

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

**1:00 P.M.
Thursday, January 25, 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 Yvette Villanueva Barrera, and Mayor Neal Linnartz

ABSENT

Board Trustee John Harrell

NBU PERSONNEL

Ryan Kelso, Dawn Schriewer, Connie Lock, Melissa Krause, David Hubbard, Greg Brown, and Laura Rivers

NBU CONSULTANTS

None

PLEDGE AND INVOCATION

Board Trustee Yvette Villanueva Barrera led the pledge of allegiance and offered the invocation.

NBU MISSION, VISION, AND CORE VALUES STATEMENT

Chief Strategic Communications and Safety Officer Melissa Krause shared the mission, vision, and core values of New Braunfels Utilities.

PUBLIC COMMENT

None

NBU EMPLOYEE RECOGNITIONS

- 1. Retirement Recognition of Manuel Estrada**
Interim CEO Ryan Kelso recognized Manuel “Manny” Estrada, who retired with 5 years of dedicated service to NBU and a 46-year career in the electric industry.

- 2. Recognition of the 2023 Rising Star Recipient Brian McClure**
Interim CEO Ryan Kelso recognized 2023 Rising Star Recipient Brian McClure.

ITEMS FROM THE CHAIR

1. Report from the Governance Committee

Board Vice President Judith Dykes-Hoffmann reported that the NBU Governance Committee met on January 9, 2024, and Board President Wayne Peters and NBU General Counsel Connie Lock were present. Topics discussed were a review of the major terms of the CEO Executive Agreement in relation to data benchmarked from other utilities and governmental entities. The Agreement was presented at the January 18, 2024, Board strategic retreat for consideration at the January 25, 2024, regular meeting. Additional topics included a discussion on the Board self-evaluation process to present at January 18, 2024, Board strategic meeting, the need to update the Governance Policies and provide related Board training.

3. Report from the Facilities Master Planning Committee

Board President Wayne Peters reported that the NBU Facility Master Planning Committee met on January 12, 2024, and John Harrell, Ryan Kelso, David Hubbard, Jacob Tschoepe, and Laura Ayala were present. Topics discussed were a market update, proposed updates to the Financial Policy, and the proposed Series 2024 bond issuance.

3. Report from the Community Advisory Panel Board Committee: Kick-Off Agenda Planning Meeting for the NBU Integrated Resources Plan

Board President Wayne Peters reported that the NBU CAP Board Committee met on December 7, 2023, and Wayne Peters, Mayor Neal Linnartz, Ryan Kelso, Laura Rivers, Laura Ayala, Darla Arnold, CAP Chair Justin Meadows, and CAP member Stuart Blythin were present. Topics discussed were CAP roles and responsibilities of the board committee and the panel, the preliminary meeting agenda for the first meeting, tentative meeting schedule. The committee is also recommending Stuart Blythin as Vice Chair.

ITEMS FROM STAFF

1. Interim CEO Update

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

- a. The NBU's Distributive Energy Resources (DER) Team spent an afternoon in San Antonio with CPS Energy to share knowledge and discuss all things DER. Topics included DER interconnection management, customer programs, and troubleshooting interconnection issues.
- b. NBU, in collaboration with the New Braunfels Food Bank, held a collaborative Toy Drive from November 22nd to December 15th. Toys were collected and delivered to families in the community.
- c. NBU Assistance Program Information and Update: The American Rescue Plan Act (ARPA) funding has concluded, and, additionally, the Comal County Cares (CCC) program is now closed. The initiative will now revert to its original branding as the NBU Utility Bill Assistance Program. The Texas Utility Help is not currently accepting utility assistance applications.

- d. NBU is participating in the Texas Public Power Corridor (TxPPC) Group: The group consists of Austin Energy, CPS Energy, New Braunfels Utilities, and Lower Colorado River Authority (LCRA). Topics they focus on are an 8-month-long Leadership Academy, now in its second cohort, an upcoming electric vehicle (EV) dashboard will be developed to forecast the growth of EVs in each utility's service territory, and a Mutual Aid agreement will be established between the participating entities.
- e. NBU University, a comprehensive program crafted to enhance our knowledge of the inner workings of our municipally-owned utility, held a meet-and-greet mixer on January 22, 2024. The first class is scheduled for February 6, 2024. NBU University will acquaint participants with NBU's Vision, Mission, Core Values, and Guiding Principles, provide insights into NBU operations, and foster an understanding of the relationships between citizens, the Board of Trustees, and employees. The NBU University Class of 2024 consists of Neil Rose, Mark Reber, Crissy Harris, Taylor Cano, Stacy Garrett, Delene Cornel, Rachel Behnke, Dr. Larry Johnson, Phillip Nickel, Larry Wicker, Katherine Crowe, Stacy Thigpen, Allyson Janzen, John Moss, William Joe Turner, Serena Morris, Laura Ayala, and Demian Kolb.
- f. The NBU Community Advisory Panel (CAP) Kickoff meeting was held on January 23, 2024. The role of the CAP is primarily to act as a guiding force, collaborating with NBU and experts to provide well-informed recommendations to the NBU Board of Trustees. The core focus areas include the Integrated Resource Plan, Drought Management Plan, and the Fiscal Years 2026 and 2027 Rate Design Study.
- g. Interim CEO Roadshow: On January 16th, 2024, a presentation of the NBU's Water Supply Diversity was shared with the Keller Williams Heritage Realtor Group.
- h. Update on NBU Chief Operations Officer Search: The services of an external recruiter will facilitate the recruitment process for the Chief Operating Officer (COO) role. The recruitment process will take approximately 90 days to complete.
- i. 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 Capital Update

Program Portfolio Manager Jacob Tschoepe updated the board on the Quarterly Capital Update

4. Power Supply Update Including Update on Winter Storm Heather

Director of Power Supply Bob Figuly provided an update on NBU's power supply program and a Winter weather update.

CONSENT ITEMS FOR ACTION

Mayor Neal Linnartz made a motion and Board Vice President Judith Dykes-Hoffman seconded the motion to approve the Consent Items for Action as follows: #1, #2, #3, #4, #5, #6, #7, #8, #9, #10, #11, #12, #13, #14, #15, #16. The vote was unanimous.

1. Approve Minutes of the NBU Regular Board Meeting of December 14, 2023
2. Approve Minutes of the NBU Special Board Meeting of December 18, 2023
3. Approve Minutes of the NBU Special Board Meeting of January 18, 2024
4. Approve Amended Minutes of the NBU Regular Board Meeting of May 23, 2023
5. Approve the Change Order Log from November 15, 2023, through December 15, 2023
6. Approve the Reports for Water and Electric Engineering Contracts from August 1, 2023, through December 15, 2023
7. Approve the Electric Line of Business Alternative Procurements from November 15, 2023, through December 15, 2023
8. Authorize Interim CEO or His Designee to Negotiate and Execute a Second Amendment to the Professional Services Agreement with Freese and Nichols, Inc. for the Design of the Trinity Water Treatment Plant and Pump Station Expansion Project
9. Authorize Interim CEO or his Designee to Negotiate and Execute a Construction Contract with Pesado Construction Company, Inc. for the Construction of the Mission to Westpointe Connection Water Line Project
10. Authorize Interim CEO or His Designee to Negotiate and Execute a Second Amendment to the Professional Services Agreement with Kimley-Horn and Associates, Inc. for the Design of the I-35 Interceptor Project
11. Authorize Interim CEO or His Designee to Negotiate and Execute Second Amendment to the Professional Services Agreement with Periscope Holdings, Inc. for Purchasing Support Services for the NBU Purchasing Department
12. Authorize Interim CEO or His Designee to Negotiate and Execute a Professional Service Agreement with DataProse, LLC, for Utility Bill Provider Services
13. Authorize Interim CEO to Execute a (i) First Amendment to the Professional Services Agreement between New Braunfels Utilities and Environmental Research Group, LLC, formerly AmaTerra Environmental, Inc., and (ii) an Assignment of Agreement for Cultural Services for Headwaters Construction Phase II
14. Authorize Interim CEO or His Designee to Negotiate and Execute a First Amendment to the Vendor Services Agreement with Opin, LLC dba American FR for a Web-Based Uniform Purchase Program

15. Authorize Interim CEO or His Designee to Negotiate and Execute a Professional Services Agreement with Britton Strategies LLC for the Community Advisory Panel for Planning, Facilities, and Project Management Services
16. Authorize the Interim CEO or His Designee to Negotiate and Execute a Cooperative Contract with Lonestar Freightliner Group, LLC for One (1) Western Star 47X GAPVAX Unit

PRESENTATION ITEMS

1. **Presentation and Update on the Status of the Amendment to the Memorandum of Agreement (MOA) with the Lower Colorado River Authority (LCRA) Regarding NBU Transmission Assets and Associated Payments**

Ashley Van Booven presented information on the status of the Memorandum of Agreement with LCRA and the next steps on lease payments. The board may need to take action at a future meeting.

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 Power Supply Resources – Competitive Matters; Consultation with Attorney Regarding Matters Protected by Attorney Client Privilege – Settlement Agreement Dated April 4, 2023, among New Braunfels Utilities and Southerland Communities NB Land Properties, Ltd., Southerland Copper Ridge, LLC (“Southerland Defendants”), International Fidelity Insurance Company, and Harco National Insurance Company; Deliberation Regarding Real Property - Deliberate the Purchase, Exchange, Lease, or Value of Property at the Intersection of South Sycamore Avenue and 1032 West Coll Street; and Consultation with Attorney Regarding Matters Protected by Attorney Client Privilege; Personnel Matters - Deliberate Plan and Strategy for Implementation of Executive Employment Agreement for Chief Executive Officer. The Executive Session was opened at 2:10 pm and closed at 3:09 pm.

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

ACTION ITEMS

1. **Discuss and Consider Ratification of Letter Agreement Among New Braunfels Utilities, Southerland Communities NB Land Properties, Ltd., Southerland Copper Ridge, LLC, International Fidelity Insurance Company, and Harco National Insurance Company Pertaining to the Full Settlement Agreement Among the Same Said Parties Dated April 4, 2023**

Mayor Neal Linnartz made a motion, and Board Vice President Judith Dykes-Hoffmann seconded the motion to ratify the Letter of Agreement among New Braunfels Utilities, Southerland Communities NB Land Properties, Ltd., Southerland Copper Ridge, LLC, International Fidelity Insurance Company, and Harco National Insurance Company pertaining to the Full Settlement Agreement among the same parties dated April 4, 2023. The vote was unanimous.

2. Discuss and Consider Approval of Executive Employment Agreement for the Chief Executive Officer

Board Trustee Yvette Villanueva Barrera made a motion, and Board Vice President Judith Dykes-Hoffman seconded the motion to approve the executive employment agreement for Chief Executive Officer between New Braunfels Utilities and Kenneth Ryan Kelso. The vote was unanimous.

ADJOURN

There was no further business, and Board President Wayne Peters adjourned the meeting at 3:10 p.m.

Attest:

*Wayne Peters, President
Approved*

*Ryan Kelso, Secretary of the Board
Chief Executive Officer*

Date Approved: February 29, 2024