

Quarterly Capital Projects Update

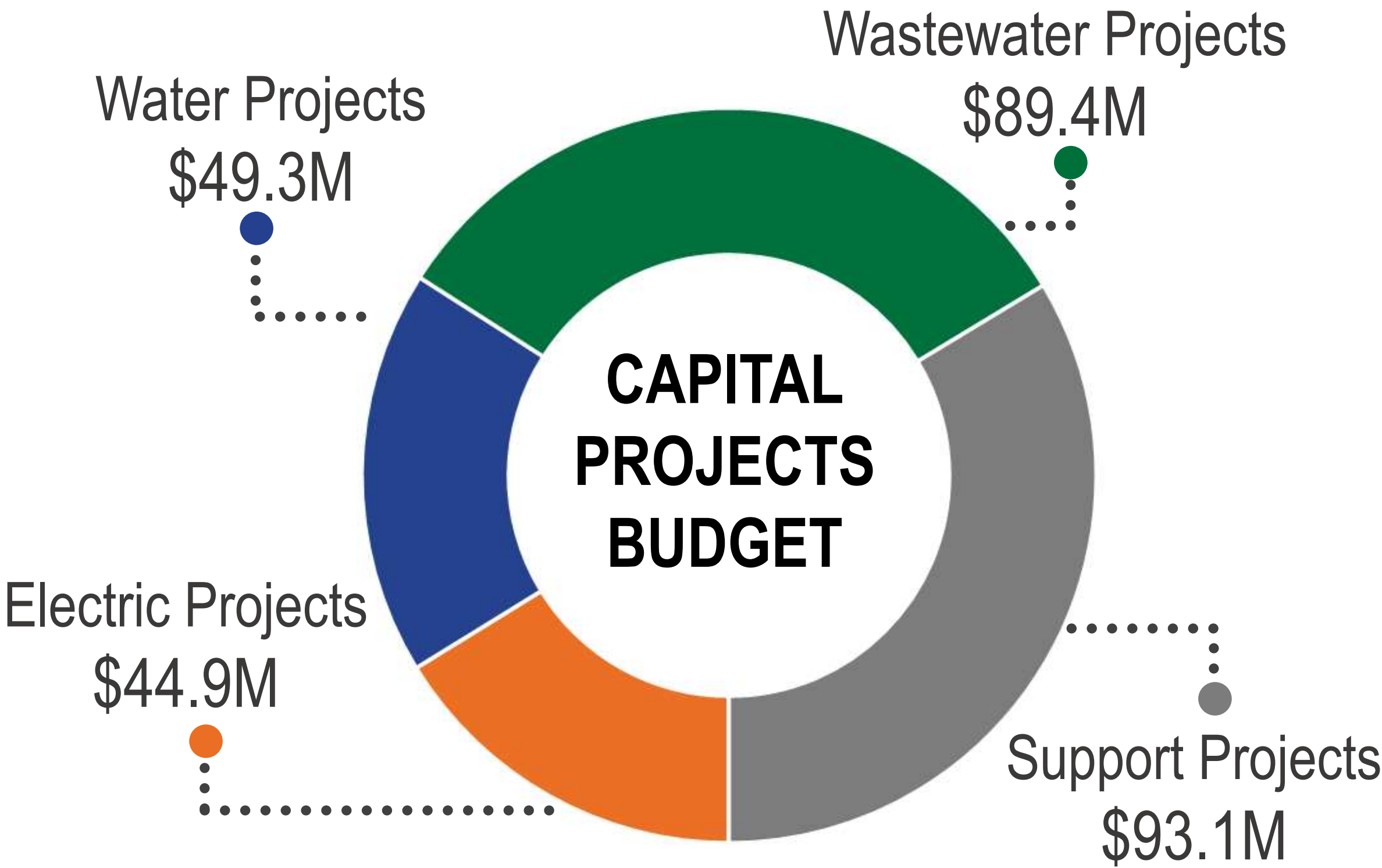
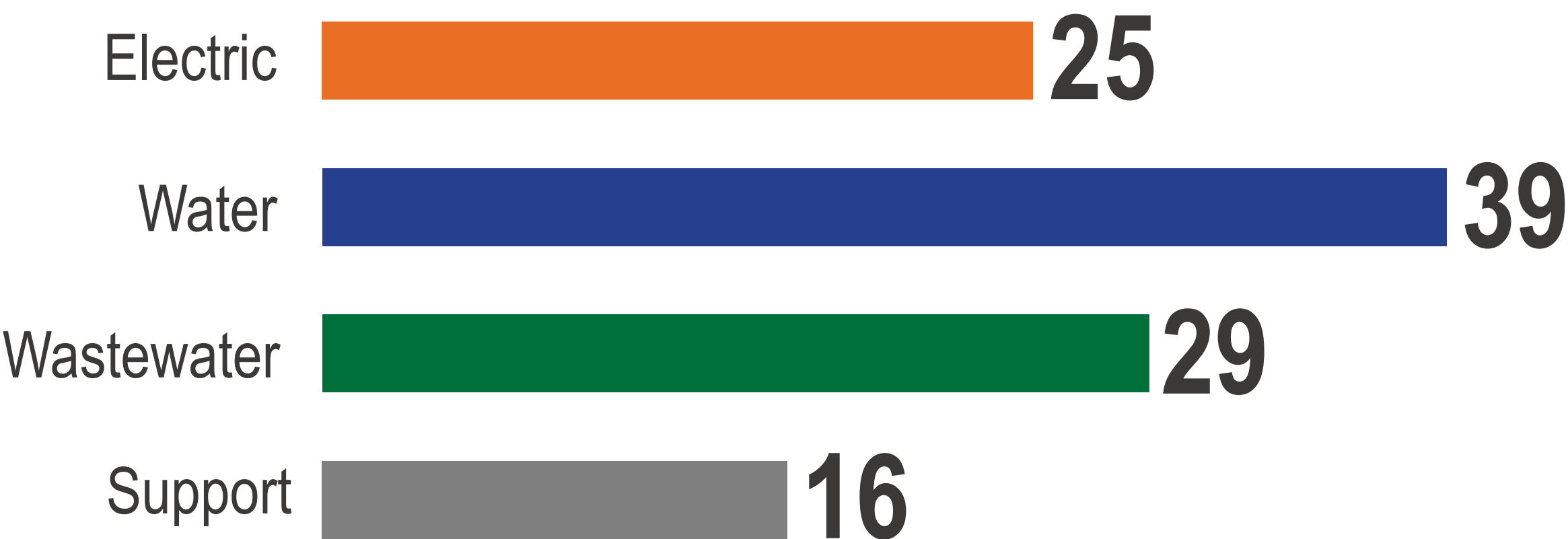
- Fiscal Year 2026 Fourth Quarter

October 29, 2026

- ☐ Portfolio Status through July 2026
- ☐ Performance & Accomplishments for each line of business

FY 2026 Capital Projects

PROJECT COUNT



BUDGET

Developed in February 2025
based on expected
project costs

\$276,789,087

Actual

Year-to-date project
spending through
July 2026

\$257,311,932

YTD %

Year-to-date project
spending versus budget
(July 2026)

93%

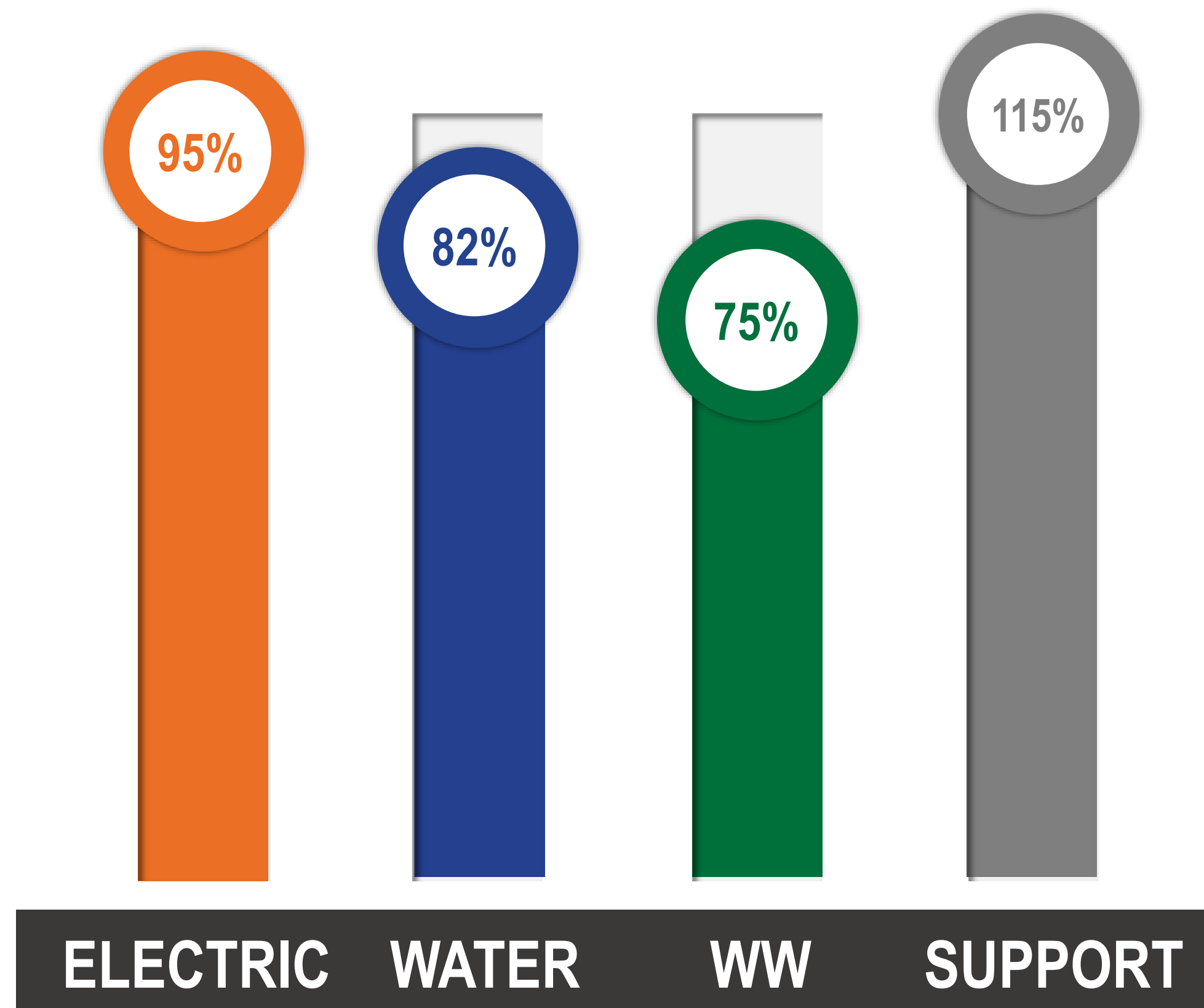
Balance

Difference between
budget and
actual costs

\$19,477,155

FY 2026 Actual vs Budget

YTD Actual vs Budget



- The NBU HQ schedule ahead of plan, resulting in an overage in the support budget
- Overall FY26 CIP spending came in at 93% of budget
- FY26 finished significantly closer to budget than FY25, which came in at 69% of budget.

Project Stage

INITIATING



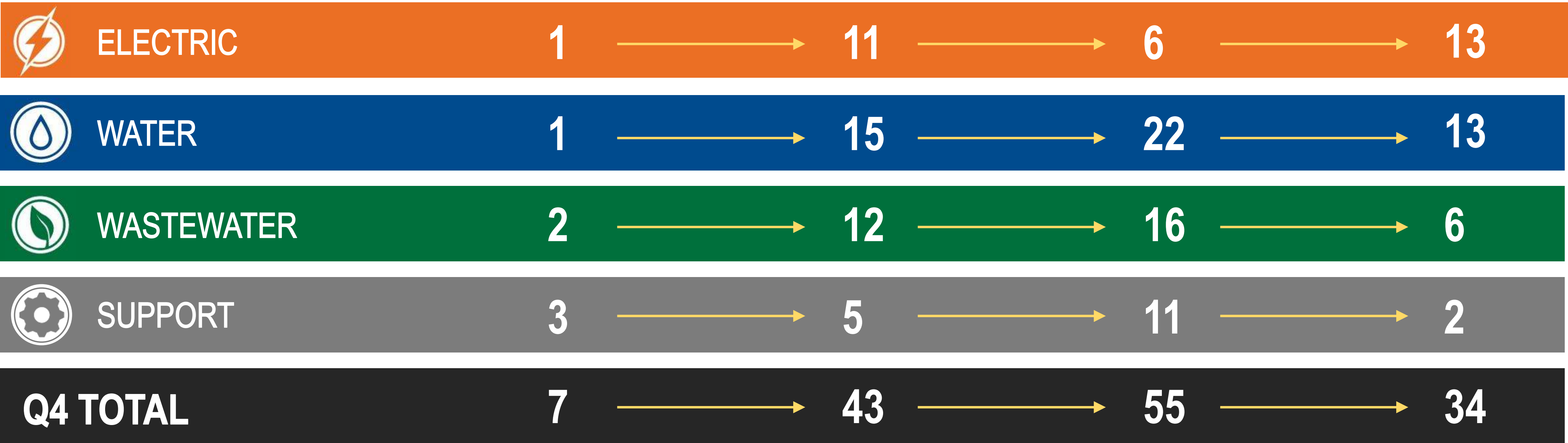
PLANNING



EXECUTING



CLOSING



Traffic Impacts

- Current Traffic Impacts
- Traffic Impacts Expected in the next 6 months

Infrastructure Replacement Package 3

- Minor Residential Lane and Road Closures (Mulberry/Grant/Market/Coll/Katy/Jackson/Marigold)
- Schedule: Through December 2026

Turn Lane / Entrance to HQ Property

- Lane closure Starting April of 2026

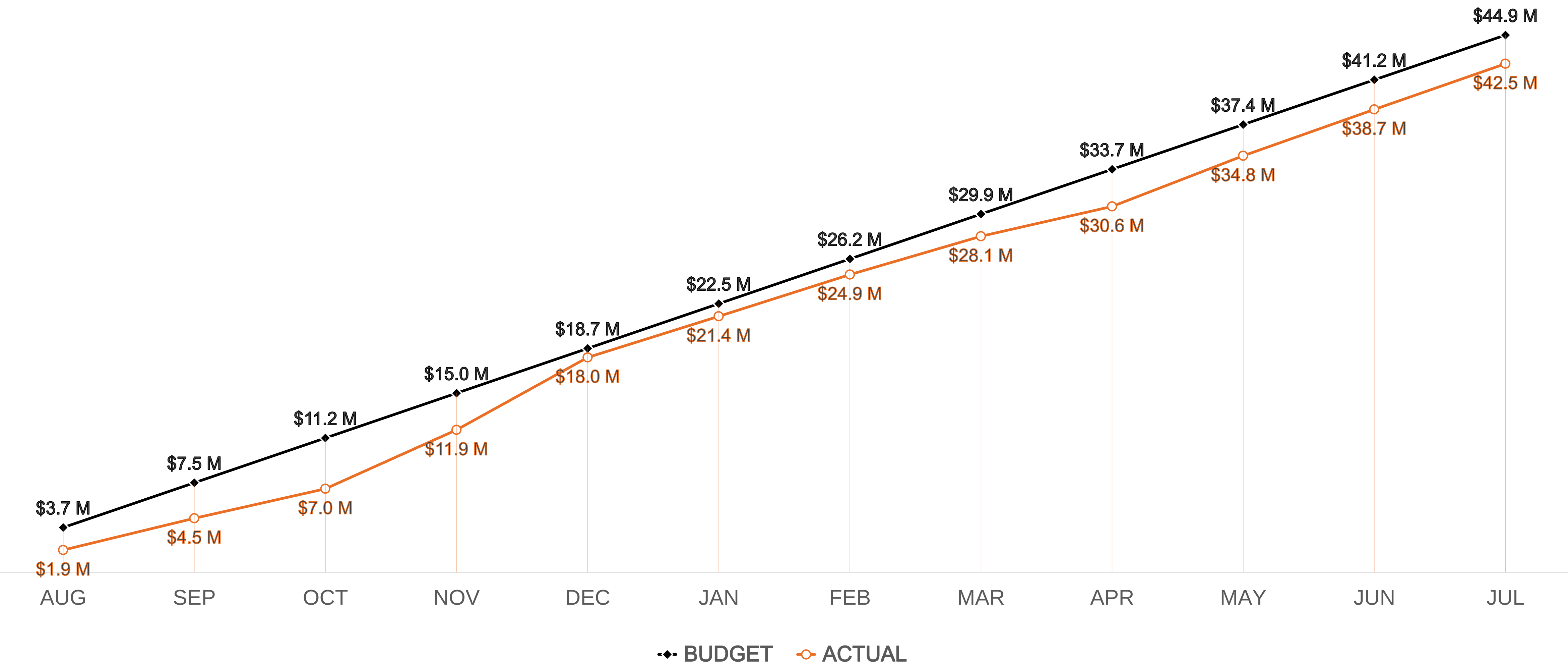
FM 1044 EST

- Minor construction traffic, no closures
- Expected Completion: November 2026

CIP Performance and Accomplishments



Electric – Budget to Actual



Q4 Electric Accomplishments

- Added 416 metered customers in Q3 FY26, within previously completed developments and wholly new developments. This is a three year low in quarterly customer additions.
- Energized service to 5 single-family residential projects. Projects include
 - Kohlenberg 2B (Legacy at Lake Dunlap)
 - Mayfair E-12
 - Gatehouse U3
 - Veramendi 30-1
 - Sky Ranch 1A
- Land Clearing is initiated for the HW14 FM 3009 extension, to then tie into FM 3009, and have HW14 relieve HW22 Herbelin Rd. feeder.
- Completed Maytown Dr. Extension, for immediate service to Costco & for future tie-in to Kohlenberg Substation.



Q4 Electric Accomplishments

- Completed Aerial Crossings to Union Pacific & FM 482 (TxDOT) outside of E.C. Mornhinweg Substation. Feeders EC22 and EC23 are in-service now.
- Completed Feeder Highway 46 Feeder 23 (HW23) Purlsong Feeder, in preparation for the Purlsong master planned development.
- Completed 750' gap bulk circuit upgrade along Mission Valley Rd., increasing reliability to Newcomes Estates, and preparing for future tie to FM 1863.
- Completed 1,000' three-phase bulk overhead extension to Cranes Mill industrial park.
- Conrads Rd./Hunter Rd. feeder extension project is initiated. Project totals 14,700' of extension & upgrade.



Electric Featured Projects



DISTRIBUTION



TRANSMISSION

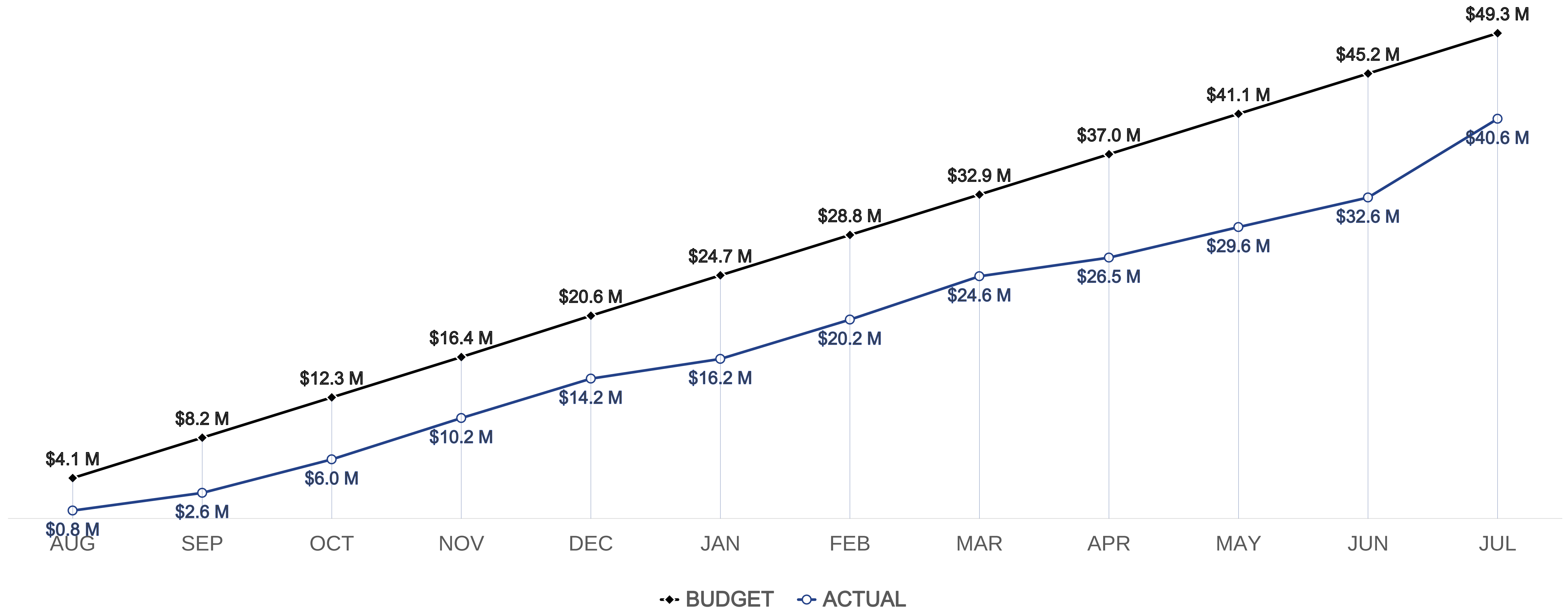


SUBSTATION



- Kohlenberg Substation
- Completion: Spring of 2027
- Purpose: In the long term, the existing feeder capacity at the Freiheit and Henne substations will be insufficient to meet projected demand. The proposed substation will provide additional capacity and significantly improve system reliability. The project will construct NBU's 13th substation, and its 11th distribution substation, near the intersection of FM 1101 and Kohlenberg Road. The facility will be master-planned with a high-side ring-bus configuration, two 20/26.6/33.3 MVA power transformers, and capacity for six distribution feeders. This configuration is consistent with the designs used at the Weltner Road and Hueco Springs substations. Both transformers, T1 and T2, will be energized when the substation is commissioned. Four feeders will initially exit the station, with the remaining feeder positions reserved for future expansion.

Water – Budget to Actual



Q4 Water Accomplishments

- Design Complete
 - Loop GST Improvements
 - Well 6 Improvements
 - Water and Sewer Infrastructure Replacement
 - Rio to Kuehler River Crossing
 - FM 1101 Pump Station & Ground Storage Tank
 - Infrastructure Replacement Pkg 2
 - Water Tank Rehab Phase 2
 - Kerlick EST
 - Newks EST
 - Schmidt Avenue Water & Wastewater Relocation
 - FM 306 Pump Station Expansion & Discharge Line



Water Featured Projects



SUPPLY



TREATMENT



DISTRIBUTION
PUMPING



TRANSMISSION



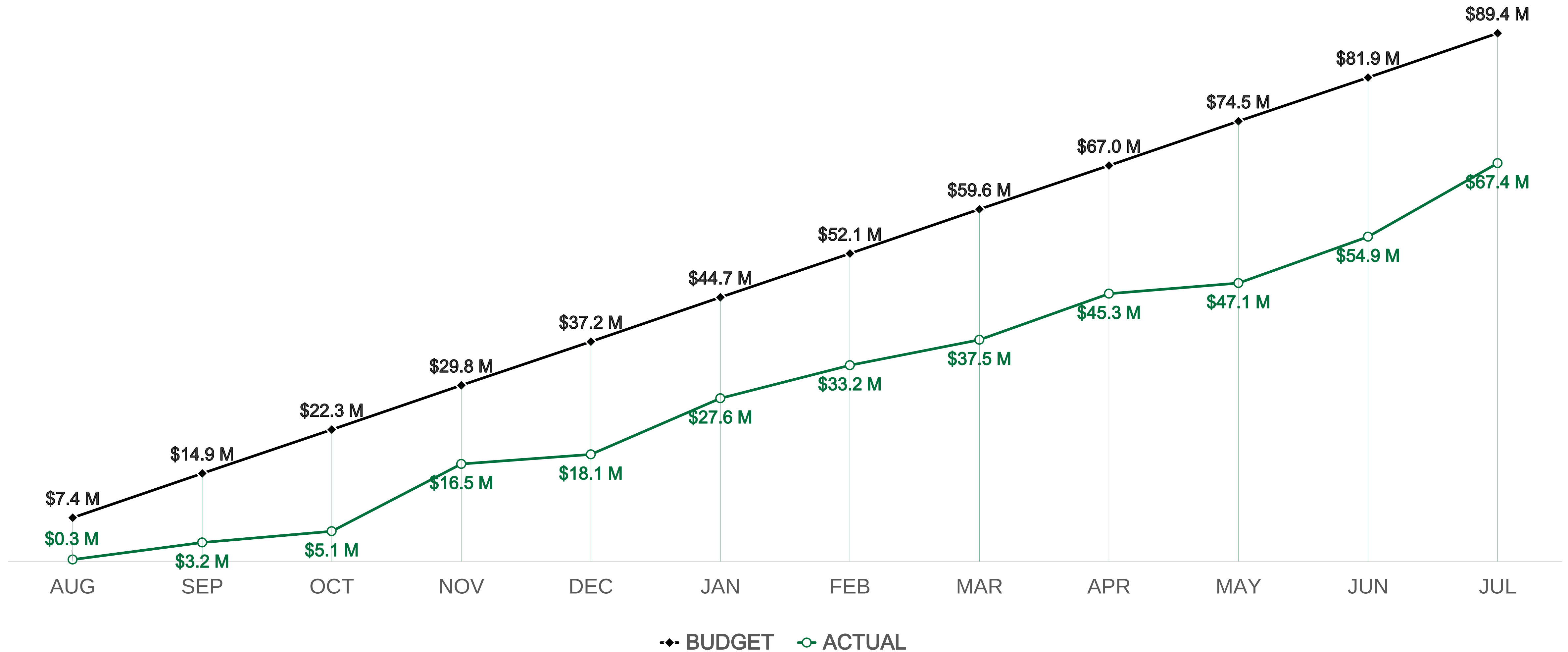
ELEVATED
STORAGE



Well 6 Improvements

- Expected NTP: Fall 2026
- Scope: Demolition of all existing Well 6 facilities except for the well and pump motor
- New CMU building with HVAC, plumbing, electrical, VFD, and chemical equipment
- New instrumentation controls, security controls, SCADA, and chemical feeds
- Emergency generator and automatic transfer switch

Wastewater – Budget to Actual



Q4 Wastewater Accomplishments

- Design Complete
 - Infrastructure Replacement Pkg 2
 - Water and Sewer Infrastructure Replacement
 - Schmidt Avenue Water & Wastewater Relocation
- Heavy Construction Ongoing on McKenzie Interceptor and McKenzie WRF Expansion
 - Interceptor: 66% Complete thru Q3
 - WRF Expansion: 78% Complete thru Q3



Wastewater Featured Project



COLLECTION



TRANSMISSION

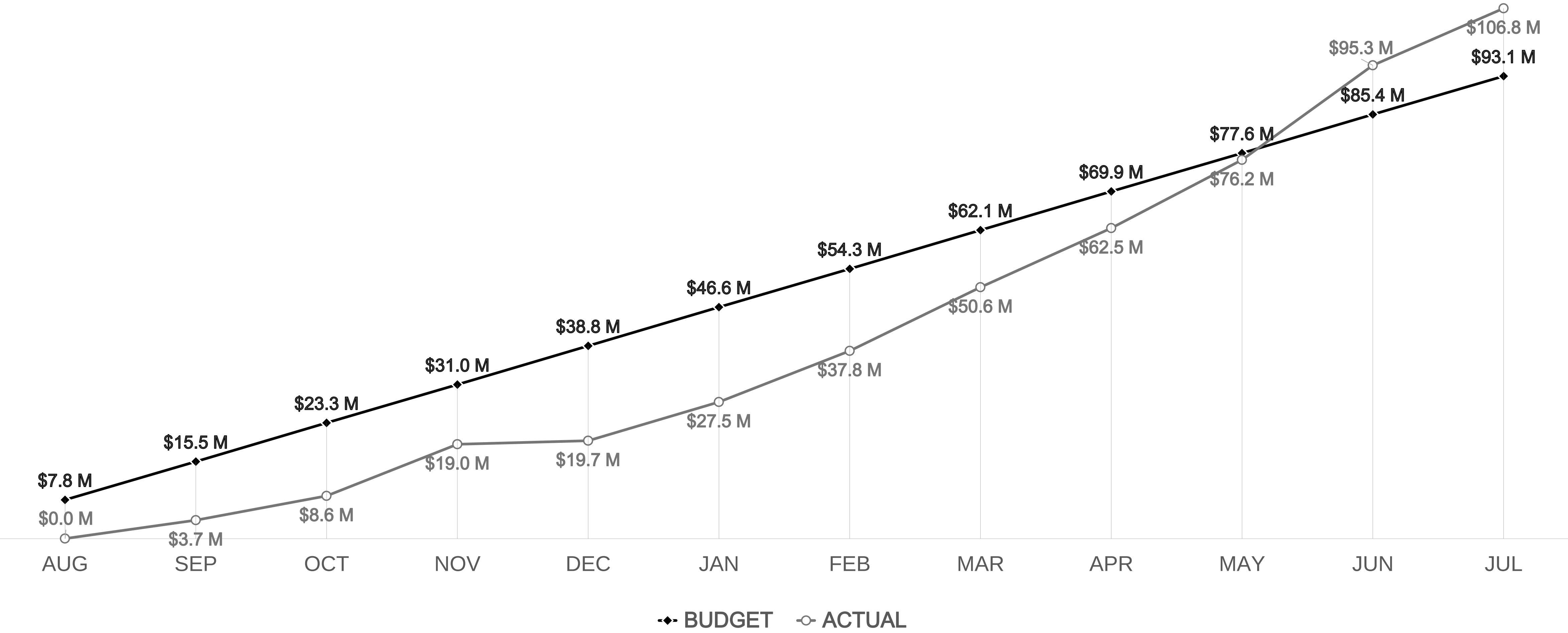


TREATMENT



- Schmidt Avenue Water & Wastewater Relocation
- Expected NTP: Fall 2026
- Scope: Installation of approximately 1,250 linear feet of 8-inch and 16-inch water main and approximately 700 linear feet of 8-inch and 12-inch sewer main along Schmidt Avenue in conflict with upcoming TxDOT roadway improvements.

Support – Budget to Actual



Q4 Support Accomplishments

Server Cluster Migration:

- Supports the goal of the organization to maintain Resilient Technology Infrastructure
- Migrating all virtual servers to the new HyperV Management Platform; currently 99% complete, estimated completion in Q4 FY26

Enterprise Platforms:

- Supports the strategic initiative of Technology Modernization
- Posted RFP to select a vendor to migrate GIS data from the Geometric Network to the Utility Network
- Posted RFP to select a vendor to implement and migrate to a new ERP and CIS
- Completed the deployment of new PCI Settlement Software
- Finalizing automated connections to energy market data



Support Featured Project

SUPPORT

FLEET & FACILITIES



TECHNOLOGY SYSTEMS



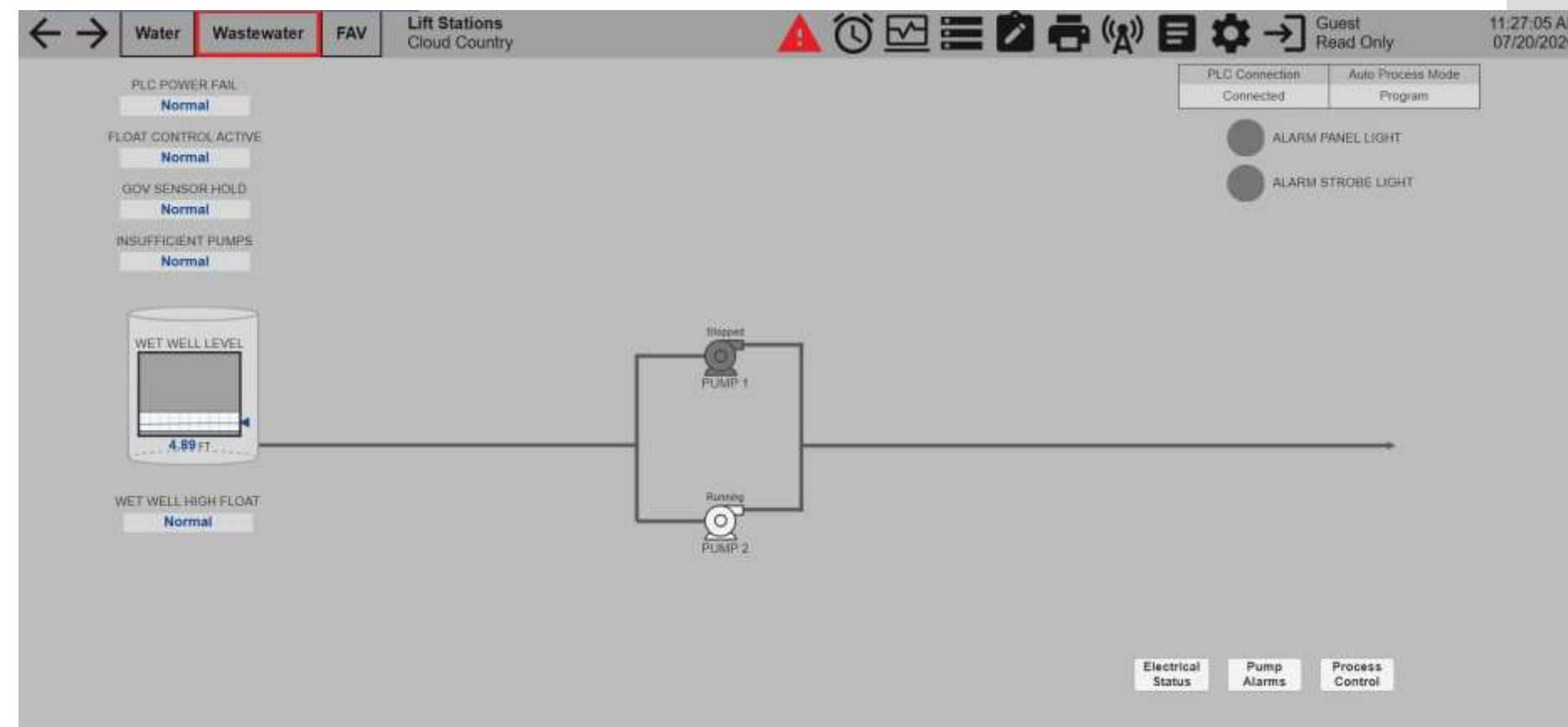
OPERATIONAL TECHNOLOGY



DATA STRATEGY



SECURITY / CYBERSECURITY



- Feature Project: Water SCADA Migration
- **Completion:** Tentatively scheduled for EOY FY27
- **Purpose:** Supports the strategic initiative for Technology Modernization and Resilient Infrastructure
- Replace legacy hardware and software
- Easily add new devices or facilities without major architectural changes
- Aligns with Industrial Automation Control Systems (IACS) cybersecurity best practices
- Enhance and improve alarm management



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