



Meeting Date: April 30, 2026 **Agenda Type:** Action Items

From: Jessica Coleman
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Analysis Manager **Reviewed by:** John Warren
Director of Financial Planning
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Submitted by: Jessica Williams
Chief Financial Officer **Approved by:** Ryan Kelso
Chief Executive Officer

RECOMMENDED ACTION: Discuss and Consider Adoption of Resolution #2026-213 Relating to the Issuance of “City of New Braunfels, Texas, Utility System Revenue Commercial Paper Notes, Series 2026A and Series 2026B” and Resolving Other Matters Incident and Related Thereto

BACKGROUND

On March 20, 2019, as a part of NBU’s plan to manage the issuance of debt efficiently, the NBU Board authorized the use of a commercial paper program, in the aggregate principal amount of not to exceed \$75 million, with an initial expiration date of May 29, 2022. The commercial paper program was subsequently approved by City Council on March 25, 2019. This program has allowed NBU to access funds at lower short-term interest repayment rates, remain flexible and liquid, and quickly access funds when needed.

On December 9, 2021, the NBU Board approved the extension of the commercial paper program with JPMorgan Chase Bank, National Association to May 29, 2025, pursuant to the terms contemplated in the Revolving Credit Agreement and the Note Purchase Agreement of the existing commercial paper program. This extension has continued to allow NBU to remain flexible in funding its capital program to meet continued growth at the most economical cost.

On June 29, 2023, the NBU Board approved the First Amendment to the Note Purchase Agreement of the existing commercial paper program to reflect changes from the London Interbank Offered Rate (LIBOR) Index to the Secured Overnight Financing Rate (SOFR) Index as the benchmark loan index associated with the Series 2019B Notes.

On December 12, 2024, the NBU Board approved the second extension of the commercial paper program with JPMorgan Chase Bank, National Association, to May 29, 2028, pursuant to the terms contemplated in the Revolving Credit Agreement and the Note Purchase Agreement of the existing commercial paper program. This extension has continued to allow NBU to remain flexible in funding its capital program to meet continued growth at the most economical cost.

NBU staff requests that the Board approve resolution #2026-213 to enter into a new commercial paper program agreement with JPMorgan Chase Bank, increasing capacity from \$75 million to \$125 million. This program increase will ensure that NBU maintains short-term operational capital fluidity.

FINANCIAL IMPACT

Increasing the commercial program capacity allows NBU to remain flexible and liquid to allow quicker access to funds when needed for projects. It is projected that NBU will continue to benefit from access to funds at the normally lower short-term interest repayment rates associated with a commercial paper program.

LINK TO STRATEGIC PLAN

Financial Excellence

EXHIBITS

1. Resolution #2026-213