

**MINUTES OF THE
KERRVILLE PUBLIC UTILITY BOARD
REGULAR MONTHLY MEETING
WEDNESDAY, OCTOBER 20, 2021, AT 8:30 A.M.
KPUB CONFERENCE ROOM
KERRVILLE PUBLIC UTILITY BOARD OFFICES
2250 MEMORIAL BLVD.
KERRVILLE, TEXAS**

TRUSTEES PRESENT:

Philip Stacy
Mark Cowden
Larry Howard
Bill Thomas
Mayor Bill Blackburn

STAFF PRESENT:

Mike Wittler, General Manager and CEO
Amy Dozier, Director of Finance
Paul Martinez, Director of Engineering
Tammye Riley, Director of Operations
Robby McCutcheon, Director of IT
Allison Bueché, Director of Customer and Community Relations
Jill Cook, Accounting Supervisor
Howard Hall, Field Services Supervisor
Damon Richardson, Purchasing Agent
Lidia Goldthorn, Assistant Secretary to the Board

TRUSTEES ABSENT:

OTHERS PRESENT:

Stephen Schulte, Legal Counsel
John Davidson, Special Counsel (*Via teleconference*)
Gaines Griffin, Special Counsel (*Via teleconference*)
Ramsey Cripe, Schneider Engineering (*Via teleconference*)
Jay Hurst, Schneider Engineering (*Via teleconference*)
Taylor Foss Great Blue (*Via teleconference*)
John E. Sample (*Via teleconference*)

1. CALL TO ORDER:

Mr. Philip Stacy, Chairman, called the Regular Monthly Meeting to order at 8.30 a.m.

2. PLEDGE OF ALLEGIANCE:

3. APPROVAL OF MINUTES:

The Trustees reviewed the minutes of the September 22, 2021, Regular Monthly Board Meeting. Bill Thomas, Treasurer, motioned to approve the minutes. Larry Howard, Secretary, seconded the motion. Vote was by a show of hands. Motion carried 5 – 0.

4. CITIZEN/CONSUMER OPEN FORUM:

There were no citizens/consumers to speak.

5. ANNOUNCEMENTS OF COMMUNITY INTEREST:

Mr. Wittler advised the KEDC Business and Innovation Forum is scheduled for November 3rd through 4th. KPUB is a sponsor for the event as well and the Board is invited. KPUB is the recipient of two APPA awards for excellence in public power communication. The first was Award of Excellence in the Web and Social Media category and the second was Award of Merit in the Print and Digital category. Mr. Wittler added that this is the second year that KPUB has been recognized, as well as almost monthly recognition in APPA publications. Ms. Bueché is doing an outstanding job on that. The KPUB employee Holiday Party will be on Friday, December 10th at 6:30 p.m. KPUB is also sponsoring the Chamber Awards Banquet on October 28th, and the Hill Country Gala on November 11th. KPUB will be hosting a Community Blood Drive on November 11th as well as a Coat and Blanket Drive with the Salvation Army between November and December. Mr. Wittler advised the next regular board meeting is scheduled for November 17, 2021 at 8:30 a.m.

6. MOTION AND VOTE TO 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

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 on Hedging Activities and Risk Management Policy – Mike Wittler, CEO

Chairman Stacy asked the Board of Trustees if he had 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, and “Competitive Matters” in accordance with Texas Statutes Subchapter D, Chapter 551. Mr. Howard so moved. Mark Cowden, Vice Chairman, seconded the motion. Vote was by show of hands. Motion carried 5 – 0.

The Board entered Executive Closed Session at 8:37 a.m. Chairman Stacy adjourned the Executive Closed Session and reconvened into Open Session at 9:59 a.m.

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

No action taken by the Board.

**At 10:01 am the Board took a five-minute break.*

8. **PRESENTATION ON CUSTOMER SATISFACTION SURVEY FROM GREAT BLUE – ALLISON BUECHÉ, DIRECTOR OF CUSTOMER & COMMUNITY RELATIONS:**

Ms. Bueché advised GreatBlue Research was selected to conduct a customer satisfaction survey for KPUB. She gave a brief review of the company and then introduced Mr. Taylor Foss with GreatBlue Research. Mr. Foss presented the survey with an initial description of how GreatBlue conducts surveys and collects data. Mr. Foss gave an overview of the project, advising they employed telephone and digital survey methodologies to capture the opinions of both residential and commercial customers. He went over the key study findings showing that first contact resolution yielded higher overall satisfaction, KPUB App users were highly satisfied and that there was room to improve awareness of programs and community involvement. Mr. Foss advised that the positive ratings KPUB received were driven by helpful staff, and that more than four-fifths of residential and commercial customers indicated that KPUB compares very closely to the ideal utility company. He also advised that more than 90.0% of both residential and commercial customers indicated KPUB meets their expectations either “all of the time” or “some of the time”; and that the majority of customers (reported the rates they pay for electricity are either “very reasonable” or “somewhat reasonable”). Mr. Foss went over other questions surveyed and highlighted that a strong majority of both residential and commercial customers were highly satisfied with the website, KPUB App, customer service and field services departments, and KPUB communications. Mr. Foss concluded with a few considerations to further develop staff on first contact resolutions, develop marketing communications regarding the SmartHub App, and educate customers on various KPUB services and community outreach. After discussion by the Board, Chairman Stacy added that Ms. Bueché is doing a great job.

9. **CONSIDERATION AND ACTION ON RESOLUTION NO. 21-27 – AMY DOZIER, DIRECTOR OF FINANCE:**

Ms. Dozier presented last month’s wire transfers for operating expenses to the Board. She highlighted the annual insurance payment to TML; and the continued movement of transfers to the investment account, which was discussed as a better option. Mr. Cowden motioned for approval of Resolution No. 21–27. Mr. Howard, seconded the motion. Vote was by a show of hands. Motion carried 5 – 0.

10. **FINANCIAL REPORT – AMY DOZIER, DIRECTOR OF FINANCE:**

Mr. Dozier advised the September 2021 financial statements will be presented at next month’s meeting. Each month estimates are used for certain expense items, such as purchased power, in order to close the books quickly. However, in order to accurately state the financial position at year end, the books are left open a few extra weeks to record actual instead of estimated expenses for September. Ms. Dozier showed a presentation with highlights and estimates for KPUB’s full year results. In addition, she presented quarterly reports that detail individual purchases over \$10,000 in the quarter ending September 30, 2021 as well as a report showing cumulative purchases over \$10,000 to a single vendor in the last twelve months.

She advised the power cost adjustment (PCA) remained at \$95.00 for September. After recording an estimate for unbilled February 2021 power supply cost prior to year-end, the over collected power cost balance fell to \$1.6 million. She added that the PCA is expected to remain stable at \$95.00 for the foreseeable future.

11. APPROVAL AND REPORTING OF PURCHASES AND SALES:

A. Solid Waste Disposal (Damon Richardson, Purchasing Agent)

Mr. Richardson recommended entering into a three-year contract with Republic Services for solid waste disposal. Republic Services is the only area vendor that can streamline KPUB's need for trash, recycle and disposal of old utility poles into one service provider. The annual amount will vary depending on number of old poles hauled. The first purchase order will be \$18,000 and increase \$1,000 each year to cover the five percent increase each following year. Mr. Richardson provided supporting documents, proposal and contract for the Board's review.

B. Fleet Purchase (Howard Hall, Field Services Supervisor)

Mr. Hall recommended approval or a purchase order to Altec Industries, Inc., for a total of \$181,984 to purchase a 2022 Ford F-550 truck with a new Altec Model AT48M Bucket Truck. The truck specifications meet those of Sourcewell which is a cooperative purchasing program of the nation's two leading cooperative purchasing organizations, National IPA and U.S. Communities. He advised this unit will be an addition to the fleet which was budgeted for the 2021-2022 capital budget. Mr. Hall provided the quote for the Board's review.

C. NISC Monthly Maintenance and Bill Print Service (Allison Bueché, Director of Customer & Community Relations)

Ms. Bueché recommended approval of blanket purchase orders in the amount of \$161,800 for monthly software maintenance and support (\$13,483.33 per month); \$163,000 for bill printing and postage (\$13,583.33 per month, postage being approximately \$120,000 of the \$163,000); and \$73,200 for mapping and staking for engineering (\$6,100 per month). She advised the requested amounts were based upon projections of historical charges as approved in the existing support agreement.

D. Dell Servers and Storage Area Network (Robby McCutcheon, Director of Information Technology)

Mr. McCutcheon recommended approval of a purchase order in the amount of \$169,431.05 to purchase three new Dell servers, two Dell switches, and a Dell storage area network (SAN). This equipment will replace the current virtual environment at the main office which supports the virtual servers. Mr. McCutcheon advised the existing infrastructure is approaching end-of-life and was purchased in 2015 and 2016. This is the final year of manufacturer support for this equipment. The proposal utilizes the State of Texas DIR contract and includes five years of support and implementation services. He added that this procurement is a budgeted item in the amount of \$300,000.

E. Ratification of Purchase, Schneider Engineering Power Supply Planning Support (Mike Wittler, CEO)

Mr. Wittler advised that in November 2020, the Board approved a blanket purchase order for a total amount of \$60,000 to Schneider Engineering to provide power supply planning and support for FYE 2021. By the end of May, 92% of the funds in that purchase order were expended and an additional purchase

order was issued for \$15,000 (The Board purchasing policy allows the General Manager to approve change orders up to 25% of the original Board approved amount). The final invoice for FYE 2021 exceeded that purchase order's allocation by \$935. Mr. Wittler requested the Board ratify a total purchase amount of \$75,935 to Schneider Engineering for power supply planning support in FYE 2021.

- F. Professional Service, Schneider Engineering Power Supply Planning Support (Mike Wittler, CEO)

Mr. Wittler recommended approval of a blanket purchase order for a total amount of \$85,000 to Schneider Engineering to provide power supply planning and support for FYE 2022. Mr. Wittler provided for the Board's review, a proposal outlining the services that Schneider has normally been providing to KPUB. Additional purchase orders are normally issued to Schneider engineering for other projects during the course of the year with amounts that are below the Board approval limit. For information purposes, Mr. Wittler provided a table listing all purchase orders issued to Schneider Engineering since the beginning of FYE 2021.

Mr. Howard motioned for approval purchases and sales. Mr. Cowden seconded the motion. Vote was by a show of hands. Motion carried 4 – 0. Mayor Blackburn was out of the Board Room at the time.

12. CONSIDERATION AND ACTION ON RESOLUTION NO. 21-28 – MIKE WITTLER, CEO:

Mr. Wittler presented Resolution No. 21-28, appointing the Accounting Supervisor? as the Board's Public Information Coordinator for the Board's approval. Mr. Howard motioned for approval of Resolution No. 21-28. Mr. Thomas seconded the motion. Vote was by a show of hands. Motion carried 4 – 0. Mayor Blackburn was out of the Board Room at the time.

13. ENGINEERING AND OPERATIONS PROJECTS, CAPITAL BUDGET AND RELIABILITY REPORTS – PAUL MARTINEZ, DIRECTOR OF ENGINEERING:

Mr. Martinez presented a spreadsheet summarizing spending for the Capital Budget through the fourth quarter of fiscal year end 2021. He highlighted customer extensions and pole inspection replacements. He also presented the reliability report for fiscal year end 2021, showing the System Average Interruption Duration Index (SAIDI) for each substation and the overall system broken out by quarter. As previously discussed for is iteration of the reliability report, Mr. Martinez reformatted for ease of understanding. The table shows the SAIDI with and without Major Event Days. Also, for ease of reference, SAIDI is read as consumer minutes and is the number of minutes each customer saw an outage for that location and that period of time; which is an industry standard metric. Board Members let Mr. Martinez know they did like the new format.

**At 11:33 Mr. Howard left the meeting.*

14. REPORT, CONSIDERATION AND ACTION ON KPUB ENERGY EFFICIENCY PROGRAMS – PAUL MARTINEZ, DIRECTOR OF ENGINEERING:

Mr. Martinez presented a report regarding the KPUB Energy Efficiency Programs. He reviewed a table summarizing the energy efficiency rebate program performance costs for the past fiscal year. He advised that KPUB budgeted to continue all of the existing energy efficiency programs for fiscal year ending 2022 at the same funding level of \$95,000. No action required by the Board.

15. DISCUSSION OF ORGANIZATIONAL STRUCTURE – MIKE WITTLER, CEO:

Mr. Wittler presented the organization charts for KPUB. He advised the organizational changes that were made with the new fiscal year were Tammye Riley was added responsibility of overseeing the field services group and maintenance and construction group as the Director of Operations; Purchasing and Facilities were reassigned to Amy Dozier, Director of Finance; and Customer Service was reassigned to Allision Bueché as Director of Customer and Community Relations. Mr. Wittler added that where he once had eight direct reports, he now has five. Chairman Stacy advised that the Personnel Committee requested a written succession plan be made. Chairman Stacy also requested having the policies/resolutions available electronically for Board members to have as a reference.

16. ADJOURNMENT

Chairman Stacy adjourned the Regular Board Meeting at 11:43 a.m.

Date Approved: _____

Philip Stacy, Chairman

ATTEST

Lidia S. Goldthorn, Assistant Secretary to the Board

MEMORANDUM

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

FROM: Amy Dozier

DATE: November 11, 2021

SUBJECT: Agenda Item No. 6 - Resolution No. 21-29

Presented for your review, wire transfers for operating expenses.

I. WIRE TRANSFERS - Operating Expense

LCRA - Power Cost Billing 09/01/2021 to 09/30/2021. Paid October 29, 2021 Transfer from TexPool Investment Fund to LCRA.	\$ 572,902.45
CPS ENERGY - Power Cost Billing 09/01/2021 to 09/30/2021. Paid October 19, 2021 Transfer from TexPool Investment Fund to CPS ENERGY.	\$ 1,773,095.42
BROADWAY BANK – Semi-Annual Bond Payment Paid October 29, 2021 Transfer from TexPool Investment Fund to BROADWAY BANK.	\$ 473,762.00
NEXTERA - Power Cost Billing 09/01/2021 to 09/30/2021. Paid October 19, 2021 Transfer from TexPool Investment Fund to NEXTERA.	\$ 469,440.00
DG TEXAS SOLAR, LLC - Power Cost Billing 09/01/2021 to 09/30/2021. Paid October 22, 2021 Transfer from TexPool Investment Fund to DG TEXAS SOLAR, LLC.	\$ 61,904.07
CONCHO BLUFF - Power Cost Billing 09/01/2021 to 09/30/2021. Paid October 26, 2021 Transfer from TexPool Investment Fund to CONCHO BLUFF.	\$ 278,087.72
ENGIE LONG DRAW SOLAR - Power Cost Billing 09/01/2021 to 09/30/2021. Paid October 27, 2021 Transfer from TexPool Investment Fund to ENGIE LONG DRAW SOLAR.	\$ 103,758.86
CITY OF GARLAND - Power Cost Billing 09/01/2021 to 09/30/2021. *Credit Received November 1, 2021 Transfer to Happy State Bank.	\$ (911,779.62)

II. WIRE TRANSFERS – Investments

A. Transfer from Happy State Bank Operating Account to Happy State Bank Investment Fund:

<u>Date</u>	<u>Principal</u>
October 20, 2021	\$ 250,000.00
October 22, 2021	\$ 400,000.00
October 27, 2021	\$ 600,000.00
November 1, 2021	\$ 1,600,000.00
November 5, 2021	\$ 350,000.00
November 9, 2021	\$ 350,000.00

III. WIRE TRANSFERS - Payroll

Automated Clearing House for Pay Periods Ending:

October 15, 2021	\$ 116,796.36
October 29, 2021	\$ 115,391.08

IV. WIRE TRANSFERS - Payroll - Federal Reserve Bank

Federal Withholding and FICA for Period Ending:

October 15, 2021	\$ 41,956.58
October 29, 2021	\$ 40,970.86

V. WIRE TRANSFER - TMRS and TML

Texas Municipal Retirement System (TMRS)

Retirement Plan Contribution for the month of October – Paid 11/12/2021	\$ 100,812.12
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Texas Municipal League (TML)

Monthly Premium - Medical, Dental, Vision and Life for the month of November – Paid 11/01/2021	\$ 54,569.29
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If you have any questions on the items presented for payment, I will be happy to answer them at your convenience.

Sincerely,



Amy Dozier
Director of Finance

RESOLUTION NO. 21-29

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 17th day of November, 2021

Philip Stacy, Chairman

ATTEST:

Larry Howard, Secretary

MEMORANDUM

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

From: Amy Dozier

Date: November 11, 2021

Re: Agenda Item No. 7 — Financial Report

This month's report contains financial statements for 2 months – September 2021 and October 2021. The September report was delayed in order to accommodate the year-end financial close schedule and the annual audit.

FY2021 highlights include:

- \$2.3M increase in net position
- \$42.7M in operating revenues (2.5% increase from FY2020)
- \$39.5M in operating expenses (0.9% increase from FY2020)
- \$3.2M in operating income
- \$1.7M in over collected power cost adjustment at 9/30/2021

October 2021 highlights include:

- \$159K increase in net position
- \$3.4M in operating revenues (better than budget and prior year)
- \$3.2M in operating expense (better than budget, higher than prior year)
- \$257K in operating income
- \$2.1M in over collected power cost adjustment at 10/31/2021

The Power Cost Adjustment (PCA) remained at \$95.00 for October. Due to pending litigation and rising purchased power costs, the PCA is expected to remain stable at \$95.00 for the foreseeable future.

Sincerely,



Amy Dozier
Director of Finance



Kerrville Public Utility Board
 Statement of Revenues, Expenses and Changes in Fund Net Position
 For the Year Ended September 30, 2021
 (AUDIT DRAFT)

	Comparison to Budget				Comparison to Last Year		
	Current Month	Current Month Budget Amount	Increase Decrease (Decrease)	Percentage Increase Decrease (Decrease)	Current Month	Increase Decrease (Decrease)	Percentage Increase Decrease (Decrease)
					Last Year Amount		
OPERATING REVENUES:							
Residential	\$ 5,458,763	\$ 2,187,235	\$ 3,271,528	149.57%	\$ 1,676,047	\$ 3,782,716	225.69%
Commercial/Industrial	4,225,268	1,671,550	2,553,718	152.78%	1,389,162	2,836,106	204.16%
Sales to Public Authorities	21,347	23,200	(1,853)	-7.99%	21,078	269	1.28%
Other	(45,022)	43,200	(88,222)	-204.22%	135,665	(180,687)	-133.19%
TOTAL OPERATING REVENUES	9,660,356	3,925,185	5,735,171	146.11%	3,221,952	6,438,404	199.83%
OPERATING EXPENSES:							
Purchased Power	8,039,570	2,421,854	5,617,717	231.96%	2,329,252	5,710,318	245.16%
Distribution	272,291	299,321	(27,030)	-9.03%	371,002	(98,711)	-26.61%
Customer Accounting	35,789	57,200	(21,411)	-37.43%	54,302	(18,513)	-34.09%
Customer Service & Informational	37,649	29,300	8,349	28.49%	33,684	3,965	11.77%
Administrative Expenses	126	908,869	(908,743)	-99.99%	329,413	(329,287)	-99.96%
Franchise Fees - Ingram	3,159	2,900	259	8.92%	3,012	146	4.85%
Depreciation	307,471	299,500	7,971	2.66%	282,445	25,025	8.86%
Other	(2,187)	(2,000)	(187)	9.37%	(1,290)	(898)	69.60%
TOTAL OPERATING EXPENSES	8,693,867	4,016,944	4,676,923	116.43%	3,401,820	5,292,046	155.57%
OPERATING INCOME	966,489	(91,759)	1,058,248	-1153.29%	(179,868)	1,146,358	-637.33%
NONOPERATING REVENUES (EXPENSES):							
Interest Income - Investments	8,759	7,519	1,240	16.49%	9,461	(702)	-7.42%
Interest & Sinking Fund	73	88	(15)	-16.79%	36	36	100.30%
Interest Income - City of Kerrville	15,000	14,167	833	5.88%	15,000	-	0.00%
Interest Expense - Debt	(10,460)	(10,460)	-	0.00%	(11,216)	755	-6.73%
Interest Expense - Customer Deposits	10,060	-	10,060	-	(11,614)	21,674	-186.62%
AFUDC - Borrowed Funds	-	3,100	(3,100)	-100.00%	5,565	(5,565)	-100.00%
Other - Net	1,792	4,700	(2,908)	-61.87%	(3,483)	5,275	-151.45%
TOTAL NONOPERATING REVENUES (EXPENSES):	25,223	19,113	6,110	31.97%	3,750	21,473	572.61%
NET INCOME	991,713	(72,646)	1,064,359	-1465.13%	(176,118)	1,167,831	-663.09%
NET POSITION AT BEGINNING OF MONTH	\$ 71,204,185				\$ 70,084,235		
Plus: Contributions in Aid of Constr	17,023	9,000	8,023	89.15%	25,176	(8,153)	-32.38%
Less: General Fund Transfer	102,587	118,000	(15,413)	-13.06%	90,198	12,389	13.74%
NET POSITION AT END OF MONTH	\$ 72,110,334				\$ 69,843,094		
Percent of Net Income to Operating Revenue	10.27%				-5.47%		

Kerrville Public Utility Board
Statement of Revenues, Expenses and Changes in Fund Net Position
For the Year Ended September 30, 2021
(AUDIT DRAFT)

	Comparison to Budget				Comparison to Last Year		
	Year to Date	Year to Date Budget Amount	Increase Decrease (Decrease)	Percentage Increase (Decrease)	Year to Date Last Year Amount	Increase Decrease (Decrease)	Percentage Increase (Decrease)
OPERATING REVENUES:							
Residential	\$ 23,930,414	\$ 23,957,969	\$ (27,554)	-0.12%	\$ 23,798,342	\$ 132,073	0.55%
Commercial/Industrial	17,878,932	18,682,669	(803,737)	-4.30%	17,208,159	670,773	3.90%
Sales to Public Authorities	252,846	278,400	(25,554)	-9.18%	276,392	(23,545)	-8.52%
Other	662,794	627,450	35,344	5.63%	390,085	272,709	69.91%
TOTAL OPERATING REVENUES	42,724,987	43,546,488	(821,501)	-1.89%	41,672,978	1,052,009	2.52%
OPERATING EXPENSES:							
Purchased Power	28,344,931	28,993,003	(648,071)	-2.24%	27,568,854	776,077	2.82%
Distribution	3,034,839	3,522,887	(488,048)	-13.85%	3,334,014	(299,175)	-8.97%
Customer Accounting	549,146	674,200	(125,054)	-18.55%	638,769	(89,622)	-14.03%
Customer Service & Informational	289,809	340,900	(51,091)	-14.99%	251,044	38,765	15.44%
Administrative Expenses	3,730,309	4,813,269	(1,082,960)	-22.50%	3,894,614	(164,305)	-4.22%
Franchise Fees - Ingram	31,327	31,900	(573)	-1.80%	30,137	1,191	3.95%
Depreciation	3,546,393	3,561,000	(14,607)	-0.41%	3,432,186	114,207	3.33%
Other	(25,927)	(24,000)	(1,927)	8.03%	(17,383)	(8,544)	49.15%
TOTAL OPERATING EXPENSES	39,500,829	41,913,159	(2,412,330)	-5.76%	39,132,236	368,593	0.94%
OPERATING INCOME	3,224,158	1,633,328	1,590,830	97.40%	2,540,742	683,416	26.90%
NONOPERATING REVENUES (EXPENSES):							
Revenue Fund	74,045	90,206	(16,161)	-17.92%	282,025	(207,980)	-73.75%
Interest & Sinking Fund	159	1,051	(891)	-84.82%	1,838	(1,678)	-91.32%
Interest Income - City of Kerrville	190,000	170,000	20,000	11.76%	180,000	10,000	5.56%
Interest Expense - Debt	(126,279)	(126,279)	-	0.00%	(135,230)	8,951	-6.62%
Interest Expense - Customer Deposits	5,192	-	5,192	-	(11,614)	16,806	-144.71%
AFUDC - Borrowed Funds	-	37,200	(37,200)	-100.00%	43,829	(43,829)	-100.00%
Other - Net	(45,106)	56,400	(101,506)	-179.97%	(12,804)	(32,302)	252.28%
TOTAL NONOPERATING REVENUES (EXPENSES):	98,012	228,578	(130,565)	-57.12%	348,044	(250,032)	-71.84%
NET INCOME	\$ 3,322,170	\$ 1,861,906	\$ 1,460,264	78.43%	\$ 2,888,786	\$ 433,384	15.00%
NET POSITION AT BEGINNING OF YEAR							
Plus: Contributions in Aid of Constr	215,638	108,000	107,638	99.66%	279,482	(63,844)	-22.84%
Less: General Fund Transfer	1,270,568	1,308,300	(37,732)	-2.88%	1,274,955	(4,387)	-0.34%
NET POSITION AT END OF MONTH	\$ 72,110,334				\$ 69,843,094		
Percent of Net Income to Operating Revenue	7.78%				6.93%		



Kerrville Public Utility Board
Balance Sheet
September 30, 2021
(AUDIT DRAFT)

Assets	September 30, 2021		September 30, 2020	Liabilities and Equity	September 30, 2021	
	(Unaudited)				(Unaudited)	September 30, 2020
Utility Plant:				Net Position:		
Electric Plant in Service	\$ 90,118,697	\$	84,757,081	Net Position	\$ 72,110,334	\$ 69,843,094
Less: Accumulated Depreciation	(44,085,063)		(41,511,651)			
	46,033,634		43,245,430	Total Net Position	72,110,334	69,843,094
Construction Work in Progress	1,943,177		4,386,814			
Net Utility Plant	47,976,812		47,632,243			
Restricted Assets:				Liabilities:		
Cash and Cash Equivalents:				Long-Term Debt:		
Customer Deposits	493,781		523,276	2013 Revenue Bonds		
Total Cash and Cash Equivalents	493,781		523,276	Net of Current Portion	3,269,000	3,680,000
Investments:				Plus: Unamortized Premium	-	-
2013 Bond Construction Fund	-		-	Less: Unamortized Refunding Charge	-	-
Interest and Sinking Fund	429,052		423,697	Total Long-Term Debt	3,269,000	3,680,000
Emergency, Repair, Replace, Conting Fund	3,546,912		3,534,535	Pension Liability	1,132,935	1,445,475
L.T. Rate Stabilization Fund	904,094		723,583	Total Long-Term Debt and Pension	4,401,935	5,125,475
Total Investments	4,880,057		4,681,816			
Total Restricted Assets	5,373,838		5,205,092	Current Liabilities Payable from Restricted Assets:		
Current Assets:				Current Portion of 2013 Revenue Bonds	411,000	401,000
Revenue Fund:				Accrued Interest Payable	52,302	56,078
Cash and Cash Equivalents	511,280		591,035	Customer Deposits	493,781	523,276
Investments	21,179,561		11,008,452	Interest on Customer Deposits	3,178	11,564
Less: Customer Deposits	(493,781)		(523,276)	Total Current Liab - Restricted	960,261	991,918
Total Revenue Fund	21,197,060		11,076,210			
Construction Fund:				Current Liabilities:		
Cash and Cash Equivalents	5,081		5,068	Accounts Payable - Power Suppliers	10,295,379	2,165,917
Investments	1,442,338		1,658,519	Accounts Payable and Accrued Liab's	1,164,618	1,220,722
Total Construction Fund	1,447,419		1,663,587	Over Collection of Power Cost Adj Revs	1,681,982	1,983,318
Rate Stabilization Fund:				Total Current Liabilities	13,141,979	5,369,957
Cash and Cash Equivalents	-		-	Total Liabilities	18,504,175	11,487,350
Investments	1,898,113		1,896,918	Deferred Credits:		
Total Rate Stabilization Fund	1,898,113		1,896,918	Deferred Inflows of Resources - Pension	1,873,832	2,540,816
ERCOT CRR Auction Funds	-		279,826			
Customer Accounts Receivable,						
Net of Allowances	3,710,840		3,721,152			
Materials and Supplies	955,314		1,011,261			
Other	910,622		912,521			
Total Current Assets	30,119,368		20,561,476			
Deferred Debits:						
Deferred Outflow of Resources	1,518,324		1,972,450			
Advance to City of Kerrville-2016	7,500,000		7,500,000			
Advance to City of Kerrville-2020	-		1,000,000			
Total Deferred Debits	9,018,324		10,472,450			
Total Assets and Deferred Outflows	\$ 92,488,341	\$	83,871,261	Total Equity, Liabilities and Deferred Inflows	\$ 92,488,341	\$ 83,871,261



Kerrville Public Utility Board
Fund Balance Detail
For the Month Ended September 30, 2021

	Date	Revenue Fund	Construction Fund	Rate Stabilization Fund	Long Term Rate Stabilization Fund	Debt Reserve Fund	Restricted		Total Funds Invested
							Interest & Sinking Fund	Emergency Repair, Replacement & Contingency Fund	
Beginning Fund Balance		\$ 19,503,458	\$ 1,442,066	\$ 1,897,755	\$ 903,923	\$ -	\$ 384,341	\$ 3,553,044	\$ 27,684,587
Withdrawals:									
TEXPOOL-TML Insurance	09/01/21	(53,975)							(53,975)
TEXPOOL-TMRS	09/14/21	(64,924)							(64,924)
TEXPOOL-LCRA	09/29/21	(567,947)							(567,947)
TEXPOOL-CPS Energy	09/23/21	(1,507,002)							(1,507,002)
TEXPOOL-NextEra	09/16/21	(485,088)							(485,088)
TEXPOOL-ERCOT	09/09/21	(91,161)							(91,161)
TEXPOOL-ERCOT	09/22/21	(78,032)							(78,032)
TEXPOOL-DG Southwest Solar LLC	09/20/21	(61,343)							(61,343)
TEXPOOL-Engie-Long Draw Solar	09/24/21	(112,095)							(112,095)
TEXPOOL-Concho Bluff	09/29/21	(263,745)							(263,745)
Investments:									
Happy State Bank	09/01/21	700,000							700,000
Happy State Bank	09/07/21	700,000							700,000
Happy State Bank	09/13/21	500,000							500,000
Happy State Bank	09/15/21	500,000							500,000
Happy State Bank	09/20/21	700,000							700,000
Happy State Bank	09/24/21	700,000							700,000
Happy State Bank	09/27/21	400,000							400,000
Happy State Bank	09/30/21	800,000							800,000
Fund Balance after Withdrawals & Investments		21,218,147	1,442,066	1,897,755	903,923	-	384,341	3,553,044	29,399,276
Allocation of:									
Interest Income		3,944	272	358	171	-	73	670	5,488
Interest Receivable (accrued on CD)		2,107						1,140	3,247
Interest Receivable (received on CD)								(7,942)	(7,942)
Total Interest Allocation		6,051	272	358	171	-	73	(6,132)	793
Fund Balance After Allocations		21,224,199	1,442,338	1,898,113	904,094	-	384,414	3,546,911	29,400,069
Interfund Transfers :									
Debt Service	09/30/21	(44,638)					44,638		-
City of Kerrville Interest Payment									-
Ending Fund Balance		\$ 21,179,561	\$ 1,442,338	\$ 1,898,113	\$ 904,094	\$ -	\$ 429,052	\$ 3,546,911	\$ 29,400,069



Kerrville Public Utility Board
 Computation of the Monthly and Year to Date Debt Service Coverage
 For the Year Ended September 30, 2021

Description	Current Month	Fiscal Year	Previous 12 Months
Change in Net Position	\$ 906,149	\$ 2,267,240	\$ 2,267,240
Plus:			
Interest Expense (net of amortizations)	400	121,087	121,087
Depreciation Expense	307,471	3,432,186	3,432,186
Numerator	1,214,020	5,820,513	5,820,513
 DIVIDED BY:			
Interest Expense (net of amortizations)	400	121,087	121,087
Principal Payment Due	34,250	410,167	410,167
Denominator	\$ 34,650	\$ 531,254	\$ 531,254
Debt Service Coverage Ratio	35.04	10.96	10.96
Minimum Requirement per Bond Covenant		1.35	times Debt Service
Minimum Requirement Established by KPUB Board for Good Business Practices		1.65	times Debt Service

Kerrville Public Utility Board
Statement of Revenues, Expenses and Changes in Fund Net Position
For the Month Ended October 31, 2021
(Unaudited)

	Comparison to Budget				Comparison to Last Year		
	Current Month	Current Month	Increase (Decrease)	Percentage Increase (Decrease)	Current Month	Increase (Decrease)	Percentage Increase (Decrease)
		Budget Amount			Last Year Amount		
OPERATING REVENUES:							
Residential	\$ 1,855,859	\$ 1,752,167	\$ 103,691	5.92%	\$ 1,526,235	\$ 329,623	21.60%
Commercial/Industrial	1,495,179	1,475,083	20,095	1.36%	1,120,903	374,276	33.39%
Sales to Public Authorities	21,434	21,000	434	2.07%	20,768	666	3.21%
Other	52,037	55,500	(3,463)	-6.24%	32,678	19,358	59.24%
TOTAL OPERATING REVENUES	3,424,508	3,303,751	120,757	3.66%	2,700,584	723,924	26.81%
OPERATING EXPENSES:							
Purchased Power	2,206,987	2,260,749	(53,762)	-2.38%	2,205,431	1,555	0.07%
Distribution	261,940	298,207	(36,268)	-12.16%	233,306	28,634	12.27%
Customer Accounting	26,759	47,000	(20,241)	-43.07%	31,383	(4,624)	-14.73%
Customer Service & Informational	20,090	36,400	(16,310)	-44.81%	17,748	2,342	13.19%
Administrative Expenses	346,785	432,900	(86,115)	-19.89%	245,531	101,254	41.24%
Franchise Fees - Ingram	2,761	2,500	261	10.44%	2,281	480	21.04%
Depreciation	306,316	304,000	2,316	0.76%	282,430	23,887	8.46%
Other	(4,438)	(1,300)	(3,138)	241.35%	(10,097)	5,659	-56.05%
TOTAL OPERATING EXPENSES	3,167,201	3,380,456	(213,256)	-6.31%	3,008,014	159,186	5.29%
OPERATING INCOME	257,307	(76,706)	334,013	-435.45%	(307,430)	564,738	-183.70%
NONOPERATING REVENUES (EXPENSES):							
Interest Income - Investments	7,192	5,421	1,771	32.68%	9,443	(2,251)	-23.84%
Interest Income - City of Kerrville	15,000	15,000	-	0.00%	16,667	(1,667)	-10.00%
Interest Expense - Debt	(10,460)	(10,460)	-	0.00%	(11,216)	755	-6.73%
Interest Expense - Customer Deposits	(248)	-	(248)	-	(954)	706	-74.01%
City of Kerrville - General Fund Transfer	(116,504)	(99,300)	(17,204)	17.33%	(80,485)	(36,019)	44.75%
Other - Net	(3,455)	130	(3,585)	-2757.35%	(3,970)	515	-12.97%
TOTAL NONOPERATING REVENUES (EXPENSES):	(108,474)	(89,210)	(19,265)	21.59%	(70,514)	(37,960)	53.83%
INCOME BEFORE CONTRIBUTIONS	148,833	(165,915)	314,748	-189.70%	(377,944)	526,777	-139.38%
CAPITAL CONTRIBUTIONS	9,838	9,000	838	9.32%	9,343	496	5.31%
CHANGE IN NET POSITION	\$ 158,671	\$ (156,915)	\$ 315,587	201.12%	\$ (368,601)	\$ 527,273	143.05%
NET POSITION AT BEGINNING OF MONTH	\$ 72,110,334				\$ 69,843,094		
NET POSITION AT END OF MONTH	\$ 72,269,005				\$ 69,474,493		

Kerrville Public Utility Board
Statement of Revenues, Expenses and Changes in Fund Net Position
For the Month Ended October 31, 2021
(Unaudited)

	Comparison to Budget				Comparison to Last Year		
	Year to Date	Year to Date		Percentage	Year to Date Last Year	Year to Date	
		Budget Amount	Increase (Decrease)	Increase (Decrease)		Increase (Decrease)	Percentage Increase (Decrease)
OPERATING REVENUES:							
Residential	\$ 1,855,859	\$ 1,752,167	\$ 103,691	5.92%	\$ 1,526,235	\$ 329,623	21.60%
Commercial/Industrial	1,495,179	1,475,083	20,095	1.36%	1,120,903	374,276	33.39%
Sales to Public Authorities	21,434	21,000	434	2.07%	20,768	666	3.21%
Other	52,037	55,500	(3,463)	-6.24%	32,678	19,358	59.24%
TOTAL OPERATING REVENUES	3,424,508	3,303,751	120,757	3.66%	2,700,584	723,924	26.81%
OPERATING EXPENSES:							
Purchased Power	2,206,987	2,260,749	(53,762)	-2.38%	2,205,431	1,555	0.07%
Distribution	261,940	298,207	(36,268)	-12.16%	233,306	28,634	12.27%
Customer Accounting	26,759	47,000	(20,241)	-43.07%	31,383	(4,624)	-14.73%
Customer Service & Informational	20,090	36,400	(16,310)	-44.81%	17,748	2,342	13.19%
Administrative Expenses	346,785	432,900	(86,115)	-19.89%	245,531	101,254	41.24%
Franchise Fees - Ingram	2,761	2,500	261	10.44%	2,281	480	21.04%
Depreciation	306,316	304,000	2,316	0.76%	282,430	23,887	8.46%
Other	(4,438)	(1,300)	(3,138)	241.35%	(10,097)	5,659	-56.05%
TOTAL OPERATING EXPENSES	3,167,201	3,380,456	(213,256)	-6.31%	3,008,014	159,186	5.29%
OPERATING INCOME	257,307	(76,706)	334,013	-435.45%	(307,430)	564,738	-183.70%
NONOPERATING REVENUES (EXPENSES):							
Interest Income - Investments	7,192	5,421	1,771	32.68%	9,443	(2,251)	-23.84%
Interest Income - City of Kerrville	15,000	15,000	-	0.00%	16,667	(1,667)	-10.00%
Interest Expense - Debt	(10,460)	(10,460)	-	0.00%	(11,216)	755	-6.73%
Interest Expense - Customer Deposits	(248)	-	(248)	-	(954)	706	-74.01%
City of Kerrville - General Fund Transfer	(116,504)	(99,300)	(17,204)	17.33%	(80,485)	(36,019)	44.75%
Other - Net	(3,455)	130	(3,585)	-2757.35%	(3,970)	515	-12.97%
TOTAL NONOPERATING REVENUES (EXPENSES):	(108,474)	(89,210)	(19,265)	21.59%	(70,514)	(37,960)	53.83%
INCOME BEFORE CONTRIBUTIONS	148,833	(165,915)	314,748	-189.70%	(377,944)	526,777	-139.38%
CAPITAL CONTRIBUTIONS	9,838	9,000	838	9.32%	9,343	496	5.31%
CHANGE IN NET POSITION	\$ 158,671	\$ (156,915)	\$ 315,587	201.12%	\$ (368,601)	\$ 527,273	143.05%
NET POSITION AT BEGINNING OF YEAR	\$ 72,110,334				\$ 69,843,094		
NET POSITION AT END OF MONTH	\$ 72,269,005				\$ 69,474,493		

Kerrville Public Utility Board
Balance Sheet
As of October 31, 2021

Assets	October 31, 2021 (Unaudited)	September 30, 2021	Liabilities and Equity	October 31, 2021 (Unaudited)	September 30, 2021
Utility Plant:					
Utility Plant in Service	\$ 90,536,964	\$ 90,118,697	Total Net Position	\$ 72,269,005	\$ 72,110,334
Less: Accumulated Depreciation	<u>(44,342,808)</u>	<u>(44,085,063)</u>			
Net Utility Plant in Service	46,194,156	46,033,634	Liabilities:		
Construction Work in Progress	<u>1,625,999</u>	<u>1,943,177</u>	Long-Term Liabilities:		
Total Utility Plant	47,820,155	47,976,812	2013 Revenue Bonds, net of current portion	2,847,000	3,269,000
Restricted Assets:			Pension Liability	<u>1,132,935</u>	<u>1,132,935</u>
Customer Deposits	496,641	493,781	Total Long-Term Liabilities	3,979,935	4,401,935
Investments:			Current Liabilities Payable from Restricted Assets:		
Interest and Sinking Fund	-	429,052	Current Portion of 2013 Revenue Bonds	422,000	411,000
Emergency, Repair, Replace, Contingency Fund	3,547,997	3,546,912	Accrued Interest Payable	-	52,302
L.T. Rate Stabilization Fund	<u>904,243</u>	<u>904,094</u>	Customer Deposits	496,641	493,781
Total Investments	4,452,240	4,880,057	Interest on Customer Deposits	<u>3,304</u>	<u>3,178</u>
Total Restricted Assets	4,948,881	5,373,838	Total Current Liabilities - Restricted	921,945	960,261
Current Assets:			Current Liabilities:		
Revenue Fund:			Accounts Payable - Power Suppliers	9,383,599	10,295,379
Cash and Cash Equivalents	833,892	511,280	Accounts Payable and Accrued Liabilities	710,639	1,164,618
Investments	19,993,632	21,179,561	Over Collection of Power Cost Adjustment	<u>2,132,628</u>	<u>1,681,982</u>
Less: Customer Deposits	<u>(496,641)</u>	<u>(493,781)</u>	Total Current Liabilities	12,226,866	13,141,979
Total Revenue Fund	20,330,883	21,197,060	Total Liabilities	17,128,746	18,504,175
Construction Fund:			Deferred Inflows:		
Cash and Cash Equivalents	5,082	5,081	Deferred Inflows of Resources - Pension & OPEB	1,873,832	1,873,832
Investments	<u>1,442,576</u>	<u>1,442,338</u>			
Total Construction Fund	1,447,658	1,447,419			
Rate Stabilization Fund:					
Investments	<u>1,898,426</u>	<u>1,898,113</u>			
Total Rate Stabilization Fund	1,898,426	1,898,113			
Customer Accounts Receivable, net of allowance	3,768,934	3,710,840			
Materials and Supplies	967,041	955,314			
Other	<u>1,071,282</u>	<u>910,622</u>			
Total Current Assets	29,484,224	30,119,368			
Noncurrent Assets and Deferred Outflows:					
Deferred Outflow of Resources - Pension & OPEB	1,518,324	1,518,324			
Advance to City of Kerrville-2016	<u>7,500,000</u>	<u>7,500,000</u>			
Total Noncurrent and Deferred	9,018,324	9,018,324			
Total Assets and Deferred Outflows	<u>\$ 91,271,583</u>	<u>\$ 92,488,341</u>	Total Equity, Liabilities and Deferred Inflows	<u>\$ 91,271,583</u>	<u>\$ 92,488,341</u>

Kerrville Public Utility Board
Fund Balance Detail
For the Month Ended October 31, 2021

Date	Revenue Fund	Construction Fund	Rate Stabilization Fund	Restricted				Total Funds Invested	
				Long Term Stabilization Fund	Debt Reserve Fund	Interest & Sinking Fund	Emergency Repair, Replacement & Contingency Fund		
Beginning Fund Balance	\$ 21,179,561	\$ 1,442,338	\$ 1,898,113	\$ 904,094	\$ -	\$ 429,052	\$ 3,546,911	\$ 29,400,069	
Withdrawals:									
TEXPOOL-TML Insurance	10/01/21	(53,309)						(53,309)	
TEXPOOL-TML Insurance	10/07/21	(154,771)						(154,771)	
TEXPOOL-TMRS	10/13/21	(64,253)						(64,253)	
TEXPOOL-LCRA	10/29/21	(572,902)						(572,902)	
TEXPOOL-CPS Energy	10/19/21	(1,773,095)						(1,773,095)	
TEXPOOL-NextEra	10/19/21	(469,440)						(469,440)	
TEXPOOL-ERCOT	10/04/21	(2,000)						(2,000)	
TEXPOOL-DG Southwest Solar LLC	10/22/21	(61,904)						(61,904)	
TEXPOOL-Engie-Long Draw Solar	10/27/21	(103,759)						(103,759)	
TEXPOOL-Concho Bluff	10/26/21	(278,088)						(278,088)	
TEXPOOL-Debt Service	10/29/21					(473,762)		(473,762)	
Investments:									
Happy State Bank	10/04/21	700,000						700,000	
Happy State Bank	10/12/21	450,000						450,000	
Happy State Bank	10/20/21	250,000						250,000	
Happy State Bank	10/22/21	400,000						400,000	
Happy State Bank	10/27/21	600,000						600,000	
Fund Balance after Withdrawals & Investments	20,046,039	1,442,338	1,898,113	904,094	-	(44,710)	3,546,911	27,792,785	
Allocation of:									
Interest Income	10/31/21	2,739	238	313	149	-	63	255	3,758
Interest Receivable (accrued on CD)	10/31/21	2,498						831	3,329
Interest Receivable (received on CD)	10/12/21	(12,998)							(12,998)
Total Interest Allocation		(7,760)	238	313	149	-	63	1,086	(5,911)
Fund Balance After Allocations	20,038,279	1,442,576	1,898,426	904,243	-	(44,647)	3,547,997	27,786,874	
Interfund Transfers :									
Debt Service	10/31/21	(44,647)					44,647		-
Ending Fund Balance	\$ 19,993,632	\$ 1,442,576	\$ 1,898,426	\$ 904,243	\$ -	\$ -	\$ 3,547,997	\$ 27,786,874	

Kerrville Public Utility Board
 Computation of the Monthly and Year to Date Debt Service Coverage
 For the Month Ended October 31, 2021

Description	Current Month	Fiscal Year	Previous 12 Months
Change in Net Position	\$ 158,671	\$ 158,671	\$ 2,794,512
Plus:			
Interest Expense (net of amortizations)	10,460	10,460	120,331
Depreciation Expense	306,316	306,316	3,456,072
Numerator	475,447	475,447	6,370,916
DIVIDED BY:			
Interest Expense (net of amortizations)	10,460	10,460	120,331
Principal Payment Due	34,250	34,250	411,000
Denominator	\$ 44,710	\$ 44,710	\$ 531,331
Debt Service Coverage Ratio	10.63	10.63	11.99
Minimum Requirement per Bond Covenant		1.35	times Debt Service
Minimum Requirement Established by KPUB Board for Good Business Practices		1.65	times Debt Service

MEMORANDUM

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

From: Amy Dozier

Date: November 11, 2021

Re: Agenda Item No. 8 — Quarterly Funds Report

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

As of September 30, 2021, KPUB had \$29.9M invested in CD's, municipal investment pools and demand accounts at Happy State Bank. The majority of the funds (\$17.6M) are held in demand accounts at Happy State Bank. These accounts are fully collateralized, completely liquid and earning 25 basis points.

The investments were discussed in detail with the Investment Committee following the October Board meeting. KPUB plans to continue holding most of its investments in liquid accounts until pending litigation is resolved.

Sincerely,



Amy Dozier
Director of Finance

**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 September 30, 2021**

Total Funds Invested

Day of the Month	July 2021		August 2021		September 2021		Totals
1	\$	36,833,824	\$	37,397,450	\$	28,674,198	
2		37,032,692		37,862,750		28,777,386	
3		37,032,692		37,923,862		28,875,323	
4		37,032,692		37,981,512		28,875,323	
5		37,032,692		38,087,287		28,875,323	
6		37,387,828		38,229,473		28,875,323	
7		37,438,111		38,229,473		29,315,819	
8		37,429,788		38,229,473		29,439,804	
9		37,404,075		38,683,041		29,412,852	
10		37,404,075		38,794,152		29,773,878	
11		37,404,075		28,410,049		29,773,878	
12		37,722,744		28,301,781		29,773,878	
13		37,665,909		28,685,525		30,194,992	
14		37,895,807		29,185,525		30,265,554	
15		37,286,390		29,185,525		30,335,802	
16		37,365,823		29,089,329		29,676,776	
17		37,365,823		29,166,557		29,931,927	
18		37,365,823		28,749,117		29,931,927	
19		37,342,154		28,725,788		29,931,927	
20		37,393,573		28,912,271		30,407,161	
21		37,453,665		28,912,271		30,496,890	
22		36,156,113		28,912,271		30,481,891	
23		36,185,234		27,848,589		29,069,772	
24		36,185,234		27,930,968		29,333,009	
25		36,185,234		27,850,191		29,333,009	
26		36,404,991		27,853,434		29,333,009	
27		36,472,961		27,998,882		29,802,236	
28		36,522,119		27,998,882		29,878,902	
29		35,952,042		27,998,882		29,178,619	
30		37,396,446		27,869,792		29,850,648	
31				27,933,349			
Total of daily balance	\$	1,111,750,626	\$	978,937,451	\$	887,877,037	
Average daily balance	\$	37,058,354	\$	31,578,627	\$	29,595,901	\$ 33,095,168
Interest earnings	\$	4,247	\$	4,675	\$	8,831	\$ 17,753
APR ----->		0.14%		0.17%		0.36%	0.22%

**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 September 30, 2021**

Total Funds Invested by Fund

Fund	Market Value and Carrying Amount	Actual Interest Earnings	Budgeted Interest Earnings
Revenue	\$ 21,179,561	\$ 12,364	\$ 13,429
Construction	1,442,338	384	2,001
Rate Stabilization	1,898,113	485	2,285
Long Term Rate Stabilization	904,094	259	872
Debt Reserve	-	-	-
Interest & Sinking	429,052	95	263
Emergency, Repair, Replace & Cont. Fund	3,546,911	3,884	3,815
Revenue Fund - Checking Account	450,579	282	150
Total	\$ 29,850,648	\$ 17,753	\$ 22,814

Total Funds Invested by Security

Type of Security	Market Value and Carrying Amount	Actual Interest Earnings	Budgeted Interest Earnings
Certificate of Deposit	22% \$ 6,520,907	\$ 9,400	\$ 5,027
TEXPOOL	2% 691,745	396	533
LOGIC	17% 5,000,734	734	3,855
Happy State Bank - Investment	58% 17,186,683	6,942	13,249
Checking Account	2% 450,579	282	150
Totals	100% \$ 29,850,648	\$ 17,753	\$ 22,814

MEMORANDUM

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

From: Paul Martinez

Date: November 10, 2021

RE: Agenda Item #9A — Approval and Reporting of Purchasing and Sales

Presented for your consideration and review are the recommendations for purchase of a service:

- A. Wood Pole Inspection and Treatment. Staff is recommending executing the final extension of the existing agreement with Osmose. (The three year base contract with up to two extensions was approved in November of 2017.)

Per the allowable terms of the original agreement, the unit pricing represents an increase of 3.2% from last year utilizing the Consumer Price Index. Last year we utilized an average price per pole cost of \$46, adding the 3.2% we will utilize an average price per pole of \$47.38. To maintain a ten year cycle, we have been inspecting 2000 poles per year which results in a purchase order amount of \$94,760.

The Unit Pricing for the allowable services and the summary of services rendered are on the subsequent pages.

This extension is the last of the allowable extensions to the original agreement; these services will be re-bid over the course of this year.

Please let me know if you have any questions or concerns and I'd be happy to address them.

Best regards,



Paul Martinez, PMP, PE
Director of Engineering

Price Schedule 1
Effective 10/22/2021 - 03/31/2022

Line	Item	Price
1	VISUAL INSPECTION	\$ 4.82
2	SOUND AND BORE	\$ 7.69
3	PARTIAL EXCAVATION	\$ 25.52
4	FULL EXCAVATION	\$ 41.98
5	EXCAVATED REJECT POLE	\$ 41.98
6	EXT.G/L PRESERVATIVE TREATMENT	\$ 5.60
7	INTERNAL TREATMENT	\$ 17.70
8	REPORT LINE CLEARANCE (NESC)	\$ N/C
9	REPORT MISSING ID TAG	\$ 0.30
10	GPS LOCATION (1 - 10 METERS)	\$ N/C
11	FOREIGN ATTACHMENT ID	\$ 0.81
12	KPUB EQUIPMENT INVENTORY	\$ 0.81
13	GIS DATA COLLECTION	\$ N/C
14	ELECTRONIC DATA DELIVERY	\$ N/C
15	POLE REINFORCEMENT	\$ 1,077.06
16	DIGITAL IMAGE PER IMAGE	\$ 4.04
17	INSTALL GUY MARKERS - CUSTOMER	\$ 8.78
18	GROUNDWIRE REPAIR - CUSTOMER	\$ 16.74
19	OTHER - INSECT TREATMENT	\$ 4.93

Osmose Invoicing for FY 2020-2021

Invoice Dates	Due Dates	Invoice Number	Number of Poles Inspected	Priority Poles	Rejected Poles	Total
12/08/2020-12/12/2020	1/20/2021	1226363	228	1	7	\$6,572.23
12/14/2020-12/16/2020	1/22/2021	1226599	26	0	0	\$841.26
12/15/2020-12/18/2020	1/22/2021	1226598	155	0	5	\$6,446.99
12/21/2020-12/23/2020	2/1/2021	1229528	122	0	11	\$4,191.57
12/28/2020-12/31/2020	2/1/2021	1229527	186	0	1	\$6,232.95
1/04/2021-1/08/2021	2/18/2021	1230373	222	0	6	\$9,884.47
1/11/2021-1/11/2021	2/18/2021	1230414	41	0	0	\$1,959.46
1/08/2021-1/22/2021	2/25/2021	1230918	144	0	11	\$5,986.32
1/25/2021-1/29/2021	3/1/2021	1232402	239	0	5	\$8,626.61
2/08/2021-2/12/2021	3/29/2021	1236046	167	0	10	\$4,477.59
2/22/2021-2/26/2021	3/29/2021	1236058	251	0	12	\$8,108.04
3/16/2021-3/19/2021	5/1/2021	1239666	84	0	10	\$3,499.54
3/23/2021-3/23/2021	5/1/2021	1239888	120	0	11	\$443.00
3/22/2021-3/26/2021	4/1/2021	1239889	111	0	-	\$4,330.06
2/01/2021-2/05/2021	2/27/2021	1236029	229	0	51	\$8,289.95
						\$79,890.04

MEMORANDUM

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

From: Mike Wittler

Date: November 11, 2021

Re: Agenda Item No. 9—Report on Purchase Orders Issued Prior to Board Approval

B. Report on Transformer Purchase Order for Single Phase Padmount Transformers and Underground Primary Cable Issued Prior to Board Approval due to Increasing Lead Times

At the September 2021 Board Meeting, staff advised the Board that we had supply chain issues with single phase padmount transformers and that we had issued a purchase order for transformers to replace an order that had been cancelled by the manufacturer. We also advised the Board that in light of the increasing lead times we had also evaluated needs for underground single phase distribution materials for the next 12 to 24 months and issued a request for quotation for 90 transformers, 30,000 feet of underground primary cable and other miscellaneous materials the total cost of which was estimated to be \$400,000 to \$450,000.

On September 30 we issued the following purchase orders for transformers and primary cable:

PO #	Vendor/Manufacturer	Item	Quantity	Ave. Price	Total
19739	TEXAS ELECTRIC COOPERATIVES/GE Prolec	Transformers	50	\$ 3,735.00	\$ 186,750.00
19738	TECHLINE/Howard Industries	Transformers	40	\$ 3,227.63	\$ 129,105.00
19737	WESCO/ABB-Hitachi	Transformers	30	\$ 3,280.58	\$ 98,417.40
19736	WESCO/Okonite	Primary Cable	15,000	\$ 2.45	\$ 36,750.00
19735	TECHLINE/Okonite	Primary Cable	15,000	\$ 2.60	\$ 39,000.00
				Total	\$ 490,022.40

These purchase orders were issued prior to the normally required Board approval as allowed by “Resolution No. 20-06 A resolution Granting the KPUB General Manager and CEO Authorizations to Respond to the Covid-19 Disaster.” This resolution gives the General Manager and CEO authorization to “Approve any expenditures in excess of \$50,000 up to \$500,000 for ... General Services ... as those items are defined in Board Policy 42: Purchasing and Procurement Policy; require notification of the Kerrville Public Utility Board Trustees.”

We are continuing to closely monitor lead times to ensure that we are prepared to promptly provide service to new customers and developments. We are seeing increased lead times and pricing on materials across the board.

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

Sincerely,

A handwritten signature in black ink, appearing to read "Mike Wittler". The signature is stylized and cursive.

Mike Wittler
General Manager and CEO

MEMORANDUM

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

From: Allison Bueché

Date: November 10, 2021

RE: Agenda Item #10—Consideration & Action on Identity Theft Policy & Procedures

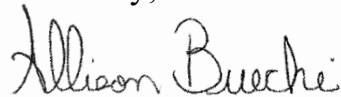
As part of KPUB's Identity Theft Prevention Program, our customer service department verifies a customer's identity by running an ONLINE Information Utility Exchange report.

For that purpose, KPUB has an agreement in place with ONLINE Information Services since October 2008. During the last 12 months, KPUB has processed 2,259 identity verification checks with zero issues. The total cost including monthly fees was \$4,487.31.

Our internal identity theft committee met recently to review our identity theft policies and procedures. Our recommended revisions to the program are attached. The revisions are minor ones to simplify and update some of the program language.

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

Sincerely,



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

Identity Theft Prevention ~~Policies~~ Policy and Procedures

I. Purpose

The goal of these policy and procedures are to prevent identity theft. Kerrville Public Utility Board (KPUB) recognizes its responsibility for safeguarding the personal information of its employees and customers. -The purpose of this document is to create policy and procedures to support the KPUB Identity Theft Prevention Program utilizing guidelines set forth in the FACT Act (2003).

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II. Scope

These policy and procedures apply to management and all personnel of KPUB. The following represents the policy and procedures for the development of the Identity Theft Prevention Program.

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III. Responsibility

KPUB must protect employee and customer data and implement policy and procedures that meet standards established by the Federal Trade Commission.

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IV. Definitions

IT- Information Technology

Identity Theft- Financial identity theft occurs when an individual or group uses another consumer's personal information (name, social security number, etc.) with the intent of conducting multiple transactions to commit fraud that results in substantial harm or inconvenience to the victim. This fraudulent activity may include opening deposit accounts with counterfeit checks, establishing credit card accounts, establishing a line of credit, or gaining access to the victim's accounts with the intent of depleting the balances.

Red Flag- A pattern or a particular specific activity that indicates the possible risk of identity theft.

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V. Procedures

1.

A. Red Flag Procedures

Steps to detect, prevent and mitigate identity theft in new and existing accounts

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Revised 11/~~08/2017~~/10/2021

Identity Theft Prevention Red Flag & Mitigation Procedures

Red Flag	Next Step	Mitigation
1) Consumer Report Indicates Fraud	Verify ID	Open acct.
2) Credit Freeze	Do not open acct.	Do not open acct.
3) Address discrepancy	No response	No response
4) Unusual patterns	Contact customer	No response
5) Forged ID	Do not open acct.	No response
6) Photo does not match	Do not open acct.	No response
7) ID information inconsistent	Contact Supervisor	No response
8) Info. Given does not match	Do not discuss acct.	No response
9) Application looks altered	Do not open acct.	No response
10) Applicant fails to provide ID	Do not open acct.	No response
11) Cannot confirm challenge question	Do not discuss acct.	No response
12) Change of billing address is followed with another request to add accts.	No response	No response
13) Initial Payment made but no other payment is made	Disconnect account	No response
14) Existing stable acct shows irregularities	Contact customer	No response
15) Acct usage exceeds limits	Verify usage	No response
146) Mail returned repeatedly	Contact customer	No response
157) Customer not receiving bills	Verify address	No response
168) Notification of unauthorized charges	Fill out affidavit	Reopen account with new account #
179) Notification that an account was opened fraudulent	Close acct	No response needed

Revised 11/08/2017/10/2021

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B. Opening New Accounts

KPUB will require all customers opening a new account to provide their name, date of birth, social security number, driver's license, residential or business address, and telephone number. KPUB will verify the customer's identity by obtaining a credit report from Online Utility Exchange. If the customer does not want to provide their social security number, ~~than then~~ they will be required to provide two forms of identification from the Federal I-9 form in order to open a new account. If the credit report identifies a red flag, the appropriate action will be taken based on the red flag procedures. Applications for new service will be taken in person or via online, email and by or fax. ~~Fax-~~ All applications will require the completed application and a copy of a valid photo ID ~~be presented to be faxed in~~ before processing.

C. Existing Accounts

KPUB will verify the identification of customers that ask for information on their account by requesting either the last four numbers of their social security number, date of birth or driver's license. KPUB will accept changes in banking or credit card information for billing and payment purposes, as well as updates to credit card expiration dates over the telephone after the identity verification as listed above. KPUB will also verify the validity of requests to change billing addresses by verifying the information directly with the customer.

2. Breech-Breach in Security

To prevent identity theft by KPUB employees, KPUB will limit the exposure of secured information by ~~creating a professional standard. KPUB will implement-utilizing a~~ "need to know principle of least privileged" ~~policy~~ with all confidential information. ~~KPUB will train management to recognize signs of employee theft including: sifting through waste receptacles, downloading excessive amounts of consumer information, using secured terminals without authorization, etc.~~

3. Record Disposal

KPUB will collect and protect documents and data until the time of destruction.

A. Paper

All paper documents with any customer information on them will ~~either~~ be shredded ~~immediately in the shredder located in the copy room or they will be placed in the 3 closed bins for shredding. One closed bin is located in the vault and two are located outside the IT office. These bins are emptied once a month by Marshall Shredding and then shredded onsite. A KPUB employee watches as the documents~~

Revised 11/08/2017/10/2021

are shredded. There is a video camera on the outside of the truck that shows the papers inside the truck and then shows the papers shredded afterwards. ~~There is a receipt given for the shredding that is done.~~

B. Electronic

~~All electronic records will be disposed of by software adhering to government standards for hard disk data destruction (DOD 5220.22 M).~~

C. CDs and Floppy Disks

~~All CDs and floppy disks will be physically destroyed.~~

Electronic records are subject to KPUB's retention policy. Any surplus equipment storing electronic records is documented and physically destroyed.

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4. Training and Screening

KPUB will run background checks and do a thorough screening at hiring. ~~KPUB will train current employees prior to November 1, 2008, new hires as they are hired and all employees required to be trained~~ on a yearly basis to identify Red Flags. Employees will receive only the information that relates to their specific job following the "~~need to know~~principle of least privilege" rule. ~~Supervisory training will involve additional information including managerial responsibilities in identity theft prevention. Training materials will include an Identity Theft Prevention Program Manual for supervisors and employees. All KPUB employees shall sign agreements to not disclose private information.~~

5. Handling Reports of Suspected Identity Theft

When the customer suspects Identity Theft, he/she must notify KPUB in writing by filling out the appropriate form.

Steps to follow for handling reports of Suspected Identity Theft:

- 1) Have customer fill out Report of Suspected Identity Theft (see Attachment A)
- 2) Make a copy of consumer's photo ID
- 3) Attach copy of police report
- 4) Close account(s) and reopen a new account(s)
- 5) Put a note in Account Messages on Customer Account
(# 11 Customer Menu, #11 Enter/Update Consumer Comment Codes, #10)

Take all information and give to Privacy Officer: ~~Clare Jo Anderson~~Allison Bueché

Revised 11/~~08/2017~~/10/2021

No information is to be given directly to the customer until the investigation is complete. When the investigation is complete, the Privacy Officer will provide information to the customer.

Identity Theft Victims are entitled to a copy of the application records at no charge. Records must be provided within 30 days of request. KPUB must also provide records to law enforcement if requested by customer.

If KPUB employees are not sure of the customer's identity, they must require proof by requesting:

- 1) government ID card
 - 2) Same type of ID required to open account
- Or
- 1) police report and a completed affidavit

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6. IT Security

~~KPUB IT has implemented a defense-in-depth environment throughout the KPUB network. The network administrator and IT management will conduct audits on a yearly basis using the Identity Theft Prevention Program Checklist for Information Technology. All system administrators and IT professionals shall sign agreements to not disclose private information.~~

7. Medical Confidentiality

KPUB shall not obtain or use medical information pertaining to a customer in connection with any determination of the customer's eligibility, or continued eligibility for services. All medical information will be treated as confidential and rules of protection against identity theft apply as to all other private information.

8. Reports, Reviews and Updates for Policy Enforcement

Periodically, internal staff and auditors who report to the KPUB Board of Trustees, external auditors and accountants, and government regulators will review practices to ensure compliance with corporate policy. The reports will be used to evaluate the effectiveness of and amend the Identity Theft Prevention Program. The Identity Theft Prevention ~~committee~~ Committee will review and revise the ~~policyies~~ and procedures as

Revised 11/08/2017/10/2021

needed. An annual report reviewing all incidents, program revisions and goals will be submitted to the board of ~~directors~~ trustees every year.

Attachment A

Report of Suspected Identity Theft

Note: Please be certain to provide all the information requested on this form. Failure to do so may delay the investigation.

1) Name: _____ (Full Legal Name)

2) Name on Account(s): _____

Revised 11/08/2017/10/2021

3) SS # _____ - _____ - _____

4) Phone Number: (_____) _____ - _____

5) Physical Address: _____

6) Mailing Address: _____

7) KPUB Account Number(s): _____

8) Police Case Number or FTC affidavit of identity theft: _____

9) Provide a detailed statement describing the questionable activity and the documents/information you are requesting from us: _____

By signing below, I _____,
attest to the accuracy and truthfulness of the information provided above.

Notary:

Signature

My Commission Expires: _____

Mail information to:

Kerrville Public Utility Board

Attn: ~~Clare Jo Anderson~~ Allison Bueché

P.O.

Box 294999

Kerrville, Texas 78029-4999

Revised 11/08/2017/10/2021

Identity Theft Prevention Policy and Procedures

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Red Flag- A pattern or a particular specific activity that indicates the possible risk of identity theft.

V. Procedures

1.

A. Red Flag Procedures

Steps to detect, prevent and mitigate identity theft in new and existing accounts

Identity Theft Prevention Red Flag & Mitigation Procedures

Red Flag	Next Step	Mitigation
1) Consumer Report Indicates Fraud	Verify ID	Open acct.
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B. Opening New Accounts

KPUB will require all customers opening a new account to provide their name, date of birth, social security number, driver's license, residential or business address, and telephone number. KPUB will verify the customer's identity by obtaining a credit report from Online Utility Exchange. If the customer does not want to provide their social security number, then they will be required to provide two forms of identification from the Federal I-9 form in order to open a new account. If the credit report identifies a red flag, the appropriate action will be taken based on the red flag procedures. Applications for new service will be taken in person or via online, email or fax. All applications will require the completed application and a copy of a valid photo ID be presented before processing.

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To prevent identity theft by KPUB employees, KPUB will limit the exposure of secured information by utilizing a "principle of least privileged" with all confidential information.

3. Record Disposal

KPUB will collect and protect documents and data until the time of destruction.

A. Paper

All paper documents with any customer information on them will be shredded.

B. Electronic

Electronic records are subject to KPUB's retention policy. Any surplus equipment storing electronic records is documented and physically destroyed.

4. Training and Screening

KPUB will run background checks and do a thorough screening at hiring. KPUB will train new hires as they are hired on a yearly basis to identify Red Flags. Employees will receive only the information that relates to their specific job following the "principle

of least privilege” rule. All KPUB employees shall sign agreements to not disclose private information.

5. Handling Reports of Suspected Identity Theft

When the customer suspects Identity Theft, he/she must notify KPUB in writing by filling out the appropriate form.

Steps to follow for handling reports of Suspected Identity Theft:

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(# 11 Customer Menu, #11 Enter/Update Consumer Comment Codes, #10)

Take all information and give to Privacy Officer: Allison Bueché

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 - 2) Same type of ID required to open account
- Or
- 1) police report and a completed affidavit

6. IT Security

KPUB IT has implemented a defense-in-depth environment throughout the KPUB network.

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KPUB shall not obtain or use medical information pertaining to a customer in connection with any determination of the customer's eligibility, or continued eligibility for services. All medical information will be treated as confidential and rules of protection against identity theft apply as to all other private information.

8. Reports, Reviews and Updates for Policy Enforcement

Periodically, internal staff and auditors who report to the KPUB Board of Trustees, external auditors and accountants, and government regulators will review practices to ensure compliance with corporate policy. The reports will be used to evaluate the effectiveness of and amend the Identity Theft Prevention Program. The Identity Theft Prevention Committee will review and revise the policy and procedures as needed. An annual report reviewing all incidents, program revisions and goals will be submitted to the board of trustees every year.

Report of Suspected Identity Theft

Note: Please be certain to provide all the information requested on this form. Failure to do so may delay the investigation.

1) Name: _____ (Full Legal Name)

2) Name on Account(s): _____

3) SS # _____ - _____ - _____

4) Phone Number: (_____) _____ - _____

5) Physical Address: _____

6) Mailing Address: _____

7) KPUB Account Number(s): _____

8) Police Case Number or FTC affidavit of identity theft: _____

9) Provide a detailed statement describing the questionable activity and the documents/information you are requesting from us: _____

By signing below, I _____,
attest to the accuracy and truthfulness of the information provided above.

Notary:

Signature

My Commission Expires: _____

Mail information to:

Kerrville Public Utility Board
Attn: Allison Bueché
Kerrville, Texas 78029-4999

P.O. Box 294999

MEMORANDUM

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

From: Allison Bueché

Date: November 10, 2021

RE: Agenda Item #11—Review, Consideration & Action on Possible Changes to KPUB Scholarship Program

Attached is an original copy of KPUB's Scholarship Program Eligibility Criteria and Guidelines from when the program was established in 2013 and recommended changes for 2022. The judge's evaluation form and point system being used is also included.

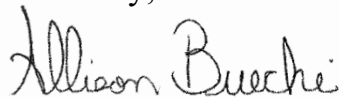
The last program revisions were in 2020 to increase the two renewable scholarship amounts from \$1000 to \$1500 annually. Additionally, we added a one-time \$1000 scholarship to be awarded exclusively for tech/trade school students in 2020. Before that, the program was last revised in 2017 for the eligibility requirements to allow for a wider range of applicants by increasing the economic need ranges for consideration.

Additional program history is attached with a list of the students who have been awarded KPUB scholarships since the program's inception and their intended majors and a listing of the 2021 applicants and their intended majors for your review.

Staff is recommending that we remove the current SAR under the eligibility guidelines going forward for students applying for the renewal of the scholarship since the only renewal requirement is maintaining a minimum GPA of 2.5 (on a 4.0 scale) while in college. It's not a necessary renewal requirement—the SAR is only considered upon the initial scholarship award, per our eligibility guidelines.

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

Sincerely,



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



2013 Kerrville Public Utility Board Scholarship Program

The Kerrville Public Utility Board (KPUB) encourages our local youth to work hard and follow their dreams. This scholarship program will provide financial assistance for higher education to two local students.

Awards

- Two (2) \$1,000 per year Renewable Scholarships
 - Eligible students may receive \$1,000 per year for up to four years

Eligibility

- Applicants must be graduating high school seniors who are enrolling for the first time in a full-time course of study at an accredited technical school, trade school, public or private college or university in the State of Texas.
- Applicants must be able to meet the requirements of the school, college or university selected.
- Applicants must have a minimum GPA of 2.5 (on a 4.0 scale) while in high school and, if seeking renewal of the scholarship, a minimum GPA of 2.5 (on a 4.0 scale) while in college.
- Upon initial award, the primary residence of the applicant's parents/guardians must be served by KPUB.
- The applicant must submit a completed KPUB Scholarship Application, an official high school transcript, two letters of recommendation from teachers, principals, counselors, etc. from the high school that is currently being attended, and a current Student Aid Report (SAR). *Incomplete packets will not be considered.*
- Students applying for renewal of the scholarship will have to prove continuing eligibility by submitting official college transcripts each year and a current SAR.

Program Guidelines

- A Scholarship Selection Committee, appointed by the Board of Trustees, will choose candidates and an alternate for the available scholarships to be awarded.
- Scholarships will be granted to attend an accredited technical school, trade school, public or private college or university in the State of Texas.



- Scholarship recipients must be considered by the registrar to be a full-time student.
- Consideration will be given to applicants whose Expected Family Contribution (EFC) is \$4995 - \$7500, as determined by the current SAR.
- Awarded scholarships will be mailed directly to the Financial Aid Office of the selected school, college or university.

Application Process

- Scholarship applications and guidelines will be available on our website at www.kpub.com and in the KPUB office at 2250 Memorial Blvd, Kerrville, Texas, beginning December 1st of each year.
- Successful applicants will be announced in early May.

Deadline

Completed application packets must be received by **Friday, 5:00 p.m. CST March 1, 2013** in the KPUB office located at:

2250 Memorial Boulevard
Kerrville, Texas 78028



2022 Kerrville Public Utility Board Scholarship Program

The Kerrville Public Utility Board (KPUB) encourages our local youth to work hard and follow their dreams. This scholarship program will provide financial assistance for higher education to three local students.

Awards

- Two (2) \$1,500 per year renewable scholarships for a total of up to \$6,000 overall
Eligible students may receive \$1,500 per year for up to four years
- One (1) \$1,000 one-time scholarship
Eligible students may receive a \$1,000 one-time scholarship that is exclusively for accredited trade school or technical students

Eligibility

- Applicants must be graduating high school seniors who are enrolling for the first time in a full-time course of study at an accredited technical school, trade school, public or private college or university in the State of Texas.
- Applicants must be able to meet the requirements of the school, college or university selected.
- Applicants must have a minimum GPA of 2.5 (on a 4.0 scale) while in high school and, if seeking renewal of the scholarship, a minimum GPA of 2.5 (on a 4.0 scale) while in college.
- Upon initial award, the primary residence of the applicant's parents/guardians must be served by KPUB.
- The applicant must submit a completed KPUB Scholarship Application, an official high school transcript, two letters of recommendation from teachers, principals, counselors, etc. from the high school that is currently being attended, and a current Student Aid Report (SAR). *Incomplete packets will not be considered.*
- Students applying for renewal of the scholarship will have to prove continuing eligibility by submitting official college transcripts each year ~~and a current SAR.~~

Program Guidelines

- A Scholarship Selection Committee will choose candidates and an alternate for the available scholarships to be awarded.
- Scholarships will be granted to attend an accredited technical school, trade school, public or private college or university in the State of Texas.
- Scholarship recipients must be considered by the registrar to be a full-time student.
- Awarded scholarships will be mailed directly to the Financial Aid Office of the selected school, college or university.

Application Process

- Scholarship applications and guidelines will be available on our website at www.kpub.com and in the KPUB office at 2250 Memorial Blvd, Kerrville, Texas, beginning January 1 of each year.
- Successful applicants will be announced by April 30, 2022.

Deadline

Completed application packets must be received by **5 p.m. CST, Friday, February 25, 2022**, in the KPUB office located at: 2250 Memorial Boulevard, Kerrville, Texas 78028.

KPUB SCHOLARSHIP EVALUATION FORM

Applicant Number: _____

JUDGING CRITERIA	DESCRIPTION	Max Points	JUDGE A	JUDGE B	JUDGE C
Active in school related organizations (Honor Society, Student Council, etc.)	Active = 1 -5 points Very Active = 6 -10 points	10			
Demonstrates community involvement (Volunteer work, civic group or club, etc.)	Active = 1 - 5 points Very Active = 6 - 10 points	10			
Answer to: Why You Should Receive This Scholarship		10			
Academic Achievement (GPA, SAT, ACT)		35			
Economic Need	EFC < \$4995 = 20 points EFC \$4995 - \$7500 = 35 points EFC > \$7500 = 10 points	35			
TOTAL SCORES		100			

AVERAGE TOTAL SCORE

=====

Name	Year	Amount	School	Major
Brooke Griffin	2013	\$ 1,000.00	Texas A&M University	Kinesiology
Cecily Real	2013	\$ 1,000.00	Angelo State University	Nursing
Caroline Betsill	2014	\$ 1,000.00	Texas A&M University	Business
Annie Yates	2014	\$ 1,000.00	University of Mary Hardin-Baylor	Pediatric Nursing
Nathaniel Raggo	2015	\$ 1,000.00	Texas A&M University	Business & Geo Sciences
Thomas Anthony	2015	\$ 1,000.00	University of Texas at Austin	Electrical Engineering
Brianna Stofas	2016	\$ 1,000.00	Texas A&M University	Biomedical Science
Noe Bustamante	2016	\$ 1,000.00	University of Texas at Austin	Dental Hygiene
Kianna Dao	2017	\$ 1,000.00	University of Texas at Austin	Biology and Biomedical Engineering
Bailey Dulas	2017	\$ 1,000.00	Texas A&M University	Chemical Engineering
Aiden Smith	2018	\$ 1,000.00	University of Texas at Austin	Biology
Sandra Bustamante	2018	\$ 1,000.00	University of Texas at San Antonio	Public Administration
Abigail Spino	2019	\$ 1,000.00	University of Mary Hardin-Baylor	Psychology
Catria Agulto	2019	\$ 1,000.00	Texas State University	Nursing
Adin Viera	2020	\$ 1,500.00	University of Texas at Austin	Astronomy and Physics
Jasmine Lopez	2020	\$ 1,500.00	University of Texas at Austin	Arts & Entertainment Technologies
Cithlali Prado	2021	\$ 1,500.00	Baylor University	Nursing
Savannah Rendon	2021	\$ 1,500.00	Texas Tech University	Speech Communication Disorders and Sciences

2021 KPUB Scholarship Applicants & Intended Majors

		Major
21001	Jessie Jimenez	Anthropology and Journalism
21002	Wesley Mieske	Architechure
21003	Abigail Borden	Nursing (minor in Animal Science)
21004	Erick Schellhorn	Criminal Justice
21005	Jonathan Lee Halpin	Nuclear or Aerospace Engineering
21006	Cithlali Prado	Nursing
21007	Garrett Kleypas	Geographical Information Sciences
21009	Tyler Smith	Agri Business
21012	Cade Secor	Biomedical Engineering
21013	Avery Abshier	Christian Ministry (minor in Missions)
21015	Jack Apel	Mechanical Engineering or Computer Science
21016	Anna Crittenden	Nursing
21018	Carmen Alcorta	Pre-Occupational Therapy
21019	Laurel Pruitt	Kinesiology
21020	Shianne Roth	Nursing
21021	Dominic Civello	Mathematics
21022	Abby Malinak	Business Marketing
21023	Savannah Rendon	Speech Communication Disorders & Sciences

MEMORANDUM

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

From: Tammye Riley

Date: November 11, 2021

Re: Agenda Item No. 12 – Consideration and Action on KPUB Incentive Plan Payout for FY 2021

On January 15, 2021, the Board approved a temporary suspension of the incentive plans for FY 2021 along with the approval of a one-time lump sum payment to eligible full time employees. This payment was subject to final board approval at the end of the fiscal year. Upon approval, the Board approved, based of recommendation of the personnel committee, for the following payout percentage of 2.5% for non management staff and 2.25% for management staff, in November 2021.

Attached will you find the FY 2021 attainments achieved for key areas of focus in prior years and the proposed payout amounts by department.

Management staff is requesting final approval of the payments based of attainments presented. Criteria for employee eligibility is determined per the normal requirements of the incentive plans.

Sincerely,



Tammye Riley
Director of Operations

Goal	2020 Goal	2020 Goal	2020 Goal	2020 Attainments
	Threshold	Target	Outstanding	
Safety: Lost Time Accidents	N/A	No Lost Time Accidents	No Lost for 2nd consecutive year	not met
Safety: Major Accidents	N/A	No Major Accidents	No Major Accidents for 2nd consecutive year	not met
Safety: Preventable Vehicle Accidents	No more than one Preventable Vehicle Accident	No Preventable Vehicle Accidents	No Preventable Vehicle Accidents for 2nd consecutive year	No preventable vehicle accident
Reliability (SAIDI excluding Major Event Days as Defined in IEEE 1366-2012)	25.5 Minutes	22.25 Minutes	20.0 Minutes	25.27 Minutes
Total O&M, less depreciation and power supply, per retail customer	≤ \$349.56	≤ \$341.23	≤ \$332.91	Target Level met, \$338.84
Distribution O&M per retail customer	≤ \$35.24	≤ \$34.56	≤ \$33.88	Not Met, \$41.61
Write-offs as a percent of operating revenue	0.115%	0.103%	0.092%	Outstanding Level Met, 0.0248%

2021
2021 Attainment
No Lost Time Accidents
No Major Accidents
No preventable vehicle accidents for 2nd consecutive year
26.81 minutes
\$323.21
\$26.57
0.0461%

**FY 2021 Incentive Plan
Award Payments by Department**

Department	Group Award (% of base)	Employee Count	Base Pay	Total Proposed Award
Accounting	2.44%	4	\$ 297,131.84	\$ 4,812.67
Customer Service	2.16%	8	\$ 393,572.50	\$ 9,579.75
Executive	2.38%	2	\$ 278,118.91	\$ 6,409.90
Engineering	2.13%	8	\$ 655,156.24	\$ 13,820.13
IT	2.42%	3	\$ 256,009.52	\$ 5,795.39
Field Services	2.46%	6	\$381,178.72	\$ 9,277.43
Operations	2.47%	18	\$ 1,469,040.22	\$ 35,891.03
	eligible staff	49	\$ 3,730,207.95	\$ 85,586.30
	non eligible staff	3		

MEMORANDUM

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

From: Tammye Riley

Date: January 15, 2021

Re: Agenda Item No. 15 – Consideration and Action on KPUB Incentive Plan Revision for FY 2021

Members of management met with the Personnel Committee on January 14, 2021, to discuss KPUB’s incentive plans. With the impact of COVID-19 management wishes to maintain focus on operational integrity and emergency preparedness, rather than trying to set target goals with the incentive program. In lieu of our standard incentive plan, management has requested a temporary suspension of the incentive plans for FY 2021, this timeframe will allow a review and redesign of the programs. The goal of the redesign will be to provide more meaningful and impactful measures and goals that fall in line with our strategic plan and vision. Along with the request to suspend the plan, we are requesting approval for a one-time lump sum payment, to eligible full time employees, subject to final board approval at the end of the fiscal year. The maximum allowed percentage of both the employee and management plans is 3% of base salary, I have provided a table that shows a 6 year average attainment percentage.

<u>EIP</u>	<u>Payout</u>	<u>Percentage</u>
2015	\$ 58,377.99	2.21%
2016	\$ 72,862.65	2.84%
2017	\$ 73,266.18	2.95%
2018	\$ 64,638.15	2.74%
2019	\$ 52,139.07	2.28%
2020	\$ 43,896.89	1.80%
6 year average		2.47%

<u>MIP</u>	<u>Payout</u>	<u>Percentage</u>
2015	\$ 37,255.78	3.50%
2016	\$ 75,783.55	9.44%
2017	\$ 26,265.35	2.75%
2018	\$ 24,836.24	2.48%
2019	\$ 30,167.51	2.38%
2020	\$ 18,126.43	1.54%
6 year average		3.68%
4 year average		2.29%

Final approval of the payments and amount is subject to Board approval which will be presented at the October 2021 board meeting. Other criteria for employee eligibility would be determined per the normal requirements of the incentive plans.

Sincerely,

Tammye Riley
Director of HR, Safety & Training

MEMORANDUM

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

From: Mike Wittler

Date: November 12, 2021

Re: Agenda Item No. 13—Consideration and Action on Opt-In/Opt-Out Decision for ERCOT Securitization for February 2021 Market Uplifts

After the February 2021 winter storm, the Texas Legislature enacted House Bill 4492 directing ERCOT to issue bonds to refund charges for Ancillary Services (AS) above \$9,000 and Reliability Deployment Price Adder (RDPA). The total of the charges across ERCOT during the winter storm are estimated to be \$4.8B and ERCOT is authorized to issue bonds for and refund up to \$2.1 billion.

KPUB has paid approximately \$4.7M in RDPA charges. KPUB had no charges for AS above \$9,000 because we had contracted for AS at fixed prices.

ERCOT is authorized to issue bonds to raise the money necessary to refund these charges, and to collect fees from certain entities, like KPUB, over a 30-year period so ERCOT can pay off its bonds. The PUCT is directed to implement this.

The Legislature has allowed municipally owned utilities (like KPUB) and cooperatives to waive their refunds and avoid paying the 30-year fee. The fee is assessed based on an entity's percent of the total ERCOT load share during the upcoming 30 years. It is difficult to accurately estimate what KPUB's load share will be for such a long period in the future because it depends on many unknown variables. If KPUB's total electricity consumption increased at a faster pace than the rest of the state, then KPUB's load share would increase over time. KPUB's load share would probably not increase if another entity defaulted on these 30-year fees at some point (through bankruptcy or similar action), because the new entity that takes over those customers would then have an increased load share and would essentially continue paying the prior entity's fees.

The current estimate of KPUB's annual obligation over the next 30 years if we opt-in to this securitization program is approximately \$323K (very close to the cost of borrowing \$4.7M at 5.25% for 30 Years).

The biggest unknown is how much KPUB would be refunded because that depends on how many entities are opted-in to the program. With total charges of \$4.8B and refund pool of \$2.1B, it is likely that many entities will only receive partial refunds of their costs. Additionally, the refund process gives priority to refunds to Retail Electric Providers (REPs) operating in retail competition that are smaller and without affiliates that own generation. The process has four levels of priority with Municipally Owned Utilities, Cooperatives, and large REPs with affiliates at the bottom of the list.

Once a municipally owned utility or cooperative opts out or opts in, it is permanent and irreversible. The deadline to file the necessary documentation at the PUCT to opt out of the fee (and the refund) is November 29, 2021. No filing is needed to opt-in.

Attached is a memorandum from Schneider Engineering on this topic, with a recommendation to opt-out. There is also a list of entities that have currently opted-out for your reference.

Because of all of the unknowns related to participation and relatively high interest rate, staff is recommending that KPUB opt-out of the ERCOT securitization program.

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

Sincerely,

A handwritten signature in black ink, appearing to read "Mike Wittler". The signature is stylized and cursive.

Mike Wittler
General Manager and CEO

DATE:	October 22, 2021
TO:	Kerrville Public Utility Board
FROM:	Steve Moffitt
RE:	ERCOT Securitization for February 2021 Market Uplifts

Background

During February’s Winter Storm Uri, ERCOT faced unprecedented market conditions. As many generators, were forced offline, many Load Serving Entities (LSEs) were required to shed load as supply failed to meet demand. To help ensure the stability of the grid, ERCOT relied heavily on generator provided Ancillary Services (AS). Given the already short generation supply available to provide energy to the market, the prices for AS exceeded any historical precedent as well as theoretical market limitations.

Recognizing that many market participants would not be able to pay the exceptionally high charges relating to the Storm, the State Legislature passed HB 4492 to allow ERCOT to securitize portions of the exceptionally high market prices and uplifts. The Legislature charged the Public Utility Commission of Texas (PUCT) with establishing the rules and guidelines for ERCOT and market participants to access the securitized funds. At the October 13, 2021 PUCT Open Meeting, the Commissioners approved the proposed securitization plan, starting a 45-day deadline for LSEs to opt-out from the securitization uplifts. This places the deadline for opt-out at the end of November.

The under HB 4492 Subchapter N, the securitization of the \$2.1 billion by ERCOT is to allow LSEs to mitigate the cost “during the period of emergency for reliability deployment price adder charges and ancillary services costs in excess of the commission’s system-wide offer cap.” *To be clear, the securitization is only for the \$2.1 billion in extraordinary ancillary service costs and market fees and specifically excludes the outstanding \$2.9 billion in short payments by Brazos Electric Cooperative and other market participants.*

Utility Impact

Schneider Engineering (SE) has evaluated the PUCT order and HB 4492 to determine the estimated annual financial impact from accessing the securitized funds for your utility. The estimated annual cost for **Kerrville Public Utility Board** is \$323,470.49¹.

Next Steps

SE is generally recommending to opt-out of the securitization, should your circumstances allow it, due to factors including the high interest rates, increased regulatory oversight, and increased complications in accounting. To support this effort, SE will be reaching out shortly to request the information required to opt-out. In some circumstances, your power supplier may be opting out of securitization on your behalf; we are working with them to ensure that we do not duplicate their efforts. If you have questions regarding securitization or whether **Kerrville Public Utility Board** ought to opt out, please feel free to reach out to myself or Ramsey Cripe to discuss the implications with you further.

¹ This number was derived by taking your estimated load ratio share against the market, from February 12, 2021 through February 20, 2021, multiplying it against the estimated securitized debt payments by ERCOT at an estimated \$2.1 billion principal at 5.25% interest over 30 years. The 5.25% is derived from the estimated 30-year bond index rate of an entity rated at A- by Moody’s Investor Services, 2.75%, and adding an additional 2.5%, as prescribed under HB 4492.

Docket Nos. 52322/ 52363 Entities Opting Out¹

Electric Cooperatives:

- South Texas Electric Cooperative, Inc.
 - Jackson Electric Cooperative, Inc.
 - Karnes Electric Cooperative, Inc.
 - Magic Valley Electric Cooperative, Inc.
 - Medina Electric Cooperative, Inc.
 - Nueces Electric Cooperative, Inc.
 - San Bernard Electric Cooperative, Inc.
 - San Patricio Electric Cooperative, Inc.
 - Victoria Electric Cooperative, Inc.
 - Wharton County Electric Cooperative, Inc.
- Golden Spread Electric Cooperative, Inc.
 - Rita Blanca Electric Cooperative, Inc.
 - North Plains Electric Cooperative, Inc.
 - Deaf Smith Electric Cooperative, Inc.
 - Greenbelt Electric Cooperative, Inc.
 - Swisher Electric Cooperative, Inc.
 - Bailey County Electric Cooperative Association.
 - Lamb County Electric Cooperative, Inc.
 - Lighthouse Electric Cooperative, Inc.
 - Lyntegar Electric Cooperative, Inc.
 - Big Country Electric Cooperative, Inc.
 - Taylor Electric Cooperative, Inc.
 - Tri-County Electric Cooperative, Inc.
 - Coleman County Electric Cooperative, Inc.
 - Concho Valley Electric Cooperative, Inc.
 - Southwest Texas Electric Cooperative, Inc.
- East Texas Electric Cooperative, Inc.
 - Bowie-Cass Electric Cooperative, Inc.
 - Cherokee County Electric Cooperative Association
 - Deep East Texas Electric Cooperative, Inc.
 - Houston County Electric Cooperative, Inc.
 - Jasper-Newton Electric Cooperative, Inc.
 - Northeast Texas Electric Cooperative, Inc.
 - Panola Harrison Electric Cooperative, Inc.
 - Rusk County Electric Cooperative, Inc.
 - Sam Houston Electric Cooperative, Inc.
 - Upshur Rural Electric Cooperative Corporation
 - Wood County Electric Cooperative, Inc.
- Rayburn Country Electric Cooperative, Inc.
 - Fannin County Electric Cooperative, Inc.

¹ LEGEND: normal font = Opted Out in Docket #52322 Settlement; italics font = Opted Out in Docket #52364.

- Farmers Electric Cooperative, Inc.
 - Grayson-Collin Electric Cooperative, Inc.
 - Trinity Valley Electric Cooperative, Inc.
 - *Lamar County Electric Cooperative, Inc.*
 - *Pedernales Electric Cooperative, Inc.*
- [45 Cooperatives total]*

Municipally Owned Utilities:

- City of Garland
 - City of Denton
 - City of Lubbock, acting by and through Lubbock Power & Light
 - City of Seguin
 - City of Austin
 - *City of Georgetown*
 - *City of Bryan*
 - *City of College Station*
 - *City of New Braunfels*
- [9 Municipally Owned Utilities]*

Other LSEs:

- Texas Retail Energy, LLC
 - *Lower Colorado River Authority*
 - *University of Houston (Transmission Voltage Customer eligible to opt out)*
 - *Atmos Energy Corporation (Transmission Voltage Customer eligible to opt out)*
 - *Tex-Isle Supply, Inc. (Transmission Voltage Customer eligible to opt out)*
- [5 “other” entities]*

59 entities have opted out as of 11/10/21