



**NOTICE OF OPEN MEETING**  
**JUNE BOARD OF TRUSTEES**  
NBU Board Room, 263 Main Plaza, New Braunfels, Texas 78130  
June 25, 2026 at 1:00 PM  
[www.nbutexas.com](http://www.nbutexas.com)

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**AGENDA**

**CALL TO ORDER**

**PLEDGE OF ALLEGIANCE AND INVOCATION**

Board Vice President Judith Dykes-Hoffmann

**RECOGNITIONS**

1. Recognition of Mayor Neal Linnartz
2. Resolution Recognizing Charles Schoening for his Years of Service with Arcadis

**PUBLIC COMMENT**

**ITEMS FROM THE CHAIR**

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

**ITEMS FROM STAFF**

1. CEO's Update
  - a. NBU Staff attends 3rd Annual Texas Public Power Corridor (TxPPC) Technology Symposium
  - b. NBU Water Operations Team Completes Fire Hydrant Bonnet Painting Project
  - c. NBU Community Engagement Team Volunteers at Local Community Events and Participates in Community Career Fairs, Leaders Camps, Mock Interviews, Job Fairs, and Expositions at Local School District Campuses
  - d. Headwaters at the Comal Hosts a Two-Week Summer Camp for Elementary Students
  - e. NBU Employees Andrew Cummings and Jason Theurer Selected to Attend University of Idaho Energy Executive Course
  - f. NBU Earns a First Place TAMI Award from the Texas Association of Municipal Information Officers (TAMIO) for the “News Flush” Internal Signage Campaign
  - g. Any Other Items Permitted Under Section 551.0415 of the Texas Government Code
2. [Financial Update and Report](#)

3. Monthly NBU Backup Operations Center and Headquarters Progress Update

**CONSENT ITEMS FOR ACTION**

1. Approve Minutes of the NBU Regular Board Meeting of May 26, 2026
2. Approve Minutes of the NBU Board Workshop of June 11, 2026
3. Approve the Change Order Log from April 15, 2026, through May 15, 2026
4. Approve the Electric Line of Business Alternative Procurements from April 15, 2026, through May 15, 2026
5. Approve the Reports for Water and Electric Engineering Contracts from August 1, 2025, through May 15, 2026
6. Authorize the CEO or His Designee to Negotiate and Execute a Professional Services Agreement with Arcadis, U.S., Inc. for Water Resource Planning for Fiscal Years 2027 and 2028
7. Authorize the CEO or His Designee to Negotiate and Execute a Construction Contract with Associated Construction Partners, Ltd for the Construction of the Well 6 Improvements Project
8. Authorize the CEO or His Designee to Negotiate and Execute a Construction Contract with Argo Utilities, LLC, for the Construction of the Emergency Preparedness Plan Generators, Phase 2 Project, as Required by Senate Bill 3, Acts 2021, 87th Texas Legislature, Regular Session
9. Authorize the CEO or His Designee to Negotiate and Execute a Construction Contract Between NBU and the City of New Braunfels, Jointly, and Pesado Construction Company, Inc. for the Coll Street Drainage and Reconstruction Improvements Project
10. Authorize the CEO or His Designee to Negotiate and Execute a Second Amendment to the Amended and Restated Professional Services Agreement with Quiddity Engineering, LLC, d/b/a Jones and Carter, Inc., for the Design of the Sam C. McKenzie, Jr. Water Reclamation Facility Expansion Project
11. Authorize the CEO or His Designee to Negotiate and Execute a First Amendment to the Professional Services Agreement with Garver, LLC for the Design of the Gruene Lift Station Expansion Project
12. Authorize the CEO or His Designee to Negotiate and Execute a Letter of Agreement for Custom Work with AT&T for Conduit Bank Realignment Related to the South Kuehler Interceptor Phase 1 Project
13. Authorize the CEO or His Designee to Negotiate and Execute a Third Amended and Restated Utility Construction Cost Sharing Agreement Among New Braunfels Utilities, Southstar at Mayfair, LLC, MNB Real Estate Investments, LLC, Southstar at Mayfair Developer, LLC, and Beaverhead NB, LLC Related to the Mayfair Development

- [14.](#) Authorize the CEO or His Designee to Negotiate and Execute an Interlocal Agreement Between New Braunfels Utilities and Comal County Water Improvement District No. 3 Master District for Wastewater Billing Services
- [15.](#) Authorize the CEO or His Designee to Negotiate and Execute a Transmission Operating Agreement between New Braunfels Utilities and Lower Colorado River Authority Transmission Services Corporation for Transmission Operator Services
- [16.](#) Authorize the CEO or His Designee to Negotiate and Execute a Professional Services Agreement with National Electrical Services, Inc., d/b/a IPS PowerServe, for Substation Acceptance and Relay Testing Services
- [17.](#) Authorize the CEO or His Designee to Negotiate and Execute a Professional Services Agreement with LND Technical Services, LLC for Substation Acceptance and Relay Testing Services
- [18.](#) Authorize the CEO or His Designee to Negotiate and Execute a Professional Services Agreement with RMS Energy Co., LLC for Substation Acceptance and Relay Testing Services
- [19.](#) Authorize the CEO or His Designee to Negotiate and Execute a Sourcewell Cooperative Agreement, Sourcewell Contract No. 030122-MAG, with Merchants Automotive Group, LLC, d/b/a Merchants Fleet, for Fuel Card Services
- [20.](#) Authorize the CEO or His Designee to Negotiate and Execute a Master Software Subscription and Licensing Agreement with Sentient Energy, Inc. for Ample Grid Analytics System Hosting, Support, and Line Sensors
- [21.](#) Authorize the CEO or His Designee to Negotiate and Execute a Naming Rights and License Agreement among H-E-B LP, Headwaters at the Comal (“Headwaters”), and NBU to Recognize a Charitable Gift to Headwaters with Signage at the Picnic Commons at the Headwaters Site, 333 E. Klingemann Street
- [22.](#) Authorize the CEO or His Designee to Negotiate and Execute a Grant Agreement for Fiscal Year 2027 between New Braunfels Utilities and Headwaters at the Comal
- [23.](#) Authorize the CEO or His Designee to Negotiate and Execute a First Interlocal Agreement Extension Among New Braunfels Utilities, City of New Braunfels, and Guadalupe-Blanco River Authority for the One Water Program
- [24.](#) Revoke the Power Stabilization Fund Policy with an Effective Date of May 31, 2024
- [25.](#) Approve Proposed Changes to the New Braunfels Utilities Financial Policy, Including the Addition of the Power Stabilization Fund
- [26.](#) Adopt Resolution R-2026-219 Approving Revisions to the New Braunfels Utilities Investment Policy and Other Matters in Connection Therewith

## **ACTION ITEMS**

1. Discuss and Consider Authorizing the CEO or His Designee to Execute a First Amended and Restated Professional Services Agreement with the San Antonio Food Bank d/b/a New Braunfels Food Bank for the Utility Bill Assistance Program
2. Discuss and Consider Approval of the Proposed Fiscal Year 2027 Strategic Indicators
3. Discuss and Consider Approval of the Proposed Fiscal Year 2027 Budget
4. Discuss and Consider Approval of the Proposed Fiscal Year 2028 Through Fiscal Year 2038 Strategic Plan Framework, Goals, Focus Areas, and Timelines

## **PRESENTATION ITEMS**

1. Presentation and Update on May 2026 Storm Event, Resulting Electric Outages, and Sanitary Sewer Overflow

## **EXECUTIVE SESSION**

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

1. Power Supply Resources – Competitive Matters  
(Section 551.086 – Texas Government Code)
  - a. Discuss and Consider International Swaps and Derivatives Association, Inc. (ISDA) Resolution Allowing NBU to Enter into a Master Agreement Related to Power Supply Transactions
  - b. Discuss the 2026 Request for Proposals for ERCOT Energy from Physical Resources
2. Consultation with Attorney Regarding Pending or Contemplated Litigation, Settlement Offers, and/or Other Matters Protected by Attorney-Client Privilege (Section 551.071 – Texas Government Code) pertaining to the following:
  - a. Discuss *MMF NBTX LAND, LLC v. City of New Braunfels, New Braunfels Utilities, and Ryan Kelso, in his official capacity as Chief Executive Officer of New Braunfels Utilities*, Cause No. C2025-1252D (433rd District Court, Comal County, Texas)
  - b. Discuss *New Braunfels Utilities v. TRC Engineers, Inc.*, Cause No. C2024-1980D (433rd District Court, Comal County, Texas)
3. Consultation with Attorney Regarding Pending or Contemplated Litigation, Settlement Offers, and/or Matters Protected by Attorney-Client Privilege (Section 551.071 – Texas Government Code); Real Property (Section 551.072 – Texas Government Code)

Discuss Legal Matters Relating to Potential Eminent Domain Action to Secure the Following Easement for the IH 35 Interceptor Upgrade Rio Bar Screen Project:

- a. a 0.7402-Acre Permanent Utility Easement Out of the A.M. Esnaurizar Survey, Abstract 98, Comal County, Texas, Being All of Lot 8, Block 4, Resubdivision of Villa Rio, According to the Plat of Record in Volume 129, Page 312, of the Deed Records of Comal County, Texas, Located at 470 Rio Drive, New Braunfels, Texas 78130, and Assigned Comal Appraisal District Property ID 67480

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

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

**ADJOURN**

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

**CERTIFICATE OF POSTING**

I, Ryan Kelso, Secretary to the Board of Trustees, do hereby certify that this Notice of Meeting was posted on a bulletin board at a place convenient to the public at the City of New Braunfels City Hall, 550 Landa Street, New Braunfels, Texas; the New Braunfels Utilities Main Office, 263 Main Plaza, New Braunfels, Texas; and the New Braunfels Utilities Customer Solutions Center, 1488 South Seguin Avenue, New Braunfels, Texas, on the **18th day of June 2026**, and remained posted continuously for at least three business days before the scheduled date of the meeting..

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



## FINANCIAL IMPACT

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### Electric

The Electric Line of Business reported total operating revenues of \$15,627,000, a \$1,304,000 decrease from the May budgeted amount of \$16,931,000. The net rate realized per kWh was \$0.1033, which was 6% less than the budgeted rate of \$0.1096 for the month of May. May kWh sales were 146.6 million kWh, a 3.5 million kWh decrease, or 2%, in comparison to the budgeted amount of 150.1 million kWh.

Purchased power costs totaled \$8,299,000, which was \$4,579,000 less than the budgeted amount of \$12,878,000. Electric gross margin, which is total operating revenues minus purchased power, resulted in the amount of \$7,328,000 for the month of May and \$72,122,000 YTD. These amounts were \$3,275,000 greater than and \$19,455,000 greater than the budgeted amount of \$4,053,000 Month-to-Date (“MTD”) and \$52,667,000 YTD, respectively. Other operating expenses were less than budget by \$16,000. These items resulted in the Electric Line of Business reporting net operating income of \$3,944,000, which was \$3,291,000 greater than the budgeted amount of \$653,000. Net non-operating items provided a favorable variance from budget of \$509,000. Services income was greater than budget by \$854,000. The Electric Line of Business reported in May 2026 CNPAC of \$4,392,000 and YTD CNPAC of \$43,253,000. These amounts were \$4,654,000 greater than and \$33,286,000 greater than their respective May 2026 MTD and May 2026 YTD budget amounts.

### Water

The Water Line of Business reported total operating revenues of \$3,864,000, a \$125,000 decrease, or 3%, from the May budgeted amount of \$3,989,000. In May, water gallons sold of 324,625,000 were less than the budgeted amount of 349,830,000 (a 25,205,000-gallon variance from budget, or 7%). NBU’s net realized price per 1,000 gallons sold in May was \$11.65, which was greater than the budgeted amount of \$11.18. Operating expenses for May were \$5,170,000, which was \$392,000 greater than the budgeted amount of \$4,778,000. The net effect of lesser revenues and higher operating expenses than budgeted resulted in Water’s net operating income of (\$1,306,000), which was less than budget. Net non-operating items provided a favorable variance of \$599,000 from budget. Impact fees of \$1,788,000 were greater than budget by \$329,000, and services income of \$120,000 was greater than budget by \$23,000. The Water Line of Business reported in May 2026 CNPAC of \$224,000 and YTD CNPAC of \$6,665,000. These amounts were \$434,000 greater than and \$6,760,000 greater than their respective May 2026 MTD and May 2026 YTD budget amounts.

### Wastewater

The Wastewater Line of Business reported total operating revenues of \$3,726,000, a \$4,000 increase from the May budgeted amount of \$3,722,000. Total operating expenses of \$3,486,000 were \$106,000 greater than the budgeted amount of \$3,380,000. As a result, the Wastewater Line of Business reported net operating income of \$240,000, which was \$102,000 less than the budgeted amount of \$342,000. Net non-operating items provided an unfavorable variance of \$451,000 from budget. Impact fees were greater than budget by \$76,000. The Wastewater Line of Business reported May 2026 CNPAC of (\$582,000) and YTD CNPAC of \$6,229,000. These amounts were \$477,000 less than and \$7,371,000 greater than their respective May 2026 MTD and May 2026 YTD budget amounts.

**LINK TO STRATEGIC PLAN**

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**Financial Excellence**

**EXHIBITS**

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

# Financial Update



- **May 2026 Financials**

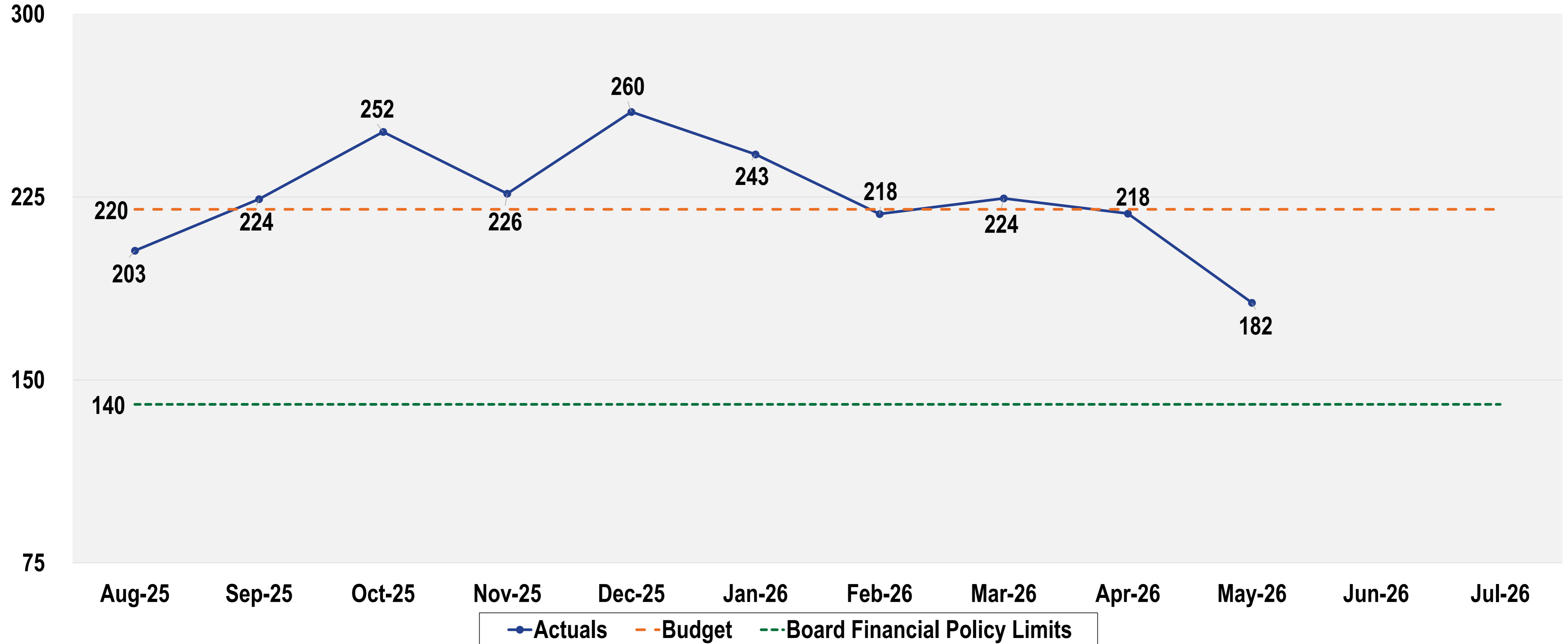
- Kimberly DaCosta, Accounting Manager

# Board Financial Policy Compliance - May 2026 YTD

	FY 2026 Budget	Financial Policy	FY 2026 Actual*
<b>Debt to Capitalization (lower is better)</b>	48.9%	≤55.0%	<b>48.2%</b>
<b>Debt Service Coverage (higher is better)</b>	2.75	≥2.40	<b>4.33</b>
<b>Days Cash on Hand (higher is better)</b>	220	≥140	<b>182</b>
<b>Days Liquidity on Hand (higher is better)</b>	N/A	N/A	<b>312</b>

\* Amounts are calculated by annualizing the YTD results

# Days Cash on Hand - May 2026 YTD



## Mission

Strengthening our community by providing resilient essential services



## Vision

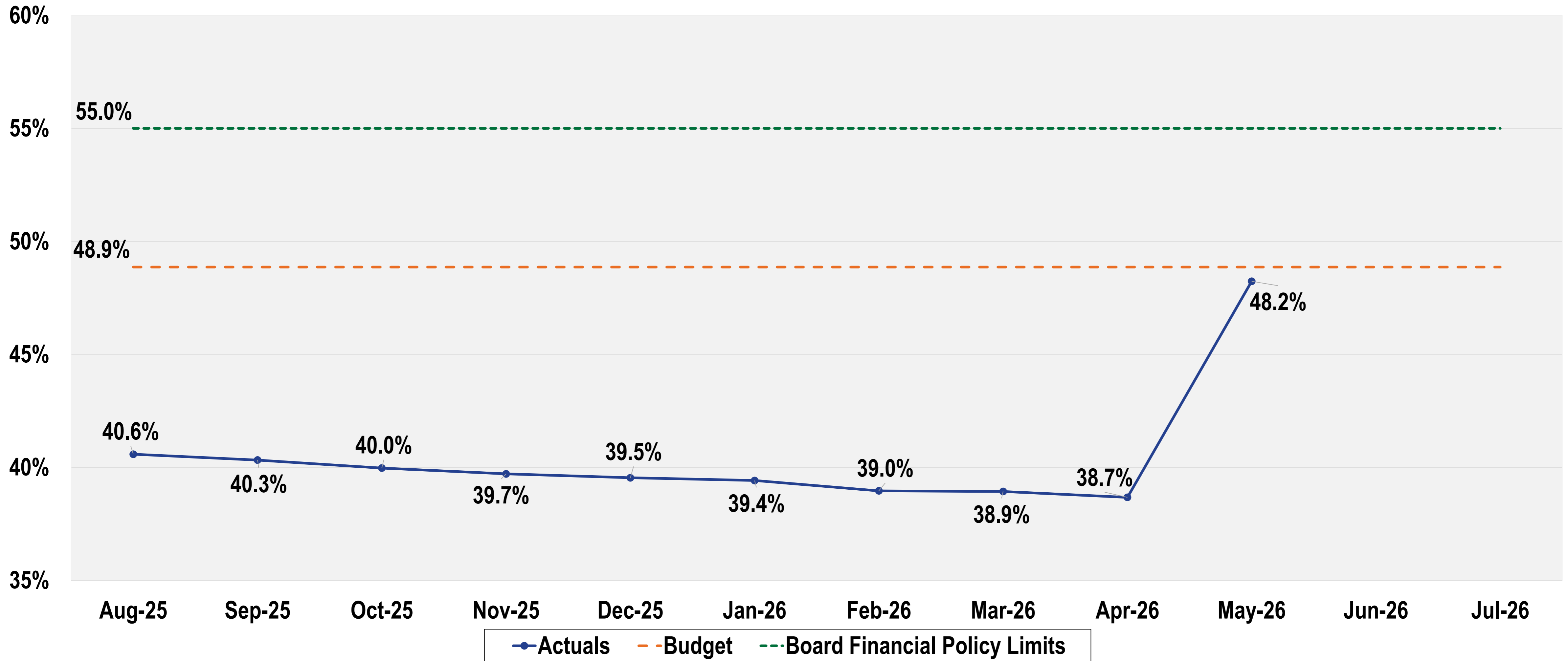
Be a trusted community partner dedicated to excellence in service



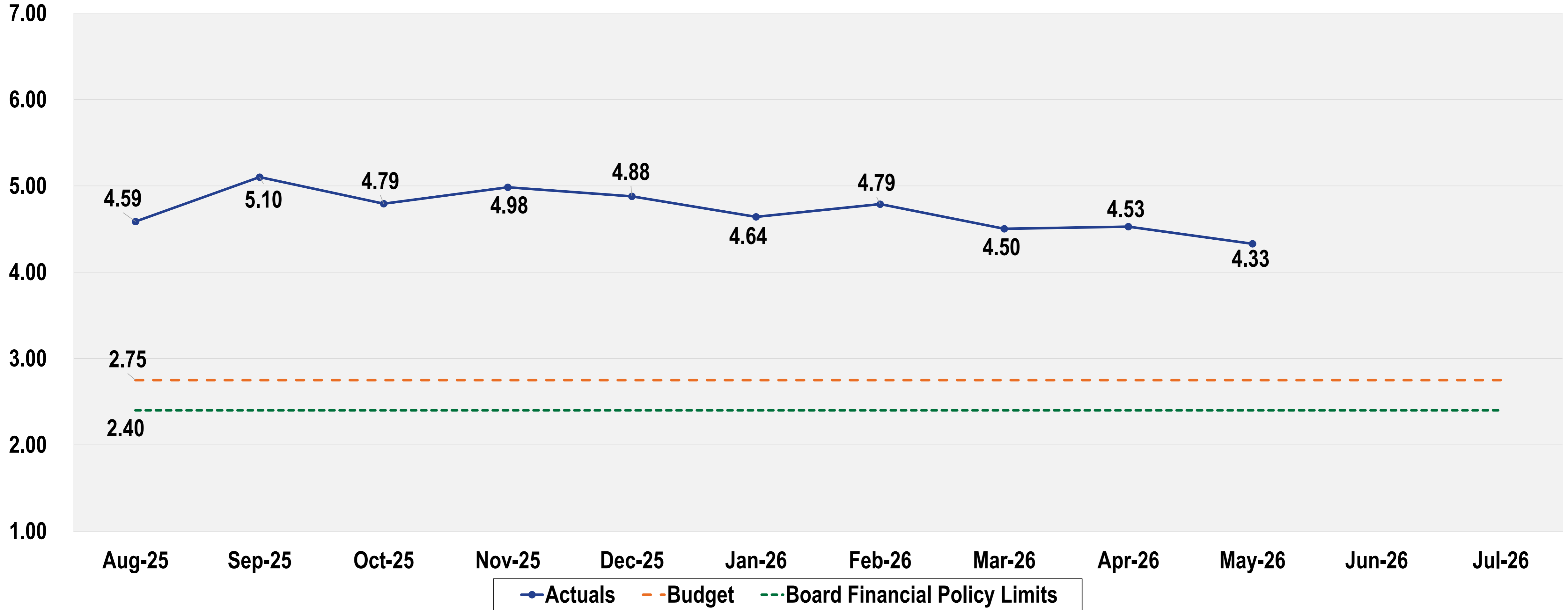
## Core Values

Safety, Team, Integrity, Culture, and Stewardship

# Debt to Capitalization - May 2026 YTD



# Debt Service Coverage - May 2026 YTD



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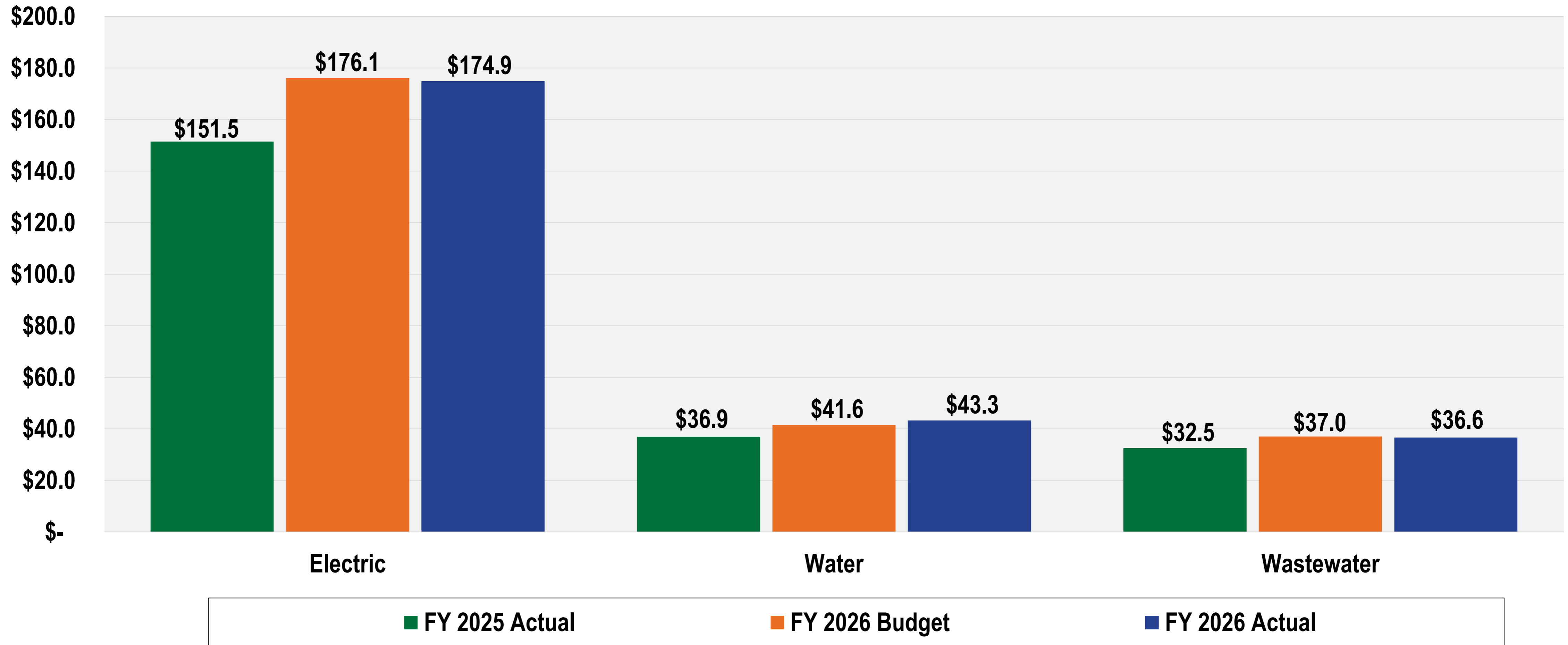


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# Operating Revenue by LOB

## May 2026 YTD – Amounts in Millions



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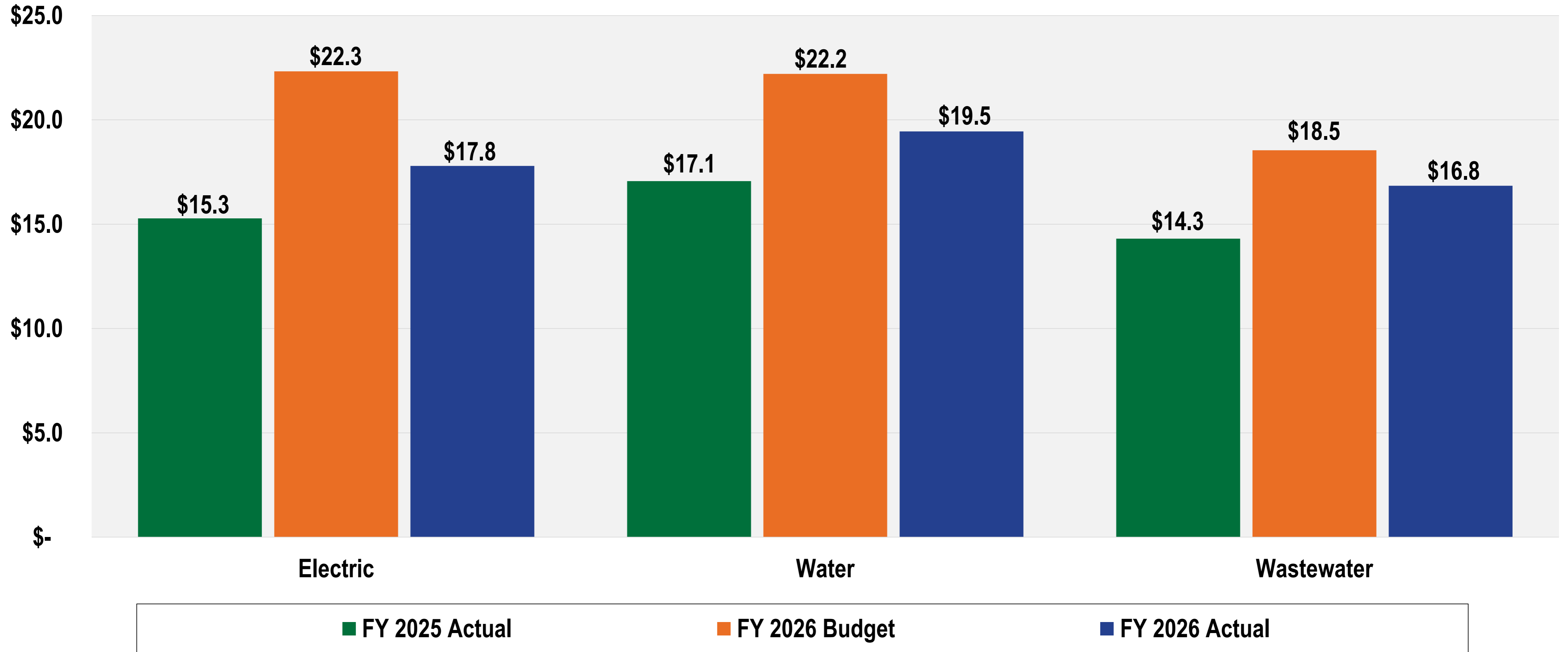


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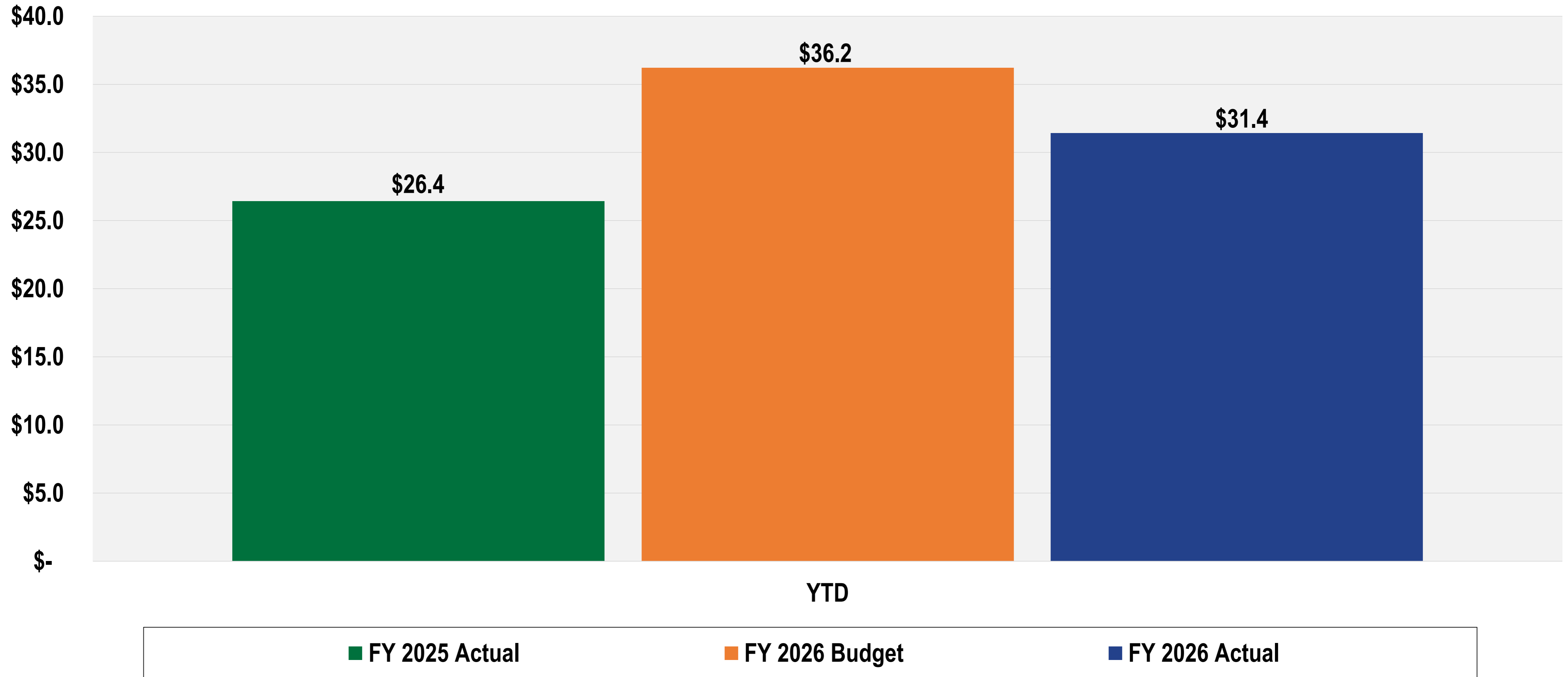
# Operating Expenses\* by LOB

## May 2026 YTD – Amounts in Millions



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

# Operating Expenses for Support Services May 2026 – Amounts in Millions



\* Prior to allocation to each line of business.

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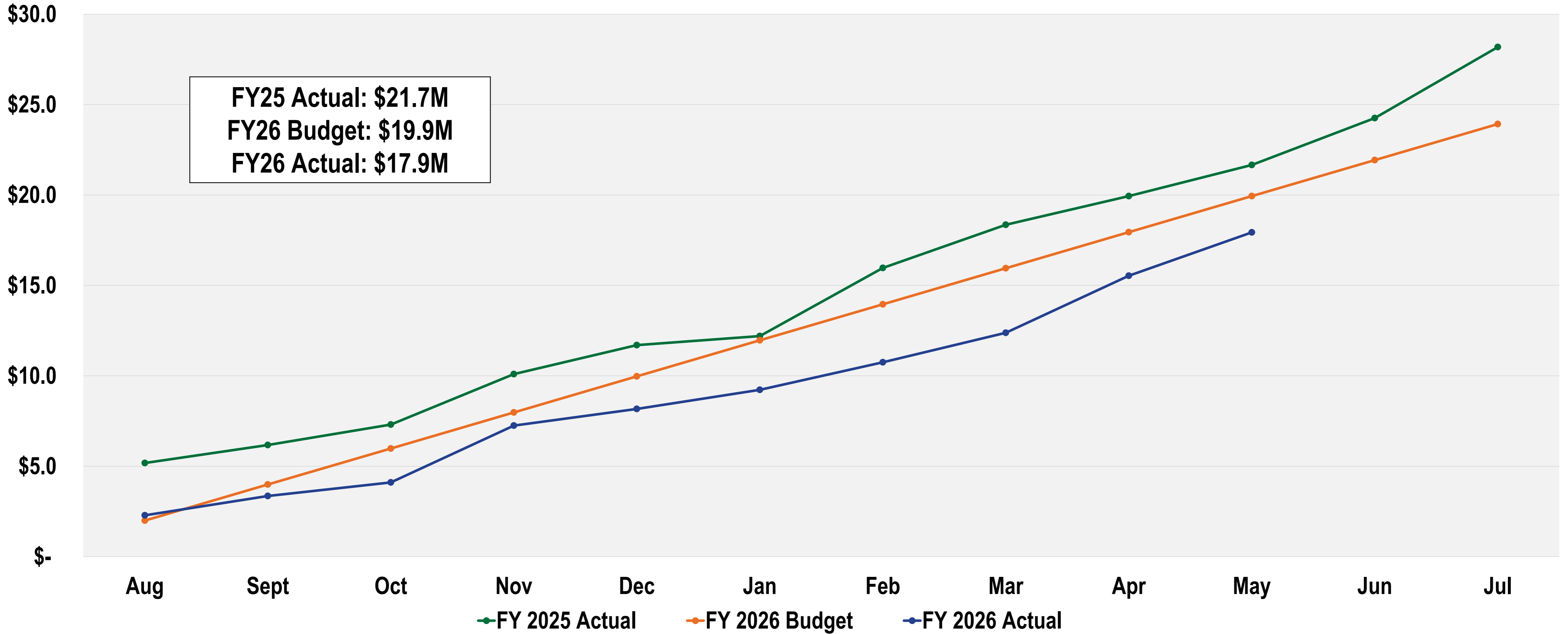


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# Impact Fee Revenue

## May 2026 YTD – Amounts in Millions\*



FY25 Actual: \$21.7M  
 FY26 Budget: \$19.9M  
 FY26 Actual: \$17.9M

\* Amounts shown are YTD for each month

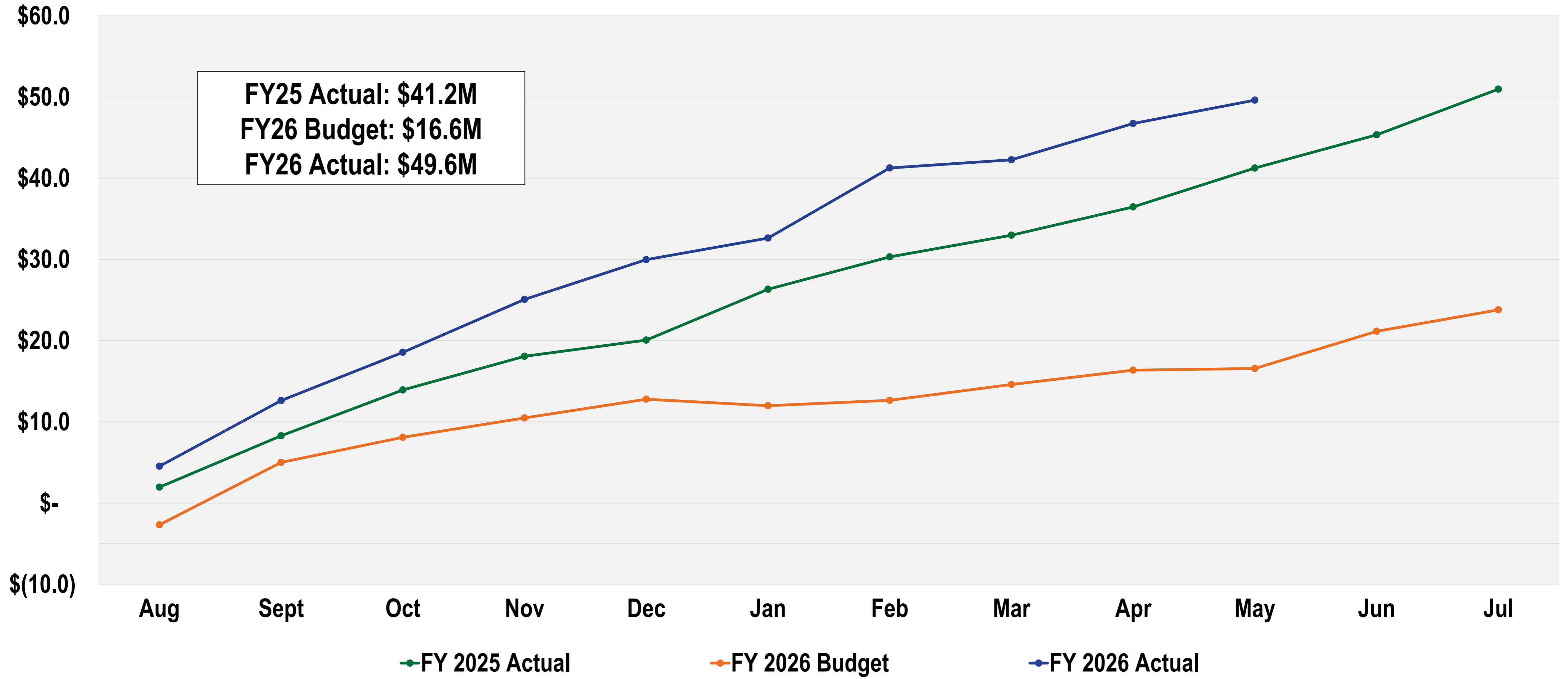
# Power Supply Reserves Update

As of FY26 Budget	Power Stabilization Fund FY26	Power Stabilization Fund Full, FY28
Target	\$65M	\$95M
As of May 31, 2026	\$54M	\$54M

\*\$9.5M withdrew from PSF fund to match collateral level at ERCOT LOC with ERCOT approved and City Council on June 8

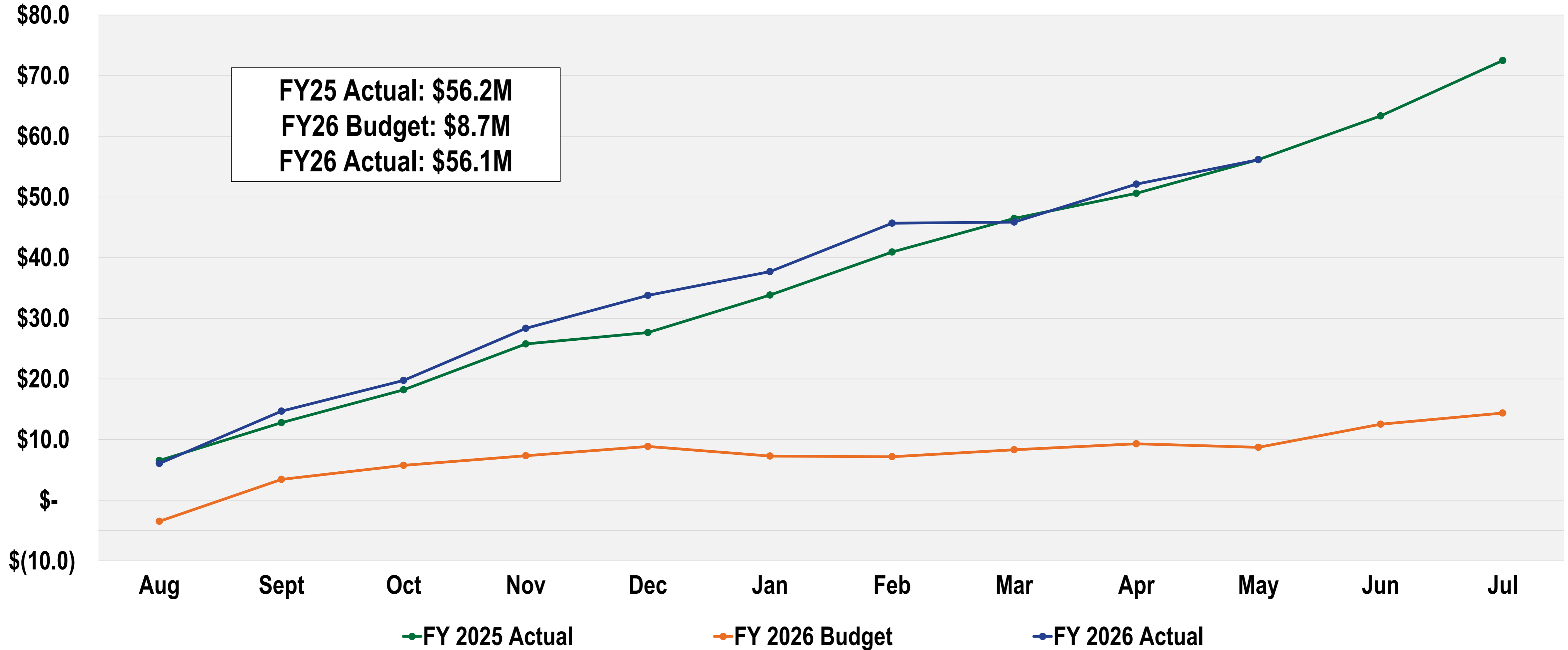
# Net Operating Income

## May 2026– Amounts in Millions\*



\* Amounts shown are YTD for each month

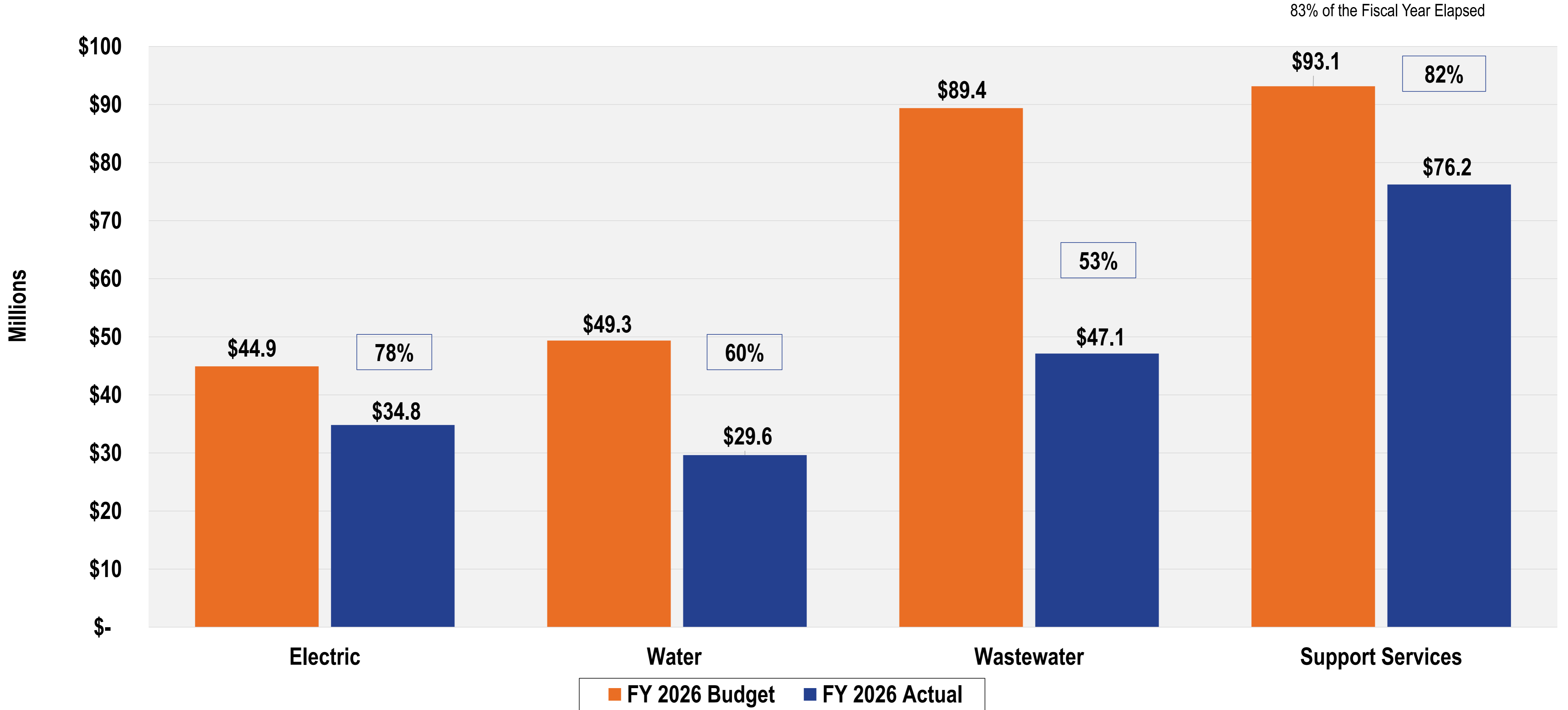
# Change in Net Position After Contributions May 2026– Amounts in Millions\*



FY25 Actual: \$56.2M  
 FY26 Budget: \$8.7M  
 FY26 Actual: \$56.1M

\* Amounts shown are YTD for each month

# Capital Project Expenditures May 2026 YTD – Amounts in Millions\*





# Questions?

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**Meeting Date:** June 25, 2026      **Agenda Type:** Items from Staff

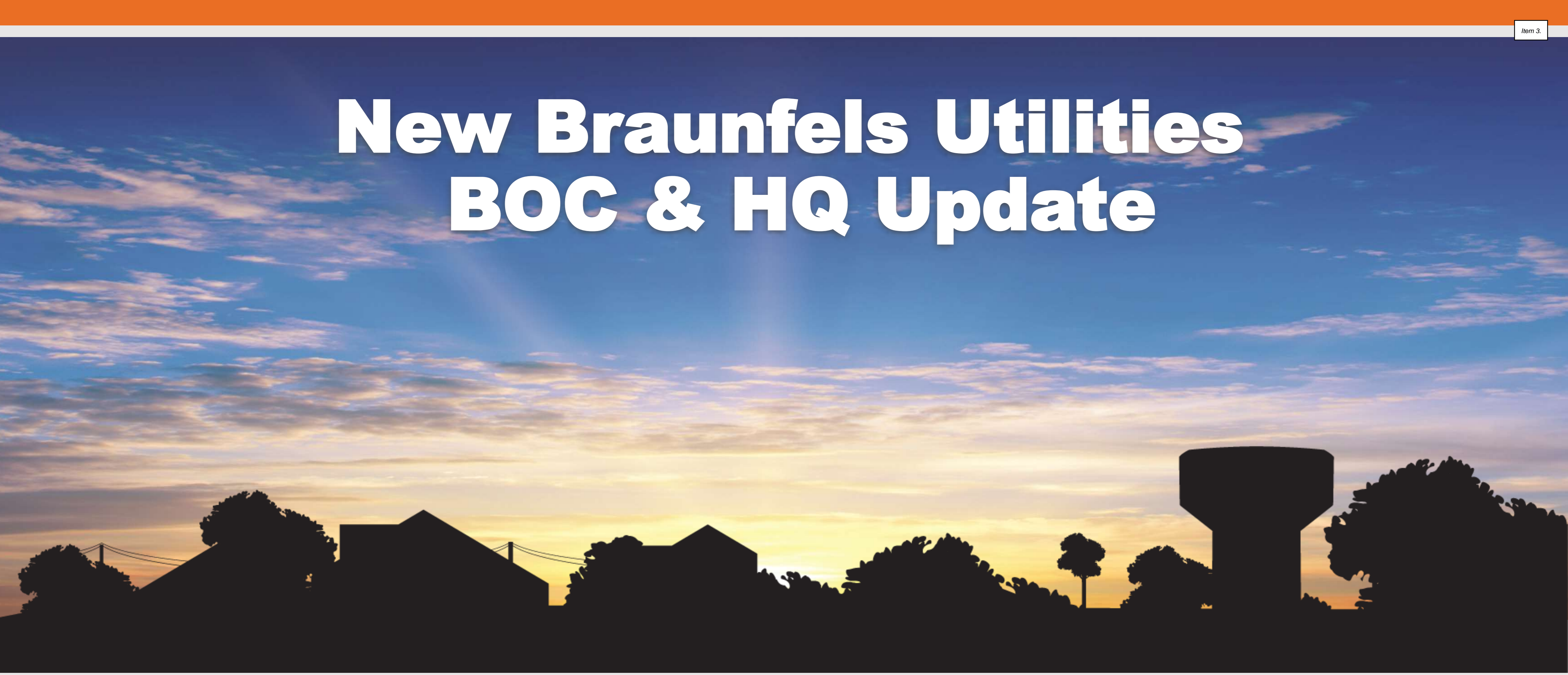
**From:** Jacob Tschoepe      **Reviewed by:** Darrin Jensen  
Program Portfolio Manager      Director of Enterprise Project  
Management Office

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

**RECOMMENDED ACTION:** Monthly NBU Backup Operations Center and Headquarters Progress Update



# New Braunfels Utilities BOC & HQ Update



June 25, 2026

# NBU BOC Recap and Recent Milestones

## Work To Date

- Construction Started in November of 2025
- Slab Poured February of 2026
- Building Envelope Completed March 2026

## June

- Sewer Line Tie In
- Installation of the AHU
- Complete CMU at the AHU
- Wall Inspection and Two Siding Sheetrock



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Feb 4, 2026 at 10:16:07 AM  
1334 Tulip Ln  
New Braunfels TX 78130  
United States



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Feb 16, 2026 at 9:42:28 AM  
1340 Summerwood Dr  
New Braunfels TX 78130  
United States



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# NBU HQ Recent Milestones

## May

- Electrical Primary Cabling Pulled
- Windows and Roofing Area A
- Sheetrock in Area A
- Continued Work on Site Paving

## June

- EFIS Starting on Building Envelope
- IH35 Turn Lane Improvements Mobilization
- Ceramic Tile Finishes Starting in Area C
- Structural Wall at Employee Parking
- Roll Up Doors Starting Installation



# Legend Key

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



**Core Values**

Safety, Team, Integrity, Culture, and Stewardship



**Mission**

Strengthening our community by providing resilient essential services

+

**Vision**

Be a trusted community partner dedicated to excellence in service

+

**Core Values**

Safety, Team, Integrity, Culture, and Stewardship

# Questions?

## Mission

Strengthening our community by providing resilient essential services

+

## Vision

Be a trusted community partner dedicated to excellence in service

+

## Core Values

Safety, Team, Integrity, Culture, and Stewardship



**Meeting Date:** June 25, 2026      **Agenda Type:** Consent Items for Action

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

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

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

**BACKGROUND**

None

**FINANCIAL IMPACT**

None

**LINK TO STRATEGIC PLAN**

**Customers and Community**

**EXHIBITS**

- 1. May 26, 2026 Regular Board Meeting Minutes

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

**1:00 P.M.  
Thursday, May 26, 2026  
NBU Board Room  
263 MAIN PLAZA, NEW BRAUNFELS, TEXAS 78130**

Board President Wayne Peters opened the meeting at 1:01 pm. A quorum of the NBU Board was present.

**PRESENT**

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

**ABSENT**

None

**NBU PERSONNEL**

Ryan Kelso, Ragan Dickens, Greg Brown, Connie Lock, Rocio G. Hilliard, Mark Steelman, David Hubbard, Amanda Collins, Rebekah Llamas

Adriana Sanchez, Andrew Cummings, Carlos Salas, Darrin Jensen, Joe Vargas, John Warren, Justin Green, Mike Short, Rachel Leier, Reagan Pena, Adam Willard, Anna Melton, Beth Perez, Brandon Thomas, Brent Lundmark, Bruce Haby, Coby Henk, Daniel Mendez, David Guerrero, Jr., Doug Clifton, Gregory Thomas, Jacob Tschoepe, Jason Rammel, Jeffrey Morriss, Jenna Mathis, Jesse Luna, Jessica Coleman, Jessica Green, Justin Stroup, Kenneth Allen, Kimberly DaCosta, Kristi Villasana, Mike Penshorn, Missy Quent, Pamela Tarbox, Peter Vanderstoep

**NBU CONSULTANTS**

Michael Vigeant, GreatBlue Research

**CALL TO ORDER**

**PLEDGE OF ALLEGIANCE AND INVOCATION**

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

**NBU EMPLOYEE RECOGNITIONS**

- 1. Recognizing NBU Employee Alex Alvarado for 25 Years of Service**  
CEO Ryan Kelso recognized Alex Alvarado for 25 years of dedicated service to NBU.
- 2. Recognizing NBU Employee Darla Roessing for 20 Years of Service and Retirement**  
CEO Ryan Kelso recognized Darla Roessing, who retired with 20 years of dedicated service to NBU.
- 3. Retirement Recognition of Susan Williams**  
CEO Ryan Kelso recognized Susan Williams, who retired with 13 years of dedicated service to NBU.

## PUBLIC COMMENT

Al Kaufman, resident, addressed the Board on retirees Darla Roessing and Susan Williams and their impact on NBU during their tenure.

## ITEMS FROM THE CHAIR

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

Board President Wayne Peters wanted to again congratulate the employees who were recognized for their years of service and retirement. Board Vice President Judith Dykes-Hoffmann thanked Al Kaufman for his comments on the two retirees recognized during the employee recognition.

## ITEMS FROM STAFF

### 1. CEO's Update

#### a. **Leadership Announcement of New Hires: Chief Customer Officer, Amanda Collins, and Chief Energy Supply Officer, Rebekah Llamas**

Amanda Collins has been named the new Chief Customer Officer. She brings 17 years of government experience to the role and will focus on enhancing the customer experience.

Rebekah Llamas has been named the Chief Energy Supply Officer to manage NBU's energy portfolio and long-term strategy.

#### b. **NBU Enterprise Communications Launches "Our Future Is Strong" Water Campaign**

NBU recently launched a water campaign called "Our Water Future Is Strong." The campaign focuses on building confidence in supply, followed by community-driven conservation behaviors to support long-term sustainability.

#### c. **NBU Enterprise Communications Presents "Restoring the Connection: A People-First Approach" at the Texas Public Power Association Customer Service and Communications Conference**

NBU staff presented at the Texas Public Power Association Customer Service and Communications Conference, sharing how strategic communications and social media are helping strengthen our connection with the community.

#### d. **NBU Celebrates National Records Month**

The Records Department celebrated National Records Month. Activities were intended to emphasize the importance of responsible records management processes and Public Information Act compliance.

#### e. **NBU Community Engagement Team Volunteers at Local Community Events and Participates in Community Career Fairs, Leaders Camps, Mock Interviews, Job Fairs, and Expositions at Local School District Campuses**

Team members participated in ISD career fairs, leadership camps, mock interviews, and job fairs, helping students explore the utility industry through hands-on demonstrations, bucket trucks, and water operations. Team members also volunteered at local events and community initiatives that support families across the community.

- f. NBU Conducts First Annual NBU Intramural Lineman's Rodeo**  
NBU hosted our first Annual Intramural Lineman Rodeo to select participants for the Texas Lineman's Rodeo Association event. Our top-performing journeyman team consisted of Austin Klaerner, Karson Penick, and Nate Wallsmith. The top apprentice honors were earned by Bradley Spencer.
- g. NBU Earns 2025 Certificate of Excellence in Reliability from the American Public Power Association**  
NBU has been awarded the 2025 Certificate of Excellence in Reliability from the American Public Power Association.
- h. NBU CEO Presents at the Texas Water Conference**  
CEO Ryan Kelso had the opportunity to speak on a panel at the Texas Water Conference in San Antonio, titled "Utility Executives on the Three Keys to Building Future Ready Organizations."
- i. NBU Water Operations Team Participates in Texas Water Meter Madness Competition**  
Israel Cisneros and Mariano Troncoso, coached by Elliott Girard, represented NBU at the 2026 Texas Water Meter Challenge.
- j. NBU Celebrates Public Service Week**  
NBU celebrated Public Service Week in May. NBU staff were recognized with special events and recognitions.
- k. NBU Staff Hosts One Water Workshop Demonstrations on NBU's Water Supply Portfolio**  
NBU staff hosted the first of a series of four One Water workshops, featuring a demonstration on NBU's water supply portfolio.
- l. NBU Celebrates FM 1044 Elevated Storage Tank Milestone**  
The NBU FM 1044 Elevated Storage Tank reach its full height on May 5<sup>th</sup>. This 2-million-gallon investment was designed to secure consistent water pressure and enhance fire protection.
- m. Texas Public Power Leadership Academy Graduation**  
The Texas Public Power Leadership Academy celebrated the graduation of its fourth cohort. We're proud to recognize seven NBU leaders—Don Duplon, Nick Hidalgo, Anna Melton, Erica Pillado, Jason Rammel, Skylar Smetzer, and Shanna Wiley. They joined with peers from LCRA, CPS Energy, Lubbock Power & Light, and College Station Utilities.
- n. NBU CEO Presents at Red Stiletto Republican Women's Group**  
CEO Ryan Kelso had the opportunity to present at the Red Stiletto Republican Women's Group meeting, where the focus was on water planning. Key highlights included conservation partnerships, customer programs, and NBU's commitment to long-term planning.

- o. **NBU Employee Ragan Dickens Graduates from Leadership New Braunfels**  
Chief Communications Officer, Ragan Dickens, graduated from Leadership New Braunfels, an eight-month program focused on developing informed, engaged community leaders.
- p. **Moody's Rating Reaffirms NBU's Aa1 Credit Rating**  
Moody's Ratings has officially reaffirmed NBU's Aa1 credit rating with a stable outlook, citing our robust liquidity and disciplined financial management.
- q. **NBU CEO Presents at City of New Braunfels River Advisory Committee Meeting**  
CEO Ryan Kelso had the opportunity to present at the City of New Braunfels River Advisory Committee meeting, focusing on water planning. Key highlights covered water stage restrictions, in addition to the relation to our long-term water supply portfolio, and spring conditions.
- r. Any Other Items Permitted Under Section 551.0415 of the Texas Government Code  
\*No additional items were discussed.

- 2. **Financial Update and Report, including an Update on the Impact Fee Program Effective February 1, 2023 (referred to as Program E)**  
Interim Director of Financial Services Kimberly DeCosta provided an update on the financial status of NBU.
- 3. **Quarterly Investment Report**  
Financial Planning and Analyst Manager Jessica Coleman provided an update on the Quarterly Investment Report.
- 4. **Quarterly Drought Update Report**  
Director of Customer Solutions Jesse Luna provided the quarterly drought update.
- 5. **Monthly NBU Headquarters Progress Update**  
Program Portfolio Manager Jacob Tschoepe provided an update on the progress of the NBU Headquarters project

## CONSENT ITEMS FOR ACTION

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

- 1. Approve Minutes of the NBU Regular Board Meeting of April 30, 2026
- 2. Approve the Change Order Log from March 15, 2026, through April 15, 2026
- 3. Approve the Electric Line of Business Alternative Procurements from March 15, 2026, through April 15, 2026
- 4. Approve the Reports for Water and Electric Engineering Contracts from August 1, 2025, through April 15, 2026

5. Authorize the CEO or His Designee to Negotiate and Execute a Construction Contract with MGC Contractors, Inc. for the Construction of the North and South Kuehler Wastewater Treatment Plant Rehabilitation Project
6. Authorize the CEO or His Designee to Negotiate and Execute a Fourth Amendment to the Professional Services Agreement with Arcadis, U.S., Inc. for the Surface Water Treatment Plant Expansion Project
7. Authorize the CEO or His Designee to Negotiate and Execute a Construction Contract with Lambda Construction I, LTD. for the Construction of the Kohlenberg Substation Project
8. Authorize the CEO Or His Designee to Execute a Professional Service Agreement with Burns and McDonnell Engineering Company, Inc. for Engineering, Design, and Construction Management Services for the Sheriff's Posse Substation and T340 Upgrade Project
9. Authorize the CEO or His Designee to Negotiate and Execute a Construction Contract with Lambda Construction I, LTD. for the Freiheit Breaker and Control House Addition Project
10. Authorize the CEO or His Designee to Negotiate and Execute a Professional Services Agreement with Aerotract, LLC for Pole Inspection Services
11. Authorize the CEO or His Designee to Negotiate and Execute a BuyBoard Cooperative Agreement, BuyBoard Contract No. 724-23, with Chastang Enterprises – Houston, LLC d/b/a Chastang Ford for the Purchase of One (1) 2025 Ford F-550 CCTV Truck
12. Authorize the CEO or His Designee to Negotiate and Execute a Professional Services Agreement with Elk Ridge Construction, LLC for Grounds Maintenance Services
13. Authorize the CEO or His Designee to Negotiate and Execute a Professional Services Agreement with Residuals Transport Corporation for Biosolids and Debris Disposal Services

## **ACTION ITEMS**

1. **Discuss and Consider Adoption of Resolution R-2026-215 Approving Revisions to the NBU Purchasing Policy and Other Matters in Connection Therewith**

Trustee Stuart Blythin made a motion, and Trustee Yvette Villanueva Barrera seconded the motion to approve the adoption of Resolution R-2026-215 approving revisions to the NBU Purchasing Policy and other matters in connection therewith. The vote was unanimous.

2. **Provide an Update on the Quarterly Strategic Plan – Third Quarter of Fiscal Year 2026 and Discuss and Consider Approval of Changes to Fiscal Year 2026 & 2027 Leading and Lagging Indicators**

Trustee Stuart Blythin made a motion, and Trustee Yvette Villanueva Barrera seconded the motion to approve the changes to the Fiscal Year 2027 Leading and Lagging Indicators, with the exception of the Customers and Community Speed to Answer Leading Indicator. The vote was unanimous.

**3. Discuss and Consider Adoption of Resolution R-2026-216 Relating to the Issuance of Short Term Obligations and Resolving Other Matters Incident and Related Thereto**

Board Vice President Judith Dykes-Hoffmann made a motion, and Trustee Yvette Villanueva Barrera seconded the motion to approve the adoption of Resolution R-2026-216 relating to the issuance of short term obligations and resolving other matters incident and related thereto. The vote was unanimous.

**PRESENTATION ITEMS**

**1. Presentation on the New Braunfels Utilities Customer Satisfaction Survey Results for Fiscal Year 2026 from Great Blue Research**

Andrew Cummings introduced Michael Vigeant from GreatBlue Research, who presented the results of the recent Residential and Commercial Customer Satisfaction Survey.

**EXECUTIVE SESSION**

Board President Wayne Peters recessed the Open Session at 2:45 pm and announced that the Board would go into an Executive Session meeting. The Board of Trustees may recess into Executive Session for any purpose permitted by the Texas Open Meetings Act, including but not limited to:

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

The Executive Session was opened at 2:50 pm and closed at 3:27 pm.

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

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

The Regular Session resumed at 3:28 p.m. Only the matters cited above, and no others, were discussed.

**ADJOURN**

There was no further business, and Board President Wayne Peters adjourned the meeting at 3:28 p.m.

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*Wayne Peters, President  
Approved*

***Attest:***

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

*Date Approved: June 25, 2026*



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**Meeting Date:** June 25, 2026      **Agenda Type:** Consent Items for Action

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

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

**RECOMMENDED ACTION:** Approve Minutes of the NBU Board Workshop of June 11, 2026

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**BACKGROUND**

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None

**FINANCIAL IMPACT**

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None

**LINK TO STRATEGIC PLAN**

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**Customers and Community**

**EXHIBITS**

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1. June 11, 2026 Board Workshop Minutes

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

**10:30 A.M.  
Thursday, June 11, 2026  
NBU Board Room  
263 MAIN PLAZA, NEW BRAUNFELS, TEXAS 78130**

Board President Wayne Peters opened the meeting at 10:30 a.m. A quorum of the NBU Board was present.

**PRESENT**

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

**ABSENT**

None

**NBU PERSONNEL**

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

**PLEDGE OF ALLEGIANCE AND INVOCATION**

Board Vice President Judith Dykes-Hoffmann led the Pledge of Allegiance and offered the invocation.

**PUBLIC COMMENT**

Jane Jimenez, citizen, addressed the board on an issue with a 3<sup>rd</sup> party laying fiber in her neighborhood, Mission Hill, which resulted in water line issues. She asked for assistance in identifying digging projects in the neighborhood to see how it impacts leaks.

**ITEMS FROM THE CHAIR**

**1. Update from the Budget Committee**

Board Vice President Judith Dykes Hoffmann reported that the NBU Budget Committee met on May 7, 2025. Present at the meeting were Wayne Peters, Dr. Judith Dykes-Hoffmann, Ryan Kelso, Jessica Williams, David Hubbard, Connie Lock, Mark Steelman, Amanda Collins, Rebekah Llamas, Ragan Dickens, Rocio G. Hilliard, Mike Short, Carlos Salas, Andrew Cummings, John Warren, Kimberly DaCosta, Darrin Jensen, Jessica Coleman, Jacob Tschoepe, George Pickens, Gregory Thomas, Robert Anderson, and Thomas Varver. Topics presented and discussed included: FY27 strategic direction, annual priorities, and key financial objectives; Financial outlook and budget assumptions for FY27, including revenue sufficiency, the five-year pro forma, and projected financial policy compliance; The FY27 combined system budget, including key operating cost drivers, purchased power, purchased water, personnel costs, depreciation, capital funding needs, and debt funding needed to support the plan; Line-of-business operating budgets for FY27 and capital plans for FY27–FY31, including Electric, Water, Wastewater, and Support major project highlights and system needs; Residential bill comparisons and the remaining steps in the budget approval process.

The Committee members found the presentation helpful and expressed appreciation for the work involved in developing the budget and presentation, and encourages Board members to actively participate in today's Budget Workshop and ask questions as the FY 2027 Budget and Strategic Plan are reviewed.

## PRESENTATIONS

### 1. Presentation and Discussion of Updates to Fiscal Year 2026 Annual Priorities

Darrin Jensen provided an update on the FY26 annual priorities. The Technology Modernization has been updated to reflect selecting a Financial System, to evaluating and selecting qualified proposals for the Customer Information System and Financial Systems.

### 2. Presentation and Discussion of Proposed Fiscal Year 2027 Budget, Capital Improvement Plan, Annual Priorities, and Performance Measures

Jessica Williams, Chief Financial Officer, presented information on the FY27 Budget. Information included a historical and forecast financial snapshot, FY27 Budget assumptions, historical and forecasted revenue requirements, and revenue sufficiency. Additional information was provided on FY27 revenue, Budgets for Operations & Maintenance, Capital Improvement Plan, and Capital equipment, debt management and obligations, and financial policy compliance.

Mark Steelman, Chief Operations Officer, presented information on the Capital Improvement Plan (CIP). Included in the presentation were initiatives and highlights for the electric, water, and wastewater lines of business. Information on reliability, capacity performance, and supply, along with their respective Operations and Maintenance budgets and 5-year CIP budgets, was also included.

Ryan Kelso, Chief Executive Officer, presented comparisons of electric, water, and wastewater bills with NBU and surrounding utility companies.

**\*The Board recessed for a break at 11:52 am and reconvened at 12:38 pm.\***

Darrin Jensen presented information on FY27 performance measures for each strategic goal.

### 3. Presentation and Discussion on the Proposed Fiscal Year 2028 Through Fiscal Year 2038 Strategic Plan Framework, Goals, Focus Areas, and Timelines

Darrin Jensen, Director of the Enterprise Project Management Office, presented information on the proposed strategic plan framework, including how the plan was designed and built, and how it would be presented to the Board. The initial four (4) proposed goals and strategic focus areas were provided for review. Staff provided a tentative timeline to review, finalize, and bring this item to the Board for final approval in May 2027 for implementation in August 2027.

## ACTION ITEMS

### 1. Discuss and Consider Approval of Updates to NBU's Mission, Vision, and Core Values to be Effective as of August 1, 2026, for the Start of Fiscal Year 2027

The proposed NBU Mission Statement, Vision Statement, and Culture and Core Values were presented to the board for consideration.

Board Vice President Judith Dykes-Hoffmann made a motion, and Trustee Stuart Blythin seconded the motion to approve the Updates to NBU's Mission, Vision, and Core Values to be Effective as of August 1, 2026, for the Start of Fiscal Year 2027.  
The vote was unanimous.

**ADJOURN**

There was no further business, and Board President Wayne Peters adjourned the meeting at 1:02 p.m.

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*Wayne Peters, President  
Approved*

*Attest:*

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

*Date Approved: June 25, 2026*



**Meeting Date:** June 25, 2026      **Agenda Type:** Consent Items for Action

**From:** Anna Melton      **Reviewed by:** Kimberly DaCosta  
 Procurement Manager      Interim Director of Financial Services

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

**RECOMMENDED ACTION:** Approve the Change Order Log from April 15, 2026, through May 15, 2026

## BACKGROUND

The Board of Trustees approved the NBU Purchasing Policy on October 31, 2019. The Purchasing Policy defines the process for obtaining approval of 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 Procurement Manager for the period of April 15, 2026, through May 15, 2026.

## FINANCIAL IMPACT

### Change orders less than \$50,000:

Item #	Project Name	Description of Work	Vendor	Change Order #	Cost Change in \$ +/-(-)
1	McKenzie Interceptor Upgrade	Quarry fill removal	Cash Construction Company, Inc.	8	34,119.15
2	Gruene Rd Sewer Main Rehabilitation/Relocation	Cantina de Rio service connection	Spiess Construction Co., Inc.	4	39,956.13
3	Trinity Expansion Well Field	Well 21 regrading, and control strategy modifications	Pesado Construction Company	11	37,614.74

4	FM 1044 EST	Network, access control, and surveillance	Landmark Structures, I, L.P.	1	29,178.00
5	South Kuehler Interceptor Phase 1	Odor control canisters	Pesado Construction Company	5	9,930.36
6	Gruene Rd Sewer Main Rehabilitation/Relocation	Additional tree removal	Spiess Construction Co., Inc.	6	5,576.07
9	NBU Headquarters	Owners Contingency - replacing the originally specified/procured drinking fountain model with a drinking fountain model that has a compressor as per RFI 418	SpawGlass	OCT-0018	13,197.00
10	NBU Headquarters	Owner Contingency - material, labor/installation, supervision, detailing, and fabrication for removal of (11) above ceiling data cables, removal of (7) wall mounted data cables, addition of (3) joist mounted data cables at the operations dock, removal of (159) C2 fixtures and replacing them with (159) C4 fixtures, and addition of (2) EW1 Wall Packs at Chiller Yard.	SpawGlass	OCT-0019	6,221.00
11	NBU Headquarters	Contractor Contingency- labor and material to install the guardrail located at the FM482 retaining wall.	SpawGlass	CTR-0009	35,630.00
12	NBU Headquarters	Owners Contingency - labor and material to install a 22 gauge galvalume J-flashing at the parapet conditions located at details C2/O.A325 & C5/O.A325.	SpawGlass	OCT-0020	8,186.00
13	NBU Headquarters	Owner Contingency - changes in material and labor for light fixtures in Training Room changed	SpawGlass	OCT-0021	2,912.00

		to emergency lighting fixtures.			
14	NBU Headquarters	Owners Contingency - changes in labor and material for power added to additional HVAC control panels at the Pump Room, electrical room O.E21, electrical Room O.3E1. Deduct/Credit for the changing the material from SSM1 to SSM8.	SpawGlass	OCT-0022	6,961.00
15	NBU Headquarters	Owner's Contingency - changes in grade at the wood pole storage.	SpawGlass	OCT-0023	43,706.00
<b>Total increase/(decrease) in change orders less than \$50,000:</b>					<b>\$273,187.45</b>

**Change orders more than \$50,000:**

Item #	Project Name	Description of Work	Vendor	Change Order #	Cost Change in \$ +/-
1	Gruene Rd Sewer Main Rehabilitation/Relocation	Recycle Line Relocation on Gruene Rd	Spiess Construction Co., Inc.	5	64,578.28
2	McKenzie WRF Expansion	electrical modifications, access changes, controls, panel placement, and bridge crane safety changes	MGC Contractors, Inc.	11	89,212.20
3	Solms Pump Station and Ground Storage Tank	Potholing existing utilities and GPS locations, slope stabilization analysis, and CMU deviation cost increase	MGC Contractors, Inc.	1	94,485.66
4	McKenzie WRF Expansion	Remove and replace sections of hot mix asphalt concrete driveway and curb	MGC Contractors, Inc.	12	153,798.25
5	Headwaters	GMP 3 Budget Reconciliation - Includes the return of project savings for GMP 3.	Byrne Construction	PCO 87	277,460.07
6	Headwaters	Owner's Contingency - transfer of Owner's Contingency and Reconciliation from GMP 3 to GMP 6 Owner's Contingency Credit	Byrne Construction	PCO 11	(277,460.07)
7	Backup Operations Center	Material and installation of audio/visual and security equipment	SpawGlass	OCO-0004	174,914.00
<b>Total change orders more than \$50,000:</b>					<b>(\$576,988.39)</b>

**LINK TO STRATEGIC PLAN**

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**Infrastructure and Technology**

**EXHIBITS**

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None



**Meeting Date:** June 25, 2026      **Agenda Type:** Consent Items for Action

**From:** Anna Melton      **Reviewed by:** Kimberly DaCosta  
 Procurement Manager      Interim Director of Financial Services

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

**RECOMMENDED ACTION:** Approve the Electric Line of Business Alternative Procurements from April 15, 2026, through May 15, 2026

## **BACKGROUND**

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

Listed below are the procurements, in excess of \$250,000.00, submitted to the Procurement Manager for the period of April 15, 2026, through May 15, 2026, using the electric line of business alternative procurement process.

## **FINANCIAL IMPACT**

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

- No purchases were reported for this period.

## **LINK TO STRATEGIC PLAN**

**Infrastructure and Technology**

**Stewardship**

## **EXHIBITS**

None



**Meeting Date:** June 25, 2026      **Agenda Type:** Consent Items for Action

**From:** Anna Melton      **Reviewed by:** Kimberly DaCosta  
 Procurement Manager      Interim Director of Financial Services

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

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

## BACKGROUND

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

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

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

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

**FINANCIAL IMPACT**

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No water engineering contracts were executed during this period. No electric engineering contracts were executed during this period.

**LINK TO STRATEGIC PLAN**

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**Infrastructure and Technology**

**EXHIBITS**

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1. Exhibit A – Report for Water Engineering Contracts



**Meeting Date:** June 25, 2026      **Agenda Type:** Consent Items for Action

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

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

**RECOMMENDED ACTION:** Authorize the CEO or His Designee to Negotiate and Execute a Professional Services Agreement with Arcadis, U.S., Inc. for Water Resource Planning for Fiscal Years 2027 and 2028

## **BACKGROUND**

This Professional Services Agreement (the “Agreement”) with Arcadis, U.S., Inc. (“Arcadis”) provides professional engineering services for Water Resource Plan development, update services, and general water resources support services for the New Braunfels Utilities (“NBU”) Water Resource Planning project (the “Project”).

The key components of the Agreement include annual updates to the NBU Water Resources Plan for Fiscal Years 2027 and 2028, and general water resources support to include (i) water quality and blending support, (ii) non-revenue water support services, distribution system monitoring enhancement, (iii) water and wastewater easement clearing plan support, (iv) operation and maintenance plan development services, (v) data management services, and (vi) NBU One Water Program support.

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

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

## **FINANCIAL IMPACT**

The total financial impact for the Agreement with Arcadis for the Project is \$1,090,000.00. The Project is budgeted within the Fiscal Year 2026 through Fiscal Year 2028 NBU Board approved Operations and Maintenance Budget.

## **LINK TO STRATEGIC PLAN**

**Customers and Community**

**Infrastructure and Technology**

**Stewardship**

**EXHIBITS**

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1. Professional Services Agreement with Arcadis, U.S., Inc.



**Meeting Date:** June 25, 2026      **Agenda Type:** Consent Items for Action

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

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

**RECOMMENDED ACTION:** Authorize the CEO or His Designee to Negotiate and Execute a Construction Contract with Associated Construction Partners, Ltd for the Construction of the Well 6 Improvements Project

## **BACKGROUND**

On March 10, 2026, New Braunfels Utilities (“NBU”) issued a request for bids for the Well 6 Site Improvements Project, which includes (i) demolition of existing Well 6 facilities with the exception of the well pump and motor; (ii) preparation of site including tree removal and construction staking; (iii) construction of concrete masonry unit building with heating, ventilation and air-conditioning, plumbing, electrical, variable frequency drive, and chemical equipment; (iv) installation of instrumentation controls, security controls, supervisory control and data acquisition, and chemical feeds; (v) storm water pollution prevention; (vi) installation of emergency generator and automatic transfer switch; (vii) two (2) chemical bulk storage canopies; (viii) flowmeter, valves, and approximately 135 linear feet of 14-inch ductile iron pipe; (ix) installation of fencing and gates; (x) site grading; (xi) driveway; (xii) restoration; and (xiii) all other appurtenances necessary to complete the Project (the “Project”). The Project will replace aging infrastructure at the facility that has reached or exceeded its useful life.

On April 9, 2026, NBU received three (3) bids for the Project during the public bidding process. The Project team evaluated the bids and recommends the selection of Associated Construction Partners, Ltd (“ACP”) for the Project. ACP was selected as the respondent that provides the best value to NBU based on the selection criteria, the weighted value for those criteria, and the ranking evaluation, including their cost of work, proposed schedule, past performance on similar projects, overall qualifications, available resources, corporate history, and references. ACP’s proposal includes a base bid of \$5,069,890.00.

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

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

## FINANCIAL IMPACT

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The total financial impact of the Contract with ACP for the Project is \$5,069,890.00. The Project is budgeted within the Fiscal Year 2026 through Fiscal Year 2028 NBU Board approved Capital Improvements Projects Budget. Anticipating the need for Project change orders, a contract contingency in the amount of \$250,000.00, which is approximately 5% of the total contract amount, will be added to the Project construction budget. The total Contract amount plus contingency is \$5,319,890.00.

## LINK TO STRATEGIC PLAN

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### Customers and Community

### Infrastructure and Technology

### Stewardship

## EXHIBITS

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1. Construction Contract with ACP
2. Bid Tabulation – (RFB 26-0047A)

Bid Tabulation (RFB 26-0047A)		
1	J.T. Vaughn Construction, LLC	\$4,786,635.40
2	Pesado Construction, Inc.	\$5,056,970.00
3	Associated Construction Partners, Ltd.	\$5,069,890.00

3. Bid Evaluation Matrix – Competitive Sealed Proposal (RFB 26-0047A)

Bid Evaluation Matrix				
Item	Criteria	Associated Construction Partners, Ltd.	J.T. Vaughn Construction LLC	Pesado Construction Company, Inc.
1.	Cost of the Work	47.21	50	47.33
2.	Proposed Schedule/Contract Time	16	8	10
3.	Past Performance on Similar Projects	10	7.5	7.5
4.	Overall Qualifications, Reputation, Past Relationship with NBU, and Public Owners.	8.75	10	8.75
5.	Available Resources to Complete the Project	1.25	1.75	1.25
6.	The Contractor's Corporate History and Stability	1.25	2	1.25
	Total Score	84.46	79.25	76.08



**Meeting Date:** June 25, 2026      **Agenda Type:** Consent Items for Action

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

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

**RECOMMENDED ACTION:** Authorize the CEO or His Designee to Negotiate and Execute a Construction Contract with Argo Utilities, LLC, for the Construction of the Emergency Preparedness Plan Generators, Phase 2 Project, as Required by Senate Bill 3, Acts 2021, 87th Texas Legislature, Regular Session

## **BACKGROUND**

On March 5, 2026, New Braunfels Utilities (“NBU”) issued a request for bids for the Senate Bill 3 Emergency Preparedness Plan (“EPP”) Generators, Phase 2 Project (“the Project”) in alignment with S.B. 3, 87th Texas Legislature, Second Called Session (2021), which includes (i) installation of emergency generators and automatic transfer switches at the FM 306 Pump Station, Newk’s Pump Station, and the County Yard Pump Station ; (ii) preparation of sites, including clearing and grubbing, and construction staking; (iii) storm water pollution prevention; (iv) installation of fencing and gates; (v) site grading; (vi) restoration; and (vii) all other appurtenances necessary to complete the Project. The Project will bring NBU into compliance with the second phase of the Texas Commission on Environmental Quality (“TCEQ”) required Emergency Preparedness Plan.

On April 6, 2026, NBU received three (3) bids for the Project during the public bidding process. The Project team evaluated the bids and recommends the selection of Argo Utilities LLC (“Argo Utilities”) for the Project. Argo Utilities was selected as the respondent who provides the best value to NBU based on the selection criteria, the weighted value for those criteria, and the ranking evaluation, including their cost of work, proposed schedule, past performance on similar projects, overall qualifications, available resources, corporate history, and references. Argo Utilities’ proposal includes a base bid of \$2,420,500.00.

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

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

## FINANCIAL IMPACT

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The total financial impact of the Contract with Argo Utilities for the Project is \$2,420,500.00. The Project is budgeted within the Fiscal Year 2026 through Fiscal Year 2028 NBU Board approved Capital Improvements Projects Budget. Anticipating the need for Project change orders, a contract contingency in the amount of \$120,000.00, which is approximately 5% of the total contract amount, will be added to the Project construction budget. The total Contract amount plus contingency is \$2,540,500.00.

## LINK TO STRATEGIC PLAN

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### Customers and Community

### Infrastructure and Technology

### Safety and Security

### Stewardship

## EXHIBITS

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1. Construction Contract with Argo Utilities
2. Bid Tabulation – CSP 26-0029

Bid Tabulation (CSP 26-0029)		
1	Alterman, Inc.	\$2,631,000.00
2	Argo Utilities LLC	\$2,420,500.00
3	McDonald Municipal & Industrial	\$1,721,717.00

3. Bid Evaluation Matrix – Competitive Sealed Proposal 26-0029

Bid Evaluation Matrix				
Item	Criteria	Alterman, Inc.	Argo Utilities LLC	McDonald Municipal & Industrial
1.	Cost of the Work	32.7	35.6	50
2.	Proposed Schedule / Contract Time	16	16	0
3.	Past Performance on Similar Projects	6	7	5
4.	Overall Qualifications, Reputation, Past Relationship with NBU, and Public Owners	5	8	5
5.	Available resources to complete the Project	2.5	3	3
6.	The Contractor's corporate history and stability	1.25	1.25	1.25
7.	References	0	1.5	1.5
	Total Score	63.45	72.35	65.75



**Meeting Date:** June 25, 2026      **Agenda Type:** Consent Items for Action

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

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

**RECOMMENDED ACTION:** Authorize the CEO or His Designee to Negotiate and Execute a Construction Contract Between NBU and the City of New Braunfels, Jointly, and Pesado Construction Company, Inc. for the Coll Street Drainage and Reconstruction Improvements Project

## **BACKGROUND**

On March 5, 2026, New Braunfels Utilities (“NBU”) and the City of New Braunfels (“CoNB”) issued a request for bids for the Coll Street Relocations Project, part of the CoNB South Castell Avenue Corridor Phase 1 Capital Improvement Project. The CoNB project consists of roadway reconstruction of Coll Street between Castell Avenue and Market Avenue, including installation of a storm drainage system with outfall, retaining walls, pedestrian improvements, traffic signal modifications, new water and sanitary sewer lines, underground electric facilities, and telecommunications conduit. The NBU portion of the project includes the rehabilitation of existing water mains, sanitary sewer mains, steel encasements, fittings, valves, fire hydrants, meters, meter vaults, cleanouts and manholes, connection to the existing concrete steel cylinder water main, abandonment and removal of existing water and sewer mains, erosion and traffic controls (the “Project”).

On April 2, 2026, NBU and CoNB received four (4) bids for the Project during the public bidding process. The Project team evaluated the bids and recommends the selection of Pesado Construction Company, Inc. (“Pesado”) for the Project. Pesado was selected as the respondent who provides the best value to NBU based on the selection criteria, the weighted value for those criteria, and the ranking evaluation, including their cost of work, proposed schedule, past performance on similar projects, overall qualifications, available resources, corporate history, and references. Pesado’s proposal includes a base bid for the NBU portion of the work of \$1,430,429.62, which was the lowest base bid out of the four (4) respondents.

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

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

## FINANCIAL IMPACT

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The total financial impact of the Contract with Pesado for the Project is \$1,430,429.62. The Project is budgeted within the Fiscal Year 2026 through Fiscal Year 2028 NBU Board approved Capital Improvements Projects Budget. Anticipating the need for Project change orders, a contract contingency in the amount of \$145,000.00, which is approximately 10% of the total contract amount, will be added to the project construction budget. The total Contract amount plus contingency is \$1,575,429.62.

## LINK TO STRATEGIC PLAN

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### Infrastructure and Technology

## EXHIBITS

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1. Construction Contract with Pesado Construction Company, Inc.
2. Bid Tabulation

Bid Tabulation	
<u>Bidder</u>	<u>NBU Total Cost</u>
Alamo City Constructors, Inc.	\$1,737,203.00
D&D Contractors, Inc.	\$2,168,736.04
E-Z Bel Construction, LLC	\$1,817,923.68
Pesado Construction Company, Inc.	\$1,430,429.62

3. Bid Evaluation Matrix (Combined CoNB & NBU) – Competitive Sealed Proposal

Item	Criteria	Alamo City Constructors, Inc.	D&D Contractors, Inc.	E-Z Bel Construction, LLC	Pesado Construction Company, Inc.
1.	Cost Proposal	49	45	55	54
2.	Experience and Qualifications	15	10.5	24	24.75
3.	Plan & Schedule	8	6.5	12	11.75
	Subtotal	72.05	62.36	91.0	90.51
4.	Interview	-	-	0	10
	Total	72.05	62.36	91.0	100.51



**Meeting Date:** June 25, 2026      **Agenda Type:** Consent Items for Action

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

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

**RECOMMENDED ACTION:** Authorize the CEO or His Designee to Negotiate and Execute a Second Amendment to the Amended and Restated Professional Services Agreement with Quiddity Engineering, LLC, d/b/a Jones and Carter, Inc., for the Design of the Sam C. McKenzie, Jr. Water Reclamation Facility Expansion Project

## **BACKGROUND**

On October 29, 2020, the New Braunfels Utilities (“NBU”) Board of Trustees approved a Professional Services Agreement (the “Agreement”) with Quiddity Engineering, LLC (“Quiddity”) for professional engineering services for the Sam C. McKenzie, Jr. Water Reclamation Facility (“WRF”) Expansion (the “Project”). On April 28, 2022, the Board approved an Amended and Restated Professional Services Agreement (the “Amended and Restated Agreement”) for design, bid, and construction phase services to expand the McKenzie WRF from a treatment capacity of 2.5 million gallons per day average daily flow (“MGD ADF”) to 4.9 MGD ADF, as well as slope repairs within the existing outfall into the Guadalupe-Blanco River Authority’s hydroelectric plant canal.

On June 22, 2022, NBU and Quiddity (the “Parties”) entered into a First Supplemental Services Authorization to authorize supplemental services for the redesign of communication standards to ethernet/internet protocol from the previous design assumption. On September 30, 2022, the Parties entered into a Second Supplemental Services Authorization to authorize supplemental services for the design of power supply and single mode fiber communication to three existing light poles for NBU’s security team to install four security cameras. On May 23, 2023, the Board approved a First Amendment to the Amended and Restated Agreement (the “First Amendment”) to add inspection services and authorize the related compensation. On June 20, 2023, the Parties entered into a Third Supplemental Services Authorization to authorize supplemental services for a survey of an easement area near Canal Lane.

During the construction phase, NBU and the construction contractor have extended the anticipated completion date of construction due to long lead times procuring electrical equipment, which requires Quiddity to provide additional construction phase services during the extended construction period. As a

result, NBU staff requests that the Board approve the Second Amendment to the Amended and Restated Agreement (the “Second Amendment”), which includes an increase of compensation to Quiddity in the amount of \$1,139,000.00 for the additional construction phase services, and extension of the contract completion date to April 3, 2027.

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

### **FINANCIAL IMPACT**

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The total financial impact for the Second Amendment is \$1,139,000.00. The total contract amount for the Agreement and the Second Amendment with Quiddity for the Project is \$8,127,000.00. The Project is budgeted within the Fiscal Year 2026 through Fiscal Year 2027 NBU Board approved Capital Improvements Projects Budget.

### **LINK TO STRATEGIC PLAN**

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#### **Infrastructure and Technology**

#### **Financial Excellence**

### **EXHIBITS**

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1. Second Amendment to the Amended and Restated Professional Services Agreement with Quiddity



**Meeting Date:** June 25, 2026      **Agenda Type:** Consent Items for Action

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

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

**RECOMMENDED ACTION:** Authorize the CEO or His Designee to Negotiate and Execute a First Amendment to the Professional Services Agreement with Garver, LLC for the Design of the Gruene Lift Station Expansion Project

## **BACKGROUND**

On October 31, 2024, the New Braunfels Utilities (“NBU”) Board of Trustees approved a Professional Services Agreement (the “Agreement”) with Garver, LLC (“Garver”) for professional engineering services for the Gruene Lift Station Expansion Project (the “Project”). On September 24, 2025, NBU and Garver executed a First Supplemental Services Authorization for supplemental services to provide additional project management services, perform an archeological investigation of the Project site to satisfy the requirements for a Texas Historical Commission Antiquities Permit, develop options for Hunter Road access to the Project site, perform floodplain analysis, provide a drainage report, and obtain permitting from the Federal Emergency Management Agency.

During subsequent coordination with the affected property owner regarding easement needs, NBU determined that the Project footprint must be reduced. To accomplish this, revisions to the final design are required, including (i) adjusting the site plan and force main alignment, (ii) revising the metes and bounds for the permanent and temporary construction easements, (iii) performing revisions to the City of New Braunfels public infrastructure permit, and (iv) performing a floodplain study. As a result, NBU staff requests that the Board approve the First Amendment to the Agreement (the “First Amendment”), which includes an increase in compensation to Garver in the amount of \$39,786.00 for the additional design services, and extension of the contract completion date to August 30, 2028.

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

Upon completion of the revised final design, NBU staff will solicit construction bids and present a construction contract to the Board for approval in February 2027. NBU staff plans to begin construction in March 2027 and complete construction by August 2028.

**FINANCIAL IMPACT**

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The total financial impact for the First Amendment is \$39,786.00. The total contract amount for the Agreement and the First Amendment with Garver for the Project is \$1,062,317.00 including Supplemental Services. The Project is budgeted within the Fiscal Year 2026 through Fiscal Year 2028 NBU Board approved Capital Improvements Projects Budget.

**LINK TO STRATEGIC PLAN**

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**Infrastructure and Technology****EXHIBITS**

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1. First Amendment to the Professional Services Agreement with Garver



**Meeting Date:** June 25, 2026      **Agenda Type:** Consent Items for Action

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

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

**RECOMMENDED ACTION:** Authorize the CEO or His Designee to Negotiate and Execute a Letter of Agreement for Custom Work with AT&T for Conduit Bank Realignment Related to the South Kuehler Interceptor Phase 1 Project

## **BACKGROUND**

On March 27, 2025 New Braunfels Utilities (“NBU”) approved a construction contract with Pesado Construction Company (“Pesado”) for the South Kuehler Interceptor Phase 1 Project, which includes (i) 6,050 linear feet (“LF”) of 36-inch and 42-inch gravity sewer main by open cut construction, (ii) construction of approximately 150 LF of 36-inch gravity sewer main by trenchless methods, (iii) construction of approximately 1,000 LF of 8-inch and 10-inch gravity sewer main by open cut construction, (iv) relocation of approximately 80 LF of 12-inch water main, (v) removal and/or abandonment and grout fill of existing sanitary sewer mains and associated manholes, (vi) connections to the NBU sanitary sewer system, (vii) sewer bypass pumping for construction, (viii) concrete structure work, (ix) clearing and grubbing, (x) traffic control, (xi) storm water pollution prevention, (xii) site restoration, and (xiii) all other appurtenances necessary to complete the project (the “Project”). The Project will increase the sewer line capacity in the South Kuehler Water Reclamation Facility sewer basin and also replace sewer lines in poor condition.

During construction, an AT&T duct bank was discovered to conflict with the proposed gravity sewer main near FM 725. The existing AT&T infrastructure was not located by AT&T during design and therefore was not shown on the construction drawings, nor was it located by AT&T during construction. AT&T was notified immediately upon discovery. AT&T proposed to accommodate our work by trenching back 200 LF in both directions from the conflict location, place the conduit banks below the specified invert of the gravity sewer main, relay copper and fiber lines, and splice them on each end of the realigned segment, and replace all concrete structures that have to be removed to complete the work.

NBU staff requests that the Board of Trustees approve the Agreement (the “Contract”) with AT&T for this work.

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

### **FINANCIAL IMPACT**

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The total financial impact of the Contract with AT&T is \$274,966.12. The South Kuehler Interceptor Phase 1 Project is budgeted within the Fiscal Year 2026 through Fiscal Year 2027 NBU Board approved Capital Improvements Projects Budget. At the completion of the Project, if additional payment is required, an additional request will be presented to the Board at that time.

### **LINK TO STRATEGIC PLAN**

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### **Infrastructure and Technology**

### **EXHIBITS**

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1. Letter of Agreement for Custom Work with AT&T



**Meeting Date:** June 25, 2026      **Agenda Type:** Consent Items for Action

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

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

**RECOMMENDED ACTION:** Authorize the CEO or His Designee to Negotiate and Execute a Third Amended and Restated Utility Construction Cost Sharing Agreement Among New Braunfels Utilities, Southstar at Mayfair, LLC, MNB Real Estate Investments, LLC, Southstar at Mayfair Developer, LLC, and Beaverhead NB, LLC Related to the Mayfair Development

## **BACKGROUND**

On January 27, 2022, the New Braunfels Utilities (“NBU”) Board of Trustees approved a Utility Construction Cost Sharing Agreement (the “Original Agreement”) with Southstar at Mayfair, MNB Real Estate Investments, LLC, Southstar at Mayfair Developer, LLC, and Beaverhead NB, LLC (collectively, the “Developer”) to define the responsibilities of NBU and the Developer regarding new development construction.

On May 23, 2023, NBU approved a First Amendment to the Utility Construction Cost Sharing Agreement (the “First Amendment”). The First Amendment allowed for a change in the phasing of a required Interim Wastewater Treatment Facility (“IWWTF”) to be constructed by the Developer, including: (i) combining the initial Phase 1 and Phase 2 construction efforts of the IWWTF; and (ii) retitling Phase 3 of the IWWTF to be Phase 2.

On December 14, 2023, NBU approved an Amended and Restated Utility Construction Cost Sharing Agreement (the “First Restated”). The First Restated contained several significant modifications, including, but not limited to: (i) changing Phase 1 and Phase 2 IWWTF as described in the First Amendment; (ii) establishing the payment of a fixed Sewerage Development Fee by the Developer for each Living Unit Equivalent (“LUE”) associated with each recorded platted lot based on the difference between the anticipated pro rata cost of both the McKenzie Waste Water Treatment Plant (“WWTP”) Expansion and the McKenzie Interceptor Upgrades and the anticipated collection of wastewater impact fees for the remaining 4,949.18 LUEs associated with the not yet platted lots or with any transferred unplatted land; (iii) removing impact fee rebates for any wastewater contributions; (iv) bifurcating the 16-Inch IH 35 Crossing improvements into the 16-Inch IH 35 Crossing Short Segment and the 16-Inch IH 35 Crossing Long Segment; (v) adjusting the milestone dates, resequencing projects, and adjusting the LUEs

associated with the individual projects to reflect the Developer’s needs; and (vi) revising Exhibits F, L, U, and V as needed.

On September 26, 2024, NBU approved a Second Amended and Restated Utility Construction Cost Sharing Agreement (the “Second Restated”). The Second Restated, with an effective date of October 15, 2024, contains several modifications, including, but not limited to: (i) better defining “developer new infrastructure” to exclude internal subdivision work; (ii) changing the milestones to allow for the required construction of Phase 2 IWWTF to be based on actual flows; (iii) changing the conservation requirements to allow for standalone covenants for commercial properties; (iv) extending the milestone date for the McKenzie Interceptor Main to July 14, 2027; and (v) extending the milestone date for the McKenzie Wastewater Treatment Plant to January 27, 2028, both a full year from the Original Agreement.

In May 2025, the Developer proposed several operational improvements for the Mayfair Development. Over the past year, the Developer and NBU worked together to consolidate those concepts into a defined set of requested modifications to the Second Restated. The requested modifications include: (i) modifying certain infrastructure completion deadlines; (ii) modifying the Developer’s ownership requirements for certain infrastructure; and (iii) modifying the Developer’s access to, and reallocation of, certain LUEs.

Staff recommends approval of the proposed modifications to the Second Restated in a Third Amended and Restated Utility Construction Cost Sharing Agreement (“Third Restated”), including modifications to certain infrastructure completion deadlines, the Developer’s ownership requirements for certain infrastructure, and the Developer’s access to, and reallocation of, certain LUEs. This item is being presented to the Board because it modifies the Agreement beyond the parameters the Board previously approved.

## **FINANCIAL IMPACT**

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The financial impact of the Third Restated, compared to the Second Restated, is minimal. The Third Restated agreement does not increase NBU’s costs associated with the capital improvements required to support the project.

## **LINK TO STRATEGIC PLAN**

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### **Customers and Community**

### **Financial Excellence**

### **Stewardship**

## **EXHIBITS**

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1. Third Amended and Restated Utility Construction Cost Sharing Agreement



Staff recommends approval of the ILA between NBU and WID 3M to streamline utility billing for the Property. The ILA authorizes NBU to issue a single combined bill for water and wastewater services, allocate and remit wastewater revenues to WID 3M, and recover administrative costs associated with providing these billing services. This item is being presented to the Board because it creates an interlocal agreement and establishes new billing responsibilities and financial obligations between NBU and WID 3M, all of which require Board approval.

## **FINANCIAL IMPACT**

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The financial impact of the Interlocal Agreement (“ILA”) is minimal. The ILA does not increase NBU’s costs, as WID 3M is responsible for reimbursing NBU for all administrative expenses associated with providing wastewater billing services. In addition, the ILA mitigates NBU’s financial risk by ensuring that NBU has no responsibility for collecting delinquent wastewater payments and by limiting NBU’s obligations to the temporary service period and a defined 90-day transition period.

## **LINK TO STRATEGIC PLAN**

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### **Customers and Community**

### **Financial Excellence**

### **Stewardship**

## **EXHIBITS**

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1. Interlocal Agreement between New Braunfels Utilities and Comal County Water Improvement District No. 3 Master District for Wastewater Billing Services



**Meeting Date:** June 25, 2026      **Agenda Type:** Consent Items for Action

**From:** Justin Green  
Director of Electric  
Operations and Compliance      **Reviewed by:** Justin Green  
Director of Electric Operations  
and Compliance

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

**RECOMMENDED ACTION:** Authorize the CEO or His Designee to Negotiate and Execute a Transmission Operating Agreement between New Braunfels Utilities and Lower Colorado River Authority Transmission Services Corporation for Transmission Operator Services

## **BACKGROUND**

On April 11, 2011, New Braunfels Utilities (“NBU”) entered into a Transmission Operating Agreement with Lower Colorado River Authority Transmission Services Corporation (“LCRA TSC”) to provide transmission system operational support and compliance services associated with NBU’s electric transmission facilities. On June 26, 2017, NBU and LCRA TSC executed a First Amended and Restated Transmission Operating Agreement (the “2017 Agreement”), which updated and clarified the parties’ respective roles and responsibilities related to transmission operations and compliance obligations.

LCRA TSC serves as NBU’s designated Transmission Operator (“TOP”) and Local Control Center for NBU’s transmission facilities. In this role, LCRA TSC performs transmission system control center functions and assists NBU in meeting applicable Electric Reliability Council of Texas (“ERCOT”) and North American Electric Reliability Corporation (“NERC”) operational requirements.

Since execution of the 2017 Agreement, ERCOT operating requirements, NERC reliability standards, and industry compliance practices have continued to evolve. NBU and LCRA TSC have collaborated to develop a new Transmission Operating Agreement (the “Agreement”) that modernizes and streamlines the existing agreement while maintaining the established operational relationship between the parties.

The Agreement clarifies responsibilities associated with transmission operations, ERCOT and NERC compliance obligations, system operations procedures, audit cooperation, liability provisions, and operational coordination requirements. The Agreement also incorporates LCRA TSC’s current Transmission Operations Handbook framework and aligns contractual language with current regulatory and operational practices.

The Agreement replaces the 2017 Agreement and establishes an initial term of three years with automatic renewal provisions unless terminated in accordance with the terms of the Agreement.

This item is being presented to the Board because Board approval is required prior to execution of the Agreement.

## **FINANCIAL IMPACT**

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There is no direct financial impact associated with approval of the Agreement. The Agreement formalizes and updates the existing operational relationship between NBU and LCRA TSC and does not require additional capital expenditures.

## **LINK TO STRATEGIC PLAN**

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### **Infrastructure and Technology**

### **Operational Excellence**

## **EXHIBITS**

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1. NBU-LCRA Transmission Operating Agreement, with Exhibits



**Meeting Date:** June 25, 2026      **Agenda Type:** Consent Items for Action

**From:** Jeff Morriss  
Substation Manager      **Reviewed by:** Justin Green  
Director of Electric Operations  
and Compliance

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

**RECOMMENDED ACTION:** Authorize the CEO or His Designee to Negotiate and Execute a Professional Services Agreement with National Electrical Services, Inc., d/b/a IPS PowerServe, for Substation Acceptance and Relay Testing Services

## **BACKGROUND**

New Braunfels Utilities (“NBU”) issued a Request for Proposals (“RFP”) for Substation Acceptance and Relay Testing services for capital improvement projects and maintenance (the “Services”). The Services will be administered through four (4) Professional Services Agreements (“PSAs”) on an on-call basis and include acceptance testing of new equipment additions, commissioning of protection and control systems, and electrical testing of substation assets. Staff and the selected professionals will execute subsequent work authorizations detailing the scope of work for each project.

Staff requests that the Board of Trustees approve one (1) Professional Services Agreement with National Electrical Services, Inc. d/b/a IPS Powerserve (“National Electrical Services, Inc.”) for the Services (the “Agreement”).

This item is presented to the Board for approval because the total not-to-exceed amount of the Agreement exceeds \$500,000.00.

## **FINANCIAL IMPACT**

The total Agreement amount for the duration of the Professional Services Agreement with National Electrical Services, Inc. for the Services is \$200,000.00 annually and \$1,000,000.00 over five (5) years. The Services will support multiple projects currently budgeted within Fiscal Year 2026 and proposed to be budgeted within Fiscal Years 2027 through 2031 NBU Board approved Capital Improvement Budget.

**LINK TO STRATEGIC PLAN**

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**Infrastructure and Technology**

**Safety and Security**

**EXHIBITS**

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1. Professional Services Agreement with National Electrical Services, Inc.
2. 25-0087 Evaluation Summary



**LINK TO STRATEGIC PLAN**

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**Infrastructure and Technology**

**Safety and Security**

**EXHIBITS**

---

1. Professional Services Agreement with LND Technical Services, LLC
2. 25-0087 Evaluation Summary



**LINK TO STRATEGIC PLAN**

---

**Infrastructure and Technology**

**Safety and Security**

**EXHIBITS**

---

1. Professional Services Agreement with RMS Energy Co., LLC
2. 25-0087 Evaluation Summary



**Meeting Date:** June 25, 2026      **Agenda Type:** Consent Items for Action

**From:** Kenneth Allen      **Reviewed by:** William Riley  
 Fleet and Facilities Manager      Director of Systems Operations

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

**RECOMMENDED ACTION:** Authorize the CEO or His Designee to Negotiate and Execute a Sourcewell Cooperative Agreement, Sourcewell Contract No. 030122-MAG, with Merchants Automotive Group, LLC, d/b/a Merchants Fleet, for Fuel Card Services

## **BACKGROUND**

This Professional Services Agreement (the “Agreement”) is made and entered by and between New Braunfels Utilities, a Texas municipally owned utility (“NBU”), and Merchants Automotive Group, LLC, d/b/a Merchants Fleet (the “Professional”).

To support the reliability, safety, and operational resilience of NBU’s utility systems, NBU seeks to utilize a third-party professional to provide fuel card services for Fleet and Facilities and other participating departments. These services include fuel cards, purchasing controls, detailed reporting, compliance support, and a streamlined expense management process.

This approach will help NBU respond rapidly during system emergencies, support planned infrastructure projects, maintain service continuity, and improve oversight of fuel-related expenditures.

Staff requests that the Board of Trustees approve the Agreement with the Professional for fuel card services.

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

## **FINANCIAL IMPACT**

This is a three-year contract with up to two (2) one-year renewals. Each year has a total not-to-exceed amount of \$650,000.00. The entire contract has a total not-to-exceed amount of \$3,250,000.00. The services are currently budgeted within Fiscal Year 2026 and proposed to be budgeted within Fiscal Years 2027 through 2031 NBU Board approved Operations & Maintenance Budget.

**LINK TO STRATEGIC PLAN**

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**Customers and Community**

**Financial Excellence**

**Stewardship**

**EXHIBITS**

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1. Fleet Services Master Agreement with Merchants Automotive Group, LLC, d/b/a Merchants Fleet



**Meeting Date:** June 25, 2026      **Agenda Type:** Consent Items for Action

**From:** Justin Stroupe  
Operational Technology  
Manager      **Reviewed by:** Carlos Salas  
Director of Technology

**Submitted by:** Greg Brown  
Chief Technology and  
Security Officer      **Approved by:** Ryan Kelso  
Chief Executive Officer

**RECOMMENDED ACTION:** Authorize the CEO or His Designee to Negotiate and Execute a Master Software Subscription and Licensing Agreement with Sentient Energy, Inc. for Ample Grid Analytics System Hosting, Support, and Line Sensors

## **BACKGROUND**

On June 24, 2021, New Braunfels Utilities (“NBU”) approved a Software and License Agreement (the “Agreement”) with Sentient Energy, Inc. (“Sentient Energy”) for software license hosting and support services and the purchase of sensor hardware (the “Services”) to expand a pilot program implemented in 2017 to utilize an Ample Grid Analytics System (“AGAS”). Sentient is a sole-source provider of AGAS and sensor hardware.

NBU is seeking to renew Sentient Energy’s agreement to continue and expand the foundational infrastructure constructed since 2017. The agreement provides greater visibility into the electric distribution system. Sentient Energy provides devices in the form of Overhead and Underground electric line sensors. The sensors provide NBU with fault current magnitude, disturbance counts, phase identification, and temperature data. Since the start of the project, the solution has provided our customers with estimated savings in Value of Lost Load (“VOLL”) of over \$600,000.00. The agreement will include a software-as-a-service-hosted application, support, and the purchase of additional line sensors.

The Agreement with Sentient Energy for the software hosting and support services for the AGAS for one (1) year with four (4) one-year renewals and for the purchase of line sensors commencing on July 1, 2026.

NBU staff requests that the Board of Trustees approve this Agreement with Sentient Energy.

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

## **FINANCIAL IMPACT**

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The total Agreement amount with Sentient Energy is \$833,126.00, with a not-to-exceed amount of \$66,225.00 for the initial contract term and \$66,225.00 for each of the additional four (4) one-year terms for the Services. With an option to purchase with a not to exceed amount of \$100,000.00 per year and \$500,000.00 during the contract period for hardware. The Agreement is budgeted from both the Operations & Maintenance and Capital Improvement Budgets for Fiscal Year 2026 through Fiscal Year 2031.

## **LINK TO STRATEGIC PLAN**

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**Customers and Community**

**Infrastructure and Technology**

## **EXHIBITS**

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1. Sentient Energy Master Software License Agreement



**Meeting Date:** June 25, 2026      **Agenda Type:** Consent Items for Action

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

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

**RECOMMENDED ACTION:** Authorize the CEO or His Designee to Negotiate and Execute a Naming Rights and License Agreement among H-E-B LP, Headwaters at the Comal (“Headwaters”), and NBU to Recognize a Charitable Gift to Headwaters with Signage at the Picnic Commons at the Headwaters Site, 333 E. Klingemann Street

## **BACKGROUND**

Whereas the Headwaters at the Comal, a Texas nonprofit corporation (“Headwaters”), was established by New Braunfels Utilities (“NBU”) in 2017 to accept gifts in and offer naming opportunities for the facilities and improvements constructed in connection with the Headwaters project on NBU’s property located at 333 E. Klingemann St., New Braunfels, Texas 78130.

Headwaters received a gift of \$200,000.00 from H-E-B LP (the “Donor”) and would like to recognize the donor on Corten steel metal signage at the Picnic Commons, for the term of fifteen (15) years.

Donor has accepted the recognition as displayed in Exhibit A of this agreement. Headwaters shall maintain the recognition in good condition, normal wear and tear excepted, consistent with condition in which it maintains all its signage.

## **FINANCIAL IMPACT**

None

## **LINK TO STRATEGIC PLAN**

**Stewardship**

**EXHIBITS**

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1. Naming Rights Agreement- H-E-B, LP



**Meeting Date:** June 25, 2026      **Agenda Type:** Consent Items for Action

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

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

**RECOMMENDED ACTION:** Authorize the CEO or His Designee to Negotiate and Execute a Grant Agreement for Fiscal Year 2027 between New Braunfels Utilities and Headwaters at the Comal

## **BACKGROUND**

In keeping with NBU’s longstanding commitment to the environment and community and delivering on the Master Plan for the Comal Headwaters Conservation Center, NBU’s conservation legacy project, NBU desires to grant public money and administrative support to Headwaters at the Comal (Headwaters), a 501(c)3 non-profit organization, through a grant contract (the “Agreement”) to assist NBU in the process of restoring and activating the site.

Article III, Section 52 of the Texas Constitution prohibits a municipal owned utility from lending its credit or granting public money or other things of value to an individual, association, or corporation to prevent the gratuitous application of public funds for private use. However, the Texas Constitution provides an exception to Article II, Section 52, when expenditure benefits a private interest if made for the direct accomplishment of a legitimate public interest.

The Headwaters is willing to accept the grant of public money and administrative support for the development of the cultural and environmental history of the site and encouraging future stewardship of the environment, water, and community a provided for within the Agreement.

Under the Agreement, the grant shall be used for the following purposes:

1. Programs that promote the safe and efficient use of water;
2. Programs that promote water education;
3. Programs that promote and/or provide education regarding environmental preservation and conservation;
4. Programs that enhance NBU’s support for and standing in the national, state, and regional water utility industry;

5. Programs that include NBU's participation in professional association events offering informational exchanges and education benefits
6. Maintenance of the Headwaters site; or
7. Promotion and/or administrative support of the aforementioned items.

NBU staff requests that the Board of Trustees approve the Agreement with the Headwaters.

This item is being presented to the Board because the total amount of the Agreement equals \$300,000.00

### **FINANCIAL IMPACT**

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The total financial impact of the Agreement with the Headwaters is \$300,000.00. The Agreement is budgeted within the Fiscal Year 2027 NBU Board approved Operations and Maintenance Budget.

### **LINK TO STRATEGIC PLAN**

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**Infrastructure and Technology**

**Financial Excellence**

### **EXHIBITS**

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1. Grant Amendment (Fiscal Year 2027)



**Meeting Date:** June 25, 2026      **Agenda Type:** Consent Item for Action

**From:** Robin Gary      **Reviewed by:** Julia Haynes  
 One Water Program Manager      Director of External Relations

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

**RECOMMENDED ACTION:** Authorize the CEO or His Designee to Negotiate and Execute a First Interlocal Agreement Extension Among New Braunfels Utilities, City of New Braunfels, and Guadalupe-Blanco River Authority for the One Water Program

## **BACKGROUND**

In August 2019, New Braunfels Utilities (NBU), the City of New Braunfels, and the Guadalupe-Blanco River Authority (“GBRA”) formed the One Water Working Group (“OWWG”) to develop a collaborative approach to protecting local and regional water resources for future generations. Guided by the Water Research Foundation’s One Water framework—an integrated approach to managing water resources for long-term resilience and reliability—the OWWG established the following vision: To ensure water remains a celebrated and protected feature of the New Braunfels community by collaboratively managing water resources to safeguard watersheds, waterways, and groundwater.

The OWWG developed the New Braunfels One Water Roadmap (the “Roadmap”) and accompanying One Water Report, which outlined recommendations for implementing the vision. The initiative was presented to the NBU Board of Trustees in June 2021, followed by input from the New Braunfels City Council and the GBRA Board of Directors. In 2023, the three agencies executed a three-year Interlocal Agreement to formalize their partnership and support implementation of the One Water Program.

Under the strategic guidance of the One Water Advisory Council and oversight of the Governance Committee, the OWWG has made substantial progress toward implementing the Roadmap. Annual progress reports are presented each October to the governing bodies of NBU, the City of New Braunfels, and GBRA.

Members of the OWWG request that the Board of Trustees approve the First Interlocal Agreement Extension between NBU, the City of New Braunfels, and GBRA for the One Water Program.

**FINANCIAL IMPACT**

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The total financial impact of the Interlocal Agreement is \$50,000.00, to be paid within thirty (30) days of the effective date of the agreement for year one (1) and within thirty (30) days of the anniversary of the effective date in the two (2) subsequent years.

**LINK TO STRATEGIC PLAN**

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**Customers and Community****Stewardship****EXHIBITS**

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1. Interlocal Agreement between New Braunfels Utilities, City of New Braunfels, and Guadalupe-Blanco River Authority for One Water Program, executed August 22, 2023
2. First Interlocal Agreement Extension between New Braunfels Utilities, City of New Braunfels, and Guadalupe-Blanco River Authority for One Water Program



**Meeting Date:** June 25, 2026      **Agenda Type:** Action Items

**From:** Jessica Coleman      **Reviewed by:** John Warren  
 Financial Planning and      Director of Financial Planning  
 Analysis Manager      and Analysis

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

**RECOMMENDED ACTION:** Revoke the Power Stabilization Fund Policy with an Effective Date of May 31, 2024

## **BACKGROUND**

Staff recommends rescinding the standalone Power Stabilization Fund Policy (“PSF”) and incorporating its provisions into the Financial Policy. This change aligns the Power Stabilization Fund with the treatment of other Board-approved fund policies, improves consistency across NBU’s financial governance documents, and streamlines policy administration.

## **FINANCIAL IMPACT**

None

## **LINK TO STRATEGIC PLAN**

**Financial Excellence**

## **EXHIBITS**

1. Power Stabilization Policy



**Meeting Date:** June 25, 2026      **Agenda Type:** Consent Items for Action

**From:** Jessica Coleman  
 Financial Planning and  
 Analysis Manager      **Reviewed by:** John Warren  
 Director of Financial Planning  
 and Analysis

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

**RECOMMENDED ACTION:** Approve Proposed Changes to the New Braunfels Utilities Financial Policy, Including the Addition of the Power Stabilization Fund

## BACKGROUND

After a review of NBU’s current Financial Policy, NBU staff recommends that the policy be amended as described herein.

The proposed revisions streamline the Financial Policy by replacing narrative and historical language with clearer governance-focused guidance, defining key terms, and reorganizing the policy into a more structured framework. Major changes include clarifying financial objectives, emphasizing long-term financial stability, liquidity, credit quality, and market access; formalizing the flow of funds hierarchy; and updating the Debt Service Coverage (“DSC”) requirement to meet or exceed 2.25x. This DSC update aligns with rating agency recommendations for balancing financial resilience, capital funding needs, and long-term rate affordability.

The proposed revisions also update the City Transfer methodology for the water and wastewater systems by increasing the transfer percentage from 4.35% to 5.00%. This recommendation is the result of a benchmarking analysis of comparable municipal utilities and discussions between City staff and NBU staff regarding long-term financial practices. The updated percentage more closely aligns the transfer methodology with prevailing industry practices while maintaining a predictable and transparent framework for the City's return on its investment in the utility systems.

In addition, the revisions consolidate and simplify debt, investment, and risk management provisions and incorporate the Power Stabilization Fund (“PSF”) into the Financial Policy as a dedicated section, replacing the standalone PSF policy currently in place. Changes to the PSF and System Contingency Fund further clarify the framework for fund management and use and better align those reserves with the overall structure and objectives of the Financial Policy.

Overall, the proposed changes shift the policy from a largely descriptive document to a more concise, principle-based governance policy that reflects current financial management practices, supports long-term financial sustainability, and enhances Board oversight responsibilities.

NBU's Financial Policy was last reviewed and approved on December 14, 2023.

## **FINANCIAL IMPACT**

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The proposed revisions to the Financial Policy are not expected to have a material operational impact; however, the update to the City Transfer methodology for the water and wastewater systems will modestly increase the annual transfer to the City by increasing the transfer percentage from 4.35% to 5.00%.

This change reflects the results of a benchmarking analysis and aligns NBU's transfer methodology more closely with industry best practices and the shared objectives of the City and NBU. The anticipated financial impact is expected to increase proportionally with future growth in utility revenues and the associated expansion of the Capital Improvement Program, providing a sustainable and predictable framework that balances the City's financial interests with NBU's long-term infrastructure and operational needs.

## **LINK TO STRATEGIC PLAN**

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### **Financial Excellence**

## **EXHIBITS**

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1. Redlined Financial Policy
2. Clean Financial Policy



**Meeting Date:** June 25, 2026      **Agenda Type:** Consent Items for Action

**From:** Jessica Coleman      **Reviewed by:** John Warren  
 Financial Planning and      Director of Financial Planning  
 Analysis Manager      and Analysis

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

**RECOMMENDED ACTION:** Adopt Resolution R-2026-219 Approving Revisions to the New Braunfels Utilities Investment Policy and Other Matters in Connection Therewith

## **BACKGROUND**

After a review of NBU’s current Investment Policy, NBU staff recommends that the policy be amended as described herein.

The proposed revisions modernize and clarify the Investment Policy while maintaining compliance with the Public Funds Investment Act (PFIA). Key updates include reorganizing the policy, refining governance and investment management provisions, updating investment strategy language, expanding certain authorized investment options permitted under state law, and aligning the policy with related Board-approved financial policies. The revisions also support continued alignment with the standards of the Government Treasurers' Organization of Texas (“GTOT”) Investment Policy Certification Program and incorporate investment limits within the individual fund strategy sections to provide clearer guidance on fund-specific investment parameters.

Overall, the changes improve clarity and consistency while preserving NBU’s core investment objectives of safety, liquidity, diversification, and prudent yield management.

NBU’s Investment Policy was last reviewed and approved on January 30, 2025.

## **FINANCIAL IMPACT**

None

## **LINK TO STRATEGIC PLAN**

**Financial Excellence**

**EXHIBITS**

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1. Resolution Approving Proposed Changes to the Investment Policy
2. Redlined Investment Policy
3. Clean Investment Policy



**Meeting Date:** June 25, 2026      **Agenda Type:** Action Items

**From:** Andrew Cummings      **Reviewed by:** Andrew Cummings  
 Director of Customer Solutions      Director of Customer Solutions

**Submitted by:** Amanda Collins      **Approved by:** Ryan Kelso  
 Chief Customer Officer      Chief Executive Officer

**RECOMMENDED ACTION:** Discuss and Consider Authorizing the CEO or His Designee to Execute a First Amended and Restated Professional Services Agreement with the San Antonio Food Bank d/b/a New Braunfels Food Bank for the Utility Bill Assistance Program

## **BACKGROUND**

On February 29, 2024, New Braunfels Utilities (“NBU”) entered into a Professional Services Agreement (the “Original Agreement”) with San Antonio Food Bank d/b/a New Braunfels Food Bank (the “Professional”). The Professional will accept utility assistance applications, qualify applicants, determine the eligibility level per applicant, and disburse electronic vouchers to approved applicants.

To ensure continuity of the program with the budgeted annual funds, NBU staff requests the Board of Trustees update the following criteria which must be met for a customer to qualify: (a) the applicant must be the NBU account holder; (b) the applicant must qualify as a low-income household at or below 150% of federal poverty level (“FPL”) guidelines; and (c) the applicant must demonstrate need, as determined through the application process.

## **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) \$90,000.00. 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) \$450,000.00. These funds are currently budgeted within NBU’s Fiscal Year 2024 through Fiscal Year 2029 NBU Board Approved budget.

## **LINK TO STRATEGIC PLAN**

**Customers and Community**

**Financial Excellence**

**EXHIBITS**

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1. First Amended and Restated Professional Service Agreement with San Antonio Food Bank d/b/a New Braunfels Food Bank
2. 2024 Professional Service Agreement with San Antonio Food Bank d/b/a New Braunfels Food Bank  
- Redlined

# UTILITY BILL ASSISTANCE PROGRAM

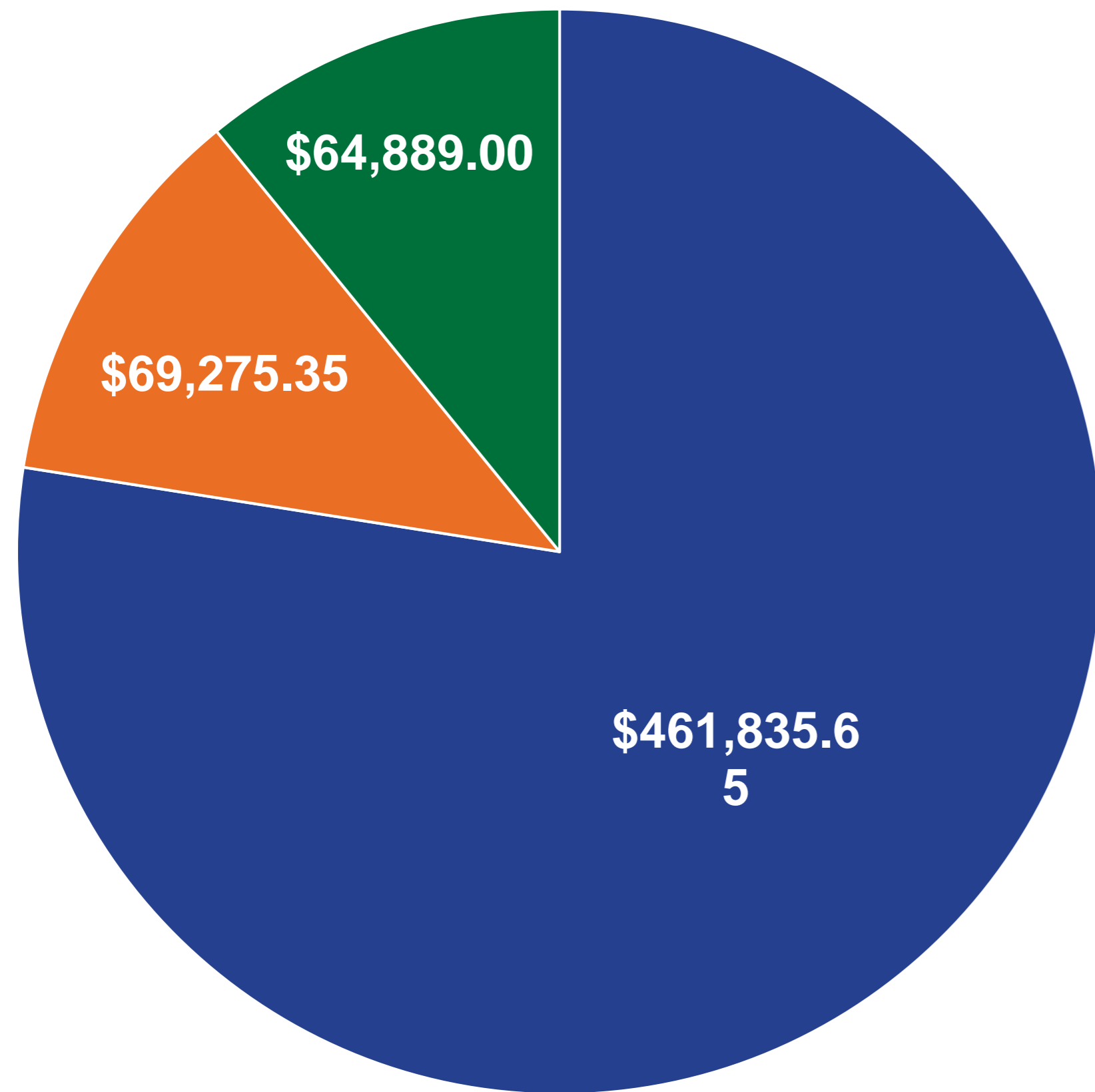
## Program Update

- June 2026



# FY2026 MONTHLY REPORT

### FY2026 Utility Assistance

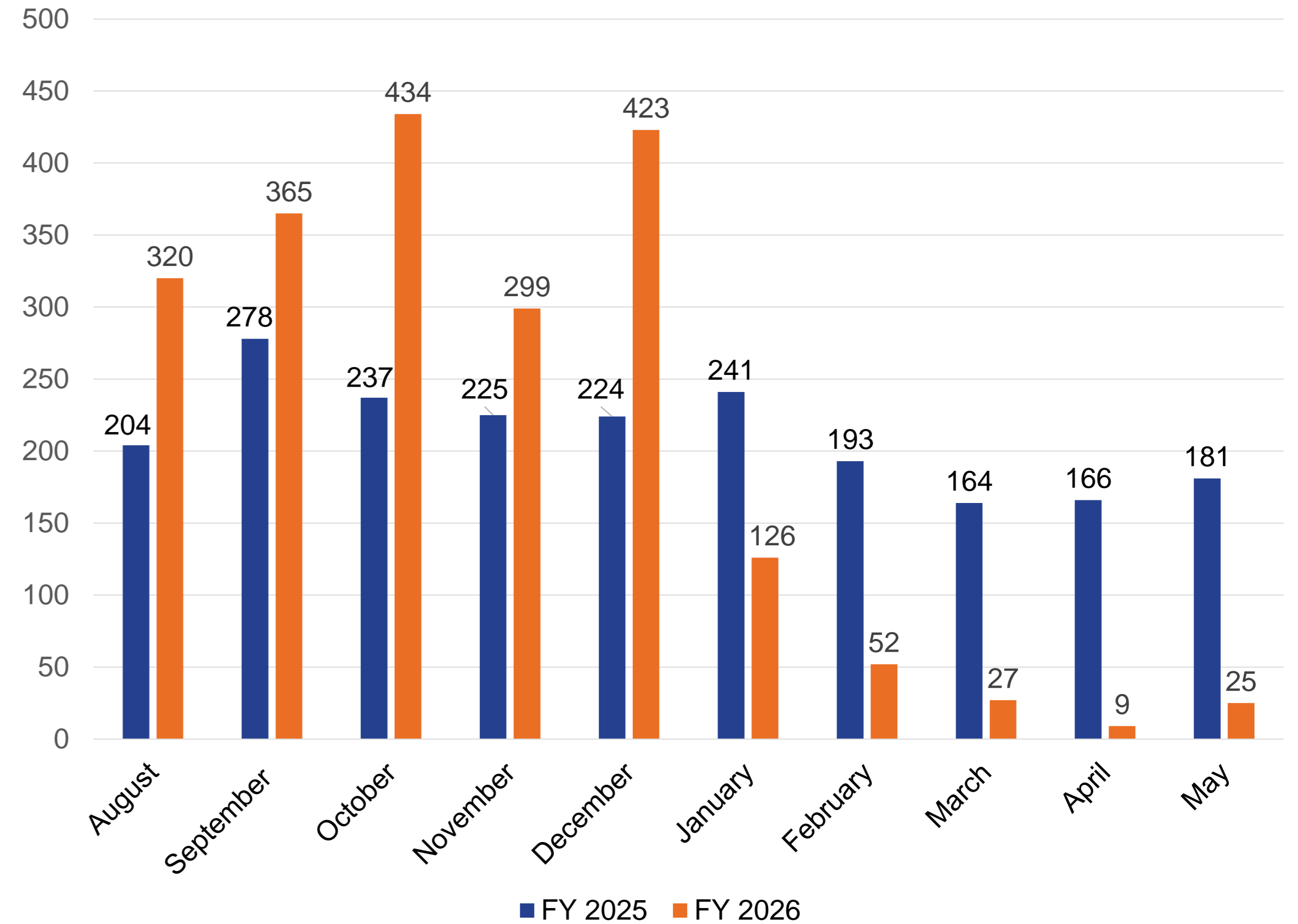


■ Utility Assistance ■ Admin Fee ■ Remaining Funds

**GRAND TOTAL: \$531,111.00**

*Prior Year Through May: \$502,903.03*

### Voucher Count



**GRAND TOTAL: 2,080**

*Prior Year Through May: 2,113*

*\* Numbers current as of 5/31/26*

## Mission

Strengthening our community by providing resilient essential services



## Vision

Be a trusted community partner dedicated to excellence in service



## Core Values

Safety, Team, Integrity, Culture, and Stewardship

# CONTINUITY OF FY2026 PROGRAM

## JANUARY 2026 – JULY 2026

- Eligibility limit 150% Federal Poverty Level
  - 100% or below - 100% funding for usage
  - 101 - 125% - 70% funding for usage
  - 126-150% - 50% funding for usage
- No irrigation covered
- New applicants Only
- Up to \$400 in assistance
- Effective May 8<sup>th</sup>, the current bill and up to 60 days of past due charges
- Exceptions on a case-by-case basis based on hardship
- Weekly budget check ins from the NFBF to determine if any changes are needed to remain on budget

### Mission

Strengthening our community by providing resilient essential services



### Vision

Be a trusted community partner dedicated to excellence in service



### Core Values

Safety, Team, Integrity, Culture, and Stewardship

# FY2027 PROGRAM PROPOSAL

- **Eligibility limit 150% Federal Poverty Level**
  - 100% or below - 100% funding for usage
  - 101 - 125% - 70% funding for usage
  - 126-150% - 50% funding for usage
- **Max assistance per customer based on services provided:**
  - Electric - \$400
  - Water – \$100
  - Wastewater - \$100
  - Irrigation will not be covered as it is not an essential use
- **Up to 3 total applications annually**
- **Assistance may cover current bill and up to 60 days of past due charges**
- **Third annual assistance customer must attend NBFH hosted financial health or energy conservation class before proceeding with voucher**
- **Supplemental documentation may be provided to the NBFH for proof of hardship**

*This proposal is financially sustainable with current budget and within industry standard*

## Mission

Strengthening our community by providing resilient essential services



## Vision

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## Core Values

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# Community Assistance Program Comparison

UTILITY	PROGRAM	ADMINISTRATOR	POVERTY LEVEL	DISTRIBUTION PER HOUSEHOLD	FUNDED BY	MHI (2019-2023)
NBU – FY 2027	Utility Bill Assistance	NB Food Bank	150%	\$600.00/year	Budget	\$88,257.00
AUSTIN ENERGY	Customer Assistance Discount Program (CAP)	Funding is distributed by local social service agencies.	200%	Average of \$1,092.00/year	Surcharge on Monthly Bills	\$91,000.00
CPS	Residential Energy Assistance Partnership (REAP)	- The City of SA and Bexar County Processes applications - CPS handles all administrative	150%	\$480.00/year 2 Applications/year	Budget and Fundraising	\$69,906.00
PEC	Member Assistance Program (MAP) Funding	Participating community agencies qualify members.	250%	\$300.00/year	Budget	\$93,114.00
SAN MARCOS	Payment Assistance Program	City of San Marcos, Administered by Community Action, Inc. of Central Texas.	250%	Varies/4 times per year	Budget and Fundraising	\$51,030.00
SAWS	Uplift Assistance Program	Applications managed in house with a dedicated team.	125%	14 different initiatives for assistance.	Fee on Monthly Bills	\$69,906.00

*Other assistance outside NBU include Community Council of South Texas, Family Life Center of NB, and Salvation Army*

**Mission**

Strengthening our community by providing resilient essential services



**Vision**

Be a trusted community partner dedicated to excellence in service



**Core Values**

Safety, Team, Integrity, Culture, and Stewardship



Discuss and Consider Authorizing the CEO or His Designee to Execute a First Amended and Restated Professional Services Agreement with the San Antonio Food Bank d/b/a New Braunfels Food Bank for the Utility Bill Assistance Program



**Meeting Date:** June 25, 2026      **Agenda Type:** Action Items

**From:** Darrin Jensen      **Reviewed by:** Darrin Jensen  
Director of Enterprise Project Management Office      Director of Enterprise Project Management Office

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

**RECOMMENDED ACTION:** Discuss and Consider Approval of the Proposed Fiscal Year 2027 Strategic Indicators



# FY27 Performance Measures and Annual Priorities

FY 2027  
Strategy and Research Department

June 25, 2026



# Strategic Goals – (What We Aim to Do)

- **CUSTOMERS AND COMMUNITY**

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

- **PEOPLE AND CULTURE**

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

- **INFRASTRUCTURE AND TECHNOLOGY**

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

- **FINANCIAL EXCELLENCE**

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

- **SAFETY AND SECURITY**

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

- **STEWARDSHIP**

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

## Mission

Strengthening our community by providing resilient essential services

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## Vision

Be a trusted community partner dedicated to excellence in service

+

## Core Values

Safety, Team, Integrity, Culture, and Stewardship

# FY 27 Performance Measures – (How We Measure It)

Strategic Goal	Strategic Measure (Lagging Indicator)
<b>Customer and Community</b>	Improve the Customer Scores by 7% , and/or reaching the Texas average industry standard benchmark
<b>Safety and Security</b>	Achieve a Safety Meeting Compliance Rate $\geq$ 90% for all Departments
<b>Safety and Security</b>	Safeguard an OSHA Incident Rate $\leq$ 3 Incidents per 100 Employees per year
<b>Financial Excellence</b>	Meet or exceed A+/A1 from a minimum of two rating agencies annually
<b>People and Culture</b>	Sustain $\geq$ 89% Retention Rate for the Fiscal Year
<b>Stewardship</b>	Reduce NBU GPCD by 1% Based off the 2024 10-year Average in both FY26 & FY27
<b>Infrastructure and Technology</b>	Maintain a Three Year Rolling Average SAIDI in top 10% of Texas utilities or three-year rolling average <52.56 minutes (99.99% reliability)
<b>Infrastructure and Technology</b>	Ensure Technology System Reliability $\geq$ 98% uptime for production systems
<b>Infrastructure and Technology</b>	Achieve and Maintain an Infrastructure Leakage Index (ILI) $\leq$ 3.0 over a three-year rolling average
<b>Infrastructure and Technology</b>	Wastewater Treatment and Compliance Events- Maintain >98% Compliance

# FY 27 Performance Measures – (How We Measure It)

Strategic Goal	Strategic Measure (Leading Indicators)
<b>Customer and Community</b>	Speed to Answer and First Contact Resolution
<b>Safety and Security</b>	Monthly Safety Audits and Safety Audit Findings Rate
<b>Safety and Security</b>	Quarterly Safety Meetings and Audited Safety/Tailboard Meetings % Completion
<b>Financial Excellence</b>	Days Cash on Hand, Debt Capitalization Ratio, and Debt Service Coverage
<b>People and Culture</b>	Monthly Stay Interviews, New Hire Interviews, and Learner Satisfaction Rate
<b>Stewardship</b>	Meaningful Engagement for Water Reduction and Conservation Related Initiatives
<b>Infrastructure and Technology</b>	Customer Feeder Count, Tree Trimming, and Locate Accuracy
<b>Infrastructure and Technology</b>	Tech Systems Monitoring, Critical Platforms past EoL, End Point Device Protection, and Critical Hardware past EoL
<b>Infrastructure and Technology</b>	> 80% Maintenance Schedule Compliance for Water Operations – Distribution System
<b>Infrastructure and Technology</b>	Solids Levels +/- 20% and >80% Maintenance Schedule Compliance for Water Treatment and Compliance – WW Facilities

# FY27 Annual Priorities – (Company Focused Projects)

## Customer Experience

- Implement targeted optimization CS initiatives on Response Time, Quality Assurance, Operations/Technology Efficiencies and Communication Adoption.

## Technology Modernization

- Select Financial System and Begin Implementation
- Select Customer Information System

## Strategic Plan

- Execute Communication Plan
- Select Lagging and Leading Indicators
- Align Strategic Focus Areas with FY28/29 2-year Rate Plan

### Mission

Strengthening our community by providing resilient essential services



### Vision

Be a trusted community partner dedicated to excellence in service



### Core Values

Safety, Team, Integrity, Culture, and Stewardship



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## QUESTIONS

### **Mission**

Strengthening our community by providing resilient essential services

+

### **Vision**

Be a trusted community partner dedicated to excellence in service

+

### **Core Values**

Safety, Team, Integrity, Culture, and Stewardship





**Meeting Date:** June 25, 2026      **Agenda Type:** Action Items

**From:** Jessica Coleman      **Reviewed by:** John Warren  
 Financial Planning and      Director of Financial Planning  
 Analysis Manager      and Analysis

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

**RECOMMENDED ACTION:** Discuss and Consider Approval of the Proposed Fiscal Year 2027 Budget

## **BACKGROUND**

NBU's Proposed Budget and Capital Improvement Plan ("CIP") for Fiscal Years 2027-2031 was presented at the Budget Workshop that was held on June 11, 2026. The proposed Budget and CIP has not been modified from the material that was presented at the Budget Workshop. The Fiscal Year 2027 Budget and CIP include the following assumptions: incorporates a 2.2% inflation rate on Operating and Maintenance expenses; a maximum of 5.0% interest rate for long-term debt; the addition of 17 new positions for Fiscal Year 2027; a 5% average merit increase; and an aging infrastructure replacement target of 2.5% of plant in service.

## **FINANCIAL IMPACT**

For Fiscal Year 2027, Net Revenues Available for Capital Expenditures are projected to be \$24.8 Million, which is a \$1.7 Million increase from the Fiscal Year 2026 budget of \$23.1 Million. Projected capital expenditures for Fiscal Year 2027 are estimated to be \$244.2 Million, which is a \$39.7 Million decrease from the Fiscal Year 2026 budget. This is mostly due to a decrease in support projects as the headquarters project is underway. Overall, the \$244.2 Million funding requirement due to the items above will be provided as follows:

- Utilization of NBU's Commercial Paper Program of \$125.0 Million
- New Bond Issuance of \$15.8 Million
- Prior Fiscal Year Debt Issuance of \$49.4 Million
- Impact fees of \$19.2 Million
- Contribution in Aid of Construction and Grants of \$4.5 Million
- Texas Water Development Board Funding of \$5.6 Million
- Revenue and excess funds of \$24.7 Million

The Fiscal Year 2027 budget incorporates the following service revenue requirements, as previously approved by the Board in May 2025 and City Council in June 2025 as part of the Fiscal Year 2026 and Fiscal Year 2027 rate plan:

- Electric revenue requirements of 3.2% effective August 1, 2026.
- Water revenue requirements of 9.9% effective August 1, 2026.
- Wastewater revenue requirements of 7.7% effective August 1, 2026.

Over the projected five (5) Fiscal Years, capital expenditures are estimated to total \$899.6 Million, while total borrowings are estimated to be \$404.3 Million. NBU's projected Debt Service Coverage ratio in the last year of the Financial Operating Plan (Fiscal Year 2031) is estimated to be 3.07x and remains above the policy minimum. NBU's Debt-to-Capitalization ratio is estimated to decrease from 54.63% (Fiscal Year 2030 of Fiscal Year 2026-2030 Financial Operating Plan) to 51.60% (Fiscal Year 2031 of Fiscal Year 2027-2031 Financial Operating Plan) in the last year of the plan and remains below the policy limit.

If approved, the budget would be effective for Fiscal Year 2027, beginning on August 1, 2026.

## **LINK TO STRATEGIC PLAN**

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### **Financial Excellence**

## **EXHIBITS**

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1. Fiscal Year 2027 Budget Presentation

# FY 2027 Budget and Capital Improvement Plan



John Warren, Director of Financial Planning and Analysis

June 25, 2026

# FY 2027 Budget Assumptions

## Macro-Financial Drivers



**2.2%**  
Inflation on O&M



**5.0%**  
Interest Rates for  
Long-Term Debt

## Workforce Investments



**17**  
New Operational  
FTEs in FY27



**5.0%**  
Average Merit  
Increase  
(Personnel Budget)

## Aging Infrastructure



**2.5%**  
of Plant in Service  
Target

### Mission

Strengthening our community by providing resilient essential services



### Vision

Be a trusted community partner dedicated to excellence in service

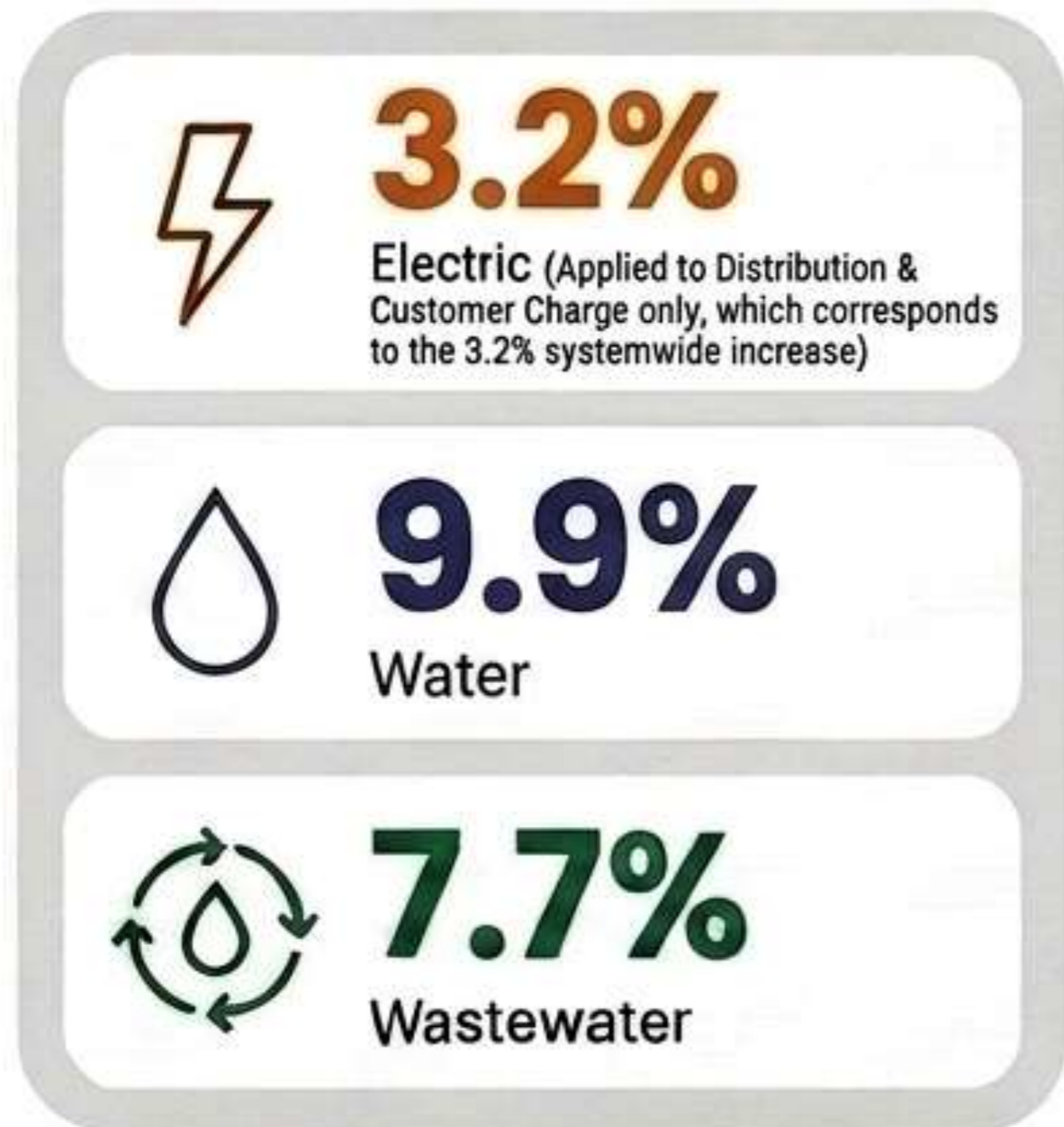


### Core Values

Safety, Team, Integrity, Culture, and Stewardship

# Revenue Sufficiency

## Utility Revenue Sufficiency



## Total Bill Impact

 Electric	FY26: \$146.23	FY27: \$151.85	<b>Delta:</b> <b>+\$5.62</b>
 Water	FY26: \$41.85	FY27: \$46.03	<b>Delta:</b> <b>+\$4.18</b>
 Wastewater	FY26: \$75.34	FY27: \$81.11	<b>Delta:</b> <b>+\$5.77</b>
<b>Σ Total Impact</b>	<b>FY26:</b> <b>\$263.42</b>	<b>FY27:</b> <b>\$278.99</b>	<b>Total Delta:</b> <b>+\$15.57</b>

\*Bill calculation based on 1,200 kWh electric usage, 6,000 gallons water usage, and 4,600 gallons wastewater usage



**The proposed budget remains within the approved FY2027 rate parameters.**

\*Minor discrepancies in totals are due to independent rounding.

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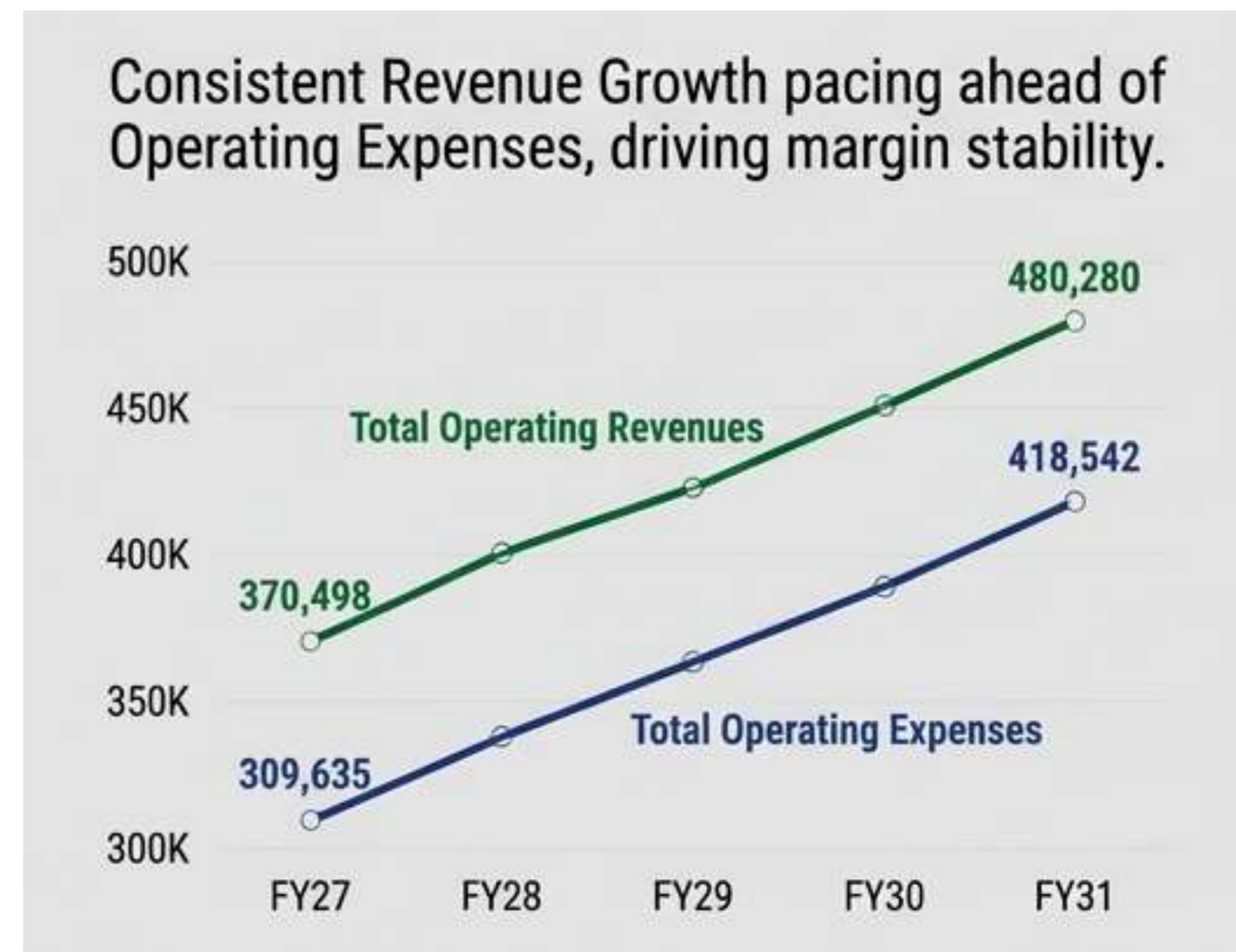


### Core Values

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# 5 Year Proforma

	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
<b>1. Operating Revenues</b>					
Electric Services	240,359	261,579	280,209	297,733	324,801
Water Services	58,219	63,609	66,536	73,711	80,016
Sewer Services	49,618	53,578	57,835	62,492	67,513
Power Stabilization Fund	15,000	15,000	-	-	-
Other Operating Revenue	7,302	7,454	7,612	7,777	7,950
<b>Total Operating Revenues</b>	<b>370,498</b>	<b>401,220</b>	<b>412,193</b>	<b>441,713</b>	<b>480,280</b>
<b>2. Operating Expenses</b>					
Purchased Power	160,061	174,869	185,839	195,393	214,441
Purchased Water	16,164	15,553	15,939	18,309	19,276
Operating Expenses	76,444	78,644	83,917	88,120	93,397
Depreciation	56,966	67,189	76,820	86,972	91,429
<b>Total Operating Expenses</b>	<b>309,635</b>	<b>336,254</b>	<b>362,514</b>	<b>388,794</b>	<b>418,542</b>
<b>3. Net Position &amp; Adjustments</b>					
Net Operating Income	60,863	64,966	49,679	52,918	61,737
Total Nonoperating Rev/(Exp)	(23,147)	(19,160)	(23,235)	(23,661)	(21,679)
<b>Change in Net Position</b>	<b>37,716</b>	<b>45,806</b>	<b>26,444</b>	<b>29,258</b>	<b>40,059</b>
<b>4. Add Back Adjustments</b>					
Depreciation	56,966	67,189	76,820	86,972	91,429
Interest Expense	42,015	43,643	49,694	51,962	51,396
Debt Service	(53,535)	(56,528)	(64,905)	(68,653)	(68,773)
Restricted Funds	(22,976)	(29,503)	(35,639)	(39,138)	(40,965)
Power Stabilization Fund	(15,000)	(15,000)	-	-	-
Contingency Reserve	(2,922)	(606)	(2,481)	(1,766)	(2,367)
Liquidity Fund	(17,481)	(18,794)	(23,599)	(3,487)	(5,562)
<b>Net Revenues Available for Capital</b>	<b>24,784</b>	<b>36,207</b>	<b>26,333</b>	<b>55,147</b>	<b>65,217</b>



\*Minor discrepancies in totals are due to independent rounding.

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Strengthening our community by providing resilient essential services



## Vision

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## Core Values

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# Financial Policy Compliance

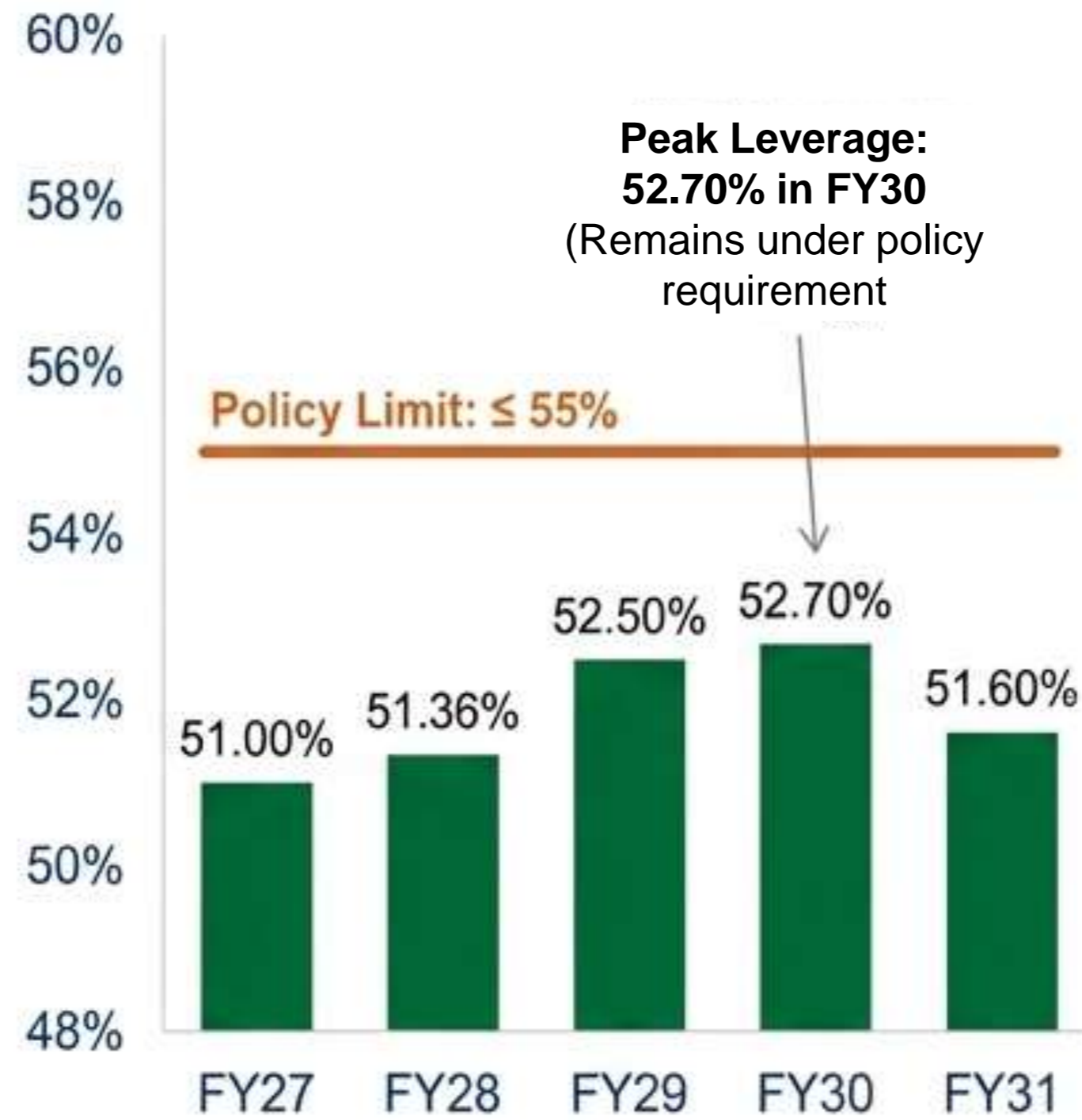
NBU maintains strong financial health, with all key metrics safely meeting or exceeding policy requirements through FY 2031.



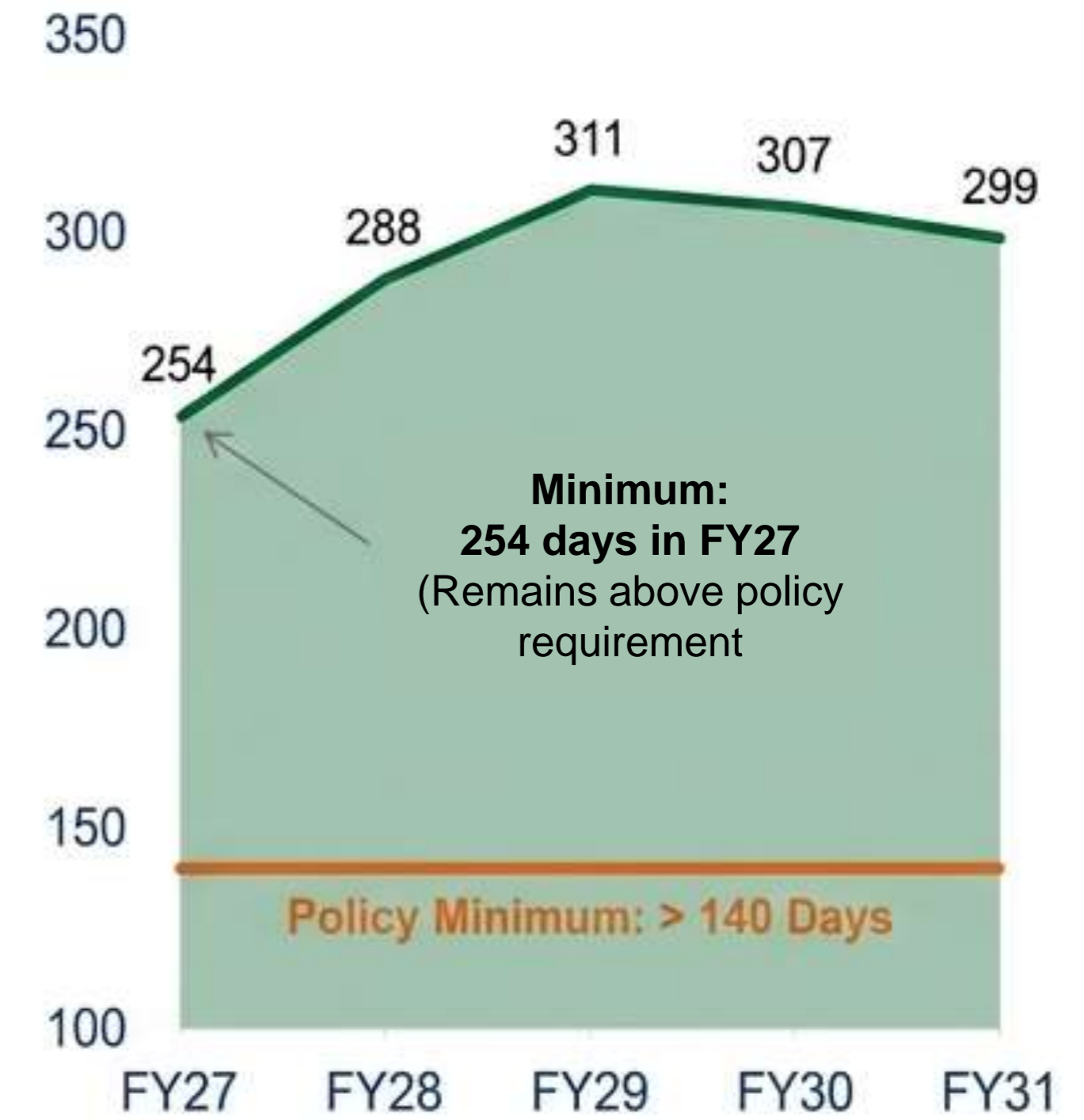
## DSC Remains Above Target



## Leverage Well Within Policy



## Liquidity Remains Strong



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# FY 2027 Budget Timeline

- June 2, 2026 – Budget Committee
  - Presentation and Discussion of NBU Draft FY27 Budget & Strategic Plan
- June 11, 2026 – Budget Workshop
  - Report From Budget Committee
  - Presentation and Discussion of NBU Draft FY27 Budget & Strategic Plan
- June 24, 2026 – Investment Committee
  - Review of Financial Policy & Investment Policy Updates
- June 25, 2026 – NBU Board Meeting
  - Report From Investment Committee
  - FY27 Budget & Strategic Plan
  - Financial Policy & Investment Policy
- August 1, 2026 – Start of FY27

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# Questions?

# Thank you!

**Mission**

Strengthening our community by providing resilient essential services

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**Vision**

Be a trusted community partner dedicated to excellence in service

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**Core Values**

Safety, Team, Integrity, Culture, and Stewardship



**Meeting Date:** June 25, 2026      **Agenda Type:** Action Items

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

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

**RECOMMENDED ACTION:** Discuss and Consider Approval of the Proposed Fiscal Year 2028 Through Fiscal Year 2038 Strategic Plan Framework, Goals, Focus Areas, and Timelines

## BACKGROUND

New Braunfels Utilities (“NBU”) regularly updates its long-term strategy to make sure our operations, finances, and services keep pace with our community's needs. The Strategy and Research Department has developed a plan to update NBU's strategy from Fiscal Year 2028 through Fiscal Year 2038.

NBU staff is asking the Board of Trustees to formally approve the overarching Framework for this strategy update, which includes the four Strategic Goals and the supporting Strategic Focus Areas.

- The Framework sets our timeline, establishing a long-term target of "Future State 2038" with a checkpoint at "Milestone 2033" and outlines the need for the strategic goals and focus areas.
- Strategic Goals are part of the framework and represent our big-picture targets describing where NBU wants to be by the year 2038.
- Strategic Focus Areas are also part of the framework, serving as the specific categories of work nested under each goal that highlight exactly what staff will work on to hit our milestones.

**How We Use the Framework:** Updating NBU's strategy does not mean we will try to tackle everything at once. To ensure we stay focused and effective, NBU will strategically pick which focus areas to prioritize each year. As a rule, staff will work on no more than two focus areas per goal in any single year, allowing us to dedicate the right time and resources to the most pressing needs first.

The proposed framework for the strategy update includes the four main goals and their specific focus areas for approval:

1. Ensure Reliable and Resilient Utility Systems (Goal):
  - Project Delivery: Finishing infrastructure projects on time and according to our master plans.

- Integrated Capital Planning: Matching our long-term financial forecasts with our construction priorities.
- Proactive Planning: Designing utility systems that easily adapt to new energy sources, automation, and future technologies.
- Reliability: Taking care of our equipment to cut down on outages and service disruptions.

## 2. Strengthen Responsible Resource and Financial Management (Goal):

- Reinforcing Financial Foundations: Staying financially flexible and disciplined so the community can trust us to invest in long-term infrastructure.
- Customer Confidence and Transparency: Earning customer trust through clear communication and helpful service.
- Financial Health and Stability: Keeping NBU financially strong to protect our customers' pocketbooks.
- Asset Management: Properly maintaining our equipment and facilities to deliver the best value to our customers.

## 3. Cultivate a Future-Ready Workforce (Goal):

- Succession and Knowledge Continuity: Training future NBU leaders and preserving the hands-on knowledge of our senior employees.
- Workforce Stability: Improving daily workloads, training, and employee well-being so staff can handle new job and technology demands.
- Preferred Employer: Providing clear, rewarding paths for people to build lifelong careers at NBU.
- Aligning Staff with Business Needs: Ensuring we have the right number of people in the right roles to meet customer demands and operational priorities.

## 4. Modernize Operations Through Technology (Goal):

- Modernize Infrastructure: Upgrading our technical systems to improve daily operations, reliability, and scale.
- Change Management: Supporting and training our employees so new technology is adopted successfully.
- Platform Optimization: Automating processes and using data to make better decisions and improve the customer experience.
- Security: Guarding our utility systems, data, and daily operations from cyber threats.

NBU staff requests that the Board of Trustees approve this Strategic Plan Framework, Goals, and Focus Areas. Once approved, the NBU team will use this framework to determine the focus areas for FY 28 & FY 29; to guide budgets, future leading and lagging indicators, and project priorities.

## **FINANCIAL IMPACT**

There is no immediate financial impact associated with approval of this framework. As specific projects, technology upgrades, or construction plans are developed and identified to support these goals, related costs will be incorporated into future annual budgets.

**LINK TO STRATEGIC PLAN**

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**Customers and Community**

**People and Culture**

**Infrastructure and Technology**

**Financial Excellence**

**Safety and Security**

**Stewardship**

**EXHIBITS**

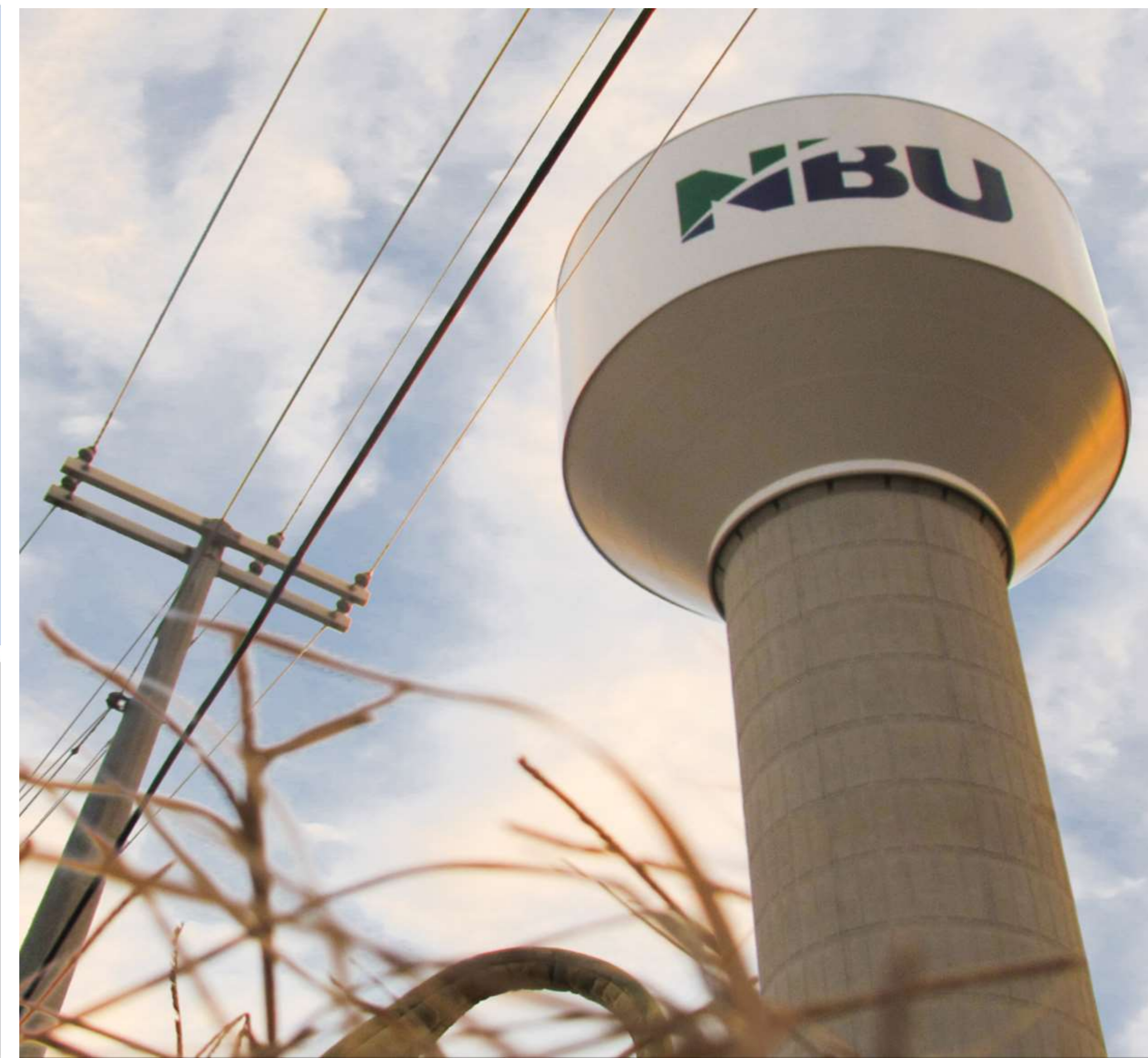
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1. Proposed Fiscal Year 2028 Through Fiscal Year 2038 Strategic Plan Framework, Goals, and Focus Areas presentation

# Discuss and Consider Approval of the Proposed Fiscal Year 2028 through 2038 Strategic Plan Framework, Goals, and Focus Areas

**FY28-FY38**

Strategy and Research Department



• June 25, 2026

# FY28-FY38 Strategic Plan Development



## Mission

Strengthening our community by providing resilient essential services



## Vision

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## Core Values

Safety, Team, Integrity, Culture, and Stewardship

# Proposed Goals and Strategic Focus Areas

Ensure Reliable and Resilient Utility Systems

Future State 2038

Milestone 2033

Focus Area

Focus Area

Focus Area

Focus Area

Strengthen Responsible Resource and Financial Management

Future State 2038

Milestone 2033

Focus Area

Focus Area

Focus Area

Focus Area

Cultivate a Future-Ready Workforce

Future State 2038

Milestone 2033

Focus Area

Focus Area

Focus Area

Focus Area

Modernize Operations Through Technology

Future State 2038

Milestone 2033

Focus Area

Focus Area

Focus Area

Focus Area

## Mission

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# Ensure Reliable and Resilient Utility Systems

## Strategic Focus Areas

- ❑ **Project Delivery:** Deliver infrastructure projects on schedule and aligned to master plans.
- ❑ **Integrated Capital Planning:** Align long-range financial forecasting with capital investment priorities.
- ❑ **Proactive Planning:** Build reliable utility systems that can adapt to changing demands, new energy sources, automation, processes, and future technologies.
- ❑ **Reliability:** Maintain infrastructure to reduce outages and service disruptions.

Ensure Reliable and Resilient Utility Systems

Future State 2038

Milestone 2033

Focus Area

Focus Area

Focus Area

Focus Area

# Strengthen Responsible Resource and Financial Management

## Strategic Focus Areas

- ❑ **Reinforcing Financial Foundations:** Strengthen financial flexibility, investment discipline, and customer transparency to support long-term infrastructure investment and community confidence.
- ❑ **Customer Confidence and Transparency:** Build customer confidence through clear communication and responsive service.
- ❑ **Financial Health and Stability:** Maintain a strong financial foundation for our customers.
- ❑ **Asset Management:** Maintain and improve utility assets to provide reliable service and long-term value to our customers.

Strengthen Responsible Resource and Financial Management

Future State 2038

Milestone 2033

Focus Area

Focus Area

Focus Area

Focus Area

# Cultivate a Future-Ready Workforce

## Strategic Focus Areas

- ❑ **Succession and Knowledge Continuity:** Develop future leaders and preserve institutional knowledge.
- ❑ **Workforce Stability:** Continuously improve workload, employee development, well-being, and engagement to prepare employees for evolving operational and technological demands.
- ❑ **Preferred Employer:** Offer clear paths for people to build long-term careers at NBU.
- ❑ **Aligning Staff with Business Needs:** Connect staffing plans with service demands, capital plans, and operational priorities.

Cultivate a Future-Ready Workforce

Future State 2038

Milestone 2033

Focus Area

Focus Area

Focus Area

Focus Area

# Modernize Operations Through Technology

## Strategic Focus Areas

- ❑ **Modernize Infrastructure:** Modernize technology infrastructure to improve reliability, scalability, security, and operational effectiveness.
- ❑ **Change Management:** Prepare and engage employees through technology changes to ensure successful adoption.
- ❑ **Platform Optimization:** Improve platforms through automation, integration, and data-driven decision support to enhance customer experiences.
- ❑ **Security:** Protect systems, information, and operations from evolving threats.

Modernize Operations Through Technology

Future State 2038

Milestone 2033

Focus Area

Focus Area

Focus Area

Focus Area

# Questions?



**Meeting Date:** June 25, 2026      **Agenda Type:** Presentation Items

**From:** Mark Steelman      **Reviewed by:** Mark Steelman  
Chief Operations Officer      Chief Operations Officer

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

**RECOMMENDED ACTION:** Presentation and Update on May 2026 Storm Event, Resulting Electric Outages, and Sanitary Sewer Overflow

---

# Update on May 2026 Storm Event, Resulting Electric Outages and Sanitary Sewer Overflow

Mark Steelman  
Chief Operations Officer



• June 25, 2026

# What happened?



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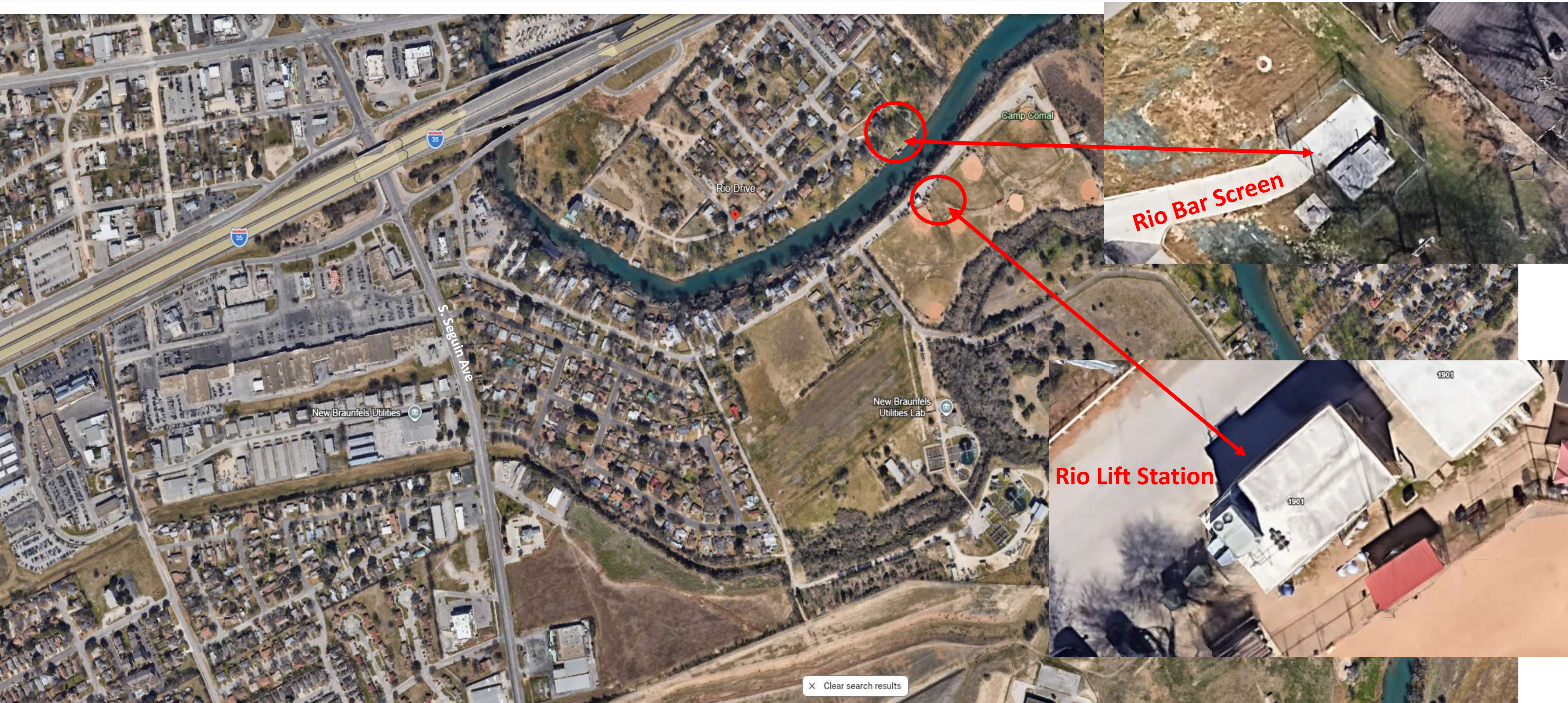
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## Core Values

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# Rio Bar Screen & Lift Station



## Mission

Strengthening our community by providing resilient essential services

## + Vision

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## + Core Values

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## HOW A BAR SCREEN WORKS

Keeping Debris Out of Our Sewer System



### Mission

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### Vision

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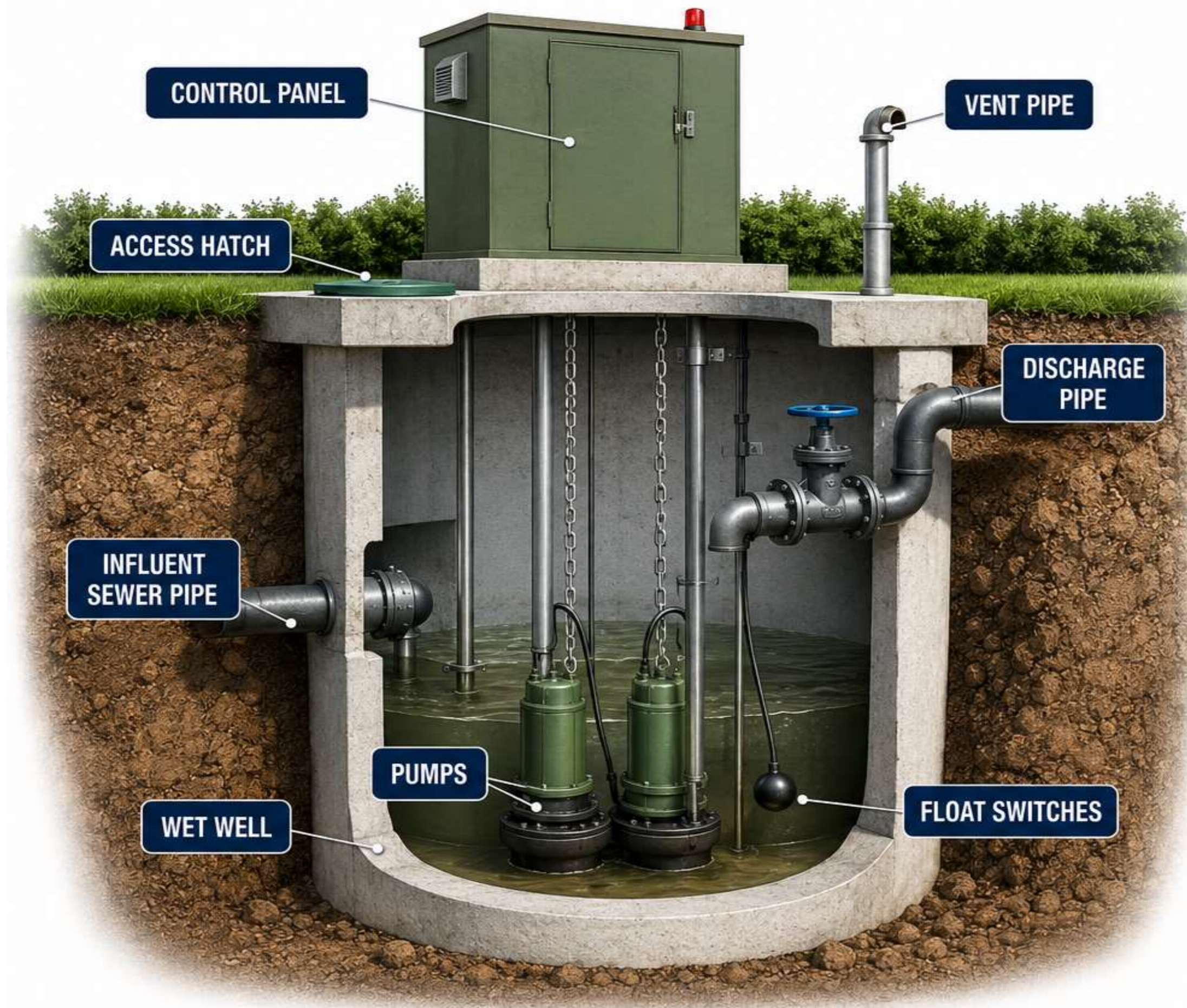
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### Core Values

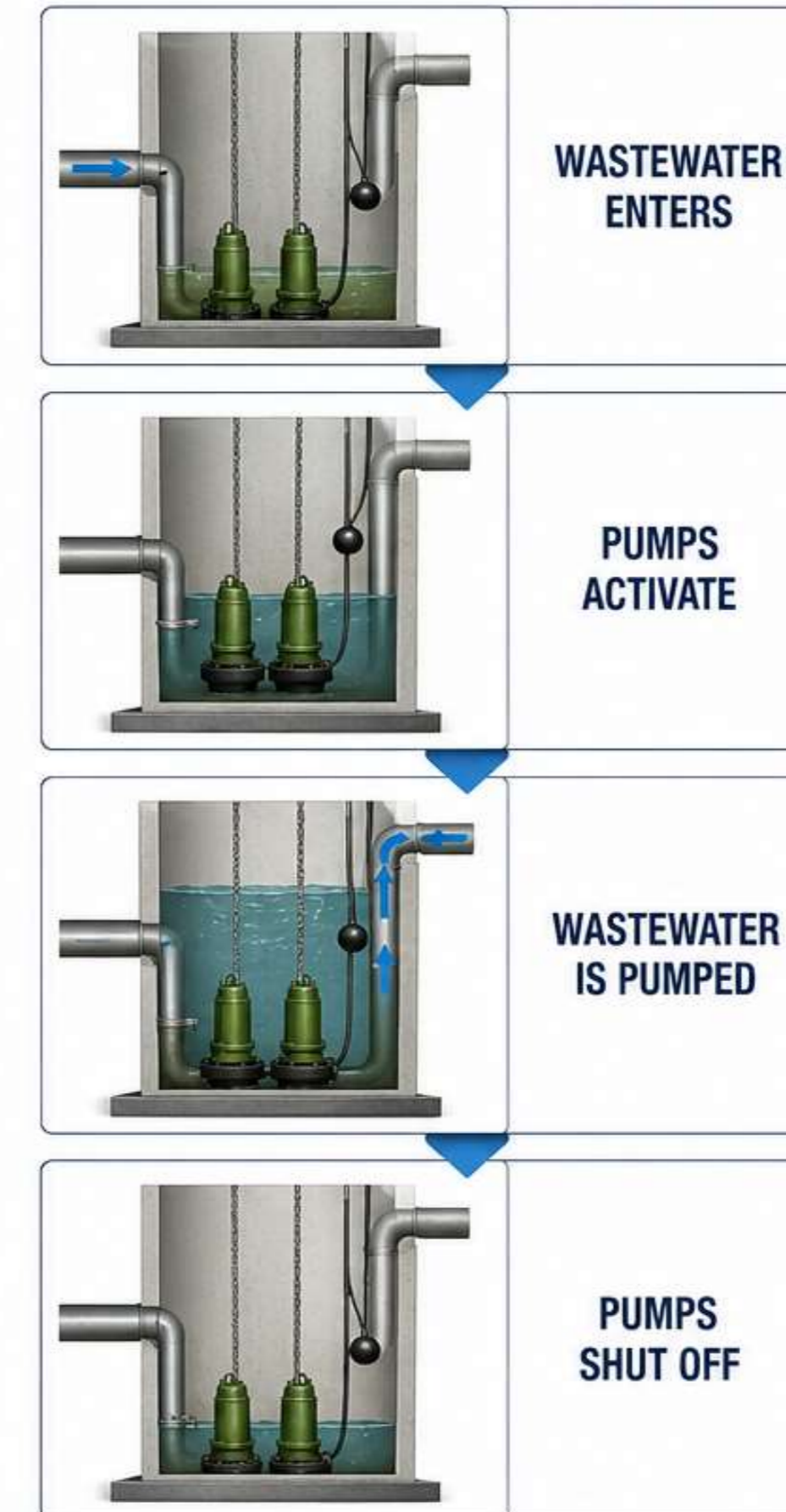
Safety, Team, Integrity, Culture, and Stewardship

# Rio Lift Station Overview

## WASTEWATER LIFT STATION



### HOW IT WORKS



### Mission

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### Vision

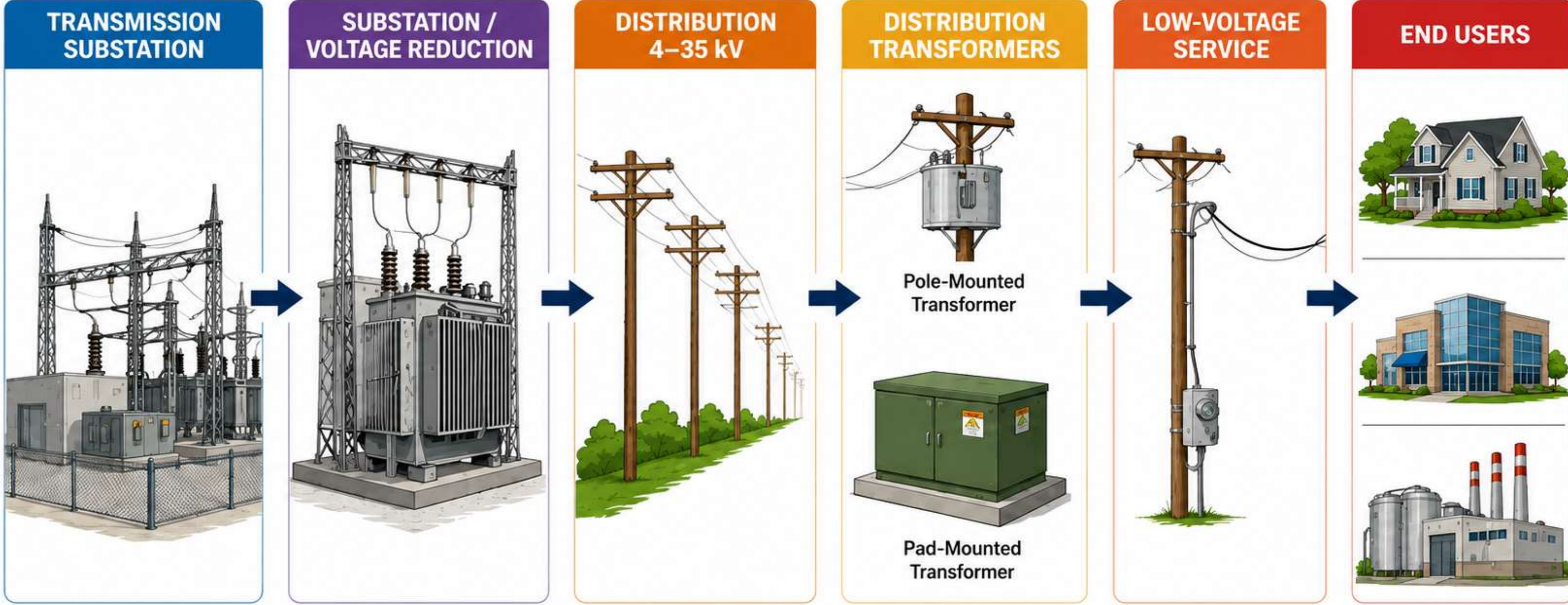
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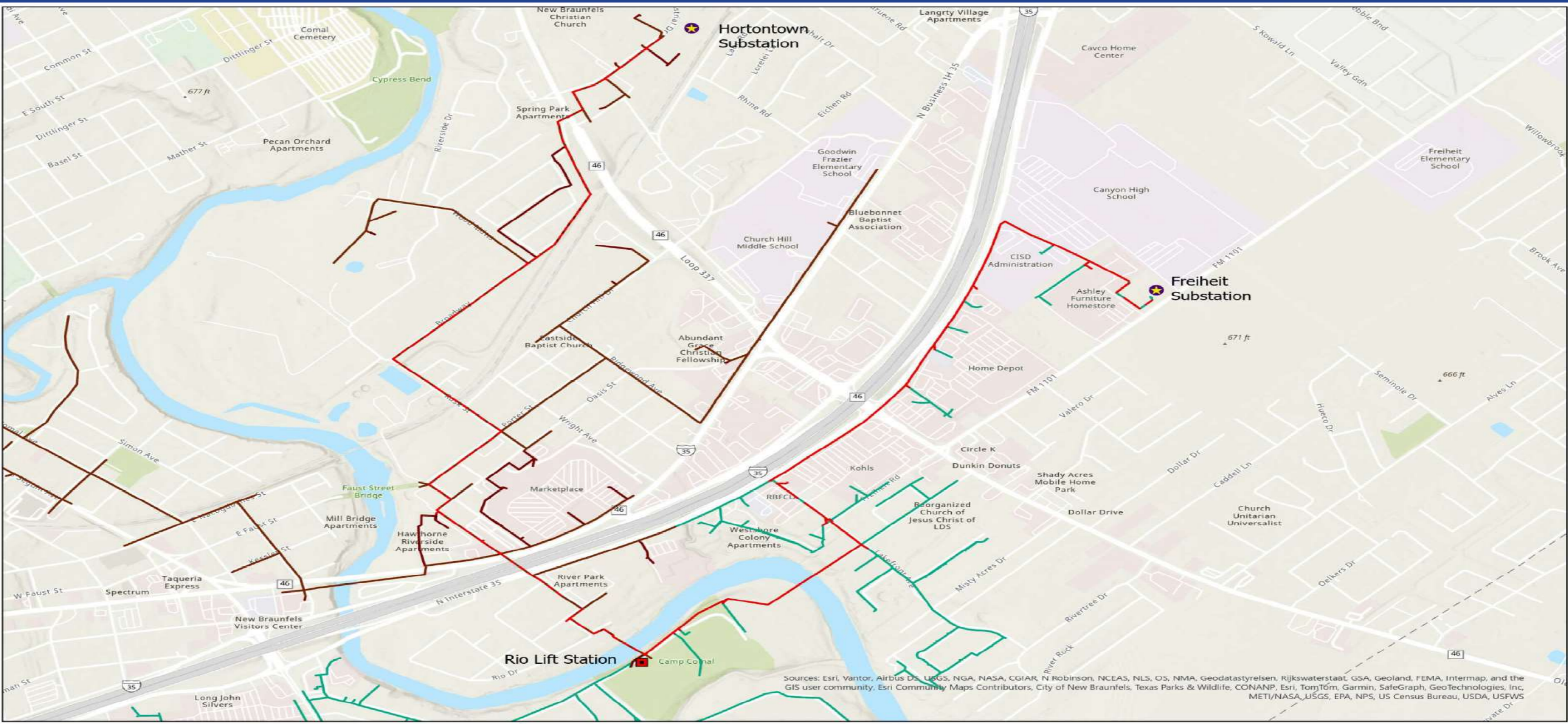
### Core Values

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# Electric Utility System Overview



# Rio Lift Station and Substations Feeder Map



## Mission

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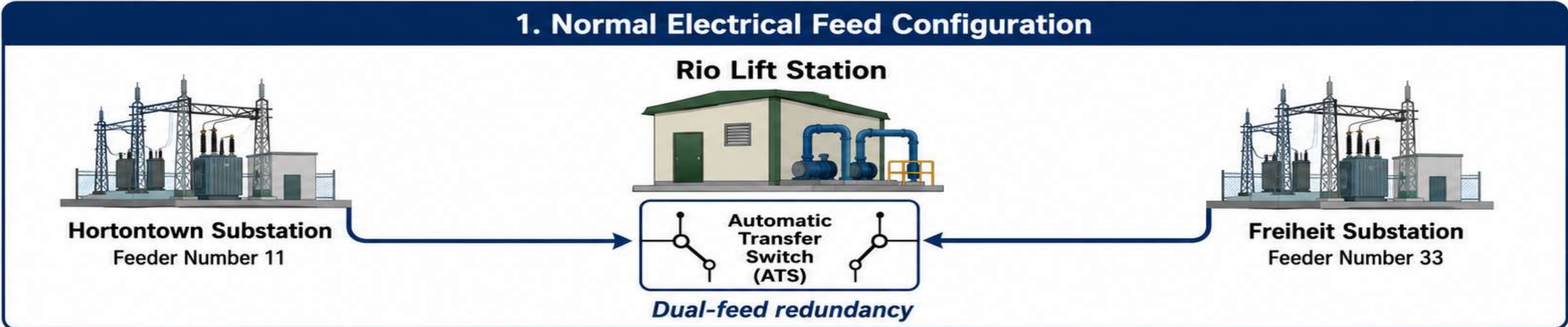
## + Core Values

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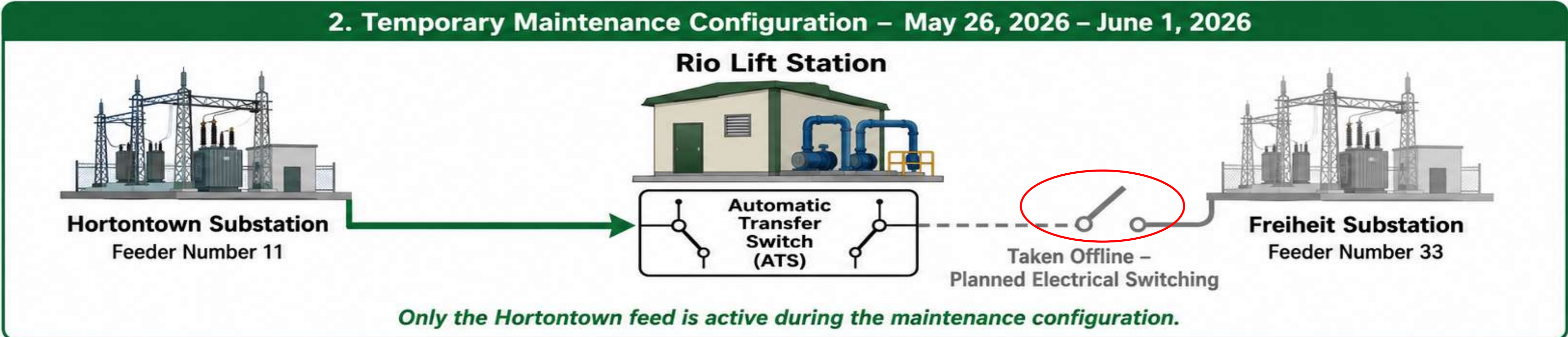


# Rio Lift Station Electrical Configuration

## 1. Normal Electrical Feed Configuration



## 2. Temporary Maintenance Configuration – May 26, 2026 – June 1, 2026



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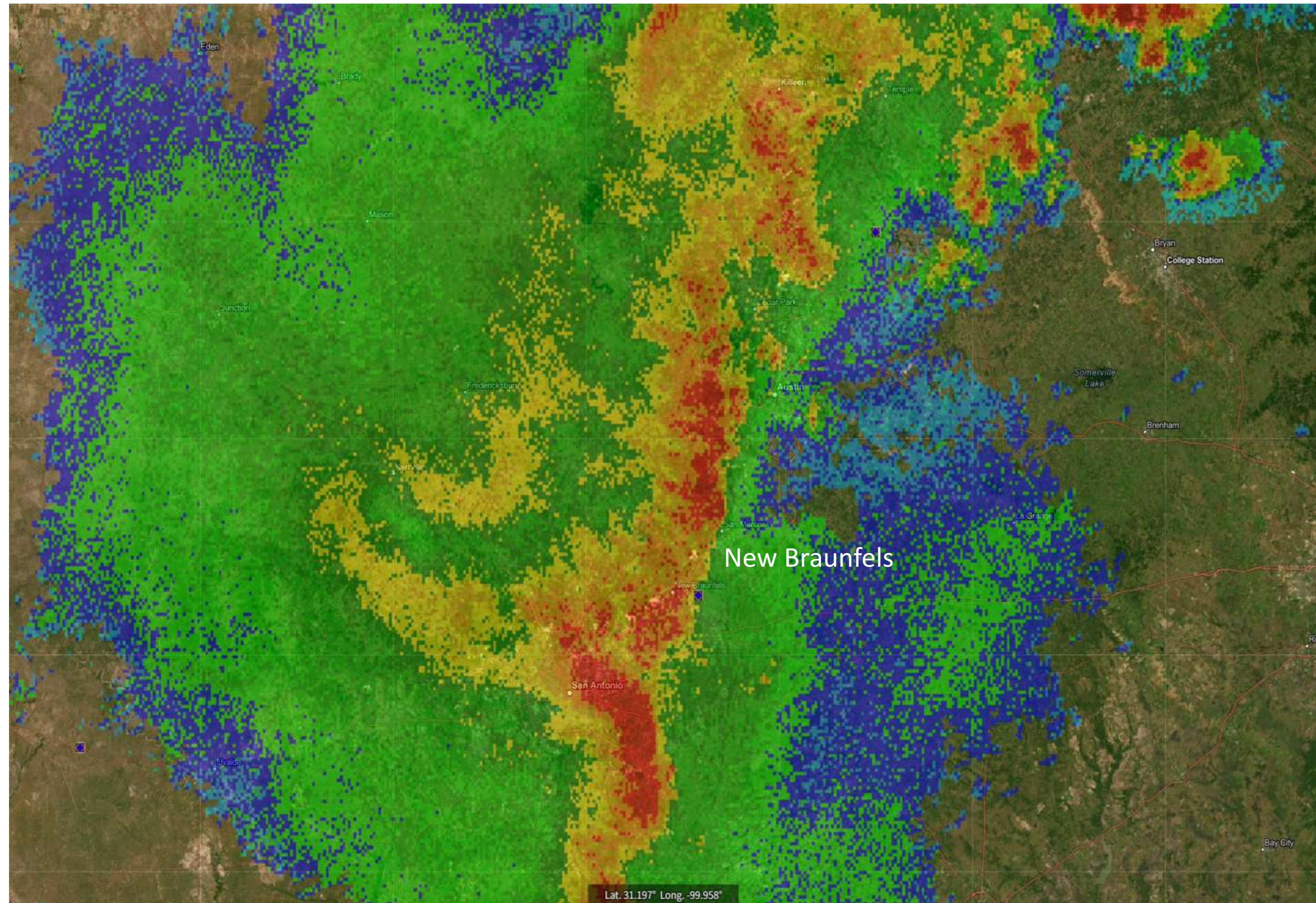
### + Core Values

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# Pre-Event Conditions

- Five-year preventative maintenance at Freiheit Substation on Totalizer Breaker Number 3.
- Approved switching order removing load from Freiheit Feeder Number 33.
- Temporary configuration placed lift station on a single-source, which was Hortontown Feeder Number 11.
- Rio is the only lift station normally served by dual electrical feeds.

# Event Timeline



## May 26, 2026

- 8:46 A.M. - Planned switching completed
- 10:32 P.M. - Storm enters New Braunfels
- 10:35 P.M. - Storm damage at Hortontown Substation; Rio Lift Station loses power

## May 27, 2026

- 3:45 A.M. – Power restored
- 3:59 A.M. – Treatment and Compliance Team dispatched to Rio lift station
- 4:08 A.M. – Rio Lift Station stops spilling
- 5:17 A.M. – Rio Lift Station returns to normal operating level

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# System Failures Identified

## Electrical System

- Loss of Hortontown Feeder Number 11 during temporary switching configuration.

## Monitoring System

- Supervisory Control and Data Acquisition (SCADA) communications failed during power-loss event due to failure of the Uninterruptable Power Supply (UPS).

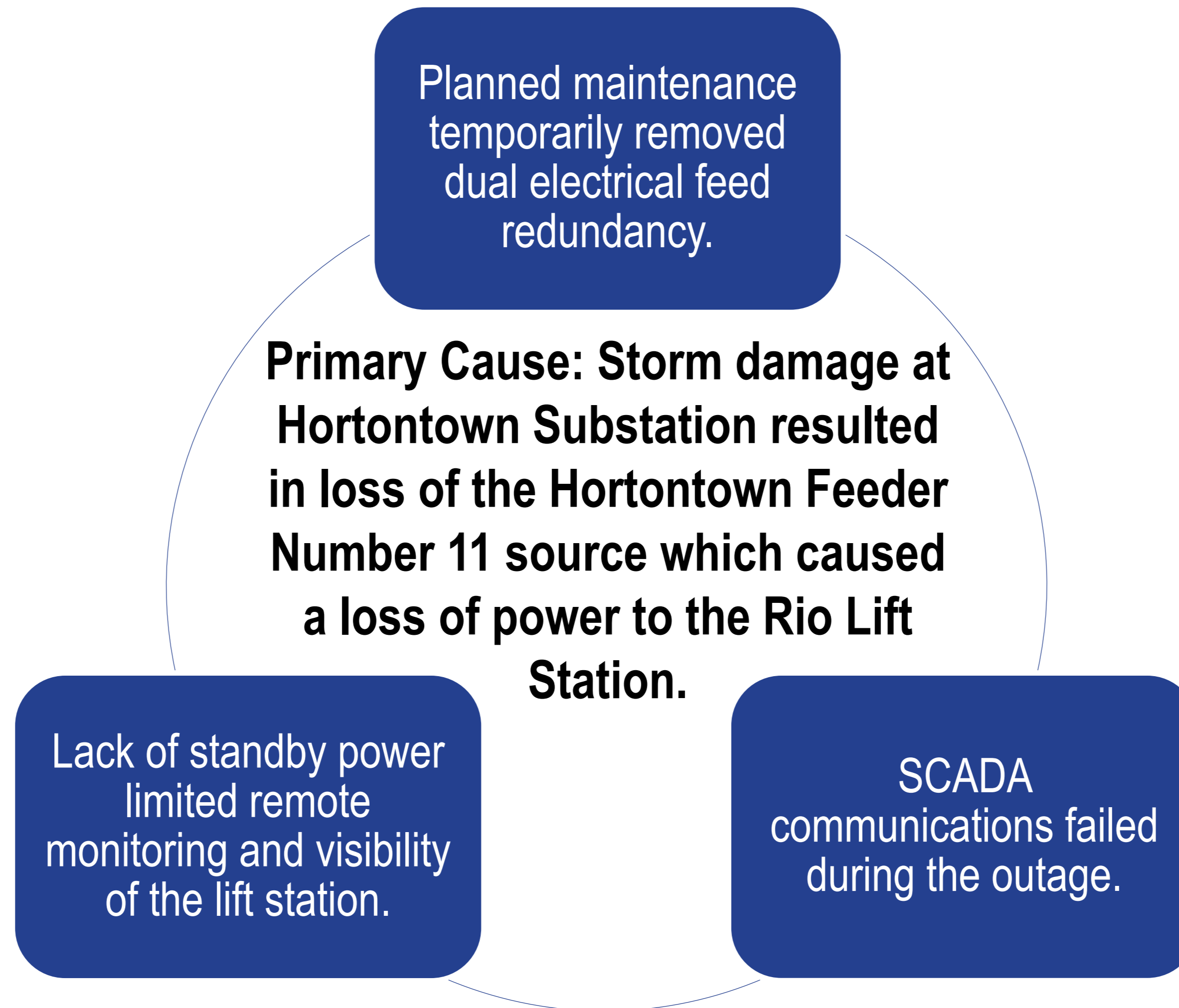
## Operational Visibility

- Control Center lacked real-time awareness of lift station conditions due to UPS failure.

# Process Gaps Identified

- Temporary switching did not fully account for loss of electrical redundancy at the Rio Lift Station.
- Single-feed electrical operation lacked enhanced monitoring and auxiliary power.
- Notify all related departments of major facility feed or control changes.
- Critical facility operational modifications are not elevated for awareness as a standard practice.

# Root Cause Analysis



# Corrective Action Steps Completed

- ✓ Power restored
- ✓ Lift station operating normally
- ✓ Cleanup & sampling
- ✓ Regulatory agency coordination (Texas Commission on Environmental Quality and Texas Parks & Wildlife)
- ✓ Communicated to the public
- ✓ Priority Response Facilities reviewed
- ✓ Dual electrical feed facilities approval process

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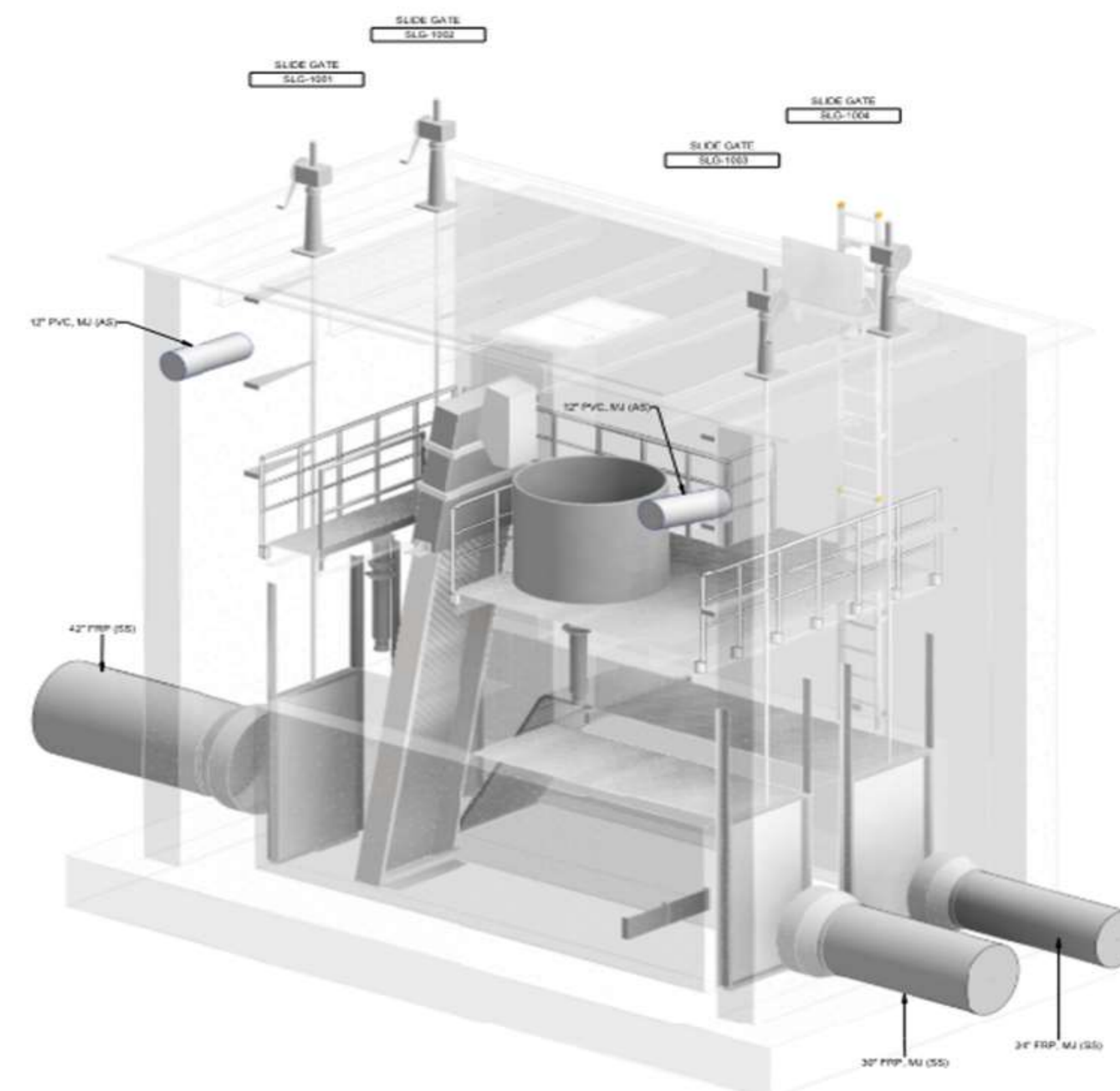
# Upcoming Corrective Action Steps

Action Item	ETA
New smart UPS installed and final SCADA integration	July 10, 2026
Severe weather staffing	July 31, 2026
Operational procedure review	July 31, 2026
Alarm verification	September 4, 2026
SCADA communications assessment	January 15, 2027

# Capital Improvement Opportunities

## I-35 Interceptor Upgrade (Rio Bar Screen)

- Project Overview
  - Planned upgrade of the existing bar screen facility at 470 Rio Dr., located along the Guadalupe River across from Camp Comal and the Rio Lift Station.
  - Site of the recent sanitary sewer overflow.
- Scope of Work
  - Demolish the existing bar screen structure.
  - Construct a new, deeper dual-channel bar screen with full bypass capability.
  - Install an improved odor control system to reduce off-site impacts.
  - Upgrade Supervisory Control and Data Acquisition for enhanced monitoring, reliability, and operational control.
- Schedule
  - First identified in 2021 Master Plan
  - Start: Early 2027
  - Completion: Late 2028
- Cost
  - Estimated at \$10,500,000



# Questions?

**Mission**

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