



NOTICE OF OPEN MEETING
MAY BOARD OF TRUSTEES
NBU Board Room, 263 Main Plaza, New Braunfels, Texas 78130
May 29, 2025, at 1:00 PM
www.nbutexas.com

AGENDA

CALL TO ORDER

PLEDGE OF ALLEGIANCE AND INVOCATION

Board Vice President Judith Dykes-Hoffmann

NBU EMPLOYEE RECOGNITIONS

1. Presentation of Service Pin
 - a. Recognizing NBU Employee Robert Pineda for 45 Years of Service

PUBLIC COMMENT

ITEMS FROM THE CHAIR

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

ITEMS FROM STAFF

1. CEO's Update
 - a. Leadership Announcement of New Hires: Director of External Relations, Julia Haynes, and Senior Attorney - Manager of Legal Department, Jason Rammel
 - b. KinderKraft Service Project Final Results
 - c. Texas Public Power Leadership Academy (TxPPLA) Graduation
 - d. Career Days at Goodwin Frazier Elementary, Lamar Elementary, and Voss Farms Elementary Schools
 - e. NBU Observes Public Service Week
 - f. NBU University Graduation
 - g. CEO Roadshow: Presentation at the New Braunfels Chamber Government Affairs Committee Meeting
 - h. NBU Employee Mark Steelman Graduates from Leadership New Braunfels
 - i. NBU Customer Contact Center Hold Times Reach New Lows

- j. NBU Earns National Recognition for Electric Reliability in 2024
 - k. 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. Review Quarterly Investment Report
 - 4. Quarterly Update on the Headwaters at the Comal
 - 5. Quarterly Drought Update Report
 - 6. Quarterly Strategic Goals and Annual Priorities Update
 - 7. Monthly NBU Headquarters Progress Update

CONSENT ITEMS FOR ACTION

- 1. Approve Minutes of the NBU Regular Board Meeting of April 24, 2025
- 2. Approve Minutes of the NBU Special Board Meeting of May 15, 2025
- 3. Approve the Change Order Log from March 15, 2025, through April 15, 2025
- 4. Approve the Reports for Water and Electric Engineering Contracts from August 1, 2024, through April 15, 2025
- 5. Approve the Electric Line of Business Alternative Procurements from March 15, 2025, through April 15, 2025
- 6. Authorize the CEO to Negotiate and Execute an Engagement Letter with Baker Tilley US, LLP for External Audit Services
- 7. Authorize the CEO or His Designee to Negotiate and Execute a First Amendment to the Professional Services Agreement with Schneider Engineering, LLC for Substation and Transmission Engineering Services
- 8. Authorize the CEO or His Designee to Negotiate and Execute a Services and Goods Agreement with CB Solutions, LP for Inspection, Maintenance, Repair, and Replacement of Water and Wastewater Magnetic Meters
- 9. Authorize the CEO or His Designee to Negotiate and Execute a Professional Services Agreement with Schneider Engineering, LLC, DBA SEnergy for Distribution System Planning
- 10. Authorize the CEO or His Designee to Negotiate and Execute a Professional Services Agreement with M&S Engineering, LLC for Distribution Engineering
- 11. Authorize the CEO or His Designee to Negotiate and Execute an AIA Document A133—Guaranteed Maximum Price Amendment No. 5 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 Pre-Engineered Metal Buildings, Foundations, Exterior Framing, and Vehicle Bridge

- [12.](#) Authorize the CEO or His Designee to Negotiate and Execute a Cooperative Agreement with SHI Government Solutions, Inc. for Microsoft Enterprise Agreement Licensing to Maintain and Upgrade Critical Software Usage

ACTION ITEMS

- [1.](#) Discuss and Consider Receiving the Electric, Water, and Wastewater Utility Revenues, Revenue Requirements, and Rates Report, Including Community Advisory Panel Feedback from Raftelis Financial Consultants, Inc., and Britton Strategies LLC
- [2.](#) Discuss and Consider Approval of the Fiscal Year 2026 Budget and Five-Year Operating Plan
- [3.](#) Discuss and Consider Adopting Resolution #2025-196 by the Board of Trustees of New Braunfels Utilities Approving Proposed Amendments to Chapter 130, Article III, Sections 130-56, 130-57, and 130-58 of the Code of Ordinances of the City of New Braunfels (i) Adjusting Electric Rates and Charges for Fiscal Year 2026; (ii) Providing for Adjustments of Electric Rates and Charges for Fiscal Year 2027; (iii) Resolving Other Matters Incident and Related Thereto; and (iv) Authorizing Presentation of Same to the City Council of New Braunfels for Its Consideration and Passage
- [4.](#) Discuss and Consider Adopting Resolution #2025-197 by the Board of Trustees of New Braunfels Utilities Approving Proposed Amendments to Chapter 130, Article IV, Section 130-167 of the Code of Ordinances of the City of New Braunfels (i) Adjusting Water Rates and Charges for Fiscal Year 2026; (ii) Providing for Adjustments of Water Rates and Charges for Fiscal Year 2027; (iii) Resolving Other Matters Incident and Related Thereto; and (iv) Authorizing Presentation of Same to the City Council of New Braunfels for Its Consideration and Passage
- [5.](#) Discuss and Consider Adopting Resolution #2025-198 by the Board of Trustees of New Braunfels Utilities Approving Proposed Amendments to Chapter 130, Article V, Section 130-257 of the Code of Ordinances of the City of New Braunfels (i) Adjusting Sewer Rates and Charges for Fiscal Year 2026; (ii) Providing for Adjustments of Sewer Rates and Charges for Fiscal Year 2027; (iii) Resolving Other Matters Incident and Related Thereto; and (iv) Authorizing Presentation of Same to the City Council of New Braunfels for Its Consideration and Passage

EXECUTIVE SESSION

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

1. Power Supply Resources – Competitive Matters
(Section 551.086 – Texas Government Code)
 - a. Discuss and Consider International Swaps and Derivatives Association, Inc. (ISDA) Resolution allowing NBU to enter into a Master Agreement related to power supply transactions

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 **23rd day of May 2025**, and remained posted continuously for at least 72 hours preceding the scheduled time of the meeting.



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



Meeting Date: May 29, 2025

Agenda Type: Items from Staff

From: Kimberly Huffman
Accounting Manager

Reviewed by: John Warren
Director of Finance

Submitted by: Dawn Schriever
Chief Financial Officer

Approved by: Ryan Kelso
Chief Executive Officer

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

BACKGROUND

NBU's service territory experienced higher temperatures and lower rainfall during the month of April than historically. The average temperature was 73.5 degrees, which was 4.7 degrees higher than the historical average temperature of 68.8 degrees. Rainfall totaled 1.65 inches for the month of April, which was 1.25 inches lower than the historical average rainfall of 2.90 inches.

For the month of April 2025, NBU recorded a change in net position after contributions ("CNPAC") of \$4,140,000, which represents a decrease of \$562,000 compared to the budgeted monthly CNPAC of \$4,702,000. Operating service revenues of \$19,958,000 were less than budget by \$3,943,000, or 16%, for the month of April. A \$3,724,000 decrease in electric revenue, a \$87,000 decrease in water revenue, and a \$132,000 decrease in wastewater revenue contributed to the overall service revenues. Other operating revenues of \$552,000 were less than budget by \$53,000 for the month of April. Purchased power costs were \$2,761,000 less than budget for April 2025 and \$29,038,000 less for Year-to-Date ("YTD"). A decrease in other operating expenses of \$1,229,000 resulted in total operating expenses to be \$3,990,000, or 19% less than the budgeted amount of \$21,014,000. The net revenue and operating expense variances contributed to an unfavorable net operating income variance of \$8,000 from budget. Net non-operating items had a \$236,000 unfavorable variance compared to budget. Impact fees were less than budget by \$512,000, services income was greater than budget by \$367,000, and capital participation fees was less than budget by \$173,000. April 2025 YTD CNPAC was \$50,609,000, which was \$17,370,000 greater than the budgeted amount of \$33,239,000.

FINANCIAL IMPACT

Electric

The Electric Line of Business reported total operating revenues of \$13,686,000, a \$3,730,000 decrease from the April budgeted amount of \$17,416,000. The net rate realized per kWh was \$0.0994, which was 20% less than the budgeted rate of \$0.1242 for the month of April. April kWh sales were 133.1 million kWh, a 3.4 million kWh decrease, or 2 %, in comparison to the budgeted amount of 136.5 million kWh.

Purchased power costs totaled \$7,678,000, which was \$2,761,000 less than the budgeted amount of \$10,439,000. Electric gross margin, which is total operating revenues minus purchased power, resulted in the amount of \$6,008,000 for the month of April and \$53,528,000 YTD. These amounts were \$969,000 less than and \$5,789,000 less than the budgeted amount of \$6,977,000, Month-to-Date (“MTD”) and \$59,317,000 YTD. Other operating expenses were less than budget by \$791,000. These items resulted in the Electric Line of Business reporting net operating income of \$3,524,000, which was \$178,000 less than the budgeted amount of \$3,702,000. Net non-operating items provided an unfavorable variance from budget of \$168,000. Services income was greater than budget by \$336,000. The Electric Line of Business reported April 2025 CNPAC of \$3,161,000 and YTD CNPAC of \$27,325,000. These amounts were \$11,000 less than and \$3,028,000 greater than their respective April 2025 MTD and April 2025 YTD budget amounts.

Water

The Water Line of Business reported total operating revenues of \$3,583,000, a \$137,000 decrease, or 4%, from the April budgeted amount of \$3,720,000. In April, water gallons sold of 342,196,000 was less than the budgeted amount of 378,310,000 (a 36,114,000-gallon variance from budget, or 10%). NBU’s net realized price per 1,000 gallons sold in April was \$10.30, which was greater than the budgeted amount of \$9.55. Operating expenses for April were \$4,132,000, which was \$287,000 less than the budgeted amount of \$4,419,000. The net effect of less revenues and less operating expenses than budgeted resulted in the Water’s net operating income of \$(549,000), which was greater than budget. Net non-operating items provided an unfavorable variance of \$101,000 from budget. Impact fees of \$1,112,000 were less than budget by \$415,000, and services income of \$149,000 was greater than budget by \$31,000. The Water Line of Business reported April 2025 CNPAC of \$310,000 and YTD CNPAC of \$11,010,000. These amounts were \$335,000 less than and \$8,067,000 greater than their respective April 2025 MTD and April 2025 YTD budget amounts.

Wastewater

The Wastewater Line of Business reported total operating revenues of \$3,240,000, a \$130,000 decrease from the April budgeted amount of \$3,370,000. Total operating expenses of \$2,730,000 were \$152,000 less than the budgeted amount of \$2,882,000. As a result, the Wastewater Line of Business reported net operating income of \$510,000, which was \$21,000 greater than the budgeted amount of \$489,000. Net non-operating items provided a favorable variance of \$34,000 from budget. Impact fees were less than budget by \$97,000, and capital participation fees were less than budget by \$173,000. The Wastewater Line of Business reported April 2025 CNPAC of \$669,000 and YTD CNPAC of \$12,274,000. These amounts were \$216,000 less than and \$6,275,000 greater than their respective April 2025 MTD and April 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



• April 2025 Financials

- Kimberly Huffman, Accounting Manager



Board Financial Policy Compliance - April 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%	38.7%
Debt Service Coverage (higher is better)	5.14	4.71	≥2.40	4.78
Days Cash on Hand (higher is better)	208	224	≥140	280
Days Liquidity on Hand (higher is better)	495	N/A	N/A	460

* Amounts are calculated by annualizing the YTD results

Mission

Strengthening our community by providing resilient essential services

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Vision

Be a trusted community partner dedicated to excellence in service

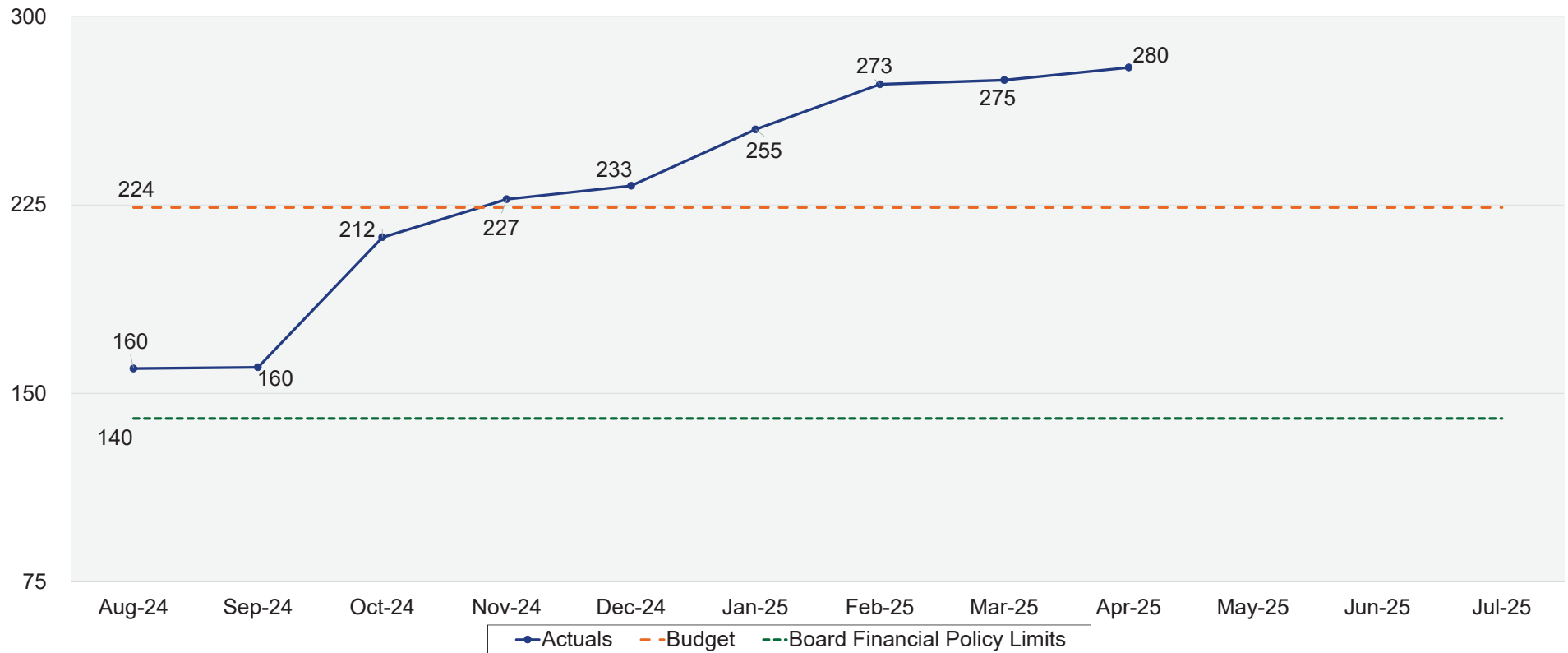
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Days Cash on Hand - April 2025 YTD



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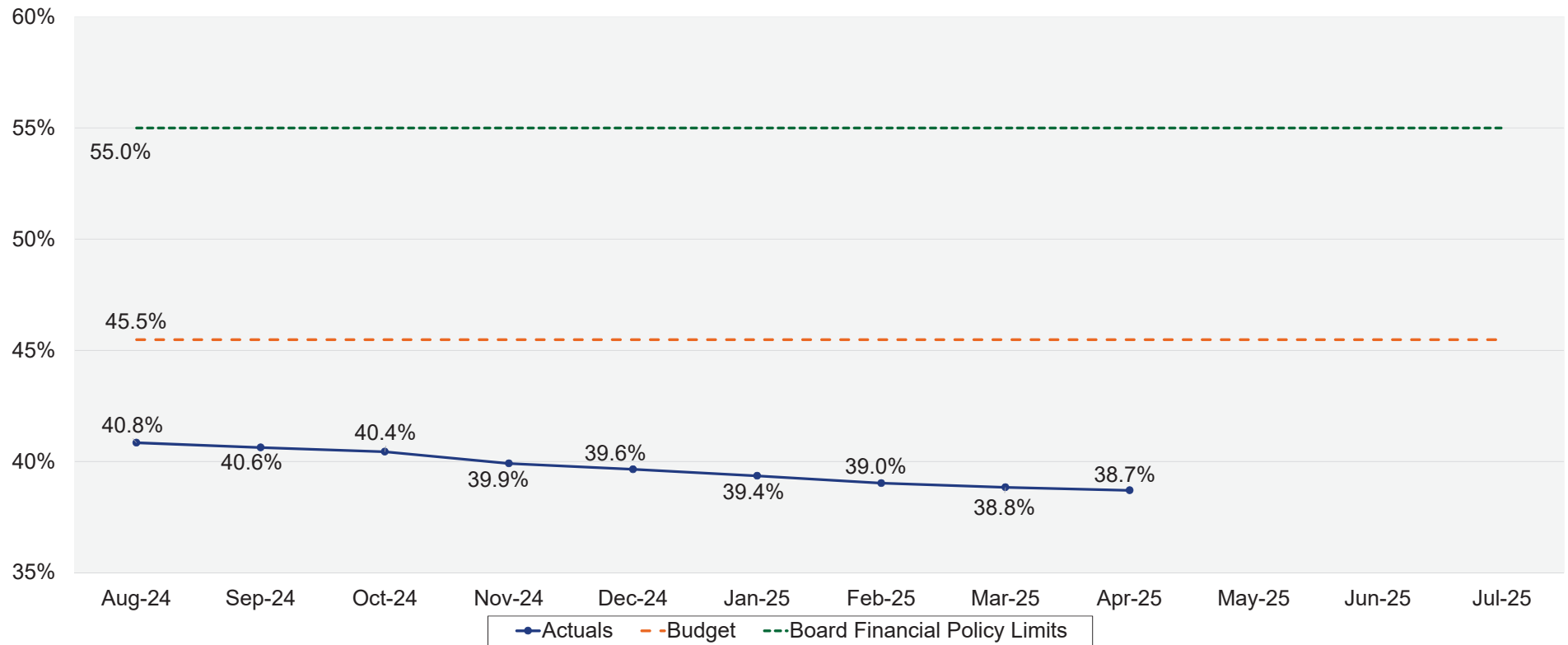
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NBU NEW BRAUNFELS
UTILITIES

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Debt to Capitalization - April 2025 YTD



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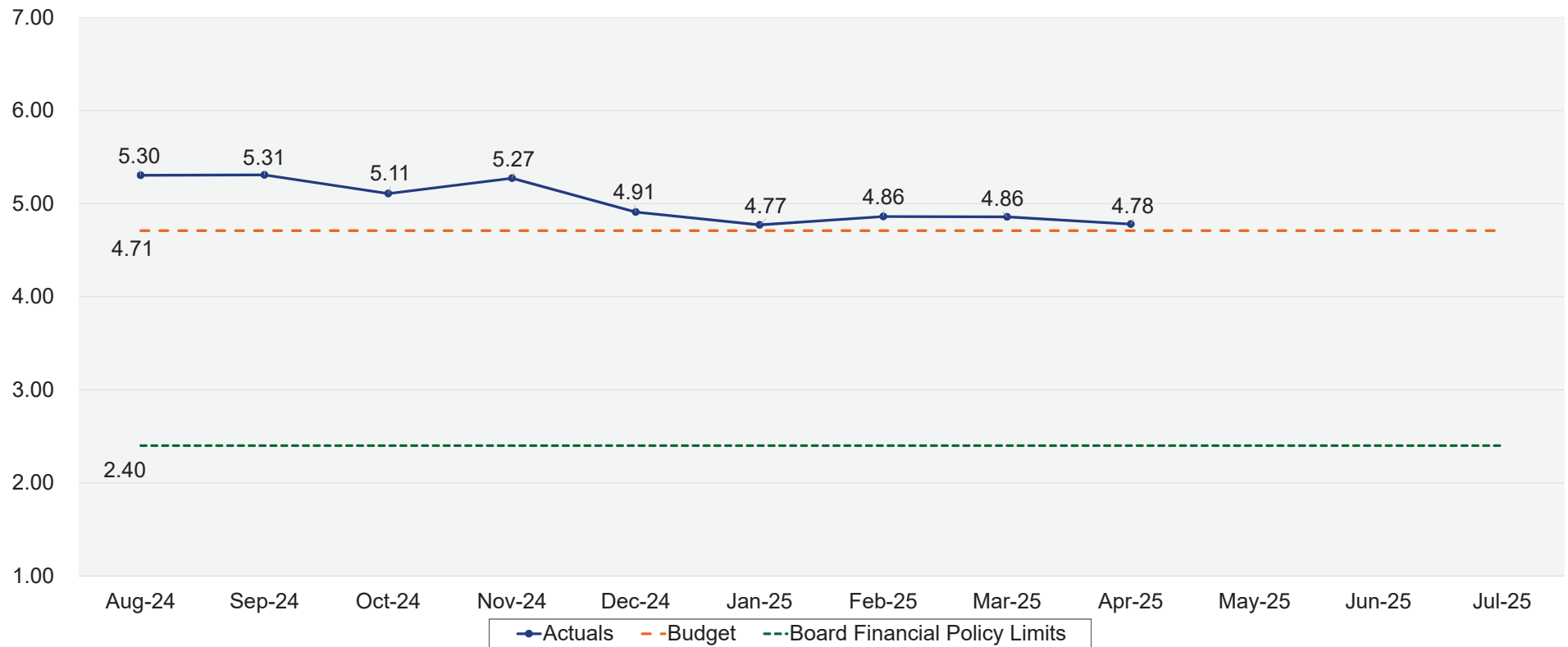
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Debt Service Coverage - April 2025 YTD



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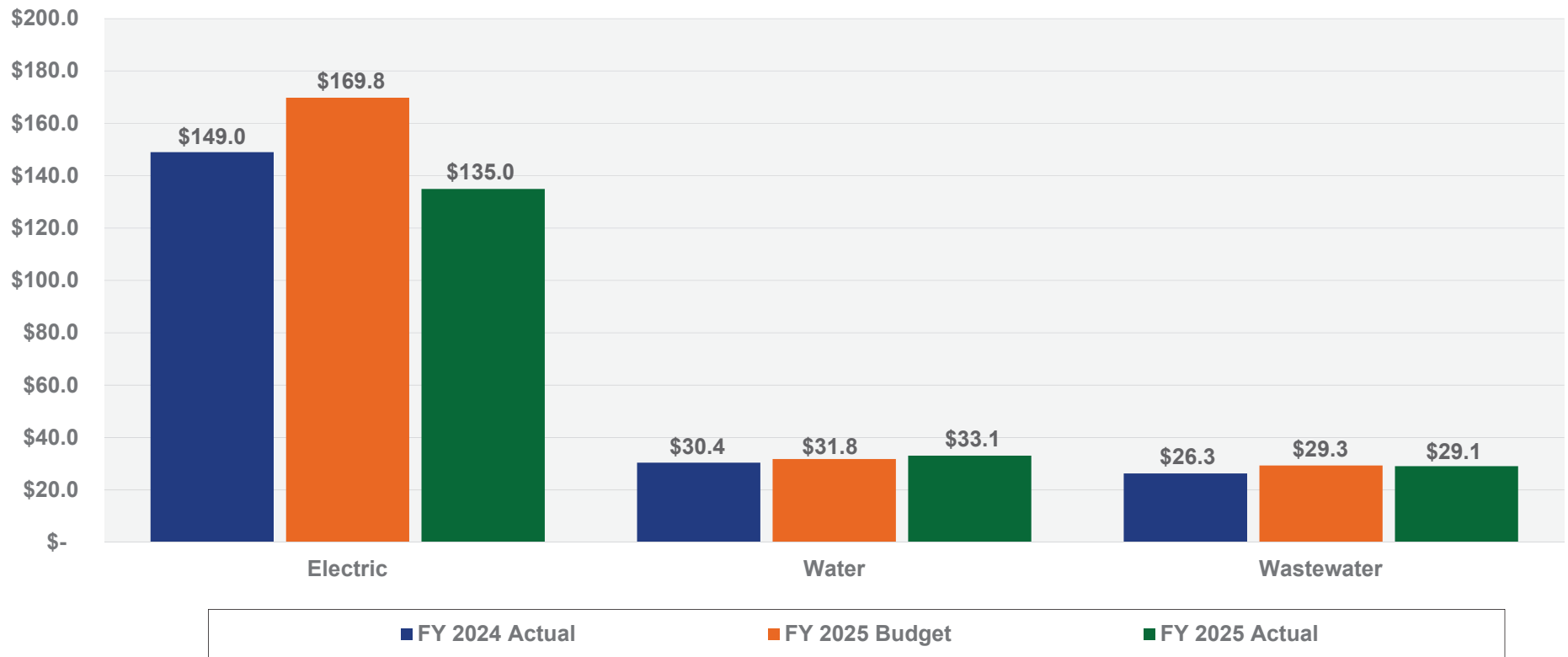
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Operating Revenue by LOB

April 2025 YTD – Amounts in Millions



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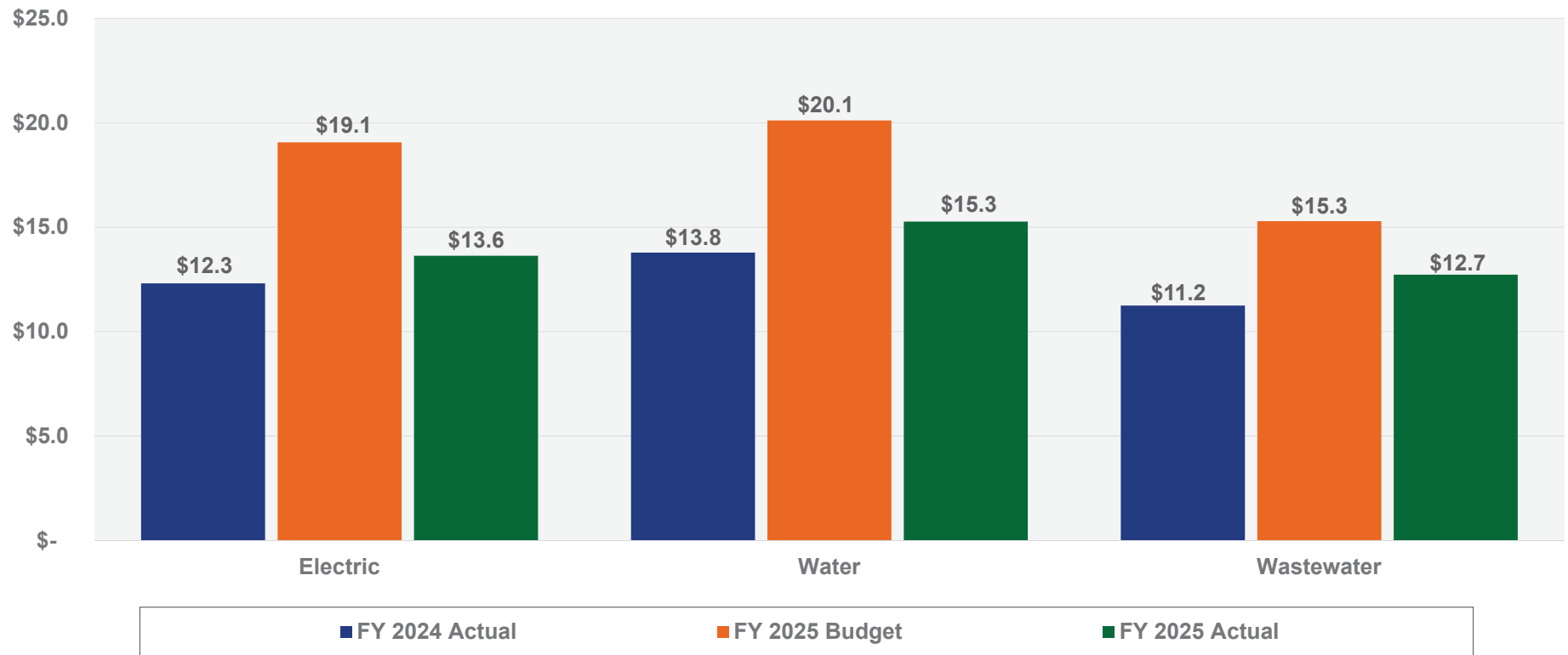
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Operating Expenses* by LOB

April 2025 YTD – Amounts in Millions



*Excludes purchased power, purchased water, and depreciation expense

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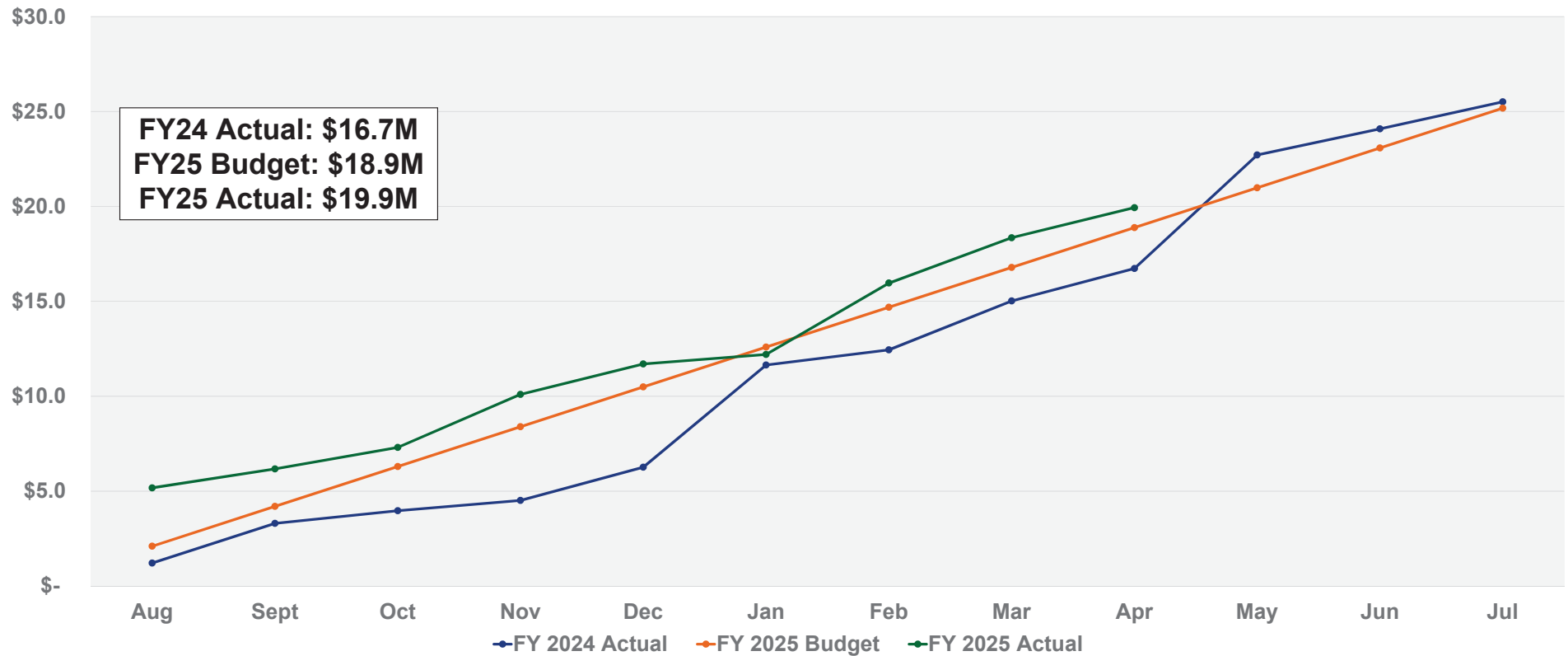
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Impact Fee Revenues

April 2025 YTD – Amounts in Millions*



* Amounts shown are YTD for each month

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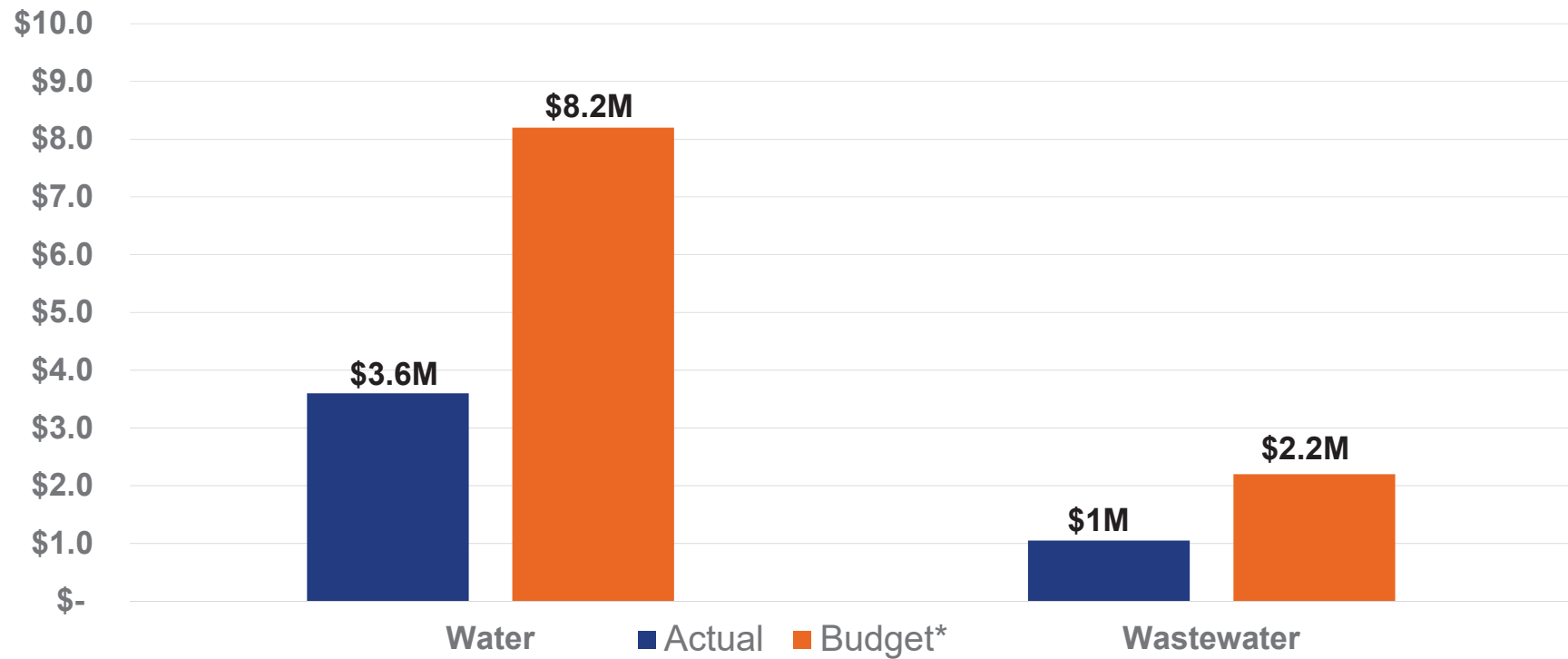
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Impact Fees Collections-Program E Update – April 2025

Amount in Millions



* Fiscal year budget amount

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NBU NEW BRAUNFELS
UTILITIES

Power Supply Reserves Update

	Power Stabilization Fund FY25	Power Stabilization Fund Full, FY28
As of FY25 Budget		
Target	\$50M	\$95M
As of April 30, 2025	\$46M	\$46M

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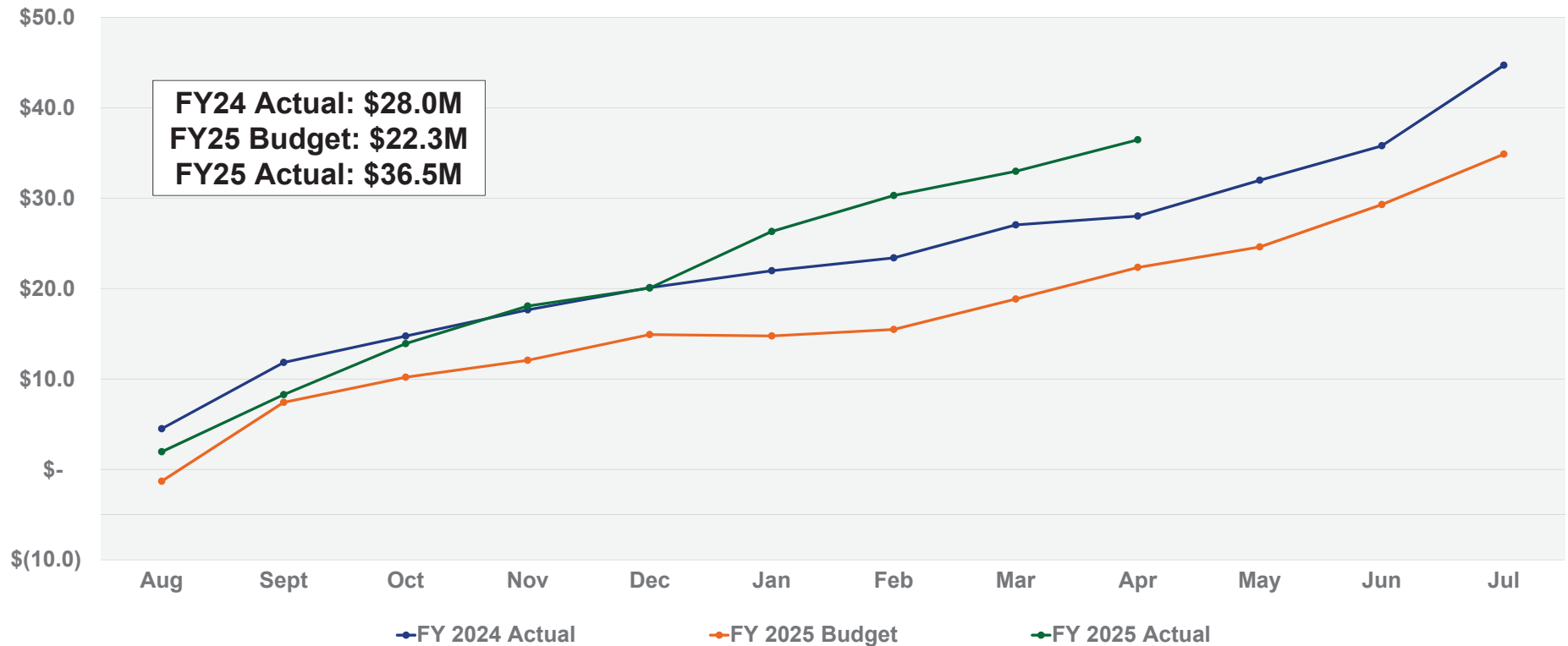
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Net Operating Income

April 2025– Amounts in Millions*



* Amounts shown are YTD for each month

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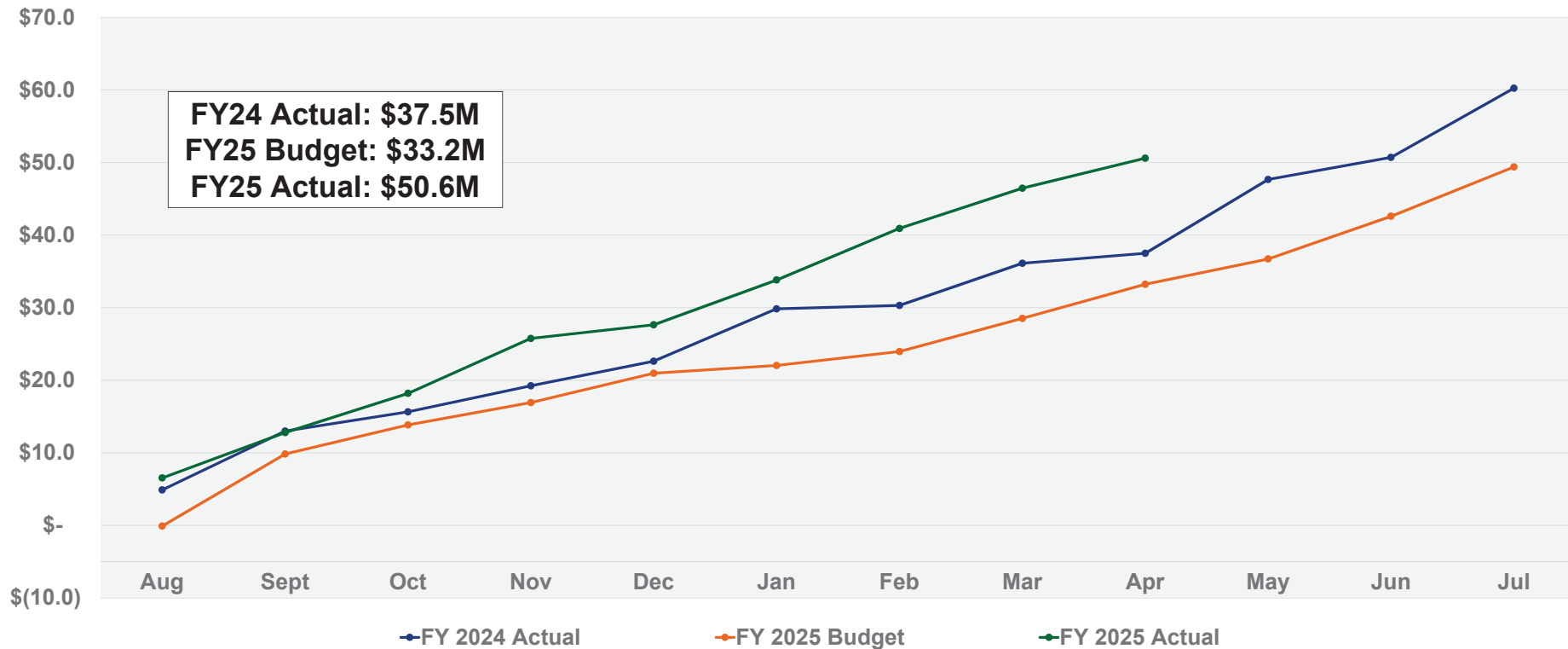
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Change in Net Position After Contributions April 2025– Amounts in Millions*



* Amounts shown are YTD for each month

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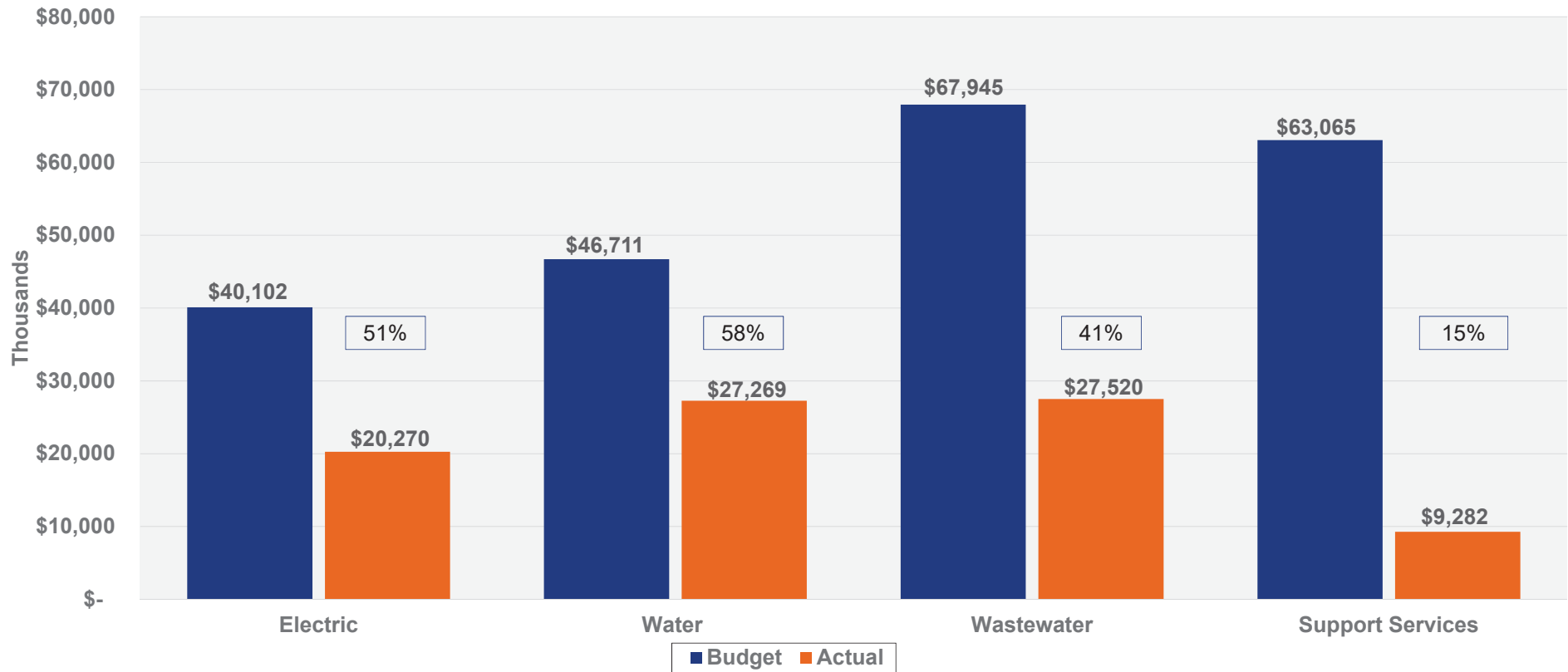
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Capital Project Expenditures

April 2025 YTD – Amounts in Thousands



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Questions?

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Agenda Type: Items from Staff

Reviewed by: John Warren
Director of Finance

Approved by: Ryan Kelso
Chief Executive Officer

BACKGROUND

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

LINK TO STRATEGIC PLAN

EXHIBITS

- 22

Quarterly Investment Report

As of April 30, 2025

Jessica Coleman, Finance & Risk Manager



NBU® NEW BRAUNFELS
UTILITIES

Investment Portfolio Summary

	Ending Invested Value	Percentage of Portfolio	Weighted Average Maturity (in days)	Weighted Average Days to Call
Daily Liquidity Funds				
Money Markets	\$ -	0.0%	1	1
Pooled Funds	91,791,156	38.2%	1	1
Total Money Markets & Pooled	\$ 91,791,156	38.2%	1	1
Federally Insured Cash Account	\$ 11,393,903	4.7%	1	1
Demand Deposits	51,732,787	21.5%	1	1
Daily Liquidity Funds Total	\$ 154,917,846	64.4%	1	1
Escrow Funds Total	\$ 40,392,330	16.8%	1	1
U.S. Agencies	\$ 36,036,954	15.0%	45	21
U.S. Treasuries *	9,117,742	3.8%	20	20
Certificates of Deposit	-	0.0%	0	0
Obligations of The State of Texas, Agencies & Instrumentalities	-	0.0%	0	0
Total Invested Funds	\$ 240,464,872	100.0%	69	45
			Max = 450	Max = 300

* WAM and WAM to Call exclude a \$5 Million investment in the Community Assistance Fund having a remaining maturity of 4.5 years.

Liquidity Requirement

Total Daily Liquid Funds	\$ 154,917,846
Average Monthly Operating Expense (FY 2025 Budgeted Operating Expenses ÷ 12)	\$ 19,515,241
Operating Expense Liquidity Coverage Ratio	\$ 7.94
Number of Days Coverage of Operating Expenses	238
	Min = 30

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Rolling Four Quarter Annualized Yield By Investment Type

Rolling Four Quarter Annualized Yield By Investment Type For The Fiscal Quarter Ended		
Investment Type	4/30/2025	Rolling Four Quarter Average
U.S. Govt. Securities*	4.347%	4.470%
Federally Insured Cash Account	4.243%	4.683%
Pooled Funds	4.341%	4.831%
Money Markets	0.000%	0.000%
Certificates of Deposit	0.000%	0.000%
Obligations of The State of Texas, Agencies & Instrumentalities	0.000%	0.000%
Demand Deposits**	1.000%	1.000%
Escrow Funds	2.173%	2.173%
Total NBU Yield	3.202%	3.587%
90 Day T-Bill	4.198%	4.656%

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

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

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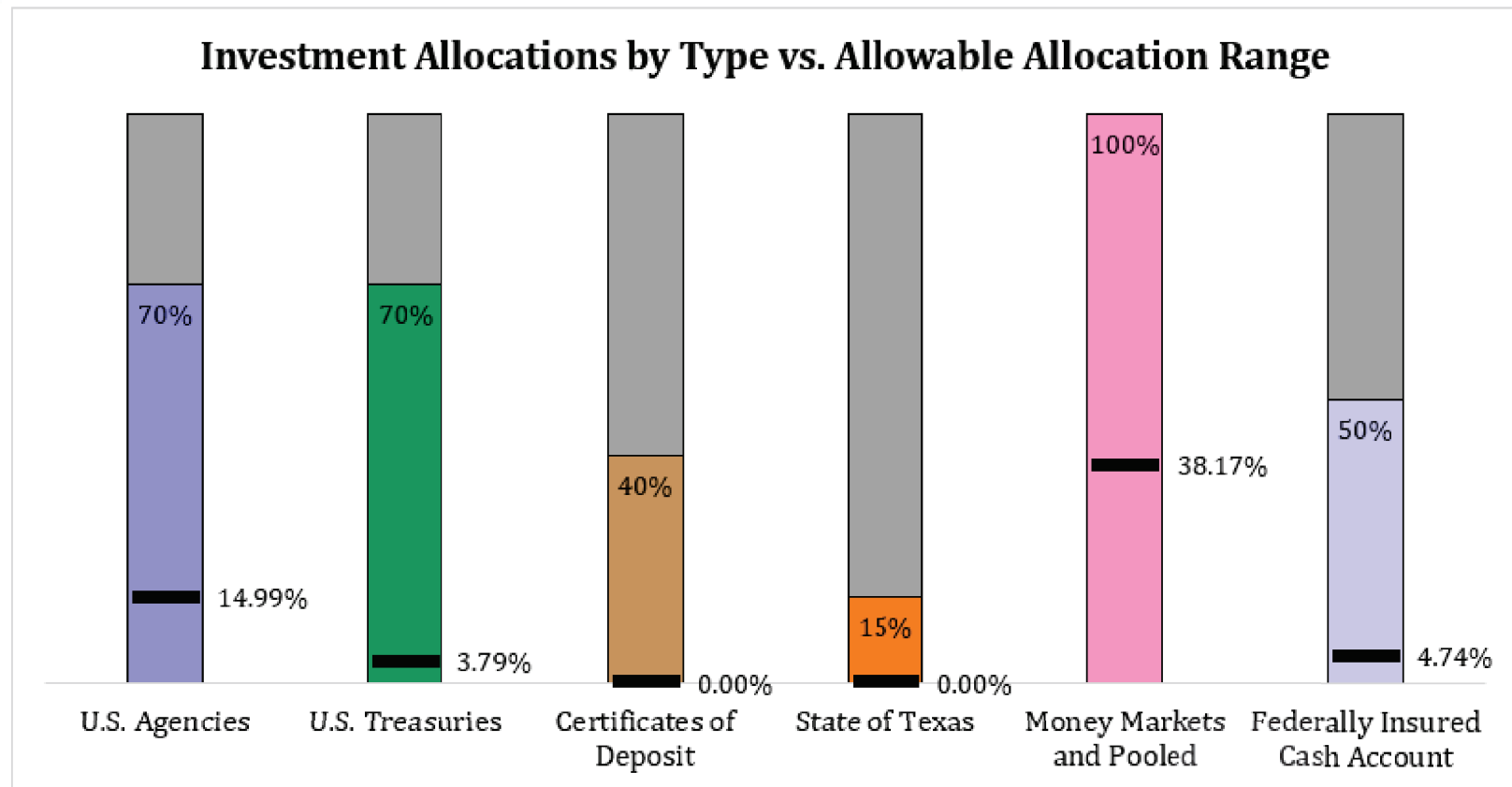
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Investment Allocations vs. Investment Allowable Ranges



Note: Colored area in bar represents allowable allocation range

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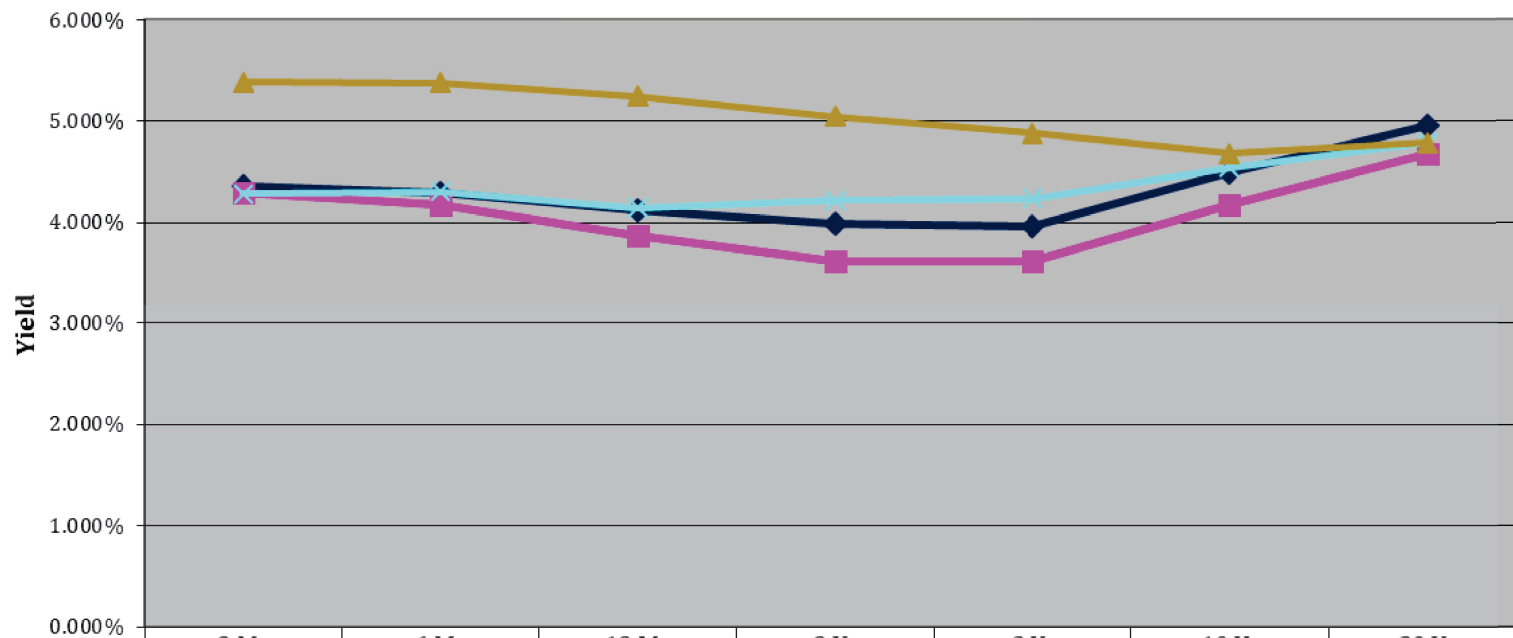
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U.S. Treasury Yield Curve



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NBU NEW BRAUNFELS
UTILITIES

Commercial Paper Update

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

CUSIP	Par Amount	Nominal Rate	Issue Date	Maturity Date	Total Days	Total Interest
64257PB41	6,500,000.00	3.20%	11/12/2024	2/4/2025	84	47,790.64
64257PB82	2,200,000.00	3.15%	12/17/2024	3/4/2025	77	14,611.67
64257PB90	14,215,000.00	3.26%	1/14/2025	2/11/2025	28	35,549.18
64257PCA6	29,085,000.00	3.15%	1/14/2025	3/4/2025	49	122,993.69
64257PCB4	3,000,000.00	3.10%	1/14/2025	4/8/2025	84	21,402.74
64257PCC2	6,500,000.00	3.10%	2/4/2025	4/8/2025	63	34,779.45
64257PCD0	14,215,000.00	3.15%	2/11/2025	4/8/2025	56	68,699.34
64257PCE8	31,285,000.00	2.95%	3/4/2025	5/13/2025	70	176,995.96
64257PCF5	18,215,000.00	3.30%	4/8/2025	5/13/2025	35	57,639.25
64257PCG3	5,500,000.00	3.10%	4/8/2025	6/17/2025	70	32,698.63

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

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

From: Nancy Pappas **Reviewed by:** Dawn Schriewer
Managing Director,
Headwaters at the Comal Chief Financial Officer

Submitted by: Dawn Schriewer **Approved by:** Ryan Kelso
Chief Financial Officer Chief Executive Officer

RECOMMENDED ACTION: Quarterly Update on the Headwaters at the Comal



HEADWATERS
AT THE COMAL™

NBU Board of Trustees Quarterly Update May 29, 2025

Presentation Overview



Year in Review



Construction Update



2030 Strategic Growth



2025 Programs



Questions & Comments



HEADWATERS
AT THE COMAL™

5/22/2025

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Year in Review

Strengthen the relationship between the community and nature by showcasing the significance of the Comal Springs. A premier education center inspiring hearts and minds on the importance of conservation to community.

Fundraising

- 278 Individual donors
- \$100,000 in grants for archaeology exhibit development
- \$625,500 in total donations
- 137 Members

Deliver funding focused programs

2061 Visitors
45 Programs
18 Tours

Maintain Restoration Investment

2,466 Volunteer hours
150 New Species recorded
33 Water Quality Testing days

Operations including Board Development

- Headwaters board filled (and now 2 open seats).
- Hired consultant for 2030 Business Strategy development.
- Moved additional GMPs forward for construction.



2024 YEAR IN REVIEW
A YEAR OF TRANSFORMATION

HEADWATERS AT THE COMAL

THANK YOU TO OUR DONORS

Donor's Trust \$13,000	STILL WATER \$50,000
San Antonio Area Foundation \$25,000	Kronosky \$75,000
SHIELD & AYRES FOUNDATION \$15,000	JOHN R. & GELI N. LESS CHARITABLE TRUST \$100,000
San Antonio Area Foundation \$150,000	2 NATIVE TEXANS (ANONYMOUS DONORS) \$100,000

278 INDIVIDUAL DONORS

Each contribution brings to life our shared vision for a resilient future, protecting the Comal Springs for generations to come!

HEADWATERS MADE INCREDIBLE PROGRESS ON CONSTRUCTION OF THE NEW FACILITY.

This will allow youth, residents, and industry professionals to engage in water conservation, connect with nature, and learn about the Comal Springs that have sustained our region for millennia.

Throughout the year, we hosted hard hat tours for community leaders and supporters, showcasing the sustainable features of the building. Our fall preview event allowed us to celebrate key milestones and envision how the new spaces will serve our community.

Over the past year, we've seen adaptive reuse in action, with 30% of the old warehouse repurposed into the Lakofflato designed Center, with the roof installed on the original steel beams in January and repurposed concrete pavers creating a beautiful front walkway in August. By October, a large rainwater harvesting system was added, and by December, landscaping began for the picnic area, which will feature drought tolerant native plants.

2023

2024

Construction Update:

Phase 2 Essential Visitor Services

Sequence of construction costs

Guaranteed Maximum Price (GMP)

May 2023	GMP #2	\$ 5,406,714
	PCCO due to Archaeology	154,644
October 2023	Additional Archaeology	198,517
June 2024	GMP #3	1,862,485
December 2024	GMP #4	4,344,513
January 2025	GMP #5	<u>1,108,860</u>
		\$13,075,733



Phase 2 Funding

• Construction Costs	\$ 13,075,733
• Additional Soft Costs	1,300,000
• NBU Contribution	(7,500,000)
• 2022 NBEDC Contribution	(1,200,000)
• TCEQ Grant (parking)	(412,000)
• Community Contributions	<u>(2,978,842)</u>
	\$ 2,284,891
2025 NBEDC Recommendation	\$ 2,300,000
Remaining Funding Gap	\$ 0

2030 Strategic Growth

Business Plan 2030 Strategy Work: Richards Consulting

2030 Vision

2030 Business Goals

5 year Change Management Targets

2025 -2026 Short-term Goals

Operations

- Phase II Readiness & Transition
- Physical move
- New management systems
- New policies & procedures
- Phase II Capital Project Close Out & Phase III Capital Project

Learning & Growth

- Headwaters Board Changes
- Human Resource Additions
- Transition of Duties
- Leadership Change Management

Stakeholder Engagement

- Opening Celebration
- Meeting & Site Usage
- Programs

Financial

- Program & Usage Fees
- Membership Program
- Transition to Fundraising for Programs & Operations

October 9, 2025: Center at the Headwaters Celebration
October 15, 2025: Ribbon Cutting for Phase 2

2030 Strategic Growth: Change Management Plan Overview

	2025	2026	2027	2028	2029	2030
Memberships	Prep	200% growth spread evenly across years				
Programs	Prep	Daily Admittance, Group Tours, New Programming & Adult Education: Phased in growth across 5 years				
		Prep	Expand Formal Education Program			
			Prep	Expand Informal Youth Camps & SEAM		
				Prep	Expand Other Informal Youth Programs	
Site Usage	Prep	Phased in use increases across 5 years				
Retail		Prep	Retail sales growth increases to \$1/ visitor by 2030			

2025 Programs

Educate & Demonstrate: Inspire lifelong practice of enjoying, protecting and stewarding cultural and ecological resources in those that live in, visit and make decisions about Hill Country natural resources.

Community Engagement: Provide an innovative, nature-oriented gathering and meeting space that builds a regional ethic of valuing cultural and ecological resources.



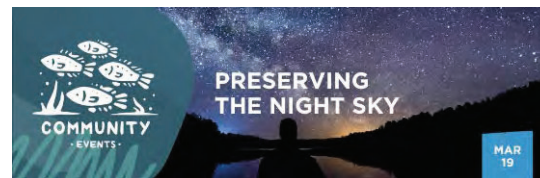
SUMMER NATURE CAMP
9am-12pm • 3rd-6th grade

JUN 2-6
JUN 9-13

APR 19 YOUTH SEAM SERIES RENEWABLE ENERGY
MAY 3 FIRST SATURDAY TOUR
JUN 14 HOW TO TAME A WATER THIRSTY YARD

REGISTER NOW!

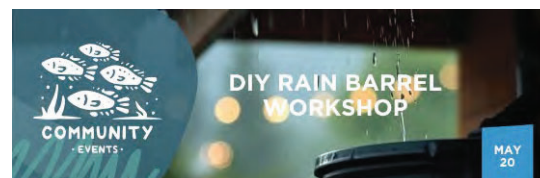
HEADWATERS
AT THE COMAL™
WWW.HEADWATERSATTHECOMAL.ORG



PRESERVING THE NIGHT SKY
COMMUNITY EVENTS
MAR 19



LANDSCAPING WITH NATIVES 101
WILD & NATIVE WORKSHOP
MAR 22



DIY RAIN BARREL WORKSHOP
COMMUNITY EVENTS
MAY 20

- Current Headwaters Program Offerings
 - Reserved Group Tours
 - Homeschool Education Tours
 - First Saturday Tours
 - Adult Wellness: Yoga
 - Landscaping with Native Plant Series (1 class per month)
 - Protecting Water Resources Course
 - Youth Curriculum Driven Education (half day camps, homeschool groups)
 - Youth Informal Education (preschool nature walks, SEAM series)

Volunteer Opportunities

- 568 Hours – April
- 20 different options
- Water Quality Testing
- Habitat Monitoring
- Restoration Maintenance
- Education
- Ambassadors



Volunteers and Community Research Programs



COMMENTS OR QUESTIONS?

5/22/2025

11



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

From: Andrew Cummings **Reviewed by:** Sheila Lavender
Director of Customer Chief Customer Officer
Solutions

Submitted by: Sheila Lavender **Approved by:** Ryan Kelso
Chief Customer Officer Chief Executive Officer

RECOMMENDED ACTION: Quarterly Drought Update Report

Drought Update

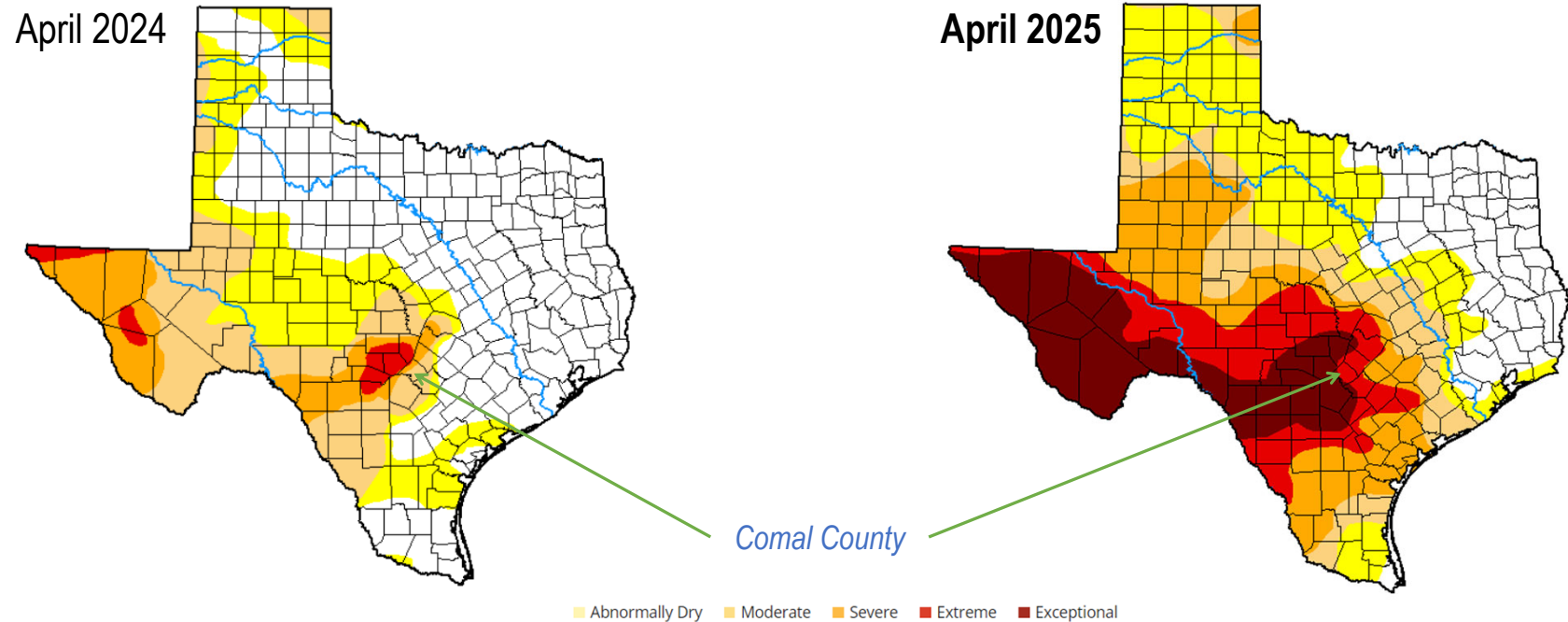
Andrew Cummings, Director of Customer Solutions

- May 29, 2025

NBU® NEW BRAUNFELS
UTILITIES

Drought Status and Updates

Current NBU Stage	Date Entered Drought	Total Duration
2	March 10, 2022	1,142 days <i>as of 4/25/25</i>



Mission

Strengthening our community by providing resilient essential services



Vision

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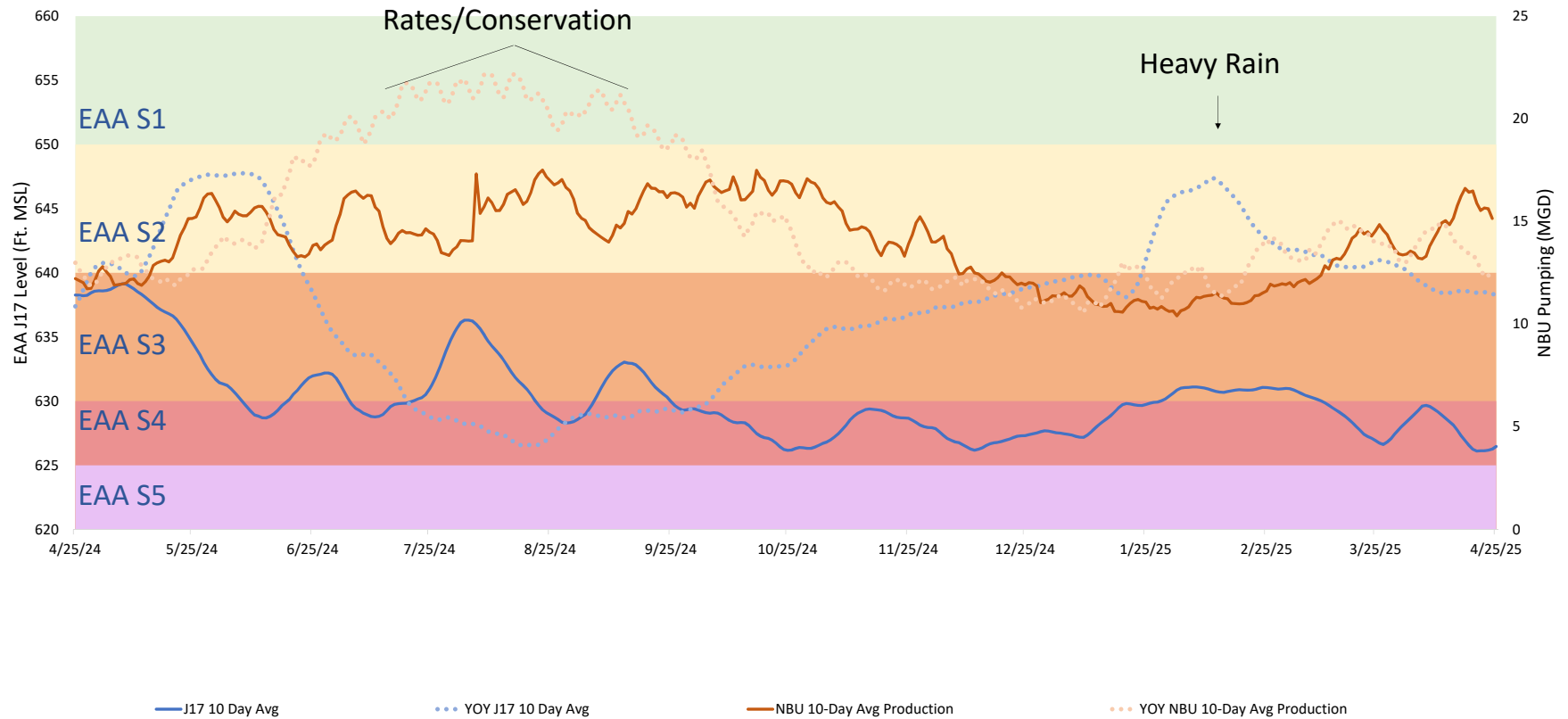


Core Values

Safety, Team, Integrity, Culture, and Stewardship



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



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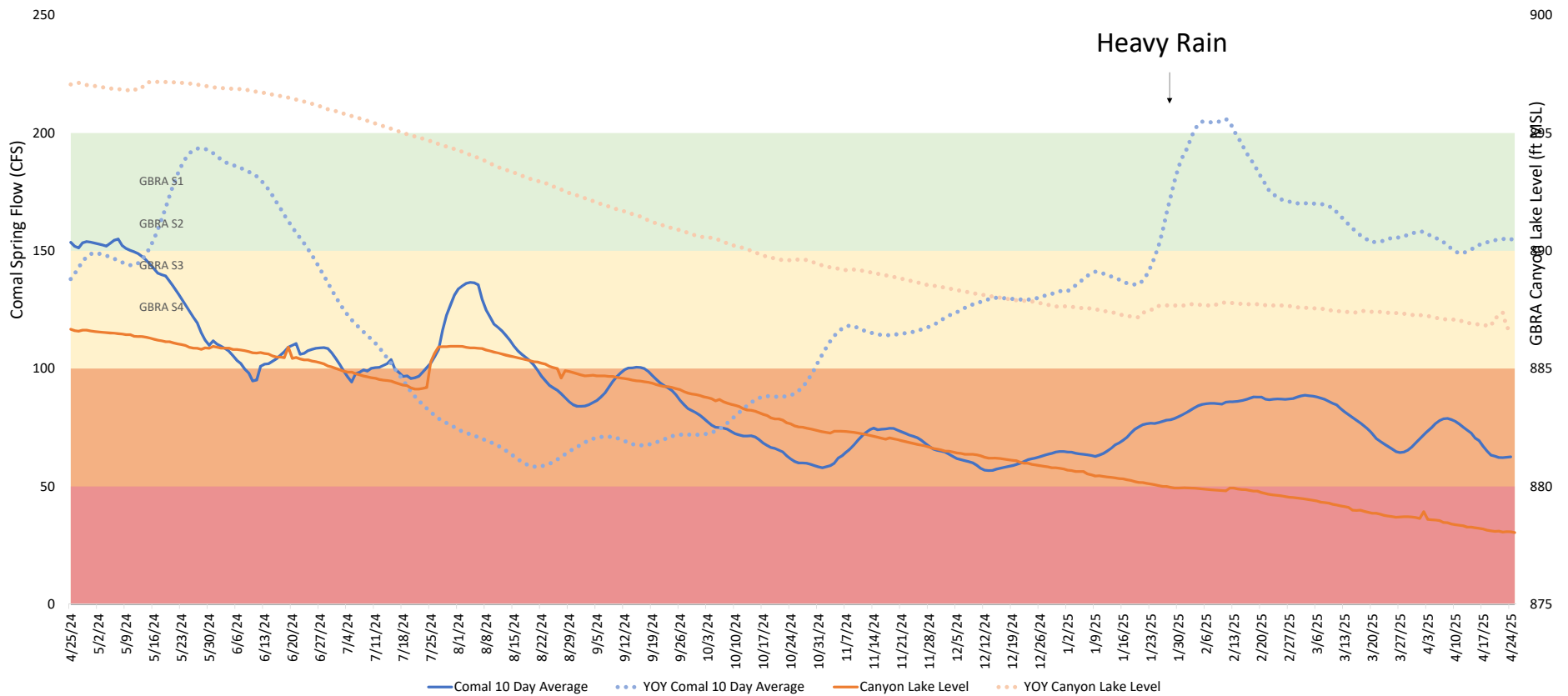


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Comal Spring Flow and Canyon Lake Level



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Drought Restrictions in the Area (as of 4/25/25)



Stage 2

Regulatory Agencies



Stage 4



Stage 4

Large Utilities



Stage 3



Stage 2

Comparable Utilities



Stage 3



Stage 3



Stage 4



Stage 4



Stage 3



Stage 2

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Drought Synopsis: Annual Benchmarks

	Fair Weather Benchmark	2024	2025
Climatological Monitoring (as of 4/25/2025)			
Rainfall Cumulative Total (inches)	~31" (Annual Total)	23.68" (Annual Total)	6.83" (Total to Date)
Max Temperature (°F)	102°F (Annual Max)	106°F (Annual Max)	95°F (Max to Date)

	Fair Weather Benchmark	2024	2025
Year-Over-Year Water Level Monitoring (as of 4/25/2025)			
EAA J17 Level ('msl)	Mid-660's	633.9'	626.5'
Comal Springs (cfs)	294	115	67
San Marcos Springs (cfs)	174	113	88
Canyon Lake ('msl)	909'	885'	878.04'

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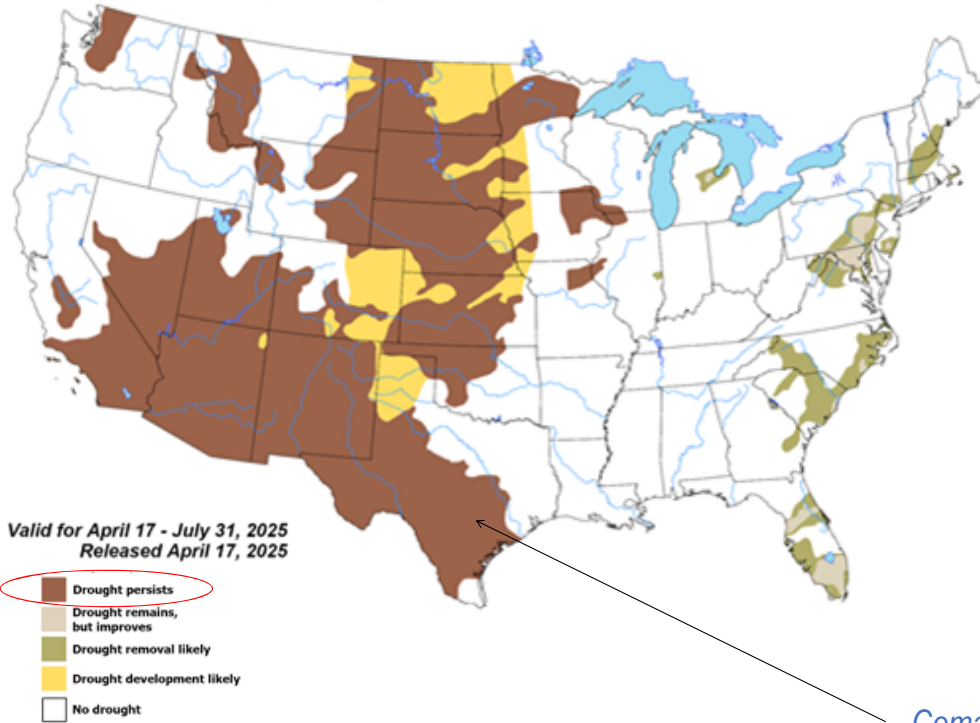
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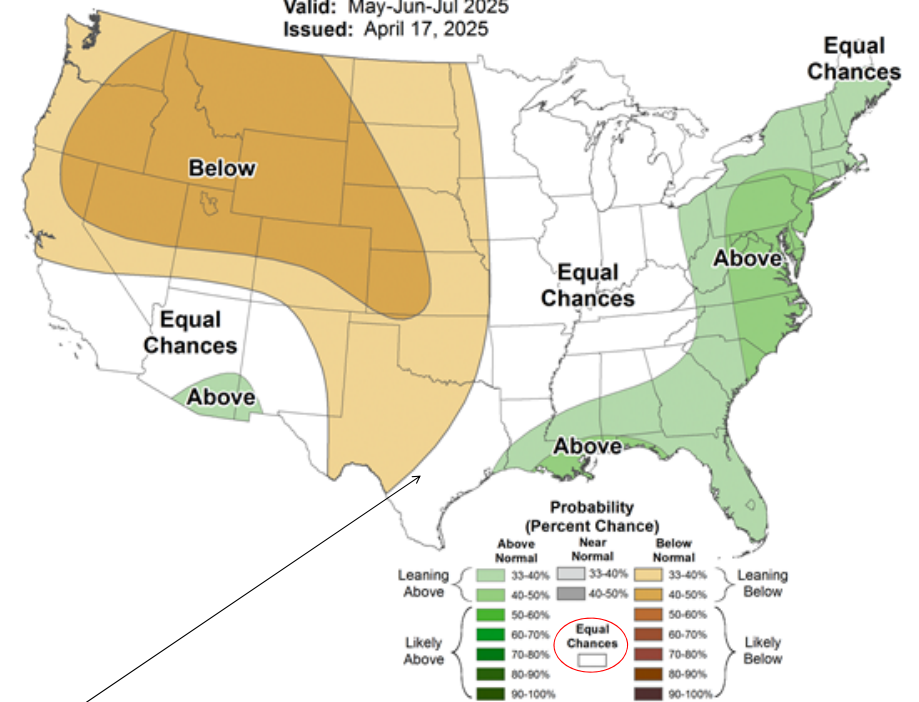
Drought Persists

U.S. Seasonal Drought Outlook Drought Tendency During the Valid Period



Seasonal Precipitation Outlook

Valid: May-Jun-Jul 2025
Issued: April 17, 2025



Comal County

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How We're Managing Drought

- **Daily Water Monitoring**
 - Edwards Aquifer J17 Well Levels
 - Canyon Lake Reservoir Levels
 - Comal River Spring Flows
 - NBU Pumping Infrastructure
 - Climatological Tracking and Forecasts
- **Enhanced Customer Resources**
 - In-Depth Customer Usage Data
 - Increased Public Communications
 - Promotion of Rebate Programs
 - Modified Compliance Monitoring
- **Revised Drought Plan – April 2026**



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Questions?

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

From: Jacob Tschoepe **Reviewed by:** Mark Steelman
Program Portfolio Manager Chief Operations Officer

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

RECOMMENDED ACTION: Quarterly Strategic Goals and Annual Priorities Update

Q3 2025 Strategic Plan Update

May 29, 2025

NBU® NEW BRAUNFELS
UTILITIES

Q3 Strategic Goals

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

Strategic Goals					
Strategic Goal	Goal Measures	Q1	Q2	Q3	Q4
Customer & Community	Customer Satisfaction Survey benchmark organizational characteristics by the vendor (Great Blue), at or above industry standard. Measurement data from Public Power Data Source (PPDS).				
People & Culture	Maintain Gallup employee engagement survey participation > 80%				
People & Culture	Implement 50% of approved action items as presented from the Employee Experience Team				
Infrastructure & Technology	Maintain a three-year rolling average SAIDI in top 10% of Texas utilities or three-year rolling average <52.56 minutes (99.99% reliability)				
Infrastructure & Technology	Maintain Information Technology Systems Reliability ≥ 98% uptime for production systems				
Infrastructure & Technology	Infrastructure Leakage Index (ILI) < 3.0 over a three-year rolling average				
Infrastructure & Technology	Wastewater Treatment Compliance Events – maintain > 98% compliance				
Financial Excellence	March 2025: Debt to Capitalization Ratio: 38.8% Debt Service Coverage Ratio: 4.86x Days Cash on Hand: 275 days				
Safety & Security	Maintain preventable damage to equipment incidents to < 2.7% incidents or fewer per 100 employees				
Safety & Security	Manage preventable damage to vehicles at < 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				

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Q3 Annual Priorities

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

Annual Priorities					
Annual Priorities	Objective or Milestone	Q1	Q2	Q3	Q4
Optimizing Customer Experience	Implement targeted optimization of CS initiatives on response time, quality assurance, operational/ technology efficiencies, and communication adoption.				
Electric Transportation (ET) Program Creation	Phase 1 of program design completed, and Phase 2 scope of work created.				
Power Supply (The Energy Authority Roadmap)	Update Energy Risk Management Policy to include Phase 1 Roadmap changes. Begin work on updating Energy Risk Policy to include Phase 1 Roadmap changes, with completion in FY26.				
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.				
NBU HQ	Complete 100% design and construction drawings				
Emergency Management	Complete the general standardization of all NBU Emergency Management Plans into one core Plan, 100% completion by end of FY25				
Communication Plan	Begin Phase 1 implementation and measurement of the Enterprise Communications Plan.				
Integrated Resource Plan	Present the final Integrated Resource Plan to the Board				
Enterprise Asset Management	Finalize Strategic Asset Management Plan Update including departmental roadmaps				

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

From: Jacob Tschoepe **Reviewed by:** Mark Steelman
Program Portfolio Manager Chief Operations Officer

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 Progress Update

May 29, 2025

Recent Milestones

March

- Mobilization
- Demolition
- Interim CD Budget

April

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

May

- Relocation of FM 482 Powerlines
- Office and Warehouse Building Pad
- Completed GC and Owner Trailer Compound



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UTILITIES



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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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Next Steps

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

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Questions?



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NBU NEW BRAUNFELS
UTILITIES



Meeting Date: May 29, 2025 **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 April 24, 2025

BACKGROUND

None

FINANCIAL IMPACT

None

LINK TO STRATEGIC PLAN

Customers and Community

EXHIBITS

1. April 24, 2025 Regular Board Meeting Minutes

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

**1:00 P.M.
Thursday, April 24, 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, and Board Trustee Stuart Blythin

ABSENT

Mayor Neal Linnartz

NBU PERSONNEL

Ryan Kelso, Ragan Dickens, Greg Brown, Dawn Schriewer, Rocio Gallegos, Mark Steelman, Sheila Lavender, David Hubbard
Bob Figuly, Rachel Leier, Nancy Pappas, Reagan Pena, Adriana Sanchez, Carlos Salas, Mike Short, Jason Theurer, John Warren, Larry Aguilar, Kenneth Allen, Doug Clifton, Jessica Coleman, Andrew Cummings, Becca Graham, David Guerrero, Jr., Bruce Haby, Kimberly Huffman, Jeffrey Jones, Jesse Luna, Brent Lundmark, Jeffrey Morriss, Missy Quent, Pamela Tarbox, Gregory Thomas, Jacob Tschoepe, Peter Vanderstoep, Joe Vargas, Adam Willard

NBU CONSULTANTS

Duane Westerman (Samco); Charlie Hickman (Guadalupe Blanco River Authority)

PLEDGE AND INVOCATION

Board Trustee Stuart Blythin led the Pledge of Allegiance and offered the invocation.

NBU EMPLOYEE RECOGNITION

1. Retirement Recognition of Hector Montanez

CEO Ryan Kelso recognized Hector Montanez, who retired with almost 27 years of dedicated service to NBU.

PUBLIC COMMENT

There were no public comment requests.

ITEMS FROM THE CHAIR

1. Report from the Investment Committee

Board Vice President Judith Dykes-Hoffmann provided an update from the Investment Committee meeting that took place on April 24, 2025. Items discussed included a safety minute provided by John Warren, a market update, an update on the Series 2025 Bond issuance, and the proposed updates to the Days Cash on Hand requirements in the Financial Policy.

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

Board President Wayne Peters thanked all of the staff who worked on the successful NBU HQ groundbreaking on April 23rd. Additionally, he shared that the Mayfair community sent an invitation to the Board for their Mayfest event, which will be held on May 10th.

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: Director of Customer Solutions, Andrew Cummings; Electric Operations, Manager Coby Henk; and Water Operations Manager, Doug Clifton

NBU announced the promotions of Andrew Cummings, who will serve as the Director of Customer Solutions, Coby Henk, who will serve as the Electric Operations Manager, and Doug Clifton, who will serve as the Water Operations Manager.

b. NBU Employee Rocio G. Hilliard Invited to Participate in the University of Idaho's Energy Executive Course

Rocio G. Hilliard, NBU Chief of Staff, has been accepted to participate in the University of Iowa's Energy Executive Course this summer.

c. CEO Roadshow: Presentations at New Braunfels Lions Club and Comal County Commissioners Court

In April, CEO Ryan Kelso presented the State of NBU to the New Braunfels Lions Club and a Water Supply Diversification presentation to the Comal County Commissioners Court.

d. OneWater Events: Building in the Texas Hill Country workshop; Texas Water Conference Panel Moderator on Regional Discussion of OneWater

OneWater's Robin Gary was invited to highlight OneWater concepts, components for success, and what OneWater looks like in action at both the Building in the Texas Hill Country workshop and at a Texas Water Conference Panel's Regional Discussion of One Water.

e. Conservation and Customer Solutions Events: Agrifest Booth Hosted by Comal County Master Gardeners; Vintage Oaks Xeriscape Fair; Thru the Chute Race Participant

The NBU Conservation and Customer Solutions team hosted booths at Agrifest, hosted by the Comal County Master Gardeners.

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

*No additional items were discussed.

2. Financial Update and Report

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

3. Quarterly Strategic Goal and Annual Priorities Update

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

4. Monthly NBU Headquarters Progress Update

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

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

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

CONSENT ITEMS FOR ACTION

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

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

from Project Inception to Present; (ii) Extension of Phase 2 Construction Administration; (iii) Completion of Phase 3 Construction Documentation, Phase 3 Construction Administration, and Extension of Phase 3 Construction Administration; and (iv) Additional Services for Completion of Phase 4 Construction Documentation, Phase 4 Permitting, and Phase 4 Construction Administration

ACTION ITEMS

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

Board Vice President Judith Dykes-Hoffmann made a motion, and Board Trustee Yvette Barrera Villanueva seconded the motion to Adopt Resolution #2025-195 Relating to the Issuance of the “City of New Braunfels, Texas Utility System Revenue Refunding Bonds, Series 2025” and Resolving Other Matters Related Thereto. The vote was unanimous.

2. **Discuss and Consider Approval and Authorization to Select the Underwriting Team for the City of New Braunfels, Texas, Utility System Revenue Refunding Bonds, Series 2025**

Trustee Stuart Blythin made a motion, and Board Vice President Judith Dykes-Hoffmann seconded the motion to Approve and Authorize the Selection of the Underwriting Team for the City of New Braunfels, Texas, Utility System Revenue Refunding Bonds, Series 2025. The vote was unanimous

PRESENTATIONS

1. Presentation on Status of Gonzales Carrizo Water Supply Project

Charlie Hickman, with the Guadalupe Basin River Authority (GBRA), provided a status update on the Gonzales Carrizo Water Supply Project. The information included interim and permanent solutions to the plant design.

EXECUTIVE SESSION

Board President Wayne Peters recessed the Open Session at 2:08 pm and announced that the Board would go into an Executive Session meeting. The Executive Session included Consultation with Attorney Regarding Pending or Contemplated Litigation, Settlement Offer, and/or Matters Protected by Attorney-Client Privilege (Section 551.071 – Texas Government Code): a. Discuss Legal Matters Relating to Gonzales Carrizo Water Supply Project; Deliberation Regarding Security Devices or Security Audits (Section 551.089 – Texas Government Code): Deliberate Security Assessments or Deployments Relating to Information Resources Technology, Network Security Information, and the Deployment or Implementation of Critical Utility Infrastructure

The Executive Session was opened at 2:12 p.m. and closed at 3:26 p.m.

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

The Regular Session resumed at 3:26 p.m., and the following actions were taken relating to the Executive Session as described above.

1. Board Vice President Judith Dykes-Hoffmann made a motion, and Board Trustee Stuart Blythin seconded the motion to terminate the Treated Water Sharing Agreement effective August 19, 2024, by and between Guadalupe Blanco River Authority, New Braunfels Utilities, and City of Lockhart and direct the CEO or his designee to effectuate the termination. The vote was unanimous.

ADJOURN

There was no further business, and Board President Wayne Peters adjourned the meeting at 3:27 p.m.

Attest:

Wayne Peters, President
Approved

Ryan Kelso, Secretary of the Board
Chief Executive Officer

Date Approved: May 29, 2025



Meeting Date: May 29, 2025 **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 May 15, 2025

BACKGROUND

None

FINANCIAL IMPACT

None

LINK TO STRATEGIC PLAN

Customers and Community

EXHIBITS

1. May 15, 2025 Special Board Meeting Minutes

**MINUTES
NEW BRAUNFELS UTILITIES BOARD OF DIRECTORS
BUDGET WORKSHOP**

**9:00 AM
THURSDAY, MAY 15, 2025
NBU BOARD ROOM
263 MAIN PLAZA, NEW BRAUNFELS, TX 78130**

Board President Wayne Peters opened the meeting at 9:03 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 Villanueva Barrera, and *Mayor Neal Linnartz
*Mayor Linnartz arrived at 9:12 am.

ABSENT

None

NBU PERSONNEL

Ryan Kelso, Ragan Dickens, Greg Brown, Dawn Schriewer, Connie Lock, Rocio G. Hilliard, Mark Steelman, David Hubbard
Bob Figuly, Justin Green, Rachel Leier, Nancy Pappas, Adriana Sanchez, Carlos Salas, Michael Short, John Warren, Julia Haynes, Kenneth Allen, Jessica Coleman, Andrew Cummings, Becca Graham, Jessica Green, Bruce Haby, Kimberly Huffman, Brent Lundmark, Jeffrey Morriss, Beth Perez, Missy Quent, Billy Shearer, Pamela Tarbox, Gregory Thomas, Jacob Tschoepe, Peter Vanderstoep, Joe Vargas, Kristi Villasana, Adam Willard, Robert Aleman, Jenna Mathis

NBU CONSULTANTS

Kimberly Britton (Britton Strategies), Angie Flores (Raftelis), Lundyn Harrelson (Raftelis), Justin Meadows (Community Advisory Panel Chair)

ITEMS FROM THE CHAIR

1. Report from the Budget Committee

Board Vice President Judith Dykes Hoffmann reported that the NBU Budget Committee met on May 7, 2025. Present at the meeting were Wayne Peters, Dr. Judith Dykes-Hoffmann, Ryan Kelso, Dawn Schriewer, David Hubbard, Rocio G. Hilliard, Mike Short, Reagan Pena, Andrew Cummings, John Warren, Justin Green, Jason Theurer, Kimberly Huffman, Jessica Coleman, Jacob Tschoepe, Adam Willard, Gregory Thomas and Robert Anderson. Topics presented and discussed were the Strategic Plan and FY26 and FY27 Annual Priorities, FY26 and FY27 financial operating plan including assumptions layered into the plan; budget results and financial ratios for policy compliance; revenue requirements about the upcoming two-year rate plan; the capital plan and project highlights; and debt funding needed to fund the plan, operating expenses and personnel budget, funding sources, the Community Advisory Panel (CAP), two-year rate plan, and

bill comparisons. The committee encourages other Board members to actively participate and ask questions for clarification during this Budget Workshop.

PRESENTATION AND DISCUSSION ITEMS

1. Presentation and Discussion of NBU Draft Fiscal Year 2026 Budget, Five-Year Operating Plan, Any Proposed Changes to NBU's Water Supply Fee, and Customer Bill Impact

Ryan Kelso began the presentation with an overview of NBU's Strategic Goals, Annual Priorities, and Growth and Assumptions, followed by a review of the Capital Plan, which included historical and projected capital expenditures for electric, water, wastewater, and facilities projects.

Dawn Schriewer presented information on the FY26/FY27 Operating expenses (personnel and key initiative expenses), funding sources, revenue requirements, and the water supply fee as currently defined, and the proposed two-year rate plan for the water supply fee.

Ryan Kelso finished the presentation with a bill comparison of information with NBU and surrounding utility companies and the 20-year financial forecast.

The Board recessed for a brief break at 10:15 am and reconvened at 10:25 am.

2. Presentation of Fiscal Year 2026 – 2027 Electric, Water, and Wastewater Rate Study Results and NBU Financial Operating Plan Objectives, Review of the Fiscal Year 2026 – 2027 Electric, Water, and Wastewater Study Community Advisory Panel (CAP) Pricing Objectives

Angie Flores and Lundyn Harrelson, with Raftelis, presented information on a Rate Review Study on behalf of the NBU Community Advisory Panel (CAP).

Highlights from the Rate Study report included:

- Information on how to develop a Rate Plan: Revenue Requirements, Financial planning (Financial forecasting, Capital financing, and Financial policies)
- Total Revenue Requirement Adjustments
- Electric, Water, and Wastewater Forecasts at Proposed Revenue Requirement Adjustments and Rates

3. Review of CAP Feedback on the Proposed Fiscal Year 2026 – 2027 Electric, Water, and Wastewater Rate Study

Kimberly Britton, with Britton Strategies, presented on the CAP's final report and response to the NBU Rate Study.

Highlights from the CAP's response to the rate study include:

- The proposed rate plan effectively balances reliability and affordability for electric, water, and wastewater services.
- Growth projections provided are considered reasonable, and the CAP encourages NBU to continue investing in capital projects to manage growth and aging infrastructure.
- Support the use of impact fees to offset the cost of growth; recommend incentivizing infill development with reduced impact fees where infrastructure already exists or can be upgraded.
- Implementation of rate increases equally across the board while funding NBU's Utility Bill Assistance Program proportionally.

Additionally, CAP Chair Justin Meadows addressed the Board and was gracious about the opportunity for the community to provide feedback and the information provided to the CAP.

ADJOURN

There was no further business, and Board President Wayne Peters adjourned the Board Budget Workshop at 11:08 am.

Attest:

Wayne Peters, President
Approved

Ryan Kelso, Secretary of the Board
Chief Executive Officer

Date Approved: May 29, 2025



Meeting Date: May 29, 2025

Agenda Type: Consent Items for Action

From: Jesse Luna
Purchasing Manager

Reviewed by: David Hubbard
Chief Administrative Officer

Submitted by: David Hubbard
Chief Administrative Officer

Approved by: Ryan Kelso
Chief Executive Officer

RECOMMENDED ACTION: Approve the Change Order Log from March 15, 2025, through April 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 March 15, 2025, through April 15, 2025.

FINANCIAL IMPACT

Change orders less than \$50,000.00:

- Conrads Elevated Storage Tank (Goodwin), Water Line Tie In, Landmark Structures, I, L.P., Change order No. 1, Cost increase of \$9,409.00.
- North Kuehler Interceptor Odor Control Facility, Landscaping and Supervisory Control and Data Acquisition (SCADA) mods, MGC Contractors, Inc., Change order No. 3, Cost increase of \$28,034.68.
- Landa & Elm Street Water Line Improvements, Transition fittings for tie in, added asphalt repair, mill and overlay - TxDOT, Knights of Columbus service line deduct, additional concrete island and curb repair, E-Z Bel Construction, LLC, Change order No. 2, Cost increase of \$39,395.60.
- Kuehler Water Reclamation Facility Rehabilitation - Clarifier Replacement, Owner's - change circuit breaker, South Kuehler grit pump change out, MGC Contractors, Inc., Change order No. 3, No cost increase.
- Sewer Infrastructure Replacement Package 2, Additional manhole, Pesado Construction Company, Change order No. 1, Cost increase of \$8,300.00.

- Landa Pump Station Phase 2 / Well 5, Deduct Change Order for unused diesel allowance for temp pumps and striping, MGC Contractors, Inc., Change order No. 10, Cost decrease of \$78,206.00.
- Solms Force Main Emergency Project, Deduct for unused crushed granite and CCTV of Force Main, Pesado Construction Company, Change order No. 1, Cost decrease of \$10,725.00.
- Kuehler Water Reclamation Facility Rehabilitation - Clarifier Replacement, Owner's - repair deteriorated concrete in chlorine mixing basin 2 and reroute existing chlorine line, MGC Contractors, Inc., Change order No. 4, No cost increase.

Change orders more than \$50,000.00:

- Union Avenue Water Replacement, Water service/main changes, and deduct for 6" pipe w/excavation and backfill at Lincoln, E-Z Bel Construction, LLC, Change order No. 2, Costs increase of \$50,187.96,

LINK TO STRATEGIC PLAN

Customers and Community

People and Culture

Stewardship

EXHIBITS

None

Agenda Type: Consent Items for Action

Reviewed by: David Hubbard
Chief Administrative Officer

Approved by: Ryan Kelso
Chief Executive Officer

BACKGROUND

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.

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FINANCIAL IMPACT

The financial impact of the contracts approved during the period between March 15, 2025, and April 15, 2025, is \$48,400.00.

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



Meeting Date: May 29, 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 March 15, 2025, through April 15, 2025

BACKGROUND

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

Listed below are the procurements, in excess of \$250,000.00, submitted to the Purchasing Manager for the period of March 15, 2025, through April 15, 2025, using the electric line of business alternative procurement process.

FINANCIAL IMPACT

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

- None reported during this period.

LINK TO STRATEGIC PLAN

Infrastructure and Technology

Stewardship

EXHIBITS

None

Agenda Type: Items from Staff

Approved by: Ryan Kelso
Chief Executive Officer

LINK TO STRATEGIC PLAN

Financial Excellence

EXHIBITS

1. Engagement Letter with Baker Tilly US, LLP

Agenda Type: Consent Items for Action

Reviewed by: Justin Green
Director of Electric Services and Compliance

Approved by: Ryan Kelso
Chief Executive Officer

RECOMMENDED ACTION: Authorize the CEO or His Designee to Negotiate and Execute a First Amendment to the Professional Services Agreement with Schneider Engineering, LLC for Substation and Transmission Engineering Services

BACKGROUND

On August 31, 2023, New Braunfels Utilities (“NBU”) Board of Trustees approved a Professional Services Agreement (the “Agreement”) with Schneider Engineering, LLC (“Schneider Engineering”) for Substation and Transmission Engineering Services including engineering coordination, engineering design, plans and drawings, materials procurement support, construction coordination, construction bidding support, and construction contracting support services (the “Services”).

The key components of the Agreement include engineering services for (i) three (3) feeder breaker additions and upgrades at the Comal and Freiheit Substations, (ii) construction of the new Hueco Springs Substation, (iii) upgrades and additions to the feeder breaker bays and a new control house at the Freiheit Substation, (iv) one (1) power transformer replacement and feeder breaker addition at the Comal Substation, (v) construction of the new Kohlenberg Substation, (vi) transmission bus reconfiguration and five (5) breaker upgrades at the Henne Substation, (vii) replacement of legacy feeder breakers and reconfiguration of the feeder breaker bays at the Hortontown Substation, (viii) one (1) power transformer replacement at the GPI Substation, (ix) replacement of aging substation and transmission infrastructure, and (x) improvements to NBU's transmission rights of way and wildlife protection upgrades (the "Projects").

When the Agreement was originally executed, the scope, schedule, and cost for the Projects only accounted for work proposed within NBU's Fiscal Year 2024. While many of the Services were completed during that timeframe, some remain outstanding. The additions to the scope, schedule, and cost outlined below were not intended to be completed within a single fiscal year. NBU staff seeks approval to amend the Agreement to include all remaining Services necessary to complete the remainder of the Projects.

NBU staff requests that the Board of Trustees approve the First Amendment to the Professional Services Agreement (“First Amendment”), which includes additional engineering services that expand the scope originally contemplated to be completed in NBU’s Fiscal Year 2024 through completion of (i) the new Hueco Springs Substation, (ii) upgrades and additions to the feeder breaker bays and a new control house at the Freiheit Substation, (iii) construction of the new Kohlenberg Substation, (iv) transmission bus reconfiguration and five (5) breaker upgrades at the Henne Substation, (v) additional compensation for the new services, (vi) an extension of the time to complete the services under the Agreement, and (vii) an allowance for supplemental services that may be used to cover unforeseen expenses discovered while the Projects are underway. These requests require additional services by Schneider Engineering and are beyond the original scope of the Agreement.

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

FINANCIAL IMPACT

The total amount for the First Amendment is \$999,091.00, which includes \$130,316.00 in allowance for supplemental services. The total contract amount for the Agreement and the First Amendment with Schneider Engineering for the Project is \$1,911,091.00. The Projects are budgeted within the Fiscal Year 2023 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 Schneider Engineering



Meeting Date: May 29, 2025

Agenda Type: Consent Items for Action

From: Brent Lundmark
Water Treatment and
Compliance Manager

Reviewed by: Jason Theurer
Director of Water Services 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 CB Solutions, LP for Inspection, Maintenance, Repair, and Replacement of Water and Wastewater Magnetic Meters

BACKGROUND

On July 29, 2024, New Braunfels Utilities (“NBU”) issued a request for proposals (“RFP”) in three parts to award to one or more respondents for various flowmeter services. The services defined in Part A were related to calibration and testing of water and wastewater facility meters. The services defined in Part B were related to magnetic meter repair and replacement services for water and wastewater facility meters, and the services defined in Part C were related to open channel meter repair and replacement services for water and wastewater meters.

On September 2, 2024, NBU received three (3) bids during the public solicitation process. A copy of the bid tabulation is included as an Exhibit below. NBU staff evaluated the responses and determined CB Solutions, LP to be the most advantageous to NBU for Part B, considering the relative importance of price and the other evaluation factors included in the request for proposals. NBU staff recommends the selection of CB Solutions, LP, for the inspection, maintenance, repair, and replacement of water and wastewater magnetic meters.

NBU staff requests the Board of Trustees to approve the professional services agreement with CB Solutions, 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 CB Solutions, LP is \$750,000.00 with a not to exceed amount of \$150,000.00 for the initial contract term and \$150,000.00 for each of the additional one-year terms. The Agreement is budgeted with the Water Treatment and Compliance Operations and

Maintenance Budget (“O&M Budget”) for Fiscal Year 2025 and will be budgeted in the O&M Budgets of Fiscal Year 2026 through Fiscal Year 2030.

LINK TO STRATEGIC PLAN

Customers and Community

Stewardship

EXHIBITS

1. Services and Goods Agreement with CB Solutions, LP
2. Summary of Recommendation



Meeting Date: May 29, 2025

Agenda Type: Consent Items for Action

From: Gregory Thomas, P.E.
Chief Engineer of Electric
Services

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

Submitted by: Mark Steelman
Chief Operations Officer

Approved by: Ryan Kelso
Chief Executive Officer

RECOMMENDED ACTION: Authorize the CEO or His Designee to Negotiate and Execute a Professional Services Agreement with Schneider Engineering, LLC, DBA SEnergy for Distribution System Planning

BACKGROUND

This Professional Services Agreement (the “Agreement”) with Schneider Engineering, LLC DBA SEnergy (“SEnergy”) provides distribution system planning for the New Braunfels Utilities (“NBU”). The distribution system planning includes five (5) individual service projects (the “Projects”): (i) Five-Year Electric System Plan, (ii) Distributed Energy Resources (DER) Hosting Capacity Study, (iii) Overhead & Underground Construction Specifications, (iv) Inventoried Material Written Specification Revisions & Updates, and (v) Surge Arrester Recommendation. Projects #1, #2, and #4 are multi-year services over a period of five (5) years. Projects #3 and #5 are one-time services.

Upon completion of the Projects, NBU will be additionally prepared for continued build-out of its certificated electric system.

NBU staff requests that the Board of Trustees approve the Agreement with SEnergy for the Projects.

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

FINANCIAL IMPACT

The total financial impact for the Agreement with SEnergy for the Projects is a not to exceed amount of \$840,300.00 for the full five (5) year term of the Agreement. The Projects are budgeted within the Fiscal Year 2025 Operations and Maintenance Budget (“O&M Budget”) and will be budgeted within the Fiscal Year 2026 through Fiscal Year 2029 NBU Board approved O&M Budget.

LINK TO STRATEGIC PLAN

Infrastructure and Technology

EXHIBITS

1. Professional Services Agreement with SEnergy



Meeting Date: May 29, 2025 **Agenda Type:** Consent Items for Action

From: Gregory Thomas, P.E. **Reviewed by:** Michael Short, P.E.
Chief Engineer of Electric Director of Engineering
Services

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

RECOMMENDED ACTION: Authorize the CEO or His Designee to Negotiate and Execute a Professional Services Agreement with M&S Engineering, LLC for Distribution Engineering

BACKGROUND

This Professional Services Agreement (the “Agreement”) with M&S Engineering, LLC (“M&S”) provides distribution engineering design services for New Braunfels Utilities (“NBU”). The distribution engineering includes eighteen (18) individual service projects (the “Projects”): (i) Smithson Valley Pole Inspections, Phase 2, (ii) Gatehouse Subdivision Master Plan, (iii) FM 482 Feeder Exits and Extensions, (iv) Avenues at Creekside Rear-Lot Underground Distribution (“UD”) Conversion, (v) City of New Braunfels (“CONB”) Common Street Widening - Pole Adjustments, (vi) Copper Ridge to FM 3009 Overhead (“OH”) Extension, (vii) NBU Fiber Optic Extension, Henne Substation to Kohlenberg, (viii) FM 1102 York Creek Three-Phase Upgrade and Extension, (ix) Hunter Road and Orion Drive Three-Phase Upgrade and Extension, (x) Kohlenberg Substation Feeder Exits, (xi) Kohlenberg Subdivision Master Plan (Legacy at Lake Dunlap), (xii) Mayfair Sector 4 Master Plan, (xiii) CONB Mill Street and Market Street UD Conversion, (xiv) Parkside Subdivision Master Plan, (xv) Metes and Bounds Multiple Properties, (xvi) Walnut Estates Rear-Lot OH to Front-Lot UD Conversion, (xvii) Watson Lane East Road Widening, and (xviii) Reneau-Holtman Subdivision Master Plan.

Upon completion of the Projects, NBU will have the ability to continue replacing aging infrastructure, extending fiber optic to its electric substations, adjusting infrastructure to accommodate for civic projects, upgrading existing facilities in following with the CIP plan, converting existing overhead to underground in three locations, and extending service to and within five additional master planned communities.

NBU staff requests that the Board of Trustees approve the Agreement with M&S for the Projects.

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

FINANCIAL IMPACT

The total financial impact for the Agreement with M&S for the Projects is a not to exceed amount of \$4,271,545.00. The Projects are budgeted within the Fiscal Year 2025 through Fiscal Year 2028 NBU Board approved Capital Improvements Project Budget.

LINK TO STRATEGIC PLAN

Infrastructure and Technology**EXHIBITS**

1. Professional Services Agreement with M&S



Meeting Date: May 29, 2025

Agenda Type: Consent Items for Action

From: Jill Barney
Project Manager

Reviewed by: Jacob Tschoepe
Program Portfolio Manager

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 an AIA Document A133—Guaranteed Maximum Price Amendment No. 5 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 Pre-Engineered Metal Buildings, Foundations, Exterior Framing, and Vehicle Bridge

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. On March 27, 2025, the NBU Board approved the execution of the Agreement to include Guaranteed Maximum Price #4 (“GMP #4”) for procurement, fabrication, and erection of the early-release structural steel package (the “Fourth Amendment”) totaling \$6,527,752.00.

NBU staff has secured additional pricing for Guaranteed Maximum Price #5 (“GMP #5”), for the procurement, fabrication, erection, and installation of the Pre-Engineered Metal Buildings, Structural Foundations, Exterior Framing and Sheathing, and Vehicle Bridge. The total cost impact of GMP #5 is \$18,150,312.00.

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 #5 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 #5 is \$18,150,312.00. This is being budgeted within the Fiscal Year 2025 through Fiscal Year 2027 Capital Improvements Projects 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 #5 Amendment
3. A133 Exhibit C Cost Estimate and Clarifications



Meeting Date: May 29, 2025

Agenda Type: Consent Items for Action

From: Peter Vanderstoep
Data Strategy Manager

Reviewed by: Carlos Salas
Director of Technology

Submitted by: Greg Brown
Chief Technology Officer

Approved by: Ryan Kelso
Chief Executive Officer

RECOMMENDED ACTION: Authorize the CEO or His Designee to Negotiate and Execute a Cooperative Agreement with SHI Government Solutions, Inc. for Microsoft Enterprise Agreement Licensing to Maintain and Upgrade Critical Software Usage

BACKGROUND

On December 14, 2023, New Braunfels Utilities (“NBU”) executed a Cooperative Contract with SHI Government Solutions, Inc. (“SHI”). The contract enables NBU to utilize Microsoft’s suite of products on all desktops, laptops, and servers. The software is critical in nature for daily taskings, tracking, and communication across the entire company.

The DIR CPO-5237 contract with SHI provides access to licensing required to enable the Office 365 suite of products, as well as additional operating software required to maintain and support current and future technologies required by our operational areas.

NBU’s selection of SHI to enter into this contract through the Texas Department of Information Resources DIR CPO-5237 satisfies the bidding requirements under Texas law.

NBU staff request that the Board of Trustees approve the contract with SHI for additional licenses, software, and upgraded functionality.

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

FINANCIAL IMPACT

The total amount of the contract amendment is not to exceed \$744,391.76 over a three (3) year period. This includes \$53,356.40 for software licensing and support in year one (1), \$545,746.56 in year two (2), and \$145,288.80 in year three (3). This item is budgeted under our FY25-FY27 Operation and Maintenance Budget.

LINK TO STRATEGIC PLAN

Infrastructure and Technology

EXHIBITS

1. DIR-CPO-5237 SHI Contract
2. DIR-CPO-TMP-570 RFO
3. Microsoft Amendment to Contract
4. NBU's Additional Terms and Conditions
5. SHI Quote



Meeting Date: May 29, 2025

Agenda Type: Action Items

From: Jessica Coleman
Finance & Risk Manager

Reviewed by: John Warren
Director of Finance

Submitted by: Dawn Schriewer
Chief Financial Officer

Approved by: Ryan Kelso
Chief Executive Officer

RECOMMENDED ACTION: Discuss and Consider Receiving the Electric, Water, and Wastewater Utility Revenues, Revenue Requirements, and Rates Report, Including Community Advisory Panel Feedback from Raftelis Financial Consultants, Inc. and Britton Strategies LLC

BACKGROUND

In April of 2023, the New Braunfels Utilities (“NBU”) Board of Trustees directed staff to assemble a Community Advisory Panel (“CAP”) tasked with reviewing and providing feedback on certain NBU projects, including a Fiscal Year 2026-2027 Rate Study. On August 31, 2023, the Board approved Resolution #2023-176 establishing the CAP. On October 26, 2023, the Board approved the CAP Bylaws, and appointed thirteen (13) CAP members. On January, 25, 2024, the Board approved a Professional Services Agreement with Britton Strategies LLC to provide facilitation services for all CAP related meetings, and leadership strategic planning consultations. On June 27, 2024, the Board approved a Professional Services Agreement with Raftelis Financial Consultants, Inc. to conduct a water, wastewater, and electric rate study and to provide related community education.

The CAP has held four (4) public meetings related to the Fiscal Year 2026-2027 Rate Plan. During those meetings, the CAP discussed topics including (i) Identify Financial and Pricing Objectives; (ii) Identify Revenue Requirements and Growth Projections; (iii) Develop Rate Projections and Possible Rate Design Changes; and (iv) Assess Effectiveness in Addressing Financial and Pricing Objectives.

Additionally, CAP members provided feedback to NBU staff and consultants based on Electric Pricing Objectives to include (i) Rate & Revenue Stability; (ii) Financial Sufficiency; (iii) Minimal Customer Impacts; (iv) Renewables; (v) Rate Structure Transparency; and (vi) Ease of Customer Understanding. The CAP Water Pricing Objectives included (i) Essential Use Affordability; (ii) Revenue Stability; (iii) Conservation Pricing Signals; (iv) Ease of Customer Understanding; and (v) Ease of Administration.

Staff worked vigorously to finalize the Fiscal Year 2026 Budget and Financial Operating Plan in order to incorporate the results of the rate study and CAP processes. The ultimate deliverable for Raftelis is a report on the findings of the rate study, which is attached as Exhibit 1. Britton Strategies developed a report from the CAP, including their feedback and response to the NBU Rate Study, which is attached as Exhibit 2.

NBU staff requests that the Board of Trustees accept the reports as presented.

FINANCIAL IMPACT

None

LINK TO STRATEGIC PLAN

Customers and Community

Financial Excellence

EXHIBITS

1. Electric, Water and Wastewater Utility Rate Study – Final Report Prepared by Raftelis Financial Consultants, Inc.
2. CAP Final Report and Response to the NBU Rate Study

Rate Study Process and the CAP

- In November 2024, the Community Advisory Panel (CAP) – a 13-member, special advisory group to the NBU Board of Trustees – embarked on the second of three major NBU initiatives for calendar years 2024 and 2025 – the NBU Rate Study.
- Throughout the process, members were regularly briefed by NBU staff and subject matter experts from Raftelis, the utility’s rate study consultant.
- The CAP’s overarching priorities of Affordability and Reliability were kept at the forefront as members set their pricing objectives for the process.
- At the Board’s request, the CAP also provided targeted feedback on key topics.



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Rate Study Process and the CAP

- As the study progressed, panel members reviewed its findings and offered input through both virtual small-group sessions and larger, full-panel meetings.
- Their feedback directly informed the development of the CAP's Final Report and Response to the NBU Rate Study.



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Meeting Date:	<u>May 29, 2025</u>	Agenda Type:	<u>Action Items</u>
From:	<u>Kimberly Huffman</u> Accounting Manager	Reviewed by:	<u>John Warren</u> Director of Finance
Submitted by:	<u>Dawn Schriewer</u> Chief Financial Officer	Approved by:	<u>Ryan Kelso</u> Chief Executive Officer

RECOMMENDED ACTION: Discuss and Consider Approval of the Fiscal Year 2026 Budget and Five-Year Operating Plan

BACKGROUND

NBU's Proposed Budget and Financial Operating Plan ("FOP") for Fiscal Years 2026-2030 was presented at the Budget Workshop that was held on May 15, 2025. The proposed Budget and FOP has not been modified from the material that was presented at the Budget Workshop. The Fiscal Year 2026 Budget and FOP include the following assumptions: incorporates a growth model that averages out to a 5.1% growth rate for the combined lines of businesses across the five (5) years; sewerage development fee for the Mayfair developer project; the addition of 28 new positions for Fiscal Year 2026, 33 new positions for Fiscal Year 2027, and 18 new positions for Fiscal Years 2028-2030; a 5% average merit increase; and an inflation factor for personnel and non-personnel expenses for all years of the plan due to rising costs. Additionally, the plan includes filling the Power Stabilization Fund to a target balance of \$95.0 Million by Fiscal Year 2028. The five-year budget plan includes \$142.0 Million in impact fee revenues, \$23.6 Million in capital contributions, and inclusion of the Main Office Plaza sale proceeds in fiscal years 2026-2028.

FINANCIAL IMPACT

For Fiscal Year 2026, Net Revenues Available for Capital Expenditures are projected to be \$23.1 Million, which is a \$15.0 Million decrease from the FY25 budget of \$38.1 Million. Projected capital expenditures for fiscal year 2026 are estimated to be \$283.9 Million, which is a \$62.5 Million increase from the Fiscal Year 2025 budget. This is mostly due to shifting out major capital projects in water, wastewater, and support projects. Overall, the \$283.9 Million funding requirement due to the items above will be provided as follows:

- Utilization of NBU's Commercial Paper Program of \$75.0 Million
- New Bond Issuance of \$140.1 Million
- Impact fees of \$23.5 Million
- Contribution in Aid of Construction and Grants of \$4.1 Million
- Texas Water Development Board Funding of \$19.0 Million

- Revenue and excess funds of \$23.1 Million

The five-year Fiscal Year 2026 FOP incorporates the following preliminary service revenue requirements:

- Electric revenue requirements of 4.7% effective August 1, 2025. Requirements of 3.2% effective August 1, 2026, 1.2% effective August 1, 2027, 1.6% effective August 1, 2028, and 1.3% effective August 1, 2029. Electric rate increase are only applied to the delivery charge and electric services availability charge.
- Water revenue requirements of 9.9% effective August 1, 2025, and each year after for the remainder of the plan (fiscal years 2027-2030).
- Wastewater revenue requirements of 7.7% effective August 1, 2025, and each year after for the remainder of the plan (fiscal years 2027-2030).

Over the projected five (5) Fiscal Years, capital expenditures are estimated to total \$1,097.9 Million, while total borrowings are estimated to be \$711.5 Million. NBU's projected Debt Service Coverage ratio in the last year of the FOP (FY30) is estimated to be 2.62x. NBU's Debt-to-Capitalization ratio is estimated to increase from 54.33% (FY 2029 of FY 2025-2029 FOP) to 54.63% (FY 2030 of FY 2026-2030 FOP) in the last year of the plan.

- The Fiscal Year 2026 Budget and FOP advances NBU's goal of maintaining a capital plan that will proactively meet the demands of growth in the New Braunfels area. The budget plan focuses on information technology infrastructure such as enhancing our customer information system and a new Enterprise Resource Planning (ERP) system that will create further efficiencies. The projections reflect NBU's continued commitment to be fiscally responsible and control costs, and demonstrates investments to meet the needs and expectations of the community and our customers. If approved, the FOP would be effective for fiscal year 2026, beginning on August 1, 2025.

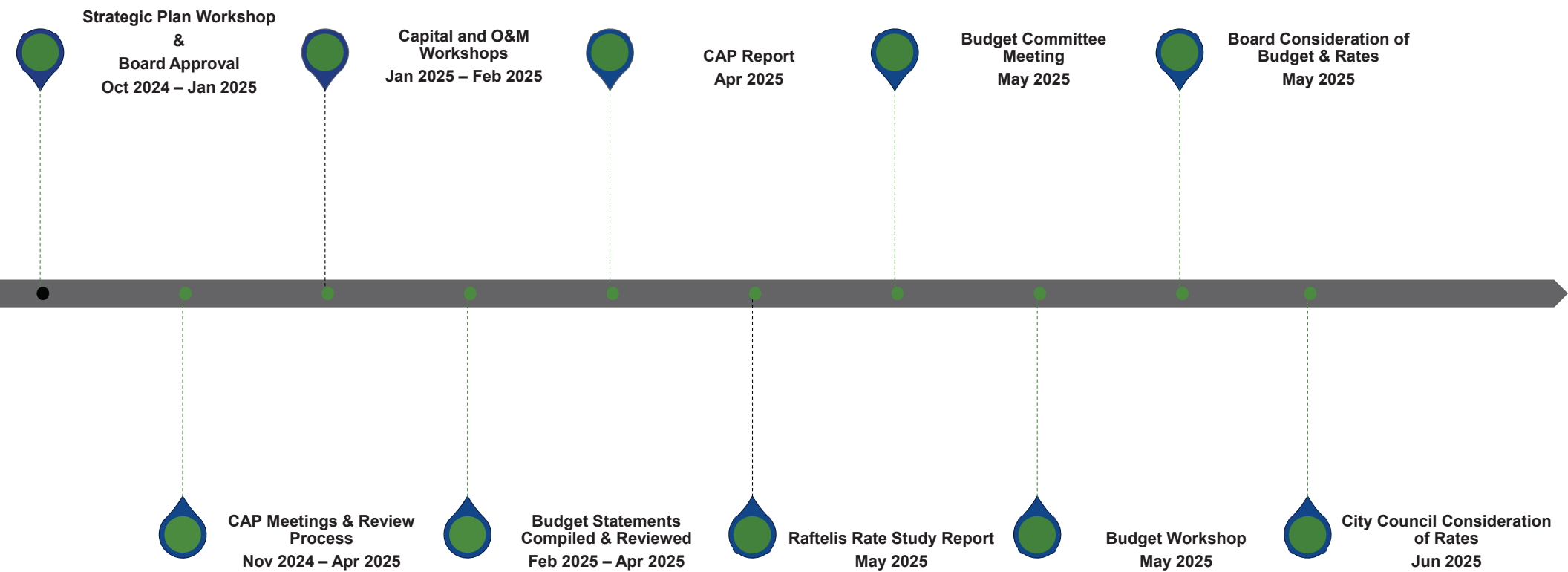
LINK TO STRATEGIC PLAN

Financial Excellence

EXHIBITS

None

FY26/27 Budget & Rate Process Milestones





Meeting Date: May 29, 2025

Agenda Type: Action Items

From: Jessica Coleman
Finance and Risk Manager

Reviewed by: John Warren
Director of Finance

Submitted by: Dawn Schriewer
Chief Financial Officer

Approved by: Ryan Kelso
Chief Executive Officer

RECOMMENDED ACTION: Discuss and Consider Adopting Resolution #2025-196 by the Board of Trustees of New Braunfels Utilities Approving Proposed Amendments to Chapter 130, Article III, Sections 130-56, 130-57, and 130-58 of the Code of Ordinances of the City of New Braunfels (i) Adjusting Electric Rates and Charges for Fiscal Year 2026; (ii) Providing for Adjustments of Electric Rates and Charges for Fiscal Year 2027; (iii) Resolving Other Matters Incident and Related Thereto; and (iv) Authorizing Presentation of Same to the City Council of New Braunfels for Its Consideration and Passage

BACKGROUND

In April of 2023, the New Braunfels Utilities (“NBU”) Board of Trustees directed staff to assemble a Community Advisory Panel (“CAP”) tasked with reviewing and providing feedback on certain NBU projects, including a Fiscal Year 2026-2027 Rate Study. On August 31, 2023, the Board approved Resolution #2023-176 establishing the CAP. On October 26, 2023, the Board approved the CAP Bylaws and appointed thirteen (13) CAP members. On June 27, 2024, the Board approved a Professional Services Agreement with Raftelis Financial Consultants, Inc. to conduct a water, wastewater, and electric rate study and to provide related community education.

The revenue requirements for the Electric Line of Business that are identified in the Fiscal Year 2026 Budget and Five-Year Financial Operating Plan are driven primarily from the need to build and maintain infrastructure to meet regulatory requirements.

NBU’s twenty-year electric infrastructure strategies are identified in NBU’s Master Plan. The proposed rates will provide the revenue needed to make these investments. The proposed electric rate design includes an annual impact to an average residential customer’s total electric bill of approximately 4.7% in Fiscal Year 2026 and 3.2% in Fiscal Year 2027.

NBU is scheduled to present the first reading of the electric rate ordinance revisions to the New Braunfels City Council on June 16, 2025, and the second reading on June 23, 2025.

FINANCIAL IMPACT

The new rates will meet the electric revenue requirement of \$211,934,297 for Fiscal Year 2026 and \$235,594,413 for Fiscal Year 2027.

LINK TO STRATEGIC PLAN

Financial Excellence

Stewardship

EXHIBITS

1. Electric Rate Resolution #2025-196
2. Electric Rate Muni-Code Redlined

FY 2026/2027 Electric Rate Design

Proposed Electric Residential Rate Increase

Budgeted Fiscal Year	Rate Increase
FY 2026	4.7%
FY 2027	3.2%

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Electric Rates

Residential

Customer Charge, per month	Existing	Proposed (FY 2026)	Proposed (FY 2027)
Electric Service Availability Charge, per month	\$20.00	\$22.80	\$24.97
Delivery Charge, per kWh	\$0.02646	\$0.03016	\$0.03303



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Electric – Residential Customer Bill Impact

Residential

kWh	Charges	FY 2025	FY 2026	FY 2027
1200	Availability & Delivery	\$51.75	\$59.00	\$64.60
	Cost recovery*	87.24	87.24	87.24
	Total Bill	\$138.99	\$146.24	\$151.84

*Cost recovery subject to change as purchased power costs change



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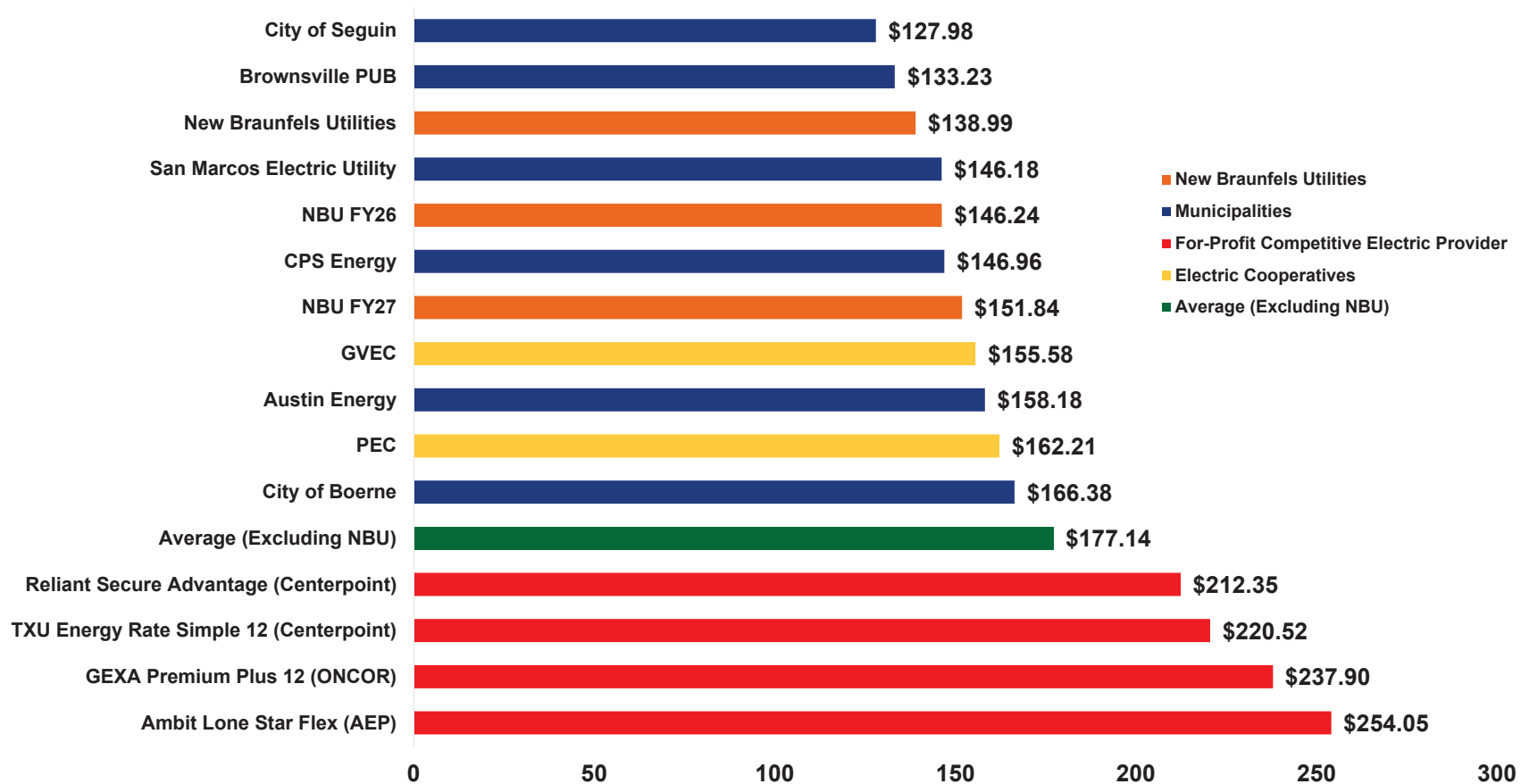
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May 2025 Residential Electric Bill Comparison – 1200 kWh



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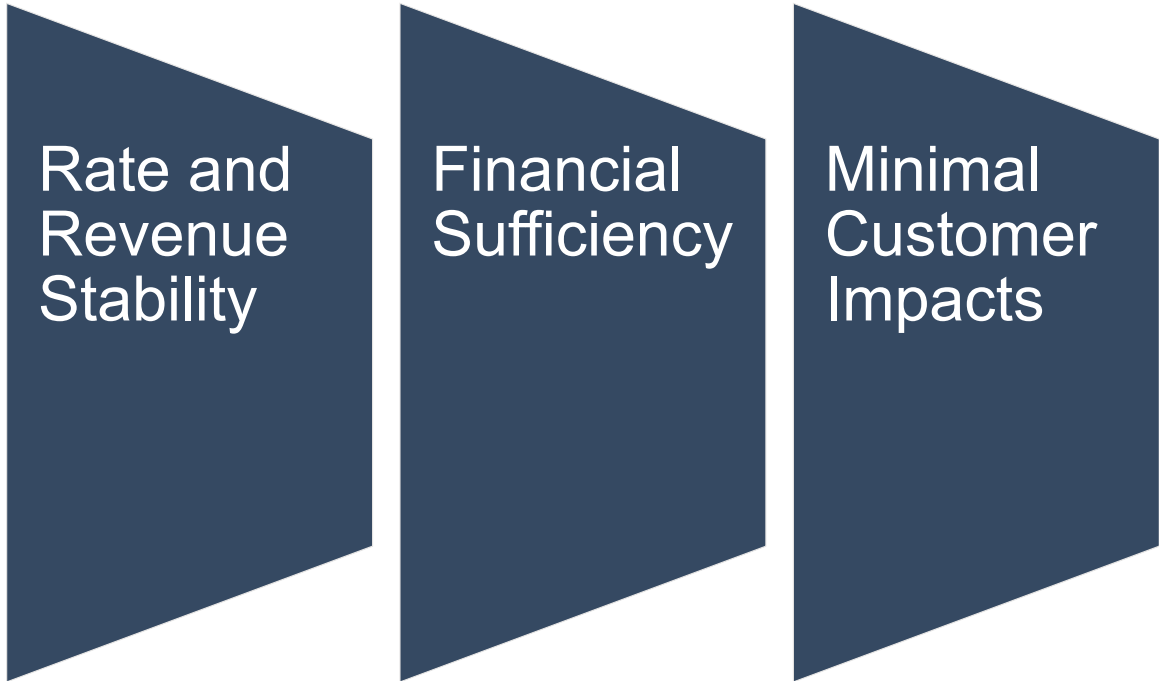
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Electric – Fidelity to CAP Pricing Objectives





Meeting Date: May 29, 2025

Agenda Type: Action Items

From: Jessica Coleman
Finance and Risk Manager

Reviewed by: John Warren
Director of Finance

Submitted by: Dawn Schriewer
Chief Financial Officer

Approved by: Ryan Kelso
Chief Executive Officer

RECOMMENDED ACTION: Discuss and Consider Adopting Resolution #2025-197 by the Board of Trustees of New Braunfels Utilities Approving Proposed Amendments to Chapter 130, Article IV, Section 130-167 of the Code of Ordinances of the City of New Braunfels (i) Adjusting Water Rates and Charges for Fiscal Year 2026; (ii) Providing for Adjustments of Water Rates and Charges for Fiscal Year 2027; (iii) Resolving Other Matters Incident and Related Thereto; and (iv) Authorizing Presentation of Same to the City Council of New Braunfels for Its Consideration and Passage

BACKGROUND

In April of 2023, the New Braunfels Utilities (“NBU”) Board of Trustees directed staff to assemble a Community Advisory Panel (“CAP”) tasked with reviewing and providing feedback on certain NBU projects, including a Fiscal Year 2026-2027 Rate Study. On August 31, 2023, the Board approved Resolution #2023-176 establishing the CAP. On October 26, 2023, the Board approved the CAP Bylaws and appointed thirteen (13) CAP members. On June 27, 2024, the Board approved a Professional Services Agreement with Raftelis Financial Consultants, Inc. to conduct a water, wastewater, and electric rate study and to provide related community education.

The revenue requirements for the Water Line of Business that are identified in the Fiscal Year 2026 Budget and Five-Year Financial Operating Plan are driven primarily from the need to acquire water supply and build infrastructure to keep up with growth and meet regulatory requirements.

NBU’s twenty-year water infrastructure and water supply strategies are identified in NBU’s Water/Wastewater Master Plan and Water Resources Plan, respectively. The proposed rates will provide the revenue needed to make these investments while placing the majority of costs for water on high volume water users. Throughout the process of designing rates, NBU was careful to protect those customers who only use water for domestic purposes, including drinking, bathing, and preparing food.

The proposed water rate design includes an adjustment of water rates for an average system revenue increase of 9.9% for Fiscal Year 2026 and Fiscal Year 2027.

NBU is scheduled to present the first reading of the water rate ordinance revisions to the New Braunfels City Council on June 16, 2025, and the second reading on June 23, 2025.

FINANCIAL IMPACT

The new rates will meet the water revenue requirement of \$50,194,878 for Fiscal Year 2026 and \$56,198,755 for Fiscal Year 2027.

LINK TO STRATEGIC PLAN

Financial Excellence

EXHIBITS

1. Water Rate Resolution #2025-197
2. Water Rate Redlined

FY 2026/2027 Water Rate Design

Proposed Water Rate Increase

Budgeted Fiscal Year	Rate Increase
FY 2026	9.9%
FY 2027	9.9%

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Water – Residential Customer Bill Impact (5/8”)

Usage (gallons)	FY 2025	FY 2026	FY 2027
3,000	\$22.50	\$24.73	\$27.18
6,000	\$38.10	\$41.87	\$46.02
15,000	\$139.41	\$156.88	\$175.11
30,000	\$350.76	\$395.27	\$441.59

Monthly Average Usage – 4,905 gallons

35% of customers use less than 3,000 gallons on average

74% of customers use less than 6,000 gallons on average



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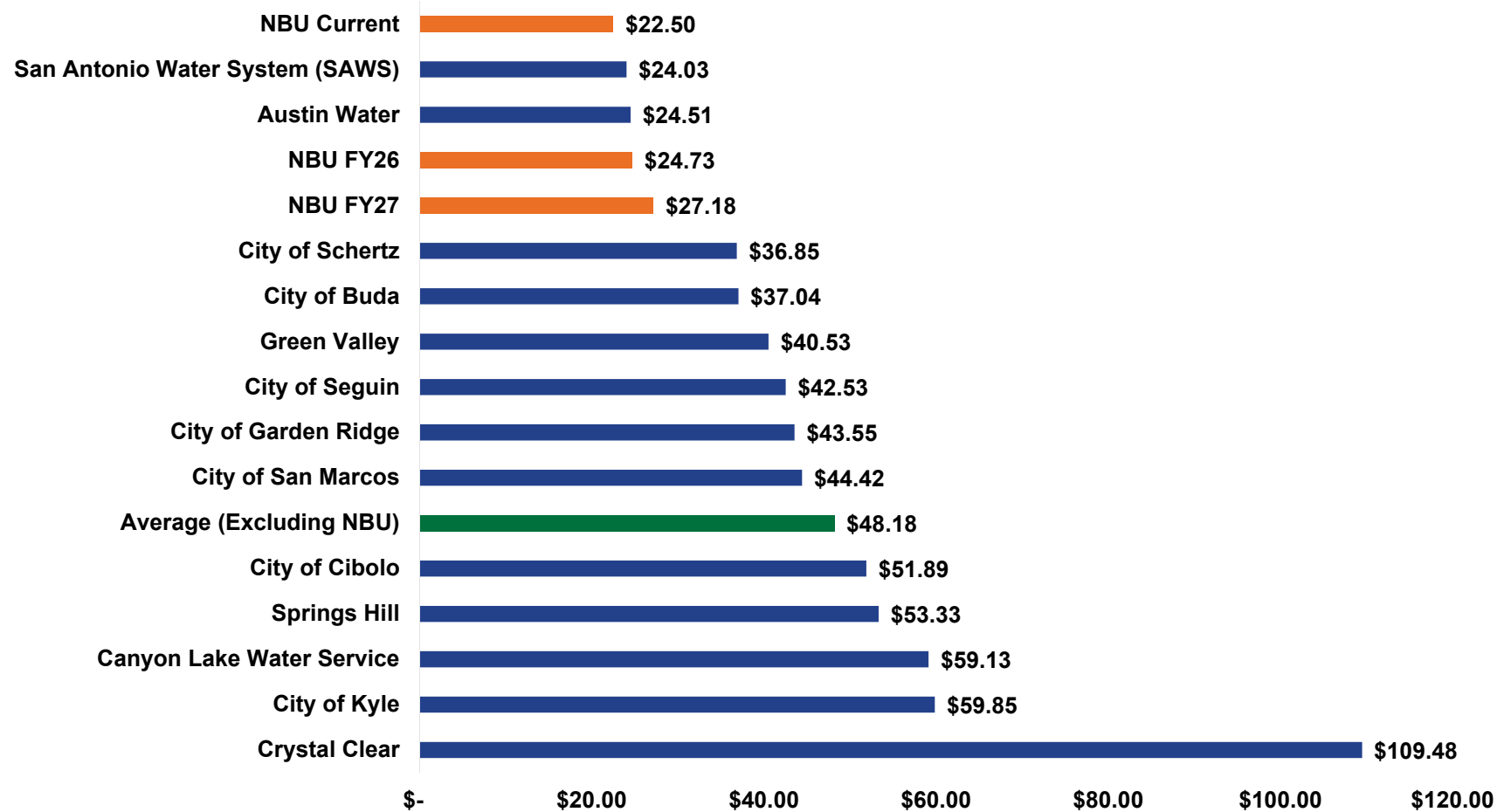
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NBU NEW BRAUNFELS
UTILITIES

May 2025 Residential Water Bill Comparison – 3000 Gallons



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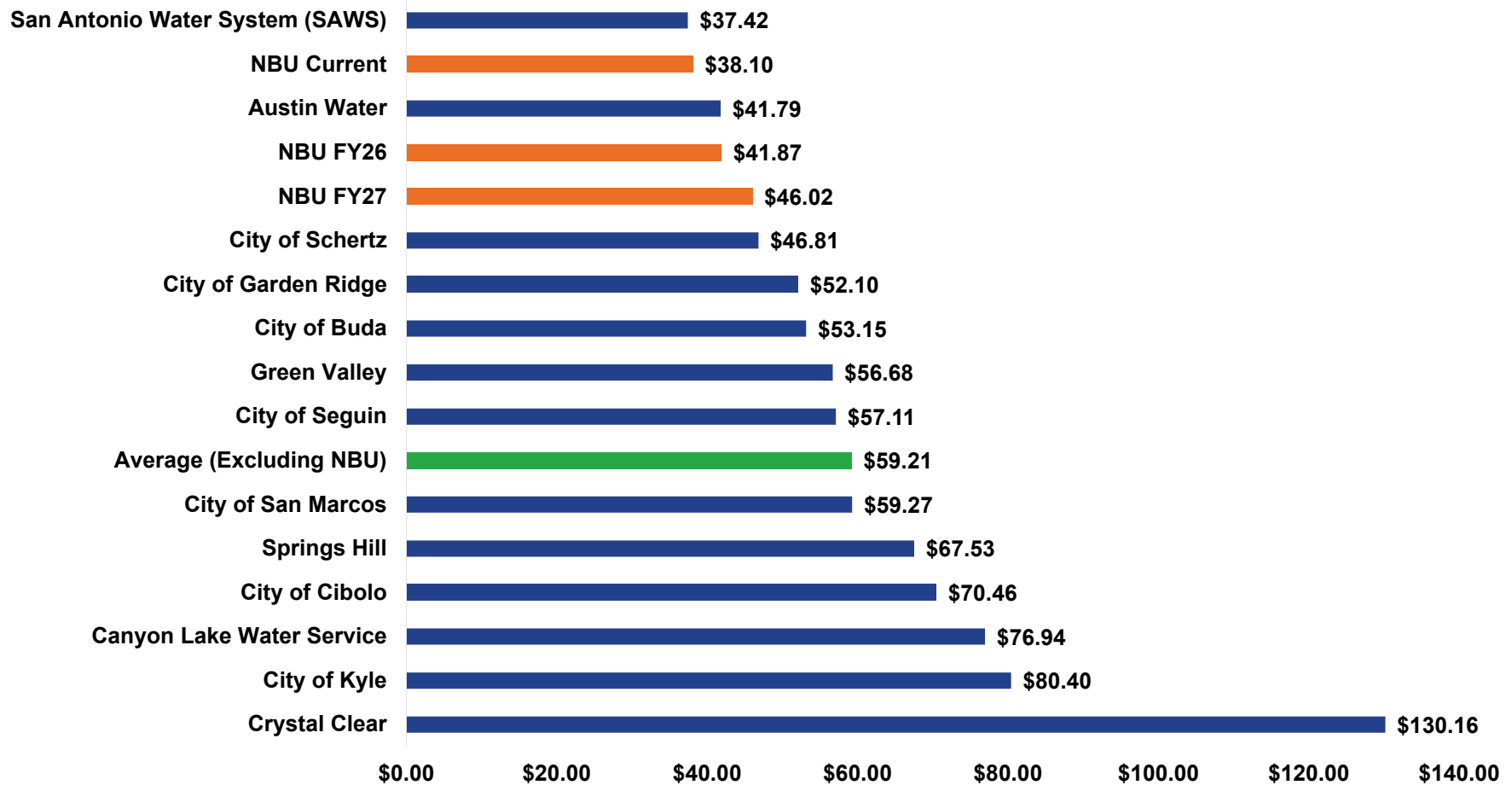
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May 2025 Residential Water Bill Comparison – 6000 Gallons



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Agenda Type: Action Items

Reviewed by: John Warren
Director of Finance

Approved by: Ryan Kelso
Chief Executive Officer

RECOMMENDED ACTION: Discuss and Consider Adopting Resolution #2025-198 by the Board of Trustees of New Braunfels Utilities Approving Proposed Amendments to Chapter 130, Article V, Section 130-257 of the Code of Ordinances of the City of New Braunfels (i) Adjusting Sewer Rates and Charges for Fiscal Year 2026; (ii) Providing for Adjustments of Sewer Rates and Charges for Fiscal Year 2027; (iii) Resolving Other Matters Incident and Related Thereto; and (iv) Authorizing Presentation of Same to the City Council of New Braunfels for Its Consideration and Passage

BACKGROUND

In April of 2023, the New Braunfels Utilities (“NBU”) Board of Trustees directed staff to assemble a Community Advisory Panel (“CAP”) tasked with reviewing and providing feedback on certain NBU projects, including a Fiscal Year 2026-2027 Rate Study. On August 31, 2023, the Board approved Resolution #2023-176 establishing the CAP. On October 26, 2023, the Board approved the CAP Bylaws and appointed thirteen (13) CAP members. On June 27, 2024, the Board approved a Professional Services Agreement with Raftelis Financial Consultants, Inc. to conduct a water, wastewater, and electric rate study and to provide related community education.

The revenue requirements for the Sewer Line of Business that are identified in the Fiscal Year 2026 Budget and Five-Year Financial Operating Plan are driven primarily from the need to build and maintain infrastructure to meet regulatory requirements.

NBU's twenty-year wastewater infrastructure strategies are identified in NBU's Water/Wastewater Master Plan. The proposed rates will provide the revenue needed to make these investments. The proposed sewer rate design includes an adjustment of base rates for an average system revenue increase of 7.7% for Fiscal Year 2026 and Fiscal Year 2027.

NBU is scheduled to present the first reading of the sewer rate ordinance revisions to the New Braunfels City Council on June 16, 2025, and the second reading on June 23, 2025.

FINANCIAL IMPACT

The new rates will meet the sewer revenue requirement of \$44,690,307 for Fiscal Year 2026 and \$49,599,206 for Fiscal Year 2027.

LINK TO STRATEGIC PLAN

Financial Excellence**EXHIBITS**

1. Sewer Rate Resolution #2025-198
2. Sewer Rate Redlined

FY 2026/2027 Sewer Rate Design

Proposed Sewer Rate Increases

Budgeted Fiscal Year	Rate Increase
FY 2026	7.7%
FY 2027	7.7%

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Sewer – Residential Customer Impact (5/8”)

Usage (gallons)	FY 2025	FY 2026	FY 2027
4,600	\$69.94	\$75.33	\$81.13



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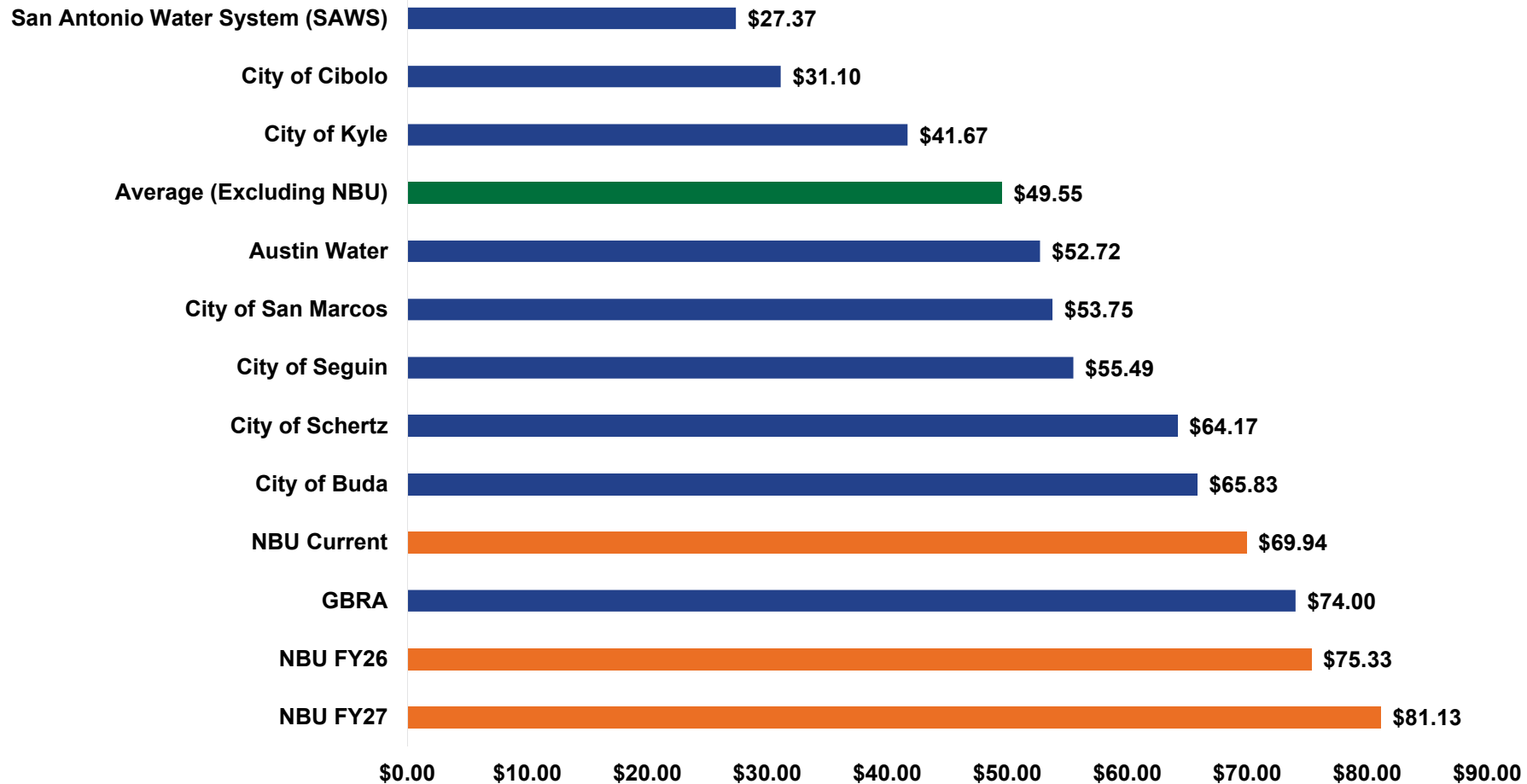
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May 2025 Residential Sewer Bill Comparison – 4600 Gallons



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NBU NEW BRAUNFELS
UTILITIES

3

Water/Sewer – Fidelity to CAP Pricing Objectives

Essential Use
Affordability

Revenue
Stability

Conservation
Pricing Signal



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