

**MINUTES OF THE
KERRVILLE PUBLIC UTILITY BOARD
REGULAR MONTHLY MEETING
WEDNESDAY, MAY 20, 2020, AT 8:30 A.M.
WebEx Event 966 594 232**

TRUSTEES PRESENT:

Bill Thomas
Philip Stacy
Mark Cowden
Larry Howard
Mayor Bill Blackburn
(All Via Teleconference)

STAFF PRESENT:

Mike Wittler, General Manager and CEO
Jill Sadberry, Chief Financial Officer
Robby McCutcheon, IT Manager
Gerald Bryla, Controller
Tammye Riley, HR Manager
Jo Anderson, Customer Service Manager
Allison Bueché, Marketing Manager
Howard Hall, Field Services Supervisor
Vickie Finley, IT Tech
Lidia S. Goldthorn, Assistant Secretary to the Board
(All Via Teleconference)

TRUSTEES ABSENT:

OTHERS PRESENT:

Stephen Schulte, Legal Counsel
Lisa DeWitt
(All Via Teleconference)

1. CALL TO ORDER:

Mr. Mike Wittler, CEO, acknowledged that there was a quorum present via teleconference to include Vice Chairman Bill Thomas, Secretary Philip Stacy, Treasurer Mark Cowden, new Board Member Larry Howard and Mayor Bill Blackburn. Vice Chairman Thomas called the Regular Monthly Meeting to order at 8:30 a.m.

2. PLEDGE OF ALLEGIANCE:

3. OATH OF OFFICE:

Assistant Secretary Lidia Goldthorn administered the Oath of Office and Statement of Appointed Office to incoming Trustee, Larry Howard.

4. APPROVAL OF MINUTES:

The Trustees reviewed the minutes of the April 15, 2020, 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.

5. CITIZEN/CONSUMER OPEN FORUM:

There were no citizens/consumers to speak, either through teleconference, phone calls, written statements, or emails.

6. ANNOUNCEMENTS OF COMMUNITY INTEREST:

Mr. Wittler advised the next regular board meeting is scheduled for June 17, 2020 at 8:30 a.m. He also advised that the third electric vehicle station was been put in place. The next location for another station will be Schreiner University. The drive-thru was re-opened on May 18th with no issues. KPUB has given away 200 masks to the public that was well received, and are looking at getting more masks to give away. Also a blood drive at KPUB has been scheduled for July 16th. Mr. Wittler advised that \$5,000.00 was given to the Kerrville Food Relief Fund by the KPUB employee charitable fund, and an additional \$720.00 through payroll contribution to help fund food and meal programs in our community.

Mr. Wittler added that Jose Valdez completed KPUB's apprenticeship program and became a certified Lineman on May 4, 2020 and Nathaniel Crabtree was accepted into the KPUB apprenticeship program on May 11, 2020, which currently gives KPUB seven apprentices in the apprenticeship program. Mr. Wittler also advised that Lou Graves, Supervisor of Engineering Services, and Howard Hall, Supervisor of Field Services, have achieved their 25-year anniversary with KPUB this year. Board Members congratulated the employees on their accomplishments.

7. CONSIDERATION AND ACTION ON RESOLUTION NO. 20-08 – JILL SADBERRY, CFO:

Ms. SADBERRY presented this month's wire transfers for operating expenses to the Board. Mr. Stacy motioned for approval of Resolution No. 20-08. Mayor Bill Blackburn 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 April 30, 2020. Ms. SADBERRY reviewed the Statements and Balance Sheets for the month. She stated at April 30, 2020, operating expenses, excluding power cost, were below budget by \$155,612.30 or by 2.30%. The balance in the over-collected power cost was \$1,360,826.11. Ms. SADBERRY noted the balance in the Rate Stabilization Fund was \$1,895,436.76. The Debt Service coverage was 12.91 for the month and 11.5 for the Fiscal Year. Ms. SADBERRY advised that the Customer Service Department has been following up with customers regarding payment options/assistance. Ms. SADBERRY also presented the Cumulative Purchasing Activity Report for the second quarter of fiscal year end 2020 as required by Board Policy 42.

9. ENGINEERING AND ACTION ON MARCH 2020 QUARTERLY FUNDS REPORT – JILL SADBERRY, CFO:

Ms. SADBERRY presented the summary pages on the Quarterly Funds Report for the quarter ending March 31, 2020; 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. APPROVAL AND REPORTING OF PURCHASES AND SALES:

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

Staff recommended the approval of a purchase order to TSE International, for a total of \$122,694.00 to purchase a TSE Model DPT40B Trailer Mounted Puller/Tensioner. We received two quotes on this type of machine for a base model and also asked for pricing for accessories that will allow the unit to be used for overhead and underground line installations. TSE International quoted \$104,988.00 for the unit and an additional \$17,706.00 for the accessories for multi-use. This unit will replace Unit 3192, 2001 TSE Tension/Reel Carrier with approximately 6700 hours. A total of \$100,000.00 was budgeted for this purchase. Two quotes were provided for the board to review.

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

Staff advised Unit #3225, a 2010 F-250 4X4 pick up was auctioned and sold through JJ Kane Auctioneers for \$9,025.00. The amount mentioned is the price after the auctioneer percentage was deducted from the sale price.

Mr. Larry Howard motioned for approval purchases and sales. Mr. Stacy seconded the motion. Vote was by a show of hands. Motion carried 5 – 0.

11. DISCUSSION ON BILL PAYMENT ASSISTANCE PROGRAM – MIKE WITTLER, CEO:

Mr. Wittler recommended the Board consider establishing funding to provide residential utility bill payment assistance in response to the COVID-19 pandemic. Mr. Wittler provided information intended to provide a background and guide discussion on how such funding might be established. He requested feedback and guidance from the Board so that appropriate documents/resolutions can be drafted for final approval at the June board meeting.

Mr. Wittler advised there are several advocacy groups at the state level calling on Governor Abbott to order municipally owned utilities (MOUs) that have implemented no shut off policies. He added that KPUB stopped disconnections and assessing late fees and penalties on March 25. Mr. Wittler advised for Investor Owned Utilities (IOUs) in competitive areas, the Texas Public Utility Commission (PUC) established the Covid-19 Electricity Relief Fund (CERF), details of the program which Mr. Wittler outlined for the Board. Staff has been closely monitoring sales and financial impacts of the pandemic. At this point it is probably still a little too early to make a call on how big the impacts will be. Staff is also closely monitoring the status of customers with accounts in arrears. Mr. Wittler summarized the status of those accounts for the past two months. Mr. Wittler went over different options for funding a bill payment assistance program, and recommended establishing a Round Up Program that would be supplemented by transfers from the Revenue Fund to achieve a funding level equivalent to the PUC Program. He also provided links to several articles on this issue in the media for the Board to review. Board Members felt it would be a good idea to pursue some type of assistance program.

12. UPDATE AND DISCUSSION ON COVID-19 – TAMMYE RILEY, HR MANAGER:

Ms. Riley gave the Board an update on KPUB's response to the COVID-19 pandemic. She advised that a committee has been formed to coordinate the process of returning employees back into the building. The drive-thru was re-opened on May 18th. The lobby remains closed at this time while monitoring peer's plans on opening their lobbies. KPUB logo cloth masks have been secured for staff as the workforce is brought back into the office. She added that cloth masks have been obtained from FEMA to be used for customers and visitors as we re-open. Hand sanitizer stands have been ordered and are expected to arrive

mid-June. The stands will be placed at all entrances of both the administrative and crew buildings. Disinfectant and sanitizing supplies have been stocked for each work station. The steps outlined last month have continued to be followed at this time. Ms. Riley advised employees have done a fantastic job on agreeing and abiding with the restrictions. She added that continued monitoring and having extremely conservative measures have allowed KPUB to be very minimally impacted. Board Members thanked staff for the hard work.

13. 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 for the purpose of “Personnel Matters” regarding the following matters:

A. Personnel Matters

Deliberation as to Appointment of Officers to the Board of Trustees and Assignment to Board Committees

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

The Board entered Executive Closed Session at 10:03 a.m. Vice Chairman Thomas adjourned the Executive Closed Session and reconvened into Open Session at 10:23 a.m.

**At 10:23 Mayor Bill Blackburn left the meeting.*

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

I. Deliberation as to Appointment of Officers to the Board of Trustees

Mr. Stacy made a motion that the Board continue the previous rotation and appoint the following to serve as officers:

Chairman – Bill Thomas
Vice-Chairman – Philip Stacy
Secretary – Mark Cowden
Treasurer – Larry Howard

And those members serve in the various Committees as follows:

Personnel Committee – Chairman, Vice Chairman and CEO
Investment Committee – Vice Chairman, Treasurer, CEO and CFO
Budget & Audit Committee – Vice Chairman, Treasurer, CEO and CFO
Power Supply Committee – John E. Sample, Bill Thomas, Philip Stacy
CEO and CFO
Long-Range Planning Committee – John E. Sample, Philip Stacy, CEO
and Chief Engineer

Mr. Cowden seconded the motion. Vote was by a show of hands. Motion passed 4 – 0.

15. ADJOURNMENT

Chairman Thomas adjourned the Regular Board Meeting at 10:26 a.m.

Date Approved: _____

Bill Thomas, Chairman

ATTEST

Lidia S. Goldthorn, Assistant Secretary to the Board

MEMORANDUM

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

FROM: Jill Sadberry

DATE: June 09, 2020

SUBJECT: Agenda Item #6 - Resolution No. 20-09

Presented for your review, wire transfers for operating expenses.

I. WIRE TRANSFERS - Operating Expense

| | |
|--|---------------|
| ERCOT-CRR Auction Invoice Paid May 28, 2020 Transfer from TexPool Investment Fund to ERCOT. | \$ 57,514.38 |
| ERCOT-CRR Auction Invoice Paid June 10, 2020 Transfer from TexPool Investment Fund to ERCOT. | \$ 197,898.61 |
| LCRA - Power Cost Billing 04/01/2020 to 04/30/2020 Paid May 29, 2020 Transfer from TexPool Investment Fund to LCRA. | \$ 528,577.51 |
| CPS ENERGY - Power Cost Billing 04/01/2020 to 04/30/2020. Paid May 29, 2020 Transfer from TexPool Investment Fund to CPS ENERGY. | \$ 903,756.61 |
| NEXTERA - Power Cost Billing 04/01/2020 to 04/30/2020. Paid May 20, 2020 Transfer from TexPool Investment Fund to NEXTERA. | \$ 469,440.00 |
| CITY OF GARLAND - Power Cost Billing 04/01/2020 to 04/30/2020. Paid May 29, 2020 Transfer from TexPool Investment Fund to CITY OF GARLAND. | \$ 243,457.67 |

DG TEXAS SOLAR, LLC - Power Cost Billing 04/01/2020 to 04/30/2020.
 Paid May 22, 2020 Transfer from TexPool Investment Fund
 to DG TEXAS SOLAR, LLC. \$ 49,267.24

II. WIRE TRANSFERS – Investments

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

| <u>Date</u> | <u>Principal</u> |
|---------------|------------------|
| May 22, 2020 | \$ 450,000.00 |
| May 26, 2020 | 300,000.00 |
| June 01, 2020 | 200,000.00 |
| June 04, 2020 | 400,000.00 |
| June 05, 2020 | 200,000.00 |

III. WIRE TRANSFERS - Payroll

Automated Clearing House for Pay Periods Ending:

| | |
|--------------|---------------|
| May 15, 2020 | \$ 106,289.53 |
| May 29, 2020 | \$ 112,747.33 |

IV. WIRE TRANSFERS - Payroll - Federal Reserve Bank

Federal Withholding and FICA for Period Ending:

| | |
|--------------|--------------|
| May 15, 2020 | \$ 38,741.80 |
| May 29, 2020 | \$ 39,180.92 |

V. WIRE TRANSFER - Comptroller of Public Accounts
 2020 - Sales and Use Tax – Paid 06/08/2020

\$ 71,078.25

VI. WIRE TRANSFER - TML

Texas Municipal League (TML)

Monthly Premium - Medical, Dental, Vision and Life
 for the month of May – Paid 06/01/2020

\$ 58,496.51

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. 20-09

A RESOLUTION OF THE KERRVILLE PUBLIC UTILITY BOARD CONFIRMING AND AUTHORIZING THE PAYMENTS OF INVOICES AS APPROVED AND PRESENTED BY THE CHIEF FINANCIAL OFFICER AND GENERAL MANAGER / CEO.

WHEREAS, the providers of services or material have submitted invoices for payment;
and

WHEREAS, the Chief Financial Officer or General Manager/CEO has reviewed the invoices and approved payments for services rendered or material received.

WHEREAS, the items marked "Paid" have been previously approved by the Board and are included in this Resolution for information; now, therefore,

BE IT RESOLVED BY THE KERRVILLE PUBLIC UTILITY BOARD THAT:

Section 1. That the Kerrville Public Utility Board review payment of the items set forth on the preceding Schedule.

Section 2. That the Kerrville Public Utility Board instructs the General Manager/CEO or his designee to make said payments and ratifies the payment of the items marked "Paid."

Section 3. This Resolution shall take effect immediately from and after its passage.

PASSED, APPROVED AND ADOPTED on this 17th day of June, 2020

Bill Thomas, Chairman

ATTEST:

Mark Cowden, Secretary

RESOLUTION NO. 20-10

A RESOLUTION OF THE KERRVILLE PUBLIC UTILITY BOARD AUTHORIZING AND APPROVING SIGNATURES FOR THE KERRVILLE PUBLIC UTILITY BOARD OF TRUSTEES AND MANAGEMENT FOR PURPOSES OF BANK ACCOUNTS, INVESTMENTS AND FINANCIAL TRANSACTIONS

WHEREAS, among the powers of the Board of Trustees, the power to have and exercise exclusive possession and control of the System and to collect and enforce the collection of funds and revenues and to disburse the same in accordance with the provisions, of this division and in the manner provided by TEX. REV. CIV. STAT. ANN. Art. 1115; and,

WHEREAS, the Board has entrusted signature responsibilities to the General Manager and Chief Executive Officer and the Chief Financial Officer in the operation of the System; and

WHEREAS, the Board in the execution of duties in operation of the System requires signatures for financial transactions and with the Board's Depository Bank Centennial Bank of Kerrville; now, therefore

BE IT RESOLVED BY THE KERRVILLE PUBLIC UTILITY BOARD THAT:

Section 1. Trustees of the Board:

Bill Thomas
Philip Stacy
Mark Cowden
Larry Howard
Mayor Bill Blackburn

And

Management Members:

Jill Sadberry, Chief Financial Officer
Gerald Bryla, Controller
Mike Wittler, General Manager and Chief Executive Officer

are approved as signatories for the Kerrville Public Utility Board.

Section 2. That this Resolution shall take effect immediately from and after its passage.

PASSED, APPROVED AND ADOPTED on this 17th day of June, 2020

Bill Thomas, Chairman

ATTEST:

Mark Cowden, Secretary

RESOLUTION NO. 20-11

A RESOLUTION OF THE KERRVILLE PUBLIC UTILITY BOARD APPROVING AND CHANGING AUTHORIZED REPRESENTATIVES FOR LOCAL GOVERNMENT INVESTMENT COOPERATIVE

WHEREAS, the Kerrville Public Utility Board (the "Government Entity") by authority of that certain Local Government Investment Cooperative Resolution 02-12 (the "Resolution") has entered into that certain Interlocal Agreement (the "Agreement") and has become a participant in the public funds investment pool created thereunder known as Local Government Investment Cooperative ("LOGIC");

WHEREAS, the Resolution designated on one or more "Authorized Representatives" within the meaning of the Agreement;

WHEREAS, the Government Entity now wished to update and designate the following persons as the "Authorized Representatives" within the meaning of the Agreement; now, therefore

BE IT RESOLVED BY THE KERRVILLE PUBLIC UTILITY BOARD:

Section 1. The following officers, officials or employees of the Government Entity are hereby designated as "Authorized Representatives" within the meaning of the Agreement, with full power and authority to: deposit money to and withdrawal money from Government Entity's LOGIC account or accounts from time to time in accordance with the Agreement and the Information Statement describing the Agreement and to take all other actions deemed necessary or appropriate for the investment of funds of the Government Entity in LOGIC:

Signature: _____

Printed Name: Bill Thomas

Title: Chairman

Signature: _____

Printed Name: Larry Howard

Title: Treasurer

Signature: _____
Printed Name: Mike Wittler
Title: General Manager and CEO

Signature: _____
Printed Name: Jill Sadberry
Title: Chief Financial Officer

Signature: _____
Printed Name: Gerald Bryla
Title: Controller

Section 2. The foregoing supersedes and replaces the Government Entity's previous designation of officers, officials or employees of the Government Entity as Authorized Representatives under the Agreement pursuant to Section 4 of the Resolution. Except as hereby modified, the Resolution shall remain in full force and effect.

Section 3. This Resolution shall take effect immediately from and after its passage.

PASSED, APPROVED AND ADOPTED on this 17th day of June, 2020

ATTEST:

By: _____

Mark Cowden
Printed Name

Title: Secretary

By: _____

Bill Thomas
Printed Name

Title: Chairman

RESOLUTION NO. 20-12

A RESOLUTION OF THE KERRVILLE PUBLIC UTILITY BOARD APPROVING AND AMENDING AUTHORIZED REPRESENTATIVES FOR TEXAS LOCAL GOVERNMENT INVESTMENT POOL

WHEREAS, the Kerrville Public Utility Board, Location Number 77882 (“Participant”) is a local government of the State of Texas and is empowered to delegate to a public funds investment pool the authority to invest funds and to act as custodian of investments purchased with local investments funds; and

WHEREAS, it is in the best interest of the Participant to invest local funds in investments that provide for the preservation and safety of principal, liquidity, and yield consistent with the Public Funds Investment Act; and

WHEREAS, the Texas Local Government Investment Pool (“TexPool/TexPool *Prime*”), a public funds investment pool, were created on behalf of entities whose investment objective in order of priority are preservation and safety of principal, liquidity, and yield consistent with the Public Funds Investment Act; now, therefore

LET IT BE RESOLVED BY THE KERRVILLE PUBLIC UTILITY BOARD:

Section 1. That the individuals, whose signatures appear in this Resolution, are Authorized Representatives of the Participant and are each hereby authorized to transmit funds for investment in TexPool/TexPool *Prime* and are each further authorized to withdraw funds from time to time, to issue letters of instruction, and to take all other actions deemed necessary or appropriate for the investment of local funds.

Section 2. That an Authorized Representative of the Participant may be deleted by a written instrument signed by all remaining Authorized Representatives provided that the deleted Authorized Representative (1) is assigned job duties that no longer require access to the Participant’s TexPool/TexPool *Prime* Account or (2) is no longer employed by the Participant; and

Section 3. That the Participant may by Amending Resolution signed by the Participant add an Authorized Representative provided the additional Authorized Representative is an officer, employee or agent of the Participant;

Listed are the Authorized Representatives of the Participant. Any new individuals will be issued

personal identification numbers to transact business with TexPool participant services.

- | | | | | |
|------|-----------|----------------------|--------------|--------------------------------|
| 1. | Name | <u>Bill Thomas</u> | Title | <u>Chairman</u> |
| | Signature | _____ | Phone Number | <u>830-257-3050</u> |
| | | | | |
| 2. | Name | <u>Larry Howard</u> | Title | <u>Treasurer</u> |
| | Signature | _____ | Phone Number | <u>830-257-3050</u> |
| | | | | |
| 3. | Name | <u>Mike Wittler</u> | Title | <u>General Manager and CEO</u> |
| | Signature | _____ | Phone Number | <u>830-792-8270</u> |
| | | | | |
| 4. | Name | <u>Jill Sadberry</u> | Title | <u>Chief Financial Officer</u> |
| | Signature | _____ | Phone Number | <u>830-792-8250</u> |
| | | | | |
| 5. | Name | <u>Gerald Bryla</u> | Title | <u>Controller</u> |
| | Signature | _____ | Phone Number | <u>830-792-8276</u> |

Listed is the name of the Authorized Representative listed above that will have primary responsibility for performing transactions and receiving confirmations and monthly statements under the Participation Agreement.

| | | | |
|--------|--------------------------|-------|---------------------|
| Name | <u>Mike Wittler</u> | Fax # | <u>830-792-8270</u> |
| E-Mail | <u>mwittler@kpub.com</u> | | |

In additional and at the option of the Participant, one additional Authorized Representative can be designated to perform only inquiry of selected information. This limited representative cannot make perform transactions. If the Participant desires to designate a representative with inquiry rights only, complete the following information.

| | | | | |
|----|------|------------|-------|-------|
| 6. | Name | <u>n/a</u> | Title | _____ |
|----|------|------------|-------|-------|

Section 4. That this Resolution and its authorization shall continue in full force and effect until amended or revoked by the Participant, and until TexPool Participant Services receives a copy of any such amending or revocation. This Resolution is hereby introduced and adopted by the Participant at its Regular Board Meeting held on the **17th** day of **June, 2020**.

NAME OF PARTICIPANT Kerrville Public Utility Board

By: Signature _____

Printed Name Bill Thomas

Title Chairman

ATTEST: Signature _____

Printed Name Mark Cowden

Title Secretary

MEMORANDUM

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

From: Jill Sadberry

Date: June 08, 2020

Re: Agenda Item No. 10 — Financial Report

Operating income for the month of May is \$255,935.15, which is above budget by \$308,314.15. Net income for the month is \$276,938.56, which is above budget by \$282,045.56. Year to date operating income is above budget by \$644,105.39 and net income is above budget by \$565,419.20.

For the year, kWh sales are above budget by 5,802,476 kWhs, or by 1.94%.

At May 31, 2020, operating expenses, excluding power cost, are below budget by \$288,266.69 or by 3.72%.

The balance in the over collected power cost at May 31, 2020 was \$(1,239,327.19).

The balance in the Rate Stabilization Fund is \$1,895,927.62.

Debt service coverage for May is 14.17. The coverage factor for the fiscal year is 11.83.

Sincerely,

Jill Sadberry
Chief Financial Officer

Kerrville Public Utility Board
Statement of Revenues, Expenses and Changes in Retained Earnings
May 31, 2020
(UNAUDITED)



| | Comparison to Budget | | | Comparison to Last Year | | |
|---|----------------------|-----------------------------|--------------------------------|--------------------------------|---------------------|--------------------------------|
| | Current Month | Current Month Budget Amount | Percentage Increase (Decrease) | Current Month Last Year Amount | Increase (Decrease) | Percentage Increase (Decrease) |
| OPERATING REVENUES: | | | | | | |
| Residential | 1,977,438.50 | 1,644,531.00 | 332,907.50 | 1,820,181.19 | 157,257.31 | 8.64% |
| Commercial/Industrial | 1,437,830.82 | 1,547,855.00 | (110,024.18) | 1,655,754.66 | (217,923.84) | -13.16% |
| Sales to Public Authorities | 23,200.75 | 23,500.00 | (299.25) | 23,091.10 | 109.65 | 0.47% |
| Other | 13,354.13 | 38,600.00 | (25,245.87) | 27,790.65 | (14,436.52) | -51.95% |
| TOTAL OPERATING REVENUES | 3,451,824.20 | 3,254,486.00 | 197,338.20 | 3,526,817.60 | (74,993.40) | -2.13% |
| OPERATING EXPENSES: | | | | | | |
| Purchased Power | 2,349,033.44 | 2,327,355.00 | 21,678.44 | 2,351,621.96 | (2,588.52) | -0.11% |
| Distribution | 185,662.66 | 266,710.00 | (81,047.34) | 247,534.37 | (61,871.71) | -25.00% |
| Customer Accounting | 52,849.23 | 64,700.00 | (11,850.77) | 61,862.72 | (9,013.49) | -14.57% |
| Customer Service & Informational | 10,824.13 | 27,700.00 | (16,875.87) | 25,417.24 | (14,593.11) | -57.41% |
| Administrative Expenses | 302,408.73 | 329,700.00 | (27,291.27) | 364,075.97 | (61,667.24) | -16.94% |
| Franchise Fees - Ingram | 2,312.71 | 2,400.00 | (87.29) | 1,896.04 | 416.67 | 21.98% |
| Depreciation | 293,138.15 | 291,500.00 | 1,638.15 | 236,685.87 | 56,452.28 | 23.85% |
| Other | (340.00) | (3,200.00) | 2,860.00 | (250.00) | (90.00) | 36.00% |
| TOTAL OPERATING EXPENSES | 3,195,899.05 | 3,306,865.00 | (110,975.95) | 3,288,844.17 | (92,955.12) | -2.83% |
| OPERATING INCOME/ (LOSS) | 255,935.15 | (52,379.00) | 308,314.15 | 237,973.43 | 17,961.72 | 7.55% |
| NONOPERATING REVENUES (EXPENSES) : | | | | | | |
| Revenue Fund, Constr, Emerg | 12,986.04 | 35,808.00 | (22,821.96) | 42,536.14 | (29,550.10) | -69.47% |
| Interest & Sinking Fund | 54.42 | 479.00 | (424.58) | 499.50 | (445.08) | -89.11% |
| Reserve Fund | - | - | - | - | - | - |
| Interest Inc-City of Kerrville | 15,000.00 | 15,000.00 | - | 15,000.00 | - | - |
| Interest Expense | (11,215.55) | (11,215.00) | (0.55) | (11,859.08) | 643.53 | -5.43% |
| AFUDC - Borrowed Funds | 3,897.95 | 2,500.00 | 1,397.95 | 2,994.05 | 903.90 | 30.19% |
| Other - net | 280.55 | 4,700.00 | (4,419.45) | 350.62 | (70.07) | -19.98% |
| TOTAL NONOPERATING REVENUES (EXPENSES) : | 21,003.41 | 47,272.00 | (26,268.59) | 49,521.23 | (28,517.82) | -57.59% |
| NET INCOME/ (LOSS) | 276,938.56 | (5,107.00) | 282,045.56 | 287,494.66 | (10,556.10) | -3.67% |
| RETAINED EARNINGS AT BEGINNING OF MONTH | | | | | | |
| Plus: Contributions in Aid of Constr | 8,691.00 | 9,000.00 | (309.00) | 72,996.05 | (64,305.05) | -88.09% |
| Less: General Fund Transfer - Reg | 100,426.19 | 98,700.00 | 1,726.19 | 94,980.70 | 5,445.49 | 5.73% |
| Less: General Fund Transfer - Spec | - | - | - | - | - | - |
| RETAINED EARNINGS AT END OF MONTH | 68,821,557.22 | | | 67,208,999.71 | | |
| Percent of Net Income to Operating Reven | 8.02% | | | 8.15% | | |

Kerrville Public Utility Board
Statement of Revenues, Expenses and Changes in Retained Earnings
May 31, 2020
(UNAUDITED)

| | Year to Date | | Comparison to Budget | | Comparison to Last Year | | |
|---|----------------------|----------------------|----------------------|--------------------------------|-------------------------------|-----------------------|--------------------------------|
| | Year to Date | Budget Amount | Increase (Decrease) | Percentage Increase (Decrease) | Year to Date Last Year Amount | Increase (Decrease) | |
| | | | | | | | Percentage Increase (Decrease) |
| OPERATING REVENUES: | | | | | | | |
| Residential | 15,343,879.20 | 14,696,416.00 | 647,463.20 | 4.41% | 15,543,675.36 | (199,796.16) | -1.29% |
| Commercial/Industrial | 11,113,718.80 | 11,367,031.00 | (253,312.20) | -2.23% | 11,437,750.66 | (324,031.86) | -2.83% |
| Sales to Public Authorities | 185,705.75 | 188,000.00 | (2,294.25) | -1.22% | 176,130.54 | 9,575.21 | 5.44% |
| Other | 200,004.91 | 453,750.00 | (253,745.09) | -55.92% | 400,345.34 | (200,340.43) | -50.04% |
| TOTAL OPERATING REVENUES | 26,843,308.66 | 26,705,197.00 | 138,111.66 | 0.52% | 27,557,901.90 | (714,593.24) | -2.59% |
| Purchased Power | 18,095,309.96 | 18,313,037.00 | (217,727.04) | -1.19% | 18,390,744.16 | (295,434.20) | -1.61% |
| Distribution | 2,086,030.99 | 2,107,444.00 | (21,413.01) | -1.02% | 1,829,112.55 | 256,918.44 | 14.05% |
| Customer Accounting | 423,953.51 | 511,400.00 | (87,446.49) | -17.10% | 555,858.34 | (131,904.83) | -23.73% |
| Customer Service & Informational | 136,468.24 | 218,800.00 | (82,331.76) | -37.63% | 131,954.40 | 4,513.84 | 3.42% |
| Administrative Expenses | 2,519,479.57 | 2,602,200.00 | (82,720.43) | -3.18% | 2,217,064.18 | 302,415.39 | 13.64% |
| Franchise Fees - Ingram | 19,026.33 | 19,500.00 | (473.67) | -2.43% | 19,807.16 | (780.83) | -3.94% |
| Depreciation | 2,291,980.71 | 2,318,000.00 | (26,019.29) | -1.12% | 1,872,853.46 | 419,127.25 | 22.38% |
| Other | (13,462.04) | (25,600.00) | 12,137.96 | -47.41% | (9,981.54) | (3,480.50) | 34.87% |
| TOTAL OPERATING EXPENSES | 25,558,787.27 | 26,064,781.00 | (505,993.73) | -1.94% | 25,007,412.71 | 551,374.56 | 2.20% |
| OPERATING INCOME | 1,284,521.39 | 640,416.00 | 644,105.39 | 100.58% | 2,550,489.19 | (1,265,967.80) | -49.64% |
| NONOPERATING REVENUES (EXPENSES) : | | | | | | | |
| Revenue Fund | 240,926.58 | 286,464.00 | (45,537.42) | -15.90% | 320,122.17 | (79,195.59) | -24.74% |
| Interest & Sinking Fund | 1,676.90 | 3,832.00 | (2,155.10) | -56.24% | 2,890.22 | (1,213.32) | -41.98% |
| Reserve Fund | - | - | - | - | - | - | - |
| Interest Inc-City of Kerrville | 120,000.00 | 120,000.00 | - | 0.00% | 120,000.00 | - | - |
| Interest Expense | (90,367.93) | (90,370.00) | 2.07 | 0.00% | (95,198.33) | 4,830.40 | -5.07% |
| AFUDC - Borrowed Funds | 23,619.16 | 20,000.00 | 3,619.16 | 18.10% | 21,034.61 | 2,584.55 | 12.29% |
| Other - net | 2,985.10 | 37,600.00 | (34,614.90) | -92.06% | 294.72 | 2,690.38 | 912.86% |
| | 298,839.81 | 377,526.00 | (78,686.19) | -20.84% | 369,143.39 | (70,303.58) | -19.05% |
| NET INCOME/ (LOSS) | 1,583,361.20 | 1,017,942.00 | 565,419.20 | 55.55% | 2,919,632.58 | (1,336,271.38) | -45.77% |
| RETAINED EARNINGS AT BEGINNING OF YEAR | 67,949,736.54 | | | | 64,988,632.92 | | |
| Plus: Contributions in Aid of Constr | 140,487.16 | 72,000.00 | 68,487.16 | 95.12% | 187,467.86 | (46,980.70) | -25.06% |
| Less: General Fund Transfer - Regular | 802,027.68 | 704,520.00 | 97,507.68 | 13.84% | 862,233.65 | (60,205.97) | -6.98% |
| Less: General Fund Transfer - Special | 50,000.00 | 45,920.00 | 4,080.00 | | 24,500.00 | 25,500.00 | 104.08% |
| RETAINED EARNINGS AT END OF YEAR | 68,821,557.22 | | | | 67,208,999.71 | | |
| | | | | | | | 10.59% |
| | | | | | | | 5.90% |



Kerrville Public Utility Board
Balance Sheets
May 31, 2020

| | May 31, 2020 (Unaudited) | October 1, 2019 | May 31, 2020 (Unaudited) | October 1, 2019 |
|--|-----------------------------|-----------------|-----------------------------|-----------------|
| Assets | | | | |
| Utility Plant: | | | | |
| Electric Plant in Service | 84,259,627.42 | 80,570,016.90 | 68,821,557.22 | 67,949,781.81 |
| Less: Accumulated Depreciation | (40,377,143.87) | (38,511,913.89) | | |
| | 43,882,483.55 | 42,058,103.01 | 68,821,557.22 | 67,949,781.81 |
| Construction Work in Progress | 3,087,637.39 | 4,204,554.83 | | |
| Net Utility Plant | 46,970,120.94 | 46,262,657.84 | | |
| Restricted Assets: | | | | |
| Cash and Cash Equivalents: | | | | |
| Customer Deposits | 542,106.00 | 538,441.01 | | |
| Total Cash and Cash Equivalents | 542,106.00 | 538,441.01 | | |
| Investments: | | | | |
| 2013 Bond Construction Fund | - | - | 3,680,000.00 | 4,081,000.00 |
| Interest and Sinking Fund | 245,186.64 | 443,403.47 | | |
| Emergency, Repair, Replace, Conting Fund | 3,532,681.94 | 3,513,053.00 | | |
| L.T. Rate Stabilization Fund: | | | | |
| Total Investments | 4,411,112.14 | 4,496,456.47 | | |
| Total Restricted Assets | 4,953,218.14 | 5,034,897.48 | | |
| Current Assets: | | | | |
| Revenue Fund: | | | | |
| Cash and Cash Equivalents | 632,833.08 | 374,685.93 | 401,000.00 | 392,000.00 |
| Investments - Less: Customer Deposits | 9,499,673.40 | 11,408,481.71 | 11,215.55 | 59,295.42 |
| Total Revenue Fund | 10,132,506.48 | 11,783,167.64 | 542,106.00 | 532,451.01 |
| Construction Fund: | | | | |
| Cash and Cash Equivalents | 5,063.46 | 5,020.01 | 954,321.55 | 983,746.43 |
| Investments | 2,552,505.47 | 1,666,500.10 | | |
| Total Construction Fund | 2,557,568.93 | 1,671,520.11 | | |
| Rate Stabilization Fund: | | | | |
| Cash and Cash Equivalents | 1,895,927.62 | 1,885,402.35 | 2,265,650.73 | 2,009,744.93 |
| Investments | 1,895,927.62 | 1,885,402.35 | 700,724.28 | 1,199,839.07 |
| Total Rate Stabilization Fund | 3,791,855.24 | 3,770,804.70 | 1,239,327.19 | 2,340,093.92 |
| ERCOT CRR Auction Funds | 157,536.99 | 157,536.99 | 4,205,702.20 | 5,549,677.92 |
| Customer Accounts Receivable, Net of Allowances | 3,529,522.51 | 4,279,221.69 | | |
| Materials and Supplies | 1,028,264.43 | 1,151,297.03 | | |
| Other | 989,457.40 | 891,047.50 | | |
| Total Current Assets | 20,290,784.36 | 21,819,193.31 | 12,374,582.75 | 14,148,983.35 |
| Deferred Debits | | | | |
| Deferred Outflow of Resources | 2,735,450.53 | 2,735,450.53 | 1,253,434.00 | 1,253,434.00 |
| Advance to City of Kerrville | 7,500,000.00 | 7,500,000.00 | | |
| Total | 82,449,573.97 | 83,352,199.16 | 82,449,573.97 | 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 | | | | |

Kerrville Public Utility Board
 Detail of Fund Balances from Funds Invested in Government Securities For the Month Of
 May 31, 2020

| | Revenue Fund | Construction Fund | Rate Stabilization Fund | Long Term Rate Stabil. Fund | Debt Reserve Fund | Restricted | | Total Funds Invested |
|--|---------------|-------------------|-------------------------|-----------------------------|-------------------|-----------------------|---|----------------------|
| | | | | | | Interest Sinking Fund | Emergency, Repair, Replace & Contingency Fund | |
| Beginning of the Month Balance | 10,827,049.22 | 2,759,106.04 | 1,895,436.76 | 633,079.61 | - | 267,376.50 | 3,543,361.68 | 19,925,409.81 |
| Maturities and/or Withdrawals: | | | | | | | | |
| TEXPOOL-Broadway Bank-Bond Pmt | | | | | | | | |
| 5/1/2020 | (58,557.89) | | | | | (67,293.30) | | (67,293.30) |
| TEXPOOL-TML Insurance | (64,798.08) | | | | | | | (58,557.89) |
| 5/6/2020 | (528,577.51) | | | | | | | (64,798.08) |
| TEXPOOL-TMRS | (903,756.61) | | | | | | | (528,577.51) |
| 5/29/2020 | (469,440.00) | | | | | | | (903,756.61) |
| TEXPOOL-CPS Energy | (57,514.38) | | | | | | | (469,440.00) |
| 5/20/2020 | (49,266.94) | | | | | | | (57,514.38) |
| TEXPOOL-NextEra | | | | | | | | (49,266.94) |
| 5/6/2020 | | | | | | | | |
| TEXPOOL-ERCOT | | | | | | | | |
| 5/28/2020 | | | | | | | | |
| TEXPOOL-ERCOT | | | | | | | | |
| 5/29/2020 | | | | | | | | |
| TEXPOOL-City of Garland | | | | | | | | |
| 5/22/2020 | | | | | | | | |
| TEXPOOL-DG Southwest Solar LLC | | | | | | | | |
| Stadium Equipment Upgrade | 204,991.95 | (204,991.95) | | | | | | |
| 5/31/2020 | | | | | | | | |
| Hunt Emergency Transformer Replac | | | | | | | | |
| 5/31/2020 | | | | | | | | |
| Investments: | | | | | | | | |
| TEXPOOL | 200,000.00 | | | | | | | 200,000.00 |
| 5/1/2020 | 400,000.00 | | | | | | | 400,000.00 |
| TEXPOOL | 200,000.00 | | | | | | | 200,000.00 |
| 5/7/2020 | 450,000.00 | | | | | | | 450,000.00 |
| TEXPOOL | 300,000.00 | | | | | | | 300,000.00 |
| 5/8/2020 | | | | | | | | |
| TEXPOOL | | | | | | | | |
| 5/22/2020 | | | | | | | | |
| TEXPOOL | | | | | | | | |
| 5/26/2020 | | | | | | | | |
| TEXPOOL | | | | | | | | |
| TEXPOOL | | | | | | | | |
| TEXPOOL | | | | | | | | |
| TEXPOOL | | | | | | | | |
| TEXPOOL | | | | | | | | |
| TEXPOOL | | | | | | | | |
| Allocation of: | | | | | | | | |
| no int earned to the separate funds | | | | | | | | |
| Interest earned (accrued on CD) | 2,875.35 | 712.80 | 490.86 | 163.95 | - | 54.42 | 917.63 | 5,215.00 |
| Interest Receivable (accrued on CD) | 6,059.87 | | | | | | 1,698.63 | 7,758.50 |
| Interest Receivable (accrued on CD) | | | | | | | | |
| Tot Fund Bal after int allocation & Xfer | 10,071,116.68 | 2,554,826.89 | 1,895,927.62 | 633,243.56 | - | 200,137.62 | 3,545,977.94 | 18,901,230.30 |
| Interfund transfers | (44,488.57) | | | | | 44,488.57 | | |
| Total Fund Balance at End of Month | 10,026,628.11 | 2,554,826.89 | 1,895,927.62 | 633,243.56 | - | 244,626.19 | 3,545,977.94 | 18,901,230.30 |

Kerrville Public Utility Board
 Computation of the Monthly and Year to Date Debt Service Coverage
 For the Month Ended May 31, 2020

| Description | Current Month | Fiscal Year | Previous Twelve Months |
|---|-----------------------|-------------------------|------------------------------|
| Net Income | 276,938.56 | 1,583,361.20 | 4,024,118.34 |
| Plus: | | | |
| Interest Expense (net of amortizations) | 7,317.60 | 66,748.77 | 105,563.86 |
| Depreciation Expense | 293,138.15 | 2,291,980.71 | 3,660,140.74 |
| Miscellaneous Amortizations | - | - | - |
| Numerator | 577,394.31 | 3,942,090.68 | 7,789,822.94 |
| DIVIDED BY: | | | |
| Interest Expense (net of amortizations) Principal Payment Due | 7,317.60 33,416.67 | 66,748.77 266,583.33 | 105,563.86 397,250.00 |
| Denominator | 40,734.27 | 333,332.10 | 502,813.86 |
| Debt Service Coverage Ratio | 14.17 | 11.83 | 15.49 |
| Minimum Requirement per Bond Covenant Minimum Requirement Established by KPUB Board for Good Business Practices | | 1.35 | 1.65 |
| | | times Debt Service | times Debt Service |

MEMORANDUM

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

From: Mike Wittler

Date: June 12, 2020

Re: Agenda Item 11 – Approval and Reporting of Purchases and Sales

I would like to provide the Board an update on several purchasing activities.

- A. Report on Purchase Orders to LCRA: Under the terms of the Interlocal Agreement between KPUB and LCRA approved by the Board in December 2017, we have recently issued several purchase orders for small construction and maintenance projects. The Interlocal Agreement was established for construction, maintenance and emergency services. These activities were budgeted under the O&M and Capital budgets.
- a. Harper Bus Tie Construction: Requisition #2366, \$146,754.00. This project will install bus work that will connect the T2 and T3 transfer buses together so load can be moved in case of emergencies or breaker outages. This configuration is standard for all substations and Harper is the only one that is not configured this way. The bus tie will also include a switch to isolate the two buses during normal operations and add an isolation point for maintenance purposes. This addition will be an upgrade to our substation that will give us better loading options and reliability.
 - b. Hunt Drawing Updates and PT Conduit Design: PO #18929, \$16,000.
 - c. Ingram Station Service Panel Replacement: PO #18921 \$14,000.
 - d. Stadium Substation Relay Coordination Corrections on T2 and T3 and KS40 Testing: Pricing TBD
- B. Report on Mutual Assistance/Storm Billing: In response to extensive storm damage and outages on May 27th, we issued a call for mutual assistance and contract support and received help from the following organizations.

| Organization | Personnel Provided |
|--------------|--------------------|
| Seguin | 5 |
| Boerne | 4 |

| | |
|------------------------------------|----|
| Fredericksburg | 5 |
| Central Texas Electric Cooperative | 7 |
| Line Tech | 12 |
| James Power Line | 32 |
| Townsend Tree Service | 15 |

I have only received an invoice from Seguin for \$25,083.97 to date. I anticipate that total cost for this additional support will be in the neighborhood of \$500,000.

Please let me know if you would like additional information or have any questions.

Sincerely,



Mike Wittler

MEMORANDUM

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

From: Mike Wittler

Date: June 12, 2020

Re: Agenda Item 12 – Consideration and Action on Resolution No. 20-13: Bill Payment Assistance Program

Staff is recommending that we establish a Round Up Program that is supplemented by transfers from the Revenue Fund to achieve a funding level equivalent to the PUC Program (\$0.33 per megawatt hour on total sales or \$13,750 per month).

- Round Up Program:
 - Automatic enrollment
 - Allow opt-out and refund upon request
 - Enroll all residential meters
 - All funding initially dedicated to bill payment assistance, with monthly status reporting to the Board
 - In the future establish Board appointed committee to administer disbursements from the fund
 - Continue Round Up Program post-COVID-19 with Board appointed committee to administer disbursements from the fund
- KPUB Contribution to Round Up Program:
 - Recommend transfer to Round Up Program from the Revenue Fund to make total contribution to the Program equivalent to the PUC Program (\$13,750 per month)
 - Estimated contribution \$4,000-6,000 per month
 - Monthly status reporting to the Board and anticipate discontinuing this contribution when the City's Emergency Declaration is no longer in effect

Allison Bueche and Jo Anderson have additional details on our plans to partner with a non-profit to administer this program, establish customer communications plans, and schedule to return to normal billing and collections.

Please let me know if you need additional information to facilitate our discussion.

Sincerely,

A handwritten signature in black ink, appearing to read "Mike Wittler". The signature is stylized with a large initial "M" and a long, sweeping underline.

Mike Wittler

MEMORANDUM

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

From: Allison Bueché

Date: June 11, 2020

Re: Agenda Item No. 12 - Consideration and Action on Recommendation to Partner with the Society of St. Vincent de Paul on KPUB's Utility Bill Assistance Program.

We have considered four different organizations as potential partners that have a history with helping our community members when they are seeking financial aid for utility assistance—The Salvation Army of Kerrville, Christian Assistance Ministry, Community Council of South Central Texas and the Society of St. Vincent de Paul.

I am recommending the Kerrville Public Utility Board (KPUB) partner with the Society of St. Vincent de Paul, a 501c3 nonprofit organization, to oversee and administer KPUB's new utility bill assistance program. The Society of St. Vincent de Paul is an organization that KPUB has had a good working relationship for many years. They are 100% volunteer-run and have an excellent system in place for granting funds to community members in need who have met eligibility criteria in the form of bill payment vouchers. The criteria includes verifying that an income base with the total income and size (i.e., number of household members) meets a matrix within federal poverty guidelines. Additionally, community members can be eligible to receive utility assistance on a case-by-case emergency situation.

Aid will be granted exclusively to KPUB customers through the utility assistance program funds and would be administered by the Society of St. Vincent de Paul with no additional program cost. KPUB also has the authority to dictate additional eligibility criteria for the program funds if we ever choose to do so.

An initial program draft is attached for your review. Please let me know if you have any questions or concerns.

Sincerely,



Allison Bueché
KPUB Marketing Manager



Change for Charity Program

PROGRAM PURPOSE

The Kerrville Public Utility Board (KPUB) has established a Change for Charity program fund for the accumulation and disbursement of funds to primarily provide community assistance for KPUB customers who are struggling to pay their past-due electric utility bills. Additional program funds can be used for other charitable purposes in KPUB's service area of upon committee approval. Upon dissolution of the program fund, any remaining funds shall be distributed only for charitable purposes.

ACCUMULATION OF FUNDS

The Change for Charity program funds will be collected by automatically rounding up the change on customers' monthly utility bills to the next whole dollar. If the customer's bill is \$87.83, it would be rounded to \$88.00 even. The additional .37 cents would be placed into the Change for Charity program fund that is offered to all of KPUB's customers. Participation in the Change for Charity program fund is optional, and the donation amount will be shown on a customer's bill.

Customers can also opt to contribute a specific amount monthly to the program fund or a combination of both. Should the customer choose not to participate, they can opt-out of the program by contacting KPUB's Customer Service Department or through their online SmartHub account. By giving an average of just over \$6.00 in change a year, KPUB customers can empower change for their neighbors in need here in our community.

MANAGEMENT OF FUNDS

Initially, the program funds will be forwarded to the Society of St. Vincent de Paul in a special fund exclusively for utility bill assistance for distribution. The funds and are administered at no additional cost. Any future program funds accumulated that are in excess of our community's need for utility assistance will be granted by a committee approval for charitable purposes in the KPUB service area.

ELIGIBILITY CRITERIA

Eligibility for utility assistance through program funds is qualified through the Society of St. Vincent de Paul for income-eligible households by verifying that an income base with the total income and size (i.e., number of household members) of a participant's household meets a matrix within federal poverty guidelines. Additionally, community members can be eligible to receive utility assistance on a case-by-case emergency situation. As a general rule, applicants cannot earn more than 185% of the federal poverty guidelines. Aid will be granted exclusively to Kerrville Public Utility Board customers with program funds and is limited per calendar quarter by the Society of St. Vincent de Paul depending upon what has been granted to a household already and what funding is currently available.



HOW TO APPLY

Requests for financial aid for utility assistance with program funds can be requested to the Society of St. Vincent de Paul by email to svdpkerr@hctc.net by including the following initial information:

- Customer name, birthday and address
- The name of the utility or service provider
- The name and address on the account
- The account number
- The amount owed
- The due date for KPUB payment
- Phone number

HOW FUNDS ARE ISSUED

Checks are not issued to individuals for utility assistance. Vouchers are issued that are redeemable for the amount of utility assistance granted by the Society of St. Vincent de Paul with program funds made exclusively payable to Kerrville Public Utility Board.

MEMORANDUM

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

From: Jo Anderson

Date: June 11, 2020

Re: Agenda Item 12 - Planned communications on the Change for Charity Program and Plan to return to normal billing and collections.

If approved, the Change for Charity communication plan will begin July 1st. Cycle 1 billing statements will have special bill stuffer explaining the program. A link to the bill stuffer will be included in the email sent to customers that are on paperless billing, this will require the customer to click the link to access the flyer. The bill stuffer will run in each billing cycle though the month of July. In addition, an On Demand instant message introducing and explaining the program will go out to all customers with email addresses on file. Information about the program will be on our website, SmartHub, Facebook, and Twitter pages as well as radio and Facebook live interviews. Ads and press releases will be printed in local newspapers. All forms of communication will inform customers that they must contact us to opt out of the program.

Plan for resuming normal billing and collections:

Before the pandemic...

Bills due 16 days after issuance, late notice mailed on the 17th day giving additional 10 days to disconnect date (Monday). On Tuesday automatic calls go out to any unpaid account warning of possible disconnect. Wednesday the process for delinquent disconnects is ran and services are remotely disconnected. If AMI opt out meter, truck rolled to location.

Current Process - As of 3/18/20

- Penalties and late fees are being waived and disconnects suspended.
- Automatic phone call on Tuesday to customers with a current past due balance changed to generic call asking customers to contact us.
- Wednesday (Cut-off day) CSRs making personal contact with customers that would be subject to disconnect, setting up payment arrangements as needed.
- Prepaid disconnects stopped.

As of 6/11/20 there were 91 accounts with a balance over 90 days, 100 accounts over 60 days, 350 accounts over 30 days. As a comparison, on average we have about 10 accounts over 90 days past due, 60 over 60 days, and 280 accounts over 30 days past due.

Proposed timeline -

June -

- Letters were mailed June 5th - to accounts with balances over 90, 60, 30 days past due, informing customers that if they have not previously made payment arrangements, entered into a deferred payment agreement, or signed up for prepaid - They must contact KPUB by the due date as indicated on their bill due in July.
- Call - a special Robo call will be made to all customers with arrears – Friendly reminder to customers informing them that account is past due, KPUB's plan to resume disconnections for non-payment, and to contact Customer Service for needed arrangements.
- On Demand emails, notice on the billing statement, and press release notifying customers we will resume regular collection process August 1st.

This would begin with the bills mailed to Cycle 2 on July 8th and due July 24 with a cutoff date of August 5th.

August 1st – Tentatively

- Penalties and late fees go back into effect.
- Return to regular call out schedule and change message back to original call out message.
- Resume collections and disconnects. Beginning with Cycle 2 August 5th.
- Resume Prepaid Disconnects

Payment Arrangements –

As long as payment arrangement or deferred payment agreement is in effect, and payments are made timely, there will be no penalty or late fees assessed and service will not be disconnected.

Deferred payments extension up to one year from the date agreement entered. The average past due balance for residential is \$235.20. That would be the bill plus around \$20.00 each month. Some are less, some more. The highest residential past due balance is right at \$800.00 and that would be the bill plus \$66.67 per month. We could go up to 18 months under special circumstances. I think we will have to look at these on a case by case basis. Some may only need to be 3 to 6 months.

Prepaid deferred balances - 25% of payments go toward unpaid balance. Encouraged especially if we have a deposit to apply.

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

Sincerely,

Jo Anderson

MEMORANDUM

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

From: Tammye Riley

Date: June 12, 2020

Re: Agenda Item No. 13 –COVID-19 Update

I would like to take a brief moment to you keep you up to date on our slowing the spread of the COVID-19 virus efforts.

Below you will find this month's update:

- Lobby continues to remain closed, we monitor this on a weekly basis.
- A face mask/covering policy has been implemented for all employees and visitors that enter into any KPUB facility.
- Visitors and vendors are allowed by appointment only and complete a health screen and temperature check before allowed into the building.
- Business travel has been suspended until August, closer to that time we will reevaluate the need to extend or not.
- We continue to distance and separate staff. Currently we have 16 employees working remotely, and staff that is reporting into the office are on staggered shifts and/or days.
- Crews continue to report to separate substation each day with staggered shifts to access the yard to gather material and supplies.
- One employee assigned to a single truck is still in place.
- Drive thru reopened on June 1st.
- Plexiglass dividers will be installed this month to allow for another employee to return back and work 2nd lane of the drive thru.
- Social media efforts to remind customers of "ways to pay with no contact" are ongoing.
- All other efforts mentioned last month are still being enforced.

I'll be happy to answer any questions you have at the meeting on June 17th.

Sincerely,

Tammye Riley

Tammye Riley
Human Resources Manager

KPUB Covid-19 Update 5/15/2020

KPUB is providing all regular services with some minor impacts caused by implementation of social distancing guidelines. There have been no reliability impacts caused by Covid-19.

KPUB has continued to coordinate with industry peers to share information and provide mutual assistance if needed. Our goal at this time is to ensure the health and safety of our employees and maintain continuity in our workforce and organization.

Updates:

“Return to Work” committee has been formed to coordinate the process of returning employees back into the building. 3 member committee to represent each area of our workforce.

Drive-thru opening on Monday May 18th – 1 CSR is returning to the office, bringing the workforce presence to 6 employees in the administrative building. All employees are maintaining the 6’ distance guideline. Gloves are being required for all payment transactions.

Lobby remains closed at this time. As we monitor our peer’s plans on opening their lobbies, the Return to Work Committee and General Manager continue to review weekly to discuss tentative re-open dates.

KPUB logo cloth masks have been secured for our workforce as we bring the workforce back into the office.

Cheaper cloth masks have been obtained from FEMA, to be used for customers and visitors, as we reopen.

Hand sanitizer stands have been ordered and are expected to arrive mid-June. These stands will be placed at all entrances of both the administrative and crew buildings.

Disinfectant and sanitizing supplies have been stocked for each work station.

Safety meetings for field staff moved to online platform on 4/8 and will continue in this format for several months.

Installed payment kiosks have been operational since early April, to date KPUB’s payment kiosks have collected over **\$37,000** in customer payments.

We are maintaining and improving our paperless processes to prevent cross department paper handling.

Employee travel notification policy established 3/18, updated 3/30, is currently being reviewed for revisions by the Return to Work Committee members, recommendations will be provided to General Manager for approval.

We still have office employees telecommuting, as we are developing a return to the office plan to safely transition those employees back to the building.

Crews are still reporting to separate field substations. All crew members and field employees are assigned to separate vehicles so as to avoid traveling together and staggered schedules for entry into the yard for material.

Updates continued:

Still utilizing the BOC to keep social distancing efforts and maintain integrity of our essential operating functions, such as the CSR and Dispatch functions.

Disconnects are still suspended as of 3/18.

Wellness checks and hand sanitizing are being performed for employees entering offices. Gloves and masks are available as well.

Enhanced office cleaning and sanitizing still in place.

Internal awareness campaign on hygiene and social distancing is ongoing.

Employee breakrooms are still closed for gatherings.

Contractor's Covid-19 plans have been provided to KPUB. Contractors are no longer allowed in KPUB offices.

No visitor's policy still in effect.

Management conference call twice a week.

Leave policies adjusted to accommodate employees dealing with Covid-19.

In home energy audits are still suspended.

Thank you,

Tammye Riley