

March 14, 2025

**OFFICIAL NOTICE**  
**OF A**  
**REGULAR MONTHLY MEETING**

**The Kerrville Public Utility Board will hold its Regular Monthly Meeting on Wednesday, March 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.**



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**Lidia S. Goldthorn, Assistant Secretary**

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

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*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:*

- *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:**

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 February 19, 2025, Regular Monthly Board Meeting Minutes and the March 7, 2025, Special Called Board Meeting Minutes .....

3B.	RESOLUTION NO. 25-06 – AMY DOZIER, ASSISTANT GENERAL MANAGER. A Resolution approving payment to various providers of services or supplies .....	10
4.	<b><u>FINANCIAL REPORT – AMY DOZIER, ASSISTANT GENERAL MANAGER:</u></b> .....	13
5.	<b><u>MOTION TO VOTE AND RECESS THE PUBLIC MEETING AND RECONVENE IN AN EXECUTIVE CLOSED SESSION:</u></b>	
	<p><b><u>I. EXECUTIVE CLOSED SESSION – CONSULTATION WITH ATTORNEY:</u></b></p> <p>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:</p> <p>A. Consultation with Attorney Regarding Pending or Contemplated Litigation – Mike Wittler, CEO</p> <p>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</p> <p><b><u>II. EXECUTIVE CLOSED SESSION – COMPETITIVE MATTERS:</u></b></p> <p>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”:</p> <p>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;</p> <p style="padding-left: 40px;">(1) Discussion and Possible Action on Hedging Activities, ERCOT Activities, Wholesale Power Contracts and Generation – Mike Wittler, CEO</p> <p><b><u>III. EXECUTIVE CLOSED SESSION – PERSONNEL MATTERS:</u></b></p> <p>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”:</p> <p>A. Annual Performance Appraisal for Michael Wittler, General Manager and CEO</p> <p>B. Duties and Compensation Benefits for the General Manager and CEO, and the Assistant General Manager</p>	
6.	<b><u>CONSIDERATION AND ACTION AS A RESULT OF EXECUTIVE CLOSED SESSIONS:</u></b>	
7.	<b><u>ADJOURNMENT</u></b>	

**MINUTES OF THE  
KERRVILLE PUBLIC UTILITY BOARD  
REGULAR MONTHLY MEETING  
WEDNESDAY, FEBRUARY 19, 2025, AT 8:30 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  
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  
Mark Alejandro, IT Supervisor *(via teleconference)*  
Lidia S. Goldthorn, Assistant Secretary to the Board

**TRUSTEES ABSENT:**

**OTHERS PRESENT:**

Stephen Schulte, Legal Counsel  
Kent McKinney, City Councilman  
Thomas Moser

**CALL TO ORDER:**

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

**INVOCATION AND PLEDGE OF ALLEGIANCE:**

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

There were no citizens/consumers to speak.

**2. ANNOUNCEMENTS OF COMMUNITY INTEREST:**

Ms. Bueché highlighted employee anniversaries for February. She advised employee DJ Owens was recognized in the APPA newsletter for the Smart Energy Provider designation. Employees volunteered

at a Food Pantry event on January 27th. KPUB participated at the Peterson Middle School and Ingram Middle School Career Day, Monster Detective Presentation, and Sponsored the Robotics Team; and will be participating in other upcoming school events. Local leaders, including Mr. Wittler participated at the Chamber Legislative Day in Austin. KPUB will be sponsoring a Blood Drive on March 27<sup>th</sup>, and a Community Weatherization Event on May 9<sup>th</sup>. Ms. Bueché advised the Employee Safety and Service Awards Picnic is scheduled for April 26<sup>th</sup>. Mr. Wittler noted the following upcoming board meetings tentatively scheduled for:

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

**3. CONSENT AGENDA:**

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

3A. APPROVAL OF MINUTES.

3B. RESOLUTION NO. 25-04 – AMY DOZIER, ASSISTANT GENREAL MANAGER. A Resolution approving payment to various providers of services or supplies.

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.

**END OF CONSENT AGENDA**

**4. DISCUSSION AND ACTION ON APPOINTMENTS TO SCHOLARSHIP COMMITTEE – ALLISON BUECHÉ, DIRECTOR OF CUSTOMER & COMMUNITY RELATIONS:**

Ms. Bueché advised KPUB is currently accepting applications for the 2025 scholarship program for both undergraduate students and trade/technical students. As 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 undergraduate scholar recipients and an alternate. Historically, the committee has included a KPUB Board Member, a representative from the Kerrville Independent School District (KISD), and a representative from Ingram Independent School District (ISD). Mr. Howard agreed to continue sitting on the committee, unless another member would like to volunteer. Mr. Thomas made a motion to appoint Mr. Howard to the scholarship selection committee. Mr. Andrew seconded the motion. Vote was by a show of hands. Motion carried 5 – 0.

**5. FINANCIAL REPORT – AMY DOZIER, ASSISTANT GENERAL MANAGER:**

Ms. Dozier presented the final financial statements for the month of January 2025. Ms. Dozier noted a \$225K increase in net position; \$3.4M in operating revenue; \$3.3M in operating expense; \$132K in operating income; \$72K in net nonoperating revenue; \$21.3M in over collection of power cost adjustment

as of January 31, 2025; and \$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. She added that 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. Ms. Dozier also provided a power point presentation with highlights and financial metrics from her memo.

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

**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, 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

**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

Staff asked the Board of Trustees if there was a motion that the Board convene in Executive Closed Session to discuss “Consultation With Attorney” in accordance with Texas Statutes Subchapter D, Chapter 551, Government Code Section §551.071, “Competitive Matters” in accordance with Texas Statutes Subchapter D, Chapter 551, Government Code Section §551.086, “Personnel Matters” in accordance with Texas Statutes Subchapter D, Chapter 551, Government Code Section §551.074, and “Deliberation Regarding Real Property” in accordance with Texas Statutes Subchapter D, Chapter 551, Government Code Section §551.072. Rachel Johnston, Treasurer, so moved. Mr. Thomas seconded the motion. Vote was by show of hands. Motion carried 5 – 0.

The Board entered Executive Closed Session at 8:53 a.m. Chairman Howard adjourned the Executive Closed Session and reconvened into Open Session at 11:57 a.m.

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

**III. Board Position No. 2 Nominations.**

Mr. Thomas made a motion to nominate Mr. Grant Baehre, Mr. Brian Cody, and Mr. Larry Howard, to City Council to consider for the upcoming Board position vacancy. Mr. Andrew seconded the motion. Vote was by a show of hands. Motion carried 5 - 0.

**13. ADJOURNMENT**

Chairman Howard adjourned the Regular Board Meeting at 11:58 a.m.

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

\_\_\_\_\_  
Larry Howard, Chairman

**ATTEST**

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

**MINUTES OF THE  
KERRVILLE PUBLIC UTILITY BOARD  
REGULAR MONTHLY MEETING (KPUB) and  
SPECIAL CALLED JOINT MEETING (KPFC)  
FRIDAY, MARCH 7, 2025, AT 8:00 A.M.  
KPUB CONFERENCE ROOM  
KERRVILLE PUBLIC UTILITY BOARD OFFICES  
2250 MEMORIAL BLVD.  
KERRVILLE, TEXAS**

**TRUSTEES PRESENT:**

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

**STAFF PRESENT:**

Mike Wittler, General Manager and CEO  
Allison Bueché, Director of Customer and Community Relations  
Mark Alejandro, IT Supervisor (*via teleconference*)  
Lidia S. Goldthorn, Assistant Secretary to the Board

**TRUSTEES ABSENT:**

**OTHERS PRESENT:**

Stephen Schulte, Legal Counsel  
Arthur Kimble-Stanley, Norton Rose Fulbright  
Stephanie Leibe, Norton Rose Fulbright  
Steven Adams, Specialized Public Finance  
Paul Jasin, Specialized Public Finance

**CALL TO ORDER:**

Mr. Larry Howard, Chairman of the Kerrville Public Utility Board and President of the Kerrville Public Utility Board Public Facility Corporation, called the Special Called Joint Meeting to order at 8:03 a.m.

**INVOCATION AND PLEDGE OF ALLEGIANCE:**

**1. CITIZEN/CONSUMER OPEN FORUM (KPUB and KPFC):**

There were no citizens/consumers to speak.

*\*Mr. Wittler requested Chairman and President Howard proceed to item number 3 on the Agenda advising KPFC Resolution No. 25-01 will need to be voted on prior to KPUB Resolution No. 25-05. The Boards agreed and Chairman and President Howard proceeded to item number 3.*



**3. CONSIDERATION AND ACTION ON RESOLUTION NO. 25-01 (KPFC) – MIKE WITTLER, CEO:**

Mr. Wittler started with a general presentation covering all items presented this day. Mr. Wittler advised that the agenda included Executive Session items in case any confidential discussion was needed. Mr. Wittler introduced KPUB’s Bond Counsel from Norton Rose Fulbright, Stephanie Leibe and Arthur Kimball-Stanley, as well as financial advisors from Specialized Finance, Paul Jasin and Steven Adams; all whom have done a tremendous job in assisting staff with this project and were available to answer questions during the presentation. Mr. Wittler went over the information and presentations provided to the public as well as the 2024 KPUB power supply portfolio survey results. Mr. Wittler went over key accomplishments to date; and project funding to include 60% from the Texas Energy Fund (with a 3% interest rate loan from the State of Texas Public Utility Commission, and a completion bonus grant of almost \$10M available) and 40% from bond issuance.

Mr. Adams and Mr. Jasin went over a diagram showing the transactions for debt authorization. He also summarized the trust indenture; the power sale agreement; the credit agreement; parameters overview; and historical municipal rates for the Board’s review.

Mr. Kimball-Staley and Ms. Leibe reviewed the resolutions being considered and what they are authorizing. The KPFC Resolution 25-01 authorizes the issuance of bonds; establishes pricing parameters; approves form of indenture, power sales agreement, credit agreement, other related agreements including bond purchase agreement and continuing disclosure agreement; authorizes preparation, approval and distribution of preliminary and final official statements; and authorizes continued negotiation by authorized officer of KPFC to finalize indenture, power sales agreement, and credit agreement within parameters of resolution. The KPUB Resolution 25-05 approves financing the project through bonds issued by KPFC; authorizes the power sales agreement; authorizes continued negotiation by authorized officers of KPUB to finalize power sales agreement and other related agreements; authorizes authorized officers of KPUB to participate in preparation and approval of preliminary and final official statements; and authorizes authorized officers of KPUB to execute continuing disclosure agreement in connection with underwriting and sale of KPFC bonds.

Mr. Wittler went over a calendar important dates coming up for the project.

*\*At this time Mr. Wittler requested Chairman and President Howard proceed to item number 4 on the Agenda to go into Executive Session for further discussion. The Boards agreed and Chairman and President Howard proceeded to item number 4.*

**4. MOTION TO VOTE AND RECESS THE PUBLIC MEETING AND RECONVENE IN AN EXECUTIVE CLOSED SESSION (KPUB AND KPFC):**

**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, 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) Deliberation of competitive matters regarding wholesale market activities to include power supply projects – Mike Wittler, CEO

Staff asked for a motion that both Boards convene in Executive Closed Session to discuss “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. Rachel Johnston, Treasurer for KPFC so moved. Bill Thomas, Vice President for KPFC seconded the motion. Vote was by show of hands. Motion carried 5 – 0. Ms. Johnston, Treasurer for KPUB so moved. Mr. Thomas, Vice Chairman for KPUB seconded the motion. Vote was by a show of hands. Motion carried 5 – 0.

KPUB and KPFC Boards entered Executive Closed Session at 9:09 a.m. Chairman and President Howard adjourned the Executive Closed Session for both Boards and reconvened into Open Session at 10:19 a.m.

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

No action taken in Executive Session.

*\*At this time Chairman and President Howard went back to item number 3 on the Agenda for a vote. The Boards agreed and Chairman and President Howard proceeded to item number 3.*

**3. CONSIDERATION AND ACTION ON RESOLUTION NO. 25-01 (KPFC) – MIKE WITTLER, CEO:**

Mr. Thomas motioned for approval of KPFC Resolution No. 25-01. Ms. Johnston seconded the motion. Vote was by a show of hands. Motion carried 5 – 0.

*\*At this time Chairman and President Howard proceeded to item number 2 on the Agenda for a vote. The Boards agreed and Chairman and President Howard proceeded to item number 2.*

2. **CONSIDERATION AND ACTION ON RESOLUTION NO. 25-05 (KPUB) – MIKE WITTLER, CEO:**

Mr. Thomas motioned for approval of KPUB Resolution No. 25-05. Mr. Andrew seconded the motion. Vote was by a show of hands. Motion carried 5 – 0.

*\*At this time Mr. Wittler requested the Kerrville Public Utility Board Public Facility Corporation be called back into executive session.*

4. **MOTION TO VOTE AND RECESS THE PUBLIC MEETING AND RECONVENE IN AN EXECUTIVE CLOSED SESSION (KPFC):**

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, 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;
  - (2) Deliberation of competitive matters regarding wholesale market activities to include power supply projects – Mike Wittler, CEO

Mr. Thomas motioned for the Kerrville Public Utility Board Public Facility Corporation to go back into executive session. Ms. Johnston seconded the motion. Vote was by a show of hands. Motion carried 5 – 0. The Kerrville Public Utility Board Public Facility Corporation entered Executive Closed Session at 10:23 a.m. President Howard adjourned the Executive Closed Session and reconvened into Open Session at 10:19 a.m.

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

No action taken as a result of Executive Session.

**6. ADJOURNMENT**

Chairman and President Howard adjourned the Special Called Joint Board Meeting for both Boards at 10:36 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: March 12, 2025

Re: Agenda Item No. 3B – Resolution No. 25-06

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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 February 13, 2025 and March 12, 2025 for Board approval:

	<u>Vendor</u>	<u>Description</u>	<u>Amount</u>	<u>Date</u>
<b>Purchased Power:</b>				
1	Concho Bluff	January 2025	41,110.12	02/19/2025
2	NextEra	January 2025	485,088.00	02/19/2025
3	CPS	January 2025	2,171,553.26	02/20/2025
4	DG Solar	January 2025	36,074.97	02/25/2025
5	Engie	January 2025	63,930.94	02/28/2025
6	Garland	January 2025	67,888.80	02/28/2025
7	LCRA	January 2025	649,608.68	03/05/2025
<b>Payroll:</b>				
1	Payroll	Pay period ending 2/08/2025	163,194.99	02/14/2025
2	Payroll	Pay period ending 2/22/2025	165,490.66	02/28/2025
3	Payroll Taxes	Pay period ending 2/08/2025	56,944.69	02/19/2025
4	Payroll Taxes	Pay period ending 2/22/2025	57,813.86	03/05/2025
<b>Employee Benefits:</b>				
1	TX Health Benefits	Health Insurance - March	97,440.27	03/03/2025
2	TMRS	Pension - February Payroll	96,280.88	03/04/2025
<b>Investment Transfers:</b>				
1	Happy State Bank	Investment Transfer	900,000.00	02/21/2025
2	Happy State Bank	Investment Transfer	900,000.00	02/28/2025
3	Happy State Bank	Investment Transfer	500,000.00	03/04/2025
4	Happy State Bank	Investment Transfer	300,000.00	03/07/2025
5	Happy State Bank	Investment Transfer	(400,000.00)	03/12/2025
<b>KPFC:</b>				
1		Management Fee	85,000.00	03/05/2025

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

Sincerely,

A handwritten signature in blue ink that reads "Amy Dozier". The signature is written in a cursive style with a light blue background behind the text.

Amy Dozier  
Assistant General Manager

**RESOLUTION NO. 25-06**

**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 March, 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: March 13, 2025

Re: Agenda Item No. 4 – Financial Report

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

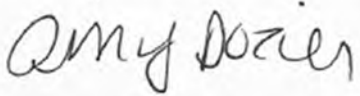
Highlights include:

- **\$222K increase in net position** for the month, **\$727K increase** in net position on a year-to-date (YTD) basis, which is \$315K more than budget.
- **\$4.9M in operating revenue** for the month, **\$17.6M** on a YTD basis.
  - Through February, operating revenue is 9.6% lower than expected due a combination of rate (low purchased power cost) and quantity (lower than forecast kWh sales). Both YTD variances narrowed in February due to cold weather and corresponding increases in natural gas prices that increased the cost of power. As of the end of February, the YTD rate was 5.9% below budget and kWh sales were 3.6% below budget.
- **\$4.8M in operating expense** for the month, **\$17.7M** on a YTD basis.
  - YTD operating expense is 9.5% 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.
- **\$144K in operating income** for the month, **\$91K in operating loss** on a YTD basis.
- **\$6K in net nonoperating revenue** for the month, **\$375K** on a YTD basis.
  - Nonoperating revenue is \$96K 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.
- **\$21.2M in over collection of power cost adjustment** as of 2/28/2025, a **decrease of \$84K** from the prior month. The billed rate remains at \$100.00 for 1,000 kWh of residential power. In the February monthly survey of 28 Central and South Texas utilities, KPUB had the lowest rate. The overall average rate for the 28 utilities is \$125.57.
- **\$45.5M invested** in municipal investment pools and an account at Happy State Bank. The portfolio of investment accounts earned a blended rate of 4.43% in February.



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 with a light grey rectangular highlight behind it.

Amy Dozier  
Assistant General Manager

Kerrville Public Utility Board  
Statement of Revenues, Expenses and Changes in Fund Net Position  
For the Month Ended February 28, 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					
<b>OPERATING REVENUES:</b>												
Residential	\$	3,090,957	\$	2,697,905	\$	393,052	14.57%	\$	2,973,264	\$	117,694	3.96%
Commercial/Industrial		1,766,282		1,586,760		179,521	11.31%		1,699,867		66,415	3.91%
Sales to Public Authorities		21,842		21,500		342	1.59%		21,905		(63)	-0.29%
Other		38,328		47,436		(9,108)	-19.20%		36,224		2,104	5.81%
<b>TOTAL OPERATING REVENUES</b>		<b>4,917,409</b>		<b>4,353,602</b>		<b>563,807</b>	<b>12.95%</b>		<b>4,731,260</b>		<b>186,149</b>	<b>3.93%</b>
<b>OPERATING EXPENSES:</b>												
Purchased Power		3,498,778		3,446,587		(52,190)	-1.51%		3,350,190		(148,588)	-4.44%
Distribution		319,435		398,981		79,546	19.94%		422,116		102,681	24.33%
Customer Accounts		57,302		70,195		12,893	18.37%		54,177		(3,125)	-5.77%
Customer Service, Informational & Sales		42,971		52,676		9,706	18.42%		42,994		23	0.05%
Administrative Expenses		474,713		497,692		22,979	4.62%		384,072		(90,640)	-23.60%
Depreciation & Amortization		380,333		390,354		10,021	2.57%		361,255		(19,079)	-5.28%
<b>TOTAL OPERATING EXPENSES</b>		<b>4,773,532</b>		<b>4,856,486</b>		<b>82,954</b>	<b>1.71%</b>		<b>4,614,804</b>		<b>(158,728)</b>	<b>-3.44%</b>
<b>OPERATING INCOME (LOSS)</b>		<b>143,877</b>		<b>(502,884)</b>		<b>646,761</b>	<b>-128.61%</b>		<b>116,456</b>		<b>27,421</b>	<b>23.55%</b>
<b>NONOPERATING REVENUES (EXP):</b>												
Interest Income - Investments		161,714		174,167		(12,453)	-7.15%		194,588		(32,874)	-16.89%
Interest Income - City of Kerrville		9,643		9,643		0	0.00%		12,857		(3,214)	-25.00%
Interest Expense		(8,980)		(11,219)		2,238	19.95%		(11,099)		2,119	19.09%
City of Kerrville - General Fund Transfer		(152,678)		(136,220)		(16,458)	-12.08%		(148,288)		(4,390)	-2.96%
City of Ingram - Franchise Fee		(3,791)		(4,083)		292	7.16%		(3,655)		(135)	-3.70%
Other - Net		499		3,250		(2,751)	-84.65%		4,227		(3,728)	-88.20%
<b>TOTAL NONOPERATING REVENUES (EXP)</b>		<b>6,407</b>		<b>35,538</b>		<b>(29,132)</b>	<b>-81.97%</b>		<b>48,630</b>		<b>(42,223)</b>	<b>-86.83%</b>
<b>INCOME BEFORE CONTRIBUTIONS</b>		<b>150,284</b>		<b>(467,346)</b>		<b>617,630</b>	<b>-132.16%</b>		<b>165,086</b>		<b>(14,802)</b>	<b>-8.97%</b>
<b>CAPITAL CONTRIBUTIONS</b>		<b>72,260</b>		<b>41,667</b>		<b>30,594</b>	<b>73.42%</b>		<b>56,735</b>		<b>15,525</b>	<b>27.36%</b>
<b>CHANGE IN NET POSITION</b>	<b>\$</b>	<b>222,544</b>	<b>\$</b>	<b>(425,680)</b>	<b>\$</b>	<b>648,223</b>	<b>-152.28%</b>	<b>\$</b>	<b>221,821</b>	<b>\$</b>	<b>723</b>	<b>0.33%</b>
<b>NET POSITION AT BEGINNING OF MONTH</b>	<b>\$</b>							<b>\$</b>	<b>78,598,930</b>			
<b>NET POSITION AT END OF MONTH</b>	<b>\$</b>							<b>\$</b>	<b>78,820,751</b>			

Kerrville Public Utility Board  
Statement of Revenues, Expenses and Changes in Fund Net Position  
For the Month Ended February 28, 2025  
(Unaudited)

	Comparison to Budget				Comparison to Last Year		
	Year to Date	Year to Date Budget Amount	Variance Favorable (Unfavorable)	Percentage Variance	Year to Date Last Year Amount	Variance Favorable (Unfavorable)	Percentage Variance
<b>OPERATING REVENUES:</b>							
Residential	\$ 10,042,130	\$ 11,214,507	\$ (1,172,377)	-10.45%	\$ 10,095,027	\$ (52,897)	-0.52%
Commercial/Industrial	7,085,014	7,781,550	(696,536)	-8.95%	6,708,430	376,584	5.61%
Sales to Public Authorities	108,979	107,500	1,479	1.38%	108,987	(8)	-0.01%
Other	400,660	406,369	(5,709)	-1.40%	382,178	18,482	4.84%
<b>TOTAL OPERATING REVENUES</b>	<b>17,636,783</b>	<b>19,509,926</b>	<b>(1,873,143)</b>	<b>-9.60%</b>	<b>17,294,622</b>	<b>342,160</b>	<b>1.98%</b>
<b>OPERATING EXPENSES:</b>							
Purchased Power	11,232,220	12,416,639	1,184,419	9.54%	11,015,967	(216,254)	-1.96%
Distribution	1,651,394	1,994,906	343,512	17.22%	1,956,011	304,617	15.57%
Customer Accounts	329,626	350,975	21,349	6.08%	295,150	(34,476)	-11.68%
Customer Service, Informational & Sales	174,604	263,380	88,776	33.71%	208,724	34,120	16.35%
Administrative Expenses	2,445,562	2,617,208	171,646	6.56%	2,182,605	(262,957)	-12.05%
Depreciation & Amortization	1,894,782	1,941,771	46,990	2.42%	1,793,559	(101,223)	-5.64%
<b>TOTAL OPERATING EXPENSES</b>	<b>17,728,188</b>	<b>19,584,880</b>	<b>1,856,692</b>	<b>9.48%</b>	<b>17,452,016</b>	<b>(276,173)</b>	<b>-1.58%</b>
<b>OPERATING INCOME (LOSS)</b>	<b>(91,405)</b>	<b>(74,954)</b>	<b>(16,451)</b>	<b>21.95%</b>	<b>(157,393)</b>	<b>65,988</b>	<b>-41.93%</b>
<b>NONOPERATING REVENUES (EXP):</b>							
Interest Income - Investments	954,279	898,333	55,946	6.23%	987,761	(33,482)	-3.39%
Interest Income - City of Kerrville	52,500	52,500	(0)	0.00%	64,286	(11,786)	-18.33%
Interest Expense	(42,660)	(57,322)	14,662	25.58%	(52,985)	10,325	19.49%
City of Kerrville - General Fund Transfer	(559,522)	(614,310)	54,789	8.92%	(550,731)	(8,791)	-1.60%
City of Ingram - Franchise Fee	(14,240)	(16,973)	2,733	16.10%	(15,100)	861	5.70%
Other - Net	(15,532)	16,250	(31,782)	-195.58%	11,021	(26,553)	-240.94%
<b>TOTAL NONOPERATING REVENUES (EXP)</b>	<b>374,826</b>	<b>278,478</b>	<b>96,347</b>	<b>34.60%</b>	<b>444,252</b>	<b>(69,426)</b>	<b>-15.63%</b>
<b>INCOME BEFORE CONTRIBUTIONS</b>	<b>283,420</b>	<b>203,524</b>	<b>79,896</b>	<b>39.26%</b>	<b>286,858</b>	<b>(3,438)</b>	<b>-1.20%</b>
<b>CAPITAL CONTRIBUTIONS</b>	<b>443,591</b>	<b>208,333</b>	<b>235,258</b>	<b>112.92%</b>	<b>199,752</b>	<b>243,839</b>	<b>122.07%</b>
<b>CHANGE IN NET POSITION</b>	<b>\$ 727,011</b>	<b>\$ 411,857</b>	<b>\$ 315,153</b>	<b>76.52%</b>	<b>\$ 486,610</b>	<b>\$ 240,401</b>	<b>49.40%</b>
<b>NET POSITION AT BEGINNING OF YEAR</b>	<b>\$ 80,592,721</b>				<b>\$ 78,334,141</b>		
<b>NET POSITION AT END OF MONTH</b>	<b>\$ 81,319,732</b>				<b>\$ 78,820,751</b>		

Kerrville Public Utility Board  
Balance Sheet  
As of February 28, 2025

ASSETS & DEFERRED OUTFLOWS	February 28, 2025	September 30, 2024	LIABILITIES, DEFERRED INFLOWS & NET POSITION	February 28, 2025	September 30, 2024
<b>CURRENT ASSETS</b>			<b>CURRENT LIABILITIES</b>		
Revenue Fund:			Current Maturities of Long-Term Liabilities	\$ 786,471	\$ 770,063
Cash and Cash Equivalents	\$ 752,889	\$ 399,285	Accounts Payable - Purchased Power	10,593,721	9,944,112
Investments	32,987,472	37,482,858	Accounts Payable and Accrued Liabilities	1,003,821	1,396,696
Less: Customer Deposits	(525,421)	(537,816)	Over Collection of Power Cost Adjustment	21,205,611	18,865,662
Total Revenue Fund	<u>33,214,939</u>	<u>37,344,328</u>	<b>TOTAL CURRENT LIABILITIES</b>	<u>\$ 33,589,623</u>	<u>\$ 30,976,533</u>
Construction Fund:			<b>NONCURRENT LIABILITIES</b>		
Cash and Cash Equivalents	5,785	5,681	2013 Revenue Bonds, net of current portion	\$ 1,501,000	\$ 1,965,000
Investments	1,643,985	1,612,773	Lease Liability	41,699	48,042
Total Construction Fund	<u>1,649,770</u>	<u>1,618,454</u>	Subscription Liability	547,099	733,880
Rate Stabilization Fund:			Customer Deposits	525,421	537,816
Investments	2,163,479	2,122,404	Net Pension Liability	2,715,291	2,715,291
Total Rate Stabilization Fund	<u>2,163,479</u>	<u>2,122,404</u>	Total OPEB Liability	<u>281,043</u>	<u>281,043</u>
Long Term Rate Stabilization Fund:			<b>TOTAL NONCURRENT LIABILITIES</b>	<u>\$ 5,611,552</u>	<u>\$ 6,281,072</u>
Investments	4,478,403	3,802,625			
Total Long Term Rate Stabilization Fund	<u>4,478,403</u>	<u>3,802,625</u>	DEFERRED INFLOWS - PENSION AND OPEB	<u>\$ 226,425</u>	<u>\$ 226,425</u>
Customer Accounts Receivable, net of allowance	2,280,079	1,929,338			
Receivable from KPFC	6,960,418	303,389	<b>TOTAL LIABILITIES AND DEFERRED INFLOWS</b>	<u>\$ 39,427,601</u>	<u>\$ 37,484,030</u>
Unbilled Revenue	2,244,875	2,244,875			
Materials and Supplies	1,273,772	1,203,625	<b>TOTAL NET POSITION</b>	<u>\$ 81,319,732</u>	<u>\$ 80,592,721</u>
Other Current Assets	1,427,123	1,416,738			
Current Portion - Advance to City of Kerrville	1,071,428	1,071,428			
<b>TOTAL CURRENT ASSETS</b>	<u>\$ 56,764,286</u>	<u>\$ 53,057,204</u>			
<b>NONCURRENT ASSETS</b>					
Customer Deposits	\$ 525,421	\$ 537,816			
Interest and Sinking Fund	179,720	435,292			
Emergency, Repair, Replace, Contingency Fund	4,045,227	3,968,427			
Advance to City of Kerrville, net of current portion	3,750,001	4,285,715			
Capital Assets, net of Accum Depreciation	52,531,896	52,686,916			
Right to Use Assets, Net of Accum Amortization	54,505	61,318			
Subscription Assets, Net of Accum Amortization	1,074,102	1,221,889			
<b>TOTAL NONCURRENT ASSETS</b>	<u>\$ 62,160,873</u>	<u>\$ 63,197,373</u>			
DEFERRED OUTFLOWS - PENSION AND OPEB	<u>\$ 1,822,175</u>	<u>\$ 1,822,175</u>			
<b>TOTAL ASSETS &amp; DEFERRED OUTFLOWS OF RESOURCES</b>	<u>\$ 120,747,333</u>	<u>\$ 118,076,751</u>	<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES &amp; NET POSITION</b>	<u>\$ 120,747,333</u>	<u>\$ 118,076,751</u>

Kerrville Public Utility Board  
Invested Funds Detail  
For the Month Ended February 28, 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	\$ 33,613,210	\$ 1,638,416	\$ 2,156,151	\$ 4,463,234	\$ -	\$ 134,790	\$ 4,031,526	\$ 46,037,327
Withdrawals:								
Happy Investment - TXHB	02/03/25	(99,037)						(99,037)
Happy Investment - TMRS	02/05/25	(144,542)						(144,542)
Happy Investment - Generation Project	02/05/25	(85,000)						(85,000)
Happy Investment - ERCOT	02/14/25	(102)						(102)
Happy Investment - NextEra	02/19/25	(485,088)						(485,088)
Happy Investment - Concho Bluff	02/19/25	(41,110)						(41,110)
Happy Investment - CPS	02/20/25	(2,171,553)						(2,171,553)
Happy Investment - DG Solar	02/25/25	(36,075)						(36,075)
Happy Investment - Engie	02/28/25	(63,931)						(63,931)
Happy Investment - Garland	02/28/25	(67,889)						(67,889)
Investments:								
Happy Investment	02/07/25	700,000						700,000
Happy Investment	02/21/25	900,000						900,000
Happy Investment	02/28/25	900,000						900,000
Fund Balance after Withdrawals & Investments	32,918,883	1,638,416	2,156,151	4,463,234	-	134,790	4,031,526	45,343,000
Allocation of:								
Interest Income	02/28/25	113,056	5,568	7,328	15,168	-	463	13,701
Total Interest Allocation		113,056	5,568	7,328	15,168	-	463	13,701
Fund Balance After Allocations		33,031,939	1,643,984	2,163,479	4,478,403	-	135,254	4,045,227
Interfund Transfers :								
Debt Service	02/28/25	(44,467)					44,467	-
Ending Fund Balance		\$ 32,987,472	\$ 1,643,985	\$ 2,163,479	\$ 4,478,403	\$ -	\$ 179,720	\$ 45,498,285

Kerrville Public Utility Board  
Debt Ratios  
For the Month Ended February 28, 2025

**DEBT SERVICE COVERAGE RATIO:**

Description	Current Month	Fiscal Year	Previous 12 Months
CHANGE IN NET POSITION	\$ 222,544	\$ 727,011	\$ 2,498,980
PLUS:			
Interest Expense (net of amortizations)	8,980	42,660	127,100
Depreciation & Amortization Expense	380,333	1,894,782	4,544,516
Numerator	611,858	2,664,453	7,170,596
DIVIDED BY:			
Interest Expense (net of amortizations)	8,980	42,660	127,100
Principal Payment Due	65,505	327,526	786,063
Denominator	\$ 74,485	\$ 370,186	\$ 913,163
<b>DEBT SERVICE COVERAGE RATIO</b>	<b>8.21</b>	<b>7.20</b>	<b>7.85</b>

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	\$ 33,214,939
Construction Fund	1,649,770
Rate Stabilization Fund	2,163,479
Long Term Rate Stabilization Fund	4,478,403
Emergency, Repair, Replace, Contingency Fund	4,045,227
<b>Total Cash and Cash Equivalents (A)</b>	<b>\$ 45,551,817</b>

DENOMINATOR:

Fiscal Year-to-Date Operating Expense	\$ 17,728,188
Less: Fiscal Year-to-Date Depreciation	1,894,782
<b>Adjusted Operating Expense (B)</b>	<b>\$ 15,833,407</b>

NUMBER OF DAYS ELAPSED IN FISCAL YEAR (C) 151

**DAYS CASH ON HAND (= A / B \* C) 434**

**MINIMUM DAYS CASH ON HAND PER POLICY 47 175**

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

NUMERATOR:

Fiscal Year-to-Date Operating Income	\$ (91,405)
Less: City of Kerrville and Ingram Transfers	(573,761)
Plus: 50% of PPA Expense	4,004,986
Plus: Fiscal Year-to-Date Depreciation	1,894,782
Plus: Fiscal Year-to-Date Interest Income - Investments	954,279
Plus: Fiscal Year-to-Date Capital Contributions	443,591
<b>Total Numerator (D)</b>	<b>\$ 6,632,471</b>

DENOMINATOR:

50% of PPA Expense	\$ 4,004,986
Fiscal Year-to-Date Debt Service (Cash Basis)	492,950
Fiscal Year-to-Date Debt Service Receivable (Cash Basis)	(600,000)
<b>Total Denominator (E)</b>	<b>\$ 3,897,936</b>

**FIXED CHARGE COVERAGE RATIO (= D / E) 1.7**

**MINIMUM FIXED COST COVERAGE PER POLICY 47 1.2**