

FY26/FY27 Strategic Goals, Annual Priorities and Indices

Strategic Plan
FY 2026 and FY 2027

January 30, 2025



Agenda

1. Review Mission, Vision, and Core Values
2. Strategic Goals Statement and Summary
3. Reporting Changes Review
4. Proposed FY 26/27 Strategic Goals
5. Proposed FY 26/27 Annual Priorities
6. Proposed Leading and Lagging Indicators
7. Proposed Indices Methodology
8. Next Steps
9. Questions

Mission

Strengthening our community by providing resilient essential services

+

Vision

Be a trusted community partner dedicated to excellence in service

+

Core Values

Safety, Team, Integrity, Culture, and Stewardship

Guiding Principles

MISSION

Strengthening our community by providing resilient essential services



CORE VALUES

Safety, Team,
Integrity,
Culture,
and Stewardship



VISION

Be a trusted community partner dedicated to excellence in service



ONE UTILITY, ONE TEAM

Place organizational success above individual priorities and work together to maintain a team-oriented culture.

SPEAK UP, LEAD, AND CARE FOR ALL

Lead and foster an environment of shared responsibility where everyone feels valued and empowered to perform their job.

KNOW AND DO THE RIGHT THING

Uphold the trust and confidence of the community and the organization.

CONTINUOUSLY IMPROVE

Plan thoughtfully, set realistic expectations, and learn when things do not turn out as expected.

BE CONVENIENT

Anticipate expectations and provide a positive experience.

BE FLEXIBLE AND INNOVATIVE

View challenges as opportunities and pursue new solutions.

BE RESILIENT

Be prepared to adapt to and recover from disruptions.



Strategic Goals

CUSTOMERS AND COMMUNITY

Goal Statement

We provide a customer-first focus and commit to innovative solutions to improve the customer experience.

Goal Summary

We commit to anticipate and exceed customer expectations by offering a wide range of convenient on-demand services while we provide a positive customer experience.

PEOPLE AND CULTURE

Goal Statement

We care for our employees, build on our team-oriented culture, promote ethical behavior and prepare our team to meet the challenges ahead.

Goal Summary

As people and culture are essential to our success, we engage as an ethical workforce where employees are involved in, enthusiastic about, and committed to their work and workplace.

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Strategic Goals

INFRASTRUCTURE AND TECHNOLOGY

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.

Goal Summary

Reliable and resilient infrastructure and technology systems are key to strengthening our community. We set and communicate levels of service, we build trust, and ensure that NBU delivers the right balance of affordability and reliability.

FINANCIAL EXCELLENCE

Goal Statement

We practice sound financial management to be responsible stewards of public funds.

Goal Summary

Financial excellence enables NBU to deliver competitive rates and provide reliable service for the benefit of the community.

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Strategic Goals

SAFETY AND SECURITY

Goal Statement	We strive to place security and safety as the highest priorities for every employee and customer.
Goal Summary	We approach safety and security with three actions - Speak-up, Lead, and Care for All – which signals to our employees and customers that safety and security, at every level, are the cornerstones of all we do. Our desire is for employees to safely return home to their families.

STEWARDSHIP

Goal Statement	We commit to preserve and protect community resources through planning, innovating, collaborating and educating.
Goal Summary	Our ability to provide innovative essential services is done through responsible management of the community's resources placed in our care, which extend beyond natural resources. Together, we work to protect and manage those resources for generations to come.

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Old Reporting Versus New

Strategic Goal	Goal Measures	Q1	Q2	Q3	Q4
Customer and Community	Customer Satisfaction Survey benchmark organizational characteristics by the vendor (Great Blue) at or above the industry standard. Measurement data from Public Power Data Source (new number out in January 2025)				
People and Culture	Maintain Gallup engagement survey participation above 80%				
People and Culture	Implement 50% of approved action items as presented from the Employee Experience Team				
Infrastructure and Technology	Maintain a three-year rolling average SAIDI in top 10% of Texas utilities or				
Infrastructure and Technology	Maintain Information Technology Systems Reliability \geq 98% uptime for				
Infrastructure and Technology	Infrastructure Leakage Index (ILI) $<$ 3.0 over a three-year rolling average				
Infrastructure and Technology	Wastewater Treatment Compliance Events - Maintain $>$ 98% compliance				
Financial Excellence	Maintain a competitive bond rating - maintain a bond rating of \geq A+				
Safety and Security	Manage preventable damage to equipment incidents to \leq 2.7 incidents or fewer per 100 employees				
Safety and Security	Manage preventable damage to vehicle to \leq 10 incidents or fewer per 1,000,000 miles driven				
Stewardship	Refine and deploy the triple bottom line evaluation tool with One Water partners. Evaluate 3 NBU projects using the tool and develop the tool SOP (standard operating procedure) for NBU processes after evaluation				



**Three-year rolling average
 $<$ 52.56 minutes (99.99%
reliability)**

**Information technology systems
reliability \geq 98% uptime for
production systems**

**Infrastructure Leakage Index
(ILI) $<$ 3.0 over a three-year
rolling average**

**Wastewater treatment
compliance events, $>$ 98%
compliance**

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Why the Change?

Old reporting focused solely on lagging indicators showed a single outcome

Lagging Indicators

- Reactive in nature
- Inability to prevent or correct issues
- Lead to a delayed response to areas of concern

Leading Indicators

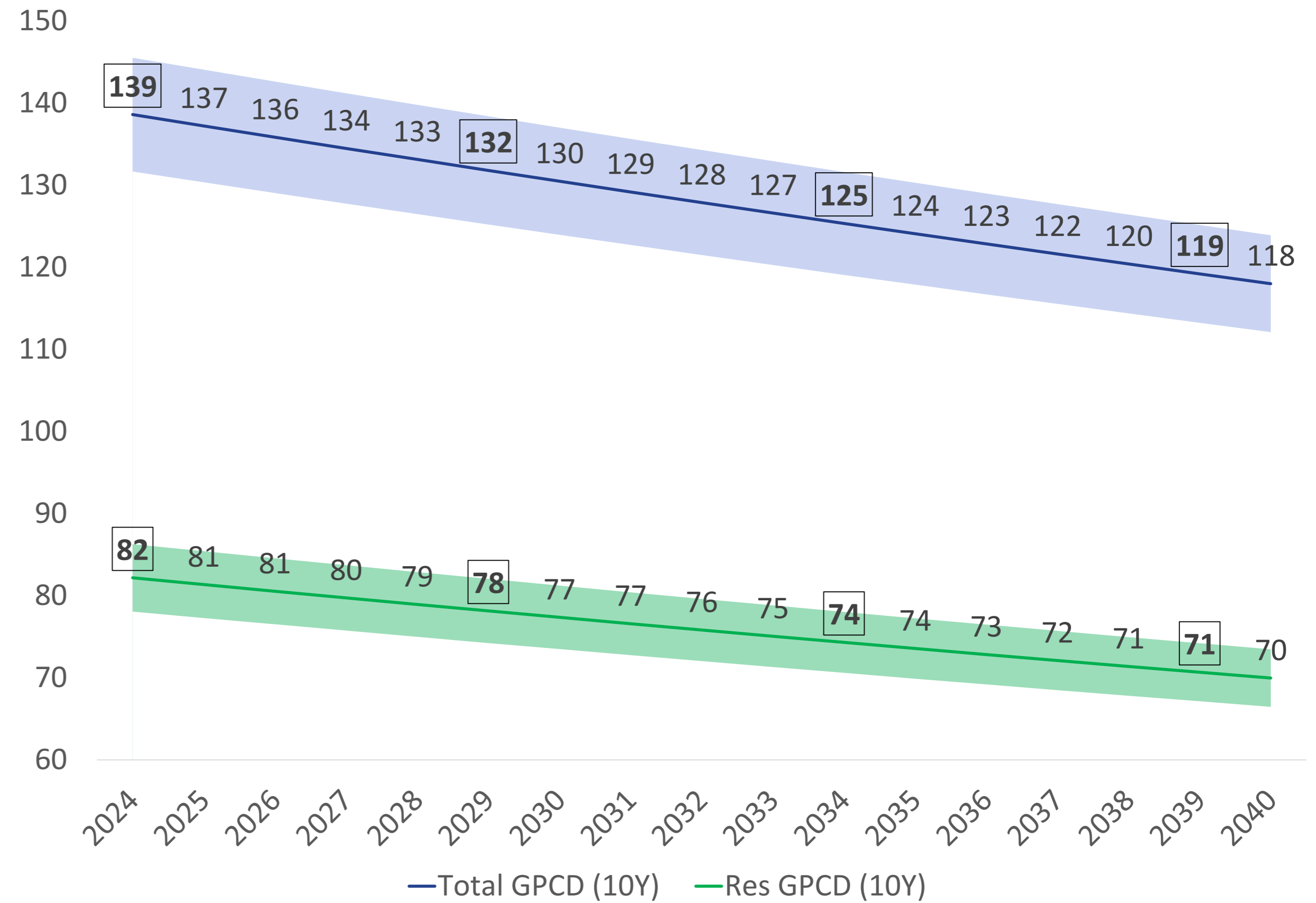
- Predictive in nature
- Allow for preemptive actions
- Highlight potential areas of growth or risk that can be acted upon

Proposed Strategic Goals FY 2026/2027



1% reduction of NBU residential GPCD based off the 2024 10-year average in both FY 26 and FY 27

Total and Residential 10Y Average GPCD Targets - 1% Reduction (5% Variance)



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Proposed Strategic Goals FY 2026/2027



≥ 89.3% retention rate for the fiscal year

Implement 50% of the approved action items as presented by the Employee Experience Team



OSHA incident rate of ≤ 3 incidents per 100 employees per year

Safety meeting compliance rate of ≥ 90% for all departments

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Proposed Strategic Goals FY 2026/2027

**CUSTOMER &
COMMUNITY**
Strategic Goal

Customer Satisfaction Survey
Benchmark Organizational
characteristics by the vendor
(GreatBlue) at or above
industry standard.

**FINANCIAL
EXCELLENCE**
Strategic Goal

Bond rating of \geq A+/A1 by
at least two of the three
major rating agencies
(S&P, Moody's, Fitch)

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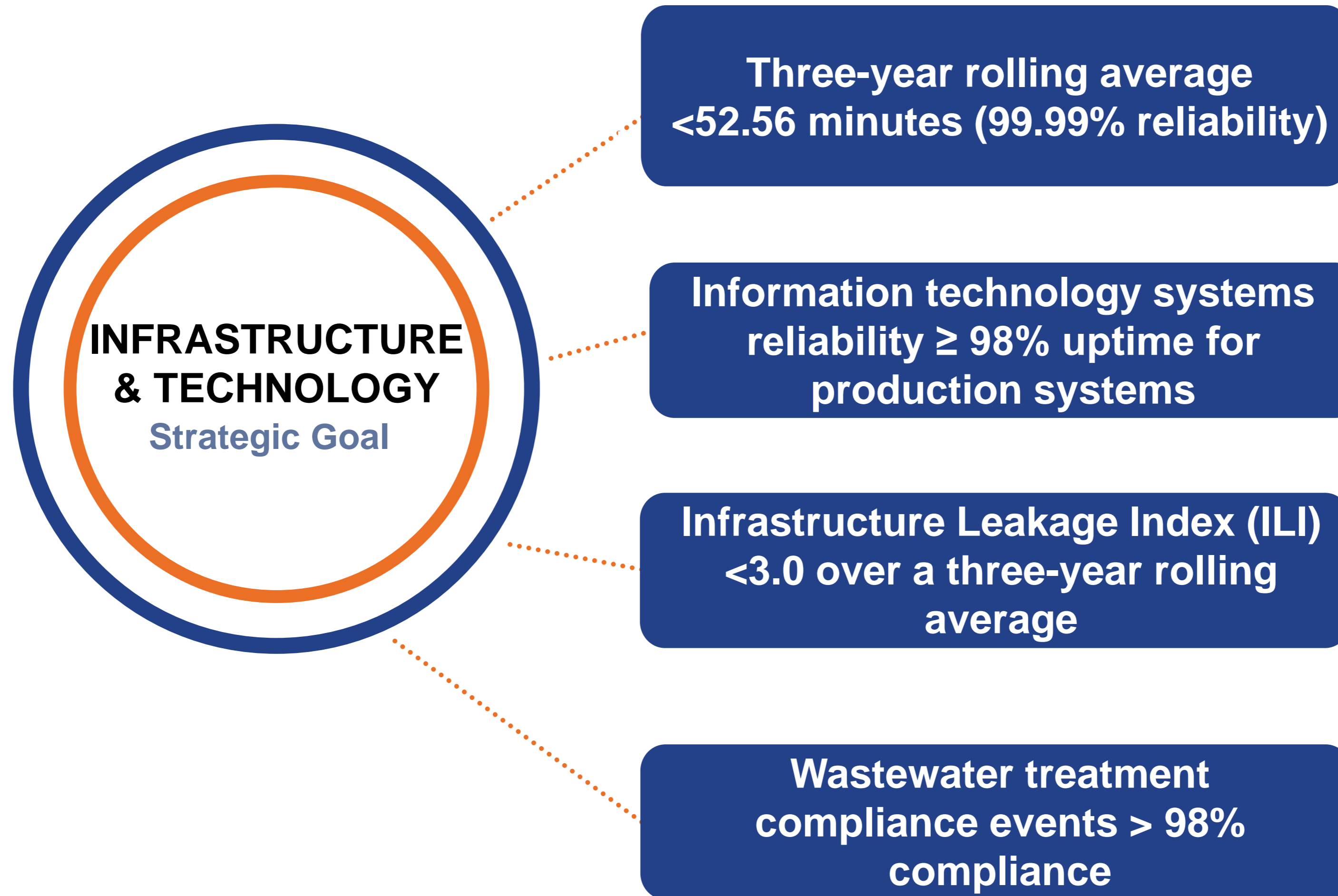
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NBU NEW BRAUNFELS
UTILITIES

Proposed Strategic Goals FY 2026/2027



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Proposed Annual Priorities FY 2026

**ENTERPRISE
ASSET
MANAGEMENT**
Annual Priority

Establish NBU's Asset Data and
Information Standards

**ENTERPRISE
PROJECT
MANAGEMENT**
Annual Priority

Implement PMIS for capital
projects for support services

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Proposed Annual Priorities FY 2026



**CUSTOMER
EXPERIENCE**
Annual Priority

Implement targeted optimization CS initiatives on (Response time, Quality Assurance, Operation/Technology Efficiencies and Communication Adoption)



**TECHNOLOGY
MODERNIZATION**
Annual Priority

Select Customer Information System

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Proposed Annual Priorities FY 2027

**STRATEGIC
PLAN**
Annual Priority

Update Strategic Plan

**TECHNOLOGY
MODERNIZATION**
Annual Priority

Implement Phase I of Customer
Information System/ Select
Financial System

**CUSTOMER
EXPERIENCE**
Annual Priority

Implement targeted optimization
CS initiatives on (Response time,
Quality Assurance,
Operation/Technology
Efficiencies and Communication
Adoption

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Proposed FY 26/27 Strategic Goals Revisions

Strategic Goal	Strategic Goal Measure
Stewardship	Refine and deploy the triple bottom line evaluation tool with One Water partners. Evaluate 3 NBU projects using the tool and develop the tool SOP (standard operating procedure) for NBU processes after evaluation 1% reduction of NBU GPCD based off the 2024 10-year average in both FY 26 and FY 27
Safety and Security	Manage preventable damage to vehicle to ≤ 10 incidents or fewer per 1,000,000 miles driven Safety Meeting Attendance Rate of $\geq 90\%$ for all departments
Safety and Security	Manage preventable damage to equipment incidents to ≤ 2.7 incidents or fewer per 100 employees OSHA incident rate of ≤ 3 per 100 employees per year
Financial Excellence	Maintain a competitive bond rating - maintain a bond rating of $\geq A+$ Bond rating of $\geq A+/A1$, by at least two of the three major rating agencies (S&P, Moody's, Fitch)
People and Culture	Maintain Gallup engagement survey participation above 80% 85% employee retention rate for the fiscal year
People and Culture	Implement 50% of approved action items as presented from the Employee Experience Team (training)
Customer and Community	Customer Satisfaction Survey Benchmark Organizational characteristics by the vendor (Great Blue) at or above industry standard. Measurement data from Public Power Data Source (PPDS).
Infrastructure and Technology	Three-year rolling average of <52.56 minutes (99.99% reliability)
Infrastructure and Technology	Information Technology Systems Reliability $\geq 98\%$ uptime for production systems
Infrastructure and Technology	Infrastructure Leakage Index (ILI) <3.0 over a three-year rolling average
Infrastructure and Technology	Wastewater Treatment Compliance Events, >98% compliance

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Introductory Information

Definitions and Examples

KPI

A Key Performance Indicator is a way to measure performance or progress based on specific business goals and objectives. These are specific, measurable, achievable, relevant and time-bound.

Key Result

A Key Result is a specific, measurable outcome that helps achieve an Objective. KPIs typically cover broader aspects of performance and are often ongoing, while Key Results are tied to specific objectives and have a clear endpoint.

Lagging Indicator

A type of metric that reflects the outcomes or results of past actions and decisions. Examples of lagging indicators include revenue, profit and customer satisfaction scores.

Leading Indicator

A metric that predicts future performance or outcomes. Examples include employee training hours as a predictor of future productivity or the number of customer inquiries as an indicator of future sales.

Planned Value (PV)

The estimated worth of a factor or work at a specific time in the future.

$\frac{EV}{PV} =$

$EV < PV =$
 $EV > PV =$
 $EV = PV$

Earned Value (EV)

The actual value of the factor or work completed at any given point.

Performance Index

Underperformance
Overperformance
On Target

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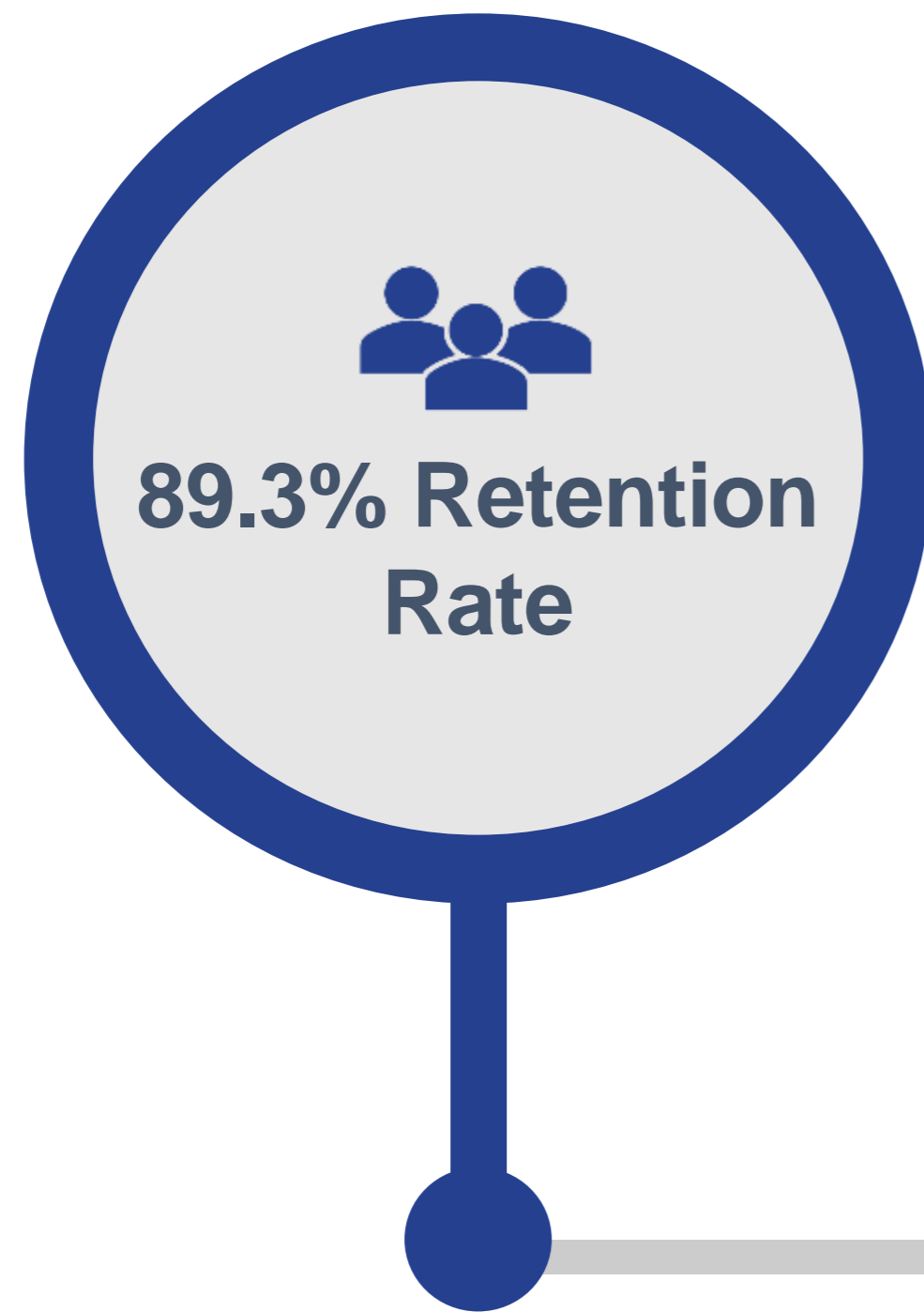
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Key Performance Indicators for Proposed FY 26-27 Strategic Goals

People & Culture



Two Stay Interviews monthly with avg. score of 3.5/5
Voluntary turnover rate ($\leq 8\%$)



Training satisfaction rate $\geq 75\%$
Final resolution for anonymous feedback
submissions (<15 days)

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Key Performance Indicators for Proposed FY 26-27 Strategic Goals

Safety & Security



10 safety audits monthly

Implement 100% of RCA findings from Lost Time Incidents



Monthly/Quarterly safety meetings

Safety Audit Findings rate (≤ 10)

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Key Performance Indicators for Proposed FY 26-27 Strategic Goals

Customer & Community

Stewardship

Financial Excellence



GreatBlue
Survey



1% reduction of
NBU GPCD in FY
26 and FY 27



≥ A+/A1 Bond
Rating

Speed to Answer (80%/30 seconds)

Real Time Customer Satisfaction (≥ 85%)

First Contact Resolution (≥ 70%)

% of Customers using NBU's rebate programs

Monthly GPCD change of ≤ 0.08%

FY 26 - GPCD Target of 136

FY 27 - GPCD Target of 134

Days Cash On-Hand (> 140 Days)

Debt to Capitalization Ratio (≤55%)

Debt to Service Coverage (≥ 2.4)

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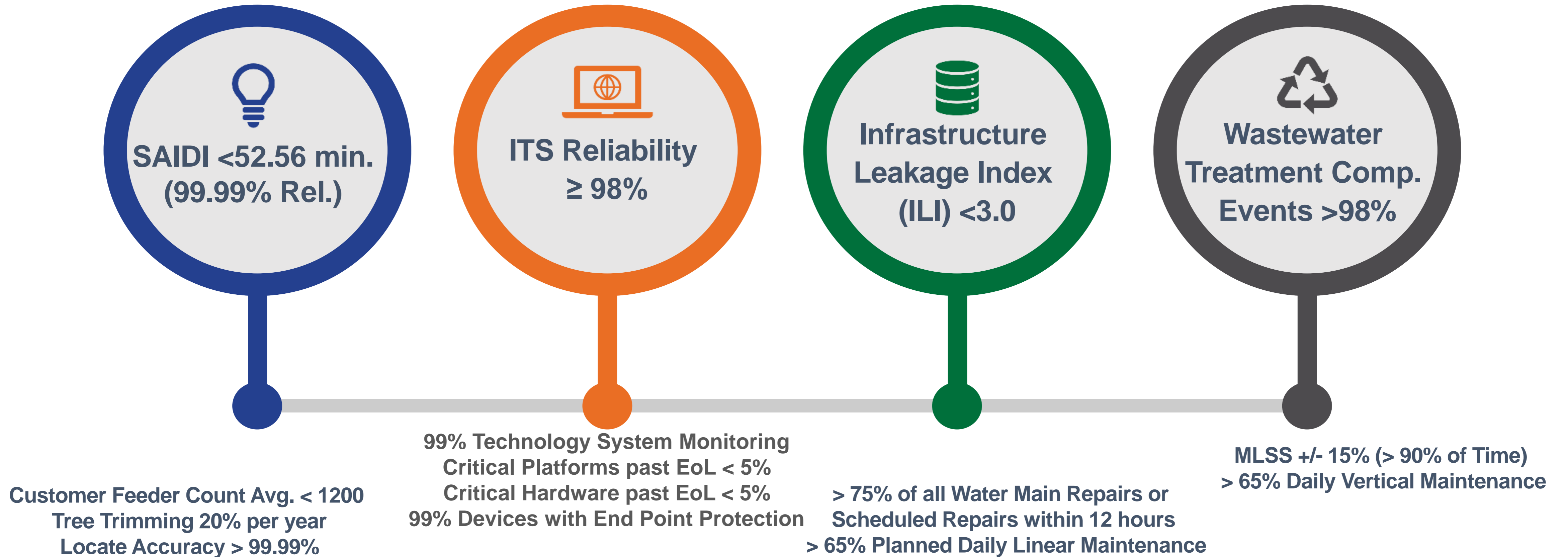
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Key Performance Indicators for Proposed FY 26-27 Strategic Goals

Infrastructure & Technology



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Indices Score Example

Score ≥ 1.0 ✓

Average Score 1.16 ✓

Job	Earned Value	Planned Value	Score
Meter Replacements	95	80	1.19
Valve Exercising	85	75	1.13



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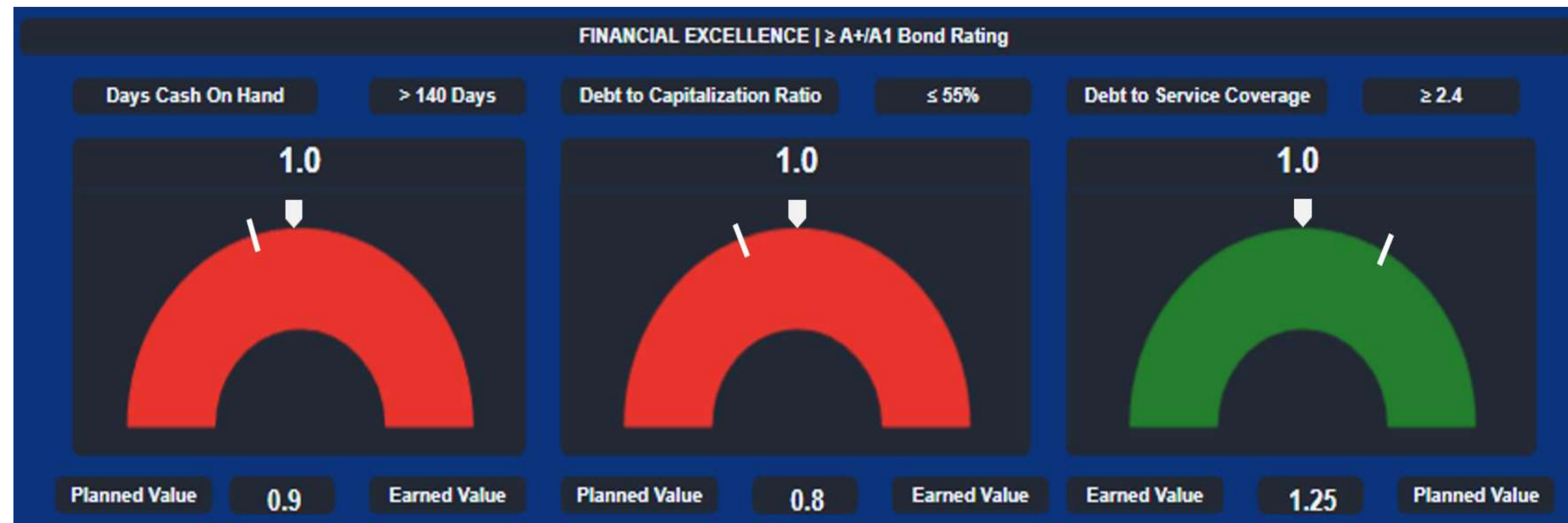
Safety, Team, Integrity, Culture, and Stewardship

Indices Score Example



Achieve a bond rating of \geq A+/A1, by at least two of the three major rating agencies (S&P, Moody's, Fitch)

New Reporting Format (Example Data Only)



Days cash-on-hand (> 140 Days)
The value shown above is 126 (Example Only, This is not a representation of our current Days Cash on Hand)

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Next Steps

Strategic Plan to January Board

Fiscal Year 2026/2027

1

2

3

4

5

Set Metrics/Indexes

Begin tracking

Quarterly Board Update

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QUESTIONS

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