

February 5, 2026

**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 ~~Tuesday~~ Wednesday, February 11, 2026, beginning at 2:00 p.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. Amended this 5<sup>th</sup> day of February, 2026 at 2:43 p.m.**



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**Lidia S. Goldthorn, Assistant Secretary**

**AGENDA**  
**KERRVILLE PUBLIC UTILITY BOARD (KPUB) AND**  
**KERRVILLE PUBLIC FACILITY CORPORATION (KPFC)**  
**REGULAR JOINT MONTHLY MEETING**  
**TUESDAY WEDNESDAY, FEBRUARY 11, 2026, 2:00 P.M.**  
**KPUB CONFERENCE ROOM**  
**KERRVILLE PUBLIC UTILITY BOARD OFFICES**  
**2250 MEMORIAL BLVD.**  
**KERRVILLE, TEXAS**

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

**CALL TO ORDER:**

**INVOCATION AND PLEDGE OF ALLEGIANCE:**

**1. CITIZEN/CONSUMER OPEN FORUM:**

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

**2. ANNOUNCEMENTS OF COMMUNITY INTEREST:**

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

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

- *Wednesday, March 25, 2026, at 8:30 a.m. (one week later than normal)*
- *Wednesday, April 15, 2026, at 8:30 a.m.*
- *Wednesday, May 20, 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

**II. 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

**III. EXECUTIVE CLOSED SESSION – PERSONNEL MATTERS:**

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

- A. Annual Performance Appraisal for Michael Wittler, General Manager and CEO
- B. Duties and Compensation Benefits for the General Manager and CEO, and the Assistant General Manager
- C. The nomination of three (3) candidates to the City Council of the City of Kerrville for appointment to Board of Trustees Position Number Three.
  - (1) **Exhibit A** – Applicants for Board Position No. 3 – Mike Wittler, CEO

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

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

These items are considered routine and can be approved in one motion unless a Board Member asks for separate consideration of an item. It is recommended that the Board approve the following items which will grant the General Manager to take all actions necessary for each approval:

5A.	APPROVAL OF MINUTES – Approval of the January 21, 2026, Regular Joint Monthly Board Meeting Minutes .....	1
5B.	RESOLUTION NO. 26-03 – ERIN CALLAN, ACCOUNTING MANAGER. A Resolution approving payment to various providers of services or supplies .....	9
5C.	DECEMBER 2025 QUARTERLY FUNDS REPORT – AMY DOZIER, DIRECTOR OF FINANCE. Acceptance of the December 2025, Quarterly Funds Report as presented to the Investment Committee following the January 21, 2026, Board Meeting .....	11
6.	<b><u>DISCUSSION AND ACTION ON SCHOLARSHIP GUIDELINES AND APPOINTMENTS TO SCHOLARSHIP COMMITTEE (KPUB) – ALLISON BUECHÉ, DIRECTOR OF CUSTOMER &amp; COMMUNITY RELATIONS:</u></b> .....	18
7.	<b><u>FINANCIAL REPORT (KPUB &amp; KPFC) – AMY DOZIER, ASSISTANT GENERAL MANAGER:</u></b> .....	22
8.	<b><u>CONSIDERATION AND ACTION ON RESOLUTION NO. 26-04, REVISION OF BOARD POLICY #32, VACATIONS, HOLIDAYS AND ABSENCES – ANNETTE GONZALES, DIRECTOR OF HUMAN RESOURCES:</u></b>	
9.	<b><u>CONSIDERATION AND ACTION ON KPUB RESOLUTION NO. 26-05 AND KPFC RESOLUTION NO. 26-02, APPROVAL OF NEW BOARD POLICY #13, USE AND FUNDING OF POLICY ADVOCATES – MIKE WITTLER, CEO:</u></b> .....	32
10.	<b><u>ADJOURNMENT (KPUB and KPFC)</u></b>	

**MINUTES OF THE  
KERRVILLE PUBLIC UTILITY BOARD  
ANNUAL SYSTEM USERS MEETING  
WEDNESDAY, JANUARY 21, 2026 AT 8:30 A.M.  
KPUB CONFERENCE ROOM  
2250 MEMORIAL BLVD.  
KERRVILLE, TEXAS**

**TRUSTEES PRESENT:**

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

**STAFF PRESENT:**

Mike Wittler, General Manager and CEO  
Amy Dozier, Director of Finance  
Tony Perez, Director of Engineering  
Annette Gonzales, Director of Human Resources  
Allison Bueché, Director of Customer and Community Relations  
Larry Lee, Director of Operations  
Howard Hall, Field Services Supervisor  
Erin Callan, Accounting Manager  
Mark Alejandro, Information Technology Supervisor  
(*via teleconference*)  
Lidia S. Goldthorn, Assistant Secretary to the Board

**TRUSTEES ABSENT:**

**OTHERS PRESENT:**

Stephen Schulte, Legal Counsel  
Tyler Canady, BSGM, L.L.P. (*via teleconference*)

**CALL TO ORDER:**

Mr. Bill Thomas, Chairman and President, called the Annual System Users Meeting to order at 8:33 a.m.

**INVOCATION AND PLEDGE OF ALLEGIANCE:**

**1. REPORT BY BSGM, L.L.P., CERTIFIED PUBLIC ACCOUNTANTS:**

Ms. Dozier introduced Mr. Tyler Canady on behalf of BSGM, L.L.P., who was attending via teleconference. Mr. Canady presented a review of the audit, the Agreed-Upon Procedures relating to KPUB's compliance with the Public Funds Investment Act, and the Annual Comprehensive Financial Report for the year ended September 30, 2025; as well as KPFC's audit, the Agreed-Upon Procedures relating to KPUB's compliance with the Public Funds Investment Act, and the Annual Financial Report for the year ended September 30, 2025. Mr. Canady reviewed the financial statements and discussed required supplementary information. He noted records were in good shape, and accounting staff were very knowledgeable and integral to the writing of the audit report. Board members also commended staff for a job well done.

**4. CONSIDERATION AND ACTION ON RESOLUTION NO. 26-01 (KPUB) - AMY DOZIER, DIRECTOR OF FINANCE:**

Ms. Dozier recommended approval of KPUB Resolution No. 26-01; a Resolution of the Kerrville Public Utility Board accepting the annual audit for the fiscal year ended September 30, 2025, and the Public Funds Investment Act compliance review. Chairman Thomas requested a motion from the Board. Larry Howard, Treasurer, motioned for approval of KPUB Resolution 26-01. Rachel Johnston, Secretary, seconded the motion. Vote by a show of hands. Motion carried 5 – 0.

**5. CONSIDERATION AND ACTION ON RESOLUTION NO. 26-01 (KPFC) - AMY DOZIER, DIRECTOR OF FINANCE:**

Ms. Dozier recommended approval of KPFC Resolution No. 26-01; a Resolution of the Kerrville Public Utility Board Public Facility Corporation accepting the annual audit for the fiscal year ended September 30, 2025, and the Public Funds Investment Act compliance review. Chairman Thomas requested a motion from the Board. Mr. Howard, Treasurer, motioned for approval of KPFC Resolution 26-01. Ms. Johnston, Secretary, seconded the motion. Vote by a show of hands. Motion carried 5 – 0.

**6. ANNUAL GENERAL MANAGER’S REPORT – MIKE WITTLER**

Mr. Wittler advised that KPUB’s enabling authority, City of Kerrville Ordinance 87-45, states “at least annually the Board shall hold a meeting for all users of the System to discuss the general condition of the System and other such matters as the Board shall determine.” He highlighted the continued financial stability of KPUB as reflected in the annual audit. Mr. Wittler advised KPUB’s net position increased by \$584,741; operating revenue increased by 6.7% due primarily to higher rates for the power supply pass through portion of the rate that is caused by higher power supply costs in FY2025; operating expense increased primarily due to higher costs to purchase power, other increases relate to three additional employees, a cost of service study and additional insurance expense related to enhanced coverages. He advised as of September 30, 2025, KPUB’s total net position was \$80,980,256. The unrestricted net position decreased \$786,797 to \$28,435,684. The unrestricted portion equates to 35.1% of total net position and 59.6% of operating expenses. KPUB’s pension plan increased its funded ratio from 92.74% to 95.17%. He advised that KPFC’s total cash and cash equivalents were \$44,324,400, its capital assets comprising non-depreciable construction work in progress and land were \$34,789,758. KPUB paid KPFC a total of \$935,850 under the power supply agreement between the two.

Mr. Wittler advised the power supply cost to KPUB customers has remained very competitive. KPUB’s residential rate averaged \$102.50/1,000kWh for FY2025 (a slight increase from the average of \$101.88 in FY2024). He added these compare very favorably with rate comparisons at the state and national levels. The current residential energy cost is \$105.00, and it should be \$110.00 or less for the remainder of FY2026, well below the state average of \$158.40 and the national average of \$180.70 (as of September 2025). The clear high point of the year was the successful execution of contracts and closing of financing for the Rock Island Generating Project. Completing this milestone represents a monumental achievement for KPUB and reflects years of careful planning, analysis, and collaboration. Mr. Wittler expressed his sincere appreciation to the Board for the countless hours devoted to due diligence on this project. The Board’s engagement, thoughtful questions, and steady guidance were essential to reaching this outcome and positioning KPUB to be able to provide its customers with long-term rate stability. Mr. Wittler added that another defining moment of the year—both a profound tragedy and, in many ways, a testament to the strength and resilience of KPUB and the community—was the devastating July 4th floods. The storm caused catastrophic destruction across KPUB’s service area, claiming 119 lives in Kerr County and destroying homes, businesses, and critical infrastructure. In the face of extraordinary loss, the KPUB team rose to the challenge. With the assistance of mutual aid

partners from across the state, electric service was restored to all customers able to accept it within five days. KPUB has six projects through FEMA's Public Assistance grant program and has submitted all documentation possible to date. Remaining submissions will be completed as repair work is finalized and total costs are confirmed.

Mr. Wittler advised that litigation regarding purchased power costs for Winter Storm Uri is ongoing and the final outcome of the litigation will impact KPUB's financial position. In anticipation of the possibility of incurring significant additional costs from February 2021, an over collection balance has been slowly built of \$22,264,314 as of September 30, 2025.

Mr. Wittler discussed major capital projects completed this year with overall costs at 94% of budget. Capital expenditures and construction projects included: (1) Extensions of and improvements to overhead and underground facilities to increase capacity and provide service to new customers and developments; (2) pole replacements; (3) partial payments for a spare substation transformer; (4) substation improvements, (5) vehicle purchases; and (6) repairs from the July 4<sup>th</sup> flood. He advised the electric system was in very good condition. On average, customers experienced about 20.27 minutes of outage time during the year excluding major events. He added that excluding major events, utilities across the US average 74 minutes for public power, 128 minutes for investor owned and 202 minutes for cooperatives.

Mr. Wittler advised that KPUB has continued to improve communications and engagement with the community and has been a banner year for awards and recognition. More details on this are provided in the annual Community Report being released this month.

In closing, Mr. Wittler reported that there were no lost time injuries for the fourth consecutive year. There was a preventable vehicle accident involving only one KPUB vehicle in the KPUB yard. In addition, a review of KPUB's workers' compensation claim history shows that our safety record has been consistently improving over the long term. For the past five years, we have averaged 0.6 claims per year; the five years before that averaged 1.6 claims per year, and the five years before that averaged 4.2 claims per year per year (last year's figures were 0.6, 1.8, and 5.0). Total cost of claims is also dropping significantly: \$1,763 for the past five years, \$20,349 for the five years before that, and \$28,221 for the five years before that. Board members thanked staff for the great work done.

**6. CITIZEN/CONSUMER OPEN FORUM:**

There were no citizens/consumers to speak.

**7. ADJOURNMENT**

At 9:05 a.m., Chairman and President Thomas noted that there being no further business, the meeting was adjourned.

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

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

**ATTEST**

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

**MINUTES OF THE  
KERRVILLE PUBLIC UTILITY BOARD (KPUB) AND  
KERRVILLE PUBLIC FACILITY CORPORATION (KPFC)  
REGULAR JOINT MONTHLY MEETING  
WEDNESDAY, DECEMBER 17, 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  
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 *(via teleconference)*  
Randall Bird, Sky Global Partners, LLC  
Ryan Thompson, Akin Gump *(via teleconference)*  
Cara Morrow, Akin Gump *(via teleconference)*  
Wyeth Wiedeman, AWSquared Strategies *(via teleconference)*

**CALL TO ORDER:**

Mr. Bill Thomas, Chairman and President, called the Regular Monthly Meetings to order at 9:05 a.m.

**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 January with a combined service of 57 years. Upcoming volunteer activities include a Food Pantry on January 27<sup>th</sup> and LCRA Steps Forward Day (a joint volunteer project with the City of Kerrville and LCRA) on April 10<sup>th</sup>. For National Squirrel Appreciation Day, our mascot Kerrby showed us an inside look at a day in the life of a utility squirrel. KPUB will be sponsoring a Community Blood Drive on March 5<sup>th</sup>, and a Lunch and Learn Power Hour on March 27<sup>th</sup>. Ms. Bueché also highlighted upcoming school events from January through May. Mr. Wittler noted the following upcoming board meetings tentatively scheduled for:

- *Wednesday, February 11, 2026, at 8:30 a.m.*
- *Wednesday, March 25, 2026, at 8:30 a.m. (one week later than usual)*
- *Wednesday, April 15, 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 – CONSULTATION WITH ATTORNEY:**

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

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

**II. EXECUTIVE CLOSED SESSION – COMPETITIVE MATTERS:**

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

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

**III. EXECUTIVE CLOSED SESSION – PERSONNEL MATTERS:**

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

- A. Annual Performance Appraisal for Michael Wittler, General Manager and CEO
- B. Duties and Compensation Benefits for the General Manager and CEO, and the Assistant General Manager

Staff asked the Board of Trustees if there was a motion that the Boards convene in Executive Closed Session to discuss “Consultation With Attorney” in accordance with Texas Statutes Subchapter D, Chapter 551, Government Code Section §551.071, “Competitive Matters” in accordance with Texas Statutes Subchapter D, Chapter 551, Government Code Section §551.086, and “Personnel Matters” in accordance with Texas Statutes Subchapter D, Chapter 551, Government Code Section §551.074. Mr. Howard for KPUB so moved. Ms. Johnston seconded the motion. Vote was by show of hands. Motion carried 5 – 0. Mr. Howard for KPFC so moved. Ms. Johnston seconded the motion. Vote was by show of hands. Motion carried 5 – 0.

The Boards entered Executive Closed Session at 9:12 a.m. At 11:24 a.m. Chairman and President Thomas adjourned the Executive Closed Session and reconvened into Open Session.

*\*At 10:52 a.m. the Boards took a break, coming back into session at 11:02 a.m.*

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

No public action taken by the Board.

**5. CONSENT AGENDA:**

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

5A. APPROVAL OF MINUTES.

5B. RESOLUTION NO. 26-02 – ERIN CALLAN, ACCOUNTING MANAGER. A Resolution approving payment to various providers of services or supplies.

5C. APPROVAL AND REPORTING OF PURCHASES AND SALES:

- 1. Tree Trimming Services Renewal (Howard Hall, Field Services Supervisor)

**END OF CONSENT AGENDA**

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

Ms. Dozier presented the final financial statements for the month ending December 31, 2025. Highlights for KPUB included a \$362K increase in net position; \$10.4M in operating revenue; \$408K in rate stabilization transfer; \$10.8M in operating expense; \$325K in operating loss; \$273K in nonoperating income; \$23.3M in over collection of power cost adjustment as of December 31, 2025; and \$49.0M invested in municipal investment pools and an account at Happy State Bank. The portfolio of investment accounts earned an annualized blended rate of 3.91% in December. Highlights for KPFC included \$39.4M in

generation projects costs, including capitalized interest, shown as Capital Assets as of December 31, 2025; \$33.2M balance in the Construction Fund as of December 31, 2025, representing unspent proceeds from the 2025A (open market) bond issuance. 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 power point presentation with highlights and financial metrics from her memo.

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

Mr. Perez presented the Projects and Capital Budget Reports for the first quarter of fiscal year end 2026. He went over the status of current distribution design projects, and substation projects. He highlighted the continued progress on the Jack Furman T2 Addition. Budget categories highlighted included meters; line construction; heavy equipment and vehicles; general plant/other; and substations. He also provided capital budget spreadsheets for the Board's review.

**8. QUARTERLY RELIABILITY REPORT (KPUB) – HOWARD HALL, FIELD SERVICES SUPERVISOR:**

Mr. Hall presented the first quarter Reliability Report for FY2025-2026 for the Board's review. He provided an outline by substation of the quarter's significant outage details. He 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.

**9. UPDATE ON ANNUAL COMMUNITY REPORT – ALLISON BUECHÉ, DIRECTOR OF CUSTOMER & COMMUNITY RELATIONS:**

Ms. Bueché presented KPUB's fifth annual Community Report to the Board. She advised the report highlights KPUB's key accomplishments and community impact during FY 2025. She added that the report will be distributed to KPUB customers through multiple channels throughout the month, including direct mail, email, e-bill links, KPUB's website newspaper placements and social media advertisements. She added that eight awards were received by KPUB for 2025; six were from APPA, that included a new one: 2025 Audience Choice Award for KPUB's flood response. Board members complimented Ms. Bueché on the report.

**10. REVIEW, DISCUSSION AND POSSIBLE ACTION REGARDING SCHOLARSHIP GUIDELINES – ALLISON BUECHÉ, DIRECTOR OF CUSTOMER & COMMUNITY RELATIONS:**

Ms. Bueché advised KPUB is currently accepting applications for the 2026 Scholarship Program for both undergraduate and trade/technical school students. Staff oversees the administration of the scholarship program, including application review and scoring, in accordance with program guidelines adopted by the Board. In advance of the 2026 application review process, staff requested assistance from one or more Board Members to review the economic need portion of the scholarship scoring methodology to ensure it continues to align with the Board's original intent when the program was designed in 2012. The scholarship program was designed to place significant emphasis on financial need and academic achievement, each weighted at up to 35 points out of 100. Since the program's adoption, changes to the Free Application for Federal Student Aid (FAFSA), including the transition from Expected Family

contribution (EFC) to the Student Aid Index (SAI), as well as broader economic changes over time, may affect how financial need is reflected in application scoring.

Ms. Bueché requested Board Member participation to provide input and guidance on the continued appropriateness of the financial scoring framework and its alignment with the Board’s original intent prior to application review. She added that Board Member input will help to confirm that the scholarship scoring process remains fair, consistent, and aligned with programs goals. Board Members Larry Howard and Rachel Johnton volunteered to assist Ms. Bueché.

**11. REVIEW OF PROCESS ON POTENTIAL CANDIDATES FOR BOARD POSITION #2 – MIKE WITTLER, CEO:**

Mr. Wittler went over the application process for potential candidates for Board Position #3. The media has received the Public Notice for publication and it has been posted at the KPUB office and at City Hall, as well as on KPUB’s and the City’s websites. As a refresher, Mr. Wittler summarized that the Board will need to nominate three names to send to the City Council. If the City Council rejects them, the process will need to start over again. For the Board’s information, Mr. Wittler provided a listing of the previous nominations dating back to 1989 and a listing of the current committee assignments, terms and officer positions of the Board.

**12. ADJOURNMENT**

Chairman and President Thomas adjourned the Regular Board Meetings at 11:52 a.m.

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

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

**ATTEST**

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

# MEMORANDUM

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

From: Erin Callan

Date: February 5, 2026

Re: Agenda Item No. 5B – Resolution No. 26-03

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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 January 15, 2026 and February 5, 2026 for Board approval:

Vendor	Description	Amount	Date	
<b>Purchased Power:</b>				
1	Concho Bluff	December 2025	\$ 77,126.37	01/16/2026
2	NextEra	December 2025	485,088.00	01/20/2026
3	CPS	December 2025	936,287.27	01/22/2026
4	ERCOT	CRR Auction	40,496.79	01/26/2026
5	DG Solar	December 2025	28,652.59	01/27/2026
6	Engie	December 2025	60,180.96	01/30/2026
7	Garland	December 2025	49,079.26	02/02/2026
8	LCRA	December 2025	710,815.73	02/03/2026
<b>Payroll:</b>				
1	Payroll	Pay period ending 01/10/2026	169,846.34	01/16/2026
3	Payroll	Pay period ending 01/24/2026	181,013.62	01/30/2026
4	Payroll Taxes	Pay period ending 01/10/2026	59,223.84	01/21/2026
6	Payroll Taxes	Pay period ending 01/24/2026	62,621.36	02/04/2026
<b>Employee Benefits:</b>				
1	TX Health Benefits	Health Insurance -February	101,240.61	02/02/2026
2	TMRS	Pension - January Payroll	155,483.13	02/04/2026
<b>Investment Transfers:</b>				
1	Happy State Bank	Investment Transfer	175,000.00	01/16/2026
2	Happy State Bank	Investment Transfer	1,015,000.00	01/23/2026
3	Happy State Bank	Investment Transfer	840,000.00	01/30/2026

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

Sincerely,



Erin Callan  
Accounting Manager

**RESOLUTION NO. 26-03**

**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 11<sup>th</sup> day of February, 2026**

\_\_\_\_\_  
**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: February 5, 2026

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

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Attached please find the quarterly funds report for KPUB and KPFC.

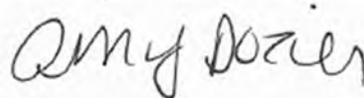
As of December 31, 2025, KPUB held \$49.0M in municipal investment pools and a demand account at Happy State Bank. Funds are spread between four accounts with the largest position (\$18.2M) held at an investment pool called LOGIC. All KPUB accounts at Happy State Bank are fully collateralized. Investment pool accounts are similar to constant dollar money market accounts and are approved investments under the Public Funds Investment Act. All investment accounts are completely liquid and earned a combined return of 4.04% for the quarter ended December 31, 2025.

As of December 31, 2025, US Bank, the trustee for KPFC, held \$39.0M. All funds were invested in State Street Institutional US Government Money Market Fund (OPGXX). Annualized return for the quarter was 3.89%. OPGXX is AAA rated and compliant with the Public Funds Investment Act and the KPFC investment policy.

The quarterly reports were distributed to the Investments Committee in January. 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  
Quarterly Investment Report  
Quarter Ended December 31, 2025

**Certification Statement:**

We certify that the information contained herein presents fairly the investment position as of the date reported, and that all investments were made in compliance with the Public Funds Investment Act (Texas Govt Code Chapter 2256) and with KPUB's investment strategy as documented in KPUB's Investment Policy.

Prepared and Attested by:

A handwritten signature in black ink that reads "Amy Dozier".

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Amy Dozier  
Assistant General Manager  
January 12, 2026

A handwritten signature in black ink that reads "Erin Callan".

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Erin Callan  
Accounting Manager  
January 12, 2026



**Kerrville Public Utility Board  
Quarterly Investment Report  
Quarter Ended December 31, 2025**

**Summary Statement**

**Investments by Fund:**

Description	Beginning Balance	Ending Balance	%	Qtrly Rate	Interest Income
	9/30/2025	12/31/2025			
	Book Value and Market Value	Book Value and Market Value	Allocation		(Accrual Basis)
1 Revenue Fund	\$ 32,577,205	\$ 35,538,527	73%	4.04%	\$ 349,942
2 Construction Fund	1,686,519	1,703,775	3%	4.04%	17,256
3 Rate Stabilization Fund	2,219,454	2,242,163	5%	4.04%	22,709
4 Long Term Rate Stabilization	5,192,203	5,245,329	11%	4.04%	53,126
5 Debt Reserve	-	-	0%	4.04%	-
6 Interest & Sinking Fund	456,650	89,987	0%	4.04%	1,671
7 Emergency, Repair, Replace & Cont. Fund	4,149,888	4,192,349	9%	4.04%	42,461
<b>TOTAL</b>	<b>\$ 46,281,919</b>	<b>\$ 49,012,130</b>	<b>100%</b>		<b>\$ 487,167</b>

**Investments by Security:**

Description	Beginning Balance	Ending Balance	%	Qtrly Rate	Interest Income
	9/30/2025	12/31/2025			
	Book Value and Market Value	Book Value and Market Value	Allocation		(Accrual Basis)
1 TexPool	\$ 5,263,629	\$ 5,316,686	11%	3.99%	\$ 53,057
2 LOGIC	16,177,323	18,156,777	37%	4.09%	174,837
3 Texas CLASS	16,978,296	17,352,160	35%	4.12%	80,791
4 Happy State Bank - Investment	7,862,671	8,186,507	17%	3.83%	178,482
<b>TOTAL</b>	<b>\$ 46,281,919</b>	<b>\$ 49,012,130</b>	<b>100%</b>		<b>\$ 487,167</b>

**Investment Rate Analysis:**

Investment	Quarterly Rate	Monthly Rate		
		October	November	December
Overall Yield	4.04%	4.18%	4.05%	3.91%
1 TexPool	3.99%	4.14%	3.99%	3.83%
2 LOGIC	4.09%	4.24%	4.09%	3.95%
3 Texas CLASS	4.12%	4.28%	4.11%	3.97%
4 Happy State Bank - Investment	3.83%	3.91%	3.86%	3.71%
Comparison Yields:				
Three Month Treasury	3.81%	3.89%	3.88%	3.67%
Six Month Treasury	3.71%	3.79%	3.74%	3.59%



**Kerrville Public Utility Board**  
**Quarterly Investment Report**  
**Quarter Ended December 31, 2025**

**Activity by Fund:**

<b>Investment</b>	<b>Book Value and Market Value 09/30/25</b>	<b>Increases</b>	<b>Decreases</b>	<b>Book Value and Market Value 12/31/25</b>
1 Revenue Fund	32,577,205	10,049,154	(7,087,832)	35,538,527
2 Construction Fund	1,686,519	17,256	-	1,703,775
3 Rate Stabilization Fund	2,219,454	22,709	-	2,242,163
4 Long Term Rate Stabilization	5,192,203	53,126	-	5,245,329
5 Debt Reserve	-			-
6 Interest & Sinking Fund	456,650	134,918	(501,581)	89,987
7 Emergency, Repair, Replace & Cont. Fund	4,149,888	42,461	-	4,192,349
<b>Total Invested Funds</b>	<b>\$ 46,281,919</b>	<b>\$ 10,319,624</b>	<b>\$ (7,589,413)</b>	<b>\$ 49,012,130</b>



KPUB Public Facility Corporation  
Quarterly Investment Report  
Quarter Ended December 31, 2025

**Certification Statement:**

We certify that the information contained herein presents fairly the investment position as of the date reported, and that all investments were made in compliance with the Public Funds Investment Act (Texas Govt Code Chapter 2256) and with KPUB Public Facility Corporation's investment strategy as documented in KPUB Public Facility Corporation's Investment Policy.

Prepared and Attested by:

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Amy Dozier  
Assistant General Manager  
January 12, 2026

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Erin Callan  
Accounting Manager  
January 12, 2026



**KPUB Public Facility Corporation**  
**Quarterly Investment Report**  
**Quarter Ended December 31, 2025**

**Summary Statement**

**Investments by Fund:**

Description	Beginning Balance	Ending Balance	Adjusted Interest Earnings						
	9/30/2025	12/31/2025	Interest	Less: Prior Qtr	Plus: Current Qtr	Adj Interest			
	Book Value and	Book Value and	Received	Accrual	Accrual	Earnings			
	Market Value	Market Value	% Allocation	Qtrly Rate					
1 2025A Debt Service Fund	\$ 1,019	\$ 1,029	0%	3.89%	\$ 10	\$ (3)	\$ 3	\$ 10	
2 2025A Construction Fund	37,522,123	33,186,047	85%	3.89%	364,842	(128,381)	107,472	343,932	
3 2025A Construction Fund Capitalized Interest	6,789,446	5,842,867	15%	3.89%	63,107	(23,056)	18,580	58,631	
4 2025A Construction Fund COI Account	9,295	9,389	0%	3.89%	93	(32)	30	92	
<b>TOTAL</b>	<b>\$ 44,321,883</b>	<b>\$ 39,039,332</b>	<b>100%</b>		<b>\$ 428,052</b>	<b>\$ (151,472)</b>	<b>\$ 126,085</b>	<b>\$ 402,665</b>	

**Investments by Security:**

1 State St Inst US Gov-OPGXX-AAAm rating	\$ 44,321,883	\$ 39,039,332	100%	3.89%	\$ 428,052	\$ (151,472)	\$ 126,085	\$ 402,665
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**Investment Rate Analysis:**

Investment	Quarterly Rate	Monthly Rate		
		October	November	December
Overall Yield	3.89%	4.03%	3.90%	3.74%
State St Inst US Gov-OPGXX-AAAm rating	3.89%	4.03%	3.90%	3.74%
Comparison Yields:				
Three Month Treasury	3.81%	3.89%	3.88%	3.67%
Six Month Treasury	3.71%	3.79%	3.74%	3.59%
TexPool Local Government Investment Pool	3.99%	4.14%	3.99%	3.83%



**KPUB Public Facility Corporation  
Quarterly Investment Report  
Quarter Ended December 31, 2025**

**Activity by Fund:**

<b>Investment</b>	<b>Book Value and Market Value</b>			<b>Book Value and Market Value</b>	
	<b>09/30/25</b>	<b>Increases</b>	<b>Decreases</b>	<b>12/31/25</b>	
1 2025A Debt Service Fund	\$ 1,019	\$ 1,009,695	\$ (1,009,685)	\$ 1,029	
2 2025A Construction Fund	37,522,124	364,842	(4,700,918)	33,186,048	
3 2025A Construction Fund Capitalized Interest	6,789,445	63,107	(1,009,685)	5,842,867	
4 2025A Construction Fund COI Account	9,295	93	-	9,388	
Total Invested Funds	<u>\$ 44,321,883</u>	<u>\$ 1,437,737</u>	<u>\$ (6,720,288)</u>	<u>\$ 39,039,332</u>	

# MEMORANDUM

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

From: Allison Bueché

Date: February 4, 2026

Re: Agenda Item No. 6–Discussion and Action on Scholarship Guidelines and Appointments to the Scholarship Committee

---

KPUB is currently accepting applications for the 2026 Scholarship Program for both undergraduate and trade/technical school students.

Following discussion at last month’s Board meeting, staff met with Board Members Larry Howard and Rachel Johnston to review and refine the scholarship scoring methodology for the judges.

This review focused on ensuring the scoring process continues to align with the Board’s original intent, particularly in light of changes to federal financial aid reporting and evolving economic conditions.

**As a result of that review, the following revisions were made to the judges’ scoring form:**

- **Economic Need:**  
The Student Aid Index (SAI) ranges used to evaluate economic need were revised to more accurately reflect point allocations for applicants from middle-income households.
- **Additional Financial Need Scoring:**  
A new category was added, allowing up to **five (5) points** based on how effectively an applicant responds to the question, *“How are you presently planning to finance your higher education?”*
- **Academic Achievement:**  
The maximum points awarded for academic achievement were reduced from **35 points to 20 points**.
- **Personal Statement:**  
Points allocated to the response for *“Why you should receive this scholarship”* were increased to emphasize clarity of purpose, motivation, and individual circumstances.

- **Activities and Community Involvement:**  
The scoring categories for participation in school-related organizations and demonstrated community involvement were combined into a single section. In addition, **paid employment may be considered equivalent involvement** when evaluating an applicant's commitments and responsibilities.

The revised judges' scoring form is included in the board packet for reference, along with the prior version for comparison.

**Appointments to the Scholarship Committee**

Per the scholarship program guidelines, a selection committee appointed by the KPUB Board of Trustees is responsible for reviewing applications and selecting scholarship recipients and an alternate.

Historically, the committee has included:

- One KPUB Board Member,
- One representative from Kerrville Independent School District (KISD), and
- One representative from Ingram Independent School District (IISD).

**The Board is asked to consider appointments to serve on the 2026 Scholarship Selection Committee.**

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I recommend approval of the revised judges' scoring form and welcome the Board's discussion and feedback on the proposed changes.

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

Sincerely,



Allison Bueché  
Director of Customer & Community  
Relations

# KPUB SCHOLARSHIP EVALUATION FORM

Applicant Number: \_\_\_\_\_

Retired/Old Form

JUDGING CRITERIA	DESCRIPTION	Max Points	JUDGE A	JUDGE B	JUDGE C
Active in school related organizations (Honor Society, Student Council, etc. )	Active = 1 -5 points Very Active = 6 -10 points	10			
Demonstrates community involvement (Volunteer work, civic group or club, etc.)	Active = 1 - 5 points Very Active = 6 - 10 points	10			
Answer to: Why You Should Receive This Scholarship		10			
Academic Achievement (GPA, SAT, ACT)		35			
Economic Need	SAI < \$4995 = 20 points SAI \$4995 - \$7500 = 35 points SAI > \$7500 = 10 points	35			
<b>TOTAL SCORES</b>		<b>100</b>			

AVERAGE TOTAL SCORE \_\_\_\_\_

# KPUB SCHOLARSHIP EVALUATION FORM

Applicant Number: \_\_\_\_\_

Revised February 2026

JUDGING CRITERIA	DESCRIPTION	Max Points	JUDGE A	JUDGE B	JUDGE C
Active in school related organizations, extracurricular activities or community involvement. Paid employment may be considered as equivalent involvement.	Not active / minimal involvement = 0-4 points Active = 5-9 points Very Active = 10-15 points Exceptional involvement = 15-20 points	20			
Answer to "Why you should receive this scholarship"		20			
Answer to "How are you presently planning to finance your higher education"	Significant burden to student = 4-5 points Morderate burden = 2-3 points Limited = 0-1 points	5			
Academic achievement	Grade average 70-79 = 5 points Grade average 80-89 = 10 points Grade average 90-99 = 15 points Grade average 100+ 20 points	20			
Economic need	SAI < \$5,000 = 20 points SAI \$5,000 - \$20,000 = 35 points SAI > \$20,000 = 10 points	35			
<b>TOTAL SCORE</b>		<b>100</b>			

# MEMORANDUM

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

From: Amy Dozier

Date: February 5, 2026

Re: Agenda Item No. 7 – Financial Report

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Attached please find financial statements for the month ended January 31, 2026.

Highlights include:

**KPUB**

- **\$615K increase in net position** on a year-to-date (YTD) basis, which is \$567K lower than budget.
- **\$14.2M in operating revenue** on a YTD basis.
  - Revenues are lower than budget due to a combination of 1) kWh sales that are 5% lower than budget and 2) lower than forecast purchased power cost due lower than forecast natural gas prices in the first quarter of the year. Note that January revenues do not include Winter Storm Fern. Revenues shown are based on amounts billed in January, which represent billing periods ranging from 11/30/25 to 1/20/26. In addition, power cost also lags by one month, so higher costs associated with the winter storm will not be seen until February 2026.
  - Winter Storm Fern (preview of February revenues) – kWh's on a calendar month basis are 29% higher in January 2026 compared to December 2025. This increase is consistent with the 30% revenue increase we have seen in the first 3 billing cycles in February. KPUB's peak demand reached 163,918 kW at 8:00 am on Monday, January 26<sup>th</sup>. This is comparable to KPUB's peak demand of 165,519 kW during Winter Storm Uri, but less than peaks of 172,804 and 170,866 seen in 2024 and 2023.
- **\$408K in Rate Stabilization Transfer** on a YTD basis.

The calculation for January's transfer amount resulted in a negative amount. Pursuant to Resolution 25-22, "if the resulting amount is negative, no transfer shall be made for that month; transfers may resume the following month based on year-to-date calculations."

The negative transfer calculation is primarily due to the timing of capital spending. In particular, capital spending on substations is especially low compared to budget so far this year. Planning for substation projects is underway, and larger expenditures are expected later in the fiscal year. Increased capital spending will result in a positive rate stabilization transfer.

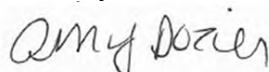
- **\$14.4M in operating expense** on a YTD basis.
  - Operating expense is 8.9% better than budget driven primarily by:
    1. Lower than budget purchased power expense due a combination of kWh purchases that are 5% lower than budget due to lower usage in the first quarter of the fiscal year and lower than forecast natural gas prices leading to unit costs that are 4% lower than budget. Bills for January with increased power prices during Winter Storm Fern will be received and recorded in February.
    2. Administrative expenses are below budget due to a combination of factors primarily related to the timing of payments for outside services, annual KEDC support and a TMRS payment. Many administrative items, such as professional services, are budgeted at an even amount each month, but actually occur as lump sum payments, leading to budget variances that resolve by the end of fiscal year.
- **\$195K in operating loss** on a YTD basis.
- **\$317K in nonoperating income** on a YTD basis.
  - Nonoperating income is \$312K better than budget due to:
    1. An \$80K payment for damages caused by a construction contractor on Holdsworth Dr.
    2. Better than budget interest income due to a higher rate (4.04% actual vs. 3.75% budget in Q1 FY2026) and higher balance (\$48M actual vs. \$43M budget in Q1 FY2026) than budgeted. Interest rates continue to fall as the Federal Reserve cuts the Federal Funds Rate, so interest income is expected to trend towards budget as the year progresses.
    3. Lower than budget City of Kerrville transfer due to lower than budget revenues previously discussed.
- **Our largest FEMA Public Assistance Grant project (\$1.5M in expenses, with 75% reimbursement of \$1.1M) has been moved to “obligated” status.** This is significant progress and means that FEMA will disburse funds for our project to the Texas Division of Emergency Management (TDEM). TDEM has requested additional documentation from KPUB. Once that documentation is submitted and reviewed by TDEM, TDEM will disburse funds to KPUB.
- **\$23.6M in over collection of power cost adjustment** as of 1/31/2026, an **increase of \$0.3M** from the prior month.
  - The billed rate remains at \$105.00 for 1,000 kWh of residential power. In the December monthly survey of 29 Central and South Texas utilities, KPUB’s rate was the 2<sup>nd</sup> lowest. The overall average rate for the 29 utilities is \$128.19.
- **\$49.6M invested** in municipal investment pools and an account at Happy State Bank.
  - The portfolio of investment accounts earned an annualized blended rate of 3.81% in January.

**KPFC**

- **\$42.1M in generation project costs, including capitalized interest, shown as Capital Assets** as of 1/31/26.
- **\$30.9M balance in the Construction Fund** as of 1/31/26, 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 January 31, 2026  
(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)
<b>OPERATING REVENUES</b>							
Residential	\$ 2,086,636	\$ 2,422,004	\$ (335,368)	-13.85%	\$ 1,912,217	\$ 174,418	9.12%
Commercial/Industrial	1,413,116	1,536,416	(123,300)	-8.03%	1,249,967	163,149	13.05%
Sales to Public Authorities	21,877	21,667	211	0.97%	21,847	31	0.14%
Rate Stabilization Transfer	-	262,814	(262,814)	-100.00%	-	-	0.00%
Other	256,251	230,106	26,145	11.36%	247,507	8,744	3.53%
<b>TOTAL OPERATING REVENUES</b>	<b>3,777,880</b>	<b>4,473,007</b>	<b>(695,127)</b>	<b>-15.54%</b>	<b>3,431,538</b>	<b>346,341</b>	<b>10.09%</b>
<b>OPERATING EXPENSES</b>							
Purchased Power	2,387,671	2,717,317	329,646	12.13%	1,996,485	(391,186)	-19.59%
Distribution	303,731	351,153	47,421	13.50%	376,511	72,779	19.33%
Customer Accounts	57,217	67,375	10,158	15.08%	70,158	12,941	18.45%
Customer Service, Informational & Sales	30,392	41,213	10,820	26.25%	24,466	(5,927)	-24.22%
Administrative Expenses	481,894	499,469	17,575	3.52%	459,174	(22,720)	-4.95%
Depreciation & Amortization	386,962	399,576	12,614	3.16%	372,917	(14,046)	-3.77%
<b>TOTAL OPERATING EXPENSES</b>	<b>3,647,868</b>	<b>4,076,102</b>	<b>428,235</b>	<b>10.51%</b>	<b>3,299,710</b>	<b>(348,157)</b>	<b>-10.55%</b>
<b>OPERATING INCOME (LOSS)</b>	<b>130,012</b>	<b>396,905</b>	<b>(266,893)</b>	<b>-67.24%</b>	<b>131,828</b>	<b>(1,816)</b>	<b>-1.38%</b>
<b>NONOPERATING REVENUES (EXP):</b>							
Interest Income-Investments	163,273	132,812	30,462	22.94%	177,903	(14,629)	-8.22%
Interest Income - City of Kerrville	8,571	8,571	0	0.01%	10,715	(2,143)	-20.00%
Interest Expense	(6,971)	(9,047)	2,076	22.95%	(5,961)	(1,009)	-16.93%
City of Kerrville - General Fund Transfer	(118,512)	(138,442)	19,930	14.40%	(108,623)	(9,889)	-9.10%
City of Ingram - Franchise Fee	(2,732)	(3,000)	268	8.93%	(2,735)	3	0.10%
Other - Net	679	1,250	(571)	-45.70%	616	63	10.27%
<b>TOTAL NONOPERATING REVENUES (EXP)</b>	<b>44,309</b>	<b>(7,857)</b>	<b>52,165</b>	<b>663.97%</b>	<b>71,913</b>	<b>(27,605)</b>	<b>-38.39%</b>
<b>INCOME BEFORE CONTRIBUTIONS</b>	<b>174,321</b>	<b>389,048</b>	<b>(214,727)</b>	<b>-55.19%</b>	<b>203,741</b>	<b>(29,421)</b>	<b>-14.44%</b>
<b>CAPITAL CONTRIBUTIONS</b>	<b>78,617</b>	<b>68,333</b>	<b>10,284</b>	<b>15.05%</b>	<b>21,014</b>	<b>57,603</b>	<b>274.12%</b>
<b>CHANGE IN NET POSITION</b>	<b>\$ 252,937</b>	<b>\$ 457,381</b>	<b>\$ (204,444)</b>	<b>-44.70%</b>	<b>\$ 224,755</b>	<b>\$ 28,182</b>	<b>12.54%</b>
<b>NET POSITION AT BEGINNING OF MONTH</b>	<b>\$ 81,061,617</b>				<b>\$ 80,566,856</b>		
<b>NET POSITION AT END OF MONTH</b>	<b>\$ 81,314,555</b>				<b>\$ 80,791,611</b>		



Kerrville Public Utility Board  
Statement of Revenues, Expenses and Changes in Fund Net Position  
For the Month Ended January 31, 2026  
(Unaudited)

	Comparison to Budget				Comparison to Last Year		
	Year to Date	Year to Date Budget Amount	Variance Favorable (Unfavorable)	Percentage Favorable (Unfavorable)	Year to Date Last Year Amount	Variance Favorable (Unfavorable)	Percentage Favorable (Unfavorable)
<b>OPERATING REVENUES</b>							
Residential	\$ 7,536,986	\$ 8,757,863	\$ (1,220,876)	-13.94%	\$ 6,951,173	\$ 585,814	8.43%
Commercial/Industrial	5,788,163	6,497,738	(709,575)	-10.92%	5,318,732	469,431	8.83%
Sales to Public Authorities	87,455	86,666	788	0.91%	87,137	318	0.36%
Rate Stabilization Transfer	407,631	1,012,877	(605,246)	-59.76%	-	407,631	0.00%
Other	387,302	349,744	37,558	10.74%	362,332	24,970	6.89%
<b>TOTAL OPERATING REVENUES</b>	<b>14,207,537</b>	<b>16,704,889</b>	<b>(2,497,352)</b>	<b>-14.95%</b>	<b>12,719,374</b>	<b>1,488,163</b>	<b>11.70%</b>
<b>OPERATING EXPENSES</b>							
Purchased Power	8,912,350	9,771,551	859,200	8.79%	7,733,442	(1,178,908)	-15.24%
Distribution	1,494,546	1,578,560	84,014	5.32%	1,331,958	(162,588)	-12.21%
Customer Accounts	247,036	275,352	28,316	10.28%	272,324	25,289	9.29%
Customer Service, Informational & Sales	166,259	188,671	22,412	11.88%	131,634	(34,625)	-26.30%
Administrative Expenses	2,027,586	2,394,881	367,295	15.34%	1,970,849	(56,737)	-2.88%
Depreciation & Amortization	1,554,470	1,592,306	37,836	2.38%	1,514,448	(40,022)	-2.64%
<b>TOTAL OPERATING EXPENSES</b>	<b>14,402,247</b>	<b>15,801,320</b>	<b>1,399,073</b>	<b>8.85%</b>	<b>12,954,656</b>	<b>(1,447,591)</b>	<b>-11.17%</b>
<b>OPERATING INCOME (LOSS)</b>	<b>(194,710)</b>	<b>903,569</b>	<b>(1,098,279)</b>	<b>-121.55%</b>	<b>(235,283)</b>	<b>40,573</b>	<b>17.24%</b>
<b>NONOPERATING REVENUES (EXP):</b>							
Interest Income-Investments	668,417	531,248	137,169	25.82%	792,566	(124,149)	-15.66%
Interest Income - City of Kerrville	34,286	34,284	2	0.01%	42,857	(8,572)	-20.00%
Interest Expense	(31,230)	(36,189)	4,958	13.70%	(33,680)	2,450	7.27%
City of Kerrville - General Fund Transfer	(449,520)	(517,706)	68,185	13.17%	(406,844)	(42,676)	-10.49%
City of Ingram - Franchise Fee	(10,620)	(12,000)	1,380	11.50%	(10,449)	(171)	-1.64%
Other - Net	105,620	5,000	100,620	2012.40%	(16,031)	121,651	758.85%
<b>TOTAL NONOPERATING REVENUES (EXP)</b>	<b>316,952</b>	<b>4,638</b>	<b>312,314</b>	<b>6734.15%</b>	<b>368,419</b>	<b>(51,467)</b>	<b>-13.97%</b>
<b>INCOME BEFORE CONTRIBUTIONS</b>	<b>122,242</b>	<b>908,207</b>	<b>(785,964)</b>	<b>-86.54%</b>	<b>133,136</b>	<b>(10,894)</b>	<b>-8.18%</b>
<b>CAPITAL CONTRIBUTIONS</b>	<b>492,376</b>	<b>273,332</b>	<b>219,044</b>	<b>80.14%</b>	<b>371,331</b>	<b>121,046</b>	<b>32.60%</b>
<b>CHANGE IN NET POSITION</b>	<b>\$ 614,618</b>	<b>\$ 1,181,539</b>	<b>\$ (566,921)</b>	<b>-47.98%</b>	<b>\$ 504,467</b>	<b>\$ 110,151</b>	<b>21.84%</b>
<b>NET POSITION AT BEGINNING OF YEAR</b>	<b>\$ 80,980,256</b>				<b>\$ 80,395,514</b>		
<b>NET POSITION AT END OF MONTH</b>	<b>\$ 81,594,875</b>				<b>\$ 80,899,981</b>		



Kerrville Public Utility Board  
Balance Sheet  
As of Jan 31, 2026

ASSETS & DEFERRED OUTFLOWS	Jan 31, 2026	Sep 30, 2025	LIABILITIES, DEFERRED INFLOWS & NET POSITION	Jan 31, 2026	Sep 30, 2025
<b>CURRENT ASSETS</b>			<b>CURRENT LIABILITIES</b>		
Revenue Fund:			Current Portion - Bonds Payable	\$ 481,000	\$ 464,000
Cash and Cash Equivalents	\$ 606,660	\$ 1,230,495	Current Portion - Leases Payable	16,353.68	16,353.68
Investments	35,489,261	32,577,205	Current Portion - Subscriptions Payable	320,853.16	320,853.16
Less: Customer Deposits	(522,771)	(535,058)	Current Portion - Compensated Absences	601,089	601,732
Total Revenue Fund	<u>35,573,151</u>	<u>33,272,642</u>	Current Portion - Total OPEB Liability	9,368	9,368
Construction Fund:			Accounts Payable - Net Purchased Power	10,446,404	10,045,827
Cash and Cash Equivalents	6,007	5,931	Accounts Payable and Accrued Liabilities	1,272,605	1,239,232
Investments	1,709,287	1,686,519	Power Cost Adjustment - Over Collected	23,613,802	22,264,314
Total Construction Fund	<u>1,715,294</u>	<u>1,692,450</u>	<b>TOTAL CURRENT LIABILITIES</b>	<u>\$ 36,761,474</u>	<u>\$ 34,961,680</u>
Rate Stabilization Fund:			<b>NONCURRENT LIABILITIES</b>		
Investments	2,249,417	2,219,454	Noncurrent - Bonds Payable	\$ 1,020,000	\$ 1,501,000
Total Rate Stabilization Fund	<u>2,249,417</u>	<u>2,219,454</u>	Noncurrent - Leases Payable	26,350	31,688
Long Term Rate Stabilization Fund:			Noncurrent - Subscriptions Payable	269,378	427,289
Investments	5,849,564	5,192,203	Customer Deposits	522,771	535,058
Total Long Term Rate Stabilization Fund	<u>5,849,564</u>	<u>5,192,203</u>	Noncurrent - Compensated Absences	112,541	112,541
Customer Accounts Receivable, net of allowance	1,923,102	1,867,586	Net Pension Liability	1,935,595	1,935,595
Receivable from KPFC	3,040	2,500	Noncurrent - Total OPEB Liability	271,320	271,320
Unbilled Revenue	2,206,613	2,206,613	<b>TOTAL NONCURRENT LIABILITIES</b>	<u>\$ 4,157,955</u>	<u>\$ 4,814,491</u>
Materials and Supplies	2,587,787	2,576,593	<b>DEFERRED INFLOWS - PENSION AND OPEB</b>	<u>\$ 129,278</u>	<u>\$ 129,278</u>
Deposits with Other Entities	1,461,529	1,445,958	<b>TOTAL LIABILITIES AND DEFERRED INFLOWS</b>	<u>\$ 41,048,707</u>	<u>\$ 39,905,449</u>
Other Current Assets	(0)	17,143	<b>TOTAL NET POSITION</b>	<u>\$ 81,594,875</u>	<u>\$ 80,980,256</u>
Current Portion - Advance to City of Kerrville	1,071,428	1,071,428			
<b>TOTAL CURRENT ASSETS</b>	<u>\$ 54,640,926</u>	<u>\$ 51,564,571</u>			
<b>NONCURRENT ASSETS</b>					
Customer Deposits	\$ 522,771	\$ 535,058			
Texas Energy Fund - Escrow Deposit	5,250,000	5,250,000			
Interest and Sinking Fund	134,980	456,650			
Emergency, Repair, Replace, Contingency Fund	4,205,912	4,149,888			
Noncurrent Advance to City of Kerrville	2,678,573	3,214,287			
Capital Assets, net of Accum Depreciation	53,533,539	53,895,811			
Right to Use Assets, Net of Accum Amortization	39,516	44,967			
Subscription Assets, Net of Accum Amortization	802,536	939,646			
<b>TOTAL NONCURRENT ASSETS</b>	<u>\$ 67,167,828</u>	<u>\$ 68,486,307</u>			
<b>DEFERRED OUTFLOWS - PENSION AND OPEB</b>	<u>\$ 834,828</u>	<u>\$ 834,828</u>			
<b>TOTAL ASSETS &amp; DEFERRED OUTFLOWS OF RESOURCES</b>	<u>\$ 122,643,582</u>	<u>\$ 120,885,706</u>	<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES &amp; NET POSITION</b>	<u>\$ 122,643,582</u>	<u>\$ 120,885,706</u>



Kerrville Public Utility Board  
 Invested Funds Detail  
 For the Month Ended January 31, 2026

Date	Restricted							Total Funds Invested	
	Revenue Fund	Construction Fund	Rate Stabilization Fund	Long Term Rate Stabilization Fund	Debt Reserve Fund	Interest & Sinking Fund	Emergency Repair, Replacement & Contingency Fund		
Beginning Fund Balance	\$ 35,538,527	\$ 1,703,775	\$ 2,242,163	\$ 5,245,329	\$ -	\$ 89,987	\$ 4,192,349	\$ 49,012,130	
Withdrawals:									
Happy Investment - TXHB	01/02/26	(98,138)						(98,138)	
Happy Investment - LCRA	01/02/26	(709,418)						(709,418)	
Happy Investment - TMRS	01/05/26	(101,248)						(101,248)	
Happy Investment - Concho Bluff	01/16/26	(77,126)						(77,126)	
Happy Investment - NextEra	01/20/26	(485,088)						(485,088)	
Happy Investment - CPS	01/22/26	(936,287)						(936,287)	
Happy Investment - ERCOT	01/26/26	(40,497)						(40,497)	
Happy Investment - DG Solar	01/27/26	(28,653)						(28,653)	
Happy Investment - Engie	01/30/26	(60,181)						(60,181)	
Investments:									
Happy Investment	01/02/26	250,000						250,000	
Happy Investment	01/09/26	725,000						725,000	
Happy Investment	01/16/26	175,000						175,000	
Happy Investment	01/23/26	1,015,000						1,015,000	
Happy Investment	01/30/26	252,857						252,857	
Fund Balance after Withdrawals & Investments		35,419,748	1,703,775	2,242,163	5,245,329	-	89,987	4,192,349	48,893,352
Allocation of:									
Interest Income	01/31/26	114,211	5,512	7,254	17,092	-	296	13,563	157,928
Total Interest Allocation		114,211	5,512	7,254	17,092	-	296	13,563	157,928
Fund Balance After Allocations		35,533,959	1,709,287	2,249,417	5,262,421	-	90,283	4,205,912	49,051,280
Interfund Transfers :									
COK Debt Repayment	01/30/26				587,143				587,143
Debt Service	01/31/26	(44,698)					44,698		-
Ending Fund Balance		\$ 35,489,261	\$ 1,709,287	\$ 2,249,417	\$ 5,849,564	\$ -	\$ 134,980	\$ 4,205,912	\$ 49,638,423



Kerrville Public Utility Board  
Debt Ratios  
For the Month Ended January 31, 2026

**DEBT SERVICE COVERAGE RATIO:**

Description	Current Month	Fiscal Year	Previous 12 Months
CHANGE IN NET POSITION	\$ 252,937	\$ 614,618	\$ 694,893
PLUS:			
Interest Expense (net of amortizations)	6,971	31,230	105,856
Depreciation & Amortization Expense	386,962	1,554,470	4,612,894
Numerator	646,871	2,200,319	5,413,644
DIVIDED BY:			
Interest Expense (net of amortizations)	6,971	31,230	105,856
Principal Payment Due	68,184	272,736	818,207
Denominator	\$ 75,155	\$ 303,966	\$ 924,063
<b>DEBT SERVICE COVERAGE RATIO</b>	<b>8.61</b>	<b>7.24</b>	<b>5.86</b>

Minimum Requirement per Bond Covenant 1.35 times Debt Service

**DAYS CASH ON HAND (AS OF MONTH END):**

NUMERATOR (INCLUDES CASH AND INVESTMENTS):

Revenue Fund	\$ 35,573,151
Construction Fund	1,715,294
Rate Stabilization Fund	2,249,417
Long Term Rate Stabilization Fund	5,849,564
Emergency, Repair, Replace, Contingency Fund	4,205,912
<b>Total Cash and Cash Equivalents (A)</b>	<b>\$ 49,593,339</b>

DENOMINATOR:

Fiscal Year-to-Date Operating Expense	\$ 14,402,247
Less: Fiscal Year-to-Date Depreciation	1,554,470
<b>Adjusted Operating Expense (B)</b>	<b>\$ 12,847,777</b>

NUMBER OF DAYS ELAPSED IN FISCAL YEAR (C) 123

**DAYS CASH ON HAND (= A / B \* C) 475**

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

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

NUMERATOR:

Fiscal Year-to-Date Operating Income	\$ (194,710)
Less: City of Kerrville and Ingram Transfers	(460,140)
Plus: 50% of PPA Expense	3,058,235
Plus: Fiscal Year-to-Date Depreciation	1,554,470
Plus: Fiscal Year-to-Date Interest Income - Investments	668,417
Plus: Fiscal Year-to-Date Capital Contributions	492,376
<b>Total Numerator (D)</b>	<b>\$ 5,118,648</b>

DENOMINATOR:

50% of PPA Expense	\$ 3,058,235
Fiscal Year Debt Service (Cash Basis)	501,581
Fiscal Year Debt Service Receivable (Cash Basis)	(1,167,858)
<b>Total Denominator (E)</b>	<b>\$ 2,391,957</b>

**FIXED CHARGE COVERAGE RATIO (= D / E) 2.1**

**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 January 31, 2026  
 (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
<b>OPERATING REVENUES:</b>							
Sales of Electricity - Power Agreements	\$ -	\$ -	\$ -	-	\$ -	\$ -	-
<b>TOTAL OPERATING REVENUES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>OPERATING EXPENSES:</b>							
Administrative Expenses	-	4,167	4,167	100.00%	-	-	-
<b>TOTAL OPERATING EXPENSES</b>	<b>-</b>	<b>4,167</b>	<b>4,167</b>	<b>100.00%</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>OPERATING INCOME (LOSS)</b>	<b>-</b>	<b>(4,167)</b>	<b>4,167</b>	<b>100.00%</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NONOPERATING REVENUES (EXP):</b>							
Interest Income - Investments	246,215	75,272	170,943	227.10%	-	246,215	
Interest Expense	(319,088)	(319,098)	10	0.00%	-	(319,088)	
Allowance for Borrowed Funds during Construction	318,838	318,848	(9)	0.00%	-	318,838	
Debt Issuance Cost Refund	540	-	540		-	540	
Amortization - Debt Premium	13,693	13,693	-	0.00%	-	13,693	
<b>TOTAL NONOPERATING REVENUES (EXP)</b>	<b>260,199</b>	<b>88,716</b>	<b>171,484</b>	<b>193.30%</b>	<b>-</b>	<b>260,199</b>	
<b>INCOME BEFORE CONTRIBUTIONS</b>	<b>260,199</b>	<b>84,549</b>	<b>175,650</b>	<b>207.75%</b>	<b>-</b>	<b>260,199</b>	
<b>CAPITAL CONTRIBUTIONS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>CHANGE IN NET POSITION</b>	<b>\$ 260,199</b>	<b>\$ 84,549</b>	<b>\$ 175,650</b>	<b>207.75%</b>	<b>\$ -</b>	<b>\$ 260,199</b>	
<b>NET POSITION AT BEGINNING OF MONTH</b>	<b>\$ (567,564)</b>				<b>\$ -</b>		
<b>NET POSITION AT END OF MONTH</b>	<b>\$ (307,365)</b>				<b>\$ -</b>		



Kerrville Public Utility Board Public Facility Corporation  
 Statement of Revenues, Expenses and Changes in Fund Net Position  
 For the Month Ended January 31, 2026  
 (Unaudited)

	Comparison to Budget				Comparison to Last Year		
	Year to Date	Year to Date Budget Amount	Variance Favorable (Unfavorable)	Percentage Variance	Year to Date Last Year Amount	Variance Favorable (Unfavorable)	Percentage Variance
<b>OPERATING REVENUES:</b>							
Sales of Electricity - Power Agreements	\$ -	\$ -	\$ -		\$ -	\$ -	
<b>TOTAL OPERATING REVENUES</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>	<b>-</b>	
<b>OPERATING EXPENSES:</b>							
Administrative Expenses	-	16,667	16,667	100.00%	\$ -	-	
<b>TOTAL OPERATING EXPENSES</b>	<b>-</b>	<b>16,667</b>	<b>16,667</b>	<b>100.00%</b>	<b>-</b>	<b>-</b>	
<b>OPERATING INCOME (LOSS)</b>	<b>-</b>	<b>(16,667)</b>	<b>16,667</b>	<b>100.00%</b>	<b>-</b>	<b>-</b>	
<b>NONOPERATING REVENUES (EXP):</b>							
Interest Income - Investments	522,819	305,157	217,662	71.33%	-	522,819	
Interest Expense	(1,294,105)	(1,294,105)	-	0.00%	-	(1,294,105)	
Allowance for Borrowed Funds during Construction	1,293,105	1,293,105	-	0.00%	-	1,293,105	
Debt Issuance Cost Refund	540	-	540		-	540	
Amortization - Debt Premium	54,773	54,773	-	0.00%	-	54,773	
<b>TOTAL NONOPERATING REVENUES (EXP)</b>	<b>577,133</b>	<b>358,930</b>	<b>218,202</b>	<b>60.79%</b>	<b>-</b>	<b>577,133</b>	
<b>INCOME BEFORE CONTRIBUTIONS</b>	<b>577,133</b>	<b>342,264</b>	<b>234,869</b>	<b>68.62%</b>	<b>-</b>	<b>577,133</b>	
<b>CAPITAL CONTRIBUTIONS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$ -</b>	<b>-</b>	
<b>CHANGE IN NET POSITION</b>	<b>\$ 577,133</b>	<b>\$ 342,264</b>	<b>\$ 234,869</b>	<b>68.62%</b>	<b>\$ -</b>	<b>\$ 577,133</b>	<b>-</b>
<b>NET POSITION AT BEGINNING OF YEAR</b>	<b>\$ (739,682)</b>				<b>\$ -</b>		
<b>NET POSITION AT END OF YEAR</b>	<b>\$ (162,549)</b>				<b>\$ -</b>		



Kerrville Public Utility Board Public Facility Corporation  
Balance Sheet  
As of January 31, 2026

ASSETS	Jan 31, 2026	Sep 30, 2025	LIABILITIES & NET POSITION	Jan 31, 2026	Sep 30, 2025
<b>CURRENT ASSETS</b>			<b>CURRENT LIABILITIES</b>		
Revenue Fund:			Accrued Interest - 2025A	\$ 1,136,969	\$ 853,548
Cash and Cash Equivalents	\$ 3,091	\$ 2,517	Accounts Payable	3,040	1,109,510
Total Revenue Fund	<u>3,091</u>	<u>2,517</u>	<b>TOTAL CURRENT LIABILITIES</b>	<u>\$ 1,140,009</u>	<u>\$ 1,963,058</u>
Construction Fund:			<b>NONCURRENT LIABILITIES</b>		
Cash and Cash Equivalents	30,861,081	37,531,419	Accrued Interest - 2025B	1,674	674
Total Construction Fund	<u>30,861,081</u>	<u>37,531,419</u>	Bonds Payable	74,495,000	74,495,000
Capitalized Interest Fund:			Bond Premium	3,491,807	3,546,580
Cash and Cash Equivalents	5,861,447	6,789,445	<b>TOTAL NONCURRENT LIABILITIES</b>	<u>\$ 77,988,481</u>	<u>\$ 78,042,254</u>
Total Capitalized Interest Fund	<u>5,861,447</u>	<u>6,789,445</u>	<b>TOTAL LIABILITIES AND DEFERRED INFLOWS</b>	<u>\$ 79,128,490</u>	<u>\$ 80,005,312</u>
Interest and Sinking Fund:			<b>TOTAL NET POSITION</b>	<u>\$ (162,549)</u>	<u>\$ (739,682)</u>
Cash and Cash Equivalents	1,573	1,019			
Total Interest and Sinking Fund	<u>1,573</u>	<u>1,019</u>			
Accrued Interest Receivable	120,121	151,472			
<b>TOTAL CURRENT ASSETS</b>	<u>\$ 36,847,313</u>	<u>\$ 44,475,872</u>			
<b>NONCURRENT ASSETS</b>					
Capital Assets, Nondepreciable	42,118,628	34,789,758			
<b>TOTAL NONCURRENT ASSETS</b>	<u>\$ 42,118,628</u>	<u>\$ 34,789,758</u>			
<b>TOTAL ASSETS</b>	<u>\$ 78,965,941</u>	<u>\$ 79,265,630</u>	<b>TOTAL LIABILITIES &amp; NET POSITION</b>	<u>\$ 78,965,941</u>	<u>\$ 79,265,630</u>

<b>KERRVILLE PUBLIC UTILITY BOARD</b>	
<b>BOARD POLICY 13</b>	
Title: Use and Funding of Policy Advocates	Resolution No. 26-05
Effective Date: February 11, 2026	
Replaces: N/A	

**13.00 PURPOSE**

The purpose of this policy is to establish the processes and funding requirements to fully comply with Texas Government Code Section 556.0055 or its successor statute, prohibiting payments for certain lobbying expenses using state funds. For purposes of this Board Policy, the term “policy advocate” is intended to include all items listed in Texas Government Code Section 556.0055(a)(1)-(4).

**13.10 NO STATE FUNDS**

- At no time will any funds received from the State of Texas be used to pay a person or entity that has been hired to represent KPUB, KPFC, any association, or other entity for the purpose of affecting the outcome of legislation, agency rules, ordinances, or other government policies.
- At no time will any funds received directly or indirectly from the State of Texas be used directly or indirectly to pay any of the prohibited items listed in Texas Government Code Section 556.0055(a), or its successor statute.

**13.20 ACCOUNTING OF STATE FUNDS**

All state funds received, other than funds received for utility services provided, shall be accounted for in separate general ledger accounts distinct from non-state funds. Non-state funds used to pay any expense listed in Texas Government Code Section 556.0055(a) shall not be comingled in the same general ledger account with state funds, with the exception of state funds received for utility services provided.

**13.30 INDEPENDENT CONTRACTOR**

A person described in Texas Government Code 556.0055(a)(1)-(4) may only be engaged as an independent contractor and shall not be employed as an employee. All payments to such independent contractor shall be made exclusively from non-state funds.

Approved as to Form:

\_\_\_\_\_  
Stephen Schulte, Counsel

Recommended for Board Approval

\_\_\_\_\_  
Michael Wittler, General Manager & CEO

PASSED, APPROVED AND ADOPTED this \_\_\_\_ day of \_\_\_\_\_, 2026

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

ATTEST:

\_\_\_\_\_  
Rachel Johnston, Secretary

**RESOLUTION NO. 26-07**

**A RESOLUTION OF THE KERRVILLE PUBLIC UTILITY BOARD ADOPTING BOARD POLICY NUMBER 13 USE AND FUNDING OF POLICY ADVOCATES**

**WHEREAS**, the Kerrville Public Utility Board of Trustees has adopted a Policies and Procedures Manual to maintain policies and procedures established by the Board of Trustees and the General Manager to direct action of the Trustees, Officers and staff and set policies for the operation of the system; and

**WHEREAS**, in the performance of managing and operating the system it is necessary from time to time to review such policies and amend or add to such policies as needed; and

**WHEREAS**, Board Policy Number 13 was proposed by the General Manager on February 11, 2026, for adoption; and

**WHEREAS**, the Board of Trustees has given due deliberation and consideration of the proposed Board Policy;

**NOW THEREFORE,**

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

**Section 1.** That BOARD POLICY 13 USE AND FUNDING OF POLICY ADVOCATES attached hereto is hereby adopted by the Board and is incorporated into the Policies and Procedures Manual.

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

**PASSED, APPROVED, AND ADOPTED this 11<sup>th</sup> day of February 2026**

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**Bill Thomas, Chairman**

**ATTEST:**

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**Rachel Johnston, Secretary**

<b>KERRVILLE PUBLIC UTILITY BOARD PUBLIC FACILITY CORPORATION</b>	
<b>BOARD POLICY 13</b>	
Title: Use and Funding of Policy Advocates	Resolution No. 26-02
Effective Date: February 11, 2026	
Replaces: N/A	

**13.00 PURPOSE**

The purpose of this policy is to establish the processes and funding requirements to fully comply with Texas Government Code Section 556.0055 or its successor statute, prohibiting payments for certain lobbying expenses using state funds. For purposes of this Board Policy, the term “policy advocate” is intended to include all items listed in Texas Government Code Section 556.0055(a)(1)-(4).

**13.10 NO STATE FUNDS**

- At no time will any funds received from the State of Texas be used to pay a person or entity that has been hired to represent KPUB, KPFC, any association, or other entity for the purpose of affecting the outcome of legislation, agency rules, ordinances, or other government policies.
- At no time will any funds received directly or indirectly from the State of Texas be used directly or indirectly to pay any of the prohibited items listed in Texas Government Code Section 556.0055(a), or its successor statute.

**13.20 ACCOUNTING OF STATE FUNDS**

All state funds received shall be accounted for in separate general ledger accounts distinct from non-state funds. Non-state funds used to pay any expense listed in Texas Government Code Section 556.0055(a) shall not be comingled in the same general ledger account with state funds.

**13.30 INDEPENDENT CONTRACTOR**

A person described in Texas Government Code 556.0055(a)(1)-(4) may only be engaged as an independent contractor and shall not be employed as an employee. All payments to such independent contractor shall be made exclusively from non-state funds.

**Recommended for Board Approval** \_\_\_\_\_  
Executive Director

**Passed, Approved and Adopted this** \_\_\_\_\_ **day of** \_\_\_\_\_, **2026**

\_\_\_\_\_  
Bill Thomas, President

**RESOLUTION NO. 26-02**

**A RESOLUTION OF THE KERRVILLE PUBLIC UTILITY BOARD PUBLIC FACILITY CORPORATION ADOPTING BOARD POLICY NUMBER 13 USE AND FUNDING OF POLICY ADVOCATES**

**WHEREAS**, the Kerrville Public Utility Board Public Facility Corporation Board of Trustees has adopted a Policies and Procedures Manual to maintain policies and procedures established by the Board of Trustees and the General Manager to direct action of the Trustees, Officers and staff and set policies for the operation of the system; and

**WHEREAS**, in the performance of managing and operating the system it is necessary from time to time to review such policies and amend or add to such policies as needed; and

**WHEREAS**, Board Policy Number 13 was proposed by the General Manager on February 11, 2026, for adoption; and

**WHEREAS**, the Board of Trustees has given due deliberation and consideration of the proposed Board Policy;

**NOW THEREFORE,**

**BE IT RESOLVED BY THE KERRVILLE PUBLIC UTILITY BOARD PUBLIC FACILITY CORPORATION:**

**Section 1.** That BOARD POLICY 13 USE AND FUNDING OF POLICY ADVOCATES attached hereto is hereby adopted by the Board and is incorporated into the Policies and Procedures Manual.

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

**PASSED, APPROVED, AND ADOPTED this 11<sup>th</sup> day of February 2026**

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**Bill Thomas, President**

**ATTEST:**

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**Rachel Johnston, Secretary**