November 05, 2026

OFFICIAL NOTICE

OF A

SPECIAL CALLED MEETING

The Kerrville Public Utility Board (KPUB) and Kerrville Public Utility Board Public Facility Corporation (KPFC) will hold a Special Called Meeting on Wednesday, November 11, 2026, beginning at 7:30 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

Lidia S. Goldthorn, Assistant Secretary

AGENDA
KERRVILLE PUBLIC UTILITY BOARD (KPUB) AND
KERRVILLE PUBLIC UTILITY BOARD PUBLIC FACILITY CORPORATION (KPFC)
SPECIAL JOINT CALLED MEETING
WEDNESDAY, NOVEMBER 11, 2026, 7:30 A.M.
KPUB CONFERENCE ROOM
KERRVILLE PUBLIC UTILITY BOARD OFFICES
2250 MEMORIAL BLVD.
KERRVILLE, TEXAS

1. CALL TO ORDER

2. 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, KPUB and KPFC may 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

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

4. DISCUSSION AND POSSIBLE ACTION ON DIRECTORS AND OFFICERS LIABILITY INSURANCE (KPUB and KPFC) – AMY DOZIER, ASSISTANT GENERAL MANAGER: 1

5. ADJOURNMENT

MEMORANDUM

To: Glenn Andrew
Rachel Johnston
Larry Howard
David Sprouse
Mayor Joe Herring, Jr.

From: Amy Dozier

Date: November 5, 2026

Re: Agenda Item No. 4 – Directors & Officers Liability Insurance

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In 2024, KPUB worked with our insurance broker, Alliant, to obtain Directors and Officers (D&O) Liability Insurance covering Board members in their roles with both KPUB and KPFC. The Board approved a primary policy with a $5 million aggregate limit of liability and an excess policy providing an additional $5 million in aggregate coverage, for a combined limit of $10 million.

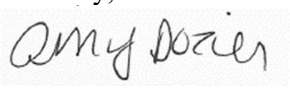
The initial policies became effective November 20, 2024, and were renewed for an additional year on November 20, 2025. The current policies expire November 20, 2026. The proposed renewal costs are as follows:

Primary Policy - AEGIS	$ 67,931.00
Excess Policy - Sompo	27,000.00
Surplus Lines Tax	3,321.82
Stamping Fee	27.17
Total	$ 98,279.99

Alliant has prepared the attached proposal with information about the coverage and renewal.

This item was placed on the agenda before the final renewal cost was available in the event it exceeded $100,000 and required Board approval. The final renewal cost has since been received and is below the $100,000 threshold; therefore, Board approval is not required. However, I wanted to provide the Board with an update and am happy to answer any questions regarding the coverage or renewal.

Sincerely,



Amy Dozier
Assistant General Manager

Kerrville Public Utility Board

Management Liability Insurance Proposal

Alliant Insurance Services
www.alliant.com



2025-2026 Expiring Management Liability Insurance Program

Insurer	Insuring Agreement	Aggregate Limit of Liability	Retention (each Claim)	Premium
AEGIS	Directors & Officers Liability	$5,000,000	$100,000	$68,749
Sompo	Excess Side-A Liability	$5,000,000		$27,000

**Premiums do not include SL taxes/fees*

Additional Program Notes:

- $250,000 Investigative Expense Limit
- $76 AEGIS Continuity Credit

2026-2027 Proposed Management Liability Insurance Program

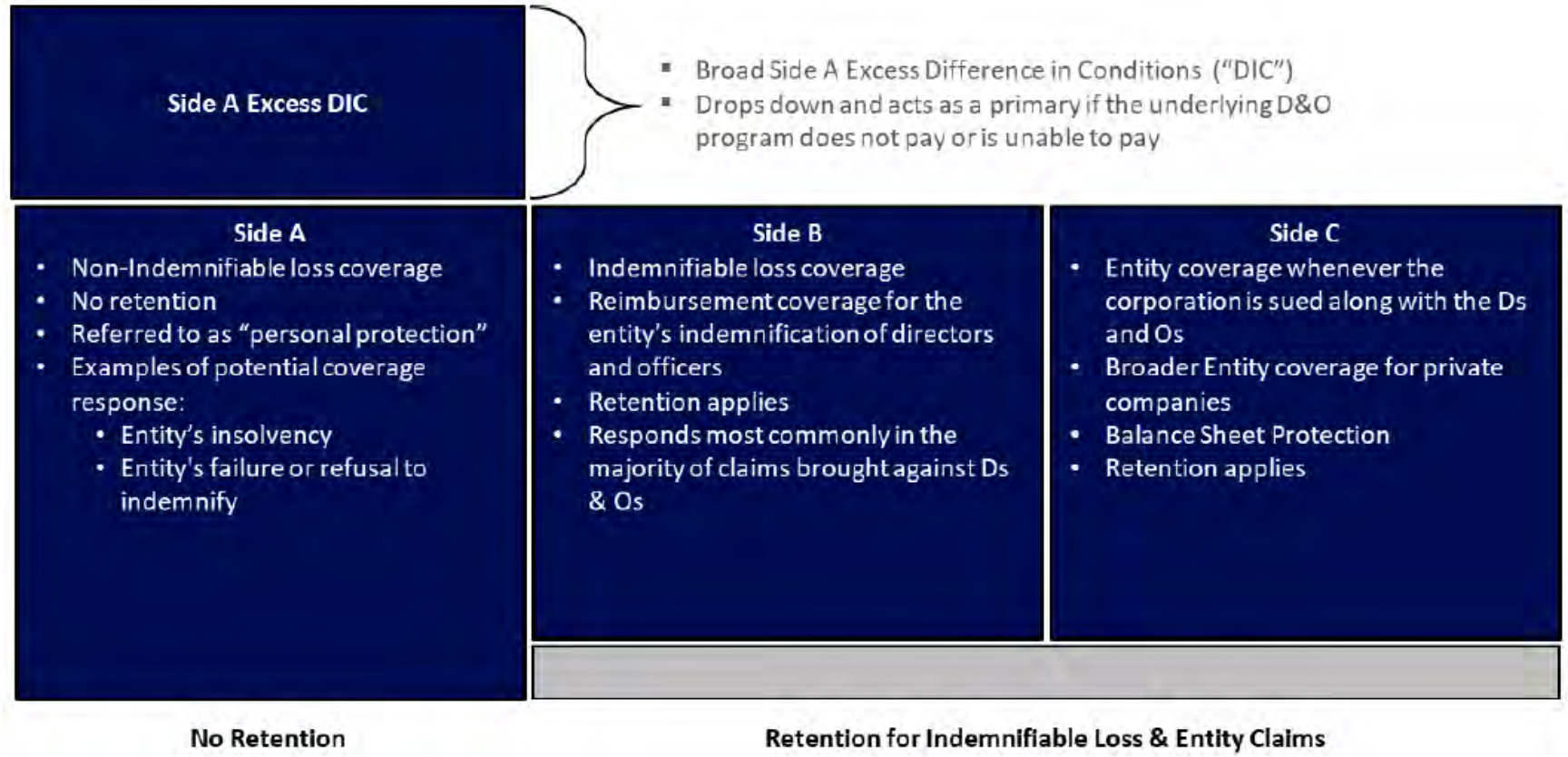
Insurer	Insuring Agreement	Aggregate Limit of Liability	Retention (each Claim)	Premium
AEGIS	Directors & Officers Liability	$5,000,000	$100,000	$67,931
Sompo	Excess Side-A Liability	$5,000,000		$27,000

**Premiums do not include SL taxes/fees*

Additional Program Notes:

- AEGIS initially proposed a 2% premium increase, which we successfully negotiated down to a flat renewal. The 2% increase will instead be applied at the 2027 renewal.
- $250,000 Investigative Expense Limit
- $894 AEGIS Continuity Credit Included

D&O Insurance Coverage Parts



Terms & Conditions

Insurer:
AEGIS Insurance Services, Inc.
(Non-Admitted)

Insuring Agreement:
Directors & Officers Liability

Policy Period:
11/20/2026 to 11/20/2027

Policy Form:
AEGIS Primary Directors and Officers Liability Insurance Policy

Coverage:
Claims Made and Reported

Territory:
Worldwide

Endorsements

- 1. MEMBER WITH VOTING RIGHTS ENDORSEMENT 6583 (10/2010)
- 2. OFAC EXCLUSION 6853 (01/2015)
- 3. TERRORISM ENDORSEMENT 6639 (06/2018)
- 4. INSURING AGREEMENT (C) AMENDED (Broad Entity Coverage) 6929 (04/2026)
- 5. OUTSIDE ORGANIZATION COVERAGE AMENDED (Blanket For-Profit and Not-For-Profit with Exceptions) 6847 (01/2015)
- 6. DEFINITION (I) INDEMNITY AMENDED (Fines and Penalties Most Favorable Venue) 6859 (03/2020)
- 7. DEFINITION (I) INDEMNITY AMENDED (Plaintiffs' Fees Award) 6860 (03/2020)
- 8. EXCLUSIONS AMENDED (That Portion of Claim) 6871 (03/2020)
- 9. EXCLUSION (G) AMENDED (Given and Accepted) 6879 (03/2020)
- 10. EXCLUSION (L) AMENDED (Remove Absolute Lead-In) 6910 (04/2020)
- 11. REPRESENTATIONS AND SEVERABILITY AMENDED (Fully Severable and Non-Rescindable) 6875 (07/2015)
- 12. CONDITION (M) CANCELLATION AMENDED (Pro Rata Cancellation) 6843 (11/2014)
- 13. CONDITION (Q) CONSTRUCTION AMENDED (Silent on Jurisdiction) 6844 (01/2015)

ALL TERMS, CONDITIONS, LIMITS, SUBLIMITS, EXCLUSIONS & DEDUCTIBLES IDENTIFIED HEREIN ARE INCLUDED AS A SUMMARY OF THE COVERAGE PROVIDED. THE ACTUAL POLICIES INCLUDE, BUT NOT LIMITED TO, ALL THE HIGHLIGHTED FEATURES.

Terms & Conditions

Insurer:
Endurance Assurance Corporation
(Admitted)

Insuring Agreement:
Directors & Officers Side A Liability

Policy Period:
11/20/2026 to 11/20/2027

Policy Form:
Directors and Officers Difference in Conditions Liability
Form Number: ADC 2001 0621

Coverage:
Claims Made and Reported

Territory:
Worldwide

Endorsements

- Texas - Important Notice
- Side A Difference-In-Conditions Insurance Policy Declarations
- Side A Difference-In-Conditions Insurance Policy
- Schedule of Forms
- Pending or Prior Claim Exclusion Endorsement
- Texas Changes Endorsement
- Cap on Losses from Certified Acts of Terrorism
- Disclosure Pursuant to Terrorism Risk Insurance Act
- Energy Premier Enhancement Endorsement
- U.S. Treasury Department's Office of Foreign Assets Control (OFAC)
- Signature Page

ALL TERMS, CONDITIONS, LIMITS, SUBLIMITS, EXCLUSIONS & DEDUCTIBLES IDENTIFIED HEREIN ARE INCLUDED AS A SUMMARY OF THE COVERAGE PROVIDED. THE ACTUAL POLICIES INCLUDE, BUT NOT LIMITED TO, ALL THE HIGHLIGHTED FEATURES.

Appendix

Management Liability Insurance Coverages

DIRECTORS & OFFICERS LIABILITY (D&O)

D&O coverage is designed to protect the personal assets of any past, present or future director, officer, partner, member, employee or advisory committee member ("individual insured") against losses arising from an actual or alleged act or omission, error, misstatement, misleading statement, neglect or breach of duty in exercising his/her duties.

- **Side A Coverage:** (individual coverage for non-indemnified claims) protects individual insured where the organization is unable to indemnify them, normally due to State indemnification laws or insolvency of the company.
- **Side B Coverage:** (individual coverage for indemnified claims) provides reimbursement to the company for claims that the insured entity indemnifies on behalf of the targeted individual insured.
- **Side C Coverage:** (entity coverage) protects the company from claims naming the entity itself in litigation. The law often imputes a greater duty to the corporate entity and the company often bears a share of any loss.

EMPLOYMENT PRACTICES LIABILITY (EPL)

Protects the Insureds against losses arising from any actual or alleged wrongful termination, discrimination, sexual harassment or other violation of statutory or common law relating to employment. This would respond to employment defamation or retaliation claims – and provides coverage for mental anguish or emotional distress associated with the above allegations, as well. Many EPL policies also include Third Party Coverage, which covers claims brought by customers, clients, and other non-employees for allegations similarly covered for First Part claims.

FIDUCIARY LIABILITY

Protects Insureds against losses resulting from "Breaches of Fiduciary Duty" in the Insured's capacity as fiduciary of plans subject to Employee Retirement Income Security Act of 1974 (ERISA), or any common law relating to any Employee Benefit Plan.

CRIME

Covers dishonest or fraudulent acts committed by employees against the Insured Entity, and can be tailored to respond to various forgery, fraud or theft actions against the Insured Entity.

Key Exclusionary Language

Directors & Officers Liability insurance policies generally include the following basic exclusions:

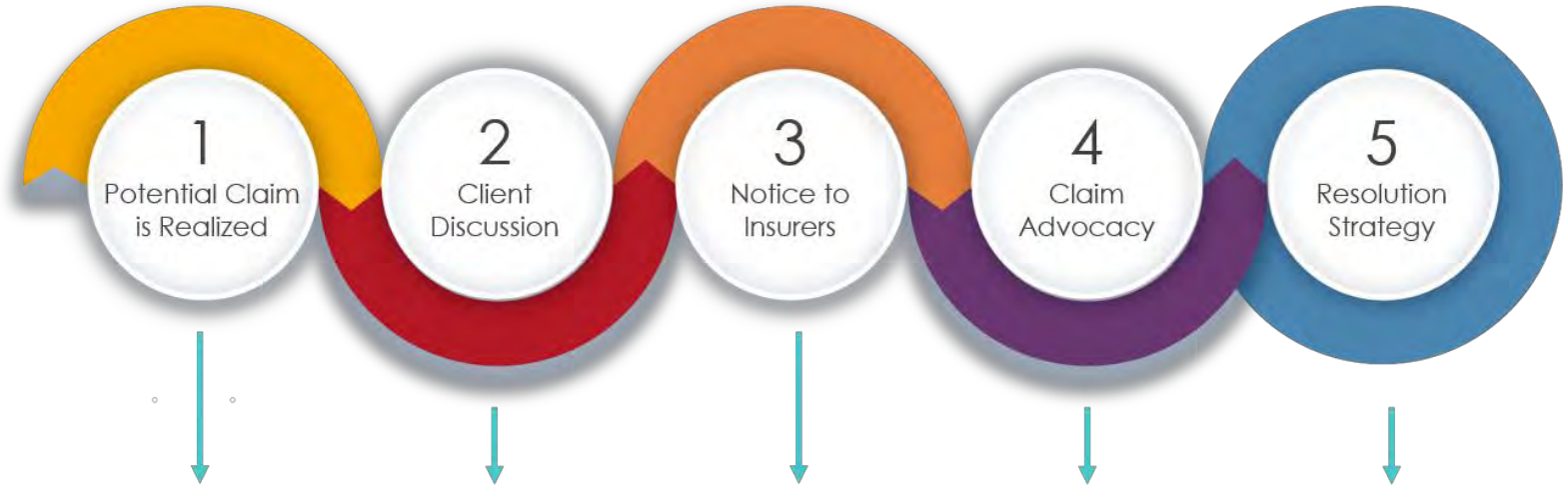
- Fraud and Personal Profit
- Bodily Injury / Property Damage
- Breach of Contract
- One insured suing another insured
- Professional Services
- Product Defect
- Antitrust
- Inadequate Consideration
- False Advertising / Unfair Trade Practices
- ERISA
- Pollution
- Cyber

This list is not all inclusive. Please refer to the policy and ask your broker for assistance in interpreting the exclusionary language and possible carvebacks

In many cases, these exclusions can be modified to limit the carrier's ability to invoke them. These "carvebacks" to the exclusionary language include:

- Coverage for claims brought by securityholders
- Coverage for non-indemnifiable claims
- Modifying language so that the exclusion only applies to the entity and not the individual directors & officers
- Coverage for defense costs

Claims Process



A circumstance arises that could result in a claim or demand made against a client (i.e. inquiry, request for documents, subpoena, wells notice, investigation, etc.)

Client notifies Alliant and provides full details of the potential claim/claim.

Alliant conducts an introductory call with the client to discuss the notification process and anticipated carrier response to coverage.

Alliant's Claim Team works with the client and/or clients counsel to draft a notice letter for submission to insurance providers.

Once authorized by client, Alliant notifies all applicable insurers and verifies the notice has been received.

Alliant works with the carrier to ensure that the client receives the maximum benefit of coverage afforded to them under their policy including leveraging our relationships, where appropriate, to achieve an appropriate outcome for the client.

Alliant continues to monitor the progress of the claim while working with the insurer towards an appropriate resolution of the claim.

Insurance Carrier Ratings (6/2026)

January 2026	A.M. Best			S&P Credit		S&P		Moody's		Fitch	
Insurance Markets	Rating	Outlook	Financial Size	Rating	Outlook	Rating	Outlook	Rating	Outlook	Rating	Outlook
AIG	A	Stable	XV	A+	Positive	A+	Positive	A1	Stable	AA-	Stable
Allianz	A+	Stable	XV	AA	Stable	AA	Stable	Aa3	Stable	AA	Stable
Allied World Assurance Company	A+	Stable	XV	AA-	Stable	AA-	Stable	A2	Stable	N/A	N/A
Arch	A+	Stable	XV	AA-	Stable	AA-	Stable	A1	Stable	AA-	Stable
Argo	A-	Stable	XIV	A-	Negative	A-	Negative	N/A	N/A	N/A	N/A
Ascot	A	Stable	XIV	A	Stable	A	Stable	N/A	N/A	A+	Stable
AXA XL	A+	Stable	XV	AA-	Positive	AA-	Positive	Aa2	Stable	AA-	Stable
Axis	A	Stable	XV	A+	Stable	A+	Stable	N/A	N/A	AA-	Stable
Balance Partners (Fair American)	A++	Stable	XV	AA+	Stable	AA+	Stable	N/A	N/A	N/A	N/A
Berkley	A+	Stable	XV	AA-	Positive	AA-	Positive	A1	Stable	AA-	Stable
Berkshire Hathaway	A++	Stable	XV	AA+	Stable	AA+	Stable	Aa2	Stable	AA+	Stable
Bowhead	A	Stable	XV	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Canopius (Lloyd's)	A-	Stable	XIV	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Chubb	A++	Stable	XV	AA	Stable	AA	Stable	Aa2	Stable	AA	Stable
C N A	A+	Stable	XV	A+	Stable	A+	Stable	A2	Positive	A+	Stable
Crum & Forster	A+	Stable	XV	AA-	Stable	AA-	Stable	A3	Stable	N/A	N/A
Everest	A+	Stable	XV	A+	Stable	A+	Stable	A1	Stable	N/A	N/A
Falcon (HDI Global Ins. Co.)	A+	Stable	XV	AA-	Stable	AA-	Stable	N/A	N/A	N/A	N/A
Great American	A+	Stable	XV	A+	Stable	A+	Stable	A1	Stable	N/A	N/A
Hartford	A+	Stable	XV	AA-	Stable	AA-	Stable	Aa3	Stable	N/A	N/A
ICI Mutual	A	Stable	IX	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Intact Insurance Co.	A+	Stable	XV	N/A	N/A	N/A	N/A	Aa3	Stable	AA-	Stable
Ironshore	A	Stable	XIV	A	Stable	A	Stable	A2	Stable	A+	Stable
Liberty	A	Stable	XIV	A	Stable	A	Stable	A2	Stable	A+	Stable
Markel	A	Stable	XV	A	Stable	A	Stable	A2	Stable	N/A	N/A
Nationwide	A	Stable	XV	A+	Stable	A+	Stable	A2	Stable	N/A	N/A
Old Republic	A+	Stable	XV	A+	Stable	A+	Stable	A2	Stable	N/A	N/A
QBE	A	Stable	XV	AA-	Stable	AA-	Stable	N/A	N/A	AA-	Stable
Sompo	A+	Stable	XV	A+	Stable	A+	Stable	A1	Stable	N/A	N/A
Starr	A	Stable	XV	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Tokio Marine (HCC)	A++	Stable	XV	A+	Stable	A+	Stable	N/A	N/A	AA-	Stable
Travelers	A++	Stable	XV	AA	Stable	AA	Stable	Aa2	Stable	AA	Stable
Vantage	A-	Stable	X	BBB	Stable	N/A	N/A	N/A	N/A	N/A	N/A
Westfield	A+	Stable	XV	A-	Stable	A-	Stable	N/A	N/A	AA-	Stable
Zurich	A+	Stable	XV	AA	Stable	AA	Stable	N/A	N/A	N/A	N/A

Policy FAQs

Who is an insured?

The definition of insured is broadly written to pick up any individuals serving in their capacity as directors or officers of the organization. It will cover past, present and future directors & officers as defined by the company's by-laws. It will also provide coverage for the first named insured and any subsidiaries of the first named insured. Be sure to disclose all entities you're expecting coverage for with your broker.

When should I notify my broker & insurer of a claim?

It is generally best practice to notify your broker as soon as you become aware of the circumstances which could give rise to a potential claim. This ensures that the carrier is aware of the matter from the moment you begin incurring expenses related to the claim and minimizes their ability to deny payment for these costs.

Whose responsibility is it to defend a claim?

Private company D&O insurance policies can be written on a duty to defend or non-duty to defend basis. Duty to defend policies allow the insurer to select counsel and control the defense of the claim. Generally speaking, the insurer has an obligation to defend both covered and uncovered allegations on duty to defend policies.

Non-duty to defend policies allow the insured to select counsel and control the claim, subject to the approval of the insurer. Counsel must abide by the carrier's litigation guidelines and the carrier will only pay pre-approved rates, which may result in the insured incurring more expenses. The carrier will also allocate between covered and uncovered allegations when reimbursing expenses

Disclaimer & Disclosure Notice

This proposal of insurance is provided as a matter of convenience and information only. All information included in this proposal, including but not limited to personal and real property values, locations, operations, products, data, automobile schedules, financial data and loss experience, is based on facts and representations supplied to Alliant Insurance Services, Inc. by you. This proposal does not reflect any independent study or investigation by Alliant Insurance Services, Inc. or its agents and employees.

Please be advised that this proposal is also expressly conditioned on there being no material change in the risk between the date of this proposal and the inception date of the proposed policy (including the occurrence of any claim or notice of circumstances that may give rise to a claim under any policy which the policy being proposed is a renewal or replacement). In the event of such change of risk, the insurer may, at its sole discretion, modify, or withdraw this proposal, whether or not this offer has already been accepted.

This proposal is not confirmation of insurance and does not add to, extend, amend, change, or alter any coverage in any actual policy of insurance you may have. All existing policy terms, conditions, exclusions, and limitations apply. For specific information regarding your insurance coverage, please refer to the policy itself. Alliant Insurance Services, Inc. will not be liable for any claims arising from or related to information included in or omitted from this proposal of insurance.

Alliant embraces a policy of transparency with respect to its compensation from insurance transactions. Details on our compensation policy, including the types of income that Alliant may earn on a placement, are available on our website at www.alliant.com. For a copy of our policy or for any inquiries regarding compensation issues pertaining to your account you may also contact us at: Alliant Insurance Services, Inc., Attention: General Counsel, 701 B Street, 6th Floor, San Diego, CA 92101.

Analyzing insurers' over-all performance and financial strength is a task that requires specialized skills and in-depth technical understanding of all aspects of insurance company finances and operations. Insurance brokerages such as Alliant Insurance typically rely upon rating agencies for this type of market analysis. Both A.M. Best and Standard and Poor's have been industry leaders in this area for many decades, utilizing a combination of quantitative and qualitative analysis of the information available in formulating their ratings.

A.M. Best has an extensive database of nearly 6,000 Life/Health, Property Casualty and International companies. You can visit them at www.ambest.com. For additional information regarding insurer financial strength ratings visit Standard and Poor's website at www.standardandpoors.com.

Our goal is to procure insurance for you with underwriters possessing the financial strength to perform. Alliant does not, however, guarantee the solvency of any underwriters with which insurance or reinsurance is placed and maintains no responsibility for any loss or damage arising from the financial failure or insolvency of any insurer. We encourage you to review the publicly available information collected to enable you to make an informed decision to accept or reject a particular underwriter. To learn more about companies doing business in your state, visit the Department of Insurance website for that state.

NY Regulation 194

Alliant Insurance Services, Inc. is an insurance producer licensed by the State of New York. Insurance producers are authorized by their license to confer with insurance purchasers about the benefits, terms and conditions of insurance contracts; to offer advice concerning the substantive benefits of particular insurance contracts; to sell insurance; and to obtain insurance for purchasers. The role of the producer in any particular transaction typically involves one or more of these activities.

Compensation will be paid to the producer, based on the insurance contract the producer sells. Depending on the insurer(s) and insurance contract(s) the purchaser selects, compensation will be paid by the insurer(s) selling the insurance contract or by another third party. Such compensation may vary depending on a number of factors, including the insurance contract(s) and the insurer(s) the purchaser selects. In some cases, other factors such as the volume of business a producer provides to an insurer or the profitability of insurance contracts a producer provides to an insurer also may affect compensation.

The insurance purchaser may obtain information about compensation expected to be received by the producer based in whole or in part on the sale of insurance to the purchaser, and (if applicable) compensation expected to be received based in whole or in part on any alternative quotes presented to the purchaser by the producer, by requesting such information from the producer.

FATCA:

The Foreign Account Tax Compliance Act (FATCA) requires the notification of certain financial accounts to the United States Internal Revenue Service. Alliant does not provide tax advice so please contact your tax consultant for your obligation regarding FATCA.

Claims Reporting:

Your policy will come with specific claim reporting requirements. Please make sure you understand these obligations. Contact your Alliant Service Team with any questions.

Disclaimer & Disclosure Notice Cont.

Claims Made Policy (Management Liability)
(Applicable to any coverage that is identified as claims made)
This claims-made policy contains a requirement stating that this policy applies only to any claim first made against the Insured and reported to the insurer during the policy period or applicable extended reporting period. Claims must be submitted to the insurer during the policy period, or applicable extended reporting period, as required pursuant to the Claims/Loss Notification Clause within the policy in order for coverage to apply. Late reporting or failure to report pursuant to the policy's requirements could result in a disclaimer of coverage by the insurer.

Any Employment Practices Liability (EPL) or Directors & Officers (D&O) with EPL coverage must give notice to the insurer of any charges / complaints brought by any state / federal agency (i.e. EEOC and similar proceedings) involving an employee. To preserve your rights under the policy, it is important that timely notice be given to the insurer, whether or not a right to sue letter has been issued.

NRRA:
(Applicable if the insurance company is non-admitted)
The Non-Admitted and Reinsurance Reform Act (NRRA) went into effect on July 21, 2011. Accordingly, surplus lines tax rates and regulations are subject to change which could result in an increase or decrease of the total surplus lines taxes and/or fees owed on this placement. If a change is required, we will promptly notify you. Any additional taxes and/or fees must be promptly remitted to Alliant Insurance Services, Inc.

Changes and Developments
- It is important that we be advised of any changes in your operations, which may have a bearing on the validity and/or adequacy of your insurance. The types of changes that concern us include, but are not limited to, those listed below:
- Changes in any operations such as expansion to another states, new products, or new applications of existing products.
- Travel to any state not previously disclosed.
- Mergers and/or acquisition of new companies and any change in business ownership, including percentages.
- Any newly assumed contractual liability, granting of indemnities or hold harmless agreements.
- Any changes in existing premises including vacancy, whether temporary or permanent, alterations, demolition, etc. Also, any new premises either purchased, constructed or occupied
- Circumstances which may require an increased liability insurance limit.
- Any changes in fire or theft protection such as the installation of or disconnection of sprinkler systems, burglar alarms, etc. This includes any alterations to the system.
- Immediate notification of any changes to a scheduled of equipment, property, vehicles, electronic data processing, etc.
- Property of yours that is in transit, unless previously discussed and/or currently insured.

Certificates / Evidence of Insurance
- A certificate is issued as a matter of information only and confers no rights upon the certificate holder. The certificate does not affirmatively or negatively amend, extend or alter the coverage afforded by a policy. Nor does it constitute a contract between the issuing insurer(s), authorized representative, producer or certificate holder.
- You may have signed contracts, leases or other agreements requiring you to provide this evidence. In those agreements, you may assume obligations and/or liability for others (Indemnification, Hold Harmless) and some of the obligations that are not covered by insurance. We recommend that you and your legal counsel review these documents.
- In addition to providing a certificate of insurance, you may be required to name your client or customer on your policy as an additional insured. This is only possible with permission of the insurance company, added by endorsement and, in some cases, an additional premium.
- By naming the certificate holder as additional insured, there are consequences to your risks and insurance policy including:
  - Your policy limits are now shared with other entities; their claims involvement may reduce or exhaust your aggregate limit.
  - Your policy may provide higher limits than required by contract; your full limits can be exposed to the additional insured.
  - There may be conflicts in defense when your insurer has to defend both you and the additional insured.



The More Rewarding Way to Manage Risk

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Specialty@alliant.com