

November 13, 2025

**OFFICIAL NOTICE
OF A
REGULAR MONTHLY MEETING**

The Kerrville Public Utility Board (KPUB) and Kerrville Public Utility Board Public Facility Corporation (KPFC) will hold its Regular Joint Monthly Meeting on Wednesday, November 19, 2025, beginning at 8:30 a.m. The meeting will be held in the KPUB Conference Room at the Utility Board offices located at 2250 Memorial Blvd. The meeting site is accessible to handicapped persons. A copy of the agenda is attached to this notice.



Lidia S. Goldthorn, Assistant Secretary

AGENDA
KERRVILLE PUBLIC UTILITY BOARD (KPUB) AND
KERRVILLE PUBLIC FACILITY CORPORATION (KPFC)
REGULAR JOINT MONTHLY MEETING
WEDNESDAY, NOVEMBER 19, 2025, 8:30 A.M.
KPUB CONFERENCE ROOM
KERRVILLE PUBLIC UTILITY BOARD OFFICES
2250 MEMORIAL BLVD.
KERRVILLE, TEXAS

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

CALL TO ORDER:

INVOCATION AND PLEDGE OF ALLEGIANCE:

1. CITIZEN/CONSUMER OPEN FORUM:

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

2. ANNOUNCEMENTS OF COMMUNITY INTEREST:

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

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

- *Wednesday, December 17, 2025 at 8:30 a.m.*
- *Wednesday, January 21, 2026 at 8:30 a.m.*
- *Wednesday, February 18, 2026 at 8:30 a.m.*

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

I. 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	
B.	Related to plans, studies, proposals, and analyses for system improvements, additions, or sales	
(1)	Discussion and Possible Action on plans, studies, proposals and analyses for potential expansion of infrastructure and service – Mike Wittler, CEO	
4.	<u>CONSIDERATION AND ACTION AS A RESULT OF EXECUTIVE CLOSED SESSIONS (KPUB and KPFC):</u>	
5.	<u>CONSENT AGENDA (KPUB and KPFC):</u> These items are considered routine and can be approved in one motion unless a Board Member asks for separate consideration of an item. It is recommended that the Board approve the following items which will grant the General Manager to take all actions necessary for each approval:	
5A.	APPROVAL OF MINUTES – Approval of the October 15, 2025, Regular Joint Monthly Board Meeting Minutes	1
5B.	RESOLUTION NO. 25-24 – AMY DOZIER, ASSISTANT GENERAL MANAGER. A Resolution approving payment to various providers of services or supplies	6
5C.	SEPTEMBER 2025 QUARTERLY FUNDS REPORT – AMY DOZIER, DIRECTOR OF FINANCE. Acceptance of the September 2025, Quarterly Funds Report as presented to the Investment Committee following the October 15, 2025, Board Meeting	9
5D.	APPROVAL AND REPORTING OF PURCHASES AND SALES:	
1.	Fleet Sales (Howard Hall, Field Services Supervisor)	15
6.	<u>FINANCIAL REPORT (KPUB) – AMY DOZIER, ASSISTANT GENERAL MANAGER: ..</u>	19
7.	<u>ENGINEERING AND OPERATIONS PROJECTS, AND CAPITAL BUDGET REPORT – TONY PEREZ, DIRECTOR OF ENGINEERING (KPUB):</u>	35
8.	<u>CONSIDERATION AND ACTION ON RESOLUTION NO. 25-25 – TONY PEREZ, DIRECTOR OF ENGINEERING AND ERIN CALLAN, ACCOUNTING MANAGER (KPUB):</u> A Resolution authorizing submission of a grant application to support flood warning systems	44
9.	<u>ADJOURNMENT (KPUB and KPFC)</u>	

**MINUTES OF THE
KERRVILLE PUBLIC UTILITY BOARD (KPUB) AND
KERRVILLE PUBLIC FACILITY CORPORATION (KPFC)
REGULAR JOINT MONTHLY MEETING
WEDNESDAY, OCTOBER 15, 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
Erin Callan, Accounting Manager
DJ Owens, Key Accounts and Energy Education Specialist
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
Lance Pettigrew, SEnergy
Marc Leclerc, Summit Industrial
Andrew Billone, Summit Industrial
Thomas Forst, Everllence
Eduardo Balardini Blanco, Everllence
J. Scott Maberry, Sheppard Mullin *(via teleconference)*
Michael Pittman

CALL TO ORDER:

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

INVOCATION AND PLEDGE OF ALLEGIANCE:

1. CITIZEN/CONSUMER OPEN FORUM:

There were no citizens/consumers to speak.

2. ANNOUNCEMENTS OF COMMUNITY INTEREST:

Ms. Bueché highlighted employee anniversaries for the month of September with a combined service of 105 years. She advised upcoming community events include Homecoming Parades, Chamber Business Expo on October 31st and November 1st, and Fright Night on October 31st, and a Blood Drive on December 11th. Ms. Bueché also highlighted school outreach events coming up for the year. A Ready, Set, Winter Prep Event is scheduled for November 13th at KPUB, and the Weatherization Event will be November 20th at the Dietert Center. Mr. Wittler noted the following upcoming board meetings tentatively scheduled for:

- *Wednesday, November 19, 2025 at 8:30 a.m.*
- *Wednesday, December 17, 2025 at 8:30 a.m.*
- *Wednesday, January 21, 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

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, and “Competitive Matters” in accordance with Texas Statutes Subchapter D, Chapter 551, Government Code Section §551.086. 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. Rachel Johnston seconded the motion for KPFC. Vote was by show of hands. Motion carried 5 – 0.

The Boards entered Executive Closed Session at 8:40 a.m. At 11:04 a.m. Chairman and President Thomas adjourned the Executive Closed Session and reconvened into Open Session.

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

No action taken by the Board.

5. CONSENT AGENDA (KPUB and KPFC):

Mr. Howard made a motion for KPUB and KPFC as designated to accept items in the consent agenda as presented. Ms. Johnston seconded the motions. Vote was by a show of hands. Motions carried 5 – 0.

5A. APPROVAL OF MINUTES (KPUB and KPFC).

5B. RESOLUTION NO. 25-23 (KPUB) – AMY DOZIER, ASSISTANT GENERAL MANAGER. A Resolution approving payment to various providers of services or supplies.

5C. APPROVAL AND REPORTING OF PURCHASES AND SALES (KPUB):

1. Fleet Purchase (Howard Hall, Field Services Supervisor)

END OF CONSENT AGENDA

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

Ms. Dozier advised KPUB’s fiscal year ended on September 30th. Kilowatt hour sales for the year totaled 502,716,589, which was 4.2% lower than the annual budget amount due to mild weather seen for most of the year. In particular Kerrville recorded zero 100° days in June, July or August. Because September is KPUB’s year-end, staff is required to hold the books open longer than in other months in order to capture all activity related to FY2025. Final invoices related to FY2025 are anticipated to be received by October 20th. Accordingly, the September financial statements will be presented during the November board meeting. The annual audit will take place in early November with a final report expected at the January board meeting.

Ms. Dozier advised items to note as the year closes include: • FEMA Update: FEMA has divided KPUB’s application into six (6) individual projects. Two projects cover work that has already been completed, while the remaining four involve longer-term restoration efforts scheduled for completion over the next 18 months. On October 3, 2025, KPUB submitted the completed project applications, along with all required documentation, for the two projects classified as “already completed.” One of these submissions qualifies as a FEMA-designated “large project,” which requires additional documentation and review. Notably, KPUB was the first entity in Kerr County to submit a completed large project application

to FEMA related to the flood event. If FEMA approves all submitted costs for the first two projects, KPUB would be eligible for reimbursement of approximately \$1.1 million (at 75% of total eligible costs). As FEMA's program is reimbursement-based, submissions for the remaining four projects will proceed as work is completed and paid for. • KPUB personnel conducted the annual physical inventory count at the end of September. At year-end, KPUB's inventory was valued at \$2.5M. The physical inventory count resulted in an adjustment of only \$6K. This is an extremely low adjustment amount under any conditions, but especially considering the amount of inventory used during the emergency repair period after the flood. Recognition goes to KPUB's Warehouse Manager and Operations Team for this achievement. • As of September 30, 2025, KPUB's invested funds balance was \$46.3M invested in investment pools and an investment account at Happy State Bank. The portfolio of investment accounts earned a blended rate of 4.28% in September as interest rates fell following the Federal Reserve's rate adjustment on September 17, 2025. • KPUB's billed rate remains at \$105.00 for 1,000kWh of residential power (This is the 2nd lowest rate in the monthly survey of 29 area utilities and significantly below the survey's average rate of \$134.74. September's final ending balance for the overcollection account is not available until after the final power bill invoice is received in mid-October). • As of September 30, 2025, KPFC had invested funds of \$44.3M, including a construction fund balance of \$37.5M representing unspent proceeds from the 2025A (open market) bond issuance and \$6.8M in a fund for capitalized interest. The first interest payment of \$1.0M on the 2025A bonds will be made on October 15, 2025 using funds from the capitalized interest account. • Funds for KPFC are held by KPUB's trustee, US Bank. Funds are invested in the State Street Institutional US government Money Market Fund (OPGXX) which is AAA rated and currently yielding 4.02%.

In addition, a quarterly listing of vendor payments over \$10,000, and a quarterly listing of payments to a single vendor that have totaled over \$10,000 in the past 12 months were included for the Board's review. Ms. Dozier also provided a PowerPoint presentation with highlights and financial metrics from the memo.

7. QUARTERLY RELIABILITY REPORT (KPUB) – HOWARD HALL, SUPERVISOR OF FIELD SERVICES:

Mr. Hall presented the fourth quarter Reliability Report for FY2025-2026 for the Board's review. He highlighted the Legion 40 substation. 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.

8. REPORT, CONSIDERATION AND ACTION ON KPUB EDUCATION AND ENERGY EFFICIENCY PROGRAMS – DJ OWENS, KEY ACCOUNTS & ENERGY EDUCATION SPECIALIST:

Mr. Owens presented a summarization of the Energy Efficiency Rebate Program payout for the past two years. He advised that for fiscal year 2025, KPUB conducted 21 in-person home energy audits. Since the implementation of the energy-efficiency platform, Brillion, an additional 1,508 self-guided home energy audits have been completed through KPUB's website. Brillion's personalized video messaging feature also delivered 30,858 billing videos to customers to help explain large billing variances. Video messaging was temporarily paused in July and August during flood recovery efforts to reduce confusion and allow the customer service team to focus on direct communication with impacted customers. Looking ahead, staff will continue the partnership with Brillion for the upcoming fiscal year. Planned messaging includes a "Prepare for Winter" video in November, a "Prepare for Summer" video in April and an "Annual Energy Use Summary" video in January to help customers better understand their energy usage over the past year. These videos will also highlight available rebate programs to encourage energy-saving

participation. Mr. Owens added that engagement with schools within the KPUB service area have significantly increased in 2025; participating in 20 events such as career days, safety demonstrations, science expos, and workforce readiness presentations for seniors. Through these initiatives, KPUB has reached approximately 4,575 students across Center Point, Kerrville, Ingram, and Hunt ISDs. Mr. Owens advised that going forward, he will also be providing the information in a graph for the Board to view.

9. ADJOURNMENT (KPUB and KPFC)

Chairman and President Thomas adjourned the Regular Board Meeting at 11:13 a.m.

Date Approved: _____

Bill Thomas, Chairman and President

ATTEST

Lidia S. Goldthorn, Assistant Secretary to the Board

MEMORANDUM

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

From: Amy Dozier

Date: November 12, 2025

Re: Agenda Item No. 5B – Resolution No. 25-24

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 October 9, 2025 and November 12, 2025 for Board approval:

Vendor	Description	Amount	Date
Purchased Power:			
1 Concho Bluff	October 2025	\$ 127,318.31	10/20/2025
2 CPS	October 2025	1,288,973.01	10/20/2025
3 NextEra	October 2025	469,440.00	10/20/2025
4 Engie	October 2025	105,068.92	10/24/2025
5 DG Solar	October 2025	59,113.14	10/27/2025
6 Garland	October 2025	(251,735.77)	10/31/2025
7 LCRA	October 2025	700,255.92	11/03/2025
Payroll:			
1 Payroll	Pay period ending 10/4/2025	175,174.95	10/10/2025
2 Payroll	Pay period ending 10/18/2025	182,217.71	10/24/2025
3 Payroll	Pay period ending 11/1/2025	175,491.76	11/07/2025
4 Payroll Taxes	Pay period ending 10/4/2025	57,761.19	10/15/2025
5 Payroll Taxes	Pay period ending 10/18/2025	61,364.56	10/29/2025
6 Payroll Taxes	Pay period ending 11/1/2025	58,128.38	11/12/2025
Employee Benefits:			
1 TX Health Benefits	Health Insurance - November	99,120.37	11/03/2025
2 TMRS	Pension - October Payroll	106,593.28	11/10/2025
Investment Transfers:			
1 Happy State Bank	Investment Transfer	600,000.00	10/10/2025
2 Happy State Bank	Investment Transfer	700,000.00	10/17/2025
3 Happy State Bank	Investment Transfer	700,000.00	10/24/2025
4 Logic Investment	Investment Transfer	1,000,000.00	10/27/2025
5 Happy State Bank	Investment Transfer	950,000.00	10/31/2025
6 Happy State Bank	Investment Transfer	600,000.00	11/07/2025

KPFC:

1	Virginia Transformer Corp.	Transformer	843,975.00	10/09/2025
2	Summit Industrial	Construction Services	75,643.47	10/21/2025
3	Sky Global	Management Fee	85,000.00	11/03/2025
4	Third Gen Energy Services	Initial Construction Deposit	300,000.00	11/10/2025

Debt Payment:

1	Broadway Bank	Debt Payment	501,580.55	10/30/2025
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I am happy to answer any questions regarding these transfers at your convenience.

Sincerely,



Amy Dozier
Assistant General Manager

RESOLUTION NO. 25-24

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 19th day of November, 2025

Bill Thomas, Chairman

ATTEST:

Rachel Johnston, Secretary

MEMORANDUM

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

From: Amy Dozier

Date: November 12, 2025

Re: Agenda Item No. 5C – Quarterly Funds Report

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

As of September 30, 2025, KPUB held \$46.3M in municipal investment pools and a demand account at Happy State Bank. Funds are spread between four accounts with the largest position (\$17.0M) held at an investment pool called Texas CLASS. 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 4.33% for the quarter ended September 30, 2025.

As of September 30, 2025, US Bank, the trustee for KPFC, held \$44.3M. All funds were invested in State Street Institutional US Government Money Market Fund (OPGXX). Funds were initially invested on July 10, 2025 when the financing for the power generation project closed. Annualized return for the quarter was 4.18%. OPGXX is AAA rated and compliant with the Public Funds Investment Act and the KPFC investment policy.

The Investment Committee met briefly in October. 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 September 30, 2025**

Total Funds Invested

Day of the Month		July 2025		August 2025		September 2025		Totals
1	\$	33,620,993	\$	48,435,161	\$	47,068,409		
2		33,620,993		48,435,161		47,868,720		
3		27,489,102		48,435,161		47,013,090		
4		27,489,102		48,435,161		46,156,841		
5		27,489,102		48,435,161		47,056,841		
6		27,489,102		48,435,161		47,056,841		
7		27,489,102		48,309,735		47,056,841		
8		27,489,102		48,805,235		47,056,841		
9		26,553,252		48,805,235		47,056,841		
10		47,438,344		48,805,235		47,429,930		
11		48,338,344		48,805,235		47,429,930		
12		48,338,344		48,805,235		47,729,930		
13		48,338,344		48,805,235		47,729,930		
14		48,738,344		48,805,222		47,729,930		
15		48,738,344		48,805,222		48,229,930		
16		48,738,344		48,805,222		48,229,897		
17		48,738,344		48,805,222		48,229,897		
18		48,742,367		48,805,222		48,229,897		
19		48,742,367		48,320,134		48,094,490		
20		48,742,367		48,320,134		48,094,490		
21		48,745,376		46,051,137		48,094,490		
22		48,745,376		46,651,137		45,885,005		
23		47,250,960		46,651,137		45,885,005		
24		47,250,960		46,651,137		45,834,679		
25		48,531,626		46,606,765		45,834,679		
26		48,531,626		47,006,765		46,934,679		
27		48,531,626		47,006,765		46,934,679		
28		48,473,769		47,006,765		46,934,679		
29		48,473,769		46,891,058		46,934,679		
30		48,473,769		46,891,058		46,281,919		
31		49,229,973		47,068,409				
Total of daily balance	\$	1,324,602,527	\$	1,486,900,625	\$	1,416,104,006		
Average daily balance	\$	42,729,114	\$	47,964,536	\$	47,203,467	\$	45,965,706
Interest earnings	\$	158,704	\$	177,351	\$	165,848	\$	501,902
APR ----->		4.37%		4.35%		4.27%		4.33%

**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 September 30, 2025**

Total Funds Invested by Fund

Fund		Market Value and Book Value		Actual Interest Earnings		Budgeted Interest Earnings
Revenue	\$	32,577,205	\$	356,307	\$	185,501
Construction		1,686,519		18,294		16,900
Rate Stabilization		2,219,454		24,075		22,240
Long Term Rate Stabilization		5,192,203		54,196		50,065
Debt Reserve		-		-		-
Interest & Sinking		456,650		4,014		3,708
Emergency, Repair, Replace & Cont. Fund		4,149,888		45,015		41,585
Total	\$	46,281,919	\$	501,902	\$	320,000

Total Funds Invested by Security

Type of Security		Market Value and Book Value		Actual Interest Earnings		Budgeted Interest Earnings
TexPool	11%	5,263,629		56,510		36,394
LOGIC	35%	16,177,323		161,570		111,852
Texas CLASS	37%	16,978,296		177,051		117,390
Happy State Bank - Investment	17%	7,862,671		106,771		54,364
Totals	100%	\$ 46,281,919	\$	501,902	\$	320,000

KPUB Public Facility Corporation
Quarterly Investment Report
Quarter Ended September 30, 2025

Summary

	<u>Beginning Balance</u>		<u>Ending Balance</u>	
	<u>Book Value</u>	<u>Market Value</u>	<u>Book Value</u>	<u>Market Value</u>
<u>(Texas Govt Code Chapter 2256) and</u>	<u>(06/30/25)</u>	<u>(06/30/25)</u>	<u>(09/30/25)</u>	<u>(09/30/25)</u>
Money Market Account (OPGXX)	\$ -	\$ -	\$ 44,321,883	\$ 44,321,883

<u>Investment</u>	<u>Yield</u>
Quarterly Yield	4.18%
OPGXX - July Yield	4.22%
OPGXX - August Yield	4.21%
OPGXX - September Yield	4.13%
Three Month Treasury	3.92%
Six Month Treasury	3.72%
Quarterly TexPool Yield	4.29%

<u>Income</u>	<u>Amount</u>
Quarterly Interest Income	\$ 404,641
Year-to-date Interest Income	404,641
Accrued interest at 9/30/25	151,472

KPUB Public Facility Corporation
Quarterly Investment Report
Quarter Ended September 30, 2025

Total Funds Invested by Fund:

Description	Book Value	Market		Market Value	Weighted Average	Yield
		Price			Maturity	
2025A Debt Service Fund	\$ 1,019	1.00	\$	1,019	50	4.18%
2025A Construction Fund	37,522,123	1.00		37,522,123	50	4.18%
2025A Construction Fund Capitalized Interest	6,789,446	1.00		6,789,446	50	4.18%
2025A Construction Fund COI Account	9,295	1.00		9,295	50	4.18%
TOTAL	<u>\$ 44,321,883</u>		<u>\$</u>	<u>44,321,883</u>		

Total Funds Invested by Security:

State St Inst US Gov-OPGXX-AAAm rating	\$ 44,321,883	1.00	\$	44,321,883	50	4.18%
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KPUB Public Facility Corporation
Quarterly Investment Report
Quarter Ended September 30, 2025

				Book Value and Market Value		Book Value and Market Value	
Investment	Ticker	Rating	Yield	06/30/25	Increases	Decreases	09/30/25
1 2025A Debt Service Fund							
State St Inst US Gov	OPGXX	AAAm	4.18%	\$ -	\$ 1,019	\$ -	\$ 1,019
2 2025A Construction Fund							
State St Inst US Gov	OPGXX	AAAm	4.18%	-	70,351,323	(32,829,200)	37,522,123
3 2025A Construction Fund Capitalized Interest							
State St Inst US Gov	OPGXX	AAAm	4.18%	-	6,789,446	-	6,789,446
4 2025A Construction Fund COI Account							
State St Inst US Gov	OPGXX	AAAm	4.18%	-	9,295	-	9,295
				\$ -	\$ 77,151,083	\$ (32,829,200)	\$ 44,321,883

MEMORANDUM

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

From: Howard Hall

Date: November 6, 2025

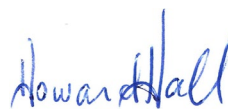
Re: Agenda Item No. 5D– Approval and Reporting of Purchases and Sales

Presented for your review are the following sales.

- 1. Fleet Sales.** The following vehicles were auctioned and sold thru JJ Kane Auctioneers. Unit 3237, 2015 Ford F-150 Extended Cab 2WD (\$10,925), Unit 3238 2015 Ford F-350 4X4 Service Truck (\$10,450), and Unit 3244 2017 Ford F-350 Extended Cab Service Truck (\$16,150) . The amounts mentioned are the prices 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

Payout ID: 157314

Auction ID: 1179



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

11/05/2025 AL (Central Regional) - 1179

59834	2015 Ford F350 4x4 Service Truck, 8-cyl gas, Auto, A/C, (100,671 miles) Utility Company Owned & Maintained (Runs & Moves) 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. (Buyer is responsible for removal. Assistance by consignor or JJ Kane Auctioneers is not assured.)	Amt Bid:	\$11,000.00	-- EXPENSE --	-EXPLANATION-	
3238		Commission:	\$550.00	Adjustments:	\$0.00	
		Transportation:	\$0.00	Parts/Repairs:	\$0.00	\$10,450.00
		Washing:	\$0.00	Misc Exp 1:	\$0.00	
		Decommission:	\$0.00	Misc Exp 2:	\$0.00	

V.I.N.: 1FDRF3F69FED71216

Arrival Date: 10/21/2025

59835	2017 Ford F350 4x4 Extended-Cab Service Truck, 8-cyl gas, Auto, A/C, (123,051 miles) Utility Company Owned & Maintained (Runs & Moves) (Body Damage) 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. (Buyer is responsible for removal. Assistance by consignor or JJ Kane Auctioneers is not assured.)	Amt Bid:	\$17,000.00	-- EXPENSE --	-EXPLANATION-	
3244		Commission:	\$850.00	Adjustments:	\$0.00	
		Transportation:	\$0.00	Parts/Repairs:	\$0.00	\$16,150.00
		Washing:	\$0.00	Misc Exp 1:	\$0.00	
		Decommission:	\$0.00	Misc Exp 2:	\$0.00	

V.I.N.: 1FD8X3F68HEC46946

Arrival Date: 10/21/2025

Payout ID: 157314

Auction ID: 1179



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

11/05/2025 AL (Central Regional) - 1179

59836	2015 Ford F150 Extended-Cab Pickup Truck, 8-cyl gas, Auto, A/C, with bed cover, (46,433 miles) Utility Company Owned & Maintained (Runs & Moves) This is a Titled Item NOTE: This unit is being sold AS IS/WHERE IS via Timed Auction and is located in Kerrville, TX. Must call 24 hours in advance for pickup For more information & removal arrangements please contact Travis Rapp @ (830) 360-6293. (Buyer is responsible for removal. Assistance by consignor or JJ Kane Auctioneers is not assured.)	Amt Bid:	\$11,500.00	-- EXPENSE --	-EXPLANATION-	
3237		Commission:	\$575.00	Adjustments:	\$0.00	
		Transportation:	\$0.00	Parts/Repairs:	\$0.00	\$10,925.00
		Washing:	\$0.00	Misc Exp 1:	\$0.00	
		Decommission:	\$0.00	Misc Exp 2:	\$0.00	
V.I.N.: 1FTEX1CF2FKD44840						
Arrival Date: 10/21/2025						

Payout ID: 157314

Auction ID: 1179



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

11/05/2025 AL (Central Regional) - 1179

LOT SPECIFIC AMOUNTS and FEES

SELLER SPECIFIC EXPENSES and INCOME

TOTAL AMOUNT OF ALL LOTS SOLD:

\$39,500.00

TOTAL AMOUNT OF Commission:

\$1,975.00

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

LOTS SUBTOTAL:

\$37,525.00

Seller
Expenses

Advertising:

\$0.00

\$0.00

\$0.00

\$0.00

\$0.00

\$0.00

Seller Income

\$0.00

\$0.00

\$0.00

\$0.00

\$0.00

SELLER NET

\$37,525.00

MEMORANDUM

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

From: Amy Dozier

Date: November 13, 2025

Re: Agenda Item No. 6 – Financial Report

Attached please find financial statements for the year ended September 30, 2025 and the month ended October 31, 2025.

Highlights for the fiscal year ended September 30, 2025 include:

KPUB

- **\$585K increase** in net position, which is \$932K better than budget.
- **\$46.8M in operating revenue** for FY2025.
 - Operating revenue ended the year 2.6% lower than expected due primarily to combination of kWh sales that were 4.2% below budget offset by power supply price per unit cost that was 0.9% higher than budget. Sales variances were driven by mild weather in the winter and the summer.
- **\$47.7M in operating expense** for FY2025.
 - Operating expense ended the year 2.9% less than budget due to favorable variances in all expense categories. Notable variances include:
 1. Purchased power was slightly lower than forecast as mild weather reduced demand.
 2. Mutual aid deployments paid for by Florida and Georgia utilities in 2024 reduced distribution expense. In addition, staffing shortages with outsourced tree trimmers and an unusual amount of capitalized labor following the flood created favorable budget variances.
 3. Reduced demand for energy audit services and a decline in customers requesting energy efficiency rebates contributed to a favorable variance in customer service.
- **\$877K in operating loss** for FY2025.
 - Per our discussion during FY2025's cost of service study, this is an indication that we are not covering all operating expenses with our existing rate structure.
- **\$593K in net nonoperating revenue** for FY2025.
 - Nonoperating revenue is \$381K 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.
- **\$22.3M in over collection of power cost adjustment** as of 09/30/2025.
 - Overcollection increased by \$3.4M during the fiscal year.
 - During the fiscal year, the billed rate was \$100.00 for 1,000 kWh of residential power from October 2024 to April 2025 and \$105.00 from April 2025 to September.

KPFC

- **\$34.8M in generation project costs shown as Capital Assets** as of 9/30/25.
- **\$37.5M balance in the Construction Fund** as of 9/30/25, representing unspent proceeds from the 2025A (open market) bond issuance.
- **\$443K in interest income** for the year (July 10-September 30). 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 earning an annualized rate of 4.18% in FY2025.

In addition, financial statements for the month of October 2025 are attached. Since the year to date and monthly statements are the same in October, only one statement is attached.

Highlights for October 2025 include:

KPUB

- **\$128K decrease in net position** for the month and year.
- **\$3.8M in operating revenue** for the month and year.
 - Per resolution 25-22, revenue includes \$153K of rate stabilization transfer, which reduced our over collection balance and increased revenue.
 - Revenues were lower due to a combination of lower than budget kWh sales (2.2% below) and lower than budget purchased power prices.
- **\$4.1M in operating expense** for the month and year.
 - Operating expense is less than budget driven primarily by lower than budget purchased power expense due to both quantity and rate.
- **\$303K in operating loss** for the month and year.
- **Nonoperating income** was better than expected primarily due to a payment for damages caused by a construction contractor on Holdsworth Dr.
- **\$22.7M in over collection of power cost adjustment** as of 10/31/2025, an **increase of \$0.4M** from the prior month.
 - The billed rate remains at \$105.00 for 1,000 kWh of residential power. In the October monthly survey of 29 Central and South Texas utilities, KPUB's rate was the 2nd lowest. The overall average rate for the 29 utilities is \$129.56.
- **\$48.1M invested** in municipal investment pools and an account at Happy State Bank.
 - The portfolio of investment accounts earned an annualized blended rate of 4.18% in October.

KPFC

- **\$36.1M in generation project costs shown as Capital Assets** as of 10/31/25.
- **\$35.6M balance in the Construction Fund** as of 10/31/25, representing unspent proceeds from the 2025A (open market) bond issuance.

I am happy to answer any questions regarding this report.

Sincerely,



Amy Dozier
Assistant General Manager

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

	Comparison to Budget				Comparison to Last Year		
	Current Month	Current Month Budget Amount	Variance Favorable (Unfavorable)	Percentage Variance	Current Month Last Year Amount	Variance Favorable (Unfavorable)	Percentage Variance
OPERATING REVENUES:							
Residential	\$ 2,908,082	\$ 2,695,322	\$ 212,760	7.89%	\$ 2,689,868	\$ 218,214	8.11%
Commercial/Industrial	2,206,310	1,948,580	257,730	13.23%	1,994,864	211,445	10.60%
Sales to Public Authorities	21,799	21,500	299	1.39%	21,658	141	0.65%
Other	49,418	47,373	2,046	4.32%	38,535	10,883	28.24%
TOTAL OPERATING REVENUES	5,185,609	4,712,774	472,835	10.03%	4,744,925	440,684	9.29%
OPERATING EXPENSES:							
Purchased Power	3,842,452	3,601,031	(241,422)	-6.70%	2,448,092	(1,394,361)	-56.96%
Distribution	580,235	398,981	(181,254)	-45.43%	369,216	(211,019)	-57.15%
Customer Accounts	84,344	70,195	(14,149)	-20.16%	62,810	(21,534)	-34.28%
Customer Service, Informational & Sales	36,070	52,676	16,606	31.52%	54,108	18,037	33.34%
Administrative Expenses	739,434	597,692	(141,742)	-23.71%	352,307	(387,126)	-109.88%
Depreciation & Amortization	386,959	397,354	10,395	2.62%	379,226	(7,733)	-2.04%
TOTAL OPERATING EXPENSES	5,669,495	5,117,929	(551,566)	-10.78%	3,665,759	(2,003,735)	-54.66%
OPERATING INCOME (LOSS)	(483,886)	(405,155)	(78,731)	-19.43%	1,079,166	(1,563,052)	-144.84%
NONOPERATING REVENUES (EXP):							
Interest Income - Investments	172,518	106,667	65,852	61.74%	214,107	(41,589)	-19.42%
Interest Income - City of Kerrville	8,571	8,572	(0)	0.00%	10,714	(2,143)	-20.00%
Interest Expense	(14,105)	(11,219)	(2,886)	-25.72%	(25,938)	11,832	45.62%
City of Kerrville - General Fund Transfer	(160,801)	(144,938)	(15,863)	-10.94%	(146,907)	(13,894)	-9.46%
City of Ingram - Franchise Fee	(3,380)	(4,079)	700	17.15%	(3,473)	93	2.68%
Other - Net	(4,707)	3,250	(7,957)	-244.82%	(6,250)	1,544	24.70%
TOTAL NONOPERATING REVENUES (EXP)	(1,903)	(41,748)	39,845	95.44%	42,254	(44,157)	-104.50%
INCOME BEFORE CONTRIBUTIONS	(485,789)	(446,903)	(38,885)	-8.70%	1,121,420	(1,607,208)	-143.32%
CAPITAL CONTRIBUTIONS	21,581	41,667	(20,086)	-48.21%	33,627	(12,046)	-35.82%
CHANGE IN NET POSITION	\$ (464,208)	\$ (405,236)	\$ (58,971)	-14.55%	\$ 1,155,046	\$ (1,619,254)	-140.19%
NET POSITION AT BEGINNING OF MONTH	\$ 81,641,671				\$ 79,437,674		
GASB CHANGE - PRIOR YR RESTATEMENT	(197,207)				(197,207)		
NET POSITION AT END OF MONTH	\$ 80,980,256				\$ 80,395,515		

Kerrville Public Utility Board
Statement of Revenues, Expenses and Changes in Fund Net Position
For the Month Ended September 30, 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	\$ 26,315,096	\$ 27,351,571	\$ (1,036,475)	-3.79%	\$ 24,903,217	\$ 1,411,879	5.67%
Commercial/Industrial	19,609,450	19,836,441	(226,991)	-1.14%	18,080,436	1,529,014	8.46%
Sales to Public Authorities	261,271	258,000	3,271	1.27%	260,629	642	0.25%
Other	662,061	671,000	(8,939)	-1.33%	682,357	(20,296)	-2.97%
TOTAL OPERATING REVENUES	46,847,878	48,117,012	(1,269,134)	-2.64%	43,926,640	2,921,239	6.65%
OPERATING EXPENSES:							
Purchased Power	31,602,853	32,010,592	407,739	1.27%	27,822,463	(3,780,390)	-13.59%
Distribution	4,395,210	4,787,774	392,564	8.20%	4,478,445	83,235	1.86%
Customer Accounts	796,827	842,341	45,514	5.40%	717,979	(78,848)	-10.98%
Customer Service, Informational & Sales	412,657	632,113	219,457	34.72%	511,214	98,557	19.28%
Administrative Expenses	5,943,983	6,201,050	257,067	4.15%	5,220,417	(723,566)	-13.86%
Depreciation & Amortization	4,572,873	4,702,251	129,378	2.75%	4,443,293	(129,579)	-2.92%
TOTAL OPERATING EXPENSES	47,724,403	49,176,121	1,451,719	2.95%	43,193,811	(4,530,592)	-10.49%
OPERATING INCOME (LOSS)	(876,524)	(1,059,109)	182,585	17.24%	732,829	(1,609,353)	-219.61%
NONOPERATING REVENUES (EXP):							
Interest Income - Investments	2,032,631	1,732,500	300,131	17.32%	2,509,849	(477,219)	-19.01%
Interest Income - City of Kerrville	117,857	117,857	(0)	0.00%	143,572	(25,715)	-17.91%
Interest Expense	(108,306)	(135,854)	27,547	20.28%	(137,425)	29,119	21.19%
City of Kerrville - General Fund Transfer	(1,470,506)	(1,500,191)	29,685	1.98%	(1,397,054)	(73,452)	-5.26%
City of Ingram - Franchise Fee	(35,491)	(41,396)	5,905	14.26%	(36,050)	559	1.55%
Other - Net	56,773	39,000	17,773	45.57%	(127,606)	184,379	144.49%
TOTAL NONOPERATING REVENUES (EXP)	592,957	211,917	381,040	179.81%	955,285	(362,328)	-37.93%
INCOME BEFORE CONTRIBUTIONS	(283,567)	(847,192)	563,625	66.53%	1,688,114	(1,971,681)	-116.80%
CAPITAL CONTRIBUTIONS	868,308	500,000	368,308	73.66%	570,465	297,844	52.21%
CHANGE IN NET POSITION	\$ 584,742	\$ (347,192)	\$ 931,934	268.42%	\$ 2,258,579	\$ (1,673,838)	-74.11%
NET POSITION AT BEGINNING OF YEAR	\$ 80,592,721				\$ 78,334,141		
GASB CHANGE - PRIOR YR RESTATEMENT	(197,207)				(197,207)		
NET POSITION AT END OF MONTH	\$ 80,980,256				\$ 80,395,515		

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

ASSETS & DEFERRED OUTFLOWS	September 30, 2025	September 30, 2024	LIABILITIES, DEFERRED INFLOWS & NET POSITION	September 30, 2025	September 30, 2024
CURRENT ASSETS			CURRENT LIABILITIES		
Revenue Fund:			Current Maturities of Bonds Payable	\$ 464,000	\$ 448,000
Cash and Cash Equivalents	\$ 1,230,495	\$ 399,285	Accounts Payable - Purchased Power	10,045,827	9,944,112
Investments	32,577,205	37,482,858	Accounts Payable and Accrued Liabilities	1,239,232	1,002,015
Less: Customer Deposits	(535,058)	(537,816)	Current Portion of Total OPEB Liability	9,368	8,494
Total Revenue Fund	33,272,642	37,344,328	Current Portion of Compensated Absences	601,732	578,979
Construction Fund:			Current Portion of Subscription Liability	320,853	306,589
Cash and Cash Equivalents	5,931	5,681	Current Portion of Lease Liability	16,354	15,474
Investments	1,686,519	1,612,773	Over Collection of Power Cost Adjustment	22,264,314	18,865,662
Total Construction Fund	1,692,450	1,618,454	TOTAL CURRENT LIABILITIES	\$ 34,961,680	\$ 31,169,326
Rate Stabilization Fund:			NONCURRENT LIABILITIES		
Investments	2,219,454	2,122,404	2013 Revenue Bonds, net of current portion	\$ 1,501,000	\$ 1,965,000
Total Rate Stabilization Fund	2,219,454	2,122,404	Noncurrent Compensated Absences	112,541	12,908
Long Term Rate Stabilization Fund:			Noncurrent Lease Liability	31,688	48,042
Investments	5,192,203	3,802,625	Noncurrent Subscription Liability	427,289	733,880
Total Long Term Rate Stabilization Fund	5,192,203	3,802,625	Customer Deposits	535,058	537,816
Customer Accounts Receivable, net of allowance	1,867,586	1,929,338	Net Pension Liability	1,935,595	2,715,291
Receivable from KPFC	2,500	303,389	Noncurrent Total OPEB Liability	271,320	272,549
Unbilled Revenue	2,206,613	2,244,875	TOTAL NONCURRENT LIABILITIES	\$ 4,814,491	\$ 6,285,486
Materials and Supplies	2,576,593	1,203,625			
Deposits with Other Entities	1,445,958	1,395,310	DEFERRED INFLOWS - PENSION AND OPEB	\$ 129,278	\$ 226,425
Other Current Assets	17,143	21,429			
Current Portion - Advance to City of Kerrville	1,071,428	1,071,428	TOTAL LIABILITIES AND DEFERRED INFLOWS	\$ 39,905,449	\$ 37,681,236
TOTAL CURRENT ASSETS	\$ 51,564,571	\$ 53,057,204			
NONCURRENT ASSETS			TOTAL NET POSITION	\$ 80,980,256	\$ 80,395,515
Customer Deposits	\$ 535,058	\$ 537,816			
Texas Energy Fund - Escrow Deposit	5,250,000	-			
Interest and Sinking Fund	456,650	435,292			
Emergency, Repair, Replace, Contingency Fund	4,149,888	3,968,427			
Advance to City of Kerrville, net of current portion	3,214,287	4,285,715			
Capital Assets, net of Accum Depreciation	53,895,811	52,686,916			
Right to Use Assets, Net of Accum Amortization	44,967	61,318			
Subscription Assets, Net of Accum Amortization	939,646	1,221,889			
TOTAL NONCURRENT ASSETS	\$ 68,486,307	\$ 63,197,373			
DEFERRED OUTFLOWS - PENSION AND OPEB	\$ 834,828	\$ 1,822,175			
TOTAL ASSETS & DEFERRED OUTFLOWS OF RESOURCES	\$ 120,885,706	\$ 118,076,751	TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES & NET POSITION	\$ 120,885,706	\$ 118,076,751

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

		Restricted							
	Date	Revenue Fund	Construction Fund	Rate Stabilization Fund	Long Term Rate Stabilization Fund	Debt Reserve Fund	Interest & Sinking Fund	Emergency Repair, Replacement & Contingency Fund	Total Funds Invested
Beginning Fund Balance		\$ 33,455,014	\$ 1,680,614	\$ 2,211,682	\$ 5,174,022	\$ -	\$ 411,720	\$ 4,135,357	\$ 47,068,409
Withdrawals:									
Happy Investment - TXHB	09/02/25	(99,689)							(99,689)
Happy Investment - LCRA	09/03/25	(702,611)							(702,611)
Happy Investment - TMRS	09/03/25	(153,019)							(153,019)
Happy Investment - Kerr Co Abstract	09/04/25	(856,249)							(856,249)
Happy Investment - DG Solar	09/10/25	(26,911)							(26,911)
Happy Investment - ERCOT	09/16/25	(33)							(33)
Happy Investment - Concho Bluff	09/19/25	(150,319)							(150,319)
Happy Investment - NextEra	09/19/25	(485,088)							(485,088)
Happy Investment - CPS	09/22/25	(2,209,485)							(2,209,485)
Happy Investment - DG Solar	09/24/25	(50,325)							(50,325)
Happy Investment - Engie	09/30/25	(118,908)							(118,908)
Happy Investment - LCRA	09/30/25	(699,700)							(699,700)
Investments:									
Happy State Bank	09/02/25	900,000							900,000
Happy State Bank	09/05/25	900,000							900,000
Happy State Bank	09/10/25	400,000							400,000
Happy State Bank	09/12/25	300,000							300,000
Happy State Bank	09/15/25	500,000							500,000
Happy State Bank	09/19/25	500,000							500,000
Happy State Bank	09/26/25	1,100,000							1,100,000
Fund Balance after Withdrawals & Investments		32,502,676	1,680,614	2,211,682	5,174,022	-	411,720	4,135,357	46,116,072
Allocation of:									
Interest Income	09/30/25	118,007	5,905	7,772	18,181	-	1,452	14,531	165,848
Total Interest Allocation		118,007	5,905	7,772	18,181	-	1,452	14,531	165,848
Fund Balance After Allocations		32,620,683	1,686,519	2,219,454	5,192,203	-	413,172	4,149,888	46,281,919
Interfund Transfers :									
Debt Service Accrual	09/30/25	(43,478)					43,478		-
Ending Fund Balance		\$ 32,577,205	\$ 1,686,519	\$ 2,219,454	\$ 5,192,203	\$ -	\$ 456,650	\$ 4,149,888	\$ 46,281,919

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

DEBT SERVICE COVERAGE RATIO:

Description	Current Month	Fiscal Year	Previous 12 Months
CHANGE IN NET POSITION	\$ (464,208)	\$ 584,742	\$ 584,742
PLUS:			
Interest Expense (net of amortizations)	14,105	108,306	108,306
Depreciation & Amortization Expense	386,959	4,572,873	4,572,873
Numerator	(63,143)	5,265,920	5,265,920
DIVIDED BY:			
Interest Expense (net of amortizations)	14,105	108,306	108,306
Principal Payment Due	65,505	786,063	786,063
Denominator	\$ 79,611	\$ 894,369	\$ 894,369
DEBT SERVICE COVERAGE RATIO	(0.79)	5.89	5.89
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	\$ 33,272,642
Construction Fund	1,692,450
Rate Stabilization Fund	2,219,454
Long Term Rate Stabilization Fund	5,192,203
Emergency, Repair, Replace, Contingency Fund	4,149,888
Total Cash and Cash Equivalents (A)	\$ 46,526,637

DENOMINATOR:

Fiscal Year-to-Date Operating Expense	\$ 47,724,403
Less: Fiscal Year-to-Date Depreciation	4,572,873
Adjusted Operating Expense (B)	\$ 43,151,530

NUMBER OF DAYS ELAPSED IN FISCAL YEAR (C) 365

DAYS CASH ON HAND (= A / B * C) 394

MINIMUM DAYS CASH ON HAND PER POLICY 47 175

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

NUMERATOR:

Fiscal Year-to-Date Operating Income	\$ (876,524)
Less: City of Kerrville and Ingram Transfers	(1,505,998)
Plus: 50% of PPA Expense	11,341,153
Plus: Fiscal Year-to-Date Depreciation	4,572,873
Plus: Fiscal Year-to-Date Interest Income - Investments	2,032,631
Plus: Fiscal Year-to-Date Capital Contributions	868,308
Total Numerator (D)	\$ 16,432,443

DENOMINATOR:

50% of PPA Expense	\$ 11,341,153
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)	\$ 10,678,113

FIXED CHARGE COVERAGE RATIO (= D / E) 1.5

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 September 30, 2025
(Unaudited)

	Comparison to Budget				Comparison to Last Year		
	Current Month	Current Month Budget Amount	Variance Favorable (Unfavorable)	Percentage Variance	Current Month Last Year Amount	Variance Favorable (Unfavorable)	Percentage Variance
OPERATING REVENUES:							
Sales of Electricity - Power Agreements	\$ -	\$ -	\$ -	-	\$ -	\$ -	-
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	350,772	75,000	275,772	367.70%	-	350,772	
Interest Expense	(312,520)	(468,657)	156,136	33.32%	-	(312,520)	-
Allowance for Borrowed Funds during Construction	312,274	468,411	(156,137)	33.33%	-	312,274	-
Amortization - Debt Premium	13,693	13,693	-	0.00%	-	13,693	-
Debt Issuance Costs	-	-	-	-	-	-	-
TOTAL NONOPERATING REVENUES (EXP)	364,219	88,447	275,771	311.79%	-	364,219	
INCOME BEFORE CONTRIBUTIONS	364,219	68,447	295,771	432.12%	-	364,219	
CAPITAL CONTRIBUTIONS	-	-	-	-	-	-	-
CHANGE IN NET POSITION	\$ 364,219	\$ 68,447	\$ 295,771	432.12%	\$ -	\$ 364,219	
NET POSITION AT BEGINNING OF MONTH	\$ (1,103,900)				\$ -		
NET POSITION AT END OF MONTH	\$ (739,682)				\$ -		

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

	Year to Date	Comparison to Budget			Year to Date Last Year	Comparison to Last Year	
		Year to Date Budget Amount	Variance Favorable (Unfavorable)	Percentage Variance		Variance Favorable (Unfavorable)	Percentage Variance
OPERATING REVENUES:							
Sales of Electricity - Power Agreements	\$ 935,850	\$ 935,850	\$ -	0.00%	\$ -	\$ 935,850	-
TOTAL OPERATING REVENUES	935,850	935,850	-	0.00%	-	935,850	-
OPERATING EXPENSES:							
Administrative Expenses	\$ -	\$ 50,000	50,000	100.00%	\$ -	-	-
TOTAL OPERATING EXPENSES	-	50,000	50,000	100.00%	-	-	-
OPERATING INCOME (LOSS)	935,850	885,850	50,000	5.64%	-	935,850	-
NONOPERATING REVENUES (EXP):							
Interest Income - Investments	443,365	187,500	255,865	136.46%	-	443,365	-
Interest Expense	(854,222)	(1,010,359)	156,136	15.45%	-	(854,222)	-
Allowance for Borrowed Funds during Construction	853,548	1,009,685	(156,137)	15.46%	-	853,548	-
Amortization - Debt Premium	41,080	41,080	-	0.00%	-	41,080	-
Debt Issuance Costs	(2,159,303)	(2,169,563)	10,260	0.47%	-	(2,159,303)	-
TOTAL NONOPERATING REVENUES (EXP)	(1,675,532)	(1,941,657)	266,124	13.71%	-	(1,675,531)	-
INCOME BEFORE CONTRIBUTIONS	(739,682)	(1,055,807)	316,124	29.94%	-	(739,681)	-
CAPITAL CONTRIBUTIONS	\$ -	\$ -	-	-	\$ -	-	-
CHANGE IN NET POSITION	\$ (739,682)	\$ (1,055,807)	\$ 316,124	29.94%	\$ -	\$ (739,681)	-
NET POSITION AT BEGINNING OF YEAR	\$ -				\$ -		
NET POSITION AT END OF YEAR	\$ (739,682)				\$ -		

Kerrville Public Utility Board Public Facility Corporation
Balance Sheet
As of September 30, 2025

ASSETS		September 30, 2025	September 30, 2024	LIABILITIES & NET POSITION		September 30, 2025	September 30, 2024
CURRENT ASSETS				CURRENT LIABILITIES			
Revenue Fund:				Accrued Interest - 2025A	\$	853,548	\$ -
Cash and Cash Equivalents	\$	2,517	\$ -	Accounts Payable		1,109,510	-
Total Revenue Fund		2,517	-	TOTAL CURRENT LIABILITIES	\$	1,963,058	\$ -
Construction Fund:				NONCURRENT LIABILITIES			
Cash and Cash Equivalents		37,531,419	-	Accrued Interest - 2025B		674	-
Total Construction Fund		37,531,419	-	Bonds Payable		74,495,000	-
Capitalized Interest Fund:				Bond Premium		3,546,580	-
Cash and Cash Equivalents		6,789,445	-	TOTAL NONCURRENT LIABILITIES	\$	78,042,254	\$ -
Total Capitalized Interest Fund		6,789,445	-	TOTAL LIABILITIES AND DEFERRED INFLOWS			
Interest and Sinking Fund:					\$	80,005,312	\$ -
Cash and Cash Equivalents		1,019	-	TOTAL NET POSITION			
Total Interest and Sinking Fund		1,019	-		\$	(739,682)	\$ -
Accrued Interest Receivable		151,472	-				
TOTAL CURRENT ASSETS	\$	44,475,872	\$ -				
NONCURRENT ASSETS							
Capital Assets, Net of Accum Depreciation		34,789,758	-				
TOTAL NONCURRENT ASSETS	\$	34,789,758	\$ -				
TOTAL ASSETS	\$	79,265,630	\$ -	TOTAL LIABILITIES & NET POSITION	\$	79,265,630	\$ -



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

	Comparison to Budget				Comparison to Last Year		
	Current Month	Current Budget Amount	Variance Favorable (Unfavorable)	Percentage Favorable (Unfavorable)	Current Last Year	Variance Favorable (Unfavorable)	Percentage Favorable (Unfavorable)
OPERATING REVENUES							
Residential	\$ 1,999,755	\$ 2,354,961	\$ (355,206)	-15.08%	\$ 1,772,050	\$ 227,705	12.85%
Commercial/Industrial	1,606,582	1,813,271	(206,690)	-11.40%	1,405,506	201,075	14.31%
Sales to Public Authorities	21,789	21,667	123	0.57%	21,702	87	0.40%
Rate Stabilization Transfer	152,733	276,745	(124,012)	-44.81%	-	152,733	0.00%
Other	46,458	39,934	6,524	16.34%	42,755	3,704	8.66%
TOTAL OPERATING REVENUES	3,827,317	4,229,833	(402,516)	-9.52%	3,242,013	585,304	18.05%
OPERATING EXPENSES							
Purchased Power	2,429,246	2,790,599	361,353	12.95%	1,977,773	(451,473)	-22.83%
Distribution	514,912	476,133	(38,779)	-8.14%	260,595	(254,317)	-97.59%
Customer Accounts	54,497	67,523	13,026	19.29%	72,964	18,467	25.31%
Customer Service, Informational & Sales	59,322	63,307	3,985	6.30%	50,516	(8,806)	-17.43%
Administrative Expenses	682,865	746,299	63,435	8.50%	527,323	(155,542)	-29.50%
Depreciation & Amortization	389,792	396,576	6,784	1.71%	377,469	(12,324)	-3.26%
TOTAL OPERATING EXPENSES	4,130,633	4,540,438	409,804	9.03%	3,266,639	(863,994)	-26.45%
OPERATING INCOME (LOSS)	(303,316)	(310,604)	7,288	2.35%	(24,626)	(278,690)	1131.70%
NONOPERATING REVENUES (EXP):							
Interest Income-Investments	175,229	132,812	42,418	31.94%	214,835	(39,606)	-18.44%
Interest Income - City of Kerrville	8,571	8,571	0	0.01%	10,714	(2,143)	-20.00%
Interest Expense	(8,376)	(9,047)	671	7.42%	(10,643)	2,267	-21.30%
City of Kerrville - General Fund Transfer	(122,962)	(143,063)	20,101	14.05%	(103,894)	(19,068)	18.35%
City of Ingram - Franchise Fee	(2,834)	(3,000)	166	5.52%	(2,833)	(1)	0.05%
Other - Net	87,613	1,250	86,363	6909.04%	(8,508)	96,121	1129.72%
TOTAL NONOPERATING REVENUES (EXP)	137,242	(12,477)	149,719	1199.92%	99,671	37,570	37.69%
INCOME BEFORE CONTRIBUTIONS	(166,075)	(323,082)	157,007	48.60%	75,046	(241,120)	-321.30%
CAPITAL CONTRIBUTIONS	37,965	68,333	30,368	44.44%	123,210	(85,245)	-69.19%
CHANGE IN NET POSITION	\$ (128,110)	\$ (254,749)	\$ 187,375	73.55%	\$ 198,256	\$ (326,365)	-164.62%
NET POSITION AT BEGINNING OF MONTH	\$ 80,980,256				\$ 80,395,515		
NET POSITION AT END OF MONTH	\$ 80,852,147				\$ 80,593,770		

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

ASSETS & DEFERRED OUTFLOWS	October 31, 2025	September 30, 2025	LIABILITIES, DEFERRED INFLOWS & NET POSITION	October 31, 2025	September 30, 2025
CURRENT ASSETS			CURRENT LIABILITIES		
Revenue Fund:			Current Maturities of Bonds Payable	\$ 481,000	\$ 464,000
Cash and Cash Equivalents	\$ 771,788	\$ 1,230,495	Accounts Payable - Purchased Power	10,446,404	10,045,827
Investments	34,814,907	32,577,205	Accounts Payable and Accrued Liabilities	1,405,205	1,239,232
Less: Customer Deposits	(528,634)	(535,058)	Current Portion of Total OPEB Liability	9,368	9,368
Total Revenue Fund	35,058,061	33,272,642	Current Portion of Compensated Absences	643,335	601,732
Construction Fund:			Current Portion of Subscription Liability	320,853.16	320,853.16
Cash and Cash Equivalents	5,951	5,931	Current Portion of Lease Liability	16,353.68	16,353.68
Investments	1,692,511	1,686,519	Over Collection of Power Cost Adjustment	22,658,706	22,264,314
Total Construction Fund	1,698,461	1,692,450	TOTAL CURRENT LIABILITIES	\$ 35,981,225	\$ 34,961,680
Rate Stabilization Fund:			NONCURRENT LIABILITIES		
Investments	2,227,339	2,219,454	2013 Revenue Bonds, net of current portion	\$ 1,020,000	\$ 1,501,000
Total Rate Stabilization Fund	2,227,339	2,219,454	Noncurrent Compensated Absences	112,541	112,541
Long Term Rate Stabilization Fund:			Noncurrent Lease Liability	30,360	31,688
Investments	5,210,649	5,192,203	Noncurrent Subscription Liability	342,001	427,289
Total Long Term Rate Stabilization Fund	5,210,649	5,192,203	Customer Deposits	528,634	535,058
Customer Accounts Receivable, net of allowance	1,051,030	1,867,586	Net Pension Liability	1,935,595	1,935,595
Receivable from KPFC	2,500	2,500	Noncurrent Total OPEB Liability	271,320	271,320
Unbilled Revenue	2,206,613	2,206,613	TOTAL NONCURRENT LIABILITIES	\$ 4,240,451	\$ 4,814,491
Materials and Supplies	2,630,823	2,576,593			
Deposits with Other Entities	1,449,935	1,445,958	DEFERRED INFLOWS - PENSION AND OPEB	\$ 129,278	\$ 129,278
Other Current Assets	25,714	17,143			
Current Portion - Advance to City of Kerrville	1,071,428	1,071,428	TOTAL LIABILITIES AND DEFERRED INFLOWS	\$ 40,350,954	\$ 39,905,449
TOTAL CURRENT ASSETS	\$ 52,632,555	\$ 51,564,571			
NONCURRENT ASSETS			TOTAL NET POSITION	\$ 80,852,147	\$ 80,980,256
Customer Deposits	\$ 528,634	\$ 535,058			
Texas Energy Fund - Escrow Deposit	5,250,000	5,250,000			
Interest and Sinking Fund	-	456,650			
Emergency, Repair, Replace, Contingency Fund	4,164,631	4,149,888			
Noncurrent Advance to City of Kerrville	3,214,287	3,214,287			
Capital Assets, net of Accum Depreciation	53,629,194	53,895,811			
Right to Use Assets, Net of Accum Amortization	43,604	44,967			
Subscription Assets, Net of Accum Amortization	905,368	939,646			
TOTAL NONCURRENT ASSETS	\$ 67,735,719	\$ 68,486,307			
DEFERRED OUTFLOWS - PENSION AND OPEB	\$ 834,828	\$ 834,828			
TOTAL ASSETS & DEFERRED OUTFLOWS OF RESOURCES	\$ 121,203,101	\$ 120,885,706	TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES & NET POSITION	\$ 121,203,101	\$ 120,885,706

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

		Restricted							
	Date	Revenue Fund	Construction Fund	Rate Stabilization Fund	Long Term Rate Stabilization Fund	Debt Reserve Fund	Interest & Sinking Fund	Emergency Repair, Replacement & Contingency Fund	Total Funds Invested
Beginning Fund Balance		\$ 32,577,205	\$ 1,686,519	\$ 2,219,454	\$ 5,192,203	\$ -	\$ 456,650	\$ 4,149,888	\$ 46,281,919
Withdrawals:									
Happy Investment - TXHB	10/01/25	(101,979)							(101,979)
Happy Investment - ERCOT	10/01/25	(2,000)							(2,000)
Happy Investment - TMRS	10/08/25	(104,658)							(104,658)
Happy Investment - ERCOT	10/10/25	(24)							(24)
Happy Investment - Next Era	10/20/25	(469,440)							(469,440)
Happy Investment - Concho Bluff	10/20/25	(127,318)							(127,318)
Happy Investment - CPS	10/20/25	(1,288,973)							(1,288,973)
Happy Investment - Engie	10/24/25	(105,069)							(105,069)
Happy Investment - DG Solar	10/27/25	(59,113)							(59,113)
Investments:									
Happy Investment	10/03/25	1,000,000							1,000,000
Happy Investment	10/03/25	400,000							400,000
Happy Investment	10/10/25	600,000							600,000
Happy Investment	10/17/25	700,000							700,000
Happy Investment	10/24/25	700,000							700,000
ERCOT Tenaska Settlement	10/30/25	69,212							69,212
Happy Investment	10/31/25	950,000							950,000
Fund Balance after Withdrawals & Investments		34,737,842	1,686,519	2,219,454	5,192,203	-	456,650	4,149,888	48,442,556
Allocation of:									
Interest Income	10/31/25	120,483	5,992	7,885	18,446	-	1,512	14,743	169,061
Total Interest Allocation		120,483	5,992	7,885	18,446	-	1,512	14,743	169,061
Fund Balance After Allocations		34,858,325	1,692,511	2,227,339	5,210,649	-	458,163	4,164,631	48,611,617
Interfund Transfers :									
Debt Service	10/31/25	(43,418)					43,418		-
Debt Payment	10/30/25						(501,581)		(501,581)
Ending Fund Balance		\$ 34,814,907	\$ 1,692,511	\$ 2,227,339	\$ 5,210,649	\$ -	\$ -	\$ 4,164,631	\$ 48,110,036

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

DEBT SERVICE COVERAGE RATIO:

Description	Current Month	Fiscal Year	Previous 12 Months
CHANGE IN NET POSITION	\$ (128,110)	\$ (128,110)	\$ 258,376
PLUS:			
Interest Expense (net of amortizations)	8,376	8,376	106,039
Depreciation & Amortization Expense	389,792	389,792	4,585,196
Numerator	270,059	270,059	4,949,611
DIVIDED BY:			
Interest Expense (net of amortizations)	8,376	8,376	106,039
Principal Payment Due	68,184	68,184	818,207
Denominator	\$ 76,560	\$ 76,560	\$ 924,246
DEBT SERVICE COVERAGE RATIO	3.53	3.53	5.36
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	\$ 35,058,061
Construction Fund	1,698,461
Rate Stabilization Fund	2,227,339
Long Term Rate Stabilization Fund	5,210,649
Emergency, Repair, Replace, Contingency Fund	4,164,631
Total Cash and Cash Equivalents (A)	\$ 48,359,141

DENOMINATOR:

Fiscal Year-to-Date Operating Expense	\$ 4,130,633
Less: Fiscal Year-to-Date Depreciation	389,792
Adjusted Operating Expense (B)	\$ 3,740,841

NUMBER OF DAYS ELAPSED IN FISCAL YEAR (C) 31

DAYS CASH ON HAND (= A / B * C) 401

MINIMUM DAYS CASH ON HAND PER POLICY 47 175

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

NUMERATOR:

Fiscal Year-to-Date Operating Income	\$ (303,316)
Less: City of Kerrville and Ingram Transfers	(125,796)
Plus: 50% of PPA Expense	899,089
Plus: Fiscal Year-to-Date Depreciation	389,792
Plus: Fiscal Year-to-Date Interest Income - Investments	175,229
Plus: Fiscal Year-to-Date Capital Contributions	37,965
Total Numerator (D)	\$ 1,072,963

DENOMINATOR:

50% of PPA Expense	\$ 899,089
Fiscal Year Debt Service (Cash Basis)	501,581
Fiscal Year Debt Service Receivable (Cash Basis)	(1,167,858)
Total Denominator (E)	\$ 232,811

FIXED CHARGE COVERAGE RATIO (= D / E) 4.6

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 October 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 of Electricity - Power Agreements	\$ -	\$ -	\$ -	-	\$ -	\$ -	-
TOTAL OPERATING REVENUES	-	-	-	-	-	-	-
OPERATING EXPENSES:							
Administrative Expenses	-	4,167	4,167	100.00%	-	-	-
TOTAL OPERATING EXPENSES	-	4,167	4,167	100.00%	-	-	-
OPERATING INCOME (LOSS)	-	(4,167)	4,167	100.00%	-	-	-
NONOPERATING REVENUES (EXP):							
Interest Income - Investments	8	-	8		-	8	
Interest Expense	(327,911)	(327,911)	-	0.00%	-	(327,911)	-
Allowance for Borrowed Funds during Construction	327,656	327,656	(0)	0.00%	-	327,656	-
Amortization - Debt Premium	13,693	13,693	-	0.00%	-	13,693	-
Debt Issuance Costs	-	-	-	-	-	-	-
TOTAL NONOPERATING REVENUES (EXP)	13,447	13,438	8	0.06%	-	13,447	
INCOME BEFORE CONTRIBUTIONS	13,447	9,272	4,175	45.03%	-	13,447	
CAPITAL CONTRIBUTIONS	-	-	-	-	-	-	-
CHANGE IN NET POSITION	\$ 13,447	\$ 9,272	\$ 4,175	45.03%	\$ -	\$ 13,447	
NET POSITION AT BEGINNING OF MONTH	\$ (739,682)				\$ -		
NET POSITION AT END OF MONTH	\$ (726,235)				\$ -		

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

ASSETS	October 31, 2025	September 30, 2025	LIABILITIES & NET POSITION	October 31, 2025	September 30, 2025
CURRENT ASSETS			CURRENT LIABILITIES		
Revenue Fund:			Accrued Interest - 2025A	\$ 171,519	\$ 853,548
Cash and Cash Equivalents	\$ 2,526	\$ 2,517	Accounts Payable	2,500	1,109,510
Total Revenue Fund	2,526	2,517	TOTAL CURRENT LIABILITIES	\$ 174,019	\$ 1,963,058
Construction Fund:					
Cash and Cash Equivalents	35,576,714	37,531,419	NONCURRENT LIABILITIES		
Total Construction Fund	35,576,714	37,531,419	Accrued Interest - 2025B	929	674
Capitalized Interest Fund:			Bonds Payable	74,495,000	74,495,000
Cash and Cash Equivalents	5,802,816	6,789,445	Bond Premium	3,532,887	3,546,580
Total Capitalized Interest Fund	5,802,816	6,789,445	TOTAL NONCURRENT LIABILITIES	\$ 78,028,816	\$ 78,042,254
Interest and Sinking Fund:					
Cash and Cash Equivalents	1,022	1,019	TOTAL LIABILITIES AND DEFERRED INFLOWS	\$ 78,202,835	\$ 80,005,312
Total Interest and Sinking Fund	1,022	1,019			
Accrued Interest Receivable	-	151,472	TOTAL NET POSITION	\$ (726,235)	\$ (739,682)
TOTAL CURRENT ASSETS	\$ 41,383,078	\$ 44,475,872			
NONCURRENT ASSETS					
Capital Assets, Net of Accum Depreciation	36,093,522	34,789,758			
TOTAL NONCURRENT ASSETS	\$ 36,093,522	\$ 34,789,758			
TOTAL ASSETS	\$ 77,476,600	\$ 79,265,630	TOTAL LIABILITIES & NET POSITION	\$ 77,476,600	\$ 79,265,630

Kerrville Public Utility Board

KPUB BOARD MEETING
Engineering & Operations Projects
Capital Budget Report
November 19, 2025



Distribution Design Projects

Active Projects – New Customers

Dark Sky Estates

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

Academy

- River Hills Mall
- In Design

Windridge Subdivision (Phase 1)

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

Bluewood Apartment (Phase 1)

- Apartment Complex (273 Units)
- Completed

Aransas Addition

- Residential Subdivision (Total of 12 Lots)
- Completed



Distribution Design Projects

Upcoming Projects

Windridge
Subdivision (Phase 2)

- Residential Subdivision (278 Lots)
- Preliminary Review

Bluewood Apartment
(Phase 2)

- Apartment Complex (273 Units)
- Preliminary Review

Panda Express

- Main St. & Quinlan St

Kerrville VA Medical
Center

- Resident Building Addition
- Preliminary Design



Bluewood Apartments (Phase 1)



Distribution Design Projects

Active Projects – System Improvements/Repairs

Legion-Raymond Barker Feeder Tie

- 2.7 Mile Feeder Tie (LE50-RB50)
- Coordination with airport for new crossing.

Jack Furman Feeder Exits

- 0.5 Miles New Double Ckt 477AAC
- 0.3 Miles Rebuild – Double Ckt 336AAC
- New Easements Across Two Properties

KT10 River Crossing

- Two wood H-Frames
- Material Delivery Jan 2026



Substation Projects

Jack Furman T2 Addition

- Material Acquisitions
- Target Completion: May 2026

Mobile Tie Switch Upgrades

- Hunt & Ingram Substations
- Engineering Completed
- Material Delivery: June 2026

Hunt Sub Repairs

- Transformer/Feeder Protection – New House
- Target Completion: Jan 2027

Legion T2 Addition

- Coordinating with LCRA on Bus Extension
- Target Completion: Sept 2027



Jack Furman T2 Addition



Jack Furman T2 Addition

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



Total Capital Budget FY25

Budget Category	Actuals FY 2025	FY2025 Budget	Percent of Budget
General Plant/Other	\$ 137,151	\$ 232,943	59%
Heavy Equipment & Vehicles	715,071	722,093	99%
Line Construction	4,407,419	4,574,325	96%
Meters	16,303	16,303	100%
Substations	1,658,827	1,840,651	90%
Total Capital Budgets	\$ 6,934,771	\$ 7,386,315	94%



Active Projects & Blankets FY25

Project Budget	Actuals FY 2025	FY2025 Budget	Percent of Budget
550H-3B Jet Vac	\$ 100,000	\$ 100,000	100%
Customer Extensions	1,949,361	2,000,000	97%
DA Equipment	0	381	0%
Existing AMR Systems	16,303	16,303	100%
Facilities Improvements	40,349	48,140	84%
Fiber Optic Communications	40,121	43,121	93%
Ford F150 4X4 (New Unit)	52,003	53,000	98%
Ford F150 4X4 (Replace Unit# 3237)	51,983	53,000	98%
Ford F-350 4X 4 (Replace Unit #3238)	87,183	89,587	97%
Ford F-350 4X4 (Replace Unit # 3244)	86,984	89,587	97%
Furman T2 Xfmr and Construction	177,324	207,000	86%
Harper to Furman Transmission Underbuild	93,965	93,965	100%
July 4th Ordinary Replacements	1,224,262	1,314,931	93%
Minor Improvements	22,394	70,000	32%
Network Switches Upgrade	22,899	22,899	100%
New Bucket/Digger	275,274	275,275	100%
New Ford Expedition	61,643	61,644	100%
New Spare Virginia Transformer	578,562	638,368	91%
New Substation	880,547	924,902	95%
Ordinary Replacements	178,316	190,681	94%
Pole inspection Replacements	220,098	230,098	96%
Printer Upgrade	16,441	16,441	100%
Street Lights	380,739	324,650	117%
System Improvement	360,679	400,000	90%
Wire Barn Improvements	17,342	17,342	100%
Total Active Projects	\$ 6,934,771	\$ 7,281,315	95%



Questions?



MEMORANDUM

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

From: Tony Perez

Date: November 19, 2025

Re: Agenda Item No. 8 – Recommendation for Approval of Resolution 25-25 for Texas Middle Mile Grant Application, Interlocal Agreement, and Memorandum of Understanding

KPUB has been working with the Lower Colorado River Authority (LCRA) and the Upper Guadalupe River Authority (UGRA) on communication infrastructure needs to support flood monitoring systems in Kerr County along the Guadalupe River. This involves LCRA's expansion of its private LTE network to cover sites identified by UGRA for rain gauge monitors and other remote equipment (see attached map). The Broadband Development Office Texas Middle Mile Grant Program includes provisions for funding communications projects that "include infrastructure enhancements that will support or integrate with flood detection and monitoring systems in vulnerable areas".

KPUB's scope of this project involves extension of approximately 6-8 miles of fiber to complete communication links between two LCRA tower locations, to an existing KPUB substation, Kerrville Schreiner Park and six critical City of Kerrville water facilities. The estimated cost for this work is approximately \$1.5M, with grant funding expected at 100% due to this infrastructure supporting flood detection and monitoring systems. As a local entity with experience providing fiber to support LCRA communications systems and construction scope involved, KPUB is in a position to lead the application to help facilitate and expedite this extremely important communication infrastructure project.

KPUB directly benefits from this project through:

1. Extension of 2.5 miles of fiber towards the future Hwy 16 South substation site.
2. Closing a gap in our fiber system between the Legion Substation and Raymond Barker Substation.
3. Adding a connection to the Travis substation, which provides a redundant connection to the Smokey Mountain radio tower.
4. Expansion of the LCRA LTE network which will be used in the future to support KPUB's SCADA system for distribution line devices (outside of substations).

Staff is recommending approval of Resolution No. 25-25 to authorize KPUB's submittal of an application for Texas Middle Mile Grant funds to apply towards a joint project with LCRA to build out the necessary infrastructure for their LTE network.

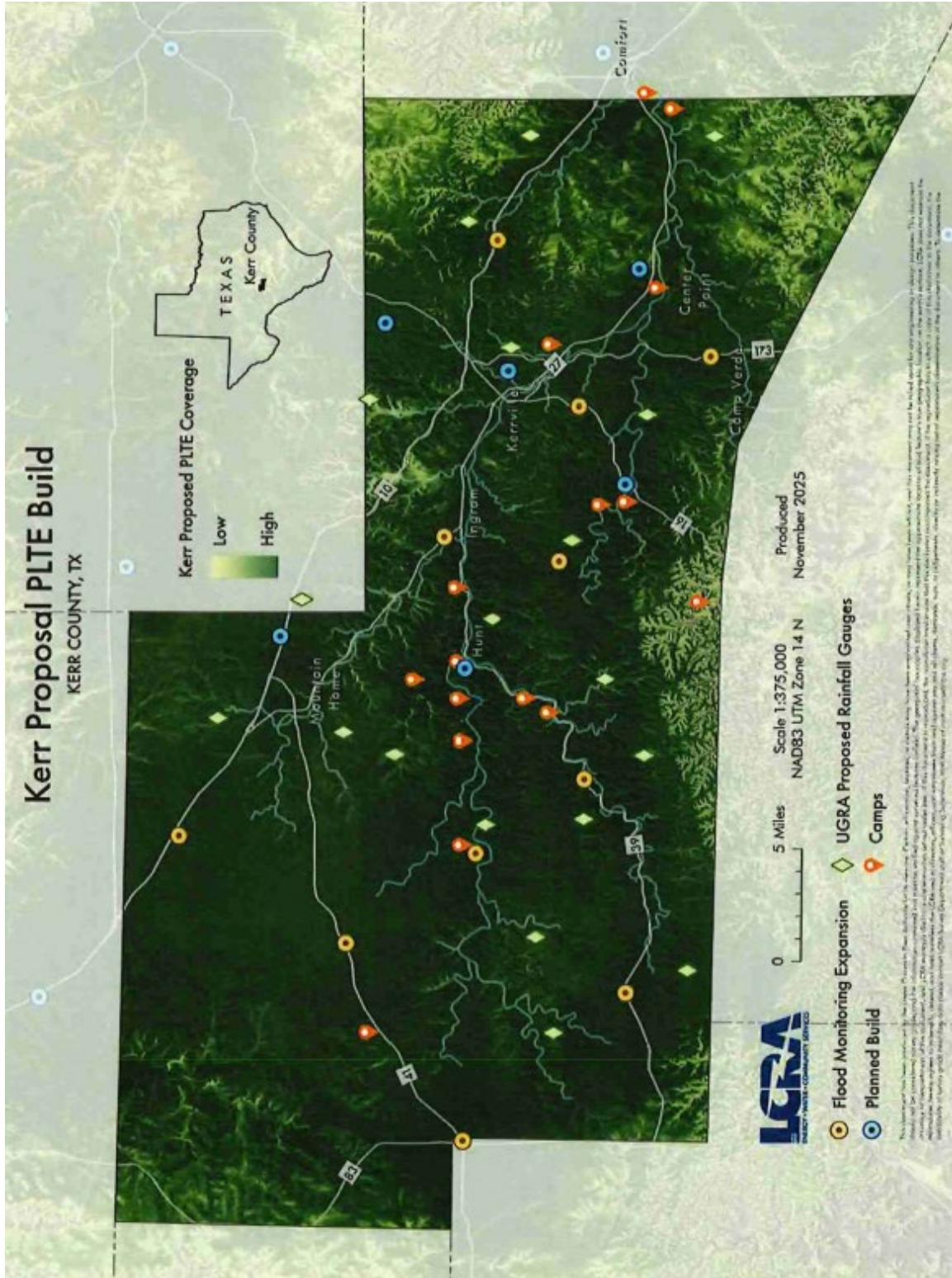
Additionally, staff is recommending execution of the attached Interlocal Agreement with associated parties involved and benefitting from this system and the attached Memorandum of Understanding outlining responsibilities for implementation of the project should funds be awarded for the project.

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

Sincerely,

A handwritten signature in black ink, appearing to read "Tony Perez", with a stylized flourish at the end.

Tony Perez
Director of Engineering



MEMORANDUM OF UNDERSTANDING

THIS MEMORANDUM OF UNDERSTANDING (this “**MOU**”), dated as of November 19, 2025, sets forth certain nonbinding understandings and binding agreements between Kerrville Public Utility Board (“**KPUB**”), the Lower Colorado River Authority (“**LCRA**”), and the Upper Guadalupe River Authority (“**UGRA**”).

This MOU relates to a proposed agreement (the “**Proposed Transaction**”) between KPUB, UGRA, and LCRA under which (i) the Parties would collaborate with KPUB, acting as lead applicant, in connection with its application for grant funding from the Texas Broadband Development Office’s (“**BDO**”) Texas Middle Mile Program (RFA No. BDO-NOFA-010) (the “**Middle Mile Grant**”), and (ii) if KPUB is selected to receive an award under the Middle Mile Grant program being administered by the BDO (the “**Grant Award**”), the Parties would use the Grant Award to fund and construct communications infrastructure to support a flood early warning system in the Upper Guadalupe river basin (the “**Project**”).

KPUB, UGRA, and LCRA are sometimes referred to herein individually as a “**Party**” and collectively as the “**Parties**”.

1. **MOU Subject to Definitive Agreement**. This MOU is for discussion purposes only, and is not intended to constitute a legally binding or enforceable agreement or commitment on either Party, except for Section 4, which shall be binding on the Parties in accordance with its terms.

2. **Nonbinding Understandings**. This Section 2 sets forth the nonbinding understandings of the Parties with respect to the Proposed Transaction. It is the present intention of the Parties that they would enter into an agreement under which the Parties would agree on their responsibilities, roles, obligations, contributions with respect to the Middle Mile Grant and Project, if KPUB is selected to receive the Grant Award, on terms and conditions substantially similar to those set forth in this Section 2. These terms are based upon information currently available. They do not reflect all of the material terms of the Proposed Transaction but provide a basis for negotiating the Definitive Agreement (as defined below).

(a) **Definitive Agreement**. The Parties intend to negotiate a formal written agreement that would govern the Proposed Transaction in the event KPUB is selected to receive the Grant Award (“**Definitive Agreement**”). Binding obligations with respect to the Proposed Transaction shall only arise upon the execution of the Definitive Agreement by all of the Parties. Provided that KPUB is selected to receive the Grant Award, the Parties shall enter into good faith negotiations with the objective of executing the Definitive Agreement. Execution of the Definitive Agreement shall be contingent on: (i) KPUB being selected to receive the Grant Award, and (ii) successful negotiations between the Parties.

(b) **Specific Provisions**.

- i. KPUB shall administer the Middle Mile Grant with the support and cooperation of the other Parties in the event its application for the Grant Award is approved;
- ii. UGRA is the agency responsible for stewardship of the Upper Guadalupe river basin and intends to develop a flood warning system for the basin as part of the Project;

- iii. LCRA provides wired and wireless telecommunications services to support public safety, grid reliability, and economic development in Texas;
- iv. If KPUB is selected to receive the Grant Award, the Parties will each be responsible for the following contributions to the Project:
 - KPUB will own, operate, and maintain any fiber assets that it currently owns that will be used for the Project and any fiber assets built by KPUB using Grant Award funds;
 - UGRA will install, own, operate, and maintain any weather stations, river gauges, hydrologic modeling software, and related equipment as part of the Project. The Parties acknowledge and agree that UGRA's contributions to the Project are contemplated under, and subject to, a separate, future grant opportunity to be issued by the Texas Water Development Board; and
 - LCRA will own, operate, and maintain any new towers, tower leases, private LTE equipment, wired and wireless communications infrastructure, and any indefeasible right of use for fiber that is secured from Hill Country Telephone Cooperative that is funded by the Grant Award and used in connection with the Project;
- v. The Parties will collaborate in good faith to meet the obligations of the Grant Award including any grant agreement between the Parties and the BDO. In the event KPUB is selected for the Grant Award, the Parties will negotiate in good faith to enter into a grant agreement with the BDO for the Project.

3. **Term and Termination.** This MOU will automatically terminate and be of no further force and effect upon the earlier of (i) execution of the Definitive Agreement by the Parties, (ii) mutual agreement of the Parties, and (iii) KPUB receiving notice that it has failed to receive or be awarded the Grant Award.

4. **Binding Agreements.** This Section 4 shall constitute a legally binding and enforceable agreement between the Parties. In consideration of the significant expenses that the Parties will incur in pursuing the Proposed Transaction and drafting and negotiating the Definitive Agreement, the Parties agree as follows:

- (a) KPUB shall act as the lead applicant for the Middle Mile Grant application;
- (b) LCRA will act as a joint applicant with KPUB for the Middle Mile Grant application.
- (c) UGRA will support the Middle Mile Grant application to be filed by KPUB and LCRA.
- (d) **Good Faith Negotiations.** The Parties shall negotiate in good faith and use their reasonable efforts to bring about the execution and delivery of the Definitive Agreement at the earliest practicable time.

(e) Costs and Expenses. Each Party shall be responsible for all of its costs and expenses associated with pursuing the Proposed Transaction, including without limitation (i) the performance of its obligations under this MOU, (ii) conducting its due diligence investigation, and (iii) drafting and negotiating the Definitive Agreement. This provision shall not obligate any Party to spend monies on implementation of the Project or Grant Award.

(f) Confidentiality. All information, both written and oral, obtained by the Parties in connection with the Proposed Transaction is considered Protected Information and subject to UGRA's and KPUB's respective Mutual Confidentiality Agreement with LCRA.

(g) Governing Law. This MOU shall be governed by and construed in accordance with the laws of the State of Texas, without giving effect to any choice or conflict of law provision or rule (whether of the State of Texas or any other jurisdiction) that would cause the application of laws of any jurisdiction other than those of the State of Texas.

(h) No Third-Party Beneficiaries. Nothing herein is intended or shall be construed to confer upon any person or entity other than the Parties and their successors or assigns, any rights or remedies under or by reason of this MOU.

(i) No Assignment. Neither this MOU, nor any rights or obligations hereunder may be assigned, delegated or conveyed by either Party without the prior written consent of the other Parties.

(j) Counterparts. This MOU may be executed in PDF counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one agreement.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Parties hereto have executed this MOU as of the date set forth above.

Kerrville Public Utility Board

By_____

Name:

Title:

Lower Colorado River Authority

By_____

Name:

Title:

Upper Guadalupe River Authority

By_____

Name:

Title:

THE STATE OF TEXAS §
KERR COUNTY §

**INTERGOVERNMENTAL AGREEMENT
AND SUPPORT FOR MIDDLE MILE GRANT APPLICATION**

This AGREEMENT is made pursuant to the Interlocal Cooperation Act at Chapter 791 of the Texas Government Code, between Kerrville Public Utility Board (KPUB), Texas, hereinafter referred to as the “LEAD ENTITY,” acting through its Board, Kerr County, City of Kerrville, City of Ingram, and Upper Guadalupe River Authority, acting through their respective Commissioners Court, City Councils and Boards, collectively referred to as the “ASSOCIATED PARTIES”, and LEAD ENTITY and ASSOCIATED PARTIES collectively referred to as “PARTIES”.

Whereas, PARTIES’ communities and the communities of Hunt, Center Point, and Comfort were severely impacted by the catastrophic flood that occurred on July 4, 2025 causing catastrophic damage and loss of life, and

Whereas, on July 4, 2025 the PARTIES experienced devastating flooding and a State of Texas Governor Declaration of Disaster, #25-0026, was issued on July 2, 2025 and Presidential Declaration #4879 was issued on July 4, 2025; and

Whereas, PARTIES agree that the lack of advanced high-speed communications capability in emergency situations is a threat to public health and safety, and

Whereas, PARTIES agree that damages suffered to communication and public and private infrastructure during the flash flood event put the lives and property of the public and first responders at risk, and

Whereas, the LEAD ENTITY and ASSOCIATED PARTIES believe that mitigation, advanced planning, and preparation efforts that make the communication infrastructure less vulnerable and more effective in severe weather events in the future is essential in Kerr County areas, and

Whereas, the LEAD ENTITY and ASSOCIATED PARTIES concur that the planning, development, and implementation of extending broadband service, towers, microwave and associated support infrastructure will significantly mitigate the threat from various natural hazards to the communication infrastructure and increase the protection to lives and property of citizens and first responders in the Kerr and Kendall County (partial) areas, and

Whereas, the Texas Comptroller’s Office (“TCO”) has issued a Notice of Funding Opportunity (NOFO) for funding through its Middle Mile Program (MMP) program for grants for middle mile broadband infrastructure, the deadline for such grants being November 20, 2025, and

Whereas, the LEAD ENTITY intends to apply for the MMP grant to fund the final design and construction of broadband service, towers, microwave, and associated support infrastructure in Kerr County. hereinafter referred to as “Project,” and

Whereas, the LEAD ENTITY will conduct reviews and update all grant compliance, procurement, and auditing procedures including a public outreach program, if applicable, that comply with all State grant requirements, and

Whereas, the ASSOCIATED PARTIES wholeheartedly support the LEAD ENTITY'S grant application.

NOW THEREFORE BE IT RESOLVED THAT:

LEAD ENTITY agrees to provide leadership, advanced planning, and engineering to support broadband grant funds being offered through the MMP grant conducted by the TCO. The term of this Agreement shall be from November 20, 2025, until the grant (if awarded) is closed by the TCO or when LEAD ENTITY receives notification that award of funds was not accomplished, whichever is the earlier.

Any PARTY may terminate this Agreement with sixty (60) days written notice to any of the other parties, but such early termination shall not relieve the parties from any potential financial obligations addressed below.

PARTIES agree:

1. LEAD ENTITY and any LEAD ENTITY partner (if applicable) will provide any matching funds required, as applicable under the terms of the grant.
2. LEAD ENTITY and any LEAD ENTITY partner (if applicable) will provide payment of related telecommunication taxes due as a result of installation of the system.
3. Subject to grant contract award, LEAD ENTITY agrees to enter into support agreements with the Upper Guadalupe River Authority (as applicable) and any LEAD ENTITY partner, for the purposes of on-going maintenance and operation, subject to state/federal law. The form of any support agreements shall be subject to the prior approval of all proposed parties thereto.
4. PARTIES agree to support the TCO Grant application for the Project. PARTIES agree (if awarded grant) to interconnect various systems for the network to perform emergency management functions.
5. PARTIES agree to the proposed general configuration and alignment of the proposed system as it relates to warning system infrastructure as depicted in *Exhibit "B"*.

PARTIES agree, that the LEAD ENTITY in cooperation with any LEAD ENTITY partner, subject to grant award, shall perform the following duties:

1. LEAD ENTITY shall prepare and submit the MMP grant application on behalf of the PARTIES and execute requisite documentation with the TCO.
2. LEAD ENTITY shall manage and administer the grant funding including all associated procurement for the MMP grant funded project and endeavor to execute grant management responsibilities in a timely and efficient manner.

3. LEAD ENTITY shall be the repository of all receipts, accounting, and documentation pertinent to the MMP grant and furnish such to TCO according to MMP grant terms or upon TCO request as applicable.
4. LEAD ENTITY shall serve as the primary contact in all matters pertaining to the MMP grant and serve as the official conduit for communication among the LEAD ENTITY, TCO, ASSOCIATED PARTIES, Kerr Economic Development Corporation Long Term Recovery Office, and general public.
5. LEAD ENTITY shall form and support a Technical Advisory Committee (TAC) with appointed representatives of the ASSOCIATED PARTIES to provide technical feedback and stay fully informed and updated on the progress of the project as it relates to flood warning systems. The TAC will meet monthly (or as needed) to receive project updates from the engineer and/or technical staff/contractors conducting the evaluation and provide feedback.
6. LEAD ENTITY will provide a qualified engineer procured and awarded, meeting all federal and state requirements, to provide studies, preliminary designs, cost estimates, and any permit and final engineering required for the project. LEAD ENTITY will be responsible for directing the engineer's activities, subject to TCO approved project scope, in coordination and cooperation with the ASSOCIATED PARTIES via the TAC as it relates to infrastructure supporting flood warning systems.
7. LEAD ENTITY will receive all invoices from the engineer and other contractors associated with the project; and will be responsible for all payments through the LEAD ENTITY Auditor's office.
8. LEAD ENTITY will track funding and submit all reimbursements to TCO and collect all funds through the LEAD ENTITY'S Auditor's office.
9. LEAD ENTITY will provide work-in-progress documents regarding infrastructure supporting flood warning systems to ASSOCIATED PARTIES through the TAC.
10. LEAD ENTITY will provide all deliverables to the TCO upon completion and close out of the MMP grant.

PARTIES agree, that the ASSOCIATED PARTIES subject to grant award, shall perform the following duties:

1. ASSOCIATED PARTIES agree to provide requisite supporting documentation as necessary to complete the grant application in a timely manner.
2. ASSOCIATED PARTIES will actively participate in the TAC and provide feedback on technical matters and decisions as it relates to infrastructure that supports flood warning systems.
3. ASSOCIATED PARTIES understand the draft concept of the Project grant proposal (see *Exhibit A-1 and A-2*) and agree to comply with applicable Federal and State rules associated with the project.
4. ASSOCIATED PARTIES agree to permit LEAD ENTITY's agents, representatives, consultants and employees' access to the Project sites or any part thereof located on

property owned by the ASSOCIATED PARTIES at reasonable hours upon reasonable advance notice (which may be given verbally), if applicable.

5. ASSOCIATED PARTIES agree to provide a letter of support for the Middle Mile grant application which is necessary to accomplish the flood emergency purposes and infrastructure stated herein.

The PARTIES further agree that any MMP grant funds provided by TCO to the LEAD ENTITY and ASSOCIATED PARTIES are without warranty of any kind. Nothing herein shall be construed to create any rights in third parties.

Notwithstanding any provision to the contrary herein, this Agreement is a contract for, and with respect to the performance of, governmental functions by governmental entities. The services provided for herein are governmental functions, and the ASSOCIATED PARTIES and the LEAD ENTITY shall be engaged in the conduct of a governmental function while providing and/or performing any service pursuant to this Agreement. The relationship of the LEAD ENTITY and the ASSOCIATED PARTIES shall, with respect to that part of any service or function undertaken as a result of or pursuant to this Agreement, be that of independent contractors. Nothing contained herein shall be deemed or construed by the PARTIES, or by any third party, as creating the relationship of principal and agent, partners, joint ventures, or any other similar such relationship between the PARTIES. Each PARTY reserves and does not waive any defense available to it at law or in equity as to any claim or cause of action whatsoever that may arise or result from or in connection with this Agreement. This Agreement shall not be interpreted nor construed to give to any third party the right to any claim or cause of action, and neither the ASSOCIATED PARTIES nor the LEAD ENTITY shall be held legally liable for any claim or cause of action arising pursuant to or in connection with this Agreement except as specifically provided herein or by law. None of the PARTIES hereto waives or relinquishes any immunity or defense on behalf of itself, its Commissioners, Councilmembers, officers, employees, and agents as a result of the execution of this Agreement and the performance of the covenants and agreements contained herein

This Agreement may be executed by the PARTIES in counterparts, in which event the signature pages thereof shall be combined in order to constitute a single original document.

EXECUTED on the dates indicated below but effective as of the ____ day of November 2025.

KERRVILLE PUBLIC UTILITY BOARD
2250 Memorial Blvd.
Kerrville, TX 78028

CITY OF KERRVILLE
701 Main Street
Kerrville, TX 78028

Bill Thomas
Board Chairman

Joe Herring, Jr.
Mayor

ATTEST:

Rachel Johnston
Secretary

CITY OF INGRAM
230 Highway 39
Ingram, TX 78025

Claud Jordan
Mayor

ATTEST:

Kelly Brogan
City Secretary

UPPER GUADALUPE RIVER AUTHORITY
125 Lehmann Dr, #100
Kerrville, TX 78028

Dr. William R. Rector, MD
President

ATTEST:

Austin Dickson
Secretary

ATTEST:

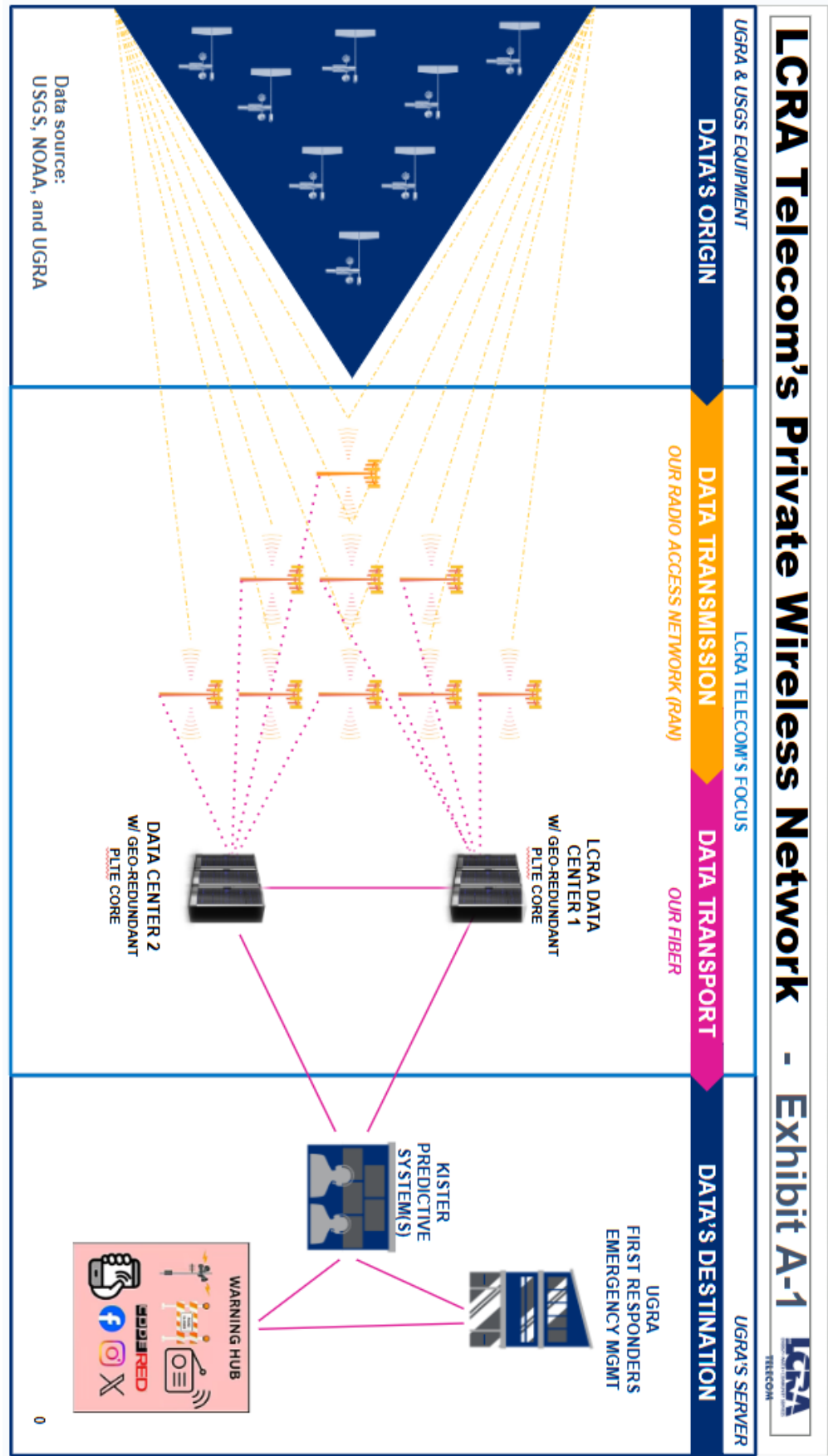
Shelley McElhannon
City Secretary

KERR COUNTY
700 Main Street
Kerrville, TX 78028

Rob Kelly
County Judge

ATTEST:

Nadene Alford
County Clerk



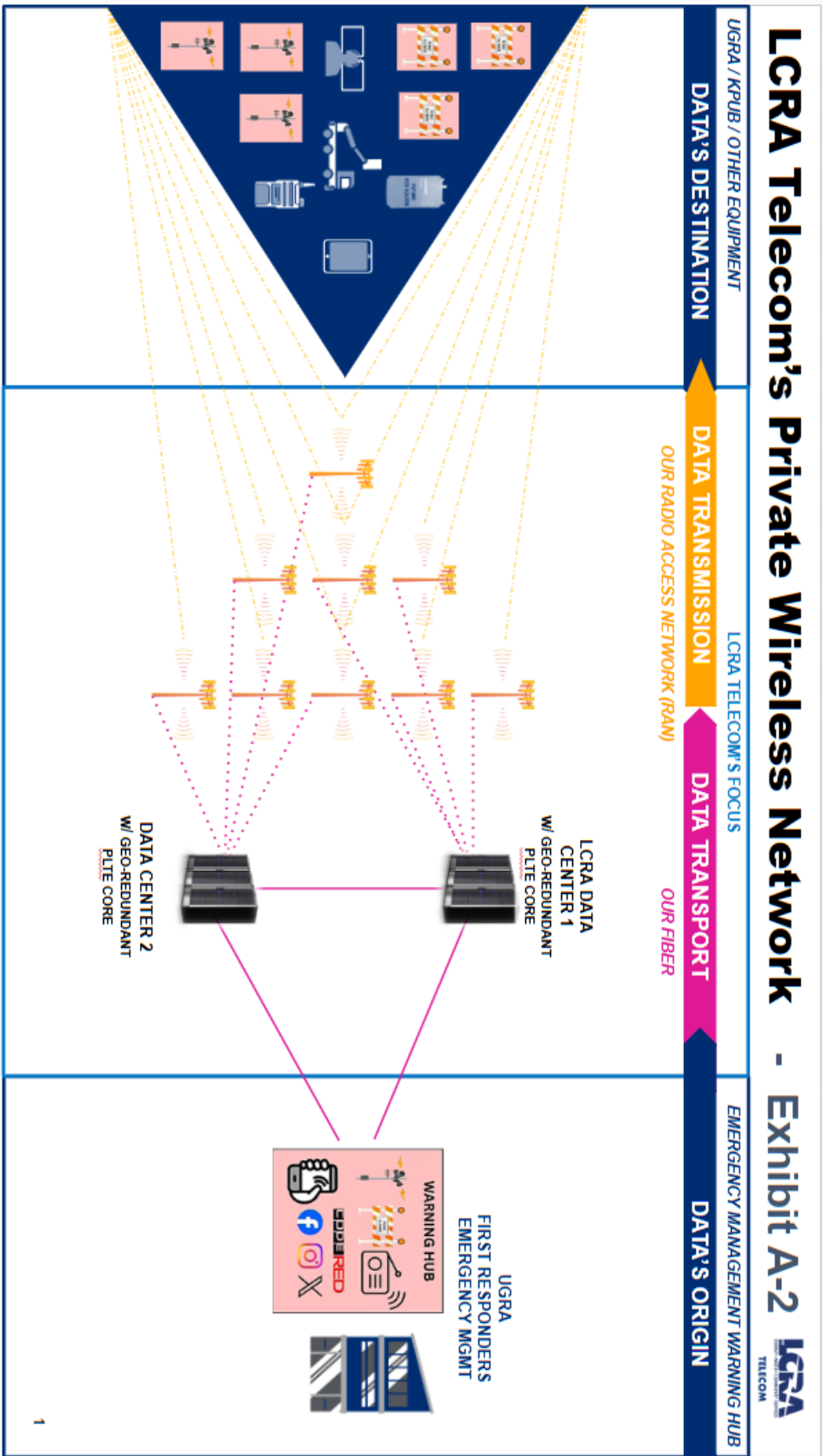
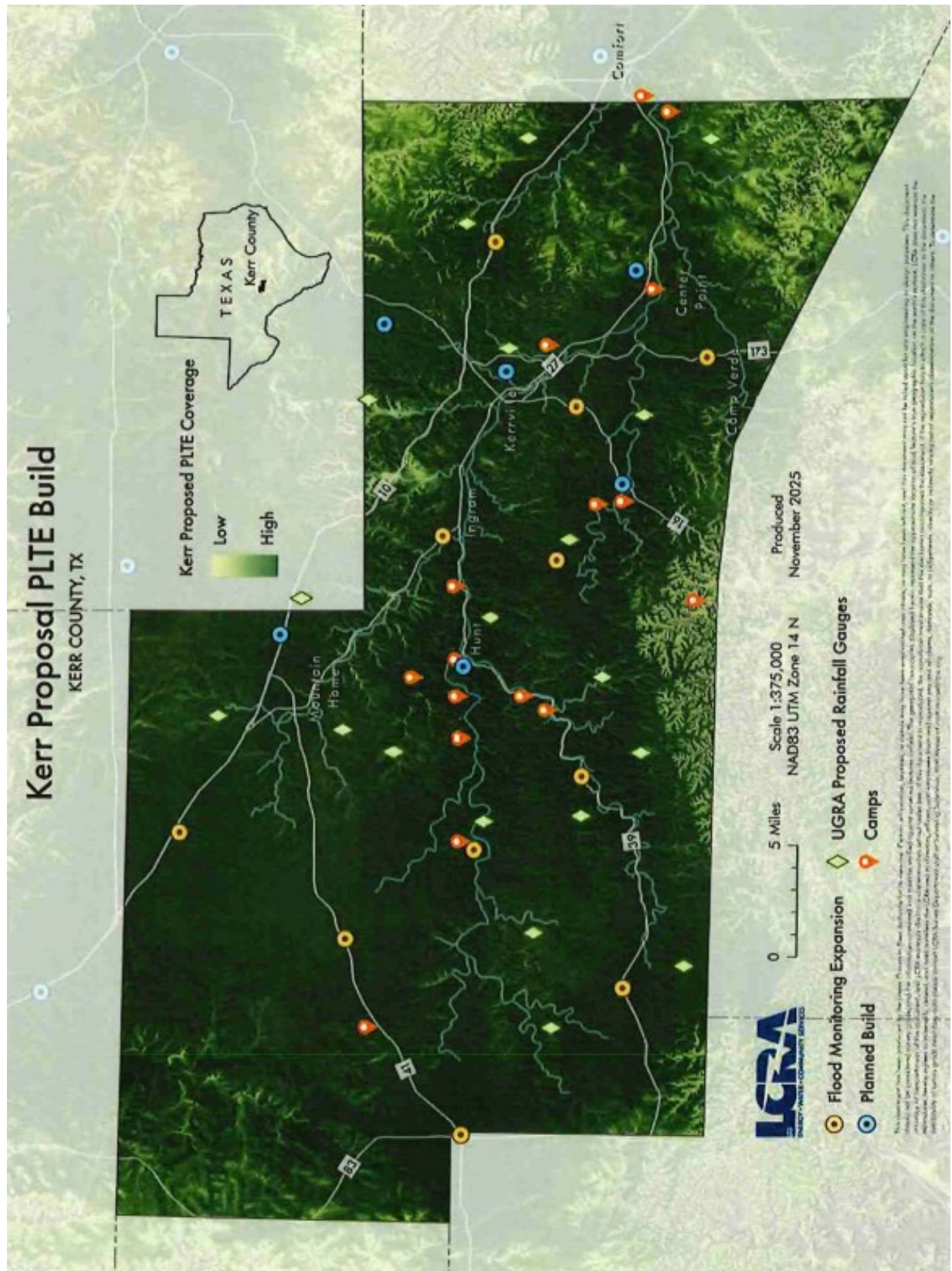


Exhibit B



RESOLUTION NO. 25-25

A RESOLUTION OF THE KERRVILLE PUBLIC UTILITY BOARD CONFIRMING AND AUTHORIZING THE CEO OR DESIGNEE TO FILE AN APPLICATION WITH THE TEXAS BROADBAND DEVELOPMENT OFFICE FOR THE TEXAS MIDDLE MILE PROGRAM AND AUTHORIZATION FOR THE CEO OR DESIGNEE TO EXECUTE AN INTERLOCAL AGREEMENT WITH OTHER ASSOCIATED PARTIES TO DESIGNATE KPUB AS THE LEAD ENTITY IN THE GRANT APPLICATION.

WHEREAS, Kerrville Public Utility Board (KPUB), the City of Kerrville, Kerr County, the City of Ingram, the Upper Guadalupe River Authority (UGRA), and the Lower Colorado River Authority (LCRA) have been in coordination to develop communication system improvements to support increased flood monitoring capability within Kerr County on the watersheds feeding the Guadalupe River.

WHEREAS, UGRA has provided potential rain gauge locations throughout Kerr County, and LCRA has presented expansion of their private LTE network as an option to provide reliable communications to these sites and to the surrounding region.

WHEREAS, LCRA's private LTE network coverage design provides the necessary communications infrastructure to allow users to locate remote flood monitoring and control devices such as rain gauges, flood level monitors, warning systems, etc. throughout the region, and allows flexibility to place future monitoring devices at additional locations within the City of Kerrville and along the Guadalupe River in Kerr County.

WHEREAS, KPUB has identified fiber optic communication systems requiring expansion to provide fiber communications between two LCRA cellular and microwave towers as part of this project.

WHEREAS, KPUB, the City of Kerrville, Kerr County, the City of Ingram, and UGRA intend to execute the attached interlocal agreement outlining roles and designating KPUB as the lead entity in the Texas Middle Mile Grant application.

WHEREAS, KPUB, UGRA, and LCRA intend to execute the attached Memorandum of Understanding outlining responsibilities for implementation of the project and facilities that would be constructed under the Texas Middle Mile Grant funding.

WHEREAS, The Texas Middle Mile Grant Application requires an approved board resolution authorizing submission of the application.

BE IT RESOLVED BY THE KERRVILLE PUBLIC UTILITY BOARD THAT:

Section 1. That the Kerrville Public Utility Board authorized the CEO or designee to submit a grant application the Texas Broadband Development Office for the Texas Middle Mile Program with Kerrville Public Utility Board serving as the lead entity.

Section 2. That the Kerrville Public Utility Board authorized the execution of an interlocal agreement between KPUB, the City of Kerrville, the City of Ingram, Kerr County, and the Upper Guadalupe River Authority designating KPUB as the lead entity in the Texas Middle Mile Grant Application.

Section 3. That the Kerrville Public Utility Board authorized the CEO or designee to execute a Memorandum of Understanding between KPUB, the Upper Guadalupe River Authority, and the Lower Colorado River Authority designating KPUB as the lead entity in the Texas Middle Mile Grant Application and outlining responsibilities for implementation of the project and facilities that could be constructed under the Texas Middle Mile Grant funding.

Section 4. This Resolution shall take effect immediately from and after its passage.

PASSED, APPROVED AND ADOPTED on this 19th day of November, 2025

Bill Thomas, Chairman

ATTEST:

Rachel Johnston, Secretary