



**NOTICE OF OPEN MEETING**  
**APRIL BOARD OF TRUSTEES**  
NBU Board Room, 263 Main Plaza, New Braunfels, Texas 78130  
April 24, 2025, at 1:00 PM  
[www.nbutexas.com](http://www.nbutexas.com)

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## **AGENDA**

### **CALL TO ORDER**

### **PLEDGE OF ALLEGIANCE AND INVOCATION**

Board Trustee Stuart Blythin

### **NBU EMPLOYEE RECOGNITIONS**

1. Retirement Recognition of Hector Montanez

### **PUBLIC COMMENT**

### **ITEMS FROM THE CHAIR**

1. Report from the Investment Committee
2. Any Other Items Permitted Under Section 551.0415 of the Texas Government Code

### **ITEMS FROM STAFF**

1. CEO's Update
  - a. Leadership Announcement of Position Changes: Director of Customer Solutions, Andrew Cummings; Electric Operations, Manager Coby Henk; and Water Operations Manager, Doug Clifton
  - b. NBU Employee Rocio G. Hilliard Invited to Participate in the University of Idaho's Energy Executive Course
  - c. CEO Roadshow: Presentations at New Braunfels Lions Club and Comal County Commissioners Court
  - d. OneWater Events: Building in the Texas Hill Country workshop; Texas Water Conference Panel Moderator on Regional Discussion of OneWater
  - e. Conservation and Customer Solutions Events: Agrifest Booth Hosted by Comal County Master Gardeners; Vintage Oaks Xeriscape Fair; Thru the Chute Race Participant
  - f. Career Days at Seele Elementary and Comal Creek Elementary Schools
  - g. NBU Hosts All-Employee Event
  - h. NBU Observes Earth Day, in Partnership with New Braunfels Parks and Headwaters of the Comal

- i. NBU Receives American Public Power Association ("APPA") Safety Award of Excellence
  - j. Headwaters at the Comal Events and Updates: Inaugural "Protecting Water Resources with Low Impact Development" Workshop; Texas Children in Nature Regional Partnership Kickoff; and Native Plant Society of Texas hosting the Spring Native Plant Sale
  - k. NBU Observes Records and Information Management Month
  - l. NBU Observes Safety Week and Go Orange Day
  - m. 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 Capital Update
  - 4. Monthly NBU Headquarters Progress Update

#### **CONSENT ITEMS FOR ACTION**

- 1. Approve Minutes of the NBU Regular Board Meeting of March 27, 2025
- 2. Approve the Change Order Log from February 15, 2025, through March 15, 2025
- 3. Approve the Electric Line of Business Alternative Procurements from February 15, 2025, through March 15, 2025
- 4. Approve the Reports for Water and Electric Engineering Contracts from August 1, 2024, through March 15, 2025
- 5. Authorize the CEO or His Designee to Negotiate and Execute a Construction Contract with R.L. Jones, LP, for the Construction of the Simon Street Water and Wastewater Improvements Project
- 6. Authorize the CEO or His Designee to Negotiate and Execute AIA Document G802-2017, Amendment to the Professional Services Agreement between New Braunfels Utilities and Lake|Flato Architects, Inc. for (i) Formalization of Additional Service Requests ("ASRs") from Project Inception to Present; (ii) Extension of Phase 2 Construction Administration; (iii) Completion of Phase 3 Construction Documentation, Phase 3 Construction Administration, and Extension of Phase 3 Construction Administration; and (iv) Additional Services for Completion of Phase 4 Construction Documentation, Phase 4 Permitting, and Phase 4 Construction Administration

## **ACTION ITEMS**

1. Discuss and Consider Adoption of Resolution #2025-195 Relating to the Issuance of the “City of New Braunfels, Texas Utility System Revenue Refunding Bonds, Series 2025” and Resolving Other Matters Related Thereto
2. Discuss and Consider Approval and Authorization to Select the Underwriting Team for the City of New Braunfels, Texas, Utility System Revenue Refunding Bonds, Series 2025

## **PRESENTATIONS**

1. Presentation on Status of Gonzales Carrizo Water Supply Project

## **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. Consultation with Attorney Regarding Pending or Contemplated Litigation, Settlement Offer, or Other Matters Protected by Attorney-Client Privilege (Section 551.071 – Texas Government Code)
  - a. Discuss Legal Matters Relating to the Gonzales Carrizo Water Supply Project
2. Deliberation Regarding Security Devices or Security Audits (Section 551.089 – Texas Government Code)
  - a. Deliberate Security Assessments or Deployments Relating to Information Resources Technology, Network Security Information, and the Deployment or Implementation of Critical Utility Infrastructure

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. For in-person inquiries, please visit the New Braunfels Utilities Customer Solutions Center at 1488 South Seguin Avenue, New Braunfels, Texas.

## CERTIFICATE OF POSTING

I, Ryan Kelso, Secretary to the Board of Trustees, do hereby certify that this Notice of Meeting was posted at the City of New Braunfels City Hall, 550 Landa Street, New Braunfels, Texas, 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 **17th day of April 2025**, and remained posted continuously for at least 72 hours preceding the scheduled time of the meeting.



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





**Meeting Date:** April 24, 2025

**Agenda Type:** Items from Staff

**From:** Kimberly Huffman  
Accounting Manager

**Reviewed by:** John Warren  
Director of Finance

**Submitted by:** Dawn Schriewer  
Chief Financial Officer

**Approved by:** Ryan Kelso  
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 lower rainfall during the month of March than historically. The average temperature was 68.6 degrees, which was 7.0 degrees higher than the historical average temperature of 61.6 degrees. Rainfall totaled 0.96 inches for the month of March, which was 1.24 inches lower than the historical average rainfall of 2.2 inches.

For the month of March 2025, NBU recorded a change in net position after contributions ("CNPAC") of \$5,555,000 which represents an increase of \$979,000 compared to the budgeted monthly CNPAC of \$4,576,000. Operating service revenues of \$19,024,000 were less than budget by \$3,926,000, or 17%, for the month of March. A \$3,871,000 decrease in electric revenue, \$2,000 increase in water revenue, and a \$58,000 decrease in wastewater revenue contributed to the overall service revenues. Other operating revenues of \$592,000 were less than budget by \$13,000 for the month of March. Purchased power costs were \$1,730,000 less than budget for March 2025 and \$26,278,000 less for Year-to-Date ("YTD"). A decrease in other operating expenses of \$1,522,000 resulted in total operating expenses to be \$3,252,000, or 16%, less than the budgeted amount of \$20,189,000. The net revenue and operating expense variances contributed to an unfavorable net operating income variance of \$687,000 from budget. Net non-operating items had a \$1,545,000 favorable variance compared to budget. Impact fees were greater than budget by \$289,000, services income was greater than budget by \$6,000, and capital participation fees was less than budget by \$173,000. March 2025 YTD CNPAC was \$46,469,000, which was \$17,932,000 greater than the budgeted amount of \$28,537,000.

## FINANCIAL IMPACT

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### Electric

The Electric Line of Business reported total operating revenues of \$13,546,000, a \$3,860,000 decrease, from the March budgeted amount of \$17,406,000. The net rate realized per kWh was \$0.0986, which was 18% less than the budgeted rate of \$0.1205 for the month of March. March kWh sales were 132.5 million kWh, an 8.0 million kWh decrease, or 6%, in comparison to the budgeted amount of 140.5 million kWh.

Purchased power costs totaled \$8,101,000, which was \$1,730,000 less than the budgeted amount of \$9,831,000. Electric gross margin, which is total operating revenues minus purchased power, resulted in the amount of \$5,445,000 for the month of March and \$47,521,000 YTD. These amounts were \$2,130,000 less than and \$4,819,000 less than the budgeted amount of \$7,575,000 Month-to-Date (“MTD”) and \$52,340,000 YTD. Other operating expenses were less than budget by \$874,000. These items resulted in the Electric Line of Business reporting net operating income of \$3,149,000, which was \$1,257,000 less than the budgeted amount of \$4,406,000. Net non-operating items provided an unfavorable variance from budget of \$448,000. Services income was less than budget by \$66,000. The Electric Line of Business reported March 2025 CNPAC of \$2,105,000 and YTD CNPAC of \$24,164,000. These amounts were \$1,770,000 less than and \$3,038,000 greater than their respective March 2025 MTD and March 2025 YTD budget amounts.

### Water

The Water Line of Business reported total operating revenues of \$2,993,000, a \$26,000 decrease, or 1%, from the March budgeted amount of \$3,019,000. In March, water gallons sold of 283,622,000 was less than the budgeted amount of 297,582,000 (a 13,960,000-gallon variance from budget, or 5%). NBU’s net realized price per 1,000 gallons sold in March was \$10.27, which was greater than the budgeted amount of \$9.78. Operating expenses for March were \$3,940,000, which was \$399,000 less than the budgeted amount of \$4,339,000. The net effect of less revenues and less operating expenses than budgeted resulted in the Water’s net operating income of \$(948,000), which was greater than budget. Net non-operating items provided a favorable variance of \$880,000 from budget. Impact fees of \$1,802,000 were greater than budget by \$275,000, and services income of \$190,000 was greater than budget by \$72,000. The Water Line of Business reported March 2025 CNPAC of \$1,624,000 and YTD CNPAC of \$10,700,000. These amounts were \$1,600,000 greater than and \$8,403,000 greater than their respective March 2025 MTD and March 2025 YTD budget amounts.

### Wastewater

The Wastewater Line of Business reported total operating revenues of \$3,076,000, a \$54,000 decrease from the March budgeted amount of \$3,130,000. Total operating expenses of \$2,599,000 were \$251,000 less than the budgeted amount of \$2,850,000. As a result, the Wastewater Line of Business reported net operating income of \$477,000, which was \$197,000 greater than the budgeted amount of \$280,000. Net non-operating items provided a favorable variance of \$1,113,000 from budget. Impact fees were greater than budget by \$14,000, and capital participation fees were less than budget by \$173,000. The Wastewater Line of Business reported March 2025 CNPAC of \$1,826,000 and YTD CNPAC of \$11,605,000. These amounts were \$1,149,000 greater than and \$6,491,000 greater than their respective March 2025 MTD and March 2025 YTD budget amounts.

## **LINK TO STRATEGIC PLAN**

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### **Financial Excellence**

## **EXHIBITS**

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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

- March 2025 Financials

- Kimberly Huffman, Accounting Manager



# Board Financial Policy Compliance - March 2025 YTD

|  | FY 2024 Actual | FY 2025 Budget | Financial Policy | FY 2025 Actual* |
|--|----------------|----------------|------------------|-----------------|
| <b>Debt to Capitalization<br/>(lower is better)</b>  | 41.1%          | 45.5%          | ≤55.0%           | <b>38.8%</b>    |
| <b>Debt Service Coverage<br/>(higher is better)</b>  | 5.14           | 4.71           | ≥2.40            | <b>4.86</b>     |
| <b>Days Cash on Hand<br/>(higher is better)</b>      | 208            | 224            | ≥140             | <b>275</b>      |
| <b>Days Liquidity on Hand<br/>(higher is better)</b> | 495            | N/A            | N/A              | <b>450</b>      |

\* Amounts are calculated by annualizing the YTD results

## Mission

Strengthening our community by providing resilient essential services



## Vision

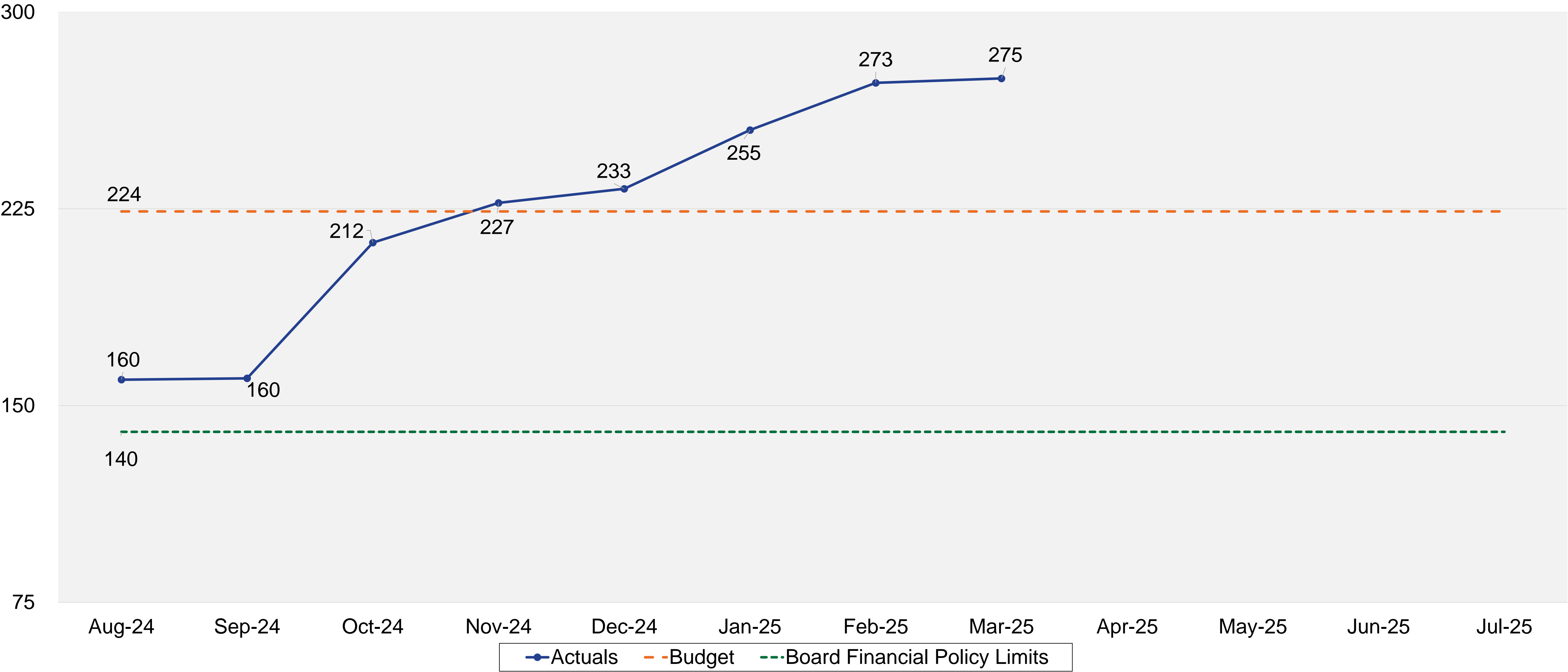
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## Core Values

Safety, Team, Integrity, Culture, and Stewardship

# Days Cash on Hand - March 2025 YTD



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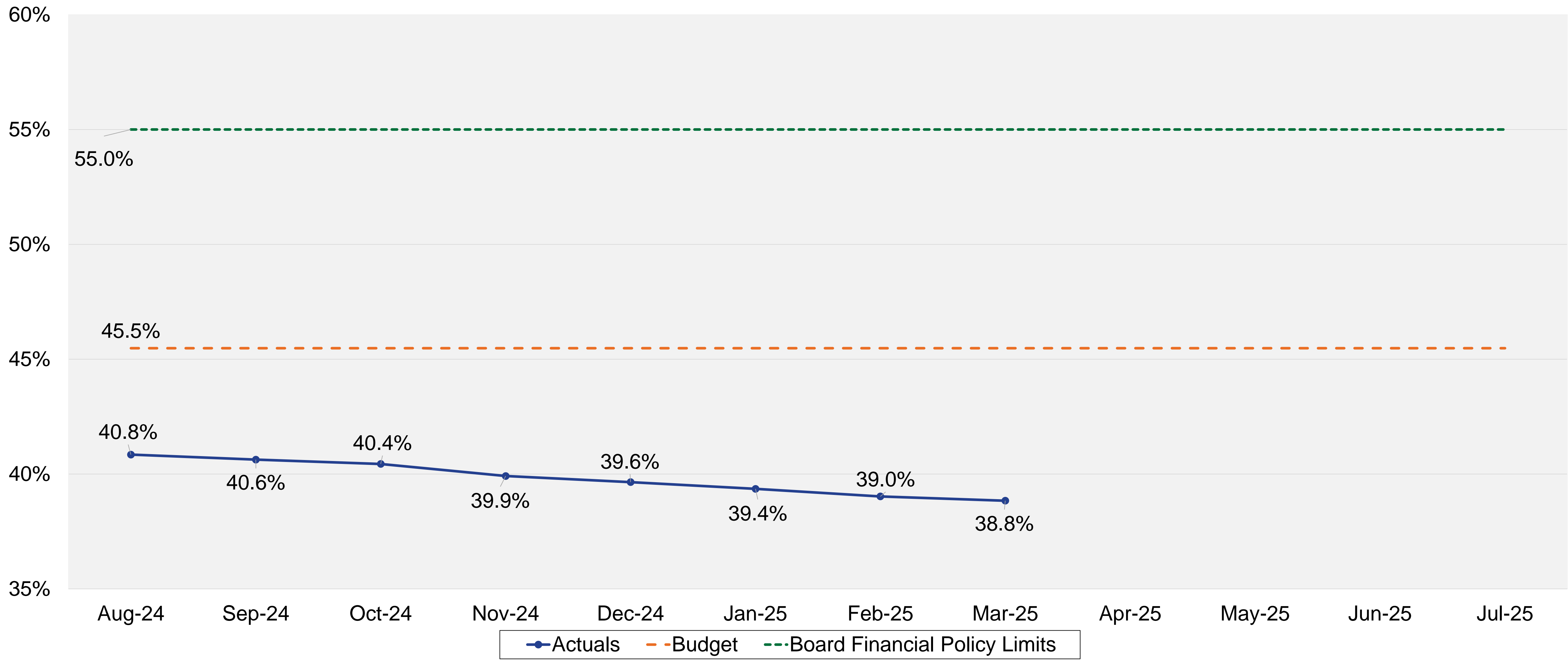
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# Debt to Capitalization - March 2025 YTD



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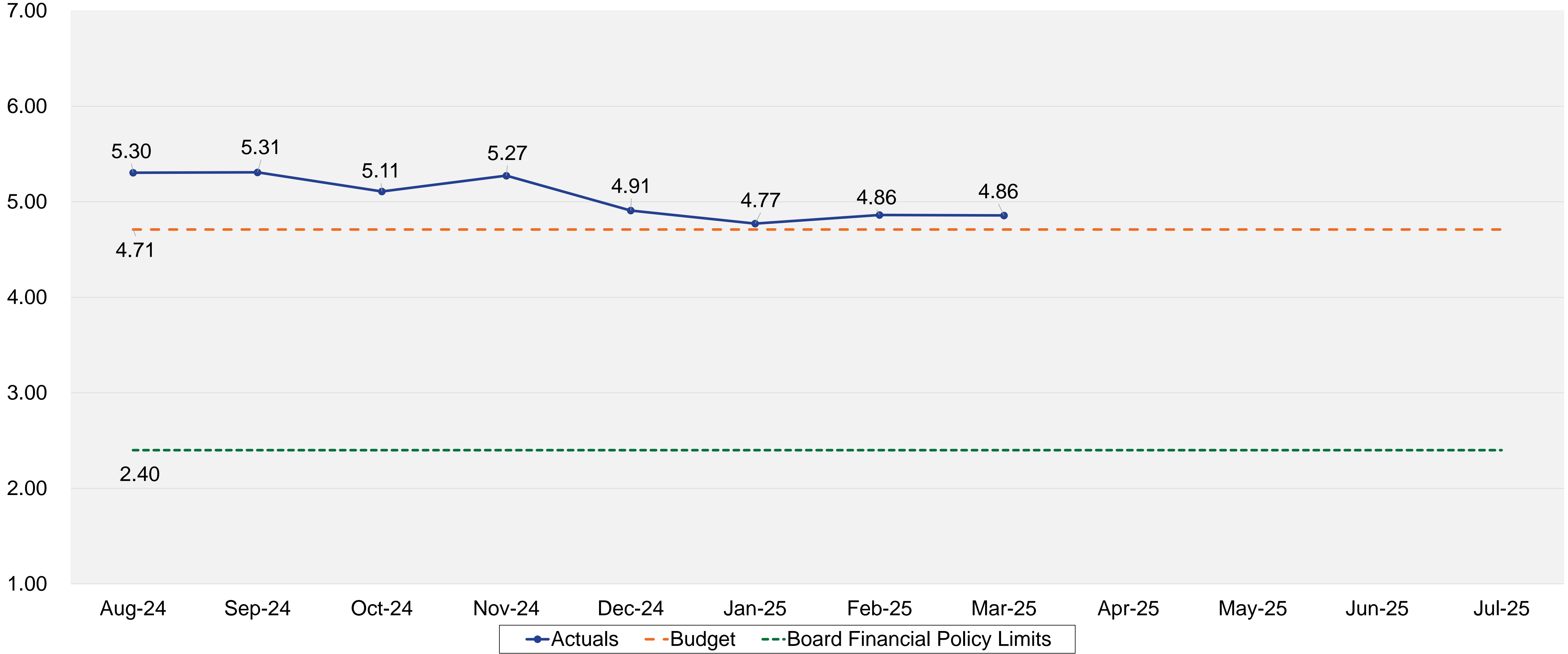


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# Debt Service Coverage - March 2025 YTD



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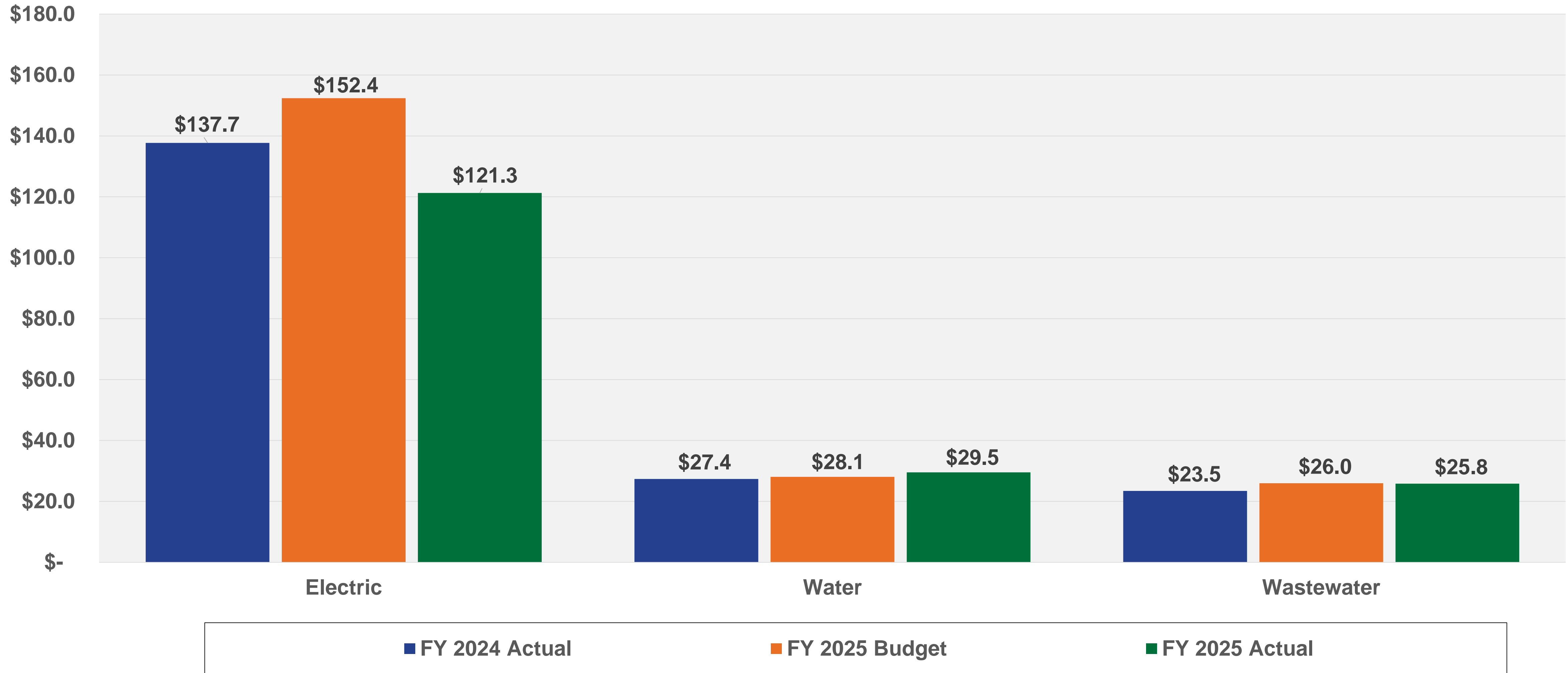




# Operating Revenue by LOB

## March 2025 YTD – Amounts in Millions

Item 2.



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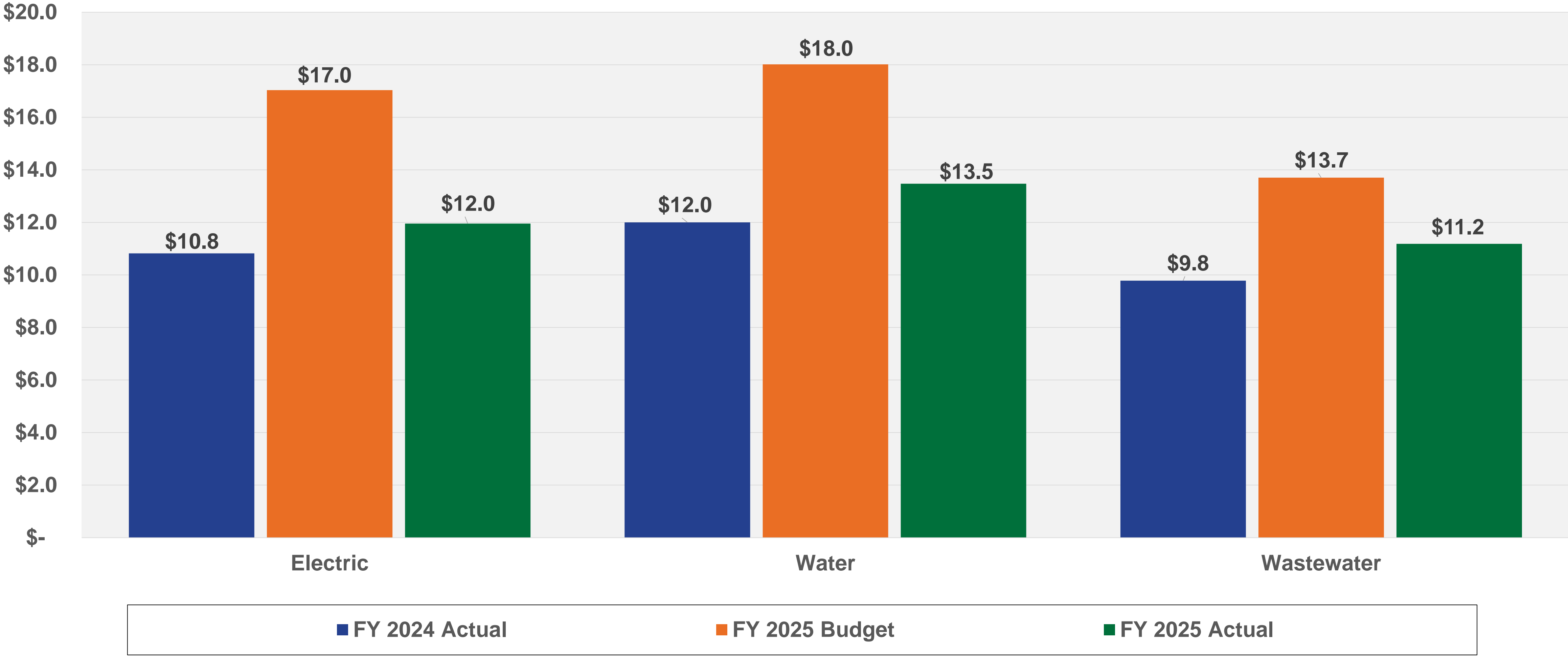
### Core Values

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# Operating Expenses\* by LOB

## March 2025 YTD – Amounts in Millions

Item 2.



\*Excludes purchased power, purchased water, and depreciation expense

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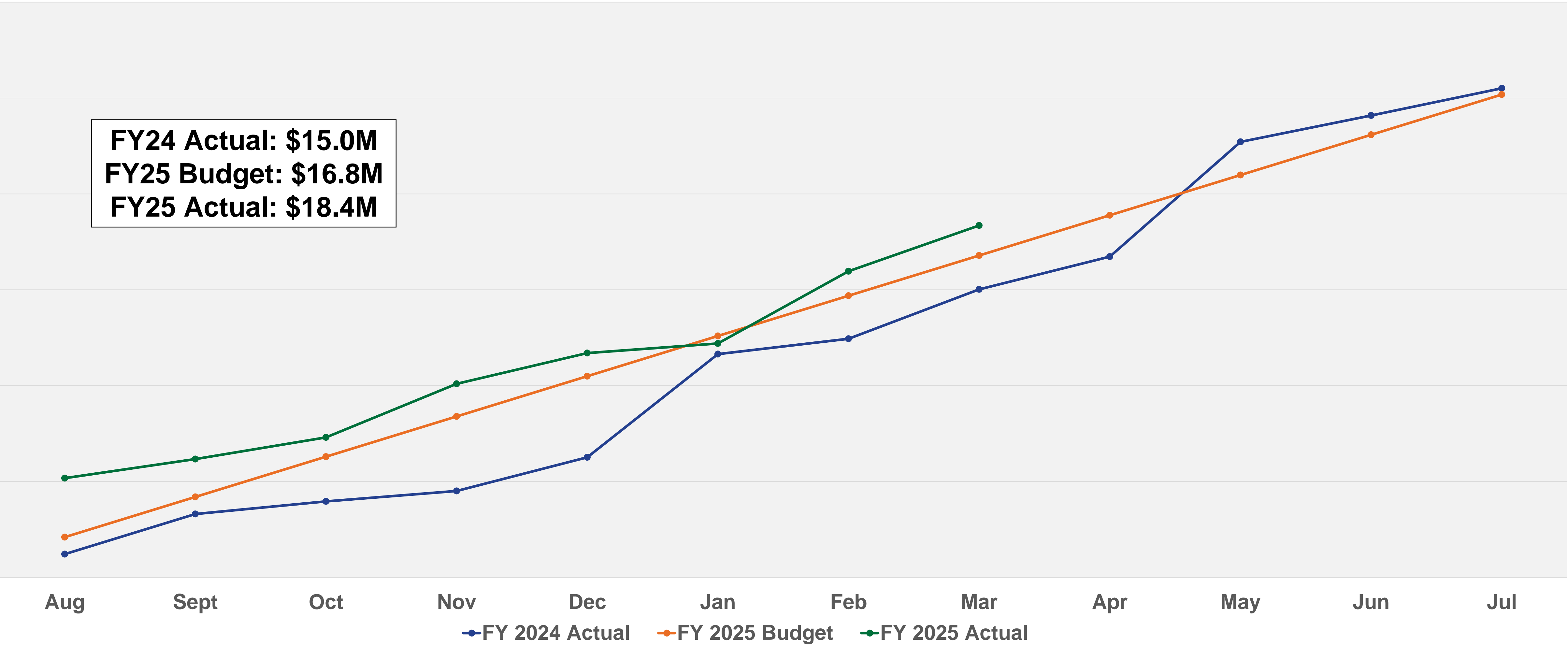
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# Impact Fee Revenues

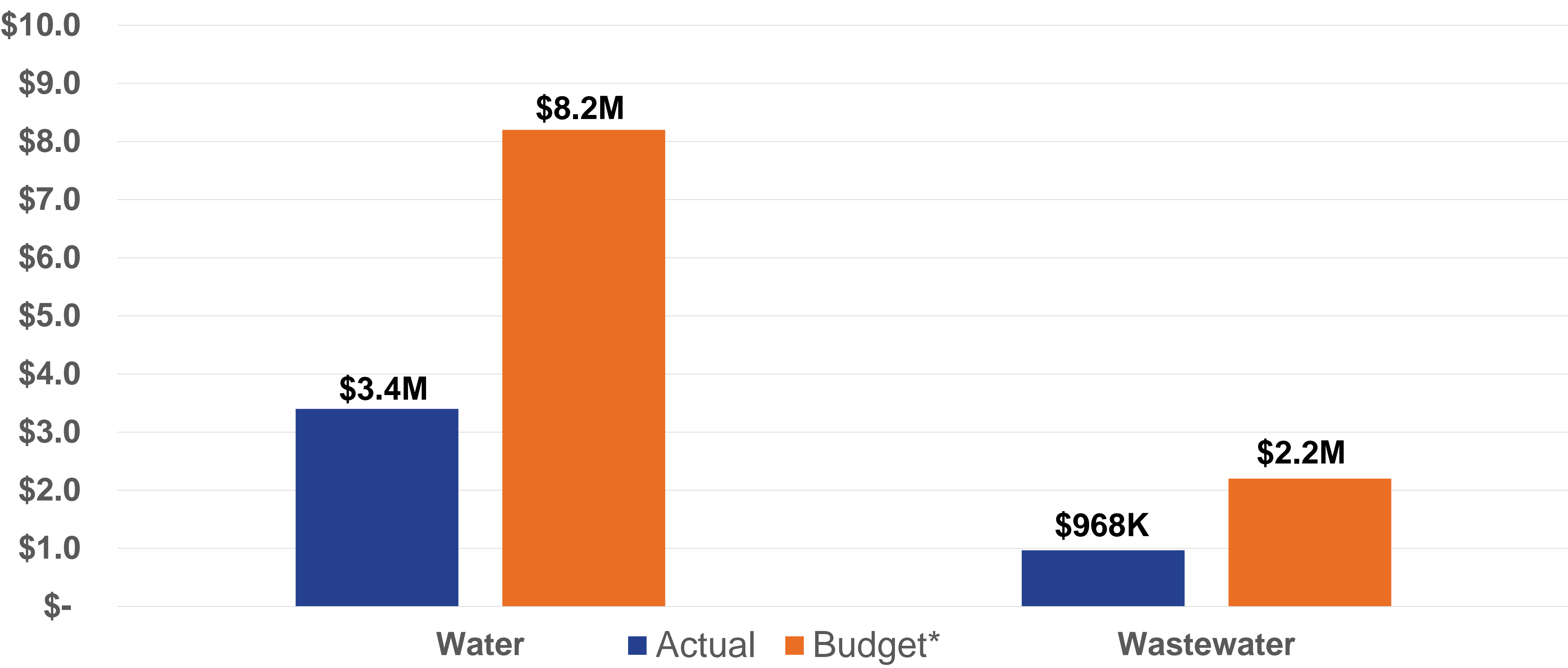
## March 2025 YTD – Amounts in Millions\*

**FY24 Actual: \$15.0M**  
**FY25 Budget: \$16.8M**  
**FY25 Actual: \$18.4M**



\* Amounts shown are YTD for each month

# Impact Fees Collections-Program E Update – March 2025- Amount in Millions



\* Fiscal year budget amount

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# Power Supply Reserves Update

Item 2.

| As of FY25 Budget    | Power Stabilization Fund FY25 | Power Stabilization Fund Full, FY28 |
|----------------------|-------------------------------|-------------------------------------|
| Target               | \$50M                         | \$95M                               |
| As of March 31, 2025 | \$45M                         | \$45M                               |

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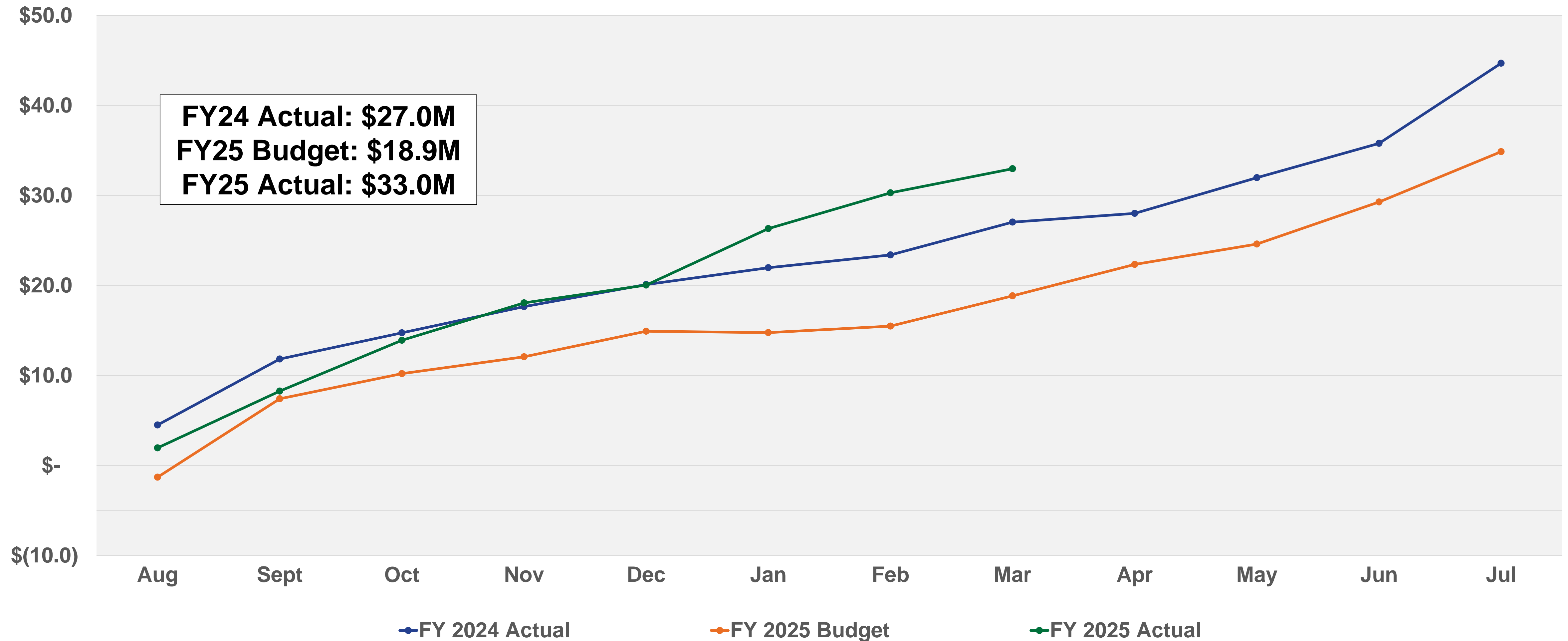
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# Net Operating Income

## March 2025– Amounts in Millions\*

Item 2.



\* Amounts shown are YTD for each month

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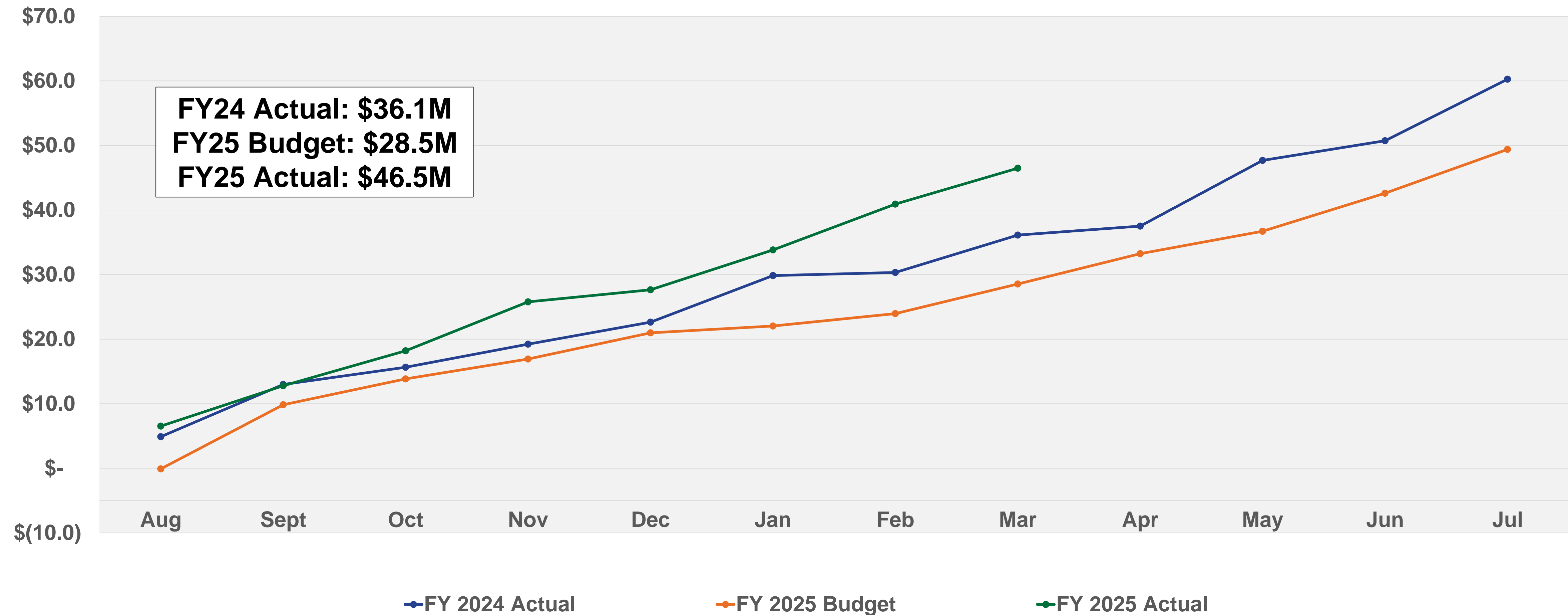
### Core Values

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# Change in Net Position After Contributions

## March 2025– Amounts in Millions\*

Item 2.



\* Amounts shown are YTD for each month

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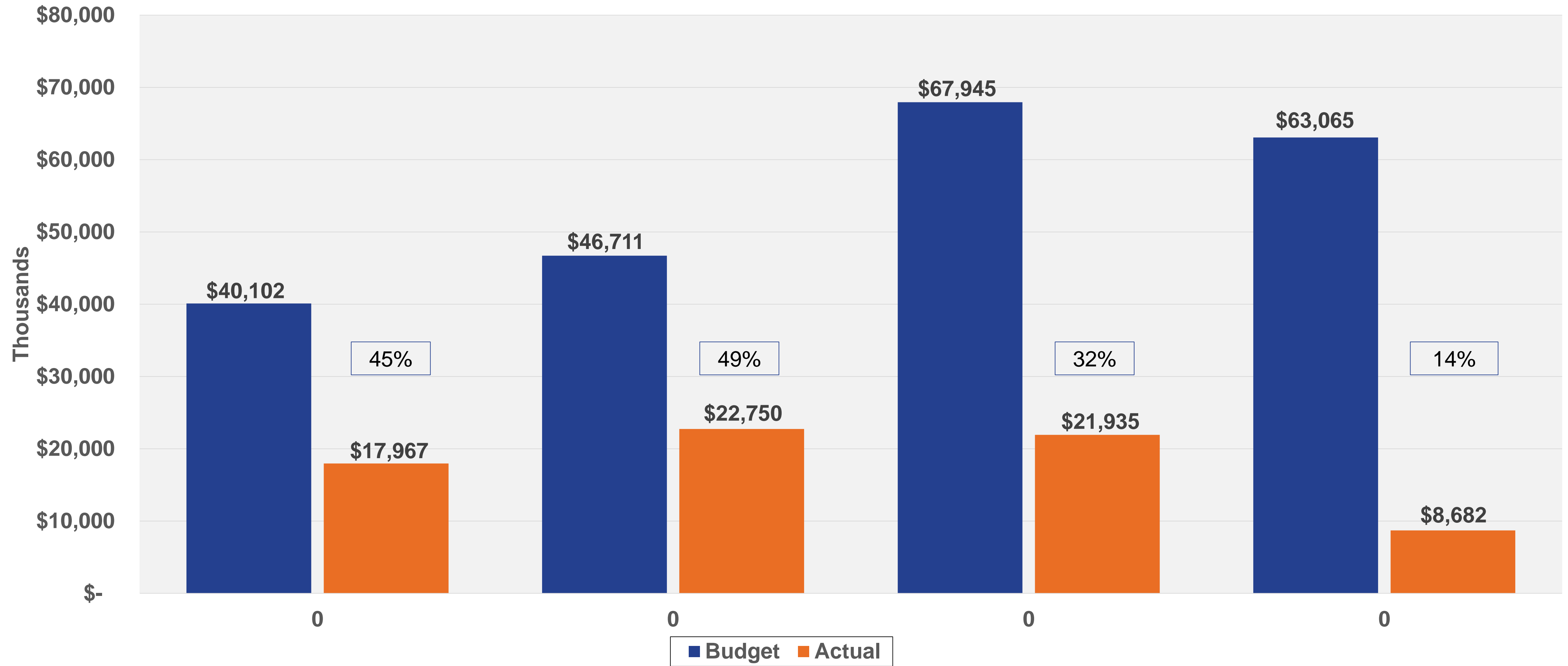


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# Capital Project Expenditures

## March 2025 YTD – Amounts in Thousands





# Questions?

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**Meeting Date:** April 24, 2025      **Agenda Type:** Items from Staff

**From:** Kaleigh Voges      **Reviewed by:** Jacob Tschoepe  
Business Planning      Program Portfolio Manager  
Coordinator

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

**RECOMMENDED ACTION:** Quarterly Capital Update

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# CIP Update

• FY2025 Q2

April 24, 2025

**NBU** NEW BRAUNFELS  
UTILITIES

# Overview

- ❑ Program Status through January 2025
- ❑ Performance & Accomplishments for each line of business

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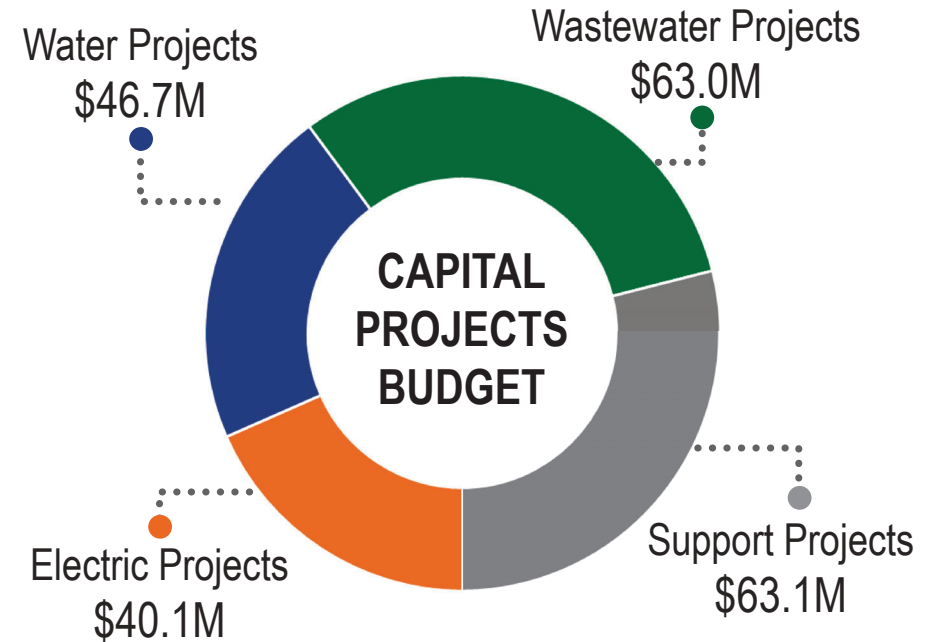
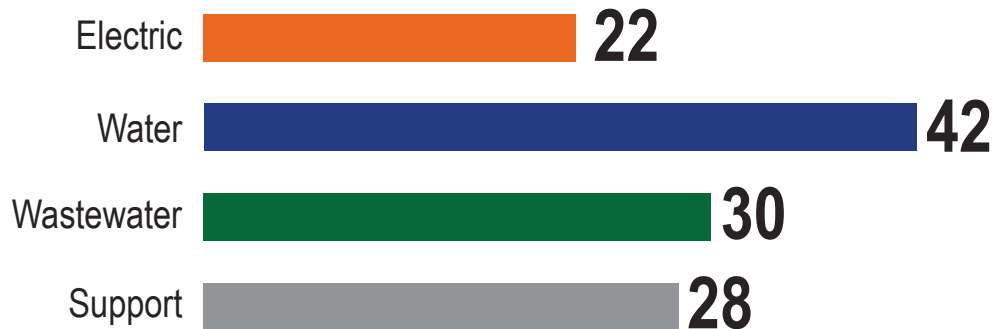
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# FY 2025 Capital Projects

## PROJECT COUNT



## BUDGET

Developed in February 2024  
based on expected  
project costs

**\$217,821,466**

## SPENDING

Year-to-date project  
spending through  
January 2025

**\$54,062,175**

## YTD %

Year-to-date project  
spending versus budget  
(January 2025)

**25%**

## VARIANCE

Difference between  
budget and year-end  
projected costs

**\$51,418,461**

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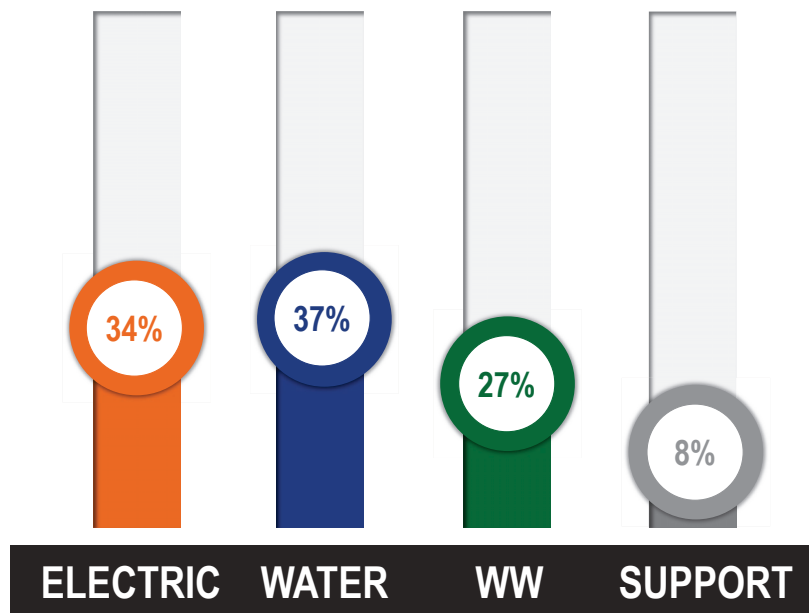
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UTILITIES

# FY 2025 Spending vs Budget

## YTD Actual Spending vs Budget



- All lines of business less than 50% spent through Q2
- Three lines of business excluding support project to average 90% spending by the end of fiscal year
- NBU HQ site work has commenced but will not reach anticipated budget spending this fiscal year

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# Project Stage

|  | NOT<br>STARTED  |   | PLANNING<br>OR STUDY  |   | DESIGN &<br>LAND ACQ.   |   | CONSTRUCTION<br>OR EXECUTION  |   | COMPLETE  |
|--|---|---|---|---|---|---|---|---|---|
|  |  |   |  |   |  |   |  |   |  |
|  WATER      | 3   | → | 2   | → | 20  | → | 16  | → | 1   |
|  WASTEWATER | 2   | → | 1   | → | 14  | → | 12  | → | 1   |
|  ELECTRIC   | 5   | → | 0   | → | 7   | → | 9   | → | 1   |
|  SUPPORT   | 5   | → | 8   | → | 3   | → | 9   | → | 3   |
| <b>Q2 TOTAL</b>  | <b>15</b>   | → | <b>11</b>   | → | <b>44</b>   | → | <b>46</b>   | → | <b>6</b>  |
| Q1 TOTAL   | 22  | → | 10  | → | 45  | → | 41  | → | 4   |

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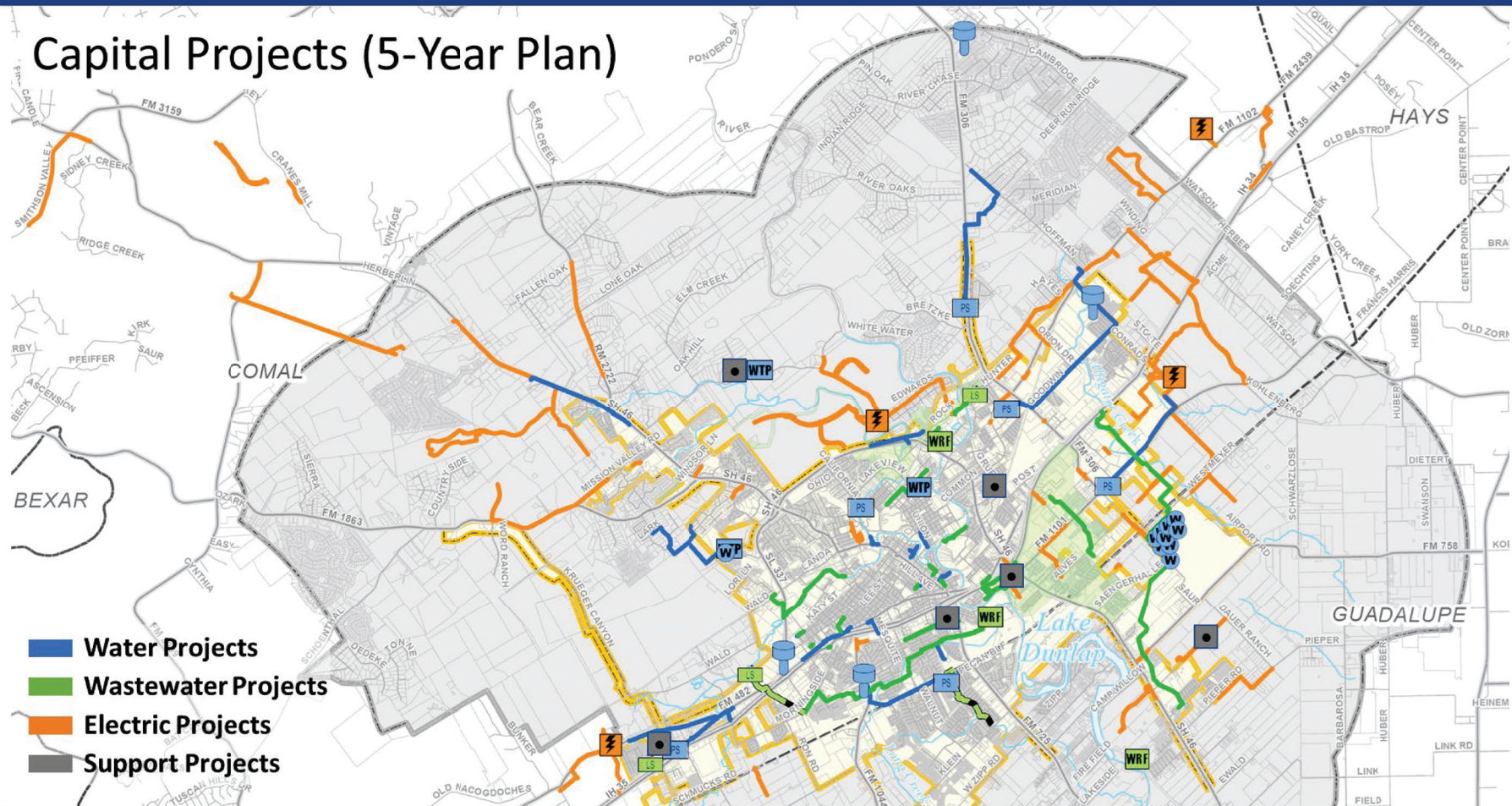
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# Capital Projects (5-Year Plan)



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# Traffic Impacts

- **Current Traffic Impacts**
- **Traffic Impacts Expected in the next 6 months (none)**

## Sewer Infrastructure Replacement Pkg 2 Phase 1

- Traffic impacts: Lane and road closures Spring 2026-Early Fall 2026
- Expected Notice To Proceed ("NTP") : Late 2025

## Gruene Road Sewer Main Rehab/Relocation

- Traffic impacts: Lane and road closures and minor detours
- Expected NTP: October 2025

## Simon Street Improvements

- Traffic impacts: Lane closures Summer 2025-Fall 2025
- Expected NTP: May 2025

## Turn Lane / Entrance to HQ Property

- Traffic Impacts: Lane closure May 2025-September 2025

## FM 1044 EST

- Traffic impacts: Minor construction traffic, no closures
- Expected Completion: Mid-2026

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# CIP Performance and Accomplishments



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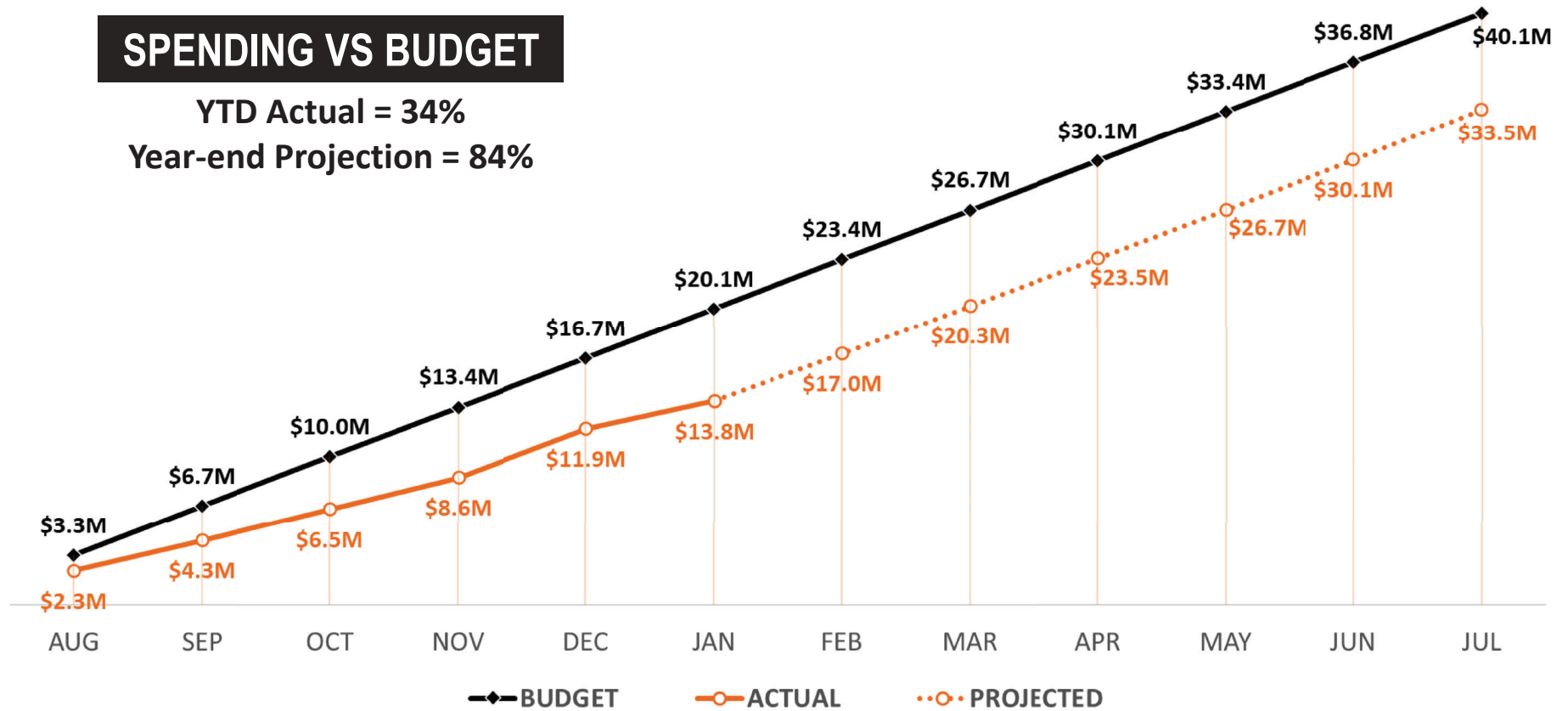
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# Electric – Spending vs Budget

## SPENDING VS BUDGET

YTD Actual = 34%  
Year-end Projection = 84%



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# Q2 Electric Accomplishments

- Added 711 metered customers Q2 FY25, primarily within previously completed developments, single-family and multi-family.
- Energized service to 2 new single-family projects. Projects include
  - Gatehouse Unit #1
  - Meyer Ranch Unit #13
- For Meyer Ranch#13, completed construction of an additional 1500' of bulk-grade distribution underground along Walker Run. 230 Lots are also to be served within Meyer Ranch#13. This line segment becomes part of the HW22 feeder.
- Completed 3,000' of three-phase overhead extension from the Henne Substation to IH-35. Only the underground cable crossing to IH-35 remains, with High Density Polyethylene (HDPE) conduit ("Roll Pipe") crossing installed by the Mayfair developer. This will become the Guthrie Trail feeder, Feeder#50.
- Electric Substations installed and commissioned the FR22 Breaker, to be used as a spare breaker short term but as a future feeder source, to the Kowald Ln. feeder, within 18 months.



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UTILITIES

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# Feature Projects - Electric



**ELECTRIC**

## DISTRIBUTION



## TRANSMISSION



## SUBSTATION



NP 23

### IH-35 NEX & IDV Schertz.

Completion: February 2025

Purpose: This pair of projects provides service to Park 35 and adjusts the three-phase overhead line in preparation for IH-35 road widening. Contract crews are substantially complete with the three-phase overhead adjustment fronting the Park 35 / IDV Schertz project and across IH-35. The IH-35 NEX scope is reimbursable to NBU by TxDOT. NBU had to order "Buy-America" poles to qualify for reimbursement.

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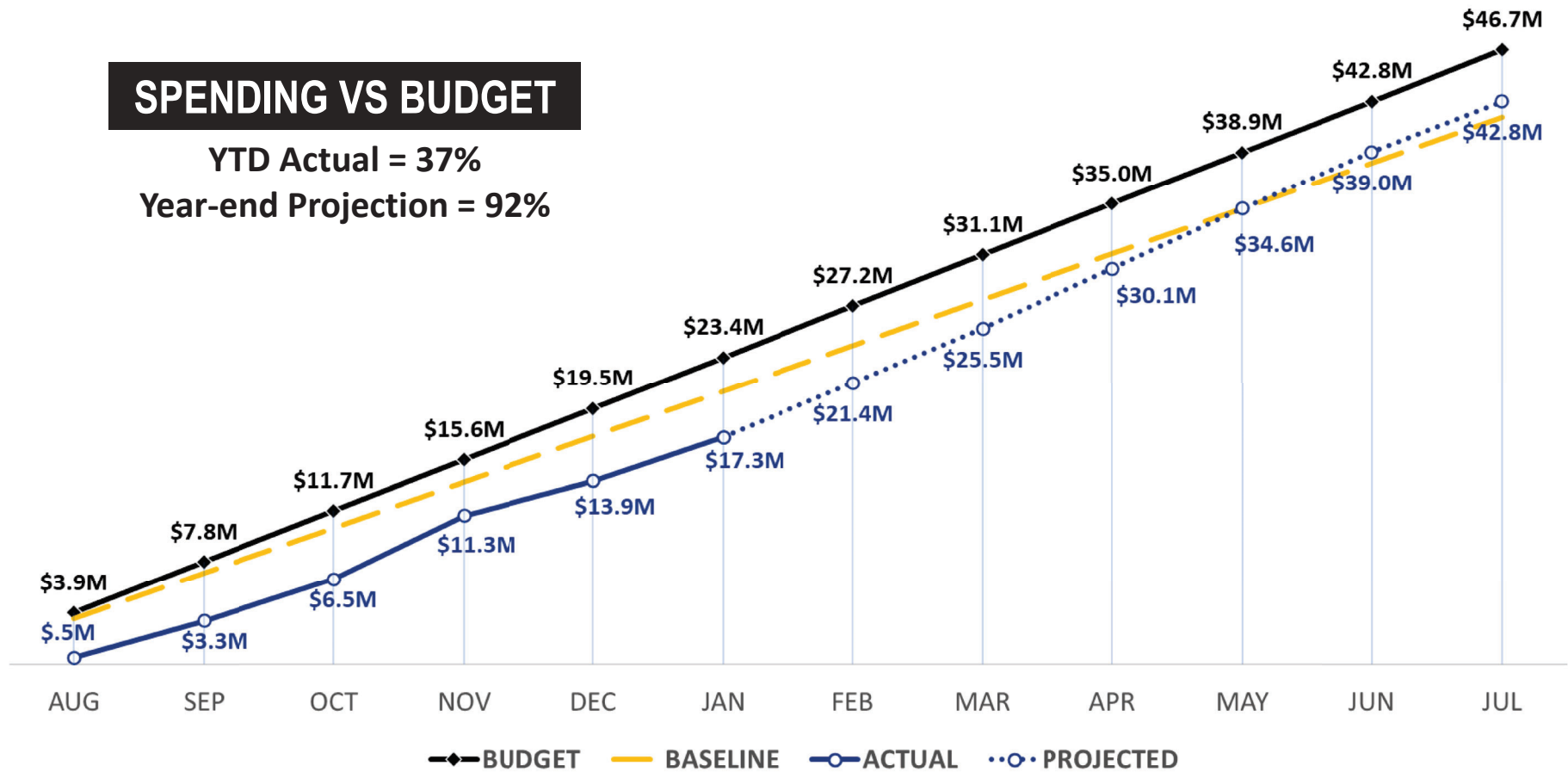
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UTILITIES

11

# Water – Spending vs Budget

## SPENDING VS BUDGET

YTD Actual = 37%  
Year-end Projection = 92%



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Safety, Team, Integrity, Culture, and Stewardship

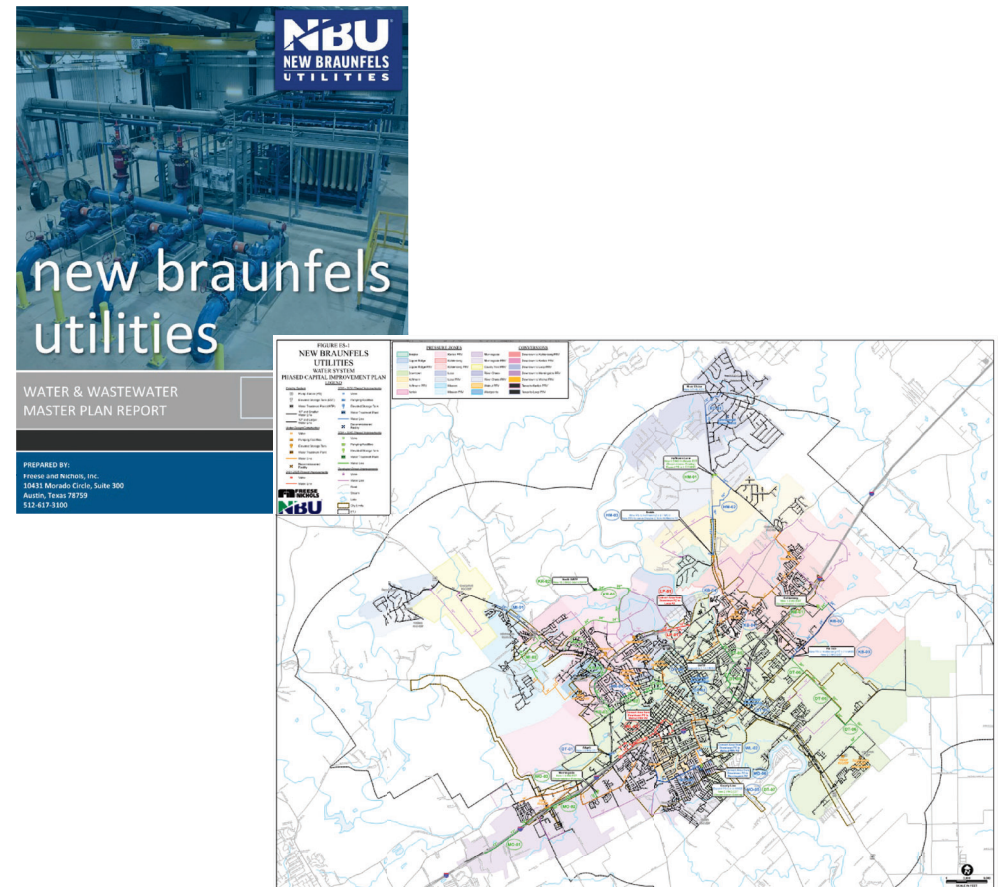
**NBU** NEW BRAUNFELS  
UTILITIES

12



# Q2 Water Accomplishments

- Bid process completed:
  - Simon Street Improvements
  - Sewer Infrastructure Replacement Pkg 2 Phase 2
- Landa Pump Station Expansion Substantially Complete
- Began rehabilitation of Loop 337 and County Line Ground Storage Tanks
- Kicked off 2026 W/WW Master Plan Project



## Mission

Strengthening our community by providing resilient essential services

+

## Vision

Be a trusted community partner dedicated to excellence in service

+

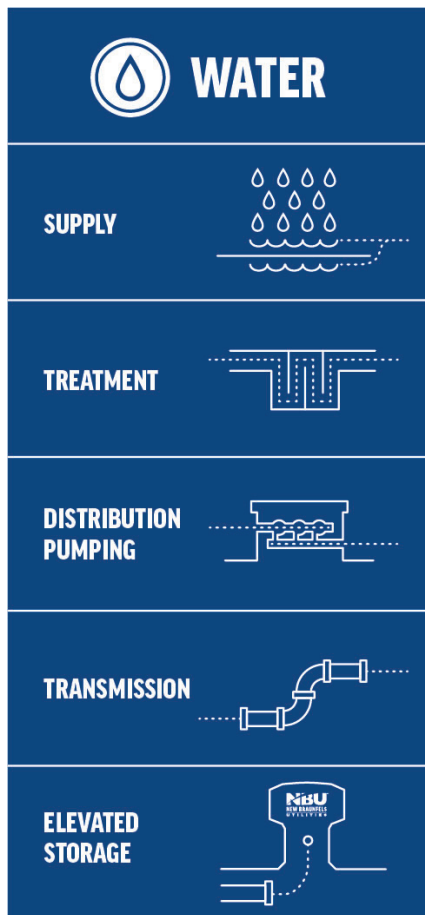
## Core Values

Safety, Team, Integrity, Culture, and Stewardship

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13

# Feature Projects - Water



## Simon St Improvements

Expected Completion: Fall 2025

Purpose: Provide redundant waterline to the Guada Coma Neighborhood due to the Last Tubers Exit waterline river crossing being abandoned. The Project will also relocate and lower the sewer main to provide reliable service and allow for roadway reconstruction.

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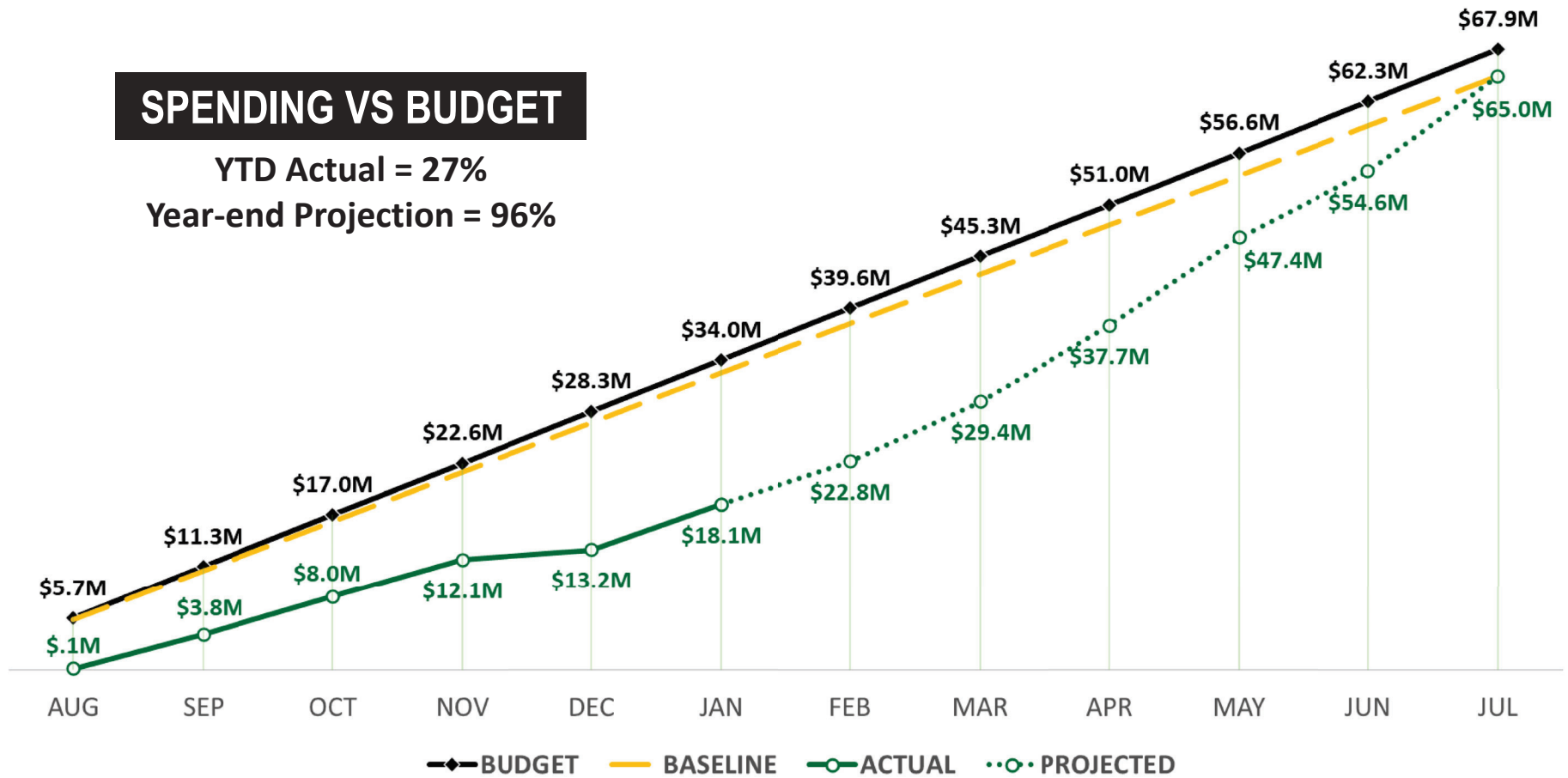
14



# Wastewater – Spending vs Budget

## SPENDING VS BUDGET

YTD Actual = 27%  
Year-end Projection = 96%



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# Q2 Wastewater Accomplishments

## OVERALL SITE



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# Q2 Wastewater Accomplishments

PLANT 2



DIGESTORS



TERTIARY FILTERS



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17

# Feature Projects - Wastewater

## WASTEWATER

### COLLECTION



### TRANSMISSION



### TREATMENT



### South Kuehler Interceptor Phase 1

Expected completion: Summer 2026

Purpose: Construction of approximately 6,000 linear feet of 36-inch and 42-inch gravity sewer main to replace a portion of sewer main in poor condition and additionally upgrade another portion for future growth in the South Kuehler wastewater basin.

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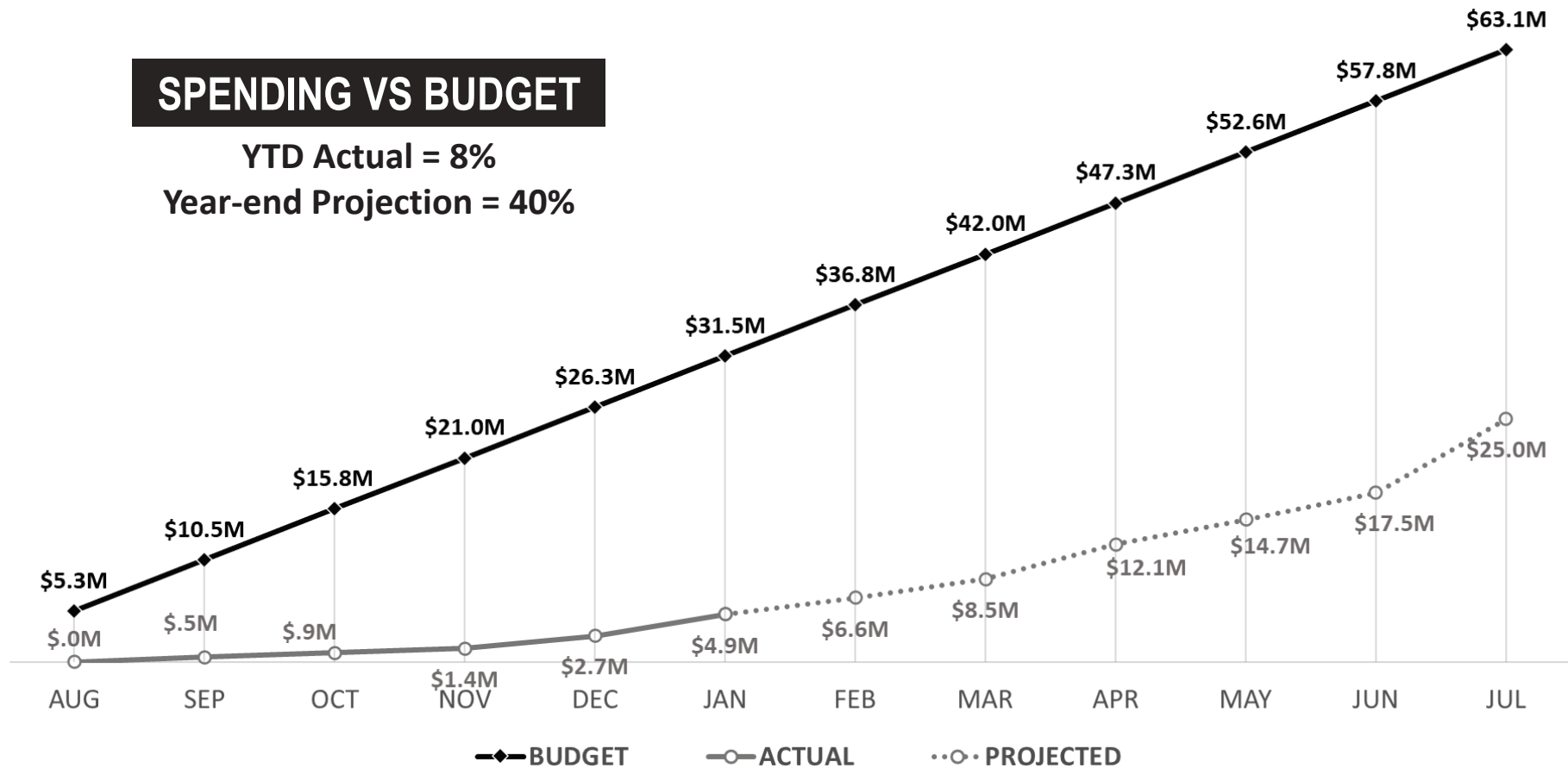
**NBU** NEW BRAUNFELS  
UTILITIES

18

# Support – Spending vs Budget

## SPENDING VS BUDGET

YTD Actual = 8%  
Year-end Projection = 40%



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UTILITIES



# Q2 Support Accomplishments

## CSC Move Phase II

- **IT Department:**
  - Tested network connectivity
  - Verified all needed equipment for Customer Service move to CSC
- **Facilities Department:**
  - Ensured all furniture was properly set up
  - Scheduled the moving company
- **Collaborative Efforts:**
  - Oversaw the move of all IT equipment, files, and pre-packed crates
  - Included departments: Call Center, Applications, Cashiering, Billing, New Construction
- **Completion:**
  - Move completed during the first weekend of January
  - Customer Service operational first thing Monday morning



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UTILITIES

20

# Feature Project - Support

## SUPPORT

### FLEET & FACILITIES



### INFORMATION TECHNOLOGY



### OPERATIONAL TECHNOLOGY



### DATA STRATEGY



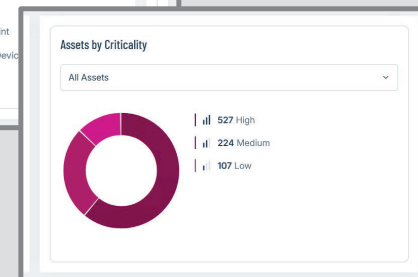
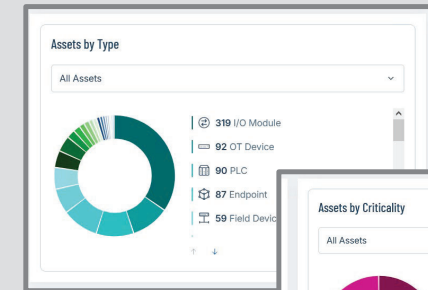
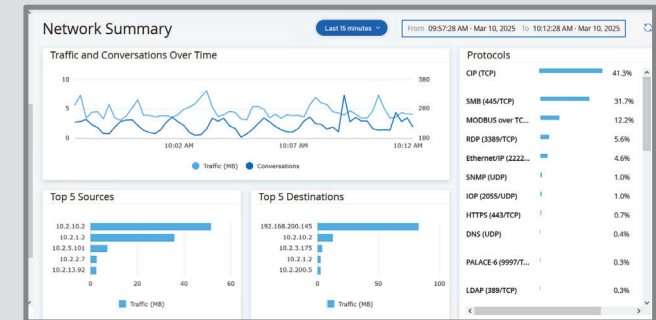
## Cybersecurity Monitoring

Completion: Q2 2025

Purpose: Installed and launched a network security product which allows additional visibility, security, and control across our water and wastewater environments.

Key benefits include:

- blind-spot elimination by monitoring network pathways in, out and between the SCADA environment
- asset and risk management by discovering network devices across the network and using GenAI, to rank risk categories
- allows stakeholders to manage vulnerabilities and close software/firmware/hardware security gaps.



## Mission

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## QUESTIONS

### Mission

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**Meeting Date:** April 24, 2025      **Agenda Type:** Items from Staff

**From:** Jacob Tschoepe      **Reviewed by:** Jacob Tschoepe  
Program Portfolio Manager      Program Portfolio Manager

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

**RECOMMENDED ACTION:** Monthly NBU Headquarters Progress Update

---

# New Braunfels Utilities HQ Update

April 2025

**NBU**® NEW BRAUNFELS  
UTILITIES



# Recent Milestones

## December

- GMP #1
- GMP #1 NTP
- 100% DD Documents
- 100% DD Budget

## January

- GMP #2
- GMP #3

## February

- GMP #2 NTP
- GMP #3 NTP
- Interim CD Documents
- SME Meetings
- Demo & SP1 Permits

## March

- Mobilization
- Demolition
- Interim CD Budget

## April

- Groundbreaking Ceremony
- Mobilization of GC and Owner Trailers
- 24" Waterline tie-in at IH-35



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## Mission

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## Core Values

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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



## Mission

Strengthening our community by providing resilient essential services

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UTILITIES





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UTILITIES



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UTILITIES





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**NBU** NEW BRAUNFELS  
UTILITIES

This slide is intentionally blank.

There will be a video of sitework that will be shown during the presentation.



## **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







## Next Steps

- GMP #5 to *May Board*
- GMP #6 to *August Board*
- 100% CD Documents *June*
- Site Permit 2 *June*
- Slab Permit *June*
- Pour foundation in *June*
- Vertical Steel Construction *September*
- Install Bridge *November*

### Mission

Strengthening our community by providing resilient essential services



### Vision

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### Core Values

Safety, Team, Integrity, Culture, and Stewardship





# Questions?



## Mission

Strengthening our community by providing resilient essential services

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## Vision

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## Core Values

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**NBU** NEW BRAUNFELS  
UTILITIES



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**Meeting Date:** April 24, 2025      **Agenda Type:** Consent Items for Action

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

**Submitted by:** Rocio Gallegos      **Approved by:** Ryan Kelso  
Chief of Staff      Chief Executive Officer

**RECOMMENDED ACTION:** Approve Minutes of the NBU Regular Board Meeting of March 27, 2025

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## **BACKGROUND**

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None

## **FINANCIAL IMPACT**

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None

## **LINK TO STRATEGIC PLAN**

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**Customers and Community**

## **EXHIBITS**

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1. March 27, 2025 Regular Board Meeting Minutes

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

**1:00 P.M.  
Thursday, March 27, 2025  
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 Yvette Villanueva Barrera, Board Trustee Stuart Blythin, and Mayor Neal Linnartz

**ABSENT**

None

**NBU PERSONNEL**

Ryan Kelso, Ragan Dickens, Greg Brown, Dawn Schriewer, Rocio Gallegos, Mark Steelman, Sheila Lavender, David Hubbard  
Bob Figuly, Justin Green, Rachel Leier, Nancy Pappas, Reagan Pena, Adriana Sanchez, Mike Short, Jason Theurer, John Warren, Larry Aguilar, Robert Aleman, Andrew Cummings, Becca Graham, David Guerrero, Jr., Bruce Haby, Kimberly Huffman, Jeffrey Jones, Jesse Luna, Brent Lundmark, Jenna Mathis, Jeffrey Morriss, Beth Perez, Justin Stroupe, Pamela Tarbox, Gregory Thomas, Jacob Tschoepe, Peter Vanderstoep, Joe Vargas, Kristi Villasana, Adam Willard

**NBU CONSULTANTS**

Kimberly Britton, Britton Strategies

**PLEDGE AND INVOCATION**

Board President Wayne Peters led the pledge of allegiance and offered the invocation.

**NBU EMPLOYEE RECOGNITION**

**1. Retirement Recognition of Larry Boos**

CEO Ryan Kelso recognized Larry Boos, who retired with 42 ½ years of dedicated service to NBU.

**PUBLIC COMMENT**

There were no public comment requests.

## ITEMS FROM THE CHAIR

### 1. **Report from the Legislative Committee**

Board Trustee Yvette Villanueva Barrera provided an update from the Legislative Committee meeting that took place on March 27, 2025. Items discussed included a current update of the legislative session, committee assignments of bills and the potential impacts on utility space at large; an in-depth review of particular bills that may impact MOU's and/or NBU's three lines of businesses/services; adjustments to HillCo's weekly communication to NBU; and Board President Wayne Peters shared an updated from the APPA legislative updates to include taxing municipal bonds.

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

No additional comments were made.

## ITEMS FROM STAFF

### 1. **CEO Update**

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

#### a. **Community Engagement: NBU Hosts Booth at the Home and Outdoor Living Show at the New Braunfels Civic Center**

NBU hosted a booth at the Home and Outdoor Living Show at the New Braunfels Civic Center. Staff met with community members and shared information about energy and water conservation, solar and the Headwaters of the Comal.

#### b. **Headwaters at the Comal Hosts New Volunteer Orientation**

Headwaters at the Comal welcomed 49 new volunteers at their New Volunteer Orientation.

#### c. **NBU Provides Mutual Aid and Electric Crew Support to the City of Jasper's Restoration Efforts after a Severe Weather Event**

NBU deployed nine Electric Operations crew members to assist with supporting the City of Jasper with power restoration after a powerful storm hit their city.

#### d. **NBU Launches KinderKraft, a Community Partnership with Communities in Schools**

NBU, in partnership with Communities in School, launched KinderKraft. The community initiative is focused on supporting local students in need to provide essential items such as socks, hygiene products, books and snacks to students within New Braunfels ISD and Comal ISD.



**e. NBU Employees Participate in the Texas Water Conference**

Two NBU employees, Shelby DeLosh and Robert Longoria, took on the Meter Challenge 2025 on March 19<sup>th</sup> during this year's Texas Water Conference in Houston. Additionally, NBU Project Manager, Paula Dubois, presented on Supervisory Control and Data Acquisition (SCADA) system design.

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

\*No additional items were discussed.

**2. Financial Update and Report**

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

**3. Quarterly Strategic Goal and Annual Priorities Update**

Program Portfolio Manager Jacob Tschoepe provided an update on the Quarterly Strategic Goal and Annual Priorities.

**4. Monthly NBU Headquarters Progress Update**

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

**5. NBU Community Advisory Panel Update Regarding the Rate Plan Design Process for Water, Wastewater, and Electric Rates**

Chief of Staff Rocio G. Hilliard introduced Kimberly Britton with Britton Strategies, who provided an update on the progress of the NBU Community Advisory Panel meetings regarding the Rate Plan Design Process for Water, Wastewater, and Electric Rates.

**CONSENT ITEMS FOR ACTION**

**Mayor Neal Linnartz made a motion, and Board Trustee Stuart Blythin seconded the motion to approve the Consent Items for Action as follows: #1, #2, #3, #4, #5, #6, and #7. The vote was unanimous.**

1. Approve Minutes of the NBU Regular Board Meeting of February 27, 2025
2. Approve the Change Order Log from January 15, 2025, through February 15, 2025
3. Approve the Reports for Water and Electric Engineering Contracts from January 15, 2025, through February 15, 2025
4. Approve the Electric Line of Business Alternative Procurements from August 1, 2024, through February 15, 2025
5. Reject All Proposals Submitted for RFP #24-0050, Credit Verification and Background Checks Solicitation
6. Authorize the CEO or His Designee to Negotiate and Execute a Construction Contract with Pesado Construction Company for the Construction of the South Kuehler Interceptor Phase 1 Project

7. Authorize the CEO or His Designee to Negotiate and Execute an AIA Document A133—Guaranteed Maximum Price Amendment No. 4 with SpawGlass Contractors, Inc., for the New Braunfels Utilities Headquarters Facility Project Located on a 76-acre Tract of Property at the Intersection of Engel Road and IH-35 for Structural Steel Early Release Package

### **EXECUTIVE SESSION**

Board President Wayne Peters recessed the Open Session at 1:55 pm and announced that the Board would go into an Executive Session meeting. The Executive Session included Power Supply Resources – Competitive Matters;

The Executive Session was opened at 2:01 pm and closed at 2:12 pm.

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

### **ADJOURN**

There was no further business, and Board President Wayne Peters adjourned the meeting at 2:14 p.m.

***Attest:***

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*Wayne Peters, President*  
*Approved*

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

*Date Approved: April 24, 2025*



**Meeting Date:** April 24, 2025 **Agenda Type:** Consent Items for Action

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

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

**RECOMMENDED ACTION:** Approve the Change Order Log from February 15, 2025, through March 15, 2025

## BACKGROUND

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

Listed below are the change orders submitted to the Purchasing Manager for the period of February 15, 2025, through March 15, 2025.

## FINANCIAL IMPACT

Change orders less than \$50,000:

- McKenzie Water Reclamation Facility (WRF) Expansion, Owners Contingency: threaded tap for pressure gauge, Supervisory Control and Data Acquisition (SCADA) flow meter change, transducer change per Instrumentation and Controls, new mini power center, changes for three manholes, dewatering wet well, light poles, water line adjustments, and two deducts, MGC Contractors, Inc., Change order No. 7, No cost change.
- Trinity Expansion Treatment Plant, Reinstallation of existing flange coupling adaptors, and using owner's contingency - permit changes, PLW Waterworks, LLC, Change order No. 10, Cost increase of \$6,970.45.

Change orders more than \$50,000:

- None reported during this period.

**LINK TO STRATEGIC PLAN**

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**Customers and Community**

**People and Culture**

**Stewardship**

**EXHIBITS**

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None





**Meeting Date:** April 24, 2025      **Agenda Type:** Consent Items for Action  
**From:** Jesse Luna      **Reviewed by:** David Hubbard  
                  Purchasing Manager      Chief Administrative Officer  
**Submitted by:** David Hubbard      **Approved by:** Ryan Kelso  
                  Chief Administrative Officer      Chief Executive Officer

**RECOMMENDED ACTION:** Approve the Electric Line of Business Alternative Procurements from February 15, 2025, through March 15, 2025

## 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 Purchasing Manager for the period of February 15, 2025, through March 15, 2025, using the electric line of business alternative procurement process.

## FINANCIAL IMPACT

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

- Integrated Risk Management and Settlements Software - Power Costs Inc. (PCI): Implementation and license fees for software to support the Power Supply and Energy Risk Management departments; five-year term; Cost of \$1,327,284.00.
- Stuart C. Irby: Cost of \$391,942.74 for Electric Inventory Materials (see Exhibit A, Quote E1811XLS, for reference).
- In October 2022, the Board authorized the purchase of two power transformers (PWTs) from Virginia Transformer for \$2,884,698.00. Since that time, the Hueco Springs Substation schedule has changed, and the site will not be ready to accept the new transformer until October 2025 instead of August 2024, as originally specified. At the regular Board meeting in July 2024, the Board

authorized an additional \$164,234.90 for storage fees due to these delays. Due to the continued construction delays, NBU staff is seeking authorization for an additional \$288,469.80 in storage fees through October 2025. The new total for this procurement will be \$3,337,402.70.

## **LINK TO STRATEGIC PLAN**

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### **Infrastructure and Technology**

#### **Stewardship**

## **EXHIBITS**

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1. Exhibit A - Electric Inventory Quote E1811XLS



## **FINANCIAL IMPACT**

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The financial impact of the contracts approved during the period between February 15, 2025, and March 15, 2025, is \$2,728,204.86.

## **LINK TO STRATEGIC PLAN**

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**Customers and Community**

**People and Culture**

**Stewardship**

## **EXHIBITS**

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





**Meeting Date:** April 24, 2025 **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 R.L. Jones, LP, for the Construction of the Simon Street Water and Wastewater Improvements Project

## BACKGROUND

On December 18, 2024, New Braunfels Utilities (“NBU”) issued a request for proposals for the Simon Street Water and Wastewater Improvements Project, which includes (i) construction of approximately 1,365 linear feet (“LF”) of 8-inch wastewater main with associated manholes and service laterals, (ii) construction of approximately 1,070 LF of 8-inch water main with associated valves, fire hydrants and services (iii) abandonment and grout filling of existing water mains, wastewater mains, and associated manholes, (iv) connections to the NBU water and wastewater systems, (v) wastewater bypass pumping, (vi) traffic control, (vii) storm water pollution prevention, (viii) restoration, and (ix) all other appurtenances necessary to complete the Project (the “Project”). The Project will resolve conflicts with the upcoming City of New Braunfels Simon Street improvement project and add a redundant waterline feed to the Guada Coma neighborhood.

On January 21, 2025, NBU received six (6) bids for the Project during the public bidding process. The project team evaluated the bids and recommends the selection of R. L. Jones, LP (“R. L. Jones”) for the Project. R. L. Jones 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. R. L. Jones’s proposal includes a base bid of \$1,083,843.00, which was the lowest base bid out of the six (6) respondents.

NBU staff requests that the Board of Trustees approve the Construction Contract Agreement (the “Contract”) with R. L. Jones 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 R. L. Jones for the Project is \$1,083,843.00. The Project is budgeted within the Fiscal Year 2025 NBU Board approved Capital Improvements Projects Budget. Anticipating the need for project change orders, a contract contingency of \$110,000.00, which is approximately 10% of the total contract amount, will be added to the project construction budget. The total contract amount plus contingency is \$1,193,843.00.

## LINK TO STRATEGIC PLAN

### Infrastructure and Technology

## EXHIBITS

### 1. Bid Tab – (RFB 25-0049)

| Bid Tab                         |                          |
|---------------------------------|--------------------------|
| <b><u>Bidder</u></b>            | <b><u>Total Cost</u></b> |
| R.L. Jones LP                   | \$1,083,843.00           |
| E-Z Bel Construction Co, LLC    | \$1,179,848.85           |
| Lupe Rubio Construction Co, Inc | \$1,218,490.84           |
| Dust & Dirt, LLC dba CivCon     | \$1,247,276.50           |
| Guerra Underground, LLC         | \$1,493,165.61           |
| Spiess Construction Co, Inc     | \$1,571,634.00           |

### 2. Bid Evaluation Matrix – Competitive Sealed Proposal (25-0049)

| Bidder Evaluation Matrix |                                   |                 |               |                              |                             |                                 |                             |                         |
|--------------------------|-----------------------------------|-----------------|---------------|------------------------------|-----------------------------|---------------------------------|-----------------------------|-------------------------|
| Item                     | Criteria                          | Possible Points | R.L. Jones LP | E-Z Bel Construction Co, LLC | Spiess Construction Co, Inc | Lupe Rubio Construction Co, Inc | Dust & Dirt, LLC dba CivCon | Guerra Underground, LLC |
| 1.                       | Cost of the Work                  | 50              | 50            | 45.9                         | 34.4                        | 44.4                            | 43.4                        | 36.3                    |
| 2.                       | Proposed Schedule / Contract Time | 20              | 12            | 10.67                        | 12                          | 0                               | 0                           | 0                       |
| 3.                       | Past Performance                  | 10              | 5.67          | 7                            | 6                           | 4.34                            | 0                           | 0                       |
| 4.                       | Overall Qualifications            | 7.5             | 4.5           | 6                            | 5.5                         | 3.5                             | 0.5                         | 0                       |
| 5.                       | Resources                         | 7.5             | 4.25          | 4.5                          | 4.5                         | 3.75                            | 0.75                        | 0                       |
| 6.                       | History and Stability             | 2.5             | 1.42          | 1.25                         | 1.5                         | 1.17                            | 0.67                        | 0.33                    |
| 7.                       | References                        | 2.5             | 1.5           | 1.5                          | 1.5                         | 1.33                            | 0                           | 0                       |
|                          | Total Score                       | 100             | 79.34         | 76.82                        | 65.4                        | 58.49                           | 45.32                       | 36.63                   |
|                          | Rank                              |                 | 1             | 2                            | 3                           | 4                               | 5                           | 6                       |

### 3. Construction Contract with R. L. Jones



**Meeting Date:** April 24, 2025

**Agenda Type:** Consent Items for Action

**From:** Jill Barney  
Project Manager

**Reviewed by:** Nancy Pappas  
Managing Director Headwaters at  
the Comal

**Submitted by:** Dawn Schriewer  
Chief Financial Officer

**Approved by:** Ryan Kelso  
Chief Executive Officer

**RECOMMENDED ACTION:** Authorize the CEO or His Designee to Negotiate and Execute AIA Document G802-2017, Amendment to the Professional Services Agreement between New Braunfels Utilities and Lake|Flato Architects, Inc. for (i) Formalization of Additional Service Requests (“ASRs”) from Project Inception to Present; (ii) Extension of Phase 2 Construction Administration; (iii) Completion of Phase 3 Construction Documentation, Phase 3 Construction Administration, and Extension of Phase 3 Construction Administration; and (iv) Additional Services for Completion of Phase 4 Construction Documentation, Phase 4 Permitting, and Phase 4 Construction Administration

## **BACKGROUND**

New Braunfels Utilities (“NBU”) and Lake|Flato Architects, Inc. (“Lake Flato”) entered into an agreement in May of 2013 for sitework and building design and documentation for the Headwaters at the Comal site development project (the “Project”). Most recently, in August of 2021, the Board of Trustees executed an amendment between NBU and Lake Flato for additional services for the completion of Phase 2 of the Headwaters at the Comal Master Plan.

Now, NBU and Lake Flato desire to amend the contract again to (i) formalize all Additional Service Requests (“ASRs”) from the inception of the contracts to the present; (ii) authorize additional services for the extension of Phase 2 Construction Administration Phase beyond the substantial completion date provided by Byrne Construction for GMP 2; (iii) authorize additional services for the completion of Phase 3 Construction Documentation, Phase 3 Construction Administration; and the extension of Phase 3 Construction Administration Phase beyond the substantial completion date provided by Byrne Construction for GMP 2; and (iv) add services for the completion Phase 4 Construction Documentation, Phase 4 Permitting and Phase 4 Construction Administration. The amendment with Lake Flato ensures continued support through project completion.



While the agreement with Lake Flato references Phase 4 in the contract, that does not match the construction phases of the complete Headwaters at the Comal project. The construction phases are designated Phase 1, Phase 2, and Phase 3. The agreement with Lake Flato, however, covers all construction documentation, permitting, and administration to deliver the completion of the Headwaters at the Comal master plan architectural drawings.

NBU staff requests that the Board of Trustees approve the Amendment with Lake Flato for the Project.

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

### **FINANCIAL IMPACT**

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The total financial impact of the Amendment with Lake Flato is \$1,033,525.00. This is being budgeted from the NBU Fiscal Year 2025 capital budget.

### **LINK TO STRATEGIC PLAN**

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### **Stewardship**

### **EXHIBITS**

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1. AIA G802 - 2017 Amendment
2. Exhibit A – Project Accounting Summary
3. Original AIA Agreement

**Agenda Type:** Action Items

**Approved by:** Ryan Kelso  
Chief Executive Officer

**RECOMMENDED ACTION:** Discuss and Consider Adoption of Resolution #2025-195 Relating to the Issuance of the “City of New Braunfels, Texas Utility System Revenue Refunding Bonds, Series 2025” and Resolving Other Matters Related Thereto

## BACKGROUND

During the New Braunfels Utilities (“NBU”) budget workshop on May 30, 2024, NBU staff discussed its desire to issue bonds of up to \$111.8 million to fund planned capital expenditures in Fiscal Year 2025 and continue the use of its commercial paper program, both of which will allow NBU to remain flexible and liquid with quick access to funds when needed. The Board approved the Fiscal Year 2025 budget and five-year financial operating plan through Fiscal Year 2029, including the above-planned bond issuances, at its June 27, 2024 Board meeting. NBU’s staff has determined that refunding the outstanding commercial paper notes will provide the necessary capacity to fund planned expenditures in fiscal year 2025. In light of the fact that major projects are underway, NBU staff recommends that the Series 2025 bond issuance be initiated.

The Series 2025 bond issuance includes \$64 million for a potential refunding of the Series 2015 and Series 2016 bond issues and the refunding of up to \$75 million in commercial paper notes. Refunding the outstanding commercial paper notes adheres to NBU's Financial Policy, which states that NBU will refund the outstanding commercial paper notes with long-term debt once the authorized commercial paper amount is fully utilized or if it is determined that market conditions are no longer favorable for the issuance and remarketing of commercial paper notes. Refunding the commercial paper notes allows NBU to utilize the \$75 million in commercial paper capacity again and to continue to benefit from access to funds at the usually lower short-term interest repayment rates associated with a commercial paper program.

NBU staff recommends that the Board approve NBU staff, financial advisor (SAMCO Capital Markets, Inc.), and bond counsel (Norton Rose Fulbright US LLP) to begin the bond offering process and preparation of documents relating to the issuance of the Series 2025 Bonds. The proposed timeline includes City Council authorization of the issuance of the bonds and bond pricing in May 2025, and the closing of the bonds in June 2025.

NBU staff recommends that the Board authorize the “parameter” process for issuing the Series 2025 Bonds. The City is a qualified issuer under Government Code Chapter 1371, which allows the delegation of the authority by the City Council to finalize the bond transaction within certain parameters. Section 1207.007 of the Government Code allows for the parameter delegation of the refunding component of the bond issue. The approval to issue bonds under these statutes allows the City Council to set certain parameters, including the maximum original principal amount, a maximum maturity date, a not-to-exceed interest rate, and a minimum net present value savings on the par value of the refunded bonds. If all of these parameters are met, then the ultimate final approval of pricing would be delegated to certain appointed officials, such as the City Manager and CEO of NBU. This process eliminates the strict timeline of having to coordinate pricing to the date of an NBU Board meeting and a City Council meeting. This process also gives the City and NBU the flexibility to time its actions in the market by adjusting the pricing in response to potential positive market developments or to avoid adverse market developments. The City Manager would be fully advised once the financing is completed. This approach also has the advantage of not requiring an additional separate City Council meeting to approve the bond issue. NBU has successfully utilized this process in prior NBU bond offerings.

A summary of the proposed parameters is as follows:

1. the maximum original principal amount of \$144,235,000;
2. a maximum maturity date that will not exceed July 1, 2056;
3. a maximum interest rate that will not exceed 6.0%; and
4. a minimum net present value savings on the par value of the refunded bonds of at least 2.0%

## **FINANCIAL IMPACT**

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The total financial impact of issuing the Series 2025 bonds is \$144.2 million plus interest of no more than 6.0%.

## **LINK TO STRATEGIC PLAN**

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### **Financial Excellence**

## **EXHIBITS**

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1. Resolution #2025-195

# Series 2025 Bond Issuance



April 24, 2025

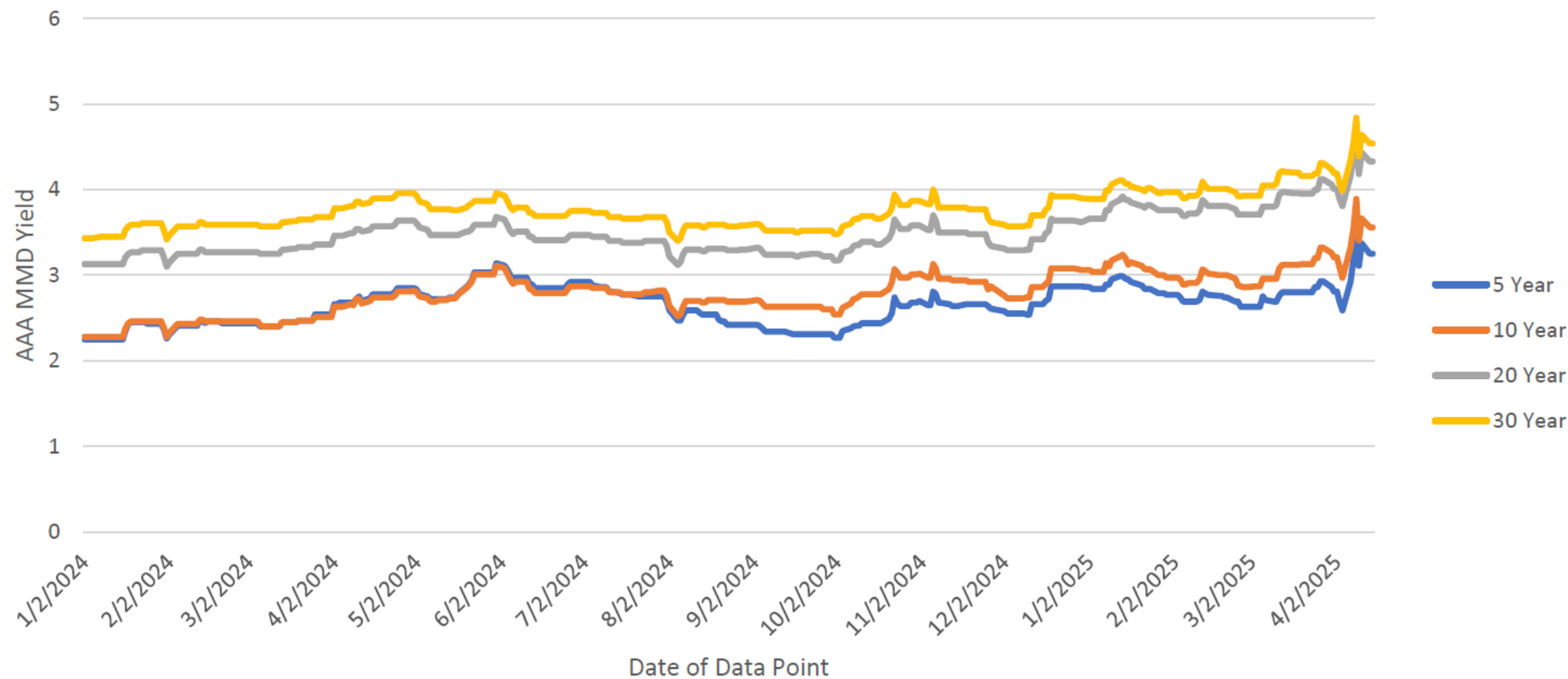


- **Fixed income and equity markets have continued to show some volatility as the markets try to balance inflationary concerns and geo-political pressures.**
- **While the municipal market has seen a tighter range of movement for interest rates in the last 12-18 months through the end of March, we have still seen a variance of 50-75 basis points during this time.**
- **Since the beginning of April, the municipal market has experienced more significant swings with rates moving as much as 45 bp from day to day with a two day upward move of approximately 80 bp followed the next day by a downward move of 30-40 bp.**
  - The yield curve, even with the above swings, has slowly been losing its inversion and becoming more “normal” with shorter term rates at lower levels than the medium and long term rates.
  - There does not seem to be a firm consensus that inflation is truly under control, however, there remains a general projection that the Fed will cut their short term rates possibly two times in calendar 2025.
  - Long term fixed tax exempt rates are still at relatively low historic levels.

# Rates as of April 16, 2025

Item 1.

5,10,20, & 30 Year MMD from Jan 2024-Present



## Mission

Strengthening our community by providing resilient essential services

## + Vision

Be a trusted community partner dedicated to excellence in service

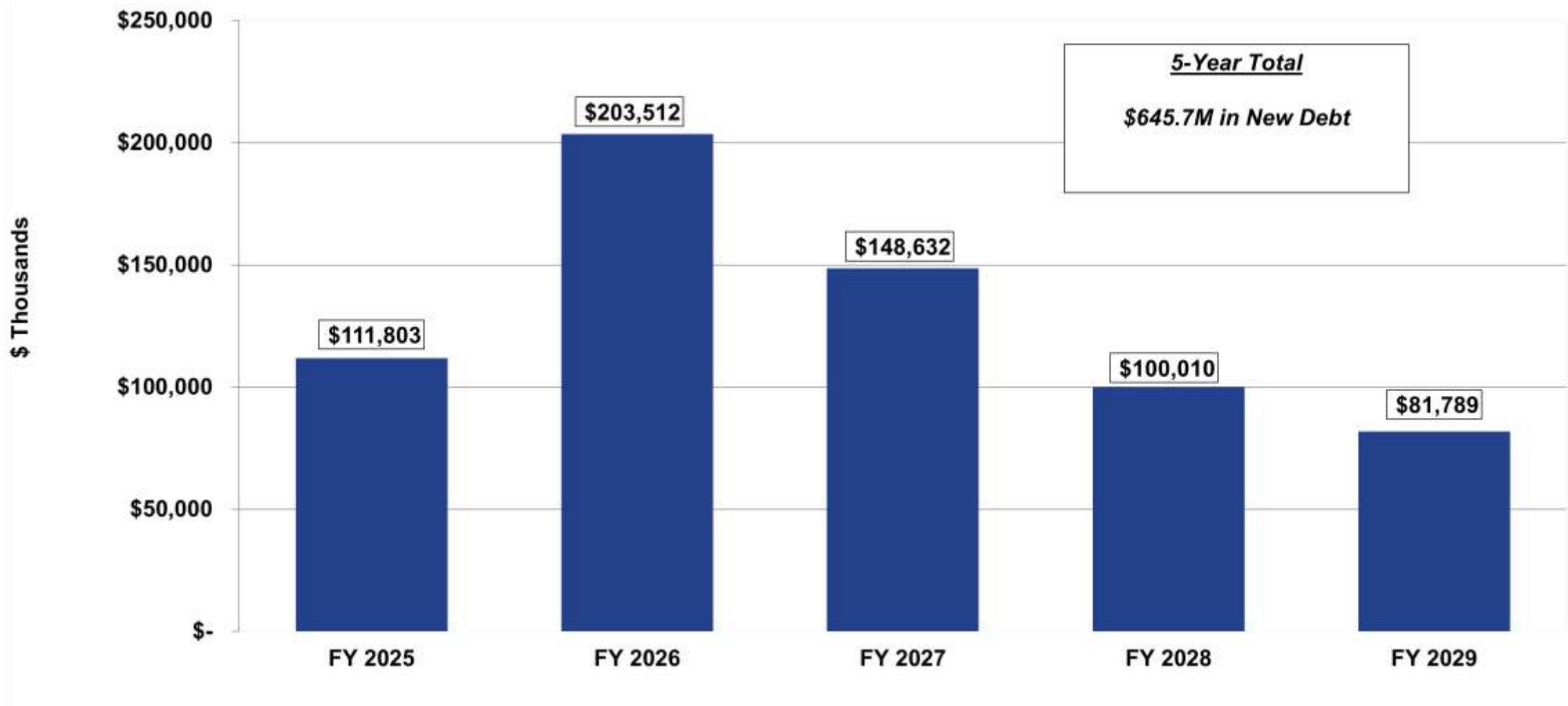
## + Core Values

Safety, Team, Integrity, Culture, and Stewardship

# Debt Funding Requirement

## Long-Term Financing

Item 1.



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# Bond Issuance Details

- **Issuance Parameters**
  - Refunding the outstanding commercial paper notes
  - Potential refunding of the outstanding Series 2015 and Series 2016 bonds for savings.
- **Three components combined into one approval**
  - More efficient process for NBU Board and City Council approval
  - Provides NBU flexibility to be responsive to market conditions
  - Approval is valid for up to six months
  - Allows for more than one issuance to complete all of the components
  - Monitor market for more favorable market conditions on potential Series 2015 and Series 2016 refunding

| Bond Components and Timing                    |   |
|---|---|
| Refund Commercial Paper – \$75.0 Million      | Planned refunding to be completed in June 2025                    |
| Refund Series 2015 Bonds – \$8.7 Million      | Potential refunding if minimum savings available – up to 6 months |
| Refund Series 2016 Bonds – \$55.6 Million     | Potential refunding if minimum savings available – up to 6 months |
| Approximate Total Issuance of \$139.2 Million |   |



# Issuing Debt to Refund Commercial Paper Benefits to NBU

Item 1.

- **Interest Rate Savings**
  - CP generally carries lower interest repayment rates than bonds due to the short term maturities
- **Provides Additional Flexibility**
  - Match construction funding availability with construction expenditure needs
  - Issue CP with maturities tailored to match cash flow needs
- **Unused Capacity Noted by Ratings Agencies**
  - Included in Days Liquidity on Hand calculation
- **Potential Long-Term Alternative**
  - Can choose to continuously include CP in debt portfolio as additional financing option

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## Core Values

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# Resolution Relating to Bond Issuance

Item 1.

- **Recommending a Parameter Order approval which has been successfully utilized in prior NBU bond offerings**
- **Parameters (Combined Components):**
  - Par amount not to exceed \$144,235,000
  - Maximum interest rate not to exceed 6.00%
  - Maximum maturity not to exceed July 1, 2056
  - Minimum net present value savings on the par value of the refunded bonds of at least 2.00% (relates only to the refunding of the Series 2015 and Series 2016 bonds)
- **The Parameter Order provides flexibility in pricing in times when markets are volatile**

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**NBU** NEW BRAUNFELS  
UTILITIES

# Underwriting Team

Item 1.

PIPER | SANDLER

Senior Manager



Capital  
Markets

Co-Manager



Co-Manager

## Mission

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## Vision

Be a trusted community partner dedicated to excellence in service

+

## Core Values

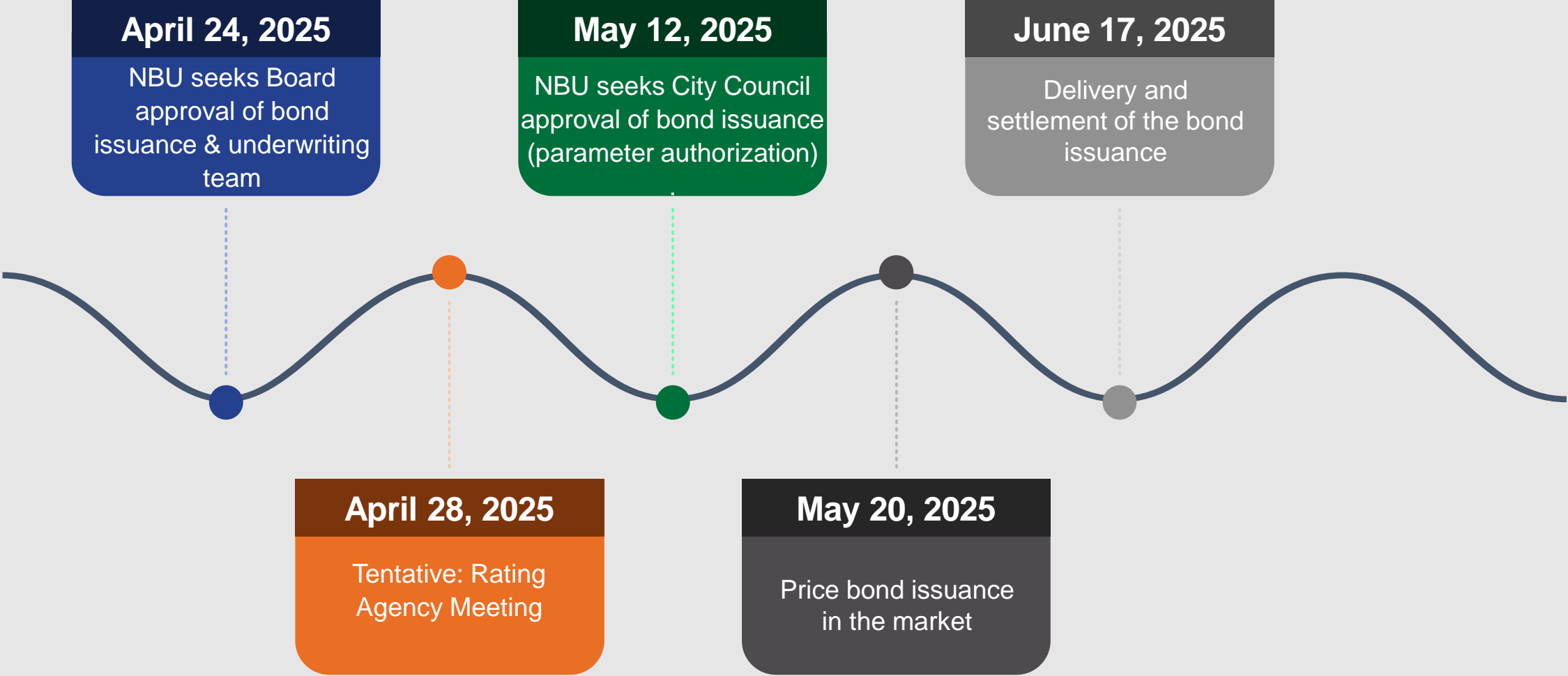
Safety, Team, Integrity, Culture, and Stewardship

**NBU** NEW BRAUNFELS  
UTILITIES

80

8

# Bond Issuance Timeline



## Mission

Strengthening our community by providing resilient essential services

## + Vision

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## + Core Values

Safety, Team, Integrity, Culture, and Stewardship



**Agenda Type:** Action Items

**Approved by:** Ryan Kelso  
Chief Executive Officer

traded over \$170 billion in securities and has become an active full-service investment banking sales and trading platform. The Public Finance group, which is dedicated primarily to Texas, has nearly 150 years of combined experience, while the lead bankers assigned to work with NBU have been involved in prior NBU transactions at their previous firms.

## **FINANCIAL IMPACT**

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The underwriting team will be paid from the proceeds from the sale of the Series 2025 Bonds.

## **LINK TO STRATEGIC PLAN**

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### **Financial Excellence**

## **EXHIBITS**

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None