



Meeting Date: April 30, 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 Adoption of Resolution #2026-214 Recommending and Requesting that the New Braunfels City Council Take Certain Actions with Respect to an Application to the Texas Water Development Board’s Water Supply and Infrastructure Grant Program and Resolving Other Matters Incident and Related Thereto

BACKGROUND

In May of 2025, House Bill 500 (“HB 500”) passed during the 89th Texas Legislative Session and includes \$1.03 billion appropriation from the general fund to the Texas Water Development Board (“TWDB”) for water supply and infrastructure grants. This funding is 100% grant funding with no loans or leveraging and is limited to governmental or political subdivisions with public water systems. Projects must align with water supply or water infrastructure strategies and recommendations identified in the 2027 State Water Plan. Project phase eligibility for populations of 150,000 or less can include planning, acquisition, design, or construction.

The application deadline will be July 31, 2026, with commitments and closings to escrow completed by May 1, 2027. The Scoring criteria determined by the TWDB will use the Service Area’s Annual Median Household Income (“AMHI”) compared to the State AMHI to rank project submissions. Extra points are given for projects that are deemed ready to proceed and a tiebreaker preference is given to entities that have not recently received financial assistance from the TWDB.

NBU staff have identified Water Tank Rehabilitation Phase 2 as the proposed project for submission under HB500. This project includes rehabilitation and maintenance of the elevated water storage tanks located at 223 Mission Valley Road (Newks Elevated Storage Tank) and 608 Kerlick Lane (Kerlick Elevated Storage Tank). The scope includes interior and exterior coating rehabilitation, structural repairs, replacement of appurtenances, and upgrades to tank instrumentation and heat tracing systems. The project cost is approximately \$5.3 million and is considered shovel-ready, with design, permitting, and pre-construction activities substantially complete.

Staff recommend that the NBU Board approve resolution #R-2026-214 authorizing submission of an application to the TWDB for HB500 grant funding for Water Tank Rehabilitation Phase 2. The proposed timeline includes NBU Board consideration of the application resolution on April 30, 2026, and City Council consideration of the application resolution on May 11, 2026. Approval at this stage authorizes application submittal only. Additional Board and City Council action would be brought forward as needed for any future funding acceptance or related agreements.

FINANCIAL IMPACT

No financial commitment is made by NBU for the grant application.

LINK TO STRATEGIC PLAN

Financial Excellence

EXHIBITS

1. Resolution #2026-214
2. TWDB-0201 - Application Affidavit
3. TWDB-0201B - Application Resolution - Certificate of Secretary
4. TWDB-0201A - Application Filing and Authorized Representative Resolution