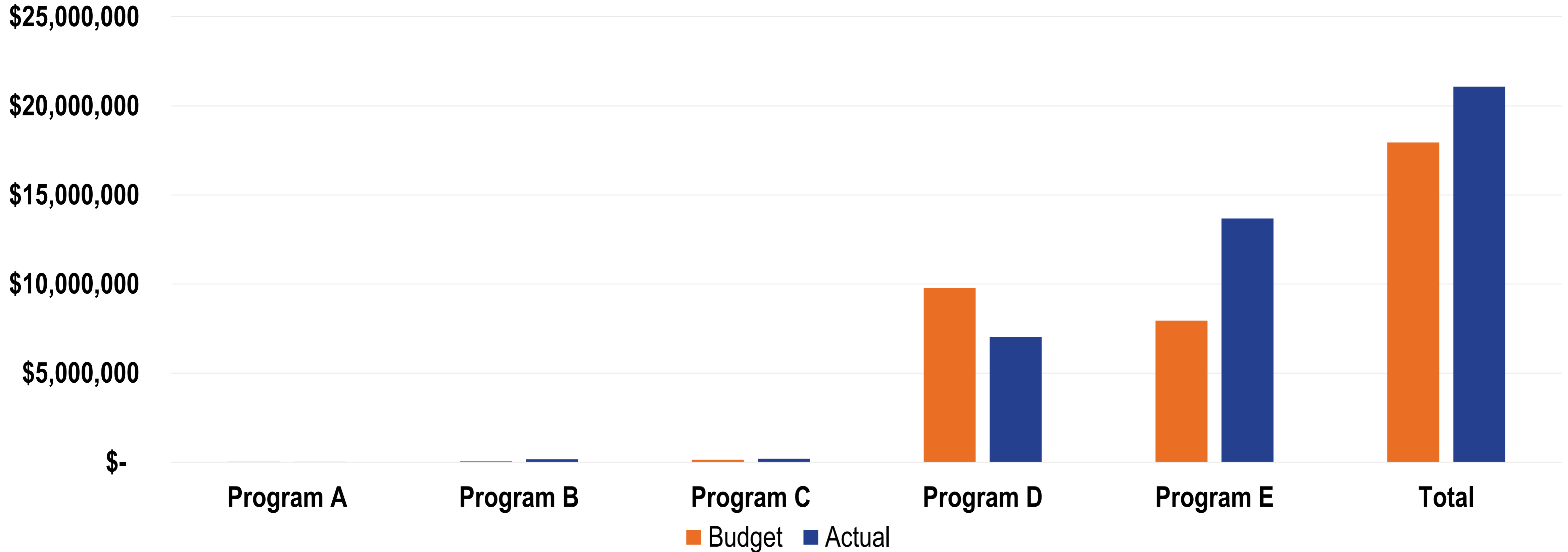
FY25 Actual: \$19.9M
 FY26 Budget: \$17.9M
 FY26 Actual: \$15.5M

* Amounts shown are YTD for each month

Impact Fees Collections-Program E Update – April 2026



Impact Fee Collections FY26 through April 2026



Collections	Program A	Program B	Program C	Program D	Program E	Total
Budget	\$ 33,882	\$ 58,053	\$ 139,706	\$ 9,770,474	\$ 7,942,094	\$ 17,944,208
Actual	27,380	157,306	195,990	7,025,102	13,679,942	21,085,721
Over/(Under) Budget	\$ (6,502)	\$ 99,253	\$ 56,285	\$ (2,745,372)	\$ 5,737,848	\$ 3,141,513

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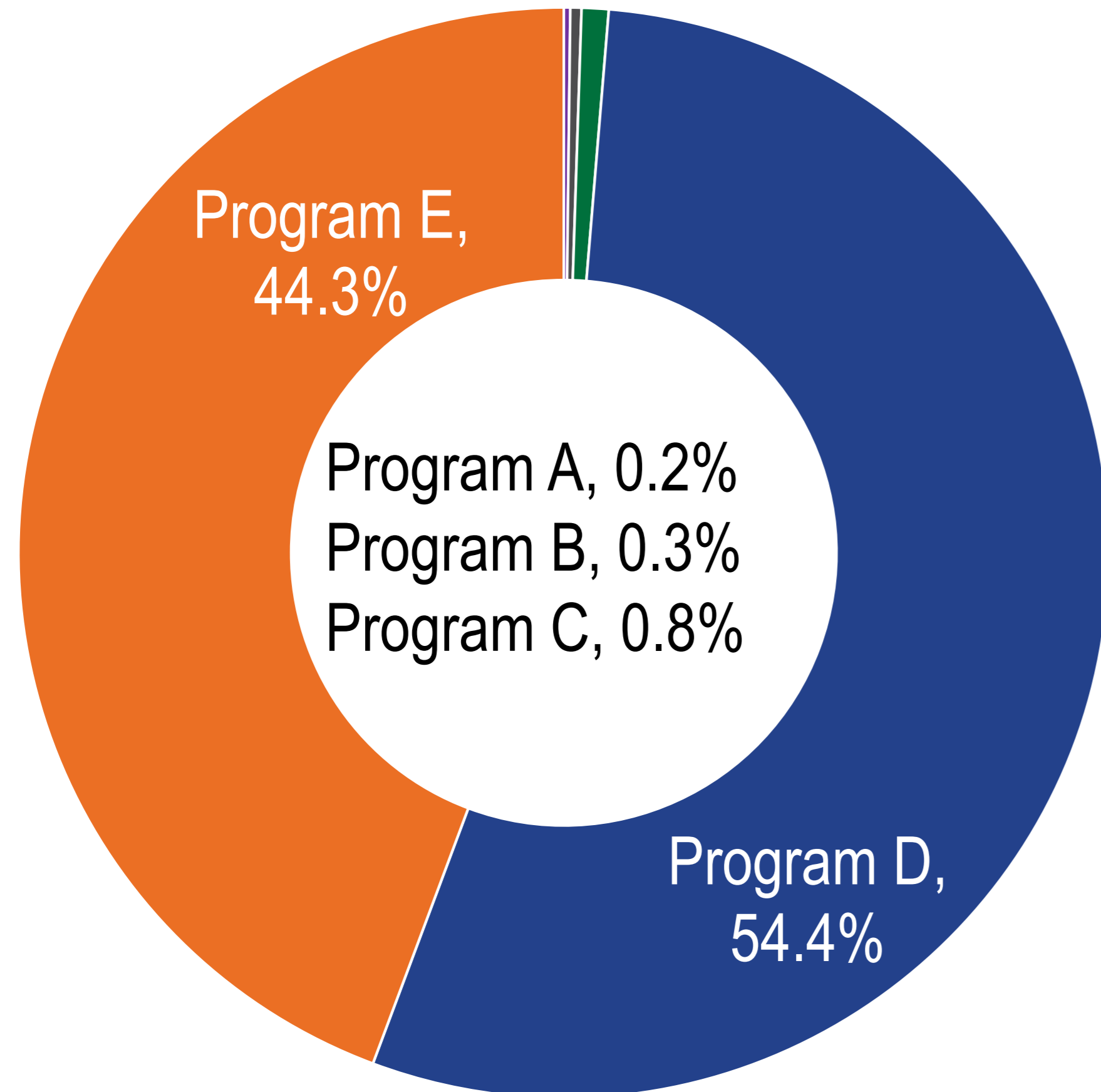


Core Values

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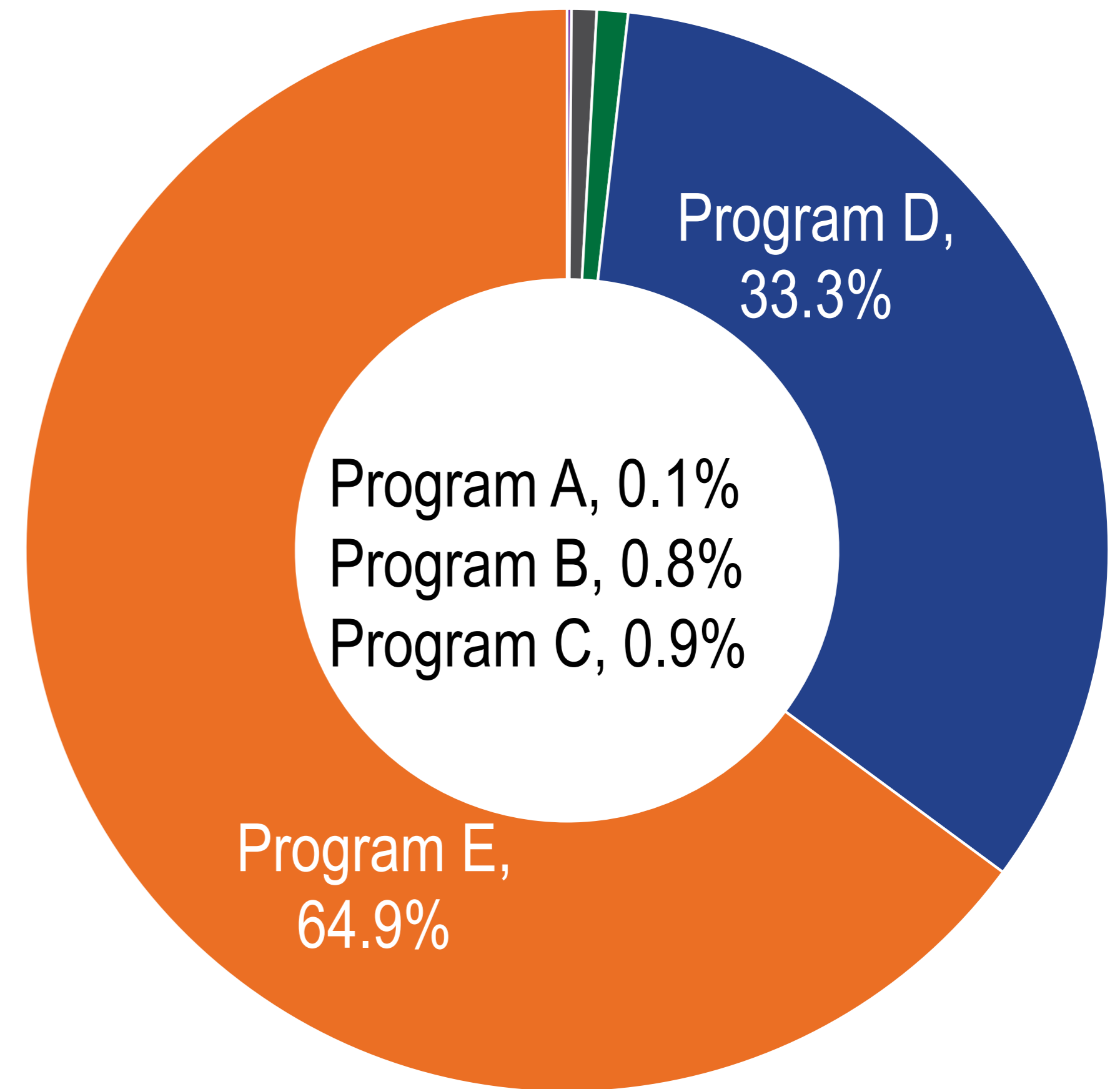
Percentage of Total Collections FY26 through April 2026

Budget



- Program A
- Program B
- Program C
- Program D
- Program E

Actual



Power Supply Reserves Update

	Power Stabilization Fund FY26	Power Stabilization Fund Full, FY28
As of FY26 Budget		
Target	\$65M	\$95M
As of April 30, 2026	\$52.5M	\$52.5M

*\$9.5M withdrew from PSF fund to match collateral level at ERCOT

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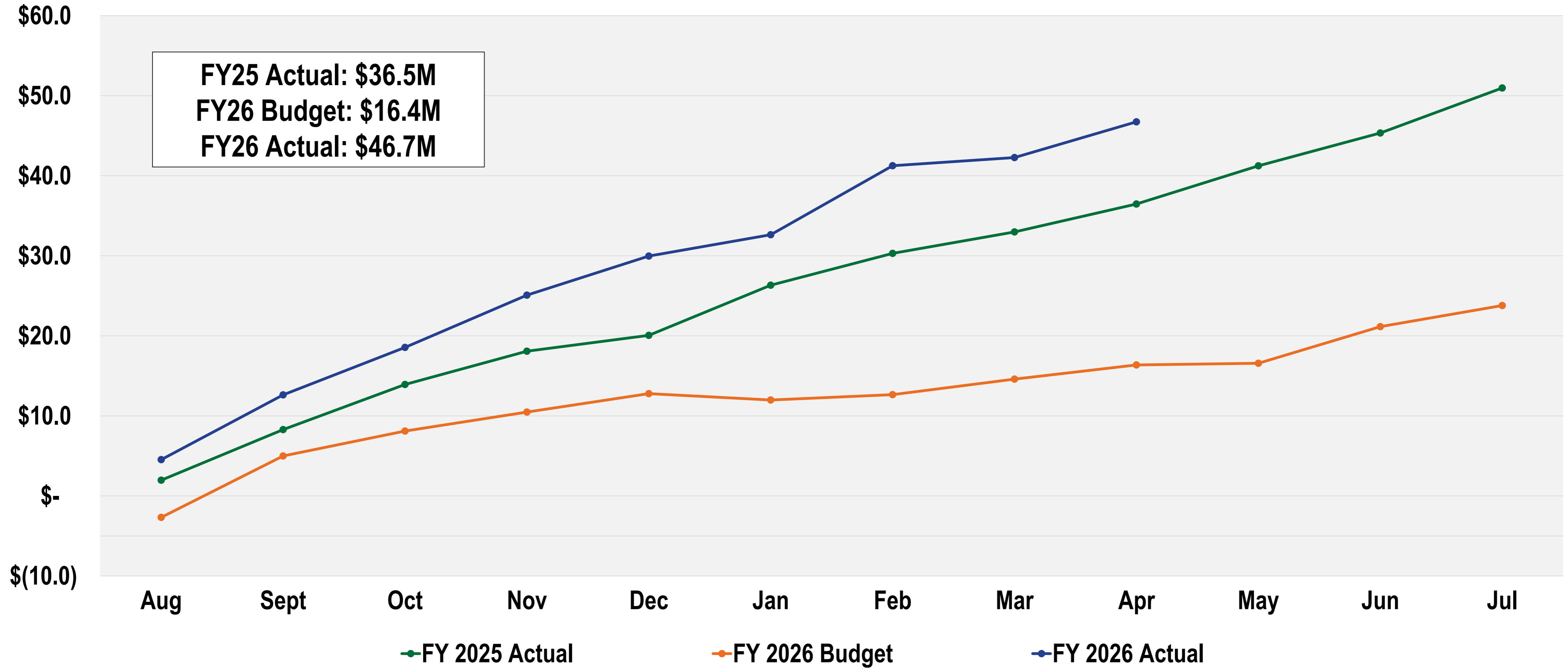


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Net Operating Income

April 2026– Amounts in Millions*



* Amounts shown are YTD for each month

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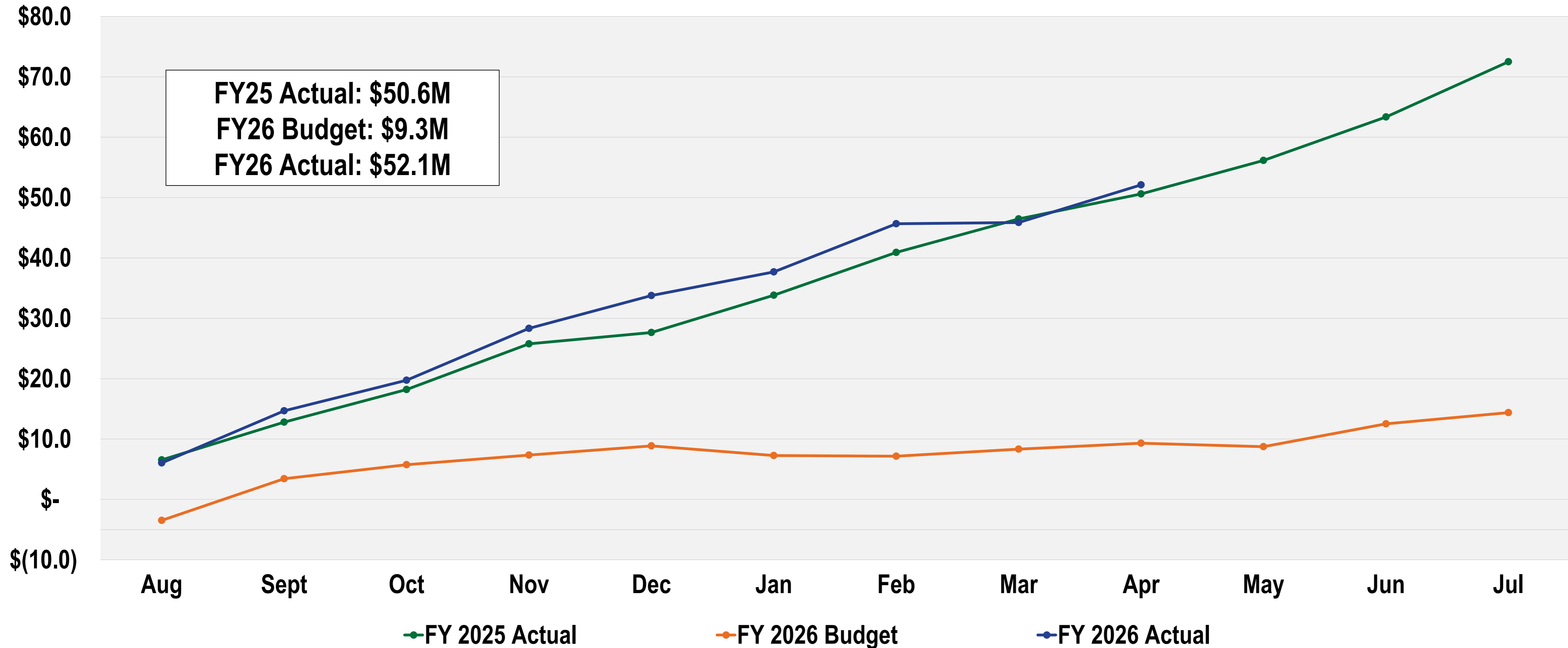


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Change in Net Position After Contributions

April 2026– Amounts in Millions*



* Amounts shown are YTD for each month

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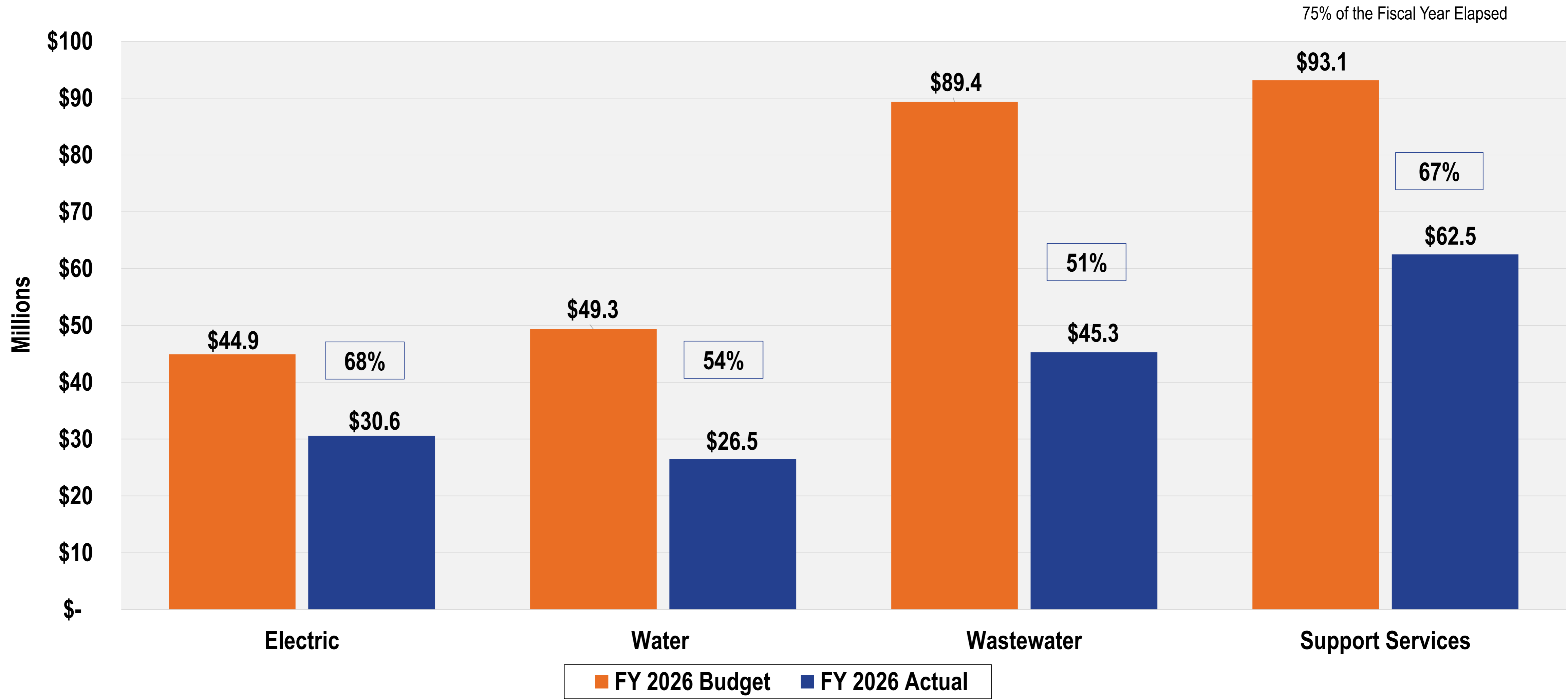


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Capital Project Expenditures

April 2026 YTD – Amounts in Millions*





Questions?

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Meeting Date: May 26, 2026 **Agenda Type:** Items from Staff

From: Jessica Coleman **Reviewed by:** John Warren
 Financial Planning and Director of Financial Planning
 Analysis Manager and Analysis

Submitted by: Jessica Williams **Approved by:** Ryan Kelso
 Chief Financial Officer Chief Executive Officer

RECOMMENDED ACTION: Quarterly Investment Report

BACKGROUND

As required by the Public Funds Investment Act and the New Braunfels Utilities Investment Policy, the Investment Officers of NBU submit the quarterly report of investment activity for the quarter ended April 30, 2026. Attached is the NBU Investment Portfolio beginning January 31, 2026, and ending April 30, 2026.

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

FINANCIAL IMPACT

NBU budgeted \$6,273,000.00 in interest income for Fiscal Year 2026.

LINK TO STRATEGIC PLAN

Financial Excellence

EXHIBITS

1. Quarterly Investment Report

Quarterly Investment Report

As of April 30, 2026



Jessica Coleman, Financial Planning & Analysis Manager

Investment Portfolio Summary

Item 3.

	Ending Invested Value	Percentage of Portfolio	Weighted Average Maturity (in days)	Weighted Average Days to Call
Daily Liquidity Funds				
Federally Insured Cash Account	\$ 11,841,668	5.8%	1	1
Pooled Funds	108,899,905	53.3%	1	1
Money Markets	-	0.0%	0	0
Demand Deposits	31,001,175	15.2%	1	1
Daily Liquidity Funds Total	\$ 151,742,747	74.2%	1	1
U.S. Agencies	\$ -	0.0%	0	0
U.S. Treasuries *	\$ 31,201,594	15.3%	49	49
Certificates of Deposit	-	0.0%	0	0
Obligations of The State of Texas, Agencies & Instrumentalities	-	0.0%	0	0
Escrow Funds	21,562,122	10.5%	1	1
Total Invested Funds	\$ 204,506,463	100.0%	53	53
			Max = 450	Max = 300

* WAM and WAM to Call exclude a \$5 Million investment in the Community Assistance Fund having a remaining maturity of 3.5 years.

Liquidity Requirement

Total Daily Liquid Funds	\$ 151,742,747
Average Monthly Operating Expense (FY 2026 Budgeted Operating Expenses ÷ 12)	\$ 19,863,147
Operating Expense Liquidity Coverage Ratio	\$ 7.64
Number of Days Coverage of Operating Expenses	229
	Min = 30

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Rolling Four Quarter Annualized Yield By Investment Type

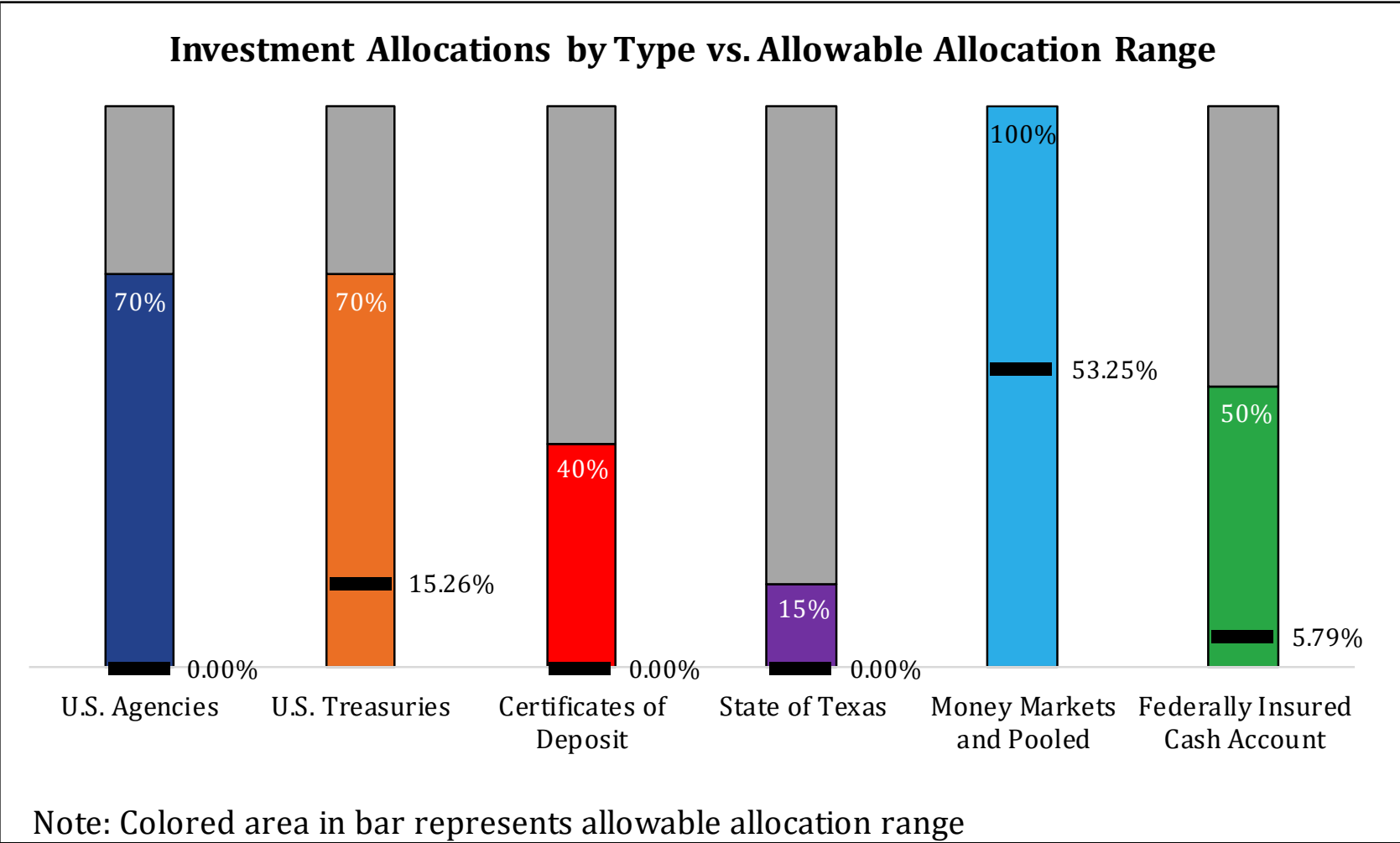
Rolling Four Quarter Annualized Yield By Investment Type For The Fiscal Quarter Ended		
Investment Type	4/30/2026	Rolling Four Quarter Average
U.S. Govt. Securities*	3.642%	3.900%
Federally Insured Cash Account	3.503%	3.870%
Pooled Funds	3.673%	4.015%
Money Markets	0.000%	0.000%
Certificates of Deposit	0.000%	0.000%
Obligations of The State of Texas, Agencies & Instrumentalities	0.000%	0.000%
Demand Deposits**	2.487%	1.268%
Escrow Funds	2.173%	2.173%
Total NBU Yield	3.329%	3.324%
90 Day T-Bill	3.600%	3.847%

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

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

Investment Allocations vs. Investment Allowable Range

Item 3.



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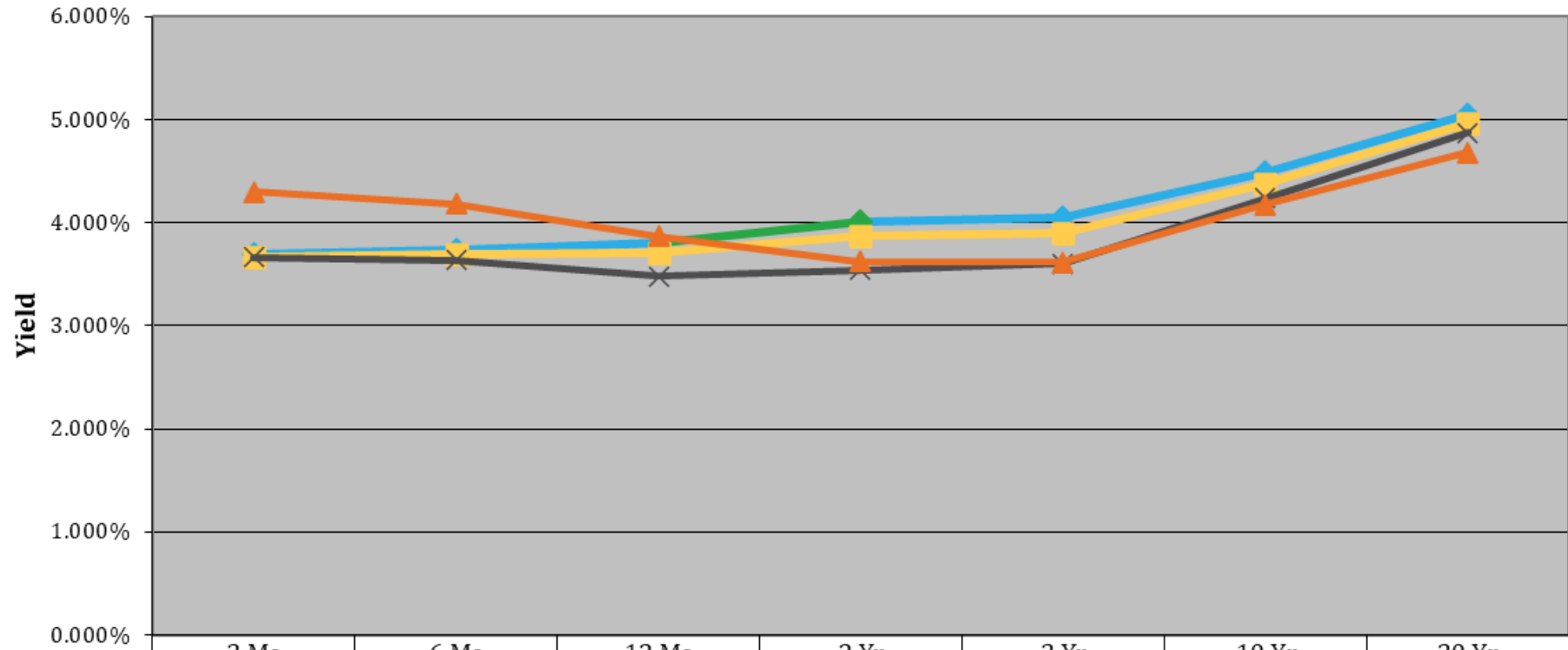
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U.S. Treasury Yield Curve



	3 Mo	6 Mo	12 Mo	2 Yr	3 Yr	10 Yr	30 Yr
Current (05/13/2026)	3.700%	3.740%	3.800%	4.008%	4.050%	4.490%	5.050%
Quarter End (04/30/2026)	3.673%	3.691%	3.704%	3.873%	3.896%	4.375%	4.968%
Last Quarter (01/31/2026)	3.661%	3.637%	3.476%	3.539%	3.601%	4.238%	4.875%
Four Quarters Ago (04/30/2025)	4.299%	4.182%	3.869%	3.621%	3.615%	4.175%	4.680%

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**City of New Braunfels, Texas
Utility System Commercial Paper Notes, Series 2019A
Summary of Commercial Paper Notes by CUSIP**

CUSIP	Par Amount	Nominal Rate	Issue Date	Maturity Date	Total Days	Total Interest
64257PCR9	15,000,000.00	2.70%	1/13/2026	4/7/2026	84	93,205.48
64257PCS7	10,000,000.00	2.50%	2/10/2026	4/7/2026	56	38,356.16
64257PCT5	50,000,000.00	2.45%	3/10/2026	6/2/2026	84	281,917.81
64257PCU2	25,000,000.00	2.55%	4/7/2026	6/2/2026	56	97,808.22

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



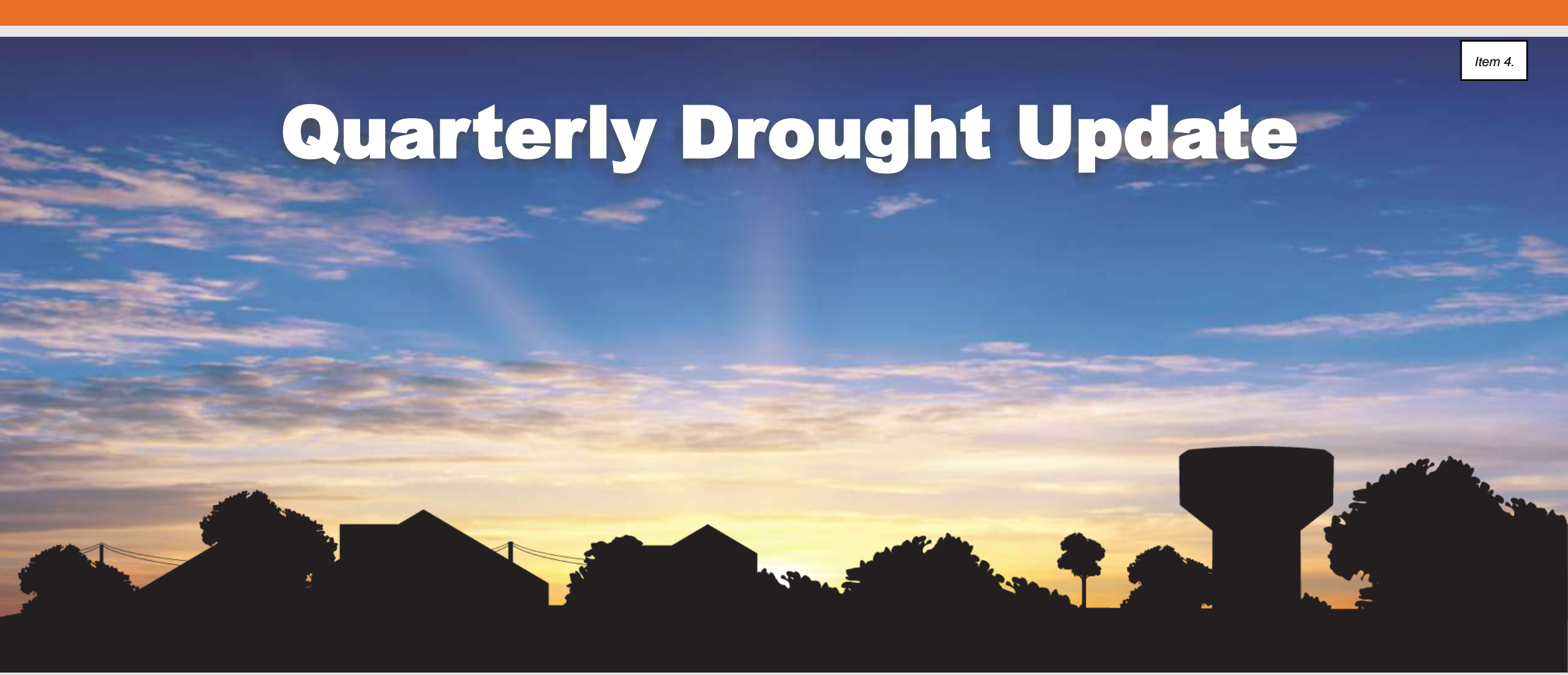
Meeting Date: May 26, 2026 **Agenda Type:** Items from Staff

From: Andrew Cummings
Interim Chief Customer Officer **Reviewed by:** Andrew Cummings
Interim Chief Customer Officer

Submitted by: Andrew Cummings
Interim Chief Customer Officer **Approved by:** Ryan Kelso
Chief Executive Officer

RECOMMENDED ACTION: Quarterly Drought Update Report

Quarterly Drought Update



Jesse Luna, Conservation and Customer Solutions Manager

- May 26, 2026

Dry Conditions Persist



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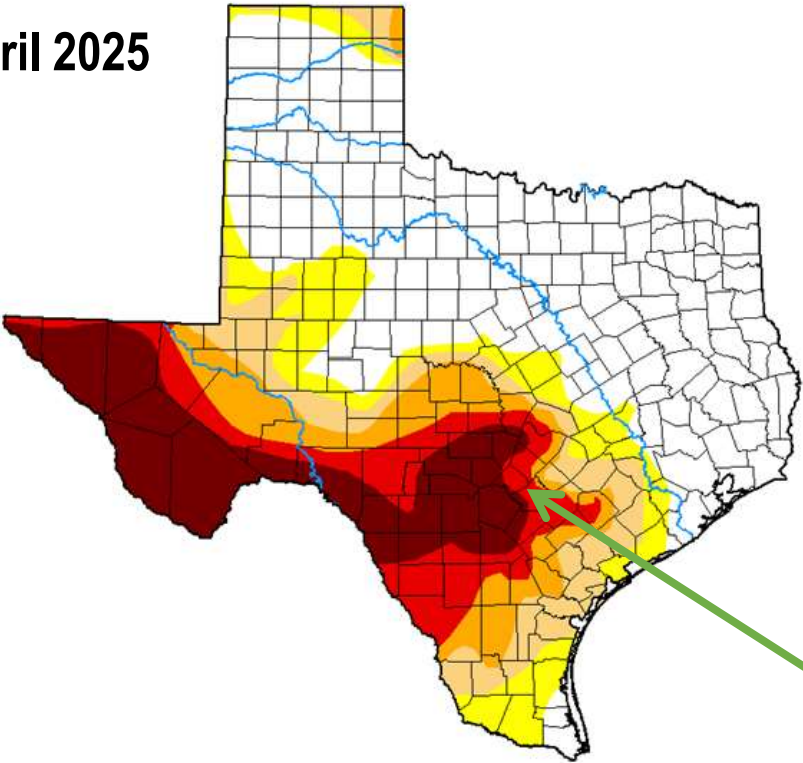
Core Values

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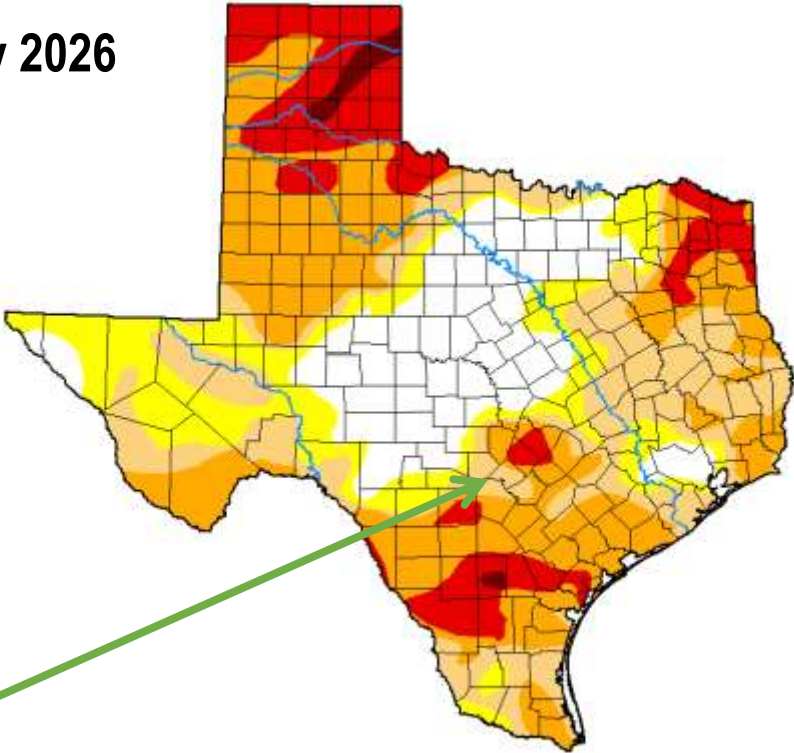
Drought Status and Updates

Current NBU Stage	Date Entered Drought	Total Duration
2	March 18, 2022	1,086 days <i>as of 5/18/26</i>

April 2025



May 2026



Comal County

Abnormally Dry Moderate Severe Extreme Exceptional

Mission

Strengthening our community by providing resilient essential services

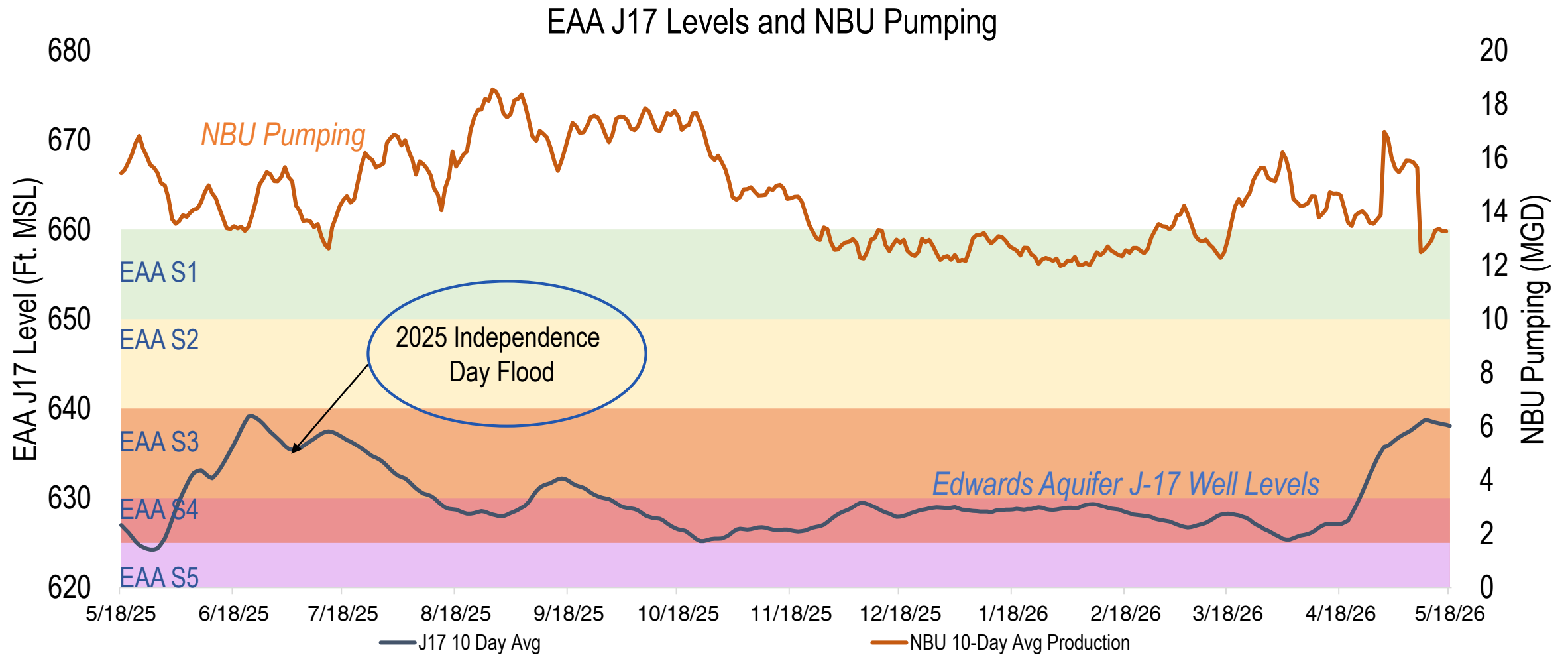
Vision

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Core Values

Safety, Team, Integrity, Culture, and Stewardship

Edwards Aquifer Authority (EAA) J17 Well Levels and NBU Pumping



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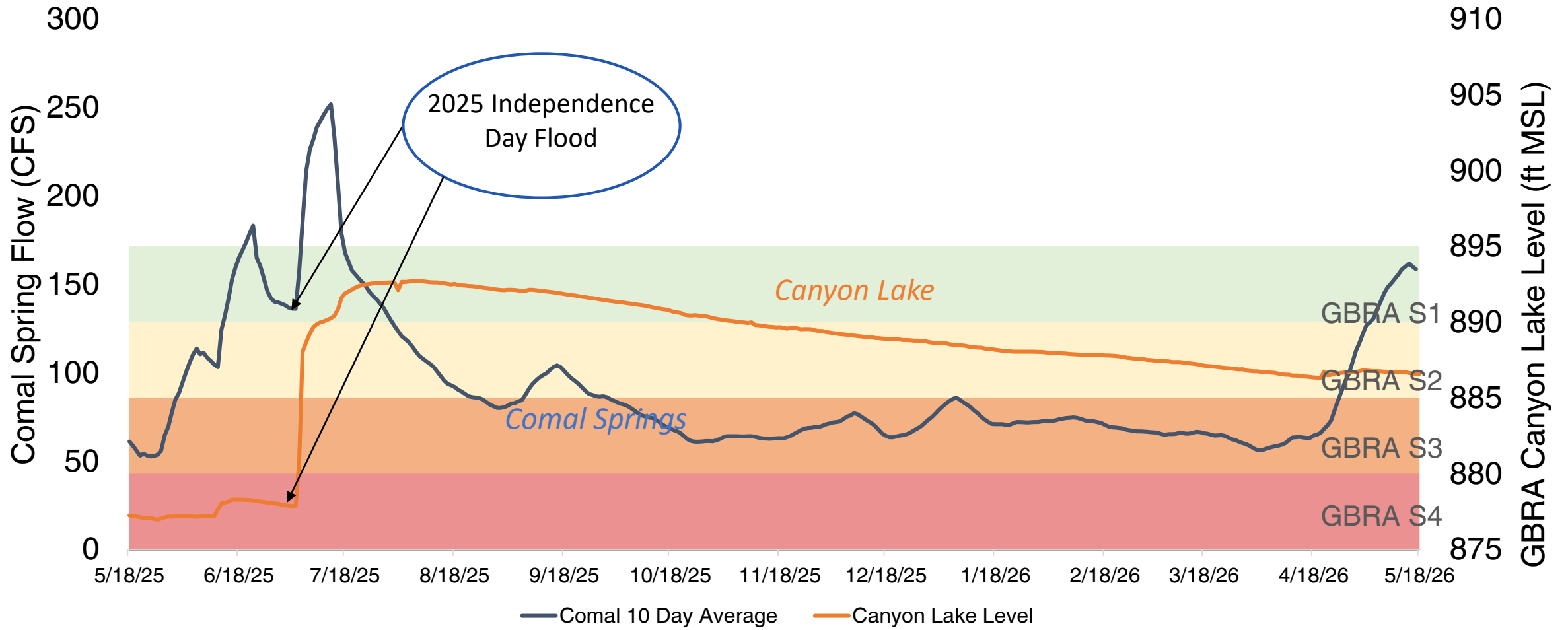
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Comal Spring Flow and Canyon Lake Level

Comal Spring Flow and Canyon Lake Level



Drought Restrictions in the Area (as of 5/5/26)



Stage 2

Regulatory Agencies



Stage 3



Stage 2

Large Utilities



Stage 3



Stage 0

Comparable Utilities



Stage 3



Stage 2



Stage 3



Stage 2



Stage 3



Stage 1

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Drought Synopsis: Annual Benchmarks

Item 4.

	Fair Weather Benchmark	2025	2026
Climatological Monitoring (as of 5/18/2026)			
Rainfall Cumulative Total (inches)	~31" (Annual Total)	27.03" (Annual Total)	11.68" (Total to Date)
Max Temperature (°F)	102°F (Annual Max)	103°F (Annual Max)	98°F (Max to Date)
YOY Monthly Water Level Monitoring (as of 5/18/2026)			
	Fair Weather Benchmark	2025	2026
EAA J17 Level ('msl)	665.7'	641'	638.1'
Comal Springs (cfs)	300	73.1	158.4
San Marcos Springs (cfs)	171	82.9	84
Canyon Lake ('msl)	909'	880.29'	886.6'

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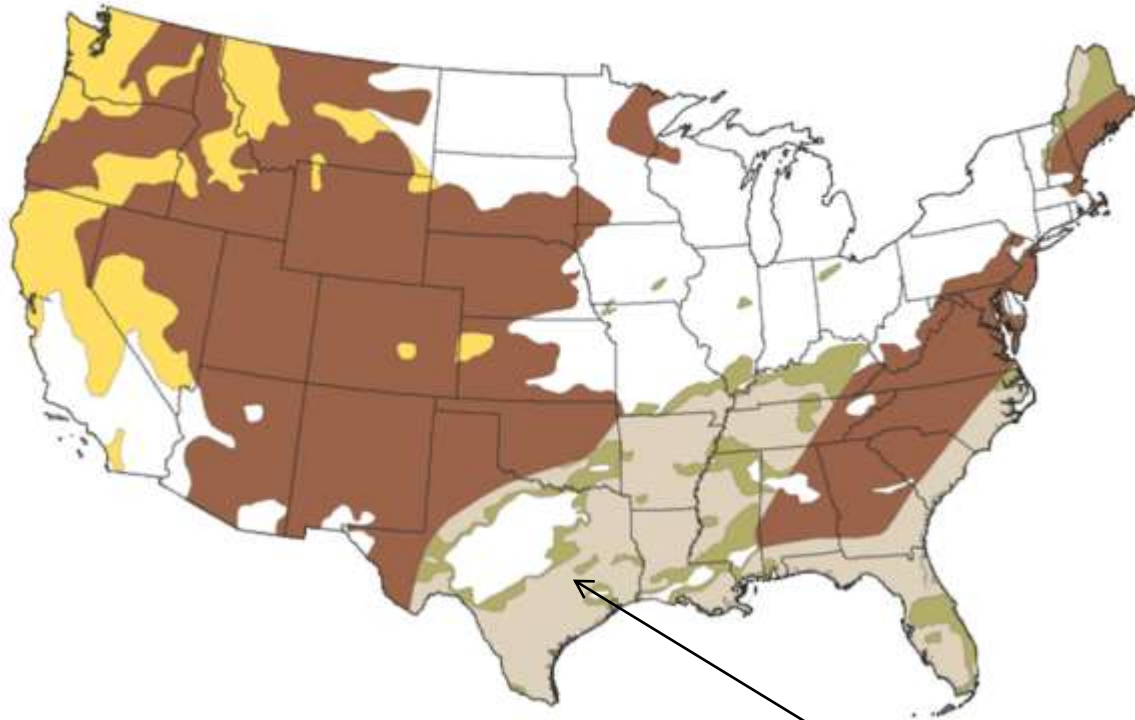
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Drought Persists

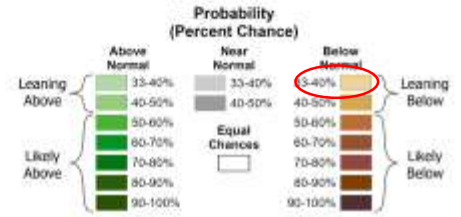
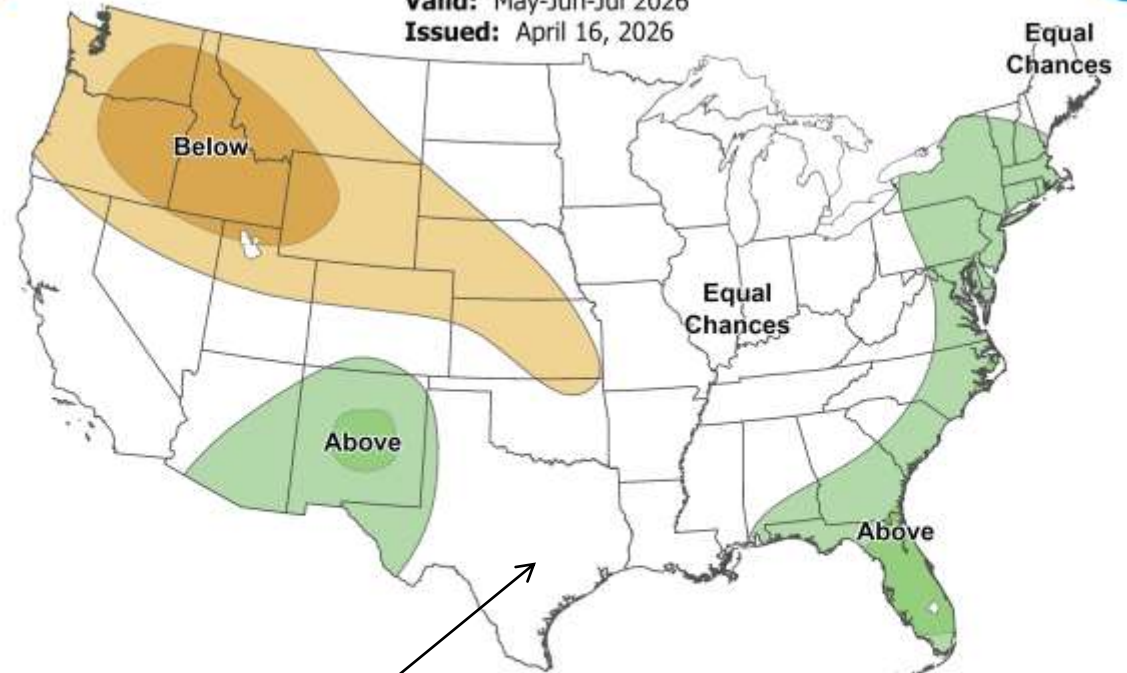
U.S. Seasonal (3-Month) Drought Outlook



- Drought persists**
- Drought remains, but improves
- Drought removal likely
- Drought development likely
- No drought

Seasonal Precipitation Outlook

Valid: May-Jun-Jul 2026
Issued: April 16, 2026



Comal County

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How We're Managing Drought

- **Daily Water Monitoring**

- Edwards Aquifer J17 Well Levels
- Canyon Lake Reservoir Levels
- Comal River Spring Flows
- NBU Pumping Infrastructure
- Climatological Tracking and Forecasts

- **Enhanced Customer Resources**

- In-Depth Customer Usage Data
- Increased Public Communications
- Promotion of Rebate Programs
- Modified Compliance Monitoring

- **Revised Drought Plan – Summer 2026**



Questions?

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Meeting Date: May 26, 2026 **Agenda Type:** Items from Staff

From: Jacob Tschoepe **Reviewed by:** Darrin Jensen
Program Portfolio Manager Director of Enterprise Project
Management Office

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

RECOMMENDED ACTION: Monthly NBU Headquarters Progress Update

New Braunfels Utilities HQ Update

May 26, 2026

NBU NEW BRAUNFELS
UTILITIES

Recent Milestones

April

- Continued Stone Finishes
- Windows and Roofing
- Site Paving

May

- Testing Water
- Exterior Envelope
- IH35 Mobilization



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Legend Key

- 1 Training and Testing Field
- 2 Equipment Building
- 3 Recycle/Trash Dumpsters
- 4 Operations Dock
- 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 Protection Buffer
- 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 Employee Entry Bridge
- 31 Grass Area



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NBU NEW BRAUNFELS UTILITIES



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Meeting Date: May 26, 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 **Approved by:** Ryan Kelso
Chief of Staff Chief Executive Officer

RECOMMENDED ACTION: Approve Minutes of the NBU Regular Board Meeting of April 30, 2026

BACKGROUND

None

FINANCIAL IMPACT

None

LINK TO STRATEGIC PLAN

Customers and Community

EXHIBITS

- 1. April 30, 2026 Regular Board Meeting Minutes

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

**1:00 P.M.
Thursday, April 30, 2026
NBU Board Room
263 MAIN PLAZA, NEW BRAUNFELS, TEXAS 78130**

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

PRESENT

Board President Wayne Peters, Board Vice President Judith Dykes-Hoffmann, Board Trustee Stuart Blythin, Board Trustee Yvette Barrera Villanueva, and Mayor Neal Linnartz

ABSENT

None

NBU PERSONNEL

Ryan Kelso, Ragan Dickens, Greg Brown, Jessica Williams, Connie Lock, Rocio G. Hilliard, Mark Steelman, Andrew Cummings, David Hubbard

Adriana Sanchez, Carlos Salas, Darrin Jensen, Jason Theurer, Joe Vargas, John Warren, Julia Haynes, Justin Green, Mike Short, Rachel Leier, Reagan Pena, Will Riley, Anna Melton, Brandon Thomas, Brent Lundmark, Bruce Haby, Coby Henk, Daniel Mendez, Doug Clifton, Gregory Thomas, Jacob Tschoepe, Jason Rammel, Jeffrey Jones, Jeffrey Morriss, Jenna Mathis, Jesse Luna, Jessica Coleman, Jessica Green, Katie Storey, Kimberly DaCosta, Kristi Villasana, Mike Penshorn, Missy Quent, Nancy Pappas, Nicole Wesley, Peter Vanderstoep, Robert Aleman

NBU CONSULTANTS

None

PLEDGE OF ALLEGIANCE AND INVOCATION

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

NBU EMPLOYEE RECOGNITIONS

1. Retirement Recognition of Todd Kelley

CEO Ryan Kelso recognized Todd Kelley, who retired with 24 years of dedicated service to NBU.

PUBLIC COMMENT

There were no public comment requests.

ITEMS FROM THE CHAIR

1. **Update from the Investment Committee**

Board Member Stuart Blythin provided an update from the Investment Committee meeting held on April 7th, 2026. Items discussed included a safety minute, an update on the NBU Reimbursement Resolution scheduled to go before the City Council on April 13, 2026, an update on the bond related items scheduled to go before the Board on April 2026, including the Series 2026 Bond Issuance, the Texas Water Development Board Lead Service Line Replacement Program Issuance, the Commercial Paper Program Capacity Increase, and the Texas Water Development Board Water Supply and Infrastructure Grant Program Application, and update on the ERCOT Letter of Credit that is scheduled to go before the Board in May 2026.

2. **Update from the Security Committee**

Board Vice President Judith Dykes-Hoffmann provided an update from the Security Committee meeting held on April 30th, 2026. Items discussed included a brief on the initiatives that align with the company's enterprise Strategy, discussion of the latest threats and trends related to the Iran War and Artificial Intelligence, and the need to enhance existing Machine Learning capabilities as well as AI adoption to strengthen NBU's security posture, goals and accomplishments achieved in the past six months, which included expanding the vulnerability management program, completing the risk assessment, AI Governance, and enhancing security at the Customer Solution Center and Headwaters, and short and long-term initiatives that included expanding network segmentation, increasing program maturity, upscaling edge security, and incorporating managed security services for the Headquarters.

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

No additional comments were made.

ITEMS FROM STAFF

1. **CEO's Update**

a. **Leadership Announcement of Position Changes: Interim Director of Financial Services, Kimberly DaCosta**

Kimberly DaCosta has been named the Interim Director of Financial Services.

b. **NBU Receives American Public Power Association Diamond Safety Award**

NBU has been awarded the American Public Power Association's Safety Award of Excellence for a second year in a row. Our teams achieved Diamond status, the highest level of recognition, in the utilities category with 250,000 to 999,999 worker hours of annual exposure.

c. **NBU Community Engagement Team Participates in Community Career Days at Local Elementary Schools, High Schools, Texas State University, and Local Community Expositions**

Our Community Engagement Team participated in Career Fairs at County Line Elementary Career Day, Walnut Springs Elementary Career Day, Voss Farms Elementary Careers on Wheels Day, New Braunfels High School Career Fair, and Texas State University McCoy College of Business Spring Career Fair. They also participated in the Vintage Oaks Spring Home and Garden Expo and Texas Homeschool Expo.

d. Headwaters at the Comal Hosts Activities on Connecting the Community to Nature and Showcasing the Significance of the Comal Springs

Headwaters at the Comal hosted the Native Plant Sale, a partnership with the Native Plant Society of Texas, as well as tours of the grounds. They also hosted over 400 pre-K students from New Braunfels ISD for educational field trips. The month wrapped up with a field trip of members from the American Horticultural Society, as part of their Live Series "Behind the Scenes Garden Tours".

e. Official Launch of 2026 KinderKraft Program in Partnership with Communities in Schools

The second annual KinderKraft benefiting Communities in Schools of South Central Texas officially launched. This initiative addresses the most basic needs that help local kids.

f. NBU Hosts Trinity Wells Tour for the Enclave at WestPointe Village Homeowners Association

Our Water Treatment and Compliance team hosted a tour of the Trinity Wells facility for the Enclave at West Point Village HOA. During the visit, the team answered questions about system capacity, the plant's filtration processes, and the opportunity to view one of our newest wells ahead of its launch.

g. NBU Conservation Team Participates in City of New Braunfels Thru the Chute Event

During the recent City of New Braunfels' Thru the Chute event, our Conservation team engaged the community with a standout Jurassic Park-themed float, highlighting sustainability. Our team also won the Most Creative Concept Award. Congratulations, Conservation.

h. Headwaters at the Comal Hosts Earth Day Event

In celebration of Earth Day, the City of New Braunfels partnered with NBU's Headwaters at the Comal to host a community-focused event that welcomed more than 500 visitors.

i. CEO Roadshow: New Braunfels Councilmember District 3 Forum

CEO Ryan Kelso presented at a District 3 City Hall forum, focusing on water. Key highlights in the presentation covered water supply, preparedness, and conservation.

j. CEO Roadshow: Comal County Commissioners' Court Water Workshop

CEO Ryan Kelso presented at the second annual water workshop hosted by the Comal County Commissioners' Court. This presentation echoed the message we aim to share with our customers about NBU's stance on water supply and preparedness, as well as conservation.

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

*No additional items were discussed.

2. Financial Update and Report

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

3. Quarterly Capital Update – Fiscal Year 2026 Second Quarter

Program Portfolio Manager Jacob Tschoepe provided an update on the FY26 Second Quarter Capital Update.

4. Monthly NBU Headquarters Progress Update

Program Portfolio Manager Jacob Tschoepe provided an update on the progress of the NBU Headquarters project.

CONSENT ITEMS FOR ACTION

Trustee Stuart Blythin made a motion, and Trustee Yvette Villanueva Barrera seconded the motion to approve the Consent Items for Action as follows: #1, #2, #3, #4, and #5. The vote was unanimous.

1. Approve Minutes of the NBU Regular Board Meeting of March 26, 2026
2. Approve the Change Order Log from February 15, 2026, through March 15, 2026
3. Approve the Electric Line of Business Alternative Procurements from February 15, 2026, through March 15, 2026
4. Approve the Reports for Water and Electric Engineering Contracts from August 1, 2025, through March 15, 2026
5. Authorize the CEO or His Designee to Negotiate and Execute a Construction Contract with Capital Excavation Company for the Construction of the Western Downtown to Morningside Pressure Zone Conversion Project

ACTION ITEMS

1. **Provide an Update on the Certificate of Convenience and Necessity Project and Discuss and Consider Adoption of Resolution #2026-207 Authorizing the CEO or His Designee to Submit an Application to the Public Utility Commission of Texas to Decertify From Its Water Certificate of Convenience and Necessity the Following Tracts of Real Property in Comal County, Texas (I) an Approximately 1.58 Acre Tract Generally Located Immediately West of the Intersection of FM 306 and Hoffman Lane, (II) an Approximately 0.62 Acre Tract Generally Located on the West Side of FM 306 Approximately 0.3 Miles South of the Intersection of Hoffman Lane and FM 306, and (III) an Approximately 97.68 Acre Tract Generally Located East of Shady Hollow and Northeast of Cambridge Drive (Comal Appraisal District Parcel No. 73415), and Other Matters in Connection Therewith**

Trustee Yvette Villanueva Barrera made a motion, and Board Vice President Judith Dykes-Hoffmann seconded the motion to approve the Adoption of Resolution #2026-207 Authorizing the CEO or His Designee to Submit an Application to the Public Utility Commission of Texas to Decertify From Its Water Certificate of Convenience and Necessity the Following Tracts of Real Property in Comal County, Texas (I) an Approximately 1.58 Acre Tract Generally Located Immediately West of the Intersection of FM 306 and Hoffman Lane, (II) an Approximately 0.62 Acre Tract Generally Located on the West Side of FM 306 Approximately 0.3 Miles South of the Intersection of Hoffman Lane and FM 306, and (III) an Approximately 97.68 Acre Tract Generally Located East of Shady Hollow and Northeast of Cambridge Drive (Comal Appraisal District Parcel No. 73415), and Other Matters in Connection Therewith.

The vote was unanimous.

- 2. Discuss and Consider Adoption of Resolution #2026-208 Declaring as Surplus a 1.043 Acre Tract of Land Located at 156 Texas Avenue, New Braunfels, Texas, 78130, Comal County Property ID No. 151576; Authorizing the Sale of Said Property in Accordance with State Law; and Authorizing Other Matters in Connection Therewith**

Board Vice President Judith Dykes-Hoffmann made a motion, and Trustee Yvette Villanueva Barrera seconded the motion to approve the Adoption of Resolution #2026-208 Declaring as Surplus a 1.043 Acre Tract of Land Located at 156 Texas Avenue, New Braunfels, Texas, 78130, Comal County Property ID No. 151576; Authorizing the Sale of Said Property in Accordance with State Law; and Authorizing Other Matters in Connection Therewith. The vote was unanimous.

- 3. Discuss and Consider Adoption of Resolution #2026-210 Relating to the Issuance of “City of New Braunfels, Texas, Utility System Revenue and Refunding Bonds, Series 2026,” and Resolving Other Matters Incident and Related Thereto**

Trustee Stuart Blythin made a motion, and Trustee Yvette Villanueva Barrera seconded the motion to approve the Adoption of Resolution #2026-210 Relating to the Issuance of “City of New Braunfels, Texas, Utility System Revenue and Refunding Bonds, Series 2026,” and Resolving Other Matters Incident and Related Thereto. The vote was unanimous.

- 4. Discuss and Consider Adoption of Resolution #2026-211 Relating to the Issuance of “City of New Braunfels, Texas, Utility System Revenue Bonds, Taxable Series 2026A (Texas Water Development Board - Drinking Water State Revolving Fund Lead Service Line Replacement Program),” and Resolving Other Matters Incident and Related Thereto**

Trustee Yvette Villanueva Barrera made a motion, and Trustee Stuart Blythin seconded the motion to approve the Adoption of Resolution #2026-211 Relating to the Issuance of “City of New Braunfels, Texas, Utility System Revenue Bonds, Taxable Series 2026A (Texas Water Development Board - Drinking Water State Revolving Fund Lead Service Line Replacement Program),” and Resolving Other Matters Incident and Related Thereto. The vote was unanimous.

- 5. Discuss and Consider Adoption of Resolution #2026-212 Relating to the Principal Forgiveness Agreement with the Texas Water Development Board in the Amount of \$510,000 and Resolving Other Matters Incident and Related Thereto**

Trustee Stuart Blythin made a motion, and Trustee Yvette Villanueva Barrera seconded the motion to approve the Adoption of Resolution #2026-212 Relating to the Principal Forgiveness Agreement with the Texas Water Development Board in the Amount of \$510,000 and Resolving Other Matters Incident and Related Thereto. The vote was unanimous.

- 6. Discuss and Consider Adoption of Resolution #2026-213 Relating to the Issuance of “City of New Braunfels, Texas, Utility System Revenue Commercial Paper Notes, Series 2026A and Series 2026B” and Resolving Other Matters Incident and Related Thereto**

Trustee Yvette Villanueva Barrera made a motion, and Trustee Stuart Blythin seconded the motion to approve the Adoption of Resolution #2026-213 Relating to the Issuance of “City of New Braunfels, Texas, Utility System Revenue Commercial Paper Notes, Series 2026A and

Series 2026B” and Resolving Other Matters Incident and Related Thereto. The vote was unanimous.

7. Discuss and Consider Adoption of Resolution #2026-214 Recommending and Requesting that the New Braunfels City Council Take Certain Actions with Respect to an Application to the Texas Water Development Board’s Water Supply and Infrastructure Grant Program and Resolving Other Matters Incident and Related Thereto

Mayor Neal Linnartz made a motion, and Board Vice President Judith Dykes-Hoffmann seconded the motion to approve the Adoption of Resolution #2026-214 Recommending and Requesting that the New Braunfels City Council Take Certain Actions with Respect to an Application to the Texas Water Development Board’s Water Supply and Infrastructure Grant Program and Resolving Other Matters Incident and Related Thereto. The vote was unanimous.

PRESENTATION ITEMS

1. Presentation and Update on the NBU Billing Assistance Program

Interim Chief Customer Officer Andrew Cummings provided an update on the NBU Billing Assistance Program. Information included current voucher counts, program continuity, additional resources for customers, and current and proposed program budgets.

2. Presentation and Update on the NBU Customer Round Up Program

Interim Chief Customer Officer Andrew Cummings provided an update on the NBU Customer Round Up Program. Information included a history of the program, its current state, options for contributing, and potential avenues to continue and expand the program.

EXECUTIVE SESSION

Board President Wayne Peters recessed the Open Session at 2:26 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)
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 *MMF NBTX LAND, LLC v. City of New Braunfels, New Braunfels Utilities, and Ryan Kelso, in his official capacity as Chief Executive Officer of New Braunfels Utilities*, Cause No. C2025-1252D (433rd District Court, Comal County, Texas)
 - b. Discuss *New Braunfels Utilities v. TRC Engineers, Inc.*, Cause No. C2024-1980D (433rd District Court, Comal County, Texas)
3. Consultation with Attorney Regarding Pending or Contemplated Litigation, Settlement Offers, and/or Matters Protected by Attorney-Client Privilege (Section 551.071 – Texas Government Code); Real Property (Section 551.072 – Texas Government Code)

Discuss Legal Matters Relating to Potential Eminent Domain Action to Secure the Following Easements for the Western Downtown to Morningside Pressure Zone Conversion Project:

- a. a 0.005 Acre (220 sq. ft) Permanent Utility Easement and a 0.042 Acre (1,821 sq. ft) Temporary Construction Easement out of Lot 13, Pleasant View Subdivision in Comal County, Texas, according to the plat thereof recorded in Volume 4, Page 54, of the Map and Plat Records of Comal County, Texas, as conveyed to Leonardo Hernandez III, Herman G. Hernandez, Yvette Hernandez Rodriguez, Yvonne Hernandez Garcia, and Michael R. Hernandez by Gift Deed recorded in Document No. 201706012849, Official Public Records, Comal County, Texas, as it may have been modified by Affidavit of Correction Concerning Instrument recorded in Document No. 202006016641, Official Public Records, Comal County Texas, also known as Comal County Parcel No. 44948

*Board Trustee Yvette Villanueva Barrera recused herself from Executive Session at 3:20 pm.

The Executive Session was opened at 2:41 pm and closed at 3:27 pm.

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

The Regular Session resumed at 3:28 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.

1. Trustee Stuart Blythin made a motion, and Board Vice President Judith Dykes-Hoffmann seconded the motion to approve Resolution #2026-209 Recommending the Acquisition of a Permanent Utility Easement Containing 0.005 Acres and a Temporary Construction Easement Containing 0.042 Acres on a Tract of Real Property Owned by Leonardo Hernandez III, Herman G. Hernandez, Yvette Hernandez Rodriguez, Yvonne Hernandez Garcia, and Michael R. Hernandez, Located on the Corner of Rusch Lane and the I35 N. Frontage Road, Comal County Parcel Number 44948, Which are Necessary to Advance and Achieve the Public Use of Expanding the New Braunfels Utilities' Water System to Increase Water Capacity to Meet Existing and Future Needs and Ensure Reliability. The vote passed 4 – 0. Trustee Yvette Villanueva Barrera abstained from the vote.

ADJOURN

There was no further business, and Board President Wayne Peters adjourned the meeting at 3:30 p.m.

*Wayne Peters, President
Approved*

Attest:

*Ryan Kelso, Secretary of the Board
Chief Executive Officer*

Date Approved: May 26, 2026



Meeting Date: May 26, 2026 **Agenda Type:** Consent Items for Action

From: Anna Melton **Reviewed by:** Kimberly DaCosta
 Procurement Manager Interim Director of Financial Services

Submitted by: Jessica Williams **Approved by:** Ryan Kelso
 Chief Financial Officer Chief Executive Officer

RECOMMENDED ACTION: Approve the Change Order Log from March 15, 2026, through April 15, 2026

BACKGROUND

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

Listed below are the change orders submitted to the Procurement Manager for the period of March 15, 2026, through April 15, 2026.

FINANCIAL IMPACT

Change orders less than \$50,000:

Item #	Project Name	Description of Work	Vendor	Change Order #	Cost Change in \$ +/-(-)
1	McKenzie WRF Expansion	Time extension only for medium voltage gear delays in fabrication and delivery	MGC Contractors, Inc.	10	\$ 0.00
2	Gruene Rd Sewer Main Rehabilitation/Relocation	Tree removal near Cantina del Rio	Spiess Construction Co., Inc.	3	6,883.23
4	NBU Headquarters	Owner’s Contingency - refinement in the contract drawings for ASI #010/PR #008	SpawGlass	OCT-0014	10,534.00

5	NBU Headquarters	Owner's Contingency - labor, material, supervision, and equipment for rework to adjust 3" domestic meter vault to elevation of 701' where meter vault was previously installed at 702' per RFI 400	SpawGlass	OCT-0015	2,905.00
6	NBU Headquarters	Owner's Contingency - credit for the labor and material install of the single use restroom partition walls	SpawGlass	OCT-0016	(1,475.00)
7	NBU Headquarters	Owner's Contingency - labor and material for changes implemented into ASI 11/PR #009	SpawGlass	OCT-0017	28,797.00
8	NBU Headquarters	Contractors Contingency - labor, material, supervision, and equipment for waterproofing details associated with stainless steel flashing, termination bars, and sealant	SpawGlass	CTR-0007	10,357.00
9	NBU Headquarters	Contractors Contingency - three modeling redesigns to ensure that the CAD files were correct in order to come to a resolution on grading changes/final elevations between PR-05 and PR-08	SpawGlass	CTR-0008	25,369.00
10	Henne Substation	Owner's Contingency - Additional fabrication to steel structures that was omitted by the contractor. The original contractor provided a credit for omitted work.	Primoris	4	2,467.98
11	Henne Substation	Owner's Contingency - Additional conduit labor and material required for project	Primoris	5	3,921.71
12	Headwaters	Owner's Contingency - engineer's letter needed for the Fire Marshall to sign off on the Fire Lane soils/structure & the Elevation Certificate required to receive SC	Byrne Construction	PCO 84	4,839.10

13	Headwaters	Owner's Contingency - Quiddity utility close-out documentation	Byrne Construction	PCO 85	3,000.00
14	Headwaters	Contractor's Contingency Quiddity utility close-out documentation	Byrne Construction	PCO 6	6,500.00
15	Headwaters	Contractor's Contingency - lighting changes, including Electrical changes per ASI 3	Byrne Construction	PCO 3.2 ASI 3	29,128.00
16	Headwaters	Contractor's Contingency - installation of boulders in detention area for new swale located on west side of Klingemann Street	Byrne Construction	PCO 7	21,802.00
17	Headwaters	Contractor's Contingency - kiva installation, excavation for kiva	Byrne Construction	PCO 4	45,013.00
Total increase/(decrease) in change orders less than \$50,000:					\$200,042.02

Change orders more than \$50,000:

Item #	Project Name	Description of Work	Vendor	Change Order #	Cost Change in \$ +/-
1	McKenzie Interceptor Upgrade	Relocation of manhole, add 8-inch sewer lateral to tie in at the elementary school	Cash Construction Company, Inc.	6	\$75,286.13
2	McKenzie Interceptor Upgrade	Work adjacent to 1761 James Street	Cash Construction Company, Inc.	7	177,526.14
3	NBU Headquarters	Owner's Contingency- labor, material, and equipment for the changes made to the wood pole storage in PR #007	SpawGlass	OCT-0011	59,721.00
Total change orders more than \$50,000:					\$312,533.27

LINK TO STRATEGIC PLAN**Infrastructure and Technology****EXHIBITS**

None



Meeting Date: May 26, 2026 **Agenda Type:** Consent Items for Action

From: Anna Melton
Procurement Manager **Reviewed by:** Kimberly DaCosta
Interim 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 March 15, 2026, through April 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 October 31, 2019. Among other conditions, the Purchasing Policy requires NBU staff to notify the Board of Trustees of any procurement over \$250,000 that uses the electric line of business procurement procedure.

Listed below are the procurements, in excess of \$250,000.00, submitted to the Procurement Manager for the period of March 15, 2026, through April 15, 2026, using the electric line of business alternative procurement process.

FINANCIAL IMPACT

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

- No purchases were reported for this period.

LINK TO STRATEGIC PLAN

Infrastructure and Technology

Stewardship

EXHIBITS

None



Meeting Date: May 26, 2026 **Agenda Type:** Consent Items for Action

From: Anna Melton **Reviewed by:** Kimberly DaCosta
 Procurement Manager Interim Director of Financial Services

Submitted by: Jessica Williams **Approved by:** Ryan Kelso
 Chief Financial Officer Chief Executive Officer

RECOMMENDED ACTION: Approve the Reports for Water and Electric Engineering Contracts from August 1, 2025, through April 15, 2026

BACKGROUND

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

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

This report shall be prepared on a monthly basis and be delivered to the 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, 2025, through April 15, 2026.

FINANCIAL IMPACT

The financial impact of new water engineering contracts during this period was \$2,684,396.00. 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



Meeting Date: May 26, 2026 **Agenda Type:** Consent Items for Action

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

Submitted by: Mark Steelman **Approved by:** Ryan Kelso
 Chief Operations Officer Chief Executive Officer

RECOMMENDED ACTION: Authorize the CEO or His Designee to Negotiate and Execute a Construction Contract with MGC Contractors, Inc. for the Construction of the North and South Kuehler Wastewater Treatment Plant Rehabilitation Project

BACKGROUND

On October 20, 2025, New Braunfels Utilities (“NBU”) issued a request for bids for the North Kuehler (“North Kuehler WWTP”) and South Kuehler (“South Kuehler WWTP”) Wastewater Treatment Plant Rehabilitation Project, which includes:

- (i) construction of an expansion of the existing North Kuehler WWTP headworks including new screening channels and mechanical screens;
- (ii) construction of an expansion of the existing South Kuehler WWTP headworks including new screening channels and mechanical screens;
- (iii) construction of new chemical disinfection equipment and rehabilitation of the existing chemical building at North Kuehler WWTP;
- (iv) construction of new chemical disinfection equipment and rehabilitation of the existing chemical building at South Kuehler WWTP;
- (v) rehabilitation of the existing North Kuehler WWTP chlorine contact basin including replacement of all gates;
- (vi) rehabilitation of the existing South Kuehler WWTP chlorine contact basin including replacement of all gates;
- (vii) replacement of the North Kuehler WWTP membrane screen systems;
- (viii) replacement of the South Kuehler WWTP membrane screen systems;
- (ix) replacement of the gravity thickener mechanism at South Kuehler WWTP;
- (x) construction of a new catwalk in the South Kuehler WWTP belt press truck staging area;
- (xi) rehabilitation of South Kuehler WWTP aeration system;
- (xii) replacement of the existing process blowers, canopy, and electrical building at South Kuehler WWTP;
- (xiii) construction of one new vehicular access bridge across the tributary between North and South Kuehler WWTP;

- (xiv) offsite sanitary sewer and trunk line replacement;
- (xv) electrical work for all power, instrumentation, controls, communication, access, and security of all North and South WWTP facilities;
- (xvi) replacement of all process, membrane, and digester blowers at North Kuehler WWTP as a bid add/alternate;
- (xvii) replacement of all membrane and digester blowers at South Kuehler WWTP as a bid alternate
- (xviii) conversion of North Kuehler WWTP aeration to fine bubble aeration as a bid add/alternate;
- (xix) replacement of the existing non-potable water (“NPW”) system at North Kuehler WWTP as a bid add/alternate;
- (xx) replacement of the existing NPW system at South Kuehler WWTP as a bid add/alternate;
- (xxi) replacement of the existing sludge valves at North Kuehler WWTP as a bid add/alternate;
- (xxii) replacement of the existing sludge valves at South Kuehler WWTP as a bid add/alternate;
- (xxiii) replacement of the North Kuehler WWTP Membrane Thickener as a bid add/alternate;
- (xxiv) replacement of the South Kuehler WWTP Membrane Thickener as a bid add/alternate; and
- (xxv) all other appurtenances necessary to complete the Project (the “Project”).

The Project will rehabilitate the existing South Kuehler WWTP, which was constructed in phases since the late 1950’s, and many of its treatment components are nearing or have reached their service life. The Project will also rehabilitate the existing North Kuehler WWTP, which was constructed in the mid-1980s, and many of its treatment components are nearing or have reached their service life.

On January 15, 2026, NBU received two (2) bids for the Project during the public bidding process. The Project team evaluated the bids and recommended the selection of MGC Contractors, Inc. (“MGC”) for the Project. MGC 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. MGC’s proposal includes a base bid of \$48,110,528 and base bid plus alternate bid of \$63,407,528, which was the lowest base bid and bid plus alternate bid out of the two (2) respondents.

NBU staff requests that the Board of Trustees approve the Construction Contract Agreement (the “Contract”) with MGC 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 (including add/alternates) of the Contract with MGC for the Project is \$63,407,528.00. The Project is budgeted within the Fiscal Year 2026 through Fiscal Year 2030 NBU Board approved Capital Improvements Projects Budget. Anticipating the need for Project change orders, a contract contingency in the amount of \$2,000,000, which is approximately 3% of the total contract amount, will be added to the Project construction budget. The total Contract amount plus contingency is \$65,407,528.00.

LINK TO STRATEGIC PLAN

Infrastructure and Technology

Customers and Community

Financial Excellence

Stewardship

EXHIBITS

1. Construction Contract with MGC
2. Bid Tabulation – (CSP 26-0015)

Bid Tabulation (RFB 26-0015)			
		Base Bid	Base Bid + Add/Alternates
1	MGC Contractors	\$48,110,528	\$63,407,528
2	Reytec Construction Resources Inc.	\$52,080,000	\$66,050,000

3. Bid Evaluation Matrix – Competitive Sealed Proposal (CSP 26-0015)

Item	Criteria	MGC Contractors	Reytec Construction Resources Inc.
1.	Cost of the Work	50	48
2.	Proposed Schedule / Contract Time	15.2	17.2
3.	Past Performance on Similar Projects	2.25	1.4
4.	Overall Qualifications, Reputation, Past Relationship with NBU and Public Owners	18	13.2
5.	Available resources to complete the Project	1.9	1.75
6.	Contractor's corporate history and stability	1.9	1.75
7.	References	1.9	1.5
	Total Score	91.15	84.8



Meeting Date: May 26, 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 Fourth Amendment to the Professional Services Agreement with Arcadis, U.S., Inc. for the Surface Water Treatment Plant Expansion Project

BACKGROUND

On February 3, 2020, the New Braunfels Utilities (“NBU”) Board of Trustees approved a Professional Services Agreement (the “Agreement”) with Arcadis U.S. Inc. (“Arcadis”) for professional engineering services for the Surface Water Treatment Plant Expansion Project (the “Project”). On December 4, 2020, the Board approved a Professional Services Contract Amendment (the “First Amendment”) for project management services, assistance with the TWDB loan application services, coagulant jar testing services, and wastewater lift station design and construction services. On June 27, 2024, the Board approved a Professional Services Contract Amendment (the “Second Amendment”) for additional final design phase services, permitting services, construction administrative services, and supplemental services. On June 26, 2025, the Board approved a Professional Services Contract Amendment (the “Third Amendment”) for additional final design phase services and permitting services.

NBU and Arcadis have identified a need to (i) add additional final design phase services, and (ii) remove a portion of the Services relating to construction administration. The additional final design phase services include further evaluation of the Raw Water Pump Station (“RWPS”), site civil and mechanical design revisions, decant basin flow optimization, and additional project management.

Further evaluation of the RWPS will address pump performance with the development of a physical model to assess pump cavitation, analysis of operational data, and identification of mitigation strategies. Design revisions include improving wet well access, pump and piping configuration, equipment installation and removal, relocation of controls, and incorporation of mechanical and operational improvements.

Site-related design revisions include optimizing fire protection and stormwater management systems; updating site layout to accommodate roadway widening, drainage, and access for operational and

emergency vehicles; and incorporating survey and utility data to support easements, infrastructure coordination, and enhanced site security.

Mechanical design revisions will incorporate operational and reliability upgrades, such as improved stormwater handling, expanded chemical storage capacity, updated instrumentation and controls, and additional facility space to support technology and maintenance. The design will be updated to align with current regulatory codes and constructability considerations, including cost updates and contractor/vendor coordination. Decant basin process improvements include the implementation of a flow equalization basin to optimize performance by flow pacing the filter backwash water.

Construction administration services, including an onsite resident project representative and an onsite construction inspector, are removed and will be evaluated via a request for proposals at a later date.

As a result, NBU staff requests that the Board approve the Fourth Amendment to the Agreement (the "Fourth Amendment"), which includes a net decrease in compensation to the Professional in the amount of \$1,082,100.00 for the addition of the final design and permitting services, the removal of a portion of the construction administrative services, and extension of the contract completion date to May 14, 2030.

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

FINANCIAL IMPACT

The total financial impact for the Fourth Amendment is -\$1,082,100.00. The total contract amount for the Agreement, First Amendment, Second Amendment, Third Amendment, and Fourth Amendment with Arcadis, US, Inc. for the Project is \$7,919,800.00, including Supplemental Services. The Project is budgeted within the Fiscal Year 2026 through Fiscal Year 2030 NBU Board approved Capital Improvements Projects Budget.

LINK TO STRATEGIC PLAN

Customers and Community

Stewardship

EXHIBITS

1. Fourth Amendment to the Professional Services Agreement with Arcadis, US, Inc



Meeting Date: May 26, 2026 **Agenda Type:** Consent Items for Action

From: Jeff Morriss
Substation Manager **Reviewed by:** Justin Green
Director of Electric Operations
and Compliance

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 Lambda Construction I, LTD. for the Construction of the Kohlenberg Substation Project

BACKGROUND

The Kohlenberg Road substation includes green field development of the substation site, water quality basin, access driveways, fencing, two Power Transformer (“PWT”) banks with associated distribution feeder bays, and an underground conduit system for eight (8) distribution feeder exits, hereafter referred to as “the Project”. This substation and associated infrastructure will be built on property, or within easements, that NBU already owns.

Continued growth is anticipated along FM 1101 between Creekside and the northeastern edge of NBU's service territory. The existing Freiheit substation and Henne substation transformation and distribution capacities will become insufficient for the area as development progresses. This growth includes the Mayfair development, Heatherfield subdivision, the Government Land Office East development, and anticipated industrial growth between the Titan development and Kohlenberg Road. As capacity limits of existing infrastructure in this area are reached, both NBU's load service ability and electric service reliability will decrease.

The Project constitutes NBU's 13th electric substation (11th distribution substation) and will be located on Kohlenberg Road between IH 35 and FM 1101. This substation is to be master-designed with a Lower Colorado River Authority (“LCRA”)- owned 138 kilovolt ring bus, dual 20/26.6/33.3 Megavolt-Ampere PWTs, and six (6) distribution feeder breakers. This arrangement is the same utilized for the Weltner Road substation and the newly constructed Hueco Springs substation. The Kohlenberg Road substation, as proposed, will be constructed with both PWT's and four (4) live feeders energized upon commissioning. Additional feeders are in planning and design and will be constructed later in Fiscal Year 2027.

On December 18, 2025, NBU issued a request for proposals for the Kohlenberg Road substation. NBU received twelve (12) proposals on February 17, 2026, for the Project during the public solicitation process. Two proposals, DD Grid and Irby, were deemed unresponsive and disqualified because they were not

submitted on the proper bid form. The project team evaluated the proposals and recommended the selection of Lambda Construction I, LTD. (“Lambda Construction”) for the Project. Lambda Construction proposed a base price of \$5,900,000.00.

NBU staff requests that the Board of Trustees approve the Construction Contract Agreement (the “Contract”) with Lambda Construction 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 Lambda Construction for the Project is \$5,900,000.00. NBU staff requests an owner’s contingency amount of \$590,000.00. The Project is budgeted within the Fiscal Year 2026 through Fiscal Year 2027 NBU Board approved Capital Improvements Projects Budget. The total Contract amount plus contingency is \$6,490,000.00.

LINK TO STRATEGIC PLAN

Infrastructure and Technology

EXHIBITS

1. RFP 25-0114 Bidders List
2. Lambda Construction I, LTD. Contract
3. RFP 25-0114 Evaluation Tabulation Summary
4. Engineer’s Recommendation Letter

NBU issued a publicly solicited Request for Qualifications (“RFQ”) and Burns & McDonnell was selected as the most qualified firm to provide these services.

NBU staff recommends approval of a Professional Services Agreement with Burns & McDonnell to support the T340 upgrade project and improve system reliability and resilience.

This item is presented to the Board because the total contract amount exceeds \$500,000.00.

FINANCIAL IMPACT

The total financial impact for the Agreement with Burns and McDonnell for the Project is \$2,801,387.00. The proposed agreement also includes \$308,789.00 for supplemental services. The Project is currently budgeted within Fiscal Years 2026 through 2028 and is proposed to be budgeted within Fiscal Years 2027 through 2029 in NBU’s pending Capital Improvement Budget.

LINK TO STRATEGIC PLAN

Infrastructure and Technology

Safety and Security

EXHIBITS

1. Professional Service Agreement with Burns and McDonnell
2. 2023 RFQ Summary Letter
3. Evaluation of Qualified Responses - RFQ 23-003

The Evaluation resulted in qualified status in the following ranking:

	Cat 1	Cat 2	Cat 3	Cat 4	Cat 5	Cat 6	Cat 7	Cat 8	Cat 9	Cat 10	Cat 11
Olsson											
SEL Engineering Services, Inc.					Q			Q			
M&S Engineering, LLC	Q	Q			Q	Q				Q	
Schneider Engineering, LLC	Q	Q		Q	Q	Q	Q		Q		Q
Sherwood Surveying & SUE, LLC										Q	
Westwood Prof Services											
Cobb Fendley			Q							Q	
Stanley Consultants, Inc											
Burns & McDonnell Eng	Q	Q	Q	Q	Q	Q	Q	Q			

Note: Gray box indicates Firm did not submit for the Project Category
 Q = Qualified in the Specific Category

- viii. All other related appurtenances, collectively referred to as “the Project.” NBU shall provide all other major equipment, supplies, and materials as identified in the contract

NBU issued a Request for Proposals (“RFP”) for the Freiheit Breaker and Control House Additions Project on November 10, 2025. NBU received four (4) proposals on February 3, 2026. The Evaluation Committee reviewed the proposals and recommended Lambda Construction I, LTD. (“Lambda Construction”) for the Project. Lambda Construction was determined to provide the best value to NBU based on the following weighted selection criteria established in the solicitation:

- i. Cost of the work
- ii. Past performance on similar projects
- iii. Overall qualifications, reputation, and past relationship with NBU and other public owners

NBU staff requests that the Board of Trustees approve the Construction Contract (the “Contract”) with Lambda Construction for the Freiheit Control House and Breaker Additions 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 for the Contract with Lambda Construction for the Project is \$4,100,000.00. NBU Staff requests an owner contingency of \$410,000.00. The Project is budgeted within the Fiscal Year 2026 NBU Board-approved Capital Improvements Projects Budget and proposed in the pending Capital Improvements Project Budget through Fiscal Year 2027. The total Contract amount plus contingency is \$4,510,000.00

LINK TO STRATEGIC PLAN

Infrastructure and Technology

Safety and Security

EXHIBITS

1. Letter of Evaluation from SEnergy
2. Construction Contract Agreement with Lambda Construction
3. Bid Form – Project Bidders List (RFP 25-0088A)

Name of Bidder	Bid Proposal Amount
Chain	\$2,565,257.50
Frontline	\$3,896,966.00
Lambda	\$4,100,000.00
Primoris	\$4,298,686.32

4. Aggregate Score Summary

Vendor Scores by Evaluation Criteria

Vendor	Past Performance o 0-5 Points 25 Points (25%)	Overall Qualificator 0-5 Points 25 Points (25%)	Cost of the Work Reward Low Cost 50 Points (50%)	Total Score (Max Score 100)
Lambda Constructi...	5	5	50	100

LINK TO STRATEGIC PLAN

Customers and Community

Infrastructure and Technology

Financial Excellence

Safety and Security

Stewardship

EXHIBITS

1. Professional Services Agreement with Aerotract, LLC
2. Vendor Scores by Evaluation Criteria

Vendor Scores by Evaluation Criteria						
Vendor	Technical Capabilities	Safety Record/Protocols	Experience	Data Management Processes	Cost	Total Score
Acuren Inspection, Inc.	2	3	3	2	3	50
AeroTract LLC	4.5	4.5	3	4	5	84
Alamon Inc	2	3	3	1	4	47
Firmatek LLC	4.5	3	3	3.5	5	76
Irby Construction Company	3.5	3	3	4	3	68.5
Maverick Construction Corp	3.5	3	3	3.5	5	73
Nexus Utility Services LLC	3	3	2	3.5	4	64.5
Olsson	3	3	2	3	4	61
Osmost Utilities Services, Inc.	2	3	3	2	4	54
PLP Services Inc.	2	3	2	4	2	57
SOLARIX LLC	2	3	2	2	0	35
Tektite Holdings LLC	2	3	1	3	2	47
WSB LLC	1	1	1	1	2	24

LINK TO STRATEGIC PLAN

Infrastructure and Technology

EXHIBITS

1. Combined BuyBoard contract number 724-23
2. Chastang Ford Quote



Meeting Date: May 26, 2026 **Agenda Type:** Consent Items for Action

From: Kenneth Allen **Reviewed by:** William Riley
 Fleet and Facilities Manager Director of Systems Operations

Submitted by: Mark Steelman **Approved by:** Ryan Kelso
 Chief Operations Officer Chief Executive Officer

RECOMMENDED ACTION: Authorize the CEO or His Designee to Negotiate and Execute a Professional Services Agreement with Elk Ridge Construction, LLC for Grounds Maintenance Services

BACKGROUND

On August 28, 2025, the New Braunfels Utilities (“NBU”) Board approved a Professional Services Agreement for Grounds Maintenance Services with Incircle Management, Inc. (“Incircle”). Following the NBU Board’s approval, Incircle was unable to meet NBU insurance requirements. NBU ceased negotiations with Incircle and moved on to the second-highest ranked respondent. This Professional Services Agreement (the “Agreement”) is made and entered into by and between New Braunfels Utilities, a Texas municipally owned utility (“NBU”), and Elk Ridge Construction, LLC, a Texas limited liability company (the “Professional”).

The Professional shall provide landscaping, grounds maintenance, and ancillary services for NBU facilities (the “Services”). The Professional shall provide all personnel management, supervision, labor, tools, materials, and equipment necessary to perform the Services. The Professional shall perform the Services at the sites listed in the contract, in accordance with the schedule of services listed for each site. NBU may remove or add sites at any time during the contracted term.

NBU staff requests that the Board of Trustees approve the Agreement with Elk Ridge Construction, LLC for grounds maintenance services.

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

FINANCIAL IMPACT

The total financial impact for the Agreement with Elk Ridge Construction, LLC is \$1,739,150.00, with a not-to-exceed amount of \$347,830.00 for the initial one-year term, with up to four (4) one-year renewals. Each year has a total not-to-exceed amount of \$347,830.00. The Agreement is budgeted within the Fleet and Facilities Operations and Maintenance Budget (“O&M Budget”) for Fiscal Year 2026 and will be budgeted in the O&M Budgets for Fiscal Year 2027 through Fiscal Year 2030.

LINK TO STRATEGIC PLAN

Customers and Community

Financial Excellence

Stewardship

EXHIBITS

1. Professional Services Agreement with Elk Ridge Construction, LLC
2. Bid Evaluation Summary Matrix – RFP 25-0051

EVALUATION SUMMARY MATRIX
RFP NO. 25-0051: Grounds Maintenance Services

Evaluation Criteria	Possible Points	ArborTrue LLC	Cedar Hill Lawn Maintenance	Elk Ridge Mowing	HCH Services LLC	Incircle Management	Maldonado Nursery and Landscaping Inc.
1. Previous Work Experience with Utilities	30	0	0	3	0	4	3
2. References	30	0	3	3	3	3	3
3. Personnel Qualifications	15	0	0	3	2	3	1
4. Cost Proposal	15	0	1	2	1	5	1
5. Equipment	10	0	2	2	3	5	1
TOTAL POINTS	100	0	4	13	9	20	9
	Rank	6	5	2	3	1	3



Meeting Date: May 26, 2026 **Agenda Type:** Consent Items for Action

From: Brent Lundmark **Reviewed by:** Jason Theurer
 Water Treatment and Director of Water Operations and
 Compliance Manager Compliance

Submitted by: Mark Steelman **Approved by:** Ryan Kelso
 Chief Operations Officer Chief Executive Officer

RECOMMENDED ACTION: Authorize the CEO or His Designee to Negotiate and Execute a Professional Services Agreement with Residuals Transport Corporation for Biosolids and Debris Disposal Services

BACKGROUND

On January 23, 2026, New Braunfels Utilities (“NBU”) issued a request for proposals (“RFP”) for biosolids and debris disposal services (the “Services”).

On March 5, 2026, NBU received two (2) proposals during the public solicitation process. NBU staff evaluated both proposals and determined Residuals Transport Corporation to be the most advantageous to NBU, considering the relative importance of price and other evaluation factors. NBU staff recommends the selection of Residuals Transport Corporation for the Services.

NBU staff requests the Board of Trustees to approve the professional services agreement with Residuals Transport Corporation.

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

FINANCIAL IMPACT

The total contract amount for the Agreement with Residuals Transport Corporation is \$7,543,316.00 with a not-to-exceed amount of \$1,365,150.00 for the initial one-year term, \$1,433,408.00 for the second one-year term, \$1,505,078.00 for the third one-year term, \$1,580,332.00 for the fourth one-year term, and \$1,659,348.00 for the fifth one-year term. The Agreement is budgeted within the Water Treatment and Compliance Operations and Maintenance Budget (“O&M Budget”) for Fiscal Year 2026 and will be budgeted in the O&M Budgets of Fiscal Year 2027 through Fiscal Year 2031.

LINK TO STRATEGIC PLAN

Infrastructure and Technology

EXHIBITS

1. Contract with Residuals Transport Corporation
2. Memo of Recommendation
3. Evaluation Matrix - RFP 26-0022

Item	Criteria	Residuals Transport	K-3 Resources
1.	Firm's Experience with Similar Projects	5	4
2.	Approach and Response Time	4	2
3.	Cost (Filled out by Purchasing)	*no price escalator clause	*different pricing sheets provided
	Total Score	9	7

3.



Meeting Date: May 26, 2026 **Agenda Type:** Action Items

From: Anna Melton **Reviewed by:** Kimberly DaCosta
 Purchasing Manager Interim Director of Financial Services

Submitted by: Jessica Williams **Approved by:** Ryan Kelso
 Chief Financial Officer Chief Executive Officer

RECOMMENDED ACTION: Discuss and Consider Adoption of Resolution R-2026-215 Approving Revisions to the NBU Purchasing Policy and Other Matters in Connection Therewith

BACKGROUND

The NBU Purchasing Policy (“the Policy”) was last updated by the NBU Board of Trustees in 2019. Changes to the Texas Government Code and the Texas Local Government Code enacted during the 2025 legislative session have necessitated updates to the Policy. A full-scale review of the Policy was performed, and the following updates are proposed for the Board’s consideration:

1. an increase in the threshold for formal procurement from \$50,000 to \$100,000, in accordance with statutory increases;
2. an increase in the signature authority for Managers, Directors, and Executives, in order to increase efficiency of contract processing and reduce processing time of internal signature routing;
3. an increase of the Electric Line of Business (“ELOB”) exemption from competition limit, from \$3 million to \$5 million, to accommodate market inflation related to electrical materials purchases;
4. an increase in the threshold for reporting of competitive matters from \$50,000 to \$250,000, in alignment with the Board approval threshold for general contracts;
5. updated definitions to provide added clarity;
6. the addition of Section IX, describing in more detail the process for procurement of items defined as High Technology; and
7. the addition of Section XVI.B detailing the criminal penalties for violation of procurement law.

FINANCIAL IMPACT

There is no direct financial impact associated with adopting the revised policy.

LINK TO STRATEGIC PLAN

Financial Excellence

Stewardship

EXHIBITS

- 1. Resolution Approving Revisions to the Purchasing Policy
- 2. Redline Version of Purchasing Policy

Purchasing Policy Revisions

Prepared for the
NBU Board of Trustees

May 26, 2026



Agenda

- **Background**
- **Summary of Changes**
- **Questions**

Mission

Strengthening our community by providing resilient essential services

+

Vision

Be a trusted community partner dedicated to excellence in service

+

Core Values

Safety, Team, Integrity, Culture, and Stewardship

Background

NBU's Purchasing Policy establishes the framework for the procurement of goods and services across the utility, in accordance with state law and industry best practices.

2019: Board Approval of Current Purchasing Policy

2025: Legislative Updates to Procurement Statutes

- Texas Local Government Code Chapter 252: threshold for formal procurement raised from \$50,000 to \$100,000.
- Prompted full-scale review of the Policy to identify updates due to market conditions and internal structures.

2026: Board Review of Proposed Changes

Mission

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Vision

Be a trusted community partner dedicated to excellence in service



Core Values

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Summary of Proposed Changes

1. All references to formal procurement threshold raised from \$50,000 to \$100,000.
 - Purchases under \$100,000 are procured by informal solicitation, in accordance with Texas Local Government Code Chapter 252.

Purchasing Policy **NBU NEW BRAUNFELS UTILITIES**

Policy Type	Approval Authority	Adopted	Effective
Board	NBU Board of Trustees		
Responsible Department			
Procurement			
Reviewed/Approved by Executive Director	Reviewed/Approved by General Counsel		
Name	Name		
Jessica Williams	Connie Lock		
Signature	Signature		
Reviewed/Approved by CEO	Reviewed/Approved by Board President		
Name	Name		
Ryan Kelso	Wayne Peters		
Signature	Signature		
REVISION HISTORY			
This Policy replaces the previous Purchasing Policy, effective October 31, 2019.			

I. PURPOSE
NBU is subject to the purchasing laws of the State of Texas. This Policy establishes standards for the purchase of goods and services needed for NBU to provide electric, water, and wastewater services to its customers. This Policy applies to all NBU employees and is effective immediately upon approval, and supersedes all previous purchasing policies, instructions, or directives.

II. PHILOSOPHY
It is the philosophy of NBU that all procurement and purchasing activities will be conducted in a manner that promotes transparency and maintains public confidence in NBU, its Board of Trustees, and the Chief Executive Officer.

III. DEFINITIONS
The following terms in this Policy shall have the meanings assigned to them below:

- A. **Act** means Chapter 252 of the Texas Local Government Code, as amended.
- B. **CEO** means the Chief Executive Officer of NBU.
- C. **CFO** means the Chief Financial Officer of NBU.

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Summary of Proposed Changes

2. Definitions updated to address frequently asked questions from staff.

- “Civil Works” definition updated to reflect statutory definition.
- Addition of Section IX: “Procurement of High Technology Items”.

Purchasing Policy

Policy Type	Approval Authority	Adopted	Effective
Board	NBU Board of Trustees		
Responsible Department			
Procurement			
Reviewed/Approved by Executive Director	Reviewed/Approved by General Counsel		
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Signature			
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Summary of Proposed Changes

3. Internal reporting structure updated.

- Delegations of authority are now passed from the CEO to the Director or his/her designee, rather than directly to the Procurement Manager.

Purchasing Policy **NBU NEW BRAUNFELS UTILITIES**

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Board	NBU Board of Trustees		
Responsible Department			
Procurement			
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Name	Name		
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Summary of Proposed Changes

4. Increase signature authority levels for Managers, Directors, and Executives.

- Increased to allow for efficiency in signature routing for purchases below the formal solicitation threshold.
- No change to Board authority levels is proposed.

Role	Current	Proposed
Manager	\$10,000	\$50,000
Director	\$50,000	\$100,000
Executive	\$100,000	\$250,000
CEO	\$100,000+	\$250,000+

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+

Vision

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+

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Summary of Proposed Changes

5. Increase Electric Line of Business (“ELOB”) exemption from \$3 million to \$5 million.

- The cost of raw materials has increased, seen in high-value ELOB items.

Purchasing Policy **NBU NEW BRAUNFELS UTILITIES**

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Responsible Department			
Procurement			
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Summary of Proposed Changes

6. Increase Competitive Matters reporting threshold from \$50,000 to \$250,000.

- Aligned with Board reporting and approval levels for other contracts.

Purchasing Policy

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Board	NBU Board of Trustees		
Responsible Department			
Procurement			
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Questions?



Requested Action

Adopt Resolution R-2026-215 Approving Revisions to the Purchasing Policy and Other Matters in Connection Therewith



Meeting Date: May 26, 2026 **Agenda Type:** Action Items

From: David Guerrero **Reviewed by:** Darrin Jensen
 Strategy and Research Director of Enterprise Project
 Manager Management Office

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

RECOMMENDED ACTION: Provide an Update on the Quarterly Strategic Plan – Third Quarter of Fiscal Year 2026 and Discuss and Consider Approval of Changes to Fiscal Year 2026 & 2027 Leading and Lagging Indicators

BACKGROUND

In August 2025, the New Braunfels Utilities (“NBU”) Board of Trustees approved the Fiscal Year (“FY”) 2026 Strategic Plan. This plan included annual priorities to select a financial system and develop the FY 2028-2038 Strategic Plan.

Throughout FY26, the annual priorities for FY26 and FY27 have been reevaluated due to developments made in the process of the work.

Proposed changes to FY26 and FY27 are as follows:

- Proposed FY26 Annual Priority Change:
 - Technology Modernization Annual Priority
- Proposed FY27 Annual Priority Changes:
 - Strategic Plan
 - Technology Modernization
- Proposed FY27 Leading Indicator Changes:
 - Customers and Community - Speed to Answer
 - Customers and Community - Real Time Customer Satisfaction Rate
 - Safety and Security - Quarterly Safety Meetings
- Proposed FY27 Lagging Indicator Changes:
 - People and Culture - Retention Rate for the FY

FINANCIAL IMPACT

There is no direct financial impact associated with the proposed changes.

LINK TO STRATEGIC PLAN

Customers and Community

People and Culture

Infrastructure and Technology

Financial Excellence

Safety and Security

Stewardship

EXHIBITS

1. Strategic Plan Update Presentation

Strategic Goals, Measures, Annual Priorities, and Indices

Strategic Plan
Q3 Update

May 26, 2026



NBU® NEW BRAUNFELS
UTILITIES

Strategic Goals – (What We Aim to Do)

- **CUSTOMERS AND COMMUNITY**

We provide a customer-first focus and commit to innovative solutions to improve the customer experience.

- **PEOPLE AND CULTURE**

We care for our employees, build on our team-oriented culture, promote ethical behavior and prepare our team to meet the challenges ahead.

- **INFRASTRUCTURE AND TECHNOLOGY**

We maintain reliable and resilient systems through responsible planning, asset management, and innovative technologies that align with the strategic direction of the organization.

- **FINANCIAL EXCELLENCE**

We practice sound financial management to be responsible stewards of public funds.

- **SAFETY AND SECURITY**

We strive to place security and safety as the highest priorities for every employee and customer.

- **STEWARDSHIP**

We commit to preserve and protect community resources through planning, innovating, collaborating and educating.

Mission

Strengthening our community by providing resilient essential services

+

Vision

Be a trusted community partner dedicated to excellence in service

+

Core Values

Safety, Team, Integrity, Culture, and Stewardship



FY 26/27 Strategic Measures – (How We Measure It)

Strategic Goal	Strategic Measure (Lagging Indicator)
Customer and Community	Improve the Customer Scores by 7% , and/or reaching the Texas average industry standard benchmark
Safety and Security	Achieve a Safety Meeting Compliance Rate \geq 90% for all Departments
Safety and Security	Safeguard an OSHA Incident Rate \leq 3 Incidents per 100 Employees per year
Financial Excellence	Meet or exceed A+/A1 from a minimum of two rating agencies annually
People and Culture	Sustain \geq 89.3% Retention Rate for the Fiscal Year
Stewardship	Reduce NBU GPCD by 1% Based off the 2024 10-year Average in both FY26 & FY27
Infrastructure and Technology	Maintain a Three Year Rolling Average SAIDI in top 10% of Texas utilities or three-year rolling average <52.56 minutes (99.99% reliability)
Infrastructure and Technology	Ensure Technology System Reliability \geq 98% uptime for production systems
Infrastructure and Technology	Achieve and Maintain an Infrastructure Leakage Index (ILI) \leq 3.0 over a three-year rolling average
Infrastructure and Technology	Wastewater Treatment and Compliance Events- Maintain >98% Compliance

Mission Strengthening our community by providing resilient essential services	+ Vision Be a trusted community partner dedicated to excellence in service	+ Core Values Safety, Team, Integrity, Culture, and Stewardship	
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FY 26/27 Strategic Measures – (How We Measure It)

CUSTOMERS & COMMUNITY



CUSTOMERS AND COMMUNITY

We provide a customer-first focus and commit to innovative solutions to improve the customer experience.

Strategic Measure (Lagging Indicator):

Improve the Customer Scores by 7% , and/or reaching the Texas average industry standard benchmark.

Q3
At Risk

Leading Indicator:
Speed to Answer:
Green < 3 min.
Yellow 3 - 10 min.
Red > 10 min.

Leading Indicator:
Real Time Customer Satisfaction Rate
Green ≥ 85%
Yellow 84 - 70%
Red < 70%

Leading Indicator:
First Contact Resolution
Green ≥ 70%
Yellow 69 - 60%
Red < 60%

				<u>Index</u>
Q1:	2:13 min.	-%	79%	100%
Q2:	3:48 min.	-%	80%	83%
Q3:	5:27 min.	-%	81%	83%
Q4:				

FY 26/27 Strategic Measures – (How We Measure It)

SAFETY AND SECURITY

We strive to place security and safety as the highest priorities for every employee and customer.

SAFETY & SECURITY



Strategic Measure (Lagging Indicator):

Safeguard an OSHA Incident Rate ≤ 3 Incidents per 100 Employees per year

Q3
.64

Leading Indicator:

Monthly Safety Audits

Green ≥ 10

Yellow 9 - 7

Red ≤ 6

Leading Indicator:

Safety Audit Findings Rate

Green ≤ 5

Yellow 6 - 7

Red ≥ 8

			Index
Q1:	11	1	100%
Q2:	14	2	100%
Q3:	14	3	100%
Q4:			

FY 26/27 Strategic Measures – (How We Measure It)

SAFETY AND SECURITY

We strive to place security and safety as the highest priorities for every employee and customer.

SAFETY & SECURITY



Strategic Measure (Lagging Indicator):

Achieve a Safety Meeting Compliance Rate \geq 90% for all Departments

Q3
100%

Leading Indicator:

Quarterly Safety Meetings

Green \geq 6

Yellow 5

Red \leq 4

Leading Indicator:

Audited Safety/Tailboard Meetings % Completion

Green 100%

Yellow 99 - 95%

Red $<$ 95%

			<u>Index</u>
Q1:	8	100%	100%
Q2:	12	100%	100%
Q3:	12	100%	100%
Q4:			

Mission

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FY 26/27 Strategic Measures – (How We Measure It)

FINANCIAL EXCELLENCE



FINANCIAL EXCELLENCE

We practice sound financial management to be responsible stewards of public funds.

Q3
Fitch: AA-
S&P: A+
Moody's: Aa1

Strategic Measure (Lagging Indicator):

Meet or exceed A+/A1 from a minimum of two rating agencies annually

Leading Indicator:

Days Cash on Hand
Green ≥ 170
Yellow 169 - 140
Red < 140

Leading Indicator:

Debt Capitalization Ratio
Green ≤ 48%
Yellow 49 - 54.5%
Red > 54.5%

Leading Indicator:

Debt Service Coverage
Green ≥ 3.5
Yellow 3.4 - 2.4
Red < 2.4

				<u>Index</u>
Q1:	214 Days	40.5%	4.8	100%
Q2:	243 Days	39.5%	4.8	100%
Q3:	220 Days	38.9%	4.6	100%
Q4:				

FY 26/27 Strategic Measures – (How We Measure It)

PEOPLE & CULTURE



PEOPLE AND CULTURE

We care for our employees, build on our team-oriented culture, promote ethical behavior and prepare our team to meet the challenges ahead.

Strategic Measure (Lagging Indicator):

Sustain ≥ 89.3% Retention Rate for the Fiscal Year

Q3
90.3%

Leading Indicator:

Monthly Stay Interviews

Green ≥ 3.5

Yellow 3.49 – 2.5

Red < 2.5

Leading Indicator:

New Hire Interviews avg. score of 3.5/5

Green: ≥ 3.5

Yellow: 3.49 – 2.5

Red: < 2.5

Leading Indicator:

Learner Satisfaction Rate

Green > 3

Yellow 3 - 2

Red < 2

				<u>Index</u>
Q1:	4.5	4.3	4.5	100%
Q2:	4.5	4.7	4.7	100%
Q3:	3.7	4.4	4.6	100%
Q4:				

Mission

Strengthening our community by providing resilient essential services



Vision

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FY 26/27 Strategic Measures – (How We Measure It)

STEWARDSHIP



STEWARDSHIP

We commit to preserve and protect community resources through planning, innovating, collaborating and educating.

Strategic Measure (Lagging Indicator):

Reduce NBU GPCD by 1% Based off the 2024 10-year Average in both FY26 & FY27

Q3
128

Leading Indicator:

Meaningful Engagement for Water Reduction

Green ≥ 3 engagements

Yellow 2 engagements

Red ≤ 1 engagements

Leading Indicator:

Conservation Related Initiatives

Green ≥ 6 initiatives launched (balanced across seasons, at least 3 water-focused)

Yellow 5 – 4 initiatives launched

Red < 3 or fewer initiatives launched

			<u>Index</u>
Q1:	1.3* (4 performed)	2	50%
Q2:	3.7	2	100%
Q3:	3.7	4	100%
Q4:			

Mission

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FY 26/27 Strategic Measures – (How We Measure It)

INFRASTRUCTURE & TECHNOLOGY



INFRASTRUCTURE AND TECHNOLOGY

We maintain reliable and resilient systems through responsible planning, asset management, and innovative technologies that align with the strategic direction of the organization.

Strategic Measure (Lagging Indicator):

Maintain a Three Year Rolling Average SAIDI in top 10% of Texas utilities or three-year rolling average <52.56 minutes (99.99% reliability)

Q3
46.2 min

Leading Indicator:

Customer Feeder Count

Green ≤ 1200

Yellow 1201 - 1300

Red > 1301

Leading Indicator:

Tree Trimming

Green > 98,785 feet per month

Yellow 98,785 – 85,000 feet per month

Red < 85,000 feet per month

Leading Indicator:

Locate Accuracy

Green > 99.99%

Yellow 99.98 - 99.90%

Red < 99.90%

				<u>Index</u>
Q1:	1,208	165,667 ft	100%	89%
Q2:	1,222	102,610 ft	100%	89%
Q3:	1198	156,910 ft	99.92%	89%
Q4:				

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FY 26/27 Strategic Measures – (How We Measure It)

INFRASTRUCTURE & TECHNOLOGY



INFRASTRUCTURE AND TECHNOLOGY

We maintain reliable and resilient systems through responsible planning, asset management, and innovative technologies that align with the strategic direction of the organization.

Strategic Measure (Lagging Indicator):

Ensure Technology System Reliability ≥ 98% uptime for production systems

Q3
99.96%

	<u>Leading Indicator:</u> Tech Systems Monitoring Green > 99% Yellow 99 - 98% Red < 98	<u>Leading Indicator:</u> Critical Platforms past EoL Green < 5% Yellow 6 - 9% Red > 9%	<u>Leading Indicator:</u> End Point Device Protection Green > 99% Yellow 99 - 98% Red < 98%	<u>Leading Indicator:</u> Critical Hardware past EoL Green < 5% Yellow 6 - 9% Red > 9%	<u>Index</u>
Q1:	99.9%	3.5%	99.7%	0%	100%
Q2:	99.6%	3.6%	99.3%	0%	100%
Q3:	99.9%	4.4%	100%	0%	100%
Q4:					

Mission Strengthening our community by providing resilient essential services	+	Vision Be a trusted community partner dedicated to excellence in service	+	Core Values Safety, Team, Integrity, Culture, and Stewardship	NBU NEW BRAUNFELS UTILITIES
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FY 26/27 Strategic Measures – (How We Measure It)

INFRASTRUCTURE & TECHNOLOGY



INFRASTRUCTURE AND TECHNOLOGY

We maintain reliable and resilient systems through responsible planning, asset management, and innovative technologies that align with the strategic direction of the organization.

Strategic Measure (Lagging Indicator):

Maintain an Infrastructure Leakage Index (ILI) ≤ 3.0 over a three-year rolling average

Q3
2.3

Leading Indicator:

> 80% Maintenance Schedule Compliance for Water Operations – Distribution System

Green $\geq 80\%$

Yellow 79 - 66%

Red $< 66\%$

		<u>Index</u>
Q1:	84%	100%
Q2:	84%	100%
Q3:	89%	100%
Q4:		

Mission

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FY 26/27 Strategic Measures – (How We Measure It)

INFRASTRUCTURE & TECHNOLOGY



INFRASTRUCTURE AND TECHNOLOGY

We maintain reliable and resilient systems through responsible planning, asset management, and innovative technologies that align with the strategic direction of the organization.

Strategic Measure (Lagging Indicator):

Wastewater Treatment and Compliance Events- Maintain >98% Compliance

Q3
99.98%

Leading Indicator:

Solids Levels +/- 20% – (> 90% of Time)

Green > 90%

Yellow 60-89%

Red < 60%

Leading Indicator:

>80% Maintenance Schedule Compliance for Water Treatment and Compliance – WW Facilities

Green ≥ 80%

Yellow 66 - 79%

Red < 66%

			Index
Q1:	96%	86%	100%
Q2:	92.6%	90.3%	100%
Q3:	91%	85.7%	100%
Q4:			

Mission

Strengthening our community by providing resilient essential services



Vision

Be a trusted community partner dedicated to excellence in service



Core Values

Safety, Team, Integrity, Culture, and Stewardship



FY 26 Annual Priorities – (Company Focused Projects)

Customer Experience

- Implement target optimization CS initiatives that impact response time, Quality Assurance, Operation/Technology Efficiencies, and Communication Adoption

Q1:	On Track
Q2:	On Track
Q3:	On Track

Asset Management

- Establish NBU's Asset Data and Information Standards

Q1:	On Track
Q2:	On Track
Q3:	Complete

Project Management

- Implement PMIS for Capital Projects for Support Services

Q1:	On Track
Q2:	On Track
Q3:	Complete

Technology Modernization

- Select Financial System

Q1:	On Track
Q2:	On Track
Q3:	Change Request

PROPOSED CHANGES FOR FY27

PROPOSED CHANGES FOR FY26

Mission

Strengthening our community by providing resilient essential services

+

Vision

Be a trusted community partner dedicated to excellence in service

+

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PROPOSED CHANGES FOR FY27

UPDATED ANNUAL PRIORITY

FY 26 Annual Priorities – (Company Focused Projects)

Customer Experience

- Implement target optimization CS initiatives that impact response time, Quality Assurance, Operation/Technology Efficiencies, and Communication Adoption

Q1:	On Track
Q2:	On Track
Q3:	On Track

Asset Management

- Establish NBU's Asset Data and Information Standards

Q1:	On Track
Q2:	On Track
Q3:	Complete

Project Management

- Implement PMIS for Capital Projects for Support Services

Q1:	On Track
Q2:	On Track
Q3:	Complete

Technology Modernization

- Select Financial System

Q1:	On Track
Q2:	On Track
Q3:	

FY 26 Annual Priorities – (Company Focused Projects)

Technology Modernization

- Select Financial System



Technology Modernization

- Evaluate Customer Information System and Financial System Proposals
- Select Qualified Proposals

FY 26 Annual Priorities – (Company Focused Projects)

Customer Experience

- Implement target optimization CS initiatives that impact response time, Quality Assurance, Operation/Technology Efficiencies, and Communication Adoption

Q1:	On Track
Q2:	On Track
Q3:	On Track

Asset Management

- Establish NBU's Asset Data and Information Standards

Q1:	On Track
Q2:	On Track
Q3:	Complete

Project Management

- Implement PMIS for Capital Projects for Support Services

Q1:	On Track
Q2:	On Track
Q3:	Complete

Technology Modernization

- Evaluate Customer Information System and Financial System Proposals
- Select Qualified Proposals

Q1:	On Track
Q2:	On Track
Q3:	

PROPOSED CHANGES FOR FY27

PROPOSED CHANGES FOR FY27

PROPOSED CHANGES FOR FY27

UPDATED ANNUAL PRIORITIES

FY 27 Annual Priorities – (Company Focused Projects)

Customer Experience

- Implement targeted optimization CS initiatives on Response Time, Quality Assurance, Operations/Technology Efficiencies and Communication Adoption.

Technology Modernization

- Implement Phase 1 of the Financial System
- Select Customer Information System

Strategic Plan

- Update Strategic Plan

FY 27 Annual Priorities – (Company Focused Projects)

Technology Modernization

- Implement Phase 1 of the Financial System
- Select Customer Information System



Technology Modernization

- Select Financial System and Begin Implementation
- Select Customer Information System

FY 27 Annual Priorities – (Company Focused Projects)

Strategic Plan

- Update Strategic Plan



Strategic Plan

- Execute Communication Plan
- Select Lagging and Leading Indicators
- Align Objectives with FY28/29 2-year Rate Plan

FY 27 Annual Priorities – (Company Focused Projects)

Customer Experience

- Implement targeted optimization CS initiatives on Response Time, Quality Assurance, Operations/Technology Efficiencies and Communication Adoption.

Technology Modernization

- Select Financial System and Begin Implementation
- Select Customer Information System

Strategic Plan

- Execute Communication Plan
- Select Lagging and Leading Indicators
- Align Objectives with FY28/29 2-year Rate Plan

PROPOSED CHANGES FOR FY27

UPDATED LAGGING INDICATOR

PROPOSED CHANGES FOR FY27

PEOPLE & CULTURE



PEOPLE AND CULTURE

We care for our employees, build on our team-oriented culture, promote ethical behavior and prepare our team to meet the challenges ahead.

Strategic Measure (Lagging Indicator):

Sustain ≥ 89.3% Retention Rate for the Fiscal Year

Leading Indicator:

Monthly Stay Interviews

Green ≥ 3.5

Yellow 3.49 – 2.5

Red < 2.5

Leading Indicator:

New Hire Interviews avg. score of 3.5/5

Green: ≥ 3.5

Yellow: 3.49 – 2.5

Red: < 2.5

Leading Indicator:

Learner Satisfaction Rate

Green > 3

Yellow 3 - 2

Red < 2

Mission

Strengthening our community by providing resilient essential services



Vision

Be a trusted community partner dedicated to excellence in service



Core Values

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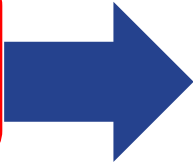
PROPOSED CHANGES FOR FY27

PEOPLE AND CULTURE

We care for our employees, build on our team-oriented culture, promote ethical behavior and prepare our team to meet the challenges ahead.



Strategic Measure (Lagging Indicator):
Sustain ≥ 89.3% Retention Rate for the Fiscal Year



Strategic Measure (Lagging Indicator):
Sustain ≥ 89% Retention Rate for the Fiscal Year

PROPOSED CHANGES FOR FY27

UPDATED LEADING INDICATORS

FY27 Strategic Measures – (How We Measure It)

CUSTOMERS AND COMMUNITY

We provide a customer-first focus and commit to innovative solutions to improve the customer experience.

CUSTOMERS & COMMUNITY



Strategic Measure (Lagging Indicator):

Improve the Customer Scores by 7% , and/or reaching the Texas average industry standard benchmark.

Leading Indicator:
 Speed to Answer:
Green < 3 min.
Yellow 3 - 10 min.
Red > 10 min.

Leading Indicator:
 Real Time Customer Satisfaction Rate
Green ≥ 85%
Yellow 84 - 70%
Red < 70%

Leading Indicator:
 First Contact Resolution
Green ≥ 70%
Yellow 69 - 60%
Red < 60%

Index

Q1:				
Q2:				
Q3:				
Q4:				

FY27 Strategic Measures – (How We Measure It)

CUSTOMERS AND COMMUNITY

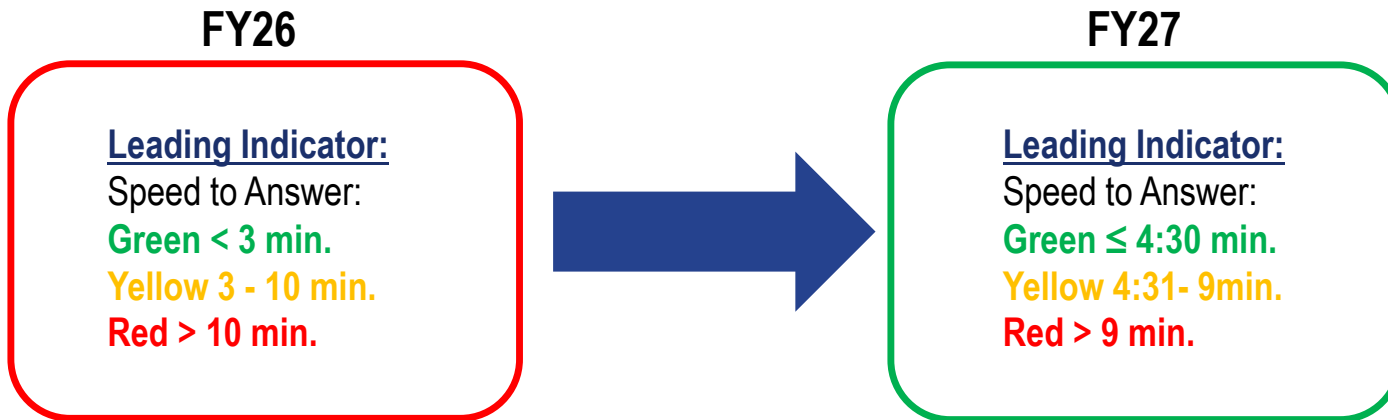
We provide a customer-first focus and commit to innovative solutions to improve the customer experience.

CUSTOMERS & COMMUNITY



Strategic Measure (Lagging Indicator):

Improve the Customer Scores by 7% , and/or reaching the Texas average industry standard benchmark.



FY27 Strategic Measures – (How We Measure It)

CUSTOMERS AND COMMUNITY

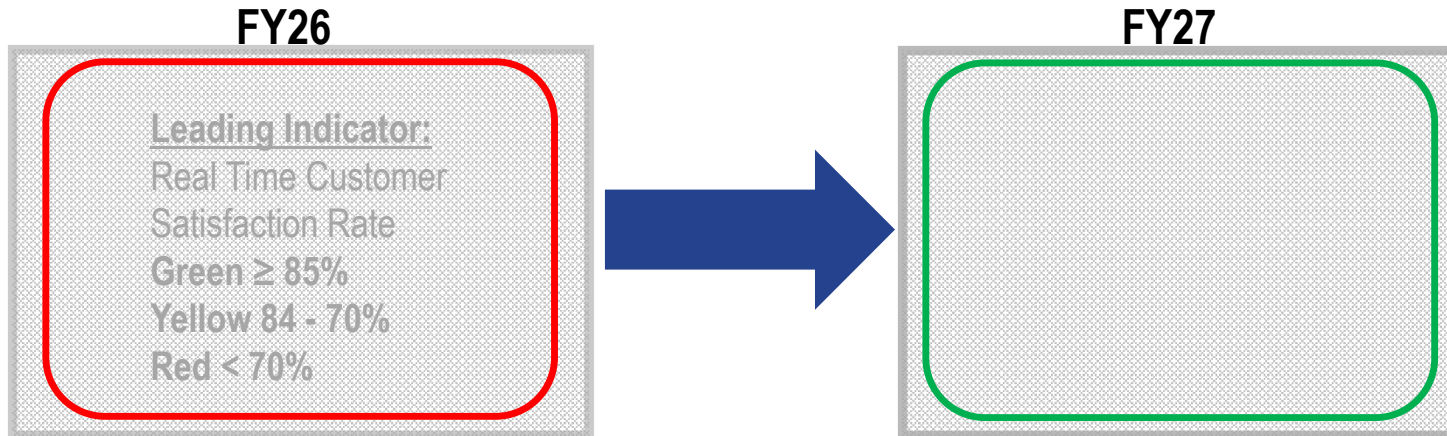
We provide a customer-first focus and commit to innovative solutions to improve the customer experience.

CUSTOMERS & COMMUNITY



Strategic Measure (Lagging Indicator):

Improve the Customer Scores by 7% , and/or reaching the Texas average industry standard benchmark.



FY 27 Strategic Measures – (How We Measure It)

SAFETY AND SECURITY

We strive to place security and safety as the highest priorities for every employee and customer.

SAFETY & SECURITY



Strategic Measure (Lagging Indicator):

Achieve a Safety Meeting Compliance Rate \geq 90% for all Departments

Leading Indicator:
 Quarterly Safety Meetings
 Green \geq 6
 Yellow 5
 Red \leq 4

Leading Indicator:
 Audited Safety/Tailboard Meetings % Completion
 Green 100%
 Yellow 99 - 95%
 Red $<$ 95%

			<u>Index</u>
Q1:	8	100%	100%
Q2:	12	100%	100%
Q3:	12	100%	100%
Q4:			

FY 27 Strategic Measures – (How We Measure It)

SAFETY AND SECURITY

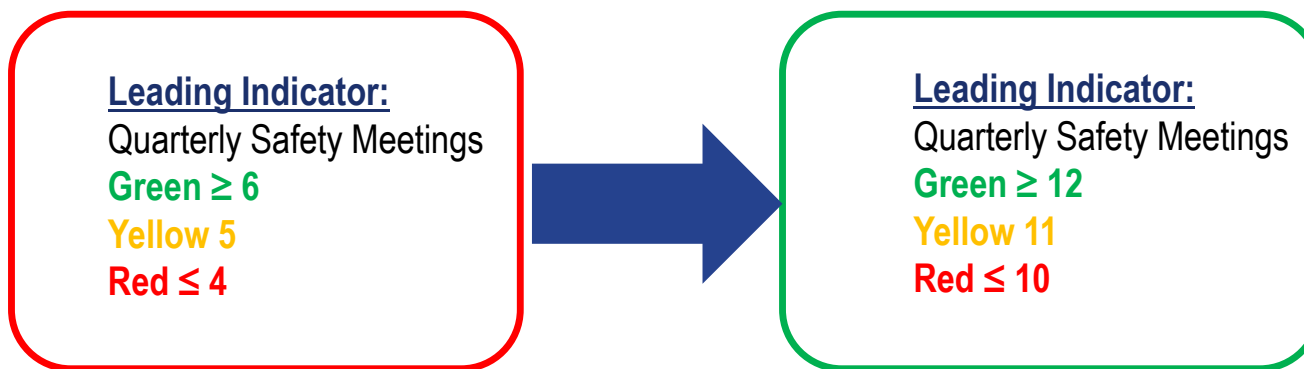
We strive to place security and safety as the highest priorities for every employee and customer.

SAFETY & SECURITY



Strategic Measure (Lagging Indicator):

Achieve a Safety Meeting Compliance Rate \geq 90% for all Departments



Mission

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QUESTIONS

Mission

Strengthening our community by providing resilient essential services



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Core Values

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Meeting Date: May 26, 2026 **Agenda Type:** Action Items

From: Jessica Coleman **Reviewed by:** John Warren
 Financial Planning and Director of Financial Planning and
 Analysis Manager Analysis

Submitted by: Jessica Williams **Approved by:** Ryan Kelso
 Chief Financial Officer Chief Executive Officer

RECOMMENDED ACTION: Discuss and Consider Adoption of Resolution R-2026-216 Relating to the Issuance of Short Term Obligations and Resolving Other Matters Incident and Related Thereto

BACKGROUND

As a participant in the Electric Reliability Council of Texas (“ERCOT”) wholesale electric market, NBU is required to maintain financial collateral to support market activities and satisfy ERCOT credit requirements to cover NBU’s Total Potential Exposure (TPE). This exposure includes financial obligations arising from settlements in the Day-Ahead Market (DAM) and Real-Time Market (RTM). ERCOT accepts three primary forms of collateral: cash, surety bond, and letter of credit (“LOC”).

NBU is pursuing this LOC to replace its current cash collateral, which will release approximately \$9 million in cash back to the NBU’s operational funds. By utilizing an LOC, NBU will maintain its required market standing with ERCOT while increasing its cash liquidity for other infrastructure projects and operational needs.

NBU’s municipal advisor solicited proposals from several qualified financial institutions for the LOC, and Wells Fargo Bank, N.A. was selected based on their competitive terms and compliance with ERCOT’s strict issuer rating and concentration limits.

The proposed LOC will:

- Satisfy ERCOT collateral and credit support requirements.
- Reduce the amount of NBU cash required to remain on deposit with ERCOT.
- Improve liquidity and financial flexibility.
- Preserve cash reserves for operating needs, emergencies, and capital funding needs.
- Diversify NBU’s collateral management strategy.

The LOC does not represent new debt issued for capital spending purposes, but rather a contingent credit support instrument used to support participation in the ERCOT market.

NBU staff requests that the Board approve resolution #R-2026-216 authorizing the issuance of the LOC facility in an amount not to exceed \$25,005,000.00 and authorizing the execution of related agreements and documents necessary to support ERCOT collateral requirements. The proposed timeline includes City Council authorization of the issuance of the LOC facility on June 8, 2026, and access to the LOC by mid-June 2026.

FINANCIAL IMPACT

Approval of the LOC is expected to release to NBU approximately \$9 million of currently restricted cash collateral held by ERCOT. NBU will incur annual bank fees associated with maintaining the LOC facility; however, NBU staff believes the liquidity and financial flexibility benefits outweigh the associated costs.

The LOC transaction is expected to:

- Improve available liquidity and cash management flexibility.
- Reduce reliance on maintaining large cash balances as ERCOT collateral.
- Support ongoing financial resiliency and operational readiness.
- Provide flexibility in managing future ERCOT collateral requirements.

LINK TO STRATEGIC PLAN

Financial Excellence

EXHIBITS

1. Resolution# R-2026-216

Electric Reliability Council of Texas (ERCOT) Letter of Credit (LOC)

**John Warren,
Director of Financial Planning and Analysis**



- May 26, 2026

Executive Summary

Authorize the execution of a Letter of Credit (LOC) facility with Wells Fargo Bank, N.A.

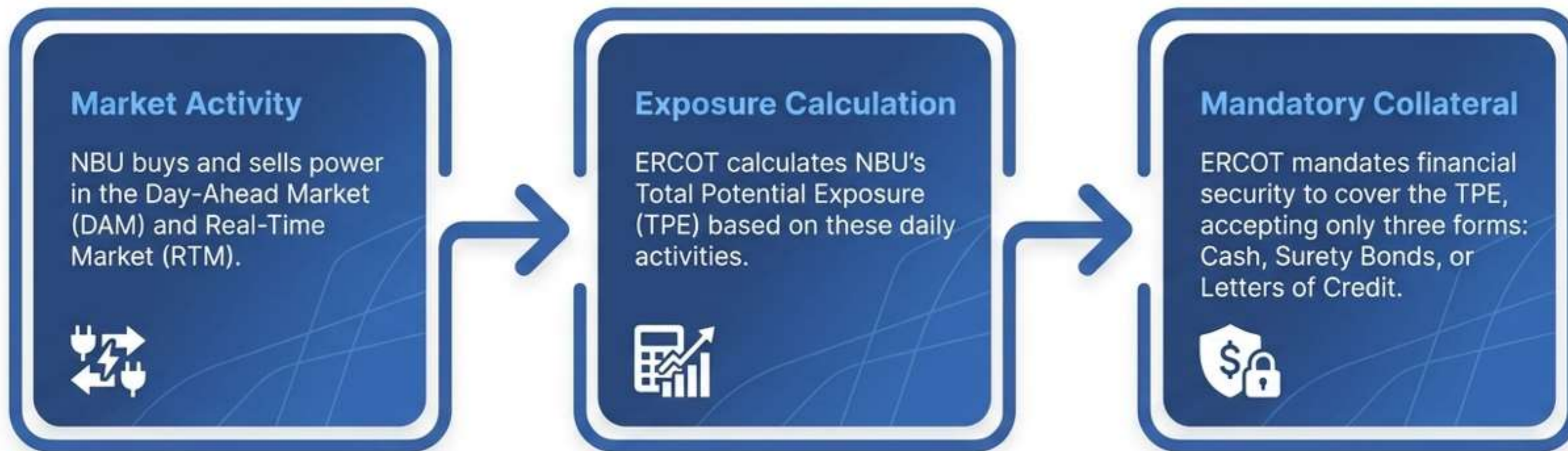
- Maximum Facility Amount: \$25,005,000.00



~\$9,000,000

Cash collateral immediately released back to NBU operational funds.

ERCOT Market Participation Requires Collateral



Mission

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Vision

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The Strategic Pivot to a Letter of Credit

Substituting our cash deposit with an LOC maintains our mandatory market standing while instantly restoring liquidity.

Current Strategy (Restricted Cash)



Proposed Strategy (Unlocking Liquidity)



This action releases approximately \$9 million directly back into NBU's operational funds.

Timeline to Execution



Questions?

Mission

Strengthening our community by providing resilient essential services

+

Vision

Be a trusted community partner dedicated to excellence in service

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Core Values

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Meeting Date: May 26, 2026 **Agenda Type:** Presentation Items

From: Andrew Cummings
Interim Chief Customer Officer **Reviewed by:** Andrew Cummings
Interim Chief Customer Officer

Submitted by: Andrew Cummings
Interim Chief Customer Officer **Approved by:** Ryan Kelso
Chief Executive Officer

RECOMMENDED ACTION: Presentation on the New Braunfels Utilities Customer Satisfaction Survey Results for Fiscal Year 2026 from Great Blue Research



Report of Findings

2026 Residential & Commercial Customer Satisfaction Study

23 April 2026

Confidential & Proprietary

Table of Contents

SECTION ONE

Project Overview

SECTION TWO

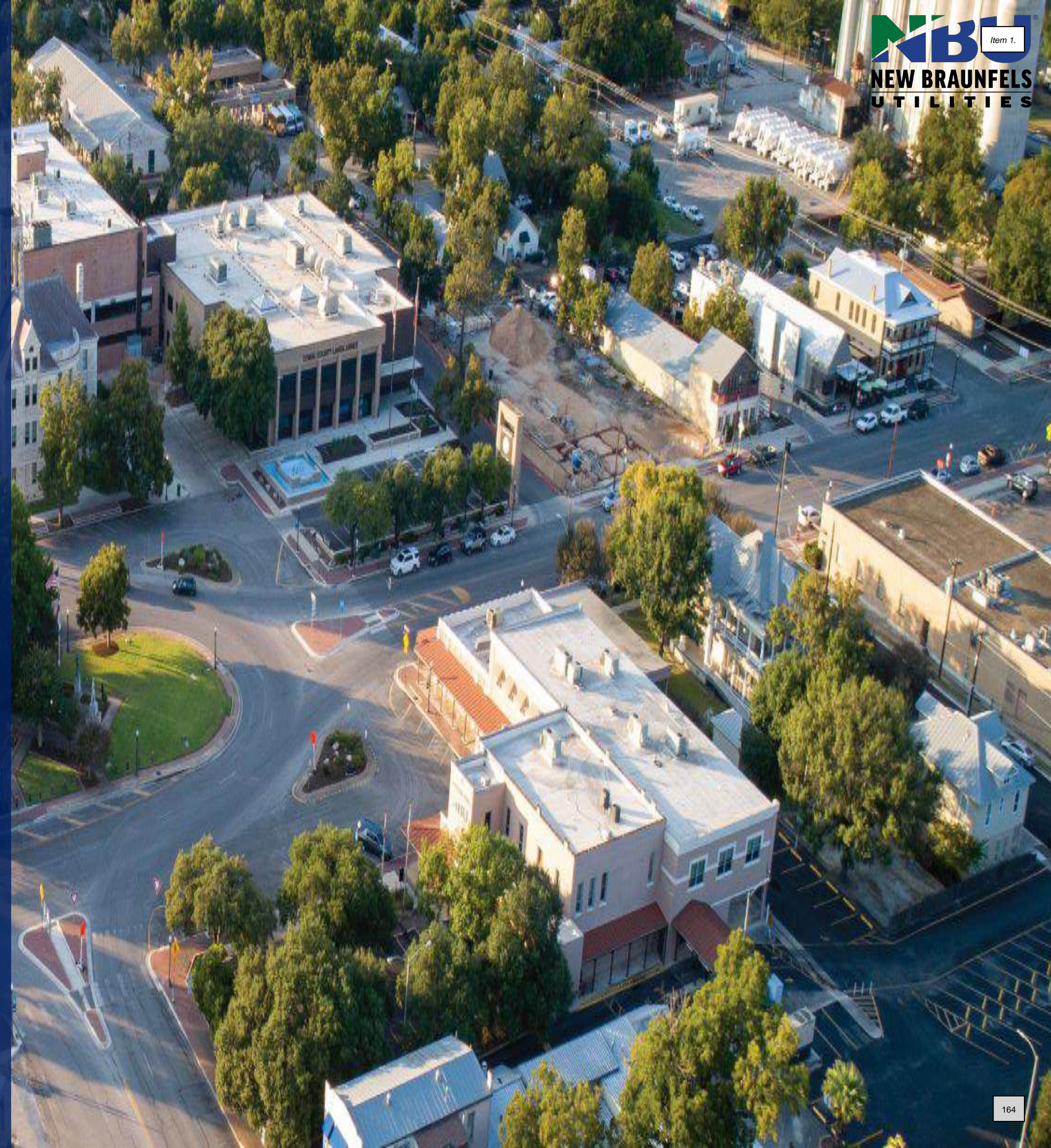
Key Study Findings

SECTION THREE

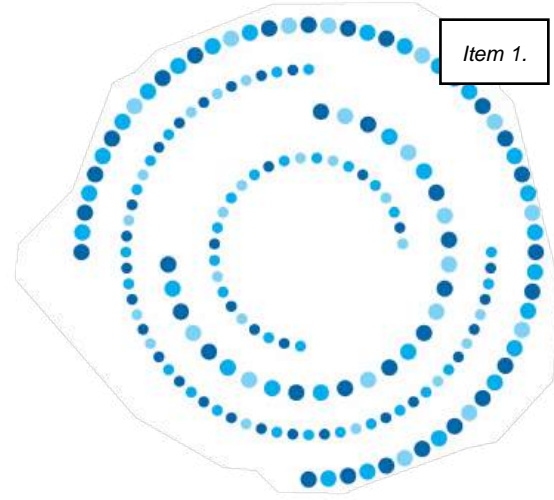
Considerations

SECTION FOUR

About GreatBlue

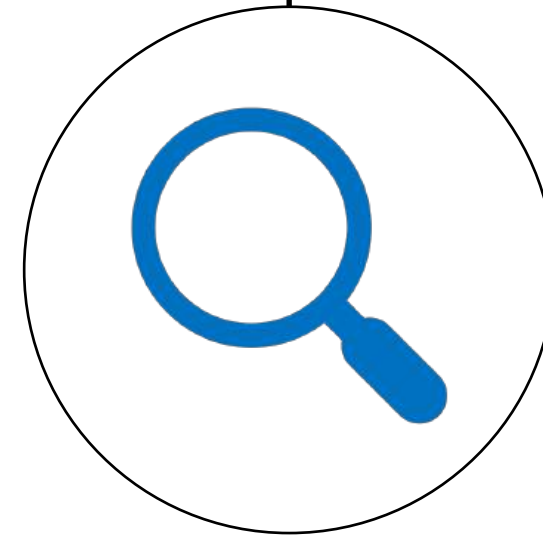


Project Overview



Research Objectives

- GreatBlue Research was commissioned by New Braunfels Utilities (hereinafter "NBU") to conduct market research to understand residential and commercial customer satisfaction levels with NBU and assess shifts in ratings over time.
- The primary goals of this research study were to assess the effectiveness of NBU's ability to serve its customers, identify areas for improvement, and isolate areas that may increase engagement.
- The outcome of this research will enable NBU personnel to a) more clearly understand, and ultimately set, customer expectations, b) act on near-term opportunities for improvement, and c) create a strategic roadmap to increase customer satisfaction.



Areas of Investigation

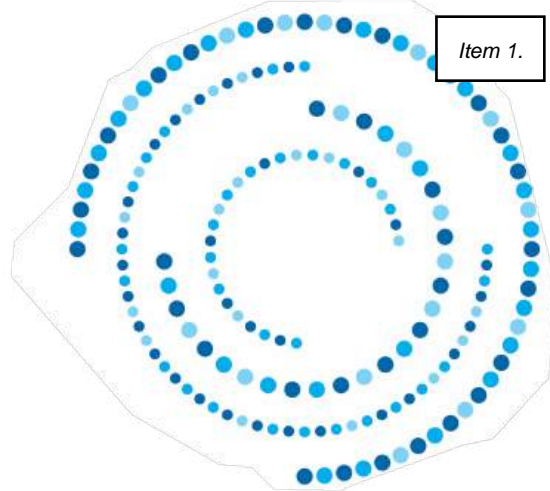
This study leveraged a quantitative research methodology to address the following areas of investigation:

- Rating NBU's organizational characteristics
- Year-over-year trends in organizational characteristic ratings
- Comparative performance analysis of NBU's organizational characteristics against the Public Power Data Source (PPDS) National and Texas statewide utility benchmarks
- Influence of survey methodology (phone vs. online) on customer perception of organizational characteristics
- Customer perception variations by contact method (phone, email, text)
- Comparison of NBU's ratings to similarly sized utilities within Texas who also offer electric, water, and wastewater services
- Sentiment analysis of open-ended feedback, including most commonly cited positive and negative themes, with representative customer quotes
- Impact of excluding customers who mentioned "recycling or trash concerns" on overall organizational characteristic ratings
- Demographic & Firmographic profile of respondents



Residential Study Findings

Project Overview | Residential

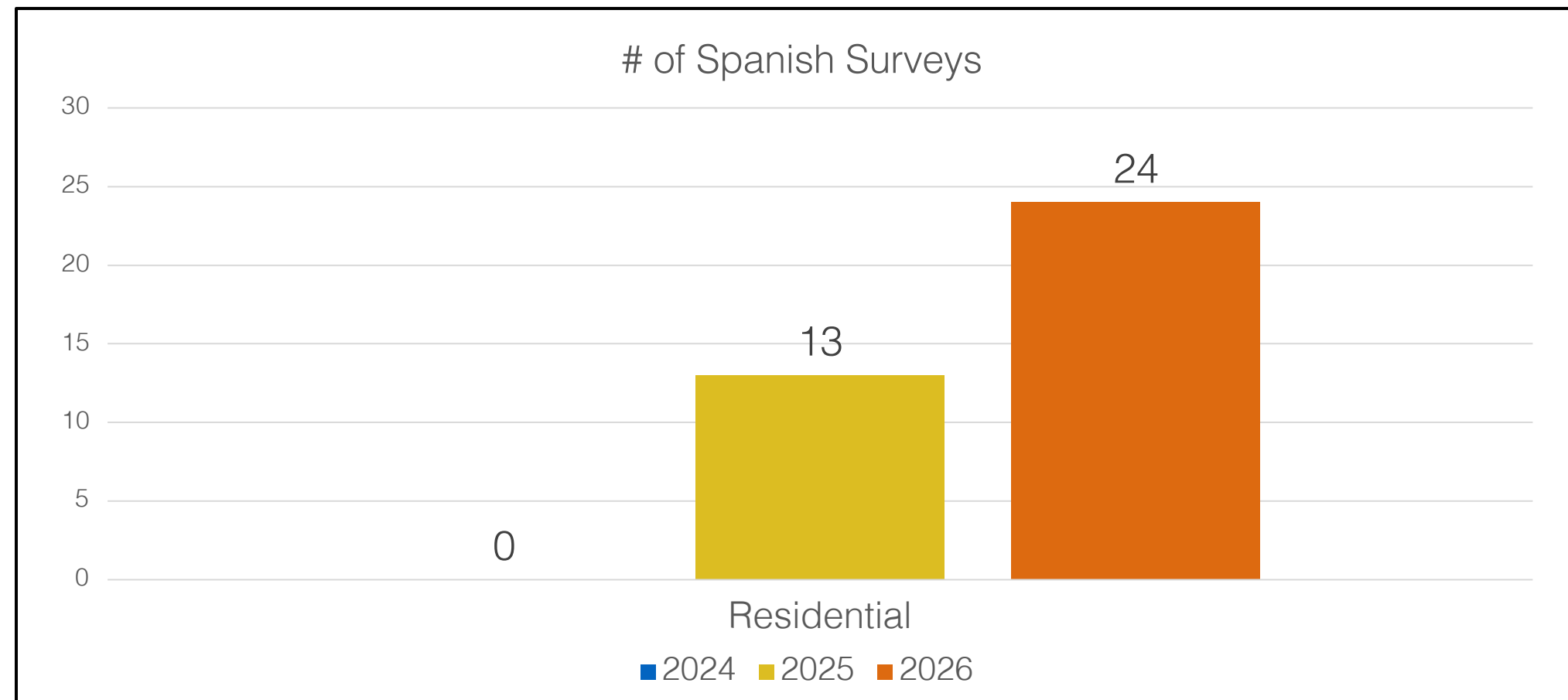
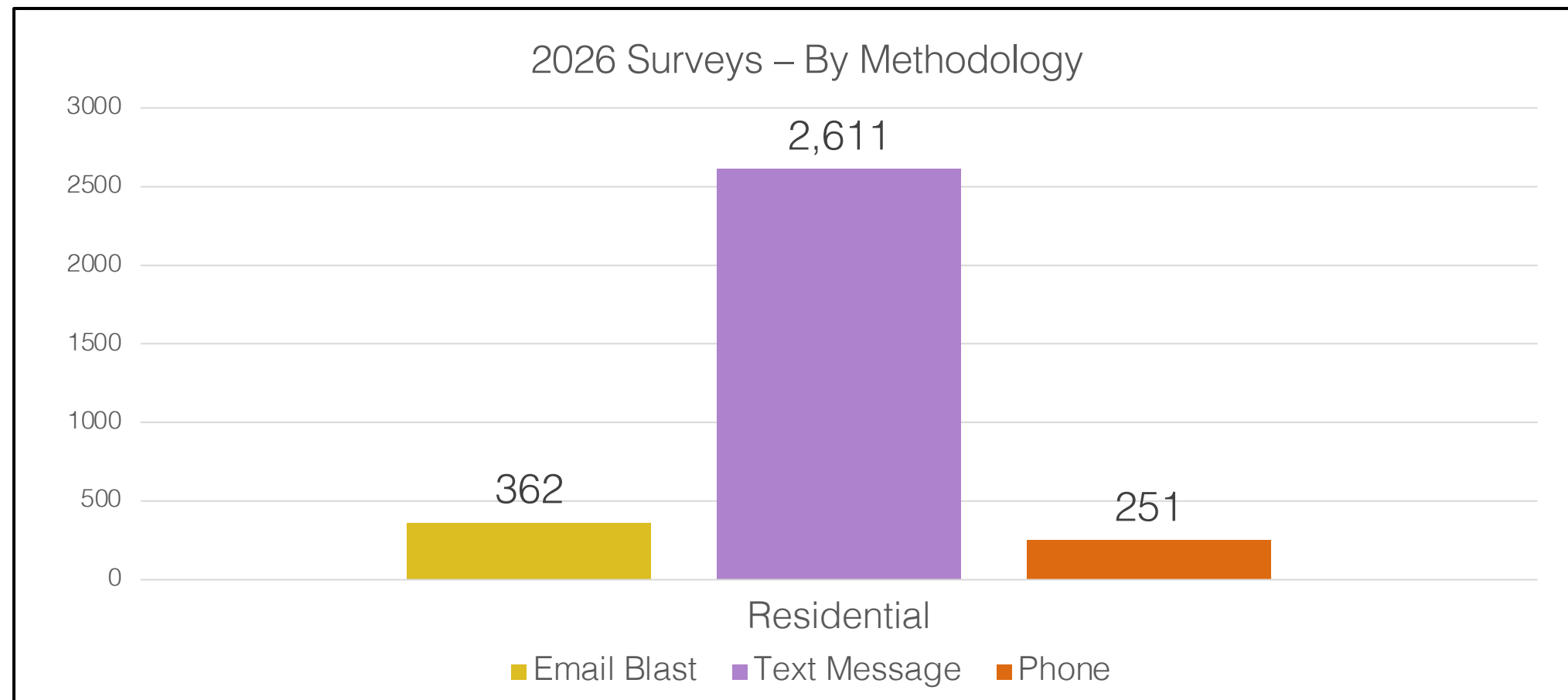
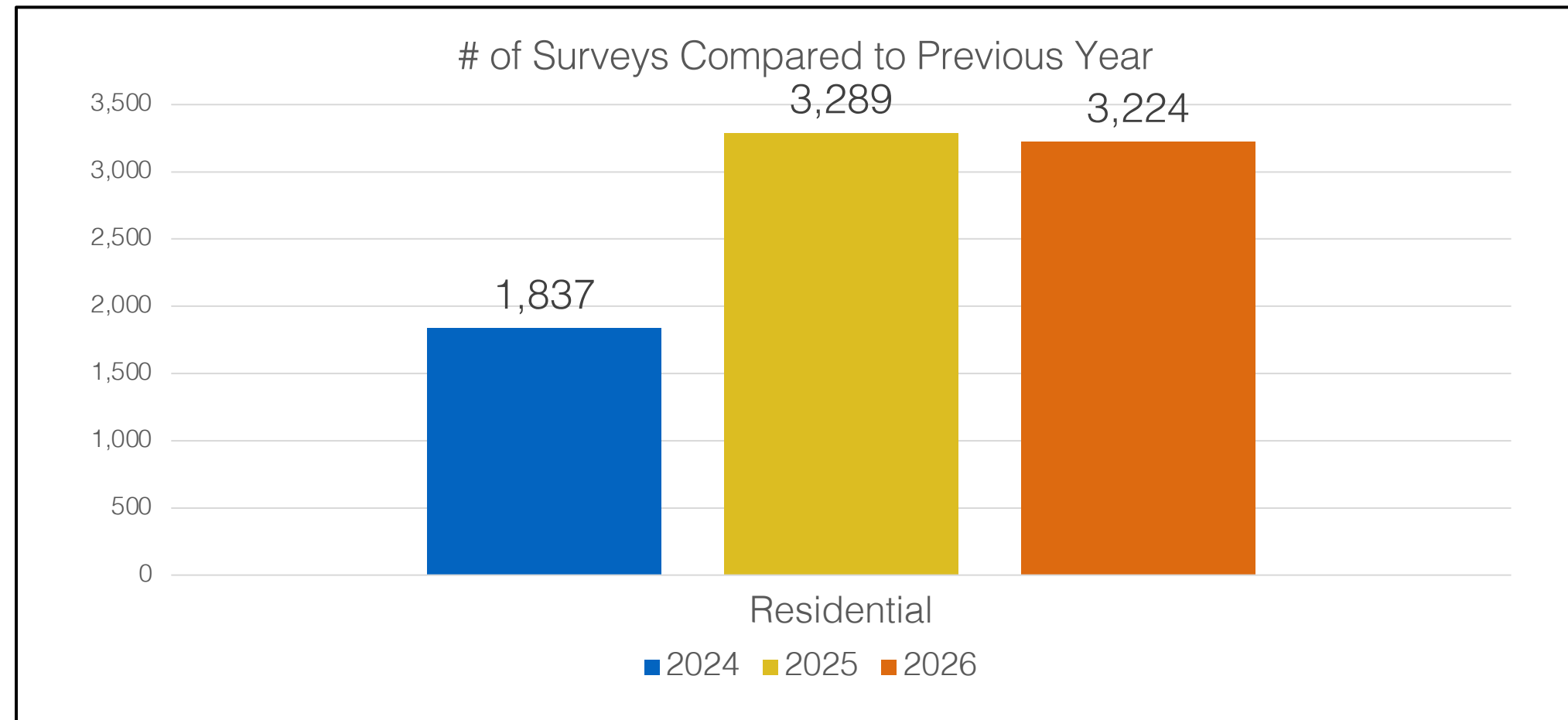
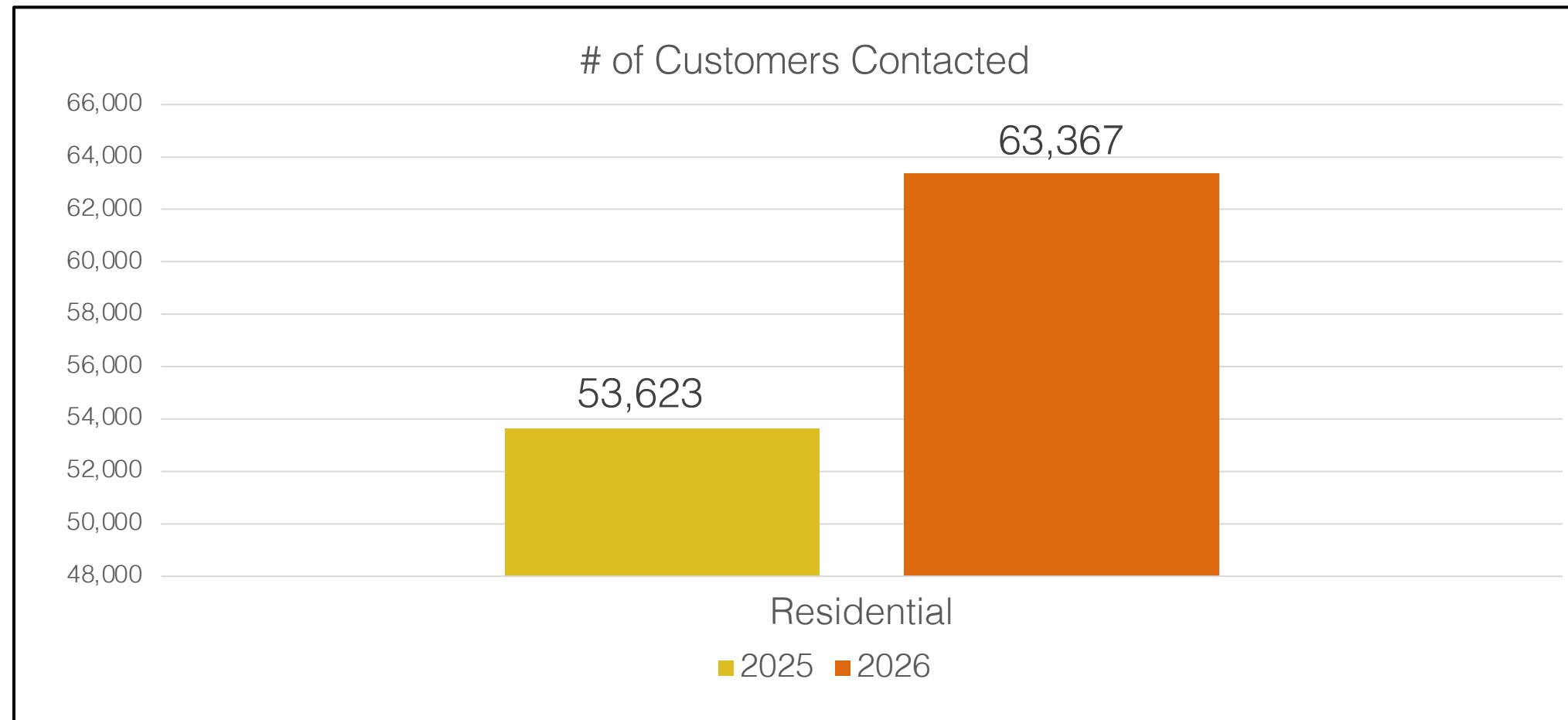


Methodology Email / Text / Phone	No. of Completes 3,224	No. of Questions 12*	Incentive None	Sample Customer Sample
Target Residential	Quality Assurance Dual-level**	Margin of Error +/- 1.7%	Confidence Level 95%	Research Dates March 2 - 31, 2026

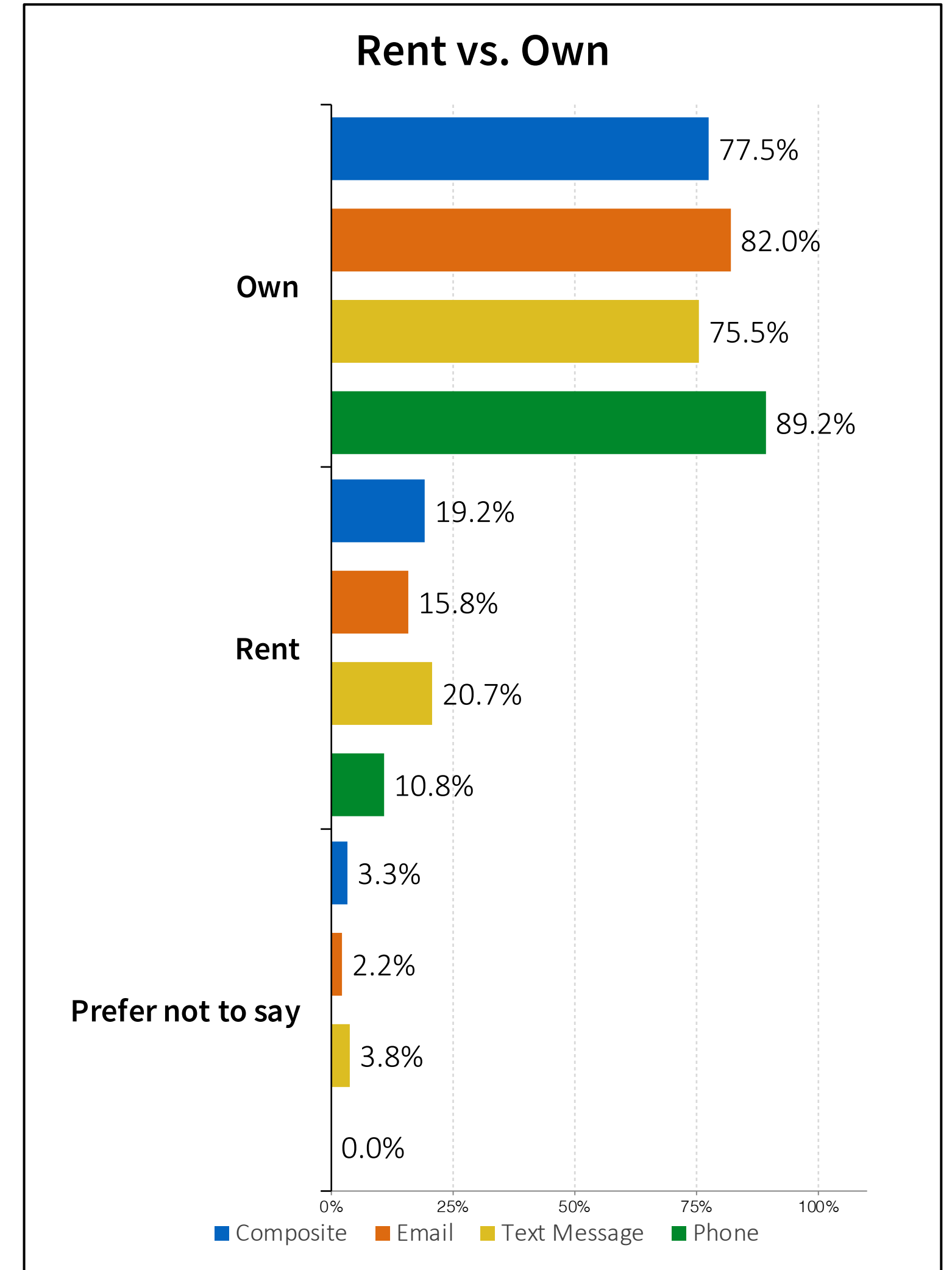
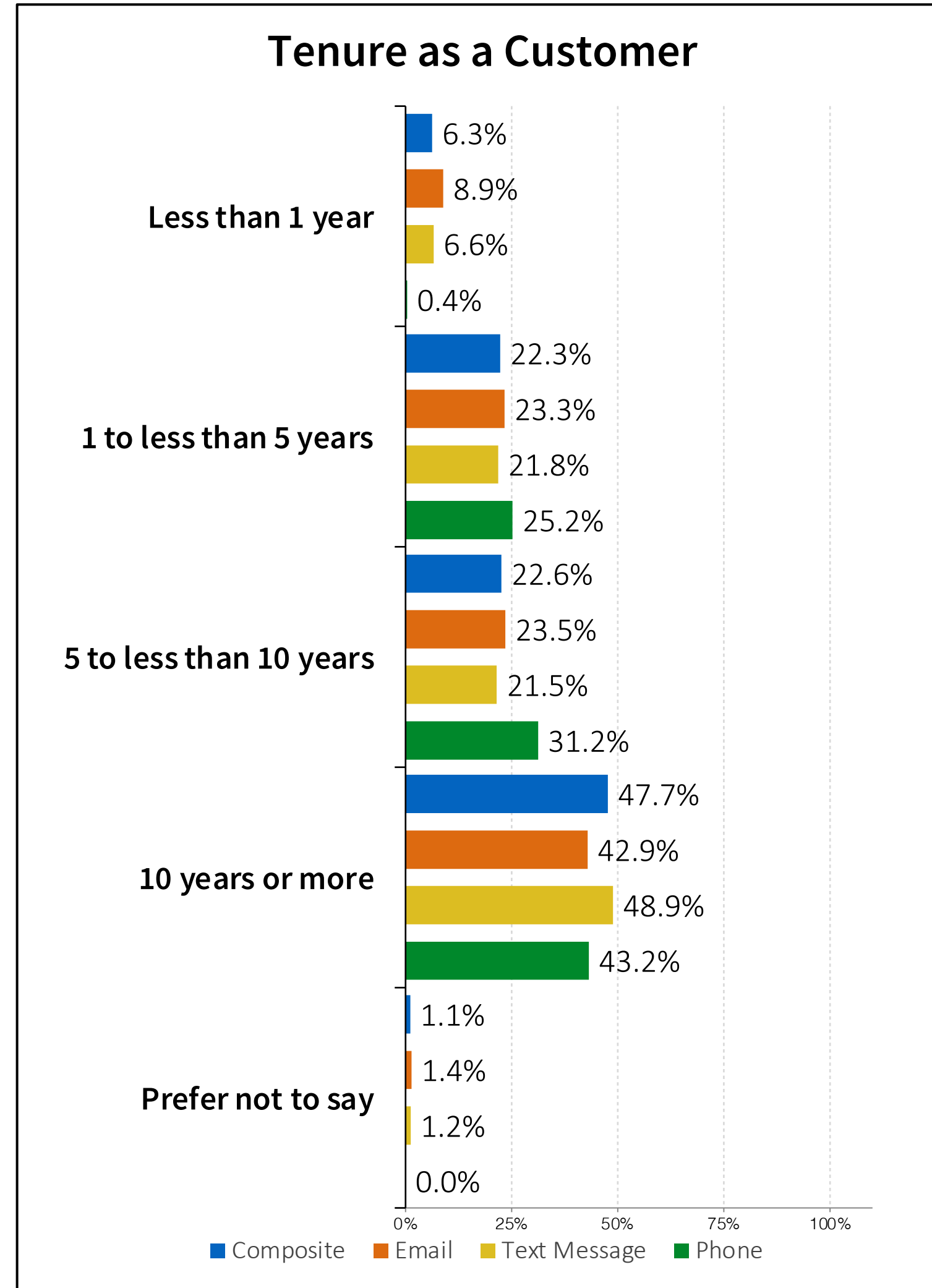
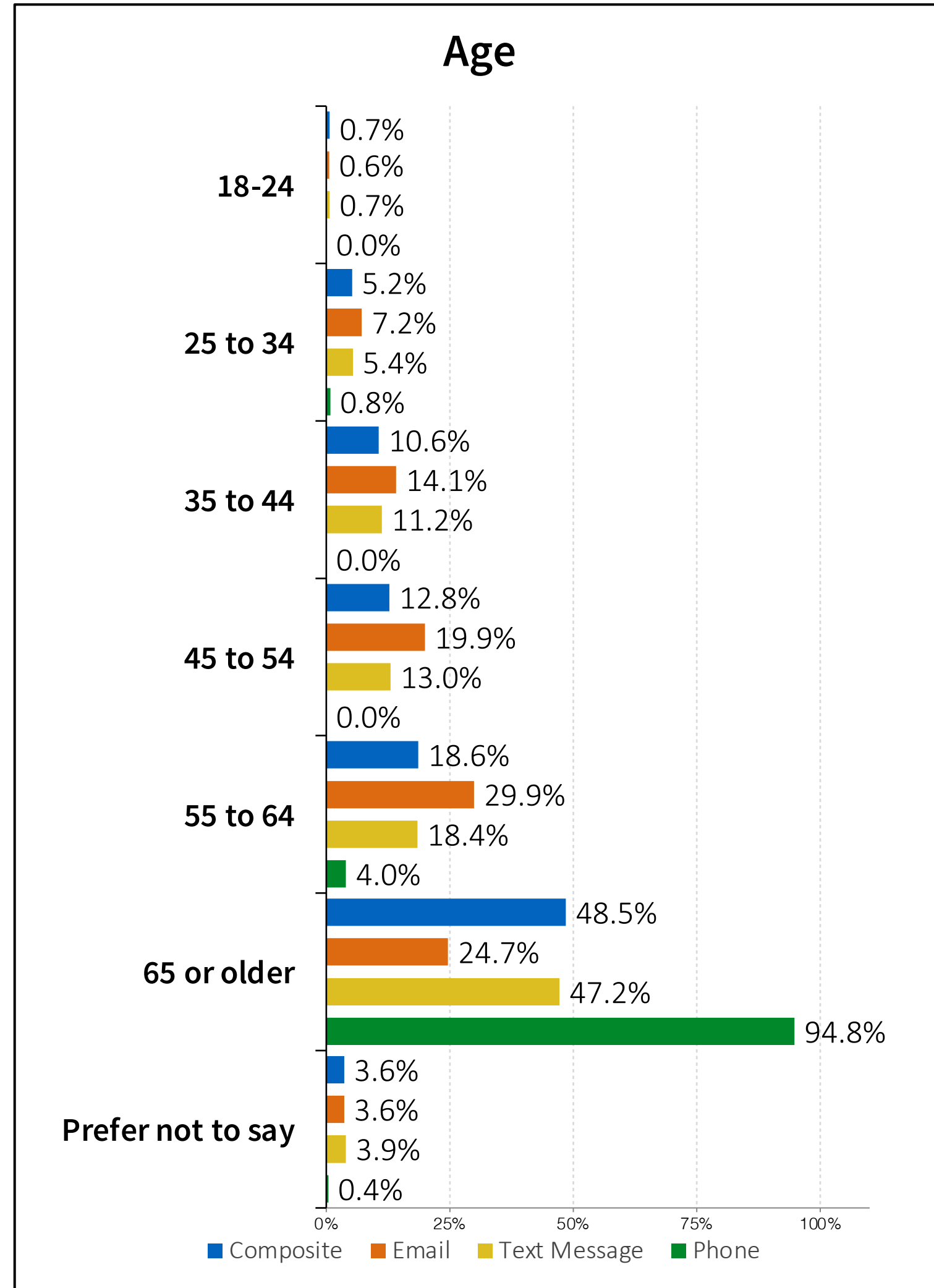
* This represents the total possible number of questions; not all respondents will answer all questions based on skip patterns and other instrument bias.

** Data quality and supervisory personnel, in addition to computer-aided interviewing platform, ensure the integrity of the data is accurate.

Project Overview | Residential Methodology



Respondent Profile | Residential Demographics



N= 3,224 (Composite), 251 (Phone), 2,611 (Text Message), 362 (Email)



Residential Results



Residential Key Study Findings



Overall & Average Satisfaction

- **Overall Satisfaction:** Over one-half of residential customers (**54.5%**) reported positive overall satisfaction with NBU in 2026, which was consistent with 2025 findings (-0.3 percentage points) - but remains a year-over-year improvement from 2024 (+10.6 percentage points).
- **Average Satisfaction:** The average positive rating across all organizational characteristics stayed consistent at **57.4%**, which was on par with 2025 (57.2%), driven by relatively strong ratings for:
 - NBU's staff is helpful and knowledgeable (**67.8%**)
 - NBU is involved in the community (**65.4%**)
 - NBU promptly responds to customer questions & complaints (**62.7%**)

Satisfaction Drivers by Survey Method

- Customers surveyed by phone reported the highest overall satisfaction, with scores **16.0 percentage points higher** than digital respondents. Phone respondents also gave notably higher marks for providing good service and value for the cost of utilities.
- Within the digital methodology, customers surveyed by text reported higher average satisfaction than email respondents (**+7.4 percentage points**), especially driven by the utility's openness and honesty.



Open-Ended Themes – Areas of Satisfaction

Customer feedback highlights a relatively strong foundation of satisfaction among a segment of the residential customer base, with positive sentiment centered on reliable service delivery and overall ease of interaction.

- Customers frequently express general satisfaction with overall service quality, often describing their experience positively without specific concerns.
- Reliable and consistent service is a key strength, reinforcing confidence in day-to-day utility performance.
- Positive customer service experiences, including helpful and/or professional staff, contribute to favorable perceptions.
- Ease of billing and account management also supports a smooth and convenient customer experience.





Open-Ended Themes – Areas of Dissatisfaction

Customer concerns are more specific and concentrated, with cost emerging as the primary driver of negative sentiment.

- Cost and rates are the most prominent concern, with many customers citing affordability challenges and perceived lack of value.
- Water quality and pressure issues are noted by some customers but tend to be more highly salient among those affected.
- Customer service responsiveness presents challenges, particularly around timeliness and issue resolution.
- Website usability concerns create friction and, in some cases, contribute to lower trust.

Satisfaction | Year over Year & Public Power Data Source (PPDS) Comparison

In 2026, NBU received a consistent frequency of positive ratings across six (6) out of eight (8) organizational characteristics compared to 2025. This led to an overall average positive rating of 57.4%, which was also consistent compared to 2025 (57.2%). This was driven by residential customers providing higher ratings for "the conservation tips and advice NBU provides helps me save money on my utility bill" (+2.0 percentage points); offset by slightly lower ratings for "NBU providing good service and value for the cost of utilities" (-1.3 percentage points).

Company characteristics NBU	2024	2025	2026	Difference		
NBU promptly responds to customer questions and complaints	48.2%	63.4%	62.7%	-0.7%	62.7%	65.9%
NBU is open and honest about company operations and policies	38.2%	53.6%	54.0%	+0.4%	55.8%	61.7%
NBU provides good service and value for the cost of utilities	36.9%	49.1%	47.8%	-1.3%	61.0%	62.6%
NBU is involved in the community	48.7%	64.8%	65.4%	+0.6%	62.0%	59.9%
NBU's staff is helpful and knowledgeable	58.4%	67.3%	67.8%	+0.5%	66.8%	67.1%
NBU does a good job communicating with customers	48.3%	60.1%	60.6%	+0.5%	58.8%	65.9%
The conservation tips and advice NBU provides helps me save money on my utility bill	32.4%	44.4%	46.4%	+2.0%	56.9%	54.5%
I am satisfied overall with NBU	43.9%	54.8%	54.5%	-0.3%	71.9%	70.2%
Average	44.4%	57.2%	57.4%	+0.2%	62.0%	63.5%

Aggregate of ratings 4 & 5 shown without "don't know / unsure" responses

 National data from the Public Power Data Source (PPDS)

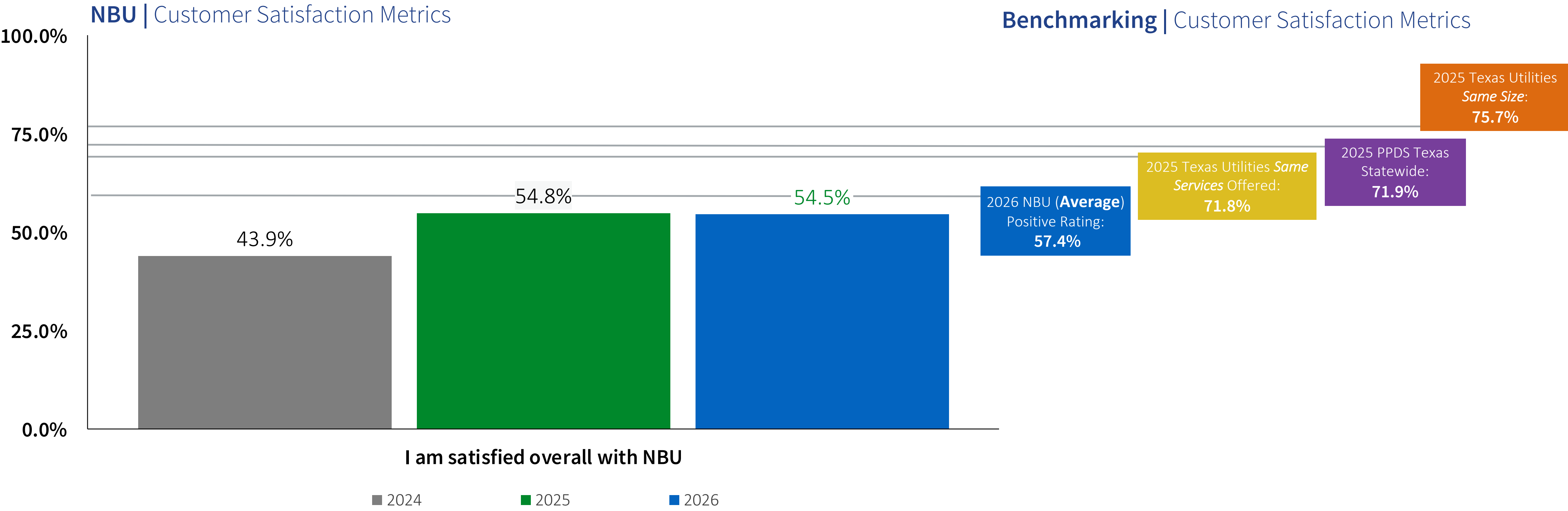
 Texas data from the Public Power Data Source (PPDS)

N= 1,837 (2024), 3,289 (2025), 3,224 (2026) 12,000 (PPDS Total), 249 (PPDS Texas)

*The Public Power Data Source (PPDS) is a residential customer satisfaction benchmarking tool

Statewide Benchmark | Overall Satisfaction

Surveyed residential customers provided consistent ratings for their overall satisfaction with NBU in 2026 compared to 2025 (-0.3 percentage points), and higher average positive ratings compared to 2024 (+10.6 percentage points). However, NBU's 2026 overall satisfaction rating was 17.3 percentage points lower than the average for Texas utilities that offer the same services as NBU and 21.2 percentage points lower than the average for Texas utilities that are the same size as NBU.

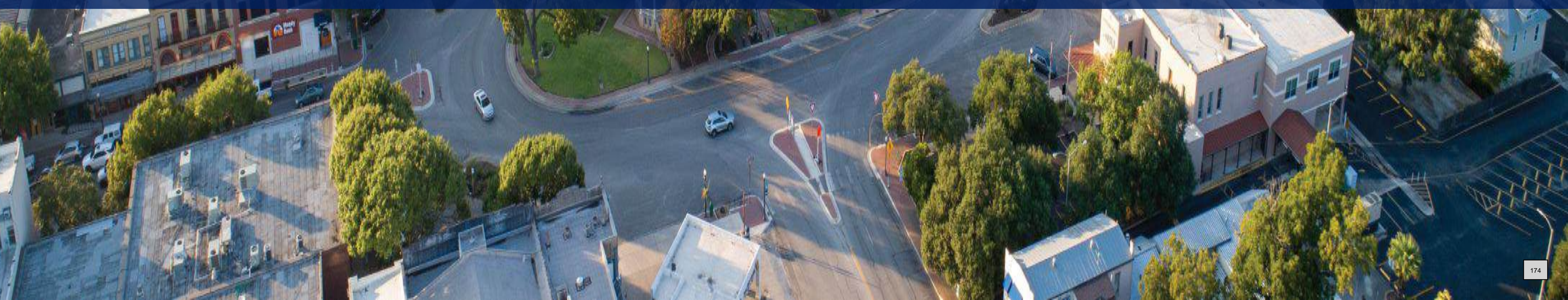


N= 1,837 (2024), 3,289 (2025), 3,224 (2026), 249 (2025 PPDS Texas Statewide), 124 (2025 PPDS Texas Utilities Same Services Offered), 74 (2025 PPDS Texas Utilities Same Size)
 % indicates a statistically significant difference at a 95% confidence level.

Aggregate of ratings 4 & 5 shown without "don't know / unsure" responses



Commercial Study Findings



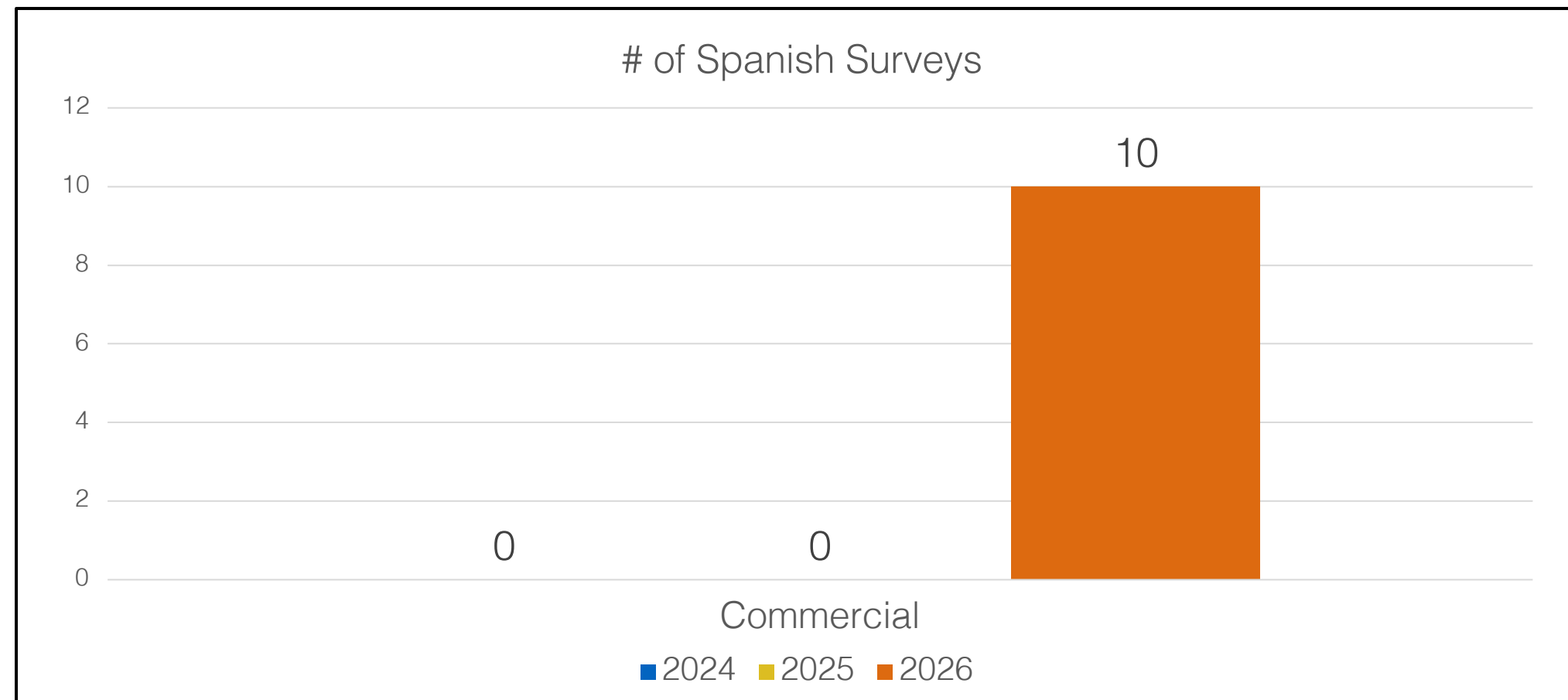
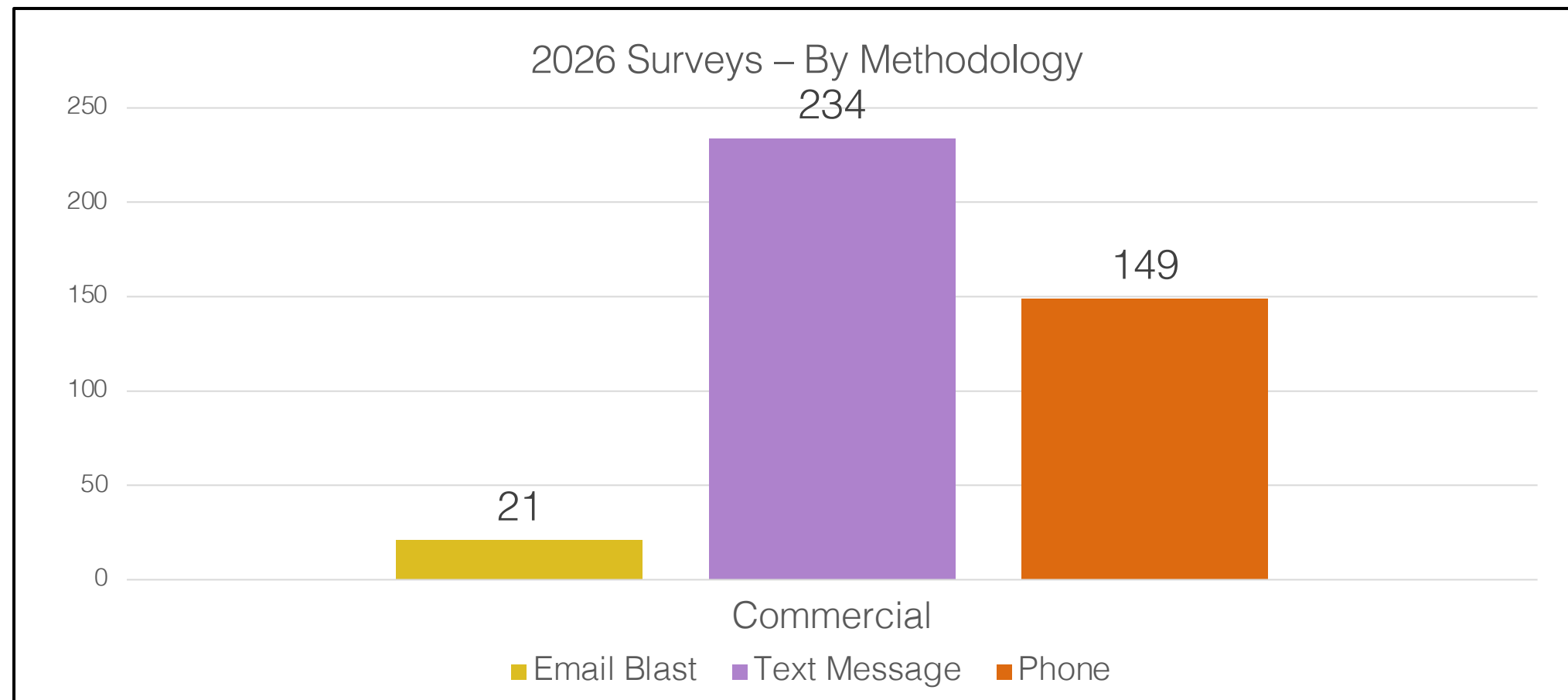
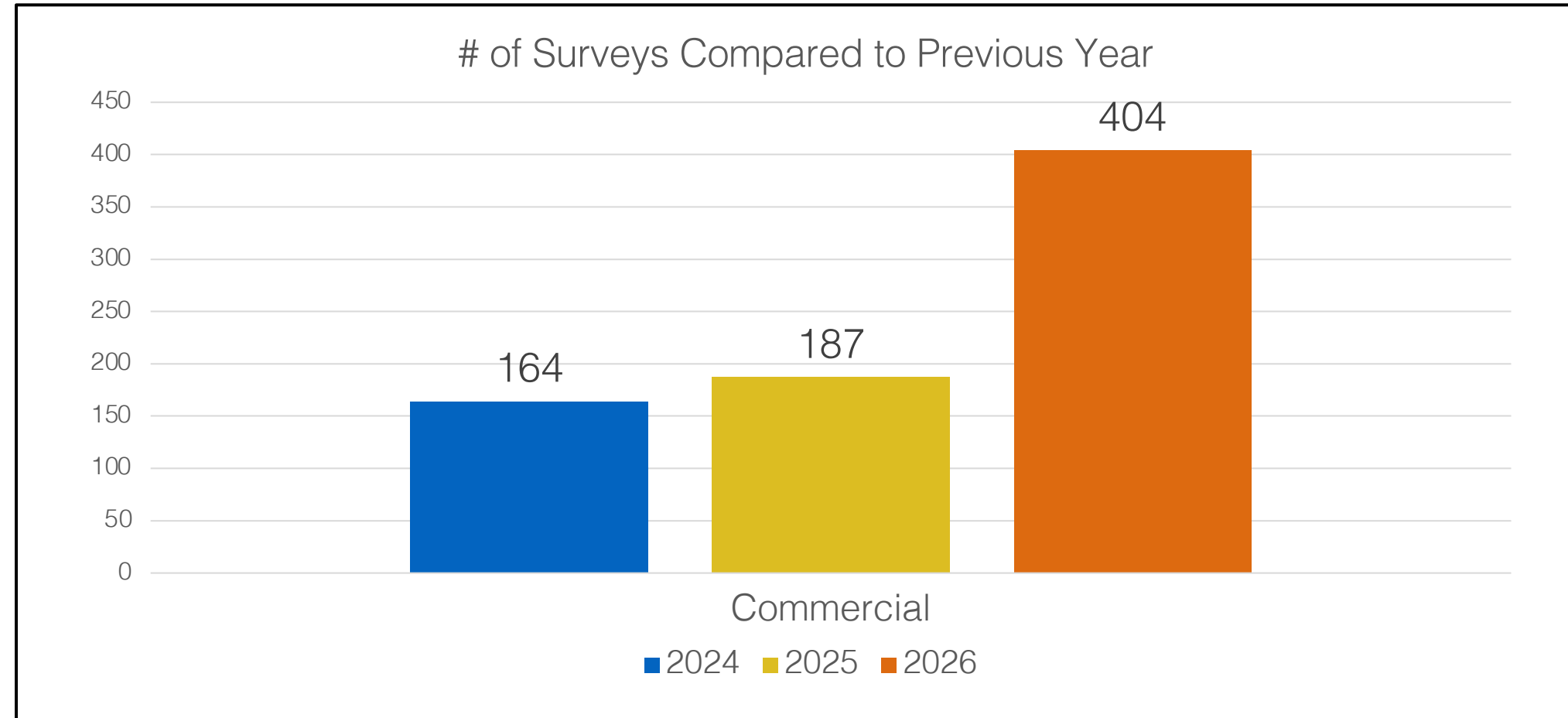
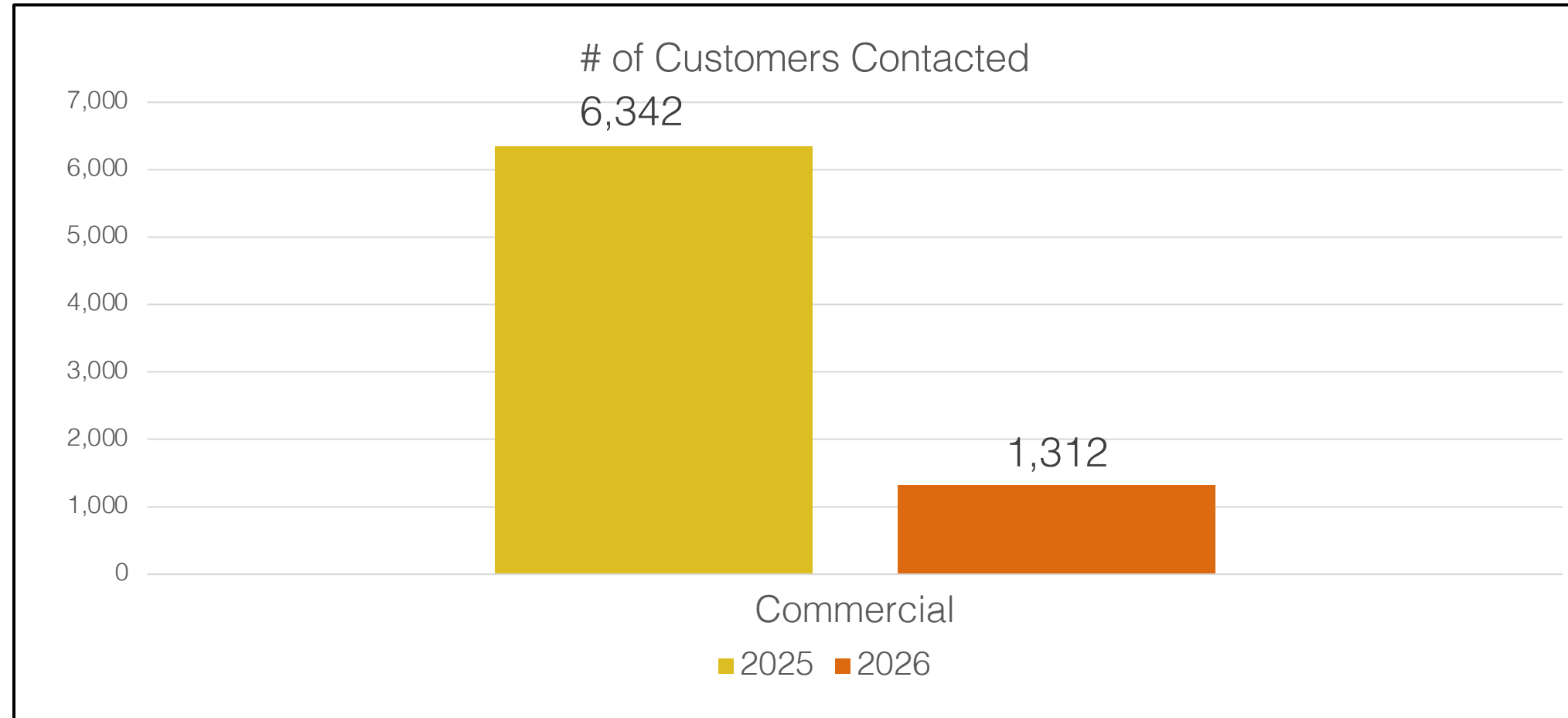
Project Overview | Commercial

Methodology Email / Text / Phone	No. of Completes 404	No. of Questions 12*	Incentive None	Sample Customer Sample
Target Commercial	Quality Assurance Dual-level**	Margin of Error +/- 4.5%	Confidence Level 95%	Research Dates March 2 – 31, 2026

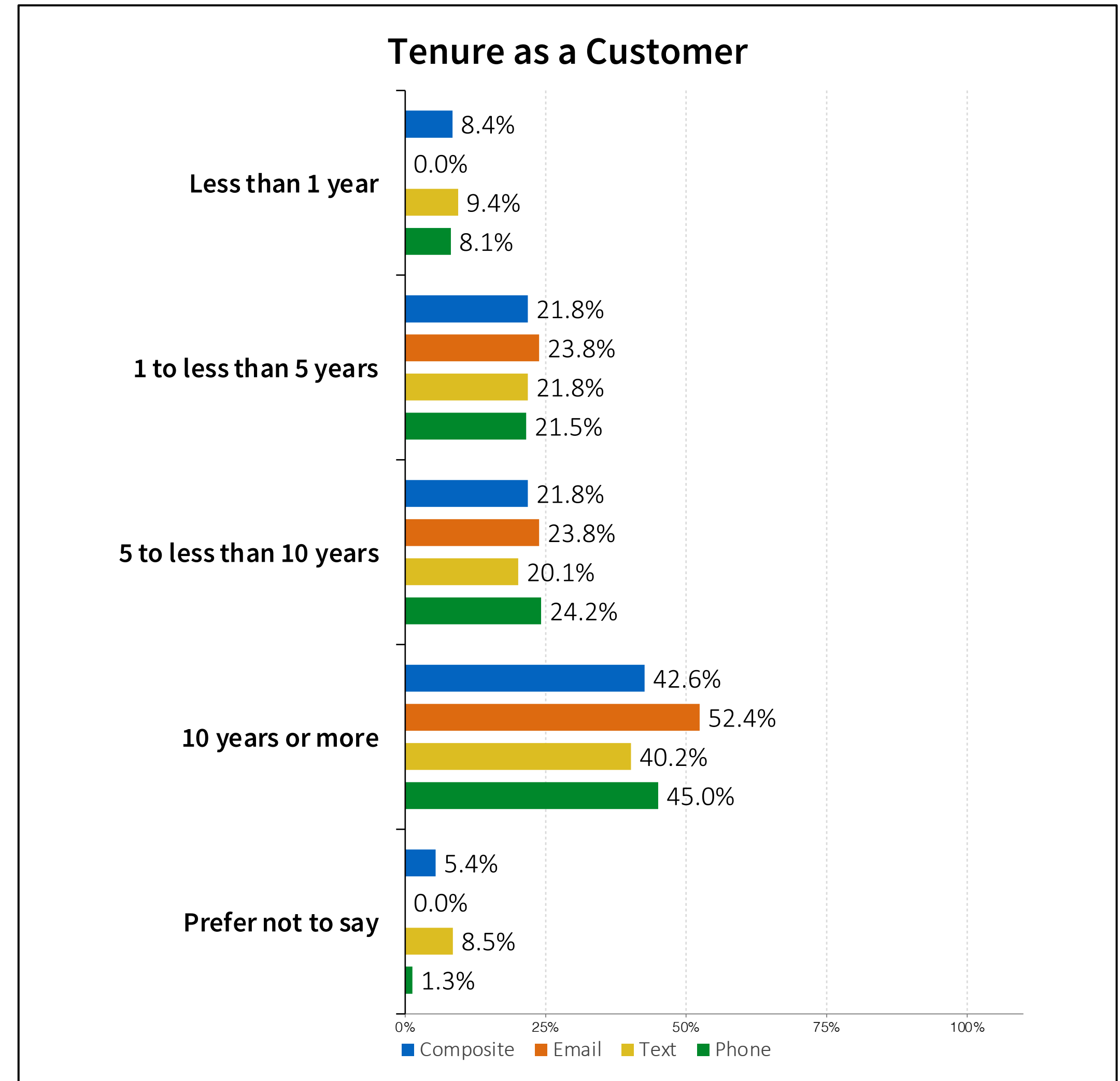
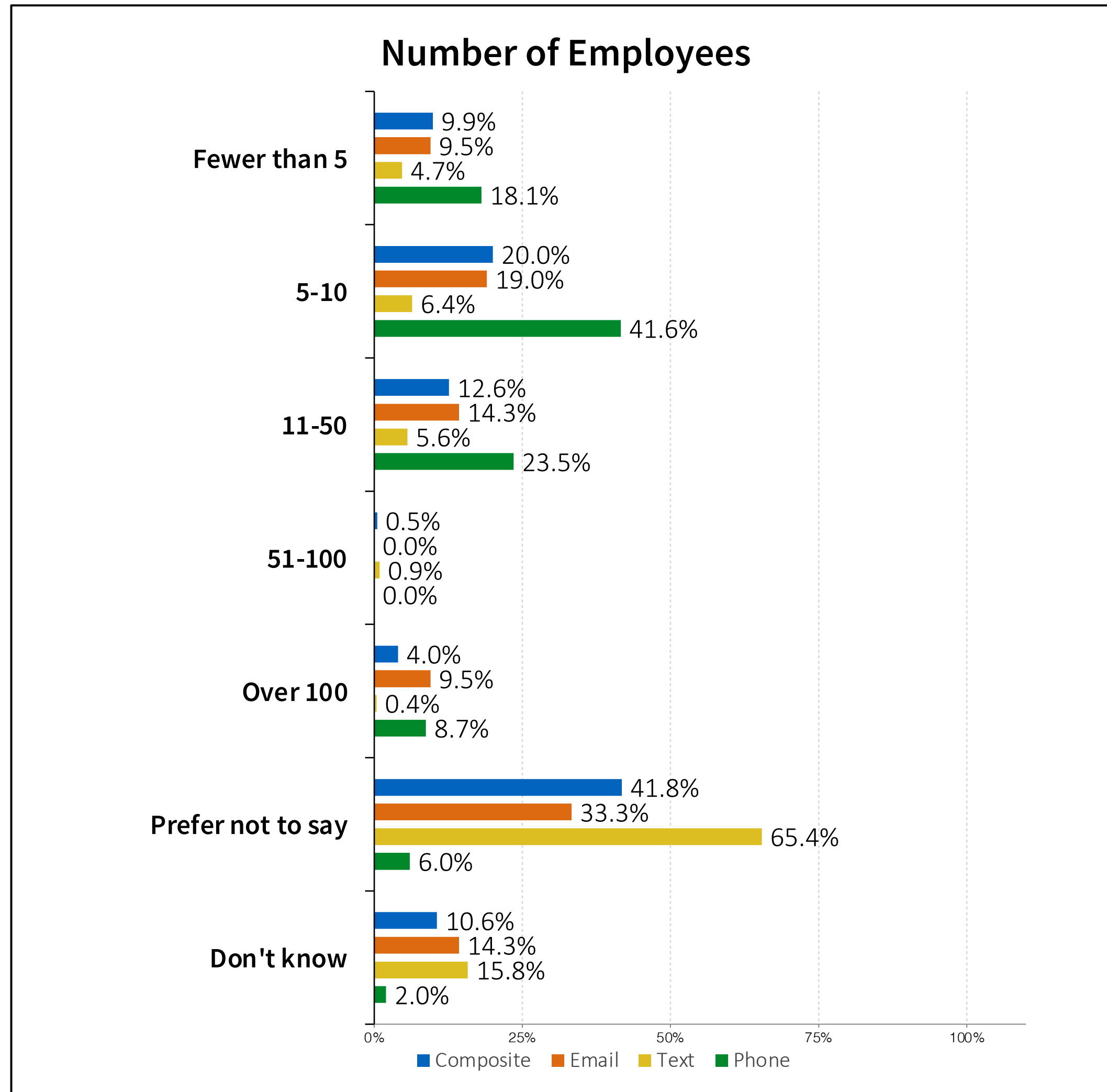
* This represents the total possible number of questions; not all respondents will answer all questions based on skip patterns and other instrument bias.

** Data quality and supervisory personnel, in addition to computer-aided interviewing platform, ensure the integrity of the data is accurate.

Project Overview | Commercial Methodology



Respondent Profile | Commercial Demographics



N= 404 (Composite), 149 (Phone), 21 (Email), 234 (Text)



Commercial Results

Commercial Key Study Findings

Overall & Average Satisfaction



- **Overall Satisfaction:** In 2026, overall satisfaction among commercial customers saw a decline of **8.4 percentage points** from 2025.
- **Average Satisfaction:** The average positive rating across all organizational characteristics decreased to **55.1%, down 9.2 percentage points** from 2025. This decrease was largely driven by declines in:
 - NBU's staff is helpful and knowledgeable (**-13.1** percentage points)
 - NBU is open and honest about company operations and policies (**-11.9** percentage points)
 - NBU provides good service and value for the cost of utilities (**-11.0** percentage points)



Satisfaction Drivers by Survey Method



- Phone respondents gave higher average ratings than online respondents for all eight (8) organizational characteristics; resulting in a demonstrably higher average positive rating (**64.8% vs. 49.2%**)
- Key differences included:
 - NBU promptly responds to customer questions and complaints (**+24.6** percentage points)
 - I am satisfied overall with NBU (**+21.7** percentage points)

Satisfaction | Year over Year & PPDS (Public Power Data Source) Comparison

Among commercial customers in 2026, NBU received lower positive ratings across all eight (8) organizational characteristics compared to 2025. This led to an overall average positive rating of 55.1%; down -9.2 percentage points compared to 2025. This was driven by commercial customers providing lower ratings for "NBU's staff is helpful and knowledgeable" (-13.1 percentage points), "NBU is open and honest about company operations and policies" (-11.9 percentage points), and "NBU provides good service and value for the cost of utilities" (-11.0 percentage points).

Company characteristics NBU	2024	2025	2026	Difference		
NBU promptly responds to customer questions and complaints	66.5%	67.3%	58.6%	-8.7%	44.4%	73.0%
NBU is open and honest about company operations and policies	58.5%	62.7%	50.8%	-11.9%	44.4%	70.0%
NBU provides good service and value for the cost of utilities	55.8%	55.4%	44.4%	-11.0%	55.6%	79.9%
NBU is involved in the community	67.9%	70.9%	63.7%	-7.2%	44.4%	66.9%
NBU's staff is helpful and knowledgeable	71.9%	79.9%	66.8%	-13.1%	66.7%	73.8%
NBU does a good job communicating with customers	64.0%	67.2%	60.9%	-6.3%	55.6%	70.1%
The conservation tips and advice NBU provides helps me save money on my utility bill	40.7%	48.6%	41.5%	-7.1%	33.3%	63.9%
I am satisfied overall with NBU	64.4%	62.5%	54.1%	-8.4%	66.7%	75.1%
Average	61.2%	64.3%	55.1%	-9.2%	51.4%	71.6%

 National data from the Public Power Data Source (PPDS)

 Texas data from the Public Power Data Source (PPDS)

Aggregate of ratings 4 & 5 shown without "don't know / unsure" responses

N= 164 (2024), 187 (2025), 404 (2026), 9 (Texas PPDS – Public Power Data Source), 1,002 (PPDS – Public Power Data Source)

*Commercial data from the Public Power Data Source (PPDS) in 2025.



Combined Residential and Commercial Results

Satisfaction | Commercial & Residential Results



In 2026, surveyed residential and commercial customers (on aggregate) provided an average positive rating of 57.1% when rating NBU on a series of organizational characteristics, which was mostly consistent with 2025 (-0.5 percentage points). Of note, customers provided slightly higher average positive ratings for “the conservation tips and advice NBU provides helps me save money on my utility bill” (+1.3 percentage points), but slightly lower ratings for “NBU provides good service and value for the cost of utilities” (-2.0 percentage points).

Company characteristics NBU	2025 Commercial & Residential	2026 Commercial & Residential
NBU promptly responds to customer questions and complaints	63.6%	62.2%
NBU is open and honest about company operations and policies	54.2%	53.6%
NBU provides good service and value for the cost of utilities	49.5%	47.5%
NBU is involved in the community	65.1%	65.2%
NBU’s staff is helpful and knowledgeable	68.0%	67.7%
NBU does a good job communicating with customers	60.5%	60.6%
The conservation tips and advice NBU provides helps me save money on my utility bill	44.6%	45.9%
I am satisfied overall with NBU	55.2%	54.4%
Average	57.6%	57.1%

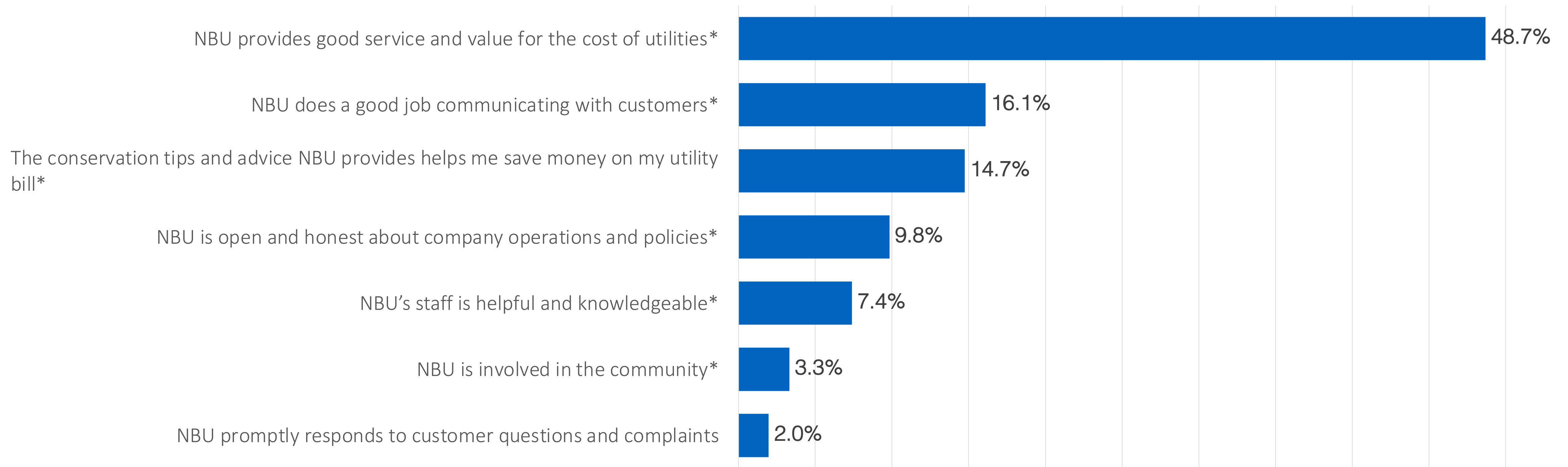
Aggregate of ratings 4 & 5 shown without "don't know / unsure" responses

N= 3,476 (2025), 3,628 (2026)

Satisfaction | Value Drivers

Overall satisfaction with NBU is driven primarily by perceptions of value, which far outweigh all other factors in shaping customer sentiment (48.7%). Beyond value, a clear tier of secondary drivers emerges, with communication (16.1%) and conservation support (14.7%) playing meaningful roles in reinforcing overall perceptions of value. However, notably, responsiveness to customer issues does not have a statistically significant impact on overall satisfaction when controlling for other factors, suggesting it is less influential in shaping broader perceptions.

Drivers of Overall Satisfaction with NBU



Overall Satisfaction →

N= 3,628 (2026)

Linear Regression - is a commonly used statistical technique that examines how multiple factors (independent variables) relate to an outcome (dependent variable). It identifies the "line of best fit" to estimate how changes in each factor are associated with changes in the outcome. Importantly, linear regression goes beyond simple percentages or correlations by analyzing all factors simultaneously, allowing us to isolate the unique impact of each one. This helps determine which attributes are true drivers of overall perception versus those that may appear important but are largely influenced by other factors.

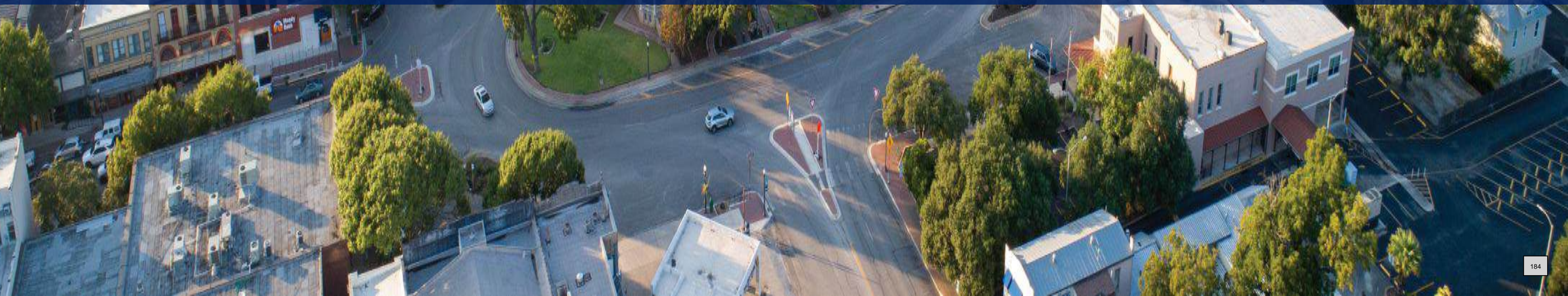
*Statistically significant drivers ($p < .05$) indicate a meaningful relationship with overall satisfaction when controlling for other factors.

DV: I am satisfied overall with NBU

IV: 7 Organizational Characteristics

Open-end Themes and Analysis

Composite



Open-end | Satisfaction Themes

Customer qualitative feedback in 2026 suggested themes of overall satisfaction, driven by reliable service, positive staff interactions, and ease of billing and account management. While positive sentiment is often general, reliability and consistency stood out as key strengths, reinforcing confidence in core service delivery.

Overall Service Quality

- In 2026, many customers describe their experience as “good,” “great,” or “excellent” overall.
- Positive sentiment is often broad, reflecting **general satisfaction** without specific concerns.
- Customers appear to feel confident in the utility’s ability to **deliver core services**.

Reliable Service

- Customers highlight **consistent and dependable** service delivery.
- Reliability is often **expected** but still recognized as a key strength when mentioned.
- **Few disruptions or issues** contribute to steady, positive perceptions over time.

Positive Customer Service Experience

- Some customers specifically mention helpful, friendly, and professional staff interactions.

Ease of Billing Process

- Customers note that paying bills and managing accounts is generally straightforward.

N= 3,628

Q: Do you have any additional comments you would like for us to know?

Open-end | Dissatisfaction Themes

Dissatisfaction in 2026 was largely centered on cost, with customers frequently citing high rates and affordability concerns. Secondary issues included water quality and pressure, customer service responsiveness, and website usability. More isolated feedback also reflects concerns around operational efficiency and trust,. Overall, negative sentiment is typically more specific and strongly felt than positive sentiment.

Cost / Rate Concerns

- Customers frequently describe rates as **“too high” or “expensive,”** with some questioning overall affordability.
- Many express concern about **rising costs** and the impact on their household budgets.
- A subset of customers indicate that the **value of service does not align** with what they are paying.

Water Quality & Pressure Issues

- Some customers report **concerns with water pressure**, particularly noting inconsistency or low pressure.
- Feedback also includes perceptions of water quality issues, such as taste or clarity.

Website / Usability Issues

- Customers describe the website as difficult to navigate or not user-friendly.
- Some report challenges completing key tasks, such as finding information or managing their account.

Customer Service & Responsiveness

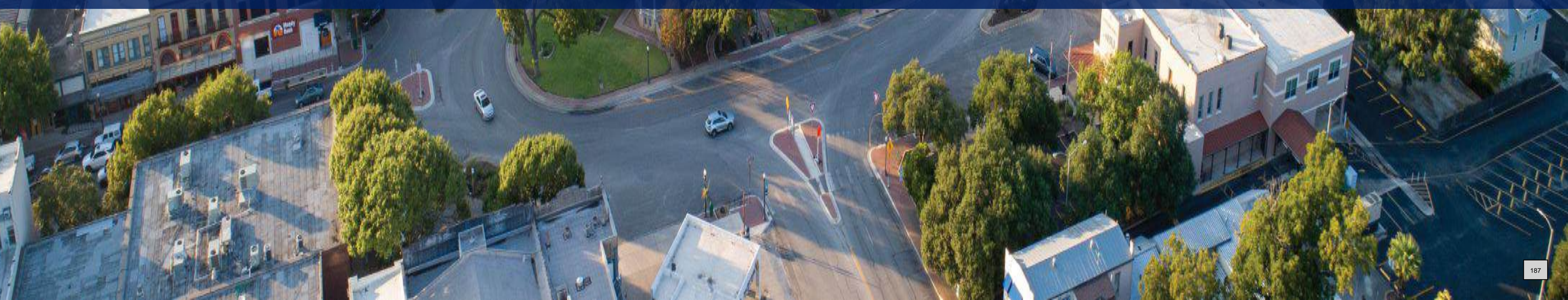
- Customers note challenges with reaching support or receiving timely responses to inquiries.
- Some report unresolved issues or a lack of follow-through after initial contact.

N= 3,628

Q: Do you have any additional comments you would like for us to know?



Considerations





Reinforce Value Perception Amid Cost Sensitivity

While NBU continues to deliver strong core services, perceptions of value remain a critical gap, particularly as cost concerns dominate customer feedback and “value for cost” ratings lag behind the Texas benchmark. Even with stable or improving performance across many service attributes, customers are struggling to connect what they pay versus what they receive. This disconnect suggests that value is not solely a pricing issue, but also a communication and framing opportunity. NBU is well-positioned to better articulate the full scope of its service delivery, reliability, and community contributions to strengthen perceived return on investment. Proactively reinforcing value can help mitigate dissatisfaction driven by rising rates and affordability concerns.

Actionable Insights:

- Enhance billing and communication materials to clearly break down what customers are paying for, including infrastructure, reliability, and long-term investments.
- Expand messaging that quantifies savings from conservation programs to better connect behaviors with financial benefits.
- Develop targeted outreach addressing rate increases with transparent, proactive explanations before customer frustration builds.
- Incorporate value-focused messaging across touchpoints (website, bill inserts, social media) to consistently reinforce the “why behind the cost.”



Stabilize Commercial Customer Experience and Rebuild Confidence

The decline in commercial customer satisfaction across all measured attributes signals a meaningful shift in this segment’s experience, particularly around customer service, transparency, and responsiveness. While NBU still outperforms statewide benchmarks in several areas, the magnitude of year-over-year declines suggests emerging service gaps or unmet expectations. Commercial customers often have more complex needs and higher service expectations, making consistency and responsiveness especially critical. Rebuilding confidence with this audience will require a more proactive and tailored approach to engagement and issue resolution. Addressing these declines early can prevent longer-term erosion in trust and satisfaction.

Actionable Insights:

- Conduct targeted follow-up with commercial customers to better understand drivers behind recent declines and identify specific pain points.
- Implement dedicated support channels or account management strategies for commercial customers to improve responsiveness and relationship management.
- Audit recent service interactions and operational processes to identify breakdowns contributing to lower service and staff ratings.
- Increase proactive communication with commercial customers regarding projects, timelines, and service updates to strengthen transparency and trust.