

**MINUTES  
NEW BRAUNFELS UTILITIES BOARD OF DIRECTORS  
STRATEGIC WORKSHOP MEETING**

**9:00 AM  
THURSDAY, DECEMBER 5, 2024  
MCKENNA EVENTS CENTER  
801 W. SAN ANTONIO, NEW BRAUNFELS, TX 78130**

Board President Wayne Peters opened the meeting at 9:05 a.m. A quorum of the NBU Board was present.

**PRESENT**

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

**ABSENT**

None

**NBU PERSONNEL**

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

**ITEMS FROM THE CHAIR**

**1. Introduction of Newly Appointed New Braunfels Utilities (“NBU”) Board Member Stuart Blythin**

Wayne Peters introduced Stuart Blythin, who was appointed by the New Braunfels City Council to serve as a Board Member for NBU, effective December 1<sup>st</sup>, 2024.

**STRATEGIC PLANNING DISCUSSION**

**1. Presentation from The Energy Authority on the Proposed Integrated Resource Plan (the “IRP”) for the Strategic and Sustainable Management of Energy Resources for NBU**

David Hubbard introduced Greg Labbe, with The Energy Authority (TEA), who presented the proposed Integrated Resource Plan conclusions and action plans. He shared the IRP 6-Step Process, which includes defining the IRP goals, gathering inputs and assumptions, identifying resource needs, evaluating options and alternatives, selecting an optimal resource strategy, and developing an action plan for consideration.

The Community Advisory Panel’s (the “CAP”) top two priorities when considering an IRP were Affordability (minimizing costs of electric service) and Reliability (providing electric service with minimal disruptions).

Based on these priorities, TEA concluded that the optimal long-term resource strategy is having a diverse portfolio (to include natural gas-fired generation, battery storage, wind generation, solar and additional storage, and bilateral forward energy market purchases), ensuring that the ownership structure aligns with financial strategy and objectives, have scenarios that are primarily reliant on power purchases that result in the highest levelized cost of energy, and noted that NBU's current hedging strategy significantly reduces risk and is an effective component of NBU's overall risk management process.

TEA provided a proposed action plan for future consideration. The plan included the recommendations that NBU:

- Continue to use energy hedges while transitioning to a more self-reliant generation portfolio
- Issue Request for Proposals (for natural gas-fired reciprocating internal combustion engines (RICE) and CT generation and battery storage)
- Monitor Texas Energy Fund for future energy opportunities
- Diversify the Resource Portfolio by providing a balanced mix of natural gas, renewable energy, battery storage, and bilateral market purchases; reduce costs and risks; and improve reliability

## **2. Presentation from the NBU Community Advisory Panel (the "CAP") on the CAP Meeting Process and Feedback Regarding the Proposed IRP for the Strategic and Sustainable Management of Energy Resources for NBU**

Kimberly Britton, with Britton Strategies, presented information on behalf of the NBU Community Advisory Panel (CAP). The CAP is comprised of 13 members appointed by the New Braunfels City Council and NBU Board of Trustees. The first topic that the CAP addressed was the IRP.

A copy of the NBU CAP Final Report and Response to the NBU IRP was presented to the board for review. Highlights from the CAP feedback on the process and report included:

- Affordability and Reliability were the top two core values at the forefront of the IRP.
- The proposed IRP, as presented by TEA, provides a logical path to sourcing generation that meets the needs of the New Braunfels community.
- The information presented to the CAP was thorough and transparent.
- The marketplace and regulatory environment have shifted and volatility continues to increase, and the proposed IRP provides viable alternatives to better manage a more volatile market.
- Recommends the NBU Board of Trustees and leadership carefully consider choosing the best balance of cost, risk, reliability, flexibility, and management of its own energy future.

The CAP lends their support to the proposed IRP as presented and provided by TEA.

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

**3. Presentation on the CAP Meeting Process and Feedback on the Rate Plan Design Process for Water, Wastewater, and Electric Rates**

Kimberly Britton, with Britton Strategies, presented on the second topic the CAP would be reviewing and providing feedback to the NBU Board, the Rate Plan Design Process for Water, Wastewater, and Electric Rates.

The CAP will review the rate study process, which includes identifying financial and pricing objectives, revenue requirements and growth projections, rate projections, and possible rate design changes, and assessing effectiveness in addressing these objectives.

The items slated for CAP feedback include:

- Meter Growth Forecast
- Impact Fees
- Input on Capital Improvement Projects
- Scenarios for Increasing Rates
- Rate Proposals
- Rate Design Options

The board will provide final feedback and direction at the December 12<sup>th</sup> 2024 board meeting.

**The Board recessed for a brief break at 10:33 am and reconvened at 10:49 am.**

**4. Presentation on the NBU Strategic Plan and Annual Priorities Overview for Fiscal Year 2026 and Fiscal Year 2027**

Shawn Schorn presented on the NBU Strategic Plan and Annual Priorities Overview for Fiscal Year 2026 and Fiscal Year 2027.

Topics covered included the Proposed FY 26/27 Strategic Goals, the Proposed 26/27 Annual Priorities, Proposed Leading and Lagging Indicators, Proposed Indices Methodology, and Next Steps.

Information included the proposed FY 26/27 Strategic Goals:

- Customer and Community: To provide a customer-first focus and commit to innovative solutions to improve the customer experience. Chief Customer Officer.
- People and Culture: Build on our team-oriented culture, promote ethical behavior, and prepare our team to meet the challenges ahead.
- Infrastructure and Technology: Maintain reliable and resilient systems through responsible planning, asset management, and innovative technologies that align with the strategic direction of the company.
- Financial Excellence: Practice sound financial management to be responsible stewards of public funds.
- Safety and Security: Strive to place safety and security as the highest priorities for every employee and customer.
- Stewardship: Commit to preserving and protecting community resources through planning, innovation, collaboration, and education.

Information also included the proposed FY 26/27 Annual Priorities. Some items included:

- Strategic Plan update
- Technology modernization
- Customer Experience
- Great Blue (Employee) Survey

Additionally, examples of the Indices Scores were provided to show how NBU is monitoring their goals and priorities.

The Strategic Plan will be brought to the Board for approval at the January Strategic Workshop.

**The Board recessed for lunch at 11:35 am and reconvened at 12:04 pm.**

**5. Presentation and Discussion on Gallup StrengthsFinder Report for NBU Board of Trustees and Chief Executive Officer**

The Board recently participated in Gallup's StrengthFinder survey. Wesley Hilliard, NBU Learning and Development Specialist and StrengthFinder coach, presented information on the results of the survey.

**The Board recessed at 1:15 p.m. to travel to NBU's new Customer Service Center Site, located at 1488 South Seguin, New Braunfels, and reconvened at 1:30 p.m.**

**TOUR OF FACILITY**

The NBU Board of Trustees participated in an informational tour of the NBU Customer Solutions Center site located at 1488 South Seguin, New Braunfels, Texas, 78130.

**ADJOURN**

There was no further business, and Board President Wayne Peters adjourned the Board Strategic Workshop at 2:04pm

***Attest:***

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*Wayne Peters, President*  
*Approved*

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

*Date Approved: December 12, 2024*