

GENERAL CERTIFICATE

THE STATE OF TEXAS	§	
	§	
COUNTIES OF COMAL AND GUADALUPE	§	
	§	
CITY OF NEW BRAUNFELS	§	

We, the undersigned, City Secretary of the City of New Braunfels, Texas, and Interim Chief Executive Officer of New Braunfels Utilities, DO HEREBY CERTIFY, with respect to the “City of New Braunfels, Texas, Utility System Revenue and Refunding Bonds, Series 2024” dated January 15, 2024 (the “Bonds”), as follows:

1. Relative to Nonencumbrance. Save and except for the pledge of the income and revenues of the City’s Waterworks, Sanitary Sewer and Electric Light and Power Systems to the payment of (i) the principal of and interest to become due with respect to the outstanding (a) “City of New Braunfels, Texas, Utility System Revenue Bonds, Series 2004,” dated January 15, 2004, (b) “City of New Braunfels, Texas, Utility System Revenue Bonds, Series 2015,” dated January 15, 2015, (c) “City of New Braunfels, Texas, Utility System Revenue and Refunding Bonds, Series 2016,” dated March 1, 2016, (d) “City of New Braunfels, Texas, Utility System Revenue Bonds, Series 2018,” dated April 1, 2018, (e) “City of New Braunfels, Texas, Utility System Revenue Refunding Bonds, Series 2020,” dated May 1, 2020, (f) “City of New Braunfels, Texas, Utility System Revenue Refunding Bonds, Series 2021,” dated July 1, 2021, (g) “City of New Braunfels, Texas, Utility System Revenue Refunding Bonds, Series 2022,” dated July 1, 2022, (h) “City of New Braunfels, Texas, Utility System Revenue Bonds, Series 2022A,” dated September 1, 2022 (hereinafter collectively referred to as the “Outstanding Obligations”) and (i) the proposed Bonds, and (ii) various contracts for the purchase of electric power, said income and revenues of said Systems have not been pledged or hypothecated in any other manner or for any other purpose; and the Outstanding Obligations, the Bonds and the contracts mentioned above evidence the only liens, encumbrances or indebtedness of said Systems or against the income and revenues of such Systems.

2. Relative to No-Default.

(a) The City is not now in default as to any covenant, obligation or agreement contained in any ordinance or other proceeding relating to any obligations of the City payable from and secured by a lien on and pledge of the Net Revenues of the City’s Waterworks, Sanitary Sewer and Electric Light and Power Systems, and

(b) All payments into all special funds or accounts created and established solely for the payment and security of any outstanding obligations payable from and secured by a lien on and pledge of the Net Revenues of the City’s Waterworks, Sanitary Sewer and Electric Light and Power Systems have been duly made and the amounts on deposit in such special funds or accounts are the amounts now required to be deposited therein.

3. Relative to Utility Properties. The City secures its water from eleven (11) wells and the Guadalupe River and purchases its electric power from various providers. As of the date hereof, no question is pending and no proceedings of any nature have been instituted in any manner questioning the City’s right and title to its utility properties or its authority to operate the same.

4. Relative to Rates and Charges. The current monthly rates and charges for services provided by the City’s Waterworks, Sanitary Sewer and Electric Light and Power Systems are as shown in **Exhibit A**, which is incorporated herein by reference and made a part of this certificate for all purposes.

5. Relative to Income and Revenues. The following is a schedule of the gross receipts, operating expenses and net revenues of the City's Waterworks, Sanitary Sewer and Electric Light and Power Systems for the years stated:

<u>Fiscal Year Ending 7/31</u>	<u>Gross Receipts (\$)</u>	<u>Operating Expenses (\$)</u>	<u>Revenues (\$)</u>
2021	262,539,315	215,314,365	47,225,050
2022	252,161,417	170,040,561	82,120,856
2023	306,022,005	199,997,546	106,024,459

6. Relative to Debt Service Requirements. That a debt service requirement schedule for the City's indebtedness payable from the net revenues of the City's Waterworks, Sanitary Sewer and Electric Light and Power Systems, is attached hereto as **Exhibit B** and made a part of this certificate for all purposes.

7. Relative to City Officials. Certain duly qualified and acting officials of the City are as follows:

NEAL LINNARTZ	MAYOR
HARRY BOWERS	MAYOR PRO TEM
ROBERT CAMARENO	CITY MANAGER
GAYLE WILKINSON	CITY SECRETARY
VALERIA ACEVEDO	CITY ATTORNEY

8. Relative to Incorporation. The City is incorporated under the general laws of the State of Texas, and is operating under the Home Rule Amendment to the Texas Constitution, Section 5, Section XI, as amended in 1912; pursuant to a City Charter adopted at an election held on November 22, 1966. The City Charter has not been amended in any respect since the amendment(s) adopted at the election held on May 7, 2005.

9. Relative to Incumbency of Utility Board. The duly appointed, qualified and acting members and officers of the Board of Trustees of New Braunfels Utilities and administrators of the City's said Systems are as follows:

Board of Trustees:

WAYNE PETERS	PRESIDENT
DR. JUDITH DYKES-HOFFMANN	VICE PRESIDENT
NEAL LINNARTZ	MAYOR/EX OFFICIO
JOHN HARRELL	TRUSTEE
YVETTE VILLANUEVA BARRERA	TRUSTEE

Officers (not on the Board of Trustees):

RYAN KELSO*	INTERIM CHIEF EXECUTIVE OFFICER
DAWN SCHRIEWER	CHIEF FINANCIAL OFFICER

*Ryan Kelso currently serves as Interim Chief Executive Officer and is scheduled to be the Chief Executive Officer by action of the Board of Trustees at its meeting scheduled for January 25, 2024.

10. Relative to Execution of Contracts. Prior to the execution of certain contracts related to the issuance of the Bonds, if required by the provisions of Texas Government Code, Section 2252.908, the City received a completed disclosure of interested parties form and certification of filing (collectively a "Form 1295") from the business entity contracting with the City

pursuant to the requirements of Texas Government Code Section 2252.908 and rules promulgated thereunder by the Texas Ethics Commission (the "TEC"). If required, not later than the 30th day after the date the contract for which a Form 1295 was received by the City, the City has or will notify the TEC, in an electronic format prescribed by the TEC, of the receipt of such Form 1295.

11. Relative to Refunded Commercial Paper Notes. \$_____ (consisting of \$_____ of proceeds of the Bonds and \$_____ of other lawfully available funds of New Braunfels Utilities) shall be used to pay the principal of and interest on the \$_____ principal amount of the "City of New Braunfels, Texas, Utility System Commercial Paper Notes, Series 2019A" being refunded by the Bonds on the maturity date of _____.

12. Relative to Refunded Bonds. \$_____ (consisting of \$_____ of proceeds of the Bonds and \$_____ of other lawfully available funds of New Braunfels Utilities) shall be used to pay the principal of and interest on the \$_____ principal amount of the "City of New Braunfels, Texas Utility System Revenue Bonds, Series 2015" and the \$_____ principal amount of the "City of New Braunfels, Texas, Utility System Revenue and Refunding Bonds, Series 2016" being refunded by the Bonds and redeemed on _____, 2024.

13. Relative to Chapter 1371. The City is a home-rule municipality that has adopted its charter under Section 5, Article XI, Texas Constitution; that has a population greater than 50,000 and whose long-term indebtedness is rated by a nationally recognized rating agency for municipal securities in one of the four highest rating categories for long term obligations.

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WITNESS OUR HANDS AND THE SEAL OF THE CITY OF NEW BRAUNFELS, TEXAS,
this _____.

City Secretary, City of New Braunfels, Texas

Interim Chief Executive Officer, New Braunfels Utilities

(City Seal)

EXHIBIT A

Current Rates and Charges of New Braunfels Utilities

Electric Rates

FISCAL YEAR 2024, EFFECTIVE AUGUST 1, 2023



Residential	
Electric service availability charge, per month	\$20.00
Delivery charge, per kWh	\$0.01954
Generation	
Base Generation Rate	October - May \$.0400 June - September \$.0500
Generation Cost Recovery Factor	Pass through amount of cost of power
Transmission	
Base Transmission Rate	\$.0052
Transmission Cost Recovery Factor	Pass through amount of cost of transmission
Replenish Reserves	
Rate	Variable

Learn about current forecasted rate: nbutexas.com/rate-breakdown

Small General Service	
Electric service availability charge, per month	\$29.05
Delivery charge, per kWh	\$0.01278
Generation	
Base Generation Rate	October - May \$.0400 June - September \$.0500
Generation Cost Recovery Factor	Pass through amount of cost of power
Transmission	
Base Transmission Rate	\$.0052
Transmission Cost Recovery Factor	Pass through amount of cost of transmission
Replenish Reserves	
Rate	Variable

Large General Service	
Electric service availability charge, per month	Increase customer charge (varies by meter size) by 39%
Delivery demand charge, per kW	\$7.50
Generation	
Base Generation Rate	October - May \$.0400 June - September \$.0500
Generation Cost Recovery Factor	Pass through amount of cost of power
Replenish Reserves	
Rate	Variable

Very Large Power	
Electric service availability charge, per month	Increase customer charge (varies by meter size) by 54%
Delivery demand charge, per kW	\$5.01
Generation	
Base Generation Rate	October - May \$.0400 June - September \$.0500
Generation Cost Recovery Factor	Pass through amount of cost of power
Replenish Reserves	
Rate	Variable

Second Feeder Service	
Capacity charge, per contract kW per month	\$5.10

Athletic Field Lights	
Electric service availability charge, per month	Increase customer charge (varies by meter size) by 18%
Delivery demand charge, per kW	\$.05648

Lighting	
I-H 35 lights electric service availability charge, per month	\$17.33
NBU area lighting, per lamp per month	\$11.55

Net Metering Rates	
Customer charge, per month	As specified in the appropriate Residential (RE) or Small General Service (SGS) rate.
Delivery Charge, per kW	As specified in the appropriate RE or SGS rate plus a fixed cost per kW for each type of installation as shown below:
RE Solar	\$1.58
RE Wind	\$0.74
SGS Solar	\$0.87
SGS Wind	\$0.41
Cost of Power Charge	As defined in the appropriate RE or SGS rate for October-May and June-September billing period, per kWh.
Minimum Monthly Bill	Customer Charge plus the delivery charge per installed kW of generation, and any special charges or adjustments.
Generation	
Base Generation Rate	October - May \$.0400
	June - September \$.0500
Generation Cost Recovery Factor	Pass through amount of cost of power
Transmission	
Base Transmission Rate	\$.0052
Transmission Cost Recovery Factor	Pass through amount of cost of transmission
Replenish Reserves	
Rate	Variable

Learn about current forecasted rate: nbutexas.com/rate-breakdown

DETERMINATION OF BILLING KW DEMAND

The billing kW demand shall be the highest measured kW demand established in any 15-minute demand interval during the current month.

DETERMINATION OF DELIVERY CHARGE KWH DEMAND

Customers' monthly delivery charge kWh shall equal the customer's kWh purchased from New Braunfels Utilities (NBU) less any kWh generated into the NBU delivery system, but never less than zero.

DETERMINATION OF METERED KW DEMAND

The customer's kW demand may be measured when customer's monthly energy consumption exceeds 3,000 kilowatt hours and/or where customer's total connected load exceeds 25 kilowatts in motors and other inductive-type equipment. Measurement shall be by maximum 15-minute demand. If the customer's demand exceeds 25 kilowatts for any two months during the June through September period, or any four months in a 12-month period, the customer shall be charged for kW billing demand under the appropriate rate class schedule.

DETERMINATION OF POWER CHARGE KWH

Customer's monthly power charge kWh shall equal the actual kWh purchased from NBU.

GENERATION COST RECOVERY FACTOR (GCRF)

This charge reflects the pass through amount of the cost of power, which can vary with market.

NET METERING SERVICE RATE (NMSR)

The NMSR is available in the electric service area of NBU under the rules, regulations, and policies as provided in this document, at the rates outlined in the supporting tables. Service under this rate may be subject to additional connection charges and specifications contained in the NBU Electrical Connection Policy located at nbutexas.com/electric-connection-policy.

The NMSR is available to RE customers and SGS customers with grid connected solar or wind generation of 10 kilowatts or less where the customer's load profile exceeds the generating capacity.

Service will be provided in accordance with the terms and conditions provided by NBU. Any power generated by the customer may be used to offset the amount of power purchased from NBU. New Braunfels Utilities will not purchase excess generation.

REPLENISH RESERVES

This charge is designed to replenish NBU's reserves to ensure we are prepared in case of emergency events.

PASS THROUGH AMOUNT OF COST OF TRANSMISSION (TCRF)

This charge reflects the pass through charge of transmission of energy to the NBU service territory, which can vary.

Wastewater Rates

FISCAL YEAR 2024, EFFECTIVE AUGUST 1, 2023



Residential 1

Monthly Service Availability Charge	\$30.41
Rate (\$/1K Gallons)	\$7.15
Maximum Monthly Charge	\$163.40

Residential 2

Water service not provided by New Braunfels Utilities	
Residential Wastewater Only	\$86.57

Multi Unit 2-4

Monthly Service Availability Charge	\$30.41
Rate (\$/1K Gallons)	\$7.15
Unit Charge*	\$16.37

Small General Service and Multi Unit 5+

Meter Size	Monthly Service Availability Charge
5/8-Inch and smaller	\$39.12
1-Inch	\$42.45
1 1/2-Inch	\$59.21
2-Inch	\$75.31
3-Inch	\$116.22
4-Inch	\$167.40
6-Inch	\$301.70
10-Inch +	\$520.66
Unit Charge*	\$16.37

	Usage in Gallons	Rate (\$/1K Gallons)
Tier 1	0 - 7,000	\$8.18
Tier 2	7,001 - 25,000	\$8.18
Tier 3	25,001 - 300,000	\$8.18
Tier 4	Excess of 300,000	\$8.18

General Service 2

Water service not provided by New Braunfels Utilities	
Commercial Wastewater Only	\$88.07
Private Well Service	\$35.82

WASTEWATER RATE DESIGN:

- Generates funds needed to invest in our systems to keep them in compliance and build resiliency
- Meets the rating agencies' moderate level for affordability and highest level for fixed cost recovery

*Unit Charge is a monthly charge for each unit in excess of one unit.

Water Rates

FISCAL YEAR 2024, EFFECTIVE AUGUST 1, 2023



Monthly Service Availability Charge				
Meter Size	Residential	Small Commercial	Irrigation	Multi Unit 2+
5/8-Inch	\$15.98	\$21.50	\$15.98	\$15.98
1-Inch	\$28.00	\$23.50	\$28.00	\$28.00
1 1/2-Inch	\$32.00	\$30.50	\$32.00	\$32.00
2-Inch	\$40.00	\$39.00	\$40.00	\$40.00
3-Inch	\$57.50	\$58.50	\$57.50	\$57.50
4-Inch	\$68.00	\$87.00	\$68.00	\$68.00
6-Inch	\$68.00	\$153.00	\$68.00	\$68.00
8-Inch	\$68.00	\$175.00	\$68.00	\$68.00
10-Inch	\$68.00	\$200.00	\$68.00	\$68.00
12-Inch	\$68.00	\$200.00	\$68.00	\$68.00
16-Inch	\$68.00	\$200.00	\$68.00	\$68.00
Unit Charge*		\$12.48		\$12.48

* Unit Charge is a monthly charge for each unit in excess of one unit.

Residential			
Meter Size	Usage in Gallons	Rate (\$/1K Gallons)	Water Supply Fee (\$/1K Gallons)
Tier 1	0 - 3,000	\$1.95	\$-
Tier 2	3,001 - 6,000	\$4.90	\$-
Tier 3	6,001 - 12,000	\$7.65	\$1.84
Tier 4	Excess of 12,000	\$11.50	\$1.84

Multi Unit 2+		
Usage in Gallons	Rate (\$/1K Gallons)	Water Supply Fee (\$/1K Gallons)
All	\$3.55	\$1.84

Hydrant		
Monthly Service Availability Charge	Rate (\$/1K Gallons)	Water Supply Fee (\$/1K Gallons)
\$300.00	\$7.90	\$1.84

Large Commercial		
Monthly Service Availability Charge	Rate (\$/1K Gallons)	Water Supply Fee (\$/1K Gallons)
\$350.00	\$3.25	\$1.84

Small Commercial			
Meter Size	Usage in Gallons	Rate (\$/1K Gallons)	Water Supply Fee (\$/1K Gallons)
Tier 1	0 - 5,000	\$3.75	\$1.84
Tier 2	5,001 - 35,000	\$5.00	\$1.84
Tier 3	35,001 - 75,000	\$6.75	\$1.84
Tier 4	Excess of 75,000	\$8.00	\$1.84

Tanker		
Monthly Service Availability Charge	Rate (\$/1K Gallons)	Water Supply Fee (\$/1K Gallons)
\$300.00	\$7.90	\$1.84

WATER RATE DESIGN:

- Generates funds needed to invest in our systems to keep them in compliance and build resiliency
- Protects customers who only use water for domestic purposes (drinking, bathing, and preparing food)
- Places the majority of costs on high volume use, landscape watering
- Encourages conservation, which is the lowest cost water supply option
- Meets the rating agencies' moderate level for affordability and highest level for fixed cost recovery

Irrigation			
	Usage in Gallons	Rate (\$/1K Gallons)	Water Supply Fee (\$/1K Gallons)
Tier 1	0 - 6,000	\$6.50	\$1.84
Tier 2	6,001 - 20,000	\$7.75	\$1.84
Tier 3	Excess of 20,000	\$10.35	\$1.84

RESIDENTIAL AND LANDSCAPE IRRIGATION DROUGHT SURCHARGES:

If **Stage 3** water use reduction measures are in effect, NBU will implement a \$1.00 per 1,000 gallons surcharge for residential usage greater than 15,000 gallons and for irrigation usage greater than 7,500 gallons per month.

If **Stage 4** water use reduction measures are in effect, NBU will implement a \$2.00 per 1,000 gallons surcharge for residential usage greater than 15,000 gallons and for irrigation usage greater than 7,500 gallons per month.

Water Supply Fee	
Usage (Gallons)	Rate per 1K Gallons
ALL*	\$1.84

The Water Supply Fee is the cost assessed to customers who have a volumetric usage. It consists of the cost of certain water supplies expressed as dollars per 1,000 gallons, to be multiplied by the gallons sold during a billing period to each customer. Prior to August 1 of each fiscal year, the Water Supply Fee applicable to the months of August-July billing periods is calculated based on estimated variables for the period.

The amount will be reconciled annually with actual costs and credits. In accordance with the Code of Ordinances, Sec. 130-172 - Billing adjustments, the NBU Board will be apprised of any changes to the Water Supply Fee.

*A Water Supply Fee for residential customers is charged for gallons over 6,000. All other rate classes apply to any/all gallons.

EXHIBIT B

Debt Service Schedule for New Braunfels Utilities Outstanding Debt and the Bonds

[Copy to follow upon determination of interest rates for 2024 Bonds]