



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

AGENDA

CALL TO ORDER

PLEDGE OF ALLEGIANCE AND INVOCATION

CEO Ryan Kelso

PUBLIC COMMENT

ITEMS FROM THE CHAIR

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

ITEMS FROM STAFF

1. CEO's Update
 - a. Leadership Announcement of New Hires and Position Changes: Control Center Manager, Brandon Thomas; Security Manager, Mike Penshorn; and Enterprise Communications Manager, Daniel Mendez
 - b. NBU Earns Government Treasurers' Organization of Texas Certificate of Distinction
 - c. NBU Participates in Career Fairs: New Braunfels High School Career Event, Long Creek High School Career Day Fair, and Texas State University's McCoy College 2026 Spring Industry and Corporate Accounting Career Fair
 - d. NBU Participates in San Antonio Stock Show and Rodeo Youth Rodeo Shootout
 - e. NBU Employees Volunteer at Night to Shine Prom Held at Tree of Life Church
 - f. NBU Presents to Long Creek High School Career and Technical Education Classes
 - g. NBU CEO Speaks at Big Brothers Big Sisters "Who Mentored You" Event
 - h. Community Engagement: NBU Hosts Booth at the Home and Outdoor Living Show at the New Braunfels Civic Center
 - i. Headwaters at the Comal Hosts Evening of Gratitude - Donor Recognition Event
 - j. NBU CEO Attends New Braunfels Breakfast Lions Club Meeting
 - k. NBU's Response to the March 2025 High Wind Speed Weather Event
 - l. Leadership New Braunfels Class of 2026 Visits NBU
 - m. Any Other Items Permitted Under Section 551.0415 of the Texas Government Code

- [2.](#) Financial Update and Report
- [3.](#) Quarterly Update on the Headwaters at the Comal
- [4.](#) Quarterly Update on the NBU Developer and Vendor Process Improvement Project
- [5.](#) Monthly NBU Headquarters Progress Update

CONSENT ITEMS FOR ACTION

- [1.](#) Approve Minutes of the NBU Regular Board Meeting of February 26, 2026
- [2.](#) Approve the Electric Line of Business Alternative Procurements from January 15, 2026, through February 15, 2026
- [3.](#) Approve the Change Order Log from January 15, 2026, through February 15, 2026
- [4.](#) Approve the Reports for Water and Electric Engineering Contracts from August 1, 2025, through February 15, 2026
- [5.](#) Authorize the CEO or His Designee to Negotiate and Execute a Professional Services Agreement with Garver, LLC for the Design of the Walnut Heights Wastewater Main Improvements Project
- [6.](#) Authorize the CEO or His Designee to Negotiate and Execute a Professional Services Agreement with HDR Engineering, Inc. for the Design of the South Kuehler Interceptor Phase 2 Project
- [7.](#) Authorize the CEO or His Designee to Negotiate and Execute a Second Amendment to the Professional Services Agreement with Arcadis U.S., Inc. for the Design of the Trinity Wellfield Expansion Project
- [8.](#) Authorize the CEO or His Designee to Execute a Professional Services Agreement with Tidal Power Services, LLC for Substation Acceptance and Relay Testing Services for Capital Projects and Maintenance
- [9.](#) Authorize the CEO or His Designee to Negotiate and Execute a Sourcewell Cooperative Agreement, Sourcewell Contract No. 040924-ALT, with Global Rental Co., Inc., for the Purchase of One (1) Altec AA55E Bucket Truck
- [10.](#) Authorize the CEO or His Designee to Negotiate and Execute a Sourcewell Cooperative Agreement, Sourcewell Contract No. 040924-URI, with United Rentals (North America), Inc., for Equipment Rental Services

PRESENTATION ITEMS

- [1.](#) Update on Fiscal Year 2028 Strategic Plan Development
- [2.](#) Informational Update Regarding the NBU Financial Roadmap and Finance Department Internal Process Initiatives

EXECUTIVE SESSION

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

1. Power Supply Resources – Competitive Matters
(Section 551.086 – Texas Government Code)
2. Consultation with Attorney Regarding Pending or Contemplated Litigation, Settlement Offers, and/or Other Matters Protected by Attorney-Client Privilege (Section 551.071 – Texas Government Code) pertaining to the following:
 - a. Discuss *MMF NBTX LAND, LLC v. City of New Braunfels, New Braunfels Utilities, and Ryan Kelso, in his official capacity as Chief Executive Officer of New Braunfels Utilities*, No. C2025-1252D (433rd District Court, Comal County, Texas)
 - b. Discuss *New Braunfels Utilities v. TRC Engineers, Inc.*, Cause No. C2024-1980D (433rd District Court, Comal County, Texas)

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

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

ADJOURN

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

CERTIFICATE OF POSTING

I, Ryan Kelso, Secretary to the Board of Trustees, do hereby certify that this Notice of Meeting was posted on a bulletin board at a place convenient to the public at the City of New Braunfels City Hall, 550 Landa Street, New Braunfels, Texas; the New Braunfels Utilities Main Office, 263 Main Plaza, New Braunfels, Texas; and the New Braunfels Utilities Customer Solutions Center, 1488 South Seguin Avenue, New Braunfels, Texas, on the **20th day of March 2026**, and remained posted continuously for at least three business days before the scheduled date of the meeting.



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

FINANCIAL IMPACT

Electric

The Electric Line of Business reported total operating revenues of \$19,344,000, a \$2,113,000 increase from the February budgeted amount of \$17,231,000. The net rate realized per kWh was \$0.1337, which was 20% greater than the budgeted rate of \$0.1114 for the month of February. February kWh sales were 141.4 million kWh, an 8.9 million kWh decrease, or 6%, in comparison to the budgeted amount of 150.3 million kWh.

Purchased power costs totaled \$7,873,000, which was \$4,814,000 less than the budgeted amount of \$12,687,000. Electric gross margin, which is total operating revenues minus purchased power, resulted in the amount of \$11,471,000 for the month of February and \$54,342,000 YTD. These amounts were \$6,927,000 greater than and \$16,766,000 greater than the budgeted amount of \$4,544,000 Month-to-Date (“MTD”) and \$37,576,000 YTD, respectively. Other operating expenses were less than budget by \$652,000. These items resulted in the Electric Line of Business reporting net operating income of \$8,886,000, which was \$7,578,000 greater than the budgeted amount of \$1,308,000. Net non-operating items provided an unfavorable variance from budget of \$292,000. Services income was greater than budget by \$353,000. The Electric Line of Business reported in February 2026 CNPAC of \$8,031,000 and YTD CNPAC of \$34,898,000. These amounts were \$7,638,000 greater than and \$27,432,000 greater than their respective February 2026 MTD and February 2026 YTD budget amounts.

Water

The Water Line of Business reported total operating revenues of \$3,473,000, a \$64,000 increase, or 2%, from the February budgeted amount of \$3,409,000. In February, water gallons sold of 298,568,000 were greater than the budgeted amount of 295,291,000 (a 3,277,000-gallon variance from budget, or 1%). NBU’s net realized price per 1,000 gallons sold in February was \$11.38, which was greater than the budgeted amount of \$11.28. Operating expenses for February were \$4,423,000, which was \$116,000 less than the budgeted amount of \$4,539,000. The net effect of higher revenues and less operating expenses than budgeted resulted in Water’s net operating income of (\$951,000), which was greater than budget. Net non-operating items provided a favorable variance of \$199,000 from budget. Impact fees of \$1,113,000 were less than budget by \$346,000, and services income of \$185,000 was greater than budget by \$89,000. The Water Line of Business reported in February 2026 CNPAC of (\$429,000) and YTD CNPAC of \$5,121,000. These amounts were \$123,000 greater than and \$4,354,000 greater than their respective February 2026 MTD and February 2026 YTD budget amounts.

Wastewater

The Wastewater Line of Business reported total operating revenues of \$3,554,000, a \$168,000 decrease from the February budgeted amount of \$3,722,000. Total operating expenses of \$2,859,000 were \$370,000 less than the budgeted amount of \$3,229,000. As a result, the Wastewater Line of Business reported net operating income of \$695,000, which was \$202,000 greater than the budgeted amount of \$493,000. Net non-operating items provided a favorable variance of \$264,000 from budget. Impact fees were less than budget by \$125,000. The Wastewater Line of Business reported February 2026 CNPAC of \$387,000 and YTD CNPAC of \$5,657,000. These amounts were \$342,000 greater than and \$6,726,000 greater than their respective February 2026 MTD and February 2026 YTD budget amounts.

LINK TO STRATEGIC PLAN

Financial Excellence

EXHIBITS

1. Overview Comparison to Budget and Prior Fiscal Year
2. Financial Statements
3. Capital Expenditure Summary
4. Statistics - Electric (Provided separately due to competitive matters)
5. Statistics - Water
6. Statistics - Wastewater

Financial Update

- February 2026 Financials

- Kimberly DaCosta, Accounting Manager

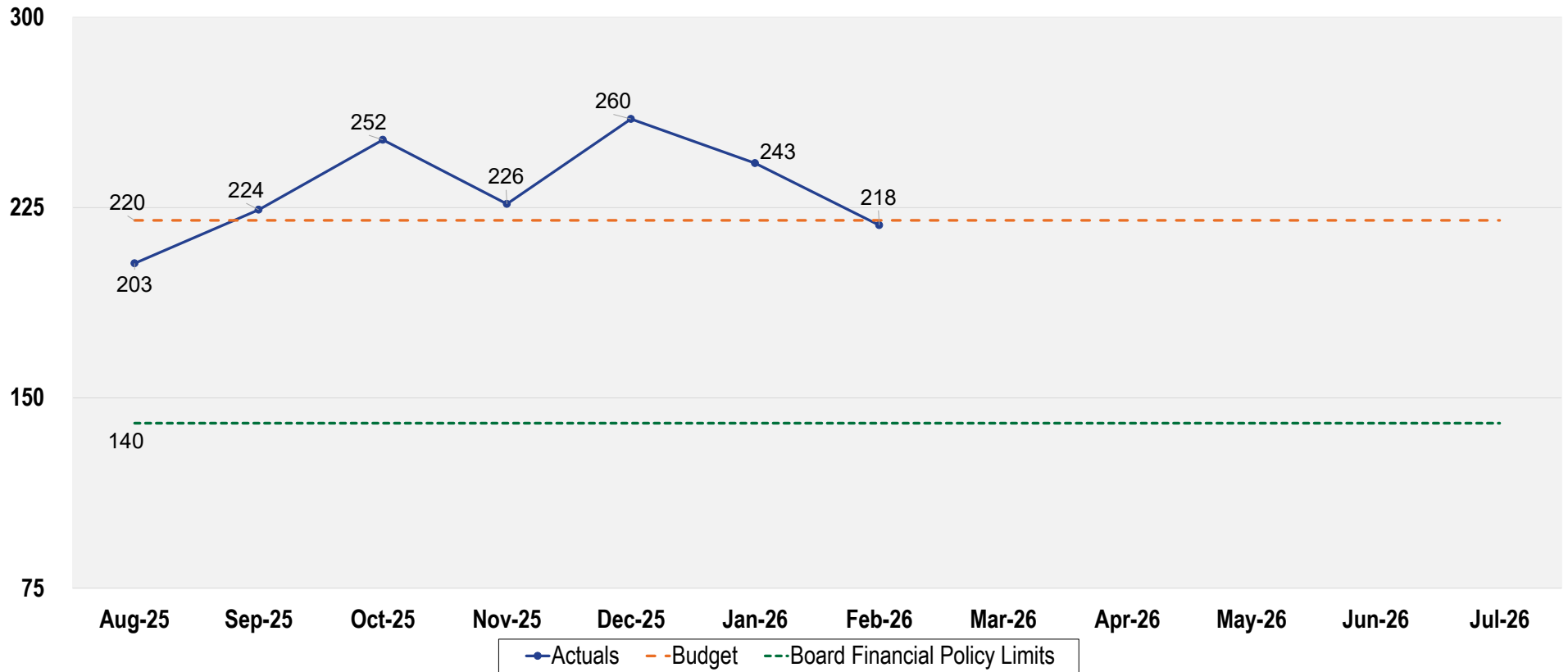


Board Financial Policy Compliance - February 2026 YTD

| | FY 2026 Budget | Financial Policy | FY 2026 Actual* |
|--|----------------|------------------|-----------------|
| Debt to Capitalization (lower is better) | 48.9% | ≤55.0% | 39.0% |
| Debt Service Coverage (higher is better) | 2.75 | ≥2.40 | 4.79 |
| Days Cash on Hand (higher is better) | 220 | ≥140 | 218 |
| Days Liquidity on Hand (higher is better) | N/A | N/A | 384 |

* Amounts are calculated by annualizing the YTD results

Days Cash on Hand - February 2026 YTD



Mission

Strengthening our community by providing resilient essential services



Vision

Be a trusted community partner dedicated to excellence in service

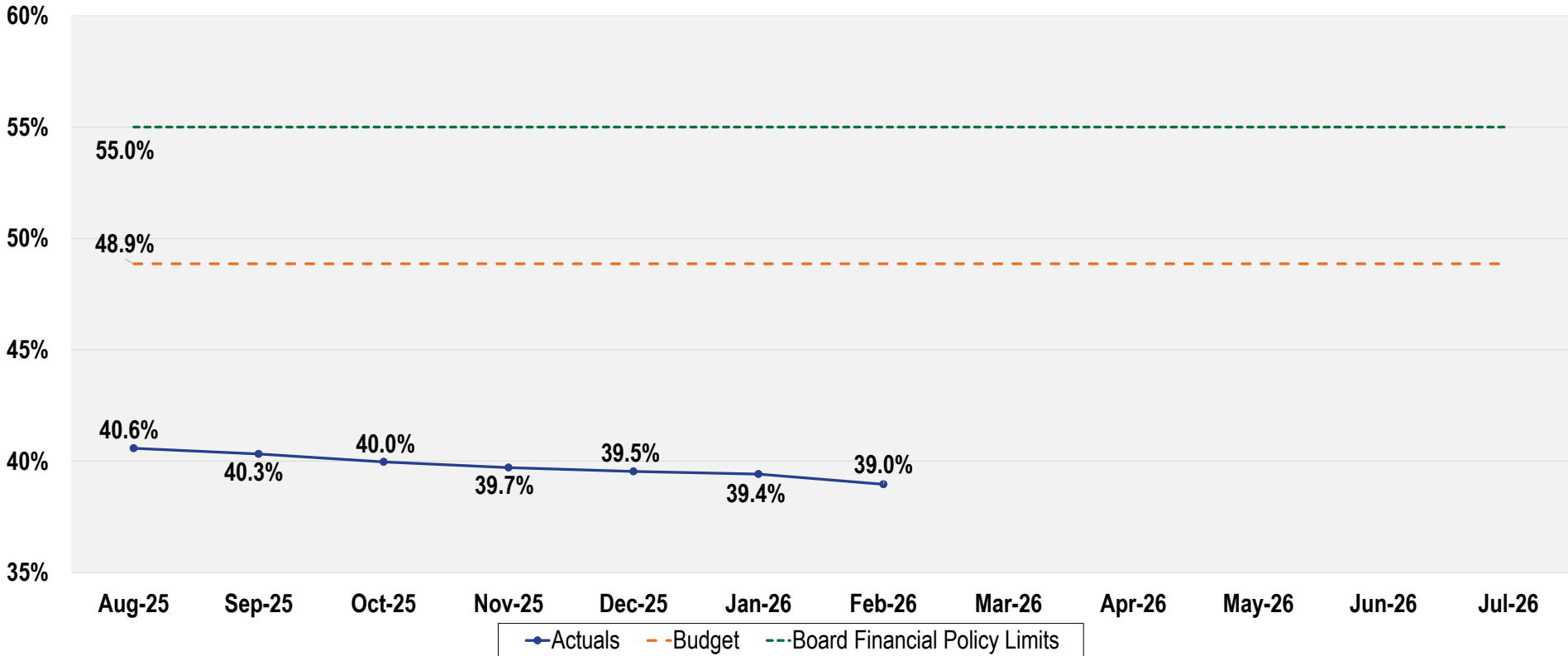


Core Values

Safety, Team, Integrity, Culture, and Stewardship



Debt to Capitalization - February 2026 YTD



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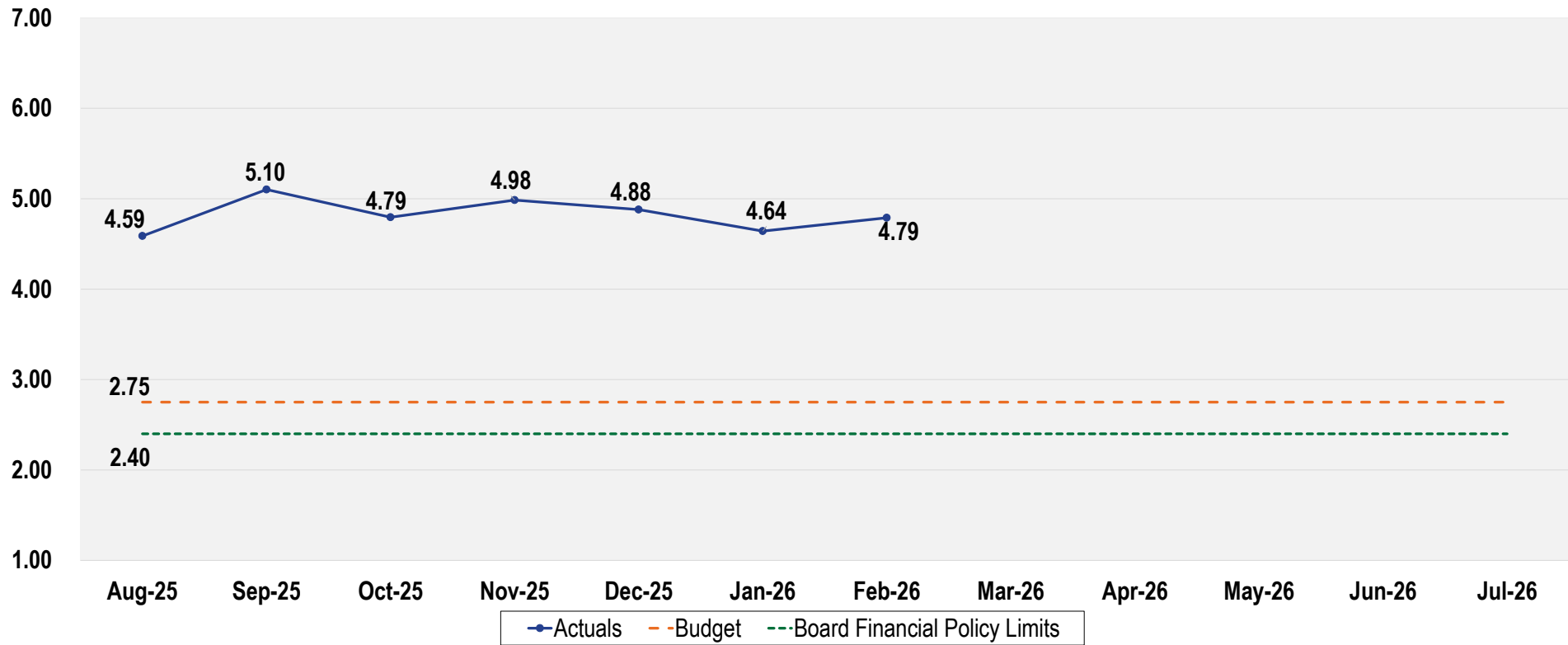


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Debt Service Coverage - February 2026 YTD



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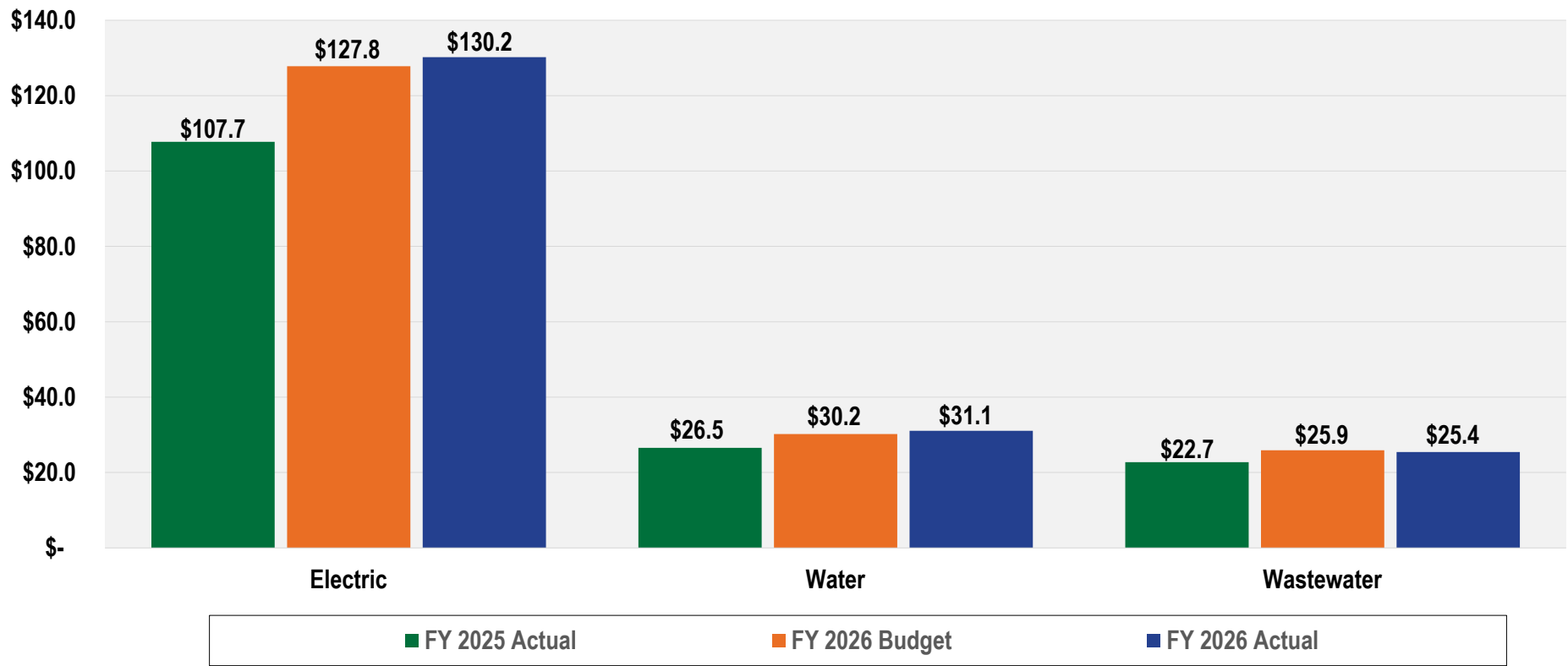


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Operating Revenue by LOB February 2026 YTD – Amounts in Millions



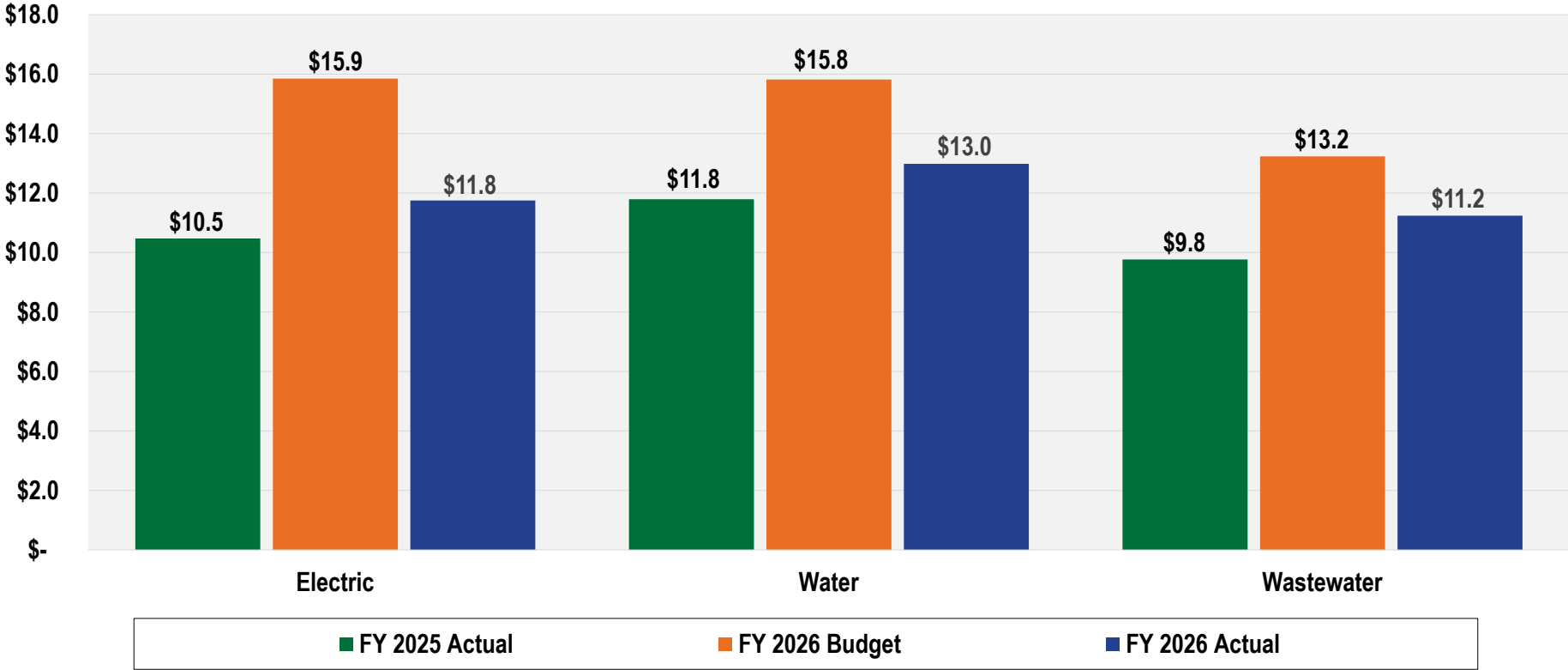
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Operating Expenses* by LOB February 2026 YTD – Amounts in Millions



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

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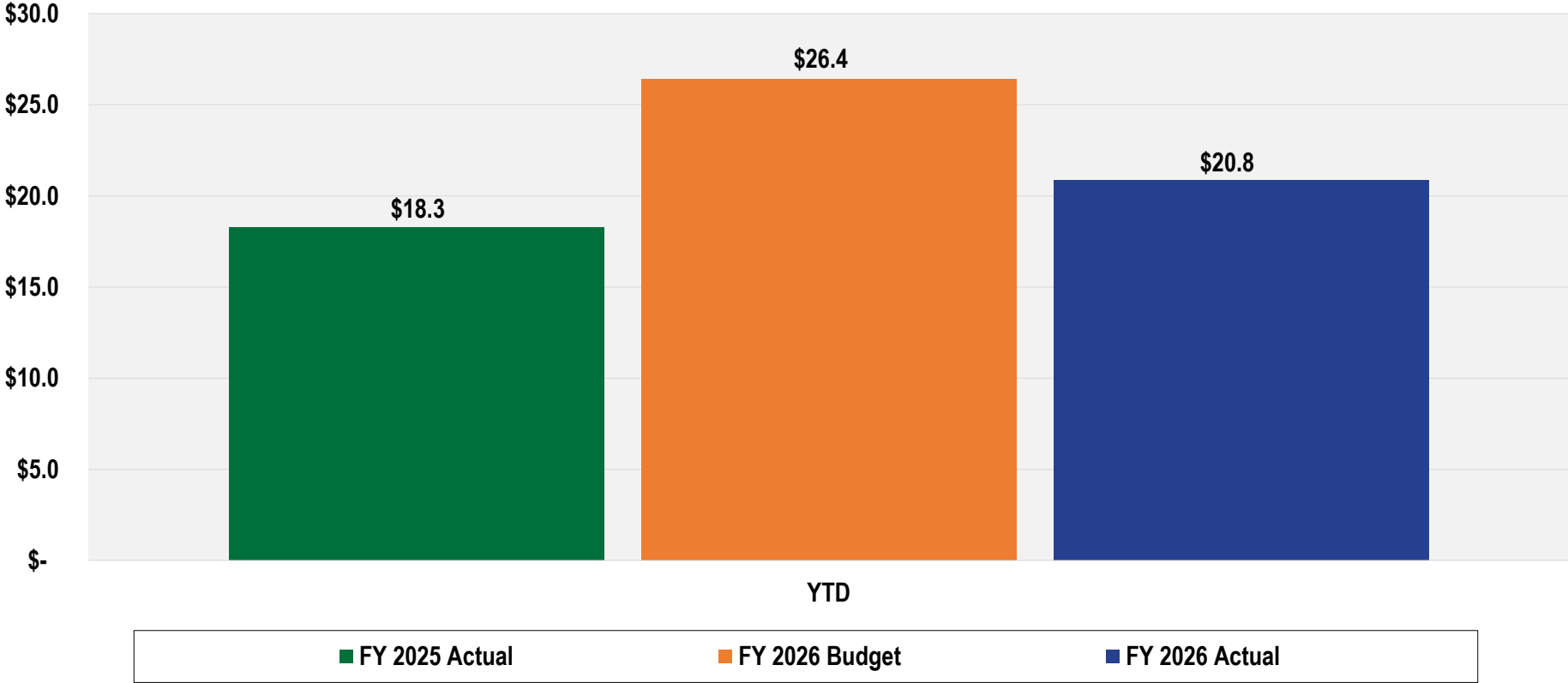
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Operating Expenses for Support Services February 2026 – Amounts in Millions



* Prior to allocation to each line of business.

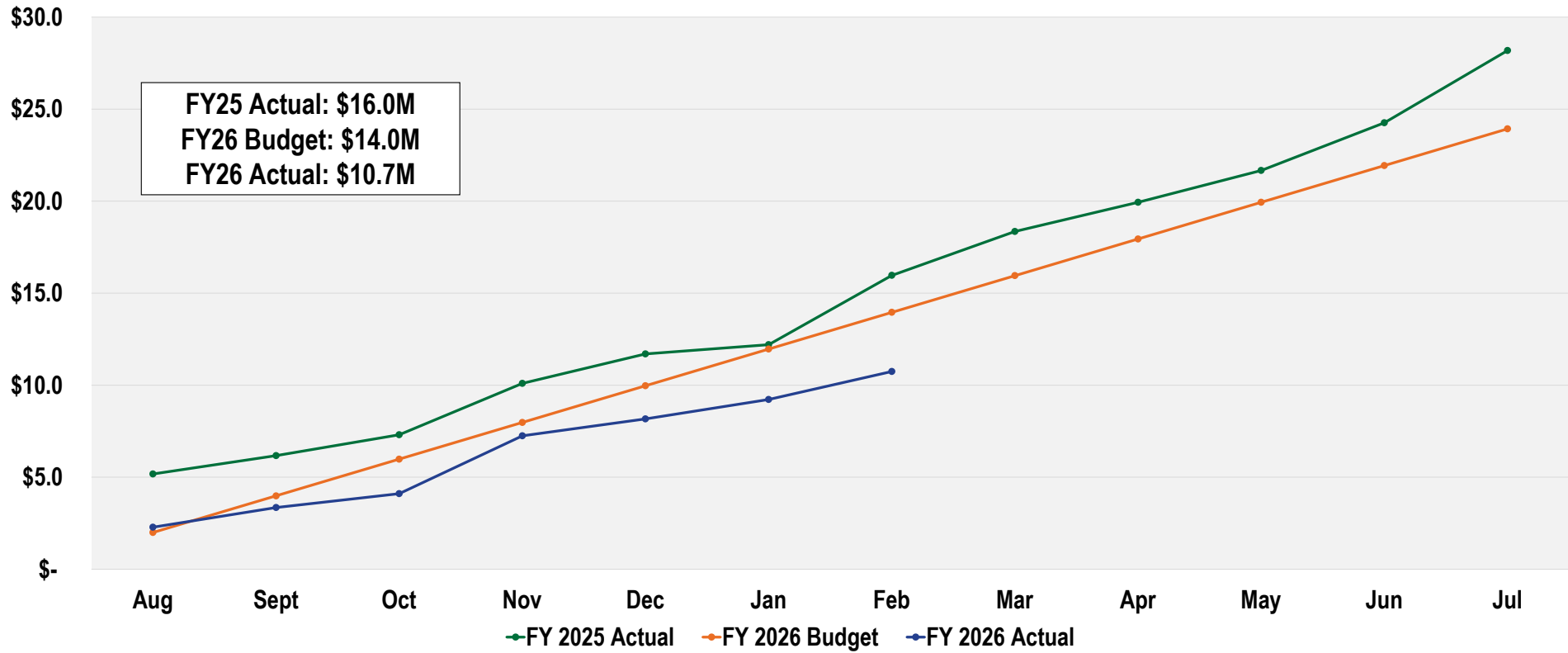
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Impact Fee Revenue February 2026 YTD – Amounts in Millions*



* Amounts shown are YTD for each month

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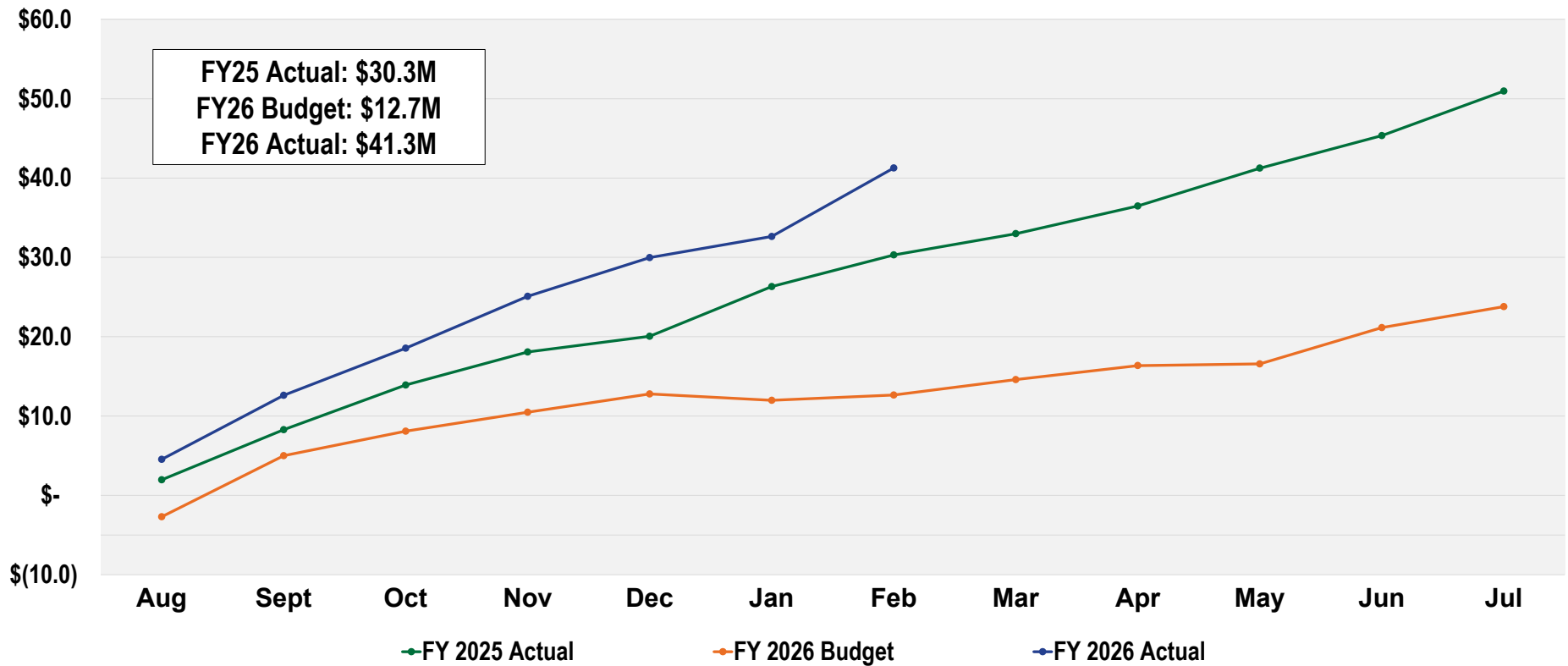
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Power Supply Reserves Update

| As of FY26 Budget | Power Stabilization Fund FY26 | Power Stabilization Fund Full, FY28 |
|-------------------------|-------------------------------|-------------------------------------|
| Target | \$65M | \$95M |
| As of February 28, 2026 | \$60M | \$60M |

Net Operating Income February 2026– Amounts in Millions*



* Amounts shown are YTD for each month

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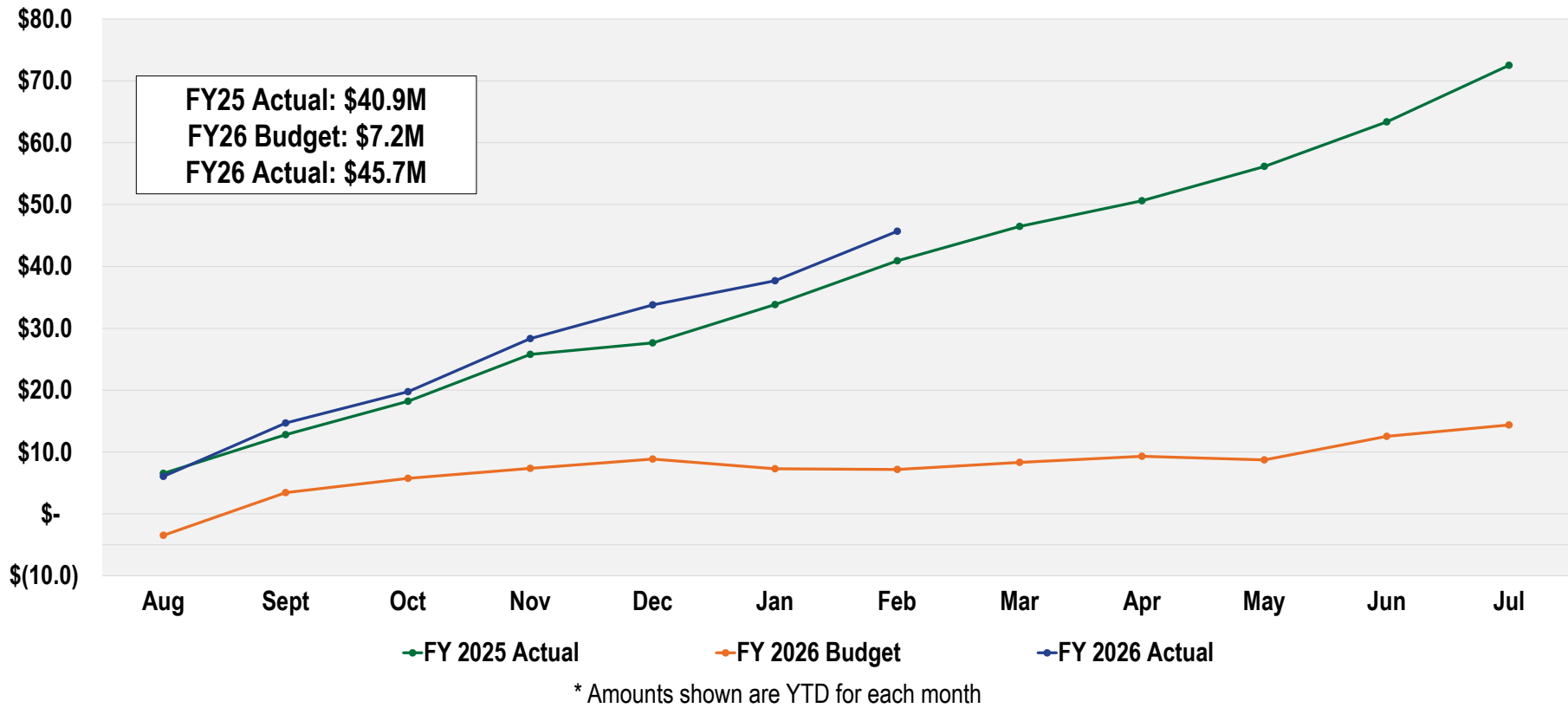
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Change in Net Position After Contributions February 2026– Amounts in Millions*



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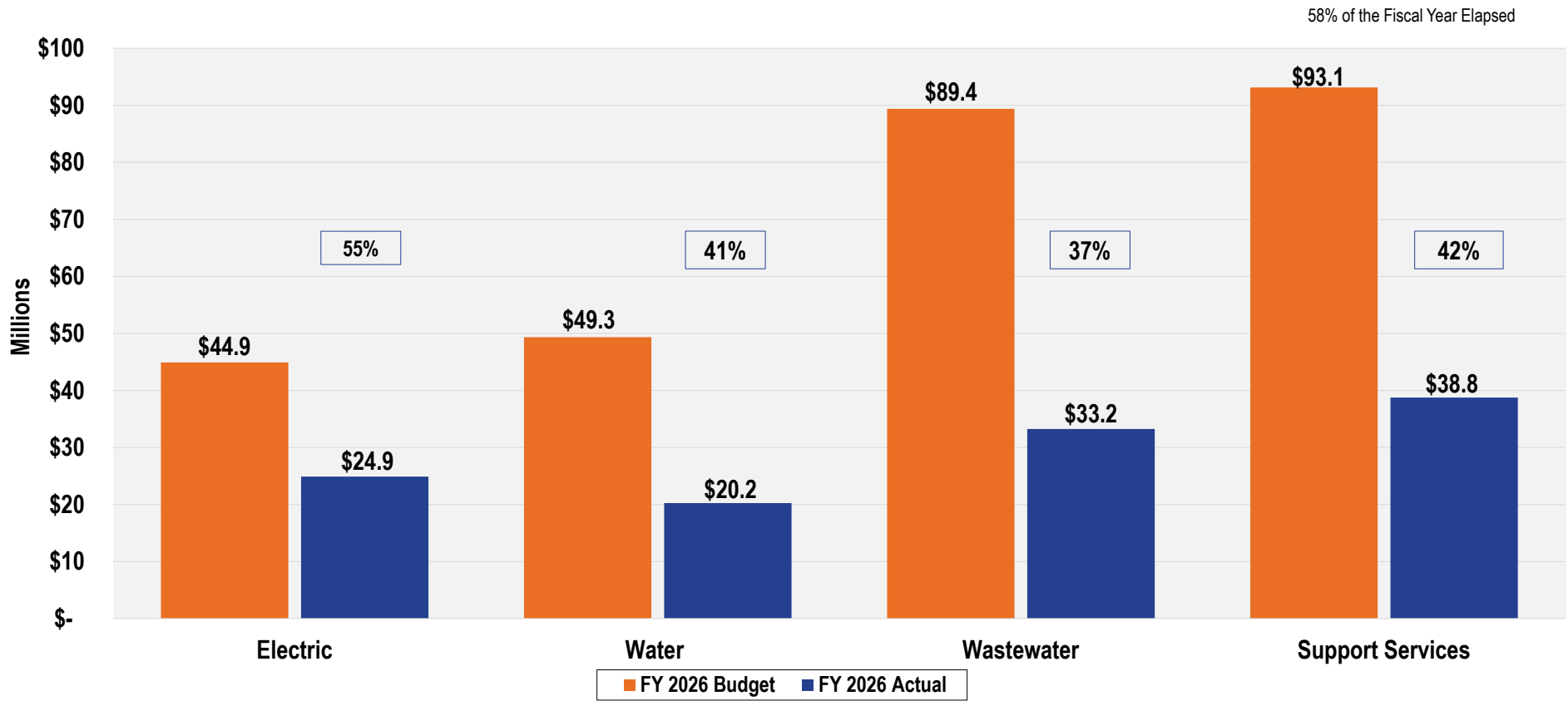
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Capital Project Expenditures February 2026 YTD – Amounts in Millions*



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Questions?

Mission Strengthening our community by providing resilient essential services + **Vision** Be a trusted community partner dedicated to excellence in service + **Core Values** Safety, Team, Integrity, Culture, and Stewardship **NBU NEW BRAUNFELS UTILITIES** 14



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

From: Nancy Pappas **Reviewed by:** Julia Haynes
Managing Director,
Headwaters at the Comal Director of External Relations

Submitted by: Ragan Dickens **Approved by:** Ryan Kelso
Chief Communications Chief Executive Officer
Officer

RECOMMENDED ACTION: Quarterly Update on the Headwaters at the Comal



HEADWATERS
AT THE COMAL™

NBU Board of Trustees
Headwaters Quarterly Update
March 26, 2026

Presentation Overview

Item 3.



Construction Update



Financials



Team & Program Strategy



Upcoming Events



Questions & Comments

Construction Update

Item 3.

Current Work

- Byrne team moving from inside to out
- Demolition mainly complete
- Grading underway
- Courtyard features take shape
- Building exterior structures

Next Steps

- Installing Wastewater Reuse System
- Finish hardscape
- Currently on track to finish in early 2027



Financial Impact Phase 2

| | |
|---|---------------------|
| • GMP #2: Site Work and Building Infrastructure | \$ 5,406,714 |
| • PCCO #1: Archaeology Delays | \$ 154,644 |
| • GMP #3: Additional Site Work & Fencing | \$ 1,862,485 |
| • GMP #4: Building Finish-out | \$ 4,344,513 |
| • GMP #5: Parking Lot | <u>\$ 1,108,860</u> |
| Total for phase 2 | \$12,877,216 |
| Headwaters Reimbursement to-date | (\$ 5,201,852) |

Upcoming Events

- April 11 – Native Plants Society Plant Sale
- April 18 – Earth Day with NB Parks Department
- May 6-7 – TxPPLA Graduation program
- June 1-5 – Summer Camp Session 1
- June 8-12 – Summer Camp Session 2

Preschool Nature Adventure



What Can We Spot in Nature?
Registration Required



Join us each first Saturday of the month for a guided tour of the project site!



PROGRAM
SATURDAY SEAM: OWL PELLETS

Item 3.



PROGRAM
HOW TO TAME A WATER-THIRSTY YARD:
GETTING STARTED ON XERISCAPING



Field Trips to the Headwaters



Inspiring students to a lifelong practice of enjoying, protecting and stewarding cultural and ecological resources.

Now Booking for the 2024-2025 School Year!



Learning in Nature

- Explore plants & habitats in restored Blackland Prairies & riparian areas next to the Comal Springs on an educator-led nature hike.
- Hands-on field experiences: water testing, macro invertebrate lab, and scientific models.
- Science journals support activities and at-home learning.
- Visit can include art activities, service learning & support your curricula.



What is the Headwaters at the Comal?

- The Comal River begins here as spring water bubbling up from the aquifer.
- Retired utility site being transformed into a premier science & nature education center.
- Home to endangered species, native plants and animals.
- Important gathering place for people for thousands of years.



Bring Your Group!

- Maximum # of students: 50
- Can accommodate larger groups over multiple days.
- Student: \$5
- Teachers: 1 free per 10 kids
- Additional Chaperones: \$5
- Discounts for Title I schools

Item 3.

HEADWATERS AT THE COMAL™ | WHERE IT BEGINS

City of New Braunfels

EARTH DAY

APRIL 18TH

9AM-12PM

HEADWATERS AT THE COMAL

Special Programs

COMMENTS AND QUESTIONS

Item 3.





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

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

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

RECOMMENDED ACTION: Quarterly Update on the NBU Developer and Vendor Process Improvement Project



Quarterly Update on the NBU Development and Vendor Process

- NBU Plan to Enhance Developer and Vendor Processes

- March 26, 2026



NBU Plan to Enhance Developer and Vendor Processes

- Welcome and Purpose
- Cultural Norms – Purchasing and Legal Culture
- Data Discovery (Revisit Top 10 List)
- Implemented Improvements
- Survey Update - National Institute of Government Procurement (NIGP)
- Staff Training Update
- Project Management Office (PMO) Process Improvements
- Update on Developer and Vendor Engagement
- Next Steps and Timeline

Mission

Strengthening our community by providing resilient essential services

+

Vision

Be a trusted community partner dedicated to excellence in service

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Core Values

Safety, Team, Integrity, Culture, and Stewardship

Welcome and Purpose

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Welcome and Purpose



Cultural Norms

(see handout)

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Data Discovery

(Revisit Top 10 List)

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Top 10 List

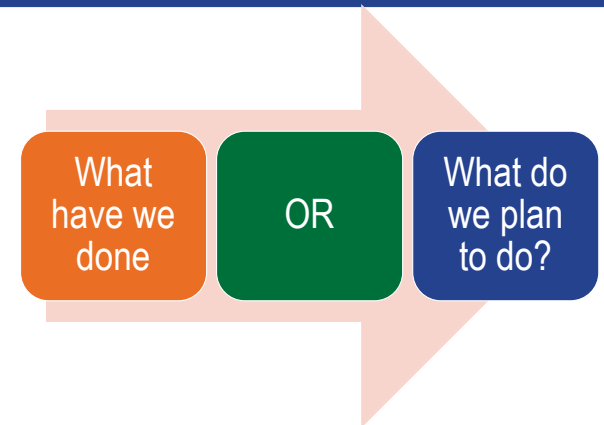
10. Notification of Award

9. Evaluation Duration

8. Solicitation Rework

7. Solicitation View-Only Activity- **in progress**

6. Vendor Satisfaction - **in progress**



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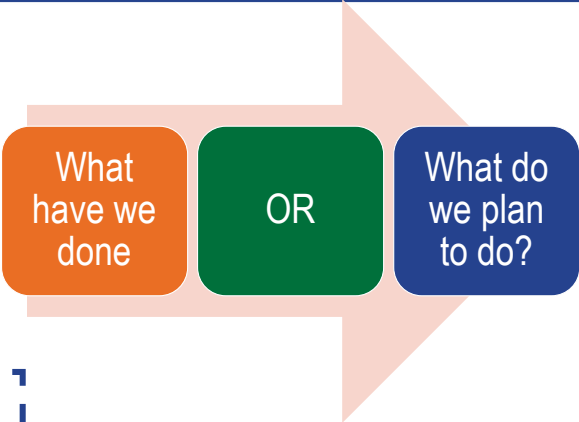
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Top 10 List (continued)

- 5. Vendor Profile Data
- 4. Pre-Bid Meeting Attendance -

- 3. Amendment Frequency - **in progress**
- 2. Contract Amendment Cycle - **in progress**
- 1. Contract Lifecycle - **in progress**



Implemented Improvements

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Implemented Improvements

1. OpenGov - Go Live by November 30th
2. DocuSign - Go Live by November 30th
3. Implementation of new legislative threshold of \$100,000
4. Vendor Notifications - Notifying vendors of ranking

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Implemented Improvements

5. Updated Requisition Process
6. Purchasing to approve certain contracts without template deviations
7. Scheduling Event conducted on November 10th
FY26 & FY27 Budget + Capacity Planning for Procurement

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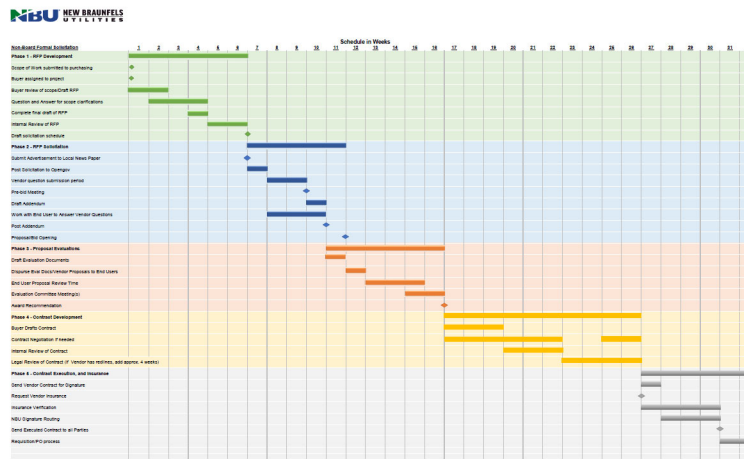
Core Values

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Implemented Improvements

8. Procurement Types and Timelines (quick reference) ✓

9. Implemented weekly purchasing scheduling meetings with end users ✓



Implemented Improvements

10. Automated Scheduling of New Requests – **in progress**

11. Updating Purchasing Policy – **in progress**

12. Automating Legal Templates – **in progress**

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Implemented Improvements

13. Moved the Real Estate Services Department from the Director of Legal to the Director of Engineering -
14. Amendments sent directly to Legal Department – **in progress**
15. Director level of leadership added for oversight -

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National Institute of Government Procurement (NIGP)

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Survey Update

Survey sent on _____ by NIGP

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Staff Training Update (External + Internal Offering)

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Staff Training Update

New Horizons Project Management Fundamentals Training

- March 2nd and 3rd - 18/20
- March 4th and 5th - 17/20

Internal Amendment Training

- March 31st – Water Engineering

Procurement Evaluation Training

To be offered April timeframe

Internal Scope Focused Training

Being developed by Learning & Engagement – July timeframe

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PMO Process Improvements

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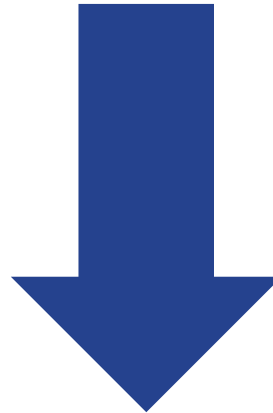
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Core Values

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PMO Process Improvements

**Midpoint Survey
(project pulse check)**



**Closeout Survey
(project reflection)**

Mission

Strengthening our community by providing resilient essential services



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Developer and Vendor Engagement

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Developer and Vendor Engagement

Developer and Vendor Meetings

- Southstar at Mayfair – **12/01/2025**
- Freese and Nichols – **01/13/2026**
 - *Follow-up with Freese and Nichols* – **03/24/2026**
- Quiddity – **02/24/2026**
- HMT Engineering & Surveying – **03/24/2026**

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Next Steps and Timeline

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Next Steps and Timeline

Next Steps

1. NIGP Survey Results - April
2. Data Gathering Updates
3. PMO Process Improvements
4. More Vendor/Developer Meetings

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NBU Plan to Enhance Developer and Vendor Processes

Thoughts?

Mission

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

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

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

RECOMMENDED ACTION: Monthly NBU Headquarters Progress Update

New Braunfels Utilities HQ Update



March 26, 2026



Recent Milestone

February

- AHU Delivery to Penthouse
- Steel Stud Framing Floors 1 and 2
- Steel Structure of Board and Training

March

- Bridge beams installed
- Frames and windows installed
- Continued framing
- Continued MEP installation
- Final finishes being installed in area C
- Framing in Equipment Building





Mission

Strengthening our community by providing resilient essential services

+

Vision

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Core Values

Safety, Team, Integrity, Culture, and Stewardship



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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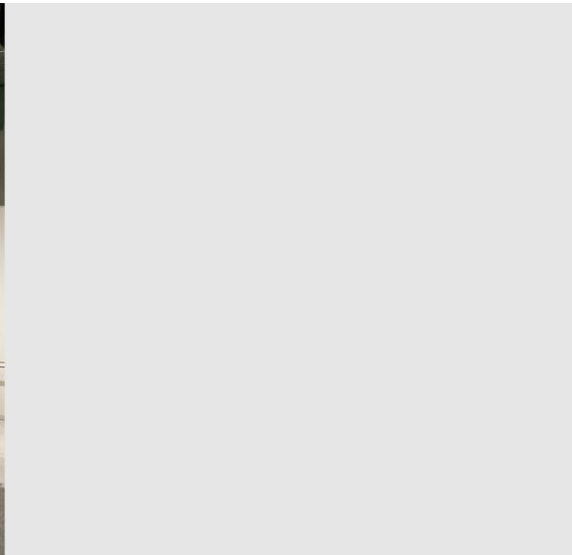
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Next Steps

- Roof Installation Over Office Space
- Concrete Paving Continuing
- Water to Building
- Power to Building

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Questions?



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

From: Laura Ayala
Board Relations Coordinator **Reviewed by:** Rocio G. Hilliard
Chief of Staff

Submitted by: Rocio G. Hilliard **Approved by:** Ryan Kelso
Chief of Staff Chief Executive Officer

RECOMMENDED ACTION: Approve Minutes of the NBU Regular Board Meeting of February 26, 2026

BACKGROUND

None

FINANCIAL IMPACT

None

LINK TO STRATEGIC PLAN

Customers and Community

EXHIBITS

- 1. February 26, 2026 Regular Board Meeting Minutes

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

1:00 P.M.

Thursday, February 26, 2026

NBU Board Room

263 MAIN PLAZA, NEW BRAUNFELS, TEXAS 78130

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

PRESENT

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

ABSENT

None

NBU PERSONNEL

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

Ashley Schriewer, Carlos Salas, Darrin Jensen, Jason Theurer, Joe Vargas, John Warren, Julia Haynes, Justin Green, Mike Short, Rachel Leier, Will Riley, Adam Willard, Anna Melton, Azura Kerr, Brent Lundmark, Bruce Haby, David Guerrero Jr., Doug Clifton, Gregory Thomas, Jacob Tschoepe, Jason Rammel, Jeffrey Jones, Jeffrey Morriss, Jenna Mathis, Jesse Luna, Jessica Coleman, Justin Stroup, Kimberly DaCosta, Kristi Villasana, Larry Aguilar, Nicole Wesley, Pamela Tarbox, Peter Vanderstoep, Robert Aleman

NBU CONSULTANTS

None

PLEDGE AND INVOCATION

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

PUBLIC COMMENT

There were no public comment requests.

ITEMS FROM THE CHAIR

1. American Public Power Association Legislative Rally Update

Board President Wayne Peters provided an update on his recent trip to Washington, DC to attend the American Public Power Association Legislative Rally.

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

No additional comments were made.

ITEMS FROM STAFF

1. **CEO Update**

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

a. **Community Engagement: Rain Barrel Workshop for the Comal Garden Club**

Our Conservation team hosted a rain barrel workshop for the Comal Garden Club. The workshop highlighted budget-friendly construction methods and the positive impact rain barrels have on water conservation.

b. **NBU Monster Detective Program Presentation**

NBU's Monster Detective program was at Carl Schurz Elementary. Students learned about heating and cooling through interactive learning and big imagination. The American Public Power Association recognized NBU's social media promotion of the Monster Detectives program with a spotlight published in the Public Power Current Newsletter.

c. **NBU Employee Chili Cookoff**

Our 2nd Annual Cooking Contest brought our NBU team together for friendly competition and incredible entries of homemade chili, salsa, cornbread, and dessert.

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

*No additional items were discussed.

2. **Financial Update and Report, Including an Update on the Impact Fee Program Effective February 1, 2023 (referred to as Program E)**

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

3. **Quarterly Investment Report**

Financial Planning and Analyst Manager Jessica Coleman provided an update on the Quarterly Investment Report.

4. **Quarterly Drought Update Report**

Director of Customer Solutions Jesse Luna provided the quarterly drought update.

5. **Quarterly Strategic Plan Update – Second Quarter of Fiscal Year 2026**

Director of Enterprise Project Management Office Darrin Jensen provided an update on the quarterly strategic goals and annual priorities.

6. **Monthly NBU Headquarters Progress Update**

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

CONSENT ITEMS FOR ACTION

Board Trustee Yvette Barrera Villanueva made a motion, and Board Trustee Stuart Blythin seconded the motion to approve the Consent Items for Action as follows: #1, #2, #3, #4, #5, #6, #7, #8, #9, #10, #11, #12, and #13. The vote was unanimous.

1. Approve Minutes of the NBU Regular Board Meeting of January 29, 2026
2. Approve the Electric Line of Business Alternative Procurements from December 15, 2025, through January 15, 2026
3. Approve the Change Order Log from December 15, 2025, through January 15, 2026
4. Approve the Reports for Water and Electric Engineering Contracts from August 1, 2025, through January 15, 2026
5. Authorize the CEO or His Designee to Negotiate and Execute a Professional Services Agreement with Provenance Engineering, LLC, for the Design of the New Bretzke Pump Station and Bretzke-Hoffmann Transmission Pipeline Project
6. Authorize the CEO or His Designee to Negotiate and Execute a Professional Services Agreement with WSP USA Inc. for the Design of the Blieders Creek Interceptor Project
7. Authorize the CEO or His Designee to Negotiate and Execute a BuyBoard Cooperative Agreement, BuyBoard Contract No. 724-23, with Chastang Enterprises – Houston, LLC d/b/a Chastang Ford, LLC, for the Purchase of One (1) F250 4x4 Regular Cab Truck with Utility Bed and Five (5) F150 Supercab Trucks
8. Authorize the CEO or His Designee to Negotiate and Execute the Naming Rights and License Agreement between Elizabeth Bowerman, Headwaters at the Comal, and New Braunfels Utilities, Naming the Gathering Room in Honor of the Blackwood Bowerman Family to Recognize a Charitable Gift Made to Headwaters at the Comal
9. Authorize the CEO or His Designee to Negotiate and Execute the Naming Rights and License Agreement between the John L. Santikos Charitable Foundation, a fund of the San Antonio Area Foundation, Headwaters at the Comal, and New Braunfels Utilities by Acknowledging the John L. Santikos Charitable Foundation on the Gathering Room Wall to Recognize a Charitable Gift Made to Headwaters at the Comal
10. Authorize the CEO or His Designee to Negotiate and Execute the Naming Rights and License Agreement between J. Patrick Wiggins and Rebecca Wiggins, Headwaters at the Comal, and New Braunfels Utilities by Acknowledging the Wiggins Families on the Entrance Gardens Sign to Recognize a Charitable Gift made to Headwaters at the Comal
11. Authorize the CEO or His Designee to Negotiate and Execute a Professional Services Agreement with Square One Consultants, Inc. for Owner’s Representative and Project Management Services for the Headwaters at the Comal Phase 3 Project Consisting of Two Additional Buildings and Associated Landscaping and Other Improvements

12. Authorize the CEO or His Designee to Negotiate and Execute a First Amendment to the Professional Services Agreement with Guadalupe-Blanco River Authority for Water and Wastewater Laboratory Testing Services
13. Authorize the CEO to Negotiate and Execute a Professional Services Agreement with Terreno Services, Inc. for Wireless Transmitter Leasing Program Consulting and Management Services

ACTION ITEMS

1. Discuss and Consider Approval of a Professional Services Agreement with Alliance for Cooperative Energy Services Power Marketing LLC for Thermal Generation Consulting Services

Trustee Stuart Blythin made a motion, and Mayor Neal Linnartz seconded the motion to approve the Professional Services Agreement with Alliance for Cooperative Energy Services Power Marketing LLC for Thermal Generation Consulting Services. The vote was unanimous.

2. Discuss and Consider Receiving the Drought Contingency Plan Report, Including Community Advisory Panel Feedback, from Britton Strategies LLC

Mayor Neal Linnartz made a motion, and Board Trustee Yvette Barrera Villanueva seconded the motion to approve the Receive the Drought Contingency Plan Report, Including Community Advisory Panel Feedback, from Britton Strategies LLC. The vote was unanimous.

3. Discuss and Consider Adopting Resolution #R-2026-205 to Approve Proposed Amendments to Chapter 130, Article IV, Division 3, Division 5, Division 6, and Division 7 of the Code of Ordinances of the City of New Braunfels (I) Adjusting Residential and Landscape Irrigation Drought Surcharges, (II) Revising Draught Stage Designations and Triggers, (III) Clarifying Definitions and Other Provisions; and (IV) Resolving Other Matters Incident and Related Thereto, and to Authorize the CEO to Present the Amendments to the New Braunfels City Council for Consideration

Trustee Stuart Blythin made a motion, and Board Board Trustee Yvette Barrera Villanueva seconded the motion to approve to adopt Resolution #R-2026-205 to Approve Proposed Amendments to Chapter 130, Article IV, Division 3, Division 5, Division 6, and Division 7 of the Code of Ordinances of the City of New Braunfels (I) Adjusting Residential and Landscape Irrigation Drought Surcharges, (II) Revising Draught Stage Designations and Triggers, (III) Clarifying Definitions and Other Provisions; and (IV) Resolving Other Matters Incident and Related Thereto, and to Authorize the CEO to Present the Amendments to the New Braunfels City Council for Consideration. The vote was unanimous.

EXECUTIVE SESSION

Board President Wayne Peters recessed the Open Session at 2:11 pm and announced that the Board would go into an Executive Session meeting. The Executive Session included Power Supply Resources – Competitive Matters - Energy Risk Management Policy, Power Supply Update,

Discuss and Consider Edison Electric Institute (EEI) Resolution Allowing NBU to Enter into a Master Agreement Related to Power Supply Transactions; 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 *MMF NBTX LAND, LLC v. City of New Braunfels, New Braunfels Utilities, and Ryan Kelso, in his official capacity as Chief Executive Officer of New Braunfels Utilities*, No. C2025-1252D (433rd District Court, Comal County, Texas); b. Discuss *New Braunfels Utilities v. TRC Engineers, Inc.*, Cause No. C2024-1980D (433rd District Court, Comal County, Texas); and Consultation with Attorney Regarding Pending or Contemplated Litigation, Settlement Offers, and/or Matters Protected by Attorney-Client Privilege (Section 551.071 – Texas Government Code); Real Property (Section 551.072 – Texas Government Code): Discuss Legal Matters Relating to Potential Eminent Domain Action to Secure the Following Easement for the Western Downtown to Morningside Pressure Zone Conversion Project: a 0.005 Acre (220 sq. ft) Permanent Utility Easement and a 0.042 Acre (1,821 sq. ft) Temporary Construction Easement out of the remainder of Lot 13, Pleasant View Subdivision in Comal County, Texas, according to the plat thereof recorded in Volume 4, Page 54, of the Map and Plat Records of Comal County, Texas, as conveyed to Leonardo Hernandez III, Herman G. Hernandez, Yvette Hernandez Rodriguez, Michael Hernandez and Yvonne Hernandez Garcia by deed recorded in Document No. 202006016641 of the Official Public Records of Comal County Texas, also known as Comal County Parcel No. 44948

The Executive Session was opened at 2:16 pm and closed at 2:47 pm.

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

The Regular Session resumed at 2:48 p.m. Only the matters cited above, and no others, were discussed.

ADJOURN

There was no further business, and Board President Wayne Peters adjourned the meeting at 2:48 p.m.

Attest:

Wayne Peters, President
Approved

Ryan Kelso, Secretary of the Board
Chief Executive Officer

Date Approved: March 26, 2026

EXHIBITS

None

| | | | | | |
|--|---------------------|--|-----------|-------------|---------------------|
| | and Relocation | haul concrete pavement not shown on plans | | | |
| 4 | NBU Headquarters | Owner's Contingency- material, labor/installation, supervision, detailing, and fabrication for added ductwork and ductwork insulation, credit for sanitary piping, domestic piping, and domestic hot water insulation | SpawGlass | ASI #006 | (\$7,487.00) |
| 5 | NBU Headquarters | Owner's Contingency- material, labor/installation, supervision, detailing, and fabrication for additional ductwork and additional grilles | SpawGlass | ASI #005 | \$10,892.00 |
| 6 | NBU Headquarters | Owner's Contingency- material, labor/installation, supervision, detailing, and fabrication for ductwork removed and additional ductwork added as a result of the AHU orientation changing in ASI 007, addition of 1.67' to chase wall in warehouse, addition of 6" to bulkheads at demountable walls where ceiling was lowered, and addition of Axiom trim at coffee bar | SpawGlass | ASI #007 | \$7,642.00 |
| 7 | NBU Headquarters | Material, labor/installation, supervision, detailing, and fabrication for addition of maintenance and office building controls per ASI 008 | SpawGlass | ASI #008 | \$9,405.00 |
| Total change orders less than \$50,000: | | | | | \$105,172.89 |

Change orders more than \$50,000:

| Item Number | Project | Description of Work | Vendor | Change Order Number | Cost Increase/(Decrease) in \$ |
|--|--|---|-------------------------------|----------------------------|---------------------------------------|
| 1 | Loop 337 GST Rehabilitation | Weir box replacement and deductions for unused bid items, including pipe valve replacement and supplemental items | CFG Industries, LLC | 1 | (\$128,214.97) |
| 2 | Gruene Road Sewer Main Rehabilitation and Relocation | Relocate recycled water line, exploration and one-week bypass for recycled water line | Spiess Construction Co., Inc. | 1 | \$93,454.09 |
| 3 | South Kuehler Interceptor Phase 1 | Line A bore adjustment | Pesado Construction Company | 4 | \$74,200.00 |
| Total change orders more than \$50,000: | | | | | \$39,439.12 |

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

None



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

From: Anna Melton **Reviewed by:** Ashley Schriewer
 Procurement Manager Director of Financial Services

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

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

BACKGROUND

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

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

This report shall be prepared on a monthly basis and be delivered to the Procurement Manager before each Board of Trustees’ meeting. The Procurement Manager will prepare a consent agenda item to request approval of the report at the next Board of Trustees’ meeting.”

Exhibits attached to this agenda item are the Professional Engineering report(s) submitted to the Procurement Manager for the period of August 1, 2025, through February 15, 2026.

FINANCIAL IMPACT

The financial impact of new water engineering contracts during this period was \$14,991,477.00. No electric engineering contracts were executed during this period.

LINK TO STRATEGIC PLAN

Infrastructure and Technology

EXHIBITS

1. Exhibit A – Report for Water Engineering Contracts



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

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

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

RECOMMENDED ACTION: Authorize the CEO or His Designee to Negotiate and Execute a Professional Services Agreement with Garver, LLC for the Design of the Walnut Heights Wastewater Main Improvements Project

BACKGROUND

This Professional Services Agreement (the “Agreement”) with Garver, LLC (“Garver”) provides project management, preliminary engineering design, final design, field services, permitting and coordination with stakeholders, bid phase services, and construction phase services for the New Braunfels Utilities (“NBU”) Walnut Heights Wastewater Main Improvements Project (the “Project”). The Project is anticipated to replace an existing 12-inch and 16-inch sewer main with approximately 5,500 linear feet of 18-inch sewer main and will increase wastewater capacity within the South Kuehler Basin.

NBU staff requests that the Board of Trustees approve the Agreement with Garver for the Project.

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

Upon completion of the final design, NBU staff will solicit a construction contract and anticipate bringing the construction contract to the Board for approval in September 2027. NBU staff plans to begin construction in October 2027 and complete construction by September 2028.

FINANCIAL IMPACT

The total financial impact for the Agreement with Garver for the Project is \$1,187,364.00, including supplemental services. The Project is budgeted within the Fiscal Year 2026 through Fiscal Year 2029 NBU Board approved Capital Improvements Projects Budget.

LINK TO STRATEGIC PLAN

Infrastructure and Technology

EXHIBITS

1. Professional Services Agreement with Garver



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

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

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

RECOMMENDED ACTION: Authorize the CEO or His Designee to Negotiate and Execute a Professional Services Agreement with HDR Engineering, Inc. for the Design of the South Kuehler Interceptor Phase 2 Project

BACKGROUND

This Professional Services Agreement (the “Agreement”) with HDR Engineering, Inc. (“HDR”) provides project management, preliminary engineering design, final design, field services, permitting and coordination with stakeholders, bid phase services, and construction phase services for the New Braunfels Utilities (“NBU”) South Kuehler Interceptor Phase 2 (the “Project”). The Project is anticipated to upsize approximately 7,500 linear feet (LF) of wastewater main, increase wastewater capacity, and remove modeled sanitary sewer overflows within the South Kuehler Basin.

NBU staff requests that the Board of Trustees approve the Agreement with HDR for the Project.

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

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

FINANCIAL IMPACT

The total financial impact for the Agreement with HDR for the Project is \$953,852.00 including supplemental services. The Project is budgeted within the Fiscal Year 2026 through Fiscal Year 2029 NBU Board approved Capital Improvements Projects Budget.

LINK TO STRATEGIC PLAN

Infrastructure and Technology

EXHIBITS

1. Professional Services Agreement with HDR



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

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

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

RECOMMENDED ACTION: Authorize the CEO or His Designee to Negotiate and Execute a Second Amendment to the Professional Services Agreement with Arcadis U.S., Inc. for the Design of the Trinity Wellfield Expansion Project

BACKGROUND

On June 24, 2021, the New Braunfels Utilities (“NBU”) Board of Trustees approved a Professional Services Agreement (the “Agreement”) with Arcadis U.S., Inc. (the “Professional”) for professional engineering services for the Trinity Wellfield Expansion Project (the “Project”). On May 24, 2022, the Board approved a Professional Services Contract Amendment (the “First Amendment”) for new services including modifying project management, collection and review of data and information, final design, bid phase, construction phase, additional permitting and construction phase services, and adding new geotechnical investigation and Texas Water Development Board (“TWDB”) environmental information.

NBU and the Professional require additional project management, construction phase, TWDB environmental information documents, Engineering Feasibility Report, TWDB contract document, permitting, and resident project representative services due to construction delays and additional coordination. As a result, NBU staff requests that the Board approve the Second Amendment to the Agreement (the “Second Amendment”), which includes an increase in the compensation to the Professional and an extension of the completion date for certain Services.

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

The Project began construction in February 2023, and staff plans to have it complete by July 2026.

FINANCIAL IMPACT

The total financial impact for the Second Amendment is \$543,180.00. The total contract amount for the Agreement, the First Amendment, and Second Amendment with Arcadis for the Project is \$2,067,980.00,

including Supplemental Services. The Project was budgeted within the Fiscal Year 2021 through Fiscal Year 2025 NBU Board approved Capital Improvements Projects Budget; however, this amendment will be funded using the Fiscal Year 2026 NBU Board approved Capital Improvements Projects Budget for Water Aging Infrastructure.

LINK TO STRATEGIC PLAN

Infrastructure and Technology

Stewardship

EXHIBITS

1. Second Amendment to the Professional Services Agreement with Arcadis U.S., Inc.

LINK TO STRATEGIC PLAN

Infrastructure and Technology

Safety and Security

EXHIBITS

1. Professional Services Agreement with Tidal Power Services. LLC
2. 25-0087 Evaluation Summary

EXHIBITS

1. Sourcewell contract number 040924-ALT
2. Global Rental Co., Inc. Quote

LINK TO STRATEGIC PLAN

Customers and Community

Financial Excellence

Stewardship

EXHIBITS

1. Professional Services Agreement with United Rentals (North America), Inc.



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

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

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

RECOMMENDED ACTION: Update on Fiscal Year 2028 Strategic Plan Development

Fiscal Year 2028 Strategic Plan Development

FY28-FY38

• March 26, 2026



FY28 Strategic Plan Development

- **Welcome and Introduction**
- **Current State**
- **Future State**
- **Then and Now**
- **How it Works**
- **Sample**

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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Core Values

Safety, Team, Integrity, Culture, and Stewardship

Welcome and Introduction

Mission

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Current State

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+

Core Values

Safety, Team, Integrity, Culture, and Stewardship

FY26-27 Strategic Goals (Current State)

- **CUSTOMERS AND COMMUNITY**

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

- **PEOPLE AND CULTURE**

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

- **INFRASTRUCTURE AND TECHNOLOGY**

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

- **FINANCIAL EXCELLENCE**

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

- **SAFETY AND SECURITY**

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

- **STEWARDSHIP**

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

Mission

Strengthening our community by providing resilient essential services

+

Vision

Be a trusted community partner dedicated to excellence in service

+

Core Values

Safety, Team, Integrity, Culture, and Stewardship



FY26-27 Strategic Goals (Current State)

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

| | | | |
|---|--|---|---|
| Mission Strengthening our community by providing resilient essential services | + Vision Be a trusted community partner dedicated to excellence in service | + Core Values Safety, Team, Integrity, Culture, and Stewardship |  |
|---|--|---|---|

FY26-27 Strategic Goals (Current State)

Customer Experience

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

| | |
|-----|----------|
| Q1: | On Track |
| Q2: | On Track |

Asset Management

- Establish NBU's Asset Data and Information Standards

| | |
|-----|----------|
| Q1: | On Track |
| Q2: | On Track |

Project Management

- Implement PMIS for Capital Projects for Support Services

| | |
|-----|----------|
| Q1: | On Track |
| Q2: | On Track |

Technology Modernization

- Select Financial System

| | |
|-----|----------|
| Q1: | On Track |
| Q2: | On Track |

Future State

Mission

Strengthening our community by providing resilient essential services

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Vision

Be a trusted community partner dedicated to excellence in service

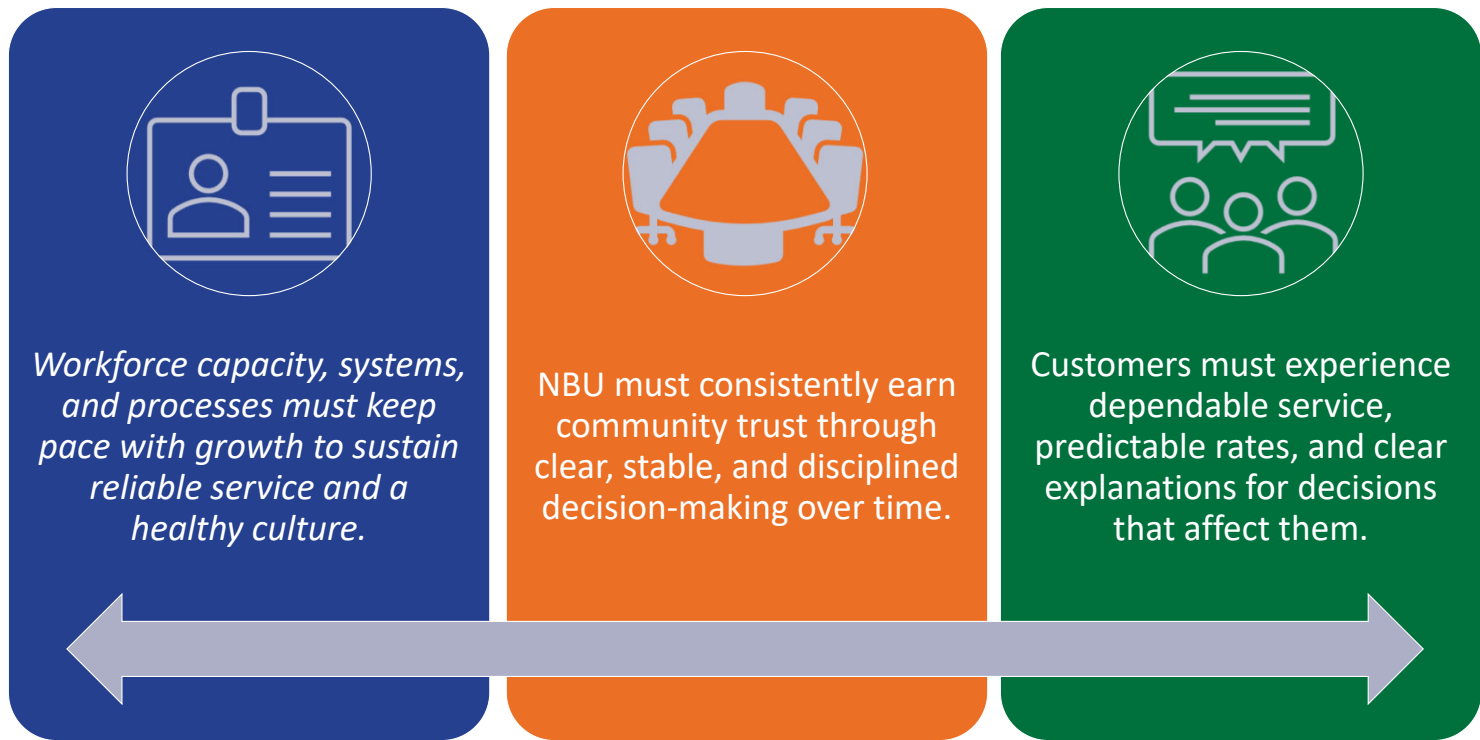
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Core Values

Safety, Team, Integrity, Culture, and Stewardship



Strategic Plan Development (Future State)



Mission Strengthening our community by providing resilient essential services + **Vision** Be a trusted community partner dedicated to excellence in service + **Core Values** Safety, Team, Integrity, Culture, and Stewardship



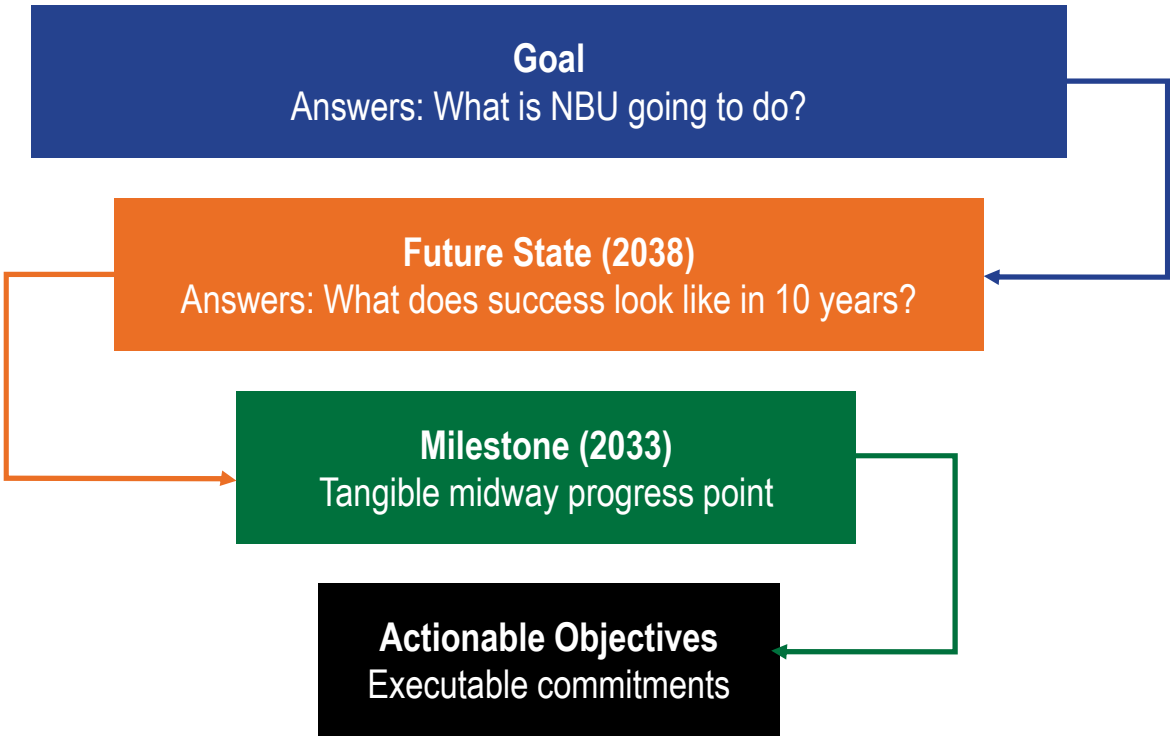
Strategic Plan Development (Future State)

- Approach
 - Framework first



Strategic Plan Development (Future State)

- What our Strategic Goals may now look like:



Strategic Plan Development (Future State)

GOAL: X

- Future State (2038)
- Milestone (2033)
 - Actionable Objectives
 - ✓ Lagging Indicators
 - ✓ Leading Indicators





Then and Now

Mission

Strengthening our community by providing resilient essential services

+

Vision

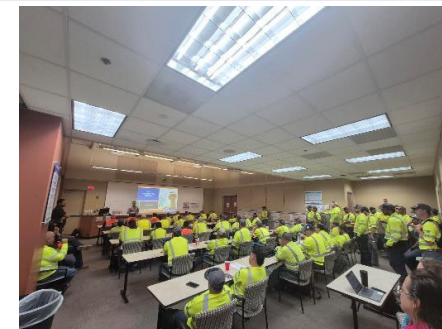
Be a trusted community partner dedicated to excellence in service

+

Core Values

Safety, Team, Integrity, Culture, and Stewardship

Strategic Plan Development (Then and Now)



NBU Strategic Plan Customer Survey

Q2 When you think of what makes a great utility company, which words best describe what matters most to you? (Choose up to 3)

Answered: 2,000 | Display 1

MEMBER COMMENTS

Reliable - Consistently provides dependable water and electric service

Affordable - Keep rates low for our needs

Responsible - Communication, safety and excellent customer service

Innovation - Clean, smart and technology in customer service

Community - Friendly, helpful, courteous and trustworthy employees

Customer-focused - Customer service programs, education and community involvement

Top Respondents: 1,000

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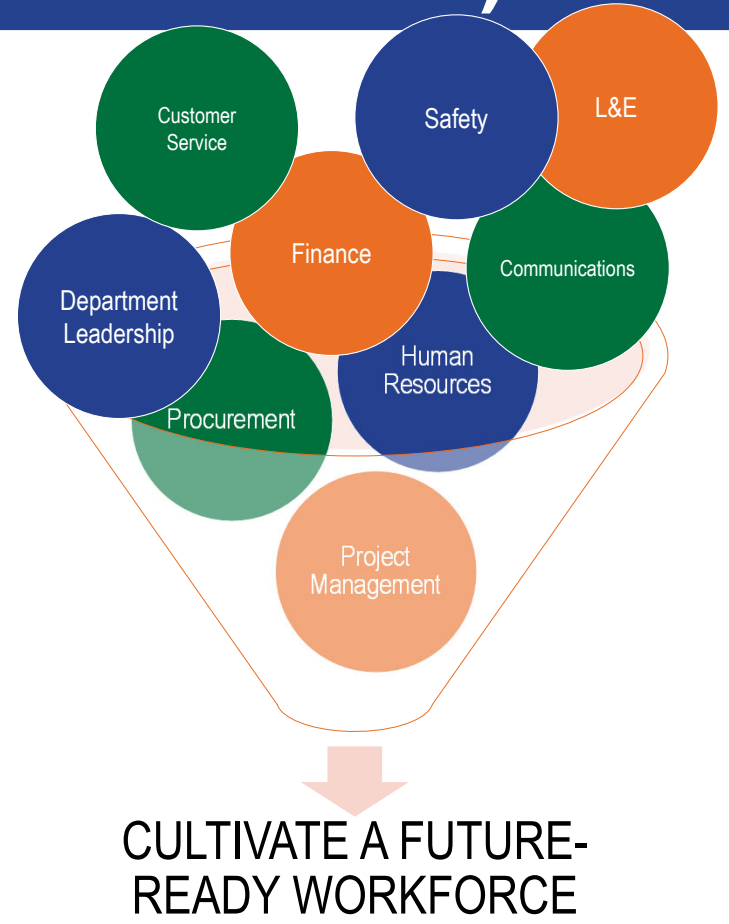
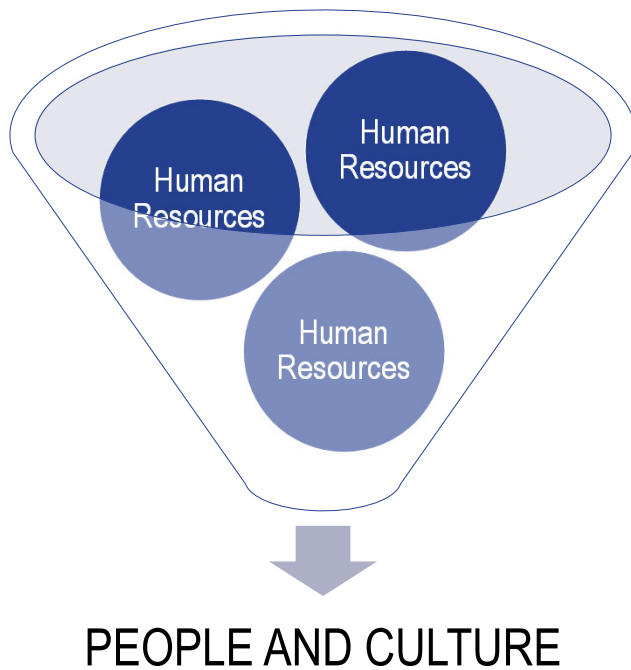
Mission
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Vision
Be a trusted community partner dedicated to excellence in service

Core Values
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Strategic Plan Development (Then and Now)



Mission

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Strategic Plan Development (Then and Now)

PEOPLE AND CULTURE

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



Lagging Indicator: Sustain \geq 89.3% Retention Rate for the Fiscal Year

Leading Indicator:

Monthly Stay Interviews

Green \geq 3.5

Yellow 3.49 – 2.5

Red $<$ 2.5

Leading Indicator:

New Hire Interviews avg. score of 3.5/5

Green: \geq 3.5

Yellow: 3.49 – 2.5

Red: $<$ 2.5

Leading Indicator:

Learner Satisfaction Rate

Green $>$ 3

Yellow 3 - 2

Red $<$ 2

Strategic Plan Development (Then and Now)

GOAL: CULTIVATE A FUTURE-READY WORKFORCE


 FY28-38

Future State (2038): NBU is Texas' premier utility employer, able to reliably attract, develop, and retain the technical and leadership talent required to operate and grow resilient utility systems under sustained growth, regulatory pressure, and extreme events.

Milestone (2033): By 2033, NBU will have transitioned from "reactive hiring" to "proactive talent cultivation," evidenced by a 90% internal readiness rate for critical leadership and technical roles

Mission

Strengthening our community by providing resilient essential services

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NBU NEW BRAUNFELS
UTILITIES

18

Strategic Plan Development (Then and Now)

GOAL: CULTIVATE A FUTURE-READY WORKFORCE

- Future State (2038)
- Milestone (2033)
 - Actionable Objectives
 - Lagging Indicators
 - Leading Indicators

Mission

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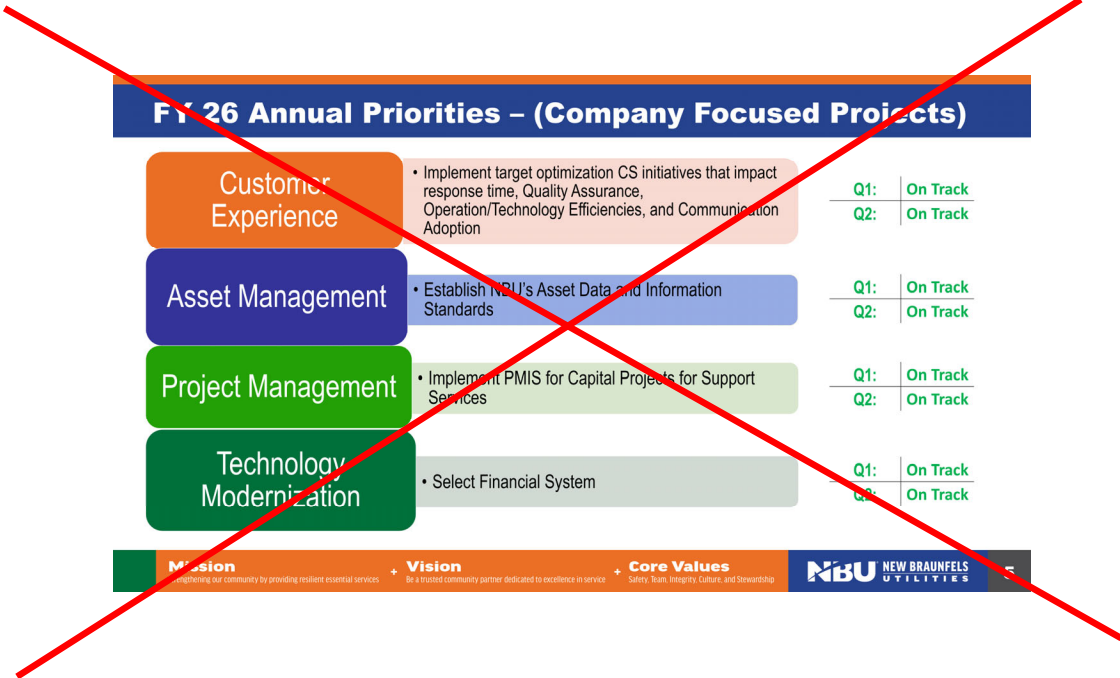
Core Values

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Strategic Plan Development (Then and Now)

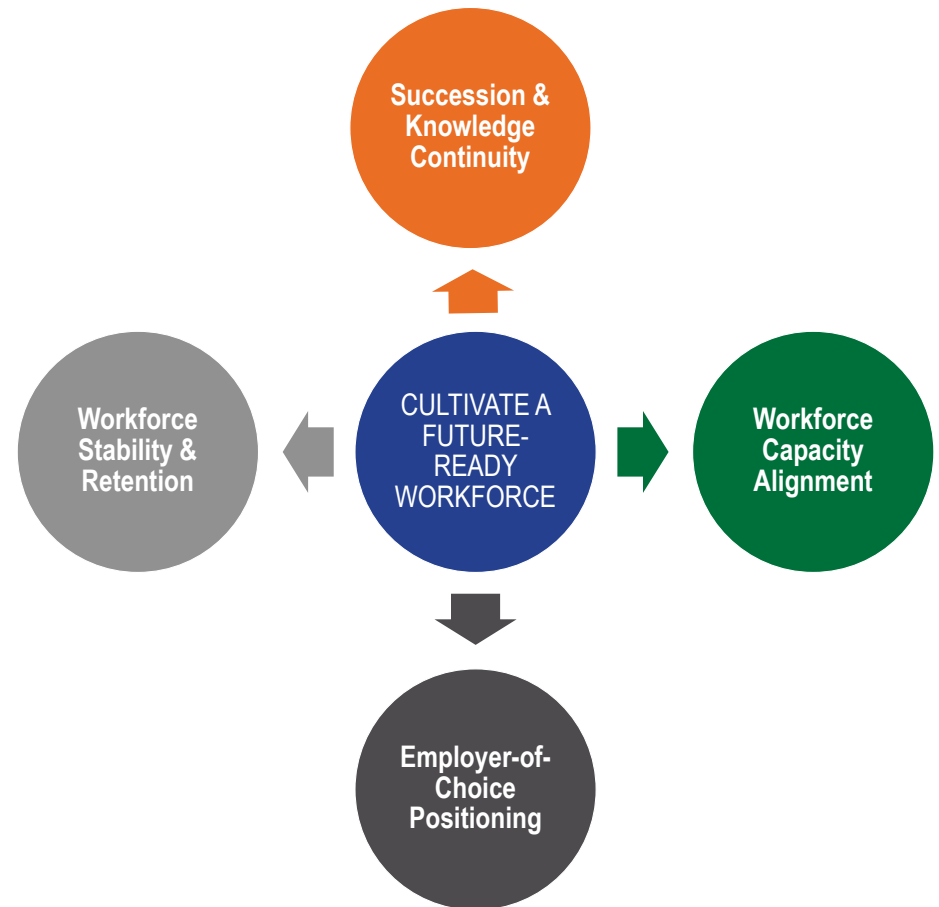
Actionable Objectives

A set of objectives that NBU can focus on to reach the 2033 Milestone and beyond.



Strategic Plan Development (Then and Now)

- Succession & Knowledge Continuity**
Sustain leadership and technical continuity by institutionalizing succession and knowledge transfer initiatives.
- Workforce Stability & Retention**
Proactive management of workload, development, and employee wellbeing/engagement
- Employer-of-Choice Positioning**
Offer clear expectations and credible paths for people to build long-term utility careers at NBU.
- Workforce Capacity Alignment**
Staffing plans integrated with growth forecasts, capital plans, and regulatory demands



How it Works

Mission

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Vision

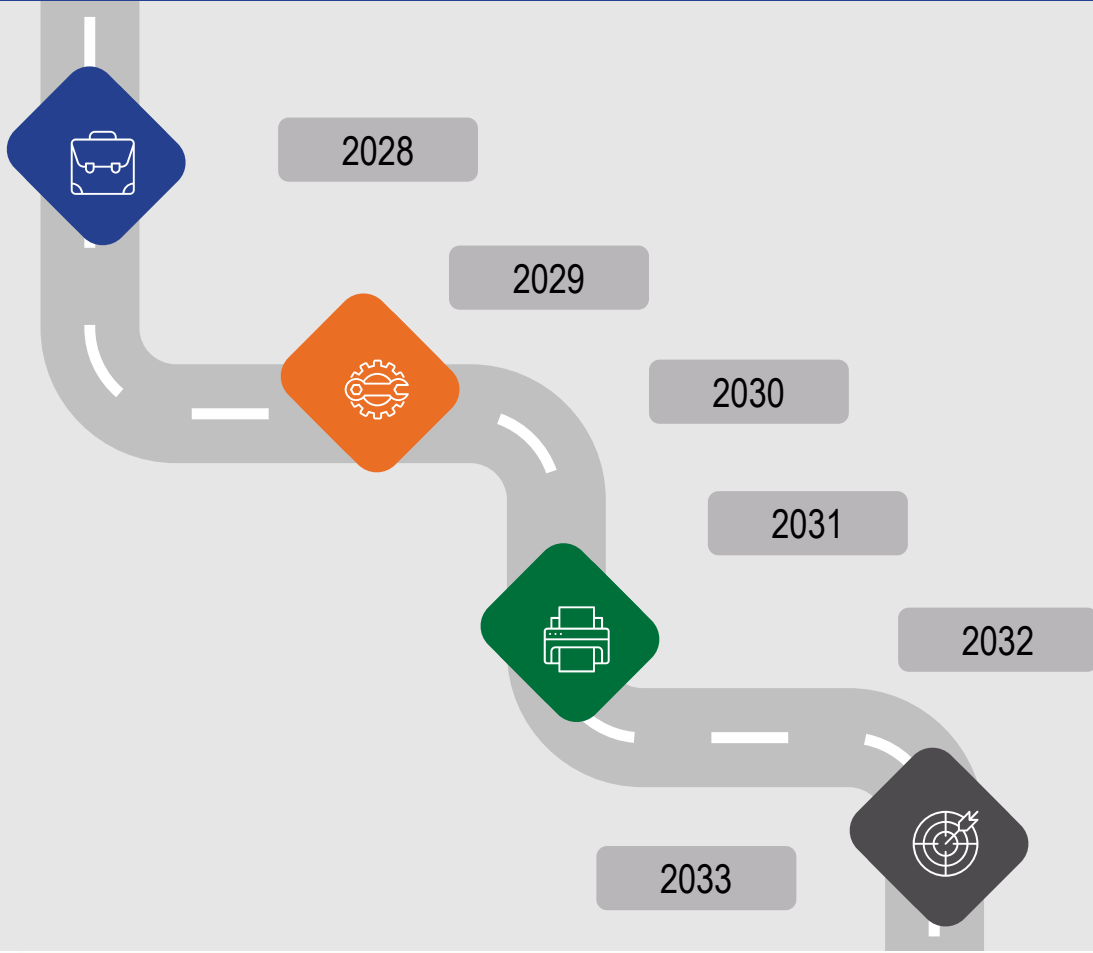
Be a trusted community partner dedicated to excellence in service

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Core Values

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Strategic Plan Development (How it Works)



- **SUCCESSION AND KNOWLEDGE CONTINUITY**
Sustain leadership and technical continuity by institutionalizing succession and knowledge transfer initiatives.
- **WORKFORCE STABILITY AND RETENTION**
Proactive management of workload, development, and employee well-being/engagement
- **EMPLOYER OF CHOICE POSITIONING**
Offer clear expectations and credible paths for people to build long-term utility careers at NBU.
- **WORKFORCE CAPACITY ALIGNMENT**
Staffing plans integrated with growth forecasts, capital plans, and regulatory demands

Sample

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Strategic Plan Development (Sample)

CULTIVATE A FUTURE-READY WORKFORCE

FY28

Succession & Knowledge Continuity

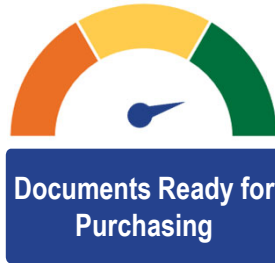
Workforce Capacity Alignment

Lagging Indicators:

≥ 90% **Critical Roles Succession Planned**
 Sustain leadership and technical continuity by institutionalizing succession and knowledge transfer initiatives.

>30 **Project Delays Due to Staffing**
 Count of CIP projects delayed >30 days, citing "Resource Availability" as the root cause

Leading Indicators:



Strategic Plan Development

Questions?



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

From: John Warren **Reviewed by:** Jessica Williams
Director of Financial Planning Chief Financial Officer
and Analysis

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

RECOMMENDED ACTION: Informational Update Regarding the NBU Financial Roadmap and Finance Department Internal Process Initiatives

NBU Financial Roadmap

- Jessica Williams, Chief Financial Officer

- March 26, 2026



Comprehensive Reference Guide

ACFR – Annual Comprehensive Financial Report

ERCOT – Electric Reliability Council of Texas

ERP – Enterprise Resource Planning

FERC – Federal Energy Regulatory Commission

FP&A – Financial Planning & Analysis

FY – Fiscal Year

GAAP – Generally Accepted Accounting Principles

GFOA – Government Finance Officers Association

GTOT – Government Treasurers' Organization of Texas

HQ – Headquarters

LOC – Letter of Credit

LSLR – Lead Service Line Replacement

PAFR – Popular Annual Financial Report

TWDB – Texas Water Development Board

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Strategic Roadmap for Financial Excellence

- Organizational Alignment
- Budget Modernization
- Transparency Enhancements
- Capital & Debt Strategy
- Governance
- Liquidity Optimization

Where We Are. Where We're Going. Why It Matters.



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NBU NEW BRAUNFELS
UTILITIES


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The Transformation Blueprint

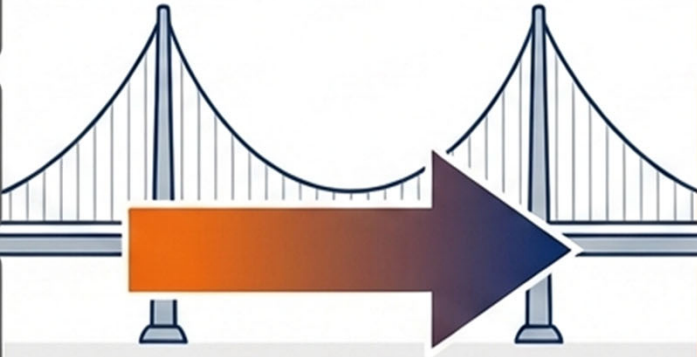
Current State

Heavy annual budget cycles 

Consolidated FERC accounting 

Limited policy framework 

Restricted cash collateral 



Target Future State

 Bi-annual strategic budgeting 

 Transparent fund accounting 

 Proactive GFOA-aligned governance 

 Optimized liquidity 

The ultimate outcome: Sustained financial strength, rate stability, and enhanced operational resilience.

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Breaking Silos: Organizational Alignment and ERP Modernization

Financial Services

- Director of Energy Risk transitioned to Director of Financial Services
- Unifying Accounting, Purchasing & Energy Risk

Financial Planning & Analysis (FP&A)

- Director of Finance transitioned to Director of FP&A
- Consolidating financial activities, budgeting and future grants management

System Upgrades: ERP Integration



End-user invoice entry



Encumbrance accounting



Decentralized accountability

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Transitioning to Bi-Annual Strategic Budgeting

Focus on Balanced Budget: Revenue Availability Drives Expenses




Current State

- Annual 5 Year Plan:
 - Operations & Maintenance
 - Capital Improvement Plan
 - Challenges:
 - Targets Changing Annually
 - Difficulty Tying Numbers to Multiple Years
 - Significant Staff Time
 - Not in alignment with GFOA Best Practice
- 



Future State

- Operations and Maintenance:
 - Year 1: Full Two-Year Review
 - Year 2: Condensed Process, Review Only
 - Calculated escalation of outer years
 - Zero-Based Budgeting
 - Capital Improvement Plan:
 - 5-Year Plan Reviewed Annually
 - Year 2 - Requests Must Align with 2 Year Rate Study
- 

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Upgrading the Financial Engine to Fund Accounting



The Current Challenge: Consolidated FERC Accounting

Operates as one consolidated bucket, complicating support service cost allocations and revenue tracking. The new ERP will not support this outdated structure.



Compliance Note: GAAP reporting is maintained with necessary FERC subaccounts.

The Future Solution: Fund Accounting

Separates money by purpose. Each fund operates like a restricted checkbook with allowed interfund transfers.

✓ Increased transparency

✓ Stronger accountability

✓ Aligns with zero-based budgeting

✓ Supports ERP modernization

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Building a Proactive Governance Framework



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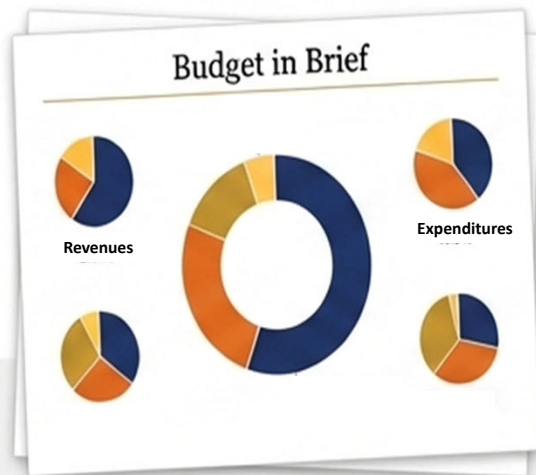
Core Values




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Expanding Public-Facing Financial Communication

Translating utility finance into accessible, transparent resident engagement.




Tool 1: Budget in Brief



-  A plain-language summary of the adopted budget.
-  Uses visuals to highlight key revenues, expenditures, and priorities.
-  Planned for FY 27-28 GFOA submission.

Tool 2: Popular Annual Financial Report (PAFR)



-  A simplified, plain-language summary of the ACFR.
-  Focuses directly on financial condition and long-term trends.
-  FY 2025 PAFR submitted in January 2026.

Pursuing the GFOA “Triple Crown” of Financial Excellence



Certificate of Achievement
(Financial Reporting)
Received for 35 consecutive years.

Popular Annual Financial Reporting Award
Submission completed January 2026.

Distinguished Budget Presentation Award
Planned for FY 27-28.



Achieving the Triple Crown reflects sustained, institutional excellence in financial governance and public transparency.

Strategic Debt Issuance and Capital Timing

Debt structures engineered to protect liquidity, actively manage rates, and precisely support capital project timing.

TWDB - LSLR

- Commitment up to \$24.3M.
- Highly favorable terms: 51% forgivable / 49% low interest.
- Portion of the bonds must be issued before August 31, 2026.

Traditional Bond Issuance

- Refunding Commercial Paper.
- New money for the HQ project.
- Refunding eligible bonds.
- Target issuance: March-June 2026.

Commercial Paper Program

- Program increase planned to ensure short-term operational capital fluidity.

Unlocking Unrestricted Cash: Reserves and ERCOT Collateral

Bond Reserve Optimization

Evaluating options to release cash reserves. Currently conducting a cost-benefit analysis with our Municipal Advisor.

ERCOT Letter of Credit

Exploring posting an LOC instead of utilizing cash collateral for ERCOT.



Financial Excellence



This roadmap guarantees an organization positioned for long-term financial strength, operational resilience, and ratepayer stability.

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Questions?

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