

February 14, 2025

OFFICIAL NOTICE
OF A
REGULAR MONTHLY MEETING

The Kerrville Public Utility Board will hold its Regular Monthly Meeting on Wednesday, February 19, 2025, beginning at 8:30 a.m. The meetings will be held in the KPUB Conference Room at the Utility Board offices located at 2250 Memorial Blvd. The meeting site is accessible to handicapped persons. A copy of the agenda is attached to this notice.



Lidia S. Goldthorn, Assistant Secretary

AGENDA
KERRVILLE PUBLIC UTILITY BOARD
REGULAR MONTHLY MEETING
WEDNESDAY, FEBRUARY 19, 2025, 8:30 A.M.
KPUB CONFERENCE ROOM
KERRVILLE PUBLIC UTILITY BOARD OFFICES
2250 MEMORIAL BLVD.
KERRVILLE, TEXAS

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

CALL TO ORDER:

INVOCATION AND PLEDGE OF ALLEGIANCE:

1. CITIZEN/CONSUMER OPEN FORUM:

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

2. ANNOUNCEMENTS OF COMMUNITY INTEREST:

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

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

- *Friday, March 7, 2025 at 8:00 a.m. Special Called Meeting*
- *Wednesday, March 19, 2025 at 8:30 a.m.*
- *Wednesday, March 26, 2025 at 8:30 a.m. Special Called Meeting*
- *Wednesday, April 9, 2025 at 8:30 a.m. (preferred)*
- *Wednesday, May 21, 2025 at 8:30 a.m.*

3. CONSENT AGENDA (KPUB):

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

3A.	APPROVAL OF MINUTES – Approval of the January 15, 2025, Annual System Users Meeting Minutes and Regular Monthly Board Meeting Minutes	1
3B.	RESOLUTION NO. 25-04 – AMY DOZIER, ASSISTANT GENERAL MANAGER. A Resolution approving payment to various providers of services or supplies	9
3C.	DECEMBER 2024 QUARTERLY FUNDS REPORT – AMY DOZIER, DIRECTOR OF FINANCE. Acceptance of the December 2024, Quarterly Funds Report as presented to the Investment Committee following the January 15, 2025, Board Meeting	12
4.	<u>DISCUSSION AND ACTION ON APPOINTMENTS TO SCHOLARSHIP COMMITTEE – ALLISON BUECHÉ, DIRECTOR OF CUSTOMER & COMMUNITY RELATIONS:</u>	15
5.	<u>FINANCIAL REPORT – AMY DOZIER, ASSISTANT GENERAL MANAGER:</u>	16
6.	<u>MOTIONS TO VOTE AND RECESS THE PUBLIC MEETING AND RECONVENE IN AN EXECUTIVE CLOSED SESSION:</u>	

I. EXECUTIVE CLOSED SESSION – CONSULTATION WITH ATTORNEY:

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

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

II. EXECUTIVE CLOSED SESSION – COMPETITIVE MATTERS:

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

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

III. EXECUTIVE CLOSED SESSION – PERSONNEL MATTERS:

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

- A. The nomination of three (3) candidates to the City Council of the City of Kerrville for appointment to Board of Trustees Position Number One.
 - (1) **Exhibit A** – Applicants for Board Position No. 2 – Mike Wittler, CEO
- B. Annual Performance Appraisal for Michael Wittler, General Manager and CEO
- C. Duties and Compensation Benefits for the General Manager and CEO, and the Assistant General Manager

IV. EXECUTIVE CLOSED SESSION - DELIBERATION REGARDING REAL PROPERTY:

In accordance with Texas Statutes Subchapter D, chapter 551, Government Code Section §551.072, the Kerrville Public Utility Board will recess for the purpose of “Deliberation Regarding Real Property” regarding the following matters:

- A. Consideration and action on the purchase of real estate – Mike Wittler, CEO

7. CONSIDERATION AND ACTION AS A RESULT OF EXECUTIVE CLOSED SESSIONS:

8. ADJOURNMENT

**MINUTES OF THE
KERRVILLE PUBLIC UTILITY BOARD
ANNUAL SYSTEM USERS MEETING
WEDNESDAY, JANUARY 15, 2025 AT 8:30 A.M.
KPUB CONFERENCE ROOM
2250 MEMORIAL BLVD.
KERRVILLE, TEXAS**

TRUSTEES PRESENT:

Larry Howard
Bill Thomas
Glenn Andrew
Rachel Johnston (*via teleconference*)
Mayor Joe Herring, Jr.

STAFF PRESENT:

Mike Wittler, General Manager and CEO
Amy Dozier, Director of Finance
Tony Perez, Director of Engineering
Robby McCutcheon, Director of Information Technology
(*via teleconference*)
Annette Gonzales, Director of Human Resources
Allison Bueché, Director of Customer and Community Relations
Howard Hall, Field Services Supervisor
Jill Cook, Accounting Supervisor
Damon Richardson, Purchasing Agent
Lidia S. Goldthorn, Assistant Secretary to the Board

TRUSTEES ABSENT:

OTHERS PRESENT:

Stephen Schulte, Legal Counsel
Tyler Canady, BSGM, L.L.P.
John Bonnin

CALL TO ORDER:

Mr. Larry Howard, Chairman, called the Annual System Users Meeting to order at 8:30 a.m.

INVOCATION AND PLEDGE OF ALLEGIANCE:

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

Ms. Dozier introduced Mr. Tyler Canady from behalf of BSGM, L.L.P. She advised KPUB is fortunate to be working with Mr. Canady, who specializes in electric utilities and is well versed with the NISC system making it much easier to pull data needed for the audit. Mr. Canady presented a review of the audit, the Annual Comprehensive Financial report and Agreed-Upon Procedures relating to KPUB's compliance with the Public Funds Investment Act. Mr. Canady reviewed the financial statements and discussed required supplementary information. He advised that no material entries were posted as a result of audit procedures, records were in good shape, and accounting staff were very knowledgeable and integral to the writing of the audit report. Board members also commended staff for a job well done.

4. CONSIDERATION AND ACTION ON RESOLUTION NO. 25-01- AMY DOZIER, DIRECTOR OF FINANCE:

Ms. Dozier recommended approval of Resolution No. 25-01; a Resolution of the Kerrville Public Utility Board accepting the annual audit for the fiscal year ended September 30, 2024 and the Public Funds Investment Act compliance review. Chairman Howard requested a motion from the Board. Bill Thomas, Vice Chairman, motioned for approval of Resolution 25-01. Glenn Andrew, Secretary, seconded the motion. Vote by a show of hands. Motion carried 5 – 0.

5. ANNUAL GENERAL MANAGER’S REPORT – MIKE WITTLER

Mr. Wittler advised that KPUB’s enabling authority, City of Kerrville Ordinance 87-45, states “at least annually the Board shall hold a meeting for all users of the System to discuss the general condition of the System and other such matters as the Board shall determine.” He highlighted the continued financial stability of KPUB as reflected in the annual audit. Mr. Wittler advised the Debt Service Coverage was 7.54. He advised that operating expenses increased 11.1% primarily due to higher power supply costs, operating revenues increased 4.1% also primarily due to higher power supply costs, the total net position as of September 30, 2024 increased \$2,258,580 to \$80,592,721 and the pension plan funding ratio increased from 89.0% to 92.7%. Mr. Wittler advised the power supply cost to KPUB customers has remained competitive. The residential rate for most of Fiscal Year 2024 was \$102.50/1000kWh (no change from Fiscal Year 2023); which compare very favorably with rate comparisons at the state and national levels. Residential energy cost for the remainder of Fiscal Year 2025 should be \$105.00/1000kWh or less, well below the state average of \$149.60 and the national average of \$168.30 (as of September 2024).

Mr. Wittler added that the Board and staff have spent countless hours reviewing financial models, reports and other information related to the prospect of a KPUB owned peaking generation plant. KPUB’s proposed project was selected as one of the 16 finalists in the Texas Energy Fund (TEF) In-ERCOT Loan Program. KPUB is the only municipally owned utility selected to participate in the program. The plant will ensure KPUB’s ability to provide competitive rates to customers for well over a decade into the future.

Mr. Wittler advised that litigation regarding purchased power costs for Winter Storm Uri is ongoing and the final outcome of the litigation will impact KPUB’s financial position. In anticipation of the possibility of incurring significant additional costs from February 2021, an over collection balance has been slowly built of \$18,865,662 as of September 30, 2024.

Mr. Wittler discussed major capital projects completed this year with overall costs at 63% of budget. Capital expenditures and construction projects included: (1) Extensions of and improvements to overhead and underground facilities to increase capacity and provide service to new customers and developments; (2) pole replacements; (3) partial payments for a new substation transformer; (4) vehicle purchases, including a new bucket truck; and (5) purchase of backordered transformers. He advised the electric system was in very good condition. On average, customers experienced about 11.25 minutes of outage time during the year with no major events occurring. He added that excluding major events, public power utilities across the US average 74 minutes of outage time and privately-owned utilities average 128 minutes.

Mr. Wittler advised that KPUB has continued to improve communications and engagement with the community by (1) continuing to support energy efficiency programs that help customers save money; (2) continuing the Change for Charity Program to bill payment assistance (3) supporting over fifty community, non-profit and school events (4) awarding four new scholarships, and (5) volunteering to

support blood drives, food pantry events, decorations for the holidays, Habitat for Humanity, the Salvation Army, Riverside Nature Center, Kerrville Triathlon, Meals on Wheels, and the UGRA Annual River Cleanup. He advised in September and October 2024, KPUB provided mutual assistance to communities in George and Florida after hurricanes Helene and Milton. He also advised that in fiscal year 2024 KPUB received the following awards: 2024 APPA Safety Award of Excellence Diamond Level Designation; 2024 APPA Public Power Customer Satisfaction Award (second year in a row with average customer satisfaction rating up 0.7% to 93.6%); 2024 Top Workplace Award by the San Antonio Express News based on employee feedback (second year in a row); 2024-2027 APPA Reliable Public Power Provider (RP3) designation recognizing utilities that demonstrate proficiency in reliability, safety, workforce development and system improvement (third consecutive time); 2024-2026 APPA Smart Energy Provider (for offering innovative, energy-efficient programs for customers); 2024 APPA Mutual Aid Commendation; 2023 Certificate of Achievement for Excellence in Financial Reporting (31st year in a row); and October 2024 Kerrville Kindness Award for power restoration efforts in George and Florida.

In closing, Mr. Wittler reported that there were no lost time injuries for the third consecutive year. There was a preventable vehicle accident involving only KPUB vehicles while traveling back from Florida. In addition, a review of the workers compensation claim history shows that KPUB's safety record has been consistently improving over the long term. For the past five years, KPUB averaged 0.6 claims per year; the five years before that averaged 1.8 claims per year, and the five years before that averaged 5.0 claims per year (last year's figures were 1.2, 2.8, and 4.4). Board members advised it was a very good report.

6. CITIZEN/CONSUMER OPEN FORUM:

Ms. M.A. Layden requested assistance with getting her smart meter switched to an analog meter. Ms. Layden was advised staff would meet with her after the board meeting.

7. ADJOURNMENT

At 9:08 a.m., Chairman Howard noted that there being no further business, the meeting was adjourned.

Date Approved: _____

Larry Howard, Chairman

ATTEST

Lidia S. Goldthorn, Assistant Secretary to the Board

**MINUTES OF THE
KERRVILLE PUBLIC UTILITY BOARD
REGULAR MONTHLY MEETING
WEDNESDAY, JANUARY 15, 2025, AT 9:08 A.M.
KPUB CONFERENCE ROOM
KERRVILLE PUBLIC UTILITY BOARD OFFICES
2250 MEMORIAL BLVD.
KERRVILLE, TEXAS**

TRUSTEES PRESENT:

Larry Howard
Bill Thomas
Glenn Andrew
Rachel Johnston (*Via teleconference*)
Mayor Joe Herring, Jr.

STAFF PRESENT:

Mike Wittler, General Manager and CEO
Amy Dozier, Assistant General Manager
Tony Perez, Director of Engineering
Robby McCutcheon, Director of Information Technology
(via teleconference)
Annette Gonzales, Director of Human Resources
Allison Bueché, Director of Customer and Community Relations
Howard Hall, Field Services Supervisor
Jill Cook, Accounting Supervisor
Damon Richardson, Purchasing Agent
Lidia S. Goldthorn, Assistant Secretary to the Board

TRUSTEES ABSENT:

OTHERS PRESENT:

Stephen Schulte, Legal Counsel
John Bonnin

1. CALL TO ORDER:

Mr. Larry Howard, Chairman, called the Regular Monthly Meeting to order at 9:08 a.m.

2. CITIZEN/CONSUMER OPEN FORUM:

There were no citizens/consumers to speak.

3. ANNOUNCEMENTS OF COMMUNITY INTEREST:

Ms. Bueché highlighted volunteer activities including bell ringing for the Salvation Army, and upcoming Food Pantry event on January 27th. KPUB will be also be sponsoring another Blood Drive on March 23rd. Ms. Bueché advised Mr. Wittler will be giving a presentation to the Republican Women of Kerr County Meeting on January 17th at the Inn of the Hills. Other announcements include school engagement with the Robotics Team, Ingram Middle School Career Day, and Center Point Elementary's Science Day. Mr. Wittler noted the following upcoming board meetings tentatively scheduled for:

- *Wednesday, February 19, 2025 at 8:30 a.m.*
- *Wednesday, March 19, 2025 at 8:30 a.m.*
- *Wednesday, April 16, 2025 at 9:30 a.m.*

4. CONSENT AGENDA:

Glenn Andrew, Treasurer, made a motion to accept items in the consent agenda as presented. Bill Thomas, Vice Chairman, seconded the motion. Vote was by a show of hands. Motion carried 5 – 0.

4A. APPROVAL OF MINUTES.

4B. RESOLUTION NO. 25-02 – AMY DOZIER, ASSISTANT GENREAL MANAGER. A Resolution approving payment to various providers of services or supplies.

4C. APPROVAL AND REPORTING OF PURCHASES AND SALES:

1. Interlocal Purchasing Agreement (Amy Dozier, Assistant General Manager)
2. Jack Furman T2 Addition Engineering Contract (Tony Perez, Director of Engineering)

END OF CONSENT AGENDA

5. CONSIDERATION AND ACTION ON RESOLUTION NO. 25-03 – AMY DOZIER, ASSISTANT GENERAL MANAGER:

Ms. Dozier presented a Resolution amending and restating Board Policy No. 47, Days Cash on Hand. She advised that in preparation for upcoming debt issuance, KPUB’s Financial Advisor, Specialized Public Finance, requested a review of the financial policies. In particular, rating agencies view strong policies regarding cash on hand and fixed charge ratios as an important indicator of strong financial management, which corresponds to lower risk for investors and stronger credit ratings. KPUB’s current Board Policy 47 – Days Cash on Hand, was last updated in 2012, prior to the last bond issuance. It recommends 120 days cash on hand and does not address fixed charge coverage. Current best practices advised by Specialized Public Finance include setting minimum days cash on hand at 175 days, with a target of 300 days. In addition, the policy should address KPUB’s ability to pay for fixed charges. For the purpose of comparison among entities, fixed charges are defined in a unique way by rating agencies. The proposed policy uses the rating agency definition that includes 50% of power purchase agreements and 100% of debt service on a cash basis as fixed costs. The policy outlines maintaining a fixed cost coverage ratio of 1.2x with a target of 1.5x coverage. She added that the proposed policy notes that the metrics will be reported to the Board on a monthly basis as part of the monthly financial report. Ms. Dozier provided a clean and redline copy for the Board’s review. Mr. Thomas moved to approve Resolution No. 25-03 as presented by Ms. Dozier. Mr. Andrew seconded the motion. Vote was by a show of hands. Motion carried 5 – 0.

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

Ms. Dozier presented the final financial statements for the month of December 2024. Ms. Dozier noted a \$108K increase in net position; \$2.9M in operating revenue; \$3.1M in operating expense; \$175K in operating loss; \$100K in net nonoperating revenue; \$20.6M in over collection of power cost adjustment as of December 31, 2024; and \$45.6M invested in municipal investment pools and an account at Happy State Bank. The portfolio of investment accounts earned a blended rate of 4.63% in December. In addition, a quarterly listing of vendor payments over \$10,000, and a quarterly listing of payments to a single vendor

that have totaled over \$10,000 in the past 12 months were included for the Board's review. Ms. Dozier also provided a power point presentation with highlights and financial metrics from her memo.

**Mr. Wittler requested Chairman Howard proceed to item number 8 on the Agenda. The Board agreed and Chairman Howard proceeded to item number 8.*

8. QUARTERLY RELIABILITY REPORT – HOWARD HALL, FIELD SERVICES SUPERVISOR:

Mr. Hall presented the first quarter Reliability Report for FY2025-2026 for the Board's review and noted no significant events. He advised the report uses the System Average Interruption Durations Index (SAIDI), which is an industry standard metric. SAIDI shows how long on average, each customer was without power in each quarter throughout the fiscal year. He added it was important to note that SAIDI is calculated by excluding Major Event Days (MEDs), as defined by the IEEE.

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

Ms. Bueché presented KPUB's fifth annual Community Report to the Board. She advised the report highlights KPUB's key accomplishments and community impact during FY 2024. She added that the report will be distributed to KPUB customers through multiple channels throughout the month, including mail, email, e-bills links, KPUB's website and newspaper and social media advertisements. She added that eight awards were received by KPUB for 2024; five were from APPA, that included a brand new one for KPUB: 2024-2026 APPA Smart Energy Program Award. Board members complimented Ms. Bueché on the report.

**Chairman Howard elected to proceed to item number 7 on the Agenda. The Board agreed and Chairman Howard proceeded to item number 7.*

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

Mr. Perez presented the Projects and Capital Budget Reports for the first quarter of fiscal year end 2025. He went over the current status on distribution design projects; distribution planning and special projects; and substation projects. He highlighted the projected timeline for the Jack Furman T2 Addition. Budget categories highlighted included general plant/other; heavy equipment and vehicles; line construction; meters and substations. Active projects highlighted included customer extensions; network switches upgrade, new bucket/digger; ordinary replacements; printer upgrade; street lights; system improvement; and wire storage building improvements. Mr. Perez welcomed any feedback from the Board on the power point presentation for this item.

**Chairman Howard elected to proceed to item number 10 on the Agenda. The Board agreed and Chairman Howard proceeded to item number 10.*

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

Mr. Wittler went over the application process for potential candidates for Board Position #2. The media has received the Public Notice for publication and it has been posted at the KPUB office and at City

Hall, as well as on KPUB's and the City's websites. As a refresher, Mr. Wittler summarized that the Board will need to nominate three names to send to the City Council. If the City Council rejects them, the process will need to start over again. For the Board's information, Mr. Wittler provided a listing of the previous nominations dating back to 1989 and a listing of the current committee assignments, terms and officer positions of the Board.

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

I. EXECUTIVE CLOSED SESSION – PERSONNEL MATTERS:

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

- A. Annual Performance Appraisal for Michael Wittler, General Manager and CEO

II. EXECUTIVE CLOSED SESSION – CONSULTATION WITH ATTORNEY:

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

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

III. EXECUTIVE CLOSED SESSION – COMPETITIVE MATTERS:

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

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

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

The Board entered Executive Closed Session at 10:00 a.m., at which time the Board also took an eight-minute break before proceeding with Executive Closed Session. Chairman Howard adjourned the Executive Closed Session and reconvened into Open Session at 11:27 a.m.

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

No action taken by the Board.

13. ADJOURNMENT

Chairman Howard adjourned the Regular Board Meeting at 11:27 a.m.

Date Approved: _____

Larry Howard, Chairman

ATTEST

Lidia S. Goldthorn, Assistant Secretary to the Board

MEMORANDUM

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

From: Amy Dozier

Date: February 12, 2025

Re: Agenda Item No. 3B – Resolution No. 25-04

In accordance with Board Resolution No. 10-06 that requires monthly reporting of wire transfers exceeding \$20,000, this memo reports the following transfers between January 8, 2025 and February 12, 2025 for Board approval:

	<u>Vendor</u>	<u>Description</u>	<u>Amount</u>	<u>Date</u>
Purchased Power:				
1	Concho Bluff	December 2024	56,233.66	01/17/2025
2	NextEra	December 2024	485,088.00	01/17/2025
3	CPS	December 2024	623,977.96	01/21/2025
4	DG Solar	December 2024	30,190.11	01/24/2025
5	Engie	December 2024	61,464.91	01/28/2025
6	Garland	December 2024	67,123.41	01/30/2025
7	LCRA	December 2024	709,631.30	01/31/2025
Payroll:				
1	Payroll	Pay period ending 1/11/2025	168,921.80	01/17/2025
2	Payroll	Pay period ending 1/25/2025	172,973.74	01/31/2025
3	Payroll Taxes	Pay period ending 1/11/2025	59,884.48	01/22/2025
4	Payroll Taxes	Pay period ending 1/25/2025	60,233.66	02/05/2025
Employee Benefits:				
1	TX Health Benefits	Health Insurance - February	99,037.46	02/03/2025
2	TMRS	Pension - January Payroll	144,541.53	02/05/2025
Investment Transfers:				
1	Happy State Bank	Investment Transfer	500,000.00	01/14/2025
2	Happy State Bank	Investment Transfer	400,000.00	01/17/2025
3	Happy State Bank	Investment Transfer	600,000.00	01/24/2025
4	Happy State Bank	Investment Transfer	900,000.00	01/30/2025
5	Happy State Bank	Investment Transfer	450,000.00	01/31/2025
6	Happy State Bank	Investment Transfer	700,000.00	02/07/2025

Vendor	Description	Amount	Date
KPFC:			
1	Management Fee	85,000.00	01/08/2025
2	Management Fee	85,000.00	02/05/2025

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

Sincerely,



Amy Dozier
Assistant General Manager

RESOLUTION NO. 25-04

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 19th day of February, 2025

Larry Howard, Chairman

ATTEST:

Glenn Andrew, Secretary

MEMORANDUM

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

From: Amy Dozier

Date: February 12, 2025

Re: Agenda Item No. 3C – Quarterly Funds Report

Attached please find summary information from KPUB's quarterly funds report.

As of December 31, 2024, KPUB had \$45.6M invested in municipal investment pools and a demand account at Happy State Bank. Funds are spread between four accounts with the largest position (\$17.5M) held at an investment pool called Texas CLASS. All KPUB accounts at Happy are fully collateralized. Investment pool accounts are similar to constant dollar money market accounts and are considered approved investments under the Public Funds Investment Act. All investment accounts are completely liquid and earned a combined return of 4.77% for the quarter ended December 31, 2024.

The Investment Committee discussed KPUB's investment portfolio following the January Board meeting. We discussed newly lower rates for all of our current investments, but noted the need to keep investments liquid and safe. Accordingly, no changes to our current strategy were recommended.

I am happy to answer any questions regarding this report.

Sincerely,



Amy Dozier
Assistant General Manager

**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 Ended December 31, 2024**

Total Funds Invested

Day of the Month		October 2024		November 2024		December 2024		Totals
1	\$	49,335,238	\$	50,071,143	\$	50,745,986		
2		49,335,238		50,071,143		50,745,986		
3		49,335,238		50,071,143		50,745,986		
4		49,335,238		49,943,841		50,095,043		
5		49,335,238		49,943,841		50,001,613		
6		49,335,238		49,943,841		50,401,613		
7		49,751,546		50,443,841		50,401,613		
8		49,751,546		50,443,841		50,401,613		
9		49,751,546		50,443,841		50,401,613		
10		49,751,546		50,443,841		50,401,613		
11		50,151,546		50,443,841		50,401,613		
12		50,151,546		50,443,841		50,401,613		
13		50,151,546		50,433,841		50,901,521		
14		50,151,546		50,433,785		50,901,521		
15		50,151,490		50,433,785		50,901,521		
16		50,151,490		50,433,785		50,901,521		
17		50,151,490		50,433,785		50,901,521		
18		50,291,266		50,433,785		51,681,521		
19		50,291,266		49,948,697		45,089,454		
20		50,291,266		49,948,697		44,756,507		
21		49,459,929		49,846,503		44,756,507		
22		49,459,929		49,914,300		44,756,507		
23		49,459,929		49,914,300		44,756,507		
24		49,459,929		49,914,300		44,756,507		
25		50,202,488		49,914,300		44,756,507		
26		50,202,488		49,861,753		44,756,507		
27		50,202,488		50,461,753		44,847,235		
28		50,200,488		50,461,753		44,847,235		
29		50,099,898		50,647,119		44,847,235		
30		49,606,948		50,843,856		44,785,526		
31		50,163,585				45,635,422		
Total of daily balance	\$	1,545,470,162	\$	1,506,988,103	\$	1,494,682,683		
Average daily balance	\$	49,853,876	\$	50,232,937	\$	48,215,570	\$	49,425,445
Interest earnings	\$	207,621	\$	196,738	\$	189,569	\$	593,927
APR ----->		4.90%		4.77%		4.63%		4.77%

**Kerrville Public Utility Board
Schedule of Other Investment Facts
For Reporting Compliance as Required by the
Texas Public Funds Investment Act
For the Quarter Ended December 31, 2024**

Total Funds Invested by Fund

Fund	Market Value and Book Value	Actual Interest Earnings	Budgeted Interest Earnings
Revenue	\$ 33,900,539	\$ 453,257	\$ 402,547
Construction	1,632,227	19,454	20,392
Rate Stabilization	2,148,006	25,602	26,836
Long Term Rate Stabilization	3,848,494	45,869	48,081
Debt Reserve	-	-	-
Interest & Sinking	89,860	1,876	1,967
Emergency, Repair, Replace & Cont. Fund	4,016,296	47,869	50,177
Total	\$ 45,635,422	\$ 593,927	\$ 550,000

Total Funds Invested by Security

Type of Security	Market Value and Book Value	Actual Interest Earnings	Budgeted Interest Earnings
TexPool	11% 5,096,524	60,343	61,424
LOGIC	24% 11,019,564	193,522	132,808
Texas CLASS	38% 17,493,305	213,710	210,830
Happy State Bank - Investment	26% 12,026,028	126,353	144,938
Totals	100% \$ 45,635,422	\$ 593,927	\$ 550,000

MEMORANDUM

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

From: Allison Bueché

Date: February 13, 2025

Re: Agenda Item No. 4–Discussion & Action on Appointments to Scholarship Committee

KPUB is now accepting applications for our 2025 scholarship program for both undergraduate students and trade/technical school students. Per the scholarship program guidelines, a selection committee—appointed by the KPUB Board of Trustees—will be responsible for choosing this year’s scholarship recipients and an alternate.

The Board of Trustees will need to appoint new members to serve on this year’s selection committee. This committee will review applications and select the 2025 KPUB undergraduate scholarship recipients and an alternate.

Historically, the committee has included a KPUB Board Member, a representative from Kerrville Independent School District (KISD), and a representative from Ingram Independent School District (IISD).

Sincerely,



Allison Bueché
Director of Customer & Community
Relations

MEMORANDUM

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

From: Amy Dozier

Date: February 12, 2025

Re: Agenda Item No. 5 – Financial Report

Attached please find financial statements for the month of January 2025.

Highlights include:

- **\$225K increase in net position** for the month, **\$504K increase** in net position on a year-to-date (YTD) basis, which is \$333K less than budget.
- **\$3.4M in operating revenue** for the month, **\$12.7M** on a YTD basis.
 - Through January, operating revenue is 16.1% lower than expected due a combination of low purchased power cost as explained in the operating expense bullet below and kWh sales that are 6.3% lower than forecast. The kWh sales variance is in the residential category. The number of accounts is slightly below budget, but the primary variance is in usage. We saw very cold temperatures in January, but the extreme cold lasted only a few days in what has otherwise been a very mild winter.
- **\$3.3M in operating expense** for the month, **\$13.0M** on a YTD basis.
 - YTD operating expense is 12.0% lower than budget due primarily to low purchased power expense resulting from a combination of low natural gas prices in the first quarter and lower than budget kWh purchases due to lower than forecast usage. All other expense categories also have favorable variances. Distribution and administration expenses are lower than budget due mostly to mutual aid costs in October that were billed to the utilities requesting aid.
- **\$132K in operating income** for the month, **\$235K in operating loss** on a YTD basis.
- **\$72K in net nonoperating revenue** for the month, **\$368K** on a YTD basis.
 - Nonoperating revenue is \$125K better than budget for the year. The favorable performance is driven by interest income that is better than budget due to a higher than forecast investment balance as well as a lower than budget transfer to the City of Kerrville driven by lower revenues previously discussed.
- **\$21.3M in over collection of power cost adjustment** as of 1/31/2025, an **increase of \$646K** from the prior month. The billed rate remains at \$100.00 for 1,000 kWh of residential power. In the January monthly survey of 28 Central and South Texas utilities, KPUB had the lowest rate. The overall average rate for the 28 utilities is \$126.20.
- **\$46.0M invested** in municipal investment pools and an account at Happy State Bank. The portfolio of investment accounts earned a blended rate of 4.46% in January.

The debt ratios statement has been revised this month to add calculations for days cash on hand and fixed charge coverage ratio, per the amendment to Board Policy 47 adopted last month.

I am happy to answer any questions regarding this report.

Sincerely,

A handwritten signature in black ink that reads "Amy Dozier". The signature is written in a cursive style and is placed on a light gray rectangular background.

Amy Dozier
Assistant General Manager

Kerrville Public Utility Board
Statement of Revenues, Expenses and Changes in Fund Net Position
For the Month Ended January 31, 2025
(Unaudited)

	Comparison to Budget				Comparison to Last Year		
	Current Month	Current Month Budget Amount	Variance Favorable (Unfavorable)	Percentage Variance	Current Month Last Year Amount	Variance Favorable (Unfavorable)	Percentage Variance
OPERATING REVENUES:							
Residential	\$ 1,912,217	\$ 2,507,605	\$ (595,388)	-23.74%	\$ 2,301,111	\$ (388,893)	-16.90%
Commercial/Industrial	1,249,967	1,519,903	(269,936)	-17.76%	1,384,061	(134,094)	-9.69%
Sales to Public Authorities	21,847	21,500	347	1.61%	21,941	(95)	-0.43%
Other	247,507	211,518	35,989	17.01%	230,749	16,758	7.26%
TOTAL OPERATING REVENUES	3,431,538	4,260,526	(828,988)	-19.46%	3,937,862	(506,324)	-12.86%
OPERATING EXPENSES:							
Purchased Power	1,996,485	2,460,505	464,021	18.86%	2,455,330	458,845	18.69%
Distribution	376,511	398,981	22,470	5.63%	332,793	(43,718)	-13.14%
Customer Accounts	70,158	70,195	37	0.05%	57,387	(12,771)	-22.25%
Customer Service, Informational & Sales	24,466	52,676	28,210	53.55%	25,180	714	2.84%
Administrative Expenses	459,174	497,692	38,518	7.74%	408,981	(50,193)	-12.27%
Depreciation & Amortization	372,917	389,354	16,437	4.22%	351,815	(21,101)	-6.00%
TOTAL OPERATING EXPENSES	3,299,710	3,869,404	569,694	14.72%	3,631,486	331,776	9.14%
OPERATING INCOME (LOSS)	131,828	391,122	(259,294)	-66.29%	306,376	(174,548)	-56.97%
NONOPERATING REVENUES (EXP):							
Interest Income - Investments	177,903	174,167	3,736	2.15%	201,596	(23,693)	-11.75%
Interest Income - City of Kerrville	10,714	10,714	(0)	0.00%	12,857	(2,143)	-16.67%
Interest Expense	(5,961)	(11,219)	5,257	46.86%	(14,747)	8,786	59.58%
City of Kerrville - General Fund Transfer	(108,623)	(133,460)	24,837	18.61%	(124,681)	16,058	12.88%
City of Ingram - Franchise Fee	(2,735)	(3,795)	1,060	27.94%	(3,233)	498	15.41%
Other - Net	616	3,250	(2,634)	-81.06%	3,711	(3,096)	-83.41%
TOTAL NONOPERATING REVENUES (EXP)	71,913	39,657	32,255	81.34%	75,503	(3,590)	-4.75%
INCOME BEFORE CONTRIBUTIONS	203,741	430,780	(227,039)	-52.70%	381,879	(178,138)	-46.65%
CAPITAL CONTRIBUTIONS	21,014	41,667	(20,653)	-49.57%	24,320	(3,306)	-13.60%
CHANGE IN NET POSITION	\$ 224,755	\$ 472,446	\$ (247,692)	-52.43%	\$ 406,199	\$ (181,444)	-44.67%
NET POSITION AT BEGINNING OF MONTH	\$ 80,872,433				\$ 78,192,731		
NET POSITION AT END OF MONTH	\$ 81,097,188				\$ 78,598,930		

Kerrville Public Utility Board
Statement of Revenues, Expenses and Changes in Fund Net Position
For the Month Ended January 31, 2025
(Unaudited)

	Comparison to Budget				Comparison to Last Year		
	Year to Date	Year to Date Budget Amount	Variance		Year to Date Last Year Amount	Variance	
			Favorable (Unfavorable)	Percentage Variance		Favorable (Unfavorable)	Percentage Variance
OPERATING REVENUES:							
Residential	\$ 6,951,173	\$ 8,516,602	\$ (1,565,429)	-18.38%	\$ 7,121,763	\$ (170,591)	-2.40%
Commercial/Industrial	5,318,732	6,194,790	(876,058)	-14.14%	5,008,563	310,169	6.19%
Sales to Public Authorities	87,137	86,000	1,137	1.32%	87,082	55	0.06%
Other	362,332	358,933	3,399	0.95%	345,954	16,378	4.73%
TOTAL OPERATING REVENUES	12,719,374	15,156,325	(2,436,951)	-16.08%	12,563,363	156,011	1.24%
OPERATING EXPENSES:							
Purchased Power	7,733,442	8,970,051	1,236,609	13.79%	7,665,777	(67,665)	-0.88%
Distribution	1,331,958	1,595,925	263,966	16.54%	1,533,895	201,937	13.16%
Customer Accounts	272,324	280,780	8,456	3.01%	240,973	(31,352)	-13.01%
Customer Service, Informational & Sales	131,634	210,704	79,071	37.53%	165,730	34,096	20.57%
Administrative Expenses	1,970,849	2,119,517	148,667	7.01%	1,798,533	(172,317)	-9.58%
Depreciation & Amortization	1,514,448	1,551,417	36,969	2.38%	1,432,304	(82,144)	-5.74%
TOTAL OPERATING EXPENSES	12,954,656	14,728,395	1,773,738	12.04%	12,837,212	(117,445)	-0.91%
OPERATING INCOME (LOSS)	(235,283)	427,930	(663,213)	-154.98%	(273,849)	38,567	-14.08%
NONOPERATING REVENUES (EXP):							
Interest Income - Investments	792,566	724,167	68,399	9.45%	793,173	(607)	-0.08%
Interest Income - City of Kerrville	42,857	42,857	(0)	0.00%	51,429	(8,571)	-16.67%
Interest Expense	(33,680)	(46,103)	12,423	26.95%	(41,886)	8,206	19.59%
City of Kerrville - General Fund Transfer	(406,844)	(478,090)	71,247	14.90%	(402,443)	(4,401)	-1.09%
City of Ingram - Franchise Fee	(10,449)	(12,890)	2,441	18.94%	(11,445)	996	8.70%
Other - Net	(16,031)	13,000	(29,031)	-223.32%	6,794	(22,825)	-335.97%
TOTAL NONOPERATING REVENUES (EXP)	368,419	242,940	125,478	51.65%	395,621	(27,203)	-6.88%
INCOME BEFORE CONTRIBUTIONS	133,136	670,871	(537,735)	-80.15%	121,772	11,364	9.33%
CAPITAL CONTRIBUTIONS	371,331	166,667	204,664	122.80%	143,017	228,313	159.64%
CHANGE IN NET POSITION	\$ 504,467	\$ 837,537	\$ (333,071)	-39.77%	\$ 264,789	\$ 239,677	90.52%
NET POSITION AT BEGINNING OF YEAR	\$ 80,592,721				\$ 78,334,141		
NET POSITION AT END OF MONTH	\$ 81,097,188				\$ 78,598,930		

Kerrville Public Utility Board
Balance Sheet
As of January 31, 2025

ASSETS & DEFERRED OUTFLOWS	January 31, 2025	September 30, 2024	LIABILITIES, DEFERRED INFLOWS & NET POSITION	January 31, 2025	September 30, 2024
CURRENT ASSETS			CURRENT LIABILITIES		
Revenue Fund:			Current Maturities of Long-Term Liabilities	\$ 786,256	\$ 770,063
Cash and Cash Equivalents	\$ 646,054	\$ 399,285	Accounts Payable - Purchased Power	9,944,112	9,944,112
Investments	33,613,210	37,482,858	Accounts Payable and Accrued Liabilities	917,538	1,396,696
Less: Customer Deposits	(530,422)	(537,816)	Over Collection of Power Cost Adjustment	21,289,878	18,865,662
Total Revenue Fund	33,728,841	37,344,328	TOTAL CURRENT LIABILITIES	\$ 32,937,784	\$ 30,976,533
Construction Fund:			NONCURRENT LIABILITIES		
Cash and Cash Equivalents	5,766	5,681	2013 Revenue Bonds, net of current portion	\$ 1,501,000	\$ 1,965,000
Investments	1,638,416	1,612,773	Lease Liability	42,979	48,042
Total Construction Fund	1,644,183	1,618,454	Subscription Liability	583,246	733,880
Rate Stabilization Fund:			Customer Deposits	530,422	537,816
Investments	2,156,151	2,122,404	Net Pension Liability	2,715,291	2,715,291
Total Rate Stabilization Fund	2,156,151	2,122,404	Total OPEB Liability	281,043	281,043
Long Term Rate Stabilization Fund:			TOTAL NONCURRENT LIABILITIES	\$ 5,653,981	\$ 6,281,072
Investments	4,463,234	3,802,625			
Total Long Term Rate Stabilization Fund	4,463,234	3,802,625	DEFERRED INFLOWS - PENSION AND OPEB	\$ 226,425	\$ 226,425
Customer Accounts Receivable, net of allowance	1,279,105	1,929,338			
Receivable from KPFC	6,625,418	303,389	TOTAL LIABILITIES AND DEFERRED INFLOWS	\$ 38,818,190	\$ 37,484,030
Unbilled Revenue	2,244,875	2,244,875			
Materials and Supplies	1,316,754	1,203,625	TOTAL NET POSITION	\$ 81,097,188	\$ 80,592,721
Other Current Assets	1,413,295	1,416,738			
Current Portion - Advance to City of Kerrville	1,071,428	1,071,428			
TOTAL CURRENT ASSETS	\$ 55,943,284	\$ 53,057,204			
NONCURRENT ASSETS					
Customer Deposits	\$ 530,422	\$ 537,816			
Interest and Sinking Fund	134,790	435,292			
Emergency, Repair, Replace, Contingency Fund	4,031,526	3,968,427			
Advance to City of Kerrville, net of current portion	3,750,001	4,285,715			
Capital Assets, net of Accum Depreciation	52,541,782	52,686,916			
Right to Use Assets, Net of Accum Amortization	55,868	61,318			
Subscription Assets, Net of Accum Amortization	1,105,530	1,221,889			
TOTAL NONCURRENT ASSETS	\$ 62,149,919	\$ 63,197,373			
DEFERRED OUTFLOWS - PENSION AND OPEB	\$ 1,822,175	\$ 1,822,175			
TOTAL ASSETS & DEFERRED OUTFLOWS OF RESOURCES	\$ 119,915,378	\$ 118,076,751	TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES & NET POSITION	\$ 119,915,378	\$ 118,076,751

Kerrville Public Utility Board
Invested Funds Detail
For the Month Ended January 31, 2025

		Restricted							
	Date	Revenue Fund	Construction Fund	Rate Stabilization Fund	Long Term Rate Stabilization Fund	Debt Reserve Fund	Interest & Sinking Fund	Emergency Repair, Replacement & Contingency Fund	Total Funds Invested
Beginning Fund Balance		\$ 33,900,539	\$ 1,632,227	\$ 2,148,006	\$ 3,848,494	\$ -	\$ 89,860	\$ 4,016,296	\$ 45,635,422
Withdrawals:									
Happy Investment - TXHB	1/2/2025	(100,064)							(100,064)
Happy Investment - LCRA	1/3/2025	(706,432)							(706,432)
Happy Investment - TMRS	1/3/2025	(94,380)							(94,380)
Happy Investment - Generation Project	1/8/2025	(85,000)							(85,000)
Happy Investment - ERCOT	1/15/2025	(25)							(25)
Happy Investment - Concho Bluff	1/17/2025	(56,234)							(56,234)
Happy Investment - NextEra	1/17/2025	(485,088)							(485,088)
Happy Investment - CPS	1/21/2025	(623,978)							(623,978)
Happy Investment - DG Solar	1/24/2025	(30,190)							(30,190)
Happy Investment - Engie	1/28/2025	(61,465)							(61,465)
Happy Investment - Garland	1/30/2025	(67,123)							(67,123)
Happy Investment - LCRA	1/31/2025	(709,631)							(709,631)
Investments:									
Happy State Bank	01/07/25	400,000							400,000
Happy State Bank	01/14/25	500,000							500,000
Happy State Bank	01/17/25	400,000							400,000
Happy State Bank	01/24/25	600,000							600,000
Happy State Bank	01/30/25	300,000							300,000
Happy State Bank	01/31/25	450,000							450,000
									-
Fund Balance after Withdrawals & Investments		33,530,929	1,632,227	2,148,006	3,848,494	-	89,860	4,016,296	45,265,811
Allocation of:									
Interest Income	01/31/25	126,865	6,189	8,145	14,740	-	346	15,230	171,516
Total Interest Allocation		126,865	6,189	8,145	14,740	-	346	15,230	171,516
Fund Balance After Allocations		33,657,794	1,638,416	2,156,151	3,863,234	-	90,206	4,031,526	45,437,327
Interfund Transfers :									
COK Debt Payment	01/30/25				600,000				600,000
Debt Service Accrual	01/31/25	(44,584)					44,584		-
Ending Fund Balance		\$ 33,613,210	\$ 1,638,416	\$ 2,156,151	\$ 4,463,234	\$ -	\$ 134,790	\$ 4,031,526	\$ 46,037,327

Kerrville Public Utility Board
Debt Ratios
For the Month Ended January 31, 2025

DEBT SERVICE COVERAGE RATIO:

Description	Current Month	Fiscal Year	Previous 12 Months
CHANGE IN NET POSITION	\$ 224,755	\$ 504,467	\$ 2,498,257
PLUS:			
Interest Expense (net of amortizations)	5,961	33,680	129,219
Depreciation & Amortization Expense	372,917	1,514,448	4,525,437
Numerator	603,633	2,052,595	7,152,913
DIVIDED BY:			
Interest Expense (net of amortizations)	5,961	33,680	129,219
Principal Payment Due	65,505	262,021	786,063
Denominator	\$ 71,467	\$ 295,701	\$ 915,282
DEBT SERVICE COVERAGE RATIO	8.45	6.94	7.81
Minimum Requirement per Bond Covenant		1.35	times Debt Service

DAYS CASH ON HAND (AS OF MONTH END):

NUMERATOR (INCLUDES CASH AND INVESTMENTS):

Revenue Fund	\$ 33,728,841
Construction Fund	1,644,183
Rate Stabilization Fund	2,156,151
Long Term Rate Stabilization Fund	4,463,234
Emergency, Repair, Replace, Contingency Fund	4,031,526
Total Cash and Cash Equivalents (A)	\$ 46,023,935

DENOMINATOR:

Fiscal Year-to-Date Operating Expense	\$ 12,954,656
Less: Fiscal Year-to-Date Depreciation	1,514,448
Adjusted Operating Expense (B)	\$ 11,440,208

NUMBER OF DAYS ELAPSED IN FISCAL YEAR (C) 123

DAYS CASH ON HAND (= A / B * C) 495

MINIMUM DAYS CASH ON HAND PER POLICY 47 175

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

NUMERATOR:

Fiscal Year-to-Date Operating Income	\$ (235,283)
Less: City of Kerrville and Ingram Transfers	(417,293)
Plus: 50% of PPA Expense	2,572,163
Plus: Fiscal Year-to-Date Depreciation	1,514,448
Plus: Fiscal Year-to-Date Non-Operating Revenue (Exp)	368,419
Plus: Fiscal Year-to-Date Capital Contributions	504,467
Total Numerator (D)	\$ 4,306,921

DENOMINATOR:

50% of PPA Expense	\$ 2,572,163
Fiscal Year-to-Date Debt Service (Cash Basis)	492,950
Fiscal Year-to-Date Debt Service Receivable (Cash Basis)	(600,000)
Total Denominator (E)	\$ 2,465,113

FIXED CHARGE COVERAGE RATIO (= D / E) 1.7

MINIMUM FIXED COST COVERAGE PER POLICY 47 1.2