

MEMORANDUM

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

From: Allison Bueché

Date: April 7, 2022

Re: Agenda Item No. 6—Awarding KPUB Scholarships for the 2021-2022 School Year

This year marks the tenth year that KPUB has awarded scholarships to local area students based on eligibility and guidelines as defined in the KPUB Scholarship Program.

This year's scholarship applications deadline was February 28, 2022, at 5:00 p.m. We received 16 qualified applications.

The KPUB Scholarship Selection Committee, consisting of Larry Howard, Mindy Curran (Ingram ISD) and Lauren Jette (KISD), thoroughly reviewed each application. Eligible applicants were scored by the following criteria: academic achievement, economic need, participation in school activities, community involvement, and a short essay. The two applicants with the highest scores that are being awarded this year's scholarships are Nicole Hardy and Abby Walker.

Nicole Hardy has been accepted to Schreiner University and will major in Business and Marketing with a minor in Elementary Education. Nicole is currently a senior at Tivy High School.

Abby Walker has been accepted to Texas State University in San Marcos, Texas, and will major in Early Childhood Education. Abby is currently a senior at Ingram Tom Moore High School.

We are honored to present Nicole Hardy and Abby Walker each with a 2022 KPUB Scholarship. These scholarships are renewable each year for up to four years.

Sincerely,



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

**MINUTES OF THE
KERRVILLE PUBLIC UTILITY BOARD
REGULAR MONTHLY MEETING
WEDNESDAY, MARCH 23, 2022, AT 8:30 A.M.
KPUB CONFERENCE ROOM
KERRVILLE PUBLIC UTILITY BOARD OFFICES
2250 MEMORIAL BLVD.
KERRVILLE, TEXAS**

TRUSTEES PRESENT:

Philip Stacy
Mark Cowden
Larry Howard
Bill Thomas
Mayor Bill Blackburn

STAFF PRESENT:

Mike Wittler, General Manager and CEO
Amy Dozier, Director of Finance
Paul Martinez, Director of Engineering
Allison Bueché, Director of Customer and Community Relations
Jill Cook, Accounting Supervisor
Damon Richardson, Purchasing Agent
Lidia Goldthorn, Assistant Secretary to the Board

TRUSTEES ABSENT:

OTHERS PRESENT:

Stephen Schulte, Legal Counsel
Glenn Andrew
Judy Eychner

1. CALL TO ORDER:

Mr. Philip Stacy, Chairman, called the Regular Monthly Meeting to order at 8:29 a.m.

2. PLEDGE OF ALLEGIANCE:

3. CITIZEN/CONSUMER OPEN FORUM:

There were no citizens/consumers to speak.

4. ANNOUNCEMENTS OF COMMUNITY INTEREST:

Mr. Wittler highlighted the Leadership Kerr County Class tour of one of the solar arrays. Operations employees participated in Career Day at the Center Point Elementary School. He also highlighted Supervisor of Engineering Services, Yesenia Bernal as the staff spotlight for the month; who has been with KPUB for 5 months. KPUB Volunteer participation included volunteering at the Light on the Hill/Mega Mobile Food Pantry Event on February 28th. Upcoming KPUB community involvement events include another Food Pantry Event on March 30th, and volunteering with Habitat for Humanity on April 23rd. KPUB will also host a Community Blood Drive on March 24th. Ms. Bueché added the Hill Country Charity Ball is scheduled for May 21st benefiting the Arcadia Live, and the Employee Safety and Service Awards Picnic is scheduled for May 7th. Mr. Wittler advised the next regular board meeting is scheduled for April 20, 2022 at 8:30 a.m.

5. CONSENT AGENDA:

Mark Cowden, Vice Chairman, made a motion to accept items in the consent agenda as presented. Larry Howard, Secretary, seconded the motion. Vote was by a show of hands. Motion carried 4 – 0.

5A. APPROVAL OF MINUTES.

5B. RESOLUTION NO. 22-03 – AMY DOZIER, DIRECTOR OF FINANCE. A Resolution approving payment to various providers of services or supplies.

5C. APPROVAL AND REPORTING OF PURCHASES AND SALES:

1. Quote No. 3020 – Pad Mount Transformers (Damon Richardson, Purchasing Agent)
2. TIPS Interlocal Agreement – Membership (Amy Dozier, Director of Finance)

END OF CONSENT AGENDA

6. FINANCIAL REPORT – AMY DOZIER, DIRECTOR OF FINANCE:

Ms. Dozier presented the financial statements for the month of February 2022. Ms. Dozier highlighted items that included a \$403K increase in net position; \$4.5M in operating revenue for the month; \$4.0M in operating expense; \$496K in operating income; \$2.6M in over collected power cost adjustment at February 28, 2021; and \$29.8M invested in investment pools, CD's and an investment account at Happy State Bank. She advised that revenues and expenses continue lower than budget due to lower than expected cost per kWh for purchased power due to strong performance of renewables, especially solar. She advised that comparisons to the prior year is difficult, showing large swings in prior year expenses over the next few months as KPUB gained more information and determined how to properly report the Winter Storm Uri event from a financial perspective. Accordingly, she will focus more on comparisons to budget than prior year. Ms. Dozier added that the Power Cost Adjustment (PCA) remained at \$95.00 for February and recommended to keep the PCA at \$95.00 due to winter power costs and pending litigation. Ms. Dozier also provided a power point presentation with the month's highlights and financial metrics from her memo.

**At 8:48 Mayor Bill Blackburn came into the Board Room and joined the meeting.*

7. CONSIDERATION AND POSSIBLE ACTION ON BEAUTIFICATION AND LIGHTING PROJECTS – MIKE WITTLER, CEO:

Mr. Wittler advised there had been a placeholder in the capital budget for downtown underground for several years, with the current budget having \$250,000 for that purpose. He further advised there were several projects recently completed, underway, and/or being started, including TxDOT replacing the traffic signals at Water Street and Sidney Baker; KUTS installed two murals and is working on pedestrian crossings at Water Street and Clay Street; and the City is now working on projects at the A.C. Schreiner Mansion and the Downtown Parking Garage. Mr. Wittler stated if KPUB is going to convert the utilities in this area to underground in the future, now would be the time to install conduit under the Water/Clay Street intersection and beside the parking garage along Water Street before the pedestrian crossings are installed, and wanted to get some feedback from the Board.

Mr. Wittler went over a summarized estimate of the cost to do the work described. He advised that things are happening kind of piece meal so it's hard to plan and estimate costs. Where ranges were indicated, the variance would be related to how much KPUB is allowed to shut down the intersection for the work. If the intersection is able to be closed, the work will be completed more quickly and at lower cost. He advised completing this work would not actually result in the removal of any existing overhead

lines, it would put KPUB in a better position for underground conversation in the future. Mr. Wittler also went over the installation process for the Ingram Bridge Lighting, advising KPUB has received informal inquiries about the possibility of KPUB treating the Ingram Bridge project similar to other beautification projects that have been done and basically have KPUB provide the poles for this project and waive the monthly fee for recovering the cost of installing those poles. Mr. Wittler added that looking at KPUB's standard policies, underground projects have normally been due to customer requests. Chairman Stacy advised the Ingram project was more of a safety project with students using the bridge to walk to school. Mr. Wittler advised the street lights on the Olympic Street extension could be considered a KPUB funded safety project as well. Mayor Blackburn discussed businesses having a sensitivity with construction work being done in the downtown area. Mr. Wittler noted the need to seek feedback from the downtown business owners with regard to when and how KPUB would schedule the project. Mr. Howard asked about the string light installation on Clay Street and if it was a direct request to KPUB from KUTS, or if it was funded by KUTS. Mr. Wittler advised those type of requests have to come from the City; in this case KPUB paid to put those lights up. He added that 100% of KPUB's street lights have been converted to dark sky lighting. No further discussion.

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

I. EXECUTIVE CLOSED SESSION – CONSULTATION WITH ATTORNEY:

In accordance with Texas Statutes Subchapter D, Chapter 551, Government Code Section §551.071, the Kerrville Public Utility Board will recess for the purpose of "Consultation With Attorney" regarding the following matter:

- A. Consultation with Attorney Regarding Pending or Contemplated Litigation – Mike Wittler, CEO

II. EXECUTIVE CLOSED SESSION – COMPETITIVE MATTERS:

In accordance with Texas Statutes Subchapter D, chapter 551, Government Code Section §551.086, the Kerrville Public Utility Board will recess to discuss and take any necessary action on the following "Competitive Matters":

- A. Bidding and pricing information for purchased power, general and fuel, and Electric Reliability Council of Texas bids, prices, offers, and related services and strategies; Risk management information, contracts, and strategies, including fuel hedging and storage;
 - (1) Discussion on Hedging Activities, ERCOT Invoicing and Purchased Power Contracts – Mike Wittler, CEO

Chairman Stacy asked the Board of Trustees if he had a motion that the Board convene in Executive Closed Session to discuss "Consultation With Attorney" in accordance with Texas Statutes Subchapter D, Chapter 551, Government Code Section §551.071, and "Competitive Matters" in accordance with Texas Statutes Subchapter D, Chapter 551, Government Code Section §551.086. Mr. Cowden, so moved. Mr. Howard seconded the motion. Vote was by show of hands. Motion carried 5 – 0.

The Board entered Executive Closed Session at 9:18 a.m. Chairman Stacy adjourned the Executive Closed Session and reconvened into Open Session at 9:27 a.m.

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

No action taken by the Board.

10. **ADJOURNMENT**

Chairman Stacy adjourned the Regular Board Meeting at 9:28 a.m.

Date Approved: _____

Philip Stacy, Chairman

ATTEST

Lidia S. Goldthorn, Assistant Secretary to the Board

MEMORANDUM

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

From: Amy Dozier

Date: April 13, 2022

Re: Agenda Item No. 7B – Resolution No. 22-05

The following transfers were initiated since the last Board meeting:

I. WIRE TRANSFERS - Operating Expense

CONCHO BLUFF - Power Cost Billing 02/01/2022 to 02/28/2022. Paid March 23, 2022 Transfer from Happy St. Bank Investment Account to CONCHO BLUFF.	\$ 221,187.66
CPS ENERGY - Power Cost Billing 02/01/2022 to 02/28/2022. Paid March 17, 2022 Transfer from Happy St. Bank Investment Account to CPS ENERGY.	\$ 1,982,517.39
DG TEXAS SOLAR, LLC - Power Cost Billing 02/01/2022 to 02/28/2022. Paid March 22, 2022 Transfer from Happy St. Bank Investment Account to DG TEXAS SOLAR, LLC.	\$ 44,187.04
ENGIE LONG DRAW SOLAR - Power Cost Billing 02/01/2022 to 02/28/2022. Paid March 23, 2022 Transfer from Happy St. Bank Investment Account to ENGIE LONG DRAW SOLAR.	\$ 80,613.77
ERCOT – CRR Auction – Monthly - April 2022. Paid March 21, 2022 Transfer from Happy St. Bank Investment Account to ERCOT.	\$ 31,945.63
ERCOT- CRR Auction – Annual – July 2024 Paid April 4, 2022 Transfer from Happy St. Bank Investment Account to ERCOT.	\$ 81,105.89
ERCOT – Subchapter M Deposit Paid April 7, 2022 Transfer from Happy St. Bank Investment Account to ERCOT.	\$ 579.94
ERCOT – Securitization Default Charge Paid April 14, 2022 Transfer from Happy St. Bank Investment Account to ERCOT.	\$ 362.75

GARLAND POWER & LIGHT - Power Cost Billing 02/01/2022 to 02/28/2022.
 RECEIVED March 31, 2022 Transfer from GPL to Happy St. Bank Operating
 Account. (\$ 157,161.96)

LCRA - Power Cost Billing 02/01/2022 to 02/28/2022.
 Paid March 30, 2022 Transfer from Happy St. Bank Investment Account
 to LCRA. \$ 579,015.93

II. TRANSFERS – Investments

Transfer from Happy State Bank Operating Account to Happy State Bank Investment Account:

<u>Date</u>	<u>Principal</u>
March 21, 2022	\$ 1,200,000.00
March 25, 2022	\$ 550,000.00
March 30, 2022	\$ 700,000.00
March 31, 2022	\$ 150,000.00
April 4, 2022	\$ 600,000.00
April 11, 2022	\$ 650,000.00

III. WIRE TRANSFERS - Payroll

Automated Clearing House for Pay Periods Ending:
 March 18, 2022 \$ 113,563.75
 April 1, 2022 \$ 114,755.32

IV. WIRE TRANSFERS - Payroll - Federal Reserve Bank

Federal Withholding and FICA for Period Ending:
 March 18, 2022 \$ 41,299.63
 April 1, 2022 \$ 41,021.35

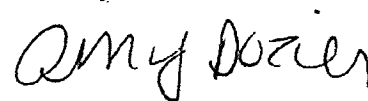
V. WIRE TRANSFER - TMRS and TML

Texas Municipal Retirement System (TMRS)
 Retirement Plan Contribution
 for the month of March – Paid 04/14/2022 \$ 60,862.04

Texas Municipal League (TML)
 Monthly Premium - Medical, Dental, Vision and Life
 for the month of April – Paid 04/06/2022 \$ 59,547.56

If you have any questions on the items presented for payment, I will be happy to answer them at your convenience.

Sincerely,



Amy Dozier
 Director of Finance

RESOLUTION NO. 22-05

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

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

WHEREAS, the Director of Finance 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 20th day of April, 2022

Philip Stacy, Chairman

ATTEST:

Larry Howard, Secretary

MEMORANDUM

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

From: Howard Hall

Date: April 20, 2022

Re: Agenda Item No. 7C – Approval and Reporting of Purchases and Sales

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

C. Fleet Sales. The following equipment was auctioned and sold thru JJ Kane Auctioneers. Unit 3232, 2014 Ford F-250 Single Cab 4X4 Pick-Up for \$16,000. This amount reflects the price received before commission. After the 5% commission we will net a total of \$15,200.

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

Sincerely,



Howard Hall
Field Services Supervisor

MEMORANDUM

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

From: Amy Dozier

Date: April 13, 2022

Re: Agenda Item No. 7C – Enterprise Fleet Management

Attached for the Board's consideration is a Master Equity Lease Agreement with Enterprise Fleet Management.

Tammye Riley, Howard Hall and I have met with representatives from Enterprise several times since January 2022. A brief synopsis of the Enterprise Fleet Management program is as follows:

- Enterprise offers fleet management services using a Master Equity Lease Agreement.
- This type of agreement is different than a traditional auto lease. There are no charges for excess miles, wear and tear, etc. The net equity in the vehicle at the end of the lease belongs to KPUB and the leased vehicle can be sold at any time without penalty.
- Key benefits of the program include:
 - ◆ Improved safety due to safety enhancements on new vehicles
 - ◆ Improved fuel economy on new vehicles
 - ◆ Lower maintenance cost on new vehicles
 - ◆ Reduction in average vehicle age of the fleet
 - ◆ More predictable and consistent cash flows with a standard monthly payment rather than a large lump sum cash outlay to purchase a new vehicle
 - ◆ Potential for better delivery time frames and more exact specifications because Enterprise orders custom vehicles directly from the manufacturer as soon as the manufacturer's order window opens for the new model year
 - ◆ Higher prices when used vehicles are sold using Enterprise's network
 - ◆ Active monitoring of new and used car markets to take advantage of price mismatches

This fleet management program, structured as an equity lease, began expanding when Enterprise realized that government entities are able to purchase vehicles at prices much lower than other entities using government pricing. Government vehicles also typically have low mileage (KPUB vehicles average 10,200 miles per year) and are well-maintained. Enterprise already had a sophisticated structure in place to resell vehicles at prices higher than a government auction yields. This combination resulted in favorable financial results for government entities that are essentially able to purchase the vehicle using government pricing and then leverage Enterprise's ability to resell the vehicle a few years later at a favorable price.

This proved especially true for low mileage, well-maintained trucks that are sold to oil field companies.

The agreement being considered today sets the basic terms that will be followed for all individual vehicle leases. Our plan is to test the program by leasing two Ford F-150s beginning in 2023 under a 48-month lease term. Ford's 2023 ordering portal opens in May 2022. Enterprise will order two vehicles that KPUB has slated for replacement in 2023. The vehicles will be delivered and the leases will actually begin upon delivery in January or February of 2023. The exact cost of the leases with actual 2023 pricing will be included in the 2023 budget process. Our current estimate (see attached presentation) is that each lease will cost between \$7,800 and \$8,700 annually, depending on specifications with estimated equity at the end of the 48-month lease conservatively estimated at \$10,000 to \$12,000. Enterprise's fleet management team also provides continuous monitoring of the new and used car market. If it becomes advantageous to sell and replace the vehicle earlier than the end of the lease term, Enterprise will present that option for our consideration. This has been the case for many vehicles in the past few years.

KPUB currently has a good long-term fleet replacement plan, as well as strong fleet processes and procedures in place, but we think Enterprise may provide the opportunity to make things even better from a financial and operational perspective. However, we want to make sure this partnership is a good fit for KPUB. Accordingly, our approach will be a pilot program with only two vehicles to start. If KPUB is satisfied with the customer service, products delivered, delivery time frames and financial results, then we will recommend additional leases in future years. If we decide that our existing process work better for us, we are under no obligation to increase our participation in the program.

In addition, Enterprise offers services such as maintenance plans, vehicle outfitting, vehicle monitoring, etc. At this point, we are only interested in the basic vehicle lease. KPUB will have the option to add additional services at any point. All pricing and services are done on an a la carte basis, meaning we are not required to bundle services together and pay for things we do not want or need.

This lease agreement meets purchasing policy requirements because Enterprise's fleet management services have been competitively solicited through Sourcewell's cooperative purchasing program, of which KPUB is a member.

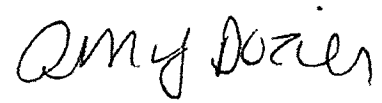
Enterprise Fleet Management has excellent references and currently partners with many government entities in Texas including these in our area:

City of Kerrville	Kerr County	City of Fredericksburg
Gillespie County	City of Boerne	City of San Marcos
City of Seguin	City of Cibolo	City of Uvalde
Burnet County	Hays County	Travis County

Attached for your reference is a brief presentation outlining the program as well as the Master Equity Lease Agreement.

I am happy to answer any questions regarding the program. Staff recommends approval.

Sincerely,

A handwritten signature in black ink that reads "Amy Dozier". The signature is written in a cursive, flowing style.

Amy Dozier
Director of Finance

Prepared For:



Simon Ortega
SENIOR FLEET CONSULTANT

210-852-4510
PHONE

Simon.Ortega@efleets.com
EMAIL



FLEET SYNOPSIS | KERRVILLE PUBLIC UTILITY BOARD

THE SITUATION

Current fleet age is negatively impacting the overall budget and fleet operations

- 10% of the light and medium duty fleet is currently 10 years or older
- 5.2 years is the current average age of the fleet
- 8.89 years – time it would take to cycle the entire fleet at current acquisition rates
- Older vehicles have higher fuel/maintenance costs, have increased downtime, loss of productivity, and unreliable

THE OBJECTIVES

Identify an effective vehicle life cycle that maximizes potential equity at time of resale creating a conservative net savings of over \$941,755 over 10 years and average sustainable savings of \$65,060 annually.

- Shorten the current vehicle life cycle from 8.89 years to 2.10 years
- Provide a lower sustainable fleet cost that is predictable year over year
- Automate maintenance and data tracking to give better visibility for operating budgets
- Reduce the overall fuel spend through more fuel-efficient vehicles
- Leverage an open-ended lease to maximize cash flow opportunities and recognize equity.

Increase employee safety with newer vehicles

- Currently:
 - 1 vehicle predate Anti-Lock Brake standardization (2007)
 - 1 vehicle predate Electronic Stability Control standardization (2012)
 - ESC is the most significant safety invention since the seatbelt
 - 11 vehicles predate standardization of back up camera (2018)

Piggyback Current Sourcewell Cooperative Services awarded RFP #060618-EFM that addresses the following:

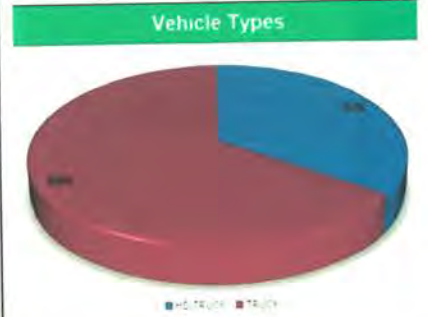
- Kerrville Public Utility Board is currently a member of Sourcewell, member ID # 191086
- Access to all fleet management services as applicable to the needs of the KPUB
- Supports the KPUB's need for fleet evaluation on a quarterly basis assessing costs and reviewing best practices

THE RESULTS

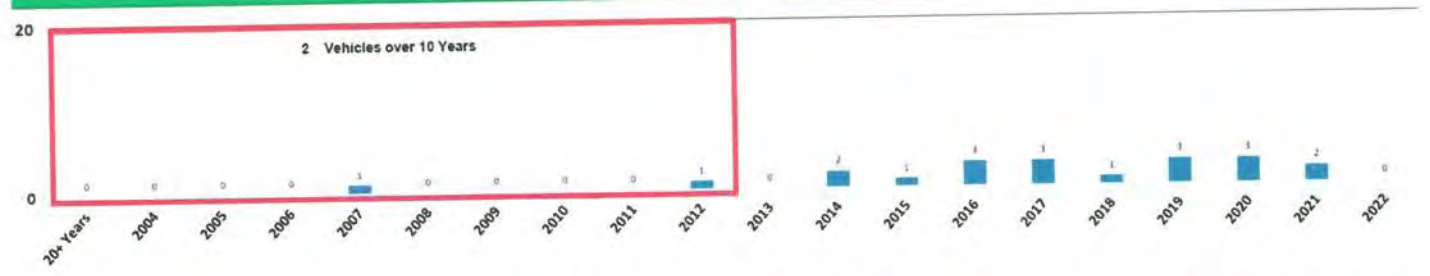
By partnering with Enterprise Fleet Management, it is estimated that KPUB will increase fuel efficiency by lowering the overall age of the fleet. KPUB will naturally reduce maintenance cost in the first year on non-emergency vehicles. Leveraging an open-end lease maximizes cash flow and recognizes equity from vehicles sold. Furthermore, KPUB will leverage Enterprises Fleet Management's ability to sell vehicles at an average of 115% above commercial value Index. By shifting from reactively replacing inoperable vehicles to planning vehicle purchases, KPUB will be able replace 2 of its oldest vehicles within a year, ultimately turning 10% of their vehicles into newer, safer, more efficient models, for less than current capital and operating budgets.

FLEET PLANNING ANALYSIS | KERRVILLE PUBLIC UTILITY BOARD

Fleet Profile				Fleet Replacement Schedule						Replacement Criteria
Vehicle Type	# of Type	Average Age (years)	Average Annual Mileage	2022	2023	2024	2025	2026	Under-Utilized	
1/2 Ton Pickup Reg 4x2	5	5.3	10,400	1	0	1	2	1	0	* Fiscal Year 2022 = 10 years old and older, or odometer over 100,000 * Fiscal Year 2023 = 8 years old and older, or odometer over 93,300 * Fiscal Year 2024 = 6 years old and older, or odometer over 86,600 * Fiscal Year 2025 = 4 years old and older, or odometer over 79,900 * Fiscal Year 2026 = Remaining Vehicles * Underutilized = Annual Mileage less than 2,500
1/2 Ton Pickup Reg 4x4	2	4.5	10,200	0	1	0	0	1	0	
1/2 Ton Pickup Ext 4x2	2	6.6	8,500	0	0	2	0	0	0	
1/2 Ton Pickup Ext 4x4	2	2.5	3,700	0	0	0	0	2	0	
1/2 Ton Pickup Quad 4x4	2	8.6	15,200	1	0	0	0	1	0	
3/4 Ton Pickup Reg 4x4	1	8.1	15,100	1	0	0	0	0	0	
3/4 Ton Pickup Quad 4x4	1	2.0	9,000	0	0	0	0	1	0	
1 Ton Cab Chassis	5	4.5	10,500	0	0	1	2	2	0	
Totals/Averages	20	5.2	10,200	3	1	4	4	8	0	



Model Year Analysis



Current Fleet	20	Fleet Growth	0.00%	Proposed Fleet	20
Current Cycle	8.89	Annual Miles	10,200	Proposed Cycle	2.10
Current Maint.	\$153.00	Current MPG	12	Proposed Maint.	\$51.14
Maint. Cents Per Mile	\$0.18			Price/Gallon	\$2.54

Fleet Costs Analysis

Fiscal Year	Fleet Mix			Fleet Cost				Annual				
	Fleet Size	Annual Needs	Owned	Leased	Purchase	Lease*	Equity (Owned)	Equity (Leased)	Maintenance	Fuel	Fleet Budget	Net Cash
Average	20	2.3	20	0	68,090	0	-28,350	-10,795	36,720	43,180	147,990	0
'22	20	3	17	3	0	17,534	-10,795	33,053	41,885	53,327	94,663	94,663
'23	20	3	16	4	0	34,159	-11,014	-19,925	31,831	41,453	76,504	71,485
'24	20	8	12	8	0	68,110	-67,810	-33,559	26,942	39,726	33,409	114,581
'25	20	10	8	12	0	89,996	-75,101	-46,624	22,052	37,998	28,322	119,668
'26	20	17	0	20	0	125,587	-168,435	-72,037	12,274	34,544	-68,068	216,057
'27	20	13	0	20	0	125,587		-81,793	12,274	34,544	90,612	57,378
'28	20	15	0	20	0	125,587		-83,622	12,274	34,544	88,782	59,207
'29	20	14	0	20	0	125,587		-104,963	12,274	34,544	67,442	80,547
'30	20	17	0	20	0	125,587		-95,207	12,274	34,544	77,197	70,792
'31	20	15	0	20	0	125,587		-81,793	12,274	34,544	90,612	57,378



10 Year Savings	\$941,755	Avg. Sustainable Savings	\$65,060
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Current Fleet Equity Analysis

YEAR	2022	2023	2024	2025	2026	Under-Utilized
QTY	3	1	4	4	8	0
Est \$	\$9,450	\$11,014	\$16,953	\$18,775	\$21,054	\$0
TOTAL	\$28,350	\$11,014	\$67,810	\$75,101	\$168,435	\$0
Estimated Current Fleet Equity**					\$350,710	

FLEET PLANNING ANALYSIS | KERRVILLE PUBLIC UTILITY BOARD



FLEET MANAGEMENT

Kerrville Public Utility

V8 Engine

Pricing is estimated 2023 Ford Within 2-3% Barring Incentive Changes***

Year	Make	Model	Trim Level	Quantity	Term	Estimated Annual Mileage	Monthly Cost (Lease Rate)*	Full Maintenance**	Annual Cost Including Maintenance	Annual Cost Including Maintenance by Quantity	Estimated Resale Value @ Term	Principle Balance at Term (RBV plus \$400 Resale Fee)	Estimated Equity @ Term
2023	Ford	F-150	XL 4x4 Regular Cab 6.5 ft. box 122 in. WB F1E 5.0L V8	1	48	10000	\$625.92	\$35.87	\$7,941.48	\$7,941.48	\$23,957.00	\$12,981.00	\$10,976.00
2023	Ford	F-150	XL 4x4 SuperCab 6.5 ft. box 145 in. WB X1E 5.0L V8	1	48	10000	\$689.26	\$35.87	\$8,701.56	\$8,701.56	\$26,689.00	\$14,257.00	\$12,432.00
2023	Ford	F-150	Lightning Pro All-Wheel Drive SuperCrew Cab 5.5 ft. box 145 in. WB W1E Dual eMotor - Extended Range Battery (PLT)	0	48	10000	\$993.20	N/A	\$11,918.40	\$0.00	\$28,524.00	\$20,383.00	\$8.00
Annual Cost Including Maintenance Estimated Resale Value of 2 Owned Replacement Vehicles One Time Upfront After-Market Cost Net Annual Cash Outlay to Replace 2 Vehicles in Year 1										\$16,648.04			\$23,408.00
										\$27,871.38			Total Est. Equity at Lease Term
										\$0.00			
										-\$11,224.46			

*Added Towing, Tint, Back Up Sensors to all trucks.
 **All trucks have estimated \$1500 in aftermarket lights capped in
 ***Larger battery for Electric and Towing Capabilities



FLEET MANAGEMENT

Kerrville Public Utility

V6 Engine

Pricing is estimated 2023 Ford Within 1-3% Barring Incentive Changes***

Year	Make	Model	Trim Level	Quantity	Term	Estimated Annual Mileage	Monthly Cost (Lease Rate)*	Full Maintenance**	Annual Cost Including Maintenance	Annual Cost Including Maintenance by Quantity	Estimated Resale Value @ Term	Principle Balance at Term (RBV plus \$400 Resale Fee)	Estimated Equity @ Term
2023	Ford	F-150	XL 4x4 Regular Cab 6.5 ft. box 122 in. WB F1E 2.7L V6 EcoBoost	1	48	10000	\$612.57	\$35.87	\$7,781.28	\$7,781.28	\$23,513.00	\$12,712.00	\$10,801.00
2023	Ford	F-150	XL 4x4 SuperCab 6.5 ft. box 145 in. WB X1E 2.7L V6 EcoBoost	1	48	10000	\$675.91	\$35.87	\$8,541.36	\$8,541.36	\$26,245.00	\$13,986.00	\$12,257.00
2023	Ford	F-150	Lightning Pro All-Wheel Drive SuperCrew Cab 5.5 ft. box 145 in. WB W1E Dual eMotor - Standard Battery	0	48	10000	\$794.70	N/A	\$9,536.40	\$0.00	\$25,524.00	\$16,382.00	\$9.00
Annual Cost Including Maintenance Estimated Resale Value of 2 Owned Replacement Vehicles One Time Upfront After-Market Cost Net Annual Cash Outlay to Replace 2 Vehicles in Year 1										\$16,322.64			\$23,058.00
										\$27,871.50			Total Est. Equity at Lease Term
										\$0.00			
										-\$11,554.86			

*Added Towing, Tint, Back Up Sensors to all trucks.
 **All trucks have estimated \$1500 in aftermarket lights capped in
 ***Standard battery for Electric and No Towing Capabilities

CASE STUDY | KERRVILLE PUBLIC UTILITY BOARD

CASE STUDY | CITY OF FREDERICKSBURG, TX



City lowers fleet maintenance costs by \$127K with Fleet Program.

BACKGROUND

Location: Fredericksburg, TX
Industry: Government
Total vehicles: 75 vehicles

THE CHALLENGE

Each year, the City of Fredericksburg was faced with high vehicle repair and maintenance costs for an aging fleet. The City's 75 vehicles had an average age of 12 years resulting in unexpected maintenance issues each year. The City was spending \$153,300 per year on fleet maintenance, averaging over \$2,000 per truck. Searching for solutions within their budget, the city needed to make managing their vehicles easier, from purchasing to maintenance and driver fueling options.

THE SOLUTION

Enterprise Fleet Management presented a proactive fleet replacement plan to the City of Fredericksburg that would reduce the average age of their fleet by 60% helping reduce operational and maintenance expenses. With integrating newer vehicles into the City's fleet, employees would drive safer, more reliable vehicles with minimal maintenance needs. Long-term, this plan has helped save an average of \$29,294 per year in fleet related expenses.

"We have truly enjoyed the partnership with Enterprise Fleet Management. Things are much easier to manage now, and we are saving money on vehicle maintenance."

- Brian Peters, Programs Manager

Enterprise Fleet Management also recommended replacing all vehicles owned by the city within a 5-year time frame. This approach will help The City lower maintenance expense from \$153,300 per year to \$26,016 per year.

THE RESULTS

Since their partnership began 4 years ago, Enterprise Fleet Management has helped The City of Fredericksburg transition their fleet vehicles from an average age of 12 years to 4. The City has experienced a significant reduction in costs associated with their fleet program and a decrease in employee downtime. This is due to The City putting their trust in the local Enterprise Fleet Management team's expertise and the fleet planning analytics backing each recommendation. The partnership has given the City visibility into all vehicle costs and budget accordingly.

To learn more, visit efleets.com or call 877-23-FLEET.



Key Results

MAINTENANCE
LOWERED BY
83%



**SAVED
\$62,052**
OVER THE LAST 2
REPLACEMENT YEARS

5 YEAR
REPLACEMENT PLAN



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PROGRAM RESOURCES | KERRVILLE PUBLIC UTILITY BOARD

SAFETY

- 32% of all vehicles are older than 10 years of age and do not contain the most up to date safety features, such as electronic stability control and airbag standardization and anti-lock brake control.

ACCOUNT MANAGEMENT

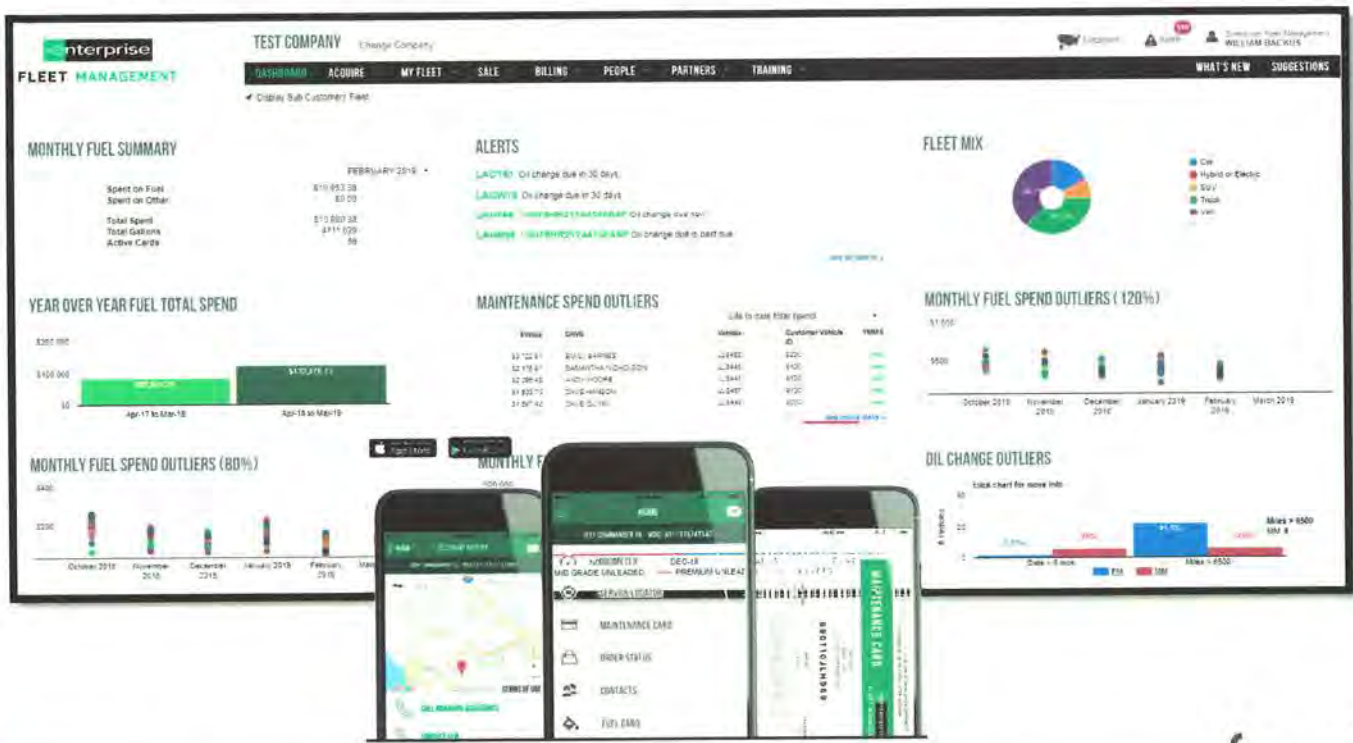
KPUB will have a dedicated, local account team to proactively manage and develop your fleet while delivering the highest level of customer service to facilitate your day-to-day needs.

- Your dedicated Client Strategy Manager meets with you 3-4 times a year for both financial and strategic planning.
- Your Client Strategy Manager will provide on-going analysis – this will include most cost-effective vehicle makes/models, cents per mile, total cost of ownership, and replacement analysis.

TECHNOLOGY

Enterprise Fleet Management's website provides vehicle tracking, reporting, and metrics. Our website can be customized to view a wide range of data so that you may have a comprehensive and detailed look at all aspects of your fleet and the services provided. Our Mobile App gives drivers all of the convenience and functionality they need.

- **Consolidated Invoices** - Includes lease, maintenance, and any additional ancillaries
- **Maintenance Utilization** - Review the life-to-date maintenance per vehicle
- **Recall Information** - See which units have open recalls
- **License & Registration** - See which plate renewals are being processed by Enterprise and view status
- **Alerts** - Set customizable alerts for oil changes, lease renewals, license renewals, and billing data
- **Lifecycle Analysis** - See data regarding all transactions for the lifecycle of the entire fleet, with drill-down capability to any specific lease or transaction



REFERENCES | KERRVILLE PUBLIC UTILITY BOARD

CURRENT PARTNERS

- City of Houston
- City of Alice
- City of Victoria
- City of Fredericksburg
- City of Boerne
- City of Rowlett
- City of Waxahachie
- City of Seguin
- City of Beaumont
- City of El Campo
- City of Alpine
- City of San Marcos
- City of Selma
- City of Kerrville
- City of Cibolo
- City of Pleasanton
- City of Longview
- City of Victoria
- City of Brownsville
- City of Uvalde
- City of Brownwood
- City of Ennis
- Hidalgo County
- Nueces County
- Burnet County
- Webb County
- Austin County
- Gillespie County
- Washington County
- Lampasas County
- Caldwell County
- Harris County
- Waller County

REFERENCES:

Below is a list of client/customer references including client name, contact person, and telephone number.

Client Name: [City of Houston Fire Department](#)

Business Phone #: (281) 886-9974

Contact Person: Ruy Lozano – Assistant Fire Chief

Client Name: [City of Fredericksburg](#)

Business Phone #: (830) 990-2008

Contact Person: Brian Peters – Public Works Director

Client Name: [City of Pleasanton](#)

Business Phone #: (830) 569-3867

Contact Person: Johnny Huizar – City Manager

MASTER EQUITY LEASE AGREEMENT

This Master Equity Lease Agreement is entered into this 21 day of April, by and between Enterprise FM Trust, a Delaware statutory trust ("Lessor"), and the lessee whose name and address is set forth on the signature page below ("Lessee").

1. LEASE OF VEHICLES: Lessor hereby leases to Lessee and Lessee hereby leases from Lessor the vehicles (individually, a "Vehicle" and collectively, the "Vehicles") described in the schedules from time to time delivered by Lessor to Lessee as set forth below ("Schedule(s)") for the rentals and on the terms set forth in this Agreement and in the applicable Schedule. References to this "Agreement" shall include this Master Equity Lease Agreement and the various Schedules and addenda to this Master Equity Lease Agreement. Lessor will, on or about the date of delivery of each Vehicle to Lessee, send Lessee a Schedule covering the Vehicle, which will include, among other things, a description of the Vehicle, the lease term and the monthly rental and other payments due with respect to the Vehicle. The terms contained in each such Schedule will be binding on Lessee unless Lessee objects in writing to such Schedule within ten (10) days after the date of delivery of the Vehicle covered by such Schedule. Lessor is the sole legal owner of each Vehicle. This Agreement is a lease only and Lessee will have no right, title or interest in or to the Vehicles except for the use of the Vehicles as described in this Agreement. This Agreement shall be treated as a true lease for federal and applicable state income tax purposes with Lessor having all benefits of ownership of the Vehicles. It is understood and agreed that Enterprise Fleet Management, Inc. or an affiliate thereof (together with any subservicer, agent, successor or assign as servicer on behalf of Lessor, "Servicer") may administer this Agreement on behalf of Lessor and may perform the service functions herein provided to be performed by Lessor.

2. TERM: The term of this Agreement ("Term") for each Vehicle begins on the date such Vehicle is delivered to Lessee (the "Delivery Date") and, unless terminated earlier in accordance with the terms of this Agreement, continues for the "Lease Term" as described in the applicable Schedule.

3. RENT AND OTHER CHARGES:

(a) Lessee agrees to pay Lessor monthly rental and other payments according to the Schedules and this Agreement. The monthly payments will be in the amount listed as the "Total Monthly Rental Including Additional Services" on the applicable Schedule (with any portion of such amount identified as a charge for maintenance services under Section 4 of the applicable Schedule being payable to Lessor as agent for Enterprise Fleet Management, Inc.) and will be due and payable in advance on the first day of each month. If a Vehicle is delivered to Lessee on any day other than the first day of a month, monthly rental payments will begin on the first day of the next month. In addition to the monthly rental payments, Lessee agrees to pay Lessor a pro-rated rental charge for the number of days that the Delivery Date precedes the first monthly rental payment date. A portion of each monthly rental payment, being the amount designated as "Depreciation Reserve" on the applicable Schedule, will be considered as a reserve for depreciation and will be credited against the Delivered Price of the Vehicle for purposes of computing the Book Value of the Vehicle under Section 3(c). Lessee agrees to pay Lessor the "Total Initial Charges" set forth in each Schedule on the due date of the first monthly rental payment under such Schedule. Lessee agrees to pay Lessor the "Service Charge Due at Lease Termination" set forth in each Schedule at the end of the applicable Term (whether by reason of expiration, early termination or otherwise).

(b) In the event the Term for any Vehicle ends prior to the last day of the scheduled Term, whether as a result of a default by Lessee, a Casualty Occurrence or any other reason, the rentals and management fees paid by Lessee will be recalculated in accordance with the rule of 78's and the adjusted amount will be payable by Lessee to Lessor on the termination date.

(c) Lessee agrees to pay Lessor within thirty (30) days after the end of the Term for each Vehicle, additional rent equal to the excess, if any, of the Book Value of such Vehicle over the greater of (i) the wholesale value of such Vehicle as determined by Lessor in good faith or (ii) except as provided below, twenty percent (20%) of the Delivered Price of such Vehicle as set forth in the applicable Schedule. If the Book Value of such Vehicle is less than the greater of (i) the wholesale value of such Vehicle as determined by Lessor in good faith or (ii) except as provided below, twenty percent (20%) of the Delivered Price of such Vehicle as set forth in the applicable Schedule, Lessor agrees to pay such deficiency to Lessee as a terminal rental adjustment within thirty (30) days after the end of the applicable Term. Notwithstanding the foregoing, if (i) the Term for a Vehicle is greater than forty-eight (48) months (including any extension of the Term for such Vehicle), (ii) the mileage on a Vehicle at the end of the Term is greater than 15,000 miles per year on average (prorated on a daily basis) (i.e., if the mileage on a Vehicle with a Term of thirty-six (36) months is greater than 45,000 miles) or (iii) in the sole judgment of Lessor, a Vehicle has been subject to damage or any abnormal or excessive wear and tear, the calculations described in the two immediately preceding sentences shall be made without giving effect to clause (ii) in each such sentence. The "Book Value" of a Vehicle means the sum of (i) the "Delivered Price" of the Vehicle as set forth in the applicable Schedule minus (ii) the total Depreciation Reserve paid by Lessee to Lessor with respect to such Vehicle plus (iii) all accrued and unpaid rent and/or other amounts owed by Lessee with respect to such Vehicle.

(d) Any security deposit of Lessee will be returned to Lessee at the end of the applicable Term, except that the deposit will first be applied to any losses and/or damages suffered by Lessor as a result of Lessee's breach of or default under this Agreement and/or to any other amounts then owed by Lessee to Lessor.

(e) Any rental payment or other amount owed by Lessee to Lessor which is not paid within twenty (20) days after its due date will accrue interest, payable on demand of Lessor, from the date due until paid in full at a rate per annum equal to the lesser of (i) Eighteen Percent (18%) per annum or (ii) the highest rate permitted by applicable law (the "Default Rate").

(f) If Lessee fails to pay any amount due under this Agreement or to comply with any of the covenants contained in this Agreement, Lessor, Servicer or any other agent of Lessor may, at its option, pay such amounts or perform such covenants and all sums paid or incurred by Lessor in connection therewith will be repayable by Lessee to Lessor upon demand together with interest thereon at the Default Rate.

Initials: EFM_____ Customer_____

(g) Lessee's obligations to make all payments of rent and other amounts under this Agreement are absolute and unconditional and such payments shall be made in immediately available funds without setoff, counterclaim or deduction of any kind. Lessee acknowledges and agrees that neither any Casualty Occurrence to any Vehicle nor any defect, unfitness or lack of governmental approval in, of, or with respect to, any Vehicle regardless of the cause or consequence nor any breach by Enterprise Fleet Management, Inc. of any maintenance agreement between Enterprise Fleet Management, Inc. and Lessee covering any Vehicle regardless of the cause or consequence will relieve Lessee from the performance of any of its obligations under this Agreement, including, without limitation, the payment of rent and other amounts under this Agreement.

4. USE AND SURRENDER OF VEHICLES: Lessee agrees to allow only duly authorized, licensed and insured drivers to use and operate the Vehicles. Lessee agrees to comply with, and cause its drivers to comply with, all laws, statutes, rules, regulations and ordinances and the provisions of all insurance policies affecting or covering the Vehicles or their use or operation. Lessee agrees to keep the Vehicles free of all liens, charges and encumbrances. Lessee agrees that in no event will any Vehicle be used or operated for transporting hazardous substances or persons for hire, for any illegal purpose or to pull trailers that exceed the manufacturer's trailer towing recommendations. Lessee agrees that no Vehicle is intended to be or will be utilized as a "school bus" as defined in the Code of Federal Regulations or any applicable state or municipal statute or regulation. Lessee agrees not to remove any Vehicle from the continental United States without first obtaining Lessor's written consent. At the expiration or earlier termination of this Agreement with respect to each Vehicle, or upon demand by Lessor made pursuant to Section 14, Lessee at its risk and expense agrees to return such Vehicle to Lessor at such place and by such reasonable means as may be designated by Lessor. If for any reason Lessee fails to return any Vehicle to Lessor as and when required in accordance with this Section, Lessee agrees to pay Lessor additional rent for such Vehicle at twice the normal pro-rated daily rent. Acceptance of such additional rent by Lessor will in no way limit Lessor's remedies with respect to Lessee's failure to return any Vehicle as required hereunder.

5. COSTS, EXPENSES, FEES AND CHARGES: Lessee agrees to pay all costs, expenses, fees, charges, fines, tickets, penalties and taxes (other than federal and state income taxes on the income of Lessor) incurred in connection with the titling, registration, delivery, purchase, sale, rental, use or operation of the Vehicles during the Term. If Lessor, Servicer or any other agent of Lessor incurs any such costs or expenses, Lessee agrees to promptly reimburse Lessor for the same.

6. LICENSE AND CHARGES: Each Vehicle will be titled and licensed in the name designated by Lessor at Lessee's expense. Certain other charges relating to the acquisition of each Vehicle and paid or satisfied by Lessor have been capitalized in determining the monthly rental, treated as an initial charge or otherwise charged to Lessee. Such charges have been determined without reduction for trade-in, exchange allowance or other credit attributable to any Lessor-owned vehicle.

7. REGISTRATION PLATES, ETC.: Lessee agrees, at its expense, to obtain in the name designated by Lessor all registration plates and other plates, permits, inspections and/or licenses required in connection with the Vehicles, except for the initial registration plates which Lessor will obtain at Lessee's expense. The parties agree to cooperate and to furnish any and all information or documentation, which may be reasonably necessary for compliance with the provisions of this Section or any federal, state or local law, rule, regulation or ordinance. Lessee agrees that it will not permit any Vehicle to be located in a state other than the state in which such Vehicle is then titled for any continuous period of time that would require such Vehicle to become subject to the titling and/or registration laws of such other state.

8. MAINTENANCE OF AND IMPROVEMENTS TO VEHICLES:

(a) Lessee agrees, at its expense, to (i) maintain the Vehicles in good condition, repair, maintenance and running order and in accordance with all manufacturer's instructions and warranty requirements and all legal requirements and (ii) furnish all labor, materials, parts and other essentials required for the proper operation and maintenance of the Vehicles. Any alterations, additions, replacement parts or improvements to a Vehicle will become and remain the property of Lessor and will be returned with such Vehicle upon such Vehicle's return pursuant to Section 4. Notwithstanding the foregoing, so long as no Event of Default has occurred and is continuing, Lessee shall have the right to remove any additional equipment installed by Lessee on a Vehicle prior to returning such Vehicle to Lessor under Section 4. The value of such alterations, additions, replacement parts and improvements will in no instance be regarded as rent. Without the prior written consent of Lessor, Lessee will not make any alterations, additions, replacement parts or improvements to any Vehicle which detract from its economic value or functional utility. Lessor will not be required to make any repairs or replacements of any nature or description with respect to any Vehicle, to maintain or repair any Vehicle or to make any expenditure whatsoever in connection with any Vehicle or this Agreement.

(b) Lessor and Lessee acknowledge and agree that if Section 4 of a Schedule includes a charge for maintenance, (i) the Vehicle(s) covered by such Schedule are subject to a separate maintenance agreement between Enterprise Fleet Management, Inc. and Lessee and (ii) Lessor shall have no liability or responsibility for any failure of Enterprise Fleet Management, Inc. to perform any of its obligations thereunder or to pay or reimburse Lessee for its payment of any costs and expenses incurred in connection with the maintenance or repair of any such Vehicle(s).

9. SELECTION OF VEHICLES AND DISCLAIMER OF WARRANTIES:

(a) LESSEE ACCEPTANCE OF DELIVERY AND USE OF EACH VEHICLE WILL CONCLUSIVELY ESTABLISH THAT SUCH VEHICLE IS OF A SIZE, DESIGN, CAPACITY, TYPE AND MANUFACTURE SELECTED BY LESSEE AND THAT SUCH VEHICLE IS IN GOOD CONDITION AND REPAIR AND IS SATISFACTORY IN ALL RESPECTS AND IS SUITABLE FOR LESSEE'S PURPOSE. LESSEE ACKNOWLEDGES THAT LESSOR IS NOT A MANUFACTURER OF ANY VEHICLE OR AN AGENT OF A MANUFACTURER OF ANY VEHICLE.

(b) LESSOR MAKES NO REPRESENTATION OR WARRANTY OF ANY KIND, EXPRESS OR IMPLIED, WITH RESPECT TO ANY VEHICLE, INCLUDING, WITHOUT LIMITATION, ANY REPRESENTATION OR WARRANTY AS TO CONDITION, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE, IT BEING AGREED THAT ALL SUCH RISKS ARE TO BE BORNE BY LESSEE. THE VEHICLES ARE LEASED "AS IS," "WITH ALL FAULTS." All warranties made by any supplier, vendor and/or manufacturer of a Vehicle are hereby assigned by Lessor to Lessee for the applicable Term and Lessee's only remedy, if any, is against the supplier, vendor or manufacturer of the Vehicle.

Initials: EFM _____ Customer _____

(c) None of Lessor, Servicer or any other agent of Lessor will be liable to Lessee for any liability, claim, loss, damage (direct, incidental or consequential) or expense of any kind or nature, caused directly or indirectly, by any Vehicle or any inadequacy of any Vehicle for any purpose or any defect (latent or patent) in any Vehicle or the use or maintenance of any Vehicle or any repair, servicing or adjustment of or to any Vehicle, or any delay in providing or failure to provide any Vehicle, or any interruption or loss of service or use of any Vehicle, or any loss of business or any damage whatsoever and however caused. In addition, none of Lessor, Servicer or any other agent of Lessor will have any liability to Lessee under this Agreement or under any order authorization form executed by Lessee if Lessor is unable to locate or purchase a Vehicle ordered by Lessee or for any delay in delivery of any Vehicle ordered by Lessee.

10. RISK OF LOSS: Lessee assumes and agrees to bear the entire risk of loss of, theft of, damage to or destruction of any Vehicle from any cause whatsoever ("Casualty Occurrence"). In the event of a Casualty Occurrence to a Vehicle, Lessee shall give Lessor prompt notice of the Casualty Occurrence and thereafter will place the applicable Vehicle in good repair, condition and working order; provided, however, that if the applicable Vehicle is determined by Lessor to be lost, stolen, destroyed or damaged beyond repair (a "Totaled Vehicle"), Lessee agrees to pay Lessor no later than the date thirty (30) days after the date of the Casualty Occurrence the amounts owed under Sections 3(b) and 3(c) with respect to such Totaled Vehicle. Upon such payment, this Agreement will terminate with respect to such Totaled Vehicle.

11. INSURANCE:

(a) Lessee agrees to purchase and maintain in force during the Term, insurance policies in at least the amounts listed below covering each Vehicle, to be written by an insurance company or companies satisfactory to Lessor, insuring Lessee, Lessor and any other person or entity designated by Lessor against any damage, claim, suit, action or liability:

(i) Commercial Automobile Liability Insurance (including Uninsured/Underinsured Motorist Coverage and No-Fault Protection where required by law) for the limits listed below (Note - \$2,000,000 Combined Single Limit Bodily Injury and Property Damage with No Deductible is required for each Vehicle capable of transporting more than 8 passengers):

<u>State of Vehicle Registration</u>	<u>Coverage</u>
Connecticut, Massachusetts, Maine, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, and Vermont	\$1,000,000 Combined Single Limit Bodily Injury and Property Damage - No Deductible
Florida	\$500,000 Combined Single Limit Bodily Injury and Property Damage or \$100,000 Bodily Injury Per Person, \$300,000 Per Occurrence and \$50,000 Property Damage (100/300/50) - No Deductible
All Other States	\$300,000 Combined Single Limit Bodily Injury and Property Damage or \$100,000 Bodily Injury Per Person, \$300,000 Per Occurrence and \$50,000 Property Damage (100/300/50) - No Deductible

(ii) Physical Damage Insurance (Collision & Comprehensive): Actual cash value of the applicable Vehicle. Maximum deductible of \$500 per occurrence - Collision and \$250 per occurrence - Comprehensive).

If the requirements of any governmental or regulatory agency exceed the minimums stated in this Agreement, Lessee must obtain and maintain the higher insurance requirements. Lessee agrees that each required policy of insurance will by appropriate endorsement or otherwise name Lessor and any other person or entity designated by Lessor as additional insureds and loss payees, as their respective interests may appear. Further, each such insurance policy must provide the following: (i) that the same may not be cancelled, changed or modified until after the insurer has given to Lessor, Servicer and any other person or entity designated by Lessor at least thirty (30) days prior written notice of such proposed cancellation, change or modification, (ii) that no act or default of Lessee or any other person or entity shall affect the right of Lessor, Servicer, any other agent of Lessor or any of their respective successors or assigns to recover under such policy or policies of insurance in the event of any loss of or damage to any Vehicle and (iii) that the coverage is "primary coverage" for the protection of Lessee, Lessor, Servicer, any other agent of Lessor and their respective successors and assigns notwithstanding any other coverage carried by Lessee, Lessor, Servicer, any other agent of Lessor or any of their respective successors or assigns protecting against similar risks. Original certificates evidencing such coverage and naming Lessor, Servicer, any other agent of Lessor and any other person or entity designated by Lessor as additional insureds and loss payees shall be furnished to Lessor prior to the Delivery Date, and annually thereafter and/or as reasonably requested by Lessor from time to time. In the event of default, Lessee hereby appoints Lessor, Servicer and any other agent of Lessor as Lessee's attorney-in-fact to receive payment of, to endorse all checks and other documents and to take any other actions necessary to pursue insurance claims and recover payments if Lessee fails to do so. Any expense of Lessor, Servicer or any other agent of Lessor in adjusting or collecting insurance shall be borne by Lessee.

Lessee, its drivers, servants and agents agree to cooperate fully with Lessor, Servicer, any other agent of Lessor and any insurance carriers in the investigation, defense and prosecution of all claims or suits arising from the use or operation of any Vehicle. If any claim is made or action commenced for death, personal injury or property damage resulting from the ownership, maintenance, use or operation of any Vehicle, Lessee will promptly notify Lessor of such action or claim and forward to Lessor a copy of every demand, notice, summons or other process received in connection with such claim or action.

(b) Notwithstanding the provisions of Section 11(a) above: (i) if Section 4 of a Schedule includes a charge for physical damage waiver, Lessor agrees that (A) Lessee will not be required to obtain or maintain the minimum physical damage insurance (collision and comprehensive) required under Section 11(a) for the Vehicle(s) covered by such Schedule and (B) Lessor will assume the risk of physical damage (collision and comprehensive) to the Vehicle(s) covered by such Schedule; provided, however, that such physical damage waiver shall not apply to, and Lessee shall be and remain liable and responsible for, damage to a covered Vehicle caused by wear and tear or mechanical breakdown or failure, damage to or loss of any parts, accessories or components added to a covered

Initials: EFM _____ Customer _____

Vehicle by Lessee without the prior written consent of Lessor and/or damage to or loss of any property and/or personal effects contained in a covered Vehicle. In the event of a Casualty Occurrence to a covered Vehicle, Lessor may, at its option, replace, rather than repair, the damaged Vehicle with an equivalent vehicle, which replacement vehicle will then constitute the "Vehicle" for purposes of this Agreement; and (ii) if Section 4 of a Schedule includes a charge for commercial automobile liability enrollment, Lessor agrees that it will, at its expense, obtain for and on behalf of Lessee, by adding Lessee as an additional insured under a commercial automobile liability insurance policy issued by an insurance company selected by Lessor, commercial automobile liability insurance satisfying the minimum commercial automobile liability insurance required under Section 11(a) for the Vehicle(s) covered by such Schedule. Lessor may at any time during the applicable Term terminate said obligation to provide physical damage waiver and/or commercial automobile liability enrollment and cancel such physical damage waiver and/or commercial automobile liability enrollment upon giving Lessee at least ten (10) days prior written notice. Upon such cancellation, insurance in the minimum amounts as set forth in 11(a) shall be obtained and maintained by Lessee at Lessee's expense. An adjustment will be made in monthly rental charges payable by Lessee to reflect any such change and Lessee agrees to furnish Lessor with satisfactory proof of insurance coverage within ten (10) days after mailing of the notice. In addition, Lessor may change the rates charged by Lessor under this Section 11(b) for physical damage waiver and/or commercial automobile liability enrollment upon giving Lessee at least thirty (30) days prior written notice.

12. INDEMNITY: To the extent permitted by state law, Lessee agrees to defend and indemnify Lessor, Servicer, any other agent of Lessor and their respective successors and assigns from and against any and all losses, damages, liabilities, suits, claims, demands, costs and expenses (including, without limitation, reasonable attorneys' fees and expenses) which Lessor, Servicer, any other agent of Lessor or any of their respective successors or assigns may incur by reason of Lessee's breach or violation of, or failure to observe or perform, any term, provision or covenant of this Agreement, or as a result of any loss, damage, theft or destruction of any Vehicle or related to or arising out of or in connection with the use, operation or condition of any Vehicle. The provisions of this Section 12 shall survive any expiration or termination of this Agreement. Nothing herein shall be deemed to affect the rights, privileges, and immunities of Lessee and the foregoing indemnity provision is not intended to be a waiver of any sovereign immunity afforded to Lessee pursuant to the law.

13. INSPECTION OF VEHICLES; ODOMETER DISCLOSURE; FINANCIAL STATEMENTS: Lessee agrees to accomplish, at its expense, all inspections of the Vehicles required by any governmental authority during the Term. Lessor, Servicer, any other agent of Lessor and any of their respective successors or assigns will have the right to inspect any Vehicle at any reasonable time(s) during the Term and for this purpose to enter into or upon any building or place where any Vehicle is located. Lessee agrees to comply with all odometer disclosure laws, rules and regulations and to provide such written and signed disclosure information on such forms and in such manner as directed by Lessor. Providing false information or failure to complete the odometer disclosure form as required by law may result in fines and/or imprisonment. Lessee hereby agrees to promptly deliver to Lessor such financial statements and other financial information regarding Lessee as Lessor may from time to time reasonably request.

14. DEFAULT; REMEDIES: The following shall constitute events of default ("Events of Default") by Lessee under this Agreement: (a) if Lessee fails to pay when due any rent or other amount due under this Agreement and any such failure shall remain unremedied for ten (10) days; (b) if Lessee fails to perform, keep or observe any term, provision or covenant contained in Section 11 of this Agreement; (c) if Lessee fails to perform, keep or observe any other term, provision or covenant contained in this Agreement and any such failure shall remain unremedied for thirty (30) days after written notice thereof is given by Lessor, Servicer or any other agent of Lessor to Lessee; (d) any seizure or confiscation of any Vehicle or any other act (other than a Casualty Occurrence) otherwise rendering any Vehicle unsuitable for use (as determined by Lessor); (e) if any present or future guaranty in favor of Lessor of all or any portion of the obligations of Lessee under this Agreement shall at any time for any reason cease to be in full force and effect or shall be declared to be null and void by a court of competent jurisdiction, or if the validity or enforceability of any such guaranty shall be contested or denied by any guarantor, or if any guarantor shall deny that it, he or she has any further liability or obligation under any such guaranty or if any guarantor shall fail to comply with or observe any of the terms, provisions or conditions contained in any such guaranty; (f) the occurrence of a material adverse change in the financial condition or business of Lessee or any guarantor; or (g) if Lessee or any guarantor is in default under or fails to comply with any other present or future agreement with or in favor of Lessor, The Crawford Group, Inc. or any direct or indirect subsidiary of The Crawford Group, Inc.. For purposes of this Section 14, the term "guarantor" shall mean any present or future guarantor of all or any portion of the obligations of Lessee under this Agreement.

Upon the occurrence of any Event of Default, Lessor, without notice to Lessee, will have the right to exercise concurrently or separately (and without any election of remedies being deemed made), the following remedies: (a) Lessor may demand and receive immediate possession of any or all of the Vehicles from Lessee, without releasing Lessee from its obligations under this Agreement; if Lessee fails to surrender possession of the Vehicles to Lessor on default (or termination or expiration of the Term), Lessor, Servicer, any other agent of Lessor and any of Lessor's independent contractors shall have the right to enter upon any premises where the Vehicles may be located and to remove and repossess the Vehicles; (b) Lessor may enforce performance by Lessee of its obligations under this Agreement; (c) Lessor may recover damages and expenses sustained by Lessor, Servicer, any other agent of Lessor or any of their respective successors or assigns by reason of Lessee's default including, to the extent permitted by applicable law, all costs and expenses, including court costs and reasonable attorneys' fees and expenses, incurred by Lessor, Servicer, any other agent of Lessor or any of their respective successors or assigns in attempting or effecting enforcement of Lessor's rights under this Agreement (whether or not litigation is commenced) and/or in connection with bankruptcy or insolvency proceedings; (d) upon written notice to Lessee, Lessor may terminate Lessee's rights under this Agreement; (e) with respect to each Vehicle, Lessor may recover from Lessee all amounts owed by Lessee under Sections 3(b) and 3(c) of this Agreement (and, if Lessor does not recover possession of a Vehicle, (i) the estimated wholesale value of such Vehicle for purposes of Section 3(c) shall be deemed to be \$0.00 and (ii) the calculations described in the first two sentences of Section 3(c) shall be made without giving effect to clause (ii) in each such sentence); and/or (f) Lessor may exercise any other right or remedy which may be available to Lessor under the Uniform Commercial Code, any other applicable law or in equity. A termination of this Agreement shall occur only upon written notice by Lessor to Lessee. Any termination shall not affect Lessee's obligation to pay all amounts due for periods prior to the effective date of such termination or Lessee's obligation to pay any indemnities under this Agreement. All remedies of Lessor under this Agreement or at law or in equity are cumulative.

15. ASSIGNMENTS: Lessor may from time to time assign, pledge or transfer this Agreement and/or any or all of its rights and obligations under this Agreement to any person or entity. Lessee agrees, upon notice of any such assignment, pledge or transfer of any amounts due or to become due to Lessor under this Agreement to pay all such amounts to such assignee, pledgee or transferee. Any such assignee, pledgee or transferee of any rights or obligations of Lessor under this Agreement will have all of the rights and obligations that have been assigned to it. Lessee's rights and interest in and to the Vehicles are and will continue

Initials: EFM _____ Customer _____

at all times to be subject and subordinate in all respects to any assignment, pledge or transfer now or hereafter executed by Lessor with or in favor of any such assignee, pledgee or transferee, provided that Lessee shall have the right of quiet enjoyment of the Vehicles so long as no Event of Default under this Agreement has occurred and is continuing. Lessee acknowledges and agrees that the rights of any assignee, pledgee or transferee in and to any amounts payable by the Lessee under any provisions of this Agreement shall be absolute and unconditional and shall not be subject to any abatement whatsoever, or to any defense, setoff, counterclaim or recoupment whatsoever, whether by reason of any damage to or loss or destruction of any Vehicle or by reason of any defect in or failure of title of the Lessor or interruption from whatsoever cause in the use, operation or possession of any Vehicle, or by reason of any indebtedness or liability howsoever and whenever arising of the Lessor or any of its affiliates to the Lessee or to any other person or entity, or for any other reason.

Without the prior written consent of Lessor, Lessee may not assign, sublease, transfer or pledge this Agreement, any Vehicle, or any interest in this Agreement or in and to any Vehicle, or permit its rights under this Agreement or any Vehicle to be subject to any lien, charge or encumbrance. Lessee's interest in this Agreement is not assignable and cannot be assigned or transferred by operation of law. Lessee will not transfer or relinquish possession of any Vehicle (except for the sole purpose of repair or service of such Vehicle) without the prior written consent of Lessor.

16. MISCELLANEOUS: This Agreement contains the entire understanding of the parties. This Agreement may only be amended or modified by an instrument in writing executed by both parties. Lessor shall not by any act, delay, omission or otherwise be deemed to have waived any of its rights or remedies under this Agreement and no waiver whatsoever shall be valid unless in writing and signed by Lessor and then only to the extent therein set forth. A waiver by Lessor of any right or remedy under this Agreement on any one occasion shall not be construed as a bar to any right or remedy, which Lessor would otherwise have on any future occasion. If any term or provision of this Agreement or any application of any such term or provision is invalid or unenforceable, the remainder of this Agreement and any other application of such term or provision will not be affected thereby. Giving of all notices under this Agreement will be sufficient if mailed by certified mail to a party at its address set forth below or at such other address as such party may provide in writing from time to time. Any such notice mailed to such address will be effective one (1) day after deposit in the United States mail, duly addressed, with certified mail, postage prepaid. Lessee will promptly notify Lessor of any change in Lessee's address. This Agreement may be executed in multiple counterparts (including facsimile and pdf counterparts), but the counterpart marked "ORIGINAL" by Lessor will be the original lease for purposes of applicable law. All of the representations, warranties, covenants, agreements and obligations of each Lessee under this Agreement (if more than one) are joint and several.

17. SUCCESSORS AND ASSIGNS; GOVERNING LAW: Subject to the provisions of Section 15, this Agreement will be binding upon Lessee and its heirs, executors, personal representatives, successors and assigns, and will inure to the benefit of Lessor, Servicer, any other agent of Lessor and their respective successors and assigns. This Agreement will be governed by and construed in accordance with the substantive laws of the State of Missouri (determined without reference to conflict of law principles).

18. NON-PETITION: Each party hereto hereby covenants and agrees that, prior to the date which is one year and one day after payment in full of all indebtedness of Lessor, it shall not institute against, or join any other person in instituting against, Lessor any bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings or other similar proceeding under the laws of the United States or any state of the United States. The provisions of this Section 18 shall survive termination of this Master Equity Lease Agreement.

19. NON-APPROPRIATION: Lessee's funding of this Agreement shall be on a Fiscal Year basis and is subject to annual appropriations. Lessor acknowledges that Lessee is a municipal corporation, is precluded by the County or State Constitution and other laws from entering into obligations that financially bind future governing bodies, and that, therefore, nothing in this Agreement shall constitute an obligation of future legislative bodies of the County or State to appropriate funds for purposes of this Agreement. Accordingly, the parties agree that the lease terms within this Agreement or any Schedules relating hereto are contingent upon appropriation of funds. The parties further agree that should the County or State fail to appropriate such funds, the Lessor shall be paid all rentals due and owing hereunder up until the actual day of termination. In addition, Lessor reserves the right to be paid for any reasonable damages. These reasonable damages will be limited to the losses incurred by the Lessor for having to sell the vehicles on the open used car market prior to the end of the scheduled term (as determined in Section 3 and Section 14 of this Agreement).

IN WITNESS WHEREOF, Lessor and Lessee have duly executed this Master Equity Lease Agreement as of the day and year first above written.

LESSEE: Kerrville Public Utility Board

Signature: _____

By: _____

Title: _____

Address: 2250 Memorial Blvd
Kerrville, TX 78028

Date Signed: _____

LESSOR: Enterprise FM Trust
By: Enterprise Fleet Management, Inc. its attorney in fact

Signature: _____

By: Paul Shurtleff

Title: Regional Manager

Address: 1505 Harry Wurzbach Rd
San Antonio, TX 78209

Date Signed: _____

Initials: EFM _____ Customer _____

MEMORANDUM

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

From: Amy Dozier

Date: April 13, 2022

Re: Agenda Item No. 8 – Financial Report

Attached please find financial statements for the month of March 2022 and additional quarterly payment reports.

Highlights include:

- **\$196K increase in net position** for the month, **\$848K** increase in net position on a year-to-date (YTD) basis.
- **\$4.4M in operating revenue** for the month, **\$22.0M** on a YTD basis.
 - March revenues are better than budget due to higher than forecast kWh sales and higher than forecast purchased power costs. March's average low temperature was significantly below average at 40.2°, which seemed to drive usage. In addition, KPUB added 57 new accounts during March, the largest change of any month this year. Due to increased purchased power costs, revenue for the month was recorded at a power cost adjustment factor of \$99.73, which is higher than the budget of \$95.00.
- **\$4.1M in operating expense** for the month, **\$20.8M** on a YTD basis.
 - Operating expense is higher than budget for the month due to purchased power cost. More power was purchased due to higher than forecast demand. In addition, the unit cost was 5% higher than budget.
 - Other operating expenses were lower than budget due to multiple factors including delayed billing from NISC, continued staff vacancies, lower than budgeted pension expense and a higher than budgeted share of labor costs being capitalized due to system improvement projects.
- **\$299K in operating income** for the month, **\$1,261K** in operating income on a YTD basis.
- **\$2.4M in over collection of power cost adjustment** as of 3/31/2022, a **decrease of \$197K** from the prior month.
- **\$30.3M invested** in investment pools, CD's and an investment account at Happy State Bank.

Due to Winter Storm Uri, comparisons to the prior year are difficult. March 2021 contains large and unusual revenues and expenses related to February as KPUB gained more information and determined how to properly report the event from a financial perspective. Accordingly, I will focus more on comparisons to budget than prior year.

The Power Cost Adjustment (PCA) remained at \$95.00 for March. Due to pending litigation and volatility in energy markets, the PCA is expected to remain stable at \$95.00 for the foreseeable future.

Sincerely,

A handwritten signature in black ink that reads "Amy Dozier". The signature is written in a cursive, flowing style.

Amy Dozier
Director of Finance

Kerrville Public Utility Board
Statement of Revenues, Expenses and Changes in Fund Net Position
For the Month Ended March 31, 2022
(Unaudited)

	Comparison to Budget				Comparison to Last Year		
	Current Month	Budget Amount	Variance	Percentage Variance	Current Month Last Year Amount	Variance	Percentage Variance
OPERATING REVENUES:							
Residential	\$ 2,731,024	\$ 1,992,774	\$ 738,250	37.05%	\$ (15,850,826)	\$ 18,581,851	-117.23%
Commercial/Industrial	1,602,108	1,260,937	341,171	27.06%	(10,591,100)	12,193,208	-115.13%
Sales to Public Authorities	21,581	21,000	581	2.77%	20,909	672	3.22%
Other	39,901	80,700	(40,799)	-50.56%	76,671	(36,770)	-47.96%
TOTAL OPERATING REVENUES	4,394,615	3,355,411	1,039,204	30.97%	(26,344,346)	30,738,961	-116.68%
OPERATING EXPENSES:							
Purchased Power	3,107,443	2,295,189	(812,254)	-35.39%	(26,571,546)	(29,678,989)	111.69%
Distribution	309,946	303,066	(6,880)	-2.27%	342,587	32,641	9.53%
Customer Accounting	36,692	47,800	11,108	23.24%	46,624	9,932	21.30%
Customer Service & Informational	28,815	37,200	8,385	22.54%	18,151	(10,664)	-58.75%
Administrative Expenses	300,821	377,600	76,779	20.33%	405,823	105,001	25.87%
Depreciation	312,078	306,500	(5,578)	-1.82%	292,593	(19,485)	-6.66%
TOTAL OPERATING EXPENSES	4,095,795	3,367,355	(728,440)	-21.63%	(25,465,768)	(29,561,563)	116.08%
OPERATING INCOME (LOSS)	298,820	(11,944)	310,764	-2601.87%	(878,579)	1,177,398	-134.01%
NONOPERATING REVENUES (EXPENSES):							
Interest Income - Investments	10,773	5,421	5,352	98.73%	7,547	3,225	42.73%
Interest Income - City of Kerrville	15,000	15,000	-	0.00%	16,667	(1,667)	-10.00%
Interest Expense - Debt	(9,594)	(9,594)	-	0.00%	(10,460)	867	-8.28%
Interest Expense - Customer Deposits	(26)	-	(26)		(256)	230	-89.87%
City of Kerrville - General Fund Transfer	(132,161)	(100,800)	(31,361)	31.11%	(87,037)	(45,124)	51.84%
City of Ingram - Franchise Fees	(3,199)	(2,500)	(699)	27.94%	(2,898)	(301)	10.38%
Other - Net	3,483	1,430	2,053	143.56%	(1,649)	5,132	-311.26%
TOTAL NONOPERATING REVENUES (EXPENSES):	(115,723)	(91,043)	(24,680)	27.11%	(78,086)	(37,638)	48.20%
INCOME BEFORE CONTRIBUTIONS	183,096	(102,987)	286,083	-277.79%	(956,664)	1,139,761	-119.14%
CAPITAL CONTRIBUTIONS	12,410	9,000	3,410	37.89%	28,843	496	1.72%
CHANGE IN NET POSITION	\$ 195,507	\$ (93,987)	\$ 289,494	308.01%	\$ (927,822)	\$ 1,140,256	122.90%
NET POSITION AT BEGINNING OF MONTH	\$ 72,762,533				\$ 71,231,456		
NET POSITION AT END OF MONTH	\$ 72,958,040				\$ 70,303,634		

Kerrville Public Utility Board
Statement of Revenues, Expenses and Changes in Fund Net Position
For the Month Ended March 31, 2022
(Unaudited)

	Comparison to Budget				Comparison to Last Year		
	Year to Date	Budget Amount	Variance	Percentage Variance	Year to Date Last Year Amount	Variance	Percentage Variance
OPERATING REVENUES:							
Residential	\$ 12,755,704	\$ 12,507,594	\$ 248,110	1.98%	\$ 8,487,283	\$ 4,268,420	50.29%
Commercial/Industrial	8,682,654	8,740,876	(58,222)	-0.67%	5,792,292	2,890,362	49.90%
Sales to Public Authorities	129,524	126,000	3,524	2.80%	125,443	4,080	3.25%
Other	445,864	487,100	(41,236)	-8.47%	438,569	7,296	1.66%
TOTAL OPERATING REVENUES	22,013,746	21,861,570	152,176	0.70%	14,843,588	7,170,158	48.30%
OPERATING EXPENSES:							
Purchased Power	14,713,553	14,799,175	85,622	0.58%	8,363,061	(6,350,492)	-75.94%
Distribution	1,736,168	1,803,368	67,200	3.73%	1,486,494	(249,674)	-16.80%
Customer Accounting	272,099	284,400	12,301	4.33%	297,813	25,714	8.63%
Customer Service & Informational	145,592	220,900	75,308	34.09%	115,447	(30,145)	-26.11%
Administrative Expenses	2,034,085	2,306,500	272,415	11.81%	1,948,482	(85,602)	-4.39%
Depreciation	1,851,457	1,831,500	(19,957)	-1.09%	1,733,138	(118,319)	-6.83%
TOTAL OPERATING EXPENSES	20,752,954	21,245,843	492,890	2.32%	13,944,435	(6,808,519)	-48.83%
OPERATING INCOME (LOSS)	1,260,792	615,727	645,065	104.76%	899,153	361,639	40.22%
NONOPERATING REVENUES (EXPENSES):							
Interest Income - Investments	43,277	32,525	10,752	33.06%	41,516	1,761	4.24%
Interest Income - City of Kerrville	90,000	90,000	-	0.00%	100,000	(10,000)	-10.00%
Interest Expense - Debt	(58,429)	(58,429)	-	0.00%	(63,517)	5,088	-8.01%
Interest Expense - Customer Deposits	(825)	-	(825)		(3,613)	2,788	-77.17%
City of Kerrville - General Fund Transfer	(661,711)	(656,700)	(5,011)	0.76%	(616,065)	(45,646)	7.41%
City of Ingram - Franchise Fees	(16,852)	(16,300)	(552)	3.39%	(15,637)	(1,215)	7.77%
Other - Net	16,424	8,580	7,844	91.42%	(12,170)	28,594	-234.95%
TOTAL NONOPERATING REVENUES (EXPENSES):	(588,116)	(600,324)	12,208	-2.03%	(569,486)	(18,630)	3.27%
INCOME BEFORE CONTRIBUTIONS	672,675	15,402	657,273	4267.40%	329,667	343,009	104.05%
CAPITAL CONTRIBUTIONS	175,030	54,000	121,030	224.13%	130,873	44,158	33.74%
CHANGE IN NET POSITION	\$ 847,706	\$ 69,402	\$ 778,304	1121.44%	\$ 460,540	\$ 387,166	84.07%
NET POSITION AT BEGINNING OF YEAR	\$ 72,110,334				\$ 69,843,094		
NET POSITION AT END OF MONTH	\$ 72,958,040				\$ 70,303,634		

Kerrville Public Utility Board
Balance Sheet
As of March 31, 2022

Assets and Deferred Outflows	March 31, 2022 (Unaudited)	September 30, 2021	Net Position, Liabilities and Deferred Inflows	March 31, 2022 (Unaudited)	September 30, 2021
Utility Plant:			Total Net Position	\$ 72,958,040	\$ 72,110,334
Utility Plant in Service	\$ 92,135,040	\$ 90,118,697			
Less: Accumulated Depreciation	(45,205,583)	(44,085,063)			
Net Utility Plant in Service	46,929,458	46,033,634			
Construction Work in Progress	954,459	1,943,177	Liabilities:		
Total Utility Plant	47,883,917	47,976,812	Current Liabilities:		
Restricted and Noncurrent Assets:			Current Portion of 2013 Revenue Bonds	422,000	411,000
Customer Deposits	461,976	493,781	Accrued Interest Payable	47,969	52,302
Interest and Sinking Fund	228,135	429,052	Accounts Payable - Purchased Power	10,295,379	10,295,379
Emergency, Repair, Replace, Contingency Fund	3,553,610	3,546,912	Accounts Payable - Other	836,674	1,164,618
Advance to City of Kerrville-2016	7,500,000	7,500,000	Over Collection of Power Cost Adjustment	2,363,512	1,681,982
Total Restricted and Noncurrent Assets	11,743,721	11,969,744	Total Current Liabilities	13,965,534	13,605,280
Current Assets:			Noncurrent Liabilities:		
Revenue Fund:			2013 Revenue Bonds, net of current portion	2,847,000	3,269,000
Cash and Cash Equivalents	330,531	511,280	Customer Deposits	461,976	493,781
Investments	22,224,512	21,179,561	Interest on Customer Deposits	3,096	3,178
Less: Customer Deposits	(461,976)	(493,781)	Net Pension & OPEB Liability	1,132,935	1,132,935
Total Revenue Fund	22,093,068	21,197,060	Total Long-Term Liabilities	4,445,007	4,898,894
Construction Fund:			Total Liabilities	18,410,540	18,504,175
Cash and Cash Equivalents	5,088	5,081	Deferred Inflows of Resources - Pension & OPEB	1,873,832	1,873,832
Investments	1,444,034	1,442,338			
Total Construction Fund	1,449,122	1,447,419			
Rate Stabilization Fund:					
Investments	1,900,344	1,898,113			
Total Rate Stabilization Fund	1,900,344	1,898,113			
Long Term Rate Stabilization Fund:					
Investments	995,188	904,094			
Total Rate Stabilization Fund	995,188	904,094			
Customer Accounts Receivable, net of allowance	3,696,090	3,710,840			
Materials and Supplies	975,699	955,314			
Other	986,940	910,622			
Total Current Assets	32,096,451	31,023,461			
Deferred Outflow of Resources - Pension & OPEB	1,518,324	1,518,324			
Total Assets and Deferred Outflows	\$ 93,242,412	\$ 92,488,341	Total Net Position, Liabilities and Deferred Inflows	\$ 93,242,412	\$ 92,488,341

Kerrville Public Utility Board
Invested Funds Detail
For the Month Ended March 31, 2022

Restricted

	Date	Revenue Fund	Construction Fund	Rate Stabilization Fund	Long Term Rate Stabilization Fund	Debt Reserve Fund	Interest & Sinking Fund	Emergency Repair, Replacement & Contingency Fund	Total Funds Invested
Beginning Fund Balance		\$ 21,770,534	\$ 1,443,535	\$ 1,899,688	\$ 904,844	\$ -	\$ 182,509	\$ 3,552,242	\$ 29,753,351
Withdrawals:									
Happy Investment - TML	03/01/22	(58,249)							(58,249)
Happy Investment - ERCOT	03/07/22	(20,696)							(20,696)
Happy Investment - TMRS	03/08/22	(61,097)							(61,097)
Happy Investment - ERCOT	03/09/22	(138)							(138)
Happy Investment - ERCOT	03/14/22	(319)							(319)
Happy Investment - NextEra	03/17/22	(438,144)							(438,144)
Happy Investment - CPS	03/17/22	(1,982,517)							(1,982,517)
Happy Investment - ERCOT	03/21/22	(31,946)							(31,946)
Happy Investment - DG Solar	03/22/22	(44,187)							(44,187)
Happy Investment - Concho Bluff	03/23/22	(221,188)							(221,188)
Happy Investment - Engie	03/23/22	(80,614)							(80,614)
Happy Investment - LCRA	03/30/22	(579,016)							(579,016)
Investments:									
Happy Investment	03/07/22	900,000							900,000
Happy investment	03/11/22	600,000							600,000
Happy Investment	03/21/22	1,200,000							1,200,000
Happy Investment	03/25/22	550,000							550,000
Happy Investment	03/30/22	700,000							700,000
Happy Investment	03/31/22	150,000							150,000
Fund Balance after Withdrawals & Investments		22,352,422	1,443,535	1,899,688	904,844	-	182,509	3,552,242	30,335,240
Allocation of:									
Interest Income	3/31/22	6,052	499	657	344	-	64	537	8,153
Int Receivable (accrued on CD)	3/31/22	1,600						831	2,431
Total Interest Allocation		7,653	499	657	344	-	64	1,367	10,583
Fund Balance After Allocations		22,360,075	1,444,034	1,900,344	905,188	-	182,573	3,553,610	30,345,823
Interfund Transfers :									
Debt Service	03/31/22	(45,562)					45,562		-
City of Kerrville Interest Payment	03/01/22	(90,000)			90,000				-
Ending Fund Balance		\$ 22,224,512	\$ 1,444,034	\$ 1,900,344	\$ 995,188	\$ -	\$ 228,135	\$ 3,553,610	\$ 30,345,823

Kerrville Public Utility Board
 Computation of the Monthly and Annual Debt Service Coverage
 For the Month Ended March 31, 2022

Description	Current Month	Fiscal Year	Previous 12 Months
Change in Net Position	\$ 195,507	\$ 847,706	\$ 2,654,406
Plus:			
Interest Expense (net of amortizations)	9,594	58,429	121,191
Depreciation Expense	312,078	1,851,457	3,664,712
Numerator	517,178	2,757,592	6,440,309
DIVIDED BY:			
Interest Expense (net of amortizations)	9,594	58,429	121,191
Principal Payment Due	35,167	210,083	415,583
Denominator	\$ 44,760	\$ 268,513	\$ 536,775
Debt Service Coverage Ratio	11.55	10.27	12.00
Minimum Requirement per Bond Covenant		1.35	times Debt Service
Minimum Requirement Established by KPUB Board for Good Business Practices		1.65	times Debt Service

KERRVILLE PUBLIC UTILITY BOARD
 PAYMENT REGISTER (EXCLUDES WIRES)
 INDIVIDUAL PAYMENTS > \$10,000
 JANUARY 1, 2022 TO MARCH 31, 2022

CHECK/ TRANS #	DATE	PMT TYPE	VENDOR #	VENDOR NAME	REFERENCE	AMOUNT	
1	1999	03/17/2022	DD	108	CITY OF KERRVILLE	3% GROSS REVENUES FEES-FEBRUARY	136,221.52
2	133870	01/13/2022	CHK	110	LOWER COLORADO RIVER AUTHORITY	RUBBER GLOVES/SLEEVES/BLANKETS TESTING	124,679.00
3	1975	02/24/2022	DD	108	CITY OF KERRVILLE	3% GROSS REVENUES FEES-JANUARY	110,679.86
4	1951	02/10/2022	DD	1572	STERLING COMPUTERS CORPORATION	MAIN OFFICE INFRASTRUCTURE	93,457.94
5	1964	02/17/2022	DD	70	TECHLINE INCORPORATED	37.5KVA PAD 24/120(2)/75KVA(4)/100KVA(2)	84,181.00
6	1903	01/13/2022	DD	108	CITY OF KERRVILLE	3% GROSS REVENUES FEES-DECEMBER	78,768.92
7	1896	01/06/2022	DD	1147	LINETEC SERVICES LLC	MISCELLANEOUS SERVICES-WO4111376 OSMOSE	67,576.59
8	1939	02/03/2022	DD	70	TECHLINE INCORPORATED	100KVA URD TRANSFORMER(9)	65,599.00
9	1930	01/27/2022	DD	1572	STERLING COMPUTERS CORPORATION	MAIN OFFICES SERVER INFRASTRUCTURE-SRVR	54,726.75
10	1926	01/27/2022	DD	1147	LINETEC SERVICES LLC	KPUB MISCELLANEOUS SERVICES WO4114428	48,974.63
11	1905	01/13/2022	DD	1147	LINETEC SERVICES LLC	KPUB MISCELLANEOUS-WO4114425 OSMOSE(5)	48,239.17
12	134020	02/24/2022	CHK	1383	SECUREWORKS INC	MANAGED SECURITY SERVICES-TAEGISXDR	48,125.00
13	1970	02/24/2022	DD	17273	STUART C. IRBY COMPANY	TRANSFORMER URD 100KVA 240/1(3)	47,653.00
14	2013	03/24/2022	DD	70	TECHLINE INCORPORATED	TRANSFORMER URD 75KVA 120/240(7)	47,244.00
15	1934	01/27/2022	DD	18391	TEXAS ELECTRIC COOPERATIVES, INC.	METERS CL200 240V (240)	42,352.80
16	134133	03/28/2022	CHK	1648	FORD OF BOERNE	UNIT#3267 F250-REPLACE UNIT#3232	35,101.60
17	133822	01/06/2022	CHK	426	CITY OF INGRAM	2% FRANCHISE/SURCHARGE FEES SEMI ANNUAL	33,637.47
18	1993	03/10/2022	DD	17273	STUART C. IRBY COMPANY	100AMP CUTOUT FUSE	32,663.94
19	2019	03/31/2022	DD	1147	LINETEC SERVICES LLC	KPUB MISC. WO4273301-OSMOSE REJECTED POL	32,049.05
20	1961	02/17/2022	DD	25169	NISC, INC.	ENGINEERING/SOFTWARE SUPPORT-JANUARY	28,020.01
21	1906	01/13/2022	DD	25169	NISC, INC.	SOFTWARE/MAPPING & STAKING SUPPORT	27,175.26
22	1971	02/24/2022	DD	70	TECHLINE INCORPORATED	37.5KVA XFRMR(1)/75KVA XFMR(1)PADMOUNT	27,083.61
23	1953	02/10/2022	DD	70	TECHLINE INCORPORATED	37.5KVA(1)/75KVA(4)/100KVA(3) URD XFRMR	26,398.00
24	1897	01/06/2022	DD	17273	STUART C. IRBY COMPANY	ALUMINUM VISE CLAMP	25,187.49
25	1963	02/17/2022	DD	17273	STUART C. IRBY COMPANY	TRANSFORMER PAD MOUNT 3PH 112.5KVA	23,839.75
26	1989	03/10/2022	DD	1147	LINETEC SERVICES LLC	KPUB MISC.OSMOSE WO#4111355	22,506.43
27	1965	02/17/2022	DD	18391	TEXAS ELECTRIC COOPERATIVES, INC.	CREOSOTE POLES 35FTCL5(20)/45FTCL3(14)	21,536.25
28	134116	03/24/2022	CHK	96	AMERICAN PUBLIC POWER ASSN.	2022 ANNUAL DUES	21,071.90
29	2002	03/17/2022	DD	1147	LINETEC SERVICES LLC	KPUB MISCELLANEOUS WO4114690 OSMOSE	20,246.00
30	1954	02/10/2022	DD	1531	TOWNSEND TREE SERVICE COMPANY	TREE TRIMMING SERVICES NTX23 WE01152022	20,073.80
31	1960	02/17/2022	DD	1147	LINETEC SERVICES LLC	KPUB MISC. OSMOSE SERVICES WO4103577	19,308.16
32	2003	03/17/2022	DD	25169	NISC, INC.	SOFTWARE/ENGINEERING SUPPORT-FEBRUARY	19,230.15
33	1995	03/10/2022	DD	1531	TOWNSEND TREE SERVICE COMPANY	TREE TRIMMING SERVICES NTX22 WE02122022	18,943.36

KERRVILLE PUBLIC UTILITY BOARD
 PAYMENT REGISTER (EXCLUDES WIRES)
 INDIVIDUAL PAYMENTS > \$10,000
 JANUARY 1, 2022 TO MARCH 31, 2022

CHECK/ TRANS #	DATE	PMT TYPE	VENDOR #	VENDOR NAME	REFERENCE	AMOUNT
34	1941	02/03/2022	DD 1531	TOWNSEND TREE SERVICE COMPANY	TREE TRIMMING SERVICES NTX22 WE01082022	18,405.78
35	134138	03/31/2022	CHK 17992	SCHWEITZER ENGINEERING LABS, INC.	PROTECTION SYSTEM-RELAYS	15,970.00
36	2005	03/17/2022	DD 17273	STUART C. IRBY COMPANY	TRANSFORMER OH 25KVA(2)/50KVA(2)	15,847.42
37	1937	02/03/2022	DD 1147	LINETEC SERVICES LLC	KPUB MISCELLANEOUS SERVICES WO4114244	15,705.48
38	1899	01/06/2022	DD 1531	TOWNSEND TREE SERVICE COMPANY	TREE TRIMMING SERVICES NTX22 WE12112021	14,892.60
39	134103	03/17/2022	CHK 160	SOLARWINDS	DAMEWARE NETWORK CONFIG MANAGER	14,807.00
40	1982	03/03/2022	DD 1531	TOWNSEND TREE SERVICE COMPANY	TREE TRIMMING SERVICES NTX22 WE02192022	14,806.10
41	1907	01/13/2022	DD 5415	SCHNEIDER ENGINEERING, LLC	GENERAL SUBSTATION ENGINEERING	14,798.75
42	1901	01/06/2022	DD 77	WESCO DISTRIBUTION, INC.	500KVA 3PH TRANSFORMER	14,731.25
43	1977	03/03/2022	DD 1147	LINETEC SERVICES LLC	KPUB ORDINARY REPLACEMENT WO4200005	13,949.90
44	1948	02/10/2022	DD 1147	LINETEC SERVICES LLC	KPUB MISC. OSMOSE SERVICES WO4114637	11,743.25
45	1917	01/20/2022	DD 70	TECHLINE INCORPORATED	8" CROSSARM FIBERGLASS DE ASSEMBLY	10,850.18
46	1912	01/20/2022	DD 45	KBS ELECTRICAL DISTRIBUTORS INC.	ELBOW ARRESTER/CONN HTAP/OE NUT	10,810.40
47	133939	02/03/2022	CHK 17989	PRIESTER-MELL & NICHOLSON, INC.	TRIPLEX CABLE	10,740.00
48	1980	03/03/2022	DD 70	TECHLINE INCORPORATED	TRANSFORMER URD 75KVA 120/240(1)	10,570.42
TOTAL PAYMENTS						<u>\$ 1,761,179.94</u>

KERRVILLE PUBLIC UTILITY BOARD
 VENDOR PAYMENTS TOTALING OVER \$10,000
 ROLLING 12 MONTHS ENDED MARCH 31, 2022

	VENDOR NAME	APR-JUNE 2021	JULY-SEPT 2021	OCT-DEC 2021	JAN 2022	FEB 2022	MAR 2022	GRAND TOTAL
1	CITY OF KERRVILLE	\$ 289,786.23	\$ 356,060.24	\$ 333,950.36	\$ 79,355.99	\$ 110,778.97	\$ 136,287.69	\$ 1,306,219.48
2	LINETEC SERVICES LLC	196,652.78	175,748.64	56,817.24	172,845.52	46,756.89	95,284.92	744,105.99
3	STUART C. IRBY COMPANY	73,092.61	140,698.64	122,700.26	28,607.61	77,448.24	51,942.28	494,489.64
4	TECHLINE INCORPORATED	40,549.09	59,820.97	86,378.22	13,406.18	203,261.61	59,354.97	462,771.04
5	TOWNSEND TREE SERVICE COMPANY LLC	107,110.25	119,040.52	83,589.87	25,208.90	39,546.38	48,756.10	423,252.02
6	NISC, INC.	87,288.70	82,273.08	113,676.67	28,524.97	28,020.01	19,230.15	359,013.58
7	TEXAS ELECTRIC COOPERATIVES, INC.	26,321.06	65,994.90	114,754.75	51,458.23	25,552.92	3,395.50	287,477.36
8	GREENSTONE ELECTRICAL SERVICES LLC	218,486.97	-	-	-	-	-	218,486.97
9	LOWER COLORADO RIVER AUTHORITY	2,257.50	25,753.93	57,069.82	124,679.00	4,455.50	1,601.19	215,816.94
10	SCHNEIDER ENGINEERING, LLC	54,651.55	46,580.10	48,350.00	17,570.00	14,243.33	5,007.08	186,402.06
11	CARD SERVICE CENTER	49,841.62	42,339.77	47,958.93	5,668.03	9,158.81	10,780.22	165,747.38
12	STERLING COMPUTERS CORPORATION	-	-	-	54,726.75	93,457.94	-	148,184.69
13	WESCO DISTRIBUTION, INC.	11,035.16	12,639.73	62,186.54	16,911.99	679.50	75.00	103,527.92
14	MAXEY ENERGY COMPANY	56,994.64	22,082.16	21,979.89	-	-	-	101,056.69
15	TSE INTERNATIONAL	82,814.00	-	10,094.00	-	-	-	92,908.00
16	DAVIDSON TROILO REAM & GARZA	21,351.25	29,610.48	22,722.79	-	10,552.50	2,702.50	86,939.52
17	COMPUTER SOLUTIONS	17,390.98	29,384.37	29,698.79	-	-	-	76,474.14
18	LANDIS+GYR TECHNOLOGY INC	9,350.04	32,186.32	12,578.93	3,128.64	6,263.28	3,586.28	67,093.49
19	KERRVILLE ECONOMIC DEVELOPMENT CORP.	-	-	65,000.00	-	-	-	65,000.00
20	CITY OF INGRAM	-	30,038.50	-	33,637.47	-	-	63,675.97
21	COOPERATIVE RESPONSE CENTER, INC.	15,760.09	14,212.45	13,589.13	4,558.56	4,996.53	4,572.45	57,689.21
22	MERCER PERSONNEL MGT CENTER	28,123.56	27,206.00	-	-	-	-	55,329.56
23	KRAUSS GARAGE	22,026.72	14,054.13	6,078.32	224.45	2,711.80	7,672.75	52,768.17
24	AMERICAN PUBLIC POWER ASSN. CORP.	29,355.21	635.00	1,550.00	-	-	21,071.90	52,612.11
25	PRESIDIO NETWORKED SOLUTIONS GROUP, LLC	409.05	742.50	38,565.18	-	7,802.50	4,113.75	51,632.98
26	DELL MARKETING L.P.	13,064.67	36,937.86	-	-	-	-	50,002.53
27	SECUREWORKS INC	-	-	-	-	48,125.00	-	48,125.00
28	USIC LOCATING SERVICES, INC.	10,357.24	11,824.52	13,075.44	4,368.09	3,515.87	3,867.84	47,009.00
29	KBS ELECTRICAL DISTRIBUTORS INC.	1,306.32	7,783.35	970.00	19,310.35	10,997.64	5,848.48	46,216.14
30	SHI GOVERNMENT SOLUTIONS, INC.	9,251.90	-	26,249.86	-	-	6,985.30	42,487.06
31	JF PETROLEUM GROUP	29,448.55	4,990.02	106.34	-	853.08	4,122.82	39,520.81
32	BOLINGER, SEGARS, GILBERT & MOSS,LLP	-	-	32,000.00	-	5,000.00	-	37,000.00
33	JUAN J MARTINEZ JR	10,255.00	8,875.00	9,020.00	2,980.00	2,845.00	2,440.00	36,415.00
34	KERRVILLE PUBLIC UTILITY BOARD-ELECTRIC	7,506.13	9,907.92	9,301.05	2,824.23	3,326.47	3,441.43	36,307.23
35	FORD OF BOERNE	-	-	-	-	-	35,101.60	35,101.60
36	FITCH RATINGS, INC	30,000.00	-	-	-	-	5,000.00	35,000.00
37	BRYCOMM, LLC	33,560.00	-	-	-	-	-	33,560.00
38	AMERICAN FIDELITY ASSURANCE CO	7,948.80	7,461.54	10,580.30	-	5,027.16	-	31,017.80
39	VERIZON WIRELESS	7,104.47	7,629.96	7,197.67	2,277.87	2,836.42	2,158.65	29,205.04
40	VERDEK	-	210.00	23,264.00	2,118.00	-	-	25,592.00
41	METROPOLITAN LIFE INS. CO.	6,961.80	7,977.65	6,192.06	2,222.22	2,189.96	-	25,543.69
42	SURVALENT TECHNOLOGY INC	-	-	25,250.00	-	-	-	25,250.00

KERRVILLE PUBLIC UTILITY BOARD
 VENDOR PAYMENTS TOTALING OVER \$10,000
 ROLLING 12 MONTHS ENDED MARCH 31, 2022

	VENDOR NAME	APR-JUNE 2021	JULY-SEPT 2021	OCT-DEC 2021	JAN 2022	FEB 2022	MAR 2022	GRAND TOTAL
43	KERRVILLE RANCH AND PET CENTER	11,548.97	135.95	10,045.65	-	937.95	722.75	23,391.27
44	TEXAS FIRST GROUP REPLACEMENT SVC, INC.	22,132.94	-	-	-	-	-	22,132.94
45	TEXAS PUBLIC POWER ASSOC.	2,500.00	1,400.00	17,432.00	-	800.00	-	22,132.00
46	OSMOSE UTILITIES SERVICES, INC	20,505.09	-	-	-	-	990.00	21,495.09
47	ECOMPLIANCE INC	21,277.15	-	-	-	-	-	21,277.15
48	EXPRESS SERVICES, INC.	-	13,379.01	5,104.23	278.45	-	-	18,761.69
49	WILLIAMS SCOTSMAN, INC.	3,988.44	3,978.45	5,293.07	1,657.69	1,657.69	1,657.69	18,233.03
50	HILL COUNTRY TELEPHONE COOPERATIVE, INC.	4,147.89	4,586.49	4,606.11	1,524.68	1,524.68	1,524.68	17,914.53
51	SOLARWINDS	2,716.00	-	-	-	-	14,807.00	17,523.00
52	SO FAST PRINTING, INC.	-	790.00	6,647.24	-	-	9,843.83	17,281.07
53	SCHWEITZER ENGINEERING LABS, INC.	830.00	-	-	-	-	15,970.00	16,800.00
54	GLOBAL RENTAL CO., INC.	-	16,660.00	-	-	-	-	16,660.00
55	GREATBLUE RESEARCH, INC.	10,750.00	-	5,375.00	-	-	-	16,125.00
56	PRIESTER-MELL & NICHOLSON, INC.	2,479.00	-	232.95	2,198.83	10,740.00	-	15,650.78
57	REPUBLIC SERVICES #859, INC.	4,430.87	4,331.77	3,298.95	1,024.61	1,054.18	887.14	15,027.52
58	BENNO'S ELECTRIC LLC	8,998.53	124.50	-	-	4,965.05	830.81	14,918.89
59	ALTEC INDUSTRIES, INC.	498.01	6,918.00	5,826.47	482.86	-	-	13,725.34
60	KEL-CO LANDSCAPING & LAWN SERVICE	4,400.00	2,700.00	2,700.00	900.00	900.00	900.00	12,500.00
61	STEPHEN B SCHULTE, P.C.	2,310.00	4,025.00	3,550.50	-	1,412.50	600.00	11,898.00
62	PAUL MARTINEZ	5,819.25	1,005.66	5,000.00	-	-	-	11,824.91
63	LONESTAR FIELD SERVICES	2,821.63	5,163.55	-	2,640.00	-	780.00	11,405.18
64	SCHREINER UNIVERSITY	-	5,787.06	5,151.24	-	-	-	10,938.30
65	ONLINE INFORMATION SERVICES, INC.	2,634.82	3,243.29	1,435.92	1,087.43	1,692.84	687.88	10,782.18
66	KERR COUNTY ANNEX	-	-	10,735.16	-	-	-	10,735.16
67	TEXAS METER & DEVICE COMPANY	-	-	5,310.95	-	-	5,410.01	10,720.96
68	ZONES	101.32	8,384.68	2,061.00	-	-	-	10,547.00
69	ADVANTAGE TOWERS LLC	-	10,540.87	-	-	-	-	10,540.87
70	FIRETROL PROTECTION SYSTEMS	7,767.00	2,623.00	-	-	-	-	10,390.00
71	RICHARD C DREISS	4,800.00	2,700.00	-	-	-	2,850.00	10,350.00
72	BAT CITY, INC.	-	-	7,129.50	-	-	2,887.02	10,016.52
73	FEDRESULTS, INC	-	10,000.00	-	-	-	-	10,000.00
	TOTAL	\$ 1,754,870.85	\$ 1,501,685.69	\$ 1,619,432.35	\$ 708,407.60	\$ 796,088.20	\$ 605,749.66	\$ 7,023,726.19

MEMORANDUM

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

From: Paul Martinez

Date: April 13, 2022

Re: Agenda Item No. 9 – Capital Budget and Reliability Reports

Attached for your review are the second quarter Capital Budget and Reliability Reports.

Attachment 9A: Second Quarter FY22 Capital Budget Report

- This table contains the second quarter expenditures and the budgeted amounts for each capital improvement project.

Attachment 9B: Second Quarter FY22 Reliability Report

- This table shows the System Average Interruption Duration Index (SAIDI) for each substation
 - LCRA is constructing a new transmission line from Hunt Substation to a new substation in Mountain Home which is necessitating Hot Line Tags when LCRA's contractor is working. This is yielding longer outages than the blink we would have expected for two of the outages, and another outage was purely their cause from failed equipment
 - A Hot Line Tag is safety precaution whereby we don't automatically try and re-energize after a fault, we physically patrol and confirm with contractors to make sure it's clear to close back in
 - Two of these associated outages are outside of the reporting window
 - Recent publication with this information (Attachment 9C)

For ease of reference, SAIDI is read as consumer minutes and is the number of minutes each customer saw an outage for that location and that period of time. It is an industry standard metric.

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

Best regards,



Paul Martinez, PMP, PE
Director of Engineering

CAPITAL BUDGET REPORT
FISCAL YEAR OCTOBER 1, 2021 - SEPTEMBER 30, 2022

Budget No.	Description	Budget Amount	Qtr 1 (Oct-Dec)	Jan. Actual	Feb. Actual	March Actual	Qtr 2 (Jan-Mar)	Qtr 3 (Apr-June)	Qtr 4 (July-Sep)	YTD Total	% Budget Complete	Loan Balance
0	Retirement W/O Replacement		\$ 2,114.69	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,114.69	0%	\$ (2,114.69)
42701	Existing AMR Systems	\$ 75,000	\$ 47,656.80	\$ 44,356.80	\$ -	\$ -	\$ 44,356.80	\$ -	\$ -	\$ 92,013.60	123%	\$ (17,013.60)
42714	Customer Extensions	\$ 1,006,501	\$ 156,313.73	\$ 112,740.88	\$ 313,000.43	\$ 163,453.30	\$ 589,194.61	\$ -	\$ -	\$ 745,508.34	74%	\$ 260,992.66
42721	Streetlights	\$ 60,440	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0%	\$ 60,440.00
42723	Padmount Refurbish & Replacements	\$ 238,100	\$ 1,129.12	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,129.12	0%	\$ 236,970.88
42725	Digger/Derrick (Replace Unit #3207)	\$ 250,134	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0%	\$ 250,134.00
42726	New Bucket Truck	\$ 159,866	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0%	\$ 159,866.00
42727	Ford F-250 SingleCab (ReplaceUnit #3232)	\$ 60,000	\$ -	\$ -	\$ -	\$ 35,101.60	\$ 35,101.60	\$ -	\$ -	\$ 35,101.60	59%	\$ 24,898.40
42728	Ford F-150 Ex-Cab (Replace Unit #3211)	\$ 60,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0%	\$ 60,000.00
42730	Ordinary Replacements	\$ 107,690	\$ 3,372.96	\$ 358.06	\$ 100.50	\$ 12,195.70	\$ 12,654.26	\$ -	\$ -	\$ 16,027.22	15%	\$ 91,662.78
42731	System Improvements	\$ 1,270,650	\$ 23,877.58	\$ 39,446.84	\$ 2,264.19	\$ 15,411.19	\$ 57,122.22	\$ -	\$ -	\$ 80,999.80	6%	\$ 1,189,650.20
42732	Contingency Development	\$ 100,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0%	\$ 100,000.00
42733	Pole Inspection Replacements	\$ 630,500	\$ 2,166.03	\$ 3,331.47	\$ 10,789.42	\$ 21,601.53	\$ 35,722.42	\$ -	\$ -	\$ 37,888.45	6%	\$ 592,611.55
42748	DA Equipment Deployment	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0%	\$ 50,000.00
42749	SCADA Upgrades	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0%	\$ 50,000.00
42750	Minor Substation Improvements	\$ 240,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0%	\$ 240,000.00
42760	IT Normal Replacements	\$ 65,000	\$ 1,935.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,935.00	3%	\$ 63,065.00
42761	Network Infrastructure	\$ 35,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0%	\$ 35,000.00
42763	Email System Upgrade	\$ 30,000	\$ 825.00	\$ -	\$ 7,802.50	\$ 4,113.75	\$ 11,916.25	\$ -	\$ -	\$ 12,741.25	42%	\$ 17,258.75
42764	Access System Upgrade	\$ 10,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0%	\$ 10,000.00
42766	Main Office Server/Storage Infrastruct.	\$ 300,000	\$ -	\$ 54,726.75	\$ 93,457.94	\$ -	\$ 148,184.69	\$ -	\$ -	\$ 148,184.69	49%	\$ 151,815.31
42769	Fiber Optic Communication	\$ 60,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0%	\$ 60,000.00
42770	Board Room Technology Upgrade	\$ 60,000	\$ -	\$ -	\$ -	\$ 4,437.66	\$ 4,437.66	\$ -	\$ -	\$ 4,437.66	7%	\$ 55,562.34
42774	Office Furniture	\$ 38,151	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0%	\$ 38,151.00

CAPITAL BUDGET REPORT
FISCAL YEAR OCTOBER 1, 2021 - SEPTEMBER 30, 2022

Budget No.	Description	Budget Amount	Qtr 1 (Oct-Dec)	Jan. Actual	Feb. Actual	March Actual	Qtr 2 (Jan-Mar)	Qtr 3 (Apr-June)	Qtr 4 (July-Sep)	YTD Total	% Budget Complete	Loan Balance
42775	Facilities Improvements	\$ 100,000	\$ 4,800.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,800.00	5%	\$ 95,200.00
42776	Mis. Building Improvements	\$ 465,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0%	\$ 465,000.00
42778	Demonstration EE Projects	\$ 41,000	\$ -	\$ -	\$ 5,181.45	\$ -	\$ 5,181.45	\$ -	\$ -	\$ 5,181.45	13%	\$ 35,818.55
42779	Misc. Capital Tools/Radios	\$ 40,000	\$ 5,538.08	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,538.08	14%	\$ 34,461.92
42900	Energy Education and Conser. Programs	\$ 59,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0%	\$ 59,000.00
42901	Energy Efficiency Programs	\$ 95,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0%	\$ 95,000.00
42902	Education & Training FY 21-22	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0%	\$ -
42903	Community Service Support FY 21-22	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0%	\$ -
	Totals:	\$ 5,757,032	\$ 249,729	\$ 254,961	\$ 432,596	\$ 256,315	\$ 943,872	\$ -	\$ -	\$ 1,193,601	21%	\$4,563,431.05
	Percent of Total Budget:		4.3%	4.4%	7.5%	4.5%	16.4%	0.0%	0.0%	20.7%		



KPUB Reliability Report

Substation		FY21 Q3	FY21 Q4	FY22 Q1	FY22 Q2	Trend	1/1/21-12/31/21	Significant Events
Hunt (Hunt)	w/o ME	15.34	21.34	7.34	14.35		57.64	*Hot Line Tag: 3/8 & 3/9 - No cause found, likely animal, *4/2 Hot Line Tag: LCRA failed swivel caused outage, *4/7: Hot Line Tag - Transformer fuse blew causing feeder breaker to trip
	w/ ME	98.01	21.34	7.34	132.44		256.21	
Ingram (Ingram)	w/o ME	10.62	3.14	0.20	1.49		15.22	
	w/ ME	15.14	3.14	0.20	1.49		19.67	
Jack Furman (Kerrville/Ingram)	w/o ME	18.99	0.20	0.53	0.21		19.65	
	w/ ME	45.11	0.20	0.53	0.21		45.39	
Rim Rock (Kerrville South)	w/o ME	5.56	2.40	1.98	5.79		15.92	
	w/ ME	80.10	2.42	1.98	5.79		92.90	
Harper (West Kerrville)	w/o ME	3.10	12.98	1.54	2.25		19.61	
	w/ ME	42.17	12.98	1.54	2.26		57.75	
Stadium (Central Kerrville)	w/o ME	15.67	7.48	4.21	2.16		29.91	*11/10/2021 Major event- Linetech planned outage at Spence St./Customers were out most of the day. (They were notified)
	w/ ME	16.11	7.48	4.62	2.20		30.80	
Travis (Center East Kerrville)	w/o ME	3.25	1.28	0.79	5.91		11.00	
	w/ ME	3.79	1.28	0.79	5.91		11.53	
Legion (East Kerrville)	w/o ME	0.93	4.96	4.04	3.69		14.06	*11/10/2021 Major event- Transformer ran over& damaged. Had to isolate outage. Outage occurred at Ranch Rim/Ranch View Ct.
	w/ ME	10.01	4.96	10.97	11.97		66.68	
R. F. Barker (Center Point)	w/o ME	22.14	60.42	7.00	0.47		88.57	*11/10/2021 Major event- Vehicle VS. pole @ Elm Pass.
	w/ ME	24.64	363.75	8.55	0.47		391.06	
Total	w/o ME	8.11	10.05	2.78	4.37		25.33	
	w/ ME	34.49	24.37	7.01	15.44		81.18	

Increased Safety Measures During Transmission Projects & Red Flag Fire Conditions

Apr 4, 2022 | Uncategorized

Safety is one of Kerrville Public Utility Board's core values. We use extreme caution when working by always being aware of our surroundings and using the highest level of care for any utility workers, equipment and conditions in our service area.

Red flag fire conditions

Kerr County and the KPUB service area is one of the highest wildfire risk areas in the State of Texas. As part of our commitment to safety, KPUB has been preparing for red flag fire conditions with wildfire mitigation plans to maintain and operate our electrical lines and equipment in a manner that will minimize the risk of catastrophic wildfire.

We have enhanced and added new operational practices in response to this risk for red flag condition days. These new practices include enabling more sensitive settings on our substation breakers, allowing us to interrupt faults more quickly and minimize fire risks for our service area.

We are using these more sensitive settings in the more rural parts of our service area that typically have higher fire risk: West of Ingram, North of IH 10 and in the Center Point area.

Hunt transmission project

As many of you are aware, an LCRA transmission project is underway that's passing through our KPUB service area in Hunt.

For the safety of LCRA's contractor crews working in that area, we have increased the sensitivity of circuit breakers at the Hunt substation.

With these more sensitive settings on our substation breakers, if any type of fault and/or contact happens on a power line in that proximity, outages will occur and that will require crews to physically inspect the equipment before restoring the outage. These outages are typically short in timeframe and affect a larger number of customers than normal. For example, a blown transformer fuse on a power line that would typically affect one to five customers could cause an outage affecting hundreds of customers with the more sensitive settings.

[HTTPS://WWW.KPUB.COM/INCREASED-SAFETY-MEASURES-DURING-TRANSMISSION-PROJECTS-RED-FLAG-FIRE-CONDITIONS/1](https://www.kpub.com/increased-safety-measures-during-transmission-projects-red-flag-fire-conditions/1)

Customers served by the Hunt substation may have already experienced a few outages as a result of this and are still at a higher outage risk while this project is underway. Transmission work is expected to be completed within the next week in the Hunt area.

Thank you for your understanding and patience with these important and critical safety changes during these weather and construction events.

[HTTPS://WWW.KPUB.COM/INCREASED-SAFETY-MEASURES-DURING-TRANSMISSION-PROJECTS-RED-FLAG-FIRE-CONDITIONS/2](https://www.kpub.com/increased-safety-measures-during-transmission-projects-red-flag-fire-conditions/2)