

## MEMORANDUM

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

From: Allison Bueché

Date: July 19, 2023

Re: Agenda Item No. 5—Status Update on Change for Charity Program

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The Kerrville Public Utility Board (KPUB) Change for Charity program has continued to be a successful partnership with the Society of St. Vincent de Paul.

Change for Charity continues to be well received by our customers and has been a very needed program during the extreme winter and summer temperatures our service area has experienced in 2022 and 2023.

From July 1, 2022-June 30, 2023, St. Vincent de Paul granted \$84,136.84 in assistance to KPUB customers. 658 vouchers were granted over the course of this time, which averaged \$127.87.

Attached you will find an annual program review from St. Vincent for assistance granted to our customers.

St. Vincent de Paul administrator of the Change for Charity program funds (Mike Henke) will be attending our July 26 board meeting to present this overview and answer any questions that the board might have.

If you have any questions or need any additional information in the meantime, please let me know.

Sincerely,



Allison Bueché  
Director of Customer & Community Relations

# KPUB

## Change for Charity Program Annual Review

July 26, 2023



# CCPF Assistance Overview

July 1, 2022  
thru  
June 30, 2023

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Total CCPF Assistance Provided = \$ 84,136.84

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Number of CCPF Vouchers Written = 658

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Number of Households Assisted = 395

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Maximum Assistance per any one bill = \$ 262.49

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Average Assistance per Bill = \$ 127.87

# CCPF Assistance per Household

July 1, 2022  
thru  
June 30, 2023

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Maximum Assistance = \$ 665.00

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Average Assistance = \$213

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Maximum No. of Times Assisted = 6

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Average No. of Bills = 1.7

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82% of Households were assisted only  
once or twice

# Frequency of CCPF Assistance (2022-2023)

Number of Households	Times Assisted	Total Number of Bills
1	6	6
4	5	20
25	4	100
42	3	126
85	2	170
236	1	236

# Financial Assistance Process

- Annual Intake/Confirm Eligibility
- Daily Registration
- Review Assistance History (Quarterly Visits / \$150-\$200 Limits)
- Conduct Brief Interview and Review Current Bill
- Record Assistance on Log Sheet and Enter into Computer
- Email Voucher/Check Log to KPUB at End of Each Session
- Write Checks Periodically

# Three Ways to Qualify for Assistance

Based on The Emergency Food Assistance Program (TEFAP)

- Crisis Situation
  - Unexpected
  - Temporary
  - Out of Neighbor's Control
- Receive Assistance through Specific Government Programs
  - SNAP (Food Stamps)
  - NSLP (School Lunches)
  - TANF (Temporary Assistance for Needy Families)
  - SSI (Supplemental Security Income)
  - Medicaid
- Income Less Than 185% of Federal Poverty Level
  - Sliding Scale based on Number of People in Household
  - Updated each July 1 by Texas Department of Agriculture (Food Assistance Guidelines)

# TEFAP Income Guidelines 2023-2024

Texas Department  
of Agriculture

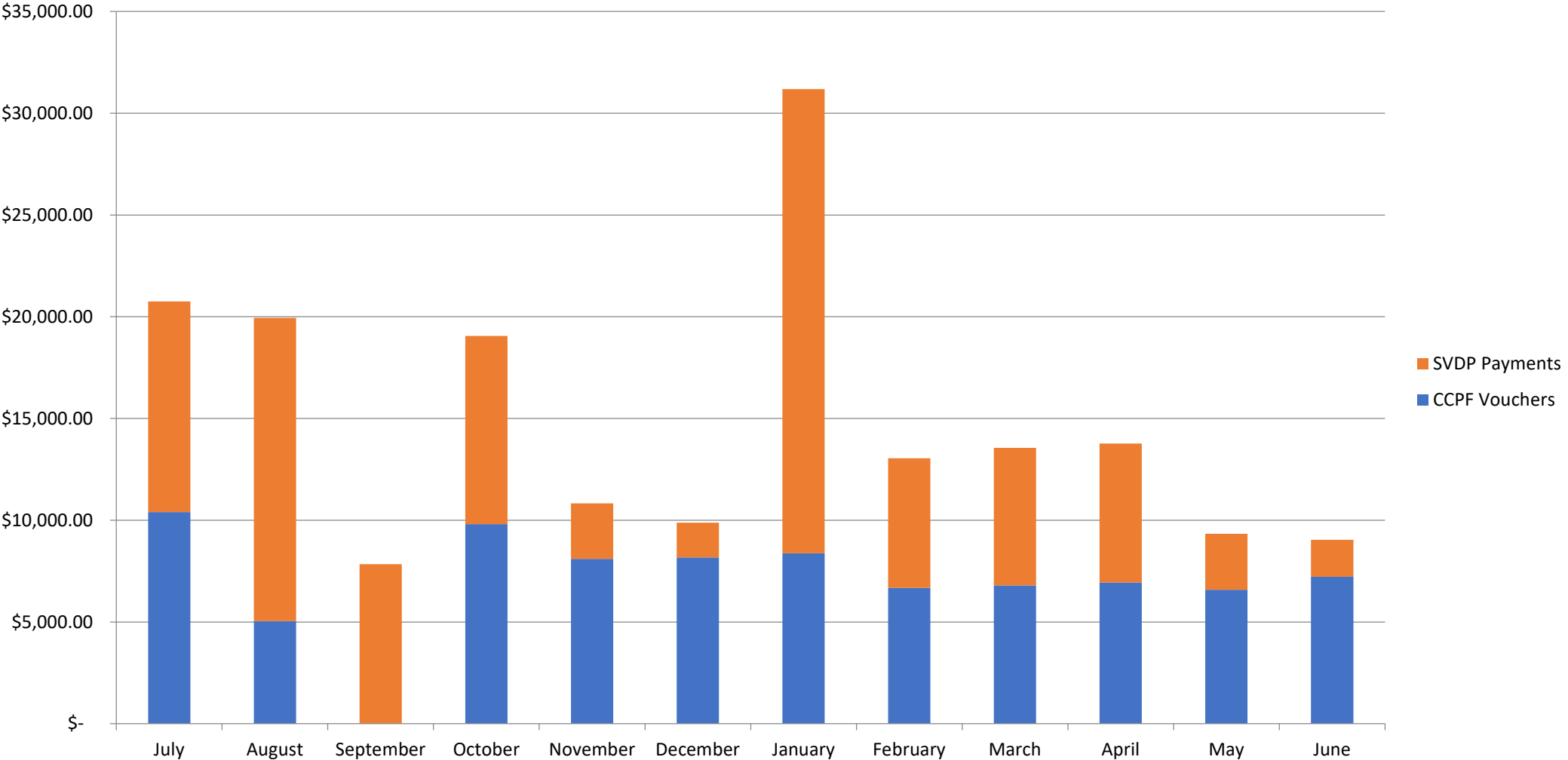
Form H1640  
February 2023

## The Emergency Food Assistance Program (TEFAP) Income Eligibility Guidelines July 1, 2023 – June 30, 2024

Based on 185% of Federal Poverty Guidelines					
Household Size	Annual Income	Monthly Income	Twice-Monthly Income	Bi-Weekly Income	Weekly Income
1	\$26,973	\$2,248	\$1,124	\$1,038	\$519
2	36,482	3,041	1,521	1,404	702
3	45,991	3,833	1,917	1,769	885
4	55,500	4,625	2,313	2,135	1,068
5	65,009	5,418	2,709	2,501	1,251
6	74,518	6,210	3,105	2,867	1,434
7	84,027	7,003	3,502	3,232	1,616
8	93,536	7,795	3,898	3,598	1,799
For each additional household member, add:	+\$9,509	+\$793	+\$397	+\$366	+\$183



# Monthly KPUB Bill Assistance 2022-2023



# KPUB Vouchers 2022-2023

	TOTAL KPUB ASSISTANCE		CCPF Vouchers		SVDP Payments	
	#	\$	#	\$	#	\$
<b>July</b>	168	\$ 20,754.91	83	\$ 10,402.30	85	\$ 10,352.61
<b>August</b>	161	\$ 19,944.50	42	\$ 5,041.83	119	\$ 14,902.67
<b>September</b>	71	\$ 7,843.08	0	\$ -	71	\$ 7,843.08
<b>October</b>	140	\$ 19,055.85	73	\$ 9,807.89	67	\$ 9,247.96
<b>November</b>	97	\$ 10,830.64	75	\$ 8,104.88	22	\$ 2,725.76
<b>December</b>	87	\$ 9,875.43	73	\$ 8,177.98	14	\$ 1,697.45
<b>January</b>	206	\$ 31,186.24	57	\$ 8,380.33	149	\$ 22,805.91
<b>February</b>	87	\$ 13,043.25	46	\$ 6,674.41	41	\$ 6,368.84
<b>March</b>	89	\$ 13,550.34	44	\$ 6,797.17	45	\$ 6,753.17
<b>April</b>	114	\$ 13,765.07	52	\$ 6,934.68	62	\$ 6,830.39
<b>May</b>	76	\$ 9,336.09	53	\$ 6,588.28	23	\$ 2,747.81
<b>June</b>	72	\$ 9,036.37	60	\$ 7,227.09	12	\$ 1,809.28
<b>TOTAL</b>	<b>1368</b>	<b>\$ 178,221.77</b>	<b>658</b>	<b>\$ 84,136.84</b>	<b>710</b>	<b>\$ 94,084.93</b>

Averages	\$	130.28	\$	127.87	\$	132.51
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# Society of St. Vincent de Paul

- International Organization (150 countries) – Paris – April 23, 1833
- United States – St. Louis – November 20, 1845
- Southwest Texas Council – San Antonio - 1871
- Notre Dame Kerrville Conference – 1145 Broadway – May 5, 1953
  - All Volunteer Organization
  - Funding - Thrift Store Proceeds, Church Collections, Donations, Grants
  - Partner with San Antonio Food Bank
  - Serve Kerr and Surrounding Counties

# Assistance Overview

## SVDP - ND Kerrville Conference

- Food Pantry
- Utilities
  - Electricity (KPUB, BEC, CTEC, Others)
  - Water and Sewer (City of Kerrville, Aqua Texas, Monarch, Others)
  - Natural Gas and Propane (ATMOS, Heart of Texas, Kerrville Butane, Country Boys, Others)
- Prescription Medicines (Medicine Stop)
- Gasoline (MiniMart)
- Other (Clothing, Furniture, Medical, Car/House Repairs, Insurance, Property Taxes, etc.)
- Disaster/Crisis Relief
- Limits are Evaluated and Adjusted Quarterly
  - Food = Twice per Month
  - Financial Assistance = One Visit per Quarter - Generally \$150-\$200 max
  - Occasional Advance of One Quarter's Assistance
  - Conference may approve more on a case by case basis

# Balance Sheet

Notre Dame, Kerrville  
As of September 30, 2022

SEP 30, 2022

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## Assets

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### Current Assets

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#### Cash and Cash Equivalents

Notre Dame Kerrville Checking Account	15,828.80
<b>Total Cash and Cash Equivalents</b>	<b>15,828.80</b>

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Food Pantry	25,630.12
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Non-Cash Other	9,786.58
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<b>Total Current Assets</b>	<b>51,245.50</b>
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<b>Total Assets</b>	<b>51,245.50</b>
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## Liabilities and Equity

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### Equity

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Current Year Earnings	21,819.49
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Retained Earnings	29,426.01
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<b>Total Equity</b>	<b>51,245.50</b>
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<b>Total Liabilities and Equity</b>	<b>51,245.50</b>
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July 26, 2023

Chairman Mark Cowden  
Kerrville Public Utility Board  
701 Main Street  
Kerrville, TX 78028

**RE: Funding Request for FY 23/24**

Dear Mr. Cowden:

The Kerr Economic Development Corporation continues on its mission of fostering the economic growth of the greater Kerrville area through the support of local industry, recruitment of companies, creation and retention of quality jobs, expansion of capital investment and infusion of new tax dollars into our community.

Please consider this letter as our request for annual funding of the KEDC in the amount of \$68,750, a 10 percent increase from the previous two fiscal years.

Since our last budget request, the KEDC has worked on the following projects and programs for the Kerrville area:

- Completed our 5-Year Strategic Workforce & Talent Plan with TIP Strategies Consultants of Austin.
- Hosted Texas Workforce Commissioner Aaron Demerson, as his visit has resulted in the development of several workforce programs for local companies.
- Hosted Texas Workforce Commissioner Julian Alvarez and members of the Office of the Governor, which provided the KEDC with a lead for a project of significance for Kerrville.
- Initiated Project Mount Saddle with two investors listed in Forbes List of industrial giants in North America.
- Recognized by the Texas Economic Development Council with the Economic Development and Workforce Excellence Award. As a result of the accolade, the KEDC had the opportunity to work with Ernst & Young Site Selection Firm as they'll be showcasing Kerrville in a national marketing and social media platform.
- Supported Killdeer Mountain Manufacturing in the workforce and supply chain needs. The company has already hired more than 90 local employees, exceeding its goal of 50 employees by the end of 2023.
- Hosted the Second Annual KEDC Business & Innovation Forum 2022 at the Schreiner University, which drew more than 200 attendees. The event provided a series of entrepreneurial and leadership seminars as well as business networking opportunities.



## FUNDING REQUEST

### Page Two

- Convened a series of Quarterly Industry Roundtable discussions with Kerrville's top private employers, local leadership and educational partners.
- Initiated the Child Care Initiative with a working group of child care providers, city leadership, local workforce and the KEDC in response to the community's workforce challenges. The group worked on the following strategies:
  - Shared Services Alliance to support and promote the local care centers
  - Apprenticeship Program with local educational institutions for early childhood needs
  - Childcare Business Incubator for childcare business startups
  - Support KISD and Kroc Center in their expansion plans for day care facility
- Promoted Kerrville at the national and international level through editorial placement in such national publications as:
  - Business View Magazine
  - Business Facilities
  - Ernst & Young Media
  - Aviation Pros
  - Manufacturing Today
  - Aviation News
  - Site Selection Magazine
  - Austin Business Journal
  - San Antonio Business Journal
  - The Japan Times (Texas feature)

We appreciate your continued support in helping with the overall mission of growing and diversifying the economic base of the greater Kerrville area.

Sincerely,

A handwritten signature in black ink, appearing to read "Gilberto Salinas", is written over a light gray rectangular background.

Gilberto Salinas  
Executive Director  
Kerr Economic Development Corp.  
1700 Sidney Baker, Ste. 100  
Kerrville, Texas 78028

**MINUTES OF THE  
KERRVILLE PUBLIC UTILITY BOARD  
REGULAR MONTHLY MEETING  
WEDNESDAY, JUNE 28, 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  
Howard Hall, Field Services Supervisor  
Brian Mikulencak, Supervisor of Engineering Services  
Jill Cook, Accounting Supervisor  
Damon Richardson, Purchasing Agent  
Lidia S. Goldthorn, Assistant Secretary to the Board

**TRUSTEES ABSENT:**

**OTHERS PRESENT:**

Stephen Schulte, Legal Counsel  
Gregg Appel, Happy State Bank

**1. CALL TO ORDER:**

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

**2. PLEDGE OF ALLEGIANCE**

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

There were no citizens/consumers to speak. Mr. Wittler gave an update from last month's citizen who spoke, advising that staff connected with Ms. Woodfox and took care of her concerns.

**4. ANNOUNCEMENTS OF COMMUNITY INTEREST:**

Ms. Bueché highlighted Lineman Josh Whitworth as the staff spotlight for the month. Mr. Whitworth has been with KPUB for sixteen and a half years. She highlighted participation in events including Tree Trimming Lunch & Learn, Community Weatherization Event at the Doyle Community Center, Habitat for Humanity, Public Power's Day of Giving and Food Pantry Volunteer Events, and Community Blood Drive. She also advised KPUB received an APPA Community Service Award. Mr. Wittler noted the following upcoming board meetings tentatively scheduled for:



- *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. (Will poll board members to possibly re-schedule)*
- *Wednesday, September 20, 2023 at 8:30 a.m.*

**5. CONSENT AGENDA:**

Glenn Andrew, Treasurer, 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.

5A. APPROVAL OF MINUTES.

5B. RESOLUTION NO. 23-08 – 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. Fleet Purchase (Tammie Riley, Director of Operations)

**END OF CONSENT AGENDA**

**6. CONSIDERATION AND ACTION ON PURCHASE OF POWER TRANSFORMER FOR JACK FURMAN SUBSTATION – BRIAN MIKULENCAK, SUPERVISOR OF ENGINEERING SERVICES:**

Mr. Mikulencak recommended the approval of a purchase order to GE Prolec Transformer Inc., for a total of \$1,521,840. Staff went out for bids for a new transformer for the Jack Furman Substation, with only three bids received. Mr. Mikulencak advised GE Prolec Transformer Inc. appeared to be the best bid with regard to price, operating cost, and having no technical changes to KPUB’s transformer specifications. Schneider Engineering helped with the bid process and gave the same suggestion to go with the GE Prolec transformer. He advised the transformer will be KPUB’s first 33MVA transformer, which is to be installed at the Jack Furman Substation where commercial loads are increasing. It will also help back up the Ingram Substation transformer; which will most likely be the next one to be replaced. Mr. Mikulencak provided Schneider Engineering’s recommendation letter, their bid evaluation of each company that submitted a bid, and the transformer bid document from TEC/GE Prolec Transformer Inc. for the Board’s reference. He added the transformer is scheduled to be energized by May of 2026. After discussion by the Board, Larry Howard, Vice Chairman, motioned for approval of a purchase order to GE Prolec Transformer Inc. for a total of \$1,521,840. Mr. Andrew seconded the motion. Vote was by a show of hands. Motion carried 5 – 0.

**7. CONSIDERATION AND ACTION ON RESOLUTION NO. 23-09 – AMY DOZIER, DIRECTOR OF FINANCE:**

Ms. Dozier advised 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. Ms. Dozier advised KPUB received proposals from four local banks. After review of all proposals staff quickly determined that two proposals were less advantageous. The other two banks submitted competitive proposals with the following key provisions: Happy State Bank had no fees and interest rates equal to the thirteen-week T-Bill rate plus

seven basis points, which is the same as our current agreement; and Security State Bank had no fees and interest rates equal to the TexPool daily rate. After analyzing each proposal and discussion with the Investment Committee, staff and the Investment Committee are recommending the Happy State Bank proposal for the following reasons: Interest income – Over the last eight 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 third 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. Ms. Dozier had provided additional details regarding each proposal in the proposal analysis summary. She added that the proposals and agreements were approximately 150 pages long, and are available for the Board’s review at their request. Staff recommended 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.

Mayor Eychner made a motion to approve Resolution No. 23-09 authorizing 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. Mr. Howard seconded the motion. Vote was by a show of hands. Motion carried 5 – 0.

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

Ms. Dozier presented the financial statements for the month of May 2023. Ms. Dozier noted a \$86K increase in net position; \$3.3M in operating revenue; \$3.3M in operating expense; \$11K in operating income; \$4.0M in over collected power cost adjustment as of May 31, 2023; and \$31.6M 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 5.22% as of June 21, 2023. She added that 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. Ms. Dozier provided a power point presentation with the month’s highlights and financial metrics from her memo.

**9. 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

**III. EXECUTIVE CLOSED SESSION – PERSONNEL MATTERS:**

In accordance with Texas Statutes Subchapter D, chapter 551, Government Code Section §551.074, the Kerrville Public Utility Board will recess for the purpose of “Personnel Matters” regarding the following matters:

A. Personnel Matters

(1) Deliberation as to Assignment to Board Committees – 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. Mayor Eychner, seconded the motion. Vote was by show of hands. Motion carried 5 – 0.

The Board entered Executive Closed Session at 9:02 a.m. Chairman Cowden adjourned the Executive Closed Session and reconvened into Open Session at 9:42 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 9:42 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: July 19, 2023

Re: Agenda Item No. 7B – Resolution No. 23-10

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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 June 22, 2023 and July 19, 2023 for Board approval:

	<u>Vendor</u>	<u>Description</u>	<u>Amount</u>	<u>Date</u>
<b>Purchased Power:</b>				
1	DG Solar	May 2023	56,431.50	06/26/2023
2	Engie	May 2023	100,093.86	06/29/2023
3	LCRA	May 2023	667,630.11	06/30/2023
4	Garland	May 2023	(99,602.98)	06/30/2023
5	NextEra	June 2023	469,440.00	07/19/2023
<b>Payroll:</b>				
1	Payroll	Pay period ending 06/17/2023	127,882.62	06/23/2023
2	Payroll	Pay period ending 07/01/2023	127,078.14	07/07/2023
3	Payroll Taxes	Pay period ending 06/17/2023	46,579.65	06/28/2023
4	Payroll Taxes	Pay period ending 07/01/2023	45,979.69	07/12/2023
<b>Employee Benefits:</b>				
1	TML	Health Insurance - July	75,691.65	07/03/2023
2	TMRS	Pension - June Payroll	73,776.10	07/06/2023
<b>Investment Transfers (from Operating Account to Investment Account at Happy State Bank):</b>				
1	Happy State Bank	Investment Transfer	350,000.00	06/23/2023
2	Happy State Bank	Investment Transfer	550,000.00	06/28/2023
3	Happy State Bank	Investment Transfer	500,000.00	06/30/2023
4	Happy State Bank	Investment Transfer	400,000.00	07/06/2023
5	Happy State Bank	Investment Transfer	400,000.00	07/10/2023
6	Happy State Bank	Investment Transfer	400,000.00	07/14/2023
7	Happy State Bank	Investment Transfer	450,000.00	07/18/2023

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 large initial "A".

Amy Dozier  
Director of Finance

**RESOLUTION NO. 23-10**

**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 26<sup>th</sup> day of July, 2023**

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

**ATTEST:**

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

## MEMORANDUM

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

From: Howard Hall

Date: July 19, 2023

Re: Agenda Item No. 7C.1 – 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 vehicles were auctioned and sold thru JJ Kane Auctioneers. Unit 3233, 2014 F-150 4x4 Single Cab Pick-Up for \$9,975 and Unit 3240, 2016 F-150 2wd Extended Cab Pick-Up for \$14,250. 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

07/06/2023

Birmingham,AL

<b>55357</b>	2014 Ford F150 4x4 Pickup Truck, 6-cyl gas, Auto, A/C, with front grille guard, (88,329 miles) (Runs & Moves) NOTE: This unit is being sold AS IS/WHERE IS via Timed Auction. For pickup information and terms, please reference the release form. (Buyer is responsible for removal. Assistance by consignor or JJ Kane Auctioneers is not assured.)	Amt Bid:	<b>\$10,500.00</b>	-- EXPENSE --	-EXPLANATION-	
null		Commission:	\$525.00	Adjustments:	\$0.00	<b>\$9,975.00</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.: 1FTMF1EM8EKD62302						
Arrival Date: 06/20/2023						

<b>55358</b>	2016 Ford F150 Extended-Cab Pickup Truck, 8-cyl gas, Auto, A/C, with front grille guard, job box, (75,776 miles) (Runs & Moves) NOTE: This unit is being sold AS IS/WHERE IS via Timed Auction. For pickup information and terms, please reference the release form. (Buyer is responsible for removal. Assistance by consignor or JJ Kane Auctioneers is not assured.)	Amt Bid:	<b>\$15,000.00</b>	-- EXPENSE --	-EXPLANATION-	
null		Commission:	\$750.00	Adjustments:	\$0.00	<b>\$14,250.00</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.: 1FTEX1CF0GKD59225						
Arrival Date: 06/20/2023						



# LOT SUMMARY

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

07/06/2023

Birmingham,AL

LOT SPECIFIC AMOUNTS and FEES		SELLER SPECIFIC EXPENSES and INCOME			
<b>TOTAL AMOUNT OF ALL LOTS SOLD:</b>	<b>\$25,500.00</b>	Seller Expenses	Advertising:	\$0.00	<b>SELLER NET \$24,225.00</b>
TOTAL AMOUNT OF No Sales:	\$0.00			\$0.00	
TOTAL AMOUNT OF Commission:	\$1,275.00			\$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>\$24,225.00</b>			\$0.00	

# MEMORANDUM

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

From: Amy Dozier

Date: July 19, 2023

Re: Agenda Item No. 8 – Financial Report

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

Highlights include:

- **\$200K increase in net position** for the month, **\$1.4M increase** in net position on a year-to-date (YTD) basis, which is \$1.4M better than budget.
- **\$3.3M in operating revenue** for the month, **\$33.4M** on a YTD basis.
  - Through the 3rd quarter of the fiscal year, operating revenue is 4.98% lower than expected. This is a result of lower than expected kWh sales due to generally mild weather this fiscal year. Although this seems like a distant memory, the first half of June was mild. The high temperature averaged 88° through June 14<sup>th</sup> and the first over 90° day did not occur until June 10<sup>th</sup>. Billing cycles do not correspond to the calendar month, so much of the billing for the last half of June will not be seen until July.
- **\$3.2M in operating expense** for the month, **\$32.5M** on a YTD basis.
  - YTD operating expense is 6.58% 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.
- **\$108K in operating income** for the month, **\$932K in operating income** on a YTD basis.
- **\$4.8M in over collection of power cost adjustment** as of 6/30/2023, an **increase of \$760K** from the prior month.
- **\$31.8M 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 5.32% as of July 19, 2023. Rates on the investment pool accounts are 5.28% at LOGIC and 5.09% at TexPool as of July 19, 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 \$98.52. Management recommends keeping the PCA at \$102.50 for July and August due to ongoing price volatility and continued pending litigation.

Also attached for your review are the following quarterly reports:

- Quarterly listing of vendor payments over \$10,000
- Quarterly listing of payments to a single vendor that have totaled over \$10,000 in the past 12 months

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 June 30, 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	\$ 1,765,381	\$ 2,288,152	\$ (522,772)	-22.85%	\$ 1,767,979	\$ (2,599)	-0.15%
Commercial/Industrial	1,444,492	1,952,598	(508,106)	-26.02%	1,320,344	124,148	9.40%
Sales to Public Authorities	21,732	21,500	232	1.08%	21,512	220	1.02%
Other	57,379	39,119	18,260	46.68%	37,914	19,465	51.34%
<b>TOTAL OPERATING REVENUES</b>	<b>3,288,984</b>	<b>4,301,370</b>	<b>(1,012,386)</b>	<b>-23.54%</b>	<b>3,147,749</b>	<b>141,235</b>	<b>4.49%</b>
<b>OPERATING EXPENSES:</b>							
Purchased Power	2,095,646	3,137,095	1,041,449	33.20%	1,850,213	(245,432)	-13.27%
Distribution	289,516	374,443	84,927	22.68%	323,255	33,739	10.44%
Customer Accounts	42,300	65,212	22,912	35.13%	47,026	4,726	10.05%
Customer Service, Informational & Sales	24,657	35,441	10,784	30.43%	29,517	4,860	16.46%
Administrative Expenses	399,245	427,021	27,777	6.50%	351,176	(48,069)	-13.69%
Depreciation & Amortization	329,292	326,324	(2,968)	-0.91%	314,160	(15,132)	-4.82%
<b>TOTAL OPERATING EXPENSES</b>	<b>3,180,655</b>	<b>4,365,536</b>	<b>1,184,881</b>	<b>27.14%</b>	<b>2,915,347</b>	<b>(265,309)</b>	<b>-9.10%</b>
<b>OPERATING INCOME (LOSS)</b>	<b>108,329</b>	<b>(64,166)</b>	<b>172,495</b>	<b>-268.83%</b>	<b>232,403</b>	<b>(124,074)</b>	<b>-53.39%</b>
<b>NONOPERATING REVENUES (EXP):</b>							
Interest Income - Investments	139,724	18,750	120,974	645.19%	32,084	107,640	335.49%
Interest Income - City of Kerrville	13,929	13,929	0	0.00%	15,000	(1,071)	-7.14%
Interest Expense	(9,276)	(9,986)	710	-7.11%	(9,619)	343	-3.57%
City of Kerrville - General Fund Transfer	(97,342)	(129,604)	32,261	-24.89%	(95,399)	(1,943)	2.04%
City of Ingram - Franchise Fee	(2,844)	(3,710)	866	-23.35%	(2,954)	110	-3.73%
Other - Net	2,662	2,667	(5)	-0.17%	2,085	578	27.71%
<b>TOTAL NONOPERATING REVENUES (EXP)</b>	<b>46,853</b>	<b>(107,955)</b>	<b>154,807</b>	<b>-143.40%</b>	<b>(58,803)</b>	<b>105,656</b>	<b>-179.68%</b>
<b>INCOME BEFORE CONTRIBUTIONS</b>	<b>155,182</b>	<b>(172,121)</b>	<b>327,302</b>	<b>190.16%</b>	<b>173,600</b>	<b>(18,418)</b>	<b>-10.61%</b>
<b>CAPITAL CONTRIBUTIONS</b>	<b>44,470</b>	<b>25,000</b>	<b>19,470</b>	<b>77.88%</b>	<b>4,839</b>	<b>39,631</b>	<b>819.06%</b>
<b>CHANGE IN NET POSITION</b>	<b>\$ 199,651</b>	<b>\$ (147,121)</b>	<b>\$ 346,772</b>	<b>235.71%</b>	<b>\$ 178,438</b>	<b>\$ 21,213</b>	<b>11.89%</b>
<b>NET POSITION AT BEGINNING OF MONTH</b>	<b>\$ 75,163,548</b>				<b>\$ 73,085,663</b>		
<b>NET POSITION AT END OF MONTH</b>	<b>\$ 75,363,199</b>				<b>\$ 73,264,101</b>		

Kerrville Public Utility Board  
Statement of Revenues, Expenses and Changes in Fund Net Position  
For the Month Ended June 30, 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	\$ 18,783,650	\$ 19,755,813	\$ (972,163)	-4.92%	\$ 18,289,958	\$ 493,692	2.70%
Commercial/Industrial	13,835,411	14,689,714	(854,303)	-5.82%	13,129,014	706,397	5.38%
Sales to Public Authorities	192,315	193,500	(1,185)	-0.61%	194,129	(1,814)	-0.93%
Other	574,225	497,341	76,883	15.46%	558,280	15,945	2.86%
<b>TOTAL OPERATING REVENUES</b>	<b>33,385,600</b>	<b>35,136,368</b>	<b>(1,750,768)</b>	<b>-4.98%</b>	<b>32,171,381</b>	<b>1,214,219</b>	<b>3.77%</b>
<b>OPERATING EXPENSES:</b>							
Purchased Power	22,957,185	24,024,287	1,067,102	4.44%	21,389,780	(1,567,406)	-7.33%
Distribution	2,628,705	3,319,990	691,285	20.82%	2,612,903	(15,802)	-0.60%
Customer Accounts	459,568	557,938	98,370	17.63%	426,510	(33,058)	-7.75%
Customer Service, Informational & Sales	231,701	314,903	83,202	26.42%	217,911	(13,790)	-6.33%
Administrative Expenses	3,280,200	3,604,293	324,093	8.99%	3,028,590	(251,610)	-8.31%
Depreciation & Amortization	2,896,674	2,917,848	21,174	0.73%	2,791,847	(104,827)	-3.75%
<b>TOTAL OPERATING EXPENSES</b>	<b>32,454,034</b>	<b>34,739,259</b>	<b>2,285,225</b>	<b>6.58%</b>	<b>30,467,541</b>	<b>(1,986,493)</b>	<b>-6.52%</b>
<b>OPERATING INCOME (LOSS)</b>	<b>931,566</b>	<b>397,109</b>	<b>534,457</b>	<b>134.59%</b>	<b>1,703,839</b>	<b>(772,273)</b>	<b>-45.33%</b>
<b>NONOPERATING REVENUES (EXP):</b>							
Interest Income - Investments	1,094,358	418,750	675,608	161.34%	112,180	982,177	875.53%
Interest Income - City of Kerrville	129,643	129,643	0	0.00%	135,000	(5,357)	-3.97%
Interest Expense	(81,680)	(89,297)	7,616	-8.53%	(88,111)	6,431	-7.30%
City of Kerrville - General Fund Transfer	(1,034,399)	(1,066,654)	32,255	-3.02%	(968,511)	(65,888)	6.80%
City of Ingram - Franchise Fee	(24,694)	(30,137)	5,443	-18.06%	(24,594)	(100)	0.41%
Other - Net	29,299	24,000	5,299	22.08%	23,779	5,520	23.22%
<b>TOTAL NONOPERATING REVENUES (EXP)</b>	<b>112,527</b>	<b>(613,695)</b>	<b>726,221</b>	<b>-118.34%</b>	<b>(810,257)</b>	<b>922,784</b>	<b>-113.89%</b>
<b>INCOME BEFORE CONTRIBUTIONS</b>	<b>1,044,093</b>	<b>(216,586)</b>	<b>1,260,678</b>	<b>-582.07%</b>	<b>893,582</b>	<b>150,510</b>	<b>16.84%</b>
<b>CAPITAL CONTRIBUTIONS</b>	<b>345,405</b>	<b>225,000</b>	<b>120,405</b>	<b>53.51%</b>	<b>260,184</b>	<b>85,220</b>	<b>32.75%</b>
<b>CHANGE IN NET POSITION</b>	<b>\$ 1,389,498</b>	<b>\$ 8,414</b>	<b>\$ 1,381,083</b>	<b>16414.94%</b>	<b>1,153,767</b>	<b>\$ 235,731</b>	<b>20.43%</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>\$ 75,363,199</b>				<b>\$ 73,264,101</b>		

Kerrville Public Utility Board  
Balance Sheet  
As of June 30, 2023

Assets and Deferred Outflows	June 30, 2023 (Unaudited)	September 30, 2022	Net Position, Liabilities and Deferred Inflows	June 30, 2023 (Unaudited)	September 30, 2022
Utility Plant:					
Utility Plant in Service	\$ 97,642,578	\$ 93,982,686	Total Net Position	\$ 75,363,199	\$ 73,973,702
Less: Accumulated Depreciation	(48,195,633)	(46,827,910)			
Net Utility Plant in Service	49,446,944	47,154,776			
Construction Work in Progress	1,269,481	1,834,762	Liabilities:		
Total Utility Plant	50,716,425	48,989,538	Current Liabilities:		
Restricted and Noncurrent Assets:			Current Maturities of Long-Term Liabilities	449,108	437,108
Customer Deposits	492,931	463,149	Accrued Interest Payable	18,395	48,046
Interest and Sinking Fund	306,545	434,802	Accounts Payable - Purchased Power	10,817,424	10,817,424
Emergency, Repair, Replace, Contingency Fund	3,710,216	3,585,091	Accounts Payable - Other	809,535	1,369,794
Advance to City of Kerrville, net of current portion	5,892,858	6,428,572	Over Collection of Power Cost Adjustment	4,761,872	3,846,149
Net Pension Asset	677,020	677,020	Total Current Liabilities	16,856,334	16,518,522
Total Restricted and Noncurrent Assets	11,079,570	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	640,907	606,004	Customer Deposits	492,931	463,149
Investments	22,538,916	23,084,450	Interest on Customer Deposits	3,914	2,437
Less: Customer Deposits	(492,931)	(463,149)	Total OPEB Liability	382,619	382,619
Total Revenue Fund	22,686,891	23,227,305	Total Long-Term Liabilities	3,400,465	3,803,205
Construction Fund:			Total Liabilities	20,256,799	20,321,726
Cash and Cash Equivalents	5,316	5,135	Deferred Inflows of Resources - Pension & OPEB	2,044,144	2,044,144
Investments	1,507,836	1,456,985			
Total Construction Fund	1,513,152	1,462,120			
Rate Stabilization Fund:					
Investments	1,984,307	1,917,388			
Total Rate Stabilization Fund	1,984,307	1,917,388			
Long Term Rate Stabilization Fund:					
Investments	1,772,181	1,094,339			
Total Rate Stabilization Fund	1,772,181	1,094,339			
Customer Accounts Receivable, net of allowance	3,791,861	4,055,633			
Current Portion - Advance to City of Kerrville	1,071,428	1,071,428			
Materials and Supplies	1,214,546	1,135,750			
Other	932,011	895,666			
Total Current Assets	34,966,377	34,859,629			
Deferred Outflow of Resources - Pension & OPEB	901,771	901,771			
Total Assets and Deferred Outflows	\$ 97,664,142	\$ 96,339,572	Total Net Position, Liabilities and Deferred Inflows	\$ 97,664,142	\$ 96,339,572

Kerrville Public Utility Board  
Invested Funds Detail  
For the Month Ended June 30, 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		\$ 22,419,148	\$ 1,501,355	\$ 1,975,778	\$ 1,764,563	\$ -	\$ 261,772	\$ 3,694,269	\$ 31,616,886
Withdrawals:									
Happy Investment - TML	06/01/23	(75,813)							(75,813)
Happy Investment - TMRS	06/12/23	(73,629)							(73,629)
Happy Investment - ERCOT	06/14/23	(138)							(138)
Happy Investment - NextEra	06/20/23	(485,088)							(485,088)
Happy Investment - CPS	06/21/23	(925,652)							(925,652)
Happy Investment - DG Solar	06/26/23	(56,432)							(56,432)
Happy Investment - Engie	06/29/23	(100,094)							(100,094)
Happy Investment - LCRA	06/30/23	(667,630)							(667,630)
Investments:									
Happy Investment	06/08/23	550,000							550,000
Happy Investment	06/12/23	500,000							500,000
Happy Investment	06/23/23	350,000							350,000
Happy Investment	06/28/23	550,000							550,000
Happy Investment	06/30/23	500,000							500,000
Fund Balance after Withdrawals & Investments		22,484,673	1,501,355	1,975,778	1,764,563	-	261,772	3,694,269	31,682,411
Allocation of:									
Interest Income	06/30/23	97,879	6,481	8,529	7,617	-	1,136	15,947	137,590
Total Interest Allocation		97,879	6,481	8,529	7,617	-	1,136	15,947	137,590
Fund Balance After Allocations		22,582,552	1,507,836	1,984,307	1,772,181	-	262,909	3,710,216	31,820,001
Interfund Transfers :									
Debt Service	06/30/23	(43,636)					43,636		-
Ending Fund Balance		\$ 22,538,916	\$ 1,507,836	\$ 1,984,307	\$ 1,772,181	\$ -	\$ 306,545	\$ 3,710,216	\$ 31,820,001

Kerrville Public Utility Board  
 Computation of the Monthly and Annual Debt Service Coverage  
 For the Month Ended June 30, 2023

Description	Current Month	Fiscal Year	Previous 12 Months
CHANGE IN NET POSITION	\$ 199,651	\$ 1,389,498	\$ 2,085,356
PLUS:			
Interest Expense (net of amortizations)	9,276	81,680	113,965
Depreciation & Amortization Expense	<u>329,292</u>	<u>2,896,674</u>	<u>3,859,161</u>
Numerator	538,219	4,367,852	6,058,483
DIVIDED BY:			
Interest Expense (net of amortizations)	9,276	81,680	113,965
Principal Payment Due	<u>36,167</u>	<u>324,500</u>	<u>430,000</u>
Denominator	\$ 45,442	\$ 406,180	\$ 543,965
DEBT SERVICE COVERAGE RATIO	<u>11.84</u>	<u>10.75</u>	<u>11.14</u>

Minimum Requirement per Bond Covenant	1.35	times Debt Service
Minimum Requirement Established by KPUB Board for Good Business Practices	1.65	times Debt Service



KERRVILLE PUBLIC UTILITY BOARD  
PAYMENT REGISTER (EXCLUDES WIRES)  
INDIVIDUAL PAYMENTS > \$10,000  
APRIL 1, 2023 TO JUNE 30, 2023

CHECK/ TRANS #	DATE	PMT TYPE	VENDOR #	VENDOR NAME	REFERENCE	AMOUNT	
1	135653	06/08/23	CHK	11190	LAMBDA CONSTRUCTION I,LTD.	JACK FURMAN T2 TRANSFORMER ADDITION	\$ 205,700.00
2	135622	05/25/23	CHK	1727	[RE]DESIGN/THE DRALA PROJECT, INC.	BOC SERVERS/VIRTUAL STORAGE ENVIRONMENT	125,000.00
3	2736	04/13/23	DD	108	CITY OF KERRVILLE	3% GROSS REVENUES FEES-MARCH 2023	122,710.90
4	2799	05/11/23	DD	108	CITY OF KERRVILLE	3% GROSS REVENUES FEES-APRIL 2023	109,496.37
5	2847	06/08/23	DD	108	CITY OF KERRVILLE	3% GROSS REVENUES FEES-MAY 2023	108,054.17
6	2759	04/20/23	DD	77	WESCO DISTRIBUTION, INC.	TRANSFORMER PADMOUNT 3PH 225KVA(2)	58,943.00
7	2888	06/29/23	DD	1741	RGB RESOURCES, LLC	CLAY ST.CONDUIT INSTALLATION E-F/G-L	56,000.00
8	2819	05/18/23	DD	18391	TEXAS ELECTRIC COOPERATIVES, INC.	TRANSFORMERS OH 50KVA(8)/37.5KVA(24)	52,928.50
9	2793	05/04/23	DD	18391	TEXAS ELECTRIC COOPERATIVES, INC.	TRANSFORMERS OH 25KVA 7200 120/240(40)	52,320.00
10	135710	06/22/23	CHK	1737	ECKOH, INC.	INITIAL SETUP FEE/SBC HARDWARE/LICENSING	44,904.89
11	2753	04/20/23	DD	628	JK BERNHARD CONSTRUCTION	KPUB WAREHOUSE REMODEL-FINAL BILL	42,802.40
12	2787	05/04/23	DD	1147	LINETEC SERVICES LLC	KPUB-OSMOSE POLE REPLACEMENTS WO23006679	41,929.27
13	2836	06/01/23	DD	1147	LINETEC SERVICES LLC	OSMOSE MISCELLANEOUS-WO23004816	41,756.96
14	2839	06/01/23	DD	18391	TEXAS ELECTRIC COOPERATIVES, INC.	XFMRS OH 15KVA(16)/OH 100KVA(4)	41,252.00
15	2768	04/27/23	DD	1147	LINETEC SERVICES LLC	OSMOSE POLE JOBS-WO23001950	36,463.83
16	2880	06/22/23	DD	18391	TEXAS ELECTRIC COOPERATIVES, INC.	TRANSFORMERS 5KVA(8)/10KVA(16)	36,133.52
17	135564	05/11/23	CHK	1714	COYOTE POWERSPORTS	2023 CAN-AM	33,250.00
18	2825	05/25/23	DD	45	KBS ELECTRICAL DISTRIBUTORS INC.	XFMR OH 15KV 15KVA 240/120(21)&POLES(2)	31,670.00
19	2814	05/18/23	DD	25169	NISC, INC.	SOFTWARE/ENGINEERING SUPPORT-APRIL	31,482.47
20	2867	06/15/23	DD	25169	NISC, INC.	BILL PRINTING SERVICES-MAY	30,959.67
21	2740	04/13/23	DD	25169	NISC, INC.	MARCH 2023 MISCELLANEOUS BILLING	30,690.33
22	135641	06/01/23	CHK	239	ELLIOTT ELECTRIC SUPPLY, INC	CLAY ST IMPROVEMENT WO#23000080	30,172.90
23	2792	05/04/23	DD	70	TECHLINE INCORPORATED	TRANSFORMER OH 37.5KVA 7200/12470(1)	30,169.10
24	2777	04/27/23	DD	77	WESCO DISTRIBUTION, INC.	INSULATED GUY LINK	28,561.46
25	2746	04/13/23	DD	17273	STUART C. IRBY COMPANY	TRANSFORMER 3PH PADMOUNT 500KVA(1)	27,610.12
26	135505	04/20/23	CHK	910573	SUNBELT SOLOMON SERVICES, LLC	VOLTAGE REGULATOR MAINTENANCE	26,837.00
27	135630	06/01/23	CHK	1155	ECOMPLIANCE INC	ANNUAL SUBSCRIPTION RENEWAL	24,360.21
28	2887	06/29/23	DD	52	MAXEY ENERGY COMPANY	FLEET FUEL UNLEADED(4500GAL)DIESEL(3501)	23,751.50
29	2837	06/01/23	DD	1702	OFFICESOURCE LTD	KPUB OFFICE REMODEL(IT/ACCTG/HR)	23,542.23
30	2890	06/29/23	DD	1531	TOWNSEND TREE SERVICE COMPANY LLC	TREE TRIMMING SERVICES	22,732.64
31	135522	04/27/23	CHK	96	AMERICAN PUBLIC POWER ASSN. CORP.	2023 ANNUAL DUES	21,087.08
32	2813	05/18/23	DD	1147	LINETEC SERVICES LLC	MISCELLANEOUS OSMOSE SVCS W.O.23007732	19,920.23
33	2872	06/15/23	DD	1531	TOWNSEND TREE SERVICE COMPANY LLC	TREE TRIMMING SERVICES	19,029.34

KERRVILLE PUBLIC UTILITY BOARD  
 PAYMENT REGISTER (EXCLUDES WIRES)  
 INDIVIDUAL PAYMENTS > \$10,000  
 APRIL 1, 2023 TO JUNE 30, 2023

CHECK/ TRANS #	DATE	PMT TYPE	VENDOR #	VENDOR NAME	REFERENCE	AMOUNT	
34	2738	04/13/23	DD	45	KBS ELECTRICAL DISTRIBUTORS INC.	CONDUCTOR WIRE	17,474.13
35	2751	04/13/23	DD	1531	TOWNSEND TREE SERVICE COMPANY LLC	TREE TRIMMING SERVICES	17,163.96
36	2830	05/25/23	DD	1531	TOWNSEND TREE SERVICE COMPANY LLC	TREE TRIMMING SERVICES	17,149.88
37	2744	04/13/23	DD	5415	SCHNEIDER ENGINEERING, LLC	GENERAL SUBSTATION ENGINEERING	16,548.75
38	2870	06/15/23	DD	5415	SCHNEIDER ENGINEERING, LLC	GENERAL SUBSTATION ENGINEERING	14,466.45
39	2788	05/04/23	DD	110	LOWER COLORADO RIVER AUTHORITY	RELAY CB-DISTRIBUTION SS MAINTENANCE	14,400.00
40	2817	05/18/23	DD	5415	SCHNEIDER ENGINEERING, LLC	TRANSMISSION UNDERBUILD DESIGN	12,438.41
41	2820	05/18/23	DD	1531	TOWNSEND TREE SERVICE COMPANY LLC	TREE TRIMMING SERVICES	11,896.12
42	2758	04/20/23	DD	1531	TOWNSEND TREE SERVICE COMPANY LLC	TREE TRIMMING SERVICES	11,402.06
43	2795	05/04/23	DD	1531	TOWNSEND TREE SERVICE COMPANY LLC	TREE TRIMMING SERVICES	11,372.08
44	2774	04/27/23	DD	1531	TOWNSEND TREE SERVICE COMPANY LLC	TREE TRIMMING SERVICES	11,246.40
45	135684	06/15/23	CHK	5833	DAVIDSON TROILO REAM & GARZA	LEGAL SERVICES RE:GENERAL 2009-FWD	10,457.78
46	135457	04/06/23	CHK	13717	SHI GOVERNMENT SOLUTIONS, INC.	NETFLOW TRAFFIC ANALYZER RENEWAL/SOLARWN	10,048.29
						<u>\$ 1,808,286.40</u>	

KERRVILLE PUBLIC UTILITY BOARD  
 VENDOR PAYMENTS TOTALING OVER \$10,000  
 ROLLING 12 MONTHS ENDED JUNE 30, 2023

	VENDOR NAME	JULY-SEPT 2022	OCT-DEC 2022	JAN-MAR 2023	APR 2023	MAY 2023	JUNE 2023	GRAND TOTAL
1	CITY OF KERRVILLE	\$ 364,399.76	\$ 397,797.82	\$ 361,297.00	\$ 123,418.40	\$ 110,246.30	\$ 108,518.81	\$ 1,465,678.09
2	JK BERNHARD CONSTRUCTION	263,384.92	253,561.18	385,221.60	42,802.40	-	-	944,970.10
3	LINETEC SERVICES LLC	157,225.97	255,191.68	257,803.52	36,463.83	61,849.50	41,756.96	810,291.46
4	TOWNSEND TREE SERVICE COMPANY LLC	153,404.12	106,211.34	160,450.00	46,629.82	46,958.68	54,987.01	568,640.97
5	STUART C. IRBY COMPANY	156,593.40	58,244.87	289,620.48	33,613.54	7,931.35	1,331.31	547,334.95
6	TEXAS ELECTRIC COOPERATIVES, INC.	93,708.29	99,967.14	142,476.69	15,565.88	112,908.65	79,711.39	544,338.04
7	LOWER COLORADO RIVER AUTHORITY	2,661.59	363,573.99	48,434.18	2,101.00	14,400.00	8,000.00	439,170.76
8	TECHLINE INCORPORATED	95,144.94	152,543.65	94,057.79	16,894.68	50,074.89	9,908.41	418,624.36
9	NISC, INC.	92,388.48	109,053.86	92,366.65	31,215.33	31,482.47	30,959.67	387,466.46
10	WESCO DISTRIBUTION, INC.	14,280.02	36,371.94	197,280.56	90,995.37	7,534.37	2,069.46	348,531.72
11	ALTEC INDUSTRIES, INC.	-	-	258,442.17	1,638.16	-	415.79	260,496.12
12	KBS ELECTRICAL DISTRIBUTORS INC.	39,254.95	48,774.78	43,368.05	20,420.48	37,722.00	19,265.30	208,805.56
13	LAMBDA CONSTRUCTION I,LTD.	-	-	-	-	-	205,700.00	205,700.00
14	OFFICESOURCE LTD	-	67,729.45	91,990.58	-	-	23,542.23	183,262.26
15	SCHNEIDER ENGINEERING, LLC	39,455.01	28,274.59	38,344.22	16,548.75	12,438.41	14,466.45	149,527.43
16	TML INTERGOVERNMENTAL RISK POOL	-	147,903.80	-	-	104.86	-	148,008.66
17	[RE]DESIGN/THE DRALA PROJECT, INC.	-	-	-	-	125,000.00	-	125,000.00
18	TEXAS WILSON OFFICE FURNITURE	35,090.74	84,475.62	300.00	-	-	-	119,866.36
19	DELL MARKETING L.P.	77,759.73	-	26,240.00	9,129.78	-	-	113,129.51
20	COMPUTER SOLUTIONS	27,284.23	76,253.78	125.00	-	-	8,786.93	112,449.94
21	MAXEY ENERGY COMPANY	30,355.13	28,210.91	24,595.65	-	-	23,751.50	106,913.19
22	CITY OF INGRAM	34,447.34	-	35,922.04	-	-	-	70,369.38
23	PRIESTER-MELL & NICHOLSON, INC.	40,393.00	22,360.60	7,457.50	-	-	-	70,211.10
24	KERRVILLE ECONOMIC DEVELOPMENT CORP.	-	62,500.00	-	-	-	-	62,500.00
25	OSMOSE UTILITIES SERVICES, INC	60,406.59	-	-	-	1,190.00	-	61,596.59
26	COOPERATIVE RESPONSE CENTER, INC.	14,171.54	13,981.74	14,947.79	4,951.02	5,062.97	5,778.32	58,893.38
27	RGB RESOURCES, LLC	-	-	-	-	-	56,000.00	56,000.00
28	USIC LOCATING SERVICES, INC.	14,170.22	10,996.18	11,598.94	4,458.36	4,650.15	5,662.05	51,535.90
29	ECKOH, INC.	-	-	-	-	-	44,904.89	44,904.89
30	SO FAST PRINTING, INC.	10,392.82	10,811.86	12,822.79	9,235.48	50.00	-	43,312.95
31	LANDIS+GYR TECHNOLOGY INC	9,719.25	9,907.25	13,765.45	-	3,446.34	3,990.00	40,828.29
32	KRAUSS GARAGE	3,999.09	16,671.04	10,490.11	3,124.76	-	3,475.18	37,760.18
33	AMERICAN FIDELITY ASSURANCE CO	10,237.98	8,722.64	11,263.44	-	3,754.48	3,670.88	37,649.42
34	BOLINGER, SEGARS, GILBERT & MOSS,LLP	-	32,500.00	5,000.00	-	-	-	37,500.00
35	DAVIDSON TROILO REAM & GARZA	6,220.40	4,552.50	11,222.60	1,123.65	3,874.28	10,457.78	37,451.21
36	THE SEGAL COMPANY(WESTERN STATES), INC.	-	35,000.00	-	-	-	-	35,000.00
37	SOLID BORDER, INC.	34,878.48	-	-	-	-	-	34,878.48
38	FORD OF BOERNE	34,000.00	-	-	-	-	-	34,000.00

KERRVILLE PUBLIC UTILITY BOARD  
VENDOR PAYMENTS TOTALING OVER \$10,000  
ROLLING 12 MONTHS ENDED JUNE 30, 2023

	VENDOR NAME	JULY-SEPT 2022	OCT-DEC 2022	JAN-MAR 2023	APR 2023	MAY 2023	JUNE 2023	GRAND TOTAL
39	COYOTE POWERSPORTS	-	-	-	-	33,250.00	-	33,250.00
40	VERIZON WIRELESS	7,737.74	8,141.75	7,806.13	2,629.24	2,698.14	3,089.61	32,102.61
41	SUNBELT SOLOMON SERVICES, LLC	-	696.45	-	26,837.00	4,404.75	-	31,938.20
42	JUAN J MARTINEZ JR	7,895.00	7,810.00	8,605.00	2,925.00	2,200.00	2,160.00	31,595.00
43	FIRETROL PROTECTION SYSTEMS	14,782.80	16,150.80	-	460.00	-	-	31,393.60
44	ELLIOTT ELECTRIC SUPPLY, INC	-	-	-	-	-	30,172.90	30,172.90
45	METROPOLITAN LIFE INS. CO.	7,037.17	7,042.79	7,122.27	2,421.06	2,461.78	2,190.89	28,275.96
46	POWER QUALITY SALES	28,140.00	-	-	-	-	-	28,140.00
47	RAPID7 LLC	-	27,588.79	-	-	-	-	27,588.79
48	SURVALENT TECHNOLOGY INC	26,765.00	-	-	-	-	-	26,765.00
49	SHI GOVERNMENT SOLUTIONS, INC.	-	-	16,591.46	10,048.29	-	-	26,639.75
50	KERRVILLE RANCH AND PET CENTER	343.00	-	22,086.05	-	2,081.50	921.45	25,432.00
51	ECOMPLIANCE INC	-	-	-	-	-	24,360.21	24,360.21
52	A3 STUDIO	17,011.21	1,880.00	-	4,812.58	-	-	23,703.79
53	AMERICAN PUBLIC POWER ASSN. CORP.	-	2,210.00	-	21,087.08	-	-	23,297.08
54	EDISTO BUSINESS RESOURCES	18,874.65	2,915.00	427.50	-	-	-	22,217.15
55	TEXAS PUBLIC POWER ASSOC.	16,928.00	-	-	-	-	2,500.00	19,428.00
56	GTS TECHNOLOGY SOLUTIONS, INC	18,595.97	-	-	-	-	-	18,595.97
57	FSG, INC.	-	-	18,395.00	-	-	-	18,395.00
58	NATURESCAPE HILL COUNTRY LLC	5,528.00	4,899.00	1,890.00	1,666.00	2,328.00	2,080.00	18,391.00
59	HILL COUNTRY TELEPHONE COOPERATIVE, INC.	4,588.89	4,605.81	4,588.14	1,527.08	1,527.08	1,527.08	18,364.08
60	WILLIAMS SCOTSMAN, INC.	4,973.07	6,216.36	6,216.36	915.31	-	-	18,321.10
61	RIVER CITY HYDRAULICS EQUIPMENT SALES	-	-	17,852.27	-	-	-	17,852.27
62	SCHWEITZER ENGINEERING LABS, INC.	-	5,424.60	-	-	12,162.92	-	17,587.52
63	CARASOFT TECHNOLOGY CORPORATION	10,500.00	-	-	-	-	4,484.00	14,984.00
64	EDM INTERNATIONAL, INC	14,100.00	436.00	-	-	-	-	14,536.00
65	REPUBLIC SERVICES #859, INC.	3,241.60	2,933.77	3,561.34	942.91	1,515.16	1,527.04	13,721.82
66	TRUSTEDSEC, LLC	-	-	-	6,500.00	6,500.00	-	13,000.00
67	BRYCOMM, LLC	-	-	12,810.93	-	-	-	12,810.93
68	STROEHER & OLFERS, INC.	6,901.04	1,588.90	-	-	3,351.58	-	11,841.52
69	SYN-TECH SYSTEMS, INC	5,638.00	-	-	-	-	5,638.00	11,276.00
70	RICHARD C DREISS	-	1,050.00	9,900.00	-	-	-	10,950.00
71	PAUL MARTINEZ	10,500.00	-	-	-	-	-	10,500.00
72	BAT CITY, INC.	-	1,986.89	-	-	5,611.35	2,809.43	10,407.67
73	ALL POINTS COMMUNICATIONS, INC.	2,221.07	394.00	4,567.01	95.00	1,559.00	1,472.77	10,308.85
74	D L T SOLUTIONS, INC.	-	-	10,291.10	-	-	-	10,291.10
	TOTAL	\$ 2,147,730.20	\$ 2,646,115.12	\$ 2,799,615.36	\$ 593,197.24	\$ 722,330.96	\$ 852,043.70	\$ 9,761,032.58

# MEMORANDUM

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

From: Amy Dozier

Date: July 19, 2023

Re: Agenda Item No. 9 – Purchasing and Procurement Policy

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KPUB periodically reviews and revises its Purchasing and Procurement Policy to reflect changes in State law in addition to changes in operational and business practices. KPUB's current policy was last revised in November 2016. Over the last two months, staff has reviewed KPUB's existing policy as well as State law, current business practices and other municipal policies.

Based on that review, staff recommends the attached changes to policy. Significant changes include:

- Board approval limits changed due to inflation, operational efficiency and comparison to other entities. Board approval threshold moved from \$50,000 to \$100,000 for most items. Commodity and material goods threshold moved to \$250,000. For reference, NBU requires Board approval for most items at \$250,000, with a threshold of \$500,000 for engineering services.
- All real estate purchases (no change), contracts for strategic alliances (added), interlocal agreements (added) and power purchase agreements (added) will require Board approval. In addition, quarterly reporting of vendor payments exceeding \$10,000 will remain.
- KPUB's mission was updated throughout policy.
- Proposal/bid request section updated to reference web-based options for advertisement and bid submittal as well as clarifying when sealed bids are required.
- Other considerations and requirements section added to address bonds, insurance and legislative changes related to conflicts of interest and declarations required by the State legislature.
- The Supplier Diversity section was updated to reflect information available regarding local suppliers. The Texas Comptroller's office maintains an online list of historically underutilized businesses in Kerr County. However, the current policy also references small, disadvantaged, service-disabled or veteran-owned businesses. KPUB does not have an efficient way to obtain information regarding those businesses. KPUB will continue to monitor HUB businesses registered with the State and contact them accordingly.

The following items are attached for your review:

- Redlined version of the policy
- Clean copy of the proposed policy
- Resolution 23-11 authorizing the changes

I am happy to address any questions or concerns.

Staff recommends approval of the resolution.

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**

**BOARD POLICY 42**

Title: Purchasing and Procurement Policy

Effective Date: ~~November 16, 2016~~ July 26, 2023

Revision: November 16, 2016  
May 17, 2010  
August 20, 2001

Resolution No. ~~16-25~~ 23-11

Resolution No. 16-25  
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**42.00 Purpose**

The purpose of this Kerrville Public Utility Board of Trustees (Board) Policy is to establish the procurement standards and authority of the Kerrville Public Utility Board (KPUB) General Manager & CEO ~~to for the~~ purchase, lease and ~~sell~~ ~~of~~ property, goods and services needed for KPUB to fulfill its mission to be a responsive and efficient, locally-owned provider of reliable, high-quality utility service at the lowest responsible price. ~~provide reliable, competitive electric products and services to its customers.~~

This Policy supersedes Subsection 10.111 of Section 10.110 (Contracts and Purchase Orders) of Board Policy 10 "Bylaws of the Kerrville Public Utility Board" adopted October 1, 1988.

This Policy also supersedes Section 15.10(a) Items 3 and 4, Section 15.10(b) Items 3 and 4, and Sections 15.20, 15.30, and 15.50 of Board Policy 15 "Management Responsibility" adopted October 1, 1988.

**42.10 Philosophy and Public Purpose to be Served**

In the course of providing electric service, KPUB purchases significant goods and services from suppliers and vendors. It is the philosophy of the Board and KPUB Management that such goods and services should:

1. Be obtained at reasonable cost;
2. Be of high quality; and
3. Be awarded based on best value to KPUB. The primary considerations of best value are 1) price and 2) conformance to specifications; however, other best value criteria may include, but not be limited to:
  - Offeror's safety record,

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- Quality, availability, and adaptability of goods or services,
- Scope of conditions attached to proposal,
- Offeror's ability, capacity, and skill to perform or provide required service in a timely manner,
- Offeror's character, responsibility, integrity, and experience,
- Quality of performance in previous contracts,
- Offeror's previous and existing compliance with laws relating to contract,
- Previous non-compliance with specification requirements,
- Sufficiency of offeror's financial resources, ~~and/or~~
- Offeror's ability to provide future maintenance, repair, parts, and service ~~and/or~~
- Other criteria as specified in the bid or proposal request.

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In addition, it is the Board's desire that the following be achieved for the benefit of KPUB customers, and the City of Kerrville, Texas and its citizens:

4. Emphasize the safety of KPUB's personnel and customers;
5. Protect and enhance the ability of KPUB to provide reliable energy-related products and services on a competitive basis;
6. Encourage all segments of the local business community, including small, disadvantaged, service-disabled, veteran-owned, minority-owned, and women-owned businesses (i.e., historically underutilized businesses), to participate in the KPUB procurement process;
7. Provide for a sufficient, timely and uninterrupted supply of materials and services; and
8. Adhere to all applicable laws and regulations adopted by federal, state, city and county jurisdictions.

Further, these procurement and purchasing activities will be conducted in a manner that promotes and maintains public confidence in KPUB, its Board, and the General Manager & CEO; and in their management and operation of the electric system of the City of Kerrville, Texas.

#### 42.20 Specific Limitations

As indicated below, specific limitations are hereby set for the various categories of KPUB procurements. The categories include the following: Professional and/or Personal Services, General Services, Commodity and Material Goods, Strategic Alliances, Real Estate, Interlocal Agreements and Electricity and Related Products/Services. Any procurement above the stated limitations will require Board approval in advance of the procurement. In addition, ~~(T~~The Board will receive quarterly reporting by vendor for



~~individual payments over \$10,000 and cumulative payments over \$10,000 to a single vendor on a all cumulative activity above the limits stated, whether or not approval in advance was required for an individual procurement. Such reporting will be on a rolling 12-months basis.~~

~~The following table summarizes the limitations for an individual transaction above which Board approval is required prior to the transaction:~~The following table summarizes Board approval requirements by category:

<u>Category</u>	<u>Board Approval Level</u>
<u>Professional and/or Personal Services</u>	<u>Over \$100,000</u>
<u>General Services</u>	<u>Over \$100,000</u>
<u>Commodity and Material Goods</u>	<u>Over \$250,000</u>
<u>Strategic Alliances</u>	<u>Initial Contract</u> <u>Purchases over \$250,000</u>
<u>Real Estate</u>	<u>All real estate purchases</u> <u>Leases over \$50,000</u>
<u>Interlocal Agreements</u>	<u>All interlocal agreements</u>
<u>Electricity and Related Products/Services</u>	<u>All power purchase agreements or other purchases exceeding 5% of annual purchased power budget</u>

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<u>Category</u>	<u>Limitation</u>
<del>Professional and/or Personal Services, General Services, Commodity and Material Goods</del>	<del>Over \$50,000.00</del>
<del>Strategic Alliances</del>	<del>All Transactions</del>
<del>Real Estate</del>	<del>1. Purchases All Transactions</del>

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	<del>2. Leases Over \$10,000.00 or 1 Year</del>
Electricity and Related Products/Services	Cumulative purchases over 5% of KPUB's Annual Energy Requirements as set forth in the current year's budget

The General Manager & CEO is authorized to approve change orders which result in an increase in purchase price of up to 25% of the amount approved by the Board for the purchase. For purchases that did not require Board approval originally, Board approval is required for a change order that causes the purchase to exceed the limitations outlined below.

**42.21 Professional and/or Personal Services**

“Professional and/or Personal Services” are defined as services provided by those individuals or entities that possess unique education, knowledge and/or skills that would add to and/or supplement KPUB’s internal knowledge and skills toward fulfilling its mission to be a responsive and efficient, locally-owned provider of reliable, high-quality utility service at the lowest responsible price. ~~provide reliable, competitive electric products and services to its customers.~~ Examples of Professional and/or Personal Service providers include, but are not limited to, engineers, lawyers, accountants, architects, media and communication consultants, insurance brokers/advisors, and lobbyists. The limit for expenditures to be paid to any single Professional and/or Personal Service provider without prior approval by the Board shall be \$1050,000.00 per purchase order/contract; ~~all contracts for a period of more than one year shall be Board approved.~~

**42.22 General Services**

“General Services” are defined as those services, other than Professional and/or Personal Services, or Electricity and Related Products/Services, normally subject to Chapter 252, Local Government Code, that are provided by individuals or entities, and that are considered necessary by KPUB toward fulfilling its mission to be a responsive and efficient, locally-owned provider of reliable, high-quality utility service at the lowest responsible price. ~~provide reliable, competitive electric products and services to its customers.~~ Examples of General Service providers include, but are not limited to insurance, security, landscaping, ~~and~~ janitorial services, line extension, repair and maintenance work, including support of generation equipment, and ~~press and~~ printing services. The limit for expenditures to be paid to any single General Service provider without prior approval by the Board shall be \$1050,000.00 per purchase order/contract; ~~all contracts for a period of more than one year shall be Board approved.~~

#### 42.23 Commodity and Material Goods ~~(excluding Electricity and Related Products/Services)~~

“Commodity and Material Goods” are defined as physical goods needed by KPUB toward fulfilling its mission to be a responsive and efficient, locally-owned provider of reliable, high-quality utility service at the lowest responsible price~~provide reliable, competitive electric products and services to its customers.~~ Examples of Commodity and Material Goods include, but are not limited to, ~~insurance and surety products, and~~ materials, parts and equipment used to construct, maintain and operate the electric systems, software and software maintenance. Real Estate, Electricity and Related Products/Services, Professional and/or Personal Services; and General Services, as defined herein, are not included in this definition, except to the extent that any General, Professional, or Personal Services from the same vendor are necessarily included in the purchase or lease of the commodity and materials in question, e.g., technical assistance and installation services for ~~technology~~computer equipment. The limit for expenditures to be paid for Commodity and Material Goods to any single vendor without prior approval by the Board shall be ~~\$25~~\$0,000.00 per purchase order/contract. ~~Software maintenance~~Subscription based information technology arrangements for existing ~~technology~~software do not necessarily require Board approval, but do require authorization by the General Manager & CEO.

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#### 42.24 Strategic Alliances

“Strategic Alliances” are defined as those special associations or contractual relationships with other individuals or entities that further the interest of the parties and which represent best value to KPUB in fulfilling its mission to be a responsive and efficient, locally-owned provider of reliable, high-quality utility service at the lowest responsible price~~provide reliable, competitive electric products and services to its customers.~~ Strategic Alliances may have elements of both General Services and Commodity and Material Goods. Examples of Strategic Alliances include, but are not limited to, vendor-managed inventory control, material palleting and job-site delivery, and “back office” services. A Strategic Alliance may include a participation agreement, such as a research and development funding agreement, which relates to KPUB business product development, business development, or testing of energy-related products. ~~This However, under no circumstances, should this category~~ does not include Professional Services. All ~~expenditures for~~ Strategic Alliance agreements and individual purchases over \$250,000s shall be Board approved.

#### 42.25 Real Estate (Purchases and Leaseholds)

“Real Estate” is defined as real property, with or without improvements, needed by KPUB toward fulfilling its mission to be a responsive and efficient, locally-owned provider of reliable, high-quality utility service at the lowest responsible price~~provide reliable, competitive electric products and services to its customers.~~ Examples of Real Estate include, but are not limited to, land needed for plant and

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equipment installation, and improved land containing office buildings for staff and customer service operations. All expenditures for the purchase of Real Estate shall be Board approved.

"Leaseholds" are defined as the leasing of real property needed by KPUB toward fulfilling its mission. ~~to provide reliable, competitive electric products and services to its customers.~~ The limit for expenditures to be paid for Leaseholds without prior approval by the Board shall be \$540,000.00 over the term of the lease per transaction; ~~all contracts for a period of more than one year shall be Board approved.~~

#### **42.26 Interlocal Agreements**

The Board of Trustees will approve all interlocal agreements.

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#### **42.27 Electricity and Related Products/Services**

"Electricity and Related Products/Services" is defined as electricity and those products and services directly related to wholesale power purchases which are needed by KPUB toward fulfilling its mission to be a responsive and efficient, locally-owned provider of reliable, high-quality utility service at the lowest responsible price, ~~provide reliable, competitive electric products and services to its customers,~~ including electricity, generation capacity, Renewable Energy Credits, Transmission Congestion Rights, ancillary services, and scheduling and settlement services. All power purchase agreements require Board approval. The limit for ~~other expenditures to be paid for~~ Electricity and Related Products/Services without prior approval by the Board shall be cumulative transactions up to five percent (5%) of KPUB's annual energy requirements as set forth in the current year's budget.

#### **42.30 Alternative Procurement Procedures in Response to Electric Deregulation Senate Bill 7**

##### **42.31 Background**

~~Until Senate Bill 7 was adopted in 1999, Chapter 252 of the Texas Local Government Code ("Chapter 252") governed KPUB purchasing activities without regard for the competitive aspects of electric deregulation. Specifically, where a procurement of goods or services was in excess of \$25,000, KPUB was required to use a fair and open solicitation process promulgated by Chapter 252; and, where the procurement expenditure would be less than \$25,000 and more than \$3,000, KPUB was required to contact at least two local historically underutilized businesses on a rotating basis. While these Rrules governing purchases made by municipalities served the public good by ensuring an open and equitable marketplace for all potential vendors, however, under a new era of electric deregulation it created an atmosphere in which KPUB could become competitively disadvantaged using those rules. This is primarily due to KPUB being required:~~

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1. To follow less efficient procurement processes than investor-owned utilities and other electric participants.
2. To maintain an open process whereby industry competitors could easily gain knowledge of KPUB's competitive activities, agreements and associated cost information.

In response to the competitive aspects of electric deregulation in 1999, Section 252.022 of the Texas Local Government Code was amended to state that the Code does not apply to expenditures by a municipally-owned electric utility made in accordance with a procurement process adopted by its Board of Trustees. In response to this concern by municipally owned utilities like KPUB, Senate Bill 7 amended Chapter 252's exceptions to allow a municipal electric utility. This allows greater flexibility in procurement so that in order to allow municipally-owned electric utilities ~~canto prepare for competition and~~ compete in a manner consistent with private utilities. The law also authorized the Board to adopt alternative procurement procedures so long as the public purpose supporting the new procedures is clearly outlined. This provision is available whether or not the utility has adopted retail choice.

#### 42.32 Public Purpose

The public purpose supporting the Procurement Procedures Alternative to Chapter 252 shall be consistent with the "Purpose" and "Philosophy and Public Purpose to be Served" sections of this Policy, with an increased emphasis on the following:

1. Increasing business efficiencies.
2. Improving KPUB's ability to compete.
- ~~3. Maintaining a successful supplier diversity program.~~

#### 42.33 Basis for Use of Procurement Procedures Alternative to Chapter 252

The Alternative Procurement Procedures to Chapter 252 ("Procedures") provides procedures that will direct KPUB procurement activity that would normally fall under the requirements of Chapter 252 of the Local Government Code. However, nothing in the Procedures precludes KPUB from utilizing other mechanisms for procurement that may be provided by law, including Chapter 252.

#### 42.34 General Provisions

Notwithstanding any other provision of these Procedures to the contrary, KPUB will conduct the procurement of all goods and services for the electric utility in accordance with these Procedures and applicable law. The "Purpose", "Philosophy and Public Purpose to be Served", and "Specific Limitations" sections of this Policy apply to the "Alternative Procurement Procedures."

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Alternative Procurement Procedure purchases shall be subject to some form of competition, commensurate with economic value of the item purchased. Approved procurement methods are:

Non-Competitive Procurement. For purchases under ~~\$53,000~~, no quotes or bids are required. The authorizing employee for the purchase will review Non-Competitive Purchases to ensure appropriate pricing and good business practices are being followed to obtain best value for KPUB.

Informal Procurement. This section applies to:

~~For Professional and/or Personal Services between \$5,000 and \$100,000~~

General Services between \$5,000 and \$100,000

~~Commodity and Material Goods between \$5,000 and \$250,000 purchases between \$3,000 and \$49,999, formal competitive procurement methods are not required.~~ Generally, three quotations shall be obtained. KPUB is encouraged, but not required to contact Historically Underutilized Business (HUB) vendors whenever practical. KPUB's Supplier Diversity Program applies.

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Component orders or contracts each less than ~~the limits above \$50,000~~, but which in the aggregate exceed that amount and which reasonably should be included in one order or contract shall not be used to avoid the Formal Procurement Process.

Formal Procurement. This section applies to:

Professional and/or Personal Services over \$100,000

General Services over \$100,000

Commodity and Material Goods over \$250,000

A formal competitive procurement procedure ~~for purchases of \$50,000 and over~~ will be conducted using the following process:

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1. KPUB shall issue one or more solicitations for proposals that allow offerors to propose one or a combination of goods and/or services generally or specifically described in the solicitation. In order for KPUB to take advantage of vendor expertise, new technologies, or other commercial developments, the request may solicit a range of features, benefits and contract components from the offerors.
2. The solicitation shall specify the evaluation factors to be used in reviewing the proposals and awarding the final contract. Based upon an initial evaluation of proposals, KPUB shall determine those offerors who are reasonably qualified for award of final contract(s). Discussions in accordance with the terms of the requests for proposals may be conducted with offerors so determined to be qualified, with all qualified offerors being treated fairly and equitably with respect to opportunity for discussion and revisions of proposals.
3. Notice to vendors may be made by the most expeditious and economical any means, including but not limited to website, newspaper, facsimile, electronic

mail, personal delivery, or U.S. mail. Proposals will be available for public inspection after opening, unless otherwise provided for in these procedures.

4. For purchases other than commodity or material goods purchases, anticipated to exceed \$250,000, sealed proposals will be required. Proposal submission methods will be specified in the proposal/bid instructions and may include an online portal, email or hard copy. Proposals will be opened publicly, announced and be available for public inspection after opening, unless otherwise provided for in these procedures. Commodity and Material Goods purchases require bids and Board approval, but do not require sealed bids or a public bid opening.
5. Revised proposals may be solicited at the discretion of KPUB, for any one or more elements of the procurement from any qualified offerors for the selected element. To obtain best and final offers, revisions by qualified offerors may be permitted by KPUB after the submissions and before the award of a contract.
6. The award shall be based on a good faith judgment of those proposals deemed to be the most advantageous to KPUB considering the relative importance of price and the other evaluation factors specified in the request for proposals. KPUB reserves the right to reject any and all proposals, including those with variances, irregularities or deficiencies, to waive formalities, and to award a contract as the best interests of KPUB and its customers may require.
7. If changes in plans or specifications are necessary after the performance of the contract is begun or if it is necessary to decrease or increase the quantity of work to be performed or of materials, equipment, or supplies to be furnished, the changes may be approved consistent with the "Procurement Authorization Levels" in Section 42.20 of this Policy.

#### 42.35 Other Considerations and Requirements

1. Bonds – KPUB may require bid bonds, payment bonds, and performance bonds at its discretion. Any bond requirements will be detailed in the bid or proposal specifications.
2. Insurance – KPUB will determine insurance requirements based on project risk and Texas law. Any insurance requirements will be detailed in the bid or proposal specifications.
3. Chapter 176 Conflict of Interest Questionnaire - KPUB and its vendors/suppliers will comply with Local Government Code Chapter 176 regarding conflicts of interest. If a conflict of interest exists, vendors must file Form CIQ with KPUB within 7 business days after the vendor becomes aware of the conflict or with a bid or proposal, whichever is earlier.

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4. Certificate of Interested Parties (Form 1295) - KPUB and its vendors/suppliers will comply with Government Code section 2252.908 relating to the disclosure of interested parties using Form 1295 if applicable to the purchase. With regards to KPUB purchases, a vendor that is awarded a contract or purchase requiring Board approval is required to electronically file Form 1295 through the Texas Ethics Commission website and notify KPUB of the certificate number. A contract, including KPUB-issued purchase order, will not be enforceable or legally binding until KPUB receives and acknowledges receipt of the properly completed Form 1295 from the awarded vendor.

5. State Required Declarations – KPUB will provide vendors with a form containing declarations required by the State as of the date of the purchase. A contract, including a KPUB-issued purchase order, will not be enforceable or legally binding until KPUB receives the signed declaration from the vendor.

#### **42.365 Exemptions to the Procurement Process**

The general exemptions listed in the Local Government Code section 252.022, as amended from time to time, and the exemptions provided below will govern the applicability of the formal procurement process for these procedures.

1. KPUB's inability to locate and/or use necessary and essential pieces of equipment, materials, or items integral to its delivery of safe and reliable energy-related products and services.
2. Unexpected environmental or site conditions which, if not remedied efficiently and expeditiously, may materially impact life or property.
3. Design modifications necessary for compliance with unanticipated regulatory or legal requirements.
4. Emergency repairs due to failure of equipment.
5. Potential financial loss due to significant delays of a project, or in KPUB's ability to acquire goods and services integral to KPUB's operations and competitive position within the energy market.
6. KPUB's exposure to short-term or long-term liability for failure to preserve or protect public health or safety or to prevent harm or loss.
7. Considerations or time constraint and expertise relevant to consideration of a supplier that is a natural monopoly or the sole source of captive replacement parts or components.
8. Services that, in KPUB's determination, require a labor or skill or expertise that is predominantly mental or intellectual, rather than physical or manual and/or which are highly technical, creative or unique in nature.

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9. Market conditions that potentially threaten or adversely affect KPUB's ability to obtain sufficient and/or uninterrupted goods or services at the lowest practicable costs.

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#### **42.376 Competitive Matter-Related Procurement**

Notwithstanding any other provision of these Procedures to the contrary, KPUB may conduct the procurement of goods and services related to any competitive matter through inquiry, solicitation, evaluation, discussion and decision procedures under a competitive process.

A procurement of fuel, power supply and related services is considered Competitive Matter-Related Procurement. Other Competitive Matter-Related Procurement will be determined and adopted by resolution of the Board of Trustees.

Information related to the Competitive Matter-Related Procurement will be protected from public disclosure by reasonable means. Such reasonable means shall include, but not limited to, the presentation of information related to and the award of the procurement during an executive session of the Board.

For any Competitive Matter-Related Procurement, KPUB has the sole discretion to determine the type, manner, and timing of notice to the public and/or potential vendors, and no published notice, public opening, or a public reading shall be required.

#### **42.387 Trade Secrets, Proprietary or Confidential Information**

If, at the sole determination of the General Manager & CEO, or his/her designee, and consistent with Board policy, the subject matter of the procurement warrants nondisclosure of information to the public as permitted by Texas law, such information shall be omitted from the notice and protected from disclosure throughout the procurement process. At KPUB's<sup>2</sup> discretion, solicitation information shall be considered confidential and proprietary and shall not, if so designated, be disclosed or made available for public inspection. For purposes of this section, "solicitation information" includes, but is not limited to, pricing and cost data such as rates and adjustment provisions, minimum quantity requirements, formula and process information, design manuals, drawings and technical data, and supply or source information.

Responses to solicitations containing confidential or proprietary information or trade secrets shall be opened in a manner that avoids disclosure of the contents to competing offerors or other persons and maintains the confidentiality of the information during and after the proposal opening, negotiations and evaluation of the proposals.

When, in the opinion of the General Manager & CEO, or his/her designee, a disclosure of information regarding the subject matter of a proposed procurement or the contents of the proposal or offer may cause KPUB and/or the disclosing party competitive harm, or may, in KPUB's sole opinion, adversely impact KPUB's ability to assert any exception to disclosure under Chapter 552, Texas Government

Code, if released by KPUB, then KPUB may require prospective vendors and/or third parties to enter into a written confidentiality agreement to protect such information. Thereafter, should further commitments to a business relationship be desired between KPUB and a proposed vendor, KPUB may require the vendor and any of its subcontractors, suppliers or consultants to agree to further confidentiality obligations by written agreement.

#### **42.40 Supplier Diversity Program**

KPUB is committed to a strong supplier diversity program. KPUB, therefore, encourages all segments of the local business community to actively participate in KPUB's procurement process.

To the extent available in the local business community, KPUB will contact at least two qualified local Historically Underutilized Businesses (HUBs) in Kerr County as identified by the Comptroller's Office website. If the list fails to identify a Kerr County HUB that provides the goods or services required, KPUB shall be exempt from this requirement. as well as at least two qualified small, disadvantaged, service disabled, veteran owned, businesses on a rotating basis in order to inform them of opportunities to participate in KPUB's procurement process. KPUB will maintain a program to verify that the rotation process occurs on an equitable basis and all such businesses shall continue to be contacted with notice of solicitation opportunities for which they qualify. The listing for HUBs will be based on information maintained by KPUB and provided by the Texas Building and Procurement Commission pursuant to Chapter 2161, Government Code.

~~For an expenditure of more than \$100,000, KPUB will use reasonable efforts to obtain firm commitments from a prime contractor that he or she will support the KPUB Supplier Diversity Program and provide reasonable opportunities to small, disadvantaged, service-disabled veterans, and State of Texas certified HUBs. KPUB will establish a fair and equitable program designed to partner prime contractors with the same qualified groups of businesses.~~

~~The KPUB programs described in this Supplier Diversity Program are in addition to any and other KPUB outreach and advocacy programs that are designed to encourage qualified and interested small, disadvantaged, service disabled veterans, and State of Texas HUBs to participate in KPUB's procurement process.~~

~~The provisions of this Supplier Diversity Program are meant to be cumulative of, but in no case are they meant to contravene, any other requirements imposed by local, state or federal law or contract applicable to KPUB procurement activities.~~

#### **42.50 Compelling Business Reasons to Bypass Board Approval**

On occasion, KPUB General Management may have the need to act expeditiously to procure goods or services to meet a compelling business reason. Such action may include the need to bypass usual procurement practices, including Board approval in accordance with the "Specific Limitations" section of this Policy. The following describes some of

the conditions under which a finding of “Compelling Business Reason” (CBR) may be deemed to be appropriate:

1. The procurement is necessary to meet a critical and time sensitive need for materials or services necessary to restore or maintain the reliability or safety of the electric system, or a major component or related business operation; or
2. The procurement is necessary to respond expeditiously to fluctuating market conditions wherein potential delays in the normal and routine procurement process governed by the Procurement Procedures Alternative to Chapter 252 (adopted under Section 42.30 of this Policy) would adversely affect KPUB’s ability to obtain quality materials and/or services at a commercially reasonable price; or
3. The procurement is necessary to respond expeditiously to prevent or mitigate significant financial loss to KPUB due to inherent delays in the normal acquisition process.

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The KPUB General Manager & CEO (or in his/her absence, the senior management employee of the area for which the procurement would be made), with the concurrence of the Chairman of the Board (or in the absence of the Chairman, with the concurrence of the Vice-Chairman), is authorized to approve and/or execute contracts for the procurement of goods or services above the amounts specified under the “Specific Limitations” section of this Policy to meet a CBR. If the Chairman or Vice-Chairman of the Board is not available or cannot be reached, and the procurement is of a time-sensitive or urgent nature, the General Manager & CEO (or in his/her absence, the senior management employee of the area for which the procurement is being made) may execute the contract(s) for KPUB.

Within 24 hours of being contacted by the General Manager & CEO (or in his/her absence, by the senior management employee of the area for which the procurement is being made), the Chairman or Vice Chairman will then notify the other members of the Board by telephone or email of the need for the CBR. The Board will review any expenditure made under this section no later than at the next regularly scheduled Board meeting, or called work session. All procurement activities conducted on the basis of CBR shall be disclosed to the Board of Trustees on a quarterly basis.

The General Manager & CEO (or in his/her absence, the senior management employee of the area for which the procurement is being made) shall be deliberative and judicious in exercising his/her authority under this section to only those situations warranting such use.

#### **42.60 Sales of Surplus Materials**

"Surplus Materials" is defined as any KPUB-owned property, including commodities, vehicles, equipment, materials, supplies, books, printed matter, and other property (Real Estate excluded), that is obsolete, unused, not needed for a public purpose, or ineffective for current use. The General Manager & CEO may, without Board approval:

1. Periodically sell KPUB’s Surplus Material by public competitive bid or auction.

2. Offer KPUB's Surplus Material as a trade-in for new property of the same general type.
3. Order any Surplus Material to be destroyed or otherwise disposed of as worthless if it is of nominal value.
4. Dispose of Surplus Material by donating it to a civic or charitable organization if it is nominal value and the donation serves a public purpose.
5. Sell material to other utilities in response to mutual assistance inquiries specifically those regarding restoration efforts.
6. Sell material or installed facilities as needed to customers including but not limited to foreign attachment owners.
7. Sales that are not approved by the Board in advance, shall be reported to the Board on a quarterly basis.

The General Manager & CEO is responsible for ensuring that KPUB receives an appropriate price and that good business practices are followed.

Approved as to Form

\_\_\_\_\_  
Stephen Schulte, Counsel

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Recommended for Board Approval

\_\_\_\_\_  
Michael Wittler, General Manager & CEO

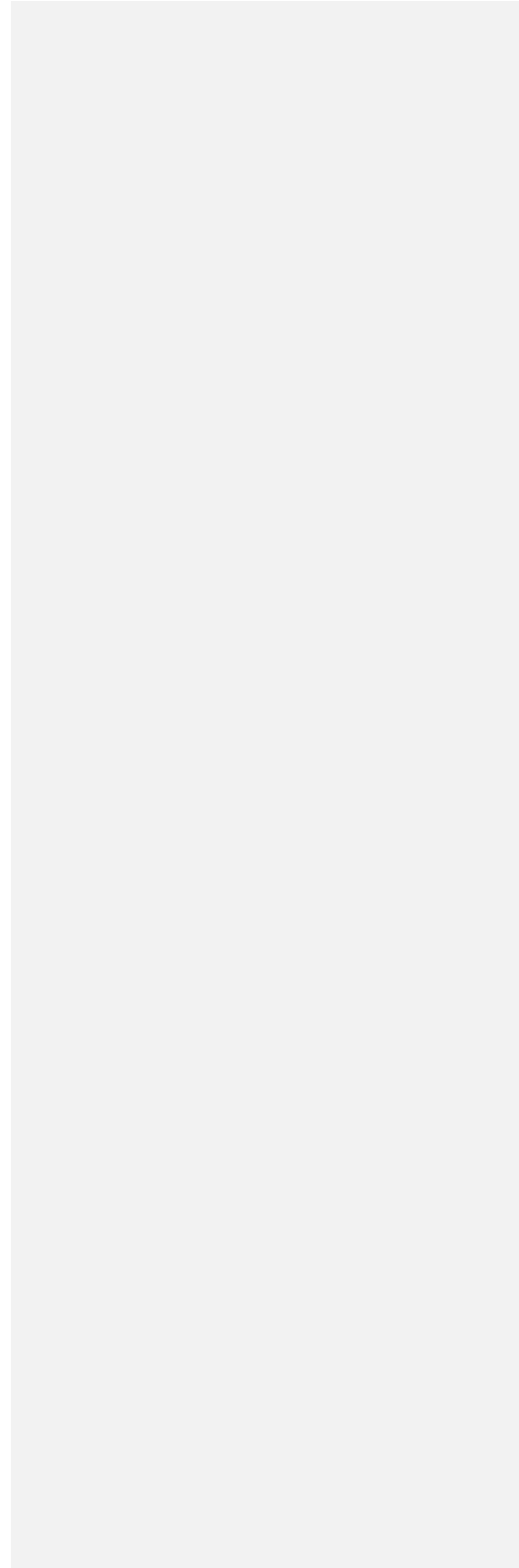
PASSED APPROVED AND ADOPTED this ~~26~~<sup>16</sup>th day of ~~November, 2016~~ July 2023.

\_\_\_\_\_  
~~Philip Stacy~~Mark Cowden, Chairman

ATTEST:

\_\_\_\_\_

| ~~Fred Gamble~~Bill Thomas, Secretary



<b>KERRVILLE PUBLIC UTILITY BOARD</b>	
<b>BOARD POLICY 42</b>	
Title: Purchasing and Procurement Policy	
Effective Date: July 26, 2023	Resolution No. 23-11
Revision: November 16, 2016	Resolution No. 16-25
May 17, 2010	10-10
August 20, 2001	01-10

#### **42.00 Purpose**

The purpose of this Kerrville Public Utility Board of Trustees (Board) Policy is to establish the procurement standards and authority of the Kerrville Public Utility Board (KPUB) General Manager & CEO to purchase, lease and sell property, goods and services needed for KPUB to fulfill its mission to be a responsive and efficient, locally-owned provider of reliable, high-quality utility service at the lowest responsible price.

This Policy supersedes Subsection 10.111 of Section 10.110 (Contracts and Purchase Orders) of Board Policy 10 “Bylaws of the Kerrville Public Utility Board” adopted October 1, 1988.

This Policy also supersedes Section 15.10(a) Items 3 and 4, Section 15.10(b) Items 3 and 4, and Sections 15.20, 15.30, and 15.50 of Board Policy 15 “Management Responsibility” adopted October 1, 1988.

#### **42.10 Philosophy and Public Purpose to be Served**

In the course of providing electric service, KPUB purchases significant goods and services from suppliers and vendors. It is the philosophy of the Board and KPUB Management that such goods and services should:

1. Be obtained at reasonable cost;
2. Be of high quality; and
3. Be awarded based on best value to KPUB. The primary considerations of best value are 1) price and 2) conformance to specifications; however, other best value criteria may include, but not be limited to:
  - Offeror’s safety record,
  - Quality, availability, and adaptability of goods or services,
  - Scope of conditions attached to proposal,

- Offeror's ability, capacity, and skill to perform or provide required service in a timely manner,
- Offeror's character, responsibility, integrity, and experience,
- Quality of performance in previous contracts,
- Offeror's previous and existing compliance with laws relating to contract,
- Previous non-compliance with specification requirements,
- Sufficiency of offeror's financial resources,
- Offeror's ability to provide future maintenance, repair, parts, and service and/or
- Other criteria as specified in the bid or proposal request.

In addition, it is the Board's desire that the following be achieved for the benefit of KPUB customers, and the City of Kerrville, Texas and its citizens:

4. Emphasize the safety of KPUB's personnel and customers;
5. Protect and enhance the ability of KPUB to provide reliable energy-related products and services on a competitive basis;
6. Encourage all segments of the local business community, including small, disadvantaged, service-disabled, veteran-owned, minority-owned, and women-owned businesses (i.e., historically underutilized businesses), to participate in the KPUB procurement process;
7. Provide for a sufficient, timely and uninterrupted supply of materials and services; and
8. Adhere to all applicable laws and regulations adopted by federal, state, city and county jurisdictions.

Further, these procurement and purchasing activities will be conducted in a manner that promotes and maintains public confidence in KPUB, its Board, and the General Manager & CEO; and in their management and operation of the electric system of the City of Kerrville, Texas.

#### **42.20 Specific Limitations**

As indicated below, specific limitations are hereby set for the various categories of KPUB procurements. The categories include the following: 1) Professional and/or Personal Services, 2) General Services, 3) Commodity and Material Goods, 4) Strategic Alliances, 5) Real Estate, 6) Interlocal Agreements and 7) Electricity and Related Products/Services. Any procurement above the stated limitations will require Board approval in advance of the procurement. In addition, the Board will receive quarterly reporting by vendor for individual payments over \$10,000 and cumulative payments over \$10,000 to a single vendor on a rolling 12-month basis.

The following table summarizes Board approval requirements by category:

Category	Board Approval Level
Professional and/or Personal Services	Over \$100,000
General Services	Over \$100,000
Commodity and Material Goods	Over \$250,000
Strategic Alliances	Initial Contract Purchases over \$250,000
Real Estate	All real estate purchases Leases over \$50,000
Interlocal Agreements	All interlocal agreements
Electricity and Related Products/Services	All power purchase agreements or other purchases exceeding 5% of annual purchased power budget

The General Manager & CEO is authorized to approve change orders which result in an increase in purchase price of up to 25% of the amount approved by the Board for the purchase. For purchases that did not require Board approval originally, Board approval is required for a change order that causes the purchase to exceed the limitations outlined below.

**42.21 Professional and/or Personal Services**

“Professional and/or Personal Services” are defined as services provided by those individuals or entities that possess unique education, knowledge and/or skills that would add to and/or supplement KPUB’s internal knowledge and skills toward fulfilling its mission to be a responsive and efficient, locally-owned provider of reliable, high-quality utility service at the lowest responsible price. Examples of Professional and/or Personal Service providers include, but are not limited to, engineers, lawyers, accountants, architects, media and communication consultants, insurance brokers/advisors, and lobbyists. The limit for expenditures to be paid to any single Professional and/or Personal Service provider without prior approval by the Board shall be \$100,000 per purchase order/contract.

**42.22 General Services**

“General Services” are defined as those services, other than Professional and/or Personal Services, or Electricity and Related Products/Services, normally subject to Chapter 252, Local Government Code, that are provided by individuals or entities, and that are considered necessary by KPUB toward fulfilling its mission to be a responsive and efficient, locally-owned provider of reliable, high-quality utility service at the lowest responsible price. Examples of General Service



providers include, but are not limited to insurance, security, landscaping, janitorial services, line extension, repair and maintenance work, including support of generation equipment, and printing services. The limit for expenditures to be paid to any single General Service provider without prior approval by the Board shall be \$100,000 per purchase order/contract.

#### **42.23 Commodity and Material Goods**

“Commodity and Material Goods” are defined as physical goods needed by KPUB toward fulfilling its mission to be a responsive and efficient, locally-owned provider of reliable, high-quality utility service at the lowest responsible price. Examples of Commodity and Material Goods include, but are not limited to, inventory, materials, parts and equipment used to construct, maintain and operate the electric system, plus technology hardware and software. Real Estate, Electricity and Related Products/Services, Professional and/or Personal Services; and General Services, as defined herein, are not included in this definition, except to the extent that any General, Professional, or Personal Services from the same vendor are necessarily included in the purchase or lease of the commodity and materials in question, e.g., technical assistance and installation services for technology equipment. The limit for expenditures to be paid for Commodity and Material Goods to any single vendor without prior approval by the Board shall be \$250,000.00 per purchase order/contract. Renewals of subscription-based information technology arrangements for existing technology do not require Board approval, but do require authorization by the General Manager & CEO.

#### **42.24 Strategic Alliances**

“Strategic Alliances” are defined as those special associations or contractual relationships with other individuals or entities that further the interest of the parties and which represent best value to KPUB in fulfilling its mission to be a responsive and efficient, locally-owned provider of reliable, high-quality utility service at the lowest responsible price. Strategic Alliances may have elements of both General Services and Commodity and Material Goods. Examples of Strategic Alliances include, but are not limited to, vendor-managed inventory control, material palleting and job-site delivery, and “back office” services. A Strategic Alliance may include a participation agreement, such as a research and development funding agreement, which relates to KPUB business product development, business development, or testing of energy-related products. This category does not include Professional Services. All Strategic Alliance agreements and individual purchases over \$250,000 shall be Board approved.

#### **42.25 Real Estate (Purchases and Leaseholds)**

“Real Estate” is defined as real property, with or without improvements, needed by KPUB toward fulfilling its mission to be a responsive and efficient, locally-owned provider of reliable, high-quality utility service at the lowest responsible price. Examples of Real Estate include, but are not limited to, land needed for plant and equipment installation, and improved land containing office buildings for staff and

customer service operations. All expenditures for the purchase of Real Estate shall be Board approved.

“Leaseholds” are defined as the leasing of real property needed by KPUB toward fulfilling its mission. The limit for expenditures to be paid for Leaseholds without prior approval by the Board shall be \$50,000 over the term of the lease

#### **42.26 Interlocal Agreements**

The Board of Trustees will approve all interlocal agreements.

#### **42.27 Electricity and Related Products/Services**

"Electricity and Related Products/Services" is defined as electricity and those products and services directly related to wholesale power purchases which are needed by KPUB toward fulfilling its mission to be a responsive and efficient, locally-owned provider of reliable, high-quality utility service at the lowest responsible price, including electricity, generation capacity, Renewable Energy Credits, Transmission Congestion Rights, ancillary services, and scheduling and settlement services. All power purchase agreements require Board approval. The limit for other Electricity and Related Products/Services without prior approval by the Board shall be cumulative transactions up to five percent (5%) of KPUB's annual energy requirements as set forth in the current year's budget.

### **42.30 Alternative Procurement Procedures in Response to Electric Deregulation**

#### **42.31 Background**

Rules governing purchases made by municipalities serve the public good by ensuring an open and equitable marketplace for all potential vendors, however, electric deregulation creates an atmosphere in which KPUB could become competitively disadvantaged using those rules. This is primarily due to KPUB being required:

1. To follow less efficient procurement processes than investor-owned utilities and other electric participants.
2. To maintain an open process whereby industry competitors could easily gain knowledge of KPUB's competitive activities, agreements and associated cost information.

In response to the competitive aspects of electric deregulation in 1999, Section 252.022 of the Texas Local Government Code was amended to state that the Code does not apply to expenditures by a municipally-owned electric utility made in accordance with a procurement process adopted by its Board of Trustees. This allows greater flexibility in procurement so that municipally-owned electric utilities can compete in a manner consistent with private utilities so long as the public purpose supporting the new procedures is clearly outlined. This provision is available whether or not the utility has adopted retail choice.

#### **42.32 Public Purpose**

The public purpose supporting the Procurement Procedures Alternative to Chapter 252 shall be consistent with the "Purpose" and "Philosophy and Public Purpose to be Served" sections of this Policy, with an increased emphasis on the following:

1. Increasing business efficiencies.
2. Improving KPUB's ability to compete.

#### **42.33 Basis for Use of Procurement Procedures Alternative to Chapter 252**

The Alternative Procurement Procedures to Chapter 252 ("Procedures") provides procedures that will direct KPUB procurement activity that would normally fall under the requirements of Chapter 252 of the Local Government Code. However, nothing in the Procedures precludes KPUB from utilizing other mechanisms for procurement that may be provided by law, including Chapter 252.

#### **42.34 General Provisions**

Notwithstanding any other provision of these Procedures to the contrary, KPUB will conduct the procurement of all goods and services for the electric utility in accordance with these Procedures and applicable law. The "Purpose", "Philosophy and Public Purpose to be Served", and "Specific Limitations" sections of this Policy apply to the "Alternative Procurement Procedures."

Alternative Procurement Procedure purchases shall be subject to some form of competition, commensurate with economic value of the item purchased. Approved procurement methods are:

Non-Competitive Procurement. For purchases under \$5,000, no quotes or bids are required. The authorizing employee for the purchase will review Non-Competitive Purchases to ensure appropriate pricing and good business practices are being followed to obtain best value for KPUB.

Informal Procurement. This section applies to:

- Professional and/or Personal Services between \$5,000 and \$100,000
- General Services between \$5,000 and \$100,000
- Commodity and Material Goods between \$5,000 and \$250,000

Generally, three quotations shall be obtained. KPUB is encouraged, but not required to contact Historically Underutilized Business (HUB) vendors whenever practical.

Component orders or contracts each less than the limits above, but which in the aggregate exceed that amount and which reasonably should be included in one order or contract shall not be used to avoid the Formal Procurement Process.

Formal Procurement. This section applies to:

- Professional and/or Personal Services over \$100,000
- General Services over \$100,000
- Commodity and Material Goods over \$250,000

A formal competitive procurement procedure will be conducted using the following process:

1. KPUB shall issue one or more solicitations for proposals that allow offerors to propose one or a combination of goods and/or services generally or specifically described in the solicitation. In order for KPUB to take advantage of vendor expertise, new technologies, or other commercial developments, the request may solicit a range of features, benefits and contract components from the offerors.
2. The solicitation shall specify the evaluation factors to be used in reviewing the proposals and awarding the final contract. Based upon an initial evaluation of proposals, KPUB shall determine those offerors who are reasonably qualified for award of final contract(s). Discussions in accordance with the terms of the requests for proposals may be conducted with offerors so determined to be qualified, with all qualified offerors being treated fairly and equitably with respect to opportunity for discussion and revisions of proposals.
3. Notice to vendors may be made by the most expeditious and economical means, including but not limited to website, newspaper, facsimile, electronic mail, personal delivery, or U.S. mail. Proposals will be available for public inspection after opening, unless otherwise provided for in these procedures.
4. For purchases other than commodity or material goods anticipated to exceed \$250,000, sealed proposals will be required. Proposal submission methods will be specified in the proposal/bid instructions and may include an online portal, email or hard copy. Proposals will be opened publicly, announced and be available for public inspection after opening, unless otherwise provided for in these procedures. Commodity and Material Goods purchases require bids and Board approval, but do not require sealed bids or a public bid opening.
5. Revised proposals may be solicited at the discretion of KPUB, for any one or more elements of the procurement from any qualified offerors for the selected element. To obtain best and final offers, revisions by qualified offerors may be permitted by KPUB after the submissions and before the award of a contract.
6. The award shall be based on a good faith judgment of those proposals deemed to be the most advantageous to KPUB considering the relative importance of price and the other evaluation factors specified in the request for proposals. KPUB reserves the right to reject any and all proposals, including those with variances, irregularities or deficiencies, to waive formalities, and to award a contract as the best interests of KPUB and its customers may require.

7. If changes in plans or specifications are necessary after the performance of the contract is begun or if it is necessary to decrease or increase the quantity of work to be performed or of materials, equipment, or supplies to be furnished, the changes may be approved consistent with the “Procurement Authorization Levels” in Section 42.20 of this Policy.

#### **42.35 Other Considerations and Requirements**

1. Bonds – KPUB may require bid bonds, payment bonds, and performance bonds at its discretion. Any bond requirements will be detailed in the bid or proposal specifications.
2. Insurance – KPUB will determine insurance requirements based on project risk and Texas law. Any insurance requirements will be detailed in the bid or proposal specifications.
3. Chapter 176 Conflict of Interest Questionnaire - KPUB and its vendors/suppliers will comply with Local Government Code Chapter 176 regarding conflicts of interest. If a conflict of interest exists, vendors must file Form CIQ with KPUB within 7 business days after the vendor becomes aware of the conflict or with a bid or proposal, whichever is earlier.
4. Certificate of Interested Parties (Form 1295) - KPUB and its vendors/suppliers will comply with Government Code section 2252.908 relating to the disclosure of interested parties using Form 1295 if applicable to the purchase. With regards to KPUB purchases, a vendor that is awarded a contract or purchase requiring Board approval is required to electronically file Form 1295 through the Texas Ethics Commission website and notify KPUB of the certificate number. A contract, including KPUB-issued purchase order, will not be enforceable or legally binding until KPUB receives and acknowledges receipt of the properly completed Form 1295 from the awarded vendor.
5. State Required Declarations – KPUB will provide vendors with a form containing declarations required by the State as of the date of the purchase. A contract, including a KPUB-issued purchase order, will not be enforceable or legally binding until KPUB receives the signed declaration from the vendor.

#### **42.36 Exemptions to the Procurement Process**

The general exemptions listed in the Local Government Code section 252.022, as amended from time to time, and the exemptions provided below will govern the applicability of the formal procurement process for these procedures.

1. KPUB’s inability to locate and/or use necessary and essential pieces of equipment, materials, or items integral to its delivery of safe and reliable energy-related products and services.
2. Unexpected environmental or site conditions which, if not remedied efficiently and expeditiously, may materially impact life or property.
3. Design modifications necessary for compliance with unanticipated regulatory or legal requirements.

4. Emergency repairs due to failure of equipment.
5. Potential financial loss due to significant delays of a project, or in KPUB's ability to acquire goods and services integral to KPUB's operations and competitive position within the energy market.
6. KPUB's exposure to short-term or long-term liability for failure to preserve or protect public health or safety or to prevent harm or loss.
7. Considerations or time constraint and expertise relevant to consideration of a supplier that is a natural monopoly or the sole source of captive replacement parts or components.
8. Services that, in KPUB's determination, require a labor or skill or expertise that is predominantly mental or intellectual, rather than physical or manual and/or which are highly technical, creative or unique in nature.
9. Market conditions that potentially threaten or adversely affect KPUB's ability to obtain sufficient and/or uninterrupted goods or services at the lowest practicable costs.

#### **42.37 Competitive Matter-Related Procurement**

Notwithstanding any other provision of these Procedures to the contrary, KPUB may conduct the procurement of goods and services related to any competitive matter through inquiry, solicitation, evaluation, discussion and decision procedures under a competitive process.

A procurement of fuel, power supply and related services is considered Competitive Matter-Related Procurement. Other Competitive Matter-Related Procurement will be determined and adopted by resolution of the Board of Trustees.

Information related to the Competitive Matter-Related Procurement will be protected from public disclosure by reasonable means. Such reasonable means shall include, but not limited to, the presentation of information related to and the award of the procurement during an executive session of the Board.

For any Competitive Matter-Related Procurement, KPUB has the sole discretion to determine the type, manner, and timing of notice to the public and/or potential vendors, and no published notice, public opening, or a public reading shall be required.

#### **42.38 Trade Secrets, Proprietary or Confidential Information**

If, at the sole determination of the General Manager & CEO, or his/her designee, and consistent with Board policy, the subject matter of the procurement warrants nondisclosure of information to the public as permitted by Texas law, such information shall be omitted from the notice and protected from disclosure throughout the procurement process. At KPUB's discretion, solicitation information shall be considered confidential and proprietary and shall not, if so designated, be disclosed or made available for public inspection. For purposes of this section, "solicitation information" includes, but is not limited to, pricing and cost data such as rates and adjustment provisions, minimum quantity requirements,

formula and process information, design manuals, drawings and technical data, and supply or source information.

Responses to solicitations containing confidential or proprietary information or trade secrets shall be opened in a manner that avoids disclosure of the contents to competing offerors or other persons and maintains the confidentiality of the information during and after the proposal opening, negotiations and evaluation of the proposals.

When, in the opinion of the General Manager & CEO, or his/her designee, a disclosure of information regarding the subject matter of a proposed procurement or the contents of the proposal or offer may cause KPUB and/or the disclosing party competitive harm, or may, in KPUB's sole opinion, adversely impact KPUB's ability to assert any exception to disclosure under Chapter 552, Texas Government Code, if released by KPUB, then KPUB may require prospective vendors and/or third parties to enter into a written confidentiality agreement to protect such information. Thereafter, should further commitments to a business relationship be desired between KPUB and a proposed vendor, KPUB may require the vendor and any of its subcontractors, suppliers or consultants to agree to further confidentiality obligations by written agreement.

#### **42.40 Supplier Diversity Program**

KPUB is committed to a strong supplier diversity program. KPUB, therefore, encourages all segments of the local business community to actively participate in KPUB's procurement process.

To the extent available in the local business community, KPUB will contact at least two qualified local Historically Underutilized Businesses (HUBs) in Kerr County as identified by the Comptroller's Office website. If the list fails to identify a Kerr County HUB that provides the goods or services required, KPUB shall be exempt from this requirement.

#### **42.50 Compelling Business Reasons to Bypass Board Approval**

On occasion, KPUB General Management may have the need to act expeditiously to procure goods or services to meet a compelling business reason. Such action may include the need to bypass usual procurement practices, including Board approval in accordance with the "Specific Limitations" section of this Policy. The following describes some of the conditions under which a finding of "Compelling Business Reason" (CBR) may be deemed to be appropriate:

1. The procurement is necessary to meet a critical and time sensitive need for materials or services necessary to restore or maintain the reliability or safety of the electric system, or a major component or related business operation; or
2. The procurement is necessary to respond expeditiously to fluctuating market conditions wherein potential delays in the normal and routine procurement process governed by the Procurement Procedures Alternative to Chapter 252 (adopted under Section 42.30 of this Policy) would adversely affect KPUB's ability to obtain quality materials and/or services at a commercially reasonable price; or

3. The procurement is necessary to respond expeditiously to prevent or mitigate significant financial loss to KPUB due to inherent delays in the normal acquisition process.

The KPUB General Manager & CEO (or in his/her absence, the senior management employee of the area for which the procurement would be made), with the concurrence of the Chairman of the Board (or in the absence of the Chairman, with the concurrence of the Vice-Chairman), is authorized to approve and/or execute contracts for the procurement of goods or services above the amounts specified under the "Specific Limitations" section of this Policy to meet a CBR. If the Chairman or Vice-Chairman of the Board is not available or cannot be reached, and the procurement is of a time-sensitive or urgent nature, the General Manager & CEO (or in his/her absence, the senior management employee of the area for which the procurement is being made) may execute the contract(s) for KPUB.

Within 24 hours of being contacted by the General Manager & CEO (or in his/her absence, by the senior management employee of the area for which the procurement is being made), the Chairman or Vice Chairman will then notify the other members of the Board by telephone or email of the need for the CBR. The Board will review any expenditure made under this section no later than at the next regularly scheduled Board meeting, or called work session. All procurement activities conducted on the basis of CBR shall be disclosed to the Board of Trustees on a quarterly basis.

The General Manager & CEO (or in his/her absence, the senior management employee of the area for which the procurement is being made) shall be deliberative and judicious in exercising his/her authority under this section to only those situations warranting such use.

#### **42.60 Sales of Surplus Materials**

"Surplus Materials" is defined as any KPUB-owned property, including commodities, vehicles, equipment, materials, supplies, books, printed matter, and other property (Real Estate excluded), that is obsolete, unused, not needed for a public purpose, or ineffective for current use. The General Manager & CEO may, without Board approval:

1. Periodically sell KPUB's Surplus Material by public competitive bid or auction.
2. Offer KPUB's Surplus Material as a trade-in for new property of the same general type.
3. Order any Surplus Material to be destroyed or otherwise disposed of as worthless if it is of nominal value.
4. Dispose of Surplus Material by donating it to a civic or charitable organization if it is nominal value and the donation serves a public purpose.
5. Sell material to other utilities in response to mutual assistance inquiries specifically those regarding restoration efforts.
6. Sell material or installed facilities as needed to customers including but not limited to foreign attachment owners.
7. Sales that are not approved by the Board in advance, shall be reported to the Board on a quarterly basis.



The General Manager & CEO is responsible for ensuring that KPUB receives an appropriate price and that good business practices are followed.

Approved as to Form

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Stephen Schulte, Counsel

Recommended for Board Approval

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Michael Wittler, General Manager & CEO

PASSED APPROVED AND ADOPTED this 26<sup>th</sup> day of July 2023.

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Mark Cowden, Chairman

ATTEST:

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Bill Thomas, Secretary

**RESOLUTION NO. 23-11**

**A RESOLUTION OF KERRVILLE PUBLIC UTILITY BOARD AUTHORIZING AMENDMENT OF THE PURCHASING AND PROCUREMENT POLICY.**

**WHEREAS**, Kerrville Public Utility Board has a Purchasing and Procurement Policy created by Resolution No. 01-10 and revised by Resolutions No. 10-10 and 16-25; and

**WHEREAS**, Kerrville Public Utility Board desires to amend the policy to recognize changes in applicable laws, as well as clarify, streamline and improve certain provisions due to operational and business changes over the last 7 years, and

**WHEREAS**, the proposed amended Purchasing and Procurement Policy is attached to this resolution; now, therefore,

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

**Section 1.** That revised BOARD POLICY 42 PURCHASING AND PROCUREMENT attached hereto is hereby adopted by the Board.

**Section 2.** This Resolution shall take effect immediately from and after its passage.

**PASSED, APPROVED AND ADOPTED on this 26<sup>th</sup> day of July, 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 Andew  
Mayor Judy Eychner

From: Ricardo Berrios

Date: July 20, 2023

Re: Agenda Item No. 10 – Projects and Capital Budget Report

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

Third Quarter FY23 Major Projects Update:

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

Third Quarter FY23 Capital Budget Report:

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

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

Sincerely,



Ricardo Berrios  
Distribution Engineer

Project Reference Name	Tech	WO	# Units		Approximate Location	Date/Short Status
<b>Subdivision / Apartment Buildings</b>						
Blue Bell Estates - Responded to initial design			42		Creek Run / Elm Ridge connection	Early design.
Brinks/Creek Estate OH Line Relocation	John	23001554			Just north of Camp Meeting off 16	Sent CIAC to Owner
Brinks Crossing (Apartments)	John		156		Just north of Camp Meeting off 16	6/30 - Update Electric Routing Information with Cameron.
Brinks/Creek Estate Crossing Apartments	John		876		Camp Meeting off 16	Early design. Coordinating design with developer team.
Cibola Trails			44		Coronado and Mountain Laurel	Early design.
Comanche Trace 12A and 12B	Guy		25		Comanche Trace Dr. toward Lower 2771	Waiting on Comanche Trace to install the conduits and pad.
Reserves at Holdsworth (2) Apartments Buildings	Tom	23005757	41		239 Holdsworth Drive	Release Job to construction. CIAC paid. Waiting on Developer to install transformer pads, Meter bases, and City Clearance.
Residences at The Landing (Phase II)	Guy	23002098	96		Next to existing apartments	Sent Conduit layout. Waiting on Scott Gain to start Ph II.
Riverside Health Care and Rehab Center			100		Across from movie theater	Early design
Schmidt Hill	Walt	4215682	12		Harper and Jefferson	Customer claims 6 month delay due to supply shortages (HH)
Sendero Ridge Phase II	Tom		312		Sendero Ridge and 534 Loop	Early design.
The Reserve at Kerrville			1822		Between 16 and 173	Early design
The Retreat at the Landing			49		NW corner of field next to existing apts	Early design
Weston Place			45		Weston Loop and Bow Dr (Bhnd Schhr)	Early design
		<b>Total Units</b>	<b>3620</b>			
<b>Commercial Business / Special Project</b>						
Eterneva	Walt	Future	1		2839 Junction Hwy	OH Service 480V 3ph service for a WaterJet with 50hp Pump
Ford Dealer -Stoepel EV Chargers	John	23007602		UG 3-Ph	Ford Dealer	Released to Construction.
GFP Processors	Logan	23013091	1	OH 3-PH	3330 Junction Hwy	Adding New OH (3) 25KVA 277/480 for Meat Freezer
Kerrville Coffe Shop	Walt	23007481			627 JEFFERSON ST.	
Kerrville State Hospital	Walt	23005670	2		State Hospital	Released to Construction for the Laundry Building (New Service).
Kerrville State Hospital	Walt	23005668	1		State Hospital	Pump Station (OH Service)
KFC			1		Harper Rd and HWY 27 (Next to Moore)	Early design
LCRA Circuit T368 (Harper Road to Jack Furman)	Brian		0		Few spans WNW out of Harper Sub	Rerouting existing infrastructure
OFF THE GRID VENTURES	Tom	23008421	8		606 MILL RUN	Early design
Peterson ASC (Pole Relocation)	Ricardo	23001450	1		Hill Country Drive side of PRMC	Waiting on new Steel Poles from CPS.
Peterson ASC (New Service)	Guy	23006232	1		535 HILL COUNTRY DR - Peterson Hospital ASC	Released to Construction to install 750 KVA Transformer.
Peterson Parking Lot	John	23009635	1		Lehmann side of PRMC	Released to Construction to install Feed Thru Cabinet & 75 KVA 3-Ph.
RB50	Ricardo	4103407	2		Next to Airport	On Hold per Mike; Need easement to proceed
SMITHERS MERCHANT BUILDERS LP	Tom	23003646	1		1555 BANDERA HWY	Design State, Waiting on Pads and mule tape.
TACO BELL			1		Harper Rd and HWY 27 (Next to Moore)	Early design
Texas Regional Bank			1		600 Main Street	Early design
USDA	John	23001133	1		SH16 just north of I10	Building 997: Waiting for customer to install transformer pad.
USDA	John	23001251	1		SH16 just north of I10	Building 998: Waiting for customer to install transformer pad.
USDA	John	Future	1		SH16 just north of I12	Future Building: Waiting on Customer to apply for Service to Building 995
USDA	John	Future	1		SH16 just north of I10	Future Building: Waiting on Customer to apply for Service to Building 996
VA Hospital			1		534 and 27 (Near Kitchen)	Redoing kitchen, will need temporary pad for renovations
<b>School / Church</b>						
125 Brave Run Ingram Elementary School – Gym HVAC unit	Tom	23000615			Ingram	In Construction. Transformer Pad needs to be installed, add mule tap, waiting City Clearance
Ingram High School- Softball Field	Tom	23000627			700 Highway Ingram High School	Early design
Ingram Band Hall		23014390			510 HWY 39, INGRAM, TX	Early design
<b>Quarter 3: Project Completed</b>						
<b>Service Completed</b>						
Ridgeland	Tom	4111290	127		Off of Olympic next to New Middle School	DONE: Primary lines completed and all the transformers are installed.
Mystic Ridge	John	4216842	24		Off Spur 100 (20 ac/lot)	Done
Airport Project	Guy	4213639	1		New hangar at airport	Done
Steel Creek Estates (Eden Farms Re-Do)	John		19 -20		HWY 27 and Willow Bend Center Point	CANCEL PROJECT
700 Highway Ingram High School – New Welding Shop	Tom	23006443			Ingram	CANCEL PROJECT
125 Brave Run Ingram Elementary School – Gym HVAC unit	Tom	23000615			Ingram	Done
Margarita City	Tom	4206543	1		3360 Memorial Blvd	Done (Bank 37.5 KVA)

CAPITAL BUDGET REPORT  
FISCAL YEAR OCTOBER 1, 2022 - SEPTEMBER 30, 2023

Budget No.	Description	Budget Amount	April Actual	May Actual	June Actual	Qtr 3 (Apr-June)	YTD Total
23700	Enterprise Backup Solutions Upgrade	\$ 25,000	\$ -	\$ -	\$ -	\$ -	\$ -
23701	Existing AMR Systems	\$ 190,000	\$ 3,100.00	\$ -	\$ -	\$ 3,100.00	\$ 10,350.00
23714	Customer Extensions	\$ 1,383,820	\$ 160,688.65	\$ 242,560.72	\$ 155,483.22	\$ 558,732.59	\$ 1,311,348.85
23721	Street Lights	\$ 15,840	\$ -	\$ -	\$ -	\$ -	\$ -
23722	Clay Street Improvements	\$ 250,000	\$ 1,207.50	\$ 30,172.90	\$ 80,614.22	\$ 111,994.62	\$ 111,994.62
23723	Power Factor Improvement	\$ 42,833	\$ -	\$ -	\$ -	\$ -	\$ -
23724	KPD/Sheriff's Off./KPUB Reliability Proj	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
23725	Digger/Derrick (Rep.Unt. 3207)	\$ 250,134	\$ -	\$ -	\$ -	\$ -	\$ 256,682.10
23726	Ford F-150 Sing. Cab (Rep. Unt. 3233)	\$ 40,341	\$ -	\$ -	\$ 435.00	\$ 435.00	\$ 435.00
23727	Ford F-350 Ext. Cab (Rep. Unt. 3241)	\$ 60,000	\$ -	\$ -	\$ -	\$ -	\$ -
23728	Ford F-150 Ext. Cab (Rep. Unt. 3240)	\$ 46,588	\$ -	\$ -	\$ -	\$ -	\$ -
23729	Ford F-150 Sing. Cab (Rep. Unt.)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
23730	Ordinary Replacements	\$ 110,382	\$ 11,419.68	\$ 865.74	\$ 3,521.99	\$ 15,807.41	\$ 39,505.67
23731	System Improvements	\$ 233,700	\$ 35,730.17	\$ 30,928.82	\$ 37,317.61	\$ 103,976.60	\$ 194,351.54
23732	Contingency Development	\$ 382	\$ -	\$ -	\$ -	\$ -	\$ -
23733	Pole Inspection Replacements	\$ 620,400	\$ 61,131.20	\$ 93,470.86	\$ 59,650.44	\$ 214,252.50	\$ 441,029.84
23734	New Bucket Truck (Replacing Unit #3242)	\$ 165,000	\$ -	\$ -	\$ -	\$ -	\$ -
23748	DA Equipment Deployment	\$ 7,000	\$ -	\$ -	\$ 2,455.15	\$ 2,455.15	\$ 2,455.15
23749	SCADA Upgrades	\$ 6,300	\$ -	\$ -	\$ -	\$ -	\$ -
23750	Minor Improvements	\$ 136,000	\$ 9,335.00	\$ 5,682.80	\$ 2,808.95	\$ 17,826.75	\$ 29,374.25
23751	Jack Furman T2	\$ 205,700	\$ -	\$ -	\$ 205,700.00	\$ 205,700.00	\$ 205,700.00

CAPITAL BUDGET REPORT  
FISCAL YEAR OCTOBER 1, 2022 - SEPTEMBER 30, 2023

Budget No.	Description	Budget Amount	April Actual	May Actual	June Actual	Qtr 3 (Apr-June)	YTD Total
23752	LCRA Maintenance Testing -Fall 2023	\$ 18,000	\$ -	\$ 15,889.15	\$ 444.95	\$ 16,334.10	\$ 16,334.10
23753	Rim Rock 50 Breaker	\$ 44,000	\$ 8,319.49	\$ 15,358.12	\$ 2,758.76	\$ 26,436.37	\$ 26,436.37
23760	It Normal Replacements	\$ 25,000	\$ -	\$ -	\$ -	\$ -	\$ -
23761	Upgrade Network Devices	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ -
23763	BOC Servers & Storage-Virtual Envir.	\$ 250,000	\$ -	\$ 125,000.00	\$ -	\$ 125,000.00	\$ 125,000.00
23764	Wireless Network Upgrade	\$ 45,000	\$ -	\$ -	\$ -	\$ -	\$ -
23766	Asset Management System	\$ 60,000	\$ -	\$ -	\$ -	\$ -	\$ -
23769	Fiber Optic Communications	\$ 60,000	\$ -	\$ 1,129.28	\$ 1,425.00	\$ 2,554.28	\$ 2,554.28
23774	Office Furniture	\$ 50,000	\$ -	\$ -	\$ 23,542.23	\$ 23,542.23	\$ 47,217.58
23775	Facilities Improvements	\$ 655,000	\$ 47,911.80	\$ -	\$ -	\$ 47,911.80	\$ 629,972.08
23776	Radio System Upgrade at Hunt Sub	\$ 762,372	\$ -	\$ -	\$ -	\$ -	\$ 238,683.25
23778	Demonstration EE Projects	\$ 10,000	\$ -	\$ -	\$ -	\$ -	\$ -
23779	Misc. Capital Tools/Radios	\$ 50,000	\$ 4,174.25	\$ 33,250.00	\$ -	\$ 37,424.25	\$ 37,424.25
23902	Education & Training	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
43903	Education & Training FY23	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	<b>Totals:</b>	<b>\$ 5,868,792</b>	<b>\$ 343,018</b>	<b>\$ 594,308</b>	<b>\$ 576,158</b>	<b>\$ 1,513,484</b>	<b>\$ 3,726,849</b>

# MEMORANDUM

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

From: Tammye Riley

Date: July 26, 2023

Re: Agenda Item No. 11 – Reliability Report

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Attached for your review is the third quarter Reliability Report for FY 2022-2023.

The report uses the System Average Interruption Durations Index (SAIDI), which is an industry standard metric. SAIDI is how long, on average, each customer was without power in each quarter throughout the fiscal year.

*It is important to note that SAIDI is calculated by excluding \*Major Event Days (MEDs), as defined by the IEEE.*

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

Thank you,



Tammye Riley  
Director of Operations

\* A major event day is a day in which the daily SAIDI exceeds a threshold value, TMED. 2023 TMED value is 4.77



KPUB Reliability Report

Substation		FY23 Q1	FY23 Q2	FY23 Q3	Trend	FY Totals 10/1/22-9/30/23	Noted Significant Events
<b>Hunt</b> (Hunt)	w/o ME	38.36	21.46	21.05		80.87	
	w/ ME	38.36	21.46	21.05		80.87	
<b>Ingram</b> (Ingram)	w/o ME	4.80	2.77	27.83		35.40	5/21/2023 - Equipment age (lightening arresstor), 47 minute outage affecting 802 customers.
	w/ ME	4.80	2.77	27.83		35.40	
<b>Jack Furman</b> (Kerrville/Ingram)	w/o ME	32.71	0.42	27.00		60.13	5/21/2023 - Equipment age (lightening arresstor), 47 minute outage affecting 182 customers.
	w/ ME	32.71	0.42	27.00		60.13	
<b>Rim Rock</b> (Kerrville South)	w/o ME	0.70	6.00	3.54		10.24	
	w/ ME	0.70	6.00	3.54		10.24	
<b>Harper</b> (West Kerrville)	w/o ME	21.03	2.25	23.79		47.07	5/8/2023 - Lightening Arresstor found blown at the air switch - which caused outage at Harper 20 & Harper 70 breakers. HR20 outage of 26 minute, affecting 1392 customers and HR70 outage of 31 minutes, affecting 1753 customers.
	w/ ME	21.03	2.25	23.79		47.07	
<b>Stadium</b> (Central Kerrville)	w/o ME	38.66	0.54	3.08		42.28	5/18/2023 - Stadium Substation, 41 minute outage affecting 3766 customers. Squirrel contact on KS 30. Damage to the recloser.
	w/ ME	38.66	0.54	31.72		70.92	
<b>Travis</b> (Center East Kerrville)	w/o ME	1.92	14.62	0.31		16.85	
	w/ ME	1.92	14.62	0.31		16.85	
<b>Legion</b> (East Kerrville)	w/o ME	1.89	15.03	0.57		17.50	
	w/ ME	1.89	15.03	0.57		17.49	
<b>R. F. Barker</b> (Center Point)	w/o ME	0.61	36.48	15.19		52.29	
	w/ ME	0.61	36.48	15.19		52.29	
<b>Total</b>	w/o ME	16.08	8.98	11.91		36.97	
	w/ ME	16.08	8.98	18.48		43.53	

\* ME: Major Event Days

10/1 - 12/31

1/1 - 3/31

4/1 - 6/30

Annualized