



FISCAL YEAR 2027



BUDGET IN BRIEF

MISSION

Supporting our community by providing reliable, essential services.

VISION

To build lasting customer confidence through dedicated service.

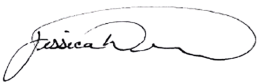
VALUES

Safety
Team
Integrity
Responsibility
Service

I am pleased to present New Braunfels Utilities' Fiscal Year 2027 (FY2027) Budget in Brief. This document provides a clear, easy-to-understand overview of how NBU plans to use its resources and continue investing in our growing community.

The FY2027 budget focuses on maintaining dependable electric, water and wastewater services; renewing and expanding essential infrastructure; meeting regulatory requirements; and supporting the workforce that delivers these services. As a municipally owned, nonprofit utility, NBU must balance customer affordability with the need to invest in infrastructure, maintain adequate financial reserves, and use debt responsibly to fund projects that will serve customers for many years.

This Budget in Brief highlights the financial decisions that support reliable service today while preparing NBU for the future.



Jessica Williams
Chief Financial Officer

Budget Timeline



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WHO GOVERNS NBU, AND HOW IS THE BUDGET BUILT?

Governance

NBU is locally governed, and its budget is developed collaboratively by staff, senior leadership, and the Board of Trustees.



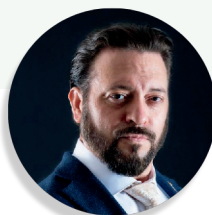
NBU is governed by a five-member Board of Trustees composed of four community members appointed by the New Braunfels City Council and the Mayor. Together, they ensure that the essential services we provide stay reliable, transparent and responsive to the needs of our community.



Wayne Peters
President



Dr. Judith Dykes-
Hoffman
Vice President



Michael French
Mayor/Ex-Officio



Stuart Blythin
Trustee



Yvette Villanueva
Barrera
Trustee

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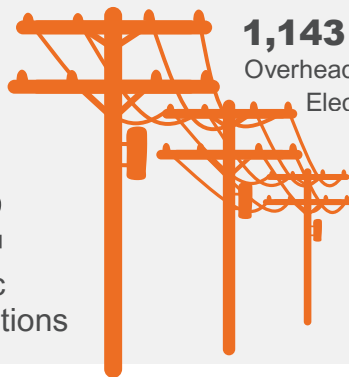
WHAT DOES NBU DELIVER TO THE COMMUNITY?

Local Investment & Reliability | FY2026 System Statistics

ELECTRIC



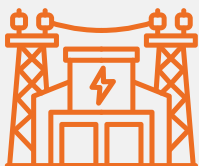
64,929
Active Electric
Meters



1,143 miles
Overhead + Underground
Electric Lines



1,867
Thousand Megawatt
Hours Sold



12
Electric
Substations



42.17 minutes
Average Outage
Duration (SAIDI)

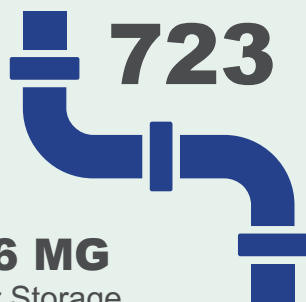
WATER



4,452
Million Gallons
of Water Sold



31.6 MG
Water Storage
Capacity



723 miles
Of Water Mains



60,821
Active Water Meters

54,575
Acre-Feet of
Raw Water Supply



WASTEWATER



39,183
Wastewater
Accounts



12.3 MGD
Wastewater
Treatment
Capacity

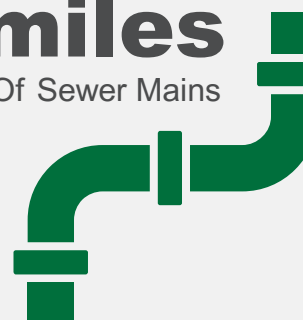
538 miles
Of Sewer Mains



4 Wastewater
Treatment Plants



6.1 MG
Reuse Water
Output



Projected FY2027 customer growth

New Braunfels' rapid growth puts pressure on infrastructure and workforce. The FY2027 budget is built to keep pace while replacing aging assets and maintaining financial strength.

Electric

4.7%

Water

3.7%

Wastewater

3.0%

3

WHERE DOES THE MONEY COME FROM AND GO?

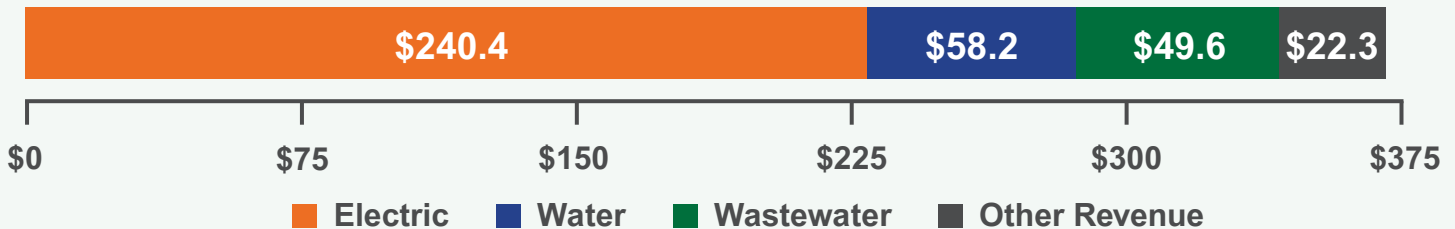
Funding What Matters

NBU relies primarily on customer rates, grants and other utility revenues, rather than taxes. As a community-owned, nonprofit utility, NBU does not design rates to generate a profit for shareholders. The revenue collected supports the people, infrastructure and resources needed to provide reliable electric, water and wastewater service today, while funding ongoing maintenance, future investments, debt and financial reserves. Visit the links below for more information:

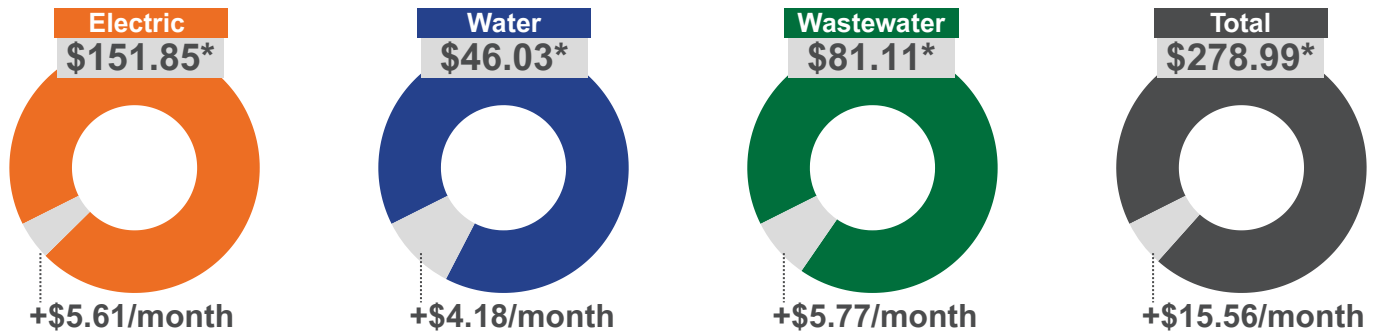


- Understand your rates and bill: nbutexas.com/understanding-your-nbu-bill/
- View the complete FY2027 Financial Operating Plan: nbutexas.com/nbu-financial-information/

TOTAL FY2027 OPERATING REVENUE: \$370.5M (\$ IN MILLIONS)



Estimated Average FY2027 Monthly Residential Bill



AVERAGE INCREASE FROM FY2026

*Estimated monthly bills assume 1,200 kWh of electric use, up to 6,000 gallons of essential water use with no irrigation, and 4,600 gallons of wastewater use. Electric charges may vary based on purchased-power and transmission costs. Individual bills will vary based on actual usage.

Where Each Operating Expense Dollar Goes (FY2027 operating expenses by category)



¹ Depreciation allocates the cost of NBU's capital assets over their estimated useful lives. It is an accounting expense, not a direct cash payment.

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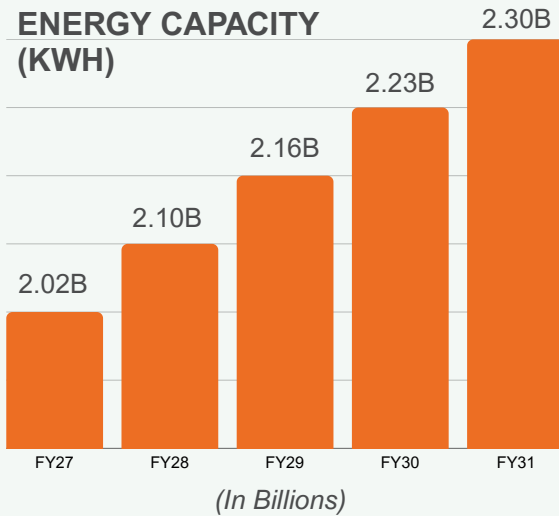
HOW IS NBU PLANNING FOR THE FUTURE?

Proactive Planning

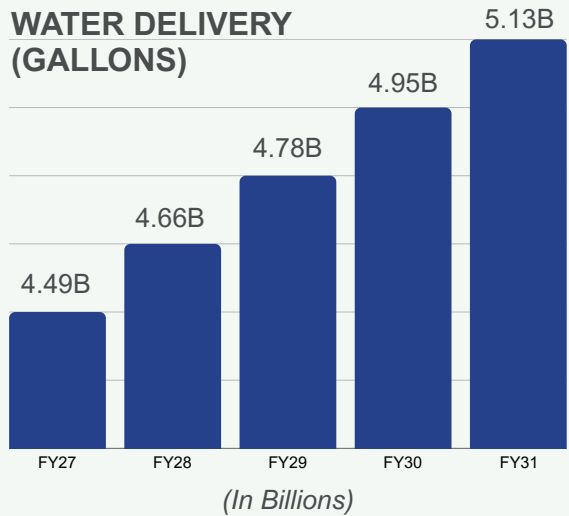
The FY2027 budget proactively builds capacity to meet projected demand over the next five years while maintaining NBU's financial strength.



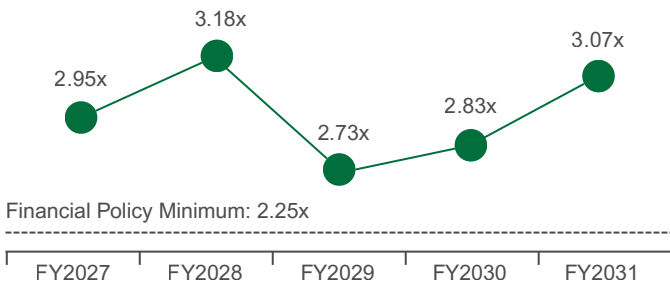
PROJECTED ENERGY CAPACITY (KWH)



PROJECTED ADDITIONAL WATER DELIVERY (GALLONS)



Staying Financially Strong (DEBT SERVICE COVERAGE RATIO)



NBU's debt-to-capitalization ratio is projected to increase from 48.50% to 51.00% in FY2027 and remain near 51.60% through FY2031, below NBU's financial policy maximum of 55%.

A total of \$404.3 million in new debt principal is estimated over the five-year plan to build the infrastructure a growing community requires.

STRENGTHENING THE POWER STABILIZATION FUND

The Power Stabilization Fund helps protect customers from energy-market volatility and unexpected increases in power costs. The FY2027 budget contributes \$15 million to the fund, with the balance projected to reach approximately \$95 million by FY2028. Maintaining this reserve can support greater rate stability during periods of significant energy-market volatility.



HOW IS NBU INVESTING YOUR RATES?

FIVE-YEAR CAPITAL FUNDING SOURCES

NBU has budgeted **\$244.2** million in capital investment this year; part of a five-year, **\$899.6 million** plan to expand capacity and replace aging infrastructure for a growing community.



56% Existing or new borrowings



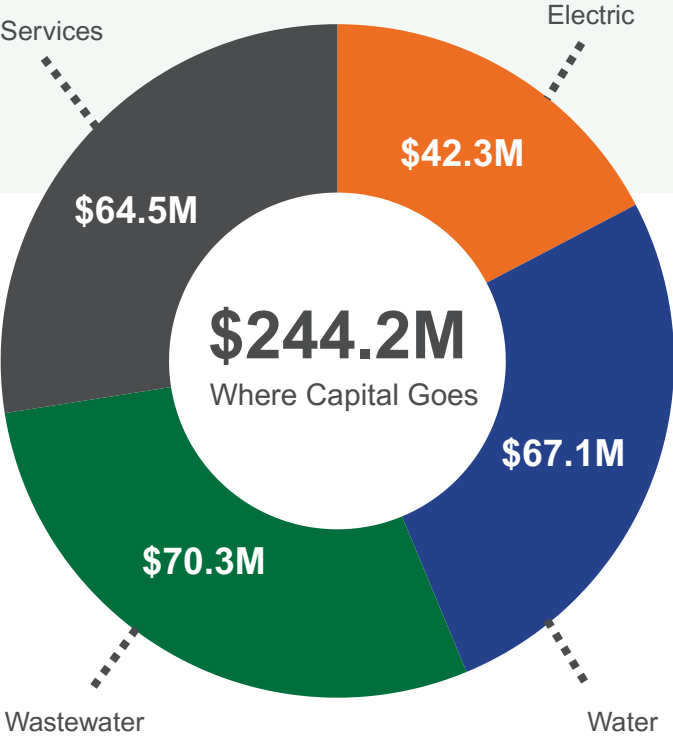
23% Internally generated funds



16% Impact fees



5% Grant funds and other contributions



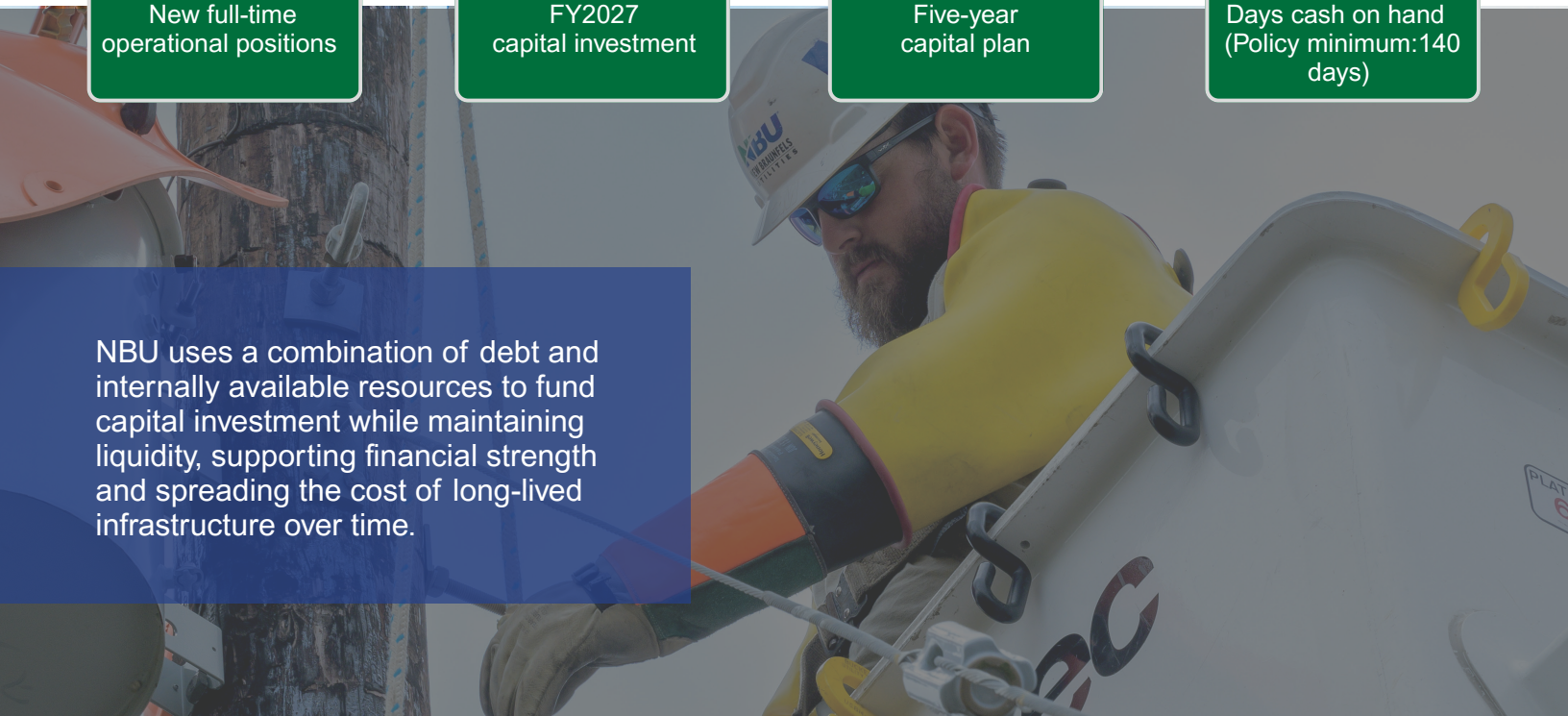
+17
New full-time operational positions

\$244.2M
FY2027 capital investment

\$899.6M
Five-year capital plan

254
Days cash on hand
(Policy minimum: 140 days)

NBU uses a combination of debt and internally available resources to fund capital investment while maintaining liquidity, supporting financial strength and spreading the cost of long-lived infrastructure over time.





WHAT KEY PROJECTS DO YOUR RATES BUILD?

NBU manages these essential systems every day to ensure a reliable and sustainable service for our community.



ELECTRIC SERVICES

\$62.7M

Systemwide – Growth & Replacement – Extensions, Transformers & Meters
Program providing electrical infrastructure service and extensions.

\$23.6M

Distribution & Substation Replacement – Smithson Valley/Systemwide
Renews poles, wire & substation gear built for 40–80 years of service.

\$13.0M

Transmission Line Upgrade – Sheriff's Posse – Marion (T340)
T-340 transmission line reconstruction and upgrade from 900 Amps to 1600 Amps.



WATER SERVICES

\$33.7M

New Pump Station, Ground Storage Tank & Discharge Main – FM 1101
Builds a new pump station near the intersection of FM 1101 and Barbarosa Road.

\$17.9M

Future Surface Water Treatment Plant Site Planning & Acquisition
Future surface water treatment plant land acquisition.

\$16.5M

Ground Storage Tank Rehabilitation (Phases 2-4) – Multiple Locations
Fully rehabilitate select NBU existing elevated/ground storage tanks to extend their service life.



WASTEWATER SERVICES

\$81.0M

Expansion – Gruene – Water Reclamation Facility
Expansion of the plant's treatment capacity from 2.5 MGD to 4.9 MGD.

\$70.9M

Rehabilitation – North & South Kuehler – Water Reclamation Facility
Replacing existing equipment and rehabilitation of aging infrastructure at both plants.

\$22.7M

New Lift Station/Force Main – Solms
Replacing approx. 5,900 linear feet of force main which has reached the end of its service life.



SUPPORT & COMMUNITY

\$53.2M

Facilities – Headquarters Campus
Consolidate NBU into one campus for a growing workforce.

\$13.0M

Information Technology – ERP & CIS Replacement
Modernizing how we bill, serve customers, and manage the work behind your service.

\$2.5M

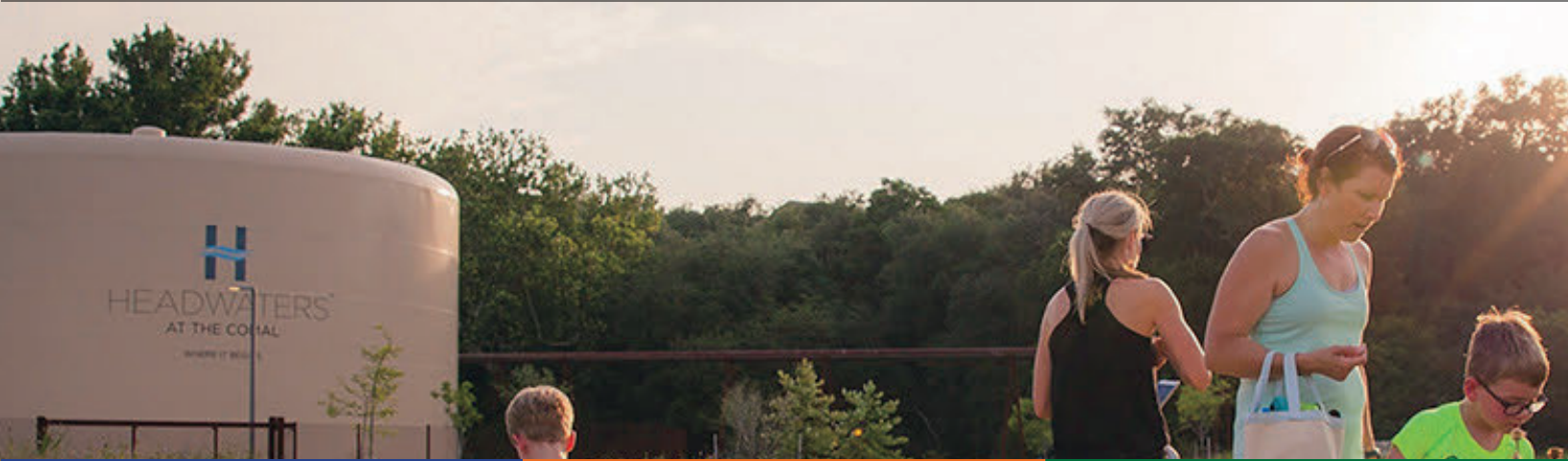
Facilities – Headwaters Expansion Phase 3
Investment in NBU's environmental education & habitat destination.

Learn more about our projects: nbutexas.com/capital-improvement-projects-plan/



ACRONYMS & DEFINITIONS

A quick-reference guide to terms used throughout this Budget in Brief.



NBU & PLANNING TERMS	SYSTEM & OPERATIONS TERMS	UNITS OF MEASURE
CIP Capital Improvement Program — the long-term plan for funding major infrastructure projects.	CIS Customer Information System — the system used for billing and managing customer accounts.	Amp Ampere — a unit that measures the strength of electrical current flowing through a line.
DSCR Debt Service Coverage Ratio — measures NBU's ability to cover debt payments with available revenue.	ERP Enterprise Resource Planning — the internal system used to manage finances, purchasing & operations.	MG Million Gallons — a unit used to measure water volume.
FOP Financial Operating Plan — NBU's multi-year budget and financial planning document.	FM Farm-to-Market Road — a Texas roadway designation (e.g., "FM 1101") used to identify project locations.	MGD Million Gallons per Day — a unit used to measure water treatment or delivery capacity.
FY Fiscal Year — NBU's fiscal year runs August 1 through July 31.	FTE Full-Time Equivalent — a workforce term used to represent the staffing required to support NBU's operations.	Minutes Used to measure the average length of a power outage (see SAIDI).
PSF Power Stabilization Fund — a reserve that helps protect customer rates from extreme energy market swings.	SAIDI System Average Interruption Duration Index — the average length of a power outage per customer, in minutes.	MWh Megawatt-hour — a unit of electricity equal to 1,000 kilowatt-hours.
	WRF Water Reclamation Facility — a plant that treats wastewater before safe release or reuse.	kWh Kilowatt-hour — a unit used to measure customer electricity usage and delivery volume.

Questions About Your Budget?

Scan the QR code for more information about the FY2027 Budget, including our **Financial Operating Plan**.

Escanee el código QR para obtener más información sobre el presupuesto para el año fiscal 2027, incluido nuestro **plan operativo financiero**.

