



Meeting Date:	<u>September 22, 2026</u>	Agenda Type:	<u>Consent Items For Action</u>
From:	<u>Bruce Haby</u> Real Estate Services Manager	Reviewed by:	<u>Mike Short, P.E.</u> Director of Engineering
Submitted by:	<u>Mark Steelman</u> Chief Operating Officer	Approved by:	<u>Ryan Kelso</u> Chief Executive Officer

RECOMMENDED ACTION: Adopt Resolution #R-2026-224 Authorizing and Approving (I) the Conveyance of Three Easements to Lower Colorado River Authority Transmission Services Corporation (“LCRA TSC”) Totaling Approximately 3.853 Acres Out of Property Owned by New Braunfels Utilities at 434 Maytown Drive, New Braunfels, Comal County, Texas, in Furtherance of the Kohlenberg Substation Project; (II) the Partial Assignment of a Separate Access and Utility Easement to LCRA TSC Benefiting the Foregoing Property; (III) the CEO or His Designee to Execute Any and All Documents Necessary to Effectuate the Conveyance Thereof; and (IV) Other Matters in Connection Therewith

BACKGROUND

On July 22, 2009, the Chief Executive Officer of NBU executed an Interconnection Agreement with the Lower Colorado River Authority Transmission Services Corporation (“LCRA TSC”) that was amended most recently by the Eleventh Amendment to the Interconnection Agreement executed by and between NBU and LCRA TSC on January 21, 2025. The Interconnection Agreement contemplated the construction of an electric substation (the “Kohlenberg Substation”) by NBU and LCRA TSC on a 10.441-acre tract of real property (the “Property”) owned by NBU, as agent for the City of New Braunfels, at 434 Maytown Drive, New Braunfels, Texas, near the intersection of FM 1101 and Kohlenberg Road. The Kohlenberg Substation is necessary to provide additional electric capacity and serve projected growth in the area.

NBU and LCRA TSC have agreed to the terms and conditions set out in the Substation Easement Agreement attached, which are subject to the approval of the NBU Board of Trustees and the LCRA TSC Board of Trustees. Under the terms of the Substation Easement Agreement, NBU will convey to LCRA TSC three (3) easements on, over, and across the Property totaling approximately 3.853 acres for the construction of and access to LCRA TSC’s electric infrastructure on the Property, as well as drainage to the water quality basin benefiting the project (the “Substation Easements”). In addition, NBU will partially assign to LCRA TSC an access and utility easement conveyed to NBU with rights of assignment in Document No. 202506036386, Official Public Records, Comal County, Texas, for access and the construction of utilities to the Kohlenberg Substation. NBU obtained an appraisal of the Substation

Easements from Valbridge Property Advisors dated July 27, 2026, which indicates the value of the Substation Easements at \$830,000.00. Subject to approval of the Substation Easement Agreement and closing of the subject transaction, LCRA TSC has agreed to pay \$830,000.00 for the conveyance of the easements referenced in the Substation Easement Agreement.

NBU staff has reviewed the Substation Easement Agreement, the appraisal, and other documents in connection with the conveyance of the easements that are the subject of the Substation Easement Agreement to LCRA TSC and recommends approval of the Substation Easement Agreement to the Board of Trustees.

FINANCIAL IMPACT

NBU is accepting consideration in the amount of \$830,000.00 for the conveyance of the subject easements, less reasonable closing costs incurred by NBU as the seller of the subject easements, which are anticipated to be less than \$15,000.00.

LINK TO STRATEGIC PLAN

Customers and Community

Stewardship

Financial Excellence

EXHIBITS

1. Resolution #R-2026-224
2. Substation Easement Agreement
3. Appraisal