



**Meeting Date:** March 26, 2026      **Agenda Type:** Items from Staff

**From:** Kimberly DaCosta      **Reviewed by:** Jessica Williams  
Interim Director of Financial      Chief Financial Officer  
Services

**Submitted by:** Jessica Williams      **Approved by:** Ryan Kelso  
Chief Financial Officer      Chief Executive Officer

**RECOMMENDED ACTION:** Financial Update and Report

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## **BACKGROUND**

NBU’s service territory experienced higher temperatures and lower rainfall during the month of February than historically. The average temperature was 61.9 degrees, which was 8.8 degrees higher than the historical average temperature of 53.1 degrees. Rainfall totaled 0.35 inches for the month of February, which was 1.54 inches lower than the historical average rainfall of 1.89 inches.

For the month of February 2026, NBU recorded a change in net position after contributions (“CNPAC”) of \$7,989,000, which represents an increase of \$8,103,000 compared to the budgeted monthly CNPAC of (\$114,000). Operating service revenues of \$25,829,000 were greater than budget, by \$2,052,000, or 9%, for the month of February. A \$2,151,000 increase in electric revenue, a \$69,000 increase in water revenue, and a \$169,000 decrease in wastewater revenue contributed to the overall service revenues. Other operating revenues of \$543,000 were less than budget by \$42,000 for the month of February. Purchased power costs were \$4,814,000 less than budget for February 2026 and \$14,353,000 less for Year-to-Date (“YTD”). A decrease in other operating expenses of \$1,138,000 resulted in total operating expenses to be \$5,952,000, or 25%, less than the budgeted amount of \$23,692,000. The net revenue and operating expense variances contributed to a favorable net operating income variance of \$7,961,000 from budget. Net non-operating items had a \$172,000 favorable variance compared to budget. Impact fees were less than budget by \$472,000, and services income was greater than budget by \$441,000. February 2026 YTD CNPAC was \$45,676,000, which was \$38,512,000 greater than the budgeted amount of \$7,164,000.

## **FINANCIAL IMPACT**

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### **Electric**

The Electric Line of Business reported total operating revenues of \$19,344,000, a \$2,113,000 increase from the February budgeted amount of \$17,231,000. The net rate realized per kWh was \$0.1337, which was 20% greater than the budgeted rate of \$0.1114 for the month of February. February kWh sales were 141.4 million kWh, an 8.9 million kWh decrease, or 6%, in comparison to the budgeted amount of 150.3 million kWh.

Purchased power costs totaled \$7,873,000, which was \$4,814,000 less than the budgeted amount of \$12,687,000. Electric gross margin, which is total operating revenues minus purchased power, resulted in the amount of \$11,471,000 for the month of February and \$54,342,000 YTD. These amounts were \$6,927,000 greater than and \$16,766,000 greater than the budgeted amount of \$4,544,000 Month-to-Date (“MTD”) and \$37,576,000 YTD, respectively. Other operating expenses were less than budget by \$652,000. These items resulted in the Electric Line of Business reporting net operating income of \$8,886,000, which was \$7,578,000 greater than the budgeted amount of \$1,308,000. Net non-operating items provided an unfavorable variance from budget of \$292,000. Services income was greater than budget by \$353,000. The Electric Line of Business reported in February 2026 CNPAC of \$8,031,000 and YTD CNPAC of \$34,898,000. These amounts were \$7,638,000 greater than and \$27,432,000 greater than their respective February 2026 MTD and February 2026 YTD budget amounts.

### **Water**

The Water Line of Business reported total operating revenues of \$3,473,000, a \$64,000 increase, or 2%, from the February budgeted amount of \$3,409,000. In February, water gallons sold of 298,568,000 were greater than the budgeted amount of 295,291,000 (a 3,277,000-gallon variance from budget, or 1%). NBU’s net realized price per 1,000 gallons sold in February was \$11.38, which was greater than the budgeted amount of \$11.28. Operating expenses for February were \$4,423,000, which was \$116,000 less than the budgeted amount of \$4,539,000. The net effect of higher revenues and less operating expenses than budgeted resulted in Water’s net operating income of (\$951,000), which was greater than budget. Net non-operating items provided a favorable variance of \$199,000 from budget. Impact fees of \$1,113,000 were less than budget by \$346,000, and services income of \$185,000 was greater than budget by \$89,000. The Water Line of Business reported in February 2026 CNPAC of (\$429,000) and YTD CNPAC of \$5,121,000. These amounts were \$123,000 greater than and \$4,354,000 greater than their respective February 2026 MTD and February 2026 YTD budget amounts.

### **Wastewater**

The Wastewater Line of Business reported total operating revenues of \$3,554,000, a \$168,000 decrease from the February budgeted amount of \$3,722,000. Total operating expenses of \$2,859,000 were \$370,000 less than the budgeted amount of \$3,229,000. As a result, the Wastewater Line of Business reported net operating income of \$695,000, which was \$202,000 greater than the budgeted amount of \$493,000. Net non-operating items provided a favorable variance of \$264,000 from budget. Impact fees were less than budget by \$125,000. The Wastewater Line of Business reported February 2026 CNPAC of \$387,000 and YTD CNPAC of \$5,657,000. These amounts were \$342,000 greater than and \$6,726,000 greater than their respective February 2026 MTD and February 2026 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