

**September 11, 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, September 17, 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.**



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**Lidia S. Goldthorn, Assistant Secretary**



**AGENDA**  
**KERRVILLE PUBLIC UTILITY BOARD (KPUB) AND**  
**KERRVILLE PUBLIC FACILITY CORPORATION (KPFC)**  
**REGULAR JOINT MONTHLY MEETING**  
**WEDNESDAY, SEPTEMBER 17, 2025, 8:30 A.M.**  
**KPUB CONFERENCE ROOM**  
**KERRVILLE PUBLIC UTILITY BOARD OFFICES**  
**2250 MEMORIAL BLVD.**  
**KERRVILLE, TEXAS**

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*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, October 15, 2025 at 8:30 a.m.***
- ***Wednesday, November 19, 2025 at 8:30 a.m.***
- ***Wednesday, December 17, 2025 at 8:30 a.m.***

**3. CONSIDERATION AND POSSIBLE ACTION ON ANNUAL FUNDING REQUEST FROM THE KERRVILLE ECONOMIC DEVELOPMENT CORPORATION (KEDC) – TODD BOCK, EXECUTIVE DIRECTOR: .....**



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

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

6. **CONSENT AGENDA (KPUB and KPFC):**

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 August 20, 2025, Regular Joint Monthly Board Meeting Minutes and Budget Workshop Minutes ..... 9
- 6B. RESOLUTION NO. 25-18 – AMY DOZIER, ASSISTANT GENERAL MANAGER. A Resolution approving payment to various providers of services or supplies ..... 16
- 6C. RESOLUTION NO. 25-19 – 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) ..... 19



6D.	RESOLUTION NO. 25-05 – AMY DOZIER, ASSISTANT GENERAL MANAGER. A Resolution authorizing and approving signatures for the KPUB Public Facility Corporation Board of Trustees and Management for purposes of bank accounts, investments and financial transactions (Happy State Bank) .....	20
6E.	RESOLUTION NO. 25-20 – AMY DOZIER, ASSISTANT GENERAL MANAGER. A Resolution approving and changing authorized representatives for Local Government Investment Cooperative (LOGIC) .....	21
6F.	RESOLUTION NO. 25-21 – AMY DOZIER, ASSISTANT GENERAL MANAGER. A Resolution approving and amending authorized representatives for Texas Local Government Investment Pool (TexPool) .....	23
6G.	JUNE 2025 QUARTERLY FUNDS REPORT – AMY DOZIER, ASSISTANT GENERAL MANAGER. Acceptance of the June 2025, Quarterly Funds Report as presented to the Investment Committee following the August 20, 2025, Board Meeting ....	26
6H.	APPROVAL AND REPORTING OF PURCHASES AND SALES:	
	1. Fleet Sales (Howard Hall, Field Services Supervisor) .....	29
7.	<b><u>FINANCIAL REPORT (KPUB and KPFC) – AMY DOZIER, ASSISTANT GENERAL MANAGER:</u></b> .....	34
8.	<b><u>CONSIDERATION AND ACTION ON APPROVAL OF FY2026 ANNUAL SYSTEM BUDGET (KPUB and KPFC) – AMY DOZIER, ASSISTANT GENERAL MANAGER:</u></b> .....	44
9.	<b><u>CONSIDERATION AND ACTION ON RESOLUTION NO. 25-22 (KPUB) – AMY DOZIER, ASSISTANT GENERAL MANAGER:</u></b>	
	A Resolution revising the policy for administration of the rate stabilization fund to authorize transfers in order to facilitate the delay of a rate increase.....	81
10.	<b><u>CONSIDERATION AND ACTION ON APPROVAL TO INCREASE BILL CREDIT PROMOTION (KPUB) - ALLISON BUECHÉ, DIRECTOR OF CUSTOMER &amp; COMMUNITY RELATIONS:</u></b> .....	83
11.	<b><u>DISCUSSION ON KPUB CUSTOMER SATISFACTION SURVEY RESULTS – ALLISON BUECHÉ, DIRECTOR OF CUSTOMER &amp; COMMUNITY RELATIONS:</u></b> .....	84
12.	<b><u>ADJOURNMENT (KPUB and KPFC)</u></b>	





# 2025 BUDGET PRESENTATION



## Meet The Team

Dalton Rice, Kerrville City Manger | *Board Chair*

Jonathan Letz, Business Representative | *Board VP*

Mike Wittler, KPUB General Manager | *Board Treasurer*

Judge Rob Kelly, Kerr County Commissioners Court | *Board Member*

Tom Jones, Kerr County Commissioner | *Board Member*

Mayor Joe Herring, City of Kerrville | *Board Member*

Brett Ringo, Kerrville ISD Superintendent | *Board Member*

Julie Davis, President & CEO of the Kerrville Convention and Visitor's Bureau | *Board Member*

Mindy Wendele, President & CEO of the Kerrville Area Chamber of Commerce | *Board Member*

Mindy Curran, Interim Superintendent of Ingram ISD | *Board Member*

Gregg Appel, Central Texas Regional President of Happy State Bank and Business Representative | *Board Member*

Beck Gipson, EIC Board Representative | *Board Member*

Todd Bock | *Executive Director*

Theresa Metcalf | *Deputy Director*



# KerrEDC Focus 2025-2026

**Long Term Recovery of Kerr County Individual and Business Assistance**

**Retention of Existing Businesses Directly and Indirectly Affected by July 4th Flood**

**Workforce Development Partnerships: Alamo Colleges, Schreiner University, KISD, IISD, CPISD, Hill Country Highschool and OLH**

**Megaacrete Ground Breaking**



KERRVILLE ECONOMIC DEVELOPMENT CORPORATION

BEGINNING FUND BALANCE	\$ 5,823	\$ 5,823	\$ 175,712		
REVENUE	FY2025 Budget	FY2025 Estimate	FY2026 Proposed	\$ Change	% Change
EIC CONTRIBUTION	343,750	343,750	375,000	31,250	9.1%
COUNTY CONTRIBUTION	68,750	68,750	50,000	(18,750)	-27.3%
KPUB CONTRIBUTIOON	68,750	68,750	50,000	(18,750)	-27.3%
SPECIAL PROGRAM REVENUE	-	-	-	-	0%
CITY CONTRIBUTION	68,750	68,750	-	(68,750)	-100.0%
SPECIAL EVENT REGISTRATION	-	-	-	-	0%
SPONSORS - DONATIONS	-	4,000	-	-	0%
MISCELLANEOUS REVENUE	-	-	-	-	0%
TOTAL REVENUE	550,000.00	554,000.00	475,000	(75,000)	-14%

EXPENSES

GENERAL OPERATIONS	FY2025 Budget	FY2025 Estimate	FY2026 Proposed	\$ Change	% Change
PERSONNEL					
SALARIES AND WAGES	290,000	185,293	277,200	(12,800)	-4.4%
VEHICLE ALLOWANCE	-	3,350	10,200	10,200	0%
PHONE STIPEND	-	300	1,200	1,200	0%
RETIREMENT	18,480	5,559	8,316	(10,164)	-55.0%
GROUP INSURANCE	27,720	2,613	14,000	(13,720)	-49.5%
EMPLOYER PAYROLL TAXES	24,200	14,454	22,078	(2,122)	-8.8%
TRAINING	20,900	9,152	4,000	(16,900)	-80.9%
LODGING	15,000	3,962	2,400	(12,600)	-84.0%
PER DIEM	-	640	640	640	0%
MILEAGE	-	1,000	1,000	1,000	0%
OTHER TRANSPORTATION	-	1,000	1,060	1,060	0%
LOCAL MEETING EXPENSE	23,000	1,174	-	(23,000)	-100.0%
BOARD MEETING MEALS	2,000	2,017	3,800	1,800	90.0%
OTHER TRAVEL EXPENSE	-	-	2,000	2,000	0%
TOTAL PERSONNEL	421,300	230,514	347,894	(73,406)	-17%



SUPPLIES					
OFFICE SUPPLIES	1,100	500	1,000	(100)	-9.1%
TOOLS AND EQUIPMENT	-	-	-	-	0%
TECHNOLOGY EQUIPMENT	-	5,000	5,000	5,000	0%
PHONE EQUIPMENT	-	-	-	-	0%
FURNITURE	-	-	-	-	0%
UNIFORM PURCHASE	-	-	400	400	0%
SHIPPING	-	-	100	100	0%
FOOD SUPPLIES	-	-	200	200	0%
OTHER SUPPLIES	-	-	-	-	0%
TOTAL SUPPLIES	1,100	5,500	6,700	5,600	509%

MAINTENANCE					
SOFTWARE MAINT AGREEMENTS	-	9,133	7,421	7,421	0%
TOTAL MAINTENANCE	-	9,133	7,421	7,421	-19%

SERVICES					
PHONE SERVICE	750	1,395	600	(150)	-20.0%
PROFESSIONAL SERVICES	49,900	77,478	12,480	(37,420)	-75.0%
LEGAL SERVICES	-	-	2,500	2,500	0%
AUDIT SERVICES	-	9,000	0	0	0%
BANKING FEES	-	-	100	100	0%
FINANCIAL SERVICES	10,000	9,504	9,670	(330)	-3.3%
PRINT SERVICES	-	-	-	-	0%
INSURANCE	1,050	1,050	1,050	-	0.0%



ADVERTISING - MARKETING	20,800	5,000	1,000	(19,800)	-95.2%
OFFICE SPACE LEASE	9,600	17,133	16,000	6,400	66.7%
TOTAL SERVICES	92,100	120,560	43,400	(48,700)	-53%
OTHER					
CERTIFICATES, AWARDS, RECOGNITION	-	405	810	810	0%
DUES / LICENSES / SUBSCRIPTIONS	9,500	12,314	23,225	13,725	144.5%
OTHER CHARGES	20,000	92	-	(20,000)	-100.0%
CONTINGENCY	-	-	5,000	5,000	0%
KEDC - CHILDCARE SUMMIT	6,000	5,593	-	(6,000)	-100.0%
TOTAL OTHER	35,500	18,404	29,035	(6,465)	-18.2%
TOTAL GENERAL OPERATIONS	550,000	384,111	434,450	(115,550)	-21.0%
BUSINESS RETENTION & EXPANSION (BRE)	FY2025 Budget	FY2025 Estimate	FY2026 Proposed	\$ Change	% Change
PERSONNEL					
TRAINING			-	-	0%
LODGING			368	368	0%
PER DIEM			192	192	0%
MILEAGE			304	304	0%
LOCAL MEETING EXPENSE			11,750	11,750	0%
OTHER TRAVEL EXPENSE			50	50	0%
TOTAL PERSONNEL	-	-	12,664	12,664	0%
SUPPLIES					
OFFICE SUPPLIES			-	-	0%
SHIPPING			-	-	0%
FOOD SUPPLIES			-	-	0%
OTHER SUPPLIES			2,500	2,500	0%
TOTAL SUPPLIES	-	-	2,500	2,500	0%
MAINTENANCE					
SOFTWARE MAINT AGREEMENTS			-	-	0%
PROFESSIONAL SERVICES			-	-	0%
PRINT SERVICES			-	-	0%
ADVERTISING - MARKETING			2,500	2,500	0%
TOTAL MAINTENANCE	-	-	2,500	2,500	0%
OTHER					
CERTIFICATES, AWARDS, RECOGNITION			-	-	0%
DUES / LICENSES / SUBSCRIPTIONS			-	-	0%
OTHER CHARGES			-	-	0%
CONTINGENCY	-		5,000	5,000	0%
TOTAL OTHER	-	-	5,000	5,000	0%
TOTAL BRE	-	-	22,663.88	22,664	0%



MARKETING	FY2025 Budget	FY2025 Estimate	FY2026 Proposed	\$ Change	% Change
PERSONNEL					
TRAINING			1,500	1,500	0%
LODGING			1,500	1,500	0%
PER DIEM			333	333	0%
MILEAGE			-	-	0%
LOCAL MEETING EXPENSE			-	-	0%
OTHER TRAVEL EXPENSE			600	600	0%
TOTAL PERSONNEL	-	-	3,933	3,933	0%
SUPPLIES					
OFFICE SUPPLIES			-	-	0%
SHIPPING			-	-	0%
FOOD SUPPLIES			-	-	0%

OTHER SUPPLIES			2,500	2,500	0%
TOTAL SUPPLIES	-	-	2,500	2,500	0%
MAINTENANCE					
SOFTWARE MAINT AGREEMENTS			-	-	0%
PROFESSIONAL SERVICES			4,200	4,200	0%
PRINT SERVICES			-	-	0%
ADVERTISING - MARKETING			3,000	3,000	0%
TOTAL MAINTENANCE	-	-	7,200	7,200	0%

OTHER					
CERTIFICATES, AWARDS, RECOGNITION			-	-	0%
DUES / LICENSES / SUBSCRIPTIONS			-	-	0%
FACADE IMPROVEMENTS GRANT			0	0	0%
OTHER CHARGES			-	-	0%
CONTINGENCY	-		3,000	3,000	0%
TOTAL OTHER	-	-	3,000	3,000	0%
TOTAL MARKETING	-	-	16,633	16,633	0%

TOTAL EXPENSES	550,000	384,111	473,747	(76,253)	-14%
CHANGE IN NET POSITION	-	169,889	1,253		
UPDATED FUND BALANCE	5,823	175,712	176,965		



## **KerrEDC Strategic Plan – FY2025-2026 Update**

### **Context & Direction**

- KerrEDC has taken on an expanded leadership role in disaster recovery, economic revitalization, and long-term resilience efforts.
- As of FY2025-2026, KerrEDC serves as the steering committee for the Kerr Together Long-Term Recovery Group (LTRG). This structure ensures that KerrEDC leads coordination among case management organizations, business recovery initiatives, and industry transformation efforts while maintaining accountability to local stakeholders.

### **Strategic Focus Areas**

- Economic Development: Business Retention & Workforce Development
- Flood recovery is not only about rebuilding homes and infrastructure — it is also about stabilizing and strengthening the business and workforce ecosystem that underpins Kerr County's long-term prosperity. KerrEDC will play a central role in ensuring that existing employers are supported, workforce pipelines are reinforced, and displaced workers are reconnected to opportunity.

### **Key Priorities**

- Business Retention & Expansion (BRE): Conduct proactive outreach to flood-impacted businesses to assess damages, identify unmet needs, and connect them to grants, financing, and technical assistance.  
Business Continuity Support: Help employers develop continuity and resiliency plans to prepare for future disruptions.
- Workforce Stabilization: Partner with workforce boards, schools, and training institutions to connect displaced workers with retraining, certification programs, and re-employment opportunities.
- Talent Development: Collaborate with Schreiner University, Alamo Colleges, and Hallmark University to create targeted workforce pipelines that align with industry transformation projects (aviation, aerospace, advanced manufacturing).
- Entrepreneurship & Small Business Support: Provide mentoring and resource navigation for entrepreneurs restarting or retooling businesses post-flood.

### **Role within the LTRG Framework**

- KerrEDC will lead the Economic Revitalization Working Group in collaboration with chambers, business associations, and workforce partners.
- BRE and workforce data will be gathered through case management channels, ensuring a bottom-up process where business needs flow into coordinated recovery solutions.
- KerrEDC will report outcomes to the Community Foundation, demonstrating how investments in business continuity and workforce resilience directly support county-wide recovery.

### **Expected Outcomes**

- Retention of key employers and preservation of local jobs.
- Re-employment and retraining opportunities for displaced workers.
- Increased business and workforce readiness for future disasters.
- Stronger alignment between local talent pipelines and long-term industry growth.



**MINUTES OF THE  
KERRVILLE PUBLIC UTILITY BOARD (KPUB) AND  
KERRVILLE PUBLIC FACILITY CORPORATION (KPFC)  
REGULAR JOINT MONTHLY MEETING  
WEDNESDAY, AUGUST 20, 2025, AT 8:30 A.M.  
KPUB CONFERENCE ROOM  
KERRVILLE PUBLIC UTILITY BOARD OFFICES  
2250 MEMORIAL BLVD.  
KERRVILLE, TEXAS**

**TRUSTEES PRESENT:**

Bill Thomas  
Glenn Andrew  
Rachel Johnston  
Larry Howard  
Mayor Joe Herring, Jr.  
Mike Wittler, Executive Director (KPFC)

**STAFF PRESENT:**

Mike Wittler, General Manager and CEO (KPUB)  
Amy Dozier, Assistant General Manager  
Tony Perez, Director of Engineering  
Annette Gonzales, Director of Human Resources  
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*)  
Mark Alejandro, Information Technology Supervisor  
(*via teleconference*)  
Lidia S. Goldthorn, Assistant Secretary to the Board

**TRUSTEES ABSENT:**

Dalton Rice (KPFC)

**OTHERS PRESENT:**

Stephen Schulte, Legal Counsel  
John Bonnin  
Frank Rotondi, Sky Global Partners, LLC  
Randall Bird, Sky Global Partners, LLC  
Scott Smyth, DTRG Law (*via teleconference*)

**CALL TO ORDER:**

Mr. Bill Thomas, Chairman and President, called the Regular Monthly Meetings 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 the month of July with a combined service of 92 years. She advised employees volunteered for the St. Vincent Flood Relief and will be volunteering at the Mercy Chefs Food Truck on August 22<sup>nd</sup> as well as a Food Pantry Event on August 25<sup>th</sup>. KPUB also helped sponsor the Kiwanis New Teacher Luncheon on August 7<sup>th</sup>. Ms. Bueché advised the Bandera Electric Company hosted a luncheon for KPUB on July 18<sup>th</sup>. She also highlighted KPUB's flood relief efforts, which included distributing complimentary green bows and Hill Country strong stickers to customers, assisting in a Multi-Agency Resource Center Event, and presenting a special video about the July 4th flooding event, which showcased KPUB's crews restoring power and the mutual aid efforts provided. She also advised that the summer edition of The Energy Hub newsletter was recently sent out to customers. KPUB will be sponsoring a Community Blood Drive on September 18<sup>th</sup>. She also advised Public Power Week is coming up October 5<sup>th</sup> through the 11<sup>th</sup>. KPUB's activities for the week include a Power Hour on October 9<sup>th</sup>; Bucket Truck Ride Event on Saturday, October 11<sup>th</sup>; customer giveaways; 1<sup>st</sup> through 5<sup>th</sup> grade coloring contest; and introduction of a naming campaign for KPUB's new Squirrel Mascot. Ms. Bueché added that several school events are gearing up for the year. Mr. Andrew suggested the Board recognize the Linemen for a job well done during the flood event, possibly at the next board meeting. Mr. Wittler noted the following upcoming board meetings tentatively scheduled for:

- *Wednesday, September 17, 2025 at 8:30 a.m.*
- *Wednesday, October 15, 2025 at 8:30 a.m.*
- *Wednesday, November 19, 2025 at 8:30 a.m.*
- *Wednesday, December 17, 2025 at 8:30 a.m.*

## **3. 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:

- A. Consideration and action on the purchase of real estate – 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, and “Deliberation Regarding Real Property” in accordance with Texas Statutes Subchapter D, chapter 551, Government Code Section §551.072. Larry Howard, Treasurer for KPUB so moved. Glenn Andrew, Vice Chairman for KPUB seconded the motion. Vote was by show of hands. Motion carried 5 – 0. Mr. Howard so moved for KPFC. Mr. Andrew seconded the motion for KPFC. Vote was by show of hands. Motion carried 5 – 0.

The Boards entered Executive Closed Session at 8:30 a.m. At 9:54 a.m. Chairman and President Thomas adjourned the Executive Closed Session and reconvened into Open Session.

*\*At 9:57 a.m. the Boards took a break, coming back into session at 10:07 a.m.*

### **4. CONSIDERATION AND ACTION AS A RESULT OF EXECUTIVE CLOSED SESSIONS:**

No action taken by the Board.

### **5. CONSENT AGENDA (KPUB):**

#### **5A. APPROVAL OF MINUTES.**

Mr. Andrew, made a motion for KPUB and KPFC to approve Item #5A in the consent agenda with requested change. Mr. Howard, seconded the motion for KPUB and KPFC. Vote was by a show of hands. Motion carried 5 – 0.

#### **5B. RESOLUTION NO. 25-17 – AMY DOZIER, ASSISTANT GENREAL MANAGER. A Resolution approving payment to various providers of services or supplies.**

Rachel Johnston, Secretary for KPUB, made a motion to approve Resolution No. 25-17 as presented. Mr. Howard seconded the motion. Vote was by a show of hands. Motion carried 5 – 0.

### **END OF CONSENT AGENDA**



**6. DISCUSSION AND ACTION AS A RESULT OF THE JULY 4, 2025 STORM - MIKE WITTLER, CEO:**

**6A. RATIFY EMERGENCY PURCHASES.**

Mr. Wittler went over the ratification of emergency purchase orders for restoration efforts from the July 4<sup>th</sup> flooding event for KPUB. The items included a purchase order to James Powerline Construction for emergency distribution pole replacements and outage restoration for a total cost of \$232,157.36; a purchase order to the City of Georgetown (Primoris contract crews) for emergency distribution pole replacements and outage restoration for a total cost of \$125,934.09; a purchase order to LineTec Services for emergency distribution pole replacements and outage restoration for a total cost of \$172,607.34; and Lower Colorado River Authority Transmission Services Corporation for mobile station delivery, installation, removal and rental for the Hunt Substation at an estimated cost of \$275,000. Staff also recommended that the General Manager be authorized to finalize, amend and execute any contracts needed for these purchases to comply with FEMA grant reimbursement requirements. Ms. Dozier went over initial estimates for July 4<sup>th</sup> costs. She advised insurance claims have been filed and received. Staff has also filed for FEMA reimbursement, which gives 18 months for replacement filings. Mr. Perez went over flood related replacements projects for the Board's information.

Mr. Andrew motioned for KPUB to approve the ratification of emergency purchase orders as presented and that the General Manager be authorized to finalize, amend and execute any contracts needed for these purchases to comply with FEMA grant reimbursement requirements. Mr. Howard seconded the motion. Vote was by a show of hands. Motion carried 5 – 0.

**7. FINANCIAL REPORT – AMY DOZIER, ASSISTANT GENERAL MANAGER:**

Ms. Dozier presented the final financial statements for the month of June and July 2025. She noted that due to the flood, the June financial information was not available at the July meeting, accordingly, this month's report contains two months of financial data in addition to usual quarterly reports. She advised highlights will focus on year-to-date financial information through July as well as any significant activity from June or July. Highlights included a \$890K increase in net position on a year-to-date (YTD) basis; \$37.5M in operating expense on a YTD basis; \$428K in operating loss on a YTD basis; \$499K in net nonoperating revenue in a YTD basis; \$22.2M in over collection of power cost adjustment as of July 31, 2025; and \$49.2M invested in municipal investment pools and an account at Happy State Bank. The portfolio of investment accounts earned a blended rate of 4.37% in July. July activity included: \$5.25M paid as escrow deposit to the Texas Energy Fund; which will be refunded at interconnection and is shown on the balance sheet as a restricted asset; \$936K paid for issuance costs related to series 2025B (Texas Energy Fund) debt on July 9, 2025; \$20.9M reimbursed from KPFC to KPUB upon financial close of the project funding on July 10, 2025; and \$594K loan repayment from the City of Kerrville according to the debt service schedule. 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. 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 third 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. Mr. Perez went in further detail on flood replacement projects.

**9. QUARTERLY RELIABILITY REPORT – HOWARD HALL, SUPERVISOR OF FIELD SERVICES:**

Mr. Hall presented the third quarter Reliability Report for FY2025-2026 for the Board's review. He highlighted the Jack Furman and Stadium substations. 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.

**10. ADJOURNMENT (KPUB and KPFC)**

Chairman and President Thomas adjourned the Regular Board Meeting at 10:42 a.m.

**Date Approved:** \_\_\_\_\_

\_\_\_\_\_  
Bill Thomas, Chairman and President

**ATTEST**

\_\_\_\_\_  
Lidia S. Goldthorn, Assistant Secretary to the Board



**MINUTES OF THE  
KERRVILLE PUBLIC UTILITY BOARD AND KERRVILLE PUBLIC UTILITY BOARD  
PUBLIC FACILITY CORPORATION  
SPECIAL CALLED MEETING  
WEDNESDAY, AUGUST 20, 2025, AT 10:43 A.M.  
KPUB CONFERENCE ROOM  
KERRVILLE PUBLIC UTILITY BOARD OFFICES  
2250 MEMORIAL BLVD.  
KERRVILLE, TEXAS**

**TRUSTEES PRESENT:**

Bill Thomas  
Glenn Andrew  
Rachel Johnston  
Larry Howard  
Mayor Joe Herring, Jr.  
Mike Wittler, Executive Director (KPFC)

**STAFF PRESENT:**

Mike Wittler, General Manager and CEO  
Amy Dozier, Director of Finance  
Tony Perez, Director of Engineering  
Annette Gonzales, Director of Human Resources  
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  
Lidia S. Goldthorn, Assistant Secretary to the Board

**TRUSTEES ABSENT:**

Dalton Rice (KPFC)

**OTHERS PRESENT:**

Stephen Schulte, Legal Counsel

**1. CALL TO ORDER:**

Chairman Bill Thomas called the Special Called Meeting to order at 10:43 a.m.

**2. CONSIDERATION AND DISCUSSION OF FISCAL YEAR 2025 BUDGET:**

Ms. Amy Dozier presented an overview of the Proposed FY2026 Budget to the Board. She went over the proposed budget summary, advising that operating revenue and expense are expected to increase significantly compared to the FY2025 budget primarily due to the cost of purchased power. A majority of the power that KPUB purchases has a price that is based on natural gas. Natural gas futures are used to prepare the budget. Natural gas futures are 27.8% higher for the FY2026 budget compared to the FY2025 budget.

She discussed Operating Revenues with the following budget assumptions: billed residential rate increase to \$107.50 per 1,000 kWh of usage to recover increased costs of purchased power; customer account growth of 1% (but kWh sales remain essentially flat compared to estimated FY2025 kWh sales as usage per account falls slightly); and a rate stabilization transfer, contemplated to defer a rate increase for the customer charge and distribution charge components of the rate that was recommended by a 2025 cost of service study. Ms. Dozier also went over Operating Expenses showing purchased power represents 68% of expense; distribution, general and administrative, and customer service related expense accounts for 23% of operating expenses. She advised significant items in those categories include: 3.0% average merit



increase (same as the City); full staffing assumed, including an Engineering Project Manager position; and assumed 8% increase in health insurance premiums beginning in January 2026.

Ms. Dozier then went over Purchased Power Expense by Supplier. She advised CPS Energy costs are calculated using natural gas futures and projected usage. LCRA transmission costs are projected to increase 5.2% beginning in January 2026. NextEra and Community Solar agreements are based on a fixed rate per MWh. Price stabilization activities involving renewable contracts and congestion revenue rights are assumed to almost break even with an overall cost of \$393K for the year. Ms. Dozier advised the FY2026 budget uses natural gas futures as of July 23, 2025 to estimate power cost. She advised the average natural gas futures for FY2026 are 27.8% higher than futures used for the FY2025 budget (\$3.99 vs. \$3.12). She added that natural gas futures have continued to fall due to mild summer weather. As of August 13, 2025, the average FY2026 futures price is down to \$3.62, but the proposed budget uses the higher prices from July 23, 2025.

Ms. Dozier went over the System Operating Expense. She advised the Distribution, Customer and Administrative expenses are budgeted almost flat compared to the FY2025 Budget, increasing only 0.4%. The budget assumes an average merit increase of 3%, with 63.25 full time positions budgeted and one current position eliminated. Budgeting for unknown emergency purchases has been reduced in FY2026.

Ms. Dozier presented a five-year forecast with the following assumptions provided to S&P in proformas: customer growth of 1% (both residential and commercial); 4% annual increase for distribution system expenses; and annual rate increases, Tony Perez, Director of Engineering, discussed projects included in the 2026-2030 Capital Budget. Finally, Ms. Dozier presented the proposed KPFC FY2026 Operating and Capital Budgets. Staff advised they would come back to the Board next month for approval along with a resolution revising the rate stabilization administration policy to authorize transfers in order to facilitate the delay of a rate increase.

No further discussion by the Board.

### **3. ADJOURNMENT**

Chairman Thomas adjourned the Special Called Meeting at 11:37 a.m.

**Date Approved:** \_\_\_\_\_

\_\_\_\_\_  
Bill Thomas, Chairman

**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: September 10, 2025

Re: Agenda Item No. 6B – Resolution No. 25-18

---

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 August 14, 2025 and September 10, 2025 for Board approval:

	Vendor	Description	Amount	Date
<b>Purchased Power:</b>				
1	NextEra	July 2025	485,088.00	08/19/2025
2	Concho Bluff	July 2025	142,544.16	08/21/2025
3	CPS	July 2025	2,126,452.33	08/21/2025
4	DG Solar	July 2025	44,372.66	08/25/2025
5	Engie	July 2025	115,706.46	08/29/2025
6	Garland	July 2025	(358,292.41)	09/03/2025
7	LCRA	July 2025	702,610.99	09/03/2025
8	DG Solar	Community Solar-Annual Lease	26,910.83	09/10/2025
<b>Payroll:</b>				
1	Payroll	Pay period ending 8/9/2025	174,032.08	08/15/2025
2	Payroll	Pay period ending 8/23/2025	180,033.26	08/29/2025
3	Payroll Taxes	Pay period ending 8/9/2025	59,961.60	08/20/2025
4	Payroll Taxes	Pay period ending 8/23/2025	61,288.82	09/03/2025
<b>Employee Benefits:</b>				
1	TX Health Benefits	Health Insurance -September	99,688.82	09/02/2025
2	TMRS	Pension - August Payroll	153,019.47	09/03/2025
<b>Investment Transfers:</b>				
1	Happy State Bank	Investment Transfer	600,000.00	08/22/2025
2	Happy State Bank	Investment Transfer	400,000.00	08/26/2025
3	Happy State Bank	Investment Transfer	900,000.00	09/02/2025
4	Happy State Bank	Investment Transfer	900,000.00	09/05/2025
5	Happy State Bank	Investment Transfer	400,000.00	09/10/2025
<b>Other:</b>				
1	Kerr County Abstract	Land	856,249.38	09/04/2025



	Vendor	Description	Amount	Date
<b>KPFC:</b>				
1	Summit	Construction Services	25,816.05	08/20/2025
2	Summit	Construction Services	37,310.62	08/21/2025
3	SEnergy	Engineering Services	36,250.00	08/25/2025
4	SEnergy	Engineering Services	69,450.00	08/25/2025
5	SEnergy	Engineering Services	77,717.37	08/25/2025
6	SEnergy	Engineering Services	115,000.00	08/25/2025
7	Sky Global	Management Fee	85,000.00	09/04/2025

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

Sincerely,



Amy Dozier  
Assistant General Manager



**RESOLUTION NO. 25-18**

**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 17<sup>th</sup> day of September, 2025**

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**Bill Thomas, Chairman**

**ATTEST:**

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**Rachel Johnston, Secretary**



**RESOLUTION NO. 25-19**

**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  
Erin Callan, Accounting Manager  
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 17<sup>th</sup> day of September, 2025**

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**Bill Thomas, Chairman**

**ATTEST:**

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**Rachel Johnston, Secretary**



**RESOLUTION NO. 25-05**

**A RESOLUTION OF THE KERRVILLE PUBLIC UTILITY BOARD PUBLIC FACILITY CORPORATION AUTHORIZING AND APPROVING SIGNATURES FOR THE KERRVILLE PUBLIC UTILITY BOARD PUBLIC FACILITY CORPORATION BOARD OF DIRECTORS 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 Executive Director; 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 PUBLIC FACILITY CORPORATION THAT:**

**Section 1. Directors of the Board (Voting):**

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

And

**Management Members:**

Amy Dozier, Assistant General Manager (KPUB)  
Erin Callan, Accounting Manager (KPUB)  
Mike Wittler, Executive Director

are approved as signatories for the Kerrville Public Utility Board Public Facility Corporation.

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

**PASSED, APPROVED AND ADOPTED on this 17<sup>th</sup> day of September, 2025**

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**Bill Thomas, President**

**ATTEST:**

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**Rachel Johnston, Secretary**



**RESOLUTION NO. 25-20**

**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: Bill Thomas

Title: Chairman

Signature: \_\_\_\_\_

Printed Name: Larry Howard

Title: Treasurer



Signature: \_\_\_\_\_  
Printed Name: Mike Wittler  
Title: General Manager and CEO

Signature: \_\_\_\_\_  
Printed Name: Amy Dozier  
Title: Assistant General Manager

Signature: \_\_\_\_\_  
Printed Name: Erin Callan  
Title: Accounting Manager

**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 17<sup>th</sup> day of September, 2025**

**ATTEST:**

**By:** \_\_\_\_\_

Rachel Johnston  
**Printed Name**

**Title:** Secretary

**By:** \_\_\_\_\_

Bill Thomas  
**Printed Name**

**Title:** Chairman



## **RESOLUTION NO. 25-21**

### **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>Erin Callan</u>  | Title        | <u>Accounting Manager</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 **17<sup>th</sup>** day of **September, 2025**.



**NAME OF PARTICIPANT** \_\_\_\_\_ Kerrville Public Utility Board \_\_\_\_\_

**By:** Signature \_\_\_\_\_

Printed Name \_\_\_\_\_ Bill Thomas \_\_\_\_\_

Title \_\_\_\_\_ Chairman \_\_\_\_\_

**ATTEST:** Signature \_\_\_\_\_

Printed Name \_\_\_\_\_ Rachel Johnston \_\_\_\_\_

Title \_\_\_\_\_ Secretary \_\_\_\_\_



# MEMORANDUM

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

From: Amy Dozier

Date: September 11, 2025

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

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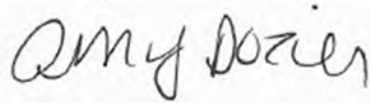
Attached please find summary information from KPUB's quarterly funds report.

As of June 30, 2025, KPUB had \$33.7M invested in municipal investment pools and a demand account at Happy State Bank. Funds are spread between four accounts with the largest position (\$11.3M) 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 4.39% for the quarter ended June 30, 2025.

Due to the flood, the investment report was not available in time for the July meeting. Instead, the Investment Committee met in August. Due to continuing needs for liquidity and safety, no changes to our current strategy are recommended.

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 June 30, 2025**

**Total Funds Invested**

<b>Day of the Month</b>		<b>April 2025</b>		<b>May 2025</b>		<b>June 2025</b>	<b>Totals</b>
1	\$	35,627,420	\$	33,448,442	\$	33,000,570	
2		35,627,420		32,793,032		32,900,551	
3		34,972,961		32,793,032		32,221,142	
4		34,887,961		32,793,032		32,221,142	
5		34,887,961		32,608,948		32,136,142	
6		34,887,961		32,608,948		32,536,142	
7		35,371,777		32,608,948		32,536,142	
8		35,371,777		32,608,948		32,536,142	
9		35,371,777		32,908,948		32,436,083	
10		35,371,777		32,908,948		32,436,083	
11		35,371,777		32,908,948		32,436,083	
12		35,371,777		32,908,948		32,436,083	
13		35,371,777		32,908,948		33,036,070	
14		35,371,719		32,908,920		33,036,070	
15		35,371,719		32,908,920		33,036,070	
16		35,371,719		33,208,920		33,036,070	
17		35,371,719		33,208,920		33,036,070	
18		34,162,014		33,208,920		33,036,070	
19		34,162,014		32,739,480		33,036,070	
20		34,162,014		32,739,480		33,118,653	
21		32,686,611		32,739,480		33,118,653	
22		32,686,611		32,069,871		33,118,653	
23		32,625,627		32,330,129		32,024,193	
24		32,625,627		32,330,129		32,424,193	
25		33,325,627		32,330,129		32,367,392	
26		33,325,627		32,330,129		32,367,392	
27		33,325,627		32,330,129		33,067,392	
28		33,325,627		32,330,129		33,067,392	
29		33,235,788		32,330,129		33,067,392	
30		33,545,872		32,878,651		33,719,882	
31				33,000,570			
<b>Total of daily balance</b>	<b>\$</b>	<b>1,033,175,680</b>	<b>\$</b>	<b>1,014,731,098</b>	<b>\$</b>	<b>982,545,983</b>	
<b>Average daily balance</b>	<b>\$</b>	<b>34,439,189</b>	<b>\$</b>	<b>32,724,351</b>	<b>\$</b>	<b>32,751,533</b>	<b>\$ 33,301,679</b>
<b>Interest earnings</b>	<b>\$</b>	<b>124,387</b>	<b>\$</b>	<b>121,920</b>	<b>\$</b>	<b>117,786</b>	<b>\$ 364,093</b>
<b>APR -----&gt;</b>		<b>4.39%</b>		<b>4.39%</b>		<b>4.38%</b>	<b>4.39%</b>



**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 June 30, 2025**

**Total Funds Invested by Fund**

<b>Fund</b>		<b>Market Value and Book Value</b>		<b>Actual Interest Earnings</b>		<b>Budgeted Interest Earnings</b>
Revenue	\$	20,885,110	\$	225,588	\$	205,912
Construction		1,668,225		18,108		17,531
Rate Stabilization		2,195,379		23,831		23,071
Long Term Rate Stabilization		4,544,436		49,329		47,756
Debt Reserve		-		-		-
Interest & Sinking		321,860		2,679		2,593
Emergency, Repair, Replace & Cont. Fund		4,104,873		44,558		43,137
<b>Total</b>	<b>\$</b>	<b>33,719,882</b>	<b>\$</b>	<b>364,093</b>	<b>\$</b>	<b>340,000</b>

**Total Funds Invested by Security**

<b>Type of Security</b>		<b>Market Value and Book Value</b>		<b>Actual Interest Earnings</b>		<b>Budgeted Interest Earnings</b>
TexPool	15%	5,207,119		55,597		52,504
LOGIC	33%	11,265,753		123,455		113,593
Texas CLASS	32%	10,801,245		118,238		108,910
Happy State Bank - Investment	19%	6,445,766		66,803		64,993
<b>Totals</b>	<b>100%</b>	<b>\$ 33,719,882</b>	<b>\$</b>	<b>364,093</b>	<b>\$</b>	<b>340,000</b>



# MEMORANDUM

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

From: Howard Hall

Date: September 8, 2025

Re: Agenda Item No. 6H.1– Approval and Reporting of Purchases and Sales

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

- 1. Fleet Sales.** The following vehicle was auctioned and sold thru JJ Kane Auctioneers. Unit 3234, 2014 Freightliner Bucket truck for \$35,150. The amount mentioned is the price after the auctioneer percentage was deducted from the sale price. Attach is the sellers report.

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

Sincerely,



Howard Hall  
Supervisor of Field Services



3234

Payout ID: 154237  
Auction ID: 1133



33 Inverness Center Parkway  
Birmingham, AL 35242  
Tel: (844) 455-5263  
Fax: (877) 346-8960

J.J. Kane Exchange, LLC d/b/a J.J. Kane Auctioneers  
33 Inverness Center Parkway Birmingham, AL 35242

ATTN Howard Hall  
KERRVILLE PUBLIC UTILITY BOARD  
Kerrville Public Utility Board  
2250 Memorial Blvd  
Kerrville, TX 78028

Dear Howard Hall,

Enclosed please find a check which represents the net proceeds from the auction sale we conducted on 08/06/2025 made payable to Kerrville Public Utility Board in the amount of \$35,150.00.

<b>Gross Sales Total:</b>		<b>\$37,000.00</b>
<b>-- Adjustments --</b>		
No Sale Lots:		
Lot Adjustments:	\$0.00	
<b>Total Adjustments:</b>		<b>\$0.00</b>
<b>Adjusted Sales Total:</b>		<b>\$37,000.00</b>
<b>Seller Costs</b>		
Commission Charged:	\$1,850.00	
Advertising:	\$0.00	
	\$0.00	
	\$0.00	
	\$0.00	
	\$0.00	
	\$0.00	
<b>Total Seller Costs:</b>		<b>\$1,850.00</b>
<b>Individual Lot Costs</b>		
Transportation:	\$0.00	
Washing:	\$0.00	
Decommission:	\$0.00	
Parts/Repairs (see attached report)	\$0.00	
Misc Lot Costs (see attached report)	\$0.00	
Misc Lot Costs (see attached report)	\$0.00	
<b>Total Lot Costs:</b>		<b>\$0.00</b>
<b>Seller Income</b>		
	\$0.00	
	\$0.00	
	\$0.00	
	\$0.00	
	\$0.00	
<b>Total Seller Income:</b>		<b>\$0.00</b>
<b>Tax (not included):</b>		<b>\$0.00</b>
<b>Seller Net Proceeds</b>		<b>\$35,150.00</b>

*If you have any questions about this payout, please feel free to contact us at (844) 455-5263 or [jjkane@jjkane.com](mailto:jjkane@jjkane.com)*

***Thank you for your business!***



Payout ID: 154237  
Auction ID: 1133



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Birmingham, AL 35242  
Tel: (844) 455-5263  
Fax: (877) 346-8960

J.J. Kane Exchange, LLC d/b/a J.J. Kane Auctioneers  
33 Inverness Center Parkway Birmingham, AL 35242

## LOT SUMMARY

KERRVILLE PUBLIC UTILITY BOARD

2250 Memorial Blvd

Kerrville, TX 78028

08/06/2025 AL (Central Regional) - 1133

29308	Altec AM55-E, 60 ft, Over-Center	Amt Bid:	\$37,000.00	---EXPENSE---	---EXPLANATION---
3234	Material Handling Bucket Truck s/n	Commission 5.00%:	\$1,850.00	Adjustments:	\$0.00
<input type="checkbox"/>	0114DM4941, with two man bucket,	Transportation:	\$0.00	Parts/Repairs:	\$0.00
	rear mounted on 2014 Freightliner	Washing:	\$0.00	Misc Exp 1:	\$0.00
	M2 106 Utility Truck, 6.7L Auto,	Decommission:	\$0.00	Misc Exp 2:	\$0.00
	diesel, A/C, (56,569 miles) Utility				
	Company Owned & Maintained				
	(Runs, Moves & Upper Operates)				
	(Reads 8,759 hours) This is a Titled				
	Item NOTE: This unit is being sold				
	AS IS/WHERE IS via Timed Auction.				
	For pickup information and terms,				
	please reference the release form.				
	(Missing manuals, See Auction				
	Company for Manufacturers				
	Information to obtain manuals)				
	(Buyer is responsible for removal.				
	Assistance by consignor or JJ Kane				
	Auctioneers is not assured.)				

V.I.N.: 3ALACXDT2EDFW5543

\$35,150.00



Payout ID: 154237  
Auction ID: 1133



33 Inverness Center Parkway  
Birmingham, AL 35242  
Tel: (844) 455-5263  
Fax: (877) 346-8960

J.J. Kane Exchange, LLC d/b/a J.J. Kane Auctioneers  
33 Inverness Center Parkway Birmingham, AL 35242

## LOT SUMMARY

KERRVILLE PUBLIC UTILITY BOARD

2250 Memorial Blvd

Kerrville, TX 78028

08/06/2025 AL (Central Regional) - 1133

### LOT SPECIFIC AMOUNTS and FEES

<b>TOTAL AMOUNT OF ALL LOTS SOLD:</b>	<b>\$37,000.00</b>
TOTAL AMOUNT OF Commission:	\$1,850.00
TOTAL AMOUNT OF Transportation:	\$0.00
TOTAL AMOUNT OF Washing:	\$0.00
TOTAL AMOUNT OF Decommission:	\$0.00
TOTAL AMOUNT OF Adjustments:	\$0.00
TOTAL AMOUNT OF Parts/Repairs:	\$0.00
TOTAL AMOUNT OF Misc Exp 1:	\$0.00
TOTAL AMOUNT OF Misc Exp 2:	\$0.00
<b>LOTS SUBTOTAL:</b>	<b>\$35,150.00</b>

### SELLER SPECIFIC EXPENSES and INCOME

Seller Expenses	Advertising:	\$0.00
		\$0.00
		\$0.00
		\$0.00
		\$0.00
Seller Income		\$0.00
		\$0.00
		\$0.00
		\$0.00
		\$0.00

**SELLER NET: \$35,150.00**



1061969

64.761

[illegible]

THE ORIGINAL DOCUMENT HAS A WHITE REFLECTIVE WATERMARK ON THE BACK.

**HOLD AT AN ANGLE TO VIEW. DO NOT CASH IF NOT PRESENT.**



**J. J. Kane Auctioneers**  
33 Inverness Center Pky  
Birmingham, AL 35242  
(856) 764-7163

1061969

CHECK DATE	CHECK NUMBER	CHECK AMOUNT
22-Aug-25	1061969	*****35,150.00

Wells Fargo Bank  
San Francisco, CA

11-24  
1210

**PAY:** Thirty-Five Thousand One Hundred Fifty Dollars And Zero Cents\*\*\*\*\*

TO THE KERRVILLE PUBLIC UTILITY BOARD

**ORDER OF:** 2250 MEMORIAL BLVD  
KERRVILLE, TX, 78028  
United States



AUTHORIZED SIGNATURE

11# 106196911# 1:1 210002481# 473679051011#



# MEMORANDUM

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

From: Amy Dozier

Date: September 10, 2025

Re: Agenda Item No. 7 – Financial Report

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Attached please find financial statements for August 2025 for both KPUB and KPFC.

Highlights for KPUB include:

- **\$1.0M increase** in net position on a year-to-date (YTD) basis, which is \$990K better than budget.
- **\$41.7M in operating revenue** on a YTD basis.
  1. Through August, operating revenue is 4.0% lower than expected due primarily to kWh sales that are 3.9% below budget which can be attributed to relatively mild weather in both the winter and summer.
- **\$42.1M in operating expense** on a YTD basis.
  1. YTD operating expense is 4.6% lower than budget through August due to favorable variances in all expense categories. Notable variances include a \$649K favorable variance in purchased power due primarily to a lower amount purchased because of lower than budgeted kWh sales. Mutual aid deployment and staffing shortages with outsourced tree trimmers have reduced Distribution expenses. Reduced demand for energy audit services and energy efficiency customer rebates have 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.
- **\$393K in operating loss** on a YTD basis.
- **\$595K in net nonoperating revenue** on a YTD basis.
  1. Nonoperating revenue is \$341K 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.
- **\$22.5M in over collection of power cost adjustment** as of 08/31/2025, an **increase of \$343K** from the prior month. The billed rate remains at \$105.00 for 1,000 kWh of residential power. In the July monthly survey of 29 Central and South Texas utilities, only Karnes (\$104.90) had rates lower than KPUB. The overall average rate for the 29 utilities is \$135.38.



- **\$47.1M invested** in municipal investment pools and an account at Happy State Bank. The portfolio of investment accounts earned a blended rate of 4.35% in August.

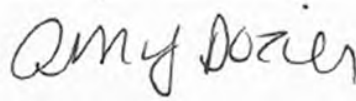
KPFC's financial statements are included for the first time in a monthly report package.

Highlights include:

- **\$32.8M in capitalized project costs** as of 8/31/25.
- **\$37.9M balance in the Construction Fund** as of 8/31/25, representing unspent proceeds from the 2025A (open market) bond issuance.
- **\$92.6K in interest income**, representing interest paid on 8/1/25 for a partial month in July. Funds for KPFC are held by our trustee, US Bank. Funds are invested in the State Street Institutional US Government Money Market Fund (OPGXX) which is AAA rated and currently yielding 4.32%.

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 August 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	\$ 2,597,123	\$ 2,918,263	\$ (321,140)	-11.00%	\$ 2,586,231	\$ 10,891	0.42%
Commercial/Industrial	1,986,182	2,053,038	(66,855)	-3.26%	1,892,904	93,278	4.93%
Sales to Public Authorities	21,773	21,500	273	1.27%	21,550	223	1.03%
Other	34,297	52,842	(18,545)	-35.10%	43,751	(9,454)	-21.61%
TOTAL OPERATING REVENUES	4,639,375	5,045,643	(406,268)	-8.05%	4,544,436	94,938	2.09%
OPERATING EXPENSES:							
Purchased Power	3,262,995	3,235,954	(27,042)	-0.84%	3,125,086	(137,910)	-4.41%
Distribution	398,923	398,981	58	0.01%	335,308	(63,615)	-18.97%
Customer Accounts	64,884	70,195	5,311	7.57%	57,799	(7,085)	-12.26%
Customer Service, Informational & Sales	45,169	52,676	7,508	14.25%	54,541	9,372	17.18%
Administrative Expenses	447,161	497,692	50,530	10.15%	603,343	156,181	25.89%
Depreciation & Amortization	384,459	396,354	11,895	3.00%	374,863	(9,596)	-2.56%
TOTAL OPERATING EXPENSES	4,603,592	4,651,852	48,261	1.04%	4,550,940	(52,651)	-1.16%
OPERATING INCOME (LOSS)	35,783	393,791	(358,008)	-90.91%	(6,504)	42,287	650.18%
NONOPERATING REVENUES (EXP):							
Interest Income - Investments	184,183	106,667	77,516	72.67%	225,562	(41,379)	-18.34%
Interest Income - City of Kerrville	8,571	8,572	(0)	0.00%	10,714	(2,143)	-20.00%
Interest Expense	(9,511)	(11,219)	1,707	15.22%	(10,412)	901	8.65%
City of Kerrville - General Fund Transfer	(145,015)	(154,924)	9,909	6.40%	(143,895)	(1,120)	-0.78%
City of Ingram - Franchise Fee	(3,362)	(4,417)	1,054	23.88%	(3,420)	58	1.69%
Other - Net	60,706	3,250	57,456	1767.86%	18,843	41,862	222.16%
TOTAL NONOPERATING REVENUES (EXP)	95,571	(52,071)	147,642	283.54%	97,393	(1,822)	-1.87%
INCOME BEFORE CONTRIBUTIONS	131,354	341,719	(210,366)	-61.56%	90,889	40,465	44.52%
CAPITAL CONTRIBUTIONS	26,720	41,667	(14,947)	-35.87%	68,768	(42,048)	-61.15%
CHANGE IN NET POSITION	\$ 158,074	\$ 383,386	\$ (225,313)	-58.77%	\$ 159,657	\$ (1,583)	-0.99%
NET POSITION AT BEGINNING OF MONTH	\$ 81,483,597				\$ 79,278,017		
NET POSITION AT END OF MONTH	\$ 81,641,671				\$ 79,437,674		



Kerrville Public Utility Board  
Statement of Revenues, Expenses and Changes in Fund Net Position  
For the Month Ended August 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	\$ 23,407,014	\$ 24,656,250	\$ (1,249,236)	-5.07%	\$ 22,213,349	\$ 1,193,665	5.37%	
Commercial/Industrial	17,403,140	17,887,861	(484,721)	-2.71%	16,085,572	1,317,568	8.19%	
Sales to Public Authorities	239,472	236,500	2,972	1.26%	238,971	500	0.21%	
Other	612,643	623,627	(10,984)	-1.76%	643,822	(31,179)	-4.84%	
TOTAL OPERATING REVENUES	41,662,269	43,404,238	(1,741,969)	-4.01%	39,181,714	2,480,555	6.33%	
OPERATING EXPENSES:								
Purchased Power	27,760,400	28,409,561	649,161	2.29%	25,374,371	(2,386,029)	-9.40%	
Distribution	3,814,975	4,388,793	573,818	13.07%	4,109,229	294,253	7.16%	
Customer Accounts	712,483	772,146	59,663	7.73%	655,169	(57,315)	-8.75%	
Customer Service, Informational & Sales	376,586	579,437	202,851	35.01%	457,106	80,520	17.62%	
Administrative Expenses	5,204,550	5,603,358	398,809	7.12%	4,868,110	(336,440)	-6.91%	
Depreciation & Amortization	4,185,913	4,304,897	118,983	2.76%	4,064,067	(121,846)	-3.00%	
TOTAL OPERATING EXPENSES	42,054,908	44,058,192	2,003,284	4.55%	39,528,051	(2,526,857)	-6.39%	
OPERATING INCOME (LOSS)	(392,639)	(653,954)	261,316	39.96%	(346,337)	(46,302)	-13.37%	
NONOPERATING REVENUES (EXP):								
Interest Income - Investments	1,860,113	1,625,833	234,279	14.41%	2,295,742	(435,630)	-18.98%	
Interest Income - City of Kerrville	109,286	109,286	(0)	0.00%	132,857	(23,572)	-17.74%	
Interest Expense	(94,201)	(124,635)	30,433	24.42%	(111,487)	17,287	15.51%	
City of Kerrville - General Fund Transfer	(1,309,705)	(1,355,253)	45,548	3.36%	(1,250,147)	(59,558)	-4.76%	
City of Ingram - Franchise Fee	(32,112)	(37,317)	5,205	13.95%	(32,578)	466	1.43%	
Other - Net	61,480	35,750	25,730	71.97%	(121,356)	182,836	150.66%	
TOTAL NONOPERATING REVENUES (EXP)	594,860	253,665	341,195	134.51%	913,032	(318,171)	-34.85%	
INCOME BEFORE CONTRIBUTIONS	202,222	(400,290)	602,511	150.52%	566,695	(364,473)	-64.32%	
CAPITAL CONTRIBUTIONS	846,728	458,333	388,394	84.74%	536,838	309,890	57.72%	
CHANGE IN NET POSITION	\$ 1,048,950	\$ 58,044	\$ 990,905	1707.17%	\$ 1,103,533	\$ (54,583)	-4.95%	
NET POSITION AT BEGINNING OF YEAR	\$ 80,592,721				\$ 78,334,141			
NET POSITION AT END OF MONTH	\$ 81,641,671				\$ 79,437,674			



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

ASSETS & DEFERRED OUTFLOWS	August 31, 2025	September 30, 2024	LIABILITIES, DEFERRED INFLOWS & NET POSITION	August 31, 2025	September 30, 2024
<b>CURRENT ASSETS</b>			<b>CURRENT LIABILITIES</b>		
Revenue Fund:			Current Maturities of Long-Term Liabilities	\$ 797,780	\$ 770,063
Cash and Cash Equivalents	\$ 1,415,529	\$ 399,285	Accounts Payable - Purchased Power	10,288,431	9,944,112
Investments	33,455,014	37,482,858	Accounts Payable and Accrued Liabilities	1,082,766	1,396,696
Less: Customer Deposits	(539,139)	(537,816)	Over Collection of Power Cost Adjustment	22,543,958	18,865,662
Total Revenue Fund	34,331,404	37,344,328	<b>TOTAL CURRENT LIABILITIES</b>	<b>\$ 34,712,935</b>	<b>\$ 30,976,531</b>
Construction Fund:			<b>NONCURRENT LIABILITIES</b>		
Cash and Cash Equivalents	5,912	5,681	2013 Revenue Bonds, net of current portion	\$ 1,501,000	\$ 1,965,000
Investments	1,680,614	1,612,773	Lease Liability	33,891	48,042
Total Construction Fund	1,686,525	1,618,454	Subscription Liability	455,271	733,880
Rate Stabilization Fund:			Customer Deposits	539,139	537,816
Investments	2,211,682	2,122,404	Net Pension Liability	2,715,291	2,715,291
Total Rate Stabilization Fund	2,211,682	2,122,404	Total OPEB Liability	281,043	281,043
Long Term Rate Stabilization Fund:			<b>TOTAL NONCURRENT LIABILITIES</b>	<b>\$ 5,525,635</b>	<b>\$ 6,281,072</b>
Investments	5,174,022	3,802,625			
Total Long Term Rate Stabilization Fund	5,174,022	3,802,625	DEFERRED INFLOWS - PENSION AND OPEB	\$ 226,425	\$ 226,425
Customer Accounts Receivable, net of allowance	2,126,909	1,929,338	<b>TOTAL LIABILITIES AND DEFERRED INFLOWS</b>	<b>\$ 40,464,995</b>	<b>\$ 37,484,030</b>
Receivable from KPFC	2,500	303,389			
Unbilled Revenue	2,244,875	2,244,875	<b>TOTAL NET POSITION</b>	<b>\$ 81,641,671</b>	<b>\$ 80,592,721</b>
Materials and Supplies	2,624,559	1,203,625			
Other Current Assets	1,450,344	1,416,738			
Current Portion - Advance to City of Kerrville	1,071,428	1,071,428			
<b>TOTAL CURRENT ASSETS</b>	<b>\$ 52,924,250</b>	<b>\$ 53,057,204</b>			
<b>NONCURRENT ASSETS</b>					
Customer Deposits	\$ 539,139	\$ 537,816			
Texas Energy Fund - Escrow Deposit	5,250,000	-			
Interest and Sinking Fund	411,720	435,292			
Emergency, Repair, Replace, Contingency Fund	4,135,357	3,968,427			
Advance to City of Kerrville, net of current portion	3,214,287	4,285,715			
Capital Assets, net of Accum Depreciation	52,842,320	52,686,916			
Right to Use Assets, Net of Accum Amortization	46,329	61,318			
Subscription Assets, Net of Accum Amortization	921,088	1,221,889			
<b>TOTAL NONCURRENT ASSETS</b>	<b>\$ 67,360,241</b>	<b>\$ 63,197,373</b>			
DEFERRED OUTFLOWS - PENSION AND OPEB	\$ 1,822,175	\$ 1,822,175			
<b>TOTAL ASSETS &amp; DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 122,106,666</b>	<b>\$ 118,076,751</b>	<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES &amp; NET POSITION</b>	<b>\$ 122,106,666</b>	<b>\$ 118,076,751</b>



Kerrville Public Utility Board  
Invested Funds Detail  
For the Month Ended August 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		\$ 35,710,148	\$ 1,674,422	\$ 2,203,534	\$ 5,154,959	\$ -	\$ 366,790	\$ 4,120,121	\$ 49,229,973
Withdrawals:									
Happy Investment - TXHB	08/01/25	(97,918)							(97,918)
Happy Investment - LCRA	08/01/25	(696,895)							(696,895)
Happy Investment - TMRS	08/07/25	(125,426)							(125,426)
Happy Investment - ERCOT	08/08/25	(4,500)							(4,500)
Happy Investment - ERCOT	08/14/25	(13)							(13)
Happy Investment - Next Era	08/19/25	(485,088)							(485,088)
Happy Investment - Concho Bluff	08/21/25	(142,544)							(142,544)
Happy Investment - CPS	08/21/25	(2,126,452)							(2,126,452)
Happy Investment - DG Solar	08/25/25	(44,373)							(44,373)
Happy Investment - Engie	08/29/25	(115,706)							(115,706)
Investments:									
Happy Investment	08/08/25	500,000							500,000
Happy Investment	08/22/25	600,000							600,000
Happy Investment	08/26/25	400,000							400,000
Fund Balance after Withdrawals & Investments		33,371,233	1,674,422	2,203,534	5,154,959	-	366,790	4,120,121	46,891,058
Allocation of:									
Interest Income	08/31/25	127,350	6,192	8,149	19,063	-	1,362	15,236	177,351
Total Interest Allocation		127,350	6,192	8,149	19,063	-	1,362	15,236	177,351
Fund Balance After Allocations		33,498,582	1,680,614	2,211,682	5,174,022	-	368,152	4,135,357	47,068,409
Interfund Transfers :									
Debt Service	08/31/25	(43,569)					43,569		-
Ending Fund Balance		\$ 33,455,014	\$ 1,680,614	\$ 2,211,682	\$ 5,174,022	\$ -	\$ 411,720	\$ 4,135,357	\$ 47,068,409



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

**DEBT SERVICE COVERAGE RATIO:**

Description	Current Month	Fiscal Year	Previous 12 Months
CHANGE IN NET POSITION	\$ 158,074	\$ 1,048,950	\$ 2,203,996
PLUS:			
Interest Expense (net of amortizations)	9,511	94,201	120,138
Depreciation & Amortization Expense	384,459	4,185,913	4,565,139
Numerator	552,044	5,329,064	6,889,274
DIVIDED BY:			
Interest Expense (net of amortizations)	9,511	94,201	120,138
Principal Payment Due	65,505	720,558	786,063
Denominator	\$ 75,017	\$ 814,759	\$ 906,201
<b>DEBT SERVICE COVERAGE RATIO</b>	<b>7.36</b>	<b>6.54</b>	<b>7.60</b>
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	\$ 34,331,404
Construction Fund	1,686,525
Rate Stabilization Fund	2,211,682
Long Term Rate Stabilization Fund	5,174,022
Emergency, Repair, Replace, Contingency Fund	4,135,357
Total Cash and Cash Equivalents (A)	\$ 47,538,990

DENOMINATOR:

Fiscal Year-to-Date Operating Expense	\$ 42,054,908
Less: Fiscal Year-to-Date Depreciation	4,185,913
Adjusted Operating Expense (B)	\$ 37,868,995

NUMBER OF DAYS ELAPSED IN FISCAL YEAR (C) 335

**DAYS CASH ON HAND (= A / B \* C) 421**

**MINIMUM DAYS CASH ON HAND PER POLICY 47 175**

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

NUMERATOR:

Fiscal Year-to-Date Operating Income	\$ (392,639)
Less: City of Kerrville and Ingram Transfers	(1,341,817)
Plus: 50% of PPA Expense	9,782,870
Plus: Fiscal Year-to-Date Depreciation	4,185,913
Plus: Fiscal Year-to-Date Interest Income - Investments	1,860,113
Plus: Fiscal Year-to-Date Capital Contributions	846,728
Total Numerator (D)	\$ 14,941,168

DENOMINATOR:

50% of PPA Expense	\$ 9,782,870
Fiscal Year-to-Date Debt Service (Cash Basis)	530,531
Fiscal Year-to-Date Debt Service Receivable (Cash Basis)	(1,193,571)
Total Denominator (E)	\$ 9,119,829

**FIXED CHARGE COVERAGE RATIO (= D / E) 1.6**

**MINIMUM FIXED COST COVERAGE PER POLICY 47 1.2**



Kerrville Public Utility Board Public Facility Corporation  
Statement of Revenues, Expenses and Changes in Fund Net Position  
For the Month Ended August 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:							
Sales for Resale	\$ -	\$ -	\$ -	-	\$ -	\$ -	-
TOTAL OPERATING REVENUES	-	-	-	-	-	-	-
OPERATING EXPENSES:							
Administrative Expenses	-	20,000	20,000	100.00%	-	-	-
TOTAL OPERATING EXPENSES	-	20,000	20,000	100.00%	-	-	-
OPERATING INCOME (LOSS)	-	(20,000)	20,000	100.00%	-	-	-
NONOPERATING REVENUES (EXP):							
Interest Income - Investments	92,594	75,000	17,594	23.46%	225,562	(132,969)	-58.95%
Interest Expense	(322,938)	(322,938)	-	0.00%	-	(322,938)	-
Allowance for Borrowed Funds during Construction	322,683	322,683	-	0.00%	-	322,683	-
Amortization - Debt Premium	13,693	13,693	-	0.00%	-	13,693	-
Debt Issuance Costs	-	-	-	-	-	-	-
TOTAL NONOPERATING REVENUES (EXP)	106,032	88,439	17,594	19.89%	225,562	(119,530)	-52.99%
INCOME BEFORE CONTRIBUTIONS	106,032	68,439	37,594	54.93%	225,562	(119,530)	-52.99%
CAPITAL CONTRIBUTIONS	-	-	-	-	-	-	-
CHANGE IN NET POSITION	\$ 106,032	\$ 68,439	\$ 37,594	54.93%	\$ 225,562	\$ (119,530)	-52.99%
NET POSITION AT BEGINNING OF MONTH	\$ (1,209,932)				\$ -		
NET POSITION AT END OF MONTH	\$ (1,103,900)				\$ -		



Kerrville Public Utility Board Public Facility Corporation  
Statement of Revenues, Expenses and Changes in Fund Net Position  
For the Month Ended August 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:							
Sales for Resale	\$ 935,850	\$ 935,850	\$ -	0.00%	\$ -	\$ 935,850	-
TOTAL OPERATING REVENUES	935,850	935,850	-	0.00%	-	935,850	-
OPERATING EXPENSES:							
Administrative Expenses	-	30,000	30,000	100.00%	-	-	-
TOTAL OPERATING EXPENSES	-	30,000	30,000	100.00%	-	-	-
OPERATING INCOME (LOSS)	935,850	905,850	30,000	3.31%	-	935,850	-
NONOPERATING REVENUES (EXP):							
Interest Income - Investments	92,594	112,500	(19,907)	-17.69%	-	92,594	-
Interest Expense	(541,702)	(541,702)	-	0.00%	-	(541,702)	-
Allowance for Borrowed Funds during Constructior	541,274	541,274	-	0.00%	-	541,274	-
Amortization - Debt Premium	27,387	27,387	-	0.00%	-	27,387	-
Debt Issuance Costs	(2,159,303)	(2,169,563)	10,260	0.47%	-	(2,159,303)	-
TOTAL NONOPERATING REVENUES (EXP)	(2,039,750)	(2,030,103)	(9,647)	-0.48%	-	(2,039,750)	-
INCOME BEFORE CONTRIBUTIONS	(1,103,900)	(1,124,253)	20,353	1.81%	-	(1,103,900)	-
CAPITAL CONTRIBUTIONS	-	-	-	-	-	-	-
CHANGE IN NET POSITION	\$ (1,103,900)	\$ (1,124,253)	\$ 20,353	1.81%	\$ -	\$ (1,103,900)	-
NET POSITION AT BEGINNING OF YEAR	\$ -				\$ -		
NET POSITION AT END OF MONTH	\$ (1,103,900)				\$ -		



Kerrville Public Utility Board Public Facility Corporation  
Balance Sheet  
As of August 31, 2025

ASSETS	August 31, 2025	Sept 30, 2024	LIABILITIES & NET POSITION	August 31, 2025	Sept 30, 2024
<b>CURRENT ASSETS</b>			<b>CURRENT LIABILITIES</b>		
Revenue Fund:			Accrued Interest - 2025A	\$ 541,274	\$ -
Cash and Cash Equivalents	\$ 2,509	\$ -	Accounts Payable	2,500	-
Total Revenue Fund	2,509	-	<b>TOTAL CURRENT LIABILITIES</b>	<b>\$ 543,774</b>	<b>\$ -</b>
Construction Fund:					
Cash and Cash Equivalents	37,912,719	-	<b>NONCURRENT LIABILITIES</b>		
Total Construction Fund	37,912,719	-	Accrued Interest - 2025B	427	-
<b>TOTAL CURRENT ASSETS</b>	<b>\$ 37,915,228</b>	<b>\$ -</b>	Bonds Payable	74,495,000	-
			Bond Premium	3,560,274	-
<b>NONCURRENT ASSETS</b>			<b>TOTAL NONCURRENT LIABILITIES</b>	<b>\$ 78,055,701</b>	<b>\$ -</b>
Interest and Sinking Fund	1,015	-			
Capitalized Interest Fund	6,760,629	-	<b>TOTAL LIABILITIES AND DEFERRED INFLOWS</b>	<b>\$ 78,599,475</b>	<b>\$ -</b>
Capital Assets, net of Accum Depreciation	32,818,703	-			
<b>TOTAL NONCURRENT ASSETS</b>	<b>\$ 39,580,347</b>	<b>\$ -</b>	<b>TOTAL NET POSITION</b>	<b>\$ (1,103,900)</b>	<b>\$ -</b>
<b>TOTAL ASSETS</b>	<b>\$ 77,495,575</b>	<b>\$ -</b>	<b>TOTAL LIABILITIES &amp; NET POSITION</b>	<b>\$ 77,495,575</b>	<b>\$ -</b>



# MEMORANDUM

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

From: Amy Dozier

Date: September 10, 2025

Re: Agenda Item No. 8 – FY2026 Budget

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Management hereby submits the following FY2026 Annual Budgets for KPUB and KPFC for approval.

KPUB Budget highlights include:

- \$55.5 million in operating revenues, up 15.4% from the FY2025 Budget.
- \$3.4 million rate stabilization transfer that will delay the rate increase recommended by KPUB's 2025 Cost of Service Study.
- \$36.3 million for purchased power expense, up 13.6% from the FY2025 Budget, due to projected increases in natural gas prices.
- \$53.7 million in operating expenses, up 9.2% from the FY2025 Budget, due to increased purchase power expense.
- \$12.5 million in Distribution, Customer and Administrative expense, essentially flat (up 0.4%) compared to the FY2025 Budget.
- \$2.5 million increase in net position.
- Personnel changes include one less employee and an average 3% merit increase for KPUB employees.
- The capital budget includes \$7.0M in cash funded projects during FY2026.

KPFC Budget highlights include:

- \$70.9M in capital spending related to the power generation project in FY2026.

Since the Budget Workshop on August 20, 2025, the following changes have been made:

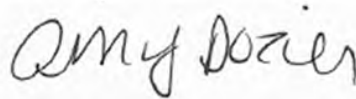
- \$1,600 increase in KPUB operating expenses due to a revised quote for an online training subscription.
- A \$30,000 increase for the digger derrick truck due to the addition of a winch and a price adjustment from the dealer.



- \$450,000 in flood related capital spending (River Crossing and Hunt Sub) has been moved to FY2026. Previously, \$330,000 of this spending was shown in FY2025 and \$50,000 was shown in FY2027. The change reflects continued refinement of estimates on both timing and amount of the repairs. KPUB expects the Hunt substation repair costs to be covered by insurance and other costs to be eligible for reimbursement from FEMA at 75%.
- \$815 decrease in capital spending related to subscription-based information technology arrangements in FY2026 due to a revised estimate.
- Updates to FY2025 estimate numbers based on actual financial information through August 31, 2025.
- Changes to ending balances, ratios and change percentages based on the aforementioned changes.
- No changes to the KPFC budgets.

Note that the budget being adopted covers the period from October 1, 2025 to September 30, 2026. Five-year projections are presented for information and discussion purposes only.

Sincerely,

A handwritten signature in dark ink, appearing to read "Amy Dozier", is centered below the word "Sincerely,".

Amy Dozier  
Assistant General Manager





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# **Fiscal Year 2026 Annual Budget**

**August 20, 2025**





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## BUDGET MESSAGE





August 15, 2025

## Dear Kerrville Public Utility Board Members,

In accordance with Board Policy 49, attached please find my submission of KPUB's Fiscal Year 2026 (FY2026) proposed budget.

**The proposed budget reflects KPUB's mission to be a responsive and efficient, locally owned provider of safe and reliable utility service at the lowest responsible price.** It was developed over several months, incorporating input from staff, external experts, and extensive research on topics ranging from energy futures and economic forecasts to developments in Kerrville.

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### FY2025: A Historic Year of Achievement

This past year was one of the most significant years in KPUB's history, with major accomplishments including:

- **Advanced a historic and strategic initiative to own our own power generation**—securing unanimous board and Kerrville City Council approval, becoming the first project to execute and close on a Texas Energy Fund loan, and earning the distinction of being the only municipality selected among 17 finalists.
- **Completed robust public information campaign to gain community understanding and support for KPUB's generation project**, delivering 20+ in-person presentations, a dedicated webpage, customer survey, informational videos, social media campaign, press releases, interviews, and articles.
- **After the most extensive system damage in KPUB's history from the Hill Country Floods, we restored service in just five days** to all customers who could safely receive it—work that should have taken weeks—thanks to the tireless efforts of our crews and mutual aid partners.
- **Received numerous national honors and industry recognitions**, including:
  - *Maintaining a 3-year APPA Reliable Public Power Provider (RP3) designation*
  - *Top Workplace honors for the second consecutive year.*
  - *Earned APPA's Smart Energy Provider Award for the first time—one of only five Texas utilities to receive this recognition*
  - *National APPA Customer Satisfaction Award for the third consecutive year—and the only Texas utility recipient*
  - *APPA's highest-level Safety Award—6th time in 7 years*
  - *Recognition with both a Mutual Aid Commendation from APPA and the Kerrville Kindness Award for supporting power restoration efforts in Georgia and Florida*
  - *Excellence in Financial Reporting award (31st consecutive year)*
  - *KPUB's assistant general manager earned TPPA's Industry Achievement Award*
- **Multiple internal promotions**, including our director of finance being promoted to assistant general manager, our general foreman to director of operations, a crew leader to construction superintendent, a lineman to crew leader, and an engineer in training to supervisor of distribution design.
- Achieved **4+ years without a lost-time work injury**.
- Completed a thorough **cost-of-service study** using AMI data for the first time,





- allowing a deeper, more accurate analysis.
- Conducted a **customer satisfaction study**, providing valuable insights for industry benchmarking and improvements.
- Completed **fiber** and **SCADA system upgrades**.
- **Made significant substation improvements**, including:
  - Completed major maintenance and relay replacements on substation power transformers in the Hunt, Ingram and Stadium substations.
  - Finalized design and initiated construction to add a transformer to the Jack Furman substation to increase capacity and improve reliability in Ingram and the West side of Kerrville.
  - Secured critical inventory, including a new spare substation transformer.
- Coordinated with LCRA to **implement feeder-level load shed program improvements**.
- **Successfully completed NERC/TRE audit** for KPUB's protection systems maintenance with zero issues, concerns, or findings.
- Finalized a **5-year distribution system planning assessment** to feed into the capital budget.
- **Strengthened employee development** with a new Learning Management System, a job-shadowing program, and updated policies and handbooks.
- Launched a **new seasonal energy-efficiency education video series**, including Prepare for Winter, End of Year Usage Summary, and Prepare for Summer.

---

## FY2026: Building on Momentum

The year ahead promises to be just as impactful, with key initiatives planned:

- **Breaking ground on the new power generation plant** in Colorado County, Texas.
- **Completing the addition of a major transformer** to the Jack Furman substation.
- Continuing to implement **load-shed program improvements**.
- **Upgrading transformer and feeder protection relays** at the Rim Rock substation.
- **Introducing a new KPUB mascot** to strengthen school and community engagement, supported by expanded programming and activities.
- **Further developing the Key Account program** with more frequent touchpoints, enhanced communications, and a customer survey.
- **Expanding customer education seminars** on seasonal and extreme weather preparedness.
- **Continuing investments in system reliability and resiliency.**

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## Rates

KPUB's rates remain among the lowest in Texas and across the United States. In light of the unprecedented Hill Country Flood crisis, **we will hold rates steady and will defer the rate increases recommended** in our Cost of Service Study for FY2026—providing relief and stability for our community during this critical recovery period. This is made possible through our rate stabilization fund, allowing us to offset rising costs while maintaining affordable rates for our customers.





**Our financial position remains strong**, with metrics that meet or exceed APPA benchmarks for utilities of similar size and region. Even with rising costs, our disciplined approach ensures we can maintain reliable service and make essential infrastructure investments without additional burden on customers.

### **Powering Forward to Own Our Power Generation**

In June 2025, **KPUB became the first generation project—and the only municipally owned utility—to execute a loan agreement with the Texas Energy Fund (TEF)**. This achievement, recognized in Austin alongside Public Utility Commission of Texas leadership, marks one of the most important and historic decisions since KPUB’s founding in 1987.

The TEF loan will partially fund the construction of a **122-megawatt natural gas-fired power generation facility** in Colorado County. Chosen for its robust infrastructure and access to four natural gas pipelines, the site will deliver operational efficiency and a reliable fuel supply.

The plant—adjacent to the proven 50-megawatt Sky Global Power One facility—will feature **six advanced reciprocating internal combustion engine (RICE) units**, engineered for high efficiency, fast start-up, low water usage, and extreme weather performance. **Construction begins this winter, with operations scheduled for June 2027.**

Years in the making, **this project is a generational investment that will provide long-term rate stability for KPUB customers** and enhance the resilience of the Texas electric grid—putting the power over our energy future directly in our community’s hands.

### **Commitment to Fiscal Discipline**

The FY2026 proposed budget exemplifies discipline, strategic investment, and a steadfast commitment to our mission. It equips us to maintain competitive rates, deliver exceptional service, and advance critical system improvements that ensure safe, reliable power for the Kerrville community.

As always, I look forward to the board’s input and strategic guidance in the upcoming fiscal year.

Regards,

Mike Wittler, P.E.  
General Manager and CEO





## OPERATING BUDGET





Kerrville Public Utility Board  
Statement Of Revenues, Expenses And Changes In Fund Net Position  
FY2026 Proposed Budget

	FY2026 PROPOSED BUDGET	FY2025 BUDGET	% CHANGE	FY2025 ESTIMATE	% CHANGE
OPERATING REVENUES:					
Residential	\$ 29,540,708	\$ 27,351,571	8.0%	\$ 26,102,336	13.2%
Commercial/Industrial	21,668,908	19,836,441	9.2%	19,351,720	12.0%
Rate Stabilization Transfer	3,400,000				
Sales to Public Authorities	260,000	258,000	0.8%	260,972	-0.4%
Other	670,024	671,000	-0.1%	660,016	1.5%
TOTAL OPERATING REVENUES	55,539,640	48,117,012	15.4%	46,375,043	19.8%
OPERATING EXPENSES:					
Purchased Power	36,349,760	32,010,592	13.6%	31,361,431	15.9%
Distribution	4,517,286	4,787,774	-5.6%	4,263,957	5.9%
Customer Accounts	816,664	842,341	-3.0%	782,678	4.3%
Customer Service, Informational & Sales	555,254	632,113	-12.2%	429,262	29.4%
Administrative Expenses	6,623,200	6,201,050	6.8%	5,852,241	13.2%
Depreciation & Amortization	4,824,918	4,702,251	2.6%	4,583,267	5.3%
TOTAL OPERATING EXPENSES	53,687,082	49,176,121	9.2%	47,272,837	13.6%
OPERATING INCOME (LOSS)	1,852,557	(1,059,109)	274.9%	(897,794)	306.3%
NONOPERATING REVENUES (EXP):					
Interest Income - Investments	1,593,750	1,732,500	-8.0%	2,010,113	-20.7%
Interest Income - City of Kerrville	92,143	117,857	-21.8%	117,857	-21.8%
Interest Expense	(108,566)	(135,854)	-20.1%	(105,420)	3.0%
City of Kerrville - General Fund Transfer	(1,716,766)	(1,500,191)	14.4%	(1,454,643)	18.0%
City of Ingram - Franchise Fee	(36,000)	(41,396)	-13.0%	(36,191)	-0.5%
Other - Net	15,000	39,000	-61.5%	64,730	-76.8%
TOTAL NONOPERATING REVENUES (EXP)	(160,439)	211,917	-175.7%	596,446	-126.9%
INCOME BEFORE CONTRIBUTIONS	1,692,118	(847,192)	299.7%	(301,348)	661.5%
CAPITAL CONTRIBUTIONS	820,000	500,000	64.0%	888,394	-7.7%
CHANGE IN NET POSITION	\$ 2,512,118	\$ (347,192)	823.6%	\$ 587,047	327.9%
NET POSITION AT BEGINNING OF YEAR	\$ 81,179,768	\$ 80,592,721		\$ 80,592,721	
NET POSITION AT END OF YEAR	\$ 83,691,886	\$ 80,245,529		\$ 81,179,768	





Kerrville Public Utility Board  
Industry Comparison Metrics  
FY2026 Budget

	KPUB FY2025 Estimate	KPUB FY2026 Budget	APPA - 20,000 to 50,000 customers (2025 report based on 2022 data)	APPA - Central (2025 report based on 2022 data)	APPA - No Generation (2025 report based on 2022 data)
1 Operating Ratio (Op Expense / Op Revenue)	1.019	0.967	0.900	0.837	0.895
2 O&M per kWh sales	\$ 0.083	\$ 0.095	\$ 0.092	\$ 0.081	\$ 0.100
3 O&M per customer (excluding power supply)	\$ 464.04	\$ 507.81	\$ 636.00	\$ 627.00	n/a
4 Distribution per customer	\$ 174.67	\$ 183.33	\$ 220.00	\$ 212.00	n/a
5 Customer Accts, Service, Sales per customer	\$ 49.65	\$ 55.68	\$ 65.00	\$ 65.00	n/a
6 Administrative & General per customer	\$ 239.73	\$ 268.80	\$ 207.00	\$ 208.00	n/a
7 Capital Expenditures to depreciation expense	1.62	1.54	1.21	1.47	1.42

	KPUB FY2026 Budget	APPA - 2023 Public Power Average	APPA - 2023 Cooperative Average	APPA 2023 Investor- Owned Utility Average
8 Residential Rate per 1,000 kWh usage	\$ 107.50	\$118.83	\$145.23	\$132.51





Kerrville Public Utility Board  
Operations & Maintenance Detail  
FY2026 Budget

	FY2026 Budget	FY2025 Budget	% change	FY2025 Estimate	% change
<b>DISTRIBUTION EXPENSE</b>					
<b>OPERATION EXPENSE</b>					
580 Operation Supervision & Engineering	\$ 8,025	\$ -		\$ 9,204	-12.8%
582 Station Expense	113,690	124,202	-8.5%	100,365	13.3%
583 Overhead Line Expense	3,640	6,250	-41.8%	2,810	29.5%
585 Street Lighting & Signal Expense	3,287	500	557.4%	1,661	97.9%
586 Meter Expense	156,697	146,811	6.7%	149,986	4.5%
588 Misc. Distribution Expense	819,162	899,618	-8.9%	716,986	14.3%
Total Operation Expense	1,104,503	1,177,380	-6.2%	981,013	12.6%
<b>MAINTENANCE EXPENSE</b>					
590 Maintenance Supervision & Engineering	139,258	158,184	-12.0%	115,526	20.5%
592 Maintenance of Station Equipment	394,727	584,396	-32.5%	644,767	-38.8%
593 Maintenance of Overhead Lines	2,575,473	2,594,271	-0.7%	2,268,016	13.6%
594 Maintenance of Underground Lines	210,127	164,251	27.9%	176,286	19.2%
595 Maintenance of Line Transformers	3,275	4,000	-18.1%	7,109	-53.9%
597 Maintenance of Meters	82,596	95,792	-13.8%	65,264	26.6%
598 Miscellaneous Maintenance Expense	7,327	9,500	-22.9%	5,976	22.6%
Total Maintenance Expense	3,412,783	3,610,395	-5.5%	3,282,944	4.0%
Total Distribution Expense	4,517,286	4,787,774	-5.6%	4,263,957	5.9%
<b>CUSTOMER ACCOUNTS EXPENSE</b>					
901 Supervision	43,803	45,378	-3.5%	41,436	5.7%
902 Meter Reading	44,199	53,946	-18.1%	40,691	8.6%
903 Customer Records & Collection	678,662	693,018	-2.1%	665,753	1.9%
904 Uncollectible Accounts	50,000	50,000	0.0%	34,799	43.7%
Total Customer Accounts Expense	816,664	842,341	-3.0%	782,678	4.3%
<b>CUSTOMER SERVICE, INFORMATIONAL &amp; SALES EXPENSE</b>					
907 Supervision	71,349	71,058	0.4%	69,338	2.9%
908 Customer Assistance	275,044	346,798	-20.7%	194,603	41.3%
909 Informational & Instructional	25,050	39,622	-36.8%	24,033	4.2%
913 Advertising	183,810	174,635	5.3%	141,288	30.1%
Total CS, Informational & Sales Expense	555,254	632,113	-12.2%	429,262	29.4%





Kerrville Public Utility Board  
Operations & Maintenance Detail  
FY2026 Budget

	FY2026 Budget	FY2025 Budget	% change	FY2025 Estimate	% change
<b>ADMINISTRATIVE &amp; GENERAL EXPENSE</b>					
920 Administrative & General Salaries	1,594,652	1,417,870	12.5%	1,544,503	3.2%
921 Office Supplies & Expenses	896,399	883,685	1.4%	864,768	3.7%
923 Outside Services	591,300	712,400	-17.0%	473,961	24.8%
924 Property Insurance	200,000	90,000	122.2%	194,461	2.8%
925 Injuries & Damages	177,758	190,797	-6.8%	144,284	23.2%
926 Employee Pensions & Benefits	2,840,537	2,573,848	10.4%	2,311,729	22.9%
930 Miscellaneous General Expenses	217,853	218,851	-0.5%	241,781	-9.9%
935 Maintenance of General Plant	104,700	113,600	-7.8%	76,755	36.4%
Total Administrative & General Expense	\$ 6,623,200	\$ 6,201,050	6.8%	\$ 5,852,241	13.2%

**930 Detail:**

Kerrville Economic Development Corp	\$ 50,000
Community Support Sponsorships	60,000
Community Support - Labor & OH	57,960
Community Support - Fleet & Inventory	10,644
Scholarships	18,000
Community Event Meters	2,500
Other Supplies & Misc.	18,750
Total	<u>\$ 217,853</u>





## FIVE-YEAR FORECAST





Kerrville Public Utility Board  
Statement of Revenues, Expenses and Changes in Fund Net Position  
Five-Year Forecast

	FY2025 Estimate	FY2026 Budget	FY2027 Forecast	FY2028 Forecast	FY2029 Forecast	FY2030 Forecast
<b>OPERATING REVENUES:</b>						
Residential	\$ 26,102,336	\$ 29,540,708	\$ 34,575,855	\$ 39,556,566	\$ 40,727,098	\$ 42,488,211
Commercial/Industrial	19,351,720	21,668,908	25,586,133	29,271,858	30,138,053	31,441,276
Rate Stabilization Transfer		3,400,000				
Sales to Public Authorities	260,972	260,000	265,200	270,504	275,914	281,432
Other	660,016	670,024	683,424	697,093	711,034	725,255
<b>TOTAL OPERATING REVENUES</b>	<b>46,375,043</b>	<b>55,539,640</b>	<b>61,110,613</b>	<b>69,796,021</b>	<b>71,852,099</b>	<b>74,936,174</b>
<b>OPERATING EXPENSES:</b>						
Purchased Power	31,361,431	36,349,760	39,894,477	44,973,765	45,995,560	47,960,458
Distribution	4,263,957	4,517,286	5,178,457	5,385,595	5,601,019	5,825,060
Customer Accounts	782,678	816,664	911,076	947,519	985,420	1,024,836
Customer Service, Informational & Sales	429,262	555,254	683,694	711,041	739,483	769,062
Administrative Expenses	5,852,241	6,623,200	6,707,056	6,975,338	7,254,352	7,544,526
Depreciation & Amortization	4,583,267	4,824,918	5,066,164	5,319,473	5,585,446	5,864,718
<b>TOTAL OPERATING EXPENSES</b>	<b>47,272,837</b>	<b>53,687,082</b>	<b>58,440,923</b>	<b>64,312,731</b>	<b>66,161,279</b>	<b>68,988,660</b>
<b>OPERATING INCOME (LOSS)</b>	<b>(897,794)</b>	<b>1,852,557</b>	<b>2,669,689</b>	<b>5,483,289</b>	<b>5,690,820</b>	<b>5,947,514</b>
<b>NONOPERATING REVENUES (EXP):</b>						
Interest Income - Investments	2,010,113	1,593,750	1,260,000	1,380,000	1,500,000	1,560,000
Interest Income - City of Kerrville	117,857	92,143	66,428	40,714	15,000	
Interest Expense	(105,420)	(108,566)	(100,000)	(81,276)	(60,738)	(50,000)
City of Kerrville - General Fund Transfer	(1,454,643)	(1,716,766)	(1,873,561)	(2,136,952)	(2,201,463)	(2,295,335)
City of Ingram - Franchise Fee	(36,191)	(36,000)	(39,611)	(45,241)	(46,574)	(48,573)
Other - Net	64,730	15,000	15,000	15,000	15,000	15,000
<b>TOTAL NONOPERATING REVENUES (EXP)</b>	<b>596,446</b>	<b>(160,439)</b>	<b>(671,744)</b>	<b>(827,754)</b>	<b>(778,774)</b>	<b>(818,908)</b>
<b>INCOME BEFORE CONTRIBUTIONS</b>	<b>(301,348)</b>	<b>1,692,118</b>	<b>1,997,945</b>	<b>4,655,535</b>	<b>4,912,046</b>	<b>5,128,606</b>
<b>CAPITAL CONTRIBUTIONS</b>	<b>888,394</b>	<b>820,000</b>	<b>860,000</b>	<b>920,000</b>	<b>980,000</b>	<b>1,030,000</b>
<b>CHANGE IN NET POSITION</b>	<b>\$ 587,047</b>	<b>\$ 2,512,118</b>	<b>\$ 2,857,945</b>	<b>\$ 5,575,535</b>	<b>\$ 5,892,046</b>	<b>\$ 6,158,606</b>
<b>NET POSITION AT BEGINNING OF YEAR</b>	<b>\$ 80,592,721</b>	<b>\$ 81,179,768</b>	<b>\$ 83,691,886</b>	<b>\$ 86,549,831</b>	<b>\$ 92,125,366</b>	<b>\$ 98,017,412</b>
<b>NET POSITION AT END OF YEAR</b>	<b>\$ 81,179,768</b>	<b>\$ 83,691,886</b>	<b>\$ 86,549,831</b>	<b>\$ 92,125,366</b>	<b>\$ 98,017,412</b>	<b>\$ 104,176,018</b>





Kerrville Public Utility Board  
Forecast Assumptions  
Five-Year Forecast

**Operating Revenues**

- \* Uses information presented in S&P proformas and Texas Energy Fund financial model
- \* Annual customer growth rate (both residential and commercial) of 1% for FY2027 to FY2030
- \* Scheduled rate increases as necessary to cover costs and maintain days cash on hand
- \* Power cost adjustment increases according to power cost projection used in Texas Energy Fund model

**Purchased Power**

- \* Uses actual KPFC debt cost based on debt pricing in June 2025
- \* Uses assumptions in S&P proformas and Texas Energy Fund financial model
- \* Assumes a 8% annual increase in LCRA transmission costs

**Other Operating Expenses**

- \* Distribution, Customer and Administration Expenses: 4% annual increase from FY2027 to FY2030
- \* Depreciation Expense: 5% annual increase from FY2027 to FY2030

**Nonoperating Revenues and Expenses**

- \* Interest income at 3% for FY2027 to FY2030
- \* City of Kerrville transfer is 3% of gross revenues
- \* City of Ingram franchise fee is 2% of Ingram revenues





Kerrville Public Utility Board  
kWh Sales  
Five-Year Forecast

	FY2025 Estimate	FY2026 Budget	FY2027 Forecast	FY2028 Forecast	FY2029 Forecast	FY2030 Forecast
RESIDENTIAL	287,799,545	289,191,000	299,958,365	302,957,948	305,987,528	309,047,403
COMMERCIAL:						
Small Commercial	162,795,253	161,749,572	167,635,195	169,311,547	171,004,662	172,714,709
Large Commercial-Primary	13,519,620	13,819,796	14,322,660	14,465,887	14,610,546	14,756,651
Large Commercial-Secondary	47,941,386	48,276,633	50,033,287	50,533,620	51,038,956	51,549,345
COMMERCIAL	224,256,259	223,846,000	231,991,142	234,311,053	236,654,164	239,020,706
STREET & SECURITY LIGHT	1,193,554	1,200,000	1,202,400	1,204,805	1,207,214	1,209,629
TOTAL SALES	513,249,358	514,237,000	533,151,907	538,473,807	543,848,906	549,277,738
% CHANGE		0.2%	3.7%	1.0%	1.0%	1.0%





Kerrville Public Utility Board  
Purchased Power Metrics  
Five-Year Forecast

		FY2025 Estimate	FY2026 Budget	FY2027 Forecast	FY2028 Forecast	FY2029 Forecast	FY2030 Forecast
1	Total Customers	24,412	24,640	25,064	25,314	25,568	25,823
2	kWh Sales	506,224,210	514,237,000	533,151,907	538,473,807	543,848,906	549,277,738
3	Ratio of Unsold kWh Purchases	6%	5%	5%	5%	5%	5%
4	kWh Purchased	541,315,737	541,952,214	559,946,849	565,546,318	571,201,781	576,913,799
5	Purchased Power Cost	\$ 31,361,431	\$ 36,349,760	\$ 39,894,477	\$ 44,973,765	\$ 45,995,560	\$ 47,960,458
6	Cost per kWh - purchased	0.05794	0.06707	0.07125	0.07952	0.08052	0.08313
7	Cost per kWh - sold	0.06195	0.07069	0.07483	0.08352	0.08457	0.08732
8	Power Cost Adjustment Factor	1.5609	1.7810	1.8853	2.1043	2.1309	2.1999
9	Neutral Residential Rate - 1,000 kWh -using Cost of Service rates	\$ 95.42	\$ 104.36 \$ 109.94	\$ 113.74	\$ 129.03	\$ 131.63	\$ 135.97
10	Billed Residential Rate - 1,000 kWh	\$ 105.00	\$ 107.50	\$ 115.00	\$ 125.00	\$ 132.50	\$ 140.00
11	% Change - Power Cost		15.9%	9.8%	12.7%	2.3%	4.3%
12	% Change - Cost per kWh - purchased		15.8%	6.2%	11.6%	1.3%	3.2%
13	% Change - Cost per kWh - sold		14.1%	5.9%	11.6%	1.3%	3.2%
14	% Change - Residential Rate		9.4%	9.0%	13.4%	2.0%	3.3%
15	% Change - Billed Residential Rate		2.4%	7.0%	8.7%	6.0%	5.7%





## CAPITAL BUDGET





Kerrville Public Utility Board  
Capital Budget  
Five-Year Forecast

	FY2026 Budget	FY2027 Forecast	FY2028 Forecast	FY2029 Forecast	FY2030 Forecast
<b>METERS</b>					
Existing AMR Systems	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000
Total Meters	75,000	75,000	75,000	75,000	75,000
<b>LINE CONSTRUCTION</b>					
Ordinary Replacements	150,000	150,000	150,000	150,000	150,000
Customer Extensions	1,800,000	1,800,000	1,800,000	1,800,000	1,800,000
System Improvements	260,000	260,000	260,000	260,000	260,000
LE50-RB50 Feeder Tie	550,000	-	-	-	-
Jack Furman T2 Fdr Exits & Fdr Tie Upgrades	400,000	-	-	-	-
River Crossing Flood Repair*	100,000	-	-	-	-
Legion Feeder Tie (LE50-LE20)	-	60,000	-	-	-
LE50 Reconductor to 795AAC	-	-	-	-	525,000
Hunt - Ingram Feeder Tie Upgrade (HT20 - IN40)	-	200,000	1,800,000	-	-
Pole Inspection Replacements	250,000	250,000	250,000	250,000	250,000
Power Factor Improvement	15,000	15,000	15,000	15,000	15,000
Padmount Refurbish & Replacements	20,000	20,000	20,000	20,000	20,000
Street Lights	75,000	75,000	75,000	75,000	75,000
Total Line Construction	3,620,000	2,830,000	4,370,000	2,570,000	3,095,000
<b>HEAVY EQUIPMENT &amp; VEHICLES</b>					
Bucket/Derrick Truck	400,000	325,000	430,000	330,000	340,000
Small Vehicles	-	140,000	120,000	90,000	215,000
Total Heavy Equipment & Vehicles	400,000	465,000	550,000	420,000	555,000
<b>GENERAL PLANT/OTHER</b>					
Normal IT	10,000	10,000	10,000	10,000	10,000
Major IT	160,000	195,000	310,000	220,000	200,000
Capital Tools	-	30,000	-	-	-
Total General Plant / Other	170,000	235,000	320,000	230,000	210,000
<b>SUBSTATIONS</b>					
JF T2 Transformer and Construction	2,085,631	-	-	-	-
Ingram T1 Transformer Upgrade	-	600,000	1,000,000	-	-
Legion T2 Addition	200,000	2,100,000	-	-	-
New Substation	-	-	-	1,921,505	3,033,300
Hunt Sub Flood Repair & Mitigation*	350,000	-	-	-	-
Minor Improvements	100,000	100,000	100,000	100,000	190,000
Distributed Automation Equipment Deployment	15,000	15,000	15,000	15,000	15,000
Total Substations	2,750,631	2,815,000	1,115,000	2,036,505	3,238,300
<b>TOTAL CAPITAL BUDGET</b>	<b>\$ 7,015,631</b>	<b>\$ 6,420,000</b>	<b>\$ 6,430,000</b>	<b>\$ 5,331,505</b>	<b>\$ 7,173,300</b>

\* Reimbursement from insurance and/or FEMA expected

change since Budget Workshop

CASH FLOW FOR CAPITALIZED LEASES AND SUBSCRIPTION BASED INFORMATION TECHNOLOGY AGREEMENTS:

\$ 413,121	\$ 419,068	\$ 497,146	\$ 448,434	\$ 435,309
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## CASH FLOW FORECAST





Kerrville Public Utility Board  
Cash Flow Forecast  
Five-Year Forecast

	FY2025 Estimate	FY2026 Budget	FY2027 Forecast	FY2028 Forecast	FY2029 Forecast	FY2030 Forecast
BALANCE AT BEGINNING OF YEAR	\$ 48,856,237	\$ 47,234,664	\$ 38,601,345	\$ 46,104,358	\$ 50,936,455	\$ 57,556,686
CASH INFLOWS:						
Cash from Operations	5,275,734	4,045,603	8,024,110	10,976,283	11,538,230	12,073,324
Pension Adjustment (noncash)	100,000	100,000	100,000	100,000	100,000	100,000
Capital Contributions	888,394	820,000	860,000	900,000	950,000	1,000,000
Increase in overcollection	3,600,000	-	-	-	-	-
FEMA Grant	-	1,100,000	150,000	-	-	-
Insurance	-	200,000	-	-	-	-
Texas Energy Fund Escrow Deposit	-	-	5,250,000	-	-	-
Advance to City of Kerrville	1,193,571	1,167,857	1,142,142	1,116,428	1,090,714	-
Interest Income	2,010,113	1,593,750	1,260,000	1,380,000	1,500,000	1,560,000
Total Inflows	13,067,812	9,027,210	16,786,252	14,472,711	15,178,944	14,733,324
CASH OUTFLOWS:						
Winter Storm Uri	-	7,947,970	-	-	-	-
Transfer & Franchise Fee	1,490,834	1,752,766	1,913,172	2,182,193	2,248,036	2,343,908
Debt Repayment	530,531	531,041	530,999	531,276	530,738	-
Cash for Capitalized Agreements	329,861	413,121	419,068	497,146	448,434	435,309
Texas Energy Fund Escrow Deposit	5,250,000	-	-	-	-	-
Capital Spending	7,088,159	7,015,631	6,420,000	6,430,000	5,331,505	7,173,300
Total Outflows	14,689,385	17,660,529	9,283,239	9,640,614	8,558,713	9,952,517
NET CHANGE IN CASH	(1,621,573)	(8,633,319)	7,503,013	4,832,097	6,620,231	4,780,808
BALANCE AT END OF YEAR	\$ 47,234,664	\$ 38,601,345	\$ 46,104,358	\$ 50,936,455	\$ 57,556,686	\$ 62,337,493
DAYS CASH ON HAND	404	288	315	315	347	360
TARGET (300 DAYS)		\$ 40,160,683	\$ 43,869,665	\$ 48,487,610	\$ 49,788,356	\$ 51,882,692





Kerrville Public Utility Board  
Bonds Payable and Advance Receivable Schedules  
FY2026

**Bonds Payable:**

Series 2013 Revenue Bonds  
Original Principal: \$6,300,000  
Interest Rate: 1.01% to 4.13%, overall 3.16%  
Semiannual Payments on May 1 and November 1  
Maturity: 11/1/2028

Maturity Schedule:

Fiscal Year	Principal	Interest	Total
FY2026	\$ 464,000	\$ 67,041	\$ 531,041
FY2027	481,000	49,999	530,999
FY2028	500,000	31,276	531,276
FY2029	520,000	10,738	530,738
TOTAL	\$ 1,965,000	\$ 159,054	\$ 2,124,054

**Advance Receivable:**

City of Kerrville  
Original Principal: \$7,500,000  
Interest Rate: 2.4%  
Semiannual Payments on February 1 and August 1  
Maturity: 8/1/2029

Maturity Schedule:

Fiscal Year	Principal	Interest	Total
FY2026	\$ 1,071,429	\$ 96,429	\$ 1,167,858
FY2027	1,071,429	70,714	1,142,143
FY2028	1,071,429	45,000	1,116,429
FY2029	1,071,429	19,286	1,090,715
TOTAL	\$ 4,285,716	\$ 231,429	\$ 4,517,145





## DEBT SERVICE COVERAGE





Kerrville Public Utility Board  
Debt Service Coverage  
Five-Year Forecast

	FY2025 Estimate	FY2026 Budget	FY2027 Forecast	FY2028 Forecast	FY2029 Forecast	FY2030 Forecast
CHANGE IN NET POSITION	\$ 587,047	\$ 2,512,118	\$ 2,857,945	\$ 5,575,535	\$ 5,892,046	\$ 6,158,606
ADJUSTMENTS:						
Interest Expense (net of amortizations)	105,420	108,566	100,000	81,276	60,738	50,000
Rate Stabilization Transfer		(3,400,000)				
Depreciation Expense	4,583,267	4,824,918	5,066,164	5,319,473	5,585,446	5,864,718
Numerator	5,275,734	4,045,603	8,024,110	10,976,283	11,538,230	12,073,324
DIVIDED BY:						
Interest Expense (net of amortizations)	105,420	108,566	100,000	81,276	60,738	50,000
Principal Payment Due	448,000	464,000	481,000	500,000	520,000	-
Denominator	\$ 553,420	\$ 572,566	\$ 581,000	\$ 581,276	\$ 580,738	\$ 50,000
DEBT SERVICE COVERAGE RATIO	9.53	7.07	13.81	18.88	19.87	n/a





# **KERRVILLE PUBLIC UTILITY BOARD PUBLIC FACILITY CORPORATION PROPOSED BUDGET**





Kerrville Public Utility Board Public Facility Corporation  
FY2026 Operating Budget

	<b>FY2026 Proposed Budget</b>
<b>Operating Revenue</b>	
Electric	\$ -
Total Operating Revenue	-
<b>Operating Expense</b>	
General And Administrative Expense	50,000
<b>Operating Income</b>	(50,000)
<b>Non-Operating Revenues And (Expenses)</b>	
Interest Income	453,087
Interest Expense	(3,846,889)
Allowance For Funds Borrowed During Construction (AFUDC)	3,843,889
Amortization - Debt Premium 2025A	159,452
Total Non-Operating Revenues And (Expenses)	609,539
<b>Change In Net Position</b>	\$ 559,539





Kerrville Public Utility Board Public Facility Corporation  
FY2026 Capital Budget

	Current Project Budget	Projected FY2026 Spending	% in FY2026
Construction Contractor	\$ 56,995,000	\$ 25,460,646	44.7%
Engines	74,100,000	28,539,355	38.5%
<b>Equipment &amp; Construction</b>	<b>131,095,000</b>	<b>54,000,000</b>	<b>41.2%</b>
GSU Yard	12,252,000	7,997,000	65.3%
BOP Engineering	5,900,000	3,960,000	67.1%
Construction Inspection	1,600,000	600,540	37.5%
Gas Regulation Yard/Piping	2,250,000	1,800,000	80.0%
Site Geotech	70,000	-	0.0%
Construction Power	300,000	100,000	33.3%
Fiber	50,000	50,000	100.0%
Water System	200,000	150,000	75.0%
Sewer System/Connections	200,000	200,000	100.0%
ERCOT/Regulatory Support	100,000	45,000	45.0%
Permitting	50,000	10,000	20.0%
Security	240,000	120,000	50.0%
Signage	50,000	-	0.0%
<b>BOP Engineering/GSU Yard</b>	<b>23,262,000</b>	<b>15,032,540</b>	<b>64.6%</b>
Property	2,102,246	-	0.0%
<b>Real Estate</b>	<b>2,102,246</b>	<b>-</b>	<b>0.0%</b>
Gas - Kinder Morgan Facilities	912,495	-	0.0%
STEC Interconnection	300,000	-	0.0%
<b>Interconnections</b>	<b>1,212,495</b>	<b>-</b>	<b>0.0%</b>
First Fills Fluids	280,000	-	0.0%
Emissions Testing	60,000	-	0.0%
Pre-COD Staff Development	2,250,000	-	0.0%
<b>Operations Prep</b>	<b>2,590,000</b>	<b>-</b>	<b>0.0%</b>
Insurance	800,000	800,000	100.0%
Legal Fees	825,000	-	0.0%
Finance and Other	1,169,100	30,000	2.6%
Project Management Fees	2,465,000	1,020,000	41.4%
<b>Professional Services</b>	<b>5,259,100</b>	<b>1,850,000</b>	<b>35.2%</b>
<b>Sub Total</b>	<b>165,520,841</b>	<b>70,882,541</b>	<b>42.8%</b>
Contingency	9,479,159	-	0.0%
<b>Total Capital Budget</b>	<b>\$ 175,000,000</b>	<b>\$ 70,882,541</b>	<b>40.5%</b>

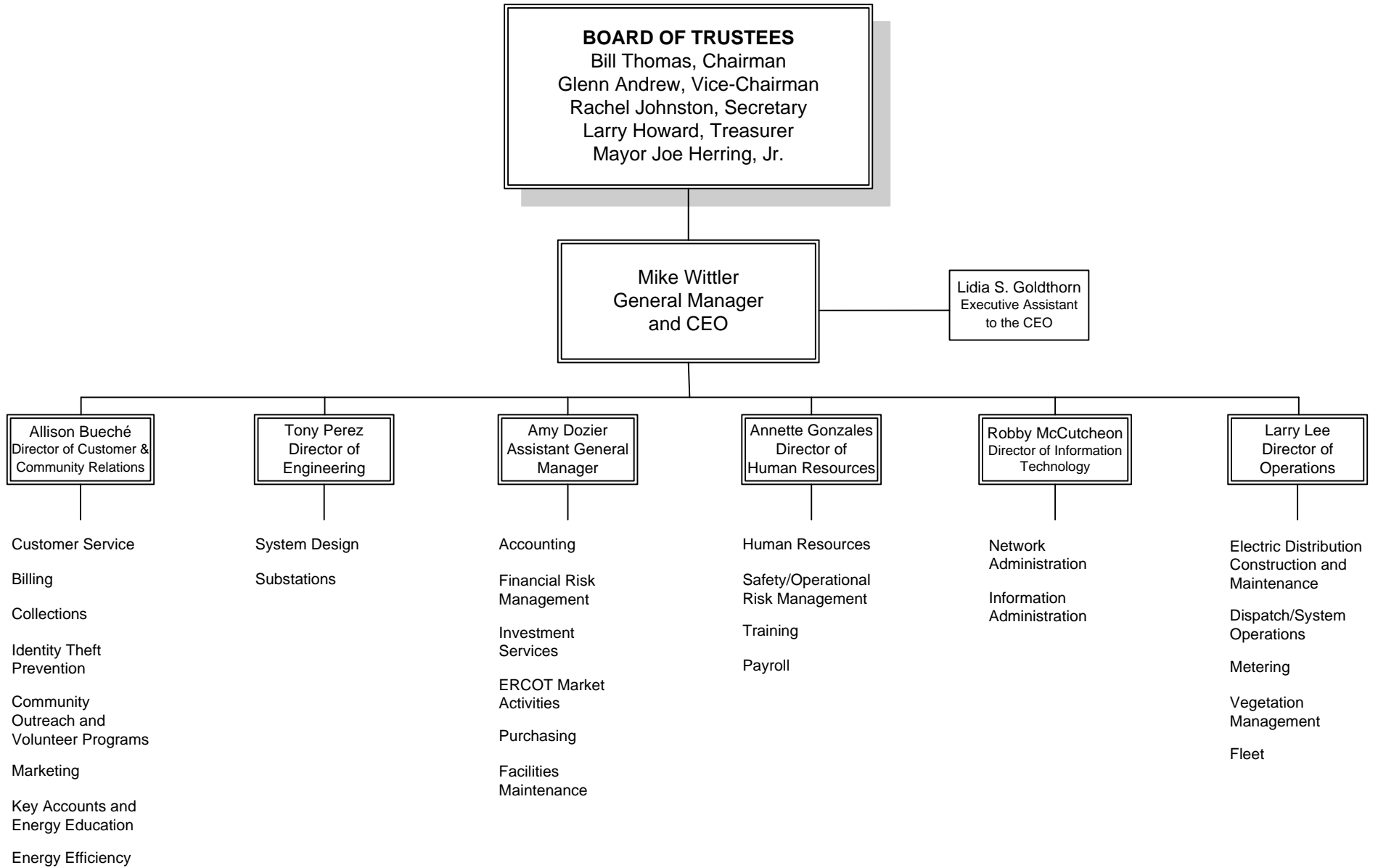




# ORGANIZATION CHARTS



Kerrville Public Utility Board  
2025 Board Organization Chart  
September 17, 2025

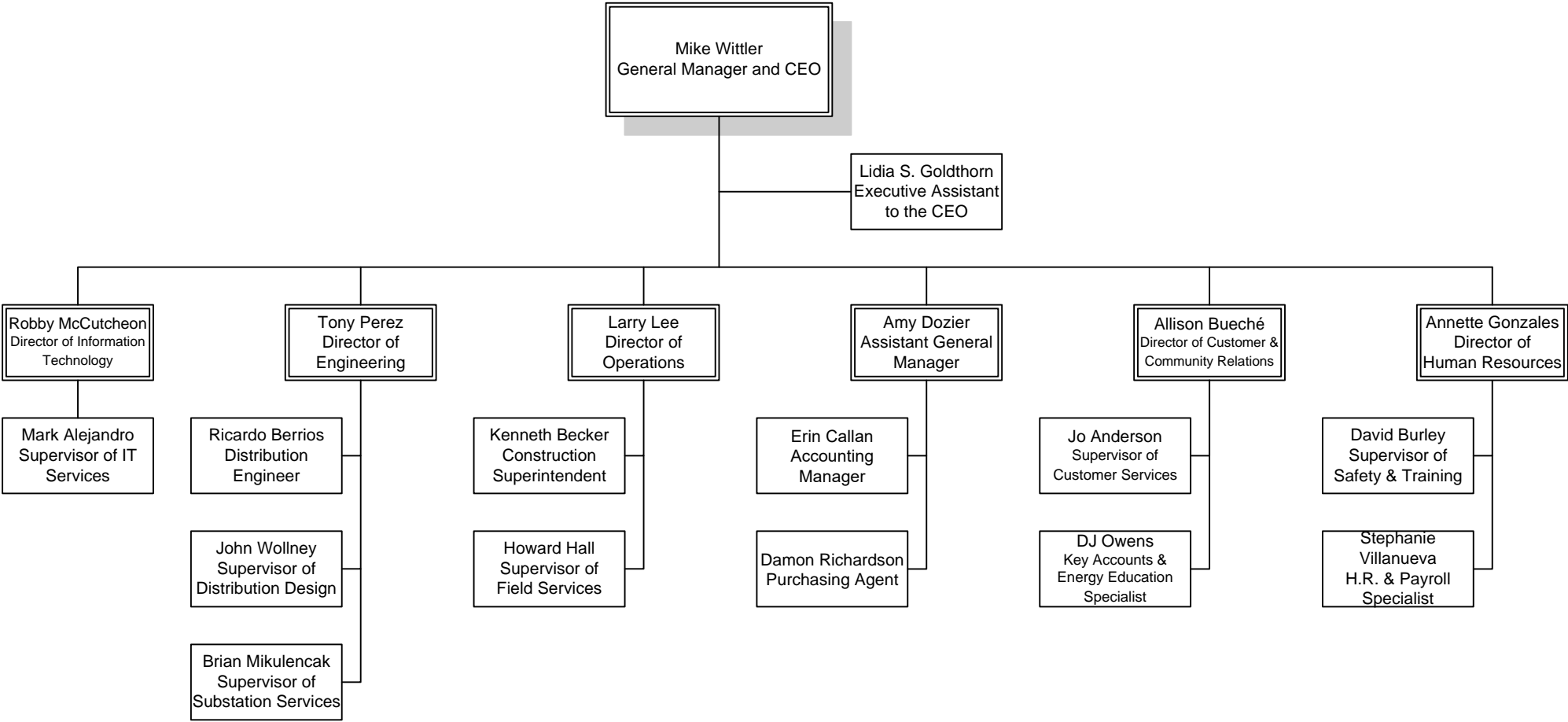




# Kerrville Public Utility Board

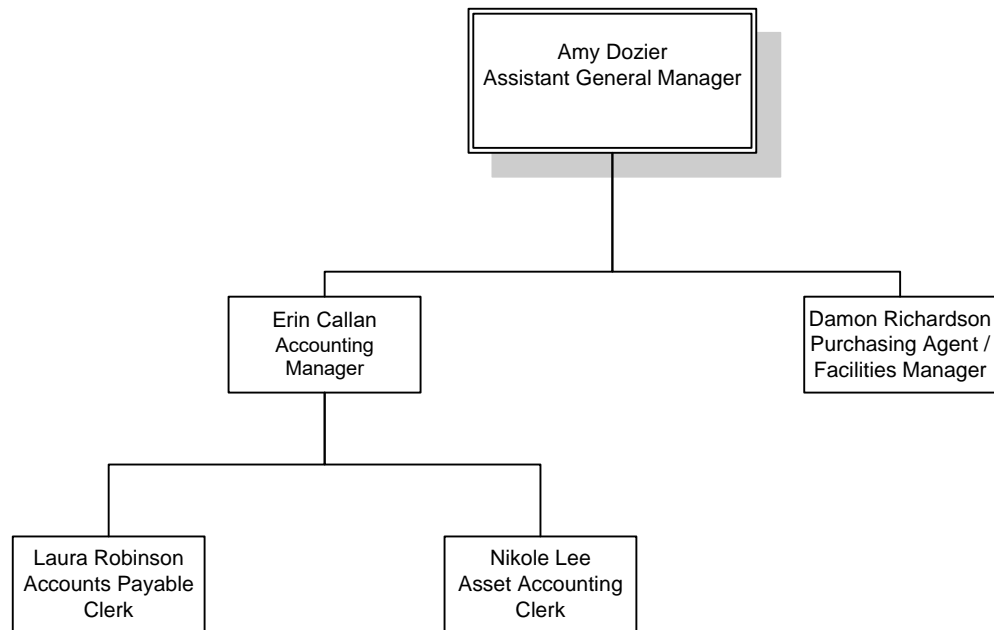
## 2025 Organization Chart

September 17, 2025



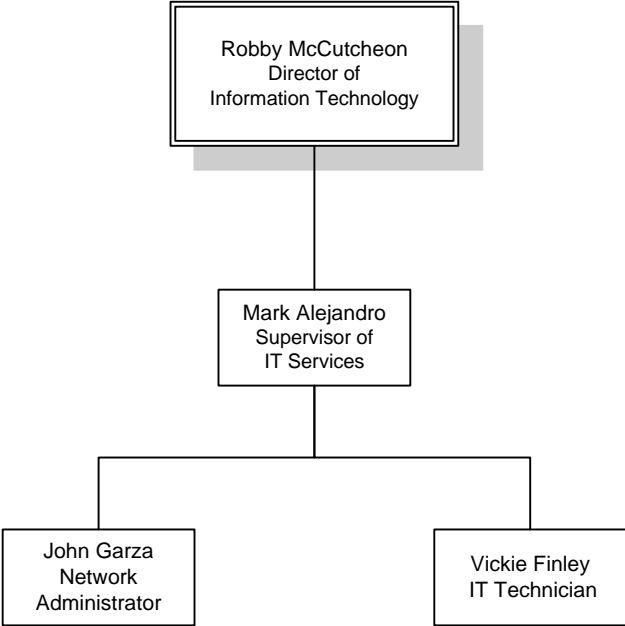


Kerrville Public Utility Board  
Finance  
September 17, 2025



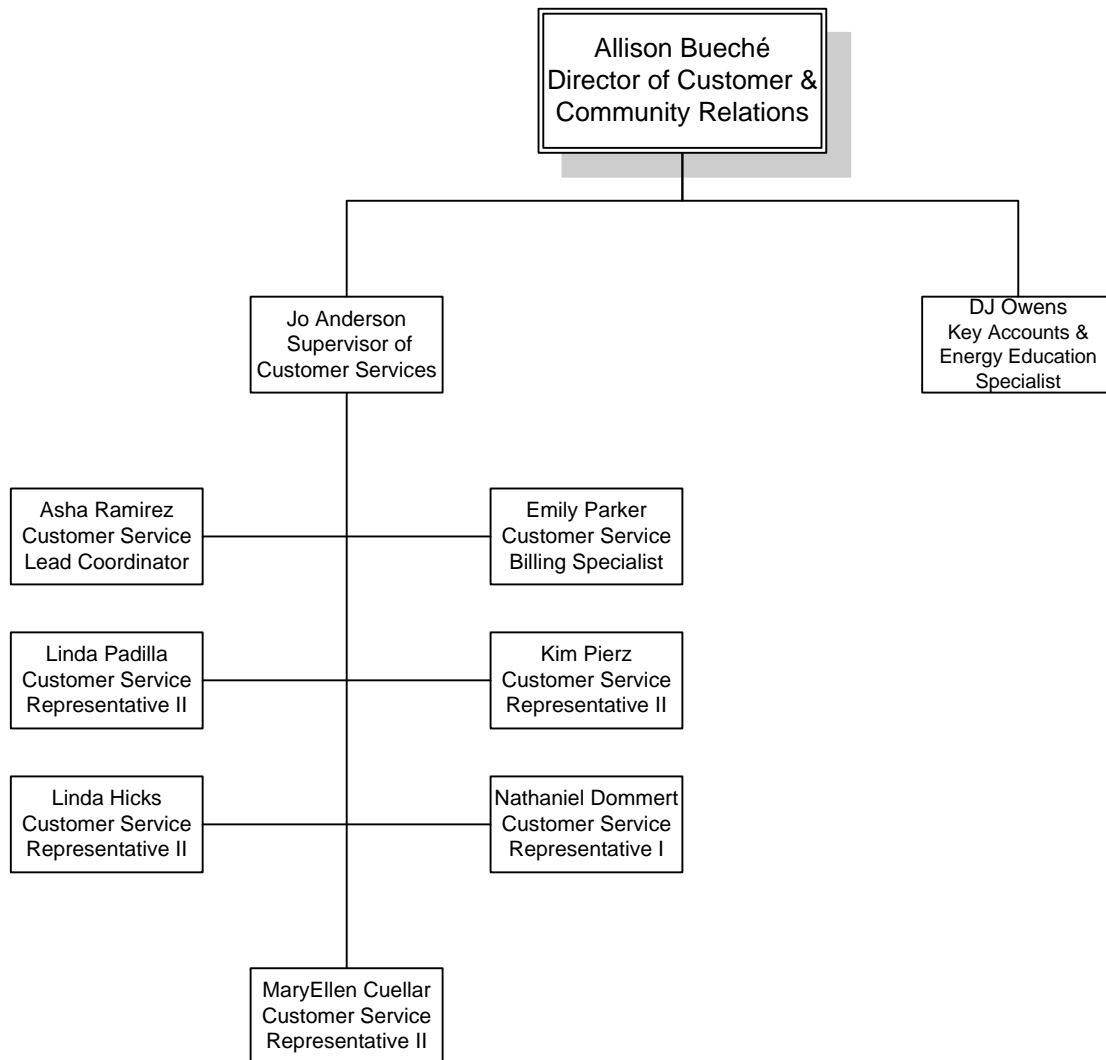


Kerrville Public Utility Board  
Information Technology  
September 17, 2025



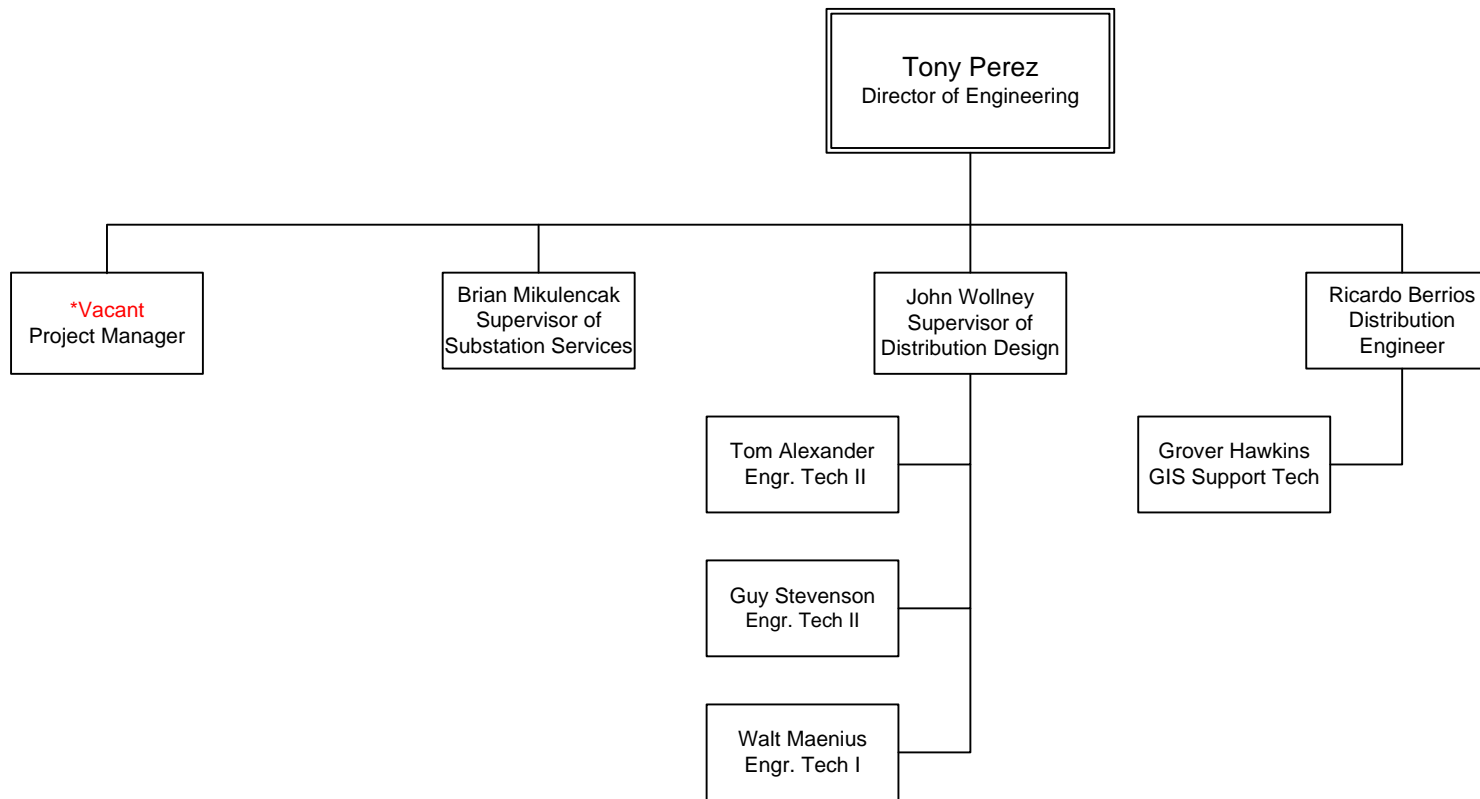


Kerrville Public Utility Board  
Customer & Community Relations  
September 17, 2025



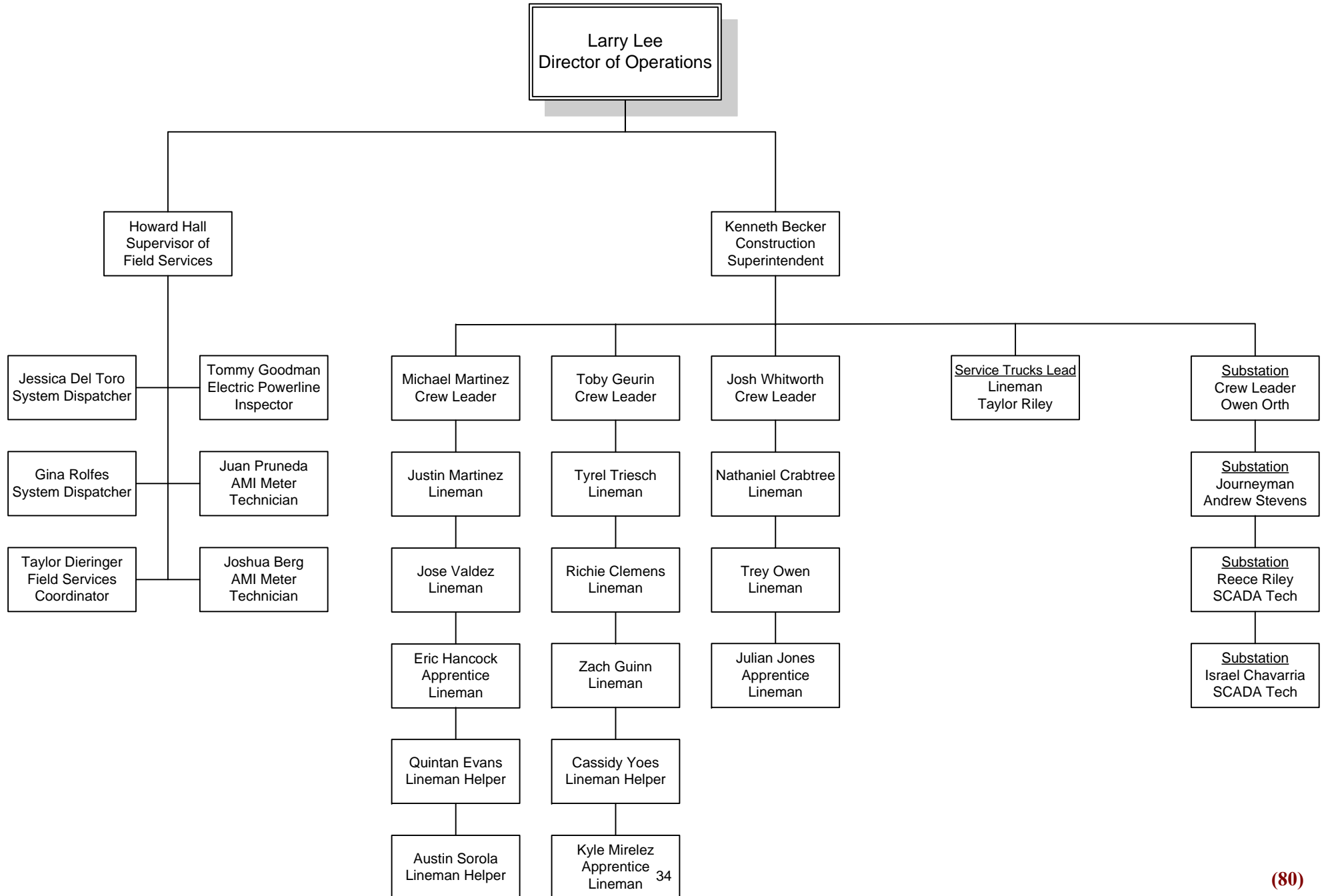


Kerrville Public Utility Board  
Engineering  
September 17, 2025





Kerrville Public Utility Board  
Operations  
September 17, 2025





## **RESOLUTION NO. 25-22**

**A RESOLUTION OF THE KERRVILLE PUBLIC UTILITY BOARD REVISING THE POLICY FOR ADMINISTRATION OF THE RATE STABILIZATION FUND TO AUTHORIZE TRANSFERS FROM THE OVERCOLLECTION BALANCE AND RATE STABILIZATION FUND TO THE REVENUE FUND IN ORDER TO FACILITATE THE DELAY OF A RATE INCREASE.**

**WHEREAS**, the Kerrville Public Utility Board (“Board”) established a Rate Stabilization Fund on October 18, 2004, to mitigate the impact of power cost volatility on customers; and

**WHEREAS**, the Board has periodically revised the Rate Stabilization Policy through Resolutions including No. 09-17, 12-26, 15-19, 16-17, 16-26, 17-02, 21-04, 21-19, and 22-13; and

**WHEREAS**, Resolution No. 22-13 suspended the 10% limit on overcollection of power supply costs, and the Board finds it is appropriate to maintain this suspension at this time; and

**WHEREAS**, On July 4, 2025, the Kerrville community experienced a devastating flood, and the Board desires to provide economic relief to customers during recovery by delaying a retail rate increase that would otherwise be recommended to take effect November 1, 2025; and

**WHEREAS**, staff analysis indicates that such a delay may be accomplished by use of available overcollection balances and Rate Stabilization Fund resources; now, therefore,

### **BE IT RESOLVED BY THE KERRVILLE PUBLIC UTILITY BOARD THAT:**

**Section 1.** The suspension of the 10% limit on overcollection of power supply costs as established by Resolution No. 22-13 shall remain in effect.

**Section 2.** The Board authorizes the General Manager and Chief Executive Officer, or their designee, to make monthly transfers from the overcollection balance to the Rate Stabilization Fund and from the Rate Stabilization Fund to the Revenue Fund, in amounts calculated as follows:

- For each month, the transfer shall equal the operating loss, adjusted to remove depreciation expense and add capital spending for the month.
- If the resulting amount is negative, no transfer shall be made for that month; transfers may resume the following month based on year-to-date calculations, with a final true-up to occur at fiscal year end.



**Section 3.** The total transfers made pursuant to this Resolution shall begin in October 2025 and shall not exceed \$3,400,000 for the fiscal year ending September 30, 2026.

**Section 4.** Staff shall provide monthly reports to the Board on the status of transfers, cumulative balances, and the effect of these transfers on the Revenue Fund and the Rate Stabilization Fund.

**Section 5.** This Resolution shall amend the Rate Stabilization Policy and take effect immediately upon adoption.

**PASSED, APPROVED AND ADOPTED on this 17<sup>th</sup> day of September, 2025**

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**Bill Thomas, Chairman**

**ATTEST:**

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**Rachel Johnston, Secretary**



## MEMORANDUM

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

From: Allison Bueché

Date: September 10, 2025

Re: Agenda Item No. 10—Consideration & Action on Approval to Increase Bill Credit Promotion

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In October 2020, KPUB introduced a one-time \$10 bill credit incentive (\$5 for paperless, \$5 for autopay) to encourage digital adoption. Since then, **paperless enrollment has increased by nearly 10%**, generating recurring savings in postage, materials, and processing. **This demonstrates that the incentive is an effective tool for accelerating digital adoption and reducing costs, but mailing costs have continued to climb:** first-class letter stamps has risen over 50% since 2018, from \$0.50 to \$0.78 as of July 2025.

KPUB uses NISC's Automated Mail Services for bill distribution. Postage accounts for about 70% of expenses, with printing, envelopes, and processing making up the rest. Despite volume discounts, mailing remains costly. Today, about 14,200 accounts (53%) still receive paper bills, and roughly 2,000 of those also receive delinquent notices. Standard paper billing averages \$0.83 per account per month, while delinquent accounts cost nearly double at \$1.67. Combined, KPUB spends ~\$162,000 annually on these printing and mailing costs, or ~\$11–12 per paper bill account.

**To offset these costs and spur even higher program enrollments, I recommend increasing the promotional offer** to a one-time \$25 bill credit, split as **\$12.50 for paperless enrollment and \$12.50 for autopay enrollment**. Customers may qualify by signing up for either option, and programming ensures the credit can only be applied once per account. While the savings from paperless billing are direct and measurable, automatic payment enrollment cost savings are a little harder to quantify, but provide equally important benefits by reducing staff time, lowering transaction costs, and minimizing payment errors and late payments.

This investment will quickly recover its value through avoided mailing costs and operational efficiencies. It also supports environmental goals, improves customer convenience, and drives engagement with KPUB's digital tools such as SmartHub.

For these reasons, I respectfully recommend approval of the \$25 bill credit promotional offer and welcome discussion on alternatives. Please let me know if you have any questions or concerns.

Sincerely,



Allison Bueché  
Director of Customer & Community Relations



# MEMORANDUM

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

From: Allison Bueché

Date: September 10, 2025

Re: Agenda Item No. 11–Discussion on KPUB Customer Satisfaction Results

During the spring of 2025, KPUB conducted a comprehensive customer study through Great Blue Research. This in-depth survey was designed to gather market insights from our residential customers and benchmark KPUB's performance against peer utilities in the industry. The survey was distributed across multiple channels, including social media, email, our website, newsletter, and bill messages, and it ran from April 15 to May 20, 2025. More than 600 customers participated.

We are pleased to report that KPUB achieved an **overall customer satisfaction score of 94.1%**, representing a **0.5% increase from last year**. For context, the 2025 Texas average was 66.9% and the national average was 71.8% for our industry. **This places KPUB more than 27 points higher than the Texas average and over 22 points higher than the national average.**

The survey also provided an opportunity for municipally owned utilities to be recognized for their performance through the American Public Power Association (APPA). APPA's Public Power Customer Satisfaction Awards honor utilities that set the highest standards in customer engagement, communication, and service. KPUB earned the **APPA Silver-Level Customer Satisfaction Award** for the **third consecutive year**, and we remain the **only utility in Texas to receive this distinction**. Award levels are determined by average customer satisfaction ratings: 80% or higher for bronze, 90% or higher for silver, and 95% or higher for gold. Our scores have consistently improved year-over-year since we started this survey in 2021.

## KPUB 2025 Survey Results *(Comparison to Public Power Data Source Data & previous years)*

Characteristic	KPUB 2025	KPUB 2024	KPUB 2023	KPUB 2021	2025 TX Average	2025 National Average
Providing consistent & reliable electric service	95.5%	94.6%	95.5%	89.9%	69.6%	76.0%
Restoring power in a reasonable amount of time	95.9%	93.6%	94.2%	82.8%	64.7%	72.2%
Providing good service & value for the cost of electricity	94.0%	91.2%	92.3%	88.0%	60.2%	65.7%
Communicating with customers	93.2%	92.3%	91.8%	86.7%	61.0%	66.8%
Offering innovative programs & services	91.0%	90.7%	87.2%	79.4%	56.7%	60.3%
Overall satisfaction with the local electric utility	95.7%	93.6%	93.3%	91.0%	61.4%	63.9%
Satisfaction with customer service	94.5%	95.7%	93.6%	89.7%	77.5%	81.2%
Satisfaction with field service	95.5%	97.2%	95.7%	94.7%	84.3%	88.2%
<b>Average</b>	<b>94.1%</b>	<b>93.6%</b>	<b>92.9%</b>	<b>87.78%</b>	<b>66.93%</b>	<b>71.79%</b>

Sincerely,

Sincerely,



Allison Bueché  
Director of Customer & Community Relations