Update to the CEO End of Year Performance Evaluation Process

August 27, 2026

NEW BRAUNFELS UTILITIES

Updates to the CEO Performance Evaluation Timeline

- **Timeline Update**
  - August 27, 2026: report of CEO performance evaluation changes to the process to the Board of Trustees
  - August 28, 2026: CEO performance evaluation documents sent to the Board of Trustees
  - September 11, 2026: Completed CEO performance evaluation documents due to General Counsel
  - September 11, 2026: General Counsel to provide completed evaluations to Board Vice President
  - September 22, 2026: CEO Performance Evaluation

Updates to the Existing CEO Performance Evaluation Form

- **Strategic Goal Definition Changes**
  - Modified to align with updated definitions

SECTION A – TIER ONE STRATEGIC GOAL: CUSTOMERS AND COMMUNITY
To be recognized as a trusted community partner dedicated to excellence in service

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~~To be recognized as a trusted community partner dedicated to excellence in service~~We provide a customer-first focus and commit to innovative solutions to improve the customer experience.

Updates to the CEO Performance Evaluation

- **References Strategic Measures**
  - Updated wording to reference strategic measures for each goal, including leading and lagging indicators

2. Meets annual customer ~~satisfaction survey metric~~and community strategic measures (as found on the NBU scorecard – attached as a separate document)

- **References to Supporting Documents**
  - Added corresponding page numbers to referenced documents

1. Complies with NBU's Governance Policy SG# 2 (as found on page 5 of the Governance Policies – attached as a separate document) and ensures Board is advised in a timely manner of any areas of non-compliance

Updates to the CEO Performance Evaluation

- **Eliminated two metric questions**
  - Metrics are no longer measured

Section C: Infrastructure and Technology

2. Achieves percentage goal of capital improvement projects within projected budgets

Section D: Financial Excellence

3. Ensures defined cost per customer goal maintained

Updates to the CEO End of Year Report

- **Updated CEO End of Year Report to the Board of Trustees**
  - Revised approach to the CEO's end of year report
  - Added more detail on the strategic measures to include both lagging and leading indicators
  - Expanded reporting on company-wide initiatives for the fiscal year

CHAPTER 2: STRATEGIC MEASURES - NBU SCORECARD

For each strategic goal, we established leading and lagging indicators. Success is defined as meeting target lagging outcomes or achieving an average leading indicator score of at least 75% for the year.

Legend: Green = Met Yellow = Met, But at Risk Red = Not Met

Customers and Community We provide a customer-first focus and commit to innovative solutions to improve the customer experience.		
Lagging Indicator Improve the Customer Scores by 7%, and/or reaching the Texas average industry standard benchmark	**Target** 7%	**Year-End Result** 2.4%

Leading Indicator:	Q1	Q2	Q3	Q4
Speed to Answer: Green < 3 min. Yellow 3 - 10 min. Red > 10 min.	2:13 m	3:48 m	5:27 m	3:23 m

Leading Indicator:	Q1	Q2	Q3	Q4
First Contact Resolution Green ≥ 70% Yellow 69 - 60% Red < 60%	79%	80%	81%	81%

A Year in Review: While the annual customer satisfaction benchmark was not met in FY2026, leading indicators remained strong and exceeded established thresholds, highlighted by an 81% First Contact Resolution rate in Q4. Through expanded payment options, upgraded self-service tools, enhanced quality assurance, and automated customer feedback, NBU built a stronger operational foundation to drive future satisfaction gains.

Next Steps

- **Schedule Governance Committee meetings to align the CEO performance evaluation forms with the 2028-2038 Strategic Plan**
  - Governance Committee to work with Legal to recommend a new evaluation form to the Board

Questions?