

July 12, 2023

Helen Ramirez
City Manager
1001 E Elizabeth Street
Brownsville, Texas 78520

RE: July 12, 2023 FPEC Billing Report

Dear Mrs. Ramirez:

On April 24, 2017, there was a joint meeting of the City Commission of the City of Brownsville and the Brownsville Public Utilities Board (BPUB). The Board agreed to provide the City Commission a monthly electric bill comparison between BPUB and other area Investor-Owned Utilities, Electric Coops, and Retail Electric Providers.

Enclosed for your information is the July 2023 electric bill comparison between BPUB and other area electric providers.

BPUB has approved an FPEC rate of \$.05658 for July 2023. Base rates decreased on December 1, 2022. These combined actions will result in a bill of \$117.65 for an average residential customer using 1,000 kWh during the month of July 2023.

The monthly bill consists of three bill components as follows:

| | |
|-------------------------------|-----------|
| Customer Service Charge | \$ 6.94 |
| Base Rates | 54.13 |
| Fuel & Purchase Energy Charge | 56.58 |
| Total: | \$ 117.65 |

Additionally, enclosed for your information are BPUB's Monthly Financial Performance Reports for the month ending May 31, 2023. The reports show that the 10% gross transfer calculation to the City of Brownsville is based on Adjusted Gross Revenues. Once the City's usage is backed out the remaining amount is transferred quarterly in cash.

If you have any questions or need additional information, please contact me at (956) 983-6709.

Sincerely,

Marilyn D. Gilbert, MBA
General Manager & CEO

Enclosure

c: City Commission of the City of Brownsville
Elizabeth Walker, Assistant City Manager
Bryant Walker, Assistant City Manager/Aviation Administrator
Lupe Granado, COB Finance Director
Mark Dombroski, BPUB Assistant General Manager & COO
Miguel Perez, BPUB CFO
Constanza Miner, BPUB CAO

File

Statement of Revenues, Expenses, and Changes in Net Position*
As of May 31, 2023



| | May 2023 | FY 2023 YTD |
|---|----------------|----------------|
| Operating Revenues: | | |
| 1. Sales and Service Charges | \$ 13,521,387 | \$ 108,602,104 |
| 2. Fuel Collection | 6,498,336 | 54,371,803 |
| 3. Fuel (over) Under Billings | (1,535,014) | (12,531,111) |
| 4. Less rate stabilization | - | (1,500,000) |
| 5. Less utilities service to the City of Brownsville, Texas | (485,054) | (4,049,461) |
| Total Operating Revenues | 17,999,655 | 144,893,335 |
| Operating Expenses: | | |
| 6. Purchased power and fuel | 4,963,322 | 41,840,693 |
| 7. Personnel services | 4,057,871 | 29,650,279 |
| 8. Materials and supplies | 854,044 | 5,210,378 |
| 9. Repairs and maintenance | 608,228 | 3,331,899 |
| 10. Contractual and other services | 2,962,081 | 23,733,457 |
| 11. Depreciation | 2,104,310 | 17,594,694 |
| Total Operating Expenses | 15,549,856 | 121,361,400 |
| Operating Income | 2,449,799 | 23,531,935 |
| Non-Operating Revenues (Expenses): | | |
| 12. SRWA other water supply | (616,789) | (5,050,060) |
| 13. Investment and interest income | 867,796 | 5,713,260 |
| 14. Operating grant revenue | 162,497 | 1,109,918 |
| 15. Interest expense | (944,006) | (7,552,047) |
| 16. Other | (31,219,345) | (30,726,077) |
| 17. Gain (loss) on disposition of capital assets | - | (56,011) |
| 18. Payments to City of Brownsville | (827,238) | (6,324,419) |
| Net nonoperating revenues (expenses) | (32,577,085) | (42,885,436) |
| Income before capital contributions | (30,127,286) | (19,353,501) |
| 19. Capital contributions | 198,027 | 3,562,695 |
| Change in net position | (29,929,259) | (15,790,806) |
| 20. Net position at beginning of year | 459,449,396 | 445,310,943 |
| 21. Net position at end of year | \$ 429,520,137 | \$ 429,520,137 |

*Excludes Southmost Regional Water Authority (a component unit of the BPUB)

Fiscal Year 2023 Financial Performance Report
As of May 31, 2023
Adjusted Gross Revenue Summary



| | May 2023 | FY 2023 YTD |
|--|---------------|----------------|
| 1. Operating Revenues | \$ 16,101,539 | \$ 129,531,845 |
| 2. Off System Energy Sales | 968,044 | 10,761,785 |
| 3. Net Operating Revenues | 17,069,583 | 140,293,630 |
| 4. Other Revenues | 1,415,125 | 10,149,166 |
| 5. Interest from Investments | 710,003 | 4,674,255 |
| 6. Other Non-Operating Income | 208,332 | 1,713,174 |
| 7. Gross Revenues | 19,403,043 | 156,830,225 |
| 8. Less: | | |
| 9. Fuel & Energy Costs | 4,963,322 | 41,840,693 |
| 10. Off System Energy Expenses | 700,012 | 6,316,418 |
| 11. SRWA | 616,789 | 4,934,312 |
| 12. Adjusted Gross Revenues | 13,122,920 | 103,738,802 |
| 13. O&M Expenses | 7,782,211 | 55,609,595 |
| 14. Other Non-Operating Expenses | 36,046 | 611,413 |
| 15. Total Expenses | 7,818,257 | 56,221,008 |
| 16. Debt Service Obligation | 2,479,006 | 19,832,047 |
| 17. Total Requirements (Excluding Fuel & SRWA) | 10,297,263 | 76,053,055 |
| 18. Balance Available to Surplus (Net of COB Usage - MO: \$485,054 YTD: \$4,049,461) | \$ 2,340,603 | \$ 23,636,286 |
| 19. Transfer to COB Net of COB Usage | \$ 827,238 | \$ 6,324,419 |
| 20. Balance Available for Transfers Out | 1,513,365 | 17,311,867 |
| 21. Total Surplus | \$ 2,340,603 | \$ 23,636,286 |
| 22. Balance Available for Transfers Out: | | |
| 23. Operating Subaccount - Fuel Adjustment | \$ - | \$ 2,136,244 |
| 24. Improvement Fund - CIP Funding | 742,368 | 5,938,943 |
| 25. Improvement Fund (Resaca Fee) - Resaca CIP Funding | 29,983 | 239,859 |
| 26. Total Transfers Out | 772,351 | 8,315,046 |
| 27. Balance Available to PUB: | | |
| 28. Improvement Fund - Surplus | 741,014 | 8,996,821 |
| 29. Total | \$ 1,513,365 | \$ 17,311,867 |

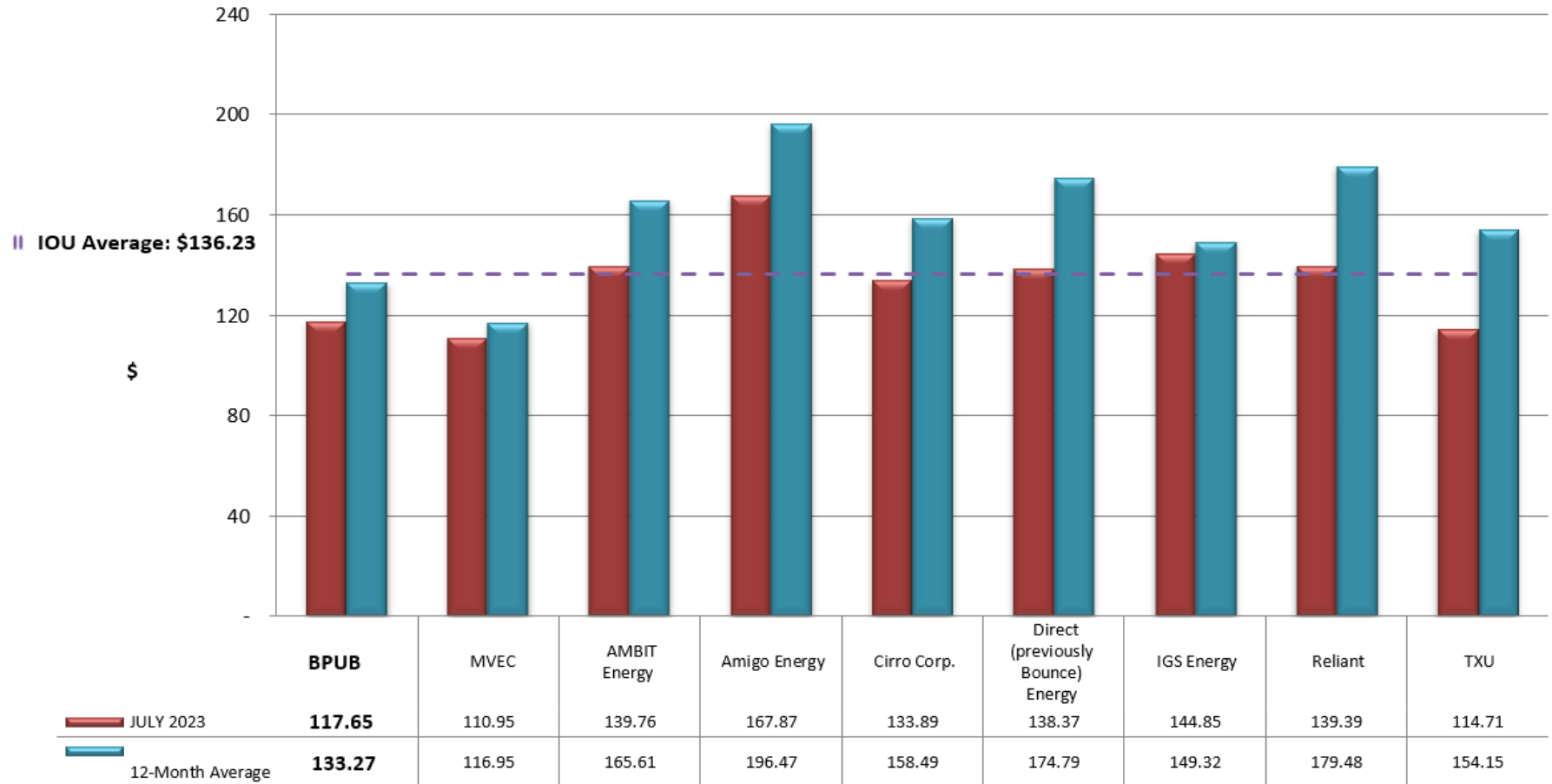
Statements of Net Position*
As of May 31, 2023



| | FY 2023 YTD | Audited SEPT 2022 |
|---|-----------------------|-----------------------|
| ASSETS | | |
| Current Assets: | | |
| 1. Cash - unrestricted | \$ 6,488,303 | \$ 7,569,285 |
| 2. Investments - unrestricted | 16,703,401 | 30,754,866 |
| 3. Due from other governments | 834,980 | 762,812 |
| 4. Receivables | 13,202,100 | 38,211,370 |
| 5. Interest receivable | 795,586 | 186,535 |
| 6. Inventories | 7,855,574 | 8,049,351 |
| 7. Prepaid expense | 2,432,366 | 1,225,995 |
| 8. Total Current Assets | <u>48,312,310</u> | <u>86,760,214</u> |
| Non-Current Assets: | | |
| 9. Cash-restricted | 661,663 | 1,113,809 |
| 10. Investments - restricted | 175,776,977 | 157,037,440 |
| 11. Capital assets, net of accumulated depreciation | 572,941,100 | 574,295,524 |
| 12. Bond issue costs and other assets | 2,220,438 | 2,334,281 |
| 13. Post-Employment Benefits | 13,306,413 | - |
| 14. Total Non-Current Assets | <u>764,906,591</u> | <u>734,781,054</u> |
| 15. Total Assets | <u>813,218,901</u> | <u>821,541,268</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | |
| 16. Deferred charge on refunding | 17,126,954 | 18,644,573 |
| 17. Unrealized Contribution Related/Pension | 1,968,992 | 1,968,992 |
| 18. Deferred Credit-fuel under recovery | - | 12,740,929 |
| 19. Total Deferred Outflows of Resources | <u>19,095,946</u> | <u>33,354,494</u> |
| 20. Total Assets plus Deferred Outflows of Resources | <u>\$ 832,314,847</u> | <u>\$ 854,895,762</u> |
| LIABILITIES AND NET POSITION | | |
| Current Liabilities: | | |
| 21. Accounts payable | \$ 13,610,323 | \$ 21,891,681 |
| 22. Accrued Vacation & Sick Leave | 5,348,417 | 5,543,878 |
| 23. Due to primary government | 1,710,138 | 4,212,940 |
| 24. Total Current Liabilities | <u>20,668,878</u> | <u>31,648,499</u> |
| Current Liabilities Payable from Restricted Assets: | | |
| 25. Accounts Payable and accrued liabilities | 3,794,031 | 1,469,946 |
| 26. Accrued interest | 2,832,018 | 944,006 |
| 27. Customer Deposits | 5,586,009 | 5,328,170 |
| 28. Bonds payable - current redemption | 18,375,998 | 18,420,000 |
| 29. Commerical Paper | - | - |
| 30. Total Current Restricted Liabilities | <u>30,588,056</u> | <u>26,162,122</u> |
| 31. Total Current Liabilities | <u>51,256,934</u> | <u>57,810,621</u> |
| Non-Current Liabilities: | | |
| 32. Bonds payable | 301,721,181 | 303,716,658 |
| 33. Other Post -employment benefits | 17,128,248 | 17,128,248 |
| 34. Net Pension Liability | 11,610,138 | 11,610,138 |
| 35. Self Insurance worker's compensation claims | 799,299 | 330,426 |
| 36. Total Non-Current liabilities | <u>331,258,866</u> | <u>332,785,470</u> |
| 37. Total Liabilities | <u>382,515,800</u> | <u>390,596,091</u> |
| DEFERRED INFLOWS OF RESOURCES | | |
| 38. Deferred Credit-fuel over recovery | 1,290,182 | - |
| 39. Unrealized Contributions and losses related to pension | 18,988,728 | 18,988,728 |
| 40. Total Deferred Inflows of Resources | <u>20,278,910</u> | <u>18,988,728</u> |
| 41. Total Liabilities plus Deferred Inflows of Resources | <u>402,794,710</u> | <u>409,584,819</u> |
| Net Position: | | |
| 42. Invested in capital assets | 272,191,317 | 273,137,723 |
| Restricted for: | | |
| 43. Debt Service | 16,714,574 | 2,482,014 |
| 44. Repair and replacement | 130,687,800 | 129,715,783 |
| 45. Operating reserve | 17,005,436 | 17,017,873 |
| 46. Fuel adjustment subaccount | 2,492,464 | 1,856,220 |
| 47. Capital Projects | - | 9,912 |
| 48. Unrestricted | <u>(9,571,454)</u> | <u>21,091,418</u> |
| 49. Total Net Position | <u>429,520,137</u> | <u>445,310,943</u> |
| 50. Total Liabilities Plus Deferred Inflows of Resources Plus Net Position | <u>\$ 832,314,847</u> | <u>\$ 854,895,762</u> |

*Excludes Southmost Regional Water Authority (a component unit of the BPUB)

Investor Owned Utilities
 Residential Electric Bill Comparison
 July 2023
 Based on 1,000 kWh of Electric Sales



Notes:

1. This comparison is compiled using information for Retail Electric Providers (REPs) which is publicly available through the Power to Choose link on the Public Utilities Commission of Texas' website. The monthly bills shown on this sheet are inclusive of all fixed (e.g. customer & metering charges) and variable charges (e.g. transmission & distribution charges).

2. For comparative purposes bills shown are all fixed plans.