



Meeting Date: June 27, 2024 **Agenda Type:** Consent Items for Action

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

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

RECOMMENDED ACTION: Approve Resolution #2024-185 Authorizing (i) the Transfer of .4388 Acres of Real Property Located at 1032 W. Coll Street, New Braunfels, Texas to the City of New Braunfels (the “City”) in Exchange for .581 Acres of Real Property Located along FM 1044, New Braunfels, Texas (near the intersection of Old Marion Road and FM 1044) from the City to NBU for Construction and Operation of an Elevated Storage Tank (the “EST”); (ii) Acceptance of an Access Easement, Utility Easement, Drainage Easement, and Temporary Construction Easements from the City for Construction and Operation of the EST; (iii) Execution of Any and All Documents Necessary to Effectuate the Conveyances; and (iv) Other Matters in Connection Therewith

BACKGROUND

NBU proposes to transfer operational control of a .4388 acre tract of real property commonly known as 1032 W. Coll Street, New Braunfels, Texas (the “Coll Property”) to the City in exchange for the transfer of operational control of a .581 acre tract of real property located along FM 1044, New Braunfels, Texas near the intersection of Old Marion Road and FM 1044 (the “Tank Site”) from the City to NBU pursuant to the terms of a Memorandum of Understanding (the “MOU”). NBU intends to construct and operate an elevated storage tank (the “EST”) on the Tank Site. The EST is necessary to comply with Texas Commission on Environmental Quality (“TCEQ”) elevated storage capacity requirements in the Morningside pressure zone, which consists of the Voss Farms neighborhood and the Morningside Road and Solms Road areas.

In addition to the Tank Site, NBU is acquiring the following from the City: (i) an access easement thirty (30) feet in width (the “Access Easement”) to access the Tank Site from FM 1044; (ii) a utility easement twenty-five (25) feet in width (the “Utility Easement”) for the construction and operation of a water line and related facilities serving the Tank Site; (iii) a drainage easement fifteen (15) feet in width (the “Drainage Easement”) for the construction and operation of drainage facilities to allow water to drain

from the Tank Site and the EST to a detention pond on an adjacent tract of property owned by the City; and (iv) temporary construction easements for NBU’s use in connection with the initial construction of the EST (the “Temporary Construction Easements” and together with the Access Easement, the Utility Easement and the Drainage Easement referenced collectively as the “Easements”).

The property exchange between the City and NBU will allow (i) the City to designate additional green space in the City limits and (ii) NBU to comply with TCEQ elevated storage capacity requirements. If approved, the closing of the property exchange will take place on a date mutually agreed to by NBU and the City but no later than September 6, 2024. In addition, NBU staff will solicit for the construction of the EST and present the construction contract agreement to the Board in early 2025.

NBU staff requests that the Board approve the transfer of operational control of the Coll Property to the City, the acceptance of operational control of the Tank Site from the City, and the acceptance of the Easements from the City as further described in the Resolution attached hereto.

This item is being presented to the Board because NBU staff must present each conveyance of real property by NBU to the Board for approval.

FINANCIAL IMPACT

NBU and the City will not exchange funds for the properties because the properties are of substantially equivalent value. NBU expects to pay closing costs of less than \$3,000.00.

LINK TO STRATEGIC PLAN

Customers and Community

Infrastructure and Technology

Financial Excellence

Stewardship

EXHIBITS

1. Resolution
2. Memorandum of Understanding, together with the form Assignments of Operational Control and form Easements attached to the Memorandum of Understanding as Exhibits