

**MARCH 20, 2024**

**OFFICIAL NOTICE**

**OF A**

**REGULAR MONTHLY MEETING**

**The Kerrville Public Utility Board will hold its Regular Monthly Meeting on Wednesday, March 20, 2024, beginning at 8:30 a.m. The meeting will be held in the KPUB Conference Room at the Utility Board offices located at 2250 Memorial Blvd. The meeting site is accessible to handicapped persons. A copy of the agenda is attached to this notice.**



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**Lidia S. Goldthorn, Assistant Secretary**

**AGENDA**  
**KERRVILLE PUBLIC UTILITY BOARD**  
**REGULAR MONTHLY MEETING**  
**WEDNESDAY, MARCH 20, 2024, 8:30 A.M.**  
**KPUB CONFERENCE ROOM**  
**KERRVILLE PUBLIC UTILITY BOARD OFFICES**  
**2250 MEMORIAL BLVD.**  
**KERRVILLE, TEXAS**

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*Pursuant to Chapter 551.127, Texas Government Code, one or more members of the Board of Directors or employees may attend this meeting remotely using videoconferencing technology. The video and audio feed of the videoconferencing equipment can be viewed and heard by the public at the address posted above as the location of the meeting.*

**1. CALL TO ORDER**

**2. PLEDGE OF ALLEGIANCE**

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

Members of the public may address the Board. Prior to speaking, each speaker must sign in with their name, address and the topic to be addressed. The Board may not discuss or take any action on an item not on the agenda but may place the issue on a future agenda. The number of speakers will be limited to the first ten speakers and each speaker is limited to four minutes.

**4. ANNOUNCEMENTS OF COMMUNITY INTEREST:**

Announcements of community interest, including expressions of thanks, congratulations, or condolences; information regarding holiday schedules; honorary recognition of KPUB officials, employees; reminders about upcoming events sponsored by KPUB. No action taken.

*\*Please note: Upcoming Board Meetings are tentatively scheduled for:*

- *Wednesday, April 17, 2024 at 8:30 a.m.*
- *Wednesday, May 15, 2024 at 8:30 a.m.*
- *Wednesday, June 19, 2024 at 8:30 a.m.*

**5. CONSENT AGENDA:**

These items are considered routine and can be approved in one motion unless a Board Member asks for separate consideration of an item. It is recommended that the Board approve the following items which will grant the General Manager to take all actions necessary for each approval:

5A.	APPROVAL OF MINUTES – Approval of the February 21, 2024, Regular Monthly Board Meeting Minutes .....	1
5B.	RESOLUTION NO. 24-04 – AMY DOZIER, DIRECTOR OF FINANCE. A Resolution approving payment to various providers of services or supplies .....	5
5C.	APPROVAL AND REPORTING OF PURCHASES AND SALES:	
	1. Interlocal Agreement, Kerr County Hazard Mitigation Plan (Mike Wittler, CEO) .....	8
6.	<b><u>FINANCIAL REPORT – AMY DOZIER, DIRECTOR OF FINANCE:</u></b> .....	11
7.	<b><u>MOTION TO VOTE AND RECESS THE PUBLIC MEETING AND RECONVENE IN AN EXECUTIVE CLOSED SESSION:</u></b>	
	<b><u>I. EXECUTIVE CLOSED SESSION – CONSULTATION WITH ATTORNEY:</u></b>	
	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
	<b><u>II. EXECUTIVE CLOSED SESSION – COMPETITIVE MATTERS:</u></b>	
	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
	B.	Related to plans, studies, proposals, and analyses for system improvements, additions, or sales
		(1) Discussion and Possible Action on plans, studies, proposals and analyses for potential expansion of infrastructure and service – Mike Wittler, CEO
	<b><u>III. EXECUTIVE CLOSED SESSION - DELIBERATION REGARDING REAL PROPERTY:</u></b>	
	In accordance with Texas Statutes Subchapter D, chapter 551, Government Code Section §551.072, the Kerrville Public Utility Board will recess for the purpose of “Deliberation Regarding Real Property” regarding the following matters:	

A. Consideration and action on the purchase of real estate – Mike Wittler, CEO

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

9. **PRESENTATION FROM AMERICAN PUBLIC POWER ASSOCIATION GOVERNANCE ESSENTIALS – MIKE WITTLER, CEO:**

10. **ADJOURNMENT**

**MINUTES OF THE  
KERRVILLE PUBLIC UTILITY BOARD  
REGULAR MONTHLY MEETING  
WEDNESDAY, FEBRUARY 21, 2024, AT 8:30 A.M.  
KPUB CONFERENCE ROOM  
KERRVILLE PUBLIC UTILITY BOARD OFFICES  
2250 MEMORIAL BLVD.  
KERRVILLE, TEXAS**

**TRUSTEES PRESENT:**

Mark Cowden  
Larry Howard  
Bill Thomas  
Glenn Andrew *(Via teleconference)*  
Mayor Judy Eychner

**STAFF PRESENT:**

Mike Wittler, General Manager and CEO  
Amy Dozier, Director of Finance  
Tammye Riley, Director of Operations  
Robby McCutcheon *(Via teleconference)*  
Allison Bueché, Director of Customer and Community Relations  
Howard Hall, Field Services Supervisor  
Jill Cook, Accounting Supervisor  
Lidia S. Goldthorn, Assistant Secretary to the Board

**TRUSTEES ABSENT:**

**OTHERS PRESENT:**

Stephen Schulte, Legal Counsel  
Jeremy Walther

**1. CALL TO ORDER:**

Mr. Mark Cowden, Chairman, called the Regular Monthly Meeting to order at 8:33 a.m.

**2. PLEDGE OF ALLEGIANCE**

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

Mr. Jeremy Walther introduced himself to the Board. He wanted to commend Staff and Board Members for the safe and efficient operation of KPUB. Mr. Walter thanked the Board for consideration of his application for the upcoming board vacancy.

**4. ANNOUNCEMENTS OF COMMUNITY INTEREST:**

Ms. Bueché highlighted two distinctive anniversary milestones this month with Kenneth Becker and Larry Lee completing 35 years each with KPUB. Apprentice Lineman Justin Martinez is the staff spotlight for the month. Mr. Martinez has been with KPUB for five years. KPUB employees participated in a Food Pantry on January 29<sup>th</sup>; and KPUB will host a Blood Drive on March 28<sup>th</sup>. Ms. Bueché advised the KPUB Employee Safety and Awards Picnic will be on April 27<sup>th</sup>. Mr. Wittler noted the following upcoming board meetings tentatively scheduled for:

- *Wednesday, March 20, 2024 at 8:30 a.m.*
- *Wednesday, April 17, 2024 at 9:30 a.m.*
- *Wednesday, May 15, 2024 at 9:30 a.m.*

**5. CONSENT AGENDA:**

Glenn Andrew, Treasurer, made a motion to accept items in the consent agenda with a correction that the minutes were for the January 17<sup>th</sup> Regular Board Meeting. Mayor Judy Eychner seconded the motion. Vote was by a show of hands. Motion carried 5 – 0.

5A. APPROVAL OF MINUTES.

5B. RESOLUTION NO. 24-03 – AMY DOZIER, DIRECTOR OF FINANCE. A Resolution approving payment to various providers of services or supplies.

5C. DECEMBER, 2023 QUARTERLY FUNDS REPORT – AMY DOZIER, DIRECTOR OF FINANCE. Acceptance of the December, 2023, Quarterly Funds Report as presented to the Investment Committee following the January 17, 2024, Board Meeting.

5D. APPROVAL AND REPORTING OF PURCHASES AND SALES:

1. LCRA Radio Tower Lease (Howard Hall, Field Services Supervisor)

**END OF CONSENT AGENDA**

**6. DISCUSSION AND ACTION ON APPOINTMENTS TO SCHOLARSHIP COMMITTEE – ALLISON BUECHÉ, DIRECTOR OF CUSTOMER & COMMUNITY RELATIONS:**

Ms. Bueché advised KPUB is currently accepting applications for the 2024 scholarship program for both undergraduate students and trade school/technical students. The KPUB Scholarship Program guidelines specify that a scholarship selection committee, appointed by the KPUB Board of Trustees, will choose the candidates and an alternate for the available scholarships to be awarded. The KPUB Board of Trustees will need to appoint new members to serve on the selection committee to choose this year's candidates and alternate for the 2024 KPUB scholarship awards. In the past, that committee had been comprised of a KPUB Board Member, KISD representative and an Ingram ISD representative. Mr. Howard agreed to continue to sit on the committee. Mayor Eychner made a motion to appoint Mr. Howard to the scholarship selection committee. Mr. Bill Thomas, Secretary, seconded the motion. Vote was by a show of hands. Motion carried 5 – 0.

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

Ms. Dozier presented the final financial statements for the month of January 2024. Ms. Dozier noted a \$406K increase in net position; \$3.9M in operating revenue; \$3.6M in operating expense; \$306K in operating income; \$15.9M in over collection of power cost adjustment as of January 31, 2024; and \$44.4M 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 5.44% as of February 13, 2024. Rates in the investment pool accounts are 5.47% at LOGIC and 5.31% at TexPool as of February 13, 2024. A new rate structure was implemented on November 1, 2023. The overall residential bill for 1,000 kWh of power remains at \$102.50, but the power cost portion of the bill was reduced from \$72.95 to

\$70.45 by reducing the power cost adjustment factor. Power costs in January were below the billed rate, resulting in an increase of \$572K in the over collection account. Staff will continue to monitor prices closely and recommend keeping the PCA at \$102.50 at this time. Ms. Dozier also provided a PowerPoint presentation with highlights and financial metrics from her memo, as well as quarterly listings of vendor payments.

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

**I. EXECUTIVE CLOSED SESSION – CONSULTATION WITH ATTORNEY:**

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

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

**II. EXECUTIVE CLOSED SESSION – COMPETITIVE MATTERS:**

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

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

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

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

- A. The nomination of three (3) candidates to the City Council of the City of Kerrville for appointment to Board of Trustees Position Number One.
  - (1) **Exhibit A** – Applicants for Board Position No. 1 – Mike Wittler, CEO

Staff asked the Board of Trustees if there was a motion that the Board convene in Executive Closed Session to discuss “Consultation With Attorney” in accordance with Texas Statutes Subchapter D, Chapter 551, Government Code Section §551.071, and “Competitive Matters” in accordance with Texas Statutes Subchapter D, Chapter 551, Government Code Section §551.086, and “Personnel Matters” in accordance with Texas Statutes Subchapter D, Chapter 551, Government Code Section §551.074. Mayor Eychner so moved. Mr. Larry Howard, Vice Chairman seconded the motion. Vote was by show of hands. Motion carried 5 – 0.

The Board entered Executive Closed Session at 8:49 a.m. Chairman Cowden adjourned the Executive Closed Session and reconvened into Open Session at 9:26 a.m.

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

**III. Board Position No. 1 Nominations.**

Mayor Eychner made a motion to nominate Mr. Brian Cody, Mr. Mark Haufler and Ms. Rachel Johnston, to City Council to consider for the upcoming Board position vacancy. Mr. Howard seconded the motion. Vote was by a show of hands. Motion carried 5 - 0.

**10. PRESENTATION FROM AMERICAN PUBLIC POWER ASSOCIATION GOVERNANCE ESSENTIALS – MIKE WITTLER, CEO:**

Mr. Wittler elected to postpone this item.

**11. ADJOURNMENT**

Chairman Cowden adjourned the Regular Board Meeting at 9:27 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: March 13, 2024

Re: Agenda Item No. 5B – Resolution No. 24-04

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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 February 16, 2024 and March 13, 2024 for Board approval:

	<u>Vendor</u>	<u>Description</u>	<u>Amount</u>	<u>Date</u>
<b>Purchased Power:</b>				
1	Concho Bluff	Mar-Dec 2023, except November	753,259.50	02/20/2024
2	NextEra	January 2024	485,088.00	02/20/2024
3	DG Solar	January 2024	39,345.22	02/23/2024
4	CPS	January 2024	1,992,793.45	02/26/2024
5	Engie	January 2024	66,673.04	02/29/2024
6	Garland	January 2024	77,967.01	02/29/2024
7	LCRA	January 2024	699,907.90	02/29/2024
8	Concho Bluff	January 2024	48,905.94	03/12/2024
<b>Payroll:</b>				
1	Payroll	Pay period ending 2/10/2024	143,408.45	02/16/2024
2	Payroll	Pay period ending 2/24/2024	140,830.12	03/01/2024
3	Payroll Taxes	Pay period ending 2/10/2024	50,965.44	02/21/2024
4	Payroll Taxes	Pay period ending 2/24/2024	50,131.04	03/06/2024
<b>Employee Benefits:</b>				
1	TX Health Benefits	Health Insurance - March	90,444.47	03/01/2024
2	TMRS	Pension - February Payroll	84,038.28	03/07/2024
<b>Investment Transfers (from Operating Account to Investment Account at Happy State Bank):</b>				
1	Happy State Bank	Investment Transfer	600,000.00	02/23/2024
2	Happy State Bank	Investment Transfer	600,000.00	02/26/2024
3	Happy State Bank	Investment Transfer	350,000.00	02/29/2024
4	Happy State Bank	Investment Transfer	300,000.00	03/01/2024
5	Happy State Bank	Investment Transfer	900,000.00	03/08/2024
6	Happy State Bank	Investment Transfer	400,000.00	03/12/2024

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. 24-04**

**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 20<sup>th</sup> day of March, 2024**

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

**ATTEST:**

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

# MEMORANDUM

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

From: Mike Wittler

Date: March 14, 2024

Re: Agenda Item 5.C – Approval of Interlocal Agreement with Kerr County for  
Hazard Mitigation Plan

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Staff is recommending approval of the attached interlocal agreement between KPUB and Kerr County for the development of a Hazard Mitigation Plan. KPUB's monetary contribution for this effort will be \$5,000.

The Hazard Mitigation Plan is used to support grant applications through FEMA. The participants in this effort are Kerr County, the City of Kerrville, Kerrville ISD, KPUB, UGRA, and the City of Ingram. Kerr County and the City of Kerrville are providing the majority of the funding for this effort (\$25,000 each).

Please let me know if you have any questions.

Sincerely,



Mike Wittler  
CEO

THE STATE OF TEXAS §

**INTERGOVERNMENTAL AGREEMENT  
Pursuant to the Interlocal Cooperation Act  
Texas Government Code, Chapter 791**

KERR COUNTY §

This AGREEMENT is made between KERR COUNTY, TEXAS, hereinafter referred to as the COUNTY, acting through its Commissioners Court, and the KERRVILLE PUBLIC UTILITY BOARD, TEXAS, hereinafter referred to as the PARTICIPANT, acting through its Board, as authorized by Texas Government Code Chapter 791 which authorizes local governments to enter into contracts for governmental functions and services to increase efficiency and effectiveness.

The COUNTY has procured plan writing assistance to a countywide Hazard Mitigation Action Plan, hereinafter referred to as the PLAN. The approved Hazard Mitigation Action Plan will be effective for five (5) years and will include the County and Participants. The term of this Agreement shall be from the date of the PARTICIPANT'S execution of this Agreement until PLAN is approved by FEMA. Either party may terminate this Agreement with thirty (30) days written notice to the other party, except such early termination shall not relieve the PARTICIPANT from any local matching funds commitment and payment terms addressed below.

Parties agree that the COUNTY shall:

1. Serve as the primary participant and contact in all matters pertaining to the PLAN and the conduit for communication between itself, the PARTICIPANT, and TDEM.
2. Endeavor to execute its PLAN responsibilities in a timely and efficient manner.
3. Be the repository of all receipts and documentation pertinent to the PLAN and furnish such to TDEM upon its request.
4. Provide a draft of the PLAN for review and comment by PARTICIPANT'S Local Planning Team members during the planning process and prior to COUNTY submittal of the PLAN to TDEM.

Parties agree that the PARTICIPANT shall:

1. Be an additional participant in the PLAN.
2. Cooperate in a timely manner with COUNTY requests to provide information needed to fulfill the COUNTY'S obligations under the PLAN and to complete the PLAN.
3. Designate one or more Local Planning Team members to participate in the development of the PLAN and to update the PARTICIPANT of progress.
4. Provide a total of **\$5,000** to the COUNTY within sixty (60) days of such request by the COUNTY, to be used toward PLAN activities.

This Agreement constitutes the entire Agreement between the parties with regard to the CONTRACT and may not be modified except as agreed by the parties in writing. The parties further agree that any CONTRACT funds provided by the COUNTY are without warranty of any kind to the PARTICIPANT or any third party, and that to the extent allowed by law the PARTICIPANT shall hold harmless the COUNTY, its officers, agents, and employees from any and all loss, damage, cost demands, or causes of action of any nature or kind for loss or damage to property, or for injury or death of any person, arising in any manner from the performance of CONTRACT activities. Nothing herein shall be construed to create any rights in third parties.

EXECUTED BY:

KERR COUNTY, TEXAS

KERRVILLE PUBLIC UTILITY BOARD

\_\_\_\_\_  
ROB KELLY  
COUNTY JUDGE

\_\_\_\_\_  
MIKE WITTLER  
GENERAL MANAGER

\_\_\_\_\_  
DATE

\_\_\_\_\_  
DATE

ATTEST:

ATTEST:

\_\_\_\_\_  
IAN COLLUM  
COUNTY CLERK

\_\_\_\_\_  
TAMMY RILEY  
DIRECTOR OF OPERATIONS

# MEMORANDUM

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

From: Amy Dozier

Date: March 13, 2024

Re: Agenda Item No. 6 – Financial Report

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Attached please find financial statements for the month of February 2024.

Highlights include:

- **\$222K increase in net position** for the month, **\$487K increase** in net position on a year-to-date (YTD) basis, which is \$374K lower than budget.
- **\$4.7M in operating revenue** for the month, **\$17.3M** on a YTD basis.
  - Through February, operating revenue is 14.3% lower than expected due primarily to low purchased power prices, which are also 14.3% less than budget on a YTD basis.
- **\$4.6M in operating expense** for the month, **\$17.5M** on a YTD basis.
  - YTD operating expense is 10.6% lower than budget due primarily to low purchased power expenses (14.3% lower than budget) resulting from low natural gas prices created by a mild winter and excess storage as well as KPUB's effective price stabilization activities. Other expense categories have smaller positive variances. Customer Service shows a small unfavorable variance due primarily to a new energy efficiency software tool for customers.
- **\$116K in operating income** for the month, **\$157K in operating loss** on a YTD basis.
- **\$16.0M in over collection of power cost adjustment** as of 2/29/2024, an **increase of \$69K** from the prior month.
- **\$42.8M 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 5.44% as of March 13, 2024. Rates on the investment pool accounts are 5.46% at LOGIC and 5.31% at TexPool as of March 13, 2024.

A new rate structure was implemented on November 1, 2023. The overall residential bill for 1,000 kWh of power remains at \$102.50, but the power cost portion of the bill was reduced from \$72.95 to \$70.45 by reducing the power cost adjustment factor. Power costs in February were very close to the billed rate, resulting in an increase of \$69K in the over collection account. We continue to monitor prices closely and recommend keeping the PCA at \$102.50 at this time.

I am happy to answer any questions regarding this report.

Sincerely,



Amy Dozier  
Director of Finance

Kerrville Public Utility Board  
Statement of Revenues, Expenses and Changes in Fund Net Position  
For the Month Ended February 29, 2024  
(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	\$ 2,973,264	\$ 2,716,051	\$ 257,213	9.47%	\$ 2,507,679	\$ 465,585	18.57%
Commercial/Industrial	1,699,867	1,686,031	13,835	0.82%	1,467,178	232,688	15.86%
Sales to Public Authorities	21,905	21,500	405	1.88%	21,794	111	0.51%
Other	36,225	49,559	(13,334)	-26.91%	41,614	(5,389)	-12.95%
<b>TOTAL OPERATING REVENUES</b>	<b>4,731,260</b>	<b>4,473,141</b>	<b>258,119</b>	<b>5.77%</b>	<b>4,038,265</b>	<b>692,995</b>	<b>17.16%</b>
<b>OPERATING EXPENSES:</b>							
Purchased Power	3,350,190	3,262,834	(87,356)	-2.68%	2,787,306	(562,883)	-20.19%
Distribution	422,116	369,367	(52,749)	-14.28%	263,719	(158,397)	-60.06%
Customer Accounts	54,177	66,502	12,325	18.53%	45,595	(8,582)	-18.82%
Customer Service, Informational & Sales	42,994	36,916	(6,078)	-16.46%	19,783	(23,211)	-117.33%
Administrative Expenses	384,072	458,347	74,275	16.20%	355,358	(28,714)	-8.08%
Depreciation & Amortization	361,255	361,845	590	0.16%	322,264	(38,991)	-12.10%
<b>TOTAL OPERATING EXPENSES</b>	<b>4,614,804</b>	<b>4,555,812</b>	<b>(58,992)</b>	<b>-1.29%</b>	<b>3,794,025</b>	<b>(820,778)</b>	<b>-21.63%</b>
<b>OPERATING INCOME (LOSS)</b>	<b>116,456</b>	<b>(82,671)</b>	<b>199,127</b>	<b>-240.87%</b>	<b>244,240</b>	<b>(127,784)</b>	<b>-52.32%</b>
<b>NONOPERATING REVENUES (EXP):</b>							
Interest Income - Investments	194,588	135,417	59,171	43.70%	117,426	77,162	65.71%
Interest Income - City of Kerrville	12,857	11,786	1,071	9.09%	13,929	(1,071)	-7.69%
Interest Expense	(11,099)	(7,992)	(3,107)	-38.88%	(8,742)	(2,357)	-26.96%
City of Kerrville - General Fund Transfer	(148,288)	(138,683)	(9,605)	-6.93%	(124,671)	(23,617)	-18.94%
City of Ingram - Franchise Fee	(3,655)	(4,204)	548	13.04%	(3,360)	(295)	-8.78%
Other - Net	4,227	2,417	1,810	74.92%	852	3,375	395.98%
<b>TOTAL NONOPERATING REVENUES (EXP)</b>	<b>48,630</b>	<b>(1,259)</b>	<b>49,889</b>	<b>-3962.02%</b>	<b>(4,566)</b>	<b>53,196</b>	<b>-1164.99%</b>
<b>INCOME BEFORE CONTRIBUTIONS</b>	<b>165,087</b>	<b>(83,930)</b>	<b>249,017</b>	<b>-296.70%</b>	<b>239,674</b>	<b>(74,587)</b>	<b>-31.12%</b>
<b>CAPITAL CONTRIBUTIONS</b>	<b>56,735</b>	<b>30,000</b>	<b>26,735</b>	<b>89.12%</b>	<b>34,370</b>	<b>22,365</b>	<b>65.07%</b>
<b>CHANGE IN NET POSITION</b>	<b>\$ 221,822</b>	<b>\$ (53,930)</b>	<b>\$ 275,752</b>	<b>-511.31%</b>	<b>\$ 274,044</b>	<b>\$ (52,223)</b>	<b>-19.06%</b>
<b>NET POSITION AT BEGINNING OF MONTH</b>	<b>\$ 78,598,931</b>				<b>\$ 74,703,727</b>		
<b>NET POSITION AT END OF MONTH</b>	<b>\$ 78,820,752</b>				<b>\$ 74,977,771</b>		



Kerrville Public Utility Board  
Statement of Revenues, Expenses and Changes in Fund Net Position  
For the Month Ended February 29, 2024  
(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	\$ 10,095,027	\$ 11,345,603	\$ (1,250,576)	-11.02%	\$ 11,144,163	\$ (1,049,136)	-9.41%
Commercial/Industrial	6,708,430	8,300,883	(1,592,453)	-19.18%	7,692,913	(984,483)	-12.80%
Sales to Public Authorities	108,987	107,500	1,487	1.38%	105,251	3,735	3.55%
Other	382,179	416,593	(34,415)	-8.26%	404,370	(22,191)	-5.49%
<b>TOTAL OPERATING REVENUES</b>	<b>17,294,622</b>	<b>20,170,579</b>	<b>(2,875,957)</b>	<b>-14.26%</b>	<b>19,346,697</b>	<b>(2,052,075)</b>	<b>-10.61%</b>
<b>OPERATING EXPENSES:</b>							
Purchased Power	11,015,967	12,846,980	1,831,014	14.25%	13,259,614	2,243,647	16.92%
Distribution	1,956,011	2,038,503	82,492	4.05%	1,372,231	(583,780)	-42.54%
Customer Accounts	295,150	332,512	37,362	11.24%	266,114	(29,035)	-10.91%
Customer Service, Informational & Sales	208,724	184,580	(24,144)	-13.08%	136,275	(72,449)	-53.16%
Administrative Expenses	2,182,605	2,330,653	148,048	6.35%	1,847,814	(334,791)	-18.12%
Depreciation & Amortization	1,793,559	1,792,456	(1,103)	-0.06%	1,600,016	(193,543)	-12.10%
<b>TOTAL OPERATING EXPENSES</b>	<b>17,452,016</b>	<b>19,525,684</b>	<b>2,073,668</b>	<b>10.62%</b>	<b>18,482,064</b>	<b>1,030,048</b>	<b>5.57%</b>
<b>OPERATING INCOME (LOSS)</b>	<b>(157,393)</b>	<b>644,895</b>	<b>(802,289)</b>	<b>-124.41%</b>	<b>864,633</b>	<b>(1,022,027)</b>	<b>-118.20%</b>
<b>NONOPERATING REVENUES (EXP):</b>							
Interest Income - Investments	987,761	677,083	310,678	45.88%	547,645	440,116	80.37%
Interest Income - City of Kerrville	64,286	63,214	1,071	1.69%	73,929	(9,643)	-13.04%
Interest Expense	(52,985)	(41,072)	(11,912)	-29.00%	(44,748)	(8,237)	-18.41%
City of Kerrville - General Fund Transfer	(550,731)	(627,689)	76,958	12.26%	(596,830)	46,100	7.72%
City of Ingram - Franchise Fee	(15,100)	(17,560)	2,460	14.01%	(14,474)	(627)	-4.33%
Other - Net	11,021	12,083	(1,063)	-8.79%	7,550	3,471	45.97%
<b>TOTAL NONOPERATING REVENUES (EXP)</b>	<b>444,252</b>	<b>66,060</b>	<b>378,192</b>	<b>572.50%</b>	<b>(26,929)</b>	<b>471,180</b>	<b>1749.72%</b>
<b>INCOME BEFORE CONTRIBUTIONS</b>	<b>286,858</b>	<b>710,955</b>	<b>(424,096)</b>	<b>-59.65%</b>	<b>837,704</b>	<b>(550,846)</b>	<b>-65.76%</b>
<b>CAPITAL CONTRIBUTIONS</b>	<b>199,752</b>	<b>150,000</b>	<b>49,752</b>	<b>33.17%</b>	<b>166,365</b>	<b>33,387</b>	<b>20.07%</b>
<b>CHANGE IN NET POSITION</b>	<b>\$ 486,610</b>	<b>\$ 860,955</b>	<b>\$ (374,344)</b>	<b>-43.48%</b>	<b>\$ 1,004,069</b>	<b>\$ (517,459)</b>	<b>-51.54%</b>
<b>NET POSITION AT BEGINNING OF YEAR</b>	<b>\$ 78,334,141</b>				<b>\$ 73,973,702</b>		
<b>NET POSITION AT END OF MONTH</b>	<b>\$ 78,820,752</b>				<b>\$ 74,977,771</b>		

Kerrville Public Utility Board  
Balance Sheet  
As of February 29, 2024

ASSETS & DEFERRED OUTFLOWS	February 29, 2024	September 30, 2023	LIABILITIES, DEFERRED INFLOWS & NET POSITION	February 29, 2024	September 30, 2023
<b>CURRENT ASSETS</b>			<b>CURRENT LIABILITIES</b>		
Revenue Fund:			Current Maturities of Long-Term Liabilities	\$ 635,699	\$ 633,226
Cash and Cash Equivalents	\$ 632,759	\$ 720,093	Accounts Payable - Purchased Power	9,006,461	9,426,795
Investments	32,070,336	30,433,641	Accounts Payable and Accrued Liabilities	1,080,706	1,427,823
Less: Customer Deposits	(532,960)	(518,082)	Over Collection of Power Cost Adjustment	15,960,759	12,516,345
Total Revenue Fund	<u>32,170,135</u>	<u>30,635,652</u>	<b>TOTAL CURRENT LIABILITIES</b>	<u>\$ 26,683,625</u>	<u>\$ 24,004,189</u>
Construction Fund:			<b>NONCURRENT LIABILITIES</b>		
Cash and Cash Equivalents	5,510	5,389	2013 Revenue Bonds, net of current portion	\$ 1,965,000	\$ 2,413,000
Investments	1,563,115	1,528,354	Lease Liability	57,514	84,352
Total Construction Fund	<u>1,568,624</u>	<u>1,533,743</u>	Subscription Liability	656,951	692,268
Rate Stabilization Fund:			Customer Deposits	532,960	518,082
Investments	2,057,054	2,011,309	Net Pension Liability	3,877,307	3,877,307
Total Rate Stabilization Fund	<u>2,057,054</u>	<u>2,011,309</u>	Total OPEB Liability	<u>260,808</u>	<u>260,808</u>
Long Term Rate Stabilization Fund:			<b>TOTAL NONCURRENT LIABILITIES</b>	<u>\$ 7,350,540</u>	<u>\$ 7,845,817</u>
Investments	3,094,531	2,421,198	<b>DEFERRED INFLOWS - PENSION AND OPEB</b>	<u>\$ 132,700</u>	<u>\$ 132,700</u>
Total Rate Stabilization Fund	<u>3,094,531</u>	<u>2,421,198</u>	<b>TOTAL LIABILITIES AND DEFERRED INFLOWS</b>	<u>\$ 34,166,865</u>	<u>\$ 31,982,706</u>
Customer Accounts Receivable, net of allowance	2,797,928	2,574,253	<b>TOTAL NET POSITION</b>	<u>\$ 78,820,752</u>	<u>\$ 78,334,141</u>
Unbilled Revenue	2,319,589	2,319,589			
Materials and Supplies	1,324,523	1,233,153			
Other Current Assets	878,008	888,455			
Current Portion - Advance to City of Kerrville	1,071,428	1,071,428			
<b>TOTAL CURRENT ASSETS</b>	<u>\$ 47,281,821</u>	<u>\$ 44,688,780</u>			
<b>NONCURRENT ASSETS</b>					
Customer Deposits	\$ 532,960	\$ 518,082			
Interest and Sinking Fund	174,633	440,861			
Emergency, Repair, Replace, Contingency Fund	3,846,237	3,760,703			
Advance to City of Kerrville, net of current portion	4,821,429	5,357,143			
Capital Assets, net of Accum Depreciation	52,294,022	51,570,688			
Right to Use Assets, Net of Accum Amortization	70,856	109,047			
Subscription Assets, Net of Accum Amortization	1,047,659	953,542			
<b>TOTAL NONCURRENT ASSETS</b>	<u>\$ 62,787,797</u>	<u>\$ 62,710,068</u>			
<b>DEFERRED OUTFLOWS - PENSION AND OPEB</b>	<u>\$ 2,918,000</u>	<u>\$ 2,918,000</u>			
<b>TOTAL ASSETS &amp; DEFERRED OUTFLOWS OF RESOURCES</b>	<u>\$ 112,987,617</u>	<u>\$ 110,316,847</u>	<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES &amp; NET POSITION</b>	<u>\$ 112,987,617</u>	<u>\$ 110,316,847</u>

Kerrville Public Utility Board  
Invested Funds Detail  
For the Month Ended February 29, 2024

		Restricted							
	Date	Revenue Fund	Construction Fund	Rate Stabilization Fund	Long Term Rate Stabilization Fund	Debt Reserve Fund	Interest & Sinking Fund	Emergency Repair, Replacement & Contingency Fund	Total Funds Invested
Beginning Fund Balance		\$ 33,711,230	\$ 1,556,465	\$ 2,048,303	\$ 3,081,367	\$ -	\$ 130,975	\$ 3,829,874	\$ 44,358,216
Withdrawals:									
Happy Investment - TXHB	02/01/24	(90,444)							(90,444)
Happy Investment - ERCOT	02/02/24	(3,000)							(3,000)
Happy Investment - ERCOT	02/13/24	(184)							(184)
Happy Investment - TMRS	02/14/24	(83,278)							(83,278)
Happy Investment - NextEra	02/20/24	(485,088)							(485,088)
Happy Investment - Concho Bluff	02/20/24	(753,260)							(753,260)
Happy Investment - DG Solar	02/23/24	(39,345)							(39,345)
Happy Investment - CPS	02/26/24	(1,992,793)							(1,992,793)
Happy Investment - Engie	02/29/24	(66,673)							(66,673)
Happy Investment - Garland	02/29/24	(77,967)							(77,967)
Happy Investment - LCRA	02/29/24	(699,908)							(699,908)
Investments:									
Happy Investment	02/09/24	600,000							600,000
Happy Investment	02/13/24	400,000							400,000
Happy Investment	02/23/24	600,000							600,000
Happy Investment	02/26/24	600,000							600,000
Happy Investment	02/29/24	350,000							350,000
Fund Balance after Withdrawals & Investments		31,969,290	1,556,465	2,048,303	3,081,367	-	130,975	3,829,874	42,616,275
Allocation of:									
Interest Income	02/29/24	144,138	6,650	8,751	13,164	-	566	16,362	189,631
Total Interest Allocation		144,138	6,650	8,751	13,164	-	566	16,362	189,631
Fund Balance After Allocations		32,113,428	1,563,115	2,057,054	3,094,531	-	131,541	3,846,237	42,805,906
Interfund Transfers :									
Debt Service	02/29/24	(43,092)					43,092		-
Ending Fund Balance		\$ 32,070,336	\$ 1,563,115	\$ 2,057,054	\$ 3,094,531	\$ -	\$ 174,633	\$ 3,846,237	\$ 42,805,906

Kerrville Public Utility Board  
 Computation of the Monthly and Annual Debt Service Coverage  
 For the Month Ended February 29, 2024

Description	Current Month	Fiscal Year	Previous 12 Months
CHANGE IN NET POSITION	\$ 221,822	\$ 486,610	\$ 3,842,981
PLUS:			
Interest Expense (net of amortizations)	11,099	52,985	135,534
Depreciation & Amortization Expense	361,255	1,793,559	4,278,656
Numerator	594,175	2,333,154	8,257,171
DIVIDED BY:			
Interest Expense (net of amortizations)	11,099	52,985	135,534
Principal Payment Due	52,769	263,844	633,227
Denominator	\$ 63,868	\$ 316,829	\$ 768,761
DEBT SERVICE COVERAGE RATIO	9.30	7.36	10.74
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