

Fiscal Year 2026 Fourth Quarter Strategic Plan Update

Strategic Plan
Q4 Update

ePMO

August 27, 2026



Strategic Goals – (What We Aim to Do)

- **CUSTOMERS AND COMMUNITY**

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

- **PEOPLE AND CULTURE**

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

- **INFRASTRUCTURE AND TECHNOLOGY**

We maintain reliable and resilient systems through responsible planning, asset management, and innovative technologies that align with the strategic direction of the organization.

- **FINANCIAL EXCELLENCE**

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

- **SAFETY AND SECURITY**

We strive to place security and safety as the highest priorities for every employee and customer.

- **STEWARDSHIP**

We commit to preserve and protect community resources through planning, innovating, collaborating and educating.

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

NBU NEW BRAUNFELS
UTILITIES

FY 26 Strategic Measures – (How We Measure It)

Strategic Goal	Strategic Measure (Lagging Indicator)
Customer and Community	Improve the Customer Scores by 7% , and/or reaching the Texas average industry standard benchmark
People and Culture	Sustain $\geq 89.3\%$ Retention Rate for the Fiscal Year
Infrastructure and Technology	Maintain a Three Year Rolling Average SAIDI (System Average Interruption Duration Index) in top 10% of Texas utilities or three-year rolling average <52.56 minutes (99.99% reliability)
Infrastructure and Technology	Ensure Technology System Reliability $\geq 98\%$ uptime for production systems
Infrastructure and Technology	Achieve and Maintain an Infrastructure Leakage Index (ILI) ≤ 3.0 over a three-year rolling average
Infrastructure and Technology	Wastewater Treatment and Compliance Events- Maintain $>98\%$ Compliance
Financial Excellence	Meet or exceed A+/A1 from a minimum of two rating agencies annually
Safety and Security	Safeguard an OSHA (Occupational Safety and Health Administration) Incident Rate ≤ 3 Incidents per 100 Employees per year
Safety and Security	Achieve a Safety Meeting Compliance Rate $\geq 90\%$ for all Departments
Stewardship	Reduce NBU GPCD (Gallons per Capita per Day) by 1% Based off the 2024 10-year Average in both FY26 & FY27

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FY 26 Strategic Measures – (How We Measure It)

CUSTOMERS AND COMMUNITY

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

CUSTOMERS
& COMMUNITY



Strategic Measure (Lagging Indicator):

Improve the Customer Scores by 7% , and/or reaching the Texas average industry standard benchmark.

Q4
2.4%

Leading Indicator:

Speed to Answer:

Green < 3 min.

Yellow 3 - 10 min.

Red > 10 min.

Leading Indicator:

Real Time Customer

Satisfaction Rate

Green ≥ 85%

Yellow 84 - 70%

Red < 70%

Leading Indicator:

First Contact Resolution

Green ≥ 70%

Yellow 69 - 60%

Red < 60%

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Q1:	2:13 min.	-%	79%	100%
Q2:	3:48 min.	-%	80%	83%
Q3:	5:27 min.	-%	81%	83%
Q4:	3:23 min.	-%	81%	83%

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FY 26 Strategic Measures – (How We Measure It)

PEOPLE AND CULTURE

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



Strategic Measure (Lagging Indicator):

Sustain $\geq$ 89.3% Retention Rate for the Fiscal Year

Q4
88.96%

Leading Indicator:

Monthly Stay Interviews

Green $\geq$ 3.5

Yellow 3.49 – 2.5

Red $<$ 2.5

Leading Indicator:

New Hire Interviews avg. score of 3.5/5

Green: $\geq$ 3.5

Yellow: 3.49 – 2.5

Red: $<$ 2.5

Leading Indicator:

Learner Satisfaction Rate

Green $>$ 3

Yellow 3 - 2

Red $<$ 2

				<u>Index</u>
Q1:	4.5	4.3	4.5	100%
Q2:	4.5	4.7	4.7	100%
Q3:	3.7	4.4	4.6	100%
Q4:	4.2	4.6	4.9	100%

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We maintain reliable and resilient systems through responsible planning, asset management, and innovative technologies that align with the strategic direction of the organization.

INFRASTRUCTURE
& TECHNOLOGY



Strategic Measure (Lagging Indicator):

Maintain a Three Year Rolling Average SAIDI (System Average Interruption Duration Index) in top 10% of Texas utilities or three-year rolling average <52.56 minutes (99.99% reliability)

Q4

48.72 min

Leading Indicator:

Customer Feeder Count

Green ≤ 1200

Yellow 1201 - 1300

Red > 1301

Leading Indicator:

Tree Trimming

Green > 98,785 feet per month

Yellow 98,785 – 85,000 feet per month

Red < 85,000 feet per month

Leading Indicator:

Locate Accuracy

Green > 99.99%

Yellow 99.98 - 99.90%

Red < 99.90%

Index

Q1:	1,208	165,667 ft	100%	89%
Q2:	1,222	102,610 ft	100%	89%
Q3:	1,198	156,910 ft	99.92%	89%
Q4:	1,135	201,429 ft	100%	100%

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UTILITIES

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INFRASTRUCTURE
& TECHNOLOGY



Strategic Measure (Lagging Indicator):

Ensure Technology System Reliability $\geq$ 98% uptime for production systems

Q4
99.97%

	<u>Leading Indicator:</u> Tech Systems Monitoring Green > 99% Yellow 99 - 98% Red < 98	<u>Leading Indicator:</u> Critical Platforms past EoL Green < 5% Yellow 6 - 9% Red > 9%	<u>Leading Indicator:</u> End Point Device Protection Green > 99% Yellow 99 - 98% Red < 98%	<u>Leading Indicator:</u> Critical Hardware past EoL Green < 5% Yellow 6 - 9% Red > 9%	<u>Index</u>
Q1:	99.9%	3.5%	99.7%	0%	100%
Q2:	99.6%	3.6%	99.3%	0%	100%
Q3:	99.9%	4.4%	100%	0%	100%
Q4:	99.9%	3.6%	100%	0%	100%

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INFRASTRUCTURE
& TECHNOLOGY



Strategic Measure (Lagging Indicator):

Maintain an Infrastructure Leakage Index (ILI) ≤ 3.0 over a three-year rolling average

Q4
2.3

Leading Indicator:

> 80% Maintenance Schedule Compliance for Water Operations – Distribution System

Green $\geq 80\%$

Yellow 79 - 66%

Red $< 66\%$

		<u>Index</u>
Q1:	84%	100%
Q2:	84%	100%
Q3:	89%	100%
Q4:	88%	100%

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INFRASTRUCTURE
& TECHNOLOGY



INFRASTRUCTURE AND TECHNOLOGY

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Strategic Measure (Lagging Indicator):

Wastewater Treatment and Compliance Events- Maintain >98% Compliance

Q4
99.9%

Leading Indicator:

Solids Levels +/- 20% – (> 90% of Time)

Green > 90%

Yellow 60-89%

Red < 60%

Leading Indicator:

>80% Maintenance Schedule Compliance for
Water Treatment and Compliance – WW Facilities

Green ≥ 80%

Yellow 66 - 79%

Red < 66%

			<u>Index</u>
Q1:	96%	86%	100%
Q2:	92.6%	90.3%	100%
Q3:	91%	85.7%	100%
Q4:	85%	90%	83%

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FINANCIAL EXCELLENCE

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Strategic Measure (Lagging Indicator):

Meet or exceed A+/A1 from a minimum of two rating agencies annually

Q4
Fitch: AA- S&P: A+ Moody's: Aa1

Leading Indicator:

Days Cash on Hand

Green ≥ 170

Yellow 169 - 140

Red < 140

Leading Indicator:

Debt Capitalization Ratio

Green $\leq 48\%$

Yellow 49 - 54.5%

Red $> 54.5\%$

Leading Indicator:

Debt Service Coverage

Green ≥ 3.5

Yellow 3.4 - 2.4

Red < 2.4

				<u>Index</u>
Q1:	214 Days	40.5%	4.8	100%
Q2:	243 Days	39.5%	4.8	100%
Q3:	220 Days	38.9%	4.6	100%
Q4:	297 Days*	47.6%*	4.4*	TBD

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SAFETY &
SECURITY



Strategic Measure (Lagging Indicator):

Safeguard an OSHA Incident Rate $\leq$ 3 Incidents per 100 Employees per year

Q4
.008

Leading Indicator:

Monthly Safety Audits

Green $\geq$ 10

Yellow 9 - 7

Red $\leq$ 6

Leading Indicator:

Safety Audit Findings Rate

Green $\leq$ 5

Yellow 6 - 7

Red $\geq$ 8

			<u>Index</u>
Q1:	11	1	100%
Q2:	14	2	100%
Q3:	14	3	100%
Q4:	11	1	100%

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SAFETY &
SECURITY



Strategic Measure (Lagging Indicator):

Achieve a Safety Meeting Compliance Rate $\geq$ 90% for all Departments

Q4
100%

Leading Indicator:

Quarterly Safety Meetings

Green $\geq$ 6

Yellow 5

Red $\leq$ 4

Leading Indicator:

Audited Safety/Tailboard Meetings % Completion

Green 100%

Yellow 99 - 95%

Red $<$ 95%

			<u>Index</u>
Q1:	8	100%	100%
Q2:	12	100%	100%
Q3:	12	100%	100%
Q4:	12	100%	100%

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STEWARDSHIP

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Strategic Measure (Lagging Indicator):

Reduce NBU GPCD (Gallons per Capita per Day) by 1% Based off the 2024 10-year Average in both FY26 & FY27

Q4
2%

Leading Indicator:

Meaningful Engagement for Water Reduction

Green ≥ 3 engagements

Yellow 2 engagements

Red ≤ 1 engagements

Leading Indicator:

Conservation Related Initiatives

Green ≥ 6 initiatives launched (balanced across seasons, at least 3 water-focused)

Yellow 5 – 4 initiatives launched

Red < 3 or fewer initiatives launched

			<u>Index</u>
Q1:	1.3* (4 performed)	2	50%
Q2:	3.7	2	100%
Q3:	3.7	4	100%
Q4:	4.3	4	100%

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FY 26 Annual Priorities – (Company Focused Projects)

Customer Experience

- Implement target optimization CS (Customer Service) initiatives that impact response time, Quality Assurance, Operation/Technology Efficiencies, and Communication Adoption

Asset Management

- Establish NBU's Asset Data and Information Standards

Project Management

- Implement PMIS (Project Management Information System) for Capital Projects for Support Services

Technology Modernization

- Evaluate Customer Information System and Financial System Proposals
- Select Qualified Proposals

Q1: On Track

Q2: On Track

Q3: On Track

Q4: On Track

Q1: On Track

Q2: On Track

Q3: Complete

Q4: -

Q1: On Track

Q2: On Track

Q3: Complete

Q4: Complete

Q1: On Track

Q2: On Track

Q3: Change Request

Q4: Complete

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QUESTIONS

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