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**Meeting Date:** May 29, 2025      **Agenda Type:** Action Items

**From:** Jessica Coleman      **Reviewed by:** John Warren  
Finance and Risk Manager      Director of Finance

**Submitted by:** Dawn Schriewer      **Approved by:** Ryan Kelso  
Chief Financial Officer      Chief Executive Officer

**RECOMMENDED ACTION:** Discuss and Consider Adopting Resolution #2025-197 by the Board of Trustees of New Braunfels Utilities Approving Proposed Amendments to Chapter 130, Article IV, Section 130-167 of the Code of Ordinances of the City of New Braunfels (i) Adjusting Water Rates and Charges for Fiscal Year 2026; (ii) Providing for Adjustments of Water Rates and Charges for Fiscal Year 2027; (iii) Resolving Other Matters Incident and Related Thereto; and (iv) Authorizing Presentation of Same to the City Council of New Braunfels for Its Consideration and Passage

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## BACKGROUND

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In April of 2023, the New Braunfels Utilities (“NBU”) Board of Trustees directed staff to assemble a Community Advisory Panel (“CAP”) tasked with reviewing and providing feedback on certain NBU projects, including a Fiscal Year 2026-2027 Rate Study. On August 31, 2023, the Board approved Resolution #2023-176 establishing the CAP. On October 26, 2023, the Board approved the CAP Bylaws and appointed thirteen (13) CAP members. On June 27, 2024, the Board approved a Professional Services Agreement with Raftelis Financial Consultants, Inc. to conduct a water, wastewater, and electric rate study and to provide related community education.

The revenue requirements for the Water Line of Business that are identified in the Fiscal Year 2026 Budget and Five-Year Financial Operating Plan are driven primarily from the need to acquire water supply and build infrastructure to keep up with growth and meet regulatory requirements.

NBU’s twenty-year water infrastructure and water supply strategies are identified in NBU’s Water/Wastewater Master Plan and Water Resources Plan, respectively. The proposed rates will provide the revenue needed to make these investments while placing the majority of costs for water on high volume water users. Throughout the process of designing rates, NBU was careful to protect those customers who only use water for domestic purposes, including drinking, bathing, and preparing food.

The proposed water rate design includes an adjustment of water rates for an average system revenue increase of 9.9% for Fiscal Year 2026 and Fiscal Year 2027.

NBU is scheduled to present the first reading of the water rate ordinance revisions to the New Braunfels City Council on June 16, 2025, and the second reading on June 23, 2025.

## **FINANCIAL IMPACT**

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The new rates will meet the water revenue requirement of \$50,194,878 for Fiscal Year 2026 and \$56,198,755 for Fiscal Year 2027.

## **LINK TO STRATEGIC PLAN**

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### **Financial Excellence**

## **EXHIBITS**

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1. Water Rate Resolution #2025-197
2. Water Rate Redlined