



Control Number: 50288



Item Number: 36

Addendum StartPage: 0

DOCKET NO. 50288

APPLICATION OF KERRVILLE §
PUBLIC UTILITY BOARD TO § PUBLIC UTILITY COMMISSION
AMEND TRANSMISSION COST OF §
SERVICE AND WHOLESALE § OF TEXAS
TRANSMISSION RATES

KERRVILLE PUBLIC UTILITY BOARD'S RESPONSE TO COMMISSION STAFF'S
REQUEST FOR INFORMATION 6-1 THROUGH 6-27.

NOW COMES KERRVILLE PUBLIC UTILITY BOARD ("KPUB") and serves its
Responses to the Commission Staff's Sixth Requests for Information.

These responses are timely filed. KPUB stipulates that responses to requests for
information can be treated by all parties as if the answers were filed under oath. KPUB reserves
the right to amend or supplement its responses.

Respectfully submitted,
DAVIDSON TROILO REAM & GARZA, P.C.
919 Congress Avenue, Suite 810
Austin, Texas 78701
Telephone: (512) 469-6006
Facsimile: (512) 473-2159

2003 MAY 19 AM 9:57

By: /s/ Scott Smyth

Scott Smyth
State Bar No. 18779450
ssmyth@dtgclaw.com
John W. Davidson
State Bar No. 05436000
jdavidson@dtgclaw.com

ATTORNEYS FOR
KERRVILLE PUBLIC UTILITY BOARD

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing document has been served on all parties of record on this 18th day of May, 2020 in accordance with 16 Tex. Admin. Code § 22.74.

Emily R. Jolly
Associate General Counsel
Lower Colorado River Authority
P.O. Box 220
Austin, TX 78767
emily.jolly@lcra.org

Rashmin J. Asher
Attorney
Public Utility Commission of Texas Legal Division
1701 N. Congress Avenue
Austin, TX 78711
Rashmin.asher@puc.texas.gov

/s/ Scott Smyth
Scott Smyth

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REQUEST FOR INFORMATION STAFF 6-1

Staff 6-1 Please provide for Kerrville Public Utility Board ("Kerrville" or the "Company"):

- a.) a Summary of Rate-Case Expense Schedule of **total rate-case expenses** by vendor within each discipline (legal, engineering, accounting, etc.) with subtotals for each month for which rate-case expense reimbursement is sought, broken down as follows: estimated expenses, expenses incurred and paid to date, expenses incurred and not paid to date, remaining estimated expenses, and specific areas of work by vendor. Please attach supporting invoices and receipts for all requested rate-case expenses incurred to date.
- b.) an explanation of the basis for any estimated rate-case expenses requested and when the estimated expenses are expected to be incurred.
- c.) assurance that the total amounts provided in response to item (a) equal your total requested rate-case expenses.

RESPONSE:

- A. See attached schedule and invoices.
- B. Estimated rate case expenses cover anticipated charges for May and June, 2020 and are listed in the attached schedule. These estimates assume no further discovery requests, no extended delay in the final approval of the revised application, and no further activity in the case after June, 2020.
- C. The total amount listed in the attached schedule (\$205,853) is the total requested rate case expenses with the assumptions described in response to (b).

Sponsor: Jill Sadberry, Chuck Loy, and Scott Smyth

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REQUEST FOR INFORMATION STAFF 6-2

Staff 6-2 Please provide a detailed schedule of and justification for each individual whose **hourly billing rate** is \$400 an hour or greater. The schedule should include the vendor name, individual's name, individual's title, number of hours billed, and specific work hours.

RESPONSE:

See response to Staff 6-3. No individual charged an hourly billing rate of \$400 an hour or greater in requested rate case expenses.

Sponsor: Jill Sadberry

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REQUEST FOR INFORMATION STAFF 6-3

Staff 6-3 Please provide an affidavit signed by each professional stating that the rate charged is the normal hourly billing rate charged by the professional, is comparable to the hourly rate charged by other professionals for similar services provided to other Texas utilities, and is the normal hourly billing rate charged by the professional for services to non-regulated entities

RESPONSE:

See attached Affidavit of Scott Smyth.

Sponsor: Scott Smyth

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REQUEST FOR INFORMATION STAFF 6-4

Staff 6-4 Please provide a detailed schedule of, and justification for, any charges included in requested rate-case expenses which result from a single person billing in excess of 12 **hours per day**.

RESPONSE:

No single person billed in excess of 12 hours per day.

Sponsor: Jill Sadberry

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REQUEST FOR INFORMATION STAFF 6-5

Staff 6-5 Please provide a detailed schedule of all **hotel or lodging charges**. This schedule should provide the nightly room rate for each stay, shown separately from other charges.

RESPONSE:

Date	10/13/2019
Consultant	Alliance Consulting Group - Dane Watson
Total Hotel Charges	\$86.40
Nightly Room Rate	\$86.40

See attached receipt and Alliance Consulting Group invoices in response to Staff 6-1A.

Sponsor: Jill Sadberry

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REQUEST FOR INFORMATION STAFF 6-6

Staff 6-6 Please provide a schedule of, and justification for, any charges included in requested rate-case expenses which result from the use of **non-commercial aircraft**. Also, please provide a detailed narrative comparing the total cost per person flying on non-commercial aircraft to the cost per person for commercial airfare (based on the same travel date and itinerary).

RESPONSE:

No charges for non-commercial aircraft were included in requested rate case expenses. See invoices and receipts in response to Staff 6-1A.

Sponsor: Jill Sadberry

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REQUEST FOR INFORMATION STAFF 6-7

Staff 6-7 Please provide a schedule of, and justification for, any charges included in requested rate-case expenses which result from **first class air travel**.

RESPONSE:

No charges for first class air travel were included in requested rate case expenses. See invoices and receipts in response to Staff 6-1A.

Sponsor: Jill Sadberry

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REQUEST FOR INFORMATION STAFF 6-8

Staff 6-8 Please provide a schedule of, and justification for, any charges included in requested rate-case expense which result from **luxury items**, such as limousine services, sporting events, alcoholic beverages, gourmet coffee, bottled water, hotel movies, satellite radio, or other entertainment.

RESPONSE:

No charges for luxury items were included in requested rate case expenses. See invoices and receipts in response to Staff 6-1A.

Sponsor: Jill Sadberry

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REQUEST FOR INFORMATION STAFF 6-9

Staff 6-9 Please provide a schedule of, and justification for, any charges included in requested rate-case expenses resulting from **meals** which cost in excess of \$25 per person per meal.

RESPONSE:

No charges for meals in excess of \$25 were included in requested rate case expenses. See invoices and receipts in response to Staff 6-1A.

Sponsor: Jill Sadberry

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REQUEST FOR INFORMATION STAFF 6-10

Staff 6-10 Please describe in detail your **selection procedure for consultants**. For each category of consultant (legal, accounting, engineering, etc.), state whether your selection procedures include provisions for:

- a.) review of the prior work products of each consultant
- b.) determination that the rate does not exceed the normal hourly billing rate charged by the vendor to other clients
- c.) an analysis of the rates charged by comparable consultants for similar services provided to other Texas utilities
- d.) competitive bidding for each contract – If competitive bidding is used, please describe the factors considered in evaluation and acceptance of bids

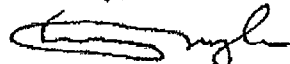
RESPONSE:

KPUB's selection procedure for consultants follows the Purchasing and Procurement Board Policy 42 adopted as Resolution No. 16-25 in November 2016. The Policy is attached. Also see below (next page), KPUB witness Tommy Nylec's memos to the Board regarding his selection of GDS.

C. Transmission Cost of Service Consulting. In November 2018, the PUCT issued a final order in Docket No. 48377, which set a schedule for all non-investor owned utilities (Non-IOUs) to file either a full or interim TCOS application within the next one or two years depending on the date of their last filing. Based on the date of KPUB's last rate change under §25.192, KPUB's deadline for filing is November 2019. Given that KPUB's last TCOS filing was approximately twenty years ago, and that it was done by the LCRA on behalf of KPUB, staff will be pursuing a full TCOS filing. To facilitate and oversee this filing, which requires regulatory filings, documented technical support, and potentially testimonials before the commission, staff recommends the use of a qualified consultant with experience in this area. Subsequently, staff is seeking approval of a purchase order to GDS Associates in the amount of \$50,000 for the firm to act as KPUB's regulatory consultant on this matter. The firm was selected based upon professional references and methodology from the four firms requested to respond for this professional service. GDS developed methodology for recovering payments in lieu of taxes and has performed this service with other utilities that have LCRA facility leases. GDS has been providing similar services to GVEC and PEC to name only a couple, and they are assisting over 1/3 of MOU's and cooperatives filing new TCOS applications. The consulting and legal costs incurred to conduct the TCOS study are recoverable through a separate rider, which will be addressed at the time of TCOS submittal.

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

Sincerely,



Tommy Nylec, P.E.

MEMORANDUM

To: Fred Gamble
Bill Thomas
Philip Stacy
Mark Cowden
Mayor Bill Blackburn

From: Tommy Nylec

Date: January 15, 2020

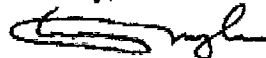
Re: Agenda Item No. 7 - Approval and Reporting of Purchases and Sales

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

C. Transmission Cost of Service Testimony Support. As an extension to the PO approved by the Board in June 2019, staff is recommending a purchase order be issued to GDS Associates for \$78,000. KPUB has filed in accordance with PUCT requirements for a full transmission cost of service. GDS Associates was awarded a purchase order for initial filing oversight and support. As mentioned in June 2019, additional support will be needed from GDS through the testimony in response to PUCT's data review process. The firm has provided an overly conservative estimate that should fully allow the firm to provide full testimony response based upon their experience for any level of inquiry posed by PUCT staff. However, KPUB staff and GDS anticipate the extent of support needed to be greatly less than the amount in the attached quote. Again, the consulting and legal costs incurred to conduct the transmission cost of service study are recoverable through a separate rider, which will be addressed after the approval of KPUB's submittal by PUCT.

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

Sincerely,



Tommy Nylec, P.E.

Sponsor: Jill Sadberry

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REQUEST FOR INFORMATION STAFF 6-11

Staff 6-11 Prior to submission of rate-case expenses to the Commission, has the Company performed a **detailed review** of all rate-case expenses (including internal expenses, as well as outside consultants' expenses) to:

- a.) determine that invoice terms and amounts are in agreement with contract specifications?
- b.) determine that contract limits have not been exceeded?
- c.) determine that adequate supporting documentation was provided for each charge for professional or secretarial services, travel expenses, and miscellaneous expenses (consistent with documentation requirements specified above)?
- d.) verify the mathematical accuracy of each invoice?
- e.) determine that the calculation of the charges is correct?
- f.) determine that the individual charges and rates are reasonable?
- g.) determine that the amount of each service (e.g. number of hours billed) is reasonable?
- h.) determine that there is no double-billing of charges?
- i.) determine that each invoice was approved for payment by an appropriate person before payment was actually made?

For each item listed above, please describe in detail the procedures for making such a determination.

RESPONSE:

When invoices are received, they are compared to any applicable contracts or agreements regarding terms and amounts by the approving department head. The open purchase order (PO) amount determines that contract amounts, if applicable, have not been exceeded as the total PO value matches any agreed upon total.

The Accounts Payable (AP) clerk examines whether supporting documentation is provided and requests it of the vendor if it is missing. The AP clerk also verifies mathematical accuracy of each invoice and the calculation of the charges is correct. If either the department head or the AP clerk thought an individual charge, rate or the amount for each service was unreasonable, they would consult the contract or agreement, if applicable and/or contact the vendor for explanation and justification.

KPUB's accounting software uses algorithms to verify that there is no double billing of charges. The accounting software requires electronic approval by approved KPUB employees before it will generate payment.

Sponsor: Jill Sadberry

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REQUEST FOR INFORMATION STAFF 6-12

Staff 6-12 Prior to submission of rate-case expenses to the Commission was a **detailed review** of all rate-case expenses (including internal expenses, as well as outside consultants' expenses) performed to:

- a.) determine that none of the charges included in requested rate-case expenses have been included in other cost of service amounts included in the rate filing package?
- b.) determine that none of the charges included in requested rate-case expenses should have been directly assigned to other functions?
- c.) determine that any allocation of charges between functions is reasonable?
- d.) determine that none of the charges included in requested rate-case expenses have been recovered through reimbursement for other expenses?

For each item listed above, please describe in detail the procedures for making such determination.

RESPONSE:

All attorneys and consultants reviewed rate case expense invoices before submitting to KPUB. KPUB conducted internal review of all rate case expense invoices before payment.

- A. None of the charges included in requested rate case expenses have been included in the cost of service amounts included in the rate filing package.
- B. None of the charges in requested rate case expenses should have been directly assigned to other functions.
- C. Allocations of charges between functions are reasonable.
- D. None of the charges in requested rate case expenses have been recovered through reimbursement for other expenses.

Sponsor: Jill Sadberry and Chuck Loy

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REQUEST FOR INFORMATION STAFF 6-13

Staff 6-13 For each category of rate-case expenses specified in the Summary of Rate-Case Expense Schedule requested above, please provide a schedule of all **exceptions** noted upon any review of the rate-case expenses performed as described in items 11 and 12 above. The schedule should be presented in the following format:

Vendor ID	Invoice No.	Explanation of Exception	How Cleared
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RESPONSE:

There are no exceptions to rate case expenses.

Sponsor: Chuck Loy

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REQUEST FOR INFORMATION STAFF 6-14

Staff 6-14 Are **payments to outside consultants** delayed or invoices rejected if adequate supporting documentation is not provided? Please explain.

RESPONSE:

Yes, payments are delayed or invoiced rejected if adequate supporting documentation is not provided. See response to Staff 6-11 as well.

Sponsor: Jill Sadberry

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REQUEST FOR INFORMATION STAFF 6-15

Staff 6-15 Is any amount or retainer withheld from payments to outside consultants? If yes, please provide details.

RESPONSE:

No, no amount or retainer was/is withheld from payments to outside consultants.

Sponsor: Jill Sadberry

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REQUEST FOR INFORMATION STAFF 6-16

Staff 6-16 Have any outside parties (e.g. independent auditors) or internal auditors performed a **review of the requested rate-case expenses**? If so, please describe the review performed and provide copies of the working papers prepared during this review.

RESPONSE:

No outside parties or internal auditors have performed a review of the requested rate case expenses.

Sponsor: Jill Sadberry

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REQUEST FOR INFORMATION STAFF 6-17

Staff 6-17 Does the Company have the contractual right to perform **audits of consultants' expenses**?
If you do have this right, have you audited any consultants currently included in requested
rate-case expenses? If so, please identify the consultants audited, the procedures performed
and the results of the audit. If you do have this right and have not performed any audits,
why not?

RESPONSE:

KPUB does not have contractual rights to perform audits of consultant's expenses.

Sponsor: Jill Sadberry

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REQUEST FOR INFORMATION STAFF 6-18

Staff 6-18 Does the Company have any procedures for evaluating total costs for rate-case expenses (actual vs. budgeted costs)? If so, please describe these procedures.

RESPONSE:

It has been difficult to budget for this project as it has been over 20 years since a similar rate case was performed. KPUB has created two PO's with estimated costs from the consultants which act a budget of sorts to compare against actual expenses.

Sponsor: Jill Sadberry

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REQUEST FOR INFORMATION STAFF 6-19

Staff 6-19 For all requested rate-case expenses, please provide details of any instances in which more than one law firm or other consultant was engaged to provide similar services for the same aspect of the rate-case. Please provide evidence that such charges did not result from **a duplication of services**.

RESPONSE:

There was no duplication of services by attorneys or consultants.

Sponsor: Chuck Loy

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REQUEST FOR INFORMATION STAFF 6-20

Staff 6-20 Please list individually by entity, person and amount, any **salaries, wages,** employee benefits, or other payroll-related items which are included in requested rate-case expenses.

RESPONSE:

No salaries, wages, employee benefits or other payroll items are included in requested rate case expenses.

Sponsor: Jill Sadberry

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REQUEST FOR INFORMATION STAFF 6-21

Staff 6-21 Has the Company **excluded all expenses** which are included in another component of requested cost of service for this docket (such as payroll or lease expense included in the historic test year) from its requested rate-case expenses? If not, please provide a schedule listing these expenses and a detailed explanation of why they are not excluded.

RESPONSE:

Yes. All cost of service expenses from the test year have been excluded from rate case expenses.

Sponsor: Chuck Loy

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REQUEST FOR INFORMATION STAFF 6-22

Staff 6-22 Are any charges included in requested rate-case expenses for legal or other **services provided by your employees**? If yes, provide a schedule by employee showing the total amount included in rate-case expenses, and a detailed description of how the amount was determined (e.g. based on actual salary, based on comparable outside consultants' billing rates, etc.). Provide a justification for any charges in excess of your actual costs.

RESPONSE:

Not applicable.

Sponsor: Chuck Loy

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REQUEST FOR INFORMATION STAFF 6-23

Staff 6-23 Are any charges requested by the utility or municipality for legal or other **services provided by their employees**? If yes, provide a schedule by employee showing the total amount included in rate-case expenses, and a detailed description of how the amount was determined (e.g. based on actual salary, based on comparable outside consultants' billing rates, etc.). Provide justification for any charges in excess of actual costs.

RESPONSE:

Not applicable.

Sponsor: Chuck Loy

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REQUEST FOR INFORMATION STAFF 6-24

Staff 6-24 Are any Company or consultant **internal overhead charges** included in requested rate-case expenses? If yes, provide a schedule by type of overhead expense showing the total amount(s) included in rate-case expenses and a detailed description of how the amount(s) was determined (e.g. based on actual costs, based on market prices, etc.).

RESPONSE:

CONSULTANT	CHARGE	Month	AMOUNT	EXPLANATION
Alliance Consulting Group	Misc. Office Expenses	Sep-19	\$18.00	Alliance Consulting Group charges a small fee to recover costs that are included as miscellaneous office expense such as printing, telephone charges, postage, and miscellaneous office supplies. In lieu of specifically tracking and billing each item, the cost of those items are recovered through a percentage charge on client invoices.
Alliance Consulting Group	Misc. Office Expenses	Oct-19	\$191.50	Alliance Consulting Group charges a small fee to recover costs that are included as miscellaneous office expense such as printing, telephone charges, postage, and miscellaneous office supplies. In lieu of specifically tracking and billing each item, the cost of those items are recovered through a percentage charge on client invoices.
Alliance Consulting Group	Misc. Office Expenses	Nov-19	\$110.55	Alliance Consulting Group charges a small fee to recover costs that are included as miscellaneous office expense such as printing, telephone charges,

				postage, and miscellaneous office supplies. In lieu of specifically tracking and billing each item, the cost of those items are recovered through a percentage charge on client invoices.
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See Alliance Consulting Group invoices in response to Staff 6-1A

Sponsor: Jill Sadberry, Chuck Loy

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REQUEST FOR INFORMATION STAFF 6-25

Staff 6-25 Please identify and list any charges included in the requested rate-case expenses which are **contingent upon a certain outcome**. For example, any payments, bonuses or incentives based on a specific event or result would be included in this schedule. Conversely, any reimbursements the Company will receive due to a negative outcome would also be included.

RESPONSE:

No charges in requested rate case expenses are contingent upon a certain outcome.

Sponsor: Chuck Loy

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REQUEST FOR INFORMATION STAFF 6-26

Staff 6-26 Please provide evidence and testimony or affidavits showing the reasonableness of the cost of all professional services, including but not limited to:

- (1) the nature, extent, and difficulty of the work done by the attorney or other professional in the rate case;
- (2) the time and labor required and expended by the attorney or other professional;
- (3) the fees or other consideration paid to the attorney or other professional for the services rendered;
- (4) the expenses incurred for lodging, meals and beverages, transportation, or other services or materials;
- (5) the nature and scope of the rate case, including:
 - (A) the size of the utility and number and type of consumers served;
 - (B) the amount of money or value of property or interest at stake;
 - (C) the novelty or complexity of the issues addressed;
 - (D) the amount and complexity of discovery;
 - (E) the occurrence and length of a hearing; and
 - (F) the specific issue or issues in the rate case and the amount of rate-case expenses reasonably associated with each issue.

RESPONSE:

See attached Affidavit of Scott Smyth.

Sponsor: Scott Smyth

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REQUEST FOR INFORMATION STAFF 6-27

Staff 6-27 Please provide a copy of all engagement letters or contracts for services between the Company and any professionals and/or attorneys for which rate-case expense recovery is requested.

RESPONSE:

Not applicable..

Sponsor: Jill Sadberry



Kerrville Public Utility Board
AP@KPUB.COM

November 7, 2019

RE: PO# 18510

Dear AP:

Attached is the prior month's invoice for Alliance Consulting Group's work in the 2019 Kerrville Depreciation Study Consulting Services as recommended by PUCT.

If you have any questions related to this invoice, please call me at (214) 473-6771.

Sincerely,

A handwritten signature in cursive script that reads "Dane A. Watson".

Dane A. Watson



101 E. Park Blvd, Suite 220
Plano, TX 75074

Invoice

Date	Invoice #
10/31/2019	19-1010

Bill To:
Kerrville Public Utility Board
AP@KPUB.com

PO# 18510

Billing Period: 10-1-19 through 10-31-19			
	Terms	KPU1901	
	Net 30 Days	City of Kerrville Depreciation Study 2019	
Hours	Description	Rate	Amount
15.00	Dane Watson	\$ 270	4,050.00
26.00	Karen Ponder	\$ 195	5,070.00
6.50	Alan Ponder	\$ 70	455.00
			-
			-
			-
	Subtotal		9,575.00
	Misc. Office Expenses @ 2% of Professional Services		191.50
	<u>Travel Expenses</u>		
	Transportation		\$ 415.85
	Meals		\$ 16.50
	Lodging		\$ 86.40
	Misc		\$ 10.00
	Total Expenses		\$ 528.75
Total			\$ 10,295.25

ALLIANCE CONSULTING GROUP

Professional Services

Oct-19

Dane Watson

Kerrville

<u>Date</u>	<u>Time:</u> <u>Hours</u>	<u>Activity</u>
01-Oct		
02-Oct		
03-Oct		
04-Oct		
05-Oct		
06-Oct		
07-Oct		
08-Oct		
09-Oct	1.50	Prep and 2 calls with Company
10-Oct	1.50	Sort RTU file
11-Oct		
12-Oct		
13-Oct	4.00	Travel to interviews
14-Oct	7.00	Interviews and return travel
15-Oct		
16-Oct		
17-Oct		
18-Oct	1.00	Review/edit interview notes
19-Oct		
20-Oct		
21-Oct		
22-Oct		
23-Oct		
24-Oct		
25-Oct		
26-Oct		
27-Oct		
28-Oct		
29-Oct		
30-Oct		
31-Oct		
	<u>15.00</u>	

ALLIANCE CONSULTING GROUP

Professional Services

Oct-19

Karen Ponder

Kerrville

<u>Date</u>	<u>Time:</u> <u>Hours</u>	<u>Activity</u>
01-Oct		
02-Oct		
03-Oct		
04-Oct	3.00	Data for Addition/ Retirement Graphs
05-Oct		
06-Oct		
07-Oct		
08-Oct	2.00	Net Salvage
09-Oct	1.00	State parameter summary
10-Oct	2.00	Testimony
11-Oct	2.00	RTU data
12-Oct		
13-Oct		
14-Oct		
15-Oct		
16-Oct		
17-Oct		
18-Oct		
19-Oct	4.00	Report
20-Oct	5.00	Report
21-Oct	2.00	Report
22-Oct		
23-Oct		
24-Oct		
25-Oct	3.00	Report
26-Oct		
27-Oct		
28-Oct		
29-Oct	2.00	Report
30-Oct		
31-Oct		
Total	<u>26.00</u>	

ALLIANCE CONSULTING GROUP

Professional Services

Oct-19

Alan Ponder

Kerrville

<u>Date</u>	<u>Time:</u> <u>Hours</u>	<u>Activity</u>
1-Oct		
2-Oct		
3-Oct		
4-Oct	1.00	Graphs
5-Oct		
6-Oct		
7-Oct	1.25	Report
8-Oct		
9-Oct		
10-Oct		
11-Oct		
12-Oct		
13-Oct		
14-Oct		
15-Oct		
16-Oct		
17-Oct		
18-Oct		
19-Oct	0.75	Verifying Balances
20-Oct	0.50	Report
21-Oct		
22-Oct		
23-Oct		
24-Oct		
25-Oct		
26-Oct		
27-Oct		
28-Oct	1.50	Net Salvage Build
29-Oct	1.50	Net Salvage Build
30-Oct		
31-Oct		
Total	<u>6.50</u>	

Alliance Consulting Group Expense Report

Name Dane Watson Date 31-Oct-19

Client Kerrville W O #

	Dates	10/13/2019	10/14/2019	10/15/2019			Total
To		Austin					
From		DFW					
Air Fare		\$238.50					\$238.50
Hotel			\$86.40				\$86.40
Car Rental				\$139.05			\$139.05
Personal Car @ 58¢/Mi.							\$0.00
Unreimb Meals							\$0.00
Meals Business		\$16.50					\$16.50
Uber		\$38.30					\$38.30
Telephone							\$0.00
Parking							\$0.00
Naruk copies							\$0.00
Miscellaneous		\$5.00	\$5.00				\$10.00
							\$0.00

DAILY TOTAL		\$298.30	\$91.40	\$139.05	\$0.00	\$0.00	\$528.75
--------------------	--	-----------------	----------------	-----------------	---------------	---------------	-----------------

Transportation		\$276.80	\$0.00	\$139.05	\$0.00	\$0.00	\$415.85
Meals		\$16.50	\$0.00	\$0.00	\$0.00	\$0.00	\$16.50
Lodging			\$86.40	\$0.00	\$0.00	\$0.00	\$86.40
Telephone		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Other		\$5.00	\$5.00	\$0.00	\$0.00	\$0.00	\$10.00

SIGNATURE:

American Airlines

Plan Travel

Home Hello, DANE

English

Search aa.com

Travel Information

AAdvantage



Choose flights

« New search

Your trip summary

\$477/2 clients = \$238.50

Main Cabin Flexible

Round trip (Flexible)

\$ 477 per person

Total \$476.60 (all passengers)

Price and tax information ⓘ

Good value with benefits

- Preferred seats on American flights
- Eligible for upgrades on American flights
- Up to 1 EQM per mile flown on eligible flights
- Changes or refunds allowed (fee may apply)

Includes taxes and carrier imposed fees.

Bag and optional fees ⓘ

Depart Dallas/ Fort Worth, TX to Austin, TX

Sunday, October 13, 2019

2:41 PM → 3:43 PM 1h 2m Nonstop

Main Cabin Flexible

AA 1448 ■ 738-Boeing 737 ⓘ ⓘ

[Details](#) | [Change](#)

Return Austin, TX to Dallas/ Fort Worth, TX

Tuesday, October 15, 2019

8:01 PM → 9:12 PM 1h 11m Nonstop

Main Cabin Flexible

AA 2594 ■ 738-Boeing 737 ⓘ ⓘ

[Details](#) | [Change](#)

Upgrade to First

Round trip (Non-refundable)

+\$ 262 per person

Total \$738.59 (all passengers)

Upgrade

Best way to travel

- Our largest, most comfortable seat
- 2 free checked bags*
- Up to 3 EQMs per mile flown on eligible flights
- Same-day flight change & standby when available on American flights

*On planes with both Business and First, you get 1 extra checked bag or 2 if you're AAdvantage Executive Platinum.



Earn up to a \$200 statement credit

Plus, 40,000 bonus miles after qualifying purchases with this credit card offer

Learn more ⓘ

Continue

Teresa Stewart

From: Dane Watson
Sent: Friday, October 18, 2019 5:18 PM
To: Teresa Stewart
Subject: FW: Your folio at Sunday House Inn
Attachments: ATT00001

From: Best Western Sunday House Reservations <reserve@bestwesternkerrville.com>
Sent: Monday, October 14, 2019 7:39 AM
To: Dane Watson <dwatson@alliancecg.net>
Subject: Your folio at Sunday House Inn

Best Western Sunday House Inn
2124 Sidney Baker,
Kerrville, TX 78028
Ph: (830) 896-1313
Fax: (830) 896-1336

Guest Information:

WATSON, DANE
101 E. PARK BLVD,
PLANO, TX 75074
Ph: 214-316-1444

Stay Information:

Room: 112A Confirmation: 190D3F
Payment: VISA Guests: 1 Adults, 0 Children, 0 Infants
Arrival: October 13, 2019 Departure: October 14, 2019
BWR Tier: BASE BWR Number: 6006637549084762

Transaction Details:

Date	Room	Transaction	Amount	Balance	Comment
October 13, 2019	112	ROOM	76.46	76.46	
October 13, 2019	112	STATE TAX	4.59	81.05	
October 13, 2019	112	CITY OCC TX	5.35	86.40	
October 14, 2019	112	VISA	86.40 CR	0.00	12:00 PM C/O
		XXXXXXXXXXXX8185			
Balance Due at Checkout				0.00	

Each Best Western® branded hotel is independently owned and operated



Rental Agreement # 649605362

Invoice # 91275531

Renter Information**Renter Name**

DANE WATSON

Renter Address

RICHARDSON, TX 75081

USA

Contract

EMERALD CLUB MEMBERS

Trip Information**Pickup**☐ Sunday, October 13, 2019 ☒ 4:57 PM

AUSTIN BERGSTROM ARPT (AUS)

3819 PRESIDENTIAL BLVD

AUSTIN, TX 78719

USA

Return☒ Wednesday, October 16, 2019 ☐ 11:23 AM

AUSTIN BERGSTROM ARPT (AUS)

3819 PRESIDENTIAL BLVD

AUSTIN, TX 78719

USA

Vehicle Information

19 CHARGER SXT 4DR RWD

License #: N538521

State/Province: LA

Unit #: 7SKJTV

Vehicle #: KH709992

Vehicle Class Driven

Full Size Car 4-Door/Automatic/Air

Vehicle Class Charged

Intermediate Car 2 or 4-Door/

Automatic/Air

Odometer Mileage/Kilometers

Starting: 2,669 Ending: 2,926

Total: 257

Bill-To: EMERALD CLUB MEMBERS**Subtotal****Renter Charges**

Rental Rate	Time & Distance 3 Day at \$66.73 / Day	\$200.19
Add-Ons	Discount (10.00%)	(\$20.02)
Taxes and Fees	Tx Motor Veh Rental Tax (10.00%)	\$22.57
	Austin Events Venue Tax 5 Pct (5.00%)	\$11.28
	Vif Rec 2.29/day (\$2.29 / Day)	\$6.87
	Consolidated Facility Fee 5.95/dy (\$5.95 / Day)	\$17.85
	Concession Recoup Fee 11.11 Pct (11.11%)	\$20.78

Total

\$259.52

(Subject to audit)

Amount charged on October 16, 2019 to AMERICAN

EXPRESS (2005)

(\$233.94)

Amount charged on October 16, 2019 to AMERICAN

EXPRESS (2005)

(\$25.58)

Amount Due

\$0.00

259.52
+18.58
278.10/2=
139.05

Thank you for renting
with National Car Rental

We appreciate your business!

This email was automatically generated
from an unattended mailbox, so please
do not reply to this e-mail.

If you have any questions about your
rental, please view our Frequently
Asked Questions or send us a secured
message by visiting our [Support Center](#)

10/15/2019 18:34:55

Order Number:

Circle K 2704675

2453 E State Hwy 71

Austin TX 78617

(512) 386-7846

SHELL

2453 BASTROP HWY

DEL VALLE TX

78617

Merch #: 57545447085

Appr: 541431

Invoice #: 425132

UNL-REG

PUMP No.

Gallons 8.337

PRICE/G \$2.229

TOTAL FUEL \$18.58

TOTAL SALE \$18.58

AMEX

XXXX XXXXXX X2005

Choose Shell U-Power

NITRO+ Premium

Gasoline.

Our best (most

advanced) fuel...

10/15/2019 18:31:56

THANK YOU
HAVE A NICE DAY

Pier 27 River Lounge
1521 Junction Hwy
KERRVILLE, TX 78028
830-896-7437

Dine In #70

Server: Nathan D.
Receipt: 188319
Customer: Watson
10/13/2019
08:51PM
Reg: 1-2

1 x 1/2 Order Hot Wings 1.95
- Traditional
- sprinkle with Carolina Reaper
- Ranch
1 x (6) Fried Cordon Bleu Bites 5.95

Subtotal 12.90
Tax 1.06

Balance Due 13.96

Suggested Tip

15% = 1.94
18% = 2.32
20% = 2.58

Thank you! We appreciate your business!!

Kerrville -Dine

Pier 27 River Lounge
1521 Junction Hwy
KERRVILLE, TX 78028
830-896-7437

Server: Nathan D.
Order: 70
Receipt: 188319
10/13/2019
08:54PM

Card Holder: Valued Customer
Card Number: XXXXXXXXXXXX2005
Entry Method: Swipe
Card Type: Amex
Approval: 378959544

Amount: \$13.96

+ Tip: 2.54

= Total: 16.50

I agree to pay the above amount according
to the card issuer agreement.

X

*** CUSTOMER COPY ***

Suggested Tip

15% = 1.94
18% = 2.32
20% = 2.58

Teresa Stewart

From: Dane Watson
Sent: Sunday, October 13, 2019 2:58 PM
To: Teresa Stewart
Subject: Fwd: Thanks for tipping! We've updated your Sunday afternoon trip receipt

Begin forwarded message:

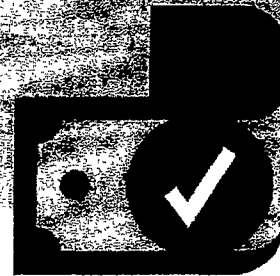
From: "Uber Receipts" <uber.us@uber.com>
Date: October 13, 2019 at 2:40:59 PM CDT
To: <dwatson@alliancecg.net>
Subject: Thanks for tipping! We've updated your Sunday afternoon trip receipt

Uber

Total: \$38.30
Sun, Oct 13, 2019

Thanks for tipping, Dane

Thanks for tipping! We've updated
your Sunday afternoon trip receipt



Total

\$38.30

✦ You earned 68 points on this trip

Base Fare	\$1.00
Time	\$5.07
Distance	\$20.38

Subtotal	\$26.45
South Airport Entrance Surcharge ⓘ	\$2.00
Booking Fee ⓘ	\$2.85
DFW Airport Surcharge ⓘ	\$3.00
Tip	\$4.00

Amount Charged

 2005 Switch \$38.30

A temporary hold of \$36.49 was placed on your payment method 2005 at the start of the trip. This is not a charge and has or will be removed. It should disappear from your bank statement shortly. [Learn More](#)

You rode with Christopher



4.92 ★ Rating

**Christopher is known
for:**
Excellent Service

When you ride with Uber, your trips are insured in case of a covered accident. Learn more.

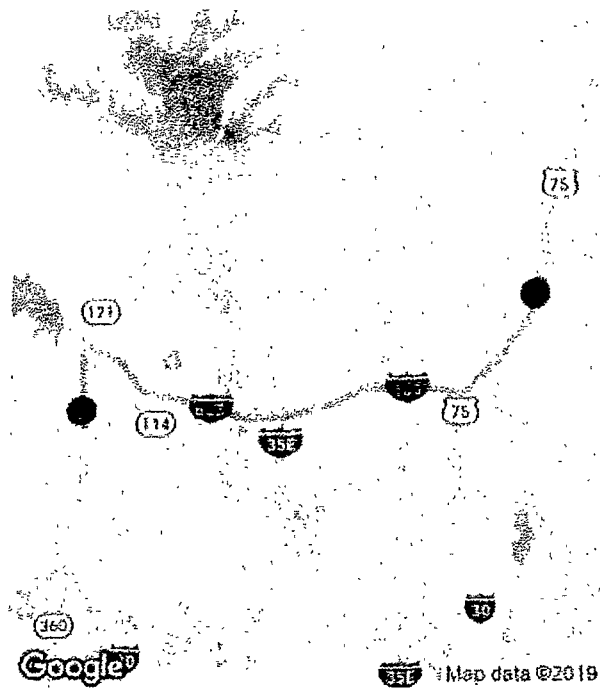
UberX 25.47 mi | 31 min

01:48pm

1821 N Greenville Ave,
Richardson, TX

02:20pm

Terminal B, 2141
International Pkwy, Dallas, TX



Invite your friends and family.

Get \$5 off your next ride when you refer a friend to try Uber. Share code: danew216ue

KERRVILLE PUBLIC UTILITY BOARD

Revision: 96739

05/01/2020 11:10:17 AM

Accounts Payable
Check Register

Page 1

10/01/2018 To 04/30/2020

Bank Account: 1 - BANK 1

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
815 10/17/2019	DD	1484	MAC CONSULTING	KPUB DEPRECIATION STUDY	918.00
847 11/14/2019	DD	1484	MAC CONSULTING	2019-DEPRECIATION STUDY CONSULTING SVCS	10,295.25
888 12/19/2019	DD	1484	MAC CONSULTING	CITY OF KERRVILLE DEPRECIATION STUDY	5,638.05
Total for Bank Account - 1 :					(3) 16,851.30
Grand Total :					(3) 16,851.30

05/01/2020 11:10:17 AM

Accounts Payable
Check Register

Page 2

PARAMETERS ENTERED:

Check Date: 10/01/2018 To 04/30/2020
Bank: All
Vendor: 1484
Check:
Journal: All
Format: Summary
Extended Reference: No
Sort By: Date
Voids: None
Payment Type: All
Group By Payment Type: No
Minimum Amount: 0.00
Authorization Listing: No
Authorization Comments: No
Credit Card Charges: No

KERRVILLE PUBLIC UTILITY BOARD

Revision. 96739

05/01/2020 11:11:33 AM

Accounts Payable
Check Register

Page 1

10/01/2018 To 04/30/2020

Bank Account: 1 - BANK 1

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
130391 08/22/2019	CHK	20989	GDS ASSOCIATES	PUCT REGULATORY FILING SUPPORT	5,506.30
130533 09/19/2019	CHK	20989	GDS ASSOCIATES	TCOS FILING-PUCT REGULATORY SUPPORT	13,758.35
130712 10/24/2019	CHK	20989	GDS ASSOCIATES	TCOS-PUCT REGULATORY FILING	14,963.15
130951 01/02/2020	CHK	20989	GDS ASSOCIATES	PUCT REGULATORY FILING SUPPORT	8,136.50
131063 01/24/2020	CHK	20989	GDS ASSOCIATES	TCOS-PUCT REGULATORY FILING	17,323.45
131230 03/05/2020	CHK	20989	GDS ASSOCIATES	PHASE II-PUC TCOS FILING	19,490.46
131349 04/02/2020	CHK	20989	GDS ASSOCIATES	TCOS-PUCT REGULATORY FILING SUPPORT	3,424.06
131409 04/16/2020	CHK	20989	GDS ASSOCIATES	REQUISITION 2043-TCOS PUCT REGULATORY	19,216.10
Total for Bank Account - 1 :					(8) 101,818.37
Grand Total :					(8) 101,818.37

05/01/2020 11:11:33 AM

Accounts Payable
Check Register

Page 2

PARAMETERS ENTERED:

Check Date: 10/01/2018 To 04/30/2020
Bank: All
Vendor: 20989
Check:
Journal: All
Format: Summary
Extended Reference: No
Sort By: Date
Voids: None
Payment Type: All
Group By Payment Type: No
Minimum Amount: 0.00
Authorization Listing: No
Authorization Comments: No
Credit Card Charges: No

**DAVIDSON TROILO REAM & GARZA
A PROFESSIONAL CORPORATION**

601 N.W. LOOP 410, SUITE 100

SAN ANTONIO, TX 78216-5511

(210) 349-6484 Tax #74-1792996

Telephone: (210) 349-6484

Facsimile: (210) 349-0041

Kerrville Public Utility Board
c/o Tracy McCuan
P. O. Box 294999
Kerrville, TX 78029-4999

July 31, 2019

Client ID 1694-53 JWD
Invoice No. 22550

Statement for period through July 31, 2019

LEGAL SERVICES REGARDING: 2019 TCOS Project

Fees

07/22/19 EMAIL TO GDS AND CLIENT REGARDING INITIAL STRATEGY WITH
PUCT ON REQUIREMENT TO PERFORM DEPRECIATION STUDY.

TOTAL FEES \$92.50

BALANCE PRIOR INVOICE \$0.00

BALANCE THIS INVOICE \$92.50

BALANCE DUE **\$92.50**

ANY PAYMENTS RECEIVED AFTER 07/31/19 WILL APPEAR ON YOUR NEXT INVOICE

DAVIDSON TROILO REAM & GARZA
A PROFESSIONAL CORPORATION
Timesheet Detail

From 7/1/2019 Through 7/31/2019

Date	Code	Task	Activity	Hours	Amount	Description	Date Billed	Amount Billed
1694	Kerrville Public Utility Board							
53	2019 TCOS Project							
7/22/19	SJS			0.50	92.50	EMAIL TO GDS AND CLIENT REGARDING INITIAL STRATEGY WITH PUCT ON REQUIREMENT TO PERFORM DEPRECIATION STUDY.	7/31/19	92.50
		Matter Total		0.50	92.50			92.50
		Client Total		0.50	92.50			92.50
Report Total:								
		Total		0.50	92.50			92.50

Types, Billed Time

Selection criteria Client, 1694 Matter, 53

Sorted by: Client Number / Matter Number

**DAVIDSON TROILO REAM & GARZA
A PROFESSIONAL CORPORATION**

601 N.W. LOOP 410, SUITE 100

SAN ANTONIO, TX 78216-5511

(210) 349-6484 Tax #74-1792996

Telephone: (210) 349-6484

Facsimile: (210) 349-0041

Kerrville Public Utility Board
c/o Tracy McCuan
P. O. Box 294999
Kerrville, TX 78029-4999

October 31, 2019

Client ID 1694-53 JWD
Invoice No. 23681

Statement for period through October 31, 2019

LEGAL SERVICES REGARDING: 2019 TCOS Project

Fees

10/09/19 CONFERENCE CALL WITH CLIENT, EXPERTS TO DISCUSS
PREPARATION OF TESTIMONY.
10/18/19 CONFER WITH EXPERTS REGARDING SCHEDULE FOR FILING
APPLICATION.
10/21/19 RESEARCH TARIFF OPTIONS FOR KPUB.
REVIEW EMAIL FROM J. DANIELS.
10/23/19 REVIEW INITIAL DRAFT TESTIMONY, NYLEC.
10/29/19 RESEARCH RECENT PUCT RULINGS ON TCOS APPLICATIONS.
BEGIN PREPARATION TO DRAFT APPLICATION, PLEADINGS,
NOTICES.

TOTAL FEES

\$1,110.00

BALANCE PRIOR INVOICE \$0.00

BALANCE THIS INVOICE \$1,110.00

BALANCE DUE \$1,110.00

ANY PAYMENTS RECEIVED AFTER 10/31/19 WILL APPEAR ON YOUR NEXT INVOICE

DAVIDSON TROILO REAM & GARZA
A PROFESSIONAL CORPORATION
Timesheet Detail

From 10/1/2019 Through 10/31/2019

Date	Code	Task	Activity	Hours	Amount	Description	Date Billed	Amount Billed
1694 Kerrville Public Utility Board								
53 2019 TCOS Project								
10/9/19	SJS			0.50	92.50	CONFERENCE CALL WITH CLIENT, EXPERTS TO DISCUSS PREPARATION OF TESTIMONY.	10/31/19	92.50
10/18/19	SJS			0.50	92.50	CONFER WITH EXPERTS REGARDING SCHEDULE FOR FILING APPLICATION.	10/31/19	92.50
10/21/19	SJS			1.00	185.00	RESEARCH TARIFF OPTIONS FOR KPUB. REVIEW EMAIL FROM J. DANIELS.	10/31/19	185.00
10/23/19	SJS			1.00	185.00	REVIEW INITIAL DRAFT TESTIMONY, NYLEC.	10/31/19	185.00
10/29/19	SJS			3.00	555.00	RESEARCH RECENT PUCT RULINGS ON TCOS APPLICATIONS. BEGIN PREPARATION TO DRAFT APPLICATION, PLEADINGS, NOTICES.	10/31/19	555.00
Matter Total				6.00	1,110.00			1,110.00
Client Total				6.00	1,110.00			1,110.00
Report Total:								
Total				6.00	1,110.00			1,110.00

Types: Billed Time

Selection criteria: Client: 1694 Matter: 53

Sorted by: Client Number / Matter Number

**DAVIDSON TROILO REAM & GARZA
A PROFESSIONAL CORPORATION**

601 N.W. LOOP 410, SUITE 100
SAN ANTONIO, TX 78216-5511
(210) 349-6484 Tax #74-1792996

Telephone: (210) 349-6484

Facsimile: (210) 349-0041

Kerrville Public Utility Board
c/o Tracy McCuan
P. O. Box 294999
Kerrville, TX 78029-4999

November 30, 2019

Client ID 1694-53 JWD
Invoice No. 23748

Statement for period through November 30, 2019

LEGAL SERVICES REGARDING: 2019 TCOS Project

Fees

- 11/08/19 REVIEW NYLEC DRAFT TESTIMONY.
EMAIL TO WITNESS LIST REGARDING INTERNAL PROCEDURES.
CONFER WITH WITNESSES ON TESTIMONY.
- 11/11/19 RESEARCH TCOS REQUIREMENTS REGARDING SCOPE OF
DEPRECIATION STUDIES.
EMAIL TO EXPERTS AND CLIENT.
- 11/13/19 RESEARCH RATE CASE EXPENSE ISSUE.
CONFER WITH GDS ASSOCIATES REGARDING PLANNED
TESTIMONY ON SAME.
- 11/18/19 REVIEW EMAILS AND ATTACHMENTS FROM WITNESSES
REGARDING DIRECT TESTIMONY.
WORK ON REQUESTED ESTIMATE OF RATE CASE EXPENSES.
- 11/20/19 REVIEW, ENTER CORRECTIONS TO, DIRECT TESTIMONY OF D.
WATSON FOR TCOS APPLICATION.
REVIEW DIRECT TESTIMONY OF C. LOY IN TCOS CASE.
REVIEW DIRECT TESTIMONY OF J. DANIELS FOR TCOS
APPLICATION.
REVIEW DIRECT TESTIMONY OF P. NYLEC FOR TCOS
APPLICATION.
RESEARCH LAW AND PUCT PRECEDENT ON TCOS APPLICATION.
PREPARE KPUB TCOS APPLICATION.
- 11/21/19 RESEARCH LAW AND PUCT PRECEDENT ON NOTICE FOR TCOS
APPLICATION. PREPARE KPUB MOTION FOR PROTECTIVE
ORDER.
- 11/22/19 REVISE APPLICATION, NOTICE BASED ON CHANGES IN LOY
TESTIMONY.
COMPARE TESTIMONIES TO SCHEDULES, WORKPAPERS,
NOTICE, CONFIDENTIAL EXHIBIT FOR KPUB TCOS APPLICATION.
- 11/23/19 REVIEW DRAFT TESTIMONIES, ANALYZE SCHEDULES,
WORKPAPERS, COMPARE TO PROPOSED NOTICE FOR KPUB
TCOS APPLICATION.

**DAVIDSON TROILO REAM & GARZA
A PROFESSIONAL CORPORATION**

601 N.W. LOOP 410, SUITE 100

SAN ANTONIO, TX 78216-5511

(210) 349-6484 Tax #74-1792996

Telephone: (210) 349-6484

Facsimile: (210) 349-0041

Kerrville Public Utility Board

November 30, 2019

Fees

- 11/24/19 FINALIZE KPUB TCOS APPLICATION, CHECK FOR ERRORS IN
PETITION, TESTIMONIES, SCHEDULES, WORKPAPERS, NOTICE,
CONFIDENTIAL EXHIBIT FOR KPUB TCOS APPLICATION.
- 11/25/19 COORDINATE FILING OF APPLICATION TO CHANGE TCOS AND
WHOLESALE TRANSMISSION RATES, TESTIMONY, CONFIDENTIAL
EXHIBIT AND PROPOSED NOTICE. EMAIL TO CLIENT ON SAME.

TOTAL FEES

\$8,417.50

BALANCE PRIOR INVOICE \$1,110.00

BALANCE THIS INVOICE \$8,417.50

BALANCE DUE \$9,527.50

ANY PAYMENTS RECEIVED AFTER 11/30/19 WILL APPEAR ON YOUR NEXT INVOICE

DAVIDSON TROILO REAM & GARZA
A PROFESSIONAL CORPORATION
Timesheet Detail

From 11/1/2019 Through 11/30/2019

Date	Code	Task Activity	Hours	Amount	Description	Date Billed	Amount Billed
1694 Kerrville Public Utility Board							
53 2019 TCOS Project							
11/8/19	SJS		2.00	370.00	REVIEW NYLEC DRAFT TESTIMONY. EMAIL TO WITNESS LIST REGARDING INTERNAL PROCEDURES. CONFER WITH WITNESSES ON TESTIMONY.	11/30/19	370.00
11/11/19	SJS		1.00	185.00	RESEARCH TCOS REQUIREMENTS REGARDING SCOPE OF DEPRECIATION STUDIES. EMAIL TO EXPERTS AND CLIENT.	11/30/19	185.00
11/13/19	SJS		1.00	185.00	RESEARCH RATE CASE EXPENSE ISSUE. CONFER WITH GDS ASSOCIATES REGARDING PLANNED TESTIMONY ON SAME.	11/30/19	185.00
11/18/19	PWL		3.00	555.00	REVIEW EMAILS AND ATTACHMENTS FROM WITNESSES REGARDING DIRECT TESTIMONY. WORK ON REQUESTED ESTIMATE OF RATE CASE EXPENSES.	11/30/19	555.00
11/20/19	SJS		2.00	370.00	REVIEW DIRECT TESTIMONY OF C. LOY IN TCOS CASE.	11/30/19	370.00
11/20/19	SJS		2.00	370.00	REVIEW DIRECT TESTIMONY OF J. DANIELS FOR TCOS APPLICATION.	11/30/19	370.00
11/20/19	SJS		0.50	92.50	REVIEW DIRECT TESTIMONY OF P. NYLEC FOR TCOS APPLICATION.	11/30/19	92.50
11/20/19	SJS		6.00	1,110.00	RESEARCH LAW AND PUCT PRECEDENT ON TCOS APPLICATION. PREPARE KPUB TCOS APPLICATION.	11/30/19	1,110.00
11/20/19	SJS		3.00	555.00	REVIEW, ENTER CORRECTIONS TO, DIRECT TESTIMONY OF D. WATSON FOR TCOS APPLICATION.	11/30/19	555.00
11/21/19	SJS		6.00	1,110.00	RESEARCH LAW AND PUCT PRECEDENT ON NOTICE FOR TCOS APPLICATION. PREPARE KPUB MOTION FOR PROTECTIVE ORDER.	11/30/19	1,110.00
11/22/19	SJS		6.00	1,110.00	REVISE APPLICATION, NOTICE BASED ON CHANGES IN LOY TESTIMONY. COMPARE TESTIMONIES TO SCHEDULES, WORKPAPERS, NOTICE, CONFIDENTIAL EXHIBIT FOR KPUB TCOS APPLICATION.	11/30/19	1,110.00
11/23/19	SJS		6.00	1,110.00	REVIEW DRAFT TESTIMONIES, ANALYZE SCHEDULES, WORKPAPERS, COMPARE TO PROPOSED NOTICE FOR KPUB TCOS APPLICATION.	11/30/19	1,110.00
11/24/19	SJS		6.00	1,110.00	FINALIZE KPUB TCOS APPLICATION, CHECK FOR ERRORS IN PETITION, TESTIMONIES, SCHEDULES, WORKPAPERS, NOTICE, CONFIDENTIAL EXHIBIT FOR KPUB TCOS APPLICATION.	11/30/19	1,110.00
11/25/19	SJS		1.00	185.00	COORDINATE FILING OF APPLICATION TO CHANGE TCOS AND WHOLESALE TRANSMISSION RATES, TESTIMONY, CONFIDENTIAL EXHIBIT AND PROPOSED NOTICE. EMAIL TO CLIENT ON SAME.	11/30/19	185.00
Matter Total			45.50	8,417.50			8,417.50
Client Total			45.50	8,417.50			8,417.50
Report Total:							
Total			45.50	8,417.50			8,417.50

Types: Billed Time

LSSTA804RP

**DAVIDSON TROILO REAM & GARZA
A PROFESSIONAL CORPORATION**

601 N.W. LOOP 410, SUITE 100
SAN ANTONIO, TX 78216-5511
(210) 349-6484 Tax #74-1792996

Telephone: (210) 349-6484
Facsimile: (210) 349-0041

Kerrville Public Utility Board
c/o Tracy McCuan
P. O. Box 294999
Kerrville, TX 78029-4999

December 31, 2019

Client ID 1694-53 JWD
Invoice No. 24390

Statement for period through December 31, 2019

LEGAL SERVICES REGARDING: 2019 TCOS Project

Fees

12/04/19 REVIEW ORDER NO. 1, PROTECTIVE ORDER.
CALL WITH PUCT STAFF ATTORNEY REGARDING NOTICE.
12/06/19 FINALIZE REQUIRED NOTICE OF DOCKET.
CONFER WITH PUCT STAFF ATTORNEY ON SAME.
SEND NOTICE TO ALL APPLICABLE STAKEHOLDERS.
PREPARE AFFIDAVIT OF NOTICE.
12/26/19 EMAIL TO CLIENT REGARDING SCHEDULES AND WORKPAPERS.
12/27/19 REVIEW PUCT STAFF DISCOVERY DEADLINE.
EMAIL TO CLIENT.

TOTAL FEES	<hr/>	\$555.00
COSTS AND EXPENSES:		Amount
12/04/19 digATX		\$893.06
OUTSIDE PHOTOCOPY FEES		
PUCT DOCKET #: 50288-KPUB TCOS 11/25/19		
TOTAL COSTS AND EXPENSES	<hr/>	\$893.06
TOTAL FEES AND COSTS	<hr/>	\$1,448.06

BALANCE PRIOR INVOICE	\$9,527.50
TOTAL PAYMENTS AND ADJUSTMENTS	-\$1,110.00
BALANCE THIS INVOICE	\$1,448.06
BALANCE DUE	\$9,865.56

ANY PAYMENTS RECEIVED AFTER 12/31/19 WILL APPEAR ON YOUR NEXT INVOICE

DAVIDSON TROILO REAM & GARZA
A PROFESSIONAL CORPORATION
Timesheet Detail

From 12/1/2019 Through 12/31/2019

Date	Code	Task	Activity	Hours	Amount	Description	Date Billed	Amount Billed
1694 Kerrville Public Utility Board								
53 2019 TCOS Project								
12/4/19	SJS			1.00	185.00	REVIEW ORDER NO 1, PROTECTIVE ORDER. CALL WITH PUCT STAFF ATTORNEY REGARDING NOTICE.	12/31/19	185.00
12/6/19	SJS			1.00	185.00	FINALIZE REQUIRED NOTICE OF DOCKET. CONFER WITH PUCT STAFF ATTORNEY ON SAME. SEND NOTICE TO ALL APPLICABLE STAKEHOLDERS. PREPARE AFFIDAVIT OF NOTICE.	12/31/19	185.00
12/26/19	SJS			0.50	92.50	EMAIL TO CLIENT REGARDING SCHEDULES AND WORKPAPERS.	12/31/19	92.50
12/27/19	SJS			0.50	92.50	REVIEW PUCT STAFF DISCOVERY DEADLINE. EMAIL TO CLIENT.	12/31/19	92.50
Matter Total				3.00	555.00			555.00
Client Total				3.00	555.00			555.00
Report Total:								
Total				3.00	555.00			555.00

Types: Billed Time

Selection criteria: Client: 1694 Matter: 53

Sorted by Client Number / Matter Number



4786

digATX
815A Brazos Street #646
Austin, TX 78701 US
(512) 785-5596
james@digatx.com
www.digatx.com

Invoice 3667

BILL TO
Davidson Trollo Ream & Garza
PC

DATE
11/26/2019

PLEASE PAY
\$893.06

DUE DATE
12/26/2019

CM:
1694.37

SALES REP
ER

JOB DESCRIPTION	QTY	RATE	AMOUNT
B/W Copies	4,725	0.10	472.50T
Color 8.5 X 11 Copies	705	0.50	352.50T

EIN# 27-5197361
Call 512.785.5596 To Pay By Credit Card
Invoice Due Net 30 and Not Contingent Upon Your Client's
Payment

SUBTOTAL	825.00
TAX (8.25%)	68.06
TOTAL	893.06

TOTAL DUE \$893.06

THANK YOU.

1694/153
BTR

**DAVIDSON TROILO REAM & GARZA
A PROFESSIONAL CORPORATION**

601 N.W. LOOP 410, SUITE 100

SAN ANTONIO, TX 78216-5511

(210) 349-6484 Tax #74-1792996

Telephone: (210) 349-6484

Facsimile: (210) 349-0041

Kerrville Public Utility Board
c/o Tracy McCuan
P. O. Box 294999
Kerrville, TX 78029-4999

January 31, 2020

Client ID 1694-53 JWD
Invoice No. 24450

Statement for period through January 31, 2020

LEGAL SERVICES REGARDING: 2019 TCOS Project

Fees	T.K.	Hours	Rate	Amount
01/02/20 REVIEW DRAFT DISCOVERY RESPONSES, ANALYZE IMPACTS TO APPLICATION. EMAIL TO EXPERTS.	SJS	1.00	\$185.00	\$185.00
01/07/20 DRAFT RULE 11 AGREEMENT TO EXTEND DEADLINE TO RESPOND TO PUCT STAFF 1ST REQUEST FOR INFORMATION. CONFER WITH EXPERT. CONFER WITH PUCT STAFF ATTORNEY. EMAIL TO PUCT STAFF ATTORNEY.	SJS	1.00	\$185.00	\$185.00
TELEPHONE CALL WITH PUCT STAFF ATTORNEY REGARDING EXTENSION OF TIME FOR RESPONSES TO FIRST REQUEST FOR INFORMATION AND RESEARCH PROCEDURAL SCHEDULE MATTERS.	SJS	1.00	\$185.00	\$185.00
01/08/20 TELEPHONE CALL WITH EXPERT REGARDING RATE OF RETURN QUESTIONS FROM PUCT STAFF. RESEARCH LAW AND COMPARE TO TESTIMONY.	SJS	1.00	\$185.00	\$185.00
01/09/20 RESEARCH, CONFER WITH EXPERT REGARDING RATE OF RETURN QUESTIONS FROM PUCT STAFF. RESEARCH LAW AND COMPARE TO TESTIMONY.	SJS	1.50	\$185.00	\$277.50
REVIEW MOTION TO INTERVENE AND REQUEST FOR TARIFF REVISIONS.	SJS	0.50	\$185.00	\$92.50
01/10/20 REVIEW PUCT SECOND SET OF REQUEST FOR INFORMATION TO KPUB. PREPARE TEMPLATE FOR RESPONSES. RESEARCH POSSIBLE OBJECTIONS.	SJS	2.00	\$185.00	\$370.00
RESEARCH, CONFER WITH EXPERT REGARDING RATE OF RETURN QUESTIONS FROM PUCT STAFF. RESEARCH LAW AND COMPARE TO TESTIMONY.	SJS	1.00	\$185.00	\$185.00
01/13/20 MULTIPLE EMAILS AND TELEPHONE CALLS TO EXPERTS, CLIENT AND PUCT STAFF ATTORNEY REGARDING CONFERENCE CALL WITH PUCT STAFF.	SJS	0.50	\$185.00	\$92.50
01/14/20 REVIEW AND PREPARE RESPONSES TO PUCT STAFF FIRST SET OF REQUESTS FOR INFORMATION.	SJS	2.00	\$185.00	\$370.00

**DAVIDSON TROILO REAM & GARZA
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Telephone: (210) 349-6484

Facsimile: (210) 349-0041

Kerrville Public Utility Board

January 31, 2020

Fees	T.K.	Hours	Rate	Amount
01/17/20 CONFER WITH EXPERT REGARDING RATE OF RETURN METHODOLOGY. CONFERENCE CALL WITH PUCT STAFF ON SAME. RESEARCH METHODOLOGY OPTIONS.	SJS	1.50	\$185.00	\$277.50
01/20/20 REVIEW PUCT STAFF THIRD REQUESTS FOR INFORMATION. PREPARE TEMPLATE FOR RESPONSES. EMAIL TO WITNESSES.	SJS	1.00	\$185.00	\$185.00
01/21/20 TELEPHONE CALL WITH EXPERT WITNESS REGARDING RATE OF RETURN AND HISTORICAL TEST YEAR ISSUES.	SJS	0.50	\$185.00	\$92.50
01/22/20 REVIEW PUCT ORDER NO. 3. RESEARCH PUCT STAFF REQUIREMENTS FOR PROPOSED PROCEDURAL SCHEDULE.	SJS	0.50	\$185.00	\$92.50
01/23/20 CONFER WITH EXPERT WITNESS REGARDING ERRATA TO TESTIMONY, APPLICATION.	SJS	0.50	\$185.00	\$92.50
01/24/20 REVIEW DRAFT ERRATA TO TESTIMONY AND RESPONSES TO SECOND REQUESTS FOR INFORMATION.	SJS	1.50	\$185.00	\$277.50
REVIEW DRAFT ERRATA TESTIMONY. DRAFT RESPONSES TO PUCT STAFF SECOND REQUESTS FOR INFORMATION. RESEARCH LAW GOVERNING RATE OF RETURN TESTIMONY REQUIREMENTS, GOOD CAUSE EXCEPTION.	SJS	4.00	\$185.00	\$740.00
01/27/20 TELEPHONE CALL WITH PUCT STAFF ATTORNEY ON DISCOVERY RESPONSES.	SJS	0.50	\$185.00	\$92.50
01/29/20 REVIEW DRAFTS OF RESPONSES TO PUCT STAFF SECOND REQUESTS FOR INFORMATION, ERRATA TESTIMONY. DRAFT REQUEST FOR GOOD CAUSE EXCEPTIONS TO TEST YEAR AND RATE OF RETURN REQUIREMENTS. CONFER WITH WITNESS.	SJS	2.50	\$185.00	\$462.50
01/30/20 FINALIZE AND FILE RESPONSES TO PUCT STAFF SECOND REQUESTS FOR INFORMATION, ERRATA TESTIMONY.	SJS	1.50	\$185.00	\$277.50

Timekeeper Recap

T.K.	Name	Hours	Rate	Amount
SJS	Smyth, Scott J.	25.50	\$185.00	\$4,717.50

TOTAL FEES

\$4,717.50

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**DAVIDSON TROILO REAM & GARZA
A PROFESSIONAL CORPORATION**

601 N.W. LOOP 410, SUITE 100

SAN ANTONIO, TX 78216-5511

(210) 349-6484 Tax #74-1792996

Telephone: (210) 349-6484

Facsimile: (210) 349-0041

Kerrville Public Utility Board

January 31, 2020

COSTS AND EXPENSES:	Amount
01/06/20 MAGIC COURIERS, INC.	\$15.00
SPECIAL MAIL/DELIVERY FEES 12/9/19	
TOTAL COSTS AND EXPENSES	\$15.00
TOTAL FEES AND COSTS	\$4,732.50

BALANCE PRIOR INVOICE	\$9,865.56
TOTAL PAYMENTS AND ADJUSTMENTS	-\$9,865.56
BALANCE THIS INVOICE	\$4,732.50
BALANCE DUE	\$4,732.50

ANY PAYMENTS RECEIVED AFTER 01/31/20 WILL APPEAR ON YOUR NEXT INVOICE

Anything, Anytime Anywhere



Magic Couriers, Inc.
(512) 248-8686

Bill to:
Davidson & Troilo
919 Congress Ave.
Suite 810
Austin, Texas 78701

Invoice for billing period 12-5-19 through 12-18-19

Invoice #: 121819

Date/Time	Service	Address	Reference	Cost
12-6 / 1:00pm	RT / 2 hr	PUC	4611-7	\$ 15.00
12-9 / 1:00pm	RT / 2 hr	PUC	1694-53	\$ 15.00
12-13 / 11:00am	RT / 4 hr	PUC	4611-7	\$ 11.00
Total				\$ 41.00

Please remit payments to: ***Magic Couriers, Inc.***

815-A Brazos

276

Austin, TX. 78701

**DAVIDSON TROILO REAM & GARZA
A PROFESSIONAL CORPORATION**

601 N.W. LOOP 410, SUITE 100
SAN ANTONIO, TX 78216-5511
(210) 349-6484 Tax #74-1792996

Telephone: (210) 349-6484

Facsimile: (210) 349-0041

Kerrville Public Utility Board
c/o Tracy McCuan
P. O. Box 294999
Kerrville, TX 78029-4999

February 29, 2020

Client ID 1694-53 JWD
Invoice No. 24799

Statement for period through February 29, 2020

LEGAL SERVICES REGARDING: 2019 TCOS Project

Fees	T.K.	Hours	Rate	Amount
02/04/20 REVIEW DRAFTS OF RESPONSES TO PUCT STAFF THIRD REQUESTS FOR INFORMATION. CONFER WITH PUCT COUNSEL REGARDING SCOPE.	SJS	2.00	\$185.00	\$370.00
02/05/20 TELEPHONE CONFERENCE WITH S. SMYTH REGARDING PLEADINGS FOR TEST YEAR EXCEPTION.	JWD	0.30	\$250.00	\$75.00
REVIEW REQUEST FOR GOOD CAUSE EXCEPTION FOR TEST YEAR.	JWD	0.20	\$250.00	\$50.00
TELEPHONE CONFERENCE WITH S. SMYTH. DRAFT MOTION FOR GOOD CAUSE EXCEPTION FOR TEST YEAR.	SJS	2.50	\$185.00	\$462.50
CONFER WITH CLIENT, EXPERT WITNESS, CO- COUNSEL AND PUCT STAFF ATTORNEY ON SAME. FINAL REVIEW OF, ENTER CORRECTIONS TO, CONFER WITH EXPERT WITNESS REGARDING, RESPONSES TO PUCT STAFF THIRD REQUESTS FOR INFORMATION.	SJS	2.00	\$185.00	\$370.00
02/11/20 REVIEW PUCT STAFF RECOMMENDATION ON SUFFICIENCY OF APPLICATION AND NOTICE.	SJS	1.50	\$185.00	\$277.50
02/12/20 REVIEW PUCT ORDER NO. 5 FINDING APPLICATION SUFFICIENT, SETTING PROCEDURAL SCHEDULE.	SJS	1.50	\$185.00	\$277.50
02/26/20 REVIEW, ANALYZE PUCT STAFF'S FOURTH REQUESTS FOR INFORMATION. CONFER WITH EXPERT.	SJS	1.00	\$185.00	\$185.00
REVIEW PUCT 4TH SET OF REQUESTS FOR INFORMATION. PREPARE TEMPLATE FOR RESPONSES. EMAIL TO EXPERT WITNESS.	SJS	1.00	\$185.00	\$185.00
02/28/20 REVIEW PUCT 5TH SET OF REQUESTS FOR INFORMATION. PREPARE TEMPLATE FOR RESPONSES. EMAIL TO EXPERT WITNESS.	SJS	1.00	\$185.00	\$185.00

**DAVIDSON TROILO REAM & GARZA
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(210) 349-6484 Tax #74-1792996

Telephone: (210) 349-6484

Facsimile: (210) 349-0041

Kerrville Public Utility Board

February 29, 2020

Timekeeper Recap

T.K.	Name	Hours	Rate	Amount
JWD	Davidson, John W.	0.50	\$250.00	\$125.00
SJS	Smyth, Scott J.	12.50	\$185.00	\$2,312.50

TOTAL FEES **\$2,437.50**

BALANCE PRIOR INVOICE \$4,732.50

BALANCE THIS INVOICE \$2,437.50

BALANCE DUE **\$7,170.00**

ANY PAYMENTS RECEIVED AFTER 02/29/20 WILL APPEAR ON YOUR NEXT INVOICE

**DAVIDSON TROILO REAM & GARZA
A PROFESSIONAL CORPORATION**

601 N.W. LOOP 410, SUITE 100
SAN ANTONIO, TX 78216-5511
(210) 349-6484 Tax #74-1792996

Telephone: (210) 349-6484

Facsimile: (210) 349-0041

Kerrville Public Utility Board
c/o Mike Witter
P. O. Box 294999
Kerrville, TX 78029-4999

March 31, 2020

Client ID 1694-53 JWD
Invoice No. 25448

Statement for period through March 31, 2020

LEGAL SERVICES REGARDING: 2019 TCOS Project

Fees	T.K.	Hours	Rate	Amount
03/01/20 REVIEW DRAFT CLEAN COPIES OF SCHEDULES AND WORKPAPERS REFLECTING MODIFIED TESTIMONIES, EMAIL TO EXPERT WITNESS.	SJS	2.00	\$185.00	\$370.00
03/13/20 REVIEW, PREPARE RESPONSES TO PUCT STAFF 4TH REQUESTS FOR INFORMATION.	SJS	3.00	\$185.00	\$555.00
03/15/20 FINALIZE RESPONSES TO PUCT STAFF FOURTH REQUESTS FOR INFORMATION. PREPARE FOR FILING.	SJS	1.00	\$185.00	\$185.00
03/16/20 REVIEW AND EDIT DRAFT DIRECT TESTIMONY OF MULTIPLE WITNESSES. RESEARCH STATUTORY ISSUES RAISED.	SJS	4.50	\$185.00	\$832.50
REVIEW PUCT ORDER SUSPENDING ALL DEADLINES DUE TO CORONAVIRUS IMPACTS (DOCKET NO. 50664).	SJS	1.00	\$185.00	\$185.00
03/17/20 REVIEW AND EDIT DRAFT DIRECT TESTIMONY OF MULTIPLE WITNESSES. RESEARCH STATUTORY ISSUES RAISED.	SJS	3.00	\$185.00	\$555.00
03/18/20 PREPARE FOR AND PARTICIPATE IN CONFERENCE CALL WITH EXPERT WITNESSES REGARDING RESPONSES TO PUCT STAFF QUESTIONS.	SJS	1.00	\$185.00	\$185.00
PREPARE REVISED RESPONSES TO PUCT STAFF'S 4TH REQUEST FOR INFORMATION. CONFER WITH EXPERTS ON RESPONSES.	SJS	3.00	\$185.00	\$555.00
REVIEW DRAFT REVISED APPLICATION AND SCHEDULES. CONFER WITH PUCT STAFF ATTORNEY.	SJS	1.00	\$185.00	\$185.00
PREPARE, FINALIZE, FILE KPUB RESPONSE TO PUCT STAFF'S 5TH REQUEST FOR INFORMATION.	SJS	4.00	\$185.00	\$740.00
03/20/20 PREPARE FOR, PARTICIPATE IN, REVIEW NECESSARY CHANGES TO APPLICATION, REGARDING CONFERENCE WITH PUCT STAFF EXPERTS.	SJS	2.00	\$185.00	\$370.00

**DAVIDSON TROILO REAM & GARZA
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601 N.W. LOOP 410, SUITE 100
SAN ANTONIO, TX 78216-5511
(210) 349-6484 Tax #74-1792996

Telephone: (210) 349-6484
Facsimile: (210) 349-0041

Kerrville Public Utility Board

March 31, 2020

Fees	T.K.	Hours	Rate	Amount
03/23/20 PREPARE, REVIEW CHANGES TO APPLICATION. DRAFT REVISED APPLICATION, SCHEDULES AND WORK PAPERS FOR FILING.	SJS	4.00	\$185.00	\$740.00
03/24/20 PREPARE, REVIEW CHANGES TO APPLICATION. DRAFT REVISED APPLICATION, SCHEDULES AND WORK PAPERS FOR FILING.	SJS	4.00	\$185.00	\$740.00
03/25/20 PREPARE, REVIEW CHANGES TO APPLICATION. DRAFT REVISED APPLICATION, SCHEDULES AND WORK PAPERS FOR FILING.	SJS	4.00	\$185.00	\$740.00
03/26/20 MONITOR PUCT OPEN MEETING FOR DISCUSSIONS ON RULINGS REGARDING THE PANDEMIC AND POSSIBLE IMPACTS ON KPUB. CONFER WITH STAKEHOLDERS (DOCKET #50664).	SJS	1.00	\$185.00	\$185.00
03/30/20 REVIEW DRAFT REVISIONS TO PRIOR RESPONSES TO PUCT STAFF 2ND, 3RD, 4TH AND 5TH REQUESTS FOR INFORMATION.	SJS	2.00	\$185.00	\$370.00

Timekeeper Recap

T.K.	Name	Hours	Rate	Amount
SJS	Smyth, Scott J.	40.50	\$185.00	\$7,492.50

TOTAL FEES **\$7,492.50**

COSTS AND EXPENSES: **Amount**

03/31/20 MAGIC COURIERS, INC. OUTSIDE PHOTOCOPY FEES 3/16/20 456 PAGES X \$.25/PAGE	\$114.00
MAGIC COURIERS, INC. OUTSIDE PHOTOCOPY FEES 3/18/20 15 PAGES X \$.25/PAGE	\$3.75
MAGIC COURIERS, INC. OUTSIDE PHOTOCOPY FEES 3/19/20 185 PAGES X \$.25/PAGE	\$46.25
MAGIC COURIERS, INC. OUTSIDE PHOTOCOPY FEES 3/25/20 238 PAGES X \$.25/PAGE	\$59.50
MAGIC COURIERS, INC. SPECIAL MAIL/DELIVERY FEES 3/16/20	\$12.50
MAGIC COURIERS, INC. SPECIAL MAIL/DELIVERY FEES 3/18/20	\$15.00

Page 2

**DAVIDSON TROILO REAM & GARZA
A PROFESSIONAL CORPORATION**

601 N.W. LOOP 410, SUITE 100

SAN ANTONIO, TX 78216-5511

(210) 349-6484 Tax #74-1792996

Telephone: (210) 349-6484

Facsimile: (210) 349-0041

Kerrville Public Utility Board

March 31, 2020

COSTS AND EXPENSES:	Amount
03/31/20 MAGIC COURIERS, INC.	\$15.00
SPECIAL MAIL/DELIVERY FEES 3/19/20	
MAGIC COURIERS, INC.	\$15.00
SPECIAL MAIL/DELIVERY FEES 3/25/20	
PHOTOCOPIES	\$7.80
TOTAL COSTS AND EXPENSES	\$288.80
TOTAL FEES AND COSTS	\$7,781.30

BALANCE PRIOR INVOICE \$7,170.00

TOTAL PAYMENTS AND ADJUSTMENTS -\$7,170.00

BALANCE THIS INVOICE \$7,781.30

BALANCE DUE \$7,781.30

ANY PAYMENTS RECEIVED AFTER 03/31/20 WILL APPEAR ON YOUR NEXT INVOICE

Anything, Anytime Anywhere



Magic Couriers, Inc.
(512) 248-8686

4504
206 + 202

Bill to:
Davidson & Troilo
919 Congress Ave.
Suite 810
Austin, Texas 78701

Invoice for billing period 3-12-20 through 3-25-20

Invoice #: 032520

Date/Time	Service	Address	Reference	Cost
3-12 / 9:40am	RT / ASAP	PUC	6674-6	\$ 25.00
3-16 / 10:30am	RT / ASAP	PUC	1694-53 / 4611-7	\$ 25.00
	Copy Fee	456 Pages X \$.25/page	1694-53	\$ 114.00
	Copy Fee	300 Pages X \$.25/page	4611-7	\$ 75.00
3-17 / 2:35pm	DL / ASAP	PUC	4611-7	\$ 15.00
	Copy Fee	732 Pages X \$.25/page	4611-7	\$ 183.00
3-18 / 3:50pm	DL / ASAP	PUC	1694-53	\$ 15.00
	Copy Fee	15 Pages X \$.25/page	1694-53	\$ 3.75
3-19 / 10:05am	DL / ASAP	PUC	1694-53	\$ 15.00
	Copy Fee	185 Pages X \$.25/page	1694-53	\$ 46.25
3-25 / 1:15pm	DL / ASAP	PUC	1694-53	\$ 15.00
	Copy Fee	238 Pages X \$.25/page	1694-53	\$ 59.50

Total \$ 591.50

Please remit payments to: **Magic Couriers, Inc.**
815-A Brazos
276
Austin, TX. 78701

DOCKET NO. 50288

**APPLICATION OF KERRVILLE §
PUBLIC UTILITY BOARD TO § PUBLIC UTILITY COMMISSION
AMEND TRANSMISSION COST OF §
SERVICE AND WHOLESALE § OF TEXAS
TRANSMISSION RATES**

**AFFIDAVIT OF SCOTT SMYTH RELATED TO RATE CASE EXPENSES
INCURRED BY KERRVILLE PUBLIC UTILITY BOARD**

**STATE OF TEXAS §
 §
COUNTY OF TRAVIS §**

Before me, the undersigned authority, on this day personally appeared Scott Smyth being by me first duly sworn, on oath deposed and said the following:

1. My name is Scott Smyth, and I am a partner at Davidson Troilo Ream & Garza, PC. I have over 32 years of experience in legal matters related to the utility industry (telecommunication, electric, and water/ wastewater). I have served as lead counsel in multiple litigated rate proceedings involving utilities.
2. Kerrville Public Utility Board ("KPUB") retained Davidson Troilo Ream & Garza, PC in connection with *PUC Docket No. 50288 Application of Kerrville Public Utility Board to Amend Transmission Cost of Service and Wholesale Transmission Rates*.
3. I am familiar with the work performed by Davidson Troilo Ream & Garza, PC and the technical consultants engaged on behalf of KPUB in connection with *Docket No. 50288*. I am over 18 years of age and I am not disqualified from making this affidavit. My statements are true and correct.
4. The firm of Davidson Troilo Ream & Garza, PC provided services to KPUB in this docket including, but not limited to, the following activities: the provision of legal advice and strategy; negotiating schedules and substantive issues; identification of consultants and recommendations to KPUB regarding engagement of consultants; coordination of issue development; legal research; preparation and filing of pleadings, briefs, discovery and pre-filed testimony; preparation for and participating in prehearing conferences, settlement meetings, and Open Meetings; and briefing clients and discussions with consultants.
5. I have personally reviewed the billings for all work performed (legal and consulting) in connection with *Docket No. 50288*.
6. The attorney hourly rates for the billings shown in Exhibit A (\$250/ hour for John

Davidson, \$185/ hour for Patrick Lindner and \$185/ hour for Scott Smyth) are comparable to hourly rates charged to other clients for comparable services during the same time frame and is a reasonable rate and is reasonable, consistent with the rates billed to others for similar work, and comparable to rates charged by other professionals with the same level of expertise and experience.

7. The amounts charged for our services are reasonable and there has been no double billing of fees or expenses. Legal expenses consist of reimbursable items such as courier services, express mail, postage and shipping, and photocopying. Internal copying charges were limited to 10¢ per page. There were no charges for meal expenses, luxury items, first-class airfare, limousines, alcohol, sporting events, or entertainment.
8. I have reviewed the invoices of the law firm and consultants representing KPUB in this case and have determined that the expenses incurred by KPUB in this docket are reasonable based on the following criteria:
 - 1) the nature, extent, and difficulty of the work done by the attorney or other professional in the rate case;
 - 2) the time and labor required and expended by the attorney or other professional;
 - 3) the fees or other consideration paid to the attorney or other professional for the services rendered;
 - 4) the expenses incurred for lodging, meals and beverages, transportation, or other services or materials;
 - 5) the nature and scope of the rate case, including:
 - (1) the size of the utility and number and type of consumers served;
 - (2) the amount of money or value of property or interest at stake;
 - (3) the novelty or complexity of the issues addressed;
 - (4) the amount and complexity of discovery;
 - (5) the occurrence and length of a hearing; and
 - (6) the specific issue or issues in the rate case and the amount of rate- case expenses reasonably associated with each issue.
9. For the period March 1, 2019 through June 30, 2020, the total actual and estimated rate case expenses for the law firm Davidson Troilo Ream & Garza, and all consultants is \$205,853 related to *Docket No. 50288*. This figure includes \$165,669 in consultant actual and estimated fees and expenses and \$40,184 in legal actual and estimated fees and expenses. The fees and expenses incurred were necessary to review and advise KPUB on its TCOS application, identify issues, coordinate activities, retain and work with consultants, engage in discovery, draft pleadings, prepare pre-filed testimony, and participate in settlement meetings and Open Meetings. Invoices for *Docket No. 50288* are provided at Exhibit A. The estimated fees and expenses for May and June 2020 represent expected legal representation and consulting efforts leading to the completion of the case in late June 2020. In the event this case later involves a delayed schedule or more effort to reach resolution, KPUB may seek to amend its request for rate case expenses.

10. The hours spent to perform the tasks performed by Davidson Troilo Ream & Garza, PC are necessary to complete the required tasks in a professional manner on a timely basis. My many years of experience in proceedings at the Public Utility Commission of Texas ("Commission") facilitates efforts to keep rate-case expenses reasonable.
11. The only other attorney assigned to this proceeding is Mr. John Davidson. Mr. Davidson has acted as a supervising partner on this case. Mr. Davidson's expertise spans over 60 years and includes a long relationship with KPUB. Mr. Davidson has sought to minimize his number of hours worked in this case to keep the rate case expenses as low as reasonably possible.
12. The documentation in this case is similar to that provided in many previous cases at the Commission and is in conformance with the Commission's "rate-case-expense" rule, 16 TEXAS ADMINISTRATIVE CODE § 25.245. I have reviewed the invoices of the law firm and consultants representing KPUB in this case and have determined that the expenses incurred by KPUB in this docket are reasonable and comply with the criteria in that rule.
13. The total of KPUB's actual and estimated rate case expenses through June 30, 2020 for *Docket No. 50288* is \$205,853, including expenses from retained consultants. KPUB's total rate case expenses are reasonable given the complexity, importance and scope of this proceeding, the nature of KPUB's participation, and the number of issues involved. An Excel spreadsheet summary of all rate case expenses is provided as Exhibit A.
14. On behalf of KPUB, our firm reserves the right to amend this affidavit and KPUB's request for reimbursement as more information is gathered over the course of Docket No. 50288.
15. Statements in this affidavit are true and known by me personally.

/s/ Scott Smyth

Scott Smyth

This may be considered executed as if it had been SWORN AND SUBSCRIBED before a Notary Public of the State of Texas. This is provided in lieu of a sworn affidavit in response to a Request for Information from the Commission Staff, and therefore may be considered to have been provided under oath.

Teresa Stewart

From: Dane Watson
Sent: Friday, October 18, 2019 5:18 PM
To: Teresa Stewart
Subject: FW: Your folio at Sunday House Inn
Attachments: ATT00001

From: Best Western Sunday House Reservations <reserve@bestwesternkerrville.com>
Sent: Monday, October 14, 2019 7:39 AM
To: Dane Watson <dwatson@alliancecg.net>
Subject: Your folio at Sunday House Inn

Best Western Sunday House Inn
2124 Sidney Baker,
Kerrville, TX 78028
Ph: (830) 896-1313
Fax: (830) 896-1336

Guest Information:

WATSON, DANE
101 E. PARK BLVD,
PLANO, TX 75074
Ph: 214-316-1444

Stay Information:

Room: 112A Confirmation: 190D3F
Payment: VISA Guests: 1 Adults, 0 Children, 0 Infants
Arrival: October 13, 2019 Departure: October 14, 2019
BWR Tier: BASE BWR Number: 6006637549084762

Transaction Details:

Date	Room	Transaction	Amount	Balance	Comment
October 13, 2019	112	ROOM	76.46	76.46	
October 13, 2019	112	STATE TAX	4.59	81.05	
October 13, 2019	112	CITY OCC TX	5.35	86.40	
October 14, 2019	112	VISA	86.40 CR	0.00	12:00 PM C/O
		XXXXXXXXXXXX8185			

Balance Due at Checkout 0.00

Each Best Western® branded hotel is independently owned and operated

RESOLUTION NO. 16-25

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

WHEREAS, the Kerrville Public Utility board has a Purchasing and Procurement Policy created by Resolution No. 01-10 and revised by Resolution No. 10-10; and

WHEREAS, the Kerrville Public Utility board desires to amend the policy to recognize changes in applicable law, clarify certain provisions, and be consistent with City of Kerrville purchasing and procurement policies; and

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

BE IT RESOLVED BY THE 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 16th day of November, 2016


Philip Stacy, Chairman

ATTEST:


Fred Gamble, Secretary

To: Management
Supervisors
Purchasing Staff
Accounts Payable

From: Mike Wittler

Date: January 28, 2020

Re: Authorization Levels for Purchasing and Invoice Payment Approvals and
Review of Purchasing Policies and Procedures for Non-Stock Purchases

The following authorization levels are hereby established for the approval of Requisitions, Purchase Orders (POs) and Invoice Payments.

Name	Requisition	Purchase Order	Invoice Payment
Mike Wittler	All Amounts	All Amounts	All Amounts
Lidia Goldthorn	\$500		\$500
Tammye Riley	\$5,000		All Amounts
Jill Sadberry	\$5,000	All Amounts	All Amounts
Jerry Bryla	\$5,000		All Amounts
Jo Anderson	\$5,000		All Amounts
Allison Bueché	\$5,000		All Amounts
Howard Hall	\$5,000		All Amounts
Robby McCutcheon	\$5,000		All Amounts
Vickie Finley	\$500		\$500
Ricardo Berrios	\$5,000	All Amounts	All Amounts
Lisa DeWitt	\$500		\$500
Damon Richardson	\$5,000*	\$5,000	None
Lou Graves	\$5,000		All Amounts
Larry Lee	\$5,000		All Amounts
*Stock Items Only			



Mike Wittler, P.E.

MEMORANDUM

To: Management
Supervisors
Purchasing Staff

From: Tommy Nylec

Date: January 3, 2017

Re: Authorization Levels for Purchasing and Invoice Payment Approvals and Review of Purchasing Policies and Procedures for Non-Stock Purchases

The following authorization levels are hereby established for the approval of Requisitions, Purchase Orders (POs), and Invoice Payments.

Name	Requisition	Purchase Order	Invoice Payment
Mike Wittler	All Amounts	All Amounts	All Amounts
Lidia Goldthorn	\$500		\$500
Tammye Riley	\$500		All Amounts
Jill Sadberry	All Amounts**	All Amounts	All Amounts
Jerry Bryla	\$5,000		All Amounts
Jo Anderson	\$5,000		All Amounts
Howard Hall	\$500		All Amounts
Robby McCutcheon	\$5,000		All Amounts
Vickie Finley	\$500		\$500
Tommy Nylec	All Amounts**	All Amounts	All Amounts
Ricardo Berrios	\$500		All Amounts
Lisa DeWitt	\$500		\$500
Joe Garza	\$5,000*	\$5,000	None
Damon Richardson	\$5,000*	\$5,000	None
Lou Graves	\$500		All Amounts
Bob Keeling	\$500		All Amounts
Larry Lee	\$5,000		All Amounts
*Stock Items Only			
**Requires GM Notification over \$5,000			

The above table is for approval and does not indicate a level limit for initiation. Upon approval of invoices, it is recommended to provide your supervisor notification the project is completed or items have been received.

The following is a summary of KPUB's purchasing policies and procedures. Additional details are provided in the *KPUB Board Policy 42: Purchasing and Procurement Policy Revision Dated November 16, 2016*.

POs are required for purchases above \$500. Services and materials over \$49,999 generally require Board approval.

No bidding is required under \$3,000, but requirements for goods and/or services to be obtained at reasonable cost, be of good quality, and awarded based on best value to KPUB are still expected.

For purchases ranging from \$3,000 to \$49,999 bids are required and evaluated informally. Bids over \$50,000 require formal bidding (issued by Purchasing). Some exceptions to the bidding requirements include purchases for professional services, emergencies, and items available from only one source.

The Requestor will be responsible for:

- Defining specifications or requirements for the purchase
- Helping Purchasing to identify possible vendors, if necessary
- Helping Purchasing evaluate bids and recommending which vendor is to be awarded the purchase
- Initiating the purchase (generally by preparing a requisition for Purchasing)
- Coordinating delivery of materials and services from the successful vendor
- Approving invoices for payment according to the terms of the PO (payment prior to delivery of materials and services requires approval of the Chief Engineer, CFO, or CEO).
- Providing proper GL Accounting for the purchase to be included in the Requisition and Purchase Order—AP department/CFO has final say on GL Account to be used
- Providing all supporting purchase approval documentation to be included in NISC's Vault for reference

By approving a Requisition, the Requisition approver is:

- Indicating to Purchasing that the user is ready to move forward in the purchasing process
- Certifying that budgeted funding for the purchase is in place
- Supporting documentation for selection has been uploaded to NISC's Vault as needed.
- Approving the specifications or requirements for the purchase
- Requesting creation of a PO

The Purchase Order approver is responsible for ensuring that Requestor's recommendations regarding the bid award have been considered and that the bidding and Board approval requirements of the KPUB Policies have been met.

Supporting documentation should be attached the Requisition in NISC's Vault. The Requestor is also responsible for making sure receiving documents are attached back to the


PO via NISC's Vault. Invoice approval should include making sure all documentation is in order in NISC's Vault. A copy of the approved invoice should be provided to the Requestor for uploading into NISC's Vault.

Violation of purchasing policies, efforts to circumvent the normal purchasing process, and/or other fraudulent activities will result in disciplinary action up to, and including, termination. Examples of procurement fraud schemes include: bribes and kickbacks, collusive bidding, change order abuse, co-mingling of contracts, conflict of interest, excluding qualified bidders, failure to meet contract specifications, false, inflated or duplicative invoices, false statements and claims, leaking of bid information, manipulation of bids, fictitious vendor, product substitution, purchases for personal use or resale, rigged specifications, split purchases, unbalanced bidding, unjustified sole source awards and unnecessary purchases.

For further clarification, I have attached a flow chart and work instructions detailing the process that is to be followed.

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

Sincerely,



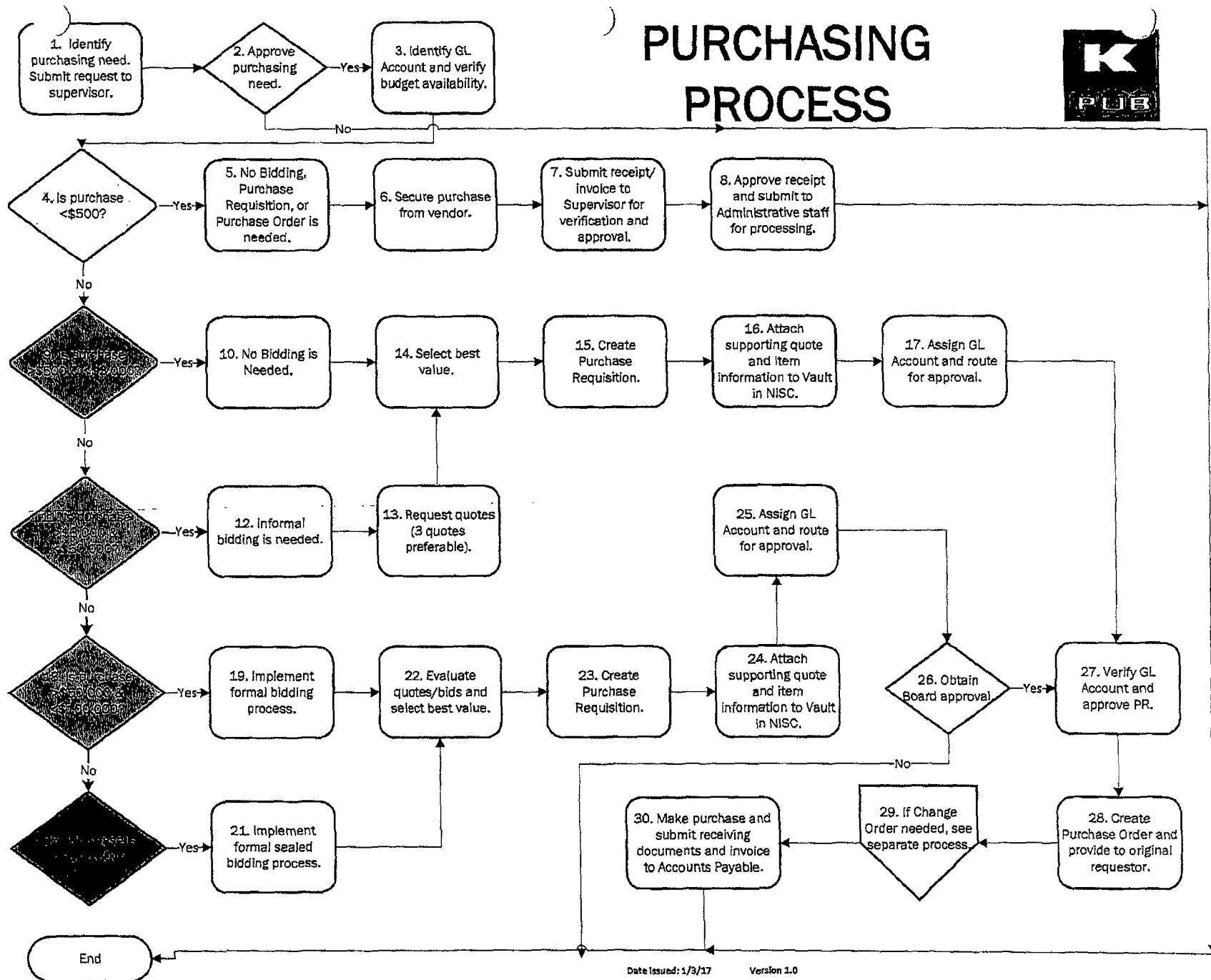
Tommy Nylec, P.E.
Chief Engineer

Concurrence:



Mike Wittler, P.E.
General Manager

PURCHASING PROCESS



Date issued: 1/3/17

Version 1.0



Purchasing Process Work Instructions

Date issued: 1/3/17

Note: This work instruction is used in conjunction with the flowchart for this process.

Task	Responsible Party	Documents/Tools Needed
Step 1: Identify purchasing need. Submit request to supervisor.		
<ul style="list-style-type: none"> Provide item description, need, and vendors to supervisor 	Requestor	<ul style="list-style-type: none"> Request & Business Case Justification (verbal or written)
Step 2: Approve purchasing need.		
<ul style="list-style-type: none"> Collect item specification from initiator 	Supervisor	<ul style="list-style-type: none"> Item Specification
Step 3: Identify GL Account and verify budget availability.		
<ul style="list-style-type: none"> Specify GL Account to which purchase is to be charged, and verify with Accounts Payable as necessary. Verify budget availability with appropriate member of Management 	Supervisor	<ul style="list-style-type: none"> GL Account ID
Step 4: Is purchase <\$500?		
<ul style="list-style-type: none"> If Yes, Proceed to Step 5 If No, Proceed to Step 9 	Requestor	
Step 5: No bidding, purchase requisition, purchase order is needed.		
<ul style="list-style-type: none"> Pursue purchase based upon management/supervisor direction, i.e. credit card, charge account, check, or petty cash 	Requestor	
Step 6: Secure purchase from vendor.		
<ul style="list-style-type: none"> For new vendor and form of payment is to be a check, obtain W-9 and submit to Accounting 	Requestor	<ul style="list-style-type: none"> Vendor W-9
Step 7: Submit receipt to Supervisor for verification and approval.		
<ul style="list-style-type: none"> Provide supervisor purchase receipt/invoice for submittal 	Requestor	<ul style="list-style-type: none"> Purchase Receipt/Invoice
Step 8: Approve receipt and submit to Administrative staff for processing.		
<ul style="list-style-type: none"> Submit receipt to administrative staff depending upon payment method: <ul style="list-style-type: none"> Credit Card – Card Owner Check – Accounts Payable Cash – Petty Cash Provider Charge Account – Accounts Payable 	Supervisor	<ul style="list-style-type: none"> Purchase Receipt/Invoice
Step 9: Is purchase <\$500?		
<ul style="list-style-type: none"> If Yes, Proceed to Step 10 If No, Proceed to Step 11 	Requestor	
Step 10: No bidding is needed.		
<ul style="list-style-type: none"> Proceed to Step 14 Determine if purchase is a Capital Asset 	Requestor	

Task	Responsible Party	Documents/Tools Needed
<ul style="list-style-type: none"> If Yes, Proceed to Step 12 If No, Proceed to Step 18 	Requestor	
Step 12: Informal bidding is needed.		
<ul style="list-style-type: none"> Proceed to Step 13 Determine if purchase is a Capital Asset 	Requestor	<ul style="list-style-type: none"> RFQ/RFP
Step 13: Request quotes (3 quotes preferable).		
<ul style="list-style-type: none"> Identify 3 vendors (if possible) Solicit quotes from identified vendors 	Purchasing Agent	<ul style="list-style-type: none"> Submitted Responses
Step 14: Select best value.		
<ul style="list-style-type: none"> Determine best value to KPUB based upon submitted quotes per the Purchasing Policy stipulations List any non-responses from contacted vendors on evaluation matrix 	Requestor/Purchasing Agent	<ul style="list-style-type: none"> Response Evaluation Matrix
Step 15: Create Purchase Requisition.		
<ul style="list-style-type: none"> Initiate Purchase Requisition 	Requestor	
Step 16: Attach supporting quote and item information to Vault in NISC.		
<ul style="list-style-type: none"> Attach selected quote and item specifications to PR in NISC's Document Vault 	Requestor	<ul style="list-style-type: none"> Selected Quote Item Specification
Step 17: Assign GL Account and route for approval.		
<ul style="list-style-type: none"> Assign 300 Accounts to 107.20 No Assets. Must be Expense Account or WO. Consult G/L account listing for available accounts Confirm G/L selection with Accounts Payable before proceeding. 	Requestor/Manager	<ul style="list-style-type: none"> G/L Account Listing
Step 18: Is purchase >\$100,000 or >500,000?		
<ul style="list-style-type: none"> If Yes, Proceed to Step 19 If No, Proceed to Step 20 	Requestor	
Step 19: Implement formal bidding process.		
<ul style="list-style-type: none"> Provide Purchasing Agent with all necessary requested documentation to prepare bid documents Provide Purchasing Agent feedback on bid documents and Bid Evaluation Matrix Post Bid Opportunity Proceed to Step 22 Determine if purchase is a Capital Asset 	Purchasing Agent	<ul style="list-style-type: none"> Bid Documents and Supporting Information
Step 20: Purchase is >\$100,000?		
<ul style="list-style-type: none"> 	Purchasing Agent	
Step 21: Implement formal sealed bidding process.		

Task	Responsible Party	Documents/Tools Needed
<ul style="list-style-type: none"> • Provide Purchasing Agent with all necessary requested documentation to prepare bid documents • Provide Purchasing Agent feedback on bid documents and Bid Evaluation Matrix • Post Bid Opportunity • Proceed to Step 22 • Determine if purchase is a Capital Asset 	Purchasing Agent	<ul style="list-style-type: none"> • Bid Documents and Supporting Information
Step 22: Evaluate responses/quotes/bids and select best value.		
<ul style="list-style-type: none"> • Utilize response evaluation matrix as provided in bid documents to determine best value 	Purchasing Agent	<ul style="list-style-type: none"> • Response Evaluation Matrix
Step 23: Create Purchase Requisition.		
<ul style="list-style-type: none"> • Initiate Purchase Requisition 	Purchasing Agent	<ul style="list-style-type: none"> • Bid Number and Board Approval as applicable should be included on the PR & PO
Step 24: Attach supporting quote and item information to Vault in NISC.		
<ul style="list-style-type: none"> • 	Purchasing Agent	<ul style="list-style-type: none"> • Selected Quote • Item Specification • Submitted Response Documents • Response Evaluation Matrix
Step 25: Assign GL Account and route for approval.		
<ul style="list-style-type: none"> • 	Purchasing Agent	
Step 26: Obtain Board approval.		
<ul style="list-style-type: none"> • Collect supporting information from purchasing agent and requestor • Draft purchase memo and submit for board agenda 	Management	<ul style="list-style-type: none"> • Supporting Information • Purchase Memo
Step 27: Verify GL Account and approve PR.		
<ul style="list-style-type: none"> • 	Management	
Step 28: Create Purchase Order and provide to original requestor.		
<ul style="list-style-type: none"> • 	Purchasing Agent	<ul style="list-style-type: none"> • Board Approval Documentation
Step 29: If Change Order needed, see separate process.		
<ul style="list-style-type: none"> • See additional process, or provide further explanation. 	Requestor/Management	<ul style="list-style-type: none"> • Change Order documentation
Step 30: Make purchase and submit receiving documents and invoice to Accounts Payable..		
<ul style="list-style-type: none"> • For new vendor, obtain W-9 and submit to Accounting 	Requestor/Purchasing Agent	<ul style="list-style-type: none"> • Vendor W-9 • Invoice

Purchase Requisition/Order Checklist				
PO#:	Vendor Name:			PO Amount:
				\$
<\$500	>\$500 & <\$3,000	>\$3,000 & <\$50,000	>\$50,000 & <\$100,000	>\$100,000
No bidding, PR, or PO required.	Formal sealed bidding required.	Formal sealed bidding required.	Formal sealed bidding required.	Formal sealed bidding required.
<input type="checkbox"/> Request & Business Case Justification (verbal or written)	<input type="checkbox"/> Request & Business Case Justification (verbal or written)	<input type="checkbox"/> Request & Business Case Justification (verbal or written)	<input type="checkbox"/> Request & Business Case Justification (verbal or written)	<input type="checkbox"/> Request & Business Case Justification (verbal or written)
<input type="checkbox"/> Item Specification	<input type="checkbox"/> Item Specification	<input type="checkbox"/> Item Specification	<input type="checkbox"/> Item Specification	<input type="checkbox"/> Item Specification
<input type="checkbox"/> GL Account ID	<input type="checkbox"/> GL Account ID	<input type="checkbox"/> GL Account ID	<input type="checkbox"/> GL Account ID	<input type="checkbox"/> GL Account ID
<input type="checkbox"/> Vendor W-9 (if applicable)	<input type="checkbox"/> Vendor W-9 (if applicable)	<input type="checkbox"/> Vendor W-9 (if applicable)	<input type="checkbox"/> Vendor W-9 (if applicable)	<input type="checkbox"/> Vendor W-9 (if applicable)
<input type="checkbox"/> Purchase Receipt	<input type="checkbox"/> Purchase Receipt	<input type="checkbox"/> RFQ/RFP	<input type="checkbox"/> RFQ/RFP	<input type="checkbox"/> RFQ/RFP
		<input type="checkbox"/> Submitted Responses	<input type="checkbox"/> Submitted Responses	<input type="checkbox"/> Submitted Responses
		<input type="checkbox"/> Response Evaluation Matrix	<input type="checkbox"/> Response Evaluation Matrix	<input type="checkbox"/> Response Evaluation Matrix
		<input type="checkbox"/> Purchase Receipt	<input type="checkbox"/> Purchase Memo	<input type="checkbox"/> Purchase Memo
			<input type="checkbox"/> Supporting Information	<input type="checkbox"/> Supporting Information
			<input type="checkbox"/> Board Approval Documentation	<input type="checkbox"/> Board Approval Documentation
			<input type="checkbox"/> Purchase Receipt	<input type="checkbox"/> Purchase Receipt

KERRVILLE PUBLIC UTILITY BOARD	
BOARD POLICY 42	
Title: Purchasing and Procurement Policy	
Effective Date: November 16, 2016	Resolution No. 16-25
Revision: May 17, 2010	Resolution No. 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 for the purchase, lease and sale of property, goods and services needed for KPUB to fulfill its mission to 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,
 - 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.

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, and Electricity and Related Products/Services. Any procurement above the stated limitations will require Board approval in advance of the procurement. The Board will receive quarterly reporting by vendor for 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:

Category	Limitation
Professional and/or Personal Services, General Services, Commodity and Material Goods	Over \$50,000.00
Strategic Alliances	All Transactions
Real Estate	1. Purchases—All Transactions 2. Leases—Over \$10,000.00 or 1 Year
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 above.

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 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 \$50,000.00 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 provide reliable, competitive electric products and services to its customers. Examples of General Service providers include, but are not limited to, security 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 \$50,000.00 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 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 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 \$50,000.00 per purchase order/contract. Software maintenance agreements for existing software do not necessarily 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 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. However, under no circumstances, should this category include Professional Services. All expenditures for Strategic Alliances 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 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 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 \$10,000.00 per transaction; all contracts for a period of more than one-year shall be Board approved.

42.26 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 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. The limit for 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 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 rules served the public good by ensuring an open and equitable marketplace for all potential vendors, under a new era of electric deregulation it created an atmosphere in which KPUB could become competitively disadvantaged. 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 this concern by municipally-owned utilities like KPUB, Senate Bill

7 amended Chapter 252's exceptions to allow a municipal electric utility greater flexibility in procurement in order to allow municipally-owned electric utilities to 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."

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 \$3,000, 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.

Informal Procurement. For purchases between \$3,000 and \$49,999, formal competitive procurement methods are not required. Generally, three quotations shall be obtained. KPUB's Supplier Diversity Program applies.

Component orders or contracts each less than \$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. A formal competitive procurement procedure for purchases of \$50,000 and over 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 any means, including but not limited to 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 anticipated to exceed \$100,000, sealed proposals will be required. Proposals will be opened publicly, announced and be available for public inspection after opening, unless otherwise provided for in these procedures.
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.

8. KPUB and its vendors/suppliers will comply with Government Code section 2252.908 relating to the disclosure of interested parties if applicable to the purchase.

42.35 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.

42.36 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.

42.37 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 KPUBs' 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) 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.

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 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

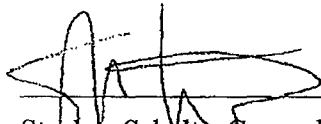
"Surplus Materials" is defined as any KPUB-owned property, including commodities, vehicles, equipment, materials, supplies, books, printed matter, and other property (Real Estate excluded), that is obsolete, unused, not needed for a public purpose, or ineffective for current use. The General Manager & 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.

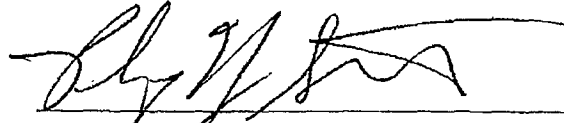
Approved as to Form


Stephen Schulte, Counsel


Recommended for Board Approval


Michael Wittler, General Manager & CEO

PASSED APPROVED AND ADOPTED this 16th day of November, 2016.


Philip Stacy, Chairman

ATTEST:


Fred Gamble, Secretary