

**MINUTES OF THE  
KERRVILLE PUBLIC UTILITY BOARD  
ANNUAL SYSTEM USERS MEETING  
WEDNESDAY, JANUARY 18, 2023 AT 8:30 A.M.  
KPUB CONFERENCE ROOM  
2250 MEMORIAL BLVD.  
KERRVILLE, TEXAS**

**TRUSTEES PRESENT:**

Mark Cowden  
Larry Howard  
Bill Thomas  
Glenn Andrew  
Mayor Judy Eychner

**STAFF PRESENT:**

Mike Wittler, General Manager and CEO  
Amy Dozier, Director of Finance  
Tammye Riley, Director of Operations  
Allison Bueché, Director of Customer and Community Relations  
Ricardo Berrios, Distribution Engineer  
Howard Hall, Field Services Supervisor  
Jill Cook, Accounting Supervisor  
Lidia S. Goldthorn, Assistant Secretary to the Board

**TRUSTEES ABSENT:**

**OTHERS PRESENT:**

Stephen Schulte, Legal Counsel  
Tyler Canady, BSGM, L.L.P.  
Gil Salinas, KEDC  
Katie Jordan, KEDC

**1. CALL TO ORDER:**

Mr. Mark Cowden, Chairman, called the Annual System Users Meeting to order at 8:30 a.m.

**2. PLEDGE OF ALLEGIANCE:**

**3. REPORT BY BSGM, L.L.P., CERTIFIED PUBLIC ACCOUNTANTS:**

Mr. Tyler Canady addressed the Board of Trustees on behalf of BSGM, L.L.P. Mr. Canady commended Ms. Dozier and staff, advising that no adjusting entries were needed and records were in good shape. He presented a review of the audit, the Annual Comprehensive Financial report and Agreed-Upon Procedures relating to KPUB's compliance with the Public Funds Investment Act. Mr. Canady reviewed the financial statements and discussed required supplementary information.

**4. CONSIDERATION AND ACTION ON RESOLUTION NO. 23-01- AMY DOZIER, DIRECTOR OF FINANCE:**

Ms. Dozier recommended approval of Resolution No. 23-01; a Resolution of the Kerrville Public Utility Board accepting the Fiscal Year End Audit of 2021/2022 and the Public Funds Investment Act Review. Chairman Cowden requested a motion from the Board. Glenn Andrew, Treasurer, motioned for approval of Resolution 23-01. Larry Howard, Vice Chairman, seconded the motion. Vote by a show of hands. Motion carried 5 – 0.

**5. ANNUAL GENERAL MANAGER’S REPORT – MIKE WITTLER**

Mr. Wittler advised that KPUB’s enabling authority, City of Kerrville Ordinance 87-45, states “at least annually the Board shall hold a meeting for all users of the System to discuss the general condition of the System and other such matters as the Board shall determine.” He highlighted the continued financial stability of KPUB as reflected in the annual audit. Mr. Wittler advised the Debt Service Coverage was 10.59. He advised that operating expenses increased 10.8%, operating revenues increased 8.2%, the total net position as of September 30, 2022 increased \$1,849,625 to \$73,973,703 and the pension plan funding ratio increased from 97.5% to 102.0%. Mr. Wittler advised the power supply cost to KPUB customers has remained competitive. The average residential energy cost for Fiscal Year 2022 was \$95.00/1000kWh and \$87.50/1000 kWh in 2021, which compare very favorably with rate comparisons at the state and national levels. Projected residential energy cost for the remainder of Fiscal Year 2023 is \$102.50/1000kWh, well below the state average of \$139.30 and the national average of \$159.50.

Mr. Wittler advised that litigation regarding purchased power costs for Winter Storm Uri is ongoing and the final outcome of the litigation will impact KPUB’s financial position and could result in the need to borrow funds. Any additional costs will be spread to KPUB customers over a period of years and in any case KPUB will meet its commitment to provide competitively priced electricity.

Mr. Wittler discussed major capital projects completed this year with overall costs at 70% of budget. Capital expenditures and construction projects included: (1) Extensions of and improvements to overhead and underground facilities to increase capacity and provide service to new customers and developments; (2) pole replacements; (3) building remodel; (4) vehicle purchases; and (5) information technology upgrades and equipment. He advised the electric system was in very good condition. On average, customers experienced about 41 minutes of outage time during the year and 26 minutes with major events excluded. He added that excluding major events, public power utilities across the US average 62 minutes of outage time and privately-owned utilities average 150 minutes.

Mr. Wittler advised that KPUB has continued to improve communications and engagement with the community by (1) continuing to support energy efficiency programs that help customers save money; (2) continuing the Change for Charity Program to bill payment assistance (3) supporting over forty community, non-profit and school events (4) awarding two new scholarships, and (5) volunteering to support blood drives, food pantry events, decorations for the holidays, Habitat for Humanity, and the Salvation Army. He also advised that in fiscal year 2022 KPUB received the following awards: 2022 APPA Safety Award of Excellence; 2021-2024 APPA Reliable Public Power Provider (RP3) designation recognizing utilities that demonstrate proficiency in reliability, safety, workforce development and system improvement; 2022 APPA Excellence in Public Power Communications Awards (third year in a row); 2022 Certificate of Achievement for Excellence in Financial Reporting; and 2022 Kerrville Kindness Award for mutual assistance efforts in Florida.

Mr. Wittler closed with the highest priority at KPUB and was happy to report that there were no lost time injuries and no preventable vehicle accidents during the year. In addition, a review of the workers compensation claim history shows that KPUB's safety record has been consistently improving over the long term. For the past five years, KPUB averaged 1.4 claims per year; the five years before that averaged 3.4 claims per year, and the five years before that averaged 5.2 claims per year.

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

There were no citizens/consumers to speak.

**7. ADJOURNMENT**

At 9:05 a.m., Chairman Cowden noted that there being no further business, the meeting was adjourned.

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

\_\_\_\_\_  
Mark Cowden, Chairman

**ATTEST**

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

**MINUTES OF THE  
KERRVILLE PUBLIC UTILITY BOARD  
REGULAR MONTHLY MEETING  
WEDNESDAY, JANUARY 18, 2023, 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  
Mayor Judy Eychner

**STAFF PRESENT:**

Mike Wittler, General Manager and CEO  
Amy Dozier, Director of Finance  
Tammye Riley, Director of Operations  
Allison Bueché, Director of Customer and Community Relations  
Ricardo Berrios, Distribution Engineer  
Howard Hall, Field Services Supervisor  
Jill Cook, Accounting Supervisor  
Lidia S. Goldthorn, Assistant Secretary to the Board

**TRUSTEES ABSENT:**

**OTHERS PRESENT:**

Stephen Schulte, Legal Counsel  
Gil Salinas, KEDC  
Katie Jordan, KEDC

**1. CALL TO ORDER:**

Mr. Mark Cowden, Chairman, called the Regular Monthly Meeting to order at 9:05 a.m.

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

There were no citizens/consumers to speak.

**3. ANNOUNCEMENTS OF COMMUNITY INTEREST:**

Ms. Bueché highlighted John Wollney, Electrical Engineer in Training, as the staff spotlight for the month. Mr. Wollney has been with KPUB for six months. She advised KPUB employees participated in the Salvation Army Bell Ringing and Center Point Senior Career Day. KPUB will be sponsoring another Blood Drive on March 23<sup>rd</sup>. Ms. Bueché also advised that employee Andrew Stevens graduated from the Lineman Apprenticeship Program. Mr. Wittler noted the following upcoming board meetings tentatively scheduled for:

- *Wednesday, February 15, 2023 at 8:30 a.m.*
- *Wednesday, March 22, 2023 at 8:30 a.m. (one week later than normal)*
- *Wednesday, April 19, 2023 at 9:30 a.m.*

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

Mr. Gilbert Salinas reviewed the Kerr Economic Development Corporation’s progress. He highlighted the projects and programs KEDC has worked on since their last report. KEDC is working on 11 active projects on the pipeline, which combined would bring about \$45 million in capital investments and approximately 600 perspective jobs in the area. A timeline on some of these projects look to be between a year to two years for breaking ground.

Mr. Salinas introduced new team member, Katie Jordan. Ms. Jordan went over her background before reviewing the successful KEDC events to date and the current projects and leads she is working on. Ms. Jordan has also been meeting with local and state leadership, and coordinating an internal organization process. She advised that child care continues to be a challenge they are focusing on, and have established a child care working group that has been meeting to look at tools/funding that can assist our community. Mr. Salinas added that they are also looking into more housing projects as well and hope to entice more young families to join our community and workforce. Board Members thanked KEDC staff for their update.

**5. CONSENT AGENDA:**

Larry Howard, Vice Chairman, made a motion to accept items in the consent agenda as presented. Bill Thomas, Secretary, seconded the motion. Vote was by a show of hands. Motion carried 5 – 0.

5A. APPROVAL OF MINUTES.

5B. RESOLUTION NO. 23-02 – AMY DOZIER, DIRECTOR OF FINANCE. A Resolution approving payment to various providers of services or supplies.

5C. APPROVAL AND REPORTING OF PURCHASES AND SALES:

1. Tree Trimming Contract (Howard Hall, Field Services Supervisor)

**END OF CONSENT AGENDA**

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

Ms. Dozier presented the financial statements for the month of December 2022. Ms. Dozier noted a \$89K increase in net position; \$3.3M in operating revenue; \$3.3M in operating expense; \$37K in operating income; \$3.8M in over collected power cost adjustment as of December 31, 2022; and \$30.5M invested in investment pools, CD’s and an investment account at Happy State Bank. She advised the investment account at Happy State Bank is completely liquid, fully collateralized, and earning 4.48% as of January 9, 2023. The Power Cost Adjustment (PCA) was set at \$102.50 in November. On a YTD basis, actual power costs equate to a power cost adjustment factor of \$99.67. Ms. Dozier advised that actual costs have been slightly greater than the billed rate, resulting in a \$73K decrease in the over collection account during FY2023. Management recommends keeping the PCA at \$102.50 for January.

**7. ENGINEERING AND OPERATIONS PROJECTS AND CAPITAL BUDGET REPORT – RICARDO BERRIOS, DISTRIBUTION ENGINEER:**

Mr. Berrios presented the Projects and Capital Budget Reports for the first quarter of fiscal year end 2023. He highlighted the Customer Extensions; Ordinary replacements; System Improvements; Pole Inspection Replacements; and Facilities Improvements, of which Ms. Dozier and Ms. Riley provided remodel updates. Mr. Berrios also presented major projects showing the name, location and number of units in various states of design. He highlighted some of the projects discussed in the report, those that have been completed, and active residential projects.

**8. QUARTERLY RELIABILITY REPORT – TAMMYE RILEY, DIRECTOR OF OPERATIONS:**

Ms. Riley presented the first quarter Reliability Report for FY2022-2023 for the Board’s review and went over a couple of events that occurred in that first quarter. She advised the report uses the System Average Interruption Durations Index (SAIDI), which is an industry standard metric. SAIDI shows how long on average, each customer was without power in each quarter throughout the fiscal year. She added it was important to note that SAIDI is calculated by excluding Major Event Days (MEDs), as defined by the IEEE.

**9. UPDATE ON ANNUAL COMMUNITY REPORT – ALLISON BUECHÉ, DIRECTOR OF CUSTOMER & COMMUNITY RELATIONS:**

Ms. Bueché presented KPUB’s fourth annual Community Report to the Board. She advised the report summarizes the KPUB organization’s key accomplishments and community impact during FY 2021-2022. She added that the report will be distributed to KPUB customers at the end of January as a standalone mail piece, as well as a link in the e-bills, the KPUB website, and various newspaper/social media advertisements. She advised the report focuses on rates and reliability, and the ways that KPUB supports the community. Board members complimented Ms. Bueché on the report.

**10. MOTION TO VOTE AND 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, generation and fuel, and Electric Reliability Council of Texas bids, prices, offers, and related services and

strategies; Risk management information, contracts, and strategies, including fuel hedging and storage;

- (1) Discussion on Hedging Activities, ERCOT Invoicing and Purchased Power Contracts – Mike Wittler, CEO

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, and “Competitive Matters” in accordance with Texas Statutes Subchapter D, Chapter 551, Government Code Section §551.086. Mr. Thomas so moved. Mr. Howard seconded the motion. Vote was by show of hands. Motion carried 5 – 0.

The Board entered Executive Closed Session at 9:56 a.m. Chairman Cowden adjourned the Executive Closed Session and reconvened into Open Session at 10:26 a.m.

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

No action taken by the Board.

**12. ADJOURNMENT**

Chairman Cowden adjourned the Regular Board Meeting at 10:26 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: February 14, 2023

Re: Agenda Item No. 5B – Resolution No. 23-03

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In accordance with Board resolution 10-06 that requires monthly reporting of wire transfers exceeding \$20,000, this memo reports the following transfers between January 12, 2023 and February 14, 2023 for Board approval:

|   | <u>Vendor</u>         | <u>Description</u>          | <u>Amount</u>   | <u>Date</u> |
|---|-----------------------|-----------------------------|-----------------|-------------|
| <b>Purchased Power:</b>   |                       |                             |                 |             |
| 1   | CPS                   | December 2022               | \$ 1,766,254.51 | 1/18/2023   |
| 2   | NextEra               | December 2022               | 485,088.00      | 1/18/2023   |
| 3   | Concho Bluff          | December 2022               | 52,740.57       | 1/20/2023   |
| 4   | Engie                 | December 2022               | 51,002.72       | 1/24/2023   |
| 5   | DG Solar              | December 2022               | 29,016.19       | 1/26/2023   |
| 6   | LCRA                  | December 2022               | 612,360.06      | 1/27/2023   |
| 7   | Garland Power & Light | December 2022               | (219,839.17)    | 1/31/2023   |
| <b>Payroll:</b>   |                       |                             |                 |             |
| 1   | Payroll               | Pay period ending 1/14/2023 | 128,014.58      | 1/20/2023   |
| 2   | Payroll               | Pay period ending 1/28/2023 | 125,230.18      | 2/3/2023    |
| 3   | Payroll Taxes         | Pay period ending 1/14/2023 | 45,947.49       | 1/25/2023   |
| 4   | Payroll Taxes         | Pay period ending 1/28/2023 | 44,953.79       | 2/8/2023    |
| <b>Employee Benefits:</b>   |                       |                             |                 |             |
| 1   | TML                   | Health Insurance - February | 74,515.47       | 2/1/2023    |
| 2   | TMRS                  | Pension - January Payroll   | 73,199.96       | 2/14/2023   |
| <b>Investment Transfers (from Operating Account to Investment Account at Happy State Bank):</b> |                       |                             |                 |             |
| 1   | Happy State Bank      | Investment Transfer         | 400,000.00      | 1/13/2023   |
| 2   | Happy State Bank      | Investment Transfer         | 1,000,000.00    | 1/19/2023   |
| 3   | Happy State Bank      | Investment Transfer         | 600,000.00      | 1/23/2023   |
| 4   | Happy State Bank      | Investment Transfer         | 500,000.00      | 1/27/2023   |
| 5   | Happy State Bank      | Investment Transfer         | 975,000.00      | 1/31/2023   |
| 6   | Happy State Bank      | Investment Transfer         | 550,000.00      | 2/6/2023    |
| 7   | Happy State Bank      | Investment Transfer         | 500,000.00      | 2/10/2023   |



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 light blue background behind it.

Amy Dozier  
Director of Finance

**RESOLUTION NO. 23-03**

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

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

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

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

**BE IT RESOLVED BY THE KERRVILLE PUBLIC UTILITY BOARD THAT:**

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

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

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

**PASSED, APPROVED AND ADOPTED on this 22<sup>nd</sup> day of February, 2023**

\_\_\_\_\_  
**Mark Cowden, Chairman**

**ATTEST:**

\_\_\_\_\_  
**Bill Thomas, Secretary**

## MEMORANDUM

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

From: Amy Dozier

Date: February 8, 2023

Re: Agenda Item No. 5C – Quarterly Funds Report

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Attached please find summary information from KPUB's quarterly funds report.

As of December 31, 2022, KPUB had \$30.5M invested in CD's, municipal investment pools and demand accounts at Happy State Bank. The majority of the funds (\$25.2M) are held in demand accounts at Happy State Bank. These accounts are fully collateralized, completely liquid and earning 4.665% as of February 8, 2023.

The investments were discussed with the Investment Committee following the January Board meeting. We discussed continued favorable rates at Happy State Bank that change weekly and continue to rise as the Federal Reserve raises its interest rates. Our plan is to continue the current strategy of holding completely liquid and fully collateralized investments at increasingly favorable rates until pending litigation is resolved.

Sincerely,



Amy Dozier  
Director of Finance

**Kerrville Public Utility Board  
Schedule of Average Daily Balance of Fund  
For Reporting Compliance as Required by the  
Texas Public Funds Investment Act  
For the Quarter Ended December 31, 2022**

**Total Funds Invested**

| Day of the Month              |           | October<br>2022    |           | November<br>2022   |           | December<br>2022   |           | Totals            |
|-------------------------------|-----------|--------------------|-----------|--------------------|-----------|--------------------|-----------|-------------------|
| 1                             | \$        | 31,510,546         | \$        | 30,984,473         | \$        | 30,602,616         |           |                   |
| 2                             |           | 31,510,546         |           | 30,984,473         |           | 30,602,616         |           |                   |
| 3                             |           | 31,510,546         |           | 30,984,473         |           | 30,602,616         |           |                   |
| 4                             |           | 31,508,546         |           | 30,984,473         |           | 30,602,616         |           |                   |
| 5                             |           | 31,508,546         |           | 30,984,473         |           | 30,602,616         |           |                   |
| 6                             |           | 31,508,546         |           | 30,984,473         |           | 30,602,616         |           |                   |
| 7                             |           | 32,058,546         |           | 31,270,037         |           | 30,533,583         |           |                   |
| 8                             |           | 32,058,546         |           | 31,270,037         |           | 30,533,583         |           |                   |
| 9                             |           | 32,058,546         |           | 31,194,001         |           | 31,133,583         |           |                   |
| 10                            |           | 32,058,546         |           | 31,194,001         |           | 31,133,583         |           |                   |
| 11                            |           | 32,058,546         |           | 31,194,001         |           | 31,133,583         |           |                   |
| 12                            |           | 32,552,720         |           | 31,194,001         |           | 31,133,583         |           |                   |
| 13                            |           | 32,453,577         |           | 31,194,001         |           | 31,133,583         |           |                   |
| 14                            |           | 32,453,255         |           | 31,194,001         |           | 31,133,291         |           |                   |
| 15                            |           | 32,453,255         |           | 31,643,626         |           | 31,133,291         |           |                   |
| 16                            |           | 32,453,255         |           | 31,643,626         |           | 30,663,199         |           |                   |
| 17                            |           | 32,953,255         |           | 29,843,771         |           | 30,663,199         |           |                   |
| 18                            |           | 32,483,815         |           | 29,843,771         |           | 30,663,199         |           |                   |
| 19                            |           | 30,076,077         |           | 29,843,771         |           | 30,633,772         |           |                   |
| 20                            |           | 30,076,077         |           | 29,843,771         |           | 29,305,563         |           |                   |
| 21                            |           | 30,012,326         |           | 30,342,694         |           | 29,305,563         |           |                   |
| 22                            |           | 30,012,326         |           | 30,252,636         |           | 29,715,940         |           |                   |
| 23                            |           | 30,012,326         |           | 30,197,783         |           | 29,656,837         |           |                   |
| 24                            |           | 30,136,831         |           | 30,197,783         |           | 29,656,837         |           |                   |
| 25                            |           | 30,029,964         |           | 30,120,444         |           | 29,656,837         |           |                   |
| 26                            |           | 30,029,964         |           | 30,120,444         |           | 29,656,837         |           |                   |
| 27                            |           | 29,435,223         |           | 30,120,444         |           | 29,656,837         |           |                   |
| 28                            |           | 29,655,660         |           | 29,512,275         |           | 29,042,935         |           |                   |
| 29                            |           | 29,655,660         |           | 29,554,025         |           | 29,042,935         |           |                   |
| 30                            |           | 29,746,318         |           | 30,664,500         |           | 30,547,509         |           |                   |
| 31                            |           | 31,046,318         |           |                    |           | 30,502,909         |           |                   |
| <b>Total of daily balance</b> | <b>\$</b> | <b>967,078,213</b> | <b>\$</b> | <b>919,356,281</b> | <b>\$</b> | <b>940,988,270</b> |           |                   |
| <b>Average daily balance</b>  | <b>\$</b> | <b>31,196,071</b>  | <b>\$</b> | <b>30,645,209</b>  | <b>\$</b> | <b>30,354,460</b>  | <b>\$</b> | <b>30,732,856</b> |
| <b>Interest earnings</b>      | <b>\$</b> | <b>90,658</b>      | <b>\$</b> | <b>102,226</b>     | <b>\$</b> | <b>110,175</b>     | <b>\$</b> | <b>303,059</b>    |
| <b>APR -----&gt;</b>          |           | <b>3.42%</b>       |           | <b>4.06%</b>       |           | <b>4.27%</b>       |           | <b>3.91%</b>      |

**Kerrville Public Utility Board  
Schedule of Other Investment Facts  
For Reporting Compliance as Required by the  
Texas Public Funds Investment Act  
For the Quarter Ended December 31, 2022**

**Total Funds Invested by Fund**

| Fund                                    | Market Value<br>and<br>Carrying Amount | Actual<br>Interest<br>Earnings | Budgeted<br>Interest<br>Earnings |
|---|--|--------------------------------|----------------------------------|
| Revenue                                 | \$ 22,278,349                          | \$ 220,540                     | \$ 132,313                       |
| Construction                            | 1,471,677                              | 14,692                         | 9,063                            |
| Rate Stabilization                      | 1,936,722                              | 19,335                         | 10,875                           |
| Long Term Rate Stabilization            | 1,105,374                              | 11,035                         | 7,250                            |
| Debt Reserve                            | -                                      | -                              | -                                |
| Interest & Sinking                      | 89,545                                 | 1,306                          | 907                              |
| Emergency, Repair, Replace & Cont. Fund | 3,621,243                              | 36,152                         | 20,844                           |
| <b>Total</b>                            | <b>\$ 30,502,909</b>                   | <b>\$ 303,059</b>              | <b>\$ 181,252</b>                |

**Total Funds Invested by Security**

| Type of Security              | Market Value<br>and<br>Carrying Amount | Actual<br>Interest<br>Earnings | Budgeted<br>Interest<br>Earnings |
|-------------------------------|--|--------------------------------|----------------------------------|
| Certificate of Deposit        | 0% \$ -                                | \$ 1,089                       | -                                |
| TEXPOOL                       | 1% 255,668                             | 2,247                          | 1,519                            |
| LOGIC                         | 17% 5,088,044                          | 48,315                         | 30,234                           |
| Happy State Bank - Investment | 82% 25,159,197                         | 251,408                        | 149,499                          |
| <b>Totals</b>                 | <b>100% \$ 30,502,909</b>              | <b>\$ 303,059</b>              | <b>\$ 181,252</b>                |

# MEMORANDUM

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

From: Damon Richardson

Date: February 16, 2023

Re: Agenda Item No. 5D.1 – Padmount Transformers

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Attached for your consideration is the following information regarding the purchase of 8 padmount transformers in 4 different sizes:

1. Bid Evaluation Summary
2. Purchase Price History
3. Developer Requests / Inventory Analysis

On February 6, 2023, KPUB requested bids for 4 sizes of padmount transformers used for commercial applications. Six bids were received. The bids received show that the industry is continuing to experience supply chain disruptions that have resulted in long lead times and significantly higher prices. ERMCO, one of the nation's largest transformer manufacturers and a brand that KPUB frequently uses, is not even providing quotes.

Based on the quotes received, management recommends approving the purchase of 8 transformers in 4 different sizes from Wesco for the following reasons:

1. Lead time – Wesco is quoting a lead time of 8-10 months, which is shorter than 4 other bidders offering lead times ranging from 13 to 34 months. Priester-Mell & Nicholson (PMN) is offering a 4 to 5-month lead time, but their price is 33% higher than Wesco's.
2. Lowest price on a trusted brand – Wesco's quote is for Prolec GE transformers. Prolec GE is a trusted and established manufacturer with good reliability and quality. KPUB currently has many Prolec GE transformers installed and in operation. KBS is quoting a lower price for transformers manufactured by Rymel. Rymel transformers are manufactured in Columbia. Rymel is not an established brand in the United States. Other electric utilities have begun ordering from them recently due to the current transformer shortage, but it is too soon to determine the quality and reliability of their product.

Accordingly, we are requesting Board approval to purchase 8 transformers from Wesco at a total purchase price of \$343,483.50. Please let me know if you have any questions or concerns.

Sincerely,



Damon Richardson  
Purchasing Agent

Kerrville Public Utility Board  
 Padmount Transformers Bid Analysis  
 February 15, 2023

| <b>225 KVA 208/120</b> | <b>TEC</b> | <b>KBS</b> | <b>Wesco</b> | <b>Irby</b> | <b>Techline</b> | <b>PMN</b> |
|------------------------|------------|------------|--------------|-------------|-----------------|------------|
| Unit Price             | \$ 31,232  | \$ 26,000  | \$ 31,236    | \$ 26,888   | \$ 30,100       | \$ 48,750  |
| Manufacturer           | Prolec GE  | Rymel      | Prolec GE    | ABB         | Howard          | ZMP        |
| Days to Delivery       | 712        | 378        | 294          | 707         | 420             | 126        |

| <b>500 KVA 480/277</b> | <b>TEC</b> | <b>KBS</b> | <b>Wesco</b> | <b>Irby</b> | <b>Techline</b> | <b>PMN</b> |
|------------------------|------------|------------|--------------|-------------|-----------------|------------|
| Unit Price             | \$ 42,646  | \$ 28,200  | \$ 42,646    | \$ 43,995   | \$ 40,898       | \$ 58,750  |
| Manufacturer           | Prolec GE  | Rymel      | Prolec GE    | ABB         | Howard          | ZMP        |
| Days to Delivery       | 712        | 378        | 294          | 707         | 420             | 140        |

| <b>750 KVA 208/120</b> | <b>TEC</b> | <b>KBS</b> | <b>Wesco</b> | <b>Irby</b> | <b>Techline</b> | <b>PMN</b> |
|------------------------|------------|------------|--------------|-------------|-----------------|------------|
| Unit Price             | \$ 53,408  | \$ 40,000  | \$ 53,410    | \$ 86,410   | \$ 65,961       | \$ 60,750  |
| Manufacturer           | Prolec GE  | Rymel      | Prolec GE    | ABB         | Howard          | ZMP        |
| Days to Delivery       | 712        | 378        | 294          | 1,043       | 420             | 140        |

| <b>750 KVA 480/277</b> | <b>TEC</b> | <b>KBS</b> | <b>Wesco</b> | <b>Irby</b> | <b>Techline</b> | <b>PMN</b> |
|------------------------|------------|------------|--------------|-------------|-----------------|------------|
| Unit Price             | \$ 44,447  | \$ 38,000  | \$ 44,450    | \$ 69,250   | \$ 51,100       | \$ 60,750  |
| Manufacturer           | Prolec GE  | Rymel      | Prolec GE    | ABB         | Howard          | ZMP        |
| Days to Delivery       | 712        | 378        | 294          | 1,043       | 420             | 140        |

|                    |                   |                   |                   |                   |                   |                   |
|--------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| <b>TOTAL PRICE</b> | <b>\$ 343,466</b> | <b>\$ 264,400</b> | <b>\$ 343,484</b> | <b>\$ 453,085</b> | <b>\$ 376,118</b> | <b>\$ 458,000</b> |
|--------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|

Kerrville Public Utility Board  
 Padmount Transformers Purchase Price History  
 February 15, 2023

| Purchase Order #       | PO Date  | Delivery Date | Unit Cost | Qty on Order |
|------------------------|----------|---------------|-----------|--------------|
| <b>225 KVA 208/120</b> |          |               |           |              |
| Current Bid            |          | 01/10/24      | \$ 31,236 | 2            |
| 23143                  | 11/16/22 | 06/21/24      | 15,182    | 2            |
| 22560                  | 09/21/22 | 12/15/23      | 29,472    | 2            |
| 22152                  | 02/16/22 | 02/17/23      | 17,969    |              |
| 19061                  | 08/10/20 | 09/10/20      | 8,400     |              |
| 18686                  | 12/11/19 | 01/24/20      | 8,400     |              |
| 18310                  | 03/29/19 | 06/14/19      | 7,220     |              |
| <b>500 KVA 480/277</b> |          |               |           |              |
| Current Bid            |          | 01/10/24      | \$ 42,646 | 2            |
| 23143                  | 11/16/22 | 06/21/24      | 19,365    | 2            |
| 19660                  | 07/29/21 | 11/29/21      | 13,989    |              |
| 18309                  | 03/29/19 | 06/07/19      | 9,286     |              |
| 17945                  | 08/03/18 | 10/19/18      | 9,527     |              |
| <b>750 KVA 208/120</b> |          |               |           |              |
| Current Bid            |          | 01/10/24      | \$ 53,410 | 2            |
| 18309                  | 03/29/19 | 06/07/19      | 14,801    |              |
| 18097                  | 11/06/18 | 02/06/19      | 15,000    |              |
| <b>750 KVA 480/277</b> |          |               |           |              |
| Current Bid            |          | 01/10/24      | \$ 44,450 | 2            |
| 23143                  | 11/16/22 | 06/21/24      | 30,437    | 2            |
| 19122                  | 09/09/20 | 01/29/21      | 17,310    |              |
| 18035                  | 10/03/18 | 01/02/19      | 12,696    |              |



Kerrville Public Utility Board  
 Padmount Transformer Inventory Analysis  
 February 15, 2023

|   | Description                            | Inventory | On Order | Installed | Developer Requests |
|---|--|-----------|----------|-----------|--------------------|
| 1 | <b>225 KVA 208/120</b>                 | 2         | 4        | 31        |                    |
|   | 1121 Broadway - Feb/March              |           |          |           | 1                  |
|   | 110 Goat Creek Cutoff - May/June       |           |          |           | 1                  |
| 2 | <b>500 KVA 480/277</b>                 | 2         | 2        | 26        |                    |
|   | 301 Sidney Baker - car wash - February |           |          |           | 1                  |
|   | Ingram Elementary - June               |           |          |           | 1                  |
|   | Junction Hwy-by Del Norte - car wash   |           |          |           | 1                  |
| 3 | <b>750 KVA 208/120</b>                 | 2         | 0        | 5         |                    |
|   | 1555 Bandera Hwy - June                |           |          |           | 1                  |
|   | Holdsworth - Sept/Oct                  |           |          |           | 1                  |
| 4 | <b>750 KVA 480/277</b>                 | 2         | 2        | 13        |                    |
|   | Junction Hwy/Commerce - car wash       |           |          |           | 1                  |
|   | USDA                                   |           |          |           | 1                  |
|   | Peterson Health                        |           |          |           | 1                  |

# MEMORANDUM

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

From: Damon Richardson

Date: February 16, 2023

Re: Agenda Item No. 5D.2 – 1/0 Underground Primary Cable

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Purchasing staff recommends issuing an \$82,500.00 purchase order to Wesco for the purchase of 25,000 feet of 1/0 underground cable. This is a common cable for residential underground feed subdivisions. Over 10,000' was just used for the Ridgeland development, and engineering has committed 11,317' to Mystic Ridge, 1,356' for Ingram softball field, 3,172' for the Clay St project and another 6,735' for 5 other planned jobs. Purchase history on the cable shows an average of \$2.54 per foot.

Results of quotation # 3175

| Vendor                  | Cost per foot | Total        | Lead Time |
|-------------------------|---------------|--------------|-----------|
| Techline                | \$4.20        | \$105,000.00 | 32 weeks  |
| TEC                     | \$4.70        | \$117,500.00 | 48 weeks  |
| KBS                     | No bid        |              |           |
| Priester Mell Nicholson | No bid        |              |           |
| Wesco                   | \$3.30        | \$82,500.00  | stock     |

The increase in cost is reflective of increases we are seeing in all material. KPUB's last purchase of this cable was 30,000' in September 2021, at \$2.525 per foot when planning for Ridgeland.

Sincerely,



Damon Richardson  
Purchasing Agent

## MEMORANDUM

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

From: Howard Hall

Date: February 22, 2023

Re: Agenda Item No. 5D – Approval and Reporting of Purchases and Sales

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

- 3. Fleet Sales.** The following vehicle was auctioned and sold thru JJ Kane Auctioneers. Unit 3207, 2006 F-750 Digger-Derrick for \$27,550. The amount mentioned is the price after the auctioneer percentage was deducted from the sale price. Attach is the sellers report.

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

Sincerely,

Howard Hall

# LOT SUMMARY

KERRVILLE PUBLIC UTILITY BOARD  
2250 Memorial Blvd, Kerrville  
TX, 78028

02/07/2023

Birmingham,AL

|              |  |                 |                    |                |               |                    |
|--------------|--|-----------------|--------------------|----------------|---------------|--------------------|
| <b>28206</b> | Terex/Telelect Commander C5045, Digger Derrick s/n 2060329810, with 45ft sheave height, 2-spd digger, pole guides, heel winch & riding console, rear mounted on 2006 Ford F750 Flatbed/Utility Truck, 5.9L diesel, Auto, A/C, with front winch, (51,218 miles) (Runs, Moves & Upper Operates) NOTE: This unit is being sold AS IS/WHERE IS via Timed Auction. For pickup information and terms, please reference the release form. (Missing manuals, See Auction Company for Manufacturers Information to obtain manuals) (Buyer is responsible for removal. Assistance by consignor or JJ Kane Auctioneers is not assured.) | Amt Bid:        | <b>\$29,000.00</b> | -- EXPENSE --  | -EXPLANATION- |                    |
| null         |  | Commission:     | \$1,450.00         | Adjustments:   | \$0.00        | <b>\$27,550.00</b> |
|              |  | Transportation: | \$0.00             | Parts/Repairs: | \$0.00        |                    |
|              |  | Washing:        | \$0.00             | Misc Exp 1:    | \$0.00        |                    |
|              |  | Decommission:   | \$0.00             | Misc Exp 2:    | \$0.00        |                    |

V.I.N.: 3FRXF75G46V372133

Arrival Date: 01/25/2023

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# LOT SUMMARY

KERRVILLE PUBLIC UTILITY BOARD  
 2250 Memorial Blvd, Kerrville  
 TX, 78028

02/07/2023

Birmingham,AL

| LOT SPECIFIC AMOUNTS and FEES         |                    | SELLER SPECIFIC EXPENSES and INCOME |              |        |                                   |
|---------------------------------------|--------------------|-------------------------------------|--------------|--------|-----------------------------------|
| <b>TOTAL AMOUNT OF ALL LOTS SOLD:</b> | <b>\$29,000.00</b> | Seller Expenses                     | Advertising: | \$0.00 | <b>SELLER NET<br/>\$27,550.00</b> |
| TOTAL AMOUNT OF No Sales:             | \$0.00             |                                     |              | \$0.00 |                                   |
| TOTAL AMOUNT OF Commission:           | \$1,450.00         |                                     |              | \$0.00 |                                   |
| TOTAL AMOUNT OF Transportation:       | \$0.00             |                                     |              | \$0.00 |                                   |
| TOTAL AMOUNT OF Washing:              | \$0.00             |                                     |              | \$0.00 |                                   |
| TOTAL AMOUNT OF Decommission:         | \$0.00             | Seller Income                       |              | \$0.00 |                                   |
| TOTAL AMOUNT OF Adjustments:          | \$0.00             |                                     |              | \$0.00 |                                   |
| TOTAL AMOUNT OF Parts/Repairs:        | \$0.00             |                                     |              | \$0.00 |                                   |
| TOTAL AMOUNT OF Misc Exp 1:           | \$0.00             |                                     |              | \$0.00 |                                   |
| TOTAL AMOUNT OF Misc Exp 2:           | \$0.00             |                                     |              | \$0.00 |                                   |
| <b>LOTS SUBTOTAL:</b>                 | <b>\$27,550.00</b> |                                     |              | \$0.00 |                                   |

## MEMORANDUM

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

From: Allison Bueché

Date: February 15, 2023

Re: Agenda Item No. 6—Discussion & Action on Appointments to Scholarship Committee

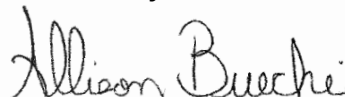
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The KPUB scholarship program guidelines specify that a scholarship selection committee, appointed by the KPUB Board of Trustees, will choose the candidates and an alternate for the available KPUB scholarships to be awarded.

The undergraduate scholarship application deadline closes soon, on Friday, February 24, 2023. The KPUB Board of Trustees will need to appoint new members to serve on the selection committee to choose this year's candidates and alternate for the 2023 KPUB undergraduate scholarship awards.

In the past, that committee has been comprised of a KPUB Board Member, KISD representative and an Ingram ISD representative.

Sincerely,



Allison Bueché  
Director of Customer & Community  
Relations

# MEMORANDUM

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

From: Amy Dozier

Date: February 13, 2023

Re: Agenda Item No. 7 – Financial Report

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Attached please find financial statements for the month of January 2023.

Highlights include:

- **\$448K increase in net position** for the month, **\$729K increase** in net position on a year-to-date (YTD) basis.
- **\$4.3M in operating revenue** for the month, **\$15.3M** on a YTD basis.
  - Operating revenue was 5.2% less than budget for January due primarily to kWh sales that were 4.6% less than expected. After several days of very cold temperatures around Christmas, the weather moderated through most of January. The average high temperature in January was 67°, which is 5.9° above the 30-year average. YTD revenues are similar to the month at 4.3% lower than budget due primarily to lower than expected kWh sales due to relatively mild weather since October.
- **\$3.9M in operating expense** for the month, **\$14.7M** on a YTD basis.
  - Operating expense is lower than budget by \$167K or 4.1% for the month primarily due to purchased power expense as discussed with operating revenue.
  - On a YTD basis, operating expense is \$807K or 5.2% lower than budget due to a combination of factors in addition to the purchased power expense previously explained. Staffing vacancies, expenses paid by New Smyrna Beach during the Hurricane Ian deployment, LCRA radio purchases occurring later in the year than budgeted, and timing of tree trimming are all contributing to favorable operating expense variances.
- **\$404K in operating income** for the month, **\$620K in operating income** on a YTD basis.
- **\$4.2M in over collection of power cost adjustment** as of 1/31/2023, an **increase of \$388K** from the prior month due to lower natural gas costs related to increased supply caused by mild weather and European export delays.
- **\$31.7M invested** in investment pools and an investment account at Happy State Bank. The investment account at Happy State Bank is completely liquid, fully collateralized, and earning 4.66% as of February 13, 2023.

The Power Cost Adjustment (PCA) was set at \$102.50 in November. On a YTD basis, actual power costs equate to a power cost adjustment factor of \$98.03. Even though actual costs are lower than billed costs through January, management recommends keeping the PCA at \$102.50 for February due to ongoing price volatility and continued pending litigation.

Lastly, on February 13, 2023, KPUB received payment in full (\$100,589.03) from New Smyrna Beach for mutual aid provided after Hurricane Ian.

Sincerely,

A handwritten signature in black ink that reads "Amy Dozier". The signature is written in a cursive style and is placed on a light gray rectangular background.

Amy Dozier  
Director of Finance



Kerrville Public Utility Board  
Statement of Revenues, Expenses and Changes in Fund Net Position  
For the Month Ended January 31, 2023  
(Unaudited)

|   | Comparison to Budget |                                   |  |                        | Comparison to Last Year              |  |                        |
|---|----------------------|-----------------------------------|--|------------------------|--------------------------------------|--|------------------------|
|   | Current<br>Month     | Current Month<br>Budget<br>Amount | Variance<br>Favorable<br>(Unfavorable) | Percentage<br>Variance | Current Month<br>Last Year<br>Amount | Variance<br>Favorable<br>(Unfavorable) | Percentage<br>Variance |
| <b>OPERATING REVENUES:</b>                |                      |                                   |  |                        |                                      |  |                        |
| Residential                               | \$ 2,558,270         | \$ 2,779,361                      | \$ (221,091)                           | -7.95%                 | \$ 2,144,264                         | \$ 414,006                             | 19.31%                 |
| Commercial/Industrial                     | 1,495,511            | 1,646,815                         | (151,304)                              | -9.19%                 | 1,413,227                            | 82,284                                 | 5.82%                  |
| Sales to Public Authorities               | 21,915               | 21,500                            | 415                                    | 1.93%                  | 21,709                               | 207                                    | 0.95%                  |
| Other                                     | 213,234              | 76,142                            | 137,092                                | 180.05%                | 103,557                              | 109,677                                | 105.91%                |
| <b>TOTAL OPERATING REVENUES</b>           | <b>4,288,930</b>     | <b>4,523,818</b>                  | <b>(234,888)</b>                       | <b>-5.19%</b>          | <b>3,682,757</b>                     | <b>606,173</b>                         | <b>16.46%</b>          |
| <b>OPERATING EXPENSES:</b>                |                      |                                   |  |                        |                                      |  |                        |
| Purchased Power                           | 2,832,698            | 2,965,652                         | 132,954                                | 4.48%                  | 2,469,781                            | (362,917)                              | -14.69%                |
| Distribution                              | 341,240              | 367,536                           | 26,296                                 | 7.15%                  | 331,000                              | (10,240)                               | -3.09%                 |
| Customer Accounts                         | 51,189               | 64,255                            | 13,066                                 | 20.33%                 | 55,193                               | 4,004                                  | 7.25%                  |
| Customer Service, Informational & Sales   | 29,428               | 34,779                            | 5,351                                  | 15.39%                 | 20,544                               | (8,884)                                | -43.25%                |
| Administrative Expenses                   | 310,643              | 296,459                           | (14,184)                               | -4.78%                 | 250,803                              | (59,841)                               | -23.86%                |
| Depreciation & Amortization               | 320,008              | 323,676                           | 3,668                                  | 1.13%                  | 310,092                              | (9,915)                                | -3.20%                 |
| <b>TOTAL OPERATING EXPENSES</b>           | <b>3,885,206</b>     | <b>4,052,357</b>                  | <b>167,151</b>                         | <b>4.12%</b>           | <b>3,437,413</b>                     | <b>(447,793)</b>                       | <b>-13.03%</b>         |
| <b>OPERATING INCOME (LOSS)</b>            | <b>403,724</b>       | <b>471,461</b>                    | <b>(67,737)</b>                        | <b>-14.37%</b>         | <b>245,344</b>                       | <b>158,380</b>                         | <b>64.55%</b>          |
| <b>NONOPERATING REVENUES (EXP):</b>       |                      |                                   |  |                        |                                      |  |                        |
| Interest Income - Investments             | 121,643              | 60,417                            | 61,227                                 | 101.34%                | 6,572                                | 115,071                                | 1751.00%               |
| Interest Income - City of Kerrville       | 15,000               | 15,000                            | -                                      | 0.00%                  | 15,000                               | -                                      | 0.00%                  |
| Interest Expense                          | (8,754)              | (9,986)                           | 1,232                                  | -12.34%                | (9,621)                              | 867                                    | -9.01%                 |
| City of Kerrville - General Fund Transfer | (132,317)            | (137,527)                         | 5,210                                  | -3.79%                 | (110,680)                            | (21,637)                               | 19.55%                 |
| City of Ingram - Franchise Fee            | (3,344)              | (3,873)                           | 528                                    | -13.64%                | (2,666)                              | (678)                                  | 25.44%                 |
| Other - Net                               | 1,264                | 2,667                             | (1,402)                                | -52.59%                | 2,980                                | (1,716)                                | -57.58%                |
| <b>TOTAL NONOPERATING REVENUES (EXP)</b>  | <b>(6,508)</b>       | <b>(73,302)</b>                   | <b>66,794</b>                          | <b>-91.12%</b>         | <b>(98,415)</b>                      | <b>91,907</b>                          | <b>-93.39%</b>         |
| <b>INCOME BEFORE CONTRIBUTIONS</b>        | <b>397,216</b>       | <b>398,158</b>                    | <b>(943)</b>                           | <b>0.24%</b>           | <b>146,929</b>                       | <b>250,287</b>                         | <b>170.35%</b>         |
| <b>CAPITAL CONTRIBUTIONS</b>              | <b>50,913</b>        | <b>25,000</b>                     | <b>25,913</b>                          | <b>103.65%</b>         | <b>64,930</b>                        | <b>(14,018)</b>                        | <b>-21.59%</b>         |
| <b>CHANGE IN NET POSITION</b>             | <b>\$ 448,128</b>    | <b>\$ 423,158</b>                 | <b>\$ 24,970</b>                       | <b>5.90%</b>           | <b>\$ 211,859</b>                    | <b>\$ 236,269</b>                      | <b>111.52%</b>         |
| <b>NET POSITION AT BEGINNING OF MONTH</b> | <b>\$ 74,254,426</b> |                                   |  |                        | <b>\$ 72,147,616</b>                 |  |                        |
| <b>NET POSITION AT END OF MONTH</b>       | <b>\$ 74,702,554</b> |                                   |  |                        | <b>\$ 72,359,475</b>                 |  |                        |

Kerrville Public Utility Board  
Statement of Revenues, Expenses and Changes in Fund Net Position  
For the Month Ended January 31, 2023  
(Unaudited)

|   | Comparison to Budget |                                  |                            |                        | Comparison to Last Year             |                            |                        |
|---|----------------------|----------------------------------|----------------------------|------------------------|-------------------------------------|----------------------------|------------------------|
|   | Year to<br>Date      | Year to Date<br>Budget<br>Amount | Variance                   |                        | Year to Date<br>Last Year<br>Amount | Variance                   |                        |
|   |                      |                                  | Favorable<br>(Unfavorable) | Percentage<br>Variance |                                     | Favorable<br>(Unfavorable) | Percentage<br>Variance |
| <b>OPERATING REVENUES:</b>                |                      |                                  |                            |                        |                                     |                            |                        |
| Residential                               | \$ 8,636,484         | \$ 8,948,964                     | \$ (312,480)               | -3.49%                 | \$ 7,211,627                        | \$ 1,424,857               | 19.76%                 |
| Commercial/Industrial                     | 6,225,735            | 6,747,219                        | (521,483)                  | -7.73%                 | 5,545,702                           | 680,033                    | 12.26%                 |
| Sales to Public Authorities               | 83,457               | 86,000                           | (2,543)                    | -2.96%                 | 86,303                              | (2,846)                    | -3.30%                 |
| Other                                     | 362,756              | 212,939                          | 149,817                    | 70.36%                 | 242,116                             | 120,640                    | 49.83%                 |
| <b>TOTAL OPERATING REVENUES</b>           | <b>15,308,432</b>    | <b>15,995,122</b>                | <b>(686,690)</b>           | <b>-4.29%</b>          | <b>13,085,747</b>                   | <b>2,222,684</b>           | <b>16.99%</b>          |
| <b>OPERATING EXPENSES:</b>                |                      |                                  |                            |                        |                                     |                            |                        |
| Purchased Power                           | 10,472,307           | 10,742,895                       | 270,588                    | 2.52%                  | 8,569,063                           | (1,903,244)                | -22.21%                |
| Distribution                              | 1,108,512            | 1,462,564                        | 354,053                    | 24.21%                 | 1,142,400                           | 33,888                     | 2.97%                  |
| Customer Accounts                         | 220,519              | 233,434                          | 12,915                     | 5.53%                  | 193,286                             | (27,233)                   | -14.09%                |
| Customer Service, Informational & Sales   | 116,492              | 138,550                          | 22,058                     | 15.92%                 | 101,206                             | (15,286)                   | -15.10%                |
| Administrative Expenses                   | 1,492,456            | 1,625,784                        | 133,328                    | 8.20%                  | 1,385,028                           | (107,427)                  | -7.76%                 |
| Depreciation & Amortization               | 1,277,752            | 1,291,524                        | 13,772                     | 1.07%                  | 1,228,630                           | (49,122)                   | -4.00%                 |
| <b>TOTAL OPERATING EXPENSES</b>           | <b>14,688,038</b>    | <b>15,494,751</b>                | <b>806,713</b>             | <b>5.21%</b>           | <b>12,619,613</b>                   | <b>(2,068,425)</b>         | <b>-16.39%</b>         |
| <b>OPERATING INCOME (LOSS)</b>            | <b>620,393</b>       | <b>500,370</b>                   | <b>120,023</b>             | <b>23.99%</b>          | <b>466,134</b>                      | <b>154,259</b>             | <b>33.09%</b>          |
| <b>NONOPERATING REVENUES (EXP):</b>       |                      |                                  |                            |                        |                                     |                            |                        |
| Interest Income - Investments             | 430,219              | 241,667                          | 188,552                    | 78.02%                 | 26,232                              | 403,987                    | 1540.04%               |
| Interest Income - City of Kerrville       | 60,000               | 60,000                           | -                          | 0.00%                  | 60,000                              | -                          | 0.00%                  |
| Interest Expense                          | (36,006)             | (39,366)                         | 3,360                      | -8.54%                 | (40,014)                            | 4,008                      | -10.02%                |
| City of Kerrville - General Fund Transfer | (472,160)            | (487,104)                        | 14,944                     | -3.07%                 | (393,359)                           | (78,800)                   | 20.03%                 |
| City of Ingram - Franchise Fee            | (11,114)             | (13,733)                         | 2,619                      | -19.07%                | (10,036)                            | (1,077)                    | 10.73%                 |
| Other - Net                               | 5,525                | 10,667                           | (5,142)                    | -48.20%                | 11,624                              | (6,098)                    | -52.47%                |
| <b>TOTAL NONOPERATING REVENUES (EXP)</b>  | <b>(23,535)</b>      | <b>(227,869)</b>                 | <b>204,334</b>             | <b>-89.67%</b>         | <b>(345,554)</b>                    | <b>322,019</b>             | <b>-93.19%</b>         |
| <b>INCOME BEFORE CONTRIBUTIONS</b>        | <b>596,858</b>       | <b>272,501</b>                   | <b>324,357</b>             | <b>119.03%</b>         | <b>120,580</b>                      | <b>476,278</b>             | <b>394.99%</b>         |
| <b>CAPITAL CONTRIBUTIONS</b>              | <b>131,995</b>       | <b>100,000</b>                   | <b>31,995</b>              | <b>31.99%</b>          | <b>128,560</b>                      | <b>3,435</b>               | <b>2.67%</b>           |
| <b>CHANGE IN NET POSITION</b>             | <b>\$ 728,852</b>    | <b>\$ 372,501</b>                | <b>\$ 356,352</b>          | <b>95.66%</b>          | <b>\$ 249,140</b>                   | <b>\$ 479,713</b>          | <b>192.55%</b>         |
| <b>NET POSITION AT BEGINNING OF YEAR</b>  | <b>\$ 73,973,702</b> |                                  |                            |                        | <b>\$ 72,110,335</b>                |                            |                        |
| <b>NET POSITION AT END OF MONTH</b>       | <b>\$ 74,702,554</b> |                                  |                            |                        | <b>\$ 72,359,475</b>                |                            |                        |

Kerrville Public Utility Board  
Balance Sheet  
As of January 31, 2023

| Assets and Deferred Outflows                         | January 31, 2023<br>(Unaudited) |               | September 30, 2022 | Net Position, Liabilities and Deferred Inflows       | January 31, 2023<br>(Unaudited) |               | September 30, 2022 |
|--|---------------------------------|---------------|--------------------|--|---------------------------------|---------------|--------------------|
| Utility Plant:                                       |                                 |               |                    |  |                                 |               |                    |
| Utility Plant in Service                             | \$                              | 95,190,739    | \$ 93,982,686      | Total Net Position                                   | \$                              | 74,702,554    | \$ 73,973,702      |
| Less: Accumulated Depreciation                       |                                 | (46,945,548)  | (46,827,910)       |  |                                 |               |                    |
| Net Utility Plant in Service                         |                                 | 48,245,191    | 47,154,776         |  |                                 |               |                    |
| Construction Work in Progress                        |                                 | 1,210,706     | 1,834,762          | Liabilities:   |                                 |               |                    |
| Total Utility Plant                                  |                                 | 49,455,898    | 48,989,538         | Current Liabilities:                                 |                                 |               |                    |
| Restricted and Noncurrent Assets:                    |                                 |               |                    | Current Maturities of Long-Term Liabilities          | 449,108                         | 437,108       |                    |
| Customer Deposits                                    | 472,464                         | 463,149       |                    | Accrued Interest Payable                             | 26,390                          | 48,046        |                    |
| Interest and Sinking Fund                            | 134,317                         | 434,802       |                    | Accounts Payable - Purchased Power                   | 10,817,424                      | 10,817,424    |                    |
| Emergency, Repair, Replace, Contingency Fund         | 3,635,308                       | 3,585,091     |                    | Accounts Payable - Other                             | 972,635                         | 1,369,794     |                    |
| Advance to City of Kerrville, net of current portion | 5,892,858                       | 6,428,572     |                    | Over Collection of Power Cost Adjustment             | 4,161,957                       | 3,846,149     |                    |
| Net Pension Asset                                    | 677,020                         | 677,020       |                    | Total Current Liabilities                            | 16,427,514                      | 16,518,522    |                    |
| Total Restricted and Noncurrent Assets               | 10,811,967                      | 11,588,634    |                    | Noncurrent Liabilities:                              |                                 |               |                    |
| Current Assets:                                      |                                 |               |                    | 2013 Revenue Bonds, net of current portion           | 2,413,000                       | 2,847,000     |                    |
| Revenue Fund:  |                                 |               |                    | Lease Liability                                      | 108,000                         | 108,000       |                    |
| Cash and Cash Equivalents                            | 453,009                         | 606,004       |                    | Customer Deposits                                    | 472,464                         | 463,149       |                    |
| Investments  | 22,794,641                      | 23,084,450    |                    | Interest on Customer Deposits                        | 2,254                           | 2,437         |                    |
| Less: Customer Deposits                              | (472,464)                       | (463,149)     |                    | Total OPEB Liability                                 | 382,619                         | 382,619       |                    |
| Total Revenue Fund                                   | 22,775,186                      | 23,227,305    |                    | Total Long-Term Liabilities                          | 3,378,337                       | 3,803,205     |                    |
| Construction Fund:                                   |                                 |               |                    | Total Liabilities                                    | 19,805,851                      | 20,321,726    |                    |
| Cash and Cash Equivalents                            | 5,208                           | 5,135         |                    | Deferred Inflows of Resources - Pension & OPEB       | 2,044,144                       | 2,044,144     |                    |
| Investments  | 1,477,393                       | 1,456,985     |                    |  |                                 |               |                    |
| Total Construction Fund                              | 1,482,602                       | 1,462,120     |                    |  |                                 |               |                    |
| Rate Stabilization Fund:                             |                                 |               |                    |  |                                 |               |                    |
| Investments  | 1,944,245                       | 1,917,388     |                    |  |                                 |               |                    |
| Total Rate Stabilization Fund                        | 1,944,245                       | 1,917,388     |                    |  |                                 |               |                    |
| Long Term Rate Stabilization Fund:                   |                                 |               |                    |  |                                 |               |                    |
| Investments  | 1,736,401                       | 1,094,339     |                    |  |                                 |               |                    |
| Total Rate Stabilization Fund                        | 1,736,401                       | 1,094,339     |                    |  |                                 |               |                    |
| Customer Accounts Receivable, net of allowance       | 4,264,108                       | 4,055,633     |                    |  |                                 |               |                    |
| Current Portion - Advance to City of Kerrville       | 1,071,428                       | 1,071,428     |                    |  |                                 |               |                    |
| Materials and Supplies                               | 1,246,609                       | 1,135,750     |                    |  |                                 |               |                    |
| Other  | 862,336                         | 895,666       |                    |  |                                 |               |                    |
| Total Current Assets                                 | 35,382,914                      | 34,859,629    |                    |  |                                 |               |                    |
| Deferred Outflow of Resources - Pension & OPEB       | 901,771                         | 901,771       |                    |  |                                 |               |                    |
| Total Assets and Deferred Outflows                   | \$ 96,552,549                   | \$ 96,339,572 |                    | Total Net Position, Liabilities and Deferred Inflows | \$ 96,552,549                   | \$ 96,339,572 |                    |

Kerrville Public Utility Board  
Invested Funds Detail  
For the Month Ended January 31, 2023

|  | Date     | Revenue Fund  | Restricted        |                         |                                   |                   |                         | Total Funds Invested |  |
|--|----------|---------------|-------------------|-------------------------|-----------------------------------|-------------------|-------------------------|----------------------|--|
|  |          |               | Construction Fund | Rate Stabilization Fund | Long Term Rate Stabilization Fund | Debt Reserve Fund | Interest & Sinking Fund |                      | Emergency Repair, Replacement & Contingency Fund |
| Beginning Fund Balance                       |          | \$ 22,278,349 | \$ 1,471,677      | \$ 1,936,722            | \$ 1,105,374                      | \$ -              | \$ 89,545               | \$ 3,621,243         | \$ 30,502,909                                    |
| Withdrawals:                                 |          |               |                   |                         |                                   |                   |                         |                      |  |
| Happy Investment - TML                       | 01/03/23 | (75,807)      |                   |                         |                                   |                   |                         |                      | (75,807)   |
| Happy Investment - ERCOT                     | 01/03/23 | (119,951)     |                   |                         |                                   |                   |                         |                      | (119,951)  |
| Happy Investment - TMRS                      | 01/11/23 | (70,079)      |                   |                         |                                   |                   |                         |                      | (70,079)   |
| Happy Investment - ERCOT                     | 01/17/23 | (276)         |                   |                         |                                   |                   |                         |                      | (276)  |
| Happy Investment - NextEra                   | 01/18/23 | (485,088)     |                   |                         |                                   |                   |                         |                      | (485,088)  |
| Happy Investment - CPS                       | 01/18/23 | (1,766,255)   |                   |                         |                                   |                   |                         |                      | (1,766,255)                                      |
| Happy Investment - Concho Bluff              | 01/20/23 | (52,741)      |                   |                         |                                   |                   |                         |                      | (52,741)   |
| Happy Investment - ERCOT                     | 01/23/23 | (12,490)      |                   |                         |                                   |                   |                         |                      | (12,490)   |
| Happy Investment - Engie                     | 01/24/23 | (51,003)      |                   |                         |                                   |                   |                         |                      | (51,003)   |
| Happy Investment - DG Solar                  | 01/26/23 | (29,016)      |                   |                         |                                   |                   |                         |                      | (29,016)   |
| Happy Investment - LCRA                      | 01/27/23 | (612,360)     |                   |                         |                                   |                   |                         |                      | (612,360)  |
| Investments:                                 |          |               |                   |                         |                                   |                   |                         |                      |  |
| Happy Investment                             | 01/06/23 | 500,000       |                   |                         |                                   |                   |                         |                      | 500,000  |
| Happy Investment                             | 01/11/23 | 400,000       |                   |                         |                                   |                   |                         |                      | 400,000  |
| Happy Investment                             | 01/13/23 | 400,000       |                   |                         |                                   |                   |                         |                      | 400,000  |
| Happy Investment                             | 01/19/23 | 1,000,000     |                   |                         |                                   |                   |                         |                      | 1,000,000  |
| Happy Investment                             | 01/23/23 | 600,000       |                   |                         |                                   |                   |                         |                      | 600,000  |
| Happy Investment                             | 01/27/23 | 500,000       |                   |                         |                                   |                   |                         |                      | 500,000  |
| Happy Investment                             | 01/31/23 | 975,000       |                   |                         |                                   |                   |                         |                      | 975,000  |
| Fund Balance after Withdrawals & Investments |          | 23,378,284    | 1,471,677         | 1,936,722               | 1,105,374                         | -                 | 89,545                  | 3,621,243            | 31,602,845                                       |
| Allocation of:                               |          |               |                   |                         |                                   |                   |                         |                      |  |
| Interest Income                              | 01/31/23 | 86,489        | 5,716             | 7,523                   | 5,313                             | -                 | 353                     | 14,066               | 119,461  |
| Total Interest Allocation                    |          | 86,489        | 5,716             | 7,523                   | 5,313                             | -                 | 353                     | 14,066               | 119,461  |
| Fund Balance After Allocations               |          | 23,464,774    | 1,477,393         | 1,944,245               | 1,110,687                         | -                 | 89,898                  | 3,635,308            | 31,722,305                                       |
| Interfund Transfers :                        |          |               |                   |                         |                                   |                   |                         |                      |  |
| Debt Service                                 | 01/31/23 | (44,419)      |                   |                         |                                   |                   | 44,419                  |                      | -  |
| COK Advance Repayment                        | 01/19/23 | (625,714)     |                   |                         | 625,714                           |                   |                         |                      | -  |
| Ending Fund Balance                          |          | \$ 22,794,641 | \$ 1,477,393      | \$ 1,944,245            | \$ 1,736,401                      | \$ -              | \$ 134,317              | \$ 3,635,308         | \$ 31,722,305                                    |

Kerrville Public Utility Board  
 Computation of the Monthly and Annual Debt Service Coverage  
 For the Month Ended January 31, 2023

| Description                             | Current Month       | Fiscal Year         | Previous 12<br>Months |
|---|---------------------|---------------------|-----------------------|
| CHANGE IN NET POSITION                  | \$ 448,128          | \$ 728,852          | \$ 2,329,337          |
| PLUS:                                   |                     |                     |                       |
| Interest Expense (net of amortizations) | 8,754               | 36,006              | 116,260               |
| Depreciation & Amortization Expense     | 320,008             | 1,277,752           | 3,803,456             |
| Numerator                               | <u>776,890</u>      | <u>2,042,610</u>    | <u>6,249,054</u>      |
| DIVIDED BY:                             |                     |                     |                       |
| Interest Expense (net of amortizations) | 8,754               | 36,006              | 116,260               |
| Principal Payment Due                   | 36,167              | 143,667             | 425,000               |
| Denominator                             | <u>\$ 44,921</u>    | <u>\$ 179,673</u>   | <u>\$ 541,260</u>     |
| DEBT SERVICE COVERAGE RATIO             | <u><u>17.29</u></u> | <u><u>11.37</u></u> | <u><u>11.55</u></u>   |

|  |      |                    |
|--|------|--------------------|
| Minimum Requirement per Bond Covenant  | 1.35 | times Debt Service |
| Minimum Requirement Established by KPUB Board<br>for Good Business Practices | 1.65 | times Debt Service |