



Meeting Date: December 18, 2025 **Agenda Type:** Consent Items for Action

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

Submitted by: Mark Steelman **Approved by:** Ryan Kelso
Chief Operations Officer Chief Executive Officer

RECOMMENDED ACTION: Authorize the CEO or His Designee to Negotiate and Execute a Memorandum of Understanding with the City of New Braunfels to Coordinate Capital Projects Under the Capital Improvement Program

BACKGROUND

On September 26, 2017, the New Braunfels Utilities (“NBU”) Board of Trustees approved a memorandum of understanding (“MOU”) for joint bid construction to address the utility conflicts that arose during the City of New Braunfels’ (“CoNB”) street improvement projects planning. The CoNB and NBU have identified a need to update and revise their procedures for coordinating capital infrastructure projects (“CIP”) to streamline the process.

As a result, NBU staff request the Board’s approval of the 2025 Memorandum of Understanding (MOU), which establishes a framework for resolving utility conflicts and coordinating the joint design and bidding process for upcoming CoNB and NBU infrastructure projects that may affect one another. This MOU process streamlines resolution of conflicts, shortens construction durations and impacts, and reduces costs to both parties.

The CoNB and NBU will review each party’s capital improvement plans throughout the design process to determine any notable conflicts, assess the risk of unforeseen NBU utility conflicts on each project, and allocate bid items for known conflicts and bid allowances for unknown conflicts. For joint bid projects, capital projects involving both a CONB project and an NBU current or planned infrastructure project, the CONB and NBU will each be a party to contracts for design and construction. The CONB will be the lead contracting agency on joint projects and the CONB shall have primary responsibility for the project solicitation and procurement for both design and construction. NBU will reimburse the CoNB for utility design and construction costs associated with both joint bid and non-joint bid CoNB projects.

This item is being presented to the Board because NBU is requesting a change to the previously Board-approved MOU with the CoNB for utility conflict resolution and CIP coordination.

FINANCIAL IMPACT

The financial impact of this MOU is \$0; however, all costs utilizing this MOU above \$250,000.00 will be brought to the NBU Board of Trustees for approval. The costs of the projects that will be governed by this MOU are budgeted within the Fiscal Year 2026 through 2030 NBU Board-approved Capital Improvements Projects budget.

LINK TO STRATEGIC PLAN

Customers and Community

Infrastructure and Technology

Financial Excellence

EXHIBITS

1. City of New Braunfels & NBU CIP MOU