

**MINUTES OF THE  
KERRVILLE PUBLIC UTILITY BOARD  
REGULAR MONTHLY MEETING  
WEDNESDAY, SEPTEMBER 18, 2019, AT 8:30 A.M.  
KPUB CONFERENCE ROOM  
KERRVILLE PUBLIC UTILITY BOARD OFFICES  
2250 MEMORIAL BLVD.  
KERRVILLE, TEXAS**

**TRUSTEES PRESENT:**

Fred Gamble  
Bill Thomas  
Philip Stacy  
Mark Cowden  
Mayor Bill Blackburn

**STAFF PRESENT:**

Mike Wittler, General Manager and CEO  
Tommy Nylec, Chief Engineer  
Tammye Riley, HR Manager  
Ricardo Berrios, Distribution Engineer  
Jo Anderson, Customer Service Manager  
Allison Bueché, Marketing Manager  
Lidia S. Goldthorn, Assistant Secretary to the Board

**TRUSTEES ABSENT:**

**OTHERS PRESENT:**

Steve Moffitt, Schneider Engineering  
John E. Sample

**1. CALL TO ORDER:**

Mr. Fred Gamble, 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 August 21, 2019 Regular Monthly Board Meeting and the August 29, 2019 Special Called Board Meeting. Mayor Bill Blackburn, motioned to approve the minutes. Mark Cowden, Treasurer, seconded the motion. Vote was by a show of hands. Motion carried 4 – 0.

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

There were no citizens/consumers to speak.

*\*At 8:32 Mr. Philip Stacy came into the Board Room and joined the meeting.*

**5. ANNOUNCEMENTS OF COMMUNITY INTEREST:**

Mr. Wittler advised the AMI implementation is about to wrap up. He advised six of our crew members went to Florida to assist with hurricane recovery. There was minimal assistance needed and the trip went well. He also advised that there are currently four Lineman Helpers receiving training in the advancement process to Lineman. There were no other announcements.

*\*Please note: The October Regular Monthly Board Meeting is scheduled for Wednesday, October 16, 2019 at 8:30 a.m.*

**6. CONSIDERATION AND ACTION ON RESOLUTION NO. 19-18 – MIKE WITTLER, CEO:**

Mr. Wittler presented this month's wire transfers for operating expenses to the Board. Mr. Cowden motioned for approval of Resolution No. 19-18. Philip Stacy, Secretary, seconded the motion. Vote was by a show of hands. Motion carried 5 – 0.

**7. FINANCIAL REPORT – MIKE WITTLER, CEO:**

Mr. Wittler presented Financial Statements (unaudited) for the Fiscal Year 2019 through August 31, 2019. Mr. Wittler reviewed the Statements and Balance Sheets for the month. He stated at August 31, 2019, operating expenses, excluding power cost, were below budget by \$30,101.01 or by 0.31%. The balance in the over-collected power cost was \$1,701,768.12. Mr. Wittler noted the balance in the Rate Stabilization Fund was \$1,885,402.35. The Debt Service Coverage was 22.52 for the month and 16.57 for the Fiscal Year.

**8. CONSIDERATION AND ACTION ON APPROVAL OF FY 2019-2020 ANNUAL SYSTEM BUDGET – MIKE WITTLER, CEO:**

Mr. Wittler presented for approval, the FY 2019-2020 Annual System Budget. He gave a brief overview highlighting the following changes: Corrected error in meter reading expense; and updated interest earnings. He concluded with a request for the Board to approve the Budget. Mr. Stacy moved to accept the FY 2019-2020 Annual System Budget as presented. Mr. Cowden seconded the motion. Vote was by a show of hands. The motion carried 5 – 0.

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

**A. Schneider Engineering, Power Supply Planning – Mike Wittler, CEO**

Staff recommended approval of a purchase order for a total amount of \$50,000.00 to Schneider Engineering to provide power supply planning and support for FYE 2020. The proposal presented outlines the services that Schneider has normally been providing to KPUB. In addition to the routine power supply planning activities, next year we expect to issue Request for Proposal(s) for wholesale portfolio management services starting in January 2024.

B. Padmount Repair Services – Tommy Nylec, Chief Engineer

Staff recommended approval of a purchase order to Utility Restoration Services (URS) for padmount equipment repairs. This service is a continuation of KPUB's padmount inspection program that began in March 2018. At that time, approval was provided for a purchase order for inspection services and a separate purchase order for equipment repairs. In 2018, all padmount equipment in the KPUB service area was inspected. With the start of the 2019 fiscal year, a purchase order was approved for repair services that allowed us to begin the five year cycle of repairs for padmount equipment in the service areas. Approval is being sought for a purchase order to be provided to URS for equipment repair services at an amount of \$87,000 so this program can continue. This is the same amount from the prior year and is included in FYE 2020 capital budget. URS Restoration Services was selected through competitive bid in response to an issued RFP provided to a total of three vendors.

C. NISC Monthly Maintenance and Bill Print Service – Tommy Nylec, Chief Engineer

Staff recommended approval of a blanket purchase order in the amount of \$360,000.00 for monthly maintenance and support (\$11,400.00 per month), engineering software support (\$6,100.00 per month), and bill printing and postage (\$12,500.00 per month) for the upcoming fiscal year (FYE 2020). Requested amounts are based upon projections of historical charges as approved in the existing support agreement and forecasted number of customers. Sole source purchase is due to existing support contract with enterprise software vendor.

D. DA Deployment – Tommy Nylec, Chief Engineer

Staff recommended approval of a purchase order to Landis+Gyr for an estimated \$188,829.00 for the installation and deployment of equipment and project services to initiate Distribution Automation. The budgeted Distribution Automation project will allow KPUB to leverage the existing AMI RF mesh network to improve reliability and operate the distribution efficiently. Specifically, the project allows KPUB to expand our current conservation voltage reduction program which results in demand savings during coincident peak periods that are passed along to our customer base. Additionally, KPUB will be able to pursue FLISR (Fault Location, Isolation & System Restoration) by being able to communicate with devices on the distribution system downline from our substation. In short, FLISR allows KPUB to improve its existing reliability by automating fault isolation and reducing the number of customers impacted with outages. Sole source purchase is required as Landis+Gyr is the vendor that provides network communication equipment for the RF mesh network. Mr. Nylec provided a copy of the quote for reference and provides details regarding scope of material and services.

E. RF & IR Inspection – Tommy Nylec, Chief Engineer

Staff recommended approval of a purchase order to Davey Resource Group in the amount of \$105,000.00 to provide RF and IR inspection of KPUB's distribution system. Davey Resource Group has partnered with Exacter, Inc., to offer a patented approach to identifying partial discharge and electromagnetic interference indicators that preemptively identify failure conditions. Sole source purchasing is required on the basis of patent protected equipment and unique pre-failure identification signatures library associated with the patented equipment measurement. Results from last year's inspection of a quarter of the system identified components for replacement prior to failure that otherwise cannot be inspected. This service is a continuation from last year's efforts for entire system inspection to be conducted over a total of four years. These services are a budgeted O&M expenditure and will provide inspection for 25 percent of KPUB's distribution system and infrared evaluation over 50 percent of the system.

Bill Thomas, Vice Chairman, motioned for approval of the purchases and sales. Mr. Cowden seconded the motion. Vote was by a show of hands. Motion carried 5 – 0.

**10. CONSIDERATION AND ACTION ON ELECTRIC VEHICLE CHARGING STATION FEES – RICARDO BERRIOS, DISTRIBUTION ENGINEER:**

Staff recommended approval of electric vehicle charging station fees effective October 1, 2019. Mr. Berrios gave general information on electric vehicles (EVs), charging station types, costs, possible locations for KPUB charging stations, and fees. The fees recommended are based on a combination of costs for KPUB to install and operate the stations and EV charging fees in our region. In addition to the hourly rates described, staff recommended approval of an unlimited monthly charging plan at KPUB owned public EV charging stations at \$30 for six months (Minimum Fee would not apply, Grace Period and Overstay Fee would be as defined in the standard hourly fees). Mr. Berrios advised he would also like to bring this item back in a year to re-evaluate where costs are at.

Mayor Blackburn motioned for approval of electric vehicle charging station fees and unlimited monthly charging plan as presented. Mr. Thomas seconded the motion. Vote was by a show of hands. Motion carried 5 – 0.

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

**I. EXECUTIVE CLOSED SESSION – PERSONNEL MATTERS:**

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

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

**II. EXECUTIVE CLOSED SESSION – 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. Effective Fuel and Purchased Power Agreements and Fuel Transportation Arrangements and Contracts;
  - (1) Consideration and Action on Sale or Retirement of Renewable Energy Certificates – Mike Wittler, CEO:
  - (2) Consideration and Action on Wholesale Purchase Power Contracts – Mike Wittler, CEO:

Chairman Gamble asked the Board of Trustees if he had a motion that the Board convene in Executive Closed Session to discuss “Personnel Matters” in accordance with Texas Statutes Subchapter D, Chapter 551, Government Code Section §551.074, and “Competitive Matters” in accordance with Texas Statutes Subchapter D, Chapter 551, Government Code Section §551.086. Mr. Cowden so moved. Mr. Stacy seconded the motion. Vote was by a show of hands. Motion carried 5 – 0.



The Board entered Executive Closed Session at 9:26 a.m. Chairman Gamble adjourned the Executive Closed Session and reconvened into Open Session at 10:45 a.m.

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

Mr. Gamble moved to increase Mr. Wittler's salary by 3%. Mr. Thomas seconded the motion. Vote was by a show of hands. Motion carried 5 – 0.

**13. ADJOURNMENT**

Chairman Gamble adjourned the Regular Board Meeting at 10:46 a.m.

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

\_\_\_\_\_  
Fred Gamble, Chairman

**ATTEST**

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

## MEMORANDUM

TO: Fred Gamble  
Bill Thomas  
Philip Stacy  
Mark Cowden  
Mayor Bill Blackburn

FROM: Jill Sadberry

DATE: October 09, 2019

SUBJECT: Agenda Item #6 - Resolution No. 19-19

Presented for your review, wire transfers for operating expenses.

I. WIRE TRANSFERS - Operating Expense

ERCOT-CRR Auction Invoice  
Paid September 25, 2019 Transfer from TexPool Investment Fund  
to ERCOT. \$ 10,655.89

ERCOT-CRR Auction Invoice  
Paid October 09, 2019 Transfer from TexPool Investment Fund  
to ERCOT. \$ 19,619.02

LCRA - Power Cost Billing 08/01/2019 to 08/31/2019  
Paid September 30, 2019 Transfer from TexPool Investment Fund  
to LCRA. \$ 518,617.13

CPS ENERGY - Power Cost Billing 08/01/2019 to 08/31/2019.  
Paid September 23, 2019 Transfer from TexPool Investment Fund  
to CPS ENERGY. \$ 1,345,796.57

NEXTERA - Power Cost Billing 08/01/2019 to 08/31/2019.  
Paid September 20, 2019 Transfer from TexPool Investment Fund  
to NEXTERA. \$ 485,088.00

DG TEXAS SOLAR, LLC - Power Cost Billing 08/01/2019 to 08/31/2019.  
Paid September 24, 2019 Transfer from TexPool Investment Fund  
to DG TEXAS SOLAR, LLC. \$ 54,397.46

II. WIRE TRANSFERS – Investments

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

<u>Date</u>	<u>Principal</u>
September 11, 2019	\$ 300,000.00
September 13, 2019	200,000.00
September 19, 2019	300,000.00
September 20, 2019	600,000.00
September 23, 2019	500,000.00
September 27, 2019	500,000.00
September 30, 2019	500,000.00
October 04, 2019	800,000.00
October 08, 2019	600,000.00
October 09, 2019	100,000.00

III. WIRE TRANSFERS - Payroll

Automated Clearing House for Pay Periods Ending:

September 20, 2019	\$ 123,613.55
October 04, 2019	\$ 103,401.07

IV. WIRE TRANSFERS - Payroll - Federal Reserve Bank

Federal Withholding and FICA for Period Ending:

September 20, 2019	\$ 39,138.04
October 04, 2019	\$ 35,592.05

V. WIRE TRANSFER - Comptroller of Public Accounts

2019 - Sales and Use Tax – Paid 10/09/2019	\$ 96,211.10
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VI. WIRE TRANSFER - TMRS and TML

Texas Municipal Retirement System (TMRS)

Retirement Plan Contribution

for the month of September – Paid 09/27/2019	\$ 70,473.00
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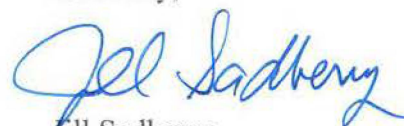
Texas Municipal League (TML)

Monthly Premium - Medical, Dental, Vision and Life

for the month of September – Paid 10/03/2019	\$ 55,049.46
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If you have any questions on the items presented for payment, I will be happy to answer them at your convenience.

Sincerely,



Jill Sadberry  
Chief Financial Officer

**RESOLUTION NO. 19-19**

**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 16<sup>th</sup> day of October, 2019**

\_\_\_\_\_  
**Fred Gamble, Chairman**

**ATTEST:**

\_\_\_\_\_  
**Philip Stacy, Secretary**

## MEMORANDUM

To: Fred Gamble  
Bill Thomas  
Philip Stacy  
Mark Cowden  
Mayor Bill Blackburn

From: Jill Sadberry

Date: October 10, 2019

Re: Agenda Item No. 7 — Financial Report

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The Financial Reports presented today are preliminary, pending audit. Operating income for the month of September is \$4,646.00, which is below budget by \$304,954.00. Net income for the month is \$46,994.29, which is below budget by \$302,332.71. Year to date operating income is above budget by \$720,715.47 and net income is above budget by \$788,187.96.

For the year, kWh sales are above budget by 34,874,118 kWhs, or by 7.42%.

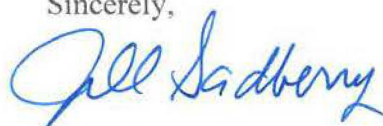
At September 30, 2019, operating expenses, excluding power cost, are above budget by \$241,519.22 or by 2.27%.

The balance in the over collected power cost at September 30, 2019 was \$2,327,374.43.

The balance in the Rate Stabilization Fund is \$1,885,402.35.

Debt service coverage for September is 7.89. The coverage factor for the fiscal year is 15.89.

Sincerely,



Jill Sadberry  
Chief Financial Officer



Kerrville Public Utility Board  
Statement of Revenues, Expenses and Changes in Retained Earnings  
September 30, 2019  
(UNAUDITED)

	Comparison to Budget				Comparison to Last Year		
	Current Month	Budget Amount	Increase (Decrease)	Percentage Increase (Decrease)	Current Month Last Year Amount	Increase (Decrease)	Percentage Increase (Decrease)
<b>OPERATING REVENUES:</b>							
Residential	1,781,652.49	2,068,200.00	(286,547.51)	-13.85%	1,861,619.88	(79,967.39)	-4.30%
Commercial/Industrial	1,407,759.28	1,541,000.00	(133,240.72)	-8.65%	1,323,450.82	84,308.46	6.37%
Sales to Public Authorities	23,172.62	16,300.00	6,872.62	42.16%	3,334.85	19,837.77	594.86%
Other	134,283.90	53,097.00	81,186.90	152.90%	42,510.27	91,773.63	215.89%
<b>TOTAL OPERATING REVENUES</b>	<b>3,346,868.29</b>	<b>3,678,597.00</b>	<b>(331,728.71)</b>	<b>-9.02%</b>	<b>3,230,915.82</b>	<b>115,952.47</b>	<b>3.59%</b>
<b>OPERATING EXPENSES:</b>							
Purchased Power	2,116,978.06	2,415,373.00	(298,394.94)	-12.35%	1,947,426.54	169,551.52	8.71%
Distribution	306,214.88	234,423.00	71,791.88	30.62%	323,216.95	(17,002.07)	-5.26%
Customer Accounting	58,181.62	75,400.00	(17,218.38)	-22.84%	111,680.65	(53,499.03)	-47.90%
Customer Service & Informational	32,349.72	26,900.00	5,449.72	20.26%	23,035.19	9,314.53	40.44%
Administrative Expenses	549,252.66	336,901.00	212,351.66	63.03%	457,883.53	91,369.13	19.95%
Franchise Fees - City of Ingram	3,022.02	2,700.00	322.02	11.93%	3,083.09	(61.07)	-1.98%
Depreciation	278,088.33	280,500.00	(2,411.67)	-0.86%	225,306.85	52,781.48	23.43%
Other	(1,865.00)	(3,200.00)	1,335.00	-41.72%	(1,030.00)	(835.00)	81.07%
<b>TOTAL OPERATING EXPENSES</b>	<b>3,342,222.29</b>	<b>3,368,997.00</b>	<b>(26,774.71)</b>	<b>-0.79%</b>	<b>3,090,602.80</b>	<b>251,619.49</b>	<b>8.14%</b>
<b>OPERATING INCOME</b>	<b>4,646.00</b>	<b>309,600.00</b>	<b>(304,954.00)</b>	<b>-98.50%</b>	<b>140,313.02</b>	<b>(135,667.02)</b>	<b>-96.69%</b>
<b>NONOPERATING REVENUES (EXPENSES):</b>							
Revenue Fund, Constr, Emerg	35,926.47	30,644.00	5,282.47	17.24%	31,130.44	4,796.03	15.41%
Interest Inc-Interest & Sinking Fund	619.62	342.00	277.62	81.18%	466.23	153.39	32.90%
Interest Inc-Reserve Fund	-	-	-	-	-	-	-
Interest Inc-City of Kerrville	15,000.00	15,000.00	-	0.00%	15,000.00	-	-
Interest Expense	(11,859.08)	(11,859.00)	(0.08)	0.00%	(12,184.77)	325.69	-2.67%
AFUDC - Borrowed Funds	2,070.38	900.00	1,170.38	130.04%	1,773.10	297.28	16.77%
Other - net	590.90	4,700.00	(4,109.10)	-87.43%	508.90	82.00	16.11%
<b>TOTAL NONOPERATING REVENUES (EXPENSES):</b>	<b>42,348.29</b>	<b>39,727.00</b>	<b>2,621.29</b>	<b>6.60%</b>	<b>36,693.90</b>	<b>5,654.39</b>	<b>15.41%</b>
<b>NET INCOME</b>	<b>46,994.29</b>	<b>349,327.00</b>	<b>(302,332.71)</b>	<b>-86.55%</b>	<b>177,006.92</b>	<b>(130,012.63)</b>	<b>-73.45%</b>
<b>RETAINED EARNINGS AT BEGINNING OF MONTH</b>	<b>68,646,240.84</b>				<b>66,093,493.94</b>		
Plus: Contributions in Aid of Constr	12,637.58	9,000.00	3,637.58	40.42%	(350.00)	12,987.58	-3710.74%
Less: General Fund Transfer - Reg	121,475.67	111,300.00	10,175.67	9.14%	110,904.39	10,571.28	9.53%
Less: General Fund Transfer - Spec	-	-	-	-	-	-	-
Less: GASB 75 OPEB Prior Period Adjust					(204,074.00)		
Less: Prior period revenue audit adj					(966,539.56)		
<b>RETAINED EARNINGS AT END OF MONTH</b>	<b>68,584,397.04</b>				<b>64,988,632.91</b>		
<b>Percent of Net Income to Operating Revenue</b>	<b>1.40%</b>				<b>5.48%</b>		



Kerrville Public Utility Board  
Statement of Revenues, Expenses and Changes in Retained Earnings  
September 30, 2019  
(UNAUDITED)

	Comparison to Budget				Comparison to Last Year		
	Year to Date	Year to Date	Increase	Percentage	Year to Date	Increase	Percentage
	Date	Amount	(Decrease)	(Decrease)	Last Year Amount	(Decrease)	(Decrease)
<b>OPERATING REVENUES:</b>							
Residential	23,642,703.12	23,727,900.00	(85,196.88)	-0.36%	23,605,191.00	37,512.12	0.16%
Commercial/Industrial	18,062,256.90	18,190,700.00	(128,443.10)	-0.71%	17,768,279.68	293,977.22	1.65%
Sales to Public Authorities	268,586.36	213,000.00	55,586.36	26.10%	181,717.28	86,869.08	47.80%
Other	628,679.64	778,364.00	(149,684.36)	-19.23%	653,150.43	(24,470.79)	-3.75%
<b>TOTAL OPERATING REVENUES</b>	<b>42,602,226.02</b>	<b>42,909,964.00</b>	<b>(307,737.98)</b>	<b>-0.72%</b>	<b>42,208,338.39</b>	<b>393,887.63</b>	<b>0.93%</b>
<b>OPERATING EXPENSES:</b>							
Purchased Power	27,590,988.33	28,860,961.00	(1,269,972.67)	-4.40%	28,918,467.83	(1,327,479.50)	-4.59%
Distribution	2,935,672.75	2,740,000.00	195,672.75	7.14%	2,568,043.69	367,629.06	14.32%
Customer Accounting	790,979.12	893,000.00	(102,020.88)	-11.42%	915,107.22	(124,128.10)	-13.56%
Customer Service & Informational	240,707.94	316,400.00	(75,692.06)	-23.92%	222,837.34	17,870.60	8.02%
Administrative Expenses	3,687,146.84	3,381,101.00	306,045.84	9.05%	3,596,264.69	90,882.15	2.53%
Franchise Fees - City of Ingram	31,065.27	31,700.00	(634.73)	-2.00%	29,944.34	1,120.93	3.74%
Depreciation	3,241,013.49	3,333,000.00	(91,986.51)	-2.76%	3,990,287.86	(749,274.37)	-18.78%
Other	(28,265.19)	(38,400.00)	10,134.81	-26.39%	(38,258.35)	9,993.16	-26.12%
<b>TOTAL OPERATING EXPENSES</b>	<b>38,489,308.55</b>	<b>39,517,762.00</b>	<b>(1,028,453.45)</b>	<b>-2.60%</b>	<b>40,202,694.62</b>	<b>(1,713,386.07)</b>	<b>-4.26%</b>
<b>OPERATING INCOME</b>	<b>4,112,917.47</b>	<b>3,392,202.00</b>	<b>720,715.47</b>	<b>21.25%</b>	<b>2,005,643.77</b>	<b>2,107,273.70</b>	<b>105.07%</b>
<b>NONOPERATING REVENUES (EXPENSES):</b>							
Interest Inc-Revenue Fund	469,254.60	367,706.00	101,548.60	27.62%	367,071.60	102,183.00	27.84%
Interest Inc-Interest & Sinking Fund	5,254.50	4,104.00	1,150.50	28.03%	3,221.41	2,033.09	63.11%
Interest Inc-Reserve Fund	-	-	-	-	-	-	-
Interest Inc-City of Kerrville	180,000.00	180,000.00	-	0.00%	180,000.00	-	0.00%
Interest Expense	(142,634.65)	(142,847.00)	212.35	-0.15%	(149,413.54)	6,778.89	-4.54%
AFUDC - Borrowed Funds	29,655.84	10,800.00	18,855.84	174.59%	12,632.38	17,023.46	134.76%
Other - net	2,105.20	56,400.00	(54,294.80)	-96.27%	1,369.91	735.29	53.67%
	<b>543,635.49</b>	<b>476,163.00</b>	<b>67,472.49</b>	<b>14.17%</b>	<b>414,881.76</b>	<b>128,753.73</b>	<b>31.03%</b>
<b>NET INCOME</b>	<b>4,656,552.96</b>	<b>3,868,365.00</b>	<b>788,187.96</b>	<b>20.38%</b>	<b>2,420,525.53</b>	<b>2,236,027.43</b>	<b>92.38%</b>
<b>RETAINED EARNINGS AT BEGINNING OF YEAR</b>	<b>64,988,632.92</b>				<b>64,974,088.59</b>		
Plus: Contributions in Aid of Constr	354,662.88	108,000.00	246,662.88	228.39%	111,326.49	243,336.39	
Less: General Fund Transfer - Reg	1,391,201.72	1,298,500.00	92,701.72	7.14%	1,346,694.14	44,507.58	3.30%
Less: General Fund Transfer - Spec	24,500.00	-	24,500.00		-	24,500.00	#DIV/0!
Less: GASB 75 OPEB Prior Period Adjust					(204,074.00)		
Less: Prior period revenue audit adj	-				(966,539.56)		
<b>RETAINED EARNINGS AT END OF YEAR</b>	<b>68,584,147.04</b>				<b>64,988,632.91</b>		
<b>Percent of Net Income to Operating Revenue</b>	<b>10.93%</b>				<b>5.73%</b>		



Kerrville Public Utility Board  
Balance Sheet  
September 30, 2019

Assets	September 30, 2019 (Unaudited)	October 1, 2018	Liabilities and Equity	September 30, 2019 (Unaudited)	October 1, 2018
Utility Plant:			Equity:		
Electric Plant in Service	80,570,016.25	74,548,852.69	Retained Earnings - Unreserved	68,584,647.04	64,988,632.92
Less: Accumulated Depreciation	(38,511,913.89)	(38,392,573.78)			
	42,058,102.36	36,156,278.91	Total Equity	68,584,647.04	64,988,632.92
Construction Work in Progress	4,175,539.93	6,792,564.70			
Net Utility Plant	46,233,642.29	42,948,843.61			
Restricted Assets:			Liabilities:		
Cash and Cash Equivalents:			Long-Term Debt:		
Customer Deposits	538,441.01	517,523.34	2013 Revenue Bonds		
Total Cash and Cash Equivalents	538,441.01	517,523.34	Net of Current Portion	4,081,000.00	4,473,000.00
Investments:					
2013 Bond Construction Fund	-	-	Pension Liability	3,534,559.00	1,309,024.00
Interest and Sinking Fund	443,403.47	460,764.36			
Equipment Replacement Fund	-	1,750,000.00	Total Long-Term Debt	7,615,559.00	5,782,024.00
Emergency Repair and Contingency Fund	-	1,763,053.00			
Emergency, Repair, Replace, Conting Fund	3,513,053.00				
Total Investments	3,956,456.47	3,973,817.36			
Total Restricted Assets	4,494,897.48	4,491,340.70	Current Liabilities Payable		
Current Assets:			from Restricted Assets:		
Revenue Fund:			Current Portion of 2013 Revenue Bonds	392,000.00	385,000.00
Cash and Cash Equivalents	374,685.57	559,750.67	Accrued Interest Payable	59,295.42	62,203.74
Investments - Less: Customer Deposits	11,408,481.71	8,262,556.98	Customer Deposits	532,451.01	517,523.34
Total Revenue Fund	11,783,167.28	8,822,307.65		983,746.43	964,727.08
Construction Fund:					
Cash and Cash Equivalents	5,020.01	4,902.29	Current Liabilities:		
Investments	1,666,500.10	4,451,915.51	Accounts Payable - Power Suppliers	2,167,394.62	2,044,884.00
Total Construction Fund	1,671,520.11	4,456,817.80	Accounts Payable and Accrued Liab's	1,062,616.17	2,416,373.74
Rate Stabilization Fund:			Over Collection of Power Cost Adj Revs	2,327,374.43	432,471.50
Cash and Cash Equivalents	-	-		5,557,385.22	4,893,729.24
Investments	1,885,402.35	1,885,402.35			
Total Rate Stabilization Fund	1,885,402.35	1,885,402.35			
L.T. Rate Stabilization Fund:					
Cash and Cash Equivalents	-	-			
Investments	540,000.00	360,000.00			
Total L.T. Rate Stabilization Fund	540,000.00	360,000.00			
ERCOT CRR Auction Funds	157,536.99	157,536.99			
Customer Accounts Receivable,					
Net of Allowances	4,954,818.13	4,345,504.36	Total Liabilities	14,156,690.65	11,640,480.32
Materials and Supplies	1,147,289.03	1,159,337.95			
Other	891,047.50	891,420.52	Deferred Credits		
Total Current Assets	23,030,781.39	22,078,327.62	Deferred Inflows of Resources-Pension	1,253,434.00	1,521,303.00
Deferred Debits					
Deferred Outflow of Resources	2,735,450.53	1,131,904.31			
Advance to City of Kerrville	7,500,000.00	7,500,000.00			
Total Non-Current Assets & Deferred	10,235,450.53	8,631,904.31			
Total	83,994,771.69	78,150,416.24	Total	83,994,771.69	78,150,416.24

Kerrville Public Utility Board  
 Computation of the Monthly and Year to Date Debt Service Coverage  
 For the Fiscal Year Ended September 30, 2019

Description	Current Month	Fiscal Year	Previous Twelve Months
Net Income	46,994.29	4,658,867.89	4,658,867.89
Plus:			
Interest Expense (net of amortizations)	9,788.70	112,978.81	112,978.81
Depreciation Expense	278,088.33	3,241,013.49	3,241,013.49
	-	-	-
Miscellaneous Amortizations	-	-	-
 Numerator	 334,871.32	 8,012,860.19	 8,012,860.19
 DIVIDED BY:			
 Interest Expense (net of amortizations)	 9,788.70	 112,978.81	 112,978.81
Principal Payment Paid and due	32,666.67	391,416.67	391,416.67
 Denominator	 42,455.37	 504,395.48	 504,395.48
  Debt Service Coverage Ratio	  7.89	  15.89	  15.89
Minimum Requirement per Bond Covenant		1.35	times Debt Service
Minimum Requirement Established by KPUB Board for Good Business Practices		1.65	

Kerrville Public Utility Board  
Detail of Fund Balances from Funds Invested in Government Securities For the Month Of  
September 2019

		Revenue Fund	Construction Fund	Rate Stabilization Fund	Long Term Rate Stabil. Fund	Debt Reserve Fund	Interest & Sinking Fund	Emergency, Repair, Replace & Contingency Fund	Total Funds Invested
Beginning of the Month Balance		10,494,405.38	1,918,301.92	1,885,402.35	540,000.00	-	505,885.88	3,513,053.00	18,857,048.53
Maturities and/or Withdrawals:									-
TEXPOOL-TML Insurance	9/3/2019	(58,692.25)							(58,692.25)
TEXPOOL-TMRS (employer)	9/3/2019	(42,835.16)							(42,835.16)
TEXPOOL-TMRS (employee)	9/3/2019	(21,417.58)							(21,417.58)
TEXPOOL-LCRA	9/30/2019	(518,617.13)							(518,617.13)
TEXPOOL-CPS Energy	9/23/2019	(1,345,796.57)							(1,345,796.57)
TEXPOOL-NextEra	9/20/2019	(485,088.00)							(485,088.00)
TEXPOOL-ERCOT	9/11/2019	(98,831.94)							(98,831.94)
TEXPOOL-ERCOT	9/25/2019	(10,655.89)							(10,655.89)
TEXPOOL-City of Garland									-
TEXPOOL_DG Texas Solar LLC	9/11/2019	(61,380.62)							(61,380.62)
TEXPOOL_DG Texas Solar LLC	9/24/2019	(54,397.46)							(54,397.46)
Stadium Equipment Upgrade	9/30/2019	201,054.67	(201,054.67)						-
Ingram Equipment Upgrade	9/30/2019	48,417.24	(48,417.24)						-
Investments:									-
TEXPOOL	9/3/2019	400,000.00							400,000.00
TEXPOOL	9/6/2019	500,000.00							500,000.00
TEXPOOL	9/11/2019	300,000.00							300,000.00
TEXPOOL	9/13/2019	200,000.00							200,000.00
TEXPOOL	9/19/2019	300,000.00							300,000.00
TEXPOOL	9/20/2019	600,000.00							600,000.00
TEXPOOL	9/23/2019	500,000.00							500,000.00
TEXPOOL	9/27/2019	500,000.00							500,000.00
TEXPOOL	9/30/2019	500,000.00							500,000.00
TEXPOOL									-
Transfer City Interest Payment									-
		11,846,164.69	1,668,830.01	1,885,402.35	540,000.00	-	505,885.88	3,513,053.00	19,959,335.93
Allocation of:									
mo int earned to the separate funds		13,905.65	2,321.42	2,300.91	659.01	-	619.62	4,287.26	24,093.87
Transfer of interest to I & S Fund		(13,905.65)	(2,321.42)	(2,300.91)	(659.01)	-	23,474.25	(4,287.26)	0.00
Interest Receivable (accrued on CD)		11,757.52							11,757.52
Interest Receivable (accrued on CD)									-
Interest transferred to I&S from CD							-		-
Xfer int fr bank accts & CD's to I&S Fund		(672.36)	(8.49)				680.85		-
Tot Fund Bal after int allocation & Xfer		11,857,249.85	1,668,821.52	1,885,402.35	540,000.00	-	530,660.60	3,513,053.00	19,995,187.32
Interfund transfers		(1,077.04)					1,077.04		-
Total Fund Balance at End of Month		11,856,172.81	1,668,821.52	1,885,402.35	540,000.00	-	531,737.64	3,513,053.00	19,995,187.32

Kerrville Public Utility Board  
Summary of Selected Financial and Operating Ratios

September-19

1) Revenue per Kilowatt-hour (dollars):

- Definition: a) All Retail Classes - The ratio of total electric operating revenues from sales to ultimate customers to total kilowatt-hour sales. This ratio measures the amount of revenue for each kilowatt-hour of electricity used by all classes of customers.
- b) Residential - The ratio of residential revenues to residential sales. This ratio measures the amount of revenue received for each kilowatt-hour of electricity used by residential customers.
- c) Commercial - The ratio of commercial revenues to commercial sales. This ratio measures the amount of revenue received for each kilowatt-hour of electricity used by commercial customers.

	Revenue	kWh Sales	Revenue Per kWh	Non-Gen. Utilities	APPA S. W. Region	APPA 20,000-50,000 Customers	APPA 50,000 Cust. S. W. Region	Owned Utilities (TX. Coops (TX)
All Retail Cus								
FY 2010	40,866,062	495,882,331	0.082	0.087	0.078	0.081	N/A	0.094
FY 2011	46,960,677	494,571,058	0.095	0.089	0.086	0.086	N/A	0.086
FY 2012	42,927,648	492,342,590	0.087	0.089	0.086	0.087	N/A	0.079
FY 2013	37,178,226	460,974,578	0.081	0.090	0.089	0.085	N/A	
FY 2014	39,512,239	496,392,874	0.080	0.094	0.087	0.099	N/A	
FY 2015	42,463,400	495,885,573	0.086	0.097	0.088	0.940		
FY 2016	33,961,264	479,917,532	0.071	0.098	0.095	0.098		
FY 2017	39,685,883	466,665,272	0.085	0.098	0.091	0.096		
FY 2018	42,208,338	500,063,719	0.084					
FY 2019	42,602,226	502,409,217	0.085					
All Residential								
FY 2010	23,162,020	267,317,924	0.087	0.092	0.090	0.090	N/A	
FY 2011	26,498,167	265,000,877	0.100	0.097	0.091	0.094	N/A	
FY 2012	23,870,503	259,951,293	0.092	0.098	0.095	0.097	N/A	
FY 2013	20,130,407	243,190,541	0.083	0.098	0.100	0.096	N/A	
FY 2014	21,665,694	271,751,425	0.080	0.103	0.098	0.104	N/A	
FY 2015	23,662,827	269,571,423	0.088	0.106	0.100	0.102		
FY 2016	18,472,374	255,942,839	0.072	0.106	0.105	0.107		
FY 2017	21,423,482	245,964,874	0.087	0.106	0.105	0.106		
FY 2018	23,605,191	272,787,300	0.087					
FY 2019	23,642,703	278,677,159	0.085					
All Commercial								
FY 2010	17,211,353	228,564,407	0.075	0.089	0.078	0.091	N/A	
FY 2011	19,938,590	229,570,181	0.087	0.094	0.085	0.087	N/A	
FY 2012	18,547,551	232,391,297	0.080	0.098	0.087	0.098	N/A	
FY 2013	16,437,879	217,784,037	0.075	0.097	0.087	0.095	N/A	
FY 2014	17,227,506	224,641,449	0.077	0.102	0.088	0.105	N/A	
FY 2015	18,219,622	226,314,150	0.081	0.095	0.088	0.101		
FY 2016	14,693,500	223,974,693	0.066	0.100	0.094	0.102		
FY 2017	17,325,564	220,700,398	0.079	0.093	0.092	0.103		
FY 2018	17,768,280	227,276,419	0.078					
FY 2019	18,062,257	223,732,058	0.081					

2) Revenue per Customer (dollars):

- Definition: a) All Retail Classes - The ratio of total electric operating revenues from sales to ultimate customers to the average number of customers. This ratio measures the average amount of revenue received from each retail customer from any class.
- b) Residential - The ratio of residential revenues to the average number of residential customers. This measures the average amount of revenue received from each residential customer.
- c) Commercial - The ratio of commercial revenues to the average number of commercial customers. This ratio measures the average amount of revenue received from each commercial customer.

		Revenue	Average # of Customers	Revenue per Customer	(A) Non-Gen. Utilities	(A) S. W. Region	APPA 20,000-50,000 Customers	50,000 Cust. S. W. Region
All Retail Cla	FY 2010	40,866,062	21,431	1,907	N/A	N/A	N/A	N/A
	FY 2011	46,960,677	21,551	2,179	N/A	N/A	N/A	N/A
	FY 2012	42,927,648	21,796	1,970	N/A	N/A	N/A	N/A
	FY 2013	37,178,226	21,929	1,695	N/A	N/A	N/A	N/A
	FY 2014	39,512,239	22,033	1,793	N/A	N/A	N/A	N/A
	FY 2015	42,463,400	22,207	1,912	N/A	N/A	N/A	N/A
	FY 2016	33,961,264	22,419	1,503	N/A	N/A	N/A	N/A
	FY 2017	39,685,883	22,639	1,753				
	FY 2018	42,208,338	22,825	1,849				
	FY 2019	42,602,226	22,993	1,853				
Residential:	FY 2010	23,162,020	17,791	1,306	N/A	N/A	N/A	N/A
	FY 2011	26,498,167	17,834	1,486	N/A	N/A	N/A	N/A
	FY 2012	23,870,503	17,970	1,328	N/A	N/A	N/A	N/A
	FY 2013	20,130,407	18,125	1,111	N/A	N/A	N/A	N/A
	FY 2014	21,665,694	18,173	1,193	N/A	N/A	N/A	N/A
	FY 2015	23,662,827	18,258	1,296	N/A	N/A	N/A	N/A
	FY 2016	18,472,374	18,609	993	N/A	N/A	N/A	N/A
	FY 2017	21,423,482	18,811	1,139				
	FY 2018	23,605,191	18,948	1,246				
	FY 2019	23,642,703	19,081	1,239				
Commercial:	FY 2010	17,211,353	3,699	6,048	N/A	N/A	N/A	N/A
	FY 2011	19,938,590	3,718	4,869	N/A	N/A	N/A	N/A
	FY 2012	18,547,551	3,731	4,971	N/A	N/A	N/A	N/A
	FY 2013	16,437,879	3,738	4,398	N/A	N/A	N/A	N/A
	FY 2014	17,227,506	3,742	4,604	N/A	N/A	N/A	N/A
	FY 2015	18,219,621	3,743	4,868	N/A	N/A	N/A	N/A
	FY 2016	14,693,500	3,793	3,874	N/A	N/A	N/A	N/A
	FY 2017	17,325,564	3,829	4,525				
	FY 2018	17,768,280	3,877	4,584				
	FY 2019	18,062,257	3,913	4,617				



3) Debt to Total Assets:

Definition: The ratio of long-term debt, plus current and accrued liabilities, to total assets and other debits. This ratio measures a utility's ability to meet its current and long-term liabilities based on the availability of assets.

FY	Debt	Total Assets	Ratio	(A) Non-Gen. Utilities	(A) S. W. Region	20,000-50,000 Customers	APPA 50,000 Cust. S. W. Region
FY 2010	13,986,764	52,115,798	0.27	0.479	0.431	0.428	N/A
FY 2011	14,615,074	53,838,448	0.27	0.285	0.419	0.271	N/A
FY 2012	9,465,415	52,665,518	0.18	0.300	0.381	0.296	N/A
FY 2013	8,606,205	54,199,106	0.16	0.243	0.502	0.342	N/A
FY 2014	15,563,923	64,047,153	0.24	0.273	0.442	0.333	N/A
FY 2015	17,207,394	72,656,742	0.24	0.259	0.411	0.271	
FY 2016	19,705,180	75,699,704	0.26	0.255	0.386	0.336	
FY 2017	11,199,945	76,559,475	0.15	0.230	0.393	0.308	
FY 2018	11,640,480	78,150,416	0.15				
FY 2019	14,156,691	83,994,772	0.17				

4) Operating Ratio:

Definition: The ratio of total electric operation and maintenance expenses to total electric operating revenues. This ratio measures the proportion of revenues received from electricity sales, rate adjustments and other electric activities required to cover the operation and maintenance costs associated with producing and selling electricity. (excludes depreciation)

FY	O & M Expenses	Operating Revenues	Operating Ratio	(A) Non-Gen. Utilities	(A) S. W. Region	20,000-50,000 Customers	APPA 50,000 Cust. S. W. Region
FY 2010	35,720,991	40,866,062	0.874	0.900	0.800	0.840	N/A
FY 2011	42,539,909	46,960,677	0.906	0.896	0.839	0.858	N/A
FY 2012	35,593,689	42,927,648	0.829	0.896	0.816	0.859	N/A
FY 2013	31,296,713	37,178,232	0.842	0.917	0.722	0.870	N/A
FY 2014	33,636,603	39,512,239	0.851	0.894	0.866	0.859	N/A
FY 2015	37,394,087	42,463,400	0.881	0.893	0.806	0.874	
FY 2016	28,958,536	33,961,264	0.853	0.874	0.833	0.867	
FY 2017	33,868,590	39,685,883	0.853	0.888	0.807	0.860	
FY 2018	36,212,407	42,208,338	0.858				
FY 2019	35,248,295	42,602,226	0.827				

5) Current Ratio:

Definition: The ratio of total current and accrued assets to total current and accrued liabilities.

This ratio is a measure of the utility's short-term liquidity, that is, the ability to pay its bills.

The current ratio takes a snapshot of the utility's liquidity at a point in time and thus may vary considerably at other times of the year.

FY	Current & Accrued Assets	Current & Accrued Liab.	Current Ratio	(A) Non-Gen. Utilities	(A) S. W. Region	20,000-50,000 Customers	APPA 50,000 Cust. S. W. Region
FY 2010	17,940,405	5,067,595	3.54	N/A	3.48	1.74	N/A
FY 2011	18,560,105	7,874,419	2.36	N/A	3.54	2.85	N/A
FY 2012	15,035,462	3,525,649	4.26	N/A	3.60	2.71	N/A
FY 2013	20,744,315	6,615,132	3.14	N/A	2.19	2.51	N/A
FY 2014	20,193,162	7,340,412	2.75	N/A	3.54	2.48	N/A
FY 2015	34,334,939	11,260,816	3.05	N/A	3.55	2.70	N/A
FY 2016	33,658,598	11,268,403	2.99	N/A	3.49	1.90	N/A
FY 2017	27,743,927	3,221,448	8.61	N/A	4.01	3.08	N/A
FY 2018	25,591,381	5,858,456	4.37				
FY 2019	24,948,633	5,173,869	4.82				

6) Net Income per Revenue Dollar (dollars):

Definition: The ratio of net electric utility income to total electric operating revenues. This ratio

measures the amount of income remaining, after accounting for operation and maintenance expenses, depreciation, taxes, and tax equivalents, and contributions and services, to every dollar received from sales of electricity.

FY	Net Income	Operating Revenues	Net Income Per Revenue Dollar	(A) Non-Gen. Utilities	(A) S. W. Region	20,000-50,000 Customers	APPA 50,000 Cust. S. W. Region
FY 2010	2,793,463	40,866,062	0.068	N/A	0.067	0.048	N/A
FY 2011	2,399,199	46,960,677	0.051	N/A	0.056	0.048	N/A
FY 2012	4,983,577	42,927,648	0.116	N/A	0.080	0.043	N/A
FY 2013	3,630,026	37,178,226	0.098	N/A	0.098	0.039	N/A
FY 2014	3,604,128	39,512,239	0.091	N/A	0.054	0.041	N/A
FY 2015	2,681,736	42,463,400	0.063	N/A	0.053	0.097	N/A
FY 2016	2,208,549	33,961,264	0.065	N/A	0.083	0.116	N/A
FY 2017	2,979,022	39,685,883	0.075		0.048	0.070	
FY 2018	2,420,526	42,208,338	0.057				
FY 2019	4,656,553	42,602,226	0.109				

6a) Net Income per Revenue Dollar (dollars) (continued):

In order to be comparable to other utilities, Net Income must be reduced by the amount of the transfer to the City of Kerrville General Fund. The resulting ratios appear below:

FY	Net Income Less Transfer	Operating Revenues	Net Income Per Revenue Dollar	(A) Non-Gen. Utilities	(A) S. W. Region	20,000-50,000 Customers	APPA 50,000 Cust. S. W. Region
FY 2010	1,551,565	40,866,062	0.038	N/A	0.067	0.048	N/A
FY 2011	955,589	46,960,677	0.020	N/A	0.056	0.048	N/A
FY 2012	3,663,835	42,927,648	0.085	N/A	0.080	0.043	N/A
FY 2013	2,417,251	37,178,226	0.065	N/A	0.098	0.039	N/A
FY 2014	2,312,206	39,512,239	0.059	N/A	0.054	0.041	N/A
FY 2015	1,169,602	42,463,400	0.028	N/A	0.053	0.097	N/A
FY 2016	1,098,213	33,961,264	0.032	N/A	0.083	0.116	N/A
FY 2017	1,746,181	39,685,883	0.044	N/A	0.048	0.070	N/A
FY 2018	1,073,831	42,208,338	0.025				
FY 2019	3,265,351	42,602,226	0.077				

7) Debt Service Coverage Ratio:

Definition: The ratio of net revenues available for debt service to long-term debt service for the year.

Net income has non-cash costs, such as depreciation, and debt service costs, such as interest and principal payments, added back to calculate the numerator. The denominator consists of principal, interest, and amortization of debt discount. The ratio measures the cash available from operations to meet the debt service requirements. KPUB's Bond ordinance requires it to maintain a 1.35 to 1 debt service coverage ratio.

FY	Net Income + Debt Service & non-cash	Debt Service	Debt Service Coverage	(A) Non-Gen. Utilities	(A) S. W. Region	20,000-50,000 Customers	APPA 50,000 Cust. S. W. Region
FY 2010	7,267,396	2,613,683	2.78	N/A	2.88	2.48	N/A
FY 2011	5,879,328	2,256,874	2.61	N/A	2.87	2.46	N/A
FY 2012	7,267,396	2,613,683	2.78	N/A	2.88	2.48	N/A
FY 2013	5,879,328	2,256,874	2.61	N/A	2.33	3.86	N/A
FY 2014	6,004,370	583,468	10.29	N/A	2.84	1.97	N/A
FY 2015	5,077,773	529,098	9.60	N/A	4.34	4.34	N/A
FY 2016	5,202,893	531,907	9.78	N/A	3.09	3.80	N/A
FY 2017	6,652,372	531,470	12.52	N/A	2.16	4.36	N/A
FY 2018	6,528,367	521,953	12.51				
FY 2019	8,012,860	504,395	15.89				

8) Total Operation and Maintenance Expense per Kilowatt-hour Sold (dollars):

Definition: The ratio of total electric utility operation and maintenance expenses, less depreciation, including the cost of generated and purchased power, to total kilowatt-hour sales to ultimate and resale customers. This ratio measures average total operation and maintenance expenses associated with each kilowatt-hour of electricity sold, either for resale or to ultimate customers.

FY	O & M Expenses	kWh Sales	Cost per kWh	(A) Non-Gen. Utilities	(A) S. W. Region	20,000-50,000 Customers	APPA 50,000 Cust. S. W. Region
FY 2010	35,720,991	495,882,331	0.072	0.075	0.060	0.067	N/A
FY 2011	42,539,909	494,571,058	0.086	0.067	0.066	0.074	N/A
FY 2012	35,720,991	495,882,331	0.072	0.075	0.060	0.067	N/A
FY 2013	42,539,909	494,571,058	0.086	0.084	0.061	0.069	N/A
FY 2014	33,636,603	496,392,874	0.068	0.086	0.070	0.077	N/A
FY 2015	37,394,087	495,885,573	0.075	0.087	0.071	0.077	N/A
FY 2016	28,958,536	479,917,532	0.060	0.085	0.071	0.086	N/A
FY 2017	33,868,590	466,665,272	0.073	0.088	0.073	0.083	
FY 2018	36,212,407	500,063,719	0.072				
FY 2019	35,248,295	502,409,217	0.070				

9) Total Operation and Maintenance Expense (Excluding Power Supply Expense) per Retail Customer (dollars):

Definition: The ratio of total electric utility operation and maintenance expenses, less depreciation, excluding all costs of power supply, to the total number of ultimate customers.

FY	O & M Expense less Purchased Power	Number of Customers	Cost per Customer	(A) Non-Gen. Utilities	(A) S. W. Region	20,000-50,000 Customers	APPA 50,000 Cust. S. W. Region
FY 2010	5,759,887	21,431	269	N/A	475	445	N/A
FY 2011	6,200,533	21,612	287	N/A	418	412	N/A
FY 2012	5,893,288	21,796	270	N/A	431	399	N/A
FY 2013	6,464,816	21,929	295	N/A	599	472	N/A
FY 2014	7,477,068	22,033	339	N/A	541	487	N/A
FY 2015	8,232,153	22,207	371	N/A	504	501	N/A
FY 2016	6,946,877	22,597	307	N/A	526	499	N/A
FY 2017	7,116,752	22,681	314	N/A	574	573	N/A
FY 2018	6,293,939	22,968	274				
FY 2019	7,657,307	23,018	333				

10) Total Power Supply Expense per Kilowatt-hour Sold (dollars):

Definition: The ratio of total costs of power supply to total sales to both ultimate and resale customers. This ratio measures all power supply costs, including generation and purchased power, associated with the sale of each kilowatt-hour of electricity.

FY	Purchased Power Expense	kWh Sales	Cost per kWh	(A) Non-Gen. Utilities	(A) S. W. Region	20,000-50,000 Customers	APPA 50,000 Cust. S. W. Region
FY 2010	29,961,104	495,882,331	0.060	0.063	0.047	0.053	N/A
FY 2011	36,339,376	494,571,058	0.073	0.067	0.053	0.057	N/A
FY 2012	29,700,401	492,342,590	0.060	0.069	0.055	0.056	N/A
FY 2013	24,831,897	460,974,578	0.054	0.071	0.043	0.054	N/A
FY 2014	26,159,535	496,392,874	0.053	0.074	0.054	0.063	N/A
FY 2015	29,161,935	495,885,573	0.059	0.072	0.056	0.060	N/A
FY 2016	22,011,659	479,917,532	0.046	0.071	0.055	0.063	N/A
FY 2017	26,751,838	466,665,272	0.057	0.074	0.054	0.062	N/A
FY 2018	29,918,468	500,063,719	0.060				
FY 2019	27,590,988	502,409,217	0.055				

11) Purchased Power Cost per Kilowatt-hour (dollars):

Definition: The ratio of the cost of purchased power to the amount of kilowatt-hours purchased. This ratio measures the purchased power component of power supply costs.

FY	Purchased Power Expense	kWh Purchased	Cost per kWh	(A) Non-Gen. Utilities	(A) S. W. Region	20,000-50,000 Customers	APPA 50,000 Cust. S. W. Region
FY 2010	29,961,104	528,522,687	0.057	0.059	0.057	0.051	N/A
FY 2011	36,339,376	528,148,925	0.069	0.062	0.056	0.053	N/A
FY 2012	29,700,401	508,561,630	0.058	0.064	0.051	0.052	N/A
FY 2013	24,831,897	494,069,520	0.050	0.068	0.050	0.050	N/A
FY 2014	26,159,535	526,606,627	0.050	0.070	0.053	0.061	N/A
FY 2015	29,161,935	528,997,459	0.055	0.070	0.052	0.055	N/A
FY 2016	22,011,659	503,332,985	0.044	0.068	0.050	0.058	N/A
FY 2017	26,751,838	501,525,275	0.053	0.074	0.051	0.059	N/A
FY 2018	29,918,468	530,832,591	0.056				
FY 2019	27,590,988	530,542,081	0.052				

12) Equity to Capital Ratio:

Definition: The ratio of the total equity to KPUB's total bond debt plus total equity. This ratio was identified by Fitch Ratings in its rating of KPUB in August 2001.

FY	Total Debt	Total Equity	(D) Equity/ Capitalization %	(D) ERCOT Non-Gen. Utilities	(D) ERCOT Gen. Utilities	(D) Fitch 'AA' Non-Gen. Utilities	(D) Rate: Fitch 'A' Non-Gen. Utilities	Rated
FY 2010	6,724,170	38,169,459	0.8502	N/A	N/A	N/A	N/A	
FY 2011	4,445,655	39,223,374	0.8982	N/A	N/A	N/A	N/A	
FY 2012	2,047,140	43,200,103	0.9548	N/A	N/A	N/A	N/A	
FY 2013	N/A	45,592,901		N/A	N/A	N/A	N/A	
FY 2014	5,984,000	47,922,127	0.9213	N/A	N/A	N/A	N/A	
FY 2015	5,612,000	55,449,347	0.9452	N/A	N/A	N/A	N/A	
FY 2016	5,237,000	55,994,524	0.9491	N/A	N/A	N/A	N/A	
FY 2017	4,858,000	65,359,529	0.9538	N/A	N/A	N/A	N/A	
FY 2018	4,473,000	64,988,633	0.9583					
FY 2019	4,081,000	65,584,647	0.9623					

13) Administrative and General Expenses per Retail Customer (dollars):

Definition: The ratio of total electric administrative and general expenses to the total number of retail customers.

FY	A and G Expenses	Number of Customers	Cost per Customer	(A) Non-Gen. Utilities	(A) S. W. Region	20,000-50,000 Customers	APPA 50,000 S. W. Region	(B) Cust. Invtr Owned Utilities (U.S.)
FY 2010	2,613,911	21,431	121.97	148	187	159	N/A	N/A
FY 2011	2,850,748	21,612	131.91	149	135	148	N/A	N/A
FY 2012	2,664,423	21,796	122.24	150	150	153	N/A	N/A
FY 2013	2,904,140	21,929	132.43	140	239	168	N/A	N/A
FY 2014	3,902,527	22,033	177.12	145	178	159	N/A	N/A
FY 2015	4,510,222	22,207	203.35	156	170	149	N/A	N/A
FY 2016	3,448,412	22,597	152.60	164	170	152	N/A	N/A
FY 2017	3,518,863	22,681	155.13	162	234	182	N/A	N/A
FY 2018	3,594,348	22,968	156.49					
FY 2019	3,687,147	23,018	160.19					



16) Days Cash On Hand:

Definition: Unrestricted Cash & Cash equivalents divided by Operating Expenses less Depreciation times 365.

				(D)	(D)	(D)	(D)
				ERCOT	ERCOT	Fitch	Fitch
				Non-Gen.	Gen.	'AA' Rated	'A' Rated
	Unrestricted Cash	Operating Expenses	Days Cash	Non-Gen.	Gen.	Non-Gen.	Non-Gen.
FY	and Investments	less Depreciation	On Hand	Utilities	Utilities	Utilities	Utilities
FY 2010	12,051,060	35,720,991	123	N/A	N/A	N/A	N/A
FY 2011	8,896,887	42,539,909	77	N/A	N/A	N/A	N/A
FY 2012	8,805,915	35,593,689	91	N/A	N/A	N/A	N/A
FY 2013	11,092,134	31,296,713	129	N/A	N/A	N/A	N/A
FY 2014	14,199,201	33,636,603	154	N/A	N/A	N/A	N/A
FY 2015	27,008,347	37,538,638	263	N/A	N/A	N/A	N/A
FY 2016	20,882,642	28,958,536	264	N/A	N/A	N/A	N/A
FY 2017	21,394,727	33,868,590	263	N/A	N/A	N/A	N/A
FY 2018	19,037,581	36,212,407	192				
FY 2019	18,907,143	35,248,295	196				

17) Energy Loss Percentage:

Definition: The ratio of total energy losses to total sources of energy.

					(A)	(A)	
				%	Non-Gen.	S. W.	20,000-50,000
FY	Purchased Kwh	kWh Sold	% Sales	Line Loss	Utilities	Region	Customers
FY 2010	528,522,687	495,882,331	0.9382	6.18%	0.0454	0.043	0.0363
FY 2011	528,148,925	494,571,058	0.9364	6.36%	0.0294	0.043	0.0362
FY 2012	508,561,630	488,605,371	0.9608	3.92%	0.0391	0.043	0.0377
FY 2013	494,069,520	460,974,578	0.9330	6.70%	0.0367	0.088	0.0379
FY 2014	526,606,827	496,392,874	0.9426	5.74%	0.0330	0.038	0.0314
FY 2015	528,997,459	495,885,573	0.9374	6.25%	0.0308	0.040	0.0338
FY 2016	503,332,952	479,917,532	0.9535	4.65%	0.0395	0.041	0.0382
FY 2017	501,525,275	466,665,272	0.9305	6.95%	0.0367	0.041	0.0348
FY 2018	530,832,591	500,063,719	0.9420	5.80%			
FY 2019	530,542,081	502,409,217	0.9470	5.30%			

14) Customer Accounting, Customer Service & Informational Expenses per Retail Customer (dollars):

Definition: The ratio of total customer accounting, customer service, and sales expenses to the total number of retail customers. This ratio measures the average expenses incurred by the utility in handling each customer's account. This includes the costs of obtaining and servicing all retail customers. Uncollectible accounts and meter reading expenses are included in this ratio.

FY	Customer Accounting, Customer Service & Sales Expenses	Number of Customers	Cost per Customer	(A) Non-Gen. Utilities	(A) S. W. Region	20,000-50,000 Customers	APPA 50,000 Cust. S. W. Region	(B) Invtr Owned Utilities (U.S.)
FY 2010	885,403	21,431	41.32	N/A	70	77	N/A	N/A
FY 2011	999,927	21,551	46.40	N/A	64	55	N/A	N/A
FY 2012	1,087,721	21,701	50.12	N/A	60	62	N/A	N/A
FY 2013	1,041,196	21,863	47.62	N/A	86	80	N/A	N/A
FY 2014	1,131,679	21,915	51.64	N/A	48	62	N/A	N/A
FY 2015	1,145,573	22,002	52.07	N/A	49	59	N/A	N/A
FY 2016	942,242	22,402	42.06	N/A	52	59	N/A	N/A
FY 2017	1,051,982	22,639	46.47	N/A	64	58	N/A	N/A
FY 2018	1,139,861	22,825	49.94					
FY 2019	1,031,687	22,993	44.87					

15) Distribution Operation and Maintenance Expenses per Retail Customer (dollars):

Definition: The ratio of total distribution operation and maintenance expenses to the total number of retail customers. This ratio measures the average distribution expense associated with delivering power to each retail customer.

FY	Distribution Operation and Maintenance Expenses	Avg Number of Customers	Cost per Customer	(A) Non-Gen. Utilities	(A) S. W. Region	20,000-50,000 Customers	APPA 50,000 Cust. S. W. Region	(B) Invtr Owned Utilities (U.S.)
FY 2010	2,282,009	21,431	106.48	N/A	166	147	N/A	N/A
FY 2011	2,383,448	21,551	110.60	N/A	156	144	N/A	N/A
FY 2012	2,187,394	21,701	100.80	N/A	170	152	N/A	N/A
FY 2013	2,555,693	21,863	116.90	N/A	129	177	N/A	N/A
FY 2014	2,488,855	21,915	113.57	N/A	165	161	N/A	N/A
FY 2015	2,597,130	22,002	118.04	N/A	173	167	N/A	N/A
FY 2016	2,584,162	22,402	115.35	N/A	175	162	N/A	N/A
FY 2017	2,570,837	22,639	113.56	N/A	122	200	N/A	N/A
FY 2018	2,568,044	22,825	112.51					
FY 2019	2,935,673	22,993	127.68					

18) Working Capital Balance:

Definition: The total of the current assets less the current liabilities.

FY	Current Assets	Current Liabilities	Working Capital
FY 2010	14,284,352	3,526,737	10,757,615
FY 2011	15,047,052	7,097,889	7,949,163
FY 2012	13,777,249	4,297,090	9,480,159
FY 2013	17,231,262	6,058,593	11,172,669
FY 2014	23,265,453	8,438,634	14,826,819
FY 2015	30,821,886	10,725,481	20,096,405
FY 2016	22,918,733	10,557,349	12,361,384
FY 2017	24,211,847	3,691,117	20,520,730
FY 2018	22,078,328	4,893,729	17,184,598
FY 2019	23,030,781	5,557,385	17,473,396

19) Customer Accounts Receivable Recap:

Definition: A recap of the customer accounts receivable, account write-offs net of collections, the bad debt allowance, the bad debt allowance balance as a percent of receivables, the ratio of the writeoffs to receivables and the ratio of writeoffs to sales:

FY	Balance of Customer Accounts Receivable Including Unbilled Sales Estimate	Unbilled Accounts Receivable	Balance of Bad Debt Allowance	Account Write-offs Net of Collection	Allowance a % of Receivable	Writeoffs as a % of Receivables	Writeoffs as a % of Operating Rev.
FY 2010	4,356,210	2,820,163	98,009	61,800	0.0225	0.0142	0.0015
FY 2011	7,021,458	4,529,890	91,241	84,473	0.0130	0.0120	0.0018
FY 2012	6,959,804	4,400,760	90,000	67,387	0.0129	0.0097	0.0016
FY 2013	4,926,079	3,019,839	73,159	49,333	0.0149	0.0100	0.0013
FY 2014	5,261,521	3,352,658	43,500	48,678	0.0083	0.0093	0.0012
FY 2015	5,932,335	4,133,604	70,100	88,186	0.0119	0.0149	0.0021
FY 2016	4,211,272	2,561,150	53,857	18,728	0.0128	0.0044	0.0006
FY 2017	4,791,603	2,849,936	76,419	46,547	0.0159	0.0097	0.0012
FY 2018	4,431,069	2,310,201	86,344	58,000	0.0195	0.0131	0.0014
FY 2019	4,924,212	3,229,962	73,244	55,000	0.0149	0.0112	0.0013

## MEMORANDUM

To: Fred Gamble  
Bill Thomas  
Philip Stacy  
Mark Cowden  
Mayor Bill Blackburn

From: Mike Wittler

Date: October 16, 2019

Re: Agenda Item No. 8 – Report, Consideration, & Action on KPUB Energy Efficiency Programs

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The table below summarizes the Energy Efficiency Rebate Program performance for the past fiscal year (through September 30, 2018).

Program	Number of Customer Rebates	Cost	Utilization Percentage
HVAC Rebates	70	\$28,350.00	70.00%
Contractor HVAC Rebates	70	\$3,900.00	5.00%
Commercial Lighting	28	\$32,063.96	40.00%
Window Unit	1	\$25.00	.03%
Insulation Rebates	27	\$6,787.00	8.00%
Pump/Motors	2	\$187.50	.23%
Water Heater	1	\$300.00	.37%
Windows	25	\$8,488.70	11.00%
Smart Thermostat	20	\$575.00	.70%
Shade Tree	2	\$75.00	.09%
Total	246	\$80,727.16	77.00%

This year we have budgeted to continue the Energy Efficiency Programs at the same funding level of \$105,000. For the upcoming year, staff is recommending that all funds continue to be combined into a pool for program administration. This approach allows customers to seek what energy efficiency improvements they wish, and it allows staff to be flexible in budget allocation to achieve program goals of demand reduction. Staff is recommending that the General Manager be authorized to make adjustments to the programs including offerings, qualifications, requirements, and rebate amounts. Please let me know if you have any questions or concerns.

Sincerely,



Mike Wittler, P.E.

## MEMORANDUM

To: Fred Gamble  
Bill Thomas  
Philip Stacy  
Mark Cowden  
Mayor Bill Blackburn

From: Howard Hall

Date: October 16, 2019

Re: Agenda Item No. 9 – Approval and Reporting of Purchases and Sales

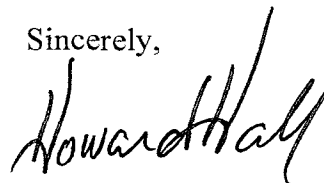
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Presented for your consideration and review are the recommendations for purchase of goods or services.

- A. Fleet Purchase.** The following vehicles were budgeted for replacement this year. Units 3225 2010 Ford  $\frac{3}{4}$  ton 4X4 (83,148 miles) and 3226 2010 Ford  $\frac{1}{2}$  ton 4X4 (130,482 miles). After request for quotes staff recommends purchasing from Ken Stoepel Ford. Bid sheet attached with prices.

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

Sincerely,



Howard Hall



Quotation / Proposal Opening  
Reference #: 2603  
Opening Date & Time: 10-4-2019 10:00AM

Company Name	Sealed Yes or No, Receive Date	Bid Amount	Exceptions	Comments
Ken Stoepel Ford <sup>3/4</sup> <sub>1/2</sub>		31,374.75	yes	update - 32740 <sup>62/</sup>
Ford of Boerne <sup>3/4</sup> <sub>1/2</sub>		31,912.15	yes	update - 32749 <sup>15/</sup>
Grande Ford <sup>3/4</sup> <sub>1/2</sub>		33,999.00	yes	
		34,999.00	yes	
		36,152.61	yes	
		<del>34,589.89</del>	yes	
		34,070.65		

Witness:

Howard Hall

Witness:

Damon Reschke



## MEMORANDUM

To: Fred Gamble  
Bill Thomas  
Philip Stacy  
Mark Cowden  
Mayor Bill Blackburn

From: Ricardo Berrios

Date: October 16, 2019

Re: Agenda Item No. 9—Approval and Reporting of Purchases and Sales

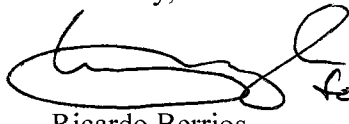
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Presented for your consideration and review are these recommendations for purchase and/or sale of goods or services.

- B. **Wood Pole Inspection and Treatment Services** - Staff recommends award of an annual PO to Osmose Utility Services, Inc for continuation of the three year contract with the possibility of two (2) one year extensions. The initial contract award in November 2017 was after a competitive bid process and the evaluation is attached for your reference. Staff recommends an annual purchase order be issued for \$92,000 for 2,282 poles at an estimated cost of \$40.32 per pole. By scheduling earlier in the fiscal year, we are able to maintain the same per unit pricing from the past year. The award of this contract and purchase order will allow KPUB to continue its preventative maintenance program for wood poles, which is based on a 10 year cycle. The past year's results are attached for reference.

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

Sincerely,

  
Ricardo Berrios for R. Berrios

## Kerrville Public Utility Board

<b>Location:</b>	Texas
<b>Project Dates:</b>	January 3, 2019 - January 24, 2019
<b>Job Number:</b>	1026839
<b>Project Description:</b>	Inspection with Treat - Distribution

<b>Total Poles in Project</b>	<b>1890</b>
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### SERVICES PROVIDED

<b>Poles Inspected</b>	<b>1890</b>
Poles externally treated with MP500-EXT	898
Poles internally treated with WoodFume	473
Poles internally treated with Hollow Heart CB	15
<b>Reject Poles Identified</b>	<b>106</b>
Priority Rejects	2

<b>Inspection Adders</b>	
REPORT MISSING ID TAG	24
GPS LOCATION (1 - 10 METER)	1890
FOREIGN ATTACHMENT ID	1890
KPUB EQUIPMENT INVENTORY	1890
GIS DATA COLLECTION	1890
ELECTRONIC DATA DELIVERY	1890
DIGITAL IMAGE PER IMAGE	106
<b>Repairs</b>	
INSTALL GUY MARKERS - CUST*	174
GROUNDWIRE REPAIR - CUSTOMER*	34

Inspection with Treat - Distribution

January 3, 2019 - January 24, 2019

## Kerrville Public Utility Board

### PROJECT COST SUMMARY

	<i>Cost</i>	<i>Average Cost / Pole Inspected</i>
Inspection Items	\$52,737.46	\$27.90
Internal Preservative Treatment	\$13,850.37	\$7.33
Inspection Adders	\$3,283.38	\$1.74
Repairs	\$2,301.10	\$1.22
<b>Total Cost</b>	<b>\$72,172.31</b>	<b>\$38.19</b>

Inspection with Treat - Distribution

January 3, 2019 - January 24, 2019

RFP Bid No.:	Pole Inspection
Date Proposal Obtained:	11/7/2017



## Pole Inspection Evaluation Matrix

Category:	Evaluator 1	Evaluator 2	Evaluator 3	Average Total Score
Total Score Available Per Respondent	100	100	100	100
Respondent				
Osmose	88	90	98	92
QPIM	85	72	65	74
TXUE	84	79	76	80

## MEMORANDUM

To: Fred Gamble  
Bill Thomas  
Philip Stacy  
Mark Cowden  
Mayor Bill Blackburn

From: Damon Richardson

Date: October 08, 2019

Re: Agenda Item No. 9 – Approval and Reporting of Purchases and Sales

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

- C. Annual Wood Pole Purchase/Agreement.** Staff recommend approval of a one-year agreement to purchase wood poles from Texas Electric Cooperative. Attached are three quotations. TEC is low bidder and stated that they meet or exceed KPUB specifications. An Agreement allows purchase order issuance as needed.

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

Sincerely,



Damon Richardson

## McFarland

Line	Description	Item	Quantity	Unit Cost	Extended Cost
1	Wood Pole 40 foot class 4	10404	100	318	31,800.00
2	Wood Pole 40 foot class 3	10403	10	367	3,670.00
3	Wood Pole 45 foot class 3	10453	260	449	116,740.00
4	Wood Pole 45 foot class 2	10452	30	519	15,570.00
5	Wood Pole 45 foot class 1	10451	20	598	11,960.00
6	Wood Pole 50 foot class 3	10503	20	533	10,660.00
7	Wood Pole 50 foot class 2	10504	10	615	6,150.00
8	Wood Pole 50 foot class 1	10501	10	709	7,090.00
9	Wood Pole 55 foot class 3	10553	10	631	6,310.00
10	Wood Pole 55 foot class 2	10552	10	728	7,280.00
11	Wood Pole 55 foot class 1	10551	10	840	8,400.00
					225,630.00

## Techline

Line	Description	Item	Quantity	Unit Cost	Extended Cost
1	Wood Pole 40 foot class 4	10404	100	317	31,700.00
2	Wood Pole 40 foot class 3	10403	10	366	3,660.00
3	Wood Pole 45 foot class 3	10453	260	445	115,700.00
4	Wood Pole 45 foot class 2	10452	30	513	15,390.00
5	Wood Pole 45 foot class 1	10451	20	592	11,840.00
6	Wood Pole 50 foot class 3	10503	20	527	10,540.00
7	Wood Pole 50 foot class 2	10504	10	608	6,080.00
8	Wood Pole 50 foot class 1	10501	10	702	7,020.00
9	Wood Pole 55 foot class 3	10553	10	624	6,240.00
10	Wood Pole 55 foot class 2	10552	10	722	7,220.00
11	Wood Pole 55 foot class 1	10551	10	832	8,320.00
					223,710.00

## TEC

Line	Description	Item	Quantity	Unit Cost	Extended Cost
1	Wood Pole 40 foot class 4	10404	100	256.89	25,689.00
2	Wood Pole 40 foot class 3	10403	10	294	2,940.00
3	Wood Pole 45 foot class 3	10453	260	356.08	92,580.80
4	Wood Pole 45 foot class 2	10452	30	408	12,240.00
5	Wood Pole 45 foot class 1	10451	20	472.99	9,459.80
6	Wood Pole 50 foot class 3	10503	20	421.24	8,424.80
7	Wood Pole 50 foot class 2	10504	10	486.71	4,867.10
8	Wood Pole 50 foot class 1	10501	10	559.75	5,597.50
9	Wood Pole 55 foot class 3	10553	10	491.52	4,915.20
10	Wood Pole 55 foot class 2	10552	10	575.18	5,751.80
11	Wood Pole 55 foot class 1	10551	10	652.24	6,522.40
					178,988.40