

**MINUTES
NEW BRAUNFELS UTILITIES BOARD OF DIRECTORS
STRATEGIC WORKSHOP MEETING**

**8:30 AM
THURSDAY, January 18, 2024
NEW BRAUNFELS FOOD BANK
1620 S. SEGUIN AVENUE, NEW BRAUNFELS, TX 78130**

Board President Wayne Peters opened the meeting at 8:32 a.m. A quorum of the NBU Board was present.

PRESENT

Board President Wayne Peters, Board Vice President Judith Dykes-Hoffmann, Board Trustee John Harrell, Board Trustee Yvette Villanueva Barrera, and Mayor Neal Linnartz

ABSENT

None

NBU PERSONNEL

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

ITEMS FROM THE CHAIR

Wayne Peters recognized the Water Treatment and Compliance team for being recognized by the Texas Water Utilities Association for earning the Best Tasting Surface Water award.

EXECUTIVE SESSION

Board President Wayne Peters recessed the Open Session at 8:35 am and announced that the Board would go into an Executive Session meeting. The Executive Session included 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 8:36 am and closed at 8:53 am.

STRATEGIC PLANNING DISCUSSION

The New Braunfels Utilities (NBU) Board and staff will discuss the following matters related to planning for the future of NBU regarding its operations, management, facilities, governance, and strategic plans. Agenda items discussed including the following:

- 1. Presentation on Phasing Options for Construction of the Future NBU Headquarters Project to be Located South of the Intersection of Krueger Canyon Road and FM 482 and Northwest of the Intersection of Engel Road and IH-35 in Comal County, Texas**

Jacob Tschoepe presented information on the NBU Headquarters Project, including staffing projections for the Headquarters building, the cost for full facility build-out versus finish-out phasing options, and a draft of the general building schematics. An anticipated timeline schedule was also shared with the Board. Currently, staff is recommending that the facility be able to accommodate 725 employees by 2045 and move forward with a full build-out versus a phase-in.

Questions and commentary from the board included parking lot requirements, entrance/exit locations, and topography.

2. Presentation on the Construction and Rehabilitation of the NBU Annex Located at 1448 S. Seguin Avenue, New Braunfels, Texas

Jacob Tschoepe presented information on the NBU Annex project. Design-build teams have been selected. An early plan schematic was shared with the board. An anticipated timeline schedule was shared with the board, with construction tentatively to be completed by October 2024.

Questions and commentary from the board included pest control, city first responders' current building use, and departments that may be utilizing the building when finalized.

3. Presentation on the Fiscal Year 2024 Strategic Plan, Annual Priorities, and Emerging Initiatives Updates

Melissa Krause led the presentation on the Fiscal Year 2024 Strategic Plan, Annual Priorities, and Emerging Initiatives Updates. Executive and Leadership staff reviewed goals and annual priorities. Topics discussed included:

- a. Customer and Community: Dawn Schriewer presented information on the Customer Satisfaction Survey. Group discussed optimizing external communications, when possible.
- b. People and Culture: David Hubbard and Adriana Sanchez shared information on actions that have been implemented based on the Gallup employee engagement survey. Some items included family leave, TMRS contributions, holiday schedules, internal Employee Experience Team.
- c. Infrastructure and Technology: Gretchen Reuwer, Greg Brown and Mike Short presented information on FY 2024 goals.
- d. Financial Excellence: Dawn Schriewer provided information on our current bond rating.
- e. Safety and Security: Melissa Krause presented information on vehicle and equipment damage incidents.

- f. Stewardship: David Hubbard introduced Sarah Richards to share One Water Advisory Council information.

Melissa Krause then transitioned to specific information on the FY 2024 Annual Priorities. Topics discussed included:

- a. Electric Transportation (ET) Program Creation: Sarah Richards provided information on the NBU ET program. We are seeing growth in the program.
 - b. Water Efficiency: Sarah Williams shared that the department is working on creating measures to determine progress on water to mark progress.
 - c. Integrated Resource Plan (IRP): David Hubbard shared that we are currently working with TEA on the process for the IRP. The 1st Community Advisory Panel (CAP) meeting will be held on January 23rd, 2024. Bob Figuly shared that we are firming up the forecast moving forward and are currently on track to meet strategic plan deadlines.
 - d. Enterprise Asset Management: Ryan Kelso shared that the project management contract has been successfully executed, and staffing positions for that department have been filled.
 - e. Project Management: Ryan Kelso shared that the goal is to grow this initiative and build up core competencies to level up to larger projects. Training is underway for staff.
 - f. NBU HQ: Information was shared earlier in the meeting.
 - g. Emergency Management: Melissa Krause shared that the Safety Department is working on standardizing emergency plans. An emergency management coordinator position has been posted, and interviews will occur soon. Once filled, they will work to have 50% completion by the end of this fiscal year.
 - h. Power Supply: David Hubbard shared that TEA evaluated our program and offered some new strategies. We have created a roadmap based on their recommendations and ranked them on priorities. One of the priorities is a risk management process. An update to the board in April 2024, including KPI data.
4. Presentation and Discussion on the Proposed Fiscal Year 2025 Strategic Plan and Annual Priorities

Melissa Krause presented information on the Fiscal Year 2025 Strategic Plan and Annual Priorities. She provided the strategic plan timeline and then led a review of the FY 2025 strategic plan, including mission, core values and vision, and the guiding principles and definitions.

Executive and Leadership staff reviewed goals and annual priorities. Topics discussed included:

- a. **Customers and Community:** Melissa Krause shared the goal statement: We provide a customer-first focus and commit to innovative solutions to improve the customer experience. Goal Measure updated from:

“Customer Satisfaction Benchmark – Organizational characteristics by NBU’s vendor, Greatblue, above industry standard.”

To: “Community Engagement and Outreach to enhance community relations with meaningful conversations; Activate with $\geq 10\%$ of the customer base.”

- b. The goal is to enhance the customer experience.

Questions and commentary for the board included:

Clarification on having a 3-year vs. a 5-year plan: is one better than the other?
Dependent on the goals that need to be addressed.

Do we have a process for comments during an event to gather comments and concerns?
What will we do with that feedback and compile? Moving forward, we will move from an annual survey to a real-time one that can address issues as they happen. We will work with communication to make the information relatable to customers and the community.

- c. **People and Culture:** David Hubbard shared the goal statement: We will care for our employees, build on our team-oriented culture, promote ethical behavior, and prepare our team to meet the challenges again.

Questions and commentary for the board included:

What do we do with that feedback from the survey? The Employee Experience Team reviews all survey answers to see what options can be implemented. Some of the options that were implemented this past year include Flash Friday communication for staff (both email and video links), the option to cash out vacation time, parental leave, 2:1 TMRS match, and coffee choice. Working on creating professional learning opportunities that focus on leadership (for example, Crucial Conversations) and soft skills to work on coaching for feedback with employees. We are also working on better communication on why survey requests may or may not be able to be implemented.

Goal #1 is measurable, but goal #2 does not seem to be. Was recommended to move to either Goal Statement or Goal Summary section. We can look at how to make that measurable/quantitative.

How has the work-from-home changed since COVID? We have some employees that are completely remote. However, the majority of employees are on a hybrid schedule.

Some of the impact of bringing staff back is based on office space. Hybrid schedules vary by department/manager.

- d. **Infrastructure and Technology:** The goal statement: We maintain reliable and resilient systems through responsible planning, asset management, and innovative technologies that align with the strategic direction of the organization.

Gretchen Reuwer covered utility infrastructure. The department is working with our Business Analyst department to incorporate the affordability index into a working dashboard. A view of the dashboard was shown to the board. This goal will also be added to Finance.

Greg Brown shared that the Information Technology department maintains a regular schedule for system checks for reliability on all NBU systems.

Mike Short covered information on the Infrastructure Leakage Index (ILI) and Wastewater Treatment Compliance Event measures. These measures will remain the same based on the recommended state standards.

- e. **Financial Excellence:** Dawn Schriewer shared the goal statement: We practice sound financial management to be responsible stewards of public funds.

Based on the Board's Financial Policy, we currently monitor our rates through our ratios and modify them as needed.

Questions and commentary for the board included:

Is maintaining a bond rating of A too low? Our current lowest rating is with S&P at an A+. While the goal measure is one rate lower than our current rating, we are good with maintaining based on determining factors. Will add in Goal Measure "Maintain bond rating." Fiscal year 2025 Infrastructure and Technology goals (for electric, water, and wastewater) will be added to Financial Excellence Goal Measure.

- f. **Safety and Security:** The goal statement is: We strive to place safety and security as the highest priorities for every employee and customer.

One of the measures includes managing preventable damage to vehicles at ≤ 10 incidents per 1,000,000 miles driven.

Questions and commentary for the board included:

Do we have any data on vehicle mileage and damage? We are currently looking at GPS equipment to assist with monitoring this information.

- g. **Stewardship:** The goal statement is: We commit to preserving and protecting community resources through planning, innovation, collaboration, and education.

David Hubbard and Sarah Richards have been working on creating a metric to implement water efficiency. This process may be easier in the long term and harder on annual basis. The goal is to make sure the matrix is capturing data that is feasible.

Melissa Krause briefly reviewed the additions to FY 2024/2025 Annual Priorities. One of the priorities that will be a primary focus will be optimizing the customer experience. The goal of this priority is make doing business with NBU an enjoyable experience, how we do business, and raise our customer experience across the company. We will be developing a roadmap with how we will move forward.

The Board recessed for lunch at 12:03 pm and reconvened at 12:40 pm.

5. Presentation and Update on Levels of Service and Key Performance Indicator (KPI) Dashboard

Jacob Tschoepe presented information on Levels of Service (LoS) and Key Performance Indicators (KPI). The goal is to create a workflow to create dashboards to monitor service and project performance.

Three examples of KPI data were shared: Customer Service, Water Systems Engineering, and Finance. KPI/Levels of Service (LoS) dashboard reflects current KPI, the current goal, and the current status.

Future goals include departmental dashboards, action plans, trending and historical data, industry benchmarks, data-driven decision-making and planning, LoS focused organization. Goals were discussed with the management team for feedback on the process.

Questions and commentary for the board included:

What is the industry average hold time? 6 minutes or less

Recommendation was made to modify measurement to include “average hold time,” as opposed to “max hold time.” Note: max hold time does hold value.

Is the hold time a tech issue? Is it an issue of staff being unable to access the information needed to assist customers? We are just now starting to evaluate our staff’s technology and software needs.

6. Ethics Presentation on the Brownsville Public Utilities Board Forensic Examination Report Dated September 29, 2022, Relating to the Tenaska Project

Rachel Leier presented information on the Brownsville Public Utilities Board (BPUB) Tenaska Project. This presentation highlighted the problems associated with the project and highlighted several ethical concepts and how unethical decisions can result in criminal investigation or loss of bond rating and credibility.

Questions and commentary for the board included:

What was the fallout for those involved? No real criminal penalties.

Beneficial to provide related presentation to Council and Board annually

7. Presentation and Discussion on NBU Board Annual Self-Evaluation

Board Vice President Judith Dykes-Hoffmann shared the historical progression of creating a Board Annual Self-Evaluation process. She provided a copy of the final self-evaluation responses to the board members. Responses from the board included: requesting a list of frequently used acronyms, ability to review materials/documents/information from board committee meetings, and related inquiries. Additionally, adding a “Board Moment” in the monthly board meeting agendas, receiving the proper information in order to provide critical oversight, to memorialize a list of board objectives that the board can work on, and for staff to use board responses from this evaluation to craft future presentation items.

EXECUTIVE SESSION

Board President Wayne Peters recessed the Open Session at 2:16 pm and announced that the Board would go into an Executive Session meeting. The Executive Session included Consultation with Attorney Regarding Matters Protected by Attorney Client Privilege - Discuss Legal Issues Relating to the Proposed Sale of 263 Main Plaza. The Executive Session was opened at 2:16 pm and closed at 3:35 pm.

The Board of Trustees, upon reconvening in Open Session, will discuss and consider any action, if necessary, regarding closed session items.

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

TOUR OF FACILITY

The NBU Board of Trustees participated in an informational tour of the future NBU Headquarters site to be Located South of the Intersection of Krueger Canyon Road and FM 482 and Northwest of the Intersection of Engel Road and IH-35 in Comal County, Texas.

ADJOURN

There was no further business, and Board President Wayne Peters adjourned the Board Strategic Workshop at 5:06 pm.

Attest:

*Wayne Peters, President
Approved*

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

Date Approved: January 25, 2024