NEW BRAUNFELS UTILITIES

Meeting Date:	September 25, 2025	**Agenda Type:**	Action Items
From:	Darrin Jensen Director of Enterprise Project Management Office	**Reviewed by:**	David Hubbard Chief Administrative Officer
Submitted by:	David Hubbard Chief Administrative Officer	**Approved by:**	Ryan Kelso Chief Executive Officer

RECOMMENDED ACTION: Discuss and Consider Approval of Revisions to the NBU Strategic Plan Measures and Performance Payout Structure for Fiscal Year 2026

BACKGROUND

In August 2024, the New Braunfels Utilities (NBU) Board of Trustees approved the FY 2025 strategic plan, which weighted performance measures at 70% for strategic goals and 30% for annual priorities. Full payout required achieving at least 75% of strategic goals and 100% of annual priorities. Since then, NBU has reevaluated the strategic goals and priorities for FY 2026 and FY 2027, adding leading indicators—approved by the Board in January 2025—to improve how success is measured.

While the FY 2026 strategic goals and priorities remain the same, NBU has refined how they're measured. Staff reviewed all leading and lagging indicators, updating language, replacing misaligned measures, and adding or removing indicators to ensure leading metrics provide early, actionable signals.

Lagging indicators confirm success once goals are achieved, while leading indicators provide early warnings on whether plans are on track. Tracking both gives NBU clear finish lines and interim "mile markers" to adjust course as needed.

NBU is also updating the payout structure, maintaining the 70/30 weighting while allowing credit for progress based on either: (1) meeting all lagging indicators for a goal, or (2) achieving at least 75% combined success across its leading indicators. This approach ties payouts to real-time progress rather than all-or-nothing outcomes.

We recommend the Board approve the FY 2026 strategic performance measures to reflect these updated indicators and payout structure, enhancing accountability and providing clearer visibility into NBU's progress toward its goals.

FINANCIAL IMPACT

None

LINK TO STRATEGIC PLAN

Customers and Community

People and Culture

Infrastructure and Technology

Financial Excellence

Safety and Security

Stewardship

EXHIBITS

1. Strategic Plan Updates Presentation