

**MINUTES OF THE  
KERRVILLE PUBLIC UTILITY BOARD  
REGULAR MONTHLY MEETING  
WEDNESDAY, JULY 22, 2020, AT 8:30 A.M.  
WebEx Event 146 038 7958**

**TRUSTEES PRESENT:**

Bill Thomas  
Philip Stacy  
Mark Cowden  
Larry Howard  
Mayor Bill Blackburn

**STAFF PRESENT:**

Mike Wittler, General Manager and CEO  
Jill Sadberry, Chief Financial Officer  
Tammye Riley, HR Manager  
Ricardo Berrios, Interim Manager of Engineering  
Allison Bueché, Marketing Manager  
Lidia S. Goldthorn, Assistant Secretary to the Board

**TRUSTEES ABSENT:**

**OTHERS PRESENT:**

Stephen Schulte, Legal Counsel

**1. CALL TO ORDER:**

Mr. Bill Thomas, 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 June 17, 2020, Regular Monthly Board Meeting. Larry Howard, Treasurer, motioned to approve the minutes. Philip Stacy, Vice Chairman, seconded the motion. Vote was by a show of hands. Motion carried 5 – 0.

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

There were no citizens/consumers to speak, either through teleconference, phone calls, written statements, or emails.

**5. ANNOUNCEMENTS OF COMMUNITY INTEREST:**

Mr. Wittler advised KPUB will be hosting another blood drive on Thursday, September 24<sup>th</sup> at 9:00 a.m. Mr. Wittler confirmed with Board Members the preference to have the Budget Workshop immediately following the August Regular Board Meeting scheduled for Wednesday, August 19<sup>th</sup> at 8:30 a.m. Mr. Wittler advised the Habitat for Humanity Golf Tournament is scheduled for September 28<sup>th</sup>.

6. **CONSIDERATION AND ACTION ON RESOLUTION NO. 20-14 – JILL SADBERRY, CFO:**

Ms. Sadberry presented this month's wire transfers for operating expenses to the Board. Mr. Stacy motioned for approval of Resolution No. 20-14. Mark Cowden, Secretary, seconded the motion. Vote was by a show of hands. Motion carried 5 – 0.

7. **FINANCIAL REPORT – JILL SADBERRY, CFO:**

Ms. Sadberry presented Financial Statements (unaudited) for the Fiscal Year 2020 through June 30, 2020. Ms. Sadberry reviewed the Statements and Balance Sheets for the month. She stated at June 30, 2020, operating expenses, excluding power cost, were below budget by \$325,632.95 or by 3.73%. The balance in the over-collected power cost was \$867,277.13. Ms. Sadberry noted the balance in the Rate Stabilization Fund was \$1,896,249.66. The Debt Service coverage was 7.80 for the month and 11.39 for the Fiscal Year. She advised that customer service is continuing to reach out to customers to assist with accounts in arrears. The Board and staff discussed arrears information for residential and commercial customer accounts. Ms. Sadberry also presented a spreadsheet summarizing disbursements by check with cumulative activity to payees above \$10,000.00 for the period April 1, 2020 through June 30, 2020. Also provided at the Board's request was a quarterly check register of single payments over \$10,000.00 to accompany the cumulative report.

8. **DISCUSSION AND CONSIDERATION OF REVISED TARIFF ON CUSTOMER DEPOSIT REQUIREMENTS – JILL SADBERRY, CFO:**

Ms. Sadberry presented a proposed re-written KPUB Customer Deposit Tariff. She advised the goal of collecting a deposit from customers is to protect KPUB, and thus the ratepayers as a whole, from unpaid balances. Many of KPUB's customers are not a risk and therefore are given the opportunity to forego the deposit requirement based on established criteria. Ms. Sadberry advised that once the revised tariff is passed, interest will start being paid on deposits held by KPUB per the Public Utility Commission of Texas requirements. She then went over a summary of the current deposit tariff which was also provided for the Board's review. She went over some points for discussion including for residential customers: addition of a statement regarding Prepaid Metering not requiring a deposit and removal of the \$120.00 maximum deposit. For non-residential customers: how much to collect, how long to keep the deposit, replace wording with attorney's suggested wording for bankruptcies, and a new class of deposit for high risk customers. Ms. Sadberry advised that the re-written tariff has been reviewed by counsel. After further discussion and recommendations by the Board, Ms. Sadberry will bring this back next month for final approval.

10. **APPROVAL AND REPORTING OF PURCHASES AND SALES:**

Staff provided the Board an update on several purchasing activities:

A. **Transmission Cost of Service Study (Jill Sadberry, CFO)**

Ms. Sadberry advised that KPUB is incurring additional costs for the ongoing Transmission Cost of Service (TCOS) Study required by the PUCT. The consultant GDS Associates, Inc., anticipate an additional \$25,000.00 in costs at this time. The PUCT has so far sent six sets of questions since the study began a year ago, requiring more billable hours than first anticipated. As stated before, most of these costs will be recoverable through TCOS pass through in the rates. So far \$144,726.87 has been paid to GDS

Associates, Inc., through June billing. Staff recommended issuing a purchase order for \$25,000.00 for additional PUCT TCOS study expenses.

*\*At this time it was determined that item number 9 on the Agenda was accidentally missed and therefore Chairman Thomas proceeded to item number 9.*

**9. CONSIDERATION AND ACTION ON SCHEDULING WORKSHOP FOR FY 2020-2021 BUDGET – JILL SADBERRY, CFO:**

A Budget Workshop was tentatively scheduled for Wednesday, August 19, 2020 starting immediately after the Regular Monthly Board meeting at 8:30 a.m.

*\*Chairman Thomas then proceeded to the remainder of sales and purchases on item number 10.*

**B. Quote No. 2732, Diesel and Gasoline (Damon Richardson, Purchasing Agent)**

Staff Recommended the purchase be awarded to the low bidder, Golden West (formerly Johnson Oil), for a total not to exceed \$93,480.00, with a two-year agreement and 2 one-year extension options. Estimated annual need of 15,000 gallons of 87 octane unleaded and 15,000 gallons of low sulfur diesel. Total dollars are estimated from the last 12-month average price from Energy Information Administration, actual purchase price will be the daily OPIS/Rack price plus taxes and quote delivery/mark up at time of order. Bids were solicited from three vendors, and two responses were received. Bid documents were provided for reference. Further information and discussion was requested by the Board. Staff then recommended this item be tabled until the next regular monthly meeting to allow gathering of further information for the Board's review.

**C. Report on Mutual Assistance/Storm Billing (Mike Wittler, CEO)**

Mr. Wittler provided an update regarding response assistance to extensive storm damage and outages on May 27<sup>th</sup>. To date invoices have been received from James Power Line for \$140,353.60; City of Seguin for \$25,083.97 and Townsend Tree for \$57,924.52. Invoices are still pending from Fredericksburg, CTEC and LineTech. No action was required from the Board on this item.

Mr. Howard motioned for approval of item A. Mr. Stacy seconded the motion. Vote was by a show of hands. Motion carried 5 – 0. Chairman Thomas confirmed that item B will be tabled until the next regular meeting and item C did not require any action by the Board.

*\*At 9:32 am the Board took a five-minute break.*

**11. ENGINEERING AND OPERATIONS PROJECTS, CAPITAL BUDGET AND RELIABILITY REPORTS – RICARDO BERRIOS, DISTRIBUTION ENGINEER**

Mr. Berrios presented a spreadsheet summarizing spending for the Capital Budget through the third quarter of fiscal year end 2020. Mr. Berrios highlighted the customer extensions, Rim Rock upgrade, Harper Substation transformer and the Stadium Tie Switch. He also presented the quarterly reliability reports summarizing industry performance indices by substation, feeder, and entire system by month. In the monthly summary, total number of customers connected was also reflected. Service summary also identified common outage causes and Major Event Day threshold including the day the event occurred. Mr. Berrios provided additional information from last year for comparison.

**12. STATUS UPDATE ON CHANGE FOR CHARITY PROGRAM – ALLISON BUECHÉ, MARKETING MANAGER:**

Ms. Bueché advised the KPUB Change for Charity program fund was launched this month, with programming being complete in SmartHub on Thursday, July 9, 2020. Email communications went out to customers on July 7<sup>th</sup> informing them of the upcoming program. A full-page bill stuffer began being included in billing cycles this past week and will continue until all four billing cycles are completed. KPUB has conducted live interviews on local radio stations and the Kerrville Daily Times' Facebook live show to discuss the program and how it works. Staff will continue to utilize social media and print campaigns in newspapers over the course of this month as well. Ms. Bueché advised that overall, the Change for Charity program fund has been well received with customers. There have been 111 residential customers opt out of the program as of July 16<sup>th</sup>. However, the Customer Service Representatives are also getting requests for customers that would like to customize their round-up donation to a more significant contribution, with one notable customer who has asked to contribute a recurring monthly donation of \$45.00 to the program. Ms. Bueché also advised the partnership with St. Vincent de Paul is going well. As of July 17<sup>th</sup>, they have granted \$10,483.22 in bill payment assistance with Change for Charity program funds to 94 of our residential customers' households. She advised that there were only a handful of customer with concerns, which did not have to do with the program itself, but rather with the automatic enrollment. Mayor Blackburn thanked Ms. Bueché adding that she is doing a great job with the social media and keeping customers informed.

**13. UPDATE AND DISCUSSION ON COVID-19 – TAMMYE RILEY, HR MANAGER:**

Ms. Riley gave a monthly update on KPUB's response to the COVID-19 pandemic. She advised while there are not many changes to report this month, it is important to note that KPUB is still enforcing the recommendations of the CDC, and state and local governments, which have been reported to the Board monthly over the past few months. KPUB's commitment to maintain a strong workforce with minimal interruptions to its operations, has not changed. Ms. Riley advised with increases cases, a need was recognized to develop protocols for employees to return to work when there has been COVID-19 exposure or symptoms. With guidance from APPA and other utilities, we have those protocols in place when needed. A plexiglass divider was installed at the drive-thru work stations on Thursday June 16<sup>th</sup>, which allows more opportunities to provide service for the second lane of the drive-thru while providing a safe work environment inside for the employees. The lobby continues to remain closed with weekly monitoring based on that department's needs. Face mask/covering is still required for all employees. Visitors and vendors are still on an appointment only basis. Business travel is still suspended with weekly reviews. Distance and separation of staff is continuing by having a portion of staff work at remote locations and staggering shifts and/or days for the staff reporting to the buildings. Crews are continuing to report to separate substations each day with staggered shifts to access the yard to gather material and supplies. Ms. Riley added for community interest that employee Paul Hybner will be retiring at the end of July, after 12 years of service to KPUB.

**14. ADJOURNMENT**

Chairman Thomas adjourned the Regular Board Meeting at 10:14 a.m.

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

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

**ATTEST**

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



Kerr Economic Development Corporation  
1700 Sidney Baker, Suite 100  
Kerrville, TX 78028  
Phone: 830-896-1157  
Kerredc.com

August 14, 2020

Bill Thomas, Chairman and Board Members  
Kerrville Public Utility Board  
2250 Memorial Blvd.  
Kerrville, TX 78028

RE: Funding Request for FY 2020/2021

Dear Mr. Thomas:

The Kerr Economic Development Corporation continues on its mission of fostering the economic growth of the greater Kerrville area through the support of local industry, recruitment of companies, creation and retention of quality jobs, expansion of capital investment and infusion of new tax dollars into our community.

Just yesterday, the KEDC announced the planned manufacturing facility of Killdeer Mountain Manufacturing from North Dakota. The company is a Tier 1 supplier in the aerospace and aviation industry with such clients as Boeing, Lockheed Martin and Raytheon. The project will be creating 400 jobs with \$44,000 annual wages and a capital investment of \$8 million.

The project was first announced by Texas Gov. Greg Abbott.

The KEDC was proactive and diligent in the recruitment of the company, which took more than a year to fully develop. The project, however, would not have come to fruition if not for the funding and support of our stakeholders, such as the KPUB.

We continue working, meeting and exceeding the goals and objectives set forth by the 2-Year Roadmap & Economic Development Ecosystem, approved by all of our respective boards and stakeholders.

Please consider this letter as our request for continued funding of the KEDC.

We appreciate your continued support in helping with the overall mission of growing the economy of the greater Kerrville area.

Sincerely,

Gilberto Salinas  
Executive Director  
Kerr Economic Development Corp.

KEDC 20-21 Budget

	Projected Inc./Exp. At FYE 19-20	19-20 BUDGET	Proposed 20-21 Budget	Change in Budget
<b>Income</b>				
40000 Income				
40100 City of Kerrville	50,000.00	50,000.00	39,500.00	(10,500.00)
40200 EIC	220,000.00	250,000.00	197,500.00	(52,500.00)
40300 Kerr County	45,920.00	50,000.00	39,500.00	(10,500.00)
40400 KPUB	50,000.00	50,000.00	39,500.00	(10,500.00)
<b>Total 40000 Income</b>	<b>365,920.00</b>	<b>400,000.00</b>	<b>316,000.00</b>	<b>(84,000.00)</b>
<b>Other Income</b>				
71000 Carryover Income	19,196.95	19,196.95	62,847.55	
<b>Total Other Income</b>	<b>19,196.95</b>	<b>19,196.95</b>	<b>62,847.55</b>	
<b>Total Income</b>	<b>385,116.95</b>	<b>419,196.95</b>	<b>378,847.55</b>	
<b>Expenses</b>				
60000 Business Expenses				
60100 Business Recruitment	15,019.11	20,000.00	-	(20,000.00)
60300 Website	3,602.43	3,000.00	652.20	(2,347.80)
60400 Marketing	15,795.00	15,000.00	3,261.00	(11,739.00)
60600 Design (Brochures, Publications)	1,136.82	5,000.00	1,087.00	(3,913.00)
<b>Total 60000 Business Expenses</b>	<b>35,553.36</b>	<b>43,000.00</b>	<b>5,000.20</b>	<b>(37,999.80)</b>
61000 Contract Services				
61200 Accounting Fees	712.50	2,500.00	2,500.00	-
61300 Outside Contract Services	10,133.60	12,667.00	4,117.00	(8,550.00)
61400 Legal Fees	-	1,000.00	1,000.00	-
61500 KEDC Service Agreement	32,150.02	55,400.00	8,900.00	(46,500.00)
<b>Total 61000 Contract Services</b>	<b>42,996.12</b>	<b>71,567.00</b>	<b>16,517.00</b>	<b>(55,050.00)</b>
63000 Operations				
63200 Supplies	1,299.27	2,858.00	2,858.00	-
63300 Telephone, Internet	599.05	-	1,440.00	1,440.00
63400 Training	3,585.00	5,000.00	3,000.00	(2,000.00)
63500 Printing	112.50	-	-	-
63600 Postage	108.90	25.00	25.00	-
63700 Office Lease	4,800.00	-	9,600.00	9,600.00
63800 New Software/Hardware	74.93	1,000.00	1,000.00	-
63910 Dues & Subscriptions	5,112.15	3,000.00	3,000.00	-
63920 Contingencies	-	10,000.00	10,000.00	-
<b>Total 63000 Operations</b>	<b>15,691.80</b>	<b>21,883.00</b>	<b>30,923.00</b>	<b>9,040.00</b>
65000 Other Types of Expenses				
65100 Insurance - Liability, D and O	900.00	900.00	900.00	-
<b>Total 65000 Other Types of Expenses</b>	<b>900.00</b>	<b>900.00</b>	<b>900.00</b>	<b>-</b>
66000 Payroll Expenses				
66100 Board Descretionary	25,000.00	25,000.00	25,000.00	-
66200 Health Insurance	2,199.95	-	5,400.00	5,400.00
Company Contributions Retirement	5,010.48	5,550.00	5,550.00	-
Taxes	13,227.74	18,500.00	18,500.00	-
Wages	168,749.85	165,000.00	187,500.00	22,500.00
<b>Total 66000 Payroll Expenses</b>	<b>214,188.02</b>	<b>214,050.00</b>	<b>241,950.00</b>	<b>27,900.00</b>
68000 Travel and Meetings				
68100 Meals & Board Meetings	3,604.91	12,000.00	3,000.00	(9,000.00)
68200 Travel	10,866.48	17,000.00	10,000.00	(7,000.00)
68300 Mileage/Cell Phone	4,081.58	3,600.00	3,600.00	-
68400 Conference, Retreats, OOT Meetings	3,917.63	10,000.00	5,000.00	(5,000.00)
<b>Total 68000 Travel and Meetings</b>	<b>22,470.59</b>	<b>42,600.00</b>	<b>21,600.00</b>	<b>(21,000.00)</b>
Reimbursements	6,000.00	6,000.00	6,000.00	-
<b>Total Expenses</b>	<b>337,799.88</b>	<b>400,000.00</b>	<b>322,890.20</b>	<b>(77,109.80)</b>
<b>Carryover</b>			<b>55,957.35</b>	

## MEMORANDUM

To: Bill Thomas  
Philip Stacy  
Mark Cowden  
Larry Howard  
Mayor Bill Blackburn

From: Mike Wittler

Date: August 14, 2020

Re: Agenda Item 7 – Consideration of a Promissory Note and Loan Agreement between KPUB and the City of Kerrville for an Amount Not to Exceed \$1,000,000

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I have had discussions with the City Manager about the possibility of KPUB providing a loan to the City to help support the purchase of a building near the airport for the Skymaster economic development project.

The proposed loan will have a four year repayment term with the first three and one half years being interest only payments and a 2.0% interest rate. Current interest rates otherwise available for KPUB's investments range from 0.2% to 0.4%. The impact of the Skymaster project will also benefit KPUB's customers.

We propose using the loan agreement and promissory note that were drafted by John Davidson for our previous loan to the City in 2016. Staff has updated the documents to reflect the current loan purpose and terms and Davidson is reviewing the documents. The current draft of the documents is attached.

I am recommending approval of attached Resolution 20-15. Please let me know if you would like additional information or have any questions.

Sincerely,



Mike Wittler



**RESOLUTION NO. 20-15**

**A RESOLUTION OF THE KERRVILLE PUBLIC UTILITY BOARD APPROVING A PROMISSORY NOTE AND LOAN AGREEMENT WITH THE CITY OF KERRVILLE, TEXAS SUBJECT TO CERTAIN REQUIREMENTS.**

**WHEREAS**, the City of Kerrville, Texas ("City") is a home rule city under the Constitution and laws of the State of Texas operating under its Charter as amended June 10, 2014; and

**WHEREAS**, by adoption of Ordinance No. 87-45 on the 24th day of November, 1987, the City Council created a Board of Trustees ("Board") to manage and control a newly acquired electric transmission and distribution system ("system") from the Lower Colorado River Authority which provision has been continued through a succession of subsequent City bond ordinances, the most recent being Ordinance No. 2013-21, adopted October 22, 2013, and the Board has continuously managed the City's system since its members were appointed and qualified for office; and

**WHEREAS**, the Board finds it has accumulated funds to partially finance future electric system improvements, work on which is not planned to commence until approximately 2024; and

**WHEREAS**, the City needs in the near future to purchase a building near the Kerrville Airport to support economic development; and

**WHEREAS**, the Board finds that it would be an economic opportunity and in the interest of the system ratepayers to loan the City a sum not to exceed \$1,000,000 (i) at an interest rate in excess of that which KPUB is earning on its current investments; (ii) on standard commercial terms; and (iii) with an amortization schedule which would repay the funds in time for the Board to commence its planned electric system improvements; and

**WHEREAS**, the Board finds that it is not prohibited by the Charter, Bond Ordinance No. 2013-21, or general law to make the loan to the City, and the loan funds are not needed in the near future by the Board for the reliable, adequate and efficient operation of the system; and

**WHEREAS**, KPUB has offered to make the loan to the City and KPUB Staff has caused to be prepared a Promissory Note and corresponding Loan Agreement consistent with the above findings and requirements of the Board; now, therefore,

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

**Section 1.** The Note not to exceed \$1,000,000 and Loan Agreement by and between the City of Kerrville, Texas, and the Board of Trustees of the City of Kerrville, Texas, dated September 15, 2020, is hereby approved.

**Section 2.** The funds from the loan will be dedicated to the purchase of a building near the Kerrville Airport to support economic development.

**Section 3.** The City will repay the loan under the terms and conditions of the Note and Loan Agreement from revenues from its water and wastewater utility systems deposited in their maintenance and operation fund.

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**Section 4.** The City Manager shall cause annual budgets to provide for repayment of the principal and interest of the loan to the extent that the City is obligated to make repayment during any fiscal year and shall cause any required disclosures to reflect the obligations of the City for repayment of the loan.

**Section 5.** This action of the Board shall not be precedent for future loans and is approved as a onetime opportunity for the System to earn additional revenue.

**PASSED, APPROVED AND ADOPTED on this 19<sup>th</sup> day of August, 2020**

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

ATTEST:

\_\_\_\_\_  
Mark Cowden, Secretary

## **LOAN AGREEMENT**

THIS LOAN AGREEMENT (the "Agreement") is made and entered into by and between KERRVILLE PUBLIC UTILITY BOARD ("Lender") and CITY OF KERRVILLE, a Texas home rule municipality ("Borrower").

In consideration of their respective obligations, undertakings and commitments herein set forth and subject to the terms, provisions and conditions hereof, the parties hereto agree as follows:

### SECTION 1. THE LOAN

1.01 Loan. Subject to and upon the terms and conditions herein set forth, Lender agrees to loan to the Borrower an amount not to exceed **\$1,000,000** (the "Credit Amount") on a term basis, in accordance with the provisions hereof (the "Loan").

1.02 Promissory Note Evidencing the Loan. The Loan will be evidenced by and payable in accordance with a Promissory Note ("Note") in a principal amount not to exceed **\$1,000,000**, dated September 15, 2020. The Loan matures on September 15, 2024 (the "Maturity Date"), and will bear interest at the rate set forth in the Note. All payments under the Note will be made in immediately available funds to Lender's address as set out in Paragraph 6.06, prior to 3:00 p.m., Kerrville time, on or before the due date thereof; funds received after that time will be deemed to have been received by Lender on the next following banking day. Borrower has agreed to pay the Note in accordance with **SCHEDULE 1**, attached hereto (and the Note) and made a part hereof for all purposes. **SCHEDULE 1** sets out interest only payments for the first three and one half years and then interest plus principal payment on the Maturity Date.

1.03 Voluntary Prepayments. Prior to demand or maturity of the Loan, the Borrower has the right to prepay the Loan, in whole or in part, at any time and from time to time, without premium or penalty.

### SECTION 2. CONDITIONS PRECEDENT

The following are conditions precedent to the funding of the Loan:

2.01 No Event of Default (hereinafter defined) or Unmatured Event of Default (hereinafter defined) will then exist.

2.02 The representations and warranties herein will be true and correct in all material respects.

2.03 Lender will have received a copy, duly certified by the City Secretary of the Borrower, of the resolution of the City Council of the Borrower authorizing the borrowing hereunder and the execution and delivery of this Agreement, the Note and all other applicable Loan Documents and of the specimen signatures of the officers of the Borrower authorized to sign this Agreement, the Note and all other applicable Loan Documents.

### SECTION 3. REPRESENTATIONS AND WARRANTIES

The Borrower represents and warrants to Lender the following:

3.01 Organization and Existence. The Borrower is the City of Kerrville, Texas, a home rule municipality.

3.02 Authorization, Enforceability, Etc. Borrower has received proper legal authorization to borrow the Credit Amount and has the legal authority to place the Loan proceeds into **its water and sewer capital projects fund**. The execution, delivery and performance by the Borrower of the Agreement, Note, and all other applicable loan documents (the "Loan Documents") does not and will not (i) violate any provision of any agreement, law, rule, regulation, order, writ, judgment, injunction, decree, determination or award presently in effect which adversely affects or could adversely affect the financial condition of the Borrower; or (ii) result in a breach of or constitute a default under the Borrower's City Charter or any indenture or any payment obligation or loan or credit agreement or any other agreement or instrument to which the Borrower is a party or by which the Borrower is bound or affected, and will not result in the creation or imposition of any lien, charge or encumbrance on, or security interest in, any of their respective properties pursuant to the provisions of any such agreement or instrument; and (iii) the Loan Documents, when duly executed and delivered, will constitute legal, valid and binding obligations of the Borrower, respectively, enforceable against such parties in accordance with their respective terms.

3.03 Full Disclosure. No information furnished by the Borrower in connection with the transactions contemplated hereby contains any materially untrue statement or omission of material fact.

3.04 Litigation. There is no litigation, proceeding or investigation pending or threatened against or affecting the Borrower.

### SECTION 4. COVENANTS

4.01 Utility Fund, Special Use and Project Budget. All of the Loan proceeds will be deposited into the Borrower's **Utility Fund** and will only be used for the purchase of a building near the Kerrville Airport to support economic development.

4.02 Funding Source and City Budget. In addition to the terms set out on the Promissory Note, Borrower will pay the Note: (i) from **revenues held in the maintenance and operations fund of the City of the Kerrville water and wastewater systems (the "System")**; and (ii) this debt obligation and the amount of the annual payments due must be shown in the annual City budget, until paid in full. The Note is not collateralized but is secured solely by a lien on and pledge of **the net revenues of the Borrower's System**.

4.03 Notice of Default. Promptly upon becoming aware of the occurrence thereof, the Borrower will furnish to Lender written notification of any Event of Default or any event which, with the giving of notice or the lapse of time, or both, could constitute an Event of Default (an

"Unmatured Event of Default"), specifying in connection with such notification all actions the Borrower proposes to take or is taking in order to remedy such circumstances.

4.04 Further Assurances. The Borrower will promptly deliver to Lender such information (not otherwise required to be furnished pursuant to the Loan Documents) respecting its business, affairs, assets, and liabilities, and such opinions, certifications, and documents, in addition to those mentioned in this Agreement, as Lender may reasonably request.

## SECTION 5. EVENTS OF DEFAULT

5.01 Event of Default. As used herein and as set forth in the Note, the term "Unmatured Event of Default" means an event or condition, which with the passing of time or giving of notice or both would constitute an Event of Default. After 10 days written notice for a monetary default or 30 days written notice for a non-monetary default, an "Event of Default" will exist if any of the following occurs:

(a) Payment. The Borrower fails to make any payment of principal or interest on the Note when due or fails to make any payment of fees or other amounts with respect to the Loan when such payment is due; or

(b) Performance. The Borrower fails to perform or observe any covenant or provision contained herein; or

(c) Loan Documents. A default occurs under any of the Loan Documents; or

(d) Warranties or Representations. Any warranty, representation or other statement by or on behalf of the Borrower or any Guarantor contained in the Loan Documents, or in any instrument furnished in compliance with or in reference to the Loan Documents, is false, misleading, or incorrect in any material respect as of the date made.

### 5.02 Certain Rights of Lender.

(a) Remedies Upon Default. Should an Event of Default occur, Lender may, in its discretion, do any one or more of the following:

(i) Acceleration. Declare the unpaid balance of the Loan immediately due and payable, whereupon it will be due and payable.

(ii) Termination. Terminate any commitment of Lender to lend hereunder in its entirety or as to any portion thereof, to the extent Lender will deem appropriate.

(iii) Setoff. Setoff any amounts due and owing to Lender by Borrower, whether principal, interest or fees, including any amounts accelerated pursuant to the terms hereof, against any funds contained in any account maintained by Borrower at Lender.

(iv) Exercise of Rights. Exercise any and all rights afforded by the Loan Documents, including without limitation, the Note, or by any applicable laws, whether at law, in equity or otherwise, as Lender will deem appropriate, including, but not limited to, the rights to bring suit or other proceeding before any court or any governmental department, agency or instrumentality of any sort whatsoever, either for specific

performance of any covenant or condition contained in the Loan Documents or in aid of the exercise of any right granted to Lender in the Loan Documents.

(b) **Lender Not in Control.** None of the covenants or other provisions contained in this Agreement will give Lender the right or power to exercise control over the affairs and/or management of the Borrower.

(c) **Cumulative Rights.** All rights available to Lender hereunder and under the Loan Documents will be cumulative of and in addition to all other rights granted to Lender at law or in equity, whether or not Lender will have instituted any suit for collection or other action in connection with the Loan Documents.

(d) **Waiver by Borrower.** Borrower hereby waives any and all demands for payment, presentments for payment, notices of intention to accelerate, notices of acceleration of maturity, protests and notices of protests regarding the Loan.

#### SECTION 6. MISCELLANEOUS

6.01 **Term.** This Agreement continues, unless sooner terminated or extended as provided herein, until the Maturity Date. Upon any such termination, the Borrower's obligations and the powers and rights of Lender hereunder will continue in full force and effect until the Loan has been paid in full and all other liabilities and obligations of the Borrower hereunder have been satisfied.

6.02 **Controlling Agreement.** All agreements between the Borrower and Lender, whether now existing or hereafter arising and whether written or oral, are hereby limited so that in no contingency or event whatsoever, whether by reason of demand or acceleration of the maturity hereof or otherwise, will the amount contracted for, charged, received, paid or agreed to be paid to Lender for the use, forbearance, or detention of the funds evidenced hereby or otherwise, or for the performance or payment of any covenant or obligation contained in any instrument securing the payment thereof, exceed the maximum amount permissible under applicable law. If, from any circumstance whatsoever, interest would otherwise be payable to Lender in excess of the maximum lawful amount, the interest payable to Lender will be reduced to the maximum amount permitted under applicable law; and if from any circumstance Lender will ever receive anything of value deemed interest by applicable law in excess of the maximum lawful amount, an amount equal to any excessive interest will be applied to the reduction of the principal hereof and not to the payment of interest or if such excessive interest exceeds the unpaid balance of principal hereof, such excess will be refunded to the Borrower. All interest paid or agreed to be paid to Lender will, to the extent permitted by applicable law, be amortized, prorated, allocated, and spread throughout the full period until payment in full of the principal (including the period of any renewal or extension hereof) so that the interest hereon for such full period will not exceed the maximum amount permitted by applicable law. The term "applicable law" as used herein means the laws of the state of Texas or the laws of the United States, whichever laws allow the greater rate of interest, as such laws now exist or, to the extent allowed by law, may be changed or amended or come into effect in the future. This paragraph will control all agreements between Borrower and Lender.

6.03 **No Third Party Beneficiary.** This Agreement is for the sole benefit of the Borrower and Lender and is not for the benefit of any third party.

6.04 Number and Gender. Whenever used herein and where the context requires, the singular member includes the plural, and the plural includes the singular, and the use of any gender will be applicable to all genders.

6.05 Notices. All notices permitted hereunder will be given to the addressee at the following address:

If to Lender: Kerrville Public Utility Board  
2250 Memorial Blvd.  
Kerrville, Texas 78028  
Attention: Chief Executive Officer

Mailing Address  
P.O. Box 294999  
Kerrville, Texas 78029-4999  
Attention: Chief Financial Officer

If to Borrower: City of Kerrville  
701 Main Street  
Kerrville, Texas 78028  
Attn: City Manager

All notices given hereunder will be in writing and will be considered properly given if mailed by first-class United States mail, postage prepaid, registered or certified with return receipt requested, or by delivering same in person to the addressee, or by prepaid telegram. All notices permitted herein to be given by mail will be effective upon deposit in to the care and custody of the U.S. Postal Service. Notice given in any other manner will be effective upon receipt at the address of the addressee. Either party may change its address for purposes of receiving notice hereunder upon not less than 15 days notice given in the manner prescribed herein.

6.06 Governing Law. This Agreement will be governed by and construed in accordance with the internal laws of the state of Texas and the laws of the United States of America applicable to transactions in the State of Texas. Borrower and Lender agree that the sole and exclusive place of jurisdiction for resolution of any dispute arising out of or relating to this Agreement will be Kerrville, Kerr County, Texas.

6.07 Invalid Provisions. If any provision herein or in the Loan Documents is held to be illegal, invalid, or unenforceable under present or future laws effective during the term hereof, such provision will be fully severable, the document affected will be construed and enforced as if such illegal, invalid, or unenforceable provision had never comprised a part thereof, and the remaining provisions thereof will remain in full force and effect and will not be affected by the severance herein provided. Furthermore, in lieu of such illegal, invalid, or unenforceable provision there will be added automatically a provision as similar in terms to such illegal, invalid, or unenforceable provision as may be possible and be legal, valid and enforceable.

6.08 Successors and Assigns. This Agreement will be binding upon and inure to the benefit of the Borrower, Lender and their respective successors and assigns; provided, however, Borrower may not transfer or assign any of its rights or obligations hereunder without the express written consent of Lender.

6.09 Amendment. Except as provided herein, this Agreement may not be amended or modified except by written instrument signed by the parties hereto.

6.10 Expenses. Whether or not any advance is made hereunder the Borrower agrees to pay the reasonable expenses of Lender in connection herewith, including all legal fees, all filing and recording fees, costs of credit reports and of inspections of any collateral, and all costs involved in enforcement and collection pursuant to the terms of the Loan Documents, which expenses will be due and payable on demand therefor. Without limiting the generality of the foregoing, Borrower will, except in connection with a billing error inquiry, pay to Lender a fee of \$20.00 per hour for any research requested or authorized, whether orally or in writing, by Borrower with respect to the Loan. Borrower will further pay \$1.00 per copy for any photocopies requested or authorized, whether orally or in writing, by Borrower with respect to the Loan.

6.11 Entire Agreement. This Agreement and the Loan Documents constitute the entire understanding and agreement between the Borrower and Lender with respect to the transactions contemplated hereby and supersede all prior written or oral understandings and agreements between the Borrower and Lender with respect thereto. The Borrower hereby acknowledges that, except as incorporated in writing herein and in the Loan Documents, there are not and were not, and no persons are or were authorized by Lender to make, any representations, understandings, stipulations, agreements or promises, whether oral or written.

6.12 Captions and Section Headings. Captions and section headings used herein are for convenience only and will not be used in construing this Agreement.

6.13 Loan Agreement Governs. In the event of any conflict between the terms of this Agreement and any terms of any other Loan Document, the terms of this Agreement will govern. All of the Loan Documents are by this reference incorporated into this Agreement.

6.14 USA Patriot Act Notice. Lender hereby notifies Borrower that pursuant to the requirements of the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the "Act"), it is required to obtain, verify and record information that identifies Borrower, which information includes the name and address of Borrower and other information that will allow Lender to identify Borrower in accordance with the Act.

6.15 Note Not a Public Security. None of the Loan Documents, including the Note, will be deemed to be a "public security" pursuant to Chapter 1201.002(2), as amended, under the Texas Government Code.

IN WITNESS WHEREOF, the Borrower and Lender have caused this Agreement to be executed this 1st day of August, 2016.



**BORROWER:**

City of Kerrville, a Texas home rule municipality

By: \_\_\_\_\_

Name: Mark McDaniel

Its: City Manager

**LENDER:**

Kerrville Public Utility Board

BY: \_\_\_\_\_

Name: Mike Wittler

Its: Chief Executive Officer

## SCHEDULE 1

### Amortization Schedule

City of Kerrville

Amortization Schedule - Loan with KPUB

Principal Amount     \$ 1,000,000  
 Interest Rate             2.0%  
 Term (in years)             4  
 Issue Date                 9/15/2020  
 First Payment Date        3/15/2020  
 Last Payment Date         9/15/2024

Date	Principal	Interest	Total	Balance
3/15/2021		10,000	10,000	1,000,000
9/15/2021		10,000	10,000	1,000,000
3/15/2022		10,000	10,000	1,000,000
9/15/2022		10,000	10,000	1,000,000
3/15/2023		10,000	10,000	1,000,000
9/15/2023		10,000	10,000	1,000,000
3/15/2024		10,000	10,000	1,000,000
9/15/2024	1,000,000	10,000	1,010,000	-
	1,000,000	80,000	1,080,000	

## Promissory Note

### Basic Information

Date: September 15, 2020

Borrower: City of Kerrville, a Texas home rule municipality

Borrower's Mailing Address: 701 Main Street  
Kerrville, Kerr County, Texas 78028  
Attn: City Manager

Lender: Kerrville Public Utility Board

Place for Payment: Office:  
2250 Memorial Blvd.  
Kerrville, Texas 78028  
Attn: Chief Executive Officer

Mailing Address: P.O. Box 294999  
Kerrville, Texas 78029-4999  
Attn: Chief Financial Officer

Principal Amount: One Million and NO/100  
(\$1,000,000.00)

Annual Interest Rate: Two and 00/100 percent (2.0%), based on a 360 day year,  
with twelve 30-day months

Maturity Date: September 15, 2024

Annual Interest Rate on Matured, Unpaid Amounts: Ten and No/100 percent (10%)

Terms of Payment (principal and interest): Payments of all accrued interest and certain mandatory principal reductions as set out on the payment schedule attached hereto and made a part hereof as **SCHEDULE 1**; such payments to be made bi-annually beginning on March 15, 2021 and continuing on or before March 15 and September 15 of each year until September 15, 2024 ("Maturity Date") when all unpaid principal and all accrued, but unpaid interest, is payable in full.

Security for Payment: Net revenues of the City's water and wastewater systems with a perfected lien pursuant to Chapter 1208, as amended, Texas Government Code.

### **Promise to Pay**

Borrower promises to pay to the order of Lender the Principal Amount plus interest at the Annual Interest Rate. This note is payable at the Place for Payment and according to the Terms of Payment. All unpaid amounts are due by the Maturity Date. If any amount is not paid either when due under the Terms of Payment or on acceleration of maturity, Borrower promises to pay any unpaid amount plus interest from the date the payment was due to the date of payment at the Annual Interest Rate on Matured, Unpaid Amounts.

### **Defaults and Remedies**

Notwithstanding any other provision of this note, in the event of a default or failure to pay any principal or interest when is due on this Note, before exercising any of Lender's remedies under this Note, Lender will first give Borrower written notice of default and Borrower will have ten days after notice is given in which to cure the default. If the default is not cured ten days after notice, Borrower and each surety, endorser, and guarantor waive all demand for payment, presentation for payment, notice of intention to accelerate maturity, notice of acceleration of maturity, protest, and notice of protest, to the extent permitted by law. The Lender may cure any default hereunder by withholding City transfer payments established in Section 35(c) Third of Ordinance No. 2013-21 until the default is cured

### **Waivers**

Borrower waives, to the extent permitted by law, all (i) demand for payment, (ii) presentation for payment, (iii) notice of intention to accelerate maturity, (iv) notice of acceleration of maturity, (v) protest and (vi) notice of protest.

### **Attorney's Fees**

Borrower also promises to pay reasonable attorney's fees and any other related costs if an attorney is retained to collect or enforce the note. These expenses will bear interest from the date of advance at the Annual Interest Rate on Matured, Unpaid Amounts. Borrower will pay Lender these expenses and interest on demand at the Place for Payment. These expenses and interest will become part of the debt evidenced by the note and will be secured by any security for payment.

### **Prepayment**

Borrower may prepay this Note at any time without premium or penalty.

### **Usury Savings**

Interest on the debt evidenced by this note will not exceed the maximum rate or amount of nonusurious interest that may be contracted for, taken, reserved, charged, or received under law. Any interest in excess of that maximum amount will be credited on the Principal Amount or, if the Principal Amount has been paid, refunded. On any acceleration or required or permitted

prepayment, any excess interest will be canceled automatically as of the acceleration or prepayment or, if the excess interest has already been paid, credited on the Principal Amount or, if the Principal Amount has been paid, refunded. This provision overrides any conflicting provisions in this note and all other instruments concerning the debt.

**Other Clauses**

Borrower is responsible for all obligations represented in this Note.

When the context requires, singular nouns and pronouns include the plural.

**BORROWER**

CITY OF KERRVILLE, a Texas home rule  
municipality

By: \_\_\_\_\_

Name: Mark McDaniel

Title: City Manager

**SCHEDULE 1**

City of Kerrville  
 Amortization Schedule - Loan with KPUB

Principal Amount     \$ 1,000,000  
 Interest Rate             2.0%  
 Term (in years)             4  
 Issue Date                 9/15/2020  
 First Payment Date        3/15/2020  
 Last Payment Date         9/15/2024

Date	Principal	Interest	Total	Balance
3/15/2021		10,000	10,000	1,000,000
9/15/2021		10,000	10,000	1,000,000
3/15/2022		10,000	10,000	1,000,000
9/15/2022		10,000	10,000	1,000,000
3/15/2023		10,000	10,000	1,000,000
9/15/2023		10,000	10,000	1,000,000
3/15/2024		10,000	10,000	1,000,000
9/15/2024	1,000,000	10,000	1,010,000	-
	1,000,000	80,000	1,080,000	

**MEMORANDUM**

TO: Bill Thomas  
Philip Stacy  
Mark Cowden  
Larry Howard  
Mayor Bill Blackburn

FROM: Jill Sadberry

DATE: August 12, 2020

SUBJECT: Agenda Item #8 - Resolution No. 20-16

Presented for your review, wire transfers for operating expenses.

I. WIRE TRANSFERS - Operating Expense

ERCOT-CRR Auction Invoice Paid August 12, 2020 Transfer from TexPool Investment Fund to ERCOT.	\$ 96,165.26
LCRA - Power Cost Billing 06/01/2020 to 06/30/2020 Paid July 31, 2020 Transfer from TexPool Investment Fund to LCRA.	\$ 478,871.56
CPS ENERGY - Power Cost Billing 06/01/2020 to 06/30/2020. Paid July 24, 2020 Transfer from TexPool Investment Fund to CPS ENERGY.	\$ 877,106.44
NEXTERA - Power Cost Billing 06/01/2020 to 06/30/2020. Paid July 20, 2020 Transfer from TexPool Investment Fund to NEXTERA.	\$ 469,440.00
CITY OF GARLAND - Power Cost Billing 06/01/2020 to 06/30/2020. Paid July 30, 2020 Transfer from TexPool Investment Fund to CITY OF GARLAND.	\$ 384,296.92
DG TEXAS SOLAR, LLC - Power Cost Billing 06/01/2020 to 06/30/2020. Paid July 27, 2020 Transfer from TexPool Investment Fund to DG TEXAS SOLAR, LLC.	\$ 59,872.22

II. WIRE TRANSFERS – Investments

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

<u>Date</u>	<u>Principal</u>
July 10, 2020	\$ 400,000.00
July 13, 2020	200,000.00
July 17, 2020	200,000.00
July 20, 2020	300,000.00
July 24, 2020	200,000.00
July 30, 2020	200,000.00
July 31, 2020	200,000.00
August 03, 2020	200,000.00
August 07, 2020	600,000.00
August 10, 2020	200,000.00
August 13, 2020	400,000.00

III. WIRE TRANSFERS - Payroll

Automated Clearing House for Pay Periods Ending:

July 24, 2020	\$ 108,626.02
August 07, 2020	\$ 122,339.94

IV. WIRE TRANSFERS - Payroll - Federal Reserve Bank

Federal Withholding and FICA for Period Ending:

July 10, 2020 – (Additional Pay)	\$ 33.53
July 24, 2020	\$ 39,359.02
August 07, 2020	\$ 47,012.21

V. WIRE TRANSFER - Comptroller of Public Accounts

2020 - Sales and Use Tax for July – Paid 08/07/2020	\$ 83,216.08
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VI. WIRE TRANSFER - TMRS and TML

Texas Municipal Retirement System (TMRS)

Retirement Plan Contribution for the month of July – Paid 08/03/2020	\$ 66,041.55
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Texas Municipal League (TML)

Monthly Premium - Medical, Dental, Vision and Life for the month of July – Paid 08/03/2020	\$ 57,813.31
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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. 20-16**

**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 19<sup>th</sup> day of August, 2020**

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

**ATTEST:**

\_\_\_\_\_  
**Mark Cowden, Secretary**

## MEMORANDUM

To: Bill Thomas  
Philip Stacy  
Mark Cowden  
Larry Howard  
Mayor Bill Blackburn

From: Jill Sadberry

Date: August 11, 2020

Re: Agenda Item No. 9 — Financial Report

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Operating income for the month of July is \$1,495,617.04, which is above budget by \$894,853.04. Net income for the month is \$1,506,200.07, which is above budget by \$858,165.07. Year to date operating income is above budget by \$1,280,815.32 and net income is above budget by \$11,373,087.04.

For the year, kWh sales are above budget by 13,293,845 kWhs, or by 3.40%.

At July 31, 2020, operating expenses, excluding power cost, are below budget by \$381,250.38 or by 3.92%.

The balance in the over collected power cost at July 31, 2020 was \$990,473.21.

The balance in the Rate Stabilization Fund is \$1,896,522.13.

Debt service coverage for July is 45.29. The coverage factor for the fiscal year is 14.64.

Sincerely,

Jill Sadberry  
Chief Financial Officer

Kerrville Public Utility Board  
Statement of Revenues, Expenses and Changes in Retained Earnings  
July 31, 2020  
(UNAUDITED)



	Comparison to Budget			Comparison to Last Year		
	Current Month	Current Month Budget Amount	Percentage Increase (Decrease)	Current Month Last Year Amount	Percentage Increase (Decrease)	Percentage Increase (Decrease)
<b>OPERATING REVENUES:</b>						
Residential	2,955,488.80	2,241,373.00	714,115.80	2,095,145.22	860,343.58	41.06%
Commercial/Industrial	2,019,729.88	1,820,802.00	198,927.88	1,735,694.63	284,035.25	16.36%
Sales to Public Authorities	23,039.80	23,500.00	(460.20)	23,065.32	(25.52)	-0.11%
Other	15,962.19	42,900.00	(26,937.81)	31,322.21	(15,360.02)	-49.04%
<b>TOTAL OPERATING REVENUES</b>	<b>5,014,220.67</b>	<b>4,128,575.00</b>	<b>885,645.67</b>	<b>3,885,227.38</b>	<b>1,128,993.29</b>	<b>29.06%</b>
<b>OPERATING EXPENSES:</b>						
Purchased Power	2,588,308.06	2,541,898.00	46,410.06	2,399,144.22	189,163.84	7.88%
Distribution	279,695.00	268,413.00	11,282.00	234,879.98	44,815.02	19.08%
Customer Accounting	46,188.09	65,100.00	(18,911.91)	53,018.15	(6,830.06)	-12.88%
Customer Service & Informational	15,640.60	27,900.00	(12,259.40)	20,173.67	(4,533.07)	-22.47%
Administrative Expenses	303,757.77	332,200.00	(28,442.23)	252,115.07	51,642.70	20.48%
Franchise Fees - Ingram	2,709.33	3,000.00	(290.67)	2,707.66	1.67	0.06%
Depreciation	282,932.12	292,500.00	(9,567.88)	238,334.24	44,597.88	18.71%
Other	(627.34)	(3,200.00)	2,572.66	(250.00)	(377.34)	150.94%
<b>TOTAL OPERATING EXPENSES</b>	<b>3,518,603.63</b>	<b>3,527,811.00</b>	<b>(9,207.37)</b>	<b>3,200,122.99</b>	<b>318,480.64</b>	<b>9.95%</b>
<b>OPERATING INCOME</b>	<b>1,495,617.04</b>	<b>600,764.00</b>	<b>894,853.04</b>	<b>685,104.39</b>	<b>810,512.65</b>	<b>118.30%</b>
<b>NONOPERATING REVENUES (EXPENSES):</b>						
Revenue Fund, Constr, Emerg	10,618.39	35,808.00	(25,189.61)	37,591.45	(26,973.06)	-71.75%
Interest & Sinking Fund	43.01	479.00	(435.99)	614.81	(571.80)	-93.00%
Reserve Fund						
Interest Inc-City of Kerrville	15,000.00	15,000.00	-	15,000.00	-	
Interest Expense	(11,215.55)	(11,216.00)	0.45	(11,859.08)	643.53	
AFUDC - Borrowed Funds	4,992.71	2,500.00	2,492.71	1,932.20	3,060.51	158.40%
Other - net	(8,855.53)	4,700.00	(13,555.53)	428.24	(9,283.77)	-2167.89%
<b>TOTAL NONOPERATING REVENUES (EXPENSES):</b>	<b>10,583.03</b>	<b>47,271.00</b>	<b>(36,687.97)</b>	<b>43,707.62</b>	<b>(33,124.59)</b>	<b>-75.79%</b>
<b>NET INCOME</b>	<b>1,506,200.07</b>	<b>648,035.00</b>	<b>858,165.07</b>	<b>728,812.01</b>	<b>777,388.06</b>	<b>106.67%</b>
<b>RETAINED EARNINGS AT BEGINNING OF MONTH</b>	<b>68,811,631.17</b>			<b>67,840,894.56</b>		
Plus: Contributions in Aid of Constr	27,263.22	9,000.00	18,263.22	7,256.05	20,007.17	275.73%
Less: General Fund Transfer - Reg	155,083.98	124,900.00	30,183.98	133,837.98	21,246.00	15.87%
Less: General Fund Transfer - Spec						
<b>RETAINED EARNINGS AT END OF MONTH</b>	<b>70,190,010.48</b>			<b>68,443,124.64</b>		
<b>Percent of Net Income to Operating Revenue</b>	<b>30.04%</b>			<b>18.76%</b>		

Kerrville Public Utility Board  
Statement of Revenues, Expenses and Changes in Retained Earnings  
July 31, 2020  
(UNAUDITED)

	Year to Date	Comparison to Budget			Comparison to Last Year		
		Year to Date		Percentage Increase (Decrease)	Year to Date		Percentage Increase (Decrease)
		Budget Amount	Increase (Decrease)		Last Year Amount	Increase (Decrease)	
<b>OPERATING REVENUES:</b>							
Residential	20,148,101.27	18,861,215.00	1,286,886.27	6.82%	19,554,824.60	593,276.67	3.03%
Commercial/Industrial	14,504,143.89	14,929,218.00	(425,074.11)	-2.85%	14,886,844.63	(382,700.74)	-2.57%
Sales to Public Authorities	231,808.17	235,000.00	(3,191.83)	-1.36%	222,281.89	9,526.28	4.29%
Other	224,503.74	537,550.00	(313,046.26)	-58.24%	462,904.20	(238,400.46)	-51.50%
<b>TOTAL OPERATING REVENUES</b>	<b>35,108,557.07</b>	<b>34,562,983.00</b>	<b>545,574.07</b>	<b>1.58%</b>	<b>35,126,855.32</b>	<b>(18,298.25)</b>	<b>-0.05%</b>
<b>OPERATING EXPENSES:</b>							
Purchased Power	22,991,659.13	23,345,650.00	(353,990.87)	-1.52%	23,062,686.99	(71,027.86)	-0.31%
Distribution	2,590,438.81	2,643,369.00	(52,930.19)	-2.00%	2,279,498.40	310,940.41	13.64%
Customer Accounting	526,585.51	641,500.00	(114,914.49)	-17.91%	663,685.30	(137,099.79)	-20.66%
Customer Service & Informational	173,627.57	274,500.00	(100,872.43)	-36.75%	170,543.24	3,084.33	1.81%
Administrative Expenses	3,171,196.68	3,265,200.00	(94,003.32)	-2.88%	2,784,701.30	386,495.38	13.88%
Franchise Fees - Ingram	23,896.22	25,200.00	(1,303.78)	-5.17%	24,992.22	(1,096.00)	-4.39%
Depreciation	2,867,485.37	2,902,500.00	(35,014.63)	-1.21%	2,346,978.61	520,506.76	22.18%
Other	(14,211.54)	(32,000.00)	17,788.46	-55.59%	(26,650.19)	12,438.65	-46.67%
<b>TOTAL OPERATING EXPENSES</b>	<b>32,330,677.75</b>	<b>33,065,919.00</b>	<b>(735,241.25)</b>	<b>-2.22%</b>	<b>31,306,435.87</b>	<b>1,024,241.88</b>	<b>3.27%</b>
<b>OPERATING INCOME</b>	<b>2,777,879.32</b>	<b>1,497,064.00</b>	<b>1,280,815.32</b>	<b>85.56%</b>	<b>3,820,419.45</b>	<b>(1,042,540.13)</b>	<b>-27.29%</b>
<b>NONOPERATING REVENUES (EXPENSES):</b>							
Revenue Fund	262,457.04	358,080.00	(95,622.96)	-26.70%	396,297.52	(133,840.48)	-33.77%
Interest & Sinking Fund	1,761.95	4,790.00	(3,028.05)	-63.22%	4,015.01	(2,253.06)	-56.12%
Reserve Fund	150,000.00	150,000.00	-	0.00%	150,000.00	-	-
Interest Inc-City of Kerrville	(112,799.03)	(112,802.00)	2.97	0.00%	(118,916.49)	6,117.46	-5.14%
Interest Expense	32,654.02	25,000.00	7,654.02	30.62%	25,560.97	7,093.05	27.75%
AFUDC - Borrowed Funds	(5,513.26)	47,000.00	(52,513.26)	-111.73%	1,053.64	(6,566.90)	-623.26%
Other - net	328,560.72	472,068.00	(143,507.28)	-30.40%	458,010.65	(129,449.93)	-28.26%
<b>NET INCOME</b>	<b>3,106,440.04</b>	<b>1,969,132.00</b>	<b>1,137,308.04</b>	<b>57.76%</b>	<b>4,278,430.10</b>	<b>(1,171,990.06)</b>	<b>-27.39%</b>
<b>RETAINED EARNINGS AT BEGINNING OF YEAR</b>	<b>67,949,781.81</b>				<b>64,988,632.92</b>		
Plus: Contributions in Aid of Constr	233,292.74	90,000.00	143,292.74	159.21%	323,543.52	(90,250.78)	-27.89%
Less: General Fund Transfer - Reg	1,049,458.84	942,420.00	107,038.84	11.36%	1,122,981.90	(73,523.06)	-6.55%
Less: General Fund Transfer - Spec	50,000.00	45,920.00	4,080.00		24,500.00	25,500.00	104.08%
<b>RETAINED EARNINGS AT END OF MONTH</b>	<b>70,190,055.75</b>				<b>75,368,177.64</b>	<b>(5,178,121.89)</b>	<b>-6.87%</b>
Percent of Net Income to Operating Revenue	8.85%				12.18%		



Kerrville Public Utility Board  
Balance Sheets  
July 31, 2020

	July 31, 2020 (Unaudited)	October 1, 2019	July 31, 2020 (Unaudited)	October 1, 2019
<b>Assets</b>				
<b>Utility Plant:</b>				
Electric Plant in Service	84,472,792.88	80,570,016.90	70,190,010.48	67,949,781.81
Less: Accumulated Depreciation	(40,970,988.47)	(38,511,913.89)	70,190,010.48	67,949,781.81
	43,501,804.41	42,058,103.01		
Construction Work in Progress	3,719,053.44	4,204,554.83		
Net Utility Plant	47,220,857.85	46,262,657.84		
<b>Restricted Assets:</b>				
Cash and Cash Equivalents:	542,326.00	538,441.01		
Customer Deposits	542,326.00	538,441.01		
Total Cash and Cash Equivalents				
Investments:				
2013 Bond Construction Fund	334,439.66	443,403.47		
Interest and Sinking Fund	3,533,794.10	3,513,053.00		
Emergency, Repair, Replace, Conting Fund	633,442.12	540,000.00		
L.T. Rate Stabilization Fund:	4,501,675.88	4,496,456.47		
Total Investments	5,044,001.88	5,034,897.48		
Total Restricted Assets				
<b>Current Assets:</b>				
Revenue Fund:				
Cash and Cash Equivalents	516,616.17	374,685.93		
Investments - Less: Customer Deposits	9,883,665.53	11,408,481.71		
Total Revenue Fund	10,400,281.70	11,783,167.64		
Construction Fund:				
Cash and Cash Equivalents	5,065.57	5,020.01		
Investments	2,553,306.58	1,666,500.10		
Total Construction Fund	2,558,372.15	1,671,520.11		
Rate Stabilization Fund:				
Cash and Cash Equivalents	1,896,522.13	1,885,402.35		
Investments	1,896,522.13	1,885,402.35		
Total Rate Stabilization Fund	3,793,044.26	3,770,804.70		
ERCOT CRR Auction Funds	157,536.99	157,536.99		
Customer Accounts Receivable, Net of Allowances	4,361,545.52	4,279,221.69		
Materials and Supplies	1,063,059.88	1,151,297.03		
Other	985,469.87	891,047.50		
Total Current Assets	21,422,788.24	21,819,193.31		
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	83,923,098.50	83,352,199.16		
<b>Liabilities and Equity</b>				
<b>Equity:</b>				
Retained Earnings - Unreserved			70,190,010.48	67,949,781.81
Total Equity			70,190,010.48	67,949,781.81
<b>Liabilities:</b>				
Long-Term Debt:				
2013 Revenue Bonds	3,680,000.00	4,081,000.00		
Net of Current Portion				
Plus: Unamortized Premium				
Less: Unamortized Refunding Charge				
Pension Liability	3,534,559.00	3,534,559.00		
Total Long-Term Debt	7,214,559.00	7,615,559.00		
Current Liabilities Payable				
From Restricted Assets:				
Current Portion of 2013 Revenue Bonds	401,000.00	392,000.00		
Accrued Interest Payable	33,646.65	59,285.42		
Accounts Payable 2013 Bond Fund	542,326.00	532,451.01		
Customer Deposits	976,972.65	983,746.43		
Current Liabilities:				
Accounts Payable - Power Suppliers	2,573,714.97	2,009,744.93		
Accounts Payable and Accrued Liab's	723,934.19	1,199,839.07		
Over Collection of Power Cost Adj Revs	990,473.21	2,340,093.92		
Total Current Liabilities	4,288,122.37	5,549,677.92		
Total Liabilities	12,479,654.02	14,148,983.35		
Deferred Credits				
Deferred Inflows of Resources-Pension	1,253,434.00	1,253,434.00		
Total	83,923,098.50	83,352,199.16		

Kerrville Public Utility Board  
Detail of Fund Balances from Funds Invested in Government Securities For the Month Of  
7/2020

	Revenue Fund	Construction Fund	Rate Stabilization Fund	Long Term Rate Stabil. Fund	Debt Reserve Fund	Restricted		Total Funds Invested
						Interest & Sinking Fund	Emergency, Repair, Replace & Contingency Fund	
Beginning of the Month Balance	10,210,099.74	2,555,260.84	1,896,249.66	633,351.12	-	289,246.02	3,548,224.10	19,132,431.48
Maturities and/or Withdrawals:								
TEXPOOL-TML Insurance	(57,137.06)							(57,137.06)
TEXPOOL-TMRS	(82,437.03)							(82,437.03)
TEXPOOL-ICRA	(478,871.56)							(478,871.56)
TEXPOOL-CPS Energy	(877,106.44)							(877,106.44)
TEXPOOL-NextEra	(469,440.00)							(469,440.00)
TEXPOOL-ERCOT	(42,466.62)							(42,466.62)
TEXPOOL-ERCOT	(13,980.19)							(13,980.19)
TEXPOOL-City of Garland	(384,296.92)							(384,296.92)
TEXPOOL-DG Southwest Solar LLC	(59,872.22)							(59,872.22)
Hunt Emergency Transformer Replacement								
Investments:								
TEXPOOL	400,000.00							400,000.00
TEXPOOL	400,000.00							400,000.00
TEXPOOL	200,000.00							200,000.00
TEXPOOL	200,000.00							200,000.00
TEXPOOL	300,000.00							300,000.00
TEXPOOL	200,000.00							200,000.00
TEXPOOL	600,000.00							600,000.00
TEXPOOL	200,000.00							200,000.00
TEXPOOL	200,000.00							200,000.00
Transfer City Interest Payment	10,444,491.70	2,555,260.84	1,896,249.66	633,351.12	-	289,246.02	3,548,224.10	19,366,823.44
Allocation of: no int earned to the separate funds								
Transfer of interest to I & S Fund	1,536.42	367.16	272.47	91.00	-	43.01	509.84	2,819.91
Interest Receivable (accrued on CD)	6,059.87						1,698.63	7,758.50
Interest Receivable (accrued on CD)								
Tot Fund Bal after int allocation & xfer	10,452,087.99	2,555,628.00	1,896,522.13	633,442.12	-	289,289.03	3,550,432.57	19,377,401.85
Interfund transfers	(44,590.18)					44,590.18		
Total Fund Balance at End of Month	10,407,497.81	2,555,628.00	1,896,522.13	633,442.12	-	333,879.21	3,550,432.57	19,377,401.85

Kerrville Public Utility Board  
 Computation of the Monthly and Year to Date Debt Service Coverage  
 For the Month Ended July 31, 2020

Description	Current Month	Fiscal Year	Previous Twelve Months
Net Income	1,506,200.07	3,106,440.04	4,188,399.64
Plus:			
Interest Expense (net of amortizations)	6,222.84	80,145.01	99,768.32
Depreciation Expense	282,932.12	2,867,485.37	3,761,520.25
Miscellaneous Amortizations	-	-	-
Numerator	1,795,355.03	6,054,070.42	8,049,688.21
DIVIDED BY:			
Interest Expense (net of amortizations)	6,222.84	80,145.01	99,768.32
Principal Payment Due	33,416.67	333,416.67	398,750.00
Denominator	39,639.51	413,561.68	498,518.32
Debt Service Coverage Ratio	45.29	14.64	16.15
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



Kerrville Public Utility Board  
 Schedule of Average Daily Balance of Fund  
 For Reporting Compliance as Required by the  
 Texas Public Funds Investment Act  
 For the Quarter Ending June 30, 2020

Total Funds Invested

Day of the Month	April 2020	May 2020	June 2020	Totals
1	\$20,900,142.47	\$20,226,581.10	\$19,322,737.06	
2	\$20,788,645.72	\$20,226,581.10	\$19,612,028.97	
3	\$20,998,216.15	\$20,226,581.10	\$19,650,301.53	
4	\$20,998,216.15	\$20,417,681.65	\$19,698,317.87	
5	\$20,998,216.15	\$20,553,539.05	\$19,906,182.19	
6	\$21,266,192.74	\$20,379,428.71	\$19,906,182.19	
7	\$21,331,820.57	\$20,412,688.81	\$19,906,182.19	
8	\$21,271,557.06	\$20,576,688.92	\$20,196,803.62	
9	\$21,227,632.41	\$20,576,688.92	\$20,195,718.28	
10	\$21,442,004.29	\$20,576,688.92	\$20,262,862.14	
11	\$21,442,004.29	\$20,810,517.58	\$19,943,448.90	
12	\$21,442,004.29	\$20,797,902.86	\$20,024,162.53	
13	\$21,582,119.99	\$20,822,519.84	\$20,024,162.53	
14	\$21,597,394.47	\$20,600,535.17	\$20,024,162.53	
15	\$21,786,886.27	\$20,645,643.57	\$20,372,546.06	
16	\$21,692,266.73	\$20,645,643.57	\$20,449,699.25	
17	\$21,884,351.67	\$20,645,643.57	\$20,516,204.51	
18	\$21,884,351.67	\$20,711,718.17	\$20,478,456.98	
19	\$21,884,351.67	\$20,770,743.68	\$20,706,488.29	
20	\$21,661,502.30	\$20,359,531.91	\$20,706,488.29	
21	\$21,669,609.88	\$20,342,688.65	\$20,706,488.29	
22	\$21,594,255.50	\$20,519,824.30	\$20,473,051.62	
23	\$21,623,575.70	\$20,519,824.30	\$20,506,708.78	
24	\$21,816,714.02	\$20,519,824.30	\$20,561,578.73	
25	\$21,816,714.02	\$20,519,824.30	\$20,494,308.88	
26	\$21,816,714.02	\$20,882,545.34	\$20,706,300.53	
27	\$22,041,266.78	\$20,904,558.94	\$20,706,300.53	
28	\$22,073,883.82	\$20,704,055.81	\$20,706,300.53	
29	\$21,168,195.73	\$19,258,060.15	\$21,031,865.82	
30	\$20,176,939.03	\$19,258,060.15	\$19,407,839.35	
31		\$19,271,097.93		
<b>Total of daily balance</b>	<b>\$643,877,745.56</b>	<b>\$633,683,912.37</b>	<b>\$607,203,878.97</b>	
<b>Average daily balance</b>	<b>\$21,462,591.52</b>	<b>\$20,441,416.53</b>	<b>\$20,240,129.30</b>	<b>\$20,941,839.30</b>
<b>Interest earnings</b>	<b>\$18,435.11</b>	<b>\$13,038.85</b>	<b>\$10,952.09</b>	<b>\$42,426.05</b>
<b>APR -----&gt;</b>	<b>1.03%</b>	<b>0.74%</b>	<b>0.65%</b>	<b>0.81%</b>

**Kerrville Public Utility Board  
Schedule of Other Investment Facts  
For Reporting Compliance as Required by the  
Texas Public Funds Investment Act  
For the Quarter Ending June 30, 2020**

**Total Funds Invested by Fund**

Fund	Market Value and Carrying Amount	Actual Interest Earnings	Budgeted Interest Earnings
Revenue	\$10,210,099.74	\$28,499.40	\$59,018.68
Construction	2,555,260.84	2,632.25	15,354.31
Rate Stabilization	1,896,249.66	1,831.24	10,017.30
Long Term Rate Stabilization	633,351.01	611.64	2,869.06
Debt Reserve	0.00	0.00	0.00
Interest & Sinking	289,246.02	240.11	1,437.50
Emergency, Repair, Replace & Cont. Func	3,548,224.10	8,409.13	18,665.14
Revenue Fund - Checking	275,407.98	202.28	1,500.00
<b>Totals</b>	<b>\$19,407,839.35</b>	<b>\$42,426.05</b>	<b>\$108,862.00</b>

**Total Funds Invested by Security**

Type of Security		Market Value and Carrying Amount	Actual Interest Earnings	Budgeted Interest Earnings
FHLB		\$0.00	\$0.00	\$0.00
FFCB		0.00	0.00	0.00
FREDDIE MAC		0.00	0.00	0.00
FARMER MAC		0.00	0.00	0.00
Certificate of Deposit	34%	6,543,364.79	22,307.91	36,702.89
TEXPOOL	50%	9,610,184.53	4,848.19	53,905.22
LOGIC	15%	2,978,882.05	15,064.50	15,209.08
Other-Misc. checking accounts, etc.	1%	275,407.98	202.28	1,500.00
<b>Totals</b>	<b>100%</b>	<b>\$19,407,839.35</b>	<b>\$42,422.88</b>	<b>\$108,862.00</b>

## MEMORANDUM

To: Bill Thomas  
Philip Stacy  
Mark Cowden  
Larry Howard  
Mayor Bill Blackburn

From: Jill Sadberry

Date: August 14, 2020

Re: Agenda Item No. 11 — Revised Tariff on Customer Deposit Requirements

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Attached for your approval is the rewritten KPUB Customer Deposit Tariff. Resolution No. 20-17 is still being drafted by Counsel and will be emailed if received prior to the board meeting.

After discussion at the July board meeting, the following changes were made:

1. Added statement regarding PrePaid Metering not requiring a deposit.
2. Removed the \$120 maximum deposit .
3. Bankruptcies - replaced wording with counsel's suggested wording .
4. Added Counsel's suggested wording on paying interest on deposits held by KPUB.

The rewritten tariff has been reviewed by counsel.

Sincerely,

Jill Sadberry  
Chief Financial Officer

## Deposits

### Establishment of Credit for Permanent Residential Applicants

KPUB may require a residential applicant for service to satisfactorily establish credit, but such establishment of credit shall not relieve the Customer from complying with rules for prompt payment of bills. Credit history shall be applied equally for a reasonable period of time to a spouse or a former spouse who shared the service. Credit history maintained by one must be applied equally to the other without additional qualifications not required of the other.

Subject to the following, a residential applicant shall not be required to pay a deposit:

1. If the residential applicant has been a Customer of any utility for the same kind of service within the last two years and is not delinquent in payment of any such utility service account and during the last twelve (12) consecutive months of service did not have more than two occasions in which a bill for such utility service was paid after becoming delinquent and never had service disconnected for nonpayment; or
2. If the residential applicant furnishes in writing a satisfactory guarantee to secure payment of bills for the service required; or
3. If the residential applicant demonstrates a satisfactory credit rating by other appropriate means, or
4. An applicant for permanent residential service who is sixty-five (65) years of age or older will be considered as having established credit if such applicant does not have an outstanding account balance with KPUB or another utility for the same utility service which accrued within the last two years;
5. A KPUB Customer with established credit ("co-signer") signs an agreement to guarantee payment of Customer's bills. The term of guaranty is until Customer establishes credit with KPUB as provided in these Rules.
6. The customer enrolls in Prepaid Metering.

### Amount of Deposit for Permanent Residential

The required deposit for Residential Service will be an amount equivalent to one-sixth (1/6) of the estimated annual billings.

KPUB reserves the right to periodically review and revise deposit requirements based on:

1. The customer's billing payment history;
2. Changes in the location of Customer's service;
3. Customer's credit rating or score as reported by credit agency of KPUB's choice
4. Any other changes in Customer's Account or Service Agreement status,
5. Actual usage being at least three times the amount of the estimated billings, and current usage exceeds \$150 and 150% of the security held.

The Customer is subject to disconnection of service if the customer does not comply with the new deposit requirement within 10 days request, provided a written disconnect notice has been issued to the Customer.

### Refund of Permanent Residential Deposit

If service is not connected, or after disconnection of service, KPUB shall promptly and automatically refund the Customer's deposit in excess of unpaid bills for service furnished. A transfer of service from one premise to another within the service area of KPUB shall not be deemed a disconnection within the meaning of these rules, and no additional deposit may be demanded unless permitted by these Rules. When the Customer has paid bills for service for twelve (12) consecutive residential billings without having service disconnected for nonpayment of bill and without having more than two occasions on which a bill was delinquent, and when the Customer is not delinquent in the payment of the current bills, KPUB shall promptly and automatically refund the deposit to the Customer in the form of a credit to the Customer's bill, or cash if requested; or void and return the guarantee. Simple interest will be calculated for security deposits held by KPUB from the date the deposit is received by KPUB at the minimum rate required by applicable law, but if no such minimum rate is established by applicable law, at a variable rate equal to the auction rate quoted on 13-week United States Treasury Bills, less 25 basis points (0.25 percent), in effect on January 1, April 1, July 1, and October 1 of each year, fixed and established in advance for such calendar quarter. Upon termination of service, accrued and unpaid interest will be paid to the customer, provided the account is not delinquent; and in the case of delinquency, KPUB is authorized to credit such interest along with the deposit to the unpaid account balance. If the deposit and any credited interest are insufficient to cover the unpaid balance, the customer shall be liable for the deficiency. If the Customer does not meet these refund criteria, the deposit may be retained. Deposits will only be refunded to the owner of the account.

### Non-Residential Services

Subject to the following, a non-residential applicant shall not be required to pay a deposit:

1. If the customer enrolls in Prepaid Metering where available;
2. If the applicant has been a Non-Residential Customer of any utility for the same kind of service within the last two years and is not delinquent in payment of any such utility service account and during the last twenty-four (24) consecutive months of service did not have more than two occasions in which a bill for such utility service was paid after becoming delinquent and never had service disconnected for nonpayment; or
3. If the applicant furnishes in writing, a satisfactory guarantee to secure payment of bills for the service required, such as a surety bond or irrevocable letter of credit from a bank that is approved by KPUB management; or
4. If the applicant demonstrates a satisfactory credit rating by other appropriate means.

### Amount of Deposit for Non-Residential Service

In the case of non-residential services, if the credit of an applicant for service has not been established satisfactorily to KPUB, the applicant shall be required to make a deposit. The required deposit for all non-residential services will be an amount equivalent to one-sixth (1/6) of the estimated annual billings.

KPUB reserves the right to periodically review and revise deposit requirements based on:

1. The customer's billing payment history;

2. Changes in the location of Customer's service;
3. Customer's credit rating or score;
4. Any other changes in Customer's Account or Service Agreement status.
5. Actual usage being at least three times the amount of the estimated billings, and current usage exceeds \$150 and 150% of the security held.

The Customer is subject to disconnection of service if the customer does not comply with the new deposit requirement within 10 days request, provided a written disconnect notice has been issued to the Customer.

#### Refund of Non-Residential Deposit

If service is not connected, or after disconnection of service, KPUB shall promptly and automatically refund the Customer's deposit in excess of unpaid bills for service furnished. A transfer of service from one premise to another within the service area of KPUB shall not be deemed a disconnection within the meaning of these rules, and no additional deposit may be demanded unless permitted by these Rules. When the Customer has paid bills for service for twenty-four (24) consecutive billings without having service disconnected for nonpayment of bill and without having more than two occasions on which a bill was delinquent, and when the Customer is not delinquent in the payment of the current bills, KPUB shall promptly and automatically refund the deposit to the Customer in the form of a credit to the Customer's bill, or cash if requested; or void and return the guarantee. Simple interest will be calculated for security deposits held by KPUB from the date the deposit is received by KPUB at the minimum rate required by applicable law, but if no such minimum rate is established by applicable law, at a variable rate equal to the auction rate quoted on 13-week United States Treasury Bills, less 25 basis points (0.25 percent), in effect on January 1, April 1, July 1, and October 1 of each year, fixed and established in advance for such calendar quarter. Upon termination of service, accrued and unpaid interest will be paid to the customer, provided the account is not delinquent; and in the case of delinquency, KPUB is authorized to credit such interest along with the deposit to the unpaid account balance. If the deposit and any credited interest are insufficient to cover the unpaid balance, the customer shall be liable for the deficiency. If the Customer does not meet these refund criteria, the deposit may be retained. Deposits will only be refunded to the owner of the account.

#### Other Service Type Deposit Requirements

##### Deposits for Temporary or Seasonal and for Weekend Residences

KPUB may require a deposit sufficient to reasonably protect it against assumed risk for temporary, weekend, or seasonal service, provided such policy is applied in a uniform and nondiscriminatory manner. Mobile homes located on nonpermanent foundations shall be deemed temporary service for the purpose of this Section.

##### Re-establishment of Credit

Every applicant who previously has been a Customer of KPUB and whose service has been discontinued for nonpayment of bills or meter tampering or bypassing of meter shall be required before service is rendered to pay all amounts due for such service or execute a deferred payment agreement, if offered, and re-establish credit as provided in these Rules.

If a customer files a bankruptcy petition, the customer's existing account(s) will be closed and a new account(s) established. Any existing deposit will be applied to unpaid charges prior to the date the customer filed for bankruptcy protection. Adequate assurance of payment will be required on any new account(s) opened after the customer filed for bankruptcy protection. If adequate assurance of payment, in the form a deposit or other security, is not received and 20 days have passed following the customer's bankruptcy filing (30 days if the customer has filed for bankruptcy protection under Chapter 11 of the Bankruptcy Code), the new account(s) will be disconnected.

#### Records of Deposits

KPUB shall keep records to show:

1. The name and address of each depositor;
2. The amount and date of the deposit; and
3. Each transaction concerning the deposit.

KPUB shall issue a receipt of deposit to each applicant from whom a deposit is received and shall provide means whereby a depositor may establish claim if the receipt is lost.

A record of each unclaimed deposit must be maintained for at least three years, during which time KPUB shall make reasonable effort to return the deposit.

# MEMORANDUM

To: Bill Thomas  
Philip Stacy  
Mark Cowden  
Larry Howard  
Mayor Bill Blackburn

From: Damon Richardson

Date: August 12, 2020

Re: Agenda Item No. 12 – Approval and Reporting of Purchases and Sales


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Presented for your consideration and review are the recommendations for purchase of goods or services.

- A. Quote No. 2732: Diesel and Gasoline.** Staff is recommending approval of a purchase order to Maxey Energy for one year of fuel. After reviewing the ongoing need, the original quote was rescinded. We are using 25% more fuel with outside employees in separate trucks. Current estimated need is 25,000 gallons each of diesel and gasoline. Three sealed bids were requested with only one response. Approval is being sought for a purchase order totaling \$152,048.00, allowing for price fluctuations. The break down is: Diesel 3.0748 per gallon / Unleaded 3.0071 per gallon. Bid documents are attached for reference.
- B. Quote No. 2758: URD Cable, New Middle School.** This bid was split to accommodate a mid-September deadline set by KISD. One third of this cable was awarded to Techline at 8.09 per foot (the higher cost is due to Techline stocking a local facility that can custom cut and guarantee quick delivery). The remaining quantity was awarded to Wesco at 7.26 per foot. This made the PO's \$30,013.90 and \$48,787.20 respectively. Since the combined amount of the original quote would have required Board approval I felt this should be presented to the Board.

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

Sincerely,

  
Damon Richardson  
Purchasing Agent





Quotation / Proposal Opening  
 Reference #: 2732  
 Opening Date & Time:  
 8-5-20  
 11:00

Company Name	Sealed Yes or No, Receive Date	Bid Amount	Exceptions	Comments
Golden West	No Response			
Maxey Energy Co.	Yes 7-31-202			
Mc Bryde Oil	No Response			

Witness: Danna Reckhow

Witness: Ben Gray

Bid #2732  
June30, 2020

Kerrville Public Utility Board is seeking proposals for fuel, purchase and delivery of approximately 25,000 gallons of diesel and 25,000 gallons of Unleaded over an estimated 12 month period. Delivery will be as needed basis, full tanker truck combination of diesel and unleaded equaling approximately 8,000 gallons.

We are seeking a two year agreement with two one year extensions.

Please assume a starting OPIS or Rack price of 2.50 per gallon, total per gallon should reflect what we would see on an invoice. Include any other fees that would appear on an invoice.

Being that the total for this bid will be over \$100,000 sealed bids will be required.

	Low sulfur No. 2 Diesel Fuel	Regular 87 Octane Unleaded Gasoline
OPIS branded average rack price per gallon	\$2.50	\$2.50
State Tax	<u>.20</u>	<u>.20</u>
Federal Tax	<u>.2440</u>	<u>.184</u>
Freight	<u>.1308</u>	<u>.1231</u>
Total per Gallon	<u>3.0748</u>	<u>3.0071</u>
	76,870	75,178.50
	= 152,048	

Kerrville Public Utility Board

Bid for fuel bid # 2732, August 4, 2020

For purposes of calculating the current price per gallon, use the following formula:

Diesel Fuel # 2 and Regular unleaded 87 Octane

Rack Price\* + Freight + Markup = Price

*Freight Markup up*

Today price calculation for 07/28/2020  $1.2560 + .0583 + .0725 = 1.3868$

State and Federal taxes are added if applicable. Base on full load delivery.

	Diesel Fuel #2	Regular Unleaded 87 Octane
Average Price Per Gallon	1.2560	1.2589
State Excise Tax	.2000	.2000
Federal Excise Tax	.2440	.1840
Bid Freight and Markup	.1308	.1231
Total Price Per Gallon	1.8308	1.7660

\*Rack Price is the "average unbranded price" Published each day as DTN Fast Racks, San Antonio, Texas.

Any small deliveries for local Kerrville bulk plant will be charge at the same formula, but with And additional .0750 cent per gallon added for a minimum bobtail truck delivery of 500 gallons.

In case of emergencies outages or supply shortages, fuel will be made available thru our local Convenience stores in the Kerrville area or thru our Maxey gas card system.



W. Merlin Maxey

Maxey Energy Company

MAXEY ENERGY  
P.O. BOX 1463  
UVALDE, TX. 78802

Received 7/31/2020  
3:19 PM CW

Kerrville Public Utility Board  
2250 Memorial Blvd  
Kerrville, TX 78029-4999

Sealed Bill - 8/4/2020  
Damon Richardson

Quotation	Description	Date	Response Due Date
2758	URD Cable for Middle School	8/5/2020	8/10/2020 10:00
2758	URD Cable for Middle School	8/5/2020	8/10/2020 10:00
2758	URD Cable for Middle School	8/5/2020	8/10/2020 10:00
2758	URD Cable for Middle School	8/5/2020	8/10/2020 10:00

Name	Total Quotation Cost	Vendor Status
MASTER QUOTATION	0	
WESCO DISTRIBUTION, INC.	76,956.00	Bid Received
TECHLINE INCORPORATED	77,380.00	Bid Received
ANIXTER INC	78,334.00	Bid Received

# REQUEST FOR QUOTATION



**Kerrville  
Public  
Utility  
Board**

**City of Kerrville, Texas  
Electric Distribution System  
Revenue Fund**  
2250 Memorial Blvd. • PO Box 294999  
Kerrville, TX 78029-4999 • 830-257-3050

<b>Vendor</b>	<b>Quotation</b>
77	2758
<b>Print Date</b>	<b>Page</b>
08/05/2020	1

**TO** WESCO DISTRIBUTION, INC.  
4410 DIVIDEND  
SAN ANTONIO, TX 78219

**SHIP TO** KERRVILLE PUBLIC UTILITY BOARD  
2250 MEMORIAL BLVD  
KERRVILLE, TX 78028-5613  
Phone: (830)257-3050  
Fax: (830)792-8244

**Response Due Date:** 10:00 am 8/10/2020

**Phone:**  
**Fax:**

### Requested Terms

<b>Shipment Method</b>	<b>Shipment Terms</b>	<b>FOB</b>	<b>Payment Terms</b>
			NET

LN	ITEM	QUANTITY	UOM	DESCRIPTION	UNIT PRICE	DEL DT/LEAD TM
1	1078	1,000.000	FT	CABLE #1000MCM AL 220 MIL 15KV URD Dist. Cable. 1000MCM 15kv Aluminum Stranded Conductor. 1/3 CU Neutral, 220 mil insulation. Kerite or Okonite URO-J. Please quote cut to length reels and estimate lead time. See attached reel specifications	7.26/ ft	Lead time: due out of production on 10/17/20
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# REQUEST FOR QUOTATION

<b>Vendor</b>	<b>Quotation</b>
77	2758
<b>Print Date</b>	<b>Page</b>
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LN	ITEM	QUANTITY	UOM	DESCRIPTION	UNIT PRICE	DEL DT/LEAD TM
5	1078	1,150.000	FT	CABLE #1000MCM AL 220 MIL 15KV URD Dist. Cable. 1000MCM 15kv Aluminum Stranded Conductor. 1/3 CU Neutral, 220 mil insulation. Kerite or Okonite URO-J. Please quote cut to length reels and estimate lead time. See attached reel specifications	7.26/ ft	<small>Lead time: due out of production on 10/17/20</small>
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# REQUEST FOR QUOTATION

<b>Vendor</b>	<b>Quotation</b>
77	2758
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LN	ITEM	QUANTITY	UOM	DESCRIPTION	UNIT PRICE	DEL DT/LEAD TM
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**Vendor Terms**

Shipment Method	Shipment Terms	FOB	Payment Terms

<p style="font-size: 1.2em; color: blue;"><i>Susana Reyes</i></p>	<p><b>Valid Through Date:</b></p> <hr/> <p style="text-align: center;"><b>Authorizing Signatures</b></p> <p style="text-align: center;"><i>Damon Richardson</i></p> <hr/> <p style="text-align: center;">DAMON RICHARDSON PURCHASING AGENT (830)792-8239</p> <hr/>
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# REQUEST FOR QUOTATION



**Kerrville  
Public  
Utility  
Board**

City of Kerrville, Texas  
Electric Distribution System  
Revenue Fund  
2250 Memorial Blvd. • PO Box 294999  
Kerrville, TX 78029-4999 • 830-257-3050

Vendor	Quotation
70	2758
Print Date	Page
08/05/2020	1

TO  **TECHLINE INCORPORATED**  
4314 DIVIDEND DR  
SAN ANTONIO, TX 78219

**SHIP TO** KERRVILLE PUBLIC UTILITY BOARD  
2250 MEMORIAL BLVD  
KERRVILLE, TX 78028-5613  
Phone: (830)257-3050  
Fax: (830)792-8244

**Phone:**  
**Fax:**

**Response Due Date:** 10:00 am 8/10/2020

### Requested Terms

Shipment Method	Shipment Terms	FOB	Payment Terms
			NET

LN	ITEM	QUANTITY	UOM	DESCRIPTION	UNIT PRICE	DEL DT/LEAD TM
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# REQUEST FOR QUOTATION

<b>Vendor</b>	<b>Quotation</b>
70	2758
<b>Print Date</b>	<b>Page</b>
08/05/2020	2

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<b>Print Date</b>	<b>Page</b>
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### Vendor Terms

Shipment Method	Shipment Terms	FOB	Payment Terms
Best way	Freight allowed	San Antonio	Net 30

<p style="font-size: 1.2em;"><i>Karen Cons</i></p>	<p><b>Valid Through Date:</b></p> <hr/> <p style="text-align: center;"><b>Authorizing Signatures</b></p> <p style="text-align: center;"><i>Damon Richardson</i></p> <hr/> <p style="text-align: center;">DAMON RICHARDSON PURCHASING AGENT (830)792-8239</p> <hr/>
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# REQUEST FOR QUOTATION



**Kerrville  
Public  
Utility  
Board**

City of Kerrville, Texas  
Electric Distribution System  
Revenue Fund  
2250 Memorial Blvd. • PO Box 294999  
Kerrville, TX 78029-4999 • 830-257-3050

<b>Vendor</b>	<b>Quotation</b>
1166	2758
<b>Print Date</b>	<b>Page</b>
08/05/2020	1

TO ANIXTER INC  
PO BOX 842584  
DALLAS, TX 75284

SHIP TO KERRVILLE PUBLIC UTILITY BOARD  
2250 MEMORIAL BLVD  
KERRVILLE, TX 78028-5613  
Phone: (830)257-3050  
Fax: (830)792-8244

Response Due Date: 10:00 am 8/10/2020

Phone: (940)270-7243  
Fax: (866)580-8629

### Requested Terms

<b>Shipment Method</b>	<b>Shipment Terms</b>	<b>FOB</b>	<b>Payment Terms</b>

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# REQUEST FOR QUOTATION

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1166	2758
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08/05/2020	2

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<b>Vendor</b>	<b>Quotation</b>
1166	2758
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08/05/2020	3

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**Vendor Terms**

Shipment Method	Shipment Terms	FOB	Payment Terms

Stock is subject to prior sales.

BY ACCEPTING THIS QUOTE, YOU AGREE THAT THE ANIXTER TERMS AND CONDITIONS OF SALE PUBLISHED AT [WWW.ANIXTER.COM/TERMSANDCONDITIONS](http://WWW.ANIXTER.COM/TERMSANDCONDITIONS) ARE EXPRESSLY INCORPORATED INTO AND SHALL GOVERN THIS TRANSACTION.

**Valid Through**  
Date: 10/4

**Authorizing Signatures**

*Damon Richardson*

DAMON RICHARDSON  
PURCHASING AGENT  
(830)792-8239

## MEMORANDUM

To: Bill Thomas  
Philip Stacy  
Mark Cowden  
Larry Howard  
Mayor Bill Blackburn

From: Robby McCutcheon

Date: August 11, 2020

Re: Agenda Item No. 12— Approval and Reporting of Purchases and Sales

---

Presented for your consideration and review is the recommendation for purchase of goods and services.

**C. Access System**—Staff is recommending the approval of a purchase order to BryComm in the amount of \$96,600.00. This system will upgrade our existing access and intrusion detection system located at our main office and warehouse, but also expand access control to the Backup Operations Center (BOC), gas pump building, two pedestrian gates in the warehouse yard perimeter, the north vehicle gate in the warehouse yard, and add a RFID reader for KPUB vehicles at the primary vehicle gate in the warehouse yard. The solution will also incorporate a new IP-based intercom system, Aiphone, which will extend our intercom system from the primary office to the BOC. The system integrates with our existing camera system and should provide a much more seamless and user friendly experience.

Please let me know if you have any questions or require additional information.

Sincerely,



Robby McCutcheon



# Access System Upgrade August 12, 2020

Description	UM	Quantity	BryComm		Knight Security		Alterman	
			Price UM	Total	Price UM	Total	Price UM	Total
Main Office	ea	1	35,800.00	\$35,800.00	69,531.36	\$69,531.36		\$0.00
Warehouse*	ea	1	17,080.00	\$17,080.00		\$0.00		\$0.00
Gas Pumps Building	ea	1	18,521.00	\$18,521.00	10,167.79	\$10,167.79		\$0.00
Intercom**	ea	1		\$0.00	9,055.69	\$9,055.69		\$0.00
Backup Operations Center	ea	1	17,124.00	\$17,124.00	16,171.87	\$16,171.87		\$0.00
RFID Vehicle Gate	ea	1	8,075.00	\$8,075.00		\$0.00		\$0.00
<b>Grand Total:</b>				<b>\$96,600.00</b>		<b>\$104,926.71</b>		<b>\$0.00</b>

\*The Knight Security proposal combined the main office and warehouse locations.

\*\*The BryComm proposal includes the intercom costs distributed across the respective locations.

## MEMORANDUM

To: Mike Wittler  
Ricardo Berrios  
Damon Richardson

From: Lou Graves

Date: August 10, 2020

Re: Agenda Item No 12D - Middle School Feeder Extension

---

Presented for your consideration and review are these recommendations for purchase and/or sale of goods or services.

12D. Bid No. 2686 – Middle School Primary Feeder Extension Construction Services. Engineering is recommending the approval of a purchase order for \$404,566.00 to the remaining bidder, Greenstone Electrical Services. The project will consist of 3500 linear feet of three-phase underground primary to feed the Hal Peterson Middle School and tie Legion substation feeder LE30 to Travis substation feeder KT10, thus providing the backbone for future growth along Olympic Dr. The proposal for this project was sent to the following contractors: DW Electric, Greenstone Electric Services, James Power Line Construction, and Lintec Services for a competitive bid. Greenstone Services and James Power Line Construction returned bids for this proposal. James Power Line Construction excluded items needed to make a comparison between the two proposals. The request for the excluded items was sent to James Power Line Construction and they responded with a request for additional time to prepare the requested items. After a two day extension James Power Line Construction sent an email to KPUB stating that they could not quote this project at this time and cancelled their bid. Due to James Power Line retracting their bid we recommend awarding Greenstone Electrical Services the contract for this project.

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

Sincerely,



Lou Graves,  
Engineering Service Supervisor

Vendor Bid Information for the Hal Peterson Middle School Feeder Extension		
C	Description	Quantity
1000 MCM AI URD	1000 MCM AI URD 15 kV 1/3 neutral cut to fit for installation	3500 ft X 3
#1/0 AI URD	#1/0 AI URD 15 kV 1/3 neutral	700 ft X 3
1000 MCM Splice	Cold shrink terminations	21
(4)- 3" Conduit	Conduit duct bank of (4)- 3" PVC conduits	700 ft X 4
(4)-4" Conduit	Conduit duct bank of (4) - 4" PVC conduits	3500 ft X 4
(2)- 3" Conduit	(2)- 3" PVC conduits	2000 X 2
(1)- 1" Conduit	(1)- 1" PVC conduit	900 ft
(2)-2" Conduit (Fiber)	Conduit duct bank for later fiber installation consisting of (2) – 2" Conduits	3500 ft X 2
Conduit Spacers & Bases	2 Inch separation conduit spacers and bases installed 4 every 20 feet	*TBD*
Fiber Handhole	Underground handhole 17" x 30" x 18" for future fiber splicing and pull points	6
Fiber Large Handhole	Underground handhole 30" x 48" x 18" for future fiber splicing and pull points	1
Secondary Handholes	17"X30"X18"	8
4'x8' Pull Vault	4' x 8' polymer concrete vault with multipart lids and preinstalled conduit terminators	6
Vault Assembly	Racks and arms for installation in vaults for cable splicing	6
Trench 24"W x 60"D	Trench and compacted backfill	3500 ft
Switchgear Pad	Precast switchgear pad of dimensions of 94" W x 86.5" L x 36" D to include excavation for installation	1
Switchgear AIS-9	Chance AIS-9 dead front switchgear	1
H1.1	Grounds for switchgear and vaults	7
1000 MCM AI URD 600A Deadbreak terminations	Dead break terminations for AIS-9 switchgear	12
#1/0 AI URD 200A Deadbreak terminations	Dead break terminations for AIS-9 switchgear	14
1000 MCM Riser	3 phase 1000 MCM AI 15 kV Riser	2
SINGLE-PHASE PAD MOUNTED TRANSFORMER	INSTALL 25kVA TRANSFORMER	1
45 C3 SPAN GUY POLE	INSTALL SPAN GUY POLE	1
50' C3 TANGENT POLE	INSTALL PRIMARY POLE	1
50' C3 DEADEND RISER POLE	INSTALL PRIMARY POLE	1
45' RISER POLE	INSTALL PRIMARY POLE	1
45' C3 POLE	REMOVE PRIMARY POLE	1
40' C4 POLE	REMOVE PRIMARY POLE	1
45' C3 POLE	INSTALL PRIMARY POLE	1
30' F/G STREETLIGHT POLE	INSTALL STREET LIGHT POLE	8
Install wiring in light standard to consist of 3 #12 Cu THHN	Street Light Wiring	8
Single-Phase transformer Pad	Install Single-Phase transformer Pad	1
Three-Phase Sectionalizing Cabinet with Pad	Install Three-Phase Sectionalizing Cabinet with Pad Supplied by Greenstone Material supplied by KPUB	3
1/0 Triplex Streetlight Wire	URD wire for Street Lights	2000
Stump Removal	Remove Stumps in trench path	1
Flowable Fill	Backfill option 2000 Feet	1200
<b>Work for KPUB TOTAL</b>		
4" PVC to Middle School	4" PVC install with Handhole to be installed for Peterson Middle School	3500
HCTC Communication	2-1 1/4 Communications Conduit. Conduit supplied by HCTC.	3500
Spectrum Communication	2-1 1/4 Communications Conduit. Conduit supplied by HCTC.	3500
<b>KPUB work plus additional work requested per Addendum TOTAL</b>		

GreenStone	
Material Provided by KPUB	Extended Price
YES	\$ 31,290.00
YES	\$ 1,806.00
YES	\$ 5,250.00
NO	\$ 11,550.00
NO	\$ 64,750.00
NO	\$ 16,500.00
NO	\$ 3,825.00
NO	\$ 28,000.00
NO	\$ 12,950.00
YES	\$ 2,695.00
YES	\$ 425.00
YES	\$ 3,480.00
YES	\$ 42,000.00
YES	\$ 2,700.00
NO	\$ 63,000.00
NO	\$ 8,685.00
YES	\$ 560.00
YES	\$ -
YES	\$ 2,460.00
YES	\$ 1,190.00
YES	\$ 4,600.00
YES	\$ 350.00
YES	\$ 675.00
YES	\$ 4,600.00
YES	\$ 3,100.00
YES	\$ 3,000.00
NO	\$ 650.00
NO	\$ 685.00
YES	\$ 4,600.00
NO	\$ 28,000.00
NO	\$ 1,200.00
NO	\$ 1,750.00
NO	\$ 6,300.00
YES	\$ 1,680.00
NO	\$ 2,500.00
NO	\$ 37,760.00
<b>TOTAL</b>	<b>\$ 404,566.00</b>
NO	\$ 7,800.00
NO	\$ 12,250.00
NO	\$ 21,000.00
<b>TOTAL</b>	<b>\$ 445,616.00</b>

James Powerline	
Material Provided by KPUB	Extended Price
YES	\$ 38,115.00
YES	\$ 3,045.00
YES	\$ 5,675.00
NO	\$ 10,080.00
NO	\$ 65,800.00
NO	\$ 14,400.00
NO	\$ 1,746.00
NO	\$ 18,270.00
NO	\$ 2,200.50
YES	\$ 2,100.00
YES	\$ 450.00
YES	\$ 2,800.00
YES	\$ 9,000.00
YES	\$ 4,500.00
NO	\$ 85,750.00
NO	\$ 4,300.00
YES	\$ 1,000.00
YES	\$ 1,400.00
YES	\$ 3,300.00
YES	\$ 1,680.00
YES	\$ 5,600.00
YES	\$ 700.00
YES	\$ 700.00
YES	\$ 1,800.00
YES	\$ 1,200.00
YES	\$ 2,000.00
NO	\$ 600.00
NO	\$ 1,500.00
YES	\$ 3,500.00
NO	\$ 17,120.00
NO	\$ 1,440.00
<b>TOTAL</b>	<b>\$ 311,771.50</b>

\* See Staking Sheet for more details.



Quotation / Proposal Opening  
 Reference #: 2686  
 Opening Date & Time:

8-3-20  
 8:30

Company Name	Sealed Yes or No, Receive Date	Bid Amount	Exceptions	Comments
James Power Line	Yes 7-29-20	* 311,771.50 311,911.50	* Include Comms	Missing Amdem Items * Remove Comms and use Flowable Fill = \$404,566.00
Greenstone	Yes 7-29-20	* 414,806.00 \$455,856.00	* Includes - HETC - Spectrum & KESD = \$41,050	
DW Electric	No Response			
LineTec	No Response			

Witness: Bu Jang

Witness: Damon Rebeck



Response to Request for Proposal of Kerrville Public Utility  
Board

**For 2020-2686 Middle School Feeder Extension (2000'  
Concrete Backfill)**

Proposal Due July 29, 2020 by 2:00 p.m. Central Standard Time Proposal Submitted via  
Electronic by:

**GREENSTONE ELECTRICAL SERVICES, LLC**

**Margo A. Williams, Principal**

**Cell (830) 377-7287**

**Office (210) 954-6635**

**[margo@greenstoneelectric.com](mailto:margo@greenstoneelectric.com)**

**20540 State Hwy 46 W. Suite 115-480**

**Spring Branch, TX 78070**



**KERRVILLE PUBLIC UTILITY BOARD**

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2250 Memorial Blvd • P.O. Box 294999 • Kerrville, Texas 78029-4999 • 830-257-3050

**Request for Proposal # 2020-2686: Middle School Primary Feeder Extension Construction Services  
URD UNIT BID FORM**

C	Description	Quantity	Material Provided by KPUB	Unit Rate	Extended Price
1000 MCM AI URD	1000 MCM AI URD 15 kV 1/3 neutral cut to fit for installation between vaults	3500 ft X 3	YES	\$2.98 x3	\$31,290.00
#1/0 AI URD	#1/0 AI URD 15 kV 1/3 neutral between vaults	700 ft X 3	YES	\$0.86 x3	\$1,806.00
1000 MCM Splice	Cold shrink terminations	21	YES	\$250.00	\$5,250.00
(4)- 3" Conduit	Conduit duct bank of (4)- 3" PVC conduits	700 ft X 4	NO	\$16.50	\$11,550.00
(4)-4" Conduit	Conduit duct bank of (4) - 4" PVC conduits	3500 ft X 4	NO	\$18.50	\$64,750.00
(2)- 3" Conduit	(2)- 3" PVC conduits	2000 X 2	NO	\$8.25	\$16,500.00
(1)- 1" Conduit	(1)- 1" PVC conduit	900 ft	NO	\$4.25	\$3,825.00
(2)-2" Conduit (Fiber)	Conduit duct bank for later fiber installation consisting of (2) - 2: PVC conduits	3500 ft X 2	NO	\$8.00	\$28,000.00
Conduit Spacers & Bases	2 Inch separation conduit spacers and bases installed 4 every 20 feet	700	NO	\$18.50	\$12,950.00
Fiber Handhole	Underground handhole 17" x 30" x 18"	6	YES	\$385.00	\$2,695.00



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**Request for Proposal # 2020-2686: Middle School Primary Feeder Extension Construction Services**

Fiber Large Handhole	for future fiber splicing and pull points Underground handhole 30" x 48" x 18" for future fiber splicing and pull points	1	YES	\$425.00	\$425.00
Secondary Handholes	17"X30"X18"	8	YES	\$435.00	\$3,480.00
4'x8' Pull Vault	4' x 8' polymer concrete vault with multipart lids and preinstalled conduit terminators	6	YES	\$7,000.00	\$42,000.00
Vault Assembly	Racks and arms for installation in vaults for cable splicing	6	YES	\$450.00	\$2,700.00
Trench 24" W x 60" D	Trench and compacted backfill	3500 ft	NO	\$18.00	\$63,000.00
Switchgear Pad	Precast switchgear pad of dimensions of 94" W x 86.5" L x 36" D to include excavation for installation	1	NO	\$8,685.00	\$8,685.00
Switchgear AIS-9	Chance AIS-9 dead front switchgear	1	YES	\$560.00	\$560.00
H1.1	Grounds for switchgear and vaults	7	YES	N/A	\$0.00
1000 MCM AI URD 600A Dead break terminations	Dead break terminations for AIS-9 switchgear	12	YES	\$205.00	\$2,460.00



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**Request for Proposal # 2020-2686: Middle School Primary Feeder Extension Construction Services**

#1/0 Al URD 200A Dead break terminations	Dead break terminations for AIS-9 switchgear	14	YES	\$85.00	\$1,190.00
1000 MCM Riser	3 phase 1000 MCM Al 15 kV Riser	2	YES	\$2,300.00	\$4,600.00
SINGLE-PHASE PAD MOUNTED TRANSFORMER	INSTALL 25KVA TRANSFORMER	1	YES	\$350.00	\$350.00
45 C3 SPAN GUY POLE	INSTALL SPAN GUY POLE	1	YES	\$675.00	\$675.00
50' C3 TANGENT POLE	INSTALL PRIMARY POLE	1	YES	\$4,600.00	\$4,600.00
50' C3 DEADEND RISER POLE	INSTALL PRIMARY POLE	1	YES	\$3,100.00	\$3,100.00
45' RISER POLE	INSTALL PRIMARY POLE	1	YES	\$3,000.00	\$3,000.00
45' C3 POLE	REMOVE PRIMARY POLE	1	NO	\$650.00	\$650.00
40' C4 POLE	REMOVE PRIMARY POLE	1	NO	\$685.00	\$685.00
45' C3 POLE	INSTALL PRIMARY POLE	1	YES	\$4,600.00	\$4,600.00
30' F/G STREETLIGHT POLE	INSTALL STREET LIGHT POLE	8	NO	\$3,500.00	\$28,000.00
Install wiring in light standard to consist of 3 #12 Cu THHN	Street Light Wiring	8	NO	\$150.00	\$1,200.00
INSTALL SINGLE PHASE TRANSFORMER PAD	PAD SUPPLIED BY GREENSTONE	1	NO	\$1,750.00	\$1,750.00





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**Request for Proposal # 2020-2686: Middle School Primary Feeder Extension Construction Services**

3 PHASE SECTIONALIZING CABINET WITH PAD	PAD SUPPLIED BY GREENSTONE CABINET AND MATERIAL SUPPLIED BY KPUB	3	NO	\$2,100.00	\$6,300.00
1/0 TRIPLEX URD SL WIRE	URD WIRE FOR STREETLIGHTS	2000	YES	\$0.84	\$1,680.00
4" PVC TO MIDDLE SCHOOL	4" PVC WITH HANDHOLE FROM RISER AT LP 534 TO MIDDLE SCHOOL	1200	NO	\$6.50	\$7,800.00
HCTC COMMUNICATION SPECTRUM PIPE	2 - 1 1/4" COMMUNICATION PIPE SUPPLIED BY HCTC	3500	YES	\$3.50	\$12,250.00
STUMP REMOVAL FLOWABLE FILL	2 - 3" COMMUNICATIONS PIPE SUPPLIED BY SPECTRUM	3500	YES	\$6.00	\$21,000.00
	REMOVE STUMPS IN TRENCH PATH	1	NO	\$2,500.00	\$2,500.00
	BACKFILL OPTION (2000 FT)	320	NO	\$118.00	\$37,760.00
TOTAL					<b>\$445,616.00</b>

**\* See Staking Sheet for more details.**

STAKING SHEET



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**Request for Proposal # 2020-2686: Middle School Primary Feeder Extension Construction Services**

3 PHASE SECTIONALIZING CABINET WITH PAD	PAD SUPPLIED BY GREENSTONE CABINET AND MATERIAL SUPPLIED BY KPUB	3	NO	\$2,100.00	\$6,300.00
1/0 TRIPLEX URD SL WIRE	URD WIRE FOR STREETLIGHTS	2000	YES	\$0.84	\$1,680.00
4" PVC TO MIDDLE SCHOOL	4" PVC WITH HANDHOLE FROM RISER AT LP 534 TO MIDDLE SCHOOL	1200	NO	\$6.50	\$7,800.00
HCTC COMMUNICATION	2 - 1 1/4" COMMUNICATION PIPE SUPPLIED BY HCTC	3500	YES	\$3.50	\$12,250.00
SPECTRUM COMMUNICATIONS PIPE	2 - 3" COMMUNICATIONS PIPE SUPPLIED BY SPECTRUM	3500	YES	\$6.00	\$21,000.00
STUMP REMOVAL	REMOVE STUMPS IN TRENCH PATH	1	NO	\$2,500.00	\$2,500.00
				TOTAL	<b>\$455,856.00</b>

**\* See Staking Sheet for more details.**

STAKING SHEET



July 28, 2020

Kerrville Public Utility Board  
Attn: Purchasing Agent  
2250 Memorial Blvd.  
P.O. Box 294999  
Kerrville TX 78029-4999

RE: RFP #2020-2686

Dear Mr. Richardson:

Please find enclosed two proposals submitted by James Power Line Construction, LLC for the above referenced RFP.

Thank you for the opportunity. Please contact me with any questions or concerns you may have.

Sincerely,

Charles (Chuck) James  
President



**KERRVILLE PUBLIC UTILITY BOARD**

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By: *Charles W. James*  
 Charles W. James, President

2250 Memorial Blvd • P.O. Box 294999 • Kerrville, Texas 78029-4999 • 830-257-3050

**Request for Proposal # 2020-2686: Middle School Primary Feeder Extension Construction Services**

	for future fiber splicing and pull points				
Fiber Large Handhole	Underground handhole 30" x 48" x 18" for future fiber splicing and pull points	1	YES	450.00 ea.	450.00
Secondary Handholes	17"X30"X18"	8	YES	350.00 ea.	2,800.00
4'x8' Pull Vault	4' x 8' polymer concrete vault with multipart lids and preinstalled conduit terminators	6	YES	1,500.00 ea.	9,000.00 ?
Vault Assembly	Racks and arms for installation in vaults for cable splicing	6	YES	750.00 ea.	4,500.00
Trench 24"W x 60"D	Trench and compacted backfill	3500 ft	NO	24.50 p/f	85,750.00 ?
Switchgear Pad	Precast switchgear pad of dimensions of 94" W x 86.5" L x 36" D to include excavation for installation	1	NO	4,300.00 ea.	4,300.00 ?
Switchgear AIS-9	Chance AIS-9 dead front switchgear	1	YES	1,000.00 ea.	1,000.00
H1.1	Grounds for switchgear and vaults	7	YES	200.00 ea.	1,400.00
1000 MCM AI URD 600A Deadbreak terminations	Dead break terminations for AIS-9 switchgear	12	YES	275.00 ea.	3,300.00

*Fiber Splicing ?  
 Fiber ?  
 DCA ?*

*112,500*



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By: *Charles W. James*  
 Charles W. James, President

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**Request for Proposal # 2020-2686: Middle School Primary Feeder Extension Construction Services  
 URD UNIT BID FORM**

C	Description	Quantity	Material Provided by KPUB	Unit Rate	Extended Price
1000 MCM AI URD	1000 MCM AI URD 15 kV 1/3 neutral cut to fit for installation between vaults	3500 ft X 3	YES	3.63 p/f	38,115.00
#1/0 AI URD	#1/0 AI URD 15 kV 1/3 neutral between vaults	700 ft X 3	YES	1.45 p/f	3,045.00
1000 MCM Splice	Cold shrink terminations	21	YES	270.00 ea.	5,675.00
(4)- 3" Conduit	Conduit duct bank of (4)- 3" PVC conduits	700 ft X 4	NO	3.60 p/f	10,080.00
(4)-4" Conduit	Conduit duct bank of (4)- 4" PVC conduits	3500 ft X 4	NO	4.70 p/f	65,800.00
(2)- 3" Conduit	(2)- 3" PVC conduits	2000 X 2	NO	3.60 p/f	14,400.00
(1)- 1" Conduit	(1)- 1" PVC conduit	900 ft	NO	1.94 p/f	1,746.00
(2)-2" Conduit (Fiber)	Conduit duct bank for later fiber installation consisting of (2) - 2: PVC conduits	3500 ft X 2	NO	2.61 p/f	18,270.00
Conduit Spacers & Bases	2 Inch separation conduit spacers and bases installed 4 every 20 feet	*TBD*	NO	3.26 ea.	2,200.50
Fiber Handhole	Underground handhole 17" x 30" x 18"	6	YES	350.00 ea.	2,100.00

?

= 161,431.50



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By: *Charles W. James*  
 Charles W. James, President

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**Request for Proposal # 2020-2686: Middle School Primary Feeder Extension Construction Services**

#1/0 Al URD 200A Deadbreak terminations	Dead break terminations for AIS-9 switchgear	14	YES	120.00 ea.	1,680.00
1000 MCM Riser	3 phase 1000 MCM Al 15 kV Riser	2	YES	2,800.00 ea.	5,600.00
SINGLE-PHASE PAD MOUNTED TRANSFORMER	INSTALL 25kVA TRANSFORMER	1	YES	700.00 ea.	700.00
45 C3 SPAN GUY POLE	INSTALL SPAN GUY POLE	1	YES	700.00 ea.	700.00
50' C3 TANGENT POLE	INSTALL PRIMARY POLE	1	YES	1,800.00 ea.	1,800.00
50' C3 DEADEND RISER POLE	INSTALL PRIMARY POLE	1	YES	1,200.00 ea.	1,200.00
45' RISER POLE	INSTALL PRIMARY POLE	1	YES	2,000.00 ea.	2,000.00
45' C3 POLE	REMOVE PRIMARY POLE	1	NO	600.00 ea.	600.00
40' C4 POLE	REMOVE PRIMARY POLE	1	NO	1,500.00 ea.	1,500.00
45' C3 POLE	INSTALL PRIMARY POLE	1	YES	3,500.00 ea.	3,500.00
30' F/G STREETLIGHT POLE	INSTALL STREET LIGHT POLE	8	NO	2,140.00 ea.	17,120.00
Install wiring in light standard to consist of 3 #12 Cu THHN	Street Light Wiring	8	NO	180.00 ea.	1,440.00

37840



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By: *Charles W. James*  
 Charles W. James, President

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Request for Proposal # 2020-2686: Middle School Primary Feeder Extension Construction Services

	TOTAL
--	-------

\* See

**Staking  
 Sheet for  
 more  
 details.**

**STAKING SHEET**

Communications Conduits Labor Only				
Spectrum	3,500' x 2	3"	2.00 p/f	14,000.00
Hill Country Tel.	3,500' x 2	1-1/4"	1.50 p/f	10,500.00
Additional 4" Conduit Labor and Material	1,200'	4"	4.70 p/f	5,640.00

Note: Delivery - All materials can be onsite by 9/1/20. Lead time for fiberglass poles at 26 weeks, can possibly find poles using alternative supplier. Switchgear pad delivery date still pending.

**30,140**

**Lou Graves**

**From:** Chuck James <cjames@jamesplc.com>  
**Sent:** Wednesday, August 5, 2020 10:26 AM  
**To:** 'Chuck James'; Benjamin Gorang  
**Cc:** Lou Graves; Ricardo Berrios Jr.; Damon Richardson  
**Subject:** RE: RFP 2020-2686 Middle School

Benjamin,

I have been unable to get pricing for trench and flowable fill. We cannot quote this project at this time. Thank you for the opportunity.

Best regards,

Chuck James  
James Power Line Construction LLC.  
43 Shooting Club Road  
Boerne, Texas 78006  
Office (830) 249-9080  
Fax (830) 249-9039  
Cell (210) 844-9914  
cjames@jamesplc.com

**From:** Chuck James [mailto:cjames@jamesplc.com]  
**Sent:** Tuesday, August 04, 2020 3:30 PM  
**To:** 'Benjamin Gorang'  
**Cc:** 'Lou Graves'; Ricardo Berrios Jr.; 'Damon Richardson'  
**Subject:** RE: RFP 2020-2686 Middle School

Benjamin,  
I am reworking my bid to include the flowable fill. Still waiting on pricing. May be tomorrow late before I can return to you.  
Thanks,

Chuck James  
James Power Line Construction LLC.  
43 Shooting Club Road  
Boerne, Texas 78006  
Office (830) 249-9080  
Fax (830) 249-9039  
Cell (210) 844-9914  
cjames@jamesplc.com



**From:** Benjamin Gorang [mailto:bjgorang@kpub.com]  
**Sent:** Tuesday, August 04, 2020 9:00 AM  
**To:** Chuck James  
**Cc:** Lou Graves; Ricardo Berrios Jr.; Damon Richardson  
**Subject:** RE: RFP 2020-2686 Middle School

Chuck,

I just wanted to follow up our conversation this morning for the bid proposal for the Middle School. The following questions that were asked are listed below with the answers provided.

- 1) Does the \$1,500 unit price to install each 4X8 Vault include excavation, labor, and gravel?
  - Yes
- 2) What kind of Spacers are to be used?
  - Verifying
- 3) Does the price per foot for the PVC include installation, labor, and trenching for all conduit?
  - Yes
- 4) Was the labor captured to set the switch cabinets and transformer?
  - Yes, it is included in the transformer cost
- 5) Was there labor captured for pulling in the 1/0 UG secondaries for the street light circuit?
  - Verifying
- 6) Was there a price captured for removing stumps?
  - Yes, the price was included in the trench price
- 7) Can James Power line provide a bid for flowable fill as an option?
  - Yes it will be provided

We will be awaiting a response later today to address the remaining questions. If you have any questions for us please don't hesitate to ask.

**Thank you,**

**Benjamin Gorang**  
Project Coordinator  
Kerrville Public Utility Board  
830-792-8242 direct  
P.O. Box 294999  
Kerrville, Texas 78029

**From:** Chuck James <cjames@jamesplc.com>  
**Sent:** Wednesday, July 22, 2020 3:57 PM  
**To:** Benjamin Gorang <bjgorang@kpub.com>  
**Subject:** RE: RFP 2020-2686

Thanks Ben.

Chuck James  
James Power Line Construction LLC.  
43 Shooting Club Road  
Boerne, Texas 78006  
Office (830) 249-9080  
Fax (830) 249-9039  
Cell (210) 844-9914

[cjames@jamesplc.com](mailto:cjames@jamesplc.com)

**From:** Benjamin Gorang [<mailto:bjorang@kpub.com>]  
**Sent:** Wednesday, July 22, 2020 3:11 PM  
**To:** Chuck James  
**Subject:** RE: RFP 2020-2686

Chuck,

We just finalized it we are sending it out in a few minutes. Thank you.

**Thank you,**

**Benjamin Gorang**  
Project Coordinator  
Kerrville Public Utility Board  
830-792-8242 direct  
P.O. Box 294999  
Kerrville, Texas 78029

**From:** Chuck James <[cjames@jamesplc.com](mailto:cjames@jamesplc.com)>  
**Sent:** Wednesday, July 22, 2020 2:07 PM  
**To:** Benjamin Gorang <[bjorang@kpub.com](mailto:bjorang@kpub.com)>  
**Subject:** RE: RFP 2020-2686

Ben,

When do you think we can receive the addendum on this project? We had planned on meeting in the morning to get this package put together and needed this info.

Thanks,

Chuck James  
James Power Line Construction LLC.  
43 Shooting Club Road  
Boerne, Texas 78006  
Office (830) 249-9080  
Fax (830) 249-9039  
Cell (210) 844-9914  
[cjames@jamesplc.com](mailto:cjames@jamesplc.com)

**From:** Benjamin Gorang [<mailto:bjorang@kpub.com>]  
**Sent:** Thursday, July 16, 2020 3:38 PM  
**To:** Chuck James  
**Cc:** Damon Richardson; Lou Graves  
**Subject:** RE: RFP 2020-2686

Chuck,

That will work for us. I do have to send the invitation to the other parties that are bidding as well. I will put 10am on Tuesday in my calendar. Thank you.

Thank you,

**Benjamin Gorang**

Project Coordinator  
Kerrville Public Utility Board  
830-792-8242 direct  
P.O. Box 294999  
Kerrville, Texas 78029

**From:** Chuck James <[cjames@jamesplc.com](mailto:cjames@jamesplc.com)>

**Sent:** Thursday, July 16, 2020 10:09 AM

**To:** Benjamin Gorang <[bjgorang@kpub.com](mailto:bjgorang@kpub.com)>

**Cc:** Damon Richardson <[drrichardson@kpub.com](mailto:drrichardson@kpub.com)>; Lou Graves <[lgraves@kpub.com](mailto:lgraves@kpub.com)>

**Subject:** Re: RFP 2020-2686

Ben

How about Tuesday at 10 AM?

We could meet you at job site.

Thanks

Chuck

Sent from my iPhone

On Jul 16, 2020, at 9:46 AM, Benjamin Gorang <[bjgorang@kpub.com](mailto:bjgorang@kpub.com)> wrote:

Chuck,

I will be off on vacation Monday. Is there a time Tuesday that would work for you?

Thank you,

**Benjamin Gorang**

Project Coordinator  
Kerrville Public Utility Board  
830-792-8242 direct  
P.O. Box 294999  
Kerrville, Texas 78029

**From:** Damon Richardson <[drrichardson@kpub.com](mailto:drrichardson@kpub.com)>

**Sent:** Thursday, July 16, 2020 9:31 AM

**To:** Benjamin Gorang <[bjgorang@kpub.com](mailto:bjgorang@kpub.com)>; Lou Graves <[lgraves@kpub.com](mailto:lgraves@kpub.com)>

**Cc:** [cjames@jamesplc.com](mailto:cjames@jamesplc.com)

**Subject:** FW: RFP 2020-2686

Ben, could you get with Chuck on this and let me know if you schedule something.

**From:** Chuck James <[cjames@jamesplc.com](mailto:cjames@jamesplc.com)>  
**Sent:** Thursday, July 16, 2020 9:09 AM  
**To:** Damon Richardson <[drrichardson@kpub.com](mailto:drrichardson@kpub.com)>  
**Subject:** RE: RFP 2020-2686

Mr. Richardson,  
We are interested in bidding this project. Can I set up a site visit with one of your representatives early next week? Monday afternoon if possible.  
Thank you,

Chuck James  
James Power Line Construction LLC  
43 Shooting Club Road  
Boerne, Texas 78006  
Office (830) 249-9080  
Fax (830) 249-9039  
Cell (210) 844-9914  
[cjames@jamesplc.com](mailto:cjames@jamesplc.com)

**From:** Damon Richardson [<mailto:drrichardson@kpub.com>]  
**Sent:** Wednesday, July 15, 2020 3:29 PM  
**To:** Damon Richardson  
**Subject:** RFP 2020-2686

Please see attached Request for Proposal from Kerrville Public Utility Board. Proposals must be submitted by mail. Response to any questions will be sent to everyone on proposal list.

Damon Richardson  
Purchasing Agent and Facility Maintenance  
Kerrville Public Utility Board  
2250 Memorial Blvd.  
Kerrville Tx. 78028  
830-792-8239

Receiving hours: Monday thru Thursday 8am -12 noon and 1pm -3pm.  
Friday 8am -12 noon.

**MEMORANDUM**

To: Bill Thomas  
Philip Stacy  
Mark Cowden  
Larry Howard  
Mayor Bill Blackburn

From: Allison Bueché

Date: August 14, 2020

RE: Agenda item #13—Change for Charity program fund update

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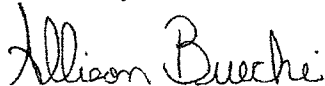
The Kerrville Public Utility Board (KPUB) Change for Charity program fund continues to be well received with the majority of our customers. We have had 418 residential customers opt-out of the program as of August 14, 2020.

The partnership with St. Vincent de Paul is going well. In the month of July, St. Vincent de Paul granted \$13,738.86 in bill payment assistance to 123 of our residential customers' households.

For the month of August, St. Vincent de Paul has granted \$12,349.30 in bill payment assistance with Change for Charity program funds to-date.

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

Sincerely,



Allison Bueché  
Interim Director of Customer & Community Relations  
Kerrville Public Utility Board