

NBU Financial Roadmap Implementation Phase I

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April 30, 2026

NBU NEW BRAUNFELS
UTILITIES

Agenda

- Acronyms & Definitions
- Series 2026 Bond Issuance
- Series 2026A Texas Water Development Board Lead Service Line Replacement Program Bond Issuance
- Texas Water Development Board Lead Service Line Replacement Program Principal Forgiveness
- Commercial Paper Program Increase
- Texas Water Development Board Water Supply and Infrastructure Grant Application

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Acronyms & Definitions

Dealer

A nationally recognized financial institution selected by the issuer to market or remarket the commercial paper notes in accordance with the terms of the bond ordinance.

Drinking Water State Revolving Fund (DWSRF)

A funding program administered by Texas Water Development Board that provides low-interest loans and principal forgiveness for drinking water infrastructure improvements.

Issuing Agent

A nationally or state-chartered financial institution appointed by the issuer to act as its agent in connection with the issuance, authentication, and delivery of the commercial paper notes.

Lead Service Line Replacement (LSLR) Program

A Texas Water Development Board funded program designed to replace lead service lines to improve water quality and public health.

Net Present Value (NPV) Savings

A financial measure used to evaluate refunding benefits by comparing the present value of old debt payments versus new debt payments. A positive percentage (e.g., $\geq 2\%$) indicates cost savings.

Parameter Order

A pre-approved authorization that sets limits (e.g., maximum interest rate, maturity, par amount) and allows staff to execute the bond issuance when market conditions are favorable without returning for additional approvals.

Pricing (Bond Pricing)

The process of setting the interest rates and yields for bonds based on market conditions and investor demand at the time of issuance.

Principal Forgiveness

A funding mechanism where a portion of the loan does not need to be repaid—effectively functioning as a grant.

Refunding (Debt Refunding)

The process of replacing existing debt with new debt, typically to achieve interest cost savings or improve debt structure. Often evaluated based on minimum savings thresholds (e.g., $\geq 2\%$ NPV savings).

Texas Water Development Board (TWDB)

A state agency that provides financial assistance (loans and grants) for water infrastructure projects across Texas.

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Series 2026 Bond Issuance

Discuss and Consider Adoption of Resolution #2026-210 Relating to the Issuance of “City of New Braunfels, Texas, Utility System Revenue and Refunding Bonds, Series 2026,” and Resolving Other Matters Incident and Related Thereto

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Parameter Ordinance

- Recommending approval of a Parameter Ordinance to issue bonds in accordance with the below parameters.

Max Par Amount:
\$355,145,000
(Includes reserve and capitalized interest option)

Max Interest Rate:
6.00%

Max Maturity Date:
July 1, 2060

Min NPV Savings:
≥ 2.00%
(Applies to refunding of Series 2015, 2016, and 2018)

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Parameter Ordinance

- **Ordinance applies to:**
 - Refunding outstanding commercial paper notes
 - Issuing new money for NBU Headquarters project
 - Potential refunding of the Series 2015, Series 2016, and/or Series 2018 bonds (if NPV criteria met)

Bond Components and Timing	
Refund Commercial Paper – \$75.0 Million	Planned refunding to be completed in June 2026
New Money Issuance - \$175.0 Million	Planned issuance to be completed in June 2026
Reserve Fund/Capitalized Interest - \$15.0 Million	Potential funding of reserve fund and/or capitalized interest
Series 2015 Refunding - \$8.65 Million	Potential refunding if minimum savings available – up to 6 months
Series 2016 Refunding - \$47.98 Million	Potential refunding if minimum savings available – up to 6 months
Series 2018 Refunding - \$33.52 Million	Potential refunding if minimum savings available – up to 6 months
Approximate Total Issuance of \$355.15 Million	

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Texas Water Development Board Lead Service Line Replacement Program

Discuss and Consider Adoption of Resolution #2026-211 Relating to the Issuance of “City of New Braunfels, Texas, Utility System Revenue Bonds, Taxable Series 2026A (Texas Water Development Board - Drinking Water State Revolving Fund Lead Service Line Replacement Program),” and Resolving Other Matters Incident and Related Thereto

Discuss and Consider Adoption of Resolution #2026-212 Relating to the Principal Forgiveness Agreement with the Texas Water Development Board in the Amount of \$510,000 and Resolving Other Matters Incident and Related Thereto

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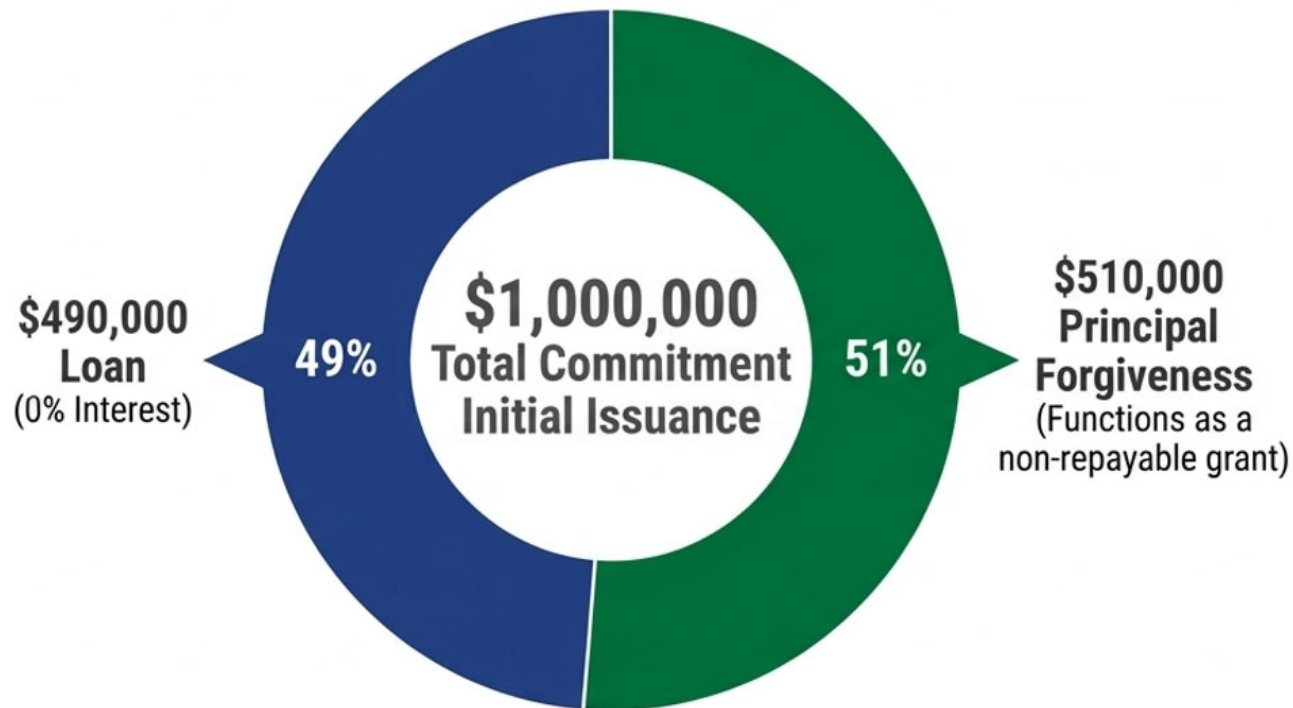
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TWDB Bond Issuance Details



EXECUTION NOTES

- ☑ Must be issued by August 31, 2026.
- ☑ A second issuance will be brought to the Board prior to the August 31, 2027 deadline.

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Commercial Paper Program Increase

Discuss and Consider Adoption of Resolution #2026-213
Relating to the Issuance of City of New Braunfels, Texas, Utility
System Revenue Commercial Paper Notes, Series 2026A and
Series 2026B and Resolving Other Matters Incident and Related
Thereeto

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Commercial Paper Program Overview

Current Program (Exp. May 29, 2028)

Capacity: \$75 Million

Term: Expiring 3-Year Contract

Proposed Program

Capacity: \$125 Million

Term: Execute new 3-Year Agreement.

JPMorgan remains the Issuing Agent; Piper Sandler remains the Dealer.

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Water Supply and Infrastructure Grant Application

Discuss and Consider Adoption of Resolution #2026-214
Recommending and Requesting that the New Braunfels
City Council Take Certain Actions with Respect to an
Application to the Texas Water Development Board's
Water Supply and Infrastructure Grant Program and
Resolving Other Matters Incident and Related Thereto

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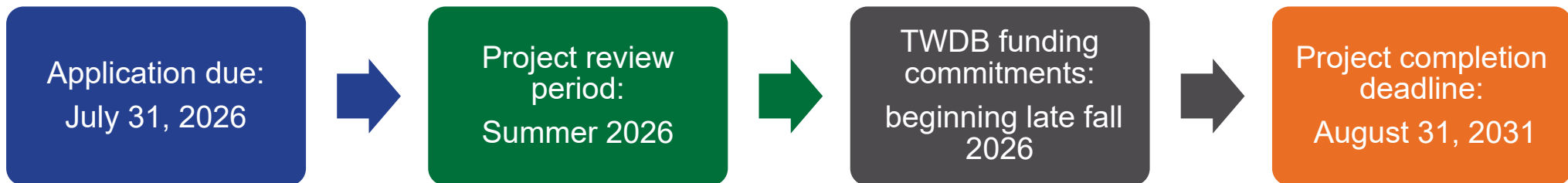
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TWDB Funding Application

- **TWDB Application:**
 - Must apply to receive financial assistance
 - No financial commitment is made by NBU during the application stage
 - NBU would seek additional NBU Board and City Council approval prior to the issuance of any bonds relating to this program
- **Proposed project: Water Tank Rehabilitation Phase 2**
 - “Shovel Ready” project
 - Project includes rehabilitation and maintenance of 2 NBU water tanks
 - Total request not to exceed \$6M



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Questions?

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