

APPROVED BUDGET FY 2024-25



A component of the City of Greenville, Texas



American Public Power Association

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GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**Greenville Electric Utility System
Texas**

For the Fiscal Year Beginning

October 01, 2023

Christopher P. Morill

Executive Director



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Introduction

UNDERSTANDING THE BUDGET

The Greenville Electric Utility System (GEUS) approved budget is produced in conformance with guidelines developed for use by local governments and is intended to ensure proficiency in four major categories as follows:

- 1. Policy Document** - The budget should serve as a policy document for elected officials and management to convey how the organization will operate and what process will be used to adopt and amend the annual budget.
- 2. Financial Plan** - The budget should serve as a financial plan describing all sources of funding, including summaries of revenues and expenditures for multiple years, and changes in fund balances.
- 3. Operations Guide** - The budget should serve as an operations guide for departments that receive funding through the budget by identifying the resources to be provided and the objectives to be met.
- 4. Communications Device** - The budget should serve as a communications device to convey essential information to the diverse groups who use the budget information, such as elected officials, the public, bond rating agencies and investors.

To help ensure that the budget document meets the above criteria and contributes to the effectiveness of communication to its readers, the budget document is organized into the following sections:

Introduction

This section provides information about elected officials and the GEUS organization as a whole. Included in this section is an explanation of the budget process and the budget calendar. Also included are an organizational chart, information about the GEUS Board, and a summary of authorized full-time and part-time staffing positions by fund.

Budget Message

The Budget Message includes the strategic goals and objectives of the GEUS, the mission statement, a formal transmittal letter designed to summarize major issues facing GEUS, and a long range financial plan. This section also includes budget highlights showing an overview of significant revenue and expenditures.

Financial Summaries

This section describes the GEUS's fund structure, gives a definition for each fund, and shows a matrix of the fund-to-department relationships. This section also presents the budget information for each appropriated fund on detailed schedules with summaries of revenues, expenditures and other financing sources. These financial schedules show actual historical results from the prior fiscal year, the current year amended budget, and the budget year.

Policies and Practices

This section contains all of the GEUS's budgetary and financial policies that guide the budget process each year.

Greenville Electric Utility System (GEUS)

Fiscal Year 2024-25 Budget

Department Profiles

The Department Profiles section of the budget includes each department's description, accomplishments for previous year, key objectives for the budget year, a departmental financial summary, and personnel summaries over a three-year time frame by division.

Statistical Information

This section includes the history of GEUS and other statistical information such as rates. It also offers demographic information and graphical representation of local economic and financial indicators, or benchmarks, that the GEUS uses to assess its overall financial health.

Capital Budget

The Capital Budget section summarizes all capital expenditures included in both the operating budget and the first year budget of the Capital Improvement Program. Also included is a list of projects and their impact on the operating budget.

Outstanding Debt

The Outstanding Debt section contains ordinances that adopt the budget. This section also offers schedules of the GEUS's total outstanding revenue debt. Debt service costs (amount of principal and interest) for each bond issue are shown for the budget year and for each fiscal year until the bonds are retired.

Glossary

The Glossary section defines technical terms related to finance and accounting, as well as non-financial terms related to the GEUS's programs and activities. Common acronyms and abbreviations are also defined to assist readers in understanding terminology.

Board of Trustees



Karen Bates

Place 4
Chairman



Victor Gore

Place 3
Vice Chairman



Glover George

Place 1
Secretary Treasurer



Greg Chesney

Place 2
Member of the Board



Sue Ann Harting

Place 5
Member of the Board



Jerry Ransom

Mayor
Ex Officio

GEUS Staff

Alicia Hooks
Ashley Cotton
Michelle Baccheschi
Adrian Lall
Mark Stapp
Jimmy Dickey
Jesse Gatlin
Micah Harris
Brandon Kirby

General Manager
Chief Operating Officer
Business Services Director
Chief Technology Officer
Engineering and Operations Director
Marketing and Key Accounts Manager
Operations and Maintenance Manager
Customer Service Manager
Energy Market Manager

Budget Process

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.

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 Operations and Maintenance expenses 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 regarding their Operations and Maintenance budget and their Capital budget. The General Manager reviews and determines which line-items require review.
- The Business Services Director presents to the Board any proposed updates to the 5-year Capital Improvement Plan.
- The General Manager conducts a final review with Department Heads regarding both Operations and Maintenance and Capital budgets.
- A Public Hearing is conducted for the Proposed Budget.
- The Proposed Budget is presented to the Board for approval during the September Board meeting.



March 4	Official Budget Kick-off
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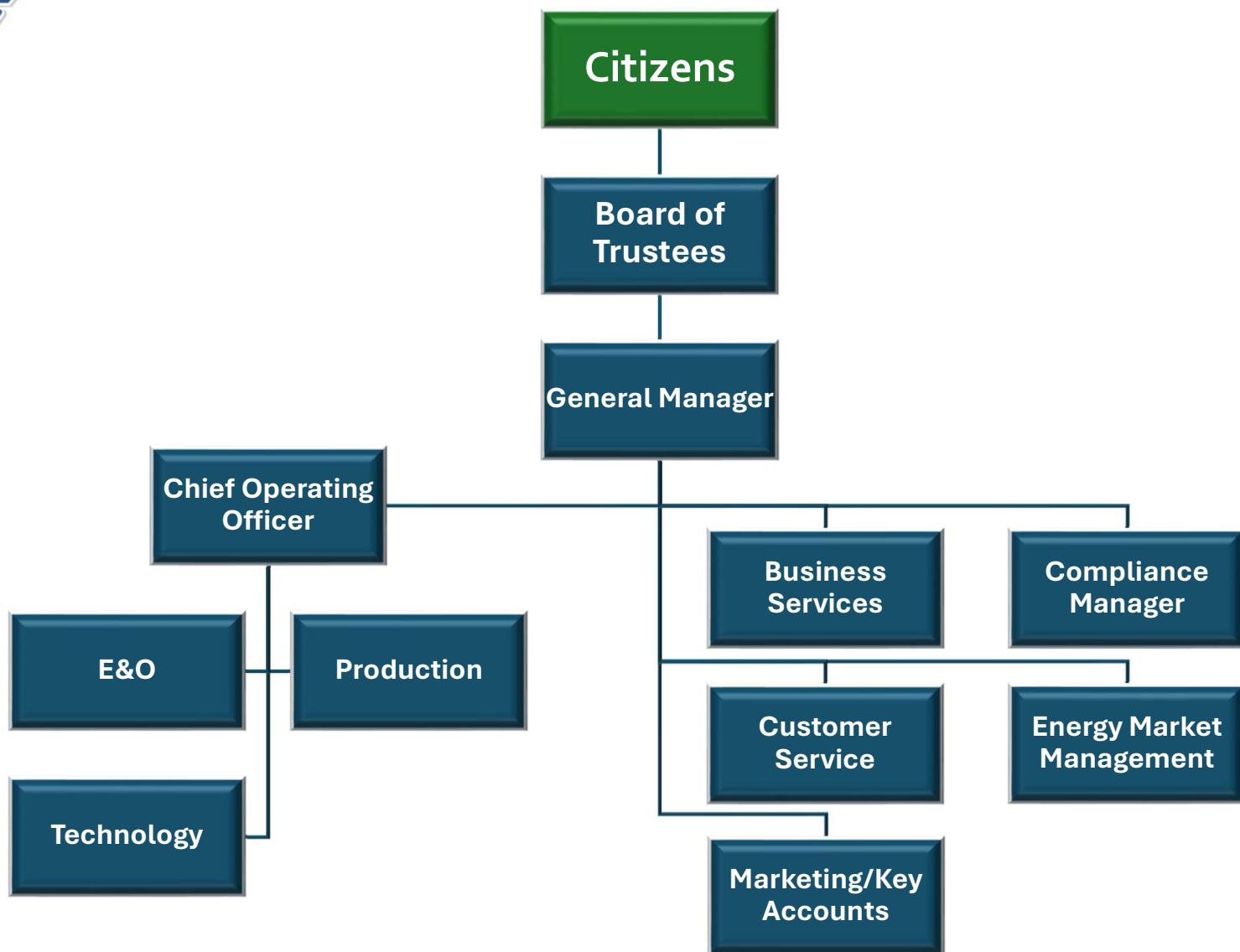
Board Review of Budget	
March 21	Review Proposed FY2024-25 Budget Calendar
June 20	Present 5-Year Capital Improvement Plan
July 18	Review and discuss Proposed FY2024-25 Budget
August 15	Hold a Public Hearing for Proposed FY2024-25 Budget
September 19	Consider Adoption of Proposed FY2024-25 Budget

October 1	FY2024-25 Fiscal Year begins – Budget Document Published
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GEUS Organizational Chart

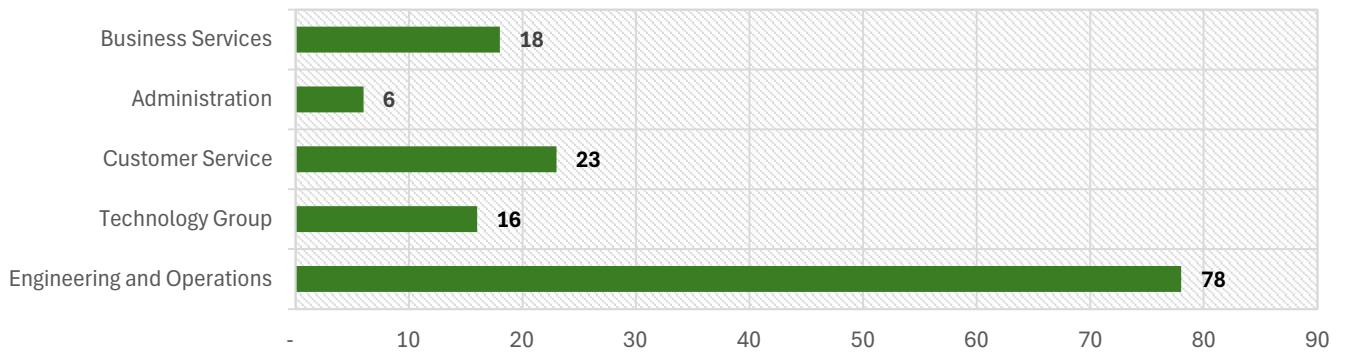


Summary of Authorized Personnel

	FY 2023 Adopted	FY 2024 Amended	FY 2025 Proposed	Change FY 2024 to FY 2025
Electric Fund Full-Time Personnel (910)				
Engineering and Operations	69	74	76	2
Technology Group	4	5	6	1
Customer Service	20	19	19	-
Administration	5	6	6	-
Business Services	16	17	17	-
Electric Fund (910) Total	114	121	124	3
Fusion Fund Full-Time Personnel (950)				
Technology Group	9	9	9	-
Customer Service	1	1	1	-
Business Services	-	1	1	-
Fusion Fund (950) Total	10	11	11	-
Total Full-Time Personnel	124	132	135	3
Electric Fund Part-Time Personnel (910)				
Engineering and Operations	-	-	2	2
Customer Service	2	3	3	-
Business Services	1	-	-	-
Electric Fund (910) Total	3	3	5	2
Fusion Fund Part-Time Personnel (950)				
Technology Group	1	1	1	-
Fusion Fund (950) Total	1	1	1	-
Total Part-Time Personnel	4	4	6	2

NOTES: Additional employees include: Fund 910 - Full-Time Data Engineer, Full-Time Compliance Specialist, Full-Time System Inspector, Part-Time Plant Custodian, Part-Time Engineering Intern

GEUS Departmental Staffing FY24 - 2025



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Budget Message

Strategic Goals

Mission Statement

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

Goals and Objectives Policy

The Policy of the Board requires that the General Manager submit to the Board, at least annually during the budgeting process, an organizational plan that includes the developed one- and five-year goals for the utility system. The General Manager presented the FY 2025 Departmental Goals to the Board during September 2024.

Each department is required to review prior year goals and develop new goals for the upcoming fiscal year. The goals and objectives are aligned with the utility's mission statement and goals and are presented in the department profiles section of the budget. The following graph summarizes the goals.





MESSAGE FROM THE GENERAL MANAGER

September 19, 2024

Chair, Board Members, and Greenville Electric Utility System Customers:

I am pleased to present to you the Approved Budget for Fiscal Year 2024-25 (FY 2025) of the Greenville Electric Utility System (GEUS) of Greenville, Texas. The annual budget is presented to the GEUS Board 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.

The budget funds GEUS' Electric utility service and Fusion Video and Internet services. This Budget is comprised of the Revenue Budget, Operations and Maintenance Expense (O&M) Budget, Capital Budget, and Debt Service Budget. GEUS only collects the revenue it needs to pay for the cost of providing services and maintaining sufficient reserves to meet its financial obligations. GEUS is revenue, not tax supported. It pays the equivalent of taxes to the City of Greenville. The budget supports our mission to increase system reliability, improve services, and maintain competitive rates. GEUS provides 24-hours-per-day/7 days-per-week/365 days-per-year operations to meet our customers' electric and video and Internet service needs. The Budget establishes the financial plan used to provide utility services to GEUS customers and is the financial guide for the operation of GEUS during the upcoming fiscal year.

Budget Overview

GEUS' FY 2025 Operating Budget is the culmination of a planning process that strives to meet customer needs while prudently managing resources. Decisions are aligned with the goals, strategies, and mission of the Utility.

GEUS continues to focus on providing value to customers while managing major infrastructure expansion projects to meet rapid growth in the community. Winter 2021, GEUS and the entire State of Texas were exposed to unprecedented weather, extreme outages, and high energy prices. System reliability, resource adequacy, and operational flexibility to prevent a reoccurrence continue to be a high priority for legislators and regulators through today. Resulting uncertainties continue to place pressure on electric utilities to maintain very strong financial metrics. Standard & Poor Global Ratings (S&P) maintained GEUS' long-term rating at "A" and revised its outlook to negative in August 2024 due to upcoming large projects and industry uncertainties.

GEUS was the first Municipal Utility in Texas to provide Electric as well as Cable Television and High-Speed Internet services and continues to provide these services today.

In FY 2023 an Interim Rate Study was performed by NewGen consultants resulting in confirmation that no rate changes are needed at this time. Rates are designed to provide sufficient earnings necessary to meet cash reserve requirements, debt service coverage, maintain a capital program for reliability, and to preserve GEUS' sound financial condition. GEUS expects to perform a full Cost of Service and Rate Study in FY 2025.

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, Power Purchase Agreements (PPA), or from local resources. GEUS has a long-term fixed price power purchase agreement for wind energy. This agreement was the first agreement for renewable energy for GEUS. 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. GEUS executed an agreement 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 has a shorter-term Purchase Power Agreement that began in May 2023. GEUS' Energy Management department plans and balances energy supplies to obtain the lowest cost energy.

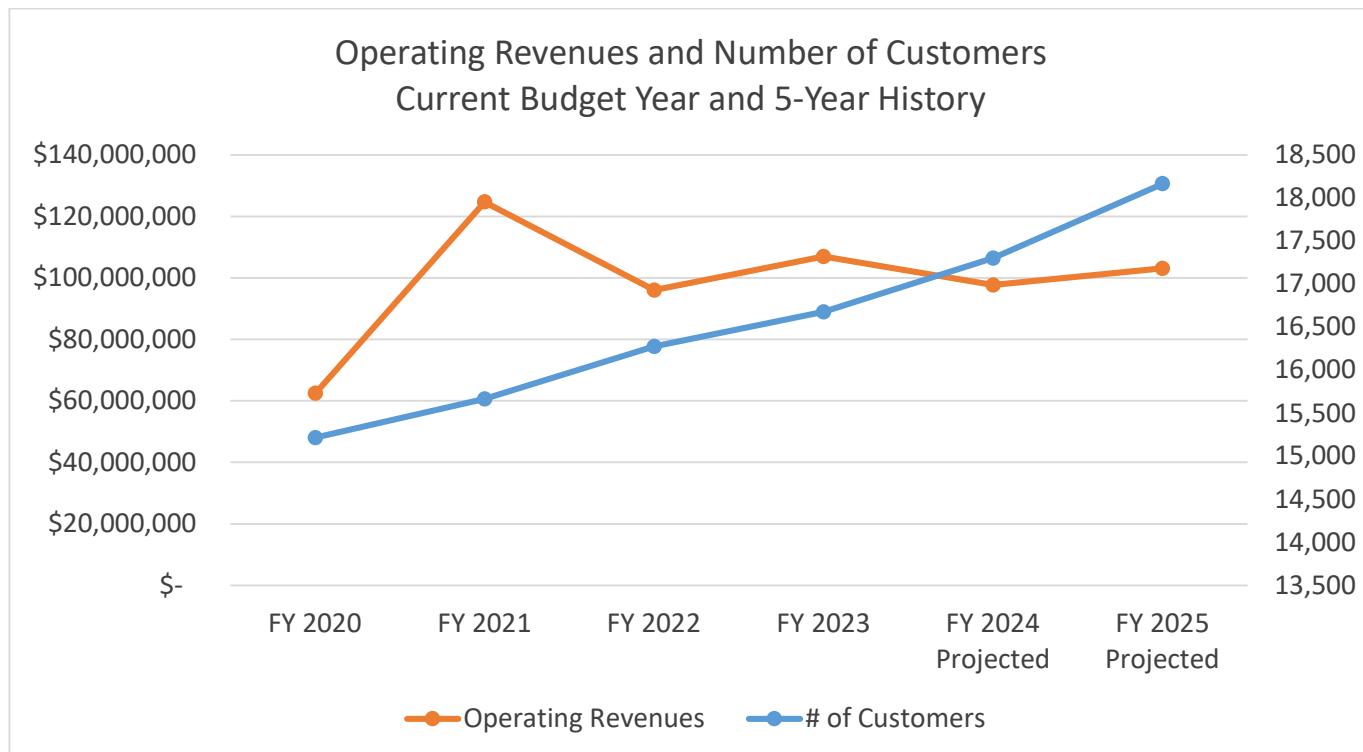
The remainder of the energy purchased comes from wholesale market purchases. The commodity price of natural gas is a major factor in the cost of this remaining energy. Greenville's local generating plants provide competitively priced energy at peak times and at other times when the wholesale market is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

The GEUS Board of Trustees affirmed its plan to debt fund major capital projects instead of pay-as-you-go. This allows GEUS to continue to meet the infrastructure demands due to growth on the system while maintaining the lowest possible rates for customers. In addition, GEUS' capital project plan and budget continue to be impacted by supply chain delays and significant cost increases.

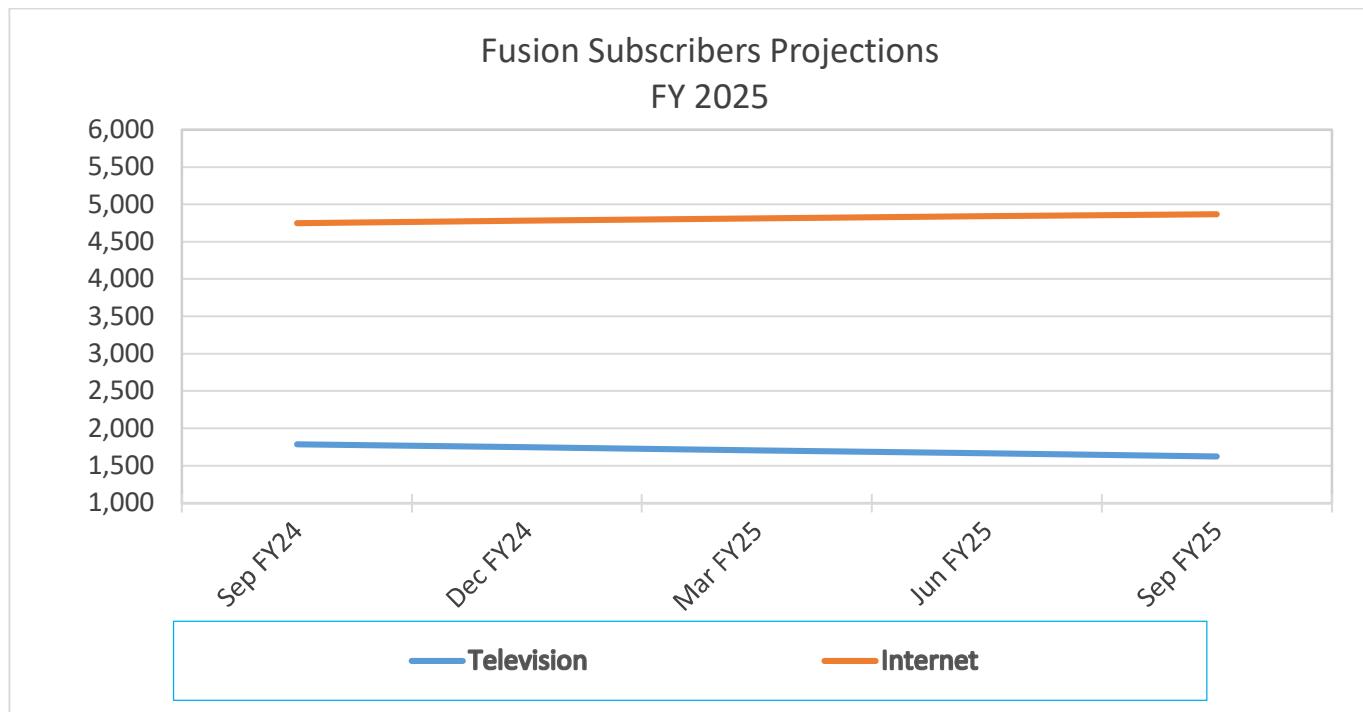
These factors played a key role in the development of the FY 2025 Operating Budget and will continue to drive GEUS' planning process in the future. The key to our success going forward is to continue to become more efficient in our processes as we seek to meet our customers' needs for safe and reliable electric and broadband services and meet the needs of our expanding community. The accompanying sections of the Budget include further details of the revenue assumptions, planned capital improvements, and expenditures associated with the day-to-day operation and maintenance of the Utility.

Total Operating Revenues

Total budgeted GEUS Electric and Fusion Operating revenues for FY 2025 increased \$5.94M or 5.44% as compared to FY 2024 amended budget. The following chart shows the current budget year plus the 5-year history of electric operating revenues as compared to number of customers at year end. Please note the Fuel Adjustment Factor is budgeted at 4.65 cents per kWh for FY 2025.



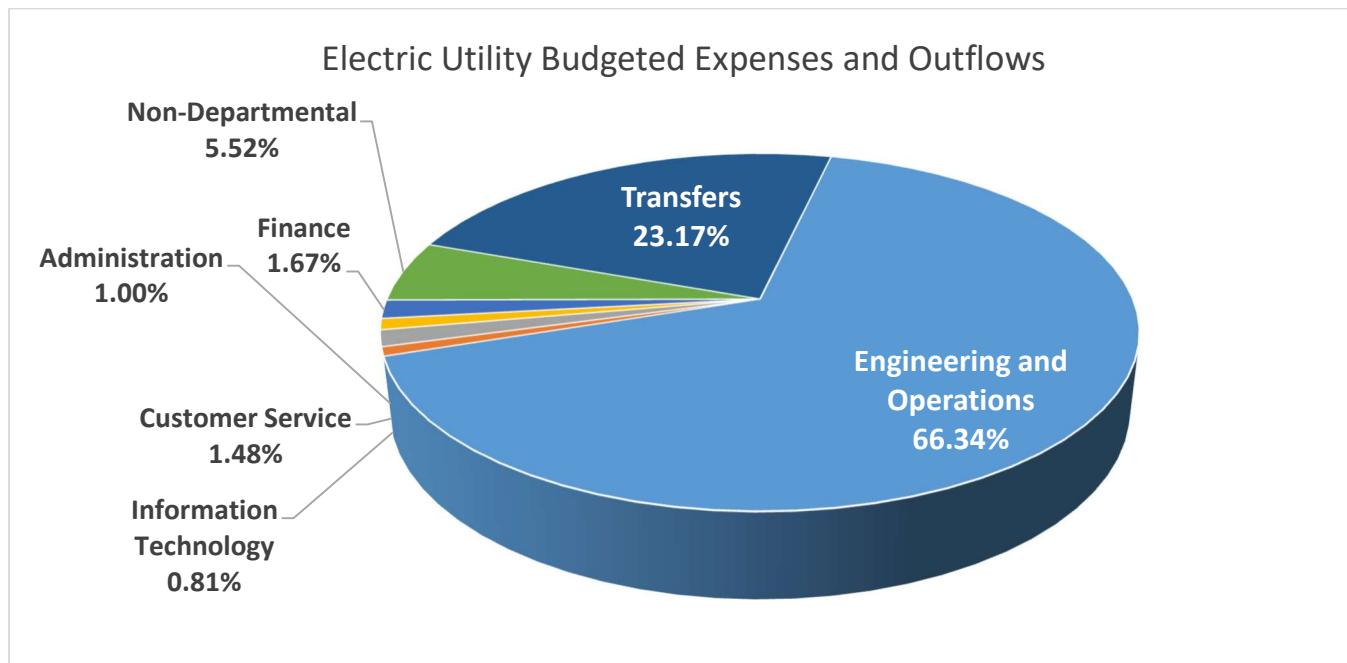
The next chart shows the video and Internet subscribers as projected from FY 2024 through FY 2029. During FY 2024, the Fusion program began shifting television services to a streaming platform. The projections below include this change.



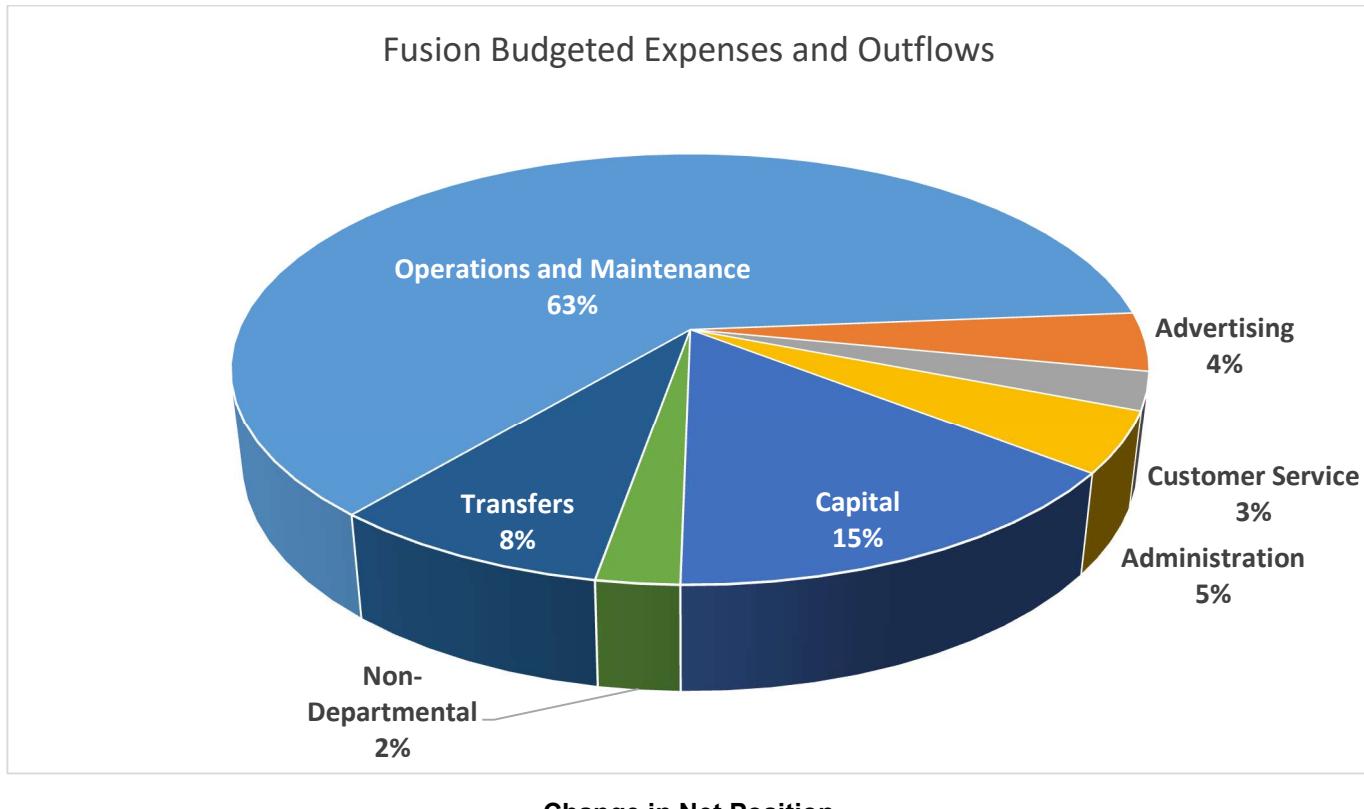
Total Operating Expenses

The total budgeted operating expenses of GEUS Electric and Fusion are expected to decrease by \$610k or 0.67%. Fuel and Purchased Power expenses are anticipated to decrease by approximately 2.7%. Increases in departmental expenses are mostly attributable to a planned merit increase along with related fringe costs and staffing additions.

The following chart shows the Electric Utility's total expenses. Transfers include the general fund transfer defined by City Charter as 5% of adjusted gross revenues, the cost paid to the City for shared services, the Payment In Lieu Of Taxes, the 1% transfer for the Board of Development, and the debt service transfer to the Debt Service Fund.



The next chart shows total budgeted FY 2025 expenses for Fusion. Transfers include the general fund transfer defined by City Charter as 5% of adjusted gross revenues, the cost paid to the City for shared services, the Payment In Lieu Of Taxes, and the 1% transfer for the Board of Development.



Total estimated change in Net Position for FY 2025 is a decrease of \$92.85M. This decrease is attributed to multi-year capital projects and is offset by the projected increase in net position during FY 2024 amounting to \$107.70M. Total estimated change in Operating Net Position is an increase of \$24.62M which excludes capital expenditures and debt service.

Capital and Other Admin Expense

Total Budgeted Capital Expense for FY 2025 is \$175.21M. This is an increase from FY 2024 mostly due to additional projects. Operating Revenues are planned to fund some capital in future years. Large projects such as structures and improvements, transmission and distribution lines, substations, and production equipment, will primarily be funded by debt. The Electric's Fund Capital Expense major projects include the Industrial Park substation upgrade; a new Lee Street substation; a new generation project, transmission pole and line replacement; and feeder extensions. The Fusion Video and Internet Fund's Capital Expense major projects include headend and field equipment replacement and system expansion.

Other administration expenses include property and liability insurance, amortization, and other non-departmental costs.

Summary

In summary, there are many exciting things happening at GEUS Electric Utility and Fusion. With the addition of a new generation source for the Electric Utility, GEUS hopes to help offset the costs of energy to citizens. The Fusion plan for streaming television service is set to bring a modern solution to fit citizens' television and internet needs. Overall, the GEUS mission to provide reliable, competitively priced service to the community is being realized.

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Electric Fund 910 Long-Range Financial Plan

	FY 2023 Actual	FY 2024 Amended Budget	FY 2024 Projected Budget	FY 2025 Approved Budget	FY 2026 Projected Budget	FY 2027 Projected Budget	FY 2028 Projected Budget
Beginning Net Position	\$ 53,116,065	\$ 53,838,749	\$ 53,838,749	\$ 67,517,771	\$ 77,730,406	\$ 85,503,285	\$ 100,845,619
Revenues and Inflows							
Charges for Services and Fees	65,378,832	66,547,707	67,515,451	67,956,590	69,315,722	70,008,879	70,708,968
Other Sales and Income	47,454,148	34,161,728	33,862,820	38,967,880	39,396,527	46,487,901	49,277,176
Transfers-In							
Transfer From City	1,071,326	1,218,952	1,218,952	1,244,550	1,269,441	1,294,830	1,320,726
Transfer From Fusion	168,054	151,264	151,264	154,730	157,825	160,981	164,201
Total Revenues and Inflows	114,072,360	102,079,651	102,748,487	108,323,750	110,139,514	117,952,591	121,471,071
Expenses and Outflows							
Engineering and Operations	75,191,183	73,318,146	69,109,478	71,962,920	73,402,178	66,795,982	67,196,758
Technology Group	922,969	1,169,907	1,107,655	1,602,230	1,634,275	1,666,960	1,700,299
Customer Service	1,675,976	1,856,504	1,922,494	2,357,220	2,404,364	2,452,452	2,501,501
Administration	1,137,774	1,764,800	1,271,962	1,940,480	1,979,290	2,018,875	2,059,253
Business Services	1,895,750	2,055,609	2,082,849	2,227,370	2,271,917	2,317,356	2,363,703
Non-Departmental	6,262,218	1,469,904	1,469,903	1,640,200	1,673,004	1,706,464	1,740,593
Transfers ⁽¹⁾	26,263,806	11,740,241	12,105,124	16,380,695	19,001,606	25,652,168	29,499,994
Total Expenses and Outflows	113,349,676	93,375,111	89,069,465	98,111,115	102,366,635	102,610,258	107,062,101
Change in Net Position	722,684	8,704,540	13,679,022	10,212,635	7,772,879	15,342,334	14,408,970
Ending Net Position	\$ 53,838,749	\$ 62,543,289	\$ 67,517,771	\$ 77,730,406	\$ 85,503,285	\$ 100,845,619	\$ 115,254,589

Notes:

Due to the confidential nature of the electric utility industry, more detailed information is not available. (Texas Government Code, Section 551.086)

This long range plan is designed to help the Electric Utility meet GEUS Board goals of upgrading and improving its system and services while maintaining a customer and community-centric focus.

Revenues are conservatively projected based on community growth and other market factors. FY2027-FY2028 Other Sales and Income will fluctuate due to the new generation project scheduled to be completed during FY2027.

Most expenses are projected to increase by 2% annually; however, E&O reflects a varied projected percentage for FY2027-FY2028 due to the new generation project mentioned above.

(1) Transfers include transfers to the City that typically trend with Charges for

Assumptions:

Description	Projected Growth Rate		
Charges for Services and Fees	2.0%	1.0%	1.0%
Other Sales and Income	1.1%	18.0%	6.0%
Transfer From City	2.0%	2.0%	2.0%
Transfer From Fusion	2.0%	2.0%	2.0%
Engineering and Operations	2.0%	-9.0%	0.6%
Technology Group	2.0%	2.0%	2.0%
Customer Service	2.0%	2.0%	2.0%
Administration	2.0%	2.0%	2.0%
Business Services	2.0%	2.0%	2.0%
Non-Department	2.0%	2.0%	2.0%
Transfers (includes Debt Service)	16.0%	35.0%	15.0%

Fusion Fund 950 Long-Range Financial Plan

	FY 2023 Actual	FY 2024 Amended Budget	FY 2024 Projected Budget	FY 2025 Approved Budget	FY 2026 Projected Budget	FY 2027 Projected Budget	FY 2028 Projected Budget
Beginning Net Position	\$ 8,397,859	\$ 7,987,194	\$ 7,987,194	\$ 7,933,869	\$ 7,935,209	\$ 7,883,474	\$ 7,992,598
Revenues and Inflows							
Fusion Sales	5,778,914	6,147,876	6,147,876	5,917,300	5,976,473	6,036,238	6,096,600
Other Retail Sales	109,329	102,952	102,952	42,500	43,350	44,217	45,101
Transfer For City (5%)	267,419	307,274	307,274	296,780	299,748	302,745	305,773
Transfer For GBOD (1%)	53,528	61,455	61,455	59,360	59,954	60,553	61,159
Miscellaneous Income	168,082	159,429	159,429	159,940	161,539	163,155	164,786
Transfers-In ⁽¹⁾							
Transfer From Electric Fund	397,378	397,378	397,378	397,380	397,380	397,380	397,380
Total Revenues and Inflows	6,774,650	7,176,364	7,176,364	6,873,260	6,938,444	7,004,288	7,070,799
Expenses and Outflows							
Operations and Maintenance	4,299,825	4,762,265	4,807,349	4,301,720	4,387,754	4,475,509	4,565,020
Advertising	336,749	245,557	233,722	301,620	304,636	307,683	310,759
Customer Service	96,292	194,211	192,211	195,610	199,522	203,513	207,583
Administration	253,284	299,812	299,459	315,840	322,157	328,600	335,172
Capital	1,028,761	914,331	914,333	1,013,160	1,024,700	820,935	858,982
Non-Department	485,889	108,924	141,153	170,000	171,700	173,417	175,151
Transfers ⁽²⁾	684,515	641,462	641,462	573,970	579,710	585,507	591,362
Total Expenses and Outflows	7,185,315	7,166,562	7,229,689	6,871,920	6,990,179	6,895,163	7,044,029
Change in Net Position	(410,665)	9,802	(53,325)	1,340	(51,736)	109,125	26,770
Ending Net Position	\$ 7,987,194	\$ 7,996,996	\$ 7,933,869	\$ 7,935,209	\$ 7,883,474	\$ 7,992,598	\$ 8,019,368

Notes:

This long range plan is designed to help Fusion meet GEUS goals of upgrading and improving its system and services while maintaining a customer-centric focus. Revenues are based on expected community growth and an estimate of changes in customer base due to the implementation a new streaming television platform that will be packaged along with internet services. Although the City is growing exponentially, due to the uncertainty factor of the implementation, Fusion Sales are projected conservatively at 1% growth annually. Most expenses are expected to increase by no greater than 2% each year as a result of careful planning by administration.

Assumptions:

Description	Projected Growth Rate
Fusion Sales	1.0%
Other Retail Sales	2.0%
Transfer For City (5%)	1.0%
Transfer For GBOD (1%)	1.0%
Miscellaneous Income	1.0%
Transfer From Electric Fund	Remain flat
Operations and Maintenance	2.0%
Advertising	1.0%
Customer Service	2.0%
Administration	2.0%
Capital	Per Capital Plan
Non-Department	1.0%
Transfers	1.0%

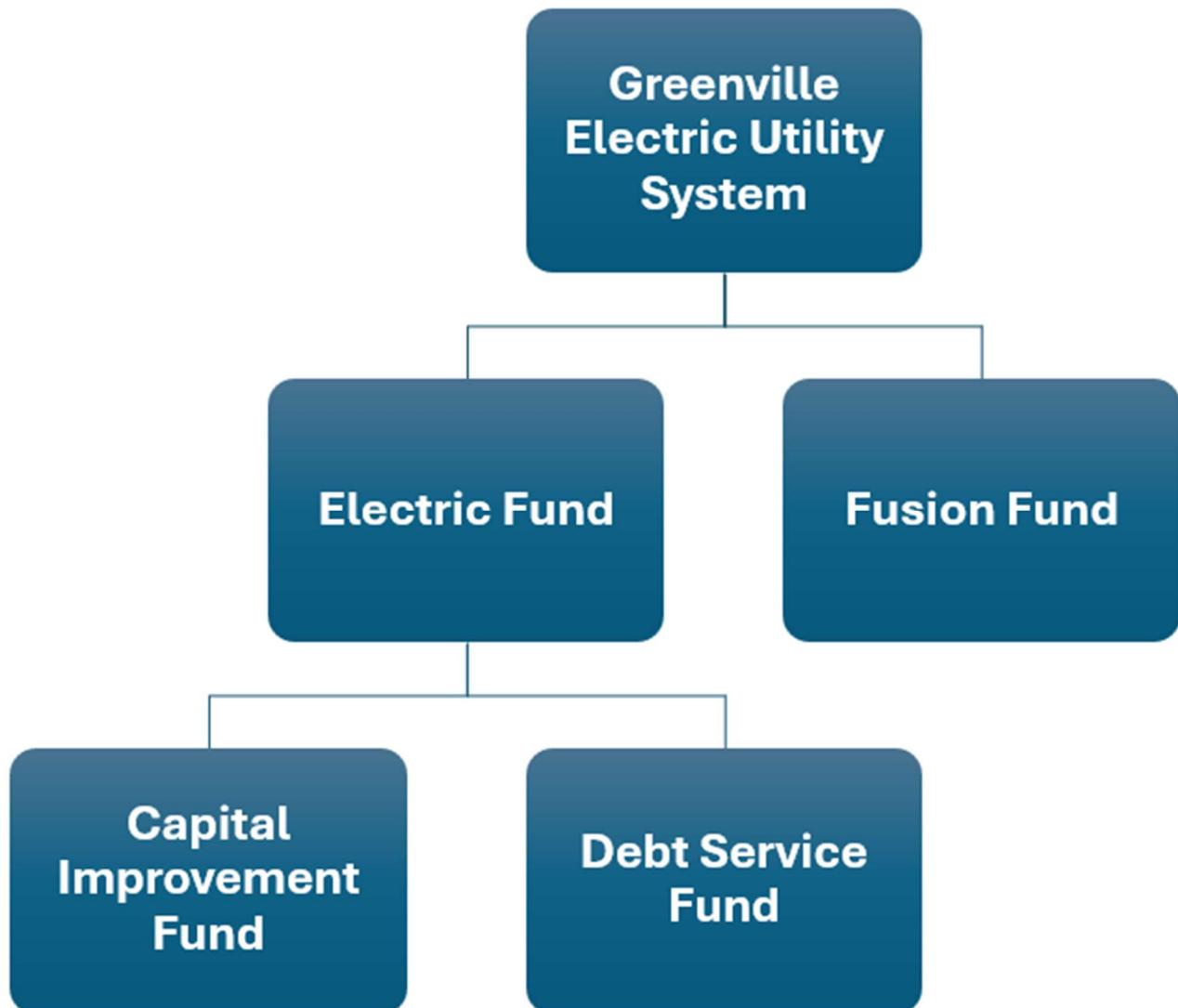
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Financial Summaries

Fund Structure

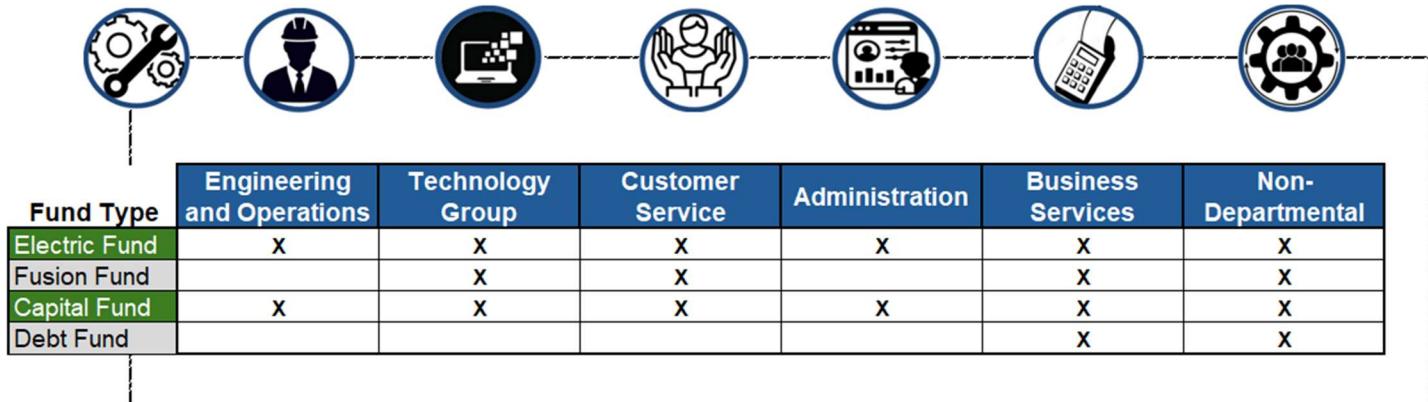


Fund Definitions

The adopted budget for GEUS represents four funds necessary to account for financial transactions. Each fund has a specific purpose as shown below.

1. Operating Funds - Operating funds are for day-to-day operations and account for all routine expenses. GEUS has two operating funds: the Electric Fund and the Fusion Fund. These are both proprietary type funds.
 - a. The Electric Fund (Fund 910) supports all operating transactions for the Electric Utility portion of GEUS.
 - b. The Fusion Fund (Fund 950) is used to account for the revenues and the expenses from the television and internet services provided by GEUS Fusion.
2. Debt Service Fund (Fund 912) – The debt service funds is a governmental type funds used for the accumulation of resources for the payment of long-term debt.
3. Capital Project Fund (Fund 913) - This fund accounts for financial resources for the acquisition or construction of major capital expenditures. The expenditures for each bond issue are tracked in this fund and are kept separate from the operating transactions.

Fund to Department Relationship Matrix





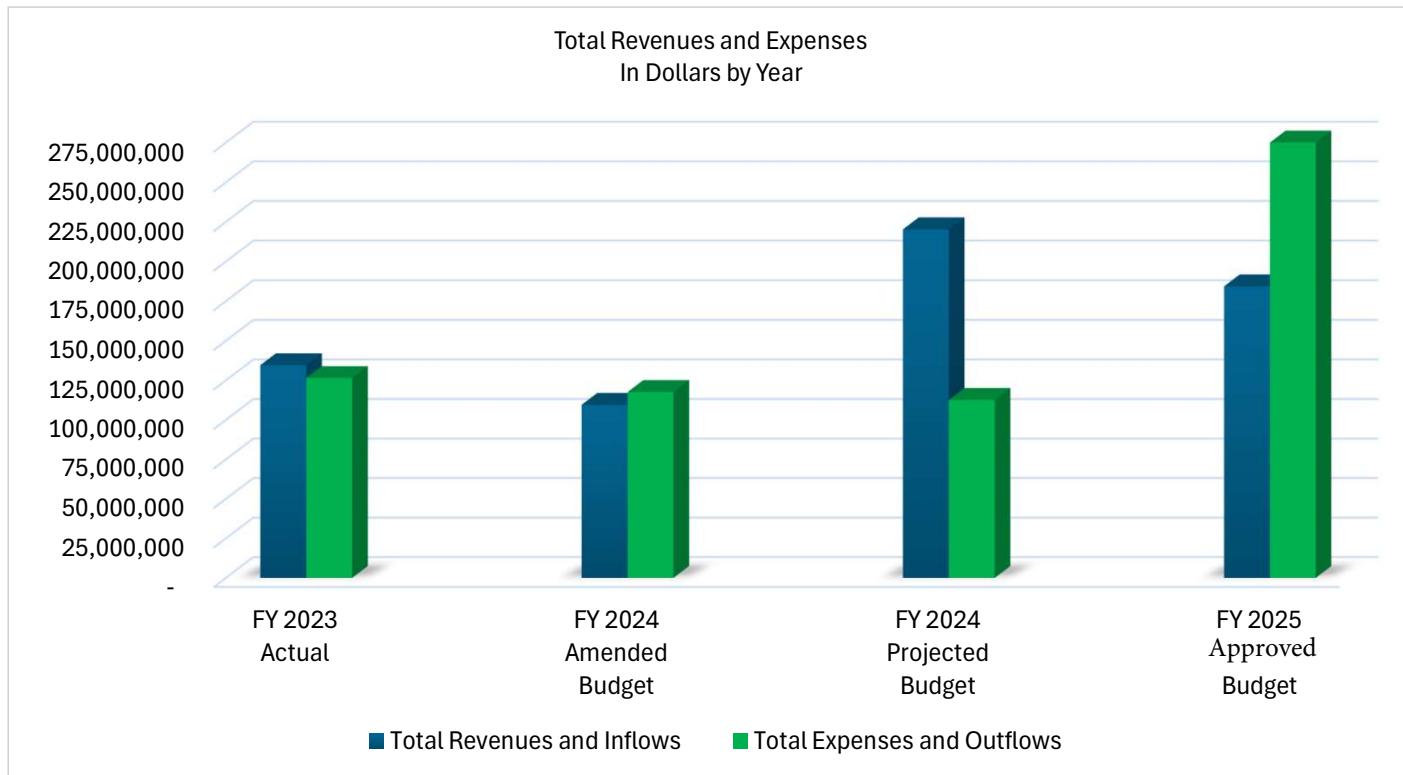
**Greenville Electric Utility System
Combined Budget Summary
Fiscal Year 2024-25**

Fund Name	Beginning Balances 10/01/2024	Revenues/ Transfers In	Appropriations/ Transfers out	Ending Balances 09/30/2025
Electric Fund	67,517,772	108,323,750	98,111,115	\$ 77,730,407
Fusion Fund	7,933,869	6,873,260	6,871,920	7,935,209
Debt Service Fund	150	11,361,875	11,361,725	300
Capital Fund	<u>104,068,645</u>	<u>69,095,607</u>	<u>172,158,780</u>	<u>1,005,472</u>
Total All Funds	<u><u>\$ 179,520,436</u></u>	<u><u>\$ 195,654,492</u></u>	<u><u>\$ 288,503,540</u></u>	<u><u>\$ 86,671,388</u></u>



**Greenville Electric Utility System
Statement of Revenues and Expenses
Fiscal Year 2024-25**

	FY 2023 Actual	FY 2024 Amended Budget	FY 2024 Projected Budget	FY 2025 Approved Budget	Percent Change Amended to Approved Budget
Beginning Net Position	\$ 63,685,893	\$ 71,818,550	\$ 71,818,550	\$ 179,520,436	
Revenues and Inflows					
Electric Revenues	114,072,360	102,079,651	102,748,487	108,323,750	6.12%
Fusion Revenues	6,774,650	7,176,364	7,176,364	6,873,260	-4.22%
Debt and Capital Outlay ⁽¹⁾	13,768,349	255,000	110,338,311	69,095,757	26996.38%
Total Revenues and Inflows	<u>134,615,359</u>	<u>109,511,015</u>	<u>220,263,162</u>	<u>184,292,767</u>	<u>68.29%</u>
Expenses and Outflows					
Operating - Electric	91,956,553	84,930,730	80,721,722	84,714,640	-0.25%
Operating - Fusion	6,156,554	6,252,230	6,315,356	5,858,760	-6.29%
Capital - Electric ⁽²⁾	17,776,084	18,726,054	17,830,983	174,193,530	830.22%
Capital - Fusion	1,028,761	914,331	914,333	1,013,160	10.81%
Debt Service	9,564,750	6,778,882	6,778,882	11,361,725	67.60%
Total Expenses and Outflows	<u>126,482,702</u>	<u>117,602,227</u>	<u>112,561,276</u>	<u>277,141,815</u>	<u>135.66%</u>
Change in Net Position ⁽³⁾	<u>8,132,657</u>	<u>(8,091,212)</u>	<u>107,701,886</u>	<u>(92,849,048)</u>	
Ending Net Position ⁽⁴⁾	<u><u>\$ 71,818,550</u></u>	<u><u>\$ 63,727,338</u></u>	<u><u>\$ 179,520,436</u></u>	<u><u>\$ 86,671,388</u></u>	



NOTES:

(1) Includes bond proceeds.

(2) Includes cash and/or debt funded capital expenses.

(3) FY 2025 budgeted change in net position includes \$103,063,173 in expenses for multi-year CIP projects utilizing the Series 2024 bond sale. When excluding these bond funded expenses, change in net position reflects an increase of \$10,214,125. Decrease in net position is due to multi-year projects utilizing bond proceeds from fund balance. More information can be found in the individual fund reports.

(4) FY 2023 ending fund balance ties to the GEUS FY2022-23 Annual Comprehensive Financial Report (ACFR).

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Electric Utility Fund 910

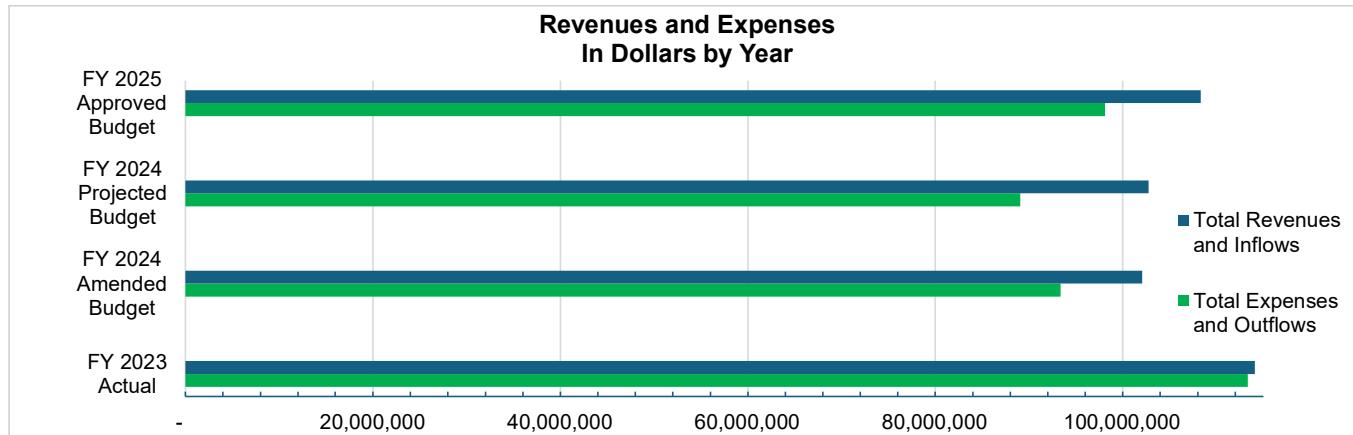
GEUS utilizes fund accounting and the Electric Utility Fund is used to account for the provision of electric energy and other services to the customers in the City of Greenville and the surrounding service area. The fund accounts for the billing and collection of charges to customers for electric energy and services as well as other City utilities. The Fund is reimbursed by the City of Greenville for the collection of City utilities through inter-fund transfers.

The basis of accounting for the Electric Utility Fund is the accrual basis; the budgetary basis of accounting is the modified accrual basis. As part of the budgetary basis, cash capital purchases are reported as expenditures. Depreciation and bad debt expenses have not historically been included in budgeted expenditures. At the end of the fiscal year, eligible capital purchases are transferred to the Statement of Net Position as investments in net assets, while depreciation and bad debt expenses are recorded on the Statement of Revenues and Expenses.



**Greenville Electric Utility System
Approved Electric Fund 910 Budget
Fiscal Year 2024-25**

	FY 2023 Actual	FY 2024 Amended Budget	FY 2024 Projected Budget	FY 2025 Approved Budget	Percent Change Amended to Approved Budget
Beginning Net Position	\$ 53,116,065	\$ 53,838,749	\$ 53,838,749	\$ 67,517,771	
Revenues and Inflows					
Charges for Services and Fees	65,378,832	66,547,707	67,515,451	67,956,590	2.1%
Other Sales and Income	47,454,148	34,161,728	33,862,820	38,967,880	14.1%
Transfers-In					
Transfer From City	1,071,326	1,218,952	1,218,952	1,244,550	2.1%
Transfer From Fusion	168,054	151,264	151,264	154,730	2.3%
Total Revenues and Inflows	<u>114,072,360</u>	<u>102,079,651</u>	<u>102,748,487</u>	<u>108,323,750</u>	6.1%
Expenses and Outflows					
Engineering and Operations	75,191,183	73,318,146	69,109,478	71,962,920	-1.8%
Technology Group	922,969	1,169,907	1,107,655	1,602,230	37.0%
Customer Service	1,675,976	1,856,504	1,922,494	2,357,220	27.0%
Administration	1,137,774	1,764,800	1,271,962	1,940,480	10.0%
Business Services	1,895,750	2,055,609	2,082,849	2,227,370	8.4%
Non-Departmental ⁽¹⁾	6,262,218	1,469,904	1,469,903	1,640,200	11.6%
Transfers	26,263,806	11,740,241	12,105,124	16,380,695	39.5%
Total Expenses and Outflows	<u>113,349,676</u>	<u>93,375,111</u>	<u>89,069,465</u>	<u>98,111,115</u>	5.1%
Change in Net Position	<u>722,684</u>	<u>8,704,540</u>	<u>13,679,022</u>	<u>10,212,635</u>	
Ending Net Position	<u><u>\$ 53,838,749</u></u>	<u><u>\$ 62,543,289</u></u>	<u><u>\$ 67,517,771</u></u>	<u><u>\$ 77,730,406</u></u>	



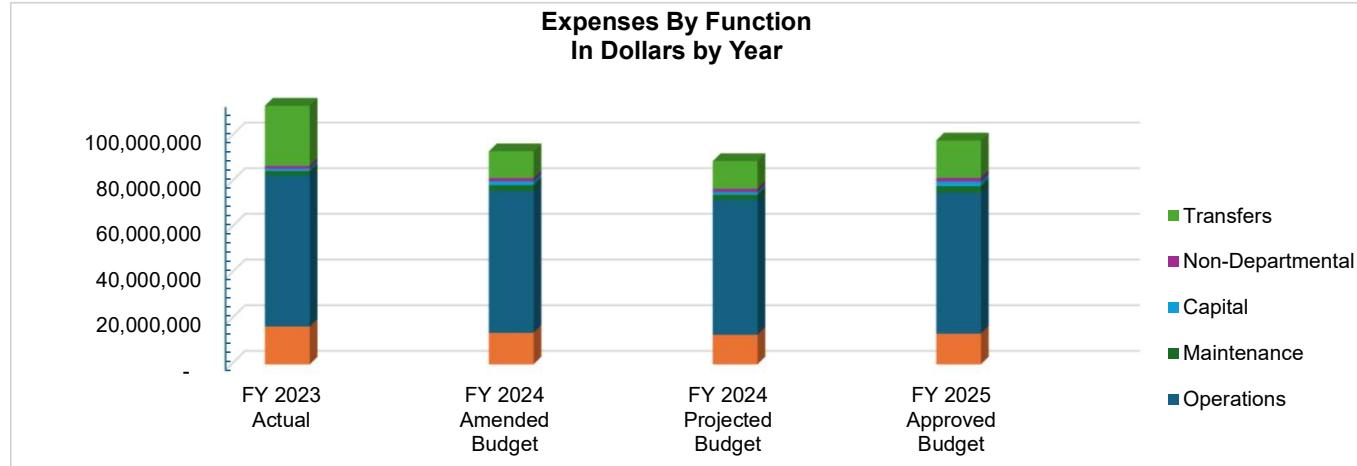
NOTES:

(1) Non-Department costs include employee relations, bad debt, bank fees, inventory adjustments, estimated gains/losses, contingencies, and



Greenville Electric Utility System
Approved Electric Fund 910 Budget
By Function
Fiscal Year 2024-25

	FY 2023 Actual	FY 2024 Amended Budget	FY 2024 Projected Budget	FY 2025 Approved Budget	Percent Change Amended to Approved Budget
Beginning Net Position	\$ 53,116,065	\$ 53,838,749	\$ 53,838,749	\$ 67,517,771	
Revenues and Inflows					
Charges for Services and Fees	65,378,832	66,547,707	67,515,451	67,956,590	2.1%
Other Sales and Income	47,454,148	34,161,728	33,862,820	38,967,880	14.1%
Transfers-In					
Transfer From City	1,071,326	1,218,952	1,218,952	1,244,550	2.1%
Transfer From Fusion	168,054	151,264	151,264	154,730	2.3%
Total Revenues and Inflows	114,072,360	102,079,651	102,748,487	108,323,750	6.1%
Expenses and Outflows					
Personnel	16,584,743	13,858,218	13,003,532	13,434,510	-3.1%
Operations	66,157,024	62,160,386	59,160,129	61,951,710	-0.3%
Maintenance	1,960,342	2,528,737	2,159,714	2,700,790	6.8%
Capital	1,100,377	1,665,500	1,203,978	2,034,750	22.2%
Non-Departmental ⁽¹⁾	1,206,149	1,422,029	1,436,988	1,608,660	13.1%
Transfers	26,341,041	11,740,241	12,105,124	16,380,695	39.5%
Total Expenses and Outflows	113,349,676	93,375,111	89,069,465	98,111,115	5.1%
Change in Net Position	722,684	8,704,540	13,679,022	10,212,635	
Ending Net Position	<u>\$ 53,838,749</u>	<u>\$ 62,543,289</u>	<u>\$ 67,517,771</u>	<u>\$ 77,730,406</u>	



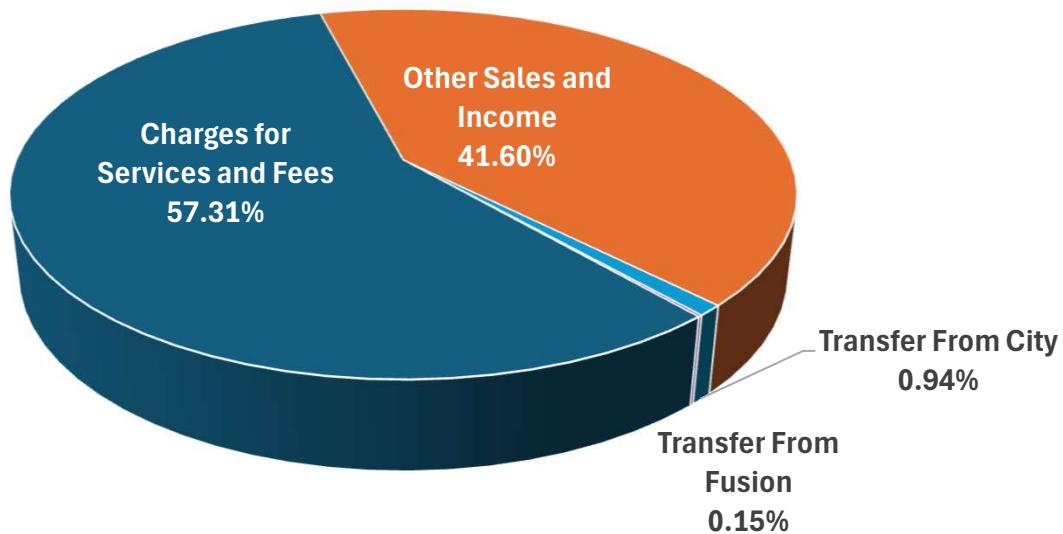
NOTES:

(1) Non-Department costs include employee relations, bad debt, bank fees, inventory adjustments, estimated gains/losses, contingencies, and property/liability insurance. Year end entries such as depreciation expense are not included in budgeted amounts.

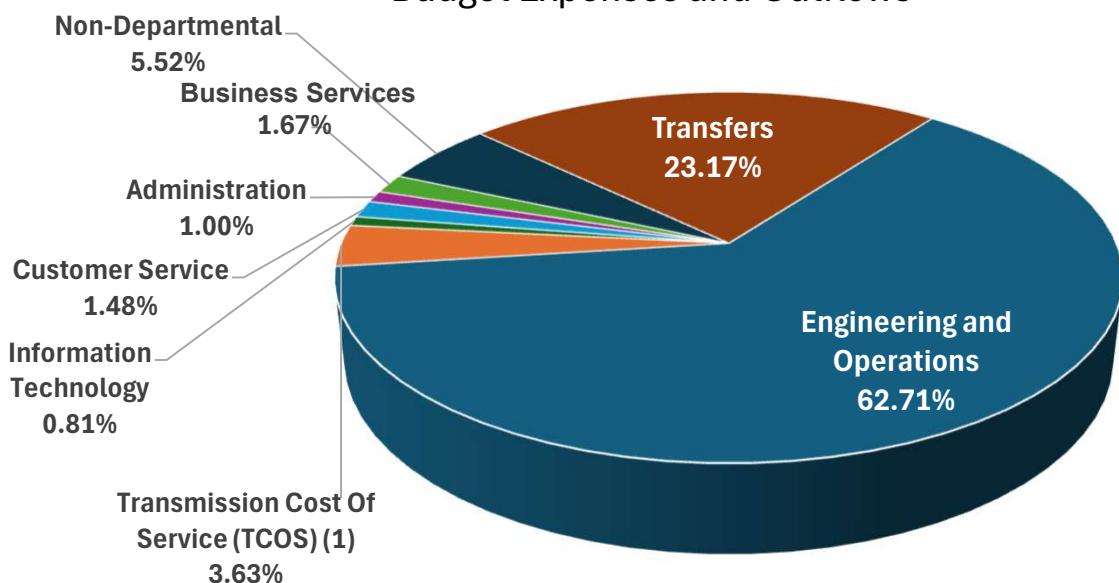
Electric Utility Fund 910

FY2024-2025

Budgeted Revenues and Inflows



Budget Expenses and Outflows





Fusion Fund 950

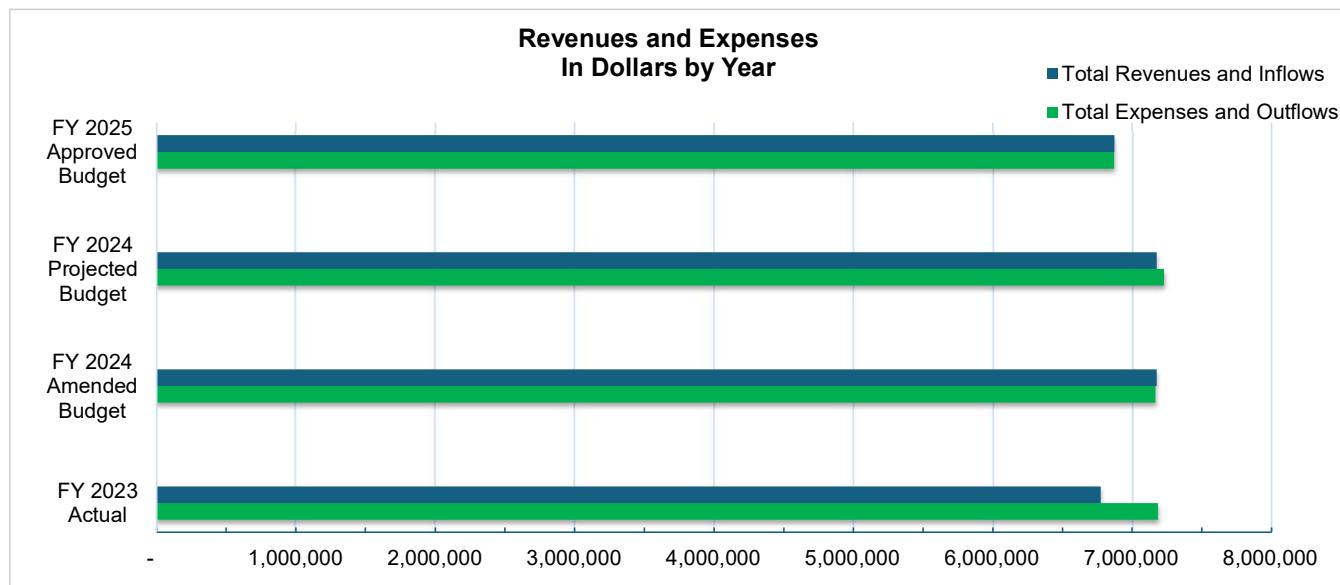
GEUS utilizes fund accounting and the Fusion Fund is used to account for sales of television programming, internet service, and the installation of these services to customers in the City of Greenville.

The basis of accounting for the Fusion Fund is the accrual basis; the budgetary basis of accounting is the modified accrual basis. Depreciation and bad debt expenses are not included in budgeted expenditures. At the end of the fiscal year, eligible capital purchases are transferred to the Statement of Net Position as investments in net assets, while depreciation and bad expenses are recorded on the Statement of Revenues and Expenses.



**Greenville Electric Utility System
Approved Fusion Fund 950 Budget
Fiscal Year 2024-25**

	FY 2023 Actual	FY 2024 Amended Budget	FY 2024 Projected Budget	FY 2025 Approved Budget	Percent Change Amended to Approved Budget
Beginning Net Position	\$ 8,397,859	\$ 7,987,194	\$ 7,987,194	\$ 7,933,869	
Revenues and Inflows					
Fusion Sales	5,778,914	6,147,876	6,147,876	5,917,300	-3.8%
Other Retail Sales	109,329	102,952	102,952	42,500	-58.7%
Transfer To City (5%)	267,419	307,274	307,274	296,780	-3.4%
Transfer To GBOD (1%)	53,528	61,455	61,455	59,360	-3.4%
Miscellaneous Income	168,082	159,429	159,429	159,940	0.3%
Transfers-In					0.0%
Transfer From Electric Fund	397,378	397,378	397,378	397,380	0.0%
Total Revenues and Inflows	<u>6,774,650</u>	<u>7,176,364</u>	<u>7,176,364</u>	<u>6,873,260</u>	<u>-4.2%</u>
Expenses and Outflows					
Operations and Maintenance	4,299,825	4,762,265	4,807,349	4,301,720	-9.7%
Advertising	336,749	245,557	233,722	301,620	22.8%
Customer Service	96,292	194,211	192,211	195,610	0.7%
Administration	253,284	299,812	299,459	315,840	5.3%
Capital	1,028,761	914,331	914,333	1,013,160	10.8%
Non-Department ⁽¹⁾	485,889	108,924	141,153	170,000	56.1%
Transfers	684,515	641,462	641,462	573,970	-10.5%
Total Expenses and Outflows	<u>7,185,315</u>	<u>7,166,562</u>	<u>7,229,689</u>	<u>6,871,920</u>	<u>-4.1%</u>
Change in Net Position	(410,665)	9,802	(53,325)	1,340	
Ending Net Position ⁴	<u><u>\$ 7,987,194</u></u>	<u><u>\$ 7,996,996</u></u>	<u><u>\$ 7,933,869</u></u>	<u><u>\$ 7,935,209</u></u>	



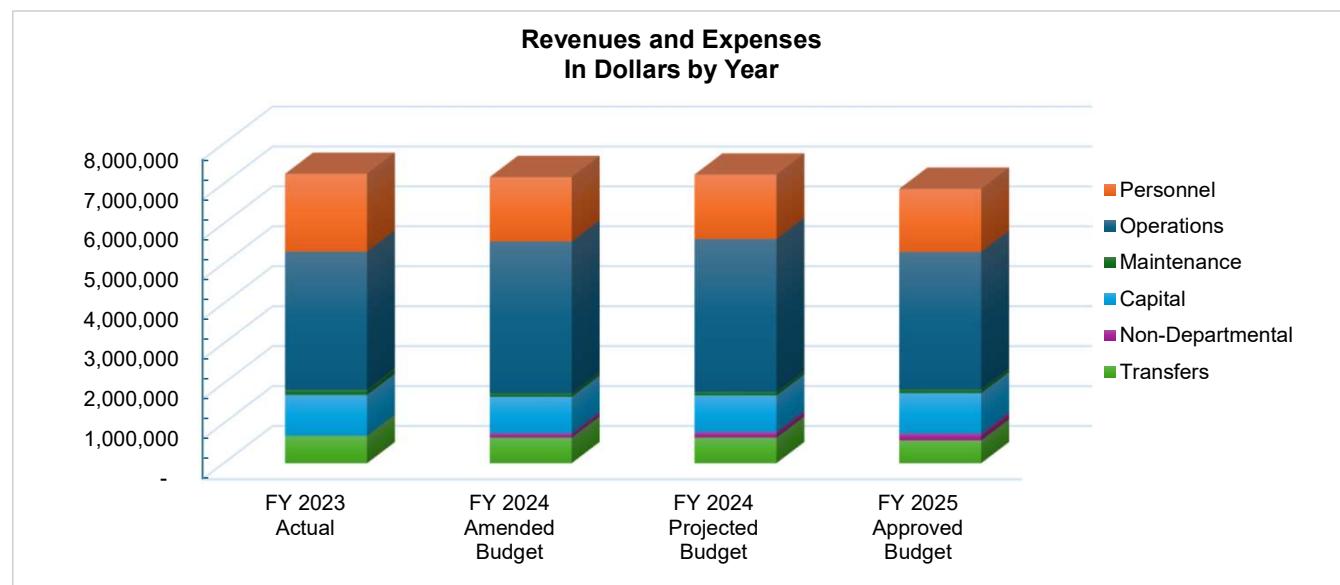
NOTES:

(1) Non-Department costs include employee relations, bad debt, bank fees, inventory adjustments, estimated gains/losses, contingencies, and property/liability insurance. Year end entries such as depreciation expense are not included in budgeted amounts.



Greenville Electric Utility System
Approved Fusion Fund 950 Budget
By Function
Fiscal Year 2024-25

	FY 2023 Actual	FY 2024 Amended Budget	FY 2024 Projected Budget	FY 2025 Approved Budget	Percent Change Amended to Approved Budget
Beginning Net Position	\$ 8,397,859	\$ 7,987,194	\$ 7,987,194	\$ 7,933,869	
Revenues and Inflows					
Fusion Sales	5,778,914	6,147,876	6,147,876	5,917,300	-3.8%
Other Retail Sales	109,329	102,952	102,952	42,500	-58.7%
Transfer To City (5%)	267,419	307,274	307,274	296,780	-3.4%
Transfer To GBOD (1%)	53,528	61,455	61,455	59,360	-3.4%
Miscellaneous Income	168,082	159,429	159,429	159,940	0.3%
Transfers-In					0.0%
Transfer From Electric Fund	397,378	397,378	397,378	397,380	0.0%
Total Revenues and Inflows	6,774,650	7,176,364	7,176,364	6,873,260	-4.2%
Expenses and Outflows					
Personnel	1,950,721	1,614,207	1,614,173	1,581,110	-2.1%
Operations	3,459,954	3,798,938	3,829,968	3,445,080	-9.3%
Maintenance	122,617	88,700	88,600	88,600	-0.1%
Capital	1,028,761	914,331	914,333	1,013,160	10.8%
Non-Departmental ⁽³⁾	(61,253)	108,924	141,153	170,000	56.1%
Transfers	684,515	641,462	641,462	573,970	-10.5%
Total Expenses and Outflows	7,185,315	7,166,562	7,229,689	6,871,920	-4.1%
Change in Net Position	(410,665)	9,802	(53,325)	1,340	
Ending Net Position ⁴	<u>\$ 7,987,194</u>	<u>\$ 7,996,996</u>	<u>\$ 7,933,869</u>	<u>\$ 7,935,209</u>	



NOTES:

(1) Non-Department costs include employee relations, bad debt, bank fees, inventory adjustments, estimated gains/losses, contingencies, and property/liability insurance. Year end entries such as depreciation expense are not included in budgeted amounts.



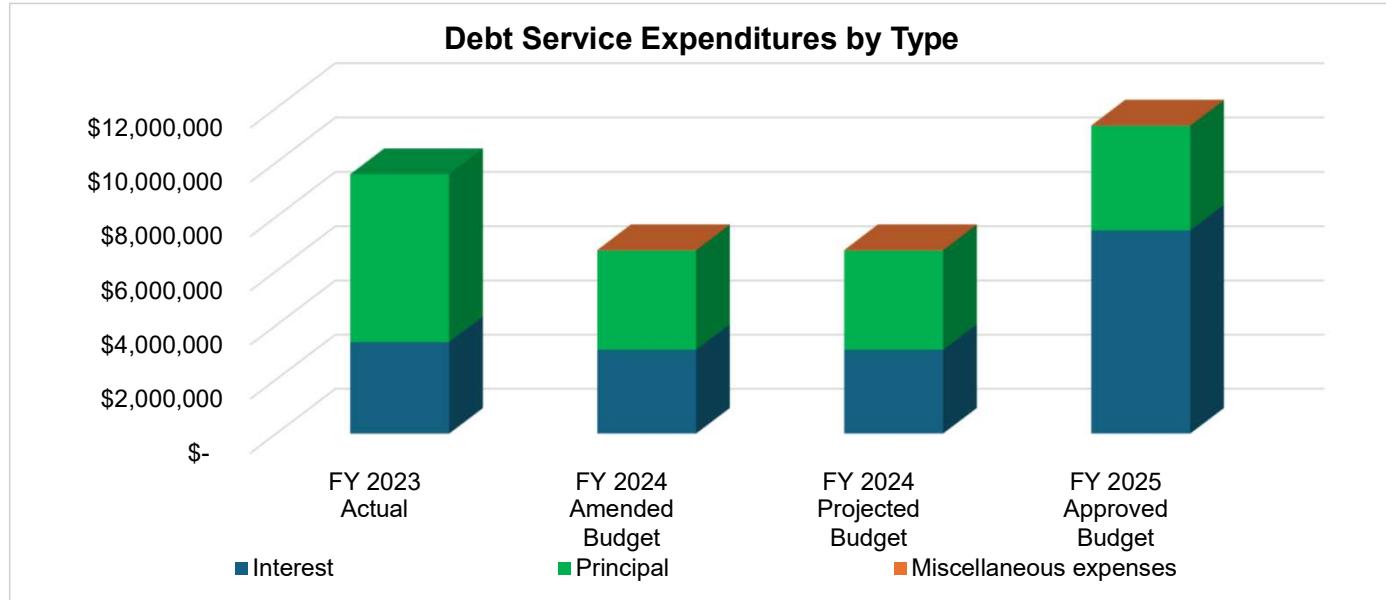
Debt Service Funds 911-912

The Debt Service (Interest and 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.



Greenville Electric Utility System
Approved Debt Service Funds 911-912 Budget
Fiscal Year 2024-25

	FY 2023 Actual	FY 2024 Amended Budget	FY 2024 Projected Budget	FY 2025 Approved Budget	Percent Change Amended to Approved Budget
Beginning Net Position	\$ 2,066,297	\$ (364,883)	\$ (364,883)	\$ 150	
Revenues and Inflows					
Interest Income	135	-	150	150	0.0%
Transfer In - Electric	7,133,435	6,778,882	7,143,765	11,361,725	67.6%
Total Revenues and Inflows	<u>7,133,570</u>	<u>6,778,882</u>	<u>7,143,915</u>	<u>11,361,875</u>	67.6%
Expenses and Outflows					
Paying Agent Fees	(3,984)	7,500	7,500	7,500	0.0%
Arbitrage	-	5,000	5,000	5,000	0.0%
Continuing Disclosure	1,000	1,000	1,000	1,000	0.0%
Surety Bond	-	1,600	1,600	1,600	0.0%
Principal 2019A Issue	2,250,000	2,370,000	2,370,000	2,490,000	5.1%
Interest 2019A Issue	1,704,187	1,602,750	1,602,750	193,000	-88.0%
Principal 2019B Issue	2,600,000	-	-	-	0.0%
Interest 2019B Issue	58,513	-	-	-	0.0%
Principal 2021 CIP Issue	670,000	255,000	255,000	270,000	5.9%
Interest 2021 CIP Issue	412,872	423,244	423,244	410,119	-3.1%
Principal 2022 Refunding	670,000	850,000	850,000	875,000	2.9%
Interest 2022 Refunding	667,210	399,713	399,713	375,131	-6.1%
Principal 2022 CIP Issue	-	195,000	195,000	210,000	7.7%
Interest 2022 CIP Issue	534,952	668,075	668,075	655,925	-1.8%
Principal 2024 CIP Issue	-	-	-	-	0.0%
Interest 2024 CIP Issue	-	-	-	5,867,450	0.0%
Total Expenses and Outflows	<u>9,564,750</u>	<u>6,778,882</u>	<u>6,778,882</u>	<u>11,361,725</u>	67.6%
Change in Net Position	<u>(2,431,180)</u>	<u>-</u>	<u>365,033</u>	<u>150</u>	
Ending Net Position	<u><u>\$ (364,883)</u></u>	<u><u>\$ (364,883)</u></u>	<u><u>\$ 150</u></u>	<u><u>\$ 300</u></u>	



NOTES:

Bond coverage ratio proposed for FY 2025 is currently calculated at 1.70. GEUS Target Ratio is 1.50. Bond covenants require 1.25.



Capital Improvement Fund 913

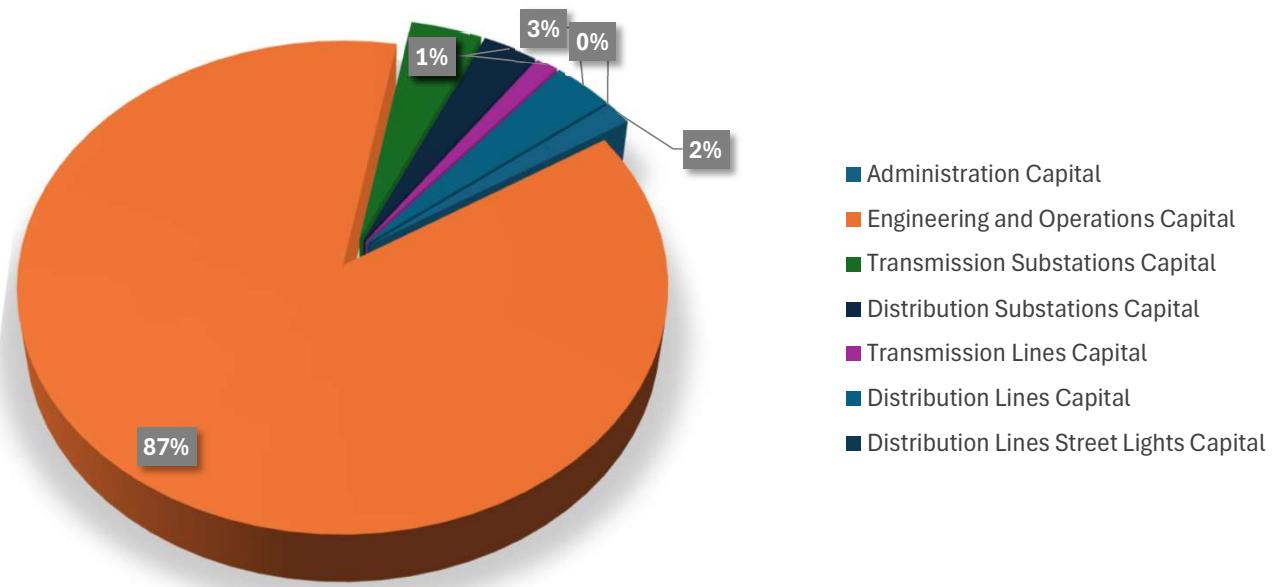
The Electric Capital Improvement Fund is used for planning and tracking debt-funded capital improvement projects for the Electric Utility program.



**Greenville Electric Utility System
Approved Capital Projects Fund 913 Budget
Fiscal Year 2024-25**

	FY 2023 Actual	FY 2024 Amended Budget	FY 2024 Projected Budget	FY 2025 Approved Budget	Percent Change Amended to Approved Budget
Beginning Net Position	\$ 105,671	\$ 10,357,489	\$ 10,357,489	\$ 104,068,645	
Revenues/Inflows:					
Bond Proceeds ⁽¹⁾	13,159,311	-	109,763,161	68,595,607	0.0%
Interest Income	608,903	255,000	575,000	500,000	96.1%
Total Revenues	13,768,214	255,000	110,338,161	69,095,607	
Capital Outlay					
Administration Capital	-	160,000	675,000	2,674,000	1571.3%
GEUS IT Capital	77,052	1,149,633	1,183,000	-	-100.0%
Engineering and Operations Capital	-	984,750	558,000	149,520,370	15083.6%
Transmission Substations Capital	76,478	3,017,808	3,348,608	6,733,220	123.1%
Distribution Substations Capital	218,148	4,442,584	3,454,384	5,247,730	18.1%
Transmission Lines Capital	793,367	3,803,600	2,005,600	2,150,950	-43.4%
Distribution Lines Capital	2,332,662	3,502,179	5,402,413	5,816,870	66.1%
Distribution Lines Street Lights Capital	18,689	-	-	15,640	0.0%
Total Capital Outlay	3,516,396	17,060,554	16,627,005	172,158,780	909.1%
Change in Net Position ⁽²⁾	10,251,818	(16,805,554)	93,711,156	(103,063,173)	
Ending Net Position	\$ 10,357,489	\$ (6,448,065)	\$ 104,068,645	\$ 1,005,472	

FY2025 Debt Funded Projects by Department



NOTES:

(1) Fiscal year 2024 projections include an inflow for bond sale proceeds to cover the remaining fiscal year 2024 projects and the approved fiscal year 2025 capital projects.

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Policies and Practices

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 will include the following:

- Current gross revenue comparison to previous year actuals and current budget;
- Current power costs comparison to previous year actuals and current budget;
- Current distribution operation expense comparison to previous year actuals and current budget;
- Current administrative expense comparison to previous year actuals and current budget;
- Current year's change in net position comparison to previous year actuals and current budget;
- Current fuel cost and fuel adjustment calculation;
- Current energy sales by category compared to previous year actuals and current budget;
- Current cash balances by fund and financial Key Performance Indicators;
- Quarterly investment report (as defined in the Investment Policy, P129.01)
- Uncollectible Accounts Receivable Report (See 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 audit of GEUS is to be completed not more than 180 days after the last day of the fiscal year in order to comply with Texas State law and required Annual Reports under Continuing Disclosures of the Electric System's Revenue Bond's Official Statements.

Every three to five years, the City of Greenville will issue requests for proposals and select a mutually agreed upon 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 current bond ordinances;
- Maintain cash reserves equal to a minimum of 225 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 options 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 Study 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 the cost of 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.

PAYMENT IN LIEU OF TAXES (PILOT)

GEUS shall pay a PILOT 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 GEUS to the City in lieu of tax. This policy can be summarized as follows:

- Five percent (5%) of the Adjusted Gross Revenues of GEUS shall be transferred to the General Fund of the City;
- One percent (1%) of the Adjusted Gross Revenues of GEUS 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 GEUS Board of Trustees.

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 GEUS 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 System Revenue and Refunding Bonds, Series 2024. The Ordinance requires that the Board establish an Electric Revenue Fund and Bond 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 the Electric Revenue Fund.

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 is 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 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.

CAPITAL ASSETS AND WAREHOUSE INVENTORY

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

Authority for making purchases for GEUS is provided by State Law, GEUS Policies, GEUS 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 GEUS. 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 \$1,000.00 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 \$1,000 and under will be purchased with a Procurement Card (P-Card). Purchases of \$1,000 or less do not require competitive quotes.

Purchases in excess of \$1,000 but less than \$50,000 will require at least three (3) written quotes. Purchases in excess of \$3,000 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. These sealed proposals and bids may be received electronically in accordance with Texas Local Government Code 252.0415 and rules as adopted in GEUS "Rules for the Electronic Receipt of Bid or Proposals". Award of such bids or proposals will be by approval of the Board of Trustees.

The General Manager (or designee) has the authority to make emergency purchases in excess of \$50,000 without advanced approval of the Board, provided that the Chairman of the Board (or alternate Board member) is first consulted with regard to the purchase and provided further that the purchase is submitted to the Board at the next regular scheduled Board meeting to ratify the emergency purchase. However, such emergency purchases will require written quotes from a minimum of three suppliers, where possible. In no event shall an emergency purchase be made without a written quote or authorizing agreement.

➤ **Warehouse**

The warehouse is under the supervision of the Finance Manager and 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 Finance Manager or 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 detriment of GEUS.
- 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 GEUS.
- 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.

GEUS prohibits the acceptance by any GEUS 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 \$1,000 or less.

Any Department Head or his/her designee may make a purchase of items costing \$1000 or less. The purchase will be made by Procurement Card (P-Card).

The following information is for purchases greater than \$1,000 but less than \$3,000.

Any Department Head or his/her designee may make a purchase of items costing \$3,000 or less. Any purchase over \$1,000 but less than \$3,000 requires 3 verbal quotes documented on purchase requisition.

The following information is for purchases greater than \$3,000 but less than \$49,999.

All quotations over \$3,000 but less than \$49,999 must be in written format. Purchases over \$3,000 will require quotes from at least two Historically Underutilized Business (HUB) based on information from the Office of Economic Development. If the Office of Economic Development does not contain any Hubs in Hunt County this rule does not apply; GEUS may award a purchase to a bidder whose principal business is in the City of Greenville and whose bid is within 5% 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 approved Department Head. Any requisition greater than \$5000 must also be approved 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. The sealed proposal and bids may be received electronically in accordance with Texas Local Government Code 252.0415 and rules as adopted in GEUS "Rules for the Electronic Receipt of Bids or Proposals". GEUS Board Policy No 118.01 Rev M. Exemption to the competitive bidding/proposal process are listed in Local Government Code 252 and Local Government Code 271. All expenditures greater than \$50,000 must be approved by the Board of Trustees according to GEUS Board Policy No 118.01, Rev M.

It is against State law to make component, separate or sequential purchased 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 four 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.

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

Purchases more than \$1000 but less than \$3,000 require verbal quotes from at least three qualified vendors. Purchases of more than \$3,000 but less than \$50,000 require (3) three written quotes with (2) two being disadvantaged business within the County. If the Office of Economic Development does not contain any Hubs in Hunt County this rule does not apply.

Contracts or purchases greater than \$50,000 must be processed through the competitive sealed bidding/proposal process. The sealed proposal and bids may be received electronically in accordance with Texas Local Government Code 252.0415 and rules as adopted in GEUS "Rules for the Electronic Receipt of Bids or Proposals". GEUS Board Policy No 118.01 Rev M. Exemption to the competitive bidding/proposal process are listed in Local Government Code 252 and Local Government Code 271.

All expenditures greater than \$50,000 must be approved by the Board of Trustees according to GEUS Board Policy No 118.01, Rev M.

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 \$1,000 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 \$5,000, 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 into 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.

Greenville Electric Utility System (GEUS)
Fiscal Year 2024 - 2025 Budget

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.

Budgetary Policies and Practices

BUDGET POLICY

GEUS 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. A budget plan including sufficient detail to evaluate prior two year's revenues and expenses, current projections and proposed budget;
 - 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 minimum of one public hearing prior to approval of the proposed budget. A special meeting shall be called for the sole purpose of providing a public hearing for the proposed budget.
5. At any time during the fiscal year, the General Manager may transfer any part of the unencumbered balance or the entire balance thereof between programs or general classification of expenditure within an office, department or organizational unit within a fund. At any time during the fiscal year, at the request of the General Manager, the GEUS Board of Trustees may, by Resolution, transfer any part of the unencumbered appropriation balance or the entire balance thereof from one office, department or organizational unit to another in a different fund.

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.

BALANCED BUDGET

GEUS' budget should be balanced with approved expenditures and expenses not exceeding current year revenues, transfers in, and available net position. The net position is the difference between the total assets and the total liabilities of each GEUS fund. GEUS avoids budget practices that balance current appropriations at the cost of meeting future years' needs, such as postponing spending or accruing future inflows. The budget shall comply with relevant financial policies.

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Department Profiles

Engineering and Operations
Technology
Customer Service
Administration
Business Services
Non-Departmental
Transfers

Engineering and Operations

The Engineering and Operations Department (E&O) is responsible for transmission, substation and distribution standards, planning, design, construction, 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 rent lights and City streetlights, metering, meter reading, meter maintenance and commercial installations.



Within E&O, the Transmission Operations Department functions as a Transmission Operator (TO) within ERCOT and is responsible for scheduling GEUS transmission outages with ERCOT, preparing switching orders, directing switching operations, and maintaining records. GEUS Electric Systems consists of approximately 32 miles of 69-kV transmission lines, approximately 743 miles of 12.47/7.2-kV distribution line, and nine substations.

Fiscal Year 2024 Accomplishments

- Increased right of way vegetation management utilizing new equipment
- Industrial Park Substation Upgrade - completed major material procurement and land acquisition
- Added a machine shop setup at the plant
- Plant staff training to expand in-house maintenance and repair capabilities
- Supported the University of Texas A&M - Commerce Industry Advisory Board
- Changed 69 distribution poles
- Added 165 new poles and installed 336 new underground services
- Installed or changed out 264 transformers
- Provided service to 661 new GEUS customers
- AMI Meter Implementation Progress
 - Added 1,869 AMI meters
 - 11,289 total as of September 30, 2024

Fiscal Year 2025 Objectives

STRATEGIC GOAL #1 – System Maintenance, Reliability, and Growth

- Finish review of GIS audit data; Implement process for keeping data up to date
- Start Outage Management System (OMS) implementation
- Continue engineering design for transmission system upgrade
- Complete distribution construction specifications; implement engineering skating software
- Construct distribution feeders to provide adequate capacity for new construction and to enhance reliability and redundancy
- Identify, prioritize and perform aggressive row management, particularly in hard to access areas, utilizing recently acquired power equipment

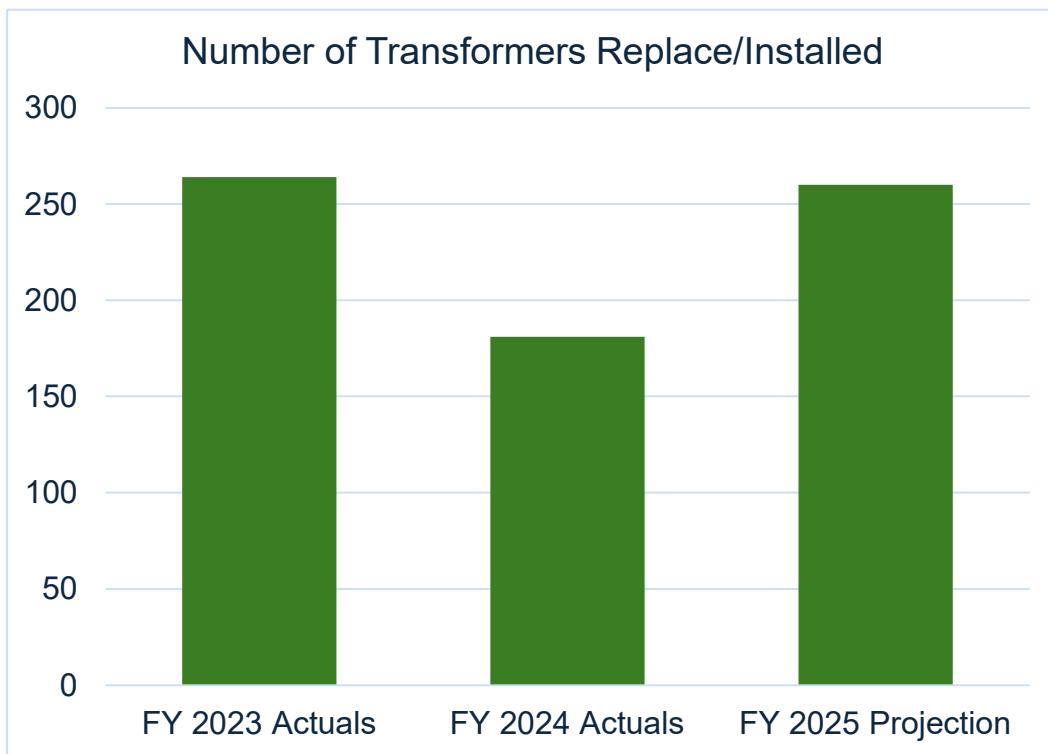
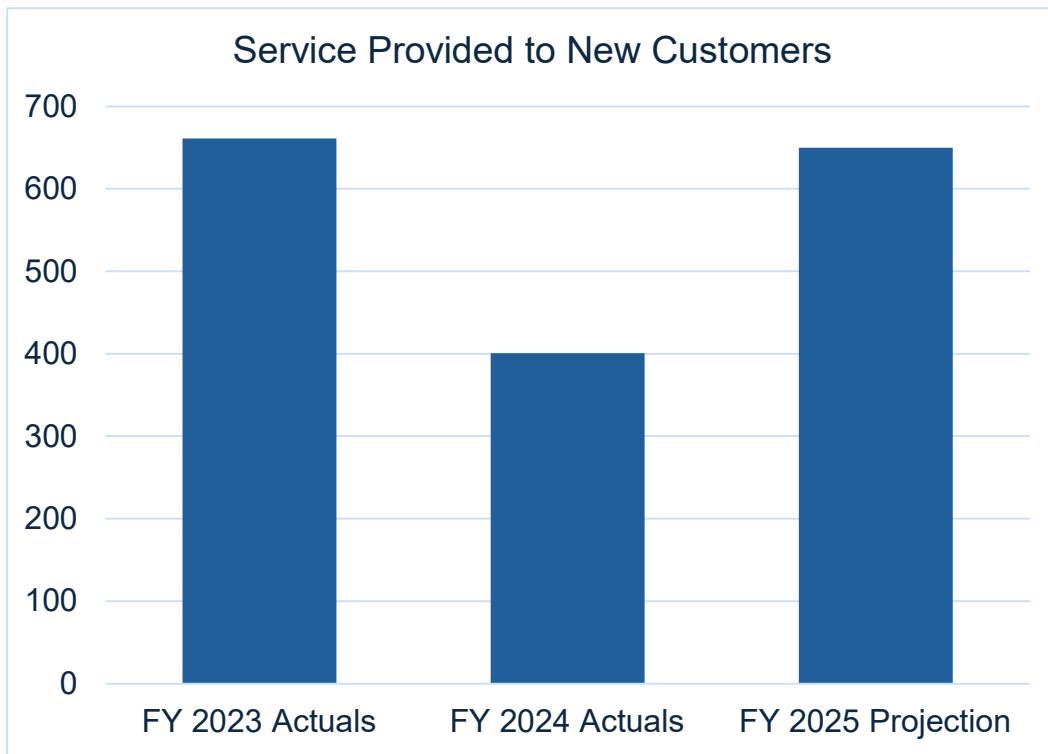
STRATEGIC GOAL #2 – Upgrade and Improvements

- Industrial Park Substation Upgrade – continue engineering and material procurement
- Lee Street Substation Upgrade – start engineering and material procurement
- Develop a process and procedure to accurately collect, process, and store data related to 138kV North American Electric Reliability Corporation (NERC) requirements
- Assist with installation of redundant Supervisory Control Data Acquisition System (SCADA) servers and cross train additional backup technicians
- Install seven remaining security cameras at our Substation tower locations

STRATEGIC GOAL #4 – Workforce Planning and Training

- Continue to support and motivate transmission operators to achieve NERC certification
- Update and/or develop an improved process of record keeping for each transmission operator required NERC/ERCOT completed hours of training
- Assist the GEUS system operator training committee in developing and/or updating internal operator training procedures/programs (load shed, etc.)
- Provide eight hours of Transmission and Distribution (T&D) field observation for each operator
- Complete operator OMS training as OMS system develops
- Review available Environmental Systems Research Institute (ESRI) software products and develop interfaces to improve workflows
- Incorporate operational training into safety meetings – switchgear operation and maintenance, fault indicator placement and utilization, digital map reading in the field, operate and maintain unfamiliar equipment
- Work to ensure that upper-level apprentices and Journeymen are prepared to take on leadership roles
- Complete training of Engineering Field Personnel in the use of AMI equipment to perform meter setting tasks that currently require an extra truck roll

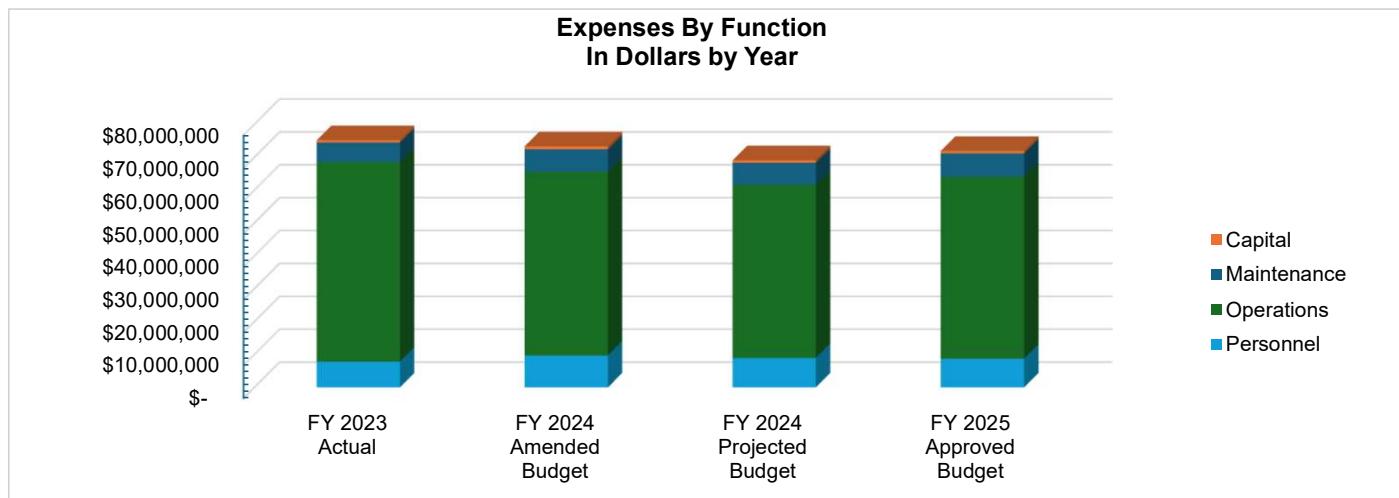
Performance Measures





**Greenville Electric Utility System
Engineering and Operations
Departmental Expense Summary**

	FY 2023 Actual	FY 2024 Amended Budget	FY 2024 Projected Budget	FY 2025 Approved Budget	Percent Change Amended to Approved Budget
Expenses and Outflows					
Personnel	\$ 7,846,921	\$ 9,684,176	\$ 8,941,858	\$ 8,735,650	-9.8%
Operations	60,697,304	55,895,417	52,728,205	55,368,680	-0.9%
Maintenance	5,927,818	6,842,553	6,636,115	7,076,590	3.4%
Capital	719,140	896,000	803,300	782,000	-12.7%
Total Expenses and Outflows	<u>\$ 75,191,183</u>	<u>\$ 73,318,146</u>	<u>\$ 69,109,478</u>	<u>\$ 71,962,920</u>	



NOTES:

Technology Services



Ensures operational excellence, information security, sustainability, and the continued evolution of GEUS by overseeing the effectiveness of existing technology resources, performing research on new technologies that could enhance efficiency of operations, and implementing new and existing technologies across the organization.

Fiscal Year 2024 Accomplishments

- Completed Geographic Information System (GIS) Audit
- Installed new security cameras at five Substations
- Purchased software to map fiber routes
- Transitioned Fusion to a new operating system
- Selected new Streaming TV platform for 2025 launch
- Added new internet service link
- Completed cybersecurity for all GEUS users

Fiscal Year 2025 Objectives

STRATEGIC GOAL #1 – System Maintenance, Reliability, and Growth

- Develop Information Technology (IT) architecture framework to identify and provide resources for:
 - Configuration management
 - Change management
 - Patch/Software management
 - Asset management
 - Physical/electronic access management
 - Cybersecurity systems management
 - Document management
- Identify and diagram all IT systems, software solutions, and integrations across the utility
- Utilize IT architecture to comply with NERC standards

- Deploy server virtualization and begin migrating servers
- Deploy new Wi-Fi access points
- Deploy network out of band management solution
- Continue work with Operations, Engineering, and Substations for back up control center deployment

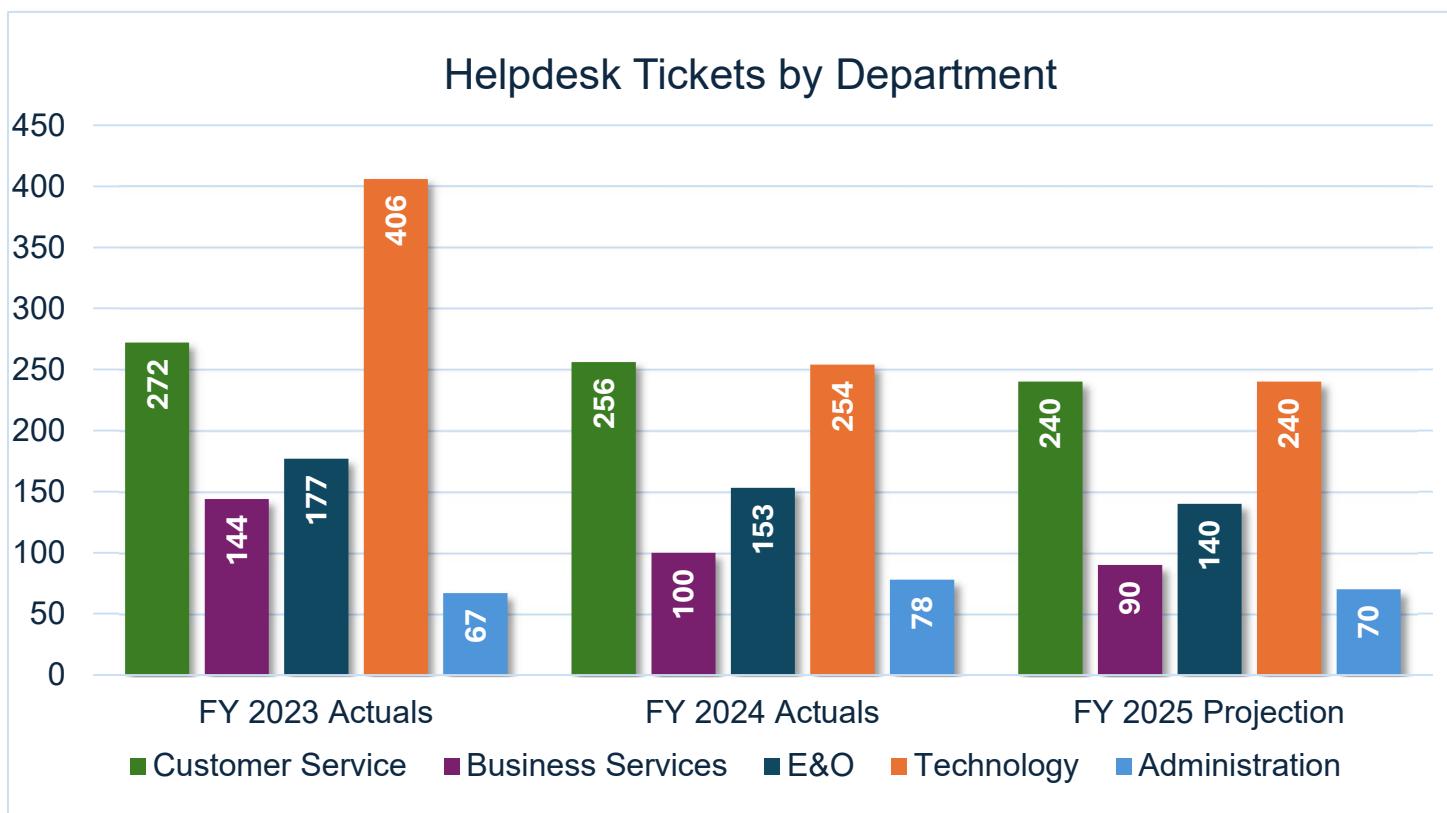
STRATEGIC GOAL #4 – Workforce Planning and Training

- Deploy learning management system that initiates and manages training needs
- Develop individualized progression plans that encourages each team member towards constant improvement in skills and communication
- Develop interactive data repositories and active data scrubbing, cleaning, mining, and presentation of data stores

STRATEGIC GOAL #3 – Customer and Community Focus

- Replace/update aging Nemo Q Customer Service system

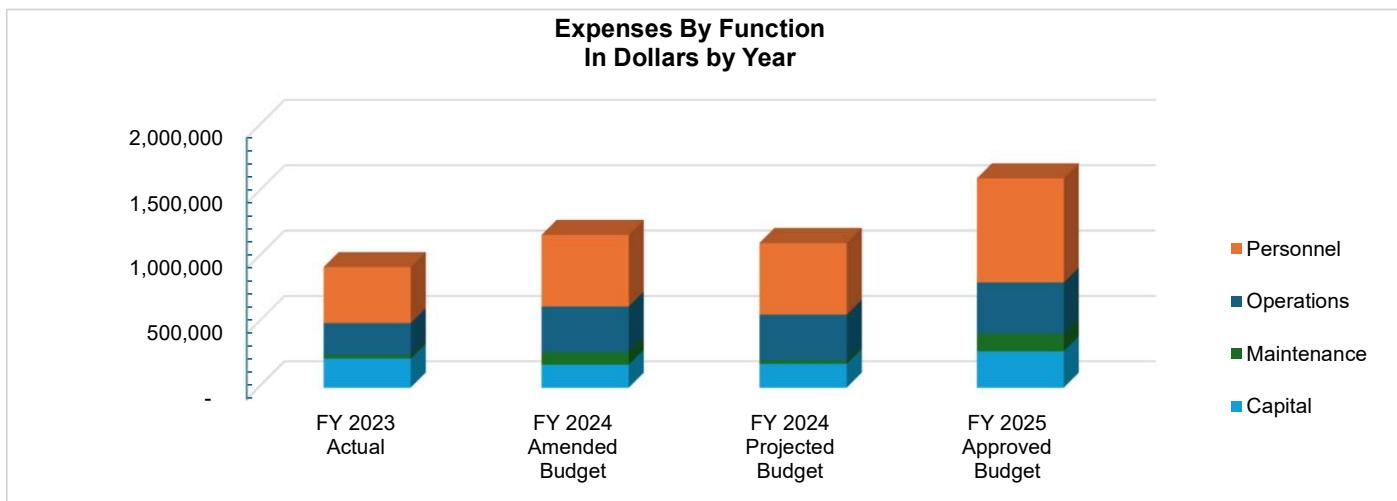
Performance Measures





Greenville Electric Utility System
Information Technology
Departmental Expense Summary

	FY 2023 Actual	FY 2024 Amended Budget	FY 2024 Projected Budget	FY 2025 Approved Budget	Percent Change Amended to Approved Budget
Expenses and Outflows					
Personnel	\$ 428,007	\$ 547,757	\$ 548,007	\$ 796,830	45.5%
Operations	242,358	347,650	349,917	389,550	12.1%
Maintenance	28,898	98,000	26,245	137,600	40.4%
Capital	223,706	176,500	183,486	278,250	57.6%
Total Expenses and Outflows	\$ 922,969	\$ 1,169,907	\$ 1,107,655	\$ 1,602,230	



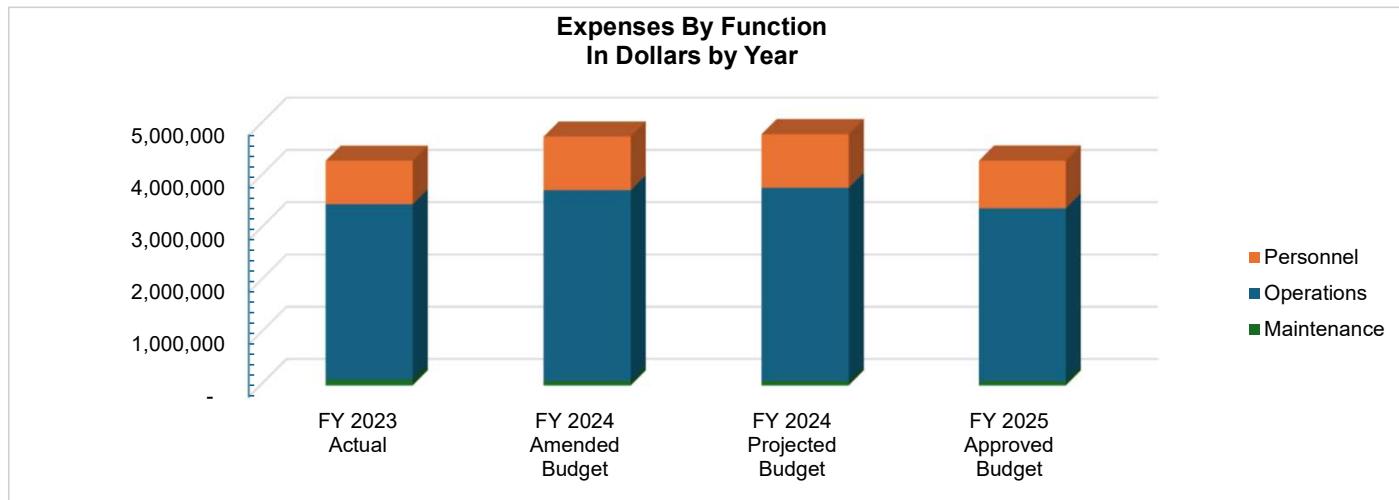
NOTES:

Increase in Personnel is partly due to increased staffing as shown on the Summary of Personnel.



Greenville Electric Utility System
Fusion Operations and Maintenance
Departmental Expense Summary

	FY 2023 Actual	FY 2024 Amended Budget	FY 2024 Projected Budget	FY 2025 Approved Budget	Percent Change Amended to Approved Budget
Expenses and Outflows					
Personnel	\$ 830,506	\$ 1,025,802	\$ 1,025,768	\$ 913,730	-10.9%
Operations	3,346,702	3,647,763	3,692,981	3,300,620	-9.5%
Maintenance	122,617	88,700	88,600	87,370	-1.5%
Total Expenses and Outflows	\$ 4,299,825	\$ 4,762,265	\$ 4,807,349	\$ 4,301,720	-9.7%



NOTES:

Customer Service



The Customer Service Department is responsible for managing customer relations, monitoring and reporting customer satisfaction, and resolving customer related issues according to GEUS' policies and procedures. The Customer Service Department responds to customer requests for installation of electric, water, sewer, garbage, and Fusion services. Other requests include the disconnection of services, payment arrangements, reconnection of services, billing inquiries, and obtaining letters of reference. Customer Service works hand in hand with Marketing and Key Accounts to encourage community engagement, customer awareness, and employee development.

Fiscal Year 2024 Accomplishments

- Received 99.65% positive feedback on Customer Service surveys
- Implemented ChatBot service on website
- Developed three new educational videos
- Updated new customer welcome packets
- Active in Local civic organization
- Employee community engagement
 - 282 volunteer hours
 - 155 employees participated
 - 15 local events
- Implemented Customer Service Representative (CSR) training matrix
- Employees served in local community organizations
 - Chamber of Commerce - Ambassador and Board Member
 - Noon Rotary Club - Executive Board and New Generations Chair
 - Lions Club - Executive Board and Membership Chair
 - Kiwanis - Executive Board and Past President



Fiscal Year 2025 Objectives

STATEGIC GOAL #3 – Customer and Community Focus

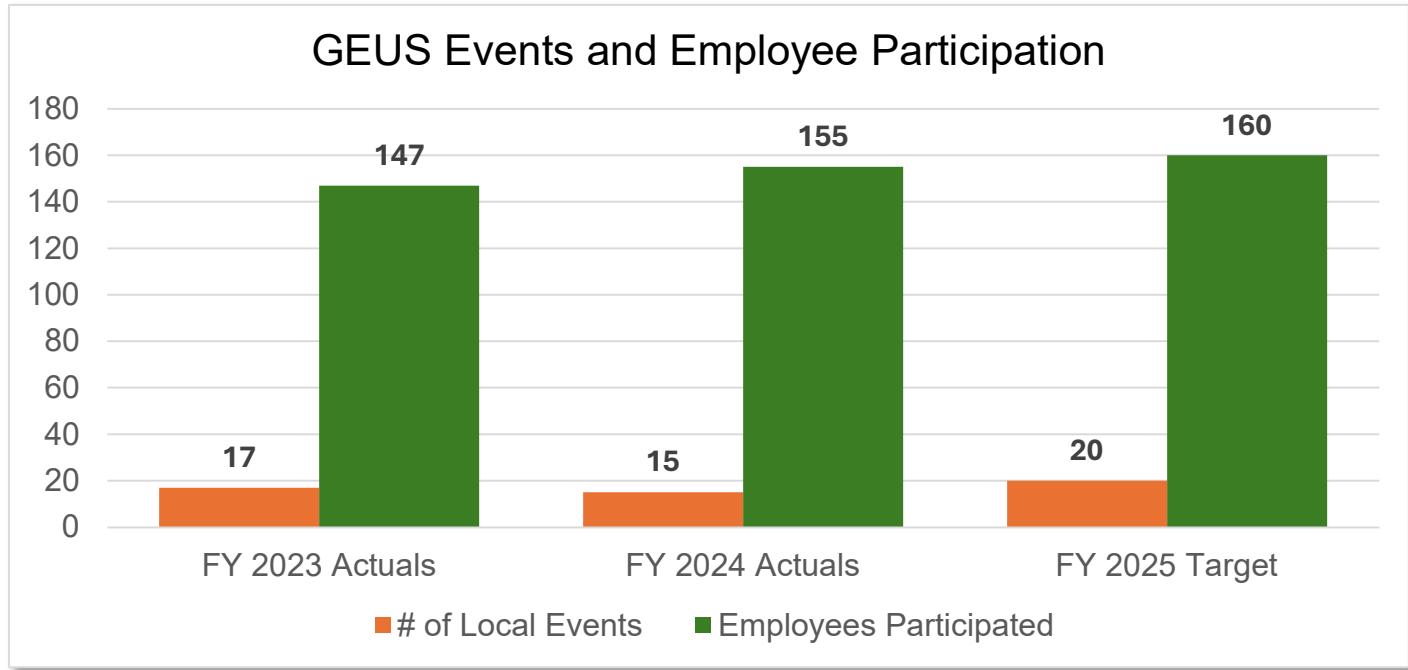
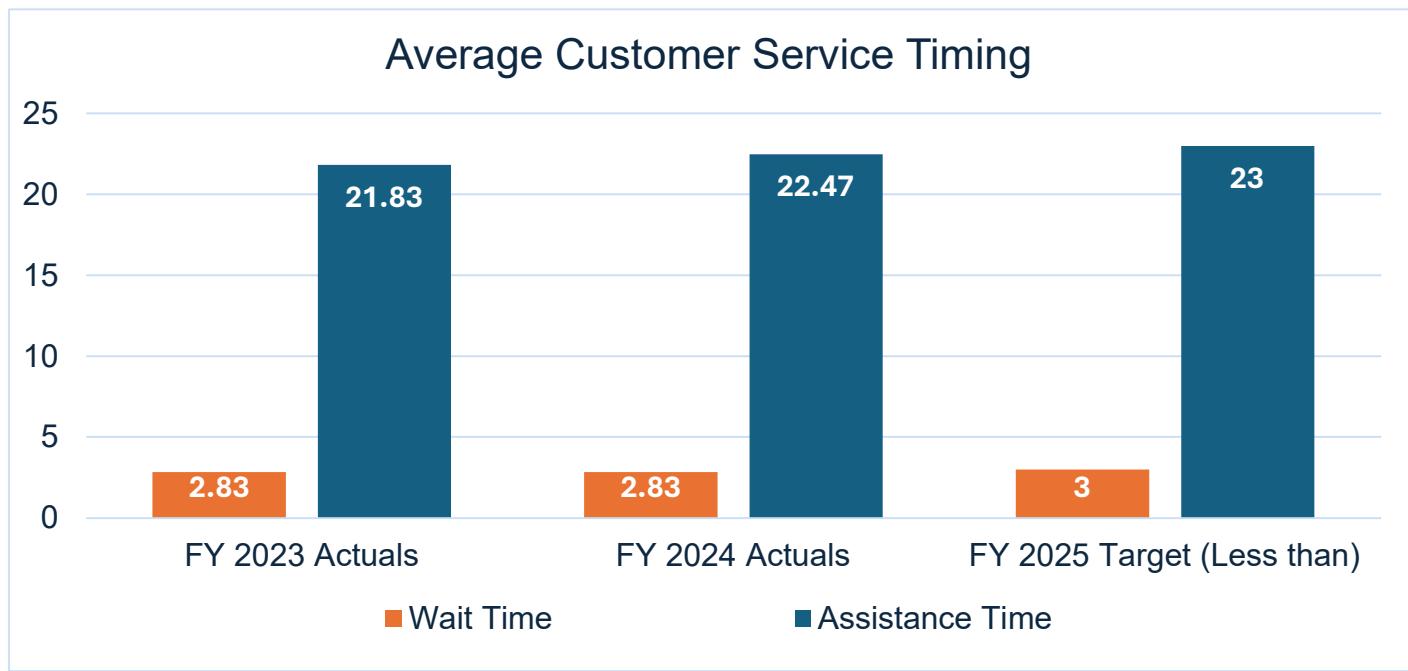
- Reorganization of departmental supply requests by streamlining the submission process to ensure sufficient inventory and distribution
- Create a uniform workspace to maximize organization and workflow efficiency
- Develop a Community Demand Response Program
- Develop and launch Advanced Metering Infrastructure (AMI) portal
- Implement Power Talk Class(es) and GM Community Connection meeting(s)
- Develop project Sunshine Campaign
- Create three consumer educational videos, plus one employee video
- Initiate GEUS Fusion Streaming campaign
- Communicate System Improvement Campaign

STATEGIC GOAL #4 – Workforce Planning and Training

- Develop additional auditing steps for CSR processes to ensure accuracy with complete and proper following of procedures when setting up new services and service disconnects
- Implement tools for the rollout of GEUS Fusion Streaming TV, such as scripts, FAQs, and product knowledge training materials
- Employee training – Ten hours/employee



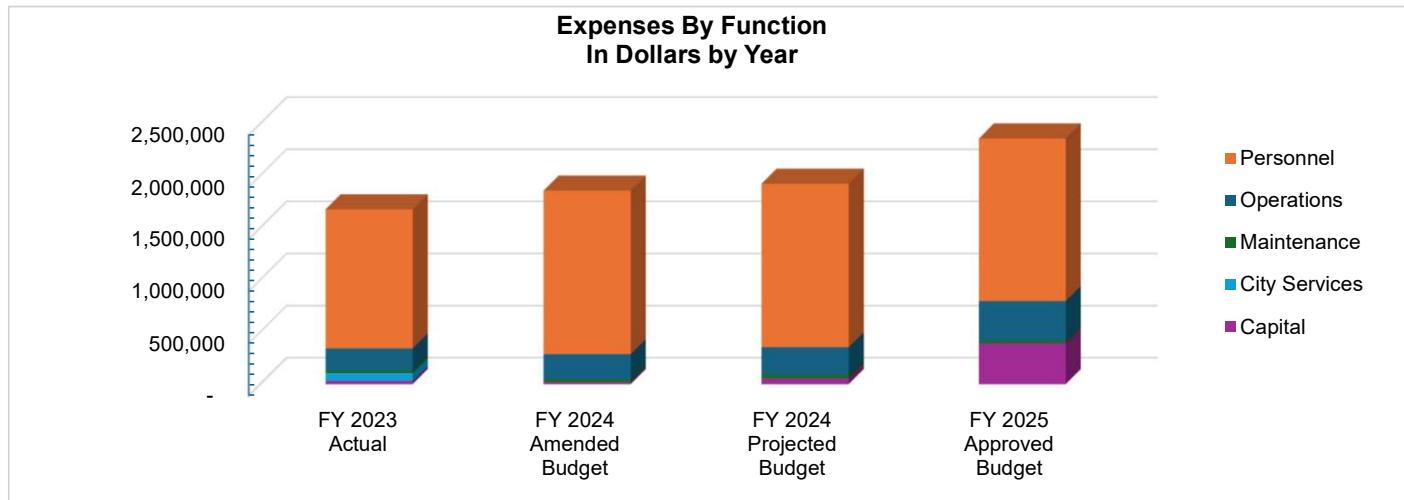
Performance Measures





Greenville Electric Utility System
Customer Service
Departmental Expense Summary

	FY 2023 Actual	FY 2024 Amended Budget	FY 2024 Projected Budget	FY 2025 Approved Budget	Percent Change Amended to Approved Budget
Expenses and Outflows					
Personnel	\$ 1,332,732	\$ 1,568,559	\$ 1,567,779	\$ 1,559,710	-0.6%
Operations	210,905	241,115	263,715	380,510	57.8%
Maintenance	24,850	26,830	36,000	25,000	-6.8%
City Services	77,235	-	-	-	0.0%
Capital	30,254	20,000	55,000	392,000	1860.0%
Total Expenses and Outflows	\$ 1,675,976	\$ 1,856,504	\$ 1,922,494	\$ 2,357,220	



NOTES:

Operations increase includes implementation of the AMI portal.

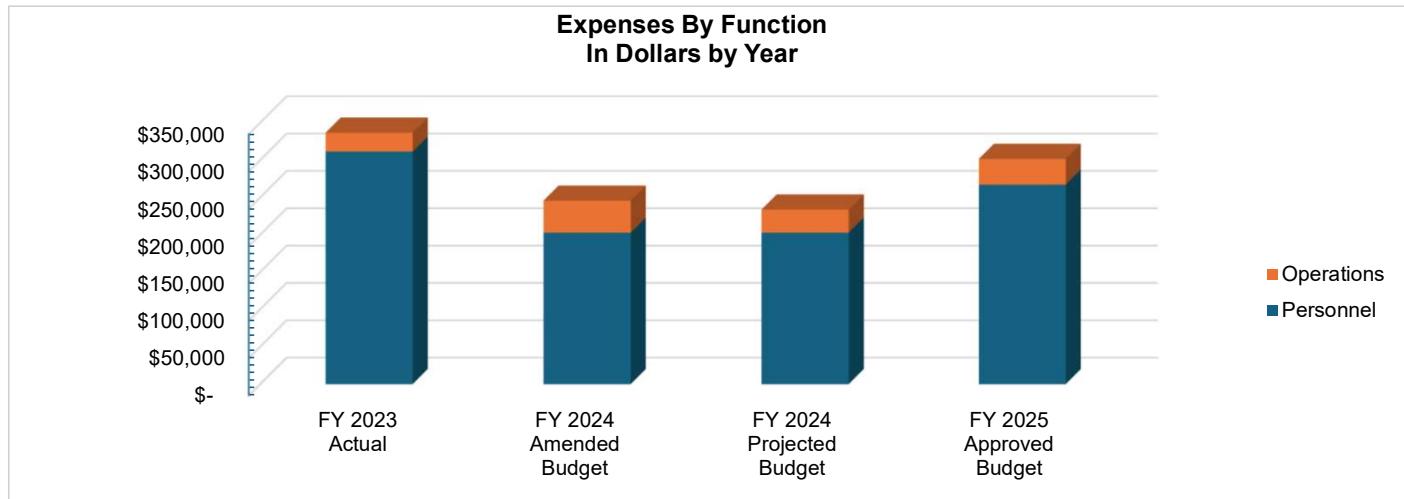
City Services includes transfers that are appropriated in the "Transfers" accounts beginning FY2024.

Capital increase includes water pipe replacement at the David McCalla building.



Greenville Electric Utility System
Fusion Advertising
Departmental Expense Summary

	FY 2023 Actual	FY 2024 Amended Budget	FY 2024 Projected Budget	FY 2025 Approved Budget	Percent Change Amended to Approved Budget
Expenses and Outflows					
Personnel	\$ 311,564	\$ 202,842	\$ 202,842	\$ 267,010	31.6%
Operations	25,185	42,715	30,880	34,610	-19.0%
Total Expenses and Outflows	<u>\$ 336,749</u>	<u>\$ 245,557</u>	<u>\$ 233,722</u>	<u>\$ 301,620</u>	22.8%

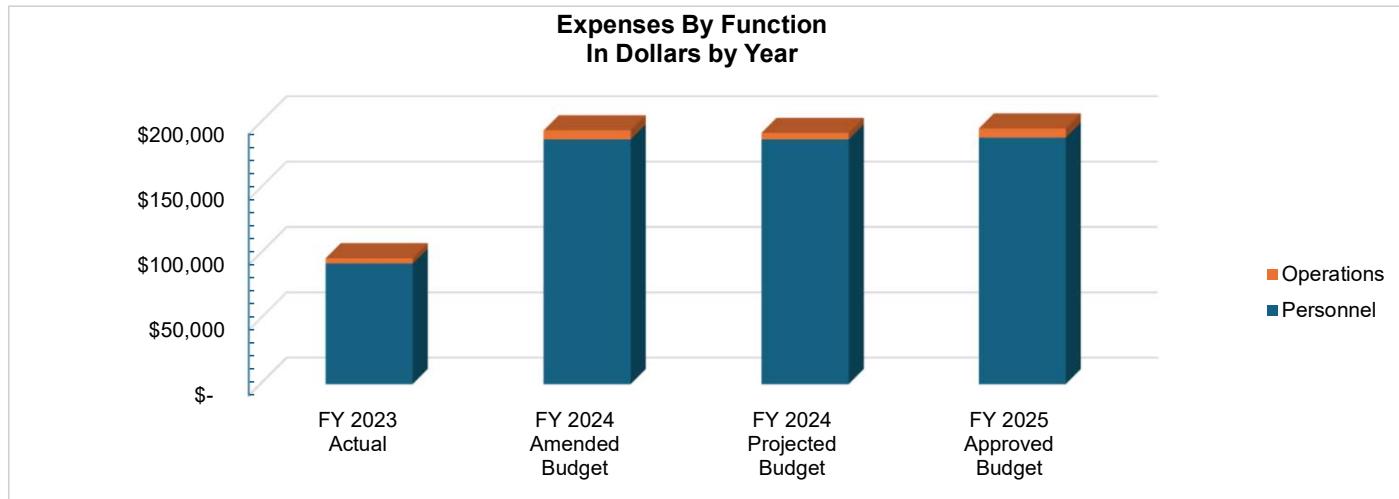


NOTES:



Greenville Electric Utility System
Fusion Customer Service
Departmental Expense Summary

	FY 2023 Actual	FY 2024 Amended Budget	FY 2024 Projected Budget	FY 2025 Approved Budget	Percent Change Amended to Approved Budget
Expenses and Outflows					
Personnel	\$ 92,365	\$ 187,211	\$ 187,211	\$ 188,610	0.7%
Operations	3,927	7,000	5,000	7,000	0.0%
Total Expenses and Outflows	\$ 96,292	\$ 194,211	\$ 192,211	\$ 195,610	0.7%



NOTES:

Administration



The management of GEUS is performed by the General Manager under policy and direction of the GEUS Board of Trustees. The General Manager's direct reports include the Chief Operating Officer, Business Services Director, Compliance Manager, Customer Service Manager, Energy Market Manager, Marketing and Key Accounts Manager, and Executive Assistant. The General Manager is also assisted by the Board appointed independent Legal Counsel/ Attorney and independent Auditors. Direct reports of the Chief Operating Officer include the Director of Engineering and Operations, Chief Technology Officer, and the Plant Manager.

GEUS receives contracted services from the City of Greenville for accounting and personnel Services. Accounting services are overseen by the Finance and Administrative Services Director. Personnel services are overseen by the Human Resources Director.

Fiscal Year 2024 Accomplishments

- Ongoing cross-training and development of job manuals for key positions organization-wide
- Extensive departmental employee training
- Provided \$586,144 in funding to Greenville Board of Development (GBOD)
- Participated in all scheduled GBOD meetings
- Prospective Businesses
 - Provided electric rate estimates for 2 requests
 - Provided electric information for 20 inquiries
- Actively participated in APPA meetings and listservs

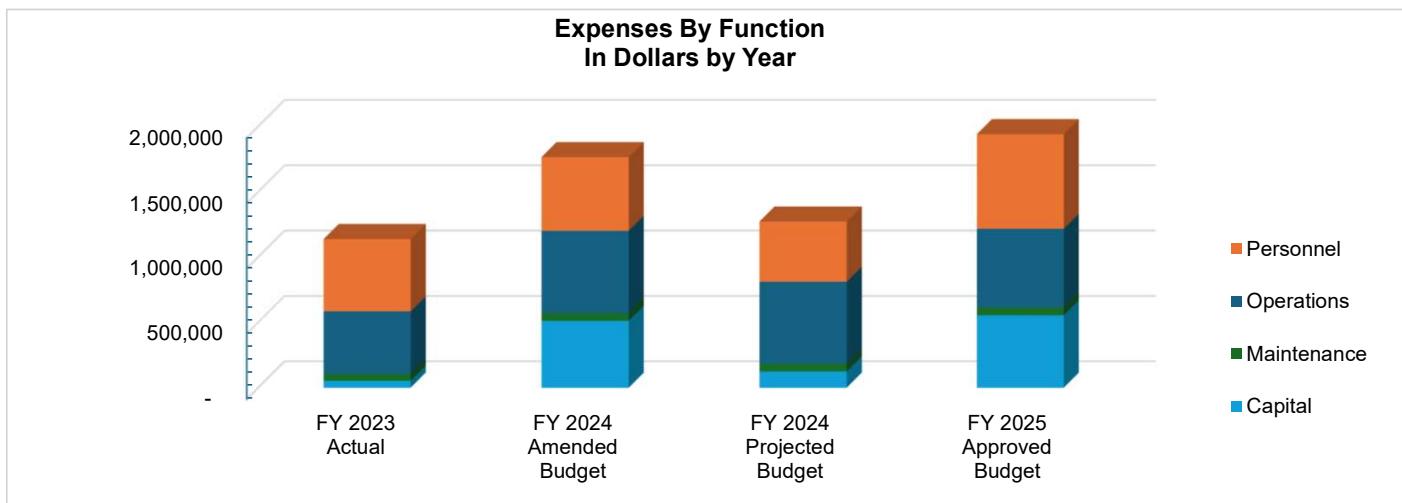
Fiscal Year 2025 Objectives

- STRATEGIC GOAL #3 – Customer and Community Focus
 - FY26 Fusion Rates
 - Debt Strategy
 - Long-Term CIP Plan
 - Complete Electric Rate study
- STRATEGIC GOAL #2 - Upgrades and Improvements
 - Manage New Generation Project Schedule and Cost
 - Finalize and Implement Local Solar Program
 - Manage Renovation Project for New Administrative Office at Customer Service Building
- STRATEGIC GOAL #4 – Workplace Planning and Training
 - Implement New Supervisor Training Plan
 - Implement Long-Term Workforce Plan



**Greenville Electric Utility System
Administration
Departmental Expense Summary**

	FY 2023 Actual	FY 2024 Amended Budget	FY 2024 Projected Budget	FY 2025 Approved Budget	Percent Change Amended to Approved Budget
Expenses and Outflows					
Personnel	\$ 552,942	\$ 564,157	\$ 461,319	\$ 724,090	28.3%
Operations	479,241	628,789	626,789	602,290	-4.2%
Maintenance	52,464	58,854	58,854	59,100	0.4%
Capital	53,127	513,000	125,000	555,000	8.2%
Total Expenses and Outflows	\$ 1,137,774	\$ 1,764,800	\$ 1,271,962	\$ 1,940,480	



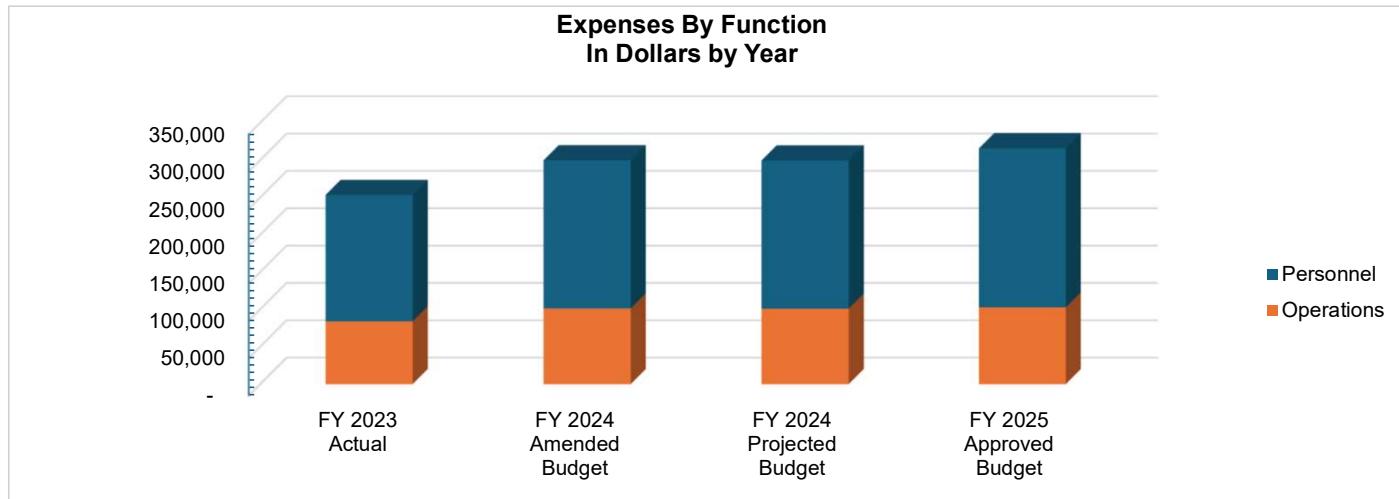
NOTES:

Increase in Personnel is partly due to increased staffing as shown on the Summary of Personnel.



Greenville Electric Utility System
Fusion Administration
Departmental Expense Summary

	FY 2023 Actual	FY 2024 Amended Budget	FY 2024 Projected Budget	FY 2025 Approved Budget	Percent Change Amended to Approved Budget
Expenses and Outflows					
Personnel	\$ 169,143	\$ 198,352	\$ 198,352	\$ 212,990	7.4%
Operations	84,141	101,460	101,107	102,850	1.4%
Total Expenses and Outflows	<u>\$ 253,284</u>	<u>\$ 299,812</u>	<u>\$ 299,459</u>	<u>\$ 315,840</u>	5.3%



NOTES:

Increase in Personnel is partly due to increased staffing as shown on the Summary of Personnel.

Business Services

The Business Services Department includes the Finance, Billing, Purchasing, Cashiering, and Warehouse divisions. The department is led by the Business Services Director. Direct reports include the Finance Administrative Assistant, Finance Manager, Billing Supervisor, Purchasing Agent, Cashiering Supervisor, and Warehouse Manager.



Responsibilities include managing GEUS' financial services including purchasing, investments, audits, capital assets, accounts receivable and payable, Transmission Cost of Service (TCOS) billing and payments, Electric Reliability Council of Texas (ERCOT) settlements, customer billing, cash receipts, warehouse inventory, and collections.

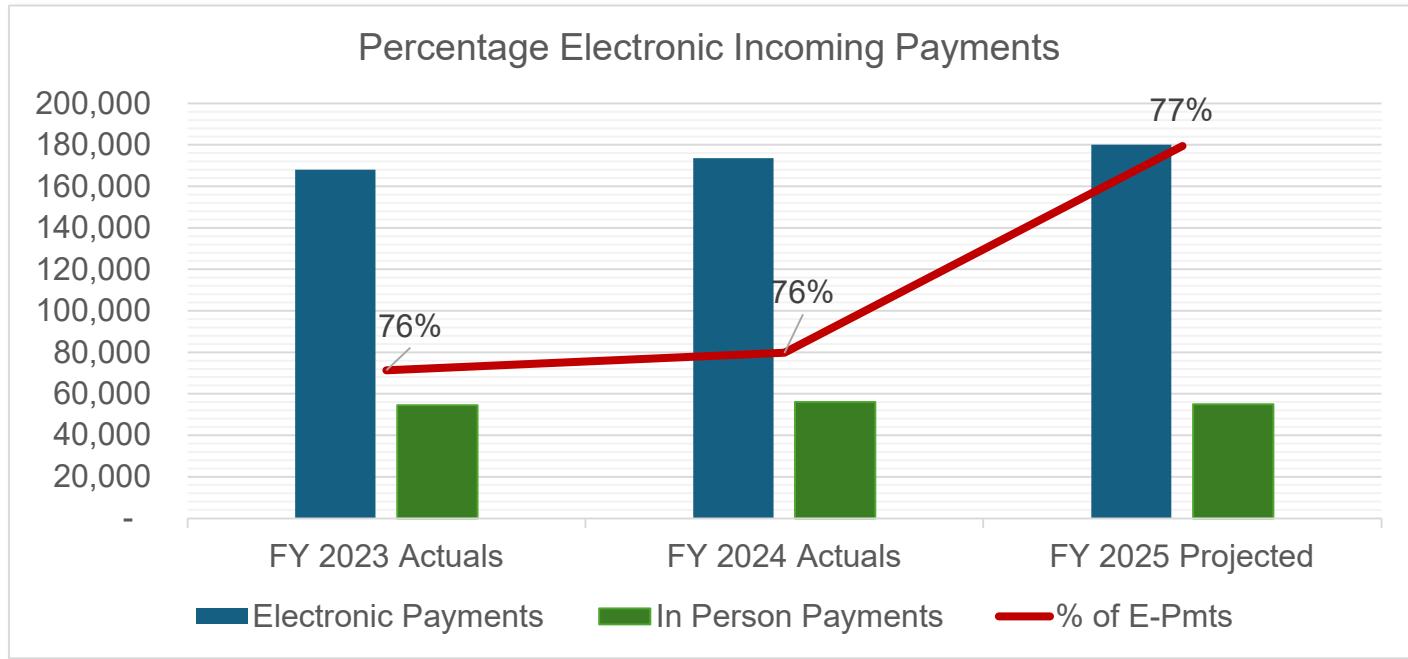
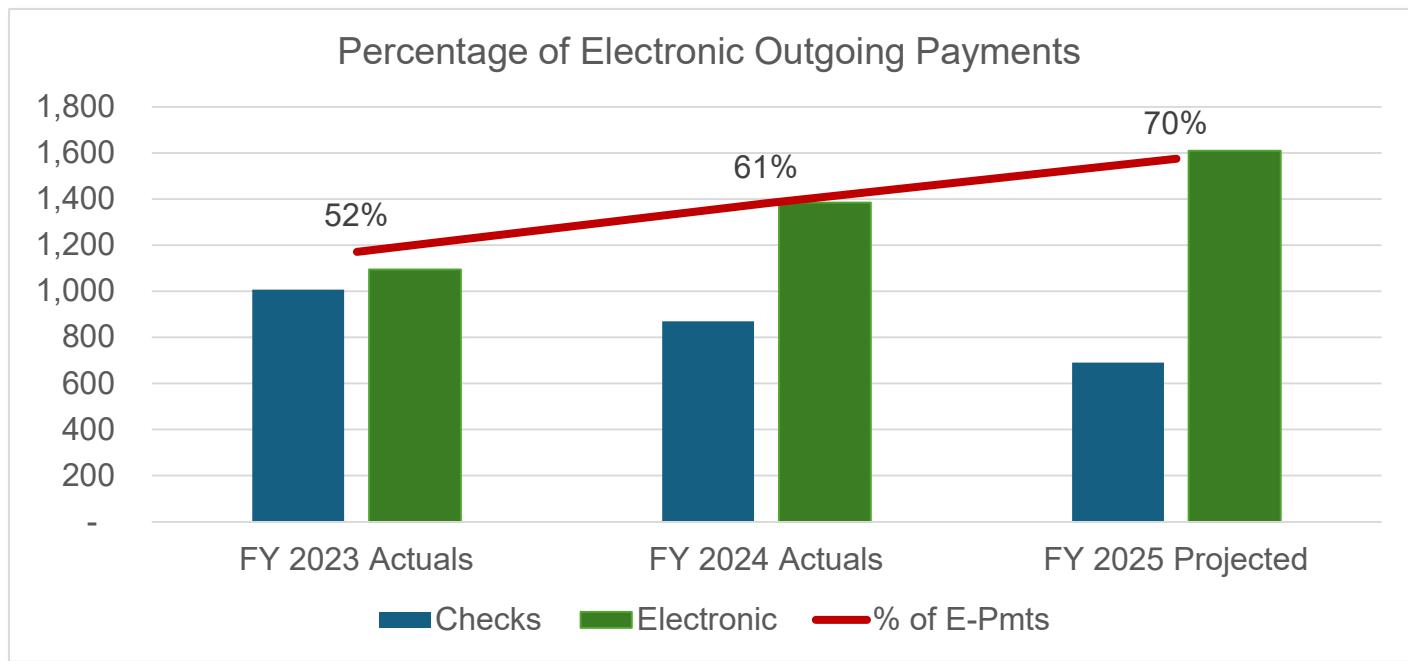
Fiscal Year 2024 Accomplishments

- FY2023 Comprehensive Annual Financial Report submitted to GFOA
- Completed Warehouse CIP projects - Lights, Fuel tanks, Gravel
- Implemented record digitalization
- Received FY2024 Distinguished Budget Presentation Award
- Developed backup dept for staff positions with cross-training
- Created new and/or updated existing desk manuals

Fiscal Year 2025 Objectives

- STRATEGIC GOAL #2 - Upgrades and Improvements
 - Paperless/digital office
 - Utilize automation more effectively
 - Implement simplified data resource banks ie: Database opportunities: Personnel, Fleet, Purchase cards, Debt management
- STRATEGIC GOAL #4 – Workplace Planning and Training
 - Specific training plan for each employee
 - Ensure 2 back up employees are available for every task

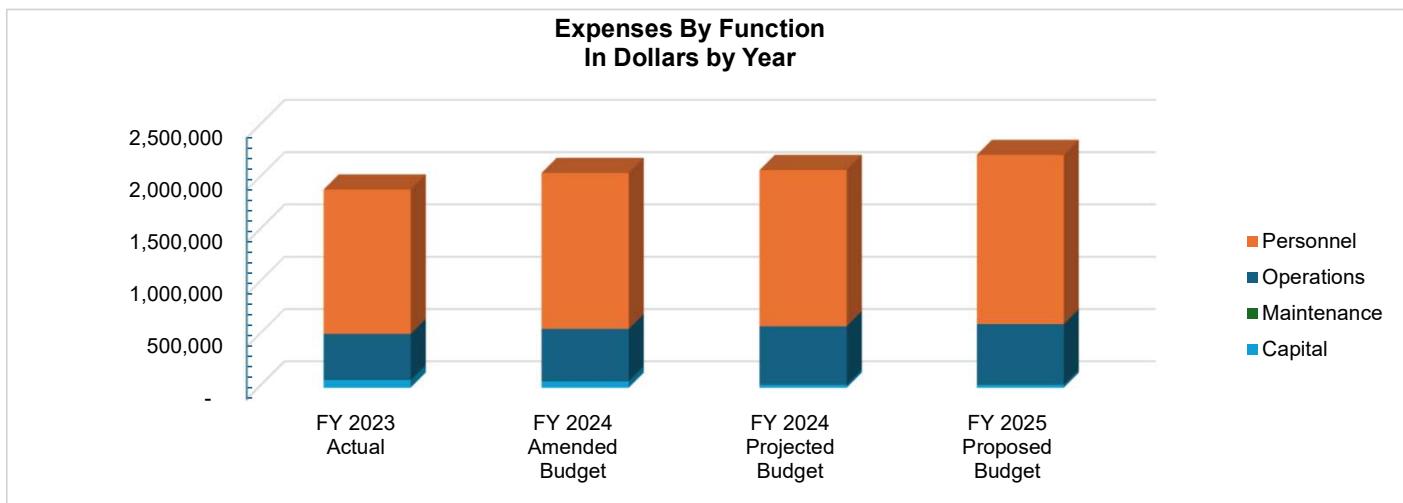
Performance Measures





Greenville Electric Utility System
Business Services
Departmental Expense Summary

	FY 2023 Actual	FY 2024 Amended Budget	FY 2024 Projected Budget	FY 2025 Proposed Budget	Percent Change Amended to Proposed Budget
Expenses and Outflows					
Personnel	\$ 1,380,945	\$ 1,493,569	\$ 1,494,569	\$ 1,618,230	8.3%
Operations	438,744	499,540	558,590	579,140	15.9%
Maintenance	1,911	2,500	2,500	2,500	0.0%
Capital	74,150	60,000	27,190	27,500	-54.2%
Total Expenses and Outflows	<u>\$ 1,895,750</u>	<u>\$ 2,055,609</u>	<u>\$ 2,082,849</u>	<u>\$ 2,227,370</u>	<u>8.4%</u>



NOTES:

Decrease in Capital expenses is due to project actuals being less than anticipated.

Non-Departmental

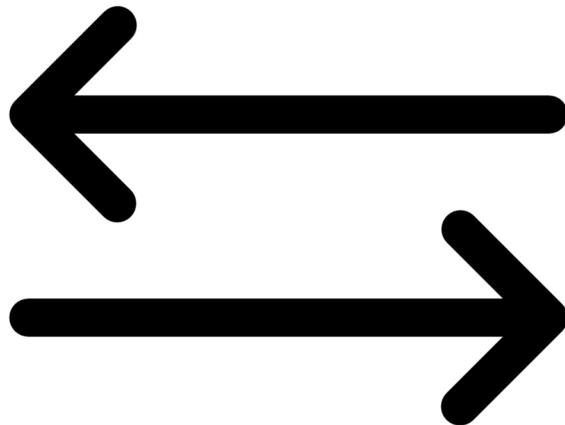
This section includes non-departmental expenses and outflows such as Pension, Employee Relations, Bad Debt expenses, Bank Fees, Inventory, Accrued PTO, Contingency funds, Property and Liability Insurance, Depreciation/Amortization, and Issuance Costs.

Both the Electric Fund 910 and the Fusion Fund 950 utilize the non-departmental accounts.

Transfers

This section includes transfer expenses and outflows. Some of the transfers seen in this section are between GEUS funds; however, most are sent to external funds. By charter, GESU sends 5% of adjusted retail sales to the City of Greenville (the City) and 1% to the Greenville Board of Development (GBOD). Other transfers include funds sent to the City's general fund to cover administrative, information technology, and human resources services provided by the City for GEUS. The largest transfer typically shown on the following expense summary is the transfer from the Electric fund to the Debt Service fund to cover semi-annual debt service payments.

Both the Electric Fund 910 and the Fusion Fund 950 utilize the transfers-out accounts.

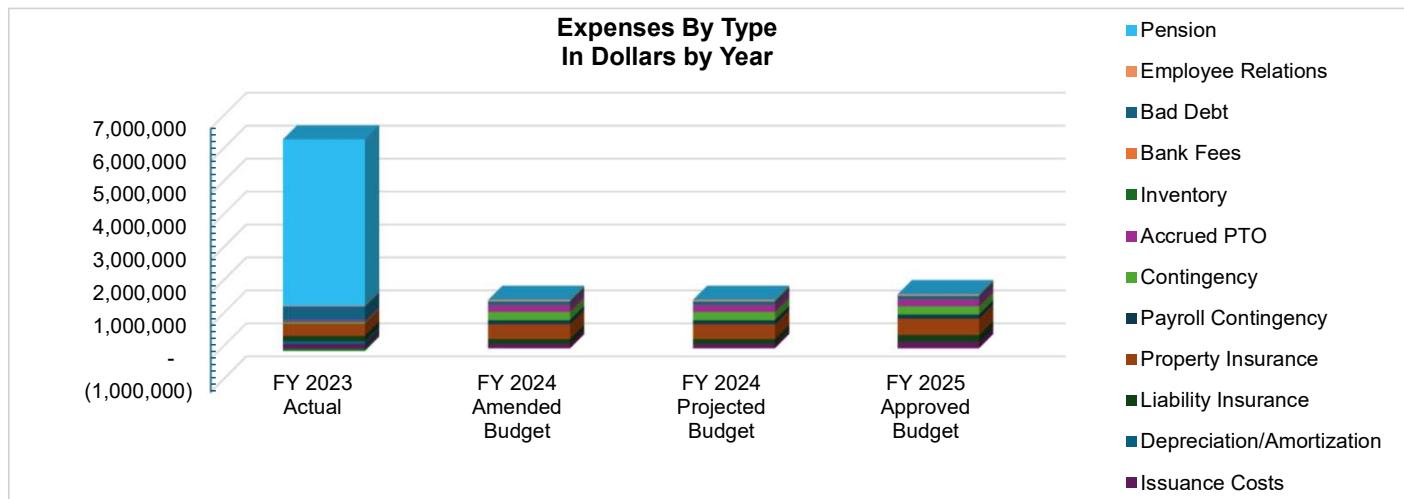




Greenville Electric Utility System

Non-Departmental Expense Summary

	FY 2023 Actual	FY 2024 Amended Budget	FY 2024 Projected Budget	FY 2025 Approved Budget	Percent Change Amended to Approved Budget
Expenses and Outflows					
Pension	\$ 5,043,195	\$ -	\$ -	\$ -	0.0%
Employee Relations	26,302	47,875	47,875	48,000	0.3%
Bad Debt	418,030	100,000	100,000	100,000	0.0%
Bank Fees	5,181	5,500	5,500	5,500	0.0%
Inventory	(78,098)	11,200	11,200	11,700	4.5%
Accrued PTO	53,673	200,000	200,000	200,000	0.0%
Contingency	51,283	250,000	250,000	250,000	0.0%
Payroll Contingency	-	125,000	125,000	125,000	0.0%
Property Insurance	364,249	450,014	450,013	500,000	11.1%
Liability Insurance	158,892	145,315	145,315	200,000	37.6%
Depreciation/Amortization	86,016	-	-	-	0.0%
Issuance Costs	133,495	135,000	135,000	200,000	48.1%
Total Expenses and Outflows	\$ 6,262,218	\$ 1,469,904	\$ 1,469,903	\$ 1,640,200	



NOTES:

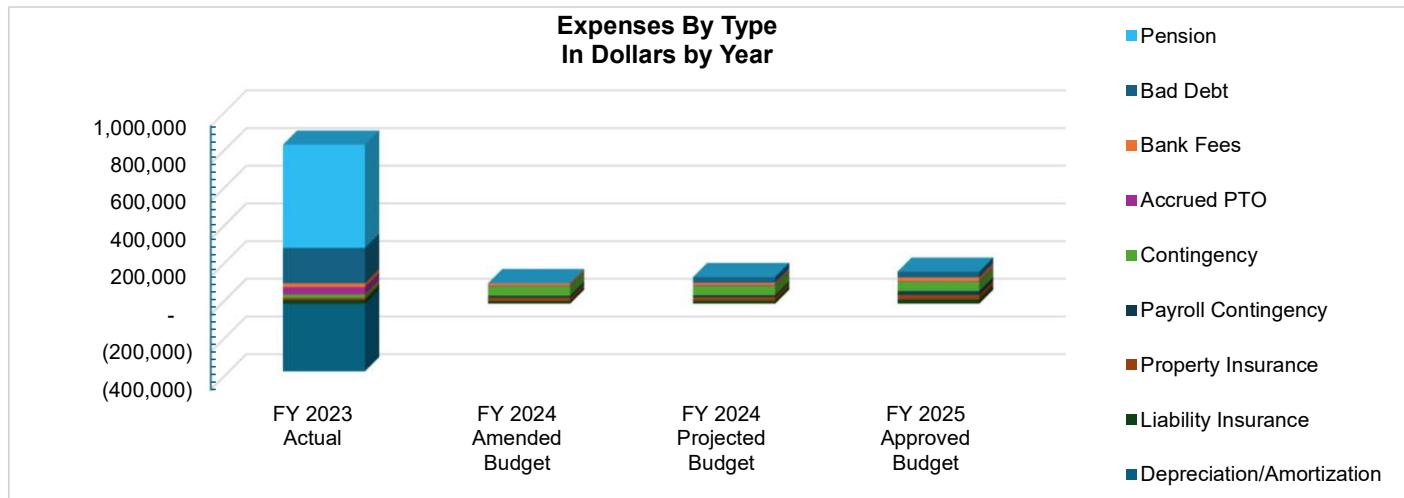
Pension and Depreciation/Amortization are year end entries and are not typically included in budgeted expenses.



Greenville Electric Utility System

Fusion Non-Departmental Expense Summary

	FY 2023 Actual	FY 2024 Amended Budget	FY 2024 Projected Budget	FY 2025 Approved Budget	Percent Change Amended to Approved Budget
Expenses and Outflows					
Pension	\$ 547,142	\$ -	\$ -	\$ -	0.0%
Bad Debt	188,665	-	30,000	30,000	100.0%
Bank Fees	19,765	13,000	13,000	20,000	53.8%
Accrued PTO	38,396	3,000	3,000	3,000	0.0%
Contingency	19,175	50,000	50,000	50,000	0.0%
Payroll Contingency	-	10,000	10,000	20,000	100.0%
Property Insurance	10,530	19,554	19,553	25,000	27.9%
Liability Insurance	20,429	13,370	15,600	22,000	64.5%
Depreciation/Amortization	(358,213)	-	-	-	0.0%
Total Expenses and Outflows	\$ 485,889	\$ 108,924	\$ 141,153	\$ 170,000	



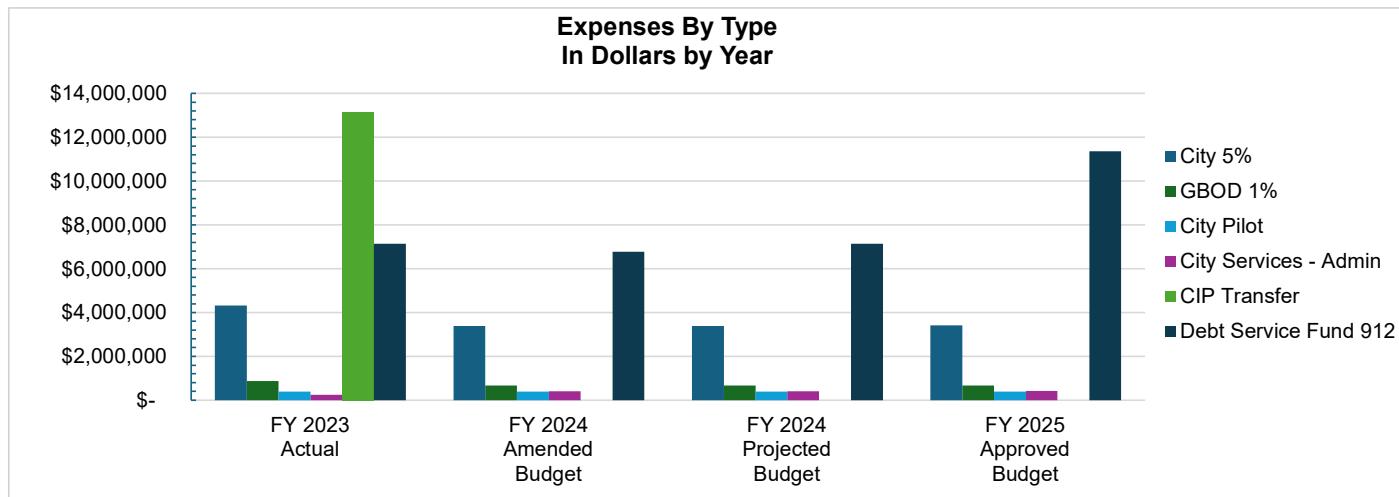
NOTES:

Pension and Depreciation/Amortization are year end entries and are not typically included in budgeted expenses.



Greenville Electric Utility System Transfers Expense Summary

	FY 2023 Actual	FY 2024 Amended Budget	FY 2024 Projected Budget	FY 2025 Approved Budget	Percent Change Amended to Approved Budget
Expenses and Outflows					
City 5%	\$ 4,323,115	\$ 3,388,727	\$ 3,388,727	\$ 3,422,610	1.0%
GBOD 1%	864,623	667,745	667,745	674,420	1.0%
City Pilot	384,693	377,932	377,932	377,940	0.0%
City Services - Admin	238,380	410,309	410,309	420,000	2.4%
City Services - Garage	76,919	86,193	86,193	90,000	4.4%
City Services - Tech	83,330	30,453	30,453	34,000	11.6%
CIP Transfer	13,159,311	-	-	-	0.0%
Debt Service Fund 912	7,133,435	6,778,882	7,143,765	11,361,725	67.6%
Total Expenses and Outflows	<u>\$ 26,263,806</u>	<u>\$ 11,740,241</u>	<u>\$ 12,105,124</u>	<u>\$ 16,380,695</u>	<u>39.5%</u>



NOTES:

FY 2023 CIP Transfer includes Series 2022 Bond proceeds deposited into Fund 910 and then transferred to Fund 913 to reimburse planned, bond funded, capital expenses.

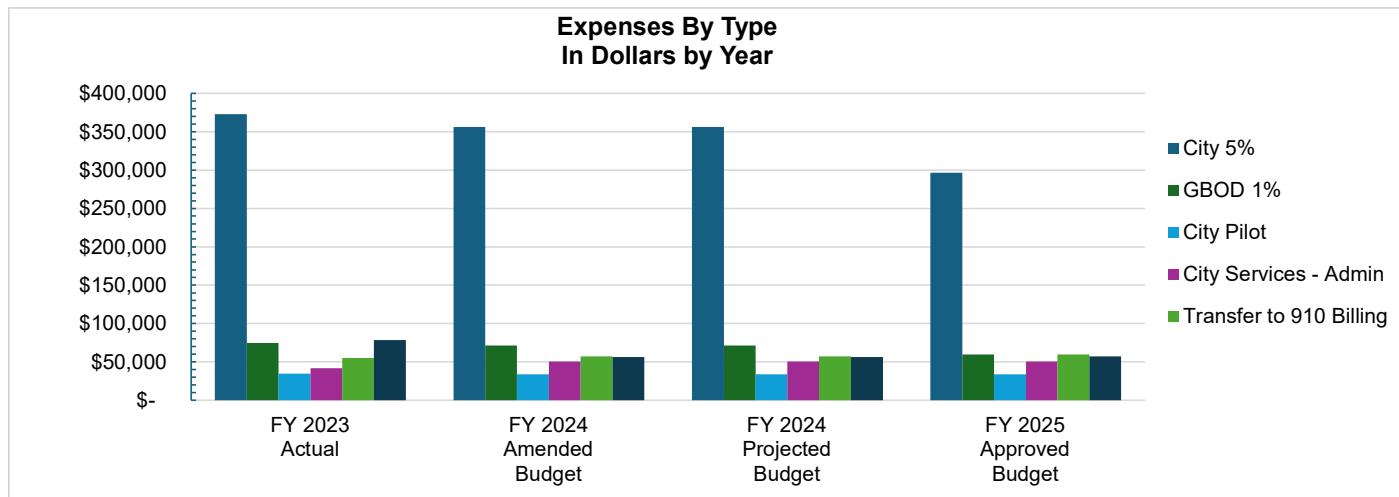


Greenville Electric Utility System

Fusion Transfers

Expense Summary

	FY 2023 Actual	FY 2024 Amended Budget	FY 2024 Projected Budget	FY 2025 Approved Budget	Percent Change Amended to Approved Budget
Expenses and Outflows					
City 5%	\$ 372,918	\$ 356,068	\$ 356,068	\$ 296,780	-16.7%
GBOD 1%	74,584	71,214	71,214	59,360	-16.6%
City Pilot	34,205	33,603	33,603	33,600	0.0%
City Services - Admin	41,555	50,485	50,485	50,500	0.0%
City Services - Garage	13,545	12,880	12,880	13,000	0.9%
City Services - Tech	14,554	3,948	3,948	4,000	1.3%
Transfer to 910 Billing	55,016	57,188	57,188	59,480	0.0%
Transfer to 910 Cashiering	78,138	56,076	56,076	57,250	2.1%
Total Expenses and Outflows	\$ 684,515	\$ 641,462	\$ 641,462	\$ 573,970	-10.5%



NOTES:



Statistical Information

A Brief History of GEUS

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 then constructed a building on the Sabine River, where the diesel plant was formerly located. The company 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 build a power plant. Mayor Porter contracted Wayne Electric Company to build a small plant on the Town Branch, between Wesley St. and St. John Street. It became the first municipally owned electric plant in Texas and began producing power on March 4, 1891.

The power Plant began generating electricity for nighttime use, using one steam engine and two dynamo generators. In 1908, Greenville Water and Electric was purchased by the City of Greenville and the City Power Plant moved to the Sabine River. At that time, 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 excess of 10% per year was the norm for the city.

On May 7, 1988, the voters approved the separation of 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 to define transfers of revenue from the Electric Utility to the City of Greenville. It was on that day, that the first Electric Utility Board was named. During 2000, Greenville Electric Utility System was officially renamed GEUS.



HISTORY OF GEUS

Municipal Power Plant built on Town Branch. City contracted with Wayne Electric Company.

City purchased Greenville Water and Electric Light Company.

Power plant expanded with, **installation of two diesel generators.** An additional diesel generator was installed in 1938.

First Steam Generator installed. Additional units were added in 1967 and 1977.

1890

1888

1891

1908

1909

1933

1942

1966

1975

City water and electric franchise awarded to **Greenville Water and Electric Light Company** building erected on the sabine river, but never installed generators.

Power plant began **generating electricity for night time use** with a steam engine and two dynamos.

City power plant moved to Sabine River site, **two steam generators installed**, plant began generating power 24 hours a day.

First dual-fired unit installed to take advantage of low natural gas prices. **Capacity increased** with additional dual-fired units added between 1947-1958

TMPA, Texas Municipal Power Agency, created. TMPA was formed by Bryan, Denton, Garland, and Greenville with the purpose of generating power at the **Gibbons Creek power plant**, which began operation in 1983

HISTORY OF GEUS CONT.

Greenville Electric Utility System became fully autonomous when the Texas legislature passed legislation giving the following authorities: Rate setting, Bond Issuance, Eminent Domain.

Lowered residential rates by 19%.

Consumer Services Center opened

Gibbons Creek generating plant converted to burn low sulfur coal. **GEUS began PILOT (payment in lieu of taxes) payments to City.** Fiber Optic network expanded.

1000 kW diesel unit installed for “black start” capability in event of system-wide failure.

Electric utility retail competition passed into Texas law.

1989

1988

Council votes to allow voters to decide on “...establishing an autonomous Electric Utility Board”. Greenville Electric Utility System approved by 4-1 vote of the citizens of Greenville.

1991

100th Anniversary of Electric Utility

1992

1995

Greenville Electric Utility achieved 6.14 cents per kilowatt hour average cost of electricity. Fiber optic network installed for Utility, City, GISD, and County communications.

1996

1997

Electric Utility Board issued revenue bonds on behalf of the citizens of Greenville, marking the first time in Texas history a non-city council governmental agency had done this.

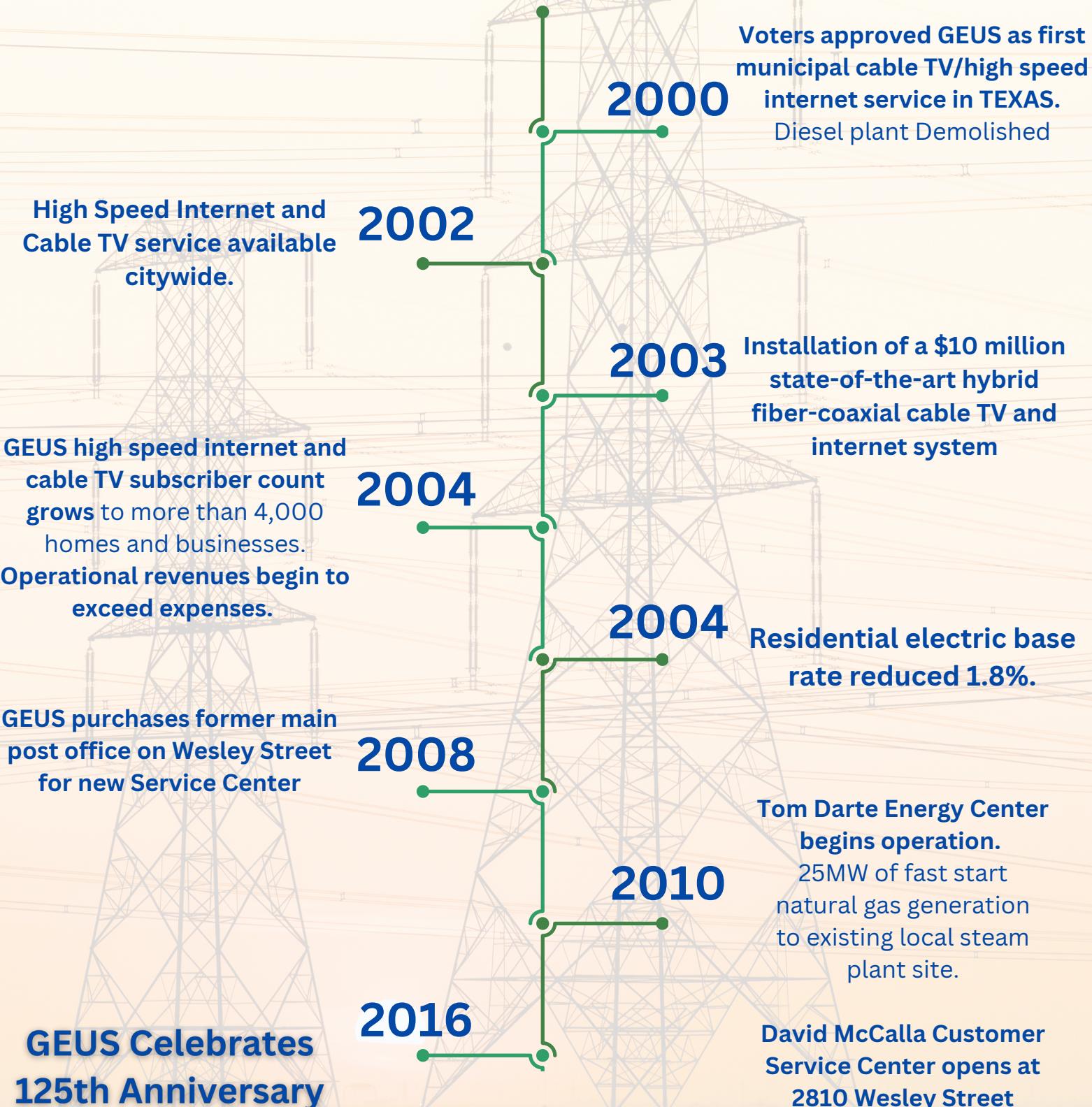
1999

2000

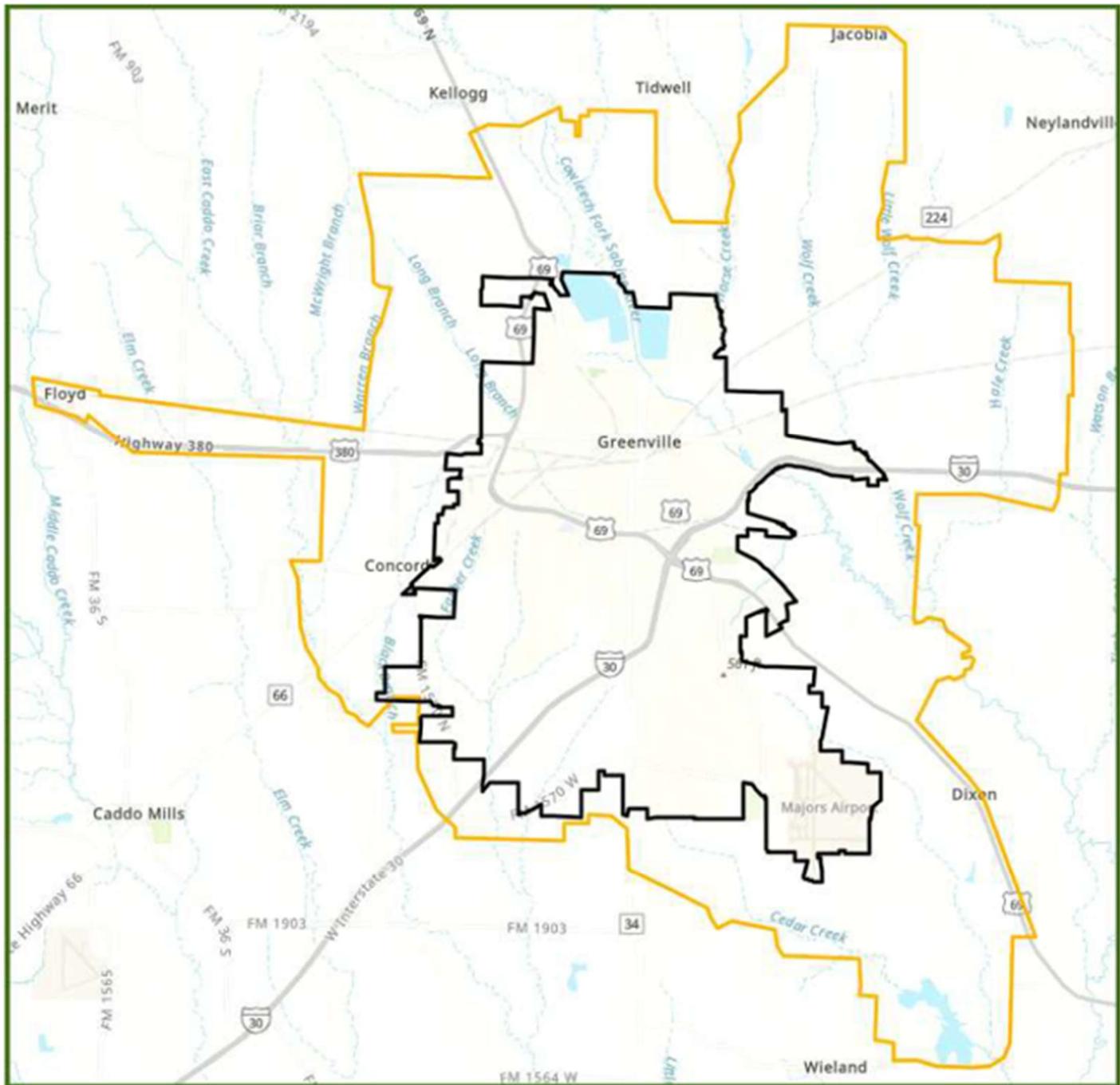
Greenville Electric Utility System renamed:



HISTORY OF GEUS CONT.



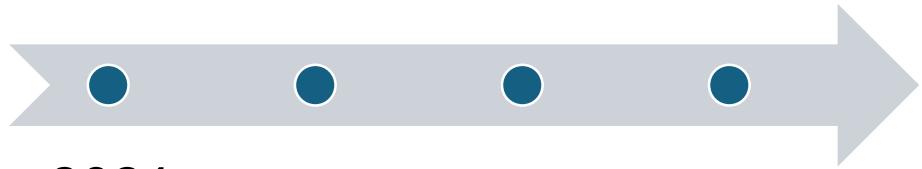
GEUS Service Territory



City Limits of Greenville

GEUS Service Area

Rates



2021 2022 2023 2024

Residential

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

Charge	Rates
Consumer Charge	\$11.25 per month
Energy Charge: June- October billing months	6.53 cents per kWh*
Energy Charge: November- May billing months	6.53 cents per kWh* for first 1200 kWh 4.80 cents per kWh* over 1200 kWh
Fuel Adjustment Factor	Varies monthly
Regulatory Charge	Varies monthly
General Fund Transfer	City of Greenville 5% fee Greenville Board of Development 1% fee

Commercial

Charge	Rates
Consumer Charge	\$18.50
Energy Charge	6.17 cents per kWh* for all kWh
Fuel Adjustment Factor	Varies monthly
Regulatory Charge	Varies monthly
General Fund Transfer	City of Greenville 5% fee Greenville Board of Development 1% fee

* Kilowatt hour

Community Information

GEUS has a service area of approximately 97 square miles. The City of Greenville is comprised of 32.6 square miles and is the County Seat for Hunt County, Texas. Located 50 miles northeast of Dallas, the City of Greenville is intersected by three railroads and numerous highways, including Interstate Highway 3, U.S. Highways 380, 69, 67, and State Highways 224, 66, and 34.

The City of Greenville offers a variety of activities for all interests, whether those be the fine arts, music, sports, wine tasting, entertainment, pursuing family or Texas history, or participating in a multitude of community events and activities.



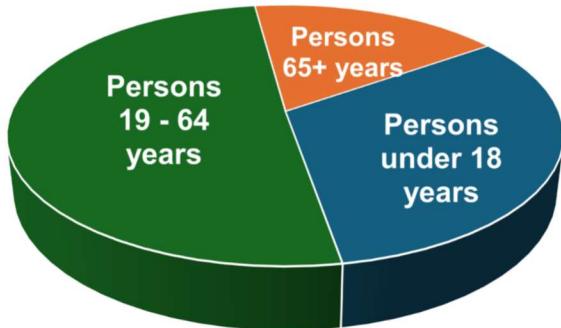
GEUS AT A GLANCE

Providing reliable electricity since 1891,
GEUS is the oldest of the 72 municipally owned utilities in Texas.

of Electric Customers: 17,200+
of Fusion Customers: 4,950+

Last base rate increase ⁽¹⁾: 2014
Base rate decrease ⁽¹⁾: 2020

Greenville, TX
Age Demographics



GEUS [joōs]

City Population ⁽³⁾:
32,717

Estimated to be 28,164 according to
the 2020 Census ⁽²⁾

Miles of Transmission Lines ⁽¹⁾: 32
Miles of Distribution Lines ⁽¹⁾: 743

City Limits ⁽²⁾: 32 Sq Mi
GEUS Service Area ⁽¹⁾: 97 Sq Mi

Greenville, TX
Gender
Demographics ⁽²⁾



50.1% | 49.9%

Average Temperature by Month
Greenville, TX ⁽⁴⁾



1 Greenville Electric Utility System, TX | Official Website
2 U.S. Census Bureau QuickFacts: Greenville city, Texas

3 City of Greenville, TX
4 Monthly Weather Forecast for Greenville, TX - weather.com

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Capital Budget



GEUS FIVE YEAR CAPITAL IMPROVEMENT PLAN

FY2024 Adopted, FY2024 Projected, FY2025 Approved, and FY2026-FY2028 Projected Budgets

DEPARTMENTS	Adopted FY 2024	Projected FY 2024	Proposed FY 2025	Projected			
				FY2026	FY2027	FY2028	
Administration	\$ 173,000	\$ 700,000	\$ 2,540,000	\$ 45,000	\$ -	\$ 5,000	
Finance	60,000	27,190	216,500	-	-	-	
Information Technology	1,326,133	1,366,486	278,250	98,110	161,090	54,690	
Customer Service	20,000	55,000	392,000	95,000	75,000	83,000	
Engineering and Operations	16,546,921	15,582,307	126,671,171	91,413,170	61,698,804	28,137,253	
Fusion Video and Internet	914,331	914,333	1,013,160	1,024,700	820,935	858,982	
Capital Contingency	500,000	100,000	500,000	500,000	500,000	500,000	
Grand Total	\$ 19,540,385	\$ 18,745,316	\$ 131,611,081	\$ 93,175,980	\$ 63,255,829	\$ 29,638,925	

FUNDING SOURCES	Adopted FY2024	Projected FY 2024	Proposed FY 2025	Projected FY 2026	Projected FY 2027	Projected FY 2028	
Debt Funded	\$ 17,060,554	\$ 16,627,005	\$ 128,563,171	\$ 88,657,520	\$ 56,450,804	\$ 11,361,253	
Cash Funded	2,479,831	2,118,311	3,047,910	4,518,460	6,805,025	18,277,672	
GRAND TOTAL	\$ 19,540,385	\$ 18,745,316	\$ 131,611,081	\$ 93,175,980	\$ 63,255,829	\$ 29,638,925	

Note: Projects shown are funded through fiscal year 2024-2025.



Major CIP Projects

The following is a list of major projects impacting GEUS. These projects have activity during fiscal year 2025 and are utilizing bond funds.

Administration

McCalla Building Remodel

Total Budget: \$2,645,000

Funding: Fund 913

Estimated Completion Date:
December 2025

Complete the remodel of the McCalla building to include administrative offices.

Operating Financial Impact: Will increase utility bills as GEUS is adding additional office space to accommodate increase in staff and allow for growth. Overall financial impact for FY2025 is expected to be minimum.

Substations

Industrial Park Substation Upgrade

Total Budget: \$12,162,000

Funding: Fund 913

Estimated Completion Date:
April 2027

Upgrade to the existing Industrial Park substation to replace existing equipment before it reaches max life expectancy and to better serve current and future industrial and commercial load.

Operating Financial Impact: No operating financial impact expected for FY2025.

Lee Street/Hwy 69 Substation

Total Budget: \$11,634,400

Funding: Fund 913

Estimated Completion Date:
FY 2026

New substation to serve new and existing loads in the northern service area. The project is needed for load/capacity relief and will also serve as a backup to other substations.

Operating Financial Impact: No operating financial impact expected for FY2025.

Major CIP Projects Continued

Dent Road Substation Upgrade

Total Budget: \$14,127,200

Funding: Fund 913

Estimated Completion Date:
FY 2028

Upgrade to the existing equipment at the Dent Road substation to increase stability, better serve current load, and to expand capacity for future anticipated load.

Operating Financial Impact: No operating financial impact expected for FY2025.

Mamie Road Substation Upgrade

Total Budget: \$15,997,000

Funding: Fund 913

Estimated Completion Date:
FY 2032

Relocation and upgrade to the existing Mamie Road substation to better serve current load and to expand capacity to serve future anticipated load.

Operating Financial Impact: No operating financial impact expected for FY2025.

Distribution Breaker Replacements

Total Budget: \$565,000

Funding: Fund 913

Estimated Completion Date:
Ongoing

Replacement of critical breakers at various substations.

Operating Financial Impact: No operating financial impact expected for FY2025.

Power Generation

New Generation Plant

Total Budget: \$157,020,000

Funding: Fund 913

Estimated Completion Date:
July 2027

Add a new generation plant to the GEUS portfolio with a total capacity of 104.96MW.

Operating Financial Impact: No operating financial impact expected for FY2025. This project is projected to cover future operating cost in an effort to give GEUS customers the lowest rate possible.



Outstanding Debt

**GEUS BOARD OF TRUSTEES
SEPTEMBER 19, 2024**

RESOLUTION 24-39

ADOPT FY 2024-2025 GEUS ANNUAL BUDGET

BACKGROUND: The GEUS Board of Trustees has complete responsibility and authority to adopt the GEUS Budget. This authority was granted by the City Council on August 8, 1989. This action was in accordance with the Charter Amendment which created the Electric System Board by popular referendum vote May 7, 1988. The state law was amended in 1989 to allow the creation of a fully autonomous electric board in accordance with the Charter Amendment.

DISCUSSION OR DESCRIPTION: The FY 2024-2025 Proposed Budget was presented to the GEUS Board of Trustees on July 17, 2024, and August 21, 2024. The Public Hearing was held August 21, 2024.

COMPARISON OF ALTERNATIVES: N/A

BUDGET IMPACT: N/A

RECOMMENDATION: Staff recommends Board approval of this resolution to officially adopt the GEUS Annual Budget for FY 2024-2025.

BOARD ACTION: Sue Ann Harting made a motion to approve. Seconded by Greg Chesney. The vote was unanimous in favor of approval. Motion carried.

Outstanding Debt

Electric Revenue Bonds are issued to provide funds for certain improvements to the electric utility systems as well as to sometimes refund prior electric revenue bond issues. These bonds will be repaid from revenues from the Electric Fund operations. Major projects to be financed with these proceeds can be found in the Capital Budget section. GEUS' revenue debt is rated AA by S&P Global. Per bond covenants, GEUS' debt service coverage shall be a minimum of 1.25. GEUS targets minimum coverage of 1.50.

The Greenville Electric Utility System has the following bonds outstanding as of September 30, 2024:

- \$41,610,000 Electric System Revenue Refunding Bonds, Series 2019A, due in a final installment of \$2,680,375 in 2026 with an interest rate of 5.0%. As of September 30, 2024 the outstanding balance was \$5,363,375.
- \$13,885,000 Electric System Revenue Bonds, Series 2021, due in a final installment of \$678,375 in 2051 with an interest rate of 2.99%. As of September 30, 2024 the outstanding balance was \$18,314,278.
- \$15,120,000 Electric System Revenue Refunding Bonds, Series 2022, due in a final installment of \$1,252,599 in 2037 with an interest rate of 2.85%. As of September 30, 2024 the outstanding balance was \$16,274,155.
- \$13,085,000 Electric System Revenue Bonds, Series 2022, due in a final installment of \$866,125 in 2052 with an interest rate of 5.12%. As of September 30, 2024 the outstanding balance was \$24,225,838.
- \$125,675,000 Electric System Revenue Refunding Bonds, Series 2024, due in a final installment of \$6,939,250 in 2054 with an interest rate of 4.32%. As of September 30, 2024 the outstanding balance was \$233,672,742.

Outstanding Debt Continued

Fiscal Year Ending September 30:	Total Debt Service			Total
	Principal	Interest		
2025	\$ 3,845,000	\$ 7,501,623		11,346,623
2026	4,015,000	7,797,794		11,812,794
2027	3,150,000	7,637,241		10,787,241
2028	5,105,000	7,451,130		12,556,130
2029	6,525,000	7,181,235		13,706,235
2030	6,840,000	6,868,556		13,708,556
2031	7,160,000	6,540,594		13,700,594
2032	7,510,000	6,198,426		13,708,426
2033	7,860,000	5,841,379		13,701,379
2034	6,700,000	5,505,430		12,205,430
2035	5,440,000	5,230,830		10,670,830
2036	4,730,000	5,006,354		9,736,354
2037	4,945,000	4,794,205		9,739,205
2038	3,895,000	4,591,581		8,486,581
2039	4,090,000	4,399,594		8,489,594
2040	4,285,000	4,198,044		8,483,044
2041	4,500,000	3,986,419		8,486,419
2042	4,720,000	3,765,769		8,485,769
2043	4,945,000	3,537,175		8,482,175
2044	5,185,000	3,298,559		8,483,559
2045	5,440,000	3,042,631		8,482,631
2046	5,715,000	2,768,156		8,483,156
2047	6,005,000	2,478,906		8,483,906
2048	6,305,000	2,174,294		8,479,294
2049	6,630,000	1,853,775		8,483,775
2050	6,960,000	1,523,563		8,483,563
2051	7,305,000	1,183,500		8,488,500
2052	6,975,000	834,875		7,809,875
2053	6,440,000	499,500		6,939,500
2054	6,770,000	169,250		6,939,250
Total	\$ 169,990,000	\$ 127,860,388		\$ 297,850,388



Glossary

Glossary

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

American Public Power Association (APPA) – is the voice of not-for-profit, community-owned utilities that power 2,000 towns and cities nationwide. APPA advocates and advises on electricity policy, technology, trends, training, and operations (publicpower.org)

AMI – Advanced Metering Infrastructure

Amortization – is used to periodically lower the book value of a loan or an intangible asset over a set period of time.

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.

Cable Modem Termination System (CMTS) – is a component that exchanges digital signals with cable modems on a cable network.

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

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

Capital expense/expenditure – funds spent to acquire capital assets, such as land, buildings, machinery, and equipment.

Capital Improvement Program (CIP) – 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.

CSR – Customer Service Representative

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.

DSR – Demand Side Response

Engineering Analysis (EA) – detailed cost-benefit analysis of energy efficiency investments including a review of potential cost savings through operation and maintenance changes.

E&O – Engineering and Operations

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

Greenville Electric Utility System (GEUS)
Fiscal Year 2024-25 Budget

ERS – Emergency Response System

ESRI – Environmental Systems Research Institute

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.

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 activities 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, television, and internet utility.

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

Government Finance Officers Association (GFOA) – represents public finance officials throughout the United States and Canada. The association's more than 20,000 members are federal, state/provincial, and local finance officials deeply involved in planning, financing, and implementing thousands of governmental operations in each of their jurisdictions. GFOA's mission is to advance excellence in public finance.

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

GBOD – Greenville Board of Development

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 and Maintenance

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

Outage Management System (OMS) – utility network management software application that models network topology for safe, efficient field operations related to outage restoration. OMSs tightly integrate with call centers to provide timely, accurate, customer-specific outage information, as well as supervisory control and data acquisition (SCADA) systems for real-time-confirmed switching and breaker operations. These systems track, group and display outages to manage service restoration activities safely and efficiently.

PILOT – Payment in Lieu of Taxes

PPA – Power Purchase Agreement

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.

ROW – Right of way

RTU – Remote Terminal Unit

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

Texas Commission on Environmental Quality (TCEQ) – is the environmental agency for the state.

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.

Texas Public Power Association (TPPA) – represents the interests of public power providers in the state of Texas including municipally owned electric utilities, river authorities, joint action agencies, and some electric cooperatives (tppa.com).

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

TO – Transmission Operator

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).

T&D – Transmission and Distribution

UPS – Uninterruptible Power Supply



American Public Power Association

