

May 16, 2025

**OFFICIAL NOTICE
OF A
REGULAR MONTHLY MEETING**

The Kerrville Public Utility Board (KPUB) and Kerrville Public Utility Board Public Facility Corporation (KPFC) will hold its Regular Joint Monthly Meeting on Wednesday, May 21, 2025, beginning at 8:30 a.m. The meeting will be held in the KPUB Conference Room at the Utility Board offices located at 2250 Memorial Blvd. The meeting site is accessible to handicapped persons. A copy of the agenda is attached to this notice.



Lidia S. Goldthorn, Assistant Secretary

AGENDA
KERRVILLE PUBLIC UTILITY BOARD (KPUB) AND
KERRVILLE PUBLIC FACILITY CORPORATION (KPFC)
REGULAR JOINT MONTHLY MEETING
WEDNESDAY, MAY 21, 2025, 8:30 A.M.
KPUB CONFERENCE ROOM
KERRVILLE PUBLIC UTILITY BOARD OFFICES
2250 MEMORIAL BLVD.
KERRVILLE, TEXAS

Pursuant to Chapter 551.127, Texas Government Code, one or more members of the Board of Directors or employees may attend this meeting remotely using videoconferencing technology. The video and audio feed of the videoconferencing equipment can be viewed and heard by the public at the address posted above as the location of the meeting.

CALL TO ORDER:

INVOCATION AND PLEDGE OF ALLEGIANCE:

1. CITIZEN/CONSUMER OPEN FORUM:

Members of the public may address the Board. Prior to speaking, each speaker must sign in with their name, address and the topic to be addressed. The Board may not discuss or take any action on an item not on the agenda but may place the issue on a future agenda. The number of speakers will be limited to the first ten speakers and each speaker is limited to four minutes.

2. AWARDING OF KPUB SCHOLARSHIPS FOR 2024-2025 SCHOOL YEAR – ALLISON BUECHÉ, DIRECTOR OF CUSTOMER & COMMUNITY RELATIONS (KPUB):

1

3. ANNOUNCEMENTS OF COMMUNITY INTEREST:

Announcements of community interest, including expressions of thanks, congratulations, or condolences; information regarding holiday schedules; honorary recognition of KPUB officials, employees; reminders about upcoming events sponsored by KPUB. No action taken.

****Please note: Upcoming KPUB Board Meetings are tentatively scheduled for:***

- ***Wednesday, June 18, 2025 at 8:30 a.m.***
- ***Wednesday, July 16, 2025 at 8:30 a.m.***
- ***Wednesday, August 20, 2025 at 8:30 a.m. (possible change to August 27)***
- ***Wednesday, September 17, 2025 at 8:30 a.m.***

4. **MOTION TO VOTE AND RECESS THE PUBLIC MEETING AND RECONVENE IN AN EXECUTIVE CLOSED SESSION (KPUB and KPFC):**

I. EXECUTIVE CLOSED SESSION – CONSULTATION WITH ATTORNEY:

In accordance with Texas Statutes Subchapter D, Chapter 551, Government Code Section §551.071, the Kerrville Public Utility Board will recess for the purpose of “Consultation With Attorney” regarding the following matter:

- A. Consultation with Attorney Regarding Pending or Contemplated Litigation – Mike Wittler, CEO
- B. Consultation with Attorney on a matter in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with this chapter – Mike Wittler, CEO

II. EXECUTIVE CLOSED SESSION – COMPETITIVE MATTERS:

In accordance with Texas Statutes Subchapter D, chapter 551, Government Code Section §551.086, the Kerrville Public Utility Board will recess to discuss and take any necessary action on the following “Competitive Matters”:

- A. Bidding and pricing information for purchased power, generation and fuel, and Electric Reliability Council of Texas bids, prices, offers, and related services and strategies; Risk management information, contracts, and strategies, including fuel hedging and storage
 - (1) Discussion and Possible Action on Hedging Activities, ERCOT Activities, Wholesale Power Contracts and Generation – Mike Wittler, CEO

III. EXECUTIVE CLOSED SESSION - DELIBERATION REGARDING REAL PROPERTY:

In accordance with Texas Statutes Subchapter D, chapter 551, Government Code Section §551.072, the Kerrville Public Utility Board will recess for the purpose of “Deliberation Regarding Real Property” regarding the following matters:

- A. Consideration and action on the purchase of real estate – Mike Wittler, CEO

IV. EXECUTIVE CLOSED SESSION – PERSONNEL MATTERS:

In accordance with Texas Statutes Subchapter D, chapter 551, Government Code Section §551.074, the Kerrville Public Utility Board will recess to deliberate the following “Personnel Matters”:

- A. Deliberation as to Appointment of Officers to the Board of Trustees and Assignment to Board Committees – Mike Wittler, CEO

5. **CONSIDERATION AND ACTION AS A RESULT OF EXECUTIVE CLOSED SESSIONS (KPUB and KPFC):**

6.	<u>CONSENT AGENDA (KPUB):</u>	
	These items are considered routine and can be approved in one motion unless a Board Member asks for separate consideration of an item. It is recommended that the Board approve the following items which will grant the General Manager to take all actions necessary for each approval:	
6A.	APPROVAL OF MINUTES – Approval of the April 9, 2025, Regular Joint Monthly Board Meeting Minutes	2
6B.	RESOLUTION NO. 25-08 – AMY DOZIER, ASSISTANT GENERAL MANAGER. A Resolution approving payment to various providers of services or supplies	7
6C.	RESOLUTION NO. 25-09 – AMY DOZIER, ASSISTANT GENERAL MANAGER. A Resolution authorizing and approving signatures for the Kerrville Public Utility Board of Trustees and Management for purposes of bank accounts, investments and financial transactions (Happy State Bank)	10
6D.	RESOLUTION NO. 25-10 – AMY DOZIER, ASSISTANT GENERAL MANAGER. A Resolution approving and changing authorized representatives for Local Government Investment Cooperative (LOGIC)	11
6E.	RESOLUTION NO. 25-11 – AMY DOZIER, ASSISTANT GENERAL MANAGER. A Resolution approving and amending authorized representatives for Texas Local Government Investment Pool (TexPool)	13
6F.	RESOLUTION NO. 25-12 – AMY DOZIER, ASSISTANT GENERAL MANAGER. A Resolution approving participation in the Texas Cooperative Liquid Assets Securities System Trust (Texas CLASS)	16
6G.	MARCH 2025 QUARTERLY FUNDS REPORT – AMY DOZIER, ASSISTANT GENERAL MANAGER. Acceptance of the March 2025, Quarterly Funds Report	19
6H.	RESOLUTION NO. 25-13 – HOWARD HALL, SUPERVISOR OF FIELD SERVICES. A Resolution adopting the FEMA approved Kerr County, Texas Multi-Jurisdiction Hazard Mitigation Plan	22
6I.	APPROVAL AND REPORTING OF PURCHASES AND SALES:	
	1. Jack Furman Transformer Addition Construction Contract (Tony Perez)	34
7.	<u>FINANCIAL REPORT – AMY DOZIER, ASSISTANT GENERAL MANAGER:</u>	36
8.	<u>CONSIDERATION AND ACTION ON RESOLUTION NO. 25-02 – AMY DOZIER, ASSISTANT GENERAL MANAGER (KPFC):</u>	
	A Resolution for the annual approval of the Board’ Investment Policy and Strategy, which also includes authorized brokers and dealers	53
9.	<u>ENGINEERING AND OPERATIONS PROJECTS, AND CAPITAL BUDGET REPORT – TONY PEREZ, DIRECTOR OF ENGINEERING (KPUB):</u>	68

10.	<u>QUARTERLY RELIABILITY REPORT (KPUB) – HOWARD HALL, FIELD SERVICES SUPERVISOR:</u>	78
11.	<u>ADJOURNMENT (KPUB and KPFC)</u>	

MEMORANDUM

To: Bill Thomas
Glenn Andrew
Rachel Johnston
Larry Howard
Mayor Joe Herring, Jr.

From: Allison Bueché

Date: May 14, 2025

Re: Agenda Item No. 2–Awarding of KPUB Scholarships for 2024-2025 Year

We are pleased to announce that KPUB has received two additional applications for the Trade and Technical School Scholarship Program, which accepts submissions on a year-round basis.

Last month, we awarded one scholarship under this program to Weston Merritt, a senior at Ingram Tom Moore High School. Weston plans to attend Texas State Technical College in Waco to pursue a degree in Automotive Technology.

Following careful review of the newly submitted applications, we are proud to award two more scholarships to the following students:

Jesus Segura Jr., a senior at Center Point High School, plans to attend the Universal Technical Institute of Austin to pursue a career in welding.

Lily Romero, a senior at Tivy High School, will attend the Aveda Arts and Science Institute in San Antonio, where she plans to major in Cosmetology. Lily also intends to further her education by earning her esthetician license later.

Each recipient will receive a \$1,000 scholarship, renewable annually for up to two years, for a total potential award of \$2,000. With these additions, KPUB will be awarding a total of \$18,000 in scholarships this year to five graduating seniors, including both undergraduate and trade/technical school recipients.

We are proud to support these students as they pursue their professional training and contribute to the skilled workforce in our community.

Sincerely,



Allison Bueché
Director of Customer & Community
Relations

**MINUTES OF THE
KERRVILLE PUBLIC UTILITY BOARD
REGULAR MONTHLY MEETING
WEDNESDAY, APRIL 9, 2025, AT 8:30 A.M.
KPUB CONFERENCE ROOM
KERRVILLE PUBLIC UTILITY BOARD OFFICES
2250 MEMORIAL BLVD.
KERRVILLE, TEXAS**

TRUSTEES PRESENT:

Larry Howard
Bill Thomas
Glenn Andrew
Rachel Johnston
Mayor Joe Herring, Jr.

STAFF PRESENT:

Mike Wittler, General Manager and CEO
Amy Dozier, Assistant General Manager
Tony Perez, Director of Engineering
Annette Gonzales, Director of Human Resources
Allison Bueché, Director of Customer and Community Relations
Robby McCutcheon, Director of Information Technology
Larry Lee, Director of Operations
Jill Cook, Accounting Supervisor
Damon Richardson, Purchasing Agent
Lidia S. Goldthorn, Assistant Secretary to the Board

TRUSTEES ABSENT:

OTHERS PRESENT:

Stephen Schulte, Legal Counsel
John Bonnin
Bo Hardy, Brian Hardy, Leontine Hardy
Cheryl Merritt, Robert Merritt, Weston Merritt
Kory Anson, Abigail Anson

CALL TO ORDER:

Mr. Larry Howard, Chairman and President, called the Regular Monthly Meeting to order at 8:30 a.m.

INVOCATION AND PLEDGE OF ALLEGIANCE:

1. CITIZEN/CONSUMER OPEN FORUM:

There were no citizens/consumers to speak.

2. ANNOUNCEMENTS OF COMMUNITY INTEREST:

Ms. Bueché highlighted employee anniversaries for April with a combined service of 46 years. KPUB received the APPA Safety Award of Excellence, Diamond Level for the 6th time in the 7 years KPUB

has received this award. Ms. Bueché also announced the promotion of Larry Lee to Director of Operations. Lineman Justin Martinez was gifted a handmade quilt from The Giver Connection, after a drawing from eight KPUB linemen who volunteered for a crucial three-week mutual aid mission to restore power in Georgia and Florida following hurricanes Helene and Milton. Employees volunteered at a Food Pantry event on March 31st, along with an upcoming Food Pantry scheduled for April 28th. Upcoming events include KPUB Power Hour on April 24th, Community Weatherization Event on May 9th, a Community Blood Drive on June 18th and Chamber Networking Luncheon on May 15th. Ms. Bueché added that the customer satisfaction survey opens on April 15th. Mr. Wittler noted the following upcoming board meetings tentatively scheduled for:

- *Wednesday, May 21, 2025 at 8:30 a.m.*
- *Wednesday, June 18, 2025 at 8:30 a.m.*
- *Wednesday, July 16, 2025 at 8:30 a.m.*
- *Wednesday, August 20, 2025 at 8:30 a.m. (possible change to August 27)*

3. AWARDING OF KPUB SCHOLARSHIPS FOR 2024-2025 SCHOOL YEAR – ALLISON BUECHÉ, DIRECTOR OF CUSTOMER & COMMUNITY RELATIONS (KPUB):

Ms. Bueché advised 2025 marks the thirteenth year that KPUB has awarded scholarships to local area students based on eligibility and guidelines as defined in the KPUB Scholarship program. This year's undergraduate scholarship application deadline was February 28, 2025 at 5:00 p.m. Thirty-nine qualified applications were received, the highest number to date in the program's history. However, no applications were received this year for KPUB's trade and technical school scholarship. She advised each undergraduate scholarship was thoroughly reviewed by the KPUB Scholarship Selection Committee, composed of Larry Howard, Holly Lambert (Ingram ISD) and Lauren Jette (KISD). Applicants were evaluated based on academic achievement, financial need, participation in school activities, work history, community service and a short essay. The two top-scoring applicants and recipients of this year's undergraduate scholarships, were Bo Hardy and Abigail Anson. Bo Hardy, a senior at Ingram Tom Moore High School, has been accepted to Texas Tech University, where he plans to major in Agribusiness and pursue a career in agricultural real estate. Abigail Anson, a senior at Tivy High School, has been accepted to Tarleton State University, where she will major in Nursing with a goal of working in Pediatric Oncology. Each KPUB Scholarship is valued at \$1,500 per year and is renewable for up to four years, totaling \$6,000. Ms. Bueché congratulated all of the scholarship recipients on behalf of KPUB and wishes them continued success in their academic and professional journeys.

**At this time the Board took a quick break for a photograph of the scholarship recipients.*

4. CONSENT AGENDA:

Rachel Johnston, Treasurer, made a motion to accept items in the consent agenda as presented. Bill Thomas, Vice Chairman, seconded the motion. Vote was by a show of hands. Motion carried 5 – 0.

3A. APPROVAL OF MINUTES.

3B. RESOLUTION NO. 25-07 – AMY DOZIER, ASSISTANT GENREAL MANAGER. A Resolution approving payment to various providers of services or supplies.

END OF CONSENT AGENDA

5. FINANCIAL REPORT – AMY DOZIER, ASSISTANT GENERAL MANAGER:

Ms. Dozier advised that due to the early meeting date for April, financial results as well as the quarterly payment and investment reports were not yet available. However, she reported that beginning on April 10th, the power cost adjustment factor will change from 1.673645 to 1.796798. The new factor equates to a billed rate of \$105.00 for 1,000 kWh of residential power. Ms. Dozier noted that gas prices have remained above \$3.00 (Henry Hub spot price per MMBtu) since December 2024, with prices settling at a high of \$4.49 on March 10, 2025. Analysts cite increased demand related to exporting liquified natural gas (LNG) as new export facilities have recently opened. In addition, worries about increased demand due to high summer temperatures associated with drought patterns currently in place have driven futures prices over \$4.00 for all summer months. Ms. Dozier added that the March monthly survey of 28 Center and South Texas utilities shows an average rate of 128.22. KPUB's \$100.00 rate was the lowest. At \$105.00, KPUB's rate would rank as the third lowest.

6. CONSIDERATION AND POSSIBLE ACTION ON SCHEDULING REGULAR BOARD MEETINGS FOR THE KERRVILLE PUBLIC UTILITY BOARD PUBLIC FACILITY CORPORATION – MIKE WITTLER, CEO (KPFC):

For the ease and convenience of agenda postings and minutes, staff recommended that the Kerrville Public Facility Corporation set their regular meetings to coincide with the KPUB board meetings. Ms. Johnston so moved for KPUB. Mr. Thomas seconded the motion for KPUB. Vote was by show of hands. Motion carried 5 – 0. Ms. Johnston so moved KPFC. Mr. Thomas seconded the motion for KPFC. Vote was by show of hands. Motion carried 5 – 0.

7. MOTION TO VOTE AND RECESS THE PUBLIC MEETING AND RECONVENE IN AN EXECUTIVE CLOSED SESSION (KPUB and KPFC):

I. EXECUTIVE CLOSED SESSION – PERSONNEL MATTERS:

In accordance with Texas Statutes Subchapter D, Chapter 551, Government Code Section §551.074, the Kerrville Public Utility Board will recess to deliberate the following “Personnel Matters”:

- A. Duties and Compensation Benefits for the General Manager and CEO, and the Assistant General Manager

II. EXECUTIVE CLOSED SESSION - DELIBERATION REGARDING REAL PROPERTY:

In accordance with Texas Statutes Subchapter D, chapter 551, Government Code Section §551.072, the Kerrville Public Utility Board will recess for the purpose of “Deliberation Regarding Real Property” regarding the following matters:

- A. Consideration and action on the purchase of real estate – Tony Perez, Director of Engineering

III. EXECUTIVE CLOSED SESSION – CONSULTATION WITH ATTORNEY:

In accordance with Texas Statutes Subchapter D, Chapter 551, Government Code Section §551.071, the Kerrville Public Utility Board will recess for the purpose of “Consultation With Attorney” regarding the following matter:

- A. Consultation with Attorney Regarding Pending or Contemplated Litigation – Mike Wittler, CEO
- B. Consultation with Attorney on a matter in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with this chapter – Mike Wittler, CEO

IV. EXECUTIVE CLOSED SESSION – COMPETITIVE MATTERS:

In accordance with Texas Statutes Subchapter D, chapter 551, Government Code Section §551.086, the Kerrville Public Utility Board will recess to discuss and take any necessary action on the following “Competitive Matters”:

- A. Bidding and pricing information for purchased power, generation and fuel, and Electric Reliability Council of Texas bids, prices, offers, and related services and strategies; Risk management information, contracts, and strategies, including fuel hedging and storage;
 - (1) Discussion and Possible Action on Hedging Activities, ERCOT Activities, Wholesale Power Contracts and Generation – Mike Wittler, CEO

V. EXECUTIVE CLOSED SESSION - DELIBERATIONS REGARDING SECURITY DEVICES OR SECURITY AUDITS:

In accordance with Texas Statutes Subchapter D, Chapter 551, Government Code Section §551.076, the Kerrville Public Utility Board will recess to discuss and take any necessary action on the following “Deliberations Regarding Security Devices or Security Audits”:

- A. Cybersecurity Overview – Robby McCutcheon, Director of Information Technology

Staff asked the Board of Trustees if there was a motion that the Boards convene in Executive Closed Session to discuss “Personnel Matters” in accordance with Texas Statutes Subchapter D, Chapter 551, Government Code Section §551.074; “Deliberation Regarding Real Property” in accordance with Texas Statutes Subchapter D, Chapter 551, Government Code Section §551.072; “Consultation With Attorney” in accordance with Texas Statutes Subchapter D, Chapter 551, Government Code Section §551.071; “Competitive Matters” in accordance with Texas Statutes Subchapter D, Chapter 551, Government Code Section §551.086; and “Deliberation Regarding Security Devices or Security Audits” in accordance with Texas Statutes Subchapter D, Chapter 551, Government Code Section §551.076. Glenn Andrew, Secretary, for KPUB so moved. Mr. Thomas seconded the motion for KPUB. Vote was by show of hands. Motion carried 5 – 0. Mr. Andrew for KPFC so moved. Mr. Thomas seconded the motion for KPFC. Vote was by show of hands. Motion carried 5 – 0.

The Boards entered Executive Closed Session at 8:49 a.m. Chairman and President Howard adjourned the Executive Closed Session and reconvened into Open Session at 10:47 a.m.

12. CONSIDERATION AND ACTION AS A RESULT OF EXECUTIVE CLOSED SESSIONS (KPUB and KPFC):

Mr. Andrew made a motion to approve the Kerrville Public Utility Board Deferred Compensation Plan as modified. Mr. Thomas seconded the motion. Vote was by show of hands. Motion carried 5 – 0.

13. ADJOURNMENT (KPUB and KPFC)

Chairman and President Howard adjourned the Regular Board Meeting at 10:49 p.m.

Date Approved: _____

Bill Thomas, Chairman and President

ATTEST

Lidia S. Goldthorn, Assistant Secretary to the Board

MEMORANDUM

To: Bill Thomas
Glenn Andrew
Rachel Johnston
Larry Howard
Mayor Joe Herring, Jr.

From: Amy Dozier

Date: May 14, 2025

Re: Agenda Item No. 6B – Resolution No. 25-08

In accordance with Board Resolution No. 10-06 that requires monthly reporting of wire transfers exceeding \$20,000, this memo reports the following transfers between April 5, 2025 and May 14, 2025 for Board approval:

	Vendor	Description	Amount	Date
Purchased Power:				
1	Concho Bluff	March 2025	82,081.17	04/18/2025
2	CPS	March 2025	643,188.69	04/18/2025
3	NextEra	March 2025	484,436.00	04/18/2025
4	DG Solar	March 2025	60,983.79	04/23/2025
5	Engie	March 2025	52,258.02	04/29/2025
6	Garland	March 2025	214,303.86	04/30/2025
7	LCRA	March 2025	655,409.99	05/02/2025
Payroll:				
1	Payroll	Pay period ending 4/05/2025	169,391.81	04/11/2025
2	Payroll	Pay period ending 4/19/2025	164,844.74	04/25/2025
3	Payroll	Pay period ending 4/01/2025	3,750.00	04/30/2025
4	Payroll	Pay period ending 5/03/2025	167,149.63	05/09/2025
5	Payroll Taxes	Pay period ending 4/05/2025	60,652.70	04/16/2025
6	Payroll Taxes	Pay period ending 4/19/2025	58,023.50	04/30/2025
7	Payroll Taxes	Pay period ending 4/01/2025	814.89	05/05/2025
8	Payroll Taxes	Pay period ending 5/03/2025	59,870.12	05/14/2025
Employee Benefits:				
1	TMRS	Pension - March Payroll	116,184.36	04/07/2025
2	TX Health Benefits	Health Insurance - May	97,430.27	05/01/2025
3	TMRS	Pension - April Payroll	99,083.82	05/05/2025

	Vendor	Description	Amount	Date
Investment Transfers:				
1	Happy State Bank	Investment Transfer	600,000.00	04/07/2025
2	Happy State Bank	Investment Transfer	500,000.00	04/21/2025
3	Happy State Bank	Investment Transfer	700,000.00	04/25/2025
4	Happy State Bank	Investment Transfer	400,000.00	04/30/2025
5	Happy State Bank	Investment Transfer	300,000.00	05/09/2025
Interest Payment:				
1	Broadway Bank	Debt Interest - May 2025	37,580.55	04/29/2025
KPFC:				
1		Engines - 3rd Payment	1,975,403.00	04/21/2025
2		Management Fee	85,000.00	05/05/2025

I am happy to answer any questions regarding these transfers at your convenience.

Sincerely,



Amy Dozier
Assistant General Manager

RESOLUTION NO. 25-08

A RESOLUTION OF THE KERRVILLE PUBLIC UTILITY BOARD CONFIRMING AND AUTHORIZING THE PAYMENTS OF INVOICES AS APPROVED AND PRESENTED BY THE CHIEF FINANCIAL OFFICER AND GENERAL MANAGER / CEO.

WHEREAS, the providers of services or material have submitted invoices for payment;
and

WHEREAS, the Chief Financial Officer or General Manager/CEO has reviewed the invoices and approved payments for services rendered or material received.

WHEREAS, the items marked "Paid" have been previously approved by the Board and are included in this Resolution for information; now, therefore,

BE IT RESOLVED BY THE KERRVILLE PUBLIC UTILITY BOARD THAT:

Section 1. That the Kerrville Public Utility Board review payment of the items set forth on the preceding Schedule.

Section 2. That the Kerrville Public Utility Board instructs the General Manager/CEO or his designee to make said payments and ratifies the payment of the items marked "Paid."

Section 3. This Resolution shall take effect immediately from and after its passage.

PASSED, APPROVED AND ADOPTED on this 21st day of May, 2025

Bill Thomas, Chairman

ATTEST:

Rachel Johnston, Secretary

RESOLUTION NO. 25-09

A RESOLUTION OF THE KERRVILLE PUBLIC UTILITY BOARD AUTHORIZING AND APPROVING SIGNATURES FOR THE KERRVILLE PUBLIC UTILITY BOARD OF TRUSTEES AND MANAGEMENT FOR PURPOSES OF BANK ACCOUNTS, INVESTMENTS AND FINANCIAL TRANSACTIONS

WHEREAS, among the powers of the Board of Trustees, the power to have and exercise exclusive possession and control of the System and to collect and enforce the collection of funds and revenues and to disburse the same in accordance with the provisions, of this division and in the manner provided by TEX. REV. CIV. STAT. ANN. Art. 1115; and,

WHEREAS, the Board has entrusted signature responsibilities to the General Manager and Chief Executive Officer, and the Director of Finance in the operation of the System; and

WHEREAS, the Board in the execution of duties in operation of the System requires signatures for financial transactions and with the Board's Depository Bank, Happy State Bank of Kerrville; now, therefore

BE IT RESOLVED BY THE KERRVILLE PUBLIC UTILITY BOARD THAT:

Section 1. Trustees of the Board:

Bill Thomas
Glenn Andrew
Rachel Johnston
Larry Howard
Mayor Joe Herring, Jr.

And

Management Members:

Amy Dozier, Assistant General Manager
Jill Cook, Accounting Supervisor
Mike Wittler, General Manager and Chief Executive Officer

are approved as signatories for the Kerrville Public Utility Board.

Section 2. That this Resolution shall take effect immediately from and after its passage.

PASSED, APPROVED AND ADOPTED on this 21st day of May, 2025

Bill Thomas, Chairman

ATTEST:

Rachel Johnston, Secretary

RESOLUTION NO. 25-10

**A RESOLUTION OF THE KERRVILLE PUBLIC UTILITY BOARD APPROVING AND
CHANGING AUTHORIZED REPRESENTATIVES FOR LOCAL GOVERNMENT
INVESTMENT COOPERATIVE**

WHEREAS, the Kerrville Public Utility Board (the "Government Entity") by authority of that certain Local Government Investment Cooperative Resolution 02-12 (the "Resolution") has entered into that certain Interlocal Agreement (the "Agreement") and has become a participant in the public funds investment pool created thereunder known as Local Government Investment Cooperative ("LOGIC");

WHEREAS, the Resolution designated on one or more "Authorized Representatives" within the meaning of the Agreement;

WHEREAS, the Government Entity now wished to update and designate the following persons as the "Authorized Representatives" within the meaning of the Agreement; now, therefore

BE IT RESOLVED BY THE KERRVILLE PUBLIC UTILITY BOARD:

Section 1. The following officers, officials or employees of the Government Entity are hereby designated as "Authorized Representatives" within the meaning of the Agreement, with full power and authority to: deposit money to and withdrawal money from Government Entity's LOGIC account or accounts from time to time in accordance with the Agreement and the Information Statement describing the Agreement and to take all other actions deemed necessary or appropriate for the investment of funds of the Government Entity in LOGIC:

Signature:	_____
Printed Name:	<u>Bill Thomas</u>
Title:	<u>Chairman</u>

Signature:	_____
Printed Name:	<u>Larry Howard</u>
Title:	<u>Treasurer</u>

Signature: _____
Printed Name: Mike Wittler
Title: General Manager and CEO

Signature: _____
Printed Name: Amy Dozier
Title: Assistant General Manager

Signature: _____
Printed Name: Jill Cook
Title: Accounting Supervisor

Section 2. The foregoing supersedes and replaces the Government Entity's previous designation of officers, officials or employees of the Government Entity as Authorized Representatives under the Agreement pursuant to Section 4 of the Resolution. Except as hereby modified, the Resolution shall remain in full force and effect.

Section 3. This Resolution shall take effect immediately from and after its passage.

PASSED, APPROVED AND ADOPTED on this 21st day of May, 2025

ATTEST:

By: _____

Rachel Johnston
Printed Name

Title: Secretary

By: _____

Bill Thomas
Printed Name

Title: Chairman

RESOLUTION NO. 25-11

A RESOLUTION OF THE KERRVILLE PUBLIC UTILITY BOARD APPROVING AND AMENDING AUTHORIZED REPRESENTATIVES FOR TEXAS LOCAL GOVERNMENT INVESTMENT POOL

WHEREAS, the Kerrville Public Utility Board, Location Number 77882 (“Participant”) is a local government of the State of Texas and is empowered to delegate to a public funds investment pool the authority to invest funds and to act as custodian of investments purchased with local investments funds; and

WHEREAS, it is in the best interest of the Participant to invest local funds in investments that provide for the preservation and safety of principal, liquidity, and yield consistent with the Public Funds Investment Act; and

WHEREAS, the Texas Local Government Investment Pool (“TexPool/TexPool *Prime*”), a public funds investment pool, were created on behalf of entities whose investment objective in order of priority are preservation and safety of principal, liquidity, and yield consistent with the Public Funds Investment Act; now, therefore

LET IT BE RESOLVED BY THE KERRVILLE PUBLIC UTILITY BOARD:

Section 1. That the individuals, whose signatures appear in this Resolution, are Authorized Representatives of the Participant and are each hereby authorized to transmit funds for investment in TexPool/TexPool *Prime* and are each further authorized to withdraw funds from time to time, to issue letters of instruction, and to take all other actions deemed necessary or appropriate for the investment of local funds.

Section 2. That an Authorized Representative of the Participant may be deleted by a written instrument signed by all remaining Authorized Representatives provided that the deleted Authorized Representative (1) is assigned job duties that no longer require access to the Participant’s TexPool/TexPool *Prime* Account or (2) is no longer employed by the Participant; and

Section 3. That the Participant may by Amending Resolution signed by the Participant add an Authorized Representative provided the additional Authorized Representative is an officer, employee or agent of the Participant;

Listed are the Authorized Representatives of the Participant. Any new individuals will be issued

personal identification numbers to transact business with TexPool participant services.

- | | | | | |
|----|-----------|---------------------|--------------|----------------------------------|
| 1. | Name | <u>Bill Thomas</u> | Title | <u>Chairman</u> |
| | Signature | <u></u> | Phone Number | <u>830-257-3050</u> |
| 2. | Name | <u>Larry Howard</u> | Title | <u>Treasurer</u> |
| | Signature | <u></u> | Phone Number | <u>830-257-3050</u> |
| 3. | Name | <u>Mike Wittler</u> | Title | <u>General Manager and CEO</u> |
| | Signature | <u></u> | Phone Number | <u>830-792-8270</u> |
| 4. | Name | <u>Amy Dozier</u> | Title | <u>Assistant General Manager</u> |
| | Signature | <u></u> | Phone Number | <u>830-792-8267</u> |
| 5. | Name | <u>Jill Cook</u> | Title | <u>Accounting Supervisor</u> |
| | Signature | <u></u> | Phone Number | <u>830-792-8276</u> |

Listed is the name of the Authorized Representative listed above that will have primary responsibility for performing transactions and receiving confirmations and monthly statements under the Participation Agreement.

Name	<u>Mike Wittler</u>	Fax #	<u>830-792-8270</u>
E-Mail	<u>mwittler@kpub.com</u>		

In addition and at the option of the Participant, one additional Authorized Representative can be designated to perform only inquiry of selected information. This limited representative cannot make perform transactions. If the Participant desires to designate a representative with inquiry rights only, complete the following information.

- | | | | | |
|----|------|------------|-------|---------|
| 6. | Name | <u>n/a</u> | Title | <u></u> |
|----|------|------------|-------|---------|

Section 4. That this Resolution and its authorization shall continue in full force and effect until amended or revoked by the Participant, and until TexPool Participant Services receives a copy of any such amending or revocation. This Resolution is hereby introduced and adopted by the Participant at its Regular Board Meeting held on the **21st** day of **May, 2025**.

NAME OF PARTICIPANT _____ Kerrville Public Utility Board _____

By: Signature _____

Printed Name _____ Bill Thomas _____

Title _____ Chairman _____

ATTEST: Signature _____

Printed Name _____ Rachel Johnston _____

Title _____ Secretary _____

RESOLUTION NO. 25-12

A RESOLUTION OF THE KERRVILLE PUBLIC UTILITY BOARD APPROVING PARTICIPATION IN THE TEXAS COOPERATIVE LIQUID ASSETS SECURITIES SYSTEM TRUST

WHEREAS, the Public Funds Investment Act, Texas Government Code, Section 2256.001 et seq. (the Act) requires the governing body of each local government in this state to adopt investment policies in accordance with the terms of the Act; and

WHEREAS, pursuant to the requirements of the Act, the Board of Trustees of the Kerrville Public Utility Board (KPUB) has previously reviewed and adopted an investment policy (the Policy) that provides in part that the funds of the local government will be invested in investments permitted by the Act in order to: (i) invest only in investments legally permitted under Texas law; (ii) minimize risk by managing portfolio investments so as to preserve principal and maintain a stable net asset value; (iii) manage portfolio investments to ensure that cash will be available as required to finance operations; and (iv) maximize current income to the degree consistent with legality, safety, and liquidity; and

WHEREAS, pursuant to the Policy and the Act, KPUB has appointed Amy Dozier, Assistant General Manager to act as the investment officer of KPUB; and

WHEREAS, the Act provides that funds under the control of a Local Government may be invested through investment pools meeting the standards of Section 2256.016 of the Act; and

WHEREAS, KPUB has received and reviewed the Information Statement, dated April 2021 (the Information Statement), of Texas Cooperative Liquid Assets Securities System Trust (the Program), an investment pool administered by Public Trust Advisors, LLC that sets forth the information required by Section 2256.016(b) of the Act; and

WHEREAS, KPUB has determined that the investments proposed to be acquired by the Program are of a type that are permitted by the Act and are consistent with the Policy; and

WHEREAS, KPUB understands that the Program operates through the Ninth Amended and Restated Trust Agreement dated as of February 25, 2021 (the Trust Agreement), that provides the terms on which the Program will operate and the rights of the Participants in the Program and sets forth the responsibilities of Public Trust Advisors, LLC as the administrator of the Program (the Administrator) and of UMB Bank as custodian (the Custodian);

BE IT RESOLVED BY THE KERRVILLE PUBLIC UTILITY BOARD:

Section 1. That the form, terms, and provisions of the Trust Agreement, a draft of which was presented and reviewed at this meeting, providing for the creation of the Program and for the rights of the Program Participants and the duties and responsibilities of the Administrator be and the same are hereby approved and adopted; and that the Investment Officer be and he or she is hereby authorized and directed to execute and deliver to the Administrator and the Custodian in the name and on behalf of KPUB a participation certificate evidencing the agreement of KPUB to be bound by the Trust Agreement substantially in the form of the Trust Agreement reviewed and approved at this meeting, together with such changes therein as may be approved by the said officer, such approval to be conclusively evidenced by the execution thereof.

Section 2. That the investment program established by the Trust Agreement is hereby found and determined to be consistent with the Policy and to preclude imprudent investment activities arising out of investment transactions conducted between KPUB and the Program.

Section 3. That the Governing Body hereby officially finds and determines that the facts and recitations contained in the preamble of this Resolution are true and correct.

Section 4. That the Governing Body hereby finds and declares that written notice of the date, hour, place, and subject of the meeting at which this Resolution was adopted was posted for the time required by law preceding this meeting and that such meeting was open to the public as required by law at all times during which this Resolution and the subject matter thereof were discussed, considered, and formally acted upon all as required by the Open Meetings Act, Chapter 551, Texas Government Code, as amended, and the Act.

Section 5. That the officers of KPUB, and each of them, shall be and each is expressly authorized, empowered, and directed from time-to-time to do and perform all acts and things and to execute, acknowledge, and deliver in the name and under the corporate seal and on behalf of KPUB all certificates, instruments, and other papers, whether or not herein mentioned, as they may determine to be necessary or desirable in order to carry out the terms and provisions of this Resolution and of the Trust Agreement hereby authorized and approved, such determination to be conclusively evidenced by the performance of such acts and things and the execution of any such certificate, financing statement, instrument, or other paper;

Section 6. That this Resolution shall take effect and be in full force upon and after its passage.

PASSED, APPROVED AND ADOPTED on this 21st day of May, 2025

ATTEST:

By: _____

Rachel Johnston
Printed Name

Title: Secretary

By: _____

Bill Thomas
Printed Name

Title: Chairman

MEMORANDUM

To: Larry Howard
Bill Thomas
Glenn Andrew
Rachel Johnston
Mayor Joe Herring, Jr.

From: Amy Dozier

Date: May 15, 2025

Re: Agenda Item No. 6G – Quarterly Funds Report

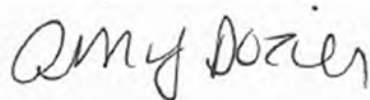
Attached please find summary information from KPUB's quarterly funds report.

As of March 31, 2025, KPUB had \$35.7M invested in municipal investment pools and a demand account at Happy State Bank. Funds are spread between four accounts with the largest position (\$11.1M) held at an investment pool called LOGIC. All KPUB accounts at Happy State Bank are fully collateralized. Investment pool accounts are similar to constant dollar money market accounts and are approved investments under the Public Funds Investment Act. All investment accounts are completely liquid and earned a combined return of 4.43% for the quarter ended March 31, 2025.

Due to the early timing of the April Board meeting, the investment report was not available in time for the Investment Committee on that date. Accordingly, the Investment Committee will meet after the May Board meeting. Due to continuing needs for liquidity and safety, management does not recommend any changes to our current strategy.

I am happy to answer any questions regarding this report.

Sincerely,



Amy Dozier
Assistant General Manager

**Kerrville Public Utility Board
Schedule of Average Daily Balance of Fund
For Reporting Compliance as Required by the
Texas Public Funds Investment Act
For the Quarter Ended March 31, 2025**

Total Funds Invested

Day of the Month		January 2025		February 2025		March 2025	Totals
1	\$	45,635,422	\$	46,037,327	\$	45,498,285	
2		45,535,357		46,037,327		45,498,285	
3		44,734,546		45,938,290		45,400,844	
4		44,734,546		45,938,290		45,804,563	
5		44,734,546		45,708,748		45,069,955	
6		44,734,546		45,708,748		45,069,955	
7		45,134,546		46,408,748		45,369,955	
8		45,049,546		46,408,748		45,369,955	
9		45,049,546		46,408,748		45,369,955	
10		45,049,546		46,408,748		45,369,955	
11		45,049,546		46,408,748		45,369,955	
12		45,049,546		46,408,748		44,969,955	
13		45,049,546		46,408,748		44,969,955	
14		45,549,546		46,408,646		44,969,908	
15		45,549,521		46,408,646		44,969,908	
16		45,549,521		46,408,646		44,969,908	
17		45,408,199		46,408,646		45,413,858	
18		45,408,199		46,408,646		45,413,858	
19		45,408,199		45,882,448		44,945,236	
20		45,408,199		43,710,895		43,817,273	
21		44,784,221		44,610,895		44,317,273	
22		44,784,221		44,610,895		44,317,273	
23		44,784,221		44,610,895		44,317,273	
24		45,354,031		44,610,895		44,317,273	
25		45,354,031		44,574,820		44,280,592	
26		45,354,031		44,574,820		44,280,592	
27		45,354,031		44,574,820		44,280,592	
28		45,292,566		45,498,285		44,910,565	
29		45,292,566				44,910,565	
30		46,125,443				44,910,565	
31		46,037,327				35,724,840	
Total of daily balance	\$	1,402,338,855	\$	1,279,532,864	\$	1,384,198,921	
Average daily balance	\$	45,236,737	\$	45,697,602	\$	44,651,578	\$ 45,178,563
Interest earnings	\$	171,516	\$	155,284	\$	166,525	\$ 493,325
APR ----->		4.46%		4.43%		4.39%	4.43%

**Kerrville Public Utility Board
Schedule of Other Investment Facts
For Reporting Compliance as Required by the
Texas Public Funds Investment Act
For the Quarter Ended March 31, 2025**

Total Funds Invested by Fund

Fund		Market Value and Book Value		Actual Interest Earnings		Budgeted Interest Earnings
Revenue	\$	23,123,104	\$	359,776	\$	379,305
Construction		1,650,116		17,889		19,182
Rate Stabilization		2,171,548		23,542		25,243
Long Term Rate Stabilization		4,495,106		46,612		49,979
Debt Reserve		-		-		-
Interest & Sinking		224,650		1,485		1,593
Emergency, Repair, Replace & Cont. Fund		4,060,315		44,019		47,199
Total	\$	35,724,840	\$	493,325	\$	522,500

Total Funds Invested by Security

Type of Security		Market Value and Book Value		Actual Interest Earnings		Budgeted Interest Earnings
TexPool	14%	5,151,522		54,998		75,344
LOGIC	31%	11,142,298		122,734		162,964
Texas CLASS	30%	10,683,007		189,702		156,246
Happy State Bank - Investment	24%	8,748,014		125,892		127,946
Totals	100%	\$ 35,724,840	\$	493,325	\$	522,500

MEMORANDUM

To: Bill Thomas
Glenn Andrew
Rachel Johnston
Larry Howard
Mayor Joe Herring, Jr.

From: Howard Hall

Date: May 9, 2025

Re: Agenda Item 6H – Hazard Mitigation Action Plan

Staff recommends approval of attached Resolution 25-13 adopting the FEMA approved Kerr County Texas Multi-Jurisdiction Mitigation Plan. This would include Kerrville Public Utility Board along with City of Ingram, City of Kerrville, Kerr County, Kerrville Independent School District, and Upper Guadalupe River Authority for this area. This would help position our community to be in a better place to apply for grants to mitigate disasters that would affect us.

In March 2024, the Board approved an interlocal agreement with Kerr County to develop this mitigation plan. An excerpt of the plan including table of contents and the KPUB specific mitigation actions are attached. We can electronically provide the entire plan if requested.

Please let me know if you have any questions or concerns.

Sincerely,



Howard Hall
Supervisor, Field Services

RESOLUTION NO. 25-13

A RESOLUTION OF THE KERRVILLE PUBLIC UTILITY BOARD ADOPTING THE FEMA APPROVED KERR COUNTY, TEXAS MULTI-JURISDICTION HAZARD MITIGATION PLAN AND APPOINTING KPUB'S CHIEF EXECUTIVE OFFICER AND AUTHORIZED REPRESENTATIVE TO ACT IN ALL MATTERS IN CONNECTION WITH KPUB'S PORTION OF THE HAZARD MITIGATION PLAN

WHEREAS, the Kerrville Public Utility Board ("KPUIB") recognizes the threat that natural hazards pose to people and property within Kerr County; and

WHEREAS, KPUB has participated in the Kerr County Hazard Mitigation Plan, which is in accordance with the Disaster Mitigation Act of 2000; and

WHEREAS, the Kerr County Hazard Mitigation Plan identifies mitigation goals and actions to reduce or eliminate long-term risk to people and property in Kerr County from impacts of future hazards and disasters; and

WHEREAS, adoption by the Board of Trustees demonstrates its commitment to hazard mitigation and achieving the goals outlined in the Kerr County Hazard Mitigation Plan; and

WHEREAS, the adoption of this plan will make Kerr County eligible to apply for current and future Hazard Mitigation Grants; and

WHEREAS, the Kerr County Hazard Mitigation Plan requires KPUB to appoint an official to act as the Authorized Representative in all matters in connection with its portion of the plan; now, therefore,

BE IT RESOLVED BY THE KERRVILLE PUBLIC UTILITY BOARD THAT:

Section 1. That KPUB adopt the FEMA approved Kerr County Hazard Mitigation Plan.

Section 2. That the General Manager be appointed Chief Executive Officer and Authorized Representative to act on behalf of KPUB in all matters in connection with its portion of the Kerr County Hazard Mitigation Plan.

PASSED, APPROVED AND ADOPTED on this 21st day of May, 2025

Bill Thomas, Chairman

ATTEST:

Rachel Johnston, Secretary

Kerr County Hazard Mitigation Action Plan

2025

"Under the Federal Disaster Mitigation Act of 2000 (DMA 2000 or "the Act"), Kerr County (County) is required to have a Federal Emergency Management Agency ("FEMA") - approved Local Hazard Mitigation Plan ("the Plan") in order to be eligible for certain pre- and post-disaster mitigation funds. Adoption of this Plan by the County and approval by FEMA will serve the dual objectives of providing direction and guidance on implementing hazard mitigation in the County, and qualify the County to obtain federal assistance for hazard mitigation. Solely to help achieve these objectives, the Plan attempts to systematically identify and address hazards that can affect the County. Nothing in this Plan is intended to be an admission, either expressed or implied, by or on behalf of the County, of any County obligation, responsibility, duty, fault or liability for any particular hazard or hazardous condition, and no such County obligation, responsibility, duty, fault or liability should be inferred or implied from the Plan, except where expressly stated."

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Responsible Department	School Board
Implementation Schedule	2 - 5 Years
Target	Existing and Future infrastructure

Mitigation Action	Install Surge Protection and Grounding Systems to Protect Electronic Assets*
Objective	This action will install surge protection and/or grounding systems at all jurisdictional facilities to prevent damage to critical electronic devices including but not limited to: computers, servers, audio/visual equipment, laboratory equipment, and appliances.
Hazard	Lightning
Priority	Medium
Estimated Cost	\$1,000 - \$50,000
Potential Funding Source (s)	Jurisdiction, FEMA BRIC, FEMA HMGP
Responsible Department	School Board
Implementation Schedule	2 - 3 Years
Target	Existing infrastructure

v. Kerrville Public Utility Board

Multi-Hazard Actions

Mitigation Action	Educational Outreach
Objective	This action will create a program to educate the public about specific mitigation actions for all hazards, including but not limited to participation in Wildfire Fuels Reduction, Tornado Saferooms, Structural Hardening, etc.

Hazard	Flood, Wildfire, Tornado, Drought, Extreme Heat, Extreme Cold, Hailstorm, Winter Storm, Windstorms, Lightning, Earthquake
Priority	Low
Estimated Cost	Less than \$10,000 per hazard
Potential Funding Source (s)	Jurisdiction, FEMA BRIC, FEMA HMGP, FEMA FMA, TWDB
Responsible Department	Board of Directors
Implementation Schedule	1 - 5 Years
Target	Existing and future population

Mitigation Action	Purchase Back Up Power Generators
Objective	Installing generators at critical facilities will help ensure physical safety for facility occupants and maintain electronic systems functionality during power outages. Portable generators will maintain additional systems functionality including but not limited to lift stations, pumps, and communications infrastructure.
Hazard	Flood, Wildfire, Tornado, Extreme Heat, Extreme Cold, Hailstorm, Winter Storm, Windstorms, Lightning, Earthquake
Priority	Medium
Estimated Cost	More than \$100,000 Each for Fixed Generators, Including Associated Engineering Costs. Less than \$100,000 Each for Portable Generators
Potential Funding Source (s)	Jurisdiction, FEMA BRIC, FEMA HMGP
Responsible Department	Board of Directors
Implementation Schedule	2 - 5 Years
Target	Existing infrastructure

Mitigation Action	Develop and Implement a Tree Trimming Program
Objective	This action will develop and implement a tree trimming program to reduce loose / dead tree limbs that may cause damage during a hazard event.
Hazard	Wildfire, Tornado, Winter Storm, Windstorm
Priority	Medium
Estimated Cost	\$10,000 - \$500,0000

Potential Funding Source (s)	Jurisdiction, FEMA BRIC, FEMA HMGP
Responsible Department	Board of Directors
Implementation Schedule	2 - 5 Years
Target	Existing and future infrastructure

Single Hazard Actions

Mitigation Action	Install Surge Protection and Grounding Systems to Protect Electronic Assets
Objective	This action will install surge protection and/or grounding systems at all jurisdictional facilities to prevent damage to critical electronic devices including but not limited to: computers, servers, audio/visual equipment, laboratory equipment, and appliances.
Hazard	Lightning
Priority	Medium
Estimated Cost	\$1,000 - \$50,000
Potential Funding Source (s)	Jurisdiction, FEMA BRIC, FEMA HMGP
Responsible Department	Board of Directors
Implementation Schedule	2 - 3 Years
Target	Existing infrastructure

vi. Upper Guadalupe River Authority

The following mitigation action items may indicate an asterisk (*) in the case that the actions were deferred from the previous 2018 HMAP. Actions marked with a grey heading are not eligible for mitigation funding but are included in the HMAP for the jurisdiction to reference for implementation or future planning endeavors.

Multi-Hazard Actions

Mitigation Action	Educational Outreach*
-------------------	-----------------------

MEMORANDUM

To: Bill Thomas
Glenn Andrew
Rachel Johnston
Larry Howard
Mayor Joe Herring, Jr.

From: Tony Perez

Date: May 15, 2025

Re: Agenda Item No. 6I – Jack Furman T2 Addition Construction Contract

Presented for your consideration and review are the recommendations for purchase of goods or services.

We have reviewed the four responses for the Request for Construction Services for the Jack Furman T2 Addition Project. This project involves the installation of a new power transformer on an existing pad, the installation of a new feeder breaker, connection of the new transformer to the existing A-Frame structures, upgrade of the existing total bay switches, and installation of power transformer and feeder breaker protection systems. A summary of the construction bids received is provided below:

<u>Construction Firm</u>	<u>Cost Estimate</u>
GridTech, LLC.	\$477,389.17
Top Quality Electrical Construction, LLC.	\$578,811.00
Power Standard, LLC.	\$624,187.99
Front Line Power Construction, LLC.	\$682,135.00
Lambda Construction, Ltd.	No Bid

KPUB's engineer of record for the project, SEnergy, has evaluated the construction bids and recommends GridTech, LLC. for this project. SEnergy's recommendation letter is attached. I have reviewed these bids and construction schedules and also recommend awarding this contract to GridTech, LLC.

Please let me know if you have any questions or need additional information on this.

Thank you,



Tony Perez
Director of Engineering

May 15, 2025

Mr. Tony Perez
Director of Engineering
Kerrville Public Utility Board
2250 Memorial Boulevard
Kerrville, Texas 78028

Re: **Jack Furman Transformer Addition (R-1114)**
Bid Proposal Recommendation

Dear Tony:

Bid requests for the Jack Furman Transformer Addition were sent on April 15th with a submittal deadline of May 6th. Four (4) bids were received from qualified bidders. Below is the bid tabulation of the bid proposal amounts.

Name of Bidder	Bid Proposal Amount
GridTech Power, LLC	\$477,389.17
Top Quality	\$566,031.00
Power Standard, LLC	\$624,187.99
Front Line Power Construction, LLC	\$682,135.00

All four bid proposals are acceptable bids for the Jack Furman Project.

GridTech's bid of \$477,389.17 is \$88,641.83 lower than Top Quality's bid of \$566,031.00. GridTech agrees to comply with KPUB's proposed schedule of construction and takes no exception to the specifications/bid documentation. Based on experience with similar projects and based on the lowest evaluated cost, we would recommend using GridTech for this project. Please review and let us know your comments on this recommendation.

We, at SEnergy, thank you for the opportunity to be of assistance to KPUB. After your consideration and decision, the Contract documents will be sent to you for execution and sent to the winning Bidder. We look forward to hearing from you soon. Please call if you have any questions or require anything further.

Sincerely,



Greg Grusendorf, PE

TX Fir, Reg. #: F-1594
JGG/tls

MEMORANDUM

To: Larry Howard
Bill Thomas
Glenn Andrew
Rachel Johnston
Mayor Joe Herring, Jr.

From: Amy Dozier

Date: May 14, 2025

Re: Agenda Item No. 7 – Financial Report

Attached please find financial statements for the months of March and April 2025. Due to the early timing of April's Board meeting, the March financial information was not available. Accordingly, this month's report contains two months of financial data in addition to usual quarterly reports.

Highlights will focus on year-to-date financial information through April as well as any significant activity from March or April. Highlights include:

- **\$653K increase** in net position on a year-to-date (YTD) basis, which is \$1.7M better than budget.
- **\$24.5M in operating revenue** on a YTD basis.
 - Through April, operating revenue is 7.0% lower than expected due to a combination of kWh sales that are 2.9% below budget and the power supply price per unit that is 3.9% less than budget. The kWh sales variance is due primarily to lower usage during the mild winter. The purchased power price variance is discussed in the operating expense bullet below.
- **\$24.9M in operating expense** on a YTD basis.
 - YTD operating expense is 11.5% lower than budget due primarily to low purchased power expense resulting from low natural gas prices through calendar year 2024 and lower than budget quantities purchased for the entire fiscal year. All other expense categories also have favorable variances for a variety of reasons. Mutual aid deployment and staffing shortages with outsourced tree trimmers have reduced Distribution expenses. Reduced demand for energy audit services has contributed to a favorable variance in Customer Service. Administrative expenses are lower than budget due to benefit costs that were billed as part of mutual aid. In addition, expenses for professional services are lower than budget as most professional services this year are capitalized as part of the power generation project.
- **\$351K in operating loss** on a YTD basis.
- **\$472K in net nonoperating revenue** on a YTD basis.
 - Nonoperating revenue is \$124K better than budget for the year. The favorable performance is driven by interest income that is better than budget due to a higher than forecast investment balance as well as a lower than budget transfer to the City of Kerrville driven by lower revenues previously discussed.

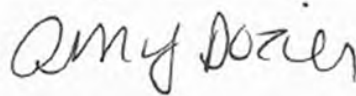
- **\$21.7M in over collection of power cost adjustment** as of 04/30/2025, an **increase of \$222K** from the prior month. The billed rate remains at \$105.00 for 1,000 kWh of residential power. In the April monthly survey of 29 Central and South Texas utilities, only Bryan Texas Utilities (city rate) had a lower rate (\$104.10). The overall average rate for the 29 utilities is \$130.31.
- **\$33.5M invested** in municipal investment pools and an account at Happy State Bank. The portfolio of investment accounts earned a blended rate of 4.39% in April.

In addition to monthly financial reports for March and April, also attached for your review are the following quarterly reports:

- Quarterly listing of vendor payments over \$10,000
- Quarterly listing of payments to a single vendor that have totaled over \$10,000 in the past 12 months

I am happy to answer any questions regarding this report.

Sincerely,

A handwritten signature in black ink that reads "Amy Dozier". The signature is written in a cursive, flowing style.

Amy Dozier
Assistant General Manager

Kerrville Public Utility Board
Statement of Revenues, Expenses and Changes in Fund Net Position
For the Month Ended April 30, 2025
(Unaudited)

	Comparison to Budget				Comparison to Last Year		
	Current Month	Current Month Budget Amount	Variance Favorable (Unfavorable)	Percentage Variance	Current Month Last Year Amount	Variance Favorable (Unfavorable)	Percentage Variance
OPERATING REVENUES:							
Residential	\$ 1,758,622	\$ 1,703,090	\$ 55,533	3.26%	\$ 1,875,877	\$ (117,254)	-6.25%
Commercial/Industrial	1,484,317	1,414,242	70,075	4.95%	1,425,984	58,333	4.09%
Sales to Public Authorities	21,802	21,500	302	1.41%	21,796	6	0.03%
Other	37,670	23,031	14,639	63.56%	37,041	629	1.70%
TOTAL OPERATING REVENUES	3,302,412	3,161,863	140,549	4.45%	3,360,698	(58,286)	-1.73%
OPERATING EXPENSES:							
Purchased Power	2,183,968	2,475,510	291,542	11.78%	2,248,492	64,524	2.87%
Distribution	311,831	398,981	87,151	21.84%	327,059	15,229	4.66%
Customer Accounts	66,235	70,195	3,960	5.64%	62,614	(3,620)	-5.78%
Customer Service, Informational & Sales	33,841	52,676	18,835	35.76%	40,260	6,420	15.94%
Administrative Expenses	478,294	497,692	19,398	3.90%	350,820	(127,474)	-36.34%
Depreciation & Amortization	379,849	392,354	12,506	3.19%	398,274	18,426	4.63%
TOTAL OPERATING EXPENSES	3,454,017	3,887,408	433,391	11.15%	3,427,521	(26,496)	-0.77%
OPERATING INCOME (LOSS)	(151,605)	(725,546)	573,940	79.10%	(66,823)	(84,782)	-126.88%
NONOPERATING REVENUES (EXP):							
Interest Income - Investments	131,574	113,333	18,241	16.10%	236,507	(104,932)	-44.37%
Interest Income - City of Kerrville	9,643	9,643	0	0.00%	12,857	(3,214)	-25.00%
Interest Expense	(8,529)	(11,219)	2,690	23.98%	(10,318)	1,789	17.34%
City of Kerrville - General Fund Transfer	(103,597)	(98,643)	(4,954)	-5.02%	(108,324)	4,727	4.36%
City of Ingram - Franchise Fee	(2,555)	(2,578)	22	0.86%	(2,475)	(80)	-3.24%
Other - Net	9,604	3,250	6,354	195.51%	754	8,851	1174.46%
TOTAL NONOPERATING REVENUES (EXP)	36,140	13,787	22,353	162.13%	129,000	(92,859)	-71.98%
INCOME BEFORE CONTRIBUTIONS	(115,465)	(711,758)	596,294	83.78%	62,176	(177,641)	-285.70%
CAPITAL CONTRIBUTIONS	32,389	41,667	(9,277)	-22.27%	101,814	(69,425)	-68.19%
CHANGE IN NET POSITION	\$ (83,075)	\$ (670,092)	\$ 587,016	87.60%	\$ 163,990	\$ (247,066)	-150.66%
NET POSITION AT BEGINNING OF MONTH	\$ 81,328,438				\$ 78,984,742		
NET POSITION AT END OF MONTH	\$ 81,245,363				\$ 79,148,732		

Kerrville Public Utility Board
Statement of Revenues, Expenses and Changes in Fund Net Position
For the Month Ended April 30, 2025
(Unaudited)

	Comparison to Budget				Comparison to Last Year		
	Year to Date	Year to Date Budget Amount	Variance Favorable (Unfavorable)	Percentage Variance	Year to Date Last Year Amount	Variance Favorable (Unfavorable)	Percentage Variance
OPERATING REVENUES:							
Residential	\$ 13,899,883	\$ 15,094,654	\$ (1,194,771)	-7.92%	\$ 13,846,780	\$ 53,103	0.38%
Commercial/Industrial	9,966,442	10,637,984	(671,542)	-6.31%	9,560,398	406,044	4.25%
Sales to Public Authorities	152,413	150,500	1,913	1.27%	152,579	(167)	-0.11%
Other	480,661	464,058	16,602	3.58%	456,260	24,401	5.35%
TOTAL OPERATING REVENUES	24,499,398	26,347,196	(1,847,798)	-7.01%	24,016,018	483,381	2.01%
OPERATING EXPENSES:							
Purchased Power	15,758,589	18,080,635	2,322,046	12.84%	15,512,951	(245,637)	-1.58%
Distribution	2,383,351	2,792,868	409,517	14.66%	2,610,129	226,778	8.69%
Customer Accounts	457,295	491,366	34,070	6.93%	420,379	(36,917)	-8.78%
Customer Service, Informational & Sales	235,833	368,733	132,899	36.04%	289,245	53,411	18.47%
Administrative Expenses	3,361,457	3,612,592	251,135	6.95%	2,884,246	(477,211)	-16.55%
Depreciation & Amortization	2,654,343	2,725,480	71,137	2.61%	2,590,107	(64,236)	-2.48%
TOTAL OPERATING EXPENSES	24,850,868	28,071,673	3,220,805	11.47%	24,307,057	(543,811)	-2.24%
OPERATING INCOME (LOSS)	(351,470)	(1,724,477)	1,373,007	79.62%	(291,040)	(60,430)	-20.76%
NONOPERATING REVENUES (EXP):							
Interest Income - Investments	1,258,766	1,185,833	72,933	6.15%	1,460,774	(202,008)	-13.83%
Interest Income - City of Kerrville	71,786	71,786	(0)	0.00%	90,000	(18,214)	-20.24%
Interest Expense	(58,821)	(79,760)	20,938	26.25%	(73,621)	14,801	20.10%
City of Kerrville - General Fund Transfer	(775,451)	(828,827)	53,376	6.44%	(767,380)	(8,071)	-1.05%
City of Ingram - Franchise Fee	(19,528)	(22,845)	3,318	14.52%	(20,051)	523	2.61%
Other - Net	(4,286)	22,750	(27,036)	-118.84%	12,528	(16,814)	-134.21%
TOTAL NONOPERATING REVENUES (EXP)	472,467	348,937	123,529	35.40%	702,251	(229,784)	-32.72%
INCOME BEFORE CONTRIBUTIONS	120,997	(1,375,539)	1,496,535	108.80%	411,211	(290,214)	-70.58%
CAPITAL CONTRIBUTIONS	531,645	291,667	239,978	82.28%	403,380	128,265	31.80%
CHANGE IN NET POSITION	\$ 652,641	\$ (1,083,873)	\$ 1,736,513	160.21%	\$ 814,591	\$ (161,950)	-19.88%
NET POSITION AT BEGINNING OF YEAR	\$ 80,592,721				\$ 78,334,141		
NET POSITION AT END OF MONTH	\$ 81,245,363				\$ 79,148,732		

Kerrville Public Utility Board
Balance Sheet
As of April 30, 2025

ASSETS & DEFERRED OUTFLOWS			LIABILITIES, DEFERRED INFLOWS & NET POSITION		
	April 30, 2025	September 30, 2024		April 30, 2025	September 30, 2024
CURRENT ASSETS			CURRENT LIABILITIES		
Revenue Fund:			Current Maturities of Long-Term Liabilities	\$ 786,930	\$ 770,063
Cash and Cash Equivalents	\$ 534,471	\$ 399,285	Accounts Payable - Purchased Power	10,599,522	9,944,112
Investments	20,892,077	37,482,858	Accounts Payable and Accrued Liabilities	1,029,764	1,396,696
Less: Customer Deposits	(533,859)	(537,816)	Over Collection of Power Cost Adjustment	21,661,211	18,865,662
Total Revenue Fund	20,892,689	37,344,328	TOTAL CURRENT LIABILITIES	\$ 34,077,427	\$ 30,976,533
Construction Fund:			NONCURRENT LIABILITIES		
Cash and Cash Equivalents	5,827	5,681	2013 Revenue Bonds, net of current portion	\$ 1,501,000	\$ 1,965,000
Investments	1,656,077	1,612,773	Lease Liability	39,120	48,042
Total Construction Fund	1,661,904	1,618,454	Subscription Liability	532,338	733,880
Rate Stabilization Fund:			Customer Deposits	533,859	537,816
Investments	2,179,392	2,122,404	Net Pension Liability	2,715,291	2,715,291
Total Rate Stabilization Fund	2,179,392	2,122,404	Total OPEB Liability	281,043	281,043
Long Term Rate Stabilization Fund:			TOTAL NONCURRENT LIABILITIES	\$ 5,602,650	\$ 6,281,072
Investments	4,511,344	3,802,625	DEFERRED INFLOWS - PENSION AND OPEB		
Total Long Term Rate Stabilization Fund	4,511,344	3,802,625		\$ 226,425	\$ 226,425
Customer Accounts Receivable, net of allowance	1,259,321	1,929,338	TOTAL LIABILITIES AND DEFERRED INFLOWS		
Receivable from KPFC	20,214,353	303,389		\$ 39,906,503	\$ 37,484,030
Unbilled Revenue	2,244,875	2,244,875	TOTAL NET POSITION		
Materials and Supplies	1,192,181	1,203,625		\$ 81,245,363	\$ 80,592,721
Other Current Assets	1,454,315	1,416,738			
Current Portion - Advance to City of Kerrville	1,071,428	1,071,428			
TOTAL CURRENT ASSETS	\$ 56,681,802	\$ 53,057,204			
NONCURRENT ASSETS					
Customer Deposits	\$ 533,859	\$ 537,816			
Interest and Sinking Fund	232,000	435,292			
Emergency, Repair, Replace, Contingency Fund	4,074,982	3,968,427			
Advance to City of Kerrville, net of current portion	3,750,001	4,285,715			
Capital Assets, net of Accum Depreciation	52,992,410	52,686,916			
Right to Use Assets, Net of Accum Amortization	51,780	61,318			
Subscription Assets, Net of Accum Amortization	1,012,857	1,221,889			
TOTAL NONCURRENT ASSETS	\$ 62,647,889	\$ 63,197,373			
DEFERRED OUTFLOWS - PENSION AND OPEB					
	\$ 1,822,175	\$ 1,822,175			
TOTAL ASSETS & DEFERRED OUTFLOWS OF RESOURCES			TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES & NET POSITION	\$ 121,151,866	\$ 118,076,751
	\$ 121,151,866	\$ 118,076,751			

Kerrville Public Utility Board
Invested Funds Detail
For the Month Ended April 30, 2025

		Restricted							
	Date	Revenue Fund	Construction Fund	Rate Stabilization Fund	Long Term Rate Stabilization Fund	Debt Reserve Fund	Interest & Sinking Fund	Emergency Repair, Replacement & Contingency Fund	Total Funds Invested
Beginning Fund Balance		\$ 23,123,104	\$ 1,650,116	\$ 2,171,548	\$ 4,495,106	\$ -	\$ 224,650	\$ 4,060,315	\$ 35,724,840
Withdrawals:									
Happy Investment - TXHB	04/01/25	(97,420)							(97,420)
Happy Investment - LCRA	04/03/25	(654,459)							(654,459)
Happy Investment - Generation Project	04/04/25	(85,000)							(85,000)
Happy Investment - TMRS	04/07/25	(116,184)							(116,184)
Happy Investment - ERCOT	04/14/25	(57)							(57)
Happy Investment - NextEra	04/18/25	(484,436)							(484,436)
Happy Investment - Concho Bluff	04/18/25	(82,081)							(82,081)
Happy Investment - CPS	04/18/25	(643,189)							(643,189)
Happy Investment - Generation Project	04/21/25	(1,975,403)							(1,975,403)
Happy Investment - DG Solar	04/23/25	(60,984)							(60,984)
Happy Investment - Engie	04/29/25	(52,258)							(52,258)
Happy Investment - Garland	04/30/25	(214,304)							(214,304)
Investments:									
Happy State Bank	04/07/25	600,000							600,000
Happy State Bank	04/21/25	500,000							500,000
Happy State Bank	04/25/25	700,000							700,000
Happy State Bank	04/30/25	400,000							400,000
Fund Balance after Withdrawals & Investments		20,857,329	1,650,116	2,171,548	4,495,106	-	224,650	4,060,315	33,459,065
Allocation of:									
Interest Income	04/30/25	78,871	5,961	7,844	16,237	-	808	14,667	124,387
Total Interest Allocation		78,871	5,961	7,844	16,237	-	808	14,667	124,387
Fund Balance After Allocations		20,936,200	1,656,077	2,179,392	4,511,344	-	225,458	4,074,982	33,583,452
Interfund Transfers :									
Debt Payment	04/29/25						(37,581)		(37,581)
Debt Service Accrual	04/30/25	(44,122)					44,122		-
Ending Fund Balance		\$ 20,892,077	\$ 1,656,077	\$ 2,179,392	\$ 4,511,344	\$ -	\$ 232,000	\$ 4,074,982	\$ 33,545,872

Kerrville Public Utility Board
Debt Ratios
For the Month Ended April 30, 2025

DEBT SERVICE COVERAGE RATIO:

Description	Current Month	Fiscal Year	Previous 12 Months
CHANGE IN NET POSITION	\$ (83,075)	\$ 652,641	\$ 2,408,345
PLUS:			
Interest Expense (net of amortizations)	8,529	58,821	122,381
Depreciation & Amortization Expense	379,849	2,654,343	4,542,896
Numerator	305,302	3,365,805	7,073,622
DIVIDED BY:			
Interest Expense (net of amortizations)	8,529	58,821	122,381
Principal Payment Due	65,505	458,537	786,063
Denominator	\$ 74,034	\$ 517,358	\$ 908,444
DEBT SERVICE COVERAGE RATIO	4.12	6.51	7.79
Minimum Requirement per Bond Covenant		1.35	times Debt Service

DAYS CASH ON HAND (AS OF MONTH END):

NUMERATOR (INCLUDES CASH AND INVESTMENTS):

Revenue Fund	\$ 20,892,689
Construction Fund	1,661,904
Rate Stabilization Fund	2,179,392
Long Term Rate Stabilization Fund	4,511,344
Emergency, Repair, Replace, Contingency Fund	4,074,982
Total Cash and Cash Equivalents (A)	\$ 33,320,310

DENOMINATOR:

Fiscal Year-to-Date Operating Expense	\$ 24,850,868
Less: Fiscal Year-to-Date Depreciation	2,654,343
Adjusted Operating Expense (B)	\$ 22,196,525

NUMBER OF DAYS ELAPSED IN FISCAL YEAR (C) 212

DAYS CASH ON HAND (= A / B * C) 318

MINIMUM DAYS CASH ON HAND PER POLICY 47 175

FIXED CHARGE COVERAGE RATIO (FISCAL YEAR-TO-DATE):

NUMERATOR:

Fiscal Year-to-Date Operating Income	\$ (351,470)
Less: City of Kerrville and Ingram Transfers	(794,978)
Plus: 50% of PPA Expense	5,626,383
Plus: Fiscal Year-to-Date Depreciation	2,654,343
Plus: Fiscal Year-to-Date Interest Income - Investments	1,258,766
Plus: Fiscal Year-to-Date Capital Contributions	531,645
Total Numerator (D)	\$ 8,924,688

DENOMINATOR:

50% of PPA Expense	\$ 5,626,383
Fiscal Year-to-Date Debt Service (Cash Basis)	530,531
Fiscal Year-to-Date Debt Service Receivable (Cash Basis)	(600,000)
Total Denominator (E)	\$ 5,556,913

FIXED CHARGE COVERAGE RATIO (= D / E) 1.6

MINIMUM FIXED COST COVERAGE PER POLICY 47 1.2

Kerrville Public Utility Board
Statement of Revenues, Expenses and Changes in Fund Net Position
For the Month Ended March 31, 2025
(Unaudited)

	Comparison to Budget				Comparison to Last Year		
	Current Month	Current Month Budget Amount	Variance Favorable (Unfavorable)	Percentage Variance	Current Month Last Year Amount	Variance Favorable (Unfavorable)	Percentage Variance
OPERATING REVENUES:							
Residential	\$ 2,099,130	\$ 2,177,057	\$ (77,927)	-3.58%	\$ 1,875,877	\$ 223,254	11.90%
Commercial/Industrial	1,397,112	1,442,192	(45,080)	-3.13%	1,425,984	(28,872)	-2.02%
Sales to Public Authorities	21,632	21,500	132	0.61%	21,796	(165)	-0.75%
Other	42,330	34,658	7,672	22.14%	37,041	5,289	14.28%
TOTAL OPERATING REVENUES	3,560,204	3,675,407	(115,203)	-3.13%	3,360,698	199,506	5.94%
OPERATING EXPENSES:							
Purchased Power	2,342,401	3,188,486	846,086	26.54%	2,248,492	(93,908)	-4.18%
Distribution	420,127	398,981	(21,146)	-5.30%	327,059	(93,068)	-28.46%
Customer Accounts	61,435	70,195	8,760	12.48%	62,614	1,180	1.88%
Customer Service, Informational & Sales	27,388	52,676	25,288	48.01%	40,260	12,872	31.97%
Administrative Expenses	437,600	497,692	60,091	12.07%	350,820	(86,780)	-24.74%
Depreciation & Amortization	379,713	391,354	11,642	2.97%	398,274	18,562	4.66%
TOTAL OPERATING EXPENSES	3,668,663	4,599,384	930,721	20.24%	3,427,521	(241,142)	-7.04%
OPERATING INCOME (LOSS)	(108,459)	(923,977)	815,518	88.26%	(66,823)	(41,636)	-62.31%
NONOPERATING REVENUES (EXP):							
Interest Income - Investments	172,912	174,167	(1,254)	-0.72%	236,507	(63,594)	-26.89%
Interest Income - City of Kerrville	9,643	9,643	0	0.00%	12,857	(3,214)	-25.00%
Interest Expense	(7,632)	(11,219)	3,586	31.96%	(10,318)	2,686	26.03%
City of Kerrville - General Fund Transfer	(112,332)	(115,874)	3,542	3.06%	(108,324)	(4,008)	-3.70%
City of Ingram - Franchise Fee	(2,732)	(3,295)	562	17.07%	(2,475)	(257)	-10.39%
Other - Net	1,642	3,250	(1,608)	-49.48%	754	888	117.86%
TOTAL NONOPERATING REVENUES (EXP)	61,501	56,672	4,828	8.52%	129,000	(67,499)	-52.32%
INCOME BEFORE CONTRIBUTIONS	(46,959)	(867,305)	820,346	94.59%	62,176	(109,135)	-175.52%
CAPITAL CONTRIBUTIONS	55,664	41,667	13,998	33.59%	101,814	(46,150)	-45.33%
CHANGE IN NET POSITION	\$ 8,706	\$ (825,639)	\$ 834,343	101.05%	\$ 163,990	\$ (155,285)	-94.69%
NET POSITION AT BEGINNING OF MONTH	\$ 81,319,732				\$ 78,820,751		
NET POSITION AT END OF MONTH	\$ 81,328,438				\$ 78,984,741		

Kerrville Public Utility Board
Statement of Revenues, Expenses and Changes in Fund Net Position
For the Month Ended March 31, 2025
(Unaudited)

	Comparison to Budget				Comparison to Last Year		
	Year to Date	Year to Date Budget Amount	Variance Favorable (Unfavorable)	Percentage Variance	Year to Date Last Year Amount	Variance Favorable (Unfavorable)	Percentage Variance
OPERATING REVENUES:							
Residential	\$ 12,141,260	\$ 13,391,564	\$ (1,250,304)	-9.34%	\$ 11,970,904	\$ 170,357	1.42%
Commercial/Industrial	8,482,126	9,223,742	(741,617)	-8.04%	8,134,414	347,712	4.27%
Sales to Public Authorities	130,610	129,000	1,610	1.25%	130,783	(173)	-0.13%
Other	442,990	441,027	1,963	0.45%	419,219	23,771	5.67%
TOTAL OPERATING REVENUES	21,196,987	23,185,334	(1,988,347)	-8.58%	20,655,320	541,667	2.62%
OPERATING EXPENSES:							
Purchased Power	13,574,621	15,605,125	2,030,504	13.01%	13,264,459	(310,162)	-2.34%
Distribution	2,071,520	2,393,887	322,367	13.47%	2,283,070	211,550	9.27%
Customer Accounts	391,061	421,170	30,110	7.15%	357,764	(33,297)	-9.31%
Customer Service, Informational & Sales	201,993	316,057	114,064	36.09%	248,984	46,992	18.87%
Administrative Expenses	2,883,163	3,114,900	231,737	7.44%	2,533,426	(349,737)	-13.80%
Depreciation & Amortization	2,274,494	2,333,125	58,631	2.51%	2,191,833	(82,661)	-3.77%
TOTAL OPERATING EXPENSES	21,396,851	24,184,265	2,787,413	11.53%	20,879,536	(517,315)	-2.48%
OPERATING INCOME (LOSS)	(199,865)	(998,931)	799,066	79.99%	(224,216)	24,352	10.86%
NONOPERATING REVENUES (EXP):							
Interest Income - Investments	1,127,192	1,072,500	54,692	5.10%	1,224,268	(97,076)	-7.93%
Interest Income - City of Kerrville	62,143	62,143	(0)	0.00%	77,143	(15,000)	-19.44%
Interest Expense	(50,292)	(68,541)	18,248	26.62%	(63,303)	13,011	20.55%
City of Kerrville - General Fund Transfer	(671,854)	(730,184)	58,331	7.99%	(659,055)	(12,799)	-1.94%
City of Ingram - Franchise Fee	(16,972)	(20,268)	3,296	16.26%	(17,575)	603	3.43%
Other - Net	(13,890)	19,500	(33,390)	-171.23%	11,774	(25,665)	-217.97%
TOTAL NONOPERATING REVENUES (EXP)	436,326	335,150	101,175	30.19%	573,251	(136,925)	-23.89%
INCOME BEFORE CONTRIBUTIONS	236,461	(663,781)	900,242	135.62%	349,035	(112,573)	-32.25%
CAPITAL CONTRIBUTIONS	499,255	250,000	249,255	99.70%	301,566	197,689	65.55%
CHANGE IN NET POSITION	\$ 735,717	\$ (413,781)	\$ 1,149,497	277.80%	\$ 650,601	\$ 85,116	13.08%
NET POSITION AT BEGINNING OF YEAR	\$ 80,592,721				\$ 78,334,141		
NET POSITION AT END OF MONTH	\$ 81,328,438				\$ 78,984,741		

Kerrville Public Utility Board
Balance Sheet
As of March 31, 2025

ASSETS & DEFERRED OUTFLOWS		March 31, 2025	September 30, 2024	LIABILITIES, DEFERRED INFLOWS & NET POSITION		March 31, 2025	September 30, 2024
CURRENT ASSETS				CURRENT LIABILITIES			
Revenue Fund:				Current Maturities of Long-Term Liabilities	\$	786,930	\$ 770,063
Cash and Cash Equivalents	\$	409,988	\$ 399,285	Accounts Payable - Purchased Power		10,598,571	9,944,112
Investments		23,123,104	37,482,858	Accounts Payable and Accrued Liabilities		1,001,613	1,396,696
Less: Customer Deposits		(528,462)	(537,816)	Over Collection of Power Cost Adjustment		21,439,663	18,865,662
Total Revenue Fund		23,004,631	37,344,328	TOTAL CURRENT LIABILITIES	\$	33,826,777	\$ 30,976,533
Construction Fund:				NONCURRENT LIABILITIES			
Cash and Cash Equivalents		5,806	5,681	2013 Revenue Bonds, net of current portion	\$	1,501,000	\$ 1,965,000
Investments		1,650,116	1,612,773	Lease Liability		40,412	48,042
Total Construction Fund		1,655,923	1,618,454	Subscription Liability		532,338	733,880
Rate Stabilization Fund:				Customer Deposits		528,462	537,816
Investments		2,171,548	2,122,404	Net Pension Liability		2,715,291	2,715,291
Total Rate Stabilization Fund		2,171,548	2,122,404	Total OPEB Liability		281,043	281,043
Long Term Rate Stabilization Fund:				TOTAL NONCURRENT LIABILITIES	\$	5,598,546	\$ 6,281,072
Investments		4,495,106	3,802,625	DEFERRED INFLOWS - PENSION AND OPEB			
Total Long Term Rate Stabilization Fund		4,495,106	3,802,625		\$	226,425	\$ 226,425
Customer Accounts Receivable, net of allowance		1,607,814	1,929,338	TOTAL LIABILITIES AND DEFERRED INFLOWS			
Receivable from KPFC		18,088,846	303,389		\$	39,651,748	\$ 37,484,030
Unbilled Revenue		2,244,875	2,244,875	TOTAL NET POSITION			
Materials and Supplies		1,223,631	1,203,625		\$	81,328,438	\$ 80,592,721
Other Current Assets		1,440,513	1,416,738				
Current Portion - Advance to City of Kerrville		1,071,428	1,071,428				
TOTAL CURRENT ASSETS	\$	57,004,314	\$ 53,057,204				
NONCURRENT ASSETS							
Customer Deposits	\$	528,462	\$ 537,816				
Interest and Sinking Fund		224,650	435,292				
Emergency, Repair, Replace, Contingency Fund		4,060,315	3,968,427				
Advance to City of Kerrville, net of current portion		3,750,001	4,285,715				
Capital Assets, net of Accum Depreciation		52,492,492	52,686,916				
Right to Use Assets, Net of Accum Amortization		53,142	61,318				
Subscription Assets, Net of Accum Amortization		1,044,634	1,221,889				
TOTAL NONCURRENT ASSETS	\$	62,153,697	\$ 63,197,373				
DEFERRED OUTFLOWS - PENSION AND OPEB							
	\$	1,822,175	\$ 1,822,175				
TOTAL ASSETS & DEFERRED OUTFLOWS OF RESOURCES				TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES & NET POSITION	\$	120,980,186	\$ 118,076,751
	\$	120,980,186	\$ 118,076,751				

Kerrville Public Utility Board
Invested Funds Detail
For the Month Ended March 31, 2025

		Restricted							
	Date	Revenue Fund	Construction Fund	Rate Stabilization Fund	Long Term Rate Stabilization Fund	Debt Reserve Fund	Interest & Sinking Fund	Emergency Repair, Replacement & Contingency Fund	Total Funds Invested
Beginning Fund Balance		\$ 32,987,472	\$ 1,643,985	\$ 2,163,479	\$ 4,478,403	\$ -	\$ 179,720	\$ 4,045,227	\$ 45,498,285
Withdrawals:									
Happy Investment - TXHB	03/03/25	(97,440)							(97,440)
Happy Investment - TMRS	03/04/25	(96,281)							(96,281)
Happy Investment - Generation Project	03/05/25	(85,000)							(85,000)
Happy Investment - LCRA	03/05/25	(649,609)							(649,609)
Happy Investment - ERCOT	03/14/25	(47)							(47)
Happy Investment - LOC KPFC	03/17/25	(56,050)							(56,050)
Happy Investment - NextEra	03/19/25	(438,144)							(438,144)
Happy Investment - Concho Bluff	03/19/25	(30,478)							(30,478)
Happy Investment - CPS	03/20/25	(1,127,962)							(1,127,962)
Happy Investment - DG Solar	03/25/25	(36,681)							(36,681)
Happy Investment - Engie	03/28/25	(70,027)							(70,027)
Happy Investment - Garland	03/31/25	(2,249)							(2,249)
Happy Investment - Generation Project	03/31/25	(10,000,000)							(10,000,000)
Investments:									
Happy Investment	03/04/25	500,000							500,000
Happy Investment	03/07/25	300,000							300,000
Happy Investment	03/12/25	(400,000)							(400,000)
Happy Investment	03/17/25	500,000							500,000
Happy Investment	03/21/25	500,000							500,000
Happy Investment	03/28/25	700,000							700,000
Happy Investment	03/31/25	650,000							650,000
Fund Balance after Withdrawals & Investments		23,047,503	1,643,985	2,163,479	4,478,403	-	179,720	4,045,227	35,558,316
Allocation of:									
Interest Income	03/31/25	119,855	6,132	8,069	16,704	-	676	15,088	166,525
Total Interest Allocation		119,855	6,132	8,069	16,704	-	676	15,088	166,525
Fund Balance After Allocations		23,167,359	1,650,116	2,171,548	4,495,106	-	180,396	4,060,315	35,724,840
Interfund Transfers :									
Debt Service	03/31/25	(44,254)					44,254		-
Ending Fund Balance		\$ 23,123,104	\$ 1,650,116	\$ 2,171,548	\$ 4,495,106	\$ -	\$ 224,650	\$ 4,060,315	\$ 35,724,840 (46)

Kerrville Public Utility Board
Debt Ratios
For the Month Ended March 31, 2025

DEBT SERVICE COVERAGE RATIO:

Description	Current Month	Fiscal Year	Previous 12 Months
CHANGE IN NET POSITION	\$ 8,706	\$ 735,717	\$ 2,343,695
PLUS:			
Interest Expense (net of amortizations)	7,632	50,292	124,414
Depreciation & Amortization Expense	379,713	2,274,494	4,525,954
Numerator	396,050	3,060,503	6,994,063
DIVIDED BY:			
Interest Expense (net of amortizations)	7,632	50,292	124,414
Principal Payment Due	65,505	393,032	786,063
Denominator	\$ 73,137	\$ 443,324	\$ 910,477
DEBT SERVICE COVERAGE RATIO	5.42	6.90	7.68
Minimum Requirement per Bond Covenant		1.35	times Debt Service

DAYS CASH ON HAND (AS OF MONTH END):

NUMERATOR (INCLUDES CASH AND INVESTMENTS):

Revenue Fund	\$ 23,004,631
Construction Fund	1,655,923
Rate Stabilization Fund	2,171,548
Long Term Rate Stabilization Fund	4,495,106
Emergency, Repair, Replace, Contingency Fund	4,060,315
Total Cash and Cash Equivalents (A)	\$ 35,387,522

DENOMINATOR:

Fiscal Year-to-Date Operating Expense	\$ 21,396,851
Less: Fiscal Year-to-Date Depreciation	2,274,494
Adjusted Operating Expense (B)	\$ 19,122,357

NUMBER OF DAYS ELAPSED IN FISCAL YEAR (C) 182

DAYS CASH ON HAND (= A / B * C) 337

MINIMUM DAYS CASH ON HAND PER POLICY 47 175

FIXED CHARGE COVERAGE RATIO (FISCAL YEAR-TO-DATE):

NUMERATOR:

Fiscal Year-to-Date Operating Income	\$ (199,865)
Less: City of Kerrville and Ingram Transfers	(688,826)
Plus: 50% of PPA Expense	4,857,757
Plus: Fiscal Year-to-Date Depreciation	2,274,494
Plus: Fiscal Year-to-Date Interest Income - Investments	1,127,192
Plus: Fiscal Year-to-Date Capital Contributions	499,255
Total Numerator (D)	\$ 7,870,008

DENOMINATOR:

50% of PPA Expense	\$ 4,857,757
Fiscal Year-to-Date Debt Service (Cash Basis)	530,531
Fiscal Year-to-Date Debt Service Receivable (Cash Basis)	(600,000)
Total Denominator (E)	\$ 4,788,288

FIXED CHARGE COVERAGE RATIO (= D / E) 1.6

MINIMUM FIXED COST COVERAGE PER POLICY 47 1.2

KERRVILLE PUBLIC UTILITY BOARD
 PAYMENT REGISTER (EXCLUDES WIRES)
 INDIVIDUAL PAYMENTS > \$10,000
 JANUARY 1, 2025 TO MARCH 31, 2025

	CHECK/ TRANS #	DATE	PMT TYPE	VENDOR #	VENDOR NAME	REFERENCE	AMOUNT
1	4114	3/18/2025	DD	1793	POWER GENERATION PROJECT	TRANSFORMER DEPOSIT	843,975.00
2	4074	2/27/2025	DD	1841	POWER GENERATION PROJECT	PROFESSIONAL SERVICES	197,072.50
3	4030	1/30/2025	DD	70	TECHLINE INCORPORATED	30'FIBERGLASS POLES(11)	157,117.38
4	4087	3/6/2025	DD	108	CITY OF KERRVILLE	3% GROSS REVENUES FEES-FEBRUARY 2025	152,677.93
5	4054	2/13/2025	DD	108	CITY OF KERRVILLE	3% GROSS REVENUES FEES-JANUARY 2025	108,670.38
6	4076	2/27/2025	DD	70	TECHLINE INCORPORATED	TRANSFORMER PAD MOUNTS 3PH 500KV(2)	104,975.08
7	4134	3/27/2025	DD	1841	POWER GENERATION PROJECT	PROFESSIONAL SERVICES	96,766.00
8	3979	1/9/2025	DD	108	CITY OF KERRVILLE	3% GROSS REVENUES FEES-DECEMBER 2024	94,565.30
9	4058	2/13/2025	DD	5415	POWER GENERATION PROJECT	PROFESSIONAL SERVICES	58,561.91
10	137422	1/9/2025	CHK	1842	POWER GENERATION PROJECT	PROFESSIONAL SERVICES	58,266.50
11	4013	1/23/2025	DD	17989	PRIESTER-MELL & NICHOLSON, INC.	DECORATIVE LIGHT FIXTURES/POLES	46,438.00
12	4034	1/31/2025	DD	1849	COLLISION COUNTRY REPAIR CENTER LLC	UNIT#3253-REPAIRS	42,339.92
13	137552	2/27/2025	CHK	1794	ALAMON INC	2025-WOOD POLE INSPECTIONS	41,115.00
14	4004	1/16/2025	DD	18391	TEXAS ELECTRIC COOPERATIVES, INC.	TRANSFORMER PAD MOUNT 3PH 500KVA(2)	38,730.00
15	4107	3/13/2025	DD	25169	NISC, INC.	BILLING SERVICES-FEBRUARY 2025	38,190.36
16	4112	3/13/2025	DD	1531	TOWNSEND TREE SERVICE COMPANY LLC	TREE TRIMMING SERVICES	38,042.60
17	137411	1/9/2025	CHK	426	CITY OF INGRAM	2% FRANCHISE FEE/SURCHARGE 7/24-12/24	36,072.46
18	4068	2/20/2025	DD	70	TECHLINE INCORPORATED	TRANSFORMER PAD MOUNT 300KVA 3PH(1)	35,130.00
19	4121	3/20/2025	DD	5415	POWER GENERATION PROJECT	PROFESSIONAL SERVICES	34,721.82
20	4057	2/13/2025	DD	25169	NISC, INC.	BILL PRINTING SERVICES-JANUARY 2025	34,103.40
21	4001	1/16/2025	DD	25169	NISC, INC.	BILL PRINTING SERVICES-DECEMBER 2024	32,823.17
22	4069	2/20/2025	DD	1797	VC3 INC	THINKGARD-CYBER SECURITY + 1/25-1/26	31,200.00
23	137587	3/13/2025	CHK	8804	DELL MARKETING L.P.	DELL LAPTOP SYSTEMS	22,336.41
24	4120	3/20/2025	DD	52	MAXEY ENERGY COMPANY	FLEET FUEL-DIESEL 3992GAL/UNLEADED 3986	22,131.44
25	4096	3/6/2025	DD	1531	TOWNSEND TREE SERVICE COMPANY LLC	TREE TRIMMING SERVICES	20,871.34
26	4094	3/6/2025	DD	70	TECHLINE INCORPORATED	50FT CREOSOTE WOOD POLES(5)/45FT(17)	20,151.04
27	3977	1/3/2025	DD	1531	TOWNSEND TREE SERVICE COMPANY LLC	TREE TRIMMING SERVICES	19,777.08

KERRVILLE PUBLIC UTILITY BOARD
 PAYMENT REGISTER (EXCLUDES WIRES)
 INDIVIDUAL PAYMENTS > \$10,000
 JANUARY 1, 2025 TO MARCH 31, 2025

	CHECK/ TRANS #	DATE	PMT TYPE	VENDOR #	VENDOR NAME	REFERENCE	AMOUNT
28	4111	3/13/2025	DD	5415	SCHNEIDER ENGINEERING, LLC	JACK FURMAN T2 ADDITION	19,529.76
29	4002	1/16/2025	DD	336	REINHAUSEN MANUFACTURING INC.	LEGION TRANSFORMER EMERGENCY REPAIRS	18,296.61
30	4033	1/30/2025	DD	1531	TOWNSEND TREE SERVICE COMPANY LLC	TREE TRIMMING SERVICES	16,003.68
31	137477	1/30/2025	CHK	380	VERDEK LLC	NETWORK CONNECTION SUBSCRIPTION	15,039.00
32	4123	3/20/2025	DD	1531	TOWNSEND TREE SERVICE COMPANY LLC	TREE TRIMMING SERVICES	14,853.83
33	4018	1/23/2025	DD	70	TECHLINE INCORPORATED	OH TRANSFORMER 15KVA(2)	14,806.96
34	4032	1/30/2025	DD	18391	TEXAS ELECTRIC COOPERATIVES, INC.	TRANSFORMER PAD MT 300KVA PH3(1)	14,626.00
35	137486	2/6/2025	CHK	1794	ALAMON INC	2025-WOOD POLE INSPECTIONS	13,988.00
36	4127	3/27/2025	DD	5833	DAVIDSON TROILO REAM & GARZA	LEGAL SERVICES	13,535.49
37	4047	2/6/2025	DD	70	TECHLINE INCORPORATED	MINIWEDGE CONNECTORS	13,502.92
38	4122	3/20/2025	DD	70	TECHLINE INCORPORATED	15KV ELBOW JACKET SEAL	12,557.93
39	4008	1/23/2025	DD	1425	BOLINGER, SEGARS, GILBERT & MOSS,LLP	FY2024 AUDIT	12,500.00
40	137528	2/13/2025	CHK	13717	SHI GOVERNMENT SOLUTIONS, INC.	TENABLE/LUMIN VULNERABILITY 1YR RENEWAL	11,840.36
41	137629	3/27/2025	CHK	1710	3SIXTY INTEGRATED	ANNUAL SUPPORT-SITE OWL MGMT SYSTEM	11,641.00
42	137527	2/13/2025	CHK	1566	SEALCOAT SPECIALISTS LLC	KPUB WIRE BARN-ASPHALT	11,440.00
43	4005	1/16/2025	DD	1531	TOWNSEND TREE SERVICE COMPANY LLC	TREE TRIMMING SERVICES	11,128.84
44	4046	2/6/2025	DD	8601	SO FAST PRINTING, INC.	KPUB 2024 COMMUNITY REPORT	10,774.00
45	4066	2/20/2025	DD	5415	POWER GENERATION PROJECT	PROFESSIONAL SERVICES	10,298.94
							<u>\$ 2,673,185.34</u>

KERRVILLE PUBLIC UTILITY BOARD
VENDOR PAYMENTS TOTALING OVER \$10,000
ROLLING 12 MONTHS ENDED MARCH 31, 2025

	VENDOR NAME	APR-JUNE 2024	JUL-SEP 2024	OCT-DEC 2024	JAN 2025	FEB 2025	MAR 2025	GRAND TOTAL
1	CITY OF KERRVILLE	\$ 305,597.86	\$ 396,273.95	\$ 354,119.20	\$ 95,108.45	\$ 109,060.80	\$ 152,857.99	\$ 1,413,018.25
2	VIRGINIA TRANSFORMER CORP	-	372,154.50	-	-	-	843,975.00	1,216,129.50
3	TECHLINE INCORPORATED	161,959.47	118,862.43	56,111.18	178,627.72	156,867.50	37,547.87	709,976.17
4	WESCO DISTRIBUTION, INC.	104,713.50	562,548.00	31,235.50	-	-	-	698,497.00
5	TOWNSEND TREE SERVICE COMPANY LLC	151,312.53	153,129.06	125,501.08	46,909.60	7,038.35	82,733.41	566,624.03
6	TEXAS ELECTRIC COOPERATIVES, INC.	221,435.04	163,420.65	73,934.50	57,725.85	2,062.00	-	518,578.04
7	SCHNEIDER ENGINEERING, LLC	141,814.80	142,907.95	99,741.24	10,923.69	68,860.85	54,251.58	518,500.11
8	NISC, INC.	98,939.06	101,205.61	116,299.80	32,823.17	34,103.40	38,190.36	421,561.40
9	POWER GENERATION PROJECT	-	-	-	-	199,367.50	96,766.00	296,133.50
10	ALTEC INDUSTRIES, INC.	3,905.51	1,300.00	263,919.22	183.76	10,276.73	775.25	280,360.47
11	LINETEC SERVICES LLC	145,392.58	-	107,407.30	-	-	-	252,799.88
12	LOWER COLORADO RIVER AUTHORITY	56,074.76	74,134.85	97,007.00	1,051.67	4,737.16	7,918.00	240,923.44
13	TML INTERGOVERNMENTAL RISK POOL	4,747.00	-	156,797.06	69.58	9,318.00	-	170,931.64
14	COMPUTER SOLUTIONS	6,939.52	27,124.22	120,905.88	2,738.26	-	-	157,707.88
15	PRIESTER-MELL & NICHOLSON, INC.	-	-	68,642.00	46,438.00	-	-	115,080.00
16	STUART C. IRBY COMPANY	1,585.52	6,545.54	91,097.54	-	-	771.30	99,999.90
17	ALLIANT INSURANCE SERVICES INC	-	-	99,190.54	-	-	-	99,190.54
18	MAXEY ENERGY COMPANY	24,858.25	22,189.04	21,634.18	-	-	22,131.44	90,812.91
19	NORTON ROSE FULBRIGHT US LLP	-	-	-	58,266.50	9,262.50	4,151.25	71,680.25
20	CITY OF INGRAM	-	35,032.76	-	36,072.46	-	-	71,105.22
21	KERRVILLE ECONOMIC DEVELOPMENT CORP.	-	-	69,750.00	-	-	-	69,750.00
22	COOPERATIVE RESPONSE CENTER, INC.	16,903.28	17,291.51	17,054.32	5,511.75	5,820.61	5,446.69	68,028.16
23	KBS ELECTRICAL DISTRIBUTORS INC.	30,005.05	21,245.80	3,255.00	-	-	7,700.40	62,206.25
24	ALAMON INC	5,894.00	-	-	-	55,103.00	172.00	61,169.00
25	ANIXTER INC	20,431.20	12,299.55	19,391.76	5,947.00	-	1,422.50	59,492.01
26	POWER GENERATION PROJECT	-	16,426.54	26,593.20	6,128.64	4,086.90	5,801.25	59,036.53
27	DELL MARKETING L.P.	2,193.57	27,231.14	6,047.54	-	-	23,425.80	58,898.05
28	DAVIDSON TROILO REAM & GARZA	21,771.06	7,037.00	3,966.00	3,242.60	7,862.10	13,535.49	57,414.25
29	SOLID BORDER, INC.	-	-	53,144.43	-	-	-	53,144.43
30	AMERICAN FIDELITY ASSURANCE CO	16,272.72	7,931.04	11,896.56	8,079.14	3,997.77	3,997.77	52,175.00
31	KEN STOEPEL FORD	-	51,985.55	-	-	-	-	51,985.55
32	USIC LOCATING SERVICES, INC.	15,060.06	12,486.02	13,861.77	3,214.18	3,175.40	3,969.72	51,767.15
33	CENTRAL TEXAS RANCH SERVICES	18,500.00	30,800.00	-	-	-	-	49,300.00
34	SHI GOVERNMENT SOLUTIONS, INC.	28,317.89	-	-	4,378.60	16,092.86	-	48,789.35

KERRVILLE PUBLIC UTILITY BOARD
VENDOR PAYMENTS TOTALING OVER \$10,000
ROLLING 12 MONTHS ENDED MARCH 31, 2025

	VENDOR NAME	APR-JUNE 2024	JUL-SEP 2024	OCT-DEC 2024	JAN 2025	FEB 2025	MAR 2025	GRAND TOTAL
35	PROLEC-GE WAUKESHA, INC.	21,650.00	13,681.43	11,840.00	-	-	-	47,171.43
36	FORD OF BOERNE	46,853.38	-	-	-	-	-	46,853.38
37	NEWGEN STRATEGIES & SOLUTIONS, LLC	-	17,580.00	17,932.68	-	-	7,750.00	43,262.68
38	COLLISION COUNTRY REPAIR CENTER LLC	-	-	-	42,339.92	-	-	42,339.92
39	KNIGHT OFFICE SOLUTIONS INC	-	-	39,994.00	734.00	367.00	-	41,095.00
40	ECKOH, INC.	369.61	35,293.31	4,453.16	183.78	114.71	100.16	40,514.73
41	VERIZON WIRELESS	9,990.52	9,212.68	10,051.67	3,175.07	3,879.61	2,961.17	39,270.72
42	PICTOMETRY INTERNATIONAL CORP	-	38,097.00	-	-	-	-	38,097.00
43	BOLINGER, SEGARS, GILBERT & MOSS,LLP	-	-	25,000.00	12,500.00	-	-	37,500.00
44	KRAUSS GARAGE	16,280.82	6,255.47	10,638.96	1,131.22	-	2,817.35	37,123.82
45	EN ENGINEERING, LLC	35,000.00	-	-	-	-	-	35,000.00
46	VC3 INC	-	3,000.00	-	-	31,200.00	-	34,200.00
47	METROPOLITAN LIFE INS. CO.	8,048.10	5,279.53	11,030.62	3,408.84	3,002.62	2,952.79	33,722.50
48	LANDIS+GYR TECHNOLOGY INC	1,995.00	11,400.00	5,700.00	5,700.00	5,700.00	2,850.00	33,345.00
49	MGT IMPACT SOLUTIONS LLC	-	-	32,482.72	-	-	-	32,482.72
50	SO FAST PRINTING, INC.	9,827.00	11,482.00	52.00	30.00	10,774.00	-	32,165.00
51	APOGEE INTERACTIVE, INC.	-	11,000.00	20,000.00	-	-	-	31,000.00
52	SURVALENT TECHNOLOGY INC	-	-	30,074.00	-	-	-	30,074.00
53	ECOMPLIANCE INC	26,309.03	-	-	-	-	-	26,309.03
54	PEAK SUBSTATION SERVICES	-	-	26,050.00	-	-	-	26,050.00
55	SCHWEITZER ENGINEERING LABS, INC.	25,676.56	-	-	-	-	-	25,676.56
56	FORVIS MAZARS LLP	-	10,500.00	12,600.00	-	-	-	23,100.00
57	MCGINNIS LOCHRIDGE, LLP	5,000.00	17,396.00	449.00	-	-	-	22,845.00
58	BAT CITY, INC.	2,380.86	8,331.98	3,869.00	-	1,041.49	6,586.91	22,210.24
59	AMERICAN PUBLIC POWER ASSN. CORP.	21,221.11	-	-	-	-	-	21,221.11
60	TEXAS PUBLIC POWER ASSOC.	2,500.00	18,162.86	-	-	-	-	20,662.86
61	SUNBELT SOLOMON SERVICES, LLC	20,231.98	-	-	-	-	-	20,231.98
62	ENTERPRISE FM TRUST	5,025.42	5,025.42	5,025.42	1,675.14	1,675.14	1,675.14	20,101.68
63	E3 CONSULTING SERVICES LLC	-	-	18,555.00	-	-	-	18,555.00
64	REINHAUSEN MANUFACTURING INC.	-	-	-	18,296.61	-	-	18,296.61
65	VERDEK LLC	3,206.00	-	-	15,039.00	-	-	18,245.00
66	SUPER STERILE JANITORIAL, LLC	-	1,080.00	8,540.00	2,860.00	2,600.00	2,600.00	17,680.00
67	STEPHEN B. SCHULTE, P.C.	3,475.00	3,037.50	4,425.00	2,675.00	1,475.00	2,237.50	17,325.00
68	WHITENTON GROUP INC	-	-	16,982.76	-	-	-	16,982.76

KERRVILLE PUBLIC UTILITY BOARD
VENDOR PAYMENTS TOTALING OVER \$10,000
ROLLING 12 MONTHS ENDED MARCH 31, 2025

	VENDOR NAME	APR-JUNE 2024	JUL-SEP 2024	OCT-DEC 2024	JAN 2025	FEB 2025	MAR 2025	GRAND TOTAL
69	3SIXTY INTEGRATED	130.00	4,119.19	-	-	4,110.67	12,698.00	21,057.86
70	STROEHER & OLFERS, INC.	4,480.20	-	7,495.76	3,253.24	1,235.96	-	16,465.16
71	TRINITY CONSULTANTS INC	-	-	15,999.26	-	-	-	15,999.26
72	NATURESCAPE HILL COUNTRY LLC	3,697.00	6,087.00	3,489.80	274.00	1,712.80	-	15,260.60
73	HILL COUNTRY TELEPHONE COOPERATIVE	3,980.52	3,077.54	4,958.60	1,233.65	-	1,233.65	14,483.96
74	TEXAS METER & DEVICE COMPANY	2,742.12	2,259.17	9,224.63	-	-	-	14,225.92
75	CDW GOVERNMENT, INC.	3,364.82	799.17	9,449.65	-	14.96	-	13,628.60
76	JUAN J MARTINEZ JR	6,645.00	6,560.00	-	-	-	-	13,205.00
77	SABRE INDUSTRIES INC	-	-	13,107.00	-	-	-	13,107.00
78	FLYIN DIESEL PERFORMANCE	-	-	11,169.34	882.33	-	1,049.14	13,100.81
79	SEALCOAT SPECIALISTS LLC	-	-	-	-	11,440.00	1,350.00	12,790.00
80	ONLINE INFORMATION SERVICES, INC	4,149.06	2,297.56	2,634.63	573.63	1,230.50	805.55	11,690.93
81	MILEPOST CONSULTING SPC	-	11,625.00	-	-	-	-	11,625.00
82	IFS CANADA, INC.	-	9,925.13	1,582.00	-	-	-	11,507.13
83	RITZ SAFETY LLC	-	-	11,203.50	-	-	-	11,203.50
84	CARAHSOFT TECHNOLOGY CORPORATION	-	11,025.00	-	-	-	-	11,025.00
85	WINDSTREAM COMMUNICATIONS	-	4,500.00	4,737.46	403.99	403.83	404.13	10,449.41
86	LB INSULATION	2,905.00	3,480.00	2,176.00	-	1,782.00	-	10,343.00
87	TUCKER'S MOBILE SERVICE LLC	2,333.17	2,029.90	3,690.83	468.65	1,569.23	178.20	10,269.98
		<u>\$ 1,904,091.51</u>	<u>\$ 2,675,162.55</u>	<u>\$ 2,525,168.25</u>	<u>\$ 720,278.69</u>	<u>\$ 792,422.95</u>	<u>\$ 1,457,790.76</u>	<u>\$ 10,074,914.71</u>

MEMORANDUM

To: Bill Thomas
Glenn Andrew
Rachel Johnston
Larry Howard
Mayor Joe Herring, Jr.
Dalton Rice
Mike Wittler

From: Amy Dozier

Date: May 14, 2025

Re: Agenda Item No. 8 – Resolution 25-02

Resolution No. 25-02 and Board Policy 44 – Investment Policy and Strategy (Policy) are attached for your consideration.

In accordance with the Public Funds Investment Act, the resolution proposes an investment policy for KPFC. The investment policy is based on the KPUB Investment Policy with these changes:

- Changes throughout to reflect Board positions/titles at KPFC instead of KPUB
- Changes to section 44.70 (Investment Strategies) to reflect the funds that are established in KPFC's Trust Indenture instead of the funds that KPUB has. In addition, the Construction Fund for KPFC contemplates investments of a shorter duration than the KPUB investment policy due to the construction calendar associated with the power generation project.

This policy was reviewed by:

1. **Steve Schulte**, Attorney. As General Counsel, Steve reviewed and approved the attached investment policy as to form.
2. **Stephanie Leibe**, Partner at Norton Rose Fulbright. As Bond Counsel, Stephanie reviewed and approved the attached investment policy for legality and content.

I am happy to answer any questions. Staff recommends approval of Resolution No. 25-02.

Sincerely,



Amy Dozier
Assistant General Manager

KERRVILLE PUBLIC UTILITY BOARD PUBLIC FACILITY CORPORATION

BOARD POLICY 44

Title: Investment Policy and Strategy

Effective Date: May 15, 2025

Replaces: N/A

Resolution No. 25-02

44.00

SCOPE

This investment policy (the “Policy”) applies to all the financial assets of Kerrville Public Utility Board Public Facility Corporation ("KPFC"), its investment activities and bank depository agreements. All funds shall be administered in accordance with the provision of this Policy. All other funds which may be created are included under this Policy unless specifically excluded by the Board of Directors of KPFC (the “Board”). This Policy does not apply to funds managed under separate pension investment programs.

44.10

POLICY STATEMENT

The KPFC’s investments will be made in accordance with applicable laws, Board policies, this Policy, and the restrictions in current KPFC bond ordinances and resolutions. Selection of brokerage firms must be approved by the Board annually. Local investment pools in which the KPFC participates shall be approved by action of the Board. Investment of KPFC funds will be transacted in accordance with the Texas Public Funds Investment Act Chapter 2256, as amended, Texas Government Code (the “Act”). Depository collateral shall be controlled under the terms of the Texas Public Funds Collateral Act Chapter 2257, as amended, Texas Government Code. Effective cash management is recognized as a foundation of this Policy. Kerrville Public Utility Board’s Assistant General Manager is responsible for implementing this Policy.

44.20

OBJECTIVES

The primary objective of KPFC's investment activity is the preservation and safety of principal and maintenance of sufficient liquidity to meet anticipated expenditures. The objectives shall also include diversification and attainment of reasonable yield subject to compliance with this policy and the Internal Revenue Code of 1986, as amended, within the cash flow constraints of KPFC.

Each investment decision shall seek to first ensure that capital losses are avoided, whether they be from securities defaults or erosion of market value. KPFC's investment portfolio will remain sufficiently liquid to meet KPFC’s operating requirements that might be reasonably anticipated. Liquidity shall be achieved by matching investment maturities with forecasted cash flow requirements and by investing in securities with active secondary markets as well as maintaining a minimum one-month liquidity buffer.

44.21 KPFC's portfolio shall be invested in high-credit quality securities. Funds shall be diversified to manage market price risks and default risks that would jeopardize the assets available to accomplish their stated objective. Funds shall never be invested in a manner inconsistent with this Policy and applicable federal and state laws and regulations.

44.22 All participants in the investment process shall seek to act responsibly as custodians of the public trust. Investment officials shall avoid any transaction that might impair public confidence in KPFC. The Board recognizes that in a diversified portfolio, occasional measured unrealized losses due to market volatility are inevitable and must be considered within the context of the overall portfolio's investment market value, provided that adequate diversification has been implemented. Strict adherence to provisions of Bond Ordinance No. 2013-21, or to any subsequent revenue bond ordinance, shall always apply.

44.30 ASSIGNMENT OF RESPONSIBILITIES

44.31 KPFC Board

The Board retains the ultimate fiduciary responsibility for the investment of its funds (Section 2256.005(f) of the Act). The Board will:

- adopt a written investment policy and strategy statement at least annually,
- designate investment officers,
- adopt a list of authorized broker/dealers at least annually,
- designate an investment committee, and
- accept quarterly investment reports.

44.32 Investment Committee

There is hereby created an Investment Committee, consisting of the Executive Director, KPUB's Assistant General Manager and two KPFC Directors.

The Investment Committee shall meet at least quarterly to determine general strategies and to monitor results. The Investment Committee shall include in its deliberations such topics as: economic outlook, portfolio diversification, maturity structure, potential risk to KPFC's funds, authorized investment advisors and broker/ dealers, and appropriate competitive and reasonable benchmarks for the investment portfolio. The Investment Committee may approve the broker/dealer list annually and approve the sources for investment training. The Investment Committee shall report to the Board after each quarterly meeting and submit the Investment Officer's report on investment activities for the past quarter. The Investment Committee shall establish its own rules or procedures, compliant with this Policy and schedule additional meetings when deemed necessary.

44.33 Investment Officers

The KPUB's Assistant General Manager and KPUB's Supervisor of Accounting are designated as the Investment Officers for KPFC. Management responsibility for the investment program is hereby delegated to the KPUB's Assistant General

Manager, who shall establish written procedures for the operation of the investment program, consistent with this Policy. Such procedures shall include explicit delegation of authority to subordinate staff processing investment transactions. No persons may engage in an investment transaction except as provided under the terms of this Policy and the procedures established by the KPUB's Assistant General Manager. The KPUB's Assistant General Manager shall be responsible for all transactions undertaken, and shall establish a system of controls to regulate the activities of subordinate staff. The Investment Officer shall disclose relationships by blood or marriage and any "personal business relationship" with sellers of investments to both the Board as determined by Chapter 573, Texas Government Code, and to the Texas Ethics Commission as defined in the Act (Section 2256.005(i)) if required by the Act. The Investment Officer shall also file a conflict disclosure statement with respect to a vendor, as applicable and pursuant to Chapter 176, Texas Local Government Code, as amended, and any conflict disclosure statement required by the Board.

44.34 Investment Advisor

KPFC may retain the services of an Investment Advisor to assist in the review of cash flow requirements, the formulation of investment strategies and the execution of security purchases, sales and deliveries.

44.35 Standard of Care

Investments shall be made with exercise of judgment and due care under prevailing circumstances that a person of prudence, discretion, and intelligence would exercise in the management of the person's own affairs. Investments shall not be speculative, but for investment, and will consider the probable safety of their capital as well as the probable income to be derived. Investment of funds shall be governed by the following principles, in order of priority:

- (1) Preservation and safety of capital (including diversification),
- (2) Liquidity,
- (3) Yield.

44.36 Ethics and Conflicts of Interest

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict (or have the appearance of conflict) with proper execution of the investment program, or which could impair their ability to make impartial investment decisions.

44.37 Officer Training

All designated Investment Officers shall comply with training requirements under state law.

44.40 REPORTING

KPUB's Assistant General Manager, as the Investment Officer, shall submit quarterly, or more often as directed by the Board, an investment report to the Executive Director, and the Board. The report shall include all items required by the Act (Section 2256.023) and shall summarize the investment strategies

employed in the most recent quarter. The KPUB's Assistant General Manager or KPUB's Supervisor of Accounting shall sign and certify that the report represents compliance with this Investment Policy and the Act.

44.41 Audits

Yearly audits must be made of compliance with the management controls on investments and with the Act. The quarterly investment reports must be formally reviewed annually by an independent auditor for compliance with the Act and the results of the review reported to the Board.

44.50 AUTHORIZED INVESTMENTS

Assets or funds of KPFC may be invested only in the following investments. New investment types authorized by Texas law will not be authorized for KPFC until this Policy is reviewed, amended, and adopted by the Board. Except as provided by Chapter 2270 of the Texas Government Code, KPFC is not required to liquidate investments that were authorized investments at the time of purchase. All investment transactions will be made on a competitive basis and all securities shall be delivered versus payment ("DVP") to the KPFC contracted safekeeping institution.

- (a) Obligations of the United States or its agencies and instrumentalities excluding mortgage-backed securities with a maximum maturity of five years, as permitted by the Act (Section 2256.009), extending to ten years in construction funds;
- (b) Depository certificates of deposit issued by a depository institution that has its main office or a branch office in the State of Texas with a maximum maturity of two (2) years, which are fully FDIC insured or collateralized in accordance with this policy and meet all further requirements as set forth in the Act (Section 2256.010(a)). This is to include those deposits placed through the Certificate of Deposit Account Registry Service (CDARS) and meeting all further requirements as set forth in the Act (Section 2256.010(b));
- (c) Fully NCUSIF insured share certificates from credit unions domiciled in the State of Texas meeting all other requirements set forth in the Act (Section 2256.010) with a maximum maturity of two (2) years;
- (d) Repurchase agreements collateralized only by cash and obligations of the United States or its agencies and meeting all other requirements set forth in the Act (Section 2256.011). Flex repurchase agreements may be utilized for bond construction funds to match anticipated expenditure limits and may extend beyond five years to match anticipated expenditures. Section 2256.010 limits reverse security repurchase agreements to 90 days;

- (e) Local government investment pools rated not less than AAA, or an equivalent rating by at least one nationally recognized rating service which strive to maintain a \$1 net asset value and meeting all other requirements of the Act (Section 2256.016). The Board must approve by resolution, participation in any pool;
- (f) Fully insured brokered certificate of deposit securities from any US state, delivered versus payment to KPFC safekeeping. The broker must be on the authorized broker/dealer list of KPFC and meet all other requirements set forth in the Act (Section 2256.010), including a main or branch office in Texas. Before purchase the Investment Officer must verify the FDIC status of the bank or banks;
- (g) Fully FDIC or NCUSIF insured or collateralized interest-bearing accounts of any bank or credit union doing business in Texas;
- (h) A1/P1 or equivalent rated domestic commercial paper with a maximum maturity of 270 days and meeting all other requirements of the Act (Section 2256.013); an AAA rated SEC-registered money market mutual funds which strive to maintain a \$1 net asset value and meets all other requirements set forth in the Act (Section 2256.014(a)).

The maximum allowable stated maturity of any individual investment owned by KPFC shall be not more than five years, extending to ten years in construction funds.

44.51 Mark-to-market

All individual securities held in the portfolio shall be marked to market and reported as of the close of business on the last day of each month. Market prices are to be obtained from an independent source.

44.52 Competitive Bidding

Individual security purchases and sales (excluding transactions with money market mutual funds, local government investment pools, and when issued securities) require at least three competitive offers or bids. Bids may be solicited orally, in writing, electronically, or in any combination of those methods.

44.53 Delivery versus payment settlement

All securities shall be purchased using DVP so that no funds are released prior to receiving the security into safekeeping. The securities shall be delivered to KPFC's depository bank and held on behalf of KPFC. Safekeeping receipts/reports shall be delivered to KPFC. The depository should provide a monthly report of KPFC holdings.

44.60 HEDGING

This policy considers 2 types of hedges – market and internal. A market hedge would be used for investment purposes and purchased through an external broker. An internal hedge specifically relates to managing the price paid for natural gas.

44.61 Market Hedge

In accordance with the Act (Section 2256.0206) KPFC may enter hedging market contracts if it meets the principal and debt requirements as an “eligible entity.” The Board must adopt a separate hedging policy prior to any hedging market transaction, and such transaction must be made in accordance with CFTC and SEC requirements. Hedging transactions may include financial agreements such as put and call options, producer price agreements, or futures contracts. A hedging market strategy should be utilized and reviewed quarterly by the Investment Committee.

44.62 Internal Hedge

In addition to market-based investment strategies for recognized funds, the Operations Advisory Team may create and monitor an internal hedge strategy focused on managing price risk related to natural gas. An internal hedge may include natural gas price locks or other strategies to cap the price paid for natural gas. Specific internal hedge strategies will be reviewed and approved at least semi-annually by the Operations Advisory Team as well as the Investment Committee.

44.70 INVESTMENT STRATEGIES

Investments may be commingled for investment purposes while still addressing the unique needs of each defined fund. A pro-active ladder portfolio structure, based on anticipated cash flow needs, will be used to fund anticipated liabilities. The KPFC portfolio is designed as a buy-and-hold pro-active portfolio with minimal anticipated trading. The total portfolio shall have a maximum weighted average maturity of two years. Construction funds may have a maximum weighted average maturity of three years. The benchmarks for the total portfolio will be the comparable period two- and three-year Treasury Notes.

In accordance with this Policy’s objectives, the fund type investment strategies address the following:

- 1) Suitability of investments,
- 2) Preservation and safety of principal,
- 3) Liquidity,
- 4) Potential marketability of investments in case of required liquidation, and
- 5) Diversification and yield considerations.

All designated fund investments must meet credit and safety criteria as required by the Act. Due to the overall short-term nature of the portfolio, involuntary investment liquidations are unlikely for any of the funds; however, should liquidations be necessary, the limited maturity of the securities should make material losses unlikely.

The various funds' investments will be structured to achieve competitive yields, given the pertinent liquidity requirements, and they will be compared against appropriately competitive and reasonable benchmarks. The overall portfolio shall not exceed a maximum weighted average maturity (WAM) of two (2) years.

44.71 Strategy by fund type

The Trust Indenture has created the following funds: Revenue Fund, Debt Service Fund, Operation and Maintenance Fund, Facility Fund, and Construction Fund.

44.72 Revenue Fund

The Revenue Fund requires a high degree of liquidity to meet monthly and ongoing operational needs.

44.73 Debt Service Fund

The Debt Service Fund investments will be designed to meet the twice-yearly bond payment requirements for which the funds are accumulated. Investments will be structured to meet the current debt payment date and no extension shall be made until the preceding payments have been fully funded. Investments shall strive to achieve competitive yields.

44.74 Operation and Maintenance Fund

Like the Revenue Fund, the Operation and Maintenance Fund requires a high degree of liquidity to meet monthly and ongoing operational needs.

44.75 Facility Fund

The Facility Fund was established to be used at the discretion of KPFC, with the approval of the KPUB Board, for the benefit of the System or Facility or as needed.

The Facility Fund will most likely require a high degree of liquidity, but can include allowable investments with a maturity under one year, if approved by the Investment Committee.

44.76 Construction Fund

The Construction Fund is to be structured to meet known construction payment requirements. Due to long construction periods the maximum maturity for these funds shall be two (2) years and the maximum WAM shall be two (2) years. A laddered portfolio strategy using high credit quality securities will be based on known expenditure plans. The Construction Fund will be compared against appropriately competitive and reasonable benchmarks.

44.77 Federal Income Tax Limitations on Investments

The Board recognizes that the provisions of Trust Indenture and the Internal Revenue Code of 1986, as amended (the "Code") impose certain restrictions upon the investment of KPFC funds. While the investment strategies of the Board include goals to maximize the yield on any investments, the Board recognizes that certain investments must be made at yields at or below the yields on KPFC's outstanding revenue bonds to comply with the provisions of the aforementioned

ordinance and the Code. The Board recognizes that excess earnings may activate rebate provisions but the goal will be to match all available earnings potential.

44.80 BANKS AND BROKER/DEALERS

A banking services depository shall be selected through KPFC's procurement process, which shall include a formal request for proposals issued at least every five years. Other financial institutions may be designated as depositories for other time and demand deposits. In selecting the banking services depository, the credit worthiness of institutions, earnings potential and service costs shall be considered, and the KPUB's Assistant General Manager shall conduct a comprehensive review of prospective depositories' credit characteristics and financial history along with the estimated cost of the banking services to be provided to KPFC.

44.81 Banks

Banks and savings banks seeking to establish eligibility for KPFC's time or demand deposits shall submit annual audited financial statements, evidence of Federal insurance and other information as required by the KPUB's Assistant General Manager.

44.82 Broker/dealers

The Investment Committee or Board shall approve a list of authorized broker/dealers recommended by the Investment Officer no less than annually. The list is shown as Exhibit A of this policy. Annual adoption of the approved list will occur at the same time as the annual adoption of the investment policy.

Broker/dealers shall provide to the Investment Officer the following:

- Annual financial statements (required annually),
- Registration with FINRA and the firm's FINRA CRD number, and
- Registration with the Texas State Securities Board.

Each broker/dealer will be provided the current Policy.

Investment Officers in their dealing with KPFC funds shall not conduct business with any securities dealer with whom or through whom public entities have sustained losses on investments.

44.83 Local Government Investment Pools

Pools must provide a policy certification to certify that they have received and reviewed the KPFC investment policy and meet all requirements set forth in the Act (Section 2256.016). Investment pools or investment management firms offering to engage in an investment transaction with KPFC must comply with the requirements of this Policy.

44.90 COLLATERAL

44.91 Collateral Pledged to KPFC

All time and demand deposits shall be secured by KPFC authorized collateral with a market value equal to at least 102 percent of the daily time and demand deposits, plus any accrued interest, less any amount insured by FDIC. Evidence of the pledged collateral shall be maintained by the KPUB's Assistant General Manager and collateral shall be held by an independent third-party financial institution approved by KPFC. The pledging institution or the custodian shall provide a monthly listing of the collateral. The collateral report will be reviewed monthly by the KPUB's Assistant General Manager to assure the market value of the securities pledged equals or exceeds the related bank collected balances. The custodian of these pledged securities must be:

- 1) A state or national bank that:
 - a) Is designated by the Comptroller as a state depository,
 - b) Has its main office or a branch office in this state, and
 - c) Has capital stock and permanent surplus of \$5 million or more;
- 2) A Federal Reserve Bank or a branch of a Federal Reserve Bank; or
- 3) A Federal Home Loan Bank.

Only securities allowed by the Public Funds Collateral Act, Chapter 2257, as amended, Texas Government Code shall be eligible to be pledged as collateral. KPFC will authorize letters of credit as collateral but will give preference to pledged securities.

KPFC's designated custodian shall provide a current list of all pledged investment securities monthly. The list must include (for each pledged investment security): KPFC's name; the CUSIP number of the security; par amount and maturity date of the security.

44.92 Collateral Owned by KPFC

Collateral underlying repurchase agreements are owned by KPFC and must have a market value equal to at least 102 percent daily monitored and reported daily by the counter-party. Collateral shall be held by an independent third-party financial institution approved by KPFC using a DVP settlement.

Authorized collateral for repurchase agreements shall include only:

- 1) cash, and
- 2) obligations of the US Government, its agencies and instrumentalities

44.100 INTERNAL CONTROLS

The Investment Officer shall establish a system of controls to regulate the activities of the investment program and subordinate staff. The controls will be reviewed annually with the independent auditor. The controls shall be designed to prevent loss of public funds due to fraud, employee error, misrepresentation by third parties, unanticipated market changes, or imprudent actions by employees of KPFC.

Controls deemed most important would include: control of collusion, separation of duties, custody and safekeeping, delegation of authority, securities losses and remedial actions, and documentation on all transactions.

44.101 Cash Flow Forecasting

Cash flow analysis and forecasting is a control designed to protect and anticipate cash flow requirements. The Investment Officer will maintain a cash flow forecasting process designed to monitor and forecast cash positions for investment purposes.

44.102 Loss of Rating

The Investment Officer shall monitor, on no less than a monthly basis, the credit rating on all authorized investments in the portfolio requiring ratings based upon independent information from a nationally recognized rating agency. If any security falls below the minimum rating required by this Policy, the Investment Officer shall notify the Committee of the loss of rating, conditions affecting the rating and possible loss of principal with liquidation options available.

44.103 Monitoring FDIC Coverage

The Investment Officer shall monitor the status and ownership of all banks issuing brokered CDs owned by KPFC based upon information from the FDIC. If any bank has been acquired or merged with another bank in which brokered CDs are owned, the Investment Officer shall immediately liquidate any brokered CD which places KPFC above the FDIC insurance level.

44.110 INVESTMENT POLICY ADOPTION

The Investment Committee may suggest Policy changes to the Board at any time. The Board shall review and adopt, by resolution, its investment strategies and any changes to the Policy not less than annually and the approving resolution shall designate any changes made to the Policy.

Approved as to Form

Stephen Schulte, General Counsel

Approved as to Legality and Content

Stephanie V. Leibe, Bond Counsel

Recommended for Board Approval

Executive Director

Passed, Approved and Adopted this ____ day of _____, 2025

Bill Thomas, President

EXHIBIT A
AUTHORIZED BROKER / DEALERS

1. Hilltop Securities
2. FHN Financial
3. Robert W. Baird
4. Stifel, Nicolas & Company

RESOLUTION NO. 25-02

RESOLUTION BY THE BOARD OF TRUSTEES OF THE KERRVILLE PUBLIC UTILITY BOARD PUBLIC FACILITY CORPORATION RELATING TO THE ADOPTION OF THE BOARD'S INVESTMENT POLICY AND INVESTMENT STRATEGIES AS REQUIRED BY THE PROVISIONS OF CHAPTER 2256, AS AMENDED, TEXAS GOVERNMENT CODE; APPROVING THE BOARD'S INVESTMENT POLICY AND INVESTMENT STRATEGIES; AND OTHER MATTERS IN CONNECTION THEREWITH.

WHEREAS, the Board of Trustees (the "Board") of the Kerrville Public Utility Board Public Facility Corporation ("KPFC") is required to adopt an investment policy (the "Policy") and certain investment strategies that are attached as Exhibit A to this Resolution and incorporated by reference herein for all purposes;

WHEREAS, the Board is required by the provisions of Chapter 2256, as amended, Texas Government Code (the "Act") to approve the Policy and review it annually going forward;

WHEREAS, the Board hereby finds and determines that the Policy and investment strategies are adopted for the year ending December 31, 2025; and

WHEREAS, the Board hereby finds and determines that these actions are in the best interest of the citizens of Kerrville; now, therefore;

BE IT RESOLVED BY THE TRUSTEES OF THE KERRVILLE PUBLIC UTILITY BOARD PUBLIC FACILITY CORPORATION THAT:

Section 1. The Policy, including authorized brokers and dealers attached hereto as Exhibit A are incorporated by reference for all purposes into this Resolution.

Section 2. The Investment Officer (as defined in the Policy) is authorized to implement the Policy in accordance with the provisions of the Policy and applicable law.

Section 3. The recitals contained in the preamble hereof are hereby found to be true, and such recitals are hereby made a part of this Resolution for all purposes and are adopted as a part of the judgment and findings of the Board.

Section 4. All orders and resolutions, or parts thereof, which are in conflict or inconsistent with any provision of this Resolution are hereby repealed to the extent of such conflict, and the provisions of this Resolution shall be and remain controlling as to the matters resolved herein.

Section 5. This Resolution shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

Section 6. If any provision of this Resolution or the application thereof to any person or circumstance shall be held to be invalid, the remainder of this Resolution and the application of such provision to other persons and circumstances shall nevertheless be valid, and the Board hereby declares that this Resolution would have been enacted without such invalid provision.

Section 7. It is officially found, determined, and declared that the meeting at which this Resolution is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this Resolution, was given, all as required by Chapter 551, as amended, Texas Government Code.

Section 8. This Resolution shall be in force and effect from and after the date of its adoption, and it is so resolved.

PASSED, APPROVED AND ADOPTED on this 21st day of May, 2025

President, Board of Directors

ATTEST:

Secretary, Board of Directors

(CORPORATION SEAL)

Kerrville Public Utility Board

KPUB BOARD MEETING
Engineering & Operations Projects
Capital Budget Report
May 21, 2025



Distribution Design Projects

Active Projects

Dark Sky Estates

- Residential Subdivision 10 Acre Lots (23 Lots)
- Released to Construction

Mariposa Subdivision

- Residential Subdivision (44 Lots)
- Released to Construction

Windridge Subdivision (Phase 1)

- Residential Subdivision (234 Lots)
- On Hold – Land Preparations

Bluewood Apartment (Phase 1)

- Apartment Complex (273 Units)
- On Hold – Land Preparations

Public Safety Facility

- City of Kerrville Facility (1000 KVA Transformer)
- Completed



Distribution Design Projects

Upcoming Projects

Windridge Subdivision (Phase 2)

- Residential Subdivision (278 Lots)
- Preliminary Review

Bluewood Apartment (Phase 2)

- Apartment Complex (273 Units)
- Preliminary Review

Aransas Addition

- Residential Subdivision (Total of 12 Lots)
- In Design



Mariposa Subdivision



Distribution Planning

5 Year Load
Forecast
(Summer/Winter)

- Completed

Transformer
Contingency Plans

- In Progress
- Target Completion: June 2025

Five Year Capital
Workplan

- Pending
- Target Completion: June 2025

Five Year Capital
Budget

- Planning
- Target Completion: July 2025

Mapping
Upgrade 2025

- Pending
- Target Completion: 2025

Underground
Inspections 2025

- Planning
- Target Completion: September 2025



Substation Projects

Jack Furman T2
Addition

- Construction Contracting
- Target Completion: May 2026

Spare Transformer
Purchase

- Completed

TRE Audit

- Completed

LCRA Load Shed
Relaying (Rim Rock)

- In Construction
- Target Completion: May 2025

Mobile Tie Switch
Engineering

- In Design
- Target Completion: September 2025



Jack Furman T2 Addition



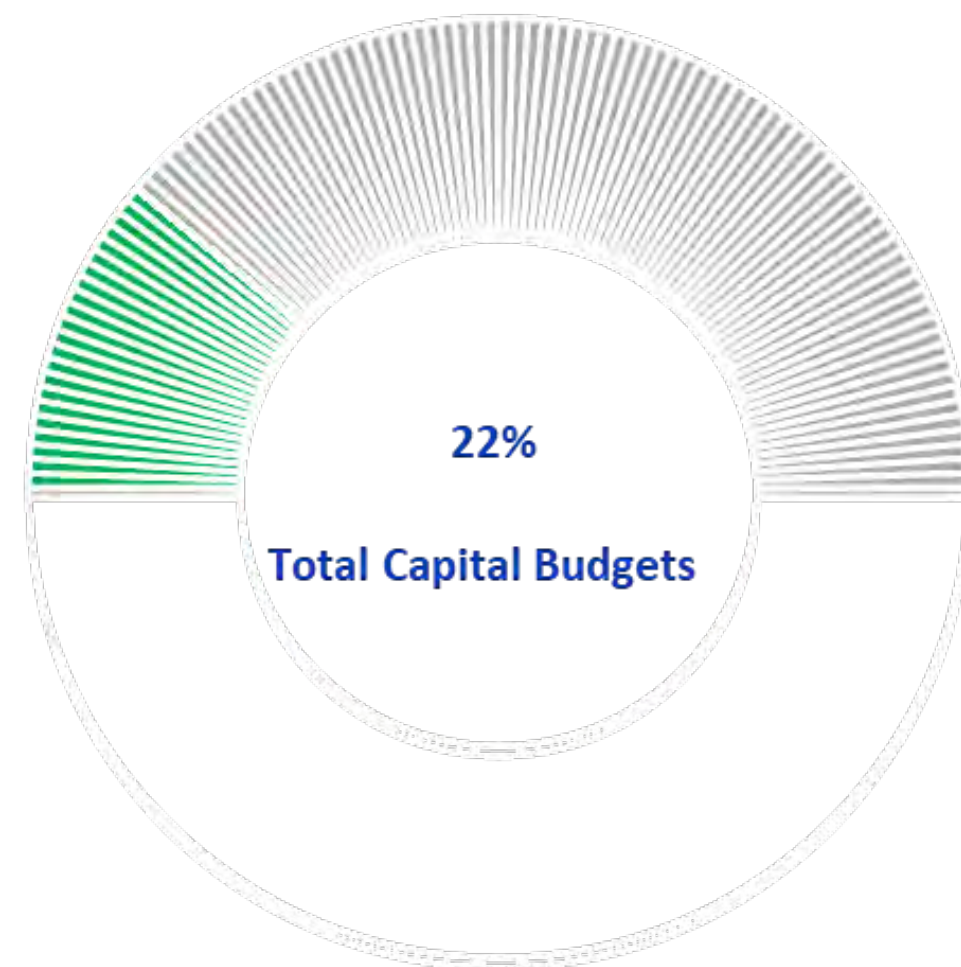
Jack Furman T2 Addition

Design Completion	February 2025
Construction Bids Due	May 2025
Board Authorization – Construction Contract	May 2025
Contractor Mobilize	January 2026
Transformer Delivery	March 2026
Energize Date	May 2026

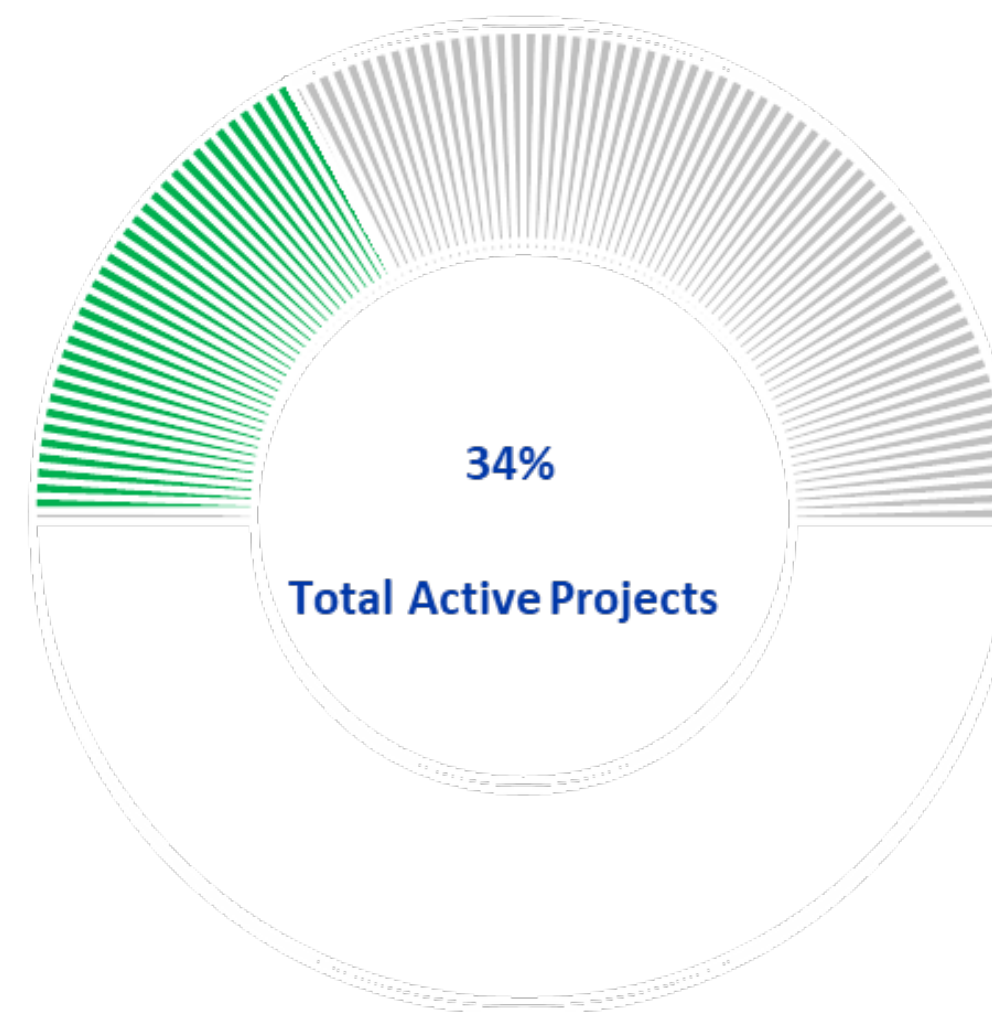


Capital Budget (Thru Q2)

Capital Budget



Active Projects



Total Capital Budget (Thru Q2)

Budget Category	Actuals FY 2025	FY2025 Budget	Percent of Budget
General Plant/Other	\$ 68,111	\$ 330,000	21%
Heavy Equipment & Vehicles	270,418	549,824	49%
Line Construction	1,238,613	4,167,973	30%
Meters	0	100,000	0%
Substations	72,844	2,220,368	3%
Total Capital Budgets	\$ 1,649,986	\$ 7,368,165	22%

Notes:

- April 2025 charges totaled \$858,116
- YTD total including April charges is \$2,508,102
- YTD percent of capital budget including April charges is 34%



Active Projects & Blankets (Thru Q2)

Project Budget	Actuals FY 2025	FY2025 Budget	Percent of Budget
Customer Extensions	\$ 613,057	\$ 1,500,000	41%
Facilities Improvements	11,440	50,000	23%
Furman T2 Xfmr and Construction	60,256	467,000	13%
Harper to Furman Transmission Underbuild	93,965	320,000	29%
Network Switches Upgrade	22,899	45,000	51%
New Bucket/Digger	268,704	325,000	83%
New Ford Expedition	1,713	60,000	3%
New Spare Virginia Transformer	12,587	638,368	2%
Ordinary Replacements	124,732	145,971	85%
Pole inspection Replacements	116,462	450,000	26%
Printer Upgrade	16,441	35,000	47%
Street Lights	159,066	325,000	49%
System Improvement	127,907	400,000	32%
Wire Barn Improvements	17,332	25,000	69%
Total Active Projects	\$ 1,649,986	\$ 4,786,339	34%



Questions?



MEMORANDUM

To: Bill Thomas
Glenn Andrew
Rachel Johnston
Larry Howard
Mayor Joe Herring, Jr.

From: Howard Hall

Date: May 16, 2025

Re: Agenda Item No. 10 – Reliability Report

Attached for your review is the second quarter Reliability Report for FY 2025-2026.

The report uses the System Average Interruption Durations Index (SAIDI), which is an industry standard metric. SAIDI is how long, on average, each customer was without power in each quarter throughout the fiscal year.

It is important to note that SAIDI is calculated by excluding Major Event Days (MEDs), as defined by the IEEE.

Please let me know if you have any questions or concerns.

Sincerely,



Howard Hall
Supervisor, Field Services



KPUB Reliability Report

Substation		FY 25 Q1	FY 25 Q2	FY 25 Q3	FY 25 Q4	Trend	FY Totals 10/1/24- 9/30/2025	Noted Significant Events
Hunt (Hunt)	w/o ME	0.90	5.44	-	-		6.34	
	w/ ME	0.90	5.44	-	-		6.34	
Ingram (Ingram)	w/o ME	4.67	0.36	-	-		5.03	
	w/ ME	4.67	0.36	-	-		5.03	
Jack Furman (Kerrville/Ingram)	w/o ME	3.44	3.91	-	-		7.35	
	w/ ME	3.44	3.91	-	-		7.35	
Rim Rock (Kerrville South)	w/o ME	2.66	0.75	-	-		3.41	
	w/ ME	2.66	0.75	-	-		3.41	
Harper (West Kerrville)	w/o ME	0.88	3.78	-	-		4.66	3/23/25 – Hail Storm caused several outages
	w/ ME	0.88	3.78	-	-		4.66	
Stadium (Central Kerrville)	w/o ME	0.68	6.24	-	-		6.92	3/23/25 – Hail Storm caused several outages
	w/ ME	0.68	6.24	-	-		6.92	
Travis (Center East Kerrville)	w/o ME	5.08	0.51	-	-		5.59	
	w/ ME	5.08	0.51	-	-		5.59	
Legion (East Kerrville)	w/o ME	2.14	4.92	-	-		7.06	
	w/ ME	2.14	4.92	-	-		7.06	
R. F. Barker (Center Point)	w/o ME	1.26	16.71	-	-		17.97	3/15/25 – Approximately 2-hour outage affecting 96 customers. Caused by tree overhang/falling and extreme wind gusts
	w/ ME	1.26	16.71	-	-		17.97	
Total	w/o ME	2.68	3.60	-	-		6.28	
	w/ ME	2.68	3.60	-	-		6.28	

* ME: Major Event Days

10/1 - 12/31

1/1-3/31

4/1-6/30

7/1-9/30

FY 25 Annualized

