

AGENDA ITEM SUMMARY

December 3, 2019

Electric Utility Enterprise Board

STAFF

Delynn Coldiron, City Clerk

SUBJECT

Consideration and Approval of the Minutes of the November 19, 2019 Electric Utility Enterprise Board Meeting.

EXECUTIVE SUMMARY

The purpose of this item is to approve the minutes from the November 19, 2019 Electric Utility Enterprise Board meeting.

ATTACHMENTS

1. November 19, 2019 (PDF)

ELECTRIC UTILITY ENTERPRISE BOARD

November 19, 2019

9:00 PM

• CALL MEETING TO ORDER

PRESENT: Troxell, Cunniff, Stephens, Summers, Gutowsky, Pignataro, Gorgol
Staff Present: Atteberry, Daggett, Coldiron

1. **Consideration and Approval of the Minutes from the September 17, 2019 Electric Utility Enterprise Board Meeting. (Adopted)**

The purpose of this item is to approve the minutes from the September 17, 2019 Electric Utility Enterprise Board meeting.

Boardmember Stephens made a motion, seconded by Boardmember Gorgol, to approve the minutes from the September 17, 2019 Electric Utility Enterprise Board meeting.

RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Kristin Stephens, District 4
SECONDER:	Emily Gorgol, District 6
AYES:	Troxell, Cunniff, Stephens, Summers, Gutowsky, Pignataro, Gorgol

2. **First Reading of Ordinance No. 008, Amending its Ordinance No. 007 which Authorized a Loan Agreement with U.S. Bank National Association to Provide Funding for the Epic Loan Program. (Adopted on First Reading)**

The purpose of this item is to amend Ordinance No. 007 that the Electric Utility Enterprise Board adopted on September 17, 2019, to authorize the Electric Utility Enterprise (Enterprise) to borrow up to \$2.5 million under a line of credit from U. S. Bank National Association (Bank) to use as additional funding for the Utilities’ On-Bill Utility Financing Program. After the adoption of Ordinance No. 007, the Bank proposed a modification to the terms of the Loan Agreement approved in Ordinance No. 007 (Loan Agreement).

Ordinance No. 008 is being brought forward for the Board’s consideration of this modification and other minor modifications to the Loan Agreement. The modification requested by the Bank provides that the Enterprise’s ability to exercise its fixed rate “term out” option is contingent upon the Enterprise having a credit rating of BBB+ or higher. The Enterprise currently maintains a rating of AA- and has a Council-adopted policy requiring a rating of A or higher. Staff assesses it highly unlikely that the Enterprise’s credit rating will drop to BBB or lower within the 2-year variable draw period.

Blaine Dunn, Senior Treasury Analyst, noted in September the Board entered into an agreement with US Bank concerning the Epic Loan Program. US Bank has requested a modification from the original loan agreement that the Enterprise maintain a BBB+ credit rating in order for the Enterprise to utilize the fixed-rate term out feature of the loan. The Enterprise maintains a current credit rating of AA-. By policy, it must maintain a rating of A. There are no expected changes in the original intended use of the term loan feature.

Boardmember Stephens made a motion, seconded by Boardmember Cunniff, to adopt Ordinance No. 008 on First Reading.

RESULT:	ORDINANCE NO. 008 ADOPTED ON FIRST READING [UNANIMOUS]
MOVER:	Kristin Stephens, District 4
SECONDER:	Ross Cunniff, District 5
AYES:	Troxell, Cunniff, Stephens, Summers, Gutowsky, Pignataro, Gorgol

- **ADJOURNMENT**

The meeting adjourned at 9:05 PM.

President

ATTEST:

Secretary