

# Financial Operating Plan for Fiscal Year 2025



**NBU**® **NEW BRAUNFELS**  
**UTILITIES**

## Budget and Forecasted Fiscal Years 2025-2029

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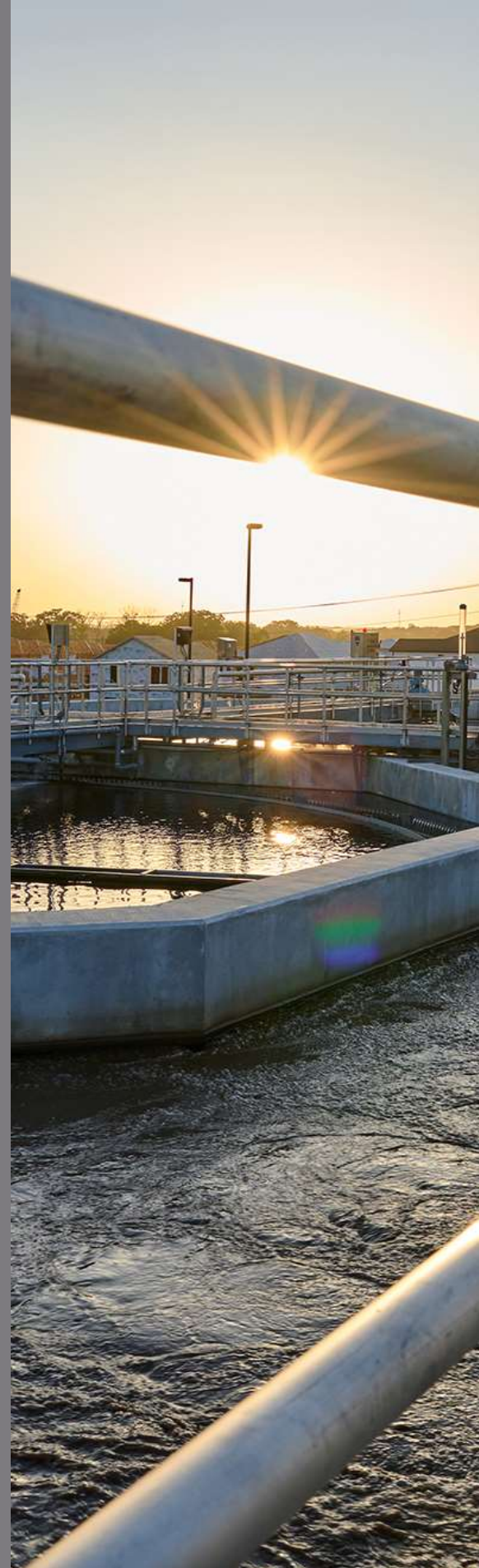
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# Introduction

New Braunfels Utilities (NBU) is a municipally owned, not-for-profit, utility which is responsible for providing electric, water, and wastewater services within its certificated territories. Dedicated to enhancing the quality of our community by providing innovative and essential services, NBU has identified strategic themes including customers and community, people and culture, infrastructure and technology, financial excellence, safety and security, and stewardship.

Supported with revenue as opposed to taxes, ownership of NBU resides with its customers who fund rates that are set locally for electric, water, and wastewater services. Governed by a Board of Trustees comprised of local residents, appointed by the New Braunfels City Council, our customers have a voice in how NBU is maintained and operated.

New Braunfels Utilities' planning process is deliberate with a focus on sustaining financial strength, maintaining and expanding infrastructure, and meeting customer needs. The process is multifaceted and incorporates the impact of changing variables such as customer demands, regulatory compliance, and the economic climate.

Budget adoption involves participation from all management and senior leadership levels and is inclusive of the Board of Trustees where communication, guidance and feedback are encouraged. The budget focuses on identifying levels of funding to continue essential utility services, replacement of aging infrastructure, meeting community goals, and accounting for growth. NBU's fiscal year 2025 budget is a balanced budget, with revenues and other financing sources equal to the expenditures and other financing uses.



# Financial Summary

New Braunfels has been experiencing incredible growth in recent years, which has put a strain on NBU’s infrastructure and workforce while raising customer expectations. To tackle these challenges during fiscal year 2025, NBU will adapt to changing conditions and customer expectations.

We have budgeted \$221.4 million for our capital plan in fiscal year 2025. A portion of this will be financed through new debt and our Commercial Paper Program, while impact fees and third-party funding will also contribute. Despite increased debt-to-capitalization ratios, we remain compliant with our financial policy enabling us to issue new debt at favorable rates.

Weather patterns and customer growth influence revenue projections. For fiscal year 2025, we estimate \$206.4 million in electric sales, considering historical consumption and forecasted prices. We also project \$43.4 million in water revenues and \$39.4 million in wastewater revenues. Water usage projections are more challenging due to factors like weather and restrictions, but we utilize historical data to arrive at revenue estimates.

Customer growth plays a crucial role in our revenue. For fiscal year 2025, we expect a net growth of 3.7%, 6.1%, and 4.6% in electric, water, and wastewater, respectively. Ensuring sufficient system capacities and performing a sensitivity analysis is part of our initiatives to handle customer demand.

Operating expenses for fiscal year 2025 are budgeted at \$66.5 million, higher than the previous year, mainly due to personnel and non-personnel costs, with a portion allocated to capital projects. Our commitment to employee development and safety training remains strong.

We believe the fiscal year 2025 Budget and Five-Year Financial Operating Plan (FOP) initiatives will position NBU well to handle growth and effectively meet customer expectations.

## Income and Cash Flow

The FOP sets an operating budget of \$277.3 million for NBU in fiscal year 2025, which began August 1, 2024. This amount is \$26.5 million greater than the fiscal year 2024 operating budget. It is primarily attributable to an increase in purchased power of \$15.2 million, an increase of \$8.1 million in operating expense, and an increase of \$2.6 million in purchased water expense from last year’s plan. The operations and maintenance budget was constructed to ensure NBU’s commitment to providing and maintaining high-quality service and anticipating customer expectations while being attentive to costs.

Total operating revenues of \$316.3 million are projected to increase by \$38.2 million compared to last year’s budget. Operating revenues consist of an \$38.6 million increase in electric revenues, offset by slight decreases in water and wastewater revenue. The Power Stabilization Fund will be partially funded with \$15 million of electric revenues. In fiscal year 2022, NBU adopted a financial plan to recover the high-power costs experienced from Winter Storm Uri in February of 2021. The strategy is to fill the Power Stabilization Fund to approximately \$95 million by fiscal year 2028 based on a statistical analysis conducted by



The Energy Authority. Overall, the fiscal year 2025 budget is projected to generate a change in net position after contributions (CNPAC) of \$49.4 million. This amount is \$25.8 million greater than the fiscal year 2024 CNPAC budget of \$23.6 million. This projected change in CNPAC from the previous year’s budget is estimated to result primarily from a projected increase of \$38.2 million in operating revenues that are offset by projected increases of \$4.0 million in interest expense, \$15.2 million in purchased power, \$2.6 million in purchased water, \$1.0 million in interest income, \$17.8 million in impact fees, \$3.9 million in interest expense, and \$8.1 million in operating expenses.

The items projected to contribute to the \$11.7 million increase in net operating income are primarily due to a total increase of \$20.3 million in gross margins from electric, water, and wastewater lines of business. The net change in the electric gross margin (electric revenues less purchased power cost) is projected to increase by \$23.4 million. Water gross margin (water revenues less purchased water cost) is projected to decrease by \$3.0 million. Wastewater revenues are projected to decrease by \$0.1 million to arrive at a total estimated net gross margin change of \$20.3 million. The change in all three lines of business comes from an increase in rates offset by an increase in purchased power and purchased water.

The largest portion, 60%, of the operating budget, approximately \$167.6 million, will fund the cost of purchased power and purchased water. The other \$109.7 million will fund electric, water, and wastewater operations, and general and administrative functions.

New Braunfels Utilities' capital plan for fiscal year 2025 was budgeted at \$221.4 million. The capital budget includes electric extensions, two substations, multiple water storage and distribution projects, expansion projects, rehabilitation and upgrades for two wastewater treatment plants, replacement of aging infrastructure and technology, capital expenditures for the Headwaters at the Comal, and construction of the new NBU headquarters to consolidate locations and accommodate a growing workforce.

Approximately \$36.8 million, or 17%, of the fiscal year 2025 capital plan is projected to be financed with the issuance of new debt. Another \$75 million, or approximately 34%, will be financed from NBU's Commercial Paper Program. An additional \$40 million, or roughly 18% will be funded from the Texas Water Development Board Fund (TWDB). The remainder of the capital plan will be funded with revenue (17%), impact fees (11%) and other third-party funding sources (3%). After including the effect of the projected issuance of approximately \$36.8 million of debt in fiscal year 2025, NBU's fiscal year 2025 debt service coverage ratio is projected to be 4.71x as compared to the fiscal year 2024 budgeted debt service coverage ratio of 4.28x. A total of \$645.7 million in new debt is estimated over the five-year plan. NBU's debt-to-capitalization ratio is projected to increase from the forecasted 43% at the end of fiscal year 2024 to 45% at the end of fiscal year 2025 and increase to 54% by the end of fiscal year 2029. Increases in debt-to-capitalization ratios in the five-year plan are primarily due to the financing of a significant capital expenditure program. Although the debt ratios increase over the five-year period, the leverage ratios remain modest and in compliance with NBU's financial policy. When combined with the favorable debt service coverage ratios, NBU should continue to be in a good position to issue new debt at attractive rates.

**Revenue**

Residential electric and water consumption are significantly influenced by the weather. Due to the potential for wide fluctuations in estimating weather patterns, NBU analyzes long-term historical consumption patterns in concert with anticipated customer growth to determine potential high, low, and average revenue projections. For fiscal year 2025, residential electric revenues are estimated to be \$93 million. This was based on the average consumption per customer over the past four years, adjusted for estimated customer growth, forecasted electric prices, and projected residential kilowatt-hours (kWh) sales. After the inclusion of projected commercial and industrial kWh sales, NBU's total electric sales in the fiscal year 2025 are projected to be \$206.4 million.

The development of water usage projections is more challenging because, in addition to weather, other factors, such as water usage restrictions, may be established due to drought conditions. To project customer usage, NBU utilized 12 years of historical usage data and applied an

average of the four lowest water consumption volumes per customer by rate class. These volumes were then applied to the appropriate monthly rates to arrive at the projected fiscal year 2025 water revenues of \$43.4 million. Projected wastewater revenues of \$39.4 million were based on a three-year historical average of the monthly rate per class and then adjusted for any projected rate changes.

Another primary driver of revenue for NBU is customer growth. For fiscal year 2024, NBU is forecasting net growth of 3.7%, 6.1%, and 4.6% for the electric, water, and wastewater lines of business, respectively. In comparison, the net growth for the last five-year average was approximately 5.5% for electric, 6.1% for water, and 4.7% for wastewater. The result of these assumptions is that NBU is projected to realize an overall net growth in service connections of 7,116, or 4.8%, for fiscal year 2025 when compared to the estimated year-end fiscal year 2024 connections. Customer growth in New Braunfels and Comal County is forecasted to continue over the next five years. The fiscal year 2025 Budget and Five-Year FOP initiatives and programs are in place to ensure NBU has sufficient capacities of its system to meet customer demand and expectations. In addition, NBU performs sensitivity analysis to its assumed customer growth projections by line of business to determine the magnitude of change and its resulting net financial impact on NBU.

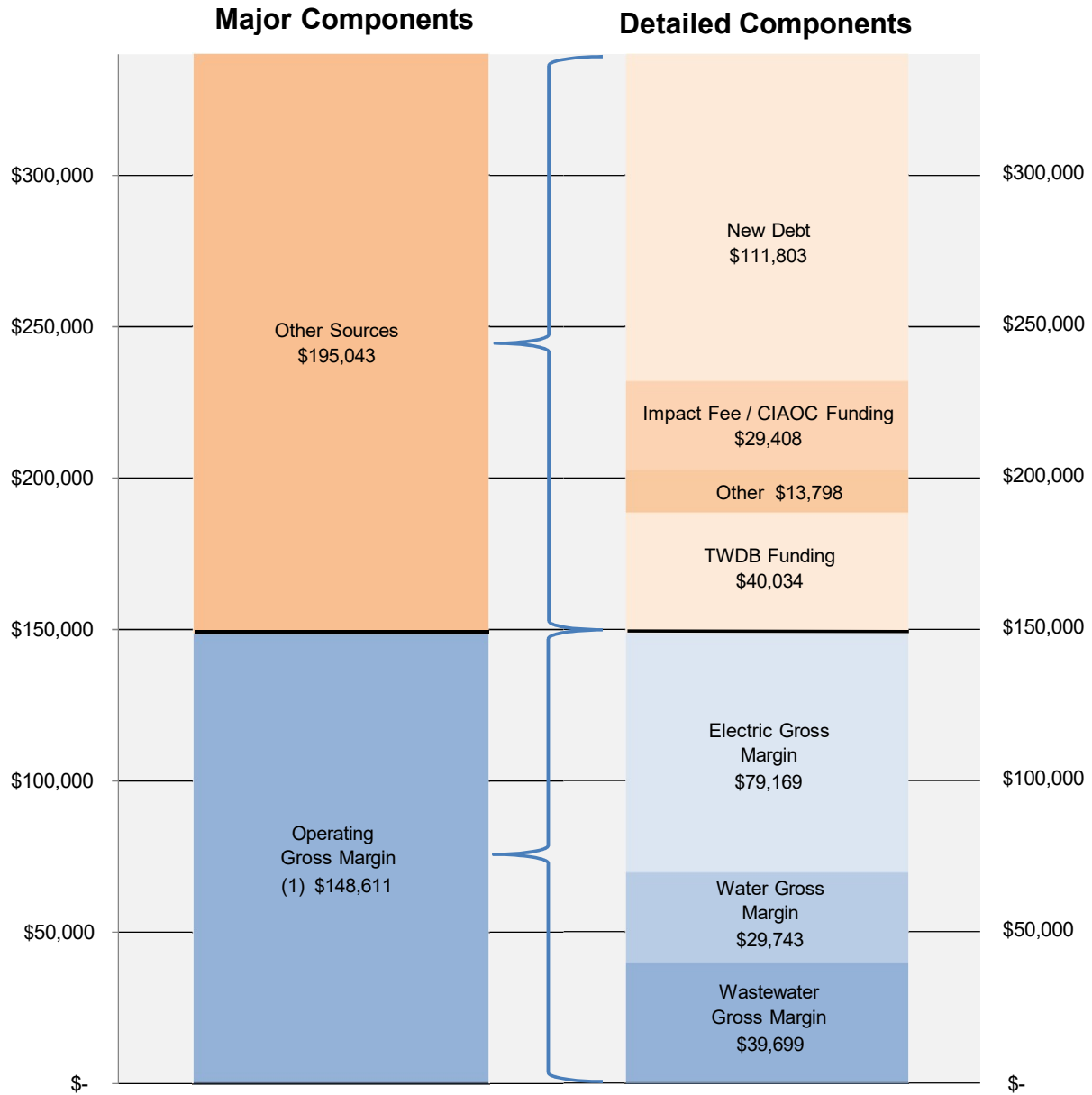
**Operating Expenses**

New Braunfels Utilities' fiscal year 2025 net operating expenses (i.e., operating expense after capitalizing costs related to capital projects) of \$66.5 million are higher than the fiscal year 2024 budget of \$58.4 million. Of the \$8.1 increase, \$7.1 million is related to personnel costs, \$4.2 million is related to non-personnel costs, and \$22.3 million being allocated to capital projects.

For the fiscal year 2025 budget, the personnel headcount reflects an additional 36 full-time equivalent positions, or about 9%, compared to the authorized headcount in the fiscal year 2024 budget.

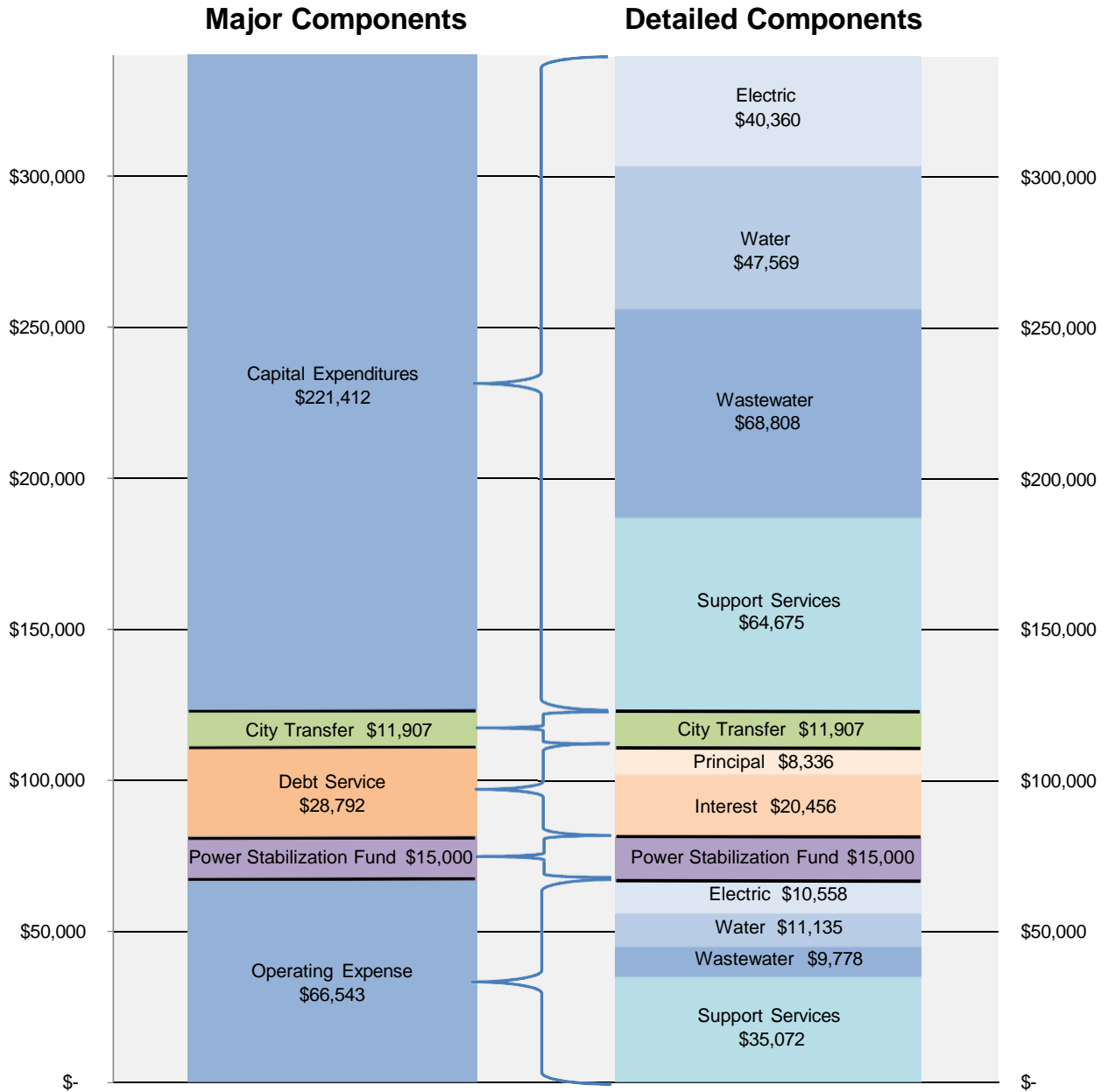
Combined Operating Budget \$ In Thousands	Budget FY 2025	Forecast FY 2026	Forecast FY 2027	Forecast FY 2028	Forecast FY 2029
<b>Volumes/Rates</b>					
kWh (.000)	1,890,174	1,947,626	1,999,891	2,057,194	2,104,410
Rate per kWh	\$ 0.11967	\$ 0.12459	\$ 0.12687	\$ 0.12884	\$ 0.12397
Gal (.000)	4,644,361	4,872,759	5,051,784	5,180,667	5,314,252
Rate per gal (.000)	\$ 9.35	\$ 9.97	\$ 10.61	\$ 11.46	\$ 12.39
<b>Operating Revenues</b>					
Electric Services	\$ 211,196	\$ 227,664	\$ 238,717	\$ 250,058	\$ 260,893
Water Services	43,437	48,571	53,579	59,385	65,843
Sewer Services	39,360	42,730	46,467	50,133	54,088
PCA - Power Stabilization Fund	15,000	15,000	15,000	15,000	-
Electric Other	1,466	1,539	1,615	1,696	1,780
Transmission Cost of Service	3,698	3,698	3,698	3,698	3,698
Pole Attachments	453	476	500	525	551
Water Other	1,082	1,144	1,178	1,214	1,047
Water Antenna Lease	220	229	239	250	260
Sewer Other	338	355	372	390	408
<b>Total Operating Revenues</b>	<b>\$ 316,250</b>	<b>\$ 341,405</b>	<b>\$ 361,366</b>	<b>\$ 382,349</b>	<b>\$ 388,569</b>
<b>Operating Expenses</b>					
Purchased Power	\$ 152,645	\$ 156,607	\$ 158,766	\$ 164,316	\$ 168,944
Purchased Water	14,995	15,897	16,837	17,466	18,361
Operating Expenses	66,543	76,992	83,773	90,763	99,592
Depreciation	43,165	47,009	54,430	62,849	72,838
<b>Total Operating Expenses</b>	<b>\$ 277,348</b>	<b>\$ 296,505</b>	<b>\$ 313,806</b>	<b>\$ 335,394</b>	<b>\$ 359,734</b>
<b>Net Operating Income</b>	<b>\$ 38,903</b>	<b>\$ 44,901</b>	<b>\$ 47,559</b>	<b>\$ 46,955</b>	<b>\$ 28,835</b>
<b>Non-Operating Revenue/(Expense)</b>					
Interest Income	\$ 6,174	\$ 4,910	\$ 3,646	\$ 3,048	\$ 3,114
Interest Expense	(20,456)	(27,108)	(37,481)	(44,681)	(49,954)
Intergovernmental Expense	(11,907)	(12,929)	(14,366)	(15,449)	(16,630)
Impact Fees	25,179	31,390	37,212	42,169	43,719
Capital Participation Fee	2,081	-	1,210	1,210	-
Development Fee	6,305	6,318	6,318	6,318	6,318
Services & Jobbing	2,093	2,188	2,288	2,392	2,501
Other/G&A/Capital Contributions-Electric	1,060	811	617	407	180
<b>Total Nonoperating Rev/(Exp)</b>	<b>\$ 10,530</b>	<b>\$ 5,579</b>	<b>\$ (556)</b>	<b>\$ (4,587)</b>	<b>\$ (10,752)</b>
<b>Change in Net Position</b>	<b>\$ 49,432</b>	<b>\$ 50,480</b>	<b>\$ 47,003</b>	<b>\$ 42,369</b>	<b>\$ 18,083</b>
<b>Add Back</b>					
Depreciation	\$ 43,165	\$ 47,009	\$ 54,430	\$ 62,849	\$ 72,838
Interest Expense	20,456	27,108	37,481	44,681	49,954
Intergovernmental Expense	11,907	12,929	14,366	15,449	16,630
<b>Net Available for Debt Service</b>	<b>\$ 124,960</b>	<b>\$ 137,527</b>	<b>\$ 153,281</b>	<b>\$ 165,348</b>	<b>\$ 157,505</b>
<b>Minus</b>					
Debt Service	\$ (28,792)	\$ (37,356)	\$ (51,002)	\$ (60,485)	\$ (67,265)
Restricted Funds	(25,179)	(31,390)	(37,212)	(42,169)	(43,719)
Intergovernmental Expense	(11,907)	(12,929)	(14,366)	(15,449)	(16,630)
Power Stabilization Fund	(15,000)	(15,000)	(15,000)	(15,000)	-
Contingency Reserve/Capital Contributions - Electric Services	(6,016)	(5,899)	(5,158)	(4,868)	(6,167)
<b>Net Revenues Available for Capital</b>	<b>\$ 38,066</b>	<b>\$ 34,952</b>	<b>\$ 30,542</b>	<b>\$ 27,377</b>	<b>\$ 23,724</b>
<b>Capital Expenditures</b>					
Electric Projects	\$ 40,102	\$ 47,896	\$ 42,240	\$ 42,095	\$ 40,708
Water Projects	46,711	65,578	78,230	71,565	57,759
Wastewater Projects	67,945	87,482	51,889	44,794	54,131
Support Projects	63,065	74,913	47,354	18,329	2,902
<b>Total Capital Projects</b>	<b>\$ 217,821</b>	<b>\$ 275,870</b>	<b>\$ 219,712</b>	<b>\$ 176,782</b>	<b>\$ 155,501</b>
<b>Total Capital Equipment</b>	<b>3,589</b>	<b>3,302</b>	<b>2,545</b>	<b>1,715</b>	<b>1,867</b>
<b>Total Capital Expenditures</b>	<b>\$ 221,411</b>	<b>\$ 279,172</b>	<b>\$ 222,258</b>	<b>\$ 178,497</b>	<b>\$ 157,368</b>
<b>Capital Expenditures - Funding</b>					
New Debt Requirement & CP Funding	\$ 111,803	\$ 203,512	\$ 148,632	\$ 100,010	\$ 81,789
Capital Contributions - Electric Services	2,100	2,100	2,100	2,100	2,100
Impact Fees - Capital Projects	25,179	31,390	37,212	42,169	43,719
CIAOC & Grants	4,229	5,158	3,772	6,842	7,946
Revenue	38,066	34,952	30,542	27,377	23,724
TWDB Funding	40,034	2,060	-	-	-
<b>Total Capital Funding</b>	<b>\$ 221,410</b>	<b>\$ 279,172</b>	<b>\$ 222,258</b>	<b>\$ 178,497</b>	<b>\$ 159,278</b>
<b>Excess Funds Utilized to Fund Capital</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,910</b>
<b>Debt Service Excluding Commercial Paper</b>	<b>\$ 26,538</b>	<b>\$ 35,342</b>	<b>\$ 48,988</b>	<b>\$ 58,871</b>	<b>\$ 65,651</b>
<b>Debt Service Coverage</b>	<b>4.71</b>	<b>3.89</b>	<b>3.13</b>	<b>2.81</b>	<b>2.40</b>
<b>Adj. Debt Service Coverage (Including City Transfer)</b>	<b>4.26</b>	<b>3.53</b>	<b>2.84</b>	<b>2.55</b>	<b>2.15</b>

## SOURCES OF NET FUNDS AVAILABLE



(1) Operating Gross Margin is total gross revenue less purchased power and purchased water costs.

# USES OF NET FUNDS AVAILABLE







ELECTRIC SERVICES

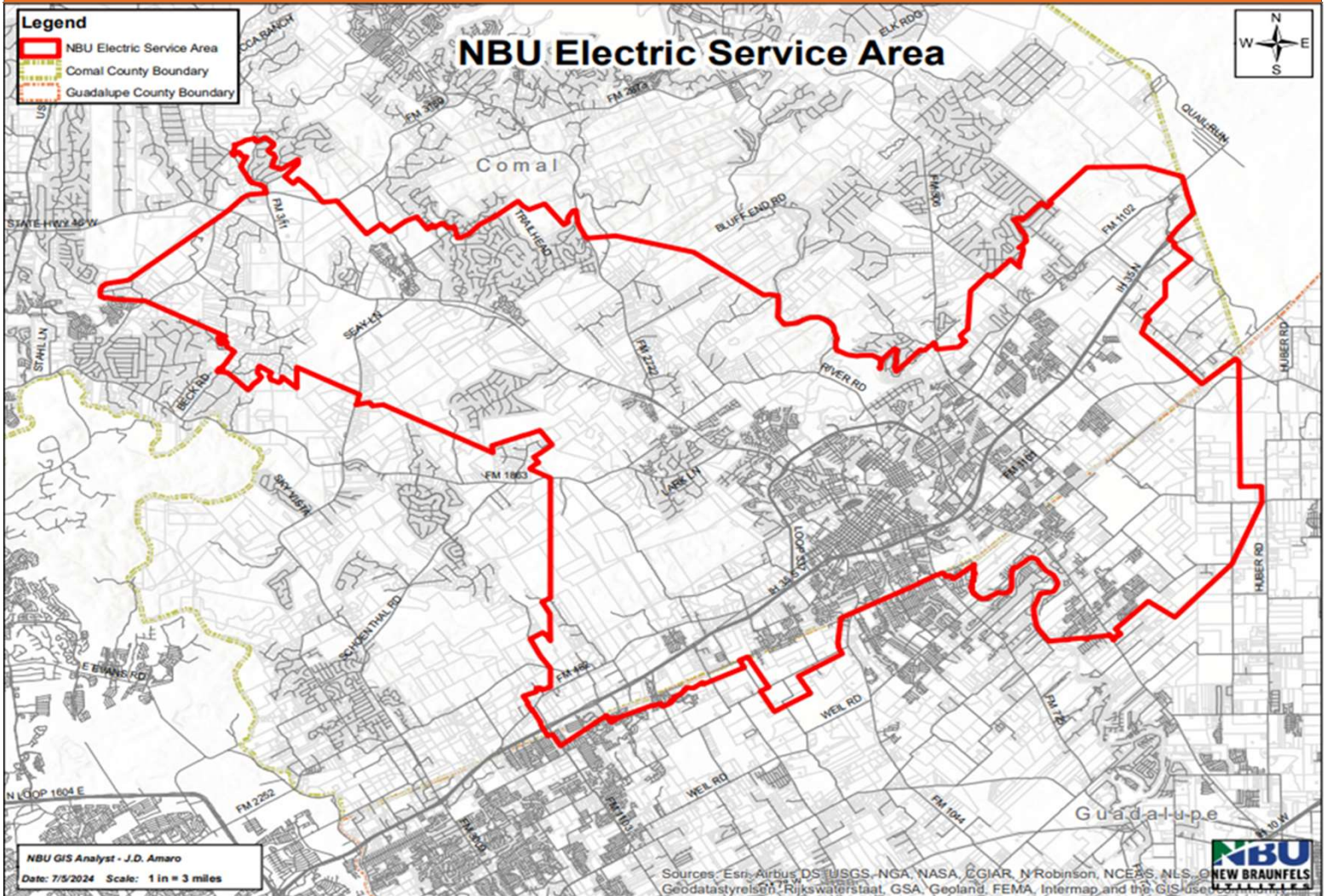


## Electric Statistics

Fiscal Year 2024

Megawatt-hours Sold (in Thousands)	1,766
Active Electric Meters	58,129
Residential Electric Meters	49,723
Miles of Overhead Distribution	626.6 miles
Miles of Underground Distribution	467.8 miles
Number of Substations	11
System Average Interruption Duration Index (SAIDI)	40.64 minutes
Customer Average Interruption Duration Index (CAIDI)	67.70 minutes
Coincident Peak Demand	359.8 MW
Non-Coincident Peak Demand	447.6 MW

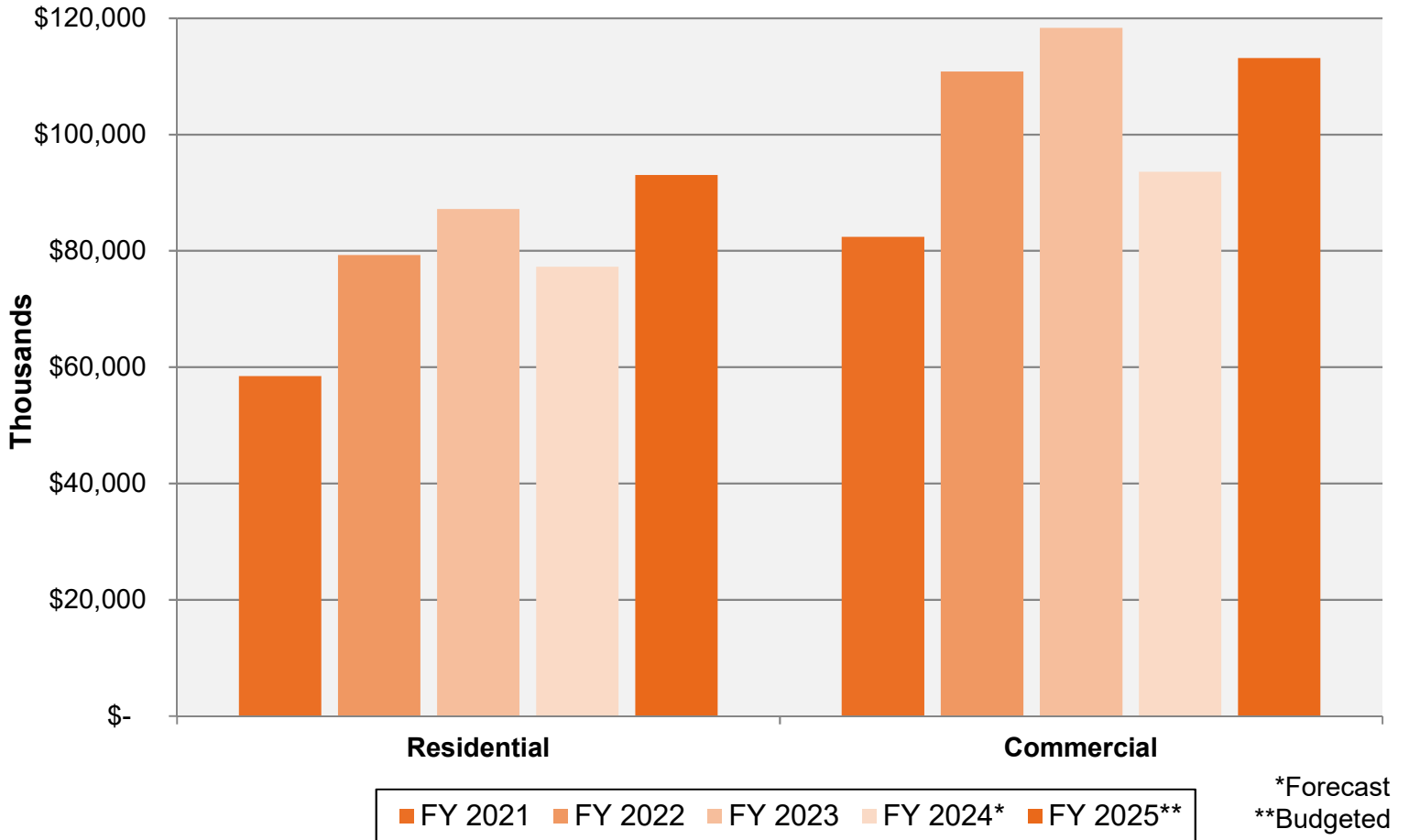
## Electric Service Area



Electric Operating Budget \$ in Thousands	Budget FY 2025	Forecast FY 2026	Forecast FY 2027	Forecast FY 2028	Forecast FY 2029
<b>Operating Revenues</b>					
Electric Service	\$ 211,196	\$ 227,664	\$ 238,717	\$ 250,058	\$ 260,893
PCA – Power Stabilization Fund	15,000	15,000	15,000	15,000	-
Electric Other	1,466	1,539	1,615	1,696	1,780
Transmission Cost of Service	3,698	3,698	3,698	3,698	3,698
Pole Attachment Lease	453	476	500	525	551
<b>Total Operating Revenues</b>	<b>\$ 231,814</b>	<b>\$ 248,376</b>	<b>\$ 259,530</b>	<b>\$ 270,977</b>	<b>\$ 266,922</b>
<b>Operating Expenses</b>					
Purchased Power	\$ 152,645	\$ 156,607	\$ 158,766	\$ 164,316	\$ 168,944
Operating Expenses	10,558	13,616	15,163	16,831	18,678
Depreciation	14,905	15,638	17,655	19,007	21,142
<b>Total Operating Expenses</b>	<b>\$ 178,108</b>	<b>\$ 185,861</b>	<b>\$ 191,583</b>	<b>\$ 200,154</b>	<b>\$ 208,763</b>
<b>Net Operating Income</b>	<b>\$ 53,706</b>	<b>\$ 62,515</b>	<b>\$ 67,947</b>	<b>\$ 70,822</b>	<b>\$ 58,159</b>
<b>Non-Operating Revenue/(Expense)</b>					
Jobbing	\$ 675	\$ 709	\$ 744	\$ 781	\$ 820
Merchandise	9	9	10	10	11
Capital Contributions - Electric Services	2,100	2,100	2,100	2,100	2,100
Miscellaneous	824	865	908	953	1,001
<b>General &amp; Administrative</b>					
Bad Debt	(513)	(569)	(597)	(625)	(652)
Interest Expense	(3,564)	(5,162)	(7,663)	(9,383)	(10,366)
<b>Total Non-Operating Revenue/(Expense)</b>	<b>\$ (468)</b>	<b>\$ (2,048)</b>	<b>\$ (4,498)</b>	<b>\$ (6,163)</b>	<b>\$ (7,087)</b>
<b>Net Income Before Allocation</b>	<b>\$ 53,237</b>	<b>\$ 60,467</b>	<b>\$ 63,449</b>	<b>\$ 64,659</b>	<b>\$ 51,072</b>
Income Allocation	\$ 2,829	\$ 2,315	\$ 1,802	\$ 1,566	\$ 1,609
Expense Allocation	(22,787)	(25,543)	(28,011)	(30,084)	(32,652)
<b>Change in Net Position</b>	<b>\$ 33,279</b>	<b>\$ 37,239</b>	<b>\$ 37,239</b>	<b>\$ 36,141</b>	<b>\$ 20,028</b>
<b>Add Back</b>					
Depreciation	\$ 14,905	\$ 15,638	\$ 17,655	\$ 19,007	\$ 21,142
Interest Expense	3,564	5,162	7,663	9,383	10,366
Intergovernmental Expense	9,241	10,036	11,222	12,057	12,887
<b>Net Available for Debt Service</b>	<b>\$ 60,989</b>	<b>\$ 68,075</b>	<b>\$ 73,780</b>	<b>\$ 76,589</b>	<b>\$ 64,423</b>
<b>Minus</b>					
Debt Service	\$ (4,905)	\$ (6,942)	\$ (10,178)	\$ (12,403)	\$ (13,676)
Intergovernmental Expense	(9,241)	(10,036)	(11,222)	(12,057)	(12,887)
Power Stabilization Fund	(15,000)	(15,000)	(15,000)	(15,000)	-
Capital Contributions - Electric Services	(2,100)	(2,100)	(2,100)	(2,100)	(2,100)
Contingency Reserve	(1,577)	(1,530)	(1,232)	(1,115)	(1,638)
<b>Net Revenues Available for Capital</b>	<b>\$ 28,165</b>	<b>\$ 32,466</b>	<b>\$ 34,048</b>	<b>\$ 33,913</b>	<b>\$ 34,122</b>
<b>Capital Expenditures</b>					
Projects	\$ 40,102	\$ 47,896	\$ 42,240	\$ 42,095	\$ 40,708
Equipment	258	1,538	1,121	1,039	449
Support Services Allocated Capital	15,529	18,042	11,449	4,440	724
<b>Total Capital Expenditures</b>	<b>\$ 55,889</b>	<b>\$ 67,476</b>	<b>\$ 54,810</b>	<b>\$ 47,574</b>	<b>\$ 41,881</b>
<b>Capital Expenditures - Funding</b>					
New Debt Requirement	\$ 22,906	\$ 28,130	\$ 15,268	\$ 7,023	\$ -
Capital Contributions - Electric Services	2,100	2,100	2,100	2,100	2,100
CIAOC & Grant Funding	2,718	4,780	3,394	4,538	7,569
Revenue	28,165	32,466	34,048	33,913	34,122
<b>Total Capital Funding</b>	<b>\$ 55,889</b>	<b>\$ 67,476</b>	<b>\$ 54,810</b>	<b>\$ 47,574</b>	<b>\$ 43,791</b>
<b>Excess Funds Utilized to Fund Capital</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,910</b>
<b>Debt Service Excluding Commercial Paper</b>	<b>\$ 4,344</b>	<b>\$ 6,474</b>	<b>\$ 9,661</b>	<b>\$ 12,103</b>	<b>\$ 13,368</b>
<b>Debt Service Coverage</b>	<b>14.04</b>	<b>10.52</b>	<b>7.64</b>	<b>6.33</b>	<b>4.82</b>
<b>Adjusted Debt Service Coverage (Including City Transfer)</b>	<b>10.55</b>	<b>8.36</b>	<b>6.15</b>	<b>5.20</b>	<b>3.77</b>



## Electric Revenue by Rate Class

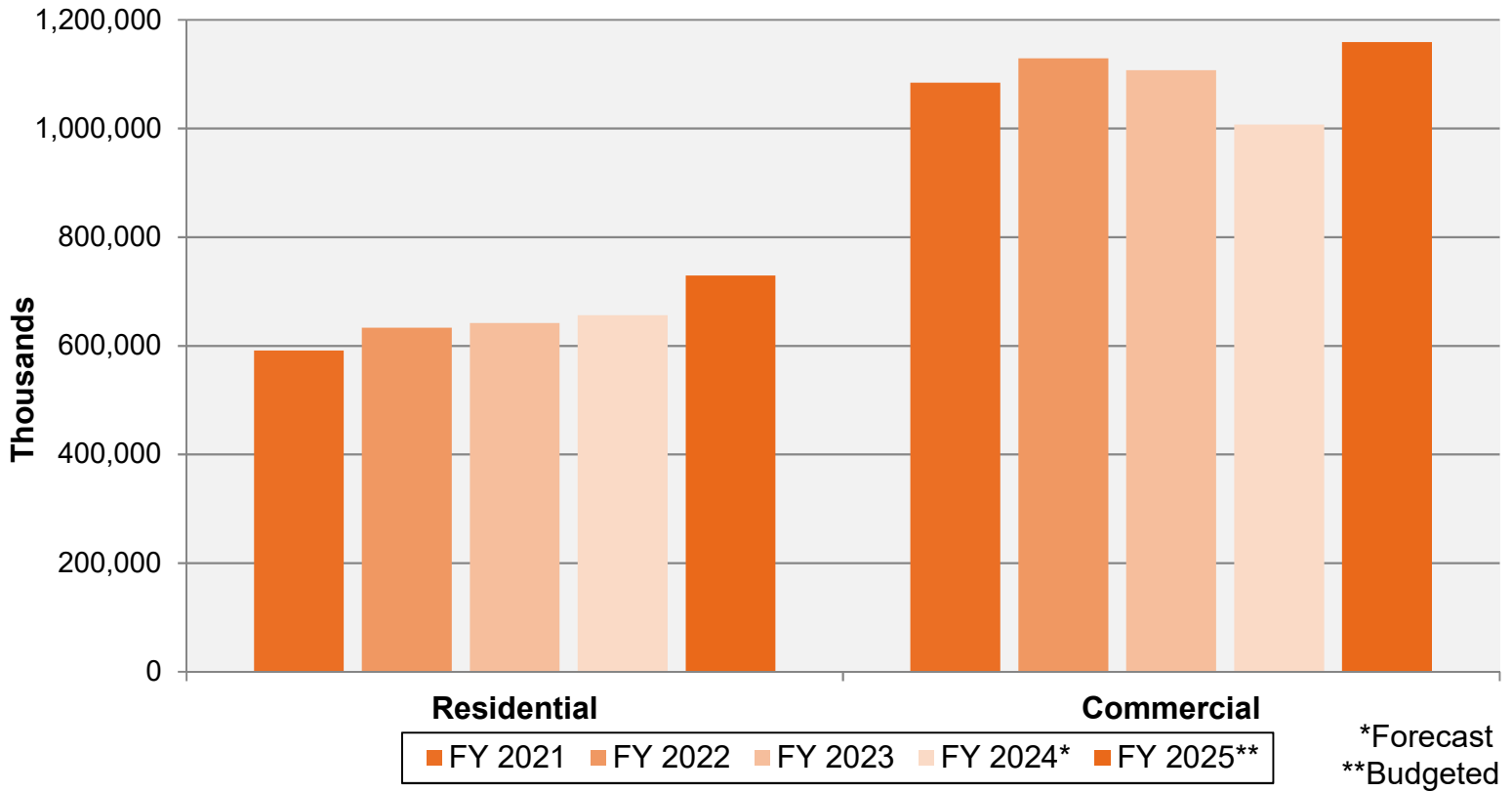


ELECTRIC REVENUE BY RATE CLASS \$ IN THOUSANDS	Actual FY 2021*	Actual FY 2022*	Actual FY 2023*	Forecast FY 2024	Budget FY 2025**
Residential	\$ 58,469	\$ 79,257	\$ 87,158	\$ 77,245	\$ 93,008
Commercial	82,392	110,836	118,334	93,608	113,152
Other	225	233	250	232	226
<b>TOTAL</b>	<b>\$ 141,086</b>	<b>\$ 190,326</b>	<b>\$ 205,742</b>	<b>\$ 171,085</b>	<b>\$ 206,386</b>

\*Note: Does not include energy cost recovery of \$49.75 million, (\$39.7) million and (\$7.8) million for FY 2021 through 2023, respectively.

\*\*Note: FY 2025 Budget does not include an estimate for the energy cost recovery factor.

# Electric Volume by Rate Class



ELECTRIC VOLUME BY RATE CLASS kWh IN THOUSANDS	Actual	Actual	Actual	Forecast	Budget
	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Residential	591,218	632,963	641,766	656,135	729,095
Commercial	1,084,172	1,128,844	1,107,308	1,007,160	1,158,850
Other	3,090	3,317	3,390	2,636	2,229
<b>TOTAL</b>	<b>1,678,480</b>	<b>1,765,123</b>	<b>1,752,465</b>	<b>1,665,931</b>	<b>1,890,174</b>

PURCHASED POWER \$ IN THOUSANDS	Budget	Forecast			
	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
<b>PURCHASED POWER</b>					
Generation	\$ 125,625	\$ 127,150	\$ 127,179	\$ 130,528	\$ 132,831
Transmission	27,020	29,457	31,587	33,787	36,112
<b>TOTAL PURCHASED POWER COSTS</b>	<b>\$ 152,645</b>	<b>\$ 156,607</b>	<b>\$ 158,766</b>	<b>\$ 164,316</b>	<b>\$ 168,944</b>

# Top Five Financial Investments

## High-Level Overview

### System Extensions / Meters / Transformers – \$87.4M

These annual expenditures provide general on-site service and extensions to accommodate system growth. Between FY25 and FY29 NBU estimates electric meter connections to increase by a total of 22.8%, ultimately exceeding 68,000 meters. It is estimated that ten miles of distribution overhead primary will be added and 150 miles of underground distribution will be added. Specific System Extensions include those within Veramendi, Solms Landing, Mayfair, Purlsong, and many other developments.

### Electric Aging Infrastructure, Distribution & Substation – \$18.4M

This pair of ongoing projects consists of replacing aging infrastructure within the system. Utility poles, overhead wire, pad-mounted equipment, and underground cable are included and bring NBU infrastructure up to current standards upon completion. In particular, newer and technologically superior materials are anticipated to have a greater lifespan and duty cycle. For example, new underground cable is designed for a minimum 40-year service life. Critical utility poles are designed for a minimum 80-year service life. NBU's Aging Infrastructure replacement program is now expanded to include substation equipment as well, including replacement of substation switches, breakers, battery banks, and other critical equipment. Previously, substation equipment was replaced as needed only through Operation & Maintenance.

### Kohlenberg Substation & Feeders – \$16.1M

New Braunfels Utilities has identified the need for additional transformation and distribution feeder capacity along FM 1101, near Kohlenberg Road. Growth within the region includes that of Creekside Terrace subdivision, the Mayfair project, and adjacent industrial load including Continental Automotive Systems. The substation requires a 2.9 mile transmission extension, and a backside transmission extension at a later time in order to provide looped redundancy. Two Power Transformers and six distribution feeders are proposed to be constructed and energized initially, in essence building straight to the master plan.

### Lone Oak Substation – \$11.4M

NBU is proposing construction of a new distribution substation in or around FY28. Tentatively and dependent on growth patterns along the Hwy. 46 West corridor, this substation is to be the Lone Oak Substation, along Lone Oak Rd. near FM 2722. The substation's primary purpose will be to serve residential growth of the Vintage Oaks at the Vineyard community and The Preserve at Elm Creek. In addition, the substation relieves and provides resiliency backup to Hwy. 46 Substation, which is approaching capacity limits particularly during Winter Peak conditions. The property for Lone Oak Substation was previously secured in April 2018, after it was identified a large tract was to be subdivided into three 5+ acre lots. The property already houses the existing LCRA TSC owned transmission line necessary to serve the substation. The alternative location for the substation is along FM 3009.

### Hueco Springs Substation & Feeders – \$10.0M

To serve continued and accelerated growth of the Veramendi development, NBU has identified the need to construct an additional distribution substation along River Road, at Edwards Blvd. The proposed substation site is adjacent to an existing LCRA TSC looped transmission line, and will not require a lengthy transmission extension. Initially, the substation will consist of one power transformer and three feeders. The substation is master planned for two power transformers and six distribution feeders. It will also create several switching ties to other adjacent substations for system resiliency. The substation land site is procured and long lead time materials are ordered.



ELECTRIC SERVICES CAPITAL PROJECTS	Budget	Forecast				Total
	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	5-Yr. Plan
Hueco Springs Substation	\$ 6,909,113	\$ 3,095,553	\$ -	\$ -	\$ -	\$ 10,004,665
Kohlenberg Rd Substation	6,321,475	9,740,317	-	-	-	16,061,791
System Extensions - Electric	4,499,398	6,149,247	6,960,908	7,256,242	7,850,202	32,715,998
Distribution Transformers	4,346,602	8,089,126	9,156,834	9,545,339	10,326,676	41,464,578
Electric Aging Infrastructure, Distribution	2,770,172	2,838,036	3,373,270	3,692,210	4,194,158	16,867,845
Electric Meters	2,421,653	2,362,839	2,674,716	2,788,199	3,016,428	13,263,834
Henne Substation Breaker & Half	1,802,916	2,455,093	-	-	-	4,258,010
Freiheit Breaker Additions & Control House	1,690,234	1,067,432	-	-	-	2,757,666
Comal T3 Replacement & Feeder CO33	1,352,187	1,707,891	-	-	-	3,060,078
CONB Road Widening Adjustments	1,270,492	984,706	-	-	-	2,255,198
TxDOT Road Widening	1,014,140	-	1,642,384	5,032,416	-	7,688,941
Distribution Feeder Breaker Addition & Replacements	845,117	389,613	-	-	-	1,234,730
FR24 Kowald Ln. Feeder	833,849	-	-	-	-	833,849
HW14 to FM 3009 Extension Phase 2	816,946	2,401,722	-	-	-	3,218,668
Sheriff's Posse to Marion, T-340 Upgrade	788,776	1,120,804	8,622,518	-	-	10,532,097
EC23 FM 482 Feeder	760,605	-	-	-	-	760,605
Three-Phase Extensions	511,297	498,877	1,358,632	1,498,707	-	3,867,513
Transmission Access & Wildlife Protection	281,706	274,864	302,081	314,898	330,752	1,504,300
Electric Aging Infrastructure Substation	281,706	274,864	302,081	314,897	330,750	1,504,298
HW23 NB West Feeder	211,279	1,801,291	-	-	-	2,012,571
Fiber Optic Extensions	202,828	277,532	64,522	194,715	68,588	808,186
HE11 Conrads Rd. Feeder	169,023	1,703,446	-	-	-	1,872,470
Residential OH to UD Conversion	-	253,741	2,799,646	-	-	3,053,387
GPI Substation Improvements	-	213,486	2,346,263	-	-	2,559,750
Industrial Substation PWT Replacement (TXI T1)	-	195,340	1,932,148	-	-	2,127,488
Lone Oak Substation	-	-	703,879	10,685,580	-	11,389,459
Comal Substation Breaker & Half	-	-	-	356,186	6,609,420	6,965,606
Freiheit T2 Replacement	-	-	-	178,093	3,741,181	3,919,274
FR34 Hueco Dr. Feeder	-	-	-	118,729	2,556,474	2,675,202
CO21 Howard St Feeder	-	-	-	118,729	1,683,531	1,802,260
<b>TOTAL CAPITAL PROJECTS - ELECTRIC</b>	<b>\$ 40,101,515</b>	<b>\$ 47,895,820</b>	<b>\$ 42,239,882</b>	<b>\$ 42,094,940</b>	<b>\$ 40,708,160</b>	<b>\$ 213,040,316</b>

ELECTRIC SERVICES CAPITAL EQUIPMENT	Budget	Forecast				Total
	FY 2025	FY2026	FY 2027	FY 2028	FY 2029	5-Yr Plan
Ford F-150	\$ -	\$ 56,000	\$ -	\$ -	\$ -	\$ 56,000
Ford F-150	-	56,000	-	-	-	56,000
Ford Explorer	-	-	40,000	-	-	40,000
Ford Explorer	-	-	40,000	-	-	40,000
Ford Explorer	-	-	40,000	-	-	40,000
Ford F-150	-	-	-	56,000	-	56,000
<b>Total Electric Engineering</b>	<b>\$ -</b>	<b>\$ 112,000</b>	<b>\$ 120,000</b>	<b>\$ 56,000</b>	<b>\$ -</b>	<b>\$ 288,000</b>
Ford F-550 Electric/International CV	\$ 120,000	\$ -	\$ -	\$ -	\$ -	\$ 120,000
Ford Maverick	30,000	-	-	-	-	30,000
Altec Pressure Digger	-	415,000	-	-	-	415,000
Altec Digger Derrick	-	330,000	-	-	-	330,000
Altec AM 60E	-	315,000	-	-	-	315,000
SR Cable Puller	-	300,000	-	-	-	300,000
SR Cable Puller	-	-	300,000	-	-	300,000
Ford F-550 Electric/International CV	-	-	120,000	-	-	120,000
Ford F-550 Electric/International CV	-	-	120,000	-	-	120,000
Ford F-550 Electric/International CV	-	-	120,000	-	-	120,000
Ford F-150	-	-	56,000	-	-	56,000
Ford F-150	-	-	56,000	-	-	56,000
Cargo Trailer	-	-	25,000	-	-	25,000
Cargo Trailer	-	-	25,000	-	-	25,000
Altec AM 60E	-	-	-	315,000	-	315,000
Altec Small Service Bucket	-	-	-	175,000	-	175,000
Arc Demo Trailer	-	-	-	175,000	-	175,000
SR Duct Dawg	-	-	-	150,000	-	150,000
Ford F-150	-	-	-	56,000	-	56,000
Ford F-150	-	-	-	56,000	-	56,000
BB Three Reel Trailer	-	-	-	-	100,000	100,000
Ford F-150 EV	-	-	-	-	65,000	65,000
Ford F-150	-	-	-	-	56,000	56,000
Ford F-150	-	-	-	-	56,000	56,000
Ford F-150	-	-	-	-	56,000	56,000
BB Swivel Reel Trailer	-	-	-	-	20,000	20,000
BB Swivel Reel Trailer	-	-	-	-	20,000	20,000
BB Swivel Reel Trailer	-	-	-	-	20,000	20,000
<b>Total Electric Operations Total</b>	<b>\$ 150,000</b>	<b>\$ 1,360,000</b>	<b>\$ 822,000</b>	<b>\$ 927,000</b>	<b>\$ 393,000</b>	<b>\$ 3,652,000</b>
Ford Explorer	\$ 40,000	\$ -	\$ -	\$ -	\$ -	\$ 40,000
Transformer Winding Resistance Rest Set	33,000	-	-	-	-	33,000
Vanguard ATRT-03 S2 Transformer Turns Ratio Tester	24,200	-	-	-	-	24,200
Megger MIT1525 15kv Diagnostic Insulation Resistance Tester	11,000	-	-	-	-	11,000
Doble M4100 Power Factor Insulation Analyzer Power Factor/Tan-Delta Instrument	-	66,000	-	-	-	66,000
Ford F-550 Electric w/International CV	-	-	130,000	-	-	130,000
Ford Maverick	-	-	30,000	-	-	30,000
Vanguard EZCT-2000c Plus Current Transformer Test Set	-	-	16,500	-	-	16,500
Megger MIT400 Insulation and Continuity Tester	-	-	2,750	-	-	2,750
Ford F-150	-	-	-	56,000	-	56,000
Ford F-150	-	-	-	-	56,000	56,000
<b>Total Electric Substation</b>	<b>\$ 108,200</b>	<b>\$ 66,000</b>	<b>\$ 179,250</b>	<b>\$ 56,000</b>	<b>\$ 56,000</b>	<b>\$ 465,450</b>
<b>TOTAL CAPITAL EQUIPMENT - ELECTRIC</b>	<b>\$ 258,200</b>	<b>\$ 1,538,000</b>	<b>\$ 1,121,250</b>	<b>\$ 1,039,000</b>	<b>\$ 449,000</b>	<b>\$ 4,405,450</b>



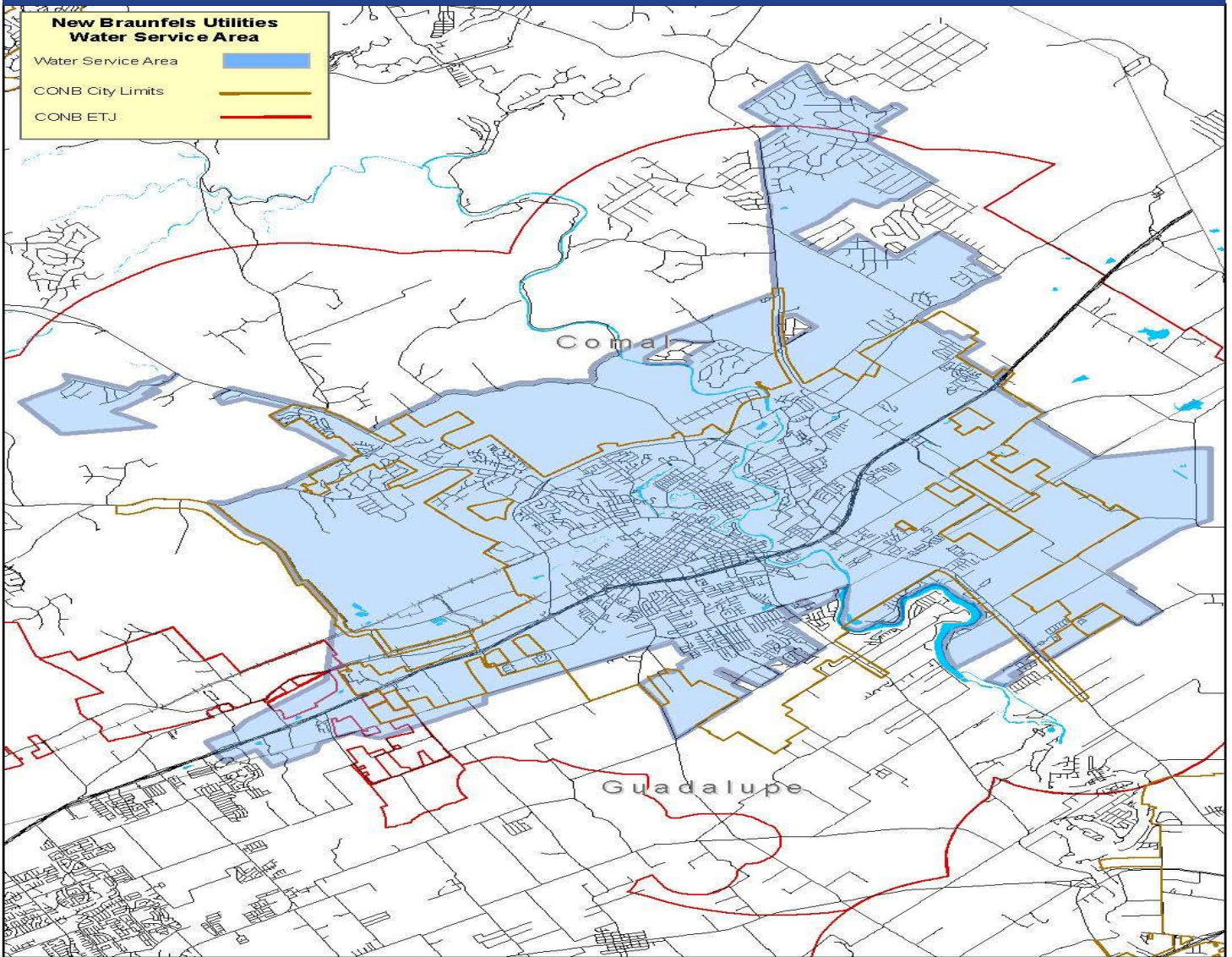


# WATER STATISTICS

# FISCAL YEAR 2024

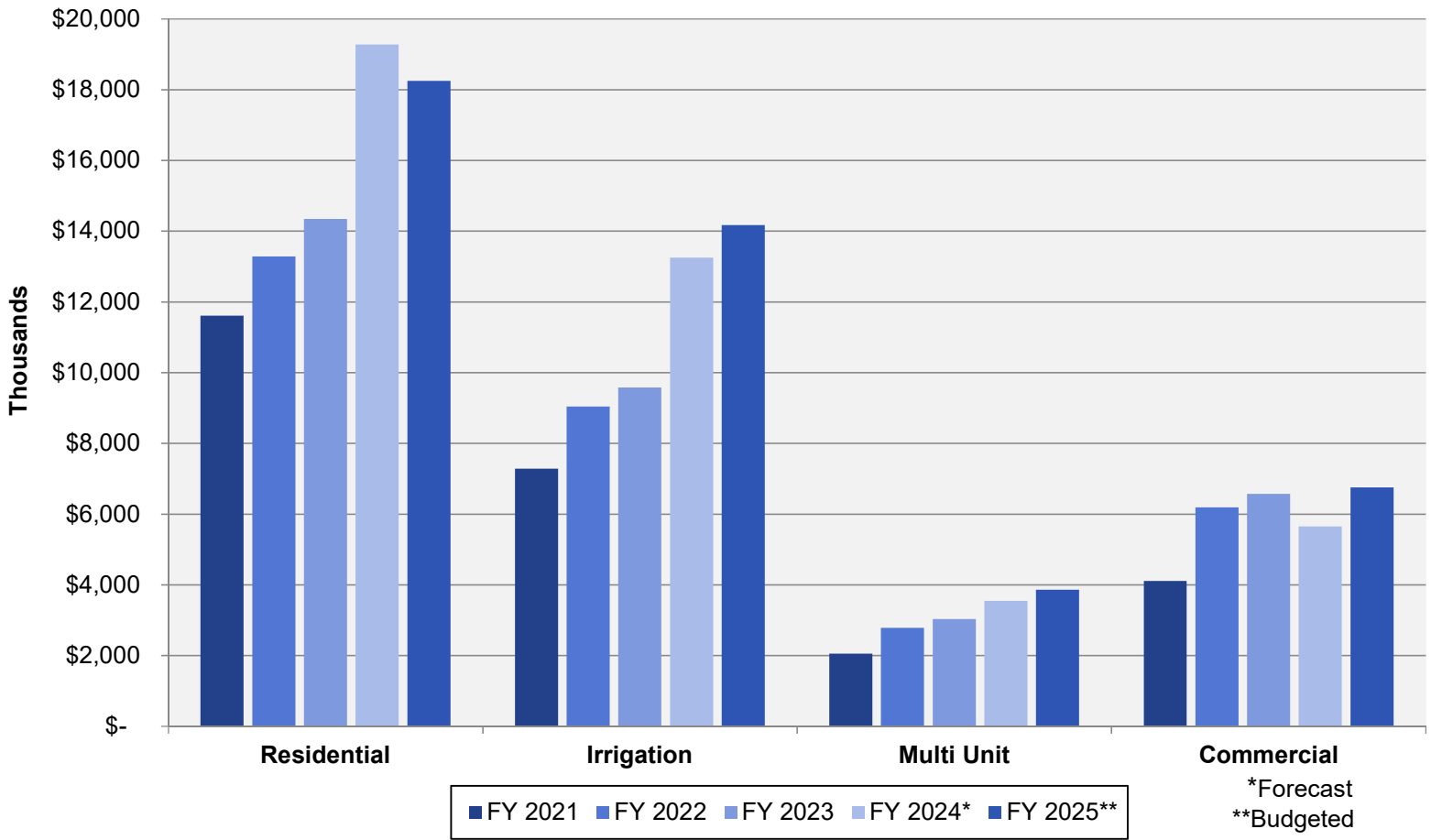
Gallons of Water Sold (in Millions)	4,411
Number of Water Meters	55,941
Raw Water Supply	49,875 acre feet
Miles of Water Main	678 miles
Peak Annual Usage	5.2 billion gallons
Treatment Capacity	8 MGD surface / 31 MGD wells / 4.7 MGD purchased
Storage Capacity	29.8 million gallons

## Water Service Area



Water Operating Budget \$ in Thousands	Budget FY 2025	Forecast FY 2026	Forecast FY 2027	Forecast FY 2028	Forecast FY 2029
<b>Operating Revenues</b>					
Water Service	\$ 43,437	\$ 48,571	\$ 53,579	\$ 59,385	\$ 65,843
Water Other	1,082	1,144	1,178	1,214	1,047
Water Antenna Lease	220	229	239	250	260
<b>Total Operating Revenues</b>	<b>\$ 44,738</b>	<b>\$ 49,944</b>	<b>\$ 54,997</b>	<b>\$ 60,849</b>	<b>\$ 67,151</b>
<b>Operating Expenses</b>					
Purchased Water	\$ 14,995	\$ 15,897	\$ 16,837	\$ 17,466	\$ 18,361
Operating Expenses	11,135	12,170	13,346	14,757	16,209
Depreciation	12,781	14,688	16,400	19,386	23,456
<b>Total Operating Expenses</b>	<b>\$ 38,911</b>	<b>\$ 42,754</b>	<b>\$ 46,584</b>	<b>\$ 51,609</b>	<b>\$ 58,026</b>
<b>Net Operating Income</b>	<b>\$ 5,827</b>	<b>\$ 7,190</b>	<b>\$ 8,413</b>	<b>\$ 9,240</b>	<b>\$ 9,124</b>
<b>Non-Operating Revenue/(Expense)</b>					
Impact Fees	\$ 18,330	\$ 23,157	\$ 27,715	\$ 31,585	\$ 32,756
Water Services	1,360	1,419	1,481	1,545	1,613
Jobbing	58	61	63	66	69
Miscellaneous	1,504	1,570	1,638	1,709	1,784
Development Fee	2,968	2,974	2,974	2,974	2,974
<b>General &amp; Administrative</b>					
Bad Debt	(87)	(97)	(107)	(119)	(132)
Interest Expense	(8,664)	(10,324)	(12,823)	(15,438)	(18,549)
<b>Total Non-Operating Revenue/(Expense)</b>	<b>\$ 15,470</b>	<b>\$ 18,760</b>	<b>\$ 20,942</b>	<b>\$ 22,323</b>	<b>\$ 20,515</b>
<b>Net Income Before Allocation</b>	<b>\$ 21,296</b>	<b>\$ 25,950</b>	<b>\$ 29,355</b>	<b>\$ 31,563</b>	<b>\$ 29,639</b>
Income Allocation	\$ 1,871	\$ 1,531	\$ 1,192	\$ 1,036	\$ 1,064
Expense Allocation	(16,127)	(18,521)	(20,027)	(21,536)	(23,637)
<b>Change in Net Position</b>	<b>\$ 7,041</b>	<b>\$ 8,960</b>	<b>\$ 10,520</b>	<b>\$ 11,063</b>	<b>\$ 7,067</b>
<b>Add Back</b>					
Depreciation	\$ 12,781	\$ 14,688	\$ 16,400	\$ 19,386	\$ 23,456
Interest Expense	8,664	10,324	12,823	15,438	18,549
Intergovernmental Expense	1,297	1,350	1,449	1,528	1,723
<b>Net Available for Debt Service</b>	<b>\$ 29,783</b>	<b>\$ 35,321</b>	<b>\$ 41,192</b>	<b>\$ 47,415</b>	<b>\$ 50,795</b>
<b>Minus</b>					
Debt Service	\$ (12,418)	\$ (14,672)	\$ (18,057)	\$ (21,394)	\$ (25,213)
Restricted Funds - Impact Fees	(18,330)	(23,157)	(27,715)	(31,585)	(32,756)
Intergovernmental Expense	(1,297)	(1,350)	(1,449)	(1,528)	(1,723)
Contingency Reserve	(1,274)	(1,236)	(995)	(901)	(1,323)
<b>Net Revenues Available for Capital</b>	<b>\$ (3,536)</b>	<b>\$ (5,094)</b>	<b>\$ (7,024)</b>	<b>\$ (7,992)</b>	<b>\$ (10,220)</b>
<b>Capital Expenditures</b>					
Projects	\$ 46,711	\$ 65,578	\$ 78,230	\$ 71,565	\$ 57,759
Equipment	858	799	605	166	797
Support Services Allocated Capital	27,157	31,570	20,032	7,768	1,265
<b>Total Capital Expenditures</b>	<b>\$ 74,726</b>	<b>\$ 97,947</b>	<b>\$ 98,866</b>	<b>\$ 79,499</b>	<b>\$ 59,822</b>
<b>Capital Expenditures - Funding</b>					
New Debt Requirement	\$ 19,066	\$ 77,615	\$ 77,968	\$ 54,637	\$ 37,078
Impact Fees - Capital Projects	18,330	23,157	27,715	31,585	32,756
CIAOC & Grant Funding	832	208	208	1,269	208
Revenue	(3,536)	(5,094)	(7,024)	(7,992)	(10,220)
TWDB Funding	40,034	2,060	-	-	-
<b>Total Capital Funding</b>	<b>\$ 74,725</b>	<b>\$ 97,947</b>	<b>\$ 98,867</b>	<b>\$ 79,499</b>	<b>\$ 59,822</b>
<b>Debt Service Excluding Commercial Paper</b>	<b>\$ 11,806</b>	<b>\$ 14,181</b>	<b>\$ 17,557</b>	<b>\$ 20,406</b>	<b>\$ 24,398</b>
<b>Debt Service Coverage</b>	<b>2.52</b>	<b>2.49</b>	<b>2.35</b>	<b>2.32</b>	<b>2.08</b>
<b>Adjusted Debt Service Coverage (Including City Transfer)</b>	<b>2.29</b>	<b>2.32</b>	<b>2.20</b>	<b>2.14</b>	<b>1.95</b>

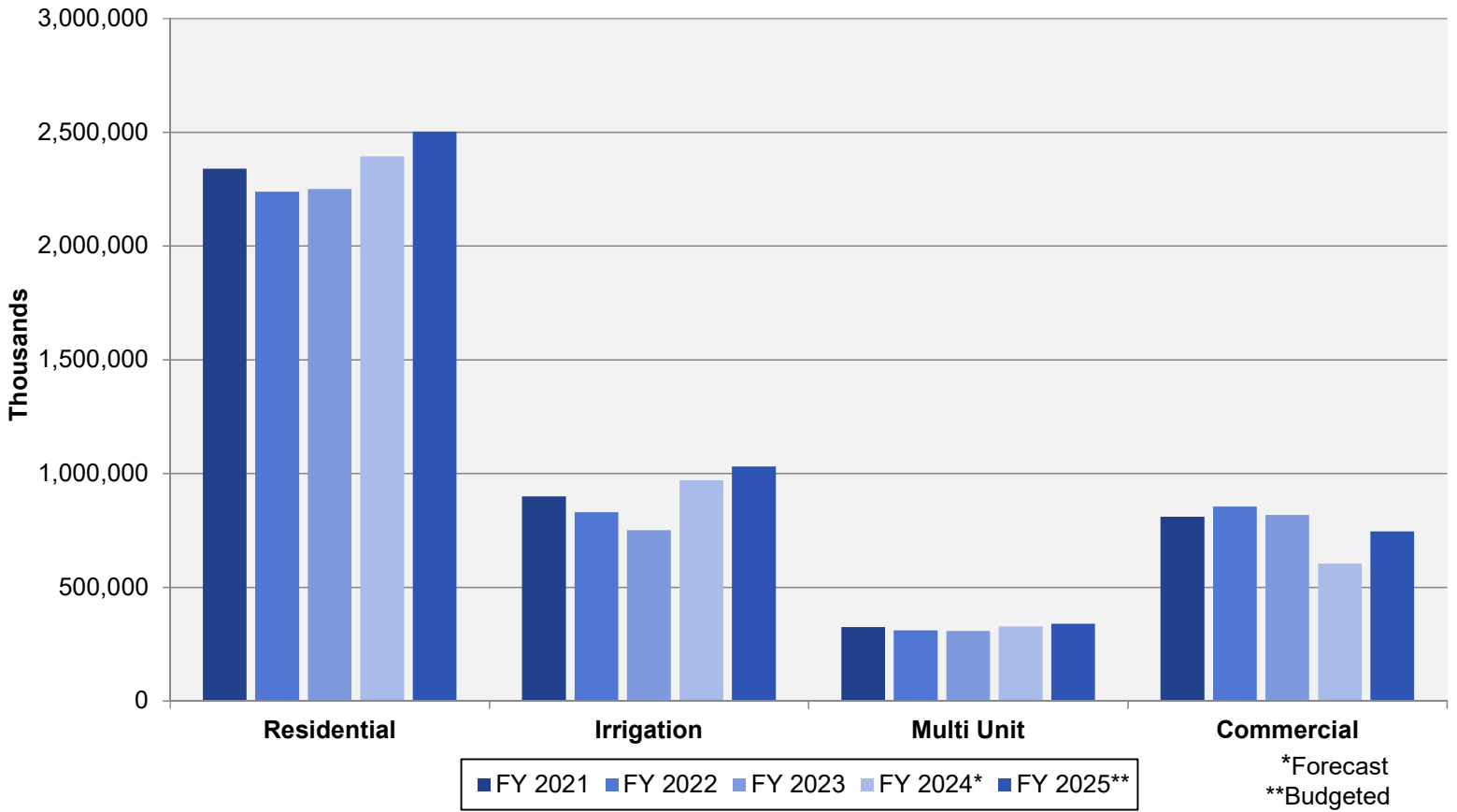
# Water Revenue by Rate Class



<b>WATER REVENUE BY RATE CLASS \$ IN THOUSANDS</b>	<b>Actual FY 2021</b>	<b>Actual FY 2022</b>	<b>Actual FY 2023</b>	<b>Forecast FY 2024</b>	<b>Budget FY 2025</b>
Residential	\$ 11,606	\$ 13,283	\$ 14,346	\$ 19,274	\$ 18,246
Irrigation	7,285	9,040	9,574	13,248	14,170
Multi Unit	2,055	2,783	3,032	3,548	3,857
Commercial	4,105	6,192	6,571	5,653	6,750
Other Services	739	1,113	1,364	2,702	413
<b>TOTAL</b>	<b>\$ 25,791</b>	<b>\$ 32,411</b>	<b>\$ 34,887</b>	<b>\$ 44,424</b>	<b>\$ 43,437</b>



# Water Volume by Rate Class



WATER VOLUME BY RATE CLASS GALLONS IN THOUSANDS	Actual FY 2021	Actual FY 2022	Actual FY 2023	Forecast FY 2024*	Budget FY 2025**
Residential	2,339,856	2,237,911	2,250,028	2,393,439	2,502,268
Irrigation	898,462	829,611	749,775	969,464	1,030,020
Multi Unit	324,778	309,556	306,896	327,469	339,313
Commercial	809,867	854,694	817,322	602,871	744,949
Other	89,825	99,143	112,997	283,260	27,812
<b>TOTAL</b>	<b>4,462,788</b>	<b>4,330,915</b>	<b>4,237,019</b>	<b>4,576,503</b>	<b>4,644,361</b>

**PURCHASED WATER  
\$ IN THOUSANDS**

**Budget  
FY 2025**

**Forecast**

**FY 2026**

**FY 2027**

**FY 2028**

**FY 2029**

**PURCHASED WATER**

**Surface Water:**

Guadalupe Blanco River Authority (GBRA)	\$ 3,162	\$ 3,320	\$ 3,486	\$ 3,661	\$ 3,844
Guadalupe-Blanco River Authority (GBRA) - Gonzales Carrizo Water	7,140	7,793	8,473	9,140	9,743
Guadalupe-Blanco River Authority (GBRA) - Lower Basin	-	-	-	757	795

**Ground Water:**

City of Seguin	2,599	2,638	2,677	2,717	2,758
Edward's Aquifer Authority (EAA)	538	554	570	588	605
Green Valley	989	1,013	1,039	-	-
EARIP Fee (EAA Program Fees)	278	286	295	304	313
Texas Commission on Environmental Quality and Edwards Aquifer Recovery Implementation Program Fees	121	125	128	132	136
Comal Trinity Groundwater Conservation District	168	168	168	168	168

**TOTAL PURCHASED WATER COSTS \$ 14,995 \$ 15,897 \$ 16,837 \$ 17,466 \$ 18,361**

# Top Five Financial Investments

## High-Level Overview

### **SWTP Expansion - \$55.7M**

The goal of the expansion of the surface water treatment plant (SWTP) from 8-million gallons per day (MGD) to 16-MGD is to utilize the extent of NBU's available surface water rights. The expansion design consists of a new treatment train for rapid mix, flocculation, sedimentation, filtration, and decant basin for solids handling. Both the new and existing treatment trains will share the existing raw water pump station (RWPS), existing high service pump station (HSPS), expanded chemical feed systems, and expanded sludge drying beds.

### **FM 1101 Pump Station - \$21.7M**

This project will increase the production and treatment capacity of NBU's Trinity Wellfield and Trinity Water Treatment Plant. It includes the drilling of four new Trinity Aquifer production wells, an expansion of the existing Treatment Plant from 3.75 to 7.5 million gallons per day (MGD), a new 1.5 million-gallon (MG) ground storage tank, and an upgrade to the existing pump station. This project is needed to serve current customers as well as future growth in the northwest service area.

### **Solms Pump Station and Ground Storage Tank - \$20.6M**

A new 1.0 MG ground storage tank and pump station located on the new NBU Headquarters site near the intersection of Engel Road and IH 35. This project will include decommissioning the existing pump station and ground storage tank at the existing site on Rusch Lane and provide additional storage and pumping capacity to the Morningside Pressure Zone.

### **FM 1044 Elevated Storage Tank - \$19.2M**

This project includes a 2 MG elevated storage tank (EST) close to the Old Marion Rd and FM 1044 intersection. The FM 1044 EST will provide additional elevated storage for the Morningside Pressure Zone in order to continue to exceed the minimum TCEQ criteria for elevated storage capacity per customer for years to come as growth continues.

### **Water Tank Rehabilitations - \$18.8M**

The purpose of this phased project is to fully rehabilitate select NBU existing elevated and ground storage tanks to extend their service life. The selected tanks include the Loop GST, County Line Standpipe, Kerlick EST, Hoffmann Standpipe, Mission Hills Ranch EST, Gruene EST, Voss Farms EST, Newks EST, and the Westpointe EST. Currently this project is split into 4 phases, which includes two or three tanks per year over the next several years.



WATER SERVICES CAPITAL PROJECTS	Budget	Forecast				Total
	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	5-Yr. Plan
FM 1044 EST	\$ 6,820,635	\$ 11,732,875	\$ 649,875	\$ -	\$ -	\$ 19,203,385
Water Tank Rehabilitations	4,853,686	-	-	-	-	4,853,686
Trinity Expansion Treatment Plant - TWDB	4,248,631	2,060,310	-	-	-	6,308,941
Mission/Westpointe Connection Waterlines - TWDB	4,035,347	-	-	-	-	4,035,347
Conrads EST	3,036,292	-	-	-	-	3,036,292
Water Meters	2,078,926	1,997,982	1,970,130	2,043,494	2,235,637	10,326,170
Trinity Expansion Well Field - TWDB	1,978,567	-	-	-	-	1,978,567
Aquifer Strg & Recovery Project	1,889,411	1,335,271	1,390,839	3,712,166	4,042,822	12,370,509
FM 1101 Pump Station & GST	1,808,657	1,261,388	9,377,564	9,245,724	-	21,693,333
Landa Street and Elm Street Water Line Improvements	1,311,064	-	-	-	-	1,311,064
Union Avenue Water Replacement CNB	1,228,627	-	-	-	-	1,228,627
Aging Infrastructure-W	1,057,361	1,015,110	1,003,177	1,049,537	1,159,173	5,284,357
SWTP Expansion - Water Supply Facilities	825,607	3,446,545	14,967,832	20,113,598	16,303,236	55,656,817
FM 306 Pump Station and Discharge Pipeline	760,070	-	-	-	-	760,070
Solms Pump Station and Ground Storage Tank	739,119	10,034,078	9,876,064	-	-	20,649,260
Simon Avenue Improvements	707,991	-	-	-	-	707,991
Landa Pump Station Phase 2 / Well 5	704,243	-	-	-	-	704,243
FM 1101 Discharge Line	683,611	2,181,124	4,108,881	8,715,916	-	15,689,531
Central Downtown to Morningside PZ Conversion	615,553	1,968,877	3,879,807	-	-	6,464,238
Senate Bill 3 EPP Generators	570,742	533,748	-	-	-	1,104,490
Barbarosa Waterline CNB	546,469	621,065	2,104,490	5,301,592	-	8,573,616
Goodwin/Conrads Adjustments (CNB)-W	545,256	350,208	-	-	-	895,464
Downtown to Loop PZ Conversion	510,060	1,901,710	2,619,905	-	-	5,031,675
San Antonio St Rehabilitation Phase 3 CNB	499,315	794,168	425,350	-	-	1,718,833
City Widening Street Projects	432,743	544,057	2,463,875	1,343,326	158,365	4,942,366
Western Downtown to Morningside PZ Conversion	416,357	5,146,318	1,951,985	-	-	7,514,660
Loop GST Improvements	400,832	2,257,962	-	-	-	2,658,795
Well 6 Site Improvements	400,832	2,047,238	1,846,783	-	-	4,294,853
System Extensions-W	370,491	359,115	357,807	386,143	440,713	1,914,269
Rio to Keuhler River Crossing	318,211	1,552,443	-	-	-	1,870,654
Senate Bill 3 EPP Generators Phase 2	279,468	2,315,009	1,468,812	-	-	4,063,289
Hwy 46 Water Line (Mission) Phase 2	279,468	394,041	547,233	2,109,154	2,174,335	5,504,232
Water Infrastructure Replacement	273,400	1,930,816	-	-	-	2,204,216
Broken and Critical Valve Replacements	249,127	1,290,493	-	-	-	1,539,620
AC Pipe Replacement - Solms	224,854	1,494,232	-	-	-	1,719,086
Hueco Springs SWTP 2	218,786	213,587	386,441	358,974	472,590	1,650,377
Wood Meadows Water Line River Crossing	194,513	44,774	3,018,492	-	-	3,257,780
Infrastructure Replacement Package 3	158,104	1,232,282	-	-	-	1,390,386
San Antonio Street Phase 4 CNB W	127,763	504,643	1,016,392	-	-	1,648,798
Technology Upgrades-W	115,626	114,628	117,280	138,899	172,945	659,379
Infrastructure Replacement Package 2	97,422	1,049,976	-	-	-	1,147,397
Solms Road Relocations CNB	97,422	165,272	386,441	403,804	-	1,052,938
Water Tank Rehabilitations Phase 2	-	762,799	3,443,517	-	-	4,206,315
Mill Street Improvements W	-	306,725	1,302,734	-	-	1,609,458
Senate Bill 3 EPP Generators Phase 3	-	242,692	2,190,392	1,292,705	-	3,725,790
AC Pipe Replacement - Balcones Phase 2	-	213,587	1,589,075	-	-	1,802,662
Landa Park Drive Bridge CNB	-	161,197	466,617	-	-	627,813
Bretzke to Hoffman Discharge Line	-	-	1,004,939	3,676,727	3,596,543	8,278,209
Water Tank Rehabilitations Phase 3	-	-	783,436	3,561,283	-	4,344,719
Bretzke Pump Station for Hoffman Pressure Zone	-	-	500,978	2,269,908	4,265,962	7,036,848
Downtown High Elevations PZ Conversion	-	-	446,573	1,004,254	781,798	2,232,624
Coll Street Relocations CNB	-	-	408,701	290,350	-	699,051
Senate Bill 3 EPP Generators Phase 4	-	-	157,368	845,311	-	1,002,679
County Line Pump Station Expansion	-	-	-	1,592,930	7,039,267	8,632,198
County Line Pump Station Discharge Line	-	-	-	1,074,895	5,808,812	6,883,707
Water Tank Rehabilitations Phase 4	-	-	-	854,112	4,520,620	5,374,732
South Mesquite Avenue Improvements W	-	-	-	180,107	657,477	837,584
Altgelt EST	-	-	-	-	2,283,208	2,283,208
River Chase EST	-	-	-	-	1,645,666	1,645,666
<b>TOTAL CAPITAL PROJECTS - WATER</b>	<b>\$ 46,710,657</b>	<b>\$ 65,578,344</b>	<b>\$ 78,229,782</b>	<b>\$ 71,564,909</b>	<b>\$ 57,759,171</b>	<b>\$ 319,842,863</b>

WATER SERVICES CAPITAL EQUIPMENT	Budget	Forecast				Total
	FY 2025	FY2026	FY 2027	FY 2028	FY 2029	5-Yr Plan
Ford F-150	\$ -	\$ 56,000	\$ -	\$ -	\$ -	\$ 56,000
<b>Total Water Engineering</b>	<b>\$ -</b>	<b>\$ 56,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 56,000</b>
Ford Escape	\$ 25,000	\$ -	\$ -	\$ -	\$ -	\$ 25,000
Small Utility Vehicle (Mule)	20,000	-	-	-	-	20,000
Ford F-550 Water/International CV	-	130,000	-	-	-	130,000
Ford Explorer	-	40,000	-	-	-	40,000
Ford F-550 Water/International CV	-	-	130,000	-	-	130,000
CAT Skid Steer	-	-	-	-	60,000	60,000
CAT Skid Steer	-	-	-	-	60,000	60,000
Ford F-150	-	-	-	-	56,000	56,000
Ford F-150	-	-	-	-	56,000	56,000
Ford F-150	-	-	-	-	56,000	56,000
Ford F-150	-	-	-	-	56,000	56,000
<b>Total Water Treatment &amp; Compliance</b>	<b>\$ 45,000</b>	<b>\$ 170,000</b>	<b>\$ 130,000</b>	<b>\$ -</b>	<b>\$ 344,000</b>	<b>\$ 689,000</b>
<b>TOTAL CAPITAL EQUIPMENT - WATER</b>	<b>\$ 45,000</b>	<b>\$ 226,000</b>	<b>\$ 130,000</b>	<b>\$ -</b>	<b>\$ 344,000</b>	<b>\$ 745,000</b>





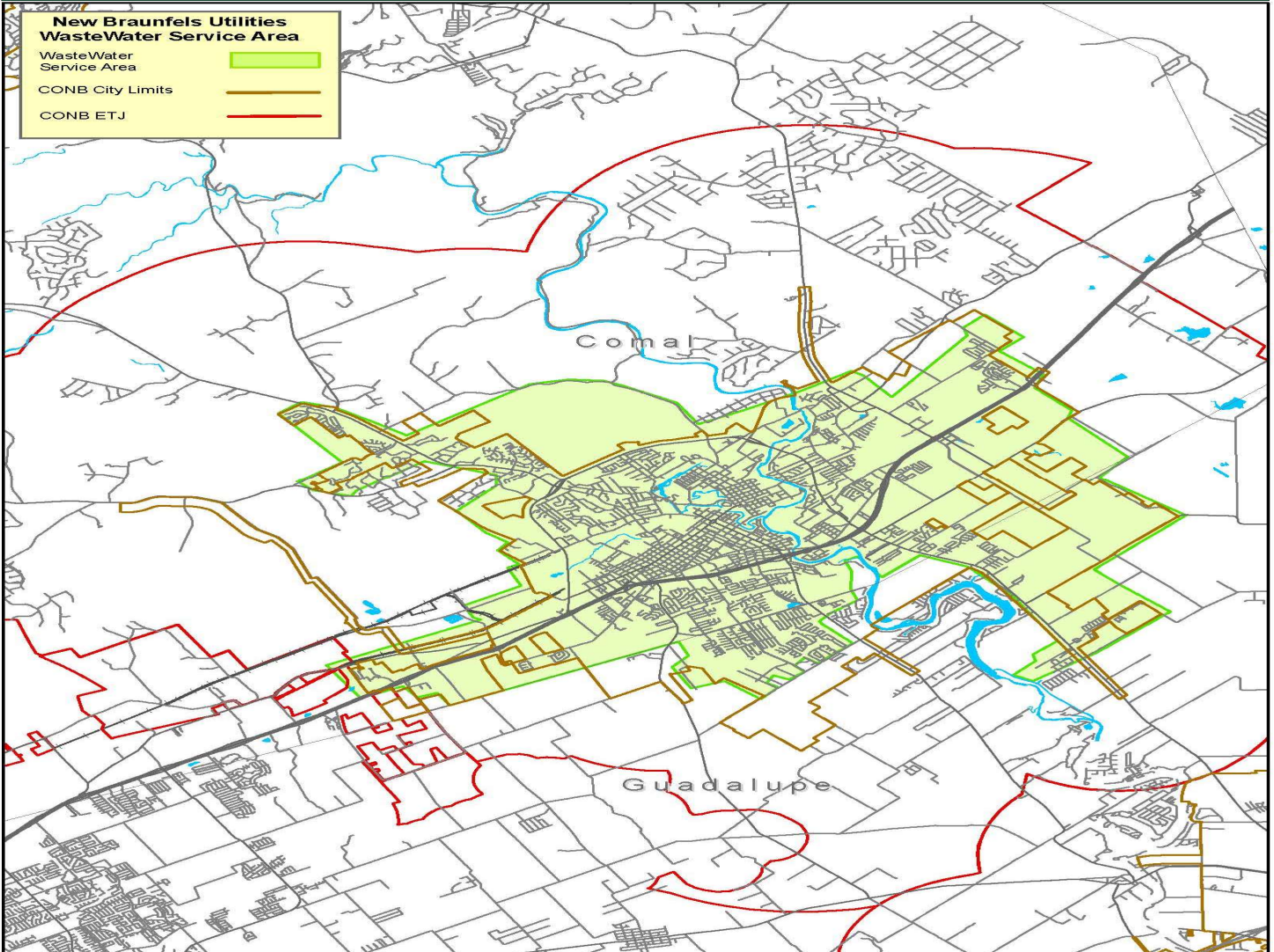


# WASTEWATER STATISTICS

# FISCAL YEAR 2024

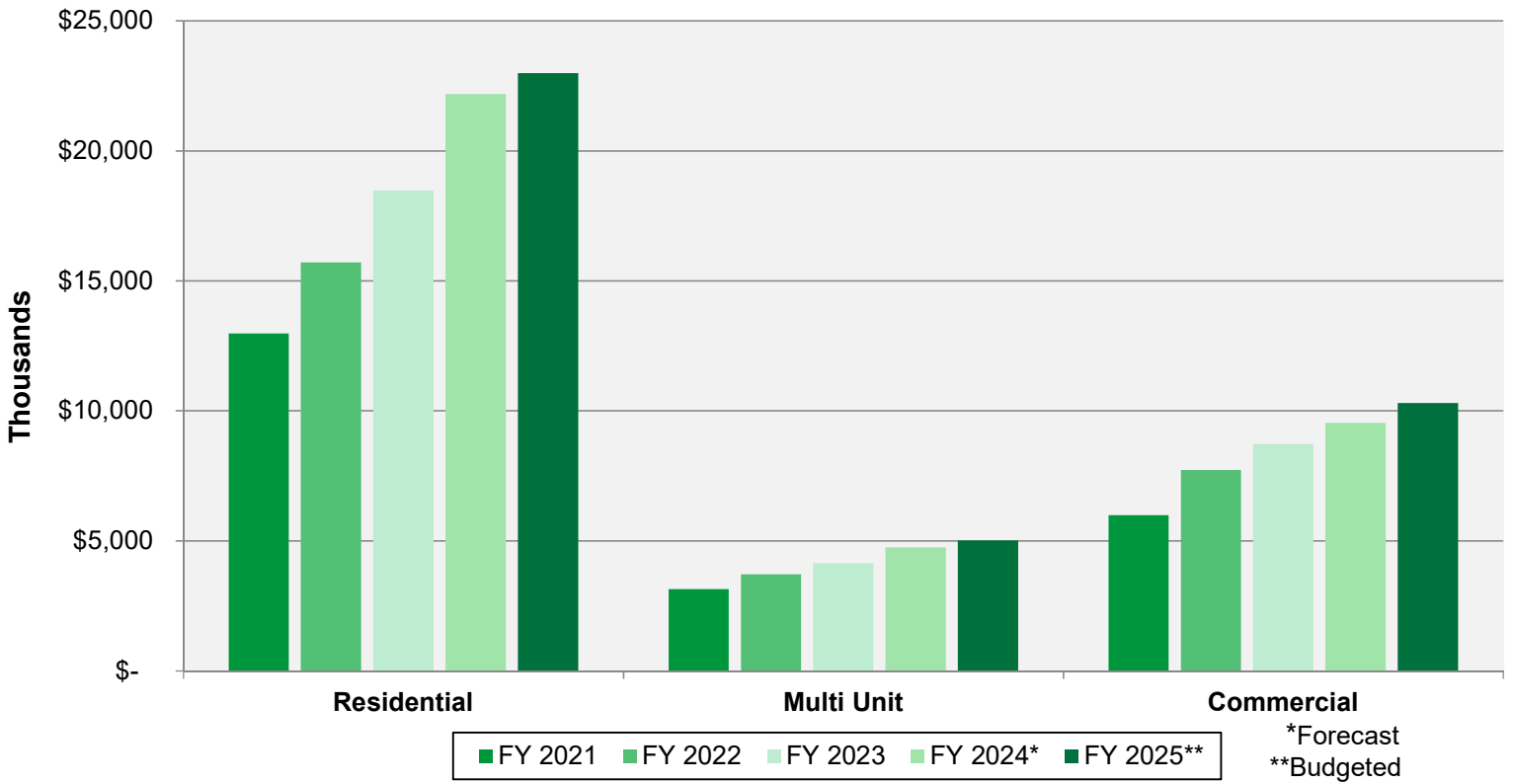
Number of Accounts	36,461
Miles of Sewer Main	486
Number of Wastewater Treatment Plants	4
Treatment Capacity	12.3 MGD
Total Reuse Water Output	8.3 MGD

## Wastewater Service Area



Wastewater Operating Budget		Budget	Forecast	Forecast	Forecast	Forecast
\$ in Thousands		FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
<b>Operating Revenues</b>						
Sewer Services		\$ 39,360	\$ 42,730	\$ 46,467	\$ 50,133	\$ 54,088
Sewer Other		338	355	372	390	408
<b>Total Operating Revenues</b>		<b>\$ 39,699</b>	<b>\$ 43,085</b>	<b>\$ 46,839</b>	<b>\$ 50,523</b>	<b>\$ 54,497</b>
<b>Operating Expenses</b>						
Operating Expenses		\$ 9,778	\$ 10,569	\$ 11,313	\$ 11,937	\$ 12,908
Depreciation		15,479	16,684	20,375	24,455	28,240
<b>Total Operating Expenses</b>		<b>\$ 25,257</b>	<b>\$ 27,253</b>	<b>\$ 31,688</b>	<b>\$ 36,393</b>	<b>\$ 41,148</b>
<b>Net Operating Income</b>		<b>\$ 14,442</b>	<b>\$ 15,832</b>	<b>\$ 15,150</b>	<b>\$ 14,130</b>	<b>\$ 13,348</b>
<b>Non-Operating Revenue/(Expense)</b>						
Impact Fees		\$ 6,849	\$ 8,233	\$ 9,497	\$ 10,585	\$ 10,963
Capital Participation Fee		2,081	-	1,210	1,210	-
Development Fee		3,337	3,343	3,343	3,343	3,343
<b>General &amp; Administrative</b>						
Bad Debt		(79)	(128)	(139)	(150)	(162)
Interest Expense		(8,228)	(11,622)	(16,995)	(19,861)	(21,039)
<b>Total Non-Operating Revenue/(Expense)</b>		<b>\$ 3,960</b>	<b>\$ (174)</b>	<b>\$ (3,084)</b>	<b>\$ (4,874)</b>	<b>\$ (6,895)</b>
<b>Net Income Before Allocation</b>		<b>\$ 18,402</b>	<b>\$ 15,657</b>	<b>\$ 12,066</b>	<b>\$ 9,257</b>	<b>\$ 6,453</b>
Income Allocation		\$ 2,088	\$ 1,708	\$ 1,330	\$ 1,156	\$ 1,187
Expense Allocation		(11,377)	(13,085)	(14,151)	(15,248)	(16,653)
<b>Change in Net Position</b>		<b>\$ 9,113</b>	<b>\$ 4,281</b>	<b>\$ (756)</b>	<b>\$ (4,836)</b>	<b>\$ (9,012)</b>
<b>Add Back</b>						
Depreciation		\$ 15,479	\$ 16,684	\$ 20,375	\$ 24,455	\$ 28,240
Interest Expense		8,228	11,622	16,995	19,861	21,039
Intergovernmental Expense		1,368	1,543	1,694	1,864	2,020
<b>Net Available for Debt Service</b>		<b>\$ 34,189</b>	<b>\$ 34,131</b>	<b>\$ 38,309</b>	<b>\$ 41,344</b>	<b>\$ 42,287</b>
<b>Minus</b>						
Debt Service		\$ (11,469)	\$ (15,742)	\$ (22,767)	\$ (26,688)	\$ (28,377)
Restricted Funds - Impact Fees		(6,849)	(8,233)	(9,497)	(10,585)	(10,963)
Intergovernmental Expense		(1,368)	(1,543)	(1,694)	(1,864)	(2,020)
Contingency Reserve		(1,065)	(1,033)	(831)	(753)	(1,106)
<b>Net Revenues Available for Capital</b>		<b>\$ 13,437</b>	<b>\$ 7,580</b>	<b>\$ 3,519</b>	<b>\$ 1,455</b>	<b>\$ (179)</b>
<b>Capital Expenditures</b>						
Projects		\$ 67,945	\$ 87,482	\$ 51,889	\$ 44,794	\$ 54,131
Equipment		863	710	475	342	509
Support Services Allocated Capital		21,988	25,557	16,217	6,289	1,025
<b>Total Capital Expenditures</b>		<b>\$ 90,796</b>	<b>\$ 113,749</b>	<b>\$ 68,581</b>	<b>\$ 51,424</b>	<b>\$ 55,665</b>
<b>Capital Expenditures - Funding</b>						
New Debt Requirement		\$ 69,831	\$ 97,766	\$ 55,395	\$ 38,350	\$ 44,711
Impact Fees - Capital Projects		6,849	8,233	9,497	10,585	10,963
CIAOC & Grant Funding		679	170	170	1,035	170
Revenue		13,437	7,580	3,519	1,455	(179)
<b>Total Capital Funding</b>		<b>\$ 90,796</b>	<b>\$ 113,749</b>	<b>\$ 68,581</b>	<b>\$ 51,424</b>	<b>\$ 55,665</b>
<b>Debt Service Excluding Commercial Paper</b>		<b>\$ 10,389</b>	<b>\$ 14,686</b>	<b>\$ 21,770</b>	<b>\$ 26,363</b>	<b>\$ 27,886</b>
<b>Debt Service Coverage</b>		<b>3.29</b>	<b>2.32</b>	<b>1.76</b>	<b>1.57</b>	<b>1.52</b>
<b>Adjusted Debt Service Coverage (Including City Transfer)</b>		<b>2.86</b>	<b>2.07</b>	<b>1.61</b>	<b>1.48</b>	<b>1.42</b>

# Wastewater Revenue by Rate Class



<b>WASTEWATER REVENUE BY RATE CLASS</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Forecast</b>	<b>Budget</b>
<b>\$ IN THOUSANDS</b>	<b>FY 2021</b>	<b>FY 2022</b>	<b>FY 2023</b>	<b>FY 2024*</b>	<b>FY 2025**</b>
Residential	\$ 12,971	\$ 15,708	\$ 18,476	\$ 22,182	\$ 22,984
Multi Unit	3,137	3,712	4,139	4,741	5,015
Commercial	5,979	7,726	8,716	9,534	10,294
Other	232	394	653	749	1,068
<b>TOTAL</b>	<b>\$ 22,319</b>	<b>\$ 27,541</b>	<b>\$ 31,984</b>	<b>\$ 37,206</b>	<b>\$ 39,360</b>



# Top Five Financial Investments

## High-Level Overview

### McKenzie Water Reclamation Facility Expansion - \$53.6M

This project includes expansion of the plant's treatment capacity from 2.5 Million Gallons per Day (MGD) to 5 MGD, including: construction of a new flow splitter box, expansion of headworks facilities, construction of new biological treatment basins, construction of new secondary clarifiers, expansion of tertiary filters, expansion of Ultraviolet (UV) disinfection equipment, expansion of aerobic digestions, expansion of solids dewatering system, and construction of new electrical equipment, site piping, and miscellaneous site civil improvements. The project will increase treatment capacity to serve current and future growth in the area.

### Kuehler WFR Rehabilitation - \$47.0M

The project includes replacing existing aeration equipment, walkways, and gates in all the aerations basins except the new basins at the south plant, replacing the existing clarifiers including the addition of a submerged effluent launder system at the south plant, replacing all existing blowers at the north and south plant, replacing the existing MCCs in the sludge pump buildings, replacing the MCC in the administration building at the south plant, rehabilitation of the existing buried RAS piping at the south plant, replacing the existing drain return pumps at the north plant, addition of a new digester blower at the north plant, replacing the existing screening and grit treatment structures at both plants with a new common headworks with screens, aerated grit chambers, lift station, and elevated flow split structure, and constructing a new access road from FM-725 and a private vehicular traffic bridge across the North tributary.

### McKenzie Interceptor Upgrade - \$45.9M

This project includes approximately 35,000 feet of new 30-inch wastewater main that will replace existing 21-inch and 24-inch interceptors conveying flow to the McKenzie Water Reclamation Facility. The existing lines are near their maximum capacity and must be replaced. This project will increase transmission capacity to serve current and future growth in the area.

### Gruene WRF Expansion - \$20.7M

This project includes expansion of the Plant's treatment capacity from 2.5 MGD to 5 MGD including: construction of a new flow splitter box, expansion of the headworks facilities, construction of new biological treatment basins, construction of new secondary clarifiers, expansion of tertiary filters, expansion of ultra violet disinfection equipment, expansion of aerobic digestions, expansion of solids dewatering system, and construction of new electrical equipment, site piping, and miscellaneous site civil improvements. This project will increase treatment capacity to serve current and future growth in the area.

### IH 35 Interceptor Upgrade - \$16.1M

This project includes approximately 7,500 linear feet of new 36, 30, 15, 12, and 8-inch diameter wastewater main, replacing existing interceptors conveying flow to the Rio Lift Station; a redesign and lowering of the Rio Bar Screen Vault to eliminate backwater within the incoming interceptors; and, the addition of an odor control unit. This project will replace infrastructure at the end of its service life and increase transmission capacity to serve current and future growth in the area.

WASTEWATER SERVICES CAPITAL PROJECTS	Budget	Forecast				Total
	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	5-Yr. Plan
McKenzie WRF Expansion	\$ 33,397,956	\$ 20,244,653	\$ -	\$ -	\$ -	\$ 53,642,610
McKenzie Interceptor Upgrade	12,651,763	30,872,746	2,344,491	-	-	45,869,001
Kuehler WRF Clarifier Rehabilitation	4,422,261	-	-	-	-	4,422,261
Sewer Infrastructure Replacement Package 2	4,129,702	4,120,239	-	-	-	8,249,941
I-35 Interceptor Upgrade	1,825,571	3,100,146	7,837,851	3,294,556	-	16,058,124
Gruene Rd Sewer Main Rehabilitation/Relocation	1,269,663	2,516,609	-	-	-	3,786,271
Infrastructure Replacement Package 1	1,214,821	-	-	-	-	1,214,821
Aging Infrastructure-WW	940,815	946,370	1,010,055	1,036,242	1,031,721	4,965,203
Dove Crossing Force Main	921,097	2,618,326	2,661,801	-	-	6,201,224
Kuehler WRF Rehabilitation	912,059	723,991	12,115,873	19,345,698	13,890,860	46,988,481
Manhole Rehabilitation	859,806	867,375	931,364	980,275	1,010,534	4,649,354
NKI Odor Control Facility	579,309	-	-	-	-	579,309
Simon Avenue Improvements CNB	524,517	-	-	-	-	524,517
Goodwin/Conrads Adjustments CNB-WW	492,794	334,874	-	-	-	827,669
Gruene Lift Station Expansion	472,501	1,237,109	672,751	-	-	2,382,360
San Antonio St Rehabilitation Phase 3 CNB	452,363	743,174	439,909	-	-	1,635,446
North Kuehler Interceptor - Segment 3	431,759	543,278	4,905,980	4,768,246	-	10,649,263
Solms Lift Station Expansion	406,813	-	-	-	-	406,813
City Street Projects CNB	393,776	128,179	1,605,260	1,013,431	144,194	3,284,839
Sewer Infrastructure Replacement Package 1	304,277	2,377,416	-	-	-	2,681,693
System Extensions-WW	205,479	209,226	231,995	242,685	250,395	1,139,781
South Kuehler Interceptor Phase 1	168,096	6,922,585	3,328,584	-	-	10,419,266
Kuehler WRF Access Road - Courtyard Dr.	163,226	70,034	1,305,630	-	-	1,538,890
Infrastructure Replacement Package 3	152,075	1,574,383	-	-	-	1,726,458
Saengerhalle North Interceptor	136,054	2,414,891	2,464,026	-	-	5,014,971
San Antonio St Phase 4 CNB WW	125,373	476,904	1,023,095	-	-	1,625,371
Coll Street Relocations CNB	107,534	62,622	507,420	289,647	-	967,223
Technology Upgrades-WW	104,011	107,509	124,632	133,182	142,581	611,915
Solms Road Relocations CNB	98,671	164,792	401,517	404,056	-	1,069,035
Infrastructure Replacement Package 2	80,513	1,636,484	-	-	-	1,716,997
Solms LS and Force Main	-	1,185,221	2,748,735	4,968,564	4,903,431	13,805,949
Gruene WRF Expansion	-	1,181,103	2,887,829	3,328,249	13,340,876	20,738,057
Mill Street Improvements CNB WW	-	102,155	842,272	-	-	944,427
South Kuehler Interceptor Phase 2	-	-	847,923	1,798,767	7,286,692	9,933,382
Walnut Heights Wastewater Main	-	-	650,148	766,034	3,146,539	4,562,720
Mather Street Wastewater Main	-	-	-	472,107	1,935,265	2,407,372
South Mesquite Avenue Improvements WW	-	-	-	448,832	2,426,322	2,875,154
Torrey St Wastewater Main	-	-	-	395,854	463,187	859,041
River Gardens Wastewater Main	-	-	-	319,159	754,547	1,073,705
Comal Ave Wastewater Main	-	-	-	318,050	1,416,928	1,734,978
Loop 337 Wastewater Main	-	-	-	308,075	538,482	846,557
Dahlia Lift Station Decommission	-	-	-	161,999	414,954	576,953
South Kuehler Interceptor Phase 3	-	-	-	-	1,033,904	1,033,904
<b>TOTAL CAPITAL PROJECTS - WASTEWATER</b>	<b>\$ 67,944,655</b>	<b>\$ 87,482,394</b>	<b>\$ 51,889,138</b>	<b>\$ 44,793,707</b>	<b>\$ 54,131,411</b>	<b>\$ 306,241,306</b>

WASTEWATER SERVICES CAPITAL EQUIPMENT	Budget	Forecast				Total
	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	5-Yr Plan
Ford Escape	\$ 50,000	\$ 25,000	\$ -	\$ -	\$ -	\$ 75,000
Ford F-150	-	56,000	-	-	-	56,000
Ford F-150	-	56,000	-	-	-	56,000
CAT Skid Steer	-	-	-	60,000	-	60,000
CAT Skid Steer	-	-	-	60,000	-	60,000
Ford F-150	-	-	-	56,000	-	56,000
Ford F-150	-	-	-	-	56,000	56,000
<b>Total Wastewater Treatment &amp; Compliance</b>	<b>\$ 50,000</b>	<b>\$ 137,000</b>	<b>\$ -</b>	<b>\$ 176,000</b>	<b>\$ 56,000</b>	<b>\$ 419,000</b>
<b>TOTAL CAPITAL EQUIPMENT - WASTEWATER</b>	<b>\$ 50,000</b>	<b>\$ 137,000</b>	<b>\$ -</b>	<b>\$ 176,000</b>	<b>\$ 56,000</b>	<b>\$ 419,000</b>

SHARED WATER/WASTEWATER SERVICES CAPITAL EQUIPMENT	Budget	Forecast				Total
	FY 2025	FY2026	FY 2027	FY 2028	FY 2029	5-Yr Plan
SEA Combo Unit	\$ 440,000	\$ -	\$ -	\$ -	\$ -	\$ 440,000
International Dump Truck	405,000	-	-	-	-	405,000
Ford F-550 Water/ International CV	260,000	-	-	-	-	260,000
CAT Backhoe w/Ext	160,000	-	-	-	-	160,000
CAT Backhoe	140,000	-	-	-	-	140,000
CCTV Camera for unit 206	85,000	-	-	-	-	85,000
Ford F-150	56,000	-	-	-	-	56,000
Large CCTV camera for new CCTV truck	50,000	-	-	-	-	50,000
Tools to outfit the two F550's for FY25 new employees	30,000	-	-	-	-	30,000
CCTV Truck	-	400,000	-	-	-	400,000
International MV 607	-	185,000	-	-	-	185,000
CAT Wheel Loader	-	160,000	-	-	-	160,000
International Dump Truck	-	135,000	-	-	-	135,000
International Dump Truck	-	135,000	-	-	-	135,000
Ford F-550 Water/ International CV	-	130,000	-	-	-	130,000
SEA Combo Unit	-	-	440,000	-	-	440,000
Vermeer VX 75	-	-	185,000	-	-	185,000
CAT Mini Excavator	-	-	90,000	-	-	90,000
Ford F-150	-	-	56,000	-	-	56,000
Ford F-150	-	-	56,000	-	-	56,000
6" Water Pump	-	-	37,000	-	-	37,000
Tilt Trailer	-	-	30,000	-	-	30,000
Equipment Trailer	-	-	25,000	-	-	25,000
Dump Trailer	-	-	15,000	-	-	15,000
Dump Trailer	-	-	15,000	-	-	15,000
CAT Backhoe	-	-	-	140,000	-	140,000
Sewer Easement Machine	-	-	-	80,000	-	80,000
Ford F-150	-	-	-	56,000	-	56,000
Ford F-150	-	-	-	56,000	-	56,000
CCTV Truck	-	-	-	-	400,000	400,000
CAT Wheel Loader	-	-	-	-	160,000	160,000
International Dump Truck	-	-	-	-	135,000	135,000
Ford F-550 Water/ International CV	-	-	-	-	130,000	130,000
Ford F-150	-	-	-	-	56,000	56,000
Equipment Trailer	-	-	-	-	25,000	25,000
<b>TOTAL CAPITAL EQUIPMENT - SHARED WATER / WASTEWATER</b>	<b>\$ 1,626,000</b>	<b>\$ 1,145,000</b>	<b>\$ 949,000</b>	<b>\$ 332,000</b>	<b>\$ 906,000</b>	<b>\$ 4,958,000</b>







Support Services Operating Budget \$ in Thousands	Budget FY 2025	Forecast FY 2026	Forecast FY 2027	Forecast FY 2028	Forecast FY 2029
<b>Operating Expenses</b>					
Operating Expenses	\$ 35,072	\$ 40,636	\$ 43,951	\$ 47,237	\$ 51,796
<b>Total Operating Expenses</b>	<b>\$ 35,072</b>	<b>\$ 40,636</b>	<b>\$ 43,951</b>	<b>\$ 47,237</b>	<b>\$ 51,796</b>
<b>Non-Operating Revenue/(Expense)</b>					
Interest Income	\$ 6,174	\$ 4,910	\$ 3,646	\$ 3,048	\$ 3,114
Other Income	614	645	677	711	746
<b>General &amp; Administrative Expense</b>					
Credit Card Processing	(1,156)	(1,256)	(1,356)	(1,456)	(1,556)
Property & Liability Insurance	(805)	(926)	(1,065)	(1,224)	(1,408)
Community Assistance	(466)	(491)	(516)	(541)	(566)
Rebates	(886)	(911)	(936)	(961)	(986)
Intergovernmental Expense	(11,907)	(12,929)	(14,366)	(15,449)	(16,630)
<b>Total Non-Operating Revenue/(Expense)</b>	<b>\$ (8,431)</b>	<b>\$ (10,959)</b>	<b>\$ (13,915)</b>	<b>\$ (15,873)</b>	<b>\$ (17,285)</b>
<b>Net Income Before Allocation</b>	<b>\$ (43,503)</b>	<b>\$ (51,595)</b>	<b>\$ (57,866)</b>	<b>\$ (63,110)</b>	<b>\$ (69,082)</b>
Income Allocation	\$ (6,788)	\$ (5,554)	\$ (4,323)	\$ (3,758)	\$ (3,861)
Expense Allocation	50,291	57,149	62,189	66,869	72,942
<b>Change in Net Position</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Capital Expenditures</b>					
Projects	\$ 63,065	\$ 74,913	\$ 47,354	\$ 18,329	\$ 2,902
Equipment	1,610	256	345	168	112
<b>Total Capital Expenditures</b>	<b>\$ 64,675</b>	<b>\$ 75,169</b>	<b>\$ 47,699</b>	<b>\$ 18,497</b>	<b>\$ 3,014</b>
<b>Capital Expenditures - Funding</b>					
Grants & Other Proceeds	\$ 2,000	\$ 500	\$ 500	\$ 3,050	\$ 500
Other Funding Sources	62,675	74,669	47,199	15,447	2,514
<b>Total Capital Funding</b>	<b>\$ 64,675</b>	<b>\$ 75,169</b>	<b>\$ 47,699</b>	<b>\$ 18,497</b>	<b>\$ 3,014</b>
<b>Excess Revenue</b>	<b>\$ (64,675)</b>	<b>\$ (75,169)</b>	<b>\$ (47,699)</b>	<b>\$ (18,497)</b>	<b>\$ (3,014)</b>

SUPPORT SERVICES CAPITAL PROJECTS	Budget	Forecast				Total
	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	5-Yr. Plan
Headwaters at the Comal	\$ 5,000,000	\$ 3,362,038	\$ 3,362,038	\$ -	\$ -	\$ 11,724,076
<b>Total Headwaters at the Comal</b>	<b>\$ 5,000,000</b>	<b>\$ 3,362,038</b>	<b>\$ 3,362,038</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 11,724,076</b>
New Braunfels Headquarters, Maintenance, and Support Facility	\$ 45,858,000	\$ 62,858,000	\$ 40,758,000	\$ 15,358,000	\$ -	\$ 164,832,000
Backup Operations Center	3,437,640	4,718,200	-	-	-	8,155,840
New Braunfels Police Department / Annex	615,000	-	-	-	-	615,000
Future Facilities Rehab Projects	162,000	170,100	178,605	187,535	196,912	895,152
River Chase Fence	32,000	-	-	-	-	32,000
Personnel Workstation	30,000	30,000	30,000	30,000	30,000	150,000
<b>Total Fleet / Facilities</b>	<b>\$ 50,134,640</b>	<b>\$ 67,776,300</b>	<b>\$ 40,966,605</b>	<b>\$ 15,575,535</b>	<b>\$ 226,912</b>	<b>\$ 174,679,992</b>
Fiber Network Distribution Expansion	\$ 1,000,000	\$ 400,000	\$ -	\$ -	\$ -	\$ 1,400,000
Data Center Relocation	350,000	-	350,000	-	-	700,000
RuggedCom Switch Replacement	200,000	200,000	-	-	-	400,000
Upgrade or Replace all NBU Radios	200,000	-	-	-	-	200,000
iPads for Cityworks Mobile and mCare	40,000	-	-	-	-	40,000
<b>Total Technology</b>	<b>\$ 1,790,000</b>	<b>\$ 600,000</b>	<b>\$ 350,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,740,000</b>
Water SCADA Replacement and Integration	\$ 800,000	\$ -	\$ -	\$ -	\$ -	\$ 800,000
Equipment Lifecycle Management	750,000	750,000	1,500,000	1,500,000	1,500,000	6,000,000
Electric SCADA	75,000	-	-	-	-	75,000
EGM Line Sensor Pilot	50,000	-	-	-	-	50,000
Milsoft Field Syte	50,000	-	-	-	-	50,000
<b>Total Systems Control</b>	<b>\$ 1,725,000</b>	<b>\$ 750,000</b>	<b>\$ 1,500,000</b>	<b>\$ 1,500,000</b>	<b>\$ 1,500,000</b>	<b>\$ 6,975,000</b>
GIS Utility Network Migration	\$ 2,000,000	\$ -	\$ -	\$ -	\$ -	\$ 2,000,000
Settlement Software	500,000	-	-	-	-	500,000
Emerging Technologies Data Strategy Initiatives	500,000	500,000	500,000	500,000	500,000	2,500,000
Next Gen AI	250,000	250,000	250,000	250,000	250,000	1,250,000
GP Replacement	200,000	1,000,000	-	-	-	1,200,000
Customer Bill Pay Portal	160,000	-	-	-	-	160,000
Northstar Smart VX	80,000	-	-	-	-	80,000
CIS Functionality Upgrade	50,000	-	-	-	-	50,000
Customer Service Kiosk	-	-	-	78,000	-	78,000
<b>Total Data Strategy</b>	<b>\$ 3,740,000</b>	<b>\$ 1,750,000</b>	<b>\$ 750,000</b>	<b>\$ 828,000</b>	<b>\$ 750,000</b>	<b>\$ 7,818,000</b>
Security Department Enhancements	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 1,500,000
<b>Total Security</b>	<b>\$ 300,000</b>	<b>\$ 300,000</b>	<b>\$ 300,000</b>	<b>\$ 300,000</b>	<b>\$ 300,000</b>	<b>\$ 1,500,000</b>
OT Cybersecurity	\$ 250,000	\$ 250,000	\$ -	\$ -	\$ -	\$ 500,000
Cyber Security Systems	125,000	125,000	125,000	125,000	125,000	625,000
<b>Total Cyber Security</b>	<b>\$ 375,000</b>	<b>\$ 375,000</b>	<b>\$ 125,000</b>	<b>\$ 125,000</b>	<b>\$ 125,000</b>	<b>\$ 1,125,000</b>
<b>TOTAL CAPITAL PROJECTS - SUPPORT</b>	<b>\$ 63,064,640</b>	<b>\$ 74,913,338</b>	<b>\$ 47,353,643</b>	<b>\$ 18,328,535</b>	<b>\$ 2,901,912</b>	<b>\$ 206,562,068</b>



SUPPORT SERVICES CAPITAL EQUIPMENT	Budget	Forecast				Total
	FY 2025	FY2026	FY 2027	FY 2028	FY 2029	5-Yr Plan
CAT Forklift Large	\$ -	\$ 100,000	\$ -	\$ -	\$ -	\$ 100,000
Ford F-150	-	56,000	-	-	-	56,000
CAT Forklift Med	-	-	75,000	-	-	75,000
CAT Forklift Med	-	-	75,000	-	-	75,000
Ford Escape	-	-	25,000	-	-	25,000
<b>Total Purchasing</b>	<b>\$ -</b>	<b>\$ 156,000</b>	<b>\$ 175,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 331,000</b>
CAT Forklift Med	\$ -	\$ 75,000	\$ -	\$ -	\$ -	\$ 75,000
Flatbed Equipment Trailer	20,000	-	-	-	-	20,000
Ford F-550 Water/ International CV	-	-	130,000	-	-	130,000
Ford Explorer	-	-	40,000	-	-	40,000
Ford F-150	-	-	-	-	56,000	56,000
Ford F-150	-	-	-	-	56,000	56,000
<b>Total Fleet and Facilities</b>	<b>\$ 20,000</b>	<b>\$ 75,000</b>	<b>\$ 170,000</b>	<b>\$ -</b>	<b>\$ 112,000</b>	<b>\$ 377,000</b>
Ford Escape Plug-in Hybrid	\$ -	\$ -	\$ -	\$ 42,000	\$ -	\$ 42,000
Ford Escape Plug-in Hybrid	-	-	-	42,000	-	42,000
Ford Escape Plug-in Hybrid	-	-	-	42,000	-	42,000
Ford Escape Plug-in Hybrid	-	-	-	42,000	-	42,000
<b>Total Conservation and Customer Solutions</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 168,000</b>	<b>\$ -</b>	<b>\$ 168,000</b>
Copiers and Printers	\$ 20,000	\$ -	\$ -	\$ -	\$ -	\$ 20,000
Firewall and VPN Replacement	150,000	-	-	-	-	150,000
Meraki Wifi Replacements	50,000	-	-	-	-	50,000
Network Equipment	250,000	-	-	-	-	250,000
PC Replacements	200,000	-	-	-	-	200,000
Server Replacements	750,000	-	-	-	-	750,000
Software Replacement	130,000	-	-	-	-	130,000
Tele-Communications Equipment and Enhancements	30,000	-	-	-	-	30,000
UPS Replacements	10,000	-	-	-	-	10,000
<b>Total Technology</b>	<b>\$ 1,590,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,590,000</b>
Ford Escape	\$ -	\$ 25,000	\$ -	\$ -	\$ -	\$ 25,000
<b>Total System Control</b>	<b>\$ -</b>	<b>\$ 25,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 25,000</b>
<b>TOTAL SUPPORT SERVICES</b>	<b>\$ 1,610,000</b>	<b>\$ 256,000</b>	<b>\$ 345,000</b>	<b>\$ 168,000</b>	<b>\$ 112,000</b>	<b>\$ 2,491,000</b>





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