



#LightUpNavajo



Building a World Class Utility

Greenville Electric Utility System
Greenville, Texas

**FY 2019-20
Adopted Budget**



RP3



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Board of Trustees

As of October 1, 2019

Barry Gluck.....	Chairman – Place 4
Renee Shelton.....	Vice-Chairman – Place 3
Sue Ann Harting.....	Secretary/Treasurer – Place 5
Glover George.....	Place 1
Dennisha Denney.....	Place 2
David Dreiling.....	City of Greenville Mayor – Ex Officio Member

Executive Staff and Department Heads

Alicia Price.....	General Manager
Cliff Copeland.....	Business Services Director
Ashley Cotton.....	Compliance Manager
Brenda Shelby.....	Customer Service Manager
Jimmy Dickey.....	Marketing and Key Accounts Manager
Jason Minter.....	Cable and Internet Manager
Mark Stapp.....	Engineering and Operations Director
Steve Glasscock.....	Operation and Maintenance Manager
Bo Zhao.....	Energy Market Manager
Damaris Venegas.....	Assistant Finance Manager

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THE MISSION OF THE GREENVILLE ELECTRIC UTILITY SYSTEM IS TO:

*“Maintain competitive rates, increase
system reliability and improve services.”*

To achieve that mission, our goals are:

- Ensure low rates and innovative rate structures
- Provide reliable service through the utilization of advanced technology
- Meet or exceed environmental requirements
- Lead in energy management and marketing
- Maintain highly trained and productive workforce
- Place emphasis on measuring and rewarding performance
- Remain a consumer/community focused organization
- Place emphasis on economic development in the community
- Provide utility leadership at the state and national levels
- Win recognition as an outstanding public utility

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Alicia Price
General Manager
Office: 903/457-2845
Fax: 903/457-2893
Email: aprice@geus.org

MEMORANDUM

TO: GEUS BOARD OF TRUSTEES AND THE CONSUMER/OWNERS OF GEUS

FROM: Alicia Price

DATE: September 19, 2019

RE: **FY2019-2020 Adopted Budget Summary**

The annual budget is presented to the Greenville Electric Utility System (GEUS) Board of Trustees during regularly scheduled Board meetings which are open to the public. A Public Hearing is held each year before finalizing the budget. The GEUS Board has complete authority under the City Charter and the Bond Ordinance to approve the budget.

GEUS only collects the revenue it needs to pay for the cost of providing service. GEUS is revenue based, not tax supported, and pays an equivalent of taxes to the City of Greenville.

Budget Overview

GEUS is the first Municipal Utility in Texas to provide Electric as well as Cable Television and High Speed Internet services. The system is in excellent financial condition, as confirmed by the most recent independent rating agency reviews. In February 2012, Moody's Investors Service affirmed its A2 rating on GEUS' bonds while issuing an uptick in their outlook to "stable" from "negative". In June 2012, Standard and Poor's raised its rating on GEUS' electric system revenue bonds to "A+" from "A", with a stable outlook. S&P re-affirmed that rating in 2019. These are the highest bond ratings that GEUS' has received in its 30 year history as a separate agency. In September 2018, all GEUS Bonds became callable. In April 2019, the GEUS Board of Trustees authorized the refunding of these bonds allowing GEUS to restructure its debt while shortening the term of the bonds from 2040 to 2035 resulting in a total debt service savings of \$22,152,183. The 2019A Series Bonds (\$41,610,000) will become callable in February 2024. The 2019B Series is a Bank Placement with bonds payable at any time after July 2019. This Adopted Budget uses some of the savings to pre-pay the 2019B Series bonds, which are due in 2024. Long term, these savings are proposed to be used to retire debt by 2030.

Base rate changes were approved by the Board on August 21, 2014, effective on October 1, 2014, based on a detailed cost of service study performed by NewGen consultants. The new rates were designed to provide sufficient earnings for necessary cash reserves, to meet debt service coverage, and to preserve GEUS' sound financial condition. A new regulatory charge was added to include the costs from the states Transmission Costs of Service (TCOS) net matrix as well as any fines/fees from regulatory agencies such as NERC, TRE or the EPA. GEUS' electric rates are slightly higher but competitive with rates offered by Retail Electric Providers to consumers in nearby communities. The Adopted Budget does include a Rate Study in Fiscal Year (FY) 2020.

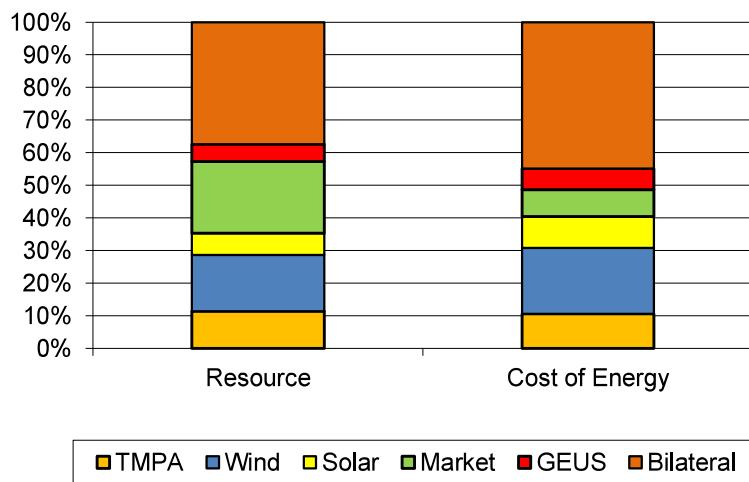
In addition, GEUS' rates are more stable and less vulnerable to potential increases in natural gas prices and purchased power costs because of a diversified resource portfolio and because of locally owned resources. GEUS has the flexibility to obtain energy from the wholesale market, a wind farm, a solar field, bilateral agreements with multiple providers, or from local resources. GEUS has a long-term fixed price power purchase agreement with Duke Energy for wind energy from their Los Vientos V wind project in Starr County in South Texas. This agreement, the first agreement ever for renewable energy for GEUS, is expected to provide long term price stability. Unlike wind in West Texas which produces maximum output during evening hours, wind

from the coastal areas of the state tends to peak in the afternoon when GEUS' demand for power and energy costs are the highest. GEUS also joined several other Texas cities in signing agreements to purchase power produced by the sun. The solar field supplying the energy is located in Lamesa, TX which is about 60 miles south of Lubbock. GEUS agreed to purchase solar energy through a long-term fixed price contract. This solar, along with wind generation, provides an excellent price hedge against any future increases to natural gas prices. GEUS also has multiple bilateral fixed price agreements that will provide energy around the clock as well as during peak hours.

GEUS' Energy Management department schedules resources and market purchases to obtain the lowest cost energy. Historically, GEUS obtained most of its energy from coal-fired generation purchased from TMPA. However, natural gas prices have been extremely low over the last few years and TMPA transitioned to seasonal operations in FY 2017-18. GEUS has opted out of TMPA generation as of September 1, 2018. TMPA started decommissioning the generation plant during the summer of 2019.

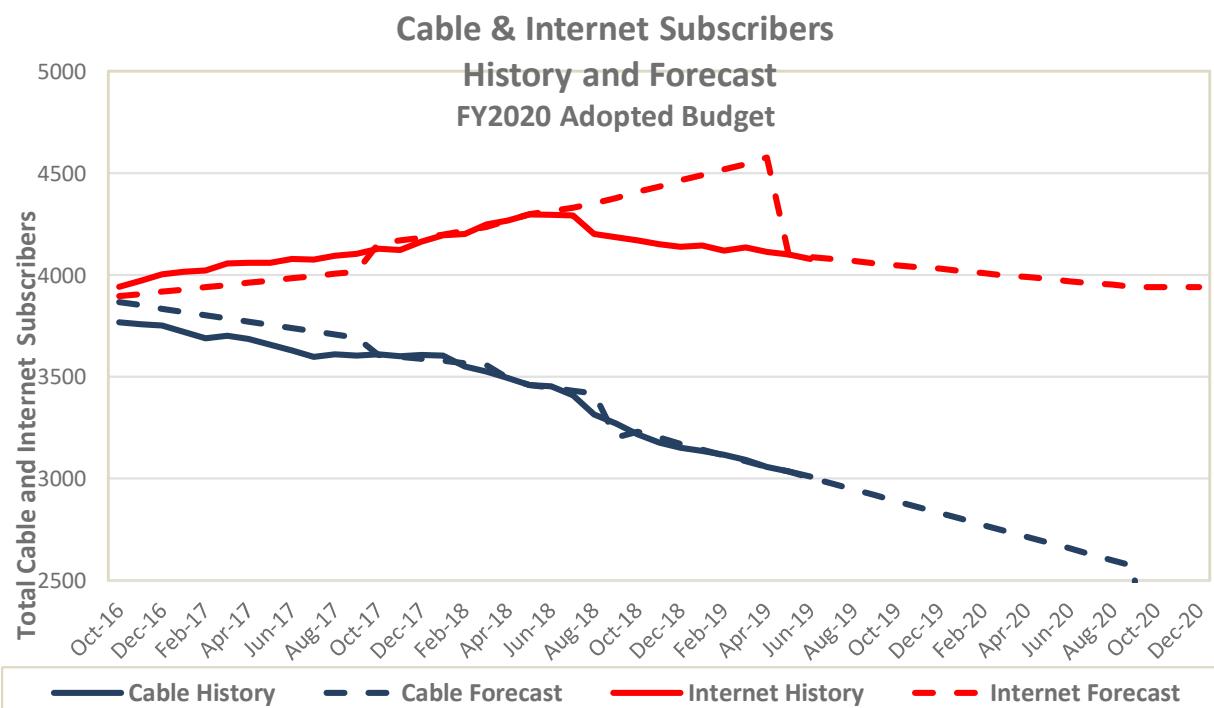
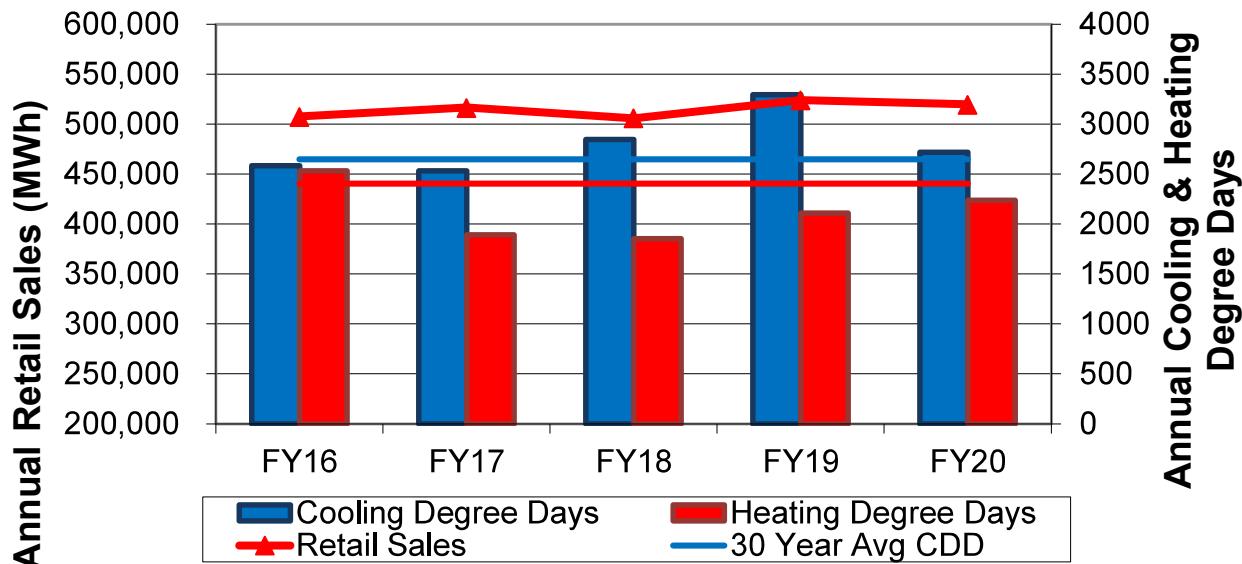
The remainder of the energy purchased for sale in Greenville comes from wholesale market purchases. The commodity price of natural gas is a major factor in the cost of this remaining energy. Greenville's local plants provide competitively priced energy at peak times and at other times when the wholesale market is experiencing volatility and reaching exorbitant price levels.

**Comparison of Relative Contribution
of Energy by Resource and Relative Cost of Energy
for FY 2018**



Total Operating Revenue

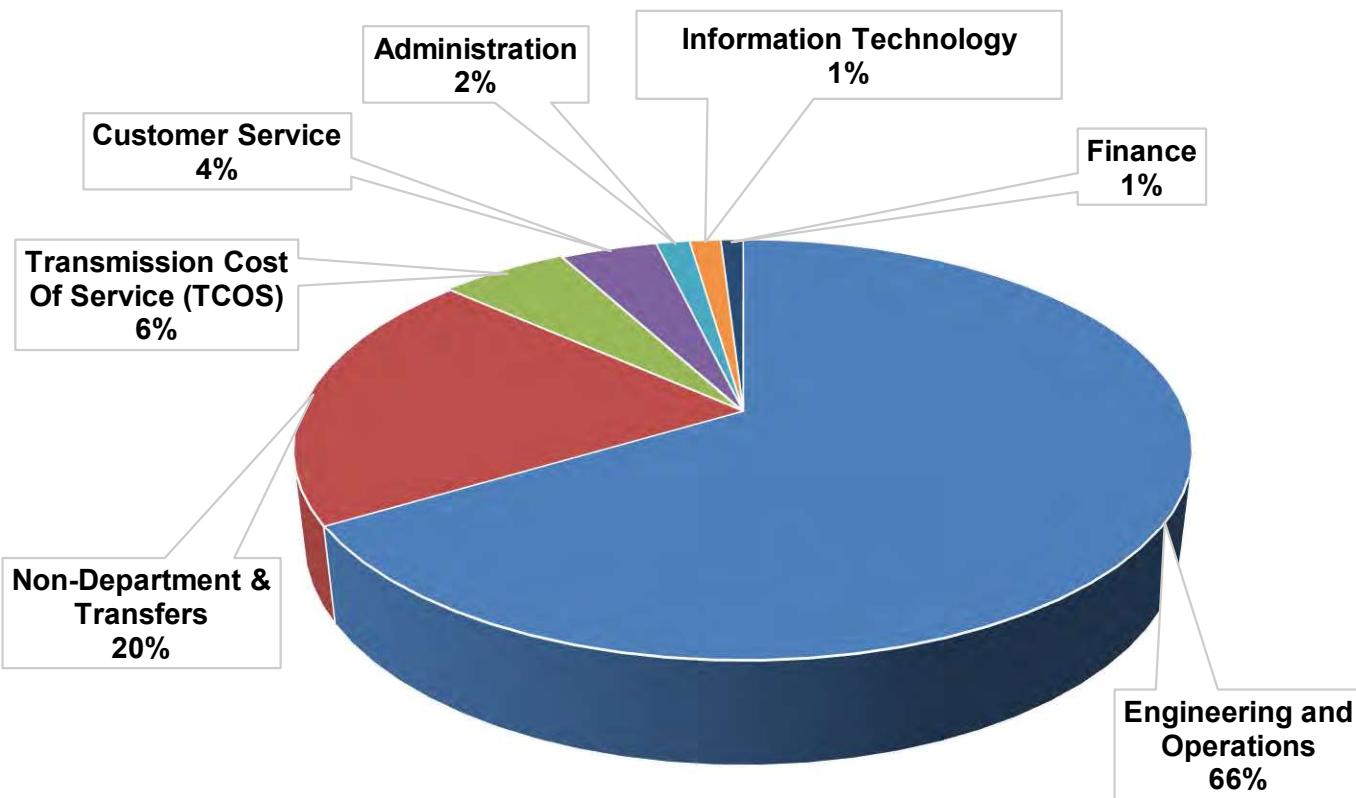
Total budgeted revenues are planned to increase \$6,193,815 or 9.2% from the FY 2018-19 budget primarily due to increased growth in electric retail sales, fuel adjustment revenue, and regulatory charges offset by other electric retail sales and a decline in Cable Subscribers. Electric kWh sales are expected to increase approximately 1.9% due to anticipated growth in both the residential and commercial markets. The following two charts show the projected changes first in electric sales (with a comparison to cooling and heating degrees days which correlate to air conditioning load and electric heat) and second in cable and Internet subscribers. The Fuel Adjustment Factor is budgeted at 3.6 cents per kWh, up 0.3 cents from the budgeted amount in FY 2018-19.



Total Operating Expense

The total budgeted operating expenses of GEUS are expected to increase by \$5,429,139 or 10.8%. Fuel & Purchased Power expenses are anticipated to increase by approximately \$2.8 million and Transmission Cost of Services by \$2.1 million. There is a 13% increase in departmental expenses, which is attributable to increased operational expenses, increased TMPA Decommissioning expenses, and capital improvements. The following pie chart shows a breakdown of the Electric Utility's total expenses with approximately half these disbursements attributed to Purchased Power and Power Generation costs. Engineering and Operations is anticipated to increase \$1,420,346 or 18% (includes addition of an Electrical Engineer and capital). Power Generation decreased (\$787,008) or 12% due to work force reduction in FY 2019. Non-Department & Transfer expenses decreased by (\$93,855) from FY 2018 and reflects a decrease in debt service principal payments. This category of expenses includes the General Fund Transfer, defined by City Charter at 5% of adjusted gross revenues, plus the cost paid to the City for shared services, the Payment In Lieu Of Tax and the 1% transfer for the Board of Development.

Budgeted Disbursements



Change in Net Position

The estimated change in Net Position for FY 2019-20 is \$3,147,394. Investment Revenue is estimated to be \$85,489. Debt Service payments are \$7,835,875 which includes principal payment of \$5,460,000. This results in a Bond Coverage calculation of 2.3, above the target ratio of 2.25.

Capital and Other Administration Expenses

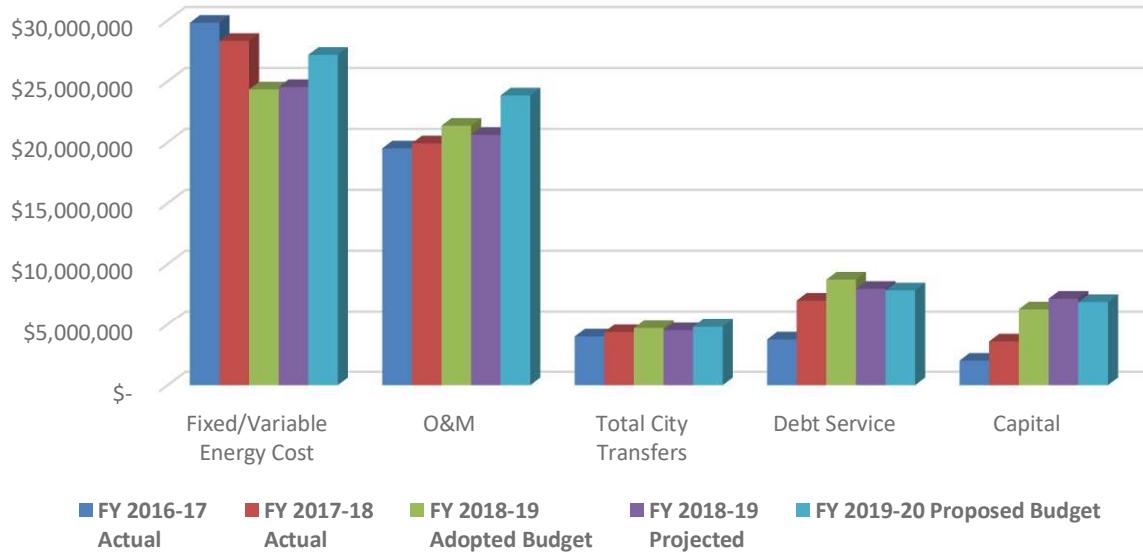
Total Budgeted Capital Expense is \$7,164,617. This is a 13.8% increase from FY 2018-19. Operating Revenues are planned to fund all planned capital in future years. The Electric Fund's Capital Expenses include repowering the engines; completion of LTV Substation; transmission pole and line replacement; continued implementation of a digital metering system; the first year of a two year project for a backup control center; and an Integrated Resource Plan which will help determine how GEUS will provide energy to the community for the next 15 - 20 years. The Cable & Internet Fund's Capital Expense includes extensions and replacements, HD/SD Channel Additions, and Drop materials and labor.

Other Administration Expenses include Insurance, Amortization, and other non-departmental costs.

Summary

A bar chart showing the variances in five main categories of expenses follows. Fixed and variable energy costs are up due to anticipated increase in energy prices. O&M costs are expected to increase due to personnel and operational expense increases. Transfers are up due to increased sales.

Main Expense Categories



The GEUS Statement of Revenues and Expenses for All Funds is part of the FY 2019-20 Adopted Budget.

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BUDGET PREPARATION

Overview

GEUS' Adopted Budget is effective at the beginning of the fiscal year, which is October 1. The Budget process is led by the Business Services Director and involves participation from the General Manager, Department Heads and Supervisors, and the GEUS Board.

➤ Budget Policy

The Greenville Electric Utility System shall prepare and adopt an annual budget, hold public hearing(s), in accordance with applicable state laws and provisions of the Charter of the City of Greenville, Texas

1. The Board of Trustees will review and adopt the budget prior to September 30 of each year.
2. Management will prepare the proposed budget and submit it to the Board for evaluation and study at a minimum of 60 days in advance of the date for review and adoption.
3. The following items as a minimum will be included in the budget preparation:
 - a. Operating statement
 - b. Five-year Capital Improvement Plan
 - c. Five-year Financial Plan
 - d. Expected working capital position at the end of the budgeted year.
4. The Board shall conduct a public hearing to approve the adopted budget prior to September 30 of each year. A meeting shall be called for this purpose only.

➤ Annual Budget Process

The budget is developed, reviewed and adopted using the following processes:

- Departments, using historical data and future objectives, are required to prepare a budget packet to help estimate O&M and Capital expenditure requirements for the General Manager and Business Services Director. The General Manager and Business Services Director review every line-item to determine if the budgeted requests are obtainable and meet with the entity's goals and objectives.
- The General Manager conducts a preliminary review with Department Heads on O&M and Capital budgets. The General Manager reviews and determines which line-items require review.
- The Business Services Director presents to the Board proposed updates to the 5-year Capital Improvement Plan.
- The General Manager conducts a final review with Department Heads regarding both O&M and Capital budgets.
- A Public Hearing is conducted for the Proposed Budget.
- The Proposed Budget is presented to the Board for approval.

➤ Approved Budget Procedures

- **Budget Changes** – If an account does not have available funds to initiate a purchase, departments have the option of transferring operating funds within a department, or within the fund. Capital funds may not be transferred to operating funds. An approved Budget Transfer Form must be submitted to the Finance Department before changes are made to the budget.
- **Amendments to the Budget** - Any requests for amendments to the Approved Budget are first reviewed by Management and then presented to the Board for approval.

Fiscal Year 2019-20 Budget Calendar

February 4	Departments start 10-year Capital Improvement Plan update for FY 2020-2029
February 21	GEUS Board Meeting Submit FY 2019-20 Proposed Budget Calendar Draft to Board
March 8	Budget kick-off memo to departments with assumptions (for O&M)
March 21	GEUS Board Meeting
April 5	Department's 10-year Capital Improvement Plan due to Finance Departments submit update on Capital Improvement Projects: completed, to be completed in current budget year, and projects that need to be moved to future years
April 12	Finance submits Department's 10-year Capital Improvement Plan to General Manager for Review
April 18	GEUS Board Meeting
April 22-26	General Manager to meet and discuss the 10-year Capital Improvement Plan with Department Heads
April 26	Departments submit initial projection of FY 2018-19 revenues and expenditures to the Finance Department
May 3	Departments submit O&M budget requests to the Finance Department. Finance updates Salary & Benefit information for Department approval
May 16	GEUS Board Meeting
May 20-24	General Manager to meet and discuss preliminary review of the FY 2019-20 Proposed Budget with Department Heads
May 31	Departments submit approved payroll information based on updated Salary & Benefit information to Finance
June 20	GEUS Board Meeting Review and discuss with the Board any proposed updates, changes, or revisions to the 5-year Capital Improvement Plan
June 24-28	General Manager to meet and discuss final review of the FY 2019-20 Proposed Budget with Department Heads
July 5	Departments submit final projection of FY 2018-19 revenues and expenditures to the Finance Department

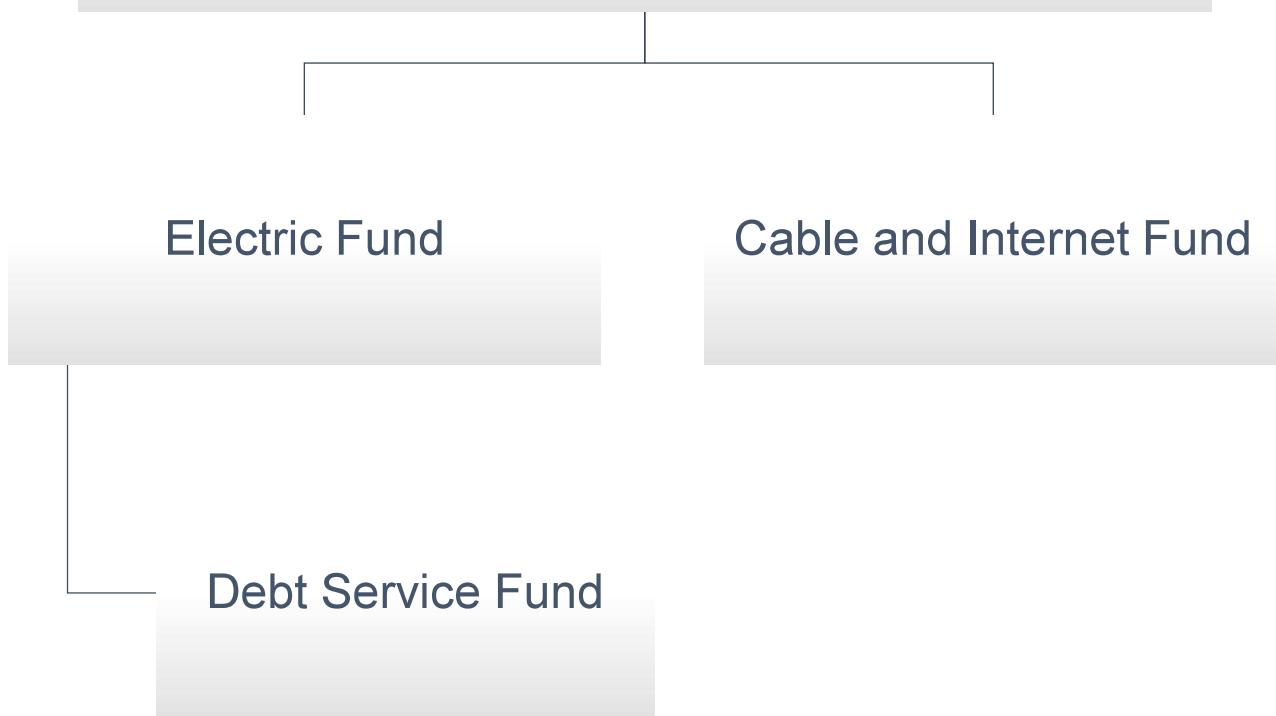
Fiscal Year 2019-20 Budget Calendar

July 18	GEUS Board Meeting
	FY 2019-20 Proposed Budget delivered to Board at GEUS Board Meeting
July 30	Deliver notice of Public Hearing on FY 2019-20 Proposed Budget to the newspaper
August 2	Publication of notice for Public Hearing on FY 2019-20 Proposed Budget
August 15	Public Hearing on FY 2019-20 Proposed Budget (Special Meeting)
	GEUS Board Meeting
	Review and Discuss FY 2019-20 Proposed Budget
September 19	GEUS Board consider approval of FY 2019-20 Proposed Budget

NOTE: Dates in bold indicate a Board meeting.

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Greenville Electric Utility System Fund Structure





**Greenville Electric Utility System
Consolidated Budget Totals by Fund
FY 2019 Adopted Budget**

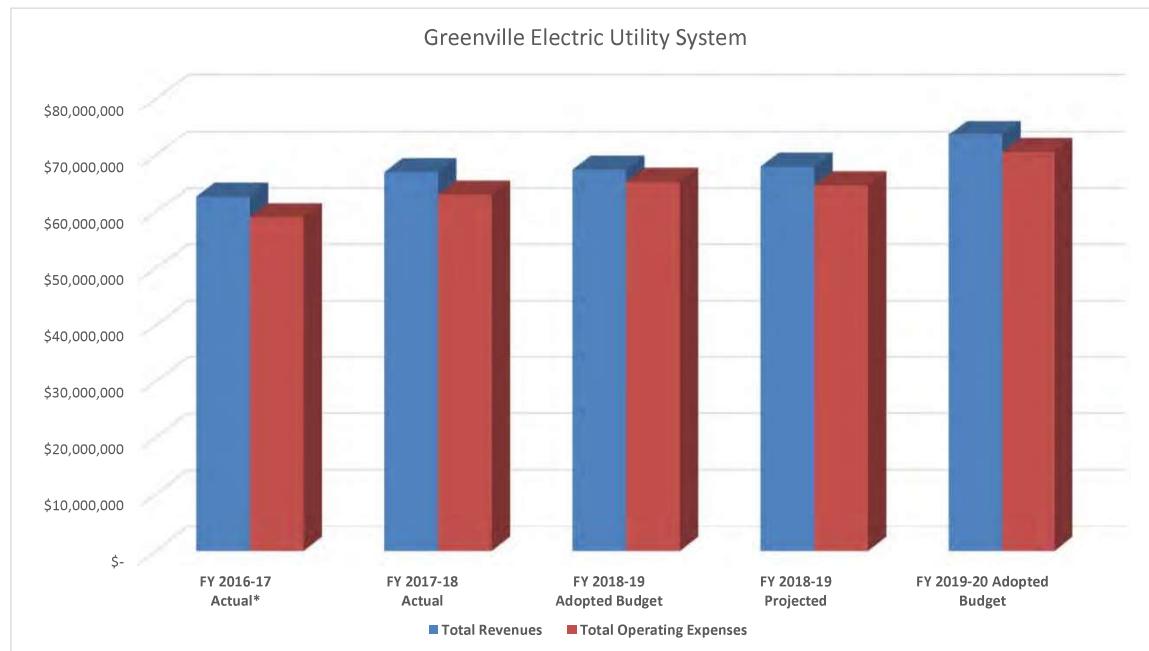
Fund Name	Estimated Beginning Balance	Revenue	Expenditure	Net Change	Estimated Net Position
Electric	\$ 14,898,400	\$67,442,118	\$64,120,070	\$ 3,322,048	\$ 18,220,448
Cable and Internet	8,102,313	6,245,661	6,420,315	(174,654)	7,927,659
Debt Service Fund	1,084,239	7,843,475	7,843,475	-	1,084,239
Non-Major Funds	110,359	-	-	-	110,359
Total	24,195,311	81,531,254	78,383,860	3,147,394	27,342,705

*Non-Major Funds include The Debt Reduction Fund and The Construction Fund



**Greenville Electric Utility System
Statement of Revenues and Expenses
All Funds**

	FY 2016-17 Actual*	FY 2017-18 Actual	FY 2018-19 Adopted Budget	FY 2018-19 Projected	FY 2019-20 Adopted Budget
Revenues					
Electric Revenues	\$ 56,511,768	\$ 60,661,331	\$ 60,784,375	\$ 61,853,773	\$ 67,442,118
C/I Revenues	6,321,049	6,399,059	6,709,589	6,176,219	6,245,661
Total Revenues	\$ 62,832,817	\$ 67,060,390	\$ 67,493,964	\$ 68,029,992	\$ 73,687,779
Operating Expenses					
Elec Departmental O&M	\$ 42,807,556	\$ 42,297,935	\$ 38,957,033	\$ 38,901,350	\$ 44,473,341
C/I Departmental O&M	5,272,425	5,437,361	5,823,825	5,265,191	5,516,354
Other Admin Expenses	998,999	257,414	670,237	693,732	736,800
Insurance	229,442	238,625	245,500	285,436	296,281
City Services	695,621	572,225	625,558	625,495	604,267
City Transfers	2,802,830	3,209,837	3,443,987	3,294,629	3,549,027
Board Of Development	489,346	569,849	615,143	585,271	634,352
Capital -Electric Fund	1,637,762	3,286,658	5,956,406	6,854,263	6,550,296
Capital - Cable & Internet	368,468	293,715	336,598	310,354	336,192
Debt Service Expenses	7,430	7,500	7,800	8,175	7,600
Debt Service Principal Payments	475,000	3,733,000	5,503,000	5,503,000	5,460,000
Debt Service Interest Expenses	3,263,258	3,271,908	3,221,923	2,466,111	2,375,875
Total Operating Expenses	\$ 59,048,137	\$ 63,176,027	\$ 65,407,010	\$ 64,793,007	\$ 70,540,385
Change in Net Position	\$ 3,784,680	\$ 3,884,363	\$ 2,086,954	\$ 3,236,985	\$ 3,147,394

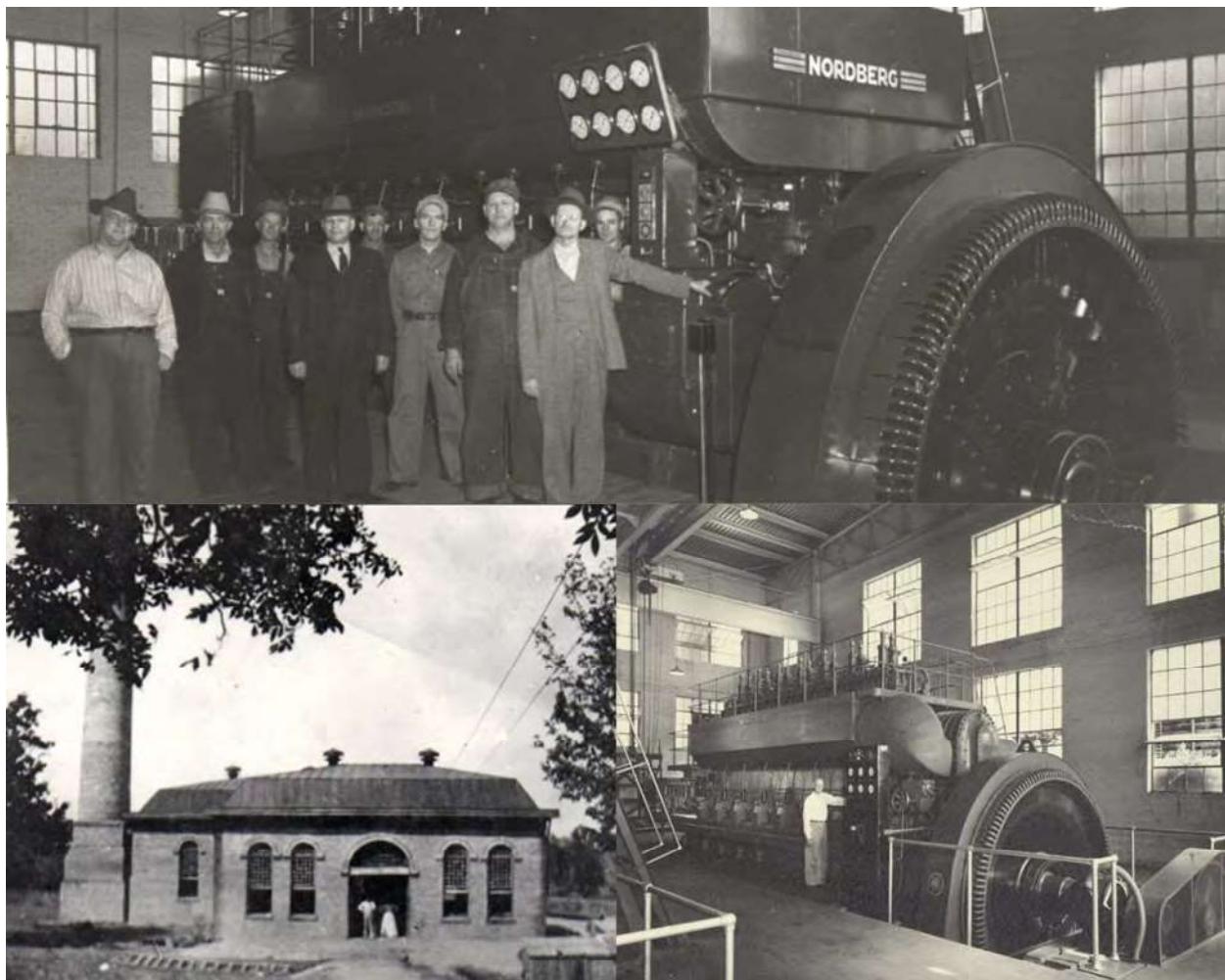


*Does not include non-cash impairment of Prepaid Electric Costs - \$34,093,046

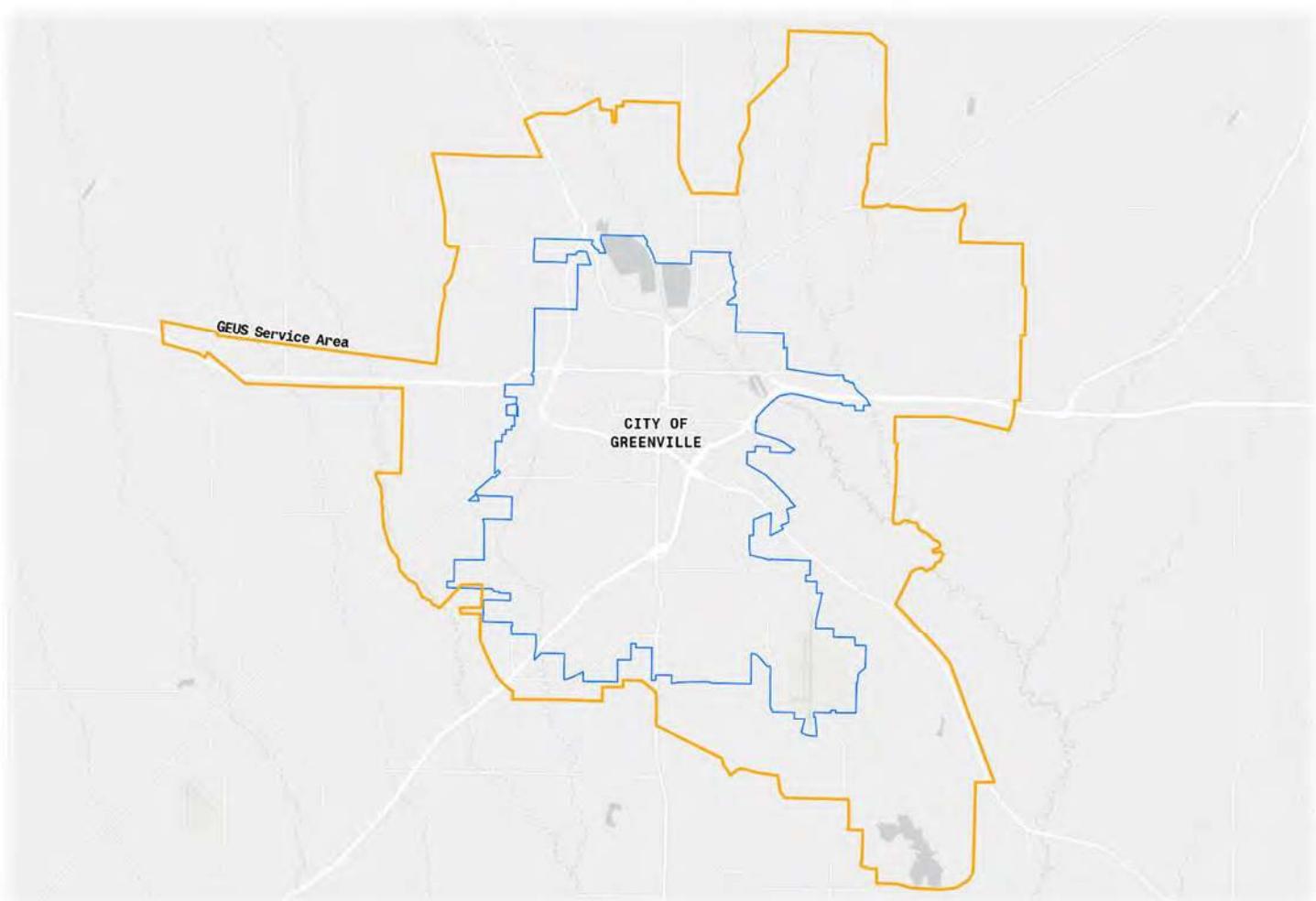


Brief History of GEUS

The History of the Greenville Electric Utility System began in 1888 when the City Council awarded a water and electric system franchise to the Greenville Water and Electric Light Company. After the award the Greenville Water and Electric Light Company building was constructed on the Sabine River where the diesel plant was formerly located. They dammed the river to provide water for the pumps but never installed generators. On November 3, 1890 the City of Greenville Council passed a resolution authorizing the Mayor R.L. Porter to let a contract with Wayne Electric Company build a small power plant on Town Branch between Wesley and St John Street. It became the first municipally owned electric plant in Texas when it began producing power on March 4, 1891. The Power Plant began generating electricity for night time with the steam engine and two dynamos. In 1908, Greenville Water and Electric was purchased by the City of Greenville and at this time the City Power plant moved to the Sabine River, they added two steam generators and began generating power 24 hours a day. Between 1945-1960 the electrical load on the city increased more than eight-fold. Growth in the excess of 10% per year was the norm for the city. On May 7, 1988 the voter approved the separation of the management of the Electric Utility from the City of Greenville administration. The public voted to amend the City Charter to include Article XI-A which created a separate, fully autonomous Electric Utility Board and define transfers of revenue from the Electric Utility to the City of Greenville, and on this day the first Electric Utility Board was named.



SERVICE TERRITORY





RATES

Residential

- Residential consumers
- Domestic uses
- Private dwellings or individually metered apartments at one point of delivery through one meter
- Not for temporary, standby, or resale service.
- Single phase service

Charge	Rate
Consumer charge	\$10.79 per month
Energy charge: June - October billing months	7.45 cents per kWh*
Energy charge: November - May billing months	6.64 cents per kWh* for the first 1200 kWh 4.75 cents per kWh* over 1200 kWh
Fuel adjustment factor	Varies monthly
Regulatory charge	Varies monthly
General fund transfer	Greenville 5% Fee Greenville Board of Development 1% Fee

*kilowatt hour

Commercial

➤ Commercial: General Service, Non-Demand (GS-ND)

- Electric service supplied at one point of delivery through one meter
- Not for standby or resale service.
- Single phase service under 10 kW during any single month
- Commercial Service Application

Charge	Rate
Consumer charge	\$17.93 per month
Energy charge	6.91 cents per kWh* for all kWh*
Fuel adjustment factor	Varies monthly
Regulatory charge	Varies monthly
General fund transfer	Greenville 5% Fee Greenville Board of Development 1% Fee

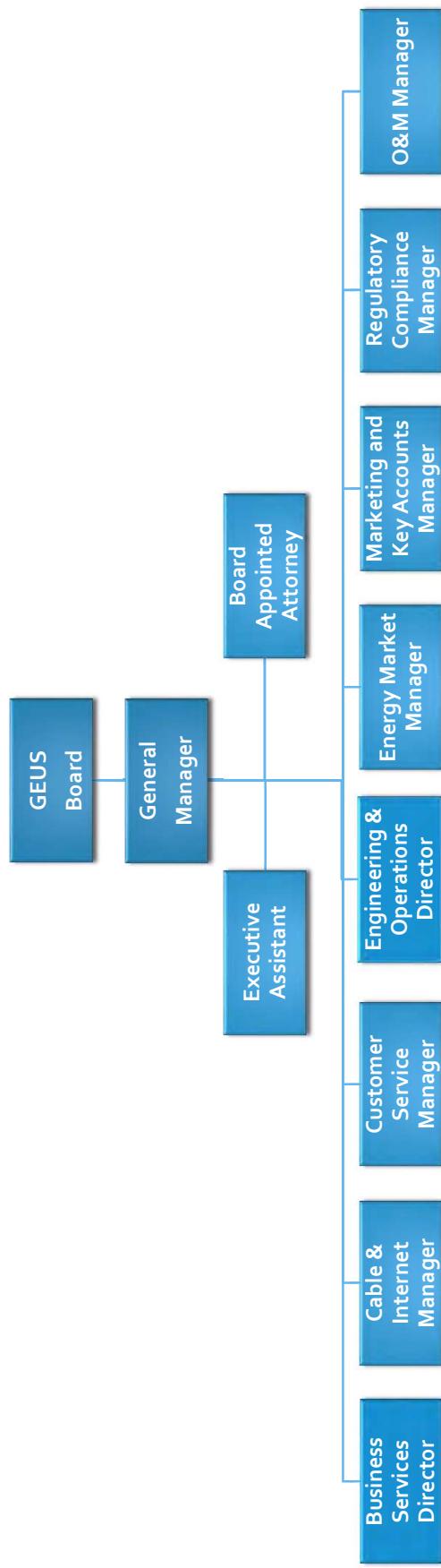
➤ Commercial: General Service, Demand (GS-D)

- Electric service supplied at one point of delivery through one meter
- Not for breakdown, standby, or resale service
- Single phase or three phase service equal to or greater than 10 kW during any single month
- Multiple service and metering points may be obtained upon request and by agreement of GEUS.

Charge	RATE
Consumer charge	\$20.55 per month
Demand charge	\$12.33 per kW of Billing Demand
Energy charge	3.23 cents per kWh for the first 6,000 kWh* 1.04 cents per kWh for all additional kWh
Fuel adjustment factor	Varies monthly
Regulatory charge	Varies monthly
General fund transfer	Greenville 5% Fee Greenville Board of Development 1% Fee

*Add 215 kWh per kW of billed demand in excess of 10 kW

Electric and C&I



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**Greenville Electric Utility System
Personnel Summary**

	Actual FY 2017-18	Budget FY 2018-2019	FY 2019-20 Adopted Budget	Change from FY 2018-2019
Electric Fund Full-Time Personnel (910)				
Administration	4	4	4	-
Finance	7	7	7	-
Information Technology	-	4	4	-
Billing & Metering	-	11	11	-
Customer Service	27	16	16	-
Engineering & Operations	34	32	33	1
System Operations	7	6	6	-
Energy Management	2	1	2	1
Power Generation	28	28	19	(9)
Electric Fund (910) Total	109	109	102	(7)
Cable & Internet Fund Full-Time Personnel (950)				
Cable & Internet	17	17	17	-
Cable & Internet Fund (950) Total	17	17	17	-
Total Full-Time Personnel	126	126	119	(7)
Electric Fund Part-Time Personnel (910)				
Customer Service	2	2	2	-
Engineering & Operations	2	3	3	-
Energy Management (Temp)	-	1	-	(1)
Power Generation	-	-	-	-
Electric Fund (910) Total	4	6	5	(1)
Cable & Internet Fund Part-Time Personnel (950)				
Cable & Internet	1	1	1	-
Cable & Internet Fund (950) Total	1	1	1	-
Total Part-Time Personnel	5	7	6	(1)

Personnel Movement Notes:

In FY 2018-19 the following personnel changes were made:

1. Information Technology (3 FTE's) and Mapping (1 FTE) were moved out from Engineering & Operations (3 FTE's) and Energy Management (1 FTE) and now report to Business Services.
2. Engineering & Operations added a Substation/SCADA Technician, an AMI Supervisor (2 FTE's), and a part time Lead Engineering Technician.
3. Billing (3 FTE's) & Metering (8 FTE's) were moved out of Customer Service and report to Business Services.
4. Power Generation had a reduction in workforce (9 FTE's).
5. The Compliance Manager was moved from Engineering & Operations (1FTE) to Administration.
6. One position was eliminated from Administration (1 FTE).
6. A temporary part time Intern performing data analysis was hired for FY 2019.

In FY 2020, the Proposed Budget includes:

1. The addition of an Electrical Engineer in Engineering & Operations (1 FTE).
2. The addition of an Energy Analyst in Energy Management (1 FTE).

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Electric Utility Fund (910)

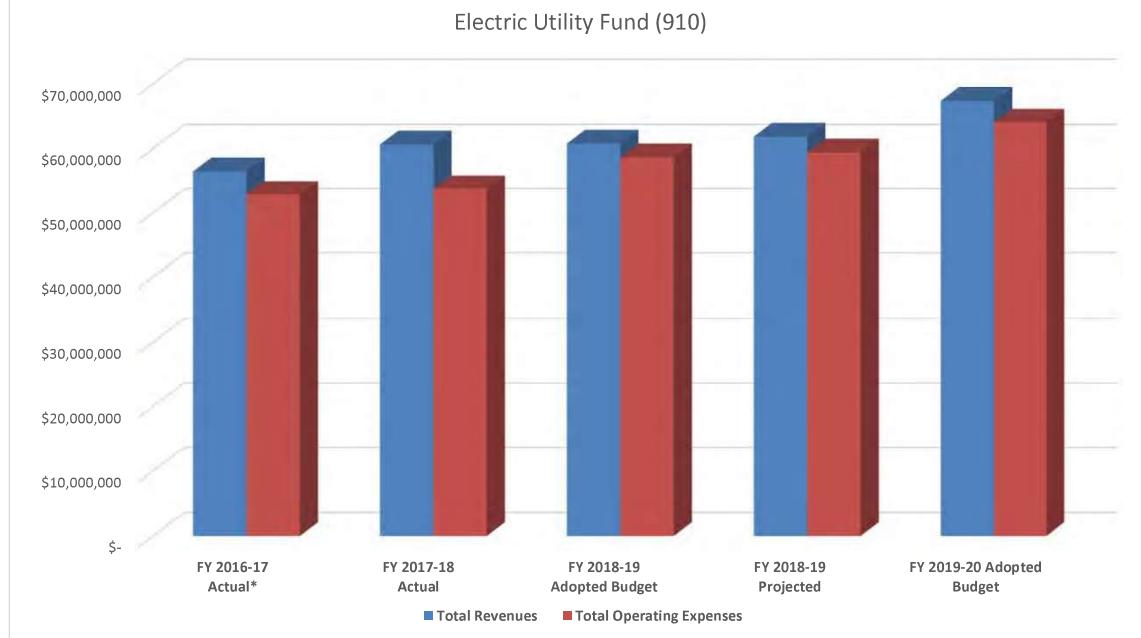
The Electric Utility Fund is the financial structure used for the accounting of providing electric energy and other services to the consumers in the City of Greenville and the surrounding service area. This Fund also conducts the billing and collection of charges to customers for electric energy and services. The Electric Fund also performs the billing and collection for the other City Utilities and is reimbursed through inter-fund transfers from those Utilities. The basis of accounting for the Electric Utility Fund is the accrual basis with the budgetary basis being modified accrual. As part of the budgetary basis, capital purchases are reported as expenditures and depreciation and bad debt expenses are not included in budgeted expenditures.

Electric Utility Fund (910)
Statement of Revenues and Expenses



	FY 2016-17 Actual*	FY 2017-18 Actual	FY 2018-19 Adopted Budget	FY 2018-19 Projected	FY 2019-20 Adopted Budget
Beginning Net Position	\$ 1,957,160	\$ 5,582,602	\$ 12,468,341	\$ 12,468,341	\$ 14,898,400
Revenues					
Charge for Services & Fees	\$ 47,597,923	\$ 51,218,048	\$ 54,118,900	\$ 52,726,539	\$ 59,257,887
Other Sales & Income	8,070,159	8,572,384	5,791,194	8,280,299	7,287,509
Transfers-In					
Transfer From City Funds	687,973	694,612	721,622	691,991	726,588
Transfer From Cable & Internet Fund	152,226	154,284	152,259	152,259	170,134
Total Revenues	\$ 56,508,281	\$ 60,639,328	\$ 60,783,975	\$ 61,851,088	\$ 67,442,118
Operating Expenses					
Transmission Cost Of Service (TCOS)	1,396,314	1,367,593	1,448,585	1,528,585	3,519,705
Engineering and Operations	39,321,049	40,298,739	38,908,756	40,101,081	42,582,953
Information Technology	355,826	368,521	394,528	390,688	856,876
Customer Service	2,357,639	2,289,472	2,576,480	2,401,709	2,648,052
Administration	726,950	898,072	1,167,477	947,681	922,875
Finance	528,357	537,286	602,649	570,905	616,594
Non-Department (Excludes Depreciation)	1,059,955	399,022	806,937	866,438	920,938
Transfers	7,136,749	7,594,884	12,767,298	12,613,942	12,052,077
Total Operating Expenses	\$ 52,882,839	\$ 53,753,589	\$ 58,672,710	\$ 59,421,029	\$ 64,120,070
Change in Net Position					
Ending Net Position	\$ 3,625,442	\$ 6,885,739	\$ 2,111,265	\$ 2,430,059	\$ 3,322,048
	\$ 5,582,602	\$ 12,468,341	\$ 14,579,606	\$ 14,898,400	\$ 18,220,448

Electric Utility Fund (910)

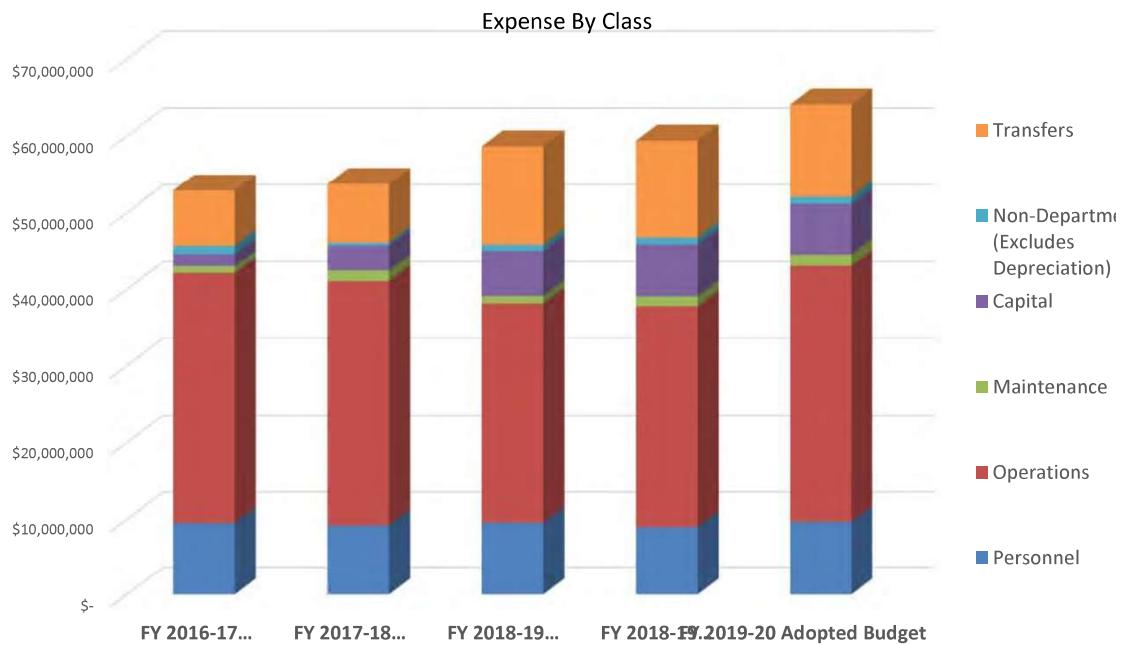


*Does not include non-cash impairment of Prepaid Electric Costs - \$34,093,046

Electric Utility Fund (910)
Statement of Revenues and Expenses
By Function



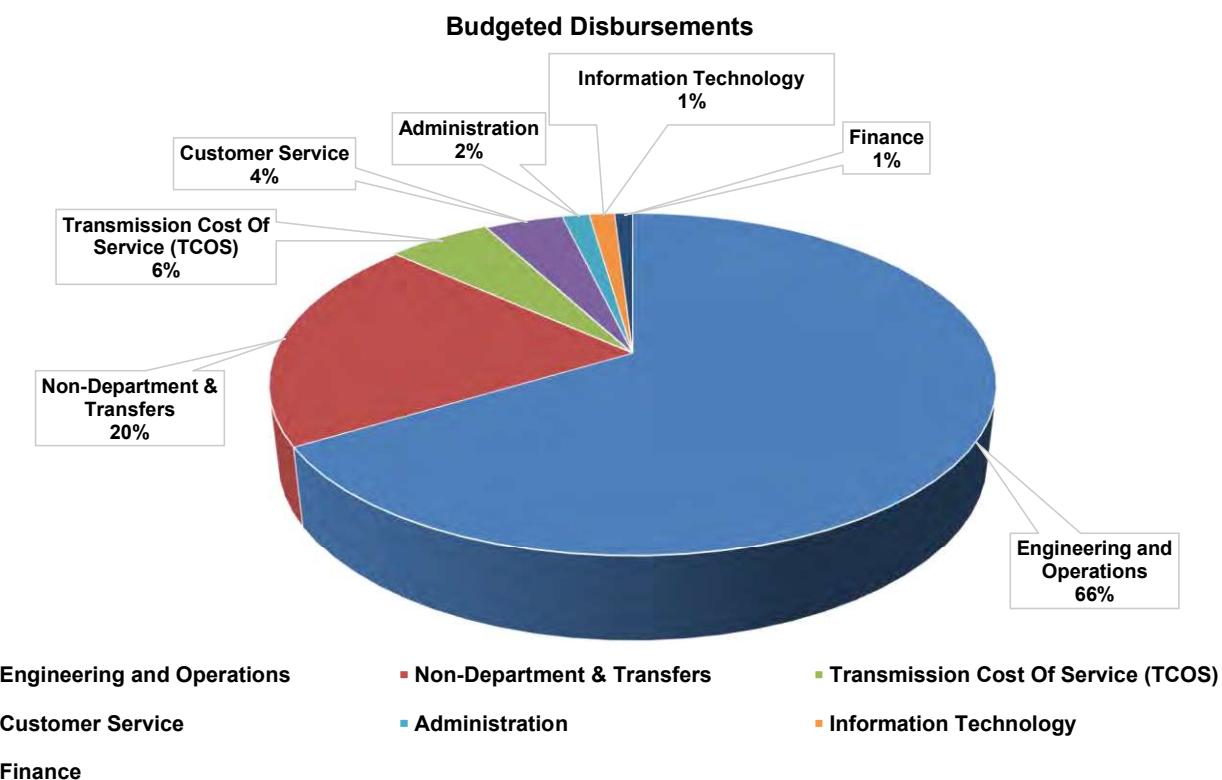
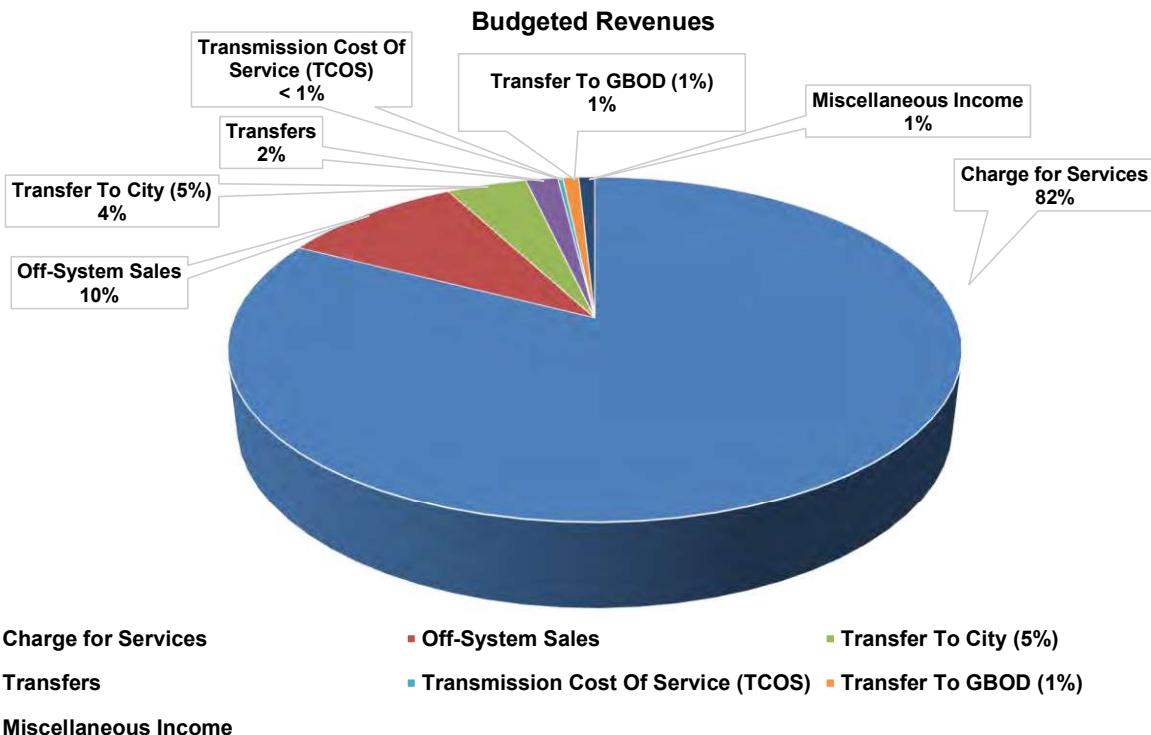
	FY 2016-17 Actual*	FY 2017-18 Actual	FY 2018-19 Adopted Budget	FY 2018-19 Projected	FY 2019-20 Adopted Budget
Beginning Net Position	\$ 1,957,160	\$ 5,582,602	\$ 12,468,341	\$ 12,468,341	\$ 14,898,400
Revenues					
Charge for Services & Fees	\$ 47,597,923	\$ 51,218,048	\$ 54,118,900	\$ 52,726,539	\$ 59,257,887
Other Sales & Income	8,070,159	8,572,384	5,791,194	8,280,299	7,287,509
Transfers-In					
Transfer From City Funds	687,973	694,612	721,622	691,991	726,588
Transfer From Cable & Internet Fund	152,226	154,284	152,259	152,259	170,134
Total Revenues	<u>\$ 56,508,281</u>	<u>\$ 60,639,328</u>	<u>\$ 60,783,975</u>	<u>\$ 61,851,088</u>	<u>\$ 67,442,118</u>
Operating Expenses					
Personnel	\$ 9,518,361	\$ 9,219,989	\$ 9,596,727	\$ 8,982,174	\$ 9,680,101
Operations	32,645,322	31,876,275	28,576,861	28,829,569	33,415,907
Maintenance	884,690	1,376,761	968,481	1,274,643	1,500,751
Capital - Nonpersonnel	1,380,474	2,909,434	5,766,823	6,474,146	6,390,795
Capital - Personnel (not in Personnel Cost)	257,288	377,224	189,583	380,117	159,501
Non-Department (Excludes Depreciation)	1,059,955	399,022	806,937	866,438	920,938
Transfers	7,136,749	7,594,884	12,767,298	12,613,942	12,052,077
Total Operating Expenses	<u>\$ 52,882,839</u>	<u>\$ 53,753,589</u>	<u>\$ 58,672,710</u>	<u>\$ 59,421,029</u>	<u>\$ 64,120,070</u>
Change in Net Position					
Ending Net Position	<u><u>\$ 3,625,442</u></u>	<u><u>\$ 6,885,739</u></u>	<u><u>\$ 2,111,265</u></u>	<u><u>\$ 2,430,059</u></u>	<u><u>\$ 3,322,048</u></u>
	<u><u>\$ 5,582,602</u></u>	<u><u>\$ 12,468,341</u></u>	<u><u>\$ 14,579,606</u></u>	<u><u>\$ 14,898,400</u></u>	<u><u>\$ 18,220,448</u></u>



*Does not include non-cash impairment of Prepaid Electric Costs - \$34,093,046

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Electric Utility Fund (910)





ADMINISTRATION

Department Description

The management of GEUS is performed by a General Manager under Policy Direction of the GEUS Board of Trustees with the aid of his or her staff including a Business Services Director, Cable & Internet Manager, Customer Service Manager, Engineering and Operations Director, Energy Market Manager, Marketing and Key Accounts Manager, O&M Manager and Executive Assistant. In addition, GEUS' contracted services from the City include accounting (i.e. investments, check issuing, etc.) which is overseen by the Finance and Administrative Services Director and personnel services overseen by the Human Resources Director. The Board appointed Attorney also reports to the General Manager.

Accomplishments for Fiscal Year 2019

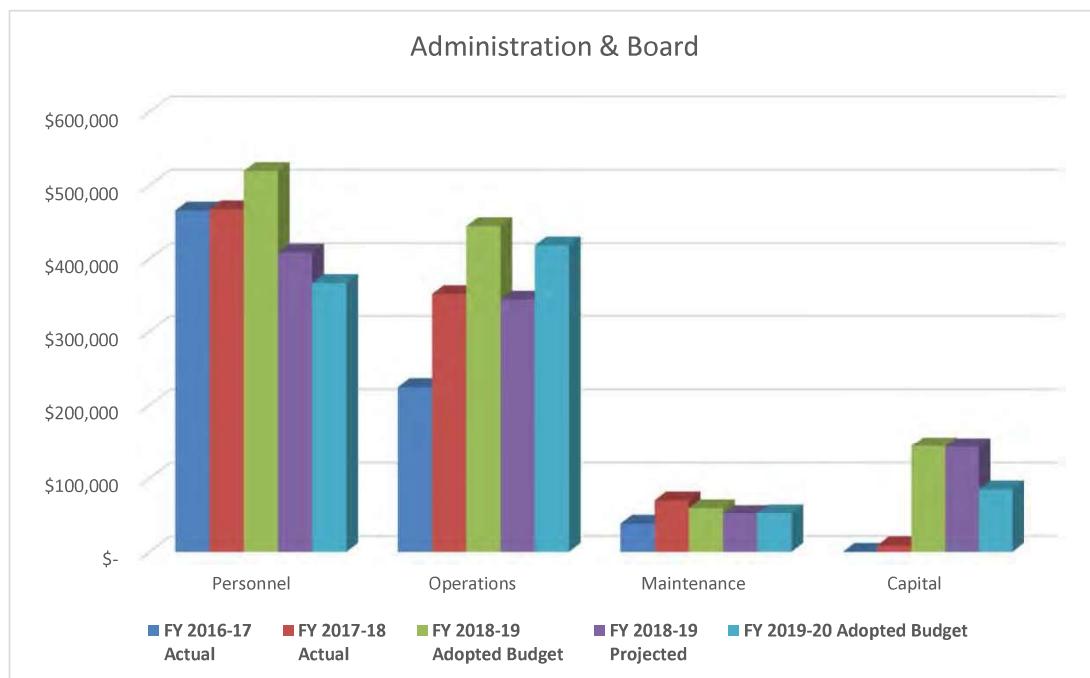
- Held Strategic Planning work sessions with the GEUS Board
- Completed Annual Review of all applicable NERC Standards
- Implemented Workforce Succession Planning
- Presented at TPPA Annual Meeting
- GM Appointed to TPPA Board
- GM Elected VP of TPPA Executive Board
- GM Elected Chair of TMPA Planning and Operations Board
- GM Appointed to Greenville Chamber Board of Directors

Objectives for Fiscal Year 2020

- Perform Cost of Service and Rate Study
- Perform Workflow/Redesign Analysis
- Implement New C&I Rates and Service Tiers
- Review Board Policies with Ad Hoc Committee Members and provide recommendations to the Board
- Update System Expansion Plan
- Implement Smart Metering
- Develop Integrated Resource Plan (IRP)
- Increase Employee Community Engagement
- Implement New Employee Evaluation System

EXPENDITURE SUMMARY

	FY 2016-17 Actual	FY 2017-18 Actual	FY 2018-19 Adopted Budget	FY 2018-19 Projected	FY 2019-20 Adopted Budget
Personnel	\$ 465,842	\$ 467,467	\$ 519,498	\$ 408,561	\$ 367,136
Operations	223,944	352,009	444,479	344,479	418,239
Maintenance	37,164	70,095	59,500	51,500	52,500
Capital	-	8,500	144,000	143,141	85,000
Total	\$ 726,950	\$ 898,071	\$ 1,167,477	\$ 947,681	\$ 922,875



NOTES:

1. Personnel costs decreased in part to department restructuring and the elimination of one management position.
2. Operations reflects a reduction in Professional Services which includes budget for a rate study, consulting work for compliance, contract review, ERCOT, and PUC consulting.
3. Capital include foundation engineering analysis for the operations center building and HVAC replacement.

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MARKETING & KEY ACCOUNTS

Department Description

The Marketing and Key Accounts department is responsible for the coordination of external communications, which promotes GEUS services and a positive public image of GEUS. The department provides education regarding public power and outreach activities to the community. Additionally, this department manages community engagement while building and maintaining relationships with key account customers.

Marketing's Budget is in both Electric and Cable & Internet Customer Service Departments.

Accomplishments for Fiscal Year 2019

- Active in local organizations – Kawanis, Rotary, Lions Club, Bras for a Cause, GISD, Hunt County Regional Hospital, Greenville Chamber of Commerce, etc.
- Employee community engagement
 - 194 volunteer hours
 - 52 Employees participating
 - 16 local events
- 2 Public Power communications awards
 - Print and Digital and Web and Social Media
- Chamber Ambassador of the Year

Objectives for Fiscal Year 2020

- Develop and implement comprehensive Internet Marketing Plan; 15% and 10% increase in commercial and residential subscribers
- Develop and implement comprehensive Advanced Metering education plan
- Develop and implement comprehensive RoundUP marketing program
- Complete landscaping and Substation signage projects
- Establish a key account customer program
- Conduct ERS and DSR outreach with eligible businesses



ENGINEERING AND OPERATIONS

Department Description

The Engineering & Operations Department is responsible for transmission, substation and distribution standards, planning, design, construction and operations engineering, and developing work orders. Additional responsibilities include, maintaining, testing and supervising construction of substations, as well as new line construction, overhead and underground line maintenance, tree trimming, installation and maintenance of security and street lights, and meter maintenance and commercial installations. Within E&O, the Transmission Operations department functions as a "TO" (Transmission Operator) within ERCOT and is responsible for scheduling GEUS transmission outages with ERCOT, preparing switching orders, directing switching operations, and maintaining records. GEUS electric systems consist of approximately 32 miles of 69-kV transmission line, 553 miles of 12.47/7.2-kV distribution line, and nine substations.

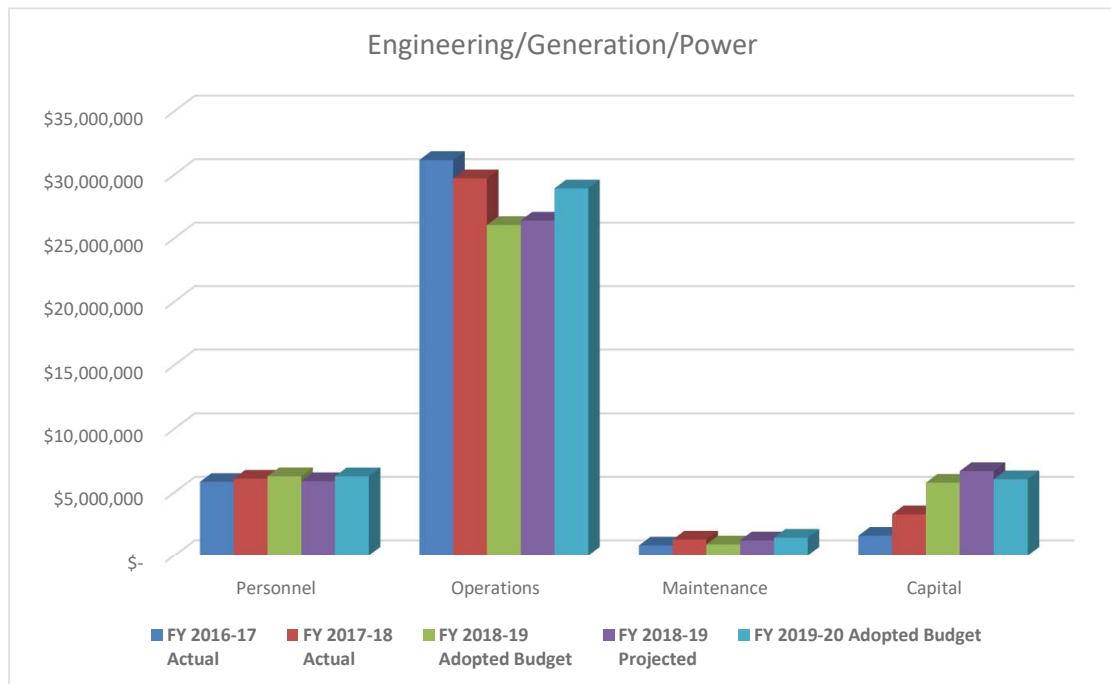
Accomplishments for Fiscal Year 2019

- Completed construction of underground primary facilities at three residential subdivisions; began work on one more
- Completed design and civil work and procured major apparatus for LTV Substation Upgrade
- Completed design work and material procurement for Dent Road 3rd 138kV/69kV Tie
- Relocated Communication equipment, configured new RTU, installed Protective Relaying for new LTV Substation Transformer addition
- Repaired Load Tap Changer on existing LTV Transformer
- Installed Dent Rd Relay Protection for 3rd 138kV/69kV Tie
- Rebuilt all 19 Type FVR Feeder Breaker Operating Mechanisms on GEUS system
- Developed AMI RFP and implementation plan
- Supported Texas A&M – Commerce Industry Advisory Board (Engineering)
- Awarded APPA RP3 (Reliable Public Power Provider)
- Awarded APPA Excellence in Reliability

Objectives for Fiscal Year 2020

- Dent Rd Substation 69kV – Build and energize 69kV transmission to accept new 69kV source input from third 138kV source; Commission new relaying
- LTV Substation Upgrade, New Transformer – Oversee construction of new 69kV bus, 12.5kV bus and feeders; Commission new relaying
- Engineering Analysis Software – Implement, code system technical data, and become skilled with new software
- Work with Compliance Manager on future ERCOT and NERC related compliance requirements associated with becoming a TO (100kV+)
- Work with upper management and IT on the process of selecting an Outage Management System (OMS)
- Replacement of Fiber Optic Communication Network (FOCUS) at all electrical substations
- Replacement of Remote Terminal Units (RTUs) at all electrical substations
- Steel Poles – Change wood poles to steel poles
- Transmission – Change out 20 poles (prioritized by age, condition, treatment process)
- Distribution – Identify and change out the most imperfect road crossings
- Aging UG Loops – Identify Industrial UG primary conductors that are near end-of-life and schedule their replacement

EXPENDITURE SUMMARY					
	FY 2016-17 Actual	FY 2017-18 Actual	FY 2018-19 Adopted Budget	FY 2018-19 Projected	FY 2019-20 Adopted Budget
Personnel	\$ 5,811,003	\$ 6,068,149	\$ 6,260,509	\$ 5,870,990	\$ 6,252,571
Operations	31,137,181	29,698,440	26,017,360	26,366,485	28,901,735
Maintenance	805,041	1,268,703	887,981	1,203,850	1,413,251
Capital	1,567,826	3,263,447	5,749,406	6,659,757	6,015,396
Total	\$ 39,321,051	\$ 40,298,739	\$ 38,915,256	\$ 40,101,082	\$ 42,582,953


NOTES:

1. Personnel includes the addition of an Electrical Engineer.
2. Capital includes \$2,000,000 for LTV substation, \$136,000 for transmission pole and line replacement, and \$1,274,895 for multi year implementation of digital metering.
3. This department includes Engineering, Substations, Transmission and Distribution, Metering, and Street Lighting.



BUSINESS SERVICES

Department Description

The Business Services department is responsible for managing GEUS' financial services including purchasing, investments, audits, fixed assets, accounts receivable and payable, TCOS billing and payments, ERCOT settlements, customer billing, metering, payment receipts and collections. Departmental responsibilities also include Risk Management, Information Technology, GIS/CAD and Warehouse Inventory.

Accomplishments for Fiscal Year 2019

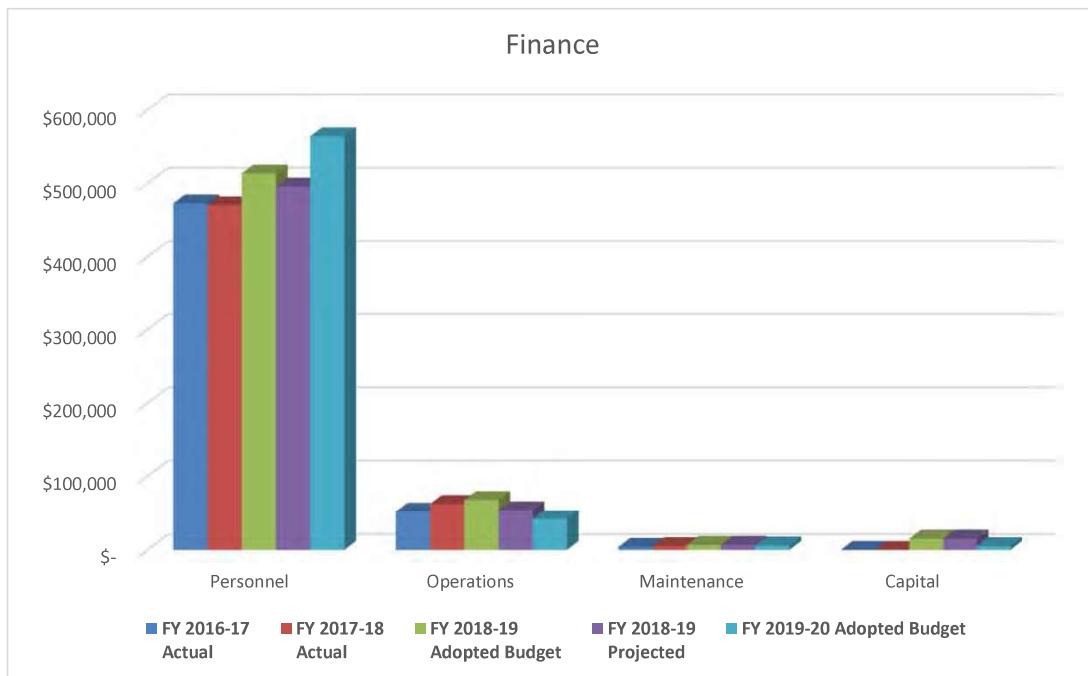
- Refunded 100% of existing bonds for cost saving of approximately \$23 million
- Decentralized P-Card Incode entry to each department streamlining the approval process
- Implemented a materials and services agreement with LCRA reducing expenses and delivery time of inventory
- Upgraded Wi-Fi at Operations Center
- Replaced Fuel Pumps
- Installed CSR office cameras
- Completed Office 365 training for all employees
- Migrated corporate email services to Office 365

Objectives for Fiscal Year 2020

- Apply for the Government Finance Officers Association's Comprehensive Annual Financial Report (CAFR) Award
- Apply for the Government Finance Officers Association's Distinguished Budget Presentation Award
- Provide minimum of ten hours of training and education for employees
- Reorganize inventory to increase inventory turns
- Review and modify enterprise software settings and bill print to successfully implement RoundUP Program
- Submit application for receipt of Tyler Excellence Award at Tyler Connect 2020
- Improve data extraction and reporting with enterprise software
- Advance Metering Infrastructure (AMI) integration of metering system to Enterprise software
- Design, install and integrate Interactive Voice Response (IVR)
- Develop and implement Cybersecurity policy in conjunction with Compliance Manager
- Review power supply settlements process to identify opportunities to improve efficiency
- Review utility collections process
- Evaluate customer deposit levels

EXPENDITURE SUMMARY

	FY 2016-17 Actual	FY 2017-18 Actual	FY 2018-19 Adopted Budget	FY 2018-19 Projected	FY 2019-20 Adopted Budget
Personnel	\$ 472,753	\$ 470,011	\$ 513,449	\$ 495,752	\$ 564,134
Operations	51,682	62,301	67,700	53,600	41,460
Maintenance	3,921	4,974	6,500	6,593	6,000
Capital	-	-	15,000	14,960	5,000
Total	\$ 528,356	\$ 537,286	\$ 602,649	\$ 570,905	\$ 616,594



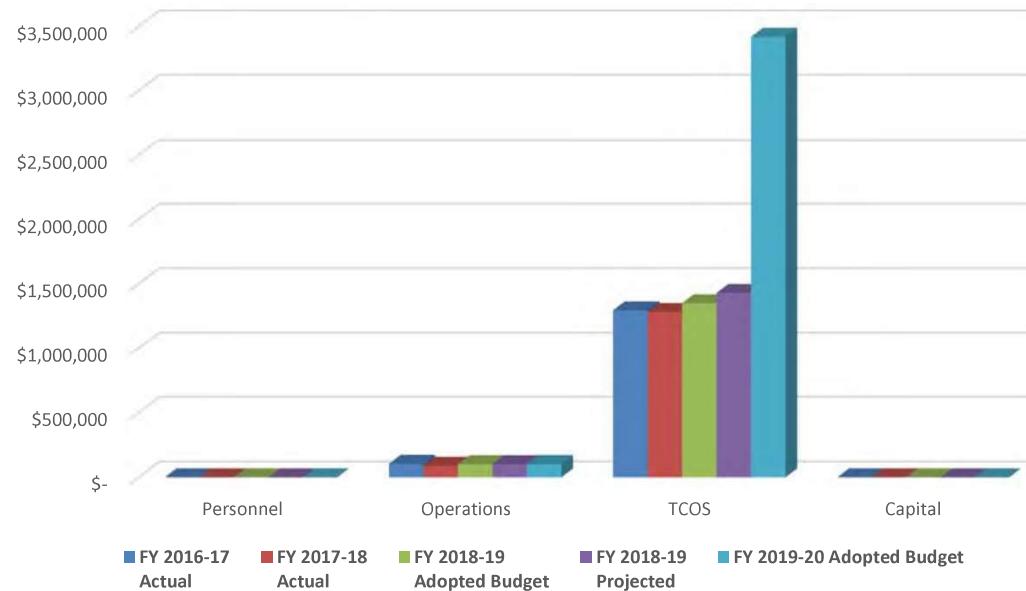
NOTES:

1. Operations include increase for training of new staff.
2. Capital includes \$5,000 for bar coding equipment.

EXPENDITURE SUMMARY

	FY 2016-17 Actual	FY 2017-18 Actual	FY 2018-19 Adopted Budget	FY 2018-19 Projected	FY 2019-20 Adopted Budget
Personnel	\$ -	\$ -	\$ -	\$ -	\$ -
Operations	102,634	87,131	100,000	100,000	100,800
TCOS	1,293,680	1,280,462	1,348,585	1,428,585	3,418,905
Capital	-	-	-	-	-
Total	\$ 1,396,314	\$ 1,367,593	\$ 1,448,585	\$ 1,528,585	\$ 3,519,705

Transmission Cost of Services

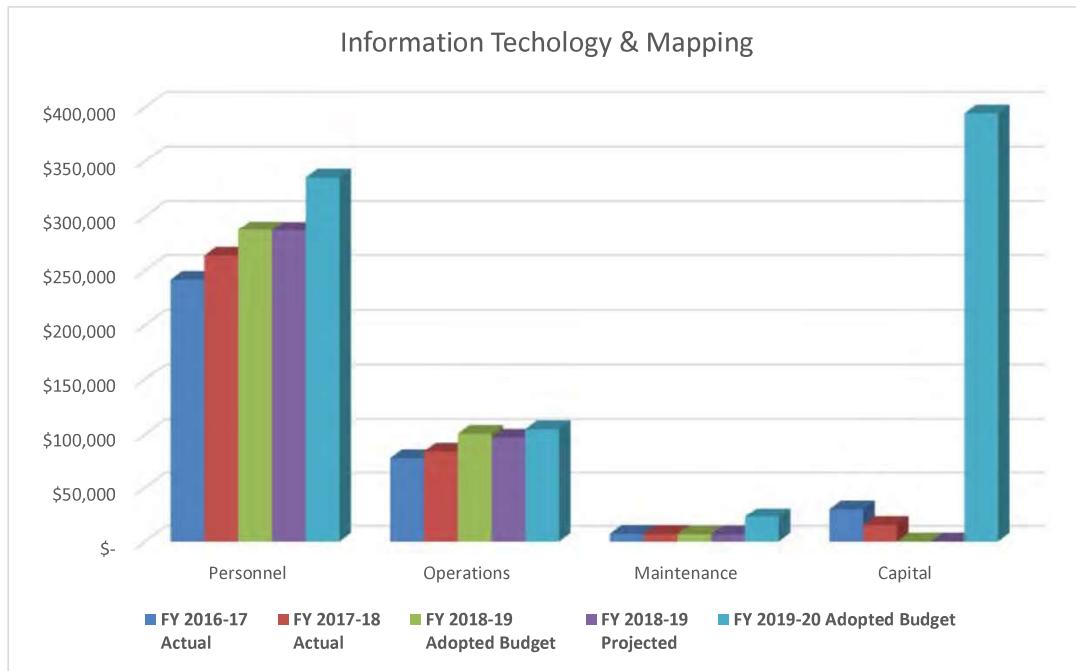


NOTES:

1. This department accounts for transmission cost of energy purchased, filing costs and consultants related to transmissions revenues, and electric communication equipment and services through ERCOT.
2. TMPA's Global Settlement Agreement required TMPA to transfer TCOS expenses to Member Cities as of September 1, 2018. As a result, the Member Cities were assigned their portion of TMPA's TCOS payments upon ERCOT's issuance of the 2019 Matrix.

EXPENDITURE SUMMARY

	FY 2016-17 Actual	FY 2017-18 Actual	FY 2018-19 Adopted Budget	FY 2018-19 Projected	FY 2019-20 Adopted Budget
Personnel	\$ 241,499	\$ 263,645	\$ 287,348	\$ 287,006	\$ 335,106
Operations	77,346	83,402	100,680	97,182	104,870
Maintenance	6,882	6,763	6,500	6,500	22,500
Capital	30,099	14,711	-	-	394,400
Total	\$ 355,826	\$ 368,521	\$ 394,528	\$ 390,688	\$ 856,876



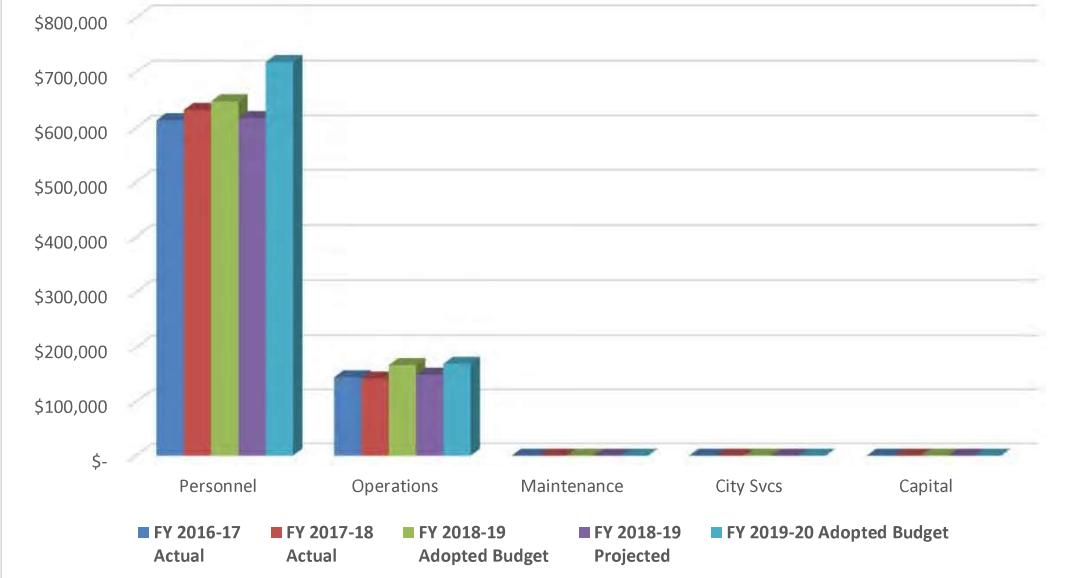
NOTES:

1. This department includes Information Technology (3 FTE's) , GIS Mapping & Records (1 FTE's), and was included in Engineering until FY 2019.
2. Operations includes the purchase of a phone switch and GPS data collector.
3. The increase in Maintenance includes re-classing UPS contracts from Administration to IT; incorporating SCADA Server Warranty extensions from System Operations to IT.
4. Capital includes \$205,500 for Outage Management System and GIS Software, \$58,000 for substation cameras, \$52,900 for laptops, desktop stations, \$48,000 for engineering analysis software, and \$30,000 for servers, switches, network updates.

EXPENDITURE SUMMARY

	FY 2016-17 Actual	FY 2017-18 Actual	FY 2018-19 Adopted Budget	FY 2018-19 Projected	FY 2019-20 Adopted Budget
Personnel	\$ 613,494	\$ 631,971	\$ 647,391	\$ 617,455	\$ 719,712
Operations	144,237	141,911	166,280	149,025	168,649
Maintenance	-	-	-	-	-
City Svcs	-	-	-	-	-
Capital	-	-	-	-	-
Total	\$ 757,731	\$ 773,882	\$ 813,671	\$ 766,480	\$ 888,361

Billing & Metering



NOTES:

1. The Billing and Metering departments were moved from Customer Service to Finance in FY 2019.
2. Personnel increase is based on a 3% increase and adjustments in pay grade range.

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CUSTOMER SERVICE

Department Description

The Customer Service department is responsible for managing customer relations, monitoring and reporting customer satisfaction and resolving customer issues according to GEUS' policies and procedures. The Customer Service department responds to customer requests for installation of electric, water, sewer, garbage, cable or internet services. Other requests include disconnection of services, payment arrangements, reconnections, inquiries on bills, and letters of reference.

Accomplishments for Fiscal Year 2019

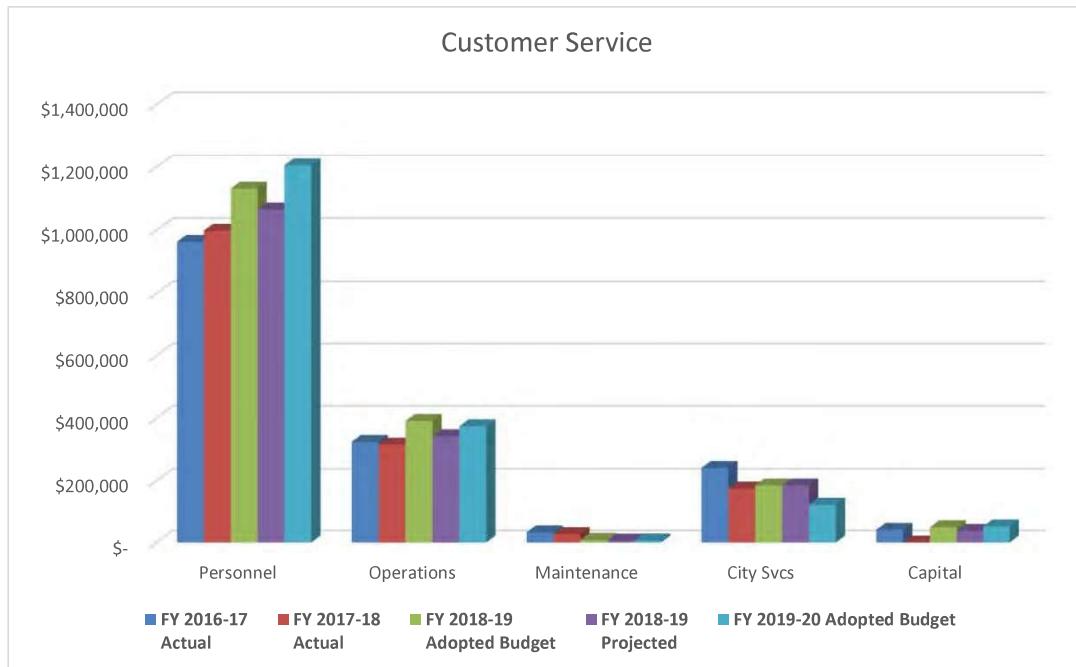
- Developed scripted responses for CSRs
- Completed three Lunch & Learn training sessions for CSRs
- CSRs handled 88,428 phone calls, assisted 11,843 walk-in customers, and responded to 21,445 e-mails and 651 faxes.

Objectives for Fiscal Year 2020

- Monitor and track first-contact resolution to establish baseline for improvement
- Provide 8 hours of external customer service training for each Customer Service Representative
- Develop training plans for all Customer Service employees
- Implement cross training between Electric and C&I to provide seamless customer service
- Review and update key performance indicators
- Evaluate customer survey options
- Review customer service policies

EXPENDITURE SUMMARY

	FY 2016-17 Actual	FY 2017-18 Actual	FY 2018-19 Adopted Budget	FY 2018-19 Projected	FY 2019-20 Adopted Budget
Personnel	\$ 962,897	\$ 998,379	\$ 1,131,208	\$ 1,065,372	\$ 1,205,371
Operations	324,674	315,893	390,565	342,216	373,902
Maintenance	31,683	26,227	8,000	6,200	6,500
City Svcs	240,817	175,090	185,036	185,036	123,418
Capital	39,838	-	48,000	36,405	50,500
Total	\$ 1,599,909	\$ 1,515,589	\$ 1,762,809	\$ 1,635,229	\$ 1,759,691

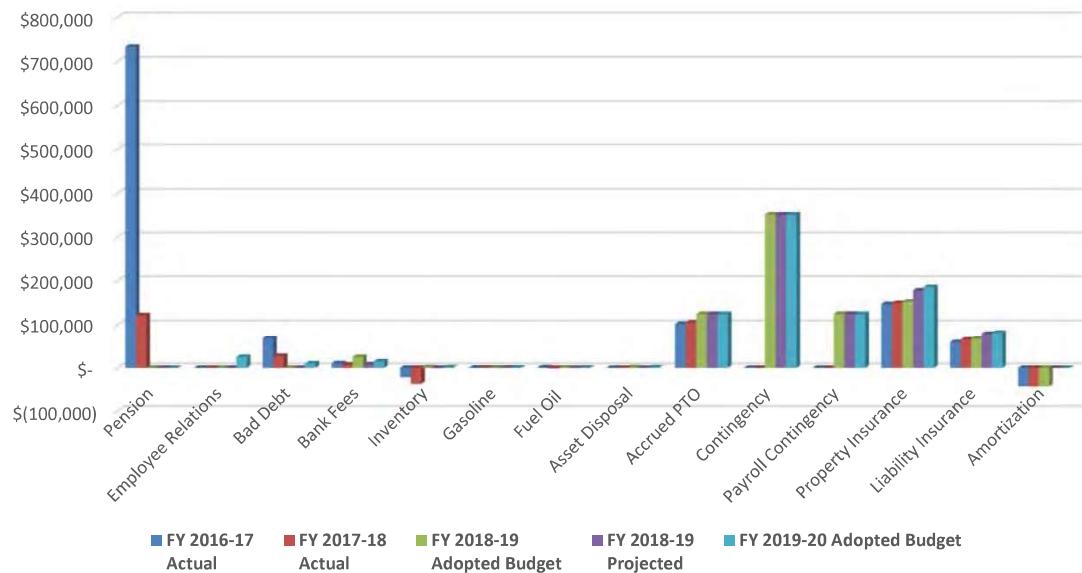

NOTES:

1. In FY 2019 the Billing and Meter Reading departments were moved from Customer Service to Finance.
2. Operations include \$15,000 in non-profit and school sponsored events to improve community awareness; \$49,800 for advertising including commercials at the movie theater.
3. City services allocation to Customer Service decreased based on the percent to total Non-Production O & M costs (per FY 2018 Audit) for GEUS Electric Fund.
4. Capital includes \$30,000 for landscaping, \$13,500 for signage, and \$7,000 for a table top display.

EXPENDITURE SUMMARY

	FY 2016-17 Actual	FY 2017-18 Actual	FY 2018-19 Adopted Budget	FY 2018-19 Projected	FY 2019-20 Adopted Budget
Pension	\$ 733,175	\$ 122,322	\$ -	\$ -	\$ -
Employee Relations	-	-	-	-	25,000
Bad Debt	68,191	27,292	-	-	10,000
Bank Fees	10,392	7,483	25,000	7,922	15,000
Inventory	(21,178)	(36,524)	1,000	(100)	1,000
Gasoline	246	314	500	210	500
Fuel Oil	1,027	(910)	500	-	500
Asset Disposal	-	-	1,000	-	1,000
Accrued PTO	102,914	105,917	125,000	125,000	125,000
Contingency	-	-	350,000	350,000	350,000
Payroll Contingency	-	-	125,488	125,488	125,000
Property Insurance	147,766	150,016	153,000	178,571	186,210
Liability Insurance	59,084	65,163	67,500	79,347	81,728
Amortization	(41,662)	(42,051)	(42,051)	-	-
Total	\$ 1,059,955	\$ 399,022	\$ 806,937	\$ 866,438	\$ 920,938

Non-Department & Amortization



NOTES:

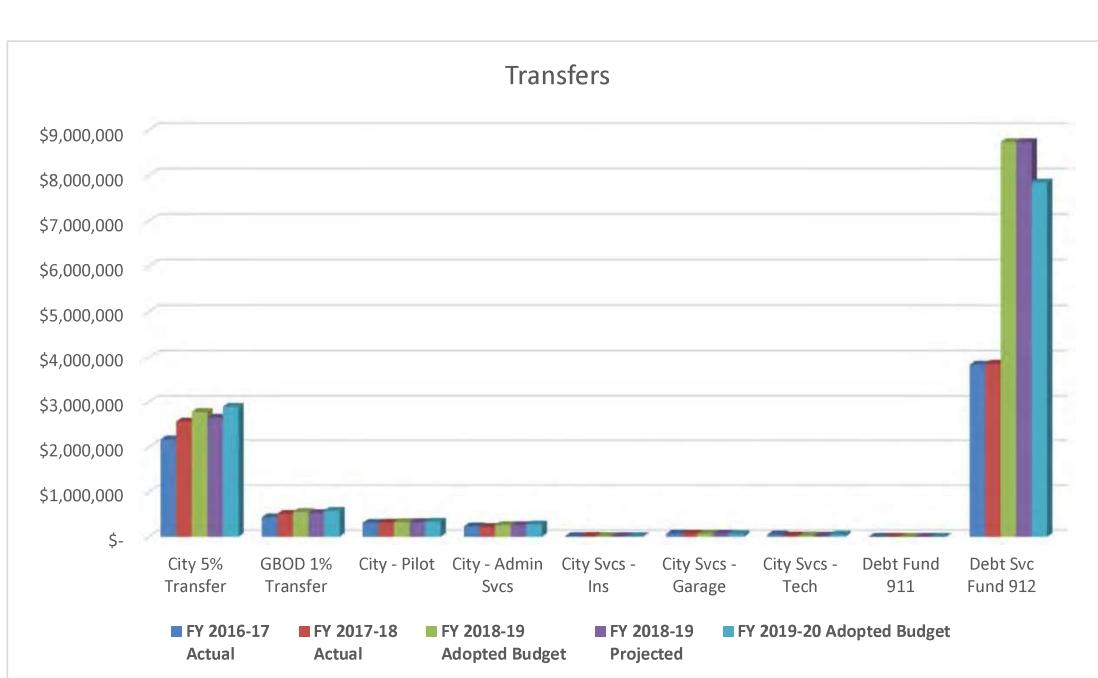
1. Non-Department expenses are for costs that cover the entire Electric Fund (910) but are not specifically attributed to any one department. The FY 2020 Proposed Budget includes moving \$25,000 for employee relations from Finance to Non-Department.



Electric Fund: 910
 Department : 9900
 Non-Department
 Transfers

EXPENDITURE SUMMARY

	FY 2016-17 Actual	FY 2017-18 Actual	FY 2018-19 Adopted Budget	FY 2018-19 Projected	FY 2019-20 Adopted Budget
City 5% Transfer	\$ 2,172,204	\$ 2,563,855	\$ 2,776,548	\$ 2,648,804	\$ 2,891,383
GBOD 1% Transfer	434,441	512,771	555,310	529,761	578,277
City - Pilot	312,011	317,221	326,809	326,809	336,332
City - Admin Svcs	234,798	220,157	261,772	261,772	274,025
City Svcs - Ins	17,781	19,775	18,401	18,401	15,223
City Svcs - Garage	71,946	69,365	69,686	69,686	62,883
City Svcs - Tech	53,568	29,129	26,049	25,986	50,479
Debt Fund 911	-	-	-	-	-
Debt Svc Fund 912	3,840,000	3,862,611	8,732,723	8,732,723	7,843,475
Total	\$ 7,136,749	\$ 7,594,884	\$ 12,767,298	\$ 12,613,942	\$ 12,052,077



NOTES:

1. Non-Department Transfers all inter-fund transfers to the City and the Debt Service Fund (912). These transfers include the 6% paid to the City and GBOD for gross revenue receipts; Payment in lieu of taxes (PILOT) paid to the City; Services provided by the City and allocated to the Electric Utility.
2. Debt service transfer includes increased payment for principal on the 2019B Series bonds.

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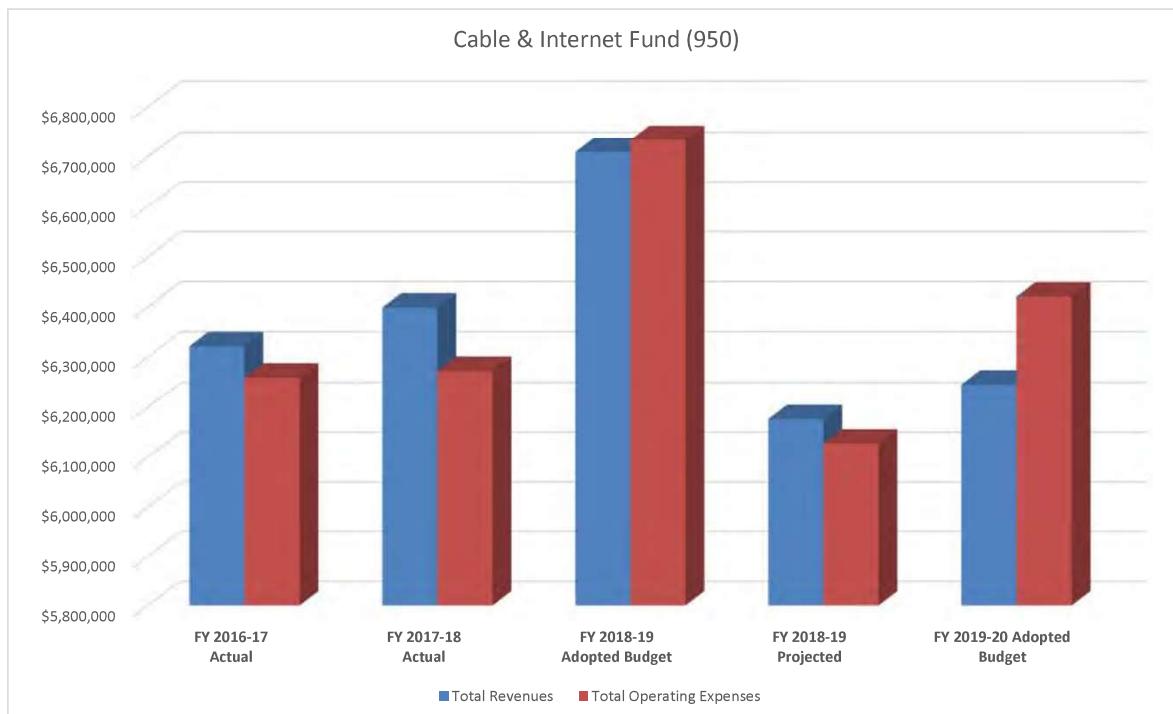
Cable & Internet Fund (950)

The Cable & Internet Fund is the financial structure used for the accounting of providing cable television programming, internet service, and installation of these services to consumers in the City of Greenville. The basis of accounting for the Cable & Internet Fund is the accrual basis with the budgetary basis being modified accrual. As part of the budgetary basis, capital purchases are reported as expenditures and depreciation and bad debt expenses are not included in budgeted expenditures.

Cable & Internet Fund (950)
Statement of Revenues and Expenses



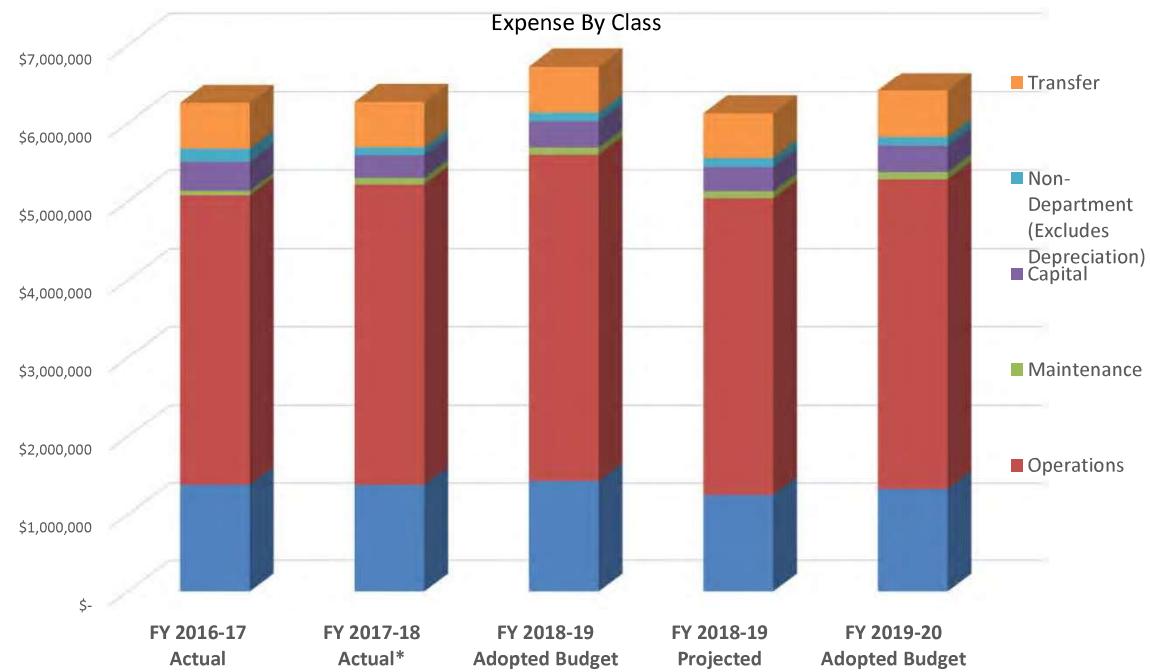
	FY 2016-17 Actual	FY 2017-18 Actual	FY 2018-19 Adopted Budget	FY 2018-19 Projected	FY 2019-20 Adopted Budget
Beginning Net Position	\$ 7,865,653	\$ 7,927,091	\$ 8,053,509	\$ 8,053,509	\$ 8,102,313
Revenues					
Cable Subscription	\$ 2,853,452	\$ 2,889,915	\$ 3,046,410	\$ 2,687,921	\$ 2,566,287
Internet Sales	2,462,565	2,503,401	2,649,815	2,541,969	2,714,637
Other Retail Sales	220,314	208,957	202,075	191,492	196,575
Transfer To City (5%)	273,314	277,765	299,164	268,755	278,046
Transfer To GBOD (1%)	54,668	55,556	59,833	53,751	55,609
Miscellaneous Income	177,258	183,987	172,772	152,853	150,272
Transfers-In					
Transfer From Electric Fund for Services	279,478	279,478	279,520	279,478	284,235
Total Revenues	<u>\$ 6,321,049</u>	<u>\$ 6,399,059</u>	<u>\$ 6,709,589</u>	<u>\$ 6,176,219</u>	<u>\$ 6,245,661</u>
Operating Expenses					
Cable Operations	\$ 3,124,346	\$ 3,177,498	\$ 3,426,886	\$ 2,949,129	\$ 3,229,436
Cable Maintenance	328,781	386,432	392,609	374,907	395,540
Internet Operations	850,977	869,290	932,005	912,757	915,206
Internet Maintenance	283,527	305,733	333,267	308,493	309,798
Advertising	94,507	97,626	109,255	101,973	197,797
Customer Service	248,576	251,404	267,158	258,132	152,144
Administration	208,285	213,894	229,186	226,341	176,299
Capital	368,468	293,715	336,598	310,354	336,192
Non-Department (Excludes Depreciation)	168,486	97,017	108,800	112,730	112,143
Transfers	583,658	580,032	598,536	572,599	595,760
Total Operating Expenses	<u>\$ 6,259,611</u>	<u>\$ 6,272,641</u>	<u>\$ 6,734,300</u>	<u>\$ 6,127,415</u>	<u>\$ 6,420,315</u>
Change in Net Position	<u>\$ 61,438</u>	<u>\$ 126,418</u>	<u>\$ (24,711)</u>	<u>\$ 48,804</u>	<u>\$ (174,654)</u>
Ending Net Position	<u>\$ 7,927,091</u>	<u>\$ 8,053,509</u>	<u>\$ 8,028,798</u>	<u>\$ 8,102,313</u>	<u>\$ 7,927,659</u>



Cable & Internet Fund (950)
Statement of Revenues and Expenses
By Function

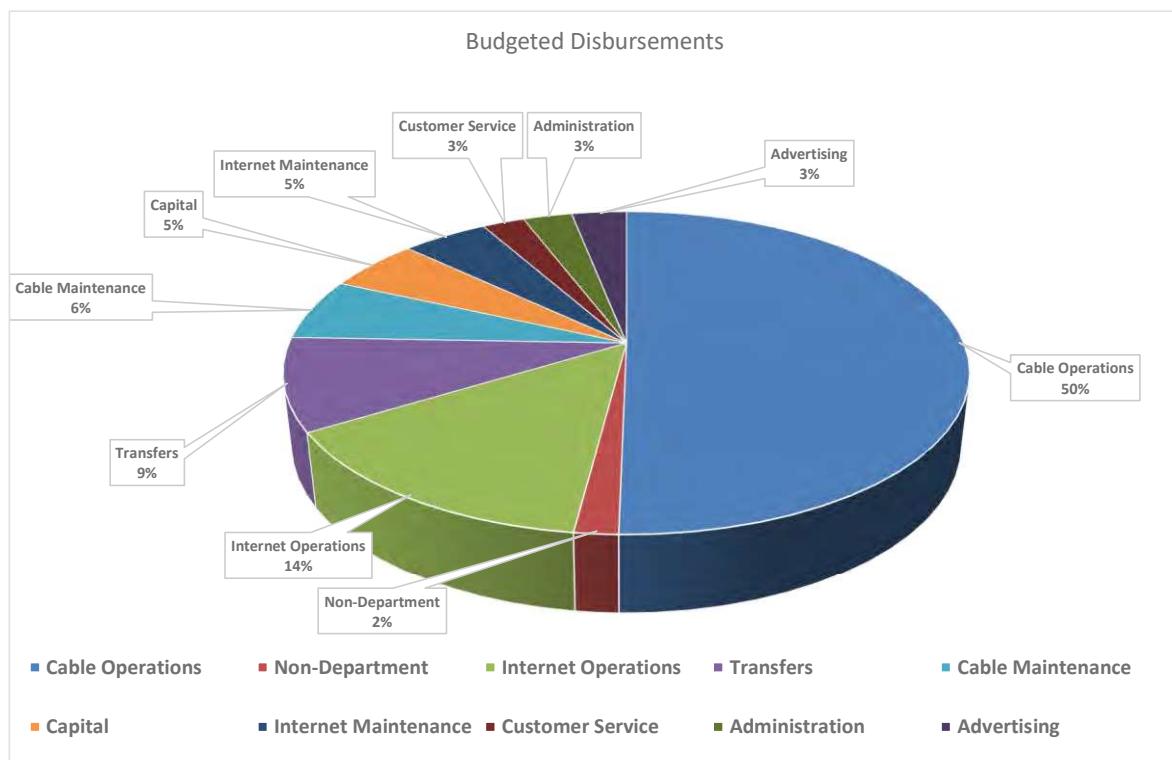
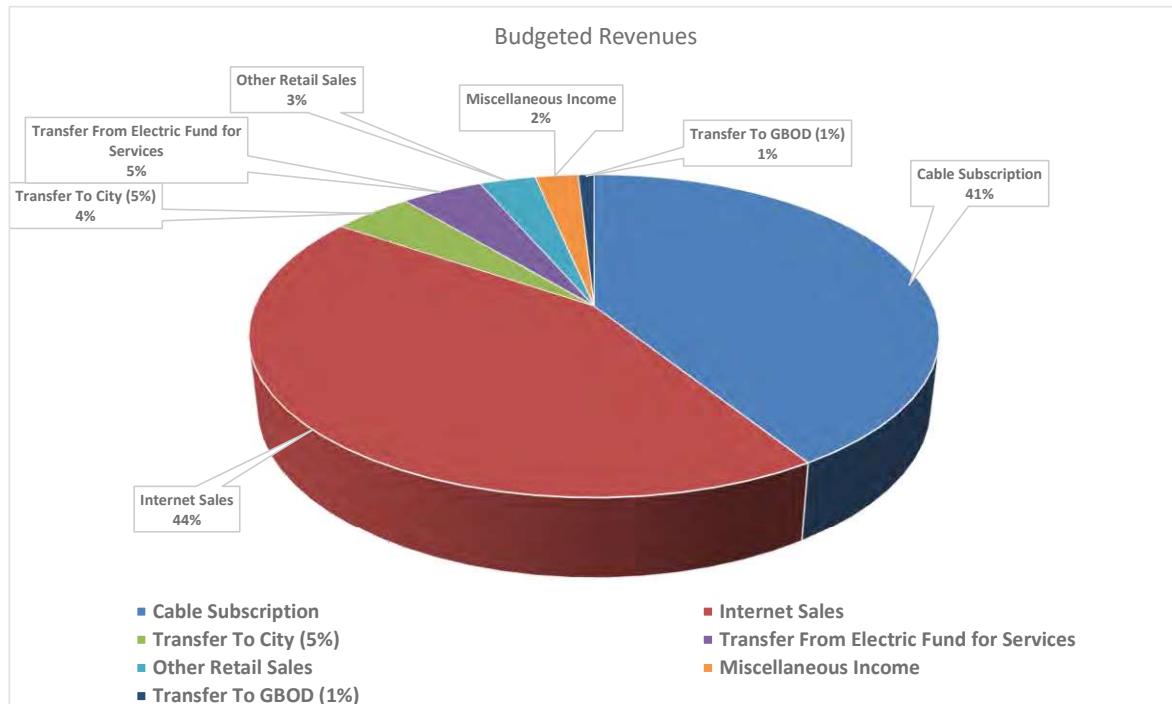


	FY 2016-17 Actual	FY 2017-18 Actual*	FY 2018-19 Adopted Budget	FY 2018-19 Projected	FY 2019-20 Adopted Budget
Beginning Net Position	\$ 7,865,653	\$ 7,927,091	\$ 8,053,509	\$ 8,053,509	\$ 8,102,313
Revenues					
Cable Subscription	\$ 2,853,452	\$ 2,889,915	\$ 3,046,410	\$ 2,687,921	\$ 2,566,287
Internet Sales	2,462,565	2,503,401	2,649,815	2,541,969	2,714,637
Other Retail Sales	220,314	208,957	202,075	191,492	196,575
Transfer To City (5%)	273,314	277,765	299,164	268,755	278,046
Transfer To GBOD (1%)	54,668	55,556	59,833	53,751	55,609
Miscellaneous Income	177,258	183,987	172,772	152,853	150,272
Transfers-In					
Transfer From Electric Fund for Services	279,478	279,478	279,520	279,478	284,235
Total Revenues	\$ 6,321,049	\$ 6,399,059	\$ 6,709,589	\$ 6,176,219	\$ 6,245,661
Operating Expenses					
Personnel	\$ 1,384,450	\$ 1,382,388	\$ 1,430,723	\$ 1,251,461	\$ 1,327,942
Operations	3,696,103	3,835,482	4,168,143	3,790,771	3,956,128
Maintenance	58,446	84,007	91,500	89,500	92,150
Capital - Nonpersonnel	331,253	253,168	295,000	276,202	300,900
Capital - Personnel (not in Personnel Cost)	37,215	40,547	41,598	34,152	35,292
Non-Department (Excludes Depreciation)	168,486	97,017	108,800	112,730	112,143
Transfer	583,658	580,032	598,536	572,599	595,760
Total Operating Expenses	\$ 6,259,611	\$ 6,272,641	\$ 6,734,300	\$ 6,127,415	\$ 6,420,315
Change in Net Position	\$ 61,438	\$ 126,418	\$ (24,711)	\$ 48,804	\$ (174,654)
Ending Net Position	<u>\$ 7,927,091</u>	<u>\$ 8,053,509</u>	<u>\$ 8,028,798</u>	<u>\$ 8,102,313</u>	<u>\$ 7,927,659</u>



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Cable & Internet Fund (950)





CABLE & INTERNET

Department Description

The Cable & Internet Department is responsible for providing cable television and high-speed Internet service. The department is responsible for maintaining the hybrid fiber-coaxial cable (HFC) network and headend facility equipment in proper operating condition. In addition, the department plans, designs, specifies, constructs, and oversees contractor construction of cable plant extensions to serve new subdivisions, businesses and apartment complexes. The department also furnishes, installs, and configures cable modems for residential and commercial high-speed (broadband) Internet service. Moreover, the department responds to trouble calls and provides 24/7 service as required. The HFC network consists of approximately 410 miles of coaxial cable, 100 miles of fiber optics cable, and 58 nodes. The headend facility includes equipment and currently provides 37 digital, 49 digital music, 25 digital premium, 53 premium high definition 110 high definition, and 82 digital simulcast television channels and high-speed Internet service.

Accomplishments for Fiscal Year 2019

- Completed upgrade to 30 nodes for Internet capacity and reliability
- Replaced and upgraded fiber capacity to the hospital fiber network
- Began new CMTS upgrade for new speed packages
- Negotiated a deal for a third redundant 10 Gig diverse fiber feed to the headend
- 2 Mid-America Cable Show Midi Awards
 - Community Programming

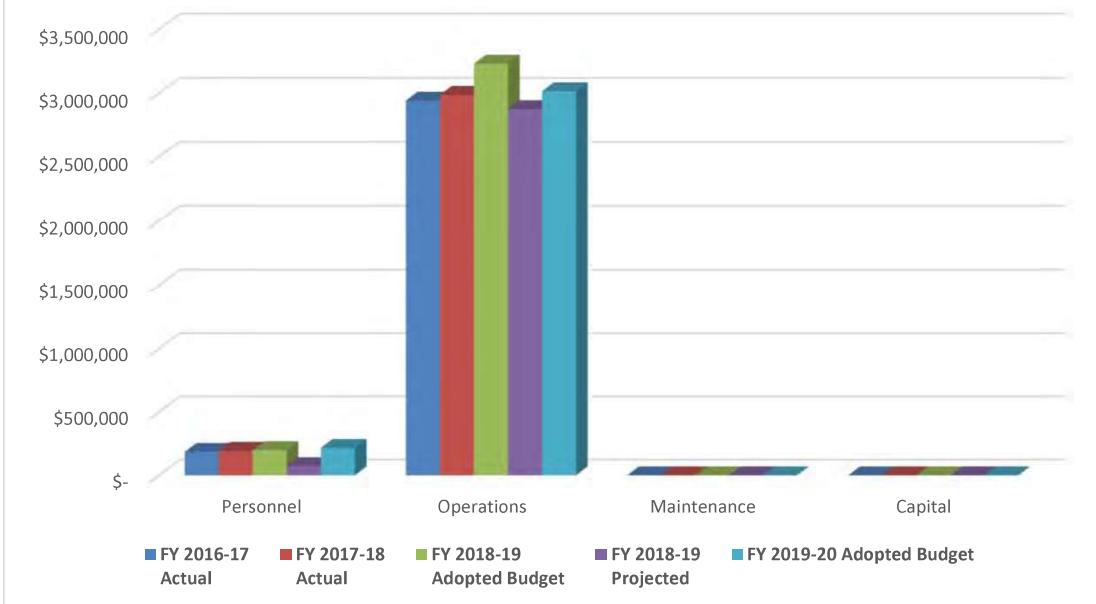
Objectives for Fiscal Year 2020

- Rebrand and refresh the C&I Department by incorporating new advertising ideas
- Upgrade Internet offerings for all customers through system upgrades and new technology
- Develop employee cross training plan to provide avenues for employee development
- Provide superior customer service to GEUS customer base through courteousness and knowledge
- Expand system to new homes and businesses
- Increase Internet subscriptions

EXPENDITURE SUMMARY

	FY 2016-17 Actual	FY 2017-18 Actual	FY 2018-19 Adopted Budget	FY 2018-19 Projected	FY 2019-20 Adopted Budget
Personnel	\$ 181,242	\$ 189,720	\$ 195,383	\$ 71,698	\$ 212,928
Operations	2,943,104	2,987,778	3,231,503	2,877,431	3,016,508
Maintenance	-	-	-	-	-
Capital	-	-	-	-	-
Total	\$ 3,124,346	\$ 3,177,498	\$ 3,426,886	\$ 2,949,129	\$ 3,229,436

Cable Operations



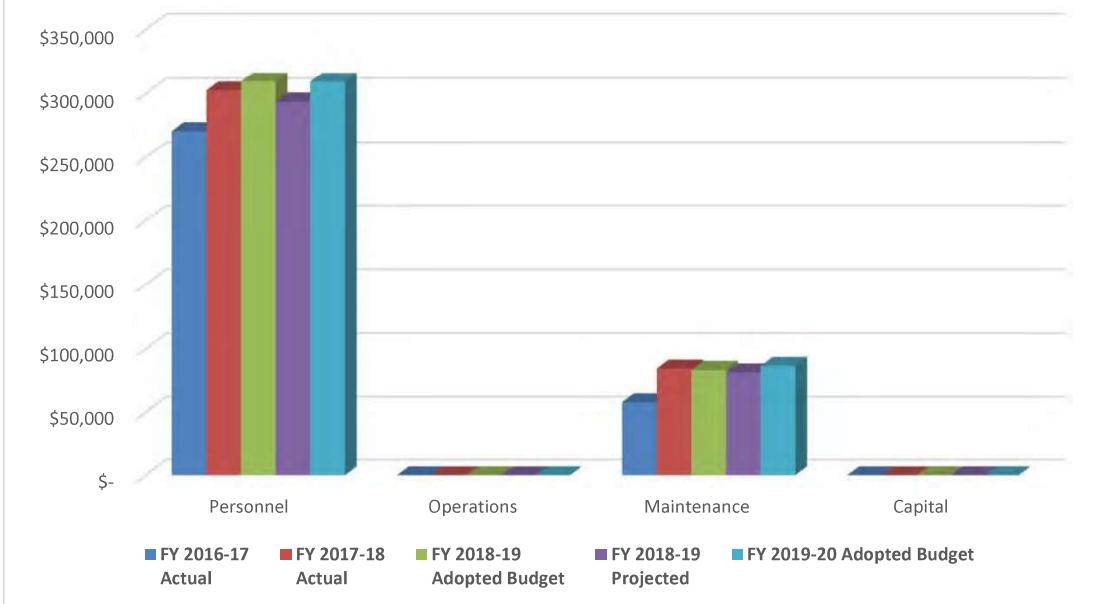
NOTES:

- Operations include subscription costs for programming expense and TIVO fees which are anticipated to decrease \$201,695 due to a decline in cable subscribers. A new agreement for pole use increased the annual costs from \$18,800 to \$30,000.

EXPENDITURE SUMMARY

	FY 2016-17 Actual	FY 2017-18 Actual	FY 2018-19 Adopted Budget	FY 2018-19 Projected	FY 2019-20 Adopted Budget
Personnel	\$ 270,896	\$ 302,485	\$ 309,609	\$ 293,907	\$ 309,490
Operations	-	-	-	-	-
Maintenance	57,886	83,947	83,000	81,000	86,050
Capital	-	-	-	-	-
Total	\$ 328,782	\$ 386,432	\$ 392,609	\$ 374,907	\$ 395,540

Cable Maintenance



NOTES:

1. Maintenance increased due to anticipated costs associated with building, equipment, and Headend maintenance.

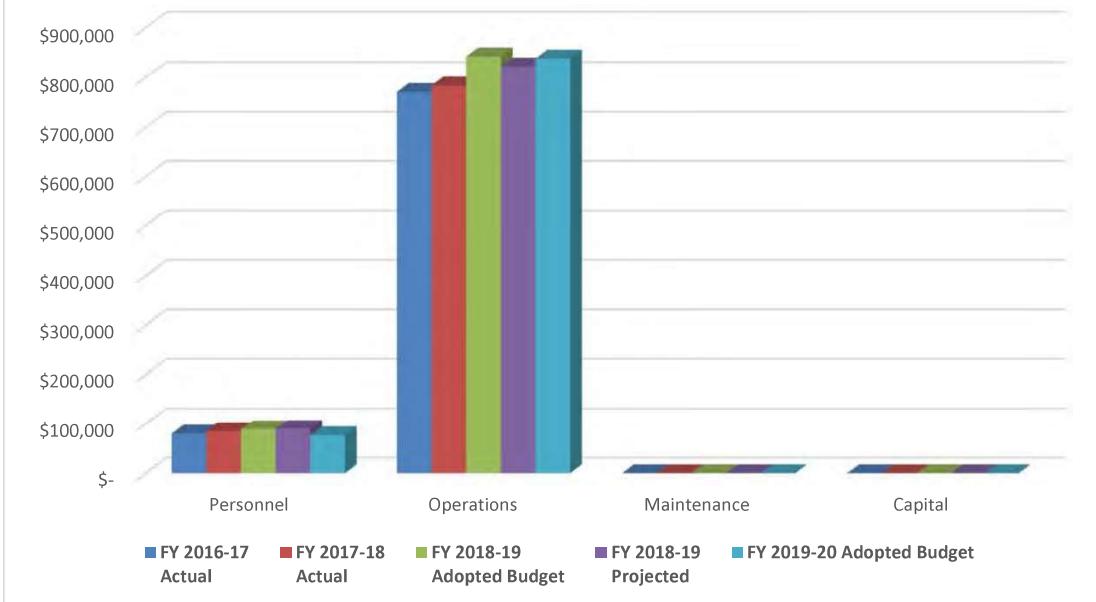


Cable & Internet Fund: 950
 Department : 9510
 Cable & Internet
 Internet Operations

EXPENDITURE SUMMARY

	FY 2016-17 Actual	FY 2017-18 Actual	FY 2018-19 Adopted Budget	FY 2018-19 Projected	FY 2019-20 Adopted Budget
Personnel	\$ 80,197	\$ 85,617	\$ 89,365	\$ 90,117	\$ 76,806
Operations	770,780	783,674	842,640	822,640	838,400
Maintenance	-	-	-	-	-
Capital	-	-	-	-	-
Total	\$ 850,977	\$ 869,291	\$ 932,005	\$ 912,757	\$ 915,206

Internet Operations

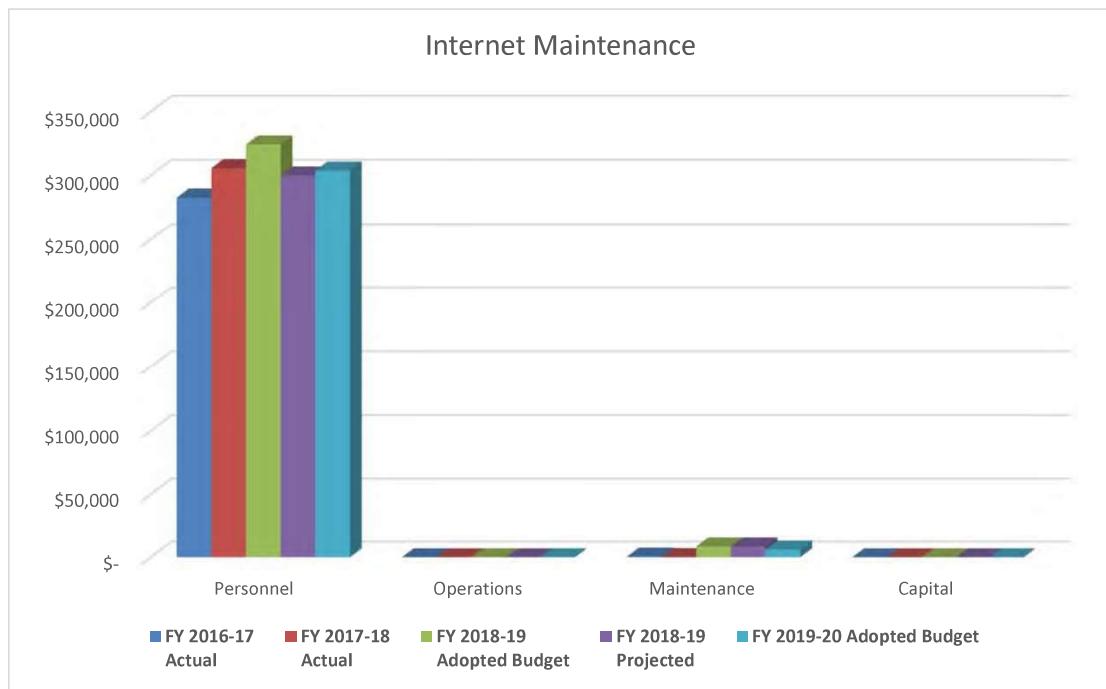


NOTES:

1. Operations include ISP Service expenses, Bandwidth provider, and non-capital equipment.

EXPENDITURE SUMMARY

	FY 2016-17 Actual	FY 2017-18 Actual	FY 2018-19 Adopted Budget	FY 2018-19 Projected	FY 2019-20 Adopted Budget
Personnel	\$ 282,967	\$ 305,673	\$ 324,767	\$ 299,993	\$ 303,698
Operations	-	-	-	-	-
Maintenance	560	60	8,500	8,500	6,100
Capital	-	-	-	-	-
Total	\$ 283,527	\$ 305,733	\$ 333,267	\$ 308,493	\$ 309,798



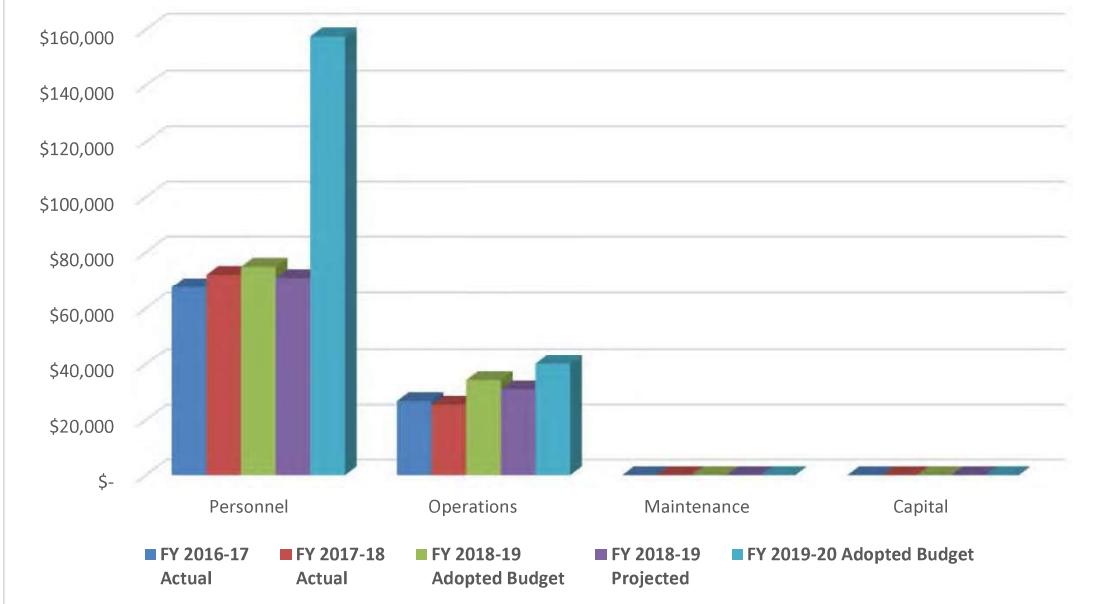
NOTES:

1. Personnel costs decreased due to an open position that will not be filled in FY 2020. Leaving the position open will not impact service to customers.

EXPENDITURE SUMMARY

	FY 2016-17 Actual	FY 2017-18 Actual	FY 2018-19 Adopted Budget	FY 2018-19 Projected	FY 2019-20 Adopted Budget
Personnel	\$ 67,660	\$ 72,106	\$ 74,955	\$ 70,973	\$ 157,657
Operations	26,847	25,520	34,300	31,000	40,140
Maintenance	-	-	-	-	-
Capital	-	-	-	-	-
Total	\$ 94,507	\$ 97,626	\$ 109,255	\$ 101,973	\$ 197,797

Advertising

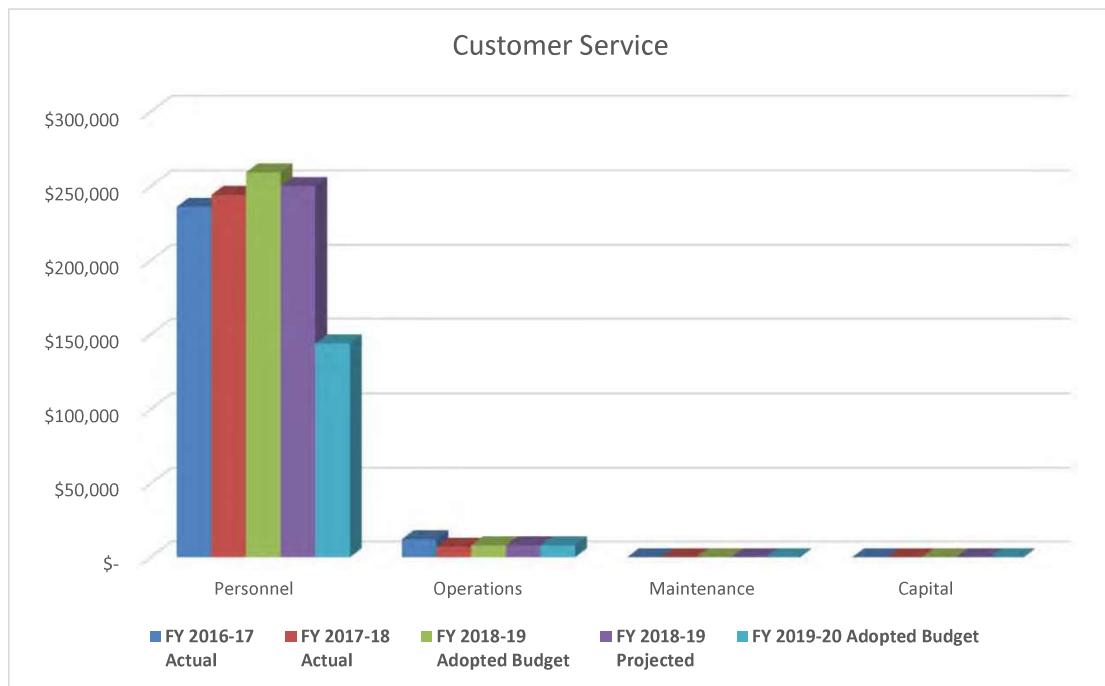


NOTES:

1. Increased Personnel costs for this department reflects the reallocation of employee expenses from other departments in the Electric Fund.
2. The increase in Operations reflects addition training for staff.

EXPENDITURE SUMMARY

	FY 2016-17 Actual	FY 2017-18 Actual	FY 2018-19 Adopted Budget	FY 2018-19 Projected	FY 2019-20 Adopted Budget
Personnel	\$ 236,479	\$ 244,338	\$ 259,158	\$ 250,132	\$ 144,144
Operations	12,097	7,066	8,000	8,000	8,000
Maintenance	-	-	-	-	-
Capital	-	-	-	-	-
Total	\$ 248,576	\$ 251,404	\$ 267,158	\$ 258,132	\$ 152,144

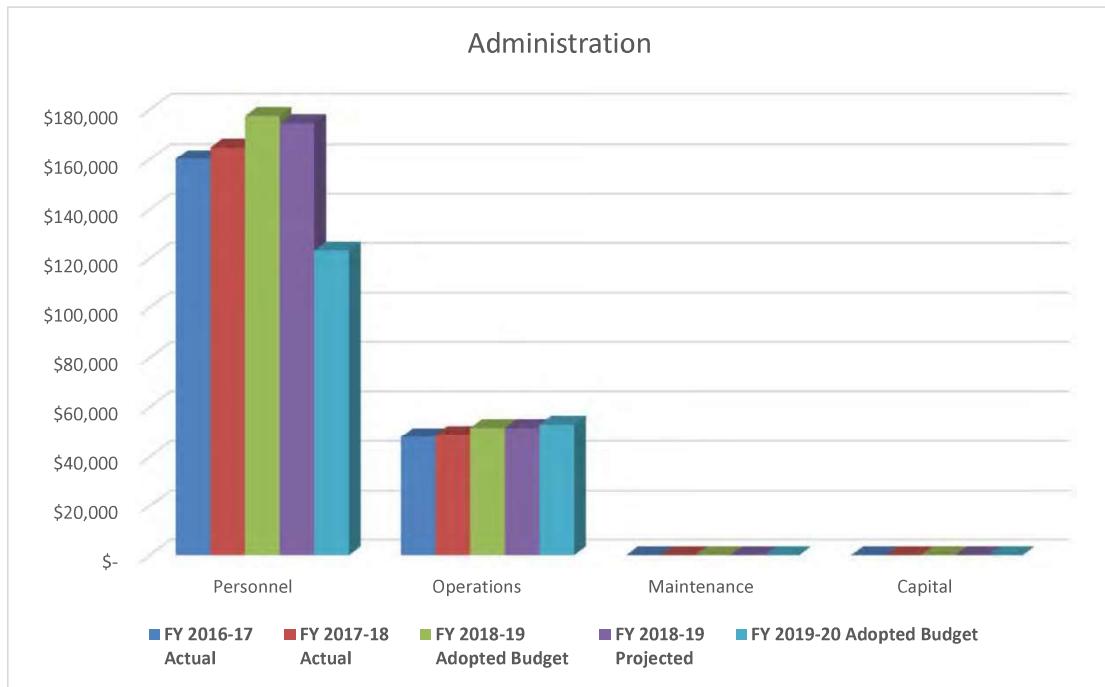


NOTES:

1. This department provides customer service for cable and internet customers.
2. The decrease in Personnel costs for this department reflects a planned organization change in which existing employees will be reallocated to other departments with different duties.

EXPENDITURE SUMMARY

	FY 2016-17 Actual	FY 2017-18 Actual	FY 2018-19 Adopted Budget	FY 2018-19 Projected	FY 2019-20 Adopted Budget
Personnel	\$ 160,270	\$ 164,975	\$ 177,486	\$ 174,641	\$ 123,219
Operations	48,015	48,919	51,700	51,700	53,080
Maintenance	-	-	-	-	-
Capital	-	-	-	-	-
Total	\$ 208,285	\$ 213,894	\$ 229,186	\$ 226,341	\$ 176,299

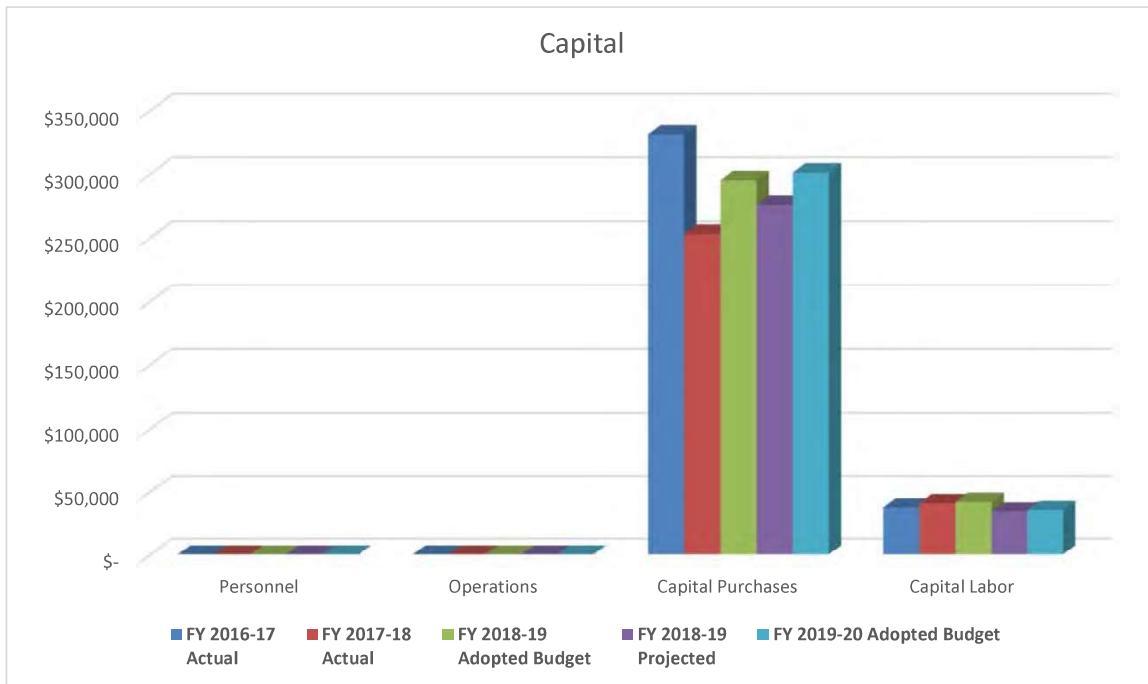


NOTES:

1. Personnel costs reflect an allocated portion of Electric Fund employee associated with Cable & Internet (Administration, Finance, and System Operations) . These costs are small percent of their total costs so only regular pay, overtime, FICA, Medicare, and TMRS are charged to the department.

EXPENDITURE SUMMARY

	FY 2016-17 Actual	FY 2017-18 Actual	FY 2018-19 Adopted Budget	FY 2018-19 Projected	FY 2019-20 Adopted Budget
Personnel	\$ -	\$ -	\$ -	\$ -	\$ -
Operations	- -	- -	- -	- -	- -
Capital Purchases	331,253	253,168	295,000	276,202	300,900
Capital Labor	37,215	40,547	41,598	34,152	35,292
Total	\$ 368,468	\$ 293,715	\$ 336,598	\$ 310,354	\$ 336,192



NOTES:

1. Capital includes extensions & replacements (\$100,000); HD/SD Channel Additions (\$80,000); Drop materials (\$40,000); contract labor (\$60,000), and a spectrum analyzer (\$15,000).

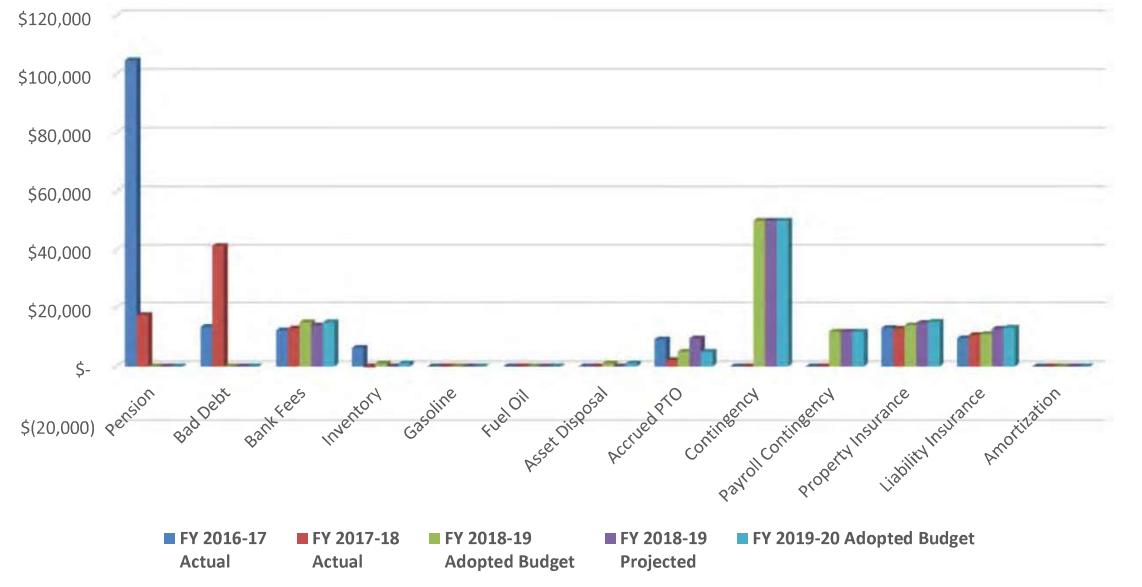


Cable & Internet Fund: 950
 Department : 9700
 Non-Department
 Non-Department & Amortization

EXPENDITURE SUMMARY

	FY 2016-17 Actual	FY 2017-18 Actual	FY 2018-19 Adopted Budget	FY 2018-19 Projected	FY 2019-20 Adopted Budget
Pension	\$ 104,739	\$ 17,475	\$ -	\$ -	\$ -
Bad Debt	13,427	41,393	-	-	-
Bank Fees	12,268	12,912	15,000	13,912	15,000
Inventory	6,288	(351)	1,000	-	1,000
Gasoline	-	-	-	-	-
Fuel Oil	-	-	-	-	-
Asset Disposal	-	-	1,000	-	1,000
Accrued PTO	9,172	2,142	5,000	9,500	5,000
Contingency	-	-	50,000	50,000	50,000
Payroll Contingency	-	-	11,800	11,800	11,800
Property Insurance	13,045	12,795	14,000	14,759	15,201
Liability Insurance	9,547	10,651	11,000	12,759	13,142
Amortization	-	-	-	-	-
Total	\$ 168,486	\$ 97,017	\$ 108,800	\$ 112,730	\$ 112,143

Non-Department & Amortization

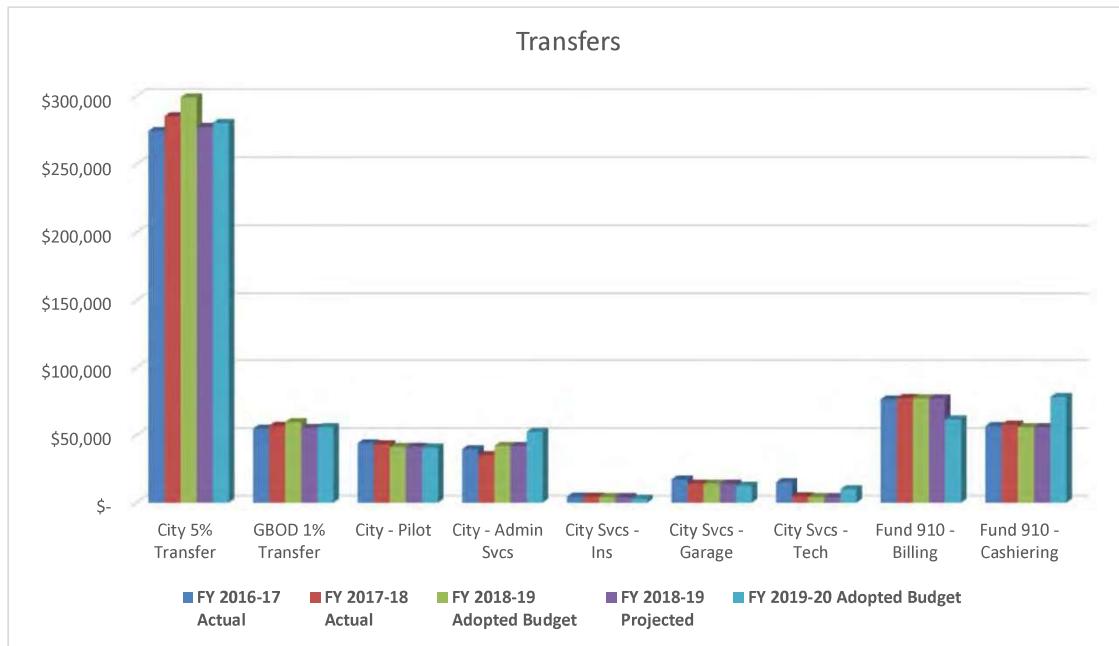


NOTES:

1. Non-Department expenses are for costs that cover the entire Cable & Internet Fund (950) but are not specifically attributed to any one department.

EXPENDITURE SUMMARY

	FY 2016-17 Actual	FY 2017-18 Actual	FY 2018-19 Adopted Budget	FY 2018-19 Projected	FY 2019-20 Adopted Budget
City 5% Transfer	\$ 274,526	\$ 285,389	\$ 299,165	\$ 277,551	\$ 280,375
GBOD 1% Transfer	54,905	57,078	59,833	55,510	56,075
City - Pilot	44,089	43,372	41,465	41,465	40,937
City - Admin Svcs	39,784	35,398	42,115	42,115	52,638
City Svcs - Ins	4,446	4,526	4,205	4,205	2,993
City Svcs - Garage	17,227	14,074	14,104	14,104	12,622
City Svcs - Tech	15,254	4,711	4,190	4,190	9,986
Fund 910 - Billing	76,544	77,556	77,382	77,382	61,828
Fund 910 - Cashiering	56,882	57,928	56,077	56,077	78,306
Total	\$ 583,657	\$ 580,032	\$ 598,536	\$ 572,599	\$ 595,760



NOTES:

1. Non-Department Transfers include all inter-fund transfers to the City and the Electric Fund (910). These transfers include the 6% paid to the City and GBOD for gross revenue receipts; Payment in lieu of taxes (PILOT) paid to the City; Services provided by the City and allocated to the Cable & Internet Fund; And services for billing and cashiering.

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Debt Service Fund (912)

The Debt Service (Interest & Sinking) Fund accounts for the resources accumulated and payments made for principal and interest on long-term revenue bond debt of the Electric Utility Fund. The basis of accounting for the Debt Service Fund is the accrual basis with the budgetary basis being cash.



OUTSTANDING DEBT

The Greenville Electric Utility System has the following bonds outstanding as of September 30, 2019:

- \$41,610,000 Electric System Revenue Refunding Bonds, Series 2019A, due in a final installment of \$937,875 in 2035 with an interest rate of 5.0%. As of September 30, 2019 the outstanding balance was \$41,095,654.
- \$12,500,000 Electric System Revenue Refunding Bonds, Series 2019B, due in a final installment of \$12,671,875 in 2024 with an interest rate of 2.75%. As of September 30, 2019 the outstanding balance was \$9,290,222.

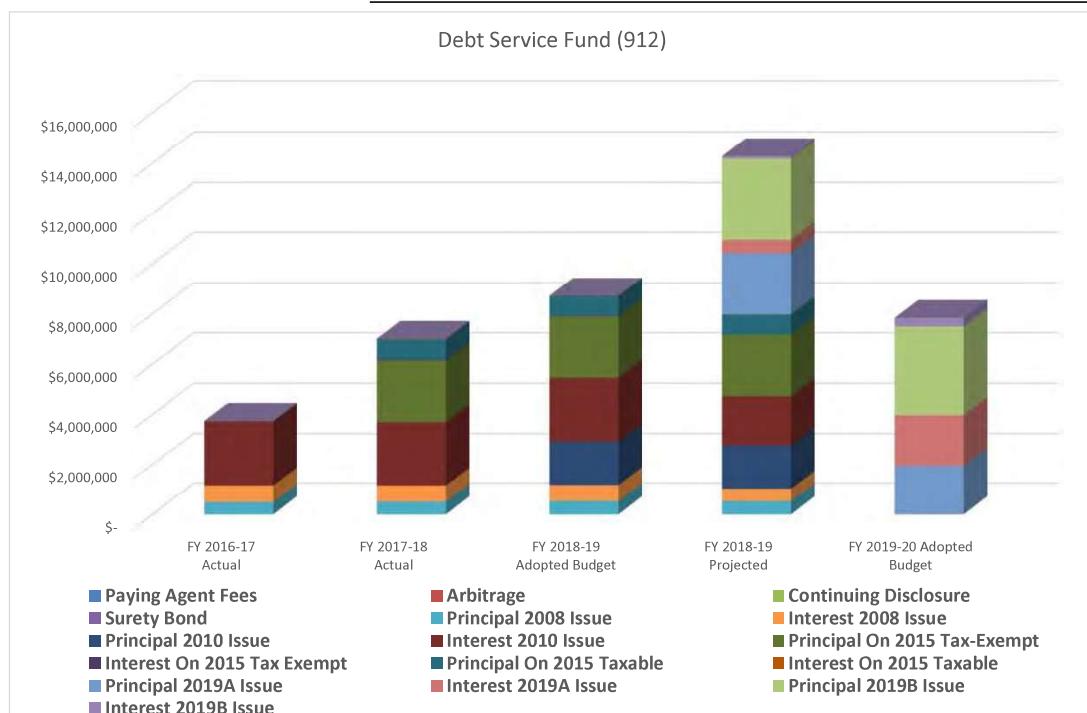
Debt Service Requirements by Fiscal Year

Year End	Principal	Interest	Total
09/30/2020	\$ 1,935,000	\$ 2,375,875	\$ 4,310,875
09/30/2021	2,045,000	2,276,375	4,321,375
09/30/2022	2,140,000	2,171,750	4,311,750
09/30/2023	2,250,000	2,062,000	4,312,000
09/30/2024	14,870,000	1,774,625	16,644,625
09/30/2025	2,490,000	1,481,250	3,971,250
09/30/2026	2,615,000	1,353,625	3,968,625
09/30/2027	2,750,000	1,219,500	3,969,500
09/30/2028	2,890,000	1,078,500	3,968,500
09/30/2029	3,040,000	930,250	3,970,250
09/30/2030	3,200,000	774,250	3,974,250
09/30/2031	3,360,000	610,250	3,970,250
09/30/2032	3,535,000	437,875	3,972,875
09/30/2033	3,710,000	256,750	3,966,750
09/30/2034	2,365,000	104,875	2,469,875
09/30/2035	915,000	22,875	937,875
Totals	\$ 54,110,000	\$ 18,930,625	\$ 73,040,625



Debt Service Fund (912)
Statement of Revenues and Expenses

	FY 2016-17 Actual	FY 2017-18 Actual	FY 2018-19 Adopted Budget	FY 2018-19 Projected	FY 2019-20 Adopted Budget
Beginning Net Position	\$ 6,637,792	\$ 6,732,104	\$ 6,625,587	\$ 6,625,587	\$ 1,084,239
Revenues					
Transfer From Electric Fund (910)	\$ 3,840,000	\$ 6,905,891	\$ 8,732,723	\$ 8,732,723	\$ 7,843,475
Total Revenues	<u>\$ 3,840,000</u>	<u>\$ 6,905,891</u>	<u>\$ 8,732,723</u>	<u>\$ 8,732,723</u>	<u>\$ 7,843,475</u>
Operating Expenses					
Paying Agent Fees	\$ 900	\$ 900	\$ 1,000	\$ 800	\$ 900
Arbitrage	4,830	4,800	5,000	4,775	4,900
Continuing Disclosure	1,000	1,000	1,000	1,000	1,000
Surety Bond	700	800	800	1,600	800
Principal 2008 Issue	475,000	490,000	515,000	515,000	-
Interest 2008 Issue	672,968	658,042	648,169	499,483	-
Principal 2010 Issue	-	-	1,745,000	1,745,000	-
Interest 2010 Issue	2,528,512	2,543,143	2,542,165	1,959,172	-
Principal On 2015 Tax-Exempt	-	2,447,000	2,447,000	2,447,000	-
Interest On 2015 Tax Exempt	40,917	46,842	20,922	4,998	-
Principal On 2015 Taxable	-	796,000	796,000	796,000	-
Interest On 2015 Taxable	20,861	23,881	10,667	2,458	-
Principal 2019A Issue	-	-	-	2,447,000	1,935,000
Interest 2019A Issue	-	-	-	519,344	2,032,125
Principal 2019B Issue	-	-	-	3,243,000	3,525,000
Interest 2019B Issue	-	-	-	87,441	343,750
Total Operating Expenses	<u>\$ 3,745,688</u>	<u>\$ 7,012,408</u>	<u>\$ 8,732,723</u>	<u>\$ 14,274,071</u>	<u>\$ 7,843,475</u>
Change in Net Position	<u>\$ 94,312</u>	<u>\$ (106,517)</u>	<u>\$ -</u>	<u>\$ (5,541,348)</u>	<u>\$ -</u>
Ending Net Position	<u><u>\$ 6,732,104</u></u>	<u><u>\$ 6,625,587</u></u>	<u><u>\$ 6,625,587</u></u>	<u><u>\$ 1,084,239</u></u>	<u><u>\$ 1,084,239</u></u>



NOTES:

1. Bond coverage ratio proposed for FY 2020 is 2.3X and exceeds GEUS Target Ratio of 2.25X.

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Non-Major Funds (911 & 913)
Statement of Revenues and Expenses

	FY 2016-17 Actual	FY 2017-18 Actual	FY 2018-19 Adopted Budget	FY 2018-19 Projected	FY 2019-20 Adopted Budget
Beginning Net Position	\$ 3,125,464	\$ 3,128,951	\$ 107,674	\$ 107,674	\$ 110,359
Revenues					
Debt Reduction Fund (911)					
Transfer From Electric Fund (910)	\$ -	\$ -	\$ -	\$ -	\$ -
Interest Income	3,374	21,292	-	2,685	-
Construction Fund (913)					
Interest Income	113	711	400	-	-
Total Revenues	\$ 3,487	\$ 22,003	\$ 400	\$ 2,685	\$ -
Operating Expenses					
Fees, Charges, & Transfers*	\$ -	\$ 3,043,280	\$ -	\$ -	\$ -
Total Operating Expenses	\$ -	\$ 3,043,280	\$ -	\$ -	\$ -
Change in Net Position	\$ 3,487	\$ (3,021,277)	\$ 400	\$ 2,685	\$ -
Ending Net Position	\$ 3,128,951	\$ 107,674	\$ 108,074	\$ 110,359	\$ 110,359

Debt Reduction Fund (911):

The Debt Reduction fund was used to fund TMPA's annual debt and reduce the fixed cost charges for the following year. The cash transfers were capitalized as a prepaid electric generation asset and amortized through 2040. In FY 2016-17, \$34,03,046 of prepaid electric generation were written off in FY 2017. The balance of the prepaid electric generation asset were amortized through the end of FY 2017-18.

In FY 2017-18, \$3,043,280 was transferred from the Debt Reduction Fund to the Debt Service Fund and the 2015 Series Bonds were call and paid off.

Construction Fund (913)

The Construction fund was used to account for building the Tom Darte Energy Center.

*There have not been any payments made from these funds in the past two years. There are currently no plans to budget any expense.

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GEUS Capital Improvements Plan

The Capital Improvement Plan is used for planning capital projects. The plan includes the projects proposed for FY 2019-20 plus a 10 year forecast with an emphasis on the 5 year forecast.

Capital Improvement Plan Project Details – By Department

Administration

Operations Center Renovations

- Estimated Project Cost - \$ 125,000
- Project Years – FY 2019-20 through FY 2020-21
- The scope of work is for renovations to approximately 2,600 square feet that includes pulling up and disposal of original 1994 carpet and replacement, taping and bedding sheetrock repairs due to foundation settling, and painting.

Information Technology

GIS/OMS/ARCGIS

- Estimated Project Cost - \$205,500
- Project Year – FY 2019-20
- ArcGIS is a type of geographic information system used to create, compile, analyze, and distribute data. GEUS utilizes ArcGIS to map overhead and underground electric utilities within the GEUS service territory. It will create the Geographic Information System (GIS) environment that our Outage Management System (OMS) will reference.

Cameras

- Estimated Project Cost - \$58,000
- Project Year – FY 2019-20
- Cameras for the Customer Service Center, Operations Center, and Substation are being replaced.

Engineering Analysis Software

- Estimated Project Cost - \$48,000
- Project Years – FY 2019-20 and FY 2020-21
- Milsoft software allows our engineering department to model and analyze our electric distribution network for system planning and operations.

Customer Service

Landscaping for Customer Service Center

- Estimated Project Cost - \$30,000
- Project Year – FY 2019-20
- Evaluate irrigation and plant stock needs and then purchase/installation of plants.

Transmission & Distribution Substations

LTV Substation Upgrade

- Estimated Project Cost - \$ 2 million
- Project Year – FY 2019-20
- Installation of one 69kV Breaker, 69kV bus, a 30/40/50-56MVA 69kV-12.5kV Power Transformer, five 12.5kV feeder breakers, feeder get-a-ways, and related equipment.

Fiber Optic Network Interface

- Estimated Project Cost - \$128,000
- Project Year – FY 2019-20
- Replacement of approximately 20-year-old Substation T1 communication system with a modern communication system.

SCADA RTU

- Estimated Project Cost - \$60,000
- Project Year – FY 2019-20
- Replacement of 10+ year old Substation RTUs with modern / greater capability RTUs.

Transmission Lines

Transmission Poles

- Estimated Project Cost - \$100,000
- Project Years – FY 2019-20 through FY 2028-29
- Replacement of 25 to 35 wood transmission poles, with steel transmission poles having greater bending moment capability and longer life.

Distribution Lines

Digital Metering

- Estimated Project Cost - \$1,274,895
- Project Years – FY 2019-20 through FY 2028-29
- Install AMI (Advanced Metering Infrastructure), replace approximately 15,000 legacy electric meters with AMI digital smart meters, and implement the new AMI support system. Replace obsolete electric Pre-Pay system with modern AMI Pre-Pay system.

Cable & Internet

Extensions & Replacements

- Estimated Project Cost - \$100,000
- Project Years – FY 2019-20 through FY 2028-29
- GEUS will use contract labor on an as needed basis to augment in-house staff for repairs on the network. This contract also assures consistent unit pricing throughout the year for new projects as they become available.

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**GEUS CAPITAL IMPROVEMENT PLAN
SUMMARY**

	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	10 Year Total*
ADMINISTRATION:												
Admin (910190)	\$ 144,000	\$ 85,000	\$ 59,000	\$ -	\$ -	\$ -	\$ -	\$ 10,000	\$ -	\$ -	\$ 30,000	\$ 184,000
Finance (911190)	15,000	5,000	35,000	-	-	-	-	-	-	-	-	\$ 40,000
Information Technology 931099	-	394,400	58,134	90,000	10,000	25,000	30,000	23,500	25,000	20,000	57,000	\$ 733,034
Advertising/Customer Service (913190)	48,000	50,500	-	5,000	-	13,500	-	25,000	-	-	33,500	\$ 127,500
TOTAL CIP	\$ 207,000	\$ 534,900	\$ 152,134	\$ 95,000	\$ 10,000	\$ 38,500	\$ 30,000	\$ 58,500	\$ 25,000	\$ 20,000	\$ 120,500	\$ 1,084,534
ENGINEERING & OPERATIONS:												
Engineering (931099)	30,000	33,000	31,000	-	33,000	-	34,500	-	-	-	37,500	169,000
Transmission Substations (931490)	318,516	697,000	1,033,633	1,708,167	962,800	2,484,200	1,995,000	3,000	1,395,000	2,091,000	278,900	12,648,900
Distribution Substations (931590)	1,453,972	1,496,500	1,644,700	1,492,300	1,644,700	1,842,300	1,339,500	1,507,500	2,517,500	2,417,500	330,550	16,233,450
Transmission Lines (932490)	249,876	136,000	136,000	136,000	136,000	136,000	136,000	136,000	136,000	2,773,500	113,600	3,852,800
Distribution Lines (932590)	1,812,716	2,427,895	2,445,553	1,245,182	1,187,505	1,335,375	1,314,245	1,311,320	1,703,755	1,780,075	1,538,355	16,350,300
Capital Contingency	-	-	-	1,500,000	-	750,000	-	-	-	-	-	2,250,000
TOTAL ELECTRIC CAPITAL IMPROVEMENT PLANS	\$ 5,451,587	\$ 6,425,295	\$ 5,663,220	\$ 5,032,649	\$ 5,474,005	\$ 5,836,375	\$ 5,599,245	\$ 3,076,320	\$ 5,654,885	\$ 9,582,175	\$ 2,419,805	\$ 54,763,984
CABLE/INTERNET												
CABLE/INTERNET (951090):	336,598	335,900	315,000	445,000	345,000	375,000	415,000	345,000	315,000	315,000	315,000	3,520,000
Total CIP	336,598	335,900	315,000	445,000	345,000	375,000	415,000	345,000	315,000	315,000	315,000	3,515,000
TOTAL GEUS CAPITAL IMPROVEMENT PLANS												
	\$ 5,788,185	\$ 6,761,195	\$ 5,978,220	\$ 5,477,649	\$ 5,819,006	\$ 6,211,375	\$ 6,014,245	\$ 3,421,320	\$ 5,969,885	\$ 9,897,175	\$ 2,734,805	\$ 58,278,984

* Total does not include FY 2018-19

**GEUS CAPITAL IMPROVEMENT PLAN
DETAIL**

	Projected FY 2018-19	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	10 Year Total*
ADMINISTRATION:													
Admin (91190)													\$ 10,000
HVAC (59390)													\$ 10,000
UPS (59390)													-
Board Room Guest Chairs (59391)		8,000	8,000										19,000
Copier (59391)													30,000
Admin Vehicle (59392)				21,000	21,000								30,000
Workflow/Redesign Analysis													-
Foundation Engineering Analysis				35,000	35,000								-
Ops Center Renovations				20,000	20,000	75,000	50,000						125,000
Ops Center Foundation Repairs				60,000	60,000								-
Finance (91190)													35,000
Forklift (59392)													-
Gas Pumps (59393)		15,000	15,000										5,000
Bar Code Equipment (59393)													-
Information Technology 931099													-
Servers, Switches, Networking (59391)													-
SCADA, Hardware (59391)													-
UPS, Batteries (59390)													-
Intelligent Voice Recognition System (IVR) (Moved to O&M Budget in FY 2019)													-
Security System Needs (59391)													-
GIS/OMS/ARCGIS (59391)													-
Desk Top Hardware & Equipment (59391)				205,500	-								205,500
Cameras (59391)													-
Brewire West Side of JRB													-
Engineering Analysis Software (59391)													-
Advertising/Customer Service (913190)													-
UPS Modules		6,100											6,500
Fire Suppression System (59390)		31,000	31,000										13,000
Landscaping (59390)													-
Lobby Furniture													-
Customer Service Cameras				7,000	7,000								5,000
HVAC (59390)													-
Substation Signage				10,000	10,000	13,500							15,000
Carpet Replacement													-
GEUS 34 Van													10,000
Table Top Electricity Demonstration													-
Table Top Electricity Demonstration													7,000
Telvue Equipment (59514) GEUS 34 Server/See in I&C budget													-
TOTAL CIP	\$ 213,100	\$207,000	\$534,900	\$152,134	\$95,000	\$10,000	\$30,000	\$38,500	\$58,500	\$25,000	\$20,000	\$120,500	\$1,084,534

* Total does not include FY 2018-19

**GEUS CAPITAL IMPROVEMENT PLAN
DETAIL**

	Projected FY 2018-19	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	10 Year Total*
ENGINEERING & OPERATIONS:													
Engineering (931,099)													
Truck (59,352)	29,644	30,000	33,000	31,000		33,000		34,500			37,500		169,000
Transmission Substations (931,450)													
Transmission Substation Capital Labor (931,451)	3,566	3,566	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	30,000
Substation Transformer, LTV (59,353)	221,323	104,000	600,000										600,000
Fiber optic Network Interface (59353)				64,000									64,000
69kV Bus Breakers, DR, 3rd (38 kV Tie (59353))	180,950	180,950											2,847,000
Substation Transformer, TR-A (59353)					959,600	1,626,200		855,000	1,992,000				2,586,000
69kV Backup Transmission Relays (59353)						71,033	78,987						150,000
SCADA, RTU (59353)					30,000								30,000
Substation Transformer, IP (59353)								959,600	1,626,200				2,586,000
Substation Transformer, DR-A (59353)													-
Substation Transformer, Grass Farm area (59353)													3,480,000
Substation Transformer, MR (59353)													238,400
Substation Transformer, Hwy-380 Subst. (59353)													-
Truck for Substation - Subst Major, SCADA/Relay Tech (59392)	29,644	30,000	-										37,500
Distribution Substations (931,580)													
Distribution Substation Capital Labor (931,581)	2,972	2,972	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	25,000
Substation Transformer, LTV (59362)		1,010,816	1,386,000	1,400,000		78,000							1,400,000
Fiber optic Network Interface (59362)				64,000									64,000
Substation Transformer, TR-A (59362)					1,642,200	1,411,800							3,054,000
SCADA, RTU (59362)						30,000							30,000
Substation Transformer, IP (59362)							1,642,200	1,411,800					3,054,000
69kV Bus Breakers, DR, 3rd (38 kV Tie (59362))								270,000	1,212,000				1,482,000
Substation Transformer, DR-A (59362)									1,380,000				1,380,000
Substation Transformer, Grass Farm area (59362)										2,415,000			4,830,000
Substation Transformer, MR (59362)											247,200		247,200
Substation Transformer, Hwy-380 Subst. (59362)								125,000	125,000	100,000			-
Substation 15kV Breakers, DR, DRA, DR-B, Shelby (59362)		59,024	65,000						33,000				475,000
Truck for Substation (59392)													81,250
Transmission Lines (932,480)													
Transmission Lines Capital Labor (932491)		74,876	74,876	36,000	36,000	36,000	36,000	36,000	36,000	36,000	36,000	36,000	262,800
69 kV Structure Upgrade & Pole Replacement (59356)		775,000	175,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	2,860,000
Transmission Projects (59356)													-
1570 Extension (59356)													-

* Total does not include FY 2018-19

GEUS CAPITAL IMPROVEMENT PLAN
DETAIL

* Total does not include FY 2018-19

**GEUS CAPITAL IMPROVEMENT PLAN
DETAIL**

	Projected FY 2018-19	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	10 Year Total*
CABLE/INTERNET (951080):													
Capital Labor (951091)	\$ 41,598	\$ 41,598	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 350,000
Transportation Equipment (59532)		10,202	15,000										350,000
OTDR (59536)													
Desk Top Hardware & Equipment (59591)													
Extensions & Replacements (59510)	95,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	1,000,000
H/SD Channel Additions (59511)		75,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	
Spectrum Analyzer (59511)		38,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	15,000
Drop Materials (59512)		58,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	400,000
Install Labor (contract) (59512)		317,890	336,598	335,900	315,000	345,000	315,000	415,000	345,000	315,000	315,000	315,000	3,515,000
Total CIP	\$ 4,551,157	\$ 5,788,185	\$ 6,761,195	\$ 5,578,220	\$ 5,477,649	\$ 5,619,005	\$ 6,211,375	\$ 6,014,245	\$ 3,421,320	\$ 5,999,895	\$ 9,997,175	\$ 2,734,805	\$ 58,273,984
TOTAL GEUS CAPITAL IMPROVEMENT PLANS													

* Total does not include FY 2018-19

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FINANCIAL POLICIES AND PRACTICES

Purpose

The purpose of these financial policies and practices is to set forth the basic framework for the fiscal management of GEUS. They were developed within the parameters established by applicable Texas Statutes, GEUS Board Policies, and the City of Greenville Charter. The policies assist the Board and staff in making decisions on day-to-day activities and proposals for future projects. The policies are to be reviewed on an annual basis by the Board and modified to accommodate changing circumstances or conditions.

These financial policies were created to fairly present and fully disclose the financial position and the results of financial operation of GEUS in conformity to generally accepted accounting principles (GAAP), to determine and demonstrate compliance with finance-related legal and contractual provisions, and to present a committed and stable fiscal operation to the ratepayers of GEUS, the investment community and bond rating agencies.

Internal Financial Reporting

The GEUS Board shall review financial operations on a monthly basis. Items to be reviewed and information to be prepared by management are as follows:

Operating statements with management preparing specific information concerning the following:

- Gross revenue and change from previous year and budget.
- Power costs and change from previous year and budget.
- Distribution operation expense and comparison with previous year and budget.
- Administrative expense and change from previous year and budget.
- Net revenues in excess of operating expense and change from previous year and budget.
- Fuel cost and fuel adjustment calculation.
- Energy sales by category compared with previous year and budget.
- Cash/Accounts Receivable Balance and Working Capital.
- Quarterly investment report (as defined in the Investment Policy, P129.01)
- Maintain bond fund and reserve fund according to the Bond Ordinance (to be reported in the Quarterly Investment Report)
- Uncollectible Accounts Receivable Report (P112.02, Rev.A)

The Board will require an annual audit of the Electric System.

Independent Audit

After the end of the fiscal year, an independent audit shall be made of all GEUS accounts by certified public accountants, to be selected by the City of Greenville Council, who have no personal interest directly or indirectly in the financial affairs of the City of Greenville or GEUS. The results of the audit are presented to the Board no later than March 31 of the following year.

Every three to five years, the City of Greenville will issue requests for proposal to choose an auditor for a period not to exceed five years.

Electric Rate Structure Policy

GEUS shall maintain a rate structure which will provide the following:

- Sufficient earnings to qualify GEUS for maximum bond rating.
- Sufficient earnings to provide for anticipated growth.
- To provide the standards of service outlined in policy P115.01.
- To work toward competitive rates for all class users.
- Comply with rate requirements in the bond ordinance.
- Maintain cash reserves equal to 150 days of operating expenses in the operating fund. Maintain other cash reserves equal to the current year retirement eligible employee PTO balance and for capital expenditures, debt reduction and/or rate stabilization as needed.
- To provide environmental standards as provided in Policy P127.01.
- Provide competitive rate option to encourage economic development.
- GEUS will maintain a capital structure that targets debt as a percentage of total capital between 40-60% with the exception of transmission debt. Transmission debt may equal 100% of total capital for transmission assets.
- With each year's budget, a five-year financial model will be presented to the Board that projects utility performance including: CIP, bonds, and proposed rate adjustments.
- To the extent practical, cost of service will be the cornerstone of rate design for all rate classes.
- A cost of service and rate design review should be conducted at least every five years to ensure that rates align with costs.
- To the extent possible, rate changes will be gradual and consistent with the five-year financial model. Rate changes will be phased in to minimize rate shock.
- GEUS will provide rate options that encourage energy efficiency, demand response and renewable energy options.

It is the responsibility of the General Manager to analyze consumption, cost and earnings ratios on an on-going basis. The General Manager will advise the Board of any anticipated rate changes in a timely manner.

The General Manager may approve contracts for special rate options after fully informing the Board of the facts and circumstances supporting such contracts.

Cable and Internet Rates

Cable and Internet Rates are reviewed by the General Manager and staff on an annual basis to determine if rates are adequate to recover expenses associated with providing the services.

Factors that impact programming expenses include:

- Broadcast retransmission fees
- Contract obligations for channel repositioning
- Channel additions
- Scheduled programming cost increases

Market research is conducted by staff to effectively restructure cable and internet rates by aligning services with speeds and rates of GEUS' competitors.

Modification of cable and internet rates and service tiers are presented to the Board for final approval.

Contributions to the City of Greenville in Lieu of Tax

It shall be a policy of the Greenville Electric Utility System to make contributions to the City of Greenville in accordance with the requirements of the City Charter, Article XI-A, Section 143. The purpose of this policy is to define all of the transfers by the Electric System to the City in lieu of tax. This policy can be summarized as follows:

- Five percent of the Adjusted Gross Revenues of the Electric System shall be transferred to the General Fund of the City.

- One percent of the Adjusted Gross Revenues of the Electric System shall be transferred to the General Fund of the City for use by the Board of Development.
- A payment in lieu of taxes (PILOT) shall be transferred to the General Fund of the City. The formula calculating the PILOT shall be delineated in a separate agreement with the City.

No other payments in lieu of taxes will be made to the City without approval of the Utility Board.

Long-Term Financial Plans

GEUS' long-term financial plan is reviewed annually to forecast revenues and provide guidance on how to appropriately distribute the fiscal resources of the utility. The long-term financial plan is used as a framework to plan GEUS' annual budget. The Electric Fund long-term plan establishes assumptions for revenues and expenditures over a ten-year period.

Revenue and Investment Policy

The City of Greenville Bond Ordinance defines the revenues of the System and how those revenues are pledged. It shall be the policy of the GEUS Board to comply with the provisions of the Bond Ordinance as they relate to the pledge of revenues, rates and charges, and the investment of certain funds as defined by that ordinance. Selected provisions of the Bond Ordinance are summarized in the official statement of the City of Greenville, Texas Electric Utility System Revenue Refunding and Improvement Bonds, Series 2001. The Ordinance requires that the Board to establish a System Fund, Bond Fund, and a Reserve Fund. The Board may also establish other funds in addition to those funds required by the Ordinance.

The State of Texas Investment Act of 1995, The Texas City Depositor Act (Texas Local Government Code, Chapter 105) and the Public Funds Investment Act of 1995 (Texas Local Government Code, Chapter 2256) are the primary legal influences involving the Investments of System Funds.

The GEUS Board contracts with the City of Greenville for management and the investment of funds on behalf of GEUS. The City of Greenville reviews the provisions of the law regarding investments each year and prepares a document defining the Investment Policy to be applied to GEUS.

The purpose of this policy to define the responsibility and the authority to implement the policy of the GEUS Board as follows:

1. The policy of the Board to delegate authority to the General Manager to make sure that the provisions of the State law and the City Ordinance are followed.
2. An Investment Policy document will be prepared by the City of Greenville under the direction of the General Manager and forwarded to the GEUS Board for approval. It will be made a part of the Revenue and Investment Policy P129.01 as amended through the adoption of a resolution of the Board.
3. A monthly Investment Report will be prepared by the City of Greenville for review by the General Manager and the GEUS Board.

Fixed Assets and Warehouse Inventory

- Fixed Assets shall be safeguarded and properly accounted for by the Finance Department. The Finance Department conducts an annual inventory of fixed assets and properly records the description, cost, date of acquisition, location, department, depreciation, expected useful life and asset identification number. A fixed asset is an item whose value exceeds \$5,000 and whose life expectancy exceeds one year.
- The Warehouse Coordinator shall monitor the receiving and issuing of inventory. Inventory is ordered on an as needed basis or accordingly with capital project schedules. The Warehouse Coordinator is responsible for the periodic cycle counts and reports any adjustments to the Finance

Department. An audit of the warehouse inventory is conducted by the Finance Department at the end of the fiscal year.

Uncollectible Accounts Receivable Policy

The following procedures are used in the reporting of bad debt and write off of uncollectible accounts receivable:

- Terminated accounts shall have all deposits applied to the outstanding balance before the final bill is issued. Should a final bill go unpaid, that balance will be reported to the national credit agencies after 60 days and written off after 120 days from the date of issuance.
- GEUS will maintain a reserve for uncollectible accounts.
- The accounts written off as bad debt will be recorded annually.
- Balances collected by GEUS on accounts written off will be written back into the account and the collected money assigned to the appropriate retail revenue accounts.

Purchasing Manual

➤ Introduction

This is the Purchasing Manual (“manual”) for GEUS. This manual contains instructions regarding the basic policy, procedure and practice for procurement of goods and services in accordance with the Policies and Resolutions of GEUS.

These instructions are for the guidance of all personnel of GEUS who participate in the actions and decisions relating to purchasing.

Although the subjects covered are of principal concern to Purchasing, many of them are closely allied to the work done in other departments. Purchasing, therefore, is made up of many people joining together to accomplish a common goal or task to fulfill the needs of the organization.

This manual is intended to ensure that GEUS acquires, stores, disburses, utilizes and disposes of goods and services uniformly and economically. It will also help all departments understand and use established purchasing procedures and abides by applicable state laws while helping all departments in procurement needs.

➤ Purchasing policy

It is the policy of GEUS to assure fair and competitive access by responsible vendors/contractors to the purchasing requirements of GEUS and to conduct business activities in such a manner as to foster public confidence in the integrity of GEUS. GEUS adheres to all State of Texas laws and regulations as set forth in the State of Texas Local Government Code including Chapters 252 and 271. Chapter 252 establishes the competitive bidding requirements for a municipality. Chapter 271 defines the requirements for entering into construction contracts.

The Purchasing Policy is established by the GEUS Board of Trustees Policy, Number 118.01. It is the general policy of the Board to make all purchases from the supplier providing the lowest cost for the required quality, where possible and practical.

It is the individual responsibility of each employee involved in the procurement process to understand the policies upon which these procedures are based, the meaning, and intent of the procedures themselves.

➤ Authority to purchase for the utility

Authority for making purchases for GEUS is provided by State Law, the Utility Policies, Utility Resolutions, and directives of the General Manager and the Business Services Director. Only authorized individuals may obligate GEUS to acquire goods and services.

In our purchasing system, the General Manager and Business Services Director have appointed a Purchasing Agent/Buyer who by authority and responsibility delegated to that agent/buyer by the Business Services Director is authorized to purchase for the Utility. In certain cases, the General Manager has also granted this authority to certain employees that have been authorized by their Department Heads. Department purchasing authority is limited, however, to a single purchase of a total of \$1000.00 or less.

The authority of the Purchasing Agent/Buyer to purchase without approval of higher level Utility official (the Board of Trustees) is limited to contracts and/or purchase orders involving expenditures of \$50,000.00 or less.

Purchasing Limits are as follows:

Purchases of \$50 and under may be done through petty cash reimbursement. No quotes are required.

Purchases of \$1000 and under will be purchased with a Procurement Card (P-Card). Purchases of \$1000 or less do not require competitive quotes.

Purchases in excess of \$1000 but less than \$50,000 will require at least three (3) written quotes. Purchases in excess of \$3000 but less than \$50,000 will require solicitation from at least two (2) historically underutilized businesses as directed according to Local Government Code 252-0215. These purchases must be documented on a Purchase Order form.

Purchases in excess of \$50,000 or more will require sealed bids or proposals in accordance with State Law. Award if such bids or proposals will be by approval of the Board of Trustees.

➤ **Warehouse**

The warehouse is under the supervision of the Business Services Director. The Warehouse Supervisor has on-site responsibility for the operation of the warehouse.

Only those commodities that are repeatedly used and/or can be purchased and stocked more economically than purchases on an as needed basis shall be stocked. Commodities that can be readily purchased through wholesale and retail outlets will not be stocked.

Stock purchases to replenish existing stock items will be made at the request of the Warehouse Supervisor. The Purchasing Agent/Buyer will solicit quotes from acceptable vendors. The Business Services Director is authorized to approve requisitions for stock items to be purchased by the Purchasing Agent/Buyer.

User departments shall provide advance information on material and supply requirements to allow sufficient lead-time to facilitate timely and orderly delivery of commodities. (Lead-time is defined as the time elapsing between placement of the order and the delivery of materials.)

New stock items will be added only with the approval of the Business Services Director. The requesting department shall complete a GEUS New Stock Item Number Request form. This form shall contain the complete description, part number, and requested min/max quantities. The Department Manager of the requesting department must approve the request before the request form is forwarded to the Business Services Director, who will review and give final approval/disapproval for new commodity stock requests.

The Warehouse Supervisor is responsible for receiving all inventory stock and issuing stock to the user department.

➤ **Relations with vendors**

The Purchasing Department and all User Departments have the responsibility of upholding the reputation of GEUS.

The Purchasing Department maintains regular contact with many persons and companies in the course of its daily activities. Thus, the Purchasing staff must consider in the performance of their duties practices of:

- Fairness when dealing with vendors and their representatives.
- Cooperation when not to the Utility's detriment.
- Consideration of seller's difficulties and cooperating when possible.
- Truthfulness in every transaction.
- Respecting the confidence of each vendor.
- Keeping free of any personal obligation to a vendor.
- Maintaining a courteous and polite manner regardless of personal feelings.
- Promoting the good will of the Utility.
- State specifications fairly and clearly and avoiding impossible, unnecessary or restrictive specifications.
- Maintaining an effective follow-up system.
- Keep an open mind on new methods and materials offered.
- Attempt to resolve any complaint received from user department regarding vendors in a fair manner.

Sales representatives who contact the Purchasing Department should be treated courteously and fairly. They should be given reasonable time to make their inquiry or presentation.

The Utility prohibits the acceptance by any Utility employee of gifts, either in kind or money or of entertainment from a vendor or potential vendor. (See Section 155 of the City Charter).

➤ **Purchasing procedures**

GEUS is a tax exempt government entity. When making any purchase, the authorized buyer must insure the vendor is aware of the tax exemption.

The following information is for purchases of \$1000 or less.

Any Department Head or his/her designee may make a purchase of items costing \$1000 or less. The purchase will be reimbursed by Petty Cash (under \$50), or purchased with a Procurement Card (P-Card). All reimbursements require invoices for payment.

The following information is for purchases greater than \$1000 but less than \$50,000.

The User Department will communicate to the Purchasing Department the commodity or services needed. If quotations are needed, the User Department shall complete a Non Stock Quote Request Form and forward to Purchasing. The quotation request shall include the quantity and complete description of the commodity or services needed. Purchasing will solicit quotations from at least three (3) qualified vendors. All quotations over \$5,000 must be in written format. Purchasing will tabulate all quotations and forward the tabulation and recommendation to the user department. The Utility may award a purchase to a bidder whose principal business is in the City of Greenville and whose bid is within 3% of the lowest bidder whose principle business is not located in the City. (Local Government Code 271.905).

Once a selected vendor is approved, the Department enters the requisition information into the mainframe system. The requisition shall include the complete description of the commodity or service, the part number (if provided), quantity needed and the account to be charged. The requisition will be printed, approved and signed by the Department Head. Any requisition greater than \$5000 must also be approved and signed by the General Manager.

The following information is for purchases greater than \$50,000.

State law requires that a contract or purchases greater than \$50,000 must be processed through the competitive sealed bidding/proposal process. (Local Government Code 252 and Local Government Code 271). Exemption to the competitive bidding/proposal process are listed the above reference statute.

All expenditures greater than \$50,000 must be approved by the Board of Trustees according to GEUS Board Policy No 118.07.

It is against State law to make component, separate or sequential purchases in order to circumvent the purchasing laws.

The User Department must allow sufficient time for preparing specifications, advertising, opening and evaluation of bids/proposals, and Board approval. This special processing can be expected to take six to eight weeks. Once the award has been made by a resolution passed by the Board of Trustees, the requisition is then prepared and processed. Then time must be allowed for the successful bidder to make delivery.

➤ **Procurement Card (P-Card)**

This Procurement Card (P-Card) Program is designed to purchase low dollar value operational expense items as well as travel expenses. The Procurement Card Policy is included and made part of the GEUS Board Policy, P118.01.

The General Manager must approve any employee to receive the P-Card. The employee must be a full-time employee. Part time employees are not eligible. The employee is required to attend training and sign a Cardholder Agreement form before being issued the P-Card. It is the cardholder's responsibility to insure the P-Card is kept in a secure place. If the card is lost or stolen, it is the Cardholder's responsibility to notify the bank immediately. The Cardholder must also contact the Purchasing office.

The Procurement Card will be issued in the name of GEUS and the individual cardholder. The card can be used for small dollar purchases. The card is used for GEUS purchases only. Personal use of the P-Card is prohibited.

The Card is issued to one employee and can only be used by that employee. Card sharing is prohibited. The Cardholder is responsible for obtaining a detailed itemized receipt for all purchases. The Cardholder shall process the monthly statements in a timely manner and submit the statement and receipts to the Finance Department.

The total of a single purchase may be comprised of multiple items and cannot exceed the authorized Single Transaction Limit. Purchases that are split in order to stay within the limit are not appropriate and can result in disciplinary action and termination of the Cardholder's participation in the program.

Any time a purchase is made using the P-Card, whether it is done over the counter, over the internet, or by telephone, a detailed itemized receipt must be obtained as proof of purchase.

GEUS is tax exempt and the Cardholder is responsible for insuring all purchases do not include sales tax.

➤ **Quotations**

Quotations request are one of the means by which GEUS will inform prospective vendors of the goods or services to be delivered to GEUS if a purchase order is placed with his /her firm. Quotation request will normally be made by the Purchasing Department. A Quote Request Form must be completed and forwarded to Purchasing.

Purchases for \$1000 or less do not require competitive quotes.

Purchases more than \$1000 but less than \$50,000 require written quotes from at least three qualified vendors. Purchases of more than \$3000 but less than \$50,000 require quotes from at least two disadvantaged business within the County. (Local Government Code 252.0215).

Purchases of more than \$50,000 is subject to Local Government Code Chapter 252 and Chapter 271.

All quotations must be documented on the requisitions and copies attached.

Prices from competitive firms will be treated as confidential information until after the order has been placed. Once award has been made, the price quotations may be treated as public information.

➤ **Requisitions**

The purchase requisition is the first step in the purchasing procedure. The requisition should be submitted to the Purchasing Division in a timely fashion to allow adequate time for review, price quotations, and the preparation of a purchase order. See Appendix C for procedure for creating requisitions in Incode.

All requisitions must be completed and submitted for approval BEFORE ANY PURCHASE of more than \$1000 is made.

All Departments shall enter requisition information into the purchasing module. The requisition should indicate what to buy, when it is required and where to deliver. The Department shall plan the requisition to allow adequate time to process the purchase order and the vendor to complete delivery.

The requisition shall include:

- Accurate and complete description of items or service required
- Number of items required
- Date delivery required, as accurately as possible.
- Account number
- Delivery location
- Any special instructions

The Department must have sufficient funds to pay for purchases.

The requisition must be signed by the Department Head. If the purchase is over \$5000, the requisition must be signed by the General Manager.

Any requisition for commodities to be charged to a Capital Account must have a Capital Asset Form submitted with the requisition. The Capital Asset Form must contain the complete description of the item. The Capital Asset Form will be returned to the Department upon delivery of the commodity to record serial numbers, Asset numbers, etc. The completed form will be returned to the Finance Department.

➤ **Purchase order**

A signed Purchase Order is a legal contract. The Purchase Order should be clear and precise to cover the essential elements of the purchase being made.

The purchase order will be entered in the purchasing module on the basis of data contained in an approved purchase requisition and Finance Department. The purchase order will be manually signed by the Purchasing Agent/Buyer or Business Services Director. The purchase order will normally be computer printed assuring that it is legible on the purchase order form.

➤ **Change orders**

If changes in plans or specifications are necessary after the contract has been executed, a change order is required. The Department Head may approve a change order on any contract less than \$5,000. The General Manager will have the authority to authorize change orders to existing contracts from \$5,000 to

\$50,000 without the approval from the Board of Trustees. For change order to original contracts of \$50,000 or more, the General Manager has the authority of approve change order up to 25% of the original contract, not to exceed \$50,000. A contract may not be increased by more than 25%. (Local Government Code 252.048)

When an amendment is issued in writing it shall be in letter form or prepared on a pre-printed Change Order Form. All parties who received a copy of the purchase order will be furnished a copy of the written amendment.

➤ **Invoicing**

State law states that payments for goods and services are due 30 days after the goods are provided, the services completed, or a correct invoice is received, whichever is later. See Local Government Code, Chapter 2251.

Accounts Payable processes all invoices. All invoices should be sent to Accounts Payable. If any invoices are sent to the user department, the invoice should be forwarded immediately to Accounts Payable. The vendor shall be notified that all invoices must be sent directly to Accounts Payable department.

A Purchase Order number shall be noted on all invoices.

➤ **Disposal of surplus**

The sale of GEUS owned property shall be conducted by the City of Greenville. The sale of any GEUS property shall be by prior authority of the Board of Trustees. The sale of scrap wire and metal shall be by competitive quotation and awarded to the highest bidder, without prior consent of the Board.

➤ **Criminal penalties**

Per Local Government Code, Section 252.062, a municipal officer or employee commits an offense if they intentionally or knowingly makes or authorizes separate, sequential, or component purchases to avoid the competitive bidding requirements. Penalties for conviction are covered in Section 252.063.

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Glossary

Accrual Basis Accounting – is the recording of revenues when earned and expenses when incurred.

Assets – resources owned or held by GEUS, which have monetary value.

Audit – a comprehensive review of the manner in which the utility's resources were actually used.

Balanced Budget – a budget in which estimated expenditures for set period are matched by estimated revenues.

Bond – a written promise to pay a specified sum of money, called the face value or principal amount, at a specified date or dates in the future, called the maturity date(s), together with periodic interest at a specified rate.

Budget – a financial plan, generally for one fiscal year, consists of approved expenditures for specified purposes and the approved means of financing them.

Budget Amendment – to amend the original adopted budget of the entity by members of the board.

Budget Document – The official written statement prepared by staff and approved by the board to serve as a financial guide for the fiscal year.

Budgetary Basis – refers to the basis of accounting used to estimate financing sources and uses in a budget.

Cash Basis of Accounting - the method of accounting under which revenues are recorded when received and expenditures are recorded when paid.

Capital Improvement Program – a multi-year strategy of planning and prioritizing capital projects based on the projected availability of fiscal resources.

C/I – Cable and Internet

City Charter – the document of a home rule city similar to a constitution, which establishes the city's government structure and provides for the distribution of powers and duties among the various branches of government.

City Council – the mayor and six (6) council members collectively acting as the legislative and policy making body of the city.

Current assets – cash or other assets, which are expected to be realized or consumed in one year.

Current liabilities – a liability arising out of transactions in the past and must be met in a comparatively short time.

Decommissioning – to remove from service

Debt service – the obligation to pay the principal and interest of all bonds and other debt instruments according to a pre-determined payment schedule.

Debt service fund – a fund established to account for the payment of principal and interest of general long-term debt.

Department – a segment responsible for the management of specific services.

Depreciation – a non-cash expense that represents the use of fixed assets over its predetermined useful life.

Expenditures – funds spent in accordance with budgeted appropriations on assets or goods and services obtained.

Expenses – decreases in net financial resources to acquire goods or services.

Electric Reliability Council of Texas (ERCOT) – a Texas state agency that manages the flow of electric power, schedules power on the electric grid and performs financial settlement for the competitive wholesale market (www.ercot.com).

EPA – Environmental Protection Agency

Fiscal Year – a consecutive 12-month period marking the beginning and ending dates of the fiscal year. GEUS' fiscal year begins October 1 and ends September 30. This is also referred to as the budget year.

Fixed asset – assets of a long-term character, which are intended to continue to be held or used, such as land, buildings, machinery and equipment.

Franchise fee – a fee paid by public service utilities for use of public property in providing their services.

Fuel Adjustment Cost (FAC) – is a variable component of GEUS' retail rates that is intended to collect cost associated with fuel used to generate power, ancillary services, purchased power, and other specified costs.

FTE – Full Time Employee working 40 hours per week

Fund – an independent fiscal and accounting entity with a self-balancing set of accounts in which cash and other financial resources, together with all liabilities, obligations, reserves, and equities, or balances, and changes therein, are recorded and segregated for the purpose of carrying on specific active or attaining certain objectives.

Fund balance – the difference between fund assets and liabilities also referred to as fund equity.

Generally Accepted Accounting Principles (GAAP) – uniform standards and guidelines for financial reporting determined through common practice or as pronounced by accounting standard setting bodies.

GEUS – Greenville Electric Utility System

GEUS Board – the chairman, vice-chairman, secretary/treasurer, and two (2) board member that are appointed by the City Council to represent the public for Greenville's consumer-owned electric, cable TV and Internet utility.

Geographic Information System (GIS) – system designed to manage GEUS' geographic information.

Governmental Accounting Standards Board (GASB) – an independent, non-profit agency responsible for the pronouncements of accounting and financial reporting procedures for governmental entities.

Interfund Transfer - transfer of cash between funds for the purpose of return on investments or funding projects and operations.

Kilowatt Hour (kWh) - a unit of work or energy equal to that expended by one kilowatt in one hour.

Liabilities – debt or other legal obligations from transactions in the past which must be liquidated, renewed, or refunded.

Line items – the classification of objects by major expense category.

Maintenance – the upkeep of physical properties in condition for use or occupancy.

Modified Accrual Basis – revenues are estimated for the fiscal year if they are susceptible to accrual. It recognizes revenue when it becomes available and measurable.

Municipal Utility - a public power provider. Homes and businesses run on electricity provided by a not-for-profit, citizen-owned utility.

Megawatt (MW) – 100,000,000 watts or 1,000 kilowatts

North American Electric Reliability Corporation (NERC) – is a not-for-profit regulatory that develops and enforces reliability standards, assesses seasonal and long-term reliability and monitors the bulk power system through system awareness (nerc.com)

Off-System Sales – electric sales outside of the system.

O&M – Operations & Maintenance

Operating budget – a plan of financial operation representing an estimation of proposed revenues and expenditures for the fiscal year.

Programming Expense- is comprised of negotiated programming contracts with cable networks in order to deliver programming services to customers.

Public Utility Commission of Texas (PUC/PUCT) – regulates the state's electric, telecommunication, and water and sewer utilities, implements respective legislation, and offers customer assistance in resolving consumer complaints.

Purchase order – a document that authorizes the delivery of specified merchandise or the rendering of certain services and the making of a charge for them.

Rate/Cost of Service Study – the study develops a cost service model, rate design model, and customer usage analysis.

Revenue – the income of GEUS is determined by retail sales, interfund transfers, off-system sales, transmission cost of service, and miscellaneous income.

RP3 – Reliable Public Power Provider

Revenue bonds – a bond issued to build, acquire, or improve a revenue-produced project. The revenue is used to pay the principal and interest of the bond.

Supervisory Control and Data Acquisition System (SCADA) – a system of software and hardware components used to control and monitor power generation data.

Texas Municipal Power Agency (TMPA) – is a power production station owned by the four member cities of Bryan, Denton, Garland, and Greenville. TMPA operates as a non-profit municipality.

Transmission Cost of Service (TCOS) – cost of transmission between utilities

Texas Reliability Entity (TRE) – a non-profit corporation that is authorized to develop, monitor, assess, and enforce compliance with NERC Reliability Standards, develop regional standards, and assess and periodically report on the reliability and adequacy of bulk power system (www.texasre.org).

UPS – Uninterruptible Power Supply

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