



Meeting Date: June 25, 2026 **Agenda Type:** Consent Items for Action

From: Nancy Pappas **Reviewed by:** Julia Haynes
Managing Director,
Headwaters at the Comal Director of External Relations

Submitted by: Ragan Dickens **Approved by:** Ryan Kelso
Chief Communications Chief Executive Officer
Officer

RECOMMENDED ACTION: Authorize the CEO or His Designee to Negotiate and Execute a Grant Agreement for Fiscal Year 2027 between New Braunfels Utilities and Headwaters at the Comal

BACKGROUND

In keeping with NBU’s longstanding commitment to the environment and community and delivering on the Master Plan for the Comal Headwaters Conservation Center, NBU’s conservation legacy project, NBU desires to grant public money and administrative support to Headwaters at the Comal (Headwaters), a 501(c)3 non-profit organization, through a grant contract (the “Agreement”) to assist NBU in the process of restoring and activating the site.

Article III, Section 52 of the Texas Constitution prohibits a municipal owned utility from lending its credit or granting public money or other things of value to an individual, association, or corporation to prevent the gratuitous application of public funds for private use. However, the Texas Constitution provides an exception to Article II, Section 52, when expenditure benefits a private interest if made for the direct accomplishment of a legitimate public interest.

The Headwaters is willing to accept the grant of public money and administrative support for the development of the cultural and environmental history of the site and encouraging future stewardship of the environment, water, and community a provided for within the Agreement.

Under the Agreement, the grant shall be used for the following purposes:

1. Programs that promote the safe and efficient use of water;
2. Programs that promote water education;
3. Programs that promote and/or provide education regarding environmental preservation and conservation;
4. Programs that enhance NBU’s support for and standing in the national, state, and regional water utility industry;

5. Programs that include NBU's participation in professional association events offering informational exchanges and education benefits
6. Maintenance of the Headwaters site; or
7. Promotion and/or administrative support of the aforementioned items.

NBU staff requests that the Board of Trustees approve the Agreement with the Headwaters.

This item is being presented to the Board because the total amount of the Agreement equals \$300,000.00

FINANCIAL IMPACT

The total financial impact of the Agreement with the Headwaters is \$300,000.00. The Agreement is budgeted within the Fiscal Year 2027 NBU Board approved Operations and Maintenance Budget.

LINK TO STRATEGIC PLAN

Infrastructure and Technology

Financial Excellence

EXHIBITS

1. Grant Amendment (Fiscal Year 2027)