

**MINUTES OF THE
KERRVILLE PUBLIC UTILITY BOARD
REGULAR MONTHLY MEETING
WEDNESDAY, SEPTEMBER 21, 2022, AT 8:30 A.M.
KPUB CONFERENCE ROOM
KERRVILLE PUBLIC UTILITY BOARD OFFICES
2250 MEMORIAL BLVD.
KERRVILLE, TEXAS**

TRUSTEES PRESENT:

Mark Cowden
Larry Howard
Bill Thomas
Glenn Andrew

STAFF PRESENT:

Mike Wittler, General Manager and CEO
Amy Dozier, Director of Finance
Robby McCutcheon, Director of IT
Tammye Riley, Director of Operations
Allison Bueché, Director of Customer and Community Relations
Jill Cook, Accounting Supervisor
Lidia Goldthorn, Assistant Secretary to the Board

TRUSTEES ABSENT:

Mayor Judy Eychner

OTHERS PRESENT:

Stephen Schulte, Legal Counsel
Mike Henke, St. Vincent de Paul
Barbara Bryan, St. Vincent de Paul

1. CALL TO ORDER:

Mr. Mark Cowden, Chairman, called the Regular Monthly Meeting to order at 8:30 a.m.

2. PLEDGE OF ALLEGIANCE:

3. CITIZEN/CONSUMER OPEN FORUM:

There were no citizens/consumers to speak.

4. ANNOUNCEMENTS OF COMMUNITY INTEREST:

Ms. Bueché advised upcoming community events include a Blood Drive on September 22nd, a Bucket Truck Event on October 8th, as well as school outreach events during the month of October. KPUB will have a generator and cell phone charging kiosk for use at the Kerrville River Festival on September 17th, and the upcoming Arts and Crafts Fair on September 24th and 25th. She added that the Employee Christmas Celebration will be on December 9th. Mr. Wittler noted the following upcoming board meetings tentatively scheduled for:

- *Wednesday October 19, 2022 at 8:30 a.m., and*
- *Wednesday November 16, 2022 at 8:30 a.m.*
- *Wednesday, December 14, 2022 at 8:30 a.m. (one week earlier than normal)*

5. STATUS UPDATE ON CHANGE FOR CHARITY PROGRAM – ALLISON BUECHÉ, DIRECTOR OF CUSTOMER & COMMUNITY RELATIONS:

Ms. Bueché presented Administrators, Mike Henke and Barbara Bryan, with the St. Vincent de Paul, who presented history and financial information for the Board's review. During the months of October 2021 through August 2022, St. Vincent de Paul granted \$93,239.00 in assistance to KPUB customers. 819 vouchers were granted over the course of that time averaging \$114.00. Ms. Bueché advised the KPUB Change for Charity program has continued to be a successful partnership with the Society of St. Vincent de Paul over the past year and continues to be well received by customers. It has been a very needed program during the extreme winter and summer temperatures experienced this year. Chairman Cowden thanked Mr. Henke and Ms. Bryan for their report to the Board.

6. CONSENT AGENDA:

Mr. Wittler pulled item 6C.3 for discussion, and item 6C.1 did not need approval. Larry Howard, Vice Chairman, made a motion to accept items 6A, 6B, and 6C.2 in the consent agenda as presented. Glenn Andrew, Treasurer, seconded the motion. Vote was by a show of hands. Motion carried 4 – 0.

6A. APPROVAL OF MINUTES.

6B. RESOLUTION NO. 22-15 – AMY DOZIER, DIRECTOR OF FINANCE. A Resolution approving payment to various providers of services or supplies.

6C. APPROVAL AND REPORTING OF PURCHASES AND SALES:

1. Tower Site Agreement with the Lower Colorado River Authority (Howard hall, Supervisor of System Operations)
2. RFQ No. 3110 – Transformers (Damon Richardson, Purchasing Agent)
3. Interlocal Cooperation Agreement for Radio Service and Equipment Between KPUB and LCRA (Mike Wittler, CEO)

END OF CONSENT AGENDA

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

Ms. Dozier presented the financial statements for the month of August 2022. Ms. Dozier highlighted items that included a \$484K increase in net position; \$3.7M in operating revenue for the month; \$3.2M in operating expense; \$464K in operating income; \$4.6M in over collected power cost adjustment as of August 31, 2022; and \$32.5M invested in investment pools, CD's and an investment account at Happy State Bank. She added that the Power Cost Adjustment (PCA) remained at \$95.00 for August. On a YTD basis, actual power costs equate to a power cost adjustment factor of \$88.56, which is lower than the \$95.00 billed PCA. However, staff recommended to keep the PCA at \$95.00 due to ongoing litigation related to the February 2021 winter storm and the temporary reduction in solar revenue that is being experienced due to hail damaged solar panels at Concho Bluff. Ms. Dozier also provided a power point presentation with

the month's highlights and financial metrics from her memo. Ms. Dozier gave an update on the current remodel and the construction bid process for the warehouse remodel; which should be ready to present to the Board at the October board meeting.

8. CONSIDERATION AND ACTION ON APPROVAL OF FY2023 ANNUAL SYSTEM BUDGET – AMY DOZIER, DIRECTOR OF FINANCE:

Ms. Dozier presented the FY2023 Annual System Budget for approval. Highlights included \$49.4 million in operating revenues (up 8.7% from the FY2022 Budget); \$34.1 million for purchased power expense (up 11.8% from the FY2022 Budget); \$48.8 million in operating expenses (up 11.0% from the FY2022 Budget); \$135 thousand decrease in net position; revenue and expense increases driven by expected increases in purchased power cost; operating expense increases which include salary adjustments for KPUB employees, the addition of three new employees, and \$210 thousand for a new radio system. The capital budget includes \$762 thousand in radio system and tower upgrades at the Hunt Substation, \$550 thousand for a remodel of the warehouse, and \$1.5 million in customers extensions.

Ms. Dozier advised that since the Budget Workshop on September 7th, the following changes were made: small reductions to the payroll budget that were discussed with and approved by the Personnel Committee; changes to interest income based on recalculated cash balances following the payroll changes; and changes to ending balances, ratios and change percentages based on the payroll and interest changes. She noted that the budget being adopted covers the period from October 1, 2022 to September 30, 2023. Five-year projections were presented for information and discussion purposes only. Mr. Andrew praised staff on the quality of the professional presentation of the budget and how well the information was compiled together. Mr. Howard moved to accept the FY2023 Annual System Budget as presented. Bill Thomas, Secretary, seconded the motion. Vote was by a show of hands. The motion carried 4 – 0.

9. CONSIDERATION AND POSSIBLE ACTION ON DOWNTOWN BEAUTIFICATION PROJECT—MIKE WITTLER, CEO:

Mr. Wittler presented a copy of the funding request letter sent to City staff for underground utility conversion. He advised the item was placed on the September 13th City Council agenda, along with aesthetic improvements at the downtown garage, and Council approved taking the funding request forward to EIC. He added the EIC was presented the request on September 19th and they voted to move forward with the project. Board Members and staff discussed various options regarding the placement of underground utilities, with a request to table this item in order to meet and discuss options with City staff, Mr. Wittler, a KPUB Board member and EIC member; and bring feedback to the Board at the October regular meeting.

10. 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 and Possible Action on Hedging Activities, ERCOT Invoicing and Purchased Power Contracts – Mike Wittler, CEO

III. EXECUTIVE CLOSED SESSION – PERSONNEL MATTERS:

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

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

Staff asked the Board of Trustees if there was 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, “Competitive Matters” in accordance with Texas Statutes Subchapter D, Chapter 551, Government Code Section §551.086, and “Personnel Matters” in accordance with Texas Statutes Subchapter D, Chapter 551, Government Code Section §551.074. Mr. Andrew so moved. Mr. Howard seconded the motion. Vote was by show of hands. Motion carried 4 – 0.

The Board entered Executive Closed Session at 9:52 a.m. Chairman Cowden adjourned the Executive Closed Session and reconvened into Open Session at 11:03 a.m.

10. CONSIDERATION AND ACTION AS A RESULT OF EXECUTIVE SESSIONS:

Mr. Howard moved to increase Mr. Wittler’s salary by 3% (merit raise). Mr. Thomas seconded the motion. Vote was by a show of hands. Motion carried 4 – 0.

11. ADJOURNMENT

Chairman Cowden adjourned the Regular Board Meeting at 11:05 a.m.

Date Approved: _____

Mark Cowden, Chairman

ATTEST

Lidia S. Goldthorn, Assistant Secretary to the Board

MEMORANDUM

To: Mark Cowden
Larry Howard
Bill Thomas
Glenn Andrew
Mayor Judy Eychner

From: Amy Dozier

Date: October 13, 2022

Re: Agenda Item No. 7B – Resolution No. 22-16

In accordance with Board resolution 10-06 that requires monthly reporting of wire transfers exceeding \$20,000, this memo reports the following transfers between September 16, 2022 and October 13, 2022 for Board approval:

	Vendor	Description	Amount	Date
Purchased Power:				
1	NextEra	August 2022	\$ 485,088.00	9/16/2022
2	CPS	August 2022	3,681,281.72	9/21/2022
3	DG Solar	August 2022	63,352.05	9/23/2022
4	Concho Bluff	August 2022	91,755.51	9/26/2022
5	ERCOT	Monthly-October 2022	101,838.93	9/26/2022
6	Engie	August 2022	100,868.33	9/27/2022
7	LCRA	August 2022	599,692.38	9/29/2022
8	Garland Power & Light	August 2022	(1,188,263.06)	9/30/2022
Payroll:				
1	Payroll	Pay period ending 9/10/2022	118,813.38	9/16/2022
2	Payroll	Pay period ending 9/24/2022	121,950.15	9/30/2022
3	Payroll Taxes	Pay period ending 9/10/2022	39,276.13	9/21/2022
4	Payroll Taxes	Pay period ending 9/24/2022	40,945.59	10/5/2022
Employee Benefits:				
1	TML	Health Insurance - October	62,508.14	10/1/2022
2	TMRS	Pension - September Payroll	99,100.22	10/13/2022
Investment Transfers (from Operating Account to Investment Account at Happy State Bank)				
1	Happy State Bank	Investment Transfer	350,000.00	9/19/2022
2	Happy State Bank	Investment Transfer	500,000.00	9/23/2022
3	Happy State Bank	Investment Transfer	500,000.00	9/26/2022
4	Happy State Bank	Investment Transfer	1,700,000.00	9/30/2022
5	Happy State Bank	Investment Transfer	550,000.00	10/7/2022
6	Happy State Bank	Investment Transfer	500,000.00	10/12/2022

I am happy to answer any questions regarding these transfers at your convenience.

Sincerely,

A handwritten signature in blue ink that reads "Amy Dozier". The signature is written in a cursive style with a large initial "A".

Amy Dozier
Director of Finance

RESOLUTION NO. 22-16

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 19th day of October, 2022

Mark Cowden, Chairman

ATTEST:

Bill Thomas, Secretary

MEMORANDUM

To: Mark Cowden
Larry Howard
Bill Thomas
Glenn Andrew
Mayor Judy Eychner

From: Allison Bueché

Date: October 13, 2022

Re: Agenda Item No. 7C #1–Approval and Reporting of Purchases & Sales

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

C. NISC Monthly Maintenance and Bill Print Service.

Staff is recommending the approval of blanket purchase orders in the amount of:

- \$161,800 for monthly software maintenance and support (\$13,483.33 per month).
- \$163,000 for bill printing and postage (\$13,583.33 per month). Postage is approximately \$120,000 of the \$163,000.
- \$73,200 for mapping and staking for engineering (\$6,100 per month).

Requested amounts are based upon projections of historical charges as approved in the existing support agreement.

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

Sincerely,



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

MEMORANDUM

To: Mark Cowden
Larry Howard
Bill Thomas
Glenn Andrew
Mayor Judy Eychner

From: Ricardo Berrios Jr.

Date: October 10, 2022

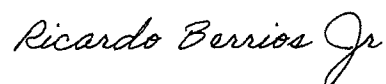
Re: Agenda Item No. 7C.2 – Approval and Reporting of Purchases and Sales

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

- C. Voltage Regulators.** Staff is recommending that this purchase be awarded to the lowest bidder Irby, Eaton representative, for the total amount of \$ 71859.69 for 3 Eaton's type Voltage Regulators with the specification of 7620V, 150A, and 114.3 KVA size.

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

Sincerely,



Ricardo Berrios Jr.
Distribution Engineer

Quotation



STUART C IRBY BR603 BASTROP, TX
 509 W SH71
 BASTROP TX 78602
 210-661-2348 Fax 210-661-9153

QUOTE DATE	ORDER NUMBER
10/04/22	S013120267
REMIT TO: STUART C. IRBY CO. POST OFFICE BOX 843959 DALLAS TX 75284	PAGE NO. 1

SOLD TO:
 KERRVILLE PUBLIC UTILITY BOARD
 PO BOX 294999
 KERRVILLE, TX 78029-4999

SHIP TO:
 KERRVILLE PUBLIC UTILITY BOARD
 2250 MEMORIAL BOULEVARD
 KERRVILLE, TX 78028-5613

ORDERED BY: RICARDO BERRIOS

CUSTOMER NUMBER		CUSTOMER ORDER NUMBER		JOB/RELEASE NUMBER		OUTSIDE SALESPERSON	
103130		RFQ REGULATORS				Tom E Boyd	
INSIDE SALESPERSON		REQD DATE		FRGHT ALLWD		SHIP VIA	
Ryan C Johns		07/29/22		Yes		OT OUR TRUCK	
ORDER QTY	SHIP QTY	LINE	DESCRIPTION			Prc/UOM	Ext Amt
3EA		1	*COPS WC311J00400000028A** VOLTAGE REGLATOR 7620V, 150A, 114.3KVA, NO CONTROL 6 WKS FOR DRWGS PLUS 99-100 WKS QUOTE VALID TO 10.31.22			23953.230EA	71859.69

*** This is a quotation ***

Prices firm for acceptance within 30 days with the exception of commodity prices which are subject to change daily. Quotation is void if changed. Complete quote must be used unless authorized in writing.

Subtotal	71859.69
S&H CHGS	0.00
Sales Tax	0.00
TOTAL	71859.69

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** Reprint ** Reprint ** Reprint **

Ricardo Berrios Jr.

From: Matt McGuire <mmcguire@kbselectric.com>
Sent: Friday, July 29, 2022 2:02 PM
To: Ricardo Berrios Jr.
Subject: RE: Need a quote for Three 114 kVA Voltage Regulators with and without CL7 controls cost.

Ricardo, please see below. The first one is with a control, the second is without.

VRC311JCL710003GCA	\$31,091 EA	99 WEEKS
VRC311J00400000028A	\$26,588 EA	99 WEEKS

Matt McGuire
Branch Manager
KBS Electrical Dist., Inc.
5811 Trade Center Drive Suite 950
Austin, Texas 78744
512-416-6063 (O)
512-557-6721 (M)

Handwritten:
26588
x 3

79,764.00

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From: Ricardo Berrios Jr. <rberrios@kpub.com>
Sent: Tuesday, July 19, 2022 9:01 AM
To: Matt McGuire <mmcguire@kbselectric.com>
Subject: Need a quote for Three 114 kVA Voltage Regulators with and without CL7 controls cost.

Hello Matt,

KPUB needs to have three spare voltage regulators for maintenance purposes. Can you please provide a quote for three 114kVA VR with and without the CL7 control cost?

Thanks



Ricardo Berrios, Jr.
Distribution Engineer
Kerrville Public Utility Board
2250 Memorial Blvd
Kerrville, Texas 78028-5613
Phone: 830-792-8226
Mobile: 830-370-0848



KERRVILLE PUBLIC UTILITY BOARD

Safety. Our Way of Life.

2250 Memorial Blvd • P.O. Box 294999 • Kerrville, Texas 78029-4999 • 830-257-3050

October 13, 2022

RE: Eaton Voltage Regulator and Control Panel Sole Source Justification

This memo is to identify the sole source justification for purchasing Eaton Voltage Regulator, Control Panel, and any items associated with the Voltage Regulator directly from Eaton or Eaton's representative. KPUB decided to standardize the type of voltage regulator to avoid confusion with the control function. I was granted permission to do a pilot test on the different kinds of voltage regulators based on the understanding of the control panel and performance. With the help of the construction personnel and myself, Eaton's Voltage Regulator Controls were easiest to understand and comprehend.

Respectfully,

Ricardo Berrios Jr

Ricardo Berrios Jr,
Distribution Engineer

MEMORANDUM

To: Mark Cowden
Larry Howard
Bill Thomas
Glenn Andrew
Mayor Judy Eychner

From: Mike Wittler

Date: October 14, 2022

Re: Item 7C. 3 — Interlocal Agreement Between KPUB & LCRA for Electrical Transmission, Control and Substation Facilities

Staff is recommending the ratification of an Interlocal Agreement between KPUB and LCRA for LCRA to provide labor, material, and equipment for emergency outage restoration, construction and maintenance services, and substation and distribution materials.

This agreement will help us avoid variances to KPUB's Board Purchasing and Procurement Policy when we use LCRA for emergency substation services and other ad hoc maintenance and construction activities. This agreement also allows KPUB to utilize LCRA stock materials and blanket purchases to provide more immediate availability for some materials.

A copy of the agreement being ratified that was reviewed by Counsel and executed by the General Manager is attached for your review. This agreement has previously been approved by the Board in December 2017.

I will be happy to address any questions from the Board regarding this agreement.

Thanks,



Mike Wittler, P.E.

**INTERLOCAL AGREEMENT BETWEEN
THE KERRVILLE PUBLIC UTILITY BOARD
AND THE LOWER COLORADO RIVER AUTHORITY
CONCERNING ELECTRICAL TRANSMISSION,
CONTROL AND SUBSTATION FACILITIES**

THIS AGREEMENT is made and entered into by and between Kerrville Public Utility Board, acting as an agent for the City of Kerrville, Texas (hereinafter referred to as "KPUB") and the Lower Colorado River Authority (hereinafter referred to as "LCRA"), a conservation and reclamation district of the State of Texas, pursuant to the Texas Interlocal Cooperation Act (Chapter 791, Texas Government Code). LCRA and KPUB may be referred to individually as a Party, or collectively as the Parties.

WHEREAS, KPUB owns and operates electric transformation and distribution lines and related facilities, and

WHEREAS, LCRA is authorized by Chapter 8503 of the Texas Special District and Local Laws Code to distribute and sell electric energy; and

WHEREAS, LCRA provides planning, repair, maintenance, testing, technical, training and inspection services for the transmission Facilities (as defined below) of LCRA Transmission Services Corporation, a non-profit corporation and instrumentality of LCRA; and

WHEREAS, cooperation between KPUB and LCRA in planning for and in providing repair, maintenance and technical services (testing, inspection and personnel training) for transformation, distribution and substation facilities (collectively, "Facilities") would enable KPUB and LCRA to avoid redundant expenditures, reduce the costs to their respective customers, improve the responsiveness of each Party to outages and emergencies, and enhance the reliability of the respective Facilities; and

WHEREAS, LCRA is willing to perform Services (as defined below) on the Facilities of KPUB upon the following terms and conditions;

NOW, THEREFORE for and in consideration of the premises, and the mutual covenants and agreements set forth below, and other good and valuable consideration, KPUB and LCRA agree as follows:

I. SCOPE OF SERVICES

1.1. a. At KPUB's request, LCRA may provide the following services, including the personnel, labor, material and equipment necessary to perform the work (the "Services"):

- 1) engineering, design and project management services for substation and distribution facilities;
- 2) substation and distribution construction and maintenance (including vegetation management such as tree trimming and ROW clearing);
- 3) relaying and control testing and maintenance;
- 4) material procurement and use of contracts with vendors;
- 5) fleet repair and maintenance;
- 6) protective equipment testing services; and
- 7) any other services or offerings mutually agreed upon by the Parties.

1.2. Performance of Services under this Agreement shall be initiated by a written work order signed by both KPUB and LCRA ("Work Order"). The Work Order shall be of the form in Exhibit A and will include, as appropriate, the subject Facilities and the detailed scope of Services to be performed, a schedule for the performance of Services, a pricing methodology for the Services to be performed, and other terms and conditions specific to the Services.

1.3. Nothing in this Agreement shall require KPUB to have Services performed by LCRA, nor shall LCRA be required to accept any work order submitted by KPUB.

II. COMPENSATION

2.1. The pricing for the Services shall be either (i) a fixed price as established in the Work Order, or (ii) a cost plus methodology in accordance with Section 2.2. If the Parties elect to use the cost plus methodology, KPUB will be responsible for the total cost of the Services, even if such amount exceeds the estimate provided by LCRA in the Work Order.

2.2. If the Parties elect to use the cost plus methodology, KPUB will compensate LCRA for the following costs related to the Services:

- a. All direct costs, which may include (1) costs for materials, supplies, fuels and lubricants used to perform the Services, (2) costs to transport necessary equipment and personnel to KPUB's Facilities, (3) labor costs, including salary and benefits, paid to employees and contractors, together with (4) travel, meal and lodging expenses reimbursed or paid on behalf of employees and contractors within established LCRA expense guidelines.
- b. Indirect costs that LCRA normally applies to Services of this nature, including general and administrative costs and other internal expenses and contributions.
- c. Other expenses specified in the applicable Work Order or otherwise authorized in advance by both Parties, including the costs of contracts entered into with third parties to perform Services.

2.4. LCRA will invoice KPUB in accordance with terms of the work order. For Fixed Price work orders, LCRA will invoice a fixed amount monthly. For Cost Plus work orders, LCRA will invoice KPUB for all costs incurred, as defined in Section 2.3 of this Agreement, on a monthly basis.

2.5. KPUB shall pay LCRA, in accordance with the electronic funds transfer methods provided by LCRA, the amount due within thirty (30) days after receipt. In the event that payment in full is not timely made, interest shall accrue on the unpaid balance at the lesser of the maximum lawful rate or one percent (1.0 %) per month until paid in full.

2.6. KPUB pledges the revenues of its electric utility system to pay its obligations under this Agreement. In addition, the amounts payable by KPUB to LCRA under this Agreement are operation and maintenance expenses as contemplated by Section 1502.056 of the Texas Government Code and, as a result, are a first lien against the revenues of KPUB to secure KPUB's payment obligations to LCRA hereunder. KPUB agrees that it shall not request Services for which funds have not been appropriated and are not available.

III. KPUB'S RESPONSIBILITIES

3.1. To the extent permitted by law, KPUB shall identify the Facilities and equipment upon which LCRA will be requested to provide Services and shall provide LCRA with all necessary documents and information relevant to the Facilities and equipment.

3.2. KPUB shall review and respond as appropriate to all reports, studies, recommendations and other submissions of LCRA so as not to delay the performance of the Services.

IV. DOCUMENTS, DATA AND PUBLICATIONS

4.1. It is agreed and understood that the specifications, drawings, plans, contracts and deliverables developed under this Agreement, or other data, documents or information provided to LCRA by KPUB pursuant to this Agreement are of a strictly confidential nature and, except as otherwise required by law, no such confidential information shall be disclosed to any third Party without the prior written consent of KPUB.

V. TERM

5.1. This Agreement is contingent upon approval by KPUB's Board of Trustees and will become effective upon execution by both Parties (the "Effective Date").

5.2. This Agreement shall be for a term of one (1) year from the Effective Date; provided, however, that this Agreement shall automatically renew for up to three additional terms of one (1) year each unless affirmatively terminated by a written notice signed by a Party and delivered prior to the expiration of each term. Services authorized prior to expiration of the then-current term shall

be completed, and the Parties' obligations under the Agreement shall remain in effect until such completion.

5.3. Either Party may terminate this Agreement for convenience upon thirty (30) days' prior written notice to the other Party. Upon termination of this Agreement for convenience, LCRA shall immediately discontinue the performance of Services and shall from then on perform only those Services expressly requested to be completed by KPUB, and LCRA shall be compensated for all such Services performed, plus its actual and reasonable costs of demobilization.

VI. STANDARDS AND INSPECTIONS; LIMITATION ON LIABILITY

6.1 LCRA shall perform all work under this Agreement in a good and workmanlike manner in accordance with the work order specifications and applicable industry standards and electrical codes in affect at the time the Services are performed. KPUB shall have the right of inspection at all reasonable times during the performance of the Services and prior to acceptance of the Services. In the event that the inspection reveals that the Services have not been performed in accordance with the above standards, the LCRA shall promptly and diligently re-perform such Services at no additional cost to KPUB.

6.2 OTHER THAN THE EXPRESS LIMITED WARRANTIES IN SECTION 6.1, LCRA MAKES NO OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

6.3 NEITHER PARTY SHALL BE LIABLE TO THE OTHER IN TORT, CONTRACT, WARRANTY, STRICT LIABILITY, STATUTE OR OTHERWISE FOR SPECIAL, INDIRECT, INCIDENTAL, PUNITIVE, EXEMPLARY OR CONSEQUENTIAL DAMAGES (INCLUDING, WITHOUT LIMITATION, LOST PROFITS, LOST USE, BUSINESS INTERRUPTION LOSSES, OR DAMAGES OR LOSSES INCURRED BY A PARTY'S CUSTOMER), REGARDLESS OF WHETHER THE POSSIBILITY OF SUCH DAMAGES HAS BEEN DISCLOSED OR COULD HAVE BEEN REASONABLY FORESEEN.

VII. NOTICES

Correspondence, notices and invoices shall be in writing and mailed or delivered to the other Party as follows, or at such other address as a Party may from time to time designate in writing. All notices, correspondence or invoices shall be effective upon receipt.

TO KPUB:

Kerrville Public Utility Board
2250 Memorial Blvd.
P.O. Box 294999
Kerrville, TX 78029-4999

Attn: Mike Wittler
General Manager

TO LCRA:

Lower Colorado River Authority
3700 Lake Austin Blvd.
P.O. Box 220
Austin, TX 78767-0220

Attn: Transmission Strategic Services

VII. MISCELLANEOUS

7.1. This Agreement constitutes the entire understanding of the Parties relating to the subject matter of the Agreement, and there shall be no modification or waiver of this Agreement except by writing signed by the Party asserted to be bound thereby.

7.2. This Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and assigns; provided, however, that neither Party may assign this Agreement or subcontract the performance of Services under this Agreement, in whole or part without the prior written consent of the other Party.

7.3. No failure or delay on the part of a Party to exercise any right or remedy shall operate as a waiver of such right or remedy, nor shall any single or partial exercise of any right or remedy preclude any further or other exercise of any such right or remedy. All rights and remedies under this Agreement are cumulative and shall not be considered exclusive of any other rights or remedies provided by law.

7.4. If any section or part of this Agreement is declared invalid by any court of competent jurisdiction, the court's decree shall not affect the remainder of this Agreement, and the remainder of the Agreement shall remain in full force and effect with the deletion of the part declared invalid.

7.5. The Parties agree and intend that all disputes which may arise from, out of, under or respecting the terms and conditions of this Agreement, or concerning the rights or obligations of the Parties under the Agreement, or respecting any performance or failure of performance by either Party under the Agreement, shall be governed by the laws of the State of Texas. Any legal action or proceeding arising out of this Agreement will be brought exclusively in the courts located in Travis County, Texas.

7.6. The Parties signing this Agreement warrant that they are the representatives of their entities and that they have been duly authorized to enter into this Agreement.

IN WITNESS WHEREOF, the undersigned have executed this Agreement to be effective on the date of the last signature below.

KERRVILLE PUBLIC UTILITY BOARD

**LOWER COLORADO RIVER
AUTHORITY**

Signature: 

Signature: 
Kristen Senechal (Nov 30, 2021 15:43 CST)

Printed Name: MIKE WITTLER

Printed Name: Kristen Senechal

Title: GM + CEO

Title: Executive VP, Transmission

Date: 11/19/2021

Date: Nov 30, 2021






KPUB-LCRA Interlocal Agreement MW Signed

Final Audit Report

2021-11-30

Created:	2021-11-30
By:	Catherine Hempfling (Catherine.Hempfling@LCRA.ORG)
Status:	Signed
Transaction ID:	CBJCHBCAABAARP67CZz9c4UZq29HEYD764sd9CT4Vf1W

"KPUB-LCRA Interlocal Agreement MW Signed" History

-  Document created by Catherine Hempfling (Catherine.Hempfling@LCRA.ORG)
2021-11-30 - 10:31:02 PM GMT- IP address: 165.225.34.64
-  Document emailed to Kristen Senechal (kristen.senechal@lcra.org) for signature
2021-11-30 - 10:33:04 PM GMT
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-  Document e-signed by Kristen Senechal (kristen.senechal@lcra.org)
Signature Date: 2021-11-30 - 10:43:46 PM GMT - Time Source: server- IP address: 165.225.34.74
-  Agreement completed.
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MEMORANDUM

To: Mark Cowden
Larry Howard
Bill Thomas
Glenn Andew
Mayor Judy Eychner

From: Howard Hall

Date: October 10, 2022

Re: Agenda Item No. 7C.4 – Approval and Reporting of Purchases and Sales

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

- A. USIC Underground Locating Services** Staff recommends approval for a Purchase Order to USIC Locating Services for \$55,000 for this 2022/2023 fiscal year. USIC performs all of our underground line locates required by Texas 811; 24 hours a day, 7 days a week. They have been contracted with us since 2013. They are the only utility line locator in the state, and we also receive a cost share as they are also used by Windstream Communications. Staff would also like to notify the Board that for the 2021/2022 fiscal year we spent \$50,389.37 with USIC. The blanket purchase order was originally cut for \$45,000, but due to all of the construction in the area, there were more locates called in than anticipated.
- B. Dispatch Call Center** Staff recommends approval for a Purchase Order to Cooperative Response Center, Inc. (CRC) for \$60,000 for this 2022/2023 fiscal year. CRC performs our after hours dispatching, call overflow during the day, and processes payments 24 hours a day, 7 days a week as needed. They have been contracted with us since 2018. CRC provides excellent service as they are Utility dispatch only and are able to work live with our NISC software including CIS, OMS, and AMI. Attached is the updated pricing starting in January 2023 with an approximate 8 percent increase.

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

Sincerely,



Howard Hall
Supervisor of Field Services

USIC LOCATING SERVICES

Number of Locates and Costs:

Row Labels	Sum of Billed Units	Sum of Revenue
After Hours	21	700.17
Per Ticket	3379	49534.98
Project Time	12	179.22
Grand Total	3412	50414.37

September 29, 2022

Kerrville Public Utility Board
Mike Wittler, CEO
2250 Memorial Blvd. PO Box 294999
Kerrville, TX 78029-4999

Dear Mike,

At its September 13, 2022, board meeting, CRC's Board of Directors authorized a change to member fees for contact center services.

The rate changes are as follows:

1. Base fees will increase from \$0.15 to \$0.162 per meter/per month.
2. Calls handled or dialed by a CRC agent will increase from \$2.254 to \$2.45.
3. Front end greeting transaction charges will increase from \$0.253 to \$0.276.
4. Dynamic greeting transaction charges will increase from \$0.299 to \$0.345.
5. CRCLink licensing costs will increase as follows:
 - Single license from \$271/mo to \$293/mo.
 - Two to Five licenses from \$457/mo to \$489/mo.
 - Six to Ten licenses from \$552/mo to \$587/mo.
 - Eleven+ licenses from \$641/mo to \$679/mo.

These changes, with an average overall increase around 8%, will be effective January 1, 2023. All other transaction charges and fees will remain the same.

While we strive to keep our cost to you as low as possible, attracting and retaining staff in our contact center operation has required an increase of more than 25% in starting wage over the past 12 months. The higher wages have helped to stabilize our headcount. Over the past 18 months we have also experienced a 15% increase in average length of call meaning more agents are required to handle the same number of calls.

If you have any questions on the above, please feel free to contact me at 507-437-2003 or Chris Holt, CRC's president and CEO, at 507-437-2002.

We appreciate your continued support of CRC as we work towards making our service the best it can be.

Regards,



Paul Thompson
Vice President of Administration/CFO

received
9-12-22 kg



Focusing on the Human Side of Technology®

2000 8th Street NW | Austin, MN 55912 | 800-892-1578
Fax: 507-437-2031 | info@crc.coop | www.crc.coop

MEMORANDUM

To: Mark Cowden
Larry Howard
Bill Thomas
Glenn Andew
Mayor Judy Eychner

From: Howard Hall

Date: October 13, 2022

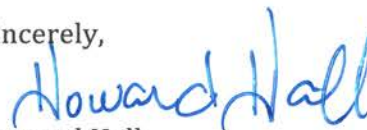
Re: Agenda Item No. 8 – Interlocal Cooperation Agreement Between KPUB & LCRA

Presented for your consideration and review is the Interlocal Cooperation Agreement for Radio Services and Equipment between KPUB and LCRA. Staff recommends approval to move to the LCRA Radio System for our communications system. The Motorola Radio System we are currently using was evaluated, went forward with it in 2015, and is currently in use. Our current dispatch consoles are no longer supported by Motorola and parts are no longer being manufactured. Also, our tower repeaters will no longer be supported after 2024. We have looked at replacing or upgrading this system and after evaluation, we feel that the LCRA system is the best way to go.

The customer benefits are attached, but I would like to point out a couple of the major benefits, which are: 24-hour monitoring of the system itself; and during a crew emergency, LCRA dispatch will be notified and can contact our on call supervisor and as well as call for emergency assistance if needed. The Hunt Tower site will have a back up generator installed (currently if we lose the Hunt feeder we have 15-30 minutes of communications, and cell phone service does not work well). Also attached you will find the Interlocal Agreement and Radio System pricing. In addition, with the City of Kerrville switching to the LCRA system, and the County looking to possibly do the same, this will help with communications during major events. Central Texas Electric Cooperative and Bandera Electric Cooperative are on this system as well. The initial cost would be \$954,934.96, which includes 20 portable radios, 36 mobile radios, 3 dispatch consoles, repeater at Hunt with generator back up, and the removal and install of the mobile radios. The annual cost which includes the Hunt Tower Lease and radio support would be \$10,015.09. The life expectancy of the system would be at least fifteen years.

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

Sincerely,



Howard Hall
Supervisor of Field Services

**INTERLOCAL COOPERATION AGREEMENT
FOR RADIO SERVICES AND EQUIPMENT
BETWEEN KERRVILLE PUBLIC UTILITY BOARD
AND LOWER COLORADO RIVER AUTHORITY**

This Interlocal Cooperation Agreement ("**Agreement**") is entered into by and between, as Parties, the Lower Colorado River Authority ("**LCRA**"), a local government, being a conservation and reclamation district of the State of Texas created pursuant to Article XVI, Section 59, of the Texas Constitution, and Kerrville Public Utility Board ("**USER**"), a municipally-owned, not-for-profit electric company, to be effective for all purposes as of [DATE] (the "**Effective Date**"). (LCRA and USER may also be referred to herein individually as a "**Party**" and collectively as the "**Parties.**")

RECITALS

WHEREAS, LCRA is authorized by law to own, operate and maintain electric generation and transmission facilities for the benefit of its customers and the general public;

WHEREAS, LCRA's electric system includes a communications network, including a regional, trunked radio system ("**Trunked Radio System**"), which has been installed for LCRA's use within LCRA's service area for purposes of communications to support its statutory purposes and in conjunction with providing electric power and energy in Texas, public safety, and emergency services;

WHEREAS, LCRA is authorized by law to license peace officers for the protection of property and the general public and the enforcement of state law and LCRA's rules and regulations;

WHEREAS, LCRA holds certain frequency licenses from the Federal Communications Commission ("**FCC**") for operation of the Trunked Radio System by mobile radio services for public safety and business purposes and pursuant to statutes and applicable FCC rules enabling LCRA to provide community assistance and economic development;

WHEREAS, USER is authorized by law to provide public services, including law enforcement, transportation services, and emergency services;

WHEREAS, the Trunked Radio System has the current capacity to serve the needs of LCRA and others requiring a Trunked Radio System for public safety, local government purposes, and other purposes in compliance with applicable FCC statutes, rules, and licenses and to provide a key communications link between public safety entities;

WHEREAS, USER and LCRA wish to establish this Agreement allowing LCRA to provide communications equipment, facilities, and technical services required for the installation and operation of dispatchable mobile radio equipment, as more specifically set

out herein, to assist USER with deploying and maintaining radio communications for public safety operations, interlocal response to catastrophic or large-scale incidents or natural disasters, and radio communications coordination support for local, state, tribal, and federal agencies in the State;

WHEREAS, it would be a benefit to USER to receive Radio Services (as defined below) on LCRA's Trunked Radio System on a non-profit, cost-shared basis without investing the substantial capital cost required for a completely separate infrastructure and by sharing the cost of the existing and planned Trunked Radio System;

WHEREAS, LCRA has secured FCC radio licenses and, under Section 90.179 of the FCC's rules, (47 C.F.R. § 90.179), is able to share stations in order to serve eligible users throughout its electric, transmission, and water service territory; and

WHEREAS, the Parties are authorized to enter into this Agreement under Chapter 791 of the Texas Government Code, commonly referred to as the Interlocal Cooperation Act, and more particularly Section 791.025, Texas Government Code.

AGREEMENT

NOW THEREFORE, in consideration of the mutual benefits received by both Parties and the public under the terms of this Agreement, the receipt of which is hereby acknowledged, the Parties agree as follows:

1. ACCEPTANCE; USER'S ACCESS TO TRUNKED RADIO SYSTEM

1.1 This Agreement, including Attachments A and B, is a contract for LCRA to provide Services (as defined below) and equipment to USER when accepted in writing by an authorized representative of USER. It is agreed that the provision of Services is made only on the terms and conditions herein. LCRA shall not be bound by the terms and conditions in USER's purchase order or elsewhere unless expressly agreed to in writing. In the absence of written acceptance of these terms, acceptance of Services hereunder shall constitute an acceptance of these terms and conditions by USER.

1.2 Access to the Trunked Radio System consists of USER's right to use certain facilities and capabilities of the Trunked Radio System, as described in the Attachments ("**Radio Services**"), in consideration for USER's payment of the monthly service and usage fees as set out in the Radio System Pricing Schedule and Participant Information Sheet (Attachment A). Only the features and capabilities selected by USER shall be enabled. Changes or modifications to Radio Services provided hereunder may require modification of system parameters, which will be subject to Additional Service (as defined below) charges as set forth in a separate quote, proposal, or estimate. Upon the Effective Date of this Agreement, USER's equipment will be activated following: (i) registration of LCRA-authorized identification numbers of each USER unit, and (ii) LCRA's certification of the equipment installation and operator training.

1.3 USER expressly understands that LCRA, as an FCC licensee, will supervise USER's activities pursuant to this Agreement, and that LCRA will retain control over all aspects of the operation of the Trunked Radio System, as required of a licensee under the FCC's rules and regulations. USER expressly acknowledges that all shared transmitters must be subject to LCRA's control.

2. SERVICES; COST-SHARED BASIS FOR RADIO SERVICES

2.1 RADIO SERVICES. USER may select from the menu of Radio Services offered by LCRA which are set forth on the Radio System Pricing Schedule and Participant Information Sheet (Attachment A). The Radio System Pricing Schedule and Participant Information Sheet (Attachment A) may be amended from time to time upon mutual agreement of the Parties provided that such amendments are in writing and signed by authorized representatives of USER and LCRA. USER agrees to pay for the Radio Services and features indicated on the Radio System Pricing Schedule and Participant Information Sheet (Attachment A), on a non-profit, cost-shared basis in accordance with Section 90.179 of the rules of the FCC, 47 C.F.R § 90.179. USER shall be billed in accordance with Section 3 of this Agreement.

2.2 All Radio Service fees to be paid to LCRA by User are intended to recover a portion of the operation and maintenance expenses and capital expenditures associated with the Trunked Radio System.

2.3 ADDITIONAL SERVICES. In addition to the Radio Services described above, LCRA is able to procure equipment and provide installation, maintenance, and related services under this Agreement ("**Additional Services**") (Additional Services together with Radio Services, are referred to herein as the "**Service**" or "**Services**"). These Additional Services shall be performed either by LCRA's personnel or through independent contractors hired by LCRA. The cost of equipment User has agreed to purchase shall be set forth in the respective quote, proposal or estimate sent by LCRA to USER

3. SERVICE RATES, CHARGES AND TERMS

3.1 Radio Service

3.1.1 LCRA shall provide the Radio Services selected by USER on the Radio System Pricing Schedule and Participant Information Sheet (Attachment A) at the rates and charges shown therein. The Radio System Pricing Schedule and Participant Information Sheet (Attachment A) shall include: (i) USER's monthly Radio Service fee for use of the Trunked Radio System, and (ii) rates and charges for optional features. USER shall notify LCRA in writing within thirty (30) calendar days of any changes in the number of radios or equipment on which it is receiving Radio Service; such notice shall only be considered valid if provided to LCRA on the form attached hereto as Attachment B.

3.1.2 It is agreed that LCRA may at any time modify the fees and rates included in the Radio System Pricing Schedule and Participant Information Sheet (Attachment A) by giving USER written notice of the modified amount at least sixty (60) days in advance of the date on which the modified fees are to become effective. However, during the Initial Term (as defined below), fees and costs for Radio Service in effect on the Effective Date of this Agreement shall not be increased except by mutual agreement of the Parties.

3.2 Additional Services

3.2.1 The charges, costs and fees for Additional Services shall be set out on separate quotes, proposals or estimates to be sent by LCRA to USER.

3.3 Invoicing. The monthly Radio Service fee associated with USER's access to the Trunked Radio System shall be invoiced at the end of each monthly billing cycle (the "**Monthly Radio Service Invoice**"). LCRA may also include on a Monthly Radio Service Invoice any fees, charges or costs for Additional Services provided by LCRA to USER. However, Additional Services may be invoiced separately from the Monthly Radio Service Invoice. Payment for any invoice sent by LCRA to USER under this Agreement (whether that is a Monthly Radio Service Invoice, a separate invoice for Additional Services, an invoice containing both, or other) shall be due within thirty (30) days of receipt of such invoice by USER. Late payments shall be subject to interest or reasonable service charges. The User acknowledges that any payments made under this Agreement are made from current revenues available to it as required by the Interlocal Cooperation Act. Any disputes related to invoiced amounts must be submitted by the USER to LCRA in writing within 30 days of receipt of the disputed invoice. Failure of LCRA to send or for USER to receive an invoice shall not relieve USER from payment of any fees due.

4. MAINTENANCE OF USER EQUIPMENT

4.1 FCC regulations and proper operation and maintenance of the Trunked Radio System require periodic equipment testing for certain components of the Trunked Radio System. USER agrees to allow LCRA access to USER's equipment for frequency and channel maintenance checks of Trunked Radio System units at any reasonable time and place as requested by LCRA. USER shall pay LCRA for such maintenance in accordance with such reasonable charges and costs to be determined at such time and to be set forth in a separate quote, proposal or estimate. At USER's option, USER shall have the right to engage other maintenance suppliers, subject to LCRA's approval, to maintain USER's equipment in accordance with the regulations of the FCC and the proper operation and maintenance of the Trunked Radio System. USER acknowledges that LCRA will supervise the technical aspects of USER's activities or other maintenance suppliers in accordance with Section 1.3.

5. EXPANSION OF TRUNKED RADIO SYSTEM

5.1 LCRA may, at its sole and exclusive discretion, provide Radio Services to other participants on the Trunked Radio System. The provision of Radio Services to other

participants and expansion of the system will not diminish the capability of USER to use the Trunked Radio System as contemplated in this Agreement. USER acknowledges and agrees that LCRA has or will expand the area covered by its Trunked Radio System. The execution of agreements with other participants may, at the sole option of LCRA, expand the area covered by the Trunked Radio System and may also result in the availability of additional Radio Services to some or all participants. USER acknowledges that LCRA has previously entered into other Interlocal Cooperation Agreements for Mobile Radio Services and Equipment or similar agreements to provide Radio Services to certain governmental entities and other utilities and intends to expand the number of users by entering into new agreements in the future.

6. TERM - AUTOMATIC RENEWAL

6.1 The initial term of this Agreement shall commence on the Effective Date and shall terminate three (3) years after the Effective Date (the "**Initial Term**"), unless automatically extended as provided below. This Agreement shall automatically extend beyond the Initial Term under the terms and conditions, rates, and charges then in effect for successive one (1) year periods provided that either Party may terminate this Agreement: (i) at the end of the Initial Term of this Agreement by giving to the other party written notice at least ninety (90) days prior to the end of the Initial Term or (ii) by giving to the other party written notice at least ninety (90) days prior to the end of any one (1) year extension; and, provided further, that this Agreement shall terminate automatically if the frequency authorization(s) (which may be held by LCRA) under which USER then presently operates is (are) terminated or are revoked by the FCC or otherwise.

6.2 The rates, charges, and fees due and payable by USER for any annual extension shall be the same as made during the preceding term unless LCRA notifies USER of any changes pursuant to the provisions of Section 3.1.2 for Radio Service.

6.3 Funding. If USER funds are utilized to fund any part of this Agreement, LCRA understands that those USER funds for the payment for Services provided by LCRA under this Agreement have been provided through USER's budget approved by its City Council (or other governing body) for the current fiscal year only. State statutes prohibit the obligation and expenditure of public funds beyond the fiscal year for which a budget has been approved. USER cannot guarantee the availability of funds, and enters into this Agreement only to the extent such funds are made available. LCRA acknowledges and agrees that it will have no recourse against USER for its failure to appropriate funds for the purposes of this Agreement in any fiscal year other than the year in which this Agreement was executed.

7. SERVICE INTERRUPTIONS; INTERFERENCE

7.1 LCRA shall have the right, in cooperation with USER's needs, to plan and schedule system outages for purposes of system maintenance, equipment calibration, and similar necessities. Except for such planned outages, LCRA shall credit USER with

one day of Radio Service for any Radio Service outage that exceeds four (4) hours in duration, provided that USER promptly notifies LCRA of the outage. If a Radio Service outage exceeds twenty-four (24) hours, LCRA shall credit USER a full day for each partial day of outage. Credit for outages, which shall be subject to LCRA's verification, shall appear in the monthly invoice.

7.2 In the event of an emergency, as declared by LCRA or LCRA's Trunked Radio System administrator, LCRA reserves the right to reallocate Radio Service priorities for the duration of the emergency.

7.3 USER agrees to refrain from any action, mode of operation, or equipment configuration that interferes with or causes signal degradation with the Trunked Radio System, and to notify LCRA of any conditions likely to cause interference.

8. ASSIGNMENT; SUBCONTRACT; NO THIRD-PARTY BENEFICIARIES

8.1 This Agreement is a privilege for the personal benefit of USER and may not be assigned in whole or in part by USER to any other person or entity without the prior written consent of LCRA, and provided that no such assignment of this Agreement shall be effective unless assignee shall assume in writing the obligations of the assignor under this Agreement or enters into a new written agreement with LCRA. LCRA reserves the right to assign this Agreement or subcontract any of its obligations hereunder. This Agreement is entered into for the sole benefit of the Parties. Nothing in this Agreement shall be construed as conferring any rights, benefits, remedies, or claim upon any person or entity not a Party to this Agreement. Any assignment entered into in violation of the provisions of this Section shall be void.

9. COVERAGE

9.1 USER acknowledges that one hundred percent (100%) radio signal coverage at all times for the areas covered by the Radio Services being provided under this Agreement is both improbable and impracticable. Testing and experience with actual field conditions indicate adverse radio wave propagation conditions, such as short-term unpredictable meteorological effects and sky wave interference from distant stations, can interrupt Radio Services at any time. USER agrees that such events are beyond the reasonable control of LCRA, and agrees that other causes beyond the reasonable control of LCRA include, but are not limited to, motor ignition and other electrical noise that could be minimized by corrective devices at USER's expense. Satisfactory communication performance is generally viewed as intelligible reception over rolling terrain approximately ninety percent (90%) of the time, though LCRA is under no obligation hereunder to provide such communication performance.

9.2 USER further acknowledges and agrees that LCRA is not providing a warranty of radio signal coverage and that the inability of LCRA to provide such radio signal coverage will be subject to the limitation of liability set forth in Sections 12, 13, and 14.

10. DEFAULT AND REMEDIES

LCRA – KPUB
Interlocal Agreement for Mobile Radio Services and Equipment
Governmental Template Dated December 2021

10.1 If USER fails to timely make any payment of any sum due or fails to perform as required by any other provision hereunder, and continues in such failure for fifteen (15) days after written notice has been sent by LCRA to USER of such breach, USER shall be deemed in default under this Agreement. If a Party should be in default and if the other Party has performed all of its material obligations hereunder, the non-defaulting Party shall deliver written notice to the defaulting Party describing such default. If the default continues for more than one month after delivery of the notice (or such time as necessary to correct the default with due diligence), the non-defaulting Party may immediately terminate this Agreement and pursue its remedies as provided below or as otherwise provided at law or in equity.

10.2 Notwithstanding the above, LCRA shall have the right to immediately terminate USER's Service at any time for USER's failure to use the Trunked Radio System in accordance with rules and regulations of the FCC or USER's failure to use the Trunked Radio System in accordance with applicable laws and regulations. In the event of termination as herein provided, all accrued and unpaid charges shall be due and payable immediately.

10.3 In the event LCRA has the right to immediately terminate either Service in its entirety or, as to USER, this Agreement, LCRA may retain all payments made hereunder, disconnect and deny USER any Service provided by the Trunked Radio System or equipment identified herein, and impose a separate charge for disconnect and a separate charge for any reconnect expenses. If disconnect takes place and the equipment requires reprogramming, USER will also be subjected to additional costs for reprogramming its equipment. Each and all of the rights and remedies of LCRA hereunder are cumulative to and not in lieu of each and every other such right and remedy and every other right and remedy afforded by law and equity.

11. WARRANTIES

11.1 LCRA warrants that its management and operation of the Trunked Radio System will comply with reasonable and standard industry practices. LCRA further warrants that it will operate the Trunked Radio System in compliance with all applicable statutes, laws, ordinances, rules and regulations, including, but not limited to, those of the FCC (such as frequency and eligibility requirements).

11.2 USER agrees (a) to observe and abide by all applicable statutes, laws, ordinances, rules and regulations, including but not limited to those of the FCC (such as waiver and eligibility requirements), and (b) to operate the equipment so as not to cause undue interference with any other participants using the Trunked Radio System. LCRA will provide USER with copies of the relevant FCC rules and compliance information upon request. USER recognizes that applicable FCC rules and other statutes, laws, ordinances, rules and regulations may change from time to time and that, accordingly, LCRA in its sole discretion has the right without liability to modify this Agreement to comply with any such changes. USER further warrants to LCRA that it will operate the equipment for the purposes contemplated by this Agreement, and that USER shall not resell Radio Service,

interconnect, nor patch any equipment with another radio user or another radio system without written consent of LCRA.

11.3 No other warranties, express or implied, are given by either Party.

12. DISCLAIMER OF WARRANTIES; LIMITATION OF REMEDIES

12.1 USER acknowledges and agrees that LCRA is not the manufacturer of equipment, and LCRA hereby disclaims all representations and warranties, direct or indirect, express or implied, written or oral, in connection with the equipment or Service (whether purchased or leased by USER from LCRA or another), including but not limited to any and all express and implied warranties of suitability, durability, merchantability, and fitness for a particular purpose. LCRA, to the extent permitted by law, assigns to USER any and all manufacturers' warranties relating to equipment purchased by LCRA, if any, and USER acknowledges receipt of any and all such manufacturers' warranties.

12.2 USER acknowledges and agrees that its sole and exclusive remedy in connection with any defects in any equipment, including manufacture or design, shall be against the manufacturer of the equipment under the manufacturers' warranties and that LCRA shall have no liability to USER in any event for any loss, damage, injury, or expense of any kind or nature related directly or indirectly to any equipment or service provided hereunder. Without limiting the above, LCRA shall have no liability or obligation to USER, in either contract or tort or otherwise, for special, incidental, indirect, punitive or consequential damages of any kind incurred by USER, such as, but not limited to, claims or damages for personal injury, wrongful death, loss of use, loss of anticipated profits, or other incidental or consequential damages or economic losses of any kind incurred by USER directly or indirectly resulting from or related to any equipment or Service described hereunder, whether or not caused by LCRA's negligence, to the full extent same may be disclaimed by law. Any references to equipment in this paragraph shall be deemed to apply to all equipment purchased by USER or leased by USER from LCRA, if any, or another lessor. Notwithstanding the above limitations, LCRA shall be liable for the cost of restoration, repair, or replacement of any USER-owned facilities to the extent such facilities are damaged or destroyed as a direct result of a grossly negligent or willful act of LCRA.

13. INTERRUPTION OF SERVICE; FORCE MAJEURE

13.1 Except for actions required by this Agreement, LCRA shall not be liable to USER or any other person for any loss or damage, regardless of cause. LCRA shall not be responsible or liable for any delay or failure in its performance under this Agreement to the extent such delay or failure is caused by conditions or events of Force Majeure. The term "Force Majeure" means causes or events beyond the reasonable control of, and without the fault or negligence of the party claiming Force Majeure, including (to the extent satisfying the foregoing requirements) (i) acts of God or sudden actions of the elements such as floods, earthquakes, hurricanes, tornadoes, ice storms, or wildfires; (ii) terrorism; war; riots; blockades; insurrection; strike at a regional level; a slow down or labor disruptions at a regional level (even if such difficulties could be resolved by conceding to the demands of a labor group); (iii) any action by a governmental or regulatory entity, including ERCOT or the PUCT; and (iv) pandemic, including the current Coronavirus Disease 2019 outbreak. In the

event of any failure or delay attributable to the fault of LCRA or its subcontractors, USER's sole remedy shall be limited to a credit for Radio Service as is more fully described in Section 7.1.

14. LIMITATIONS OF LIABILITY; INDEMNIFICATION

14.1 USER understands that (a) alternative means of communication are available to USER; (b) occasional interruption or irregularities in the Service may occur; and (c) any potential harm from interruptions or irregularities in the Service is speculative in nature. LCRA cannot offer the Service at rates which reflect its value to each user, and LCRA assumes no responsibility other than that contained in this Agreement. Accordingly, USER agrees that, except as limited by law, LCRA's sole liability for loss or damage arising out of mistakes, omissions interruptions, delays, errors, or defects in the Service or transmission of Service provided by LCRA or any carrier, or for losses or damages arising out of the failure of LCRA or any carrier to maintain proper standards or maintenance and operation shall be a credit for Radio Service as set forth in Section 7.1. Notwithstanding any other provisions of this Agreement, *neither Party shall be liable to the other for any special, incidental, consequential, punitive or indirect damages or for any loss of use, revenue, or profit* suffered by the other Party, its successors or assigns, customers or affiliates in connection with any breach of obligation under this Agreement, nor as a result of premises defect, condition or use of real or personal property, interference, failure or unavailability of any equipment, facility or Service to be provided by LCRA under this Agreement, or under any other circumstance.

14.2 USER acknowledges that the Radio Service provided hereunder uses radio channels to transmit voice and data communications and that the Radio Service may not be completely private. LCRA is not liable to USER for any claims, loss, damages or cost which may result from lack of privacy on the system.

14.3 USER HEREBY AGREES TO INDEMNIFY AND SAVE LCRA HARMLESS AGAINST CLAIMS FOR LIBEL, SLANDER, INFRINGEMENT OR COPYRIGHT FROM THE MATERIAL, IN ANY FORM, TRANSMITTED OVER THE RADIO SYSTEM BY USER OR THOSE USING USER'S EQUIPMENT; AGAINST CLAIMS FOR INFRINGEMENT OF PATENTS ARISING FROM COMBINING OR USING APPARATUS OR SYSTEMS OF USER WITH THE FACILITIES OF LCRA OR ANY CARRIER; AND AGAINST ALL OTHER CLAIMS ARISING OUT OF ANY ACT OR OMISSION OF USER IN CONNECTION WITH THE FACILITIES OR SERVICE PROVIDED BY LCRA.

14.4 LCRA is not liable for any damage, accident, injury or the like occasioned by the use of Radio Service or the presence of equipment, including radio handsets and other devices, facsimile units, and ancillary equipment of either Party except as provided herein. LCRA is not liable for any defacement or damage to USER's motor vehicles or any personal or real property resulting from the installation or presence of radio and ancillary equipment.

14.5 The liability of LCRA in connection with Services provided is subject to the foregoing limitations, and LCRA makes no warranties of any kind, expressed or implied, as to the provision of such Services.

14.6 USER AGREES TO RELEASE, DEFEND, INDEMNIFY AND HOLD HARMLESS LCRA, ITS OFFICERS AND EMPLOYEES, TO THE FULL EXTENT PERMITTED BY LAW FROM AND AGAINST ANY AND ALL CLAIMS, DAMAGES, LIABILITIES AND EXPENSES, INCLUDING LEGAL AND ATTORNEY FEES, OF ANY NATURE ARISING DIRECTLY OR INDIRECTLY OUT OF THIS AGREEMENT, INCLUDING WITHOUT LIMITATION, CLAIMS FOR PERSONAL INJURY OR WRONGFUL DEATH TO USER (INCLUDING USER'S EMPLOYEES, OFFICERS, AGENTS OR SUBCONTRACTORS) OR OTHERS IN THE USE OR OPERATION OF ANY EQUIPMENT, PRODUCTS OR SERVICES PROVIDED BY LCRA OR USED IN CONJUNCTION WITH SUCH EQUIPMENT, PRODUCTS OR SERVICES PROVIDED BY LCRA AND ARISING OUT OF THE MANUFACTURE, PURCHASE, OPERATION, CONDITIONS, MAINTENANCE, INSTALLATION, RETURN OR USE OF THE EQUIPMENT OR SERVICE OR ARISING BY OPERATION OF LAW, WHETHER THE CLAIM IS BASED IN WHOLE OR IN PART ON NEGLIGENT ACTS OR OMISSIONS OF LCRA, ITS AGENTS OR EMPLOYEES. THIS PROVISION SHALL NOT APPLY TO DAMAGES TO FACILITIES OF USER AS PROVIDED IN PARAGRAPH 12.2.

14.7 Nothing in this Agreement is intended to waive any immunity from suit or liability to which a Party may be entitled by law, except for acts in violation of criminal laws.

15. NOTICES

15.1 Any notice or demand required or permitted to be made hereunder shall be made by certified or registered mail to the addresses given on the Radio System Pricing Schedule and Participant Information Sheet (Attachment A). Either Party may from time to time designate any other address for this purpose by written notice to the other Party. All notices or demands shall be effective upon receipt and shall be deemed to be received when actually delivered by hand delivery, facsimile transmission, overnight courier, or two days after deposit in a regularly maintained receptacle of the United States Mail, registered or certified, return receipt request, postage prepaid.

16. NO COMMON CARRIER OFFERING

16.1 With respect to Services contemplated by this Agreement, neither USER nor LCRA shall make, or hold itself out as making, a common-carrier offering of communication or telecommunication services.

17. TAX CODE CONSEQUENCES.

17.1 The relationship of the Parties shall not be treated as a partnership, joint enterprise, or other taxable entity for any purpose, including liability under the United

States Internal Revenue Code (the "Code"). No provision of the Agreement shall be construed to create an association, joint venture, trust, or partnership with regard to the other Party. The Parties agree to take appropriate actions, including appropriate elections under Section 761 of the Code, to exclude the application of the partnership provisions of the Code.

17.2 Each Party shall be responsible for the payment of its own tax liabilities arising from this Agreement.

18. AMENDMENT; WAIVER; SEVERABILITY; GOVERNING LAW

18.1 Except for revisions of the Radio System Pricing Schedule and Participant Information Sheet (Attachment A), additions of additional participants and users or the expansion provisions set forth in Section 5, amendments to or modification of this Agreement shall be in writing and signed by authorized representatives of the Parties. Lack of enforcement of any right under this Agreement by either Party shall not constitute a waiver of that right or any other in the future. The terms and conditions of this Agreement supersede other agreements, written or oral, between the Parties regarding the subject of this Agreement. Should a court of competent jurisdiction find any part of this Agreement invalid or unlawful, the remainder of this Agreement shall remain in full force and effect, consistent with the original intent of the Parties. This Agreement shall be construed in accordance with and governed by the laws of the State of Texas.

19. NO ORAL AGREEMENTS.

19.1 The parties agree that this Agreement contains all representations, understandings, contracts and agreements between the Parties regarding the subject matter of this Agreement and any other writings, understandings, oral representations or contracts for Service, if any, shall be deemed to be terminated, void and ineffective from the Effective Date of this Agreement, except for charges and fees incurred and remaining unpaid under any previous agreement.

20. REVIEWS

20.1 The Parties agree to conduct periodic reviews at the request of either Party to coordinate operations and related administrative or management activities with regard to the Services provided under this Agreement. The Parties may loan equipment to each other in furtherance of this Agreement, but any such equipment shall remain the property of the loaning Party and must be returned after requested within a reasonable period of time to insure non-interruption of official duties and Services.

21. Confidentiality

21.1 The Parties agree that they and their employees have kept and will keep confidential any and all documents or information obtained from the other Party that is identified as confidential information ("Confidential Information"). Confidential Information

shall include, but is not limited to, the pricing and competitive business provisions of this Agreement, as well as technical data, summaries, reports or information acquired or developed during the negotiations and performance of this Agreement. The Parties agree that they have not and will not (a) use the Confidential Information for any purpose other than to perform their respective obligations under this Agreement or (b) reveal the Confidential Information to any persons not employed by the other receiving Party except (i) at the written direction of such the disclosing Party; (ii) in compliance with law including the Texas Public Information Act, in which event the Party required to disclose information shall promptly notify the other Party, if possible, prior to making any disclosure and shall seek lawful protection for the confidentiality of such information; (iii) as part of its normal reporting or review procedure to its parent company, auditors, regulators and attorneys; (iv) where such information is part of the public domain; (v) where such information was previously disclosed by the other disclosing Party without any confidentiality restrictions; or (vi) to potential investors, insurers or financing entities or their agents, representatives or consultants, provided that such persons agree to be bound by the provisions of this Section 21 or by an agreement containing confidentiality provisions substantially similar to those set forth herein. This confidentiality provision shall be effective for two years after termination of the Agreement; provided, however, that the receiving Party's obligations of confidentiality with respect to trade secrets disclosed by the disclosing Party shall last indefinitely.

Notwithstanding anything to the contrary herein, if a separate non-disclosure agreement or confidentiality agreement ("**NDA**"), between the Parties exists and applies to confidential information related to or arising from this Agreement the provisions of such NDA shall govern with respect to the confidentiality obligations of the Parties.

22. INTERLOCAL CERTIFICATION

22.1 The Parties certify that (1) the Services described herein and to be provided under this Agreement are necessary and essential for activities that are properly within the Parties' statutory functions; (2) the proposed arrangements serve the interests of efficient and economical administration of the Parties' authorized functions, and (3) the Services, supplies, or materials contracted for are not required by Article XVI, Section 21 of the Texas Constitution to be supplied under contract given to the lowest responsible bidder.

23. CRITICAL INFRASTRUCTURE RESTRICTIONS

23.1 "**Critical Infrastructure**" means, for the purpose of this section only, any communications infrastructure system, cybersecurity system, electric grid and associated software and hardware, hazardous waste treatment system, or water treatment facility.

"**Designated Country**" means China, Iran, North Korea, Russia, or another country designated by the Governor of the State of Texas pursuant to Texas Acts 2021, 87th Leg., R.S., S.B. 2116.

"**Restricted Entity**" means an entity:

Owned by, or the majority of stock or other ownership interest is held or controlled by:

- Individuals who are citizens of a Designated Country;
- A company or other entity, including a governmental entity, that is owned or controlled by citizens of, or that is directly controlled by the government of, a Designated Country; or
- Headquartered in a Designated Country.

Pursuant to Texas Acts 2021, 87th Leg., R.S., S.B. 2116, LCRA is prohibited from entering into certain contracts that provide any Restricted Entity with remote or physical access to LCRA Critical Infrastructure. If any remote or physical access to LCRA Critical Infrastructure is within the scope of this Agreement, User represents and warrants that it is not a Restricted Entity.

Executed to be effective on the Effective Date set out in the first paragraph above.

Agreed by:

Lower Colorado River Authority:

By: _____

Name: _____

Title: _____

USER

Kerrville Public Utility Board:

By: _____

Name: _____

Title: _____



ATTACHMENT A

Radio System Pricing Schedule

PARTICIPANT INFORMATION

AGENCY NAME (PLEASE PRINT)

AGENCY ADDRESS

CITY	STATE	ZIP	PHONE
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CONTACT NAME	PHONE
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BILLING ADDRESS, IF DIFFERENT FROM ABOVE	EMAIL ADDRESS FOR INVOICING
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CITY	STATE	ZIP	TAX EXEMPT? (Y/N)	FEDERAL TAX ID
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PURCHASE ORDER	EFFECTIVE DATE
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LCRA Radio System Pricing Schedule	Cost per Unit Per Month	Customer Elections
------------------------------------	-------------------------	--------------------

Mobiles	\$20.00	X
Portables	\$20.00	X
Desktop Control Station	\$20.00	X
Symphony Console	\$100.00	X
Conventional Interface	\$50.00	
BeOn Monthly Service	\$10.00	
BeOn Activation (One-time per device)	\$300.00	
Data Modem	\$10.00	

OPTIONS

I-CALL	\$5.00
DATA - Status Messaging	\$10.00
DATA - AVL	\$10.00

Please Note:

LCRA reserves the right to review monthly usage and new equipment purchases and adjust service fees accordingly. Only the features and capabilities selected by customer under Customer Elections shall be enabled. Specifics of services provided hereunder (including quantities) is subject to modification based on customer needs.

For Notification Purposes as per section 15.1 of the agreement, LCRA's address is:

Telecom Business Development Manager, Mailstop T099
 3505 Montopolis Drive
 Austin, TX 78744

Attachment B
Lower Colorado River Authority
CHANGE OF RADIO STATUS

As set forth in Section 3.1.1 of the Agreement, this form shall be used when USER needs to notify LCRA of a change in the number of radios or equipment on which it is receiving Radio Service. Section 3.1.1 of the Agreement states that "USER shall notify LCRA in writing within thirty (30) calendar days of any changes in the number of radios or equipment on which it is receiving Radio Service; such notice shall only be considered valid if provided to LCRA on the form attached hereto as Attachment B."

User shall complete and return this form to their LCRA customer service representative within thirty (30) calendar days of any change in the number of radios or equipment on which it is receiving Radio Services. Failure to timely notify LCRA of any changes in the number of radios or equipment on which it is receiving Radio Service may negatively impact a reimbursement or refund request or could result in denial of reimbursement or refund request.

Customer Name: _____

Radio UID (*please complete another form if more space is needed for multiple UIDs*):

Status Change Cause Description: (*stolen, lost, end of life, etc.*) _____

Date of Status Change: _____

Name of Person Requesting Status Change: _____

Telephone Number: _____

Email: _____

Date of Form Submittal: _____

Attachment C
Binding Construction / Installation Proposal

CUSTOMER: KPUB
 2550 Memorial Blvd
 Kerrville, TX 78028
 Attn: Mike Wittler

LCRA and Kerrville Public Utility Board (KPUB)

This Binding Construction / Installation Proposal (this "Proposal") is issued under and subject to that certain Interlocal Cooperation Act Agreement for Mobile Radio Services and Equipment between the Parties listed above (the "Interlocal Agreement"). This Proposal is further subject to the Terms and Conditions attached hereto.

In the event of any conflict or inconsistency between the terms and provisions of this Proposal and the terms and provisions of the Interlocal Agreement, with respect to the Project identified below only, the terms and provisions of this Proposal shall control.

PROJECT: KPUB JOINS LCRA RADIO NETWORK - DATE SUBMITTED: July 22, 2022

SERVICES:

Services Section 1: Procurement and installation of 700 MHz radio site equipment for Kerrville Public Utility Board at the Hunt tower site, including:

- 6 Channel MastrV 700MHz P25 system and related software
- Antenna systems, Uninterruptible Power Supply (UPS)
- Channel Frequency licensing for new 700MHz site
- Site survey, construction, and installation of a new communication shelter
- 25 kW outdoor generator at site
- Removal of legacy VHF equipment at tower site

3 Symphony Foundation Consoles + 3 XL200M radios for dispatch

- Removal of existing Zetron Consoles and installation and configuration for 2 locations (2250 Memorial Blvd & 1302 Stadium Dr), UPS, monitors, keyboards, mice, routers, switches, base station antenna systems, accessories.
- Up to five days onsite training provided

Annual system maintenance and 24x7x365 support is funded through the monthly airtime fee in Attachment A.

Integration to LCRA core system

Subtotal Section 1: \$762,372.00

Services Section 2: Subscriber Units

Item 2a: Kerrville Public Utility Board Mobiles

Qty: 36

L3Harris XG-25M Mobile, 700/800Mhz, Front Mount, Scan, P25 Trunking, Single Key Encryption, Encryp Lite, OTAP, Phase 2 TDMA, XG-25M Accessory Kit, Standard Mobile Microphone, 3 YR Extended Warranty (Total of 5 Years). Includes 26 external speaker.

Cost/Unit	Quantity	Extended
\$3,348.48	36	\$120,545.00

Item 2b: Removal of 36 existing Mobiles Radios, Installation of 36 New Mobile Radios & Installation of 26 external speakers.

Cost/Unit	Quantity	Extended
\$513.13	36	\$18,472.00

Item 2c: Kerrville Public Utility Board Handhelds

Qty: 20

L3Harris XL-45P Portable, Grey, 700/800Mhz, P25 Trunking, Single Key Encryption, Encryp Lite, OTAP, Phase 2 TDMA, 1/2 wave Antenna, 3100 MAH Li-Ion Battery, Spare Battery, Charger, Belt Clip, 3 YR Extended Warranty (Total of 5 Years).

Cost/Unit	Quantity	Extended
\$2,667.25	20	\$53,345.00

Included

- Creation of radio personality and talk groups
- Programming of 36 mobiles and 20 handhelds

Subtotal Section 1: \$762,372.00

Subtotal Section 2: \$ \$192,361.00

Grand Total of Attachment C: \$954,733.00

SCHEDULE:

Begins: The work can begin any time after this Proposal is signed.

Completion: This Proposal will end on December 31, 2023, when all services contemplated hereunder have been successfully completed, or this Proposal has been terminated.

PRICE:

Total Cost: \$ 954,733.00

Billing Method: Invoice

Payment Terms:

KPUB will be invoiced on the following terms for this Project:

- 25% upon execution of this Proposal
- 50% upon receipt of materials (shelter, generator, antenna, and radios) at LCRA
- 15% upon installation and testing
- 10% upon Acceptance. Acceptance shall mean thirty calendar days of system operation without any major interruption in radio service after installation of the radio system infrastructure described in Services Section 1 above.

Customer and the Lower Colorado River Authority agree that the work described above shall be performed in accordance with the terms and conditions in this Proposal.

Kerrville Public Utility Board

Lower Colorado River Authority

By:

By:

Title:

Title:

Date:

Date:

BINDING CONSTRUCTION / INSTALLATION PROPOSAL TERMS AND CONDITIONS

This Proposal is subject to the following terms and conditions:

1. Agreement. This Proposal, including these terms and condition, and any other documents attached hereto (collectively, this "Proposal"), contains the entire agreement and understanding between LCRA and Customer with respect to the subject matter of this Proposal and supersedes any and all prior or contemporaneous oral and written agreements and understandings regarding the defined scope of services. Additional terms and conditions on Customer's forms (including those accompanying any purchase order, invoice or payment) are a material alteration of this Proposal and are rejected and null and void unless expressly agreed to by LCRA in writing. In the case of any conflicts between the terms of this Proposal and the terms of any applicable Customer form, the terms of this Proposal will control.

2. Services. LCRA will perform services for the Customer as detailed in the Scope of Services section of the Project Proposal ("Services"). Customer will review and respond as appropriate to all reports, studies, recommendations, requests and other submissions of LCRA so as not to delay the performance of the Services.

3. Notices. Correspondence, notices and invoices will be in writing and mailed or delivered to the other party as identified in the Customer and LCRA Contact sections of the Project Proposal, or at such other address as a party may from time to time designate in writing. All notices, correspondence or invoices will be effective upon receipt.

4. Changes Orders. Changes in the scope of the Services may only be made by written agreement of the Customer and LCRA. Verbal changes will not be given or accepted, except in cases of emergencies which pose a risk of personal injury or property damage, and such changes will be followed up with a written confirmation as soon as practicable.

5. Term: Termination. This Proposal will commence on the date of the last signature by the parties ("Effective Date") and will govern LCRA's performance of the Services. Either party may terminate this Proposal for its convenience at any time by providing written notice to the other party. In the event of such termination, Customer will pay LCRA for all Services performed up to the date of termination, plus (in the case of termination by Customer) any cancellation charges or other termination expenses as may be reasonably identified by LCRA.

6. Costs: Invoicing. As compensation for the Services, Customer will pay LCRA in accordance with one of the following, as identified in the Price section of the Project Proposal: (a) All (i) direct costs incurred by LCRA in performing the Services, including, (1) costs for materials and supplies, (2) labor costs, including salary and benefits, paid to LCRA employees, (3) travel, meal and lodging expenses reimbursed or paid on behalf of LCRA employees within established LCRA expense guidelines, and (4) any third party costs, plus (ii) indirect costs that LCRA normally applies to Services of this nature, including general and administrative costs and other internal expenses and contributions; or (b) A fixed price. Any changes to the scope of the Services may require an increase in the fixed price. Such change to the scope and the correlating fixed price will be agreed to in writing by

the parties. LCRA may invoice Customer for progress payments for the Services completed to date during the term of this Proposal. All payments by Customer under this Proposal will be due and payable within 30 days after receipt of invoice. If payment is not timely made, interest will accrue on the unpaid balance at the lesser of the maximum lawful rate, or one percent per month, from the due date until paid.

7. Warranty: Disclaimer.

(a) During the term of this Proposal, and for a period of 30 days after completion of the Services, LCRA will correct or reperform any Services not conforming to the requirements of this Proposal. Upon completion of the Services, LCRA will assign to Customer all contractor, manufacturer and supplier warranties related to the Services, to the extent LCRA has the right to do so. After such assignment, LCRA will have no continuing obligations to Customer with respect to the good or service to which the warranty applies, and Customer will look solely to the applicable contractor, manufacturer or supplier for relief regarding any claims or remedies, whether based on a warranty or otherwise.

(b) Any law, code or standard referenced in this Proposal will refer to the version of such law, code or standard in effect as of the Effective Date.

(c) **THE WARRANTIES CONTAINED IN THIS SECTION 7 ARE EXCLUSIVE AND IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY IMPLIED WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR GOOD AND WORKMANLIKE PERFORMANCE, AND LCRA'S OBLIGATION UNDER SECTION 7(A) IS CUSTOMER'S SOLE AND EXCLUSIVE REMEDY FOR ANY BREACH OR LIABILITY OF LCRA ARISING UNDER THIS PROPOSAL.**

8. Environmental Conditions. Prior to LCRA starting any Services on-site, Customer will provide documentation that identifies the presence and condition of any hazardous materials or environmental conditions existing in or about Customer's equipment or the site that LCRA may encounter while performing the Services, and will keep LCRA informed of changes in any such conditions. If LCRA encounters hazardous materials in Customer's equipment or on-site, LCRA is not obligated to perform any Services affected by the hazardous conditions. Customer will indemnify and hold LCRA, its affiliates and their respective directors and employees, harmless for any and all claims, damages, losses, and expenses arising out of or relating to any hazardous materials which are or were (i) present in or about Customer's equipment or the site prior to the commencement of LCRA's work, (ii) improperly handled or disposed of by Customer or Customer's employees, agents, contractors or subcontractors, or (iii) brought, generated, produced or released on-site by parties other than LCRA.

9. Schedule. Unless otherwise expressly stated in the Proposal documents, time is *not* of the essence and LCRA will not be liable to Customer for any damages arising out of LCRA's delay in providing the Services, including any failure to meet schedules contained in this Proposal.

10. Force Majeure. Neither party will be responsible or liable for any delay or failure in its performance under this Proposal

to the extent such delay or failure is caused by conditions or events of Force Majeure. The term "Force Majeure" means causes or events beyond the reasonable control of, and without the fault or negligence of the party claiming Force Majeure, including (to the extent satisfying the foregoing requirements) (i) acts of God or sudden actions of the elements such as floods, earthquakes, hurricanes, tornadoes, ice storms, or wildfires; (ii) terrorism; war; riots; blockades; insurrection; strike at a regional level; labor disruption at a regional level (even if such difficulties could be resolved by conceding to the demands of a labor group); (iii) any action by a governmental or regulatory entity, including ERCOT or the PUCT; and (iv) pandemic, including the current Coronavirus Disease 2019 outbreak.

11. LIMITATION OF LIABILITY. THE TOTAL LIABILITY OF LCRA ARISING OUT OF THIS PROPOSAL AND THE SERVICES WILL NOT EXCEED AN AMOUNT EQUAL TO THE FEES PAID TO LCRA UNDER THIS PROPOSAL, AND LCRA WILL NOT BE LIABLE FOR INDIRECT, PUNITIVE, INCIDENTAL, SPECIAL, OR CONSEQUENTIAL DAMAGES, INCLUDING LOST PROFITS. IN NO EVENT WILL ANY OFFICER, DIRECTOR, EMPLOYEE OR AFFILIATE (OR AFFILIATE'S OFFICER, DIRECTOR OR EMPLOYEE) OF LCRA BE LIABLE TO CUSTOMER UNDER THIS PROPOSAL, AND CUSTOMER'S SOLE RECOURSE UNDER THIS PROPOSAL WILL BE AGAINST LCRA AND NOT AGAINST SUCH OTHER PERSONS. THE LIMITATIONS ON LIABILITY AND REMEDIES IN THIS PARAGRAPH WILL APPLY REGARDLESS OF WHETHER THE LIABILITY OR CAUSE OF ACTION ARISES IN PROPOSAL, WARRANTY, INDEMNITY, TORT (INCLUDING NEGLIGENCE), STRICT LIABILITY OR OTHERWISE. NOTHING IN THIS PROPOSAL WILL BE CONSTRUED TO WAIVE LCRA'S GOVERNMENTAL IMMUNITY.

12. Amendment. This Proposal may only be amended or modified through written agreement of the parties signed by an authorized representative of LCRA and by an authorized representative of the Customer.

13. Assignment. This Proposal will be binding upon and inure to the benefit of the parties and their respective successors and assigns; provided, however, that neither party may assign this Proposal, in whole or part, without the prior written consent of the other party.

14. Non-Waiver. No failure or delay on the part of a party to exercise any right or remedy will operate as a waiver of such right or remedy, nor will any single or partial exercise of any right or remedy preclude any further or other exercise of any such right or remedy.

15. Partial Invalidity. If any section or part of this Proposal is declared invalid by any court of competent jurisdiction, the court's decree will not affect the remainder of this Proposal, and the remainder of this Proposal will remain in full force and effect with the deletion of the part declared invalid.

16. Choice of Law; Venue; Waiver of Jury Trial. This Proposal will be governed by and construed in accordance with the laws of the State of Texas, without regard to conflict of law principles. Each party irrevocably consents and agrees that any legal action or proceeding arising out of this Proposal will be brought exclusively in a court of competent jurisdiction in Travis County, Texas. LCRA AND CUSTOMER IRREVOCABLY WAIVE ALL RIGHT OF TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM

ARISING OUT OF OR IN CONNECTION WITH THIS PROPOSAL.

17. Ownership. Intellectual property and rights to intellectual property owned by any party on the Effective Date will remain the property of that party. All deliverables, including plans, drawings, designs, specifications, computer programs or applications photographs, studies, data, schedules, test readings, technical reports, and calculations developed or utilized by LCRA or its subcontractors which are developed and specified to be delivered under this Proposal and which are paid for by Customer are the property of Customer, but subject to LCRA's intellectual property rights. Customer recognizes that no deliverables will be suitable for reuse at any Customer facility or in connection with any project other than that for which the deliverable was prepared. LCRA DISCLAIMS LIABILITY FOR ANY REUSE OF THE DELIVERABLES ON ANY OTHER FACILITY OR PROJECT THAT IS DONE WITHOUT THE EXPLICIT, WRITTEN APPROVAL OF LCRA.

18. Confidentiality. "Confidential Information" means information marked or otherwise designated as "confidential" by a party. Confidential Information may only be used by the parties for purposes related to the performance of this Proposal, and each party agrees not to disclose Confidential Information of the other party to any other person (other than its affiliates, and the party's and affiliate's respective employees and directors, or to contractors who agree to be bound by the provisions of this Section), provided that either party may disclose Confidential Information if and to the extent such disclosure is required by law (including the Texas Public Information Act). In the event a party is requested under law to disclose Confidential Information, such party will to the extent possible notify the other party within three business days of such request.

19. Municipally Owned Utilities. If Customer is a municipally owned utility, the following additional terms will apply:

(a) This Proposal is entered into under the authority of Chapter 791 of the Texas Government Code; (b) Customer pledges the revenues of its electric utility system to pay its obligations under this Proposal. In addition, the amounts payable by Customer to LCRA under this Proposal are operation and maintenance expenses as contemplated by Section 1502.056 of the Texas Government Code and, as a result, are a first lien against the revenues of Customer to secure the Customer's payment obligations to LCRA hereunder. Customer agrees that it will not request Services for which funds have not been appropriated and are not available.

(c) Payments made under this Proposal (1) are based on cost recovery, (2) will fairly compensate LCRA for the Services, and (3) will be made from current revenues available to Customer.

20. Survival. Termination or expiration of this Proposal will not relieve, reduce, or impair any rights or obligations of a party which expressly or by implication survive termination or expiration of this Proposal. Without limiting the generality of the foregoing, the following sections will survive the termination or expiration of this Proposal: Costs; Invoicing, Warranty; Disclaimer, Environmental Conditions, Schedule, Limitation of Liability, Choice of Law; Venue; Waiver of Jury Trial, Ownership, Confidentiality, and Municipally Owned Utilities



ATTACHMENT A

Radio System Pricing Schedule

PARTICIPANT INFORMATION

AGENCY NAME (PLEASE PRINT)

AGENCY ADDRESS

CITY	STATE	ZIP	PHONE	
CONTACT NAME			PHONE	
BILLING ADDRESS, IF DIFFERENT FROM ABOVE			EMAIL ADDRESS FOR INVOICING	
CITY	STATE	ZIP	TAX EXEMPT? (Y/N)	FEDERAL TAX ID

PURCHASE ORDER

EFFECTIVE DATE

LCRA Radio System Pricing Schedule	Cost per Unit Per Month	Customer Elections
---	--------------------------------	---------------------------

Mobiles	\$20.00	X
Portables	\$20.00	X
Desktop Control Station	\$20.00	
Symphony Console	\$100.00	X
Conventional Interface	\$50.00	
BeOn Monthly Service	\$10.00	
BeOn Activation (One-time per device)	\$300.00	
Data Modem	\$10.00	

OPTIONS

I-CALL	\$5.00
DATA - Status Messaging	\$10.00
DATA - AVL	\$10.00

Please Note:

LCRA reserves the right to review monthly usage and new equipment purchases and adjust service fees accordingly. Only the features and capabilities selected by customer under Customer Elections shall be enabled. Specifics of services provided hereunder (including quantities) is subject to modification based on customer needs.

For Notification Purposes as per section 15.1 of the agreement, LCRA's address is:

Telecom Business Development Manager, Mailstop T099
 3505 Montopolis Drive
 Austin, TX 78744

Customer Benefits

1. Interlocal Agreement
 - a. Becoming a part of the LCRA radio system allows you to take advantage of our purchasing power, our trained technicians and engineering staff, and our additional services offered (installations, etc.) LCRA can provide services and systems on a cost recovery basis. The Interlocal agreement allows other government entities to contract for scope of work and services without a formal bidding process.

2. Reliability
 - a. TOCC 24X7 monitoring, Alarms
 - b. LCRA Technicians, knowledgeable
 - c. Fully regional network operational mobile trailer--700 MHZ and other frequencies available. Connects to the network via call modem.

3. Tower and Tower Equipment
 - a. County/City owns, LCRA will install/have installed
 - b. No maintenance cost to County (lightning, parts, batteries, generators, equipment failure, etc.)
 - i. Tower and equipment, including microwave, antenna systems, batteries and generators Preventative Maintenance (PMs), etc. are part of your monthly radio service to ensure the equipment is operating according to specifications and backup equipment is fully operational when needed (such as testing batteries/generators and filling propane tanks)
 - ii. No hidden labor/service/parts/materials costs
 1. (Note: Tower lease costs and leased line costs are not part of the services provide under the monthly subscription fee)
 - iii. Mobile Trailer for use as needed/as available at no added cost.
 - iv. Electricity and propane are covered with the monthly subscription fee.

4. Budgeting
 - a. One-Stop shopping
 - b. Ease of Budgeting, \$20/month/radio; no surprises
 - c. All tower/equipment/building, generators and electronics maintenance are covered in the monthly rate

5. Programming
 - a. Our staff of radio programmers and radio techs work with you to build a radio personality that is easy to use and has ample talk groups (channels) for your communication needs. Easy to add talk groups/personalities and unlimited-we work with you to figure that out

- b. Additional talk groups can be added into the personality for planned expansion into other departments Extra talk groups planned ahead
 - c. Interoperability, Dual band/Tri Band
 - i. 700/800 Interop Groups
6. Mobiles/Hand-held
- a. Buying power
 - b. Programming included
 - c. Warranty-5 years, Harris or Motorola
 - d. Tracking repairs
 - e. Can buy locally, but the county would be responsible for the programming, tracking warranty and repairs
 - i. Alternative would be that they pay us to program, but there is an additional cost
7. Regional Presence
- a. Kendall County/City of Boerne and Gillespie County/City of Fredericksburg
 - b. Gillespie County volunteer Fire is in the approval phase.
 - c. City of Kerrville in the construction phase.
8. Recent County Added:
- a. Brown County, Wilson County (Just approved), Guadalupe County and City of Brownwood
9. Other User listing
- a. Hays County/City of San Marcos/Texas State University/San Marcos Electric Utility
 - b. Kendall County
 - c. Gillespie County
10. Loaner Radios
- a. Loaner radios will be provided for city/county sponsored events/festivals (subject to availability). Please place the request through your LCRA customer service representative.
11. Tower Lease costs and Leases line costs:
- a. Leased line costs and tower lease costs are not covered under the monthly subscription

MEMORANDUM

To: Mark Cowden
Larry Howard
Bill Thomas
Glenn Andrew
Mayor Judy Eychner

From: Amy Dozier

Date: October 13, 2022

Re: Agenda Item No. 9 – Financial Report

Attached please find the preliminary financial statements for the month of September 2022. Note that because September is our fiscal year-end, we are required to hold the books open longer to capture all FY2022 activity. Final numbers will be available after October 20, 2022. Audited FY2022 financial information will be available by January.

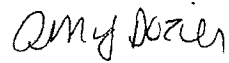
Preliminary highlights include:

- **\$58K decrease in net position** for the month, **\$1.9M** increase in net position on a year-to-date (YTD) basis.
- **\$5.2M in operating revenue** for the month, **\$46.2M** on a YTD basis.
 - Operating revenue was 28% higher than budget for September due to:
 - ◆ Significantly higher than budget purchased power cost due to high natural gas prices that were only partially offset by price stabilization contracts.
 - ◆ kWh sales were 10% higher than budget for the month despite average temperatures and a total number of billed accounts that was close to forecast.
 - ◆ FY2022 kWh sales ended the year 6.3% higher than budget. The average monthly residential bill for FY2022 was \$105.96 with an average monthly usage of 1,240 kWh.
- **\$5.3M in operating expense** for the month, **\$43.7M** on a YTD basis.
 - Operating expense is more than budget by \$1.1M or 26% for the month due primarily to purchased power price as explained above offset by a favorable year-end pension adjustment.
 - At year-end, adjustments are recorded for pension and other post-employment benefits (OPEB) based on an annual actuarial valuation. The valuation is conducted as of 12/31 each year, so the 9/30/22 adjustment includes favorable investment performance that occurred in calendar year 2021. Benefit expense was decreased by \$640K in September related to this annual adjustment.
- **\$59K in operating loss** for the month, **\$2.5M** in operating income on a YTD basis.
- **\$3.8M in over collection of power cost adjustment** as of 9/30/2022, a **decrease of \$780K** from the prior month due to higher natural gas costs that were only partially offset by price stabilization contracts.
- **\$31.6M invested** in investment pools, CD's and an investment account at Happy State Bank. The investment account at Happy State Bank is completely liquid, fully collateralized, and earning 3.46% as of October 13, 2022.

The Power Cost Adjustment (PCA) remained at \$95.00 for September. Actual power costs for September equate to a neutral power cost adjustment factor of \$111.11. We are changing the PCA to \$102.50 in November due to ongoing litigation related to the February 2021 winter storm, the temporary reduction in solar revenue that we are experiencing due to hail damaged solar panels at Concho Bluff and rising gas prices.

In addition to the usual monthly financial statements, quarterly vendor payment reports are attached for your review.

Sincerely,



Amy Dozier
Director of Finance

Kerrville Public Utility Board
Statement of Revenues, Expenses and Changes in Fund Net Position
For the Month Ended September 30, 2022 (Preliminary)
(Unaudited)

	Comparison to Budget				Comparison to Last Year		
	Current Month	Current Month Budget Amount	Variance		Current Month Last Year Amount	Variance	
			Favorable (Unfavorable)	Percentage Variance		Favorable (Unfavorable)	Percentage Variance
OPERATING REVENUES:							
Residential	\$ 2,963,685	\$ 2,324,153	\$ 639,532	27.52%	\$ 5,458,763	\$ (2,495,078)	-45.71%
Commercial/Industrial	2,215,708	1,694,081	521,627	30.79%	4,225,268	(2,009,560)	-47.56%
Sales to Public Authorities	21,550	21,000	550	2.62%	21,346	204	0.96%
Other	41,131	49,500	(8,369)	-16.91%	(46,347)	87,478	-188.75%
TOTAL OPERATING REVENUES	5,242,075	4,088,735	1,153,340	28.21%	9,659,030	(4,416,956)	-45.73%
OPERATING EXPENSES:							
Purchased Power	4,413,427	2,576,454	(1,836,974)	-71.30%	8,039,570	3,626,143	45.10%
Distribution	431,513	309,977	(121,536)	-39.21%	272,291	(159,222)	-58.48%
Customer Accounts	67,380	48,800	(18,580)	-38.07%	35,789	(31,591)	-88.27%
Customer Service, Informational & Sales	27,584	38,000	10,416	27.41%	36,324	8,740	24.06%
Administrative Expenses	17,946	932,000	914,054	98.07%	126	(17,819)	-14096.49%
Depreciation & Amortization	342,776	309,500	(33,276)	-10.75%	307,471	(35,305)	-11.48%
TOTAL OPERATING EXPENSES	5,300,625	4,214,731	(1,085,895)	-25.76%	8,691,570	3,390,945	39.01%
OPERATING INCOME (LOSS)	(58,551)	(125,996)	67,445	-53.53%	967,460	(1,026,010)	-106.05%
NONOPERATING REVENUES (EXP):							
Interest Income - Investments	75,299	5,421	69,878	1289.06%	8,832	66,467	752.57%
Interest Income - City of Kerrville	15,000	15,000	-	0.00%	15,000	-	0.00%
Interest Expense	(12,148)	(9,594)	2,553	-26.61%	(401)	(11,747)	2931.39%
City of Kerrville - General Fund Transfer	(158,819)	(122,800)	(36,019)	29.33%	(102,587)	(56,231)	54.81%
City of Ingram - Franchise Fee	(3,069)	(3,000)	(69)	2.29%	(3,159)	90	-2.84%
Other - Net	2,004	1,430	574	40.15%	3,979	(1,975)	-49.64%
TOTAL NONOPERATING REVENUES (EXP)	(81,732)	(113,543)	36,917	-32.51%	(78,335)	(3,397)	4.34%
INCOME BEFORE CONTRIBUTIONS	(140,283)	(239,539)	104,363	43.57%	889,125	(1,029,408)	-115.78%
CAPITAL CONTRIBUTIONS	82,427	9,000	73,427	815.86%	17,023	496	2.91%
CHANGE IN NET POSITION	\$ (57,856)	\$ (230,539)	\$ 177,790	77.12%	\$ 906,148	\$ (1,028,912)	113.55%
NET POSITION AT BEGINNING OF MONTH	\$ 74,070,062				\$ 71,204,187		
NET POSITION AT END OF MONTH	\$ 74,012,206				\$ 72,110,335		

Kerrville Public Utility Board
Statement of Revenues, Expenses and Changes in Fund Net Position
For the Month Ended September 30, 2022 (Preliminary)
(Unaudited)

	Comparison to Budget				Comparison to Last Year		
	Year to Date	Budget Amount	Variance		Year to Date Last Year Amount	Variance	
			Favorable (Unfavorable)	Percentage Variance		Favorable (Unfavorable)	Percentage Variance
OPERATING REVENUES:							
Residential	\$ 26,342,474	\$ 25,452,360	\$ 890,113	3.50%	\$ 23,930,414	\$ 2,412,059	10.08%
Commercial/Industrial	18,903,954	18,967,620	(63,666)	-0.34%	17,878,932	1,025,022	5.73%
Sales to Public Authorities	258,799	252,000	6,799	2.70%	252,846	5,954	2.35%
Other	682,023	768,300	(86,277)	-11.23%	640,139	41,883	6.54%
TOTAL OPERATING REVENUES	46,187,250	45,440,281	746,969	1.64%	42,702,331	3,484,918	8.16%
OPERATING EXPENSES:							
Purchased Power	31,633,582	30,525,183	(1,108,399)	-3.63%	28,344,931	(3,288,651)	-11.60%
Distribution	3,660,698	3,646,600	(14,098)	-0.39%	3,034,839	(625,859)	-20.62%
Customer Accounts	595,267	574,400	(20,867)	-3.63%	549,146	(46,121)	-8.40%
Customer Service, Informational & Sales	311,682	446,600	134,918	30.21%	267,154	(44,528)	-16.67%
Administrative Expenses	3,705,720	5,147,100	1,441,380	28.00%	3,730,309	24,590	0.66%
Depreciation & Amortization	3,764,140	3,681,000	(83,140)	-2.26%	3,546,393	(217,746)	-6.14%
TOTAL OPERATING EXPENSES	43,671,089	44,020,883	349,793	0.79%	39,472,774	(4,198,316)	-10.64%
OPERATING INCOME (LOSS)	2,516,160	1,419,398	1,096,762	77.27%	3,229,558	(713,397)	-22.09%
NONOPERATING REVENUES (EXP):							
Interest Income - Investments	301,427	65,050	236,377	363.38%	74,205	227,222	306.21%
Interest Income - City of Kerrville	180,000	180,000	-	0.00%	190,000	(10,000)	-5.26%
Interest Expense	(119,496)	(115,992)	(3,503)	3.02%	(121,087)	1,591	-1.31%
City of Kerrville - General Fund Transfer	(1,393,958)	(1,365,100)	(28,858)	2.11%	(1,270,568)	(123,390)	9.71%
City of Ingram - Franchise Fee	(34,786)	(33,800)	(986)	2.92%	(31,327)	(3,458)	11.04%
Other - Net	31,471	17,160	14,311	83.40%	(19,179)	50,649	-264.09%
TOTAL NONOPERATING REVENUES (EXP)	(1,035,342)	(1,252,682)	217,341	-17.35%	(1,177,956)	142,614	-12.11%
INCOME BEFORE CONTRIBUTIONS	1,480,818	166,716	1,314,103	788.23%	2,051,601	(570,783)	-27.82%
CAPITAL CONTRIBUTIONS	421,054	108,000	313,054	289.87%	215,638	205,417	95.26%
CHANGE IN NET POSITION	\$ 1,901,872	\$ 274,716	\$ 1,627,157	592.31%	\$ 2,267,239	\$ (365,367)	16.12%
NET POSITION AT BEGINNING OF YEAR	\$ 72,110,335				\$ 69,843,094		
NET POSITION AT END OF MONTH	\$ 74,012,206				\$ 72,110,335		

Kerrville Public Utility Board
Balance Sheet
As of September 30, 2022 (Preliminary)

Assets and Deferred Outflows	September 30, 2022 (Unaudited)		September 30, 2021	Net Position, Liabilities and Deferred Inflows	September 30, 2022 (Unaudited)		September 30, 2021
Utility Plant:				Total Net Position	\$	74,012,206	\$ 72,110,335
Utility Plant in Service	\$	93,982,686	\$ 90,118,697				
Less: Accumulated Depreciation		(46,827,910)	(44,085,063)				
Net Utility Plant in Service		47,154,776	46,033,634				
Construction Work in Progress		1,832,818	1,943,177	Liabilities:			
Total Utility Plant		48,987,594	47,976,812	Current Liabilities:			
Restricted and Noncurrent Assets:				Current Portion of 2013 Revenue Bonds		422,000	411,000
Customer Deposits		463,149	493,781	Accrued Interest Payable		48,046	52,302
Interest and Sinking Fund		434,802	429,052	Accounts Payable - Purchased Power		10,782,432	10,295,379
Emergency, Repair, Replace, Contingency Fund		3,585,091	3,546,912	Accounts Payable - Other		1,364,337	1,164,618
Advance to City of Kerrville		7,500,000	7,500,000	Over Collection of Power Cost Adjustment		3,846,149	1,681,982
Total Restricted and Noncurrent Assets		11,983,042	11,969,744	Total Current Liabilities		16,462,965	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		606,004	511,280	Lease Liability		123,108	-
Investments		23,084,450	21,179,561	Customer Deposits		463,149	493,781
Less: Customer Deposits		(463,149)	(493,781)	Interest on Customer Deposits		2,437	3,178
Total Revenue Fund		23,227,305	21,197,060	Net Pension & OPEB Liability (Asset)		(294,401)	1,132,935
Construction Fund:				Total Long-Term Liabilities		3,141,293	4,898,894
Cash and Cash Equivalents		5,135	5,081	Total Liabilities		19,604,257	18,504,175
Investments		1,456,985	1,442,338	Deferred Inflows of Resources - Pension & OPEB		2,548,635	1,873,832
Total Construction Fund		1,462,120	1,447,419				
Rate Stabilization Fund:							
Investments		1,917,388	1,898,113				
Total Rate Stabilization Fund		1,917,388	1,898,113				
Long Term Rate Stabilization Fund:							
Investments		1,094,339	904,094				
Total Rate Stabilization Fund		1,094,339	904,094				
Customer Accounts Receivable, net of allowance		4,055,633	3,710,840				
Materials and Supplies		1,135,750	955,314				
Other		895,666	910,622				
Total Current Assets		33,788,201	31,023,461				
Deferred Outflow of Resources - Pension & OPEB		1,406,262	1,518,324				
Total Assets and Deferred Outflows	\$	96,165,099	\$ 92,488,341	Total Net Position, Liabilities and Deferred Inflows	\$	96,165,099	\$ 92,488,341

Kerrville Public Utility Board
 Invested Funds Detail
 For the Month Ended September 30, 2022

	Date	Revenue Fund	Restricted					Total Funds Invested	
			Construction Fund	Rate Stabilization Fund	Long Term Rate Stabilization Fund	Debt Reserve Fund	Interest & Sinking Fund		Repair, Replacement & Contingency Fund
Beginning Fund Balance		\$ 24,192,286	\$ 1,453,338	\$ 1,912,588	\$ 1,001,599	\$ -	\$ 390,042	\$ 3,576,116	\$ 32,525,969
Withdrawals:									
Happy Investment - TML	09/01/22	(61,204)							(61,204)
Happy Investment - DG Solar - Lease	09/09/22	(25,472)							(25,472)
Happy Investment - TMRS	09/13/22	(66,217)							(66,217)
Happy Investment - ERCOT	09/15/22	(265)							(265)
Happy Investment - NextEra	09/16/22	(485,088)							(485,088)
Happy Investment - CPS	09/21/22	(3,681,282)							(3,681,282)
Happy Investment - DG Solar	09/23/22	(63,352)							(63,352)
Happy Investment - ERCOT	09/26/22	(101,839)							(101,839)
Happy Investment - Concho Bluff	09/26/22	(91,756)							(91,756)
Happy Investment - Engie	09/27/22	(100,868)							(100,868)
Happy Investment - LCRA	09/29/22	(599,692)							(599,692)
Investments:									
Happy Investment	09/02/22	400,000							400,000
Happy Investment	09/09/22	800,000							800,000
Happy Investment	09/19/22	350,000							350,000
Happy Investment	09/23/22	500,000							500,000
Happy Investment	09/26/22	500,000							500,000
Happy Investment	09/30/22	1,700,000							1,700,000
Fund Balance after Withdrawals & Investments		23,165,252	1,453,338	1,912,588	1,001,599	-	390,042	3,576,116	31,498,935
Allocation of:									
Interest Income	09/30/22	52,127	3,647	4,800	2,739	-	986	8,975	73,274
Int Receivable (accrued on CD)	09/30/22	846						-	846
City of Kerrville Interest Payment	09/01/22	(90,000)			90,000				-
Total Interest Allocation		(37,027)	3,647	4,800	92,739	-	986	8,975	74,120
Fund Balance After Allocations		23,128,224	1,456,985	1,917,388	1,094,339	-	391,028	3,585,091	31,573,054
Interfund Transfers :									
Debt Service	09/30/22	(43,775)					43,775		-
Ending Fund Balance		\$ 23,084,450	\$ 1,456,985	\$ 1,917,388	\$ 1,094,339	\$ -	\$ 434,802	\$ 3,585,091	\$ 31,573,054

Kerrville Public Utility Board
 Computation of the Monthly and Annual Debt Service Coverage
 For the Month Ended September 30, 2022

Description	Current Month	Fiscal Year	Previous 12 Months
CHANGE IN NET POSITION	\$ (57,856)	\$ 1,901,872	\$ 1,901,872
PLUS:			
Interest Expense (net of amortizations)	12,148	119,496	119,496
Depreciation & Amortization Expense	<u>342,776</u>	<u>3,764,140</u>	<u>3,764,140</u>
Numerator	297,067	5,785,509	5,785,509
DIVIDED BY:			
Interest Expense (net of amortizations)	12,148	119,496	119,496
Principal Payment Due	<u>35,167</u>	<u>421,083</u>	<u>421,083</u>
Denominator	\$ 47,314	\$ 540,579	\$ 540,579
DEBT SERVICE COVERAGE RATIO	<u>6.28</u>	<u>10.70</u>	<u>10.70</u>
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
 JULY 1, 2022 TO SEPTEMBER 30, 2022

	CHECK/ TRANS #	DATE	PMT TYPE	VENDOR #	VENDOR NAME	REFERENCE	AMOUNT
1	2247	08/11/22	DD	108	CITY OF KERRVILLE	3% GROSS REVENUES FEES-JULY	\$ 154,945.27
2	2299	09/08/22	DD	628	JK BERNHARD CONSTRUCTION	KPUB REMODEL-APPLICATION#3	140,831.96
3	2315	09/15/22	DD	108	CITY OF KERRVILLE	3% GROSS REVENUES FEES-AUGUST	111,745.74
4	134653	08/04/22	CHK	628	JK BERNHARD CONSTRUCTION	KPUB REMODEL-APPLICATION#2	99,495.35
5	2179	07/07/22	DD	108	CITY OF KERRVILLE	3% GROSS REVENUES FEES-JUNE	95,398.99
6	2340	09/29/22	DD	1147	LINETEC SERVICES LLC	POLE REPLACEMENTS-WO4213612 RANCHERO RD	88,463.41
7	2220	07/28/22	DD	1147	LINETEC SERVICES LLC	KPUB MISCELLANEOUS-WO#4211440-OSMOSEIN40	55,548.48
8	2304	09/08/22	DD	17273	STUART C. IRBY COMPANY	OH TRANSFORMER 25KVA 120/240(20)	42,412.20
9	2223	07/28/22	DD	17989	PRIESTER-MELL & NICHOLSON, INC.	100 AMP CUTOUTS WITH FUSE HOLDER	36,327.00
10	134749	09/08/22	CHK	8804	DELL MARKETING L.P.	DELL OPTIPLEX 7000 DESKTOPS(14)	36,158.14
11	2224	07/28/22	DD	70	TECHLINE INCORPORATED	45 C/3 POLES	34,988.12
12	134740	09/01/22	CHK	1578	SOLID BORDER, INC.	CROWDSTRIKE FALCON ANNUAL RENEWAL	34,878.48
13	2253	08/11/22	DD	17273	STUART C. IRBY COMPANY	STEEL POLES-WO#4107381 HWY 39	34,682.73
14	134540	07/07/22	CHK	426	CITY OF INGRAM	2% FRANCHISE/SURCHARGE FEE-JUNE	34,447.34
15	134807	09/15/22	CHK	1648	FORD OF BOERNE	UNIT#3270 F150 PU-REPLACE UNIT#3211	34,000.00
16	2206	07/14/22	DD	1531	TOWNSEND TREE SERVICE COMPANY LLC	TREE TRIMMING	33,582.52
17	2262	08/18/22	DD	25169	NISC, INC.	MISCELLANEOUS BILLING SERVICES-JULY	32,978.86
18	2200	07/14/22	DD	25169	NISC, INC.	MISCELLANEOUS BILLING CHARGES-JUNE	30,737.70
19	2236	08/04/22	DD	52	MAXEY ENERGY COMPANY	FLEET FUEL DIESEL(4501GAL)/REGULAR(3500)	30,355.13
20	2204	07/14/22	DD	17273	STUART C. IRBY COMPANY	TREIBER RD RECLOSER/JUNCTION CABLE KIT	30,157.13
21	2320	09/15/22	DD	17273	STUART C. IRBY COMPANY	NOVA15A EPH RECLOSURE 15KV	29,072.69
22	2346	09/29/22	DD	1115	TEXAS WILSON OFFICE FURNITURE	OFFICE FURNITURE/REMODEL ITEMS	29,034.11
23	2192	07/07/22	DD	18391	TEXAS ELECTRIC COOPERATIVES, INC.	45FT CL 3 CREOSOTE POLES(24)	28,821.24
24	2317	09/15/22	DD	25169	NISC, INC.	SOFTWARE/ENGINEERING MAPPING/STAKING-AUG	28,671.92
25	134840	09/29/22	CHK	1680	POWER QUALITY SALES	BOC UPS SUPPORT RENEWAL 10/22-10/27 5YR	28,140.00
26	134842	09/29/22	CHK	225	SURVALENT TECHNOLOGY INC	ANNUAL SCADA PLATINUM SUPPORT PLAN	26,765.00
27	2205	07/14/22	DD	70	TECHLINE INCORPORATED	TRANSFORMER OH50KVA 120/240(14)	23,636.00
28	134590	07/14/22	CHK	628	JK BERNHARD CONSTRUCTION	KPUB OFFICE RENOVATION-APPLICATION#1	23,057.61
29	2307	09/08/22	DD	18391	TEXAS ELECTRIC COOPERATIVES, INC.	METER FOCUS RXRE/SD FM12S CL200 240V(80)	22,518.40
30	2319	09/15/22	DD	5415	SCHNEIDER ENGINEERING, LLC	GENERAL SUBSTATION ENGINEERING	19,372.09
31	134650	08/04/22	CHK	654	GTS TECHNOLOGY SOLUTIONS, INC	POWER EDGE SERVER	18,595.97
32	2278	08/25/22	DD	1531	TOWNSEND TREE SERVICE COMPANY LLC	TREE TRIMMING	17,517.54

KERRVILLE PUBLIC UTILITY BOARD
 PAYMENT REGISTER (EXCLUDES WIRES)
 INDIVIDUAL PAYMENTS > \$10,000
 JULY 1, 2022 TO SEPTEMBER 30, 2022

CHECK/ TRANS #	DATE	PMT TYPE	VENDOR #	VENDOR NAME	REFERENCE	AMOUNT	
33	2201	07/14/22	DD	21343	OSMOSE UTILITIES SERVICES, INC	POLE INSPECTIONS 6/20-6/25	17,161.65
34	134796	09/15/22	CHK	15013	TEXAS PUBLIC POWER ASSOC.	MEMBERSHIP DUES 8/1/22-7/31/23	16,928.00
35	2333	09/22/22	DD	1531	TOWNSEND TREE SERVICE COMPANY LLC	TREE TRIMMING	14,420.18
36	134648	08/04/22	CHK	21346	EDM INTERNATIONAL, INC	PHASETRAKKER JR/JR+ 1YR SVC 7/29-7/29/23	14,100.00
37	2243	08/04/22	DD	1531	TOWNSEND TREE SERVICE COMPANY LLC	TREE TRIMMING SERVICES NTX22 WE07162022	13,741.52
38	2238	08/04/22	DD	21343	OSMOSE UTILITIES SERVICES, INC	POLE INSPECTIONS 7/18/22-7/22/22	13,409.39
39	134718	08/25/22	CHK	1590	FIRETROL PROTECTION SYSTEMS	KPUB PANEL REPLACEMENT REMODEL-ALARM	13,402.20
40	2199	07/14/22	DD	1147	LINETEC SERVICES LLC	KPUB MISCELLANEOUS WO4273301-POLE REJECT	13,214.08
41	2203	07/14/22	DD	5415	SCHNEIDER ENGINEERING, LLC	POWER SUPPLY PLANNING-ERCOT MKT SUPPORT	13,015.83
42	2214	07/21/22	DD	1531	TOWNSEND TREE SERVICE COMPANY LLC	TREE TRIMMING	12,438.91
43	134747	09/08/22	CHK	273	COMPUTER SOLUTIONS	CISCO THREAT DEFENSE & MALWARE	12,321.42
44	2330	09/22/22	DD	17273	STUART C. IRBY COMPANY	HANDHOLE BOX W/PENTA BOLTS	12,110.54
45	134808	09/22/22	CHK	24265	A3 STUDIO	WAREHOUSE REMODEL-ARCHITECTURAL SERVICES	11,951.21
46	134608	07/21/22	CHK	8804	DELL MARKETING L.P.	POWER EDGE CONSOLE SERVERS KVM SWITCH	11,430.94
47	2213	07/21/22	DD	18391	TEXAS ELECTRIC COOPERATIVES, INC.	40FT CL 3 CREOSOTE POLES(29)	10,835.85
48	2267	08/18/22	DD	1531	TOWNSEND TREE SERVICE COMPANY LLC	TREE TRIMMING SERVICES NTX22 WE08062022	10,716.56
49	2323	09/15/22	DD	18391	TEXAS ELECTRIC COOPERATIVES, INC.	WASHER BELLEVILLE	10,538.50
50	2285	09/01/22	DD	1601	PAUL MARTINEZ	KPUB TUITION REIMBURSEMENT-SUMMER 22	10,500.00
51	134625	07/28/22	CHK	1439	CARASOFT TECHNOLOGY CORPORATION	VAILMAIL ANNUAL RENEWAL	10,500.00
52	2263	08/18/22	DD	8601	SO FAST PRINTING, INC.	KPUB SEMI ANNUAL NEWSLETTERS	10,272.82
53	2324	09/15/22	DD	1531	TOWNSEND TREE SERVICE COMPANY LLC	TREE TRIMMING	10,013.20
54	2347	09/29/22	DD	1531	TOWNSEND TREE SERVICE COMPANY LLC	TREE TRIMMING	10,007.19
						<u>\$ 1,760,367.11</u>	

KERRVILLE PUBLIC UTILITY BOARD
VENDOR PAYMENTS TOTALING OVER \$10,000
ROLLING 12 MONTHS ENDED SEPTEMBER 30, 2022

	VENDOR NAME	OCT-DEC 2021	JAN-MAR 2022	APR-JUNE 2022	JULY 2022	AUG 2022	SEPT 2022	GRAND TOTAL
1	CITY OF KERRVILLE	\$ 333,950.36	\$ 326,422.65	\$ 346,378.68	\$ 96,171.61	\$ 155,722.44	\$ 112,505.71	1,371,151.45
2	LINETEC SERVICES LLC	56,817.24	314,887.33	212,387.68	68,762.56	-	88,463.41	741,318.22
3	TECHLINE INCORPORATED	86,378.22	276,022.76	125,630.39	62,528.12	18,247.24	14,369.58	583,176.31
4	TEXAS ELECTRIC COOPERATIVES, INC.	114,754.75	80,406.65	278,750.57	39,657.09	4,380.76	49,670.44	567,620.26
5	STUART C. IRBY COMPANY	122,700.26	157,998.13	90,728.61	36,419.88	35,342.09	84,831.43	528,020.40
6	TOWNSEND TREE SERVICE COMPANY LLC	83,589.87	113,511.38	139,197.40	52,021.03	51,395.02	49,988.07	489,702.77
7	NISC, INC.	113,676.67	75,775.13	95,075.66	30,737.70	32,978.86	28,671.92	376,915.94
8	JK BERNHARD CONSTRUCTION				23,057.61	99,495.35	140,831.96	263,384.92
9	LOWER COLORADO RIVER AUTHORITY	57,069.82	130,735.69	15,209.26	-	2,661.59	-	205,676.36
10	CARD SERVICE CENTER	47,958.93	25,607.06	51,324.49	15,054.67	28,835.61	25,438.13	194,218.89
11	ALTEC INDUSTRIES, INC.	5,826.47	482.86	182,044.62	-	-	-	188,353.95
12	SCHNEIDER ENGINEERING, LLC	48,350.00	36,820.41	34,798.74	13,015.83	7,067.09	19,372.09	159,424.16
13	STERLING COMPUTERS CORPORATION	-	148,184.69	-	-	-	5,640.00	153,824.69
14	OSMOSE UTILITIES SERVICES, INC	-	990.00	56,707.60	29,519.13	30,887.46	-	118,104.19
15	TEXAS WILSON OFFICE FURNITURE	-	-	76,577.92	-	-	35,090.74	111,668.66
16	KBS ELECTRICAL DISTRIBUTORS INC.	970.00	36,156.47	34,723.75	9,840.98	18,451.82	10,962.15	111,105.17
17	WESCO DISTRIBUTION, INC.	62,186.54	17,666.49	13,461.17	4,467.60	-	9,812.42	107,594.22
18	COMPUTER SOLUTIONS	29,698.79	-	49,709.16	14,962.81	-	12,321.42	106,692.18
19	MAXEY ENERGY COMPANY	21,979.89	-	34,652.41	-	30,355.13	-	86,987.43
20	DELL MARKETING L.P.	-	-	1,441.63	27,461.17	7,801.10	42,497.46	79,201.36
21	FORD OF BOERNE	-	35,101.60	-	-	-	34,000.00	69,101.60
22	CITY OF INGRAM	-	33,637.47	-	34,447.34	-	-	68,084.81
23	KERRVILLE ECONOMIC DEVELOPMENT CORP.	65,000.00	-	-	-	-	-	65,000.00
24	PRIESTER-MELL & NICHOLSON, INC.	232.95	12,938.83	7,995.90	39,375.00	-	1,018.00	61,560.68
25	PRESIDIO NETWORKED SOLUTIONS GROUP, LLC	38,565.18	11,916.25	5,978.75	-	-	-	56,460.18
26	COOPERATIVE RESPONSE CENTER, INC.	13,589.13	14,127.54	14,501.02	4,735.64	4,781.92	4,653.98	56,389.23
27	SURVALENT TECHNOLOGY INC	25,250.00	-	-	-	-	26,765.00	52,015.00
28	USIC LOCATING SERVICES, INC.	13,075.44	11,751.80	12,656.30	4,598.24	4,135.88	5,436.10	51,653.76
29	DAVIDSON TROILO REAM & GARZA	22,722.79	13,255.00	7,752.99	1,270.20	3,332.50	1,617.70	49,951.18
30	SECUREWORKS INC	-	48,125.00	-	-	-	-	48,125.00
31	LANDIS+GYR TECHNOLOGY INC	12,578.93	12,978.20	9,418.68	-	6,286.92	3,432.33	44,695.06
32	TEXAS PUBLIC POWER ASSOC.	17,432.00	800.00	5,000.00	-	-	16,928.00	40,160.00
33	BOLINGER, SEGARS, GILBERT & MOSS,LLP	32,000.00	5,000.00	-	-	-	-	37,000.00
34	SO FAST PRINTING, INC.	6,647.24	9,843.83	9,813.36	120.00	10,272.82	-	36,697.25
35	PROGRESSIVE EMERGENCY PRODUCTS	-	-	36,187.00	-	-	-	36,187.00
36	SOLID BORDER, INC.						34,878.48	34,878.48
37	AMERICAN FIDELITY ASSURANCE CO	10,580.30	5,027.16	7,821.36	2,607.12	2,550.62	5,080.24	33,666.80
38	SHI GOVERNMENT SOLUTIONS, INC.	26,249.86	6,985.30	-	-	-	-	33,235.16
39	A3 STUDIO	-	-	15,550.00	5,060.00	-	11,951.21	32,561.21
40	JUAN J MARTINEZ JR	9,020.00	8,265.00	7,380.00	2,470.00	2,520.00	2,905.00	32,560.00
41	CONVERGINT TECHNOLOGIES LLC	-	-	31,576.40	-	88.20	-	31,664.60
42	KRAUSS GARAGE	6,078.32	10,609.00	10,467.56	1,632.44	429.46	1,937.19	31,153.97

KERRVILLE PUBLIC UTILITY BOARD
VENDOR PAYMENTS TOTALING OVER \$10,000
ROLLING 12 MONTHS ENDED SEPTEMBER 30, 2022

	VENDOR NAME	OCT-DEC 2021	JAN-MAR 2022	APR-JUNE 2022	JULY 2022	AUG 2022	SEPT 2022	GRAND TOTAL
43	VERIZON WIRELESS	7,197.67	7,272.94	8,231.23	2,573.75	1,202.56	3,961.43	30,439.58
44	POWER QUALITY SALES				-	-	28,140.00	28,140.00
45	AMERICAN PUBLIC POWER ASSN. CORP.	1,550.00	21,071.90	4,214.38	-	-	-	26,836.28
46	METROPOLITAN LIFE INS. CO.	6,192.06	4,412.18	9,144.29	-	2,369.54	4,667.63	26,785.70
47	VERDEK	23,264.00	2,118.00	-	95.00	-	-	25,477.00
48	FIRETROL PROTECTION SYSTEMS	-	-	9,876.40	1,380.60	13,402.20	-	24,659.20
49	ECOMPLIANCE INC	-	-	22,766.55	-	-	-	22,766.55
50	WILLIAMS SCOTSMAN, INC.	5,293.07	4,973.07	4,973.07	1,657.69	1,657.69	1,657.69	20,212.28
51	EDISTO BUSINESS RESOURCES	-	-	-	-	16,345.90	2,528.75	18,874.65
52	GTS TECHNOLOGY SOLUTIONS, INC				-	18,595.97	-	18,595.97
53	HILL COUNTRY TELEPHONE COOPERATIVE, INC.	4,606.11	4,574.04	4,571.34	1,529.63	1,529.63	1,529.63	18,340.38
54	NATURESCAPE HILL COUNTRY LLC	-	-	11,194.50	1,936.00	1,579.00	2,013.00	16,722.50
55	SCHWEITZER ENGINEERING LABS, INC.	-	15,970.00	-	-	-	-	15,970.00
56	TEXAS METER & DEVICE COMPANY	5,310.95	5,410.01	519.28	-	-	4,525.81	15,766.05
57	GREATBLUE RESEARCH, INC.	5,375.00	-	5,000.00	5,375.00	-	-	15,750.00
58	PAUL MARTINEZ	5,000.00					10,500.00	15,500.00
59	SOLARWINDS	-	14,807.00	-	-	-	-	14,807.00
60	STROEHER & OLFERS, INC.	4,379.94	2,973.74		3,133.20	3,177.60	590.24	14,254.72
61	EDM INTERNATIONAL, INC	-	-	-	-	14,100.00	-	14,100.00
62	BAT CITY, INC.	7,129.50	2,887.02	4,049.60	-	-	-	14,066.12
63	REPUBLIC SERVICES #859, INC.	3,298.95	2,965.93	3,900.33	1,052.96	1,119.67	1,068.97	13,406.81
64	JF PETROLEUM GROUP	106.34	4,975.90	7,211.20	-	-	457.25	12,750.69
65	KERRVILLE RANCH AND PET CENTER	10,045.65	1,660.70	503.65	343.00	-	-	12,553.00
66	SCHREINER UNIVERSITY	5,151.24	-	1,500.00	5,888.34	-	-	12,539.58
67	D W ELECTRIC CO., INC.	-	671.50	7,467.00	-	-	4,152.00	12,290.50
68	ONLINE INFORMATION SERVICES, INC.	1,435.92	3,468.15	2,749.71	430.10	2,637.51	827.35	11,548.74
69	KERR COUNTY ANNEX	10,735.16	-	-	-	-	-	10,735.16
70	BRINK'S INCORPORATED	2,197.81	2,880.26	2,555.10	873.08	1,037.00	1,022.40	10,565.65
71	CARASOFT TECHNOLOGY CORPORATION				10,500.00	-	-	10,500.00
72	TSE INTERNATIONAL	10,094.00	-	-	-	-	-	10,094.00
	TOTAL	\$ 1,603,293.32	\$ 2,085,122.02	\$ 2,131,326.69	\$ 656,762.12	\$ 636,774.15	\$ 948,712.31	\$ 8,061,990.61

MEMORANDUM

To: Mark Cowden
Larry Howard
Bill Thomas
Glenn Andrew
Mayor Judy Eychner

From: Amy Dozier

Date: October 13, 2022

Re: Agenda Item No. 10 – Warehouse Remodel

Attached for the Board's consideration is a construction contract for remodeling a portion of KPUB's warehouse.

Highlights of the proposed remodel include:

- Remodel current tool room and adjacent offices by removing walls, adding windows, adding HVAC and creating one large area with workstations for Operations personnel.
- Remodel breakroom, including adding a counter, sink and microwaves.
- Create a conference room by combining an office and closet.
- Upgrade restrooms and water fountain for ADA compliance.
- New furniture for the large office area, existing offices and breakroom.
- New carpet, tile and paint in most of building.
- Removal of asbestos found in black mastic tile adhesive.

Over the last several months, we have worked with David Martin from A3 Studio to develop construction drawings and complete a competitive bid process. A request for bids was released on September 15, 2022 with a due date of October 6, 2022. KPUB received bids from:

- JK Bernhard: \$411,031.00
- Kendnel Kasper Construction: \$466,520.69

Both bids include a contingency of \$35,000. That amount was based on what we were estimating would be 10% of the bid. Because bids came in higher than our initial estimate and because we recently found additional ceiling areas that require replacement, we are recommending that the contract include a \$45,000 contingency.

Accordingly, staff recommends Board approval for a construction contract with JK Bernhard in the amount of \$421,031.00.

Below is a budget that has been updated based on the construction bids. The budget has increased \$70K from the \$550K initial estimate due to the higher actual construction bids. We have a furniture supplier working on a bid, so the number below is still an estimate. We anticipate bringing a final furniture and fixtures bid to the Board in November.

	<u>Description</u>	<u>Estimate</u>
1	Construction	\$ 421,031
2	Furniture & Finishes	110,000
3	IT and Fire Panel	50,000
4	Contingency	10,000
5	Architect	15,000
6	Asbestos Removal	10,000
7	Movers	2,000
8	Permits, Inspections, Fees	2,000
	Total	<u>\$ 620,031</u>

Attached for your review are:

- Bid evaluation matrix
- JK Bernhard bid
- Kendnel Kasper bid

In addition to staff, David Martin will be in attendance and available to answer questions at the Board Meeting.

Sincerely,



Amy Dozier
Director of Finance



**KERRVILLE
PUBLIC
UTILITY
BOARD**

2022 WAREHOUSE REMODEL
Bid Evaluation Matrix

Bid Number:	100622
Bid Opening Date:	10/6/2022, 2:00 pm

	Category:	Base Bid Pricing	Time Frame	Company / Crew Location	Experience, References, Reputation	TOTAL
	Total Points Available:	50	15	15	20	100
#	Respondent					
1	JK Bernhard	50	15	15	20	100
2	Kendnel Kasper Construction	40	10	15	20	85
3						
4						
5						
6						
7						
8						

EVALUATED BY:

David Martin, Damon Richardson, Amy Dozier

COMMENTS:

Staff recommends increasing contingency from \$35,000 to \$45,000 in final contract.



**KERRVILLE
PUBLIC
UTILITY
BOARD**


**Warehouse Renovations Bid
Due Date: 2:00 pm on Thursday, October 6, 2022**

Company Name: JK Bernhard Construction
 Contact Information:
 Name: James Bailey
 Address: 2456 Goat Creek Rd.
Kerrville, TX 78028
 Phone: 830-895-1498
 Email: jamesb@jkbernhard.com

BID SUMMARY		
	Price	Approximate Time to Complete
BASE BID	\$411,031.00	2.5 Months

Acknowledge addenda received and included in the proposal: None
 Anticipated Start Date: Dec. 5th or 12th, 2022

- Please attach:**
 Company background information
 3 References
 Supporting details regarding price or project, as necessary
 Information regarding scheduling flexibility
 Bid Bond

Submitted by: James Bailey 
 Date: 10/6/2022



**KERRVILLE
PUBLIC
UTILITY
BOARD**

Warehouse Renovations Bid

Due Date: 2:00 pm on Thursday, October 6, 2022

Company Name: Kendnel Kasper Construction, Inc
 Contact Information:
 Name: Kimberlyn Galifaro
 Address: 158 G Street
Kerrville, Texas 78028
 Phone: 830-315-9033
 Email: kimberlyng@kkasperconstruction.com


BID SUMMARY		
	Price	Approximate Time to Complete
BASE BID	\$466,520.69	125*

Acknowledge addenda received and included in the proposal: N/A

Anticipated Start Date: 11/1/2022

Please attach:

- Company background information *days account for Thanksgiving, Christmas + New years
- 3 References
- Supporting details regarding price or project, as necessary
- Information regarding scheduling flexibility
- Bid Bond

Submitted by: Kimberlyn R. Galifaro 

Date: 10/6/2022

MEMORANDUM

To: Mark Cowden
Larry Howard
Bill Thomas
Glenn Andew
Mayor Judy Eychner

From: Ricardo Berrios

Date: October 12, 2022

Re: Agenda Item No. 11 – Projects and Capital Budget Report

Attached for your review are the fourth quarter Projects and Capital Budget Report.

Fourth Quarter FY22 Major Projects Update:

- As requested, this is a new table that sows the name, location and number of units of major projects in various states of design.
 - Please let me know of adjustments you would like made and I will revise.

Fourth Quarter FY22 Capital Budget Report:

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

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

Sincerely,

Ricardo Berrios Jr

Ricardo Berrios
Distribution Engineer

Project Reference Name	Tech	WO	# Units	Approximate Location	Short Status
RB50			2	Next to Airport	Need easement to proceed
5D	Walt	4213446	1	I-10 and SH16	Done
Ridgeland			127	Off of Olympic next to New Middle School	DW Installing the conduits
I-10 Whataburger	Tom		1	I-10 and SH16	Done
USDA			4	SH16 just north of I10	Waiting on customer (files, civil and transformer pads).
Water Street Lofts	Tom	4213321	14	Water Street between C and D	Installing UG Cable
Peterson Parking Lot	John		1	Lehmann side of PRMC	Mid construction for new parking lot. Getting ready to install SWGear
Peterson ASC	Ricardo		1	Hill Country Drive side of PRMC	Finalizing equipment locations.
Kerrville State Hospital			2	State Hospital	Need easement for new infrastructure, Pump and Laundry
Cibola Trails			44	Coronado and Mountain Laurel	Early design.
Mystic Ridge	John		23	Behind ball fields off Spur 100 (20 ac/lot)	Laid out path. (CTEC asked us to take all lots; working on official)
Ridgehill	Tom		43	Lehmann Drive West of Sidney Baker	Waiting on customer (civil and transformer pads).
Reserves at Holdsworth			36	Holdsworth off Paschal	Waiting on customer (civil and transformer pads).
Blue Bell Estates - Responded to initial design			42	Creek Run / Elm Ridge connection	Early design.
Brinks Crossing Apartments			876	Camp Meeting off 16	Early design. Coordinating design with developer team.
Brinks Crossing			156	Just north of Camp Meeting off 16	Early design.
Sendero Ridge Phase II	Tom		312	Sendero Ridge and 534	Early design.
Squirrel Car Wash	Guy	4212128	1	Near little HEB	Waiting Load Letter to determine Design.
3 Building Commercial Development	Tom		3	Commerce and 27	Waiting on application. Early design.
Schmidt Hill	Walt	4215682	12	Harper and Jefferson	Customer claims 6 month delay due to supply shortages (HH)
Oreilys	Tom		1	Goat Creek Cutoff and Hwy 27	Rerouting existing infrastructure (started on first pole)
Airport Project	Guy	4213639	1	New hangar at airport	Waiting on Airport New hanger
LCRA Circuit T368 (Harper Road to Jack Furman)	Brian		0	Few spans WNW out of Harper Sub	Rerouting existing infrastructure
Steel Creek Estates (Eden Farms Re-Do)			24	HWY 27 and Willow Bend Center Point	Early design (pending RB50 project)
Weston Place			45	Weston Loop and Bow Dr (Bhnd Scrhnr)	Early design
Riverside Health Care and Rehab Center			100	Across from movie theater	Early design
Texas Lions Camp	Logan	4212089	1	27 and Happiness	Wrapping up new Bunkhouse's Light and Cabins, new Parking Lot
Meeker Development			9	Meeker Road near 27	Early design.
VA Hospital			1	534 and 27 (Near Kitchen)	Redoing kitchen, will need temporary pad for renovations
Davita Dialysis			1	Near PRMC	Early design
The Reserve at Kerrville			1,822	Between 16 and 173	Early design
By the River Rebuild	Guy	4216491	3	Guadalupe River at Goat Creek Cutoff	Waiting on Easement; On second of three complete rebuilds
Comanche Trace 12A and 12B			25	Comanche Trace Dr. toward Lower 2771	Early design; pending swap with BEC.
Aqua Texas Well	Guy	4216875	1	304 Second St	Done
The Retreat at the Landing			49	NW corner of field next to existing apts	Early design
Residences at The Landing			96	Next to existing apartments	Early design
Ingram Elementary School – Gym HVAC unit	Tom	23000615		Ingram	Early design
Ingram High School – Auxiliary Gym/Baseball	Tom	23000624		39 and Tomahawk Trail	Expanding gym and multiple other buildings
Ingram High School- Softball Field	Tom	23000627		Ingram	Early design
Ingram High School – New Welding Shop	Tom	2300629		Ingram	Early design
KFC			1	Harper Rd and HWY 27 (Next to Moore)	Early design
TACO BELL			1	Harper Rd and HWY 27 (Next to Moore)	Early design

3,880

Added since last presentation

Completed since last reporting period

Comanche Phase 16			60	Comanche Trace	Done
Kerrville Bible Church			1	Harper and I10	Wrapping up construction.
Eterneva			1	27 between Jellystone and Goat Creek Cu.	Wrapping up construction. 1000kVA. Unique request.

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

Budget No.	Description	Budget Amount	Qtr 1 (Oct-Dec)	Qtr 2 (Jan-Mar)	Qtr 3 (Apr-June)	July Actual	August Actual	September Actual	Qtr 4 (July-Sep)	YTD Total
0	Retirement W/O Replacement		\$ 2,114.69	\$ -	\$ 1,595.12	\$ -	\$ -	\$ -	\$ -	\$ 3,709.81
42701	Existing AMR Systems	\$ 75,000	\$ 47,656.80	\$ 44,356.80	\$ 3,121.92	\$ -	\$ -	\$ 30,323.20	\$ 30,323.20	\$ 125,458.72
42714	Customer Extensions	\$ 1,006,501	\$ 156,313.73	\$ 589,194.61	\$ 562,697.97	\$ 92,925.15	\$ 128,584.99	\$ 158,342.55	\$ 379,852.69	\$ 1,688,059.00
42721	Streetlights	\$ 60,440	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
42723	Padmount Refurbish & Replacements	\$ 238,100	\$ 1,129.12	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,129.12
42725	Digger/Derrick (Replace Unit #3207)	\$ 250,134	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
42726	New Bucket Truck	\$ 159,866	\$ -	\$ -	\$ 181,984.00	\$ -	\$ 1,079.85	\$ -	\$ 1,079.85	\$ 183,063.85
42727	Ford F-250 SingleCab (Replace Unit #3232)	\$ 60,000	\$ -	\$ 35,101.60	\$ 6,444.00	\$ -	\$ -	\$ -	\$ -	\$ 41,546.60
42728	Ford F-150 Ex-Cab (Replace Unit #3211)	\$ 60,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 34,915.00	\$ 34,915.00	\$ 34,915.00
42730	Ordinary Replacements	\$ 107,690	\$ 3,372.96	\$ 12,654.26	\$ 6,517.42	\$ (3,663.86)	\$ 2,929.99	\$ 5,889.42	\$ 5,155.55	\$ 27,700.19
42731	System Improvements	\$ 1,270,650	\$ 23,877.58	\$ 57,122.22	\$ 72,081.91	\$ 56,157.28	\$ 25,150.62	\$ 25,806.02	\$ 107,113.92	\$ 260,195.63
42732	Contingency Development	\$ 100,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
42733	Pole Inspection Replacements	\$ 630,500	\$ 2,166.03	\$ 35,722.42	\$ 214,681.03	\$ 114,350.90	\$ 36,169.54	\$ 226,518.07	\$ 377,038.51	\$ 629,607.99
42748	DA Equipment Deployment	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
42749	SCADA Upgrades	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
42750	Minor Substation Improvements	\$ 240,000	\$ -	\$ -	\$ 16,052.80	\$ 22.70	\$ 9,607.58	\$ 30,324.90	\$ 39,955.18	\$ 56,007.98
42760	IT Normal Replacements	\$ 65,000	\$ 1,935.00	\$ -	\$ 1,441.63	\$ 16,573.73	\$ -	\$ 42,497.46	\$ 59,071.19	\$ 62,447.82
42761	Network Infrastructure	\$ 35,000	\$ -	\$ -	\$ 2,878.96	\$ -	\$ -	\$ 5,664.96	\$ 5,664.96	\$ 8,543.92
42763	Email System Upgrade	\$ 30,000	\$ 825.00	\$ 11,916.25	\$ 5,978.75	\$ -	\$ -	\$ -	\$ -	\$ 18,720.00
42764	Access System Upgrade	\$ 10,000	\$ -	\$ -	\$ 2,179.00	\$ -	\$ -	\$ 3,110.93	\$ 3,110.93	\$ 5,289.93
42766	Main Office Server/Storage Infrastruct.	\$ 300,000	\$ -	\$ 148,184.69	\$ -	\$ 11,430.94	\$ 20,597.07	\$ 9,885.00	\$ 41,913.01	\$ 190,097.70
42769	Fiber Optic Communication	\$ 60,000	\$ -	\$ -	\$ -	\$ -	\$ 2,665.88	\$ 9,872.29	\$ 12,538.17	\$ 12,538.17
42770	Board Room Technology Upgrade	\$ 60,000	\$ -	\$ 4,437.66	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,437.66
42774	Office Furniture	\$ 38,151	\$ -	\$ -	\$ 760.96	\$ (760.96)	\$ -	\$ -	\$ (760.96)	\$ -
42775	Facilities Improvements	\$ 100,000	\$ 4,800.00	\$ -	\$ 9,416.40	\$ 1,380.60	\$ 13,402.20	\$ -	\$ 14,782.80	\$ 28,999.20

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

Budget No.	Description	Budget Amount	Qtr 1 (Oct-Dec)	Qtr 2 (Jan-Mar)	Qtr 3 (Apr-June)	July Actual	August Actual	September Actual	Qtr 4 (July-Sep)	YTD Total
42776	Mis. Building Improvements	\$ 465,000	\$ --	\$ -	\$ 129,930.46	\$ 28,623.24	\$ 103,959.71	\$ 340,502.90	\$ 473,085.85	\$ 603,016.31
42778	Demonstration EE Projects	\$ 41,000	\$ --	\$ 5,181.45	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,181.45
42779	Misc. Capital Tools/Radios	\$ 40,000	\$ 5,538.08	\$ -	\$ 2,631.64	\$ 2,631.69	\$ 14,100.00	\$ -	\$ 16,731.69	\$ 24,901.41
42900	Energy Education and Conser. Programs	\$ 59,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
42901	Energy Efficiency Programs	\$ 95,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
42902	Education & Training FY 21-22	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
42903	Community Service Support FY 21-22	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Totals:	\$ 5,757,032	\$ 249,729	\$ 943,872	\$ 1,220,394	\$ 319,671	\$ 358,247	\$ 923,653	\$ 1,601,572	\$ 4,01.

MEMORANDUM

To: Mark Cowden
 Larry Howard
 Bill Thomas
 Glenn Andrew
 Mayor Judy Eychner

From: Mike Wittler

Date: October 14, 2022

Re: Item 12—Consideration and Action on Energy Efficiency Programs

The following table summarizes the Energy Efficiency Rebate Program payouts for the past two years.

Program	FY 2022		FY 2021	
	Number of Customer Rebates	Cost	Number of Customer Rebates	Cost
HVAC Rebates	53	\$ 19,150.00	57	\$20,450.00
Contractor HVAC Rebates	52	\$ 2,600.00	57	\$ 2,850.00
Window Unit	1	\$ 25.00	2	\$ 50.00
Insulation Rebates	11	\$ 3,026.40	2	\$ 392.00
Pump/Motors	0	\$ -	0	\$ -
Water Heater	2	\$ 600.00	1	\$ 300.00
Windows	20	\$ 6,881.48	9	\$ 3,605.17
Smart Thermostat	19	\$ 525.00	3	\$ 75.00
Shade Tree	4	\$ 175.00	2	\$ 100.00
Total	110	\$ 32,982.88	76	\$27,822.17
Percent of Budget Utilized		35%		29%

For fiscal year 2023, the budget for the pool of rebates remains the same at \$95,000. With increased energy prices I expect us to put more focus on this program and energy efficiency audits to help address customer satisfaction and bill issues.

I will be happy to address any questions from the Board regarding this program.

Thanks,



Mike Wittler, P.E.

MEMORANDUM

To: Mark Cowden
Larry Howard
Bill Thomas
Glenn Andrew
Mayor Judy Eychner

From: Mike Wittler

Date: October 14, 2022

Re: Item 13—Consideration and Possible Action on Downtown Beautification Project

On August 9 KPUB sent the attached funding request letter to City staff. The item was placed on the September 13th City Council agenda along with aesthetic improvements at the downtown garage and Council approved taking the funding request forward to EIC.

EIC was presented the request on September 19th and approved scheduling a hearing for October 17th.

Based on feedback from our meeting on September 21st, I have had meetings and discussions with the City Manager, Deputy City Manager and a property owner's representative at 615 Water St. and can provide updates on these ongoing discussions at the Board meeting.

Based on where everything stands, it would be helpful if the Board would take action to approve proceeding with the project with any necessary stipulations if moving forward is desired.

I will be happy to address any questions from the Board regarding this project.

Thanks,



Mike Wittler, P.E.



**KERRVILLE
PUBLIC
UTILITY
BOARD**

August 9, 2022

Kerrville EIC Board Members
Mr. E.A. Hoppe
701 Main Street
Kerrville, TX 78028

Re: Funding Request for Clay and Water Street Underground Utility Conversion

In light of the activity being planned in the area of the Clay and Water Street intersection, KPUB has been investigating the possibility of converting the existing overhead utility lines in the area to underground.

KPUB has developed estimates of the cost to do this work which are summarized below. There are two costs provided with the variance being related to how much we are allowed to shut down the intersection for our work. If we are able to completely close the intersection for the duration of the civil work in the intersection, the work will be completed more quickly and at lower cost.

Activity	With Intersection Closure	With Partial Road Closures
Civil Construction Work	\$ 173,500	\$ 205,500
Material cost	\$ 141,506	\$ 141,506
KPUB Labor	\$ 50,000	\$ 50,000
HCTC Material and Labor	\$ 4,800	\$ 4,800
Windstream Material and Labor	\$ 8,500	\$ 8,500
Spectrum Material and Labor	\$ 8,813	\$ 8,813
Customer Service Entrance Conversions	\$ 10,000	\$ 10,000
Contingency	\$ 19,856	\$ 21,456
	\$ 416,975	\$ 450,575

This project will remove the overhead electric and telecommunications utilities starting on Clay Street starting approximately 60 feet South of Main Street and along Water Street from Sidney Baker to the A.C. Schreiner Mansion.

It would make sense to do this project in coordination with the other projects in this area if there is an interest in beautification for the area. The project will also help address providing service to the remodeled A.C. Schreiner Mansion as the existing service will not have the capacity required.

The KPUB Board has directed me to seek outside funding for 50% of the cost of this project. Factors considered in seeking outside funding include:

- KPUB line extension policy is based on overhead service as standard cost and customers are required to fund additional costs when underground is requested.
- Approximately 40% of KPUB's ratepayers are located outside of the Kerrville City limits and outside funding will help alleviate outside concerns.
- It is not appropriate for KPUB to fund the cost of conversion of telecommunications utilities (HCTC, Windstream, and Spectrum).
- It is not appropriate for KPUB to fund the cost of conversion of customer service entrance equipment.

Funding from the Kerrville EIC in an amount not to exceed \$225,287, or half of the total project expenses, whichever is less, will allow us to move forward with this project.

Please let me know if you need additional information.

Thanks,

A handwritten signature in black ink, appearing to read "Mike Wittler".

Mike Wittler, P.E.