



Economic Improvement Corporation  
Regular Meeting Agenda  
June 15, 2026 at 4:00 PM  
City Hall, 701 Main Street, Kerrville, Texas



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**CALL TO ORDER:**

1. **INVOCATION:**

2. **VISITORS/CITIZENS FORUM:** *Any citizen with business not scheduled on the agenda may speak to the Economic Improvement Corporation. No deliberation or action can be taken on these items because the Open Meetings Act requires an item be posted on an agenda three business days before the meeting. Visitors are asked to limit their presentation to three minutes.*

3. **NOMINATE AND ELECT OFFICERS:**

3.A Nominate and elect the Economic Improvement Corporation (EIC) President, Vice-President, Secretary, and Treasurer. (K Franchina, Deputy City Secretary)

3.B Nominate and approve the Economic Improvement Corporation (EIC) representative to the Kerrville Economic Development Corporation (KEDC). (K Franchina, Deputy City Secretary)

3.C Nominate and approve the Economic Improvement Corporation (EIC) representative to the "GO Team". (K Franchina, Deputy City Secretary)

4. **APPROVAL OF MINUTES:**

4.A Minutes from the regular Economic Improvement Corporation (EIC) meeting held on May 18, 2026. (K Franchina, Deputy City Secretary)

5. **MONTHLY REPORTS:**

5.A Kerrville Economic Development Corporation (KEDC) update as to its operations and efforts to develop and attract economic development. (T Bock, KEDC President)

5.B Kerrville Economic Improvement Corporation (EIC) project status update for the following projects: Olympic Pool Renovations, Travis Street Pump Station Upsizing, Granger McDonald Park, Schreiner University CTWD and Edington Gym Upgrades. (M Hornes, Assistant City Manager)

5.C May 2026 Monthly Financial Report. (T Rodriguez, Assistant Finance Director)

6. **PUBLIC HEARING AND POSSIBLE ACTION:**

6.A Project Funding Agreement between the City of Kerrville, Texas, Economic Improvement Corporation and the City of Kerrville, Texas; for Improvements made to the City's Quinlan Creek Interceptor Sewer Line. (M Hornes, Assistant City Manager)

7. **EXECUTIVE SESSION:** *Economic Improvement Corporation (EIC) may, as permitted by law, adjourn into executive session at any time to discuss any matter listed above if they meet the*

*qualifications in Sections 551.071 (consultation with attorney), 551.072 (deliberation regarding real property), 551.073 (deliberation regarding gifts), 551.074 (personnel/officers), 551.076 (deliberation regarding security devices), and 551.087 (deliberation regarding economic development negotiations) of Chapter 551 of the Texas Government Code.*

8. **ACTION ON ITEMS DISCUSSED IN EXECUTIVE SESSION, IF ANY.**
9. **ITEMS FOR FUTURE AGENDAS:** *Economic Improvement Corporation (EIC) may suggest items or topics for future agendas.*

**ADJOURN.**

The facility is wheelchair accessible, and accessible parking spaces are available. Requests for accommodation or interpretive services must be made 48 hours prior to this event. Please contact the City Secretary's Office at 830-258-1118 for further information.

I hereby certify that this agenda was posted as notice of the meeting on the bulletin board at the City Hall of the City of Kerrville, Texas, and on the City's website on the following date and time: 6/9/2026 at 11:45 a.m. and remained posted continuously for at least three business days preceding the scheduled time of the meeting.

**Kesha Franchina, TRMC**

Kesha Franchina, TRMC, Deputy City Secretary, City of Kerrville, Texas



**TO BE CONSIDERED BY THE ECONOMIC IMPROVEMENT CORPORATION  
CITY OF KERRVILLE, TEXAS**

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**CAPTION:** Nominate and elect the Economic Improvement Corporation (EIC) President, Vice-President, Secretary, and Treasurer. (K Franchina, Deputy City Secretary)

**AGENDA DATE:** June 15, 2026

**DATE SUBMITTED:** 09/10/2025

**SUBMITTED BY:**

**EXHIBITS:**

None

---

**Expenditure:**

**Amount Budgeted:**

**Account Number:**

**Account Balance:**

**Payment to/Vendor name:**

**Kerrville 2050 Item?**

**Key Priority Area:**

No

**SUMMARY:**

Nominate and elect the Economic Improvement Corporation (EIC) President, Vice-President, Secretary, and Treasurer.

**RECOMMENDED ACTION:**

Discuss, nominate and elect the Economic Improvement Corporation (EIC) President, Vice-President, Secretary, and Treasurer.



**TO BE CONSIDERED BY THE ECONOMIC IMPROVEMENT CORPORATION  
CITY OF KERRVILLE, TEXAS**

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**CAPTION:** Nominate and approve the Economic Improvement Corporation (EIC) representative to the Kerrville Economic Development Corporation (KEDC). (K Franchina, Deputy City Secretary)

**AGENDA DATE:** June 15, 2026

**DATE SUBMITTED:** 09/10/2025

**SUBMITTED BY:**

**EXHIBITS:**

None

---

**Expenditure:**

**Amount Budgeted:**

**Account Number:**

**Account Balance:**

**Payment to/Vendor name:**

**Kerrville 2050 Item?**

**Key Priority Area:**

No

**SUMMARY:**

Nominate and approve the Economic Improvement Corporation (EIC) representative to the Kerrville Economic Development Corporation (KEDC)

**RECOMMENDED ACTION:**

Discuss, nominate and approve the Economic Improvement Corporation (EIC) representative to the Kerrville Economic Development Corporation (KEDC).



**TO BE CONSIDERED BY THE ECONOMIC IMPROVEMENT  
CORPORATION  
CITY OF KERRVILLE, TEXAS**

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**CAPTION:** Nominate and approve the Economic Improvement Corporation (EIC) representative to the "GO Team". (K Franchina, Deputy City Secretary)

**AGENDA DATE:** June 15, 2026

**DATE SUBMITTED:** 09/10/2025

**SUBMITTED BY:**

**EXHIBITS:**

None

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**Expenditure:**  
**Account Number:**  
**Payment to/Vendor**  
**name:**

**Amount Budgeted:**  
**Account Balance:**

**Kerrville 2050 Item?**  
No

**Key Priority Area:**

**SUMMARY:**

Nominate and approve the Economic Improvement Corporation (EIC) representative to the "GO Team".

**RECOMMENDED ACTION:**

Discuss, nominate and approve the Economic Improvement Corporation (EIC) representative to the "GO Team".



**TO BE CONSIDERED BY THE ECONOMIC IMPROVEMENT CORPORATION  
CITY OF KERRVILLE, TEXAS**

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**CAPTION:** Minutes from the regular Economic Improvement Corporation (EIC) meeting held on May 18, 2026. (K Franchina, Deputy City Secretary)

**AGENDA DATE:** June 15, 2026

**DATE SUBMITTED:** 09/10/2025

**SUBMITTED BY:**

**EXHIBITS:**

1. EIC Minutes 5182026

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**Expenditure:**  
**Account Number:**  
**Payment to/Vendor name:**

**Amount Budgeted:**  
**Account Balance:**

**Kerrville 2050 Item?**  
No

**Key Priority Area:**

**SUMMARY:**

Minutes from the regular Economic Improvement Corporation (EIC) meeting held on May 18, 2026.

**RECOMMENDED ACTION:**

Approve minutes as presented.

**ECONOMIC IMPROVEMENT CORPORATION  
MINUTES REGULAR MEETING**

**KERRVILLE, TEXAS  
MAY 18, 2026 4:00 PM**

On May 18, 2026 at 4:00 PM, President Celeste Hamman called the Kerrville Economic Improvement Corporation meeting to order in City Hall Council Chambers, 701 Main Street. Denny Foster led the invocation.

**EIC MEMBERS PRESENT:**

Celeste Hamman, President  
Gilberto Paiz, Vice President  
Kyle Bond, "GO Team"  
Denny Foster  
T. Beck Gipson, KEDC  
Kent McKinney, Councilmember  
Ryan Pendergraft

**EIC MEMBERS ABSENT:**

None

**CITY EXECUTIVE STAFF:**

Dalton Rice, City Manager  
Mike Hayes, City Attorney  
Michael Hornes, Asst City Manager  
Kim Meismer, Asst City Manager  
Kesha Franchina, Deputy City Secretary  
Julie Behrens, Director of Finance  
Trina Rodriguez, Assistant Director of Finance

**VISITORS PRESENT:** None.

**CALL TO ORDER:**

1. **INVOCATION:**

2. **VISITORS/CITIZENS FORUM:** There were no citizen speakers.

3. **APPROVAL OF MINUTES:**

3.A Minutes from the regular Economic Improvement Corporation (EIC) meeting held on April 20, 2026.

Denny Foster made a motion to approve, seconded by Kent McKinney. The motion passed 7-0.

4. **MONTHLY REPORTS:**

4.A Kerrville Economic Development Corporation (KEDC) update as to its operations and efforts to develop and attract economic development.

Todd Bock presented the KEDC update and responded to questions.

4.B Kerrville Economic Improvement Corporation (EIC) project status update for the following projects: Olympic Pool Renovations, Travis Street Pump Station Upsizing, A.C. Schreiner House/HHHC, Granger McDonald Park, Schreiner University CTWD and Edington Gym Upgrades.

Michael Hornes presented the EIC Project Status update and responded to questions.

4.C April 2026 Monthly Financial Report.

Trina Rodriguez presented the monthly financial update and responded to questions.

5. **CONSIDERATION AND POSSIBLE ACTION:**

5.A Resolution No. 22-2026. A Resolution by the Board of Directors of the City of Kerrville, Texas Economic Improvement Corporation moving forward with the financing of a Wastewater Infrastructure Project in the approximate principal amount of \$500,000 and setting a public hearing on the expenditure of sales tax revenues relating thereto; providing a notice of the specific project to be undertaken; approving and authorizing the publication of a notice of the public hearing relating to these matters; and approving other matters in connection therewith.

Kent McKinney made a motion to approve, seconded by Ryan Pendergraft. The motion passed 7-0.

6. **EXECUTIVE SESSION:**

The Economic Improvement Corporation did not convene into closed Executive Session.

7. **ACTION ON ITEMS DISCUSSED IN EXECUTIVE SESSION, IF ANY.**

None.

8. **ITEMS FOR FUTURE AGENDAS:**

Kyle Bond’s appointment will term at the end of May. Appoint a “Go Team” member at the next meeting in June. Ryan Pendergraft will fill in until an appointment has been made.

**ADJOURN.**

President Hamman adjourned the meeting at 4:52 pm.

APPROVED BY EIC: \_\_\_\_\_

APPROVED:

\_\_\_\_\_  
Celeste Hamman, EIC President

ATTEST:

\_\_\_\_\_  
Keshia Franchina, Deputy City Secretary



**TO BE CONSIDERED BY THE ECONOMIC IMPROVEMENT  
CORPORATION  
CITY OF KERRVILLE, TEXAS**

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**CAPTION:** Kerrville Economic Development Corporation (KEDC) update as to its operations and efforts to develop and attract economic development. (T Bock, KEDC President)

**AGENDA DATE:** June 15, 2026

**DATE SUBMITTED:** 09/10/2025

**SUBMITTED BY:**

**EXHIBITS:**

None

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**Expenditure:**  
**Account Number:**  
**Payment to/Vendor  
name:**

**Amount Budgeted:**  
**Account Balance:**

**Kerrville 2050 Item?**  
Yes

**Key Priority Area:**

**SUMMARY:**

Kerrville Economic Development Corporation (KEDC) to provide update.

**RECOMMENDED ACTION:**

Information only; no action required.



**TO BE CONSIDERED BY THE ECONOMIC IMPROVEMENT CORPORATION  
CITY OF KERRVILLE, TEXAS**

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**CAPTION:** Kerrville Economic Improvement Corporation (EIC) project status update for the following projects: Olympic Pool Renovations, Travis Street Pump Station Upsizing, Granger McDonald Park, Schreiner University CTWD and Edington Gym Upgrades. (M Hornes, Assistant City Manager)

**AGENDA DATE:** June 15, 2026

**DATE SUBMITTED:** 09/10/2025

**SUBMITTED BY:**

**EXHIBITS:**

1. 6-8-2026 EIC Project Update

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**Expenditure:**

**Amount Budgeted:**

**Account Number:**

**Account Balance:**

**Payment to/Vendor name:**

**Kerrville 2050 Item?**

**Key Priority Area:**

Yes

**SUMMARY:**

Staff to present.

**RECOMMENDED ACTION:**

Information only; no action required.

**Monthly EIC Project Status Report**

	Project Name	Description	Estimated Design Completion	Estimated Construction Completion	Comments
1	Downtown Area Streetscape	Relocate overhead utility lines to underground; improved beautification of the garage with limestone influences, LED light upgrades and wrought iron railing.	N/A	Complete	KPUB portion is complete for underground utility work. Stop signs installed, masonry and wrought iron railing installed. Street lighting installed on Water Street. Decorative installed on Clay St. near Downtown Parking Garage March 2026.
2	Scott Schreiner Golf Course improvements	Improvements to the existing golf course	Complete	Complete	EIC and City Council approvals for funding complete. Design complete. Construction is complete.
3	Olympic Pool renovations	Renovations to the Olympic pool	Feb-2025	Summer 2026	EIC and City Council approvals for funding complete. Design complete. Construction commenced August 2025 with completion anticipated late Summer/Early Fall 2026.
4	Cailloux Theater Improvements	Repair of HVAC and roof systems	Complete	Complete	EIC and City Council approvals for funding complete. Design complete and project awarded by City Council at October 22, 2024 meeting. Construction commenced March of 2025. Theater to close during construction with anticipated completion of August, 2025. Construction is substantially complete, theater open and contractor working off final punch list items.
5	Travis Street Pump Station Upsizing	Increase distribution capacity of the Travis St pump station to meet TCEQ requirements for future developments.	TBD	TBD	Project approved by City Council March 26, 2024. TCEQ design requirements for the pump station upgrades have created significant delays and cost. Staff has pulled from utility fund reserves to cover this overage. Council consideration is next for utilizing this funding. Construction commencement anticipated for 2026.
6	A.C Schreiner House/HHHC	Repurposing of house and grounds located at 529 Water Street on BHML Campus	Complete	Spring 2026	Construction is substantially complete with contractor working off punch list items. Tenant has moved in. Grand opening held May 9th.
7	Granger McDonald Park	Creation of a new city park along Nimitz Lake in the landing subdivision	Spring 2026	TBD	Currently in design phase with Hewitt Engineering. Project estimate of construction costs currently exceed budgeted amount. Project will go to bid with a base bid and two add alternates (boardwalk and kayak launches)
8	Habitat for Humanity	Infrastructure funding for the new Mariposa subdivision	Complete	Complete	Infrastructure construction completed August, 2025.
9	Schreiner University CTWD and Edington Gym Upgrades	New Center for Talent and Workforce Development and renovations to the Edington Gym	Complete	Fall 2026	Schreiner has hired a director for the CTWD and is currently renovating the Edington Gym Space
10	James Avery Traffic signal	TBD	TBD	Complete	Signal installed and James Avery is awaiting donation agreement from TxDOT.



**TO BE CONSIDERED BY THE ECONOMIC IMPROVEMENT  
CORPORATION  
CITY OF KERRVILLE, TEXAS**

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**CAPTION:** May 2026 Monthly Financial Report. (T Rodriguez, Assistant Finance Director)

**AGENDA DATE:** June 15, 2026

**DATE SUBMITTED:** 09/10/2025

**SUBMITTED BY:**

**EXHIBITS:**

1. May 2026 financial presentation

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**Expenditure:**  
**Account Number:**  
**Payment to/Vendor name:**

**Amount Budgeted:**  
**Account Balance:**

**Kerrville 2050 Item?**  
No

**Key Priority Area:**

**SUMMARY:**

Staff to present.

**RECOMMENDED ACTION:**

Information only; no action required.

# **Financial update for the month ended May 31, 2026**

**Economic Improvement Corporation Meeting  
June 15, 2026**



**Sales Tax Revenue Bond Series 2023  
Statement of Activities  
Month Ended May 31, 2026**

Cash Analysis as of May 31, 2026					
Type	Purchase	Maturity	Yield	Placement	Amount
Pool			3.77%	EIC TexPool - 2023 Revenue Bonds	\$ 7,610,016
Commercial Paper	3/26/2026	12/18/2026	4.07%	Credit Ag CP - 22533UMI9	\$ 978,161
				<b>2023 Revenue Bonds and Investments</b>	<b>\$ 8,588,178</b>

	Budget	FY2024 Total	FY2025 Total	Mar 2026	Apr 2026	May 2026	Total thru FY2026
<b>Revenues:</b>							
<b>Bond Proceeds</b>	<b>20,000,000</b>	20,000,000	-				20,000,000
<b>Pool Interest Income</b>	<b>293,000</b>	870,506	759,735	30,326	29,135	25,739	1,890,932
<b>ST Investment Income</b>	-	-	64,783	6,164	2,937	2,937	92,954
<b>Projects:</b>							
<b>Scott Schreiner Golf Course Improvements</b>	<b>3,650,000</b>	309,195	2,553,222	22,793	2,150	-	3,441,082
<b>Olympic Pool Improvements</b>	<b>7,750,000</b>	75,668	708,515	21,364	1,358,707	503,894	4,159,194
<b>Cailloux Theater Roof &amp; HVAC</b>	<b>3,250,000</b>	25,407	2,766,362	4,200	2,100	-	2,877,171
<b>Existing Parks Improvements</b>	<b>800,000</b>	374,658	374,658	-	-	-	749,315
<b>Granger McDonald Park Improvements</b>	<b>2,200,000</b>	-	108,579	-	-	-	167,667
<b>Heart of the Hills Heritage Center</b>	<b>2,000,000</b>	-	1,000,000	-	-	-	2,000,000
<b>Investments:</b>	-	-	915,857	(29,370)	-	-	886,487
<b>Arbitrage Payable:</b>	-	302,084	258,274	-	-	-	560,359
<b>Interest Receivable:</b>	-	-	64,783	6,164	2,937	2,937	92,955
<b>Net Cash Balance</b>		19,783,494	(7,925,732)	11,339	(1,333,823)	(478,155)	<b>7,049,658</b>

**Interest Revenue = \$28,676**

**Project Expenses = \$503,894**

**Bond Proceeds less Project Expenses = 6,605,571**

**Interest Earnings less Arbitrage = 1,423,528**

**Economic Improvement Corporation**

**Statement of Activities**

**Month Ended May 31, 2026**

	Annual Budget	Current Period	YTD Actual	YTD Budget Estimate	Better/Worse YTD Estimate
<b>Revenues</b>					
Sales and Use Tax	\$ 5,129,924	\$ 452,698	\$ 3,486,979	\$ 3,387,480	99,498
Interest Income	234,400	21,447	210,383	160,801	49,582
Investment Maturity	2,000,000	-	2,000,000	2,000,000	-
Miscellaneous	-	-	1,119	-	(1,119)
<b>Total Revenues</b>	<b>7,364,324</b>	<b>474,144</b>	<b>5,698,481</b>	<b>5,548,281</b>	<b>147,962</b>
<b>Expenditures</b>					
Administrative					
Supplies and Miscellaneous	5,150	-	1,260	1,260	-
Training	10,000	-	-	-	-
Legal Services	10,000	-	-	-	-
Professional Services	221,728	18,477	147,819	147,819	-
Kerr Economic Development Corp.	375,000	93,750	281,250	281,250	-
<b>Total Administrative</b>	<b>621,878</b>	<b>112,227</b>	<b>430,329</b>	<b>430,329</b>	<b>-</b>
Debt Service					
Debt Service - Series 2015 (KSC)	605,250	50,438	403,500	403,500	-
Debt Service - Series 2019 Ref (River Trail)	252,650	21,054	168,433	168,433	-
Debt Service - Series 2020 Ref (River Trail)	232,275	19,356	154,850	154,850	-
Debt Service - Series 2023 (Quality of Life)	1,469,800	122,483	979,867	979,867	-
<b>Total Debt Service</b>	<b>2,559,975</b>	<b>213,331</b>	<b>1,706,650</b>	<b>1,706,650</b>	<b>-</b>
Investment Purchase	2,000,000	-	1,942,953	1,942,953	-
Projects					
Travis Street Pump Station Upgrades	661,284	-	61,378	61,378	-
Schreiner University Talent & Workforce Dvlpmnt	102,804	-	-	-	-
Schreiner University Athletic Facilities	272,196	-	-	-	-
Lennar Windridge Development	2,000,000	-	2,000,000	2,000,000	-
James Avery Craftsman Traffic Signal*	140,000	-	-	-	-
Quinlan Creek Interceptor Wastewater Line*	175,000	-	-	-	-
<b>Total Projects</b>	<b>3,351,284</b>	<b>-</b>	<b>2,061,378</b>	<b>2,061,378</b>	<b>-</b>
<b>Total Expenditures</b>	<b>8,533,137</b>	<b>325,559</b>	<b>6,141,310</b>	<b>6,141,310</b>	<b>-</b>
<b>Change in Net Position</b>	<b>\$ (1,168,813)</b>	<b>\$ 148,586</b>	<b>\$ (442,830)</b>		

**Revenues:**

**Sales Tax - \$452,698**

- **Up 6.28% from last May**

**Interest Income - \$21,447**

- **Better than estimate by \$49.5K**

**Expenses:**

**\$18K - COK contract payment**

**\$93K – KEDC 3<sup>rd</sup> quarterly payment**

**\$213K - monthly debt service**

**No Project Activity for May 2026**



**Economic Improvement Corporation**

**Cash Flow Forecast**

**As of May 31, 2026**

	FY2025 Actual	FY2026 Projections	
	Oct 2025 to May 2026	Jun 2026	Jul 2026 to Sep 2026
<b>Beginning Cash Balance</b>	\$ 5,574,920	\$ 5,050,289	\$ 5,292,026
<b>Revenue</b>			
Sales Tax	3,486,979	879,198	1,310,172
Interest Income	210,383	50,000	75,000
Investment Maturity	2,000,000	-	1,000,000
Miscellaneous	1,119	-	-
<b>Total Revenue</b>	5,698,481	929,198	2,385,172
<b>Expenditures</b>			
Administrative			
Supplies and Miscellaneous	1,260	-	3,550
Legal Services	-	2,500	2,500
Training	-	2,500	2,500
Professional Services	147,819	23,477	70,432
Kerr Economic Development Corp.	281,250	-	93,750
<b>Total Administrative</b>	430,329	28,477	172,732
Debt Service	1,706,650	213,331	639,994
Investment Purchase	1,942,953	-	1,000,000
Projects			
Travis Street Pump Station Upgrades	61,378	299,953	299,953
Schreiner University Talent & Workforce Dvlpmnt	-	-	102,804
Schreiner University Athletic Facilities	-	-	272,196
Lennar Windridge Development	2,000,000	-	-
James Avery Craftsman Traffic Signal	-	140,000	-
Quinlan Creek Interceptor Wastewater Line*	-	-	175,000
<b>Total Projects</b>	2,061,378	439,953	849,953
<b>Total Expenditures</b>	6,141,310	681,761	2,662,679
Interest Receivable	81,802	5,700	17,100
<b>Ending Cash Balance</b>	\$ 5,050,289	\$ 5,292,026	\$ 4,997,419

**May 2026 ending cash balance = \$5.0M**

**Add in FY2027 budget and revenue projections to next month's cash flow**



# Financial Analysis

Sales Tax Revenue Analysis - FY2026					
Month	Actual FY2025	Actual FY2026	Budget Estimate FY2026	FY2025 vs. FY2026	Budget vs. Actual
October	\$ 380,948	\$ 423,117	\$ 436,539	11.07%	-3.07%
November	404,389	428,326	\$ 402,727	5.92%	6.36%
December	405,904	428,681	\$ 396,183	5.61%	8.20%
January	400,372	415,451	\$ 417,816	3.77%	-0.57%
February	602,302	557,905	\$ 533,198	-7.37%	4.63%
March	367,116	408,284	\$ 379,355	11.21%	7.63%
April	346,108	372,517	\$ 374,736	7.63%	-0.59%
May	425,940	452,698	\$ 446,926	6.28%	1.29%

Sales Tax – Rolling 12 month average = 5.3%

Cash Analysis as of May 31, 2026					
Type	Purchase	Maturity	Yield	Placement	Amount
Pool			3.78%	EIC TexPool - Cash	\$ 5,049,689
Agency/Security	4/18/2024	7/7/2026	3.89%	MUFG Bank CP - 62479MG72	\$ 996,007
Agency/Security	3/26/2026	12/18/2026	4.05%	MUFG Bank CP - 62479MMJ9	\$ 978,027
<b>Operating Cash and Investments</b>					<b>\$ 7,023,723</b>

Texpool Yield = 3.77%

Project Analysis as of May 31, 2026			
Project Description	EIC Commitment	Disbursed Funding	Remaining Funding
Travis Street Pump Station Upgrades	750,000	150,094	599,906
Schreiner University Talent & Workforce Dvlpmnt	822,430	411,214	411,216
Schreiner University Athletic Facilities	2,177,570	1,360,982	816,588
Lennar Windridge Development	5,000,000	2,000,000	3,000,000
James Avery Craftsman Traffic Signal	140,000	-	140,000
Quinlan Creek Interceptor Wastewater Line	500,000	-	500,000
<b>Operational Project Commitments:</b>	<b>\$ 9,390,000</b>	<b>\$ 3,922,290</b>	<b>\$ 5,467,710</b>



# Upcoming

FY2027 Budget Preparation

- project sales tax revenue
- project interest revenue
- assess project timelines

Present EIC Budget in July 2026

# Questions?





**TO BE CONSIDERED BY THE ECONOMIC IMPROVEMENT  
CORPORATION  
CITY OF KERRVILLE, TEXAS**

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**CAPTION:** Project Funding Agreement between the City of Kerrville, Texas, Economic Improvement Corporation and the City of Kerrville, Texas; for Improvements made to the City's Quinlan Creek Interceptor Sewer Line. (M Hornes, Assistant City Manager)

**AGENDA DATE:** June 15, 2026

**DATE SUBMITTED:** 06/02/2026

**SUBMITTED BY:**

**EXHIBITS:**

1. EIC Project Funding Agreement Quinlan Creek Interceptor Sewer Line 6-15-2026

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**Expenditure:**

**Amount Budgeted:**

**Account Number:**

**Account Balance:**

**Payment to/Vendor  
name:**

**Kerrville 2050 Item?**

**Key Priority Area:**

Yes

**SUMMARY:**

Attached to this item, you will find an agreement between the EIC and the City of Kerrville to fund the Engineering Design for the Quinlan Creek Interceptor project. The objective of this project is to perform design and bid phase services for the City of Kerrville's Quinlan Interceptor project (Project). The Project includes installation of approximately 5,500 linear feet (LF) of 18-inch gravity main on the southeast side of Quinlan Creek to Schreiner Golf Course. Exhibit A of the agreement outlines the full scope of the design services that will be provided by Freese and Nichols.

Provided EIC and the City agree to this, City Council will then consider a contract with the engineers to begin work at their next City Council meeting on June 23rd.

**RECOMMENDED ACTION:**

Approve as presented.

**PROJECT FUNDING AGREEMENT BETWEEN THE CITY OF KERRVILLE, TEXAS ECONOMIC IMPROVEMENT CORPORATION AND THE CITY OF KERRVILLE, TEXAS; FOR IMPROVEMENTS MADE TO THE CITY'S QUINLAN CREEK INTERCEPTOR SEWER LINE**

**THIS PROJECT FUNDING AGREEMENT** (the "Agreement") is entered into this \_\_\_\_ day of \_\_\_\_\_, 2026 ("Effective Date"), by and between the **City of Kerrville, Texas Economic Improvement Corporation** ("EIC"), a Texas non-profit corporation established pursuant to Section 4B of Tex. Rev. Civ. Stat. Art. 5190.6 and now codified in Chapters 501, 502, and 505 of the Texas Local Government Code; otherwise known as the Development Corporation Act of 1979 ("the Act"); and the **City of Kerrville, Texas** ("City"), a Texas home-rule municipality. EIC and City may be collectively referred to herein as "Parties" and individually as "Party."

**WITNESSETH:**

**WHEREAS**, pursuant to the Act, EIC is authorized to provide funding relating to projects that EIC finds to be encompassed within the definitions of "Projects," as that word is defined by Chapters 501 and 505 of the Act; and

**WHEREAS**, EIC was formed to administer the sales and use tax approved by the citizens of Kerrville, Texas, in May 1995 and collected for projects defined by the Act, including:

*Expenditures that are found by the EIC to be required or suitable for infrastructure necessary to promote or develop new or expanded business enterprises, limited to, streets and roads, rail spurs, water and sewer utilities, electric utilities, or gas utilities, drainage, site improvements, and related improvements as provided by Section 501.103 of the Act; and*

**WHEREAS**, several developers have purchased property on the northside of the city in order to develop retail and business services; and

**WHEREAS**, these developers are currently limited in the amount of development they can undertake in light of the current size of the wastewater line known as the Quinlan Interceptor ("Sewer Line"), which services a portion of the northern section of the city; and

**WHEREAS**, The City's Director of Public Works has determined that one project that will aid the City's economic development is the replacement of the Sewer Line, which is currently at capacity and will require replacement to provide for increased use by further development; and

**WHEREAS**, City proposes to undertake a Quinlan Interceptor Reroute Project including the construction of a new 18-inch interceptor along Quinlan Creek and abandonment of the existing 10-inch Sewer Line under Quinlan Creek, collectively referred to as the “Project”; and

**WHEREAS**, the City currently estimates the total cost of the Project to be approximately \$6,000,000.00, inclusive of design, construction, grant administration, and contingency; and

**WHEREAS**, the City, following approval from its City Council, seeks grant funding from the EIC in the amount of \$500,000.00, for engineering costs stemming from the Project; and

**WHEREAS**, EIC finds that the Project as described generally above constitutes a “project” as defined by the Act; and

**WHEREAS**, more specifically, EIC finds that the Project includes infrastructure necessary to promote or develop new or expanded business enterprises, limited to water and sewer utilities described by Section 501.103 of the Act; and

**WHEREAS**, EIC finds that it will be in the public interest to enter into this Agreement with City to provide sales tax revenues collected pursuant to the Act (“4B Revenues”) to City for costs related to the Project; and

**WHEREAS**, the EIC published notice for the Project on May 27, 2026, and held a hearing regarding same on June 15, 2026; and

**WHEREAS**, on May 18, 2026, in a meeting that was open to the public in accordance with the Texas Open Meetings Act, the EIC held an additional public hearing pursuant to Section 501.072 of the Act related to the proposed expenditure of 4B Revenues for the Project;

**NOW THEREFORE**, for and in consideration of the recitals set forth above and the promises made herein, the EIC and City agree as follows:

1. **“Project” Defined:** When used in this Agreement, the phrase “Project” means the project summary and approximate cost itemization, to date, as specified in **Exhibit A**, attached hereto, and included herein for all purposes. City will manage the funding it receives pursuant to this Agreement and the design of the Project. In addition, City shall provide periodic reports to the EIC with respect to the Project, its design, timing, and costs. Where bidding and/or other procurement processes determine that the cost of the Project will exceed the City’s estimated cost of the Project, the City is under no obligation to proceed but

may choose to suspend its performance until discussing this issue with the EIC and/or may terminate this Agreement.

2. **Agreement to Fund Project:** EIC agrees to provide City an amount up to and not to exceed \$500,000.00 in 4B Revenues for the Project.
3. **Payments Authorized:** City is authorized to make payments for the Project directly from the EIC's General Capital Projects Fund.
4. **Eligible Costs:** Payments made by City from 4B Revenues as authorized by Section 3, above, are limited to the payment of "costs" as defined in the Act.
5. **Project's Timeline:** The City estimates that design work will begin immediately following approval by City Council of this Agreement and the application of Section 505.160, Texas Government Code. Thereafter, the City anticipates that construction activities will begin on or before September 1, 2026. Should such activities not occur by these dates, EIC may elect to terminate this Agreement.
6. **Severability:** The provisions of this Agreement are severable, and if for any reason a provision of this Agreement is determined to be invalid by a court having competent jurisdiction over the subject matter of the invalid provision, the invalidity shall not affect other provisions that can be given effect without the invalid provision. Further, in lieu of such illegal, invalid, or unenforceable provision, there will be added automatically as a part of this Agreement, a provision as similar in its terms to such illegal, invalid, or unenforceable provision as may be possible and be legal, valid, and enforceable.
7. **Amendment:** This Agreement may be amended only by written amendment signed by the Parties.
8. **Notices:** All notices given with respect to this Agreement must be in writing and will be deemed to have been properly given for all purposes (i) if sent by a nationally recognized overnight carrier for next business day delivery, on the first business day following deposit of such notice with such carrier unless such carrier confirms such notice was not delivered, then on the day such carrier actually delivers such notice, or (ii) if personally delivered, on the actual date of delivery, or (iii) if sent by certified U.S. Mail, return receipt requested postage prepaid, on the fifth business day following the date of mailing, or (iv) if sent by facsimile, then on the actual date of delivery (as evidenced by a facsimile confirmation) provided that a copy of the facsimile and confirmation is also sent by regular U.S. Mail, addressed as follows:

**For EIC**

President

City of Kerrville, Texas, Economic Improvement Corporation

City Hall, 701 Main Street

Kerrville, Texas 78028

Facsimile: (830) 792-3850

**For City**

City Manager, City of Kerrville

City Hall, 701 Main Street

Kerrville, Texas 78028

Facsimile: (830) 792-3850

9. **Applicable Law:** This Agreement is governed by and construed in accordance with the laws of the State of Texas. The Agreement is entered into and fully performable within Kerr County, Texas. Accordingly, venue for any cause of action arising pursuant to this Agreement is proper only in Kerr County, Texas.
10. **Interpretation:** Each Party has had the opportunity to be represented by counsel of its choice in negotiating this Agreement. This Agreement will therefore be deemed to have been negotiated and prepared at the joint request, direction, and construction of the Parties, at arm's length, with the advice and participation of counsel, and will be interpreted in accordance with its terms without favor to any Party.
11. **No Joint Venture:** Nothing contained in this Agreement is intended by the Parties to create a partnership or joint venture between any or all of the Parties.
12. **Parties in Interest:** Nothing in this Agreement shall entitle any Party other than EIC or City to any claim, cause of action, remedy, or right of any term of this Agreement.
13. **Survival of Terms:** All rights, duties, liabilities, and obligations accrued prior to termination will survive termination.
14. **Term.** The term of this Agreement (the "Term") shall commence on the Effective Date and shall terminate on the earlier of: (i) March 1, 2028, or when the requirements set forth in this Agreement are completed; (ii) when terminated by mutual agreement of the Parties; or, (iii) at City's discretion, upon City returning all Grant Funding to EIC that it has received under this Agreement. Upon termination of this Agreement as specified herein, all rights, duties, and

obligations of any kind under this Agreement shall automatically expire and terminate and be of no other force and effect.

15. **Entire Agreement:** This Agreement represents the entire agreement of the Parties with respect to the subject matter hereof.

**IN WITNESS WHEREOF**, the Parties hereto have executed this Agreement in the year and as of the date indicated.

**CITY OF KERRVILLE, TEXAS**

**CITY OF KERRVILLE, TEXAS  
ECONOMIC IMPROVEMENT  
CORPORATION**

\_\_\_\_\_  
Joe Herring, Jr., Mayor

\_\_\_\_\_  
Celeste Hamman, President

ATTEST:

ATTEST:

\_\_\_\_\_  
Shelley McElhannon, City Secretary

\_\_\_\_\_  
Kesha Franchina, Secretary for the EIC

APPROVED AS TO FORM:

\_\_\_\_\_  
William L. Tatsch, City Attorney

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**PROFESSIONAL SERVICES AGREEMENT BETWEEN THE CITY OF KERRVILLE  
AND FREESE AND NICHOLS, INC.**

**ENGINEERING SCOPE OF SERVICES FOR QUINLAN INTERCEPTOR DESIGN AND BID PHASE SERVICES**

**PROJECT DESCRIPTION:** The objective of this project is to perform design and bid phase services for the City of Kerrville's Quinlan Interceptor project (Project). The Project includes installation of approximately 5,500 linear feet (LF) of 18-inch gravity main on the southeast side of Quinlan Creek to Schreiner Golf Course.

**SUBCONSULTANTS:**

- A. Surveyor – Cuplin & Associates Land Surveyors & Planners, Inc
- B. Geotechnical Drilling and Testing – Austin Geologic and Beyond Engineering and Testing (BET)

**PROJECT SCOPE/ASSUMPTIONS:**

A. Gravity Main Design

- 1. The gravity main alignment determined by the alignment analysis will be a maximum of 5,500 LF.
- 2. The gravity main will begin at the existing 18-inch interceptor on the south side of Quinlan Creek adjacent to 3<sup>rd</sup> Street and travel northeast, staying on the southeast side of Quinlan Creek, until it intercepts the existing 12-inch interceptor in Schreiner Golf Course.
- 3. The Project will include decommissioning of two existing crossings of Quinlan Creek.
- 4. The existing 12-inch interceptor on the northwest side of Quinlan Creek will remain in service.

B. General

- 1. The Project will utilize EJDC standard contract documents and FNI's standard specifications.
- 2. Easement acquisition services shall be an additional service.
- 3. Preparation of metes and bounds descriptions for pipeline easements in excess of twenty (20) will be an additional service.
- 4. Storm Water Pollution Prevention Plan(s) will be provided by the Contractor.
- 5. Traffic Control Plan(s) will be provided by the Contractor. If needed for permitting purposes, they will be provided as an additional service.
- 6. Geotechnical boring locations will be accessible with a truck mounted drilling rig and no mowing, brush clearing or dirt work will be required for access.
- 7. Required "By-Pass" pumping plan(s) will be provided by the Contractor.
- 8. Construction phase services are not part of this project scope.

**BASIC SERVICES:** FNI shall render the following professional services in connection with the development of the Project:

**A. PROJECT MANAGEMENT**

- 1. Prepare subconsultant agreements:
  - a) Cuplin & Associates Land Surveyors & Planners, Inc
  - b) Austin Geologic
  - c) BET
- 2. Conduct Internal Kickoff Meeting: Purpose of this meeting is to orient the team members to the work, review project scope, schedule, and budget, and make initial task assignments.
- 3. Conduct Project Kickoff Meeting with City Staff: Purpose of this meeting is to introduce the FNI project team to City staff, establish project communications protocols, confirm project goals and objectives, review scope, schedule and budget, and coordinate initial project tasks.

- a) FNI will prepare and distribute a kickoff meeting agenda prior to the meeting.
  - b) FNI will schedule and attend the kickoff meeting in Kerrville.
  - c) FNI will prepare and distribute meeting minutes within one week following the project kickoff meeting.
4. Monthly invoicing: FNI will prepare and submit monthly invoices to City for payment.
  5. 1-Page Monthly Reports: FNI will prepare and submit monthly status reports to the City with FNI's monthly invoice. Monthly status reports will comprise a one-page summary of the progress to date on the project, work completed during the prior month, work anticipated to be completed during the upcoming month, and discussion of any scope, schedule, or budget issues that may need to be resolved.
  6. Quality Assurance/Quality Control: FNI will develop and implement a QA/QC plan for the work. Elements of the QA/QC plan will include the following:
    - a) FNI will develop a Quality Control Plan that will identify scheduled reviews of project deliverables, and individuals responsible for review.
    - b) FNI will implement the quality control plan developed in the prior task, then monitor and document implementation of the QC plan through project completion. Implementation will include:
      - a) Internal checks of deliverables prior to delivery to City.
      - b) Checks of subconsultant prepared materials prior to delivery to City.
  7. Quality Assurance:
    - a) Quality Assurance Reviews. Senior FNI staff will meet with project staff and verify that FNI quality control guidelines and the project-specific quality control plans are being implemented. We anticipate two Quality Assurance Reviews:
      - a) Interim Quality Assurance Review: FNI shall prepare for and conduct an internal quality assurance review at approximately the mid-point of the project schedule
      - b) Final Quality Assurance Review: FNI shall prepare for and conduct an internal quality assurance review prior to submittal of the 90 percent drawings to the City.

**B. DATA COLLECTION, ALIGNMENT ANALYSIS AND SURVEY**

1. Data Collection:  
Collect existing record drawings and other available information for the project from the City.
2. Meetings/Site Visits:
  - a) Project Kickoff Meeting
  - b) Site Visit(s) for data collection and alignment analysis. Maximum of 2.
  - c) Coordination meetings with Schreiner Golf Course. Maximum of 2.
  - d) Alignment Analysis Workshop
3. Phase Deliverables:
  - a) Monthly 1-Page Reports
  - b) Draft Alignment Analysis Memo:
    - i. One (1) electronic copy in PDF format.
  - c) Final Alignment Analysis Memo:
    - i. One (1) electronic copy in PDF format.
4. Gravity Main Alignment Analysis
  - a) FNI will refine the gravity main analysis with a total of two (2) possible alignment alternatives. The following tasks will be performed with the pipeline route study;
    - a) Review previously prepared reports, master plans, water models, construction plans, and/or other pertinent documents on file with the City and other appropriate agencies.
    - b) Obtain record information on existing water, wastewater, storm drainage, floodplain, zoning, GIS data, aerial photography, topographic data, traffic information (if needed) and other

information applicable to the project.

- c) Obtain plans and drawings from ongoing design work adjacent to the project.
  - d) Conduct a maximum of two (2) visits to the project site to gather information on existing conditions. These visits are in addition to the project kickoff meeting with City Staff.
  - e) FNI will prepare an overall aerial and property map showing existing property lines along the alignment corridor.
  - f) FNI will develop a maximum of two (2) schematic-level alignments for the new gravity main. Alignments will be selected to avoid or minimize impacts to areas that may cause schedule delays or higher costs due to environmental, permitting, floodplain, easement, engineering issues or damage to property. Impacts to Schreiner Golf Course will also be considered. These alignment options will be presented to the City for review and comment.
  - g) FNI will further develop the pipeline alignment options incorporating information and data gathered in the above tasks. GIS contours will be used to verify required elevations for the gravity main. Conflicts and constructability will be analyzed as well as proposed construction and planning of future projects from the City information and field visits to each of the proposed routes. FNI will detail the routes and list benefits and conflicts associated with each alignment option in a draft memo. FNI will submit the draft memo including map/exhibit package to the City for review and comment.
  - h) FNI will also prepare Opinion of Probable Construction Costs for the maximum two (2) alignments. These will be included with the above-mentioned draft deliverable to the City.
  - i) FNI will facilitate one (1) meeting with the City to review comments. From this meeting FNI will develop a recommendation for a proposed force and gravity main alignment from the presented options. The memo and exhibits will be finalized reflecting the selected alignment option.
5. Survey: Survey will be initiated after the alignment is approved by the City. FNI will retain a survey firm as a subconsultant to perform tasks outlined in Item I. If project limits change, the scope/fee will be amended.

**C. 60% DESIGN PHASE:** FNI shall provide professional services in this phase as follows:

1. Meetings:
  - a) 60% Design Workshop:  
In-person meeting to discuss comments made on the 60% design submittal. Prepare meeting agenda and minutes
2. Utility Coordination: Coordinate with the utility companies for any necessary relocations/adjustments that may be required and indicate on the preliminary plans.
3. Permitting: Prepare all permits required for the project and obtain permits or cause permits to be obtained by the City.
4. Survey (further defined in Item I):  
Upon approval of the recommended alignment, design surveyor will initiate preparing easement documentation for up to 20 parcels as required for the force main and gravity main and per the scope below. If additional survey beyond 5,500 LF and beyond the alignment identified in the alignment analysis is needed, this will be an additional service.
5. Environmental Services (further defined in Item G):
  - a) Waters of the U.S.
  - b) Federally Listed Species
  - c) Cultural Resources
6. Geotechnical Investigation (further defined in Item H).

7. Prepare 60% Design Documents
8. Phase Deliverables
  - a) Monthly 1-Page Reports.
  - b) 60% Design Plans:
    - i. One (1) electronic copy in PDF format
  - c) List of project details and specifications.
  - d) Updated Opinion of Probable Construction Cost (OPCC) for the project delivered one (1) week after plan submittal.

**D. 90% DESIGN PHASE:** FNI shall provide professional services in this phase as follows:

1. Meetings:
  - a) 90% Design Workshop: In-person meeting to discuss comments made on the 90% design submittal. Prepare meeting agenda and minutes
2. Coordination with the TCEQ:

Provide documentation and coordination with the TCEQ for project approval.
3. Survey (further defined in Item I):
  - a) Continued preparation of easement documentation for up to 20 parcels as required for the force main and gravity main.
4. Phase Deliverables
  - a) Monthly 1-Page Reports.
  - b) 90% Design Plans:
    1. One (1) electronic copy in PDF format
  - c) Design Specifications:
    1. One (1) electronic copy in .pdf format.
  - d) Updated OPCC for the project delivered one (1) week after plan submittal.

**E. 100% Submittal:** FNI will incorporate any comments made by the City in the 90% design submittal and resubmit a 100% complete submittal for review.

Phase Deliverables

1. 100% Design Plans: One (1) electronic copy in PDF format
2. Design Specifications: One (1) electronic copy in .pdf format.
3. Updated OPCC for the project.

**F. BID PHASE:** Upon completion of the design services indicated above and approval of bid drawings and specifications by the City, FNI will proceed with the performance of services in this phase as follows:

1. Meetings:
  - a) Pre-bid Meeting: Assist the City in conducting one in-person pre-bid conference for the construction project and coordinate responses with City. Response to the pre-bid conference will be in the form of addenda issued after the conference.
  - b) Bid Opening: Attend virtual project bid opening and open bids as required by the City.
2. Bid Phase Services:
  - a) FNI will set up the projects on CivCastusa.com to distribute the bid documents to prospective bidders and plan rooms. Electronic sets of documents will be made available at no charge to plan holders. Hard copy plans will not be provided by FNI.
  - b) Assist City by responding to questions and interpreting bid documents. Prepare and issue addenda to the bid documents to plan holders if necessary.

- c) Tabulate and analyze the bids received. Review the qualification information provided by the apparent low bidder to determine if, based on the information available, they appear to be qualified to construct the project.
  - d) Recommend award of contracts or other actions as appropriate to be taken by City.
  - e) Provide Notice of Award of Contract to the Contractor and provide a letter with directions for the execution of the contract documents.
  - f) Assist City in the preparation of the Construction Contract Documents.
3. Phase Deliverables:
- a) Conformed Construction Documents
    - i. For contract execution:
      - (i) 1 electronic copy in PDF via FTP
    - ii. For City for use during construction:
      - (i) 3 hard copies in 22"x34" (full-size) format
      - (ii) 3 hard copies in 11"x17" (half-size) format
      - (iii) 3 hard copies of contract documents and project specifications.
      - (iv) 1 electronic copy in PDF via FTP
    - iii. For Construction Contractor:
      - (i) 1 electronic copy in PDF via FTP

**G. ENVIRONMENTAL EVALUATION**

FNI will perform an environmental evaluation of the project that will identify environmental constraints and environmental permitting requirements. The effort will be documented in a Technical Memorandum. Specifically, the evaluation will include:

1. Waters of the U.S.: FNI will review publicly available information (e.g., USGS National Hydrography Dataset, FEMA floodplain maps, USGS topographic maps, National Wetland Inventory) and past and recent aerial imagery to evaluate the presence of potential Waters of the US (WOTUS). Following the desktop efforts, a field delineation of WOTUS would be executed within the project limits. Ultimately this effort will evaluate the potential need for a US Army Corps of Engineers (USACE) authorization under Section 404 of the Clean Water Act, and identify the appropriate permitting approach (if needed). If this evaluation identifies the requirement or need for additional analyses or development of a USACE permit application, then those efforts would need to be authorized as an additional service.
2. Federally Listed Species: FNI will develop a list of potentially occurring federally listed species in the county protected under the Endangered Species Act. FNI will review the Texas Parks and Wildlife Department (TPWD) Natural Diversity Database to evaluate previously recorded occurrences of protected species in the project area and determine if there is a need for further analyses. Following the desktop effort, a field survey would be performed to identify the presence of any potential habitat for federally listed species. If this evaluation identifies the requirement or need for additional analyses or agency coordination, then those efforts will need to be authorized as an additional service.
3. Cultural Resources: FNI will perform a desktop review of the Texas Archeological Atlas to evaluate previously recorded cultural resources in the project area and determine if there is a need for further analyses to comply with Section 106 of the National Historic Preservation Act and the Texas Antiquities Code. The effort will include a coordination letter that will be submitted to Texas Historical Commission. If field surveys for cultural resources, or other additional analyses are needed, then those efforts will need to be authorized as an additional service.

## **H. GEOTECHNICAL INVESTIGATION**

### **Task 1 – Field Exploration**

1. Select and mark 3 boring locations and contact Texas811, the City, TxDOT and other agencies to request location and marking of existing underground utilities prior to the field exploration.
2. Subcontract with a geotechnical drilling contractor to drill a total of 3 borings: two borings at thirty feet deep and one boring at 20 feet deep. Samples will be collected intermittently using hollow stem or solid stem augers and either split-spoon or tube samplers. Rock and rock-like materials will be cored or tested in-situ using a Standard Penetration Test or Texas Cone Penetrometer, as appropriate for the material. At completion, the boreholes will be backfilled with auger cuttings and pavement will be patched.
3. Traffic Control will be provided for the borings located within the existing roadways or existing rights-of-way and relevant ROW permits will be obtained.
4. Provide a Geologist or Engineer experienced in logging borings to direct the drilling, log the borings, and handle and transport the samples. Visual classification of the subsurface stratigraphy shall be provided per the Unified Soil Classification System (USCS).

### **Task 2 – Laboratory Testing**

1. Testing shall be performed on samples obtained from the borings to determine soil classification and pertinent engineering properties of the subsurface materials. FNI will select samples for laboratory testing, assign tests and review the test results. Testing will be performed by a geotechnical testing subcontractor.
2. Laboratory tests will be assigned based on the specific subsurface materials encountered during exploration. Test type and quantity may vary, but are expected to include:
3. Classification tests (liquid and plastic limits and percent passing the no. 200 sieve or gradation)
4. Moisture content
5. Dry unit weight
6. Unconfined Compression tests

### **Task 3 – Engineering Analysis**

1. Prepare a technical memorandum of the geotechnical investigation to include:
2. Appendix with the boring locations, boring logs, laboratory test results, and a key to the symbols used.
3. Discussion of subsurface conditions and soil properties indicated by the field and laboratory work, and the implications for design. General discussion of expected construction related issues.
4. Earthwork related recommendations for use during development of the plans and specifications.

## **I. SURVEY (By Subconsultant)**

1. Locate and verify existing survey control. The work shall include all horizontal and vertical coordinates of the survey. The survey shall use the same coordinate system typically used by the City of Kerrville and compatible with the City's existing survey data. The surveyor is responsible for locating any benchmarks necessary to establish his work in this coordinate system. These benchmarks shall be located at 1,000 LF spacing along the force main and gravity main.
2. Provide survey data for the following:
3. Gravity Main: Survey a 50' wide corridor for the length (5,500 LF) of proposed gravity main. Tie in all existing features and structures on the survey. These shall include, but are not limited to: tops of curbs, edges of pavement, bridges, retaining walls, drainage structures (top, edges and flow line), channels and drainage ways (tops, toes and flow line), manholes (rim, flow lines and diameters of pipes), valves, slabs, utility signs and structures, fences, landscaping features, shrubbery, buildings, edges and finished floor), trees greater than ten (10) inches in diameter (include species and diameter), tree canopies, cleanouts, mailboxes, driveways, sidewalks, property pins, utility poles, site

equipment, storage tanks (footprint and top), dams (tops and toes), edges of impounded water, floors of lakes and ponds (by sounding or rodding), and vaults (top, edges and flow line). Indicate the material and type of each item tied in.

4. Research utilities and easements within the project boundaries. Obtain drawings of existing agency and municipal owned utilities and include locations of these utilities in the survey. Provide copies of all existing utility plans to the Engineer in PDF format as they are received.
5. Coordinate utility marking with Dig Tess (level B), conduct survey and locate utilities within the project boundary. Obtain the services of a utility locator service (such as DIGTESS) and coordinate flagging of existing franchise utilities. Tie in the locations of the existing utilities on the survey. Surveyor shall bear all costs for the services of such a locator.
6. The City will provide support for locating existing utilities within the survey area. Subsurface utility exploration (SUE) may be provided by the City as directed by the Engineer. Surveyor shall coordinate with the Engineer and the City to survey SUE utilities.
7. Provide sufficient ground shots to create one (1) foot contours for the project.
8. Surveyor shall locate proposed geotechnical boring locations and provide required utility locates as indicated above within those areas. There will be a maximum of three (3) geotechnical bores for the project.
9. Where necessary along route, the surveyor shall contact private property owners and attempt to ascertain permission to enter and survey within private properties. If surveyor encounters a hostile property owner, surveyor will consult with FNI and/or the City for directions for resolution.

#### Parcels and Field Notes:

1. Perform deed, plat and courthouse record research and prepare metes and bounds descriptions, survey parcels and field notes for up to 20 impacted parcels of land for permanent and temporary right-of-way acquisition (note that temporary easement boundary will be located/referenced only on the front of the document and not have separate metes and bounds description). The descriptions shall each contain drawing Exhibit A and verbal description Exhibit B, in accordance with State surveying standards. Provide FNI with three (3) copies each of the descriptions, each with original seal and signature.
2. Obtain copies of deeds and easement documents.
3. Survey existing property corners, fences and appurtenant property evidence along the alignment route.
4. Stake Final easement corridor from alignment data.
5. Show ownership and adjoiner ownership data for properties along the route.
6. Revise parcel descriptions and field notes per comments and final title report.

## II. SUPPLEMENTAL SERVICES:

NEPA Documentation: It is FNI's understanding that the project may use EDC funds for design and FEMA funds or construction. FEMA is a federal funding source that will require preparation of a NEPA document to release funds. EDC funding can also require NEPA documentation if a federal permit is included in the action, or if the EDC funding also includes some federal funding. Therefore, FNI will prepare an Environmental Assessment (EA) for NEPA documentation, and this EA would follow FEMA format for EAs.

1. EA Preparation: Using information from the Environmental Evaluation, FNI would prepare an EA following FEMA format and will include the following major elements, in accordance with FEMA guidelines:
  - a) Applicant information
  - b) Purpose and Need
  - c) Alternatives Analysis
  - d) Physical resources

- e) Water resources
- f) Coastal resources
- g) Biological resources
- h) Cultural resources
- i) Socioeconomic resources
- j) Summary Table
- k) Agency Coordination, Public Involvement and Permits
- l) References
- m) List of Preparers
- n) Map(s) or drawing(s) that fully locate the project area(s)
- o) Site photographs

The effort to produce the EA will include several drafts and will include:

- a) **Preliminary Draft EA:** FNI will submit a draft EA to the City for review. FNI will respond to City comments and make needed revisions to the preliminary draft EA. After one round of comments, FNI will submit this Preliminary Draft EA to FEMA for review and will respond to one round of comments.
  - b) **Draft EA:** After incorporating FEMA's edits to the Preliminary Draft EA, FNI will confirm FEMA's approval that the Draft EA is ready for Public Notice.
  - c) **Final EA:** Comments received during the Public Notice will be addressed to produce the Final EA.
2. **Agency and Tribal Coordination:** FNI will prepare and submit agency coordination letters to USACE, THC, TPWD, USFWS, and the county floodplain administrator as part of the agency coordination requirements. FNI will develop Tribal Letters that will be provided to FEMA to execute tribal consultation.
3. **Public Notice:** Following FEMA's approval of a Draft EA, FNI would develop text for a public notice that would occur at least twice during the 30 day comment period, for one day at the beginning of the comment period and again for one more day 15 days into the comment period (if needed; some public notices need only be published once at the beginning of the comment period for EAs with a 15 day public comment period). A daily regional paper of record would be preferred over a weekly local paper. It is also preferred to be published in the Legal Section of the newspaper if available. The public notice would include an explanation of how the public can access the Draft EA and instructions for submitting comments to FEMA. The public notice needs to be approved by FEMA before publication. It is assumed that the City would take text developed by FNI and approved by FEMA and execute the public notice. FNI will submit proof of publication of the public notice to FEMA. This proof must be in the form of an original copy of the notarized proof of publication affidavit provided by the newspaper publisher. Any other forms of proof will be accepted on a case by case basis and will require preapproval from FEMA.

**III. ADDITIONAL SERVICES:** Additional Services to be performed by FNI, if authorized by the City, which are not included in the above described basic services, are described as follows:

- A. Additional survey and services required if survey reveals alignment changes are required to accommodate unforeseen conditions that make the recommended alignment unfeasible.
- B. Preparation of Traffic Control Plan for gravity main installation. Traffic control for geotechnical borings is included.
- C. Identification and evaluation of future wastewater system improvements.

- D. Updates to wastewater master plan and/or model that are not directly related to this project.
- E. Bid phase services for separate bid packages for two or more projects.
- F. Construction Phase Services.
- G. Preparation of Storm Water Pollution Prevention Plan(s).
- H. Investigations involving consideration of operation, maintenance and overhead expenses, and the preparation of rate schedules, earnings and expense statements, feasibility studies, appraisals, evaluations, assessment schedules, and material audits or inventories required for certification of force account construction performed by the City.
- I. Preparing applications and supporting documents for government grants, loans, or planning advances and providing data for detailed applications, except those indicated in Supplemental Services.
- J. Providing shop, mill, field or laboratory inspection of materials and equipment.
- K. Preparing Operation and Maintenance Manuals or conducting operator training.
- L. Preparing data and reports for assistance to the City in preparation for hearings before regulatory agencies, courts, arbitration panels or any mediator, giving testimony, personally or by deposition, and preparations therefore before any regulatory agency, court, arbitration panel or mediator.
- M. Performing investigations, studies and analyses of substitutions of equipment and/or materials or deviations from the plans and specifications.
- N. Assisting City in the defense or prosecution of litigation in connection with or in addition to those services contemplated by this proposal. Such services, if any, shall be furnished by FNI on a fee basis negotiated by the respective parties outside of and in addition to this proposal.
- O. Providing environmental support services including the design and implementation of ecological baseline studies, environmental monitoring, impact assessment and analyses, permitting assistance, and other assistance required to address environmental issues.
- P. Conducting site visits in excess of the number specified elsewhere in this scope.

**PROFESSIONAL SERVICES AGREEMENT BETWEEN THE CITY OF KERRVILLE  
AND FREESE AND NICHOLS, INC.**

**FNI COMPENSATION  
LUMP SUM WITH ADDITIONAL WORK BASED ON COST TIMES MULTIPLIER**

**Basic Services and Supplemental Services**

Compensation to FNI for the Basic Services shall be the lump sum of \$457,219 and compensation to FNI for supplemental services shall be \$33,770 (cost plus multiplier) for a total of \$490,989. Supplemental services will not be used unless authorized by the City. If FNI sees the Scope of Services changing so that additional services are needed, including but not limited to those services described as Additional Services in Exhibit A, FNI will notify City for City's written approval before proceeding.

A breakdown of major task items and their associated costs are as follows:

<b>BASIC SERVICES TASK</b>	<b>COST</b>
Project Management	\$37,621
Data Collection, Alignment Analysis	\$51,516
60% Design	\$138,171
Survey	\$56,404
Geotechnical Investigation	\$33,308
90% Design	\$85,557
100% Design	\$29,242
Bid Phase Services	\$25,400
<b>Basic Services Total</b>	<b>\$457,219</b>
<b>SUPPLEMENTAL SERVICES TASK</b>	
NEPA Documentation	\$33,770
<b>Supplemental Services Total</b>	<b>\$33,770</b>
<b>TOTAL CONTRACT AMOUNT</b>	<b>\$490,989</b>

**PROFESSIONAL SERVICES AGREEMENT BETWEEN THE CITY OF KERRVILLE  
AND FREESE AND NICHOLS, INC.**

**PROJECT SCHEDULE**

**TIME OF COMPLETION:** FNI is authorized to commence work on the Project upon execution of this AGREEMENT and agrees to complete the services in accordance with the following schedule:

<b>Milestone/Deliverable</b>	<b>Completion Date</b>
Notice to Proceed	05/04/2026
Draft Alignment Analysis Technical Memorandum	07/13/2026
Finalize Alignment Analysis Technical Memorandum	07/27/2026
60% Design Phase Submittal	01/18/2027
90% Design Phase Submittal	04/12/2027
100% Design Phase Submittal	05/20/2027
Bid Phase Services	08/05/2027

Completion dates shown are dependent on right-of-entry completion for all properties by 08/31/2026. If FNI's services are delayed through no fault of FNI, FNI shall be entitled to adjust contract schedule consistent with the number of days of delay. These delays may include but are not limited to delays in City or regulatory reviews, delays on the flow of information to be provided to FNI, governmental approvals, etc.