



NOTICE OF OPEN MEETING
FEBRUARY BOARD OF TRUSTEES
NBU Board Room, 263 Main Plaza, New Braunfels, Texas 78130
February 29, 2024, at 1:00 PM
www.nbutexas.com

AGENDA

CALL TO ORDER

PLEDGE OF ALLEGIANCE AND INVOCATION

Mayor Neal Linnartz

NBU MISSION

Laura Rivers, Chief of Staff

PUBLIC COMMENT

NBU EMPLOYEE RECOGNITIONS

1. Presentation of Service Pins
 - a. Recognizing Kurt Knettel, Henry Luna, and Greg Williams for 20 Years of Service
 - b. Recognizing Chris Kusak and Jesse Rosales for 35 Years of Service

ITEMS FROM THE CHAIR

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

ITEMS FROM STAFF

1. CEO's Update
 - a. NBU Awarded Employer of the Year by the International Right of Way Association (IRWA)
 - b. Youth Leadership New Braunfels Visits NBU
 - c. Leadership New Braunfels Visits NBU
 - d. CEO Roadshow: Hunter's Creek Homeowner Association
 - e. CEO Roadshow: New Braunfels Realtors Group – Corridor Title
 - f. Customer Satisfaction Survey Window Opens
 - g. NBU Partners with Communities in Schools of South Texas to sponsor the Kinderschuhe 5k
 - h. Leadership Announcements/New Hires: Chelsea Mikulencak
 - i. Any Other Items Permitted Under Section 551.0415 of the Texas Government Code
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2. Financial Update and Report
3. Quarterly Investment Report
4. Report on NBU Executive Strategic Planning Workshop

CONSENT ITEMS FOR ACTION

1. Approve Minutes of the NBU Regular Board Meeting of January 25, 2024
2. Approve the Change Order Log from December 15, 2023, through January 15, 2024
3. Approve the Reports for Water and Electric Engineering Contracts from August 1, 2023, through January 15, 2024
4. Approve the Electric Line of Business Alternative Procurements from December 15, 2023, through January 15, 2024
5. Approve 2023 Third Quarter Charge-Off Accounts
6. Authorize CEO or His Designee to Negotiate and Execute a Professional Services Agreement with Titan Utility Services, LLC, for the Inspection, Testing, and Documentation of Electrical Tools and Equipment
7. Authorize CEO or His Designee to Negotiate and Execute a Professional Service Agreement with the San Antonio Food Bank d/b/a New Braunfels Food Bank for the Utility Bill Assistance Program
8. Authorize CEO or His Designee to Negotiate and Execute a Professional Services Agreement with Xylem Dewatering Solutions, Inc. d/b/a Wachs Water Services for Fire Hydrant Inspection, Maintenance, and Flow Testing
9. Authorize CEO or His Designee to Negotiate and Execute an AIA Design Build Amendment to the AIA Agreement with SpawGlass Contractors, Inc., for the New Braunfels Utilities Annex Facility Renovation Design Build Guaranteed Maximum Price
10. Approve the Appointment of Dawn Schriewer as President of the Headwaters at the Comal Board of Directors

ITEMS FOR FUTURE ACTION

1. Review and Discuss the Proposed Five-Year Water Conservation Plan

EXECUTIVE SESSION

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

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

- a. Power Supply Update
- b. Discuss and Consider Edison Electric Institute (EEI) Resolution allowing NBU to enter into a Master Agreement related to power supply transactions
- 2. 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. Legal Matters Relating to McKenzie Water Reclamation Facility and Gruene Wastewater Treatment Plant
 - b. Discuss Legal Issues Relating to the Proposed Sale of 263 Main Plaza
 - c. Discuss the Pending Litigation Styled *Skyblue Utilities, Inc. v. New Braunfels Utilities*, Comal County, 433rd Judicial District Cause No. 2024-0253D
- 3. Personnel Matters (Section 551.074 – Texas Government Code)
 - a. Discuss the appointment, employment, evaluation, and duties of the CEO

The Board of Trustees, upon reconvening in Open Session, will discuss and consider any action, if necessary, 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, and New Braunfels Utilities Main Office, 263 Main Plaza, New Braunfels, Texas, on the **23rd day of February, 2024**, 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

\$38,000 less and \$261,000 less than the budgeted amount of \$4,944,000 Month-to-Date (“MTD”) and \$31,008,000 YTD. Other operating expenses were less than budget by \$1,063,000. These items resulted in the Electric Line of Business reporting net operating income of \$2,383,000, which was \$1,025,000 greater than the budgeted amount of \$1,358,000. Net non-operating items provided a favorable variance from budget of \$453,000. Services income was less than budget by \$182,000. The Electric Line of Business reported January 2024 CNPAC of \$2,098,000 and YTD CNPAC of \$14,831,000. These amounts were \$1,296,000 greater and \$5,458,000 greater than their respective January 2024 MTD and January 2024 YTD budget amounts.

Water

The Water Line of Business reported total operating revenues of \$2,667,000, a \$361,000 decrease, or 12%, from the January budgeted amount of \$3,028,000. In January, water gallons sold of 272,090,000 was less than the budgeted amount of 303,702,000 (a 31,612,000-gallon variance from budget, or 10%). NBU’s net realized price per 1,000 gallons sold in January was \$9.50, which was less than the budgeted amount of \$9.78. Operating expenses for January were \$3,569,000, which was \$905,000 less than the budgeted amount of \$4,474,000. The net effect of less revenues and lesser operating expenses than budgeted resulted in the Water’s net operating income of (\$902,000), which was less than budget. Net non-operating items provided a favorable variance of \$699,000 from budget. Impact fees of \$3,875,000 were greater than budget by \$2,859,000, and services income was greater than budget by \$95,000. The Water Line of Business reported January 2024 CNPAC of \$3,344,000 and YTD CNPAC of \$8,953,000. These amounts were \$4,197,000 greater than and \$7,151,000 greater than their respective January 2024 MTD and January 2024 YTD budget amounts.

Wastewater

The Wastewater Line of Business reported total operating revenues of \$2,822,000, a \$508,000 decrease, or 15%, from the January budgeted amount of \$3,330,000. Total operating expenses of \$2,427,000 were \$653,000 less than the budgeted amount of \$3,080,000. As a result, the Wastewater Line of Business reported net operating income of \$395,000, which was \$145,000 greater than the budgeted amount of \$250,000. Net non-operating items provided a favorable variance of \$385,000 from budget. Impact fees were greater than budget by \$1,123,000, and capital participation fees were less than budget by \$66,000. The Wastewater Line of Business reported January 2024 CNPAC of \$1,776,000 and YTD CNPAC of \$6,065,000. These amounts were \$1,587,000 greater than and \$3,578,000 greater than their respective January 2024 MTD and January 2024 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

NEW BRAUNFELS UTILITIES
OVERVIEW COMPARISON TO BUDGET & PRIOR FISCAL YEAR
 For the Period Ending January 31, 2024

		AMOUNT	VARIANCE*	% CHANGE	FAV/UNFAV	Variance Explanation +/-30%
ELECTRIC						
Sales Volume (MWh)	Actual	898.5				
	Budget	985.6	(87.1)	-9%		
	Prior Year	905.1	(6.6)	-1%		
Revenues (\$M)	Actual	\$ 110.3				
	Budget	\$ 99.9	\$ 10.4	10%		
	Prior Year	103.0	\$ 7.3	7%		
Gross Margin (\$M) <i>(Total Operating Revenues Minus Purchased Pwr)</i>	Actual	\$ 30.7				
	Budget	\$ 31.0	\$ (0.3)	-1%		
	Prior Year	24.9	\$ 5.8	23%		
Operating Income (\$M)	Actual	\$ 16.5				
	Budget	\$ 12.7	\$ 3.8	30%		Higher YTD service revenues by \$10M, primarily from residential, offset the higher YTD purchased power of \$6.6M.
	Prior Year	10.8	\$ 5.7	53%		Higher purchase power costs in prior year contributed to lower overall operating income.
WATER						
Sales Volume (Million Gallons)	Actual	2.4				
	Budget	2.3	0.1	3%		
	Prior Year	2.2	0.2	8%		
Revenues (\$M)	Actual	\$ 22.0				
	Budget	\$ 22.2	\$ (0.2)	-1%		
	Prior Year	18.6	\$ 3.4	18%		
Gross Margin (\$M) <i>(Total Operating Revenues Minus Purchased Water)</i>	Actual	\$ 15.9				
	Budget	\$ 16.0	\$ (0.1)	0%		
	Prior Year	14.6	\$ 1.4	9%		
Operating Income (\$M)	Actual	\$ 1.8				
	Budget	\$ (1.8)	\$ 3.6	*		
	Prior Year	1.9	\$ (0.1)	-7%		
WASTEWATER						
Revenues (\$M)	Actual	\$ 17.5				
	Budget	\$ 19.5	\$ (2.0)	-10%		
	Prior Year	16.1	\$ 1.4	9%		
Operating Income (\$M)	Actual	\$ 3.7				
	Budget	\$ 2.9	\$ 0.8	29%		
	Prior Year	3.4	\$ 0.3	8%		
COMBINED						
Operating Expenses (\$M)**	Actual	\$ 23.3				
	Budget	\$ 31.3	\$ (8.1)	-26%		
	Prior Year	22.8	\$ 0.5	2%		
Operating Income (\$M)	Actual	\$ 22.0				
	Budget	\$ 13.8	\$ 8.2	59%		YTD Residential Electric revenues are greater than budget by \$6.7M
	Prior Year	16.1	\$ 5.9	37%		
Change in Net Position Before Contributions (\$M)	Actual	\$ 15.9				
	Budget	\$ 3.3	\$ 12.6	*		Higher YTD Electric revenues and other operating revenues, lower operating expenses, and higher interest income and impact revenues contributed
	Prior Year	9.7	\$ 6.2	65%		
Impact Fees (\$M)	Actual	\$ 11.6				
	Budget	\$ 8.4	\$ 3.3	39%		Several apartment complexes and commercial properties contributed to higher than budgeted impact fee revenues.
	Prior Year	7.9	\$ 3.8	48%		
Change in Net Position After Contributions (\$M)	Actual	\$ 29.8				
	Budget	\$ 13.7	\$ 16.2	*		Higher Operating Income and higher Capital Contributions factors into the favorable Change in Net Position.
	Prior Year	20.4	\$ 9.5	46%		

*Note: Variances are based on rounding of actual numbers and not summary numbers in previous column.

**Note: Operating expenses less purchased power, purchased water, and depreciation & amortization.

LEGEND			
Favorable		Unfavorable	
Within +10%		Within -10%	
Exceeds +10%		Exceeds -10%	

NEW BRAUNFELS UTILITIES
Balance Sheet
For the Period Ending January 31, 2024
Amounts Shown in Thousands

	January 31 2024	December 31 2023	Variance	% Change
ASSETS				
UTILITY PLANT				
Utility Plant in Service	\$ 1,196,973	\$ 1,188,293	\$ 8,680	1%
Less: Accumulated Depreciation	(360,552)	(357,312)	(3,240)	1%
Construction in Progress	130,937	120,439	10,498	9%
TOTAL UTILITY PLANT	\$ 967,358	\$ 951,420	\$ 15,938	2%
CURRENT & ACCRUED ASSETS				
Cash & Temporary Investments	\$ 51,774	\$ 42,446	\$ 9,328	22%
Accounts Receivable - Customers (Net of Allowance for Bad Debt)	13,228	14,791	(1,563)	-11%
Accounts Receivable - Other	6,538	5,820	718	12%
Accrued Unbilled Revenue	13,552	14,173	(621)	-4%
Inventory	9,514	8,809	705	8%
Prepaid Expenses	17,928	18,226	(297)	-2%
Accrued Interest Receivable	143	87	57	66%
Rents Receivable	458	-	458	0%
TOTAL CURRENT & ACCRUED ASSETS	\$ 113,136	\$ 104,351	\$ 8,785	8%
RESTRICTED ASSETS & DEFERRED DEBITS				
Restricted Funds	\$ 87,750	\$ 94,008	\$ (6,258)	-7%
Designated Funds	68,473	67,103	1,370	2%
Pension Deferred Outflows	16,755	16,755	-	0%
Power Cost Adjustments - Under-Recovered	1,463	-	1,463	0%
Mid-Basin Regulatory Asset	3,195	3,125	70	2%
Other Deferred Debits	3,574	3,574	-	0%
TOTAL RESTRICTED ASSETS & DEFERRED DEBITS	\$ 181,210	\$ 184,565	\$ (3,355)	-2%
TOTAL ASSETS	\$ 1,261,704	\$ 1,240,336	\$ 21,368	2%
LIABILITIES & NET POSITION				
BONDS PAYABLE				
Long-Term Debt	\$ 372,229	\$ 372,221	\$ 9	0%
Unamortized Bond Discount/Premium	24,048	24,256	(208)	-1%
TOTAL BONDS PAYABLE	\$ 396,277	\$ 396,477	\$ (200)	0%
CURRENT & ACCRUED LIABILITIES				
Accounts Payable	\$ 10,732	\$ 6,097	\$ 4,634	76%
Accrued Purchased Power	15,246	8,611	6,635	77%
Commercial Paper Payable	75,000	75,000	-	0%
Customer Deposits	12,935	15,391	(2,456)	-16%
Accrued Payroll & Benefits (Including Compensated Absences)	3,898	4,049	(151)	-4%
Interest Accrued on Long Term Debt	1,781	271	1,510	558%
Current Portion of Long Term Debt	8,045	8,045	-	0%
Other Payables	3,094	3,052	42	1%
TOTAL CURRENT & ACCRUED LIABILITIES	\$ 130,731	\$ 120,517	\$ 10,215	8%
NONCURRENT LIABILITIES & DEFERRED CREDITS				
Accumulated Provision for Pension	\$ 29,068	\$ 29,068	\$ -	0%
Power Cost Adjustments - Over-Recovered	5,122	6,795	(1,673)	-25%
Other Deferred Credits	25,620	26,639	(1,019)	-4%
TOTAL NONCURRENT LIABILITIES & DEFERRED CREDITS	\$ 59,810	\$ 62,502	\$ (2,692)	-4%
TOTAL LIABILITIES	\$ 586,818	\$ 579,495	\$ 7,323	1%
NET POSITION				
Reserve for Restricted Assets	\$ 70,753	\$ 75,149	\$ (4,396)	-6%
Reserve for Intergovernmental	10,270	10,254	16	0%
Unrestricted Assets	327,516	315,918	11,598	4%
Contributed Capital	266,346	259,520	6,827	3%
TOTAL NET POSITION	\$ 674,886	\$ 660,841	\$ 14,045	2%
TOTAL LIABILITIES & NET POSITION	\$ 1,261,704	\$ 1,240,336	\$ 21,368	2%

NEW BRAUNFELS UTILITIES
Statement of Revenues & Expenses
For the Period Ending January 31, 2024
Amounts Shown in Thousands

	MTD Actual	MTD Budget	Variance	% Variance	YTD Actual	YTD Budget	Variance	% Variance
VOLUME/RATES								
Electric Sales kWh	122,692	154,905	(32,213)	-21%	898,497	985,608	(87,111)	-9%
Electric Sales Rate Per kWh	\$ 0.1656	\$ 0.1041	\$ 0.0615	59%	\$ 0.1201	\$ 0.0992	\$ 0.0209	21%
Purchased kWh	157,698	160,569	(2,871)	-2%	930,589	996,937	(66,347)	-7%
Purchased Rate per kWh	\$ 0.0999	\$ 0.0718	\$ 0.0281	39%	\$ 0.0855	\$ 0.0691	\$ 0.0164	24%
Gallons Sold	272,090	303,702	(31,612)	-10%	2,413,908	2,342,215	71,693	3%
Rate per 1,000 Gallons Sold	\$ 9.50	\$ 9.78	\$ (0.28)	-3%	\$ 8.90	\$ 9.32	\$ (0.42)	-5%
OPERATING REVENUES								
SERVICE REVENUE								
Electric Service	\$ 20,318	\$ 16,120	\$ 4,198	26%	\$ 107,919	\$ 97,803	\$ 10,116	10%
Water Service	2,585	2,971	(386)	-13%	21,472	21,818	(346)	-2%
Wastewater Service	2,790	3,312	(522)	-16%	17,360	19,390	(2,030)	-10%
TOTAL SERVICE REVENUE	\$ 25,693	\$ 22,403	\$ 3,290	15%	\$ 146,751	\$ 139,011	\$ 7,740	6%
OTHER OPERATING REVENUE								
Electric Other	\$ 92	\$ 100	\$ (8)	-8%	\$ 790	\$ 600	\$ 190	32%
Water Other	61	42	19	45%	406	250	156	62%
Wastewater Other	32	18	14	78%	175	105	70	67%
Transmission System Revenue	229	217	12	6%	1,374	1,301	73	6%
Electric Pole Attachments	16	29	(13)	-45%	214	175	39	22%
Water Tower Antenna Lease	21	15	6	40%	125	88	37	42%
TOTAL OTHER OPERATING REVENUE	\$ 451	\$ 421	\$ 30	7%	\$ 3,084	\$ 2,519	\$ 565	22%
TOTAL OPERATING REVENUE	\$ 26,144	\$ 22,824	\$ 3,320	15%	\$ 149,835	\$ 141,530	\$ 8,305	6%
OPERATING EXPENSES								
ELECTRIC								
Purchased Power	\$ 15,749	\$ 11,522	\$ 4,227	37%	\$ 79,550	\$ 68,871	\$ 10,679	16%
Electric O&M Expenses	576	1,129	(553)	-49%	3,197	5,075	(1,878)	-37%
Electric Depreciation & Amortization	1,103	1,215	(112)	-9%	6,524	7,291	(767)	-11%
Electric Support Services Allocated Operating Expenses	844	1,242	(398)	-32%	4,531	5,929	(1,398)	-24%
TOTAL ELECTRIC OPERATING EXPENSE	\$ 18,272	\$ 15,108	\$ 3,164	21%	\$ 93,802	\$ 87,166	\$ 6,636	8%
WATER								
Purchased Water	\$ 1,030	\$ 1,032	\$ (2)	0%	\$ 6,101	\$ 6,193	\$ (92)	-1%
Water O&M Expenses	689	1,097	(408)	-37%	3,669	5,232	(1,563)	-30%
Water Depreciation & Amortization	945	1,032	(87)	-8%	5,528	6,192	(664)	-11%
Water Support Services Allocated Operating Expenses	905	1,312	(407)	-31%	4,898	6,293	(1,395)	-22%
TOTAL WATER OPERATING EXPENSE	\$ 3,569	\$ 4,473	\$ (904)	-20%	\$ 20,196	\$ 23,910	\$ (3,714)	-16%
WASTEWATER								
Wastewater O&M Expenses	\$ 615	\$ 881	\$ (266)	-30%	\$ 3,545	\$ 4,528	\$ (983)	-22%
Wastewater Depreciation & Amortization	1,192	1,306	(114)	-9%	6,883	7,838	(955)	-12%
Wastewater Support Services Allocated Operating Expenses	620	893	(273)	-31%	3,425	4,279	(854)	-20%
TOTAL WASTEWATER OPERATING EXPENSE	\$ 2,427	\$ 3,080	\$ (653)	-21%	\$ 13,853	\$ 16,645	\$ (2,792)	-17%
TOTAL OPERATING EXPENSES	\$ 24,268	\$ 22,661	\$ 1,607	7%	\$ 127,851	\$ 127,721	\$ 130	0%
NET OPERATING INCOME								
ELECTRIC	\$ 2,383	\$ 1,358	\$ 1,025	75%	\$ 16,495	\$ 12,713	\$ 3,782	30%
WATER	(902)	(1,445)	543	-38%	1,807	(1,755)	3,562	*
WASTEWATER	395	250	145	58%	3,682	2,850	832	29%
TOTAL NET OPERATING INCOME	\$ 1,876	\$ 163	\$ 1,713	*	\$ 21,984	\$ 13,807	\$ 8,177	59%
NONOPERATING REVENUES (EXPENSES)								
Interest Income	\$ 750	\$ 431	\$ 319	74%	\$ 4,245	\$ 2,586	\$ 1,659	64%
Intergovernmental Expense	(945)	(989)	44	-4%	(5,656)	(5,933)	277	-5%
Interest and Amortization Expense	(1,520)	(1,376)	(144)	10%	(8,074)	(8,257)	183	-2%
Other	1,496	178	1,318	*	3,404	1,066	2,338	*
TOTAL NONOPERATING REVENUES (EXPENSES)	\$ (219)	\$ (1,756)	\$ 1,537	-88%	\$ (6,081)	\$ (10,538)	\$ 4,457	42%
CHANGE IN NET POSITION BEFORE CONTRIBUTIONS	\$ 1,657	\$ (1,593)	\$ 3,250	*	\$ 15,903	\$ 3,269	\$ 12,634	*
CAPITAL CONTRIBUTIONS								
Impact Fees	\$ 5,381	\$ 1,399	\$ 3,982	*	\$ 11,647	\$ 8,396	\$ 3,251	39%
Services	180	266	(86)	-32%	2,299	1,599	700	44%
GBRA Capital Participation Fee	-	66	(66)	-100%	-	398	(398)	-100%
TOTAL CAPITAL CONTRIBUTIONS	\$ 5,561	\$ 1,731	\$ 3,830	*	\$ 13,946	\$ 10,393	\$ 3,553	34%
CHANGE IN NET POSITION AFTER CONTRIBUTIONS	\$ 7,218	\$ 138	\$ 7,080	*	\$ 29,849	\$ 13,662	\$ 16,187	*

*Denotes variance greater than 100%

NEW BRAUNFELS UTILITIES
ELECTRIC LINE OF BUSINESS
Statement of Revenues & Expenses
For the Period Ending January 31, 2024
Amounts Shown in Thousands

	MTD Actual	MTD Budget	Variance	% Variance	YTD Actual	YTD Budget	Variance	% Variance
ELECTRIC OPERATING REVENUES								
ELECTRIC SERVICE REVENUE								
Electric Service	\$ 20,318	\$ 16,120	\$ 4,198	26%	\$ 107,919	\$ 97,803	\$ 10,116	10%
TOTAL ELECTRIC SERVICE REVENUE	\$ 20,318	\$ 16,120	\$ 4,198	26%	\$ 107,919	\$ 97,803	\$ 10,116	10%
OTHER ELECTRIC OPERATING REVENUE								
Electric Other	\$ 92	\$ 100	\$ (8)	-8%	\$ 790	\$ 600	\$ 190	32%
Transmission System Revenue	229	217	12	6%	1,374	1,301	73	6%
Electric Pole Attachments	16	29	(13)	-45%	214	175	39	22%
TOTAL OTHER ELECTRIC OPERATING REVENUE	\$ 337	\$ 346	\$ (9)	-3%	\$ 2,378	\$ 2,076	\$ 302	15%
TOTAL ELECTRIC OPERATING REVENUE	\$ 20,655	\$ 16,466	\$ 4,189	25%	\$ 110,297	\$ 99,879	\$ 10,418	10%
ELECTRIC OPERATING EXPENSES								
Purchased Power & Other Power Supply	\$ 15,749	\$ 11,522	\$ 4,227	37%	\$ 79,550	\$ 68,871	\$ 10,679	16%
Transmission & Distribution	563	1,071	(508)	-47%	2,927	4,754	(1,827)	-38%
Customer Service	(4)	35	(39)	*	120	211	(91)	-43%
Administrative & General	17	23	(6)	-26%	150	110	40	36%
Depreciation & Amortization	1,103	1,215	(112)	-9%	6,524	7,291	(767)	-11%
Support Services Allocated Operating Expenses	844	1,242	(398)	-32%	4,531	5,929	(1,398)	-24%
TOTAL ELECTRIC OPERATING EXPENSE	\$ 18,272	\$ 15,108	\$ 3,164	21%	\$ 93,802	\$ 87,166	\$ 6,636	8%
ELECTRIC NET OPERATING INCOME	\$ 2,383	\$ 1,358	\$ 1,025	75%	\$ 16,495	\$ 12,712	\$ 3,783	30%
NONOPERATING REVENUES (EXPENSES)								
Interest Income	\$ 319	\$ 183	\$ 136	74%	\$ 1,805	\$ 1,099	\$ 706	64%
Intergovernmental Expense	(752)	(799)	47	-6%	(4,502)	(4,796)	294	-6%
Interest and Amortization Expense	(367)	(246)	(121)	49%	(1,564)	(1,478)	(86)	6%
Other	481	90	391	*	1,008	541	467	86%
TOTAL NONOPERATING REVENUES (EXPENSES)	\$ (319)	\$ (772)	\$ 453	59%	\$ (3,253)	\$ (4,634)	\$ 1,381	30%
CHANGE IN NET POSITION BEFORE CONTRIBUTIONS	\$ 2,064	\$ 586	\$ 1,478	*	\$ 13,242	\$ 8,078	\$ 5,164	64%
ELECTRIC CAPITAL CONTRIBUTIONS								
Services	\$ 34	\$ 216	\$ (182)	-84%	\$ 1,589	\$ 1,295	\$ 294	23%
TOTAL ELECTRIC CAPITAL CONTRIBUTIONS	\$ 34	\$ 216	\$ (182)	-84%	\$ 1,589	\$ 1,295	\$ 294	23%
CHANGE IN NET POSITION AFTER CONTRIBUTIONS	\$ 2,098	\$ 802	\$ 1,296	*	\$ 14,831	\$ 9,373	\$ 5,458	58%

*Denotes variance greater than 100%

NEW BRAUNFELS UTILITIES
WATER LINE OF BUSINESS
Statement of Revenues & Expenses
For the Period Ending January 31, 2024
Amounts Shown in Thousands

	MTD Actual	MTD Budget	Variance	% Variance	YTD Actual	YTD Budget	Variance	% Variance
WATER OPERATING REVENUES								
WATER SERVICE REVENUE								
Water Service	\$ 2,585	\$ 2,971	\$ (386)	-13%	\$ 21,471	\$ 21,817	\$ (346)	-2%
TOTAL WATER SERVICE REVENUE	\$ 2,585	\$ 2,971	\$ (386)	-13%	\$ 21,471	\$ 21,817	\$ (346)	-2%
OTHER WATER OPERATING REVENUE								
Water Other	\$ 61	\$ 42	\$ 19	45%	\$ 406	\$ 250	\$ 156	62%
Water Tower Antenna Lease	21	15	6	40%	126	88	38	43%
TOTAL OTHER WATER OPERATING REVENUE	\$ 82	\$ 57	\$ 25	44%	\$ 532	\$ 338	\$ 194	57%
TOTAL WATER OPERATING REVENUE	\$ 2,667	\$ 3,028	\$ (361)	-12%	\$ 22,003	\$ 22,155	\$ (152)	-1%
WATER OPERATING EXPENSES								
Purchased Water	\$ 1,030	\$ 1,032	\$ (2)	0%	\$ 6,101	\$ 6,193	\$ (92)	-1%
Supply Source	3	10	(7)	-70%	61	57	4	7%
Transmission & Distribution	260	451	(191)	-42%	1,159	1,946	(787)	-40%
Pumping	182	293	(111)	-38%	1,185	1,468	(283)	-19%
Water Treatment	180	279	(99)	-35%	992	1,394	(402)	-29%
Customer Service	(1)	9	(10)	*	35	51	(16)	-31%
Administrative & General	65	56	9	16%	237	317	(80)	-25%
Depreciation & Amortization	945	1,032	(87)	-8%	5,528	6,192	(664)	-11%
Support Services Allocated Operating Expenses	905	1,312	(407)	-31%	4,898	6,293	(1,395)	-22%
TOTAL WATER OPERATING EXPENSE	\$ 3,569	\$ 4,474	\$ (905)	-20%	\$ 20,196	\$ 23,911	\$ (3,715)	-16%
WATER NET OPERATING INCOME	\$ (902)	\$ (1,446)	\$ 544	-38%	\$ 1,807	\$ (1,756)	\$ 3,563	*
NONOPERATING REVENUES (EXPENSES)								
Interest Income	\$ 209	\$ 120	\$ 89	74%	\$ 1,183	\$ 721	\$ 462	64%
Intergovernmental Expense	(93)	(90)	(3)	3%	(560)	(540)	(20)	4%
Interest and Amortization Expense	(611)	(578)	(33)	6%	(3,465)	(3,465)	-	0%
Other	720	74	646	*	1,347	441	906	*
TOTAL NONOPERATING REVENUES (EXPENSES)	\$ 225	\$ (474)	\$ 699	*	\$ (1,495)	\$ (2,843)	\$ 1,348	-47%
CHANGE IN NET POSITION BEFORE CONTRIBUTIONS	\$ (677)	\$ (1,920)	\$ 1,243	-65%	\$ 312	\$ (4,599)	\$ 4,911	*
WATER CAPITAL CONTRIBUTIONS								
Impact Fees	\$ 3,875	\$ 1,016	\$ 2,859	*	\$ 7,931	\$ 6,097	\$ 1,834	30%
Services	146	51	95	*	710	304	406	*
TOTAL WATER CAPITAL CONTRIBUTIONS	\$ 4,021	\$ 1,067	\$ 2,954	*	\$ 8,641	\$ 6,401	\$ 2,240	35%
CHANGE IN NET POSITION AFTER CONTRIBUTIONS	\$ 3,344	\$ (853)	\$ 4,197	*	\$ 8,953	\$ 1,802	\$ 7,151	*

*Denotes variance greater than 100%

NEW BRAUNFELS UTILITIES
WASTEWATER LINE OF BUSINESS
Statement of Revenues & Expenses
For the Period Ending January 31, 2024
Amounts Shown in Thousands

	MTD Actual	MTD Budget	Variance	% Variance	YTD Actual	YTD Budget	Variance	% Variance
WASTEWATER OPERATING REVENUES								
WASTEWATER SERVICE REVENUE								
Wastewater Service	\$ 2,790	\$ 3,312	\$ (522)	-16%	\$ 17,360	\$ 19,390	\$ (2,030)	-10%
TOTAL WASTEWATER SERVICE REVENUE	\$ 2,790	\$ 3,312	\$ (522)	-16%	\$ 17,360	\$ 19,390	\$ (2,030)	-10%
OTHER WASTEWATER OPERATING REVENUE								
Wastewater Other	\$ 32	\$ 18	\$ 14	78%	\$ 175	\$ 105	\$ 70	67%
TOTAL OTHER WASTEWATER OPERATING REVENUE	\$ 32	\$ 18	\$ 14	78%	\$ 175	\$ 105	\$ 70	67%
TOTAL WASTEWATER OPERATING REVENUE	\$ 2,822	\$ 3,330	\$ (508)	-15%	\$ 17,535	\$ 19,495	\$ (1,960)	-10%
WASTEWATER OPERATING EXPENSES								
Transmission & Distribution	\$ -	\$ -	\$ -	100%	\$ 1	\$ -	\$ 1	100%
Wastewater Operations & Maintenance	600	848	(248)	-29%	3,336	4,247	(911)	-21%
Customer Service	(1)	9	(10)	*	43	54	(11)	-20%
Administrative & General	16	24	(8)	-33%	165	227	(62)	-27%
Depreciation & Amortization	1,192	1,306	(114)	-9%	6,883	7,838	(955)	-12%
Support Services Allocated Operating Expenses	620	893	(273)	-31%	3,425	4,279	(854)	-20%
TOTAL WASTEWATER OPERATING EXPENSE	\$ 2,427	\$ 3,080	\$ (653)	-21%	\$ 13,853	\$ 16,645	\$ (2,792)	-17%
WASTEWATER NET OPERATING INCOME	\$ 395	\$ 250	\$ 145	58%	\$ 3,682	\$ 2,850	\$ 832	29%
NONOPERATING REVENUES (EXPENSES)								
Interest Income	\$ 222	\$ 128	\$ 94	73%	\$ 1,257	\$ 766	\$ 491	64%
Intergovernmental Expense	(100)	(100)	-	0%	(594)	(597)	3	-1%
Interest and Amortization Expense	(542)	(552)	10	-2%	(3,045)	(3,313)	268	-8%
Other	295	14	281	*	1,049	84	965	*
TOTAL NONOPERATING REVENUES (EXPENSES)	\$ (125)	\$ (510)	\$ 385	-75%	\$ (1,333)	\$ (3,060)	\$ 1,727	-56%
CHANGE IN NET POSITION BEFORE CONTRIBUTIONS	\$ 270	\$ (260)	\$ 530	*	\$ 2,349	\$ (210)	\$ 2,559	*
WASTEWATER CAPITAL CONTRIBUTIONS								
Impact Fees	\$ 1,506	\$ 383	\$ 1,123	*	\$ 3,716	\$ 2,299	\$ 1,417	62%
GBRA Capital Participation Fee	-	66	(66)	-100%	-	398	(398)	-100%
TOTAL WASTEWATER CAPITAL CONTRIBUTIONS	\$ 1,506	\$ 449	\$ 1,057	*	\$ 3,716	\$ 2,697	\$ 1,019	38%
CHANGE IN NET POSITION AFTER CONTRIBUTIONS	\$ 1,776	\$ 189	\$ 1,587	*	\$ 6,065	\$ 2,487	\$ 3,578	*

*Denotes variance greater than 100%

NEW BRAUNFELS UTILITIES
Statement of Cash Flows
For the Period Ending January 31, 2024
Amounts Shown in Thousands

	MTD	YTD
NET POSITION BEFORE CONTRIBUTIONS	\$ 1,657	\$ 15,903
<i>Operating activities, cash flows provided by or used in:</i>		
Depreciation	\$ 3,240	\$ 18,935
Decrease (increase) in accounts receivable	1,466	15,425
Decrease (increase) in inventories	(705)	(2,977)
Decrease (increase) in other assets	11,153	17,771
Increase (decrease) in current liabilities	10,434	27,584
Increase (decrease) in other liabilities	(2,692)	(2,492)
Net Cash Flow from Operating Activities	\$ 24,552	\$ 90,149
<i>Investing activities, cash flows provided by or used in:</i>		
Capital Expenditures	\$ (19,178)	\$ (75,424)
Investments	4,887	(16,137)
Rents/Interest Receivable	(515)	(25)
Net Cash Flow from Investing Activities	\$ (14,806)	\$ (91,586)
<i>Financing activities, cash flows provided by or used in:</i>		
Transfers to City of New Braunfels	\$ (219)	\$ (6,081)
Increase (decrease) in long-term debt	(200)	(1,199)
Net Cash Flow from Financing Activities	\$ (419)	\$ (7,280)
Net Increase (Decrease) in Cash and Cash Equivalents	\$ 9,328	\$ (8,716)

CAPITAL EQUIPMENT SUMMARY - FY 2024
YTD for the Period Ending January 31, 2024

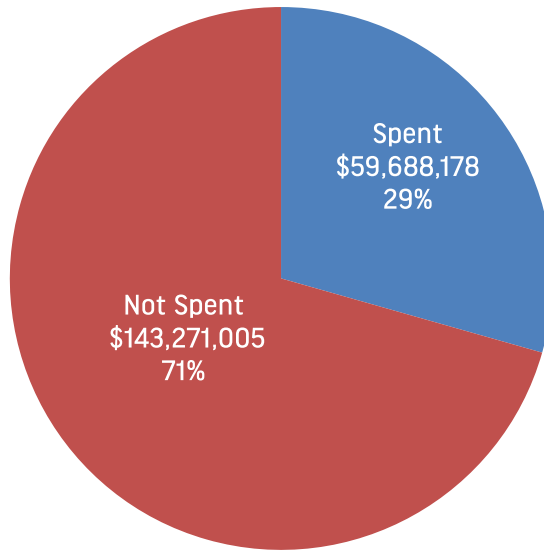


Department	Capital Equipment Description	YTD Actual	FY 2024 Budget	Budget Remaining
ELECTRIC				
117	SEA Air Excavation Unit	-	650,000	650,000
117	Aitec Pressure Digger	429,317	400,000	(29,317)
117	Aitec AM 60E	-	300,000	300,000
117	Aitec 55 Articulating Boom	-	300,000	300,000
117	Aitec AM 60E	-	185,000	185,000
117	Arc Demo Trailer	-	120,000	120,000
117	Ford F-550	111,982	-	111,982
117	Ford F-550	-	111,982	111,982
117	Ford F-550	-	111,982	111,982
117	Ford F-550	-	111,982	111,982
117	Ford F-150	-	55,000	55,000
117	Ford F-150	-	55,000	55,000
117	Ford F-150	-	55,000	55,000
117	Ford F-150	-	55,000	55,000
117	Lucas® Unit	-	45,000	45,000
117	Dump Trailer	12,733	15,000	2,267
119	Ford F-550 w/Crane	-	150,437	150,437
119	Ford F-550 Electric	-	61,393	61,393
	TOTAL ELECTRIC	\$ 554,032	\$ 2,894,798	\$ 2,340,726
WATER				
216	Ford F-150	26,995	55,000	28,005
220	Ford F-550 w/Crane	-	150,437	150,437
220	Ford F-150	54,845	55,000	155
	TOTAL WATER	\$ 81,840	\$ 260,437	\$ 178,597
WASTEWATER				
320	Ford F-550 w/Crane	-	150,437	150,437
320	Ford F-150	54,845	55,000	155
320	Small Utility Unit	-	15,000	15,000
	TOTAL WASTEWATER	\$ 54,845	\$ 220,437	\$ 165,592
SHARED WATER/WASTEWATER				
217/317	CAT 313 Excavator	-	250,000	250,000
217/317	Ford F-550	-	244,534	244,534
217/317	International Dump Truck	-	230,000	230,000
217/317	International M37	165,749	175,000	9,251
217/317	SEA Truck Mounted Jetter	192,947	150,000	(42,947)
217/317	CAT Backhoe w/Exc	-	125,000	125,000
217/317	Ford F-550	-	122,267	122,267
217/317	Ford F-550	-	122,267	122,267
217/317	Ford F-550	-	122,267	122,267
217/317	International Dump Truck	-	115,000	115,000
217/317	CAT Backhoe	-	115,000	115,000
217/317	CAT Backhoe	-	115,000	115,000
217/317	CAT Backhoe	-	115,000	115,000
217/317	E.H. Waichs Large VE	-	86,000	86,000
217/317	E.H. Waichs Large VE	-	86,000	86,000
217/317	1500' of Bypass Hose	-	85,000	85,000
217/317	CAT Skid Steer	-	65,000	65,000
217/317	Ford F-150	54,845	55,000	155
217/317	Scorpion Towable Attenuator	-	35,000	35,000
217/317	Towable Air Compressor	-	25,000	25,000
217/317	Tools for F-550	-	15,000	15,000
217/317	DTS Trailer	6,637	10,000	3,363
	TOTAL SHARED WATER/WASTEWATER	\$ 420,178	\$ 2,463,335	\$ 2,043,157
Business Planning				
425	Ford Escape	-	30,000	30,000
425	GPS Unit	-	30,000	30,000
	TOTAL BUSINESS PLANNING	\$ -	\$ 60,000	\$ 60,000
SAFETY				
524	Ford Explorer	54,845	38,000	(16,845)
	TOTAL SAFETY	\$ 54,845	\$ 38,000	\$ (16,845)
PURCHASING				
527	Ford F-350	-	75,500	75,500
	TOTAL PURCHASING	\$ -	\$ 75,500	\$ 75,500
FLEET/FACILITIES				
528	Ford F-550 Fleet Service	-	185,000	185,000
528	Ford F-350	-	85,576	85,576
528	Ford F-150	54,845	55,000	155
528	Ford F-150	54,845	55,000	155
528	Ford F-150	54,845	55,000	155
528	Ford F-150	-	55,000	55,000
528	Ford F-150	-	55,000	55,000
528	Ford Escape	-	30,000	30,000
528	Lawn Mowing Equipment	-	25,000	25,000
528	Other	-	25,000	25,000
528	Pressure washing trailer	-	16,000	16,000
528	Janitorial Equipment	-	15,000	15,000
	TOTAL FLEET/FACILITIES	\$ 164,535	\$ 656,576	\$ 492,041
CONSERVATION AND CUSTOMER SOLUTIONS				
529	Ford Escape Plug-in Hybrid	26,995	40,000	13,005
529	Ford Escape Plug-in Hybrid	-	40,000	40,000
	TOTAL CONSERVATION AND CUSTOMER SOLUTIONS	\$ 26,995	\$ 80,000	\$ 53,005
TECHNOLOGY				
531	Server Replacements	338,607	600,000	261,393
531	PC Replacements	165,910	400,000	234,090
531	Dell Netodes	-	400,000	400,000
531	Network Equipment Replacements	95,650	200,000	104,350
531	IT to Purchase Unit	-	50,000	50,000
531	Copier and High-end Printer & Plotter Replacements	-	37,500	37,500
531	UPS Replacements	-	10,000	10,000
	TOTAL TECHNOLOGY	\$ 600,167	\$ 1,697,500	\$ 1,097,333
SYSTEM CONTROL				
532	Ford Escape	26,995	30,000	3,005
532	Ford Escape	26,995	30,000	3,005
532	Ford Escape	26,995	30,000	3,005
532	Ford Escape	26,995	30,000	3,005
532	Ford Escape	26,995	30,000	3,005
532	Ford Escape	-	30,000	30,000
	TOTAL SYSTEM CONTROL	\$ 134,975	\$ 180,000	\$ 45,025
	TOTAL CAPITAL EQUIPMENT	\$ 2,092,411	\$ 8,626,543	\$ 6,534,132
BUDGETED PRIOR YEAR ITEMS				
ELECTRIC				
117	Magnum Pallet Trailer	50,813	-	(50,813)
	TOTAL ELECTRIC	\$ 50,813	\$ -	\$ (50,813)
WATER				
220	2023 Aluminum Dump Trailer (FY22)	21,080	-	(21,080)
220	2023 Ford F150 4x4 Super crew (FY22)	54,845	-	(54,845)
220	2023 Ford F150 4x4 Super crew (FY22)	54,845	-	(54,845)
220	2023 Ford Explorer	38,994	-	(38,994)
	TOTAL WATER	\$ 169,764	\$ -	\$ (130,770)
SHARED WATER/WASTEWATER				
217/317	2022 CUES Sewer Truck CCTV (FY22)	330,894	-	(330,894)
217/317	2023 Ford F150 4x4 Supercrew (FY22)	54,845	-	(54,845)
	TOTAL SHARED WATER/WASTEWATER	\$ 385,739	\$ -	\$ (385,739)
FLEET/FACILITIES				
528	2023 Ford Explorer	38,994	-	(38,994)
528	2023 Ford Explorer	38,994	-	(38,994)
	TOTAL FLEET/FACILITIES	\$ 77,988	\$ -	\$ (77,988)
	TOTAL BUDGETED PRIOR YEAR CAPITAL EQUIPMENT	\$ 684,304	\$ -	\$ (645,310)
	TOTAL	\$ 2,776,715	\$ 8,626,543	\$ 5,888,822

FY 2024 Capital Expenditure Summary As of January 31, 2024

50% of Year Completed

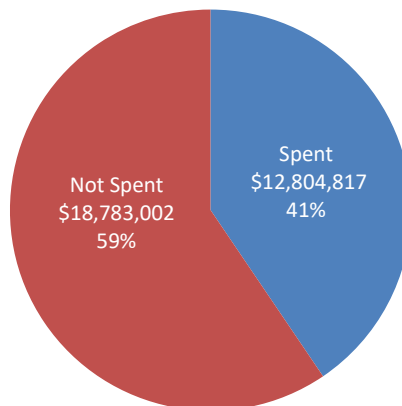
	<u>Spent</u>	<u>Not Spent</u>	<u>Total Budget</u>	<u>% of Total Budget Spent</u>
Electric	\$ 12,804,817	\$ 18,783,002	\$ 31,587,819	41%
Water	22,830,255	49,154,901	71,985,156	32%
Wastewater	8,552,073	43,778,482	52,330,555	16%
Support Services	15,501,033	31,554,620	47,055,653	33%
TOTAL	\$ 59,688,178	\$ 143,271,005	\$ 202,959,183	
	<i>29%</i>	<i>71%</i>	<i>100%</i>	



**Electric Line of Business
FY 2024 Capital Expenditure Summary
As of January 31, 2024**

50% of Year Completed

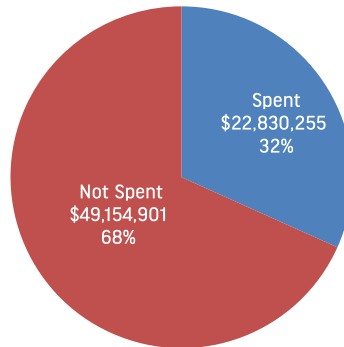
Project	¹ Total Spent YTD	² FY24 Project Budget	FY24 Budget Remaining	Project Life Total Budget	^{(1)/(2)} % Spent YTD	% Physical Completion
Budgeted Projects:						
System Extensions	\$ 4,465,973	\$ 5,582,835	\$ 1,116,862	\$ 5,582,835	80%	50%
Distribution Transformers	4,230,503	5,642,698	1,412,195	5,642,698	75%	50%
Electric Meters	1,235,732	3,514,000	2,278,268	3,514,000	35%	50%
Electric Aging Infrastructure	712,738	2,967,536	2,254,798	2,967,536	24%	50%
Electric Technology Upgrades	1,079	149,106	148,027	149,106	1%	80%
Three-Phase Extensions	960	1,806,177	1,805,217	9,313,421	0%	80%
Fiber Optic Extensions	415	102,624	102,209	1,086,371	0%	5%
Hueco Springs Substation	344,068	7,301,106	6,957,038	9,939,535	5%	31%
Electric Aging Infrastructure, Substation	222,527	115,672	(106,855)	4,666,606	192%	100%
Freiheit Breaker Additons & Control House	129,477	2,371,748	2,242,271	2,445,650	5%	50%
EC23 FM 482 Feeder	-	712,665	712,665	812,622	0%	50%
HE11 Conrads Rd Feeder	1,651	114,026	112,375	1,966,183	1%	10%
Transmission Access & Wildlife Protection	247,677	175,117	(72,560)	953,166	141%	100%
Comal T3 Replacement & Feeder C033	150,623	377,427	226,804	3,644,220	40%	42%
Distribution Feeder Breaker Addition & Replacements	-	159,067	159,067	3,113,453	0%	10%
FR24 Kowald Ln. Feeder	38,906	91,221	52,315	880,778	43%	10%
Henne Substation Breaker & Half	5,905	171,040	165,135	2,419,085	3%	21%
CONB Road Widening Adjustments	88,186	233,754	145,568	2,256,995	38%	20%
Total Budgeted Projects	\$ 11,876,422	\$ 31,587,819	\$ 19,711,397	\$ 61,354,259	38%	
Unbudgeted Projects:						
Sheriff's Posse T3 Addition	\$ 20,904	\$ -	\$ (20,904)	\$ 7,622,556	0%	99%
E.C. Mornhinweg T2 & Feeders	42,759	-	(42,759)	4,093,931	0%	85%
Residential OH to UG Conversion	402,663	-	(402,663)	3,776,463	0%	97%
Weltner Rd Feeder 13, Clear Springs	14,927	-	(14,927)	965,027	0%	100%
L023 Loop 337 FM 1863 Extension Phase 2	3,019	-	(3,019)	1,224,681	0%	100%
C014 Kentucky Rd Feeder	91,502	-	(91,502)	601,370	0%	40%
HE23 IH-35 Stolte Feeder	292,483	-	(292,483)	1,564,074	0%	45%
Freiheit Feeder 11, Alves Ln	41,874	-	(41,874)	1,951,344	0%	100%
Kohlenberg Rd Substation	13,258	-	(13,258)	44,780	0%	19%
Industrial Substation PWT Replacement (TXI T1)	5,005	-	(5,005)	1,155,967	0%	100%
Total Unbudgeted Projects	\$ 928,395	\$ -	\$ (928,395)	\$ 23,000,192		
TOTAL	\$ 12,804,817	\$ 31,587,819	\$ 18,783,002	\$ 84,354,451	41%	



**Water Line of Business
FY 2024 Capital Expenditure Summary
As of January 31, 2024**

50% of Year Completed

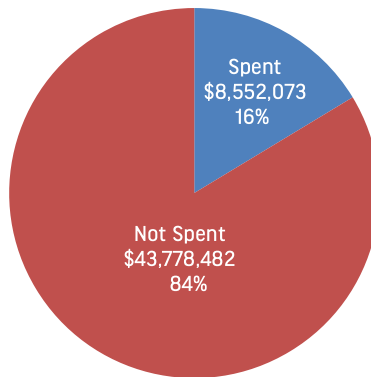
Project	¹ Total Spent YTD	² FY24 Project Budget	FY24 Budget Remaining	Project Life Total Budget	^{(1)/(2)} % Spent YTD	% Physical Completion
Budgeted Projects:						
System Extensions	\$ 563,082	\$ 375,703	\$ (187,379)	\$ 375,703	150%	49%
Water Meters	1,202,509	1,844,670	642,161	1,844,670	65%	44%
Water Technology Upgrades	-	140,116	140,116	140,116	0%	2%
Aging System Replacements	645,596	2,092,123	1,446,527	2,092,123	31%	15%
ASR Feasibility Dev (IF)	122,545	2,069,462	1,946,917	38,120,155	6%	41%
Wood Meadows Water Line River Crossing	461,402	216,373	(245,029)	3,052,319	213%	27%
I-35 Water Line (Downtown)	6,181,994	7,963,912	1,781,918	11,468,136	78%	61%
1.00MG Solms Ground Storage Tank and Flow Control Valve	278	235,473	235,195	4,337,137	0%	6%
Western Downtown to Morningside PZ Conversion	72,129	308,393	236,264	8,525,525	23%	21%
FM 306 Pump Station & Discharge Pipeline	558,380	1,885,704	1,327,324	10,821,940	30%	68%
Conrads EST	247	5,488,218	5,487,971	6,852,776	0%	10%
Goodwin Lane Water Main	4,277,926	6,884,157	2,606,231	12,624,155	62%	76%
Klein Rd Reconstruction Phase 2	384,762	1,126,496	741,734	1,404,382	34%	79%
Landa Pump Station Phase 2/Well 5	1,239,363	6,242,981	5,003,618	15,931,146	20%	67%
Trinity Expansion- Treatment Plant	4,356,715	17,173,917	12,817,202	27,357,602	25%	42%
Trinity Expansion- Well Field	1,310,535	7,057,207	5,746,672	10,222,796	19%	30%
FM 1044 EST	15,032	1,373,451	1,358,419	13,187,743	1%	2%
GBRA Interconnect Metering Station	689,863	701,780	11,917	996,909	98%	26%
Garden Street Bridge Water Line	147,474	390,851	243,377	587,926	38%	51%
Goodwin/Conrads Water Adjustments	879	403,683	402,804	434,276	0%	4%
Misison/Westpointe Connection Waterlines	56,467	5,539,877	5,483,410	6,495,952	1%	11%
Senate Bill 3 EPP Generators	93,981	1,301,224	1,207,243	1,328,362	7%	3%
Tank Decommission	205,760	865,803	660,043	954,937	24%	12%
Water Tank Rehabilitations	8,904	303,582	294,678	303,582	3%	10%
Total Budgeted Projects	\$ 22,595,824	\$ 71,985,156	\$ 49,389,332	\$ 179,460,368	31%	
Unbudgeted Projects:						
Castell Ave Rehabilitation (CNB)	\$ -	\$ -	\$ -	\$ 26,681,290		100%
Infrastructure Replacement Package 1-W	234	-	(234)	2,762		10%
30/24-inch SWTP Discharge Line (Downtown)	17,261	-	(17,261)	21,587,112		100%
Well 4 to Grandview Pump Station & Discharge Line Upgrades	170,495	-	(170,495)	9,460,061		100%
Weltner Rd Ground Strg Tank & Pump Station-Ph 1	46,441	-	(46,441)	24,173,897		100%
Total Unbudgeted Projects	\$ 234,431	\$ -	\$ (234,431)	\$ 81,905,122		
TOTAL	\$ 22,830,255	\$ 71,985,156	\$ 49,154,901	\$ 261,365,489	32%	



**Wastewater Line of Business
FY 2024 Capital Expenditure Summary
As of January 31, 2024**

50% of Year Completed

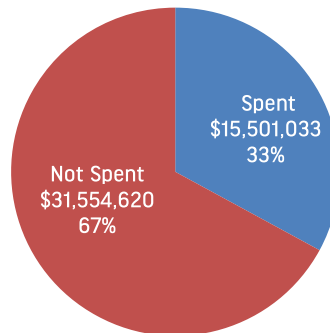
Project	¹	²			^{(1)/(2)}	
	Total Spent YTD	FY24 Project Budget	FY24 Budget Remaining	Project Life Total Budget	% Spent YTD	% Physical Completion
Budgeted Projects:						
System Extensions	\$ 271,697	\$ 249,038	\$ (22,659)	\$ 249,038	109%	50%
Aging System Replacements	463,416	2,046,224	1,582,808	2,046,224	23%	50%
Wastewater Technology Upgrades	-	145,563	145,563	145,563	0%	1%
Manhole Rehabilitation	-	789,673	789,673	789,673	0%	37%
South Kuehler Interceptor Phase 1	14,957	480,284	465,327	5,426,066	3%	16%
Gruene Rd Sewer Main Rehabilitation/Relocation	-	107,441	107,441	2,896,802	0%	6%
McKenzie WRF Expansion	7,050,486	20,026,694	12,976,208	72,312,120	35%	12%
Solms Lift Station Expansion	152,092	1,076,397	924,305	1,705,332	14%	21%
I-35 Interceptor Upgrade	111,716	4,090,487	3,978,771	14,155,678	3%	10%
Kuehler WRF Access Road-Courtyard Dr	10,884	3,265,043	3,254,159	3,739,824	0%	14%
McKenzie Interceptor Upgrade	268,957	2,291,295	2,022,338	50,706,156	12%	10%
Kuehler WRF Rehabilitation	22,613	12,890,556	12,867,943	44,788,333	0%	10%
Sewer Infrastructure Replacement Package 2	97,244	739,180	641,936	4,957,511	13%	8%
Saengerhalle North Interceptor	40,570	215,817	175,247	5,888,532	19%	15%
Goodwin/Conrads Adjustments (CNB)-WW	27,264	406,908	379,644	1,114,676	7%	6%
Gruene WRF Spoils & Materials Yard	67,083	447,632	380,549	1,061,999	15%	96%
North Kuehler Manhole Rehabilitation-Segment 3	-	494,109	494,109	1,016,271	0%	100%
Kuehler WRF Rehabilitation-Clarifier Replacement	115,510	2,568,214	2,452,704	2,758,806	4%	35%
Total Budgeted Projects	\$ 8,714,489	\$ 52,330,555	\$ 43,616,066	\$ 215,758,603	17%	
Unbudgeted Projects:						
Castell Ave Rehabilitation (CNB)	\$ -	\$ -	\$ -	\$ 5,585,413		100%
North Kuehler 42" Interceptor Upgrade	771	-	(771)	15,524,017		100%
North Kuehler 30 and 33-inch Interceptor Upgrade	40	-	(40)	26,748,112		100%
Gruene Rd Sewer Main Odor Control	-	-	-	239,659		44%
Infrastructure Replacement Package 1-WW	9,132	-	(9,132)	123,819		20%
Rio Lift Station Expansion	55,136	-	(55,136)	3,576,417		100%
Schmidt I-35 N Sewer Main Replacement	(236,923)	-	236,923	376,069		97%
Saengerhalle Lift Station Expansion & Force Main	9,427	-	(9,427)	4,892,290		100%
Total Unbudgeted Projects	\$ (162,416)	\$ -	\$ 162,416	\$ 57,065,796		
TOTAL	\$ 8,552,073	\$ 52,330,555	\$ 43,778,482	\$ 272,824,400	16%	



Support Services Line of Business
 FY 2024 Capital Expenditure Summary
 As of January 31, 2024

50% of Year Completed

Project	¹ Total Spent YTD	² FY24 Project Budget	FY24 Budget Remaining	Project Life Total Budget	^{(1)/(2)} % Spent YTD	% Physical Completion
Budgeted Projects:						
Headwaters at the Comal	\$ 2,101,114	\$ 4,500,000	\$ 2,398,886	\$ 25,670,681	47%	60%
Cyber Security System	44,700	325,000	280,300	325,000	14%	15%
Software Replacement and Enhancements	-	130,000	130,000	130,000	0%	10%
NBU Headquarters, Maint & Support Facility	11,936,434	25,000,000	13,063,566	134,505,960	48%	10%
Laserfiche Development	-	300,000	300,000	570,867	0%	20%
Backup Operations Center	34,430	1,280,000	1,245,570	8,452,700	3%	20%
Upgrade or Replace all NBU Radios	-	200,000	200,000	200,000	0%	10%
Kerlick Tower Modifications	-	450,000	450,000	457,597	0%	20%
Data Strategy Upgrades - BDAP	561,602	1,185,653	624,051	1,185,653	47%	33%
System Technology Upgrades - Monitoring	38,625	400,000	361,375	400,000	10%	0%
Fiber Network Distribution Expansion	-	650,000	650,000	1,428,700	0%	10%
Fleet AVL	-	75,000	75,000	75,000	0%	0%
Data Strategy Upgrades - GIS Upgrades	-	200,000	200,000	1,900,000	0%	15%
Pioneer Upgrade	-	171,000	171,000	171,000	0%	5%
Smartsheet Control Center	-	73,000	73,000	73,000	0%	0%
Tele-Communications Enhancements	6,500	102,000	95,500	181,754	6%	40%
Water/Wastewater SCADA Aging Infrastructure	-	1,000,000	1,000,000	1,000,000	0%	0%
Water SCADA Replacement & Integration	223,868	2,000,000	1,776,132	3,413,098	11%	50%
OT Security	-	50,000	50,000	50,000	0%	0%
Customer Bill Pay Portal	7,004	160,000	152,996	230,044	4%	0%
ARCGIS Indoors	-	50,000	50,000	50,000	0%	0%
Loop 337 Substation Control House	-	42,000	42,000	42,000	0%	0%
Replace Control Center Console	-	100,000	100,000	100,000	0%	0%
Future Facilities Rehab Projects	-	150,000	150,000	1,229,990	0%	0%
Firewall and VPN Replacement	-	120,000	120,000	120,000	0%	0%
Gruene Rd Fence	-	32,000	32,000	32,000	0%	0%
CIS Functionality Upgrade	-	1,500,000	1,500,000	1,500,000	0%	0%
Ipads for Cityworks Mobile & mcare	-	125,000	125,000	125,000	0%	30%
Customer Service Kiosk	-	78,000	78,000	78,000	0%	0%
Level 2 EV Chargers	-	72,000	72,000	72,000	0%	0%
Meraki Wifi Replacement	74,397	125,000	50,603	125,000	60%	60%
RTU replacement 4,6,7 Main office	-	40,000	40,000	40,000	0%	0%
New Braunfels Police Department	400,487	3,585,000	3,184,513	3,645,000	11%	0%
RuggedCom Switch Replacement	-	200,000	200,000	600,000	0%	10%
Sheriff's Posse Control House Recondition	-	35,000	35,000	35,000	0%	0%
Solar Array and Battery Storage	-	50,000	50,000	50,000	0%	0%
Mass Meter Change Out	-	2,000,000	2,000,000	2,000,000	0%	0%
Water Meter Study	-	500,000	500,000	500,000	0%	0%
Total Budgeted Projects	\$ 15,429,162	\$ 47,055,653	\$ 31,626,491	\$ 190,765,042	33%	
Unbudgeted Projects:						
Physical Security Systems	\$ 71,872	\$ -	\$ (71,872)	\$ 71,872		90%
Total	\$ 71,872	\$ -	\$ (71,872)	\$ 71,872		
Total	\$ 15,501,033	\$ 47,055,653	\$ 31,554,620	\$ 190,836,914	33%	



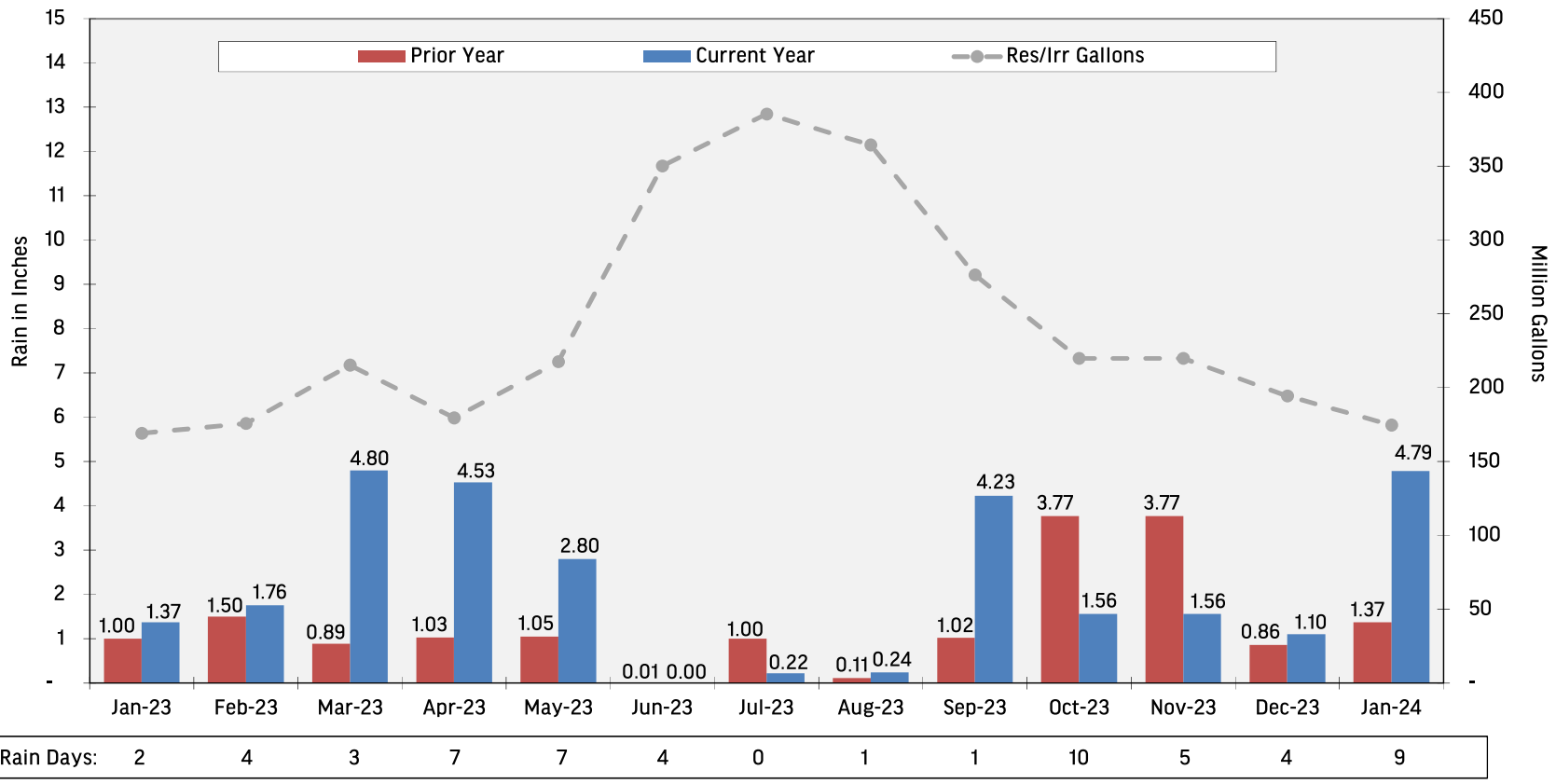
Electric Statistics are provided separately due to competitive matters.

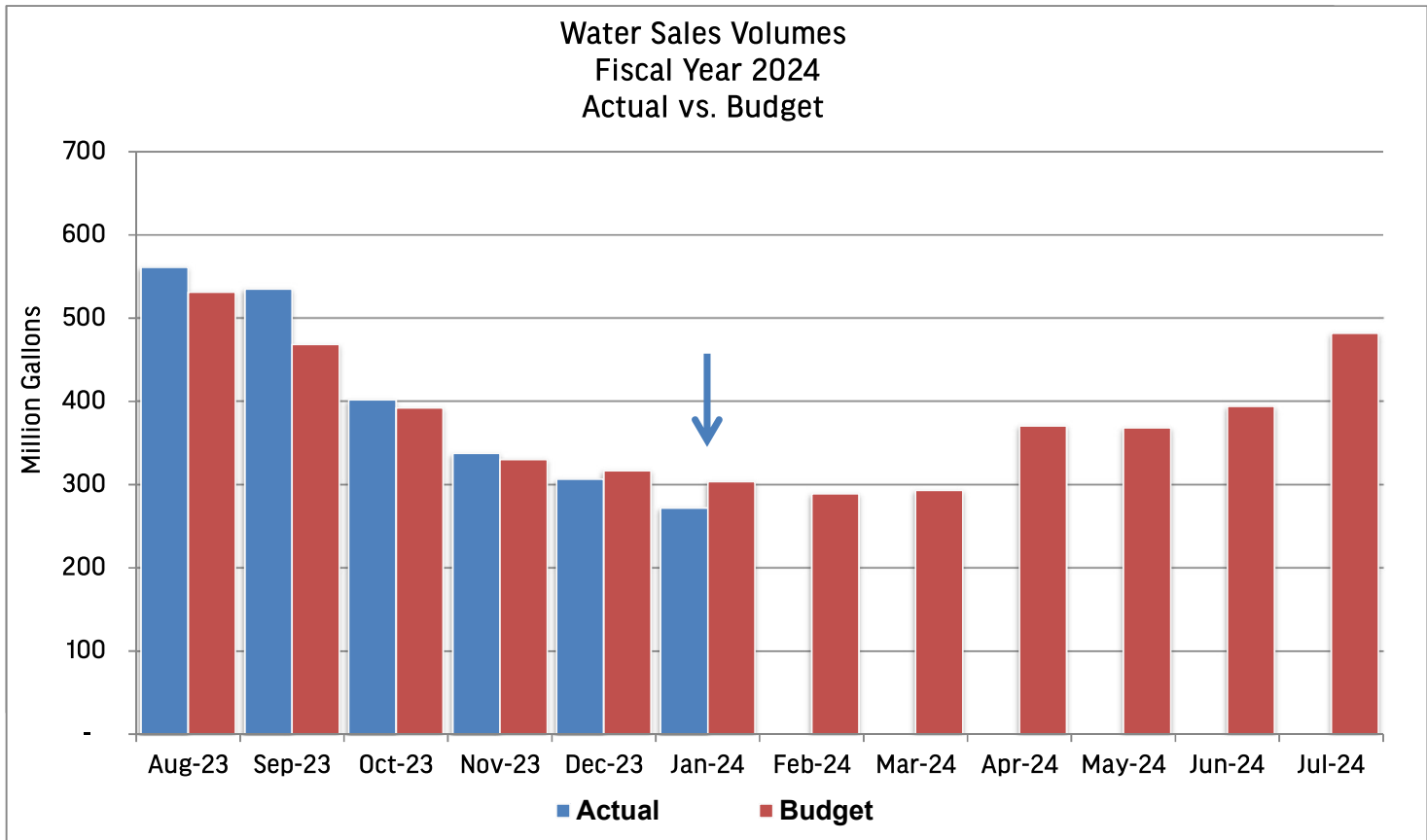
WATER STATISTICS

**NEW BRAUNFELS UTILITIES
WATER STATISTICS
HIGHLIGHTS OVERVIEW**

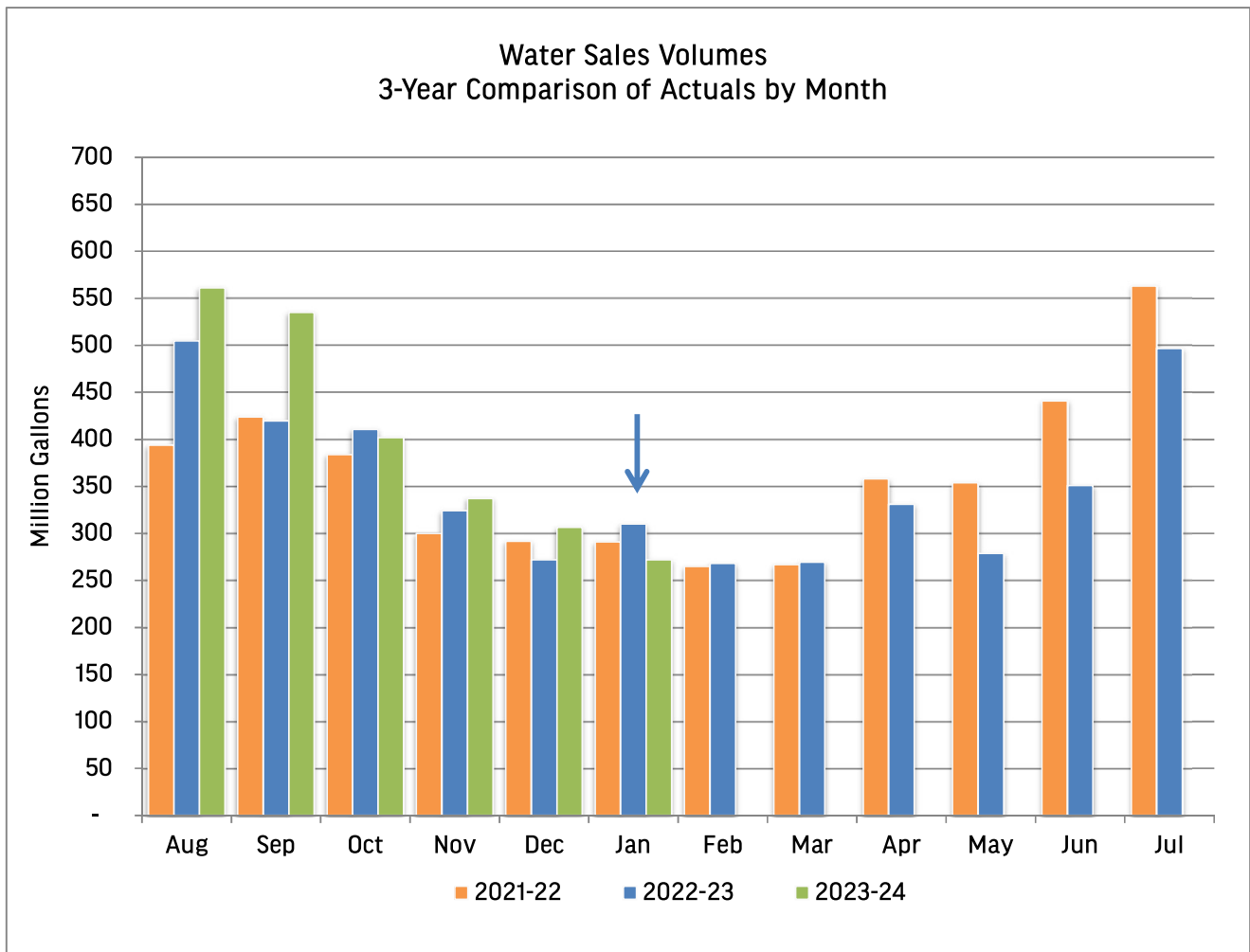
- January MTD rainfall was higher than the prior year rainfall, totaling 4.79 inches for the month. The January rainfall total of 4.79 inches was 2.79 inches higher than the historical average rainfall of 2.0 inches. For January 2024, there were nine rain days during the month compared to four rain days in January 2023.
- January YTD rainfall totaled 13.48 inches compared to the prior year total of 10.90 inches, which is an increase of 2.58 inches compared to prior year YTD. For YTD, there have been 34 rain days compared to 25 rain days for prior year YTD.
- Average MTD consumption by residential water customer in January 2024 was 4,198 gallons compared to 5,045 gallons in January 2023, reflecting a 16.8% decrease.
- Actual YTD consumption by residential water customer through January 2024 was 34,704 gallons compared to 33,753 for YTD through January 2023, reflecting an increase of 2.8%.
- Overall trend for fiscal year-to-date in total water sales volume is more than the sales volume over the same period for the previous year with the change being 172.1 million gallons, or 7.7% (2,413.9 million gallons for FY 2024 YTD vs. 2,241.8 million gallons for FY 2023 YTD).
- Actual total water sales volume for year-to-date FY 2024 is 2,413.9 million gallons, which is 71.7 million more than the budgeted amount of 2,342.2 million gallons for the same time period.
 - The following are major contributors, by rate classification, towards the 71.7 million gallons change from budget:
 - Residential Domestic – increase of 3.0 million gallons (up 0.2% from budget)
 - Multi-Unit 5+ - increase of 10.4 million gallons (up 7.2% from budget)
 - Residential Irrigation – decrease of 9.6 million gallons (down 2.6% from budget)
 - Commercial Irrigation – increase of 28.1 million gallons (up 20.6% from budget)
 - Small General Services – increase of 75.0 million gallons (up 44.7% from budget)
 - Large General Services – decrease of 65.5 million gallons (down 27.5% from budget)
 - Other Sales – increase of 23.2 million gallons (up 112.7% from budget)
 - ReUse Water – increase of 6.8 million gallons (up 525.1% from budget)

Monthly Rain Data
 Prior Year vs. Current Year
 Rolling 13 Months





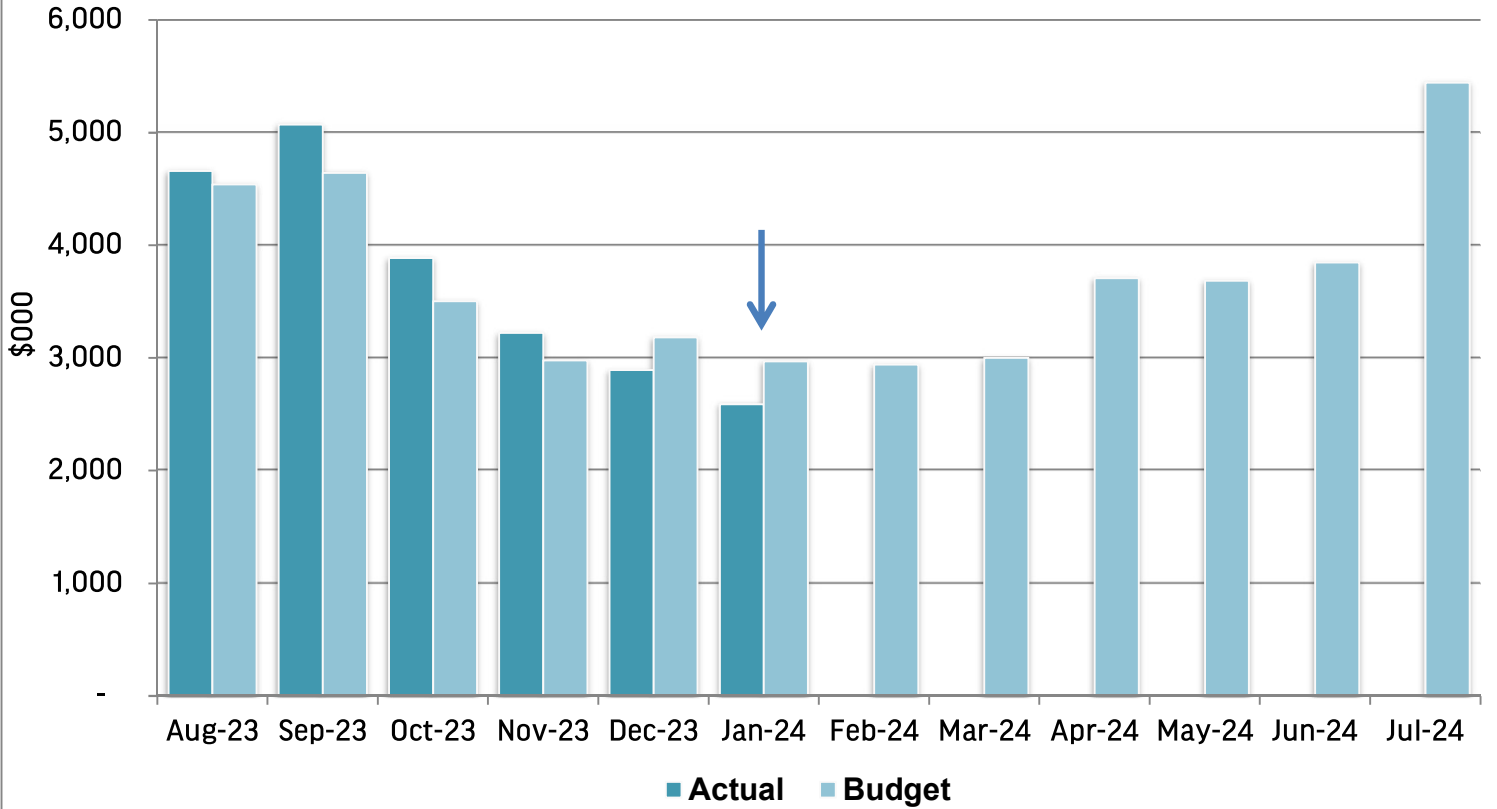
Month	Actual	Budget
Aug-23	561	531
Sep-23	535	468
Oct-23	402	392
Nov-23	337	330
Dec-23	306	317
Jan-24	272	304
Feb-24	-	289
Mar-24	-	293
Apr-24	-	371
May-24	-	368
Jun-24	-	394
Jul-24	-	482
TOTAL	2,414	4,539



Water Sales Volumes (Million Gallons)			
Month	2021-22	2022-23	2023-24
Aug	394	505	561
Sep	424	420	535
Oct	384	411	402
Nov	300	324	337
Dec	292	272	306
Jan	291	310	272
Feb	265	268	-
Mar	267	269	-
Apr	358	331	-
May	354	279	-
Jun	441	351	-
Jul	563	497	-
TOTAL	4,333	4,237	2,414

Meter Count	FY 2022	% Change 2022-2023	FY 2023	% Change 2023-2024	FY 2024
Residential	33,555	4.96%	35,219	3.23%	36,355
Irrigation	12,386	10.46%	13,682	7.70%	14,736
Other	2,933	1.36%	2,973	4.61%	3,110
TOTAL	48,874	6.14%	51,874	4.49%	54,201

**Total Water Sales
Fiscal Year 2024
Actual vs. Budget**



Month	Total Water Sales (\$000)	
	Actual	Budget
Aug-23	\$ 4,660	\$ 4,539
Sep-23	\$ 5,070	\$ 4,642
Oct-23	\$ 3,888	\$ 3,503
Nov-23	\$ 3,224	\$ 2,978
Dec-23	\$ 2,890	\$ 3,184
Jan-24	\$ 2,587	\$ 2,971
Feb-24	\$ -	\$ 2,943
Mar-24	\$ -	\$ 2,999
Apr-24	\$ -	\$ 3,708
May-24	\$ -	\$ 3,685
Jun-24	\$ -	\$ 3,847
Jul-24	\$ -	\$ 5,445
TOTAL	\$ 22,321	\$ 44,444

WATER SUPPLEMENTAL INFORMATION

NEW BRAUNFELS UTILITIES
Water Volume (Gallons)
For Month Ending January 31, 2024

DESCRIPTION	2023	2023	2023	2023	2023	2024	FY 2024 YTD	
	AUG	SEP	OCT	NOV	DEC	JAN	ACT	AVG
Residential								
Actuals	286,378,437	269,971,015	205,507,686	172,501,880	161,600,866	152,601,010	1,248,560,894	208,093,482
Budget	278,669,478	237,292,325	207,072,688	175,109,490	173,209,570	174,176,159	1,245,529,710	207,588,285
Prior Year	264,945,370	214,133,721	210,921,150	168,052,918	147,195,572	177,670,848	1,182,919,579	197,153,263
Multi-Unit 2-4								
Actuals	2,241,863	2,314,345	1,899,923	1,522,212	1,378,280	1,409,153	10,765,776	1,794,296
Budget	2,133,762	2,020,591	1,702,965	1,531,918	1,502,289	1,598,116	10,489,641	1,748,273
Prior Year	2,255,895	1,811,283	1,706,631	1,468,178	1,558,732	1,991,094	10,791,813	1,798,636
Multi-Unit 5+								
Actuals	27,135,318	27,407,982	22,473,477	24,538,890	28,093,615	25,622,619	155,271,901	25,878,650
Budget	25,326,666	25,620,852	24,285,693	22,896,149	23,054,060	23,641,597	144,825,017	24,137,503
Prior Year	25,435,941	26,247,479	23,126,169	22,573,660	22,243,553	27,640,694	147,267,496	24,544,583
Residential Irrigation								
Actuals	99,066,089	94,465,846	70,964,442	47,428,899	32,889,344	22,127,445	366,942,065	61,157,011
Budget	101,916,516	89,848,970	67,370,554	47,455,669	40,755,051	29,226,787	376,573,547	62,762,258
Prior Year	75,502,265	57,908,800	60,546,492	42,139,788	25,242,936	22,372,220	283,712,501	47,285,417
Commercial Irrigation								
Actuals	39,196,600	41,949,117	32,913,746	22,756,456	17,084,238	10,744,133	164,644,290	27,440,715
Budget	31,806,969	32,170,482	23,953,236	19,136,346	16,184,358	13,285,633	136,537,024	22,756,171
Prior Year	33,744,774	30,535,334	28,118,852	21,721,253	14,886,687	8,439,663	137,446,564	22,907,761
SGS								
Actuals	88,144,880	36,085,131	31,847,997	31,141,415	29,299,975	26,281,878	242,801,276	40,466,879
Budget	31,764,131	29,773,888	26,212,617	27,978,022	28,661,024	23,437,606	167,827,288	27,971,215
Prior Year	78,178,199	78,468,416	69,448,844	58,815,374	57,772,260	67,638,990	410,322,083	68,387,014
LGS								
Actuals	-	48,367,404	27,029,314	34,572,371	31,871,386	31,180,200	173,020,675	28,836,779
Budget	51,137,660	44,700,916	38,954,200	34,714,127	32,435,703	36,602,561	238,545,168	39,757,528
Prior Year	-	-	-	-	-	-	-	-
Other Sales								
Actuals	14,773,264	12,569,962	7,367,839	2,816,330	4,160,045	2,123,877	43,811,317	7,301,886
Budget	7,964,649	7,211,502	2,237,575	1,361,680	320,031	1,497,983	20,593,420	3,432,237
Prior Year	19,291,639	10,429,974	11,829,866	6,504,861	2,722,722	4,009,008	54,788,070	9,131,345
ReUse Water								
Actuals	4,312,900	1,955,900	1,821,400	-	-	-	8,090,200	1,348,367
Budget	613,050	(292,400)	117,738	177,998	442,163	235,575	1,294,123	215,687
Prior Year	5,486,000	267,200	5,113,000	2,946,800	285,200	470,300	14,568,500	2,428,083
Total Sales								
Actuals	561,249,351	535,086,702	401,825,824	337,278,453	306,377,749	272,090,315	2,413,908,394	402,318,066
Budget	531,332,881	468,347,126	391,907,266	330,361,397	316,564,249	303,702,017	2,342,214,937	390,369,156
Prior Year	504,840,083	419,802,207	410,811,004	324,222,832	271,907,662	310,232,817	2,241,816,606	373,636,101

NEW BRAUNFELS UTILITIES
Water Volume (Gallons) Variance
For Month Ending January 31, 2024

DESCRIPTION	2023	2023	2023	2023	2023	2024	FY 2024 YTD	
	AUG	SEP	OCT	NOV	DEC	JAN	ACT	AVG
Residential								
Actuals	286,378,437	269,971,015	205,507,686	172,501,880	161,600,866	152,601,010	1,248,560,894	208,093,482
Actual vs Budget	7,708,959	32,678,690	(1,565,002)	(2,607,610)	(11,608,704)	(21,575,149)	3,031,184	505,197
Actual vs Prior Year	21,433,067	55,837,294	(5,413,464)	4,448,962	14,405,294	(25,069,838)	65,641,315	10,940,219
Multi-Unit 2-4								
Actuals	2,241,863	2,314,345	1,899,923	1,522,212	1,378,280	1,409,153	10,765,776	1,794,296
Actual vs Budget	108,101	293,754	196,958	(9,706)	(124,009)	(188,963)	276,135	46,023
Actual vs Prior Year	(14,032)	503,062	193,292	54,034	(180,452)	(581,941)	(26,037)	(4,340)
Multi-Unit 5+								
Actuals	27,135,318	27,407,982	22,473,477	24,538,890	28,093,615	25,622,619	155,271,901	25,878,650
Actual vs Budget	1,808,652	1,787,130	(1,812,216)	1,642,741	5,039,555	1,981,022	10,446,884	1,741,147
Actual vs Prior Year	1,699,377	1,160,503	(652,692)	1,965,230	5,850,062	(2,018,075)	8,004,405	1,334,068
Residential Irrigation								
Actuals	99,066,089	94,465,846	70,964,442	47,428,899	32,889,344	22,127,445	366,942,065	61,157,011
Actual vs Budget	(2,850,427)	4,616,876	3,593,888	(26,770)	(7,865,707)	(7,099,342)	(9,631,482)	(1,605,247)
Actual vs Prior Year	23,563,824	36,557,046	10,417,950	5,289,111	7,646,408	(244,775)	83,229,564	13,871,594
Commercial Irrigation								
Actuals	39,196,600	41,949,117	32,913,746	22,756,456	17,084,238	10,744,133	164,644,290	27,440,715
Actual vs Budget	7,389,631	9,778,635	8,960,510	3,620,110	899,880	(2,541,500)	28,107,266	4,684,544
Actual vs Prior Year	5,451,826	11,413,783	4,794,894	1,035,203	2,197,551	2,304,470	27,197,726	4,532,954
SGS								
Actuals	88,144,880	36,085,131	31,847,997	31,141,415	29,299,975	26,281,878	242,801,276	40,466,879
Actual vs Budget	56,380,749	6,311,243	5,635,380	3,163,393	638,951	2,844,272	74,973,988	12,495,665
Actual vs Prior Year	9,966,681	(42,383,285)	(37,600,847)	(27,673,959)	(28,472,285)	(41,357,112)	(167,520,807)	(27,920,135)
LGS								
Actuals	-	48,367,404	27,029,314	34,572,371	31,871,386	31,180,200	173,020,675	28,836,779
Actual vs Budget	(51,137,660)	3,666,488	(11,924,886)	(141,756)	(564,317)	(5,422,361)	(65,524,493)	(10,920,749)
Actual vs Prior Year	-	48,367,404	27,029,314	34,572,371	31,871,386	31,180,200	173,020,675	28,836,779
Other Sales								
Actuals	14,773,264	12,569,962	7,367,839	2,816,330	4,160,045	2,123,877	43,811,317	7,301,886
Actual vs Budget	6,808,615	5,358,460	5,130,264	1,454,650	3,840,014	625,894	23,217,897	3,869,650
Actual vs Prior Year	(4,518,375)	2,139,988	(4,462,027)	(3,688,531)	1,437,323	(1,885,131)	(10,976,753)	(1,829,459)
ReUse Water								
Actuals	4,312,900	1,955,900	1,821,400	-	-	-	8,090,200	1,348,367
Actual vs Budget	3,699,850	2,248,300	1,703,662	(177,998)	(442,163)	(235,575)	6,796,077	1,132,679
Actual vs Prior Year	(1,173,100)	1,688,700	(3,291,600)	(2,946,800)	(285,200)	(470,300)	(6,478,300)	(1,079,717)
Total Sales								
Actuals	561,249,351	535,086,702	401,825,824	337,278,453	306,377,749	272,090,315	2,413,908,394	402,318,066
Actual vs Budget	29,916,470	66,739,576	9,918,558	6,917,056	(10,186,500)	(31,611,702)	71,693,457	11,948,909
Actual vs Prior Year	56,409,268	115,284,495	(8,985,180)	13,055,621	34,470,087	(38,142,502)	172,091,788	28,681,965

NEW BRAUNFELS UTILITIES
Water Revenue
For Month Ending January 31, 2024

DESCRIPTION	2023	2023	2023	2023	2023	2024	FY 2024 YTD	
	AUG	SEP	OCT	NOV	DEC	JAN	ACT	AVG
Residential								
Actuals	\$ 1,827,272	\$ 2,392,640	\$ 1,747,250	\$ 1,412,358	\$ 1,306,382	\$ 1,224,701	\$ 9,910,604	\$ 1,651,767
Budget	\$ 1,675,906	\$ 1,751,798	\$ 1,399,790	\$ 1,266,297	\$ 1,417,615	\$ 1,371,746	\$ 8,883,151	\$ 1,480,525
Prior Year	\$ 1,435,468	\$ 1,424,172	\$ 1,284,509	\$ 1,094,836	\$ 976,144	\$ 1,109,772	\$ 7,324,900	\$ 1,220,817
Multi-Unit 2-4								
Actuals	\$ 19,957	\$ 20,786	\$ 18,489	\$ 16,371	\$ 15,628	\$ 15,725	\$ 106,957	\$ 17,826
Budget	\$ 20,133	\$ 22,197	\$ 18,479	\$ 17,431	\$ 18,354	\$ 19,284	\$ 115,877	\$ 19,313
Prior Year	\$ 19,176	\$ 17,926	\$ 16,683	\$ 15,050	\$ 16,630	\$ 17,942	\$ 103,406	\$ 17,234
Multi-Unit 5+								
Actuals	\$ 260,228	\$ 257,270	\$ 230,761	\$ 241,325	\$ 263,312	\$ 255,463	\$ 1,508,359	\$ 251,393
Budget	\$ 266,804	\$ 279,964	\$ 279,474	\$ 255,175	\$ 286,678	\$ 288,535	\$ 1,656,629	\$ 276,105
Prior Year	\$ 241,401	\$ 258,388	\$ 239,757	\$ 226,649	\$ 220,174	\$ 253,389	\$ 1,439,759	\$ 239,960
Residential Irrigation								
Actuals	\$ 1,117,789	\$ 1,105,950	\$ 869,979	\$ 647,488	\$ 517,007	\$ 421,127	\$ 4,679,339	\$ 779,890
Budget	\$ 1,313,660	\$ 1,294,138	\$ 883,179	\$ 648,549	\$ 645,400	\$ 503,243	\$ 5,288,169	\$ 881,362
Prior Year	\$ 876,750	\$ 751,431	\$ 715,064	\$ 518,829	\$ 371,346	\$ 345,040	\$ 3,578,460	\$ 596,410
Commercial Irrigation								
Actuals	\$ 477,522	\$ 504,909	\$ 398,908	\$ 276,791	\$ 210,617	\$ 136,872	\$ 2,005,618	\$ 334,270
Budget	\$ 424,000	\$ 469,064	\$ 310,403	\$ 234,897	\$ 222,201	\$ 184,303	\$ 1,844,867	\$ 307,478
Prior Year	\$ 405,253	\$ 401,101	\$ 328,274	\$ 240,204	\$ 164,788	\$ 94,550	\$ 1,634,171	\$ 272,362
SGS								
Actuals	\$ 765,231	\$ 343,842	\$ 309,028	\$ 304,058	\$ 291,599	\$ 267,962	\$ 2,281,720	\$ 380,287
Budget	\$ 434,693	\$ 388,629	\$ 291,965	\$ 281,162	\$ 354,123	\$ 315,931	\$ 2,066,503	\$ 344,417
Prior Year	\$ 616,047	\$ 678,287	\$ 558,030	\$ 450,987	\$ 450,757	\$ 516,134	\$ 3,270,242	\$ 545,040
LGS								
Actuals	\$ -	\$ 288,946	\$ 208,593	\$ 235,009	\$ 213,600	\$ 214,437	\$ 1,160,584	\$ 193,431
Budget	\$ 290,436	\$ 325,951	\$ 289,257	\$ 252,430	\$ 233,412	\$ 259,549	\$ 1,651,035	\$ 275,173
Prior Year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Sales								
Actuals	\$ 179,419	\$ 155,792	\$ 105,303	\$ 58,471	\$ 72,249	\$ 50,717	\$ 621,950	\$ 103,658
Budget	\$ 110,730	\$ 111,853	\$ 30,081	\$ 20,845	\$ 5,798	\$ 28,566	\$ 307,874	\$ 51,312
Prior Year	\$ 241,628	\$ 145,742	\$ 143,275	\$ 89,711	\$ 50,358	\$ 62,775	\$ 733,488	\$ 122,248
ReUse Water								
Actuals	\$ 12,545	\$ 173	\$ 165	\$ 32,382	\$ 56	\$ 56	\$ 45,377	\$ 7,563
Budget	\$ 3,125	\$ (1,309)	\$ 634	\$ 952	\$ -	\$ -	\$ 3,402	\$ 567
Prior Year	\$ 25,191	\$ 1,078	\$ 24,810	\$ 14,201	\$ 1,166	\$ 2,072	\$ 68,517	\$ 11,420
Total Sales								
Actuals	\$ 4,659,963	\$ 5,070,307	\$ 3,888,476	\$ 3,224,252	\$ 2,890,450	\$ 2,587,060	\$ 22,320,508	\$ 3,720,085
Budget	\$ 4,539,486	\$ 4,642,285	\$ 3,503,262	\$ 2,977,737	\$ 3,183,581	\$ 2,971,156	\$ 21,817,508	\$ 3,636,251
Prior Year	\$ 3,860,913	\$ 3,678,125	\$ 3,310,402	\$ 2,650,466	\$ 2,251,363	\$ 2,401,673	\$ 18,152,943	\$ 3,025,490

NEW BRAUNFELS UTILITIES
Water Revenue Variance
For Month Ending January 31, 2024

DESCRIPTION	2023	2023	2023	2023	2023	2024	FY 2024 YTD	
	AUG	SEP	OCT	NOV	DEC	JAN	ACT	AVG
Residential								
Actuals	\$ 1,827,272	\$ 2,392,640	\$ 1,747,250	\$ 1,412,358	\$ 1,306,382	\$ 1,224,701	\$ 9,910,604	\$ 1,651,767
Actual vs Budget	\$ 151,366	\$ 640,842	\$ 347,460	\$ 146,062	\$ (111,232)	\$ (147,045)	\$ 1,027,453	\$ 171,242
Actual vs Prior Year	\$ 391,804	\$ 968,468	\$ 462,741	\$ 317,523	\$ 330,238	\$ 114,929	\$ 2,585,704	\$ 430,951
Multi-Unit 2-4								
Actuals	\$ 19,957	\$ 20,786	\$ 18,489	\$ 16,371	\$ 15,628	\$ 15,725	\$ 106,957	\$ 17,826
Actual vs Budget	\$ (176)	\$ (1,410)	\$ 10	\$ (1,060)	\$ (2,726)	\$ (3,559)	\$ (8,920)	\$ (1,487)
Actual vs Prior Year	\$ 781	\$ 2,861	\$ 1,806	\$ 1,321	\$ (1,001)	\$ (2,216)	\$ 3,551	\$ 592
Multi-Unit 5+								
Actuals	\$ 260,228	\$ 257,270	\$ 230,761	\$ 241,325	\$ 263,312	\$ 255,463	\$ 1,508,359	\$ 251,393
Actual vs Budget	\$ (6,575)	\$ (22,694)	\$ (48,714)	\$ (13,849)	\$ (23,366)	\$ (33,072)	\$ (148,271)	\$ (24,712)
Actual vs Prior Year	\$ 18,828	\$ (1,119)	\$ (8,997)	\$ 14,676	\$ 43,138	\$ 2,074	\$ 68,600	\$ 11,433
Residential Irrigation								
Actuals	\$ 1,117,789	\$ 1,105,950	\$ 869,979	\$ 647,488	\$ 517,007	\$ 421,127	\$ 4,679,339	\$ 779,890
Actual vs Budget	\$ (195,872)	\$ (188,188)	\$ (13,200)	\$ (1,062)	\$ (128,393)	\$ (82,116)	\$ (608,830)	\$ (101,472)
Actual vs Prior Year	\$ 241,039	\$ 354,519	\$ 154,916	\$ 128,659	\$ 145,660	\$ 76,086	\$ 1,100,880	\$ 183,480
Commercial Irrigation								
Actuals	\$ 477,522	\$ 504,909	\$ 398,908	\$ 276,791	\$ 210,617	\$ 136,872	\$ 2,005,618	\$ 334,270
Actual vs Budget	\$ 53,522	\$ 35,845	\$ 88,505	\$ 41,894	\$ (11,584)	\$ (47,431)	\$ 160,752	\$ 26,792
Actual vs Prior Year	\$ 72,269	\$ 103,808	\$ 70,634	\$ 36,587	\$ 45,828	\$ 42,322	\$ 371,447	\$ 61,908
SGS								
Actuals	\$ 765,231	\$ 343,842	\$ 309,028	\$ 304,058	\$ 291,599	\$ 267,962	\$ 2,281,720	\$ 380,287
Actual vs Budget	\$ 330,538	\$ (44,787)	\$ 17,063	\$ 22,896	\$ (62,525)	\$ (47,969)	\$ 215,216	\$ 35,869
Actual vs Prior Year	\$ 149,184	\$ (334,445)	\$ (249,002)	\$ (146,929)	\$ (159,159)	\$ (248,172)	\$ (988,523)	\$ (164,754)
LGS								
Actuals	\$ -	\$ 288,946	\$ 208,593	\$ 235,009	\$ 213,600	\$ 214,437	\$ 1,160,584	\$ 193,431
Actual vs Budget	\$ (290,436)	\$ (37,006)	\$ (80,664)	\$ (17,421)	\$ (19,812)	\$ (45,112)	\$ (490,451)	\$ (81,742)
Actual vs Prior Year	\$ -	\$ 288,946	\$ 208,593	\$ 235,009	\$ 213,600	\$ 214,437	\$ 1,160,584	\$ 193,431
Other Sales								
Actuals	\$ 179,419	\$ 155,792	\$ 105,303	\$ 58,471	\$ 72,249	\$ 50,717	\$ 621,950	\$ 103,658
Actual vs Budget	\$ 68,689	\$ 43,939	\$ 75,222	\$ 37,625	\$ 66,451	\$ 22,151	\$ 314,076	\$ 52,346
Actual vs Prior Year	\$ (62,209)	\$ 10,051	\$ (37,972)	\$ (31,240)	\$ 21,891	\$ (12,059)	\$ (111,538)	\$ (18,590)
ReUse Water								
Actuals	\$ 12,545	\$ 173	\$ 165	\$ 32,382	\$ 56	\$ 56	\$ 45,377	\$ 7,563
Actual vs Budget	\$ 9,420	\$ 1,482	\$ (470)	\$ 31,430	\$ 56	\$ 56	\$ 41,975	\$ 6,996
Actual vs Prior Year	\$ (12,646)	\$ (905)	\$ (24,645)	\$ 18,181	\$ (1,109)	\$ (2,016)	\$ (23,140)	\$ (3,857)
Total Sales								
Actuals	\$ 4,659,963	\$ 5,070,307	\$ 3,888,476	\$ 3,224,252	\$ 2,890,450	\$ 2,587,060	\$ 22,320,508	\$ 3,720,085
Actual vs Budget	\$ 120,477	\$ 428,022	\$ 385,214	\$ 246,514	\$ (293,131)	\$ (384,096)	\$ 503,000	\$ 83,833
Actual vs Prior Year	\$ 799,050	\$ 1,392,183	\$ 578,074	\$ 573,785	\$ 639,087	\$ 185,387	\$ 4,167,565	\$ 694,594

NEW BRAUNFELS UTILITIES
Water Meters
For Month Ending January 31, 2024

DESCRIPTION	2023	2023	2023	2023	2023	2024	FY 2024 YTD
	AUG	SEP	OCT	NOV	DEC	JAN	AVG
Residential							
Actuals	35,651	35,942	36,027	36,016	36,162	36,355	36,026
Budget	35,570	35,716	35,862	36,008	36,154	36,301	35,935
Prior Year	34,863	35,017	35,058	35,080	35,155	35,219	35,065
Multi-Unit 2-4							
Actuals	208	221	225	223	223	222	220
Budget	208	208	208	208	208	208	208
Prior Year	208	209	207	208	209	209	208
Multi-Unit 5+							
Actuals	262	269	270	270	273	274	270
Budget	260	262	263	265	267	269	264
Prior Year	257	257	259	258	258	259	258
Residential Irrigation							
Actuals	13,351	13,533	13,592	13,610	13,749	13,895	13,622
Budget	13,187	13,347	13,507	13,668	13,828	13,989	13,588
Prior Year	12,525	12,620	12,669	12,722	12,769	12,831	12,689
Commercial Irrigation							
Actuals	884	830	831	832	839	841	843
Budget	860	862	865	868	870	873	866
Prior Year	845	835	849	849	850	851	847
SGS							
Actuals	2,412	2,282	2,276	2,270	2,290	2,293	2,304
Budget	2,268	2,271	2,275	2,277	2,280	2,284	2,276
Prior Year	2,380	2,383	2,383	2,386	2,389	2,384	2,384
LGS							
Actuals	-	198	213	214	219	218	177
Budget	133	134	134	136	137	137	135
Prior Year	-	-	-	-	-	-	-
Other Sales							
Actuals	109	111	116	108	107	102	109
Budget	151	153	154	156	158	160	155
Prior Year	124	124	130	132	124	120	126
ReUse Water							
Actuals	1	1	1	1	1	1	1
Budget	1	1	1	1	1	1	1
Prior Year	1	1	1	1	1	1	1
Total Meters							
Actuals	52,878	53,387	53,551	53,544	53,863	54,201	53,571
Budget	52,638	52,954	53,271	53,588	53,904	54,221	53,429
Prior Year	51,203	51,446	51,556	51,636	51,755	51,874	51,578

New Meters	241	509	164	(7)	319	338	261
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New Meter Growth	0.5%	1.0%	0.3%	0.0%	0.6%	0.6%	0.5%
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NEW BRAUNFELS UTILITIES
Water Volume per Meter (Gallons)
For Month Ending January 31, 2024

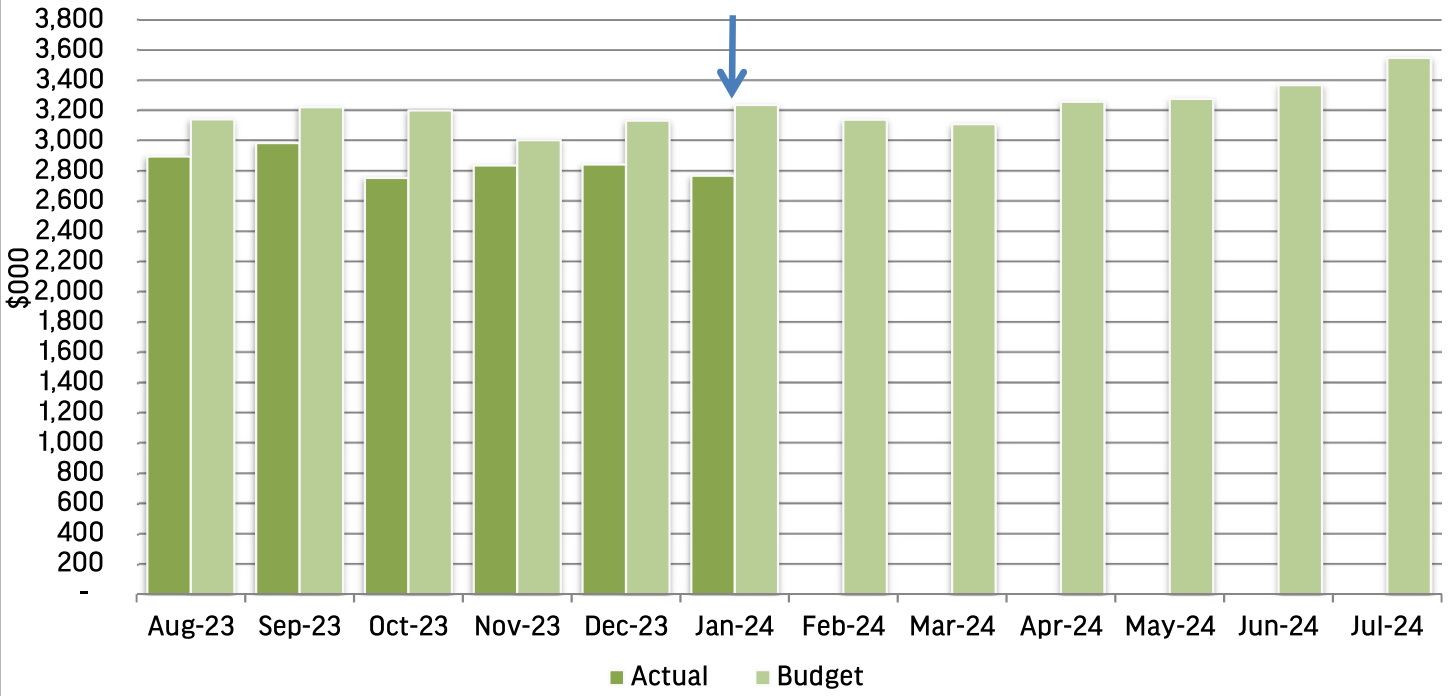
DESCRIPTION	2023	2023	2023	2023	2023	2024	FY 2024 YTD	
	AUG	SEP	OCT	NOV	DEC	JAN	ACT	AVG
Residential								
Actuals	8,033	7,511	5,704	4,790	4,469	4,198	34,704	5,784
Budget	7,834	6,644	5,774	4,863	4,791	4,798	34,704	5,784
Prior Year	7,600	6,115	6,016	4,791	4,187	5,045	33,753	5,626
Multi-Unit 2-4								
Actuals	10,778	10,472	8,444	6,826	6,181	6,348	49,049	8,175
Budget	10,258	9,714	8,187	7,365	7,223	7,683	50,431	8,405
Prior Year	10,846	8,666	8,245	7,059	7,458	9,527	51,800	8,633
Multi-Unit 5+								
Actuals	103,570	101,888	83,235	90,885	102,907	93,513	575,998	96,000
Budget	97,504	97,976	92,253	86,400	86,426	88,050	548,610	91,435
Prior Year	98,973	102,130	89,290	87,495	86,215	106,721	570,824	95,137
Residential Irrigation								
Actuals	7,420	6,980	5,221	3,485	2,392	1,592	27,091	4,515
Budget	7,729	6,732	4,988	3,472	2,947	2,089	27,957	4,659
Prior Year	6,028	4,589	4,779	3,312	1,977	1,744	22,429	3,738
Commercial Irrigation								
Actuals	44,340	50,541	39,607	27,352	20,363	12,775	194,978	32,496
Budget	36,995	37,302	27,689	22,053	18,594	15,217	157,849	26,308
Prior Year	39,935	36,569	33,120	25,585	17,514	9,917	162,639	27,107
SGS								
Actuals	36,544	15,813	13,993	13,719	12,795	11,462	104,325	17,388
Budget	14,002	13,108	11,520	12,285	12,568	10,260	73,742	12,290
Prior Year	32,848	32,928	29,143	24,650	24,183	28,372	172,125	28,687
LGS								
Actuals	-	244,280	126,898	161,553	145,531	143,028	821,291	136,882
Budget	384,494	333,589	290,703	255,251	236,757	267,172	1,767,965	294,661
Prior Year	-	-	-	-	-	-	-	-
Other Sales								
Actuals	135,535	113,243	63,516	26,077	38,879	20,822	398,072	66,345
Budget	52,714	47,203	14,487	8,721	2,028	9,391	134,543	22,424
Prior Year	155,578	84,113	90,999	49,279	21,957	33,408	435,334	72,556
ReUse Water								
Actuals	4,312,900	1,955,900	1,821,400	-	-	-	8,090,200	1,348,367
Budget	613,050	(292,400)	117,738	177,998	442,163	235,575	1,294,123	215,687
Prior Year	5,486,000	267,200	5,113,000	2,946,800	285,200	470,300	14,568,500	2,428,083

NEW BRAUNFELS UTILITIES
Water Rates (per Gallon)
For Month Ending January 31, 2024

DESCRIPTION	2023	2023	2023	2023	2023	2024	FY 2024 YTD
	AUG	SEP	OCT	NOV	DEC	JAN	AVG
Residential							
Actuals	\$ 0.0064	\$ 0.0089	\$ 0.0085	\$ 0.0082	\$ 0.0081	\$ 0.0080	\$ 0.0080
Budget	\$ 0.0060	\$ 0.0074	\$ 0.0068	\$ 0.0072	\$ 0.0082	\$ 0.0079	\$ 0.0072
Prior Year	\$ 0.0054	\$ 0.0067	\$ 0.0061	\$ 0.0065	\$ 0.0066	\$ 0.0062	\$ 0.0063
Multi-Unit 2-4							
Actuals	\$ 0.0089	\$ 0.0090	\$ 0.0097	\$ 0.0108	\$ 0.0113	\$ 0.0112	\$ 0.0101
Budget	\$ 0.0094	\$ 0.0110	\$ 0.0109	\$ 0.0114	\$ 0.0122	\$ 0.0121	\$ 0.0112
Prior Year	\$ 0.0085	\$ 0.0099	\$ 0.0098	\$ 0.0103	\$ 0.0107	\$ 0.0090	\$ 0.0097
Multi-Unit 5+							
Actuals	\$ 0.0096	\$ 0.0094	\$ 0.0103	\$ 0.0098	\$ 0.0094	\$ 0.0100	\$ 0.0097
Budget	\$ 0.0105	\$ 0.0109	\$ 0.0115	\$ 0.0111	\$ 0.0124	\$ 0.0122	\$ 0.0115
Prior Year	\$ 0.0095	\$ 0.0098	\$ 0.0104	\$ 0.0100	\$ 0.0099	\$ 0.0092	\$ 0.0098
Residential Irrigation							
Actuals	\$ 0.0113	\$ 0.0117	\$ 0.0123	\$ 0.0137	\$ 0.0157	\$ 0.0190	\$ 0.0139
Budget	\$ 0.0129	\$ 0.0144	\$ 0.0131	\$ 0.0137	\$ 0.0158	\$ 0.0172	\$ 0.0145
Prior Year	\$ 0.0116	\$ 0.0130	\$ 0.0118	\$ 0.0123	\$ 0.0147	\$ 0.0154	\$ 0.0131
Commercial Irrigation							
Actuals	\$ 0.0122	\$ 0.0120	\$ 0.0121	\$ 0.0122	\$ 0.0123	\$ 0.0127	\$ 0.0123
Budget	\$ 0.0133	\$ 0.0146	\$ 0.0130	\$ 0.0123	\$ 0.0137	\$ 0.0139	\$ 0.0135
Prior Year	\$ 0.0120	\$ 0.0131	\$ 0.0117	\$ 0.0111	\$ 0.0111	\$ 0.0112	\$ 0.0117
SGS							
Actuals	\$ 0.0087	\$ 0.0095	\$ 0.0097	\$ 0.0098	\$ 0.0100	\$ 0.0102	\$ 0.0096
Budget	\$ 0.0137	\$ 0.0131	\$ 0.0111	\$ 0.0100	\$ 0.0124	\$ 0.0135	\$ 0.0123
Prior Year	\$ 0.0079	\$ 0.0086	\$ 0.0080	\$ 0.0077	\$ 0.0078	\$ 0.0076	\$ 0.0079
LGS							
Actuals	\$ -	\$ 0.0060	\$ 0.0077	\$ 0.0068	\$ 0.0067	\$ 0.0069	\$ 0.0057
Budget	\$ 0.0057	\$ 0.0073	\$ 0.0074	\$ 0.0073	\$ 0.0072	\$ 0.0071	\$ 0.0070
Prior Year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Sales							
Actuals	\$ 0.0121	\$ 0.0124	\$ 0.0143	\$ 0.0208	\$ 0.0174	\$ 0.0239	\$ 0.0168
Budget	\$ 0.0139	\$ 0.0155	\$ 0.0134	\$ 0.0153	\$ 0.0181	\$ 0.0191	\$ 0.0159
Prior Year	\$ 0.0125	\$ 0.0140	\$ 0.0121	\$ 0.0138	\$ 0.0185	\$ 0.0157	\$ 0.0144
ReUse Water							
Actuals	\$ 0.0029	\$ 0.0001	\$ 0.0001	\$ -	\$ -	\$ -	\$ 0.0005
Budget	\$ 0.0051	\$ 0.0045	\$ 0.0054	\$ 0.0053	\$ -	\$ -	\$ 0.0034
Prior Year	\$ 0.0046	\$ 0.0040	\$ 0.0049	\$ 0.0048	\$ 0.0041	\$ 0.0044	\$ 0.0045

WASTEWATER STATISTICS

**Total Wastewater Sales
Fiscal Year 2024
Actual vs. Budget**



Month	Total Sewer Sales (\$000)	
	Actual	Budget
Aug-23	\$ 2,896	\$ 3,143
Sep-23	\$ 2,985	\$ 3,224
Oct-23	\$ 2,755	\$ 3,201
Nov-23	\$ 2,838	\$ 3,005
Dec-23	\$ 2,845	\$ 3,134
Jan-24	\$ 2,770	\$ 3,238
Feb-24	\$ -	\$ 3,140
Mar-24	\$ -	\$ 3,111
Apr-24	\$ -	\$ 3,260
May-24	\$ -	\$ 3,279
Jun-24	\$ -	\$ 3,370
Jul-24	\$ -	\$ 3,549
TOTAL	\$ 17,090	\$ 38,653

Customer Count	FY 2022	% Change 2022-2023	FY 2023	% Change 2023-2024	FY 2024
Residential	30,156	5.31%	31,757	3.53%	32,878
Other	2,547	0.55%	2,561	3.44%	2,649
TOTAL	32,703	4.94%	34,318	3.52%	35,527

WASTEWATER SUPPLEMENTAL INFORMATION

NEW BRAUNFELS UTILITIES
Wastewater Revenue
For Month Ending January 31, 2024

DESCRIPTION	2023	2023	2023	2023	2023	2024	FY 2024 YTD	
	AUG	SEP	OCT	NOV	DEC	JAN	ACT	AVG
Residential								
Actuals	\$ 1,620,385	\$ 1,780,256	\$ 1,690,795	\$ 1,737,263	\$ 1,758,843	\$ 1,732,442	\$ 10,319,983	\$ 1,719,997
Budget	\$ 1,877,005	\$ 1,952,128	\$ 1,949,215	\$ 1,872,739	\$ 1,976,311	\$ 2,036,536	\$ 11,663,934	\$ 1,943,989
Prior Year	\$ 1,431,988	\$ 1,602,167	\$ 1,517,326	\$ 1,513,842	\$ 1,516,902	\$ 1,594,334	\$ 9,176,558	\$ 1,529,426
Multi-Unit 2-4								
Actuals	\$ 14,354	\$ 16,278	\$ 15,918	\$ 16,127	\$ 16,106	\$ 15,819	\$ 94,601	\$ 15,767
Budget	\$ 15,982	\$ 16,707	\$ 16,656	\$ 15,857	\$ 16,392	\$ 16,876	\$ 98,470	\$ 16,412
Prior Year	\$ 12,873	\$ 14,215	\$ 13,595	\$ 13,583	\$ 13,704	\$ 14,466	\$ 82,435	\$ 13,739
Multi-Unit 5+								
Actuals	\$ 362,783	\$ 369,364	\$ 327,198	\$ 343,852	\$ 349,655	\$ 349,101	\$ 2,101,954	\$ 350,326
Budget	\$ 387,068	\$ 401,507	\$ 399,515	\$ 372,282	\$ 397,709	\$ 411,152	\$ 2,369,232	\$ 394,872
Prior Year	\$ 324,197	\$ 352,643	\$ 334,562	\$ 322,131	\$ 318,915	\$ 360,340	\$ 2,012,788	\$ 335,465
SGS								
Actuals	\$ 897,364	\$ 818,036	\$ 720,079	\$ 739,767	\$ 718,962	\$ 671,740	\$ 4,565,949	\$ 760,991
Budget	\$ 861,177	\$ 851,972	\$ 833,952	\$ 741,792	\$ 741,660	\$ 771,065	\$ 4,801,618	\$ 800,270
Prior Year	\$ 720,511	\$ 787,794	\$ 743,962	\$ 649,301	\$ 662,503	\$ 740,317	\$ 4,304,388	\$ 717,398
Schertz Sewer								
Actuals	\$ 1,307	\$ 1,320	\$ 1,296	\$ 1,313	\$ 1,213	\$ 1,311	\$ 7,760	\$ 1,293
Budget	\$ 1,902	\$ 1,867	\$ 1,902	\$ 1,865	\$ 1,853	\$ 2,085	\$ 11,473	\$ 1,912
Prior Year	\$ 1,476	\$ 1,282	\$ 1,310	\$ 1,306	\$ 1,194	\$ 1,269	\$ 7,837	\$ 1,306
Total Sales								
Actuals	\$ 2,896,192	\$ 2,985,254	\$ 2,755,286	\$ 2,838,322	\$ 2,844,779	\$ 2,770,413	\$ 17,090,247	\$ 2,848,374
Budget	\$ 3,143,133	\$ 3,224,180	\$ 3,201,239	\$ 3,004,535	\$ 3,133,925	\$ 3,237,713	\$ 18,944,726	\$ 3,157,454
Prior Year	\$ 2,491,044	\$ 2,758,100	\$ 2,610,754	\$ 2,500,162	\$ 2,513,218	\$ 2,710,727	\$ 15,584,006	\$ 2,597,334

NEW BRAUNFELS UTILITIES
Wastewater Revenue Variance
For Month Ending January 31, 2024

DESCRIPTION	2023	2023	2023	2023	2023	2024	FY 2024 YTD	
	AUG	SEP	OCT	NOV	DEC	JAN	ACT	AVG
Residential								
Actuals	\$ 1,620,385	\$ 1,780,256	\$ 1,690,795	\$ 1,737,263	\$ 1,758,843	\$ 1,732,442	\$ 10,319,983	\$ 1,719,997
Actual vs Budget	\$ (256,620)	\$ (171,872)	\$ (258,420)	\$ (135,477)	\$ (217,468)	\$ (304,094)	\$ (1,343,951)	\$ (223,992)
Actual vs Prior Year	\$ 188,397	\$ 178,089	\$ 173,470	\$ 223,421	\$ 241,941	\$ 138,108	\$ 1,143,425	\$ 190,571
Multi-Unit 2-4								
Actuals	\$ 14,354	\$ 16,278	\$ 15,918	\$ 16,127	\$ 16,106	\$ 15,819	\$ 94,601	\$ 15,767
Actual vs Budget	\$ (1,628)	\$ (430)	\$ (738)	\$ 270	\$ (286)	\$ (1,056)	\$ (3,868)	\$ (645)
Actual vs Prior Year	\$ 1,481	\$ 2,063	\$ 2,323	\$ 2,544	\$ 2,402	\$ 1,353	\$ 12,166	\$ 2,028
Multi-Unit 5+								
Actuals	\$ 362,783	\$ 369,364	\$ 327,198	\$ 343,852	\$ 349,655	\$ 349,101	\$ 2,101,954	\$ 350,326
Actual vs Budget	\$ (24,285)	\$ (32,143)	\$ (72,316)	\$ (28,430)	\$ (48,054)	\$ (62,050)	\$ (267,277)	\$ (44,546)
Actual vs Prior Year	\$ 38,586	\$ 16,721	\$ (7,364)	\$ 21,721	\$ 30,740	\$ (11,239)	\$ 89,166	\$ 14,861
SGS								
Actuals	\$ 897,364	\$ 818,036	\$ 720,079	\$ 739,767	\$ 718,962	\$ 671,740	\$ 4,565,949	\$ 760,991
Actual vs Budget	\$ 36,188	\$ (33,935)	\$ (113,873)	\$ (2,025)	\$ (22,698)	\$ (99,326)	\$ (235,669)	\$ (39,278)
Actual vs Prior Year	\$ 176,854	\$ 30,242	\$ (23,883)	\$ 90,466	\$ 56,459	\$ (68,578)	\$ 261,561	\$ 43,593
Schertz Sewer								
Actuals	\$ 1,307	\$ 1,320	\$ 1,296	\$ 1,313	\$ 1,213	\$ 1,311	\$ 7,760	\$ 1,293
Actual vs Budget	\$ (595)	\$ (547)	\$ (606)	\$ (552)	\$ (640)	\$ (774)	\$ (3,713)	\$ (619)
Actual vs Prior Year	\$ (169)	\$ 38	\$ (14)	\$ 7	\$ 19	\$ 41	\$ (78)	\$ (13)
Total Sales								
Actuals	\$ 2,896,192	\$ 2,985,254	\$ 2,755,286	\$ 2,838,322	\$ 2,844,779	\$ 2,770,413	\$ 17,090,247	\$ 2,848,374
Actual vs Budget	\$ (246,941)	\$ (238,926)	\$ (445,953)	\$ (166,214)	\$ (289,145)	\$ (467,300)	\$ (1,854,479)	\$ (309,080)
Actual vs Prior Year	\$ 405,148	\$ 227,154	\$ 144,532	\$ 338,159	\$ 331,561	\$ 59,686	\$ 1,506,241	\$ 251,040

NEW BRAUNFELS UTILITIES
Wastewater Usage (Gallons)
For Month Ending January 31, 2024

DESCRIPTION	2023 AUG	2023 SEP	2023 OCT	2023 NOV	2023 DEC	2024 JAN	FY 2024 YTD	
							ACT	AVG
Residential								
Actuals	104,591,818	110,400,361	98,017,580	104,695,640	106,901,538	102,505,493	627,112,432	104,518,739
Prior Year	105,945,683	113,046,276	100,144,142	99,574,341	99,394,434	165,422,006	683,526,882	113,921,147
Multi-Unit 2-4								
Actuals	835,859	859,259	803,385	849,140	838,636	814,487	5,000,766	833,461
Prior Year	834,405	876,991	783,357	774,377	790,783	904,980	4,964,893	827,482
Multi-Unit 5+								
Actuals	26,464,494	26,498,569	21,294,621	23,400,792	23,794,355	23,835,720	145,288,551	24,214,759
Prior Year	25,753,140	28,032,246	23,907,336	22,819,107	22,650,042	27,891,169	151,053,040	25,175,507
SGS								
Actuals	147,287,980	131,416,134	111,637,606	114,268,301	111,907,830	102,975,607	719,493,460	119,915,577
Prior Year	130,005,417	129,722,018	125,164,836	97,417,889	104,504,690	119,839,409	706,654,261	117,775,710
Schertz Sewer								
Actuals	433,200	437,700	429,500	435,300	402,200	434,500	2,572,400	428,733
Prior Year	145,500	141,667	144,733	144,333	131,933	140,267	848,433	141,406
Total Sales								
Actuals	279,613,351	269,612,023	232,182,693	243,649,174	243,844,560	230,565,808	1,499,467,609	249,911,268
Prior Year	262,684,145	271,819,198	250,144,405	220,730,048	227,471,883	314,197,831	1,547,047,510	257,841,252

NEW BRAUNFELS UTILITIES
Wastewater Customers
For Month Ending January 31, 2024

DESCRIPTION	2023	2023	2023	2023	2023	2024	FY 2024 YTD
	AUG	SEP	OCT	NOV	DEC	JAN	AVG
Residential							
Actuals	32,187	32,472	32,558	32,545	32,691	32,878	32,555
Budget	34,071	34,211	34,352	34,494	34,636	34,779	34,424
Prior Year	31,424	31,569	31,602	31,627	31,697	31,757	31,613
Multi-Unit 2-4							
Actuals	173	186	189	188	188	187	185
Budget	182	182	182	182	182	182	182
Prior Year	174	174	173	174	175	175	174
Multi-Unit 5+							
Actuals	261	268	269	269	270	270	268
Budget	260	261	263	265	267	268	264
Prior Year	256	257	259	258	258	258	258
SGS							
Actuals	2,158	2,167	2,168	2,167	2,185	2,191	2,173
Budget	2,135	2,139	2,142	2,146	2,150	2,154	2,144
Prior Year	2,125	2,127	2,131	2,131	2,134	2,127	2,129
Schertz Sewer							
Actuals	1	1	1	1	1	1	1
Budget	1	1	1	1	1	1	1
Prior Year	1	1	1	1	1	1	1
Total Accounts							
Actuals	34,780	35,094	35,185	35,170	35,335	35,527	35,182
Budget	36,648	36,794	36,941	37,088	37,236	37,384	37,015
Prior Year	33,980	34,128	34,166	34,191	34,265	34,318	34,175

New Customers	85	314	91	(15)	165	192	139
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New Customer Growth %	0.2%	0.9%	0.3%	0.0%	0.5%	0.5%	0.4%
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NEW BRAUNFELS UTILITIES
Wastewater Rates (per Customer)
For Month Ending January 31, 2024

DESCRIPTION	2023	2023	2023	2023	2023	2024	FY 2024 YTD
	AUG	SEP	OCT	NOV	DEC	JAN	AVG
Residential							
Actuals	\$ 50.34	\$ 54.82	\$ 51.93	\$ 53.38	\$ 53.80	\$ 52.69	\$ 52.83
Budget	\$ 55.09	\$ 57.06	\$ 56.74	\$ 54.29	\$ 57.06	\$ 58.56	\$ 56.47
Prior Year	\$ 45.57	\$ 50.75	\$ 48.01	\$ 47.87	\$ 47.86	\$ 50.20	\$ 48.38
Multi-Unit 2-4							
Actuals	\$ 82.97	\$ 87.52	\$ 84.22	\$ 85.78	\$ 85.67	\$ 84.60	\$ 85.13
Budget	\$ 87.80	\$ 91.78	\$ 91.48	\$ 87.08	\$ 90.01	\$ 92.65	\$ 90.13
Prior Year	\$ 73.98	\$ 81.69	\$ 78.58	\$ 78.06	\$ 78.31	\$ 82.66	\$ 78.88
Multi-Unit 5+							
Actuals	\$ 1,389.97	\$ 1,378.22	\$ 1,216.35	\$ 1,278.26	\$ 1,295.02	\$ 1,292.97	\$ 1,308.47
Budget	\$ 1,490.48	\$ 1,535.99	\$ 1,518.40	\$ 1,405.67	\$ 1,491.88	\$ 1,532.25	\$ 1,495.78
Prior Year	\$ 1,266.40	\$ 1,372.15	\$ 1,291.75	\$ 1,248.57	\$ 1,236.11	\$ 1,396.67	\$ 1,301.94
SGS							
Actuals	\$ 415.83	\$ 377.50	\$ 332.14	\$ 341.38	\$ 329.04	\$ 306.59	\$ 350.41
Budget	\$ 403.40	\$ 398.37	\$ 389.25	\$ 345.61	\$ 344.93	\$ 357.97	\$ 373.26
Prior Year	\$ 339.06	\$ 370.38	\$ 349.11	\$ 304.69	\$ 310.45	\$ 348.06	\$ 336.96
Schertz Sewer							
Actuals	\$ 1,306.75	\$ 1,320.32	\$ 1,295.59	\$ 1,313.08	\$ 1,213.24	\$ 1,310.67	\$ 1,293.28
Budget	\$ 1,902.07	\$ 1,866.97	\$ 1,901.70	\$ 1,864.68	\$ 1,853.06	\$ 2,084.54	\$ 1,912.17
Prior Year	\$ 1,476.00	\$ 1,282.01	\$ 1,309.76	\$ 1,306.14	\$ 1,193.93	\$ 1,269.34	\$ 1,306.20



Financial Update

January 2024 Financials
Kimberly Huffman
Accounting Manager

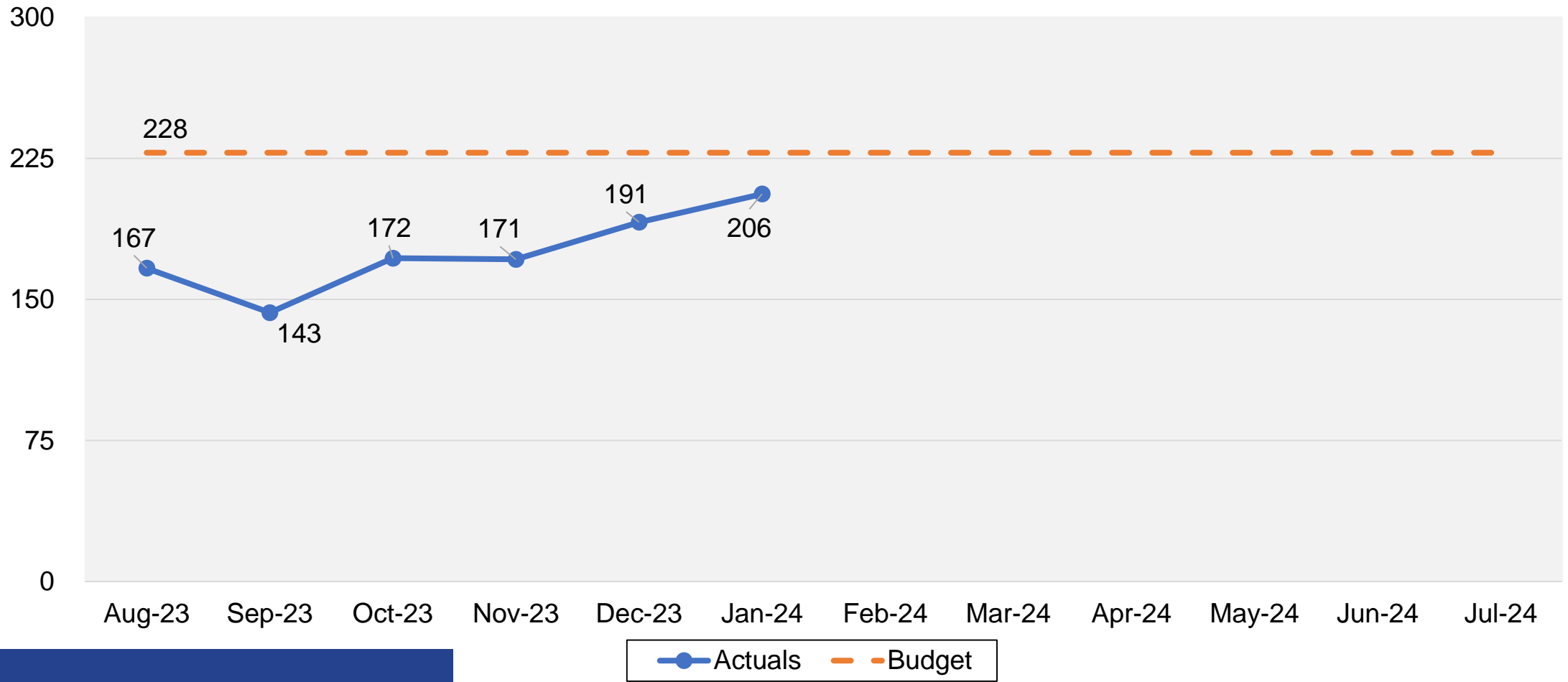
Board Financial Policy Compliance

January 2024 YTD

	FY 2023 Actual	FY 2024 Budget	Financial Policy	FY 2024 Actual*
Debt to Capitalization (lower is better)	44.5%	47.4%	≤55.0%	37.5%
Debt Service Coverage (higher is better)	5.44	4.28	≥2.40	5.38
Days Cash on Hand (higher is better)	162	228	≥140	206
Days Liquidity on Hand (higher is better)	352	N/A	N/A	377

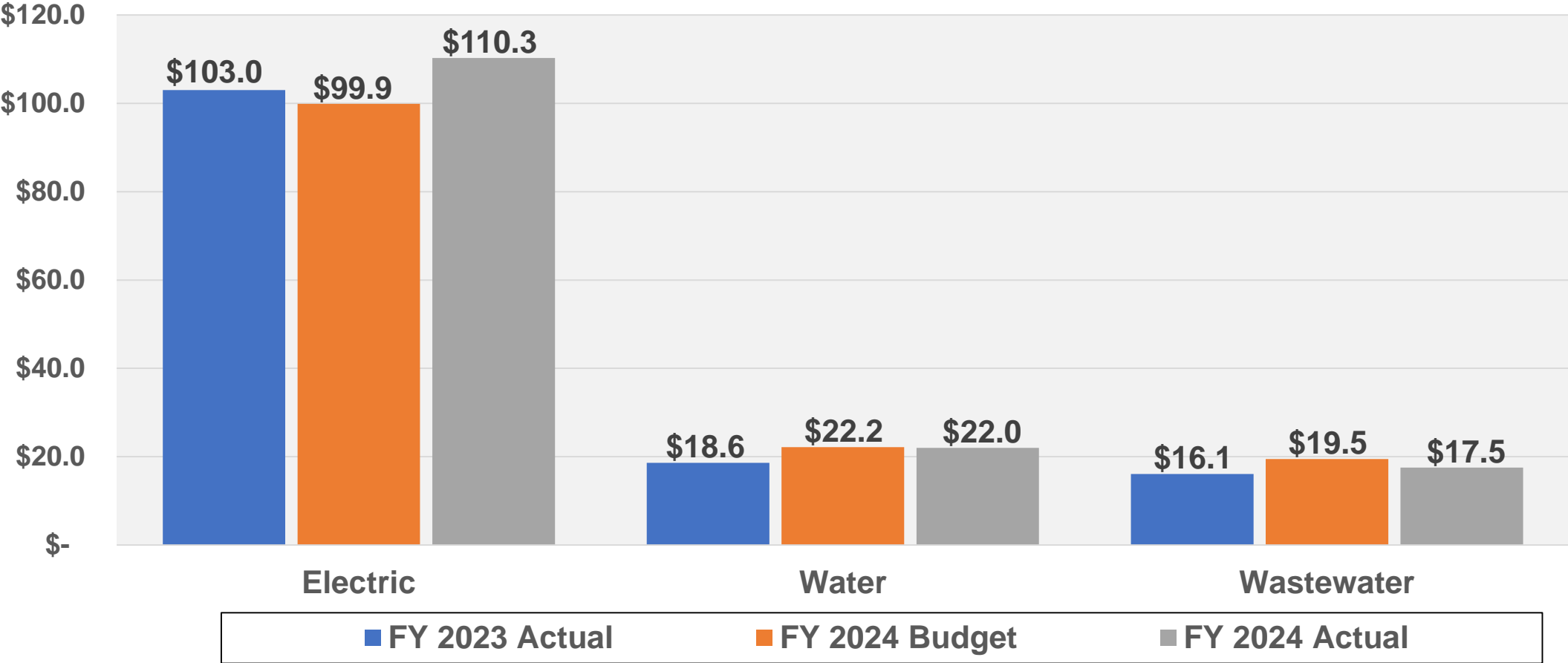
* Amounts are calculated by annualizing the YTD results

Days Cash on Hand January 2024 YTD



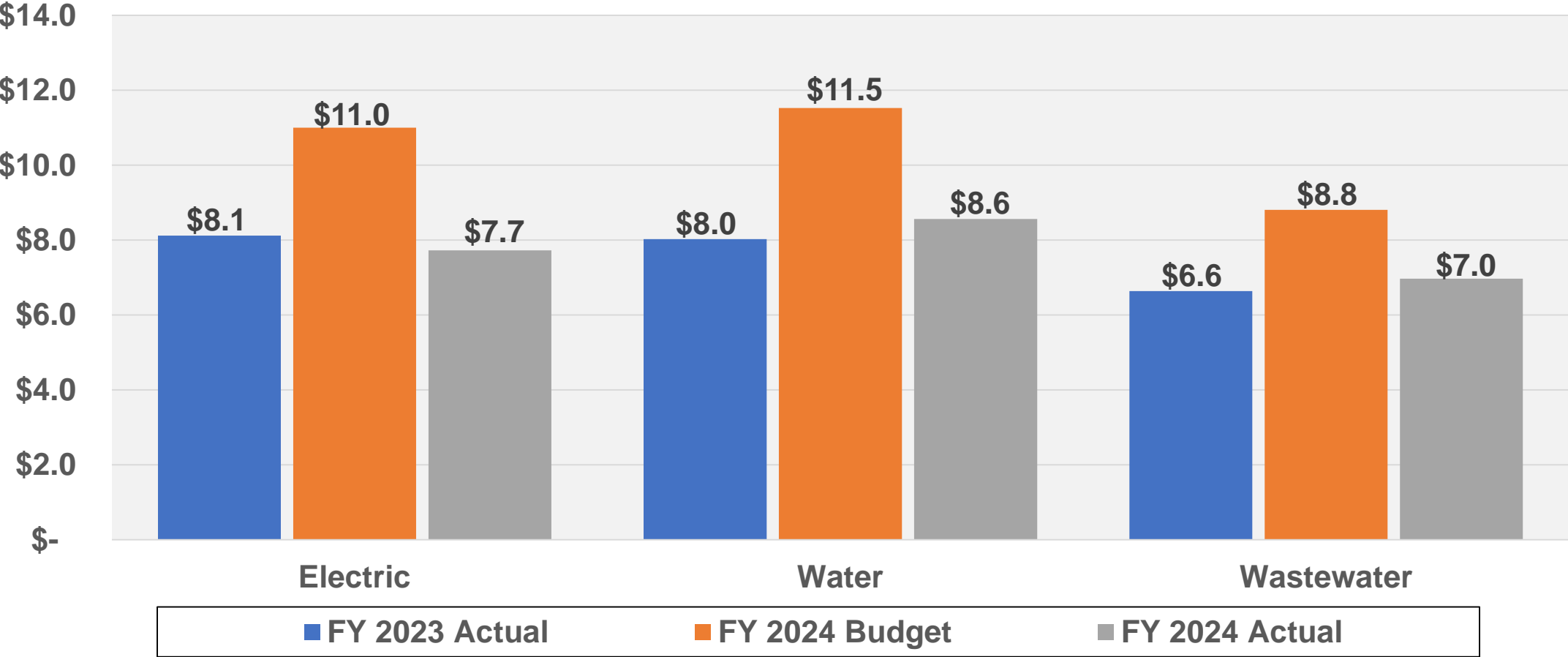
Operating Revenue by LOB

January 2024 YTD – Amounts in Millions



Operating Expenses* by LOB

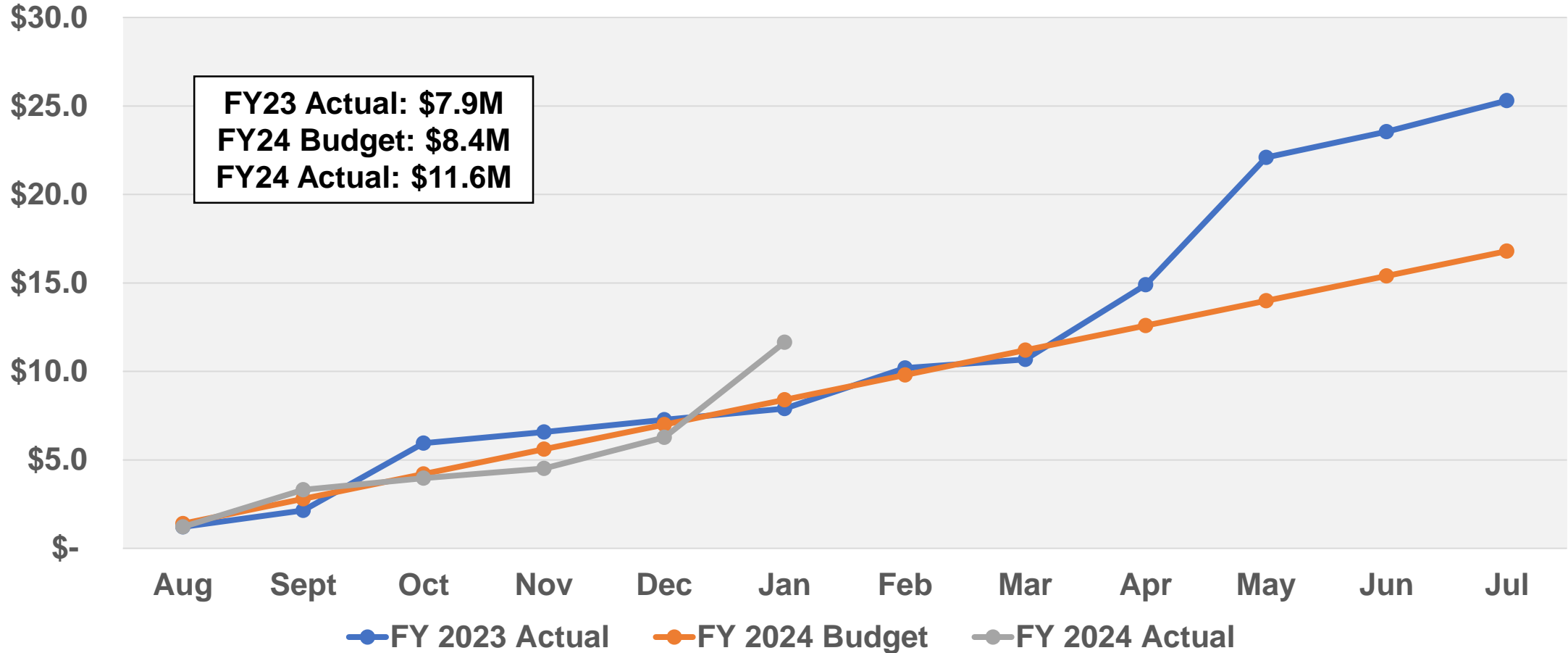
January 2024 YTD – Amounts in Millions



*Excludes purchased power, purchased water, and depreciation expense

Impact Fees

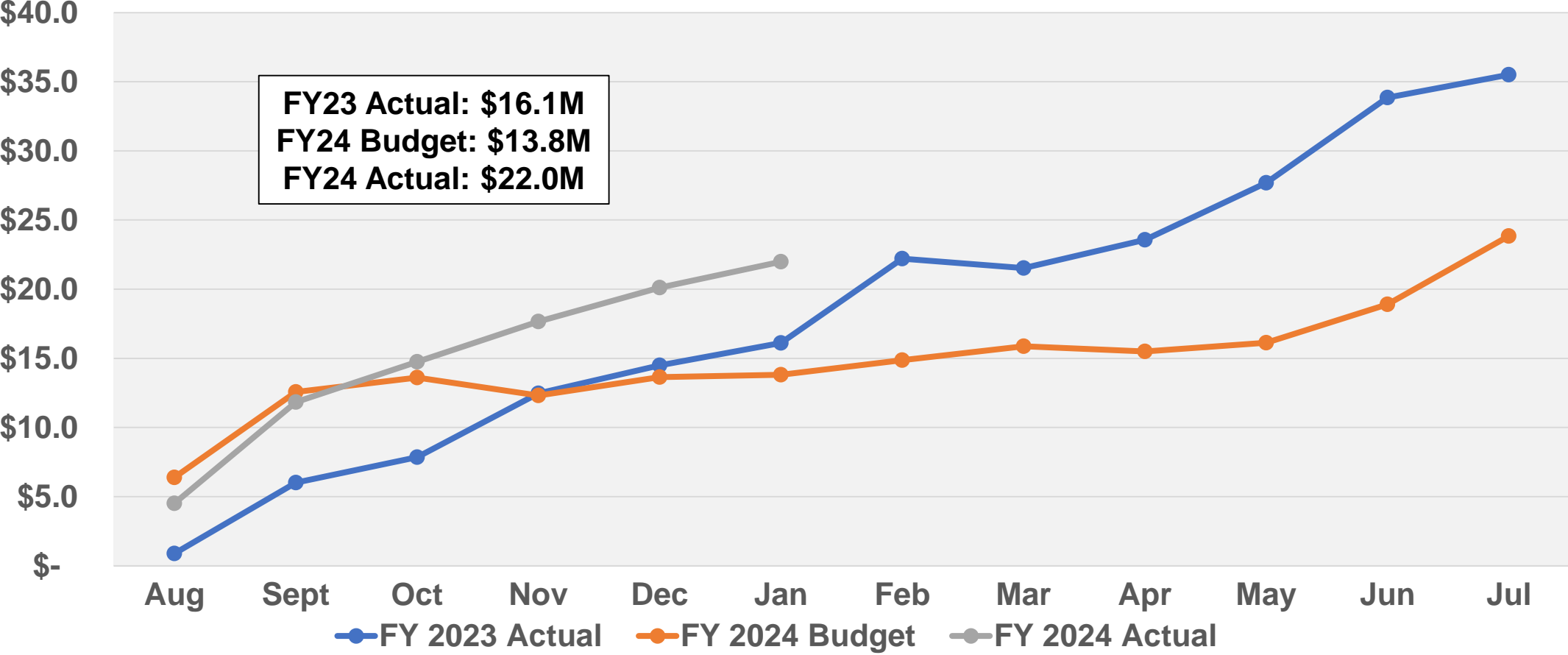
January 2024 YTD – Amounts in Millions*



* Amounts shown are YTD for each month

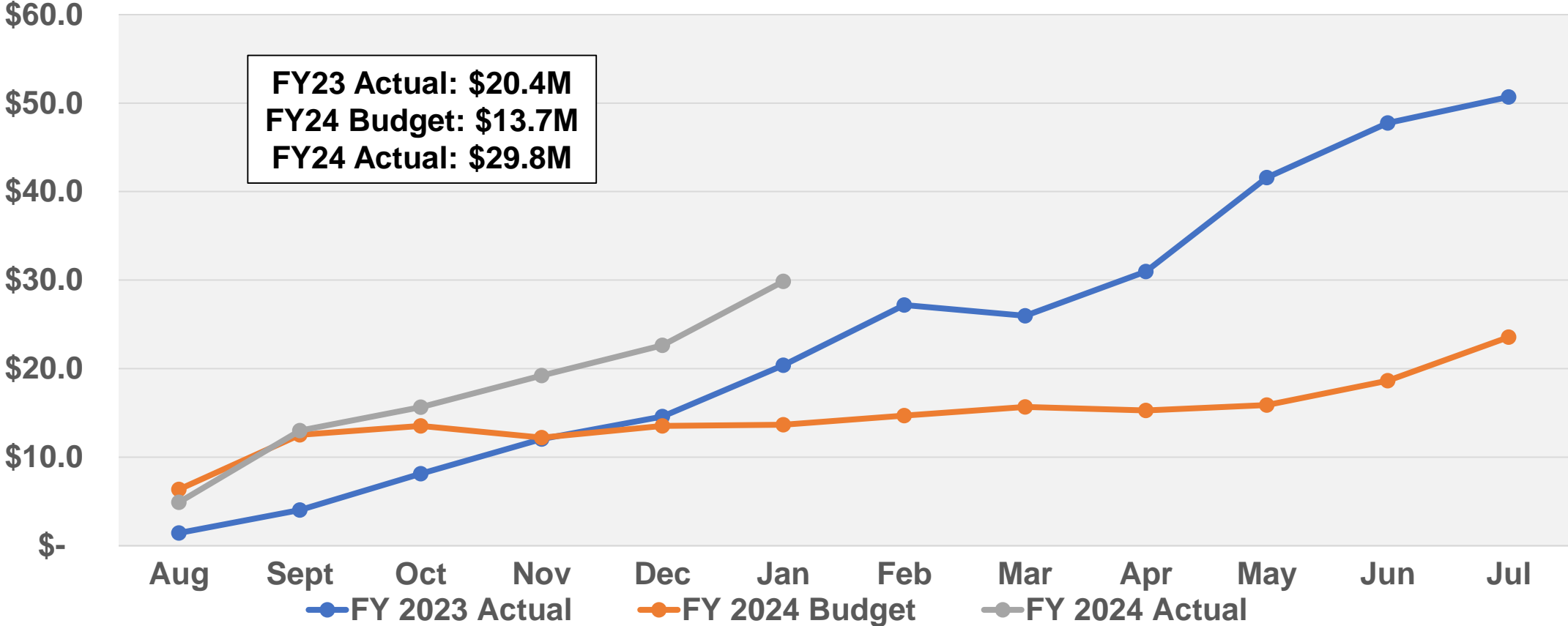
Net Operating Income

January 2024– Amounts in Millions*



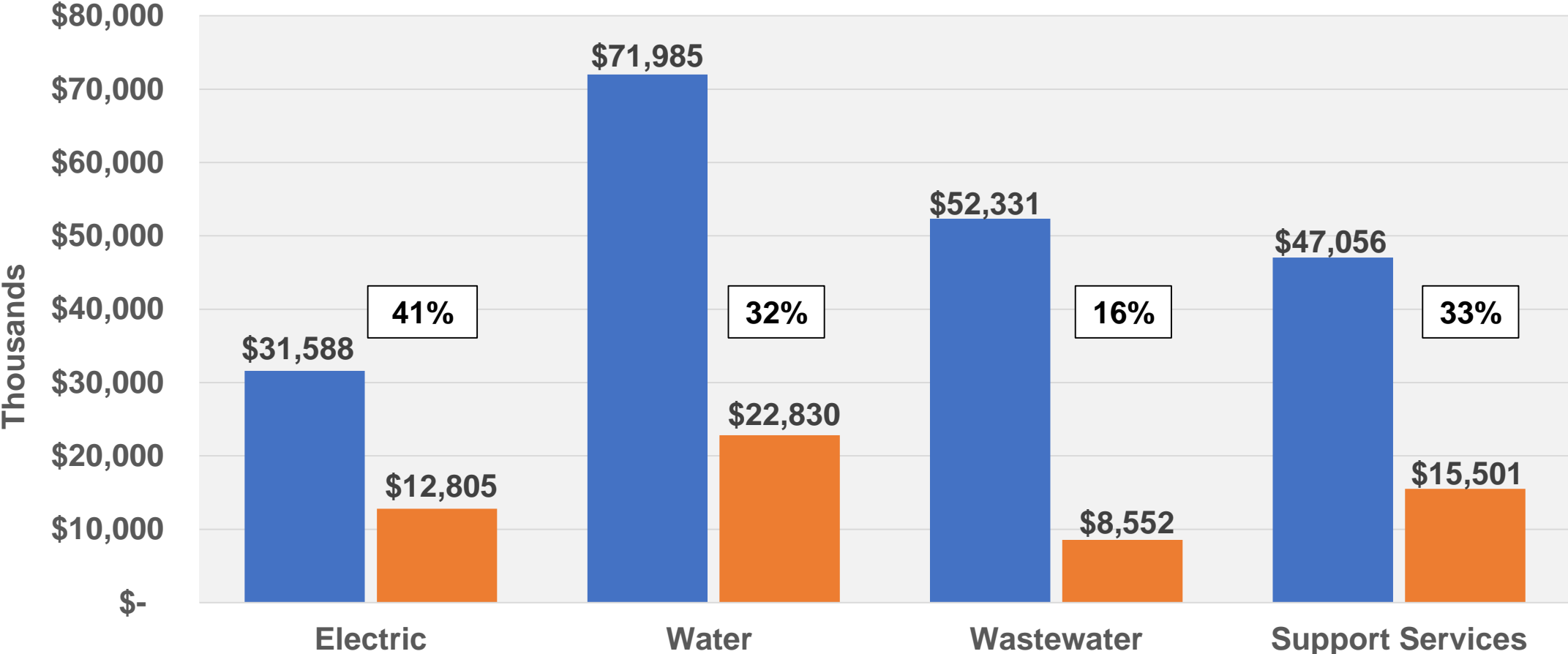
* Amounts shown are YTD for each month

Change in Net Position After Contributions January 2024– Amounts in Millions*



* Amounts shown are YTD for each month

Capital Project Expenditures January 2024 YTD – Amounts in Thousands



■ Budget ■ Actual



Questions?



Meeting Date: February 29, 2024 **Agenda Type:** Items from Staff

From: John Warren **Reviewed by:** Ashley Van Booven
 Finance Manager Director of Finance

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

RECOMMENDED ACTION: Quarterly Investment Report

BACKGROUND

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, 2024. Attached is the NBU Investment Portfolio beginning October 31, 2023, and ending January 31, 2024.

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

NBU budgeted \$5,173,000 in interest income for FY 2024.

LINK TO STRATEGIC PLAN

People and Culture

Financial Excellence

EXHIBITS

1. Quarterly Investment Report

New Braunfels Utilities
Quarterly Investment Report
10/31/2023 – 01/31/2024

Investment Balances and Activity

As required by the Public Funds Investment Act and the New Braunfels Utilities Investment Policy, the Investment Officers of NBU hereby submit this quarterly report of investment activity for the quarter ended January 31, 2024. Statement No. 31 of the Governmental Accounting Standards Board, effective for reporting periods beginning after June 15, 1997, mandates fair value accounting on investments held by public entities. Attached is the NBU Investment Portfolio beginning October 31, 2023 and ending January 31, 2024. 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.

The fair values of the Federally Insured Cash Account, Pooled, and Money Market Fund Groups (including \$47,020,213.84 in demand deposits and \$38,055,075.10 in escrow funds at January 31, 2024). for the beginning and end of the reporting period are as follows:

	Fair Value
10/31/2023	\$157,587,931.54
01/31/2024	\$158,865,622.68

NBU had additions to the Pooled Fund Groups of \$61,958,772.39 and withdrawals totaling \$60,681,081.25.

The fair values of the Separately Invested Assets for the beginning and end of the reporting period are as follows:

	Fair Value
10/31/2023	\$46,751,876.68
01/31/2024	\$45,118,683.45

NBU had additions to the Separately Invested Assets of \$24,689,245.66 and withdrawals of \$27,000,000.00 due to maturities. The change in fair value due to amortization of premium and discount and mark to market changes from October 31, 2023 to January 31, 2024 was an increase of \$677,561.11.

The fair values of the entire portfolio for the beginning and end of the reporting period for the quarter ended January 31, 2024 are as follows:

	Fair Value
10/31/2023	\$204,339,808.22
01/31/2024	\$203,984,306.13

New Braunfels Utilities
Quarterly Investment Report
10/31/2023 – 01/31/2024

Compliance with GAAP

The investment portfolio complied with generally accepted accounting principles (GAAP) throughout the quarter. Although the Public Funds Investment Act requires book value accounting for investments, it also contains a clause that requires conformance to GAAP. Statement No. 31 supersedes the Public Funds Investments Act in the GAAP hierarchy and mandates fair value accounting. The fair market value of investments was determined by utilizing a third-party service provider, ICE Data Pricing and Reference Data, LLC, formerly called Interactive Data Pricing.

Compliance with NBU Investment Policy

The investment portfolio funds are invested in compliance with the strategies outlined in the NBU Investment Policy, which the Board re-affirmed on March 30, 2023. Investments in each security type are within the allowable range established by the Investment Policy. The investment portfolio's weighted-average maturity of 33 days and weighted-average maturity to first call date of 21 days are within the 450 days and 300 days limit, respectively, stated in the NBU Investment Policy. Please note that the WAM and WAMC do not include the investment in the Community Assistance Fund, which was specifically authorized in the Investment Policy to permit investments up to ten years.

NBU is also required to maintain daily liquid funds of at least 30 days of budgeted operating expenses. At January 31, 2024, NBU had daily liquid funds of 227 days. Pooled investments are in no load money market mutual funds and eligible specified investment pools that are continuously rated AAA or higher by at least one nationally recognized rating agency and that have a dollar-weighted average stated maturity of 90 days or less. These same investments maintain a stable net asset value of \$1 for each share.

NBU has obtained collateral reports at quarter-end from third party custodians that confirm the collateral securities in NBU's name are at least equal to or greater than the required amount of uninsured balances as of January 31, 2024.

NBU Investment Officers:



Finance Manager



Director of Finance



Chief Financial Officer



NBU Investments
GASB 31 Compliance Detail
Sorted by Fund - Fund
November 1, 2023 - January 31, 2024

CUSIP	Investment #	Fund	Maturity Date	Beginning Invested Value	Purchase of Principal	Addition to Principal	Redemption of Principal	Change in Market Value/Amortization	Ending Invested Value
Fund: Special Funds-Cont. Sys.									
313384PG8	10903	114F	11/15/2023	998,004.73	-	-	1,000,000.00	1,995.27	-
313384XF1	10914	114F	05/24/2024	-	3,928,460.00	-	-	6,813.32	3,935,273.32
912797FK8	10901	114F	11/16/2023	5,986,825.02	-	-	6,000,000.00	13,174.98	-
912797JV0	10913	114F	05/07/2024	-	2,948,611.83	-	-	9,932.16	2,958,543.99
			Subtotal	6,984,829.75	6,877,071.83	-	7,000,000.00	31,915.73	6,893,817.31
Fund: Consumer Deposit									
3130APM77	10869	119F	11/24/2023	1,993,533.20	-	-	2,000,000.00	6,466.80	-
3130APMC6	10870	119F	11/24/2023	1,993,436.62	-	-	2,000,000.00	6,563.38	-
912797GN1	10907	119F	02/15/2024	4,921,935.40	-	-	-	67,879.85	4,989,815.25
912797GP6	10912	119F	02/29/2024	-	6,942,848.50	-	-	28,532.07	6,971,380.57
			Subtotal	8,908,905.22	6,942,848.50	-	4,000,000.00	109,442.10	11,961,195.82
Fund: Special Funds- Community Assistance									
912828YS3	10853	117F	11/15/2029	4,201,757.80	-	-	-	264,062.50	4,465,820.30
			Subtotal	4,201,757.80	-	-	-	264,062.50	4,465,820.30
Fund: Unrestricted Short Term									
313384SE0	10906	110F	01/24/2024	3,951,957.56	-	-	4,000,000.00	48,042.44	-
912797FV4	10905	110F	12/21/2023	3,970,555.56	-	-	4,000,000.00	29,444.44	-
			Subtotal	7,922,513.12	-	-	8,000,000.00	77,486.88	-
Fund: Bond Reserve Fund									
3130ANRB8	10867	170F	12/17/2024	1,891,526.64	-	-	-	37,797.44	1,929,324.08
3130AVRK0	10909	170F	05/17/2024	4,993,862.45	-	-	-	4,446.65	4,998,309.10
3130AXRV2	10911	170F	11/28/2025	-	2,000,000.00	-	-	(2,611.36)	1,997,388.64
3130AYBQ8	10915	170F	12/26/2024	-	3,996,436.44	-	-	4,238.96	4,000,675.40
313384PG8	10902	170F	11/15/2023	4,990,023.65	-	-	5,000,000.00	9,976.35	-
313384WR6	10910	170F	05/10/2024	-	4,872,888.89	-	-	56,138.91	4,929,027.80
3133EMMN9	10862	170F	01/11/2024	2,969,083.05	-	-	3,000,000.00	30,916.95	-
91282CCC3	10864	170F	05/15/2024	3,889,375.00	-	-	-	53,750.00	3,943,125.00
			Subtotal	18,733,870.79	10,869,325.33	-	8,000,000.00	194,653.90	21,797,850.02
Total				46,751,876.68	24,689,245.66	-	27,000,000.00	677,561.11	45,118,683.45
								Change due to amortization of premium/discount	275,839.59
								Change due to mark to market	401,721.52
								Total	677,561.11



NBU Investments
GASB 31 Compliance Detail
Sorted by Fund - Fund
November 1, 2023 - January 31, 2024

Investment #	Fund	Beginning Invested Value	Purchase of Principal	Addition to Principal	Redemption of Principal	Change in Market Value	Ending Invested Value		
FEDERALLY INSURED CASH ACCOUNT, POOLED, AND MONEY MARKET FUND GROUPS									
TexPool - Commercial Paper Series A	RRP	10845	191	6,480,830.15	-	10,087,106.21	12,223,595.37	-	4,344,340.99
TexPool - Commercial Paper Series B	RRP	10846	192	379.43	-	5.52	-	-	384.95
TexPool - Impact Fees W	SYS10090	10090	184F	15,107,577.78	-	5,236,783.16	7,823,429.22	-	12,520,931.72
TexPool - Temp-Cash	SYS10149	10149	110T	108,910.89	-	1,478.64	-	-	110,389.53
TexPool - Impact Fees S	SYS10221	10221	185F	7,244,035.39	-	2,057,919.08	4,759,341.24	-	4,542,613.23
TexPool - Central Facilities-W	SYS10224	10224	182F	941.08	-	12.88	-	-	953.96
TexPool - Central Facilities-S	SYS10225	10225	183F	0.01	-	-	-	-	0.01
Texas Daily - Temp-Cash	SYS10244	10244	110D	10,564,930.69	-	7,672.25	10,000,000.00	-	572,602.94
Texas Daily - I&P 2004	SYS10543	10544	163	192,687.62	-	137,961.93	-	-	330,649.55
TexPool - Consumer Deposit	SYS10572	10572	119T	3,700,735.03	-	4,276,178.32	6,942,848.50	-	1,034,064.85
TexPool - Contingency Systems	SYS10572	10573	114F	6,688,445.14	-	7,145,479.71	6,877,071.83	-	6,956,853.02
TexPool - Bond Reserve	SYS10701	10701	170	2,992,170.69	-	28,014.86	2,878,614.23	-	141,571.32
Texas Daily - I&P 2015	SYS10763	10763	167	600,219.49	-	435,567.23	480,828.13	-	554,958.59
StoneCastle - Community Assistance	SYS10779	10779	117SC	43,952.19	-	578.59	-	-	44,530.78
Texas Daily - I&P 2016	SYS10788	10788	168	1,003,028.98	-	730,504.99	1,026,400.01	-	707,133.96
Frost Bank - General Fund	SYS10809	10809	110FGF	23,656,839.60	-	22,521,423.27	288,577.64	-	45,889,685.23
Frost Bank - Payroll Fund	SYS10810	10810	110FPR	1,506,343.12	-	922,956.82	1,298,771.33	-	1,130,528.61
Texas Daily - I&P 2018	SYS10831	10831	169	999,474.82	-	737,213.89	874,912.50	-	861,776.21
TexPool - Power Stabilization Fund	SYS10849	10849	195	23,116,358.81	-	3,309,329.66	-	-	26,425,688.47
Texas Daily - I&P 2020	SYS10855	10855	196	1,807,162.29	-	1,313,793.87	1,641,650.00	-	1,479,306.16
TexPool - Taxable Note Payment Fund	SYS10863	10863	197	0.01	-	-	-	-	0.01
Texas Daily - I&P 2021	SYS10866	10866	198	1,281,057.35	-	934,112.23	1,293,950.00	-	921,219.58
StoneCastle - Contingency Systems	SYS10880	10880	114SC	10,552,154.33	-	138,910.58	-	-	10,691,064.91
Texas Daily - I&P 22	SYS10889	10889	199	1,629,524.68	-	1,186,259.58	1,819,125.00	-	996,659.26
Texas Daily - I&P 22A	SYS10894	10894	200	482,254.64	-	352,781.28	451,966.25	-	383,069.67
Bond Fund 22A	SYS10896	10896	201	37,670,563.21	-	384,511.89	-	-	38,055,075.10
Texas CLASS - Temp-Cash	SYS10904	10904	110TC	57,221.80	-	760.78	-	-	57,982.58
TexPool - One Water Fund	SYS10908	10908	202	100,132.32	-	11,455.17	-	-	111,587.49
Total		157,587,931.54	-	61,958,772.39	-	60,681,081.25	-	-	158,865,622.68
Portfolio Total		204,339,808.22	24,689,245.66	61,958,772.39	-	87,681,081.25	677,561.11	-	203,984,306.13

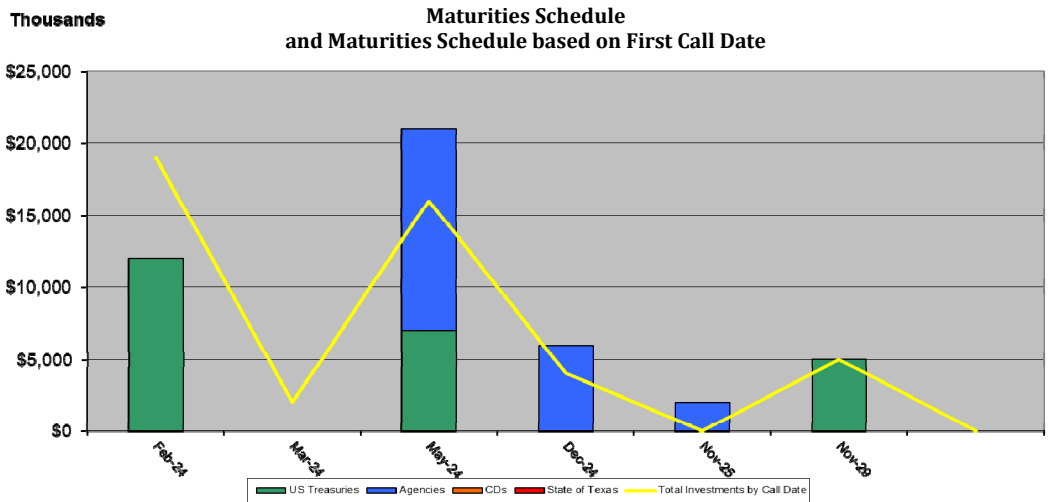
**New Braunfels Utilities
Investment Summary
Quarter Ended January 31, 2024
(000's)**



	Ending Invested Value	Percentage of Portfolio	Weighted Average Maturity (in days)	Weighted Average Days to Call
Daily Liquidity Funds				
Money Markets	\$ -	0.0%	1	1
Pooled Funds	63,054,738	30.9%	1	1
Total Money Markets & Pooled	\$ 63,054,738	30.9%	1	1
Federally Insured Cash Account	\$ 10,735,596	5.3%	1	1
Demand Deposits	47,020,214	23.1%	1	1
Daily Liquidity Funds Total	\$ 120,810,548	59.2%	1	1
Escrow Funds Total				
U.S. Agencies	\$ 21,789,998	10.7%	217	23
U.S. Treasuries *	23,328,685	11.4%	41	5
Certificates of Deposit	-	0.0%	0	0
Obligations of The State of Texas, Agencies & Instrumentalities	-	0.0%	0	0
Total Invested Funds	\$ 203,984,306	100.0%	33	21
			Max = 450	Max = 300

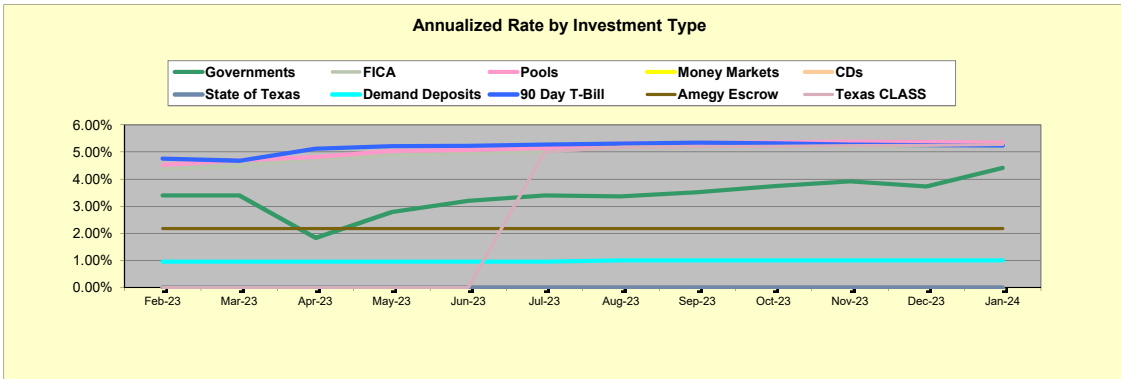
* WAM and WAM to Call exclude a \$5 Million investment in the Community Assistance Fund having a remaining maturity of 5.8 years.

Liquidity Requirement	
Total Daily Liquid Funds	\$ 120,810,548
Average Monthly Operating Expense (FY 2024 Budgeted Operating Expenses ÷ 12)	\$ 15,943,333
Operating Expense Liquidity Coverage Ratio	\$ 7.58
Number of Days Coverage of Operating Expenses	227
	Min = 30



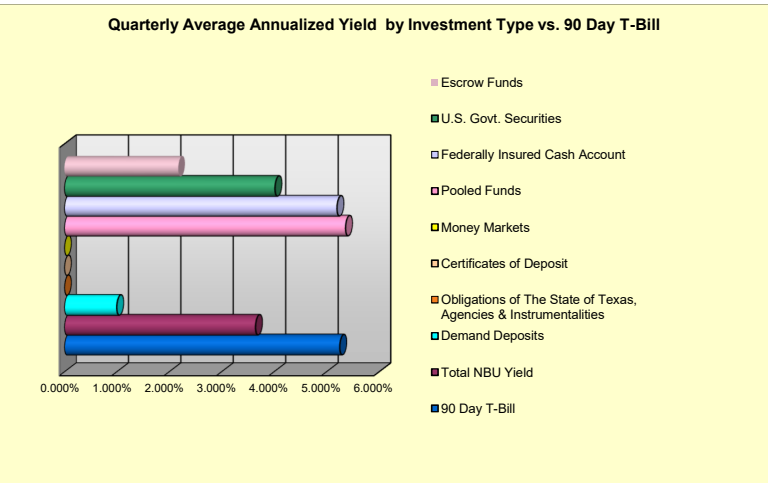
* U.S Treasury Securities include a \$5 Million 10 year Community Assistance investment with a remaining maturity of 5.8 years as an approved exception to the investment policy.

New Braunfels Utilities
Investment Comparison
Quarter Ended January 31, 2024



Quarterly Average Annualized Yield By Investment Type

U.S. Govt. Securities	4.019%
Federally Insured Cash Account	5.200%
Pooled Funds	5.364%
Money Markets	0.000%
Certificates of Deposit	0.000%
Obligations of The State of Texas, Agencies & Instrumentalities	0.000%
Demand Deposits	1.000%
Escrow Funds	2.173%
Total NBU Yield	3.648%
90 Day T-Bill	5.253%



Rolling Four Quarter Annualized Yield By Investment Type For The Fiscal Quarter Ended

	4/30/2023	7/31/2023	10/31/2023	1/31/2024	Rolling Four Quarter Average
U.S. Govt. Securities*	2.874%	3.127%	3.537%	4.019%	3.389%
Federally Insured Cash Account	4.527%	4.940%	5.193%	5.200%	4.965%
Pooled Funds	4.679%	5.082%	5.335%	5.364%	5.115%
Money Markets	0.000%	0.000%	0.000%	0.000%	0.000%
Certificates of Deposit	0.000%	0.000%	0.000%	0.000%	0.000%
Obligations of The State of Texas, Agencies & Instrumentalities	0.000%	0.000%	0.000%	0.000%	0.000%
Demand Deposits**	0.950%	0.950%	1.000%	1.000%	0.975%
Escrow Funds	2.173%	2.173%	2.173%	2.173%	2.173%
Total NBU Yield	3.090%	3.290%	3.719%	3.648%	3.437%
90 Day T-Bill	4.848%	5.243%	5.328%	5.253%	5.168%

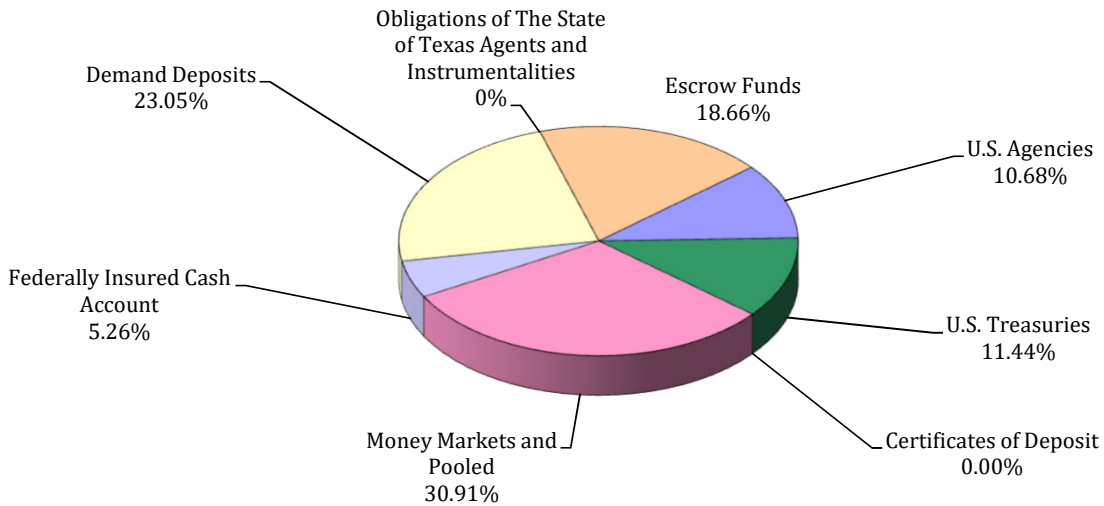
* U.S. Govt. Securities includes a \$5 million 10 year Community Assistance maturity at 1.79%

** 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.

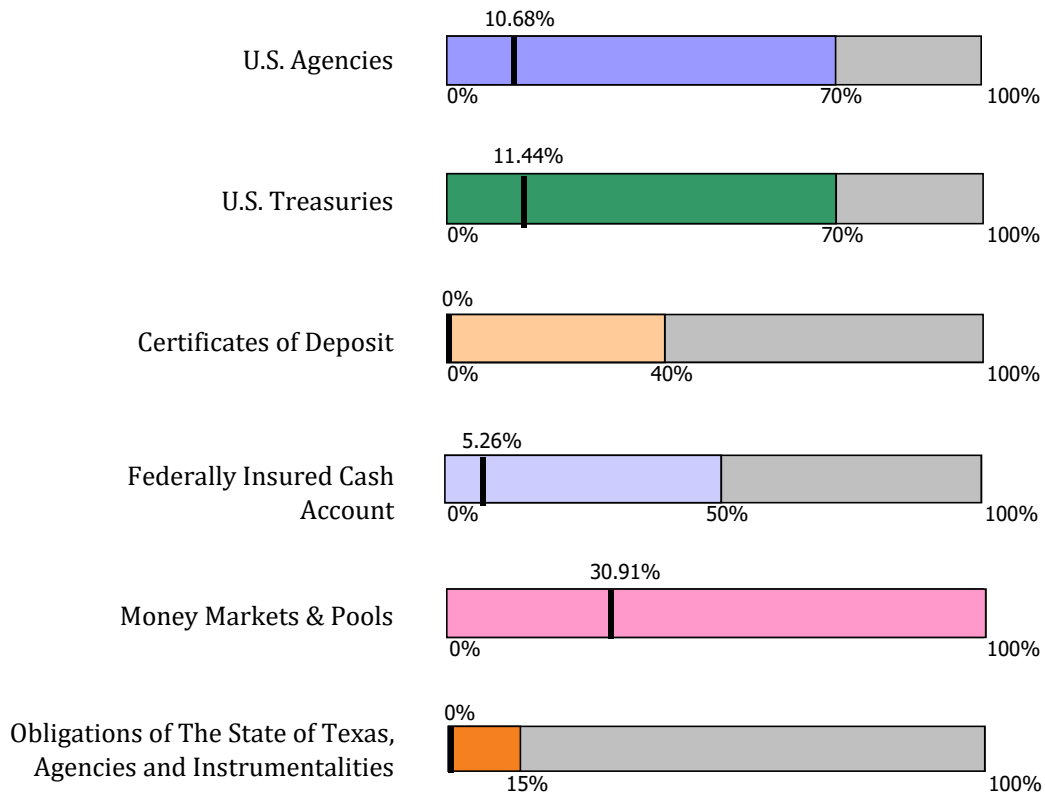
New Braunfels Utilities
Investment Portfolio Mix vs. Allowable Allocations
Quarter Ended January 31, 2024
(000's)



Investments by Type



Investment Allocations by Type vs. Allowable Allocation Range



Note: Colored area in bar represents allowable allocation range



Quarterly Investment Report As of January 31, 2024

John Warren
Finance Manager



Investment Portfolio Summary as of January 31, 2024

	Ending Invested Value	Percentage of Portfolio	Weighted Average Maturity (in days)	Weighted Average Days to Call
Daily Liquidity Funds				
Money Markets	\$ -	0.0%	1	1
Pooled Funds	63,054,738	30.9%	1	1
Total Money Markets & Pooled	\$ 63,054,738	30.9%	1	1
Federally Insured Cash Account	\$ 10,735,596	5.3%	1	1
Demand Deposits	47,020,214	23.1%	1	1
Daily Liquidity Funds Total	\$ 120,810,548	59.2%	1	1
Escrow Funds Total				
U.S. Agencies	\$ 21,789,998	10.7%	217	23
U.S. Treasuries *	23,328,685	11.4%	41	5
Certificates of Deposit	-	0.0%	0	0
Obligations of The State of Texas, Agencies & Instrumentalities	-	0.0%	0	0
Total Invested Funds	\$ 203,984,306	100.0%	33	21

Max = 450

Max = 300

* WAM and WAM to Call exclude a \$5 Million investment in the Community Assistance Fund having a remaining maturity of 5.8 years.

Liquidity Requirement	
Total Daily Liquid Funds	\$ 120,810,548
Average Monthly Operating Expense (FY 2024 Budgeted Operating Expenses ÷ 12)	\$ 15,943,333
Operating Expense Liquidity Coverage Ratio	\$ 7.58
Number of Days Coverage of Operating Expenses	227

Min = 30

Rolling Four Quarter
Annualized Yield
By Investment
Type For the
Fiscal Quarter Ended
January 31, 2024

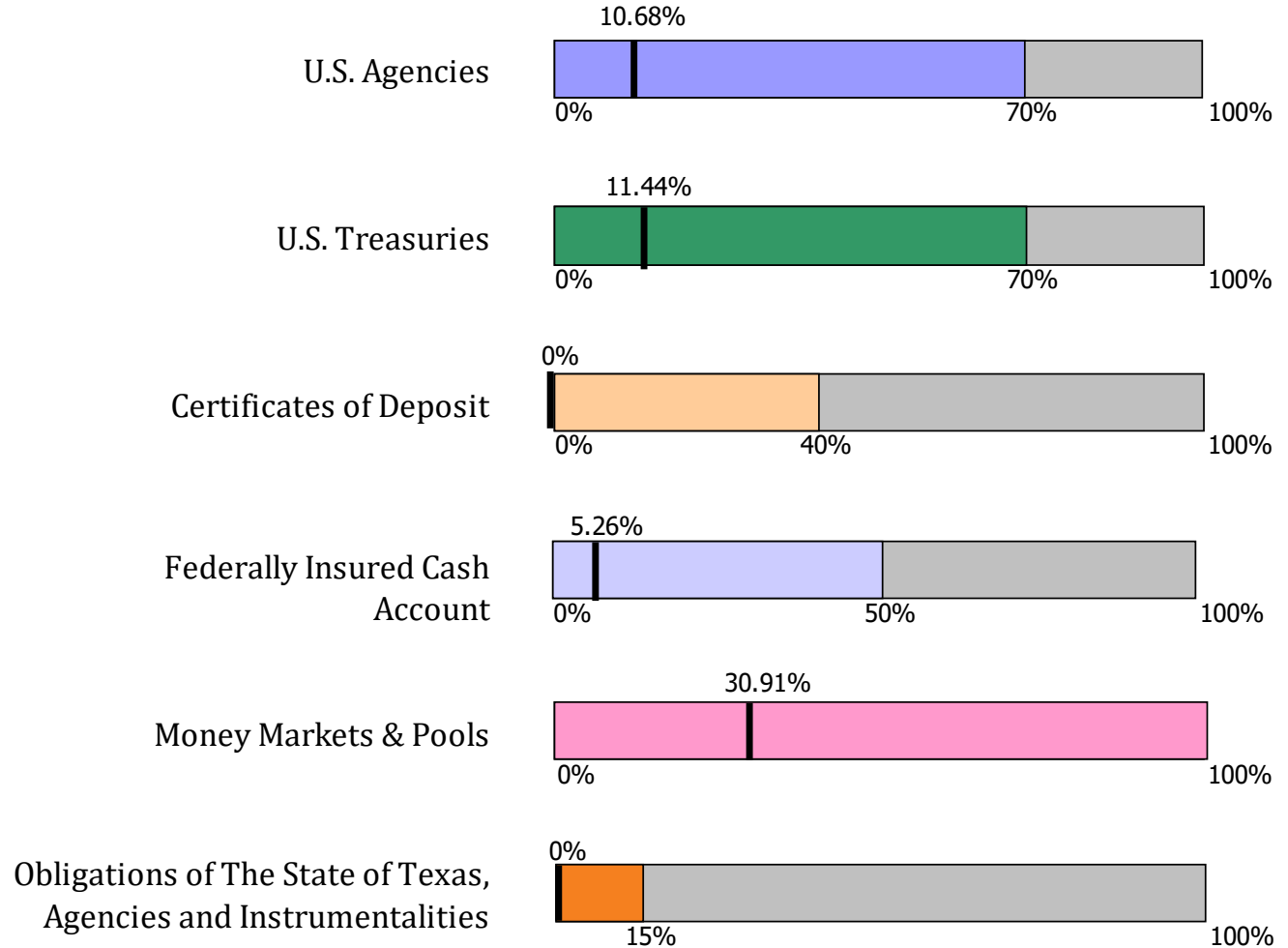
Rolling Four Quarter Annualized Yield By Investment Type For The Fiscal Quarter Ended		
	1/31/2024	Rolling Four Quarter Average
U.S. Govt. Securities*	4.019%	3.389%
Federally Insured Cash Account	5.200%	4.965%
Pooled Funds	5.364%	5.115%
Money Markets	0.000%	0.000%
Certificates of Deposit	0.000%	0.000%
Obligations of The State of Texas, Agencies & Instrumentalities	0.000%	0.000%
Demand Deposits**	1.000%	0.975%
Escrow Funds	2.173%	2.173%
Total NBU Yield	3.648%	3.437%
90 Day T-Bill	5.253%	5.168%

* 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.

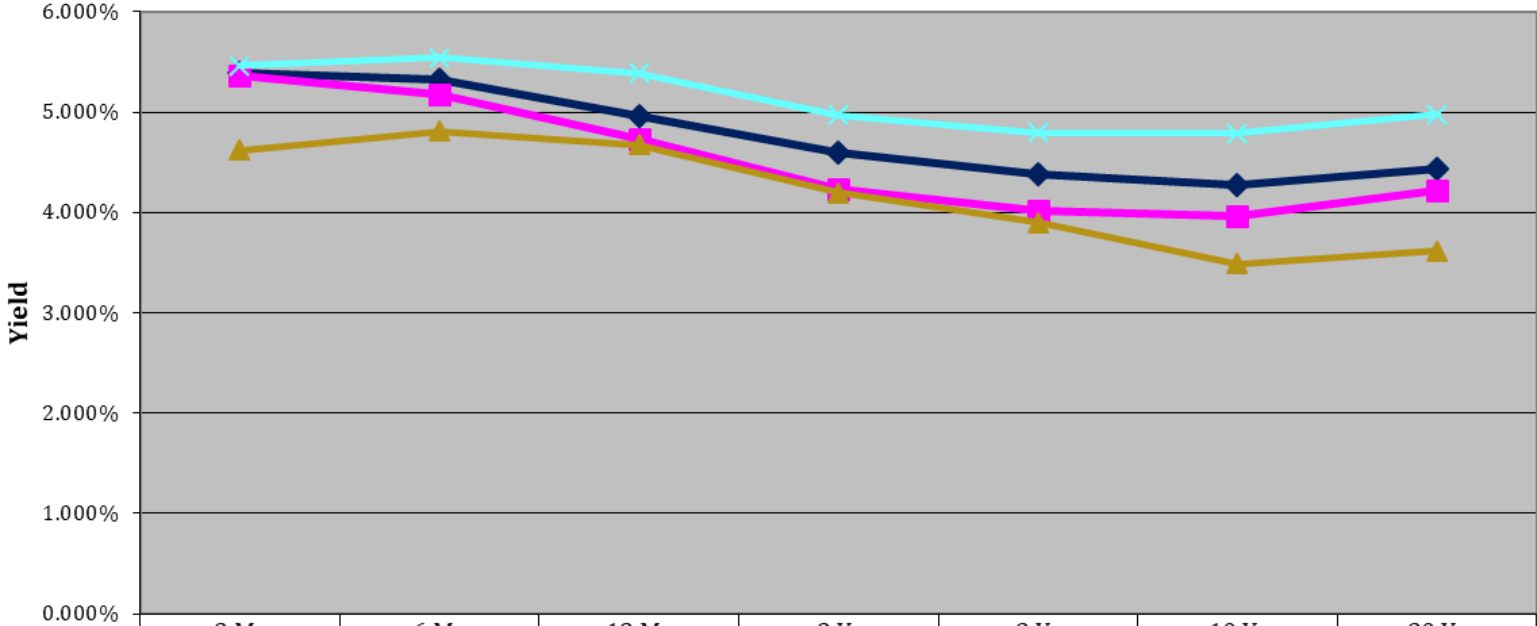
Investment Allocations
vs.
Investment Allowable Ranges
at
January 31, 2024

Investment Allocations by Type
vs. Allowable Allocation Range



Note: Colored area in bar represents allowable allocation range

U. S. Treasury Yield Curve as of February 21, 2024



	3 Mo	6 Mo	12 Mo	2 Yr	3 Yr	10 Yr	30 Yr
Current (02/21/2024)	5.390%	5.330%	4.960%	4.598%	4.380%	4.270%	4.440%
Quarter End (01/31/2024)	5.365%	5.175%	4.726%	4.229%	4.019%	3.965%	4.215%
Last Quarter (10/31/2023)	5.464%	5.545%	5.389%	4.971%	4.793%	4.791%	4.974%
Four Quarters Ago (01/31/2023)	4.623%	4.809%	4.673%	4.193%	3.897%	3.488%	3.619%

Commercial Paper

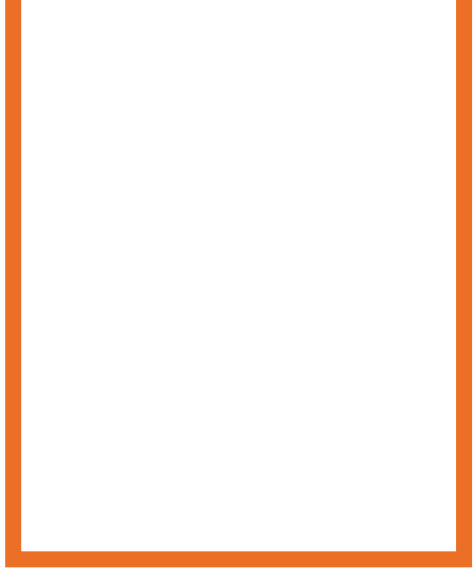
CUSIP	Par Amount	Nominal Rate	Issue Date	Maturity Date	Total Days	Total Interest
64257PBK5	15,000,000.00	3.80%	9/12/2023	11/8/2023	57	89,013.70
64257PBL3	25,000,000.00	4.40%	10/4/2023	11/8/2023	35	105,479.45
64257PBM1	25,000,000.00	4.30%	10/4/2023	12/12/2023	69	203,219.18
64257PBN9	1,500,000.00	4.00%	11/8/2023	11/14/2023	6	986.30
64257PBP4	5,000,000.00	4.00%	11/8/2023	12/12/2023	34	18,630.14
64257PBQ2	33,500,000.00	3.85%	11/8/2023	2/6/2024	90	317,672.99
64257PBR0	1,500,000.00	3.95%	11/14/2023	12/12/2023	28	4,545.21
64257PBS8	7,000,000.00	3.70%	12/12/2023	2/6/2024	56	39,667.19
64257PBT6	24,500,000.00	4.00%	12/12/2023	2/6/2024	56	150,092.07
64257PBU3	10,000,000.00	3.70%	12/20/2023	2/6/2024	48	48,557.82

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.





Questions?





Meeting Date: February 29, 2024 **Agenda Type:** Consent Items for Action

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

Submitted by: Laura Rivers
Chief of Staff **Approved by:** Ryan Kelso
Chief Executive Officer

RECOMMENDED ACTION: Approve Minutes of the NBU Regular Board Meeting of January 25, 2024

BACKGROUND

None

FINANCIAL IMPACT

None

LINK TO STRATEGIC PLAN

Customers and Community

EXHIBITS

- 1. January 25, 2024 Regular Board Meeting Minutes

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

**1:00 P.M.
Thursday, January 25, 2024
NBU Board Room
263 MAIN PLAZA, NEW BRAUNFELS, TEXAS 78130**

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

PRESENT

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

ABSENT

Board Trustee John Harrell

NBU PERSONNEL

Ryan Kelso, Dawn Schriewer, Connie Lock, Melissa Krause, David Hubbard, Greg Brown, and Laura Rivers

NBU CONSULTANTS

None

PLEDGE AND INVOCATION

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

NBU MISSION, VISION, AND CORE VALUES STATEMENT

Chief Strategic Communications and Safety Officer Melissa Krause shared the mission, vision, and core values of New Braunfels Utilities.

PUBLIC COMMENT

None

NBU EMPLOYEE RECOGNITIONS

1. Retirement Recognition of Manuel Estrada

Interim CEO Ryan Kelso recognized Manuel “Manny” Estrada, who retired with 5 years of dedicated service to NBU and a 46-year career in the electric industry.

2. Recognition of the 2023 Rising Star Recipient Brian McClure

Interim CEO Ryan Kelso recognized 2023 Rising Star Recipient Brian McClure.

ITEMS FROM THE CHAIR

1. **Report from the Governance Committee**

Board Vice President Judith Dykes-Hoffmann reported that the NBU Governance Committee met on January 9, 2024, and Board President Wayne Peters and NBU General Counsel Connie Lock were present. Topics discussed were a review of the major terms of the CEO Executive Agreement in relation to data benchmarked from other utilities and governmental entities. The Agreement was presented at the January 18, 2024, Board strategic retreat for consideration at the January 25, 2024, regular meeting. Additional topics included a discussion on the Board self-evaluation process to present at January 18, 2024, Board strategic meeting, the need to update the Governance Policies and provide related Board training.

3. **Report from the Facilities Master Planning Committee**

Board President Wayne Peters reported that the NBU Facility Master Planning Committee met on January 12, 2024, and John Harrell, Ryan Kelso, David Hubbard, Jacob Tschoepe, and Laura Ayala were present. Topics discussed were a market update, proposed updates to the Financial Policy, and the proposed Series 2024 bond issuance.

3. **Report from the Community Advisory Panel Board Committee: Kick-Off Agenda Planning Meeting for the NBU Integrated Resources Plan**

Board President Wayne Peters reported that the NBU CAP Board Committee met on December 7, 2023, and Wayne Peters, Mayor Neal Linnartz, Ryan Kelso, Laura Rivers, Laura Ayala, Darla Arnold, CAP Chair Justin Meadows, and CAP member Stuart Blythin were present. Topics discussed were CAP roles and responsibilities of the board committee and the panel, the preliminary meeting agenda for the first meeting, tentative meeting schedule. The committee is also recommending Stuart Blythin as Vice Chair.

ITEMS FROM STAFF

1. **Interim CEO Update**

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

- a. The NBU's Distributive Energy Resources (DER) Team spent an afternoon in San Antonio with CPS Energy to share knowledge and discuss all things DER. Topics included DER interconnection management, customer programs, and troubleshooting interconnection issues.
- b. NBU, in collaboration with the New Braunfels Food Bank, held a collaborative Toy Drive from November 22nd to December 15th. Toys were collected and delivered to families in the community.
- c. NBU Assistance Program Information and Update: The American Rescue Plan Act (ARPA) funding has concluded, and, additionally, the Comal County Cares (CCC) program is now closed. The initiative will now revert to its original branding as the NBU Utility Bill Assistance Program. The Texas Utility Help is not currently accepting utility assistance applications.

- d. NBU is participating in the Texas Public Power Corridor (TxPPC) Group: The group consists of Austin Energy, CPS Energy, New Braunfels Utilities, and Lower Colorado River Authority (LCRA). Topics they focus on are an 8-month-long Leadership Academy, now in its second cohort, an upcoming electric vehicle (EV) dashboard will be developed to forecast the growth of EVs in each utility's service territory, and a Mutual Aid agreement will be established between the participating entities.
- e. NBU University, a comprehensive program crafted to enhance our knowledge of the inner workings of our municipally-owned utility, held a meet-and-greet mixer on January 22, 2024. The first class is scheduled for February 6, 2024. NBU University will acquaint participants with NBU's Vision, Mission, Core Values, and Guiding Principles, provide insights into NBU operations, and foster an understanding of the relationships between citizens, the Board of Trustees, and employees. The NBU University Class of 2024 consists of Neil Rose, Mark Reber, Crissy Harris, Taylor Cano, Stacy Garrett, Delene Cornel, Rachel Behnke, Dr. Larry Johnson, Phillip Nickel, Larry Wicker, Katherine Crowe, Stacy Thigpen, Allyson Janzen, John Moss, William Joe Turner, Serena Morris, Laura Ayala, and Demian Kolb.
- f. The NBU Community Advisory Panel (CAP) Kickoff meeting was held on January 23, 2024. The role of the CAP is primarily to act as a guiding force, collaborating with NBU and experts to provide well-informed recommendations to the NBU Board of Trustees. The core focus areas include the Integrated Resource Plan, Drought Management Plan, and the Fiscal Years 2026 and 2027 Rate Design Study.
- g. Interim CEO Roadshow: On January 16th, 2024, a presentation of the NBU's Water Supply Diversity was shared with the Keller Williams Heritage Realtor Group.
- h. Update on NBU Chief Operations Officer Search: The services of an external recruiter will facilitate the recruitment process for the Chief Operating Officer (COO) role. The recruitment process will take approximately 90 days to complete.
- i. Any other items permitted under Section 55.0415 of the Texas Government Code: No additional items were discussed.

2. **Financial Update and Report**

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

3. **Quarterly Capital Update**

Program Portfolio Manager Jacob Tschoepe updated the board on the Quarterly Capital Update

4. **Power Supply Update Including Update on Winter Storm Heather**

Director of Power Supply Bob Figuly provided an update on NBU's power supply program and a Winter weather update.

CONSENT ITEMS FOR ACTION

Mayor Neal Linnartz made a motion and Board Vice President Judith Dykes-Hoffman 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. The vote was unanimous.

1. Approve Minutes of the NBU Regular Board Meeting of December 14, 2023
2. Approve Minutes of the NBU Special Board Meeting of December 18, 2023
3. Approve Minutes of the NBU Special Board Meeting of January 18, 2024
4. Approve Amended Minutes of the NBU Regular Board Meeting of May 23, 2023
5. Approve the Change Order Log from November 15, 2023, through December 15, 2023
6. Approve the Reports for Water and Electric Engineering Contracts from August 1, 2023, through December 15, 2023
7. Approve the Electric Line of Business Alternative Procurements from November 15, 2023, through December 15, 2023
8. Authorize Interim CEO or His Designee to Negotiate and Execute a Second 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
9. Authorize Interim CEO or his Designee to Negotiate and Execute a Construction Contract with Pesado Construction Company, Inc. for the Construction of the Mission to Westpointe Connection Water Line Project
10. Authorize Interim 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 I-35 Interceptor Project
11. Authorize Interim CEO or His Designee to Negotiate and Execute Second Amendment to the Professional Services Agreement with Periscope Holdings, Inc. for Purchasing Support Services for the NBU Purchasing Department
12. Authorize Interim CEO or His Designee to Negotiate and Execute a Professional Service Agreement with DataProse, LLC, for Utility Bill Provider Services
13. Authorize Interim CEO to Execute a (i) First Amendment to the Professional Services Agreement between New Braunfels Utilities and Environmental Research Group, LLC, formerly AmaTerra Environmental, Inc., and (ii) an Assignment of Agreement for Cultural Services for Headwaters Construction Phase II
14. Authorize Interim CEO or His Designee to Negotiate and Execute a First Amendment to the Vendor Services Agreement with Opin, LLC dba American FR for a Web-Based Uniform Purchase Program

15. Authorize Interim CEO or His Designee to Negotiate and Execute a Professional Services Agreement with Britton Strategies LLC for the Community Advisory Panel for Planning, Facilities, and Project Management Services
16. Authorize the Interim CEO or His Designee to Negotiate and Execute a Cooperative Contract with Lonestar Freightliner Group, LLC for One (1) Western Star 47X GAPVAX Unit

PRESENTATION ITEMS

1. **Presentation and Update on the Status of the Amendment to the Memorandum of Agreement (MOA) with the Lower Colorado River Authority (LCRA) Regarding NBU Transmission Assets and Associated Payments**

Ashley Van Booven presented information on the status of the Memorandum of Agreement with LCRA and the next steps on lease payments. The board may need to take action at a future meeting.

EXECUTIVE SESSION

Board President Wayne Peters recessed the Open Session at 2:08 pm and announced that the Board would go into an Executive Session meeting. The Executive Session included Power Supply Resources – Competitive Matters; Consultation with Attorney Regarding Matters Protected by Attorney Client Privilege – Settlement Agreement Dated April 4, 2023, among New Braunfels Utilities and Southerland Communities NB Land Properties, Ltd., Southerland Copper Ridge, LLC (“Southerland Defendants”), International Fidelity Insurance Company, and Harco National Insurance Company; Deliberation Regarding Real Property - Deliberate the Purchase, Exchange, Lease, or Value of Property at the Intersection of South Sycamore Avenue and 1032 West Coll Street; and Consultation with Attorney Regarding Matters Protected by Attorney Client Privilege; Personnel Matters - Deliberate Plan and Strategy for Implementation of Executive Employment Agreement for Chief Executive Officer. The Executive Session was opened at 2:10 pm and closed at 3:09 pm.

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

ACTION ITEMS

1. **Discuss and Consider Ratification of Letter Agreement Among New Braunfels Utilities, Southerland Communities NB Land Properties, Ltd., Southerland Copper Ridge, LLC, International Fidelity Insurance Company, and Harco National Insurance Company Pertaining to the Full Settlement Agreement Among the Same Said Parties Dated April 4, 2023**

Mayor Neal Linnartz made a motion, and Board Vice President Judith Dykes-Hoffmann seconded the motion to ratify the Letter of Agreement among New Braunfels Utilities, Southerland Communities NB Land Properties, Ltd., Southerland Copper Ridge, LLC, International Fidelity Insurance Company, and Harco National Insurance Company pertaining to the Full Settlement Agreement among the same parties dated April 4, 2023. The vote was unanimous.

2. Discuss and Consider Approval of Executive Employment Agreement for the Chief Executive Officer

Board Trustee Yvette Villanueva Barrera made a motion, and Board Vice President Judith Dykes-Hoffman seconded the motion to approve the executive employment agreement for Chief Executive Officer between New Braunfels Utilities and Kenneth Ryan Kelso. The vote was unanimous.

ADJOURN

There was no further business, and Board President Wayne Peters adjourned the meeting at 3:10 p.m.

Attest:

Wayne Peters, President
Approved

Ryan Kelso, Secretary of the Board
Chief Executive Officer

Date Approved: February 29, 2024



Meeting Date: February 29, 2024 **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, 2023, through January 15, 2024

BACKGROUND

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

Listed below are the change orders submitted to the Purchasing Manager for the period of December 15, 2023, through January 15, 2024.

FINANCIAL IMPACT

Change orders less than \$50,000:

- Trinity Expansion Treatment Plant, Owner's contingency of \$6,648.53, Board increase of \$12,003.38, Circuits for Gates 1 & 2, Change order No. 6, Cost increase of \$12,003.38.

Change orders more than \$50,000:

- None reported during this period.

LINK TO STRATEGIC PLAN

Customers and Community

People and Culture

Stewardship

EXHIBITS

None



Meeting Date: February 29, 2024 **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, 2023, through January 15, 2024

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, 2023, through January 15, 2024.

FINANCIAL IMPACT

The financial impact of the contracts executed during this period totals \$11,323,194.00.

LINK TO STRATEGIC PLAN

Customers and Community

People and Culture

Stewardship

EXHIBITS

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

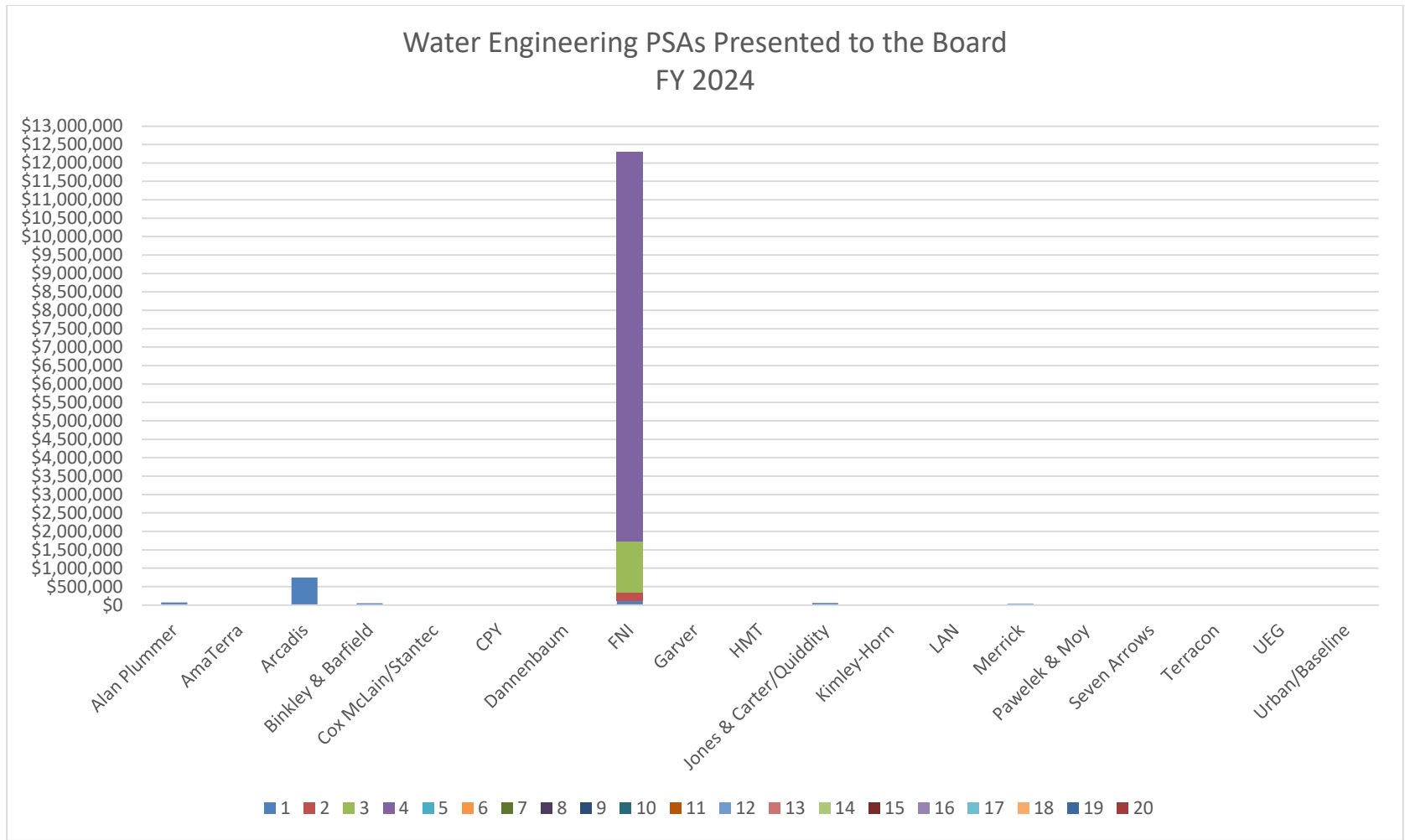
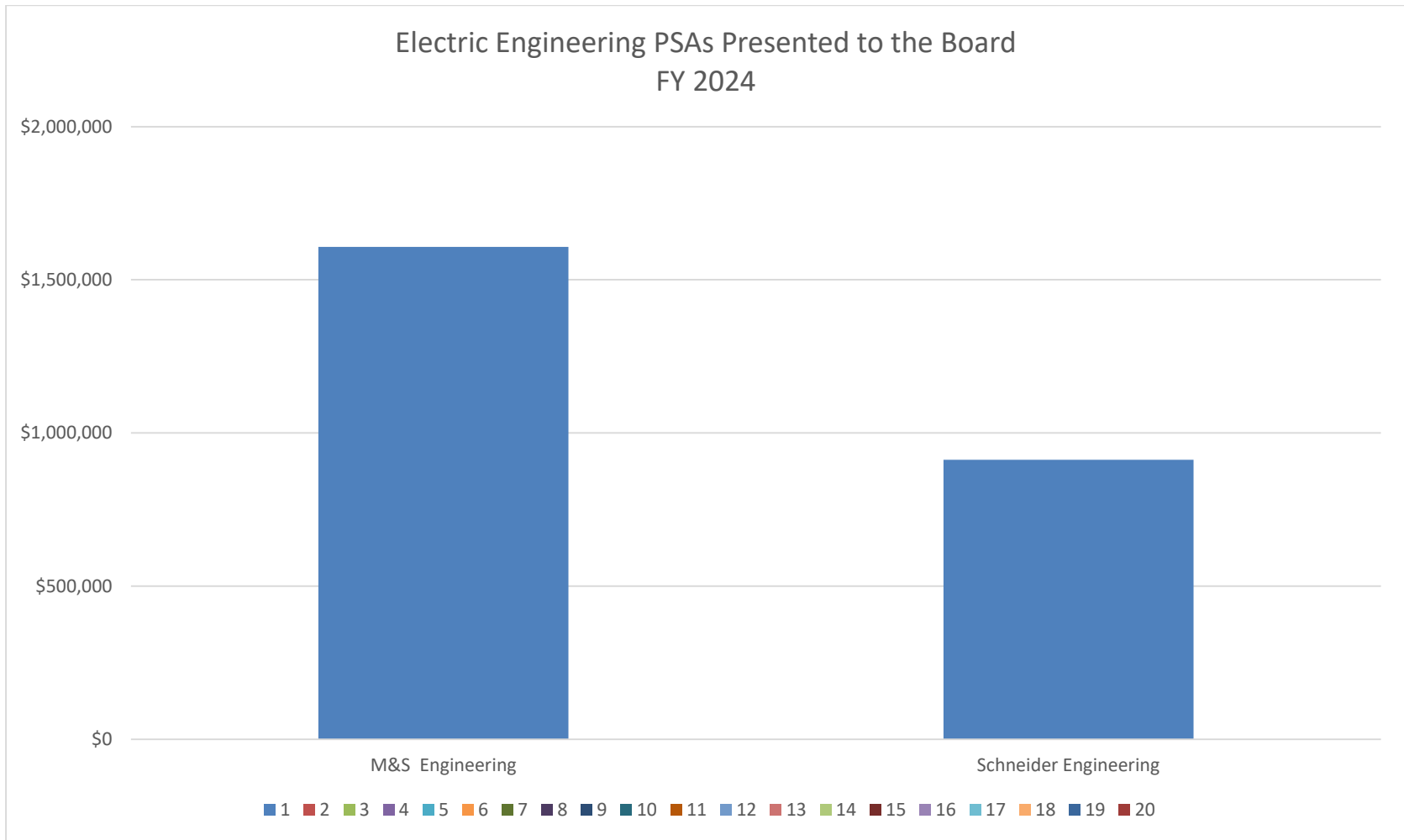


Exhibit A – Report for Water Engineering Contracts December 2023

Item 3.

Project	Vendor	Contract Amount	Board Date	Type of contract	Comment	Executed Date
Castell Ave Rehabilitation (CNB)	Binkley and Barfield Inc.	\$ 50,892.00	8/31/2023	Engineering	Amendment	9/1/2023
Solms Lift Station Expansion	Merrick & Company	\$ 30,988.00	8/31/2023	Engineering	Amendment	9/1/2023
Well 4 to Grandview Pump Station and Discharge Line Upgrac	Freese and Nichols, Inc.	\$ 108,850.00	8/31/2023	Engineering	Amendment	9/7/2023
Kuehler WRF Access Road - Courtyard Drive	Quiddity Engineering, LLC	\$ 66,410.00		Engineering	Amendment	10/3/2023
South Kuehler Interceptor Phase 1	Quiddity Engineering, LLC	\$ 52,780.00	9/28/2023	Engineering	Amendment	10/3/2023
24-Inch McQueeney Road Parallel Water Line (Downtown)	Alan Plummer and Associates, Inc.	\$ 70,000.00	9/28/2023	Engineering	Amendment	10/3/2023
FM 306 Pump Station & Discharge Line	Freese and Nichols, Inc.	\$ 228,917.00	9/28/2023	Engineering	Amendment	10/3/2023
San Antonio St Rehabilitation Phase 3 (CNB)	Quiddity Engineering, LLC	\$ 341,540.00		Engineering	PSA	11/3/2023
Water Tank Rehabilitations	Freese and Nichols, Inc.	\$ 1,380,592.00	10/26/2023	Engineering	PSA	11/13/2023
Water Resource Plan	Arcadis, US, Inc.	\$ -	12/14/2023	Engineering	Amendment	12/22/2023
Aquifer Strg & Recovery Project	Arcadis, US, Inc.	\$ 744,898.00	12/14/2023	Engineering	Amendment	12/22/2023
Staff Augmentation	Freese and Nichols, Inc.	\$ 10,578,296.00	12/14/2023	Engineering	PSA	12/22/2023



Project	Vendor	Contract Amount	Board Date	Type of contract	Comment	Executed Date
Substation and transmission Design FY 2024	Schneider Engineering	\$ 912,000.00	8/31/2023	Engineering		9/1/2023
Electric Distribution Projects	M&S Engineering	\$ 1,607,590.00	8/31/2023	Engineering		9/1/2023

EXHIBITS

None



Meeting Date: February 29, 2024 **Agenda Type:** Consent Items for Action

From: Jenna Mathis **Reviewed by:** Dawn Schriewer
 Customer Service Assistant Chief Financial Officer
 Manager

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

RECOMMENDED ACTION: Approve 2023 Third Quarter Charge-Off Accounts

BACKGROUND

Charge-offs for the third quarter of calendar year 2023 (July, August, and September) netted \$152,227.82 for NBU accounts that have unpaid balances. NBU applied \$74,949.08 in customer deposits to the delinquent account balance of \$227,176.90, which reduced the total unpaid balance by 33%. Residential customers accounted for 97% of the number of charge-off accounts.

The accounts that included insufficient funds due to returned checks and failed auto-draft payments totaled \$10,973.71.

When compared to total revenue billings for the same quarter, the charge-off balance amounts to 0.18%. For every \$100 billed to our customers, we received \$99.82.

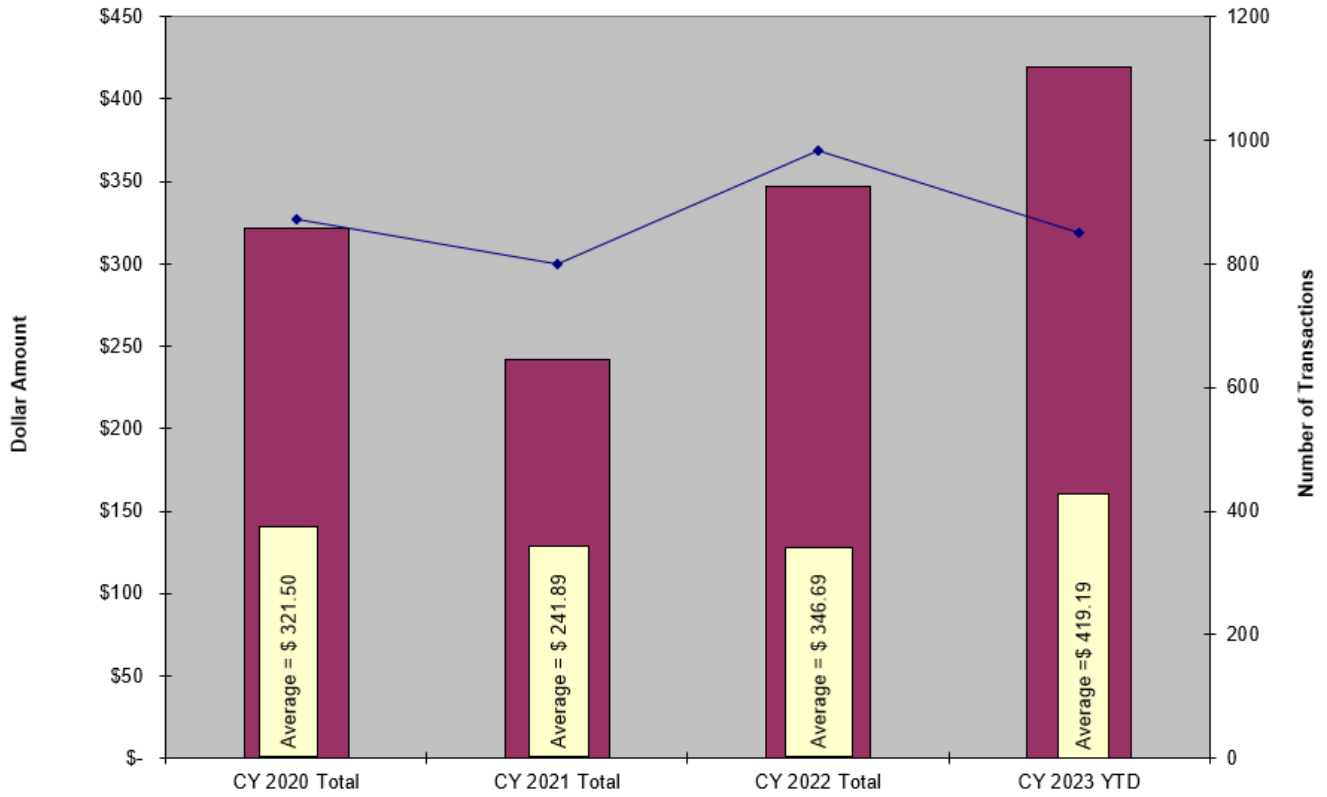
The number of residential accounts included in the charge-offs increased by 23.91% compared to the previous 3 years average for the same quarter, and the dollar amount increased by 20.83%.

The primary factors driving the increase in charge offs for Q3 of 2023 include, failure to comply with payment arrangements, moratorium of disconnects for nonpayment due to high heat indexes, overall higher utility bills and account deposits calculated on previous rates and not equaling a two-month annual average.

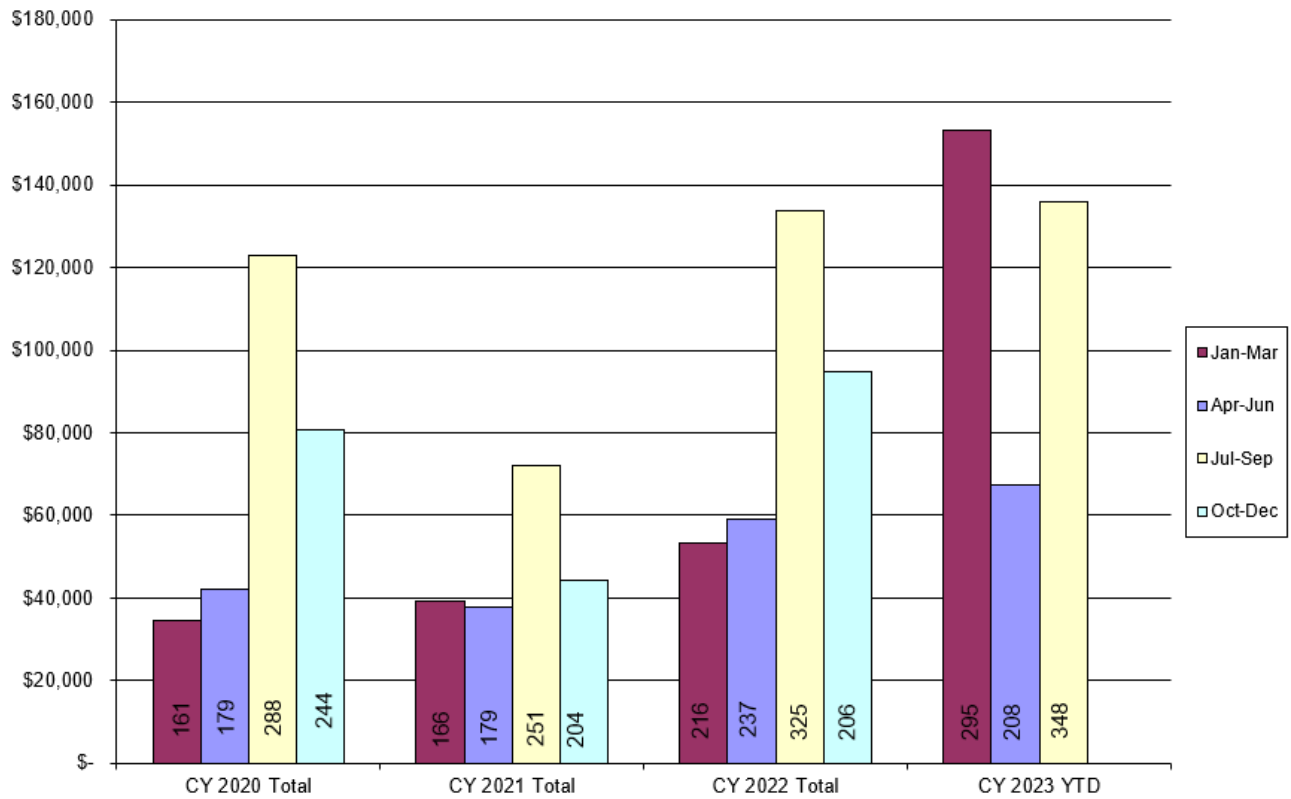
The NBU credit rating summary for this report is as follows:

Credit Rating	Number of Active Customers	Number of Charge-off Customers	Percentage of Charge-off Customers
A	51,205	35	0.07%
B	7,261	116	1.60%
C	4,588	205	4.47%
D	6	3	50.00%
Auto-Draft	6,412	1	0.02%

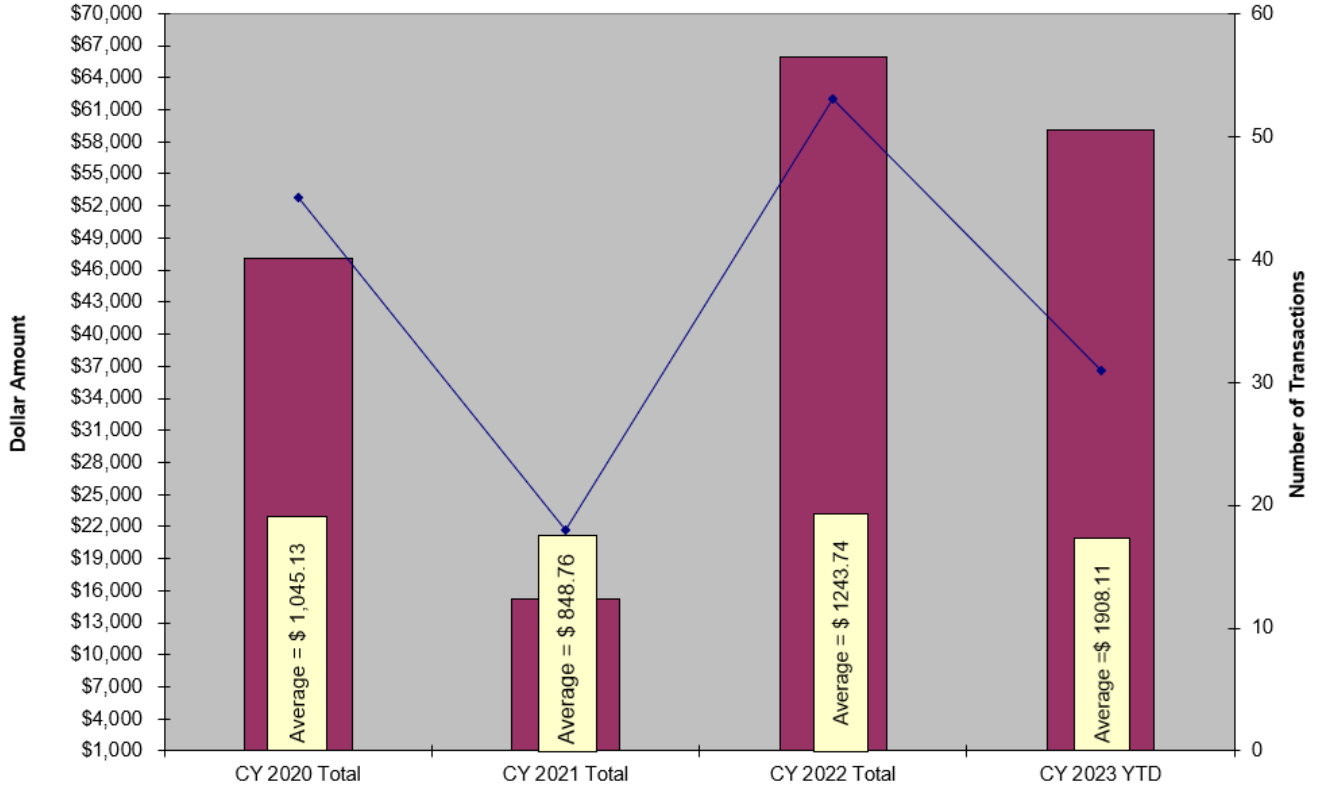
Annual Residential Charge-Off Amount & Count



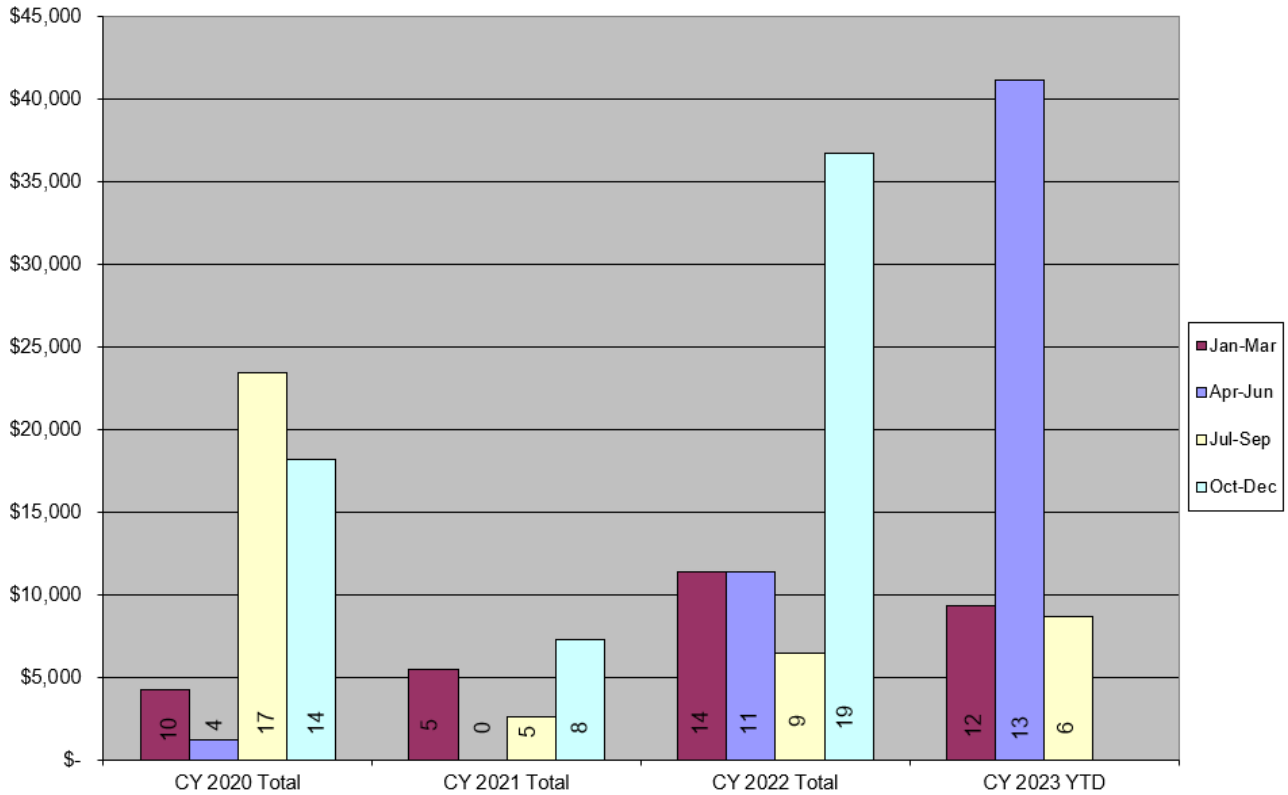
Residential - Quarterly Charge-Off Totals



Annual Commercial Charge-Off Amount & Count



Commercial - Quarterly Charge-Off Totals



FINANCIAL IMPACT

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

LINK TO STRATEGIC PLAN

Financial Excellence

EXHIBITS

1. Charge-off Summary

**Charge Off Summary
February 2024**

<u>TYPE OF CUSTOMER</u>	<u>AMOUNT BEFORE DEPOSIT/INTEREST APPLIED</u>	<u>DEPOSIT APPLIED</u>	<u>AMOUNT AFTER DEPOSIT/INTEREST APPLIED</u>	<u>AMOUNT OF CHARGE OFF PER \$100 BILLED</u>
Residential	\$202,814.71	\$67,933.35	\$134,881.36	0.159%
Commercial	\$15,717.59	\$7,015.73	\$8,701.86	0.010%
Miscellaneous	\$1,525.00	\$0.00	\$1,525.00	0.002%
Bankruptcy	\$7,119.60	\$0.00	\$7,119.60	0.008%
Total	\$227,176.90	\$74,949.08	\$152,227.82	0.180%

Historical Charge-Off Information

	2023			2022			2021		
	<u>Charge-Off Amount</u>	<u># of Charge-Offs</u>	<u>Average Amount</u>	<u>Charge-Off Amount</u>	<u># of Charge-Offs</u>	<u>Average Amount</u>	<u>Charge-Off Amount</u>	<u># of Charge-Offs</u>	<u>Average Amount</u>
1st Qtr	\$166,886.39	309	\$540.09	\$64,808.78	230	\$281.78	\$44,693.78	172	\$259.85
2nd Qtr	\$108,696.15	221	\$491.84	\$70,413.13	248	\$283.92	\$37,659.80	179	\$210.39
3rd Qtr	\$152,227.82	359	\$424.03	\$140,408.89	334	\$420.39	\$74,861.77	256	\$292.43
4th Qtr				\$131,429.63	225	\$584.13	\$51,983.87	214	\$242.92



Meeting Date: February 29, 2024 **Agenda Type:** Consent Items for Action

From: Justin Green
Electric Operations Manager **Reviewed by:** Gretchen Reuwer
Director of Electric Services
and Compliance

Submitted by: Gretchen Reuwer
Director of Electric Services
and Compliance **Approved by:** Ryan Kelso
Chief Executive Officer

RECOMMENDED ACTION: Authorize CEO or His Designee to Negotiate and Execute a Professional Services Agreement with Titan Utility Services, LLC, for the Inspection, Testing, and Documentation of Electrical Tools and Equipment

BACKGROUND

This Professional Services Agreement (the “Agreement”) with New Braunfels Utilities (“NBU”) and Titan Utility Services, LLC (the “Professional”) provides all labor and equipment for inspection, testing, and documentation of electrical tools and equipment. The Professional shall inspect, test, and document (i) the equipment's condition, (ii) the test results, and (iii) any items needing replacement and/or repair to ensure safe functionality of the following equipment: vehicles requiring dielectric testing, insulated live line tools, blankets, line hose and hoods, grounding chain and grounding jumpers, mechanical jumpers, rubber gloves and rubber sleeves (the “Services”).

This Agreement is for a single year (the “Initial Term”) and shall automatically renew for four (4) successive one-year terms (each, a “Renewal Term”).

NBU staff requests that the Board of Trustees approve the Agreement with Titan Utility Services, LLC for the Services.

This item is being presented to the Board because the total amount of the Agreement exceeds \$500,000.

FINANCIAL IMPACT

The financial impact of this Agreement shall not exceed \$150,000 annually and not exceed \$750,000 for the duration of the contract. These funds are currently budgeted within NBU’s fiscal year 24 through fiscal year 28 Operations and Maintenance budget for Electric Operations department.

LINK TO STRATEGIC PLAN

Safety and Security

EXHIBITS

1. Professional Services Agreement with Titan Utility Services, LLC

PROFESSIONAL SERVICES AGREEMENT

This **PROFESSIONAL SERVICES AGREEMENT** (the “Agreement”) is made and entered by and between **NEW BRAUNFELS UTILITIES**, a Texas municipally owned utility (“NBU”), and **TITAN UTILITY SERVICES, LLC**, a Louisiana limited liability company authorized to transact business in the State of Texas (the “Professional”). For good and valuable consideration, the receipt and sufficiency of which is acknowledged, the parties agree as follows:

Section 1. Term of Agreement. This Agreement will be effective on the latest date subscribed below (the “Effective Date”) and will remain in full force and effect for a period of one (1) year from April 1, 2024, to March 31, 2025 (the “Initial Term”), unless terminated as otherwise provided pursuant to the terms and conditions of this Agreement. After the expiration of the Initial Term, this Agreement shall automatically renew for four (4) successive one-year terms (each, a “Renewal Term”), unless either party provides written notice of its intent to terminate the Agreement to the other party at least thirty (30) days prior to the expiration of any term. The Initial Term and any Renewal Term(s) are collectively referred to herein as the “Term.” Upon renewal, the terms and conditions of this Agreement will remain in full force and effect. In no event will the contract Terms extend beyond March 31, 2029.

Section 2. Scope of Services.

(A) The Professional shall perform the services described in Exhibit A (the “Services”) within the timeframe specified therein. The scope of work described in the Services constitutes the “Project.”

(B) The quality of Services provided hereunder shall be of the level of professional quality performed by professionals regularly rendering this type of service.

(C) The Professional shall perform the Services in compliance with all statutory, regulatory, and contractual requirements now or hereafter in effect as may be applicable to the rights and obligations set forth in the Agreement.

(D) The Professional may rely upon the accuracy of reports and surveys provided to it by NBU except when defects should have been apparent to a reasonably competent professional or when it has actual notice of any defects in the reports and surveys.

Section 3. Compensation.

(A) Amount. The Professional shall be paid the amount set forth in Exhibit B as described herein.

(B) Billing Period. NBU shall pay the Professional within thirty (30) days after receipt and approval of invoices and based upon work satisfactorily performed and completed to date. All invoices shall document and itemize all work completed to date. Each invoice statement shall include a record of time expended and work performed in sufficient detail to justify payment. In

the event any uncontested portions of any invoice are not paid within thirty (30) days of receipt and approval of the Professional's invoice, the Professional shall have the right to suspend work.

(C) Reimbursable Expenses. Any and all reimbursable expenses related to the Project shall be described in the Services defined in Exhibit A and accounted for in the total compensation amount in Exhibit B. If these items are not specifically accounted for in both Exhibit A and Exhibit B, NBU shall not be required to pay such amounts unless otherwise agreed to in writing by both parties or unless agreed to pursuant to Section 4 of this Agreement.

Section 4. Changes to the Project Work: Additional Work.

(A) Changes to Work. The Professional shall make such revisions to any work that has been completed as are necessary to correct any errors or omissions as may appear in such work. If NBU finds it necessary to make changes to previously satisfactorily completed work or parts thereof, the Professional shall make such revisions if requested and as directed by NBU and such services shall be considered as additional work and paid for as specified under the following paragraph.

(B) Additional Work. NBU retains the right to make changes to the Services at any time by a written contract amendment. Work that is clearly not within the general description of the Services under this Agreement must be approved in writing by NBU by contract amendment before the additional work is undertaken by the Professional. If the Professional is of the opinion that any work is beyond that contemplated in this Agreement and the Services described in Exhibit A and therefore constitutes additional work, the Professional shall promptly notify NBU of that opinion in writing. If NBU agrees that such work does constitute additional work, then NBU and the Professional shall execute a contract amendment for the additional work and NBU shall compensate the Professional for the additional work on the same basis of the rates for the Services contained in Exhibit B. If the changes deduct from the extent of the scope of work for the Services, the contract sum shall be adjusted accordingly. All such changes shall be executed under the conditions of the original Agreement. Any work undertaken by the Professional not previously approved as additional work shall be at risk of the Professional.

Section 5. Ownership of Documents. Upon completion or termination of this Agreement, all documents prepared by the Professional or furnished to the Professional by NBU shall be delivered to and become the property of NBU. All drawings, charts, calculations, plans, specifications and other data, including electronic files and raw data, prepared under or pursuant to this Agreement shall be made available, upon request, to NBU without restriction or limitation on the further use of such materials; however, such materials are not intended or represented to be suitable for reuse by NBU or others. Any reuse of the materials related to the Services without prior verification or adaptation by the Professional for the specific purpose intended will be at NBU's sole risk and without liability to the Professional. Where applicable, the Professional shall retain all pre-existing proprietary rights in the materials provided to NBU but shall grant to NBU a non-exclusive, perpetual, royalty-free license to use such proprietary information solely for the purposes for which the information was provided. The Professional may, at the Professional's expense, have copies made of the documents or any other data furnished to NBU under or pursuant to this Agreement.

Section 6. Personnel. The Professional shall provide adequate, experienced personnel, capable of and devoted to the successful completion of the Services to be performed under this Agreement. The Professional agrees that, upon commencement of the Services to be performed under this Agreement, key personnel will not be removed or replaced without prior written notice to NBU. If key personnel are not available to perform the Services for a continuous period exceeding thirty (30) calendar days, or are expected to devote substantially less effort to the Services than initially anticipated, the Professional shall immediately notify NBU of same and shall replace such personnel with personnel possessing substantially equal ability and qualifications.

Section 7. Licenses: Materials. The Professional shall maintain in current status all federal, state, and local licenses and permits required for the Professional to perform the Services and operate its business. NBU has no obligation to provide the Professional, its employees or subcontractors any business registrations or licenses required to perform the Services described in this Agreement. NBU has no obligation to provide tools, equipment, or materials to the Professional.

Section 8. Performance Warranty. The Professional warrants that the Services provided under this Agreement shall conform to the professional standards performed by professionals regularly rendering this type of service.

Section 9. Indemnification. **TO THE FULLEST EXTENT PERMITTED BY LAW, THE PROFESSIONAL SHALL INDEMNIFY, DEFEND, AND HOLD HARMLESS NBU AND EACH BOARD MEMBER, OFFICER, EMPLOYEE OR AGENT THEREOF (NBU AND ANY SUCH PERSON BEING HEREIN CALLED AN "INDEMNIFIED PARTY"), FOR, FROM AND AGAINST ANY AND ALL LOSSES, CLAIMS, DAMAGES, LIABILITIES, COSTS AND EXPENSES (INCLUDING, BUT NOT LIMITED TO, REASONABLE ATTORNEYS' FEES AND COURT COSTS) TO WHICH ANY SUCH INDEMNIFIED PARTY MAY BECOME SUBJECT, UNDER ANY THEORY OF LIABILITY WHATSOEVER ("CLAIMS"), INsofar AS SUCH CLAIMS (OR ACTIONS IN RESPECT THEREOF) RELATE TO, ARISE OUT OF, OR ARE CAUSED BY THE GOODS OR SERVICES PROVIDED BY THE PROFESSIONAL, ITS OFFICERS, EMPLOYEES, AGENTS, OR ANY TIER OF SUBCONTRACTOR IN THE PERFORMANCE OF THIS AGREEMENT. THE AMOUNT AND TYPE OF INSURANCE COVERAGE REQUIREMENTS SET FORTH BELOW SHALL IN NO WAY BE CONSTRUED AS LIMITING THE SCOPE OF THE INDEMNITY IN THIS SECTION.**

Section 10. Insurance.

(A) General.

- i. Insurer Qualifications. Without limiting any obligations or liabilities of the Professional, the Professional shall purchase and maintain, at its own expense, hereinafter stipulated minimum insurance with insurance companies authorized to do business in the State of Texas with an A.M. Best, Inc. rating of A- VII or above with policies and forms satisfactory to NBU. Failure to maintain insurance as specified herein may result in termination of this Agreement at NBU's option.

- ii. No Representation of Coverage Adequacy. By requiring insurance, NBU does not represent that coverage and limits will be adequate to protect the Professional. NBU reserves the right to review any and all of the insurance policies and/or endorsements cited in this Agreement, but has no obligation to do so. Failure to demand such evidence of full compliance with the insurance requirements set forth in this Agreement or failure to identify any insurance deficiency will not relieve the Professional from, nor be construed or deemed a waiver of, its obligation to maintain the required insurance at all times during the performance of this Agreement.
- iii. Additional Insured. All insurance coverage and self-insured retention or deductible portions, except Workers' Compensation insurance and Professional Liability insurance, if applicable, shall name, to the fullest extent permitted by law for claims arising out of the performance of this Agreement, NBU, its agents, representatives, officers, directors, officials and employees as an Additional Insured (CG 2010 1001 and CG 2037 1001 or an equivalent on the general liability policy) as specified under the respective coverage sections of this Agreement.
- iv. Coverage Term. All insurance required herein shall be maintained in full force and effect until all the Services required to be performed under the terms of this Agreement are satisfactorily performed, completed and formally accepted by NBU, unless specified otherwise in this Agreement.
- v. Primary Insurance. The Professional's insurance shall be primary insurance with respect to performance of this Agreement and in the protection of NBU as an Additional Insured.
- vi. Claims Made. In the event any insurance policies required by this Agreement are written on a "claims made" basis, coverage will extend, either by keeping coverage in force or purchasing an extended reporting option, for three years after the conclusion of the term of this Agreement. Such continuing coverage will be evidenced by submission of annual certificates of insurance stating applicable coverage is in force and containing provisions as required herein for the three-year period.
- vii. Waiver. All policies (except for Professional Liability, if applicable), including Workers' Compensation insurance, will contain a waiver of rights of recovery (subrogation) against NBU, its agents, representatives, officials, officers and employees for any claims arising out of the Services performed by the Professional. The Professional shall arrange to have such subrogation waivers incorporated into each policy via formal written endorsement thereto.
- viii. Policy Deductibles and/or Self-Insured Retentions. The policies set forth in these requirements may provide coverage that contains deductibles or self-insured retention amounts. Such deductibles or self-insured retention shall not be

applicable with respect to the policy limits provided to NBU. The Professional shall be solely responsible for any such deductible or self-insured retention amount.

- ix. Use of Subcontractors. The Professional shall not use subcontractors for all or any work under this Agreement without the prior written consent of NBU in its sole discretion. If any work under this Agreement is subcontracted in any way, the Professional shall execute written agreements with its subcontractors containing the indemnification provisions set forth in this Agreement and insurance requirements set forth herein protecting NBU and the Professional. The Professional shall be responsible for executing any agreements with its subcontractors and obtaining certificates of insurance verifying the insurance requirements.
- x. Evidence of Insurance. Prior to the Effective Date of this Agreement, the Professional shall provide suitable evidence of insurance to NBU, which confirms that all required insurance policies are in full force and effect. Evidence of insurance shall be in a form acceptable to NBU. Confidential information such as the policy premium may be redacted from the documents evidencing each insurance policy, provided that such redactions do not alter any of the information required by this Agreement. NBU will rely upon the requested information, including, but not limited to, certificates of insurance, endorsements, schedule of forms and endorsements, or other policy language as evidence of coverage but such acceptance and reliance will not waive or alter in any way the insurance requirements or obligations of this Agreement. If any of the policies required by this Agreement expire during the life of this Agreement, it will be the Professional's responsibility to forward renewal certificates and evidence of insurance to NBU five (5) days prior to the expiration date.

(B) Required Insurance Coverage. Any of the coverage set forth below may be waived by NBU in its sole discretion, but any such waiver must be signed by an authorized representative of NBU on or before the Effective Date of this Agreement.

- i. Commercial General Liability. The Professional shall maintain "occurrence" form Commercial General Liability insurance with an unimpaired limit of not less than \$500,000 for each occurrence and a \$500,000 General Aggregate Limit. The policy shall cover liability arising from premises, operations, independent contractors, products, completed operations, personal injury, and property damage. The definition of insured contract cannot have any modifications as outlined in the ISO policy form CG 0001 0413. Third party action over coverage must not be specifically excluded. To the fullest extent allowed by law, for claims arising out of the performance of this Agreement, NBU, its agents, representatives, officers, officials and employees shall be cited as an Additional Insured. If any Excess insurance is utilized to fulfill the requirements of this subsection, such Excess insurance shall be "follow form" equal or broader in coverage scope than underlying insurance.

- ii. Auto Liability. The Professional shall maintain Automobile Liability insurance with a limit of \$1,000,000 combined single limit on the Professional's owned or hired and non-owned vehicles, as applicable, assigned to or used in the performance of the Services by the Professional under this Agreement. To the fullest extent allowed by law, for claims arising out of the performance of this Agreement, NBU, its agents, representatives, officers, directors, officials and employees shall be cited as an Additional Insured. If any Excess insurance is utilized to fulfill the requirements of this subsection, such Excess insurance shall be "follow form" equal or broader in coverage scope than underlying insurance.
- iii. Professional Liability. The Professional shall maintain Professional Liability insurance covering negligent errors and omissions arising out of the Services performed by the Professional, or anyone employed by the Professional, or anyone for whose negligent acts, mistakes, errors and omissions the Professional is legally liable, with an unimpaired liability insurance limit of \$1,000,000 each claim and \$2,000,000 annual aggregate. In the event the Professional Liability insurance policy is written on a "claims made" basis, coverage shall extend for three years after the conclusion of the term of this Agreement, and the Professional shall be required to submit certificates of insurance and other requested information evidencing proper coverage is in effect as required above. Confidential information such as the policy premium or proprietary information may be redacted from the insurance information requested, provided that such redactions do not alter any of the information required by this Agreement.
- iv. Workers' Compensation and Employer's Liability Insurance. The Professional shall maintain Workers' Compensation insurance to cover the Professional's employees engaged in the performance of the Services under this Agreement and shall also maintain Employers Liability Insurance of not less than \$1,000,000 for each accident, \$1,000,000 disease for each employee and \$1,000,000 disease policy limit.

(C) Cancellation and Expiration Notice. Insurance required herein shall not expire, be canceled, or be materially changed without thirty (30) days' prior written notice to NBU.

Section 11. Termination.

(A) For NBU's Convenience. This Agreement is for the convenience of NBU and, as such, may be terminated by NBU for any reason upon thirty (30) days' written notice by NBU to the Professional. Upon termination for convenience, the Professional will be paid for the Services performed to the termination date less any offsets to which NBU may be entitled under the terms of this Agreement. By written notice to NBU, the Professional may suspend work if the Professional reasonably determines that working conditions at the site (outside the Professional's control) are unsafe, or in violation of applicable laws, or in the event NBU has not made timely payment in accordance with this Agreement, or for other circumstances not caused by the Professional that are materially interfering with the normal progress of the work. The

Professional's suspension of work hereunder shall be without prejudice to any other remedy of the Professional at law or equity.

(B) For Cause. If either party violates any provision or fails to perform any obligation of this Agreement and such party fails to cure its nonperformance within thirty (30) days after written notice of nonperformance is given by the non-defaulting party, such party will be in default. In the event of such default, the non-defaulting party may terminate this Agreement immediately for cause and will have all remedies that are available to it at law or in equity including, without limitation, the remedy of specific performance. If the nature of the defaulting party's nonperformance is such that it cannot reasonably be cured within thirty (30) days, then the defaulting party will have such additional period of time as may be reasonably necessary under the circumstances, provided the defaulting party immediately (i) provides written notice to the non-defaulting party and (ii) commences to cure its nonperformance and thereafter diligently continues to completion the cure of its nonperformance. In no event will any such cure period exceed ninety (90) days. Only one notice of nonperformance will be required during the term of this Agreement and in the event of a second breach or violation, the nondefaulting party may immediately terminate this Agreement without notice to the defaulting party. In the event of any termination for cause by NBU, payment will be made by NBU to the Professional for the undisputed portion of its fee due as of the termination date less any offsets to which NBU may be entitled under the terms of this Agreement.

(C) Non-Collusion. The Professional represents and warrants that the Professional has not given, made, promised or paid, nor offered to give, make, promise or pay any gift, bonus, commission, money or other consideration to any person as an inducement to or in order to obtain the work to be provided to NBU under this Agreement. If NBU determines that the Professional gave, made, promised, paid or offered any gift, bonus, commission, money, or other consideration to NBU or any of its officers, agents, or employees to secure this Agreement, NBU may elect to cancel this Agreement by written notice to the Professional. The Professional further agrees that the Professional shall not accept any gift, bonus, commission, money, or other consideration from any person (other than from NBU pursuant to this Agreement) for any of the Services performed by the Professional under or related to this Agreement. If any such gift, bonus, commission, money, or other consideration is received by or offered to the Professional, the Professional shall immediately report that fact to NBU and, NBU, at its sole option, may elect to cancel this Agreement by written notice to the Professional.

(D) Agreement Subject to Appropriation. This Agreement is subject to appropriation of funds. The provisions of this Agreement for payment of funds by NBU shall be effective when funds are appropriated for purposes of this Agreement and are actually available for payment. NBU shall be the sole judge and authority in determining the availability of funds under this Agreement and NBU shall keep the Professional fully informed as to the availability of funds for the Agreement. The obligation of NBU to make any payment pursuant to this Agreement is a current expense of NBU, payable exclusively from such annual appropriations, and is not a general obligation or indebtedness of NBU. If sufficient funds are not appropriated to pay the amounts as set forth in this Agreement during any immediately succeeding fiscal year, this Agreement shall terminate at the end of the then-current fiscal year and NBU and the Professional shall be relieved of any subsequent obligation under this Agreement.

Section 12. Miscellaneous.

(A) Independent Contractor. The Professional acknowledges that the Professional is an independent contractor of NBU and is not an employee, agent, official or representative of NBU. The Professional shall not represent, either expressly or through implication, that the Professional is an employee, agent, official or representative of NBU. Income taxes, self-employment taxes, social security taxes and the like shall be the sole responsibility of the Professional.

(B) Governing Law; Venue. This Agreement and all of the transactions contemplated herein shall be governed by and construed in accordance with the laws of the State of Texas. The provisions and obligations of this Agreement are performable in Comal County, Texas such that exclusive venue for any action arising out of this Agreement shall be in Comal County, Texas.

(C) Compliance with Laws. The Professional shall comply with all federal, state and local laws, statutes, ordinances, rules and regulations, and the orders and decrees of any courts, administrative, or regulatory bodies in any matter affecting the performance of this Agreement, including, without limitation, worker's compensation laws, minimum and maximum salary and wage statutes and regulations, and licensing laws and regulations. When required, the Professional shall furnish satisfactory proof of compliance to NBU.

(D) Amendments. This Agreement may only be amended, modified, or supplemented by a written amendment signed by persons duly authorized to enter into contracts on behalf of NBU and the Professional.

(E) Provisions Required by Law. Each and every provision of law and any clause required by law to be in the Agreement shall be read and enforced as though it were included herein and, if through mistake or otherwise any such provision is not inserted, or is not correctly inserted, then upon the application of either party, the Agreement shall promptly be physically amended to make such insertion or correction.

(F) Severability. If any term or provision of this Agreement is held to be invalid, illegal, or unenforceable in any respect under applicable law, the legality, validity or enforceability of the remaining terms or provisions of this Agreement shall not be affected thereby, and this Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein.

(G) Entire Agreement; Interpretation; Parol Evidence. This Agreement and the related Exhibits constitute the entire agreement of the parties with respect to the subject matter, and all previous agreements, whether oral or written, entered into prior to this Agreement are hereby revoked and superseded thereby. No representations, inducements or oral agreements have been made by any of the parties except as expressly set forth in this Agreement. This Agreement shall be construed and interpreted according to its plain meaning, and no presumption shall be deemed to apply in favor of, or against the party drafting the Agreement.

(H) No Assignment. Neither party shall have the right to assign that party's interest in this Agreement without the prior written consent of the other party. Any purported assignment in violation of this Section shall be null and void.

(I) Subcontractors. The Professional shall not transfer any portion of the work related to the Services under this Agreement to any subcontractor without the prior written consent of NBU, which consent shall not be unreasonably withheld. The approval or acquiescence of NBU in the subletting of any work shall not relieve the Professional of any responsibility for work done by such subcontractor. Failure to pay subcontractors in a timely manner pursuant to any subcontract shall be a material breach of this Agreement by the Professional.

(J) Waiver. No waiver by any party of any of the provisions of this Agreement shall be effective unless explicitly set forth in writing and signed by the party so waiving. No waiver of any breach or violation of any term of this Agreement shall be deemed or construed to constitute a waiver of any other breach or violation, whether concurrent or subsequent, and whether of the same or of a different type of breach or violation. No failure to exercise, or delay in exercising, any right, remedy, power, or privilege arising from this Agreement shall operate or be construed as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power, or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power, or privilege.

(K) Attorneys' Fees. In the event either party brings any action for any relief, declaratory or otherwise, arising out of this Agreement or on account of any breach or default hereof, the prevailing party will be entitled to receive from the other party reasonable attorneys' fees and reasonable costs and expenses, which will be deemed to have accrued on the commencement of such action.

(L) Liens. All materials or services provided under this Agreement shall be free of all liens and, if NBU requests, a formal release of all liens shall be delivered to NBU.

(M) Offset.

- i. Offset for Damages. In addition to all other remedies at law or equity, NBU may offset from any money due to the Professional any amount the Professional owes to NBU for damages resulting from breach or deficiencies in performance or breach of any obligation under this Agreement, including but not limited to all costs, expenses, fines, fees, and charges associated with obtaining performance from alternative sources, shipping, handling, materials, equipment rental, travel expenses and associated costs.
- ii. Offset for Delinquent Fees or Taxes. NBU may offset from any money due to the Professional any amount the Professional owes to NBU for delinquent fees, including any interest or penalties.

(N) Notices. Any notice or other communication required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been duly given if (i) delivered to the

party at the address set forth below, (ii) deposited in the U.S. Mail, registered or certified, return receipt requested, to the address set forth below, or (iii) given to a recognized and reputable overnight delivery service, to the address set forth below:

If to NBU:

New Braunfels Utilities
Attn: Executive Director
263 Main Plaza
New Braunfels, TX 78130

With copy to:

Purchasing Manager
New Braunfels Utilities
355 FM 306
New Braunfels, TX 78130

If to the Professional:

Titan Utility Services, LLC
14146 Hwy 1064
Tickfaw, Louisiana 70466

or at such other address, and to the attention of such other person or officer, as any party may designate by providing thirty (30) days' prior written notice of such change to the other party in the manner set forth in this Section. Notices shall be deemed received (i) when delivered to the party, (ii) three business days after being placed in the U.S. Mail, properly addressed, with sufficient postage or (iii) the following business day after being given to a recognized overnight delivery service, with the person giving the notice paying all required charges and instructing the delivery service to deliver on the following business day. If a copy of a notice is also given to a party's counsel or other recipient, the provisions above governing the date on which a notice is deemed to have been received by a party shall mean and refer to the date on which the party, and not its counsel or other recipient to which a copy of the notice may be sent, is deemed to have received the notice.

(O) Confidentiality of Records. The Professional shall establish and maintain procedures and controls that are acceptable to NBU for the purpose of ensuring that information contained in its records or obtained from NBU or from others in carrying out the Professional's obligations under this Agreement shall not be used or disclosed by it, its agents, officers, or employees, except as required to perform the Professional's duties under this Agreement. Persons requesting such information should be referred to NBU. The Professional also agrees that any information pertaining to individual persons shall not be divulged other than to employees or officers of the Professional as needed for the performance of duties under this Agreement.

(P) Right to Audit. NBU shall have the right to examine and audit the books and records of the Professional with regard to the Services, or any subsequent changes, at any reasonable time. Such books and records shall be maintained in accordance with generally accepted principles of accounting and shall be adequate to enable determination of: (1) the substantiation and accuracy of any payments required to be made under this Agreement; and (2) compliance with the provisions of this Agreement.

(Q) Paragraph Headings: Construction. The paragraph headings contained in this Agreement are for convenience only and shall in no way enlarge or limit the scope or meaning of the various and several paragraphs hereof. Both parties have participated in the negotiation and preparation of this Agreement and this Agreement shall not be construed either more or less strongly against or for either party.

(R) Binding Effect. Except as limited herein, the terms and provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, devisees, personal and legal representatives, successors and assigns.

(S) Gender. Within this Agreement, words of any gender shall be held and construed to include any other gender, and words in the singular number shall be held and construed to include the plural, unless the context otherwise requires.

(T) Multiple Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, and all of which shall constitute but one and the same instrument.

(U) Exhibits. Except as specified in Subsection (V) of this Section, all exhibits to this Agreement are incorporated herein by reference for all purposes wherever reference is made to the same.

(V) Conflicting Terms. In the case of any conflicts between the terms of this Agreement and the Exhibits, the statements in the body of this Agreement shall govern. The Exhibits are intended to detail the technical scope of services, fee schedule, and the term of the contract only and shall not dictate Agreement terms.

(W) Relationship of Parties. Nothing contained in this Agreement shall be deemed or construed by the parties hereto or by any third party to create the relationship of principal and agent or of partnership or of joint venture or of any association whatsoever between the parties, it being expressly understood and agreed that no provision contained in this Agreement nor any act or acts of the parties hereto shall be deemed to create any relationship between the parties other than the relationship of independent parties contracting with each other solely for the purpose of effecting the provisions of this Agreement.

(X) No Third-Party Beneficiaries. This Agreement is for the sole benefit of the parties hereto and their respective assigns and nothing herein, express or implied, is intended to or shall confer upon any other person or entity any legal or equitable right, benefit, or remedy of any nature whatsoever under or by reason of this Agreement.

(Y) Non-Exclusive Contract. This Agreement is entered into with the understanding and agreement that it is for the sole convenience of NBU. NBU reserves the right to obtain like goods and services from another source when necessary.

Section 13. Force Majeure. If the performance of any covenant or obligation to be performed hereunder by any party is delayed as a result of circumstances that are beyond the reasonable control of such party (which circumstances may include, without limitation, acts of God, war, acts of civil disobedience, epidemic, pandemic, fire or other casualty, shortage of materials, adverse weather conditions (such as, by way of illustration and not of limitation, severe rain storms or below freezing temperatures, or tornados), labor action, strikes or similar acts, moratoriums or regulations or actions by governmental authorities), the time for such performance shall be extended by the amount of time of such delay, but no longer than the amount of time reasonably occasioned by the delay. In no event will any delay or failure of performance caused by any force majeure condition extend this Agreement beyond its stated Term unless both parties agree in writing to such extension in an amendment to this Agreement. The party claiming delay of performance as a result of any of the foregoing force majeure events shall deliver written notice of the commencement of any such delay resulting from such force majeure event not later than seven (7) days after the claiming party becomes aware of the same, and if the claiming party fails to so notify the other party of the occurrence of a force majeure event causing such delay and the other party shall not otherwise be aware of such force majeure event, the claiming party shall not be entitled to avail itself of the provisions for the extension of performance contained in this subsection.

Section 14. Dispute Resolution. In accordance with the provisions of Subchapter I, Chapter 271 of the Texas Local Government Code, as amended, the parties agree that, prior to instituting any lawsuit or other proceeding arising from a dispute under this agreement, the parties shall first attempt to resolve the dispute by taking the steps described in this Section. First, the dissatisfied party shall deliver to the other party a written notice substantially describing the nature of the dispute, which notice shall request a written response to be delivered to the dissatisfied party not less than five (5) days after receipt of the notice of dispute. Second, if the response does not reasonably resolve the dispute, in the opinion of the dissatisfied party, the dissatisfied party shall give five (5) days' written notice to that effect to the other party whereupon each party shall appoint a person having authority over the activities of the respective parties who shall promptly meet, in person, in an effort to resolve the dispute. Third, if those persons cannot or do not resolve the dispute, then the parties shall each appoint a person from the highest tier of managerial responsibility within each respective party, who shall then promptly meet, in person, in an effort to resolve the dispute.

Section 15. Disclosure of Business Relationships/Affiliations; Conflict of Interest Questionnaire. The Professional represents that it is in compliance with the applicable filing and disclosure requirements of Chapter 176 of the Texas Local Government Code, as amended.

Section 16. Information Technology

(A) Limited Access. If necessary for the fulfillment of the Agreement, NBU may provide the Professional with non-exclusive, limited access to NBU's information technology infrastructure. The Professional understands and agrees to abide by NBU policies, standards, regulations and restrictions regarding access and usage of NBU's information technology infrastructure. The Professional shall reasonably enforce such policies, standards, regulations and restrictions with all the Professional's employees, agents or any tier of subcontractor granted access in the performance of this Agreement, and shall be granted and authorize only such access as may be necessary for the purpose of fulfilling the requirements of the Agreement. The Professional's employees, agents and subcontractors must receive prior, written approval from NBU before being granted access to NBU's information technology infrastructure and data and NBU, in its sole determination, shall determine accessibility and limitations thereto. The Professional agrees that the requirements of this Section shall be incorporated into all subcontractor agreements entered into by the Professional. It is further agreed that a violation of this Section shall be deemed to cause irreparable harm that justifies injunctive relief in court. A violation of this Section may result in immediate termination of this Agreement without notice.

(B) Data Confidentiality. All data, regardless of form, including originals, images and reproductions, prepared by, obtained by or transmitted to the Professional in connection with this Agreement is confidential, proprietary information owned by NBU. Except as specifically provided in this Agreement, the Professional shall not intentionally disclose data generated in the performance of the Services to any third party without the prior, written consent of NBU.

(C) Data Security. Personal identifying information, financial account information, or restricted NBU information, whether electronic format or hard copy, is confidential and must be secured and protected at all times to avoid unauthorized access. At a minimum, the Professional must encrypt or password-protect electronic files. This includes data saved to laptop computers, computerized devices or removable storage devices.

(D) Compromised Security. In the event that data collected or obtained by the Professional in connection with this Agreement is believed to have been compromised or in the event of a Security Incident, as defined by Section 2054.603 of the Texas Government Code, the Professional shall notify NBU within twenty-four (24) hours of discovery of such compromise or Security Incident. **THE PROFESSIONAL SHALL INDEMNIFY, DEFEND, AND HOLD NBU HARMLESS FROM ANY CLAIMS RESULTING FROM THE PROFESSIONAL'S FAILURE TO COMPLY WITH ITS OBLIGATIONS UNDER THIS SECTION.**

(E) Survival. The obligations of the Professional under this Section shall survive the termination of this Agreement.

Section 17. Prohibition on Contracts with Companies Boycotting Israel. The Professional hereby verifies that it and its parent company, wholly-or majority owned subsidiaries, and other affiliates, if any, does not boycott Israel and, to the extent this Agreement is a contract for goods or services, will not boycott Israel during the term of this Agreement as described in Chapter 2271 of the Texas Government Code, as amended.

The foregoing verification is made solely to comply with Section 2271.002 of the Texas Government Code, as amended, and to the extent such Section does not contravene applicable federal and State law. As used in the foregoing verification, “boycott Israel” means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes. The Professional understands “affiliate” to mean an entity that controls, is controlled by, or is under common control with the Professional and exists to make a profit.

Section 18. Contracts with Companies Engaged in Business with Iran, Sudan or Foreign Terrorist Organizations Prohibited. The Professional represents that neither it nor any of its parent company, wholly-or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Texas Government Code, as amended, and posted on any of the following pages of such officer’s internet website:

<https://comptroller.texas.gov/purchasing/docs/sudan-list.pdf>,
<https://comptroller.texas.gov/purchasing/docs/iran-list.pdf>, or
<https://comptroller.texas.gov/purchasing/docs/fto-list.pdf>.

The foregoing representation is made solely to comply with Section 2252.152, Texas Government Code, as amended, and to the extent such Section does not contravene applicable federal or State law and excludes the Professional and each of its parent company, wholly-or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization. The Professional understands “affiliate” to mean an entity that controls, is controlled by, or is under common control with the Professional and exists to make a profit.

Section 19. Prohibition on Contracts with Companies in China, Iran, North Korea, or Russia. If the Professional is granted direct or remote access to or control of critical infrastructure in the State of Texas under this Agreement, the Professional represents the following:

- (A) it is not owned by or the majority of stock or other ownership interest in the Professional is not held or controlled by:
- i. individuals who are citizens of China, Iran, North Korea, Russia, or a country designated by the Governor of Texas as a threat to critical infrastructure under Section 2275.0103 of the Texas Government Code, as amended (“designated country”); or
 - ii. a company or other entity, including a governmental entity, that is owned or controlled by citizens of or is directly controlled by the government of China, Iran, North Korea, Russia, or a designated country; or
- (B) it is not headquartered in China, Iran, North Korea, Russia, or a designated country.

The foregoing representation is made solely to comply with Chapter 2275 of the Texas Government Code, as amended, and to the extent such Section does not contravene applicable federal or State law. As used in the foregoing verification, “critical infrastructure” means a communication infrastructure system, cybersecurity system, electric grid, hazardous waste treatment system, or water treatment facility. “Affiliate,” with respect to a company entering into an agreement in which the critical infrastructure is electric grid equipment, has the meaning assigned by the protocols of the independent organization certified under Section 39.151, Utilities Code, for the ERCOT power region.

Section 20. Prohibition on Contracts with Companies Boycotting Energy Companies. The Professional hereby verifies that it and its parent company, wholly-or majority owned subsidiaries, and other affiliates, if any, do not boycott energy companies and, to the extent this Agreement is a contract for goods or services, will not boycott energy companies during the term of this Agreement as described in Chapter 2276 of the Texas Government Code, as amended.

The foregoing verification is made solely to comply with Section 2276.002 of the Texas Government Code, as amended, and to the extent such Section does not contravene applicable federal and State law. As used in the foregoing verification, “boycott energy companies” has the meaning used in Section 809.001 of the Texas Government Code, as amended. The Professional understands “affiliate” to mean an entity that controls, is controlled by, or is under common control with the Professional and exists to make a profit.

Section 21. Prohibition on Contracts with Companies that Discriminate Against Firearm and Ammunition Industries. The Professional hereby verifies that it and its parent company, wholly-or majority owned subsidiaries, and other affiliates, if any, do not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and, to the extent this Agreement is a contract for goods or services, will not discriminate against a firearm entity or firearm trade association during the term of this Agreement as described in Chapter 2274 of the Texas Government Code, as amended.

The foregoing verification is made solely to comply with Section 2274.002 of the Texas Government Code, as amended, and to the extent such Section does not contravene applicable federal and State law. As used in the foregoing verification, “discriminate against a firearm entity or firearm trade association” has the meaning used in Section 2274.001(3) of the Texas Government Code, as amended. The Professional understands “affiliate” to mean an entity that controls, is controlled by, or is under common control with the Professional and exists to make a profit.

Section 22. Texas Public Information Act. The Professional recognizes that NBU is subject to the disclosure requirements of the Texas Public Information Act (the “PIA”). As part of its obligations within this Agreement, the Professional agrees, at no additional cost to NBU, to cooperate with NBU for any particular needs or obligations arising out of the NBU’s obligations under the PIA. This acknowledgement and obligation are in addition to and complimentary to NBU’s audit rights in Section 12(P).

This provision applies if the Agreement has a stated expenditure of at least \$1 million in public funds for the purchase of goods or services by NBU or results in the expenditure of at least \$1 million in public funds for the purchase of goods or services by NBU in a fiscal year of NBU.

The Professional must (1) preserve all contracting information related to the Agreement as provided by the records retention requirements applicable to NBU for the duration of the Agreement; (2) promptly provide to NBU any contracting information related to the Agreement that is in the custody or possession of the Professional on request of NBU; and (3) on completion of the Agreement, either:

- (i) provide at no cost to NBU all contracting information related to the Agreement that is in the custody or possession of the Professional; or
- (ii) preserve the contracting information related to the Agreement as provided by the records retention requirements applicable to NBU.

The requirements of Subchapter J, Chapter 552, Texas Government Code, may apply to this Agreement and the Professional agrees that the Agreement can be terminated if the Professional knowingly or intentionally fails to comply with a requirement of that subchapter.

Section 23. Electronic Signatures. Pursuant to Chapter 322 of the Texas Business and Commerce Code, as amended, the parties agree to the use of electronic signatures herein and that the use of an electronic signature, whether digital or encrypted, is intended to have the same force and effect as a manual signature. Electronic signature means any electronic sound, symbol or process attached to or logically associated with a record and executed and adopted by a party with the intent to sign such record, including facsimile or e-mail electronic signatures. Each party further agrees that if it agrees to conduct a transaction by electronic means in this Agreement, it may refuse to conduct other transactions by electronic means and that such right may not be waived by this Agreement.

(The remainder of this page intentionally left blank)

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on this the ___ day of _____, 20__.

NBU:
NEW BRAUNFELS UTILITIES,
a Texas municipally owned utility

By: _____
Name: Ryan Kelso
Title: Chief Executive Officer

PROFESSIONAL:
Titan Utility Services, LLC,
a Louisiana limited liability company authorized to
transact business in the State of Texas

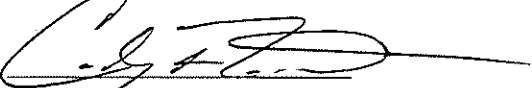
By: 
Name: Cody Trout
Title: Chief Operating Officer

Exhibit A

SERVICES

The Professional shall provide all labor and equipment for inspection, testing, and documentation of electrical tools and equipment (the "Services"). The Professional shall adhere to the requirements described herein.

I. TECHNICAL REQUIREMENTS

1. Annually, on a date reasonably specified by NBU and accepted by the Professional, the Professional shall inspect, test, and document: (i) the equipment's condition, (ii) the test results, and (iii) any items needing replacement and/or repair to ensure the safe functionality of the following equipment:
 - a. Vehicles requiring dielectric testing
 - i. The Professional shall test each aerial lift unit onsite at the designated NBU facility in accordance with American National Standards Institute ("ANSI") A92.2. See www.publicpower.com for reference.
 - ii. The Professional shall test and inspect each vehicle unit by:
 - 1) cleaning and waxing the unit using Hastings catalog number ("Cat No.") 10-091 or equivalent;
 - 2) performing a dielectric test of the entire boom including upper, lower boom, and platform liner;
 - 3) stress testing the platform and repair to proper safety rating;
 - 4) visually inspecting each unit for cracks, chips, and connections;
 - 5) tagging each unit with an ultra-violet-resistant aluminum impressionable sticker; and
 - 6) performing preventative maintenance inspection, filter change, greasing, and recording boom deflection.
 - b. Insulated live line tools ("hot stick")
 - i. The Professional shall test each hot stick in accordance with American Society for Testing and Materials ("ASTM") F711, See www.astm.org.
 - ii. The Professional shall test and inspect each hot stick by:
 - 1) removing dirt and contaminants prior to testing; and
 - 2) tagging all hot sticks with an industrial strength vinyl tag referencing job number, unit identification (ID), and date of the test.
 - c. Blankets
 - i. The Professional shall test each blanket in accordance with ASTM F479.

See www.astm.org for reference.

- ii. The Professional shall test and inspect each blanket by:
 - 1) cleaning with a rubber goods cleaner (RBG-640 or equivalent);
 - 2) testing at appropriate voltage per class for an interval of one (1) minute;
 - 3) rolling and inspecting for any visual failures such as tears, cuts, and holes; and
 - 4) stamping an industrial “passed” stamp on the blanket with the test date.

- d. Line hose and hoods
 - i. The Professional shall test each line hose and hood in accordance with ASTM F478. See <http://www.astm.org> for reference.

 - ii. The Professional shall test and inspect each line hose and hood by:
 - 1) cleaning dirt and contaminants with rubber goods cleaner (polywater cat# RBG-640);
 - 2) inspecting each hose and hood for any visual failures such as tears, cuts, and holes; and
 - 3) stamping an industrial “passed” stamp on the line hose and hood with the date of the test.

- e. Grounding chain and grounding jumpers
 - i. The Professional shall test each grounding chain and grounding jumper in accordance with ASTM F2249-03. See <http://www.astm.org> for reference.

 - ii. The Professional shall test and inspect each grounding chain and grounding jumper by:
 - 1) cleaning the jacket and connection points to remove dirt and contaminants;
 - 2) inspecting for any visual damage to the jacket, ferrules, or clamps; and
 - 3) tagging each grounding chain and grounding jumper with an industrial strength vinyl tag referencing the job number, unit ID, and date of the test.

- f. Mechanical jumpers
 - i. The Professional shall test each mechanical jumper in accordance with ASTM F2321-05. See www.astm.org for reference.

 - ii. The Professional shall test and inspect each mechanical jumper by:
 - 1) removing all dirt or contaminants;
 - 2) testing the appropriate voltage to ensure the integrity of the

- insulated jacket;
- 3) conducting a continuity test;
- 4) inspecting visual damages to the jacket or insulated clamps prior to testing; and
- 5) tagging each mechanical jumper with an industrial strength vinyl tag referencing the job number, unit ID, and date of the test.

2. The Professional shall adhere to the following testing process procedures:

- a. pulling individual truck units to assigned staging area at the NBU dock to have equipment and rubber goods tested simultaneously for each unit;
- b. pulling equipment from units (hot sticks, blankets, line hose, grounds, mechanical jumpers all rubber cover-up) for inspection;
- c. cleaning all dirt and debris from testing equipment;
- d. returning testing equipment to the assigned truck unit;
- e. coordinating with NBU to schedule units for testing to ensure minimal or no downtime; and
- f. marking each defect on the equipment tested.

3. Identification

- a. Hot sticks, grounds, and mechanical jumpers shall be assigned an identification number that correlates with the truck unit from which they were removed for testing.

4. Reporting information

- a. The Professional shall create a report with the following information for all of the equipment tested:
 - i. equipment manufacturer;
 - ii. model number;
 - iii. class and rating;
 - iv. color;
 - v. identification number;
 - vi. size and length;
 - vii. pass or fail status;
 - viii. failed test report; and
 - ix. detailed inventory of equipment for each truck unit.
- b. The Professional shall email the report to the NBU Electric Operations

Supervisor within 30 days after inspections described in Section I.1. of this Exhibit A are complete.

5. Repairs

- a. Upon written authorization from the NBU Electric Operations Supervisor, the Professional shall make repairs on equipment that will cost less than 50% of the cost to replace.
- b. The Professional shall perform onsite repairs on hot sticks and grounds with NBU-provided replacement material.
- c. The Professional shall retest repaired equipment in accordance with the aforementioned standards.
- d. The Professional shall return repaired units to its assigned truck unit ID number or send to NBU warehouse.

6. Replacements

- a. Upon written authorization from the NBU Electric Operations Supervisor, the Professional shall replace equipment that will cost more than 50% of the cost for repair.
- b. The Professional shall obtain approval for using telescoping sticks and grounding parts that are from NBU stock for replacement.
- c. List of repair equipment:
 - i. telescoping sticks;
 - ii. grounding parts;
 - i. blankets;
 - ii. line hoses;
 - iii. insulator hoods;
 - iv. spade covers;
 - v. cut out covers;
 - vi. shotgun sticks; and
 - vii. fuse sticks.

7. Gloves and sleeves services

- a. The Professional shall test the following gloves:
 - i. Legacy (class rating O and 2);
 - ii. Next Generation (class rating O and 2); and

- iii. Sleeves (class rating 2).
- b. The Professional shall use the following process to certify gloves and sleeves:
- i. clean gloves and sleeves;
 - ii. visually inspect gloves and sleeves for tears, holes, and cracks;
 - iii. dielectrically test gloves and sleeves to their specific class according to ASTM Standard F496, see www.astm.org for reference;
 - iv. re-inspect visual and manufacturer defects after tested;
 - v. stamp gloves and sleeves with pass and tested date; and
 - vi. return all gloves and sleeves tested to the NBU Service Center.
- c. With respect to the testing of gloves and sleeves, on a date reasonably specified by NBU and accepted by the Professional, the Professional shall:
- i. coordinate with the NBU Supervisor every 90 days for testing;
 - ii. pick up rubber gloves and sleeves for testing from NBU staging area;
 - iii. return tested rubber gloves and sleeves to NBU staging area with the report described in Section I.7.d. of this Exhibit A no later than 60 days from the date such items are picked up by the Professional; and
- d. Reporting Information

The Professional shall create reports of tested equipment with the following equipment information:

- i. manufacturer;
 - ii. model number;
 - iii. class and rating;
 - iv. color;
 - v. identification number;
 - vi. size and length;
 - vii. pass or fail status;
 - viii. failed testing explanation; and
 - ix. detailed inventory of equipment for each truck unit.
8. Maintain availability for testing miscellaneous items as requested by NBU.

II. GENERAL REQUIREMENTS

The Professional shall perform testing off-site for the rubber goods and on-site for the electrical safety equipment and adhere to the following additional general requirements:

1. **Safety:** The Professional shall work in accordance with established safety practices. The Professional shall be solely and completely responsible for conditions on the job site, including the safety of all employees, property, and the general public during the performance of the Services. This requirement will apply continuously and will not be limited to normal working hours. NBU's evaluation of the Professional's performance is intended to include review of the adequacy of the Professional's safety measures in, on, and near the work site. The Professional is to provide and use all protective equipment necessary for the protection of the Professional's employees and the general public, and to guard against interfering with the normal operation of NBU's personnel and infrastructure.

The Professional shall be solely responsible for its vehicles, equipment, tools, supplies, materials, and other property. The Professional shall remove its property from the job site(s) at the end of each shift and keep it in the Professional's possession unless otherwise approved by NBU. NBU will not provide a secured location for the Professional's equipment and is not liable for any vandalism or damage due to weather.

2. **Employee File/Personnel:** The Professional shall maintain an employee file for each staff member assigned to NBU. The Professional shall provide names and all contact numbers of the area water meter change-out installers to the NBU Water Operations Supervisor before any work commences. The Professional shall provide updates to NBU in writing any time there is a change in personnel, or at the request of NBU as indicated in Section 6 of the Agreement.
3. **Staffing:** The Professional shall maintain proper staffing of installers. If the Professional exceeds the maximum authorized limits of the Professional's employees and/or the Professional's equipment at any time, the Professional will absorb all additional cost.
4. **Employee Conduct:** Professionalism and courtesy to NBU is required at all times. No use of NBU's equipment or facilities will be permitted. No refuse from breaks or lunch will be left or disposed of on NBU's property. No horseplay will be permitted on the job.
5. **Intoxicants and Drugs:** No intoxicants, illegal drugs, nor employees or agents of the Professional that are under the influence of any substance that may impair their actions or performance shall be allowed on the job site at any time. Unsafe or disorderly conduct by any employee of the Professional shall be promptly removed from the job site upon NBU's request. A call will be made to the Professional's supervisor and the Professional will be required to remove the person.
6. **Background Checks:** The Professional must perform a criminal background check and driving record review for each employee and maintain those records for the duration of the contract. The Professional shall provide evidence of the criminal background check and driving record review at NBU's request. The Professional shall report changes of employees or a change in the employees' criminal background check and driving record. This requirement will be done with no additional cost to NBU.

7. Schedule: NBU shall specify the project schedule and/or terms of completion of the Services under the Agreement. The Professional agrees to perform the Services during the Term within the time specified in this Exhibit A. In the event NBU determines that the Services will not be completed by the date specified herein for completion, and the Professional fails to propose a solution satisfactory to NBU, NBU may require the Professional to extend its work day and/or work week without additional compensation or require the Professional to increase, at no cost to NBU, the number of its employees and to increase or change the amount or kind of tools and equipment. The Professional will continue to provide such accelerated work until such time as NBU determines that the progress for completion of the Services conforms to the scheduled completion time. All additional costs of the accelerated work will be absorbed solely by the Professional. If the Professional fails to complete the work in the agreed timeline, the contract shall be terminated.
8. Invoices: The Professional shall submit invoices in accordance with Section 3 of the Agreement.
9. Holidays: The Professional will observe the same holiday schedule as NBU unless prior arrangements have been made in writing with NBU. The NBU holidays are as follows:
 - Martin Luther King Jr. Day
 - Presidents Day
 - Founder's Day
 - Memorial Day
 - Juneteenth
 - Independence Day
 - Labor Day
 - Comal County Fair Day
 - Veterans Day
 - Thanksgiving and Day after Thanksgiving
 - Christmas and Day after Christmas
 - New Year's Day

Exhibit B
Compensation

NBU shall pay the Professional for the Services in an amount not to exceed \$150,000 per year and not to exceed \$750,000 for the duration of the Agreement.

The Professional agrees to provide and deliver the specified items to NBU in accordance with the specifications attached herein at the following prices:

Description of Items to be Tested	Estimated Annual Quantity	UOM	Unit Price	Extended Price
Aerial Buckets	11	EA	825.00	9,075.00
Digger Derrick	3	EA	825.00	2,475.00
Pressure Digger	2	EA	275.00	550.00
Truck Ground	10	EA	33.00	330.00
Hot Stick (ex. Extendo stick, Link stick, Hoist handle, Jib, Shotgun)	128	EA	38.50	4,928.00
Blanket (small, large, split and solid)	150	EA	14.80	2,220.00
Line Hose/Hoods	148	EA	14.80	2,190.40
Cover Up (Ex. Hoods, Bell covers, and Dead end protectors)	65	EA	14.80	962.00
Mechanical Jumpers	60	EA	19.80	1,188.00
Ground (Ex. Overhead, Underground, and cluster Chains)	61	EA	15.40	939.40
On Site Travel/ Set Up	1	EA	200.00	200.00
Rubber Gloves Primary Pick Up/Delivery	55	EA	13.00	715.00
Rubber Gloves Secondary Pick Up/Delivery	30	EA	13.00	390.00
Rubber Sleeves Pick Up/Delivery	25	EA	15.00	375.00

The quantities listed are estimated annual inspections. The estimated quantities can change each year with new equipment being added and/or taken out of service, subject to the not to exceed amounts set out in Exhibit B of this Agreement.



Meeting Date: February 29, 2024 **Agenda Type:** Consent Items for Action

From: Vania Fuentes-Caballero **Reviewed by:** Dawn Schriewer
 Customer Service Manager Chief Financial Officer

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

RECOMMENDED ACTION: Authorize CEO or His Designee to Negotiate and Execute a Professional Service Agreement with the San Antonio Food Bank d/b/a New Braunfels Food Bank for the Utility Bill Assistance Program

BACKGROUND

After conducting a comprehensive review of New Braunfels Utility's Low-Income Discount Program and noting the low level of customer participation, we are working to merge the program with the NBU Utility Bill Assistance Program. This consolidation will involve using a single professional, a unified application process, and a combined budget. Additionally, it will enable NBU to raise the threshold for Federal Poverty Level assistance from 125% to 250%. These changes will allow NBU to achieve a greater reach with the program and assist those who are truly in need.

NBU utilizes a professional to provide all labor, material, and equipment necessary to administer the NBU Utility Bill Assistance Program for electric, water, and wastewater billed usage. The professional will determine applicant eligibility and priority for approval using NBU approved evaluation criteria. Services include accepting utility assistance applications, qualifying applicants, determining the amount of contribution per applicant, and disbursing electronic vouchers to approved applicants. The following criteria must be met for a customer to qualify: a) low-income households at or below 250% of federal poverty guidelines that demonstrate need; b) unemployment of the applicant or a primary income provider of the household that has created financial hardship; c) illness of the applicant, a primary income provider or an immediate family member that has created financial hardship; d) death of a primary income provider of the household or an immediate family member that has created financial hardship due to burial expenses; e) hardship that has caused a lack of adequate resources for applicant to pay his or her utility bill; f) military veterans who have significantly decreased abilities to regulate their body's core temperature.

On November 16, 2023, NBU staff solicited Request for Proposal (RFP) 24-0020 from vendors for the Utility Bill Assistance Program. NBU received one proposal from the current provider, San Antonio Food Bank DBA New Braunfels Food Bank (the "Professional"). This Professional Services Agreement (the

“Agreement”) will be effective for a period of one (1) year from March 1, 2024, to February 28, 2025 (the “Initial Term”) After the expiration of the Initial Term, this Agreement shall automatically renew for four (4) successive one-year terms

FINANCIAL IMPACT

The total financial impact of the Agreement with “the Professional” is not to exceed the lesser of (i) fifteen percent (15%) of the distributed Program funds for each Term or (ii) \$90,000. For the duration of the Agreement, NBU shall not exceed the lesser of (i) fifteen percent (15%) of the distributed Program funds for the duration of the Agreement, or (ii) \$450,000. These funds are currently budgeted within NBU’s Fiscal Year 2024 through Fiscal Year 2029 NBU Board Approved 2024 budget.

LINK TO STRATEGIC PLAN

Customers and Community

Financial Excellence

EXHIBITS

1. Professional Service Agreement with San Antonio Food Bank DBA New Braunfels Food Bank

PROFESSIONAL SERVICES AGREEMENT

This **PROFESSIONAL SERVICES AGREEMENT** (the “Agreement”) is made and entered by and between **NEW BRAUNFELS UTILITIES**, a Texas municipally owned utility (“NBU”), and **SAN ANTONIO FOOD BANK DBA NEW BRAUNFELS FOOD BANK**, a Texas nonprofit corporation (the “Professional”). For good and valuable consideration, the receipt and sufficiency of which is acknowledged, the parties agree as follows:

Section 1. Term of Agreement.

This Agreement will be effective on the latest date subscribed below (the “Effective Date”) and will remain in full force and effect for a period of one (1) year from March 1, 2024, to February 28, 2025 (the “Initial Term”), unless terminated as otherwise provided pursuant to the terms and conditions of this Agreement. After the expiration of the Initial Term, this Agreement shall automatically renew for four (4) successive one-year terms (each, a “Renewal Term”), unless either party provides written notice of its intent to terminate the Agreement to the other party at least thirty (30) days prior to the expiration of any term. The Initial Term and any Renewal Term(s) are collectively referred to herein as the “Term.” Upon renewal, the terms and conditions of this Agreement will remain in full force and effect. In no event will the contract Terms extend beyond February 28, 2029.

Section 2. Scope of Services.

- (A) The Professional shall perform the services described in Exhibit A (the “Services”) within the timeframe specified therein. The scope of work described in the Services constitutes the “Project.”
- (B) The quality of Services provided hereunder shall be of the level of professional quality performed by professionals regularly rendering this type of service.
- (C) The Professional shall perform the Services in compliance with all statutory, regulatory, and contractual requirements now or hereafter in effect as may be applicable to the rights and obligations set forth in the Agreement.
- (D) The Professional may rely upon the accuracy of reports and surveys provided to it by NBU except when defects should have been apparent to a reasonably competent professional or when it has actual notice of any defects in the reports and surveys.

Section 3. Compensation.

- (A) Amount. The Professional shall be paid the amount set forth in Exhibit B as described herein.
- (B) Billing Period. NBU shall pay the Professional within thirty (30) days after receipt and approval of invoices and based upon work satisfactorily performed and completed to date. All

invoices shall document and itemize all work completed to date. Each invoice statement shall include a record of time expended and work performed in sufficient detail to justify payment. In the event any uncontested portions of any invoice are not paid within thirty (30) days of receipt and approval of the Professional's invoice, the Professional shall have the right to suspend work.

(C) Reimbursable Expenses. Any and all reimbursable expenses related to the Project shall be described in the Services defined in Exhibit A and accounted for in the total compensation amount in Exhibit B. If these items are not specifically accounted for in both Exhibit A and Exhibit B, NBU shall not be required to pay such amounts unless otherwise agreed to in writing by both parties or unless agreed to pursuant to Section 4 of this Agreement.

Section 4. Changes to the Project Work; Additional Work.

(A) Changes to Work. The Professional shall make such revisions to any work that has been completed as are necessary to correct any errors or omissions as may appear in such work. If NBU finds it necessary to make changes to previously satisfactorily completed work or parts thereof, the Professional shall make such revisions if requested and as directed by NBU and such services shall be considered as additional work and paid for as specified under the following paragraph.

(B) Additional Work. NBU retains the right to make changes to the Services at any time by a written contract amendment. Work that is clearly not within the general description of the Services under this Agreement must be approved in writing by NBU by contract amendment before the additional work is undertaken by the Professional. If the Professional is of the opinion that any work is beyond that contemplated in this Agreement and the Services described in Exhibit A and therefore constitutes additional work, the Professional shall promptly notify NBU of that opinion in writing. If NBU agrees that such work does constitute additional work, then NBU and the Professional shall execute a contract amendment for the additional work and NBU shall compensate the Professional for the additional work on the same basis of the rates for the Services contained in Exhibit B. If the changes deduct from the extent of the scope of work for the Services, the contract sum shall be adjusted accordingly. All such changes shall be executed under the conditions of the original Agreement. Any work undertaken by the Professional not previously approved as additional work shall be at risk of the Professional.

Section 5. Ownership of Documents. Upon completion or termination of this Agreement, all documents prepared by the Professional or furnished to the Professional by NBU shall be delivered to and become the property of NBU. All drawings, charts, calculations, plans, specifications and other data, including electronic files and raw data, prepared under or pursuant to this Agreement shall be made available, upon request, to NBU without restriction or limitation on the further use of such materials; however, such materials are not intended or represented to be suitable for reuse by NBU or others. Any reuse of the materials related to the Services without prior verification or adaptation by the Professional for the specific purpose intended will be at NBU's sole risk and without liability to the Professional. Where applicable, the Professional shall retain all pre-existing proprietary rights in the materials provided to NBU but shall grant to NBU a non-exclusive, perpetual, royalty-free license to use such proprietary information solely for the purposes for which the information was provided. The Professional may, at the Professional's expense, have copies made of the documents or any other data furnished to NBU under or pursuant to this Agreement.

Section 6. Personnel. The Professional shall provide adequate, experienced personnel, capable of and devoted to the successful completion of the Services to be performed under this Agreement. The Professional agrees that, upon commencement of the Services to be performed under this Agreement, key personnel will not be removed or replaced without prior written notice to NBU. If key personnel are not available to perform the Services for a continuous period exceeding thirty (30) calendar days, or are expected to devote substantially less effort to the Services than initially anticipated, the Professional shall immediately notify NBU of same and shall replace such personnel with personnel possessing substantially equal ability and qualifications.

Section 7. Licenses; Materials. The Professional shall maintain in current status all federal, state, and local licenses and permits required for the Professional to perform the Services and operate its business. NBU has no obligation to provide the Professional, its employees or subcontractors any business registrations or licenses required to perform the Services described in this Agreement. NBU has no obligation to provide tools, equipment, or materials to the Professional.

Section 8. Performance Warranty. The Professional warrants that the Services provided under this Agreement shall conform to the professional standards performed by professionals regularly rendering this type of service.

Section 9. Indemnification. **TO THE FULLEST EXTENT PERMITTED BY LAW, THE PROFESSIONAL SHALL INDEMNIFY, DEFEND, AND HOLD HARMLESS NBU AND EACH BOARD MEMBER, OFFICER, EMPLOYEE OR AGENT THEREOF (NBU AND ANY SUCH PERSON BEING HEREIN CALLED AN “INDEMNIFIED PARTY”), FOR, FROM AND AGAINST ANY AND ALL LOSSES, CLAIMS, DAMAGES, LIABILITIES, COSTS AND EXPENSES (INCLUDING, BUT NOT LIMITED TO, REASONABLE ATTORNEYS’ FEES AND COURT COSTS) TO WHICH ANY SUCH INDEMNIFIED PARTY MAY BECOME SUBJECT, UNDER ANY THEORY OF LIABILITY WHATSOEVER (“CLAIMS”), INsofar AS SUCH CLAIMS (OR ACTIONS IN RESPECT THEREOF) RELATE TO, ARISE OUT OF, OR ARE CAUSED BY THE GOODS OR SERVICES PROVIDED BY THE PROFESSIONAL, ITS OFFICERS, EMPLOYEES, AGENTS, OR ANY TIER OF SUBCONTRACTOR IN THE PERFORMANCE OF THIS AGREEMENT. THE AMOUNT AND TYPE OF INSURANCE COVERAGE REQUIREMENTS SET FORTH BELOW SHALL IN NO WAY BE CONSTRUED AS LIMITING THE SCOPE OF THE INDEMNITY IN THIS SECTION.**

Section 10. Insurance.

(A) General.

- i. Insurer Qualifications. Without limiting any obligations or liabilities of the Professional, the Professional shall purchase and maintain, at its own expense, hereinafter stipulated minimum insurance with insurance companies authorized to do business in the State of Texas with an A.M. Best, Inc. rating of A- VII or above with policies and forms satisfactory to NBU. Failure to maintain insurance as specified herein may result in termination of this Agreement at NBU’s option.

- ii. No Representation of Coverage Adequacy. By requiring insurance, NBU does not represent that coverage and limits will be adequate to protect the Professional. NBU reserves the right to review any and all of the insurance policies and/or endorsements cited in this Agreement, but has no obligation to do so. Failure to demand such evidence of full compliance with the insurance requirements set forth in this Agreement or failure to identify any insurance deficiency will not relieve the Professional from, nor be construed or deemed a waiver of, its obligation to maintain the required insurance at all times during the performance of this Agreement.
- iii. Additional Insured. All insurance coverage and self-insured retention or deductible portions, except Workers' Compensation insurance and Professional Liability insurance, if applicable, shall name, to the fullest extent permitted by law for claims arising out of the performance of this Agreement, NBU, its agents, representatives, officers, directors, officials and employees as an Additional Insured (CG 2010 1001 and CG 2037 1001 or an equivalent on the general liability policy) as specified under the respective coverage sections of this Agreement.
- iv. Coverage Term. All insurance required herein shall be maintained in full force and effect until all the Services required to be performed under the terms of this Agreement are satisfactorily performed, completed and formally accepted by NBU, unless specified otherwise in this Agreement.
- v. Primary Insurance. The Professional's insurance shall be primary insurance with respect to performance of this Agreement and in the protection of NBU as an Additional Insured.
- vi. Claims Made. In the event any insurance policies required by this Agreement are written on a "claims made" basis, coverage will extend, either by keeping coverage in force or purchasing an extended reporting option, for three years after the conclusion of the term of this Agreement. Such continuing coverage will be evidenced by submission of annual certificates of insurance stating applicable coverage is in force and containing provisions as required herein for the three-year period.
- vii. Waiver. All policies (except for Professional Liability, if applicable), including Workers' Compensation insurance, will contain a waiver of rights of recovery (subrogation) against NBU, its agents, representatives, officials, officers and employees for any claims arising out of the Services performed by the Professional. The Professional shall arrange to have such subrogation waivers incorporated into each policy via formal written endorsement thereto.
- viii. Policy Deductibles and/or Self-Insured Retentions. The policies set forth in these requirements may provide coverage that contains deductibles or self-insured retention amounts. Such deductibles or self-insured retention shall not be

applicable with respect to the policy limits provided to NBU. The Professional shall be solely responsible for any such deductible or self-insured retention amount.

- ix. Use of Subcontractors. The Professional shall not use subcontractors for all or any work under this Agreement without the prior written consent of NBU in its sole discretion. If any work under this Agreement is subcontracted in any way, the Professional shall execute written agreements with its subcontractors containing the indemnification provisions set forth in this Agreement and insurance requirements set forth herein protecting NBU and the Professional. The Professional shall be responsible for executing any agreements with its subcontractors and obtaining certificates of insurance verifying the insurance requirements.
- x. Evidence of Insurance. Prior to the Effective Date of this Agreement, the Professional shall provide suitable evidence of insurance to NBU, which confirms that all required insurance policies are in full force and effect. Evidence of insurance shall be in a form acceptable to NBU. Confidential information such as the policy premium may be redacted from the documents evidencing each insurance policy, provided that such redactions do not alter any of the information required by this Agreement. NBU will rely upon the requested information, including, but not limited to, certificates of insurance, endorsements, schedule of forms and endorsements, or other policy language as evidence of coverage but such acceptance and reliance will not waive or alter in any way the insurance requirements or obligations of this Agreement. If any of the policies required by this Agreement expire during the life of this Agreement, it will be the Professional's responsibility to forward renewal certificates and evidence of insurance to NBU five (5) days prior to the expiration date.

(B) Required Insurance Coverage. Any of the coverage set forth below may be waived by NBU in its sole discretion, but any such waiver must be signed by an authorized representative of NBU on or before the Effective Date of this Agreement.

- i. Commercial General Liability. The Professional shall maintain "occurrence" form Commercial General Liability insurance with an unimpaired limit of not less than \$1,000,000 for each occurrence and a \$2,000,000 General Aggregate Limit. The policy shall cover liability arising from premises, operations, independent contractors, products, completed operations, personal injury, and property damage. The definition of insured contract cannot have any modifications as outlined in the ISO policy form CG 0001 0413. Third party action over coverage must not be specifically excluded. To the fullest extent allowed by law, for claims arising out of the performance of this Agreement, NBU, its agents, representatives, officers, officials and employees shall be cited as an Additional Insured. If any Excess insurance is utilized to fulfill the requirements of this subsection, such Excess insurance shall be "follow form" equal or broader in coverage scope than underlying insurance.

- ii. Auto Liability. The Professional shall maintain Automobile Liability insurance with a limit of \$1,000,000 combined single limit on the Professional's owned or hired and non-owned vehicles, as applicable, assigned to or used in the performance of the Services by the Professional under this Agreement. To the fullest extent allowed by law, for claims arising out of the performance of this Agreement, NBU, its agents, representatives, officers, directors, officials and employees shall be cited as an Additional Insured. If any Excess insurance is utilized to fulfill the requirements of this subsection, such Excess insurance shall be "follow form" equal or broader in coverage scope than underlying insurance.
- iii. Professional Liability. The Professional shall maintain Professional Liability insurance covering negligent errors and omissions arising out of the Services performed by the Professional, or anyone employed by the Professional, or anyone for whose negligent acts, mistakes, errors and omissions the Professional is legally liable, with an unimpaired liability insurance limit of \$1,000,000 each claim and \$2,000,000 annual aggregate. In the event the Professional Liability insurance policy is written on a "claims made" basis, coverage shall extend for three years after the conclusion of the term of this Agreement, and the Professional shall be required to submit certificates of insurance and other requested information evidencing proper coverage is in effect as required above. Confidential information such as the policy premium or proprietary information may be redacted from the insurance information requested, provided that such redactions do not alter any of the information required by this Agreement.
- iv. Workers' Compensation and Employer's Liability Insurance. The Professional shall maintain Workers' Compensation insurance to cover the Professional's employees engaged in the performance of the Services under this Agreement and shall also maintain Employers Liability Insurance of not less than \$1,000,000 for each accident, \$1,000,000 disease for each employee and \$1,000,000 disease policy limit.

(C) Cancellation and Expiration Notice. Insurance required herein shall not expire, be canceled, or be materially changed without thirty (30) days' prior written notice to NBU.

Section 11. Termination.

(A) For NBU's Convenience. This Agreement is for the convenience of NBU and, as such, may be terminated by NBU for any reason upon thirty (30) days' written notice by NBU to the Professional. Upon termination for convenience, the Professional will be paid for the Services performed to the termination date less any offsets to which NBU may be entitled under the terms of this Agreement. By written notice to NBU, the Professional may suspend work if the Professional reasonably determines that working conditions at the site (outside the Professional's control) are unsafe, or in violation of applicable laws, or in the event NBU has not made timely payment in accordance with this Agreement, or for other circumstances not caused by the Professional that are materially interfering with the normal progress of the work. The

Professional's suspension of work hereunder shall be without prejudice to any other remedy of the Professional at law or equity.

(B) For Cause. If either party violates any provision or fails to perform any obligation of this Agreement and such party fails to cure its nonperformance within thirty (30) days after written notice of nonperformance is given by the non-defaulting party, such party will be in default. In the event of such default, the non-defaulting party may terminate this Agreement immediately for cause and will have all remedies that are available to it at law or in equity including, without limitation, the remedy of specific performance. If the nature of the defaulting party's nonperformance is such that it cannot reasonably be cured within thirty (30) days, then the defaulting party will have such additional period of time as may be reasonably necessary under the circumstances, provided the defaulting party immediately (i) provides written notice to the non-defaulting party and (ii) commences to cure its nonperformance and thereafter diligently continues to completion the cure of its nonperformance. In no event will any such cure period exceed ninety (90) days. Only one notice of nonperformance will be required during the term of this Agreement and in the event of a second breach or violation, the nondefaulting party may immediately terminate this Agreement without notice to the defaulting party. In the event of any termination for cause by NBU, payment will be made by NBU to the Professional for the undisputed portion of its fee due as of the termination date less any offsets to which NBU may be entitled under the terms of this Agreement.

(C) Non-Collusion. The Professional represents and warrants that the Professional has not given, made, promised or paid, nor offered to give, make, promise or pay any gift, bonus, commission, money or other consideration to any person as an inducement to or in order to obtain the work to be provided to NBU under this Agreement. If NBU determines that the Professional gave, made, promised, paid or offered any gift, bonus, commission, money, or other consideration to NBU or any of its officers, agents, or employees to secure this Agreement, NBU may elect to cancel this Agreement by written notice to the Professional. The Professional further agrees that the Professional shall not accept any gift, bonus, commission, money, or other consideration from any person (other than from NBU pursuant to this Agreement) for any of the Services performed by the Professional under or related to this Agreement. If any such gift, bonus, commission, money, or other consideration is received by or offered to the Professional, the Professional shall immediately report that fact to NBU and, NBU, at its sole option, may elect to cancel this Agreement by written notice to the Professional.

(D) Agreement Subject to Appropriation. This Agreement is subject to appropriation of funds. The provisions of this Agreement for payment of funds by NBU shall be effective when funds are appropriated for purposes of this Agreement and are actually available for payment. NBU shall be the sole judge and authority in determining the availability of funds under this Agreement and NBU shall keep the Professional fully informed as to the availability of funds for the Agreement. The obligation of NBU to make any payment pursuant to this Agreement is a current expense of NBU, payable exclusively from such annual appropriations, and is not a general obligation or indebtedness of NBU. If sufficient funds are not appropriated to pay the amounts as set forth in this Agreement during any immediately succeeding fiscal year, this Agreement shall terminate at the end of the then-current fiscal year and NBU and the Professional shall be relieved of any subsequent obligation under this Agreement.

Section 12. Miscellaneous.

- (A) Independent Contractor. The Professional acknowledges that the Professional is an independent contractor of NBU and is not an employee, agent, official or representative of NBU. The Professional shall not represent, either expressly or through implication, that the Professional is an employee, agent, official or representative of NBU. Income taxes, self-employment taxes, social security taxes and the like shall be the sole responsibility of the Professional.
- (B) Governing Law; Venue. This Agreement and all of the transactions contemplated herein shall be governed by and construed in accordance with the laws of the State of Texas. The provisions and obligations of this Agreement are performable in Comal County, Texas such that exclusive venue for any action arising out of this Agreement shall be in Comal County, Texas.
- (C) Compliance with Laws. The Professional shall comply with all federal, state and local laws, statutes, ordinances, rules and regulations, and the orders and decrees of any courts, administrative, or regulatory bodies in any matter affecting the performance of this Agreement, including, without limitation, worker's compensation laws, minimum and maximum salary and wage statutes and regulations, and licensing laws and regulations. When required, the Professional shall furnish satisfactory proof of compliance to NBU.
- (D) Amendments. This Agreement may only be amended, modified, or supplemented by a written amendment signed by persons duly authorized to enter into contracts on behalf of NBU and the Professional.
- (E) Provisions Required by Law. Each and every provision of law and any clause required by law to be in the Agreement shall be read and enforced as though it were included herein and, if through mistake or otherwise any such provision is not inserted, or is not correctly inserted, then upon the application of either party, the Agreement shall promptly be physically amended to make such insertion or correction.
- (F) Severability. If any term or provision of this Agreement is held to be invalid, illegal, or unenforceable in any respect under applicable law, the legality, validity or enforceability of the remaining terms or provisions of this Agreement shall not be affected thereby, and this Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein.
- (G) Entire Agreement; Interpretation; Parol Evidence. This Agreement and the related Exhibits constitute the entire agreement of the parties with respect to the subject matter, and all previous agreements, whether oral or written, entered into prior to this Agreement are hereby revoked and superseded thereby. No representations, inducements or oral agreements have been made by any of the parties except as expressly set forth in this Agreement. This Agreement shall be construed and interpreted according to its plain meaning, and no presumption shall be deemed to apply in favor of, or against the party drafting the Agreement.

(H) No Assignment. Neither party shall have the right to assign that party's interest in this Agreement without the prior written consent of the other party. Any purported assignment in violation of this Section shall be null and void.

(I) Subcontractors. The Professional shall not transfer any portion of the work related to the Services under this Agreement to any subcontractor without the prior written consent of NBU, which consent shall not be unreasonably withheld. The approval or acquiescence of NBU in the subletting of any work shall not relieve the Professional of any responsibility for work done by such subcontractor. Failure to pay subcontractors in a timely manner pursuant to any subcontract shall be a material breach of this Agreement by the Professional.

(J) Waiver. No waiver by any party of any of the provisions of this Agreement shall be effective unless explicitly set forth in writing and signed by the party so waiving. No waiver of any breach or violation of any term of this Agreement shall be deemed or construed to constitute a waiver of any other breach or violation, whether concurrent or subsequent, and whether of the same or of a different type of breach or violation. No failure to exercise, or delay in exercising, any right, remedy, power, or privilege arising from this Agreement shall operate or be construed as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power, or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power, or privilege.

(K) Attorneys' Fees. In the event either party brings any action for any relief, declaratory or otherwise, arising out of this Agreement or on account of any breach or default hereof, the prevailing party will be entitled to receive from the other party reasonable attorneys' fees and reasonable costs and expenses, which will be deemed to have accrued on the commencement of such action.

(L) Liens. All materials or services provided under this Agreement shall be free of all liens and, if NBU requests, a formal release of all liens shall be delivered to NBU.

(M) Offset.

- i. Offset for Damages. In addition to all other remedies at law or equity, NBU may offset from any money due to the Professional any amount the Professional owes to NBU for damages resulting from breach or deficiencies in performance or breach of any obligation under this Agreement, including but not limited to all costs, expenses, fines, fees, and charges associated with obtaining performance from alternative sources, shipping, handling, materials, equipment rental, travel expenses and associated costs.
- ii. Offset for Delinquent Fees or Taxes. NBU may offset from any money due to the Professional any amount the Professional owes to NBU for delinquent fees, including any interest or penalties.

(N) Notices. Any notice or other communication required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been duly given if (i) delivered to the

party at the address set forth below, (ii) deposited in the U.S. Mail, registered or certified, return receipt requested, to the address set forth below, or (iii) given to a recognized and reputable overnight delivery service, to the address set forth below:

If to NBU:

New Braunfels Utilities
Attn: Chief Financial Officer
263 Main Plaza
New Braunfels, TX 78130

With copy to:

Purchasing Manager
New Braunfels Utilities
355 FM 306
New Braunfels, TX 78130

If to the Professional:

New Braunfels Food Bank
1620 S Seguin Ave
New Braunfels, TX 78130

or at such other address, and to the attention of such other person or officer, as any party may designate by providing thirty (30) days' prior written notice of such change to the other party in the manner set forth in this Section. Notices shall be deemed received (i) when delivered to the party, (ii) three business days after being placed in the U.S. Mail, properly addressed, with sufficient postage or (iii) the following business day after being given to a recognized overnight delivery service, with the person giving the notice paying all required charges and instructing the delivery service to deliver on the following business day. If a copy of a notice is also given to a party's counsel or other recipient, the provisions above governing the date on which a notice is deemed to have been received by a party shall mean and refer to the date on which the party, and not its counsel or other recipient to which a copy of the notice may be sent, is deemed to have received the notice.

(O) Confidentiality of Records. The Professional shall establish and maintain procedures and controls that are acceptable to NBU for the purpose of ensuring that information contained in its records or obtained from NBU or from others in carrying out the Professional's obligations under this Agreement shall not be used or disclosed by it, its agents, officers, or employees, except as required to perform the Professional's duties under this Agreement. Persons requesting such information should be referred to NBU. The Professional also agrees that any information pertaining to individual persons shall not be divulged other than to employees or officers of the Professional as needed for the performance of duties under this Agreement.

(P) Right to Audit. NBU shall have the right to examine and audit the books and records of the Professional with regard to the Services, or any subsequent changes, at any reasonable time. Such books and records shall be maintained in accordance with generally accepted principles of accounting and shall be adequate to enable determination of: (1) the substantiation and accuracy of any payments required to be made under this Agreement; and (2) compliance with the provisions of this Agreement.

(Q) Paragraph Headings; Construction. The paragraph headings contained in this Agreement are for convenience only and shall in no way enlarge or limit the scope or meaning of the various and several paragraphs hereof. Both parties have participated in the negotiation and preparation of this Agreement and this Agreement shall not be construed either more or less strongly against or for either party.

(R) Binding Effect. Except as limited herein, the terms and provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, devisees, personal and legal representatives, successors and assigns.

(S) Gender. Within this Agreement, words of any gender shall be held and construed to include any other gender, and words in the singular number shall be held and construed to include the plural, unless the context otherwise requires.

(T) Multiple Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, and all of which shall constitute but one and the same instrument.

(U) Exhibits. Except as specified in Subsection (V) of this Section, all exhibits to this Agreement are incorporated herein by reference for all purposes wherever reference is made to the same.

(V) Conflicting Terms. In the case of any conflicts between the terms of this Agreement and the Exhibits, the statements in the body of this Agreement shall govern. The Exhibits are intended to detail the technical scope of services, fee schedule, and the term of the contract only and shall not dictate Agreement terms.

(W) Relationship of Parties. Nothing contained in this Agreement shall be deemed or construed by the parties hereto or by any third party to create the relationship of principal and agent or of partnership or of joint venture or of any association whatsoever between the parties, it being expressly understood and agreed that no provision contained in this Agreement nor any act or acts of the parties hereto shall be deemed to create any relationship between the parties other than the relationship of independent parties contracting with each other solely for the purpose of effecting the provisions of this Agreement.

(X) No Third-Party Beneficiaries. This Agreement is for the sole benefit of the parties hereto and their respective assigns and nothing herein, express or implied, is intended to or shall confer upon any other person or entity any legal or equitable right, benefit, or remedy of any nature whatsoever under or by reason of this Agreement.

(Y) Non-Exclusive Contract. This Agreement is entered into with the understanding and agreement that it is for the sole convenience of NBU. NBU reserves the right to obtain like goods and services from another source when necessary.

Section 13. Force Majeure. If the performance of any covenant or obligation to be performed hereunder by any party is delayed as a result of circumstances that are beyond the reasonable control of such party (which circumstances may include, without limitation, acts of God, war, acts of civil disobedience, epidemic, pandemic, fire or other casualty, shortage of materials, adverse weather conditions (such as, by way of illustration and not of limitation, severe rain storms or below freezing temperatures, or tornados), labor action, strikes or similar acts, moratoriums or regulations or actions by governmental authorities), the time for such performance shall be extended by the amount of time of such delay, but no longer than the amount of time reasonably occasioned by the delay. In no event will any delay or failure of performance caused by any force majeure condition extend this Agreement beyond its stated Term unless both parties agree in writing to such extension in an amendment to this Agreement. The party claiming delay of performance as a result of any of the foregoing force majeure events shall deliver written notice of the commencement of any such delay resulting from such force majeure event not later than seven (7) days after the claiming party becomes aware of the same, and if the claiming party fails to so notify the other party of the occurrence of a force majeure event causing such delay and the other party shall not otherwise be aware of such force majeure event, the claiming party shall not be entitled to avail itself of the provisions for the extension of performance contained in this subsection.

Section 14. Dispute Resolution. In accordance with the provisions of Subchapter I, Chapter 271 of the Texas Local Government Code, as amended, the parties agree that, prior to instituting any lawsuit or other proceeding arising from a dispute under this agreement, the parties shall first attempt to resolve the dispute by taking the steps described in this Section. First, the dissatisfied party shall deliver to the other party a written notice substantially describing the nature of the dispute, which notice shall request a written response to be delivered to the dissatisfied party not less than five (5) days after receipt of the notice of dispute. Second, if the response does not reasonably resolve the dispute, in the opinion of the dissatisfied party, the dissatisfied party shall give five (5) days' written notice to that effect to the other party whereupon each party shall appoint a person having authority over the activities of the respective parties who shall promptly meet, in person, in an effort to resolve the dispute. Third, if those persons cannot or do not resolve the dispute, then the parties shall each appoint a person from the highest tier of managerial responsibility within each respective party, who shall then promptly meet, in person, in an effort to resolve the dispute.

Section 15. Disclosure of Business Relationships/Affiliations; Conflict of Interest Questionnaire. The Professional represents that it is in compliance with the applicable filing and disclosure requirements of Chapter 176 of the Texas Local Government Code, as amended.

Section 16. Information Technology

(A) Limited Access. If necessary for the fulfillment of the Agreement, NBU may provide the Professional with non-exclusive, limited access to NBU's information technology infrastructure. The Professional understands and agrees to abide by NBU policies, standards, regulations and restrictions regarding access and usage of NBU's information technology infrastructure. The Professional shall reasonably enforce such policies, standards, regulations and restrictions with all the Professional's employees, agents or any tier of subcontractor granted access in the performance of this Agreement, and shall be granted and authorize only such access as may be necessary for the purpose of fulfilling the requirements of the Agreement. The Professional's employees, agents and subcontractors must receive prior, written approval from NBU before being granted access to NBU's information technology infrastructure and data and NBU, in its sole determination, shall determine accessibility and limitations thereto. The Professional agrees that the requirements of this Section shall be incorporated into all subcontractor agreements entered into by the Professional. It is further agreed that a violation of this Section shall be deemed to cause irreparable harm that justifies injunctive relief in court. A violation of this Section may result in immediate termination of this Agreement without notice.

(B) Data Confidentiality. All data, regardless of form, including originals, images and reproductions, prepared by, obtained by or transmitted to the Professional in connection with this Agreement is confidential, proprietary information owned by NBU. Except as specifically provided in this Agreement, the Professional shall not intentionally disclose data generated in the performance of the Services to any third party without the prior, written consent of NBU.

(C) Data Security. Personal identifying information, financial account information, or restricted NBU information, whether electronic format or hard copy, is confidential and must be secured and protected at all times to avoid unauthorized access. At a minimum, the Professional must encrypt or password-protect electronic files. This includes data saved to laptop computers, computerized devices or removable storage devices.

(D) Compromised Security. In the event that data collected or obtained by the Professional in connection with this Agreement is believed to have been compromised or in the event of a Security Incident, as defined by Section 2054.603 of the Texas Government Code, the Professional shall notify NBU within twenty-four (24) hours of discovery of such compromise or Security Incident. **THE PROFESSIONAL SHALL INDEMNIFY, DEFEND, AND HOLD NBU HARMLESS FROM ANY CLAIMS RESULTING FROM THE PROFESSIONAL'S FAILURE TO COMPLY WITH ITS OBLIGATIONS UNDER THIS SECTION.**

(E) Survival. The obligations of the Professional under this Section shall survive the termination of this Agreement.

Section 17. Prohibition on Contracts with Companies Boycotting Israel. The Professional hereby verifies that it and its parent company, wholly-or majority owned subsidiaries, and other affiliates, if any, does not boycott Israel and, to the extent this Agreement is a contract for goods or services, will not boycott Israel during the term of this Agreement as described in Chapter 2271 of the Texas Government Code, as amended. The foregoing verification is made solely to comply with Section 2271.002 of the Texas Government Code, as amended, and to the extent such Section does not contravene applicable federal and State law. As used in the foregoing verification,

“boycott Israel” means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes. The Professional understands “affiliate” to mean an entity that controls, is controlled by, or is under common control with the Professional and exists to make a profit.

Section 18. Contracts with Companies Engaged in Business with Iran, Sudan or Foreign Terrorist Organizations Prohibited. The Professional represents that neither it nor any of its parent company, wholly-or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Texas Government Code, as amended, and posted on any of the following pages of such officer’s internet website:

<https://comptroller.texas.gov/purchasing/docs/sudan-list.pdf>,
<https://comptroller.texas.gov/purchasing/docs/iran-list.pdf>, or
<https://comptroller.texas.gov/purchasing/docs/fto-list.pdf>.

The foregoing representation is made solely to comply with Section 2252.152, Texas Government Code, as amended, and to the extent such Section does not contravene applicable federal or State law and excludes the Professional and each of its parent company, wholly-or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization. The Professional understands “affiliate” to mean an entity that controls, is controlled by, or is under common control with the Professional and exists to make a profit.

Section 19. Prohibition on Contracts with Companies in China, Iran, North Korea, or Russia. If the Professional is granted direct or remote access to or control of critical infrastructure in the State of Texas under this Agreement, the Professional represents the following:

- (A) it is not owned by or the majority of stock or other ownership interest in the Professional is not held or controlled by:
 - i. individuals who are citizens of China, Iran, North Korea, Russia, or a country designated by the Governor of Texas as a threat to critical infrastructure under Section 2275.0103 of the Texas Government Code, as amended (“designated country”); or
 - ii. a company or other entity, including a governmental entity, that is owned or controlled by citizens of or is directly controlled by the government of China, Iran, North Korea, Russia, or a designated country; or
- (B) it is not headquartered in China, Iran, North Korea, Russia, or a designated country.

The foregoing representation is made solely to comply with Chapter 2275 of the Texas Government Code, as amended, and to the extent such Section does not contravene applicable federal or State law. As used in the foregoing verification, “critical infrastructure” means a

communication infrastructure system, cybersecurity system, electric grid, hazardous waste treatment system, or water treatment facility. “Affiliate,” with respect to a company entering into an agreement in which the critical infrastructure is electric grid equipment, has the meaning assigned by the protocols of the independent organization certified under Section 39.151, Utilities Code, for the ERCOT power region.

Section 20. Prohibition on Contracts with Companies Boycotting Energy Companies. The Professional hereby verifies that it and its parent company, wholly-or majority owned subsidiaries, and other affiliates, if any, do not boycott energy companies and, to the extent this Agreement is a contract for goods or services, will not boycott energy companies during the term of this Agreement as described in Chapter 2276 of the Texas Government Code, as amended

The foregoing verification is made solely to comply with Section 2276.002 of the Texas Government Code, as amended, and to the extent such Section does not contravene applicable federal and State law. As used in the foregoing verification, “boycott energy companies” has the meaning used in Section 809.001 of the Texas Government Code, as amended. The Professional understands “affiliate” to mean an entity that controls, is controlled by, or is under common control with the Professional and exists to make a profit.

Section 21. Prohibition on Contracts with Companies that Discriminate Against Firearm and Ammunition Industries. The Professional hereby verifies that it and its parent company, wholly-or majority owned subsidiaries, and other affiliates, if any, do not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and, to the extent this Agreement is a contract for goods or services, will not discriminate against a firearm entity or firearm trade association during the term of this Agreement as described in Chapter 2274 of the Texas Government Code, as amended.

The foregoing verification is made solely to comply with Section 2274.002 of the Texas Government Code, as amended, and to the extent such Section does not contravene applicable federal and State law. As used in the foregoing verification, “discriminate against a firearm entity or firearm trade association” has the meaning used in Section 2274.001(3) of the Texas Government Code, as amended. The Professional understands “affiliate” to mean an entity that controls, is controlled by, or is under common control with the Professional and exists to make a profit.

Section 22. Texas Public Information Act. The Professional recognizes that NBU is subject to the disclosure requirements of the Texas Public Information Act (the “PIA”). As part of its obligations within this Agreement, the Professional agrees, at no additional cost to NBU, to cooperate with NBU for any particular needs or obligations arising out of the NBU’s obligations under the PIA. This acknowledgement and obligation are in addition to and complimentary to the NBU’s audit rights in Section 12(P).

This provision applies if the Agreement has a stated expenditure of at least \$1 million in public funds for the purchase of goods or services by NBU or results in the expenditure of at least \$1 million in public funds for the purchase of goods or services by NBU in a fiscal year of NBU.

The Professional must (1) preserve all contracting information related to the Agreement as provided by the records retention requirements applicable to NBU for the duration of the Agreement; (2) promptly provide to NBU any contracting information related to the Agreement that is in the custody or possession of the Professional on request of NBU; and (3) on completion of the Agreement, either:

- (i) provide at no cost to NBU all contracting information related to the Agreement that is in the custody or possession of the Professional; or
- (ii) preserve the contracting information related to the Agreement as provided by the records retention requirements applicable to NBU.

The requirements of Subchapter J, Chapter 552, Texas Government Code, may apply to this Agreement and the Professional agrees that the Agreement can be terminated if the Professional knowingly or intentionally fails to comply with a requirement of that subchapter.

Section 23. Electronic Signatures. Pursuant to Chapter 322 of the Texas Business and Commerce Code, as amended, the parties agree to the use of electronic signatures herein and that the use of an electronic signature, whether digital or encrypted, is intended to have the same force and effect as a manual signature. Electronic signature means any electronic sound, symbol or process attached to or logically associated with a record and executed and adopted by a party with the intent to sign such record, including facsimile or e-mail electronic signatures. Each party further agrees that if it agrees to conduct a transaction by electronic means in this Agreement, it may refuse to conduct other transactions by electronic means and that such right may not be waived by this Agreement.

(The remainder of this page intentionally left blank)

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on this the ____ day of _____, 2024.

NBU:
NEW BRAUNFELS UTILITIES,
a Texas municipally owned utility

By: _____
Name: Ryan Kelso
Title: Chief Executive Officer

PROFESSIONAL:
SAN ANTONIO FOOD BANK
DBA NEW BRAUNFELS FOOD BANK,
a Texas nonprofit corporation

By: _____
Name: _____
Title: _____

Exhibit A

Services

The Professional shall provide all labor, material, and equipment to administer the NBU Utility Bill Assistance Program (“Program”). The Professional shall determine applicant eligibility and priority for approval using NBU approved evaluation criteria.

Professional Responsibility

1. The Professional shall accept utility assistance applications, qualify applicants, determine the amount of contribution per applicant, and disburse electronic vouchers to approved applicants.
2. The Professional shall utilize the following NBU approved evaluation criteria to determine priority for approval:
 - a) low-income households at or below 250% of federal poverty guidelines that demonstrate need (as determined through the application process), elderly, disabled and families with small children or with special health conditions;
 - b) unemployment of the applicant or a primary income provider of the household that has created financial hardship;
 - c) illness of the applicant, a primary income provider or an immediate family member that has created financial hardship. An immediate family member is defined as a spouse, a child or a parent for whom the applicant is the primary care giver, or a sibling who has lived in the applicant's household a minimum of three (3) months;
 - d) death of a primary income provider of the household or an immediate family member that has created financial hardship due to burial expenses;
 - e) hardship that has caused a lack of adequate resources for the applicant to pay his or her utility bill;
 - f) military veterans who have significantly decreased abilities to regulate their body's core temperature due to severe burns received during armed conflict or combat. If this criterion is used to evaluate eligibility, the following requirements shall apply:
 - i. discount shall be applied to electric, water, and wastewater billed usage;
 - ii. discount shall be effective for the months of May through October;
 - iii. a medical military facility certification is required to determine eligibility; and
 - iv. medical confirmation shall be required every twelve (12) months for Program participation.
3. Discount shall be applied to electric, water, and wastewater billed usage.
4. The Professional shall provide documentation reasonably satisfactory to NBU of its evaluation and approval process for each applicant.
5. The Professional shall utilize an electronic voucher numbering system to notify NBU of the amount to be applied to each customer’s bill; no payments shall be made directly to any individual.

6. Applications are to be processed every other day, excluding weekends. If applications cannot be processed within two business days after receipt, notice shall be sent to the NBU Customer Service Manager prior to expiration of the two business days.
7. The Professional shall submit a daily report to the NBU Customer Service Manager. If there are more than ten (10) vouchers created in a day, the Professional shall submit multiple reports with a maximum of ten (10) vouchers per report, which shall include the following information for each applicant that is eligible for the Program:
 - a) voucher number and date of voucher;
 - b) amount of voucher;
 - c) name of the voucher recipient (must be the NBU customer of record including any joint account holder, as listed on the NBU billing statement);
 - d) NBU account number; and
 - e) breakdown of months assisted.
8. The Professional shall provide a monthly report to the NBU Customer Service Manager by the 10th business day of the month with an invoice that includes the following information for each voucher recipient from the previous month:
 - a) voucher number and date of voucher;
 - b) amount of voucher;
 - c) name of the voucher recipient (must be the NBU customer of record as listed on the NBU billing statement);
 - d) NBU account number; and
 - e) criteria of eligibility and number of recipients within that category for each month.
9. The Professional shall obtain an email authorization from an NBU Customer Service Assistant Manager, Customer Service Manager, or Chief Financial Officer before disbursement of utility assistance to an approved NBU customer in an amount over \$900.
10. The Professional shall manage Program funds in a commercially reasonable manner, disbursing funds in such a way as to ensure there is assistance available to disburse each month throughout the year, recognizing the first and third quarters of each calendar year are periods with increased usage and higher than normal bill amounts.
11. The Professional must be a 501(c)(3) and provide a link to a portal on the Professional's website for individuals to be able to contribute funds to the Program. NBU will include a link on its website to the Professional's portal to the Program. The Professional shall also provide a tax-compliant donation receipt to donors upon request.
12. The Professional shall not issue vouchers for deposits, processing fees, tampering fees, insufficient fund transactions or fees, or towards accounts with an outstanding balance owed for customers that are transferring off of the NBU service line. If the customer is awaiting a water leak adjustment the customer's voucher will be placed on hold to allow for the adjustment to be processed.

13. The Professional shall transfer funds to NBU for donations made to the Program. Payments will be made to NBU by check each quarter along with a report to the NBU Customer Service Manager noting the number and amount of donations.

NBU Responsibility

1. NBU shall budget funds on an annual basis for use for the Program.
2. NBU may solicit contributions from NBU customers and the general public during each fiscal year (August 1- July 31) and disburse the money designated for the Program during each fiscal year.
3. NBU Customer Service Assistant Manager, Customer Service Manager, or Chief Financial Officer shall have the flexibility to override the eligibility criteria under special circumstances.

Exhibit B

Compensation

- I. For each Term Year, NBU shall compensate the Professional in an amount not to exceed the lesser of (i) fifteen percent (15%) of the distributed Program funds for each Term, or (ii) \$90,000.

- II. For the duration of the Agreement, NBU shall compensate the Professional in an amount not to exceed the lesser of (i) fifteen percent (15%) of the distributed Program funds for the duration of the Agreement, or (ii) \$450,000.



Meeting Date: February 29, 2024 **Agenda Type:** Consent Items for Action

From: Jason Theurer **Reviewed by:** Michael Short, P.E.
 Water Operations Manager Director of Water Services and Compliance

Submitted by: Michael Short, P.E. **Approved by:** Ryan Kelso
 Director of Water Services and Compliance Chief Executive Officer

RECOMMENDED ACTION: Authorize CEO or His Designee to Negotiate and Execute a Professional Services Agreement with Xylem Dewatering Solutions, Inc. d/b/a Wachs Water Services for Fire Hydrant Inspection, Maintenance, and Flow Testing

BACKGROUND

On September 8, 2023, New Braunfels Utilities (“NBU”) issued a request for proposal (“RFP”) for fire hydrant maintenance. Fire hydrant maintenance is required to ensure all hydrants are functioning correctly and we are able to provide proper fire flow during an emergency. In addition, routine fire hydrant maintenance helps to improve the City of New Braunfels’ rating it receives from the Insurance Safety Office (“ISO Rating”). The ISO Rating is used by insurance companies to define the risk factors for insured properties within an area.

On October 10, 2023, NBU received two (2) responses to the RFP during the public bidding process. The Water Operations Division of NBU evaluated the bids. It determined that Xylem Dewatering Solutions Inc., dba Wachs Water Services, was the most suitable bid based on cost and prior work experience.

NBU staff requests that the Board of Trustees approve a Professional Services Agreement with Xylem Dewatering Solutions Inc. dba Wachs Water Services (the “Professional”) for fire hydrant maintenance (the “Agreement”). This Agreement provides fire hydrant inspection, maintenance, and flow testing of all public fire hydrants within NBU’s water service territory.

This Agreement will be for one (1) year from March 1, 2024, to February 28, 2025 (the “Initial Term”). After the expiration of the initial term, the Agreement will automatically renew for four (4) consecutive one-year terms (each, a “Renewal Term”).

This item is being presented to the Board because the total amount of this contract exceeds \$250,000.

FINANCIAL IMPACT

The contract amount for the maintenance Agreement with Xylem is \$223,500 annually, with a not to exceed amount of \$1,117,500 for the duration of the Agreement. There are also additional services on this contract with a not to exceed amount of \$176,500 annually and a not to exceed amount of \$882,500 for the duration of the Agreement. The Agreement is budgeted with the Water Operations, Operations and Maintenance Budget (“O&M Budget”) for fiscal year 2024 and will be budgeted in the O&M Budgets of fiscal year 2025 through fiscal year 2029.

LINK TO STRATEGIC PLAN

Customers and Community

Stewardship

EXHIBITS

1. Professional Services Agreement with Xylem Dewatering Solutions, Inc. dba Wachs Water Services

PROFESSIONAL SERVICES AGREEMENT

This **PROFESSIONAL SERVICES AGREEMENT** (the “Agreement”) is made and entered by and between **NEW BRAUNFELS UTILITIES**, a Texas municipally owned utility (“NBU”), and, **XYLEM DEWATERING SOLUTIONS, INC. DBA WACHS WATER SERVICES**, a New Jersey corporation authorized to transact business in the State of Texas (the “Professional”). For good and valuable consideration, the receipt and sufficiency of which is acknowledged, the parties agree as follows:

Section 1. Term of Agreement. This Agreement will be effective on the latest date subscribed below (the “Effective Date”) and will remain in full force and effect for a period of one (1) year from March 1, 2024, to February 28, 2025 (the “Initial Term”), unless terminated as otherwise provided pursuant to the terms and conditions of this Agreement. After the expiration of the Initial Term, this Agreement shall automatically renew for four (4) successive one-year terms (each, a “Renewal Term”), unless either party provides written notice of its intent to terminate the Agreement to the other party at least thirty (30) days prior to the expiration of any term. The Initial Term and any Renewal Term(s) are collectively referred to herein as the “Term.” Upon renewal, the terms and conditions of this Agreement will remain in full force and effect. In no event will the contract Terms extend beyond February 28, 2029.

Section 2. Scope of Services.

(A) The Professional shall perform the services described in Exhibit A (the “Services”) within the timeframe specified therein. The scope of work described in the Services constitutes the “Project.”

(B) The quality of Services provided hereunder shall be of the level of professional quality performed by professionals regularly rendering this type of service.

(C) The Professional shall perform the Services in compliance with all statutory, regulatory, and contractual requirements now or hereafter in effect as may be applicable to the rights and obligations set forth in the Agreement.

(D) The Professional may rely upon the accuracy of reports and surveys provided to it by NBU except when defects should have been apparent to a reasonably competent professional or when it has actual notice of any defects in the reports and surveys.

Section 3. Compensation.

(A) Amount. The Professional shall be paid the amount set forth in Exhibit B as described herein.

(B) Billing Period. NBU shall pay the Professional within thirty (30) days after receipt and approval of invoices and based upon work satisfactorily performed and completed to date. All invoices shall document and itemize all work completed to date. Each invoice statement shall include a record of time expended and work performed in sufficient detail to justify payment. In

the event any uncontested portions of any invoice are not paid within thirty (30) days of receipt and approval of the Professional's invoice, the Professional shall have the right to suspend work.

(C) Reimbursable Expenses. Any and all reimbursable expenses related to the Project shall be described in the Services defined in Exhibit A and accounted for in the total compensation amount in Exhibit B. If these items are not specifically accounted for in both Exhibit A and Exhibit B, NBU shall not be required to pay such amounts unless otherwise agreed to in writing by both parties or unless agreed to pursuant to Section 4 of this Agreement.

Section 4. Changes to the Project Work; Additional Work.

(A) Changes to Work. The Professional shall make such revisions to any work that has been completed as are necessary to correct any errors or omissions as may appear in such work. If NBU finds it necessary to make changes to previously satisfactorily completed work or parts thereof, the Professional shall make such revisions if requested and as directed by NBU and such services shall be considered as additional work and paid for as specified under the following paragraph.

(B) Additional Work. NBU retains the right to make changes to the Services at any time by a written contract amendment. Work that is clearly not within the general description of the Services under this Agreement must be approved in writing by NBU by contract amendment before the additional work is undertaken by the Professional. If the Professional is of the opinion that any work is beyond that contemplated in this Agreement and the Services described in Exhibit A and therefore constitutes additional work, the Professional shall promptly notify NBU of that opinion in writing. If NBU agrees that such work does constitute additional work, then NBU and the Professional shall execute a contract amendment for the additional work and NBU shall compensate the Professional for the additional work on the same basis of the rates for the Services contained in Exhibit B. If the changes deduct from the extent of the scope of work for the Services, the contract sum shall be adjusted accordingly. All such changes shall be executed under the conditions of the original Agreement. Any work undertaken by the Professional not previously approved as additional work shall be at risk of the Professional.

Section 5. Ownership of Documents. Upon completion or termination of this Agreement, all documents prepared by the Professional or furnished to the Professional by NBU shall be delivered to and become the property of NBU. All drawings, charts, calculations, plans, specifications and other data, including electronic files and raw data, prepared under or pursuant to this Agreement shall be made available, upon request, to NBU without restriction or limitation on the further use of such materials; however, such materials are not intended or represented to be suitable for reuse by NBU or others. Any reuse of the materials related to the Services without prior verification or adaptation by the Professional for the specific purpose intended will be at NBU's sole risk and without liability to the Professional. Where applicable, the Professional shall retain all pre-existing proprietary rights in the materials provided to NBU but shall grant to NBU a non-exclusive, perpetual, royalty-free license to use such proprietary information solely for the purposes for which the information was provided. The Professional may, at the Professional's expense, have copies made of the documents or any other data furnished to NBU under or pursuant to this Agreement.

Section 6. Personnel. The Professional shall provide adequate, experienced personnel, capable of and devoted to the successful completion of the Services to be performed under this Agreement. The Professional agrees that, upon commencement of the Services to be performed under this Agreement, key personnel will not be removed or replaced without prior written notice to NBU. If key personnel are not available to perform the Services for a continuous period exceeding thirty (30) calendar days, or are expected to devote substantially less effort to the Services than initially anticipated, the Professional shall immediately notify NBU of same and shall replace such personnel with personnel possessing substantially equal ability and qualifications.

Section 7. Licenses; Materials. The Professional shall maintain in current status all federal, state, and local licenses and permits required for the Professional to perform the Services and operate its business. NBU has no obligation to provide the Professional, its employees or subcontractors any business registrations or licenses required to perform the Services described in this Agreement. NBU has no obligation to provide tools, equipment, or materials to the Professional.

Section 8. Performance Warranty. The Professional warrants that the Services provided under this Agreement shall conform to the professional standards performed by professionals regularly rendering this type of service.

Section 9. Indemnification. **TO THE FULLEST EXTENT PERMITTED BY LAW, THE PROFESSIONAL SHALL INDEMNIFY, DEFEND, AND HOLD HARMLESS NBU AND EACH BOARD MEMBER, OFFICER, EMPLOYEE OR AGENT THEREOF (NBU AND ANY SUCH PERSON BEING HEREIN CALLED AN “INDEMNIFIED PARTY”), FOR, FROM AND AGAINST ANY AND ALL LOSSES, CLAIMS, DAMAGES, LIABILITIES, COSTS AND EXPENSES (INCLUDING, BUT NOT LIMITED TO, REASONABLE ATTORNEYS’ FEES AND COURT COSTS) TO WHICH ANY SUCH INDEMNIFIED PARTY MAY BECOME SUBJECT, UNDER ANY THEORY OF LIABILITY WHATSOEVER (“CLAIMS”), INsofar AS SUCH CLAIMS (OR ACTIONS IN RESPECT THEREOF) RELATE TO, ARISE OUT OF, OR ARE CAUSED BY THE GOODS OR SERVICES PROVIDED BY THE PROFESSIONAL, ITS OFFICERS, EMPLOYEES, AGENTS, OR ANY TIER OF SUBCONTRACTOR IN THE PERFORMANCE OF THIS AGREEMENT. THE AMOUNT AND TYPE OF INSURANCE COVERAGE REQUIREMENTS SET FORTH BELOW SHALL IN NO WAY BE CONSTRUED AS LIMITING THE SCOPE OF THE INDEMNITY IN THIS SECTION.**

Section 10. Insurance.

(A) General.

- i. Insurer Qualifications. Without limiting any obligations or liabilities of the Professional, the Professional shall purchase and maintain, at its own expense, hereinafter stipulated minimum insurance with insurance companies authorized to do business in the State of Texas with an A.M. Best, Inc. rating of A- VII or above with policies and forms satisfactory to NBU. Failure to maintain insurance as specified herein may result in termination of this Agreement at NBU’s option.

- ii. No Representation of Coverage Adequacy. By requiring insurance, NBU does not represent that coverage and limits will be adequate to protect the Professional. NBU reserves the right to review any and all of the insurance policies and/or endorsements cited in this Agreement, but has no obligation to do so. Failure to demand such evidence of full compliance with the insurance requirements set forth in this Agreement or failure to identify any insurance deficiency will not relieve the Professional from, nor be construed or deemed a waiver of, its obligation to maintain the required insurance at all times during the performance of this Agreement.
- iii. Additional Insured. All insurance coverage and self-insured retention or deductible portions, except Workers' Compensation insurance and Professional Liability insurance, if applicable, shall name, to the fullest extent permitted by law for claims arising out of the performance of this Agreement, NBU, its agents, representatives, officers, directors, officials and employees as an Additional Insured (CG 2010 1001 and CG 2037 1001 or an equivalent on the general liability policy) as specified under the respective coverage sections of this Agreement.
- iv. Coverage Term. All insurance required herein shall be maintained in full force and effect until all the Services required to be performed under the terms of this Agreement are satisfactorily performed, completed and formally accepted by NBU, unless specified otherwise in this Agreement.
- v. Primary Insurance. The Professional's insurance shall be primary insurance with respect to performance of this Agreement and in the protection of NBU as an Additional Insured.
- vi. Claims Made. In the event any insurance policies required by this Agreement are written on a "claims made" basis, coverage will extend, either by keeping coverage in force or purchasing an extended reporting option, for three years after the conclusion of the term of this Agreement. Such continuing coverage will be evidenced by submission of annual certificates of insurance stating applicable coverage is in force and containing provisions as required herein for the three-year period.
- vii. Waiver. All policies (except for Professional Liability, if applicable), including Workers' Compensation insurance, will contain a waiver of rights of recovery (subrogation) against NBU, its agents, representatives, officials, officers and employees for any claims arising out of the Services performed by the Professional. The Professional shall arrange to have such subrogation waivers incorporated into each policy via formal written endorsement thereto.
- viii. Policy Deductibles and/or Self-Insured Retentions. The policies set forth in these requirements may provide coverage that contains deductibles or self-insured retention amounts. Such deductibles or self-insured retention shall not be

applicable with respect to the policy limits provided to NBU. The Professional shall be solely responsible for any such deductible or self-insured retention amount.

- ix. Use of Subcontractors. The Professional shall not use subcontractors for all or any work under this Agreement without the prior written consent of NBU in its sole discretion. If any work under this Agreement is subcontracted in any way, the Professional shall execute written agreements with its subcontractors containing the indemnification provisions set forth in this Agreement and insurance requirements set forth herein protecting NBU and the Professional. The Professional shall be responsible for executing any agreements with its subcontractors and obtaining certificates of insurance verifying the insurance requirements.
- x. Evidence of Insurance. Prior to the Effective Date of this Agreement, the Professional shall provide suitable evidence of insurance to NBU, which confirms that all required insurance policies are in full force and effect. Evidence of insurance shall be in a form acceptable to NBU. Confidential information such as the policy premium may be redacted from the documents evidencing each insurance policy, provided that such redactions do not alter any of the information required by this Agreement. NBU will rely upon the requested information, including, but not limited to, certificates of insurance, endorsements, schedule of forms and endorsements, or other policy language as evidence of coverage but such acceptance and reliance will not waive or alter in any way the insurance requirements or obligations of this Agreement. If any of the policies required by this Agreement expire during the life of this Agreement, it will be the Professional's responsibility to forward renewal certificates and evidence of insurance to NBU five (5) days prior to the expiration date.

(B) Required Insurance Coverage. Any of the coverage set forth below may be waived by NBU in its sole discretion, but any such waiver must be signed by an authorized representative of NBU on or before the Effective Date of this Agreement.

- i. Commercial General Liability. The Professional shall maintain "occurrence" form Commercial General Liability insurance with an unimpaired limit of not less than \$1,000,000 for each occurrence and a \$2,000,000 General Aggregate Limit. The policy shall cover liability arising from premises, operations, independent contractors, products, completed operations, personal injury, and property damage. The definition of insured contract cannot have any modifications as outlined in the ISO policy form CG 0001 0413. Third party action over coverage must not be specifically excluded. To the fullest extent allowed by law, for claims arising out of the performance of this Agreement, NBU, its agents, representatives, officers, officials and employees shall be cited as an Additional Insured. If any Excess insurance is utilized to fulfill the requirements of this subsection, such Excess insurance shall be "follow form" equal or broader in coverage scope than underlying insurance.

- ii. Auto Liability. The Professional shall maintain Automobile Liability insurance with a limit of \$1,000,000 combined single limit on the Professional's owned or hired and non-owned vehicles, as applicable, assigned to or used in the performance of the Services by the Professional under this Agreement. To the fullest extent allowed by law, for claims arising out of the performance of this Agreement, NBU, its agents, representatives, officers, directors, officials and employees shall be cited as an Additional Insured. If any Excess insurance is utilized to fulfill the requirements of this subsection, such Excess insurance shall be "follow form" equal or broader in coverage scope than underlying insurance.
- iii. Professional Liability. The Professional shall maintain Professional Liability insurance covering negligent errors and omissions arising out of the Services performed by the Professional, or anyone employed by the Professional, or anyone for whose negligent acts, mistakes, errors and omissions the Professional is legally liable, with an unimpaired liability insurance limit of \$1,000,000 each claim and \$2,000,000 annual aggregate. In the event the Professional Liability insurance policy is written on a "claims made" basis, coverage shall extend for three years after the conclusion of the term of this Agreement, and the Professional shall be required to submit certificates of insurance and other requested information evidencing proper coverage is in effect as required above. Confidential information such as the policy premium or proprietary information may be redacted from the insurance information requested, provided that such redactions do not alter any of the information required by this Agreement.
- iv. Workers' Compensation and Employer's Liability Insurance. The Professional shall maintain Workers' Compensation insurance to cover the Professional's employees engaged in the performance of the Services under this Agreement and shall also maintain Employers Liability Insurance of not less than \$1,000,000 for each accident, \$1,000,000 disease for each employee and \$1,000,000 disease policy limit.

(C) Cancellation and Expiration Notice. Insurance required herein shall not expire, be canceled, or be materially changed without thirty (30) days' prior written notice to NBU.

Section 11. Termination.

(A) For NBU's Convenience. This Agreement is for the convenience of NBU and, as such, may be terminated by NBU for any reason upon thirty (30) days' written notice by NBU to the Professional. Upon termination for convenience, the Professional will be paid for the Services performed to the termination date less any offsets to which NBU may be entitled under the terms of this Agreement. By written notice to NBU, the Professional may suspend work if the Professional reasonably determines that working conditions at the site (outside the Professional's control) are unsafe, or in violation of applicable laws, or in the event NBU has not made timely payment in accordance with this Agreement, or for other circumstances not caused by the Professional that are materially interfering with the normal progress of the work. The

Professional's suspension of work hereunder shall be without prejudice to any other remedy of the Professional at law or equity.

(B) For Cause. If either party violates any provision or fails to perform any obligation of this Agreement and such party fails to cure its nonperformance within thirty (30) days after written notice of nonperformance is given by the non-defaulting party, such party will be in default. In the event of such default, the non-defaulting party may terminate this Agreement immediately for cause and will have all remedies that are available to it at law or in equity including, without limitation, the remedy of specific performance. If the nature of the defaulting party's nonperformance is such that it cannot reasonably be cured within thirty (30) days, then the defaulting party will have such additional period of time as may be reasonably necessary under the circumstances, provided the defaulting party immediately (i) provides written notice to the non-defaulting party and (ii) commences to cure its nonperformance and thereafter diligently continues to completion the cure of its nonperformance. In no event will any such cure period exceed ninety (90) days. Only one notice of nonperformance will be required during the term of this Agreement and in the event of a second breach or violation, the nondefaulting party may immediately terminate this Agreement without notice to the defaulting party. In the event of any termination for cause by NBU, payment will be made by NBU to the Professional for the undisputed portion of its fee due as of the termination date less any offsets to which NBU may be entitled under the terms of this Agreement.

(C) Non-Collusion. The Professional represents and warrants that the Professional has not given, made, promised or paid, nor offered to give, make, promise or pay any gift, bonus, commission, money or other consideration to any person as an inducement to or in order to obtain the work to be provided to NBU under this Agreement. If NBU determines that the Professional gave, made, promised, paid or offered any gift, bonus, commission, money, or other consideration to NBU or any of its officers, agents, or employees to secure this Agreement, NBU may elect to cancel this Agreement by written notice to the Professional. The Professional further agrees that the Professional shall not accept any gift, bonus, commission, money, or other consideration from any person (other than from NBU pursuant to this Agreement) for any of the Services performed by the Professional under or related to this Agreement. If any such gift, bonus, commission, money, or other consideration is received by or offered to the Professional, the Professional shall immediately report that fact to NBU and, NBU, at its sole option, may elect to cancel this Agreement by written notice to the Professional.

(D) Agreement Subject to Appropriation. This Agreement is subject to appropriation of funds. The provisions of this Agreement for payment of funds by NBU shall be effective when funds are appropriated for purposes of this Agreement and are actually available for payment. NBU shall be the sole judge and authority in determining the availability of funds under this Agreement and NBU shall keep the Professional fully informed as to the availability of funds for the Agreement. The obligation of NBU to make any payment pursuant to this Agreement is a current expense of NBU, payable exclusively from such annual appropriations, and is not a general obligation or indebtedness of NBU. If sufficient funds are not appropriated to pay the amounts as set forth in this Agreement during any immediately succeeding fiscal year, this Agreement shall terminate at the end of the then-current fiscal year and NBU and the Professional shall be relieved of any subsequent obligation under this Agreement.

Section 12. Miscellaneous.

(A) Independent Contractor. The Professional acknowledges that the Professional is an independent contractor of NBU and is not an employee, agent, official or representative of NBU. The Professional shall not represent, either expressly or through implication, that the Professional is an employee, agent, official or representative of NBU. Income taxes, self-employment taxes, social security taxes and the like shall be the sole responsibility of the Professional.

(B) Governing Law; Venue. This Agreement and all of the transactions contemplated herein shall be governed by and construed in accordance with the laws of the State of Texas. The provisions and obligations of this Agreement are performable in Comal County, Texas such that exclusive venue for any action arising out of this Agreement shall be in Comal County, Texas.

(C) Compliance with Laws. The Professional shall comply with all federal, state and local laws, statutes, ordinances, rules and regulations, and the orders and decrees of any courts, administrative, or regulatory bodies in any matter affecting the performance of this Agreement, including, without limitation, worker's compensation laws, minimum and maximum salary and wage statutes and regulations, and licensing laws and regulations. When required, the Professional shall furnish satisfactory proof of compliance to NBU.

(D) Amendments. This Agreement may only be amended, modified, or supplemented by a written amendment signed by persons duly authorized to enter into contracts on behalf of NBU and the Professional.

(E) Provisions Required by Law. Each and every provision of law and any clause required by law to be in the Agreement shall be read and enforced as though it were included herein and, if through mistake or otherwise any such provision is not inserted, or is not correctly inserted, then upon the application of either party, the Agreement shall promptly be physically amended to make such insertion or correction.

(F) Severability. If any term or provision of this Agreement is held to be invalid, illegal, or unenforceable in any respect under applicable law, the legality, validity or enforceability of the remaining terms or provisions of this Agreement shall not be affected thereby, and this Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein.

(G) Entire Agreement; Interpretation; Parol Evidence. This Agreement and the related Exhibits constitute the entire agreement of the parties with respect to the subject matter, and all previous agreements, whether oral or written, entered into prior to this Agreement are hereby revoked and superseded thereby. No representations, inducements or oral agreements have been made by any of the parties except as expressly set forth in this Agreement. This Agreement shall be construed and interpreted according to its plain meaning, and no presumption shall be deemed to apply in favor of, or against the party drafting the Agreement.

(H) No Assignment. Neither party shall have the right to assign that party's interest in this Agreement without the prior written consent of the other party. Any purported assignment in violation of this Section shall be null and void.

(I) Subcontractors. The Professional shall not transfer any portion of the work related to the Services under this Agreement to any subcontractor without the prior written consent of NBU, which consent shall not be unreasonably withheld. The approval or acquiescence of NBU in the subletting of any work shall not relieve the Professional of any responsibility for work done by such subcontractor. Failure to pay subcontractors in a timely manner pursuant to any subcontract shall be a material breach of this Agreement by the Professional.

(J) Waiver. No waiver by any party of any of the provisions of this Agreement shall be effective unless explicitly set forth in writing and signed by the party so waiving. No waiver of any breach or violation of any term of this Agreement shall be deemed or construed to constitute a waiver of any other breach or violation, whether concurrent or subsequent, and whether of the same or of a different type of breach or violation. No failure to exercise, or delay in exercising, any right, remedy, power, or privilege arising from this Agreement shall operate or be construed as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power, or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power, or privilege.

(K) Attorneys' Fees. In the event either party brings any action for any relief, declaratory or otherwise, arising out of this Agreement or on account of any breach or default hereof, the prevailing party will be entitled to receive from the other party reasonable attorneys' fees and reasonable costs and expenses, which will be deemed to have accrued on the commencement of such action.

(L) Liens. All materials or services provided under this Agreement shall be free of all liens and, if NBU requests, a formal release of all liens shall be delivered to NBU.

(M) Offset.

- i. Offset for Damages. In addition to all other remedies at law or equity, NBU may offset from any money due to the Professional any amount the Professional owes to NBU for damages resulting from breach or deficiencies in performance or breach of any obligation under this Agreement, including but not limited to all costs, expenses, fines, fees, and charges associated with obtaining performance from alternative sources, shipping, handling, materials, equipment rental, travel expenses and associated costs.
- ii. Offset for Delinquent Fees or Taxes. NBU may offset from any money due to the Professional any amount the Professional owes to NBU for delinquent fees, including any interest or penalties.

(N) Notices. Any notice or other communication required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been duly given if (i) delivered to the

party at the address set forth below, (ii) deposited in the U.S. Mail, registered or certified, return receipt requested, to the address set forth below, or (iii) given to a recognized and reputable overnight delivery service, to the address set forth below:

If to NBU:

New Braunfels Utilities
Attn: Director of Water Services
263 Main Plaza
New Braunfels, TX 78130

With copy to:

Purchasing Manager
New Braunfels Utilities
355 FM 306
New Braunfels, TX 78130

If to the Professional:

Xylem Dewatering Solutions, Inc.
dba Wachs Water Services
4965 Eisenhower Road, Ste 102
Windcrest, TX 78218

or at such other address, and to the attention of such other person or officer, as any party may designate by providing thirty (30) days' prior written notice of such change to the other party in the manner set forth in this Section. Notices shall be deemed received (i) when delivered to the party, (ii) three business days after being placed in the U.S. Mail, properly addressed, with sufficient postage or (iii) the following business day after being given to a recognized overnight delivery service, with the person giving the notice paying all required charges and instructing the delivery service to deliver on the following business day. If a copy of a notice is also given to a party's counsel or other recipient, the provisions above governing the date on which a notice is deemed to have been received by a party shall mean and refer to the date on which the party, and not its counsel or other recipient to which a copy of the notice may be sent, is deemed to have received the notice.

(O) Confidentiality of Records. The Professional shall establish and maintain procedures and controls that are acceptable to NBU for the purpose of ensuring that information contained in its records or obtained from NBU or from others in carrying out the Professional's obligations under this Agreement shall not be used or disclosed by it, its agents, officers, or employees, except as required to perform the Professional's duties under this Agreement. Persons requesting such information should be referred to NBU. The Professional also agrees that any information pertaining to individual persons shall not be divulged other than to employees or officers of the Professional as needed for the performance of duties under this Agreement.

(P) Right to Audit. NBU shall have the right to examine and audit the books and records of the Professional with regard to the Services, or any subsequent changes, at any reasonable time. Such books and records shall be maintained in accordance with generally accepted principles of accounting and shall be adequate to enable determination of: (1) the substantiation and accuracy of any payments required to be made under this Agreement; and (2) compliance with the provisions of this Agreement.

(Q) Paragraph Headings; Construction. The paragraph headings contained in this Agreement are for convenience only and shall in no way enlarge or limit the scope or meaning of the various and several paragraphs hereof. Both parties have participated in the negotiation and preparation of this Agreement and this Agreement shall not be construed either more or less strongly against or for either party.

(R) Binding Effect. Except as limited herein, the terms and provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, devisees, personal and legal representatives, successors and assigns.

(S) Gender. Within this Agreement, words of any gender shall be held and construed to include any other gender, and words in the singular number shall be held and construed to include the plural, unless the context otherwise requires.

(T) Multiple Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, and all of which shall constitute but one and the same instrument.

(U) Exhibits. Except as specified in Subsection (V) of this Section, all exhibits to this Agreement are incorporated herein by reference for all purposes wherever reference is made to the same.

(V) Conflicting Terms. In the case of any conflicts between the terms of this Agreement and the Exhibits, the statements in the body of this Agreement shall govern. The Exhibits are intended to detail the technical scope of services, fee schedule, and the term of the contract only and shall not dictate Agreement terms.

(W) Relationship of Parties. Nothing contained in this Agreement shall be deemed or construed by the parties hereto or by any third party to create the relationship of principal and agent or of partnership or of joint venture or of any association whatsoever between the parties, it being expressly understood and agreed that no provision contained in this Agreement nor any act or acts of the parties hereto shall be deemed to create any relationship between the parties other than the relationship of independent parties contracting with each other solely for the purpose of effecting the provisions of this Agreement.

(X) No Third-Party Beneficiaries. This Agreement is for the sole benefit of the parties hereto and their respective assigns and nothing herein, express or implied, is intended to or shall confer upon any other person or entity any legal or equitable right, benefit, or remedy of any nature whatsoever under or by reason of this Agreement.

(Y) Non-Exclusive Contract. This Agreement is entered into with the understanding and agreement that it is for the sole convenience of NBU. NBU reserves the right to obtain like goods and services from another source when necessary.

Section 13. Force Majeure. If the performance of any covenant or obligation to be performed hereunder by any party is delayed as a result of circumstances that are beyond the reasonable control of such party (which circumstances may include, without limitation, acts of God, war, acts of civil disobedience, epidemic, pandemic, fire or other casualty, shortage of materials, adverse weather conditions (such as, by way of illustration and not of limitation, severe rain storms or below freezing temperatures, or tornados), labor action, strikes or similar acts, moratoriums or regulations or actions by governmental authorities), the time for such performance shall be extended by the amount of time of such delay, but no longer than the amount of time reasonably occasioned by the delay. In no event will any delay or failure of performance caused by any force majeure condition extend this Agreement beyond its stated Term unless both parties agree in writing to such extension in an amendment to this Agreement. The party claiming delay of performance as a result of any of the foregoing force majeure events shall deliver written notice of the commencement of any such delay resulting from such force majeure event not later than seven (7) days after the claiming party becomes aware of the same, and if the claiming party fails to so notify the other party of the occurrence of a force majeure event causing such delay and the other party shall not otherwise be aware of such force majeure event, the claiming party shall not be entitled to avail itself of the provisions for the extension of performance contained in this subsection.

Section 14. Dispute Resolution. In accordance with the provisions of Subchapter I, Chapter 271 of the Texas Local Government Code, as amended, the parties agree that, prior to instituting any lawsuit or other proceeding arising from a dispute under this agreement, the parties shall first attempt to resolve the dispute by taking the steps described in this Section. First, the dissatisfied party shall deliver to the other party a written notice substantially describing the nature of the dispute, which notice shall request a written response to be delivered to the dissatisfied party not less than five (5) days after receipt of the notice of dispute. Second, if the response does not reasonably resolve the dispute, in the opinion of the dissatisfied party, the dissatisfied party shall give five (5) days' written notice to that effect to the other party whereupon each party shall appoint a person having authority over the activities of the respective parties who shall promptly meet, in person, in an effort to resolve the dispute. Third, if those persons cannot or do not resolve the dispute, then the parties shall each appoint a person from the highest tier of managerial responsibility within each respective party, who shall then promptly meet, in person, in an effort to resolve the dispute.

Section 15. Disclosure of Business Relationships/Affiliations; Conflict of Interest Questionnaire. The Professional represents that it is in compliance with the applicable filing and disclosure requirements of Chapter 176 of the Texas Local Government Code, as amended.

Section 16. Information Technology

(A) Limited Access. If necessary for the fulfillment of the Agreement, NBU may provide the Professional with non-exclusive, limited access to NBU's information technology infrastructure. The Professional understands and agrees to abide by NBU policies, standards, regulations and restrictions regarding access and usage of NBU's information technology infrastructure. The Professional shall reasonably enforce such policies, standards, regulations and restrictions with all the Professional's employees, agents or any tier of subcontractor granted access in the performance of this Agreement, and shall be granted and authorize only such access as may be necessary for the purpose of fulfilling the requirements of the Agreement. The Professional's employees, agents and subcontractors must receive prior, written approval from NBU before being granted access to NBU's information technology infrastructure and data and NBU, in its sole determination, shall determine accessibility and limitations thereto. The Professional agrees that the requirements of this Section shall be incorporated into all subcontractor agreements entered into by the Professional. It is further agreed that a violation of this Section shall be deemed to cause irreparable harm that justifies injunctive relief in court. A violation of this Section may result in immediate termination of this Agreement without notice.

(B) Data Confidentiality. All data, regardless of form, including originals, images and reproductions, prepared by, obtained by or transmitted to the Professional in connection with this Agreement is confidential, proprietary information owned by NBU. Except as specifically provided in this Agreement, the Professional shall not intentionally disclose data generated in the performance of the Services to any third party without the prior, written consent of NBU.

(C) Data Security. Personal identifying information, financial account information, or restricted NBU information, whether electronic format or hard copy, is confidential and must be secured and protected at all times to avoid unauthorized access. At a minimum, the Professional must encrypt or password-protect electronic files. This includes data saved to laptop computers, computerized devices or removable storage devices.

(D) Compromised Security. In the event that data collected or obtained by the Professional in connection with this Agreement is believed to have been compromised or in the event of a Security Incident, as defined by Section 2054.603 of the Texas Government Code, the Professional shall notify NBU within twenty-four (24) hours of discovery of such compromise or Security Incident. **THE PROFESSIONAL SHALL INDEMNIFY, DEFEND, AND HOLD NBU HARMLESS FROM ANY CLAIMS RESULTING FROM THE PROFESSIONAL'S FAILURE TO COMPLY WITH ITS OBLIGATIONS UNDER THIS SECTION.**

(E) Survival. The obligations of the Professional under this Section shall survive the termination of this Agreement.

Section 17. Prohibition on Contracts with Companies Boycotting Israel. The Professional hereby verifies that it and its parent company, wholly-or majority owned subsidiaries, and other affiliates, if any, does not boycott Israel and, to the extent this Agreement is a contract for goods or services, will not boycott Israel during the term of this Agreement as described in Chapter 2271 of the Texas Government Code, as amended. The foregoing verification is made solely to comply with Section 2271.002 of the Texas Government Code, as amended, and to the extent such Section does not contravene applicable federal and State law. As used in the foregoing verification,

“boycott Israel” means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes. The Professional understands “affiliate” to mean an entity that controls, is controlled by, or is under common control with the Professional and exists to make a profit.

Section 18. Contracts with Companies Engaged in Business with Iran, Sudan or Foreign Terrorist Organizations Prohibited. The Professional represents that neither it nor any of its parent company, wholly-or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Texas Government Code, as amended, and posted on any of the following pages of such officer’s internet website:

<https://comptroller.texas.gov/purchasing/docs/sudan-list.pdf>,
<https://comptroller.texas.gov/purchasing/docs/iran-list.pdf>, or
<https://comptroller.texas.gov/purchasing/docs/fto-list.pdf>.

The foregoing representation is made solely to comply with Section 2252.152, Texas Government Code, as amended, and to the extent such Section does not contravene applicable federal or State law and excludes the Professional and each of its parent company, wholly-or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization. The Professional understands “affiliate” to mean an entity that controls, is controlled by, or is under common control with the Professional and exists to make a profit.

Section 19. Prohibition on Contracts with Companies in China, Iran, North Korea, or Russia. If the Professional is granted direct or remote access to or control of critical infrastructure in the State of Texas under this Agreement, the Professional represents the following:

- (A) it is not owned by or the majority of stock or other ownership interest in the Professional is not held or controlled by:
 - i. individuals who are citizens of China, Iran, North Korea, Russia, or a country designated by the Governor of Texas as a threat to critical infrastructure under Section 2275.0103 of the Texas Government Code, as amended (“designated country”); or
 - ii. a company or other entity, including a governmental entity, that is owned or controlled by citizens of or is directly controlled by the government of China, Iran, North Korea, Russia, or a designated country; or
- (B) it is not headquartered in China, Iran, North Korea, Russia, or a designated country.

The foregoing representation is made solely to comply with Chapter 2275 of the Texas Government Code, as amended, and to the extent such Section does not contravene applicable federal or State law. As used in the foregoing verification, “critical infrastructure” means a

communication infrastructure system, cybersecurity system, electric grid, hazardous waste treatment system, or water treatment facility. “Affiliate,” with respect to a company entering into an agreement in which the critical infrastructure is electric grid equipment, has the meaning assigned by the protocols of the independent organization certified under Section 39.151, Utilities Code, for the ERCOT power region.

Section 20. Prohibition on Contracts with Companies Boycotting Energy Companies. The Professional hereby verifies that it and its parent company, wholly-or majority owned subsidiaries, and other affiliates, if any, do not boycott energy companies and, to the extent this Agreement is a contract for goods or services, will not boycott energy companies during the term of this Agreement as described in Chapter 2276 of the Texas Government Code, as amended.

The foregoing verification is made solely to comply with Section 2276.002 of the Texas Government Code, as amended, and to the extent such Section does not contravene applicable federal and State law. As used in the foregoing verification, “boycott energy companies” has the meaning used in Section 809.001 of the Texas Government Code, as amended. The Professional understands “affiliate” to mean an entity that controls, is controlled by, or is under common control with the Professional and exists to make a profit.

Section 21. Prohibition on Contracts with Companies that Discriminate Against Firearm and Ammunition Industries. The Professional hereby verifies that it and its parent company, wholly-or majority owned subsidiaries, and other affiliates, if any, do not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and, to the extent this Agreement is a contract for goods or services, will not discriminate against a firearm entity or firearm trade association during the term of this Agreement as described in Chapter 2274 of the Texas Government Code, as amended.

The foregoing verification is made solely to comply with Section 2274.002 of the Texas Government Code, as amended, and to the extent such Section does not contravene applicable federal and State law. As used in the foregoing verification, “discriminate against a firearm entity or firearm trade association” has the meaning used in Section 2274.001(3) of the Texas Government Code, as amended. The Professional understands “affiliate” to mean an entity that controls, is controlled by, or is under common control with the Professional and exists to make a profit.

Section 22. Texas Public Information Act. The Professional recognizes that NBU is subject to the disclosure requirements of the Texas Public Information Act (the “PIA”). As part of its obligations within this Agreement, the Professional agrees, at no additional cost to NBU, to cooperate with NBU for any particular needs or obligations arising out of the NBU’s obligations under the PIA. This acknowledgement and obligation are in addition to and complimentary to the NBU’s audit rights in Section 12(P).

This provision applies if the Agreement has a stated expenditure of at least \$1 million in public funds for the purchase of goods or services by NBU or results in the expenditure of at least \$1 million in public funds for the purchase of goods or services by NBU in a fiscal year of NBU.

The Professional must (1) preserve all contracting information related to the Agreement as provided by the records retention requirements applicable to NBU for the duration of the Agreement; (2) promptly provide to NBU any contracting information related to the Agreement that is in the custody or possession of the Professional on request of NBU; and (3) on completion of the Agreement, either:

- (i) provide at no cost to NBU all contracting information related to the Agreement that is in the custody or possession of the Professional; or
- (ii) preserve the contracting information related to the Agreement as provided by the records retention requirements applicable to NBU.

The requirements of Subchapter J, Chapter 552, Texas Government Code, may apply to this Agreement and the Professional agrees that the Agreement can be terminated if the Professional knowingly or intentionally fails to comply with a requirement of that subchapter.

Section 23. Electronic Signatures. Pursuant to Chapter 322 of the Texas Business and Commerce Code, as amended, the parties agree to the use of electronic signatures herein and that the use of an electronic signature, whether digital or encrypted, is intended to have the same force and effect as a manual signature. Electronic signature means any electronic sound, symbol or process attached to or logically associated with a record and executed and adopted by a party with the intent to sign such record, including facsimile or e-mail electronic signatures. Each party further agrees that if it agrees to conduct a transaction by electronic means in this Agreement, it may refuse to conduct other transactions by electronic means and that such right may not be waived by this Agreement.

(The remainder of this page intentionally left blank)

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on this the ____ day of _____, 2024.

NBU:


NEW BRAUNFELS UTILITIES,
a Texas municipally owned utility

By: _____
Name: Ryan Kelso
Title: Chief Executive Officer

PROFESSIONAL:

**XYLEM DEWATERING SOLUTIONS, INC. DBA
WACHS WATER SERVICES**

a New Jersey corporation authorized
to transact business in the State of Texas

By: 

Name: Michael P Ivory

Title: Director, Service Solutions - Business Development

Exhibit A

Services

A. GENERAL

1. Summary. The Professional shall perform fire hydrant inspection, maintenance, and flow testing of all public fire hydrants within NBU's water service territory.
2. Location. NBU's water service territory is 81 square miles. The longest diagonal across the system is 13.5 miles along the IH 35 corridor.
3. Safety. The Professional shall work in accordance with established NBU safety standards, which are available upon request. The Professional shall be solely and completely responsible for conditions on the job site, including the safety of all employees, property, and the general public during the performance of the Services. This requirement shall apply continuously and shall not be limited to normal working hours. The Professional shall provide and use all protective equipment necessary for the protection of the Professional's employees, property, and the general public. The Professional shall take all safety measures necessary to guard against interfering with the normal operation of NBU's personnel and infrastructure.

The Professional shall be solely responsible for its vehicles, equipment, tools, supplies, materials, and other property. The Professional shall remove its property from the job site(s) at the end of each shift and keep the property in the Professional's possession unless otherwise approved by NBU. NBU shall not provide a secured location for the Professional's equipment and shall not be liable for any vandalism or damage.

4. NBU Details and Specifications. The Professional shall perform the Services in accordance with all materials, flushing procedures, and installation of NBU Specification 511 Water Valves & Fire Hydrants, Drawing No. 240 - Fire Hydrant Installation with 5" Storz Connector, and America Water Works Association ("AWWA") Manual of Practice MI 7, Fire Hydrants: Installation, Field Testing, and Maintenance.
5. Professional's Workmanship. If leaks or service issues are caused by defects in the Professional's workmanship, the Professional shall respond to that location within 24 hours and repair the defects. NBU shall bill the Professional for any water loss due to defects in the Professional's workmanship. If leaks or service issues are caused by defects in the Professional's workmanship, and NBU responds to the location, NBU shall generate a bill to the Professional for costs incurred by NBU to address the leaks or service issues, to include NBU's normal fees for service calls and a charge for any water loss.

B. PERSONNEL/STAFFING/OTHER REQUIREMENTS

1. Employee File/Personnel. The Professional shall maintain an employee file for each staff assigned to NBU. The Professional shall provide name(s) and all contact numbers of the

area fire hydrant service technicians to NBU Water Operations Supervisor before any work commences. The Professional shall provide updates to NBU in writing anytime there is a change in personnel as indicated in Section 6 of the Agreement.

2. Appearance. The Professional's service technicians shall be required to maintain a well-groomed appearance and wear a standard uniform with the Professional's emblem. The technicians' shirts shall be buttoned, tails tucked in, and with no silkscreen designs. The technicians' pants shall be of the Professional's uniform type and shall not have any tears or holes. Beards and/or over-the-collar haircuts shall be acceptable, provided they are neatly groomed and maintained. The Professional shall wear a company identification badge at all times. The Professional shall not use the NBU logo on his or her badge.
3. Employee Conduct. Professionalism and courtesy to the customer is required at all times. No use of customer's equipment or facilities shall be permitted. Neither the Professional nor the Professional's employees shall leave or dispose of any refuse from breaks or lunch on the customer's property. NBU shall not tolerate any horseplay on the job.
4. Intoxicants and Drugs. No intoxicants, illegal drugs, nor employees nor agents of the Professional that are under the influence of any substance, that may impair their actions or performance, shall be allowed on the job site at any time. The Professional shall remove any employee or agent of the Professional, from the job site who engages in unsafe or disorderly conduct, or upon NBU's request.
5. Company Vehicle(s). The Professional's vehicle(s) shall be easily identifiable and clearly marked with the Professional's company name, the Professional's logo and the required "NBU Contractor" magnet provided by NBU.
6. Schedule. The Professional agrees to perform the Services within the time specified in this Section. In the event NBU determines that the Services cannot be completed by the date specified herein, and the Professional fails to propose a solution satisfactory to NBU, NBU may require the Professional to extend its workday and/or work week without additional compensation. The Professional may be required to increase the number of its employees and to increase or change the amount or type of tools and equipment, at no cost to NBU. The Professional shall continue to provide accelerated work until such time that NBU determines that the progress for completion of the Services conforms to the scheduled completion time. The Professional shall absorb all additional costs of the accelerated work.
 - (a) The Professional shall complete the fire hydrant inspection/maintenance Services within 365 business days.
 - (b) The Professional shall complete the system modeling and analysis - hydrant flow testing within 10 business days of a service request from NBU. The service requests shall be required on an as needed basis.
7. Holidays. The Professional shall observe the same holiday schedule as NBU unless prior arrangements have been agreed to in writing by NBU. The NBU holidays are as follows: Martin Luther King Jr. Day

Presidents Day
 Founder's Day
 Memorial Day
 Juneteenth
 Independence Day
 Labor Day
 Comal County Fair Day
 Veterans Day
 Thanksgiving and Day after Thanksgiving
 Christmas and Day after Christmas
 New Year's Day

C. NBU CONTRIBUTION TO PROJECT

1. Material. NBU shall stock and order parts for the repairs or replacement of fire hydrants performed in accordance with the Additional Services section of this scope. NBU shall provide notice to the Professional to proceed with any Additional Services. The Professional understands that any Additional Services in this scope shall be on an "as-needed" basis and must be approved as described in the Additional Services section.
2. Information Technology ("IT"). NBU shall provide IT support, including a tablet or laptop computer, with Virtual Private Network ("VPN") connection into NBU enterprise system (subject to NBU's IT security requirements). NBU shall provide access to fire hydrant system maps in work order system (Cityworks) in Esri GIS format with gate codes for any locked gates.
3. Training. NBU shall conduct a workshop to include the following training and information:
 - (a) contact information for NBU Control Center and main contacts for the project;
 - (b) electronic documentation training with the Professional to train personnel on the use of NBU's electronic documentation systems (Cityworks); and
 - (c) a fire hydrant inspection and maintenance workshop with NBU's fire hydrant crew on NBU service procedures and for NBU to shadow the Professional's initial fire hydrant inspection and maintenance Service.

D. PROCEDURES FOR FIRE HYDRANT SERVICES

1. Fire Hydrant Inspection/Maintenance Services. The Professional shall complete all fire hydrant inspection/maintenance services in accordance with AWWA MI 7 and all NBU requirements, as specified in Sections 1(a) through 1(gg) of this Exhibit A. The Professional shall perform the following procedures for fire hydrant inspection/maintenance services including but not limited to:
 - (a) Taking a picture of the location before the Services are performed, with the fire hydrant reference number included in the photo on marker board or photo notation, and uploading the photo to Cityworks.

- (b) Checking the hydrant's appearance and removing any obstructions around it.
- (c) Checking to see if the hydrant needs paint and painting the hydrant (excluding the bonnet).
- (d) Checking to see whether the hydrant needs to be raised or lowered due to a change in the ground surface grade and noting in Cityworks if any maintenance or repairs were completed, still needed, and the hydrant's nozzle height, type and size.
- (e) For traffic-model hydrants: checking the breakaway device for damage, and noting in Cityworks if any maintenance or repairs were completed or still needed.
- (f) Removing one outlet-nozzle cap and using a listening device to check for main-valve leakage then noting in Cityworks any leakage.
- (g) Checking for the presence of water in the hydrant barrel by using a plumb bob, or other suitable means, and noting in Cityworks any water and/or leakage.
- (h) Attaching a fire hose, or other deflector, to protect the street, traffic, and private property from any water expelled at high velocity and noting in Cityworks the deflector type used and the method used to dechlorinate.
- (i) Opening the hydrant and flush to remove any foreign material from the interior or lead and noting in Cityworks the approximate volume and duration of flush until clear water flowed and the water quality (color, odor).
- (j) Installing a static pressure gauge on the hydrant and measuring static pressure and noting in Cityworks any static pressure observed.
- (k) Removing the static pressure gauge, attaching a section of fire hose, or other deflector, to protect the street, traffic, and private property from water expelled at high velocity and noting in Cityworks the deflector type used and the method used to dechlorinate.
- (l) Opening the hydrant and flow (60 seconds minimum) and noting in Cityworks the approximate gallons per minute flowed and the approximate volume flushed and water quality (color, odor).
- (m) Closing the hydrant by removing the deflector and checking the operation of the drain valve by placing the palm of one hand over the outlet nozzle and noting in Cityworks if suction is occurring or if any drain holes may be blocked. Drainage should be sufficiently rapid to create noticeable suction.
- (n) For no-drain hydrants, pumping the water from the barrel and noting in Cityworks if suction is noted or if drains holes may be blocked.
- (o) Using a listening device to check for main valve leakage and noting in Cityworks any leakage.
- (p) Replacing the outlet-nozzle cap and leaving it loose enough to allow air to escape.
- (q) Opening the hydrant only a few turns in order to allow air to vent from the outlet-nozzle cap.
- (r) Tightening the outlet-nozzle cap.
- (s) Checking the hydrant lubrication and opening the hydrant fully.
- (t) Checking for ease of operation and if certain water conditions caused hard-water buildup on the stem threads of toggle and slide-gate hydrants and on the threads of wet-top hydrants.
- (u) Opening and closing the hydrant repeatedly to remove hard-water buildup and noting any problems that may make operation difficult like stuck packing and bent

stems and noting in Cityworks if any maintenance and repairs were completed or needed.

- (v) With the hydrant fully open, checking for leakage at flanges, around outlet nozzles, at packing or seals, and around the operating stem and noting in Cityworks any leakage and any repairs or maintenance completed or still needed.
- (w) Partially-closing the hydrant so the drains open and water flows through under pressure for about 10 seconds and flushing the drain outlets.
- (x) Closing the hydrant completely while backing off the operating nut enough to take pressure off the thrust bearing or packing.
- (y) Removing all outlet-nozzle caps and cleaning the threads, checking the condition of the gaskets, and lubricating the threads while checking the ease of operation of each cap.
- (z) Replacing gaskets if they are damaged or leaking. Lubricating the gaskets with appropriate food grade oil and grease and noting in Cityworks if any repairs or maintenances were completed or needed and the lubricant used.
- (aa) Checking the outlet-nozzle-cap chains or cables for free action on each cap. If the chains or cables bind, opening the loop around the cap until they move freely. This will keep the chains or cables from kinking when the cap is removed during an emergency.
- (bb) Replacing any missing or damaged chains and noting in Cityworks if any repairs or maintenance were completed or needed.
- (cc) Replacing the caps with new caps and noting in Cityworks if nozzle caps are missing or damaged. When replacing the old caps, the Professional shall ensure to tighten new caps enough to prevent their removal by hand.
- (dd) Checking the lubrication of operating-nut threads and then lubricating per the manufacturer's recommendations, and noting in Cityworks if any repairs or maintenance were completed, or needed, and the lubricant used.
- (ee) Locating the auxiliary valve and providing survey grade GPS location for auxiliary valve and fire hydrant, clearing area around valve, and painting valve cover. The Professional shall note in Cityworks if the valve is not found.
- (ff) If the hydrant is inoperable, bagging it with a black plastic garbage bag, taping base of bag to hydrant and notifying the City of New Braunfels Fire Department and NBU Control Center (830-608-8848) immediately before leaving the site. The Professional shall note in Cityworks when a fire hydrant is inoperable.
- (gg) Taking a picture of the location, after the Services are performed, with the fire hydrant reference number included in the photo on marker board or photo notation, and uploading the photo to Cityworks.

2. System Modeling and Analysis – Hydrant Flow Testing. The Professional shall complete all system modeling and analysis – hydrant flow testing in accordance with NBU's Water Connection Policy, Specification 511.5 Water Flow Testing for Fire Hydrants, the requirements of AWWA M1 7, and the requirements and certifications of the National Fire Protection Association ("NFPA"). The Services shall include but are not limited to:

- (a) Taking a picture of the location with the fire hydrant number in photo notation or on a marker board before and after inspection and tests and uploading the photo to Cityworks.
 - (b) Collecting flow test information on NBU's standard Fire Hydrant Flow Test form. Additionally, providing information in excel or another digital format as requested by NBU.
3. Inspection and Testing Consideration. The Professional shall be responsible for the planning and implementation of the fire hydrant inspection and testing. The inspection and testing services include but are not limited to:
- (a) using a diffuser for flushing or flow testing;
 - (b) dechlorinating discharged water in accordance with AWWA MI 7;
 - (c) providing traffic control and pedestrian/trail detours when needed;
 - (d) temporarily removing any construction meters in place, and not in use, for flow test and re-installing the meters;
 - (e) coordinating the flow test with customers if a fire hydrant meter is in use;
 - (f) protecting private property and cleaning up area around test and returning site to its original appearance;
 - (g) confirming the fire hydrant is closed and not leaking before leaving the site; and
 - (h) any other service necessary for completion of the project.
4. Additional Services (the "Additional Services"). In addition to the Services, NBU may require some assistance with repairing or replacing fire hydrants that the Professional identifies as damaged while in the field. The Additional Services described in this Section shall be a backup to NBU's fire hydrant repair crews. The Professional shall seek prior written approval in the form attached in Exhibit C from NBU before commencing work on any Additional Services described in this Section. The Professional shall perform all installations and/or repairs in accordance with NBU's standard details and specifications, which NBU will provide upon request. NBU shall stock and order parts for all repairs or replacements completed in accordance with this Section. The Additional Services include but are not limited to:
- (a) repair crew or personnel, for damaged fire hydrants not requiring machine excavation, and
 - (b) repair crew or personnel, for replacement of fire hydrants or repairs requiring machine excavation.

Exhibit B

Compensation

NBU agrees to pay the Professional for the Services and the Additional Services rendered under this Agreement in accordance with the tables below and made a part of this Agreement.

Services

NBU shall pay the Professional for the Services in an amount not to exceed \$223,500 annually during the Term of the Agreement and a total not to exceed amount of \$1,117,500 for the duration of the Agreement.

Standard Services Description	Unit	Quantity	Unit Cost	Extended Cost
Fire Hydrant Inspection/ Maintenance Services	EA	4700	\$40.00	\$188,000.00
System Modeling and Analysis – Hydrant Flow Testing	EA	100	\$195.00	\$19,500.00
Survey Grade GPS Coordinates of Fire Hydrant or Auxiliary Valve	EA	8000	\$2.00	\$16,000.00
			TOTAL PRICE	\$223,500.00

Additional Services

NBU shall pay the Professional for the Additional Services in an amount not to exceed \$176,500 annually during the Term of the Agreement and a total not to exceed amount of \$882,500 for the duration of the Agreement; provided, however, the Professional must obtain prior written approval in the form attached in Exhibit C from NBU prior to performing the Additional Services.

The hourly rate for Additional Services shall be a one (1) hour minimum.

Additional Services	Hourly Rate
Repair Crew for damaged fire hydrants, not requiring machine excavation or lifting	\$200.00
Repair Crew for replacement of fire hydrants repairs requiring machine excavation	\$800.00

Exhibit C

Work Authorization



Work Authorization No. _____

New Braunfels Utilities ("NBU") Attn: Water Operations Manager 263 Main Plaza New Braunfels, Texas 78130	Project No.:
	Agreement No.:
	Date:
This Work Authorization No. ____ is for Additional Services in accordance with the terms and conditions outlined in the Professional Services Agreement between Xylem Dewatering Solutions, Inc. DBA Wachs Water Services ("Professional") and NBU dated _____ (the "Agreement").	
Project Description:	
Description of Services: The Professional shall provide the Additional Services in accordance with Exhibit A of the Agreement and more particularly described in Appendix __ to this Work Authorization.	
Deliverables:	
Compensation shall be as follows: The compensation shall be in the amount of \$##### for the Additional Services and Deliverables described in this Work Authorization in accordance with the hourly rates schedule described in Exhibit B of the Agreement.	
	Amount of this Authorization \$
Schedule shall be as follows:	

The above described services shall proceed upon return of this Work Authorization. Services will be billed as they are done. If the Work Authorization conflicts with the Agreement, the Agreement controls.

This Work Authorization will serve as notice to proceed.

PROFESSIONAL:

NBU:
NEW BRAUNFELS UTILITIES

XYLEM DEWATERING SOLUTIONS, INC.
DBA WACHS WATER SERVICES

NAME: Michael P Ivory

NAME: _____

TITLE: Director, Service Solutions - Business Development

TITLE: _____

DATE: 1/17/2024

DATE: _____

LINK TO STRATEGIC PLAN

Customers and Community

People and Culture

Safety and Security

EXHIBITS

1. A133 2019 – Guaranteed Maximum Price (GMP) Amendment
2. Phased Cost Estimate Summary Sheet
3. Contract Documents

AIA® Document A141® – 2014 Exhibit A

Design-Build Amendment

This Amendment is incorporated into the accompanying AIA Document A141™–2014, Standard Form of Agreement Between Owner and Design-Builder dated the 18th day of December in the year 2023 (the "Agreement")
(In words, indicate day, month and year.)

for the following PROJECT:

(Name and location or address)

NBU Annex Facility Renovation
1488 South Seguin Avenue
New Braunfels, TX 78130

THE OWNER:

(Name, legal status and address)

New Braunfels Utilities
355 FM 306
New Braunfels, Texas 78130

THE DESIGN-BUILDER:

(Name, legal status and address)

SpawGlass Contractors, Inc.
9331 Corporate Drive
Selma, Texas 78154

ADDITIONS AND DELETIONS:

The author of this document has added information needed for its completion. The author may also have revised the text of the original AIA standard form. An *Additions and Deletions Report* that notes added information as well as revisions to the standard form text is available from the author and should be reviewed. A vertical line in the left margin of this document indicates where the author has added necessary information and where the author has added to or deleted from the original AIA text.

This document has important legal consequences. Consultation with an attorney is encouraged with respect to its completion or modification.

Consultation with an attorney is also encouraged with respect to professional licensing requirements in the jurisdiction where the Project is located.

The Owner and Design-Builder hereby amend the Agreement as follows.

TABLE OF ARTICLES

- A.1 CONTRACT SUM
- A.2 CONTRACT TIME
- A.3 INFORMATION UPON WHICH AMENDMENT IS BASED
- A.4 DESIGN-BUILDER’S PERSONNEL, CONTRACTORS AND SUPPLIERS
- A.5 COST OF THE WORK

ARTICLE A.1 CONTRACT SUM

§ A.1.1 The Owner shall pay the Design-Builder the Contract Sum in current funds for the Design-Builder’s performance of the Contract after the execution of this Amendment. The Contract Sum shall be one of the following and shall not include compensation the Owner paid the Design-Builder for Work performed prior to execution of this Amendment:

(Check the appropriate box.)

Stipulated Sum, in accordance with Section A.1.2 below

Init.



[] Cost of the Work plus the Design-Builder's Fee, in accordance with Section A.1.3 below

[X] Cost of the Work plus the Design-Builder's Fee with a Guaranteed Maximum Price, in accordance with Section A.1.4 below

(Based on the selection above, complete Section A.1.2, A.1.3 or A.1.4 below.)

(Paragraphs deleted)

§ A.1.2 Intentionally Deleted

§ A.1.3 Intentionally Deleted

(Paragraphs deleted)

(Table deleted)

§ A.1.4 Cost of the Work Plus Design-Builder's Fee With a Guaranteed Maximum Price

§ A.1.4.1 The Cost of the Work is as defined in Article A.5, Cost of the Work.

§ A.1.4.2 The Design-Builder's Fee:

(State a lump sum, percentage of Cost of the Work or other provision for determining the Design-Builder's Fee and the method for adjustment to the Fee for changes in the Work.)

4%

§ A.1.4.3 Guaranteed Maximum Price

§ A.1.4.3.1 The sum of the Cost of the Work and the Design-Builder's Fee is guaranteed by the Design-Builder not to exceed One Million Seven Hundred Eighty-Six Thousand Dollars and zero cents (\$ 1,786,000.00), subject to additions and deductions for changes in the Work as provided in the Design-Build Documents. Costs that would cause the Guaranteed Maximum Price to be exceeded shall be paid by the Design-Builder without reimbursement by the Owner.

Pre-Construction Costs shall be paid to the Design-Builder in accordance with the Agreement § 2.1.1. Architectural Construction Administration fees will be billed in conjunction with the monthly construction pay application. Payment and Performance Bond costs shall be paid to the Design-Builder in a lump sum of \$33,000 after receipt of the bonds by the Owner.

The Design-Builder's Fee shall not be applied to the Pre-Construction Costs or Payment and Performance Bond costs.

§ A.1.4.3.2 Itemized Statement of the Guaranteed Maximum Price

Provided below is an itemized statement of the Guaranteed Maximum Price organized by trade categories, allowances, contingencies, alternates, the Design-Builder's Fee, and other items that comprise the Guaranteed Maximum Price. (Provide information below or reference an attachment.)

See Exhibit 1, GMP Proposal dated December 12, 2023 as revised on January 5, 2024, to this Amendment

§ A.1.4.3.3 The Guaranteed Maximum Price is based on the following alternates, if any, which are described in the Design-Build Documents and are hereby accepted by the Owner:

(State the numbers or other identification of accepted alternates. If the Owner is permitted to accept other alternates subsequent to the execution of this Amendment, attach a schedule of such other alternates showing the change in the Cost of the Work and Guaranteed Maximum Price for each and the deadline by which the alternate must be accepted.)

§ A.1.4.3.4 Unit Prices, if any:

(Identify item, state the unit price, and state any applicable quantity limitations.)

Item	Units and Limitations	Price per Unit (\$0.00)
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Init.

198

§ A.1.4.3.5 Assumptions, if any, on which the Guaranteed Maximum Price is based:

§ A.1.5 Payments

§ A.1.5.1 Progress Payments

§ A.1.5.1.1 Based upon Applications for Payment submitted to the Owner's designated representative by the Design-Builder, the Owner shall make progress payments on account of the Contract Sum to the Design-Builder as provided below and elsewhere in the Design-Build Documents.

§ A.1.5.1.2 The period covered by each Application for Payment shall be one calendar month ending on the last day of the month.

§ A.1.5.1.3 Upon receipt of a Certificate for Payment as set forth in A.1.5.2.1, the Owner shall make payment of the certified amount to the Design-Builder not later than thirty (30) days after the Owner receives the Certificate for Payment and approves the Work for which payment is requested. Payment by the Owner shall not be deemed acceptance of the Work, Owner reserves the right to make claims for defective Work and any other deficiencies. Failure of payment by Owner within the time limits proscribed by chapter 2251 of the Texas Government Code shall entitle the Design-Builder to the remedies contained in that chapter. Further, should the Owner fail to pay the Design-Builder any sums for which a Certificate for Payment has been issued within sixty (60) days, the Design-Builder may suspend performance of the Work until such payment of the amount owing has been received. A suspension under this section shall entitle the Design-Builder to an increase in the Contract Sum for all costs associated with the suspension provided the Design-Builder files a claim in accordance the Contract.

§ A.1.5.1.4 With each Application for Payment where the Contract Sum is based upon the Cost of the Work, or the Cost of the Work with a Guaranteed Maximum Price, the Design-Builder shall submit payrolls, petty cash accounts, receipted invoices or invoices with check vouchers attached, and any other evidence required by the Owner to demonstrate that cash disbursements already made by the Design-Builder on account of the Cost of the Work equal or exceed (1) progress payments already received by the Design-Builder, less (2) that portion of those payments attributable to the Design-Builder's Fee; plus (3) payrolls for the period covered by the present Application for Payment.

§ A.1.5.1.5 With each itemized Application for Payment, the Design-Builder shall submit the most recent schedule of values in accordance with the Design-Build Documents. Where the Contract Sum is based on the Cost of the Work with a Guaranteed Maximum Price, the Design-Builder's Fee shall be shown separately. The schedule of values shall be prepared in such form and supported by such data to substantiate its accuracy as the Owner may require. This schedule of values, unless objected to by the Owner, shall be used as a basis for reviewing the Design-Builder's Applications for Payment. Each Application for Payment must be consistent with the approved Schedule of Values. The form of Application for Payment must be AIA Document G702, Application and Certificate for Payment, supported by AIA Document G703, Continuation Sheet (latest edition), or such other form as may be prescribed by the Owner.

§ A.1.5.1.6 In taking action on the Design-Builder's Applications for Payment, the Owner shall be entitled to rely on the accuracy and completeness of the information furnished by the Design-Builder and shall not be deemed to have made a detailed examination, audit or arithmetic verification of the documentation submitted in accordance with Sections A.1.5.1.4 or A.1.5.1.5, or other supporting data; to have made exhaustive or continuous on-site inspections; or to have made examinations to ascertain how or for what purposes the Design-Builder has used amounts previously paid.

(Paragraphs deleted)

§ A.1.5.2 Certificates for Payment

§ A.1.5.2.1 The Owner's designated representative will, within fifteen (15) days after receipt of the Design-Builder's Application for Payment, either (1) issue to the Owner a Certificate for Payment in the full amount of the Application for Payment, with a copy to the Contractor; or (2) issue to the Owner a Certificate for Payment for such amount as the Owner's designated representative determines is properly due, and notify the Design-Builder and Owner of the Owner's designated representative's reasons for withholding certification in part as provided in Section 9.6.1; or (3) withhold certification of the entire Application for Payment, and notify the Design-Builder and Owner of the Owner's designated representative's reason for withholding certification in whole as provided in Section 9.6.1.

Init.

§ A.1.5.2.2*(Paragraphs deleted)*

The issuance of a Certificate for Payment will constitute a representation by the Owner's designated representative to the Owner, based on the Owner's designated representative's evaluation of the Work and the data in the Application for Payment, that, to the best of the Owner's designated representative's knowledge, information, and belief, the Work has progressed to the point indicated and the quality of the Work is in accordance with the Contract Documents. The foregoing representations are subject to an evaluation of the Work for conformance with the Contract Documents upon Substantial Completion, to results of subsequent tests and inspections, to correction of minor deviations from the Contract Documents prior to completion, and to specific qualifications expressed by the Owner's designated representative. However, the issuance of a Certificate for Payment will not be a representation that the Owner's designated representative's has (1) made exhaustive or continuous on-site inspections to check the quality or quantity of the Work; (2) reviewed construction means, methods, techniques, sequences, or procedures; (3) reviewed copies of requisitions received from Subcontractors and suppliers and other data requested by the Owner to substantiate the Design-Builder's right to payment; or (4) made examination to ascertain how or for what purpose the Design-Builder has used money previously paid on account of the Contract Sum.

§ A.1.5.2.3*(Paragraphs deleted)***Decisions to Withhold Certification***(Paragraphs deleted)*

§ A.1.5.2.3.1 The Owner's designated representative or the Owner may withhold a Certificate for Payment in whole or in part, to the extent reasonably necessary to protect the Owner, if in the Owner's designated representative's opinion the representations to the Owner required by Section A.1.5.2.2 cannot be made. If the Owner's designated representative is unable to certify payment in the amount of the Application, the Owner's designated representative will notify the Design-Builder and Owner as provided in Section A.1.5.2.1. If the Design-Builder and Owner's designated representative cannot agree on a revised amount, the Owner's designated representative will promptly issue a Certificate for Payment for the amount for which the Owner's designated representative is able to make such representations to the Owner. The Owner's designated representative may also withhold a Certificate for Payment or, because of subsequently discovered evidence, may nullify the whole or a part of a Certificate for Payment previously issued, to such extent as may be necessary in the Owner's designated representative's opinion to protect the Owner from loss for which the Design-Builder is responsible, including loss resulting from acts and omissions because of

- .1 defective Work not remedied;
- .2 third party claims filed or reasonable evidence indicating probable filing of such claims, unless security acceptable to the Owner is provided by the Design-Builder;
- .3 failure of the Design-Builder to make payments properly to Subcontractors or suppliers for labor, materials or equipment;
- .4 reasonable evidence that the Work cannot be completed for the unpaid balance of the Contract Sum;
- .5 damage to the Owner or a separate contractor;
- .6 reasonable evidence that the Work will not be completed within the Contract Time, and that the unpaid balance would not be adequate to cover actual or liquidated damages for the anticipated delay; or
- .7 failure to carry out the Work in accordance with the Contract Documents.

§ A.1.5.2.3.2 When either party disputes the Owner's designated representative's decision regarding a Certificate for Payment under Section A.1.5.2.3.1, in whole or in part, that party may submit a Claim in accordance the Contract.

§ A.1.5.2.3.3 When the reasons for withholding certification are removed, certification will be made for amounts previously withheld.

§ A.1.5.2.3.4 If the Owner's designated representative's withholds certification for payment under Section A.1.5.2.3.1.3, the Owner may, at its sole option, issue joint checks to the Design-Builder and to any Subcontractor or supplier to whom the Design-Builder failed to make payment for Work properly performed or material or equipment suitably delivered. If the Owner makes payments by joint check, the Owner shall notify the Owner's designated representative and the Design-Builder shall reflect such payment on its next Application for Payment.

§ A.1.5.3 Intentionally Deleted

Init.

§ A.1.5.4 Progress Payments—Cost of the Work Plus a Fee with a Guaranteed Maximum Price

§ A.1.5.4.1 Applications for Payment where the Contract Sum is based upon the Cost of the Work Plus a Fee with a Guaranteed Maximum Price shall show the percentage of completion of each portion of the Work as of the end of the period covered by the Application for Payment. The percentage of completion shall be the lesser of (1) the percentage of that portion of the Work which has actually been completed; or (2) the percentage obtained by dividing (a) the expense that has actually been incurred by the Design-Builder on account of that portion of the Work for which the Design-Builder has made or intends to make actual payment prior to the next Application for Payment by (b) the share of the Guaranteed Maximum Price allocated to that portion of the Work in the schedule of values.

§ A.1.5.4.2 Subject to other provisions of the Design-Build Documents, the amount of each progress payment shall be computed as follows:

- .1 Take that portion of the Guaranteed Maximum Price properly allocable to completed Work as determined by multiplying the percentage of completion of each portion of the Work by the share of the Guaranteed Maximum Price allocated to that portion of the Work in the schedule of values. Pending final determination of cost to the Owner of changes in the Work, amounts not in dispute shall be included as provided in Section 6.3.9 of the Agreement.
- .2 Add that portion of the Guaranteed Maximum Price properly allocable to materials and equipment delivered and suitably stored at the site for subsequent incorporation in the Work, or if approved in advance by the Owner, suitably stored off the site at a location agreed upon in writing;
- .3 Add the Design-Builder's Fee, less retainage of five percent (5 %). The Design-Builder's Fee shall be computed upon the Cost of the Work at the rate stated in Section A.1.4.2 or, if the Design-Builder's Fee is stated as a fixed sum in that Section, shall be an amount that bears the same ratio to that fixed-sum fee as the Cost of the Work bears to a reasonable estimate of the probable Cost of the Work upon its completion;
- .4 Subtract retainage of five percent (5 %) from that portion of the Work that the Design-Builder self-performs;
- .5 Subtract the aggregate of previous payments made by the Owner;
- .6 Subtract the shortfall, if any, indicated by the Design-Builder in the documentation required by Section A.1.5.1.4 to substantiate prior Applications for Payment, or resulting from errors subsequently discovered by the Owner's auditors in such documentation; and
- .7 Subtract amounts, if any, for which the Owner has withheld or nullified a payment as provided in Section 9.5 of the Agreement.

§ A.1.5.4.3 The Owner and Design-Builder shall agree upon (1) a mutually acceptable procedure for review and approval of payments to the Architect, Consultants, and Contractors and (2) the percentage of retainage held on agreements with the Architect, Consultants, and Contractors; and the Design-Builder shall execute agreements in accordance with those terms.

§ A.1.5.5 Final Payment

§ A.1.5.5.1 Final payment, constituting the entire unpaid balance of the Contract Sum, shall be made by the Owner to the Design-Builder not later than 30 days after the Design-Builder has fully performed the Contract and the requirements of Section 9.10 of the Agreement have been satisfied, except for the Design-Builder's responsibility to correct non-conforming Work discovered after final payment or to satisfy other requirements, if any, which extend beyond final payment.

§ A.1.5.5.2 If the Contract Sum is based on the Cost of the Work, the Owner's auditors will review and report in writing on the Design-Builder's final accounting within 30 days after the Design-Builder delivers the final accounting to the Owner. Based upon the Cost of the Work the Owner's auditors report to be substantiated by the Design-Builder's final accounting, and provided the other conditions of Section 9.10 of the Agreement have been met, the Owner will, within seven days after receipt of the written report of the Owner's auditors, either issue a final Certificate for Payment, or notify the Design-Builder in writing of the reasons for withholding a certificate as provided in Section 9.5.1 of the Agreement.

ARTICLE A.2 CONTRACT TIME

§ A.2.1 Contract Time, as defined in the Agreement at Section 1.4.13, is the period of time, including authorized adjustments, for Substantial Completion of the Work. Time is of the essence for the Contract and all deadlines in the Design-Build Documents.

Init.

§ A.2.2 The Design-Builder shall achieve Substantial Completion of the Work not later than two hundred and forty-eight (248) days from the date of this Amendment,
(Paragraphs deleted)
subject to adjustments of the Contract Time as provided in the Design-Build Documents.

ARTICLE A.3 INFORMATION UPON WHICH AMENDMENT IS BASED

§ A.3.1 The Contract Sum and Contract Time set forth in this Amendment are based on the following:

§ A.3.1.1 The Supplementary and other Conditions of the Contract:

Document	Title	Date	Pages
----------	-------	------	-------

§ A.3.1.2 The Specifications:

(Either list the specifications here or refer to an exhibit attached to this Amendment.)

Section	Title	Date	Pages
---------	-------	------	-------

§ A.3.1.3 The Drawings:

(Either list the drawings here or refer to an exhibit attached to this Amendment.)

Number	Title	Date
--------	-------	------

§ A.3.1.4 The Sustainability Plan, if any:

(If the Owner identified a Sustainable Objective in the Owner's Criteria, identify the document or documents that comprise the Sustainability Plan by title, date and number of pages, and include other identifying information. The Sustainability Plan identifies and describes the Sustainable Objective; the targeted Sustainable Measures; implementation strategies selected to achieve the Sustainable Measures; the Owner's and Design-Builder's roles and responsibilities associated with achieving the Sustainable Measures; the specific details about design reviews, testing or metrics to verify achievement of each Sustainable Measure; and the Sustainability Documentation required for the Project, as those terms are defined in Exhibit C to the Agreement.)

Title	Date	Pages
-------	------	-------

Other identifying information:

§ A.3.1.5 Allowances and Contingencies:

(Identify any agreed upon allowances and contingencies, including a statement of their basis.)

.1 Allowances

.2 Contingencies

Init.

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§ A.3.1.6 Design-Builder’s assumptions and clarifications:

§ A.3.1.7 Deviations from the Owner’s Criteria as adjusted by a Modification:

§ A.3.1.8 To the extent the Design-Builder shall be required to submit any additional Submittals to the Owner for review, indicate any such submissions below:

ARTICLE A.4 DESIGN-BUILDER’S PERSONNEL, CONTRACTORS AND SUPPLIERS

§ A.4.1 The Design-Builder’s key personnel are identified below:
(Identify name, title and contact information.)

.1 Superintendent

Weston Bergey

.2 Project Manager

Dustyn Cox

.3 Others

Jason Smith, President
Jonathan Bradley, Operations Manager
Rex Cody, Preconstruction Services Manager
Brad Fielden, Senior Estimator

§ A.4.2 The Design-Builder shall retain the following Consultants, Contractors and suppliers, identified below:
(List name, discipline, address and other information.)

ARTICLE A.5 COST OF THE WORK

§ A.5.1 Cost To Be Reimbursed as Part of the Contract

§ A.5.1.1 Labor Costs

§ A.5.1.1.1 Wages of construction workers directly employed by the Design-Builder to perform the construction of the Work at the site or, with the Owner’s prior approval, at off-site workshops shall be no less than the prevailing wage rate in accordance with the Davis-Bacon Act and Related Acts.

(Paragraphs deleted)

(Table deleted)

(Paragraphs deleted)

§ A.5.1.2 Contract Costs. Payments made to the Architect, Consultants, Contractors and suppliers shall be at the sole expense of the Design-Builder and paid in accordance with the requirements of their subcontracts. All costs for payments made to the Architect, Consultants, Contractors and suppliers contracted directly with Design-Builder shall be included in the Contract Sum and paid by the Design-Builder.

§ A.5.1.3 Costs of Materials and Equipment Incorporated in the Completed Construction

§ A.5.1.3.1 Costs, including transportation and storage, of materials and equipment incorporated or to be incorporated in the completed construction.

§ A.5.1.3.2 Costs of materials described in the preceding Section A.5.1.3.1 in excess of those actually installed to allow for reasonable waste and spoilage. Unused excess materials, if any, shall become the Owner's property at the completion of the Work or, at the Owner's option, shall be sold by the Design-Builder. Any amounts realized from such sales shall be credited to the Owner as a deduction from the Cost of the Work.

§ A.5.1.4 Costs of Other Materials and Equipment, Temporary Facilities and Related Items

§ A.5.1.4.1 Costs of transportation, storage, installation, maintenance, dismantling and removal of materials, supplies, temporary facilities, machinery, equipment and hand tools not customarily owned by construction workers that are provided by the Design-Builder at the site and fully consumed in the performance of the Work. Costs of materials, supplies, temporary facilities, machinery, equipment and tools that are not fully consumed shall be based on the cost or value of the item at the time it is first used on the Project site less the value of the item when it is no longer used at the Project site. Costs for items not fully consumed by the Design-Builder shall mean fair market value.

§ A.5.1.4.2 Rental charges for temporary facilities, machinery, equipment and hand tools not customarily owned by construction workers that are provided by the Design-Builder at the site and costs of transportation, installation, minor repairs, dismantling and removal. The total rental cost of any Design-Builder-owned item may not exceed the purchase price of any comparable item. Rates of Design-Builder-owned equipment and quantities of equipment shall be subject to the Owner's prior approval.

§ A.5.1.4.3 Costs of removal of debris from the site of the Work and its proper and legal disposal.

§ A.5.1.4.4 Costs of document reproductions.

§ A.5.1.4.5 Costs of materials and equipment suitably stored off the site at a mutually acceptable location, with the Owner's prior written approval.

§ A.5.1.5 Miscellaneous Costs

§ A.5.1.5.1 Premiums for that portion of insurance and bonds required by the Design-Build Documents that are required by the Design-Build Documents.

§ A.5.1.5.2 Sales, use or similar taxes imposed by a governmental authority that are related to the Work and for which the Design-Builder is liable.

§ A.5.1.5.3 Fees and assessments for the building permit and for other permits, licenses and inspections for which the Design-Builder is required by the Design-Build Documents to pay.

§ A.5.1.5.4 Fees of laboratories for tests required by the Design-Build Documents, except those related to defective or nonconforming Work for which reimbursement is excluded by Section 15.5.3 of the Agreement or by other provisions of the Design-Build Documents, and which do not fall within the scope of Section A.5.1.6.3.

(Paragraphs deleted)

§ A.5.1.6 Other Costs and Emergencies

§ A.5.1.6.1 Other costs incurred in the performance of the Work if, and to the extent, approved in advance in writing by the Owner.

§ A.5.1.6.2 Costs incurred in taking action to prevent threatened damage, injury or loss in case of an emergency affecting the safety of persons and property, unless such costs are the result of or caused by the act or omission of Design-Builder or others under the Design-Builder's control. The Design-Builder is not responsible for such costs as the result of or caused by the act or omission of separate contractors of owner or others not under the control of Design-Builder.

(Paragraph deleted)

§ A.5.1.7 Related Party Transactions

§ A.5.1.7.1 For purposes of Section A.5.1.7, the term "related party" shall mean a parent, subsidiary, affiliate or other entity having common ownership or management with the Design-Builder; any entity in which any stockholder in, or management employee of, the Design-Builder owns any interest in excess of ten percent in the aggregate; or any

person or entity which has the right to control the business or affairs of the Design-Builder. The term "related party" includes any member of the immediate family of any person identified above.

§ A.5.1.7.2 If any of the costs to be reimbursed arise from a transaction between the Design-Builder and a related party, the Design-Builder shall notify the Owner of the specific nature of the contemplated transaction, including the identity of the related party and the anticipated cost to be incurred, before any such transaction is consummated or cost incurred. If the Owner, after such notification, authorizes the proposed transaction, then the cost incurred shall be included as a cost to be reimbursed, and the Design-Builder shall procure the Work, equipment, goods or service from the related party, as a Contractor, according to the terms of Section A.5.4. If the Owner fails to authorize the transaction, the Design-Builder shall procure the Work, equipment, goods or service from some person or entity other than a related party according to the terms of Section A.5.4.

§ A.5.2 Costs Not to Be Reimbursed as Part of this Contract

The Cost of the Work shall not include the items listed below:

- .1 Salaries and other compensation of the Design-Builder's personnel stationed at the Design-Builder's principal office or offices other than the site office, except as specifically provided in Section A.5.1.1;
- .2 Expenses of the Design-Builder's principal office and offices other than the site office;
- .3 Overhead and general expenses, except as may be expressly included in Section A.5.1;
- .4 The Design-Builder's capital expenses, including interest on the Design-Builder's capital employed for the Work;
- .5 Except as provided in Section A.5.1.6.3 of this Agreement, costs due to the negligence or failure of the Design-Builder, Contractors and suppliers or anyone directly or indirectly employed by any of them or for whose acts any of them may be liable to fulfill a specific responsibility of the Contract;
- .6 Any cost not specifically and expressly described in Section A.5.1; and
- .7 Costs, other than costs included in Change Orders approved by the Owner, that would cause the Guaranteed Maximum Price to be exceeded.

§ A.5.3 Discounts, Rebates, and Refunds

§ A.5.3.1 Cash discounts obtained on payments made by the Design-Builder shall accrue to the Owner if (1) before making the payment, the Design-Builder included them in an Application for Payment and received payment from the Owner, or (2) the Owner has deposited funds with the Design-Builder with which to make payments; otherwise, cash discounts shall accrue to the Design-Builder. Trade discounts, rebates, refunds and amounts received from sales of surplus materials and equipment shall accrue to the Owner, and the Design-Builder shall make provisions so that they can be obtained.

§ A.5.3.2 Amounts that accrue to the Owner in accordance with Section A.5.3.1 shall be credited to the Owner as a deduction from the Cost of the Work.

§ A.5.4 Other Agreements

§ A.5.4.1 When a specific bidder (1) is recommended to the Owner by the Design-Builder; (2) is qualified to perform that portion of the Work; and (3) has submitted a bid that conforms to the requirements of the Design-Build Documents without reservations or exceptions, but the Owner requires that another bid be accepted, then the Design-Builder may require that a Change Order be issued to adjust the Guaranteed Maximum Price by the difference between the bid of the person or entity recommended to the Owner by the Design-Builder and the amount of the subcontract or other agreement actually signed with the person or entity designated by the Owner.

§ A.5.4.2 Agreements between the Design-Builder and Contractors shall conform to the provisions of the Design-Build Documents, and shall not be awarded on the basis of cost plus a fee.

§ A.5.4.3 The agreements between the Design-Builder and Architect and other Consultants identified in the Agreement shall be in writing. These agreements shall be approved by the Owner prior to executing such agreement and shall be promptly provided to the Owner upon the Owner's written request. Design Builder has outlined in its response to NBU's Request for Proposal (RFP) 23-0011 NBU Annex Renovation Project, and Owner hereby approves the identified Design-Build team.

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§ A.5.5 Accounting Records

The Design-Builder shall keep full and detailed records and accounts related to the cost of the Work and exercise such controls as may be necessary for proper financial management under the Contract and to substantiate all costs incurred. The accounting and control systems shall be satisfactory to the Owner. The Owner and the Owner's auditors shall, during regular business hours and upon reasonable notice, be afforded access to, and shall be permitted to audit and copy, the Design-Builder's records and accounts, including complete documentation supporting accounting entries, books, correspondence, instructions, drawings, receipts, subcontracts, Contractor's proposals, purchase orders, vouchers, memoranda and other data relating to the Contract. The Design-Builder shall preserve these records for a period of three (3) years after final payment, or for such longer period as may be required by law.

§ A.5.6 Relationship of the Parties

The Design-Builder accepts the relationship of trust and confidence established by this Agreement and covenants with the Owner to exercise the Design-Builder's skill and judgment in furthering the interests of the Owner; to furnish efficient construction administration, management services and supervision; to furnish at all times an adequate supply of workers and materials; and to perform the Work in an expeditious and economical manner consistent with the Owner's interests.

This Amendment to the Agreement is hereby entered into and effective as of the day and year last signed below.

NEW BRAUNFELS UTILITIES

SPAWGLASS CONTRACTORS, INC.

OWNER (Signature)



DESIGN-BUILDER (Signature)

Ryan Kelso, Chief Executive Officer
(Printed name and title)

Jason Smith, President, San Antonio Division
(Printed name and title)

DATE: _____

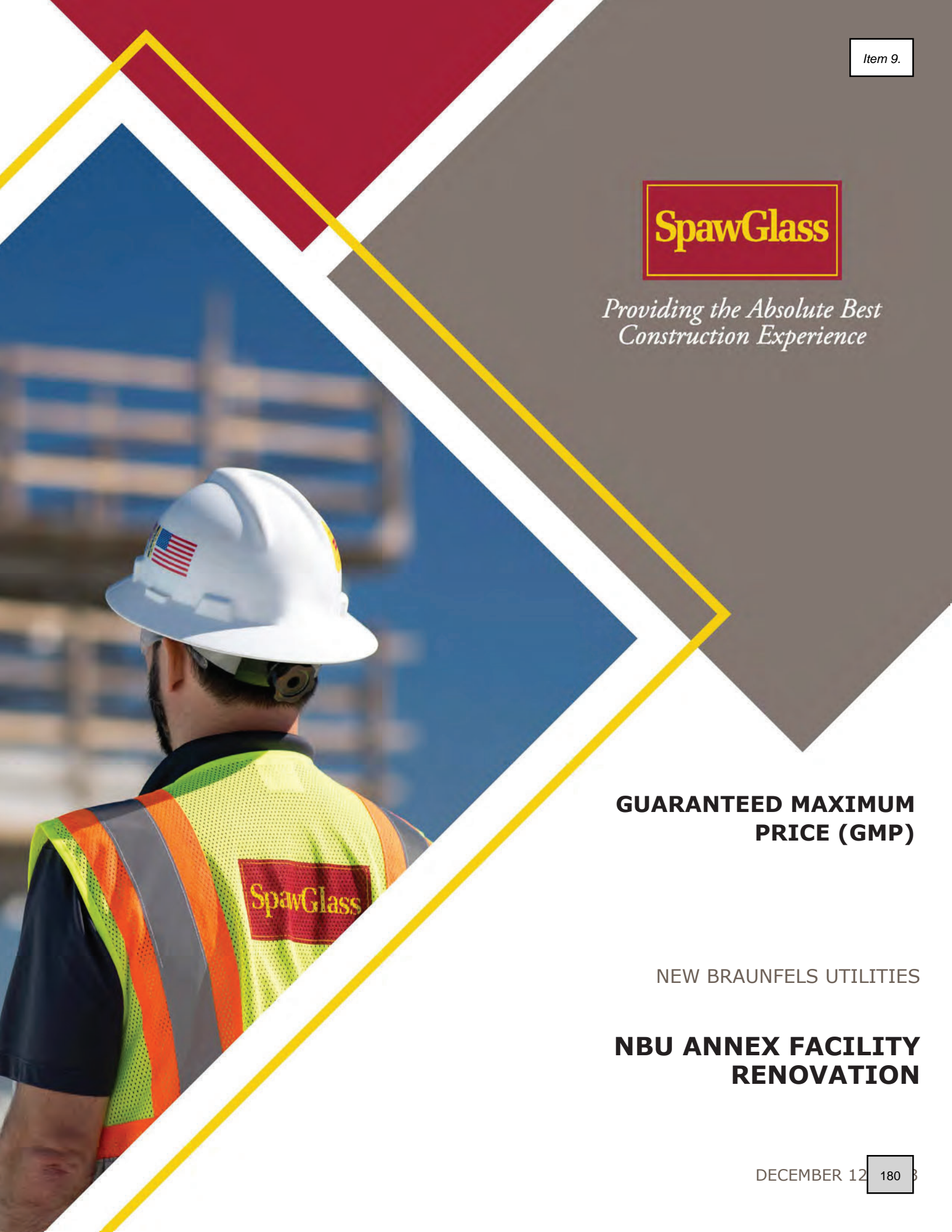
DATE: 1/29/2024

Init.



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Construction Experience*



**GUARANTEED MAXIMUM
PRICE (GMP)**

NEW BRAUNFELS UTILITIES

**NBU ANNEX FACILITY
RENOVATION**



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TAB1

EXECUTIVE PROJECT
SUMMARY



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Executive Project Summary

The New Braunfels Utilities Annex Facility is located at 1488 South Seguin Ave in New Braunfels Texas. The building is comprised of a single level structural steel building consisting of approximately 33,000 square foot of interior office space.

This project is a design built contract to renovate the interior existing space to an office setting for roughly around 80-100 employees. The plan is to design the space to accommodate NBU employees for a life span till at least 2027. NBU has provided a scope of work breakout that identifies all the items needing upgrades and or improvements that are needed that were found during Facility Condition Assessment. During the preconstruction phase the project team will evaluate each item under the list of scope items and design into the project any of the items that pertain to life safety and applicable codes that work within the current budget.

SpawGlass is anticipating a notice to proceed in the month of December to start preconstruction activities. The anticipated plan will be to start construction in May with a substantial completion date of this project will be September 30, 2024.

TAB 2

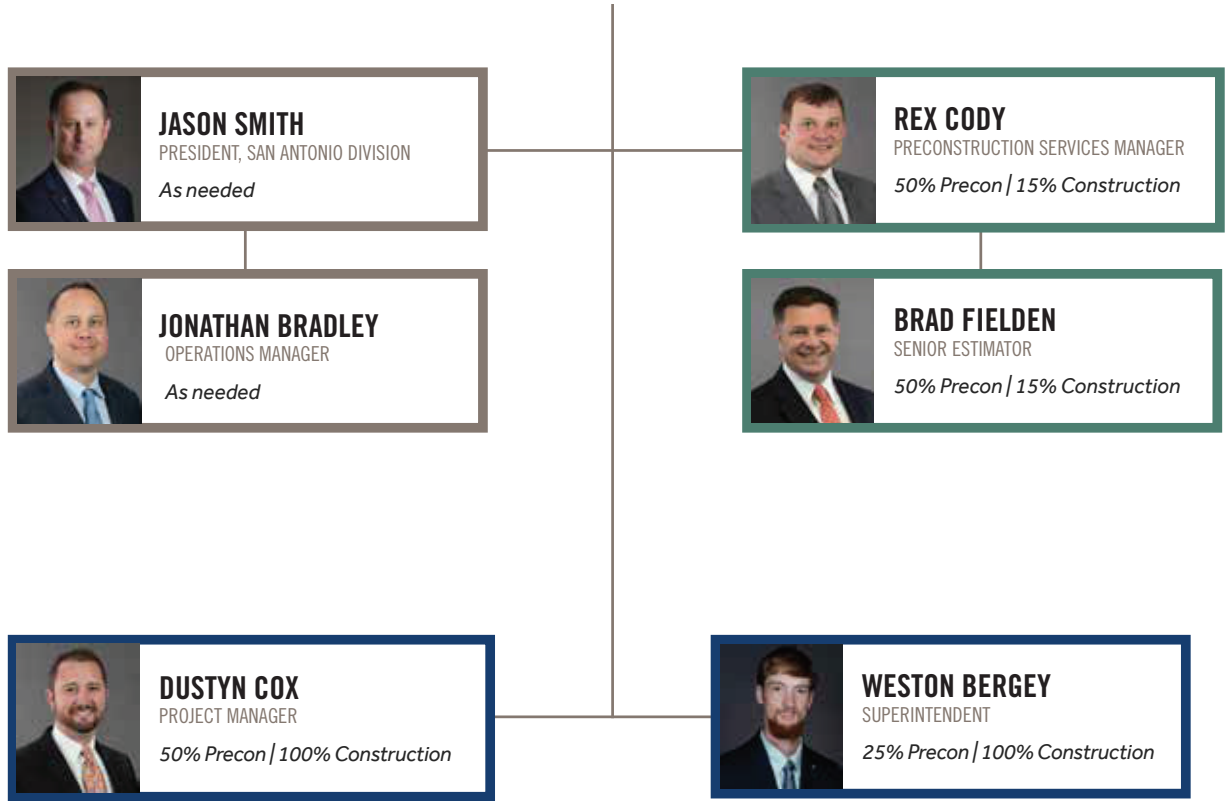
PROJECT TEAM



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ORGANIZATIONAL CHART



■ Executive Oversight ■ On-site Team ■ Preconstruction

TAB 3

ASSUMPTIONS AND
CLARIFICATIONS



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New Braunfels Utilities Annex Facility Renovation

GENERAL QUALIFICATIONS

1. The budget is based on providing design build construction services to renovate a single-story, 33,000SF building located in New Braunfels, Texas.
2. This budget assumes a 6-month construction schedule.
3. The below qualifications within each division is based on a general square footage cost of the Building. The actual scope of work will be defined once the design is completed and the project team can determine all items that can be included within the current project cost. The budgets in each division illustrated on the recap report could potentially be shifted to other scopes that may take precedence during design.
4. The overall understanding of the design is to provide NBU with as many project upgrades from the scope breakdown sheet that will work within the current construction budget.
5. The following costs are **INCLUDED** in SpawGlass Estimate:
 - a. Payment and Performance bond
 - b. Builders Risk Insurance
 - c. Subcontractor Default Insurance
 - d. General Liability Insurance
 - e. City of New Braunfels Permit Fees
 - f. Warranty
 - g. Overhead and Profit
6. The following costs are **EXCLUDED** from SpawGlass Estimate:
 - a. Material Testing, Surveys, Testing & Inspection and Soil Borings
 - b. Construction Testing
 - c. MUD Tap Fees & Permit Cost
 - d. Geo-tech report
 - e. Moving & Storage and relocating owner's equipment
 - f. Removal of Hazardous or Contaminated materials above and beyond what was disclosed in the owner's scope of work
 - g. LEED Criteria
 - h. Bid Bond
 - i. Storefront systems including doors / hardware
 - j. Lockers
 - k. Protective covers
 - l. DDC Controls
 - m. Audio Visual Communications and equipment – the following GMP includes the rough-in, back boxes, and cabling for the specified AV system. The actual end devices and equipment shall be provided by the owner.
 - n. Security and access control cabling and equipment – existing security equipment and system shall remain in place. Any additional security

equipment or scope shall be added at owners expense. The software upgrades and programming needed to upgrade system to NBU cards shall be at owners expense.

- o. Fire Suppression System – This GMP includes the inspection and repairs needed to the existing system to make functional. Any additions or alterations are excluded from the GMP.

Division 01 – General Conditions / Requirements

- 1. Project Supervision – **6 Months**
- 2. Safety Engineer (consultant)
- 3. Computers
- 4. Cell Phones
- 5. Construction Documents (Blueprint Repro.)
- 6. P6 Scheduling Software
- 7. Desks, Tables, & Chairs
- 8. Office & Janitorial Supplies (Incl. Copier Paper)
- 9. iPad Plan Grid Charges
- 10. Water, Ice, & Cups (for Field)
- 11. First Aid Kits / Supplies
- 12. Personal Protective Equipment
- 13. Temp. Fire Extinguishers (1 per 5,000 SF)
- 14. Trash Buggies w/ Lids
- 15. Portable Toilets - Rental
- 16. Portable Handwash Stations - Rental
- 17. Misc. Small Tools
- 18. Project Sign (SpawGlass)
- 19. OSHA Required Signs
- 20. Final Cleaning - Buildings
- 21. Trash Dumpsters (40 Yd)
- 22. Partnering
- 23. General Safety Supplies
- 24. Storage Container
- 25. Daily Housekeeping

Division 2-Existing Conditions

- 1. General Interior demolition

Division 06 – Wood, Plastics, and Composites

- 1. Interior Blocking
- 2. Architectural woodwork

Division 07 – Thermal and Moisture Protection

- 1. Roofing repairs

Division 08 – Openings

- 1. Doors, frames, and finish hardware (Doors to be functional)

Division 09 – Finishes

1. Drywall and acoustical
2. Demo flooring
3. Carpet and resilient flooring (based on square footage cost of \$2.27)
4. Painting
5. Patch and repair drywall

Division 12 – Furnishings

1. FF&E

Division 21 – Fire Suppression

1. Fire suppression – includes inspections and repairs to existing system to make functional.

Division 22 – Plumbing

1. Evaluate and repair damaged to showers, drains, sinks.
2. Replace restroom fixture flush valves
3. Flush existing plumbing system

Division 23 – HVAC

1. Remove and replace four air handler units and condensers.
2. Provide mini split for mechanical room
3. Ductwork will be reviewed for condition
4. Provide thermostats

Division 26 – Electrical

1. Upgraded lighting to LED (quantity of light replaced to be reviewed during design)
2. Evaluate current condition of generator

Division 27 – Communication

1. Testing of existing telecommunication system

Division 28 – Security/Access Control/Surveillance

1. Review functionality of existing security system

Division 32 – Site Improvements

1. Landscape and irrigation repair allowance
2. Remove existing man gate
3. Review condition of existing electric gates and motors

TAB 4

PROPOSED GMP BREAKDOWN



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NBU Annex Preliminary Budget

Estimate Date:	01/04/2024	Documents Date:	10/02/2023
Project Size (SF):	33,000	Project #:	3023145
Project Location:	New Braunfels, TX	Lead Estimator:	Brad Fielden

ITEM	COST	COST SF	% OF TOTAL
Direct Costs	1,664,112	50.43	93.18 %
General Conditions	182,112	5.52	10.20 %
Demolition	16,500	0.50	0.92 %
Wood Blocking	2,500	0.08	0.14 %
Architectural Woodwork	30,500	0.92	1.71 %
Roofing	99,000	3.00	5.54 %
Doors / Frames / Hardware	20,000	0.61	1.12 %
Drywall / Acoustical	41,250	1.25	2.31 %
Carpet/Resilient Flooring	75,000	2.27	4.20 %
Painting / Wall Coverings	113,000	3.42	6.33 %
Furniture	481,000	14.58	26.93 %
Fire Suppression	5,000	0.15	0.28 %
Plumbing	66,000	2.00	3.70 %
HVAC	226,000	6.85	12.65 %
Electrical	112,000	3.39	6.27 %
Communications Cabling and Equipment	33,000	1.00	1.85 %
Audio-Video Systems	33,000	1.00	1.85 %
Security / Access Control / Surveillance	25,000	0.76	1.40 %
Fire Alarm Systems	8,000	0.24	0.45 %
Asphalt Coatings / Microsurfacing	51,900	1.57	2.91 %
Landscaping / Irrigation	43,350	1.31	2.43 %

ITEM	COST	COST SF	% OF TC
Indirect Costs	121,888	3.69	6.82 %
Builder's Risk Insurance	3,483	0.11	0.20 %
General Liability Insurance	17,038	0.52	0.95 %
Subcontractor Default Insurance (SDI):	20,801	0.63	1.16 %
Building Permit Fees	4,660	0.14	0.26 %
Warranty	4,465	0.14	0.25 %
Fee	71,440	2.16	4.00 %
Total Cost	\$ 1,786,000	\$ 54.12	100.00 %

GMP Contract Value = 1,786,000

Pre-Construction Cost = 181,000

Payment and Performance Bond = 33,000

Total Construction Cost = 2,000,000

- 100% Schematic Design Package: \$41,000.00
- 100% Design Development Package: \$55,500.00
- 75% Construction Document Package: \$62,750.00
- Architectural Construction Administration: \$21,750.00
- Delivery of Performance and Payment Bonds: ~~76% of the total project cost~~

1.65% is an accurate P&P percentage due to the project being design build



NBU Annex Preliminary Budget

Estimate Date:	01/04/2024	Documents Date:	10/02/2023
Project Size (SF):	33,000	Project #:	3023145
Project Location:	New Braunfels, TX	Lead Estimator:	Brad Fielden

ITEM	QUANTITY UM	UNIT COST	TOTAL COST
<i>General Conditions</i>			<i>182,112</i>
General Conditions	6.0 Mos	21,539.00	129,234
General Requirements	6.0 Mos	8,813.00	52,878
<i>Demolition</i>			<i>16,500</i>
Demolition	1.0 LS	16,500.00	16,500
<i>Wood Blocking</i>			<i>2,500</i>
Rough Carpentry	1.0 LS	2,500.00	2,500
<i>Architectural Woodwork</i>			<i>30,500</i>
Architectural Woodwork	1.0 LS	30,500.00	30,500
<i>Roofing</i>			<i>99,000</i>
Roofing	1.0 LS	99,000.00	99,000
<i>Doors / Frames / Hardware</i>			<i>20,000</i>
Doors, Frames, & Hardware	1.0 LS	20,000.00	20,000
<i>Drywall / Acoustical</i>			<i>41,250</i>
Drywall & Acoustical	1.0 LS	41,250.00	41,250
<i>Carpet/Resilient Flooring</i>			<i>75,000</i>
Demo Flooring	33,000.0 SF	0.25	8,250
Carpet & Resilient Flooring	1.0 LS	66,750.00	66,750
<i>Painting / Wall Coverings</i>			<i>113,000</i>
Painting Entire Space	1.0 LS	90,000.00	90,000
Patch & Repair Drywall	1.0 LS	23,000.00	23,000
<i>Furniture</i>			<i>481,000</i>
FF&E	1.0 LS	481,000.00	481,000
<i>Fire Suppression</i>			<i>5,000</i>
Fire Suppression	1.0 LS	5,000.00	5,000

ITEM	QUANTITY UM	UNIT COST	TOTAL COST
<i>Plumbing</i>			<i>66,000</i>
Plumbing	1.0 LS	66,000.00	66,000
<i>HVAC</i>			<i>226,000</i>
HVAC	1.0 LS	226,000.00	226,000
<i>Electrical</i>			<i>112,000</i>
Electrical	1.0 LS	112,000.00	112,000
<i>Communications Cabling and Equipment</i>			<i>33,000</i>
Communications	1.0 LS	33,000.00	33,000
<i>Audio-Video Systems</i>			<i>33,000</i>
Audio-Video Systems	1.0 LS	33,000.00	33,000
<i>Security / Access Control / Surveillance</i>			<i>25,000</i>
Security, Access Control, and Surveillance Systems	1.0 LS	25,000.00	25,000
<i>Fire Alarm Systems</i>			<i>8,000</i>
Fire Alarm System	1.0 LS	8,000.00	8,000
<i>Asphalt Coatings / Microsurfacing</i>			<i>51,900</i>
Resurface / Reseal Parking Lot / Restripe Parking Lot	103,800.0 SF	0.50	51,900
<i>Landscaping / Irrigation</i>			<i>43,350</i>
Landscaping & Irrigation	1.0 LS	43,350.00	43,350

Total - Direct Costs

\$ 1,664,112



General Conditions

Name: **NBU Annex**
 Location: **New Braunfels**
 Bid Date:
 Priced By:

Duration (Mos): **6.0**
 Duration (Wks): **26.0**
 Total GCs: \$ **129,234**
 Cost / Mo: \$ **21,539**

Project #: **3023145**
 Type: **-**
 Gross Area (SF): **-**
 % of Total: **6.13%**

Template updated on: 02/13/2023

Labor Burden and Sales Tax Rates Linked to Project Setup Worksheet: 36.56% 48.36% 8.250%

Description	Quantity	Unit	Labor Unit Price	Labor Total (w/ Burden)	Material Unit Price	Material Total (w/ Sales Tax)	Subcontract Unit Price	Subcontract Total	Equipment Unit Price	Equipment Total (w/ Sales Tax)	Total	Total By Category
Project Manager	13.0	Wks	2,000.00	35,508		-		-		-	35,508	
Superintendent	26.0	Wks	2,000.00	71,011		-		-		-	71,011	
PMA	6.5	Wks	650.00	5,770		-		-		-	5,770	
Safety Engineer (Consultant)	12.0	Hrs		-	100.00	1,299		-		-	1,299	
Computers (\$180 per person per month)	12.0	Mos		-	260.00	3,377		-		-	3,377	
Cell Phones	39.0	Wks		-	25.00	1,055		-		-	1,055	
P6 Scheduling Software	6.0	Mos		-	195.00	1,267		-		-	1,267	
First Aid Kits (for Office Trailers)	1.0	Each		-	300.00	325		-		-	325	
First Aid Supplies (for Office Trailers)	6.0	Mos		-	50.00	325		-		-	325	
Temp. Fire Extinguishers (for Office Trailers)	5.0	Each		-	65.00	352		-		-	352	
Desks, Tables, & Chairs	1.0	LS		-	1,500.00	1,624		-		-	1,624	
Office & Janitorial Supplies (Incl. Copier Paper)	3.0	Mos		-	400.00	1,299		-		-	1,299	
iPAD Data Charges	6.0	Mos		-	50.00	325		-		-	325	
Project Sign (SpawGlass)	1.0	Each	125.00	185	1,000.00	1,083		-		-	1,268	
OSHA Required Signs	1.0	LS	250.00	371	750.00	812		-		-	1,183	
Partnering Costs	1.0	LS		-	3,000.00	3,248		-		-	3,248	

\$ 18,808 / Mo (w/ Bur.) \$ 2,732 / Mo (w/ Tax) \$ - / Mo \$ - / Mo (w/ Tax)
 \$ 12,677 / Mo (NO Bur.) \$ 2,523 / Mo (NO Tax) \$ - / Mo \$ - / Mo (NO Tax)
\$ 21,539 / Mo



General Requirements

Name: **NBU Annex**
 Location: **New Braunfels**
 Bid Date:
 Priced By:

Duration (Mos): **6.0**
 Duration (Wks): **26.0**
 Total GCs: \$ **52,878**
 Cost / Mo: \$ **8,813**

Project #: **3023145**
 Type: -
 Gross Area (SF): -
 % of Total: **2.51%**

Template updated on: 04/12/2023

Labor Burden and Sales Tax Rates Linked to Project Setup Worksheet: 36.56% 48.36% 8.250%

Description	Quantity	Unit	Labor Unit Price	Labor Total (w Burden)	Material Unit Price	Material Total (w Sales Tax)	Subcontract Unit Price	Subcontract Total	Equipment Unit Price	Equipment Total (w/ Sales Tax)	Total	Total By Category
Construction Documents (Blueprint Repro.)	2.0	Sets		-	350.00	756		-		-	756	756
P6 Scheduling Software	12.0	Mos		-	195.00	2,533		-		-	2,533	2,533
Water, Ice, & Cups (for Field)	6.0	Mos	200.00	1,780	225.00	1,461		-		-	3,242	3,242
First Aid Kits	1.0	Each		-	300.00	325		-		-	325	325
First Aid Supplies	6.0	Mos		-	50.00	325		-		-	325	325
Personal Protective Equipment	1.0	LS		-	500.00	541		-		-	541	541
General Safety Supplies	6.0	Mos		-	200.00	1,299		-		-	1,299	1,299
Temp. Fire Extinguishers (1 per 5,000 SF)	8.0	Each		-	100.00	866		-		-	866	866
Trash Buggies w/ Lids	1.0	Each		-	850.00	920		-		-	920	920
Storage Containers - Rental (Conex)	6.0	Mos		-		-		-	250.00	1,624	1,624	1,624
Portable Toilets - Rental	6.0	Mos		-	671.00	4,358		-		-	4,358	4,358
Misc. Small Tools	1.0	LS		-	2,500.00	2,706		-		-	2,706	2,706
Daily Housekeeping	26.0	Wks	550.00	21,215	50.00	1,407		-		-	22,623	22,623
Final Cleaning - Buildings	40,000.0	SF		-		-	0.20	8,000		-	8,000	8,000
Trash Dumpsters (40 Yd)	6.0	Pulls		-	425.00	2,760		-		-	2,760	2,760

\$ 3,833 / Mo (w/ Bur.) \$ 3,376 / Mo (w/ Tax) \$ 1,333 / Mo \$ 271 / Mo (w/ Tax)
 \$ 2,583 / Mo (NO Bur.) \$ 3,119 / Mo (NO Tax) \$ 250 / Mo (NO Tax)
\$ 8,813 / Mo

TAB 5

MILESTONE PROJECT
SCHEDULE



SpawGlass

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Construction Experience*

Activity ID	Activity Name	Orig Dur	Rem Dur	Start	Finish	%	D	J	F	M	A	M	J	J	A	S	O								
NBU ANNEX FACILITY RENOVATION		205	205	11-Dec-23	30-Sep-24	0%	1	3	1	0	1	1	3	1	0	1	0	2	1	2	1	0	2	0	1
A1000	NOTICE TO PROCEED	14	14	11-Dec-23	29-Dec-23	0%	NBU ANNEX FACILITY RENOVATION																		
A1010	DESIGN PHASE	57	57	11-Dec-23	29-Feb-24	0%	DESIGN PHASE																		
A1020	HVAC UNITS PROCUREMENT	127	127	01-Feb-24	31-Jul-24	0%	HVAC UNITS PROCUREMENT																		
A1040	PERMIT REVIEW & APPROVAL	43	43	01-Mar-24	30-Apr-24	0%	PERMIT REVIEW & APPROVAL																		
A1030	FURNITURE PROCUREMENT	128	128	01-Mar-24	30-Aug-24	0%	FURNITURE PROCUREMENT																		
A1050	ARCHITECTURAL CONSTRUCTION	85	85	01-May-24	30-Aug-24	0%	ARCHITECTURAL CONSTRUCTION																		
A1060	HVAC INSTALL	42	42	01-Aug-24	30-Sep-24	0%	HVAC INSTALL																		
A1070	FURNITURE INSTALL	20	20	03-Sep-24	30-Sep-24	0%	FURNITURE INSTALL																		
A1080	SUBSTANTIAL COMPLETION	1	1	30-Sep-24	30-Sep-24	0%	SUBSTANTIAL COMPLETION																		

Start Date: 11-Dec-23
 Finish Date: 30-Sep-24
 Data Date: 11-Dec-23
 Run Date: 11-Dec-23

■ Actual Work ◆ Milestone
■ Remaining Work ▬ Summary
■ Critical Remaining Work ▬ Level of Effort

TAB 6

RESPONSES TO REVIEW
COMMENTS



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9331 Corporate Dr
Selma, TX 78154

SpawGlass.com



Meeting Date: February 29, 2024 **Agenda Type:** Consent Items for Action

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

Submitted by: Laura Rivers **Approved by:** Ryan Kelso
 Chief of Staff Chief Executive Officer

RECOMMENDED ACTION: Approve the Appointment of Dawn Schriewer as President of the Headwaters at the Comal Board of Directors

BACKGROUND

In accordance with the Headwaters at the Comal’s (“Headwaters”) First Amended and Restated Bylaws, approved by the New Braunfels Utilities (“NBU”) Board of Trustees on February 23, 2023, the Headwaters Board structure consists of a seven-member Board comprised of four (4) NBU employees and three (3) community members. The NBU employees to serve on the Headwaters Board are to be recommended by NBU’s Chief Executive Officer, and appointed by the Board of Trustees.

Due to the recent departure of Melissa Krause, Chief Executive Officer Ryan Kelso recommends the Board remove Melissa Krause from the Headwaters Board of Directors and appoint Dawn Schriewer (current Headwaters Board member), as the Headwaters Board President, effective March 1, 2024.

FINANCIAL IMPACT

None

LINK TO STRATEGIC PLAN

Stewardship

EXHIBITS

1. Headwaters at the Comal First Amended and Restated Bylaws

FIRST AMENDED AND RESTATED BYLAWS

FOR THE HEADWATERS AT THE COMAL

ARTICLE 1 – NAME, PURPOSES, POWERS, AND OFFICES

1.1 Name

The name of this corporation is The Headwaters at the Comal (the “Corporation” or the “Headwaters”).

1.2 Purposes

The Corporation is organized and shall be operated exclusively for scientific, charitable, and educational purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986 or the corresponding provisions of any subsequent federal revenue law (the “Code”), including, but not limited to, the making of gifts and grants in a manner consistent with the requirements for organizations described in Section 501(c)(3) of the Code, and to conduct, accomplish, and carry on its objectives, functions, and purposes or any part thereof set forth in the governing documents of the Corporation as amended from time to time.

Within the scope of the foregoing purposes and not by limitation thereof, the Corporation is organized and operated as a place that establishes a relationship between the community and its natural resources, in order to demonstrate the regeneration and protection of water and ecological resources and be an educational tool for the New Braunfels community and the many expected visitors. The assets and property of the Corporation are hereby pledged for use in performing its exempt purposes.

The Corporation is additionally organized to promote, encourage, and foster any other similar charitable, scientific, or educational activities; to accept, hold, invest, and reinvest and administer any gifts, legacies, bequests, devises, funds, and property of any sort or nature, and to use, expend, or donate its assets, and all income therefrom, for and to devote the same to, the foregoing purposes of the Corporation; and to do any and all lawful acts and things which may be necessary, useful, suitable, or proper for the furtherance of accomplishment of the purposes of this Corporation. Provided however, no act may be performed which would violate section 501(c)(3) of the Code as it now exists or as it may hereafter be amended.

1.3 Powers

The Corporation is a Texas nonprofit corporation and has all the powers, duties, authorizations and responsibilities as provided by the Texas Business Organizations Code (“TBOC”); provided that the Corporation shall neither have nor exercise any power, nor engage directly or indirectly in any activity, that would invalidate its status as a Corporation that is exempt from federal income tax as an organization described in Section 501(c)(3) of the Code.

1.4 Offices

The principal business office of the Corporation in the State of Texas shall be 333 E. Klingemann, New Braunfels, Texas 78130. The Corporation may have such other offices as the Board of Directors (also referred to as “Headwaters Board”) may determine or as the affairs of the Corporation may require from time to time.

1.5 Registered Office

The Corporation shall comply with the requirements of the TBOC and maintain a registered office and registered agent in Texas. The registered office may, but need not, be identical with the Corporation's principal office in Texas. The Headwaters Board may change the registered office and the registered agent as provided in the TBOC.

ARTICLE 2 – NO MEMBERS

2.1 Membership

The Corporation shall have no “members” as that term is used in the TBOC. The Corporation is a Board of Director-managed organization, as described in Article 3. The Corporation may, nevertheless, use the word “members” to describe persons having such status and privileges as may be prescribed herein or as determined by the Headwaters Board. Such “members” shall have no voting or other legal or equitable right in the Corporation.

ARTICLE 3 – BOARD OF DIRECTORS

3.1 General Powers

The activities, property, and affairs of the Corporation shall be managed by its Headwaters Board. The Headwaters Board may exercise all such powers of the Corporation and do all such lawful acts and things as are permitted by law, by the Certificate of Formation, or by these Bylaws, unless otherwise expressly provided herein.

3.2 Number and Qualifications

The Headwaters Board shall consist of at least three (3) directors. The initial directors shall be those persons named as directors in the Certificate of Formation. Decreasing the number of directors will not shorten the term of any incumbent director.

There shall be two classes of directors.

(a) Class A. Class A shall consist of four (4) employees of New Braunfels Utilities *recommended by the CEO of New Braunfels Utilities and appointed by the New Braunfels Utilities Board of Trustees*.

(b) Class B. Class B shall consist of three (3) community members *recommended by the Headwaters Board and appointed by the New Braunfels Utilities Board of Trustees*.

3.3 Term of Office

The initial directors of the Corporation shall be those persons named in the Certificate of Formation as the initial directors, and they shall hold office until their successors are chosen and qualified.

Thereafter, the Class A directors will serve until a successor director is appointed.

Class B directors shall hold office for a three-year term and until such director's successor is chosen and qualified, or until such director's earlier death, resignation, retirement, disqualification or removal from office. There shall be staggered terms of office for Class B directors so that approximately one-third of the Class B directors shall be selected each year.

3.4 Selection of Directors

Class A directors shall *be recommended by the CEO of New Braunfels Utilities and appointed by the New Braunfels Utilities Board of Trustees.*

Class B directors shall *be recommended by the Headwaters Board and appointed by the New Braunfels Utilities Board of Trustees.*

3.5 Duties of Directors

Directors will perform their duties in good faith, with ordinary care, and in a manner they reasonably believe to be in the best interest of the Corporation. Ordinary care is care that prudent persons in similar positions would exercise under similar circumstances. In the performance of any duty imposed or power conferred on directors, they may in good faith rely on information, opinions, reports, or statements, including financial statements and other financial data, concerning the Corporation or another person that were prepared or presented by a variety of persons, including officers and employees of the Corporation, professional advisors, or experts such as accountants or attorneys. A director is not relying in good faith if the director has knowledge concerning a matter in question that renders reliance unwarranted.

3.6 Vacancies

Class A vacancy. Any vacancy occurring in the Headwaters Board resulting from the death, resignation, retirement, disqualification, or removal from office of a Class A director shall be filled *by the New Braunfels Utilities Board of Trustees based on a recommendation from the CEO of New Braunfels Utilities.*

Class B Vacancy. Any vacancy occurring in the Headwaters Board resulting from the death, resignation, retirement, disqualification, or removal from office of a Class B director shall be filled *by the New Braunfels Utilities Board of Trustees based on a recommendation from the Headwaters Board.*

3.7 Removal

Any director may be removed, either for or without cause, by the affirmative vote of a majority of the directors present at any meeting of the Headwaters Board at which a quorum is present, if notice of the intention to act upon such matter shall have been given in the notice of such meeting and if such notice is provided to the director proposed to be removed; provided, however, once the Headwaters Board votes to remove a director, the Headwaters Board must provide such recommendation to the New Braunfels Utilities Board of Trustees to consider for approval before the removal becomes effective.

Regardless of any vote by the Headwaters Board, any director may be removed, either for or without cause, by the affirmative vote of a majority of the trustees present at any meeting of the New Braunfels Utilities Board of Trustees at which a quorum is present, if notice of the intention to act upon such matter shall have been given in the notice of such meeting and if such notice is provided to the director proposed to be removed.

3.8 Resignation

Any director may resign at any time by delivering written notice to the Secretary or President of the Headwaters Board and communicated within one (1) business day to the CEO of the New Braunfels Utilities and the New Braunfels Utilities Board of Trustees. Such resignation shall take effect upon receipt or, if later, at the time specified in the notice.

3.9 Directors' Compensation

Directors will not receive any salaries or other compensation for their services from the Corporation, but, by resolution of the Headwaters Board, may be reimbursed for any actual expenses incurred in the performance of their duties for the Corporation, as long as a majority of disinterested directors approve the reimbursement. The Corporation will not loan money or property to, or guarantee the obligation of, any director.

ARTICLE 4 – NOTICES

4.1 Notice

At least three (3) days' written notice must be given to all directors of any meeting of the Headwaters Board. Notice of meetings may be given by electronic transmission (i.e., e-mail) if all directors individually and collectively consent in writing. Attendance of a director at a meeting shall constitute a waiver of notice of such meeting, except when a director attends a meeting for the express purpose of objecting to a meeting not properly called.

ARTICLE 5 – MEETINGS

5.1 Regular & Special Meetings

The Headwaters Board will hold at least one meeting a year.

Regular meetings of the Headwaters Board will be held at such times and places as may be selected by resolution adopted by the Headwaters Board and communicated by written notice to all directors. Except as otherwise provided by law, by the Certificate of Formation, or by these Bylaws, any and all business may be transacted at any regular meeting.

Special meetings of the Headwaters Board may be called by or at the request of the Headwaters Board President or a majority of directors. A person or persons authorized to call special meetings of the Headwaters Board may select any place as the place for holding a special meeting. The person calling a special meeting will notify the Secretary of the Headwaters Board of the information required to be included in the notice of the meeting. The Secretary of the Headwaters Board will give notice to the directors as required in the Bylaws.

5.2 Quorum and Manner of Acting

A majority of the number of directors then in office will constitute a quorum for the transaction of business at any meeting of the Headwaters Board.

The directors present at a duly called or held meeting at which a quorum is present may continue to transact business even if enough directors leave the meeting so that less than a quorum remains. However, no action may be approved without the vote of at least a majority of the number of directors required to constitute a quorum. If a quorum is present at no time during a meeting, a majority of the directors present may adjourn and reconvene the meeting one time without further notice.

5.3 Proxy Voting Prohibited

Proxy voting is not permitted.

5.4 Written Consent of Directors

Any action required or permitted to be taken at any meeting of the Headwaters Board or any committee may be taken without a meeting if a consent in writing setting forth the action to be taken is signed by the number of directors or officers whose vote would be necessary to take action at a meeting at which all such persons entitled to vote were present and voted, as the case may be. Such consent must be filed with the minutes of proceedings of the Headwaters Board or of the committee. Such consent shall have the same force and effect as a vote at a meeting where such directors or officers were present and voted and may be stated as such in any document.

5.5 Electronic Meetings

Subject to the provisions of applicable law and these Bylaws regarding notice of meetings, directors or members of any committee designated by the Headwaters Board may, unless otherwise restricted by statute, by the Certificate of Formation or by these Bylaws, participate in and hold any meeting of the Headwaters Board or committee by using conference telephone or similar communications equipment, or another suitable electronic communications system, including videoconferencing technology or the Internet, or any combination, if the telephone or other equipment system permits each person participating in the meeting to communicate with all other persons participating in the meeting. If voting is to take place at the meeting, reasonable measures must be implemented to verify that every person voting at the meeting by means of remote communications is sufficiently identified and a record must be kept of any vote or other action taken. Participation in a meeting pursuant to this Section shall constitute presence in person at such meeting, except when a person participates in the meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting was not lawfully called or convened.

5.6 Minutes

At meetings of the Headwaters Board, business shall be transacted in such order as the Headwaters Board may determine from time to time. In the event the Secretary of the Headwaters Board is unavailable, the Headwaters Board President shall appoint a person to act as Secretary at each meeting. The Secretary of the Headwaters Board, or the person appointed to act as Secretary, shall prepare minutes of the meetings, which shall be delivered to the Corporation to be placed in the minute books of the Corporation.

ARTICLE 6 – COMMITTEES

6.1 Committees of Directors

The Headwaters Board may establish one or more committees, may delegate specified authority to a committee, and may appoint or remove members of a committee. A committee shall include one or more directors and may include persons who are not directors. If the Headwaters Board delegates any of its authority to a committee, the majority of the committee shall consist of directors.

6.2 Advisory Boards or Committees

Advisory boards or committees not having and exercising the authority, responsibility or duties of the Headwaters Board in the management of the Corporation may be designated by a resolution adopted by the directors. Except as otherwise provided in such resolution, members of each such advisory board or committee need not be directors of the Corporation. The Headwaters Board President shall appoint the members of such advisory boards or committees. Any committee

member may be removed by the Headwaters Board President whenever in the Headwaters Board President's judgment the best interests of the Corporation shall be served by such removal.

ARTICLE 7 – OFFICERS

7.1 Appointed Officers

On an annual basis, following a recommendation from the CEO of New Braunfels Utilities, the New Braunfels Utilities Board of Trustees shall appoint the President of the Headwaters Board.

The Headwaters Board may also appoint one or more Assistant Secretaries and Assistant Treasurers and such other officers and assistant officers and agents as it shall from time to time deem necessary, who shall exercise such powers and perform such duties as shall be set forth in these Bylaws or determined from time to time by the Headwaters Board.

7.2 Elected Officers

The elected officers of the Corporation shall include a Secretary and may include one or more Vice Presidents and/or a Treasurer, as may be determined from time to time by the Headwaters Board. Any two (2) or more offices may be held by the same person, except that the President and Secretary shall not be the same person.

7.3 Election

All officers, except the President, will be elected by the Headwaters Board, so far as is practicable, at each annual meeting of the Headwaters Board.

7.4 Term of Office; Removal; Filling of Vacancies

Officers shall hold a one-year term. An officer may be re-elected or re-appointed to serve consecutive terms of office. Each elected or appointed officer of the Corporation shall hold office until such officer's successor is chosen and qualified in such officer's stead or until such officer's earlier death, resignation, retirement, disqualification or removal from office.

Any officer, except for the President, of the Headwaters Board may be removed at any time by the affirmative vote of a majority of the Headwaters Board. The President of the Headwaters Board may be removed at any time by the New Braunfels Utilities Board of Trustees. If any office except the President becomes vacant for any reason, the vacancy shall be filled by the Headwaters Board. If the office of the President becomes vacant for any reason, the vacancy shall be filled by the New Braunfels Utilities Board of Trustees based on a recommendation from the CEO of New Braunfels Utilities.

7.5 President

The President shall be the chief executive officer of the Corporation; shall preside at all meetings of the directors; shall be an ex-officio member of all standing committees; and shall have general and active management of the business of the Corporation.

7.6 Secretary

The Secretary shall keep the minutes of the meetings of the Headwaters Board in one or more books provided for that purpose; see that all notices are duly given in accordance with the provisions of these Bylaws or as required by law; keep custody of the corporate records of the Corporation; keep a register of the post office address of each director which shall be furnished to the Secretary by such directors; and in general perform all duties incident to the office of Secretary

and such other duties as from time to time may be assigned by the President or the Headwaters Board.

7.7 Vice President

In the absence of the President or in the event of the President's inability or refusal to act, the Vice President, if any, (or in the event there be more than one Vice President, Vice Presidents in the order of their election) shall perform the duties of and be subject to all the restrictions of the President. Any Vice President shall perform such other duties as from time to time may be assigned by the President or by the Headwaters Board.

7.8 Treasurer

The Treasurer, if any, shall keep correct and complete books and records of account and make the reports as the Headwaters Board shall require; shall receive and give receipts for monies due and payable to the Corporation from any source whatsoever, and deposit all such monies in the name of the Corporation in such banks, trust companies or other depositories as shall be selected by the Headwaters Board; and, in general, perform all duties incident to the office of Treasurer and such other duties as from time to time may be assigned by the President or by the Headwaters Board.

7.9 Additional Powers and Duties

In addition to the foregoing specially enumerated duties, services and powers, the several elected and appointed officers of the Corporation shall perform such other duties and services and exercise such further powers as may be provided by law, the Certificate of Formation or these Bylaws, or as the Headwaters Board may from time to time determine or as may be assigned by any competent superior officer.

ARTICLE 8 – STAFF

8.1 Staff

New Braunfels Utilities (“NBU”) shall appoint a staff, including an Executive Director (currently named Managing Director until formal action is taken by the Headwaters Board to change such title by resolution or written agreement), and/or a management company to serve at the Headwaters Board's discretion and to carry out whatever tasks the Headwaters Board from time-to-time resolves.

8.2 Executive Director and/or Management Company

The Executive Director and/or management company (“Management”) shall be compensated and/or paid a fee as set by NBU. The Headwaters Board may provide input as to performance metrics and evaluation of staff as requested by NBU; provided, however, that, if Management is employed by NBU, then NBU shall be solely responsible for all decisions as it relates to staff evaluation, hiring, promotion, discipline, and other matters in connection therewith. Subject to such supervisory powers as are vested in the Headwaters Board, Management shall supervise, direct, and control the business of the Corporation and actively manage the Corporation's business, and shall have such other powers and duties as may be prescribed by the Headwaters Board or by these Bylaws. Management may engage in negotiations involving commitments of the resources of the Corporation or the acceptance of money or resources by the Corporation in furtherance of the purposes of the Corporation as set out in the Certificate of

Formation and these Bylaws. Management shall generally be expected to attend all meetings of the Headwaters Board, yet Management does not have a vote on the Headwaters Board.

ARTICLE 9 – OPERATIONS

9.1 Contracts

The Headwaters Board may authorize any officer or officers, or agent or agents, of the Corporation, in addition to the officers so authorized by these Bylaws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation, and such authority may be general or confined to specific instances. The Headwaters Board shall be required to obtain NBU approval for any contracts that affect or pertain to real property owned by NBU or staff employed by NBU.

9.2 Disbursement of Funds

Management may dispense with the funds of the Corporation in accordance with the annual budget approved by the Headwaters Board and the purposes of the Corporation as set out in the Certificate of Formation and these Bylaws.

Financial transactions with the value of \$5,000 or more that are not in the annual budget shall require majority approval of the Headwaters Board.

Notwithstanding the above, all checks of more than \$5,000 disbursing funds from any of the Corporation's accounts shall require the signatures of Management and at least one of the following officers who is an authorized signer: President, Vice President, Secretary, or Treasurer.

9.3 Records

The Corporation will keep correct and complete records of account and will also keep minutes of the proceedings of the Headwaters Board meetings and Committees. The Corporation will keep at its principal place of business the original or a copy of these Bylaws, including any amendments to date certified by the Secretary of the Corporation.

9.4 Conflicts of Interest

The Corporation shall adopt a conflict of interest policy in the form attached hereto as Schedule A.

9.5 Dividends Prohibited

No part of the net income of the Corporation shall inure to the benefit of any private individual and no dividend shall be paid and no part of the income of the Corporation shall be distributed to its directors or officers.

The Corporation may reimburse its directors as provided in Section 3.9.

9.6 Loans to Officers and Directors Prohibited

The Corporation will not make loans to its officers and directors, and any directors voting for or assenting to the making of any such loan, and any officer participating in the making thereof, shall be jointly and severally liable to the Corporation for the amount of such loan until repayment thereof.

9.7 Fiscal Year

The fiscal year of the Corporation will be January 1 to December 31.

9.8 Invalid Provisions

If any part of these Bylaws shall be held invalid or inoperative for any reason, the remaining parts, so far as is possible and reasonable, shall remain valid and operative.

ARTICLE 10 – INDEMNIFICATION

10.1 Right to Indemnification

The Corporation shall indemnify any person who was, is, or is threatened to be made a named defendant or respondent in a proceeding (as hereinafter defined) because the person (i) is or was a director, officer, or committee member of the Corporation or (ii) while a director, officer, or committee member of the Corporation, is or was serving at the request of the Corporation as a director, officer, committee member, partner, or other enterprise, to the fullest extent that a corporation may grant indemnification to a director under the TBOC as the same exists or may hereafter be amended. TO THE EXTENT PERMITTED BY THEN-APPLICABLE LAW, THE GRANT OF MANDATORY INDEMNIFICATION TO ANY PERSON PURSUANT TO THIS ARTICLE SHALL EXTEND TO PROCEEDINGS INVOLVING THE NEGLIGENCE OF SUCH PERSONS. Such right shall be a contract right and shall include the right to be paid by the Corporation expenses incurred in defending any such proceeding in advance of its final disposition to the maximum extent permitted under the TBOC as the same exists or may hereafter be amended. As used herein, the term "proceeding" means any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, arbitral, or investigative, any appeal in such an action, suit, or proceeding, and any inquiry or investigation that could lead to such an action, suit, or proceeding.

10.2 Reimbursement

If a claim for indemnification or advancement of expenses hereunder is not paid in full by the Corporation within one-hundred and eighty (180) days after a written claim has been received by the Corporation, the claimant may at any time thereafter, provided within the applicable statute of limitations, bring suit against the Corporation to recover the unpaid amount of the claim, and if successful in whole or in part, the claimant shall be entitled to be paid also the reasonable expenses of prosecuting such claim. It shall be a defense to any such action that such indemnification or advancement of costs of defense are not permitted under the TBOC, but the burden of proving such defense shall be on the Corporation. Neither the failure of the Corporation (including its Headwaters Board or any committee thereof, special legal counsel, or members, if any) to have made its determination prior to the commencement of such action that indemnification of, or advancement of costs of defense to, the claimant is permissible in the circumstances nor an actual determination by the Corporation (including its Board or any committee thereof, special legal counsel, or members, if any) that such indemnification or advancement is not permissible shall be a defense to the action or create a presumption that such indemnification or advancement is not permissible.

10.3 Right to Indemnity

In the event of the death of any person having a right of indemnification under the foregoing provisions, such right shall inure to the benefit of his heirs, executors, administrators, and personal representatives.

10.4 Insurance

The Corporation shall purchase and maintain insurance on behalf of any person who is serving the Corporation against any liability asserted against him and incurred by him in such a capacity or arising out of his status as such a person, whether or not the Corporation would have the power to indemnify him against that liability under these Bylaws or by statute. Notwithstanding the foregoing, no person shall be indemnified pursuant to the provisions of this Article and no insurance may be maintained on behalf of any person if such indemnification or maintenance of insurance would subject the Corporation or such person to income or excise tax under the Code, including any tax asserted under Chapter 42 of the Code. The Corporation may additionally indemnify any person covered by the grant of mandatory indemnification contained above to such further extent as is permitted by law and may indemnify any other person to the fullest extent permitted by law. The rights conferred above shall not be exclusive of any other right which any person may have or hereafter acquire under any statute, bylaw, resolution of members, if any, or directors, agreement, or otherwise.

ARTICLE 11 – AMENDMENTS TO BYLAWS

11.1 Powers to Amend

These Bylaws may be amended or repealed, or new bylaws may be adopted at any annual or special meeting of the Headwaters Board at which a quorum is present by the affirmative vote of a majority of the directors present at the meeting, provided notice of the proposed amendment, repeal or adoption be contained in the notice of such meeting; and provided further, that the foregoing notice requirement shall not prohibit the directors from adopting the proposed amendment, effecting the proposed repeal or adopting the proposed new bylaws, as the case may be, in a modified form which is not identical to that described or set forth in the notice of such meeting. Any amendment, repeal, or adoption of the Bylaws must also be approved by the New Braunfels Utilities Board of Trustees.

ARTICLE 12 –DISSOLUTION

12.1 Distribution of Assets

The Corporation pledges its assets for use in performing the Corporation’s charitable functions. In the event the Corporation is dissolved, after all liabilities and obligations of the Corporation are paid or provision is made therefore, the Headwaters Board shall distribute remaining assets of the Corporation as they shall determine but only for tax-exempt purposes to such organization or organizations organized and operated exclusively for charitable or educational purposes and which are exempt under Section 501(c)(3) of the Code. Any of such assets not so disposed of shall be disposed of by a court of competent jurisdiction of the county which the principal office of the Corporation is then located, to one or more organizations exempt under Section 501(c)(3) of the Code in a manner which best accomplishes the purposes of the Corporation. No director or officer of the Corporation and no private individual will be entitled to share in the distribution of any assets of the Corporation in the event of its dissolution.

12.2 Decision Making Authority

The Headwaters Board shall have the sole and exclusive right to vote and make decisions regarding or in any way involving the dissolution, merger, and/or consolidation of the Corporation

and decisions regarding the sale of substantially all of the Corporation's assets, provided any such decision is approved by the New Braunfels Utilities Board of Trustees.

CERTIFICATION

I, the undersigned duly elected and acting Secretary of the Corporation hereby certify that the foregoing Bylaws were adopted as of the Corporation as of the 1st day of March, 2023, that the same constitute the Bylaws of said nonprofit corporation, and that the Bylaws have not been modified, amended or rescinded as of such date.

IN WITNESS WHEREOF, I have signed this certification effective as of March 1, 2023.



Leonard Dougal
Secretary of the Headwaters Board of Directors

SCHEDULE A. CONFLICT OF INTEREST POLICY

ARTICLE 1 - PURPOSE

The purpose of the Conflict of Interest Policy (“Policy”) is to protect The Headwaters of the Comal’s (the “Corporation”) interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer, director, or key employee of the Corporation that might result in a possible excess benefit transaction. This Policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

ARTICLE 2 - DEFINITIONS

2.1. Interested Person

Any director, principal officer, or member of a committee with powers delegated by the Corporation’s Board of Directors (the “Headwaters Board”), who has a direct or indirect financial interest, as defined below, is an interested person.

2.2. Financial Interests

Financial interests include, but are not limited to:

- a. An ownership, investment interest, or compensation arrangement with any entity with which the Corporation has a transaction or arrangement;
- b. A compensation arrangement with the Corporation or with any entity or individual with which the Corporation has a transaction or arrangement; or
- c. A potential ownership, investment interest, or compensation arrangement with any entity or individual with which the Corporation is negotiating a transaction or arrangement, including a commission or fee, share of the proceeds, the prospect of promotion or profit, or any other form of financial reward.

2.3. Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial. Compensation, however, does not include any salary or benefits paid by New Braunfels Utilities to any director in exchange for employment services rendered.

2.4. A financial interest is not necessarily a conflict of interest. Under Article III, Section 2, a person who has a financial interest may have a conflict of interest only if the Headwater Board decides that a conflict of interest exists.

ARTICLE 3 – PROCEDURES

3.1. Duty to Disclose

In connection with the actual or potential conflict of interest, an interested person must disclose the existence of his financial interest and all material facts to the directors and members of committees with Headwaters Board-delegated powers considering the proposed transaction or arrangement and shall abstain from voting on such matters.

3.2. Determining Whether a Conflict of Interest Exists

After disclosure of the financial interest and all material facts, and after any discussion with the interested person, the interested party shall leave the Headwaters Board or committee meeting

while the determination of a conflict of interest is discussed and voted upon. The remaining Headwaters Board or committee members shall decide if a conflict of interest exists.

3.3. Procedures for Addressing the Conflict of Interest

- a. An interested person may make a presentation at the Headwaters Board or committee meeting, but after such presentation, he shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement that results in the conflict of interest.
- b. The President or Chair of a committee shall appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement, if appropriate.
- c. After exercising due diligence, the Headwaters Board or committee shall determine whether the Corporation can obtain a more advantageous transaction or arrangement with reasonable efforts from a person or entity that would not give rise to a conflict of interest.
- d. If a more advantageous transaction or arrangement is not reasonably attainable under circumstances that would not give rise to a conflict of interest, the Headwaters Board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the Corporation's best interest and for its own benefit and whether the transaction is fair and reasonable to the Corporation. The Corporation shall make its decision as to whether to enter into the transaction or arrangement in conformity with such determination.

3.4. Violations of the Conflict of Interest Policy

- a. If the Headwaters Board or committee has reasonable cause to believe that a person has failed to disclose actual or possible conflicts of interest, it shall inform the person of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.
- b. If, after hearing the response of the person and making such further investigation as may be warranted in the circumstances, the Headwaters Board or committee determines that the person has in fact failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action, including, but not limited to, removal from the Headwaters Board.

ARTICLE 4 – RECORDINGS AND PROCEEDINGS

4.1. The minutes of the Headwaters Board and committees with Headwaters Board-delegated powers shall contain:

- a. The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the Headwaters Board's or committee's decision as to whether a conflict of interest in fact existed; and
- b. The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection therewith.

ARTICLE 5 – COMPENSATION

5.1 A voting member of the Headwaters Board who receives compensation, directly or indirectly, from the Corporation for services is precluded from voting on matters pertaining to that member's compensation.

5.2 A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Corporation for services is precluded from voting on matters pertaining to that member's compensation.

5.3 No voting member of the Headwaters Board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Corporation, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

ARTICLE 6 – ANNUAL STATEMENT

6.1 Each director, officer, and committee member with Board-delegated powers shall annually sign a statement that affirms that such person:

- a. Has received a copy of the Policy;
- b. Has read and understands the Policy;
- c. Has agreed to comply with the Policy; and
- d. Understands that the Corporation is a charitable organization and that in order to maintain its federal tax exemption it must engage primarily in activities that accomplish one or more of its tax-exempt purposes.

ARTICLE 7 – PERIODIC REVIEWS

7.1 To ensure the Corporation operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

- a. Whether compensation arrangements and benefits are reasonable, based on competent survey information and the result of arm's length bargaining.
- b. Whether partnerships, joint ventures, and arrangements with management organizations conform to the Corporation's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes and do not result in inurement, impermissible private benefit or in an excess benefit transaction.
- c. When conducting the periodic reviews, the Corporation may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the Headwaters Board of its responsibility for ensuring periodic reviews are conducted.

Conflict of Interest Annual Disclosure Statement

By signing the form below, I agree to ALL the statements below:

- I serve in of the following function(s) for the Corporation: Director, Board Advisor, Staff, Volunteer, Contractor, or _____ (specify other).
- I have received a copy of the Conflict of Interest Policy.
- I have READ and UNDERSTAND the Conflict of Interest Policy and know that I can directly contact the Corporation’s Executive Director or Board Chairman on matters that may pertain to a “real or perceived” conflict of interest.
- I agree to comply with this Conflict of Interest Policy.
- I understand that the corporation is a nonprofit corporation with 501(c)(3) tax exempt status, and that the Corporation, in order to maintain its federal tax-exemption, that is must engage primarily in activities that accomplish one or more of its tax-exempt purposes;

NAME

TITLE

DATE

ACCEPTANCE OF NOTICE BY EMAIL

I agree to accept meeting notice and other Headwaters Board materials via email at the email address listed below. I agree to meet electronically should the meeting notice include the electronic contact information.

Director’s Email Address, Date



Meeting Date: February 29, 2024 **Agenda Type:** Item for Future Action

From: Sarah Richards **Reviewed by:** David Hubbard
 Director of Customer Solutions Chief Administrative Officer

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

RECOMMENDED ACTION: Review and Discuss the Proposed Five-Year Water Conservation Plan

BACKGROUND

The most recent NBU water conservation plan (WCP) was approved by NBU's Board and by New Braunfels City council and submitted to The Texas Commission on Environmental Quality (TCEQ) in May 2019. Texas Administrative Code, Title 30, Part 1 Texas Commission on Environment Quality, Chapter 288 Water Conservation Plans...Guidelines and Requirements, Subchapter A, requires municipal utilities with more than 3,300 connections to update WCPs every five years by May 1st.

A WCP differs from a drought contingency plan (DCP) as a WCP is forward looking and proactive while a DCP is a strategy or a combination of strategies for responding to temporary water supply shortages and as such is reactive.

The updated WCP was developed through a comprehensive review and update to the existing WCP lead by NBU staff with the help of Arcadis, Inc. The teams identified regulatory and industry best practices; compiling a list of approximately 50 water conservation practices. The list of best practices was screened for multiple factors including best fit with the New Braunfels community and those with demonstrated success. The practices that made it through the screening process were then evaluated for cost of implementation, potential water savings, and ease of implementation among other things.

This item is being presented to the Board prior to being presented to council as a signed official ordinance confirming formal adoption of the WCP is required of state code. At this time no changes are being proposed to the current WCP within city ordinance Chapter 130 – Utilities, Article IV. – Water Service, Division 5.- Water Conservation and Critical Period Management Plan.

Staff will provide the Board an overview of the of the WCP and the process through which it was developed, and will share the draft plan. The final WCP will be brought to the Board for action at a future meeting.

FINANCIAL IMPACT

The WCP was developed with the assistance of Arcadis, Inc. as a component of the 2023 Water Resources Plan at an estimated final cost of \$145,000. There is no anticipated financial impact associated with adoption of the WCP.

LINK TO STRATEGIC PLAN

Customers and Community

Stewardship

EXHIBITS

1. Draft 2024 Five-Year Water Conservation Plan

New Braunfels Utilities

Water Conservation Plan

DRAFT FOR INTERNAL REVIEW ONLY

2024

REVIEW ONLY



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- Appendix E: Distribution to Water Planning Groups**
- Appendix F: City Council Adoption of the Water Conservation Plan**
- Appendix G: NBU Board Approval of the Water Conservation Plan**

Acronyms and Abbreviations

AMI	Advanced Metering Infrastructure
AMR	Automated Meter Reading
ASR	Aquifer Storage and Recovery
BMPs	Best Management Practices
CCS	Conservation and Customer Solutions
CIP	Capital Improvement Plan
FTE	Full-time employees
gpcd	Gallons per capita per day
NBU	New Braunfels Utilities
NRW	Non-revenue water
SAWS	San Antonio Water System
TCEQ	Texas Commission on Environmental Quality
TWDB	Texas Water Development Board

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A Note from NBU's Conservation Team

The City of New Braunfels has long been known for its rich heritage, vibrant community, and the pristine waters of the Edwards Aquifer and the Comal and Guadalupe Rivers. As we cherish the beauty and vitality that water brings to our lives, we also bear the responsibility to protect and preserve this invaluable resource.

In this New Braunfels Utilities Water Conservation Plan, we outline the methods and practices necessary to secure the future of our city and its unique natural surroundings. It is a testament to NBU's commitment to sustainable living and responsible stewardship of our water resources.

Amidst the challenges of increasingly severe weather patterns, a rapidly growing population, and the changing demands of our dynamic community, this plan serves as our guidance document. The plan also meets requirements put forth by the Texas Commission on Environmental Quality (TCEQ) and the Texas Water Development Board (TWDB).

In the pages that follow, you will find strategies, recommendations, and actions that underscore NBU's dedication to water conservation. Together, we embark on this journey, united by our admiration for New Braunfels and a shared responsibility to protect the life-giving force of water that sustains us all. With your help, we can make a difference for our community and our environment.

Let us embrace this plan with open hearts and determined minds, for it is through our actions that we will secure a brighter, more sustainable future for New Braunfels. For more information on current NBU water conservation efforts, please visit us at nbutexas.com/conservation or call us at 830.608.8925.



Andrew Cummings
Conservation and Customer Solutions Manager
New Braunfels Utilities

1 Water Conservation Planning at NBU

The New Braunfels community has established a vision “to ensure water remains a celebrated and protected feature of our community by collaboratively managing our water resources to safeguard watersheds, waterways and groundwater” (New Braunfels One Water Roadmap). Responsible water resource planning includes a shared community responsibility to proactively pursue water conservation.

In every Central Texas community and across the state, growth is increasing demand for water. In NBU’s service area, population has been increasing at an average of more than 5% per year and rapid growth is forecasted to continue. NBU’s recent Water Resources Plan Update (2023) projects the number of residents in NBU’s service area to double by 2050. Drought conditions further exacerbate the stress on local water supplies.

To ensure sufficient water supplies are available to support residential and business water needs for current and future generations, utilities in the region are pursuing various strategies to increase water supply and decrease demand. As local water resources are generally fully allocated, communities including New Braunfels are turning to expensive measures such as importing new water supplies long distances (e.g., over 50 miles) to increase the water supply available to residents. Water conservation is the most economical and sustainable source for water because it aims to proactively reduce the amount of water required to meet customer needs. This less disruptive approach of meeting water needs through reduced demand provides additional benefits that strengthen the community and safeguard our water resources. Water conservation:

- Reduces costs required to accommodate greater demand, thereby reducing future rate increases. Cost savings come from eliminating or delaying the need for additional supplies (which are increasingly expensive as availability decreases), reducing system operating costs, and avoiding additional infrastructure required to accommodate greater demand.
- Increases watershed sustainability; reducing unnecessary usage helps ensure regional water sources remain healthy and reliable supplies now and into the future.
- Reduces environmental impacts, including by reducing the energy requirements associated with pumping and treating water.
- Preserves recreational flows, protects endangered species and local wildlife, and promotes biodiversity for future generations to enjoy by reducing reliance on the Edwards Aquifer and Guadalupe River.

1.1 Our Water Conservation Goals

NBU’s goal for water conservation is to reduce non-revenue, residential, commercial, and institutional water use to postpone or eliminate the need for additional water supplies and to protect our existing water supplies. Specific objectives for NBU’s conservation program include:

- Maintain compliance with the Texas Water Development Board (TWDB) and Texas Commission on Environmental Quality (TCEQ) water conservation and water loss requirements.
- Increase the annual volume of water saved through conservation strategies.
- Develop a robust database management system (information collection and analysis procedures) to better understand water consumption and track conservation activities impact on water resources.
- Promote innovation in water conservation while pursuing cost-effective strategies.

1.2 Conservation Plan Purpose

This Conservation Plan reviews historical water use trends and documents the conservation strategies selected by NBU for implementation from 2024 through 2029. This document also serves to fulfill the Conservation Plan requirements established by TWDB and the Texas Commission on Environmental Quality (TCEQ). Refer to **Appendices A** and **B** for more information on regulatory requirements.

CONTACT US AT:

NBU Conservation and Customer Solutions Team

Conservation Coordinator: Andrew Cummings

conservation@nbutexas.com

830.608.8925

2 Water Use Trends

The water produced by NBU serves a variety of purposes as illustrated in **Figure 2-1**. There are conservation strategies that could reduce demand for each of these use types, and thus to prioritize conservation efforts and funds, more information is needed. This section describes analysis of NBU’s historical water demands to better understand the opportunities for greatest impact.





RESIDENTIAL		NON-RESIDENTIAL	
Customer Types:		Customer Types:	
 Single-Family freestanding house	 Multi-Family apartments, duplexes, etc.	 Institutional public buildings, hospitals, schools, parks, etc.	 Commercial Businesses hotels, restaurants, stores, banks, etc.
Types of Use:		Types of Use:	
OUTDOOR USE	INDOOR USE	OUTDOOR USE	INDOOR USE
Examples: <ul style="list-style-type: none"> Landscape Irrigation Swimming Pools Car Washing 	Examples: <ul style="list-style-type: none"> Bathroom Kitchen Laundry 	Examples: <ul style="list-style-type: none"> Construction Car Washes Athletic Fields Landscape Irrigation 	Examples: <ul style="list-style-type: none"> Bathroom Kitchen Laundry Medical Equipment Water Cooling/Heating
NON-REVENUE WATER: Firefighting, Water System Maintenance, Water Line Breaks, Aquifer Storage & Recovery			

Figure 2-1 Customer Groups

2.1 Historical Per Capita Demand

Per capita demand is the average water consumption per resident per day, presented as gallons per capita per day (gpcd). It is calculated by taking total system usage and dividing by the number of residents within the service area. While it provides a standardized metric, this measurement is imprecise as a large percentage of system usage is not tied to the number of residents served by a utility but instead businesses (which can serve and employ individuals outside of the service area), institutions, visitors, and non-revenue water.

As shown in blue in **Figure 2-2**, the average total system water use per resident over the last ten years has varied between 120 and 140 gpcd. Variability in per capita demand from year to year is expected as usage is impacted by a variety of factors including weather and climate changes, economic conditions, regulations, conservation programs, and even pandemics like COVID-19. Due to the various factors that impact gpcd, total per capita demand can be difficult to interpret when evaluating potential conservation programs.

New Braunfels Utilities
Water Conservation Plan

NBU’s gpccd has also been impacted recently by implementation of an Aquifer Storage and Recovery (ASR) demonstration in 2021. This strategic underground water reservoir is a key component of NBU’s water supply resiliency plan. However, producing water to store in this reservoir contributed an additional total per capita demand of 5 gpccd in 2022. The total per capita demand, had ASR not been underway, is shown in orange in **Figure 2-2**.

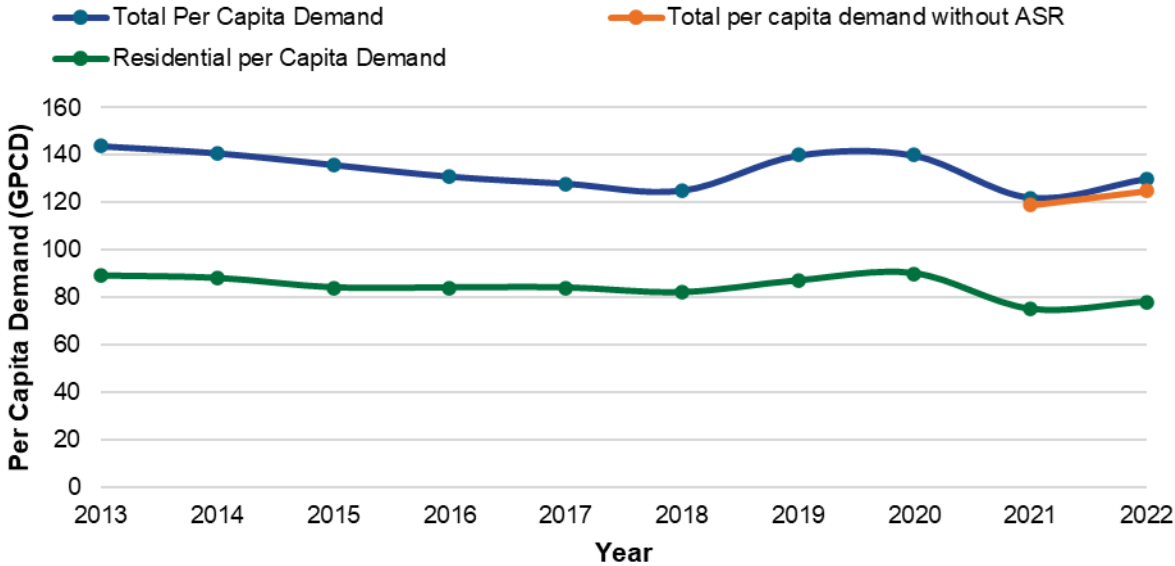


Figure 2-2 NBU Per Capita Water Demand Between 2013-2022

As an alternative metric, the residential per capita demand is also shown in green in **Figure 2-2**, which is the volume of water used by single- and multi-family customers divided by the number of residents in NBU’s service area. Over the last five years, the residential per capita demand has ranged from 75 to 90 gpccd, with water use for the most recent two years below 80 gpccd. As with overall gpccd, residential per capita demand has been slowly decreasing over the last 10 years except during 2019, 2020 and 2022 when slight increases were observed compared to the prior year. This decline could be attributable to a variety of factors including COVID-19, NBU conservation measures, water-saving appliances, and changing demographics (e.g., a larger percentage of multi-family homes). Thus, additional data are required to determine whether the recent trends are indicative of long-term reductions in use for residential customers.

What is a good per capita demand?

Recognizing the need to address the global water shortage crisis, global industry leaders have partnered with public and civil society institutions to form the 50L Home coalition¹. This coalition has adapted a goal of achieving a future at home water use of only 50L per day per person, which is equivalent to 13 gpccd! These industry leaders are striving to accelerate innovation of sustainable and financially viable solutions to achieve this goal.

Peer water systems implementing proactive conservation programs can also provide reference points for consideration. Southern Nevada Water Authority (providing water to Las Vegas) has a goal to achieve 105 gpccd as the total per capita demand by 2035. Locally in central Texas, San Antonio Water System (SAWS) aims to reduce total per capita demand to 88 gpccd and residential per capita demand to 55 gpccd by 2070. Austin Water has also projected achieving a per capita demand for potable water of 79 gpccd by 2070. However, consideration of differences in community characteristics, such as percent multi-family, are important to consider when comparing against these goals.

While progress has been made, a more significant reduction in per account water usage is needed to ensure NBU existing water supplies are not only sufficient to meet demand but are also protected and preserved. As there are no expected national or state regulations in the near-future that would restrict usage further by individual water users (the most recent was the United States Energy Policy Act of 1992 which required new structures to have water-saving appliances), intentional conservation strategies are needed to achieve the necessary decreases in per-customer water usage.

2.2 Historical Water Use per Customer Type

Total water use across each customer group for the last 10 years is shown in **Figure 2-3**. Single-family customers used the greatest total volume of water, ranging from 65% to 70% of total demand over this time period. However, water use has increased for each customer group. Increased demand of 39% for single-family customers, 38% for multi-family customers, 37% for institutional customers, and 32% for commercial customers has been observed since 2013.

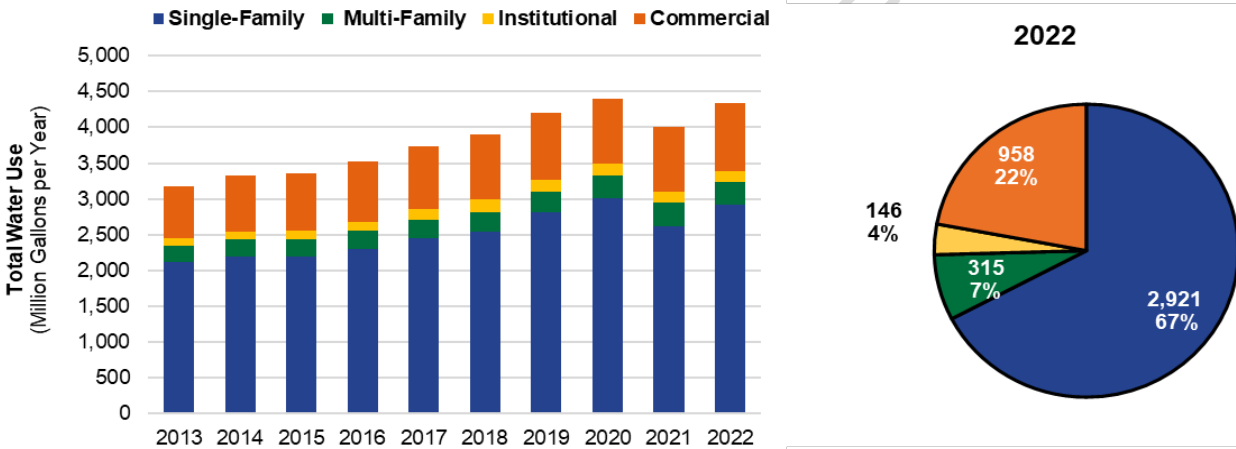


Figure 2-3 Historical Water Use Per Customer Group

This increase in system water demand correlates with the increase in the number of customers served by NBU. Between 2013 and 2022 (**Figure 2-4**), the total number of customers has increased from 29,315 to 45,588 – a 55% increase. There has been a 57% increase in single-family customers, 62% increase in multi-family customers, 9% increase in institutional customers, and 23% increase in commercial customers.

The amount of water used by individual customers varies widely by customer type. **Table 2-1** presents the total amount of water used and number of accounts in each customer group for 2022, and the resulting average usage per customer. The high system-wide water use by single-family households is due to the high percentage of NBU’s customers that are living in single-family homes, as the amount used per single-family account is significantly lower than the other account types. On the other hand, although the number of multi-family, commercial, and institutional accounts are much lower than single-family, the average water use per account is greater. Therefore, conservation initiatives focused on commercial and institutional customers could yield significant impact per customer. For example, if one commercial customer reduced their water consumption by

¹ [50L Home White Paper.pdf \(50lhome.org\)](#)

New Braunfels Utilities
Water Conservation Plan

10%, it could save approximately 43,000 gallons of water annually on average. In contrast, one single-family customer reducing their use by 10% only saves approximately 8,400 gallons and thus comparable water savings would require 5 residential customers to participate. These data illustrate why conservation strategies targeting commercial customers can have a significant impact on system-wide demand while only requiring changes by a small number of customers.

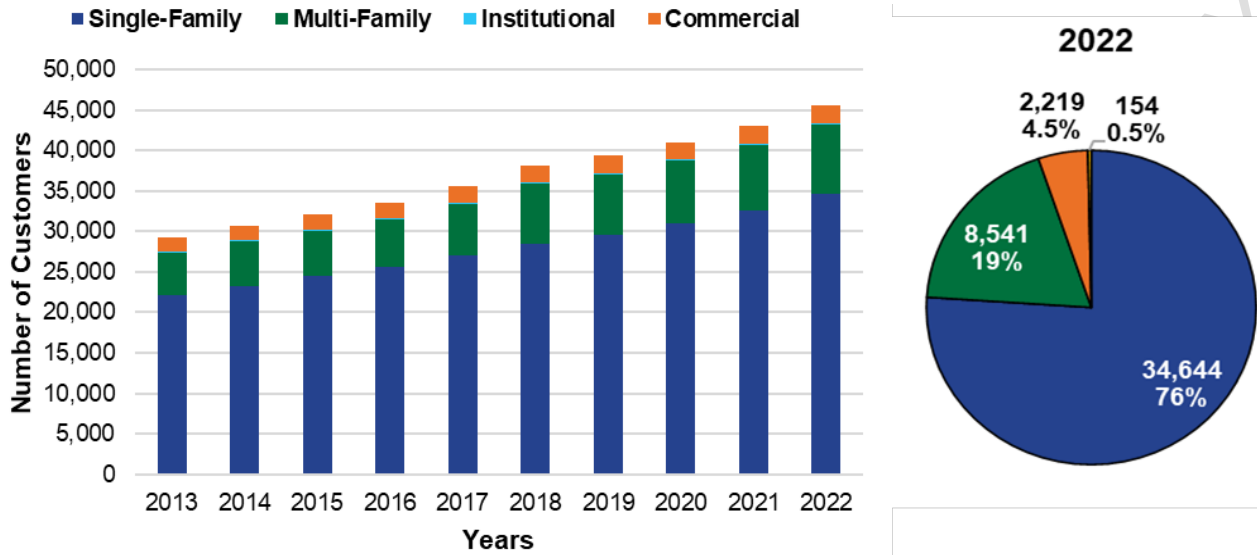


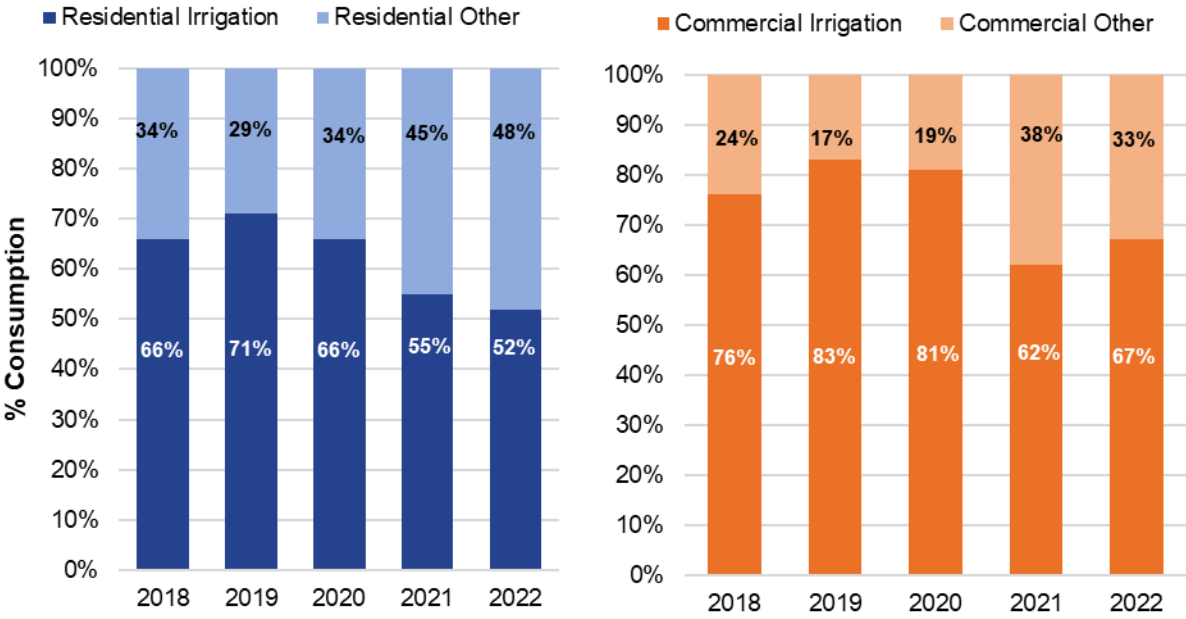
Figure 2-4 Number of Customers Per Group

Table 2-1 2022 Total Annual Usage by Customer Type

Customer Group	Total Annual Water Use per Customer Group (gallons)	Number of Customers	Average Annual Usage by Customer (gallons per customer)
Single-Family	2,921,000,000	34,600	26,600
Multi-Family	315,000,000	474	665,000
Commercial	958,000,000	2,220	432,000
Institutional	146,000,000	154	948,000

2.3 Outdoor Water Use

Especially in hot climates, a large percentage of water is used outdoors, including for landscape irrigation, watering home foundations, or filling up swimming pools and fountains. Approximately one third of NBU’s customers have a separate irrigation meter, which allows for some measurement of outdoor usage. **Figure 2-5** summarizes the water usage for this group of customers, highlighting that over half of water usage is for irrigation, on average. Note that the amount of outdoor water usage may be even higher than presented here, as water withdrawn from external spouts and for pools and fountains is generally not measured by irrigation meters.



*Figure 2-5 Percentage of Water that is Used for Irrigation
Data presented are approximate and based on average usage data for all accounts compared to average irrigation usage data for customers with irrigation meters.*

Figure 2-6 further illustrates the impact of weather on water usage. The most water is used for irrigation between August and October during warm, dry weather, and the lowest water use is in February and March. For commercial customers, the peak month’s irrigation usage is over three times that of winter month usage.

For 2022, the total estimated amount of water used for irrigation within the NBU service area was over two billion gallons, or an average of almost seven million gallons per day. These data suggest that reduction of water used for irrigation has the potential to significantly decrease NBU’s system demand.

Irrigation meters provide customers with greater awareness to encourage conservation.

Irrigation meters are a critical tool for conserving water at home and at work. Irrigation meters allow customers to better track water use by type and understand opportunities for reducing water use and water bills. For example, irrigation meters can identify irrigation system water leaks quickly. Further, irrigation water meter data also helps customers ensure lawns and plants are receiving the optimal amount of water, thereby, prevent overwatering and ensuring landscaping remains healthy and beautiful.

Since 2007, NBU’s water connection policy has required all new irrigation systems for single-family residences and small commercial buildings with a site plan of 10,000 square feet or less to have separate irrigation meters. However, it wasn’t until 2019 that the water connection policy was made enforceable by connecting it to the City’s Drought Management Ordinance. This enforcement tool has correlated with an increase in NBU’s number of customers with irrigation meters. However, today, only one third of NBU customers have irrigation meters. Greater investment in inspections and enforcement would result in an even greater number of customers with irrigation meters.

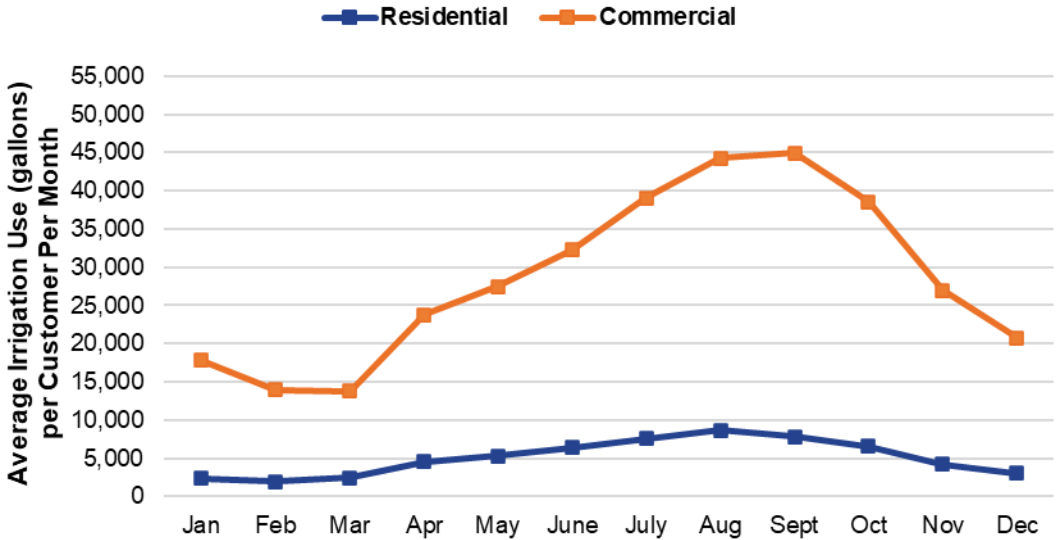


Figure 2-6 Average Monthly Irrigation Usage Based on Data from Customers with Separate Irrigation Meters (2018-2022)

2.4 Non-Revenue Water

Non-revenue water (NRW) is the total volume of distributed water which is not billed to customers. This volume can be due to actual water lost in the distribution system, such as due to a main break or theft; unmetered water such as that used for firefighting or flushing; or data errors such as those caused by inaccurate water meters. NBU has an interdepartmental team that focuses on reducing non-revenue water. Based on data from 2019 to 2021, the volume of non-revenue water for NBU's system ranged from 820 to 860 million gallons annually. Of this volume, 480 to 640 million gallons were due to actual water losses, which translates to about 12 to 17 gallons per capita per day.

The Texas Water Development Board recently established new non-revenue water thresholds for Texas water systems. Above the actual water loss (real loss) threshold of 30 gallons per connection per day, utilities must use a portion of any financial assistance received to further reduce non-revenue water. In 2022, NBU's system had 50 gallons lost per connection per day. There is potential to further reduce non-revenue water volumes.

Further, conservation initiatives focused on reducing non-revenue water are attractive as they require no changed behavior by customers, provide long-term savings, and support overall utility priorities. However, even the most optimized water systems have some unavoidable water losses, and some reduction strategies can be expensive or require a high level of effort to implement.

3 NBU’s Water Conservation Program

Since 2007, NBU has been proactively implementing water conservation programs. NBU has a dedicated Water Conservation Team (Conservation and Customer Solutions) that directs these programs, which cover a range of conservation approaches including incentives, ordinances, and outreach and education. Over the last five years, NBU has implemented sixteen conservation strategies, which are described in detail in the subsequent sections. NBU continuously evaluates the effectiveness of these conservation strategies to track impact and ensure maximum return on investment. Review of potential savings, costs, and customer participation helps determine whether each program should be continued or even expanded in the next year.

Figure 3-1 summarizes estimated water savings for five of the ongoing conservation initiatives since NBU began this tracking method in 2014. Calculations incorporate the number of customers participating, the average savings observed per customer, and industry guidance. The savings for satellite leak detection are currently being calculated for the years 2021 and 2022; total savings for those years will be significantly higher once those estimates are added.

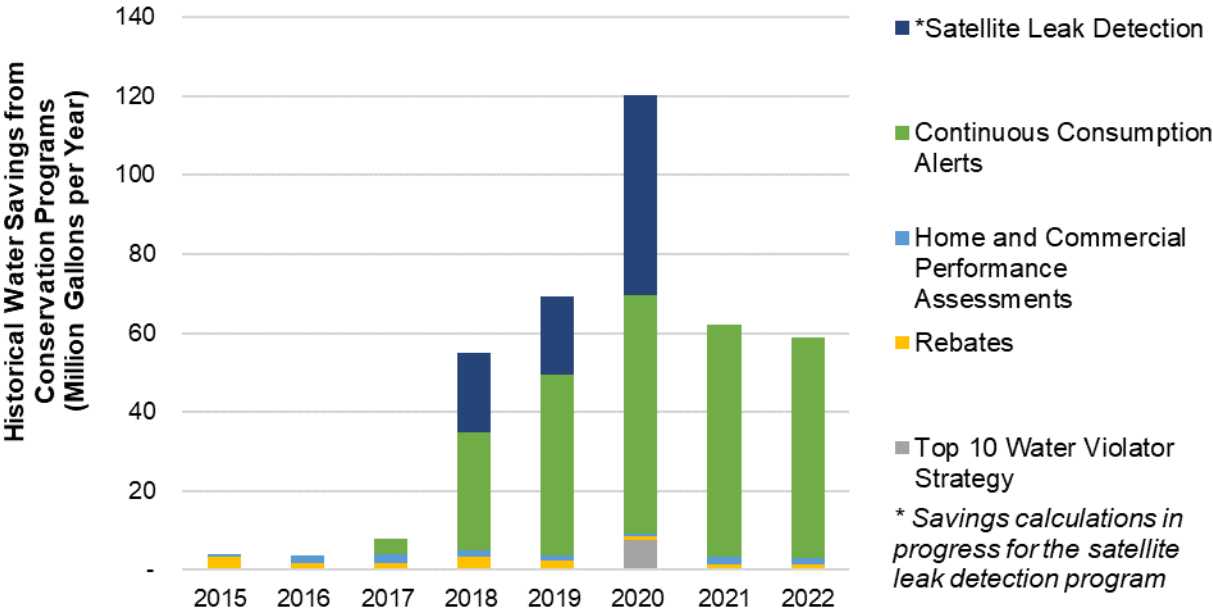


Figure 3-1 Water Savings by Conservation Strategy from 2014 to 2022

It is difficult to estimate water savings for the remaining conservation strategies, such as outreach and education, as changes in customer behavior are difficult to track to a single educational event and may require multiple points of contact before changes are realized. Thus, for other programs NBU tracks alternative measures, such as the number of NBU customers reached each year. In 2022, NBU conducted 41 outreach events, reaching 3,000 customers.

While per person water usage has decreased since inception of these conservation strategies (**Figure 2-4**), NBU has a goal to further reduce water use per person to stretch existing water supplies. Achieving further reduction will require re-evaluation of priorities and increased investment in conservation strategies. Thus, as part of this

new five-year Conservation Plan, NBU conducted an industry scan of over 50 potential conservation strategies to identify additional initiatives to implement over the next five years.

Figure 3-2 summarizes the process applied to select conservation strategies to initiate between 2024 and 2029. First, potential strategies not currently implemented by NBU were identified based on industry guidance and experience by other utilities. This long list was narrowed down by applying the five screening criteria shown in **Figure 3-2**. These criteria were selected by NBU to prioritize applicability, diversification, and effectiveness. Fourteen strategies were identified through this screening; these were further evaluated relative to resource requirements, potential benefits, and utility priorities to develop a balanced portfolio of conservation strategies to include in the Conservation Plan.

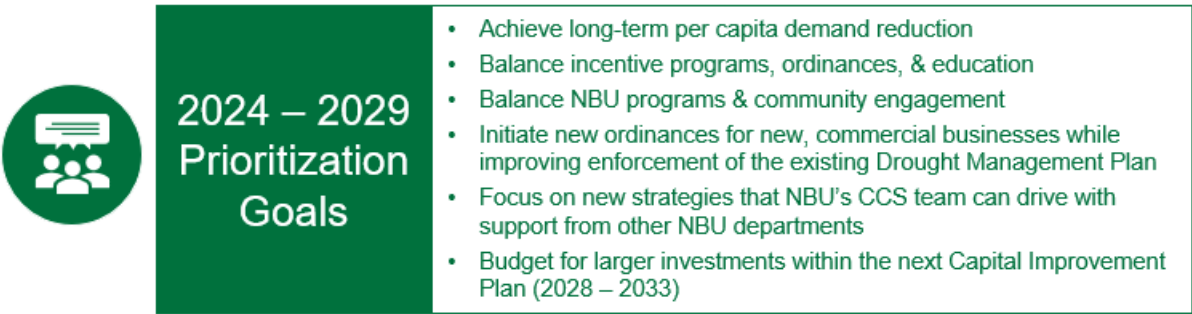
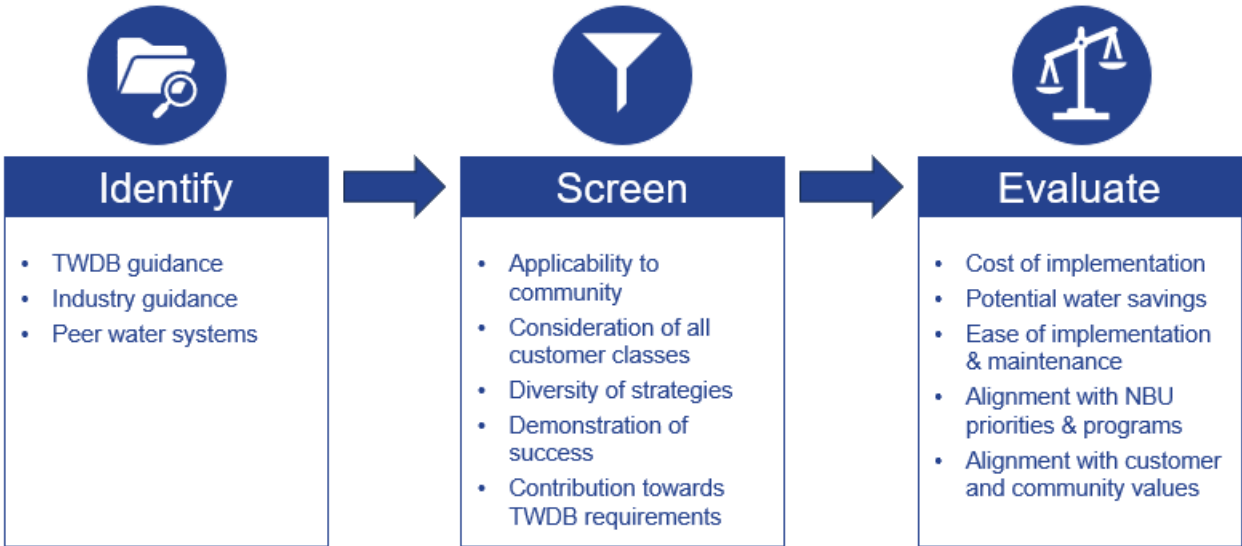


Figure 3-2 NBU's Roadmap in Reducing Water Consumption

This approach outlined in **Figure 3-2** ensured that NBU's portfolio of existing, expanded, and new conservation strategies aligned with NBU's goals and priorities for the next 5 years. Evaluation criteria and prioritization goals were established with a broad range of stakeholders including directors and managers from multiple departments, the conservation team, and NBU Executive Leadership. The resulting conservation strategies fit into six conservation priority programs for NBU:

- **Conservation Data Management (Section 3.1):** Implementation of digital tools to provide automated and actionable data to drive effective decision-making.
- **Water Conservation Rate Structure (Section 3.2):** Continue recommending water services pricing that encourages and rewards water conservation, while also ensuring that utility costs are adequately covered.
- **Non-Revenue Water Program (Section 3.3):** Reduction of water lost including through the distribution system.
- **Landscape Water Transformation Program (Section 3.4):** Expansion and optimization of rebates, ordinances, and inspections that focus on reduction of outdoor water use.
- **Indoor Water Use Rebate (Section 3.5):** Continuation of rebates intended to increase use of water-efficient appliances and fixtures.
- **Outreach and Education (Section 3.6.2):** Development and implementation of an enhanced outreach and education program, including tailored outreach to high volume users and new community partnerships.

The remainder of this section describes existing and planned NBU initiatives in these categories. All ongoing activities will be continued, and those that will be added or expanded are indicated with a water droplet (💧).

3.1 Conservation Data Management

The availability of automated and actionable data is critical to efficiently evaluate the effectiveness of conservation programs and make informed decisions about resource allocation. NBU annually calculates various conservation-related metrics including average customer usage, estimated water savings from conservation programs, and water loss. However, currently these processes are largely manual and information collection and analysis is very labor intensive. Thus, over the next year, NBU will implement a new data analytics and visualization solution that will provide continuous consumption data and automated reports and dashboards for analysis. In addition, over the next five years, opportunities to better leverage data from NBU’s advanced metering infrastructure (AMI) will be incorporated.

3.1.1 💧 Conservation Data Analytics and Visualization Solution



Figure 3-3 New Billing System Dashboard

NBU is implementing a new billing system (Figure 3-3) that will provide tools to manage water demand and conservation. For customers, the software provides easy-to-use interfaces and alerts for tracking water usage and opportunities for savings.

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In addition, this software will provide NBU staff information they need to analyze customer usage in real time to support conservation planning and efforts. For example, targeted outreach could be sent to users with high or increased water usage. As a result, the database will allow NBU to keep track of programs that have been widely accepted by their customers and restart programs that were previously too laborious to conduct without automated data analytics.

3.1.2 Advanced Metering Infrastructure

Traditionally, water usage has been captured by meter readers who physically view and document usage information – typically once a quarter. Over the last 10 years, NBU has undergone an extensive effort to get more timely usage information. They have installed Advanced Metering Infrastructure (AMI) registers at 85% of customer meters to date, which provide near-real-time meter readings. An additional 14% of customers have Automated Meter Reading (AMR) which allows for automated collection of data, but not as frequently as AMI (AMR meters are generally read monthly).

An important application of these data for the conservation program are Continuous Consumption Alerts (**Section 3.6.2**). Continuous water usage often indicates an issue, such as a running toilet or break in the customer water line, and real-time customer notification allows them to investigate and address the issue and minimize water wasted. USEPA estimates that a single leaky fixture can waste 180 gallons of water per month². Over the next 5 years, NBU will be investigating additional opportunities to leverage AMI for water conservation and evaluating the feasibility of reaching 100% AMI throughout the system. Grant funding that could support full AMI implementation will also be considered.

3.2 Water Conservation Rate Structure

NBU initiated a new water rate structure beginning August 1, 2023 that varies rates for fiscal years 2024 and 2025 based upon customer water use. This rate structure was developed based on feedback from NBU's first Rate Advisory Committee (**Figure 3-4**). The Committee of 18 community members was appointed by the NBU Board of Trustees and each member represents a constituency across NBU's service territory. The Rate Advisory Committee was replaced with the Community Advisory Panel (CAP) in 2023. The CAP will be engaged in future rate structure updates.

The approved rate structure maintains the best practice of encouraging and rewarding water conservation, while also ensuring that utility costs are adequately covered. This was accomplished with an increasing block



Figure 3-4 Rate Advisory Committee

² <https://www.epa.gov/watersense/residential-toilets>

rate system which—in addition to the flat fee for fixed costs—includes a variable rate for volume of water consumed, with higher rates as water consumption increases. There are four cost rate blocks or tiers for residential customers summarized in **Figure 3-5** based on the volume of water used.

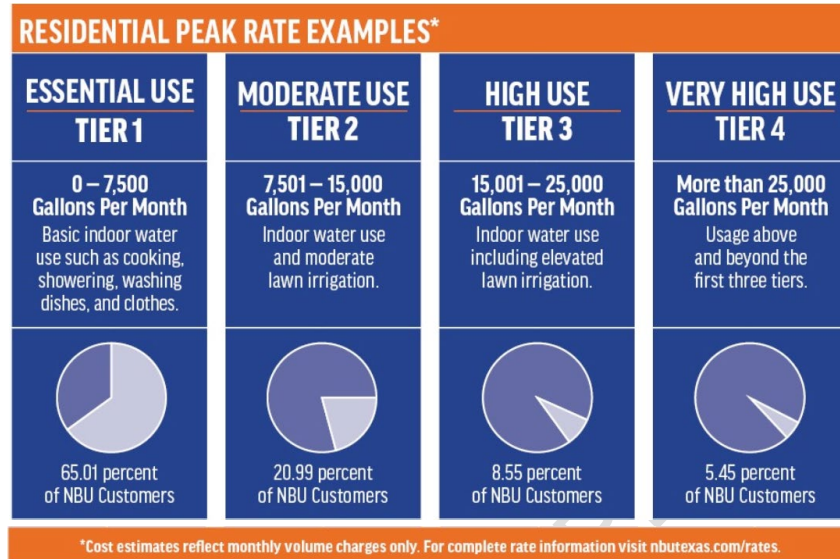


Figure 3-5 Example Rate Tier Structure for Residential Users

3.3 Non-Revenue Water Program

NBU has developed an interdepartmental approach to managing non-revenue water. Non-revenue water (NRW) is the total volume of distributed water which is not billed to customers, such as due to a main break, firefighting, or meter inaccuracies. This team is successfully implementing innovative technologies to reduce water loss, including advanced metering infrastructure (**Section 3.1.2**), satellite leak detection, and meter testing, and is focusing on increasing investment in asset management. They perform annual audits to evaluate quantities and trends in overall water loss and its components, as described **Section 2.4**. Additionally, NBU manages the distribution system pressure based on the procedures in NBU’s Distribution System Operations Manual.

NBU serves as both an electric and water provider. Thus, continuing to evaluate both NBU electric and water infrastructure for opportunities to reduce water (and electric) usage will also be an important component of NBU’s long-term management of non-revenue water.

3.3.1 Satellite Leak Detection

NBU began using satellite leak detection technology in 2018 to reduce water losses. This technology uses satellite images to identify areas that have high soil moisture which could indicate a drinking water leak. The NBU service area is scanned on a quarterly basis and NBU field crews are dispatched to areas



Figure 3-6 Leak Detection Equipment

identified as potential leaks to verify the leaks and conduct any needed repairs. **Figure 3-6** shows an interface that field staff use to identify leaks. Annual water savings due to this program have been estimated to range from 20 to 50 million gallons (**Figure 3-1**). NBU will continue this program to identify and correct new or growing leaks.

3.3.2 Meter Testing Program

Meter testing is an important component of water conservation as malfunctioning meters often underread usage and result in misidentification of actual water usage as water loss. NBU has active meter testing programs for both production meters and customer meters. Production meters measure and account for water pumped into the NBU distribution system from NBU's water supplies. NBU will continue a testing and calibration program for all production meters. Additionally, all new and existing customers are required to have a meter. NBU will continue a testing customer meters, as-needed or as requested, and replacing meters that are under-registering. NBU is also establishing a framework for future meter testing programs.

3.3.3 💧 Increase Investment in Asset Management

The threat of leaks and breaks increases as infrastructure ages, and in the next 10 years, 20% of NBU's water mains will be nearing the end of their estimated useful life. Timely repair and replacement of failing or aging assets are critical aspects of utility management that help minimize risk of failure, prevent disruptions to water service, and continue to minimize water loss. NBU is currently developing an Aging Infrastructure Plan which will provide a long-term investment plan with recommended budgets per year to achieve NBU's target level of risk and service, in alignment with the utility-wide asset management program being expanded. This plan will then inform the budgets requested in the FY 2029 – 2033 Capital Improvement Plan (CIP) for water main repair and replacement. NBU currently has \$48 million budgeted for infrastructure repair and replacement for fiscal years 2024 through 2028; projects include, but are not limited to, water meters, tank decommission, water tank rehabilitations, and infrastructure replacement packages.

3.4 Landscape Water Transformation Program

Over half of average water use by NBU customers is associated with landscape irrigation and other outdoor water use (52% of residential water use and 67% of commercial water use across the last five years as shown in **Figure 2-5**). Thus, NBU is designing a new, more comprehensive Landscape Water Transformation Program. This enhanced program will provide a combined portfolio of incentives and requirements to reduce outdoor water use in New Braunfels.

3.4.1 💧 Drought Management Plan and Enforcement

The City of New Braunfels has a Water Conservation and Drought Management Ordinance (No. 2019-17), which is enforced by NBU. Year-round landscape watering for all customers is limited to two days per week based on the last digit of the address and cannot be conducted between 10:00 am – 8:00 pm. During a drought, landscape watering is restricted further, as summarized in **Table 3-1**, based on the drought stage declared by the City. The ordinance includes additional restrictions depending on the drought. For example, installation of turfgrass is limited in Stage 3, and the refilling of ornamental lakes or fountains with potable water is prohibited during all drought stages. Additionally, park and athletic fields are required to submit water conservation plans. The ordinance further encourages additional voluntary reductions by all customers in all industries, such as only

serving water to customers at restaurants upon request. For a complete list of activities prohibited during a drought, visit [NBU Ordinance 2019-17](#).

Table 3-1 NBU Water Restrictions in Drought Stages

Drought Stage	Landscape Irrigation with a Hose-End Sprinkler or In-Ground Irrigation System is Allowed: (during designated times)	Landscape Irrigation with a Soaker Hose, Handheld Hose, Drip Irrigation System, or Bucket is Allowed:
Year-Round	Two days per week	Any day at any time
I	One day per week	
II	One day per week	Any day during designated times
III	One day every two weeks	

NBU plans to update the Drought Management Plan and increase investment for drought management to allow for more complete enforcement of the plan. Engagement of the CAP is recommended, and discussion should include potential opportunities for improving both drought and year-round irrigation watering restrictions to support the long-term conservation goal of delaying the need for additional water supply. For example, peer systems (e.g., Austin, San Antonio) have implemented year-round restrictions for watering to one day a week. Case studies^{3,4} have shown that restricting watering to one day a week can decrease water use for irrigation even further, especially for high volume users, when supplemented by an active outreach and enforcement campaign.

3.4.2 💧 Irrigation System Inspection Program

Since 2007, NBU has required all new irrigation systems for single-family residences and small commercial buildings with a site plan of 10,000 square feet or less to have separate irrigation meters. However, it wasn't until 2019 that the water connection policy was made enforceable by connecting it to the City's Drought Management Ordinance. This has correlated with an increase in NBU's number of residential irrigation meters from approximately 6,000 in 2018 to over 10,000 in 2021 (an increase of 78%). Similarly, commercial irrigation meters increased from approximately 650 to over 800 during the same period (an increase of 16%). Other irrigation system ordinance requirements include the use of rain sensors to avoid watering during and following rain events, zonal systems to irrigate each landscape zone according to its water needs, and a minimum irrigation area and flow direction requirements to avoid watering adjacent impervious surfaces.

Inspection of new irrigation systems is currently performed by the City of New Braunfels (not NBU). However, to help support the increasing number of new irrigation meters, especially for unincorporated areas outside of the City's permitting authority, NBU plans to increase resources for irrigation meter inspections through the

³ Warner, Laura A., et al. "Insights from residents under year-round irrigation restrictions to improve water conservation impacts." *AWWA Water Science*, vol. 5, no. 4, 2023, <https://doi.org/10.1002/aws2.1348>.

⁴ Mackenzie, J. Boyer, et al. "Water Conservation Benefits of Long-Term Residential Irrigation Restrictions in Southwest Florida." *Journal AWWA*, vol. 110, no. 2, 2018, <https://doi.org/10.5942/jawwa.2018.110.0019>.

Conservation Resource Inspection Program. These additional resources would allow for streamlining the inspection process by having a single inspector licensed to complete backflow prevention inspections, irrigation inspections, and customer service inspections. Further, the increase in resourcing would provide more holistic enforcement of and education on (in collaboration with **Section 3.6.2**) existing irrigation system codes.

3.4.3 Home & Commercial Irrigation Assessments with Rebates

Currently, NBU provides free irrigation assessments to both residential and commercial customers upon request. Common recommendations from these assessments include installing smart irrigation controllers, adding high efficiency sprinkler nozzles, and repairing leaks in customer lines or outdoor faucets. However, the NBU Conservation Team recognizes the opportunity to increase the impact. Over the next five years, this program will be expanded by:

- Ensuring that assessments incorporate all best practices for reduction of water usage
- Increasing outreach and education to increase the number of customers participating
- Introducing customizable rebates for customers that complete an assessment, providing incentive to implement the water-saving opportunities identified through the assessment
- Improving program tracking

3.4.4 Water-Wise Landscape Rebates

Currently, NBU supports the following water-wise landscape rebates: Drought Tolerant Tree, Rain Barrel, Irrigation Zone Removal, Grass Removal, Healthy Soil, Gardening Guide, and Custom Commercial rebates. NBU is planning to develop a streamlined rebate program that combines all existing rebate options. Instead of customer applying separately for various rebate types and receiving a standard amount, the rebate can be tied to water savings expected from recommended water-saving activities. This makes applying easier for customers, more effectively ties utility investment to anticipated benefit, and allows for consideration of water-wise landscape projects beyond those specifically listed. NBU could also provide rebates through this program for installation of low impact development landscaping, such as the conversion of impervious pavement to pervious rock cover, to reduce runoff and promote recharge of our water supplies.

In collaboration with **Section 3.6.7**, NBU is planning to partner with the irrigation vendors and provide them training on various irrigation rebate programs that NBU currently enforces to their customers. As a result, when customers reach out to vendors, they can inform about the specific customer-focused irrigation rebate programs. This collaboration will assist NBU to attract more customers to adopt their rebate programs.

3.4.5 New Development Ordinance Revisions

Over the next five years, NBU plans to pursue ordinance revisions that promote the use of water-wise landscaping for new residential and commercial customers. Similar ordinances by other Central Texas communities have required new customers to limit the use of turf grass, use only drought-tolerant plants and grass, and use pervious ground covers to reduce runoff and promote recharge of our water supplies. NBU will research requirements implemented by other communities and will engage community stakeholders to discuss potential requirements for the New Braunfels community. This engagement is already underway as the City of New Braunfels considers updates to the Land Development Ordinance, to be finalized by the end of 2024

3.5 Indoor Water Use Reduction Program

NBU has an existing program to support existing and new customers with reducing water use inside homes and commercial businesses. NBU staff provide support in identifying opportunities to reduce water use and also provide rebates for upgrading indoor appliances.

3.5.1 Home and Commercial Assessment for Indoor Use

NBU provides free water assessments to both its residential and commercial customers. During assessments, NBU reviews historical data use trends, inspects the inside and exterior of the home or business for possible leaks, and provides suggestions on how to better conserve water and energy while lowering costs. Customers can go to the NBU website to schedule their assessment or contact NBU Customer Service or Conservation and Customer Solutions (CCS) to schedule over the phone.

3.5.2 Indoor Water Use Rebates

NBU continues to offer rebates to customers for improving indoor water use efficiency. Indoor rebates are available to residential customers for upgrading to ultra-high efficiency toilets and ultra-high efficiency washing machines. Additionally, NBU offers a custom commercial rebate to provide a financial incentive for commercial customers to improve indoor water use.

3.6 Outreach and Education Program

NBU outreach and education programs provide information to new and existing customers to promote water conservation and efficient use. Educational materials highlight NBU's existing conservation programs, educate the community about drought stages, provide tips for water savings and identification of leaks, and provide customers with utility contact information. NBU uses a variety of outreach formats and delivery methods including text and phone alerts, mailed brochures, emailed newsletters, hand-delivered flyers, online videos, workshops and hands-on activities such as at the Headwaters at the Comal facility (**Figure 3-7**), checklists, bill inserts, and social media posts. **Figure 3-8** shows examples of NBU'S social media posts emphasizing water conservation. NBU has four specific outreach strategies that have been and will continue to be implemented, and NBU will be evaluating three new potential outreach strategies as part of a new Water Conservation Education and Outreach Plan that will be developed. These strategies are described in the following subsections.

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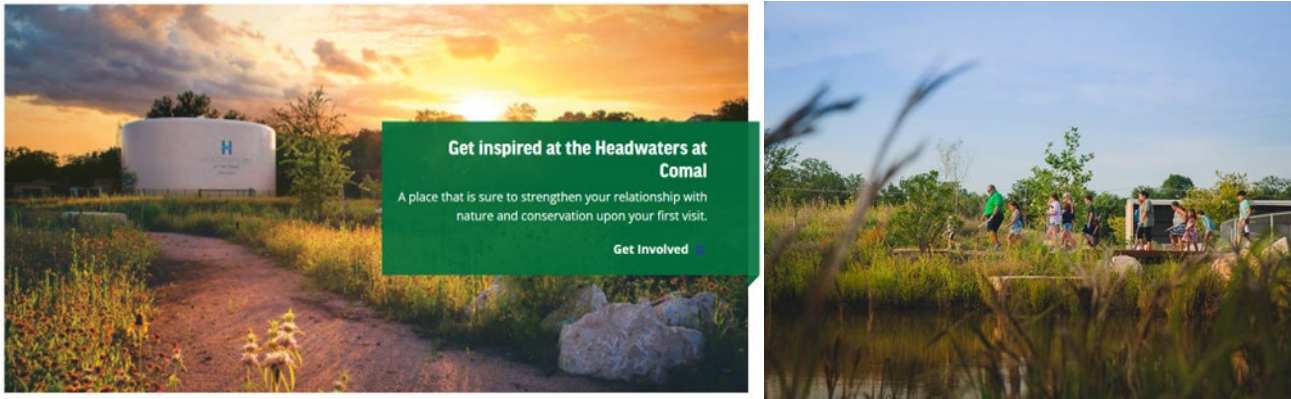


Figure 3-7 NBU Partners with Fisher Park Nature Education Center, Headwaters at the Comal, West Side Community Center, and New Braunfels Food Bank to Provide Education on Water Conservation to the Community



Figure 3-8 Example NBU Social Media Posts on Conservation

NBU has four specific outreach strategies that have been and will continue to be implemented, and NBU will be evaluating three new potential outreach strategies as part of a new Water Conservation Education and Outreach Plan that will be developed. These strategies are described in the following subsections.

3.6.1 Continuous Consumption Alerts

NBU sends alerts via automated phone calls or text messages to customers if they have continuous water consumption for 48 hours indicating that a leak is occurring. These messages provide guidance to customers on locating and repairing leaks, and customers can contact NBU for assistance in fixing the leak. Since the inception of leak alerts in 2017, NBU estimates savings of 250 million gallons of water due to continuous consumption alerts.

NBU was awarded [the 2020 Texas Environmental Excellence Award for Water Conservation](#) for its customer leak awareness outreach campaign by the Texas Commission on Environmental Quality.

3.6.2 Utility Consumption Reports

Upon request through the [NBU Utility Consumption Report webpage](#), NBU also provides customers with a report (**Figure 3-9**) that charts indoor and irrigation water use and compares it to the neighborhood average. This educational tool tracks conservation progress and helps customers identify additional opportunities for water savings.

3.6.3 Top 30 Water User Report

This strategy was implemented a few years ago, but paused as it was labor intensive to generate this list of customers using the prior billing software system. Thus, following completion of the new data analytics software (**Section 3.1.1**), NBU will re-launch the Top 30 Water User Report. The new software will automatically generate a list of the 30 customers using the most water each month. NBU will then contact each customer to discuss strategies for reducing demand and usage.



Figure 3-9 Utility Consumption Reports

3.6.4 Top 10 Water Violator Strategy

This strategy was also implemented a few years ago, but paused as it was labor intensive to generate this list of customers using the prior billing software system. Thus, following completion of the new data analytics software (**Section 3.1.1**), NBU will re-launch the Top 10 Water Violator Strategy. The new software will automatically generate a weekly list of the 10 customers with the greatest out of compliance usage (i.e., a leak or watering on the incorrect day). The top ten violators will be notified via courtesy letter or phone call.

3.6.5 💧 Water Conservation Education and Outreach Plan

Over the next couple of years, NBU will be reviewing the existing outreach and education program and developing a new Education and Outreach Plan that prioritizes the Landscape Transformation Program and aligns with the One Water New Braunfels Program. This evaluation will consider updates to messaging, outreach approaches and forums, and educational materials to align with current goals. To optimize use of resources, the Plan will also identify target audiences for tailored communication, including but not limited to, large water users, high water use areas, businesses, and low-income residents. Specific initiatives that will be prioritized include:

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- Enhancing the water use assessment program (**Sections 3.4.3 and 3.5**) with new materials and resources to increase customer participation
- Enhancing the water-wise landscape rebate program (**Section 3.4.4**) with new educational materials to increase customer participation
- Developing an internal training program to increase the literacy of NBU and City staff on the existing and new water conservation programs and the role each department plays in supporting conservation

3.6.6 💧 Engage Local Officials and Community Stakeholders

NBU will enlist feedback and input from key stakeholder groups and community members on water conservation strategies. Priority discussion topics for this group will include the New Commercial Business Landscape Ordinance as well as providing feedback on new outreach and education materials developed. NBU will also be engaging with local officials, including City Council, to provide education and updates on implementation of the conservation plan as well as guidance on ways local officials can support and elevate the conservation plan.

3.6.7 💧 Establish Water Conservation Partnerships with Local Trade Organizations

Local trade organizations and professionals, such as landscapers, plumbers, and irrigators, serve a critical role in making recommendations to customers on landscaping and building improvements. Thus, NBU is planning to establish new partnerships with local trade organizations to provide education on water conservation approaches, the importance of helping customers implement conservation strategies, and the current NBU water conservation programs. On a case-by-case basis, partnerships may also include providing hands-on support for implementing business changes to better support implementation of conservation initiatives (e.g., advice on changes recommended to materials provided to customers or additional in-the-field training for local businesses).

4 Five-Year Water Conservation Implementation Plan

NBU has identified a portfolio of existing, expanded, and new conservation programs for implementation during calendar years 2024 through 2028 (**Section 3**). These strategies were selected through a multi-phased screening process to prioritize applicability, diversification, and effectiveness and were evaluated considering resource requirements, potential water savings, and other utility priorities. Strategies include new incentive programs, enhanced education and outreach, and new/updated ordinances and address both indoor and outdoor water use. However, as analysis of historical water use data (**Section 2**) demonstrated that irrigation water use accounts for over half of total water use, NBU will be prioritizing allocation of additional resources over the next five years to strategies reducing irrigation water consumption. Long-term, these strategies will reduce water demand per user, which will ultimately protect water resources and promote long term water supply sustainability for NBU customers. The following sections summarize the action plan for implementing both the existing and new/expanded conservation strategies over the next five years.

- **Implementation Plan (Section 4.1)** summarizes the timeline for implementing the new and expanded water conservation strategies as well as the budgets required, expected savings, and roles and responsibilities.
- **Water Conservation Program Metrics (Section Error! Reference source not found.)** presents metrics that will be used to track implementation progress and ensure conservation programs are effective.
- **Per Capita Demand Goals (Section 4.2)** summarizes targets for the next 5 and 10 years.
- **Approval and Distribution of the Conservation Plan (Section 4.3)** documents approval of this plan and lists the recipients of the final conservation plan.
- **Adaptive Implementation (Section 4.4)** outlines the process for regular evaluation of progress and updates to the implementation plan.

4.1 Implementation Plan

Over the next five years, NBU will continue implementation of all existing conservation programs, expand existing programs that prioritize reduction of water use for landscape irrigation, and add new programs. Conservation programs will engage both residential and commercial customers. The proposed implementation timeline, budget, savings, and roles and responsibilities for the new and expanded strategies (**Table 4-1**) are summarized below.

Table 4-1 List of New and Expanded Water Conservation Strategies

New Conservation Strategies	Expanded Conservation Strategies
<ul style="list-style-type: none"> • Conservation Data Analytics and Visualization • Irrigation System Inspection Program • New Development Ordinance Revisions • Water Conservation Education and Outreach Plan • Engage Local Officials and Community Stakeholders • Establish Water Conservation Partnerships with Local Trade Organizations 	<ul style="list-style-type: none"> • Advanced Metering Infrastructure • Increased Investment in Asset Management • Drought Management Plan and Enforcement • Home and Commercial Irrigation Assessments with Rebates • Water-Wise Landscape Rebates

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Water Conservation Plan

Timeline: Figure 4-1 represents key milestones that are planned to be achieved each year. The first year will focus on updating the Drought Management Plan, completing the Water Aging Infrastructure Plan, and developing a new Water Conservation Outreach and Education Plan. During 2024, NBU will also complete implementation of the new data analytics software and develop the new landscape transformation conservation strategies. In 2025, NBU plans to launch the new Landscape Transformation program, including expanded and customizable rebate programs. Then, in 2026, new outreach and education strategies will be launched to engage the community in these new conservation strategies and to engage stakeholders in development of the new commercial customer landscape ordinance, which is planned to be presented to the NBU Board and City Council for approval in 2028.

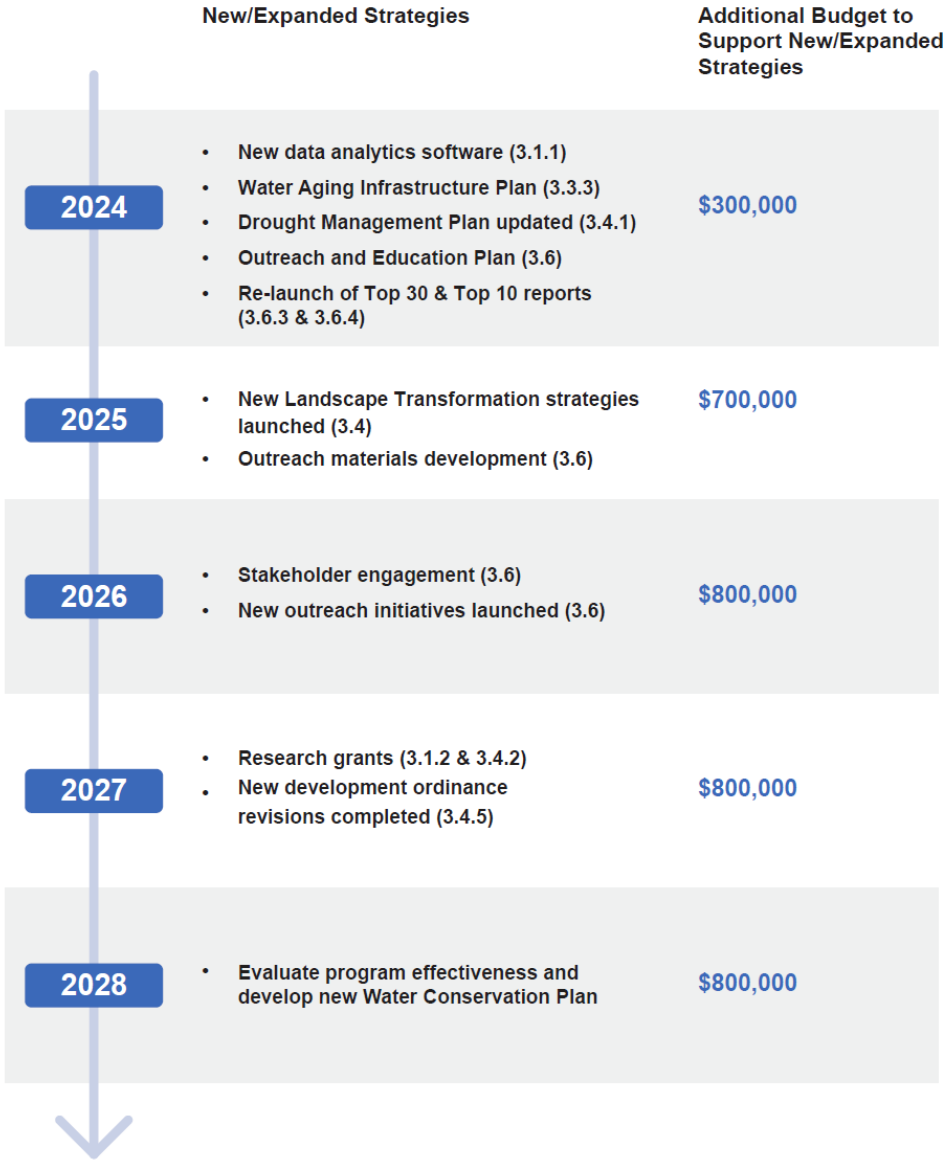


Figure 4-1 Implementation Timeline and Budget for New and Expanded Water Conservation Strategies (in addition to continuing to implement and fund the existing water conservation strategies)

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Water Conservation Plan

Five-Year Water Savings⁵: While estimated water savings were calculated for only seven of the twenty strategies, implementation is estimated to result in a minimum of 850 million gallons of water savings over the next five years (170 million gallons per year, on average). Of strategies that were measured, the greatest measurable water savings are expected to come from continuing continuous consumption alerts and satellite leak detection. Although the new conservation strategies proposed are not anticipated to result in an immediate increase in measurable water savings, they will contribute to long-term water consumption reduction and long-term cost savings, including:

- **Delayed New Water Supply Costs:** For example, if the new development ordinance revisions are approved by 2025, the number of customers impacted each year will increase such that by 2063, when NBU is projected to need another new water supply, a savings of over 200 million gallons per year is anticipated for commercial customers alone. In 2063, this would correlate with a demand reduction of 2 gallons per capita (person) per day without requiring any change by residents at home. Similar revisions to the residential ordinances for new developments will increase these savings greatly. By reducing demand, we delay the need for developing a new water supply, which could cost hundreds of millions of dollars.
- **Lower Water Use Costs:** Over this five-year implementation period, the average cost per volume of water saved for the new and expanded conservation programs is estimated to be lower than the cost NBU has calculated for NBU's newest water supply, the Gonzalez-Carrizo Water Supply Project, which is coming online in 2024.

The conservation strategies identified vary in cost and expected outcomes. Incentive / rebate programs encourage community buy-in, increase education, and reward conservation efforts. However, water savings are limited by a relatively small number of participants and these programs require greater investment to fund rebates. On the other hand, usage ordinances result in greater water savings since all relevant customers must participate, with only minor costs for staff time for enforcement.

- **Avoided Costs:** These conservation strategies will also assist NBU and the community by increasing the avoided costs that would have otherwise been incurred, had conservation strategies not been implemented. Avoided costs can include reduced water treatment and wastewater treatment costs, reductions in water losses through distribution, and reduced staff hours.

Five-Year Budget: A modest budget of \$3.4 Million over the next five years (in addition to continuation of budgets allocated for existing conservation programs) is required to implement the recommended new initiatives effectively. The budget supports hiring new employees to support additional conservation work (e.g., additional inspections and assessments), hiring external engineering consultants and legal support, rebates to incentivize customers, and community outreach and education. None of the conservation programs selected have large traditional capital cost expenditures due to the goal of focusing on low-cost strategies for the next five years. However, annual investment in staff and incentives for customers will be needed to make these programs successful. Several utilities have moved to capitalizing rebate costs and NBU will research and investigate the

⁵ Savings and cost estimates are based on a set of assumptions that will be verified during program implementation.

New Braunfels Utilities
Water Conservation Plan

opportunity to do so for these costs. Additionally, staff will research grant programs to identify potential funding available in support of these new strategies.

Roles and Responsibilities: NBU's Conservation and Customer Solutions team will oversee implementation of the water conservation implementation plan. However, effective implementation will require participation by multiple departments across NBU and coordination with the City of New Braunfels. The lead department responsible for implementation of each conservation program is shown in **Table 4-2**.

New Braunfels Utilities
Water Conservation Plan

Table 4-2 Water Conservation Program Responsible Teams and Proposed Metrics

Water Conservation Program	Responsible NBU Team(s)	Metrics
Overall Program Management	Conservation and Customer Solutions	<ul style="list-style-type: none"> Tracking of total per capita demand (Appendix A) Tracking of residential per capita demand (Appendix A) Tracking of average use per account per customer type
Conservation Data Management	Conservation and Customer Solutions, Resource Strategy, Water Operations, and Data Strategy	<ul style="list-style-type: none"> New internal data management system and dashboard live (% complete) Continue implementation of AMI for all new customers (% customers)
Rate Structure	Finance	<ul style="list-style-type: none"> Use of an inclining block rate structure for single family customers (y/n) Effectiveness of inclining block rate structure Incorporation of peak and off-peak rates to encourage conservation among commercial and multi-family rate structures (y/n) Inclusion of a strategy for maintaining revenue stability while incentivizing conservation and efficiency (y/n)
Non-Revenue Water Program	Water Operations, Engineering, and Production	<ul style="list-style-type: none"> Tracking of number of leaks detected (y/n) Tracking of estimated water savings (y/n) Tracking of unit annual water losses (y/n) Number of breaks per mile of pipe Infrastructure Leakage Index
Landscape Water Transformation Program	Conservation and Customer Solutions	<ul style="list-style-type: none"> Decreasing trend in average irrigation water use per customer for customers with separate irrigation meters Number of water-wise landscape rebates approved per year Number of irrigation assessment rebates approved per year Area of turf removed (sf) Percent of conservation team positions filled (%) Enforcement program for each component of the updated Drought Management Plan (% of components) Percent of identified violators receiving a warning (%)

New Braunfels Utilities
Water Conservation Plan

Water Conservation Program	Responsible NBU Team(s)	Metrics
		<ul style="list-style-type: none">• Approval of the New Development Ordinance revisions (y/n)
Indoor Water Use	Conservation and Customer Solutions	<ul style="list-style-type: none">• Number of indoor rebates approved per year• Tracking of estimated water savings (y/n)
Education and Outreach Campaign	Conservation and Customers Solution and Communications Team	<ul style="list-style-type: none">• Implementation of outreach plan activities (% complete)• Tracking of number of customers reached per year (y/n)• Tracking of estimated water savings based on engagement with top water users and top violators (y/n)

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4.2 Water Conservation Program Metrics

Water conservation program metrics assist in tracking and maintaining records of implementation progress, evaluating program effectiveness, allocating time and resources, and identifying areas for further investment and further improvement in programs. Metrics may be quantifiable (e.g., the number of water-wise landscape projects) or qualitative (e.g., percent complete of a new initiative). Regardless of type, metrics selected should align with implementation priorities, be attainable, and provide actionable triggers for increased investment or resource allocation. While this plan provides an initial slate of metrics to evaluate implementation progress and conservation effectiveness over the next five years (**Table 4-2**), staff will continue amending and improving these after plan adoption.

4.3 Approval and Distribution of the Water Conservation Plan

Implementation of an effective and sustainable water conservation plan requires commitment and engagement from the community. Thus, after NBU's Conservation and Customer Solutions team has drafted the water conservation plan, with input from the NBU Executive Leadership team and NBU departments engaged in implementation of the plan, the plan is presented to the NBU Board of Directors for review and approval. Upon approval by the NBU Board of Directors, the water conservation plan is then presented to the New Braunfels City Council for review and approval. Approval by both of these bodies ensures community buy-in to the proposed conservation strategies and that support and sufficient funding are allocated to ensure the success of the conservation implementation plan. This Water Conservation Plan was approved by the City Council on **[insert date after approval]** (**Appendix F**).

Upon approval by City Council, this Water Conservation Plan was delivered to the South-Central Texas Regional Water Planning Group (Region L) and submitted to the Texas Water Development Board and Texas Commission on Environmental Quality. Additionally, the plan was made available to the public on [NBU's Water Conservation Webpage](#).

4.4 Adaptive Implementation

NBU has an ongoing commitment to long-term water conservation that extends existing water supplies and delays the need to purchase additional supplies. NBU's Conservation and Customer Solutions team will review program metrics annually to evaluate program progress and effectiveness, and reallocate resources, as needed, in alignment with the conservation plan goals and priorities. Thus, the long-term success of the conservation program is highly dependent on the configuration and implementation of the new conservation data analytics software to allow for effective decision making.

During the last year of this implementation plan, NBU will prepare a similar roadmap for future implementation activities. Although capital and operational budgets for the current five years were already accounted for at the time of drafting this conservation plan, NBU plans to increase investment in conservation programs to support future water conservation plans. Thus, the success of this plan (and future plans) in delaying the need for additional water supplies will depend on the commitment of NBU and City leadership to increase investment in

conservation, further grow an internal conservation culture, and ensure that communication internally and externally aligns with this commitment.

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Appendix A: Per Capita Demand Goals

Continuing the existing conservation strategies will allow for maintaining NBU’s current per capita demand, while savings from the new and expanded conservation strategies are expected to reduce per capita demand. As reported to TWBD, NBU’s current per capita demand targets for water savings are summarized in **Table 1**. While estimated water savings were calculated for only seven of the twenty strategies in the plan (**Section 4.1**), implementation is estimated to result in a minimum of 850 million gallons of water savings over the next five years (170 million gallons per year, on average), a per capita demand reduction of 2 gallons per capita per day over five years (2028). However, as discussed in **Section 2.1**, there are many other factors that can also impact per capita demand from year to year including weather and climate changes, economic conditions, regulations, and even pandemics like COVID-19. Achieving the ten-year per capita demand goal listed through water conservation will require significantly greater investment in water conservation during the subsequent five-year period (2028-2032).

Table 1 Normal-Weather Targets for Water Savings

Per Capita Demand (gallons per capita per day)	Current 5-Year Average (2018 – 2022)	5-Year (2028 5-Year Average)	10-Year (2032 5-Year Average)
Total*	137	135	130
Residential	82	81	77

* In coordination with NBU’s Water Resources Plan, NBU calculates the total per capita demand based on the water pumped from water supplies as opposed to the water produced by treatment plants.

Appendix B: TWDB and TCEQ Water Conservation Plan Requirements

The TWDB provides a list of conservation strategies in the *TWDB Water Conservation Plan Guidance Checklist 2020*. The TCEQ also provides a list of conservation plan components in the Texas Administrative Code (30 TAC §202.B). The location of these components within this Conservation Plan is summarized in the table below.

TWDB Checklist	TCEQ Checklist	Section
Utility Profile	Utility Profile	Appendix D
Conservation Coordinator	-	1.2
Inclusion of 5-year and 10-year targets	Specific, quantified 5- and 10-year targets	Appendix A
Schedule for plan implementation	-	4.1
Tracking implementation and effectiveness of plan	Record management system	3.1 & 4.2
Master meter	Metering device	3.3.2
Universal metering for meter testing, repair and periodic replacement	Universal metering	3.3.2
Measures to determine and control water loss	Measures to determine and control water loss	3.3
Program for leak detection, repair, and water loss accounting	Leak detection and repair	3.3.1
Continuing education and information regarding water conservation	Continuing public education and information	3.6
Water rate structure	Non-promotional water rate structure	3.2
Implementation and enforcement evidenced by plan adoption (Signed Official Ordinance)	Enforcement procedure and plan adoption	4.3 and Appendix F & G
Furnish water or wastewater services to another supplying entity (Wholesale or Contract)	Contract requirements	N/A
Regional Water Planning Group Notification	Coordination with Regional Water Planning Groups	Appendix E
Drought Contingency Plan	-	3.4.1
Adoption	-	Appendix F
Reporting responsibility	-	4.3
-	Operation of any reservoirs	N/A

Appendix C: TWDB and TCEQ Conservation Strategies

The TWDB provides a list of conservation strategies in the *TWDB Water Conservation Best Management Practices and Best Management Practices for Municipal Water Users 2020*. The of these strategies within this Conservation Plan are summarized in the table below.

TWDB Category	TWDB Listed Conservation Strategies	Section
Conservation Analysis and Planning	• Conservation Coordinator	1.2
	• Cost-Effectiveness	4.1
	• Water survey for single and multi-family customers	2.2
Financial	• Water Conservation Pricing	3.2
	• Wholesale Agency Assistance Program	N/A
System Operations	• Metering of all new connections and retrofit of existing connections	3.3.2
	• System water audit and water loss control	3.3
Landscaping	• Athletic Field Conservation	3.4.1
	• Golf Course Conservation	3.4.1
	• Landscape Irrigation Conservation and Incentives	3.4.3 & 3.4.4
	• Park Conservation	3.4.1
	• Residential Landscape Irrigation Evaluation	3.4.2 & 3.4.3
Education and Public Awareness	• Public Information	3.6
	• School Education	3.6
	• Partnerships with Non-Profit Organizations	3.6.7
Rebate, Retrofit, and Incentive Programs	• Conservation programs for ICI account	3.4.3 - 3.4.5
	• Residential Clothes Washer Incentive Program	3.5
	• Residential Toilet Replacement Program	3.5
	• Showerhead, Aerator and Toilet Flapper Retrofit	3.5
Conservation Technology	• New Construction Graywater	N/A ¹
	• Rainwater Harvesting and Condensate Reuse	3.4.3
	• Water Reuse	N/A ¹
Regulatory Enforcement	• Prohibition on Wasting Water	3.4.1
	• Conservation Ordinance Planning and Development	3.4.1

1. Planned for future evaluation

The TCEQ also provides a list of conservation strategies in the Texas Administrative Code (30 TAC §288.2). The location these strategies within this Conservation Plan are summarized in the table below.

TCEQ Checklist	Section
Conservation-oriented water rates and rate structure (uniform or increasing block rate schedules)	3.2
Adoption of ordinances, plumbing codes, and/or rules requiring water-conserving plumbing fixtures	City of New Braunfels Plumbing Code Sec. 14-50. - Irrigation systems
Program for replacement or retrofit of water-conserving plumbing fixtures	3.5
Reuse and recycle of wastewater / graywater	N/A ¹
Program for pressure control / reduction in distribution systems	3.3
Program for ordinance for landscape water management	3.4.1 & 3.4.5
Method for monitoring effectiveness and efficiency of water conservation plan	4.2
Water conservation plan prepared according to TWDB	1 - 4
Other water conservation practice, method, or technique to achieve conservation plan goals	3.1, 3.4.2, 3.4.3, 3.4.4 & 3.6

1. Planned for future evaluation

Appendix D: NBU Utility Profile

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Appendix E: Distribution to Water Planning Groups

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Appendix F: City Council Adoption of the Water Conservation Plan

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Appendix G: NBU Board Approval of the Water Conservation Plan

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Five-Year Water Conservation Plan



February 29, 2024



Presentation Outline

- What and Why of Water Conservation
- Why a Water Conservation Plan
- Water Use Trends
- Overview of Existing Water Conservation Program
- Overview of Proposed Water Conservation Plan
- Measuring Success

What is Water Conservation (and Efficiency)

- **Water Conservation** = the beneficial reduction in water loss, waste or use.
 - Example - turning off the water when shaving or brushing teeth, or only running the dishwasher when it's full.
- **Water Efficiency** = the minimization of the amount of water used to accomplish a function, task or result
 - Doing the same activities with less water
 - Example - washing dishes or flushing the toilet with the least amount of water necessary to get the job done

Resource CONSERVATION Item 1.

Where's the **WATER** GOING?

As much as 50% of the water we use outdoors is wasted from inefficient watering methods & systems

BATHROOM

- Turn off water while brushing teeth or washing hands
- Take shorter showers
- Use a leak-free high efficiency toilet

10 DRIPS/MIN
=
500 GALLONS PER YEAR...
OF WATER WASTED

KITCHEN

- Wash only full loads of dishes
- Compost food waste instead of using a garbage disposal
- Scrape rather than rinse
- Keep drinking water in the refrigerator instead of running faucet until water is cool

LAUNDRY

- You can significantly reduce water use by simply repairing leaks in and outside of the home
- Check fixtures, pipes, and toilets for leaks
- A leaky toilet can waste 200 gallons per day
- Wash only full loads using correct water levels
- Consider purchasing high efficiency appliances
- High efficiency can save over 5

HOUSEHOLD WATER WASTED

10,000+ GALLONS OF WATER* = **270+ Loads of Laundry***

* Resources: United States EPA

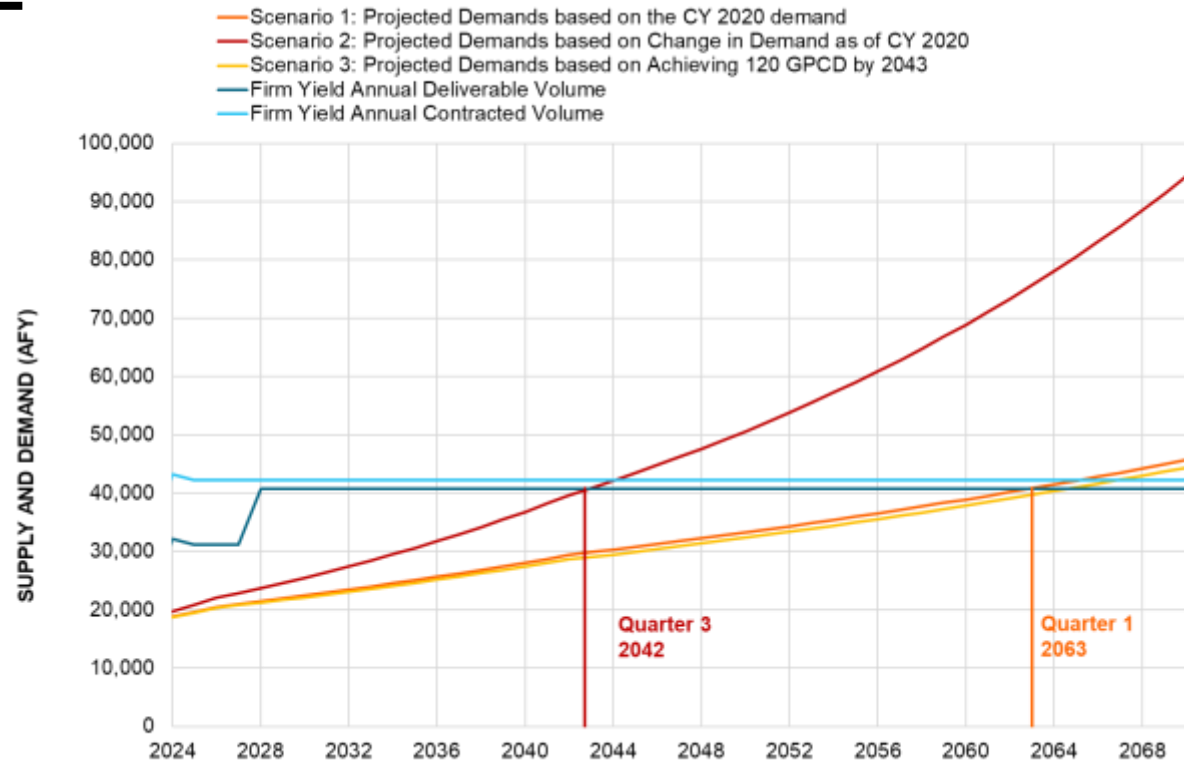
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Why Water Conservation



Why Water Conservation

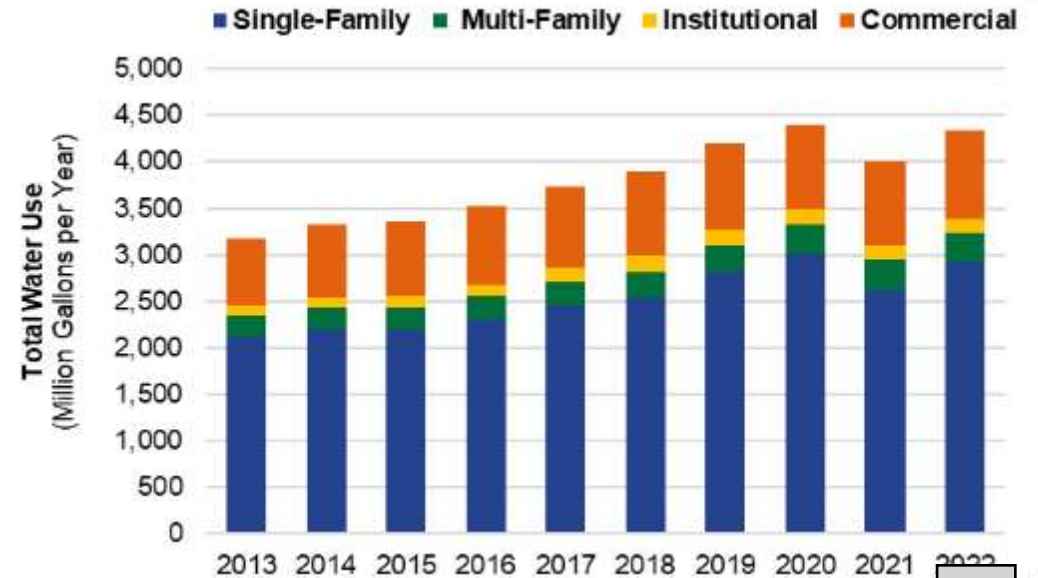
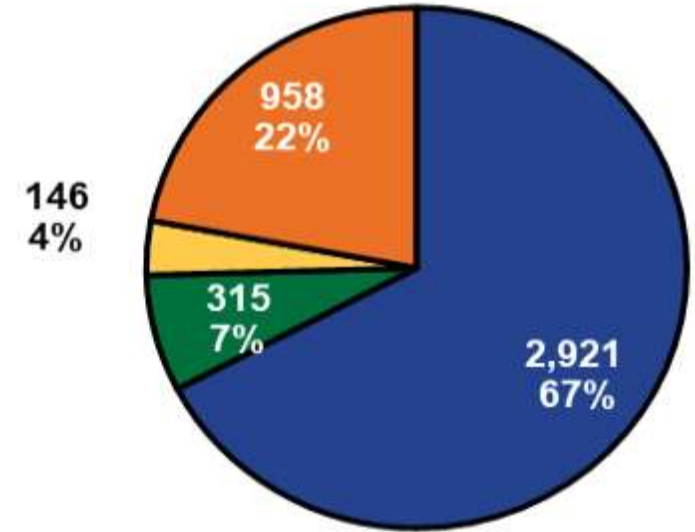
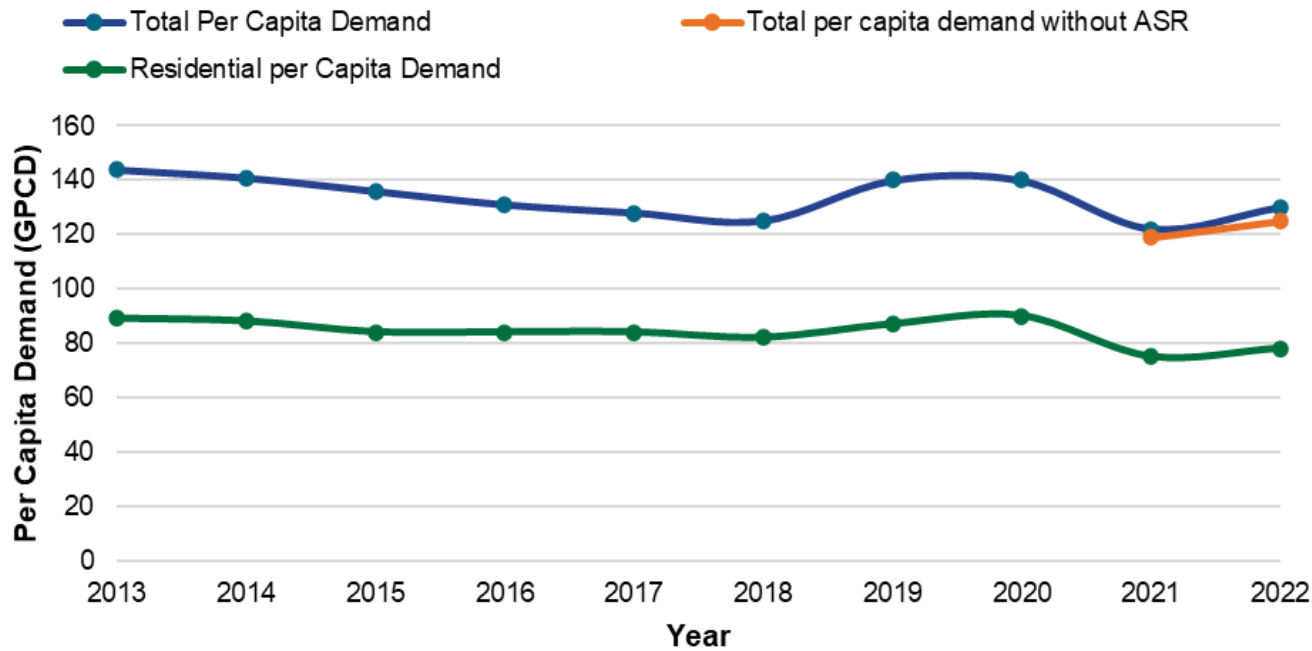
- The less water used on average per person, the further into the future our existing water supplies will meet needs
- This results in both lower capital expenses and lower rates
- Lowering total water use on peak days has an even greater impact as water purchases and infrastructure sizing must meet use on these days



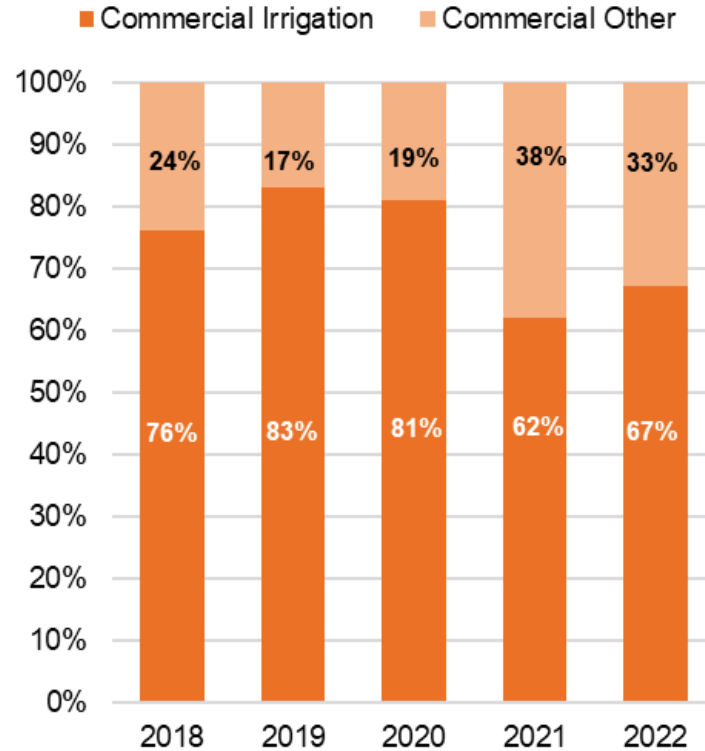
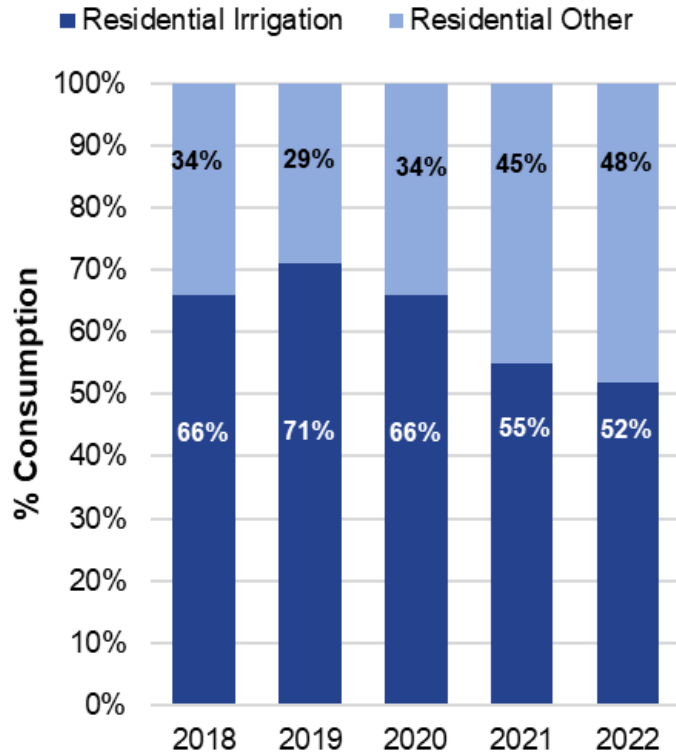
Why a Water Conservation Plan (WCP)?

- “If it is not measured, it is not managed”
 - Analysis of NBU and customer use water helps us to identify targeted, effective strategies to reduce total use
- State of Texas requires all utilities with 3,300 connections or more to develop and submit a WCP every five years

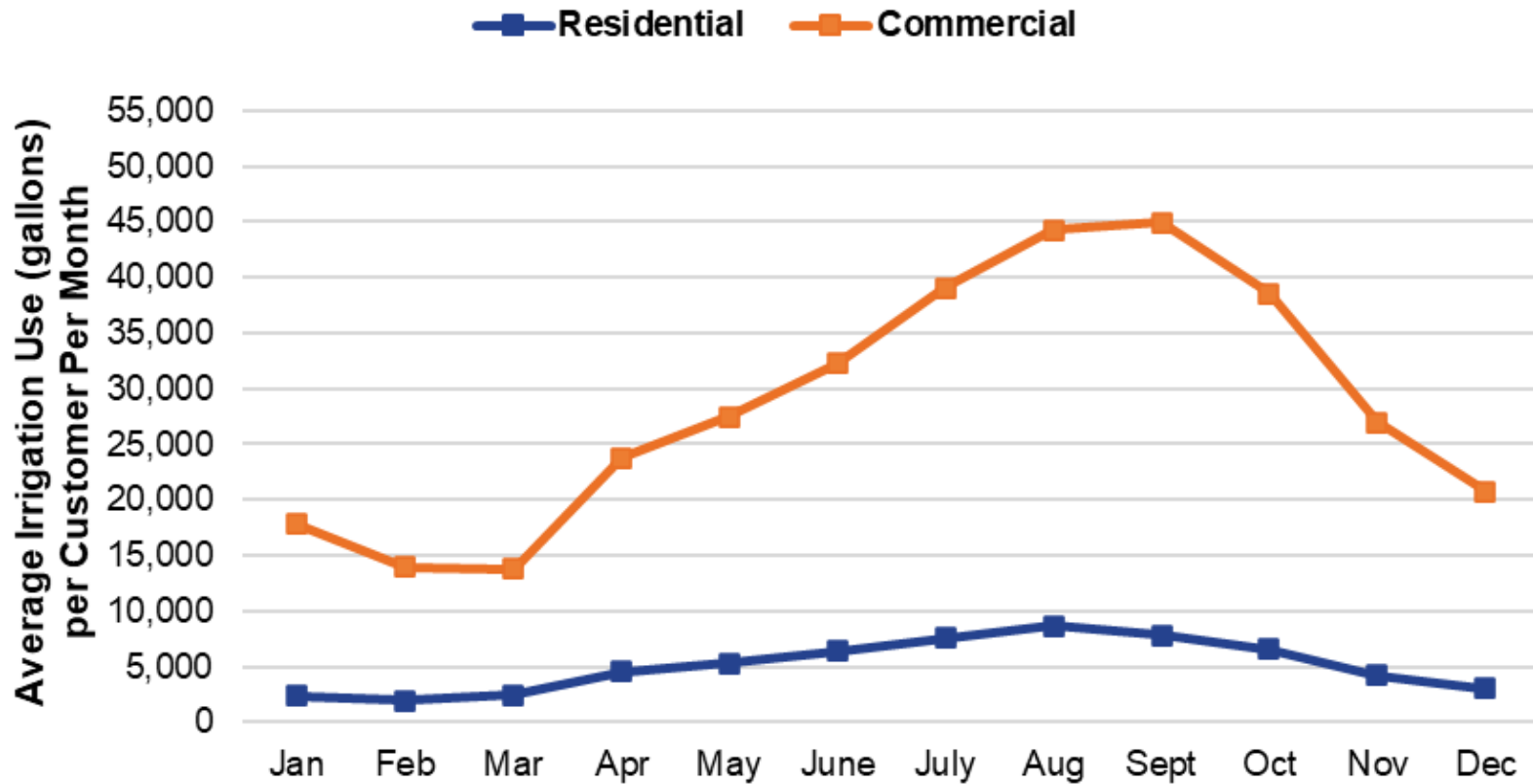
Water Use by Customer Type



Irrigation: Single Biggest Water Use

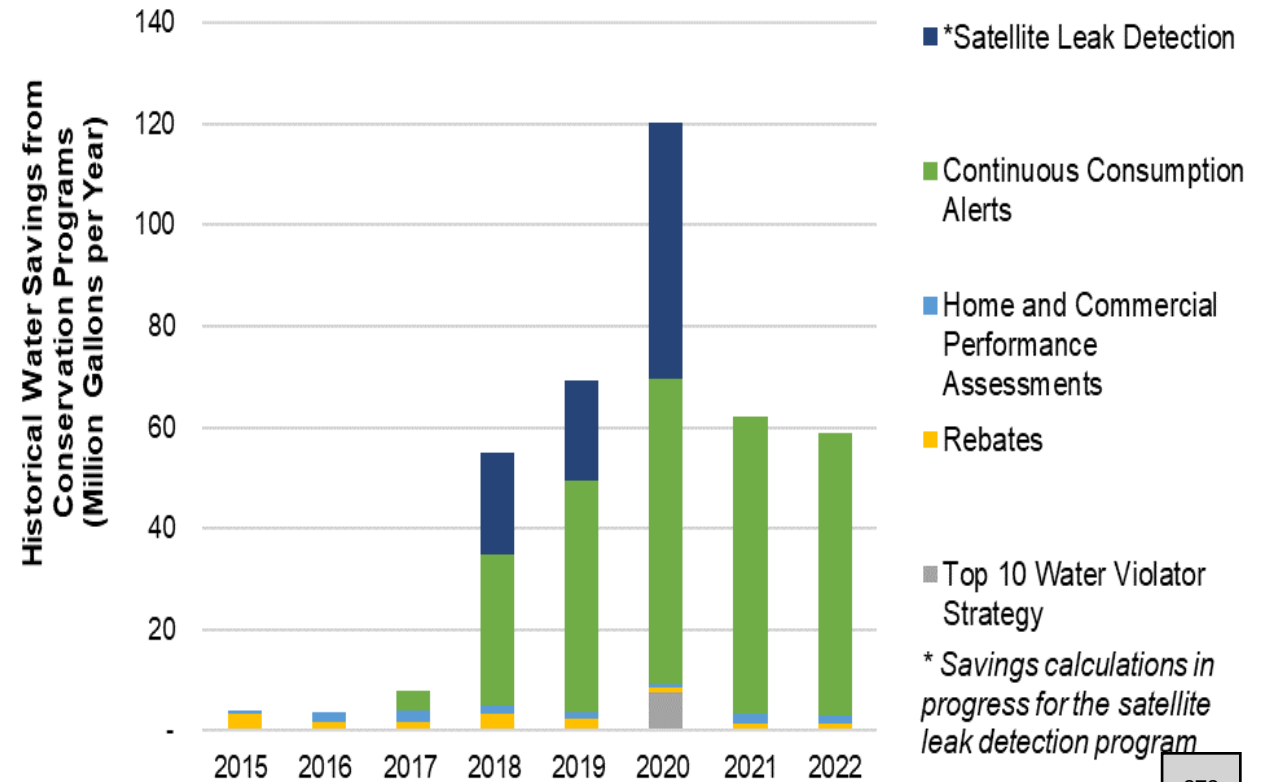


Irrigation: Single Biggest Water Use

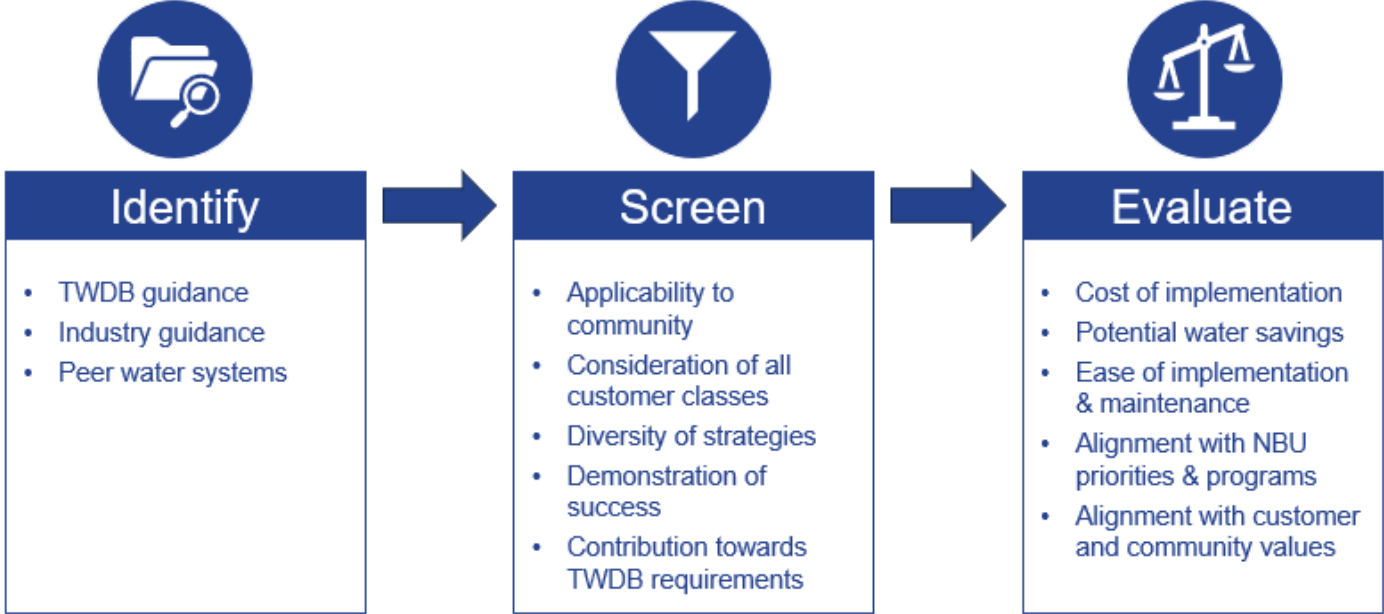


Existing Water Conservation Program

- 16 conservation strategies
- Dedicated customer-facing conservation team
- Crossdepartmental water loss team
- Existing ordinance and strong partnership with the City



WCP Development Process



2024 – 2029 Prioritization Goals

- Achieve long-term per capita demand reduction
- Balance incentive programs, ordinances, & education
- Balance NBU programs & community engagement
- Initiate new ordinances for new, commercial businesses while improving enforcement of the existing Drought Management Plan
- Focus on new strategies that NBU's CCS team can drive with support from other NBU departments
- Budget for larger investments within the next Capital Improvement Plan (2028 – 2033)

Conservation Plan Strategies

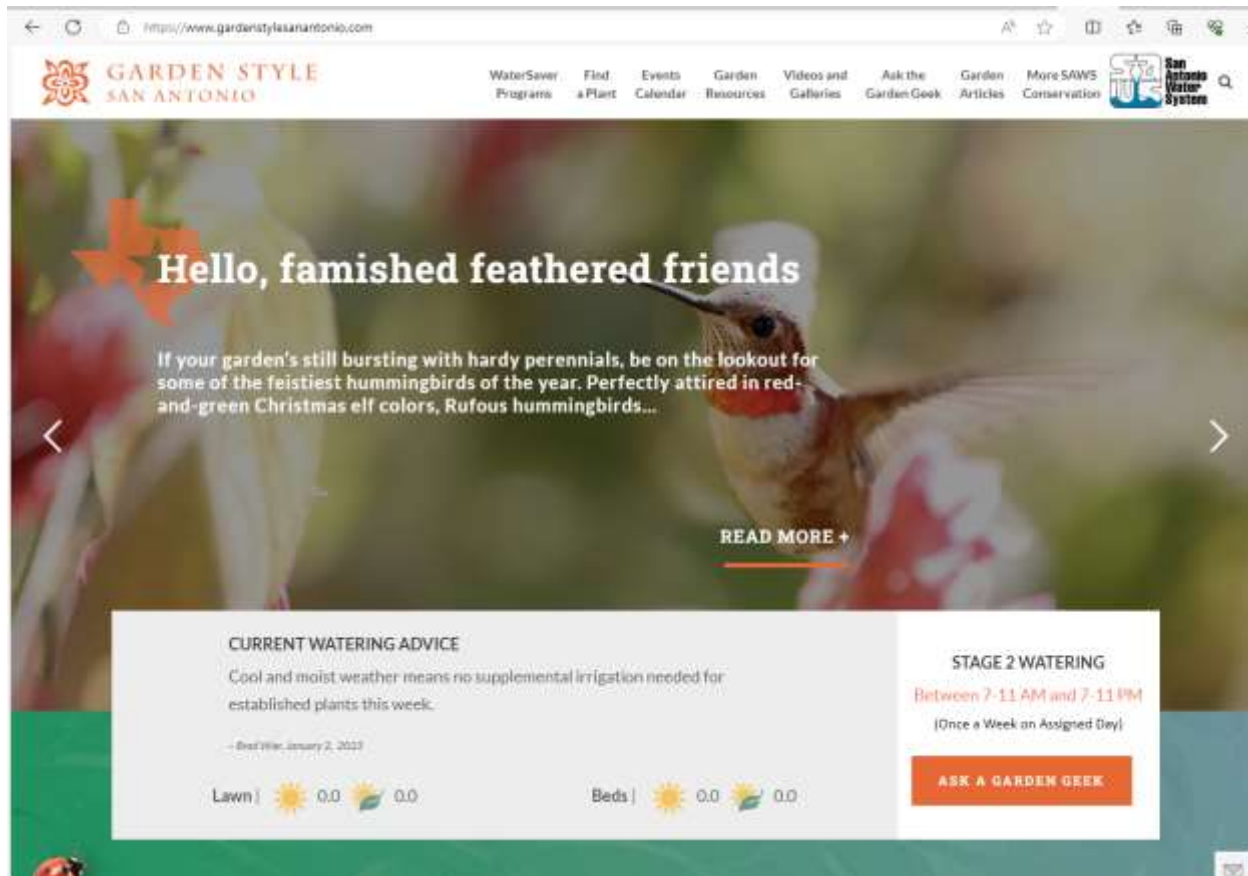
New Conservation Strategies	Expanded Conservation Strategies
<ul style="list-style-type: none">• Conservation Data Analytics and Visualization• Irrigation System Inspection Program• New Development Ordinance Revisions• Water Conservation Education and Outreach Plan• Engage Local Officials and Community Stakeholders• Establish Water Conservation Partnerships with Local Trade Organizations	<ul style="list-style-type: none">• Advanced Metering Infrastructure• Increased Investment in Asset Management• Drought Management Plan and Enforcement• Home and Commercial Irrigation Assessments with Rebates• Water-Wise Landscape Rebates

Landscape Transformation Program

- Community-informed Drought Contingency Plan
- Expanded Irrigation System Inspection Program
- Refreshed and Improved Water-Wise Landscape Rebate Program
- New Development Landscape Ordinance Language
- Home & Commercial Irrigation Assessments with Rebates



Water Conservation Education & Outreach Plan



Expanded Stakeholder Engagement

- **Engage Local Officials & Community Stakeholders**
 - Gather input from customers and industry professionals in program design phase
 - CAP feedback on new ordinance & outreach and education materials developed
 - Engage with local officials and provide guidance on ways local officials can support conservation
- **Establish Water Conservation Partnerships with Local Trade Organizations**
 - New partnerships with local trade organizations(e.g., landscapers and plumbers)
 - Provide hands-on support for implementing business changes to support conservation initiatives

Conservation Data Management

- **Conservation Data Analytics and Visualization Solution**
 - New billing system will provide tools to manage water demand and conservation
 - Real-time robust data analytics
- **Advanced Metering Infrastructure**
 - Investigate additional opportunities to leverage AMI for water conservation
 - Evaluate the feasibility of reaching 100% AMI throughout the system
 - Consider grant funding opportunities

NEW Account Portal

ALLOWS CUSTOMERS TO:

- View billing and usage history
- Access information for multiple accounts
- Pay by Debit/Credit Card or Electronic Check

ADDITIONAL FEATURES:

- Usage forecast
- Usage reduction: Users can track usage goals and progress for their usage reductions
- Weather/Temperature/Events Overlays
- Landlord view: Portal presents a view for a landlord to use
- Auto-link accounts
- Guest users
- Update contact information
- Enhanced notifications (bill reminder, past due notice, usage notifications)
- Search historical transactions
- E-Billing enrollment
- Mobile App Coming Soon

PUTS YOU IN CONTROL | EASY TO USE | MORE FEATURES

To sign up or learn more about the NBU Online Account Portal visit nbutexas.com/online-portal

NBU NEW BRAUNFELS
UTILITIES

Non-Revenue Water Program

- **Increase Investment in Asset Management**
- **In Process:** Currently developing an Aging Infrastructure Plan, which will inform budgets for the FY 2029 – 2033 Capital Improvement Plan
- **Planned:** \$48 million budget separated in infrastructure repair & rehabilitation over the next 5 years



Measuring success

Water Conservation Program	Metrics	
Overall Program Management	<ul style="list-style-type: none"> Tracking of total per capita demand Tracking of residential per capita demand Tracking of average use per account per customer type 	
Non-Revenue Water Program	<ul style="list-style-type: none"> Tracking of number of leaks detected Tracking of estimated water savings Tracking of unit annual water losses 	<ul style="list-style-type: none"> Number of breaks per mile of pipe Infrastructure Leakage Index
Landscape Water Transformation Program	<ul style="list-style-type: none"> Decrease in average irrigation water use per customer (customers with irrigation meters) Number of water-wise landscape rebates approved per year Number of irrigation assessment rebates approved per year Area of turf removed (sf) 	<ul style="list-style-type: none"> Enforcement program for updated DCP Percent of identified violators receiving a warning Approval of the New Development Ordinance revisions
Indoor Water Use	<ul style="list-style-type: none"> Number of indoor rebates approved per year Tracking of estimated water savings 	

Next Steps

- Final Plan will come to the Board for consideration at a future meeting
- Plan will be presented to City Council for consideration
- Staff will implement new and expanded strategies across the five-year period



Questions?