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**Meeting Date:** December 18, 2025

**Agenda Type:** Items from Staff

**From:** Kimberly DaCosta  
Accounting Manager

**Reviewed by:** Ashley Schriewer  
Director of Financial Services

**Submitted by:** Jessica Williams  
Chief Financial Officer

**Approved by:** Ryan Kelso  
Chief Executive Officer

**RECOMMENDED ACTION:** Financial Update and Report, Including an Update on the Impact Fee Program Effective February 1, 2023 (referred to as Program E)

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## **BACKGROUND**

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NBU's service territory experienced higher temperatures and lower rainfall during the month of October than historically. The average temperature was 75.9 degrees, which was 7.4 degrees higher than the historical average temperature of 68.5 degrees. Rainfall totaled 1.67 inches for the month of October, which was 1.49 inches lower than the historical average rainfall of 3.16 inches.

For the month of October 2025, NBU recorded a change in net position after contributions ("CNPAC") of \$5,069,000, which represents an increase of \$2,753,000 compared to the budgeted monthly CNPAC of \$2,316,000. Operating service revenues of \$25,680,000 were greater than budget by \$1,189,000, or 5%, for the month of October. A \$449,000 increase in electric revenue, a \$726,000 increase in water revenue, and a \$14,000 increase in wastewater revenue contributed to the overall service revenues. Other operating revenues of \$618,000 were greater than budget by \$33,000 for the month of October. Purchased power costs were \$683,000 less than budget for October 2025 and \$11,280,000 less for Year-to-Date ("YTD"). A decrease in other operating expenses of \$936,000 resulted in total operating expenses to be \$1,618,000, or 7%, less than the budgeted amount of \$21,976,000. The net revenue and operating expense variances contributed to a favorable net operating income variance of \$2,840,000 from budget. Net non-operating items had a \$1,116,000 favorable variance compared to budget. Impact fees were less than budget by \$1,243,000, and services income was greater than budget by \$40,000. October 2025 YTD CNPAC was \$19,748,000, which was \$14,002,000 greater than the budgeted amount of \$5,746,000.

## **FINANCIAL IMPACT**

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### **Electric**

The Electric Line of Business reported total operating revenues of \$17,413,000, a \$474,000 increase from the October budgeted amount of \$16,939,000. The net rate realized per kWh was \$0.0986, which was 2% less than the budgeted rate of \$0.1006 for the month of October. October kWh sales were 171.5 million kWh, a 7.9 million kWh increase, or 5%, in comparison to the budgeted amount of 163.6 million kWh.

Purchased power costs totaled \$10,150,000, which was \$683,000 less than the budgeted amount of \$10,833,000. Electric gross margin, which is total operating revenues minus purchased power, resulted in the amount of \$7,263,000 for the month of October and \$20,788,000 YTD. These amounts were \$1,157,000 greater than and \$4,696,000 greater than the budgeted amount of \$6,106,000 Month-to-Date (“MTD”) and \$16,092,000 YTD, respectively. Other operating expenses were less than budget by \$548,000. These items resulted in the Electric Line of Business reporting net operating income of \$4,614,000, which was \$1,704,000 greater than the budgeted amount of \$2,910,000. Net non-operating items provided a favorable variance from budget of \$377,000. Services income was greater than budget by \$65,000. The Electric Line of Business reported October 2025 CNPAC of \$4,140,000 and YTD CNPAC of \$12,509,000. These amounts were \$2,146,000 greater than and \$9,372,000 greater than their respective October 2025 MTD and October 2025 YTD budget amounts.

### **Water**

The Water Line of Business reported total operating revenues of \$5,238,000, a \$728,000 increase, or 16%, from the October budgeted amount of \$4,510,000. In October, water gallons sold of 437,164,000 was greater than the budgeted amount of 391,536,000 (a 45,628,000-gallon variance from budget, or 12%). NBU’s net realized price per 1,000 gallons sold in October was \$11.80, which was greater than the budgeted amount of \$11.32. Operating expenses for October were \$4,523,000, which was \$97,000 less than the budgeted amount of \$4,620,000. The net effect of greater revenues and less operating expenses than budgeted resulted in the Water’s net operating income of \$714,000, which was greater than budget. Net non-operating items provided a favorable variance of \$324,000 from budget. Impact fees of \$563,000 were less than budget by \$896,000, and services income of \$72,000 was less than budget by \$24,000. The Water Line of Business reported October 2025 CNPAC of \$696,000 and YTD CNPAC of \$4,298,000. These amounts were \$227,000 greater than and \$1,174,000 greater than their respective October 2025 MTD and October 2025 YTD budget amounts.

### **Wastewater**

The Wastewater Line of Business reported total operating revenues of \$3,647,000, a \$20,000 increase from the October budgeted amount of \$3,627,000. Total operating expenses of \$3,036,000 were \$290,000 less than the budgeted amount of \$3,326,000. As a result, the Wastewater Line of Business reported net operating income of \$611,000, which was \$310,000 greater than the budgeted amount of \$301,000. Net non-operating items provided a favorable variance of \$416,000 from budget. Impact fees were less than budget by \$346,000. The Wastewater Line of Business reported October 2025 CNPAC of \$233,000 and YTD CNPAC of \$2,941,000. These amounts were \$380,000 greater than and \$3,456,000 greater than their respective October 2025 MTD and October 2025 YTD budget amounts.

## **LINK TO STRATEGIC PLAN**

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### **Financial Excellence**

## **EXHIBITS**

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1. Overview Comparison to Budget and Prior Fiscal Year
2. Financial Statements
3. Capital Expenditure Summary
4. Statistics - Electric (Provided separately due to competitive matters)
5. Statistics - Water
6. Statistics - Wastewater