



Finance Committee

T U E S D A Y , M A Y 7 , 2 0 2 4





Call Open Meeting To Order



Public Comments

Items For Presentation And Discussion

1. Presentation, Discussion, and Possible Recommendation of the Brownsville Public Utilities Board's Financial Performance Report for the Period Ending March 31, 2024 - Monica Cavazos
2. Presentation, Discussion, and Possible Recommendation for the Selection of a Firm to Conduct an Integrated Resource Plan - Lina Alvarez
3. Presentation, Discussion, and Possible Recommendation Regarding Progress of the Advanced Metering Infrastructure Project - Eddy Hernandez
4. Presentation, Discussion, and Possible Recommendation on Year-To-Date Capital Expenditures as of March 31, 2024 - George Rangel
5. Presentation, Discussion, and Possible Recommendation on the Adoption of Fees and Charges Required to Implement or Enforce the City of Brownsville Ordinance 2018-983-DD Cross Connection Control and Back Flow Prevention Program -Albert Gomez





Financial Performance Report as of March 31, 2024

MAY 13, 2024

● ● ● B O A R D O F D I R E C T O R S M E E T I N G

Fiscal Year 2024 Financial Performance As of March 31, 2024 Executive Summary



Flow of Funds: Adjusted Gross Revenues came in higher than budgeted due to reduced fuel and energy costs. YTD, \$5.9M has been generated to fund capital improvement projects. Debt Service Coverage is at 2.55x, well above the 1.25x minimum.



Personnel and Non-Personnel expenses came in lower than budgeted primarily due to current vacancies and timing issues.



BPUB's **Average Bill** is slightly higher than the average MOU bill but significantly lower than the average IOU bill for 1000 kwh.



COB Cash Transfer was slightly higher than budgeted due to an increase in adjusted gross revenues.



CIP Spending is at \$14M YTD, which is 15.2% of the FY 2024 approved plan.



FPEC has generated an over-recovery of \$5.69M as of March 31. This will be used to offset future market uncertainty.



All **Key Financial Metrics** are currently in compliance.



Fiscal Year 2024 Financial Performance
As of March 31, 2024
Statement of Revenues, Expenses, and Changes in Net Position



	FY 2024 MAR 2024 YTD	FY 2023 MAR 2023 YTD
1 Operating Revenues	\$ 98,274,826	\$ 109,609,743
2 Less: Operating Expenses	90,050,519	92,177,186
3 Operating Income	8,224,307	17,432,557
4 Net nonoperating revenues (expenses)	(7,239,645)	(9,236,566)
5 Income (loss) before capital contributions	984,662	8,195,991
6 Capital contributions	3,847,833	3,178,095
7 Change in net position	4,832,495	11,374,086
8 Net position at beginning of fiscal year	452,609,182	445,310,943
9 Net position at end of period	\$ 457,441,677	\$ 456,685,029

Notes:

- 1. Excludes Southmost Regional Water Authority (a component unit of the BPUB)**
- 2. The large variance in FY 24 vs FY23 Operating Revenues is primarily due to the Board approved use of additional rate stabilization funds in FY24.**

**Fiscal Year 2024 Financial Performance
As of March 31, 2024
Summary of Revenues & Expenses (Flow of Funds)**



		MARCH 2024		
		YTD BUDGET	YTD ACTUAL	VARIANCE
1	Operating Revenues	\$ 119,023,793	101,732,817	\$ (17,290,976)
2	Other Revenues	10,731,260	13,738,101	3,006,841
3	Gross Revenues	<u>129,755,053</u>	<u>115,470,918</u>	<u>(14,284,135)</u>
4	Less: Fuel and SRWA	50,988,869	34,322,195	(16,666,674)
5	Adjusted Gross Revenues	<u>78,766,184</u>	<u>81,148,723</u>	<u>2,382,539</u>
6	Less: Other Requirements (O&M, Non-Oper, Debt Svc)	<u>65,852,357</u>	<u>59,074,231</u>	<u>(6,778,126)</u>
7	Balance Available After Requirements	12,913,826	19,071,330	9,165,459
8	Transfer to COB Net of COB Usage	<u>4,868,664</u>	<u>5,111,710</u>	<u>243,046</u>
9	Balance Available for Transfers Out	8,045,162	13,959,620	5,914,458
10	Less: Transfers Out for CIP	<u>8,045,162</u>	<u>8,045,165</u>	<u>3</u>
11	Improvement Fund Replenishment	-	5,914,456	5,914,456
12	Total Transfers & Surplus	\$ 8,045,162	\$ 13,959,621	\$ 5,914,459
13	Debt Service Coverage Ratio	1.89 x	2.55 x	

Fiscal Year 2024 Financial Performance

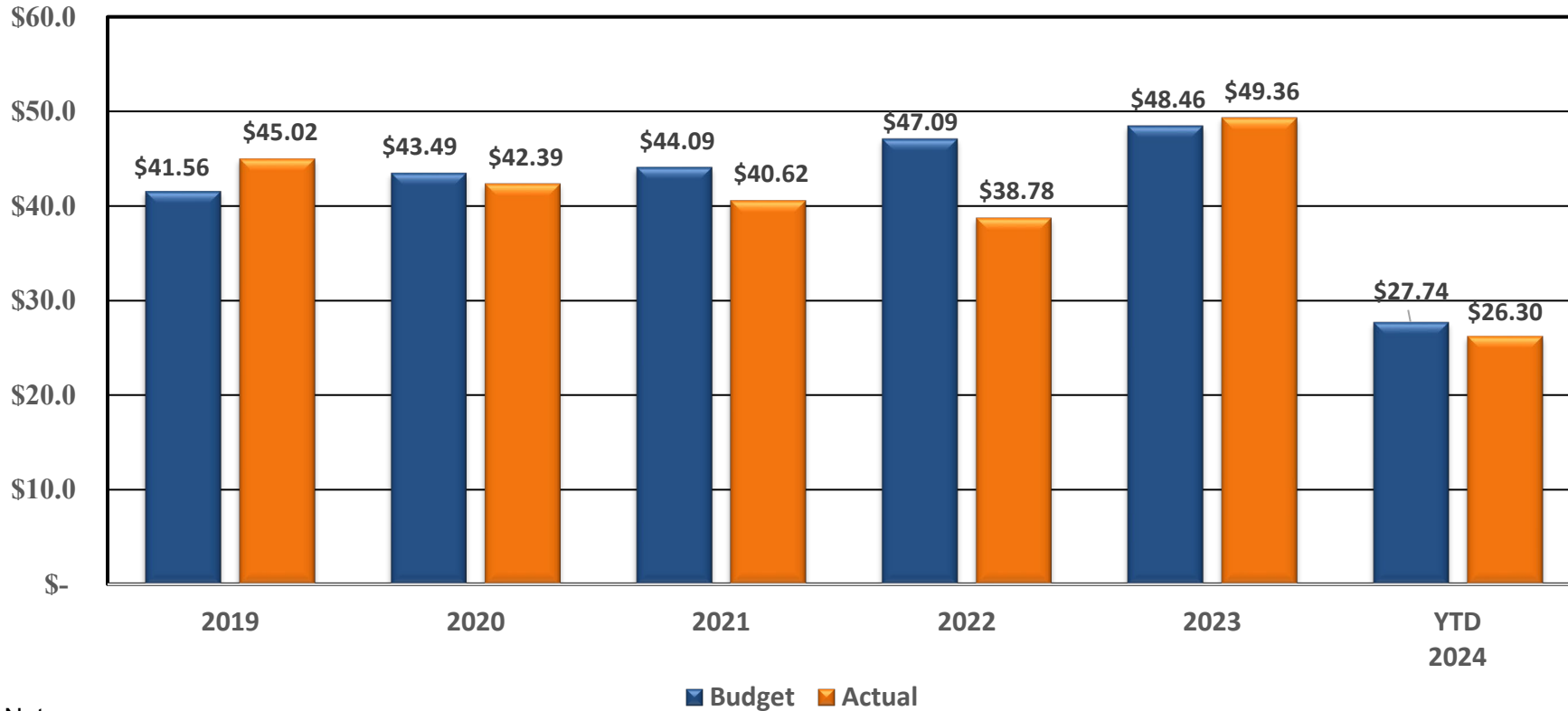
As of March 31, 2024

O&M Expenses - Personnel

Budget vs. Actuals



Millions



Notes:

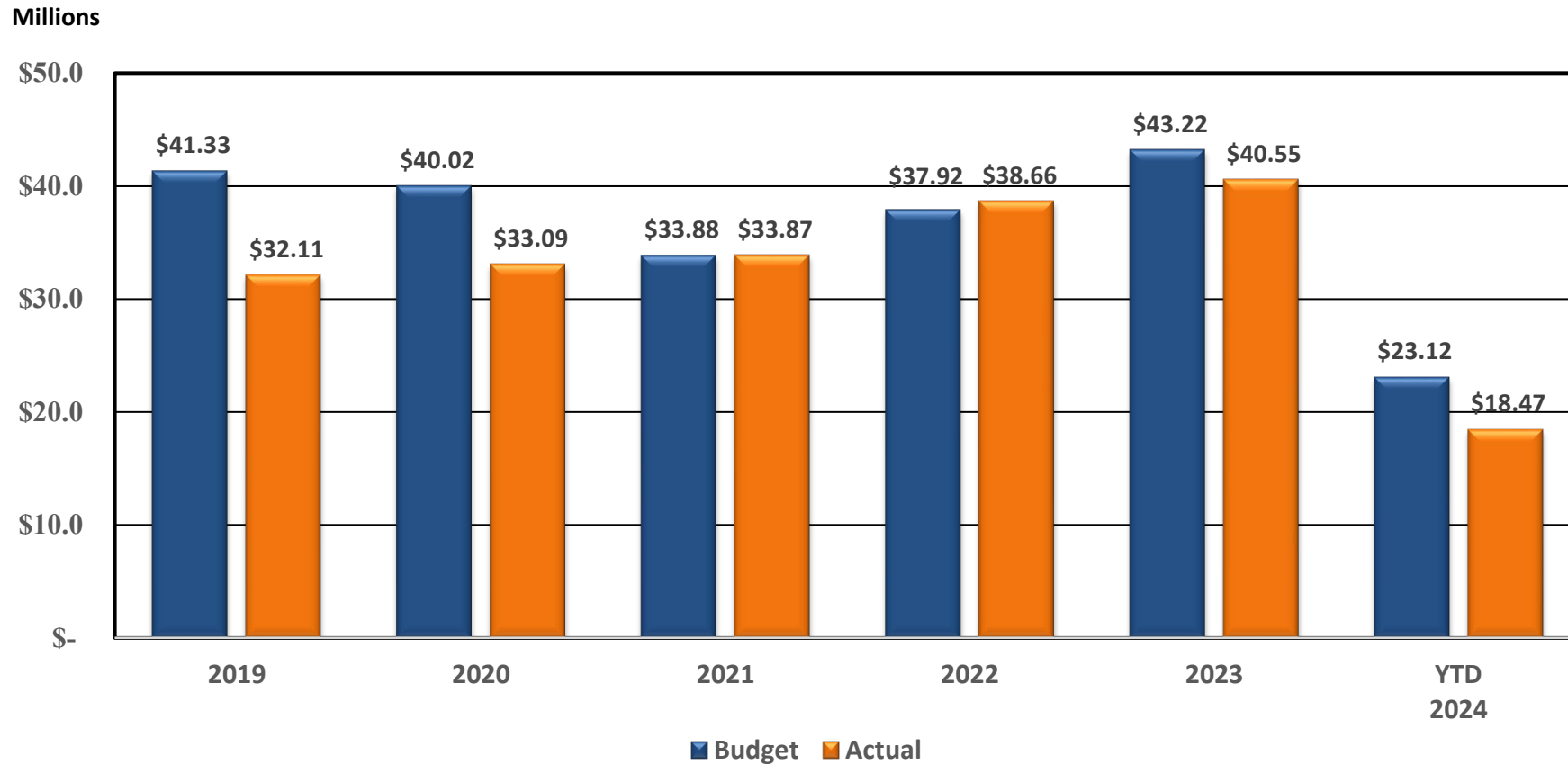
- YTD personnel actuals are below budget primarily due to current vacancies of approximately 52 positions (8.3% of approved positions for BPUB vs the budgeted 5%).
- The large variance in FY 2022 is attributed to the budgeted MAG study that wasn't fully implemented until early FY 2023.

Fiscal Year 2024 Financial Performance

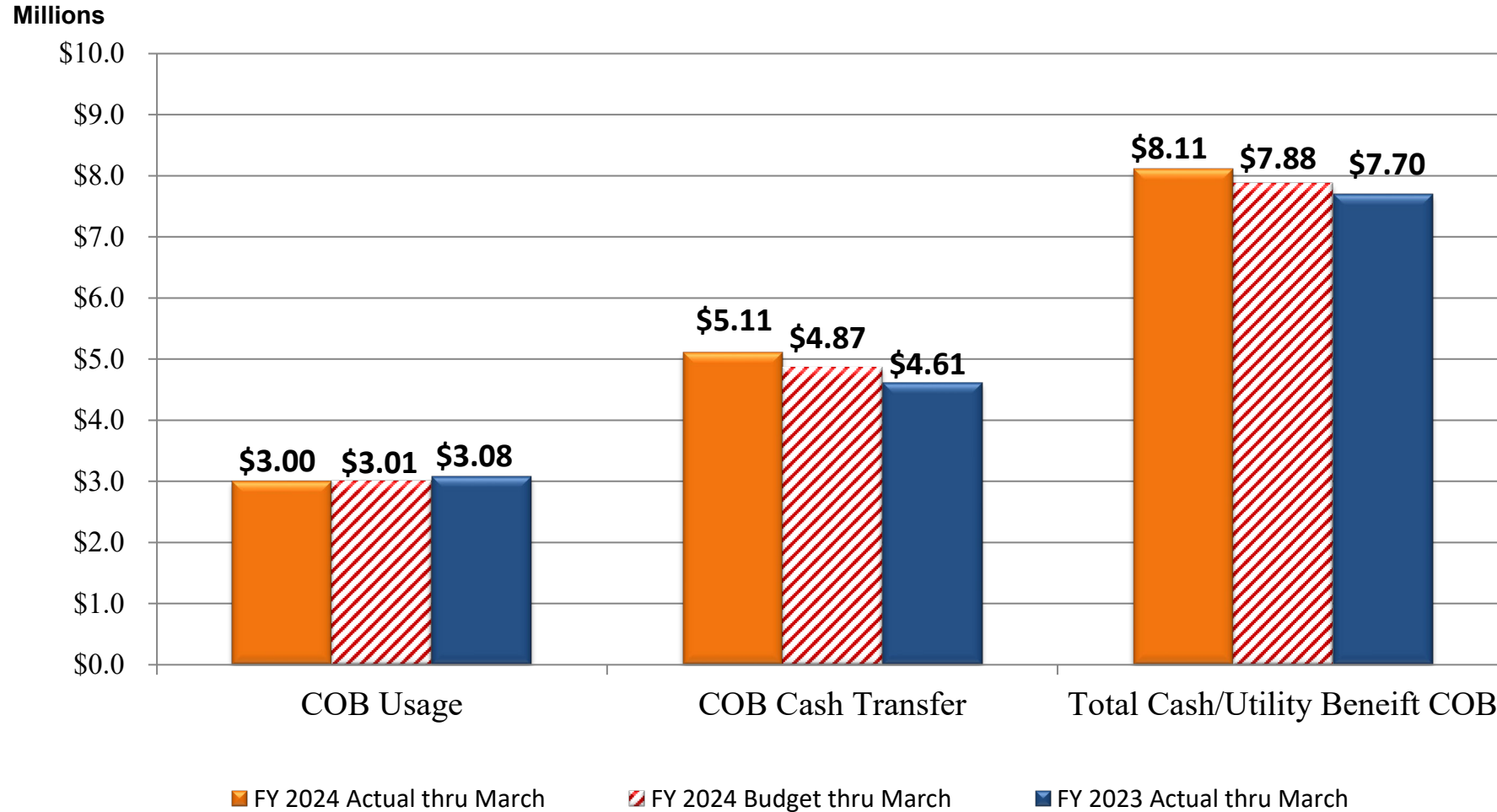
As of March 31, 2024

O&M Expenses – Non-Personnel

Budget vs. Actuals



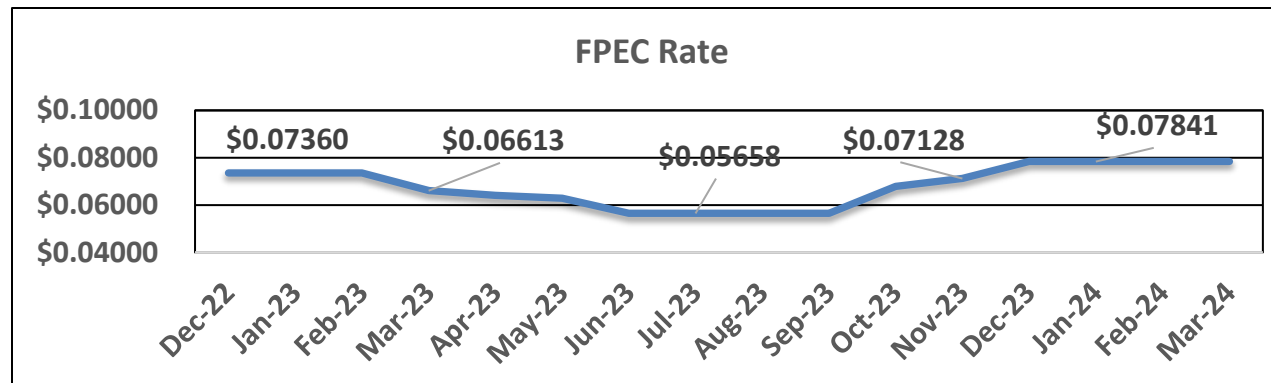
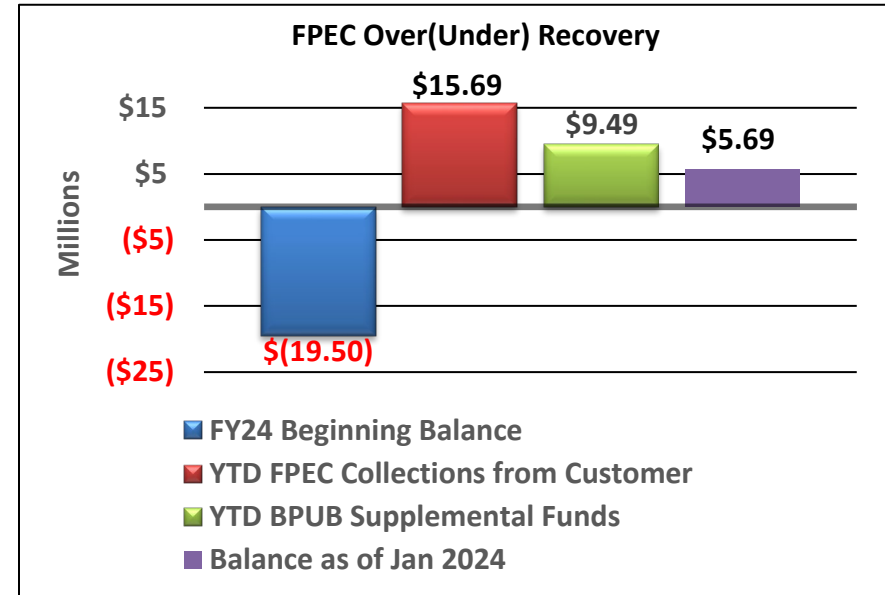
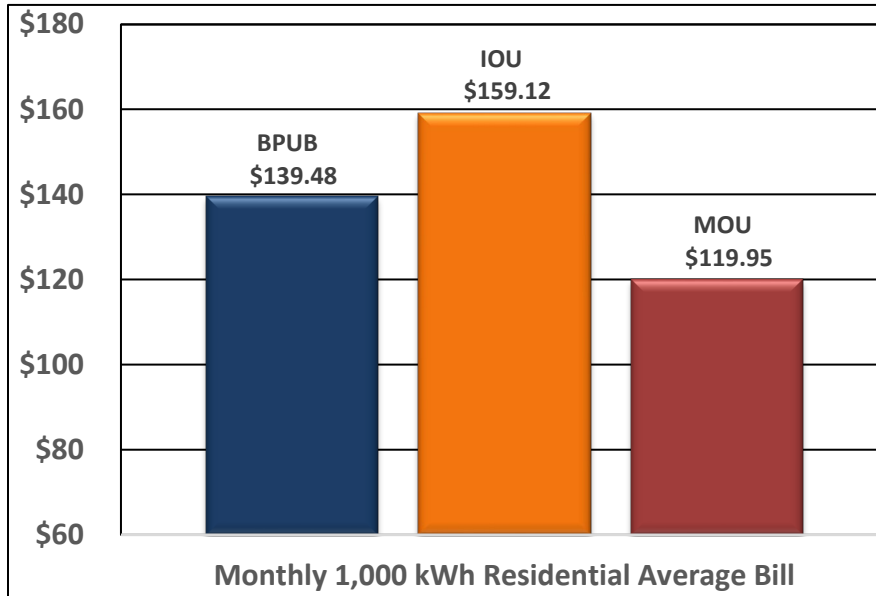
Fiscal Year 2024 Financial Performance As of March 31, 2024 City of Brownsville Transfer Summary



Fiscal Year 2024 Financial Performance

As of March 31, 2024

Average Electric Bill and Fuel and Purchased Energy Charge (FPEC)



Fiscal Year 2024 Financial Performance

Capital Improvement Plan

Budget vs. Actual



FY 2024 CIP SPENDING AS OF MARCH 31, 2024

LINE REF.	PROJECT STATUS OR DEPENDENCIES	APPROVED PLAN	YTD ACTUAL	PROJECT BALANCE	COMPLETION PERCENTAGE
1	Customer Connections	\$ 5,858,549	\$ 2,696,319	\$ 3,162,230	46.02%
2	Grant Funded	14,056,900	459,421	13,597,479	3.27%
3	Heavy Equipment and Vehicles	5,242,504	440,635	4,801,869	8.41%
4	Hidalgo Energy Center	6,286,814	1,464,611	4,822,203	23.30%
5	In Design	13,398,380	638,843	12,759,537	4.77%
6	Out for Bids	7,636,500	1,054,991	6,581,509	13.82%
7	Proposed Projects	2,104,416	-	2,104,416	0.00%
8	Resaca Fee Funded Equipment	1,420,867	-	1,420,867	0.00%
9	Routine Activities	1,878,686	1,744,675	134,011	92.87%
10	Under Construction	24,205,783	2,994,279	21,211,504	12.37%
11	Utility Relocations	9,627,966	2,488,648	7,139,318	25.85%
12	Grand Total	\$ 91,717,365	\$ 13,982,422	\$ 77,734,943	15.25%

FY 2024 CIP Plan

Funding Source	Amount	% of Total
Pay as You Go	\$ 36,580,832	39.88%
Future Debt	35,867,539	39.11%
Grants	14,056,900	15.33%
Impact Fees	3,791,227	4.13%
Resaca Fees	1,420,867	1.55%
TOTAL	\$ 91,717,365	100.00%

CAPITAL SPENDING FIVE-YEAR HISTORY

DESCRIPTION	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Approved Budget	\$ 81,483,958	\$ 108,350,813	\$ 90,795,286	\$ 98,169,572	\$ 92,133,995
Electric	\$ 12,306,415	\$ 9,726,915	\$ 10,932,832	\$ 12,766,187	\$ 16,239,713
General	16,837,901	16,557,173	16,641,320	2,596,943	1,033,971
Water	2,156,801	4,197,824	4,653,944	8,325,458	5,362,216
Wastewater	6,744,855	2,884,550	4,084,570	6,976,183	6,116,850
Total Expenditures	\$ 38,045,972	\$ 33,366,462	\$ 36,312,666	\$ 30,664,771	\$ 28,752,750
YTD % Incurred	46.7%	30.8%	40.0%	31.2%	31.2%

Fiscal Year 2024 Financial Performance

As of March 31, 2024

Key Financial Metrics



Debt Service Coverage Ratio
Per Bond Covenant ~ 1.25x
Actual thru January ~ 2.55x

Outstanding Debt
BPUB ~ \$272,035,000
Annual Debt Service ~ \$28,884,265

Debt to Capitalization Ratio *
Municipal Utility Median ~ 38%
BPUB FY 2023 ~ 40%

Days Cash on Hand
Industry Standard ~ 180 days
BPUB ~ 372 days

Bond Ratings
Moody's ~ A2/Outlook Stable
Fitch ~ A-/Outlook Stable
S&P ~ A-/Outlook Stable

All Reserves Fully Funded
Capital Improvement Reserve \$15,000,205
Debt Service Reserves – Junior and Senior Liens (Net of Surety Policies) \$15,144,378
Operating Cash Reserve \$17,001,515

Fiscal Year 2024 Financial Performance As of March 31, 2024 Customer Receivable Metrics



CUSTOMER RECEIVABLES AGING REPORT

	Current	Past Due 30 Days	Past due 60 Days	Past due 90 Days	Total
Value in Dollars	\$ 12,640,583	\$ 1,064,550	\$ 150,580	\$ 189,371	\$ 14,045,083
% of Total Receivables	90.0%	7.6%	1.1%	1.3%	100%
Number of Accounts	28,213	7,549	1,983	699	38,444

FISCAL YEAR 2024 UTILITY ASSISTANCE

MONTH	NUMBER OF ACCOUNTS	TOTAL ASSISTANCE RECEIVED
October-23	347	\$ 152,411.42
November-23	527	\$ 126,292.66
December-23	310	\$ 32,940.27
January-24	134	\$ 85,897.81
February-24	14	\$ 14,044.04
March-24	104	\$ 126,456.31
YTD Totals		\$ 538,042.51

AVERAGE CUSTOMER RECEIVABLES COLLECTION PERIOD

FISCAL YEAR	DAYS
FY 2024 YTD	19.01
FY 2023	20.08
FY 2022	20.07
FY 2021	21.77
FY 2020	24.25
FY 2019	24.64

Glossary of Terms



Bond Ratings – A measure of the quality and safety of a bond, based on the issuer’s financial condition; more specifically, an evaluation from a rating service indicating the likelihood that a debt issuer will be able to meet scheduled interest and principal repayments. Typically, AAA is the highest (best), and D is the lowest (worst). The Brownsville PUB is maintaining an “A2”, as rated by Moody’s, an “A-” as rated by Standard & Poor’s, and an “A-” as rated by Fitch Ratings. “A” ratings denote expectations of low credit risk and a strong capacity for payment of financial commitments.

Capital Improvement Plan (CIP) – A plan that lays out the financing, location, and timing for capital improvement projects over several years.

Debt to Capitalization Ratio – Indicates a utility funds a greater portion of capital needs on a pay-as-you-go basis and has capacity for additional borrowing for future needs.

Debt Service Coverage Ratio – Formula that measures a firm’s available cash flow to pay current debt obligations. The ratio is calculated by dividing net operating revenues by debt service, including principal and interest.

Fuel & Purchased Energy Charge (FPEC) – An electric cost adjustment is the mechanism that tracks and passes through to customers the actual cost of purchased fuel or purchased electricity. The Brownsville PUB meets on a monthly basis to make FPEC adjustments if actual costs vary from forecasted prices. Adjustments can be decreased or increased.

Improvement Fund CIP Funding – Deposit account used for meeting any capital improvements to the System.

Improvement Fund Surplus Revenues – Deposit of any funds remaining after all debt requirements have been made.

Improvement Reserve Fund - Reserve account for future CIP projects. The goal is to establish reserves of \$15,000,000, as required by Bond Ordinance covenants.

IOU (Investor-Owned Utility) – A company that provides utility services that are privately run and own their infrastructure and equipment.

MOU (Municipally-Owned Utility) – A non-profit utility provider that is owned and operated by the municipality it serves.

Operating Reserve Funds – Reserve amount of not less than two months of budgeted O&M expenses (\$17,000,000 minimum) for the current fiscal year.

Operating Revenues – Gross Revenues with respect to any period, after deducting the O&M expenses.

Other Non-Operating Expenses – Miscellaneous expenses, debt discounts/expenses and other interest expenses.

Other Non-Operating Revenues – Revenues consisting of TCI – Pole Rental charges, miscellaneous income and billing discounts.

Other Revenues – Revenues consisting of other sales, forfeited discounts (penalties), connection and service charges and TCOS charges.

PAY-AS-YOU-GO – The principle or practice of financing expenditures with surplus funds that are currently available rather than borrowed.

Surety Policy - A financial guaranty insurance policy that insures payment of principal of and interest on Bonds that is issued simultaneously with the delivery of the Bonds

ADDITIONAL INFORMATION

Statement of Revenues, Expenses, and Changes in Net Position*

As of March 31, 2024



	March 2024	FY 2024 YTD
Operating Revenues:		
1. Sales and Service Charges	\$ 12,785,087	\$ 83,903,321
2. Fuel Collection	6,484,457	42,559,782
3. Fuel (over) Under Billings	(2,182,783)	(15,692,650)
4. Less rate stabilization	-	(9,492,464)
5. Less utilities service to the City of Brownsville, Texas	(472,448)	(3,003,163)
6. Total Operating Revenues	<u>16,614,313</u>	<u>98,274,826</u>
Operating Expenses:		
7. Purchased power and fuel	4,301,676	26,867,135
8. Personnel services	4,228,277	26,297,070
9. Materials and supplies	535,658	3,923,215
10. Repairs and maintenance	258,411	1,645,041
11. Contractual and other services	2,734,330	16,724,622
12. Depreciation	2,334,198	14,593,436
13. Total Operating Expenses	<u>14,392,550</u>	<u>90,050,519</u>
14. Operating Income (Loss)	<u>2,221,763</u>	<u>8,224,307</u>

Statement of Revenues, Expenses, and Changes in Net Position*

As of March 31, 2024 - continued



	March 2024	FY 2024 YTD
Non-Operating Revenues (Expenses):		
15. SRWA other water supply	(604,811)	(3,628,868)
16. Investment and interest income	1,204,428	6,391,649
17. Operating grant revenue	10,912	199,245
18. Interest expense	(924,071)	(5,518,982)
19. Other	478,664	852,224
20. Gain (loss) on disposition of capital assets	(23,724)	(423,203)
21. Payments to City of Brownsville	(787,146)	(5,111,710)
22. Net nonoperating revenues (expenses)	<u>(645,748)</u>	<u>(7,239,645)</u>
23. Income before capital contributions	1,576,015	984,662
24. Capital contributions	<u>649,532</u>	<u>3,847,833</u>
25. Change in net position	<u>2,225,547</u>	<u>4,832,495</u>
26. Net position at beginning of year	455,216,130	452,609,182
27. Net position at end of year	<u>\$ 457,441,677</u>	<u>\$ 457,441,677</u>

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

Fiscal Year 2024 Financial Performance Report

As of March 31, 2024

Adjusted Gross Revenue Summary



	March 2024	FY 2024 YTD
1. Operating Revenues	\$ 14,656,751	\$ 93,488,580
2. Off System Energy Sales	622,358	6,186,031
3. Net Operating Revenues	15,279,109	99,674,611
4. Other Revenues	1,807,650	11,095,841
5. Interest from Investments	713,717	3,866,414
6. Other Non-Operating Income	369,305	834,052
7. Gross Revenues	18,169,781	115,470,918
8. Less:		
9. Fuel & Energy Costs	4,301,674	26,867,133
10. Off System Energy Expenses	667,369	3,826,192
11. SRWA	604,812	3,628,869
12. Adjusted Gross Revenues	12,595,926	81,148,724
13. O&M Expenses	7,017,504	44,253,470
14. Other Non-Operating Expenses	-	562,043
15. Total Expenses	7,017,504	44,815,513
16. Debt Service Obligation	2,337,855	14,258,718
17. Total Requirements (Excluding Fuel & SRWA)	9,355,359	59,074,231

**Fiscal Year 2024 Financial Performance Report
As of March 31, 2024
Adjusted Gross Revenue Summary - continued**



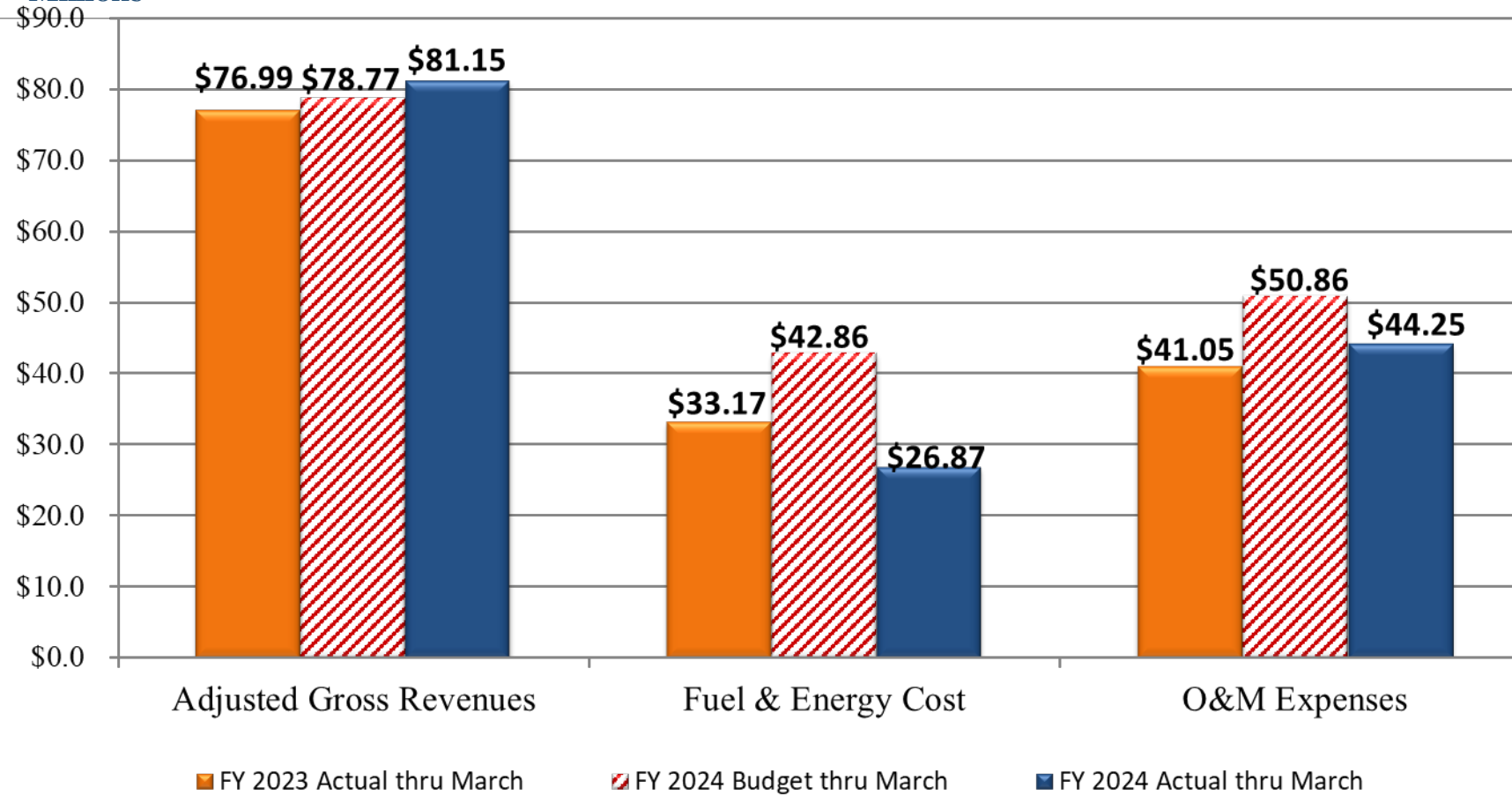
	March 2024	FY 2024 YTD
18. Balance Available to Surplus (Net of COB Usage - MO: \$472,447 YTD: \$3,003,162	\$ 2,768,120	\$ 19,071,331
19. Transfer to COB Net of COB Usage	\$ 787,146	\$ 5,111,710
20. Balance Available for Transfers Out	1,980,974	13,959,621
21. Total Surplus	\$ 2,768,120	\$ 19,071,331
22. Balance Available for Transfers Out:		
23. Operating Subaccount - Fuel Adjustment	\$ -	\$ -
24. Improvement Fund - CIP Funding	1,251,564	7,509,389
25. Improvement Fund (Resaca Fee) - Resaca CIP Funding	89,296	535,776
26. Total Transfers Out	1,340,860	8,045,165
27. Balance Available to PUB:		
28. Improvement Fund Replenishment	640,114	5,914,456
29. Total	\$ 1,980,974	\$ 13,959,621

Fiscal Year 2024 Financial Performance

As of March 31, 2024



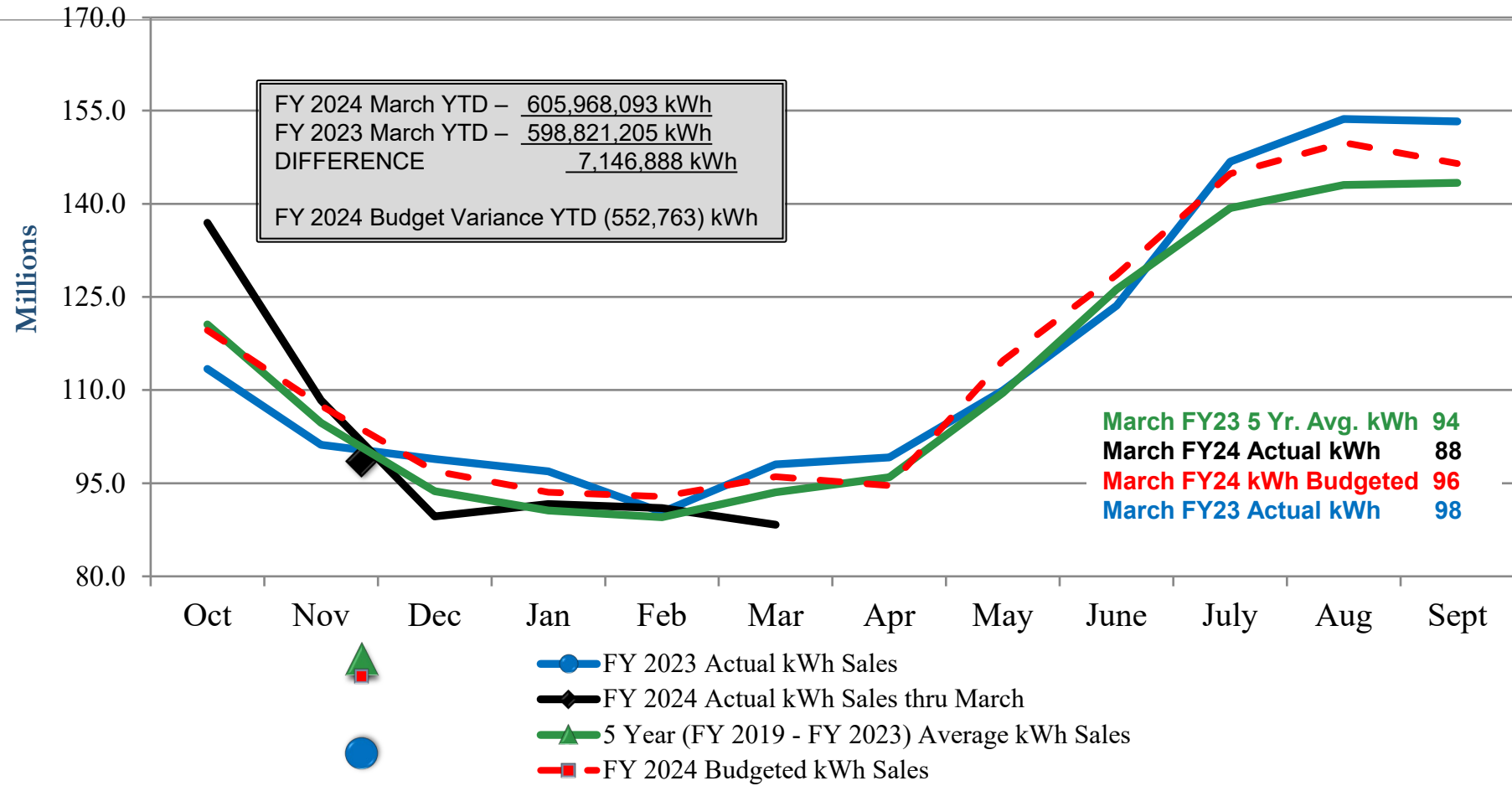
Millions



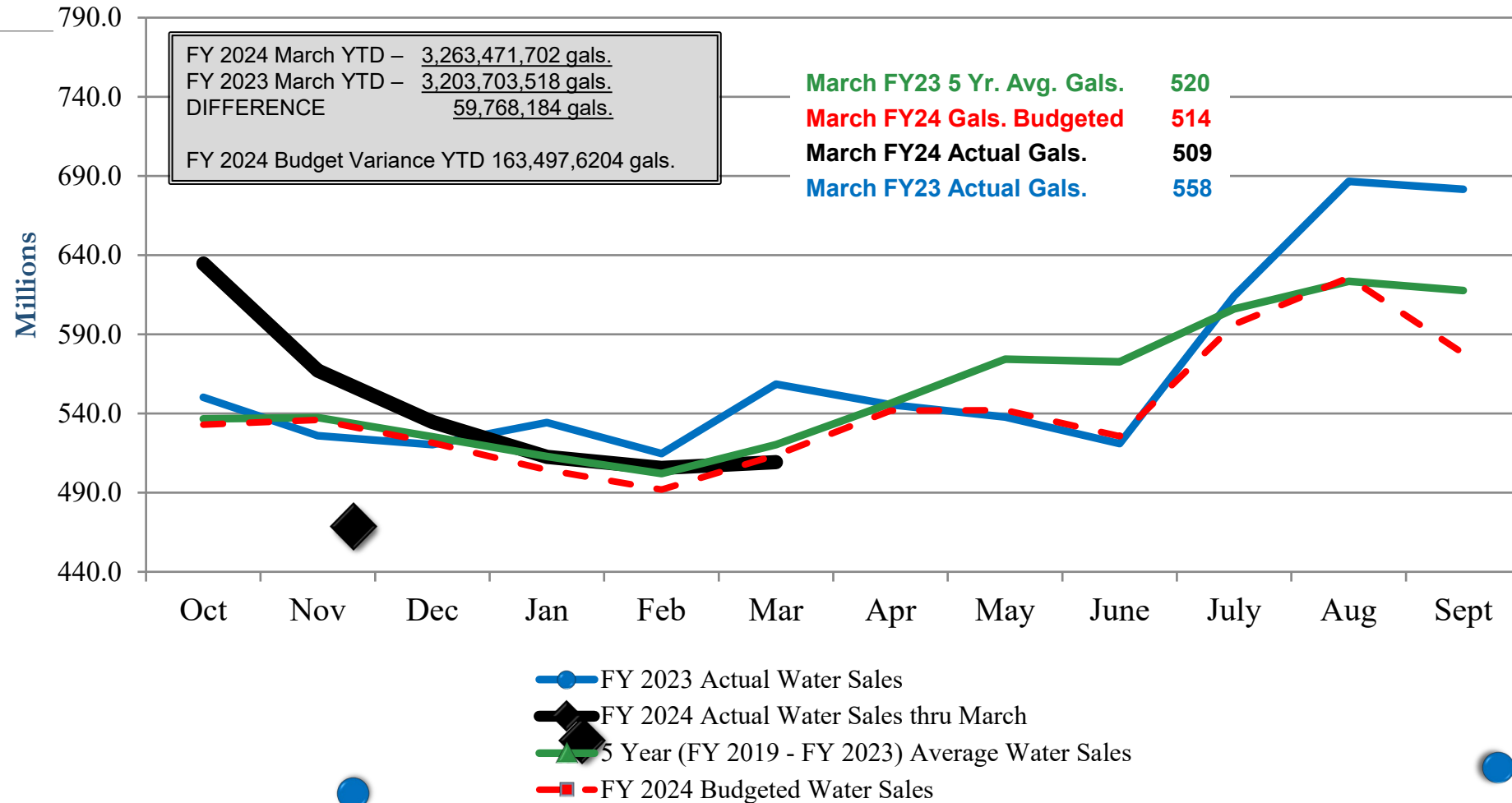
Fiscal Year 2024 Financial Performance

As of March 31, 2024

Electric Sales



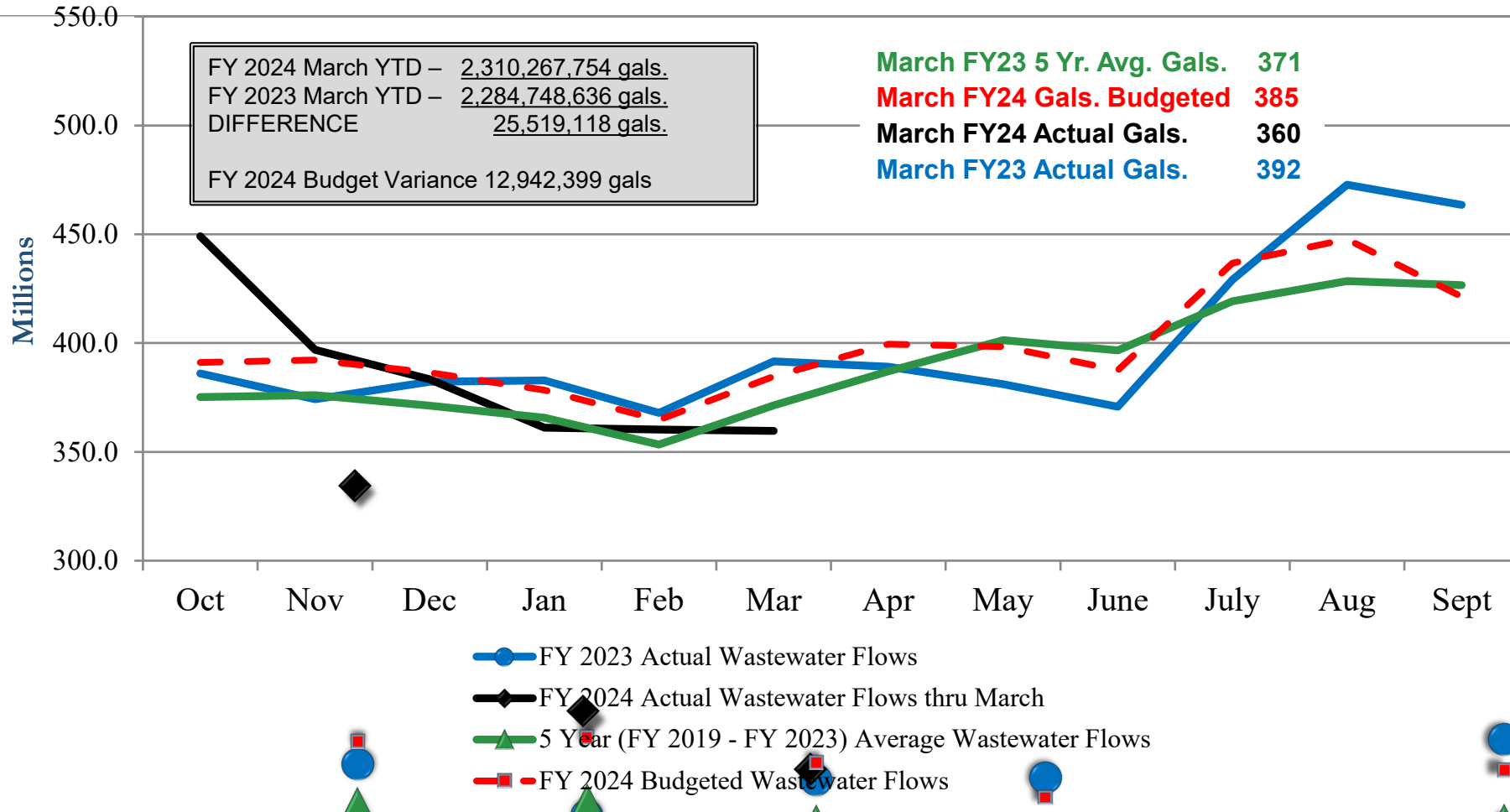
Fiscal Year 2024 Financial Performance As of March 31, 2024 Water Sales



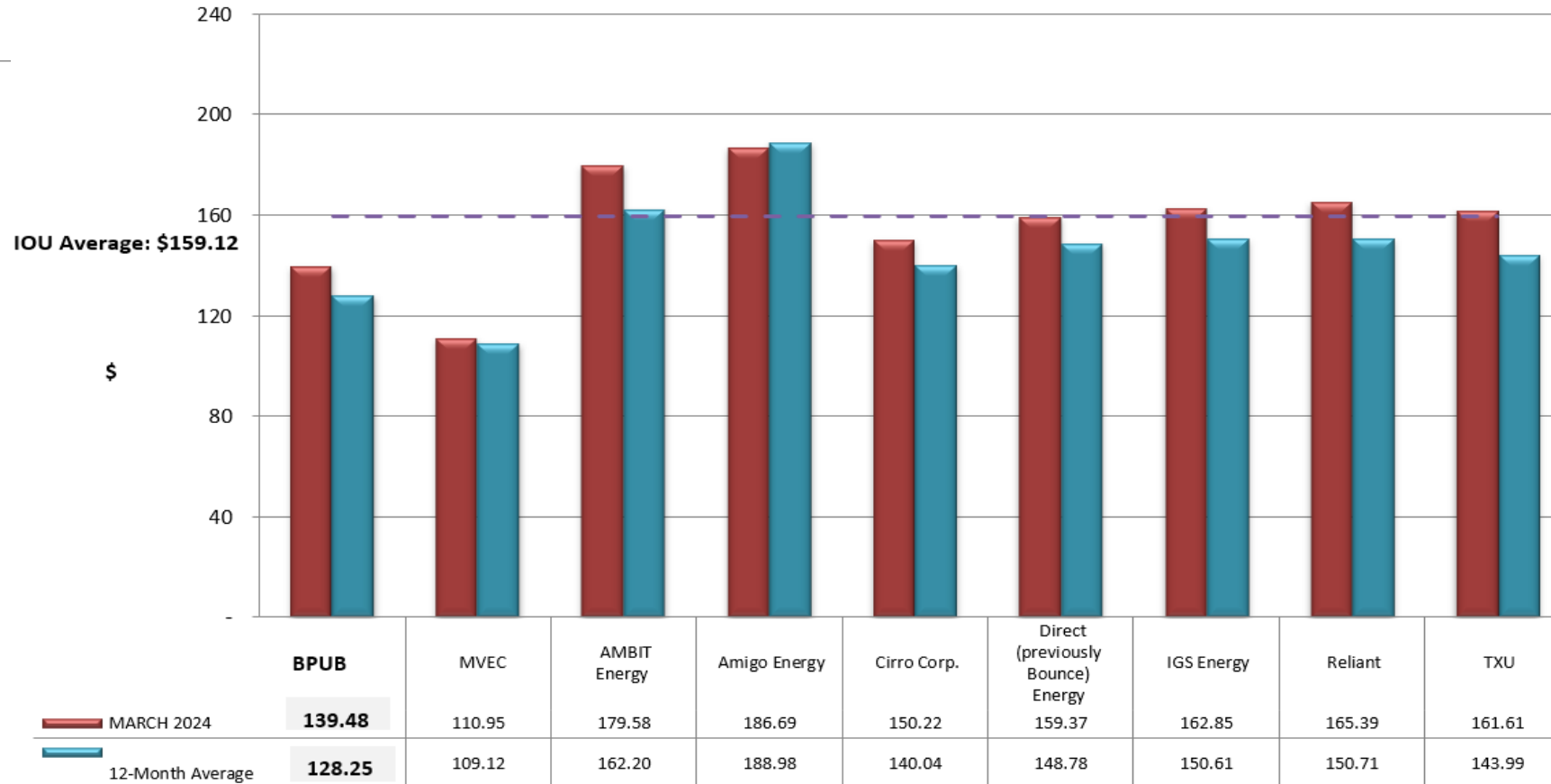
Fiscal Year 2024 Financial Performance

As of March 31, 2024

Wastewater Flows



Investor Owned Utilities Residential Electric Bill Comparison March 2024 Based on 1,000 kWh of Electric Sales

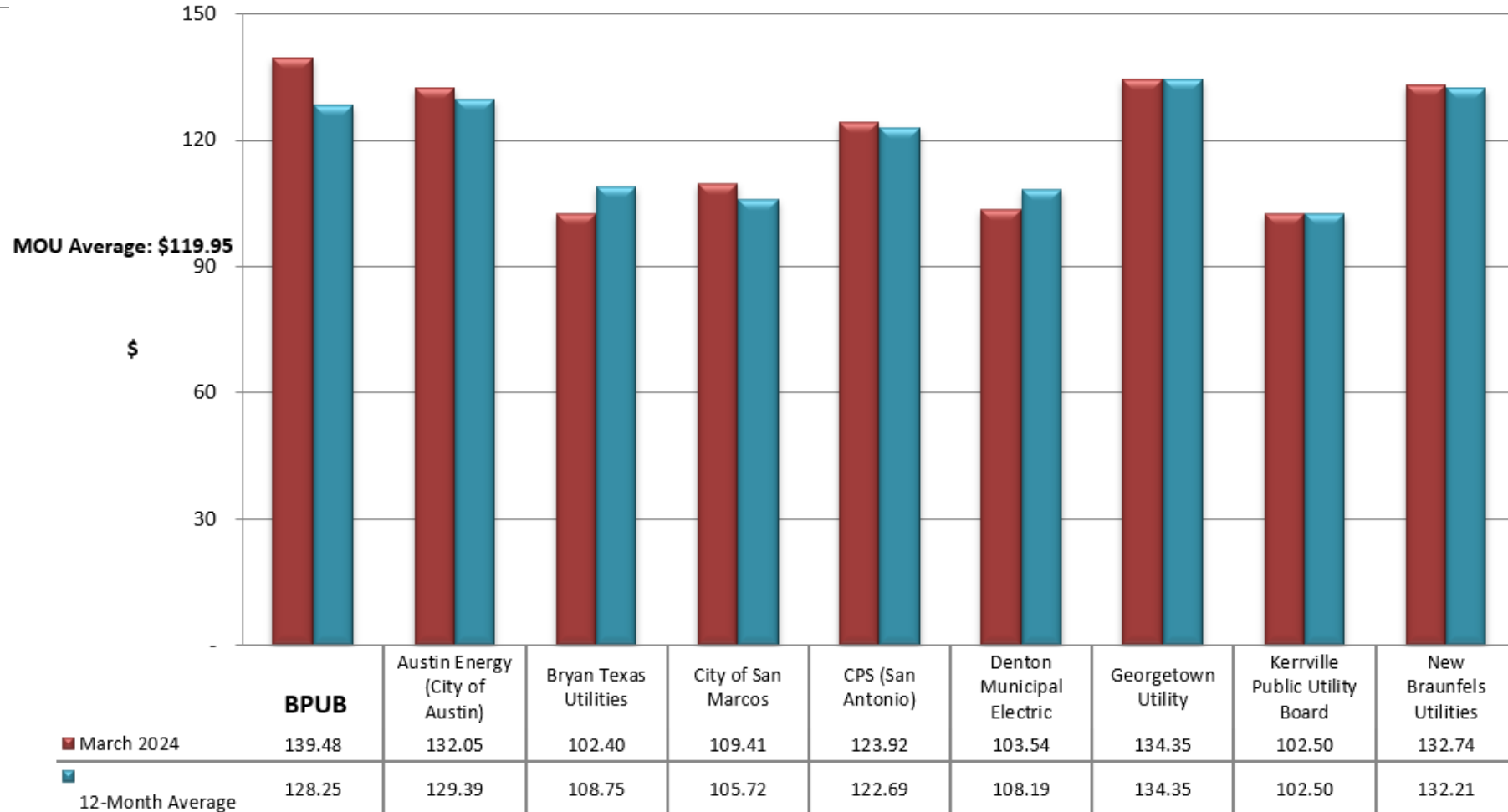


Notes:

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.

Municipally Owned Utilities Residential Electric Bill Comparison March 2024 Based on 1,000 kWh of Electric Sales



Statements of Net Position*

As of March 31, 2024



	FY 2024 YTD	Audited SEPT 2023
ASSETS		
Current Assets:		
1. Cash - unrestricted	\$ 2,694,086	\$ 4,181,802
2. Investments - unrestricted	32,395,678	20,735,545
3. Due from other governments	519,046	717,641
4. Receivables	31,128,386	34,572,622
5. Interest receivable	1,892,262	1,058,483
6. Inventories	11,019,660	9,234,354
7. Prepaid expense	760,343	1,332,648
8. Total Current Assets	<u>80,409,461</u>	<u>71,833,095</u>
Non-Current Assets:		
9. Cash-restricted	110,598	334,164
10. Investments - restricted	165,966,142	152,835,555
11. Capital assets, net of accumulated depreciation	579,703,247	578,990,685
12. Regulatory Assets	2,078,135	2,163,517
13. Post-Employment Benefits	14,726,855	13,194,523
14. Total Non-Current Assets	<u>762,584,977</u>	<u>747,518,444</u>
15. Total Assets	<u>842,994,438</u>	<u>819,351,539</u>
DEFERRED OUTFLOWS OF RESOURCES		
16. Deferred charge on refunding	15,229,929	16,368,143
17. Unrealized Contribution Related/Pension	27,619,540	27,619,540
18. Deferred Credit-fuel under recovery	-	19,498,661
19. Total Deferred Outflows of Resources	<u>42,849,469</u>	<u>63,486,344</u>
20. Total Assets plus Deferred Outflows of Resources	<u>\$ 885,843,907</u>	<u>\$ 882,837,883</u>

Statements of Net Position*

As of March 31, 2024 - continued



	FY 2024 YTD	Audited SEPT 2023
LIABILITIES AND NET POSITION		
Current Liabilities:		
21. Accounts payable	\$ 15,063,696	\$ 24,314,343
22. Accrued Vacation & Sick Leave	5,630,524	5,665,202
23. Due to primary government	2,711,442	4,801,496
24. Total Current Liabilities	<u>23,405,662</u>	<u>34,781,041</u>
Current Liabilities Payable from Restricted Assets:		
25. Accounts Payable and accrued liabilities	2,567,257	2,566,838
26. Accrued interest	996,003	943,239
27. Customer Deposits	5,776,817	5,716,379
28. Bonds payable - current redemption	17,518,997	17,585,000
29. Commerical Paper	17,000,000	12,000,000
30. Total Current Restricted Liabilities	<u>43,859,074</u>	<u>38,811,456</u>
31. Total Current Liabilities	<u>67,264,736</u>	<u>73,592,497</u>
Non-Current Liabilities:		
32. Bonds payable	281,608,833	283,072,439
33. Other Post -employment benefits	14,220,240	14,220,240
34. Net Pension Liability	42,497,643	42,497,643
35. Self Insurance worker's compensation claims	503,929	225,486
36. Total Non-Current liabilities	<u>338,830,645</u>	<u>340,015,808</u>
37. Total Liabilities	<u>406,095,381</u>	<u>413,608,305</u>

Statements of Net Position*

As of March 31, 2024 - continued

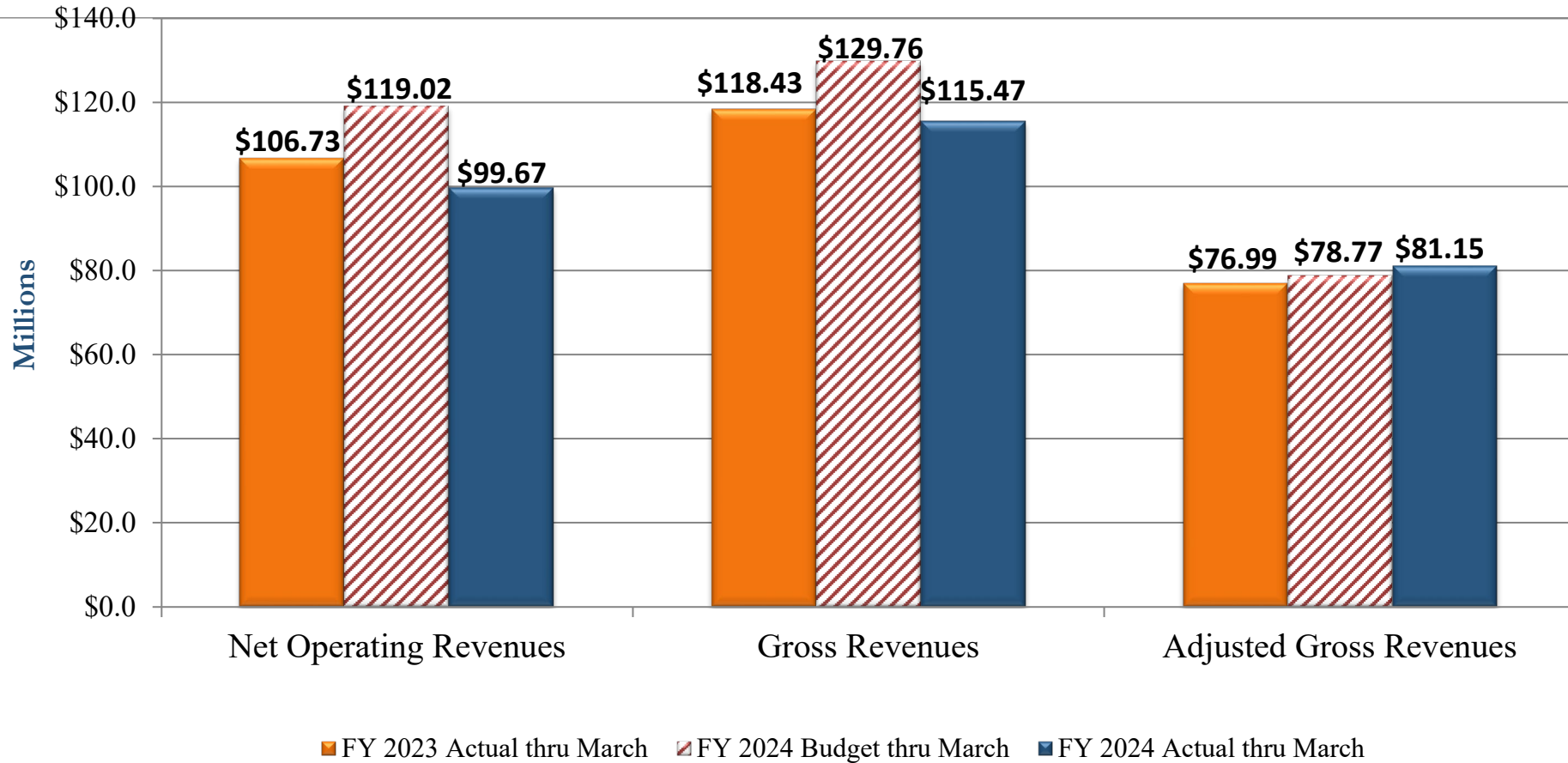


	FY 2024 YTD	Audited SEPT 2023
DEFERRED INFLOWS OF RESOURCES		
38. Deferred Credit-fuel over recovery	5,686,453	-
39. Unrealized Contributions and losses related to pension	16,620,396	16,620,396
40. Total Deferred Inflows of Resources	<u>22,306,849</u>	<u>16,620,396</u>
41. Total Liabilities plus Deferred Inflows of Resources	<u>428,402,230</u>	<u>430,228,701</u>
Net Position:		
42. Invested in capital assets	280,883,482	284,864,910
Restricted for:		
43. Debt Service	11,176,094	2,344,458
44. Repair and replacement	129,984,005	123,715,491
45. Operating reserve	17,001,515	17,019,319
46. Fuel adjustment subaccount	-	2,492,464
47. Capital Projects	-	-
48. Unrestricted	<u>18,396,581</u>	<u>22,172,540</u>
49. Total Net Position	<u>457,441,677</u>	<u>452,609,182</u>
Total Liabilities Plus Deferred Inflows of Resources		
50. Plus Net Position	<u>\$ 885,843,907</u>	<u>\$ 882,837,883</u>

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

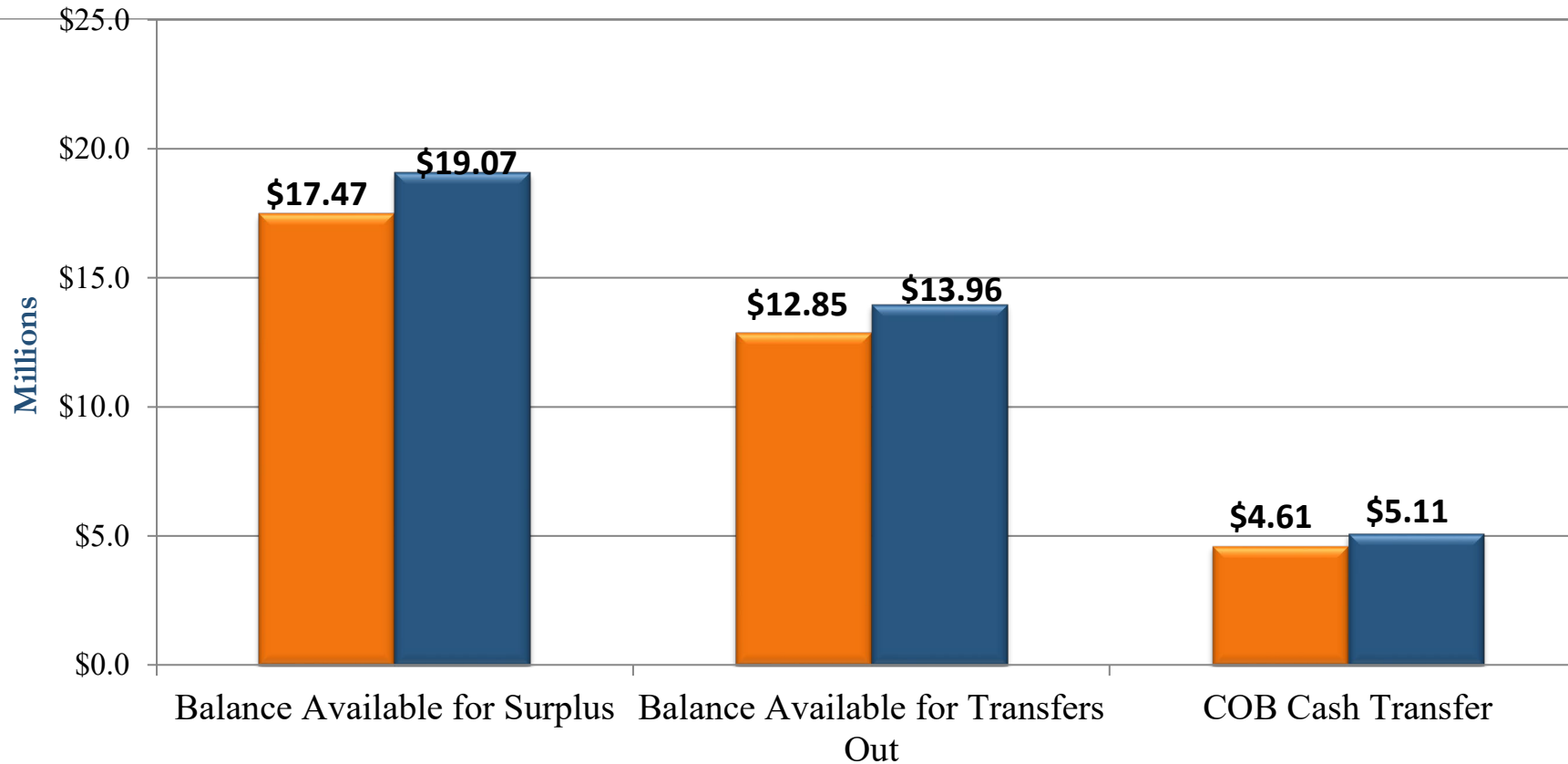
Fiscal Year 2024 Financial Performance

As of March 31, 2024



Fiscal Year 2024 Financial Performance

As of March 31, 2024



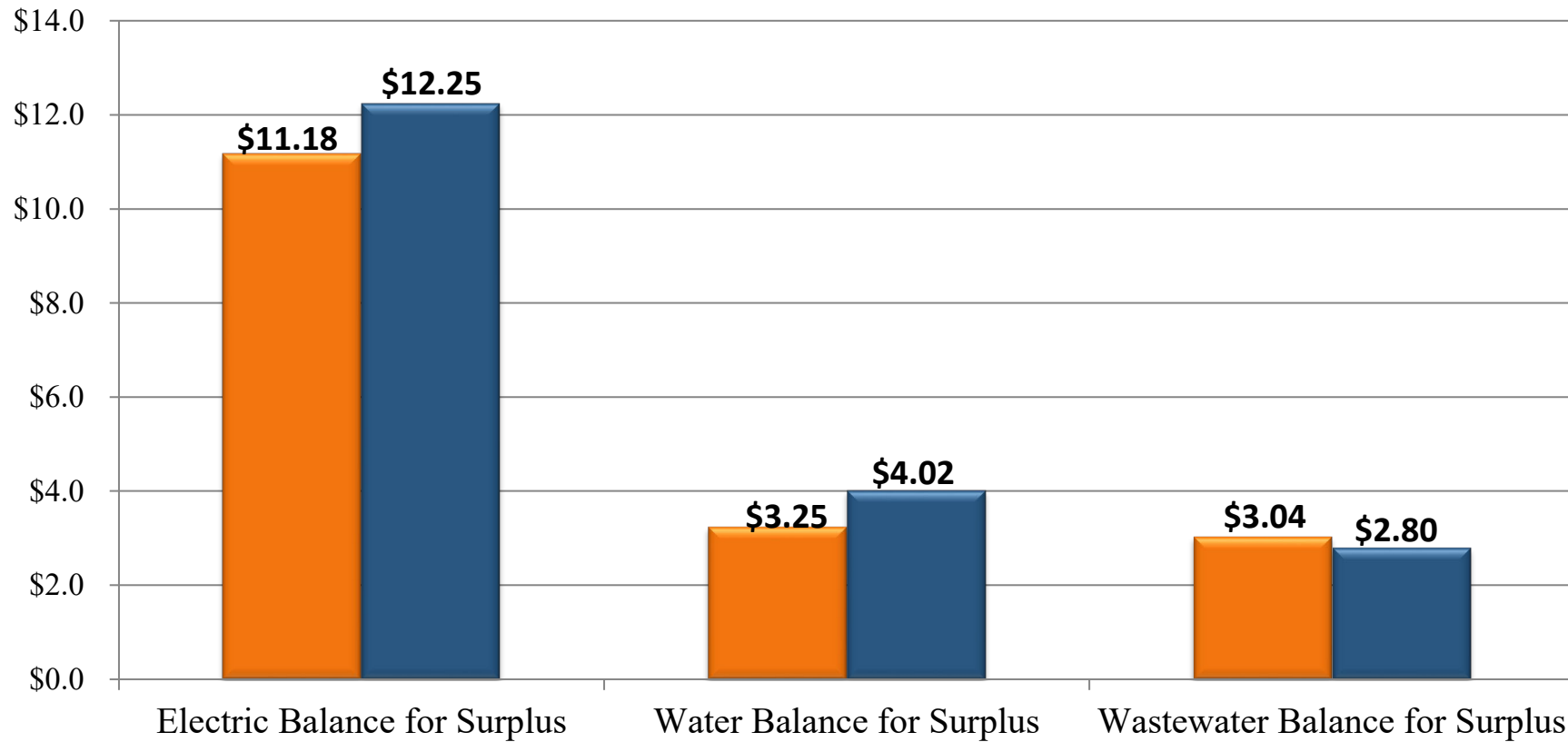
■ FY 2023 Actual thru March ■ FY 2024 Actual thru March

Fiscal Year 2024 Financial Performance

As of March 31, 2024



Millions

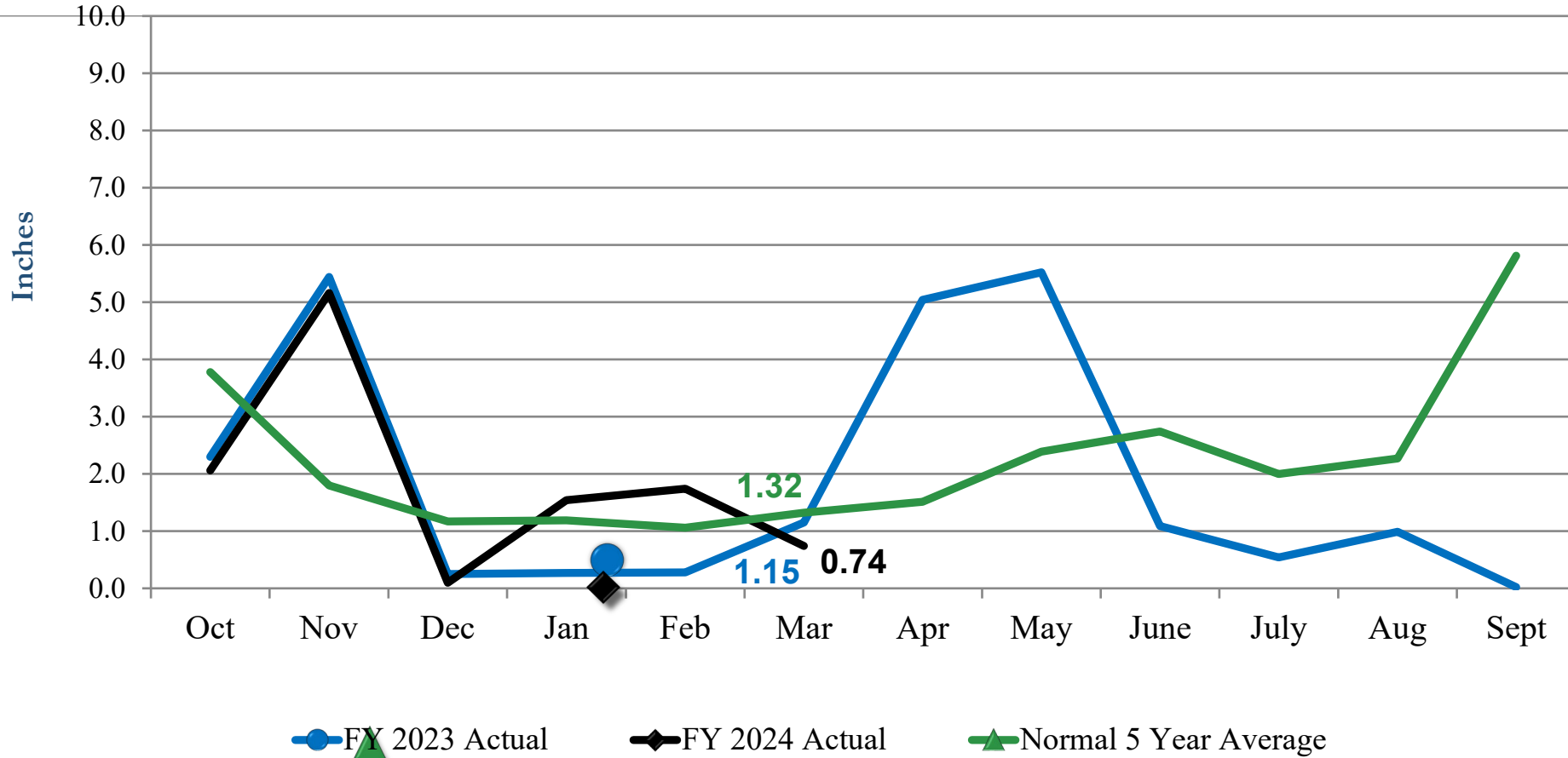


■ FY 2023 Actual thru March ■ FY 2024 Actual thru March

Fiscal Year 2024 Financial Performance

As of March 31, 2024

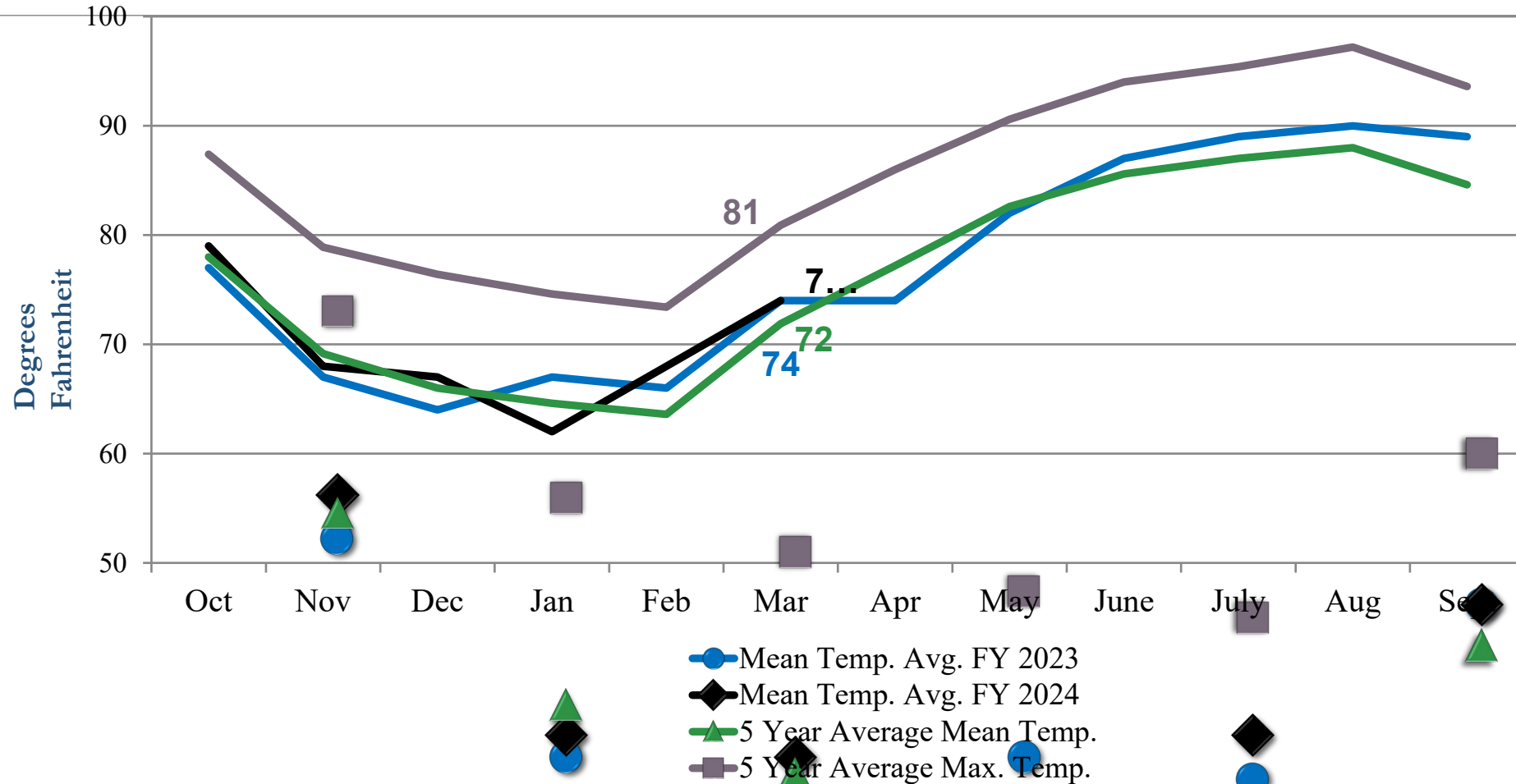
Precipitation Levels



Fiscal Year 2024 Financial Performance

As of March 31, 2024

Mean Temperature Average



Fiscal Year 2024 Financial Performance
As of March 31, 2024
YTD Capital Expenditures



	Funding Source	General	Electric	Water	Wastewater	Total	Approved Spending Plan	YTD
1.	Improvement	\$ 106,054	\$ 5,628,127	\$ 612,763	\$ 996,448	\$ 7,343,392	\$ 36,580,832	20.1%
2.	EPA & Other Grants	-	-	64,425	394,996	459,421	14,056,900	3.3%
3.	Future Debt Bond Proceeds (CP)	144,814	1,954,640	1,941,371	1,859,922	5,900,747	35,867,539	16.5%
4.	Other Funds:							
5.	a. Impact Fees	-	-	171,150	107,712	278,862	3,791,227	7.4%
6.	b. Water Rights	-	-	-	-	-	-	0.0%
7.	c. Gas Line	-	-	-	-	-	-	0.0%
8.	d. Resaca Fee CIP	-	-	-	-	-	1,420,867	0.0%
9.	Subtotal	250,868	7,582,767	2,789,709	3,359,078	13,982,422	91,717,365	15.2%
10.	Encumbered ⁽¹⁾ :	203,537	1,643,657	764,933	378,725	2,990,852		3.3%
11.	Total	\$ 454,405	\$ 9,226,424	\$ 3,554,642	\$ 3,737,803	\$ 16,973,274	\$ 91,717,365	18.5%

Footnote

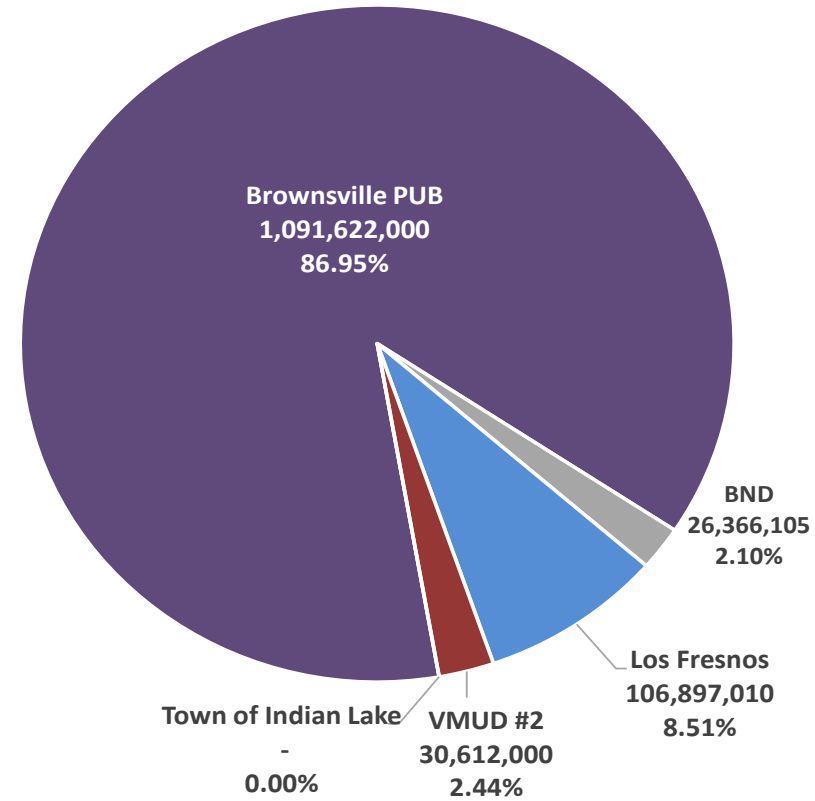
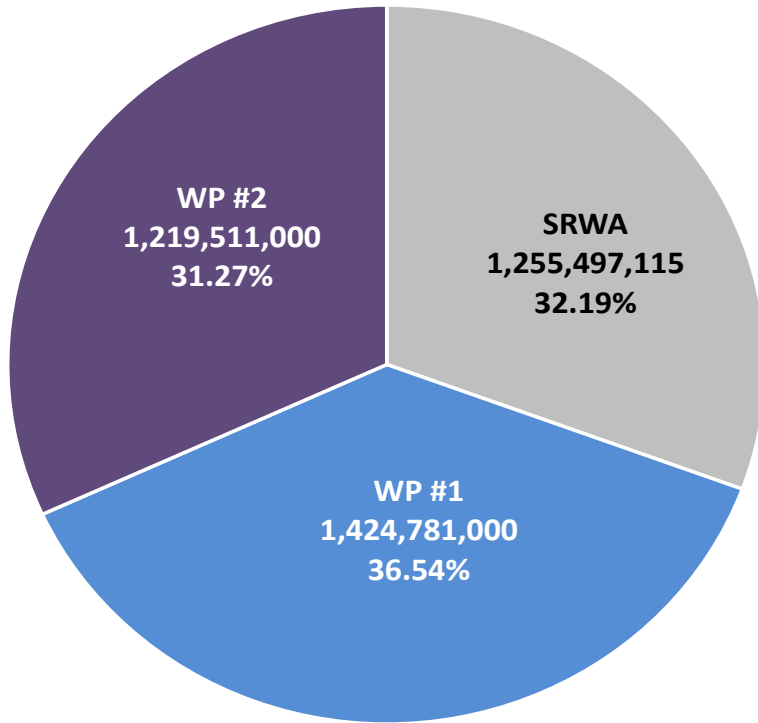
(1) Does not include \$24,171,623 of rolled over encumbrances from FY 2023

Fiscal Year 2024 Southmost Regional Water Authority Financial Performance as of March 31, 2024 Water Plants 1 & 2 and SRWA Distribution



Total Water Plants and SRWA Distribution:
3,899,789,115 Gallons

SRWA Distribution to participating entities:
Total SRWA Distribution: 1,255,497,115 Gallons



Unit Cost of Water (1,000 gallons)
FY Ending 2023 (Unaudited)

■ BPUB WPI & II	\$ 1.14
■ SRWA	2.70
■ Blended (BPUB & SRWA)	\$ 1.61



**STATEMENT OF TOTAL UTILITY REVENUES AND EXPENSES
2023-2024 YTD MARCH ACTUAL**

	2023-2024 BUDGET TOTAL UTILITY	2023-2024 ACTUAL TOTAL UTILITY	2022-2023 ACTUAL TOTAL UTILITY
1. Operating Revenues	\$ 111,523,793	\$ 93,488,580	\$ 99,029,832
2. Off System Energy Sales	7,500,000	6,186,031	7,695,774
3. Net Operating Revenues	<u>119,023,793</u>	<u>99,674,611</u>	<u>106,725,606</u>
4. Other Revenues	6,811,260	11,095,841	7,469,133
5. Interest from Investments	3,000,000	3,866,414	3,244,607
6. Other Non-Operating Revenues	920,000	834,052	989,103
7. Gross Revenues	<u>129,755,053</u>	<u>115,470,918</u>	<u>118,428,449</u>
8. Less:			
9. Fuel & Energy Costs	42,859,999	26,867,133	33,170,821
10. Off System Energy Expenses	4,500,000	3,826,192	4,564,127
11. SRWA - O&M	2,571,481	2,571,480	2,642,505
12. SRWA - Debt Service	1,057,390	1,057,389	1,058,229
13. Adjusted Gross Revenues	<u>78,766,183</u>	<u>81,148,724</u>	<u>76,992,767</u>
14. O&M Expenses	50,860,225	44,253,470	41,051,622
15. Other Non-Operating Expenses	550,000	562,043	514,442
16. Net Revenues	<u>\$ 27,355,958</u>	<u>\$ 36,333,211</u>	<u>\$ 35,426,703</u>
17. Less:			
18. Debt Service Obligation	\$ 14,027,134	\$ 14,027,132	\$ 14,874,035
19. Commercial Paper Expense	415,000	231,586	-
20. Balance Available After Debt Service	<u>12,913,824</u>	<u>22,074,493</u>	<u>20,552,668</u>
21. COB Usage	\$ 3,007,955	\$ 3,003,162	\$ 3,084,997
22. COB Cash Transfer	4,868,662	5,111,710	4,614,281
23. Total Cash/Utility Benefit COB	<u>7,876,617</u>	<u>8,114,872</u>	<u>7,699,278</u>
25. Balance Available for Transfers Out	<u>\$ 8,045,162</u>	<u>\$ 13,959,621</u>	<u>\$ 12,853,390</u>
26. Balance Available for Transfers Out:			
	<u>ANNUAL</u>	<u>YTD</u>	
27. Operating Subaccount - Fuel Adjustment (Plant)	\$ -	\$ -	
28. Improvement Fund-CIP Funding	15,018,772	7,509,389	
29. Improvement Fund (Resaca Fee) - Resaca CIP Funding	1,071,552	535,776	
30. Total Transfers Out	<u>\$ 16,090,324</u>	<u>\$ 8,045,165</u>	
31. Balance Available to PUB:			
32. Improvement Fund - Surplus Revenues	-	5,914,456	
33. Total	<u>\$ 16,090,324</u>	<u>\$ 13,959,621</u>	



**STATEMENT OF TOTAL UTILITY REVENUES AND EXPENSES
2023-2024 YTD MARCH ACTUAL**

	2023-2024 BUDGET ELECTRIC	2023-2024 ACTUAL ELECTRIC	2022-2023 ACTUAL ELECTRIC
1. Operating Revenues	\$ 78,474,724	\$ 62,257,818	\$ 70,987,898
2. Off System Energy Sales	7,500,000	6,186,031	7,695,774
3. Net Operating Revenues	<u>85,974,724</u>	<u>68,443,849</u>	<u>78,683,672</u>
4. Other Revenues	6,034,068	8,119,036	5,417,137
5. Interest from Investments	1,800,000	2,334,304	1,966,281
6. Other Non-Operating Revenues	715,000	376,665	767,815
7. Gross Revenues	<u>94,523,792</u>	<u>79,273,854</u>	<u>86,834,905</u>
8. Less:			
9. Fuel & Energy Costs	42,859,999	26,867,133	33,170,821
10. Off System Energy Expenses	4,500,000	3,826,192	4,564,127
11. SRWA - O&M	-	-	-
12. SRWA - Debt Service	-	-	-
13. Adjusted Gross Revenues	<u>47,163,793</u>	<u>48,580,529</u>	<u>49,099,957</u>
14. O&M Expenses	28,726,231	23,602,001	24,903,296
15. Other Non-Operating Expenses	250,000	425,650	173,150
16. Net Revenues	<u>\$ 18,187,562</u>	<u>\$ 24,552,878</u>	<u>\$ 24,023,511</u>
17. Less:			
18. Debt Service Obligation	\$ 9,853,185	\$ 9,853,184	\$ 10,433,614
19. Commercial Paper Expense	290,500	126,238	-
20. Balance Available After Debt Service	<u>8,043,877</u>	<u>14,573,456</u>	<u>13,589,897</u>
21. COB Usage	\$ 2,216,533	\$ 2,326,770	\$ 2,408,328
22. COB Cash Transfer	2,499,846	2,531,283	2,501,668
23. Total Cash/Utility Benefit COB	<u>4,716,379</u>	<u>4,858,053</u>	<u>4,909,996</u>
25. Balance Available for Transfers Out	<u>\$ 5,544,031</u>	<u>\$ 9,715,403</u>	<u>\$ 8,679,901</u>
26. Balance Available to Transfers Out:	<u>ANNUAL</u>	<u>YTD</u>	
27. Operating Subaccount - Fuel Adjustment (Plant)	\$ -	\$ -	
28. Improvement Fund-CIP Funding	11,088,060	5,544,030	
29. Improvement Fund (Resaca Fee) - Resaca CIP Funding	-	-	
30. Total Transfers Out	<u>\$ 11,088,060</u>	<u>\$ 5,544,030</u>	
31. Balance Available to PUB:			
32. Improvement Fund - Surplus Revenues	-	4,171,373	
33. Total	<u>\$ 11,088,060</u>	<u>\$ 9,715,403</u>	



**STATEMENT OF TOTAL UTILITY REVENUES AND EXPENSES
2023-2024 YTD MARCH ACTUAL**

	2023-2024 BUDGET WATER	2023-2024 ACTUAL WATER	2022-2023 ACTUAL WATER
1. Operating Revenues	\$ 17,894,825	\$ 16,491,553	\$ 14,697,580
2. Off System Energy Sales	-	-	-
3. Net Operating Revenues	<u>17,894,825</u>	<u>16,491,553</u>	<u>14,697,580</u>
4. Other Revenues	388,596	2,632,145	1,983,395
5. Interest from Investments	600,000	766,055	639,163
6. Other Non-Operating Revenues	<u>102,500</u>	<u>360,608</u>	<u>110,644</u>
7. Gross Revenues	18,985,921	20,250,361	17,430,782
8. Less:			
9. Fuel & Energy Costs	-	-	-
10. Off System Energy Expenses	-	-	-
11. SRWA - O&M	2,571,481	2,571,480	2,642,505
12. SRWA - Debt Service	<u>1,057,390</u>	<u>1,057,389</u>	<u>1,058,229</u>
13. Adjusted Gross Revenues	15,357,050	16,621,492	13,730,048
14. O&M Expenses	11,280,839	10,338,252	7,970,926
15. Other Non-Operating Expenses	<u>150,000</u>	-	<u>185,580</u>
16. Net Revenues	\$ <u>3,926,211</u>	\$ <u>6,283,240</u>	\$ <u>5,573,542</u>
17. Less:			
18. Debt Service Obligation	\$ 1,812,447	\$ 1,812,445	\$ 1,943,246
19. Commercial Paper Expense	<u>62,250</u>	<u>62,644</u>	-
20. Balance Available After Debt Service	2,051,514	4,408,151	3,630,296
21. COB Usage	\$ 444,484	\$ 384,944	\$ 380,344
22. COB Cash Transfer	<u>1,091,220</u>	<u>1,277,205</u>	<u>992,661</u>
23. Total Cash/Utility Benefit COB	1,535,704	1,662,149	1,373,005
25. Balance Available for Transfers Out	\$ <u>960,294</u>	\$ <u>2,746,002</u>	\$ <u>2,257,291</u>
26. Balance Available to Transfers Out:	<u>ANNUAL</u>	<u>YTD</u>	
27. Operating Subaccount - Fuel Adjustment (Plant)	\$ -	\$ -	
28. Improvement Fund-CIP Funding	849,041	467,141	
29. Improvement Fund (Resaca Fee) - Resaca CIP Funding	<u>1,071,552</u>	<u>535,776</u>	
30. Total Transfers Out	\$ <u>1,920,593</u>	\$ <u>1,002,917</u>	
31. Balance Available to PUB:			
32. Improvement Fund - Surplus Revenues	-	1,743,085	
33. Total	\$ <u>1,920,593</u>	\$ <u>2,746,002</u>	



**STATEMENT OF TOTAL UTILITY REVENUES AND EXPENSES
2023-2024 YTD MARCH ACTUAL**

	2023-2024 BUDGET WASTEWATER	2023-2024 ACTUAL WASTEWATER	2022-2023 ACTUAL WASTEWATER
1. Operating Revenues	\$ 15,154,244	\$ 14,739,209	\$ 13,344,354
2. Off System Energy Sales	-	-	-
3. Net Operating Revenues	<u>15,154,244</u>	<u>14,739,209</u>	<u>13,344,354</u>
4. Other Revenues	388,596	344,660	68,601
5. Interest from Investments	600,000	766,055	639,163
6. Other Non-Operating Revenues	102,500	96,779	110,644
7. Gross Revenues	<u>16,245,340</u>	<u>15,946,703</u>	<u>14,162,762</u>
8. Less:			
9. Fuel & Energy Costs	-	-	-
10. Off System Energy Expenses	-	-	-
11. SRWA - O&M	-	-	-
12. SRWA - Debt Service	-	-	-
13. Adjusted Gross Revenues	<u>16,245,340</u>	<u>15,946,703</u>	<u>14,162,762</u>
14. O&M Expenses	10,853,155	10,313,217	8,177,400
15. Other Non-Operating Expenses	150,000	136,393	155,712
16. Net Revenues	\$ <u>5,242,185</u>	\$ <u>5,497,093</u>	\$ <u>5,829,650</u>
17. Less:			
18. Debt Service Obligation	\$ 2,361,503	\$ 2,361,503	\$ 2,497,175
19. Commercial Paper Expense	62,250	42,704	-
20. Balance Available After Debt Service	<u>2,818,432</u>	<u>3,092,886</u>	<u>3,332,475</u>
21. COB Usage	\$ 346,938	\$ 291,448	\$ 296,325
22. COB Cash Transfer	1,277,596	1,303,222	1,119,952
23. Total Cash/Utility Benefit COB Transferred	<u>1,624,534</u>	<u>1,594,670</u>	<u>1,416,278</u>
25. Balance Available for Transfers Out	\$ <u>1,540,836</u>	\$ <u>1,498,216</u>	\$ <u>1,916,198</u>
26. Balance Available to Transfers Out:	<u>ANNUAL</u>	<u>YTD</u>	
27. Operating Subaccount - Fuel Adjustment (Plant)	\$ -	\$ -	
28. Improvement Fund-CIP Funding	3,081,671	1,498,216	
29. Improvement Fund (Resaca Fee) - Resaca CIP Funding	-	-	
30. Total Transfers Out	\$ <u>3,081,671</u>	\$ <u>1,498,216</u>	
31. Balance Available to PUB:			
32. Improvement Fund - Surplus Revenues	-	-	
33. Total	\$ <u>3,081,671</u>	\$ <u>1,498,216</u>	

STATEMENT OF DEMAND ACCOUNTS & INVESTMENTS

March 31, 2024

	Demand	Investments	Totals
* 1. Capital Improvement Reserve	\$ -	\$ 15,000,205	\$ 15,000,205
2. City Transfer Fund	-	1,931,489	1,931,489
3. Clearing Account	601	2,250,000	2,250,601
4. AP Clearing Account	-	-	-
* 5. Commercial Paper	1	-	1
6. Dental Insurance	21,085	1,207,074	1,228,159
7. Employee Health	888	3,262,819	3,263,707
* 8. EPA Grants	-	-	-
9. Flexible Spending	51,507	471,777	523,284
* 10. Improvement Fund	67,658	78,454,330	78,521,988
* 11. Improvement Impact Fees	14,635	12,830,666	12,845,301
* 12. Improvement Water Rights	-	4,423,861	4,423,861
* 13. Resaca Fees ¹	-	5,044,276	5,044,276
* 14. Junior Lien Debt Service I&S	-	27,620	27,620
* 15. Junior Lien Reserve Fund	-	109,606	109,606
* 16. Meter Deposit	28,304	6,890,819	6,919,123
* 17. Operating Reserve Cash	-	17,001,515	17,001,515
18. Other Post Employment Benefit	-	-	-
19. Payroll	-	-	-
20. Plant Fund	2,618,880	17,566,047	20,184,927
* 21. Senior Debt Service I&S Fund	-	11,148,474	11,148,474
* 22. Senior Lien Reserve Fund	-	15,034,772	15,034,772
* 23. Share Fund	862	1,322,105	1,322,967
24. Workers Compensation	263	4,384,365	4,384,628
Total	\$ 2,804,684	\$ 198,361,820	\$ 201,166,504

NOTES:

¹ Resaca Fee revenues will be used to fund future grant matching commitments.

* Restricted Assets

FC Item #2



Integrated Resource Plan

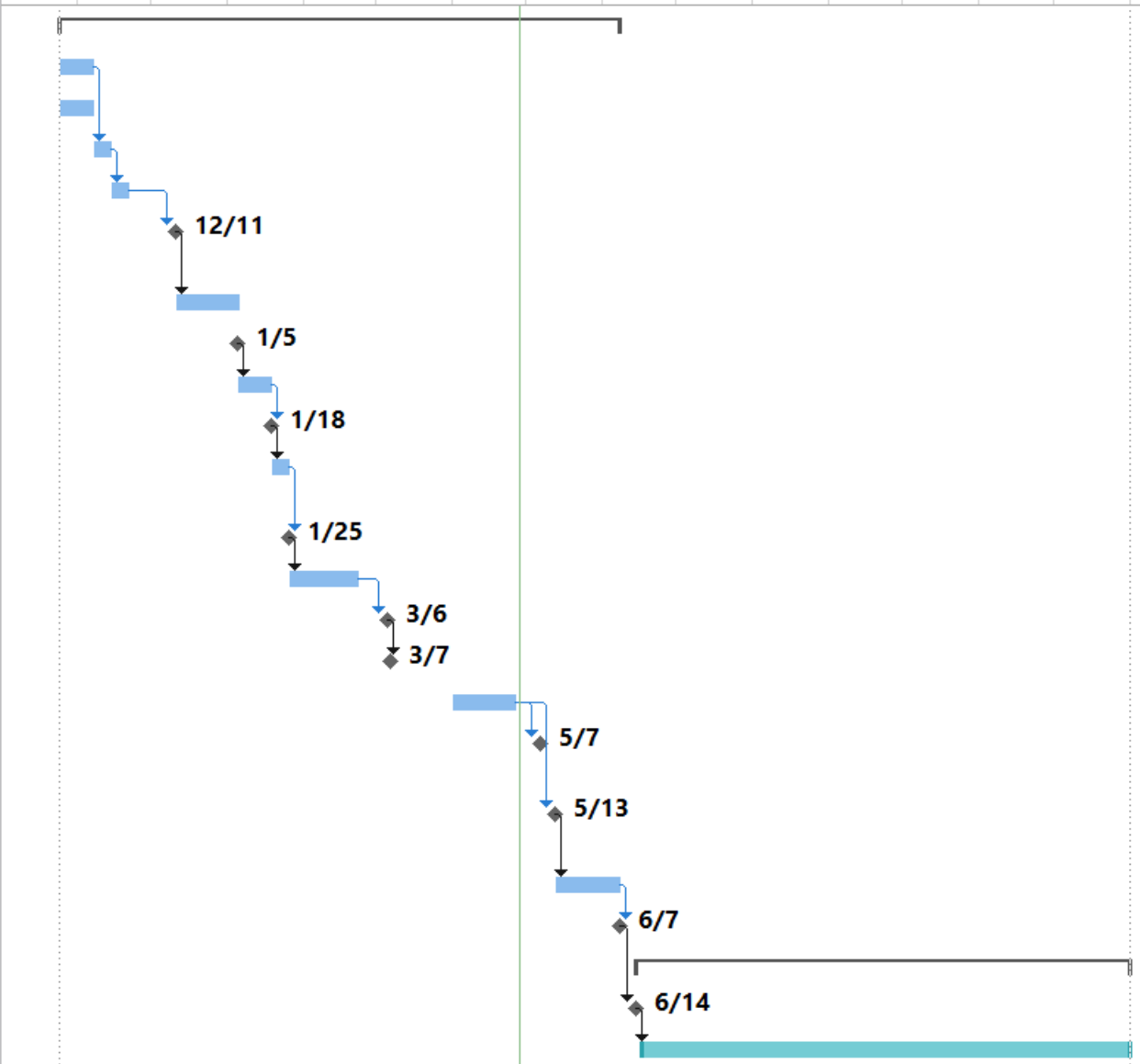
MAY 7, 2024

Integrated Resource Plan

- An IRP is a roadmap to meet forecasted energy consumption using both supply and demand side resources
- BPUB's last IRP was conducted in 2020
- BPUB is conducting an IRP in 2024
- BPUB evaluated proposals to select an outside consultant to advise and assist in the development of the IRP
- BPUB and the Board request that PUBCAP provide a public process and serve as the “voice of the customer”
- Approval of a new IRP by the Board is expected in early 2025

Integrated Resource Plan

⚡ RFP	Wed 10/25/23	Fri 6/7/24
Draft RFP	Wed 10/25/23	Tue 11/7/23
Determine direct recipients	Wed 10/25/23	Tue 11/7/23
RFP review by management	Wed 11/8/23	Tue 11/14/23
Refine RFP	Wed 11/15/23	Tue 11/21/23
RFP and timeline presented to Board	Mon 12/11/23	Mon 12/11/23
Refine RFP	Mon 12/11/23	Fri 1/5/24
RFP issued	Fri 1/5/24	Fri 1/5/24
Respondent review time	Fri 1/5/24	Thu 1/18/24
Last day to submit questions	Thu 1/18/24	Thu 1/18/24
Responses to questions prepared	Fri 1/19/24	Thu 1/25/24
Responses to questions issued	Thu 1/25/24	Thu 1/25/24
Respondent proposal prep time	Fri 1/26/24	Thu 2/22/24
Proposals due	Wed 3/6/24	Wed 3/6/24
Proposals acknowledgment	Thu 3/7/24	Thu 3/7/24
Proposals evaluated	Mon 4/1/24	Fri 4/26/24
Present recommendation to Finance Committee	Tue 5/7/24	Tue 5/7/24
Board approval of contract award	Mon 5/13/24	Mon 5/13/24
Contract negotiations	Mon 5/13/24	Fri 6/7/24
Contract Execution	Fri 6/7/24	Fri 6/7/24
⚡ Project Execution	Fri 6/14/24	Tue 12/31/24
Kickoff Meeting	Fri 6/14/24	Fri 6/14/24
Conduct project	Mon 6/17/24	Tue 12/31/24



Questions

- Discussion



AMI Deployment Project Kickoff

APRIL 23, 2024

AMI Solution

•Landis + Gyr

- Electric meters
- Gridstream mesh RF network
- Command Center headend system

•Badger

- Water meters
- Badger Orion LTE-m cellular endpoints
- BEACON headend system

•SmartWorks

- Compass Meter Data Management System (MDMS) for electric and water

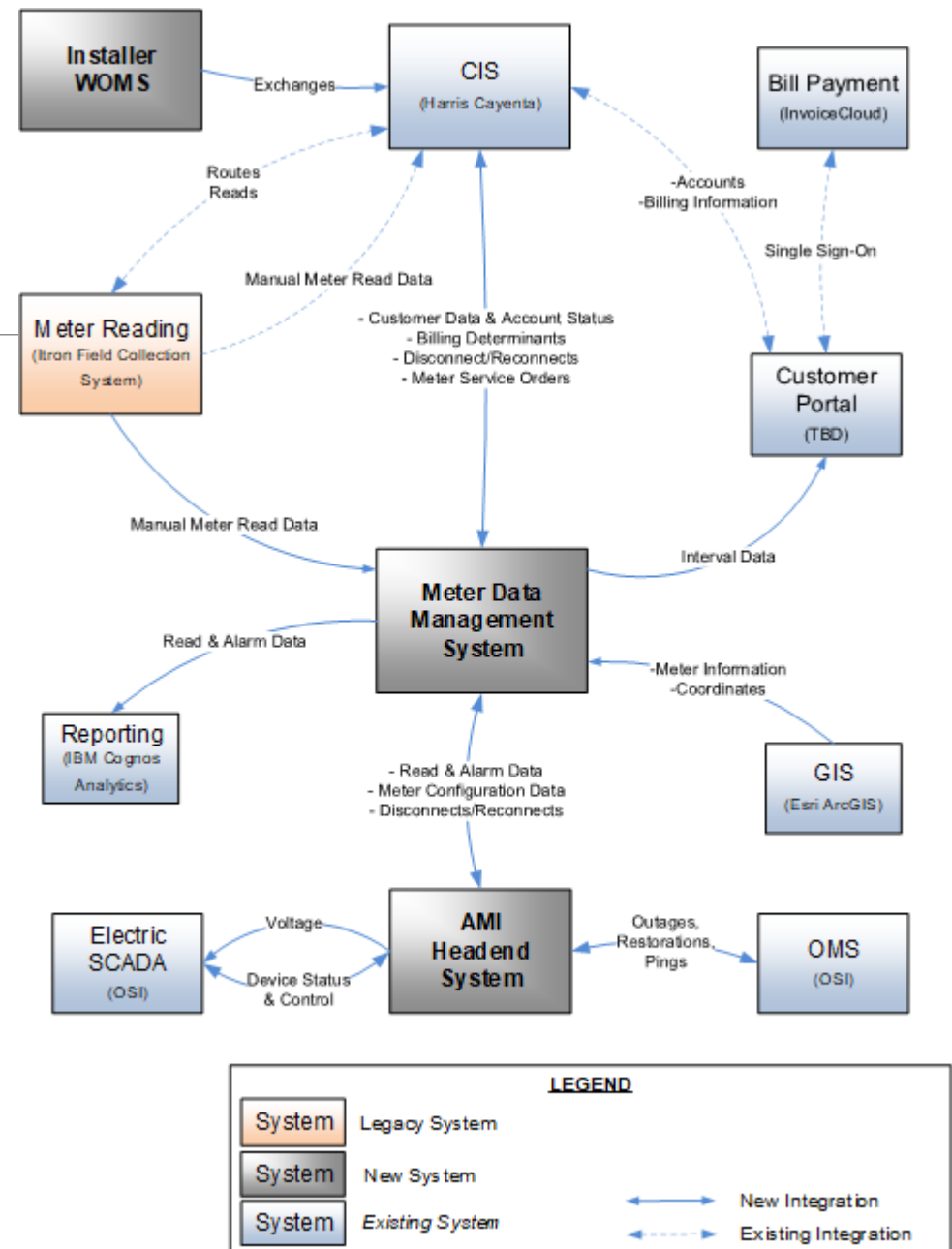
•Allegiant

- Electric and water meter and network installation services



Planned Integrations

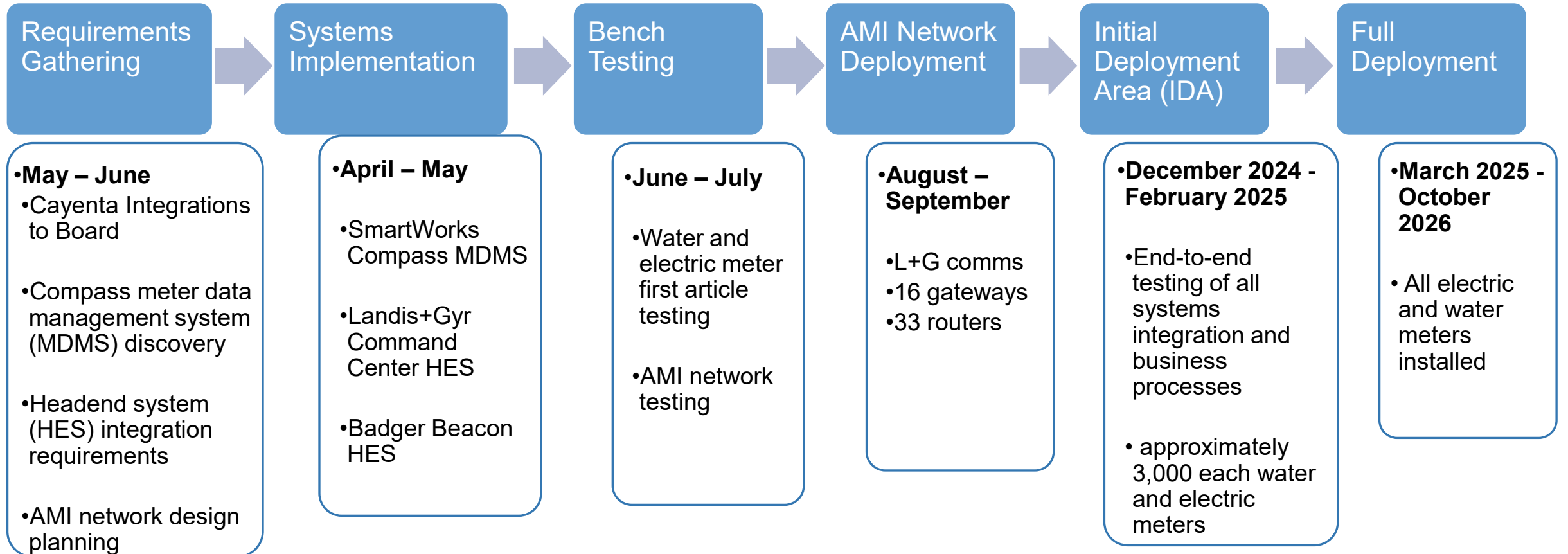
- The AMI headend system will collect reads from meters at regular intervals
- The MDMS will be the system of record for long-term storage and connect to the billing system and future customer portal
- The new systems will communicate with the CIS, OMS, GIS, and a customer engagement portal



Project Kickoff Meeting

- April 22nd – 24th all vendors came to BPUB and met with the AMI Project Core Team to review the upcoming steps, information requirements, and process flows.
- The in-person meetings (85 people) allowed staff to meet our vendor partners. They will be working together for the next 3 years.

Upcoming Project Tasks



Now the work real work begins

PO's for all vendors are being issued

Software systems are being set up

Software integrations

Meter lids and boxes for IDA were ordered and are being addressed

Electric and water meters for the IDA are being ordered

Internal BPUB Teams will begin meeting to flesh out the new and existing process

How do you want the new system to work? (ex. Remote disconnects and connects)

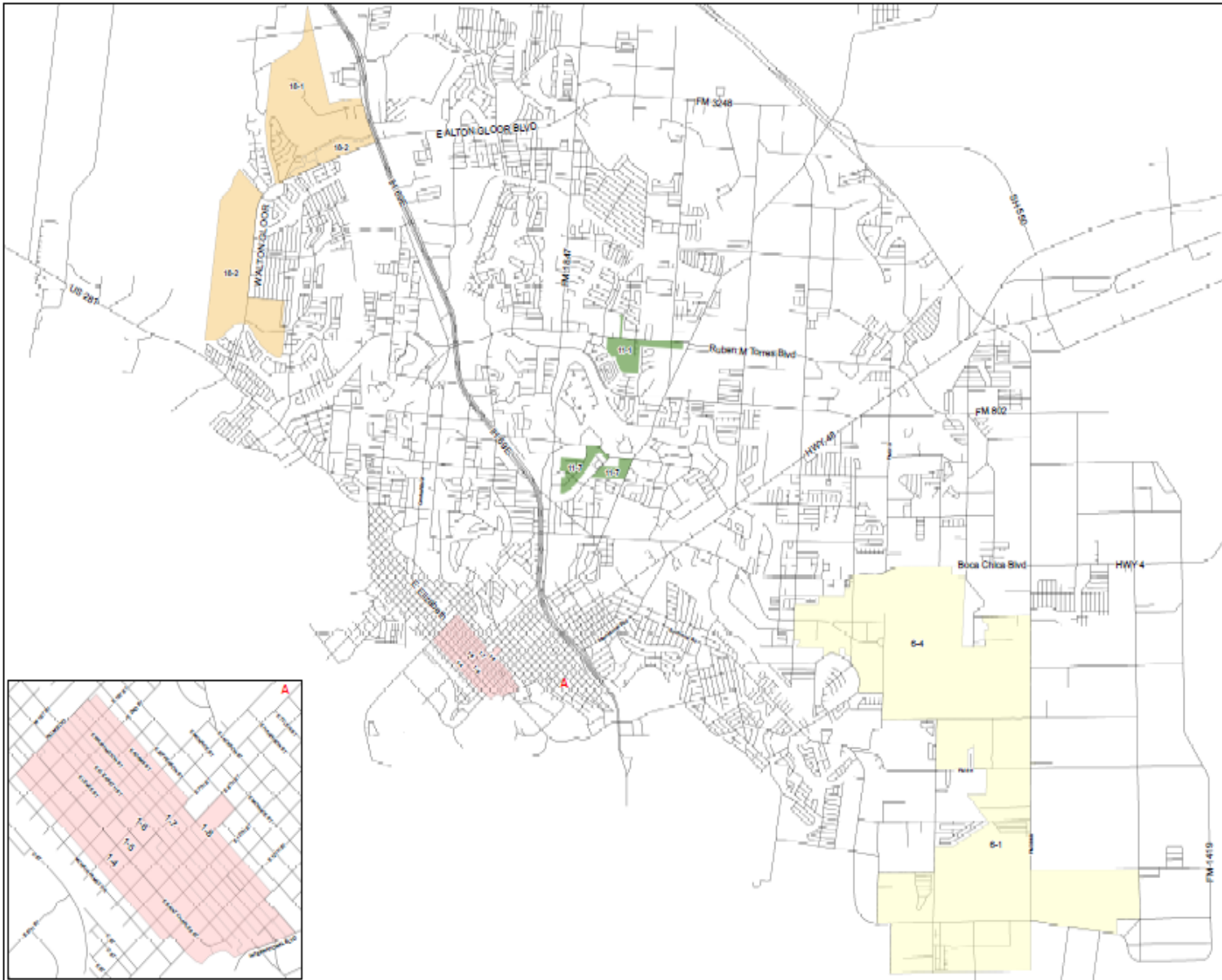
What do you want to change? (streamline processes, create new ones)

What new opportunities do you want to address

Precise outage information – how do we use this to benefit operations and our customers?

Prepare for the meter upgrades

Messaging for customers to inform them of the project, meter exchanges, communication with BPUB and Allegiant staff.



IDA Initial Deployment Area

- **Downtown** - High density with meters clustered in tight areas including alleys
- **Southmost** - Outer area of service territory with limited cellular reception
- **Midtown** - Apartment complexes with both water and electric service provide an opportunity to stress test the full system
- **W. Alton Gloor** – Water-only customers provide an opportunity to stress test communications

Some BISD schools will be in the sample.

AMI Project

	Proposed	Board Mtg	PO	Actual Budget	Expenses	Balance
Esource	2,322,494.98	Dec. 12, 2022	P2300670	1,734,533.00	(673,770.91)	1,060,762.09
Landis & Gyr	6,216,531.00	10/9/2023		6,644,660.12	0.00	6,644,660.12
Badger	11,145,161.00	10/9/2023		11,222,766.05	0.00	11,222,766.05
Allegiant	6,692,728.00	10/9/2023		5,685,465.82	0.00	5,685,465.82
Smart Works	377,885.00	10/9/2023		420,750.00	0.00	420,750.00
Cayenta Interfaces	100,000.00			470,120.00	0.00	470,120.00
Legal Expenses	-			130,000.00	(116,073.08)	13,926.92
Water Meter Lids	-			655,005.00	0.00	655,005.00
Miscellaneous Expenses	-			100,000.00	(40,894.00)	59,106.00
Contingency	2,856,862.63	New Cont Bal	3,903,487.62	2,648,362.62	Remanining	2,648,362.62
Project Balance	29,711,662.61			29,711,662.61	(830,737.99)	28,880,924.62
Board Approved Amendments				29,711,662.61	check figure	
				0.00		
Total Project Balance				29,711,662.61		

Overall	E Source	L&G	Badger	Allegiant	SmatWorks	Cayenta	Legal	Lids & Boxes	Misc Exp	Contingency	Amendments	C
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CROSS CONNECTION CONTROL PROGRAM
CUSTOMER SERVICE INSPECTION
FEE SCHEDULE

05/07/2024

• • • F I N A N C E C O M M I T T E E

Objectives

- Recommendation for the Implementation of a Customer Service Inspection fee

Cross Connection Control

History regarding our Customer Service Inspection (CSI) Program

- July 6, 2015 – TCEQ Performed a Compliance Investigation of our Water System.
 - ❖ Alleged Violation – 290.46 (j) Implementation of CSI Certificate.
 - ❖ City of Brownsville Plumbing Inspection Department utilized a Green Inspection Tag referencing 260.46J requirement.
 - ❖ Must utilize CSI certificate instead of Green Tag
- July 11, 2018 – TCEQ Performed a compliance Investigation of Cross Connection Control Program
 - ❖ Deficiency – No CSI Certificates available
 - ❖ Corrective Action – Must complete CSI certificates to demonstrate compliance
- December 4, 2018 City of Brownsville Cross Connection Control Ordinance was adopted

Cross Connection Control

WHY is a Cross Connection Control and Backflow Prevention Program required

- State Regulation - 30 Texas Administrative Code 290
 - ❖ Prohibits Public Water Systems from connecting to an actual or potential contamination hazard without protecting the potable-water supply
 - ❖ Requires a Customer Service Inspection
 - ❖ Requires Backflow Protection
 - ❖ Requires Backflow Assemblies to be tested and maintained
- Local Regulation – City of Brownsville Cross Connection Control and Backflow Prevention Program 2018-983-DD
- BPUB Water Service Agreement

Cross Connection Control



Auxiliary water pump



service connection, positive for lead

What is a Customer Service Inspection:

It identifies:

1. Cross Connections
2. Potential Contamination Hazards
3. Lead Material

Cross Connection Control



When is a Customer Service Inspection Required

1. New Construction (Temporary)
2. Request for new water service
3. After any material improvement, correction, or addition to the private water distribution facilities
4. On any existing service either when the water purveyor has reason to believe that cross-connections or other potential contaminant hazards exist

(Note: CSI's are tied to the location and valid for 10 yrs.)

Cross Connection Control

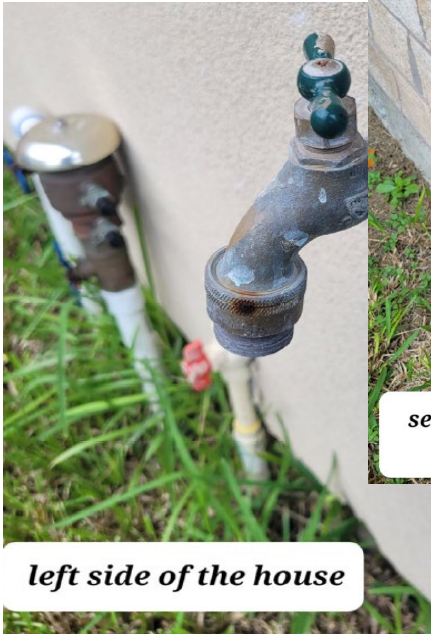
Where are Customer Service Inspections performed

1. Residential Sites
2. Commercial Sites
3. Industrial Sites

Cross Connection Control

How are Customer Service Inspections performed

1. Lead Swab Test of piping solder
2. Toilet Reservoir Fill Valves
3. Water Heater Expansion Valve/Tank
4. Hose bib Vacuum Breakers
5. Identification of Cross Connections
 - i. Pool Fill Valves
 - ii. Landscape Irrigation
 - iii. Auxiliary Water Supply (Resaca & Well)



left side of the house



service connection, positive for lead

Customer Service Inspection Proposed Fee

Service Type	Recommended Cost of Service	Cost - Industry Range (\$)
Customer Service Inspection	\$ 50.00	\$ 45 - \$ 225

Note: current BPUB contractor charges \$90/CSI

ORDINANCE NUMBER 2018-983-DD

Sec. 102-710.- Potable Water Retailer Fees

- (a) The Brownsville Public Utilities Board's governing body is authorized to adopt fees for services provided by the Brownsville Public Utilities Board in accordance with this Ordinance in an amount determined to be sufficient to recover potable water retailer's costs.

BPUB CSI Cost Analysis

Cost factors associated with performing CSI	
Inspection Duration (Hrs.)	Varies per location
Lead Check Cost (\$)	\$6.00
Hose Bib VB Cost (\$)	\$7.50
IRS Mileage Cost/Mi (\$)	\$0.66
Labor Cost	\$25.30

Aspect	Total Sites	Cost Range	Average Cost
Inspection Data	107	\$11.82 - \$74.58	\$40.26

- Methodology:** The cost analysis was conducted by compiling the time and resources required for BPUB Technicians to perform Customer Service Inspections (CSIs).
- Duration of Study:** The study spanned approximately two months, allowing for a comprehensive assessment of the process.
- Scope:** Customer Service Inspections were conducted in a variety of facilities, including residential and commercial establishments, ensuring a representative sample.

Next Steps

Submit board item to consider the implementation of a Customer Service Inspection fee

Request the consideration of additional FTE's to decrease cost and improve program efficiency

Questions



Closed Meeting

1. Discussion of the Brownsville Public Utilities Board's progress on Natural Gas Hedging Strategies and Power Supply (Sec.551.086).
2. Presentation, Discussion, and Possible Recommendation of Information Upon Pricing of Purchased Power, Generation, and Fuel and Their Impact Upon the Fuel, Purchased Energy, and Marketing Charge (Sec. 551.086).





Reconvene Open Meeting

Discussion and Possible Recommendation on Closed Meeting Items



Discussion and/or Requests for Future Agenda Items





Adjournment
