

**MINUTES OF THE
KERRVILLE PUBLIC UTILITY BOARD
REGULAR MONTHLY MEETING
WEDNESDAY, NOVEMBER 20, 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
Jill Sadberry, Chief Financial Officer
Tommy Nylec, Chief Engineer
Gerald Bryla, Controller
Tammye Riley, HR Manager
Jo Anderson, Customer Service Manager
Allison Bueché, Marketing Manager
Lidia S. Goldthorn, Assistant Secretary to the Board

TRUSTEES ABSENT:

OTHERS PRESENT:

Steve Schulte, Legal Counsel
Gilbert Salinas, KEDC

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 October 16, 2019 Regular Monthly Board Meeting. Philip Stacy, Secretary, motioned to approve the minutes. Mark Cowden, Treasurer, 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 that he attended the Engie Solar Project ground breaking. Mr. Wittler advised that Mayor Blackburn presented a Proclamation for National Apprenticeship Week, honoring KPUB employees who are enrolled in the apprenticeship program. He also advised that Work Order Clerk Norma Martinez completed a three-year certification program last month. The Employee Christmas Party will be on December 6th. The December Regular Monthly Board Meeting is scheduled for Wednesday, December 18, 2019 at 8:30 a.m. There were no other announcements.

6. QUARTERLY REPORT FROM THE KERRVILLE ECONOMIC DEVELOPMENT CORPORATION (KEDC) – GILBERT SALINAS, COO:

Mr. Salinas provided an end of year report to the Board. Mr. Salinas gave a review of active projects being developed as well as prospect leads. He also advised that KEDC has been meeting with local industry companies as well as local, state and federal agencies. Mr. Salinas has hosted site selectors and other economic development agencies to bring more prospects to Kerrville. He advised they are helping to connect applicants and employers as well as highlighting residential options needed for prospective workforce. Board members thanked Mr. Salinas for his efforts.

7. CONSIDERATION AND ACTION ON RESOLUTION NO. 19-20 – JILL SADBERRY, CFO:

Ms. Sadberry presented this month's wire transfers for operating expenses to the Board. Mr. Cowden motioned for approval of Resolution No. 19–20. Bill Thomas, Vice Chairman, seconded the motion. Vote was by a show of hands. Motion carried 5 – 0.

8. FINANCIAL REPORT – JILL SADBERRY, CFO:

Ms. Sadberry presented Financial Statements (unaudited) for the Fiscal Year 2020 through October 31, 2019. Ms. Sadberry reviewed the Statements and Balance Sheets for the month. She stated that October 31, 2019, operating expenses, excluding power cost, were below budget by \$165,085.59 or by 17.22%. The balance in the over-collected power cost was \$2,809,393.13. Ms. Sadberry noted the balance in the Rate Stabilization Fund was \$1,885,402.35. The Debt Service Coverage was 19.56 for the month and 19.56 for the Fiscal Year.

9. CONSIDERATION AND ACTION ON SEPTEMBER QUARTERLY FUNDS REPORT – JILL SADBERRY, CFO:

Ms. Sadberry presented the summary pages on the Quarterly Funds Report for the quarter ending September 30, 2019; which summarizes the fund investments. Ms. Sadberry advised KPUB is required by state law to present the quarterly report for the Board's acceptance after review by the Investment Committee. This item did not require a motion and second because it was being submitted for Board approval by the Investment Committee. Vote was by a show of hands. Motion carried 5 – 0.

10. QUARTERLY REPORTS: ENGINEERING AND OPERATIONS PROJECTS – CAPITAL BUDGET SUMMARY, CUMULATIVE PURCHASING ACTIVITY, AND RELIABILITY - TOMMY NYLEC, CHIEF ENGINEER:

Mr. Nylec presented a spreadsheet summarizing spending for the Capital Budget through the fourth quarter of fiscal year end 2019. Mr. Nylec also presented a spreadsheet summarizing disbursements by

check with cumulative activity to payees above \$10,000.00 for the period October 1, 2018 through September 30, 2019 by month. He highlighted the airport underground project; which was delayed and projected to put the total capital budget at 60% spent upon its completion. He also advised that the Hunt Station project is completed. Also provided at the Board's request was a quarterly check register of single payments over \$10,000.00 to accompany the cumulative report. Mr. Nylec also presented the quarterly reliability reports summarizing industry performance indices by substation, feeder, and entire system by month. In the monthly summary, total number of customers connected was also reflected. Service summary also identified common outage causes and Major Event Day threshold, including the day the event occurred.

11. CONSIDERATION AND ACTION ON IDENTITY THEFT POLICY AND PROCEDURES – JO ANDERSON, CUSTOMER SERVICE MANAGER:

Mrs. Anderson advised that as part of KPUB's Identity Theft Prevention Program, the Customer Service Department verifies a customer's identity by running an ONLINE Information Utility Exchange report. For that purpose, KPUB has had an agreement in place with ONLINE Information Services since October of 2008. During the last twelve months, KPUB has processed 2,236 identity verification checks with zero issues. The total cost including monthly fees was \$4,420.95. The Identify Theft Committee met on November 11, 2019 to review the Identity theft Prevention Policies and Procedures. Based on that review, there is no recommendation for any changes to the existing program.

Mr. Stacy motioned for approval to continue under the current policy and procedures. Mr. Cowden seconded the motion. Vote was by a show of hands. Motion carried 5 – 0.

12. CONSIDERATION AND ACTION ON EMPLOYEE INCENTIVE PLAN PAYMENTS FOR FY 2019 – TAMMYE RILEY, H.R. MANAGER:

Ms. Riley reviewed the spreadsheet submitted summarizing the results and proposed payout for each department for the FYE 2019 Employee Incentive Plan. She advised this is the sixth year for the employee incentive plan to be implemented. All forty-three eligible employees have qualified to receive incentive pay for the fiscal year. Two have been promoted or transferred from an eligible position to another eligible position and will receive a combination of the payments for which they are eligible, prorated according to time spent in each position during the Plan Year. Mr. Cowden moved to approve the Employee Incentive Plan payments as recommended. Mr. Stacy seconded the motion. Vote was by a show of hands. Motion carried 5 – 0.

13. CONSIDERATION AND ACTION ON MANAGEMENT INCENTIVE PLAN PAYMENTS FOR FY 2019 – MIKE WITTLER, CEO:

Mr. Wittler reviewed the spreadsheet submitted summarizing the results and proposed payout for the FYE 2019 Management Incentive Plan. Mr. Stacy moved to approve the Management Incentive Plan payments as recommended. Mr. Cowden seconded the motion. Vote was by a show of hands. Motion carried 5 – 0.

14. CONSIDERATION AND ACTION ON REVISION ON ECONOMIC DEVELOPMENT RATE – MIKE WITTLER, CEO:

Mr. Wittler advised that staff has been in contact with the organization redeveloping the Arcadia Theater since May 2019 to determine if their project will be eligible for the KPUB Economic Development

Rate. The new Economic Development Rate that was approved last year was intended to support expansion of primary jobs, significant electric load additions, and development of the Kerrville TIRZ District. As it is currently written, the rate requires customers to be open to the public at least four days per week including at least one day on the weekend and until at least 8:00 pm each day the business is open. The theater will probably not meet this requirement, but its impact to the downtown area is likely to be much more significant than typical retail, arts, and entertainment businesses in the area. Staff recommended approval of Resolution No. 19-21, requesting that this requirement be revised as shown in the attached redlined document to allow the Board more flexibility in determining the impact of a potential customers and their eligibility for the Economic Development Rate.

Mayor Bill Blackburn motioned for approval of Resolution No. 19-21. Mr. Stacy seconded the motion. Vote was by a show of hands. Motion carried 5 – 0.

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

I. 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 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 “Competitive Matters” in accordance with Texas Statues 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 9:20 a.m. Chairman Gamble adjourned the Executive Closed Session and reconvened into Open Session at 9:33 a.m.

12. ADJOURNMENT

Chairman Gamble adjourned the Regular Board Meeting at 9:33 a.m.

Date Approved: _____

Fred Gamble, Chairman

ATTEST

Lidia S. Goldthorn, Assistant Secretary to the Board

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MEMORANDUM

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

FROM: Jill Sadberry

DATE: December 11, 2019

SUBJECT: Agenda Item #6 - Resolution No. 19-22

Presented for your review, wire transfers for operating expenses.

I. WIRE TRANSFERS - Operating Expense

ERCOT-CRR Auction Invoice Paid November 20, 2019 Transfer from TexPool Investment Fund to ERCOT.	\$ 3,097.47
ERCOT-CRR Auction Invoice Paid December 11, 2019 Transfer from TexPool Investment Fund to ERCOT.	\$ 76,832.43
LCRA - Power Cost Billing 10/01/2019 to 10/31/2019 Paid November 29, 2019 Transfer from TexPool Investment Fund to LCRA.	\$ 523,859.37
CPS ENERGY - Power Cost Billing 10/01/2019 to 10/31/2019. Paid November 22, 2019 Transfer from TexPool Investment Fund to CPS ENERGY.	\$ 957,868.95
NEXTERA - Power Cost Billing 10/01/2019 to 10/31/2019. Paid November 20, 2019 Transfer from TexPool Investment Fund to NEXTERA.	\$ 485,088.00
CITY OF GARLAND - Power Cost Billing 10/01/2019 to 10/31/2019. Paid November 29, 2019 Transfer from TexPool Investment Fund to CITY OF GARLAND.	\$ 309,238.72

DG TEXAS SOLAR, LLC - Power Cost Billing 07/01/219 to 07/31/2019.
 Paid December 10, 2019 Transfer from TexPool Investment Fund
 to DG TEXAS SOLAR, LLC. \$ 8,510.23

DG TEXAS SOLAR, LLC - Power Cost Billing 08/01/219 to 08/31/2019.
 Paid December 10, 2019 Transfer from TexPool Investment Fund
 to DG TEXAS SOLAR, LLC. \$ 10,559.09

DG TEXAS SOLAR, LLC - Power Cost Billing 09/01/219 to 09/30/2019.
 Paid November 25, 2019 Transfer from TexPool Investment Fund
 to DG TEXAS SOLAR, LLC. \$ 53,065.23

CENTENNIAL BANK – Transfer from TexPool to Centennial Bank.
 Paid December 22, 2019. \$ 500,000.00

II. WIRE TRANSFERS – Investments

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

<u>Date</u>	<u>Principal</u>
November 18, 2019	\$ 200,000.00
November 22, 2019	300,000.00
December 02, 2019	500,000.00
December 06, 2019	300,000.00
December 09, 2019	400,000.00

III. WIRE TRANSFERS - Payroll

Automated Clearing House for Pay Periods Ending:

November 15, 2019	\$ 103,666.70
November 27, 2019 - EIP/MIP	\$ 51,837.31
November 29, 2019	\$ 112,587.42

IV. WIRE TRANSFERS - Payroll - Federal Reserve Bank

Federal Withholding and FICA for Period Ending:

November 15, 2019	\$ 34,784.43
November 27, 2019 - EIP/MIP	\$ 26,775.25
November 29, 2019	\$ 37,576.67

V. WIRE TRANSFER - Comptroller of Public Accounts

2019 - Sales and Use Tax – Paid 12/06/2019 \$ 72,264.37

VI. WIRE TRANSFER - TMRS and TML

Texas Municipal Retirement System (TMRS) Retirement Plan Contribution for the month of November – Paid 12/06/2019	\$ 113,533.32
Texas Municipal League (TML) Monthly Premium - Medical, Dental, Vision and Life for the month of November – Paid 12/09/2019	\$ 54,962.04

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. 19-22

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 18th day of December, 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: December 10, 2019

Re: Agenda Item No. 7 – Resolution No. 19-23

Resolution No. 19-23 is presented for your consideration. This Resolution is a statement that confirms action taken by the Utility Board and makes an Open Meeting statement on the matters of authorized Bankers and Dealers.

This authorization is an annual requirement for our investment services under current Texas Statutes.

Sincerely,



Jill Sadberry

RESOLUTION NO. 19-23

A RESOLUTION OF THE KERRVILLE PUBLIC UTILITY BOARD APPROVING THE AUTHORIZED BROKERS AND DEALERS FOR INVESTMENT PURPOSES FOR THE SYSTEM.

WHEREAS, The Kerrville Public Utility Board has approved and executed agreements with Hilltop Securities, Inc., Local Government Investment Cooperative (LOGIC), and TexPool for investment services; and

WHEREAS, the Kerrville Public Utility Board wishes to continue the relationship with Hilltop Securities, Inc., LOGIC, and TexPool; now, therefore,

BE IT RESOLVED BY THE KERRVILLE PUBLIC UTILITY BOARD THAT:

Section 1. The Kerrville Public Utility Board approves Hilltop Securities, Inc., LOGIC, and TexPool as the Board's official authorized Brokers and Dealers.

Section 2. This Resolution shall take effect immediately from and after its passage for a period of one year from the approval date.

PASSED, APPROVED AND ADOPTED on this 18th day of December, 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: December 10, 2019

Re: Agenda Item No. 8 — Financial Report

Operating income for the month of November is \$44,204.16, which is above budget by \$32,440.69. Net income for the month is \$83,899.69, which is above budget by \$24,864.69. Year to date operating income is above budget by \$545,608.74 and net income is above budget by \$538,846.10.

For the year, kWh sales are above budget by 15,827,662 kWhs, or by 22.86%.

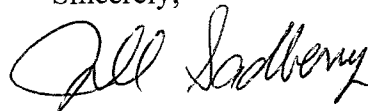
At November 30, 2019, operating expenses, excluding power cost, are below budget by \$89,067.44 or by 4.64%.

The balance in the over collected power cost at November 30, 2019 was \$2,613,751.49.

The balance in the Rate Stabilization Fund is \$1,887,324.34.

Debt service coverage for November is 9.01. The coverage factor for the fiscal year is 15.21.

Sincerely,



Jill Sadberry
Chief Financial Officer

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



	Comparison to Budget			Comparison to Last Year			
	Current Month	Current Month Budget Amount	Increase (Decrease)	% Inc (Dec)	Current Month Last Year Amount	Increase (Decrease)	% Inc (Dec)
OPERATING REVENUES:							
Residential	1,841,447.13	1,564,476.00	276,971.13	17.70%	2,023,103.84	(181,656.71)	-8.98%
Commercial/Industrial	1,555,244.44	1,467,424.00	87,820.44	5.98%	1,681,795.00	(126,550.56)	-7.52%
Sales to Public Authorities	23,254.14	23,500.00	(245.86)	-1.05%	3,424.16	19,829.98	579.12%
Other	25,339.22	37,150.00	(11,810.78)	-31.79%	36,980.73	(11,641.51)	-31.48%
TOTAL OPERATING REVENUES	3,445,284.93	3,092,550.00	352,734.93	11.41%	3,745,303.73	(300,018.80)	-8.01%
OPERATING EXPENSES:							
Purchased Power	2,363,260.62	2,118,984.00	244,276.62	11.53%	2,344,194.44	19,066.18	0.81%
Distribution	339,137.85	261,202.00	77,935.85	29.84%	224,361.20	114,776.65	51.16%
Customer Accounting	59,601.51	63,600.00	(3,998.49)	-6.29%	88,831.43	(29,229.92)	-32.90%
Customer Service & Informational	13,088.46	27,100.00	(14,011.54)	-51.70%	9,761.08	3,327.38	34.09%
Administrative Expenses	347,586.97	322,300.00	25,286.97	7.85%	320,880.67	26,706.30	8.32%
Franchise Fees - Ingram	2,296.81	2,300.00	(3.19)	-0.14%	2,197.75	99.06	4.51%
Depreciation	283,722.52	288,500.00	(4,777.48)	-1.66%	227,794.70	55,927.82	24.55%
Other	(7,613.97)	(3,200.00)	(4,413.97)	137.94%	(790.00)	(6,823.97)	863.79%
TOTAL OPERATING EXPENSES	3,401,080.77	3,080,786.00	320,294.77	10.40%	3,217,231.27	183,849.50	5.71%
OPERATING INCOME	44,204.16	11,764.00	32,440.16	275.76%	528,072.46	(483,868.30)	-91.63%
NONOPERATING REVENUES (EXPENSES):							
Revenue Fund, Constr, Emerg	32,461.10	35,808.00	(3,346.90)	-9.35%	36,523.48	(4,062.38)	-11.12%
Interest & Sinking Fund	120.46	479.00	(358.54)	-74.85%	142.59	(22.13)	-15.52%
Reserve Fund							
Interest Inc-City of Kerrville	15,000.00	15,000.00	-	0.00%	15,000.00	-	-
Interest Expense	(11,215.55)	(11,216.00)	0.45	0.00%	(11,859.08)	643.53	-5.43%
AFUDC - Borrowed Funds	2,901.47	2,500.00	401.47	16.06%	2,323.43	578.04	24.88%
Other - net	428.05	4,700.00	(4,271.95)	-90.89%	(2,413.98)	2,842.03	-117.73%
TOTAL NONOPERATING REVENUES (EXPENSES):	39,695.53	47,271.00	(7,575.47)	-16.03%	39,716.44	(20.91)	-0.05%
NET INCOME (LOSS)	83,899.69	59,035.00	24,864.69	42.12%	567,788.90	(483,889.21)	-85.22%
RETAINED EARNINGS AT BEGINNING OF MONTH	68,413,679.45				65,411,649.91		
Plus: Contributions in Aid of Const	36,688.50	9,000.00	27,688.50	307.65%	14,195.55	22,492.95	158.45%
Less: General Fund Transfer - Regular	101,896.82	93,900.00	7,996.82	8.52%	115,650.40	(13,753.58)	-11.89%
Less: General Fund Transfer - Special	-	-	-		-	-	
RETAINED EARNINGS AT END OF MONTH	68,432,370.82				65,877,983.96		
Percent of Net Income to Operating Revenue	2.44%				15.16%		

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

	Year to Date	Comparison to Budget		% Inc (Dec)	Year to Date Last Year Amount	Comparison to Last Year		% Inc (Dec)
		Year to Date Budget Amount	Increase (Decrease)			Year to Date Last Year Amount	Increase (Decrease)	
OPERATING REVENUES:								
Residential	3,686,567.02	3,176,777.00	509,790.02	16.05%	3,641,139.98	45,427.04	1.25%	
Commercial/Industrial	2,954,066.74	2,898,082.00	55,984.74	1.93%	3,241,648.15	(287,581.41)	-8.87%	
Sales to Public Authorities	46,433.37	47,000.00	(566.63)	-1.21%	6,758.82	39,674.55	587.00%	
Other	(38,892.39)	74,300.00	(113,192.39)	-152.35%	80,182.62	(119,075.01)	-148.50%	
TOTAL OPERATING REVENUES	6,648,174.74	6,196,159.00	452,015.74	7.30%	6,969,729.57	(321,554.83)	-4.61%	
OPERATING EXPENSES:								
Purchased Power	4,213,704.44	4,218,230.00	(4,525.56)	-0.11%	4,432,413.42	(218,708.98)	-4.93%	
Distribution	568,336.19	521,603.00	46,733.19	8.96%	386,812.55	181,523.64	46.93%	
Customer Accounting	98,428.10	126,800.00	(28,371.90)	-22.38%	138,496.93	(40,068.83)	-28.93%	
Customer Service & Informational	35,054.01	54,100.00	(19,045.99)	-35.21%	22,435.34	12,618.67	56.24%	
Administrative Expenses	569,649.39	643,100.00	(73,450.61)	-11.42%	538,617.86	31,031.53	5.76%	
Franchise Fees - Ingram	4,906.42	4,600.00	306.42	6.66%	4,548.28	358.14	7.87%	
Depreciation	563,819.02	576,500.00	(12,680.98)	-2.20%	453,227.64	110,591.38	24.40%	
Other	(8,957.57)	(6,400.00)	(2,557.57)	39.96%	(1,040.00)	(7,917.57)	761.30%	
TOTAL OPERATING EXPENSES	6,044,940.00	6,138,533.00	(93,593.00)	-1.52%	5,975,512.02	69,427.98	1.16%	
OPERATING INCOME	603,234.74	57,626.00	545,608.74	946.81%	994,217.55	(390,982.81)	-39.33%	
NONOPERATING REVENUES (EXPENSES):								
Revenue Fund	73,021.38	71,616.00	1,405.38	1.96%	75,149.11	(2,127.73)	-2.83%	
Interest & Sinking Fund	752.47	958.00	(205.53)	-21.45%	709.17	43.30	6.11%	
Reserve Fund								
Interest Inc-City of Kerrville	30,000.00	30,000.00	-	0.00%	30,000.00	-	-4.03%	
Interest Expense	(23,074.63)	(23,075.00)	0.37	0.00%	(24,043.85)	969.22	22.75%	
AFUDC - Borrowed Funds	5,525.62	5,000.00	525.62	10.51%	4,501.42	1,024.20	-146.32%	
Other - net	911.52	9,400.00	(8,488.48)	-90.30%	(1,967.67)	2,879.19	3.31%	
TOTAL NONOPERATING REVENUES (EXPENSES):	87,136.36	93,899.00	(6,762.64)	-7.20%	84,348.18	2,788.18	-35.99%	
NET INCOME (LOSS)	690,371.10	151,525.00	538,846.10	355.62%	1,078,565.73	(388,194.63)	45.22%	
RETAINED EARNINGS AT BEGINNING OF YEAR	67,949,781.81				64,988,632.92		-5.97%	
Plus: Contributions in Aid of Const	57,117.36	18,000.00	39,117.36	217.32%	39,331.04	17,786.32	45.22%	
Less: General Fund Transfer - Regular	214,899.45	188,100.00	26,799.45	14.25%	228,545.73	(13,646.28)	-5.97%	
Less: General Fund Transfer - Special	50,000.00	45,920.00	4,080.00	8.89%	-	50,000.00		
RETAINED EARNINGS AT END OF YEAR	68,432,370.82				65,877,983.96		15.48%	
Percent of Net Income to Operating Revenue	10.38%							



Kerrville Public Utility Board
Balance Sheets
November 30, 2019

	November 30, 2019 (Unaudited)	October 1, 2019	November 30, 2019 (Unaudited)	October 1, 2019
Assets				
Utility Plant:				
Electric Plant in Service	81,478,232.90	80,570,016.90	68,432,370.62	67,949,781.81
Less: Accumulated Depreciation	(39,060,438.33)	(38,511,913.89)	68,432,370.62	67,949,781.81
	42,417,794.57	42,058,103.01		
Construction Work in Progress	4,262,152.65	4,204,554.83		
Net Utility Plant	46,679,947.22	46,262,657.84		
Restricted Assets:				
Cash and Cash Equivalents:				
Customer Deposits	527,711.01	538,441.01		
Total Cash and Cash Equivalents	527,711.01	538,441.01		
Investments:				
2013 Bond Construction Fund	-	-	3,680,000.00	4,081,000.00
Interest and Sinking Fund	44,752.68	443,403.47		
Emergency, Repair, Replace, Conting Fund	3,516,634.23	3,513,053.00		
Total Investments	3,561,386.91	3,956,456.47		
Total Restricted Assets	4,089,097.92	4,494,897.48		
Current Assets:				
Revenue Fund:				
Cash and Cash Equivalents	471,875.46	374,685.93	401,000.00	392,000.00
Investments - Less: Customer Deposits	9,919,020.07	11,408,481.71	11,215.55	59,295.42
Total Revenue Fund	10,390,895.53	11,783,167.64	527,711.01	532,451.01
Construction Fund:				
Cash and Cash Equivalents	5,034.97	5,020.01	939,926.56	983,746.43
Investments	2,898,489.80	1,666,500.10		
Total Construction Fund	2,903,524.77	1,671,520.11		
Rate Stabilization Fund:				
Cash and Cash Equivalents	1,887,324.34	1,885,402.35	2,152,922.18	2,009,744.93
Investments	1,887,324.34	1,885,402.35	706,608.55	1,199,839.07
Total Rate Stabilization Fund	3,774,648.68	3,770,804.70	2,613,751.49	2,340,093.92
L.T. Rate Stabilization Fund:				
Cash and Cash Equivalents	540,550.48	540,000.00	5,473,282.22	5,549,677.92
Investments	540,550.48	540,000.00		
Total L.T. Rate Stabilization Fund	1,081,100.96	1,080,000.00		
ERCOT CRR Auction Funds	157,536.99	157,536.99		
Customer Accounts Receivable, Net of Allowances	4,269,524.34	4,279,221.69	13,627,767.78	14,148,983.35
Materials and Supplies	1,129,041.18	1,151,297.03		
Other	1,030,679.10	891,047.50		
Total Current Assets	22,309,076.73	22,359,193.31		
Deferred Debits			1,253,434.00	1,253,434.00
Deferred Outflow of Resources	2,735,450.53	2,735,450.53		
Advance to City of Kerrville	7,500,000.00	7,500,000.00		
Total	83,313,572.40	83,352,199.16	83,313,572.40	83,352,199.16
Liabilities and Equity				
Equity:				
Retained Earnings - Unreserved				
Total Equity				
Liabilities:				
Long-Term Debt:				
2013 Revenue Bonds				
Net of Current Portion				
Plus: Unamortized Premium				
Less: Unamortized Refunding Charge				
Pension Liability				
Total Long-Term Debt				
Current Liabilities Payable				
from Restricted Assets:				
Current Portion of 2013 Revenue Bonds				
Accrued Interest Payable				
Accounts Payable 2013 Bond Fund				
Customer Deposits				
Current Liabilities:				
Accounts Payable - Power Suppliers				
Accounts Payable and Accrued Liab's				
Over Collection of Power Cost Adj Revs				
Total Liabilities				
Deferred Credits				
Deferred Inflows of Resources-Pension				
Total				

Kerrville Public Utility Board
 Detail of Fund Balances from Funds Invested in Government Securities For the Month Of
 11/2019

	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	11,622,111.51	2,912,238.21	1,885,402.35	540,000.00	-	577,009.39	3,513,053.00	21,049,814.46
Maturities and/or Withdrawals:						(463,154.50)		
TEXPOOL-Broadway Bank-Bond Pmt								(463,154.50)
TEXPOOL-TM Insurance	(54,385.12)							(54,385.12)
TEXPOOL-TMRS (employer)	(42,607.78)							(42,607.78)
TEXPOOL-TMRS (employee)	(21,303.89)							(21,303.89)
TEXPOOL-LCRA	(523,859.37)							(523,859.37)
TEXPOOL-CPS Energy	(957,868.95)							(957,868.95)
TEXPOOL-NextEra	(485,088.00)							(485,088.00)
TEXPOOL-ERCOT	(85,205.45)							(85,205.45)
TEXPOOL-ERCOT	(3,097.47)							(3,097.47)
TEXPOOL-City of Garland	(309,238.72)							(309,238.72)
TEXPOOL-DG Southwest Solar LLC	(53,065.23)							(53,065.23)
Stadium Equipment Upgrade	4,640.50	(4,640.50)						-
Ingram Equipment Upgrade	8,864.50	(8,864.50)						-
Hunt Emergency Transformer Replac	889.80	(889.80)						-
Investments:								
TEXPOOL	500,000.00							500,000.00
TEXPOOL	400,000.00							400,000.00
TEXPOOL	300,000.00							300,000.00
TEXPOOL	200,000.00							200,000.00
TEXPOOL	(100,000.00)							(100,000.00)
TEXPOOL	200,000.00							200,000.00
TEXPOOL	(500,000.00)							(500,000.00)
TEXPOOL	300,000.00							300,000.00
Transfer City Interest Payment	10,400,786.33	2,897,843.41	1,885,402.35	540,000.00	-	113,854.89	3,513,053.00	19,350,939.98
Allocation of:								
no int earned to the separate funds	12,223.49	2,967.81	1,921.99	550.48	-	120.46	3,581.23	21,365.46
Transfer of interest to I & S Fund								
Interest Receivable (accrued on CD)	10,609.31							10,609.31
Interest Receivable (accrued on CD)	(48,526.46)							(48,526.46)
Interest transferred to I&S from CD								
Xfer int fr bank accts & CD's to I&S Fund								
Not Fund Bal after int allocation & Xfer	10,375,092.67	2,900,811.22	1,887,324.34	540,550.48	-	113,975.35	3,516,634.23	19,334,388.29
Interfund transfers	(19,111.50)					19,111.50		-
Total Fund Balance at End of Month	10,355,981.17	2,900,811.22	1,887,324.34	540,550.48	-	133,086.85	3,516,634.23	19,334,388.29

MEMORANDUM

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

From: Howard Hall

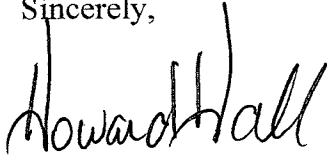
Date: December 12, 2019

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

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

- A. Fleet Purchase.** Staff is recommending the approval of a purchase order to Altec, Inc. for a total of \$159,889.00 to purchase a 2020 Ford F-550 bucket truck. Truck specifications meet those of the Texas Multiple Award Schedule (TXMAS) which is a cooperative purchasing program through the Texas Comptroller of Public Accounts designed to meet statutory competitive procurement requirements. This unit will replace Unit 3236 2014 Dodge 5500 Bucket Truck with over 100,000 miles and close to 4000 hours. A total of \$180,000.00 was budgeted for this purchase.
- B. Fleet Sale.** The following vehicle was auctioned and sold thru JJ Kane Auctioneers. Unit 3206, 2006 F-150 4X4 Pick Up for \$4,275. The amount mentioned is the price after the auctioneer percentage was deducted from the sale price.

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

Sincerely,

Howard Hall

MEMORANDUM

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

From: Mike Wittler

Date: December 12, 2019

Re: Agenda Item 10 – Consideration and Action on Employee Incentive Plan
for FY 2020

Attached is the draft Employee Incentive Plan (EIP) for FY 2020. If approved by the Board, this will be the seventh year of the EIP for non-management personnel. Each employee would again be eligible for up to 3.0% of their annual base salary depending on goal achievement. The goals have been revised based on department needs, the goal attainment for the FY 2019 EIP and historical performance.

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

Sincerely,



Mike Wittler, P.E.

**KERRVILLE PUBLIC UTILITY BOARD
EMPLOYEE INCENTIVE PLAN
FISCAL YEAR 2020**

Supersedes all prior Employee Annual Incentive Plans

Plan Objectives

The purpose of this Plan is to provide additional motivation and incentive for non-management employees of KPUB to achieve or exceed the Company's goals and objectives for the fiscal year; to establish objectively verifiable measures of performance for positions eligible under the Plan; and to foster teamwork among nonexempt employees in attaining the Company's strategic plans.

Plan Year

The Plan Year for this Plan begins on October 1, and ends on September 30, coinciding with KPUB's fiscal year.

Plan Administration

The Personnel Committee (Chairman, Vice-Chairman, and General Manager) shall review the Plan annually and recommend changes, if any, to the Plan for adoption by the Board of Trustees. The Personnel Committee shall ensure the Plan represents the appropriate levels of accomplishment consistent with the Company's historical performance, strategic goals, operating environment and stewardship responsibility. The Board of Trustees may modify or terminate this Plan or any provision herein at its discretion.

The Board will endeavor to make any adjustments to this Plan as soon as possible after the beginning of each fiscal year.

Positions Eligible for Participation

All KPUB employees not covered by the Management Incentive Plan are eligible to participate in this Plan. Occupants of these positions must be full-time employees on the payroll on the day the Board of Trustees approves payment of the annual incentives under the Plan. An otherwise-eligible participant will be rendered ineligible for any payments under this Plan if, within the six months preceding the last day of the Plan Year, s/he has received a disciplinary notice advising that his/her employment is in jeopardy.

Pro Rata Awards

If an individual is promoted or transferred from an eligible position to another eligible position, the Incentive Plan payment will be a combination of the payments for which s/he is eligible, prorated according to time spent in each position during the Plan Year. Employees who start their employment or take an unpaid leave of absence during the Plan Year will receive a prorated award based on the number of full months that they were paid for. Should an individual be demoted during a Plan Year, his/her eligibility for an Incentive Plan payment, if any, and the amount of the payment will be determined by the General Manager/CEO in his discretion.

Goals/Performance Factors

An individual's entitlement to an Incentive Plan payment will be measured by the individual's departmental or individual goals. The calculated percentage to which an individual will be entitled under the Incentive Plan will be multiplied by the maximum Incentive Plan payment to which the individual is entitled, by department. The maximum Incentive Plan payment for which an individual is eligible is 3.0% of their base pay, (excluding overtime and shift differential).

Each goal listed for a department is assigned a weight to reflect the importance of the goal to the individual's overall performance, with the combined weight-ratings totaling 100%. The achievement level of each goal will also be measured against a Target level of achievement, a Threshold (below-Target) level, and an outstanding (above-Target) level. An individual who meets Target with respect to a particular goal will receive the full weight assigned to that goal. An individual who achieves only the Threshold for that goal will receive half the weight assigned to the goal, and an individual who achieves Outstanding results will receive one-and-one-half times the weight assigned to the goal. Payout at the Outstanding achievement level can only be used to make up for goals that do not meet the Target level, i.e. an individual cannot be awarded more than the maximum percentage of their annual base pay. Unless specifically noted for a goal, there is no prorating between the Threshold and Target or the Target and Outstanding achievement levels. No weight will be given for performance below the Threshold level for a goal. An individual who has not met Threshold level cannot meet Target level, and an individual who has not met Threshold and Target levels cannot meet Outstanding level.

Schedule for Payments Under Plan

Incentive Plan payments will be made to all eligible participants as soon as practicable following the end of the fiscal year.

Publication of Plan

Upon the Board's adoption of this Plan each fiscal year, including any adjustments thereto, the Plan will be posted on the employee bulletin boards, located in each building.

Employment Not Affected

Nothing in this Plan shall be deemed to confer on any employee a right of continued employment or affect the right of KPUB to terminate the employment of any employee at any time, with or without cause or prior notice.

Approved by the Board on

Approved by the Personnel Committee on

Position / Dept.	Goal	Note	Weight	Threshold	Target	Outstanding
Accounting Clerk	Safety: Lost Time Accidents	1	10%	N/A	No Lost Time Accidents	No Lost Time for 2nd Consecutive Year
Accounting Clerk	First Draft Financials Submitted by 4th Work Day of Each Month		20%	Submission by Noon of 5th Work Day	Submission by Noon of 4th Work Day	Submission by Noon of 3rd Work Day
Accounting Clerk	Annual Audit		30%	Audit worksheets prepared in a timely manner with no significant disagreements or difficulties with the Auditors	No significant audit adjustments, referencing information available to Management by October 31	No audit adjustments
Accounting Clerk	Journal Entries Accuracy		20%	< 5 errors per year	< 3 errors per year	< 2 errors per year
Accounting Clerk	Deposit Management Accuracy		20%	<25 errors per year	<20 errors per year	< 15 errors per year
AP Clerk	Safety: Lost Time Accidents	1	10%	N/A	No Lost Time Accidents	No Lost Time Accidents for 2nd Consecutive Year
AP Clerk	First Draft Financials Submitted by 4th Work Day of Each Month		10%	Submission by Noon of 5th Work Day	Submission by Noon of 4th Work Day	Submission by Noon of 3rd Work Day
AP Clerk	Annual Audit		30%	Audit worksheets prepared in a timely manner with no significant disagreements or difficulties with the Auditors	No significant audit adjustments, referencing information available to Management by October 31	No audit adjustments
AP Clerk	Write Job Duties Procedure Manual		20%	by 8/1/2020	by 7/1/2020	by 6/1/2020
AP Clerk	Bank Reconciliation Independently completed by 20th of following month		30%	by 3/20/2020	by 2/20/2020	by 1/20/2020
CSR	Safety: Lost Time Accidents	1	10%	N/A	No Lost Time Accidents	No Lost Time Accidents for 2nd Consecutive Year
CSR	Telephone Responsiveness (Missed Calls with Full Staffing)		15%	Less than 2.6%	Less than 2.3%	Less than 2.0%
CSR	Increase Paperless Bills on Active Accounts		15%	>5200	>5500	>5800
CSR	Increase Number of Prepaid Accounts		15%	Add 75 New Prepaid Accounts for 209 Total	Add 150 New Prepaid Accounts for 284 Total	Add 225 New Prepaid Accounts for 359 Total
CSR	Increase Total Number of Bank Draft Customers		15%	>4500 Customers	>4750 Customers	>5000 Customers
CSR	Increase Percentage of Email Addresses on File for Active Accounts		15%	≥65%	≥68%	≥75%
CSR	Process Improvement Recommendations (Individual Goal)	13	15%	1 Recommendation by FYE	2 Recommendations by FYE	3 Recommendations by FYE

Position / Dept.	Goal	Note	Weight	Threshold	Target	Outstanding
Dispatch	Safety: Lost Time Accidents	1	10%	N/A	No Lost Time Accidents	No Lost Time Accidents for 2nd Consecutive Year
Dispatch	Reliability (SAIDI excluding Major Event Days as Defined in IEEE 1366-2012)		15%	25.5 Minutes	22.25 Minutes	20.0 Minutes
Dispatch	Backup Operations Center Monthly Test		10%	8 Monthly Drills by FYE	10 Monthly Drills by FYE	12 Monthly Drills by FYE
Dispatch	Provide EIP Goal Suggestions for 2020/2021 Fiscal Year	13	5%	1 Goal	2 Goals	3 Goals
Dispatch	Complete Command Center Online Training		15%	N/A	by FYE	N/A
Dispatch	Research & Provide Recommendation for a Recording System for Dispatch Radio		15%	Proposal by 6/30/2020	Proposal by 4/30/2020	Proposal by 1/31/2020
Dispatch	Develop a Weekly Misoperations Spreadsheet to Forward Investigation Requests to Engineering and Operations		15%	by FYE	by 5/31/2020	by 1/31/2020
Dispatch	Certification Module Completion (Individual Goal—based on % of training modules completed—prorated award from Threshold to Outstanding)		15%	50% by FYE	75% by FYE	100% by FYE
Executive Assistant	Safety: Lost Time Accidents	1	10%	N/A	No Lost Time Accidents	No Lost Time Accidents for 2nd Consecutive Year
Executive Assistant	Board Packet & Minutes Accuracy		30%	Errors <5 per year	Errors <3 per year	Errors <2 per year
Executive Assistant	Update Board Position Description & Checklist: Orientation Information, Binder, Training Required, Tours, Etc.		30%	by 8/1/2020	by 5/1/2020	by 2/1/2020
Executive Assistant	Reorganize CEO Files		30%	65% Completion by FYE	80% Completion by FYE	95% Completion by FYE
Engineering	Safety: Lost Time Accidents	1 and 17	15%	N/A	No Lost Time Accidents	No Lost Time Accidents for 2nd Consecutive Year
Engineering	Safety: Preventable Vehicle Accidents	7	10%	No more than one Preventable Vehicle Accident	No Preventable Vehicle Accidents	No Preventable Vehicle Accidents for 2nd consecutive year
Engineering	Reliability (SAIDI excluding Major Event Days as Defined in IEEE 1366-2012)		10%	25.5 Minutes	22.25 Minutes	20.0 Minutes
Engineering	Creation of Customer Civil Construction Specifications (to include transformers, trench, and pad mount equipment)		25%	Completed by July 1, 2020	Completed by April 1, 2020	Completed by February 1, 2020
Engineering	Correct geospatial locations for service points, poles, pad mount equipment, and connected features		40%	Complete 25% of feeders	Complete 50% of feeders	Complete for 67% feeders

Position / Dept.	Goal	Note	Weight	Threshold	Target	Outstanding
Human Resources	Safety: Lost Time Accidents	1	10%	N/A	No Lost Time Accidents	No Lost Time Accidents for 2nd Consecutive Year
Human Resources	First Draft Financials Submitted by 4th Work Day of Each Month		15%	Submission by noon of 5th work day	Submission by noon of 4th work day	Submission by noon of 3rd work day
Human Resources	Develop Fleet Procedure Manual, including Month End Closing Procedures		25%	Completed by FYE	Completed by June 1, 2020	Completed by February 1, 2020
Human Resources	Develop Module to track cost & time for Lunch 'n Learns & Employee Recognition Programs (extras)		15%	Completed by FYE	Completed and utilizing by April 1, 2020	Completed and utilizing by March 1, 2020
Human Resources	Payroll Errors/Corrections per Fiscal Year		10%	No more than 2 Corrections	No more than 1 Correction	0 Corrections
Human Resources	Number of Payroll Disbursements that Include Retroactive Benefit Deduction Adjustments (24 Pay Periods)		10%	No more than 2 Adjustments	No more than 1 Adjustment	0 Adjustments
Human Resources	Benefit Invoice Reconciliation, Submitted for Payment		15%	6 Business Day Turnaround	4 Business Day Turnaround	2 Business Day Turnaround
IT	Safety: Lost Time Accidents	1	10%	N/A	No Lost Time Accidents	No Lost Time Accidents for 2nd Consecutive Year
IT	Network & Critical Servers Availability		15%	99.95% uptime (4hours, and 0 minutes of downtime per year)	99.97% uptime (3 hours and 0 minutes of downtime per year)	99.99% uptime (52 minutes and 33 seconds of downtime per year)
IT	IT Helpdesk Tickets		10%	4 Hours = Average Resolution Complete DR plan by March 31, 2020	2 Hours = Average Resolution Complete DR plan by June 30, 2020	1 Hour = Average Resolution Complete DR plan by September 30, 2020
IT	Establish a Disaster Recovery (DR) Plan		20%			

Position / Dept.	Goal	Note	Weight	Threshold	Target	Outstanding
Senior IT Technician	<p>Conduct Quarterly Failover Tests between the Primary Office and the Backup Operations Center (BOC)</p> <p>Develop Security Controls (CIS Controls 7.1, Implementation Group 2): CIS Control 1-Inventory and Control of Hardware Assets 1.7 CIS Control 3-Continuous Vulnerability Management 3.1, 3.2, 3.3, 3.6, 3.7 CIS Control 4-Controlled Use of Administrative Privileges 4.1, 4.2, 4.3, 4.4, 4.7, 4.8, 4.9 CIS Control 5-Secure Configuration for Hardware and Software on Critical Servers 5.1, 5.4, 5.5 CIS Control 6-Maintenance, Monitoring, and Analysis of Audit Logs 6.1, 6.2, 6.3, 6.4, 6.5, 6.6, 6.7 CIS Control 7-Email and Web Browser Protections 7.4, 7.5, 7.6, 7.7, 7.8, 7.9 CIS Control 8-Malware Defenses 8.6, 8.7, 8.8 CIS Control 9-Limitation and Control of Network Ports, Protocols, and Services Critical Servers 9.1, 9.2, 9.3 CIS Control 10-Data Recovery Capabilities 10.3 CIS Control 11-Secure Configurations for Network Devices (Firewalls, Routers, Switches) 11.1, 11.2, 11.3, 11.4 CIS Control 12-Boundary Defense 12.1, 12.2, 12.3, 12.4, 12.5, 12.6, 12.7, 12.8, 12.9, 12.10, 12.11, 12.12 CIS Control 15-Wireless Access Control 15.2, 15.3, 15.7, 15.10 CIS Control 16-Account Monitoring and Control 16.2, 16.4, 16.5, 16.8, 16.9, 16.11, 16.12, 16.13 CIS Control 18-Application Software Security 18.1, 18.2, 18.5, 18.8, 18.9, 18.10, 18.11 CIS Control 19-Incident Response and Management 19.1, 19.4, 19.5, 19.6</p>	20%	N/A	Complete all quarterly tests, document issues and remediation processes.	N/A	
Senior IT Technician	<p>CIS Control 10-Data Recovery Capabilities 10.3 CIS Control 11-Secure Configurations for Network Devices (Firewalls, Routers, Switches) 11.1, 11.2, 11.3, 11.4 CIS Control 12-Boundary Defense 12.1, 12.2, 12.3, 12.4, 12.5, 12.6, 12.7, 12.8, 12.9, 12.10, 12.11, 12.12 CIS Control 15-Wireless Access Control 15.2, 15.3, 15.7, 15.10 CIS Control 16-Account Monitoring and Control 16.2, 16.4, 16.5, 16.8, 16.9, 16.11, 16.12, 16.13 CIS Control 18-Application Software Security 18.1, 18.2, 18.5, 18.8, 18.9, 18.10, 18.11 CIS Control 19-Incident Response and Management 19.1, 19.4, 19.5, 19.6</p>	25%	Complete 85% of subcontrols	Complete 90% of subcontrols	Complete 95% of subcontrols	
IT Technician	<p>Develop Security Controls (CIS Controls 7.1, Implementation Group 2): CIS Control 1-Inventory and Control of Hardware Assets 1.1, 1.3, 1.4, 1.5, 1.6 CIS Control 2-Inventory and Control of Software Assets 2.1, 2.2, 2.3, 2.4, 2.8 CIS Control 3-Continuous Vulnerability Management 3.4, 3.5 CIS Control 4-Controlled Use of Administrative Privileges 4.1, 4.2, 4.3, 4.4 CIS Control 5-Secure Configuration for Hardware and Software on Mobile Devices, Laptops, and Workstations 5.1 CIS Control 6-Maintenance, Monitoring, and Analysis of Audit Logs 6.1, 6.2, 6.3, 6.4, 6.5, 6.6, 6.7 CIS Control 7-Email and Web Browser Protections 7.1 CIS Control 8-Malware Defenses 8.1, 8.2, CIS Control 10-Data Recovery Capabilities 10.1, 10.2, 10.3, 10.4, 10.5 CIS Control 15-Wireless Access Control 15.1, 15.6, 15.9 CIS Control 16-Account Monitoring and Control 16.1, 16.2, 16.6, 16.7, 16.9 CIS Control 17-Implement a Security Awareness and Training Program 17.3, 17.4, 17.5, 17.6, 17.7, 17.8, 17.9 CIS Control 18-Application Software Security 18.3, 18.4, 18.6, 18.7 CIS Control 19-Incident Response and Management 19.1, 19.4, 19.5, 19.6, 19.7</p>	25%	Complete 85% of subcontrols	Complete 90% of subcontrols	Complete 95% of subcontrols	
IT Technician	<p>KnowBe4 Monthly End User Awareness Training</p>	20%	Employee completion at 90% at the end of each month for six months	Employee completion at 90% at the end of each month for eight months	Employee completion at 90% at the end of each month for ten months	

Position / Dept.	Goal	Note	Weight	Threshold	Target	Outstanding
Field Services	Safety: Lost Time Accidents	1	15%	N/A	No Lost Time Accidents	No Lost Time Accidents for 2nd Consecutive Year
Field Services	Safety: Major Accidents	8	5%	N/A	No Major Accidents	No Major Accidents for 2nd consecutive year
Field Services	Safety: Preventable Vehicle Accidents	7	10%	No more than one Preventable Vehicle Accident	No Preventable Vehicle Accidents	No Preventable Vehicle Accidents for 2nd consecutive year
Field Services	Develop In-House Manual & Daily Instructions for AMI Procedures		15%	Complete by 6/31/2020	Complete by 4/31/2020	Complete by 1/31/2020
Field Services	Weekly Vehicle Inspections thru E-Compliance		10%	85%	90%	95%
Field Services	On-Line Training ex.Command Center and Smith Driving		20%	N/A	by FYE	N/A
Field Services	Participate in monthly yard/fleet housekeeping schedule		10%	Participate in 5	Participate in 7	Participate in 9
Field Services	Visual Inspection of AMI Meters/Resequencing Routes		15%	90% by FYE	95% by FYE	100% by FYE
Operations	Safety: Lost Time Accidents	1	15%	N/A	No Lost Time Accidents	No Lost Time Accidents for 2nd Consecutive Year
Operations	Safety: Major Accidents	8	10%	N/A	No Major Accidents	No Major Accidents for 2nd consecutive year
Operations	Safety: Preventable Vehicle Accidents	7	15%	No more than one Preventable Vehicle Accident	No Preventable Vehicle Accidents	No Preventable Vehicle Accidents for 2nd consecutive year
Operations	Reliability (SAIDI) excluding Major Event Days as Defined in IEEE 1366-2012)		15%	25.5 Minutes	22.25 Minutes	20.0 Minutes
Operations	Participate in monthly yard/fleet housekeeping schedule		10%	Participate in 5	Participate in 7	Participate in 9
Operations	Develop and Present In House Dept. Safety Meetings/Field Trainings		15%	N/A	Present w/ a Group at 1 Meeting	Target + Meaningful Participation at All Meetings
Operations	Process Improvement Recommendations (Individual Goal)		10%	1 Recommendation by FYE	2 Recommendations by FYE	3 Recommendations by FYE
Operations	Safety Meeting Attendance (Individual Goal)		10%	No more than 2 missed meetings	No more than 1 missed meeting	No missed meetings
Substation	Safety: Lost Time Accidents	1 and 17	15%	N/A	No Lost Time Accidents	No Lost Time Accidents for 2nd Consecutive Year
Substation	Safety: Major Accidents	8	10%	N/A	No Major Accidents	No Major Accidents for 2nd consecutive year
Substation	Safety: Preventable Vehicle Accidents	7	15%	No more than one Preventable Vehicle Accident	No Preventable Vehicle Accidents	No Preventable Vehicle Accidents for 2nd consecutive year
Substation	Reliability (SAIDI) excluding Major Event Days as Defined in IEEE 1366-2012)		15%	25.5 Minutes	22.25 Minutes	20.0 Minutes
Substation	Process Improvement Recommendations (Individual Goal)	13	10%	1 Recommendation by FYE	2 Recommendations by FYE	3 Recommendations by FYE
Substation	Safety Meeting Attendance (Individual Goal)		10%	No more than 2 missed meetings	No more than 1 missed meeting	No missed meetings
Substation	Substation Inspection Program (100% Compliance with Standards and Documentation)		25%	N/A	January through FYE	Entire FY
Stores	Safety: Lost Time Accidents	1	15%	N/A	No Lost Time Accidents	No Lost Time Accidents for 2nd Consecutive Year
Stores	Safety: Major Accidents	8	15%	N/A	No Major Accidents	No Major Accidents for 2nd consecutive year
Stores	Safety: Preventable Vehicle Accidents	7	10%	No more than one Preventable Vehicle Accident	No Preventable Vehicle Accidents	No Preventable Vehicle Accidents for 2nd consecutive year
Stores	Participate in monthly yard/fleet housekeeping schedule		10%	Participate in 5	Participate in 7	Participate in 9
Stores	Statewide Procurement Training	18	20%	Complete 2 training by FYE	Complete 3 trainings by FYE	Complete 4 trainings by FYE
Stores	Develop Emergency Operations Appendix with vendor database for large events	19	15%	completed by FYE 2020	Completed by June 1, 2020	Completed by March 1, 2020
Stores	Develop Job Duties Manual		15%	by September 30, 2020	by June 30, 2020	by March 31, 2020

2020 EIP Notes

- 1 – The achievement of the Safety goal includes all employees. However, departmental goals are weighted differently based on levels of exposure.
- 2 – Abnormalities associated with last minute job forecasting or work not being constructed will be taken into consideration.
- 3 – All Work Orders.
- 4 – Work Orders ≥ 32 hours planned excluding items outside of employee control such as data inaccuracies in system or unforeseen efficiency savings through material acquisition. Exclusions will require written justification and recommendations to prevent future occurrences.
- 5 – Reading Accuracy based on Manual Readings only. Reading Attainment based on All Readings.
- 6 – Based on selected stores items (list updated for 2017).
- 7 – Vehicle Accidents are measured on a departmental basis and generally refer to on road preventable accidents or other incidents with injury or significant property damage. Goal is achieved once accident free miles are met.
- 8 – Major accidents include electrical contact injuries resulting in lost time and other injuries resulting in more than 3 days lost time.
- 9 – Projected work should encompass planned capital improvements and maintenance forecasted in previously developed plan include project estimates, timeframes, justification, and description.
- 10 – O&M Cost Management Support Project is comprised of 3 components: 1. Research historical costs (FY 2011 to FY 2015) to identify sources of cost increases, 2. Identify new classifications for reporting costs to better support costs management, 3. Implement new O&M cost reporting classifications for the Budget and Fiscal Reporting.
- 11 – Identified Process Improvements will need approval from Management prior to implementation.
- 12 – Meter Troubleshooting Response Time will include total response and repair time measured from time service order first assigned to service order close.
- 13 – Submit written explanation of existing process, suggested improvement, and potential savings or customer service improvement to Supervisor allowing 2 weeks for response and request of additional information.
- 14 – Average time per task from assignment to complete/comment entry if waiting on customer
- 15 – Equipment Inspections to be conducted through App/Suite Inspections and include Line Device Equipment Quarterly Inspections and Transformer from January 1 to September 30.
- 16 – Training sessions completed through LinkedIn Learning, NISC Pathways, or other preapproved provider. Identified Process Improvements will need approval from Management prior to implementation. Measurement will be done by averaging individual performance across group.
- 17 – Award for Supervisor of Engineering and Substation will be based 50% on Substation group average award and 50% on Engineering group average award.
- 18 - <https://ispdedu.cpa.texas.gov/course-catalog/continuing-education-webinars/>
- 19 - TBD

MEMORANDUM

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

From: Mike Wittler

Date: December 12, 2019

Re: Agenda Item 11 – Consideration and Action on Management Incentive Plan for FY 2020

Attached is the draft Management Incentive Plan (MIP) for FY 2020. Proposed changes include:

- Add/remove various individual goals and adjust percentages.
- Adjust O&M goals to consider past performance, current budget, and APPA Financial Metrics survey.
- Goals have been revised based on the goal attainment for the FY 2019 Incentive Plans and historical performance.

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

Sincerely,



Mike Wittler, P.E.

**KERRVILLE PUBLIC UTILITY BOARD
MANAGEMENT INCENTIVE PLAN
FISCAL YEAR 2020**

Supersedes all prior Management Annual Incentive Plans

Plan Objectives

The purpose of this Plan is to provide additional motivation and incentive for designated members of the management of KPUB to achieve or exceed the Company's goals and objectives for the fiscal year; to establish objectively verifiable measures of performance for positions eligible under the Plan; and to foster teamwork among key members of management in attaining the Company's strategic plans.

Plan Year

The Plan Year for this Plan begins on October 1, and ends on September 30, coinciding with KPUB's fiscal year.

Plan Administration

The Personnel Committee (Chairman, Vice-Chairman, and General Manager) shall review the Plan annually and recommend changes, if any, to the Plan for adoption by the Board of Trustees. The Personnel Committee shall ensure the Plan represents the appropriate levels of accomplishment consistent with the Company's historical performance, strategic goals, operating environment and stewardship responsibility. The Board of Trustees may modify or terminate this Plan or any provision herein at its discretion.

The Board will endeavor to make any adjustments to this Plan as soon as possible after the beginning of each fiscal year.

Positions Eligible for Participation

The following management positions are eligible to participate in the Plan: *General Manager/CEO, Chief Engineer, Chief Financial Officer, Controller, Manager of Customer Service, Distribution Engineer, Manager of Operations, Manager of Information Technology, Manager of Human Resources, General Foreman, Field Services Supervisor, and Marketing Manager.*

Occupants of these positions must be full-time employees on the payroll on the day the Board of Trustees approves payment of the annual incentives under the Plan. An otherwise-eligible participant will be rendered ineligible for any payments under this Plan

if, within the six months preceding the last day of the Plan Year, s/he has received a disciplinary notice advising that his/her employment is in jeopardy.

Pro Rata Awards

An individual who is promoted into an eligible position during the Plan Year and who remains in an eligible position on the last day of the Plan Year will be eligible for a payment under the Incentive Plan prorated according to the time worked in the eligible position. If the individual is promoted from an eligible position to another eligible position, the Incentive Plan payment will be a combination of the payments for which s/he is eligible, prorated according to time spent in each position during the Plan Year. Employees who start their employment or take an unpaid leave of absence during the Plan Year will receive a prorated award based on the number of full months for which they were paid. Should an individual be demoted during a Plan Year, his/her eligibility for an Incentive Plan payment, if any, and the amount of the payment will be determined by the General Manager/CEO in his discretion.

Goals/Performance Factors

An individual's entitlement to an Incentive Plan payment will be measured by the individual's departmental or individual goals. The calculated percentage to which an individual will be entitled under the Incentive Plan will be multiplied by the maximum Incentive Plan payment to which the individual is entitled by virtue of his/her position.

The maximum Incentive Plan payment for which a position is eligible is as follows:

- General Manager/CEO – 3% of annual salary.
- Chief Engineer; and Chief Financial Officer – 3% of annual salary.
- Controller, Manager of Operations, Manager of Customer Service, Distribution Engineer, Manager of Information Technology, Manager of Human Resources, General Foreman, Field Services Supervisor, Marketing Manager – 3% of annual salary.

Each goal listed for a position, whether corporate or individual, is assigned a weight to reflect the importance of the goal to the individual's overall performance, with the combined weight-ratings totaling 100%. The achievement level of each goal will also be measured against a Target level of achievement, a Threshold (below-Target) level, and an outstanding (above-Target) level. An individual who meets Target with respect to a particular goal will receive the full weight assigned to that goal. An individual who achieves only the Threshold for that goal will receive half the weight assigned to the goal, and an individual who achieves Outstanding results will receive one-and-one-half times the weight assigned to the goal. No weight will be given for performance below the Threshold level for a goal. An individual who has not met Threshold level cannot meet

Target level, and an individual who has not met Threshold and Target levels cannot meet Outstanding level.

Company-Wide Limit on Total Payments

The total pool of money available each fiscal year for Incentive Plan payments shall be determined by the Board of Trustees as part of the budgeting process. In the event that the total of Incentive Plan payments for the fiscal year would exceed this limit, each participant's payment eligibility will be reduced by the percentage by which the Incentive Plan payments collectively exceed the total Incentive Plan payments allowed for the current fiscal year.

Special Awards

If the total amount to be awarded for FY2020 is less than the total budgeted pool, then any portion of the remaining funds may be awarded to one or more management employees at the Board's sole discretion.

Schedule for Payments Under Plan

Incentive Plan payments will be made to all eligible participants as soon as practicable following the end of the fiscal year.

Publication of Plan

Upon the Board's adoption of this Plan each fiscal year, including any adjustments thereto, the General Manager/CEO will arrange for delivery of a copy of the Plan to each eligible participant and will periodically remind participants of the goals by which their entitlement to Incentive Plan payments at the end of the fiscal year will be measured.

Adjustments to Company-Wide Performance Results

The Personnel Committee may make adjustments to the calculation of Company-wide goals for purposes of this Plan in order to reflect the true operating performance of the Company more accurately. Adjustments may include, but are not limited to, excluding or including extraordinary items of income or expense.

Employment Not Affected

Nothing in this Plan shall be deemed to confer on any employee a right of continued employment or affect the right of KPUB to terminate the employment of any employee at any time, with or without cause or prior notice.

Position / Dept.	Goal	Note	Weight	Threshold	Target	Outstanding
CEO	Safety: Lost Time Accidents	2	25%	No Major Accidents	No Lost Time Accidents	No Lost Time Accidents for Second Consecutive Year
CEO	Safety: Preventable Vehicle Accidents (Corporate)	4	20%	No more than one Preventable Vehicle Accident	No Preventable Vehicle Accidents	No Preventable Vehicle for second consecutive year
CEO	Reliability (SAIDI excluding Major Event Days as Defined in IEEE 1366-2012)		15%	25.5 Minutes	22.25 Minutes	20.0 Minutes
CEO	Total O&M, less depreciation and power supply, per retail customer		15%	≤ \$349.56	≤ \$341.23	≤ \$332.91
CEO	Evaluate Feasibility of Open Access Broadband Network		15%	Report by August 30, 2020	Report by June 30, 2020	Report by April 30, 2020
CEO	Annual Safety Checks, Job Observations, or Work Area Observations		10%	7 per FY	18 per FY	27 per FY
Chief Engineer	Safety: Lost Time Accidents	2	15%	No Major Accidents	No Lost Time Accidents	No Lost Time Accidents for Second Consecutive Year
Chief Engineer	Safety: Preventable Vehicle Accidents (Departmental)	4	15%	No more than one Preventable Vehicle Accident	No Preventable Vehicle Accidents	No Preventable Vehicle for second consecutive year
Chief Engineer	Reliability (SAIDI excluding Major Event Days as Defined in IEEE 1366-2012)		15%	25.5 Minutes	22.25 Minutes	20.0 Minutes
Chief Engineer	Distribution O&M per retail customer	1	15%	≤ \$35.24	≤ \$34.56	≤ \$33.88
Chief Engineer	Capital Budget Completion: Complete Planned Projects Overall Under Budget.	16	10%	N/A	by FYE	N/A
Chief Engineer	Advance KPUB's APPA Reliable Public Power Provider Designation Service Policy and Service Process: Create a more user friendly service policy and defined service process timelines so expectations are clearly defined upon onset of customer request. Define specific milestones that will generate communications from KPUB to customer. Implement Engineering Self Serve Portal on Website.		15%	N/A	by FYE	N/A
Chief Engineer			15%	by July 31, 2020	by May 30, 2020	by March 31, 2020

Position / Dept.	Goal	Note	Weight	Threshold	Target	Outstanding
CFO	Safety: Lost Time Accidents	2	10%	No Major Accidents	No Lost Time Accidents	No Lost Time Accidents for Second Consecutive Year
CFO	Customer Accounting Expenses per Retail Customer	1	10%	≤ \$28.62	≤ \$27.94	≤ \$27.26
CFO	Annual Audit		15%	No significant audit adjustments, referencing information available to Management by Oct. 31	No audit adjustments	No audit adjustments for Second Consecutive Year
CFO	Comprehensive Annual Financial Report (CAFR)		10%	Distribute CAFR to investment and rating agencies and to GFOA for awards consideration by Feb. 29, 2020	Meet Threshold Goals and receipt of "Certificate of Achievement in Financial Reporting" for FY 2019 CAFR	Meet Target Goals for Second Consecutive Year
CFO	Write-offs as a percent of Operating Revenues		10%	0.115%	0.103%	0.092%
CFO	Power Supply Plan for 2024: Evaluation of QSE Services Proposals, Identify Required Support Services, Establish Market Activities and Operations Plan, Credit Requirements, etc. Implement Changes to Tariff, Policies and Procedures to Address Deposit Requirements for High Risk Accounts (High Load Factor, Historical Bankruptcies, etc.).		20%	N/A	Report to Power Supply Committee by FYE	N/A
CFO	Financial Benefits Tracking: Establish a method to capture financial benefits provided without charge to cities, counties, school districts, non-profits		15%	by July 31, 2020	by May 30, 2020	by March 31, 2020
CFO			10%	N/A	Report by October 2020	N/A
Controller	Safety: Lost Time Accidents	2	10%	No Major Accidents	No Lost Time Accidents	No Lost Time Accidents for Second Consecutive Year
Controller	Annual Audit		30%	No significant audit adjustments, referencing information available to Management by Sep. 30	No audit adjustments	No audit adjustments for Second Consecutive Year
Controller	Create Financial Statement in NISC to match Board Report and Audit Report Format		10%	N/A	by FYE	N/A
Controller	Job Duties Manual		20%	by September 30, 2020	by June 30, 2020	by March 31, 2020
Controller	Update Standard Costing within NISC Asset Management Module		10%	by September 30, 2020	by June 30, 2020	by March 31, 2020
Controller	First Draft Financials Submitted by ___ Work Day of Each Month		10%	Submission by noon of 5th Work Day	Submission by noon of 4th Work Day	Submission by noon of 3rd Work Day
Controller	Review A/P Clerk Bank Reconciliation		10%	by 3/27/2020	by 2/27/2020	by 1/27/2020

Position / Dept.	Goal	Note	Weight	Threshold	Target	Outstanding
Manager of Customer Service	Safety: Lost Time Accidents Implement Service Quality Improvement Program: Establish Standards for Customer Service Calls, Implement Call Recording and Customer Feedback, and Implement Call Review, Rating and Improvement System	2	10%	No Major Accidents	No Lost Time Accidents	No Lost Time Accidents for Second Consecutive Year
Manager of Customer Service	Write-offs as a percent of Operating Revenues		25%	N/A	by FYE	N/A
Manager of Customer Service	Develop and Implement Customer Service Employee Development Program (Individual Training, Rotation, Cross Training, etc.)		15%	0.115%	0.103%	0.092%
Manager of Customer Service	Annual Audit		10%	No significant audit adjustments, referencing information available to Management by October 31	No audit adjustments	No audit adjustments for Second Consecutive Year
Manager of Customer Service	Increase number of Paperless Bill Customers (Active Accounts)		5%	>5200	>5500	>5800
Manager of Customer Service	Increase Number of Prepaid Accounts		5%	Add 75 New Prepaid Accounts for 209 Total	Add 150 New Prepaid Accounts for 284 Total	Add 225 New Prepaid Accounts for 359 Total
Manager of Customer Service	Increase Total Number of Bank Draft Customers		5%	>4500 Customers	>4750 Customers	>5000 Customers
Manager of Customer Service	Implement Process Improvements from Staff	17	10%	3	6	9
Manager of Human Resources	Safety: Lost Time Accidents	2	15%	No Major Accidents	No Lost Time Accidents	No Lost Time Accidents for Second Consecutive Year
Manager of Human Resources	Safety: Preventable Vehicle Accidents (Corporate)	4	10%	No more than one Preventable Vehicle Accident	No Preventable Vehicle Accidents	No Preventable Vehicle for second consecutive year
Manager of Human Resources	Safety Culture Survey: Implement Changes to Improve Safety Culture and Reissue Survey		10%	1 Improvement: Reissue Survey in September 2020 Issued 6 Weeks After End of Quarter	2 Improvements: Reissue Survey in September 2020 Issued 4 Weeks After End of Quarter	3 Improvements: Reissue Survey in September 2020 Issued 2 Weeks After End of Quarter
Manager of Human Resources	Incentive Plan Quarterly Progress Reports		15%			
Manager of Human Resources	Submit Proposal for Migration to PTO to CEO (Include Summary of Survey Results, Draft Policy and Migration Plan)		20%	by May 31, 2020	by March 31, 2020	by January 31, 2020
Manager of Human Resources	Leverage eCompliance to Improve Safety		10%	1 Improvement	2 Improvements	3 Improvements
Manager of Human Resources	Annual Safety Checks, Job Observations, or Work Area Observations		10%	9 per FY	18 per FY	27 per FY
Manager of Human Resources	Advance KPUB's APPA Reliable Public Power Provider Designation		10%	N/A	by FYE	N/A

Position / Dept.	Goal	Note	Weight	Threshold	Target	Outstanding
Manager of Information Technology	Safety: Lost Time Accidents	2	10%	No Major Accidents	No Lost Time Accidents	No Lost Time Accidents for Second Consecutive Year
Manager of Information Technology	Network and Critical Servers Availability		15%	99.95% uptime (4 hours, and 0 minutes of downtime per year)	99.97% uptime (3 hours and 0 minutes of downtime per year)	99.99% uptime (52 minutes and 33 seconds of downtime per year)
Manager of Information Technology	Establish a Disaster Recovery (DR) Plan		20%	Complete DR plan by March 31, 2020	Complete DR plan by June 30, 2020	Complete DR plan by September 30, 2020
Manager of Information Technology	Develop Security Controls (CIS Controls 7.1, Implementation Group 2); CIS Control 1-Inventory and Control of Hardware Assets 1.1, 1.3, 1.4, 1.5, 1.6, 1.7 CIS Control 2-Inventory and Control of Software Assets 2.1, 2.2, 2.3, 2.4, 2.6 CIS Control 3-Continuous Vulnerability Management 3.1, 3.2, 3.3, 3.4, 3.5, 3.6, 3.7 CIS Control 4-Controlled Use of Administrative Privileges 4.1, 4.2, 4.3, 4.4, 4.7, 4.8, 4.9 CIS Control 5-Secure Configuration for Hardware and Software on Critical Servers 5.1, 5.4, 5.5 CIS Control 6-Maintenance, Monitoring, and Analysis of Audit Logs 6.1, 6.2, 6.3, 6.4, 6.5, 6.6, 6.7 CIS Control 7-Email and Web Browser Protections 7.1, 7.4, 7.5, 7.6, 7.7, 7.8, 7.9 CIS Control 8-Malware Defenses 8.1, 8.2, 8.6, 8.7, 8.8 CIS Control 9-Limitation and Control of Network Ports, Protocols, and Services 9.1, 9.2, 9.3 CIS Control 10-Data Recovery Capabilities 10.1, 10.2, 10.3, 10.4, 10.5 CIS Control 11-Secure Configurations for Network Devices (Firewalls, Routers, Switches) 11.1, 11.2, 11.3, 11.4 CIS Control 12-Boundary Defense 12.1, 12.2, 12.3, 12.4, 12.5, 12.6, 12.7, 12.8, 12.9, 12.10, 12.11, 12.12 CIS Control 15-Wireless Access Control 15.1, 15.2, 15.3, 15.6, 15.7, 15.9, 15.10 CIS Control 16-Account Monitoring and Control 16.1, 16.2, 16.4, 16.5, 16.6, 16.7, 16.8, 16.9, 16.11, 16.12, 16.13 CIS Control 17-Implement a Security Awareness and Training Program 17.3, 17.4, 17.5, 17.6, 17.7, 17.8, 17.9 CIS Control 18-Application Software Security 18.1, 18.2, 18.3, 18.4, 18.5, 18.6, 18.7, 18.8, 18.9, 18.10, 18.11 CIS Control 19-Incident Response and Management 19.1, 19.2, 19.3, 19.4, 19.5, 19.6	20%	Complete 85% of subcontrols	Complete 90% of subcontrols	Complete 95% of subcontrols	
Manager of Information Technology	Conduct Quarterly Failover Tests between the Primary Office and the Backup Operations Center (BOC)		20%	N/A	Complete all quarterly tests, and document issues and remediation processes.	N/A
Manager of Information Technology	Security Access System Updated (Main Office, Warehouse, Yard Gates and BOC)		15%	N/A	by FYE 2020	N/A

Position / Dept.	Goal	Note	Weight	Threshold	Target	Outstanding
Distribution Engineer	Safety: Lost Time Accidents	2	15%	No Major Accidents	No Lost Time Accidents	No Lost Time Accidents for Second Consecutive Year
Distribution Engineer	Safety: Preventable Vehicle Accidents (Departmental)	4	10%	No more than one Preventable Vehicle Accident	No Preventable Vehicle Accidents	No Preventable Vehicle for second consecutive year
Distribution Engineer	Reliability (SAIDI excluding Major Event Days as Defined in IEEE 1366-2012)		15%	25.5 Minutes	22.25 Minutes	20.0 Minutes
Distribution Engineer	Develop EV program for commercial and residential customers including requirements, KPUB assistance including rebates, location requirements, and system impacts		25%	Completed by FYE	Completed by July 1, 2020	Completed by April 1, 2020
Distribution Engineer	Distribution O&M per retail customer	1	5%	≤ \$35.24	≤ \$34.56	≤ \$33.88
Distribution Engineer	Complete contingency analysis for feeder and substation restoration		30%	Complete for 50% of feeders	Complete for 67% of feeders	Complete for 100% of feeders
General Foreman	Safety: Lost Time Accidents	2	15%	N/A	No Lost Time Accidents	No Lost Time Accidents for 2nd consecutive year
General Foreman	Safety: Major Accidents	6	10%	N/A	No Major Accidents	No Major Accidents for 2nd consecutive year
General Foreman	Safety: Preventable Vehicle Accidents	4	10%	No more than one Preventable Vehicle Accident	No Preventable Vehicle Accidents	No Preventable Vehicle Accidents for 2nd consecutive year
General Foreman	Reliability (SAIDI excluding Major Event Days as Defined in IEEE 1366-2012)		15%	25.5 Minutes	22.25 Minutes	20.0 Minutes
General Foreman	Develop a vehicle stock checklist for all Construction Vehicles (Crew Leader Trucks, Buckets, Booms, etc.).		10%	N/A	Submitted for Review by January 31, 2020	N/A
General Foreman	Schedule Monthly Yard Maintenance and Clean up for Crews		10%	5 monthly events	7 monthly events	9 monthly events
General Foreman	Implement changes based on Safety Culture Survey		10%	1 Improvement	2 Improvements	3 Improvements
General Foreman	Annual Safety Checks, Job Observations, or Work Area Observations		10%	140 per FY	170 per FY	200 per FY
General Foreman	Coordination of In House Safety Meetings: Establish Topics, Outlines, Review Presentation in Advance, etc.		10%	N/A	4 Meetings Prepared	N/A

Position / Dept.	Goal	Note	Weight	Threshold	Target	Outstanding
Supervisor, Field Services	Safety: Lost Time Accidents	2	15%	N/A	No Lost Time Accidents	No Lost Time Accidents for 2nd consecutive year
Supervisor, Field Services	Safety: Major Accidents	6	5%	N/A	No Major Accidents	No Major Accidents for 2nd consecutive year
Supervisor, Field Services	Safety: Preventable Vehicle Accidents	4	20%	No more than one Preventable Vehicle Accident	No Preventable Vehicle Accidents	No Preventable Vehicle Accidents for 2nd consecutive year
Supervisor, Field Services	Reliability (SAIDI) excluding Major Event Days as Defined in IEEE 1366-2012)		10%	25.5 Minutes	22.25 Minutes	20.0 Minutes
Supervisor, Field Services	Review and sign off on truck inspections daily as submitted thru e-compliance		15%	N/A	Ongoing for Entire Fleet	N/A
Supervisor, Field Services	Maintain Posted Tree Trimming Job Schedule		10%	Maintain Schedule 2 Weeks Out for FY	Maintain Schedule 3 Weeks Out for FY	Maintain Schedule 4 Weeks Out for FY
Supervisor, Field Services	Develop Check list and perform monthly safety audits on DOT trucks		15%	Implement by 8/1/2020	Implement by 5/1/2020	Implement by 2/1/2020
Supervisor, Field Services	Visual Inspection of AMI Meters/Resequencing Routes		10%	85% by FYE	90% by FYE	95% by FYE
Marketing Manager	Safety: Lost Time Accidents	2	10%	No Major Accidents	No Lost Time Accidents	No Lost Time Accidents for Second Consecutive Year
Marketing Manager	Monthly Social Media Content Plan		15%	N/A	Issued Monthly	N/A
Marketing Manager	Outage Communications: Develop Outage communications plan using Social Media, push notifications from SmartHub, website, text messaging, IVR inbound messages. Establish threshold for outbound communications, and responsibility for developing/posting messages.		15%	N/A	by FYE	N/A
Marketing Manager	APPA Excellence in Communication Award		10%	N/A	1 Award	2 or More Awards
Marketing Manager	Establish Key Accounts Program		15%	by FYE	by June 30, 2020	by April 30, 2020
Marketing Manager	Develop Formal Employee Volunteering Program and Policy		10%	2 Projects + Policy	4 Projects + Policy	8 Projects + Policy
Marketing Manager	Prepare "KPUB Annual Report Card" to Release with Audit and Annual System Meeting		15%	N/A	Release at January Board Meeting	N/A
Marketing Manager	Develop Brand Style Policy & Guide		10%	N/A	by FYE	N/A

2020 MIP Notes

- 1 – To be determined on a Departmental basis, i.e. the Department the individual manages or is assigned to
- 2 – The achievement of the Safety goal includes all employees. However, individual goals are weighted differently based on influence and departmental exposure.
- 3 – Does not include retirements or deaths
- 4 – Vehicle Accidents generally refer to on road preventable accidents or other incidents with injury or significant property damage.
- 5 – Day count starts when the position is approved for posting/advertising and ends when the applicant accepts the position after pre-employment testing. Weekends and holidays are not counted.
- 6 – Major accidents include electrical contact injuries resulting in lost time and other injuries resulting in more than 3 days lost time.
- 9 – Meter Reading Department Goal Achievement based on payout for Reading Accuracy (Departmental), Reading Attainment, and Cycle Reads Goal based on a 0-3% scale.
- 13 – Process Improvements will be approved by CEO prior to implementation and should be reported based upon anticipated labor resource efficiency savings and fiscal savings.
- 14 – Activities include: 1. Shift focus of Investment Committee reports to comparison of recent fund performance and comparison of current investment options, 2. Formal bids for CDs including institutions outside of the Kerrville area, 3. Bids for CDARS, 4. Investigate other investment options (step up securities, etc.), 5. Networking with GFOAT members, 6. Investment Policy review (other source of review, are maturity limits appropriate, following best practices, etc.).
- 15 – Final percentage to be determined by the General Manager based on scope of report and personnel assignments. When this goal percentage is adjusted, all others will be prorated to make all goals sum to 100%. Report should address at minimum: summary of muni and coop electric utilities offering broadband at both a nationwide level and specific to Texas, legal issues, network types (FTTH, fibere coax hybrid, etc), business models (traditional, open access fiber, etc), challenges anticipated in Kerrville, typical costs for network deployment and costs to provide service, next steps, consultants specializing in muni and coop support, etc.
- 16 – Projects include: Automatic Feeder Restoration (enabled and functioning), Padmount Refurbish and Replacements, Reliability Improvement, DA Equipment Deployment, Substation Minor Improvements, and Hunt Equipment replacement. General Manager has discretion to include/exclude unusual projects or projects with scope changes.
- 17 – Viable suggestions as determined by the General Manager.