

**MINUTES OF THE
KERRVILLE PUBLIC UTILITY BOARD
REGULAR MONTHLY MEETING
WEDNESDAY, FEBRUARY 19, 2020, AT 8:30 A.M.
KPUB CONFERENCE ROOM
KERRVILLE PUBLIC UTILITY BOARD OFFICES
2250 MEMORIAL BLVD.
KERRVILLE, TEXAS**

TRUSTEES PRESENT:

Fred Gamble
Philip Stacy
Mark Cowden
Mayor Bill Blackburn

STAFF PRESENT:

Mike Wittler, General Manager and CEO
Jill Sadberry, Chief Financial Officer
Ricardo Berrios, Distribution Engineer
Gerald Bryla, Controller
Jo Anderson, Customer Service Manager
Allison Bueché, Marketing Manager
Damon Richardson, Purchasing Agent
Lidia S. Goldthorn, Assistant Secretary to the Board

TRUSTEES ABSENT:

Bill Thomas

OTHERS PRESENT:

Stephen Schulte, Legal Counsel
Gil Salinas, KEDC
Pat Murray
David Barker

1. CALL TO ORDER:

Mr. Fred Gamble, Chairman, called the Regular Monthly Meeting to order at 8:30 a.m.

2. PLEDGE OF ALLEGIANCE:

3. APPROVAL OF MINUTES:

The Trustees reviewed the minutes of the January 15, 2020, Annual System Users Meeting and the January 15, 2020, Regular Monthly Board Meeting. Philip Stacy, Secretary, motioned to approve the minutes. Mark Cowden, Treasurer, seconded the motion. Vote was by a show of hands. Motion carried 4 – 0.

4. CITIZEN/CONSUMER OPEN FORUM:

There were no citizens/consumers to speak.

5. ANNOUNCEMENTS OF COMMUNITY INTEREST:

Mr. Wittler advised there will be a blood drive at KPUB this Friday, February 21st from 9:00 a.m. to 1:30 p.m. The employee service awards picnic is scheduled for March 28th. Mr. Wittler advised three new employees were hired and Ricardo Berrios was promoted to Interim Engineering Manager. He also advised that KPUB will be participating in a CAM day in March. The March Regular Monthly Board Meeting is scheduled for Wednesday, March 18, 2020 at 8:30 a.m. There were no other announcements.

6. QUARTERLY REPORT FROM THE KERRVILLE ECONOMIC DEVELOPMENT CORPORATION (KEDC) – GILBERT SALINAS, COO:

Mr. Salinas provided an update of projects and activity to the Board. He reviewed action items the KEDC is working on, which includes looking at state funds to assist our community, quarterly meetings with regional economic development peers, partnering with the office of the governor to co-host an event for our region for businesses and entrepreneurs, and pursuing training programs geared toward local companies. Board members thanked Mr. Salinas for his efforts.

7. CONSIDERATION AND ACTION ON RESOLUTION NO. 20-03 – JILL SADBERRY, CFO:

Ms. Sadberry presented this month's wire transfers for operating expenses to the Board. Mayor Bill Blackburn motioned for approval of Resolution No. 20-03. Mr. Stacy seconded the motion. Vote was by a show of hands. Motion carried 4 – 0.

8. FINANCIAL REPORT – JILL SADBERRY, CFO:

Ms. Sadberry presented Financial Statements (unaudited) for the Fiscal Year 2020 through January 31, 2020. Ms. Sadberry reviewed the Statements and Balance Sheets for the month. She stated at January 31, 2020, operating expenses, excluding power cost, were below budget by \$12,313.93 or by 0.32%. The balance in the over-collected power cost was \$2,601,594.79. Ms. Sadberry noted the balance in the Rate Stabilization Fund was \$1,891,177.85. The Debt Service coverage was 8.87 for the month and 13.35 for the Fiscal Year.

9. CONSIDERATION AND ACTION ON DECEMBER, 2019 QUARTERLY FUNDS REPORT – JILL SADBERRY, CFO:

Ms. Sadberry presented the summary pages on the Quarterly Funds Report for the quarter ending December 31, 2019; which summarizes the fund investments. Ms. Sadberry advised KPUB is required by state law to present the quarterly report for the Board's acceptance after review by the Investment Committee. This item did not require a motion and second because it was being submitted for Board approval by the Investment Committee. Vote was by a show of hands. Motion carried 4 – 0.

10. CONSIDERATION AND ACTION ON RESOLUTION NO. 20-04 – JILL SADBERRY, CFO:

Ms. Sadberry presented to the Board of Trustees for their consideration and approval Resolution No. 20-04, a resolution, in compliance with the Public Funds Investment Act, requiring that the governing body adopt a written instrument stating the Board had considered the Policy and Investment Strategies on an annual basis as required by the provisions of Chapter 2256. The policy was reviewed by KPUB's bond

counsel, Mr. Jeffrey Kuhn, Partner with Norton Rose Fulbright, who recommended minor changes to the current policy. Staff recommended that the Board of Trustees approve Resolution No. 20-04 in acceptance and approval of Board Policy No. 44 - Investment Policy. Mr. Cowden moved for approval of Resolution No. 20-04. Mr. Stacy seconded the motion. Vote was by a show of hands. Motion carried 4 – 0.

11. APPROVAL AND REPORTING OF PURCHASES AND SALES:

A. Neopost Postage Meter (Jo Anderson, Customer Service Manager)

Staff recommended the approval of a blanket purchase order to continue lease number N17032592 with Neopost USA (soon to be Quadient) in the amount of \$6,011.64 for a three-year lease on the postage meter and letter opener. The lease is \$166.99 each month for 36 months, paid quarterly, beginning in March, 2020 and covers an update to the equipment currently being utilized. This is an increase of \$18.26 monthly over what we have paid for the last three years and is comparable to the quote received from Pitney Bowes for similar equipment.

Mr. Stacy motioned for approval purchases and sales. Mr. Cowden seconded the motion. Vote was by a show of hands. Motion carried 4 – 0.

12. MOTION AND VOTE TO RECESS THE PUBLIC MEETING AND RECONVENE IN AN EXECUTIVE CLOSED SESSION:

I. 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. The nomination of three (3) candidates to the City Council of the City of Kerrville for appointment to Board of Trustees Position Number Two.

(1) Exhibit A – Applicants for Board Position 2 – Mike Wittler, COO

Chairman Gamble asked the Board of Trustees if he had a motion that the Board convene in Executive Closed Session for “Personnel Matters” in accordance with Texas Statutes Subchapter D, Chapter 551, Government Code Section §551.074. Mr. Cowden so moved. Mayor Blackburn seconded the motion. Vote was by a show of hands. Motion carried 4 – 0.

The Board entered Executive Closed Session at 8:58 a.m. Chairman Gamble adjourned the Executive Closed Session and reconvened into Open Session at 9:14 a.m.

12. CONSIDERATION AND ACTION AS A RESULT OF EXECUTIVE CLOSED SESSION:

I. Board Position No. 2 Nominations.

Mr. Stacy made a motion to nominate Larry Howard, Pat Murray and Mindy Wendele to City Council to consider for the upcoming Board position vacancy. Mr. Cowden seconded the motion. Vote was by a show of hands. Motion carried 4 - 0.

13. **ADJOURNMENT**

Chairman Gamble adjourned the Regular Board Meeting at 9:15 a.m.

Date Approved: _____

Fred Gamble, Chairman

ATTEST

Lidia S. Goldthorn, Assistant Secretary to the Board

MEMORANDUM

TO: Fred Gamble
Bill Thomas
Philip Stacy
Mark Cowden
Mayor Bill Blackburn

FROM: Jill Sadberry

DATE: March 11, 2020

SUBJECT: Agenda Item #6 - Resolution No. 20-05

Presented for your review, wire transfers for operating expenses.

I. WIRE TRANSFERS - Operating Expense

ERCOT-CRR Auction Invoice Paid February 12, 2020 Transfer from TexPool Investment Fund to ERCOT.	\$ 78,962.73
ERCOT-CRR Auction Invoice Paid February 26, 2020 Transfer from TexPool Investment Fund to ERCOT.	\$ 54,095.14
LCRA - Power Cost Billing 01/01/2020 to 01/31/2020 Paid February 28, 2020 Transfer from TexPool Investment Fund to LCRA.	\$ 522,362.55
CPS ENERGY - Power Cost Billing 01/01/2020 to 01/31/2020. Paid January 31, 2020 Transfer from TexPool Investment Fund to CPS ENERGY.	\$ 901,438.58
NEXTERA - Power Cost Billing 01/01/2020 to 01/31/2020. Paid February 20, 2020 Transfer from TexPool Investment Fund to NEXTERA.	\$ 485,088.00
CITY OF GARLAND - Power Cost Billing 01/01/2020 to 01/31/2020. Paid February 28, 2020 Transfer from TexPool Investment Fund to CITY OF GARLAND.	\$ 382,264.85

DG TEXAS SOLAR, LLC - Power Cost Billing 01/01/2020 to 01/31/2020.
 Paid February 26, 2020 Transfer from TexPool Investment Fund
 to DG TEXAS SOLAR, LLC. \$ 33,150.82

TML-Additional Auto Liability Premium-FYE 09/30/2020.
 Paid February 12, 2020 Transfer from TexPool Investment Fund
 to TML. \$ 526.26

II. WIRE TRANSFERS – Investments

A. Transfer from Centennial Bank Revenue Fund to TexPool Investment Fund:

<u>Date</u>	<u>Principal</u>
February 11, 2020	\$ 200,000.00
February 21, 2020	300,000.00
February 24, 2020	300,000.00
February 28, 2020	400,000.00
March 02, 2020	400,000.00
March 06, 2020	300,000.00
March 09, 2020	200,000.00
March 10, 2020	200,000.00

III. WIRE TRANSFERS - Payroll

Automated Clearing House for Pay Periods Ending:

February 21, 2020	\$ 110,040.61
March 06, 2020	\$ 103,251.89

IV. WIRE TRANSFERS - Payroll - Federal Reserve Bank

Federal Withholding and FICA for Period Ending:

February 21, 2020	\$ 42,249.97
March 06, 2020	\$ 36,827.91

V. WIRE TRANSFER - Comptroller of Public Accounts
 2020 - Sales and Use Tax – Paid 03/06/2020 \$ 76,267.41

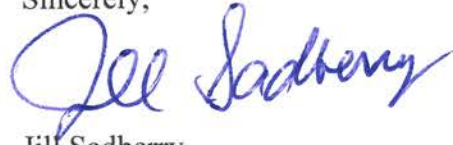
VI. WIRE TRANSFER - TMRS and TML

Texas Municipal Retirement System (TMRS)
 Retirement Plan Contribution
 for the month of February – Paid 03/02/2020 \$ 66,079.29

Texas Municipal League (TML)
Monthly Premium - Medical, Dental, Vision and Life
for the month of February – Paid 03/02/2020 \$ 56,860.03

If you have any questions on the items presented for payment, I will be happy to answer them at your convenience.

Sincerely,



Jill Sadberry
Chief Financial Officer

RESOLUTION NO. 20-05

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 25th day of March, 2020

Fred Gamble, Chairman

ATTEST:

Philip Stacy, Secretary

MEMORANDUM

To: Fred Gamble
Bill Thomas
Philip Stacy
Mark Cowden
Mayor Bill Blackburn

From: Jill Sadberry

Date: March 18, 2020

Re: Agenda Item No. 7 — Financial Report

Operating income for the month of January is \$188,660.81, which is below budget by \$149,899.19. Net income for the month is \$169,531.37, which is below budget by \$146,299.63. Year to date operating income is below budget by \$159,982.50 and net income is below budget by \$177,885.77.

For the year, kWh sales are above budget by 11,049,702 kWhs, or by 5.66%.

At February 29, 2020, operating expenses, excluding power cost, are below budget by \$57,902.71 or by 1.20%.

The balance in the over collected power cost at February 29, 2020 was \$2,548,899.77.

The balance in the Rate Stabilization Fund is \$1,882,963.73.

Debt service coverage for February is 11.32. The coverage factor for the fiscal year is 12.98.

Sincerely,



Jill Sadberry
Chief Financial Officer

Kerrville Public Utility Board
Statement of Revenues, Expenses and Changes in Retained Earnings
February 28, 2020
(UNAUDITED)



	Current Month	Comparison to Budget			Comparison to Last Year		
		Current Month Budget Amount	Increase (Decrease)	Percentage Increase (Decrease)	Current Month Last Year Amount	Increase (Decrease)	Percentage Increase (Decrease)
OPERATING REVENUES:							
Residential	2,040,037.78	2,140,607.00	(100,569.22)	-4.70%	2,203,793.49	(163,755.71)	-7.43%
Commercial/Industrial	1,335,373.70	1,249,110.00	86,263.70	6.91%	1,274,440.94	60,932.76	4.78%
Sales to Public Authorities	23,276.49	23,500.00	(223.51)	-0.95%	93,035.54	(69,759.05)	-74.98%
Other	84,479.03	179,950.00	(95,470.97)	-53.05%	165,663.57	(81,184.54)	-49.01%
TOTAL OPERATING REVENUES	3,483,167.00	3,593,167.00	(110,000.00)	-51.79%	3,736,933.54	(253,766.54)	-126.64%
OPERATING EXPENSES:							
Purchased Power	2,439,688.97	2,354,201.00	85,487.97	3.63%	2,134,566.66	305,122.31	14.29%
Distribution	206,049.66	263,806.00	(57,756.34)	-21.89%	242,160.91	(36,111.25)	-14.91%
Customer Accounting	67,224.99	64,000.00	3,224.99	5.04%	66,067.95	1,157.04	1.75%
Customer Service & Informational	27,454.15	27,400.00	54.15	0.20%	18,781.89	8,672.26	46.17%
Administrative Expenses	334,531.73	325,800.00	8,731.73	2.68%	259,716.80	74,814.93	28.81%
Franchise Fees - Ingram	2,738.99	2,600.00	138.99	5.35%	3,308.75	(569.76)	-17.22%
Depreciation	288,322.66	290,000.00	(1,677.34)	-0.58%	246,427.98	41,894.68	17.00%
Other	(1,504.96)	(3,200.00)	1,695.04	-52.97%	(250.00)	(1,254.96)	501.98%
TOTAL OPERATING EXPENSES	3,364,506.19	3,324,607.00	39,899.19	1.20%	2,970,780.94	393,725.25	13.25%
OPERATING INCOME	118,660.81	268,560.00	(149,899.19)	-52.99%	766,152.60	(647,491.79)	-139.89%
NONOPERATING REVENUES (EXPENSES):							
Revenue Fund, Constr, Emerg	42,980.57	35,808.00	7,172.57	20.03%	46,192.22	(3,211.65)	-6.95%
Interest & Sinking Fund	210.04	479.00	(268.96)	-56.15%	337.11	(127.07)	-37.69%
Reserve Fund	-	-	-	0.00%	-	-	-
Interest Inc-City of Kerrville	15,000.00	15,000.00	-	0.00%	15,000.00	-	-
Interest Expense	(11,215.55)	(11,216.00)	0.45	0.00%	(11,859.08)	643.53	-5.43%
AFUDC - Borrowed Funds	3,522.84	2,500.00	1,022.84	40.91%	2,663.98	858.86	32.24%
Other - net	372.66	4,700.00	(4,327.34)	-92.07%	408.07	(35.41)	-8.68%
TOTAL NONOPERATING REVENUES (EXPENSES):	50,870.56	47,271.00	3,599.56	7.61%	52,742.30	(1,871.74)	-3.55%
NET INCOME	169,531.37	315,831.00	(146,299.63)	-46.32%	818,894.90	(649,363.53)	-79.30%
RETAINED EARNINGS AT BEGINNING OF MONTH	68,655,071.35				66,572,504.88		
Plus: Contributions in Aid of Construction	2,262.00	9,000.00	(6,738.00)	-74.87%	14,533.26	(12,271.26)	-84.44%
Less: General Fund Transfer - Regular	104,073.37	108,900.00	(4,826.63)	-4.43%	131,525.99	(27,452.62)	-20.87%
Less: General Fund Transfer - Special	-	-	-	-	-	-	-
RETAINED EARNINGS AT END OF MONTH	68,722,791.35				67,274,407.05		
Percent of Net Income to Operating Revenue	4.87%				21.91%		

Kerrville Public Utility Board
Statement of Revenues, Expenses and Changes in Retained Earnings
February 28, 2020
(UNAUDITED)

	Year to Date	Comparison to Budget			Comparison to Last Year		
		Year to Date Budget Amount	Increase (Decrease)	Percentage Increase (Decrease)	Year to Date Last Year Amount	Increase (Decrease)	Percentage Increase (Decrease)
OPERATING REVENUES:							
Residential	9,721,264.38	9,666,296.00	54,968.38	0.57%	10,621,631.48	(900,367.10)	-8.48%
Commercial/Industrial	6,943,498.52	7,265,433.00	(321,934.48)	-4.43%	7,460,679.68	(517,181.16)	-6.93%
Sales to Public Authorities	116,266.86	117,500.00	(1,233.14)	-1.05%	106,592.54	9,674.32	9.08%
Other	112,386.97	341,550.00	(229,163.03)	-67.10%	303,818.92	(191,431.95)	-63.01%
TOTAL OPERATING REVENUES	16,893,416.73	17,390,779.00	(497,362.27)	-2.83%	18,492,722.62	(1,599,305.89)	-8.65%
OPERATING EXPENSES:							
Purchased Power	11,106,792.94	11,386,270.00	(279,477.06)	-2.45%	11,787,199.34	(680,406.40)	-5.77%
Distribution	1,433,348.22	1,310,317.00	123,031.22	9.39%	1,151,163.58	282,184.64	24.51%
Customer Accounting	261,721.04	318,200.00	(56,478.96)	-17.75%	347,289.19	(85,568.15)	-24.64%
Customer Service & Informational	97,659.72	135,900.00	(38,240.28)	-28.14%	64,037.58	33,622.14	52.50%
Administrative Expenses	1,550,242.32	1,617,000.00	(66,757.68)	-4.13%	1,355,918.98	194,323.34	14.33%
Franchise Fees - Ingram	12,707.67	12,700.00	7.67	0.06%	13,307.50	(599.83)	-4.51%
Depreciation	1,422,282.55	1,445,000.00	(22,717.45)	-1.57%	1,163,193.81	259,088.74	22.27%
Other	(12,747.23)	(16,000.00)	3,252.77	-20.33%	(5,151.86)	(7,959.37)	147.43%
TOTAL OPERATING EXPENSES	15,872,007.23	16,209,387.00	(337,379.77)	-2.08%	15,876,958.12	(4,950.89)	-0.03%
OPERATING INCOME	1,021,409.50	1,181,392.00	(159,982.50)	-13.54%	2,615,764.50	(1,594,355.00)	-60.58%
NONOPERATING REVENUES (EXPENSES):							
Revenue Fund	182,015.41	179,040.00	2,975.41	1.66%	195,361.47	(13,346.06)	-6.83%
Interest & Sinking Fund	1,300.04	2,395.00	(1,094.96)	-45.72%	1,474.30	(174.26)	-11.82%
Reserve Fund	-	-	-	-	-	-	-
Interest Inc-City of Kerrville	75,000.00	75,000.00	-	0.00%	75,000.00	-	-
Interest Expense	(56,721.28)	(56,723.00)	1.72	0.00%	(59,621.09)	2,899.81	-4.86%
AFUDC - Borrowed Funds	14,223.64	12,500.00	1,723.64	13.79%	12,780.40	1,443.24	11.29%
Other - net	1,990.92	23,500.00	(21,509.08)	-91.53%	(873.95)	2,864.87	-327.81%
TOTAL NONOPERATING REVENUES (EXPENSES):	217,808.73	235,712.00	(17,903.27)	-7.60%	224,121.13	(6,312.40)	-2.82%
NET INCOME	1,239,218.23	1,417,104.00	(177,885.77)	-12.55%	2,839,885.63	(1,600,667.40)	-56.36%
RETAINED EARNINGS AT BEGINNING OF YEAR	67,949,781.81				64,988,632.92		
Plus: Capital Contributions	117,200.79	45,000.00	72,200.79	160.45%	61,720.04	55,480.75	89.89%
Less: General Fund Transfer - Regular	533,409.48	421,820.00	111,589.48	26.45%	591,331.54	(57,922.06)	-9.80%
Less: General Fund Transfer - Special	50,000.00	45,920.00	4,080.00		24,500.00	25,500.00	
	68,722,791.35				67,274,407.05		
Percent of Net Income to Operating Revenue		7.34%			15.36%		



Kerrville Public Utility Board
Balance Sheets
February 29, 2020

February 29, 2020 October 1, 2019
(Unaudited)

Assets	February 29, 2020 (Unaudited)	October 1, 2019	Liabilities and Equity	February 29, 2020 (Unaudited)	October 1, 2019
Utility Plant:			Equity:		
Electric Plant in Service	82,316,672.85	80,570,016.90	Retained Earnings - Unreserved	68,722,791.15	67,949,781.81
Less: Accumulated Depreciation	(39,849,831.94)	(38,511,913.89)	Total Equity	68,722,791.15	67,949,781.81
Construction Work in Progress	42,466,840.91	42,058,103.01			
Net Utility Plant	4,485,450.60	4,204,554.83			
	46,952,291.51	46,262,657.84			
Restricted Assets:			Liabilities:		
Cash and Cash Equivalents:			Long-Term Debt:		
Customer Deposits	549,556.01	538,441.01	2013 Revenue Bonds	3,680,000.00	4,081,000.00
Total Cash and Cash Equivalents	549,556.01	538,441.01	Net of Current Portion	-	-
			Plus: Unamortized Premium	-	-
Investments:			Less: Unamortized Refunding Charge	-	-
2013 Bond Construction Fund	-	-			
Interest and Sinking Fund	178,738.91	443,403.47			
Emergency, Repair, Replace, Conting Fund	3,527,145.75	3,513,053.00			
L.T. Rate Stabilization Fund:	632,253.61	540,000.00			
Total Investments	4,338,138.27	4,496,456.47	Pension Liability	3,534,559.00	3,534,559.00
			Total Long-Term Debt	7,214,559.00	7,615,559.00
Total Restricted Assets	4,887,694.28	5,034,897.48			
Current Assets:			Current Liabilities Payable		
Revenue Fund:			from Restricted Assets:		
Cash and Cash Equivalents	607,936.78	374,685.93	Current Portion of 2013 Revenue Bonds	401,000.00	392,000.00
Investments - Less: Customer Deposits	10,468,833.55	11,408,481.71	Accrued Interest Payable	44,862.20	59,295.42
Total Revenue Fund	11,076,770.33	11,783,167.64	Accounts Payable 2013 Bond Fund	-	-
			Customer Deposits	549,556.01	532,451.01
Construction Fund:					
Cash and Cash Equivalents	5,055.57	5,020.01			
Investments	2,759,019.06	1,666,500.10			
Total Construction Fund	2,764,074.63	1,671,520.11			
Rate Stabilization Fund:			Current Liabilities:		
Cash and Cash Equivalents	-	-	Accounts Payable - Power Suppliers	2,255,706.38	2,009,744.93
Investments	1,892,963.73	1,885,402.35	Accounts Payable and Accrued Liab's	748,030.98	1,199,839.07
Total Rate Stabilization Fund	1,892,963.73	1,885,402.35	Over Collection of Power Cost Adj Revs	2,548,899.77	2,340,093.92
ERCOT CRR Auction Funds	157,536.99	157,536.99			
Customer Accounts Receivable,					
Net of Allowances	3,752,594.52	4,279,221.69			
Materials and Supplies	1,040,737.49	1,151,297.03	Total Liabilities	13,762,514.34	14,148,983.35
Other	978,725.48	891,047.50			
Total Current Assets	21,663,403.17	21,619,193.31	Deferred Credits		
			Deferred Inflows of Resources-Pension	1,253,434.00	1,253,434.00
Deferred Debits					
Deferred Outflow of Resources	2,735,450.53	2,735,450.53			
Advance to City of Kerrville	7,500,000.00	7,500,000.00	Total	83,738,839.49	83,352,199.16
Total	83,738,839.49	83,352,199.16			

Kerrville Public Utility Board
 Detail of Fund Balances from Funds Invested in Government Securities For the Month Of
 2/29/2020

	Revenue Fund	Construction Fund	Stabilization Fund	Rate Fund	Long Term Rate Stabil. Fund	Debt Reserve Fund	Restricted		Total Funds Invested
							Sinking Fund	Emergency, Repair, Replace & Contingency Fund	
Beginning of the Month Balance	11,222,810.88	2,758,735.35	1,891,177.85	631,657.12	-	222,421.85	3,527,296.75	20,254,099.80	
Maturities and/or Withdrawals:									
TEXPOOL-TML Insurance 2/12/2020	(526.26)							(526.26)	
TEXPOOL-TML Insurance 2/5/2020	(55,429.59)							(55,429.59)	
TEXPOOL-TMRS (employer) 2/7/2020	(41,717.60)							(41,717.60)	
TEXPOOL-TMRS (employee) 2/7/2020	(20,858.80)							(20,858.80)	
TEXPOOL-LCRA 2/28/2020	(522,362.55)							(522,362.55)	
TEXPOOL-CPS Energy 2/28/2020	(901,438.58)							(901,438.58)	
TEXPOOL-NextEra 2/20/2020	(485,088.00)							(485,088.00)	
TEXPOOL-ERCOT 2/12/2020	(78,962.73)							(78,962.73)	
TEXPOOL-ERCOT 2/26/2020	(54,095.14)							(54,095.14)	
TEXPOOL-City of Garland 2/28/2020	(382,264.85)							(382,264.85)	
TEXPOOL-DG Southwest Solar LLC 2/26/2020	(33,150.82)							(33,150.82)	
Stadium Equipment Upgrade 2/29/2020	-	-	-	-	-	-	-	-	
Ingram Equipment Upgrade 2/29/2020	-	-	-	-	-	-	-	-	
Hunt Emergency Transformer Replac 2/29/2020	-	-	-	-	-	-	-	-	
Investments:									
TEXPOOL 2/3/2020	500,000.00							500,000.00	
TEXPOOL 2/7/2020	600,000.00							600,000.00	
TEXPOOL 2/11/2020	200,000.00							200,000.00	
TEXPOOL 2/21/2020	300,000.00							300,000.00	
TEXPOOL 2/24/21020	300,000.00							300,000.00	
TEXPOOL 2/28/2020	400,000.00							400,000.00	
TEXPOOL	-							-	
TEXPOOL	-							-	
Allocation of:									
mo int earned to the separate funds	10,946,915.96	2,758,735.35	1,891,177.85	631,657.12	-	222,421.85	3,527,296.75	19,978,204.88	
Interest Receivable (accrued on CD)	11,292.55	2,605.13	1,785.88	596.49	-	210.04	3,331.19	19,821.28	
Interest Receivable (accrued on CD)	7,244.93						3,145.21	10,390.14	
Tot Fund Bal after int allocation & xfer	10,965,453.44	2,761,340.48	1,892,963.73	632,253.61	-	222,631.89	3,533,773.15	20,008,416.30	
Interfund transfers	-							-	
Total Fund Balance at End of Month	10,965,453.44	2,761,340.48	1,892,963.73	632,253.61	-	222,631.89	3,533,773.15	20,008,416.30	

Kerrville Public Utility Board
 Computation of the Monthly and Year to Date Debt Service Coverage
 For the Month Ended
 February 29, 2020

Description	Current Month	Fiscal Year	Previous Twelve Months
Net Income	169,531.37	1,239,218.23	3,759,472.32
Plus:			
Interest Expense (net of amortizations & Depreciation Expense	7,692.71 288,322.66	42,497.64 1,422,282.55	108,635.76 3,500,102.23
Miscellaneous Amortizations	-	-	-
Numerator	465,546.74	2,703,998.42	7,368,210.31
DIVIDED BY:			
Interest Expense (net of amortizations & AF Principal Payment Due	7,692.71 33,416.67	42,497.64 166,333.33	108,635.76 395,000.00
Denominator	41,109.38	208,830.97	503,635.76
Debt Service Coverage Ratio	11.32	12.95	14.63
Minimum Requirement per Bond Covenant			1.35 times Debt Service
Minimum Requirement Established by KPUB Board for Good Business Practices			1.65 times Debt Service

MEMORANDUM

To: Fred Gamble
Bill Thomas
Philip Stacy
Mark Cowden
Mayor Bill Blackburn

From: Mike Wittler

Date: March 20, 2020

Re: Agenda Item 8 – Consideration and Action on Second Amendment to Loan Agreement with the City of Kerrville

The City is in the process of reviewing debt and refunding some of the certificates of obligation to take advantage of lower interest rates. As part of that review, the City has made a request for KPUB to consider amending our loan agreement to reduce the interest rate from 2.4% to 2.0%.

Our loan to the City was originally funded in August 2016 and it had a ten year term with three years of interest only payments and seven years of principal and interest payments. The principal amount of the loan is \$7,500,000.

In January 2018, the Board approved amending the agreement to extend the interest only payments by three years and extend the overall term by three years as well.

Reducing the interest rate from 2.4% to 2.0% will reduce the total interest payments by \$187,500, from \$1,755,000 to \$1,567,500.

Staff is recommending that the Board direct the General Manager to draft and execute an amendment to the agreement subject to counsel review and approval to reduce the interest rate from 2.4% to 2.0%.

Sincerely,



Mike Wittler

7,500,000.00 2.40%

2/1/2017	90,000.00		
8/1/2017	90,000.00		
2/1/2018	90,000.00		
8/1/2018	90,000.00		
2/1/2019	90,000.00		
8/1/2019	90,000.00		
2/1/2020	90,000.00	535,714.00	6,964,286.00
8/1/2020	83,571.43	535,714.00	6,428,572.00
2/1/2021	77,142.86	535,714.00	5,892,858.00
8/1/2021	70,714.30	535,714.00	5,357,144.00
2/1/2022	64,285.73	535,714.00	4,821,430.00
8/1/2022	57,857.16	535,714.00	4,285,716.00
2/1/2023	51,428.59	535,714.00	3,750,002.00
8/1/2023	45,000.02	535,714.00	3,214,288.00
2/1/2024	38,571.46	535,714.00	2,678,574.00
8/1/2024	32,142.89	535,714.00	2,142,860.00
2/1/2025	25,714.32	535,714.00	1,607,146.00
8/1/2025	19,285.75	535,714.00	1,071,432.00
2/1/2026	12,857.18	535,714.00	535,718.00
8/1/2026	6,428.62	535,718.00	-

1,215,000.31	7,500,000.00
	6,964,286.00

MEMORANDUM

To: Fred Gamble
Bill Thomas
Philip Stacy
Mark Cowden
Mayor Bill Blackburn

From: Mike Wittler

Date: March 20, 2020

Re: Agenda Item 10 – Consideration and Action on Application for Economic Development Support from KEDC on Behalf of Prime Components Kerrville

Attached is a request from the Kerr Economic Development Corporation on behalf of Prime Components Kerrville to be placed on KPUB's Economic Development Rate. Our normal process is to rely on review and recommendation from the Economic Development GO Team, but in this case the project is not located within the city limits so we asked KEDC staff for their recommendation.

Prime Components Kerrville meets the eligibility criteria for KPUB's Economic Development Rate as a primary industry employer.

Staff is recommending approval of the economic development support request for Prime Components Kerrville. KPUB's Economic Development Rider is attached for your reference.

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

Sincerely,



Mike Wittler



Positioned for Growth

1700 Sidney Baker Suite 100
Kerrville, TX 78028
830-896-1157

March 18, 2020

Kerrville Public Utility Board
Board of Directors
2250 Memorial Blvd
Kerrville, TX 78202

RE: Formal Request and Recommendation for Economic Development Utility Rate on Behalf of Prime Components
Kerrville

Members of the Board,

Kerr Economic Development Corporation is requesting and recommending the Economic Development KPUB Utility Rate for Prime Components Kerrville. We are making this request on behalf of Prime Components of Kerrville and its owner Austin Brown.

Prime Components is a steel building component manufacturing company. They are a new business to Kerrville with an established business history of 23 years and a current employee base of 108 employees across their three existing Texas locations in Dublin, Dumas and Bridgeport with a total payroll of \$4.8 million.

Prime Components of Kerrville will create an estimated total of 20 jobs and annual average wages totaling \$615,000.00. Their anticipated open date is July 31, 2020. The Kerrville facility will consist of 18,000 sqft of manufacturing space and 2,500 sqft of office & retail space.

We appreciate your time in considering this request.

Sincerely,

Gilberto Salinas
Chief Operation Officer
Kerr Economic Development Corp.
1700 Sidney Baker, Suite 100
Kerrville, Texas 78028
Tel: (830) 896-1157
gsalinas@kerredc.com

ECONOMIC DEVELOPMENT RIDER ED

AVAILABILITY

This rider is available only in conjunction with full service electric commercial accounts for businesses meeting the following eligibility requirements:

1. Primary Industries
 - a. Available to existing and new customers making significant business expansion in targeted primary industries.
 - b. Existing business expansion must be made at a new metering point.
 - c. Application for Economic Development Support must be made to and approved by the Economic Development Go Team.
 - d. KPUB must determine that this Rider ED is a significant factor to induce the qualifying Customer to locate or expand and receive Service from KPUB.
 - e. The discount will be available for five (5) years.
2. Load Additions
 - a. Available to existing and new customers making load expansion of at least 400 KW at a new single metering point.
 - b. In the event that the load addition of at least 400 KW fails to materialize within one year of the commencement of service, the Customer will take service under the applicable standard rate schedule.
 - c. Application for Economic Development Support must be made to and approved by KPUB Staff. KPUB will estimate the load addition to evaluate the application.
 - d. KPUB must determine that this Rider ED is a significant factor to induce the qualifying Customer to locate or expand and receive Service from KPUB.
 - e. The discount will be available for five (5) years.
3. City of Kerrville TIRZ District
 - a. Available to new businesses in the retail, arts, and entertainment trades locating within the Reinvestment Zone Number One, City of Kerrville, Texas.
 - b. Eligible Customers must be open to the public at least four days per week including at least one day on the weekend and until at least 8:00pm each day the business is open or have an equivalent or greater impact to the economic development of the TIRZ District as determined by the KPUB Board of Trustees.
 - c. Application for Economic Development Support must be made to and approved by the Economic Development Go Team.
 - d. The discount will be available for two (2) years.

CONDITIONS

The current rules and regulations shall apply to the Customer, including the payment and collection process.

Service to a Customer under this Rider ED must be approved by the KPUB Board of Trustees.

KPUB reserves the right to discontinue or suspend at any time the availability of this Rider ED for new applications.

For existing customers only the additional demand/load will qualify for the Rider ED discount.

The Customer must apply for service under this program prior to a decision or commitment to construct, purchase, or lease new or additional space or new electrical equipment that will result in additional electric load.

The Customer must be located such that no significant additional investment in utility facilities by KPUB is required.

This Rider is not available for temporary Service for construction.

MONTHLY RATE

The monthly bill will be calculated with a discount as defined in the following table based on the Customer's rate class. The discount will be applied to the Customer Charge, Distribution Energy and Demand Charges, and Power Supply Charges including Rider PCAF. The discount will not be applied to any other charges and fees.

Rate Class	Discount
Commercial Service - Rate Schedule CS	18%
Large Commercial Service - Rate Schedule LCS Secondary	10.8%
Large Commercial Service - Rate Schedule LCS Primary	8.7%