



**NOTICE OF OPEN MEETING**  
**FEBRUARY BOARD OF TRUSTEES**  
NBU Board Room, 263 Main Plaza, New Braunfels, Texas 78130  
February 27, 2025, at 1:00 PM  
[www.nbutexas.com](http://www.nbutexas.com)

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## AGENDA

### CALL TO ORDER

### PLEDGE OF ALLEGIANCE AND INVOCATION

Mayor Neal Linnartz

### NBU EMPLOYEE RECOGNITIONS

1. Presentation of Service Pins
  - a. Recognizing NBU Employees Justin Green and Dawn Schriewer for 20 Years of Service
2. Retirement Recognition of Gretchen Reuwer

### PUBLIC COMMENT

### ITEMS FROM THE CHAIR

1. Report from the Legislative Committee
2. American Public Power Association (“APPA”) Legislative Rally Update
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 Position Changes: Interim Customer Service Co-Managers Robert Aleman and Jenna Mathis, Director of Electric Operations and Compliance Justin Green, Director of Water Operations and Compliance Jason Theurer, and Director of Engineering Mike Short
  - b. NBU Community Presentation: Veramendi Homeowners Association Meeting
  - c. NBU Transmission Cost of Service (“TCOS”) and Wholesale Transmission Rates Application Approved by the Public Utility Commission of Texas (“PUCT”)
  - d. NBU Employees Volunteer at Night to Shine Prom
  - e. NBU Hosts Career Connect Customer Service Employee Job Fair
  - f. NBU Employee Engagement Team Hosts 1st Annual Cook-Off Contest

- g. State of NBU Presentations to the New Braunfels City Council and New Braunfels Rotary Club
  - h. Any Other Items Permitted Under Section 551.0415 of the Texas Government Code
2. Financial Update and Report, Including an Update on the Impact Fee Program Effective February 1, 2023 (referred to as Program E)
  3. Quarterly Investment Report
  4. Drought Update Report
  5. Quarterly Capital Update

### **CONSENT ITEMS FOR ACTION**

1. Approve Minutes of the NBU Regular Board Meeting of January 30, 2025
2. Approve the Change Order Log from December 15, 2024, through January 15, 2025
3. Approve the Reports for Water and Electric Engineering Contracts from August 1, 2024, through January 15, 2025
4. Approve the Electric Line of Business Alternative Procurements from December 15, 2024, through January 15, 2025
5. Approve 2024 Third Quarter Charge-Off Accounts
6. Authorize the CEO or His Designee to Negotiate and Execute a Construction Contract with Landmark Structures I, LP for the Construction of the FM 1044 Elevated Storage Tank Project
7. Authorize the CEO or His Designee to Negotiate and Execute a Construction Contract with Pesado Construction Company for the Construction of the Sewer Infrastructure Package 2 – Phase 2 Project
8. Authorize the CEO or His Designee to Negotiate and Execute a Professional Services Agreement with Merrick & Company DBA Colorado-Merrick and Company for the Design of the Solms Lift Station and Force Main Project
9. Authorize the CEO or His Designee to Approve Additional Construction Contract Contingency with E-Z Bel Construction, LLC, in the Amount of \$50,000.00 for the Construction of the Landa Street and Elm Street Water Line Improvements Project
10. Authorize the CEO or His Designee to Negotiate and Execute a Services and Goods Agreement with Environmental Improvements, Inc. for Water and Wastewater Liquid Chemical Feed Pump Repair, Maintenance, and Replacement Services
11. Authorize the CEO or His Designee to Negotiate and Execute the Second Amendment to the Wholesale Metering Services Agreement with the Lower Colorado River Authority Transmission Services Corporation to Update the Wholesale Metering Service Point List to Reflect New and Recent System Upgrades

## **EXECUTIVE SESSION**

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

1. Power Supply Resources – Competitive Matters  
(Section 551.086 – Texas Government Code)

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

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

## **ADJOURN**

If you require assistance in participating at a public meeting due to a disability as defined under the Americans with Disabilities Act, reasonable assistance, adaptations, or accommodations will be provided upon request. Please contact the Board Relations Coordinator at least three (3) days prior to the scheduled meeting date at (830) 629-8400 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 at the City of New Braunfels City Hall, 550 Landa Street, New Braunfels, Texas, the New Braunfels Utilities Main Office, 263 Main Plaza, New Braunfels, Texas, and the New Braunfels Utilities Customer Solutions Center, 1488 South Seguin Avenue, New Braunfels, Texas on the **21st day of February 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:** February 27, 2025      **Agenda Type:** Items from Staff

**From:** Kimberly Huffman      **Reviewed by:** John Warren  
Accounting Manager      Director of Finance

**Submitted by:** Dawn Schriewer      **Approved by:** Ryan Kelso  
Chief Financial Officer      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 lower temperatures and lower rainfall during the month of January than historically. The average temperature was 48.1 degrees, which was 2.8 degrees lower than the historical average temperature of 50.9 degrees. Rainfall totaled 1.49 inches for the month of January, which was 0.51 inches lower than the historical average rainfall of 2.0 inches.

For the month of January 2025, NBU recorded a change in net position after contributions ("CNPAC") of \$6,177,000 which represents an increase of \$5,115,000 compared to the budgeted monthly CNPAC of \$1,062,000. Operating service revenues of \$23,633,000 were less than budget by \$445,000, or 2%, for the month of January. A \$858,000 decrease in electric revenue, \$314,000 increase in water revenue, and a \$99,000 increase in wastewater revenue contributed to the overall service revenues. Other operating revenues of \$482,000 were less than budget by \$123,000 for the month of January. Purchased power costs were \$1,965,000 less than budget for January 2025 and \$20,697,000 less for Year-to-Date ("YTD"). A decrease in other operating expenses of \$5,015,000 resulted in total operating expenses to be \$6,978,000, or 28%, less than the budgeted amount of \$24,830,000. The net revenue and operating expense variances contributed to a favorable net operating income variance of \$6,411,000 from budget. Net non-operating items had a \$236,000 favorable variance compared to budget. Impact fees were less than budget by \$1,598,000, services income was greater than budget by \$239,000, and capital participation fees was less than budget by \$173,000. January 2025 YTD CNPAC was \$33,823,000, which was \$11,788,000 greater than the budgeted amount of \$22,035,000.

## **FINANCIAL IMPACT**

### **Electric**

The Electric Line of Business reported total operating revenues of \$17,427,000, a \$939,000 decrease, from the January budgeted amount of \$18,366,000. The net rate realized per kWh was \$0.1250, which was 6% greater than the budgeted rate of \$0.1177 for the month of January. January kWh sales were 136.3 million kWh, a 15.8 million kWh decrease, or 10%, in comparison to the budgeted amount of 152.1 million kWh.



Purchased power costs totaled \$10,506,000, which was \$1,965,000 less than the budgeted amount of \$12,471,000. Electric gross margin, which is total operating revenues minus purchased power, resulted in the amount of \$6,921,000 for the month of January and \$35,571,000 YTD. These amounts were \$1,026,000 greater and \$3,953,000 less than the budgeted amount of \$5,895,000 Month-to-Date (“MTD”) and \$39,524,000 YTD. Other operating expenses were less than budget by \$3,580,000. These items resulted in the Electric Line of Business reporting net operating income of \$6,514,000, which was \$4,604,000 greater than the budgeted amount of \$1,910,000. Net non-operating items provided a favorable variance from budget of \$19,000. Services income was greater than budget by \$314,000. The Electric Line of Business reported January 2025 CNPAC of \$6,316,000 and YTD CNPAC of \$18,123,000. These amounts were \$4,937,000 greater and \$2,271,000 greater than their respective January 2025 MTD and January 2025 YTD budget amounts.

### **Water**

The Water Line of Business reported total operating revenues of \$3,281,000, a \$270,000 increase, or 9%, from the January budgeted amount of \$3,011,000. In January, water gallons sold of 321,011,000 was greater than the budgeted amount of 310,190,000 (a 10,821,000-gallon variance from budget, or 3%). NBU’s net realized price per 1,000 gallons sold in January was \$10.02, which was greater than the budgeted amount of \$9.36. Operating expenses for January were \$4,203,000, which was \$848,000 less than the budgeted amount of \$5,051,000. The net effect of greater revenues and less operating expenses than budgeted resulted in the Water’s net operating income of \$(922,000), which was greater than budget. Net non-operating items provided a favorable variance of \$41,000 from budget. Impact fees of \$348,000 were less than budget by \$1,179,000, and services income of \$43,000 was less than budget by \$75,000. The Water Line of Business reported January 2025 CNPAC of \$(792,000) and YTD CNPAC of \$7,476,000. These amounts were \$96,000 less than and \$5,033,000 greater than their respective January 2025 MTD and January 2025 YTD budget amounts.

### **Wastewater**

The Wastewater Line of Business reported total operating revenues of \$3,407,000, a \$102,000 increase, or 3%, from the January budgeted amount of \$3,305,000. Total operating expenses of \$2,736,000 were \$587,000 less than the budgeted amount of \$3,323,000. As a result, the Wastewater Line of Business reported net operating income of \$671,000, which was \$689,000 greater than the budgeted amount of \$(18,000). Net non-operating items provided a favorable variance of \$177,000 from budget. Impact fees were less than budget by \$419,000, and capital participation fees were less than budget by \$173,000. The Wastewater Line of Business reported January 2025 CNPAC of \$653,000 and YTD CNPAC of \$8,224,000. These amounts were \$274,000 greater than and \$4,484,000 greater than their respective January 2025 MTD and January 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



- January 2025 Financials

- Kimberly Huffman, Accounting Manager

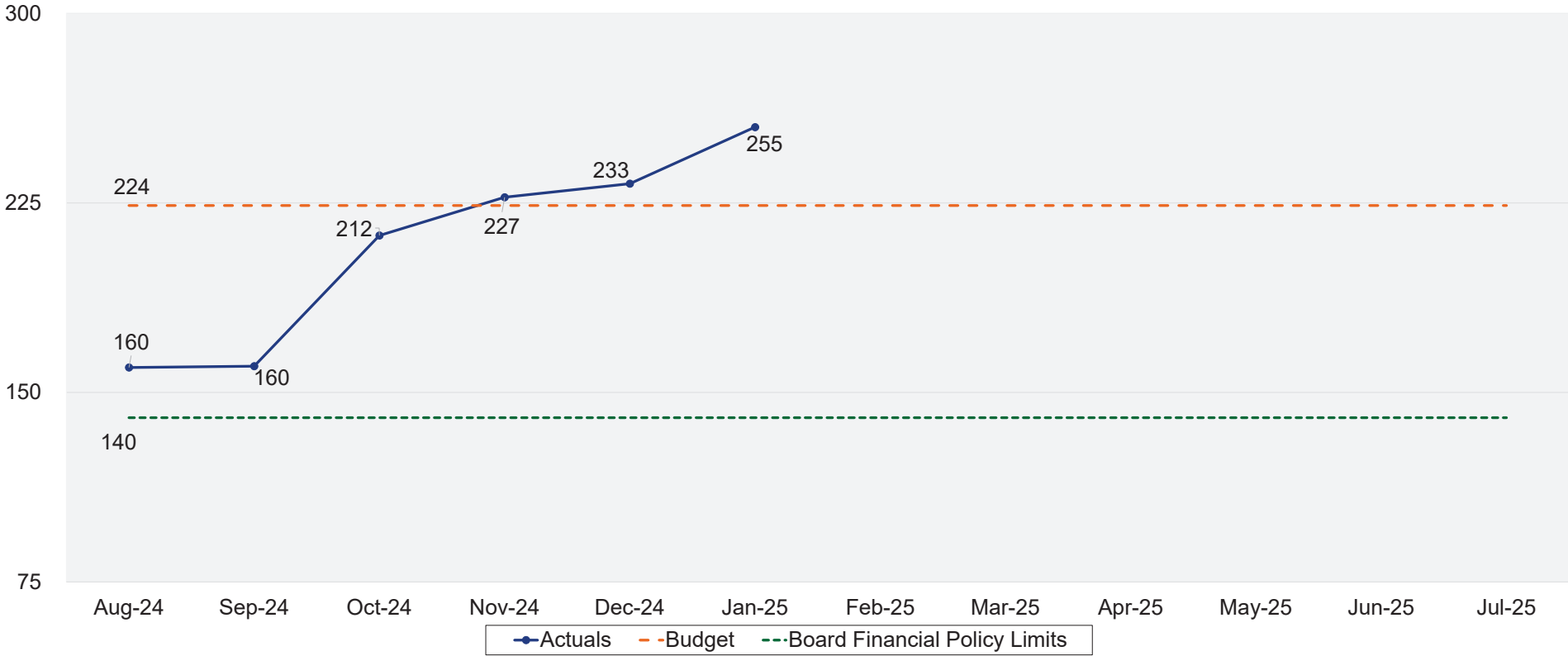


# Board Financial Policy Compliance - January 2025 YTD

	FY 2024 Actual	FY 2025 Budget	Financial Policy	FY 2025 Actual*
<b>Debt to Capitalization (lower is better)</b>	41.1%	45.5%	≤55.0%	<b>39.4%</b>
<b>Debt Service Coverage (higher is better)</b>	5.14	4.71	≥2.40	<b>4.77</b>
<b>Days Cash on Hand (higher is better)</b>	208	224	≥140	<b>255</b>
<b>Days Liquidity on Hand (higher is better)</b>	495	N/A	N/A	<b>421</b>

\* Amounts are calculated by annualizing the YTD results

# Days Cash on Hand - January 2025 YTD



**Mission**

Strengthening our community by providing resilient essential services

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**Vision**

Be a trusted community partner dedicated to excellence in service

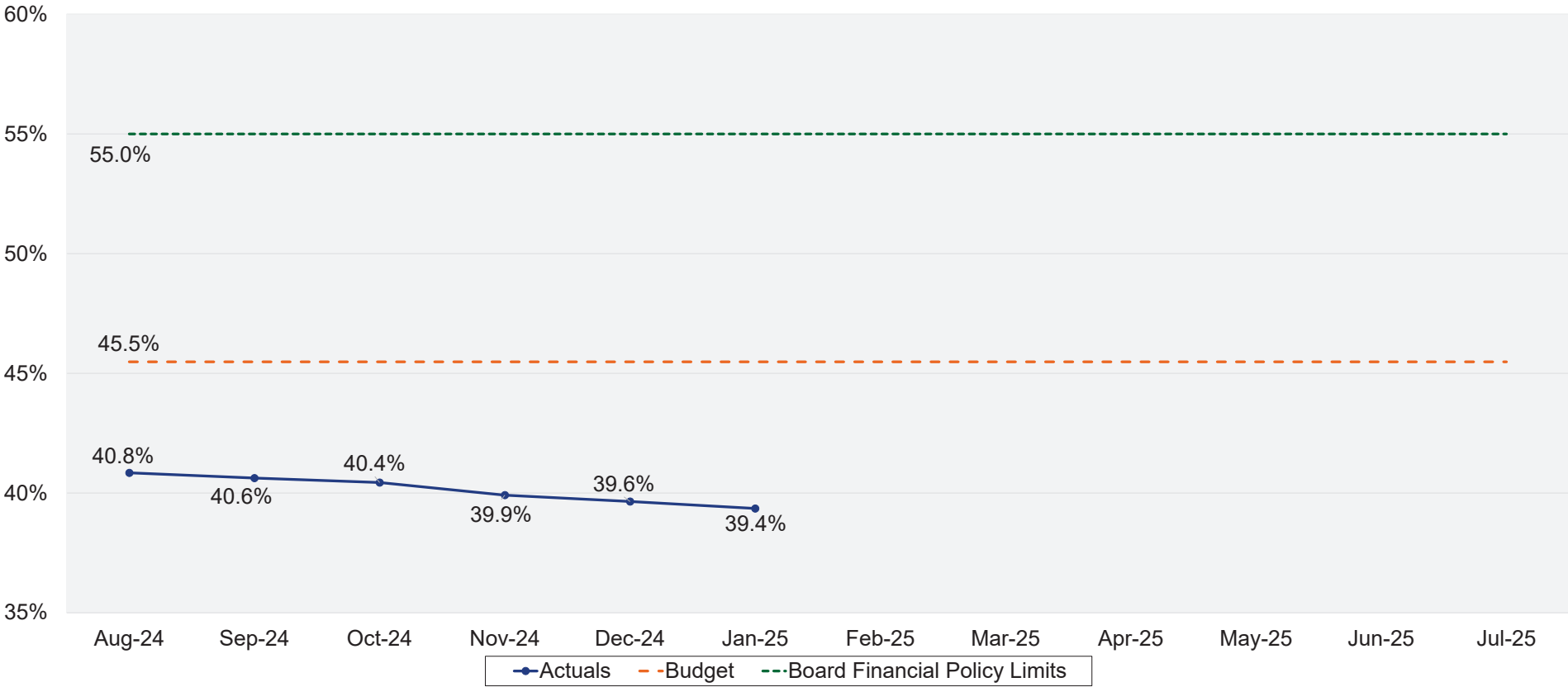
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**Core Values**

Safety, Team, Integrity, Culture, and Stewardship



# Debt to Capitalization - January 2025 YTD



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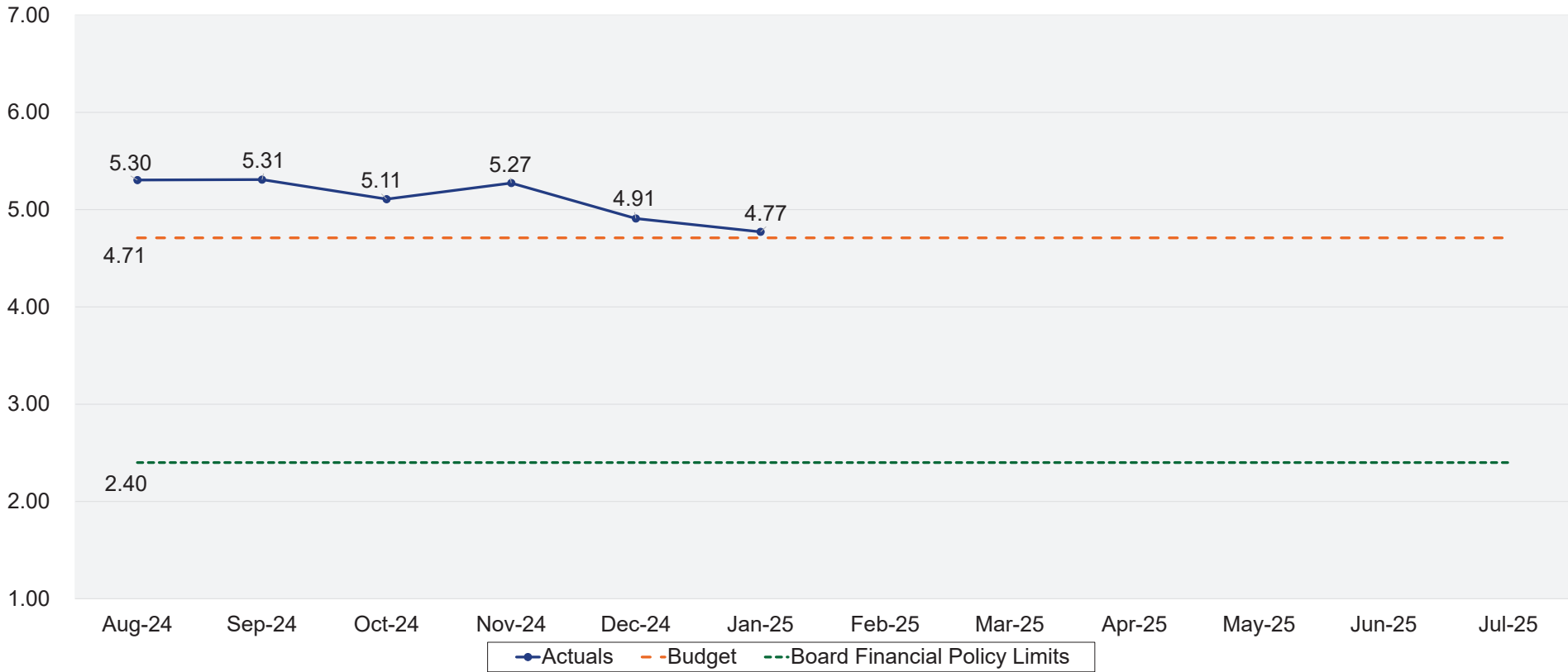
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# Debt Service Coverage - January 2025 YTD



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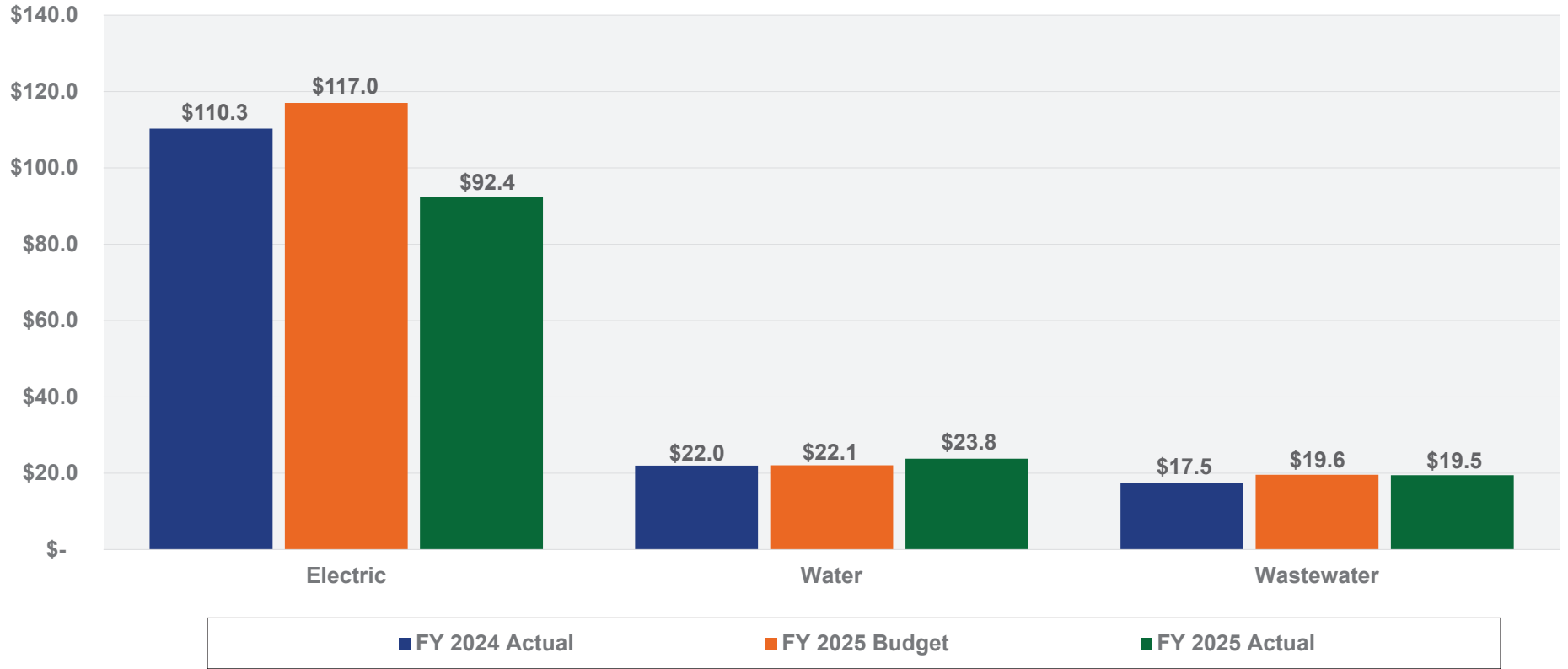


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# Operating Revenue by LOB January 2025 YTD – Amounts in Millions



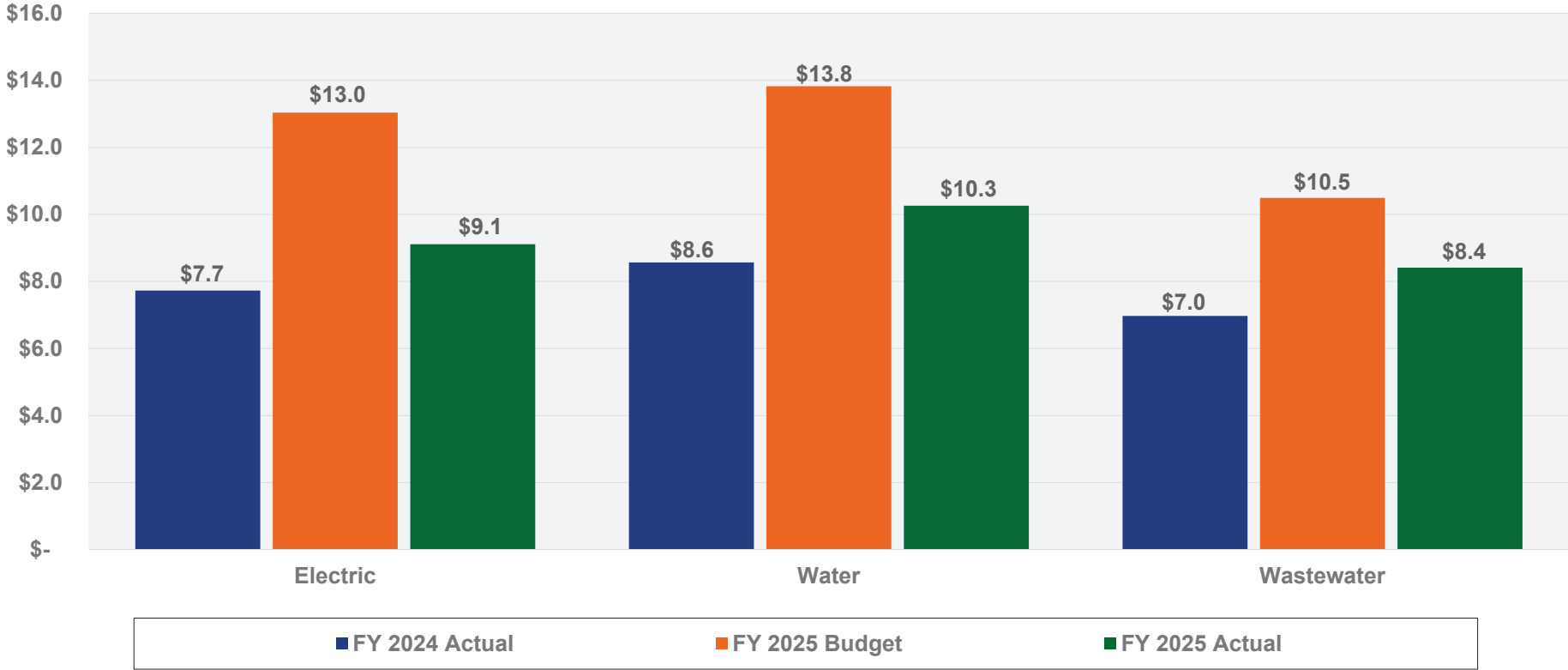
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# Operating Expenses\* by LOB January 2025 YTD – Amounts in Millions



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

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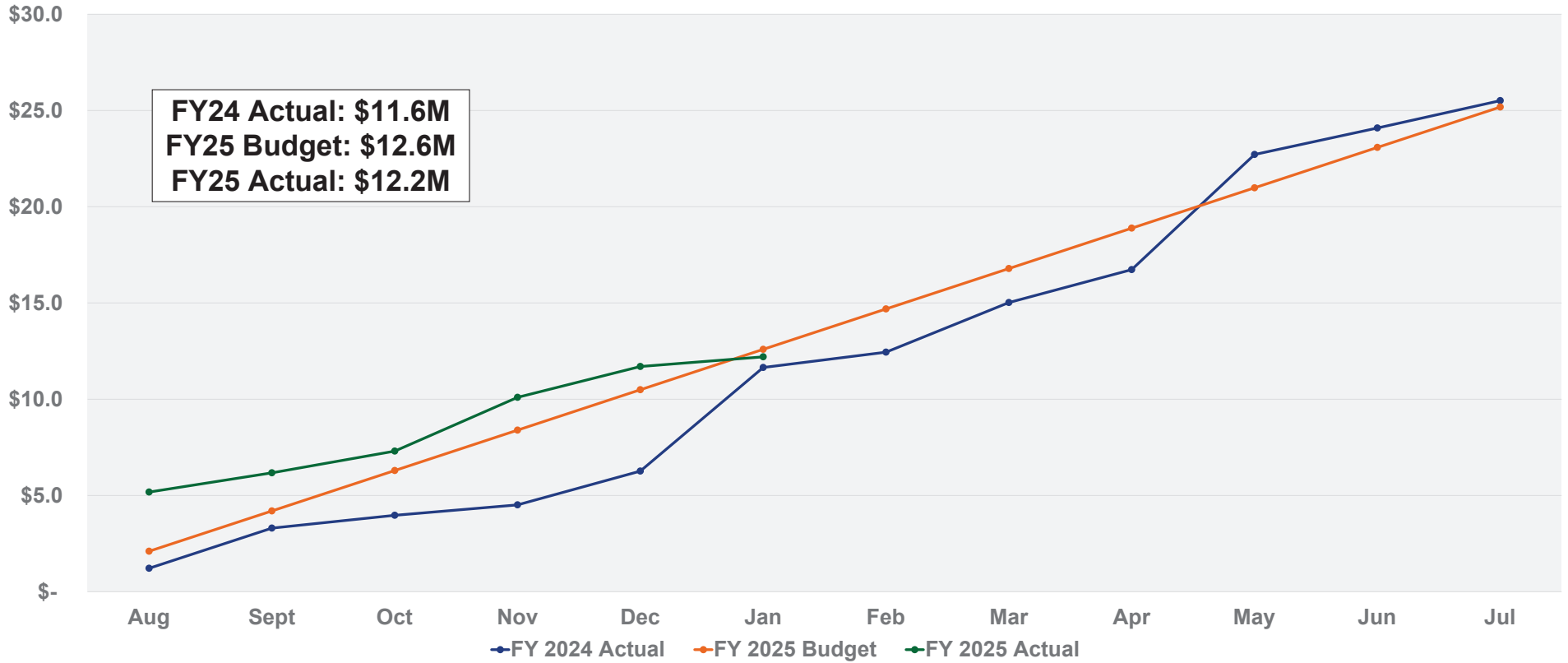
**Core Values**

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# Impact Fee Revenues January 2025 YTD – Amounts in Millions\*



**FY24 Actual: \$11.6M**  
**FY25 Budget: \$12.6M**  
**FY25 Actual: \$12.2M**

\* Amounts shown are YTD for each month

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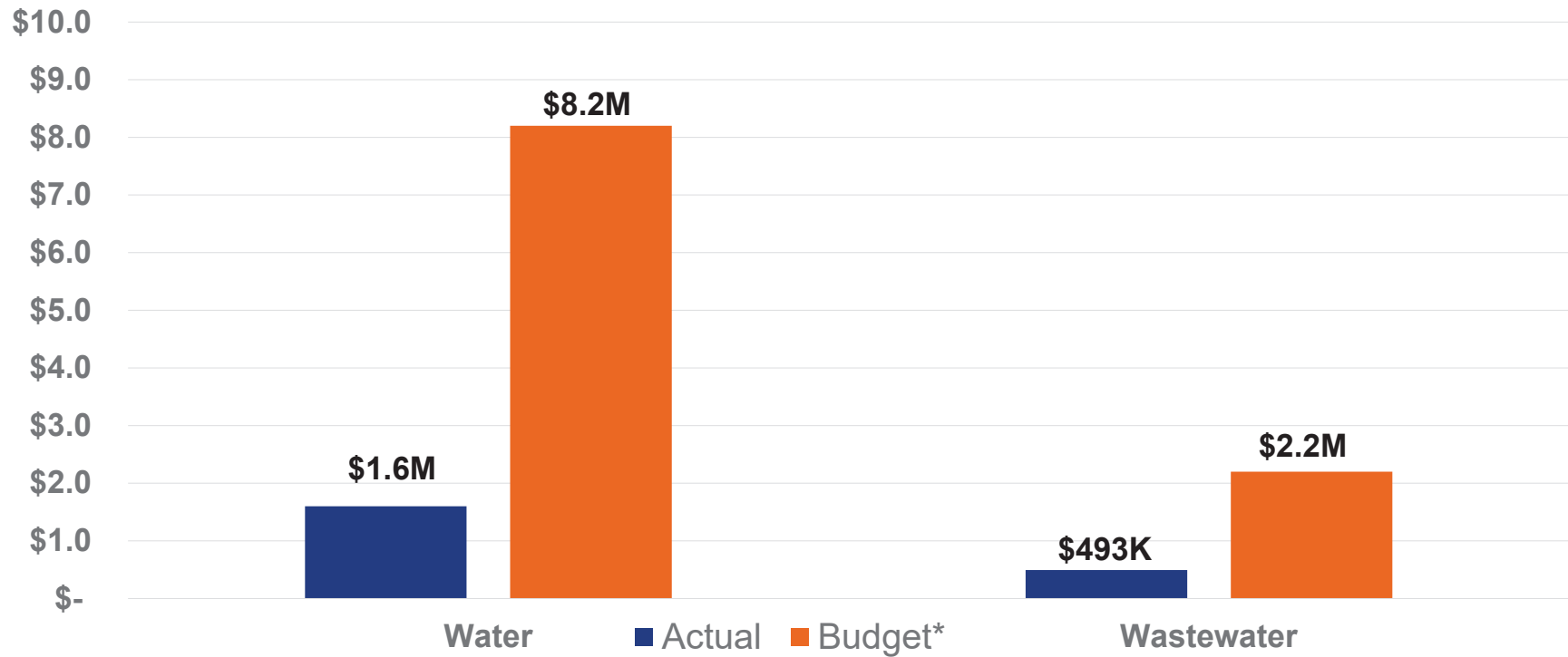


## Core Values

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



\* Fiscal year budget amount

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## 2<sup>nd</sup> Quarter Impact Fee Collections Update

- Through the 2<sup>nd</sup> Quarter, NBU has collected a total of \$11,929,382 in Impact Fees
- NBU budgeted to collect \$12,589,495 through the first two quarters

Collections	Schedule A	Schedule B	Schedule C	Schedule D	Schedule E
<b>Actual</b>	\$ 11,129	\$ 137,332	\$ 314,982	\$ 9,387,652	\$ 2,078,288
<b>Budget</b>	\$ 24,436	\$ 42,704	\$ 104,288	\$ 7,001,429	\$ 5,416,638
<b>Actual Percentage</b>	0.1%	1.2%	2.6%	78.7%	17.4%
<b>Budget Percentage</b>	0.2%	0.3%	0.8%	55.6%	43.0%

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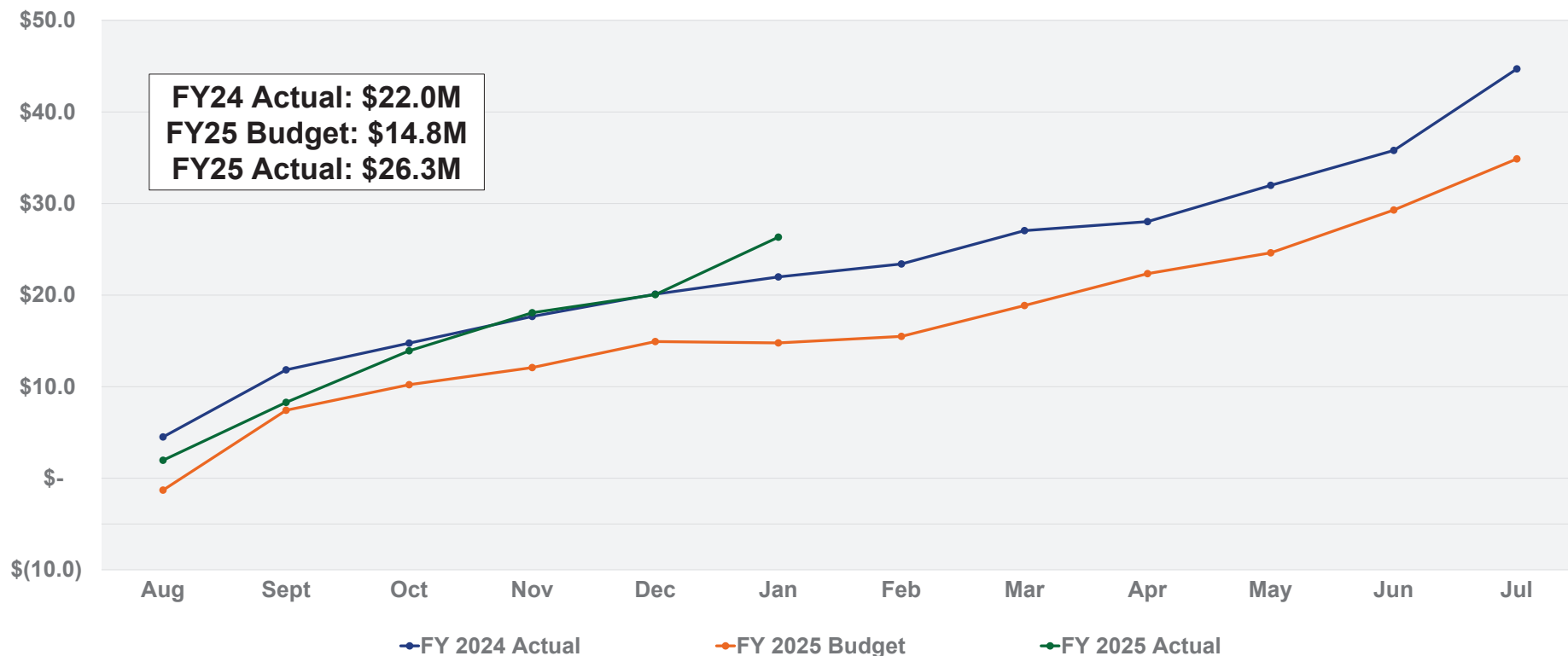
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# Power Supply Reserves Update- January 2025

	Power Stabilization Fund FY25	Power Stabilization Fund Full, FY28
As of FY25 Budget		
Target	\$50M	\$95M
As of January 31, 2025	\$42.6M	\$42.6M

# Net Operating Income January 2025– Amounts in Millions\*



\* Amounts shown are YTD for each month

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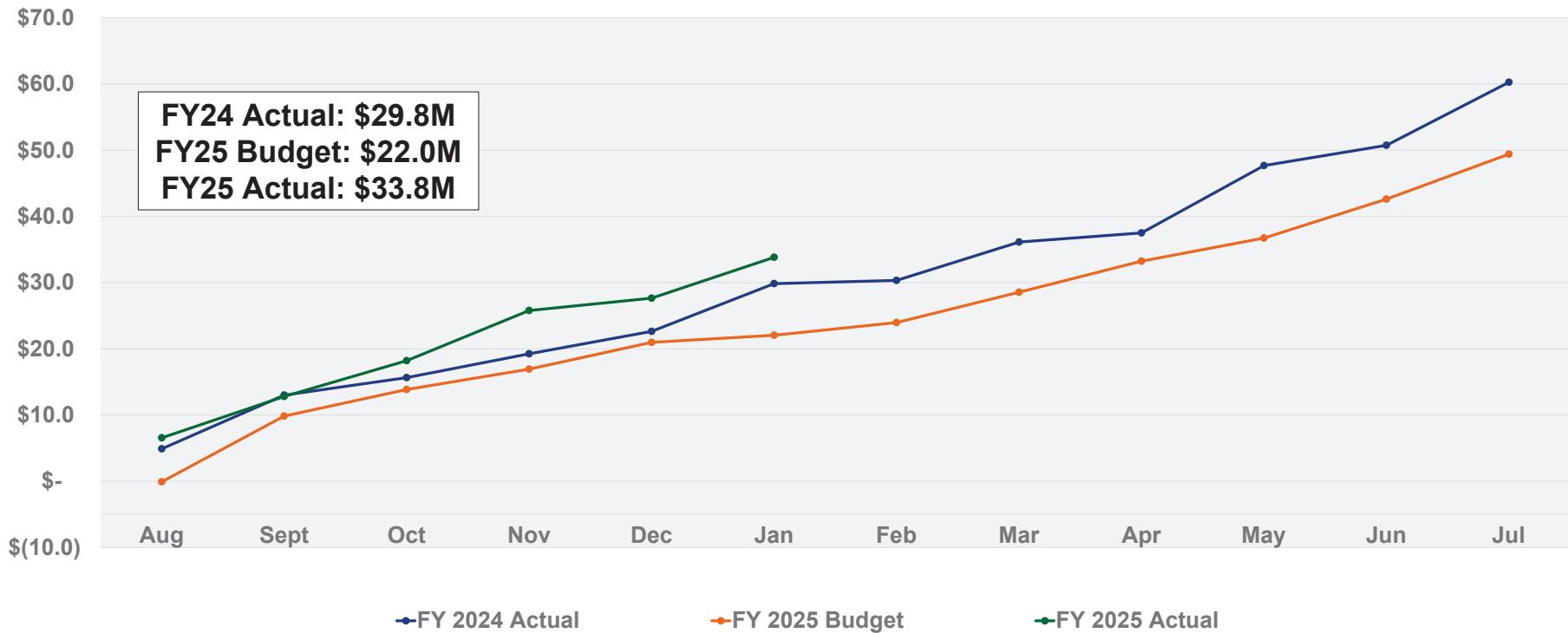


## Core Values

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# Change in Net Position After Contributions January 2025– Amounts in Millions\*



\* Amounts shown are YTD for each month

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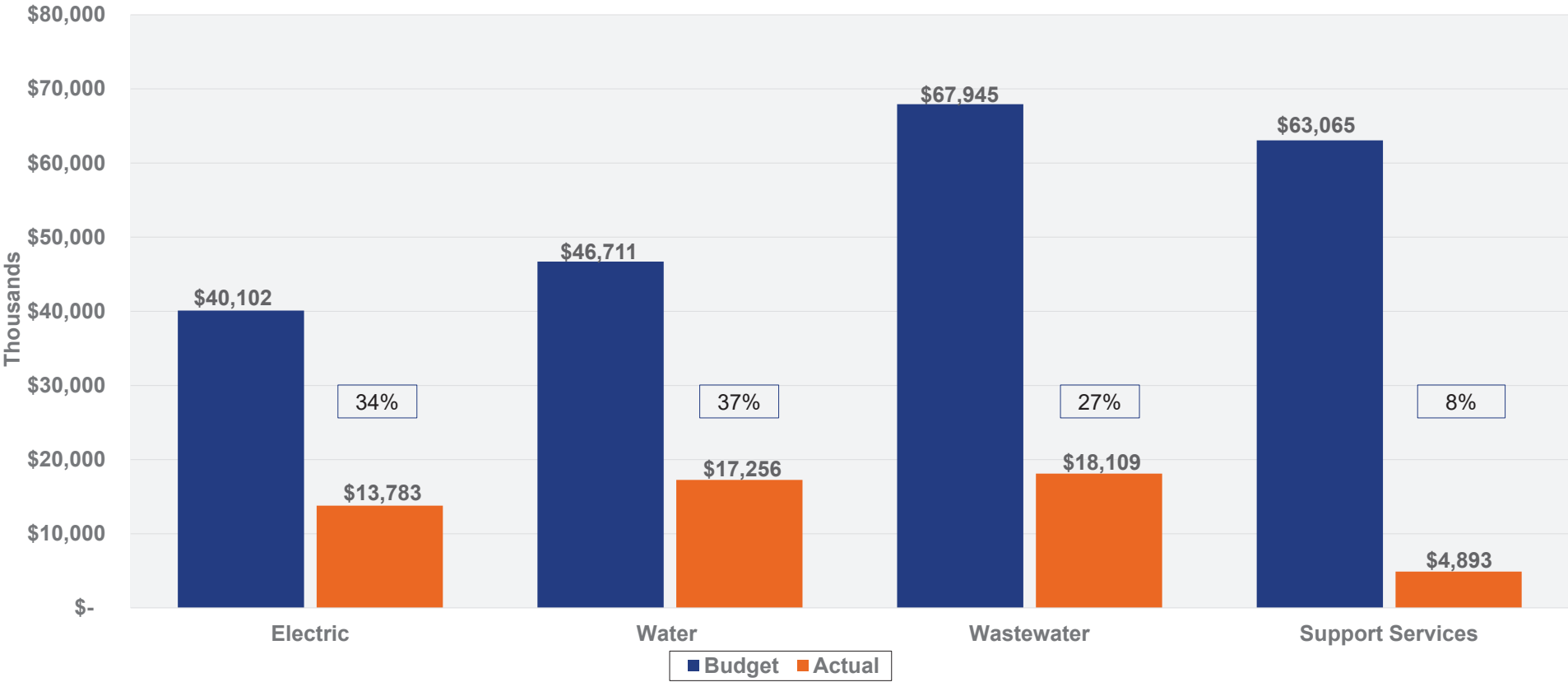


## Core Values

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# Capital Project Expenditures January 2025 YTD – Amounts in Thousands



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**Questions?**

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

**From:** Jessica Coleman      **Reviewed by:** John Warren  
Finance & Risk Manager                                      Director of Finance

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

**RECOMMENDED ACTION:** Quarterly Investment Report

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## **BACKGROUND**

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As required by the Public Funds Investment Act and the New Braunfels Utilities Investment Policy, the Investment Officers of NBU submit the quarterly report of investment activity for the quarter ended January 31, 2025. Attached is the NBU Investment Portfolio beginning October 31, 2024, and ending January 31, 2025.

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.

## **FINANCIAL IMPACT**

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NBU budgeted \$6,174,000.00 in interest income for FY 2025.

## **LINK TO STRATEGIC PLAN**

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### **Financial Excellence**

## **EXHIBITS**

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1. Quarterly Investment Report

# Quarterly Investment Report

As of January 31, 2025



Jessica Coleman, Finance & Risk Manager

# Investment Portfolio Summary

Item 3.

	Ending Invested Value	Percentage of Portfolio	Weighted Average Maturity (in days)	Weighted Average Days to Call
<b>Daily Liquidity Funds</b>				
Money Markets	\$ -	0.0%	1	1
Pooled Funds	79,481,819	32.9%	1	1
<b>Total Money Markets &amp; Pooled</b>	<b>\$ 79,481,819</b>	<b>32.9%</b>	<b>1</b>	<b>1</b>
Federally Insured Cash Account	\$ 11,276,827	4.7%	1	1
Demand Deposits	56,952,279	23.6%	1	1
<b>Daily Liquidity Funds Total</b>	<b>\$ 147,710,925</b>	<b>61.2%</b>	<b>1</b>	<b>1</b>
<b>Escrow Funds Total</b>				
<b>U.S. Agencies</b>	<b>\$ 27,033,135</b>	<b>11.2%</b>	<b>29</b>	<b>29</b>
<b>U.S. Treasuries *</b>	<b>26,767,595</b>	<b>11.1%</b>	<b>25</b>	<b>25</b>
Certificates of Deposit	-	0.0%	0	0
Obligations of The State of Texas, Agencies & Instrumentalities	-	0.0%	0	0
<b>Total Invested Funds</b>	<b>\$ 241,500,166</b>	<b>100.0%</b>	<b>58</b>	<b>58</b>

Max = 450

Max = 300

\* WAM and WAM to Call exclude a \$5 Million investment in the Community Assistance Fund having a remaining maturity of 4.8 years.

<b>Liquidity Requirement</b>	
Total Daily Liquid Funds	\$ 147,710,925
Average Monthly Operating Expense (FY 2025 Budgeted Operating Expenses ÷ 12)	\$ 19,515,241
Operating Expense Liquidity Coverage Ratio	\$ 7.57
Number of Days Coverage of Operating Expenses	<b>227</b>

Min = 30

# Rolling Four Quarter Annualized Yield By Investment Type

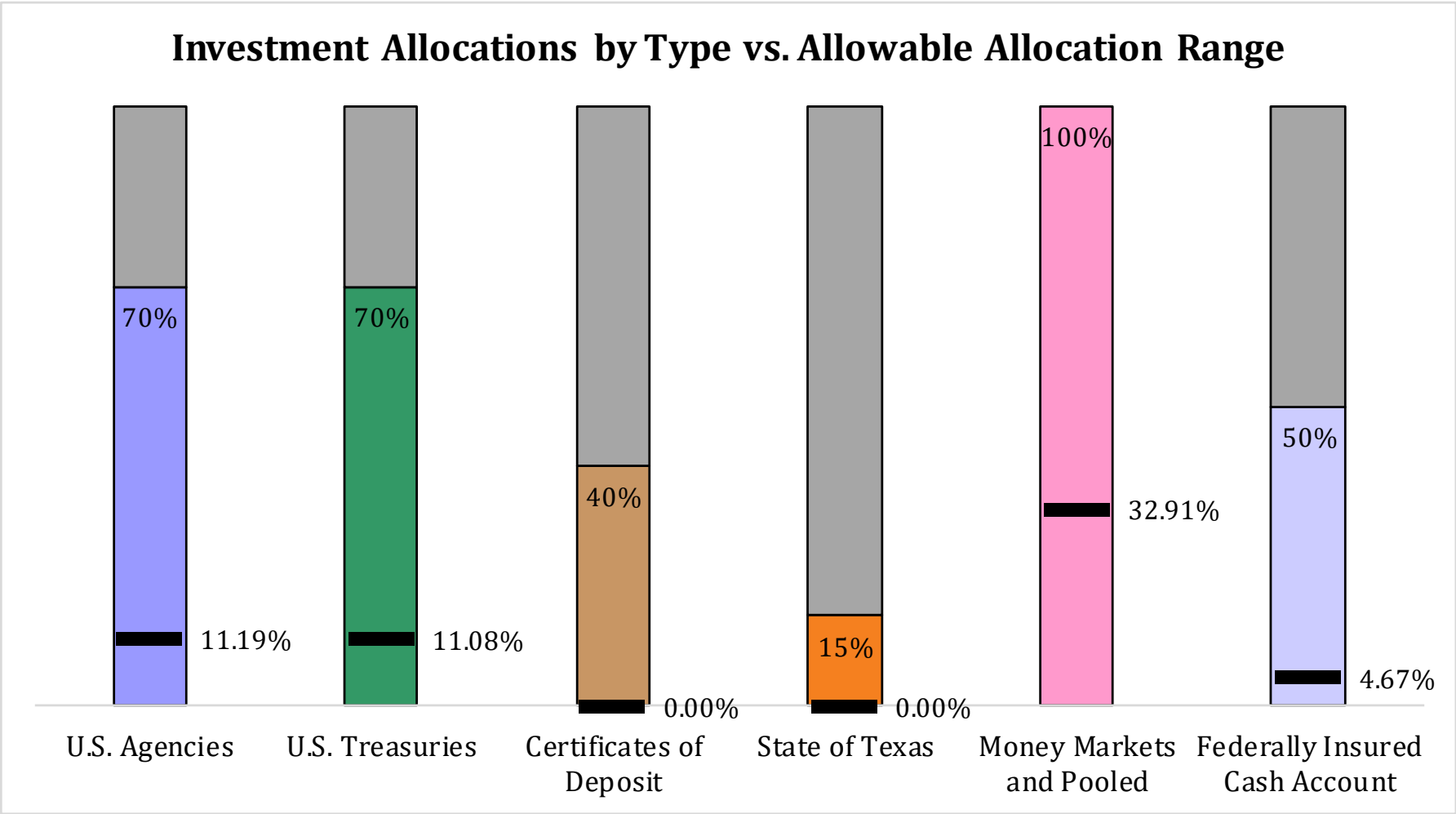
Rolling Four Quarter Annualized Yield By Investment Type For The Fiscal Quarter Ended		
Investment Type	1/31/2025	Rolling Four Quarter Average
U.S. Govt. Securities*	4.380%	4.492%
Federally Insured Cash Account	4.447%	4.917%
Pooled Funds	4.556%	5.073%
Money Markets	0.000%	0.000%
Certificates of Deposit	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%
<b>Total NBU Yield</b>	<b>3.354%</b>	<b>3.778%</b>
90 Day T-Bill	4.317%	4.916%

\* 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.

# Investment Allocations vs. Investment Allowable Range

Item 3.



Note: Colored area in bar represents allowable allocation range

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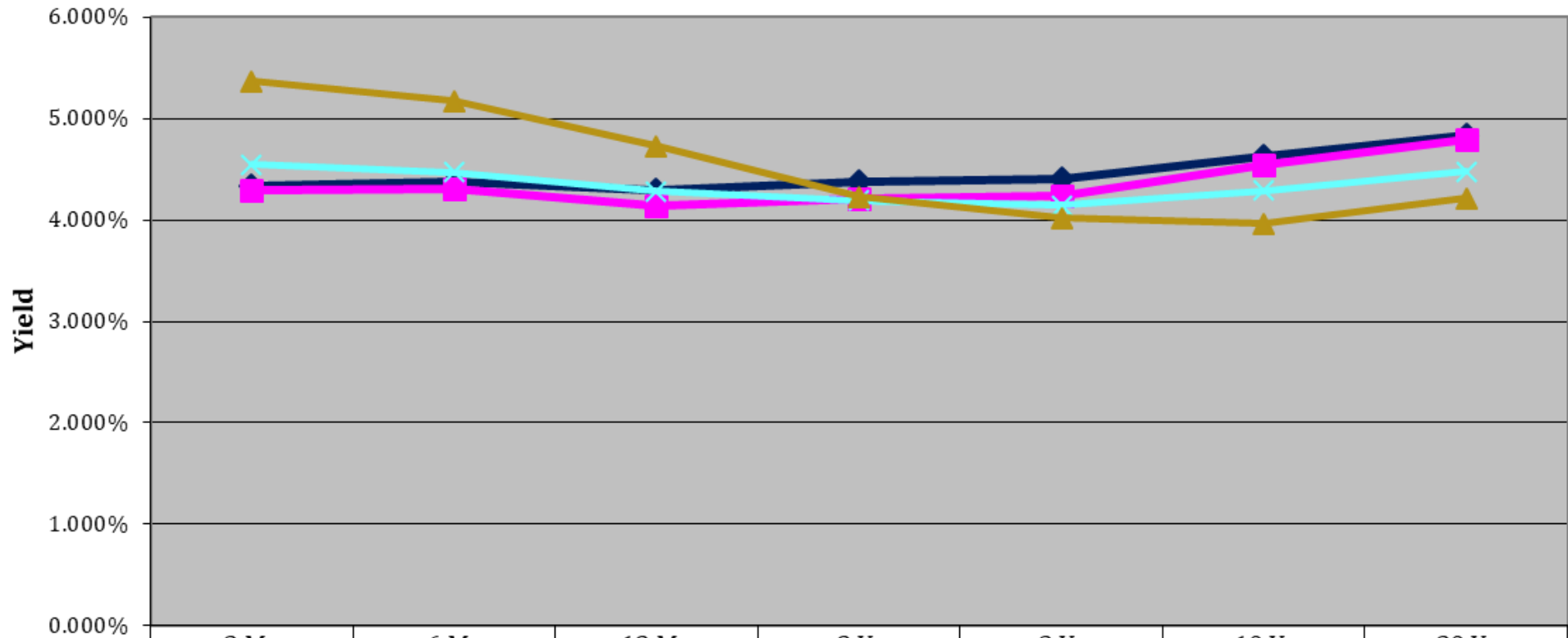
**Vision**

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**Core Values**

Safety, Team, Integrity, Culture, and Stewardship

# U.S. Treasury Yield Curve



	3 Mo	6 Mo	12 Mo	2 Yr	3 Yr	10 Yr	30 Yr
◆ Current (02/12/2025)	4.340%	4.370%	4.290%	4.380%	4.400%	4.630%	4.830%
■ Quarter End (01/31/2025)	4.286%	4.308%	4.145%	4.216%	4.242%	4.541%	4.790%
✕ Last Quarter (10/31/2024)	4.547%	4.467%	4.285%	4.189%	4.144%	4.290%	4.477%
▲ Four Quarters Ago (01/31/2024)	5.365%	5.175%	4.726%	4.229%	4.019%	3.965%	4.215%

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# Commercial Paper Update

CUSIP	Par Amount	Nominal Rate	Issue Date	Maturity Date	Total Days	Total Interest
64257PBX7	9,700,000.00	3.40%	9/17/2024	11/12/2024	56	50,461.20
64257PBY5	5,300,000.00	3.60%	9/17/2024	11/12/2024	56	29,193.44
64257PBZ2	9,285,000.00	3.90%	10/23/2024	12/17/2024	55	54,416.19
64257PB25	10,715,000.00	3.40%	10/23/2024	1/14/2025	83	82,652.20
64257PB33	8,500,000.00	3.50%	11/12/2024	11/14/2024	2	1,625.68
64257PB41	6,500,000.00	3.20%	11/12/2024	2/4/2025	84	47,790.64
64257PB58	8,500,000.00	4.00%	11/14/2024	1/14/2025	61	56,699.75
64257PB66	22,000,000.00	3.25%	12/17/2024	1/14/2025	28	54,769.03
64257PB74	5,085,000.00	3.95%	12/17/2024	1/14/2025	28	15,385.69
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

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:** February 27, 2025      **Agenda Type:** Items from Staff

**From:** Andrew Cummings      **Reviewed by:** David Hubbard  
Conservation and Customer      Chief Administrative Officer  
Solutions Manager

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

**RECOMMENDED ACTION:** Drought Update Report

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# Drought Update



**Andrew Cummings, Conservation and Customer Services Manager**

- February 27, 2025

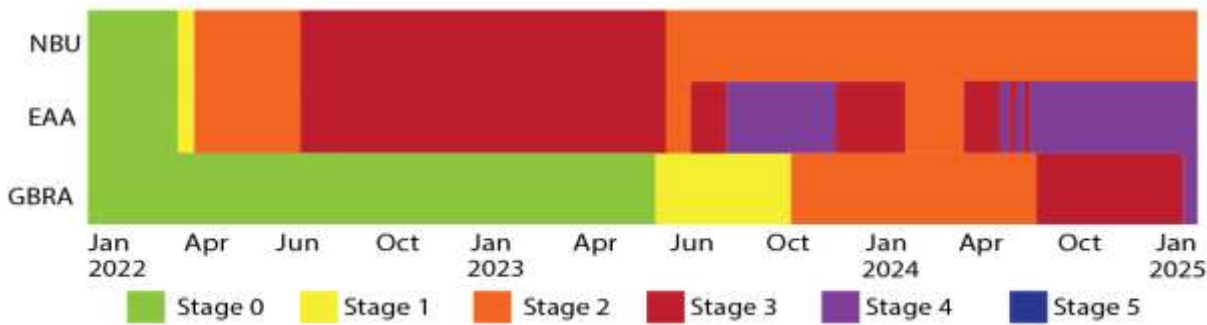
# NBU Drought Timeline

Date Entered	Stage	Days in Stage
March 10, 2022	Stage 1	34
April 13, 2022	Stage 2	69
June 21, 2022	Stage 3	342 days
May 29, 2023	Stage 2	623 days <i>as of 2/10/25</i>



Landa Park  
Main Spring Run  
February 10, 2025

2024 EAA and GBRA Drought Comparisons



## 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

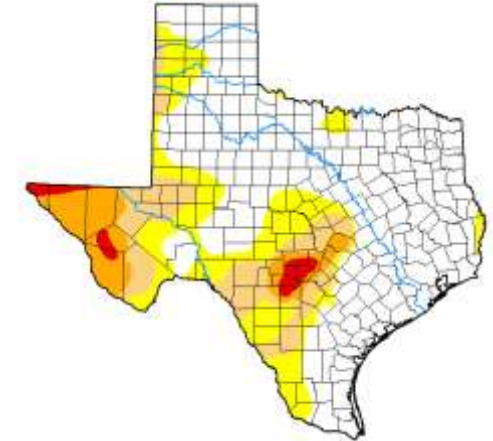
# Drought Synopsis: 2023 - Present

Item 4.

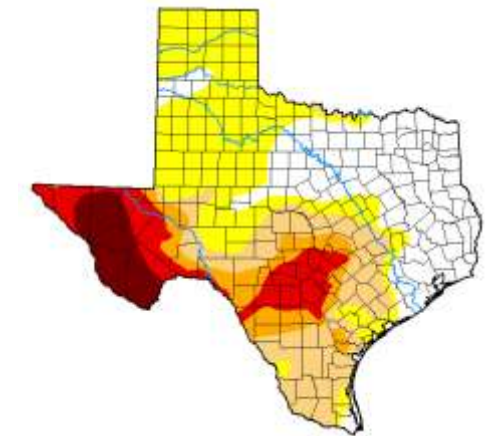
	2023*	2024*	2025	Average
<b>Climatological Monitoring (as of 2/10/2025)</b>				
Rainfall Cumulative Total (inches)	18.14"	23.68"	3.46"	~31"
Max Temperature (°F)	106°F	106°F	88°F	102°F
<b>Water Level Monitoring (as of 2/10/2025)</b>				
EAA J17 Level ('msl)	635.7'	633.9'	629.6'	Mid-660's
Comal Springs (cfs)	115	115	75	298
San Marcos Springs (cfs)	87	113	83	178
Canyon Lake ('msl)	894'	885'	880'	909'

\*Annual Average/Max

February 2024



February 2025



Abnormally Dry Moderate Severe Extreme Exceptional

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## Vision

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# Drought Restrictions in the Area (as of 2/10/25)

Item 4.

	Stage 2
---	---------

Regulatory Agencies	
	Stage 4
	Stage 4

Comparable Utilities			
	Stage 3		Stage 4
	Stage 3		Stage 3
	Stage 2		Stage 4

Large Utilities	
	Stage 3
	Stage 2

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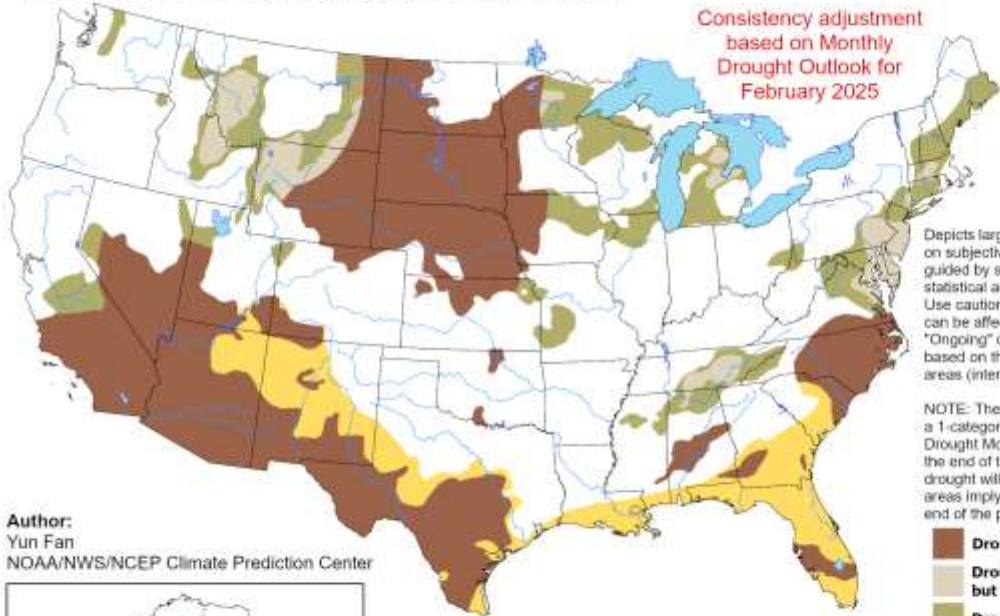
Safety, Team, Integrity, Culture, and Stewardship

# Drought to Persist

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

Valid for February 1 - April 30, 2025  
Released January 31, 2025

Consistency adjustment  
based on Monthly  
Drought Outlook for  
February 2025



Depicts large-scale trends based on subjectively derived probabilities guided by short- and long-range statistical and dynamical forecasts. Use caution for applications that can be affected by short lived events. \*Ongoing\* drought areas are based on the U.S. Drought Monitor areas (intensities of D1 to D4).

NOTE: The tan areas imply at least a 1-category improvement in the Drought Monitor intensity levels by the end of the period, although drought will remain. The green areas imply drought removal by the end of the period (D0 or none).

- Drought persists
- Drought remains, but improves
- Drought removal likely
- Drought development likely
- No drought

Author:  
Yun Fan  
NOAA/NWS/NCEP Climate Prediction Center



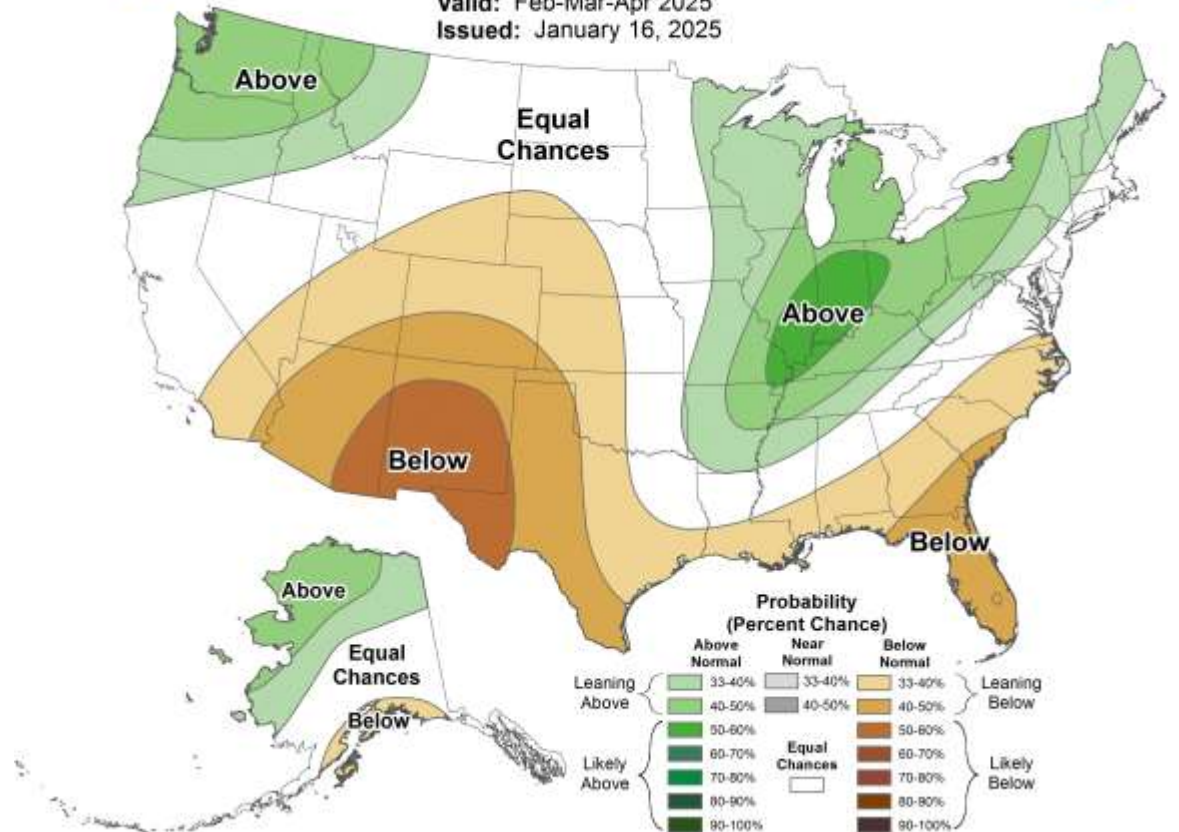
<https://go.usa.gov/3eZ73>



## Seasonal Precipitation Outlook



Valid: Feb-Mar-Apr 2025  
Issued: January 16, 2025



**Probability (Percent Chance)**

Above Normal		Near Normal	Below Normal	
Leaning Above	33-40%	33-40%	33-40%	Leaning Below
	40-50%	40-50%	40-50%	
Likely Above	50-60%	Equal Chances	50-60%	Likely Below
	60-70%		60-70%	
	70-80%		70-80%	
	80-90%		80-90%	
	90-100%		90-100%	

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# What We're Monitoring

- Water Supply levels
  - EAA J 17 well and Canyon Lake
- Comal Springs flow and conditions
- Weather conditions and projections
- NBU water pumping levels

## New Braunfels Drought Severity Evaluation Matrix

<b>Current NBU Stage</b>	<b>2</b>				
<b>Current EAA Stage</b>	<b>4</b>				
<b>Proposed Enhanced Triggers and Monitoring Matrix</b>					
<b>Triggers</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Stage 4</b>	<b>Stage 5</b>
EAA J17 Level 10-Day Average	<660'	<650'	<640'	<630'	<625'
Comal Flow - Daily	<225cfs	<200cfs	<150cfs	<100cfs	<45/40cfs
Comal Flow 10-Day Average	<225cfs	<200cfs	<150cfs	<100cfs	<45/40cfs
San Marcos Flow	<96cfs	<80cfs			
Canyon Lake - Level	<895	<890	<885	<880	<865
Run of River - Canyon Lake - Release Rate	<50cfs				

<b>Weather-based Factors</b>					
Time drought conditions have persisted (months)	<6 mon	>6 mon	>12 mon	>18 mon	> 24 mon
10-day Rain %	<30%	<40%	<30%	<25%	<25%
10-day Avg Hi-Temp	≥95	>100	>102	>103	>103
Comal County Drought Monitor - D3 Extreme %	>10%	>25%	>50%	>75%	>90%
Comal County Drought Monitor - D4 Exceptional %	>10%	>25%	>50%	>75%	>75%
Seasonal Drought Outlook	Drought to Persist through the Next 3 Months				
Percentage of State in Drought	>50%	>75%	>80%	>90%	>90%
Total Rain YTD (Inches)	Annual Average 2000-2024, 30.64"				
Rainfall Deficit YOY (Inches)	2024 YTD	7.39	Actual YTD	1.14	1.14
	>2.5"	>5"	>7.5"	>10"	>12.5"
Rainfall Deficit vs Avg YTD (Inches)	Avg YTD	3.46	Actual YTD	1.14	1.14
	>2.5"	>5"	>7.5"	>10"	>12.5"
Comal County Burn Ban Duration	>30 days	>60 Days	>90 Days	>120 Days	>150 days
Comal County Fire Risk (KBDI)	300-399	400-499	500-599	600-699	700-800

<b>Infrastructure-based Factors</b>	
Maximum NBU Pumping Capacity (MGD)	36MGD

<b>Availability Water Supply Reduction Requirements</b>					
	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Stage 4</b>	<b>Stage 5</b>
Edwards Aquifer Authority	20% Reduc	30% Reduc	35% Reduc	40% Reduc	44% Reduc
Canyon Lake	5% Reduc	10% Reduc	15 % Reduc	15% Reduc	30% Reduc
Trinity	No reduction requirements				
City of Seguin	Must Follow CoNB Drought Management Plan				
GVSUD	Must Follow CoNB Drought Management Plan				
Run of River	Not available below 50 cfs				

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### + Vision

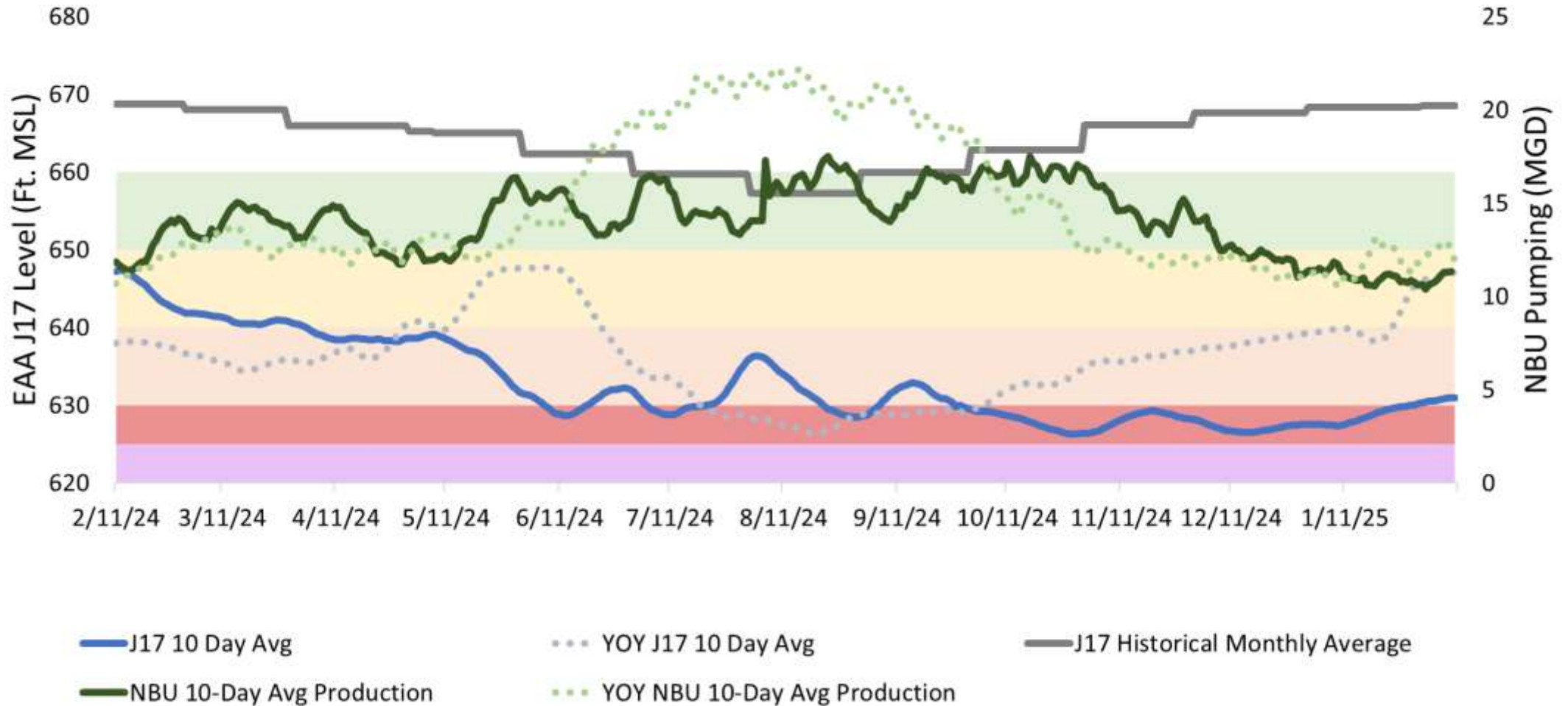
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### + Core Values

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# EAA J17 Levels and NBU Pumping

Item 4.



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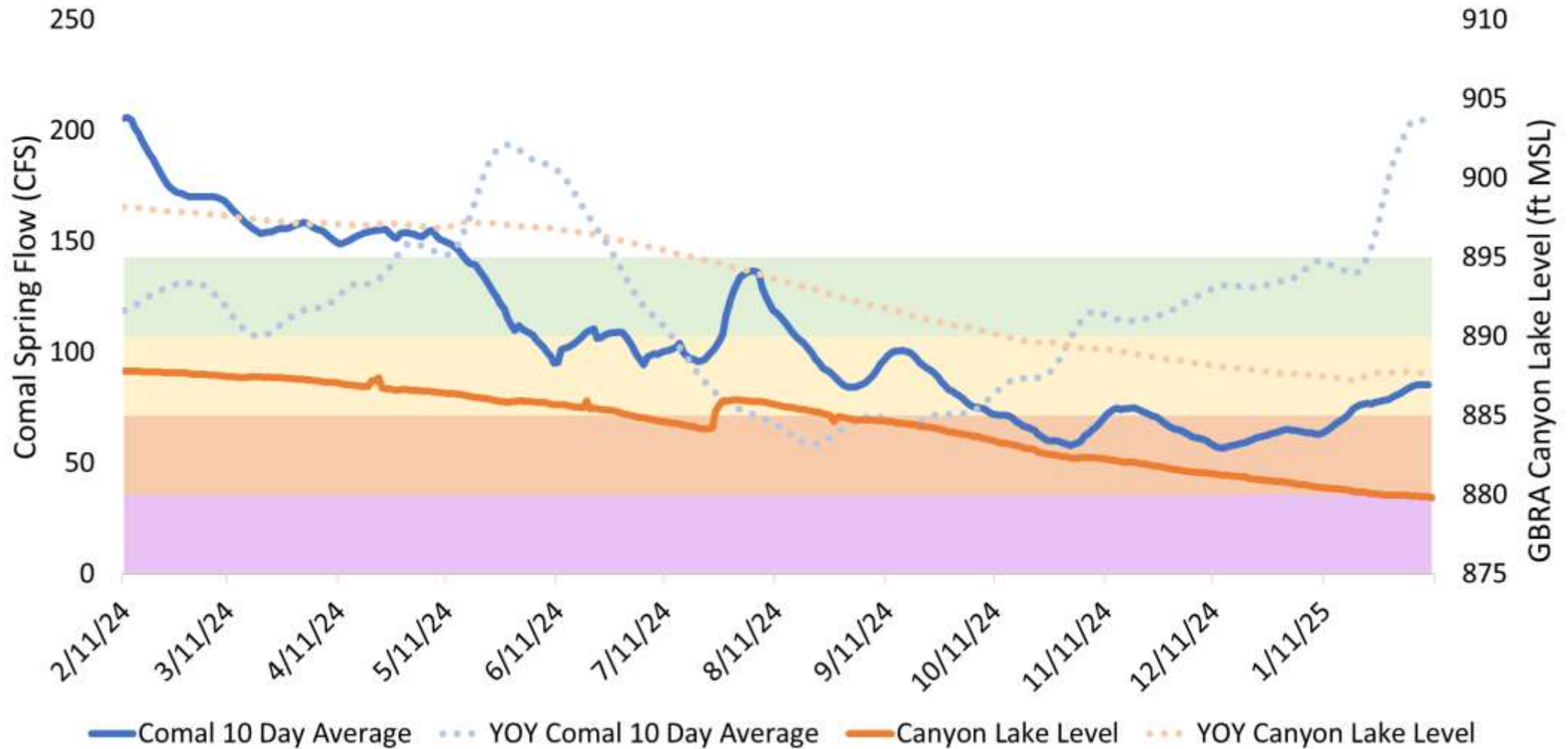
## Vision

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# Comal Spring Flow and Canyon Lake Level



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## Core Values

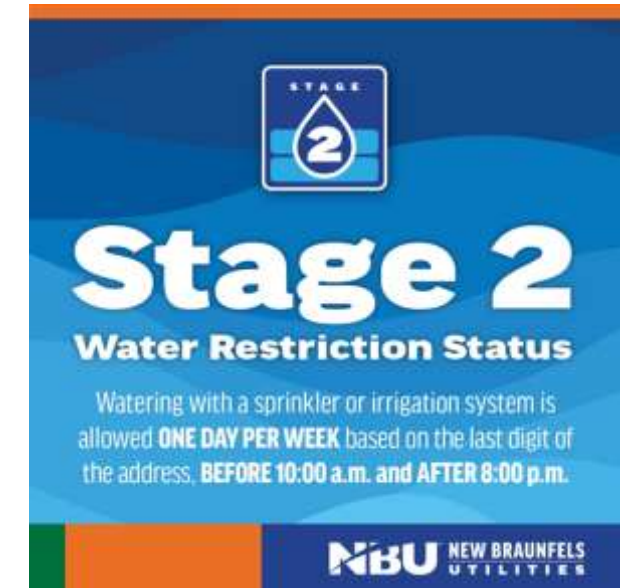
Safety, Team, Integrity, Culture, and Stewardship



# What We're Doing

Item 4.

- Enhanced monitoring and reporting
- Increased communications
- Expedited violation processing
- Promotion of rebates and online resources
- Accelerated Drought Contingency Plan revision in preparation for Summer 2025



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## Core Values

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# Questions?

**Mission**

Strengthening our community by providing resilient essential services

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**Vision**

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**Core Values**

Safety, Team, Integrity, Culture, and Stewardship



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

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

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

**RECOMMENDED ACTION:** Quarterly Capital Update

---

# CIP Update



• FY2025 Q1

Thursday, February 27, 2025



# Overview

- ❑ Program Status through October 2024
- ❑ Performance & Accomplishments for each line of business

## Mission

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## Vision

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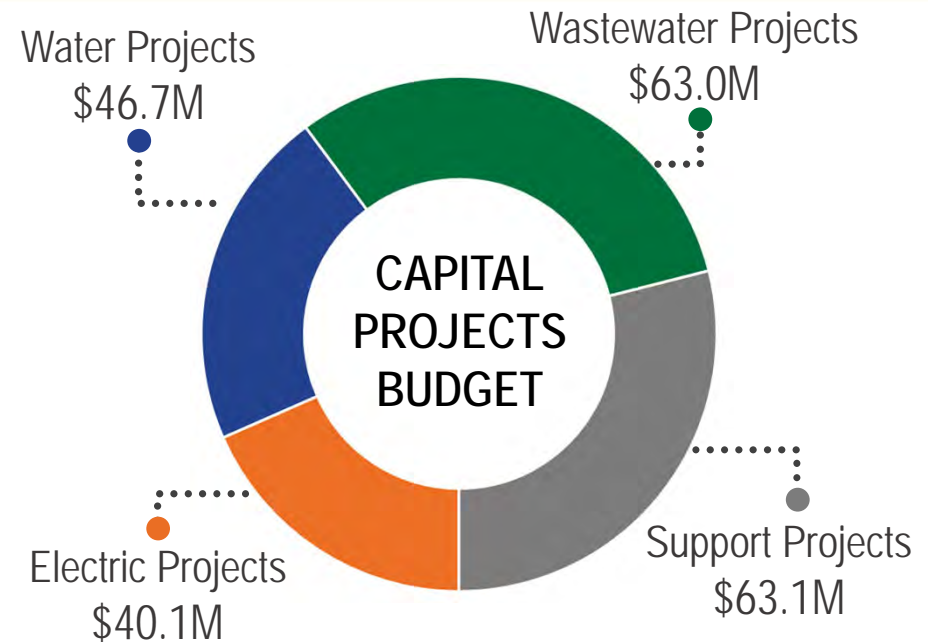
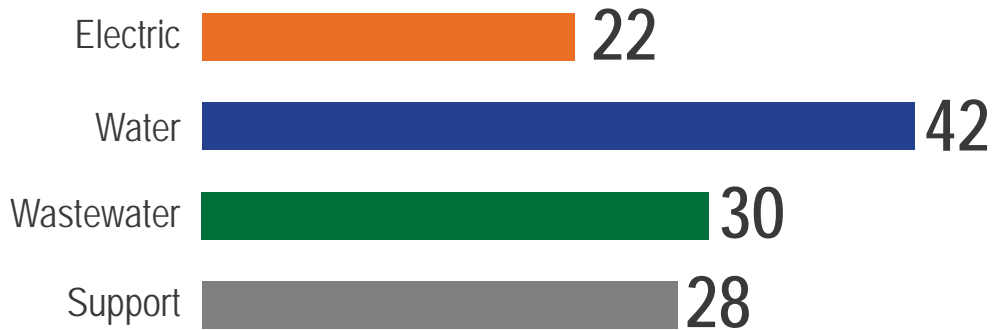
## Core Values

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# FY 2025 Capital Projects

## PROJECT COUNT



### BUDGET

Developed in February 2024 based on expected project costs

**\$217,821,466**

### SPENDING

Year-to-date project spending through October 2024

**\$21,842,518**

### YTD %

Year-to-date project spending versus budget (October 2024)

**10%**

### VARIANCE

Difference between budget and year-end projected costs

**\$46,809,213**

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#### Vision

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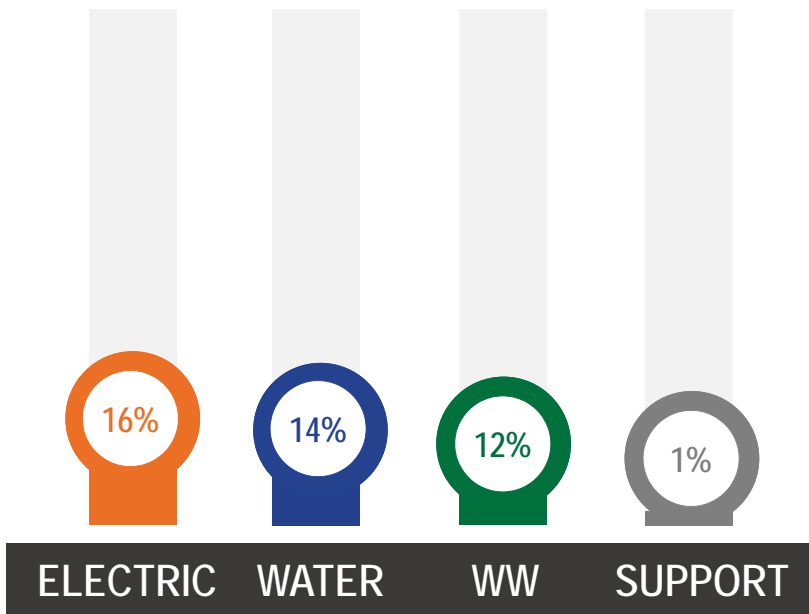
#### Core Values

Safety, Team, Integrity, Culture, and Stewardship



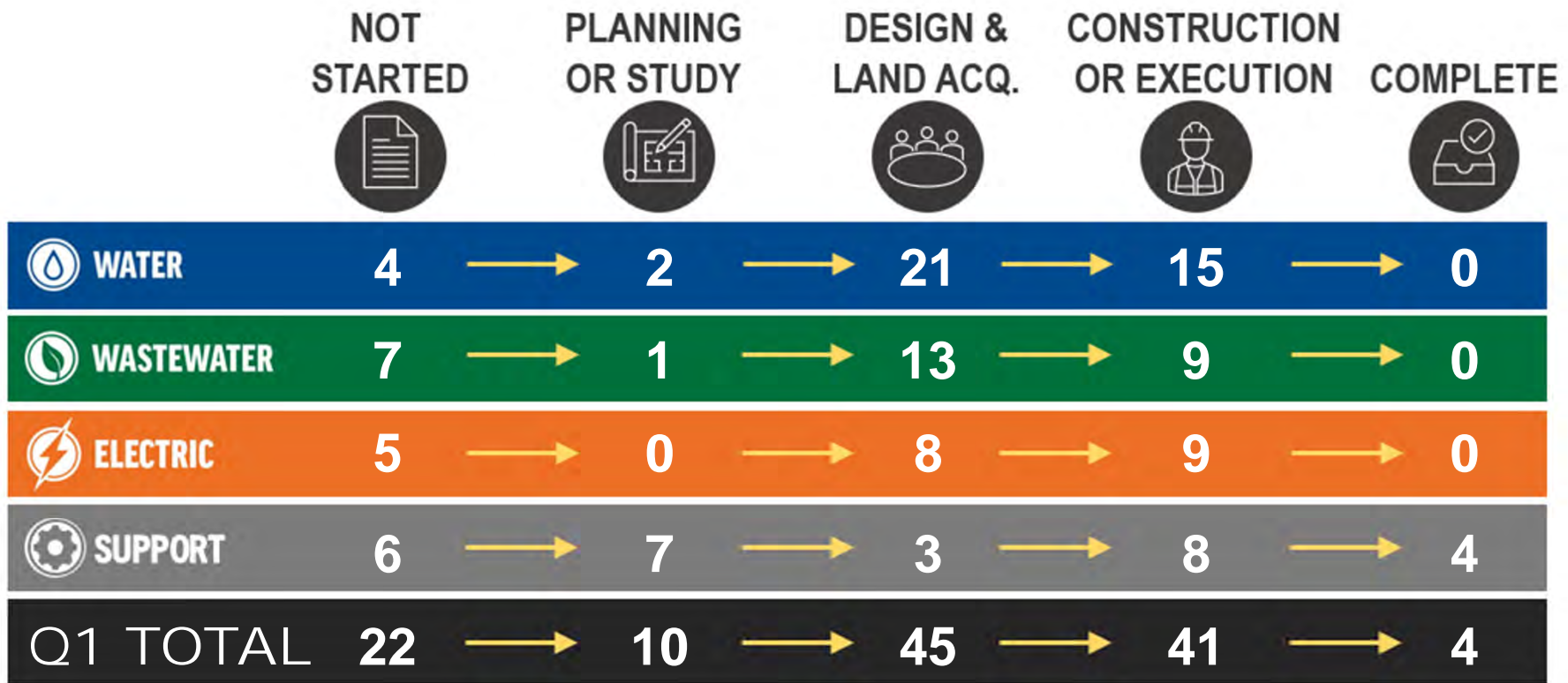
# FY 2024 Spending vs Budget

YTD Actual Spending vs Budget



- All lines of business less than 25% spent through Q1 – anticipate an increase in spending once additional projects get started
- Hueco Springs Substation is delayed
- Challenges with the permitting process are taking longer than initially estimated

# Project Stage



**Mission**

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**Vision**

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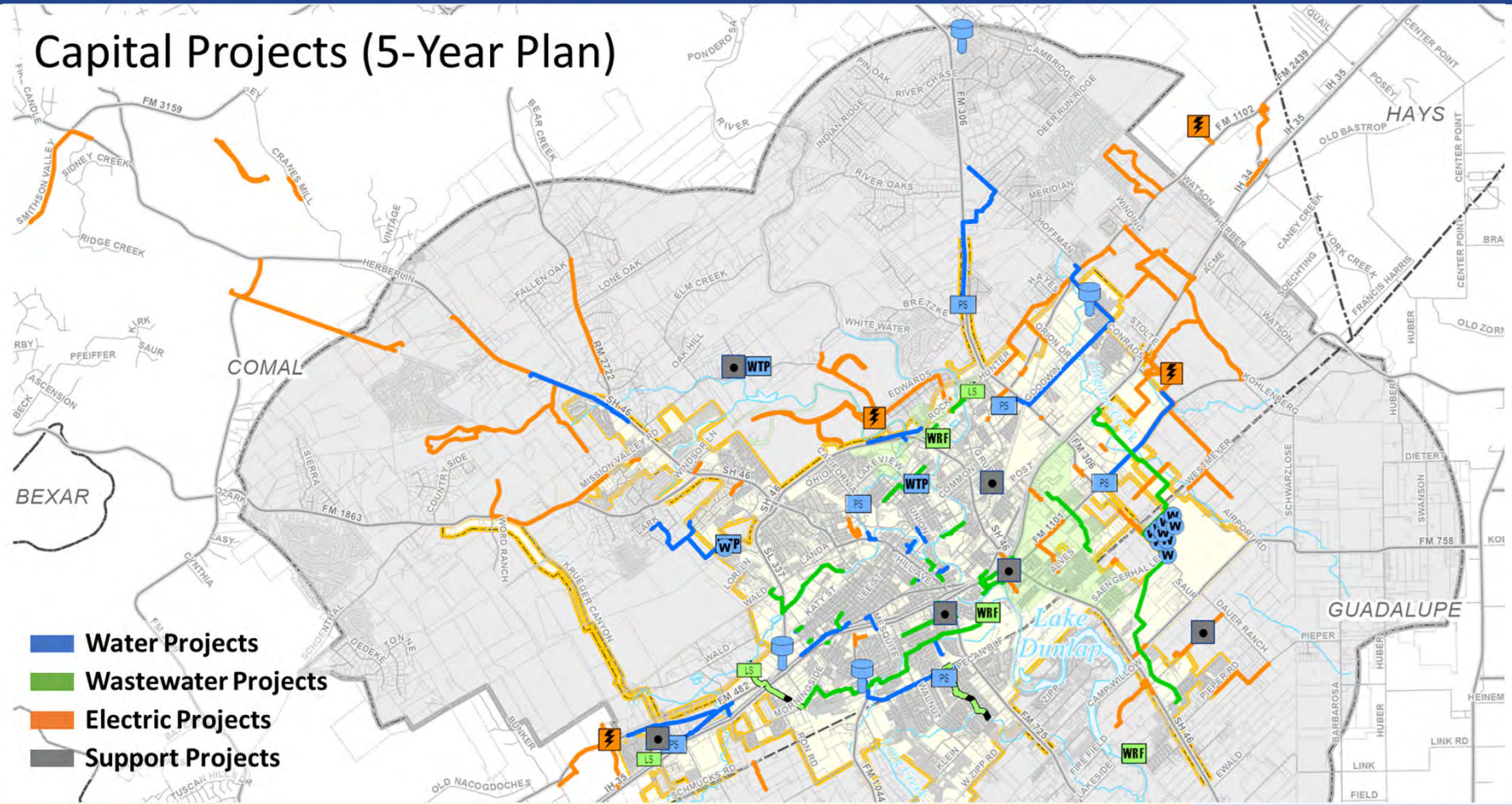
**Core Values**

Safety, Team, Integrity, Culture, and Stewardship





# Capital Projects (5-Year Plan)



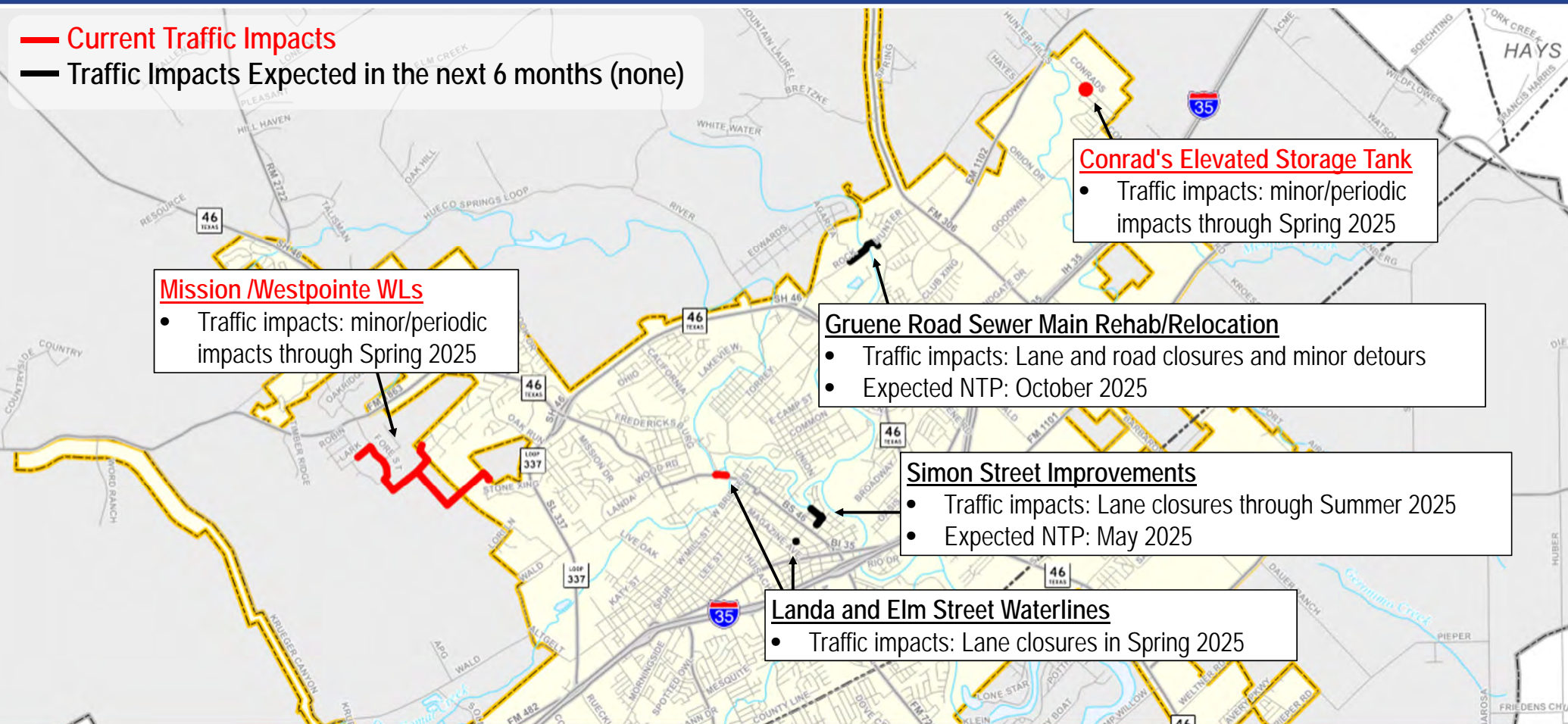
**Mission** + **Vision** + **Core Values** **NBU NEW BRAUNFELS UTILITIES**

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



# Traffic Impacts

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



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## Vision

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## Core Values

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# CIP Performance and Accomplishments



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**Vision**  
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**Core Values**  
Safety, Team, Integrity, Culture, and Stewardship



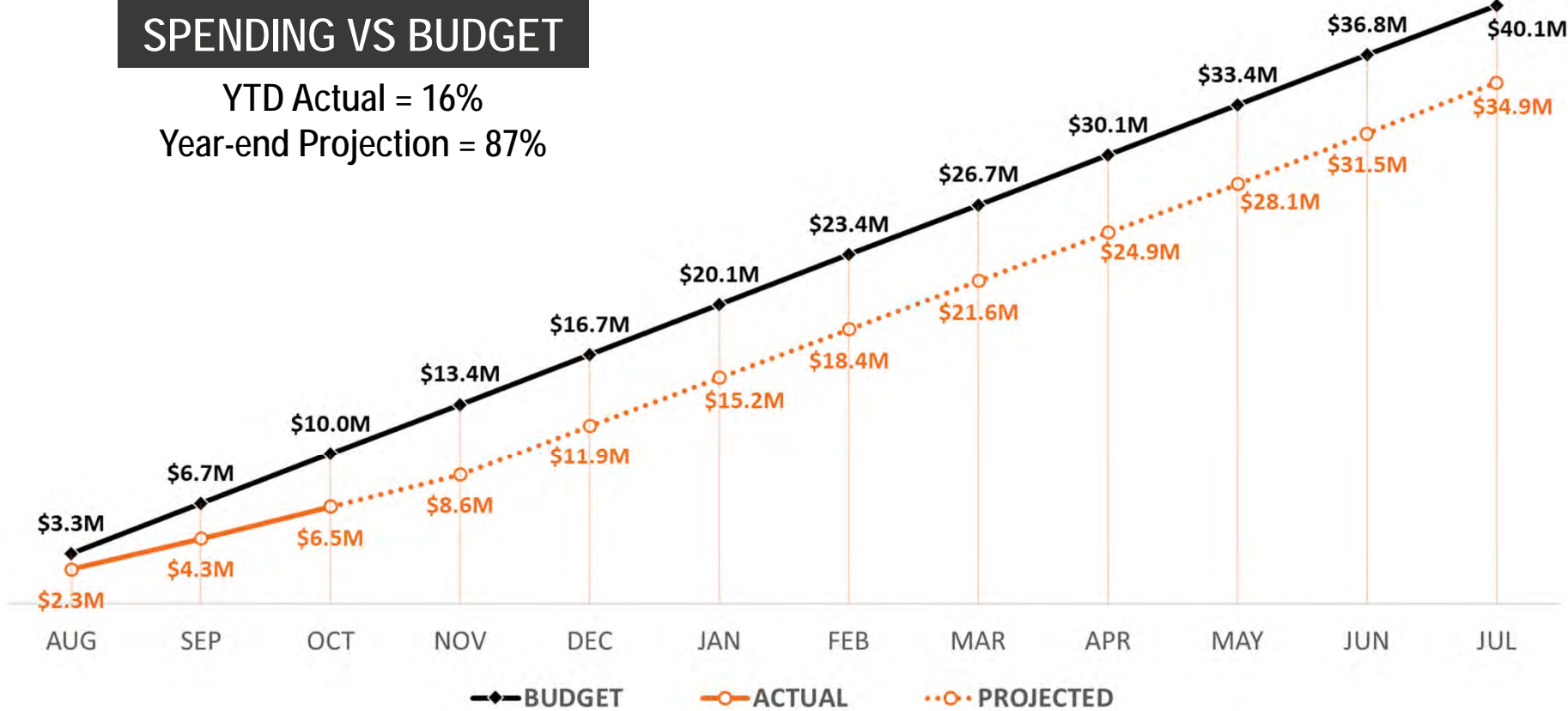
8



# Electric – Spending vs Budget

## SPENDING VS BUDGET

YTD Actual = 16%  
Year-end Projection = 87%



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**Vision**

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**Core Values**

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# Q1 Electric Accomplishments

- Added 1,286 metered customers Q1 FY25, primarily within previously completed developments, single-family and multi-family.
- Energized service to 3 new single-family projects. Projects include
  - Clear Spring Meadows Unit#1
  - Kyndwood Unit#1
  - Steelwood Trail Unit#3
- Completed construction of and energizing of CO14 Bell-Rosemary Feeder#49. Feeder is switched to serve existing load from Comal Substation into Veramendi along Borchers Blvd. Feeder relieves Feeder LO12 and helps NBU maintain 1200 customers per feeder average.
- Completed 3,700' of three-phase overhead extension along FM 482, within secured easements, in preparation for additional feeder exit work to be completed at E.C. Mornhinweg Substation. Union Pacific Railroad permits pending for that work.



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## Core Values

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**NBU** NEW BRAUNFELS  
UTILITIES

10

# Feature Projects - Electric

## ELECTRIC

### DISTRIBUTION



### TRANSMISSION



### SUBSTATION



### Three-Phase Upgrade Smithson Valley Rd.

Completion: November 2024

Purpose: Originally proposed as Aging Infrastructure Replacement only, new load growth at the end-of-line necessitated upgrade as well as refurbishment.

Electric Engineering specified 2.11 miles of single-phase to three-phase upgrade to provide capacity for 35 new customers and increased reliability to 60 existing customers along Smithson Valley Rd. and Stoney Ridge. Contract crews performed the work, all while managing traffic along winding county roads.

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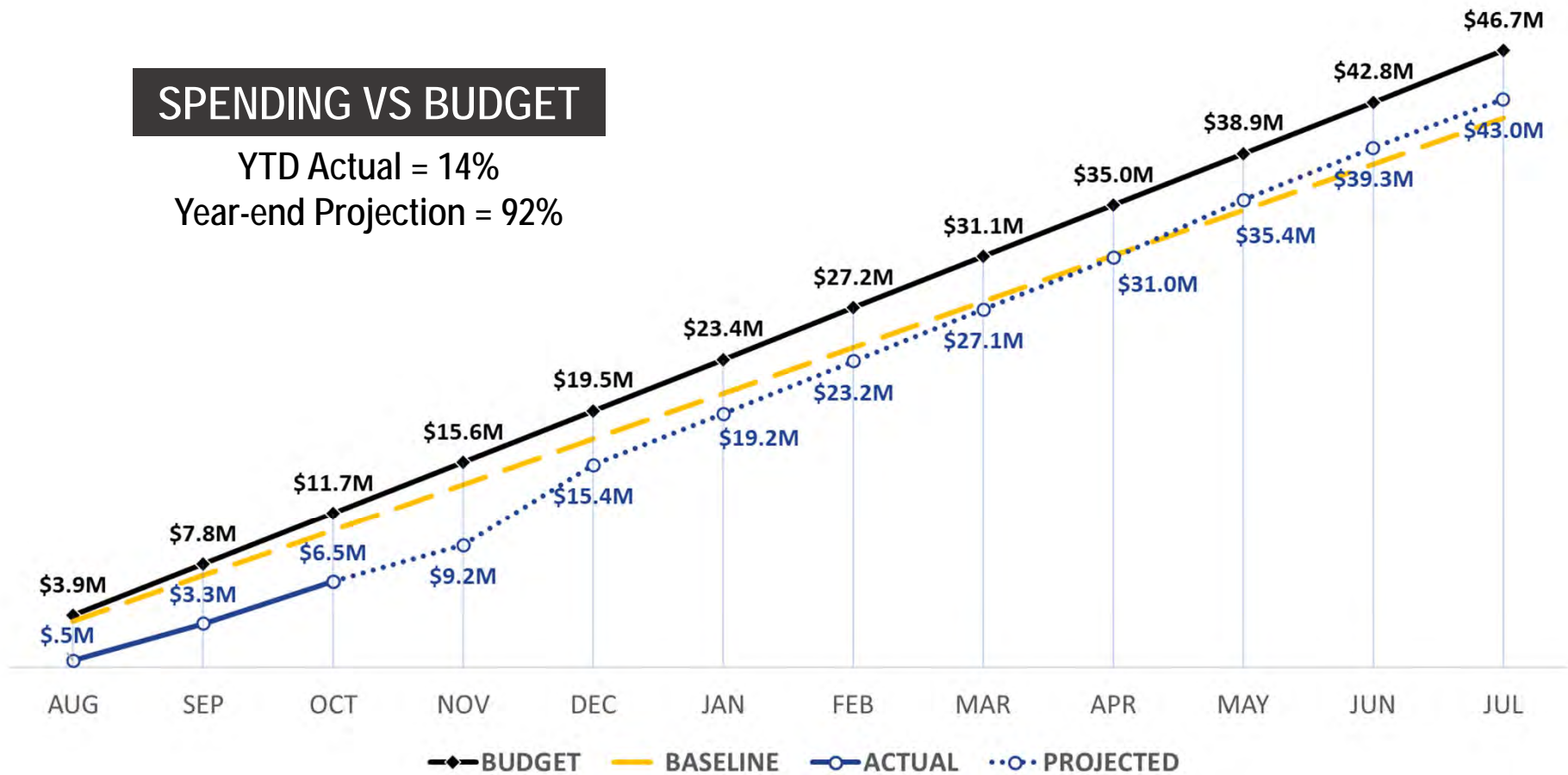




# Water – Spending vs Budget

## SPENDING VS BUDGET

YTD Actual = 14%  
Year-end Projection = 92%



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### Vision

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### Core Values

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# Q1 Water Accomplishments

- Bid advertisement for FM 1044 Elevated Storage Tank
- Purchased property for future FM 1011 Pump Station Project
- Decommissioned Texas Standpipe and subsequently the Texas Pressure Zone
- Achieved total depth of deepening of ASR D1 Well



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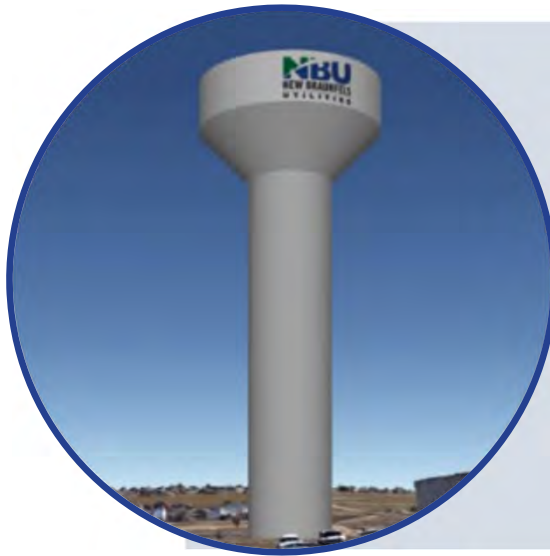
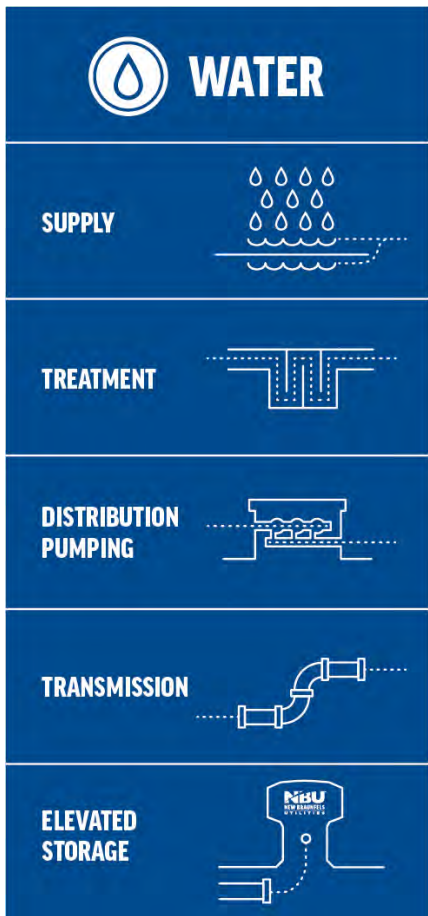
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## Core Values

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**NBU** NEW BRAUNFELS  
UTILITIES

# Feature Projects - Water



## FM 1044 EST

Expected Completion: Mid-2026  
Purpose: New 2 million gallon elevated storage tank within the Morningside Pressure Zone to provide for future growth and remain in regulatory compliance.

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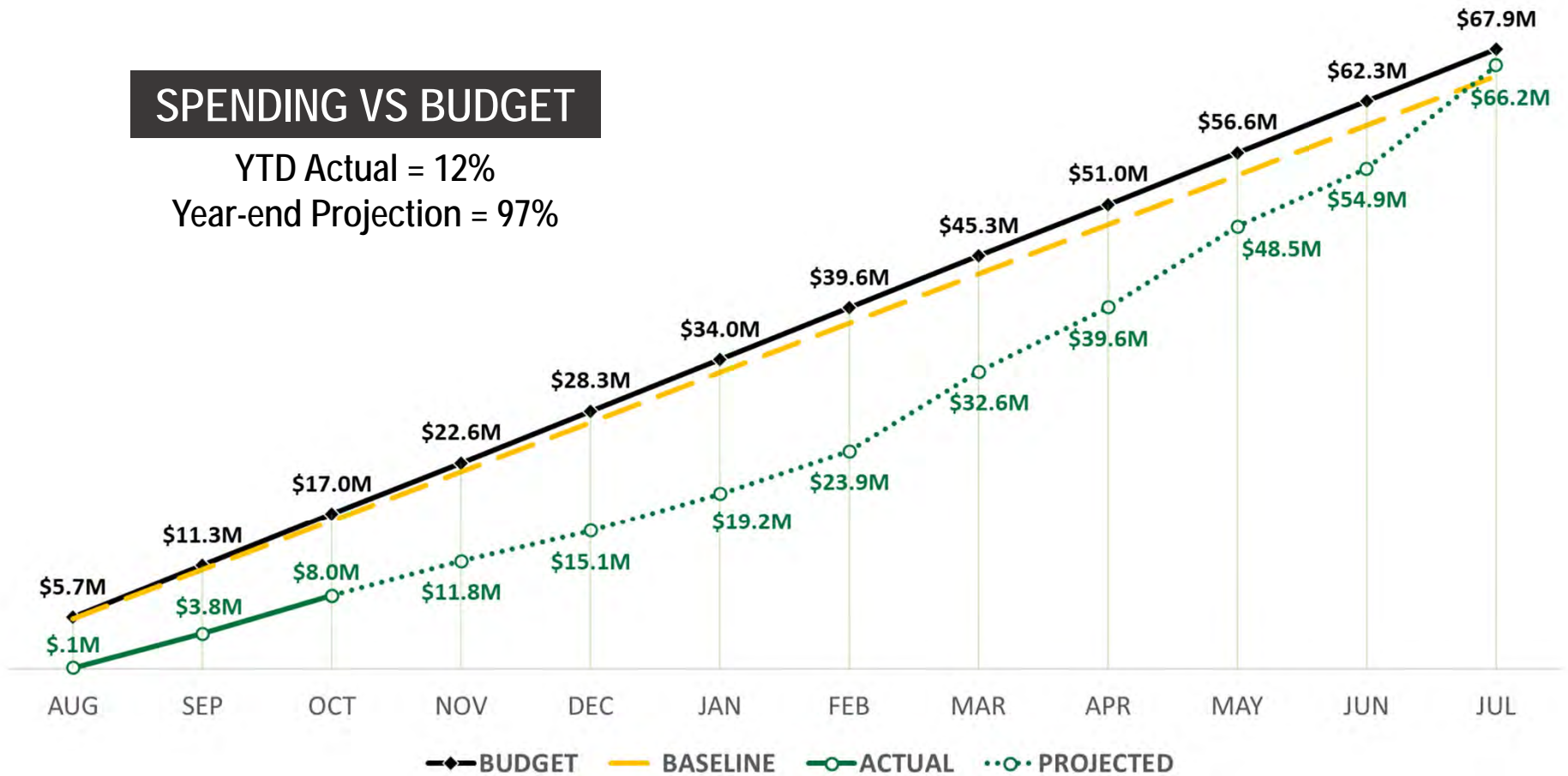




# Wastewater – Spending vs Budget

## SPENDING VS BUDGET

YTD Actual = 12%  
Year-end Projection = 97%



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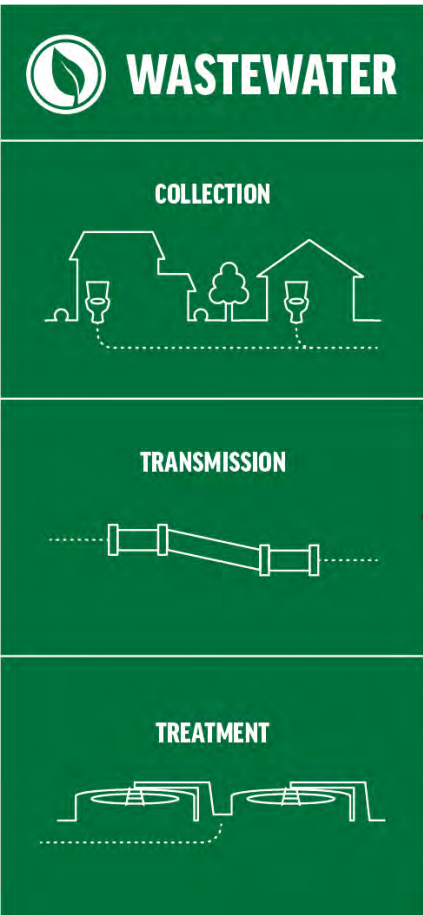


# Q1 Wastewater Accomplishments

- **Infrastructure Replacement Pkg 1 Complete**
  - Replacement of 2,100 linear feet of 8-inch wastewater main along Spur Street, South Plum, South Grape, Rosedale Avenue, and adjacent to address 3567 IH 35 North due to poor condition
- **Bid Advertisement Complete**
  - McKenzie Interceptor
  - South Kuehler Interceptor Phase 1



# Feature Projects - Wastewater



## North Kuehler Interceptor Odor Control Facility

Expected completion: March 2025

Purpose: New EcoPure Mini Odor Control Facility installed at the inlet structure for the North Kuehler Interceptor siphon across the Guadalupe River near Cross River Road.

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### Vision

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### Core Values

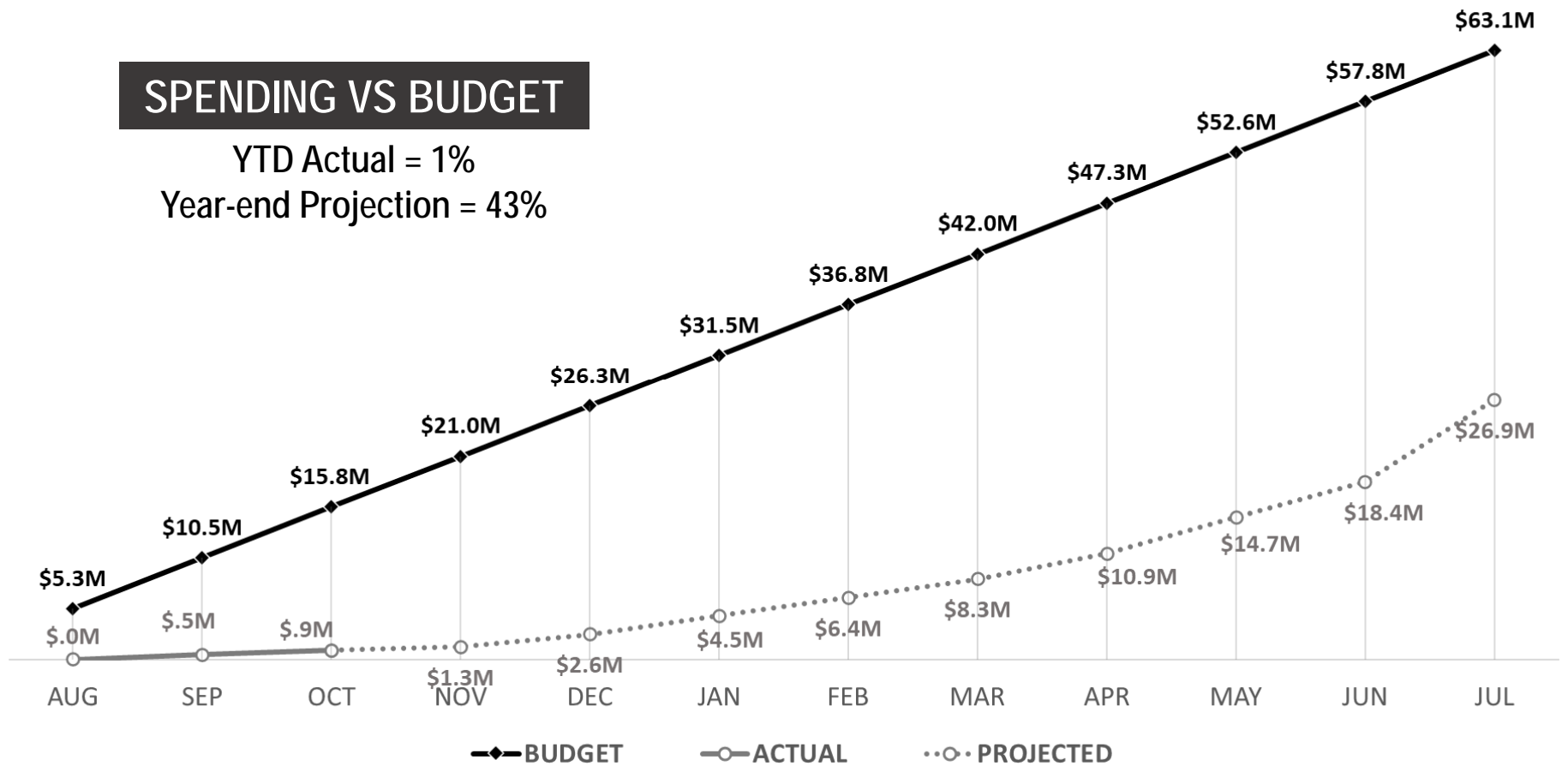
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# Support – Spending vs Budget

## SPENDING VS BUDGET

YTD Actual = 1%  
Year-end Projection = 43%



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### Core Values

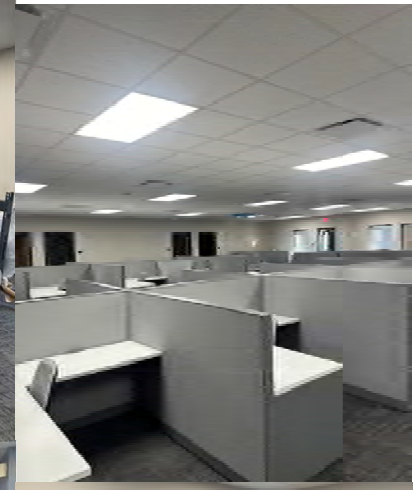
Safety, Team, Integrity, Culture, and Stewardship





# Q1 Support Accomplishments

- Completed Construction on the CSC
- New Furniture Install at the CSC
- Headwaters hit substantial completion of Phase II



# Feature Projects - Support

- SUPPORT**
- FLEET & FACILITIES
- INFORMATION TECHNOLOGY
- SYSTEMS CONTROL
- DATA STRATEGY



**Feature Project**  
Completion: Q1 2025  
Purpose: Provide network access for the Customer Support Center. Installed 17 wireless access points to ensure network reliability for the entire facility. This is not only a testament to our IT Department but also a validation of the investment that NBU has made to ensure network reliability and resiliency.





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## QUESTIONS

### Mission

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### Core Values

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

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

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

**RECOMMENDED ACTION:** Approve Minutes of the NBU Regular Board Meeting of January 30, 2025

**BACKGROUND**

None

**FINANCIAL IMPACT**

None

**LINK TO STRATEGIC PLAN**

**Customers and Community**

**EXHIBITS**

- 1. January 30, 2025 Regular Board Meeting Minutes

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

**1:00 P.M.**

**Thursday, January 30, 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 Barrera Villanueva, Board Trustee Stuart Blythin, and Mayor Neal Linnartz

**ABSENT**

None

**NBU PERSONNEL**

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

Bob Figuly, Rachel Leier, Nancy Pappas, Reagan Pena, Carlos Salas, Mike Short, John Warren, Jessica Coleman, Andrew Cummings, Becca Graham, Justin Green, David Guerrero, Jr., Bruce Haby, Kimberly Huffmann, Jeffrey Jones, Jesse Luna, Brent Lundmark, Chelsea Mikulencak, Jeffrey Morriss, Missy Quent, Justin Stroupe, Pamela Tarbox, Gregory Thomas, Jacob Tschoepe, Peter Vanderstoep, Kristi Villasana, Adam Willard

**NBU CONSULTANTS**

Dave Christiansen, P.E.

**PLEDGE AND INVOCATION**

Board Trustee Yvette Barrera Villanueva led the pledge of allegiance and offered the invocation.

**NBU EMPLOYEE RECOGNITION**

- 1. Presentation of Years of Service Pins to Employees John Espinoza (20 years) and John Krause (35 years)**

NBU Employee John Espinoza was recognized and presented with a service pin for 20 years of service with NBU, and NBU Employee John Krause was recognized and presented with a service pin for 35 years of service with NBU.

**PUBLIC COMMENT**

Wayne Rudolph, resident, addressed the board on impact fees for multi-family developments within the service area.

## ITEMS FROM THE CHAIR

### 1. **NBU Board Committee Assignments**

Board President Wayne Peters provided to the Board the list of committee assignments. They include: Audit Committee (Wayne Peters, Stuart Blythin), Budget Committee (Judith Dykes-Hoffmann, Wayne Peters), Investment Committee (Judith Dykes-Hoffmann, Stuart Blythin), Legislative Committee (Wayne Peters, Yvette Villanueva Barrera), Public Information Act Committee (Yvette Barrera Villanueva, Stuart Blythin), Records Management Committee (Yvette Villanueva Barrera), Water Infrastructure Maintenance Committee (Stuart Blythin, Yvette Villanueva-Barrera), Ad hoc Community Advisory Panel Board Committee (Wayne Peters, Neal Linnartz, Chair of Community Advisory Panel), Ad hoc Facilities Master Plan Committee (Judith Dykes-Hoffmann, Wayne Peters), Ad hoc Governance Committee (Judith Dykes-Hoffmann, Wayne Peters), Headwaters at the Comal Non-Profit Board (Yvette Barrera-Villanueva, Judith Dykes-Hoffmann)

### 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. **Leadership Announcement of Position Changes: Data Strategy Manager Peter Vanderstoep and Power Supply Manager Kristi Villasana**

Peter Vanderstoep has been promoted to Data Strategy Manager. Peter began his career with New Braunfels Utilities as the Data Analytics Supervisor on May 2nd, 2023. Over these past two years, Peter has successfully led project implementations while coaching and mentoring his team.

Kristi Villasana has been promoted to Power Supply Manager. Kristi was hired by NBU in 2014 as an Administrative Assistant in Electric Engineering. In 2017, she transitioned into the role of HR Generalist II. In 2020, she moved into Power Supply as an Energy Analyst. By 2021, she transitioned to the Energy Market Regulatory Coordinator, her key focus became ERCOT policies and protocols. By 2023, she was promoted to Energy Analytics Supervisor. Now, in 2024, she will step into the role of Power Supply Manager.

#### b. **NBU's Response to the January 2025 Winter Storm**

On January 20th and 21st, winter storm Enzo blew into Texas and provided between .25 and .75 of an inch of snow in the New Braunfels region. NBU's Emergency Response Coordinator activated NBU's internal Incident Response Team (IRT) on Thursday, January 16<sup>th</sup>. During the event, NBU stayed in lockstep with the city's response, and while both the City and NBU delayed opening on January 21<sup>st</sup>, NBU was open and ready to serve our customers by 1 p.m. that afternoon.

The NBU Enterprise Communications team utilized social media channels, internal email, text messaging, and press releases to inform both internal and external audiences of NBU closure times, ways to pay, and when NBU would resume normal business

hours. We received immediate positive feedback from customers regarding the text functionality as an alert system. Each mode of communication was purposefully concise to avoid any confusion for employees and customers as to NBU's next steps.

Additionally, prior to the weather event, Customer Service team members proactively tested equipment at home, to ensure a functional remote work environment. The team proactively crafted messaging for the phone system IVR, text alerts, and signage at the Customer Solutions Center (CSC) for posting readiness. The Customer Service and Enterprise Communications teams worked together to ensure there was customer tone alignment throughout all communication channels. Additionally, disconnects for non-payment were paused and late fees were stopped to account for customers who were not able to make payment due to the delayed CSC opening and/or road conditions.

From an Operations perspective, NBU's winter readiness initiatives included insulating, protecting, and winterizing assets vulnerable to failure in freezing conditions. The utility also bolstered critical infrastructure by adding insulation, weatherproofing enclosures, and freeze protection measures to essential systems. Additionally, NBU prioritized tree trimming to mitigate the risk of ice-laden branches contacting power lines, a common cause of winter disruptions. We ensured our employees were fully equipped to work in severe weather for extended periods.

**c. NBU Employee Holiday Party**

On December 13th, NBU hosted its annual Holiday Party, bringing together over 400 employees and their spouses. Special thanks were given to the Events Committee and all who contributed time and energy to ensure every detail was perfect.

**d. NBU Executive Strategic Retreat**

On January 8th and 9th, the Executive and Director teams met to discuss staffing updates for the 2026 and 2027 fiscal years. Our teams worked diligently to make decisions that would be the most beneficial for NBU and the community. The finalized personnel decisions made will help NBU meet the strategic goals for both years.

**e. Monster Detective Program Update**

NBU has launched a new youth initiative called Monster Detective, a program created by Milepost in partnership with the American Public Power Association. Staff did a soft launch of the program at Morningside Elementary in December, engaging 250 students. The program is taught by NBU staff and is designed to teach third-graders about utility conservation, safety, and environmental stewardship. As "Monster Detectives," students learn to spot and tackle "energy-wasting monsters." Each session will feature hands-on activities, discussions, and take-home resources to promote conservation awareness among families.

**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. Power Stabilization Fund Update**

Energy Risk Manager Missy Quent provided an update on the Power Stabilization Fund.

**CONSENT ITEMS FOR ACTION**

Board Vice President Judith Dykes-Hoffmann made a motion, and Trustee Yvette Barrera Villanueva seconded the motion to approve the Consent Items for Action as follows: #1, #2, #3, #4, #5, #6, #7, #8, #9, #10, #11, #12, #13, #14, #15, #16, #17, #18, #19, #20, and #21. The vote was unanimous.

1. Approve Minutes of the NBU Regular Board Meeting of December 12, 2024
2. Approve Minutes of the NBU Special Board Meeting of January 16, 2025
3. Approve the Change Order Log from November 15, 2024, through December 15, 2024
4. Approve the Reports for Water and Electric Engineering Contracts from August 1, 2024, through December 15, 2024
5. Approve the Electric Line of Business Alternative Procurements from November 15, 2024, through December 15, 2024
6. Approve Proposed Revisions to the NBU Community Advisory Panel (“CAP”) Bylaws
7. Appoint Joe Castilleja and Julissa Vela to the CAP and Appoint Dr. Les Shepard as CAP Vice Chair
8. Approve Changes to the List of Authorized Representatives at TexPool and Authorize the Board President and CEO/Board Secretary to Execute Documentation in Connection Therewith
9. Adopt Resolution #2025-193 Approving Revisions to the Investment Policy and Other Matters in Connection Therewith
10. Approve Staff Recommendation to Reject All Proposals Submitted for RFP #24-0061 Relating to the Integrated Risk Management and Settlements Software Solicitation
11. Authorize the CEO or His Designee to Negotiate and Execute a Construction Contract with Cash Construction Company, Inc. for the Construction of the McKenzie Interceptor Upgrade Project
12. Authorize the CEO or His Designee to Negotiate and Execute a Second Amendment to the Professional Services Agreement with Pawelek and Moy, Inc. for the Design of the Sewer Infrastructure Replacement Package Two Project for Four Construction Locations, Including



Landa Street, Fredericksburg Road, Sundance Parkway, and Elizabeth Avenue, New Braunfels, Texas

13. Authorize the CEO or His Designee to Negotiate and Execute a Second Amendment to the Professional Services Agreement with Kimley-Horn and Associates, Inc. for the Design of the Saengerhalle North Interceptor Project
14. Authorize the CEO or His Designee to Negotiate and Execute a Third Amendment to the Professional Services Agreement with Alan Plummer and Associates, Inc. for the Design of the Goodwin Lane Water Main Project
15. Authorize the CEO or His Designee to Negotiate and Execute a Third Amendment to the Professional Services Agreement with Kimley-Horn and Associates, Inc. for the Design of the I-35 Interceptor Upgrade Project
16. Authorize the CEO or His Designee to Negotiate and Execute a Third Amendment to the Professional Services Agreement with Freese and Nichols, Inc. for the Design of the Trinity Water Treatment Plant and Pump Station Expansion Project
17. Authorize the CEO or His Designee to Negotiate and Execute a Professional Services Agreement with Arcadis, U.S., Inc. for the Design of the Highway 46 Water Line (Mission) Phase 2 Project
18. Authorize the CEO or His Designee to Approve Additional Construction Contract Contingency with Pesado Construction Company in the Amount of \$209,730.00 for the Construction of the Solms Lift Station Expansion Project.
19. Ratify a Construction Contract with Pesado Construction Company Executed by the CEO for the Emergency Repair of a Break in the Solms Force Main
20. Authorize the CEO or His Designee to Negotiate and Execute an Interlocal Purchasing Agreement with the City of Kyle to Contract Directly with OPIN, LLC dba American FR and Safety for Use of Web-Based Uniform Purchase Program
21. Authorize the CEO or His Designee to Execute AIA Document A133 - Guaranteed Maximum Price Amendment No. 5 with Thos. S. Byrne, Inc. for the Headwaters at the Comal Master Plan, Phase 2 for the Klingemann Parking Lot

## **ACTION ITEMS**

### **1. Discuss and Consider Approval of the NBU Strategic Plan and Annual Priorities for Fiscal Year 2026 and Fiscal Year 2027**

Trustee Stuart Blythin made a motion, and Mayor Neal Linnartz seconded the motion to approve the NBU Strategic Plan and Annual Priorities for Fiscal Year 2026 and Fiscal Year 2027. The vote was unanimous.

2. **Authorize the CEO or His Designee to Negotiate and Execute AIA Document A133—Guaranteed Maximum Price Amendment No. 2 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 Electrical Gear and Generator**

Mayor Neal Linnartz made a motion, and Board Vice President Judith Dykes-Hoffmann seconded the motion to authorize the CEO or His Designee to Negotiate and Execute AIA Document A133—Guaranteed Maximum Price Amendment No. 2 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 Electrical Gear and Generator. The vote was unanimous.

3. **Authorize the CEO or His Designee to Negotiate and Execute AIA Document A133—Guaranteed Maximum Price Amendment No. 3 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 Site Package One, Site Utilities, Texas Department of Transportation Improvements, and Demolition**

Mayor Neal Linnartz made a motion, and Trustee Yvette Barrera Villanueva seconded the motion to authorize the CEO or His Designee to Negotiate and Execute AIA Document A133—Guaranteed Maximum Price Amendment No. 3 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 Site Package One, Site Utilities, Texas Department of Transportation Improvements, and Demolition. The vote was unanimous.

4. **Discuss and Consider Adoption of Resolution #2025-194 of the Board of Trustees of New Braunfels Utilities Recommending and Requesting that the New Braunfels City Council Take Certain Actions with Respect to an Application to the Texas Water Development Board’s Lead Service Line Replacement Program; Finding the Resolution to Have Been Considered Pursuant to the Laws Governing Open Meetings; Providing a Severability Clause; Establishing an Effective Date; and Other Matters in Connection Therewith**

Mayor Neal Linnartz made a motion, and Trustee Stuart Blythin seconded the motion to adopt Resolution #2025-194 of the Board of Trustees of New Braunfels Utilities Recommending and Requesting that the New Braunfels City Council Take Certain Actions with Respect to an Application to the Texas Water Development Board’s Lead Service Line Replacement Program; Finding the Resolution to Have Been Considered Pursuant to the Laws Governing Open Meetings; Providing a Severability Clause; Establishing an Effective Date; and Other Matters in Connection Therewith. The vote was unanimous.

## **PRESENTATION ITEMS**

1. **Presentation on Remapping the Area Bounded by NBU's Certificate of Convenience and Necessity and Service Territory for Water and Wastewater**

Mike Short introduced Dave Christiansen, who, with Freese and Nichols, presented information on NBU’s Certificate of Convenience and Necessity (“CCN”) and Service Area Policy.

**EXECUTIVE SESSION**

Board President Wayne Peters recessed the Open Session at 2:22 pm and announced that the Board would go into an Executive Session meeting. The Executive Session included Power Supply Resources – Competitive Matters; 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; b. Discuss Proposed High-Density Multifamily Developments Platted as Minor Plat; and Personnel Matters – CEO Semi-Annual Evaluation (Section 551.074 – Texas Government Code)

The Executive Session was opened at 2:30 pm and closed at 5:00 pm.

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

There was no further business, and Board President Wayne Peters adjourned the meeting at 5:00 p.m.

**Attest:**

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*Wayne Peters, President*  
*Approved*

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

*Date Approved: February 27, 2025*



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

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

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

**RECOMMENDED ACTION:** Approve the Change Order Log from December 15, 2024, through January 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 \$50,000.00, 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 December 15, 2024, through January 15, 2025.

## **FINANCIAL IMPACT**

Change orders less than \$50,000.00:

- Infrastructure Replacement Package 1 (HMT), Mango Loko service connection, Spiess Construction Co., Inc., Change order No. 3, Cost increase of \$7,500.00.

Change orders more than \$50,000.00:

- Solms Lift Station Expansion, Grout injections inside MH, MH risers, extension hand pole for dry well, bypass expenses, Pesado Construction Company, Change Order No. 4, Cost increase of \$71,625.47.

**LINK TO STRATEGIC PLAN**

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**Customers and Community**

**People and Culture**

**Stewardship**

**EXHIBITS**

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None



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

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

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

**RECOMMENDED ACTION:** Approve the Reports for Water and Electric Engineering Contracts from August 1, 2024, through January 15, 2025

## BACKGROUND

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

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

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

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



## **FINANCIAL IMPACT**

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The financial impact of the contracts approved during the period between December 15 2024, and January 15, 2025 is \$5,702,452.55.

## **LINK TO STRATEGIC PLAN**

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**Customers and Community**

**People and Culture**

**Stewardship**

## **EXHIBITS**

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



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

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

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

**RECOMMENDED ACTION:** Approve the Electric Line of Business Alternative Procurements from December 15, 2024, through January 15, 2025

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**BACKGROUND**

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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 November 15, 2024, through December 15, 2024, using the electric line of business alternative procurement process.

**FINANCIAL IMPACT**

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

- Materials to upgrade the public-serving transmission bus at Henne Substation to ensure continued resiliency and service for customers, Peak Substation Services, LLC, Cost of \$253,100.00.

**LINK TO STRATEGIC PLAN**

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**Infrastructure and Technology**

**Stewardship**

**EXHIBITS**

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None



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

**From:** Jenna Mathis      **Reviewed by:** Sheila Lavender  
 Customer Service Assistant      Chief Customer Officer  
 Manager

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

**RECOMMENDED ACTION:** Approve 2024 Third Quarter Charge-Off Accounts

## BACKGROUND

Charge-offs for the third quarter of calendar year 2024 (July, August, and September) netted \$121,940.35 for NBU accounts that have unpaid balances. New Braunfels Utilities applied \$65,571.15 in customer deposits to the delinquent account balance of \$187,511.50, which reduced the total unpaid balance by 35%.

When compared to total revenue billings for the same quarter, the charge-off balance amounts to 0.14%. For every \$100 billed to our customers, we received \$99.86.

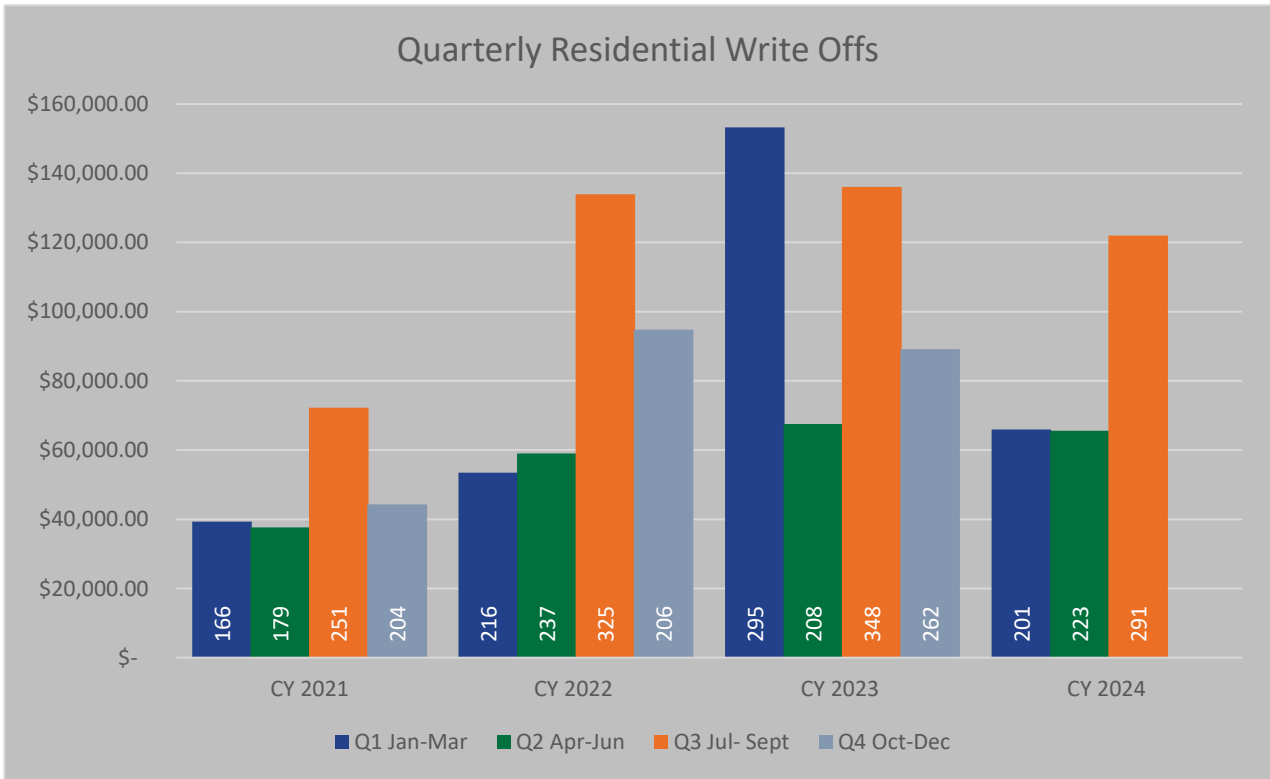
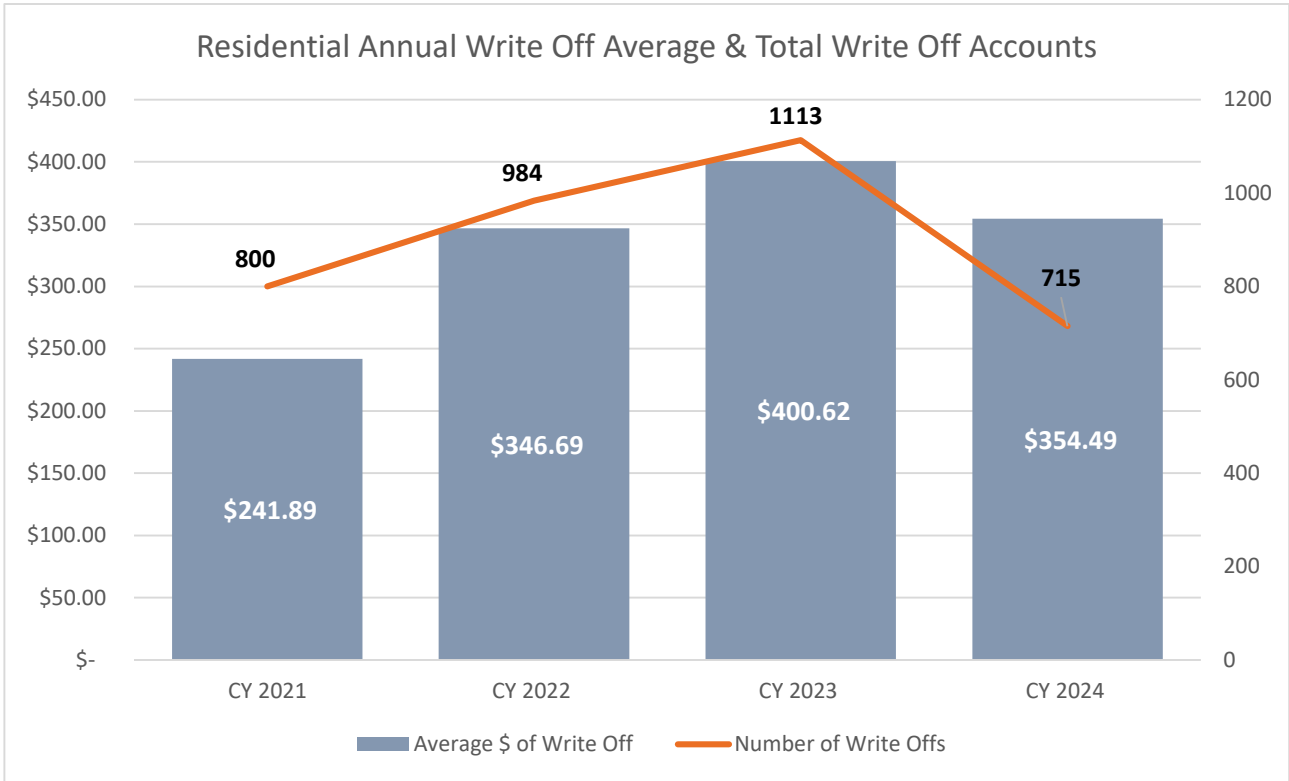
The number of residential accounts included in the charge-offs decreased by 5.52% compared to the previous 3 years' average for the same quarter, and the dollar amount increased by 6.90%. Residential customers accounted for 99% of the number of charge-off accounts.

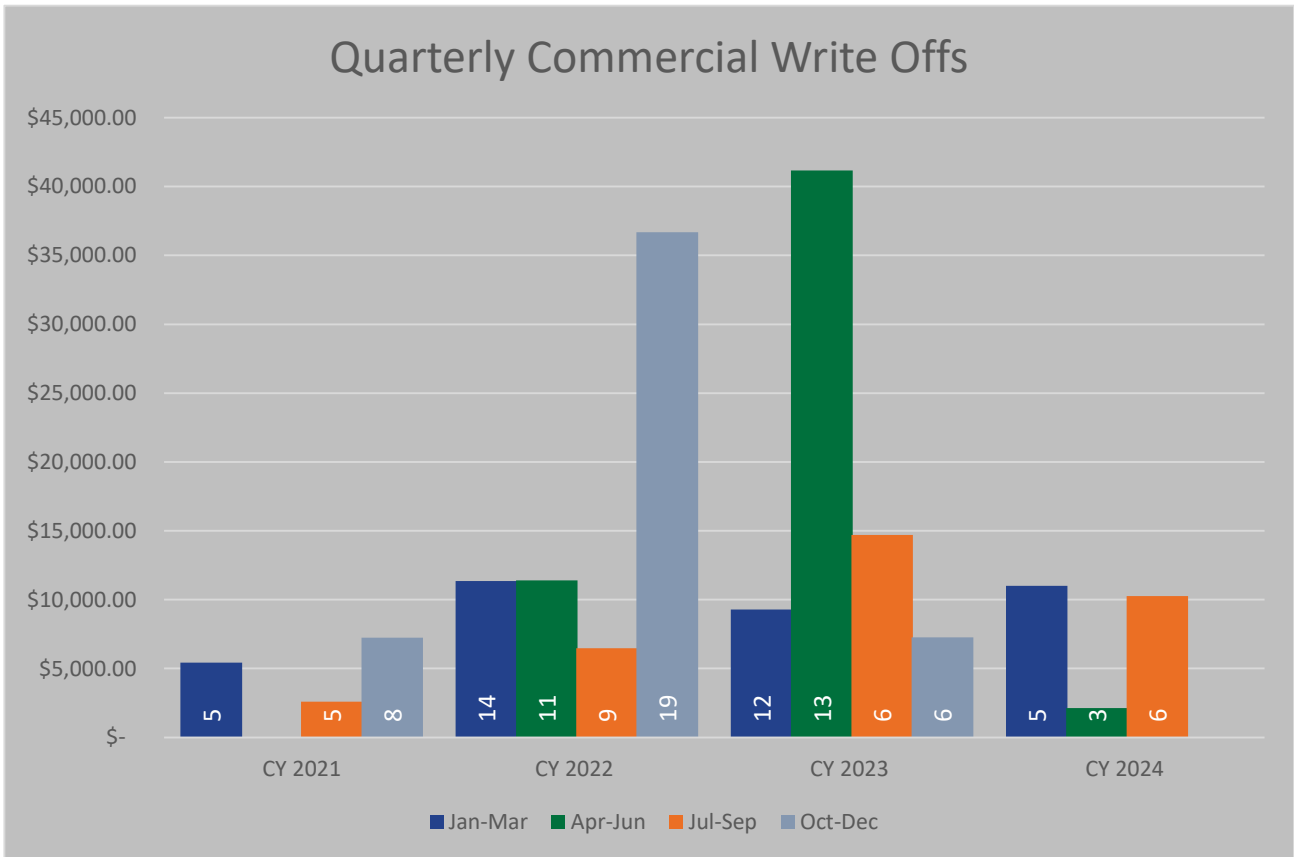
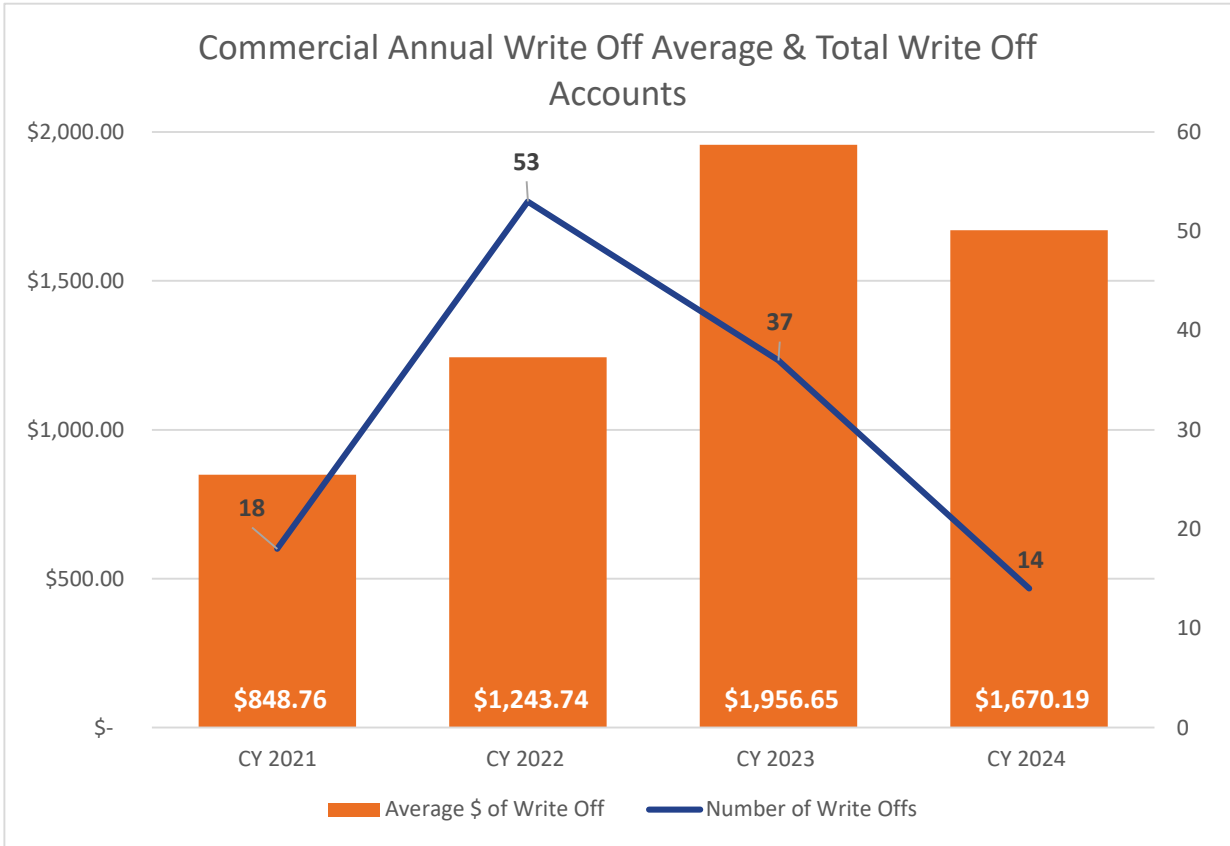
The main factors in the charge-offs for Q3 of 2024 include failure to comply with payment extensions, moratorium of disconnects for nonpayment due to high-temperature indexes, and account deposits calculated on previous rates and not equaling a two-month annual average.

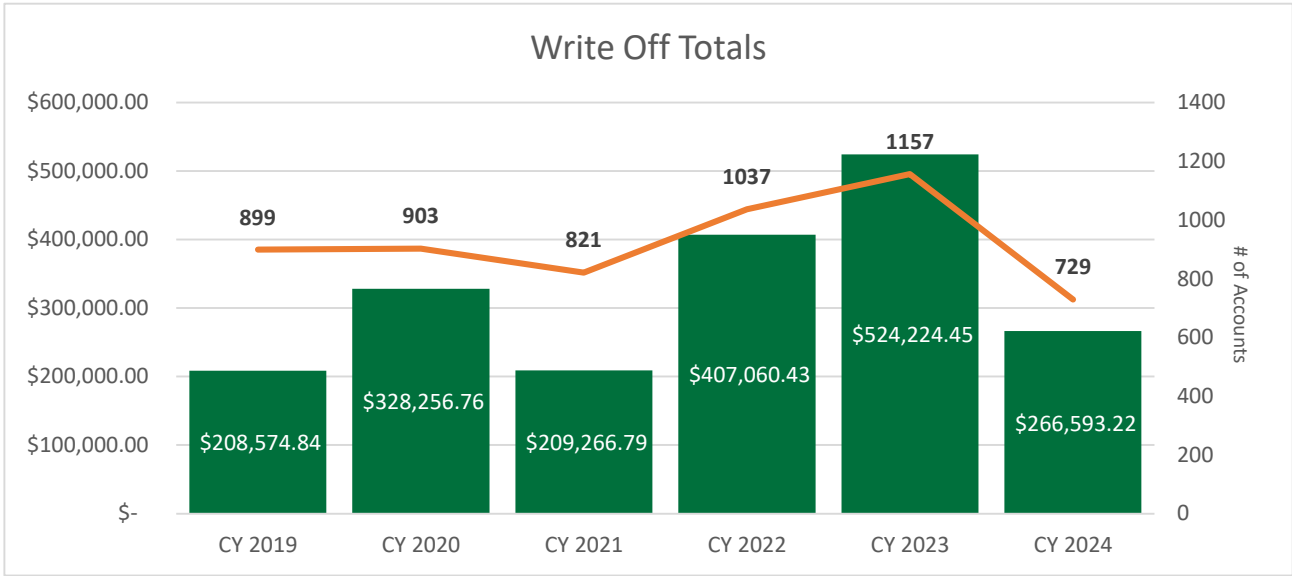
The NBU internal credit rating summary for this report is as follows:

NBU Credit History	Number of Active Customers	Number of Charge-off Customers	Percentage of Charge-off Customers
Satisfactory Credit*	54,946	16	0.03%
Unsatisfactory Credit	11,759	281	2.39%

\*Satisfactory Credit: No more than two (2) late payments, no disconnects for non-pay, and no returned items.







**FINANCIAL IMPACT**

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NBU has an estimate included in the Financial Operating Plan for charge-off amounts and updates the estimate annually.

**LINK TO STRATEGIC PLAN**

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**Financial Excellence**

**EXHIBITS**

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- 1. Charge-off Summary





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

**From:** Adam Willard, P.E.      **Reviewed by:** Michael Short, P.E.  
 Chief Engineer of Water      Director of Water Services and  
 Services      Compliance

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

**RECOMMENDED ACTION:** Authorize the CEO or His Designee to Negotiate and Execute a Construction Contract with Landmark Structures I, LP for the Construction of the FM 1044 Elevated Storage Tank Project

## BACKGROUND

On November 6, 2024, New Braunfels Utilities (“NBU”) issued a request for bids for the FM 1044 Elevated Storage Tank Project, which includes (i) construction of a new 2.0-million-gallon (“MG”) AWWA D107 Composite Elevated Storage Tank (“EST”); (ii) installation of associated electrical, instrumentation, and SCADA improvements; (iii) site improvements, including site preparation, clearing and grubbing, grading improvements, drainage improvements, concrete drainage pipe, and driveways; (iv) installation of approximately 880 linear feet (“LF”) of 24-inch water line and connections, valves, fire hydrants, fittings, water line tie-in, disinfection, and testing; (v) installation of approximately 50 LF of 12-inch water line and connections, valves, fittings, water line tie-in, disinfection, and testing; (vi) installation of approximately 40 LF of 4-inch sanitary sewer line and connection to existing 8-inch sanitary sewer line; and (vii) all other appurtenances necessary to complete the Project (the “Project”). The Project will add an additional 2.0 MG of elevated water storage to the Morningside Pressure Zone.

On December 5, 2024, NBU received two (2) bids for the Project during the public bidding process. The project team evaluated the bids and recommends the selection of Landmark Structures I, LP (“Landmark”) for the Project. Landmark was selected as the respondent who provides the best value to NBU based on the selection criteria, the weighted value for those criteria, and the ranking evaluation, including their cost of work, proposed schedule, past performance on similar projects, overall qualifications, available resources, corporate history, and references. Landmark’s proposal includes a base bid of \$11,984,000.00, which was the lowest base bid out of the 2 (two) respondents.

NBU staff requests that the Board of Trustees approve the Construction Contract Agreement (the “Contract”) with Landmark for the Project.

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

## FINANCIAL IMPACT

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The total financial impact of the Contract with Landmark for the Project is \$11,984,000.00. The Project is budgeted within the Fiscal Year 2025 through Fiscal Year 2027 NBU Board approved Capital Improvements Projects Budget. Anticipating the need for project change orders, a contract contingency of \$600,000.00, which is approximately 5% of the total contract amount, will be added to the project construction budget. The total contract amount plus contingency is \$12,584,000.00.

## LINK TO STRATEGIC PLAN

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### Infrastructure and Technology

## EXHIBITS

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### 1. Bid Tab and Evaluation Criteria – (RFB 25-0034)

Bid Tab	
<b><i>Bidder</i></b>	<b><i>Total Cost</i></b>
Landmark Structures I, LP	\$11,984,000.00
Caldwell Tanks, Inc.	\$14,989,000.00

<b>Evaluation Criteria</b>	<b>Possible Points</b>	<b>Caldwell Tanks, Inc.</b>	<b>Landmark Structures I, LP</b>
1. Proposed Schedule/Contract Time	20	1.3	12.0
2. Past Performance on Similar Projects	10	6.0	6.0
3. Overall Qualifications, Reputation, Past Relationship with NBU and Public Owners	7.5	2.0	6.5
4. Available resources to complete the Project	7.5	2.5	4.5
5. The Contractor's corporate history and stability	2.5	0.7	1.7
6. References	2.5	1.3	1.5
Cost of the Work	50	40.0	50.0
<b>TOTAL POINTS</b>	<b>100</b>	<b>53.8</b>	<b>82.2</b>
<b>Rank</b>		<b>2</b>	<b>1</b>

2. Construction Contract with Landmark
3. Letter of Recommendation from FNI



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

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

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

**RECOMMENDED ACTION:** Authorize the CEO or His Designee to Negotiate and Execute a Construction Contract with Pesado Construction Company for the Construction of the Sewer Infrastructure Package 2 – Phase 2 Project

## **BACKGROUND**

On October 18, 2024, New Braunfels Utilities (“NBU”) issued a request for bids for the Sewer Infrastructure Package 2 – Phase 2 Project, which includes (i) 1,200 linear feet (“LF”) of 8-inch and 600 LF of 15” gravity main by open cut construction, (ii) construction of approximately 345 LF of 8-inch gravity main by jack or bore construction with 24” steel casing, (iii) construction of new manholes, (iv) abandonment and grout filling of existing sanitary sewer mains and associated manholes, (v) connections to the NBU sanitary sewer system, (vi) sewer bypass pumping for construction, (vii) traffic control, (viii) storm water pollution prevention, and (ix) all other appurtenances necessary to complete the Project (the “Project”). The Project will replace an aged sewer main that services the Landa Park Aquatics Center and Wurstfest facilities and a small portion of aged sewer line adjacent to Common Street that requires regular maintenance. The Project is essential to prevent potential failures that could impact water quality due to the proximity to the Comal Springs and Landa Lake, an environmentally and historically sensitive area.

On December 13, 2024, NBU received four (4) bids for the Project during the public bidding process. The project team evaluated the bids and recommends the selection of Pesado Construction Company (“Pesado”) for the Project. Pesado was selected as the respondent who provides the best value to NBU based on the selection criteria, the weighted value for those criteria, and the ranking evaluation, including their cost of work, proposed schedule, past performance on similar projects, overall qualifications, available resources, corporate history, and references. Pesado’s proposal includes a base bid of \$1,967,985.00, which was the lowest base bid out of the four (4) respondents.

NBU staff requests that the Board of Trustees approve the Construction Contract Agreement (the “Contract”) with Pesado for the Project.

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

## FINANCIAL IMPACT

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The total financial impact of the Contract with Pesado for the Project is \$1,967,985.00. The Project is budgeted within the Fiscal Year 2025 through Fiscal Year 2026 NBU Board approved Capital Improvements Projects Budget. Anticipating the need for project change orders, a contract contingency of \$200,000.00, which is approximately 10% of the total contract amount, will be added to the project construction budget. The total contract amount plus contingency is \$2,167,985.00.

## LINK TO STRATEGIC PLAN

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### Customers and Community

### Infrastructure and Technology

### Financial Excellence

## EXHIBITS

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### 1. Bid Tab and Evaluation Criteria – (CSP 25-0021)

Bid Tab	
<b><i>Bidder</i></b>	<b><i>Total Cost</i></b>
Pesado Construction Company	\$1,967,985.00
Spiess Construction Company, Inc.	\$2,364,443.00
Lupe Rubio Construction Company, Inc.	\$3,005,847.09
Ram 2 Utilities (Incomplete Submittal – Disqualified)	\$1,355,956.48

Evaluation Criteria	Possible Points	Lupe Rubio Construction Co.	Pesado Construction Company	Spiess Construction Co., Inc.
1. Proposed Schedule/Contract Time	20	2.7	12.0	12.0
2. Past Performance on Similar Projectse	10	4.7	7.3	6.3
3. Overall Qualifications, Reputation, Past Relationship with NBU and Public Owners.	7.5	4.0	6.5	6.0
4. Available resources to complete the Project.	7.5	4.0	5.0	4.5
5. The Contractor's corporate history and stability.	2.5	1.3	2.0	1.5
6. References	2.5	1.5	1.5	1.5
7. Purchase Price	50	32.7	50.0	41.6
<b>TOTAL POINTS</b>	<b>100</b>	<b>50.9</b>	<b>84.3</b>	<b>73.4</b>
	<b>Rank</b>	<b>3</b>	<b>1</b>	<b>2</b>

2. Construction Contract with Pesado
3. Letter of Recommendation from John Moy



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

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

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

**RECOMMENDED ACTION:** Authorize the CEO or His Designee to Negotiate and Execute a Professional Services Agreement with Merrick & Company DBA Colorado-Merrick and Company for the Design of the Solms Lift Station and Force Main Project

## **BACKGROUND**

This Professional Services Agreement (the “Agreement”) with Merrick & Company DBA Colorado-Merrick & Company (“Merrick”) provides project management, preliminary engineering design, field services, final design, permitting and coordination with stakeholders, bid phase services, and construction phase services for the New Braunfels Utilities (“NBU”) Solms Lift Station and Force Main Project (the “Project”). The Project is anticipated to add a new 5.2 Million Gallons per Day (“MGD”) lift station, approximately 8,600 linear feet of 18-inch dual force main, approximately 1,600 linear feet of gravity main, and demolish and abandon the existing Solms Lift Station. This Project will increase capacity in the South Kuehler basin while replacing infrastructure that has reached the end of its service life.

NBU staff requests that the Board of Trustees approve the Agreement with Merrick 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 construction contracts in two phases and anticipates bringing the construction contracts to the Board for approval in October 2026 and December 2028. NBU staff plans to begin construction of the first phase in December 2026 and complete construction by December 2028. The second phase of construction is planned to begin in January 2029 and complete construction by June 2030.

## **FINANCIAL IMPACT**

The total financial impact for the Agreement with Merrick for the Project is \$2,211,414.86, including supplemental services. The Project is budgeted within the Fiscal Year 2025 through Fiscal Year 2029 NBU Board approved Capital Improvements Projects Budget.

**LINK TO STRATEGIC PLAN**

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**Customers and Community**

**Infrastructure and Technology**

**Safety and Security**

**Stewardship**

**EXHIBITS**

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1. Professional Services Agreement with Merrick





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

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

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

**RECOMMENDED ACTION:** Authorize the CEO or His Designee to Approve Additional Construction Contract Contingency with E-Z Bel Construction, LLC, in the Amount of \$50,000.00 for the Construction of the Landa Street and Elm Street Water Line Improvements Project

## **BACKGROUND**

On December 12, 2024, the New Braunfels Utilities (“NBU”) Board of Trustees approved a construction contract with E-Z Bel Construction, LLC (“E-Z Bel”) for the construction of the Landa Street and Elm Street Water Line Improvements Project, which includes approximately 535 linear feet (LF) of new 12-inch water main installed by open cut to connect two existing water lines, including all appurtenances, starting at the entrance to Wurstfest on Landa Street and approximately 8 LF of new 4-inch water line to connect the existing 4-inch line to the existing 8-inch line on Elm Street (the “Project”).

Anticipating project change orders, the NBU Board approved an initial contingency of \$25,000.00 with the original construction contract. Since its approval, the Project has required that NBU use \$19,368.01 of the initial contingency amount for rerouting the water line around concrete structures. NBU staff estimates \$50,000.00 will cover any remaining unforeseen costs that arise to complete the project.

In order not to cause delays during construction, NBU staff requests that the Board of Trustees approve the additional \$50,000.00 in construction contract contingency with E-Z Bel for the Project. NBU staff will use the remaining contingency for unknown change orders that are needed as the Project continues. All contract change orders will be presented to the Board through the monthly change order log.

This item is being presented to the Board because it modifies a previously Board approved contract.

## **FINANCIAL IMPACT**

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The Board originally approved a construction contract including the initial contingency in the amount of \$524,911.05 for the construction of the Project. NBU has since processed one (1) change order in the amount of \$19,368.01. The combined amount of the construction contract and the one (1) change order is \$519,279.06.

Adding the additional \$50,000.00 will bring the total available contingency to \$75,000.00, or approximately 15% of the original contract amount. The total contract amount of \$499,911.05, with the original contingency of \$25,000.00 and the additional requested contingency of \$50,000.00, totals \$574,911.05.

## **LINK TO STRATEGIC PLAN**

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### **Infrastructure and Technology**

## **EXHIBITS**

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1. Board Write-up from December 12, 2024



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

**From:** Brent Lundmark      **Reviewed by:** Michael Short, P.E.  
 Water Treatment &      Director of Water Services and  
 Compliance Manager      Compliance

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

**RECOMMENDED ACTION:** Authorize the CEO or His Designee to Negotiate and Execute a Services and Goods Agreement with Environmental Improvements, Inc. for Water and Wastewater Liquid Chemical Feed Pump Repair, Maintenance, and Replacement Services

## **BACKGROUND**

On October 16, 2024, New Braunfels Utilities (“NBU”) issued a request for competitive sealed proposals for liquid chemical feed pump repair, maintenance, and replacement services at various facilities throughout the NBU water and wastewater system (the “Services”).

On November 14, 2024, NBU received one (1) proposal for the Services during the public solicitation process from Environmental Improvements, Inc. While Environmental Improvements, Inc. is not the only vendor that could potentially provide the repair and maintenance services outlined in the scope of the project, they are the sole source provider of replacement parts for the chemical feed pumps that NBU currently utilizes in the water and wastewater systems. NBU staff evaluated the proposal and determined the proposal to be the most advantageous to NBU, considering the relative importance of price and the other evaluation factors included in the request for proposals. NBU staff recommends the selection of Environmental Improvement, Inc. for the Services.

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

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

## **FINANCIAL IMPACT**

The total contract amount for the Agreement with Environmental Improvements, Inc. is not to exceed \$625,000.00 with a not to exceed amount of \$125,000.00 for the initial contract term and \$125,000.00 for each of the additional four (4) successive one-year terms. The Agreement is budgeted within the Water

Treatment & 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**

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### **Customers and Community**

### **Stewardship**

## **EXHIBITS**

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1. Contract with Environmental Improvements, Inc.
2. Summary of Recommendation



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

**From:** Jeff Morriss  
Substations Manager      **Reviewed by:** Gretchen Reuwer  
Director of Electric Services

**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 the Second Amendment to the Wholesale Metering Services Agreement with the Lower Colorado River Authority Transmission Services Corporation to Update the Wholesale Metering Service Point List to Reflect New and Recent System Upgrades

## **BACKGROUND**

On September 22, 2016, New Braunfels Utilities (“NBU”) Chief Executive Officer (“CEO”) approved a Wholesale Metering Services Agreement (the “Agreement”) with the Lower Colorado River Authority Transmission Services Corporation (“LCRA TSC”) for wholesale electric metering services at twenty-five (25) wholesale electric metering points, (the “Services”). In accordance with the parameters authorized by the CEO in the terms of the Agreement, NBU staff executed a First Amendment to the Agreement on July 23, 2018, to add one new wholesale electric metering point for Weltner Road Substation Power Transformer #1 (“First Amendment”).

NBU staff now requests that the Board of Trustees approve a Second Amendment to the Agreement (“Second Amendment”), which includes (i) the addition of one (1) new wholesale electric metering point for E.C. Mornhinweg Substation Power Transformer #2, (ii) the addition of one (1) new wholesale electric metering point for Hueco Springs Substation Power Transformer #1, (iii) the addition of two (2) new wholesale electric metering points for Kohlenberg Road Substation Power Transformers #1 and #2, (iv) the addition of four (4) new wholesale electric metering points for TXI Substation Power Transformers #1, #2, #3, and #4, and (v) removal of one (1) wholesale electric metering point for TXI Substation which was historically located at the Henne Substation. These requests require additional Services by LCRA TSC 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 CEO previously approved.

## **FINANCIAL IMPACT**

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The annual amount associated with the Second Amendment under LCRA TSC's current rate is \$53,004.00. The annual amount for the Agreement, First Amendment, and Second Amendment with LCRA TSC for the Services under LCRA TSC's current rate is \$249,876.00. The Services are budgeted within the Transmission Cost of Service budget approved by the NBU Board of Trustees annually.

LCRA TSC's wholesale electric metering service rate is regulated by the Public Utility Commission of Texas (PUCT). The rate currently approved by the PUCT is \$458.00 per meter per month.

## **LINK TO STRATEGIC PLAN**

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### **Infrastructure and Technology**

## **EXHIBITS**

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1. Wholesale Metering Services Agreement executed on September 22, 2016
2. First Amendment to the Wholesale Metering Services Agreement executed on July 23, 2018
3. Second Amendment to the Wholesale Metering Services Agreement