

June 13, 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, June 18, 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, JUNE 18, 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. 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, July 16, 2025 at 8:30 a.m. ((possible change, to be determined))***
- ***Wednesday, August 20, 2025 at 8:30 a.m.***
- ***Wednesday, September 17, 2025 at 8:30 a.m.***
- ***Wednesday, October 15, 2025 at 8:30 a.m.***

3. QUARTERLY REPORT FROM THE KERRVILLE ECONOMIC DEVELOPMENT CORPORATION (KEDC) – TODD BOCK, INTERIM EXECUTIVE DIRECTOR:

Update on Kerrville Economic Development Corporation (KEDC) activities 1

4.	<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:	
4A.	APPROVAL OF MINUTES – Approval of the May 21, 2025, Regular Joint Monthly Board Meeting Minutes	11
4B.	RESOLUTION NO. 25-14 – AMY DOZIER, ASSISTANT GENERAL MANAGER. A Resolution approving payment to various providers of services or supplies	17
5.	<u>CONSIDERATION AND ACTION ON RESOLUTION NO. 25-15 - AMY DOZIER, ASSISTANT GENERAL MANAGER (KPUB):</u>	
	A Resolution authorizing KPUB to make an escrow account deposit with the Public Utility Commission of Texas	20
6.	<u>FINANCIAL REPORT (KPUB) – AMY DOZIER, ASSISTANT GENERAL MANAGER: ...</u>	24
7.	<u>MOTION TO VOTE AND RECESS THE PUBLIC MEETING AND RECONVENE IN AN EXECUTIVE CLOSED SESSION (KPUB and KPFC):</u>	
I.	<u>EXECUTIVE CLOSED SESSION – CONSULTATION WITH ATTORNEY:</u>	
	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.	<u>EXECUTIVE CLOSED SESSION – COMPETITIVE MATTERS:</u>	
	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 Assignment to Board Committees – Mike Wittler, CEO

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

9. ADJOURNMENT (KPUB and KPFC)



KerrEDC Quarterly Update

Reporting Period: Q1 & Q2 January to June 2025

Presented by: Todd Bock, Interim Executive Director



Introduction & Purpose



Our Role

KerrEDC drives economic vitality through strategic partnerships and business support.



Transparency

Regular updates ensure open communication with all stakeholders.



Collaboration

We align efforts across public partners to maximize economic impact.



Financial Overview

Revenue Status

\$103,124 revenue remaining for 2025 FY

- City of Kerrville: 75% received
- EIC: 75% received
- Kerr County: 100% received
- KPUB: 100% received

Financial Controls

Bookkeeping transition to City of Kerrville is complete.

Audit with DF CPA Firm in progress.

No fraud identified. New financial policies underway.



Business Development Activities



Hotel Project

Supporting infrastructure hurdles resolution.



Hospitality Investment

Ongoing discussions with management and investor group.



Manufacturing Expansion

Engaging with small, local manufacturer on downtown growth.



Megaacrete Advocacy

Supporting throughout TCEQ application process.





Strategic Collaboration

Strategic Planning

Roles Clarification

Defined responsibilities between City and KerrEDC.

Coordinating 2025-2026 Plan and ThreeYear Roadmap.

1

2

3

4

Process Development

Created joint intake and BRE procedures.

Alignment Tools

Implemented shared tracking templates and budget structure.



Marketing & Communications

Website Overhaul

Comprehensive redesign in progress to improve user experience and information access.

Marketing Materials

New one-pager under development highlighting KerrEDC services and value proposition.

IEDC Award Submission

Submitted Childcare Summit and event video for industry recognition.





Operational Improvements

Office Organization

- Completed thorough cleanup of office and Chamber attic spaces.
- Implemented new filing system for improved efficiency.

Asset Inventory

- Cataloged all available real estate assets
- Identified opportunities for better asset utilization, management, and marketing.

Database Recommendations

- Evaluated options for comprehensive property database system.
- Prepared recommendations for implementation in Q3/4.



Strategic Initiatives

Greater SATX Partnership

Ongoing regional collaboration to leverage shared resources and opportunities.

Workforce Development

Coordinating initiatives to address skills gaps and training needs.



Education Roundtable

Planning fall sessions to align curriculum with workforce needs.

Industry Forum

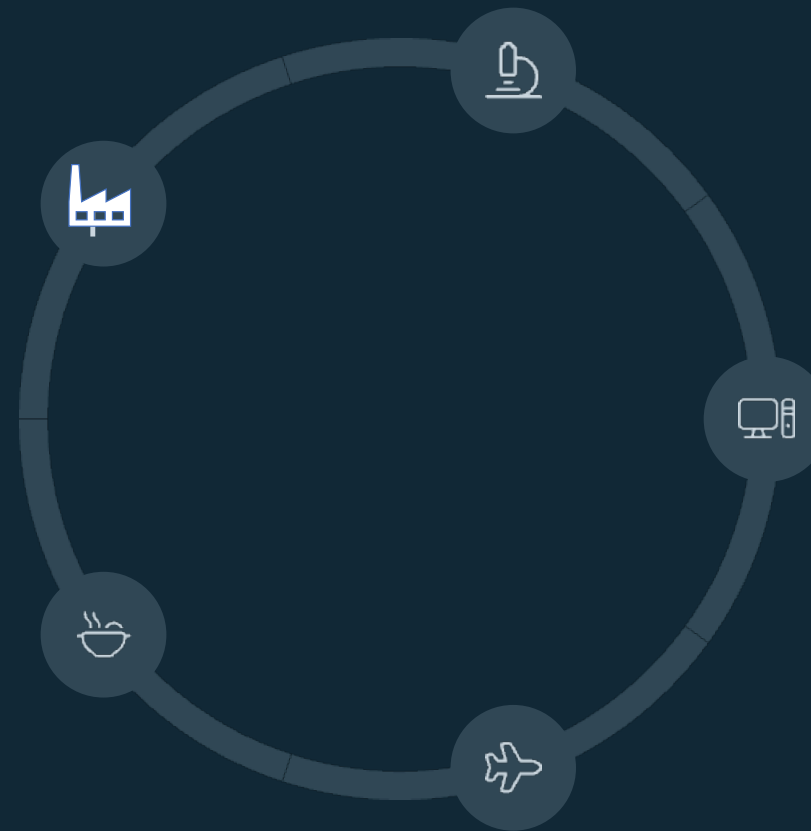
Gathering input from key sectors to inform strategic priorities.



Target Industries

Advanced
Manufacturing
Precision components, automation, and
sustainable production.

Specialty Food &
Beverage
Craft production, wineries, and artisanal
foods.



Life Sciences

Medical devices, pharmaceuticals, and
healthcare innovation.

Technology

Software development, IT services, and
digital solutions.

Aviation

Aircraft maintenance, parts manufacturing,
and flight services.



Closing Remarks

4

Key Partnerships

City Council, EIC, Commissioners Court, Major business development initiatives and KPUB

5

Active Projects

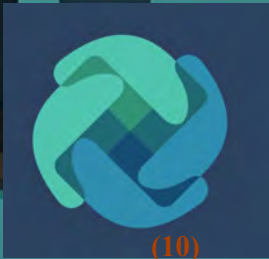
in progress

12

Months

Timeframe for our ThreeYear Roadmap first phase

We remain committed to strategic growth and crosagency alignment. Your continued collaboration is essential to our shared economic development goals.



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

TRUSTEES PRESENT:

Larry Howard (*via teleconference*)
Bill Thomas
Glenn Andrew
Rachel Johnston
Mike Wittler, Executive Director (KPFC)

STAFF PRESENT:

Mike Wittler, General Manager and CEO (KPUB)
Amy Dozier, Assistant General Manager
Tony Perez, Director of Engineering
Allison Bueché, Director of Customer and Community Relations
Larry Lee, Director of Operations
Howard Hall, Field Services Supervisor
Jill Cook, Accounting Supervisor
Robby McCutcheon, Director of Information Technology
(*via teleconference*)
Lidia S. Goldthorn, Assistant Secretary to the Board

TRUSTEES ABSENT:

Mayor Joe Herring, Jr.
Dalton Rice (KPFC)

OTHERS PRESENT:

Stephen Schulte, Legal Counsel
John Bonnin
Jesse Segura, Sr. and Jesse Segura, Jr.
Frank Rotondi, Sky Global Partners, LLC (*via teleconference*)
Randall Bird, Sky Global Partners, LLC (*via teleconference*)

CALL TO ORDER:

Mr. Bill Thomas, Vice Chairman and Vice President, called the Regular Monthly Meetings to order at 8:31 a.m.

INVOCATION AND PLEDGE OF ALLEGIANCE:

1. CITIZEN/CONSUMER OPEN FORUM:

There were no citizens/consumers to speak.

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

Ms. Bueché announced that KPUB received two additional applications for the Trade and Technical School Scholarship Program, which accepts submissions on a year-round basis. She advised that last month one scholarship was awarded under this program. Following careful review of the newly submitted applications, Ms. Bueché was proud to award two more scholarships to Jesus Segura, Jr., a senior at Center Point High School who plans to attend the Universal Technical Institute of Austin to pursue a career in welding; and Lily Romero, a senior at Tivy High School who 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 for up to two years, for a total potential award of \$2,000. Ms. Bueché added that 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. KPUB is proud to support these students as they pursue their professional training and contribute to the skilled workforce in the community.

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

3. **ANNOUNCEMENTS OF COMMUNITY INTEREST:**

Ms. Bueché highlighted employee anniversaries for May with a combined service of 26 years. She advised the KPUB sponsored Chamber Luncheon was held May 15th, with a presentation of the new generation plant video; which was played for Board Members to view. KPUB sponsored the Big Truck Story Time Event on May 3rd, and helped sponsor the Doyle Community Center's Weatherization Event on May 9th. Ms. Bueché also highlighted recent science and career day school events employees participated in. Employees also volunteered at Food Pantry events on April 28th and May 12th. Upcoming volunteer activities include a Food Pantry on June 30th and UGRA River Clean Up on July 26th. Ms. Bueché advised that KPUB will be sponsoring a Community Blood Drive on June 18th and a Food Drive from June 1st to June 30th benefiting the Doyle Community Center's Food Pantry. Mr. Wittler noted the following upcoming board meetings tentatively scheduled for:

- *Wednesday, June 18, 2025 at 8:30 a.m.*
- *Wednesday, July 16, 2025 at 8:30 a.m. (possible change, will send out a poll)*
- *Wednesday, August 20, 2025 at 8:30 a.m.*
- *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:**

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 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:

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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

Staff asked the Board of Trustees if there was a motion that the Boards convene in Executive Closed Session to discuss “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, “Deliberation Regarding Real Property” in accordance with Texas Statutes Subchapter D, chapter 551, Government Code Section §551.072, and “Personnel Matters” in accordance with Texas Statutes Subchapter D, Chapter 551, Government Code Section §551.074. Glenn Andrew, Secretary for KPUB so moved. Rachel Johnston, Treasurer for KPUB seconded the motion. Vote was by show of hands. Motion carried 4 – 0. Mr. Andrew so moved for KPFC. Ms. Johnston seconded the motion for KPFC. Vote was by show of hands. Motion carried 4 – 0.

The Boards entered Executive Closed Session at 8:45 a.m. At 9:21 a.m. Chairman and President Howard logged out of the meeting. At 10:06 a.m. Chairman and President Thomas adjourned the Executive Closed Session and reconvened into Open Session.

**At 10:06 a.m. the Boards took an eight-minute break, coming back into session at 10:14 a.m.*

5. CONSIDERATION AND ACTION AS A RESULT OF EXECUTIVE CLOSED SESSIONS:

IV. Deliberation as to Appointment of Officers to the Board of Trustees and Assignment to Board Committees

Mr. Andrew made a motion for KPUB that the Board continue the previous rotation and appoint the following to serve as officers:

Chairman – Bill Thomas
Vice Chairman – Glenn Andrew
Secretary – Rachel Johnston
Treasurer – Larry Howard

And those members serve in the various Committees as follows:

Personnel Committee – Chairman, Vice Chairman and CEO
Investment Committee – Vice Chairman, Treasurer, CEO and AGM
Budget & Audit Committee – Vice Chairman, Treasurer, CEO and AGM
Power Supply Committee – Glenn Andrew, Bill Thomas, CEO and AGM
Economic Development Committee – Larry Howard and Glenn Andrew

Ms. Johnston seconded the motion. Vote was by a show of hands. Motion passed 3 – 0.

Mr. Andrew made a motion that the KPFC Board appoint the following to serve as officers:

President – Bill Thomas
Vice President – Glenn Andrew
Secretary – Rachel Johnston
Treasurer – Larry Howard

Ms. Johnston seconded the motion for KPFC. Vote was by a show of hands. Motion passed 3 – 0.

6. CONSENT AGENDA (KPUB):

Mr. Andrew made a motion to accept items in the consent agenda as presented. Ms. Johnston seconded the motion. Vote was by a show of hands. Motion carried 3 – 0.

6A. APPROVAL OF MINUTES.

6B. RESOLUTION NO. 25-08 – AMY DOZIER, ASSISTANT GENREAL MANAGER. A Resolution approving payment to various providers of services or supplies.

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).

- 6D. RESOLUTION NO. 25-10 – AMY DOZIER, ASSISTANT GENERAL MANAGER. A Resolution approving and changing authorized representatives for Local Government Investment Cooperative (LOGIC).
- 6E. RESOLUTION NO. 25-11 – AMY DOZIER, ASSISTANT GENERAL MANAGER. A Resolution approving and amending authorized representatives for Texas Local Government Investment Pool (TexPool).
- 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).
- 6G. MARCH 2025 QUARTERLY FUNDS REPORT – AMY DOZIER, ASSISTANT GENERAL MANAGER. Acceptance of the March 2025, Quarterly Funds Report.
- 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.
- 6I. APPROVAL AND REPORTING OF PURCHASES AND SALES:
1. Jack Furman Transformer Addition Construction Contract (Tony Perez)

END OF CONSENT AGENDA

7. FINANCIAL REPORT (KPUB) – AMY DOZIER, ASSISTANT GENERAL MANAGER:

Ms. Dozier presented the final financial statements for the months of March and April 2025. She advised that due to the early timing of April's Board meeting, the March financial information was not available. Ms. Dozier advised highlights will focus on year-to-date financial information through April as well as any significant activity from March or April. She noted a \$653K increase in net position; \$24.9M in operating expense; \$351K in operating loss; \$472K in net nonoperating revenue; \$21.7M in over collection of power cost adjustment as of April 30, 2025; and \$33.5M municipal investment pools and an account at Happy State Bank. The portfolio of investment accounts earned a blended rate of 4.39% in April. Ms. Dozier also provided a power point presentation with highlights and financial metrics from her memo, as well as quarterly listings of vendor payments.

8. CONSIDERATION AND ACTION ON RESOLUTION NO. 25-02 – AMY DOZIER, ASSISTANT GENERAL MANAGER (KPFC):

Ms. Dozier presented to the Board of Trustees for their consideration and approval Resolution No. 25-02 and Board Policy 44 – Investment Policy and Strategy (Policy). Ms. Dozier advised that 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 the following changes: changes throughout to reflect Board positions/titles at KPFC instead of KPUB; and 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. Ms. Dozier added that the policy was reviewed by Steve Schulte, General Counsel, as to form; and by Stephanie Leibe, Bond Counsel, for legality and content. Staff recommended that the Board

of Trustees approve Resolution No. 25-02 in acceptance and approval of Board Policy No. 44 - Investment Policy. Ms. Johnston moved for approval of Resolution No. 21-03 for KPFC. Mr. Andrew seconded the motion for KPFC. Vote was by a show of hands. Motion carried 3 – 0.

9. ENGINEERING AND OPERATIONS PROJECTS, AND CAPITAL BUDGET REPORT – TONY PEREZ, DIRECTOR OF ENGINEERING (KPUB):

Mr. Perez presented the Projects and Capital Budget Reports for the second quarter of fiscal year end 2025. He went over the current status on distribution design projects; distribution planning and substation projects. He highlighted the Jack Furman T2 Addition progress. Budget categories highlighted included general plant/other; heavy equipment and vehicles; line construction; meters and substations. Active projects highlighted included customer extensions; network switches upgrade, new fleet items; ordinary replacements; and system improvements. Board Member advised they liked the presentation format for this quarterly item.

10. QUARTERLY RELIABILITY REPORT (KPUB) – HOWARD HALL, FIELD SERVICES SUPERVISOR (PUB):

Mr. Hall presented the second quarter Reliability Report for FY2025-2026 for the Board's review. He advised that a hail storm in March caused several outages and provided picture of some damaged meters. Mr. Hall advised the report uses the System Average Interruption Durations Index (SAIDI), which is an industry standard metric. SAIDI shows how long on average, each customer was without power in each quarter throughout the fiscal year. He added it was important to note that SAIDI is calculated by excluding Major Event Days (MEDs), as defined by the IEEE.

11. ADJOURNMENT (KPUB and KPFC)

Chairman Howard adjourned the Regular Board Meeting at 10:47 a.m.

Date Approved: _____

Bill Thomas, Chairman and President

ATTEST

Lidia S. Goldthorn, Assistant Secretary to the Board

MEMORANDUM

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

From: Amy Dozier

Date: June 11, 2025

Re: Agenda Item No. 4B – Resolution No. 25-14

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 May 15, 2025 and June 11, 2025 for Board approval:

	Vendor	Description	Amount	Date
Purchased Power:				
1	NextEra	April 2025	469,440.00	05/19/2025
2	CPS	April 2025	669,608.47	05/22/2025
3	Concho Bluff	April 2025	107,698.15	05/23/2025
4	DG Solar	April 2025	48,862.53	05/23/2025
5	Engie	April 2025	83,182.17	05/23/2025
6	Garland	April 2025	351,477.78	05/30/2025
7	LCRA	April 2025	679,408.85	06/03/2025
Payroll:				
1	Payroll	Pay period ending 5/17/2025	173,164.38	05/23/2025
2	Payroll	Pay period ending 5/31/2025	176,057.43	06/06/2025
3	Payroll Taxes	Pay period ending 5/17/2025	61,958.98	05/28/2025
4	Payroll Taxes	Pay period ending 5/31/2025	63,571.52	06/11/2025
Employee Benefits:				
1	TX Health Benefits	Health Insurance - June	100,019.31	06/02/2025
2	TMRS	Pension - May Payroll	100,058.89	06/09/2025
Investment Transfers:				
1	Happy State Bank	Investment Transfer	300,000.00	05/16/2025
2	Happy State Bank	Investment Transfer	500,000.00	05/23/2025
3	Happy State Bank	Investment Transfer	900,000.00	05/30/2025
4	Happy State Bank	Investment Transfer	400,000.00	06/06/2025
KPFC:				
1	Sky Global	Management Fee	85,000.00	06/05/2025

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

Sincerely,

A handwritten signature in blue ink that reads "Amy Dozier". The signature is written in a cursive style with a large, stylized "A" and "D".

Amy Dozier
Assistant General Manager

RESOLUTION NO. 25-14

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 18th day of June, 2025

Bill Thomas, Chairman

ATTEST:

Rachel Johnston, Secretary

MEMORANDUM

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

From: Amy Dozier

Date: June 12, 2025

Re: Agenda Item No. 5 – Escrow Deposit

Attached please find a resolution related to a deposit required by the Credit Agreement between the PUCT and KPFC. The KPUB and KPFC Boards approved the Credit Agreement on March 7, 2025. The Credit Agreement was approved by City Council of March 11, 2025.

Section 3.1.23 of the Credit Agreement requires that a deposit equal to 3% of estimated project costs be made prior to the financial close of the loan agreement. Project costs are estimated at \$175 million, so the required deposit is \$5.25 million. The deposit will be held in escrow by the Comptroller until the Resource Commissioning date. The interconnection process must be complete, including approval to participate in the ERCOT market in order to achieve a Resource Commissioning Date. We anticipate achieving this milestone in the Spring of 2027, at which time, the borrower can request that the escrow funds be released.

Because KPFC has no funds available, this resolution authorizes KPUB to fund the escrow account with the stipulation that the funds will be returned to KPUB when they are released from escrow. This provision in the credit agreement, along with the purchase of a surety policy, eliminated the need to create a long-term reserve fund or include other financial metric debt covenant requirements.

Financial close is currently scheduled for July 8, 2025. This deposit will be made shortly before that date.

Management recommends approval of this resolution. I am happy to answer any questions.

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

RESOLUTION NO. 25-15

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE KERRVILLE PUBLIC UTILITY BOARD ("KPUB") AUTHORIZING KPUB TO MAKE AN ESCROW ACCOUNT DEPOSIT WITH THE PUBLIC UTILITY COMMISSION OF TEXAS PER SECTION 3.1.23 OF THE CREDIT AGREEMENT BETWEEN KERRVILLE PUBLIC UTILITY BOARD PUBLIC FACILITY CORPORATION ("THE CORPORATION") AND THE PUBLIC UTILITY COMMISSION OF TEXAS RELATED TO THE CONSTRUCTION OF A POWER GENERATION PROJECT

WHEREAS, the City Council of the City of Kerrville, Texas (the "City") authorized and approved the creation of the Kerrville Public Utility Board Public Facility Corporation (the "Corporation") under Chapter 303, as amended, Texas Local Government Code (the "Act"), for the for the purpose of financing or providing for the acquisition, construction, rehabilitation, renovation, repair, equipping, furnishing, and placement in service of "public facilities" (as defined in the "Act"), including electric power supply facilities to be devoted to public use by the City's electric, light and power system (the "System"), as managed by KPUB in an orderly, planned manner and at the lowest possible costs (collectively, the "Public Purposes"); and

WHEREAS, KPUB'S Board of Directors (the "Board") has determined that it is in the public interest and to the benefit of the City's residents that it continue to construct a Gas-Fired Reciprocating Internal Combustion Engine (RICE) Facility Project (the "Project"), as further described in the KPUB resolution dated March 7, 2025, in order to effectuate the Public Purposes in a timely and cost-effective manner; and

WHEREAS, on March 7, 2025 KPUB'S Board and the Corporation's Board of Directors approved the project and the financing plan, including the execution by the Corporation of a Credit Agreement between the Corporation and the Public Utility Commission of Texas ("Credit Agreement"); and

WHEREAS, on March 11, 2025 the City authorized the execution of the Credit Agreement by the Corporation; and

WHEREAS, Section 3.1.23 of the Credit Agreement requires that the Corporation shall have made or shall have caused to be made on its behalf a deposit equal to 3% of estimated project costs, or \$5.25 million, into an escrow account maintained by the Lender prior to the closing of the Credit Agreement; and

WHEREAS, this deposit will be held in escrow according to Section 3.5 of the Credit Agreement and released upon the completion of the Project in accordance with the terms of the Credit Agreement; and

WHEREAS, the Corporation has no funds with which to pay the deposit; and

WHEREAS, in order to facilitate the Corporation's ability to implement the Project for the benefit of the KPUB System, it will be necessary and convenient for KPUB to pay the required deposit of funds to be held in escrow under the terms of the Credit Agreement; and

WHEREAS, the Board hereby finds and determines that the adoption of this Resolution is in the best interests of the System and the residents of the City; now therefore,

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE KERRVILLE PUBLIC UTILITY BOARD THAT:

Section 1. KPUB shall place in escrow the deposit required under Section 3.1.23 of the Credit Agreement in connection with the Corporation's execution and closing of the Credit Agreement. The General Manager/CEO of KPUB is hereby authorized and directed to facilitate the delivery of the deposit for the benefit of the Corporation in order to allow the Corporation to satisfy the borrowing requirements under the Credit Agreement. Upon satisfying the terms necessary for the release of the deposit, the deposit shall be returned to KPUB. The executive director of KPUB is hereby authorized and directed to enter into a letter agreement or memorandum of understanding, as determined to be necessary by the executive director, with the Corporation to memorialize this arrangement.

Section 2. This Resolution shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

Section 3. 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 4. 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 and in accordance with the Corporation's Bylaws.

Section 5. This Resolution shall become effective immediately upon passage by the Board.

PASSED, APPROVED AND ADOPTED on this 18th day of June, 2025

Bill Thomas, Chairman

ATTEST:

Rachel Johnston, Secretary

MEMORANDUM

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

From: Amy Dozier

Date: June 12, 2025

Re: Agenda Item No. 6 – Financial Report

Attached please find financial statements for the months of May 2025.

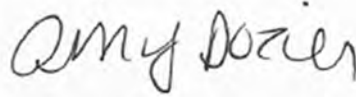
Highlights include:

- **\$572K increase** in net position on a year-to-date (YTD) basis, which is \$2.0M better than budget.
- **\$28.1M in operating revenue** on a YTD basis.
 - Through May, operating revenue is 5.7% lower than expected due to a combination of kWh sales that are 2.7% below budget and the power supply price per unit that is 2.6% less than budget. Revenues for the month of May were better than budget due to higher costs to purchase power. 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.
- **\$28.6M in operating expense** on a YTD basis.
 - YTD operating expense is 10.3% 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 due to mild weather. 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 and a decline in customers requesting energy efficiency rebates 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 and lower than budgeted expenditures on outside professional services not related to the power generation project.
- **\$545K in operating loss** on a YTD basis.
 - This is an indication that we are not covering all operating expenses with our existing rate structure. We are currently in the last month of a cost of service study that will address this imbalance and provide rate setting recommendations. We anticipate presenting recommendations to the Board by August.
- **\$489K in net nonoperating revenue** on a YTD basis.
 - Nonoperating revenue is \$133K 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.

- **\$21.8M in over collection of power cost adjustment** as of 05/31/2025
 - Overcollection increased by \$146K from the prior month.
 - The billed rate remains at \$105.00 for 1,000 kWh of residential power. In the May monthly survey of 29 Central and South Texas utilities, KPUB's rate was the lowest. The overall average rate for the 29 utilities is \$133.51.
- **\$33.0M 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 May.

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 May 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	\$ 1,894,376	\$ 1,811,332	\$ 83,044	4.58%	\$ 1,639,527	\$ 254,850	15.54%
Commercial/Industrial	1,596,851	1,527,693	69,158	4.53%	1,426,944	169,907	11.91%
Sales to Public Authorities	21,759	21,500	259	1.20%	21,719	39	0.18%
Other	39,226	25,686	13,540	52.71%	39,953	(727)	-1.82%
TOTAL OPERATING REVENUES	3,552,212	3,386,212	166,001	4.90%	3,128,144	424,069	13.56%
OPERATING EXPENSES:							
Purchased Power	2,399,841	2,376,892	(22,949)	-0.97%	1,989,246	(410,595)	-20.64%
Distribution	384,803	398,981	14,178	3.55%	324,427	(60,376)	-18.61%
Customer Accounts	61,017	70,195	9,178	13.08%	53,953	(7,063)	-13.09%
Customer Service, Informational & Sales	27,899	52,676	24,777	47.04%	38,005	10,106	26.59%
Administrative Expenses	491,184	497,692	6,507	1.31%	387,587	(103,597)	-26.73%
Depreciation & Amortization	380,573	393,354	12,781	3.25%	384,833	4,260	1.11%
TOTAL OPERATING EXPENSES	3,745,317	3,789,790	44,473	1.17%	3,178,052	(567,264)	-17.85%
OPERATING INCOME (LOSS)	(193,105)	(403,579)	210,474	52.15%	(49,909)	(143,196)	-286.91%
NONOPERATING REVENUES (EXP):							
Interest Income - Investments	128,036	113,333	14,703	12.97%	212,598	(84,562)	-39.78%
Interest Income - City of Kerrville	9,643	9,643	0	0.00%	11,786	(2,143)	-18.18%
Interest Expense	(8,281)	(11,219)	2,937	26.18%	(9,903)	1,622	16.38%
City of Kerrville - General Fund Transfer	(110,718)	(105,373)	(5,344)	-5.07%	(100,474)	(10,243)	-10.19%
City of Ingram - Franchise Fee	(2,597)	(2,741)	144	5.25%	(2,477)	(121)	-4.87%
Other - Net	696	3,250	(2,554)	-78.57%	(3,382)	4,078	120.59%
TOTAL NONOPERATING REVENUES (EXP)	16,779	6,893	9,886	143.42%	108,148	(91,369)	-84.48%
INCOME BEFORE CONTRIBUTIONS	(176,326)	(396,686)	220,359	55.55%	58,239	(234,564)	-402.76%
CAPITAL CONTRIBUTIONS	95,924	41,667	54,258	130.22%	50,075	45,850	91.56%
CHANGE IN NET POSITION	\$ (80,401)	\$ (355,019)	\$ 274,617	77.35%	\$ 108,314	\$ (188,715)	-174.23%
NET POSITION AT BEGINNING OF MONTH	\$ 81,245,363				\$ 79,148,732		
NET POSITION AT END OF MONTH	\$ 81,164,962				\$ 79,257,046		

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

	Year to Date	Comparison to Budget			Year to Date	Comparison to Last Year		
		Year to Date Budget Amount	Variance Favorable (Unfavorable)	Percentage Variance		Year to Date Last Year Amount	Variance Favorable (Unfavorable)	Percentage Variance
OPERATING REVENUES:								
Residential	\$ 15,794,259	\$ 16,905,986	\$ (1,111,727)	-6.58%	\$ 15,486,307	\$ 307,952	1.99%	
Commercial/Industrial	11,563,293	12,165,677	(602,384)	-4.95%	10,987,342	575,951	5.24%	
Sales to Public Authorities	174,171	172,000	2,171	1.26%	174,299	(127)	-0.07%	
Other	519,887	489,745	30,142	6.15%	496,213	23,673	4.77%	
TOTAL OPERATING REVENUES	28,051,610	29,733,408	(1,681,797)	-5.66%	27,144,161	907,449	3.34%	
OPERATING EXPENSES:								
Purchased Power	18,158,430	20,457,527	2,299,097	11.24%	17,502,197	(656,232)	-3.75%	
Distribution	2,768,154	3,191,850	423,696	13.27%	2,934,557	166,403	5.67%	
Customer Accounts	518,312	561,561	43,249	7.70%	474,332	(43,980)	-9.27%	
Customer Service, Informational & Sales	263,733	421,409	157,676	37.42%	327,250	63,517	19.41%	
Administrative Expenses	3,852,641	4,110,283	257,643	6.27%	3,271,833	(580,808)	-17.75%	
Depreciation & Amortization	3,034,916	3,118,834	83,918	2.69%	2,974,941	(59,975)	-2.02%	
TOTAL OPERATING EXPENSES	28,596,185	31,861,463	3,265,278	10.25%	27,485,110	(1,111,075)	-4.04%	
OPERATING INCOME (LOSS)	(544,575)	(2,128,055)	1,583,481	74.41%	(340,948)	(203,626)	-59.72%	
NONOPERATING REVENUES (EXP):								
Interest Income - Investments	1,386,802	1,299,167	87,635	6.75%	1,673,372	(286,570)	-17.13%	
Interest Income - City of Kerrville	81,429	81,429	(0)	0.00%	101,786	(20,357)	-20.00%	
Interest Expense	(67,102)	(90,978)	23,876	26.24%	(83,524)	16,422	19.66%	
City of Kerrville - General Fund Transfer	(886,168)	(934,200)	48,032	5.14%	(867,854)	(18,314)	-2.11%	
City of Ingram - Franchise Fee	(22,125)	(25,587)	3,462	13.53%	(22,527)	403	1.79%	
Other - Net	(3,590)	26,000	(29,590)	-113.81%	9,146	(12,736)	-139.25%	
TOTAL NONOPERATING REVENUES (EXP)	489,246	355,830	133,415	37.49%	810,398	(321,153)	-39.63%	
INCOME BEFORE CONTRIBUTIONS	(55,329)	(1,772,225)	1,716,896	96.88%	469,450	(524,779)	-111.79%	
CAPITAL CONTRIBUTIONS	627,569	333,333	294,236	88.27%	453,455	174,114	38.40%	
CHANGE IN NET POSITION	\$ 572,240	\$ (1,438,892)	\$ 2,011,131	139.77%	\$ 922,905	\$ (350,664)	-38.00%	
NET POSITION AT BEGINNING OF YEAR	\$ 80,592,721				\$ 78,334,141			
NET POSITION AT END OF MONTH	\$ 81,164,962				\$ 79,257,046			

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

ASSETS & DEFERRED OUTFLOWS	May 31, 2025	September 30, 2024	LIABILITIES, DEFERRED INFLOWS & NET POSITION	May 31, 2025	September 30, 2024
CURRENT ASSETS			CURRENT LIABILITIES		
Revenue Fund:			Current Maturities of Long-Term Liabilities	\$ 797,780	\$ 770,063
Cash and Cash Equivalents	\$ 633,327	\$ 399,285	Accounts Payable - Purchased Power	10,623,521	9,944,112
Investments	20,255,573	37,482,858	Accounts Payable and Accrued Liabilities	1,111,470	1,396,696
Less: Customer Deposits	(538,643)	(537,816)	Over Collection of Power Cost Adjustment	21,807,641	18,865,662
Total Revenue Fund	20,350,258	37,344,328	TOTAL CURRENT LIABILITIES	\$ 34,340,411	\$ 30,976,533
Construction Fund:			NONCURRENT LIABILITIES		
Cash and Cash Equivalents	5,848	5,681	2013 Revenue Bonds, net of current portion	\$ 1,501,000	\$ 1,965,000
Investments	1,662,246	1,612,773	Lease Liability	37,822	48,042
Total Construction Fund	1,668,094	1,618,454	Subscription Liability	505,028	733,880
Rate Stabilization Fund:			Customer Deposits	538,643	537,816
Investments	2,187,511	2,122,404	Net Pension Liability	2,715,291	2,715,291
Total Rate Stabilization Fund	2,187,511	2,122,404	Total OPEB Liability	281,043	281,043
Long Term Rate Stabilization Fund:			TOTAL NONCURRENT LIABILITIES	\$ 5,578,827	\$ 6,281,072
Investments	4,528,149	3,802,625			
Total Long Term Rate Stabilization Fund	4,528,149	3,802,625	DEFERRED INFLOWS - PENSION AND OPEB	\$ 226,425	\$ 226,425
Customer Accounts Receivable, net of allowance	1,491,588	1,929,338	TOTAL LIABILITIES AND DEFERRED INFLOWS	\$ 40,145,663	\$ 37,484,030
Receivable from KPFC	20,574,030	303,389			
Unbilled Revenue	2,244,875	2,244,875	TOTAL NET POSITION	\$ 81,164,962	\$ 80,592,721
Materials and Supplies	2,517,162	1,203,625			
Other Current Assets	1,467,980	1,416,738			
Current Portion - Advance to City of Kerrville	1,071,428	1,071,428			
TOTAL CURRENT ASSETS	\$ 58,101,074	\$ 53,057,204			
NONCURRENT ASSETS					
Customer Deposits	\$ 538,643	\$ 537,816			
Interest and Sinking Fund	276,930	435,292			
Emergency, Repair, Replace, Contingency Fund	4,090,161	3,968,427			
Advance to City of Kerrville, net of current portion	3,750,001	4,285,715			
Capital Assets, net of Accum Depreciation	51,678,070	52,686,916			
Right to Use Assets, Net of Accum Amortization	50,417	61,318			
Subscription Assets, Net of Accum Amortization	1,003,152	1,221,889			
TOTAL NONCURRENT ASSETS	\$ 61,387,375	\$ 63,197,373			
DEFERRED OUTFLOWS - PENSION AND OPEB	\$ 1,822,175	\$ 1,822,175			
TOTAL ASSETS & DEFERRED OUTFLOWS OF RESOURCES	\$ 121,310,625	\$ 118,076,751	TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES & NET POSITION	\$ 121,310,625	\$ 118,076,751

Kerrville Public Utility Board
Invested Funds Detail
For the Month Ended May 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		\$ 20,892,077	\$ 1,656,077	\$ 2,179,392	\$ 4,511,344	\$ -	\$ 232,000	\$ 4,074,982	\$ 33,545,872
Withdrawals:									
Happy Investment - TXHB	05/01/25	(97,430)							(97,430)
Happy Investment - LCRA	05/02/25	(655,410)							(655,410)
Happy Investment - TMRS	05/05/25	(99,084)							(99,084)
Happy Investment - Sky Global	05/05/25	(85,000)							(85,000)
Happy Investment - ERCOT	05/14/25	(28)							(28)
Happy Investment - NextEra	05/19/25	(469,440)							(469,440)
Happy Investment - CPS	05/22/25	(669,608)							(669,608)
Happy Investment - Concho Bluff	05/23/25	(107,698)							(107,698)
Happy Investment - DG Solar	05/23/25	(48,863)							(48,863)
Happy Investment - Engie	05/23/25	(83,182)							(83,182)
Happy Investment - Garland	05/30/25	(351,478)							(351,478)
Investments:									
Happy Investment	05/09/25	300,000							300,000
Happy Investment	05/16/25	300,000							300,000
Happy Investment	05/23/25	500,000							500,000
Happy Investment	05/30/25	900,000							900,000
Fund Balance after Withdrawals & Investments		20,224,856	1,656,077	2,179,392	4,511,344	-	232,000	4,074,982	32,878,651
Allocation of:									
Interest Income	05/31/25	74,778	6,169	8,118	16,805	-	870	15,180	121,920
Total Interest Allocation		74,778	6,169	8,118	16,805	-	870	15,180	121,920
Fund Balance After Allocations		20,299,634	1,662,246	2,187,511	4,528,149	-	232,870	4,090,161	33,000,570
Interfund Transfers :									
Debt Service	05/31/25	(44,061)					44,061		-
Ending Fund Balance		\$ 20,255,573	\$ 1,662,246	\$ 2,187,511	\$ 4,528,149	\$ -	\$ 276,930	\$ 4,090,161	\$ 33,000,570

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

DEBT SERVICE COVERAGE RATIO:

Description	Current Month	Fiscal Year	Previous 12 Months
CHANGE IN NET POSITION	\$ (80,401)	\$ 572,240	\$ 2,219,630
PLUS:			
Interest Expense (net of amortizations)	8,281	67,102	120,759
Depreciation & Amortization Expense	380,573	3,034,916	4,538,636
Numerator	308,453	3,674,258	6,879,026
DIVIDED BY:			
Interest Expense (net of amortizations)	8,281	67,102	120,759
Principal Payment Due	65,505	524,042	786,063
Denominator	\$ 73,786	\$ 591,144	\$ 906,822
DEBT SERVICE COVERAGE RATIO	4.18	6.22	7.59
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	\$ 20,350,258
Construction Fund	1,668,094
Rate Stabilization Fund	2,187,511
Long Term Rate Stabilization Fund	4,528,149
Emergency, Repair, Replace, Contingency Fund	4,090,161
Total Cash and Cash Equivalents (A)	\$ 32,824,172

DENOMINATOR:

Fiscal Year-to-Date Operating Expense	\$ 28,596,185
Less: Fiscal Year-to-Date Depreciation	3,034,916
Adjusted Operating Expense (B)	\$ 25,561,269

NUMBER OF DAYS ELAPSED IN FISCAL YEAR (C) 243

DAYS CASH ON HAND (= A / B * C) 312

MINIMUM DAYS CASH ON HAND PER POLICY 47 175

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

NUMERATOR:

Fiscal Year-to-Date Operating Income	\$ (544,575)
Less: City of Kerrville and Ingram Transfers	(908,293)
Plus: 50% of PPA Expense	6,491,517
Plus: Fiscal Year-to-Date Depreciation	3,034,916
Plus: Fiscal Year-to-Date Interest Income - Investments	1,386,802
Plus: Fiscal Year-to-Date Capital Contributions	627,569
Total Numerator (D)	\$ 10,087,936

DENOMINATOR:

50% of PPA Expense	\$ 6,491,517
Fiscal Year-to-Date Debt Service (Cash Basis)	530,531
Fiscal Year-to-Date Debt Service Receivable (Cash Basis)	(600,000)
Total Denominator (E)	\$ 6,422,048

FIXED CHARGE COVERAGE RATIO (= D / E) 1.6

MINIMUM FIXED COST COVERAGE PER POLICY 47 1.2