



NOTICE OF OPEN MEETING
MARCH BOARD OF TRUSTEES
NBU Board Room, 263 Main Plaza, New Braunfels, Texas 78130
March 27, 2025, at 1:00 PM
www.nbutexas.com

AGENDA

CALL TO ORDER

PLEDGE OF ALLEGIANCE AND INVOCATION

Board President Wayne Peters

NBU EMPLOYEE RECOGNITIONS

1. Retirement Recognition of Larry Boos

PUBLIC COMMENT

ITEMS FROM THE CHAIR

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

ITEMS FROM STAFF

1. CEO's Update
 - a. Community Engagement: NBU Hosts Booth at the Home and Outdoor Living Show at the New Braunfels Civic Center
 - b. Headwaters at the Comal Hosts New Volunteer Orientation
 - c. NBU Provides Mutual Aid and Electric Crew Support to the City of Jasper's Restoration Efforts after a Severe Weather Event
 - d. NBU Launches KinderKraft, a Community Partnership with Communities in Schools
 - e. NBU Employees Participate in the Texas Water Conference Meter Challenge
 - f. Any Other Items Permitted Under Section 551.0415 of the Texas Government Code
2. Financial Update and Report, Including an Update on the Impact Fee Program Effective February 1, 2023 (referred to as Program E)
3. Quarterly Strategic Goal and Annual Priorities Update
4. Monthly NBU Headquarters Progress Update

- [5.](#) NBU Community Advisory Panel Update Regarding the Rate Plan Design Process for Water, Wastewater, and Electric Rates

CONSENT ITEMS FOR ACTION

- [1.](#) Approve Minutes of the NBU Regular Board Meeting of February 27, 2025
- [2.](#) Approve the Change Order Log from January 15, 2025, through February 15, 2025
- [3.](#) Approve the Electric Line of Business Alternative Procurements from January 15, 2025, through February 15, 2025
- [4.](#) Approve the Reports for Water and Electric Engineering Contracts from August 1, 2024, through February 15, 2025
- [5.](#) Reject All Proposals Submitted for RFP #24-0050, Credit Verification and Background Checks Solicitation
- [6.](#) Authorize the CEO or His Designee to Negotiate and Execute a Construction Contract with Pesado Construction Company for the Construction of the South Kuehler Interceptor Phase 1 Project
- [7.](#) Authorize the CEO or His Designee to Negotiate and Execute an AIA Document A133—Guaranteed Maximum Price Amendment No. 4 with SpawGlass Contractors, Inc., for the New Braunfels Utilities Headquarters Facility Project Located on a 76-acre Tract of Property at the Intersection of Engel Road and IH-35 for Structural Steel Early Release Package

EXECUTIVE SESSION

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)

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

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

ADJOURN

If you require assistance in participating at a public meeting due to a disability as defined under the Americans with Disabilities Act, reasonable assistance, adaptations, or accommodations will be provided upon request. Please contact the Board Relations Coordinator at least three (3) days prior to the scheduled meeting date at (830) 629-8400. For in-person inquiries, please visit the New Braunfels Utilities Customer Solutions Center at 1488 South Seguin Avenue, New Braunfels, Texas.

CERTIFICATE OF POSTING

I, Ryan Kelso, Secretary to the Board of Trustees, do hereby certify that this Notice of Meeting was posted at the City of New Braunfels City Hall, 550 Landa Street, New Braunfels, Texas, the New Braunfels Utilities Main Office, 263 Main Plaza, New Braunfels, Texas, and the New Braunfels Utilities Customer Solutions Center, 1488 South Seguin Avenue, New Braunfels, Texas on the **21st day of March 2025**, and remained posted continuously for at least 72 hours preceding the scheduled time of the meeting.



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

Agenda Type: Items from Staff

Approved by: Ryan Kelso
Chief Executive Officer

Purchased power costs totaled \$8,864,000, which was \$3,851,000 less than the budgeted amount of \$12,715,000. Electric gross margin, which is total operating revenues minus purchased power, resulted in the amount of \$6,505,000 for the month of February and \$42,076,000 YTD. These amounts were \$1,264,000 greater and \$2,689,000 less than the budgeted amount of \$5,241,000 Month-to-Date (“MTD”) and \$44,765,000 YTD. Other operating expenses were less than budget by \$1,137,000. These items resulted in the Electric Line of Business reporting net operating income of \$4,331,000, which was \$2,401,000 greater than the budgeted amount of \$1,930,000. Net non-operating items provided an unfavorable variance from budget of \$9,000. Services income was greater than budget by \$146,000. The Electric Line of Business reported February 2025 CNPAC of \$3,937,000 and YTD CNPAC of \$22,060,000. These amounts were \$2,538,000 greater and \$4,809,000 greater than their respective February 2025 MTD and February 2025 YTD budget amounts.

Water

The Water Line of Business reported total operating revenues of \$2,730,000, a \$236,000 decrease, or 8%, from the February budgeted amount of \$2,966,000. In February, water gallons sold of 263,231,000 was less than the budgeted amount of 293,913,000 (a 30,683,000-gallon variance from budget, or 10%). NBU’s net realized price per 1,000 gallons sold in February was \$10.04, which was greater than the budgeted amount of \$9.72. Operating expenses for February were \$3,787,000, which was \$693,000 less than the budgeted amount of \$4,480,000. The net effect of less revenues and less operating expenses than budgeted resulted in the Water’s net operating income of \$(1,057,000), which was greater than budget. Net non-operating items provided a favorable variance of \$16,000 from budget. Impact fees of \$2,735,000 were greater than budget by \$1,208,000, and services income of \$207,000 was greater than budget by \$89,000. The Water Line of Business reported February 2025 CNPAC of \$1,600,000 and YTD CNPAC of \$9,076,000. These amounts were \$1,770,000 greater than and \$6,802,000 greater than their respective February 2025 MTD and February 2025 YTD budget amounts.

Wastewater

The Wastewater Line of Business reported total operating revenues of \$3,248,000, a \$9,000 increase from the February budgeted amount of \$3,239,000. Total operating expenses of \$2,541,000 were \$398,000 less than the budgeted amount of \$2,939,000. As a result, the Wastewater Line of Business reported net operating income of \$707,000, which was \$407,000 greater than the budgeted amount of \$300,000. Net non-operating items provided a favorable variance of \$166,000 from budget. Impact fees were greater than budget by \$458,000, and capital participation fees were less than budget by \$173,000. The Wastewater Line of Business reported February 2025 CNPAC of \$1,554,000 and YTD CNPAC of \$9,779,000. These amounts were \$857,000 greater than and \$5,342,000 greater than their respective February 2025 MTD and February 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

Item 2.

- **February 2025 Financials**

- Kimberly Huffman, Accounting Manager

Board Financial Policy Compliance - February 2025 YTD

| | FY 2024 Actual | FY 2025 Budget | Financial Policy | FY 2025 Actual* |
|--|----------------|----------------|------------------|-----------------|
| Debt to Capitalization (lower is better) | 41.1% | 45.5% | ≤55.0% | 39.0% |
| Debt Service Coverage (higher is better) | 5.14 | 4.71 | ≥2.40 | 4.86 |
| Days Cash on Hand (higher is better) | 208 | 224 | ≥140 | 273 |
| Days Liquidity on Hand (higher is better) | 495 | N/A | N/A | 444 |

* Amounts are calculated by annualizing the YTD results

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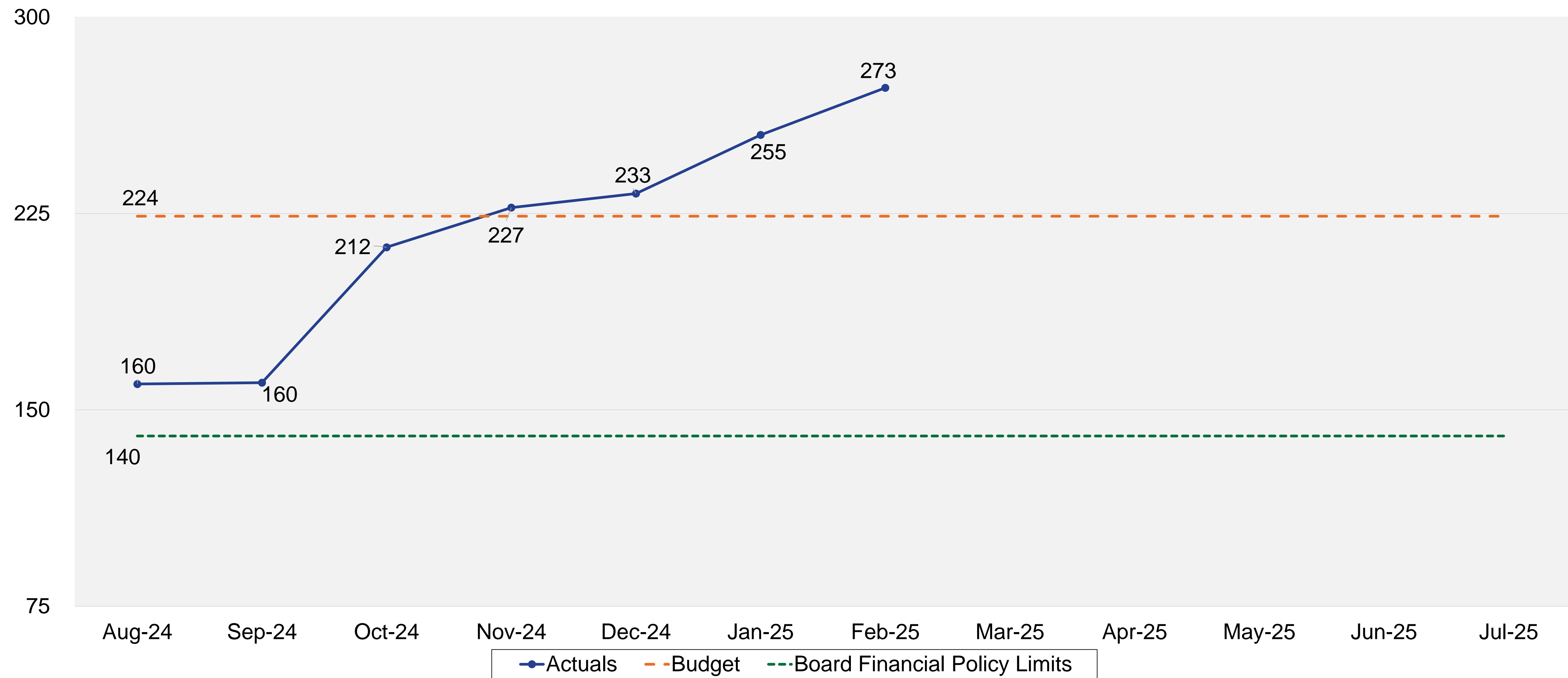
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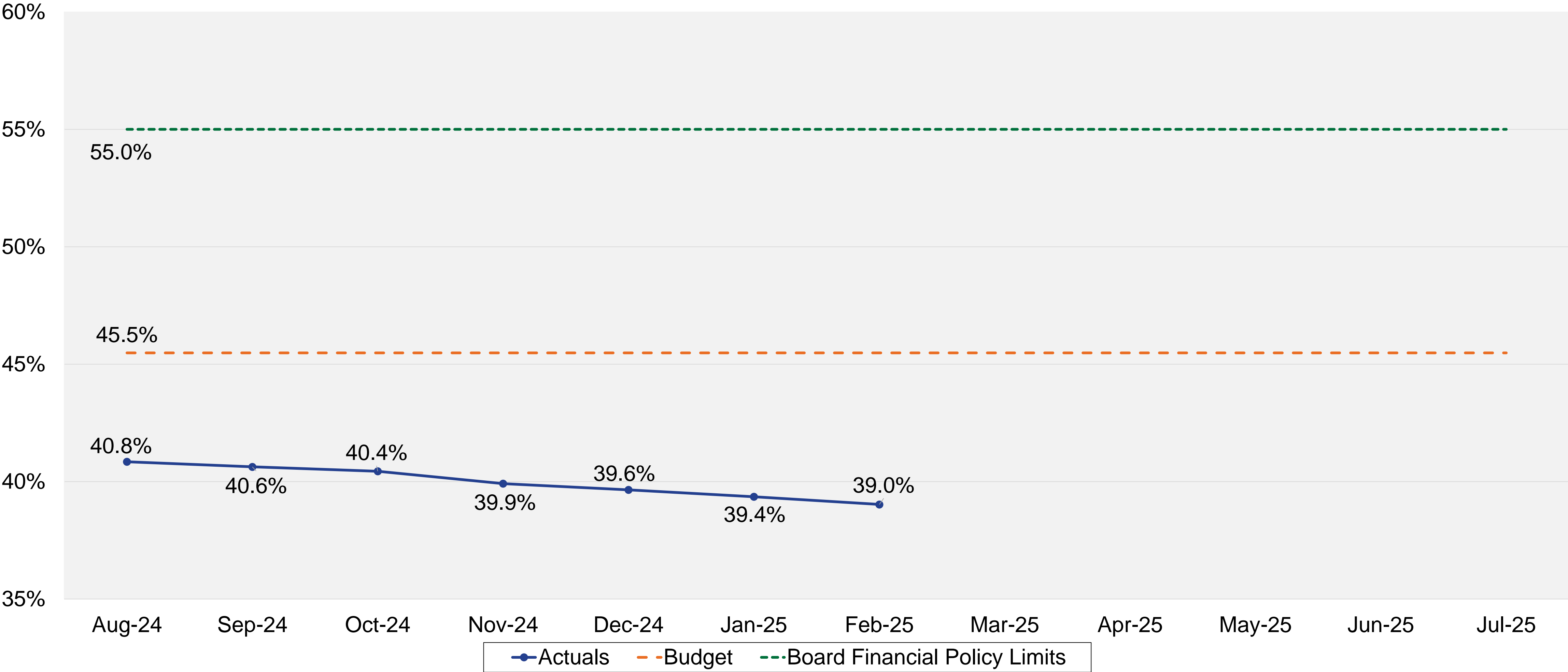
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Days Cash on Hand - February 2025 YTD



Debt to Capitalization - February 2025 YTD



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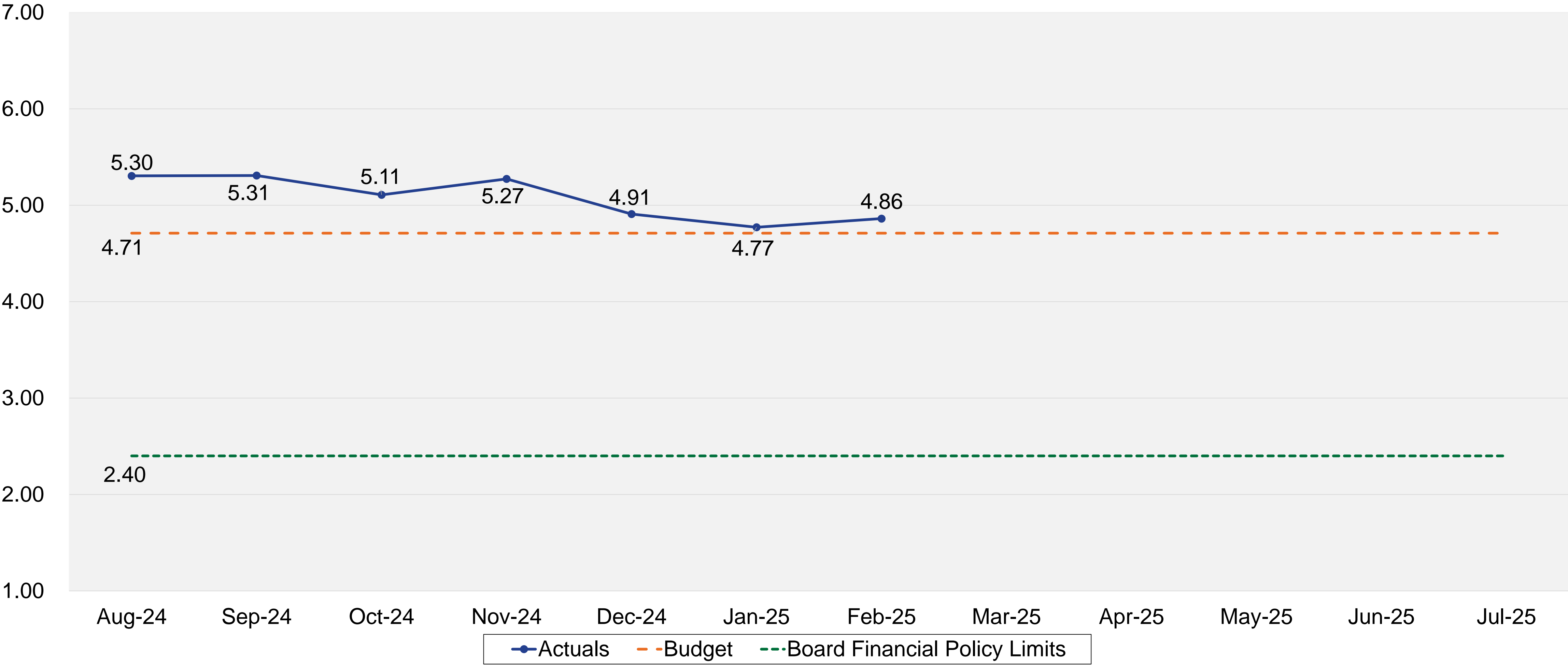
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Debt Service Coverage - February 2025 YTD



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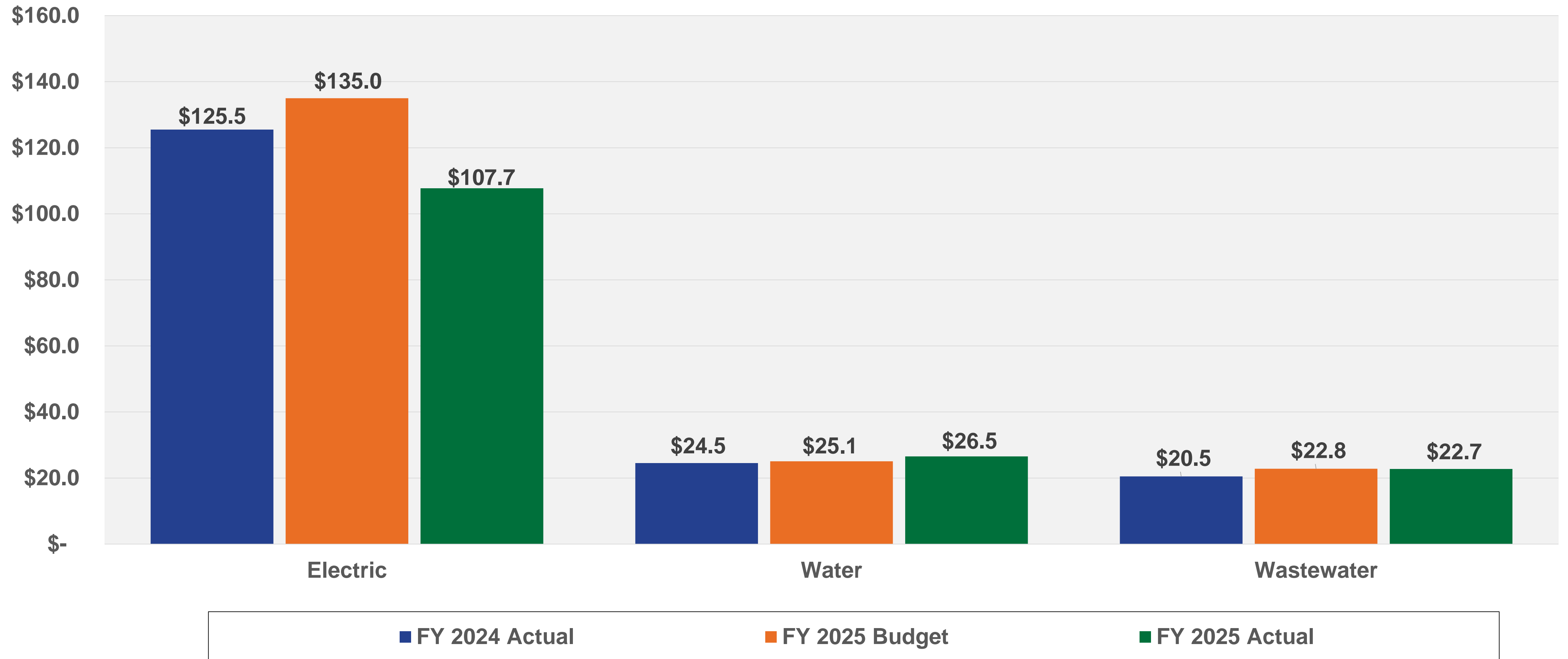
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Operating Revenue by LOB

February 2025 YTD – Amounts in Millions

Item 2.



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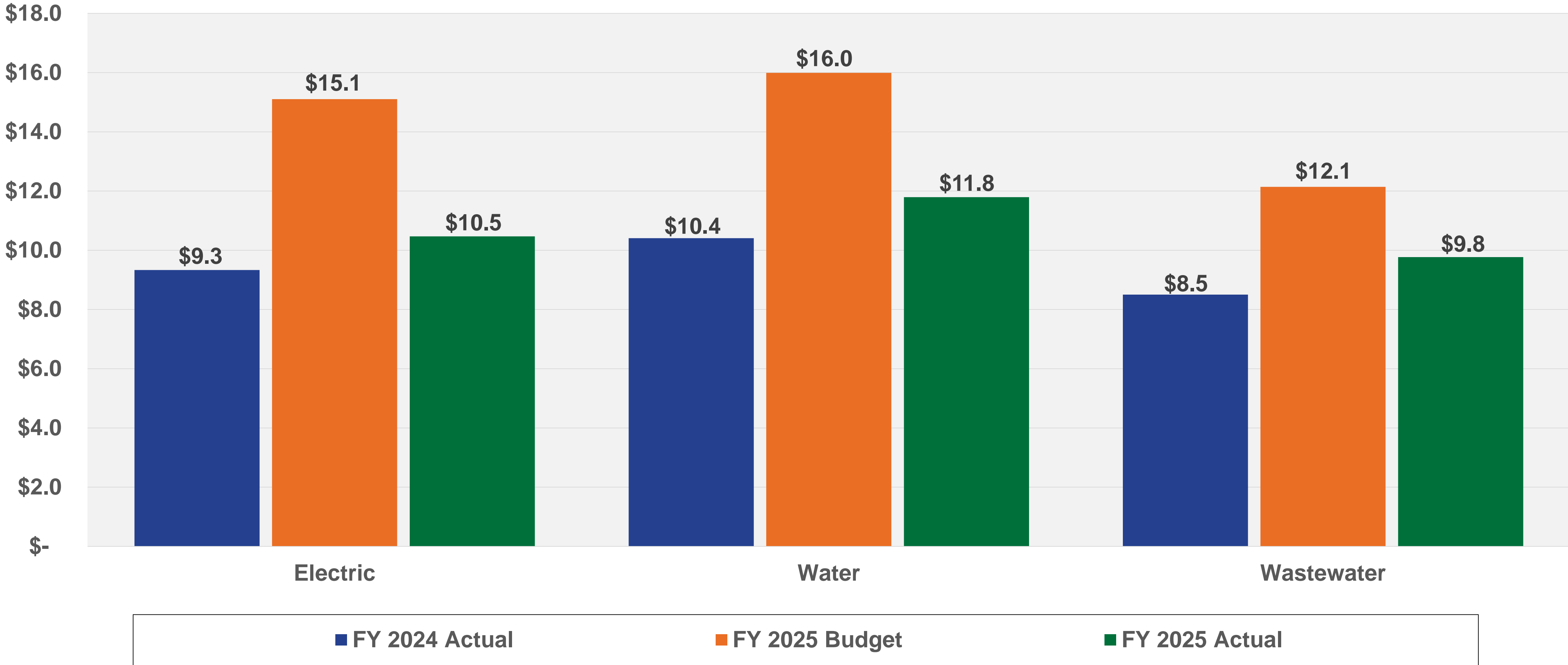
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Operating Expenses* by LOB

February 2025 YTD – Amounts in Millions

Item 2.



*Excludes purchased power, purchased water, and depreciation expense

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Operating Expenses – Variance to Budget

- Reviewed two largest variances in each LOB including Support
 - Payroll related such as unfilled positions remaining open for a longer period of time (some being difficult to fill due to complexity and qualifications), turnover, or salary differences from budget. Seems to be the driving factor.
 - Timing or delay in services provided by outside consultants and impact to invoice payment processing.
 - How Departments cash flow out expenses over the 12-month budget giving their best estimates, assumptions and predictions on when expenses will hit. We are seeing a shift on when expenses will actually hit.

Operating Expenses – Largest Variances

Electric - Operations and Power Supply - \$2.6M

- Payroll related due to turnover and time to fill positions, less need for contract tree trimming services (positive results).

Water – Operations and Treatment and Compliance - \$1.3M

- Payroll related due to turnover and time to fill positions.

Wastewater – Operations and Treatment and Compliance - \$1.7M

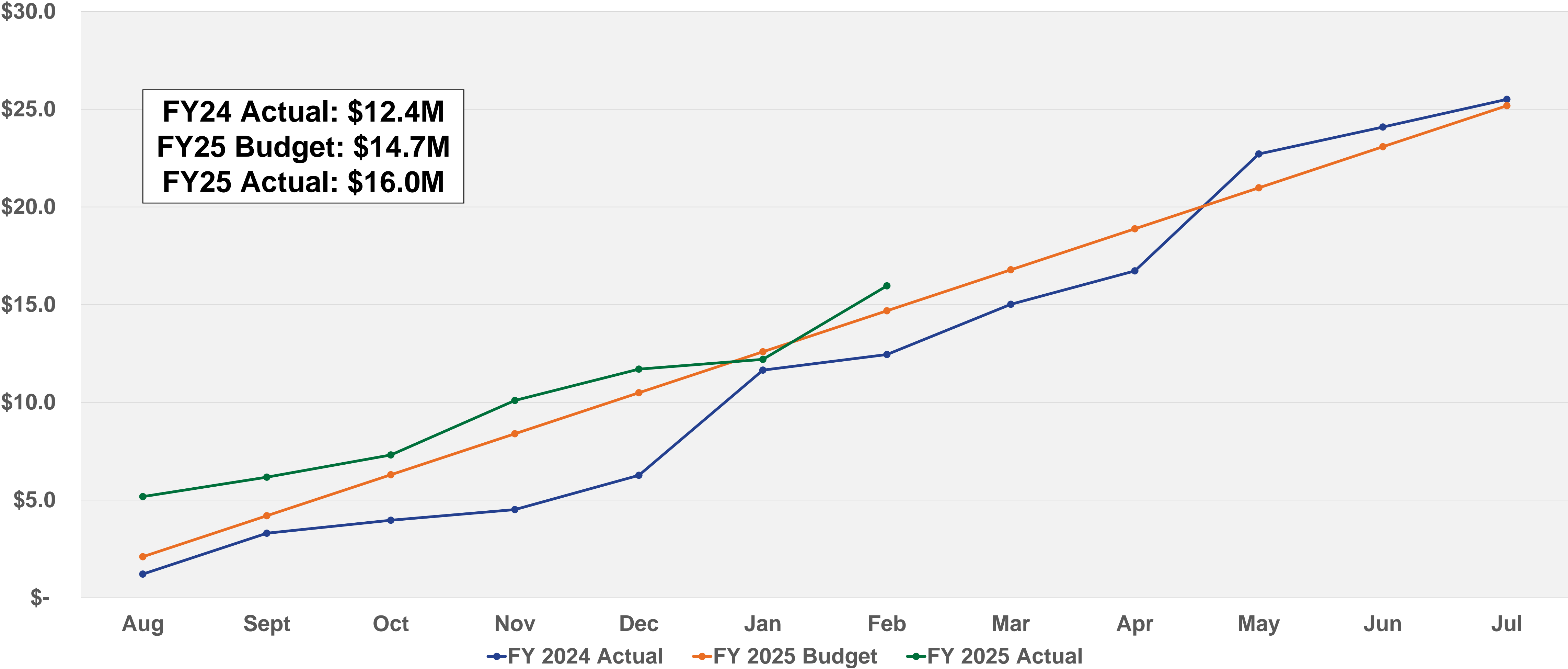
- Payroll related due to turnover and time to fill positions.

Support – Executive Services - \$2.3M

- Payroll underbudget. Outside services expenses low due to projects not started, timing of invoicing/cashflow and Consultants and potential litigation budgets mostly unused.

Impact Fee Revenues

February 2025 YTD – Amounts in Millions*



* Amounts shown are YTD for each month

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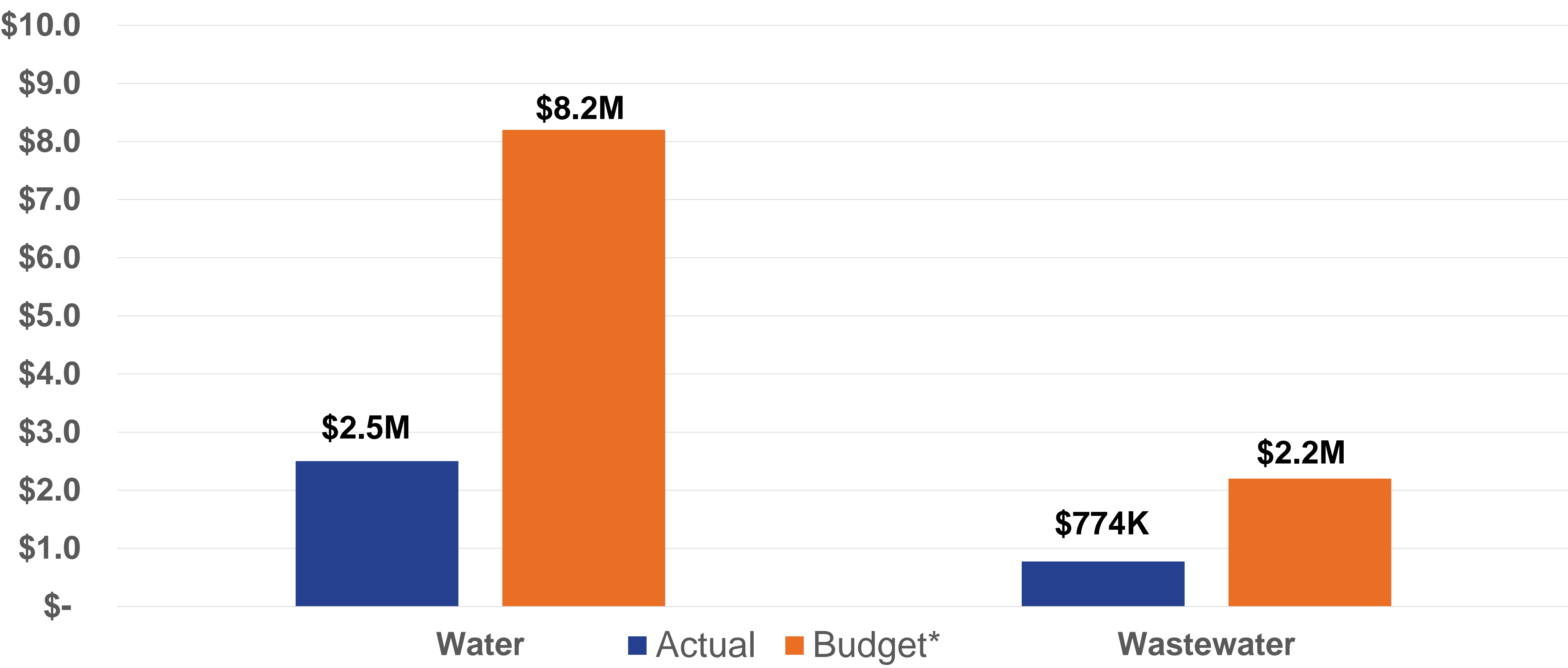
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Impact Fees Collections-Program E Update – February 2025- Amount in Millions



* Fiscal year budget amount

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Power Supply Reserves Update

Item 2.

| As of FY25 Budget | Power Stabilization Fund FY25 | Power Stabilization Fund Full, FY28 |
|-------------------------|--------------------------------------|-------------------------------------|
| Target | \$50M | \$95M |
| As of February 28, 2025 | \$43.9M | \$43.9M |

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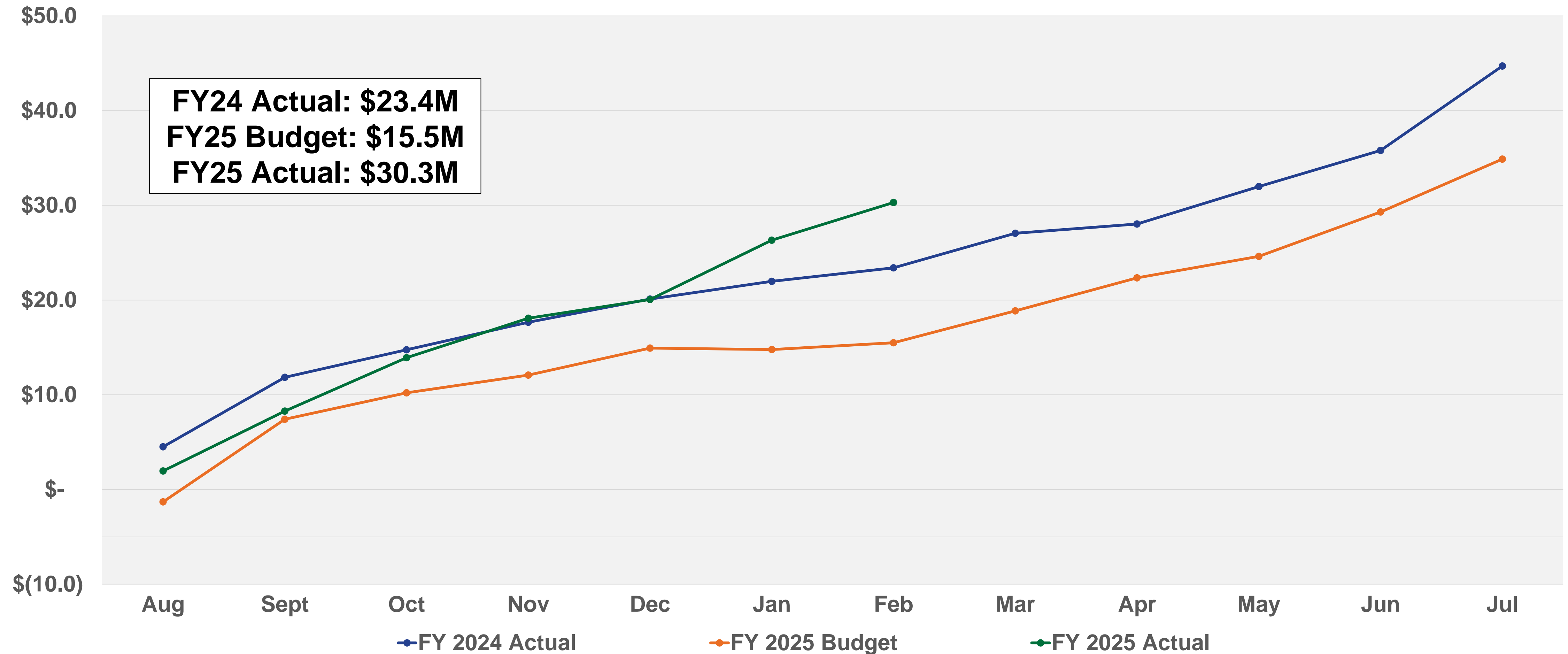


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Net Operating Income February 2025– Amounts in Millions*

Item 2.



* Amounts shown are YTD for each month

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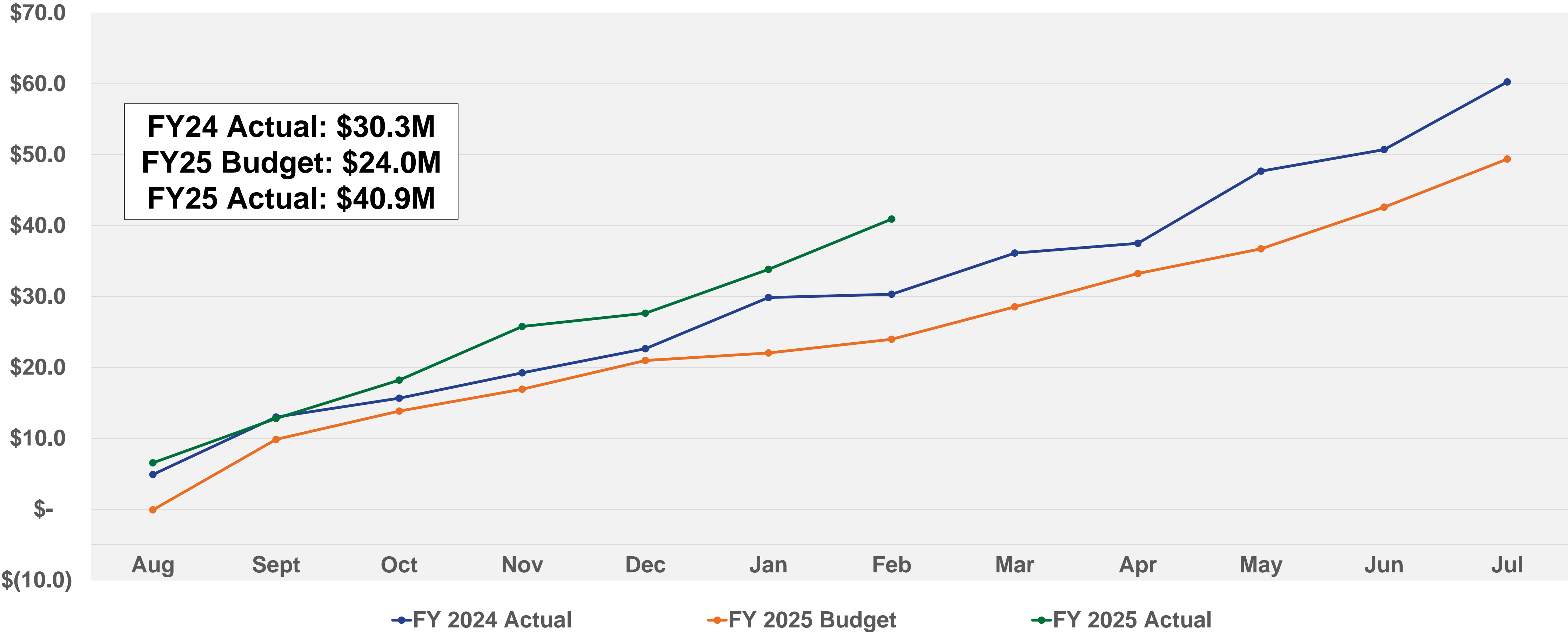
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Change in Net Position After Contributions February 2025– Amounts in Millions*



* Amounts shown are YTD for each month

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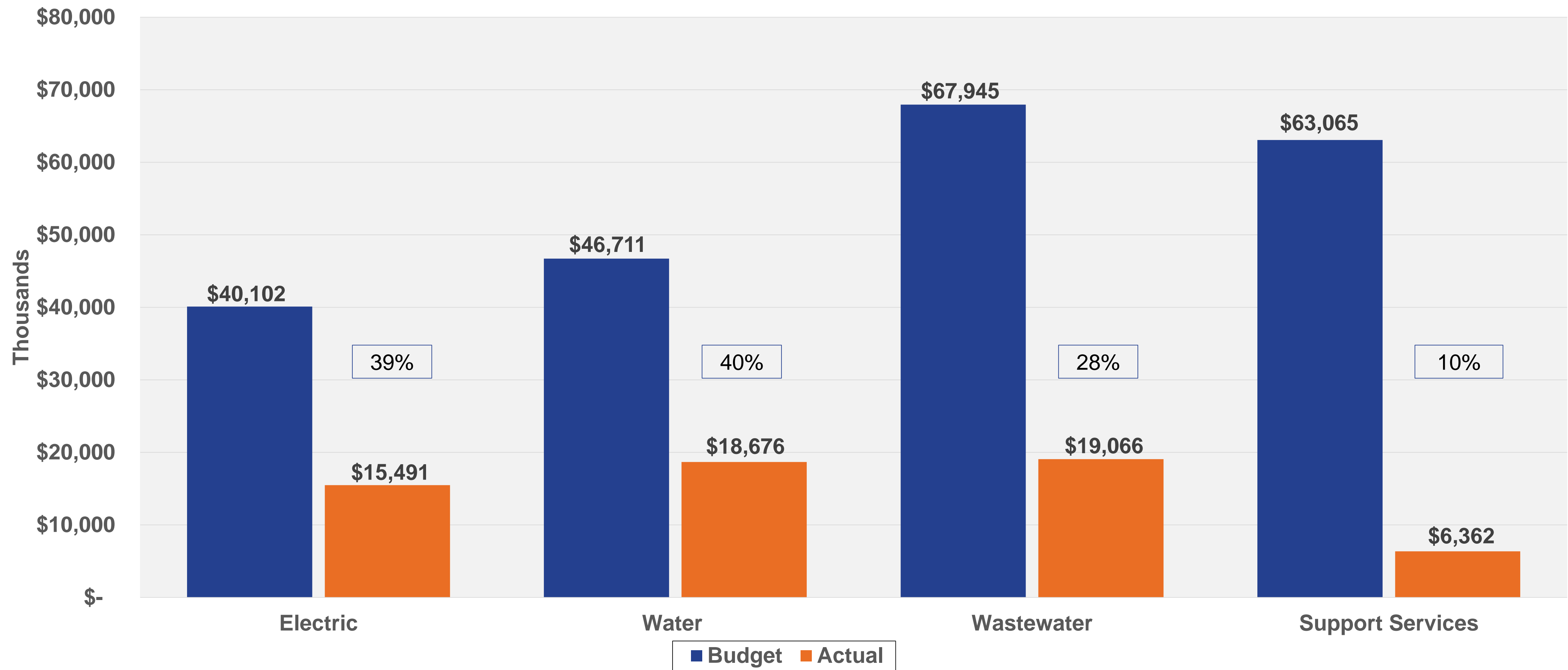


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Capital Project Expenditures

February 2025 YTD – Amounts in Thousands



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Questions?

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Meeting Date: March 27, 2025 **Agenda Type:** Items from Staff

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

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

RECOMMENDED ACTION: Quarterly Strategic Goal and Annual Priorities Update

FY 2025 Strategic Plan Q2 Update

- Presented by: Jacob Tschoepe

- March 27, 2025



Annual Priorities

Item 3.

| Annual Priorities | Objective or Milestones | Q1 | Q2 |
|---|--|----------|----------|
| Optimizing Customer Experience | Implement targeted optimization of CS initiatives on response time, quality assurance, operational/technology efficiencies, and communication adoption. | On Track | At Risk |
| Electric Transportation (ET) Program Creation | Phase 1 of program design completed, and phase 2 contract executed | On Track | At Risk |
| Power Supply (The Energy Authority) Roadmap | Update Energy Risk Management Policy to include Phase 1 Roadmap changes | On Track | On Track |
| Enterprise Project Management | Implement project management information system for capital projects within the Electric and Substation departments. Provide Project Management training to all identified managers, directors, and executives | On Track | On Track |
| NBU HQ | Complete 100% design and construction drawings | On Track | On Track |
| Emergency Management | Complete the general standardization of all NBU Emergency Management Plans into one core Plan, 100% completion by end of FY25 | On Track | On Track |
| Communication Plan | Begin Phase 1 implementation and measurement of the Enterprise Communications Plan. | On Track | On Track |
| Integrated Resource Plan | Present the final Integrated Resource Plan to the Board | On Track | Complete |
| Enterprise Asset Management | Finalize Strategic Asset Management Plan Update including departmental roadmaps | On Track | Complete |

On Track
Off Track
On Hold
At Risk
Complete

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Strategic Goals

Item 3.

| Strategic Goal | Goal Measures | Q1 | Q2 |
|---------------------------------|---|----|----|
| Customer and Community | Customer Satisfaction Survey benchmark organizational characteristics by the vendor (Great Blue) at or above the industry standard. Measurement data from Public Power Data Source (new number out in January 2025) | | |
| People and Culture 1 | Maintain Gallup engagement survey participation above 80% | | |
| People and Culture 2 | Implement 50% of approved action items as presented from the Employee Experience Team | | |
| Infrastructure and Technology 1 | Maintain a three-year rolling average SAIDI in top 10% of Texas utilities or three year rolling average <52.56 minutes (99.99% reliability) | | |
| Infrastructure and Technology 2 | Maintain Information Technology Systems Reliability \geq 98% uptime for production systems | | |
| Infrastructure and Technology 3 | Infrastructure Leakage Index (ILI) <3.0 over a three-year rolling average | | |
| Infrastructure and Technology 4 | Wastewater Treatment Compliance Events - Maintain >98% compliance | | |
| Financial Excellence | Maintain a competitive bond rating - maintain a bond rating of \geq A+ | | |
| Safety and Security | Manage preventable damage to equipment incidents to \leq 2.7 incidents or fewer per 100 employees | | |
| Safety and Security | Manage preventable damage to vehicle to \leq 10 incidents or fewer per 1,000,000 miles driven | | |
| Stewardship | Refine and deploy the triple bottom line evaluation tool with One Water partners. Evaluate 3 NBU projects using the tool and develop the tool SOP (standard operating procedure) for NBU processes after evaluation | | |

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

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Questions

Item 3.



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Meeting Date: March 27, 2025 **Agenda Type:** Items from Staff

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

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

RECOMMENDED ACTION: Monthly NBU Headquarters Progress Update

New Braunfels Utilities HQ March Update



March, 2025

Recent Milestones

December

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

January

- GMP #2
- GMP #3

February

- GMP #2 NTP
- GMP #3 NTP
- Interim CD Documents
- SME (Subject Matter Expert) Meetings
- Demo & SP1 Permits

March

- Mobilize
- Demolition
- Interim CD Budget



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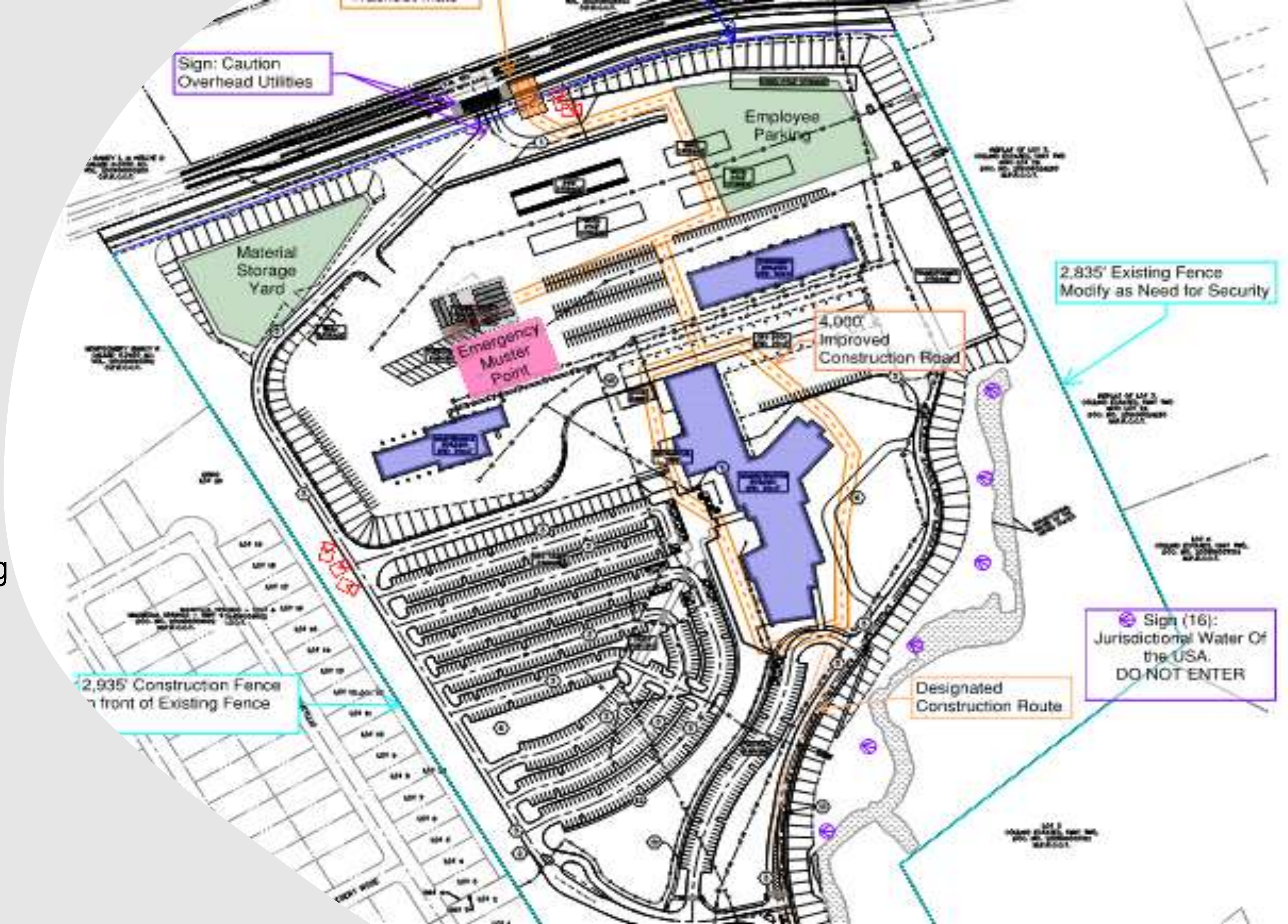
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NBU NEW BRAUNFELS
UTILITIES

Mobilization of Site Logistics

- Security Cameras
- SWPPS (Stormwater Pollution Plan)
- Parking Areas
- Construction Roads
- Safety and Security Fencing
- Signage for Jurisdictional Waters of the USA
- Job Site Trailers
- Temporary Power and Water



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Legend Key

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



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Item 4.

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Next Steps

- Groundbreaking *April 23rd*
- GMP #5 to *May Board*
- GMP #6 to *August Board*
- 100% CD Documents *June*
- Site Permit 2 *June*
- Slab Permit *June*
- Pour foundation in *June*
- Vertical Steel Construction *September*
- Install Bridge *November*

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Questions



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Meeting Date: March 27, 2025 **Agenda Type:** Items from Staff

From: Rocio Gallegos **Reviewed by:** Rocio Gallegos
Chief of Staff Chief of Staff

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

RECOMMENDED ACTION: NBU Community Advisory Panel Update Regarding the Rate Plan Design Process for Water, Wastewater, and Electric Rates

UPDATE: NBU Rate Study and the Community Advisory Panel (CAP)

Kimberly M. Britton
Chief Executive Officer & Founder

BRITTON STRATEGIES



NBU Rate Study and the CAP – November 2024

The CAP reviewed the difference in roles of the Board and the CAP in the process.

RAFTELIS Rate Study Process

They received an overview of the Raftelis Rate Study Process.



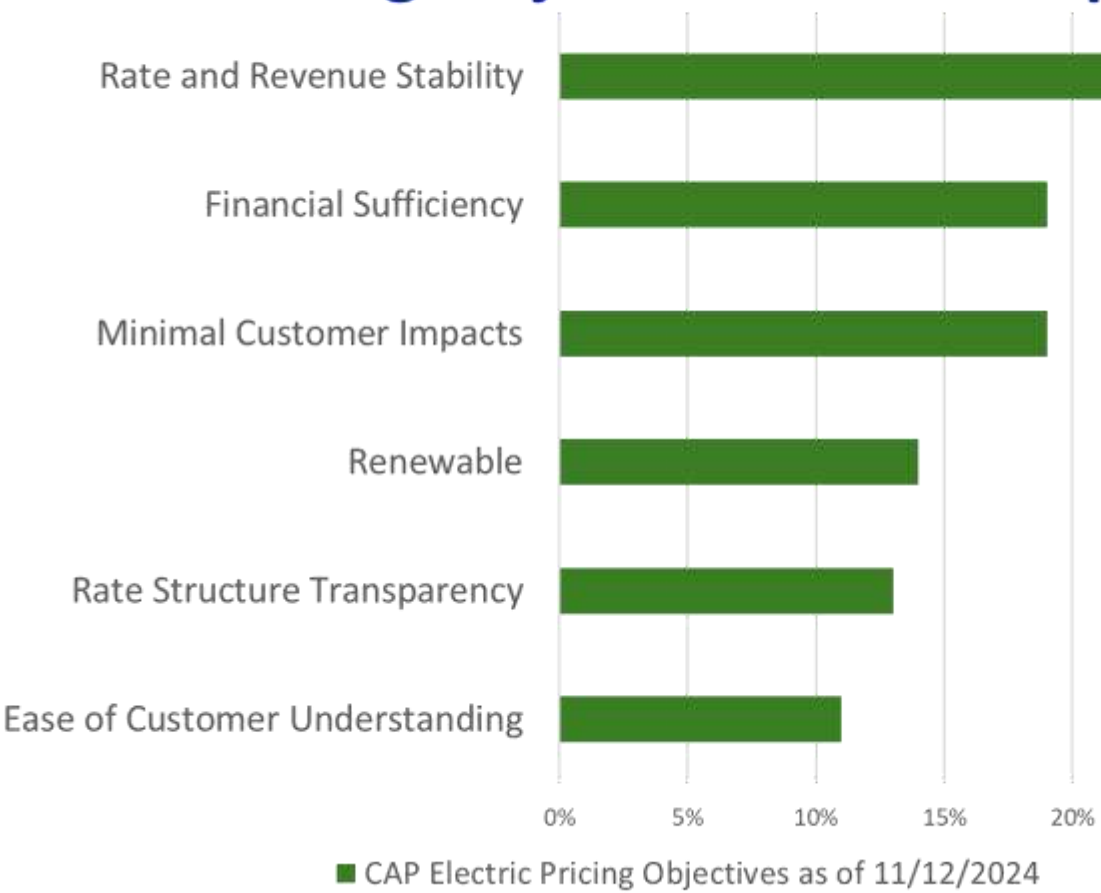
Began November 12, 2024, and continues to April 15, 2025.

BRITTON STRATEGIES



NBU Rate Study and the CAP – November 2024

CAP **Electric** Pricing Objectives Workshop Outcome

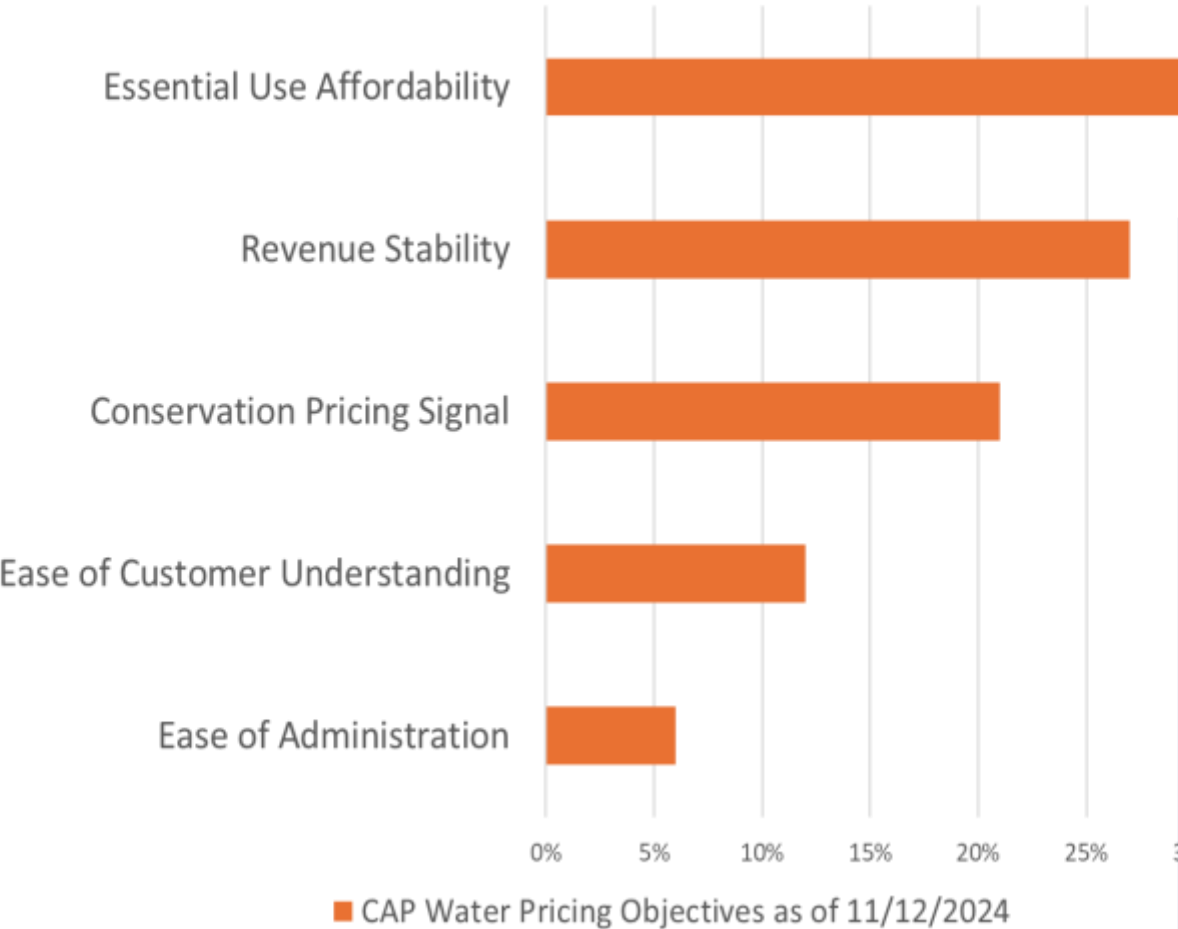


CAP defined its Pricing Objectives for Electric Rates

- 1) Rate & Revenue Stability
- 2) Financial Sufficiency
- 3) Minimal Customer Impacts
- 4) Renewable
- 5) Rate Structure Transparency
- 6) East of Customer Understanding

NBU Rate Study and the CAP – November 2024

CAP Water Pricing Objectives Workshop Outcome



CAP defined its Pricing Objectives for Water Rates

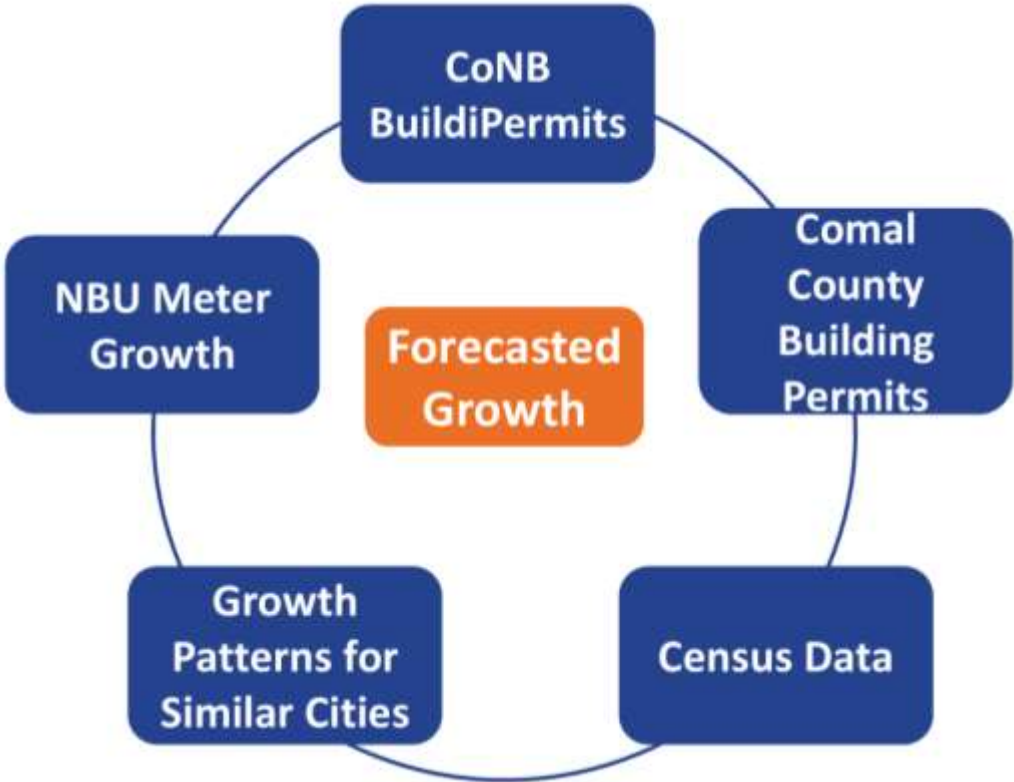
- 1) Essential Use Affordability
- 2) Revenue Stability
- 3) Conservation Pricing Signal
- 4) Ease of Customer Understanding
- 5) Ease of Administration

NBU Rate Study and the CAP – January 2025

Examined Key Inputs for Determining Revenue Requirements and Rates

- Growth Forecast and Process – Projected yearly growth rates*:

| | Electric | Water | Sewer |
|------|----------|-------|-------|
| FY26 | 5.5% | 5.4% | 3.7% |
| FY27 | 5.4% | 3.2% | 3.7% |
| FY28 | 5.1% | 3.2% | 3.7% |
| FY29 | 4.9% | 3.2% | 3.7% |
| FY30 | 4.6% | 3.2% | 3.7% |



* Growth percentages are as of December 2024 and are subject to change as they are updated regularly.

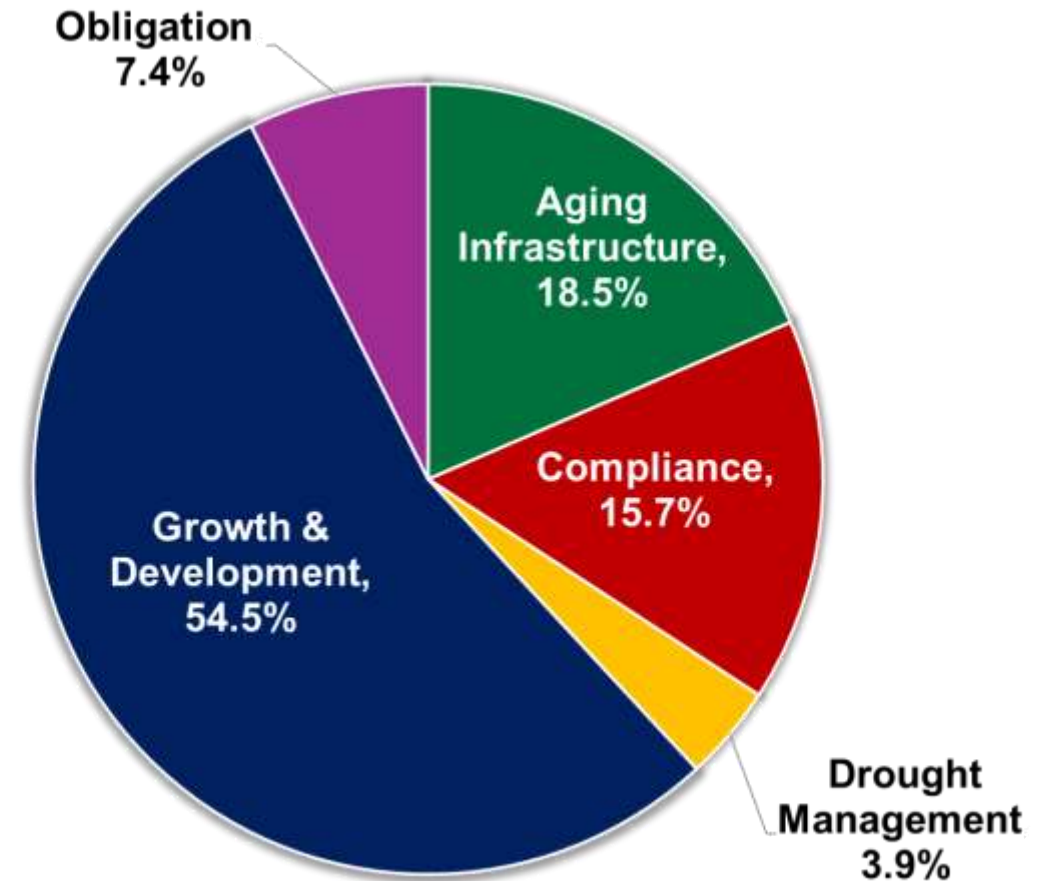
NBU Rate Study and the CAP – January 2025

Item 5.

Examined Key Inputs for Determining Revenue Requirements and Rates

- Capital Projects and Aging Infrastructure Methodology
- Capital Funding – Cash vs. Debt

BRITTON STRATEGIES

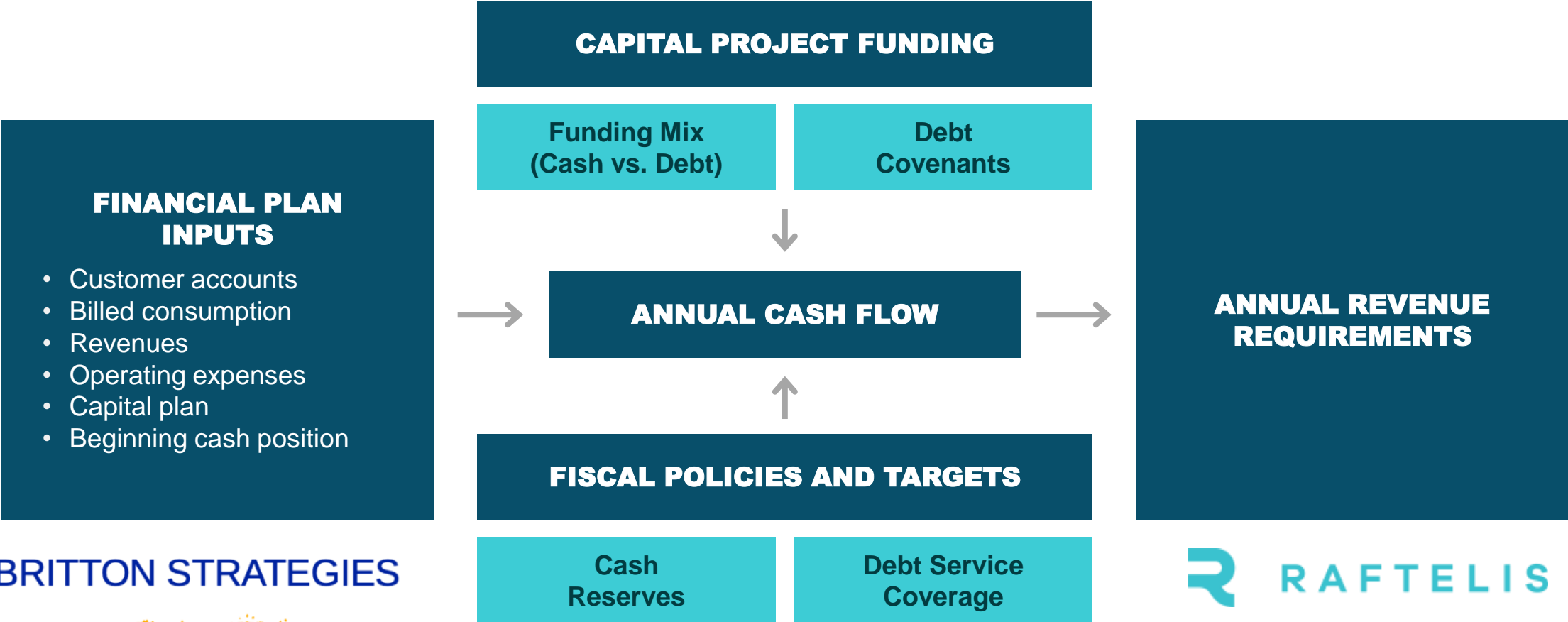


Example graphic taken from the Water portion of the January CAP presentation.

NBU Rate Study and the CAP – February 2025

Key Inputs for Determining Revenue Requirements and Rates

FINANCIAL PLAN ELEMENTS



BRITTON STRATEGIES

RAFTELIS


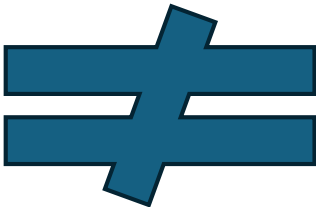
NBU Rate Study and the CAP – February 2025

FY 2024 - 2025 Rate Plan Review (Freese and Nichols Report)

FIRST, REMEMBER THAT TYPICALLY...



Revenue Increases
as a Percentage



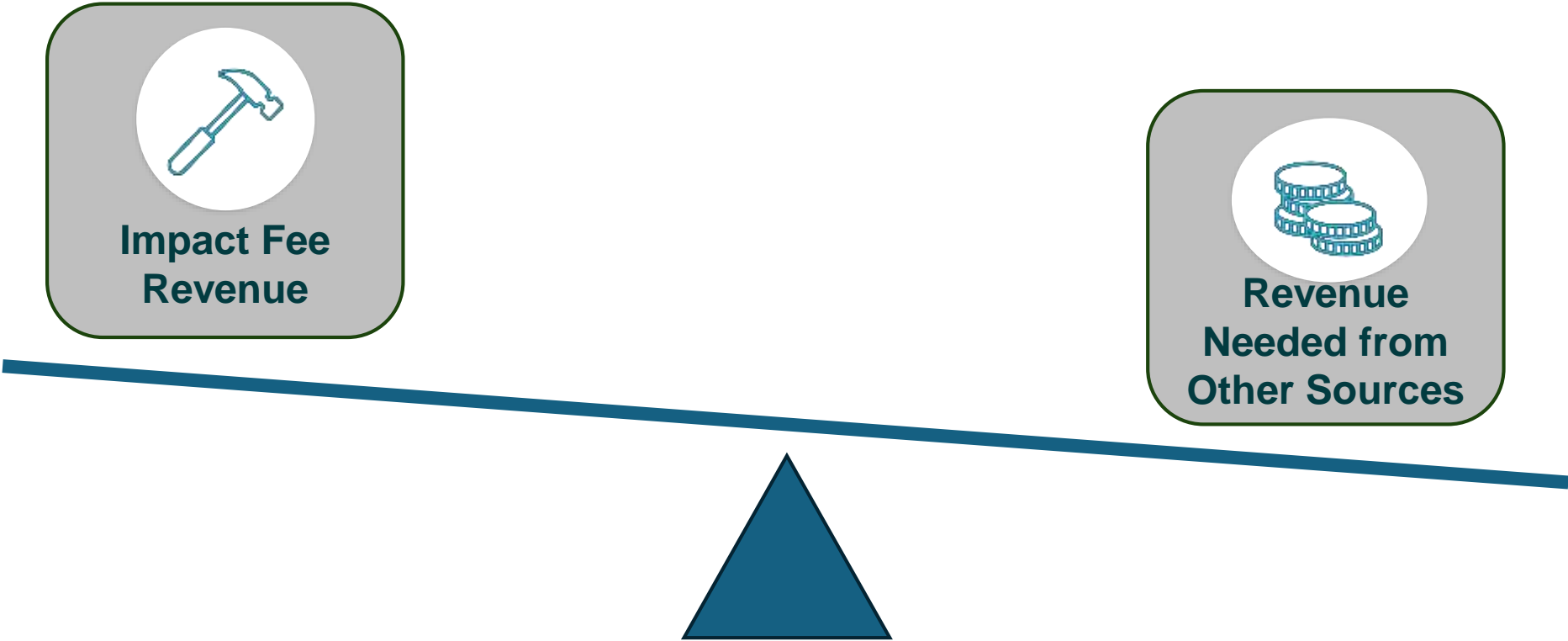
Customer Bill
Increases as a
Percentage

BRITTON STRATEGIES



NBU Rate Study and the CAP – February 2025

FY 2024 - 2025 Rate Plan Review (Freese and Nichols Report)

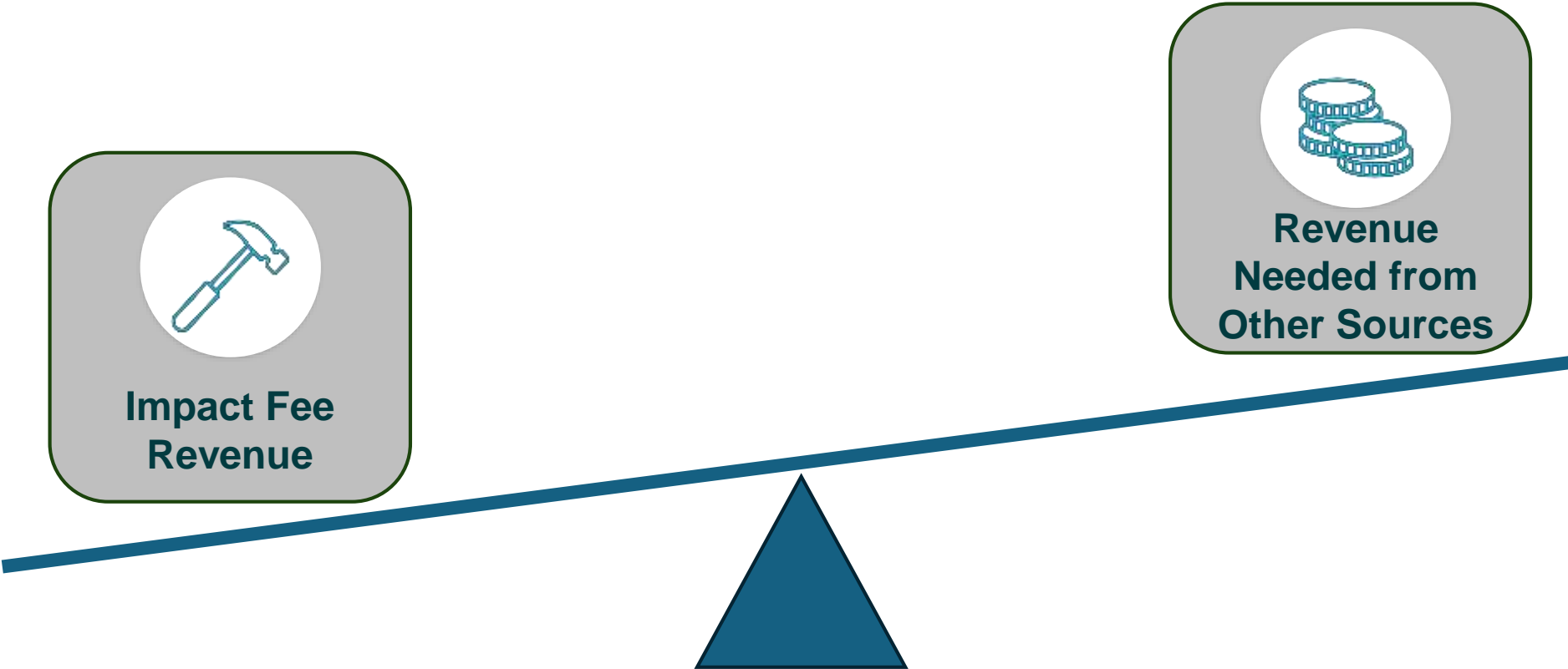


BRITTON STRATEGIES



NBU Rate Study and the CAP – February 2025

FY 2024 - 2025 Rate Plan Review (Freese and Nichols Report)



BRITTON STRATEGIES



Items Presented for CAP Feedback

November 2024 – February 2025



Growth Projections

Reasonableness of NBU's growth projections?



Aging Infrastructure Replacement

Reasonableness of NBU's level of aging replacement?



Impact Fees

Should growth continue to pay for itself up to the maximum?

BRITTON STRATEGIES



NBU Rate Study and the CAP – April 2025

Rate Design Options and Rate Scenarios



Scenarios

In the event of a rate increase, what are the best scenarios for increasing rates?

Rate Proposals



What percentage of revenue increases will be needed? Are they reasonable?



Rate Design Options

The work of the RAC was extensive. Are there any updates needed?

BRITTON STRATEGIES



Questions and Comments

BRITTON STRATEGIES





Meeting Date: March 27, 2025 **Agenda Type:** Consent Items for Action

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

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

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

BACKGROUND

None

FINANCIAL IMPACT

None

LINK TO STRATEGIC PLAN

Customers and Community

EXHIBITS

1. February 27, 2025 Regular Board Meeting Minutes

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

1:00 P.M.

Thursday, February 27, 2025

NBU Board Room

263 MAIN PLAZA, NEW BRAUNFELS, TEXAS 78130

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

PRESENT

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

ABSENT

None

NBU PERSONNEL

Ryan Kelso, Ragan Dickens, Greg Brown, Dawn Schriewer, Connie Lock, Rocio Gallegos, Mark Steelman, Sheila Lavender, David Hubbard

Bob Figuly, Justin Green, Rachel Leier, Nancy Pappas, Adriana Sanchez, Carlos Salas, Mike Short, Jason Theurer, John Warren, Kenneth Allen, Jessica Coleman, Andrew Cummings, Becca Graham, Jessica Green, David Guerrero, Jr., Bruce Haby, Kimberly Huffman, Jesse Luna, Jeffrey Morriss, Justin Stroupe, Gregory Thomas, Jacob Tschoepe, Peter Vanderstoep, Joe Vargas, Kristi Villasana, Adam Willard

NBU CONSULTANTS

None

PLEDGE AND INVOCATION

Mayor Neal Linnartz led the pledge of allegiance and offered the invocation.

NBU EMPLOYEE RECOGNITION

1. Presentation of Years of Service Pins to Employees Justin Green (20 years) and Dawn Schriewer (20 years)

NBU Employees Justin Green and Dawn Schriewer were recognized and presented with a service pin for 20 years of service with NBU.

2. Retirement Recognition of Gretchen Reuwer

CEO Ryan Kelso recognized Gretchen Reuwer, who retired with 27 years of dedicated service to NBU.

PUBLIC COMMENT

Al Kaufman, resident, spoke to the board about Gretchen Reuwer's retirement, the impact she had on him while he was employed with NBU, and her accomplishments while she served as an NBU employee.

ITEMS FROM THE CHAIR

1. Report from the Legislative Committee

Board Trustee Yvette Villanueva Barrera provided an update from the Legislative Committee meeting that took place on February 27, 2025. Items discussed included an introduction of HillCo Partners (Governmental Relations firm assisting NBU with the Texas Legislative Session), a current overview of the legislative session and potential impacts on utility services, an in-depth review of particular bills that may impact MOU's and/or NBU's three lines of businesses/services, and HillCo's plan for monitoring any legislative or regulatory needs during this current state legislative session.

2. American Public Power Association (APPA) Legislative Rally Update

Board President Wayne Peters, Chief of Communications Ragan Dickens, Director of Enterprise Communications Reagan Pena, and Board Relations Coordinator Laura Ayala recently attended the American Public Power Association (APPA) Legislative Rally. Along with attending pre-conference seminars, Mr. Peters attended the Policy Makers Council meeting for a Legislative Overview and a presentation of proposed APPA resolutions. Additionally, they met with Legislative staff from Senator Ted Cruz, Senator John Cornyn, Representative Chip Roy, and Representative Marc Veasey's offices. Discussions highlighted protecting municipal bonds and tax credits for energy, transformers and supply chain, and drones and unmanned aircraft systems.

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

No additional comments were made.

ITEMS FROM STAFF

1. CEO Update

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

- a. **Leadership Announcement of Position Changes: Interim Customer Service Co-Managers Robert Aleman and Jenna Mathis, Director of Electric Operations and Compliance Justin Green, Director of Water Operations and Compliance Jason Theurer, and Director of Engineering Mike Short**

Robert Aleman and Jenna Mathis have been appointed interim Customer Service Co-Managers. They will serve in these roles until a permanent replacement is named.

Justin Green has been promoted to Director of Electric Operations and Compliance.

Jason Theurer has been promoted to Director of Water Operations and Compliance

Mike Short has moved from the position of Director of Water Services to now serve as the Director of Engineering and will be responsible for the strategic direction and oversight of the Electric, Water, and Wastewater lines of business.

b. NBU Community Presentation: Veramendi Homeowners Association Meeting

The Veramendi HOA meeting took place on January 28th, drawing approximately 200 attendees. An overview of NBU's services was shared, and then focused on topics at the top of customers' minds. The conversation included rate competitiveness, growth responsibilities, infrastructure efforts, outreach initiatives, and the ongoing impact of drought. Attendees had the opportunity to ask questions about these critical topics, creating an opportunity to provide clarity on our complex industry.

c. NBU Transmission Cost of Service ("TCOS") and Wholesale Transmission Rates Application Approved by the Public Utility Commission of Texas ("PUCT")

On January 31st, the Public Utility Commission of Texas (PUCT) approved NBU's application to update its Transmission Cost of Service (TCOS) and Wholesale Transmission Rates.

NBU submitted its TCOS filing to the PUCT for approval on April 11, 2024.

Following extensive discussions with PUCT staff, a settlement was reached, leading to the final approval in the January 2025 meeting.

d. NBU Employees Volunteer at Night to Shine Prom

On Friday, February 7th, 14 NBU employees volunteered at the Night to Shine event hosted by Tree of Life Church in partnership with the Tim Tebow Foundation. This incredible event is a prom night experience designed to celebrate individuals with special needs, providing them with a night of joy, dancing, and unforgettable memories.

e. NBU Hosts Career Connect Customer Service Employee Job Fair

On February 8th, our Customer Service and Human Resources teams hosted a job fair to connect with candidates for newly opened customer service positions. Over 90 attendees attended the event, which was supported by several volunteers from different areas of our organization.

f. NBU Employee Engagement Team Hosts 1st Annual Cook-Off Contest

NBU hosted the first *Cooking Contest*—or , *Chili Warms the Heart* event. The event brought our team together for a fun and delicious afternoon, and we had some incredible entries. It was a wonderful opportunity to connect, enjoy great food, and celebrate the creativity of our employees.

g. State of NBU Presentations to the New Braunfels City Council and New Braunfels Rotary Club

The State of NBU presentation was shared with the New Braunfels City Council on February 13th and to the New Braunfels Rotary Club on February 20th. The presentation highlighted essential topics such as the strategic plan, financial and operational health, customer and community connection, and a future outlook for NBU.

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

*No additional items were discussed.

2. Financial Update and Report

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

3. Quarterly Investment Update

Finance and Risk Manager Jessica Coleman provided an update on the Quarterly Investment Report.

4. Drought Update Report

Conservation and Customer Solutions Manager Andrew Cummings provided a Drought update.

5. Quarterly Capital Update

Program Portfolio Manager Jacob Tschoepe provided an update on the Quarterly Capital Improvement Plan Update.

CONSENT ITEMS FOR ACTION

Mayor Neal Linnartz made a motion, and Board Trustee Stuart Blythin seconded the motion to approve the Consent Items for Action, with the exception of item #11, as follows: #1, #2, #3, #4, #5, #7, #8, #9, and #10. The vote was unanimous..

1. Approve Minutes of the NBU Regular Board Meeting of January 30, 2025
2. Approve the Change Order Log from December 15, 2024, through January 15, 2025
3. Approve the Reports for Water and Electric Engineering Contracts from August 1, 2024, through January 15, 2025
4. Approve the Electric Line of Business Alternative Procurements from December 15, 2024, through January 15, 2025
5. Approve 2024 Third Quarter Charge-Off Accounts
6. Authorize the CEO or His Designee to Negotiate and Execute a Construction Contract with Landmark Structures I, LP for the Construction of the FM 1044 Elevated Storage Tank Project
7. Authorize the CEO or His Designee to Negotiate and Execute a Construction Contract with Pesado Construction Company for the Construction of the Sewer Infrastructure Package 2 – Phase 2 Project

8. Authorize the CEO or His Designee to Negotiate and Execute a Professional Services Agreement with Merrick & Company DBA Colorado-Merrick and Company for the Design of the Solms Lift Station and Force Main Project
9. Authorize the CEO or His Designee to Approve Additional Construction Contract Contingency with E-Z Bel Construction, LLC, in the Amount of \$50,000.00 for the Construction of the Landa Street and Elm Street Water Line Improvements Project
10. Authorize the CEO or His Designee to Negotiate and Execute a Services and Goods Agreement with Environmental Improvements, Inc. for Water and Wastewater Liquid Chemical Feed Pump Repair, Maintenance, and Replacement Services
11. Authorize the CEO or His Designee to Negotiate and Execute the Second Amendment to the Wholesale Metering Services Agreement with the Lower Colorado River Authority Transmission Services Corporation to Update the Wholesale Metering Service Point List to Reflect New and Recent System Upgrades ***no action was taken on this agenda item**

EXECUTIVE SESSION

Board President Wayne Peters recessed the Open Session at 2:26 pm and announced that the Board would go into an Executive Session meeting. The Executive Session included Power Supply Resources – Competitive Matters;

The Executive Session was opened at 2:37 pm and closed at 2:50 pm.

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

ADJOURN

There was no further business, and Board President Wayne Peters adjourned the meeting at 2:52 p.m.

Attest:

Wayne Peters, President
Approved

Ryan Kelso, Secretary of the Board
Chief Executive Officer

Date Approved: March 27, 2025



Meeting Date: March 27, 2025 **Agenda Type:** Consent Items for Action

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

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

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

BACKGROUND

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

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

FINANCIAL IMPACT

Change orders less than \$50,000:

- Landa Pump Station Phase 2 / Well 5, Additional camera facing the chem booster pumps., MGC Contractors, Inc., Change order No. 9, Cost increase of \$7,813.68.
- Schmidt I-35 N Sewer Main Replacement (Aging), Deduct Change Order per signed settlement agreement, Santa Clara Construction, Ltd., Change order No. 1, Cost decrease of \$29,910.10.
- Union Avenue Water Replacement (CNB), Additional valves for NBU, E-Z Bel Construction, LLC, Change order No. 1, Cost increase of \$21,683.13.
- Last Tuber's Exit (CNB), Cap 8" waterline at Guada Coma, subtract credit for original scope of plug in contract., Austin Filter Systems, Inc., Change order No. 1, Cost increase of \$8,047.86.
- NKI Odor Control Facility, Install backflow preventer, MGC Contractors, Inc., Change order No. 2, Cost increase of \$4,801.14.
- Landa & Elm Street Water Line Improvements, Pipeline realignment due to obstruction, water line realignment and elim 8" and 1" taps, temporary service for Knights of Columbus, E-Z Bel Construction, LLC, Change order No. 1, Cost increase of \$19,368.01.

Change orders more than \$50,000:

- Trinity Expansion Well Field, Owner's and Board contingency - Fiber Optic on poles, pump expediting fees, Pesado Construction Company, Change order No, 6, Cost increase of \$52,988.51.

LINK TO STRATEGIC PLAN

Customers and Community

People and Culture

Stewardship

EXHIBITS

None



Meeting Date: March 27, 2025 **Agenda Type:** Consent Items for Action

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

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

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

BACKGROUND

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

Listed below are the procurements, in excess of \$250,000, submitted to the Purchasing Manager for the period of January 15, 2025, through February 15, 2025, using the electric line of business alternative procurement process.

FINANCIAL IMPACT

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

- None reported during this period.

LINK TO STRATEGIC PLAN

Infrastructure and Technology

Stewardship

EXHIBITS

None



Meeting Date: March 27, 2025 **Agenda Type:** Consent Items for Action

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

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

RECOMMENDED ACTION: Approve the Reports for Water and Electric Engineering Contracts from August 1, 2024, through February 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 Purchasing Manager before each Board of Trustees’ meeting. The Purchasing Manager will prepare a consent agenda item to request approval of the report at the next Board of Trustees’ meeting.”

Exhibits attached to this agenda item are the Professional Engineering report(s) submitted to the Purchasing Manager for the period of August 1, 2024, through February 15, 2025.

FINANCIAL IMPACT

The financial impact of the contracts approved during the period between January 15 2025, and February 15, 2025 is \$2,554,260.00.

LINK TO STRATEGIC PLAN

Customers and Community

People and Culture

Stewardship

EXHIBITS

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

Agenda Type: Consent Items for Action

Reviewed by: David Hubbard
Chief Administrative Officer

Approved by: Ryan Kelso
Chief Executive Officer

RECOMMENDED ACTION: Reject All Proposals Submitted for RFP #24-0050, Credit Verification and Background Checks Solicitation

BACKGROUND

On May 5, 2024, New Braunfels Utilities (“NBU”) issued a request for competitive sealed proposals, RFP# 24-0050, seeking to contract with a vendor to provide credit verification and background check services for individuals and businesses within the NBU service territory who require utilities, and must establish accounts with NBU.

The deadline to submit proposals was June 20, 2024, at 2:00 p.m. NBU received one proposal. The published solicitation required proposers to utilize NBU's standard Professional Service Agreement. The lone respondent's submission proposed utilizing their contract in lieu of NBU's standard agreement. Due to the language of the solicitation published, NBU is not able to consider this deviation.

NBU intends to resolicit for these services, with alterations allowing the utilization of a vendor's proposed agreement. The changes will allow NBU to have additional flexibility to evaluate and award the best value respondent, and to encourage additional respondents to the solicitation.

This item is being presented to the Board because the Purchasing Policy and Section 252.043(f) of the Local Government Code require the governing body to authorize the rejection of all proposals submitted in response to a solicitation.

FINANCIAL IMPACT

There is no financial impact.

LINK TO STRATEGIC PLAN

Customers and Community

People and Culture

Stewardship

EXHIBITS

None

RECOMMENDED ACTION: Authorize the CEO or His Designee to Negotiate and Execute a Construction Contract with Pesado Construction Company for the Construction of the South Kuehler Interceptor Phase 1 Project

BACKGROUND

On November 15, 2024, New Braunfels Utilities (“NBU”) issued a request for bids for the South Kuehler Interceptor Phase 1 Project, which includes (i) 6,050 linear feet (“LF”) of 36-inch and 42-inch gravity sewer main by open cut construction, (ii) construction of approximately 150 LF of 36-inch gravity sewer main by trenchless methods, (iii) construction of approximately 1,000 LF of 8-inch and 10-inch gravity sewer main by open cut construction, (iv) relocation of approximately 80 LF of 12-inch water main, (v) removal and/or abandonment and grout fill of existing sanitary sewer mains and associated manholes, (vi) connections to the NBU sanitary sewer system, (vii) sewer bypass pumping for construction, (viii) concrete structure work, (ix) clearing and grubbing, (x) traffic control, (xi) storm water pollution prevention, (xii) site restoration, and (xiii) all other appurtenances necessary to complete the Project (the “Project”). The Project will increase the sewer line capacity in the South Kuehler Water Reclamation Facility sewer basin, and also replace sewer lines in poor condition.

On December 13, 2024, 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 \$6,112,738.95, which was the third lowest base bid out of the five (5) respondents.

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 \$6,112,738.95. The Project is budgeted within the Fiscal Year 2025 through Fiscal Year 2027 NBU Board approved Capital Improvements Projects Budget. Anticipating the need for project change orders, a contract contingency of \$ 310,000.00, which is approximately 5% of the total contract amount, will be added to the project construction budget. The total contract amount plus contingency is \$6,422,738.95.

LINK TO STRATEGIC PLAN

Infrastructure and Technology

Financial Excellence

Stewardship

EXHIBITS

1. Bid Evaluation Criteria

| Evaluation Criteria | Possible Points | Blackrock Construction | Cash Construction Co., Inc. | Pesado Construction Company | Qro Mex Construction Company, Inc. | Skyblue Utilities, Inc. |
|---|-----------------|------------------------|-----------------------------|-----------------------------|------------------------------------|-------------------------|
| 1. Proposed Schedule/Contract Time | 20 | 4.7 | 14.0 | 14.0 | 12.0 | 2.7 |
| 2. Past Performance on Similar Projects | 10 | 5.3 | 7.7 | 8.0 | 6.3 | 3.3 |
| 3. Overall Qualifications, Reputation, Past Relationship with NBU and Public Owners | 7.5 | 4.5 | 6.3 | 6.5 | 5.0 | 2.5 |
| 4. Available resources to complete the Project | 7.5 | 4.0 | 5.3 | 5.5 | 4.8 | 3.5 |
| 5. The Contractor's corporate history and stability | 2.5 | 1.3 | 1.6 | 1.8 | 1.5 | 1.1 |
| 6. References | 2.5 | 1.5 | 1.5 | 1.8 | 1.5 | 1.3 |
| Cost of the Work | 50 | 38.3 | 44.9 | 46.5 | 50.0 | 47.3 |
| TOTAL POINTS | 100 | 59.7 | 81.1 | 84.1 | 81.1 | 61.7 |
| Rank | | 5 | 2 | 1 | 3 | 4 |

2. Construction Contract with Pesado
3. Letter of Recommendation from Quiddity
4. Bid Tab and Evaluation Summary – (CSP 25-0025)



| | | | |
|----------------------|--|---------------------|--|
| Meeting Date: | <u>March 27, 2025</u> | Agenda Type: | <u>Action Items</u> |
| From: | <u>Dan Redhead</u> Project Manager | Reviewed by: | <u>Jacob Tschoepe</u> Program Portfolio Manager |
| Submitted by: | <u>Mark Steelman</u> Chief Operations Officer | Approved by: | <u>Ryan Kelso</u> Chief Executive Officer |

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

BACKGROUND

On March 28, 2024, the New Braunfels Utilities (“NBU”) Board of Trustees approved an AIA Agreement (the “Agreement”) with SpawGlass Contractors, Inc. (“SpawGlass”) for the NBU Headquarters Facility Project (the “Project”). The Project scope includes but is not limited to the construction of multiple buildings, including a 140,994-square-foot office building intended to house up to 725 full-time employees; a 60,366-square-foot climate-controlled warehouse facility with a dock area for fleet vehicle access and separate access for vendor delivery; a 25,051-square-foot-equipment-building; a 17,637 square foot vehicle maintenance facility with vehicle lift capability, fluids distribution, overhead lift capabilities, and exhaust evacuation capabilities. The design will include surface parking for approximately 880 vehicles distributed throughout the site for visitor and contractor parking, employee parking, fleet parking, and short-term parking for deliveries. On December 12, 2024, the NBU Board approved the execution of the Agreement to include Guaranteed Maximum Price #1 (“GMP #1”) for completing preconstruction services for electrical design assist and plumbing & HVAC Design Assist (the “First Amendment”) totaling \$716,968.00. On January 30, 2025, the NBU Board approved the execution of the Agreement to include Guaranteed Maximum Price #2 (“GMP #2”) for Electrical Gear & Generator (the “Second Amendment”) totaling \$3,321,297.00. Also, on January 30, 2025, the NBU Board approved the execution of the Agreement to include Guaranteed Maximum Price #3 (“GMP #3”) for Site Utilities, TXDOT, and Demolition (the “Third Amendment”) totaling \$21,084,904.00.

NBU staff has secured additional pricing for Guaranteed Maximum Price #4 (“GMP #4”), Structural Steel Early Release Package. The scope of work includes but is not limited to, procurement, fabrication, and erection of the early-release structural steel package. The total cost impact of GMP #4 is \$6,527,752.00.

NBU staff plans to bring subsequent Guaranteed Maximum Price Amendments to the Board as the project team receives pricing to complete the project.

NBU staff requests that the Board approve the GMP #4 with SpawGlass for the Project.

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

FINANCIAL IMPACT

The financial impact to NBU for GMP #4 is \$6,527,752.00. This is being budgeted from the NBU Fiscal Year 2025 capital budget.

LINK TO STRATEGIC PLAN

Customers and Community

People and Culture

Safety and Security

EXHIBITS

1. A133 Exhibit A-2019-1660
2. A133 Exhibit B GMP #4 Amendment
3. A133 Exhibit C Cost Estimate and Clarifications