

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

1:00 P.M.

Thursday, August 29, 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 John Harrell, *Board Trustee Yvette Barrera Villanueva, and Mayor Neal Linnartz

*Board Trustee Yvette Barrera Villanueva left at 5:01pm

ABSENT

None

NBU PERSONNEL

Ryan Kelso, Ragan Dickens, Greg Brown, Dawn Schriewer, Connie Lock, Rocio Gallegos, Sheila Lavender, David Hubbard

NBU CONSULTANTS

None

PLEDGE AND INVOCATION

Mayor Neal Linnartz led the pledge of allegiance and offered the invocation.

NBU EMPLOYEE RECOGNITION

1. Recognition of NBU Texas Lineman Rodeo Participants

NBU employees who participated in the 2024 Texas Lineman Rodeo were recognized. NBU had a Journeyman Team made up of Bradley Dietert, Chris Gavigan, and Ty McFarlin, as well as five Apprentices made up of Brenner Magott, Chance Miller, Klayton Rothrock, and Nate Wallsmith. Additionally, two barbeque teams made of John Espinoza, Mike Vineyard, and Gerald Lehmann, as well as George Herrera, Javier Nieto, and Joseph Lopez. Additional NBU staff that assisted with judging, coordinator, and coaches included Michael Najera, Justin Green, Ryan Voges, Coby Henk, Keith Marsh, Mike Hardick, and Austin Kloerner.

PUBLIC COMMENT

There were no public comment requests.

ITEMS FROM THE CHAIR

1. **Report from the Investment Committee**

Board Trustee Yvette Barrera Villanueva provided a report from the Investment Committee meeting on July 17, 2024. Items discussed included a market update and the Commercial Paper and Taxable Note Programs, including the cost of extending them and the steps needed to pursue their extension.

2. **Report from the Records and Information Management Committee**

Board Trustee Yvette Barrera Villanueva provided a report from the Records and Information Management Committee meeting that took place on August 13, 2024. Items discussed included information on the Texas State Library and Archives Commission (TSLAC), the FY2024 records recap, the FY2024 destruction report, the current destruction approval process, and the proposal to review and modify the current process to a more efficient and economical process to bring to the Board for approval at a later date.

3. **Report from the Governance Committee**

Board Vice President Judith Dykes-Hoffmann provided a report from the July 20, 2024, Governance Committee meeting. Items discussed included the proposed schedule for reviewing and approving the Governance Policy.

4. **Any Other Items Permitted Under Section 551.0415 of the Texas Government Code**

No additional comments were made.

ITEMS FROM STAFF

1. **CEO Update**

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

a. Texas Public Power Association Annual Conference Update

Several members of NBU's Leadership Team and board members attended the Texas Public Power Association (TPPA) Annual Conference in Austin, TX, from July 22nd to July 24th. The conference featured legislative updates and current and upcoming regulations.

b. CEO Roadshow Events: New Braunfels Conservative Group, New Braunfels Jaycees, and the Retirees are Progressive Group

Presentations in July on the State of NBU were given at the New Braunfels Conservative Group and New Braunfels Jaycees. A presentation on Water Supply was given at the Retirees are Progressive group in July.

c. NBU Interns Appreciation Luncheon

NBU summer intern hires were honored at a lunch, during which they were also given the opportunity to explore their Clifton Strengths reports.

- d. NBU Cashiering Team Visits New Braunfels Library to Participate in Utility Bill Assistance Training

The NBU Cashiering Team visited the New Braunfels Library to participate in Utility Bill Assistance and better understand the process from start to finish.

- e. NBU Hosts All-Employee Meeting:

The NBU All-Employee Meeting was held on August 8, 2024. Employees heard presentations on the strategic goals and priorities for Fiscal Year 2025, Gallup employee engagement survey results, Employee Experience Team updates, and leadership presentations from NBU employee Justin Green and guest speaker Clint Rutledge.

- f. Community Outreach: NBU Participation at the New Braunfels Independent School District Education Expo

NBU employees from Customer Service, Conservation & Customer Solutions, and Enterprise Communications attended the NBISD Education Expo to provide information on conservation tips, available rebates, and information on our bill assistance programs.

- g. Leadership Announcements of New Hires and Position Changes

Ragan Dickens was introduced as the new Chief Communications and Strategy Officer. He comes to NBU after leading the communications team for Walmart and Tyson. Prior to that, he worked in State and federal government for a sitting Governor.

Sheila Lavender was introduced as the new Chief Customer Officer. She comes to NBU after serving as the Vice President of Technology and Security Engineering at RSI.

Additionally, Reagan Pena was introduced as the new Director of Enterprise Communication, Ashley Van Booven has transitioned from the Director of Finance to the position of Director of Energy Risk, and John Warren has been named the Director of Finance.

- h. Any other items permitted under Section 55.0415 of the Texas Government Code: No additional items were discussed.

*no discussion under this item

2. Financial Update and Report, Including an Update on the Filing of the NBU Transmission Cost of Service Application with the Public Utility Commission of Texas

Accounting Manager Kimberly Huffman provided an update on the financial status of NBU. Energy Risk Manager Missy Quent provided an update on the Transmission Cost of Service application with the Public Utility Commission of Texas that was filed in April 2024.

3. Water Supply Fee Report

Finance Manager John Warren provided an update on the Water Supply Fee Report.

4. Quarterly Capital Improvement Plan Update

Jacob Tschoepe updated the board on the Quarterly Capital Update

CONSENT ITEMS FOR ACTION

Trustee John Harrell made a motion, and Board Trustee Yvette Barrera Villanueva 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, and #16. The vote was unanimous.

1. Approve Minutes of the NBU Regular Board Meeting of June 27, 2024
2. Approve the Change Order Log from May 15, 2024, through July 15, 2024
3. Approve the Reports for Water and Electric Engineering Contracts from August 1, 2023, through July 15, 2024
4. Approve the Electric Line of Business Alternative Procurements from May 15, 2024, through July 15, 2024
5. Approval of the City Transfer Payable in Fiscal Year 2025, Based on Preliminary Financial Results for Fiscal Year 2024
6. Authorize the CEO or His Designee to Negotiate and Execute a Construction Contract with C.F. McDonald Electric, Inc. for the Construction of the Emergency Preparedness Plan Generators, Phase 1 Project
7. Authorize the CEO or His Designee to Negotiate and Execute a Construction Contract with Hydro Resources Mid-Continent, Inc. for the Construction of the Aquifer Storage and Recovery D1 Well Deepening Project
8. Authorize the CEO or His Designee to Negotiate and Execute a First Amendment to the Professional Services Agreement with Freese and Nichols, Inc. for the Design of the FM 1044 Elevated Storage Tank Project
9. Authorize the CEO or His Designee to Negotiate and Execute a Professional Services Agreement with Freese and Nichols, Inc. for the Design of the FM 1101 Discharge Line Project
10. Ratify the First Amendment to the Professional Services Agreement with Freese and Nichols, Inc. for the Conrads Elevated Storage Tank (Goodwin Lane) Project, and Authorize the 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 Conrads Elevated Storage Tank Project
11. Authorize the CEO or His Designee to Negotiate and Execute a Third Amendment to the Professional Services Agreement with Kimley-Horn and Associates, Inc. for the Design of the Interstate Highway 35 24-inch Water Line Downtown Project
12. Authorize the CEO or His Designee to Negotiate and Execute a Professional Services Agreement with Quiddity Engineering, LLC for the FM 1101 Pump Station and Ground Storage Tank Project

13. Authorize the CEO or His Designee to Negotiate and Execute a Construction Contract with Guido Construction Company for the Construction of the Aquifer Storage and Recovery EAA Interlocal Agreement Monitoring Well Site Improvements Project
14. Authorize the CEO or His Designee to Negotiate and Execute a Professional Services Agreement with Kimley-Horn and Associates, Inc. for the Design of the Central Downtown to Morningside Pressure Zone Conversion Project
15. Authorize the CEO or His Designee to Negotiate and Execute a Materials Agreement with Chemtrade Chemicals US, LLC, for the Purchase of Water and Wastewater Chemicals
16. Authorize the CEO or His Designee to Negotiate and Execute a Materials Agreement with Pencco Inc. for the Purchase of Water and Wastewater Chemicals

PRESENTATION ITEMS

1. **Presentation on the Gallup Employee Engagement Survey Results**
Director of People and Culture Adriana Sanchez introduced Mason Hults with Gallup, who presented the Gallup Employee Engagement Survey results via a prerecorded Zoom session.
2. **Presentation from the NBU Employee Experience Team on the Proposed NBU Employee Engagement Action Items, Based on the Results from the Gallup Employee Engagement Survey Results**
Following the Gallup Employee Engagement Survey Results, the NBU Employee Experience Team presented information on the key takeaways, successes, and future action items proposed to address the Employee Engagement Survey Results.
3. **Presentation on the Guadalupe-Blanco River Authority's Wholesale Delivery of Gonzales Carrizo Water Supply and Its Impact on NBU**
Charles Hickman with GBRA presented information on the Carrizo Groundwater Supply Program, which included the completion of the water treatment plant facilities.
4. **Presentation on the New Braunfels Utilities Aquifer Storage and Recovery Project**
*This item was pulled from the agenda and will be presented at the September board meeting.
5. **Presentation on the NBU Fiscal Year 2024 Strategic Plan Results**
Shawn Schorn presented information on the Fiscal Year 2024 Strategic Plan, including the Strategic Goal overview and results, Annual Priorities overview and results, and Performance Measure payout.

ITEMS FOR FUTURE ACTION

1. **Review and Discuss Proposed Revisions to the NBU Board Governance Policies**
Board Vice President Judith Dykes Hoffmann shared the timeline to review and discuss the proposed revisions to the Governance Policy, which will be up for approval in the October meeting.

ACTION ITEMS

1. **Discuss and Consider Approval of the Fiscal Year 2025 Strategic Plan**

Shawn Schorn presented information on the Fiscal Year 2025 Strategic Plan, including the recommended changes to the FY25 Strategic Goals, Annual Priorities, and proposed Performance Measure payout.

Board Trustee Yvette Barrera Villanueva made a motion, and Board Vice President Judith Dykes Hoffmann seconded the motion to approve the Fiscal Year 2025 Strategic Plan. The vote was unanimous.

EXECUTIVE SESSION

Board President Wayne Peters recessed the Open Session at 3:22 pm and announced that the Board would go into an Executive Session meeting. The Executive Session included:

Power Supply Resources – Competitive Matters: a. Discuss and Consider Edison Electric Institute (EEI) Resolution allowing NBU to enter into a Master Agreement related to power supply transactions; Consultation with Attorney Regarding Pending or Contemplated Litigation, Settlement Offer, and/or Matters Protected by Attorney-Client Privilege: a. Discuss the Effects of the San Antonio Water System's Application for Water Use Permit No. 13098 on NBU's Water Rights in the Guadalupe River Basin; b. Discuss Utility Construction Cost Sharing Agreement Letter Agreement Conditionally Approving Certain Subdivision Plans among NBU, Southstar at Mayfair, LLC, MNB Real Estate Investments, LLC, Southstar at Mayfair Developer, LLC, and Beaverhead NB, LLC; c. Discuss Proposed High-Density Multifamily Development Platted as Minor Plat; Consultation with Attorney Regarding Pending or Contemplated Litigation, Settlement Offer, and/or Matters Protected by Attorney-Client Privilege (Section 551.071 – Texas Government Code); Real Property (Section 551.072 – Texas Government Code): Discuss Legal Matters Relating to Potential Eminent Domain Actions to Secure the Following Easements Regarding the McKenzie Interceptor Upgrade Project (collectively hereinafter referenced as the "McKenzie Interceptor Upgrade Project Easements"):

- i. a 0.296 Acre Permanent Utility Easement, a 0.044 Acre Temporary Construction Easement, and a 0.213 Acre Temporary Construction Easement, on, over, across, and/or under Lot 18, Block J, Avery Park Subdivision, Unit 2 (Amended), Guadalupe County, Texas, owned by N.B. Avery Park Homeowners Association, Inc.
- ii. a 0.632 Acre Permanent Utility Easement, on, over, across, and/or under Lots 901 and 902, Block 4, Avery Park 13, Guadalupe County, Texas, owned by N.B. Avery Park Homeowners Association, Inc.
- iii. a 0.312 Acre Temporary Construction Easement and a 0.022 Acre Temporary Construction Easement, on, over, and/or across Lot 902, Block 4, Avery Park 13, Guadalupe County, Texas, owned by N.B. Avery Park Homeowners Association, Inc.
- iv. a 2.088 Acre Permanent Utility Easement and a 1.395 Acre Temporary Construction Easement, on, over, across, and/or under a 52.50 acre tract described in a deed recorded in Document Number 202399002975, Official Public Records, Guadalupe County, Texas, owned by Rockspring Saur LLC

v. a 1.879 Acre Permanent Utility Easement and a 1.253 Acre Temporary Construction Easement, on, over, across, and/or under the remainder of a 32 acre tract described in a deed recorded in Volume 2502, Page 699, Official Public Records, Guadalupe County, Texas and part of a 4.307 acre tract designated as Third Tract in a deed recorded in Volume 2659, Page 759, Official Public Records, Guadalupe County, Texas, owned by MSSC Investments, LP

vi. a 1.937 Acre Permanent Utility Easement and a 1.127 Acre Temporary Construction Easement, on, over, across, and/or under Lot 2, Block 1 of Titan Industrial NB Park Unit 2, Comal County, Texas, and Lot 3, Block 1 of Titan Industrial NB Park Unit 3, Comal County, Texas, and the remainder of a 66.182 acre tract, designated Tract 1, in a deed recorded in Document Number 202106057346, Official Public Records, Comal County, Texas, owned by GCP III St. Croix Landco, LLC

vii. a 1.846 Acre Permanent Utility Easement and a 0.847 Acre Temporary Construction Easement, on, over, across, and/or under a 40.37 acre tract described in a deed recorded in Document Number 202206025070, Official Public Records, Comal County, Texas, owned by MP New Braunfels, LLC; and

Personnel Matters – CEO Evaluation (Section 551.074 – Texas Government Code): Deliberate the appointment, employment, evaluation, and duties of the CEO

The Executive Session was opened at 3:22 pm and closed at 5:00 pm.

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

The Regular Session resumed at 5:01 pm, and the following actions were taken relating to the Executive Session as described above.

1. Board Trustee John Harrell made a motion, and Mayor Neal Linnartz seconded the motion to authorize the CEO of NBU or His Designee to Prepare and File One or More Amicus Curiae Briefs in Support of the Guadalupe-Blanco River Authority's Judicial Appeal of the Texas Commission on Environmental Quality's Decision and Order Issuing Water Use Permit No. 13098 to the San Antonio Water System. The vote was unanimous.
2. Board Vice President Judith Dykes Hoffmann made the motion, and Mayor Neal Linnartz seconded the motion to increase CEO's salary to \$328,900.00 annually and to increase his annual phone allowance to \$1170.00, with no change regarding the vehicle allowance, effective September 1, 2024.

ACTION ITEMS

1. **Discuss and Consider Approving Utility Construction Cost Sharing Agreement Letter Agreement Conditionally Approving Certain Subdivision Plans among NBU, Southstar at Mayfair, LLC, MNB Real Estate Investments, LLC, Southstar at Mayfair Developer, LLC, and Beaverhead NB, LLC**

Mayor Neal Linnartz made a motion, and Board Vice President Judith Dykes Hoffmann seconded the motion to approve the Utility Construction Cost Sharing Agreement Letter at

Mayfair, LLC, MNB Real Estate Investments, LLC, Southstar at Mayfair Developer, LLC, and Beaverhead NB, LLC. The vote was unanimous.

2. Discuss and Consider Approving Resolution R-2024-186 of the New Braunfels Utilities Board of Trustees Recommending the Acquisition of the McKenzie Interceptor Upgrade Project Easements. The Acquisitions are Necessary to Advance and Achieve the Public Use of Expanding the New Braunfels Utilities' Wastewater System to Increase Sewer Capacity to Meet Existing and Future Needs and Ensure Reliability

Board Vice President Judith Dykes Hoffmann made a motion, and Mayor Neal Linnartz seconded the motion to approve Resolution R-2024-186 of the New Braunfels Utilities Board of Trustees Recommending the Acquisition of the McKenzie Interceptor Upgrade Project Easements. The Acquisitions are Necessary to Advance and Achieve the Public Use of Expanding the New Braunfels Utilities' Wastewater System to Increase Sewer Capacity to Meet Existing and Future Needs and Ensure Reliability. The vote was unanimous.

3. Discuss and Consider Approving Resolution R-2024-187 of the New Braunfels Utilities Board of Trustees Recommending Any Legal Action Necessary to Remove the Cemetery Dedication by MP New Braunfels, LLC Encumbering a 40.37 Acre Tract Described in A Deed from Mary Ann Scott, et. al. to MP New Braunfels, LLC, Recorded in Document Number 202206025070, Official Public Records, Comal County, Texas, and Situated in the A. M. Esnaurizar Survey, Abstract Number 1, Comal County, Texas

Board Vice President Judith Dykes Hoffmann made a motion, and Mayor Neal Linnartz seconded the motion to approve Resolution R-2024-187 of the New Braunfels Utilities Board of Trustees Recommending Any Legal Action Necessary to Remove the Cemetery Dedication by MP New Braunfels, LLC Encumbering a 40.37 Acre Tract Described in A Deed from Mary Ann Scott, et. al. to MP New Braunfels, LLC, Recorded in Document Number 202206025070, Official Public Records, Comal County, Texas, and Situated in the A. M. Esnaurizar Survey, Abstract Number 1, Comal County, Texas. The vote was unanimous.

ADJOURN

There was no further business, and Board President Wayne Peters adjourned the meeting at 5:06 p.m.

Attest:

Wayne Peters, President

Approved

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

Date Approved: September 26, 2024

