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**Meeting Date:** June 25, 2026      **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 Letter of Agreement for Custom Work with AT&T for Conduit Bank Realignment Related to the South Kuehler Interceptor Phase 1 Project

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## **BACKGROUND**

On March 27, 2025 New Braunfels Utilities (“NBU”) approved a construction contract with Pesado Construction Company (“Pesado”) for the South Kuehler Interceptor Phase 1 Project, which includes (i) 6,050 linear feet (“LF”) of 36-inch and 42-inch gravity sewer main by open cut construction, (ii) construction of approximately 150 LF of 36-inch gravity sewer main by trenchless methods, (iii) construction of approximately 1,000 LF of 8-inch and 10-inch gravity sewer main by open cut construction, (iv) relocation of approximately 80 LF of 12-inch water main, (v) removal and/or abandonment and grout fill of existing sanitary sewer mains and associated manholes, (vi) connections to the NBU sanitary sewer system, (vii) sewer bypass pumping for construction, (viii) concrete structure work, (ix) clearing and grubbing, (x) traffic control, (xi) storm water pollution prevention, (xii) site restoration, and (xiii) all other appurtenances necessary to complete the project (the “Project”). The Project will increase the sewer line capacity in the South Kuehler Water Reclamation Facility sewer basin and also replace sewer lines in poor condition.

During construction, an AT&T duct bank was discovered to conflict with the proposed gravity sewer main near FM 725. The existing AT&T infrastructure was not located by AT&T during design and therefore was not shown on the construction drawings, nor was it located by AT&T during construction. AT&T was notified immediately upon discovery. AT&T proposed to accommodate our work by trenching back 200 LF in both directions from the conflict location, place the conduit banks below the specified invert of the gravity sewer main, relay copper and fiber lines, and splice them on each end of the realigned segment, and replace all concrete structures that have to be removed to complete the work.

NBU staff requests that the Board of Trustees approve the Agreement (the “Contract”) with AT&T for this work.

This item is being presented to the Board because the total amount of the Contract exceeds \$250,000.00.

## **FINANCIAL IMPACT**

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The total financial impact of the Contract with AT&T is \$274,966.12. The South Kuehler Interceptor Phase 1 Project is budgeted within the Fiscal Year 2026 through Fiscal Year 2027 NBU Board approved Capital Improvements Projects Budget. At the completion of the Project, if additional payment is required, an additional request will be presented to the Board at that time.

## **LINK TO STRATEGIC PLAN**

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### **Infrastructure and Technology**

## **EXHIBITS**

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1. Letter of Agreement for Custom Work with AT&T