

**MINUTES
NEW BRAUNFELS UTILITIES BOARD OF DIRECTORS
REGULAR BOARD MEETING**

**1:00 P.M.
Thursday, September 26, 2024
NBU Board Room
263 MAIN PLAZA, NEW BRAUNFELS, TEXAS 78130**

Board President Wayne Peters opened the meeting at 1:00 p.m. A quorum of the NBU Board was present.

PRESENT

Board President Wayne Peters, Board Vice President Judith Dykes-Hoffmann, *Board Trustee John Harrell, Board Trustee Yvette Barrera Villanueva, and Mayor Neal Linnartz

*Board Trustee John Harrell left at 3:03 pm.

ABSENT

None

NBU PERSONNEL

Ryan Kelso, Ragan Dickens, Greg Brown, Dawn Schriewer, Connie Lock, Rocio Gallegos, Mark Steelman, David Hubbard

NBU CONSULTANTS

None

PLEDGE AND INVOCATION

Board President Wayne Peters led the pledge of allegiance and offered the invocation.

NBU EMPLOYEE RECOGNITION

1. Presentation of Service Pins

a. Recognition of Jeffrey Morriss for 20 Years of Service

NBU Employee Jeffrey Morriss was recognized and presented a service pin for 20 years of service with NBU.

b. Recognition of Robert Oliva for 25 Years of Service

NBU Employee Robert Oliva was recognized and presented a service pin for 25 years of service with NBU.

PUBLIC COMMENT

There were no public comment requests.

ITEMS FROM THE CHAIR

1. **Report from the Governance Committee**

Board Vice President Judith Dykes-Hoffmann provided a report from the Governance Committee meeting on September 16th, 2024, to review Board Governance Policies and the annual Board self-evaluation. The committee reviewed comments provided by Board members on the draft Governance Policies. Revised Governance Policies will be presented to the Board today. Legal counsel will incorporate any changes and distribute revised policies for review. Additionally, a timeline was presented to conduct the annual Board self-evaluation schedule and process.

2. **Any Other Items Permitted Under Section 551.0415 of the Texas Government Code**

No additional comments were made.

ITEMS FROM STAFF

1. **CEO Update**

CEO Ryan Kelso presented updates on the following events that NBU staff participated in:

a. NBU's Mark Steelman Chosen for Leadership New Braunfels Class of 2025

NBU COO Mark Steelman has been chosen for the Leadership New Braunfels Class of 2025, a program led by the Greater New Braunfels Chamber of Commerce.

b. NBU's Participation in the 2024 New Braunfels Chamber of Commerce Business Showcase

NBU participated in the 2024 Business Trade Show on September 10th, 2024. This event allowed NBU to engage with community members to share information, including utility bill assistance and conservation practices.

c. NBU Awarded the Government Finance Officers Certificate of Achievement for Financial Excellence in Financial Reporting

For the 34th year, NBU has been awarded the Government Finance Officers of America's Certificate of Achievement for Financial Excellence in Financial Reporting. The Certificate of Achievement is the highest form of recognition in governmental accounting and financial reporting.

d. Leadership Announcements of New Hires and Position Changes

Becca Graham has transitioned from the Talent Acquisition Partner to the Enterprise Communications Manager.

e. Any other items permitted under Section 55.0415 of the Texas Government Code:

*No additional items were discussed.

2. Financial Update and Report

Accounting Manager Kimberly Huffman provided an update on the financial status of NBU.

3. Quarterly Investment Report

Finance Manager John Warren provided an update on the quarterly Investment Report.

4. Quarterly Update on the Headwaters at the Comal

Headwaters at the Comal Managing Director Nancy Pappas provided an update on the Headwaters at the Comal.

CONSENT ITEMS FOR ACTION

Trustee John Harrell made a motion, and Mayor Neal Linnartz seconded the motion to approve the Consent Items for Action as follows: #1, #2, #3, #4, #5, #6, #7, #8, #9, #10, #11, and #12. The vote was unanimous.

1. Approve Minutes of the NBU Regular Board Meeting of August 29, 2024
2. Approve the Change Order Log from July 15, 2024, through August 15, 2024
3. Approve the Reports for Water and Electric Engineering Contracts from August 1, 2023, through August 15, 2024
4. Approve the Electric Line of Business Alternative Procurements from July 15, 2024, through August 15, 2024
5. Approval 2024 First Quarter Charge-Off Accounts
6. Authorize the CEO or His Designee to Negotiate and Execute a Construction Contract with Blastco Texas Inc. for the Construction of the County Line Standpipe Rehabilitation Project
7. Authorize the CEO or His Designee to Negotiate and Execute a Construction Contract with CFG Industries, LLC for the Construction of the Loop 337 Ground Storage Tank Rehabilitation Project
8. Authorize the CEO or His Designee to Negotiate and Execute a Professional Services Agreement with Freese and Nichols, Inc. for the Design of the Senate Bill 3 Emergency Preparedness Plan Generators Phase 2 Project
9. Authorize the CEO or His Designee to Negotiate and Execute a Services and Goods Agreement with OPIN, LLC dba American FR and Safety, for a Web-Based Uniform Purchase Program
10. Authorize the CEO or His Designee to Negotiate and Execute a Professional Services Agreement with Townsend Tree Service Company, LLC for Tree Trimming Services
11. Authorize the CEO or His Designee to Negotiate and Execute a Construction Contract with E-Z Bel Construction, LLC for the Construction of the Union Avenue Water Replacement Project

12. Authorize the CEO or His Designee to Negotiate and Execute a Second Amended and Restated Utility Construction Cost Sharing Agreement Among New Braunfels Utilities, Southstar at Mayfair, LLC, MNB Real Estate Investments, LLC, Southstar at Mayfair Developer, LLC, and Beaverhead NB, LLC, Amending Provisions of the Amended and Restated Utility Construction Cost Sharing Agreement Dated December 14, 2023, Among the Same Parties

PRESENTATION ITEMS

1. **Review and Discuss Proposed Revisions to the NBU Board Governance Policies**
General Counsel Connie Lock introduced outside counsel Christine Reinhard to review the proposed revisions to the NBU Board Governance Policy.
2. **Presentation on the New Braunfels Utilities Aquifer Storage and Recovery Project**
Mike Short introduced Charles Schoening with Arcadis to present information on the NBU Aquifer Storage and Recovery Project.

EXECUTIVE SESSION

Board President Wayne Peters recessed the Open Session at 2:08 pm and announced that the Board would go into an Executive Session meeting. The Executive Session included: Consultation with Attorney Regarding Pending or Contemplated Litigation, Settlement Offer, and/or Matters Protected by Attorney-Client Privilege (Section 551.071 – Texas Government Code: a. Discuss Legal Matters Relating to McKenzie Water Reclamation Facility and Gruene Wastewater Treatment Plant; b. Discuss Legal Matters Relating to *Campbellton Road, Ltd. v. City of San Antonio by and through the San Antonio Water System*, 688 S.W.3d 105 (Tex. 2024); c. Discuss and Consider *Allison McCumbee vs. Shawn Benbrook and New Braunfels Utilities*, Comal County, 207th Judicial District Cause No. C2024-1273B; d. Discuss and Consider Items Related to Public Utility Commission of Texas Docket No. 56440, *Application of New Braunfels Utilities to Change Transmission Cost of Service and Wholesale Transmission Rates*, Including Litigation Status and Settlement Negotiations; and Power Supply Resources – Competitive Matters (Section 551.086 – Texas Government Code): a. Power Supply Update

The Executive Session was opened at 2:14 pm and closed at 3:41 pm.

RECONVENE INTO OPEN SESSION AND TAKE ANY NECESSARY ACTION RELATING TO THE EXECUTIVE SESSION AS DESCRIBED ABOVE

The Regular Session resumed at 3:43 pm, and the following actions were taken relating to the Executive Session as described above.

1. Mayor Neal Linnartz made a motion, and Board Vice President Judith Dykes Hoffmann seconded the motion to authorize the CEO or His Designee to Engage Outside Counsel to Pursue Litigation Against TRC for Design Defects Associated with the McKenzie Water Reclamation Facility and the Gruene Wastewater Treatment Facility. The vote was unanimous.

ACTION ITEMS

- 1. Discuss and Consider Approving an Uncontested Stipulation and Settlement Agreement Among NBU, the Staff of the Public Utility Commission, and the Office of Public Utility Counsel to be Filed for Final Approval by the Public Utility Commission in Docket No. 56440 Relating to NBU's Application to Change its Transmission Cost of Service Rates**

Trustee Yvette Barrera Villanueva made a motion, and Board Vice President Judith Dykes Hoffmann seconded the motion to Approve an Uncontested Stipulation and Settlement Agreement Among NBU, the Staff of the Public Utility Commission, and the Office of Public Utility Counsel to be Filed for Final Approval by the Public Utility Commission in Docket No. 56440 Relating to NBU's Application to Change its Transmission Cost of Service Rates. The vote was unanimous.

ADJOURN

There was no further business, and Board President Wayne Peters adjourned the meeting at 3:42 p.m.

Attest:

Wayne Peters, President
Approved

Ryan Kelso, Secretary of the Board
Chief Executive Officer

Date Approved: October 31, 2024