

**MINUTES OF THE  
KERRVILLE PUBLIC UTILITY BOARD  
REGULAR MONTHLY MEETING  
WEDNESDAY, MAY 17, 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 (*via teleconference*)  
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  
Robby McCutcheon, Director of Information Technology  
(*via teleconference*)  
Mark Alejandro, IT Tech (*via teleconference*)  
Howard Hall, Field Services Supervisor  
Jill Cook, Accounting Supervisor  
Damon Richardson, Purchasing Agent  
Lidia S. Goldthorn, Assistant Secretary to the Board

**TRUSTEES ABSENT:**

**OTHERS PRESENT:**

Stephen Schulte, Legal Counsel  
Gil Salinas, KEDC  
Katie Milton, KEDC  
Michael Hornes, Assistant City Manager  
Richard Dreiss  
Carlotta Woodfox

**1. CALL TO ORDER:**

Mr. Mark Cowden, Chairman, called the Regular Monthly Meeting to order at 8:34 a.m.

**2. PLEDGE OF ALLEGIANCE**

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

Ms. Carlotta Woodfox addressed the board regarding a pole relocation on Webster Street and fees associated with moving that pole. Chairman Cowden advised the Board could not discuss or take any action due to the item not being on the Agenda. Ms. Woodfox was advised that staff would look into her request.

**4. ANNOUNCEMENTS OF COMMUNITY INTEREST:**

Ms. Bueché highlighted Lineman Jose Valdez as the staff spotlight for the month. Mr. Valdez has been with KPUB for fifteen years. She highlighted participation in events including Career Day at Center Point Elementary, Arc & Spark Demonstrations for community 3<sup>rd</sup> graders, and Food Pantry Event. She advised KPUB received an APPA Safety Award of Excellence, and assisted with a community project for improvements at Doyle Community Center. Upcoming events include a Community Weatherization Event on June 3<sup>rd</sup> at the Doyle Center as well as another Blood Drive on June 22<sup>nd</sup>. Mr. Wittler noted the following upcoming board meetings tentatively scheduled for:

- *Wednesday, June 28, 2023 at 8:30 a.m. (one week later than normal)*
- *Wednesday, July 26, 2023 at 8:30 a.m. (one week later than normal)*
- *Wednesday, August 30, 2023 at 8:30 a.m., with a Special Called Budget Workshop immediately following the regular meeting.*

**5. 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. He advised KEDC has been selected by the Texas Economic Development Council as one of four cities in Texas being studied as an example of an EDC working on resiliency, sustainability and recovery with respect to roundtable discussions KEDC staff has been hosting. The San Antonio Area Workforce will be working with KEDC staff. Mr. Salinas advised Project Saddle involves company that manufactures construction materials, is looking at Kerrville for their site location, which would be a great opportunity for Kerrville. They will be deciding in the next three months.

Ms. Katie Jordan gave an update on administrative projects staff has worked on including Legislative Days, an article on KPUB Linemen, Workforce Job Fair at the Y.O., and an I-10 Texas Corridor Study with AACOG. Ms. Jordan highlighted the “SizeUp” software tool designed to give business partners insights on region demographics, to view how businesses are performing and find potential customers. Ms. Jordan gave an update on childcare; outlining a project between the Kroc Center and the Hill Country Community Foundation for summer childcare. KEDC staff also continues to collaborate with the Texas Workforce Commission on childcare.

**6. CONSENT AGENDA:**

Larry Howard, Vice Chairman, made a motion to accept items in the consent agenda. Mayor Judy Eychner seconded the motion. Vote was by a show of hands. Motion carried 5 – 0.

- 6A. APPROVAL OF MINUTES.
- 6B. RESOLUTION NO. 23-07 – AMY DOZIER, DIRECTOR OF FINANCE. A Resolution approving payment to various providers of services or supplies.
- 6C. MARCH 2023 QUARTERLY FUNDS REPORT – AMY DOZIER, DIRECTOR OF FINANCE. Acceptance of the March 2023, Quarterly Funds Report as presented to the Investment Committee following the April 19, 2023, Board Meeting
- 6D. APPROVAL AND REPORTING OF PURCHASES AND SALES:

1. Payment Card Industry Phone Compliance Software (Allison Bueché, Director of Customer & Community Relations)

**END OF CONSENT AGENDA**

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

Ms. Dozier presented the financial statements for the month of April 2023. Ms. Dozier noted a \$18K increase in net position; \$3.5M in operating revenue; \$3.6M in operating expense; \$60K in operating loss; \$3.9M in over collected power cost adjustment as of April 30, 2023; and \$31.2M invested in investment pools, and an investment account at Happy State Bank. She advised the investment account at Happy State Bank is completely liquid, fully collateralized, and earning 5.19% as of May 10, 2023. She added that rates on the investment pool accounts are 5.19% at LOGIC and 5.02% at TexPool as of May 10, 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 \$100.82. Management recommends keeping the PCA at \$102.50 for May due to ongoing price volatility and continued pending litigation. Ms. Dozier provided a power point presentation with the month's highlights and financial metrics from her memo, as well as the NOAA Summer 2023 outlook with drought and temperature forecasts for the Board's information.

**8. DISCUSSION CONSIDERATION AND ACTION ON RESOLUTION NO. 23-06 – AMY DOZIER, DIRECTOR OF FINANCE:**

*\*At 9:04 a.m., Mr. Howard recused himself from item #8 citing possible conflict of interest and exited the Board Room.*

Ms. Dozier advised that during the April 19, 2023 Board meeting, a proposed change to KPUB's line extension policy was discussed, that would make changes such as including the cost of transformers in the construction estimate for the project and generally increasing the amount due from the customer for line extensions. The Board asked for additional analysis on the proposal; in particular how the proposed policy would have impacted recent projects for each class of customer. Ms. Dozier reviewed the significant changes to the current policy. She included a summary of a survey of 12 nearby utilities, advising policies at other utilities vary. She added that most utilities include the cost of the transformer as part of the estimated cost. Ms. Dozier advised the proposed residential and single-phase commercial allowances are similar to other utilities that offer allowances. KPUB's proposed bill credit based on billed demand for large commercial customers is unique among utilities that offer an allowance. Demand for these customers is often hard to estimate, so staff feels a credit based on billed demand is the fairest way to offer a revenue-based allowance for large customers. Ms. Dozier added the effective date will be June 1, 2023. Board Members thanked Ms. Dozier for the additional analysis she presented. After discussion by the Board, Glenn Andrew, Treasurer, motioned for approval of Resolution No. 23-06. Mayor Eychner seconded the motion. Vote was by a show of hands. Motion carried 4 – 0.

*\*At 9:22 a.m., Mr. Howard returned to the Board Room.*

**9. CONSIDERATION AND ACTION ON PURCHASES FOR MATERIALS AND INSTALLATION OF UNDERGROUND CONDUIT AT CLAY AND WATER STREET – MIKE WITTLER, CEO:**

Mr. Wittler advised that at the last board meeting, KPUB informed City staff that the Board would be looking to the EIC for the additional funding needed for this project. Another look at costs was done

and as well as a number of conversations were had with the preferred contractor, RGB Resources regarding ways the costs for the project could be reduced. Mr. Wittler identified measures to reduce costs. He advised with the proposed changes, the current estimate was \$525,503. He advised the City's request to the EIC was a total of \$400,000 for this project and a garage façade improvement project. That amount includes enough buffer to cover this current cost estimate with a 50/50 split. Mr. Wittler advised KPUB has the \$250,000 in the budget for this project. He recommended allocating \$25,000 from contingency funds in the capital budget to this project to bring the total allocation to \$275,000; continuing the 50/50 funding split with the City/EIC; and approval of purchase orders to RGB Resources for a total of \$285,000 and to Elliott Electric Supply for a total of \$53,639.86. Mr. Wittler introduced Mr. Richard Dreiss, who has been assisting with the project management, for any detailed questions the Board might have. Mr. Wittler also introduced Mr. Michael Hornes, Assistant City Manager, to come and speak regarding the City's overall plan in that area. Mr. Wittler went over the origination of the project, advising the main objective being beautification and functionality.

Mr. Hornes advised the project involves part of four different funding sources; EIC, Community Development Block Grant, City Tax Increment Reinvestment Zone and TERZ Board. These sources will also be funding pedestrian upgrades, signal upgrades and streetscapes. Mr. Hornes spoke with the EIC's Board to give them an update on costs and were able to bring the number down while still being able to accomplish the goals envisioned. Mr. Wittler also went over other projects/construction that were previous efforts to move overhead lines underground. He advised that this project would also provide for future connections to both the Arcadia and Library sides of Water Street. Mr. Wittler added that staff is also mindful of its relationship with the City, and hope to continue to develop it positively.

After discussion by the Board, Mayor Eychner made a motion to adopt the staff's recommendation of allocating \$25,000.00 from contingency funds to this project to bring the total allocation to \$275,000.00; and continuing the 50/50 split with the City and EIC; and third, approval of purchase orders to RGB Resources for a total of \$285,000.00 and to Elliott Electric Supply for a total of \$53,639.86. Mr. Andrew seconded the motion. Vote was by a show of hands. Motion carried 4 – 1.

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

Mr. Howard made 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. Bill Thomas, Secretary, seconded the motion. Vote was by show of hands. Motion carried 5 – 0.

The Board entered Executive Closed Session at 9:44 a.m. Chairman Cowden adjourned the Executive Closed Session and reconvened into Open Session at 10:13 a.m.

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

No action taken by the Board.

**11. ADJOURNMENT**

Chairman Cowden adjourned the Regular Board Meeting at 10:13 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: June 21, 2023

Re: Agenda Item No. 5B – Resolution No. 23-08

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In accordance with Board Resolution No. 10-06 that requires monthly reporting of wire transfers exceeding \$20,000, this memo reports the following transfers between May 11, 2023 and June 21, 2023 for Board approval:

	<u>Vendor</u>	<u>Description</u>	<u>Amount</u>	<u>Date</u>
<b>Purchased Power:</b>				
1	CPS	April 2023	\$ 848,728.50	05/18/2023
2	NextEra	April 2023	469,440.00	05/18/2023
3	DG Solar	April 2023	53,885.64	05/19/2023
4	Engie	April 2023	111,070.82	05/25/2023
5	Garland Power & Light	April 2023	150,537.72	05/26/2023
6	LCRA	April 2023	648,220.74	05/26/2023
7	NextEra	May 2023	485,088.00	06/20/2023
8	CPS	May 2023	925,651.75	06/21/2023
<b>Payroll:</b>				
1	Payroll	Pay period ending 05/06/2023	125,952.50	05/12/2023
2	Payroll	Pay period ending 05/20/2023	130,456.91	05/26/2023
3	Payroll	Pay period ending 06/03/2023	129,576.30	06/09/2023
4	Payroll Taxes	Pay period ending 05/06/2023	45,894.64	05/17/2023
5	Payroll Taxes	Pay period ending 05/20/2023	46,798.34	05/31/2023
6	Payroll Taxes	Pay period ending 06/03/2023	46,347.22	06/14/2023
<b>Employee Benefits:</b>				
1	TML	Health Insurance - June	75,812.60	06/01/2023
2	TMRS	Pension - May Payroll	73,628.77	06/12/2023
<b>Investment Transfers (from Operating Account to Investment Account at Happy State Bank):</b>				
1	Happy State Bank	Investment Transfer	500,000.00	05/12/2023
2	Happy State Bank	Investment Transfer	500,000.00	05/17/2023
3	Happy State Bank	Investment Transfer	800,000.00	05/26/2023
4	Happy State Bank	Investment Transfer	200,000.00	05/31/2023
5	Happy State Bank	Investment Transfer	550,000.00	06/08/2023
6	Happy State Bank	Investment Transfer	500,000.00	06/12/2023

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 and is centered on the page.

Amy Dozier  
Director of Finance

**RESOLUTION NO. 23-08**

**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 28<sup>th</sup> day of June, 2023**

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

**ATTEST:**

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



# MEMORANDUM

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

From: Tammye Riley

Date: June 22, 2023

Re: Agenda Item No. 5.C – Approval for Fleet Purchase

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Presented for your consideration and review is the recommendations for a replacement fleet purchase. Staff is recommending the approval of a purchase order to Altec Industries Inc./Global Rental Co., Inc., for a total of \$162,025 for the purchase and delivery of a 2021 International AT48M bucket truck with 8,851 miles. This truck was leased to Excel Energy and recently turned back in because it was underutilized at the utility. The truck specifications meet the guidelines of Sourcewell, which is a service cooperative purchasing program.


This unit will replace our current fleet unit # 3242, a 2016 Dodge 5500 bucket truck with approximately 119,000 miles, which was due to be replaced in the 2022-2023 fiscal year. Due to the manufacturers delay in obtaining components to build trucks, we did not budget for this unit's replacements this fiscal year. We have consulted with the finance department and have identified projects & purchases in the capital budget that will be under budget so that funds can be reallocated to this purchase.

Projects/purchases are identified below:

- KPD/Sherriff's Office/KPUB Reliability Project: \$70,000 (project delayed until next fiscal year)
- Light Duty Truck: \$30,000 (not being purchased this year)
- Ford F-350 4X4: \$60,000 (delay in truck being built for 2023)
- Demonstration EE Projects: \$65,000 (per Engineering – will not be used this year)

We also consulted with our network of fleet representatives and at this time, if we ordered a new unit in October 2023 (new fiscal year), vendors are providing a delivery timeframe for the end of 2025 and an approximate cost of a \$198,000. Please see the attached is the quote and pictures of the vehicle that was received from Altec, with Sourcewell pricing.

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

Thank you,  
  
Tammye Riley  
Director of Operations



Quote Number: 621202302  
 Opportunity Number:  
 Sourcewell Contract #: 062320-ALT  
 Date: 6/21/2023

Quoted for: Kerrville Public Utility  
 Quoted by: Dylan Hooper  
 Phone: / Email: (469) 615-4321 / dylan.hooper@altec.com

REFERENCE MODEL	Sourcewell Price	Commercial List Price	Discount %
AT37-G 4x4, 2021	\$122,904	\$126,705	3%
(A.) Sourcewell Options On Contract			
1			
2			
3			

**SOURCEWELL OPTIONS TOTAL:** \$122,904 \$126,705 3%

(A.) **OPEN MARKET ITEMS** (Customer Requested)

1	UNIT	Unit to be Altec AT48M in lieu of AT37-G	\$36,661
2	UNIT & HYDRAULIC ACC		
3	BODY		
4	BODY & CHASSIS ACC		
5	ELECTRICAL		
6	FINISHING		
7	CHASSIS		
8	OTHER		
9			

**OPEN MARKET OPTIONS TOTAL:** \$36,661

**SUB-TOTAL FOR UNIT/BODY/CHASSIS:** \$159,565  
**Delivery to Customer:** \$2,460  
**TOTAL FOR UNIT/BODY/CHASSIS:** \$162,025

(C.) **ADDITIONAL ITEMS** (items are not included in total above)

1			
2			
3			
4			

\*\*Pricing valid for 45 days and may be subject to availability at time of order\*\*

**NOTES**

\*\* Denotes FET fees were paid when unit was new. Global is not FET exempt.  
 All items listed subject to availability, quote provided at time of request detailing options  
 Delivery is \$3.00 / mile  
 Alternate year models may be available in addition to the ones shown here, they will be discounted / priced appropriately to reflect this  
 Chassis model can be any standard chassis (Ford, Dodge, International, Freightliner, Peterbilt, etc.)  
**PAINT COLOR:** White to match chassis, unless otherwise specified  
**TO ORDER:** To order, please contact the Account Manager listed above.  
**CHASSIS:** Per Altec Commercial Standard  
**DELIVERY:** No later than \_\_\_\_\_ days ARO, FOB Customer Location

**TERMS:** Net 10 days  
**BEST VALUE:** Altec boasts the following "Best Value" features: Altec ISO Grip Controls for Extra Protection, Only Lifetime Warranty on Structural Components in Industry, Largest Service Network in Industry, Altec SENTRY Web/CD Based Training, Dedicated/Direct Gov't Sales Manager, In-Service Training with Every Order.

## FEATURES

- Altec ISO-Grip® System
- 4-Function, Single Handle Upper Control
- Telescopic/Articulating Aerial Device
- Compensated Articulating Arm
- Hydraulic Boom Extension
- Insulated, ANSI Category C, 46 kV and Below
- Continuous Rotation
- Platform, Single 1-Man 24 x 30 x 42 in (610 x 762 x 1067 mm)
- Hydraulic Platform Leveling
- Platform Capacity – 400 lb (181 kg) with 180° Rotator
- Full Pressure, Open Center Hydraulic System
- Emergency Stop Valves at Upper and Lower Control Stations
- Tool Circuit at Platform
- Back-up Alarm
- Outrigger Motion Alarm and Outrigger Interlocks

## OPTIONS

- ISO-Boom offering Category C Isolation w/Boom Retracted (AT41M/P Only, Not Required on AT48M/P)
- Altec ARM Jib offering Jib Capacities to 1100 lb (499 kg)
- Side Mount Jib offering Capacities to 1000 lb (454 kg) for AT41/48M
- 1-Man Side Mounted Platform w/90° Platform Rotation and 400 lb (181 kg) capacity (AT41/48M Only)
- 2-Man End Mounted Platform with 180° Platform Rotation and up to 600 lb (272 kg) capacity
- 24" Platform Elevator
- Lighting Package for Platform Controls
- Engine Start/Stop
- Manual Throttle Control
- Phase Lifting Jib Attachment and Accessories
- Attachment for Removal of ARM Jib

Recommended safety features on this unit include a platform liner, fall protection system, wheel chocks and outrigger pads.

## CONFIGURATIONS

	AT37M/P	AT41M/P	AT48M/P
Ground to Bottom of Platform	37.1 ft (11.31 m)	40.8 ft (12.45 m)	47.5 ft (14.48 m)
@ Reach From Centerline	6.9 ft (2.11 m)	7.3 ft (2.21 m)	6.7 ft (2.04 m)
Maximum Side Reach:			
End-Mount	26.3 ft (8.02 m)	30.1 ft (9.16 m)	31.2 ft (9.51 m)
@ Platform Height	17.3 ft (5.27 m)	17.3 ft (5.27 m)	21.9 ft (6.67 m)
Stowed Travel Height*	10.7 ft (3.26 m)	10.7 ft (3.26 M)	10.7 ft (3.26 m)
Platform Capacity	400 lbs (181 kg)	400 lbs (181 kg)	400 lbs (181 kg)
Lower Boom Articulation	-25 to 85°	-25 to 85°	-25 to 85°
Articulating Arm Articulation	-3 to 82°	-3 to 82°	-3 to 82°
Rotation	Continuous	Continuous	Continuous

\*Based on a 40 in (1016 mm) chassis frame height.  
ANSI A92.2-2015 Compliant

### General Specifications Key:

The Letter 'M' in the Model Name Indicates the Material Handling Configuration.  
The Letter 'P' in the Model Name Indicates the Personnel Configuration.



24" PLATFORM ELEVATOR OPTIMIZES OPERATOR REACH WITHIN WORK ZONE

### ALLOWS EASY ACCESS TO PLATFORM FROM GROUND



### LIGHTING PACKAGE TO OPTIMIZE VISION/SAFETY FOR NIGHT VISION WORK



### JIB ROTATION RELEASE LEVER PROVIDES EASY PINNING OF ARM JIB



For more complete information on Altec products and services, visit us on the web at [www.altec.com](http://www.altec.com). Material and specifications are subject to change without notice. Featured units in photos may include optional features. Please contact an Altec representative for all available options. Altec® and the Altec logo are registered trademarks of Altec Inc. in the United States and various other countries and may not be used without permission.  
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# FEDERAL ANNUAL INSPECTION

THIS VEHICLE HAS PASSED AN ANNUAL INSPECTION  
CONDUCTED IN ACCORDANCE WITH 49 CFR, PART 396, FMCSR

MONTH YEAR  
MAY 2023

D8223719

VEHICLE ID (Company No.) STATE/TAG NO. OR VIN  
27-85145592 1HTKT5W5M152534

LOCATION OF RECORDS:

Company Global Rental Inc

Street Address 33 FAVERESS CENTER PARKWAY

City, State, Zip PRINCETON AL 35242



**⚠ DANGER**  
ELECTRICAL HAZARD  
NOTICE

INDIANA  
3197696



INDIANA  
3197696  
CROSSROADS OF AMERICA

NOTICE

NOTICE

atec

27 85145592







Altec

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47 62 77 92 107 122 137 152

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Altec

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INDIANA  
3197696

Altec





HARNESS  
AND  
LANYARD  
INSIDE

GLOBAL  
READY



WARNING  
↓  
REMOVING PROTECTIVE COVER









 **Ateco**

 **Ateco**

**⚠ DANGER**  
**ELECTRICAL HAZARD**  
Death or serious injury will result from contact with energized electrical equipment. All electrical equipment must be de-energized and locked out before any work is performed. If any part of this unit is energized within the minimum approach distance of an energized conductor, it will cause personal injury.  
**KEEP CLEAR**



INDIANA  
3197696  
Ateco



**DANGER**  
UNBRANDED OPERATIVE HAZARD  
QR CODE

**DANGER**  
ELECTRICAL HAZARD  
DO NOT TOUCH  
DO NOT OPEN  
DO NOT REPAIR

**DANGER**  
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DO NOT OPEN  
DO NOT REPAIR

**NOTICE**  
DO NOT TOUCH  
DO NOT OPEN  
DO NOT REPAIR

EMERGENCY STOP



**Atec**

RAISE ARTICULATING ARM  
LOWER

RAISE  
CW ROTATION  
EXTEND UPPER BOOM  
RETRACT LOWER

CCW  
LOWER BOOM

SQUEEZE TRIGGER BEFORE MOVING HANDLE

670-02964 C

TO ENABLE PLATFORM

CW  
PUSH PLATFORM ROTATE  
PULL

DOWN  
PUSH PLATFORM TILT  
PULL

CCW  
UP

ENGINE STAR / STOP  
PUSH TO STOP  
PUSH AND HOLD TO START

SECONDARY STOWAGE  
DO NOT RUN CONTINUOUSLY  
FOR 3 MINUTES

PULL AND HOLD  
DURING STOP CYCLE  
TO OPEN





 **Ateco**







FOR NEW EQUIPMENT SALES, CALL  
**800.958.2555**  
TO SPEAK WITH AN ALTEC REPRESENTATIVE  
or visit us online at [altec.com](http://altec.com)

 **Altec**  
TELESCOPIC ARTICULATING  
AERIAL DEVICE

# MEMORANDUM

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

From: Brian Mikulencak

Date: June 12, 2023

Re: Agenda Item No. 6 – Purchase of Power Transformer for Jack Furman Substation

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Staff is recommending the approval of a purchase order to GE Prolec Transformer Inc., for a total of \$1,521,840, to include spares.

We recently went out for bids on a new transformer for the Jack Furman Substation, with only three (3) bids received. GE Prolec Transformer Inc. appears to be the best bid as far as price, operating cost, and having no technical changes to our transformer specifications. Schneider Engineering helped with the bid process and also suggested we go with the GE Prolec transformer. Texas Electric Coop (TEC) is the representative for GE Prolec Transformer, Inc.

This transformer will be our first 33MVA transformer, which is to be installed at the Jack Furman Substation where commercial loads are increasing. This size transformer will also help KPUB carry more load, take some load off of Harper Substation, and help us back up the Ingram Substation transformer; which will most likely be the next transformer to be replaced.

GE Prolec Transformer Inc. has offered a 100% Net 30 payment due at time of shipment. There are cancellation fees starting within a week of the purchase order, however this payment option gives KPUB roughly two (2) years and eight (8) months to secure the funds. GE Prolec Transformer Inc. does have an adjustment price section on commodities if they are to change during the construction of the transformer, however the price changes would need to be substantially steeper to come close to the price of the second-runner up, which is Virginia Transformer Corp.

I have included Schneider Engineering's recommendation letter, their bid evaluation of each transformer company that submitted a bid, and the transformer bid document from TEC/GE Prolec Transformer Inc. for your reference.

This transformer is scheduled to be energized by May of 2026.

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

Sincerely,

Brian Mikulencak  
Supervisor of Substation Services



June 9, 2023

Mr. Brian Mikulencak  
Kerrville Public Utility Board  
2250 Memorial Boulevard  
Kerrville, TX 78028

Re: **Jack Furman Substation – Power Transformer  
Bid Proposal Recommendation**

Dear Mr. Mikulencak,

Bid requests for the Jack Furman Substation Power Transformer were sent out on May 1 with a submittal deadline of May 18<sup>th</sup> (which was later extended to May 26<sup>th</sup>). A total of three (3) bids were received with all appearing to be complete. The bids requested and received were for one (1) Power Transformer. The proposal amounts below include all field services required. Below you will find the bid tabulation with a list of all bidders and total bid proposal amounts for each.

<b>Name of Bidder (Manufacturer)</b>	<b>Bid Proposal Amount</b>	<b>Shipping ARO</b>
TEC (GE Prolec)	\$1,496,740	136-140
Virginia Transformers	\$1,552,011	68-72
WEG Transformers	\$1,785,500	85

GE Prolec's bid is the lowest but delivery time is the highest. TEC complies with the specification requirements and anticipates shipping Power Transformers in 136-140 weeks ARO. Based on our experience with TEC/GE Prolec on past projects and considering the required initial operation date of May 2026, we recommend selecting the TEC/GE Prolec for this project. Please review and let us know your comments on this recommendation.

We look forward to hearing from you soon. Please call if you have any questions or require anything further.

Sincerely,



Anup Mazumder, P.E.

TX Firm Reg. #: F-1594

**POWER TRANSFORMER BID EVALUATION**

<b>PROJECT:</b> Jack Furman Transformer Replacement	<b>Date:</b> 6/9/2023
<b>CONTRACT:</b> Power Transformer	<b>Specification:</b> 138 - 13.09 kV 18/24/30//33.6 MVA
NLL \$2,850	<b>FOB Destination:</b> Jack Furman SS
LL \$1,810	<b>Request</b>
Aux. \$1,390	

Virginia Transformer Corp.					TEC/GE Prolec Transformer Inc.					WEG Transformers USA							
<b>Base Price for 1 transformer</b>					<b>\$1,508,011</b>						<b>\$1,368,155</b>						<b>\$1,696,100</b>
			kW	Evaluation \$ / kW				kW	Evaluation \$ / kW				kW	Evaluation \$ / kW			
		No-load Losses	16.5	\$2,850	\$94,050			No-load Losses	17.5	\$2,850	\$99,750			No-load Losses	12	\$2,850	\$68,400
		Load losses	73.5	\$1,810	\$266,070			Load losses	57.1	\$1,810	\$206,702			Load losses	62	\$1,810	\$224,440
		Auxiliary Losses	2	\$1,390	\$5,560			Auxiliary Losses	1.5	\$1,390	\$4,170			Auxiliary Losses	2	\$1,390	\$5,560
<b>Cost of Losses</b>					<b>\$365,680</b>						<b>\$310,622</b>						<b>\$298,400</b>
Freight					\$44,000						\$17,715						\$44,800
Offloading to Pad					Included						\$21,740						\$21,600
<b>OWNING COST</b>					<b>\$1,917,691</b>						<b>\$1,718,232</b>						<b>\$2,060,900</b>
Assembly and Field testing					Included						\$89,130						\$23,000
<b>TOTAL INVOICE COST WITH SERVICES</b>					<b>\$1,552,011</b>						<b>\$1,496,740</b>						<b>\$1,785,500</b>
<b>SUGGESTED SPARES FOR THE TRANSFORMER</b>					<b>\$39,400</b>						<b>\$25,100</b>						<b>\$39,400</b>
		HV Bushing	\$17,300.00					HV Bushing	\$6,600.00					List not included			
		LV Bushing	\$7,000.00					LV Bushing	\$4,000.00								
		Neutral Bushing	\$4,000.00					Neutral Bushing	\$4,000.00								
		HV Arrester	\$3,800.00					HV Arrester	\$4,000.00								
		LV Arrester	\$1,600.00					LV Arrester	\$1,000.00								
		Fan	\$1,700.00					Fan	\$1,500.00								
		Gasket Set	4,000.00					Gasket Set	\$4,000.00								
<b>TOTAL INVOICE COST WITH SERVICES AND SPARES</b>					<b>\$1,591,411</b>						<b>\$1,521,840</b>						<b>\$1,824,900</b>

**Notes:**

1. WEG mentioned about a list of recommended spares but not provided with the bid.
2. Values in red are taken from other bid
3. VTC Freight is estimated. VTC will quote freight at the time of shipment

POWER TRANSFORMER BID EVALUATION

<b>PROJECT:</b>	<b>Jack Furman Transformer Replacement</b>
<b>CONTRACT:</b>	<b>Power Transformer</b>

Manufacturer (Bidder)	Total Base Price	Total Owning Cost	Total Invoice Cost with Services	Total Invoice Cost with Services and Spares	Shipping Time in weeks (ARO)
<b>Virginia Transformer Corp.</b>	\$1,508,011.00	\$1,917,691.00	\$1,552,011.00	\$1,591,411.00	<b>68-72</b>
<b>TEC/GE Prolec Transformer Inc.</b>	\$1,368,155.00	\$1,718,232.00	\$1,496,740.00	\$1,521,840.00	<b>136-140</b>
<b>WEG Transformers USA</b>	\$1,696,100.00	\$2,060,900.00	\$1,785,500.00	\$1,824,900.00	<b>85</b>

POWER TRANSFORMER BID EVALUATION

<b>SCHEDULE</b>				
<b>PROJECT:</b>		<b>Jack Furman Transformer Replacement</b>		
<b>CONTRACT NAME:</b>		<b>Power Transformer</b>		
<b>S. No.</b>	<b>ITEM</b>	<b>Virginia Transformer Corp.</b>	<b>TEC/GE Prolec Transformer Inc.</b>	<b>WEG Transformers USA</b>
1	QUOTE REFERENCE	RO231901A	QTE0087760	WTM23-338
2	QUOTE DATE	24-May-23	26-May-23	24-May-23
3	FIRM PRICE VALIDITY	25-Jun-23	30 days. If during this period we have an increment in the commodity (copper, silicon steel, oil and carbon steel) and transportation costs of more than 2%, then PROLEC GE will revise the price according to this percent of increment.	21-Jun-23
4	Rating	18/24/30//33.6 MVA	18/24/30//33.6 MVA	18/24/30//33.6 MVA
5	Cooling	ONAN/ONAF/ONAF (55/65 deg C)	ONAN/ONAF/ONAF (55/65 deg C)	ONAN/ONAF/ONAF (55/65 deg C)
6	Impedance	10% +/- 7.5% Tolerance @ 18MVA	10% with tolerance	10% with tolerance
7	Surge Arresters	Price of HV and LV provided	Price of HV and LV provided	No price for HV and LV provided
8	Dimensions (W x D x H)	20.92 ft x 16.5 ft x 17.42 ft	18.4 ft 176550x 19.0 ft x 16.2 ft	19 ft x 14.08 ft x 16.75 ft
9	Shipping Dimensions (W x D x H)	19 ft x 11.16 ft x 12.25 ft	18.5 ft x 12.8 ft x 11.2 ft	-
10	Weight (lb)	133000	176550	-
11	Shipping weight (lb)	111000	101330/158760 (with oil)	121782
12	TERMS AND CONDITIONS	General terms and conditions of sale provided.	Terms and conditions for Sale of Products and Services	
13	SCHEDULE	1. Drawings for Approval 20-22 Weeks ARO 2. Drawing review/approval 1 week 3. Shipment from factory 68-72 ARO	1. Drawings for Approval 30-34 Weeks ARO 2. Drawing review/approval 2 weeks 3. Shipment 136-140 ARO	1. Drawings for Approval 27 Weeks ARO 2. Drawing review/approval 2 weeks 3. Final drawings TBD Shipment from factory 85 weeks ARO 4. Arrival at destination 90-91 weeks ARO
14	FREIGHT TERMS	Prepaid and Add	Unit price adder to deliver this transformer DDP (Incoterms 2010) nearest the final destination in Kerrville, TX, US.	
15	WARRANTY PERIOD	60/60 Months extended warranty with In/Out	Extended warranty 66 months from shipment and 60 months from energization whichever occurs first.	Standard warranty of 60/66 months with I/O coverage capped at 10% during the first year of operation.
16	PAYMENT TERMS	30% with PO 30% upon drawing submission 40% at the time of shipment Net 30 days	100% Net 30 days from the date of shipment.	WEG is willing to discuss Alternate payment terms. Standard payment terms are listed below. 20% at the time of placing the order 20% at the time of first set of drawings 40% at the time of completion of core and coil assembly 10% at the time of successful testing 10% at the time of delivery
17	CANCELLATION SCHEDULE	30% of order amount after order entry by seller. Additional 15% of order amount after outline drawing completion If manufacturing has begun, charges will be based upon commitments for materials and percent completion in addition to the 45% for engineering and order entry. In the event Buyer cancels its order, Buyer shall be responsible to Seller for cancellation charges in the amounts set forth above in Cancellation & Termination paragraph 11 which Buyer shall pay Seller upon such cancellation.	Within 1 week after order entry 10% Within 3 weeks after order entry 15% Before job is released to factory 20% 1 week after release to the factory 65% 2 week after release to the factory 70% 3 week after release to the factory 90% 4 week after release to the factory 100%	Order received 20% Start of design 30% Submittal of Outline drawing 40% Order of core/coil materials 50% Receipt of Corecoil materials 70% Start of production 80% Finish Core/Coils 90% Unit tanked and oil filled 100%
18	TAXES	Upon acceptance of our proposal, the purchaser is required to submit a sales tax exemption certificate with the Purchase order, otherwise VTC will charge appropriate state taxes based on the destination.	Not included	Not included

POWER TRANSFORMER BID EVALUATION

19	CLARIFICATIONS & EXCEPTIONS (C&Es)	ABB-make, Exlim Q type Surge Arresters for HV and LV side. Radiators will be hot dip galvanized and unpainted. VTC ships only make-up oil in totes.	No exceptions taken or clarifications given.	Comments/clarifications submitted with the bid.
20	SPARE PARTS LIST AND PRICE	Provided	Provided	WEG mentioned that a list of recommended spares for 5 years operation is added to the proposal but no list was found. Need clarification from WEG. WEG provided a list of start up/commissioning parts cost of which is included in the Bid.

# MEMORANDUM

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

From: Amy Dozier

Date: June 16, 2023

Re: Agenda Item No. 7 – Depository Services

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The Local Government Code requires that agreements for depository services not exceed five years for municipal funds. KPUB's current agreement with Happy State Bank began in 2018 and expires on September 30, 2023. Accordingly, KPUB released a Request for Proposal for depository services on April 28, 2023 with a due date of May 31, 2023.

KPUB received proposals from the following 4 local banks:

1. Happy State Bank, a division of Centennial Bank
2. Security State Bank
3. Texas Hill Country Bank
4. The Bank and Trust

Staff reviewed all proposals and quickly determined that 2 proposals were less advantageous for KPUB:

1. Texas Hill Country Bank – highest fees and 3<sup>rd</sup> best (out of 4) interest rates
2. The Bank and Trust – interest rates less than 1%

The other 2 banks submitted competitive proposals with the following key provisions:

1. Happy State Bank – no fees and interest rates equal to the 13 week T-Bill rate + 7 basis points (same as our current agreement)
2. Security State Bank – no fees and interest rates equal to the TexPool daily rate.

After analyzing each proposal and discussing it with the Investment Committee, staff and the Investment Committee are recommending the Happy State Bank proposal for the following reasons:

1. Interest income – Over the last 8 months, Happy State Bank's interest rate has exceeded the TexPool daily rate by an average of 46 basis points (0.46%). For context, over the course of a year, 46 basis points on a \$15 million balance equates to \$69,000 in additional interest income.
2. Collateral – Happy State Bank offers pledged collateral held by a 3<sup>rd</sup> party for all balances over the FDIC insured amount. Security State Bank offers a custodial letter of credit from the Federal Home Loan Bank Dallas in lieu of pledged securities. Both options are acceptable under the terms of the Public Funds Investment Act, but pledged collateral is preferred over the letter of credit because it is considered the safest and fastest way to recover funds in case of a bank failure.
3. Credit cards – Security State issues business credit cards through a bank called TIB. Happy State Bank previously used TIB, but switched to issuing them through eZ Business (part of FIS global). KPUB experienced significant customer service and online card management issues with the TIB issued credit cards.

Additional details regarding each proposal are attached in the proposal analysis summary. The proposals and agreements are approximately 150 pages long. Please let me know if you would like to review any or all of the complete proposals.

Staff recommends authorizing the General Manager to sign a three-year agreement with two optional one-year extensions with Happy State Bank, according to the terms of their proposal.

I am happy to answer any questions at your convenience.

Sincerely,

A handwritten signature in black ink that reads "Amy Dozier". The signature is written in a cursive, slightly slanted style. The background of the signature area is a light gray, textured rectangular box.

Amy Dozier  
Director of Finance

Metric	Happy State Bank	Security State Bank & Trust	Texas Hill Country	The Bank and Trust
1 Fees	All fees waived	All fees waived	Fees for maintenance, ACH, wires, cash processing, deposits, and sweeps. Estimated at \$1,882 per month based on sample activity provided.	Account analysis fees for ACH debit and credit transactions. Monthly cash management usage fee. If ECR does not cover fees, then Bank will waive remainder.
2 Interest Rate (Current)	5.13% - 13 week T-Bill rate + 7 bps, adjusted weekly, also 7 bps above T-Bill that corresponds to that length CD.	4.9% - TexPool daily rate, reviewed every 6 mos, can be lowered to Federal Funds rate.	Prime Index - 3.75% - set by TXHCB Rate Committee every 6 weeks	0.18% to 0.66%
3 Interest Rate (12 month)	3.479% - 13 week T-Bill rate + 7 bps, adjusted weekly	2.85% - TexPool daily rate, reviewed every 6 mos, can be lowered to Federal Funds rate.	Prime Index - 2.31% - set by TXHCB Rate Committee every 6 weeks	0.035% to 0.20%
4 CRA Rating	Satisfactory and A-senior unsecured debt rating and stable outlook from KBRA.	Satisfactory + Green by Veribanc	Satisfactory	Satisfactory
5 Customer Service	Local & Lubbock for Treasury Mgmt	Local & Fredericksburg based	Local & San Antonio based	Local
6 References	Hemphill County, UGRA, City of Plainview	Kerr County, Kerrville ISD, City of FBG	Bandera County, City of Hill Country Village, Coliseum Advisory Board	Comstock ISD, Housing Authority Del Rio, Val Verde County
7 Zero Balance Account (ZBA) Sweep	ZBA master with sweeps from other accounts is available. No investment sweep because all accounts earn same rate.	Investment Sweep	ZBA Master with Investment Sweep	none
8 Safekeeping Services	Offered through sub-account with TIB or account established at HSB Trust	Offered through correspondent bank, Frost Bank	Not offered	Question not answered
9 Credit Card	Issued through eZBusiness (FIS Global)	Issued through TIB	Issued through TIB	Issued through TIB
10 Collateral	Held by TIB with 3rd party bond accounting by Stifel Nicholas & Co.	Custodial letter of credit from FHLB Dallas in lieu of pledged securities	Custodial letter of credit from FHLB Dallas in lieu of pledged securities	Held by Frost Bank
11 Community Service	Rotary, Lions, Habitat for Humanity, Schreiner University, Young Life, KEDC, Planning & Zoning, Leadership Kerr County, Chamber of Commerce, plus others.	Peterson Foundation, Little League, multiple churches, Kerrville 2050, Chamber of Commerce, Rotary, Soccer, Livestock Show, Salvation Army, Boys & Girls Club, FFA, etc.	No specifics listed, but proposal states they support the community	Peterson Health, HC Youth Ranch, Livestock Show, Chamber of Commerce, United Way



**RESOLUTION NO. 23-09**

**A RESOLUTION OF THE KERRVILLE PUBLIC UTILITY BOARD ACCEPTING AND APPROVING AN AGREEMENT FOR BANK DEPOSITORY SERVICES AND AUTHORIZING THE GENERAL MANAGER AND CEO TO EXECUTE THE AGREEMENT**

**WHEREAS**, Ordinance No. 87-45 of the City of Kerrville, Kerr County, Texas, requires that all monies of Kerrville Public Utility Board (“KPUB”) be maintained in specified funds at an official depository bank of KPUB; and

**WHEREAS**, KPUB has solicited bids for the depository services in accordance with State Statutes; and

**WHEREAS**, the existing Bank Depository Agreement with Happy State Bank, a division of Centennial Bank expires September 30, 2023; and

**WHEREAS**, KPUB staff has evaluated the bids for depository services and recommends that KPUB enter into a three-year agreement with two optional one-year extensions with Happy State Bank, a division of Centennial Bank; now, therefore,

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

**Section 1.** That the above recitals are true and correct.

**Section 2.** That Happy State Bank, a division of Centennial Bank is hereby selected as the official depository bank of KPUB for October 1, 2023 through September 30, 2026, with the option to extend the agreement until September 30, 2027 or September 30, 2028.

**Section 3.** That the General Manager and CEO is authorized by the Board of Trustees to execute the Bank Depository Services Contract.

**Section 4.** That this Resolution shall take effect from and after its passage.

**PASSED, APPROVED AND ADOPTED on this 28<sup>th</sup> day of June, 2023**

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**Mark Cowden, Chairman**

**ATTEST:**

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**Bill Thomas, Secretary**

# MEMORANDUM

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

From: Amy Dozier

Date: June 21, 2023

Re: Agenda Item No. 8 – Financial Report

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

Highlights include:

- **\$86K increase in net position** for the month, **\$1.2M increase** in net position on a year-to-date (YTD) basis, which is \$1.0M better than budget. Over half of this positive variance (\$555K) is due to interest income that is well above budget due to favorable interest rates and a higher than forecast invested funds balance.
- **\$3.3M in operating revenue** for the month, **\$30.1M** on a YTD basis.
  - Eight months in to the fiscal year, operating revenue is 2.39% lower than expected. This is due to lower than expected kWh sales (5.4% lower) caused by mild weather offset by slightly higher than expected cost per kWh.
- **\$3.3M in operating expense** for the month, **\$29.3M** on a YTD basis.
  - YTD operating expense is 3.62% lower than budget due to lower than budgeted costs in all operating expense categories. Staffing vacancies, mutual aid deployments (New Smyrna Beach and CTEC), and timing of purchases are contributing to the positive variance.
- **\$11K in operating income** for the month, **\$823K in operating income** on a YTD basis.
- **\$4.0M in over collection of power cost adjustment** as of 5/31/2023, an **increase of \$92K** from the prior month.
- **\$31.6M 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 5.22% as of June 21, 2023. Rates on the investment pool accounts are 5.26% at LOGIC and 5.06% at TexPool as of June 21, 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 \$100.62. Management recommends keeping the PCA at \$102.50 for June and July due to ongoing price volatility and continued pending litigation.

Sincerely,



Amy Dozier  
Director of Finance

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

	Comparison to Budget				Comparison to Last Year		
	Current Month	Current Month Budget Amount	Variance Favorable (Unfavorable)	Percentage Variance	Current Month Last Year Amount	Variance Favorable (Unfavorable)	Percentage Variance
<b>OPERATING REVENUES:</b>							
Residential	\$ 1,715,395	\$ 1,950,098	\$ (234,703)	-12.04%	\$ 1,752,768	\$ (37,372)	-2.13%
Commercial/Industrial	1,502,209	1,735,365	(233,156)	-13.44%	1,500,524	1,684	0.11%
Sales to Public Authorities	21,741	21,500	241	1.12%	21,529	212	0.98%
Other	36,744	33,312	3,432	10.30%	31,351	5,393	17.20%
<b>TOTAL OPERATING REVENUES</b>	<b>3,276,089</b>	<b>3,740,275</b>	<b>(464,186)</b>	<b>-12.41%</b>	<b>3,306,172</b>	<b>(30,083)</b>	<b>-0.91%</b>
<b>OPERATING EXPENSES:</b>							
Purchased Power	2,241,847	2,620,158	378,310	14.44%	2,191,872	(49,975)	-2.28%
Distribution	296,478	372,976	76,498	20.51%	307,378	10,899	3.55%
Customer Accounts	49,356	65,092	15,736	24.17%	44,602	(4,755)	-10.66%
Customer Service, Informational & Sales	26,137	35,441	9,304	26.25%	27,221	1,084	3.98%
Administrative Expenses	326,350	379,467	53,116	14.00%	310,945	(15,406)	-4.95%
Depreciation & Amortization	325,114	325,795	680	0.21%	313,262	(11,853)	-3.78%
<b>TOTAL OPERATING EXPENSES</b>	<b>3,265,284</b>	<b>3,798,928</b>	<b>533,644</b>	<b>14.05%</b>	<b>3,195,279</b>	<b>(70,005)</b>	<b>-2.19%</b>
<b>OPERATING INCOME (LOSS)</b>	<b>10,805</b>	<b>(58,653)</b>	<b>69,458</b>	<b>-118.42%</b>	<b>110,893</b>	<b>(100,088)</b>	<b>-90.26%</b>
<b>NONOPERATING REVENUES (EXP):</b>							
Interest Income - Investments	141,753	18,750	123,003	656.02%	21,436	120,318	561.30%
Interest Income - City of Kerrville	13,929	13,929	0	0.00%	15,000	(1,071)	-7.14%
Interest Expense	(9,277)	(9,986)	709	-7.10%	(9,619)	342	-3.55%
City of Kerrville - General Fund Transfer	(108,054)	(112,771)	4,717	-4.18%	(99,779)	(8,275)	8.29%
City of Ingram - Franchise Fee	(2,405)	(3,224)	819	-25.40%	(2,360)	(46)	1.93%
Other - Net	5,205	2,667	2,538	95.19%	4,153	1,052	25.32%
<b>TOTAL NONOPERATING REVENUES (EXP)</b>	<b>41,150</b>	<b>(90,636)</b>	<b>131,786</b>	<b>-145.40%</b>	<b>(71,168)</b>	<b>112,319</b>	<b>-157.82%</b>
<b>INCOME BEFORE CONTRIBUTIONS</b>	<b>51,955</b>	<b>(149,289)</b>	<b>201,244</b>	<b>134.80%</b>	<b>39,724</b>	<b>12,230</b>	<b>30.79%</b>
<b>CAPITAL CONTRIBUTIONS</b>	<b>34,182</b>	<b>25,000</b>	<b>9,182</b>	<b>36.73%</b>	<b>32,513</b>	<b>1,669</b>	<b>5.13%</b>
<b>CHANGE IN NET POSITION</b>	<b>\$ 86,137</b>	<b>\$ (124,289)</b>	<b>\$ 210,426</b>	<b>169.30%</b>	<b>\$ 72,237</b>	<b>\$ 13,899</b>	<b>19.24%</b>
<b>NET POSITION AT BEGINNING OF MONTH</b>	<b>\$ 75,077,411</b>				<b>\$ 73,013,425</b>		
<b>NET POSITION AT END OF MONTH</b>	<b>\$ 75,163,548</b>				<b>\$ 73,085,663</b>		

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

	Comparison to Budget				Comparison to Last Year		
	Year to Date	Year to Date Budget Amount	Variance		Year to Date Last Year Amount	Variance	
			Favorable (Unfavorable)	Percentage Variance		Favorable (Unfavorable)	Percentage Variance
<b>OPERATING REVENUES:</b>							
Residential	\$ 17,018,269	\$ 17,467,661	\$ (449,392)	-2.57%	\$ 16,521,978	\$ 496,290	3.00%
Commercial/Industrial	12,390,919	12,737,115	(346,196)	-2.72%	11,808,670	582,249	4.93%
Sales to Public Authorities	170,583	172,000	(1,417)	-0.82%	172,617	(2,035)	-1.18%
Other	516,845	458,222	58,623	12.79%	520,366	(3,520)	-0.68%
<b>TOTAL OPERATING REVENUES</b>	<b>30,096,616</b>	<b>30,834,998</b>	<b>(738,382)</b>	<b>-2.39%</b>	<b>29,023,631</b>	<b>1,072,985</b>	<b>3.70%</b>
<b>OPERATING EXPENSES:</b>							
Purchased Power	20,861,540	20,887,193	25,653	0.12%	19,539,567	(1,321,973)	-6.77%
Distribution	2,339,189	2,945,546	606,357	20.59%	2,289,648	(49,541)	-2.16%
Customer Accounts	417,268	492,726	75,458	15.31%	379,484	(37,784)	-9.96%
Customer Service, Informational & Sales	207,044	279,462	72,418	25.91%	188,394	(18,649)	-9.90%
Administrative Expenses	2,880,956	3,177,272	296,316	9.33%	2,677,414	(203,541)	-7.60%
Depreciation & Amortization	2,567,382	2,591,524	24,142	0.93%	2,477,687	(89,695)	-3.62%
<b>TOTAL OPERATING EXPENSES</b>	<b>29,273,379</b>	<b>30,373,723</b>	<b>1,100,345</b>	<b>3.62%</b>	<b>27,552,195</b>	<b>(1,721,184)</b>	<b>-6.25%</b>
<b>OPERATING INCOME (LOSS)</b>	<b>823,237</b>	<b>461,275</b>	<b>361,963</b>	<b>78.47%</b>	<b>1,471,436</b>	<b>(648,199)</b>	<b>-44.05%</b>
<b>NONOPERATING REVENUES (EXP):</b>							
Interest Income - Investments	954,634	400,000	554,634	138.66%	80,096	874,538	1091.86%
Interest Income - City of Kerrville	115,714	115,714	0	0.00%	120,000	(4,286)	-3.57%
Interest Expense	(72,405)	(79,311)	6,906	-8.71%	(78,493)	6,088	-7.76%
City of Kerrville - General Fund Transfer	(937,056)	(937,050)	(6)	0.00%	(873,112)	(63,945)	7.32%
City of Ingram - Franchise Fee	(21,850)	(26,426)	4,576	-17.32%	(21,640)	(210)	0.97%
Other - Net	26,637	21,333	5,304	24.86%	21,694	4,943	22.78%
<b>TOTAL NONOPERATING REVENUES (EXP)</b>	<b>65,674</b>	<b>(505,740)</b>	<b>571,414</b>	<b>-112.99%</b>	<b>(751,454)</b>	<b>817,128</b>	<b>-108.74%</b>
<b>INCOME BEFORE CONTRIBUTIONS</b>	<b>888,911</b>	<b>(44,466)</b>	<b>933,377</b>	<b>-2099.10%</b>	<b>719,983</b>	<b>168,929</b>	<b>23.46%</b>
<b>CAPITAL CONTRIBUTIONS</b>	<b>300,935</b>	<b>200,000</b>	<b>100,935</b>	<b>50.47%</b>	<b>255,345</b>	<b>45,590</b>	<b>17.85%</b>
<b>CHANGE IN NET POSITION</b>	<b>\$ 1,189,846</b>	<b>\$ 155,534</b>	<b>\$ 1,034,312</b>	<b>665.00%</b>	<b>975,328</b>	<b>\$ 214,518</b>	<b>21.99%</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>\$ 75,163,548</b>				<b>\$ 73,085,663</b>		

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

Assets and Deferred Outflows	May 31, 2023 (Unaudited)	September 30, 2022	Net Position, Liabilities and Deferred Inflows	May 31, 2023 (Unaudited)	September 30, 2022
Utility Plant:					
Utility Plant in Service	\$ 97,418,093	\$ 93,982,686	Total Net Position	\$ 75,163,548	\$ 73,973,702
Less: Accumulated Depreciation	(47,876,728)	(46,827,910)			
Net Utility Plant in Service	49,541,365	47,154,776			
Construction Work in Progress	934,373	1,834,762	Liabilities:		
Total Utility Plant	50,475,738	48,989,538	Current Liabilities:		
Restricted and Noncurrent Assets:			Current Maturities of Long-Term Liabilities	449,108	437,108
Customer Deposits	486,804	463,149	Accrued Interest Payable	9,670	48,046
Interest and Sinking Fund	261,772	434,802	Accounts Payable - Purchased Power	10,817,424	10,817,424
Emergency, Repair, Replace, Contingency Fund	3,694,269	3,585,091	Accounts Payable - Other	795,331	1,369,794
Advance to City of Kerrville, net of current portion	5,892,858	6,428,572	Over Collection of Power Cost Adjustment	4,001,583	3,846,149
Net Pension Asset	677,020	677,020	Total Current Liabilities	16,073,117	16,518,522
Total Restricted and Noncurrent Assets	11,012,723	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	590,706	606,004	Customer Deposits	486,804	463,149
Investments	22,419,148	23,084,450	Interest on Customer Deposits	3,460	2,437
Less: Customer Deposits	(486,804)	(463,149)	Total OPEB Liability	382,619	382,619
Total Revenue Fund	22,523,050	23,227,305	Total Long-Term Liabilities	3,393,883	3,803,205
Construction Fund:			Total Liabilities	19,467,000	20,321,726
Cash and Cash Equivalents	5,293	5,135	Deferred Inflows of Resources - Pension & OPEB	2,044,144	2,044,144
Investments	1,501,355	1,456,985			
Total Construction Fund	1,506,648	1,462,120			
Rate Stabilization Fund:					
Investments	1,975,778	1,917,388			
Total Rate Stabilization Fund	1,975,778	1,917,388			
Long Term Rate Stabilization Fund:					
Investments	1,764,563	1,094,339			
Total Rate Stabilization Fund	1,764,563	1,094,339			
Customer Accounts Receivable, net of allowance	3,322,088	4,055,633			
Current Portion - Advance to City of Kerrville	1,071,428	1,071,428			
Materials and Supplies	1,202,822	1,135,750			
Other	918,082	895,666			
Total Current Assets	34,284,460	34,859,629			
Deferred Outflow of Resources - Pension & OPEB	901,771	901,771			
Total Assets and Deferred Outflows	\$ 96,674,692	\$ 96,339,572	Total Net Position, Liabilities and Deferred Inflows	\$ 96,674,692	\$ 96,339,572

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

	Date	Revenue Fund	Construction Fund	Rate Stabilization Fund	Restricted			Emergency Repair, Replacement & Contingency	Total Funds Invested
					Long Term Rate Stabilization Fund	Debt Reserve Fund	Interest & Sinking Fund		
Beginning Fund Balance		\$ 22,118,539	\$ 1,494,767	\$ 1,967,109	\$ 1,756,821	\$ -	\$ 217,000	\$ 3,678,059	\$ 31,232,295
Withdrawals:									
Happy Investment - TMRS	05/04/23	(72,520)							(72,520)
Happy Investment - ERCOT	05/12/23	(138)							(138)
Happy Investment - NextEra	05/18/23	(469,440)							(469,440)
Happy Investment - CPS	05/18/23	(848,729)							(848,729)
Happy Investment - DG Solar	05/19/23	(53,886)							(53,886)
Happy Investment - Engie	05/25/23	(111,071)							(111,071)
Happy Investment - LCRA	05/26/23	(648,221)							(648,221)
Happy Investment - Garland	05/26/23	(150,538)							(150,538)
Investments:									
Happy Investment	05/05/23	300,000							300,000
Happy Investment	05/10/23	300,000							300,000
Happy Investment	05/12/23	500,000							500,000
Happy Investment	05/17/23	500,000							500,000
Happy Investment	05/26/23	800,000							800,000
Happy Investment	05/31/23	200,000							200,000
Fund Balance after Withdrawals & Investments		22,363,998	1,494,767	1,967,109	1,756,821	-	217,000	3,678,059	31,477,754
Allocation of:									
Interest Income	05/31/23	98,959	6,588	8,669	7,743	-	963	16,210	139,132
Total Interest Allocation		98,959	6,588	8,669	7,743	-	963	16,210	139,132
Fund Balance After Allocations		22,462,958	1,501,355	1,975,778	1,764,563	-	217,963	3,694,269	31,616,886
Interfund Transfers :									
Debt Service	05/31/23	(43,810)					43,810		-
Ending Fund Balance		\$ 22,419,148	\$ 1,501,355	\$ 1,975,778	\$ 1,764,563	\$ -	\$ 261,772	\$ 3,694,269	\$ 31,616,886

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

Description	Current Month	Fiscal Year	Previous 12 Months
CHANGE IN NET POSITION	\$ 86,137	\$ 1,189,846	\$ 2,064,143
PLUS:			
Interest Expense (net of amortizations)	9,277	72,405	114,284
Depreciation & Amortization Expense	325,114	2,567,382	3,844,030
Numerator	<u>420,528</u>	<u>3,829,633</u>	<u>6,022,456</u>
DIVIDED BY:			
Interest Expense (net of amortizations)	9,277	72,405	114,284
Principal Payment Due	36,167	288,333	429,000
Denominator	<u>\$ 45,444</u>	<u>\$ 360,738</u>	<u>\$ 543,284</u>
DEBT SERVICE COVERAGE RATIO	<u>9.25</u>	<u>10.62</u>	<u>11.09</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