

Quarterly Capital (CIP) Update

• FY2026 Q2

April 30, 2026

NBU NEW BRAUNFELS
UTILITIES

Overview

- ❑ **Portfolio Status through January 2026**
- ❑ **Performance & Accomplishments for each line of business**

Mission

Strengthening our community by providing resilient essential services

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Vision

Be a trusted community partner dedicated to excellence in service

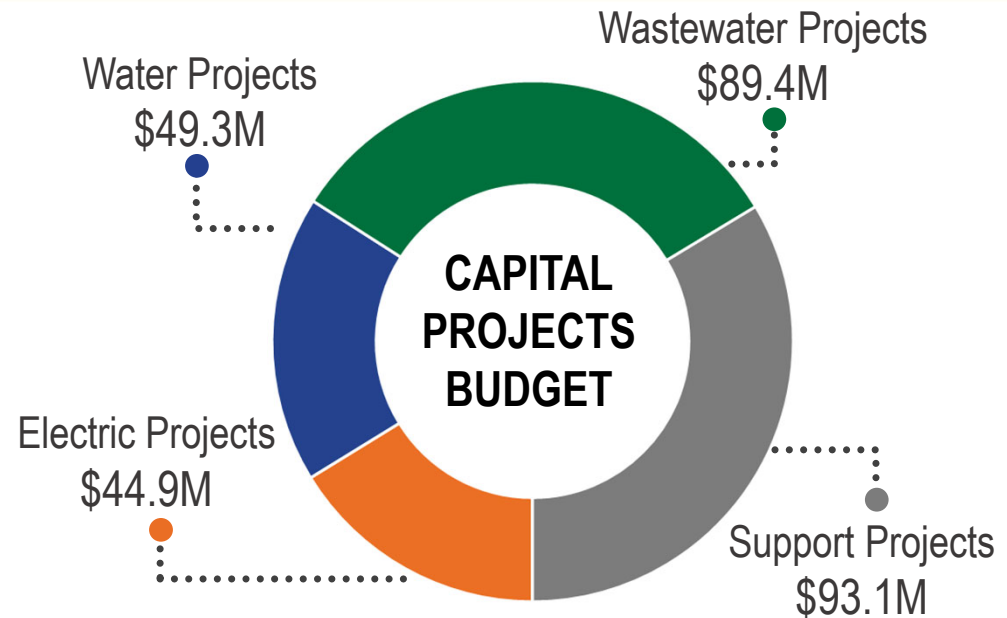
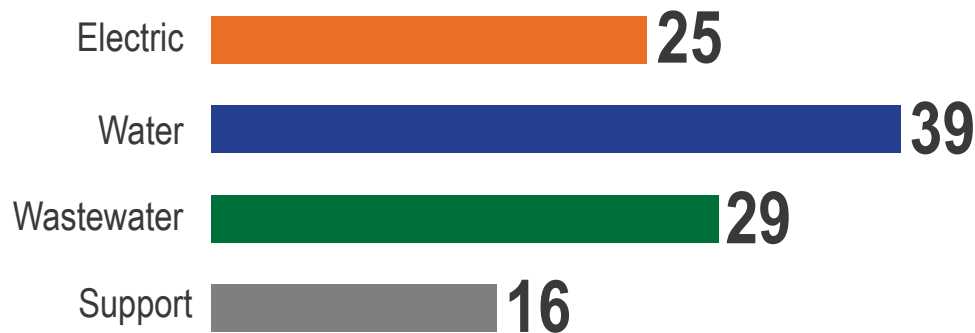
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Core Values

Safety, Team, Integrity, Culture, and Stewardship

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 January 2026

\$92,735,244

YTD %

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

34%

Balance

Difference between budget and actual costs

\$184,053,843

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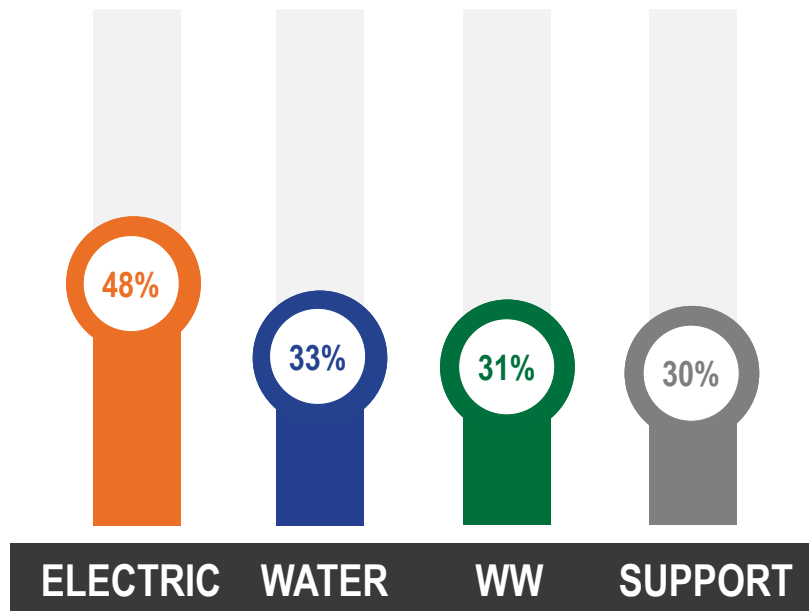
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FY 2026 Actual vs Budget

YTD Actual vs Budget



- All lines of business are less than 50% through Q2
- 2025 averaged 25% across all lines of business, same as this year
- Spending forecast for HQ and BOC should support higher spending in the Support Line of Business (“LOB”) for Q3 and Q4

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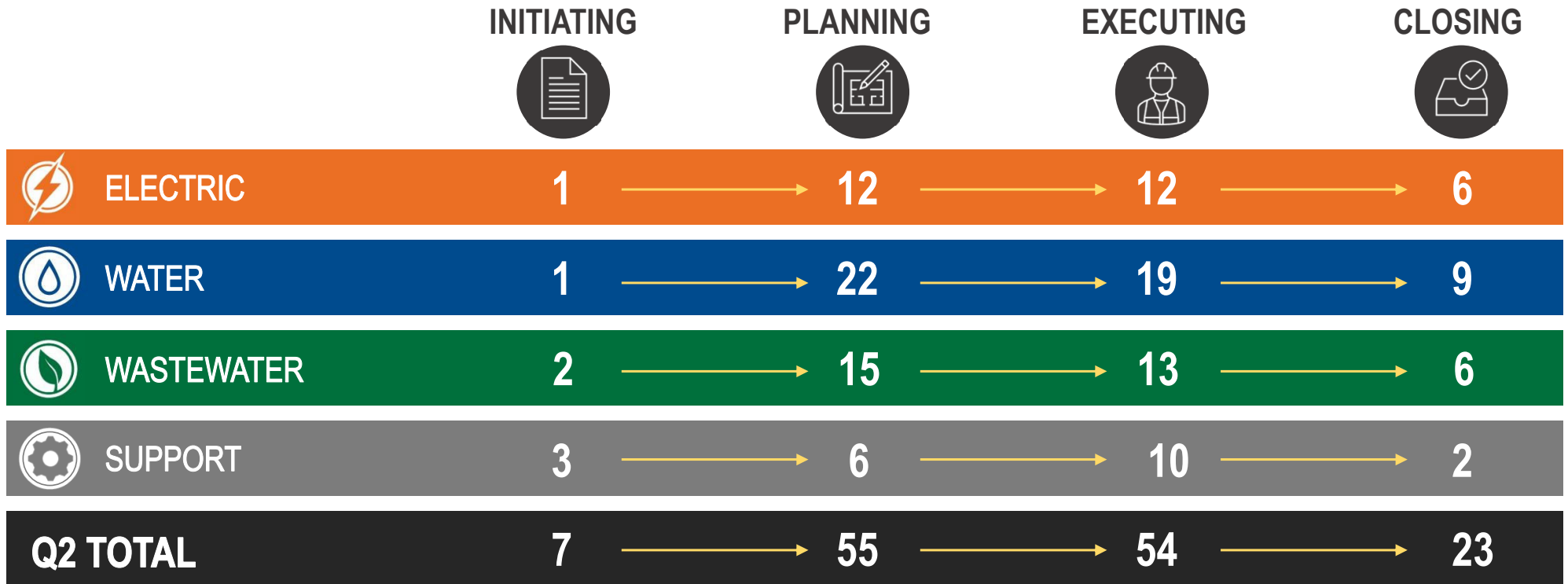
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Project Stage



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Traffic Impacts

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

Gruene Road Sewer Main Rehab/Relocation

- Lane and road closures and minor detours

Infrastructure Replacement Package 3

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

Backup Operations Center Utility Tie-In

- Lane and road closures and minor detours
- Schedule: March 2026 – April 2026

South Kuehler Interceptor Phase 1

- Road Closures and Minor Detours (McQueeney Rd)
- Schedule: April – May 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

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CIP Performance and Accomplishments



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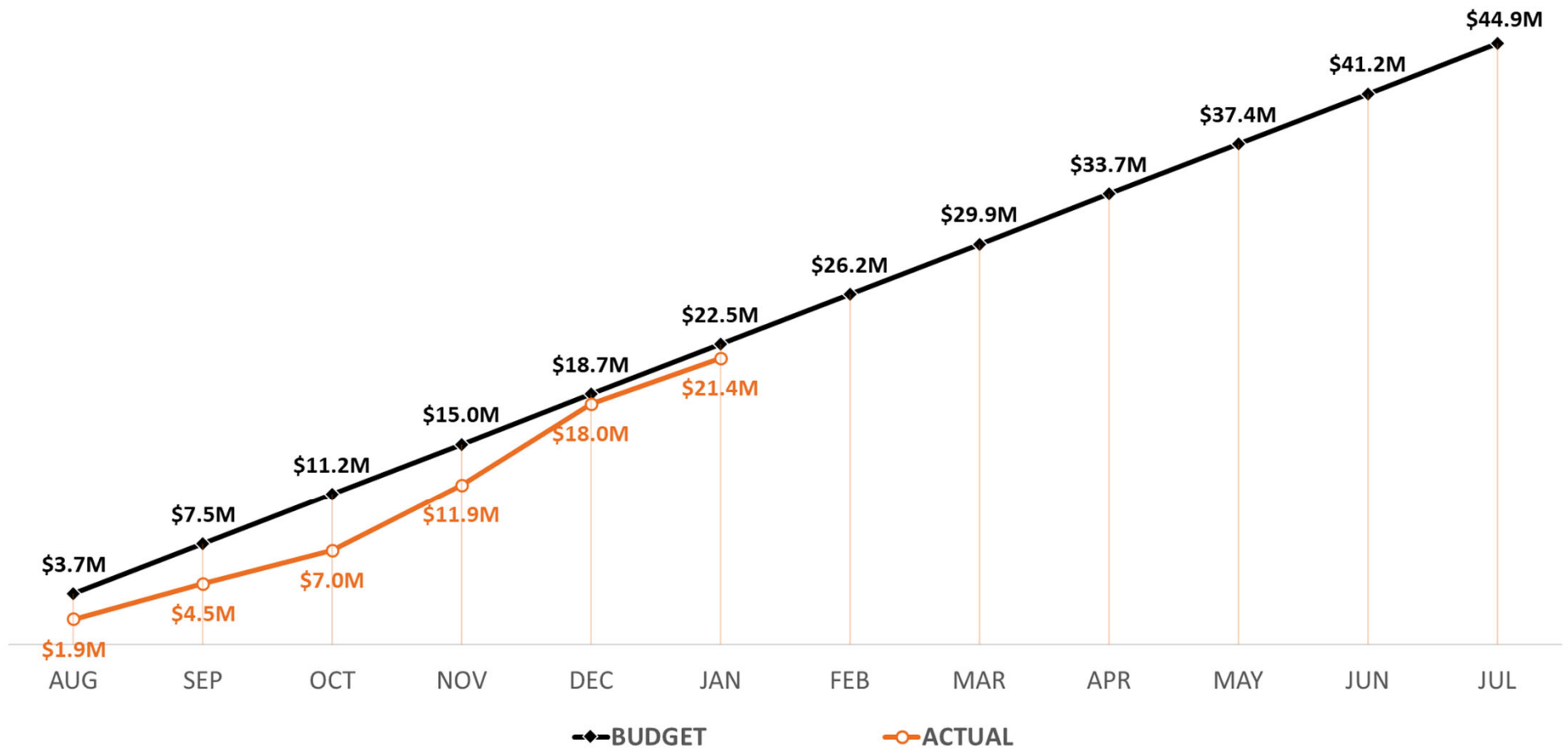
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Electric – Budget to Actual



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Q2 Electric Accomplishments

- Added 620 metered customers in Q2 FY26, within previously completed developments and wholly new developments.
- 3,750' Three-Phase overhead extension on FM 3009 from Hwy. 46 West to Vulcan Materials Company Comal Quarry.
- Land Clearing is initiated for the HW14 FM 3009 extension, to tie into this line segment and have HW14 relieve HW22 Herbelin Rd. feeder.



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NBU NEW BRAUNFELS
UTILITIES

Q2 Electric Accomplishments

- Set and energized Comal T3, which was available if needed during Winter Storm Fern.
- Significant Process made on Henne Substation 138kV “Breaker-and-a-half”.
- Energized service to 6 single-family residential projects. Projects include
 - Creekside Terrace U3
 - Kyndwood 2 & 2A
 - Mayfair E-9N
 - Steelwood Trail U4 & U6



Henne Substation



Comal T3

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Feature Projects - Electric



DISTRIBUTION



TRANSMISSION



SUBSTATION



Hueco Springs Substation

Completion: January 2026

Energization: May 2026

Project: Systems Extensions

Purpose: Construct NBU's 10th distribution substation (12th total). This substation's purpose is to provide additional transformation and distribution capacity to the Northern region of NBU Electric's service territory. The predominant area of service coverage is the Veramendi region. Two distribution overhead feeders, HS11 Word Pkwy. & HS12 Edwards Blvd, are previously constructed and ready for tie-in. One exclusive underground feeder, HS14 River Rd., is also previously constructed and ready for tie-in.

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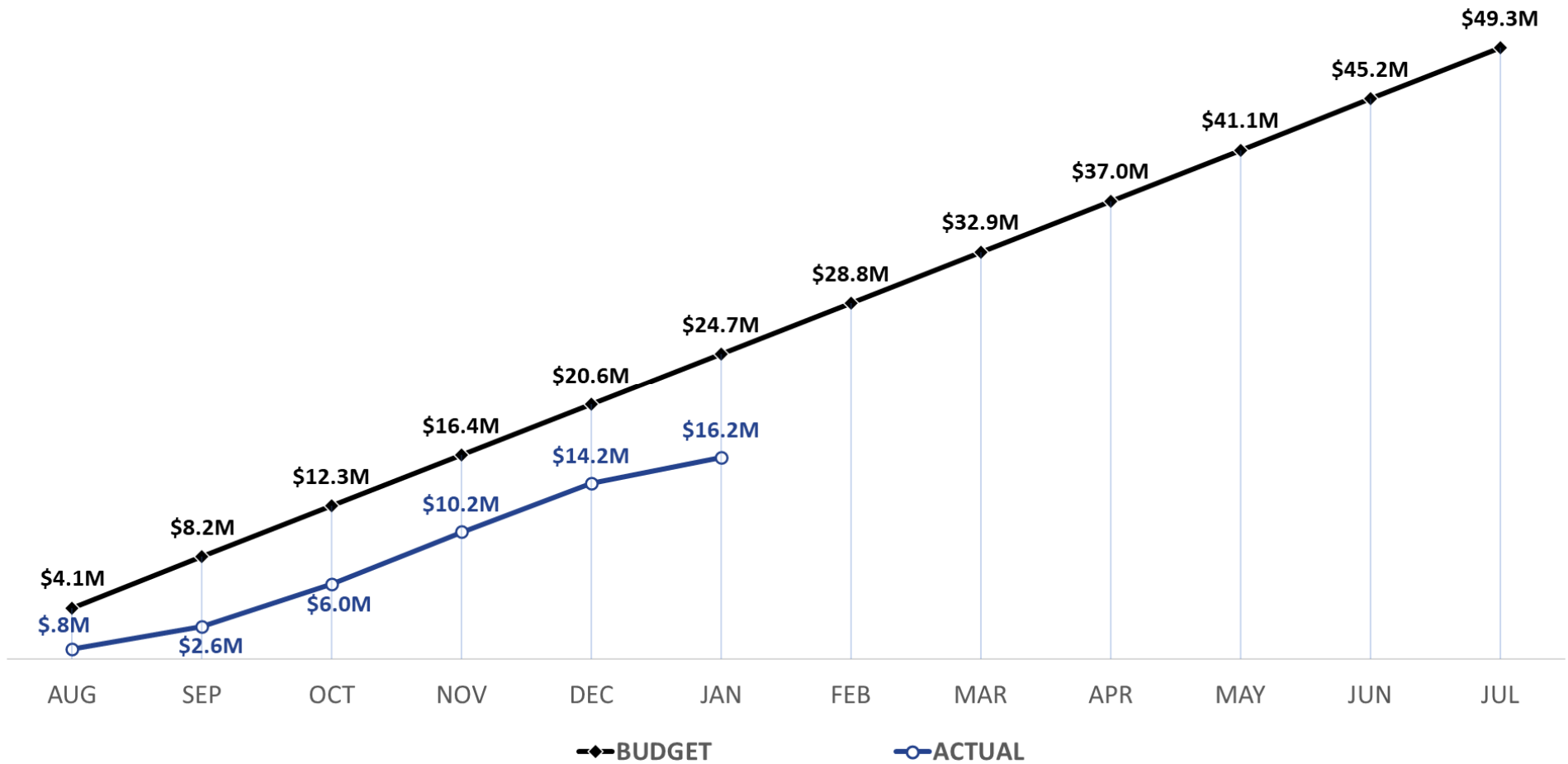


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Water – Budget to Actual



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Q2 Water Accomplishments

- Bid Process Complete:
 - Solms Pump Station & GST
- Design Complete
 - EPP Generators (Phase 2)
 - FM 306 Pump Station
 - Newks Pump Station
 - County Yard Pump Station



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Feature Projects - Water

WATER

SUPPLY



TREATMENT



DISTRIBUTION PUMPING



TRANSMISSION



ELEVATED STORAGE



Downtown to Loop Pressure Zone Conversion

Expected NTP: Fall 2026

Scope: Installation of 5,700 linear feet of 8-inch to 12-inch water main piping and a pressure reducing valve to convert existing connections on the Downtown Pressure Zone to the Loop Pressure Zone to increase pressures and reduce number of connections within the Downtown Pressure Zone, extending elevated storage capacity.

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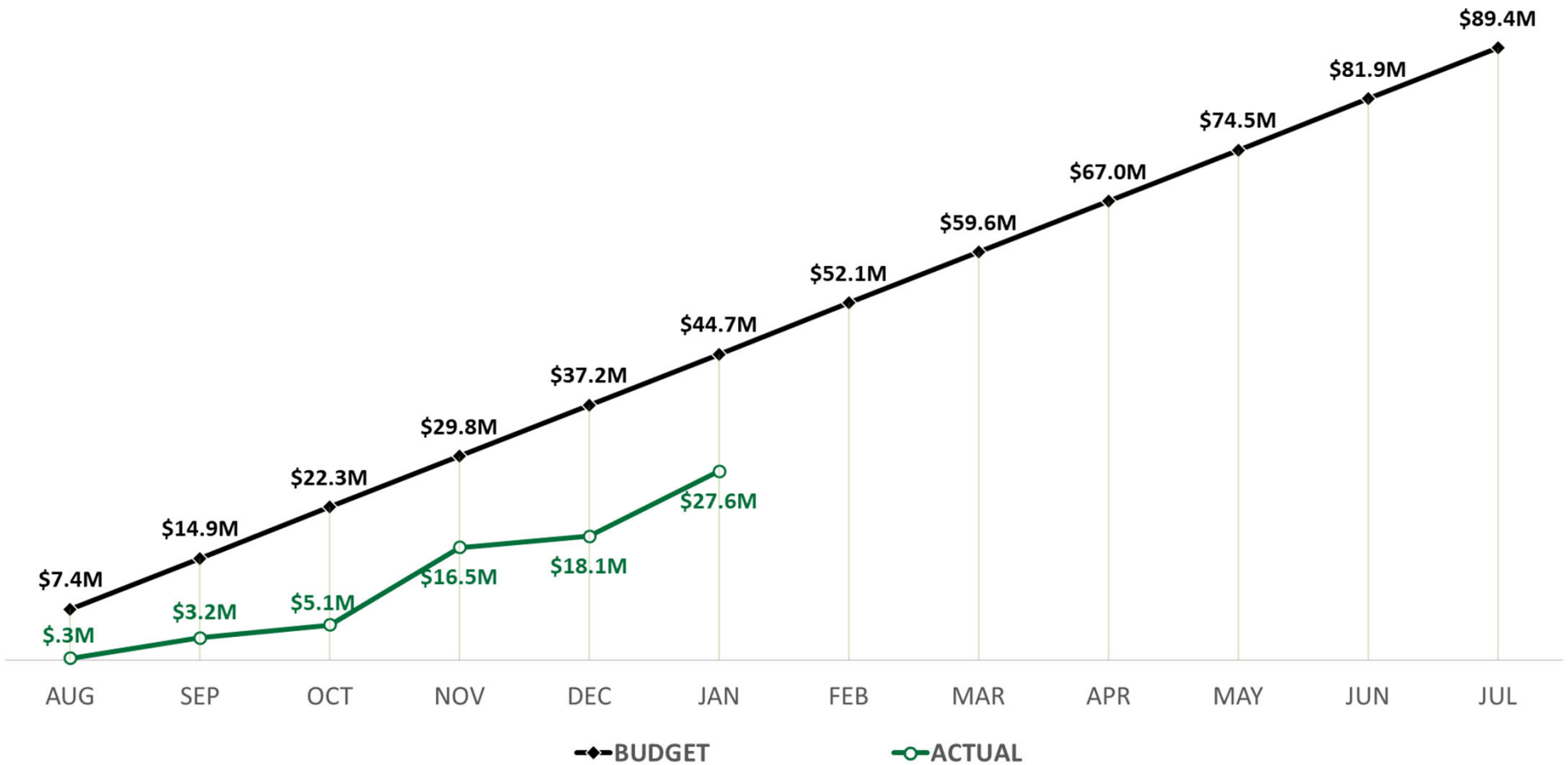
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Wastewater – Budget to Actual



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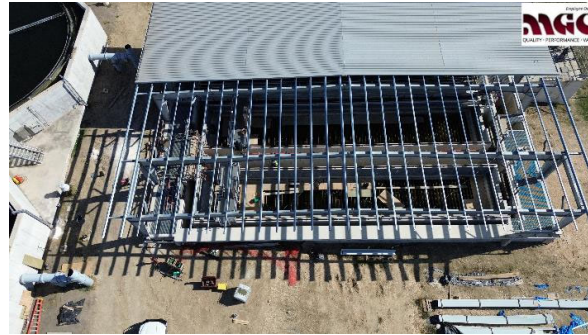
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Q2 Wastewater Accomplishments

- Bid Process Complete
 - Kuehler WRF Rehabilitation
- Heavy Construction Ongoing on McKenzie Interceptor and McKenzie WRF Expansion
 - Interceptor: 48% Complete thru Q2
 - WRF Expansion: 68% Complete thru Q2



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UTILITIES

Feature Projects - Wastewater

WASTEWATER

COLLECTION



TRANSMISSION



TREATMENT



Infrastructure Replacement Pkg 3

Expected NTP: April 2026

Scope: Installation of 3,000 linear feet of 8-inch water main and approximately 3,800 linear feet of 8-inch sewer main along Coll Street, Market Street, Grant Alley, Katy Street, Jackson Street, Marigold, Mulberry which has reached the end of its service life.

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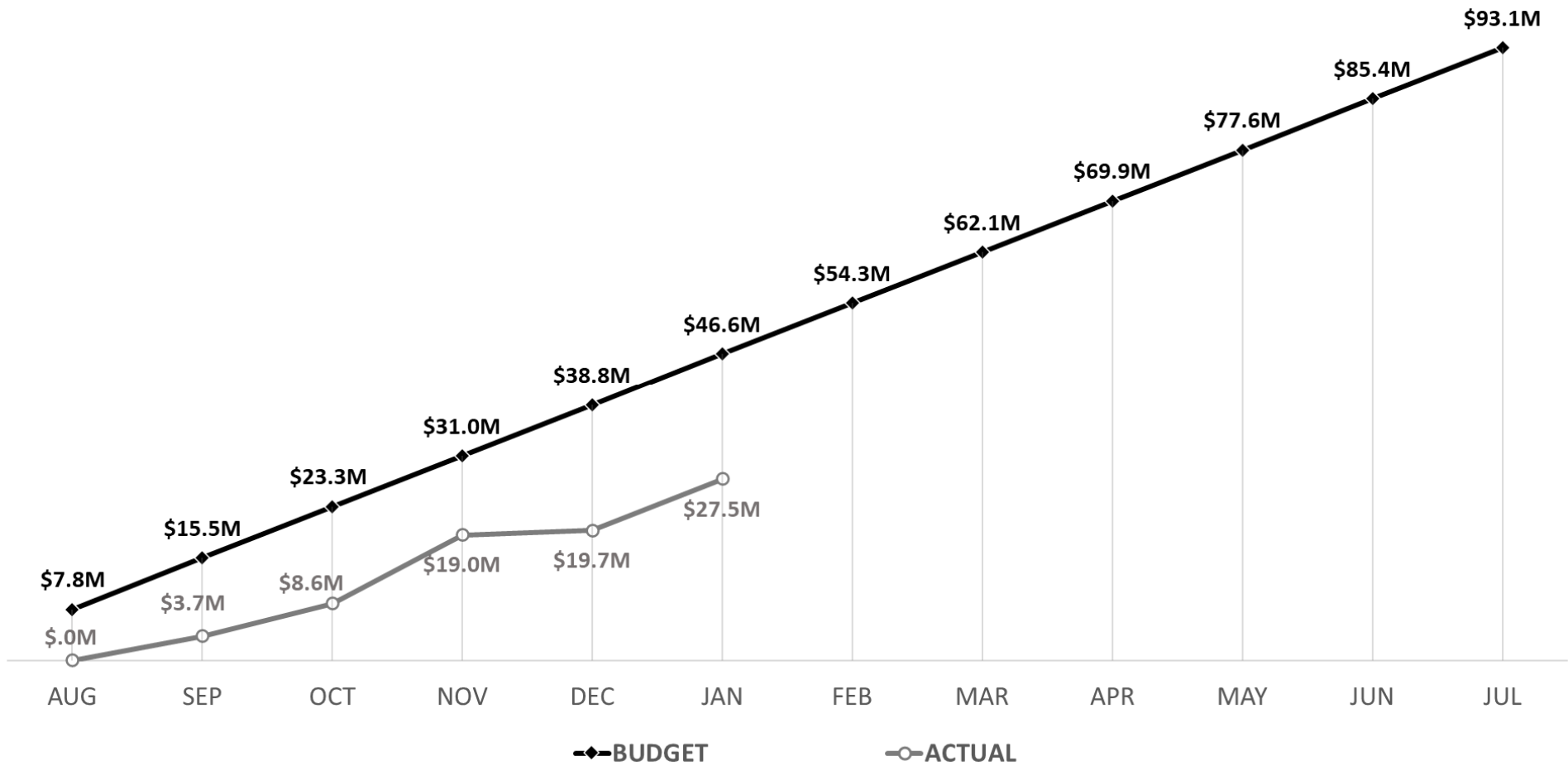
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Support Services – Budget to Actual



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Q2 Support Accomplishments

OT Network Segmentation:

- Initiative to enhance the security posture of the electric network
- Completed install of seven devices, two additional planned for next month, approximately 50% complete



PCI Settlement Software:

- Will replace Power Supply's legacy energy market and trading software
- Completed development of new PCI Settlement Software
- Finalizing automated connections to energy market data



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Q2 Support Accomplishments (continued)

Cellular router installation:

- The solution increases the reliability of communication with the Control Center and remote sites, as well as enhances security by encrypting information sent to internal critical systems
- All routers are configured, awaiting install of the last device
- Projected completion: March 26



Microsoft 365

- M365 is the gateway platform for future transformational software adoption and existing solution enhancements
- Phase I of the project has been completed. This phase included the migration and deployment of Outlook (email) cloud services and Office cloud applications



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Feature Projects - Support

SUPPORT

FLEET & FACILITIES



TECHNOLOGY SYSTEMS



OPERATIONAL TECHNOLOGY



DATA STRATEGY



SECURITY / CYBERSECURITY



Feature Project: Resilient Fiber Distribution Network

Completion: Tentatively scheduled for late July 2026

Purpose:

- Supports the goals of the organization for infrastructure resiliency to reduce outages and enhance customer experience
- Construction is scheduled to begin in Q3 of FY26
- The fiber network will support the Backup Operation Center (BOC) and Headquarters (HQ)

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QUESTIONS?

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