



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

AGENDA

CALL TO ORDER

PLEDGE OF ALLEGIANCE AND INVOCATION

Board Trustee Yvette Villanueva Barrera

PUBLIC COMMENT

ITEMS FROM THE CHAIR

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

ITEMS FROM STAFF

1. CEO's Update
 - a. NBU Chief of Staff Rocio G. Hilliard Receives 2025 Rising Star of New Braunfels Award
 - b. NBU Participates in Wassailfest
 - c. NBU Employee Holiday Party
 - d. NBU Leadership Team Volunteers at the New Braunfels Food Bank
 - e. Update on Winter Storm Fern and Other Potential Winter Storm Activity
 - f. Any Other Items Permitted Under Section 551.0415 of the Texas Government Code
2. Financial Update and Report
3. Quarterly Capital Update – Fiscal Year 2026 First Quarter (“Q1”)
4. Monthly NBU Headquarters Progress Update

CONSENT ITEMS FOR ACTION

1. Approve Minutes of the NBU Regular Board Meeting of December 18, 2025
2. Approve Minutes of the NBU Special Board Meeting of January 22, 2026
3. Approve the Change Order Log from November 15, 2025, through December 15, 2025

- [4.](#) Approve the Reports for Water and Electric Engineering Contracts from August 1, 2025, through December 15, 2025
- [5.](#) Approve the Electric Line of Business Alternative Procurements from November 15, 2025, through December 15, 2025
- [6.](#) Authorize the CEO or His Designee to Negotiate and Execute a Construction Contract with Pesado Construction Company for the Construction of the Saengerhalle North Interceptor Project, Located Generally Along Willowbrook Avenue Between Alves Lane and FM 1101
- [7.](#) Authorize the CEO or His Designee to Negotiate and Execute a Construction Contract with Pesado Construction Company for the Construction of the Infrastructure Replacement Package 3 Project, Located Generally at Coll Street, Market Street, Grant Alley, Katy Street, Jackson Street, Marigold Drive, and Mulberry Avenue
- [8.](#) Authorize the CEO or His Designee to Negotiate and Execute a Professional Services Agreement with Pawelek & Moy, Inc. for the Design of the Fredericksburg Road Interceptor Project
- [9.](#) Authorize the CEO or His Designee to Negotiate and Execute a Professional Services Agreement with Quiddity Engineering, LLC for the Design of the Gruene Water Reclamation Facility Expansion Project
- [10.](#) Authorize the CEO or His Designee to Negotiate and Execute a Construction Contract with MGC Contractors, Inc. for the Construction of the Solms Pump Station and Ground Storage Tank Project Located at the NBU Headquarters Property at 5467 FM 482, New Braunfels, Texas
- [11.](#) Authorize the CEO or His Designee to Negotiate and Execute a Construction Contract with Pesado Construction Company for the Construction of the Western Downtown to Morningside Pressure Zone Conversion Rusch Lane Pressure Reducing Valve Project, Located at the I-35 Southbound Frontage Road and Rusch Lane Intersection
- [12.](#) Authorize the CEO or His Designee to Negotiate and Execute a First Amendment to the Professional Services Agreement with Kimley-Horn and Associates, Inc. for the Design of the Central Downtown to Morningside Pressure Zone Conversion Project, Adding Additional Services Related to Expansion of Work along Rosedale Avenue and Pipeline Realignment Along I-35 Near the New Braunfels Library
- [13.](#) Authorize the CEO or His Designee to Execute a Professional Service Agreement with Burns & McDonnell Engineering Company, Inc. For Engineering, Design, and Construction Management Services of the Hortontown Substation Upgrade Project, Located at 1264 Industrial Drive
- [14.](#) Authorize the CEO or His Designee to Negotiate and Execute a Second Amendment to the Professional Service Agreement with Schneider Engineering, LLC for Additional Engineering, Design, and Construction Management Services for the Comal T-3 Replacement Project, Freiheit Breaker Additions and Control Enclosure Upgrade Project, Kohlenberg Substation Construction Project, and the Henne Substation Breaker and a Half Upgrade Project
- [15.](#) Authorize the CEO or His Designee to Negotiate and Execute a Services and Goods Agreement with Austin Armature Works, LP for Lift Station Pump and Diagnostic Repair Services

- [16.](#) Authorize the CEO or His Designee to Negotiate and Execute a Services and Goods Agreement with Pump Solutions, Inc. for Lift Station Pump and Diagnostic Repair Services
- [17.](#) Authorize the CEO or His Designee to Negotiate and Execute a Sourcewell Cooperative Agreement, Sourcewell Contract No. 032824-NVS, with Holt Truck Centers of Texas, LLC, for the Purchase of One (1) International CV515 Electric Ops Truck; Two (2) International HV607 13 Yard Dump Truck(s); Three (3) International CV515 Water Ops Truck(s); One (1) International MV607 Water Ops Truck; and One (1) International CV515 Water Ops Truck with Stellar EC4000 Crane
- [18.](#) Authorize the CEO or His Designee to Negotiate and Execute a Sourcewell Cooperative Agreement, Sourcewell Contract No. 040924-ALT, with Global Rental Co., Inc., for the Purchase of Two (2) AT48M 4x4 Bucket Trucks
- [19.](#) Authorize the CEO or His Designee to Negotiate and Execute a First Amendment to the Professional Services Agreement with Freese and Nichols, Inc. for Owner's Representative Services for the Backup Operations Center Project to Expand Construction Services and Add Building Commissioning Services
- [20.](#) Authorize the CEO or His Designee to Negotiate and Execute a Professional Services Agreement with F. Guerra DeBerry, LLC, d/b/a GDC Marketing and Ideation for Public Relations and Creative Services
- [21.](#) Adopt Resolution R-2026-204 Approving Revisions to the Records Policy (formerly the Records and Information Management Policy) and Other Matters in Connection Therewith

ITEMS FOR FUTURE ACTION

- [1.](#) Discuss Drought Contingency Plan Revisions

PRESENTATION ITEMS

- [1.](#) Provide Update on the NBU Billing Assistance Program

ACTION ITEMS

- [1.](#) Discuss and Consider Approval of a Professional Services Agreement with EEPlus, Inc. for Large Load Consulting Services

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*, 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. Personnel Matters
(Section 551.074 – Texas Government Code)
 - a. CEO Semi-Annual Evaluation – Deliberate the appointment, employment, evaluation, and duties of the CEO

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

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

ADJOURN

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

CERTIFICATE OF POSTING

I, Ryan Kelso, Secretary to the Board of Trustees, do hereby certify that this Notice of Meeting was posted on a bulletin board at a place convenient to the public at the City of New Braunfels City Hall, 550 Landa Street, New Braunfels, Texas; the New Braunfels Utilities Main Office, 263 Main Plaza, New Braunfels, Texas; and the New Braunfels Utilities Customer Solutions Center, 1488 South Seguin Avenue, New Braunfels, Texas, on the **23rd day of January 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: January 29, 2026

Agenda Type: Items from Staff

From: Kimberly DaCosta
Accounting Manager

Reviewed by: Ashley Schriewer
Director of Financial Services

Submitted by: Jessica Williams
Chief Financial Officer

Approved by: Ryan Kelso
Chief Executive Officer

RECOMMENDED ACTION: Financial Update and Report

BACKGROUND

NBU's service territory experienced higher temperatures and lower rainfall during the month of December than historically. The average temperature was 57.5 degrees, which was 5.9 degrees higher than the historical average temperature of 51.7 degrees. Rainfall totaled 0.37 inches for the month of December, which was 2.19 inches lower than the historical average rainfall of 2.56 inches.

For the month of December 2025, NBU recorded a change in net position after contributions ("CNPAC") of \$5,435,000, which represents an increase of \$3,919,000 compared to the budgeted monthly CNPAC of \$1,516,000. Operating service revenues of \$21,036,000 were less than budget by \$1,734,000, or 8%, for the month of December. A \$1,966,000 decrease in electric revenue, a \$314,000 increase in water revenue, and an \$82,000 decrease in wastewater revenue contributed to the overall service revenues. Other operating revenues of \$564,000 were less than budget by \$21,000 for the month of December. Purchased power costs were \$3,721,000 less than budget for December 2025 and \$16,298,000 less for Year-to-Date ("YTD"). A decrease in other operating expenses of \$621,000 resulted in total operating expenses to be \$4,342,000, or 21%, less than the budgeted amount of \$21,056,000. The net revenue and operating expense variances contributed to a favorable net operating income variance of \$2,587,000 from budget. Net non-operating items had a \$2,489,000 favorable variance compared to budget. Impact fees were less than budget by \$1,073,000, and services income was less than budget by \$83,000. December 2025 YTD CNPAC was \$33,770,000, which was \$24,909,000 greater than the budgeted amount of \$8,861,000.

FINANCIAL IMPACT

Electric

The Electric Line of Business reported total operating revenues of \$14,238,000, a \$1,984,000 decrease from the December budgeted amount of \$16,22,000. The net rate realized per kWh was \$0.1065, which was 10% less than the budgeted rate of \$0.1179 for the month of December. December kWh sales were 129.3 million kWh, a 4.2 million kWh decrease, or 3%, in comparison to the budgeted amount of 133.5 million kWh.

Purchased power costs totaled \$6,354,000, which was \$3,721,000 less than the budgeted amount of \$10,075,000. Electric gross margin, which is total operating revenues minus purchased power, resulted in the amount of \$7,884,000 for the month of December and \$37,340,000 YTD. These amounts were \$1,737,000 greater than and \$8,833,000 greater than the budgeted amount of \$6,147,000 Month-to-Date (“MTD”) and \$28,507,000 YTD, respectively. Other operating expenses were less than budget by \$435,000. These items resulted in the Electric Line of Business reporting net operating income of \$5,179,000, which was \$2,170,000 greater than the budgeted amount of \$3,009,000. Net non-operating items provided a favorable variance from budget of \$470,000. Services income was less than budget by \$30,000. The Electric Line of Business reported in December 2025 CNPAC of \$4,704,000 and YTD CNPAC of \$22,969,000. These amounts were \$2,610,000 greater than and \$15,780,000 greater than their respective December 2025 MTD and December 2025 YTD budget amounts.

Water

The Water Line of Business reported total operating revenues of \$3,823,000, a \$305,000 increase, or 9%, from the December budgeted amount of \$3,518,000. In December, water gallons sold of 319,201,000 were greater than the budgeted amount of 298,876,000 (a 20,325,000-gallon variance from budget, or 7%). NBU’s net realized price per 1,000 gallons sold in December was \$11.76, which was greater than the budgeted amount of \$11.51. Operating expenses for December were \$4,660,000, which was \$67,000 greater than the budgeted amount of \$4,593,000. The net effect of higher revenues and greater operating expenses than budgeted resulted in Water’s net operating income of (\$838,000), which was greater than budget. Net non-operating items provided a favorable variance of \$931,000 from budget. Impact fees of \$681,000 were less than budget by \$778,000, and services income of \$44,000 was less than budget by \$52,000. The Water Line of Business reported in December 2025 CNPAC of (\$159,000) and YTD CNPAC of \$6,071,000. These amounts were \$337,000 greater than and \$3,679,000 greater than their respective December 2025 MTD and December 2025 YTD budget amounts.

Wastewater

The Wastewater Line of Business reported total operating revenues of \$3,541,000, a \$75,000 decrease from the December budgeted amount of \$3,616,000. Total operating expenses of \$2,996,000 were \$254,000 less than the budgeted amount of \$3,250,000. As a result, the Wastewater Line of Business reported net operating income of \$545,000, which was \$179,000 greater than the budgeted amount of \$366,000. Net non-operating items provided a favorable variance of \$1,087,000 from budget. Impact fees were less than budget by \$294,000. The Wastewater Line of Business reported December 2025 CNPAC of \$890,000 and YTD CNPAC of \$4,730,000. These amounts were \$972,000 greater than and \$5,450,000 greater than their respective December 2025 MTD and December 2025 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

- December 2025 Financials

- Kimberly DaCosta, Accounting Manager



Board Financial Policy Compliance - December 2025 YTD

	FY 2026 Budget	Financial Policy	FY 2026 Actual*
Debt to Capitalization (lower is better)	48.9%	$\leq 55.0\%$	39.5%
Debt Service Coverage (higher is better)	2.75	≥ 2.40	4.88
Days Cash on Hand (higher is better)	220	≥ 140	260
Days Liquidity on Hand (higher is better)	N/A	N/A	426

* Amounts are calculated by annualizing the YTD results

Mission

Strengthening our community by providing resilient essential services

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Be a trusted community partner dedicated to excellence in service

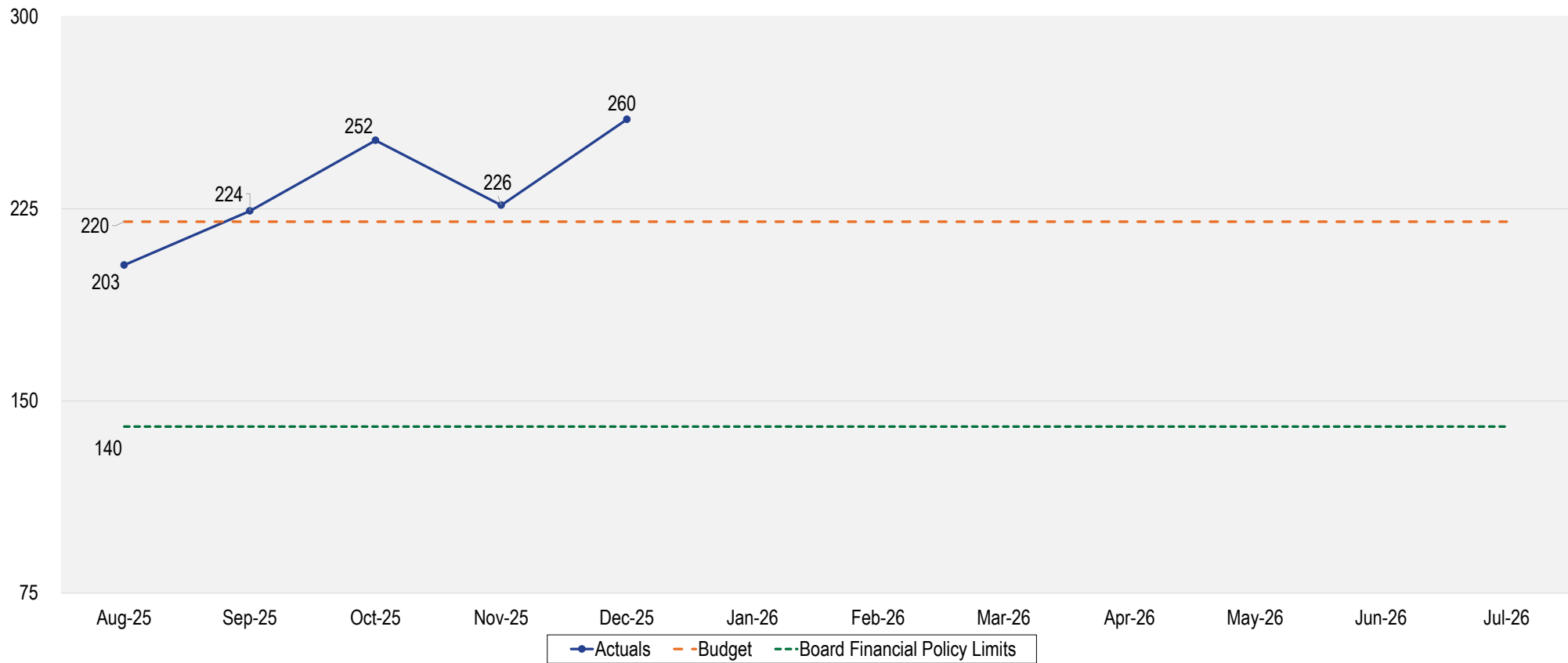
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Core Values

Safety, Team, Integrity, Culture, and Stewardship



Days Cash on Hand - December 2025 YTD



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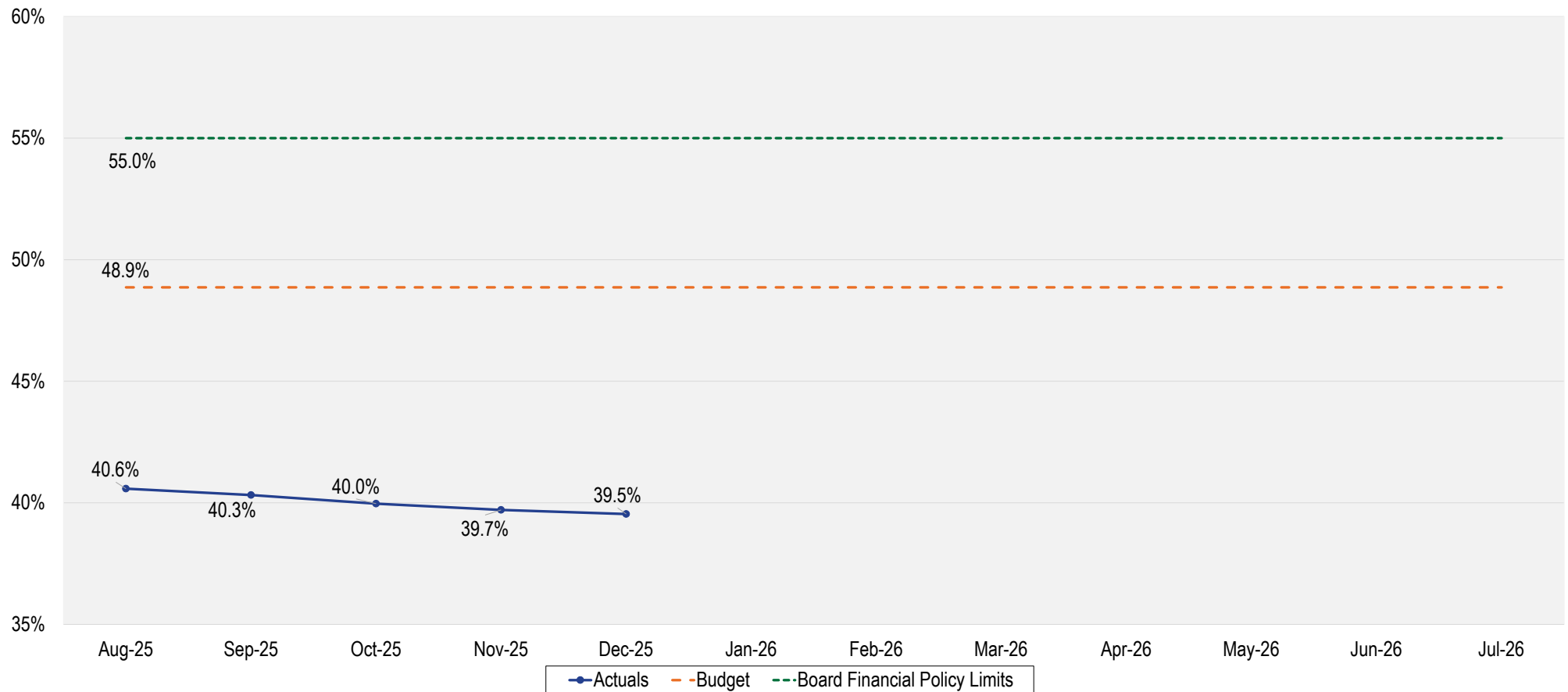
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Debt to Capitalization - December 2025 YTD



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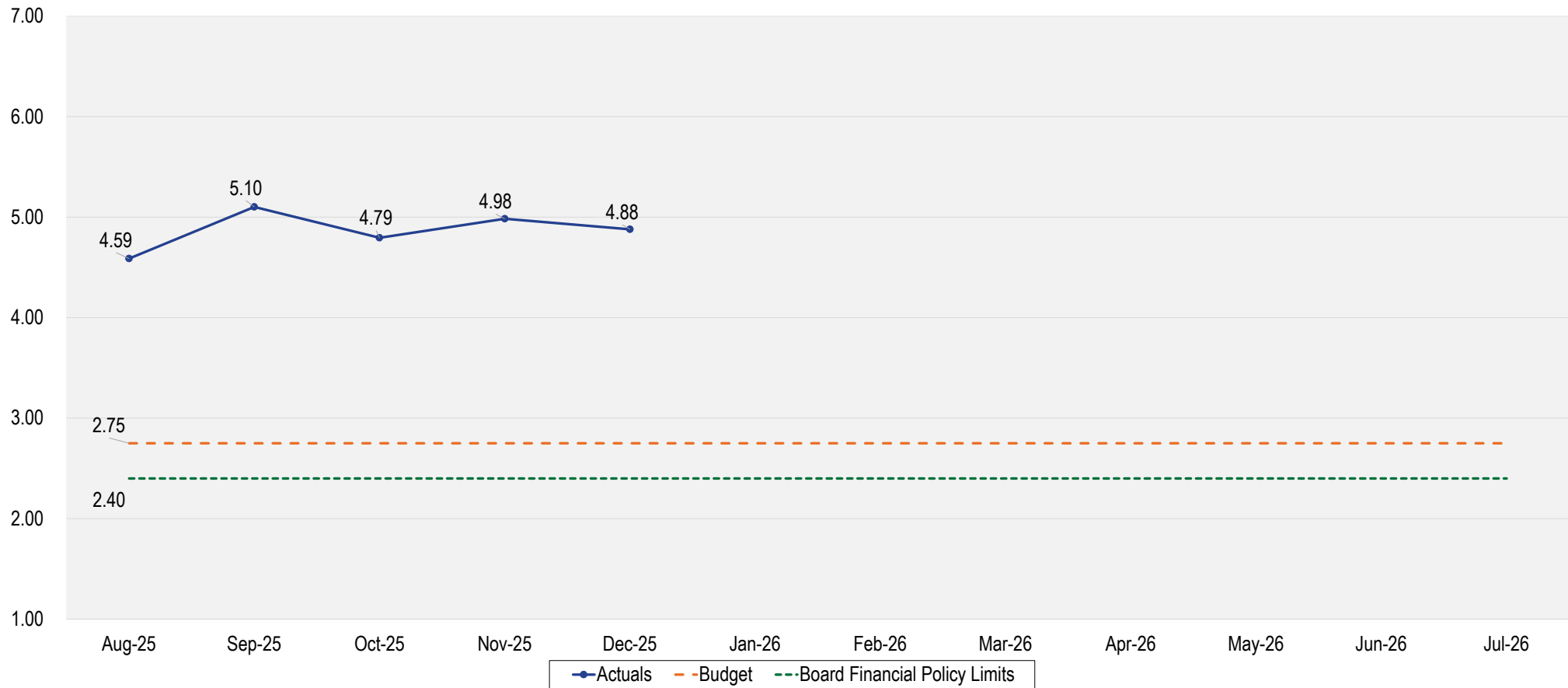


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Debt Service Coverage - December 2025 YTD



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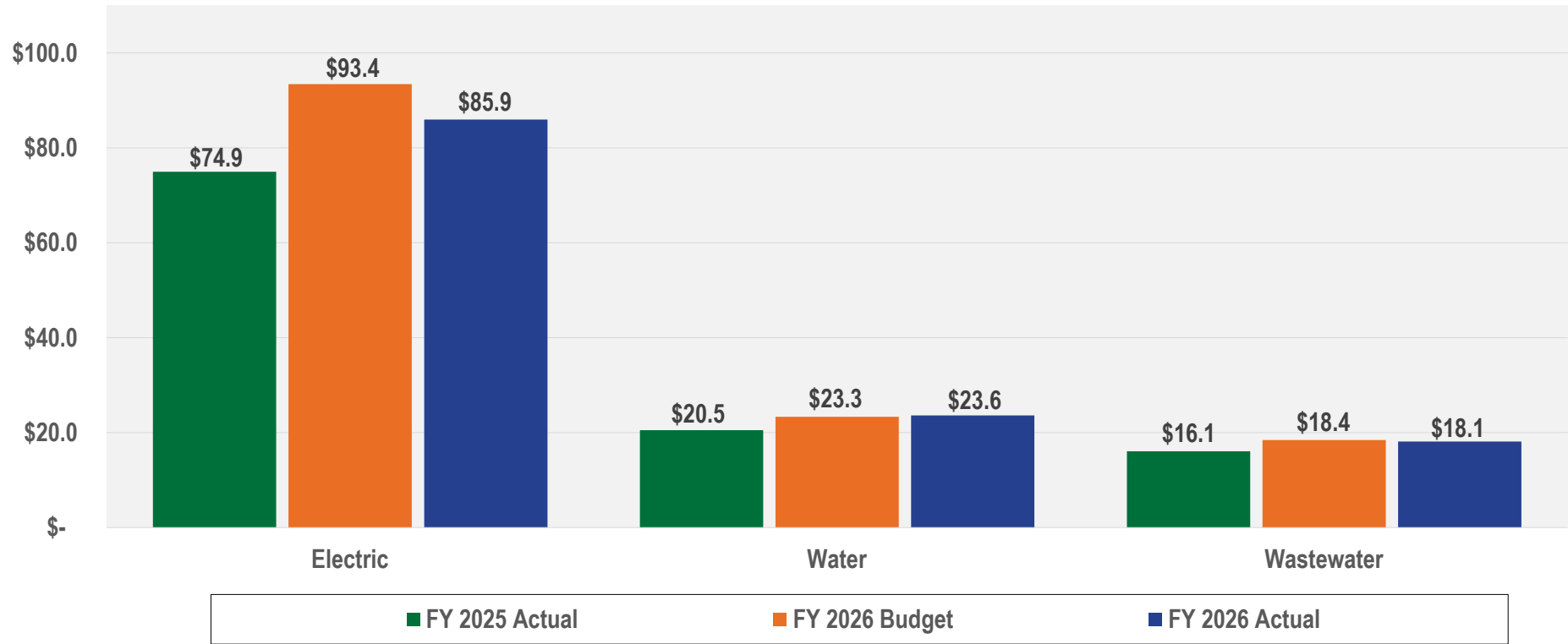
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UTILITIES

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Operating Revenue by LOB December 2025 YTD – Amounts in Millions



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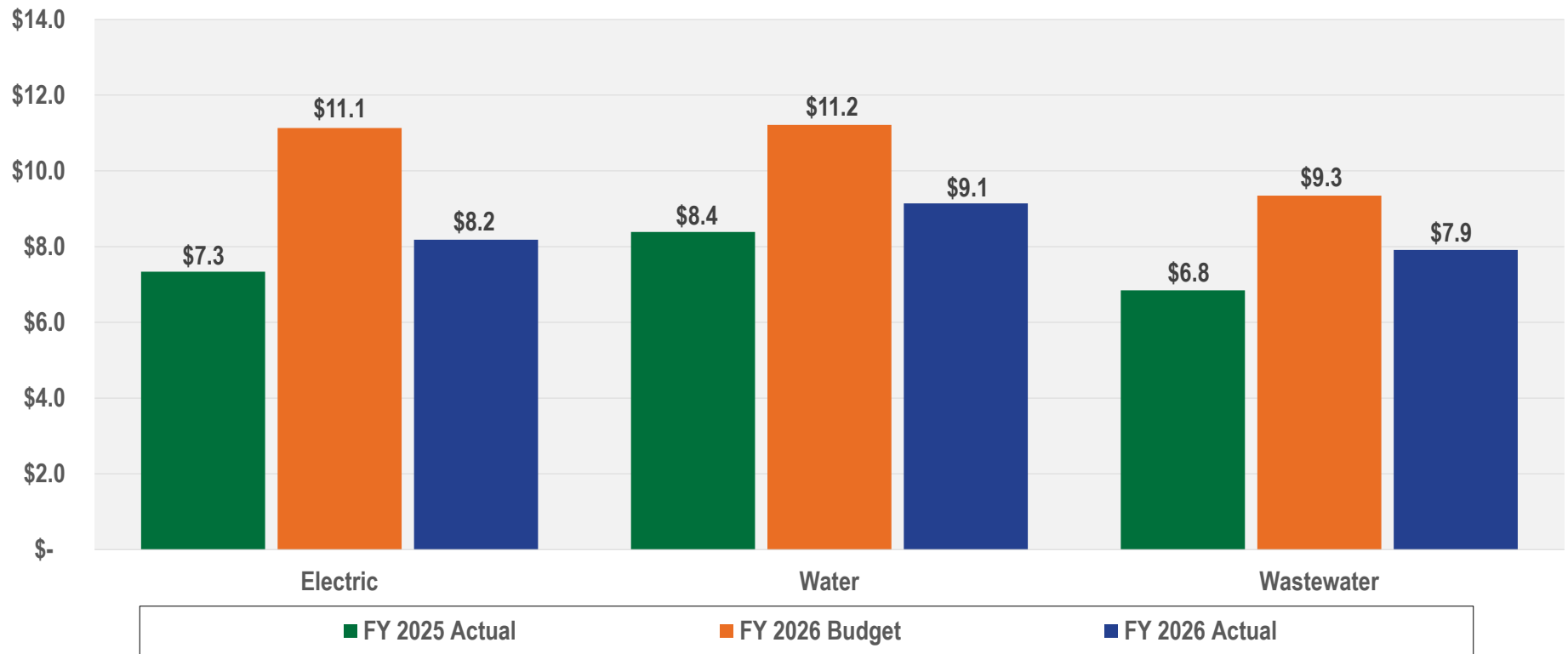
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Operating Expenses* by LOB December 2025 YTD – Amounts in Millions



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

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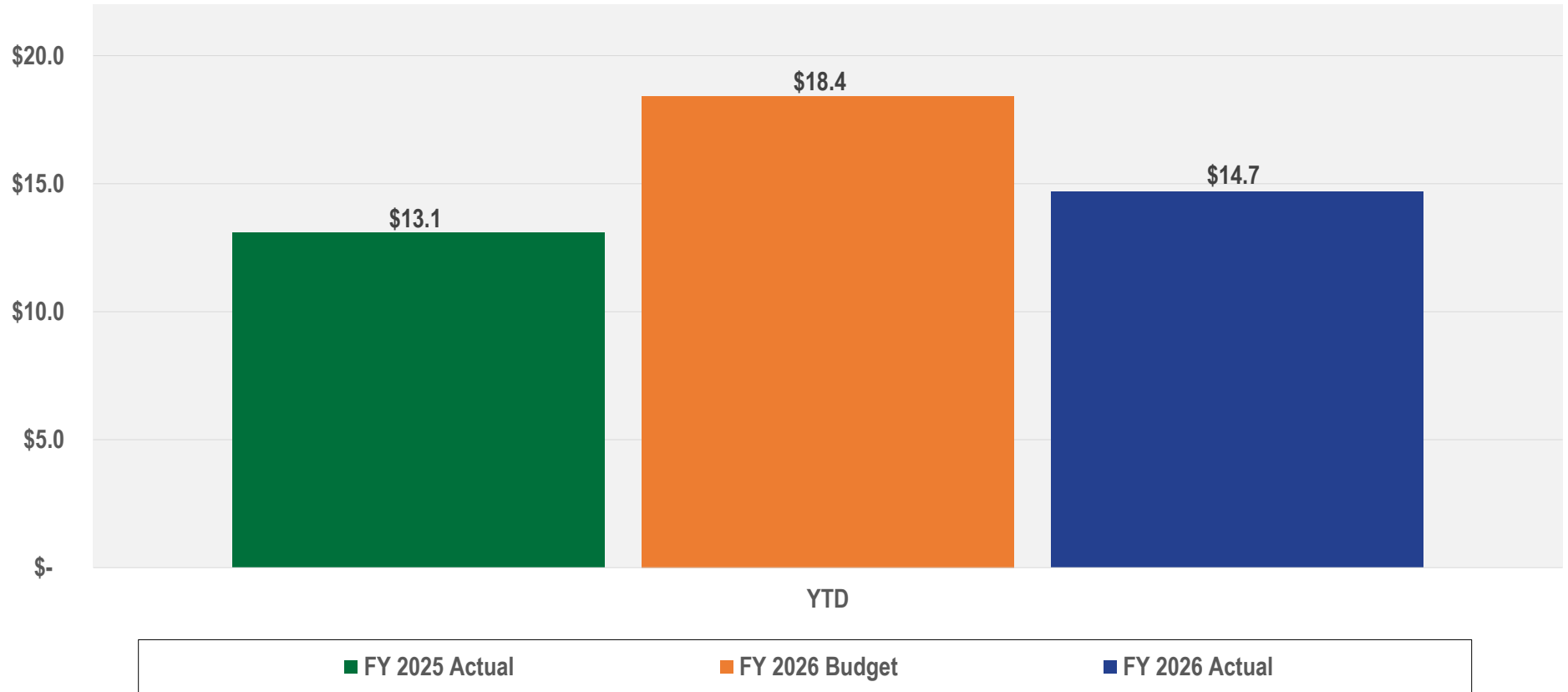
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Operating Expenses for Support Services December 2025 – Amounts in Millions



* Prior to allocation to each line of business.

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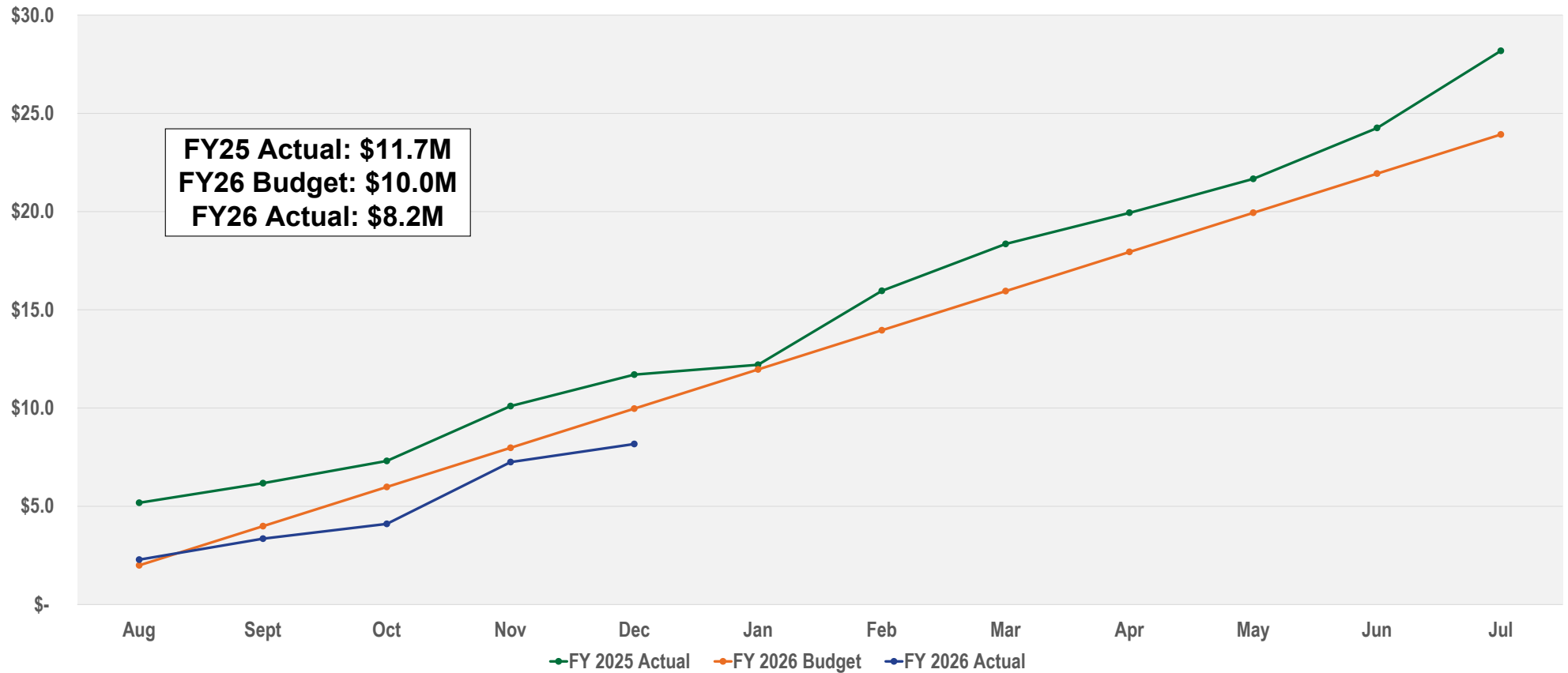
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Impact Fee Revenue December 2025 YTD – Amounts in Millions*



* Amounts shown are YTD for each month

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Power Supply Reserves Update

As of FY26 Budget	Power Stabilization Fund FY26	Power Stabilization Fund Full, FY28
Target	\$65M	\$95M
As of December 31, 2025	\$57M	\$57M

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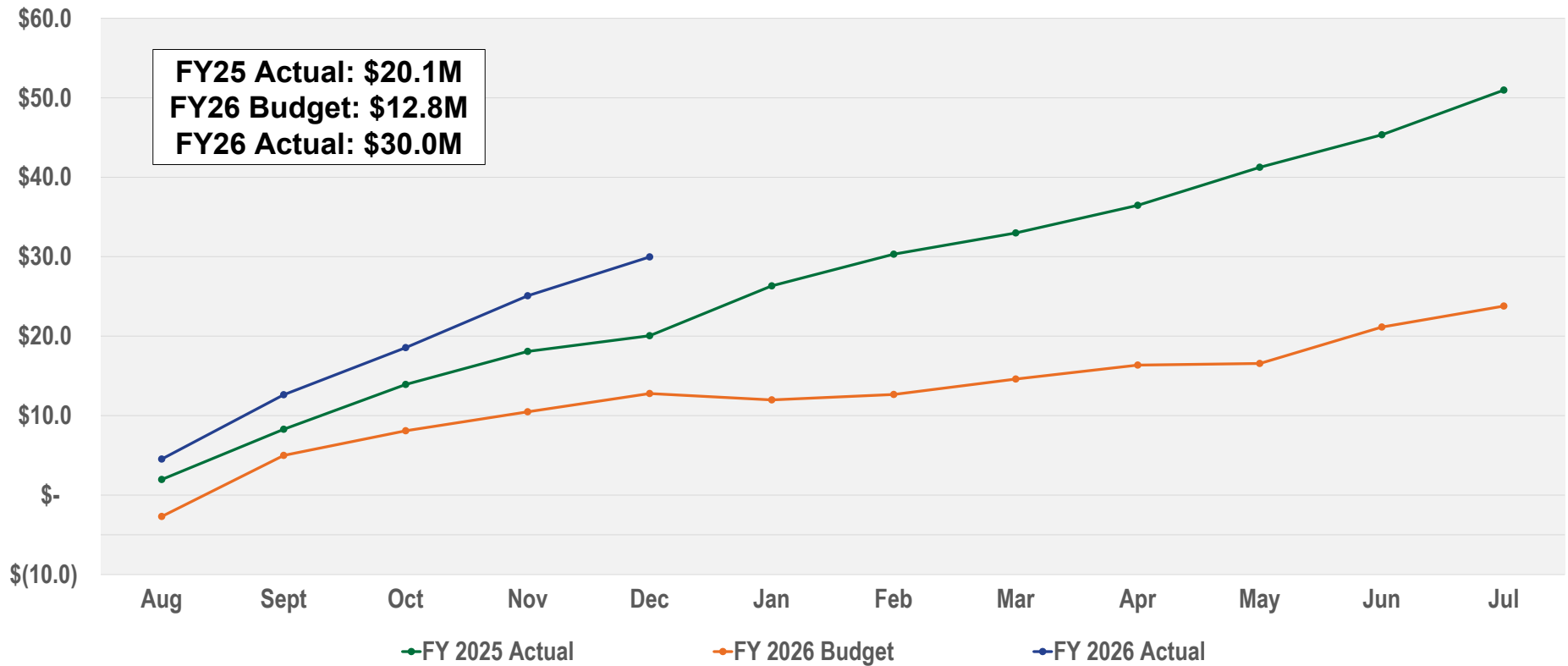
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Net Operating Income December 2025– Amounts in Millions*



* Amounts shown are YTD for each month

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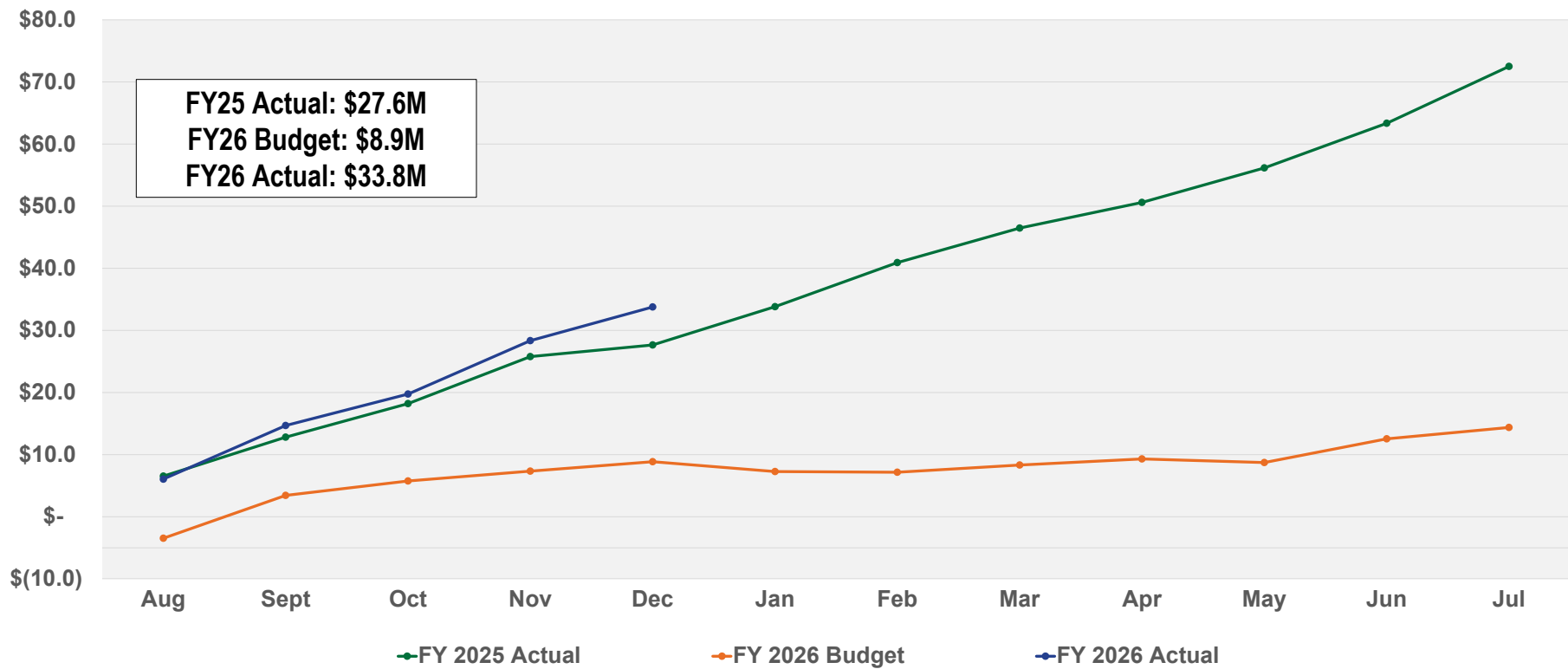
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Change in Net Position After Contributions December 2025– Amounts in Millions*



* Amounts shown are YTD for each month

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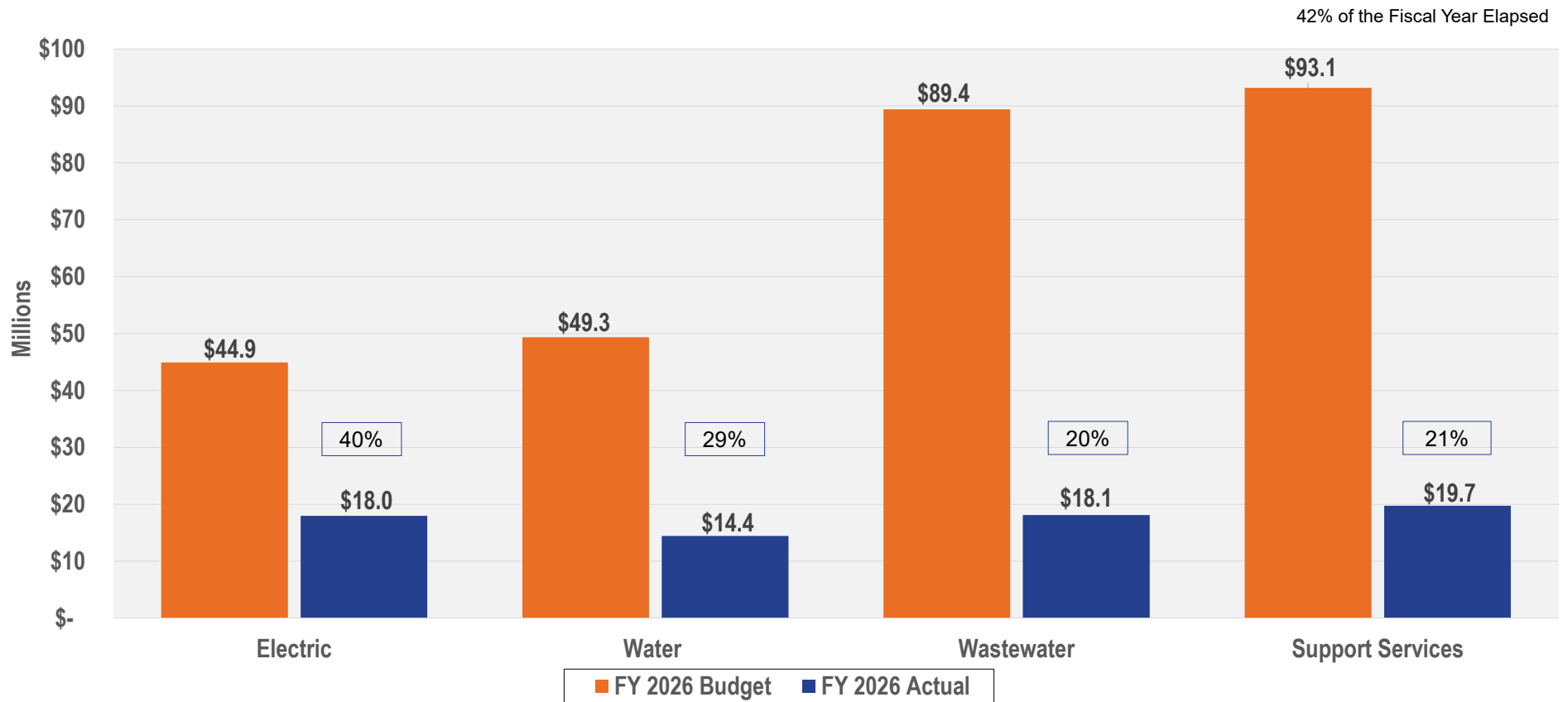
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Capital Project Expenditures December 2025 YTD – Amounts in Millions*



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Questions?

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UTILITIES

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Meeting Date: January 29, 2025 **Agenda Type:** Items from Staff

From: Darrin Jensen **Reviewed by:** David Hubbard
Director of Enterprise Project Chief Administrative Officer
Management Office

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

RECOMMENDED ACTION: Quarterly Capital Update – Fiscal Year 2026 First Quarter (“Q1”)

CIP Update

• FY2026 Q1

January 29, 2026

NBU NEW BRAUNFELS
UTILITIES

Overview

- ❑ Portfolio Status through October 2025
- ❑ Performance & Accomplishments for each line of business

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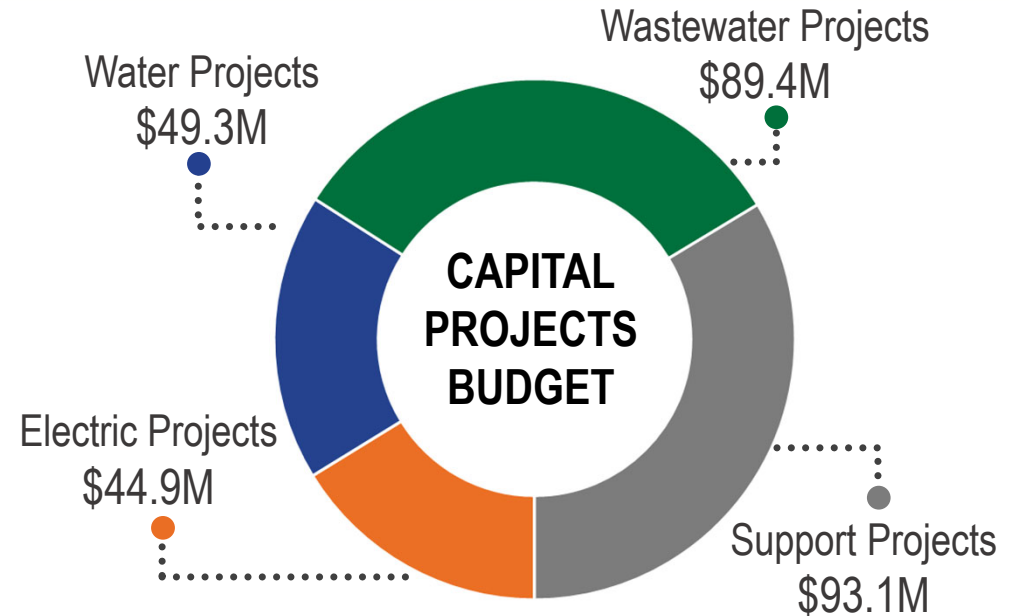
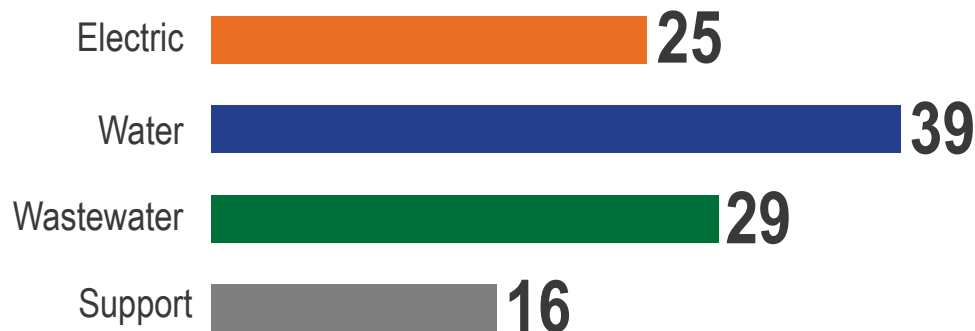
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FY 2026 Capital Projects

PROJECT COUNT



BUDGET

Developed in February 2025
based on expected
project costs

\$276,789,087

Actual

Year-to-date project
spending through
October 2025

\$27,049,663

YTD %

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

10%

Balance

Difference between
budget and
actual costs

\$249,739,424

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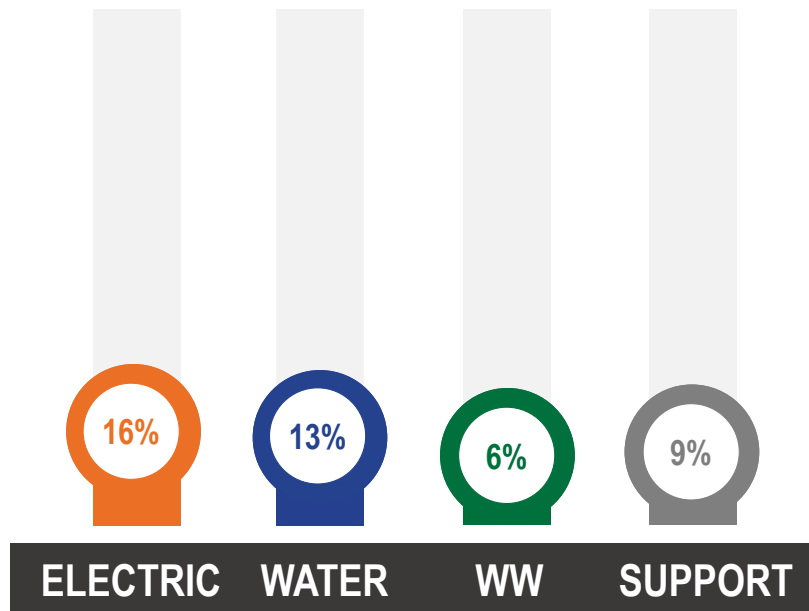
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UTILITIES

FY 2026 Actual vs Budget

YTD Actual vs Budget



- All lines of business are less than 25% through Q1
- 2025 average 10.75% across all lines of business, same as this year
- Considerable month-over-month increase in spending, showing a promising trend

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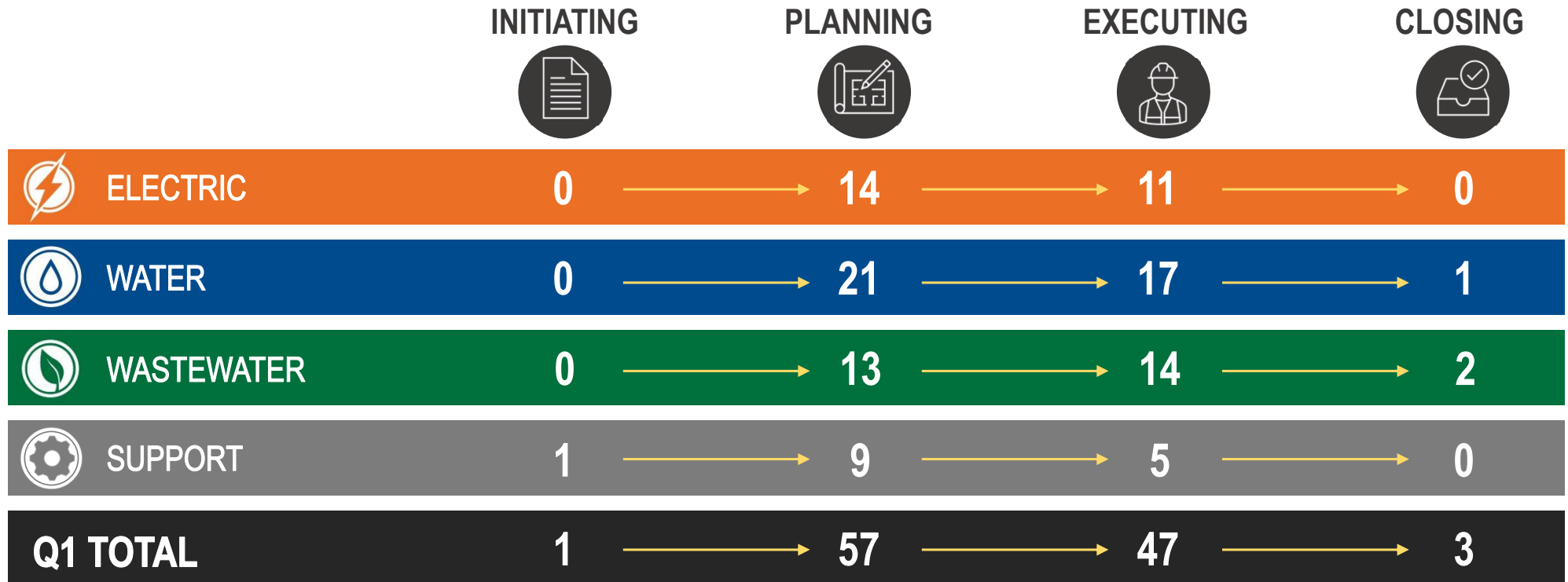
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Project Stage



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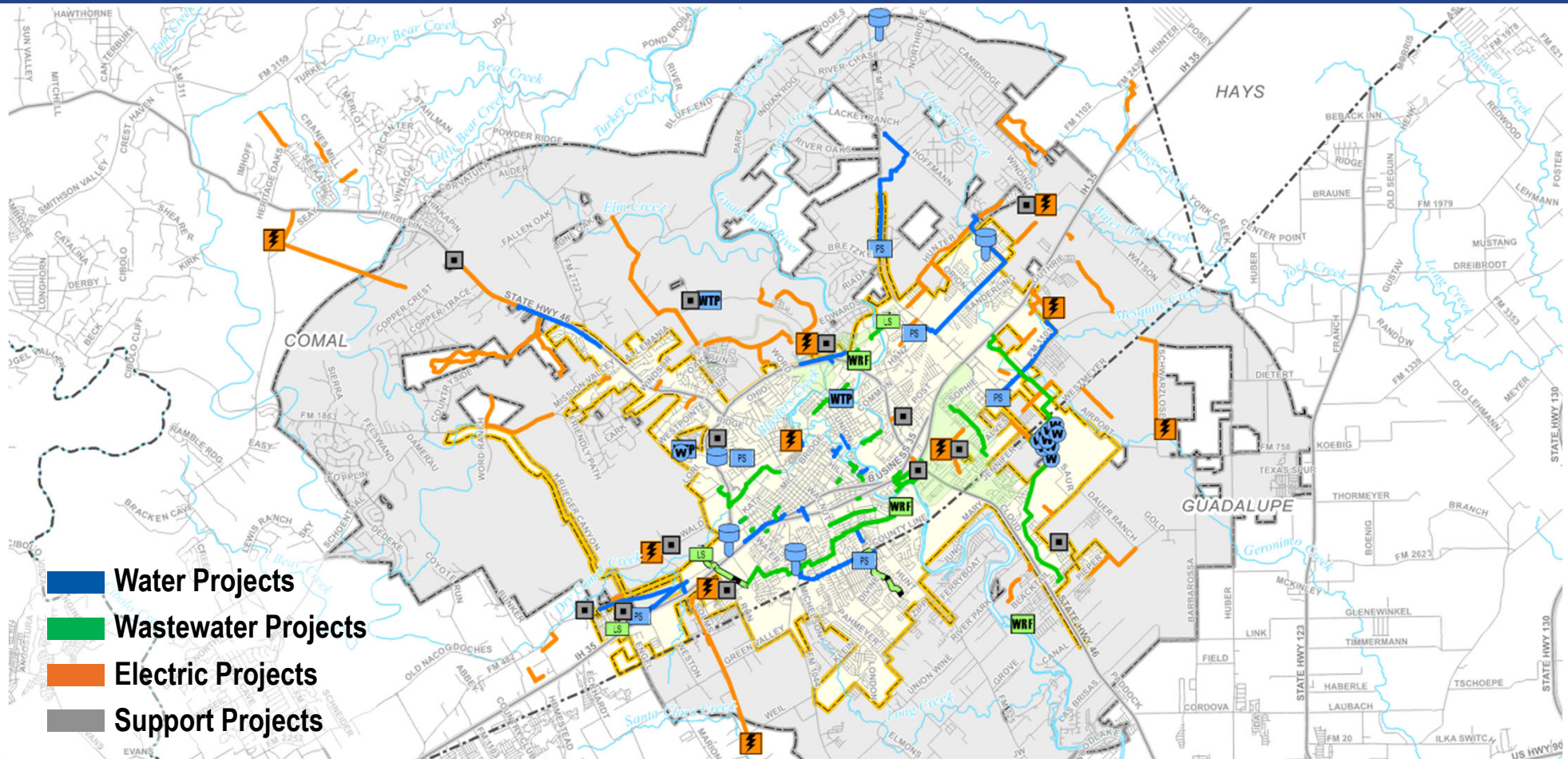
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Capital Projects (FY26 5-Year Plan)



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Traffic Impacts

— Current Traffic Impacts

— Traffic Impacts Expected in the next 6 months

Gruene Road Sewer Main Rehab/Relocation

- Lane and road closures and minor detours

Infrastructure Replacement Package 3

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

Backup Operations Center Utility Tie-In

- Lane and road closures and minor detours
- Schedule: January – March 2026

South Kuehler Interceptor Phase 1

- Road Closures and Minor Detours (McQueeney Rd)
- Schedule: February – March 2026

Turn Lane / Entrance to HQ Property

- Lane closure September 2025-March 2026

FM 1044 EST

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

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CIP Performance and Accomplishments



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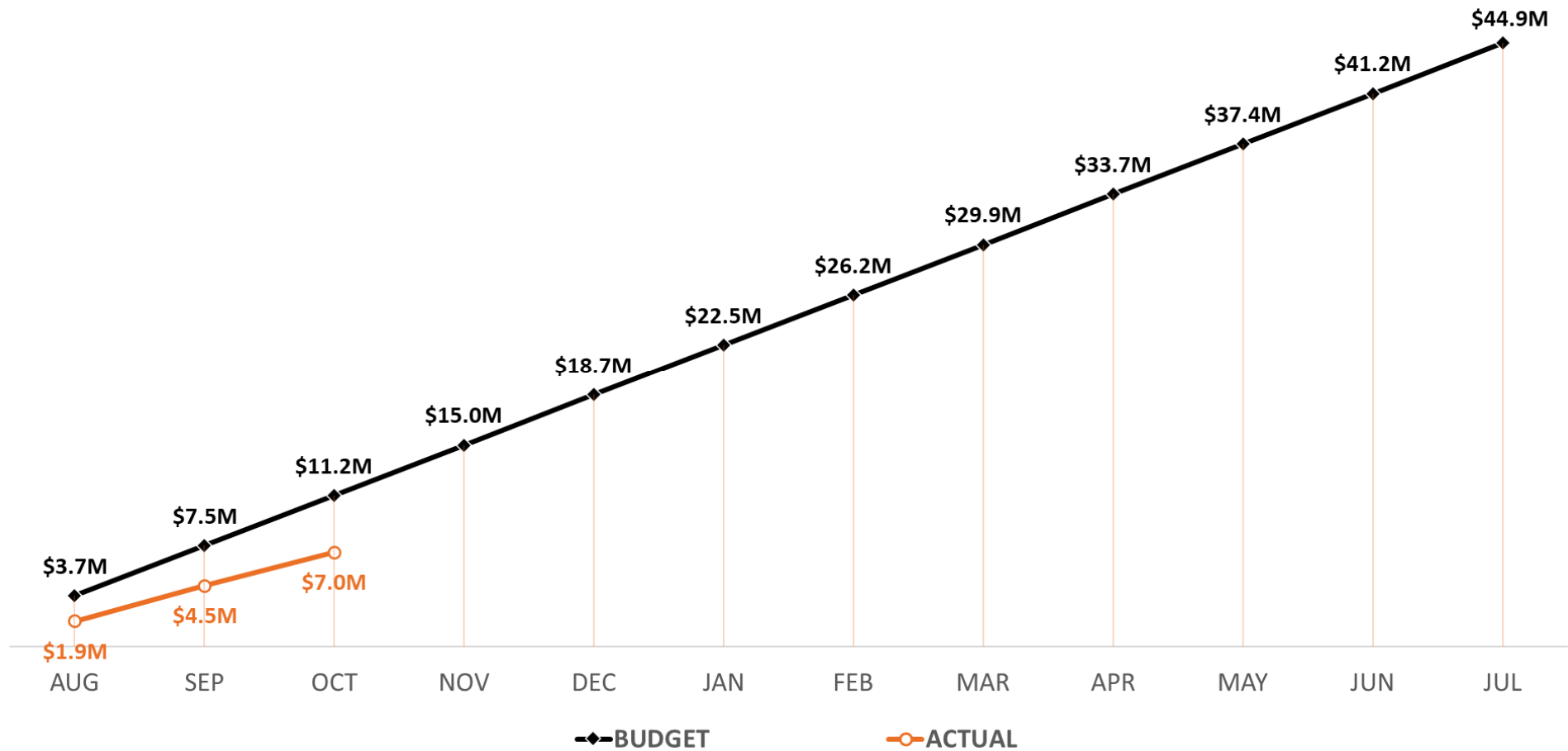
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Electric – Budget to Actual



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NBU NEW BRAUNFELS
UTILITIES

Q1 Electric Accomplishments

- Added 1,021 metered customers in Q1 FY26, within previously completed developments and wholly new developments.
- 1,500' Three-Phase overhead extension on Solms Rd. completed to serve Steelwood Trail Unit 6 & Unit 7.
- Significant progress made on the Hueco Springs Substation project, estimated in-service date May 2026.
- Significant progress made on the HW23 feeder extension from Hwy. 46 Substation to the Purlsong Development, double-circuit and “alley-arm” construction (for clearance to billboards).
- Energized service to 2 single-family-for-rent projects and 2 single-family projects. Major projects include
 - Sunflower Ridge, Unit 1C
 - Town Creek Townhomes, Phase 2
 - Village at Mayfair, Units 1-4
 - Weltner Farms, Unit 4



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Feature Projects - Electric



ELECTRIC

DISTRIBUTION



TRANSMISSION



SUBSTATION



Village at Mayfair

Completion: September 2025

Project: Systems Extensions

Purpose: NBU crews completed Underground Residential Distribution (URD) extension within the Village at Mayfair community. It is a Single Family for Rent (SFR) community, totaling 217 units. 2,100' three-phase URD was installed and 5,300' of single-phase URD was installed. Other recent SFR communities include Collection at Gruene, Equinox, Town Creek Townhomes, and Villas at Creekside.

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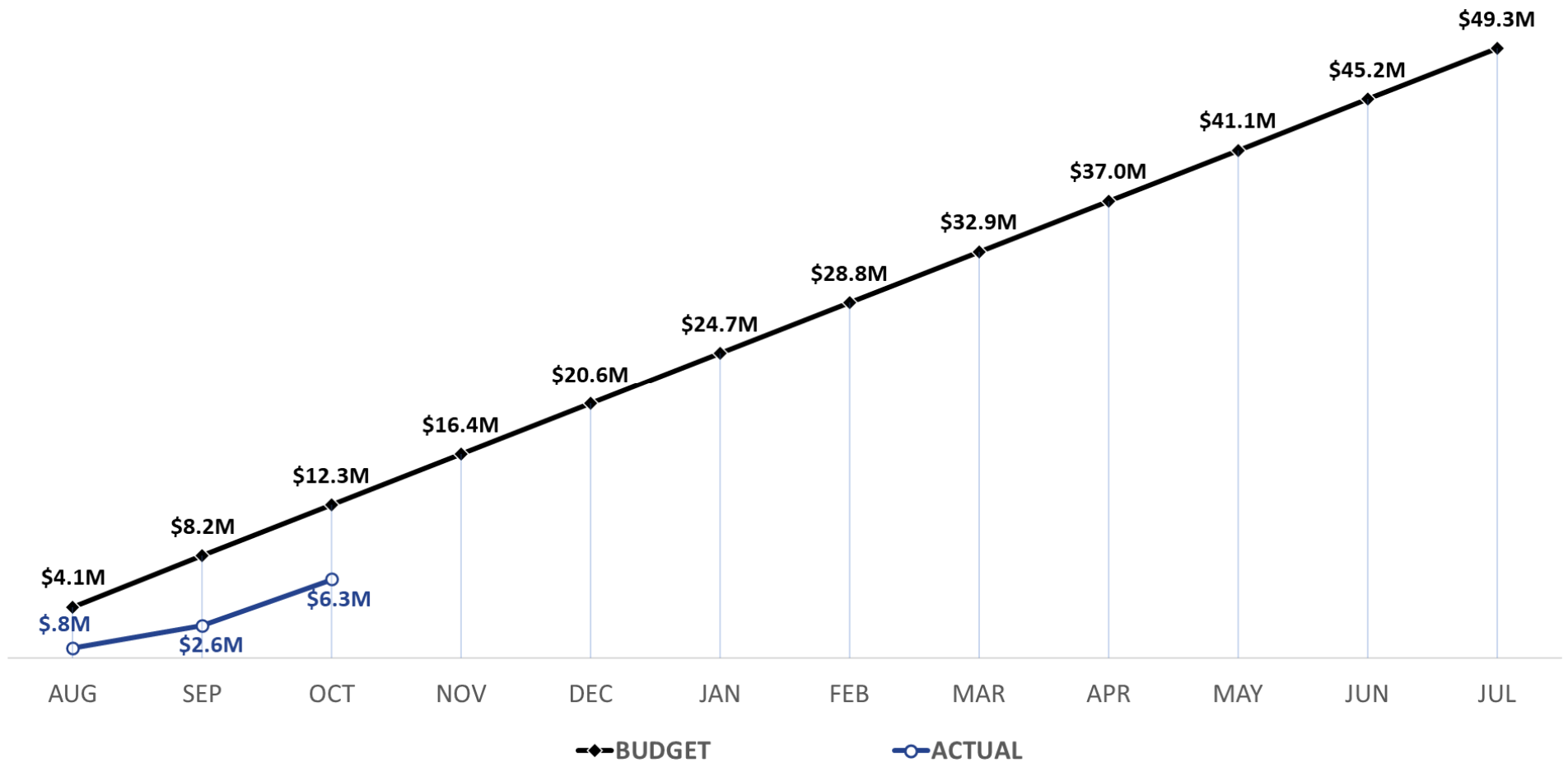
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UTILITIES

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Water – Budget to Actual



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Core Values

Safety, Team, Integrity, Culture, and Stewardship

NBU NEW BRAUNFELS
UTILITIES

12

Q1 Water Accomplishments

- Bid Process Complete:
 - Western Downtown to Morningside Rusch Lane PRV (Phase 1)
 - Solms Pump Station & GST
- Design Complete
 - Well 6 Improvements
 - Loop GST Improvements
 - Western Downtown to Morningside Pressure Zone Conversion (Phase 2)
- Completed Wood Meadows Waterline Construction



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



Feature Projects - Water



WATER

SUPPLY



TREATMENT



DISTRIBUTION PUMPING



TRANSMISSION



ELEVATED STORAGE



Wood Meadows Waterline

Completion: Q1 2025

Scope: Installation of a new 16" waterline under the Guadalupe River, replacing an old 8" and 12" that have reached the end of their service life. The new waterline provides reliability to the area by restoring this critical river crossing.

Mission

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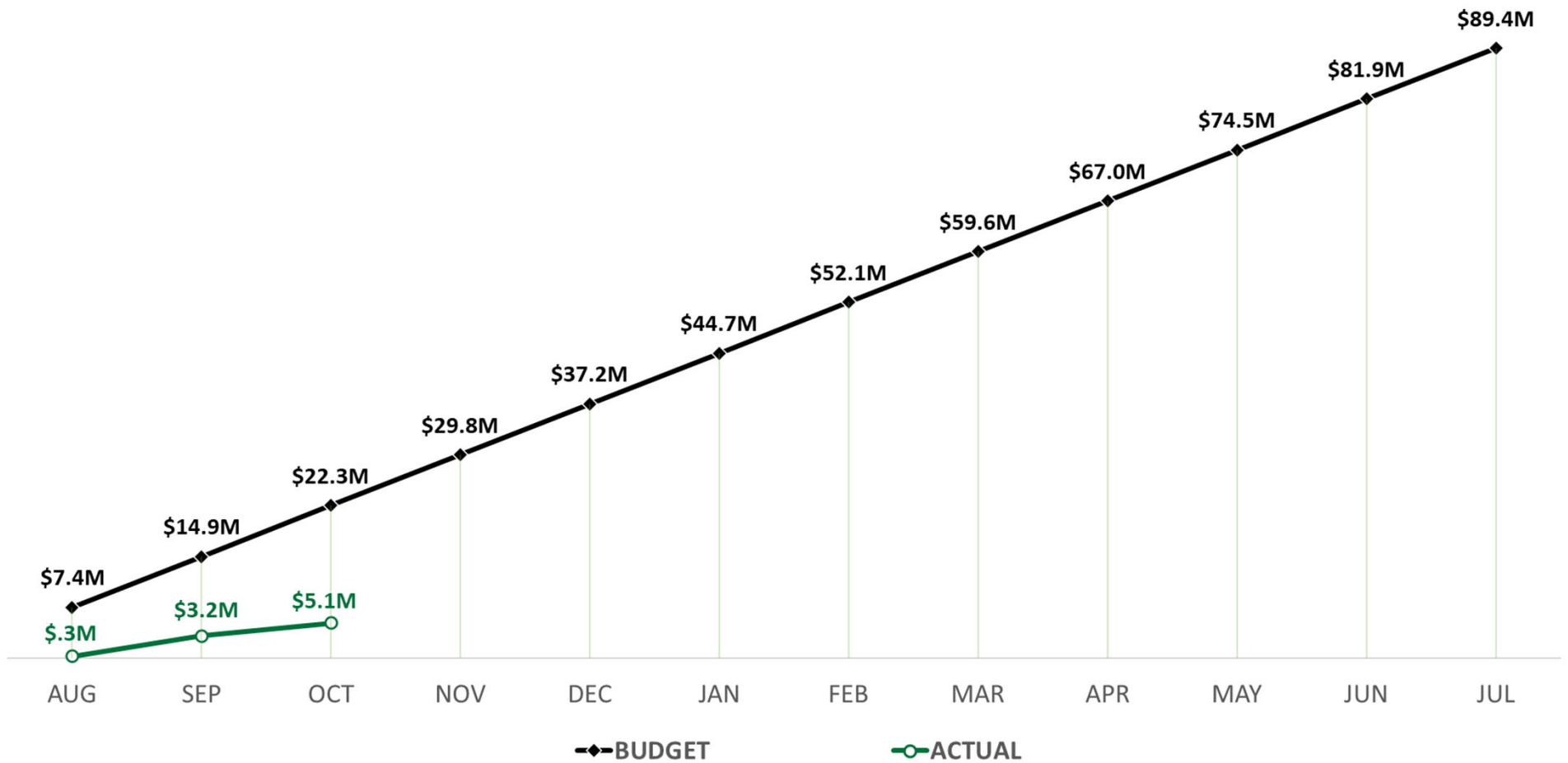
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Core Values

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Wastewater – Budget to Actual



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NBU NEW BRAUNFELS
UTILITIES

Q1 Wastewater Accomplishments

- Bid Process Complete
 - Saengerhalle North Interceptor
 - Infrastructure Replacement Pkg 3
- Construction Complete
 - Sewer Infrastructure Replacement Pkg 2 Phase 1
- Heavy Construction Ongoing on McKenzie Interceptor and McKenzie WRF Expansion
 - Interceptor: 18% Complete thru Q1
 - WRF Expansion: 63% Complete thru Q1
- Gruene WRF Expansion Design Firm Selected



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Feature Projects - Wastewater

**WASTEWATER**

COLLECTION


TRANSMISSION


TREATMENT




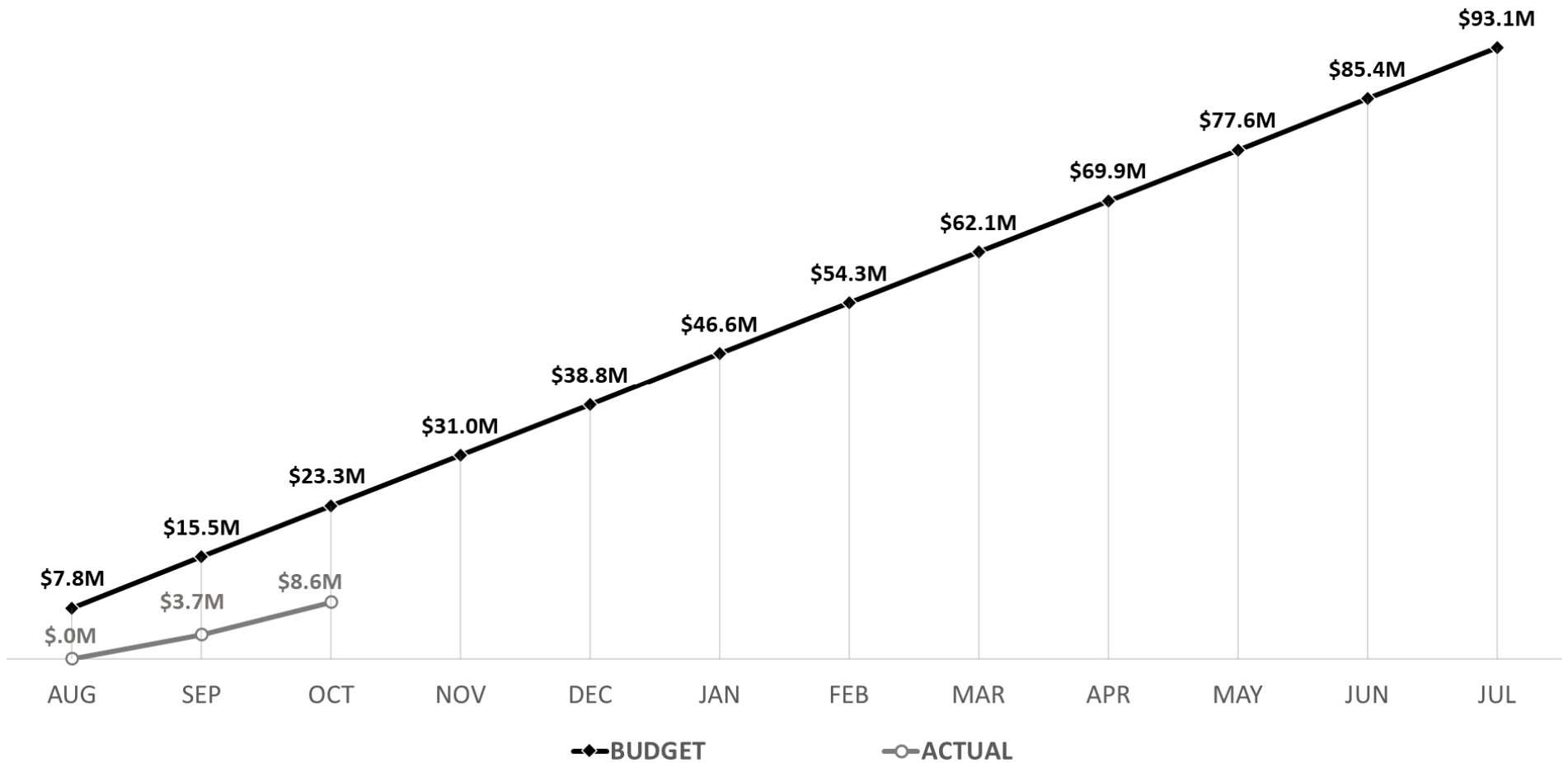
Saengerhalle North Interceptor

Expected NTP: February 2026

Expected Completion: October 2026

Scope: Replace the existing 10/12” sewer main with a 12/18/21” pipe between FM 1101 and Alves Lane to increase capacity for future growth in the McKenzie sewer shed.

Support Services – Budget to Actual



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NBU NEW BRAUNFELS
UTILITIES

Q1 Support Accomplishments

OT Network Segmentation:

- Initiative to enhance the security posture of the electric network in Phase I
- All required equipment is on-site, and segmentation design is in progress



Resilient Fiber Distribution Network:

- Supports the goals of the organization for infrastructure resiliency to reduce outages and enhance customer experience
- Construction is scheduled to begin in Q3 of FY26
- The fiber network will support the Backup Operation Center (BOC) and Headquarters (HQ)



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UTILITIES

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Q1 Support Accomplishments (continued)

Cellular router installation:

- The solution increases the reliability of communication with the Control Center and remote sites, as well as enhances security by encrypting information sent to internal critical systems
- This project is 90% complete



Microsoft 365

- M365 is the gateway platform for future transformational software adoption and existing solution enhancements
- Phase I of the project is in progress and scheduled for completion at the end of January. This phase included the migration and deployment of Outlook (email) cloud services and Office cloud applications



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NBU NEW BRAUNFELS
UTILITIES

20

Feature Projects - Support



SUPPORT

FLEET & FACILITIES



TECHNOLOGY SYSTEMS



OPERATIONAL TECHNOLOGY



DATA STRATEGY



SECURITY / CYBERSECURITY



Feature Project: Backup Operations Center

Completion: November 2026

Purpose: Construct facility to improve the reliability and safety of NBU's infrastructure and operational systems. Includes facilities for personnel in the event of a system outage or continued weather event for uninterrupted service monitoring.

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UTILITIES

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QUESTIONS?

Mission

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Meeting Date: January 29, 2026

Agenda Type: Items from Staff

From: Jacob Tschoepe
Program Portfolio Manager

Reviewed by: Darrin Jensen
Director of Enterprise Project
Management Office

Submitted by: David Hubbard
Chief Administrative Officer

Approved by: Ryan Kelso
Chief Executive Officer

RECOMMENDED ACTION: Monthly NBU Headquarters Progress Update

New Braunfels Utilities HQ Update

January 29, 2026

NBU® NEW BRAUNFELS
UTILITIES

Recent Milestones

December

- Warehouse Roof and Walls Dried In
- Sewer Line Tie-In at Krueger Canyon Complete
- Waterline Pressurized and Tested
- Began Structural Steel Maintenance and Equipment Buildings

January

- In Slab Electrical and Plumbing Complete
- Concrete Pour for Floors on 2nd and 3rd Floor
- Topping Out (Steel Installation Complete)



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NBU NEW BRAUNFELS
UTILITIES

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



Next Steps

- Building Roofing Installed
- Concrete Paving Starting
- Backfilling Bridge Retaining Walls
- Bridge Installation Completion (February)

Mission

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Vision

Be a trusted community partner dedicated to excellence in service



Core Values

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Questions?



Mission

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NBU NEW BRAUNFELS
UTILITIES



Meeting Date: January 29, 2026 **Agenda Type:** Consent Items for Action

From: Laura Ayala **Reviewed by:** Rocio G. Hilliard
Board Relations Coordinator 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 December 18, 2025

BACKGROUND

None

FINANCIAL IMPACT

None

LINK TO STRATEGIC PLAN

Customers and Community

EXHIBITS

1. December 18, 2025 Regular Board Meeting Minutes

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

1:00 P.M.

Thursday, December 18, 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, Jessica Williams, Mark Steelman, Andrew Cummings, David Hubbard

Adriana Sanchez, Ashley Schriewer, Carlos Salas, Darrin Jensen, Jason Theurer, John Warren, Julia Haynes, Justin Green, Kristi Villisana, Mike Short, Rachel Leier, Reagan Pena, Will Riley, Adam Willard, Anna Johnson, Brandon Thomas, Brent Lundmark, Bruce Haby, Coby Henk, David Guerrero, Jr., Doug Clifton, Jacob Tschoepe, James Rammel, Jesse Luna, Jessica Coleman, Jessica Green, Joe Vargas, Justin Stroupe, Katie Storey, Kenneth Allen, Kimberly DeCosta, Missy Quent, Nancy Pappas, Pamela Tarbox, Peter Vanderstoep, Robert Aleman

NBU CONSULTANTS

Aaron Worthman with Baker Tilly

PLEDGE AND INVOCATION

Board Vice President Judith Dykes-Hoffmann led the Pledge of Allegiance and offered the invocation.

NBU EMPLOYEE RECOGNITION

1. Recognizing NBU Employee Doug Clifton for 20 Years of Service

CEO Ryan Kelso recognized Doug Clifton for 20 years of dedicated service to NBU.

PUBLIC COMMENT

There were no public comment requests.

ITEMS FROM THE CHAIR

1. Election of Officers for the NBU Board of Trustees for the Office of Vice President

Trustee Yvette Villanueva Barrera made a motion, and Trustee Stuart Blythin seconded the motion, to elect the following officers to the NBU Board of Trustees: Board Vice President Judith Dykes-Hoffmann for a term of 1 year. The vote was unanimous.

2. Report from the Security Committee

Board Vice President Judith Dykes-Hoffmann provided an update from the Security Committee meeting held on November 20, 2025. Items discussed included the purpose and oversight responsibilities of the group, a briefing on the latest threats and trends in the utility industry, the achievements in the past six months, and both short-term and long-term initiatives.

3. Update from the Records Management Committee

Board Trustee Yvette Villanueva Barrera provided an update from the Records Management Committee meeting held on December 4, 2025. Items discussed included an overview of the Records Management Program, record retention schedules, the Fiscal Year 2025 destruction report, and the proposed modifications to the Records and Information Policy. Proposed revisions to the Policy and resolution will be presented to the Board for approval in January 2026.

4. Update from the Investment Committee

Board Trustee Stuart Blythin provided an update from the Investment Committee meeting held on December 11, 2025. Items discussed included an update on the solicitation for Bank Depository Services, future Financial and Investment Policy updates, an update on upcoming bond issuance with the Texas Water Development Board for the Lead Service Line Replacement Program, and upcoming traditional bond issuance.

5. Update from the Audit Committee

Board Trustee Stuart Blythin provided an update from the Audit Committee meeting held on December 18, 2025. Items discussed included a presentation from Aaron Worthman from Baker Tilly on the Fiscal Year 2025 audit process and results. An unmodified (clean) audit opinion was issued on the financial statements by the auditors. Auditors provided the required communications to the Audit Committee.

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

An updated 2026 Board Meeting calendar was shared with the Board to reflect a change in the May board meeting date from May 28th to May 26th.

ITEMS FROM STAFF

1. CEO Update

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

- a. **Leadership Announcement of New Hires and Position Changes: Interim Chief Customer Officer Andrew Cummings, Director of Security Joe Vargas, Interim Director of Power Supply Kristi Villasana, Rates and Revenue Manager Azura Kerr, and Community Engagement Manager Nicole Wesley**

NBU has promoted Andrew Cummings to Interim Chief Customer Officer, Kristi Villasana to Interim Director of Power Supply, and Joe Vargas from Security Manager to Director of Security. NBU has hired Azura Kerr as the new Rates and Revenue Manager and Nicole Wesley as the Community Engagement Manager.

- b. **NBU Employees Participate in the 2025 International Lineman's Rodeo**

NBU proudly recognizes our Journeyman and Apprentice Lineworker Teams for representing our organization at the International Lineman's Rodeo in Overland, Kansas. Their focused training, hard work, and commitment to excellence truly reflect the professionalism and pride of NBU's Electric Operations.

- c. **NBU Chief of Staff Rocío G. Hilliard Receives 2025 Rising Star of New Braunfels Award**

NBU Chief of Staff, Rocío G. Hilliard, was named one of the 2025 Rising Stars of New Braunfels.

- d. **New Braunfels Utilities Enterprise Communications Team Earns Excellence in Public Power Communications Award in the Video Category from the American Public Power Association**

The NBU Enterprise Communications team has earned an Excellence in Public Power Communications Award in the Video Category from the American Public Power Association. The winning video, "Electric Exchange: Transformer Easements," informs customers about the required clearance for transformer easements.

- e. **NBU Employees Participate in Ethics Week**

During the week of November 3rd, NBU hosted Ethics Week. This year, the theme was "Ethics on Screen." Each day, an Ethics video was released that emphasized different ethics concepts, including conflicts of interest, gifts, and games of chance.

- f. **NBU Veterans are Honored at NBU Veterans Day Celebration**

On November 6th, NBU proudly held a Veterans Day ceremony and breakfast at the Headwaters at the Comal to honor the dedication and sacrifices of our 57 veteran employees. This special event celebrated their service, highlighting their profound sacrifices and the lasting impact they have had on our nation, as well as their ongoing

commitment to our community. We were also honored to welcome special guest General Tod Wolters.

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

*No additional items were discussed.

- 2. Financial Update and Report, Including an Update on the Impact Fee Program Effective February 1, 2023 (referred to as Program E)**
Accounting Manager Kimberly Huffman provided an update on the financial status of NBU.
- 3. Quarterly Investment Report**
Financial Planning and Analysis Manager Jessica Coleman provided an update on the Quarterly Investment Report.
- 4. Quarterly Drought Update Report**
Interim Chief Customer Officer Andrew Cummings provided the quarterly drought update.
- 5. Quarterly Update on the Headwaters at the Comal**
Headwaters at the Comal Managing Director Nancy Pappas provided an update on the Headwaters at the Comal.
- 6. Quarterly Strategic Plan Update – First Quarter of Fiscal Year 2026**
Director of Enterprise Project Management Office Darrin Jensen provided an update on the quarterly strategic goals and annual priorities.
- 7. 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

Board Vice President Judith Dykes-Hoffmann made a motion, and Board Trustee Yvette Barrera Villanueva seconded the motion to approve the Consent Items for Action as follows: #1, #2, #3, #4, #5, #7, #8, #9, #10, #11, #12, #13, #14, and #15. The vote was unanimous.

***Consent item #6 was pulled from consent for further discussion and consideration. After discussion, Trustee Stuart Blythin made a motion to approve consent item #6, and Mayor Neal Linnartz seconded the motion. The vote was unanimous.**

1. Approve Minutes of the NBU Regular Board Meeting of October 30, 2025
2. Approve Minutes of the NBU Special Board Meeting of December 11, 2025
3. Approve the Change Order Log from September 15, 2025, through November 15, 2025
4. Approve the Reports for Water and Electric Engineering Contracts from August 1, 2025, through November 15, 2025

5. Approve the Electric Line of Business Alternative Procurements from September 15, 2025, through November 15, 2025
6. Approve the Guadalupe Blanco River Authority Canyon Hydroelectric Cost Reconciliation for Fiscal Year 2025
7. Authorize the CEO or His Designee to Negotiate and Execute a DIR Cooperative Agreement, DIR Contract No. DIR-CPO-5792, with Dell Marketing, LP for the Purchase of Computers and Other Products
8. Authorize the CEO or His Designee to Negotiate and Execute a Construction Contract with Source Power, LLC, for the Completion of the NBU Fiber Build Project to Provide Redundant Fiber Optic Infrastructure to NBU Facilities and Sites
9. Authorize the CEO or His Designee to Negotiate and Execute a DIR Cooperative Agreement, DIR Contract No. DIR-CPO-5832, with Executive Information Systems, LLC for the Statistical Analysis Software (SAS) Data Analytics Enterprise License and Maintenance
10. Authorize the CEO or His Designee to Negotiate and Execute a Master Software License Agreement with Inductive Automation, LLC for Ongoing Licensing and Support Services for the Water/Wastewater Supervisory Control and Data Acquisition (SCADA) System
11. Authorize the CEO or His Designee to Negotiate and Execute a Materials Agreement with D. Reynolds Company, LLC for Programmable Logic Controllers, Input/Output Modules, and Automation Components for the Water/Wastewater Supervisory Control and Data Acquisition (SCADA) System
12. Authorize the CEO or His Designee to Negotiate and Execute a DIR Cooperative Agreement, DIR Contract No. DIR-CPO-5687, with Carahsoft Technology Corporation for Secureworks/Sophos Taegis Security Platform and Subscriptions
13. Authorize the CEO or His Designee to Negotiate and Execute a Memorandum of Understanding with the City of New Braunfels to Coordinate Capital Projects Under the Capital Improvement Program
14. Authorize the CEO or His Designee to Negotiate and Execute a First Amendment to the Professional Services Agreement with Freese and Nichols, Inc. for the Design of the FM 1101 Discharge Line Project Located Generally Along FM 1101, Barbarosa Road, and Kohlenberg Road
15. Authorize the CEO or His Designee to Execute a Bank Depository Agreement, Third Party Custodian Agreement, and a Security Agreement with Frost Bank for Bank Depository Services

ACTION ITEMS

1. **Discuss and Consider Accepting the Audit and Annual Comprehensive Financial Report for the Fiscal Year Ended July 31, 2025, performed by Baker Tilly US, LLP**

Trustee Stuart Blythin made a motion, and Trustee Yvette Villanueva Barrera seconded the motion to accept the Audit and Annual Comprehensive Financial Report for the Fiscal Year Ended July 31, 2025, performed by Baker Tilly US, LLP. The vote was unanimous.

EXECUTIVE SESSION

Board President Wayne Peters recessed the Open Session at 2:25 pm and announced that the Board would go into an Executive Session meeting. The Executive Session included Power Supply Resources – Competitive Matters (Section 551.086 – Texas Government Code).

The Executive Session was opened at 2:30 p.m. and closed at 2:48 p.m.

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

The Regular Session resumed at 2:50 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.

ADJOURN

There was no further business, and Board President Wayne Peters adjourned the meeting at 2:50 p.m.

Attest:

Wayne Peters, President
Approved

Ryan Kelso, Secretary of the Board
Chief Executive Officer

Date Approved: January 29, 2026



Meeting Date: January 29, 2026 **Agenda Type:** Consent Items for Action

From: Laura Ayala **Reviewed by:** Rocio G. Hilliard
 Board Relations Coordinator 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 Special Board Meeting of January 22, 2026

BACKGROUND

None

FINANCIAL IMPACT

None

LINK TO STRATEGIC PLAN

Customers and Community

EXHIBITS

1. January 22, 2026 Special Board Meeting Minutes

**MINUTES
NEW BRAUNFELS UTILITIES BOARD OF DIRECTORS
STRATEGIC WORKSHOP MEETING**

**9:00 AM
THURSDAY, JANUARY 22, 2026
HEADWATERS AT THE COMAL
333 E. KLINGEMANN, NEW BRAUNFELS, TX 78130**

Board President Wayne Peters opened the meeting at 9:05 a.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
*Trustee Yvette Barrera Villanueva left at 1 pm.

ABSENT

None

NBU PERSONNEL

Ryan Kelso, Mark Steelman, Greg Brown, Connie Lock, Rocio G. Hilliard, Ragan Dickens, Jessica Williams, Andrew Cummings
Adriana Sanchez, Darrin Jensen, Ashley Schriewer, Missy Quent, Kristi Villasana, Rachel Leier

NBU CONSULTANTS

Mike Gehring, The Energy Authority

ITEMS FROM THE CHAIR

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

Board President Wayne Peters asked staff for updates on the winter weather event expected this weekend. Ryan Kelso and Andrew Cummings provided a brief update on Winter Storm Fern and potential transmission and grid-level impacts based on potential weather and ice accumulation in the area and state.

EXECUTIVE SESSION

Board President Wayne Peters recessed the Open Session at 9:16 am and announced that the Board would go into an Executive Session meeting. The Executive Session included Power Supply Resources – Competitive Matters (Section 551.086 – Texas Government Code) a. Power Cost at Risk Matters, and b. Energy Risk Management Policy

The Executive Session was opened at 9:06 am and closed at 10:30 am.

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

The Regular Session resumed at 10:30 am. Only the matters cited above, and no others, were discussed.

The Board recessed for a break at 10:30 am and reconvened at 10:47 am.

PRESENTATION ITEMS

1. Presentation on the State of NBU

CEO Ryan Kelso presented the State of NBU. The State of NBU is presented to the New Braunfels City Council annually. This year, we will present it to the Council on February 16, 2026. Topics included in the State of NBU included an overview of the Fiscal Year 2026 Strategic Goals and Performance, Financial Outlook and Stability, Growth and Infrastructure, Stewardship, and Community and Customer Engagement.

The Board recessed for a break at 12:13 pm and reconvened at 12:49 pm.

2. Presentation on Fiscal Year 2028 Strategic Goals, Mission, Vision, and Core Values

Darrin Jensen and Adriana Sanchez led the presentation on the proposed Fiscal Year 2028 Strategic Goals, Mission, Vision, and Core Values.

Topics discussed for the Strategic Plan Refresh included defining Culture at NBU and how that relates to the proposed updated Core Values, Mission Statement, Vision Statement, and Strategic Goals.

TOUR OF FACILITY

1. The NBU Board of Trustees participated in a tour of the Headwaters at the Comal facility.

ADJOURN

There was no further business, and Board President Wayne Peters adjourned the Board Strategic Workshop at 1:30 pm.

Attest:

*Wayne Peters, President
Approved*

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

Date Approved: January 29, 2026

LINK TO STRATEGIC PLAN

Customers and Community

People and Culture

Stewardship

EXHIBITS

None



Meeting Date: January 29, 2026 **Agenda Type:** Consent Items for Action

From: Anna Johnson **Reviewed by:** David Hubbard
 Procurement Manager Chief Administrative Officer

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

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

FINANCIAL IMPACT

No new water engineering contracts were executed during this period. No new electric engineering contracts were executed during this period. Attached are the current outstanding water engineering contracts.

LINK TO STRATEGIC PLAN

Customers and Community

People and Culture

Stewardship

EXHIBITS

1. Exhibit A – Report for Water Engineering Contracts



Meeting Date: January 29, 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 Pesado Construction Company for the Construction of the Saengerhalle North Interceptor Project, Located Generally Along Willowbrook Avenue Between Alves Lane and FM 1101

BACKGROUND

On October 4, 2025, New Braunfels Utilities (“NBU”) issued a request for bids for the Saengerhalle North Interceptor Project, which includes (i) construction of approximately 4,600 linear feet (“LF”) of 12-inch to 21-inch gravity sewer main by open cut and trenchless construction methods; (ii) abandonment and grout fill of existing sanitary sewer mains and associated manholes, (iii) connections to the NBU sanitary sewer system, (iv) sewer bypass pumping for construction; (v) clearing and grubbing; (vi) traffic control; (vii) storm water pollution prevention; (viii) site restoration; and (ix) all other appurtenances necessary to complete the Project (the “Project”). The Project will benefit the NBU system by improving resiliency and expanding capacity for future growth.

On November 4, 2025, NBU received five (5) bids for the Project during the public bidding process. The Project team evaluated the bids and recommends the selection of Pesado Construction Company (“Pesado”) for the Project. Pesado 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. Pesado’s proposal includes a base bid of \$2,506,863.00.

NBU staff requests that the Board of Trustees approve the Construction Contract Agreement (the “Contract”) with Pesado 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 Pesado for the Project is \$2,506,863.00. The Project is budgeted within the Fiscal Year 2026 through Fiscal Year 2027 NBU Board approved Capital Improvements Projects Budget. Anticipating the need for Project change orders, a contract contingency in the amount of \$250,000.00 which is approximately 10% of the total contract amount, will be added to the Project construction budget. The total Contract amount plus contingency is \$2,756,863.00.

LINK TO STRATEGIC PLAN

Infrastructure and Technology

EXHIBITS

1. Construction Contract with Pesado
2. Bid Tabulation – (RFB 26-0018)

Bid Tabulation (RFB 26-0018)		
1	Dust and Dirt, LLC	\$1,844,458.25
2	Lupe Rubio Construction Co., Inc.	\$2,339,108.65
3	M5 Utilities, LLC	\$3,758,304.14
4	Pesado Construction Company, Inc.	\$2,506,863.00
5	Spiess Construction Co., Inc.	\$2,748,582.00

3. Bid Evaluation Matrix – Competitive Sealed Proposal 26-0018

Bid Evaluation Matrix						
Item	Criteria	Pesado Construction	Spiess Construction	M5 Utilities	Dust and Dirt, LLC	Lupe Rubio Construction
1.	Cost of the Work	36.79	33.55	24.54	50	39.43
2.	Proposed Schedule / Contract Time	24	21	27	0	0
3.	Past Performance on Similar Projects	8	6	8	3	3
4.	Overall Qualifications, Reputation, Past Relationship with NBU, and Public Owners	4	4	3	1	1
5.	Available resources to complete the Project	2	1.5	2	1	.75
6.	Contractor's corporate history and stability	2	1.5	2	.75	.75
	Total Score	76.79	67.55	66.54	55.75	44.93

RECOMMENDED ACTION: Authorize the CEO or His Designee to Negotiate and Execute a Construction Contract with Pesado Construction Company for the Construction of the Infrastructure Replacement Package 3 Project, Located Generally at Coll Street, Market Street, Grant Alley, Katy Street, Jackson Street, Marigold Drive, and Mulberry Avenue

FINANCIAL IMPACT

The total financial impact of the Contract with Pesado for the Project is \$4,131,182.85. The Project is budgeted within the Fiscal Year 2026 NBU Board approved Capital Improvements Projects Budget. Anticipating the need for project change orders, a contract contingency in the amount of \$250,000.00, which is approximately 6% of the total contract amount, will be added to the project construction budget. The total Contract amount plus contingency is \$4,381,182.85.

LINK TO STRATEGIC PLAN

Customers and Community

Infrastructure and Technology

EXHIBITS

1. Construction Contract with Pesado
2. Bid Tabulation – (RFB 26-0017)

Bid Tabulation (RFB 26-0017)		
1	E-Z Bel Construction, LLC	\$3,853,740.95
2	RL Jones, LP	\$3,928,463.00
3	Pesado Construction Company	\$4,131,182.85
4	Lupe Rubio Construction Co., Inc.	\$4,502,702.44
5	Spiess Construction Co., Inc.	\$7,016.368.00

3. Bid Evaluation Matrix – Competitive Sealed Proposal (26-0017)

Bid Evaluation Matrix						
Item	Criteria	E Z Bel Construction	Lupe Rubio Construction	Pesado Construction	RL Jones LP	Spiess Construction
1.	Cost of the Work	50	42.79	46.54	49.05	27.49
2.	Proposed Schedule / Contract Time	10	0	18	12	14
3.	Past Performance on Similar Projects	6	2	9	2	8
4.	Overall Qualifications, Reputation, Past Relationship with NBU and Public Owners	4	0	10	3	9
5.	Available resources to complete the Project	3	1	4	1	3
6.	Contractor's corporate history and stability	.75	.5	2	1	1.5
7.	References	1.5	1	1.75	1.5	1.5
	Total Score	75.25	47.29	91.29	69.55	64.49

RECOMMENDED ACTION: Authorize the CEO or His Designee to Negotiate and Execute a Professional Services Agreement with Pawelek & Moy, Inc. for the Design of the Fredericksburg Road Interceptor Project

BACKGROUND

This Professional Services Agreement (the “Agreement”) with Pawelek & Moy, Inc. (“Pawelek & Moy”) provides project management, preliminary engineering design, final design, permitting and coordination with stakeholders, bid phase services, and construction phase services for the New Braunfels Utilities (“NBU”) Fredericksburg Road Interceptor Project (the “Project”). The Project includes the installation of approximately 6,000 linear feet (“LF”) of new 15-inch and 8-inch wastewater main installed by open-cut and bore methods, including all appurtenances, and 400 LF of new 8-inch water main installed by open-cut methods. The bounds of the construction will be from Fredericksburg Road through the Landa Street intersection, to and along the Union Pacific Railroad right of way, and along Landa Street through Paradise Alley, and an alley owned by the City of New Braunfels. This Project was identified on our 2021 Master Plan and, in addition, will replace aged infrastructure and eliminate future construction within Landa Street on an aged and undersized wastewater main that is nearly twenty feet deep. This project is formerly the Sewer Infrastructure Replacement Package 2 Phase 1 project, of which bids were rejected at the October 2025 Board of Trustees meeting.

NBU staff requests that the Board of Trustees approve the Agreement with Pawelek & Moy for the Project.

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

Upon completion of the final design, NBU staff will solicit a construction contract and anticipates bringing the construction contract to the Board for approval in January 2028. NBU staff plans to begin construction in February 2028 and complete construction by May 2029.

FINANCIAL IMPACT

The total financial impact for the Agreement with Pawelek & Moy for the Project is \$1,348,977.00, including supplemental services. The Project is budgeted within the Fiscal Year 2026 through Fiscal Year 2029 NBU Board approved Capital Improvements Projects Budget.

LINK TO STRATEGIC PLAN

Customers and Community

Safety and Security

Stewardship

EXHIBITS

1. Professional Services Agreement with Pawelek & Moy

Agenda Type: Consent Items for Action

Reviewed by: Michael Short, P.E.
Director of Engineering

Approved by: Ryan Kelso
Chief Executive Officer

RECOMMENDED ACTION: Authorize the CEO or His Designee to Negotiate and Execute a Professional Services Agreement with Quiddity Engineering, LLC for the Design of the Gruene Water Reclamation Facility Expansion Project

BACKGROUND

On June 25, 2025, New Braunfels Utilities (“NBU”) issued a request for qualifications for engineering services (the “Services”) related to the NBU Gruene Water Reclamation Facility Expansion Project (the “Project”). The Project consists of expanding the existing Gruene Water Reclamation Facility from 2.5 million gallons per day (“MGD”) to 4.9 MGD average daily flow, and will provide capacity for growth within the Gruene Water Reclamation Facility (“WRF”) basin. The Services include project management, preliminary design phase services, final design phase services, field services, permitting and stakeholder coordination, bid phase services, and construction phase services.

On August 6, 2025, NBU received five (5) Statements of Qualifications (“SOQ”) for the Services during the public procurement process. The team evaluated the SOQs and recommends the selection of Quiddity Engineering, LLC. Quiddity was selected as the respondent who provides the best value to NBU based on the selection criteria and the ranking evaluation, including the firm's cover letter, the firm’s history and qualifications, project team, project approach, and past performance with similar services.

NBU staff requests that the Board of Trustees approve the Professional Services Agreement (the “Agreement”) with Quiddity for the Services.

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

Upon completion of the final design, NBU staff will solicit a construction contract and anticipates bringing the construction contract to the Board for approval in June 2028. NBU staff plans to begin construction in July 2028 and complete construction by July 2031.

FINANCIAL IMPACT

The total financial impact for the Agreement with Quiddity for the Project is \$13,491,000.00, 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

Infrastructure and Technology

Stewardship

EXHIBITS

1. Professional Services Agreement with Quiddity
2. Memorandum of Recommendation
3. Bid Evaluation Matrix

		Bid Evaluation Matrix				
Item	Criteria	Quiddity Engineering, LLC	Plummer Associates, Inc.	Lockwood, Andrews, Newnam, Inc.	Strand Associates, Inc.	Whitman, Requardt and Associates, LLP
1.	Cover Letter	4.5	3.75	3.75	3	3
2.	Firm's History and Qualifications	18	14	14	12	14
3.	Project Team	25	20	18.75	15	16.25
4.	Project Approach	31.5	28	26.25	26.25	22.75
5.	Past Performance	14.25	10.5	12	10.5	9
	Total Score	93.25	76.25	74.75	66.75	65

RECOMMENDED ACTION: Authorize the CEO or His Designee to Negotiate and Execute a Construction Contract with MGC Contractors, Inc. for the Construction of the Solms Pump Station and Ground Storage Tank Project Located at the NBU Headquarters Property at 5467 FM 482, New Braunfels, Texas

BACKGROUND

On September 11, 2025, New Braunfels Utilities (“NBU”) issued a request for bids for the Solms Pump Station and Ground Storage Tank Project, which (i) construction of a 4.3 million gallon per day (“MGD”) pump station building; (ii) four (4) vertical turbine pumps, valves, piping, and system components; (iii) 1.0 million gallon (“MG”) ground storage tank (“GST”); (iv) site improvements and yard piping; (v) electrical, instrumentation, controls, and Supervisory Control and Data Acquisition (“SCADA”) system; (vi) generator; (vii) access driveway, parking, and landscaping; (viii) perimeter fencing and site security; (ix) demolition, removal, and abandonment of the existing 200,000-gallon GST, foundation, pumps, piping and appurtenances; (x) storm water pollution prevention; and (xi) all other appurtenances necessary to complete the Project. (the “Project”). The Project will add needed storage capacity to ensure customers stay within the Texas Commission of Environmental Quality (“TCEQ”) required pressure limits to serve future growth.

On October 24, 2025, NBU received eight (8) bids for the Project during the public bidding process. The Project team evaluated the bids and recommends the selection of MGC Contractors, Inc. (“MGC”) for the Project. MGC was selected as the respondent that 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 \$13,139,000.00.

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 of the Contract with MGC for the Project is \$13,139,000.00. The Project is budgeted within the Fiscal Year 2026 through Fiscal Year 2028 NBU Board approved Capital Improvements Projects Budget. Anticipating the need for Project change orders, a contract contingency in the amount of \$650,000.00, which is approximately 5% of the total contract amount, will be added to the Project construction budget. The total Contract amount plus contingency is \$13,789,000.00.

LINK TO STRATEGIC PLAN

Infrastructure and Technology

EXHIBITS

1. Construction Contract with MGC
2. Bid Tabulation – (RFB 26-0016)

Bid Tabulation (RFB 26-0016)		
A	C. C. Carlton Industries, LTD	\$15,431,100.00
B	J. T. Vaughn Construction LLC	\$12,993,001.00
C	Keeley Construction	\$12,522,000.00
D	Keystone Construction	\$13,605,000.00
E	M5 Utilities, LLC	\$14,143,043.29
F	MGC Contractors, Inc.	\$13,139,000.00
G	Pesado Construction Company, Inc.	\$11,621,106.00
H	Walsh Construction Company II, LLC dba Archer Western	\$15,060,700.00

3. Bid Evaluation Matrix – Competitive Sealed Proposal (26-0016)

Bid Evaluation Matrix									
Item	Criteria	Bidder A	Bidder B	Bidder C	Bidder D	Bidder E	Bidder F	Bidder G	Bidder H
1.	Cost of the Work	37.7	44.7	46.4	42.7	41.1	44.2	50	38.6
2.	Proposed Schedule / Contract Time	6	16	10	16	14	18	17.2	14
3.	Past Performance on Similar Projects	3	9	6	9	9	13.5	6	12
4.	Overall Qualifications, Reputation, Past Relationship with NBU and Public Owners	1.5	3	1.5	3	2	5	3	2
5.	Available Resources to Complete the Project	2	3	3	3	2.5	4.5	2	3.5
6.	Contractor's Corporate History and Stability	.75	2	1.75	1.5	1.5	2.25	1	1.65
7.	References	1	1.75	1.25	1.5	1.5	2.15	1.75	1.65
	Total Score	51.95	79.45	69.9	76.7	71.6	89.6	80.95	73.4



Meeting Date: January 29, 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 Pesado Construction Company for the Construction of the Western Downtown to Morningside Pressure Zone Conversion Rusch Lane Pressure Reducing Valve Project, Located at the I-35 Southbound Frontage Road and Rusch Lane Intersection

BACKGROUND

On September 8, 2025, New Braunfels Utilities (“NBU”) issued a request for bids for the Western Downtown to Morningside Pressure Zone (“PZ”) Conversion Rusch Lane Pressure Reducing Valve (“PRV”) Project, which the following items within its scope: (i) installation of a new pressure reducing valve; (ii) approximately 200 linear feet of 8-inch, 12-inch, and 16-inch piping; (iii) traffic control; (iv) storm water pollution prevention; (v) restoration; and (vi) all other appurtenances necessary to complete the Project (the “Project”). The Project will address existing pressure issues along Rusch Lane by converting this area of the system from the Downtown Pressure Zone to the Morningside Pressure Zone.

On October 15, 2025, NBU received four (4) bids for the Project during the public bidding process. The Project team evaluated the bids and recommends the selection of Pesado Construction Company (“Pesado”) for the Project. Pesado 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. Pesado’s proposal includes a base bid of \$526,180.10.

NBU staff requests that the Board of Trustees approve the Construction Contract Agreement (the “Contract”) with Pesado 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 Pesado for the Project is \$526,180.10. The Project is budgeted within the Fiscal Year 2026 through Fiscal Year 2028 NBU Board approved Capital Improvements Projects Budget. Anticipating the need for Project change orders, a contract contingency in the amount of \$ 100,000.00, which is approximately 20% of the total contract amount, will be added to the Project construction budget. The total Contract amount plus contingency is \$626,180.10.

LINK TO STRATEGIC PLAN

Infrastructure and Technology

EXHIBITS

1. Construction Contract with Pesado
2. Bid Tabulation – (RFB 26-0014)

Bid Tabulation (RFB 26-0014)		
1	Argo Utilities LLC	\$790,958.80
2	Atlas Construction Corporation	\$466,475.00
3	Pesado Construction Company	\$526,180.10
4	Spiess Construction Co, Inc	\$744,975.00

3. Bid Evaluation Matrix – Competitive Sealed Proposal (26-0014)

Bid Evaluation Matrix					
Item	Criteria	Argo Utilities	Atlas Construction Corp	Pesado Construction Company	Spiess Construction Co., Inc.
1.	Cost of the Work	32	50	44	31
2.	Proposed Schedule / Contract Time	11.2	8	15.2	15.2
3.	Past Performance on Similar Projects	6	4	7.6	7.6
4.	Overall Qualifications, Reputation, Past Reputation with NBU and Public Owners	1.5	2.25	7.5	6.45
5.	Available Resources to Complete the Project	3	0	7.2	6
6.	Contractor's Corporate History and Stability	0	0	2.15	1.75
7.	References	0	1.25	2	2
	Total Score	53.7	65.5	85.65	70

RECOMMENDED ACTION: Authorize the CEO or His Designee to Negotiate and Execute a First Amendment to the Professional Services Agreement with Kimley-Horn and Associates, Inc. for the Design of the Central Downtown to Morningside Pressure Zone Conversion Project, Adding Additional Services Related to Expansion of Work along Rosedale Avenue and Pipeline Realignment Along I-35 Near the New Braunfels Library

BACKGROUND

On August 29, 2024, the New Braunfels Utilities (“NBU”) Board of Trustees approved a Professional Services Agreement (the “Agreement”) with Kimley-Horn and Associates, Inc. (“Kimley-Horn”) for professional engineering services for the Central Downtown to Morningside Pressure Zone Conversion Project (the “Project”).

During design, it was determined that (i) the planned pressure zone changes must extend along Rosedale and West End Avenue, and (ii) a proposed pipeline realignment is required due to physical constraints at the New Braunfels Community Center/Library along IH 35. As a result, NBU staff requests that the Board approve the First Amendment to the Agreement (the “First Amendment”), which includes an increase in the compensation to the Professional and an extension of the completion date for certain Services.

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

Upon completion of the final design, NBU staff will solicit a construction contract and bring the construction contract to the Board for approval in November 2026. NBU staff plans to begin construction in January 2027 and complete construction by February 2028.

FINANCIAL IMPACT

The total financial impact for the First Amendment is \$151,500.00. The total contract amount for the Agreement and the First Amendment with Kimley-Horn for the Project is \$1,272,500.00, including Supplemental Services. The Project is budgeted within the Fiscal Year 2025 through Fiscal Year 2028 NBU Board approved Capital Improvements Projects Budget.

LINK TO STRATEGIC PLAN

Infrastructure and Technology**EXHIBITS**

1. First Amendment to the Professional Services Agreement with Kimley-Horn

RECOMMENDED ACTION: Authorize the CEO or His Designee to Execute a Professional Service Agreement with Burns & McDonnell Engineering Company, Inc. For Engineering, Design, and Construction Management Services of the Hortontown Substation Upgrade Project, Located at 1264 Industrial Drive

BACKGROUND

Burns & McDonnell Engineering Company, Inc. (“Burns & McDonnell”) was qualified for substation design and construction management services in a 2023 Request for Qualifications. This Professional Services Agreement engages Burns & McDonnell to support New Braunfels Utilities’ (“NBU”) capital improvement project to improve the reliability and resiliency of its distribution load-serving Hortontown substation.

The legacy Hortontown substation distribution breakers have proven to be unreliable in response to system faults and during extreme temperature conditions. This substation serves growing load demand in the Gruene, Common Street, FM 306, and Creekside areas. Upgrades at the Hortontown substation will improve electric distribution reliability and implement updated system protection technology.

The key components and services of this agreement include: (i) Engineering Design Documents; (ii) Engineering Data Collection; (iii) Substation Civil and Structural Design; (iv) Substation Physical Electrical Design; (v) Substation Relaying and Control Design; (vi) Substation Protective Relay Settings; (vii) Substation Supervisory Control And Data Acquisition (SCADA) and Networks Design; (ix) Procurement Support; (x) Project Management and Planning; (xi) and Project Controls.

These services will provide the technical basis for a safe, reliable, cost-effective, and timely construction phase.

NBU staff recommends that the Board of Trustees approve the Professional Services Agreement with Burns & McDonnell to provide engineering and design services for the Hortontown Substation Upgrade project to NBU.

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

FINANCIAL IMPACT

The base contract amount for the duration of the Professional Services Agreement with Burns & McDonnell for the Project is \$676,528.00. There is also an additional \$110,000.00 included for supplemental services. The total amount authorized by the proposed contract is \$786,528.00. The Project is currently budgeted within Fiscal Years 2026 and 2027. Construction will be proposed in the Fiscal Year 2028 NBU Capital Improvement Budget.

LINK TO STRATEGIC PLAN

Infrastructure and Technology

Safety and Security

EXHIBITS

1. Professional Services Agreement with Burns & McDonnell

RECOMMENDED ACTION: Authorize the CEO or His Designee to Negotiate and Execute a Second Amendment to the Professional Service Agreement with Schneider Engineering, LLC for Additional Engineering, Design, and Construction Management Services for the Comal T-3 Replacement Project, Freiheit Breaker Additions and Control Enclosure Upgrade Project, Kohlenberg Substation Construction Project, and the Henne Substation Breaker and a Half Upgrade Project

BACKGROUND

The Board originally approved a Professional Services Agreement with Schneider Engineering LLC, on August 31, 2023 and June 27, 2024 for the amounts of \$912,000.00 and \$305,000.00, respectively, to support the planning, design, and technical oversight for the following projects: i) Hueco Springs Substation Construction; ii) Freiheit Breaker Additions and Control Enclosure Addition; iii) Comal T3 Replacement and CO33 Addition; iv) Kohlenberg Substation Construction; v) Henne Breaker and a Half Upgrade; and vi) additional projects collectively named Fiscal Year 2024 Projects in the First Amendment. The total amount of both contracts was \$1,217,000.00. The original contract was intended to govern the scope of services to be completed in Fiscal Year 2024. A separate contract for the Comal T3 Replacement and CO33 Addition project and the Freiheit Breaker Additions and Control Enclosure Addition project, executed on June 27, 2024, was intended to govern the scope of services for those two (2) projects, to be completed in Fiscal Year 2025.

The First Amendment to the original contract was approved on June 26, 2025, increasing the compensation amount by \$868,775.00 and extending the contract term through Fiscal Year 2027 for the following projects: i) Hueco Springs Substation Construction; ii) Freiheit Breaker Additions and Control Enclosure Addition; iii) Comal T3 Replacement and CO33 Addition; iv) Kohlenberg Substation Construction project; and v) Henne Substation Breaker and a Half Upgrade.

Since Amendment #1 was approved, project requirements have evolved due to:

- Schedule adjustments to align more efficiently with procurement timelines;
- Redesign and scope changes to meet updated standards;
- Civil redesign due to land and driveway access changes;
- Schedule delay related to the Kohlenberg Substation land acquisition;
- The need to produce multiple stand-alone materials bid packages for long lead time items;
- LCRA-driven reviews and revisions identified in late stages of various projects; and
- Contractor-initiated questions and design adjustments.

The proposed Second Amendment includes additional engineering design, analysis, and technical support resulting from the scope adjustments detailed above. The Second Amendment will authorize \$647,000.00 in additional funding and extend the contract term through November 2027, which aligns with updated project schedules. The total amount of all a contracts and amendments as proposed will be \$2,732,775.00, which provides Engineering Services for ten (10) capital improvement projects over the course of NBU Fiscal Years 2024 through 2028. The key deliverables include updated design packages, technical specifications, and ongoing coordination with construction and operations teams.

To continue the progress of ongoing capital improvement projects without interruption, staff recommends amending the contract to incorporate these additional services in the amount of \$647,000.00.

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

FINANCIAL IMPACT

The total financial impact for the Second Amendment is \$647,000.00. The total contract amount for the duration of the Professional Services Agreement with Schneider Engineering, LLC, for the identified projects is \$2,427,775.00. The projects are currently budgeted within Fiscal Years 2024 through 2027 and will be proposed to be budgeted through the NBU Fiscal Year 2028 Capital Improvement Budget.

LINK TO STRATEGIC PLAN

Infrastructure and Technology

Safety and Security

EXHIBITS

1. Schneider Engineering Services Original Contract
2. Schneider Engineering Services Contract First Amendment
3. Engineering Services Contract for Freiheit and Comal
4. Schneider Engineering Services Contract Second Amendment



Meeting Date: January 29, 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 Services and Goods Agreement with Austin Armature Works, LP for Lift Station Pump and Diagnostic Repair Services

BACKGROUND

On July 30, 2025, New Braunfels Utilities (“NBU”) issued a request for proposals (“RFP”) for lift station pump and diagnostic repair services (the “Services”).

On August 21, 2025, NBU received two (2) proposals during the public solicitation process. NBU staff evaluated both proposals and determined both respondents to be the most advantageous to NBU, considering the relative importance of price and other evaluation factors. NBU staff recommends the selection of Austin Armature Works, LP, and Pump Solutions, Inc. for the Services. NBU presented the services and goods agreement with Pump Solutions, Inc. as a separate agenda item.

NBU staff requests the Board of Trustees to approve the services and goods agreement with Austin Armature Works, LP.

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 Austin Armature Works, LP is \$375,000.00, with a not-to-exceed amount of \$75,000.00 for the initial contract term and \$75,000.00 for each of the additional four (4) successive one-year terms. 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. Services and Goods Agreement with Austin Armature Works, LP
2. Memo of Recommendation



Meeting Date: January 29, 2026

Agenda Type: Consent Items for Action

From: Brent Lundmark
Water Treatment and
Compliance Manager

Reviewed by: Jason Theurer
Director of Water 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 Services and Goods Agreement with Pump Solutions, Inc. for Lift Station Pump and Diagnostic Repair Services

BACKGROUND

On July 30, 2025, New Braunfels Utilities (“NBU”) issued a request for proposals (“RFP”) for lift station pump and diagnostic repair services (the “Services”).

On August 21, 2025, NBU received two (2) proposals during the public solicitation process. NBU staff evaluated both proposals and determined both respondents to be the most advantageous to NBU, considering the relative importance of price and other evaluation factors. NBU staff recommends the selection of Pump Solutions, Inc. and Austin Armature Works, LP for the Services. NBU presented the services and goods agreement with Austin Armature Works, LP as a separate agenda item.

NBU staff requests the Board of Trustees to approve the services and goods agreement with Pump Solutions, Inc.

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 Pump Solutions, Inc. is \$375,000.00, with a not-to-exceed amount of \$75,000.00 for the initial contract term and \$75,000.00 for each of the additional one-year terms. The Agreement is budgeted with the Water Treatment & 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. Services and Goods Agreement with Pump Solutions, Inc.
2. Memo of Recommendation

RECOMMENDED ACTION: Authorize the CEO or His Designee to Negotiate and Execute a Sourcwell Cooperative Agreement, Sourcwell Contract No. 032824-NVS, with Holt Truck Centers of Texas, LLC, for the Purchase of One (1) International CV515 Electric Ops Truck; Two (2) International HV607 13 Yard Dump Truck(s); Three (3) International CV515 Water Ops Truck(s); One (1) International MV607 Water Ops Truck; and One (1) International CV515 Water Ops Truck with Stellar EC4000 Crane

BACKGROUND

In order to modernize the Fleet, New Braunfels Utilities (“NBU”) identified the need to purchase one (1) International CV515 Electric Ops Truck; two (2) International HV607 13 Yard Dump Truck(s); three (3) International CV515 Water Ops Truck(s); one (1) International MV607 Water Ops Truck; and one (1) International CV515 Water Ops Truck w/ Stellar EC4000 Crane.

As a result, NBU has selected to purchase the equipment from Holt Truck Centers of Texas, through the Sourcwell contract number 032824-NVS (the “Contract”). NBU’s use of the Sourcwell contract satisfies the competitive bidding requirements under Texas law.

NBU staff requests that the Board of Trustees approve the Holt Truck Centers of Texas for the eight (8) heavy pieces of equipment. Due to current market conditions and long lead times, vehicles are highly susceptible to price increases during delivery. Should the final price of the approved vehicles increase upon delivery, this price increase will be reported back to the Board at the next available meeting. Under no circumstances will NBU accept delivery of a vehicle with a price increase in excess of 10%, or which causes the Fleet and Facilities department to exceed the approved Fiscal Year 2026 Capital Equipment Budget

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

FINANCIAL IMPACT

The total financial impact of the Contract for the equipment is \$1,182,925.28. The purchase of the equipment is budgeted in the Fiscal Year 2026 Capital Equipment Budget.

LINK TO STRATEGIC PLAN

Infrastructure and Technology

EXHIBITS

1. Sourcewell contract number 032824-NVS

RECOMMENDED ACTION: Authorize the CEO or His Designee to Negotiate and Execute a Sourcewell Cooperative Agreement, Sourcewell Contract No. 040924-ALT, with Global Rental Co., Inc., for the Purchase of Two (2) AT48M 4x4 Bucket Trucks

BACKGROUND

In order to modernize the Fleet, New Braunfels Utilities (“NBU”) identified the need to purchase two (2) AT48M 4x4 bucket trucks.

As a result, NBU has selected to purchase the equipment from Global Rental Co. Inc., through the Sourcwell contract number 040924-ALT (the “Contract”). NBU’s use of the Sourcwell contract satisfies the competitive bidding requirements under Texas law.

NBU staff requests that the Board of Trustees approve the Contract with Global Rental Co. Inc., for the bucket truck equipment. Due to current market conditions and long lead times, vehicles are highly susceptible to price increases during delivery. Should the final price of the approved vehicles increase upon delivery, this price increase will be reported back to the Board at the next available meeting. Under no circumstances will NBU accept delivery of a vehicle with a price increase in excess of 10%, or which causes the Fleet and Facilities department to exceed the approved Fiscal Year 2026 Capital Equipment Budget

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

FINANCIAL IMPACT

The total financial impact of the Contract for the equipment is \$458,640.00. The purchase of the equipment is budgeted in the Fiscal Year 2026 Capital Equipment Budget.

LINK TO STRATEGIC PLAN

Infrastructure and Technology

EXHIBITS

1. Sourcewell contract number 040924-ALT

RECOMMENDED ACTION: Authorize the CEO or His Designee to Negotiate and Execute a First Amendment to the Professional Services Agreement with Freese and Nichols, Inc. for Owner's Representative Services for the Proposed Backup Operations Center Project

BACKGROUND

On October 18th, 2021 New Braunfels Utilities (“NBU”) entered into a Professional Services Agreement (the “Agreement”) with Freese and Nichols, Inc. (“FNI”) for Owner’s Representative Services to include project management, pre-construction phase services, and constructive phase services (“Original Services”) for the NBU Backup Operations Center (“BOC”) formerly known as the NBU Disaster Recovery Facility to be completed by June 30, 2023 (the “Project”).

Due to the Project being suspended for approximately twelve months, NBU and FNI identified a need to (i) modify certain project management reporting requirements, (ii) expand pre-construction phase services and construction phase services; and (iii) add feasibility assessment and property survey of an existing facility, located at 1488 South Seguin Avenue in New Braunfels, for consideration as a possible alternate location for the Backup Operations Center in effort to reduce overall building cost per square foot by remodeling this facility in lieu of constructing an entirely new facility, testing for construction materials, mechanical testing and balancing, and electrical continuity/grounding testing (“New Services”).

NBU and the Professional desire to amend the Agreement to (i) add New Services, (ii) authorize additional compensation for the New Services, and (iii) extend the completion time to December 31, 2026.

FINANCIAL IMPACT

The total financial impact of the First Amendment is \$305,345.00. The total contract amount for the Agreement and the First Amendment with FNI for the Project is \$532,654.00. The Project is budgeted within the Fiscal Year 2023 through Fiscal Year 2027 NBU Board approved Capital Improvement Projects Budget as NBU Backup Operations Center.

LINK TO STRATEGIC PLAN

Infrastructure and Technology

Safety and Security

EXHIBITS

1. First Amendment to the Professional Services Agreement with FNI

Submitted by: Ragan Dickens
Chief Communications
Officer

Approved by: Ryan Kelso
Chief Executive Officer

BACKGROUND

FINANCIAL IMPACT

The total financial impact for the Agreement has a total not-to-exceed amount of up to \$200,000.00 annually, and a not-to-exceed amount of \$1,000,000.00 for the duration of the Agreement. These funds are currently budgeted within the Fiscal Year 2026 through Fiscal Year 2030 Enterprise Communications Operations & Maintenance budget.

LINK TO STRATEGIC PLAN

Customers and Community

People and Culture

Stewardship

EXHIBITS

1. Professional Services Agreement with F. Guerra DeBerry, LLC, DBA GDC Marketing and Ideation
2. Evaluation Matrix



Meeting Date: January 29, 2026 **Agenda Type:** Consent Items for Action

From: Pamela Tarbox **Reviewed by:** Rachel Leier
 Records Manager Director of Legal Services

Submitted by: Connie Lock **Approved by:** Ryan Kelso
 General Counsel Chief Executive Officer

RECOMMENDED ACTION: Adopt Resolution R-2026-204 Approving Revisions to the Records Policy (formerly the Records and Information Management Policy) and Other Matters in Connection Therewith

BACKGROUND

On December 14, 2023, the New Braunfels Board of Trustees approved and adopted revisions to the Records and Information Management Policy (the “Policy”), which superseded all prior records management policies, instructions, or directives. During the 2024 Records Committee (the “Committee”) meeting, the Committee directed NBU staff to modify the Policy to make the destruction process more efficient.

While reviewing the Policy, NBU staff identified other aspects of the Policy that could be improved. NBU staff recommends that the Policy be renamed as the Records Policy and further recommends that the Policy be revised in the manner set forth in the attached version of the Policy. The proposed revisions are designed to (1) align the Policy more closely with Chapters 201 through 205 of the Texas Local Government Code (the “Act”), (2) improve records management processes, and (3) update and improve the organization of the Policy.

1. The following changes are designed to align the Policy with the Act:

- eliminated and/or revised forty-three (43) definitions;
- added the definition of Archive;
- added the definition of Essential Record and implemented a process for management of Essential Records (physical and electronic);
- clarified that a Permanent Record may be maintained electronically if it is not an Essential Record;
- replaced “Official Company Record,” which was an internal construct, with “Record,” which aligns with the Act;
- added the definition of Records Control Schedule;
- clarified the storage requirements for physical Essential Records in the Records Center; and
- clarified the Policy Omissions and Limitations Section.

2. The following changes are designed to improve records management processes:

- modified processes to advance a more paperless approach;
- modified the names of the Records Department, Committee, and Policy for consistency and simplicity;
- added definitions of Disposition Log and Records Center Index for clarity;
- added processes for Archive Disposition and Destruction Disposition for clarity;
- clarified information regarding Records Management Program, Hold Process, and the concepts of records management, storage, disposition, and authority;
- eliminated references to the Emergency Management Plan, Declaration of Compliance, Board member signature requirement for destruction (as directed by the Committee), and unnecessary appendices for clarity;
- reduced frequency of Committee Meetings to as needed; and
- clarified the composition of the Committee.

3. The following changes are designed to update and improve the organization of the Policy:

- utilized current NBU policy template;
- reorganized provisions to correspond with current template, including the Purpose and Scope Sections; and
- modified the order of certain provisions, including the Violation Section.

NBU staff presented the revised Policy to the Committee at its December 4, 2025, meeting.

FINANCIAL IMPACT

None.

LINK TO STRATEGIC PLAN

Develop and Retain an Engaged and Ethical Workforce

Maintain Organizational Reliability and Resiliency

EXHIBITS

1. Resolution
2. Records Policy
3. Annotated Version of the Policy
4. Redline Version reflecting changes made to the prior version of the Policy



Meeting Date: January 29, 2026 **Agenda Type:** Items for Future Action

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

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

RECOMMENDED ACTION: Discuss Drought Contingency Plan Revisions

BACKGROUND

New Braunfels Utilities (“NBU”) staff recommends updating the Drought Contingency Plan (“DCP”) to ensure continued compliance with state requirements, align water-use reduction targets with NBU’s diversified water supply portfolio, and support long-term water supply reliability and financial stability during drought conditions.

The proposed update to the DCP includes the following:

1. aligning drought stage reduction targets with required curtailment obligations based on NBU’s diversified water supply portfolio;
2. incorporating a drought surcharge structure designed to maintain revenue neutrality during periods of reduced water consumption; and
3. reinforcing implementation flexibility to allow NBU to respond to evolving drought conditions while minimizing customer impacts.

From September through December 2025, NBU engaged the Community Advisory Panel (“CAP”) to review the proposed updates, including conservation targets, surcharge design, and customer impacts, and to provide feedback on intent, clarity, and communication. The proposed drought surcharge structure was developed by Raftelis Financial Consultants, the firm that completed NBU’s 2025 rate study, to ensure consistency with the adopted rate design and alignment with industry best practices.

If approved by the Board, NBU staff will proceed with implementation of the updated DCP and associated public communication efforts and advance any required ordinance amendments for City Council consideration.

FINANCIAL IMPACT

No additional expenditures are required to implement this update outside of standard communication strategies. The proposed drought surcharge is designed to be revenue-neutral and improves NBU's financial stability during drought conditions by mitigating revenue volatility associated with reduced water sales.

LINK TO STRATEGIC PLAN

Customers and Community

Stewardship

EXHIBITS

1. Community Advisory Panel Report on Drought Contingency Plan
2. Drought Contingency Plan – Redline Version
3. Drought Contingency Plan – Clean Version
4. Water Rates – Redline Version
5. Water Rates – Clean Version
6. Drought Contingency Plan presentation

2025 – 2026 Drought Contingency Plan Amendment

- Andrew Cummings, Interim Chief Customer Officer

- January 28, 2026

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CAP Report and Response to the Proposed Updates to the DCP

Kimberly M. Britton
Chief Executive Officer & Founder

BRITTON STRATEGIES





Justin Meadows, Chair

Dr. Les Shephard, Co-Chair

Bobby Avary

Amber Brown

Joe Castilleja

Mark Hampton

Dr. Michael Patrick Harrington, PhD

Alice Jewell

Leticia Peña Martinez

Ian Perez

Marcie Rodriguez



CAP Review Process

- CAP Members participated in meetings focused on proposed DCP updates from September through November 2025.
- Early on, members completed a survey to assess perceptions of NBU's current drought management approach and the characteristics of an ideal approach.
- The five highest-rated priorities for the DCP were that it be:
 - ✓ Sustainable
 - ✓ Easy to understand
 - ✓ Forward-looking
 - ✓ Community-focused
 - ✓ Transparent

BRITTON STRATEGIES



CAP Review Process

- CAP members met in small virtual groups between October and November meetings to review the proposed updates, ask questions and discuss implications.
- In November, the CAP reconvened with NBU staff and consultants from Britton Strategies to synthesize feedback for the CAP's formal response.
- Conversation was robust and the CAP elected to meet again in December to discuss a revised final draft.
- Prior to the meeting, the Chairs, staff and consultants captured CAP input, which informed the final report and response formally adopted at the December meeting and which follows.

BRITTON STRATEGIES



CAP Report and Response to the Proposed Updates to the DCP

BRITTON STRATEGIES



After reviewing NBU's proposed updates to the Drought Contingency Plan (DCP) and related City of New Braunfels ordinance, we, the members of the Community Advisory Panel, respectfully submit the following observations and recommendations to the NBU Board of Trustees:

1. The CAP recommends the usage of clear and understandable language as NBU prepares to update the DCP, both in this interim step and in the more comprehensive update planned for 2029. It supports the current proposed updates to the DCP and its conservation guidance for customers.

3. We encourage NBU to continue modeling strong water stewardship practices that are for the best interests of New Braunfels and its future.



2. The CAP supports NBU's forward-looking approach of ensuring a diverse and adequate supply of water for decades to come. We believe this is a significant move toward protecting the quality of life and economic health of the region.

BRITTON STRATEGIES



After reviewing NBU's proposed updates to the Drought Contingency Plan (DCP) and related City of New Braunfels ordinance, we, the members of the Community Advisory Panel, respectfully submit the following observations and recommendations to the NBU Board of Trustees:

4. We commend NBU for shifting from a punitive model designed to minimize excess water use toward one that emphasizes personal responsibility and shared commitment to water stewardship.

5. We applaud NBU's proactive outreach to high-use customers to help them identify savings, manage usage and achieve measurable conservation outcomes.



6. The CAP recommends maintaining a water rate structure that appropriately sends a clear stewardship signal by charging more for discretionary irrigation use while continuing to protect essential household and business needs.

BRITTON STRATEGIES



After reviewing NBU's proposed updates to the Drought Contingency Plan (DCP) and related City of New Braunfels ordinance, we, the members of the Community Advisory Panel, respectfully submit the following observations and recommendations to the NBU Board of Trustees:



7. We appreciate NBU's intentionality to protect those using water for essential household and business needs. Approximately 73% of NBU customers will see no impact from the proposed changes.

8. We believe education of NBU customers on effective water conservation is an essential component for success. Customers should be able to see clearly how their actions correspond to their usage and what they pay.

BRITTON STRATEGIES



After reviewing NBU's proposed updates to the Drought Contingency Plan (DCP) and related City of New Braunfels ordinance, we, the members of the Community Advisory Panel, respectfully submit the following observations and recommendations to the NBU Board of Trustees:

Finally, the CAP extends its appreciation to NBU staff for their expertise, transparency and collaboration throughout this process.

We also commend the NBU Board of Trustees and leadership for their continued commitment to community engagement and thoughtful stewardship of this vital resource.



BRITTON STRATEGIES



Questions?

BRITTON STRATEGIES



Agenda

- Drought History and Project Background
- Proposed Changes to the Drought Contingency Plan (DCP)
 - Trigger Levels and Events
 - Drought Surcharge
 - Customer Response for Stages 0-5
 - Summary of Proposals
- Next Steps



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Drought History and Project Background

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DCP Project Intent and Deliverables

Project Intent

- Provide clear, easy-to-understand drought guidance for customers.
- Attempted alignment with neighboring entities for consistent messaging.
- Balance customer lifestyles with drought and empower voluntary conservation.
- Protect essential water users.
- Prepare for formal DCP revision in 2029

Deliverables

1. Revised Trigger Levels and Trigger Events
2. Updated Drought Surcharge
3. Updates to Customer Response for Drought Stages 0 - 5

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Drought History

Worst Droughts for Texas in Order of Severity

1. Drought of Record, 1950-1957

- Edwards Aquifer Lowest Level – 612'msl, August 1956
- Comal River ran dry – June-November 1956

1. 2020's Drought, 2019-Present

- Edwards Aquifer Lowest Level – 623'msl, May 2025
- Hottest year on record for Texas – 2023, +3.5°F over average

1. 2010's Drought, 2010-2015

- Edwards Aquifer Lowest Level – 625'msl, September 2014
- Driest year on record for Texas – 2011, 14.88" Texas average



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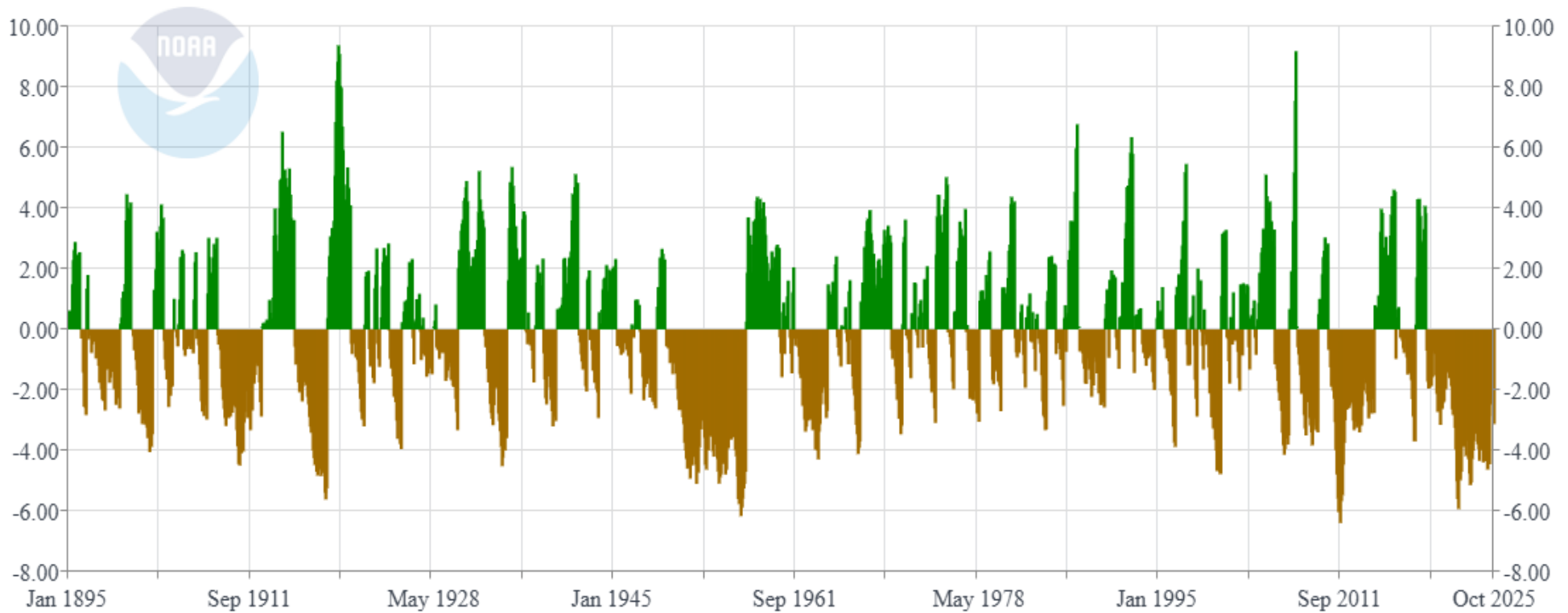


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Drought History – Visualized

Texas, Climate Division 6 Palmer Drought Severity Index (PDSI)



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Progress So Far

Date	Event
May 2024	Submitted Current DCP to State Agencies (Unchanged)
December 2024 – May 2025	Internal Working Group
August 2025	DCP Preview to NBU Board
September 2025 – December 2025	CAP Workshops
January 2025	NBU Board Presentation of Proposals

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Proposed Changes to the Drought Contingency Plan

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Trigger Levels and Events

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Trigger Levels and Events – Adding Stage 4 & 5

Proposed Language (Summarized) – **Green** Indicates Changes

Ordinance Sec. 130-167. - Sec. 130-224 "Trigger levels" for implementation and termination of water use reduction measures, stages 1, 2, 3, 4, and 5 to meet reduction measures as NBU deems necessary to meet regulatory requirements.

Factor Considered	Stage 1	Stage 2	Stage 3	Stage 4	Stage 5
Edwards Aquifer J17 Monitoring Well	660 msl	650 msl	640 msl	630 msl	625 msl
Comal River Spring Flow	225 cfs	200 cfs	150 cfs	100 cfs	45 cfs
NBU Reduction Targets	7%	9%	11%	13%	15%

Definitions

msl – feet above
mean sea level

cfs – cubic feet per
second

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Trigger Levels and Events – Expanding Flexibility

Proposed Language (Summarized) – **Green** Indicates Additions

Ordinance Sec. 130-226. Implementation of additional water use reduction measures , ("aquifer risk"). Additional considerations for implementation and termination of water use reduction measures, stages 1, 2, 3, 4, and 5.

- (a) **Drought Conditions:** Extra restrictions may be imposed during severe drought based on broader conditions, not just trigger levels.
- (b) **Water Quality:** If water quality is unsafe, mandatory reductions may be enforced with the mayor's approval.
- (c) **Water Supply Availability:** Supply levels and regional conditions may guide reduction measures.
- (d) **Infrastructure Issues:** Emergency restrictions may apply if infrastructure failures threaten supply.
- (e) **Other Considerations:** Additional restrictions may implemented at anytime due to general seasonal or weather concerns.

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Drought Surcharge

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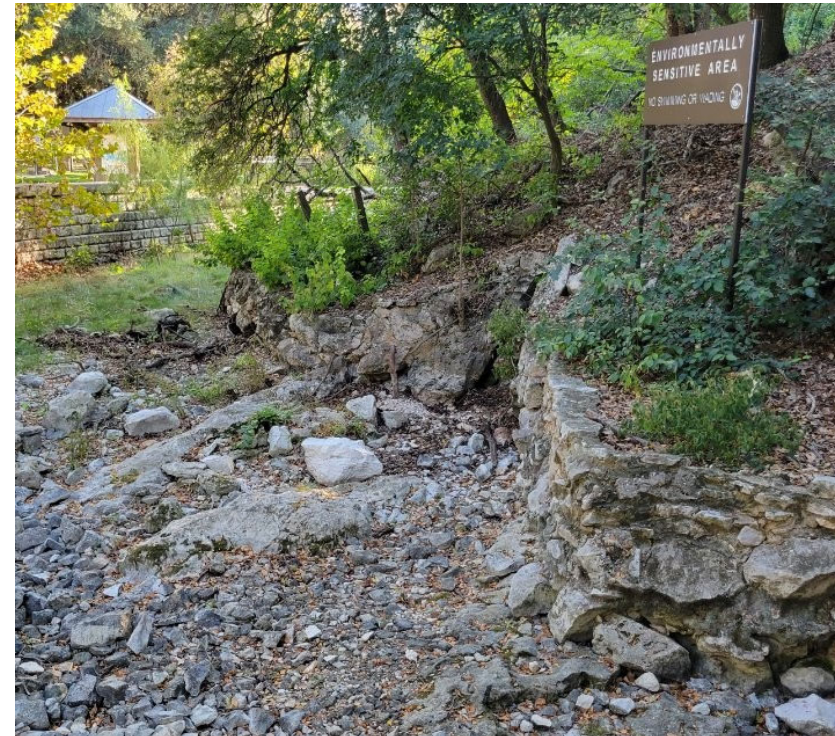
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Drought Surcharge Intent

- Maintain financial stability and protect long-term water supply planning during drought
- Reduce landscape water use while safeguarding essential indoor needs
- Send a clear, stage-based conservation pricing signal during declared drought conditions
- Reinvest excess revenues, *if any*, in conservation and affordability programs; automatically ends when drought conditions improve



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Drought Surcharge – First Update Since 2014

Proposed Language (Summarized) – **Green** Indicates Changes

Ordinance Sec. 130-167. - Water rates., (m) Residential and landscape irrigation drought surcharges.

- New surcharge matches rate tiers, discourages excess drought use, and protects essential needs.
- **Surcharge not applicable during Stages 0 - 2**

Current Structure (est. 2014)

Stage	Domestic	Irrigation	Surcharge
	Threshold	Threshold	
3	15,000	7,500	\$1.00
4	15,000	7,500	\$2.00
5	N/A	N/A	N/A

Proposed Structure (Raftelis, June 2025)

Stage	Domestic	Irrigation	Surcharge
	Threshold	Threshold	
3	12,000	6,000	\$4.18
4	12,000	6,000	\$4.89
5	6,000	1	\$4.89

Note: Essential Users Below 6,000 Gallons **Never Affected by Surcharge**

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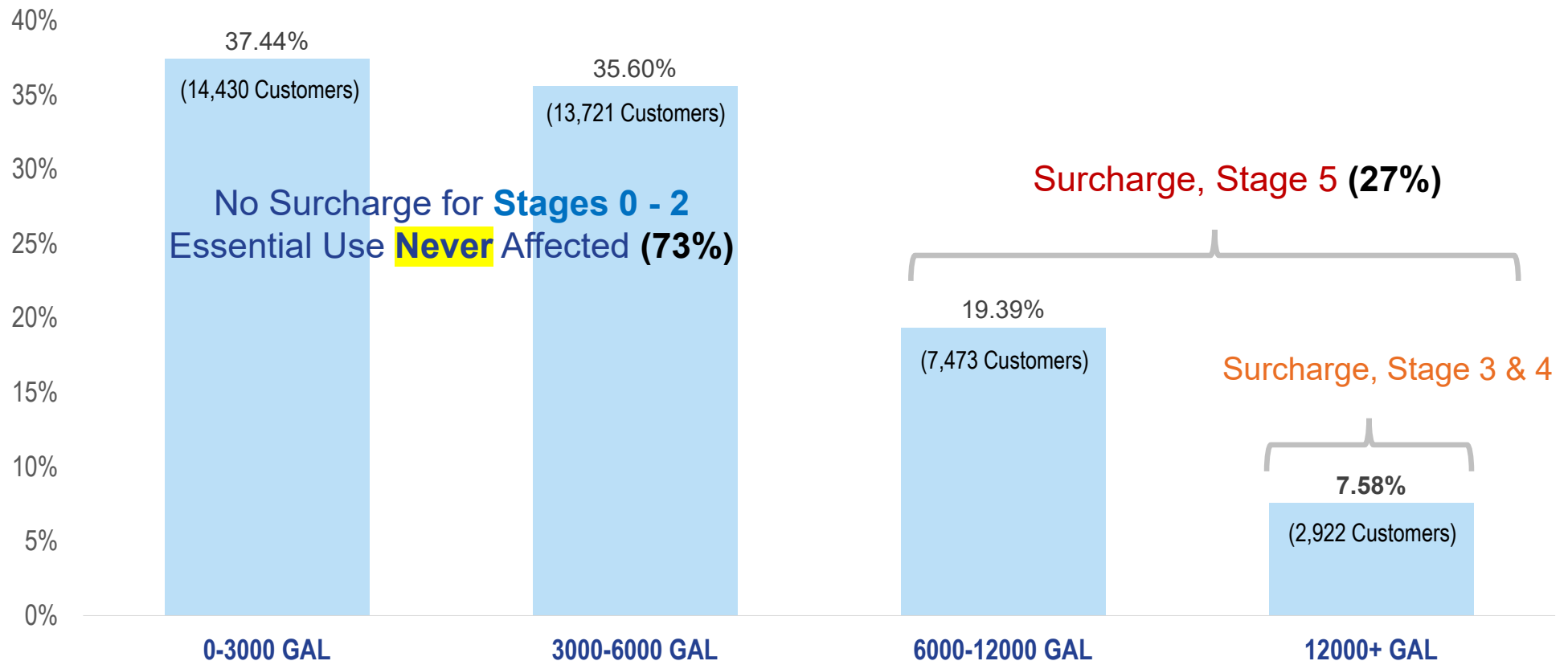
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Surcharge Structure – Residential Domestic

Domestic Usage Bracket Averages, Annual 2022-2024



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Surcharge Total Bill Impacts - Domestic

Stage	Water Usage	Bill w/o Surcharge	Bill w. Current Surcharge*	Bill w. Proposed Surcharge**	Increase \$	Increase %
0 - 2	No Applicable Surcharge					
3	15,000	\$156.84	\$156.84	\$169.53	\$12.69	8%
	20,000	\$236.29	\$241.29	\$270.13	\$28.84	12%
	25,000	\$315.74	\$325.74	\$370.73	\$44.99	14%
	30,000	\$395.19	\$410.19	\$471.33	\$61.14	15%
4	15,000	\$156.84	\$156.84	\$171.66	\$14.82	9%
	20,000	\$236.29	\$246.29	\$275.81	\$29.52	12%
	25,000	\$315.74	\$335.74	\$379.96	\$44.22	13%
	30,000	\$395.19	\$425.19	\$484.11	\$58.92	14%
5	15,000	\$156.84	\$156.84	\$201.30	\$44.46	28%
	20,000	\$236.29	\$246.29	\$305.45	\$59.16	24%
	25,000	\$315.74	\$335.74	\$409.60	\$73.86	22%
	30,000	\$395.19	\$425.19	\$513.75	\$88.56	21%

*Current surcharge usage thresholds begin at 15,000 gallons reflecting prior rate structure

**Proposed surcharge thresholds begin at 12,000 gallons for current rate alignment

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Surcharge Total Bill Impacts - Domestic

Stage	Water Usage	Bill w/o Surcharge	Bill w. Current Surcharge*	Bill w. Proposed Surcharge**	Increase \$	Increase %
0 - 2	No Applicable Surcharge					
3	15,000	\$156.84	\$156.84	\$169.53	\$12.69	8%
	20,000	\$236.29	\$241.29	\$270.13	\$28.84	12%
	25,000	\$315.74	\$325.74	\$370.73	\$44.99	14%
	30,000	\$395.19	\$410.19	\$471.33	\$61.14	15%
4	15,000	Example. A high-use customer with an irrigation system behind a domestic meter (older system) will see a total bill increase of \$44.99 with the surcharge update in Stage 3.				9%
	20,000					12%
	25,000					13%
	30,000					14%
5	15,000	\$156.84	\$156.84	\$201.30	\$44.46	28%
	20,000	\$236.29	\$246.29	\$305.45	\$59.16	24%
	25,000	\$315.74	\$335.74	\$409.60	\$73.86	22%
	30,000	\$395.19	\$425.19	\$513.75	\$88.56	21%

*Current surcharge usage thresholds begin at 15,000 gallons reflecting prior rate structure

**Proposed surcharge thresholds begin at 12,000 gallons for current rate alignment

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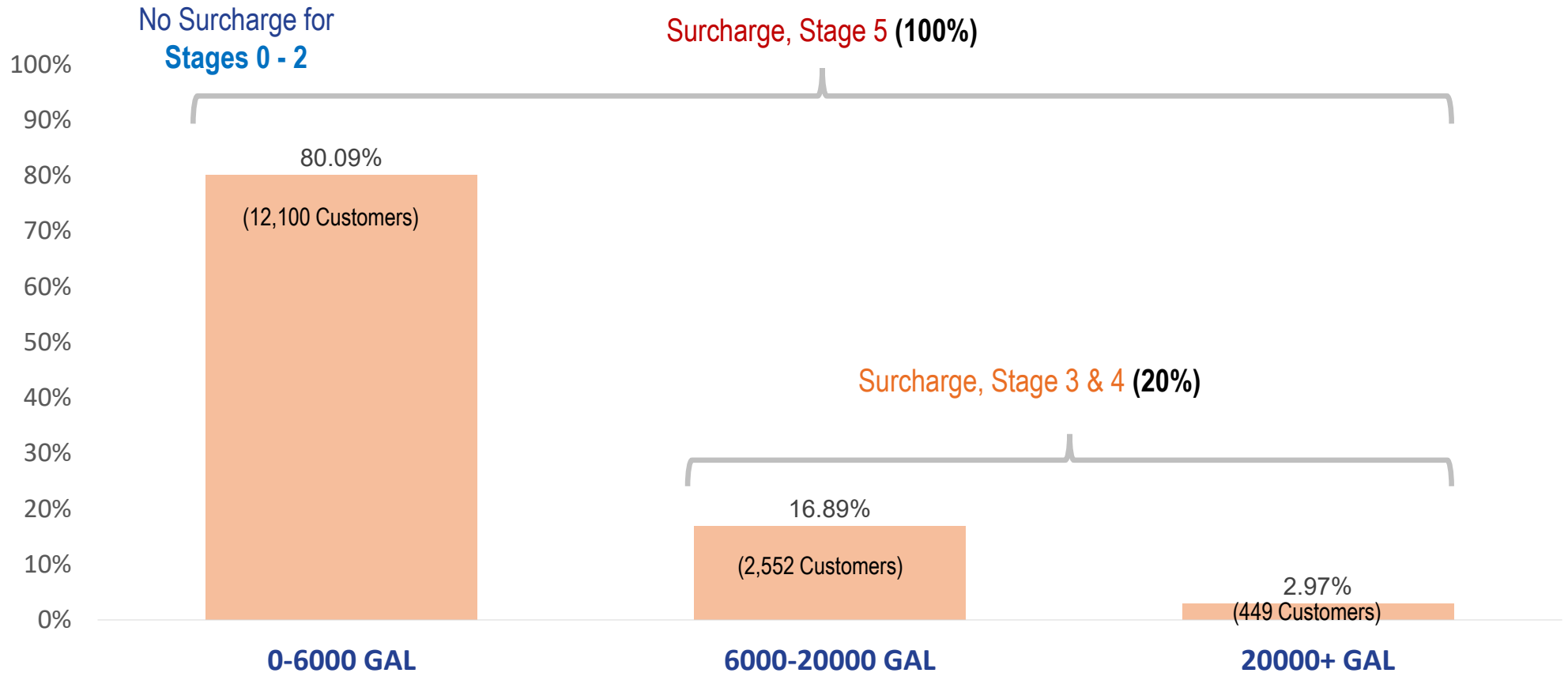
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Surcharge Structure – Residential Irrigation

Irrigation Usage Bracket Averages, Annual 2022-2024



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UTILITIES

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Surcharge Total Bill Impacts - Irrigation

Stage	Water Usage	Bill w/o Surcharge	Bill w. Current Surcharge*	Bill w. Proposed Surcharge**	Increase \$	Increase %
0 - 2	No Applicable Surcharge					
3	15,000	\$194.22	\$201.72	\$232.29	\$30.57	15%
	20,000	\$255.82	\$268.32	\$315.04	\$46.72	17%
	25,000	\$341.07	\$358.57	\$421.44	\$62.87	18%
	30,000	\$426.32	\$448.82	\$527.84	\$79.02	18%
4	15,000	\$194.22	\$209.22	\$238.68	\$29.46	14%
	20,000	\$255.82	\$280.82	\$324.98	\$44.16	16%
	25,000	\$341.07	\$376.07	\$434.93	\$58.86	16%
	30,000	\$426.32	\$471.32	\$544.88	\$73.56	16%
5	15,000	\$194.22	\$209.22	\$268.22	\$59.00	28%
	20,000	\$255.82	\$280.82	\$354.62	\$73.80	26%
	25,000	\$341.07	\$376.07	\$464.57	\$88.50	24%
	30,000	\$426.32	\$471.32	\$574.52	\$103.20	22%

*Current surcharge usage thresholds begin at 7,500 gallons reflecting prior rate structure

**Proposed surcharge thresholds begin at 6,000 gallons for current rate alignment

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Surcharge Total Bill Impacts - Irrigation

Stage	Water Usage	Bill w/o Surcharge	Bill w. Current Surcharge*	Bill w. Proposed Surcharge**	Increase \$	Increase %
0 - 2	No Applicable Surcharge					
3	15,000	\$194.22	\$201.72	\$232.29	\$30.57	15%
	20,000	\$255.82	\$268.32	\$315.04	\$46.72	17%
	25,000	\$341.07	\$358.57	\$421.44	\$62.87	18%
	30,000	\$426.32	\$448.82	\$527.84	\$79.02	18%
4	15,000	Example. An extreme high-use irrigation customer will see a billing increase of \$73.56 with the updated Stage 4 surcharge.				14%
	20,000					16%
	25,000					16%
	30,000	\$426.32	\$471.32	\$544.88	\$73.56	16%
5	15,000	\$194.22	\$209.22	\$268.22	\$59.00	28%
	20,000	\$255.82	\$280.82	\$354.62	\$73.80	26%
	25,000	\$341.07	\$376.07	\$464.57	\$88.50	24%
	30,000	\$426.32	\$471.32	\$574.52	\$103.20	22%

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Surcharge – Key Takeaways

- Essential usage customers below 6,000 gallons **will never be impacted** by surcharge
- No applicable surcharge for **Stages 0 – 2**
- Moderate-high usage customers to see billing increase of +8-15% in **Stages 3 - 4**
- Extreme high-usage customers to see billing increase of ~+24% increase in **Stage 5** worst-case-scenario
- Surcharge revenues, **if any**, collected in excess of program needs will be directed to support NBU's conservation and utility billing assistance programs.

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Customer Response

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Current Status of Stage 3, 4, and 5

	Non-Drought	Stage 1	Stage 2	Stage 3	Stage 4	Stage 5
 NBU NEW BRAUNFELS UTILITIES	2x Weekly	1x Weekly	1x Bi-Weekly	No Guidance	No Guidance	No Guidance
Austin Water	1x Weekly	1x Weekly	1x Weekly	1x Weekly	1x Weekly	Prohibited
SAWS	Any Day	1x Weekly	1x Weekly	1x Bi-Weekly	1x Bi-Weekly	No Guidance
San Marcos	No Guidance	2x Weekly	1x Weekly	1x Bi-Weekly	No Guidance	No Guidance
Buda	2x Weekly	1x Weekly	1x Weekly	1x Bi-Weekly	1x Bi-Weekly	No Guidance
Kyle	Any Day	2x Weekly	1x Weekly	1x Bi-Weekly	1x Bi-Weekly	Prohibited
Texas Water	2x Weekly	1x Weekly	1x Bi-Weekly	1x Bi-Weekly	Prohibited	No Guidance

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Proposed Change to Stage 3, 4, and 5

	Non-Drought	Stage 1	Stage 2	Stage 3	Stage 4	Stage 5
	2x Weekly	1x Weekly	1x Weekly w. Surcharge			
Austin Water		1x Weekly				Prohibited
SAWS	Any Day	1x Weekly			1x Bi-Weekly	No Guidance
San Marcos	No Guidance	2x Weekly	1x Weekly	1x Bi-Weekly	No Guidance	
Buda	2x Weekly	1x Weekly			1x Bi-Weekly	No Guidance
Kyle	Any Day	2x Weekly	1x Weekly	1x Bi-Weekly		Prohibited
Texas Water	2x Weekly	1x Weekly	1x Bi-Weekly		Prohibited	No Guidance

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Stage 4/5 – Operational Flexibility

Focus	Operational Toolbox in Worst-Case-Scenario	
Landscape Watering	Added Enforcement	<ul style="list-style-type: none"> Prohibition of spray-type irrigation
	Remaining Customer Flexibility	<ul style="list-style-type: none"> Watering landscape by hand, soaker, or drip restricted to assigned day, once-per-week, during watering times Watering trees by hand, soaker, or drip allowed for up to two hours on any day, during watering times, without waste

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LDO Changes Under Consideration Impacting NBU

Variances – Landscape Area Remainder in Stages 3-5

- **Change** – The CoNB's *Land Development Ordinance (LDO)* is proposing reducing new construction turf limitations to no more than 50% for residential (res) and 25% for commercial (comm). These proposed changes will benefit NBU's variance process.

Condition	Baseline Guidance		Additional Guidance
	Res %	Comm %	
Stage 0 (LDO)	50%	25%	50%/75% Approved Ground Cover
Stage 1 (LDO)	50%	25%	50%/75% Approved Ground Cover
Stage 2 (LDO)	50%	25%	50%/75% Approved Ground Cover
Stage 3 (LDO)	50%	25%	50%/75% Approved Ground Cover
Stage 4 (LDO)	50%	25%	50%/75% Approved Ground Cover
Stage 5 (LDO)	50%	25%	50%/75% Approved Ground Cover

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Proposed Changes Summarized

Trigger Levels and Events

- Improved alignment of trigger levels to the Edwards Aquifer Authority
- Expansion of NBU operational flexibility regarding “other considerations” in declaring stage
- Addition of Stages 4 & 5 into trigger levels
- Establishment of NBU water reduction goals for all stages
- Changing from roman numerals to standard numeration for simplicity and peer utility alignment

Drought Surcharge

- Updates to drought surcharge protects essential use customers entirely.
- Increasing applicable surcharge from \$1.00 / \$2.00 per thousand gallons to \$4.18 / \$4.89 per thousand gallons
- Updating surcharge thresholds from increments of 7,500 gallons to increments of 3k, 6k, and 12k gallons to align with current rate tiers

Customer Response

- Updating Variance new grass allotments to align with proposed City of New Braunfels’ Land Development Ordinance (LDO)
- Creation of Stage 4 and 5 flexible strategies at NBU’s operational discretion for use in worst-case-scenarios
- Clarification of verbiage throughout ordinance due to changes listed above

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Next Steps

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Next Steps

Project Milestone Timeline

- ✓ **August 2025** - Informational Presentation to NBU Board
- ✓ **September-December 2025** - CAP Workshops
- ↻ **January & February 2026** - NBU Board Readings
- 🗣️ **March 2026** - City Council Readings
- 📅 **April 2026** - New DCP Implemented

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Questions?

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Meeting Date: January 29, 2026 **Agenda Type:** Presentation Items

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

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

RECOMMENDED ACTION: Provide Update on the NBU Billing Assistance Program

UTILITY BILL ASSISTANCE PROGRAM

Program Update

- January 2026



Program Overview

Item 1.

Program Purpose: Provides temporary utility bill assistance to NBU customers experiencing significant financial hardship

Administration: NBU contracts with the New Braunfels Food Bank to accept applications and determine assistance for electric, water, and wastewater usage charges

- **Eligibility:** Residential customers with an active NBU account
- **Income Threshold:** Originally $\leq 250\%$ Federal Poverty Level (FPL); adjusted to 150% FPL in January 2026 to maintain program sustainability
- **Qualifying hardship:** Financial distress due to events such as job loss, disability, or loss of a primary income earner
- **Customer Assistance:** Customer can apply for up to \$500 per fiscal year, per customer as funds remain available

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Federal Poverty Limit by Family Size

Item 1.

Family Size	Base Federal Poverty Limit	150% FLP	250% FPL
Individual	\$15,650	\$23,475	\$39,125
Family of 2	\$21,150	\$31,725	\$52,875
Family of 3	\$26,650	\$39,975	\$66,625
Family of 4	\$32,150	\$48,225	\$80,375

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History of Program

Item 1.

- **Program consolidation:** Combined the Utility Bill Assistance and Low-Income Discount (water/wastewater only) programs into a single, streamlined structure
 - One administering contract (New Braunfels Food Bank)
 - One application process
 - One consolidated budget to maximize distribution capacity
- **Prior funding structure (2021-2023):** Partnered with Comal County Cares to deploy ARPA funds
- **Recent budget actions:**
 - Added \$100,000 in March FY2025
 - Added \$100,000 in December FY2026
 - Funding adjustments ensured program continuity through each fiscal year

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Demand & Funding Pressure

Item 1.

- **Participation surge:** Voucher demand up ~50% year-over-year
 - YoY: 944 (Aug–Nov 2024) → 1,418 (Aug–Nov 2025)
- **Community-wide trend:** Food Bank serving significantly more households
 - 7,000 → nearly 12,000 neighbors served monthly
- **Funding impact:** Current funding levels are insufficient at today's participation rates
- **Key drivers:** Inflation, reduced federal assistance, rising housing and food costs
- **Who's impacted:** growing numbers of working households and seniors struggling with housing and food costs
- **Bottom line:** Without program changes, funds will continue to be depleted earlier each year

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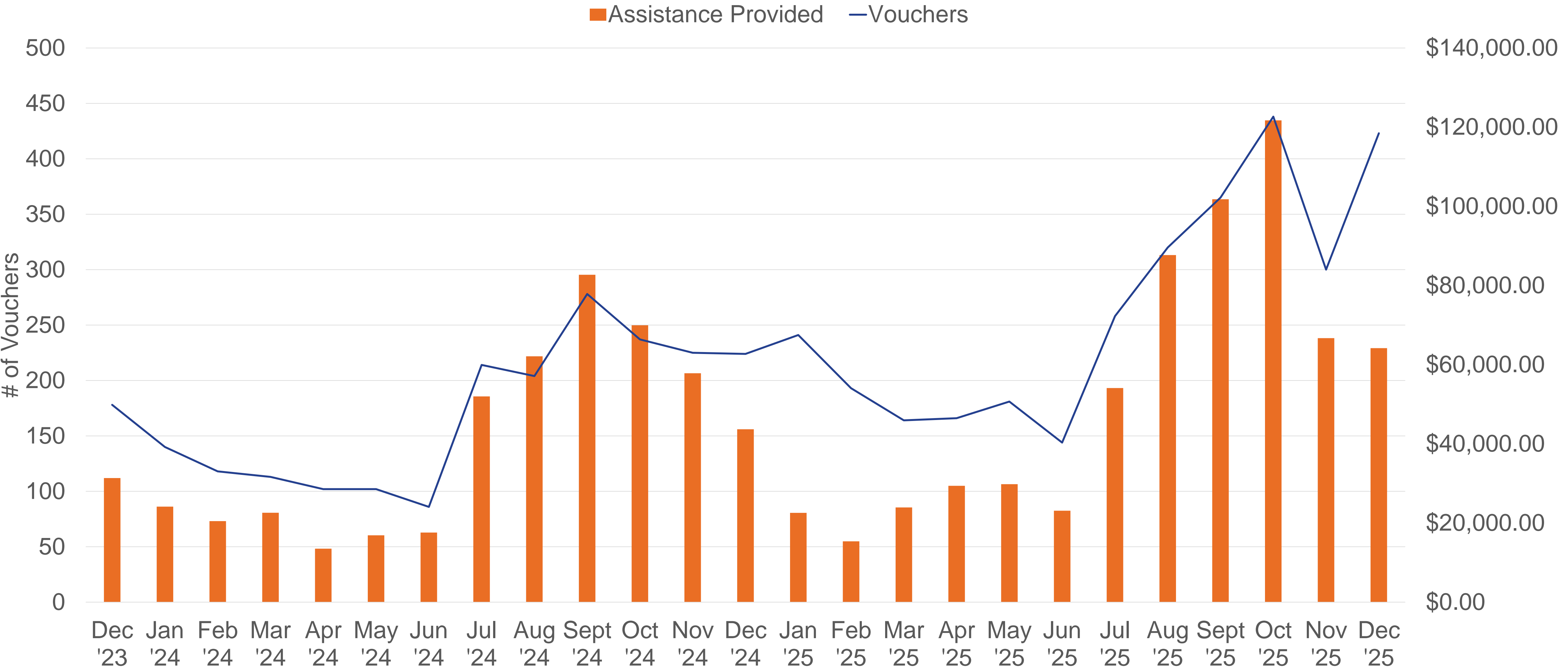
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Monthly Assistance Trends – Program Totals



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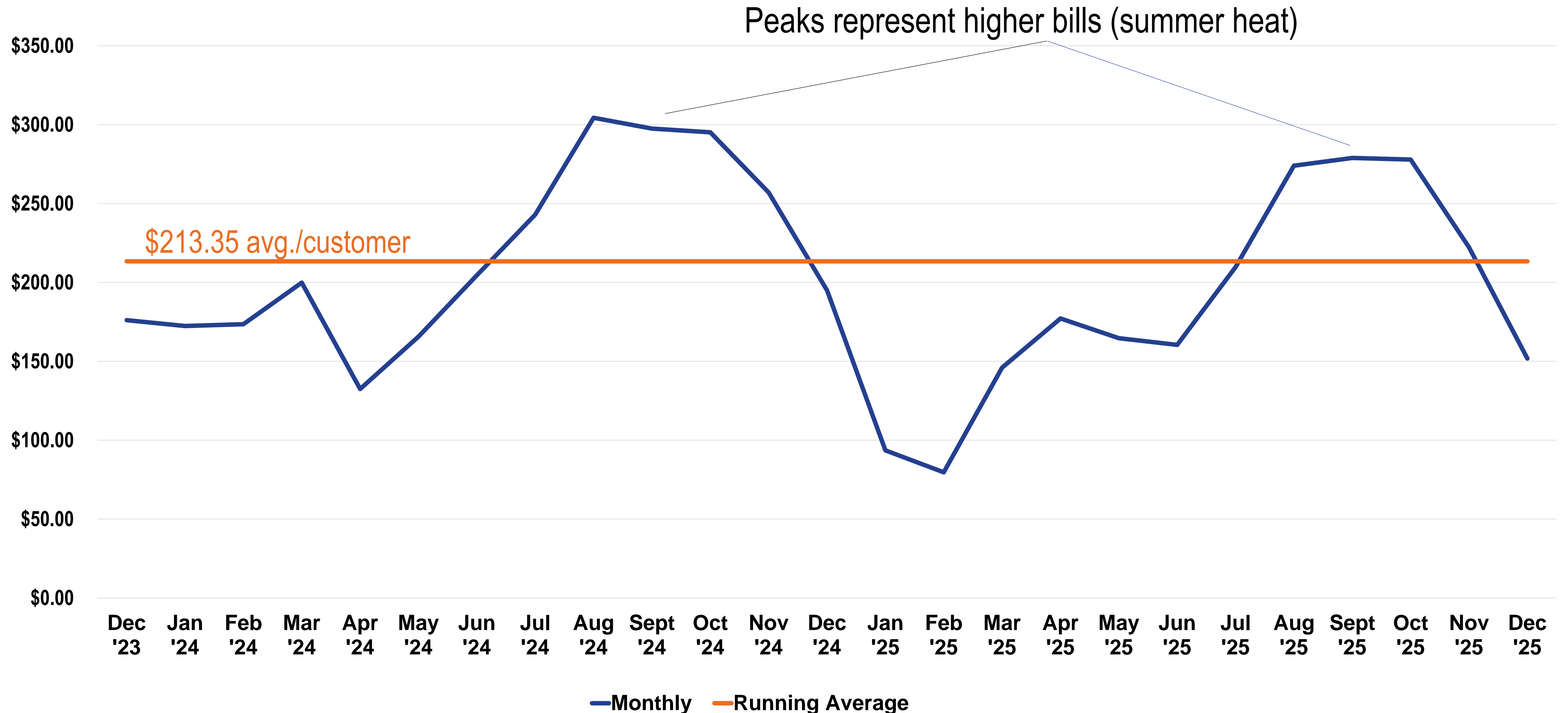


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Monthly Assistance Trends – Customer Payouts

Item 1.



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Utility Bill Assistance Budget since FY19

Item 1.

Increase due to low-income discount program

PROGRAM YEAR	APPROVED/ PROPOSED BUDGET*	ADMIN FEE (15%)
FY 2019	\$225,000	\$33,750
FY 2020	\$225,000	\$33,750
FY 2021	\$250,000	\$37,500
FY 2022	\$415,600	\$62,340
FY 2023	\$415,600	\$62,340
FY 2024	\$441,000	\$66,150
FY 2025	\$465,600	\$69,840
FY 2026	\$496,000	\$74,400

* Approved/ Proposed Budget includes the Admin Fee.

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FY2026 Utility Bill Assistance Snapshot

Item 1.



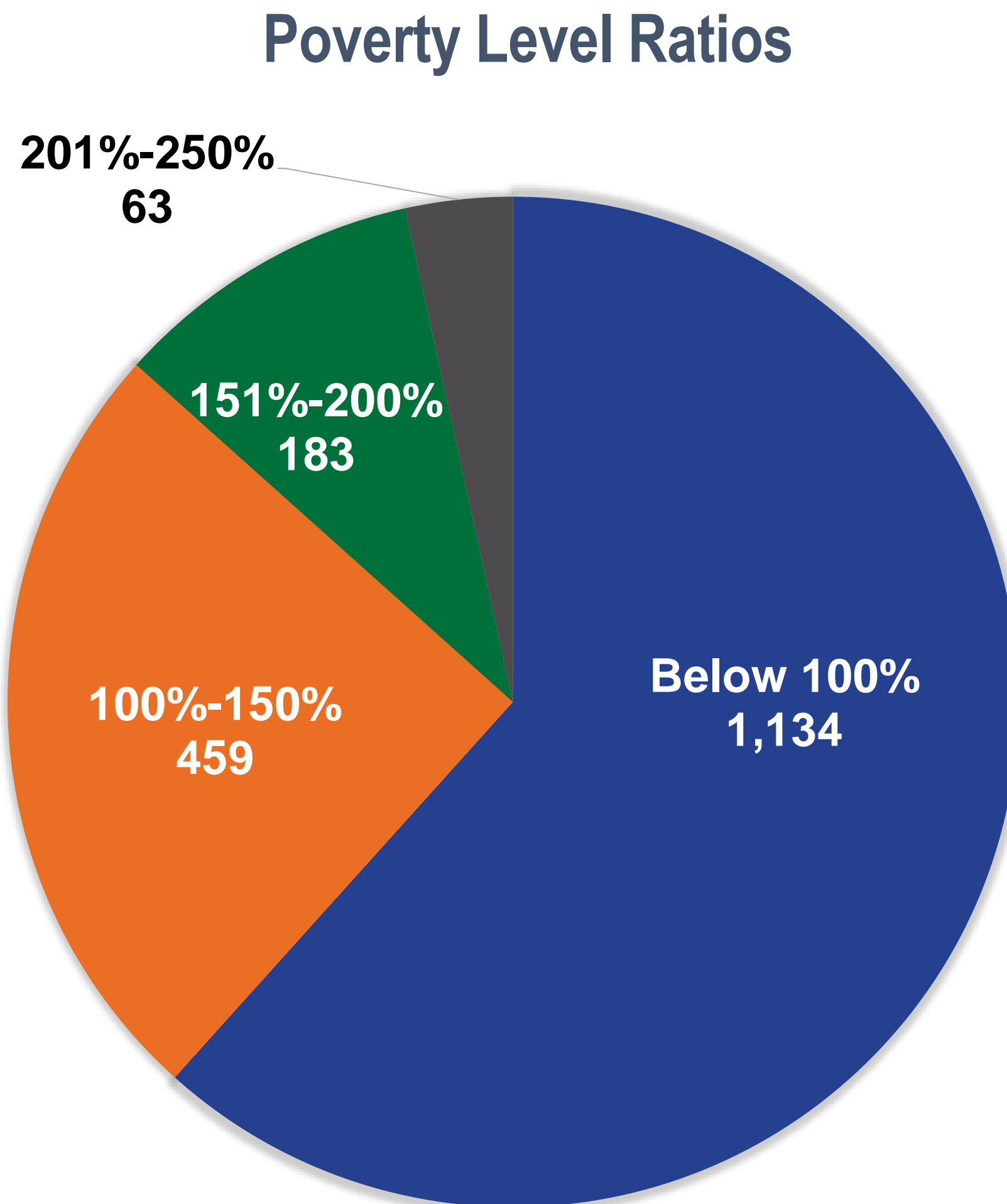
Average Voucher
\$240.11



Vouchers
1,841



Total Assistance
Provided
\$442,041.11



Single Parent
42%



Family
20%



Senior Led
22%



*Data current as of 12/31/25.

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Future of Program

- **Remainder of FY26**
 - The budgeted program funds were exhausted in December 2025
 - In December 2025, NBU infused an additional \$100k with the expectation of program continuity through the remainder of the fiscal year
- **NBU Commitments**
 - Staff to continue to work with the New Braunfels Food Bank to maximize program for FY26
 - Begin pursuing revisions to current agreement for long-term program sustainability
 - Will return to NBU Board at a future meeting to present findings and proposals

Questions?

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Meeting Date:	<u>January 29, 2026</u>	Agenda Type:	<u>Action Items</u>
From:	<u>Ashley Schriewer</u> Director of Financial Services	Reviewed by:	<u>Jessica Williams</u> Chief Financial Officer
Submitted by:	<u>Jessica Williams</u> Chief Financial Officer	Approved by:	<u>Ryan Kelso</u> Chief Executive Officer

RECOMMENDED ACTION: Discuss and Consider Approval of a Professional Services Agreement with EEPlus, Inc. for Large Load Consulting Services

BACKGROUND

The rapid increase in large load interconnections within the Electric Reliability Council of Texas (“ERCOT”) market, driven by data centers and other industrial growth, presents significant challenges and opportunities for municipal utilities such as New Braunfels Utilities (“NBU”). Municipal utilities must proactively manage these requests to prevent grid instability, ensure equitable cost allocation for necessary system upgrades, and maintain compliance with evolving rules from ERCOT and the Public Utility Commission of Texas (“PUC”). Additionally, Senate Bill 6 from the 89th Texas Legislature poses significant new legislation to navigate. New Braunfels Utilities’ current internal resources, while expert in day-to-day operations, require specialized, external support to effectively manage the unique engineering, financial, and legal complexities associated with these high-demand projects. Given these challenges, management recommends the engagement of a specialized large load consultant.

The selected consultant will perform the following key services: large load interconnection support, demand response program support, general energy management support, conducting a credit and risk analysis of each project, and providing training modules for NBU staff.

Management has reviewed proposals from several firms specializing in public power and large load integration in Texas. After a thorough review of qualifications and experience, EEPlus has been identified as the most qualified partner due to their proven track record in the ERCOT market and specific expertise in large load regulatory matters.

EEPlus will provide the necessary expertise to navigate complex interconnection studies, rate design, and long-term planning, thereby protecting the utility’s long-term financial stability and reliability while ensuring equitable treatment for all customers.

Management recommends the Board of Directors approve the engagement of EEPlus to provide specialized large load consulting services. This action is crucial to safeguarding the utility’s long-term financial stability and reliability amidst the rapid changes in the Texas energy landscape.

FINANCIAL IMPACT

The Not to Exceed (“NTE”) dollar amount for this contract is \$1,000,000.00. The general ledger account code that these funds are budgeted to is 10-130-5570-001 – Other Power Supply Front Office Expense.

LINK TO STRATEGIC PLAN

Customers and Community

Financial Excellence

Stewardship

EXHIBITS

1. Professional Services Agreement between EEPlus, Inc. and New Braunfels Utilities
2. Presentation – EEPlus Large Load Consulting Services

EEPlus, Inc. Large Load Consulting Services

**Prepared for the
NBU Board of Trustees**

January 29, 2026



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Board Decision Summary

- **Action Requested:** Approve a Professional Services Agreement with EEPlus, Inc. for consulting services.
- **Why Now:**
 - Rapid growth in large load requests across ERCOT
 - Increasing regulatory complexity (ERCOT, PUCT, SB6)
 - Need to proactively manage financial, reliability, and compliance risks
- **Key Contract Terms:**
 - Initial one-year term with four optional one-year renewals
 - Not-to-exceed (NTE) \$1.0 million over the total life of the contract
 - Services provided on an as-needed basis

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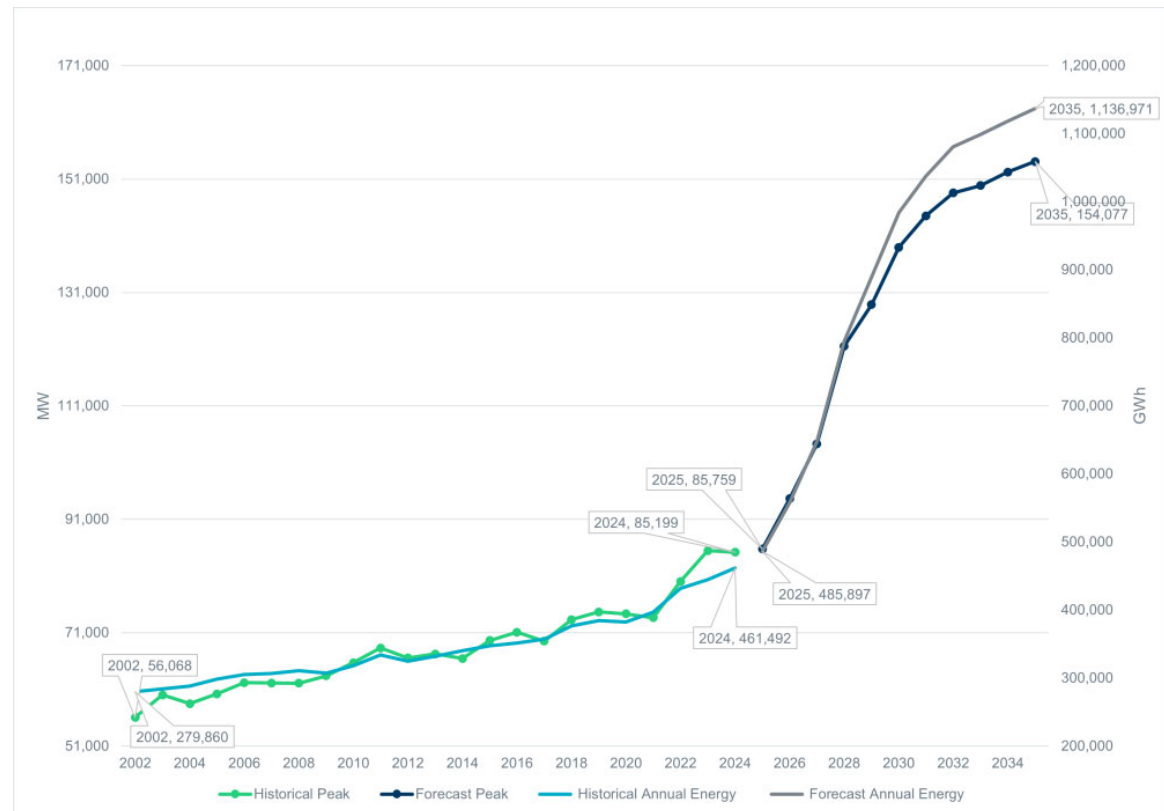
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What is happening across ERCOT?

- Current demand on Texas' power grid reached a record 85,508 MW in August 2023.
- ERCOT is estimating that demand could surpass 150,000 MW in 2035.
- The EIA anticipates that ERCOT's electric demand will grow by 14% in 2026 alone, when some large data centers and cryptocurrency mining facilities become operational.
- Texas is attractive to large companies because of its diverse energy resources and relatively limited regulations compared to other states.



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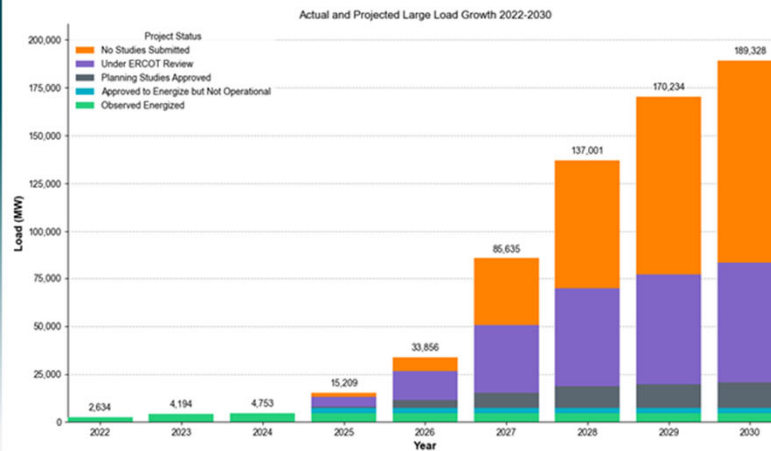
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What is happening across ERCOT?

PUBLIC

Item 16.2

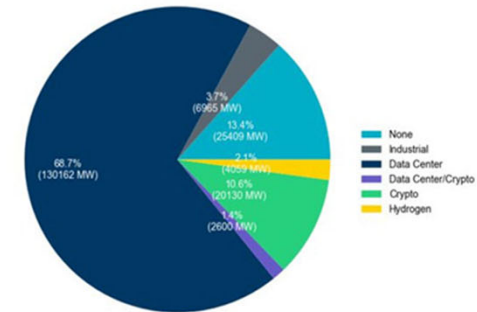
Large Load Interconnection Queue (as of September 2, 2025)



Project Status	2022	2023	2024	2025	2026	2027	2028	2029	2030
No Studies Submitted	0	0	0	2,072	7,208	35,054	67,332	93,400	106,267
Under ERCOT Review	0	0	0	5,192	15,062	35,198	50,966	56,981	62,388
Planning Studies Approved	0	0	0	443	4,084	7,881	11,201	12,351	13,171
Approved to Energize but Not Operational	0	83	137	2,886	2,886	2,886	2,886	2,886	2,886
Observed Energized	2,634	4,111	4,616	4,616	4,616	4,616	4,616	4,616	4,616
Total (MW)	2,634	4,194	4,753	15,209	33,856	85,635	137,001	170,234	189,328



Large Loads by Project Type



Key Takeaway: ERCOT is tracking approximately 189 GW of Large Loads seeking interconnection (compared to 56 GW in September 2024) of which ~69% are data centers.

ERCOT is an active participant in the PUC process to implement Senate Bill 6 legislation.

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Other Regulatory Happenings

- Additionally, Senate Bill 6 (“SB6”) from the 89th Texas Legislature poses significant new legislation to navigate.
- Under this new law:
 - Large electric customers are required to supply backup power that can be used during grid emergencies.
 - Customers who use at least 75 MW of power, including data centers and some industrial projects, will be required to switch to backup generators to reduce strain on the grid in extreme conditions.
 - Large customers must also install equipment allowing the state to remotely disconnect power from their facilities, known as a “kill switch” provision.
- ERCOT is currently working with the PUCT to create rules to implement SB6, which are expected to be finalized in 2026.

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Why is this important to NBU?

- Municipal utilities must proactively manage these requests to prevent grid instability, ensure equitable cost allocation for necessary system upgrades, and maintain compliance with evolving rules from ERCOT and the PUCT.
- New Braunfels Utilities' current internal resources, while expert in day-to-day operations, require specialized, external support to effectively manage the unique engineering, financial, and legal complexities associated with these high-demand projects.
- Given these challenges, management recommends the engagement of a specialized large load consultant.

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Risks of Not Engaging Specialized Support

- Increased risk of underestimating system upgrade costs associated with large load projects
- Potential for inequitable cost shifts to existing customers
- Greater exposure to ERCOT and PUCT compliance risk as rules evolve
- Strain on internal staff resources managing highly complex, non-routine projects

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Steps Taken

- Management has reviewed proposals from several firms specializing in public power and large load integration in Texas. After a thorough review of qualifications and experience, EEPlus has been identified as the most qualified partner due to their proven track record in the ERCOT market and specific expertise in large load regulatory matters.
- EEPlus will provide the necessary expertise to navigate complex interconnection studies, rate design, and long-term planning, thereby protecting the utility's long-term financial stability and reliability while ensuring equitable treatment for all customers.

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EEPlus Services to be Provided to NBU

- Large Load Interconnection Support
- Demand Response Program Support
- General Energy Management Support
- Credit and Risk Analysis of Each Project
- Training Modules for NBU Staff

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Financial Impact & Cost Controls

- No upfront or fixed annual spend; services are utilized only as needed
- Spend driven by actual large load project activity
- Contract includes a cumulative NTE cap and defined scope of services
- Consulting costs are expected to be recoverable through large load project cost allocation and rate mechanisms, where applicable

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Governance and Oversight

- Engagement managed by Energy Risk in coordinating with Power Supply, Engineering, Legal, and Operations
- Work cannot proceed without prior NBU authorization
- Ongoing monitoring of spend against the NTE limit
- Periodic internal review of consultant performance and outcomes

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Action Requested by NBU Board

- Management recommends the Board of Trustees approve the engagement of EEPlus to provide specialized consulting services. This action is crucial to safeguarding the utility's long-term financial stability and reliability amidst the rapid changes in the Texas energy landscape.

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