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December 17, 2021

Central Records Filing Clerk
Public Utility Commission of Texas
1701 North Congress Avenue
Austin, Texas 78701

RE: **Project No. 30240** – Annual Progress Reports on Five-Year Plan to Enhance Supplier and Workforce Diversity

Dear Filing Clerk:

On behalf of Hill Country Telephone Cooperative, Inc. (HCTC), we are submitting a copy of HCTC's Workforce Diversity Report.

In accordance with 16 TAC 26.85(e), a copy of this report is being provided to the Governor, the Lieutenant Governor, the Speaker of the House of Representatives, and the African-American and Hispanic Caucus offices of the Texas Legislature.

Please contact me at lynette.hampton@mossadams.com or 512-652-7725 with any questions regarding this filing.

Sincerely,

Lynette Hampton
Authorized Representative for
Hill Country Telephone Cooperative, Inc.

cc: Mr. Craig Cook, Hill Country Telephone Cooperative, Inc.

WORKFORCE AND SUPPLIER DIVERSITY FORM
WORKFORCE DIVERSITY
HILL COUNTRY TELEPHONE COOPERATIVE, INC.

Occupational Categories	NUMBER OF TEXAS FULL-TIME EMPLOYEES FOR REPORTING YEAR												
	Combined Total	Company Totals		Caucasian		African American		Hispanic		Asian		American Indian	
		Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Officials and Managers	23	16	7	13	6			3	1				
Professionals	23	17	6	15	3		1	2	1		1		
Technicians	17	17	0	15				2					
Sales Workers	5	4	1	3	1			1					
Office and Clerical	36	11	25	9	15	1		1	10				
Craft Workers (Skilled)	25	25	0	19		2		4					
Operatives (Semi-skilled)	0	0	0										
Laborers (Unskilled)	0	0	0										
Service Workers	0	0	0										
Previous Year Totals	0	0	0										
This Year Totals	129	90	39	74	25	3	1	13	12	0	1	0	0

NOTE: Double-click on embedded Excel chart to open. Click on a cell or use arrow keys to select an occupational category and ethnic group to update workforce diversity numbers. Do not enter information in Combined Total and Company Totals columns or the This Year Totals row as these will update automatically. Cells left blank will be counted as zero. Click anywhere outside of chart to exit.

WORKFORCE AND SUPPLIER DIVERSITY FORM
HUB/SMALL BUSINESS PROCUREMENT AS A PERCENTAGE OF TOTAL COMPANY PROCUREMENT

Actual % = [Total HUB(1) procurement + Total Small Business(2) procurement]/Total Company procurement	Actual % for Previous FY	Actual % for Current FY	Percentage Change
Construction Contracts (3)	0.3027%	0.2557%	-15.53%
Commodities Contracts (4)	0.0009%	0.0775%	8507.44%
Other Services (5)	9.4212%	4.0388%	-57.13%
Professional Services Contracts (6)	0.0059%	4.3582%	73767.29%
Major Equipment (7)	0.0000%	0.0000%	%
Other (8)	0.1700%	0.3495%	105.57%

(1) HUB -- Pursuant to Texas Government Code § 481.191(4), HUB means: (A) a corporation formed for the purpose of making a profit in which at least 51 percent of all classes of the shares of stock or other equitable securities is owned by one or more persons who are members of certain groups, including black Americans, Hispanic Americans, women, Asian Pacific Americans, and American Indians; (B) a sole proprietorship formed for the purpose of making a profit that is 100 percent owned, operated, and controlled by a person described by Paragraph (A) of this subdivision; (C) a partnership formed for the purpose of making a profit in which 51 percent of the assets and interest in the partnership is owned by one or more persons described by Paragraph (A) of this subdivision. Those persons must have proportionate interest and demonstrate active participation in the control, operation, and management of the partnership's affairs; or (D) a joint venture in which each entity in the joint venture is a historically underutilized business under this subdivision.

(2) Small Business -- Pursuant to Texas Government Code § 481.191(6), Small Business means a corporation, partnership, sole proprietorship, or other legal entity that: (A) is domiciled in this state; (B) is formed to make a profit; (C) is independently owned and operated; and (D) employs fewer than 100 full-time employees.

(3) Construction -- Construction done by general contractors and special trade contractors which includes new work, additions, alterations, reconstruction, installations, repairs, remodeling, renovating, and repair of office buildings. Heavy construction other than buildings such as pipelines, communication and power lines, sewer and water mains, asphalt and concrete construction of roads, trenching, cable laying, conduit construction, land clearing and leveling.

(4) Commodities -- All materials, goods or tangibles purchased to conduct business, not including fuel or purchased power contracts and major equipment purchases and rentals.

(5) Others Services -- All specialty work, special circumstances that required contract labor, special consultants or other non-defined services. Examples include audio/visual, staffing services, landscaping, forestry, tree trimming, art and decorative services, janitorial, travel/lodging, automotive repair, and photography.

(6) Professional Services -- Contracted professional services which include legal, consulting, health, engineering, accounting, advertising/marketing, architectural, real estate, computer services, research and analysis, education/training, insurance, surveying services, weather services, environmental, financial, etc.

(7) Major Equipment -- Includes all major equipment purchases and rentals including but not limited to transmission and distribution equipment, power plant equipment, substation equipment, heavy construction equipment, fleet requirements, etc.

(8) Other -- Any commodity or service not covered by the above categories.

WORKFORCE AND SUPPLIER DIVERSITY FORM COMPANY INITIATIVES

(1) Describe the specific initiatives, programs, and activities undertaken under the plan during the preceding year:

Although new employment opportunities with Hill Country Telephone Cooperative, Inc. (The Cooperative) were few, the Cooperative is committed to employing a diverse workforce with emphasis on recruiting, training and employing individuals with the education and skill-sets needed from within the local community. The effort to identify small and historically underutilized businesses and the effort to communicate our business needs is at an all time high for the Cooperative. The Cooperative's service region has a relative few HUB supplier that serve our area with the products needed to meet our business needs. The results do not represent the additional efforts made by the Cooperative to identify and communicate procurement opportunities to HUBs. The Cooperative also continued to stay abreast of the products, services and businesses that qualify under the HUB definition through community resource participation and through use of the state's HUB directory.

In accordance with the five-year plan submitted to the commission last year, the Cooperative has undertaken the following initiatives, directives and activities during the last year:

1. The Cooperative has attempted to identify local organizations with minority membership emphasis and communicate through the organizations any proposed business and/or employment opportunities with the Cooperative.
2. Any available business and/or job opportunities were posted on the Cooperative website and/or through local community media.
3. Any available job opportunities requiring telephony experience were posted on industry organization website, if available.

**WORKFORCE AND SUPPLIER DIVERSITY FORM
COMPANY INITIATIVES**

(2) Make an assessment of the success of each of the specific initiatives, programs, and activities listed above:

As a small, rural telephone Cooperative, we have and must recognize a fiduciary duty and responsibility to our customers, employees and shareholders to make good, sound economic policy decisions as well as our community responsibility to purchase goods and services within our own community when possible. By the very nature of the service area we serve, we are sometimes limited in the local availability of certain telecommunications equipment and products and must go outside our communities for these mandatory purchases. Therefore, when possible, the Cooperative contracts with local businesses to provide the goods and services that are available in our communities. As such, it is difficult to determine the success of any of the initiatives detailed above. Due to the size of the Cooperative's procurement amount, a significant fluctuation could be a product of a non-recurring purchase such as heavy equipment or machinery that falls within the HUB definition. As such, it is difficult to assess the success of a specific program without considering these non-recurring items. The Cooperative feels that all of its efforts to increase the diversity of its workforce and increase HUB usage have been successful considering geographic limitations. Refer to the HUB information and Workforce Diversity information included in this filing for a comparison of each from the prior year.

WORKFORCE AND SUPPLIER DIVERSITY FORM COMPANY INITIATIVES

(3) Describe the initiatives, programs, and activities the utility will pursue during the next year to increase the diversity of its workforce and contracting opportunities for small and historically underutilized businesses:

The initiatives, programs, and activities the Cooperative will pursue during the next year to increase the diversity of its workforce and to increase procurement opportunities for small and historically underutilized businesses will be consistent with those initiatives, programs and activities identified in the initial Workforce Diversity filing. They are as follows:

A. Employ a diverse workforce emphasizing local community employment. Initiatives related to this objective are listed below.

1. Continue to identify local organizations with minority membership emphasis and communicate through these organizations any proposed employment opportunities with the Cooperative.
2. Post available job opportunities on Cooperative website.
3. Post available job opportunities on industry organization website.

B. Utilize historically underutilized businesses (HUBs) in the procurement of goods and services, emphasizing local community service providers. Initiatives related to this objective are listed below.

1. Continue to identify local organizations with minority business membership emphasis and participate or communicate through these local organizations business opportunities with the Cooperative.
2. Post contracting opportunities with local community media.
3. Post contracting opportunities on the Cooperative's website.

C. Utilize small businesses other than HUB small businesses in the procurement of goods and services. Initiatives related to this objective are listed below.

1. Continue to identify local organizations with small business membership emphasis and participate or communicate business opportunities available with the Cooperative.
2. Post contracting opportunities with local community media.
3. Post contracting opportunities on the Cooperative's website.

WORKFORCE AND SUPPLIER DIVERSITY FORM COMPANY INITIATIVES

(4) State the specific progress made under the plan filed by the utility:

As a Cooperative, we were organized and chartered to provide telecommunications services to a rural Texas service area. As citizens living and as a business operating within the community we serve, the management and employees of the Cooperative continue to seek opportunity to make progress in the areas of diversifying the workforce and utilizing the products and services of small and historically underutilized businesses. However, our commitment to employing and purchasing from within the community we serve when and where possible far outweighs attempting to achieve an improved statistical number in these areas just for reporting purposes. As a small, rural telephone Cooperative, we have and must recognize a fiduciary duty and responsibility to our customers, employees and shareholders to make good, sound economic policy decisions as well as our community responsibility to purchase goods and services within our own community when possible. By the very nature of the service area we serve, we are sometimes limited in the local availability of certain telecommunications equipment and products and must go outside our communities for these mandatory purchases. Therefore, when possible, the Cooperative contracts with local businesses to provide the goods and services that are available in our communities.

As such, it is difficult to determine the success of any of the initiatives detailed in the Five-Year Plan to Increase Workforce Diversity filed previously with the commission. Refer to the HUB information and Workforce Diversity information included in this filing for a comparison of each from the prior year.

The Cooperative has followed the plan as set forth in the initial filing when attempting to increase its workforce diversity and its utilization of HUBs. As mentioned previously, the effort to identify small and historically underutilized businesses and the effort to communicate our business needs is at an all-time high for the Cooperative. The Cooperative will continue to examine its policies and procedures regarding both.