



Meeting Date: February 26, 2026 **Agenda Type:** Action Item

From: Julia Haynes **Reviewed by:** Ragan Dickens
Director of External Relations Chief Communications Officer

Submitted by: Ragan Dickens **Approved by:** Ryan Kelso
Chief Communications Officer Chief Executive Officer

RECOMMENDED ACTION: Discuss and Consider Receiving the Community Advisory Panel’s Report on Proposed Drought Contingency Plan

BACKGROUND

New Braunfels Utilities (“NBU”) utilized the Community Advisory Panel (“CAP”) as a structured forum to incorporate community perspectives into the development of major policy initiatives that affect customers, rates, and long-term resource planning.

From September through December 2025, NBU staff engaged the CAP in a focused review of proposed updates to the Drought Contingency Plan (“DCP”). The purpose of this engagement was to ensure that customer impacts, communication, and overall policy intent were evaluated through a community lens prior to Board consideration.

Throughout this process, CAP members were briefed on:

- NBU’s diversified water supply portfolio and associated drought curtailment obligations;
- proposed drought stage reduction targets and their rationale;
- the concept and objectives of a drought surcharge structure; and
- anticipated customer impacts during varying drought conditions.

CAP discussions emphasized stewardship, equity, and transparency for customers during drought response implementation. Feedback provided by the panel helped inform refinements to messaging, improved clarity around drought triggers and expectations, and reinforced the importance of aligning conservation outcomes with financial stability and long-term water reliability.

This engagement reflects NBU’s commitment to collaborative governance and proactive stakeholder involvement, ensuring that community perspectives are meaningfully incorporated into policy development before final action is considered by the NBU Board of Trustees.

FINANCIAL IMPACT

No additional expenditures are required to implement this update outside of standard communication strategies. The proposed drought surcharge is designed to be revenue-neutral and improves NBU's financial stability during drought conditions by mitigating revenue volatility associated with reduced water sales.

LINK TO STRATEGIC PLAN

Customers and Community

Stewardship

EXHIBITS

1. NBU CAP DCP Report