



# Fiscal Year 2021 Annual Budget and Capital Improvement Plan



**HUNTSVILLE UTILITIES**  
ELECTRICITY • NATURAL GAS • WATER

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## Huntsville Utilities

Huntsville Utilities provides water, gas and electricity to over 190,000 customers in Madison County and a portion of Marshall & Limestone Counties in north Alabama. The organization as it is recognized today came into existence in 1940 when the city of Huntsville purchased the local electric system from Alabama Power, entered into a power supply contract with the Tennessee Valley Authority and appointed an Electric Board to run the municipal system. The water infrastructure had been owned by the city since 1858, but in 1950 the municipality also acquired the gas system and four years later the Gas and Water Boards were established. Each utility Board consists of three members who are appointed by the City Council to serve for three-year terms. The Boards are responsible for oversight and governance of the utilities and for making recommendations to the City Council for major capital outlays, rate revisions and debt issuance. The Boards hire a CEO/President to manage and operate all three utilities. Budgets and financial statements are prepared and presented to each Board. Huntsville Utilities uses an October 1 through September 30 fiscal year for budgeting and financial reporting purposes.

The water system is the oldest public water system west of the Appalachian Mountains and has been in continuous operation approximately 200 years. Huntsville is located near the Tennessee River, which provides a dependable source of surface water. There are three water treatment plants with a current capacity of 108 million gallons per day. As the most recently constructed treatment plant continues to progress towards its full design capability, that amount can grow to 192 million gallons per day. Ground water in the area is taken from three wells and can yield around 13.5 million gallons per day during periods of maximum demand. The distribution system is composed of over 1,400 miles of water mains, ranging in size from 4 inches to 48 inches, and 36 gravity-operated storage reservoirs with a combined capacity of 56 million gallons. Average water sales revenue for the five-year period of 2015 through 2019 was \$42,615,587.

Huntsville receives natural gas from various suppliers via the Southern Natural and Third Coast Midstream (“Ala-Tenn”) pipelines through two primary delivery points. Downstream of these two gate stations, a network of high-pressure steel pipelines distributes the gas to district regulators. These district regulators reduce the pipeline pressure so the gas can be delivered to customers’ homes. Overall, there are 1,447 miles of gas distribution mains. There are two smaller gate stations that feed polyethylene networks. The total system delivers about 4.5 billion cubic feet of natural gas annually. Huntsville Utilities also contracts for 1.1 billion cubic feet of gas storage at the Bear Creek and Pine Prairie storage fields in Louisiana. During winter months, gas storage is used to meet approximately 35% of the expected gas demand. Average gas sales revenue for the five-year period of 2015 through 2019 was \$40,535,114.

Huntsville Utilities has no electric generation facilities and purchases all its power from TVA, which also serves as the regulatory body for the electric utility. The purchased power travels through nine TVA transmission circuits to fourteen delivery points in Huntsville. There are over 2,900 miles of overhead distribution line, approximately 1,460 miles of underground distribution line and 113 substation facilities within the service area. The electric system has a total of 2,680 megawatts of transformer capacity designed to accommodate a maximum system load of 1,406 megawatts, which occurred in January 2014. Average electric sales revenue for the five-year period of 2015 through 2019 was \$488,628,383.

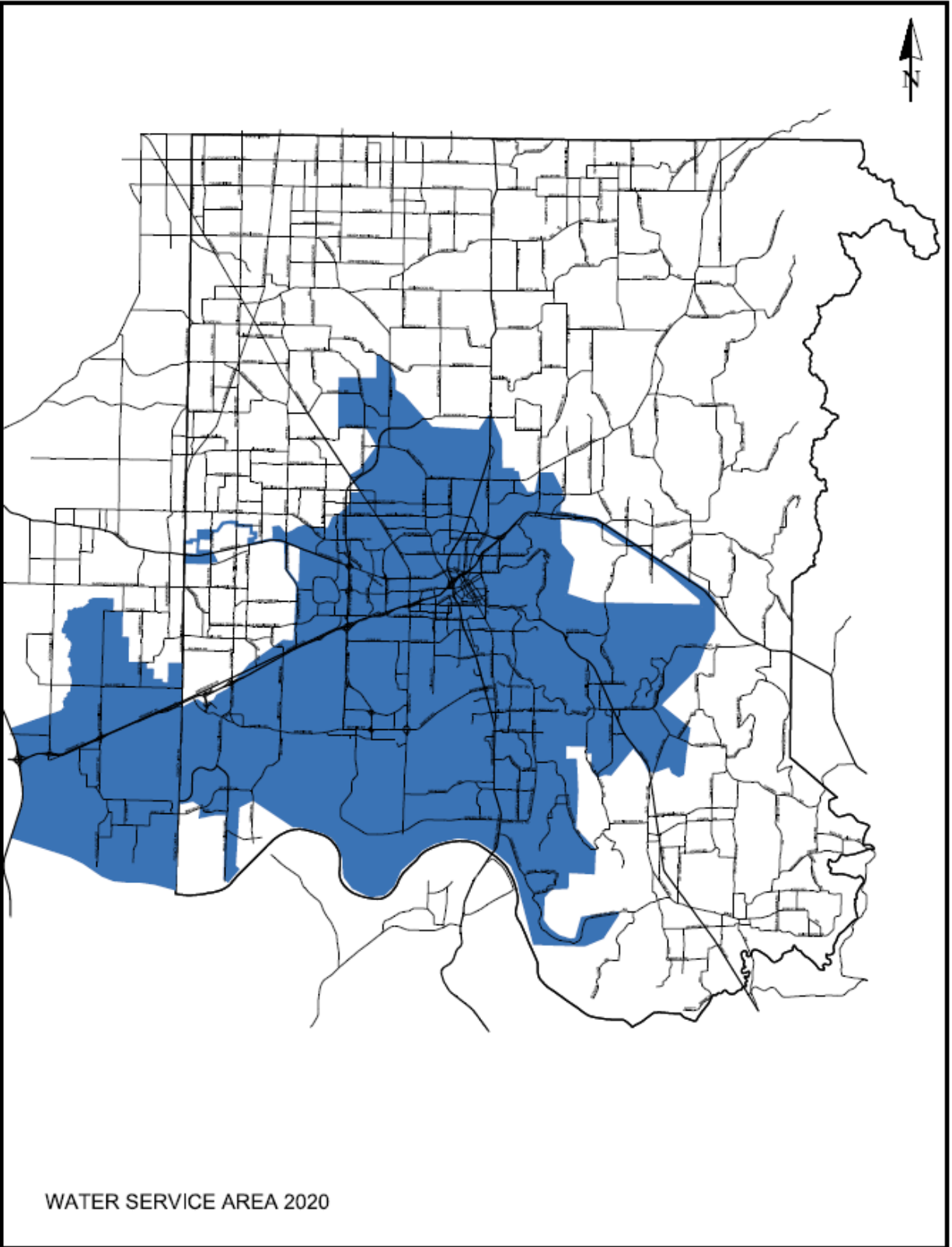
In 2016, Huntsville Utilities began construction on a major expansion of its existing fiber optic cable network. Excess fiber not needed for utility purposes can be leased to other entities. With that construction now essentially complete, there are over 6,000 miles of fiber installed. Lease revenue is expected to be around \$12.8 million annually. The fiber network is considered an electric asset and operating results are included on the electric financial statements.

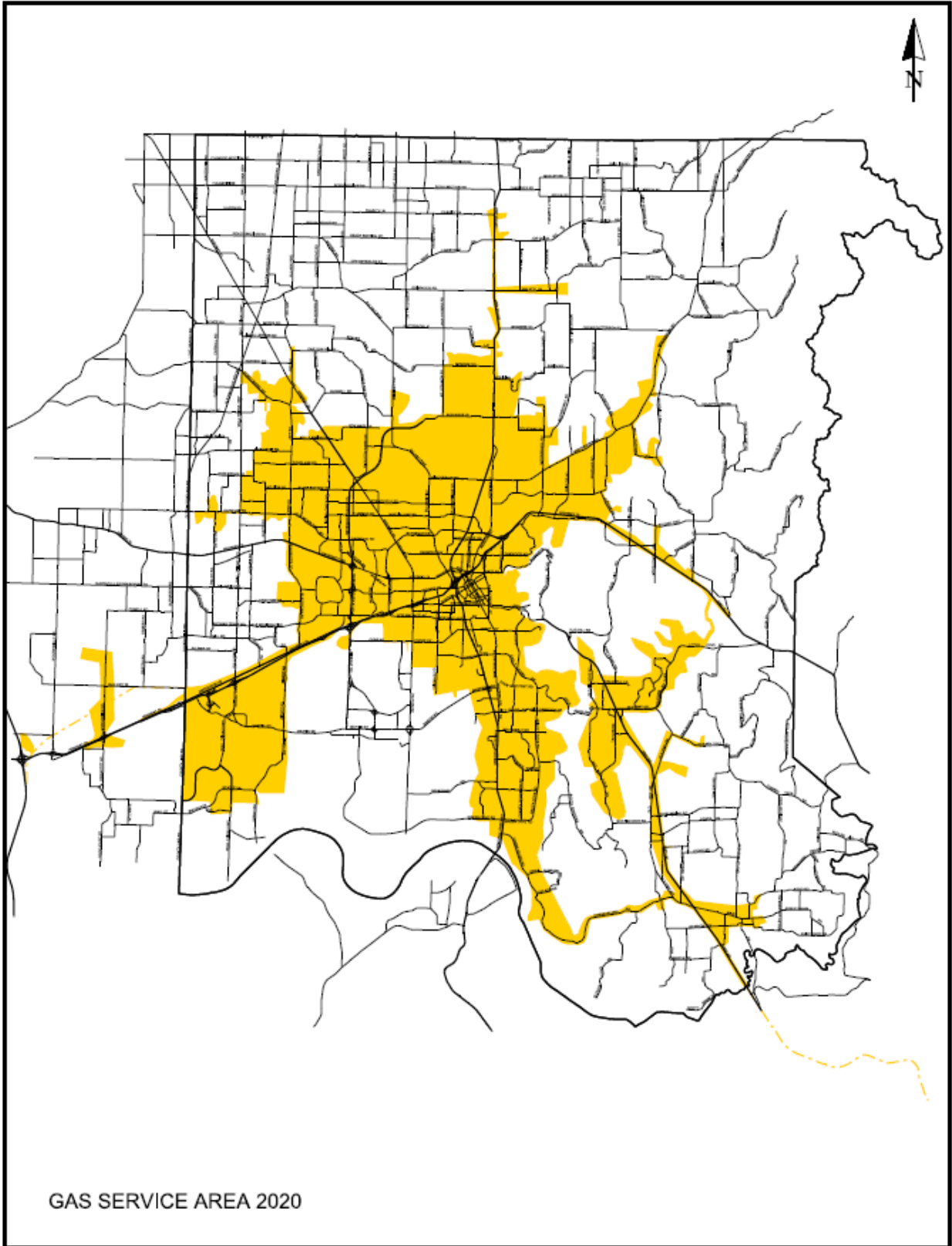
All utility systems are operated administratively under the joint management and control of a Chief Executive Officer/President and executive staff. In addition, certain employees throughout the organization perform administrative or support functions for all utility services to provide greater economy of operation. Customers are billed collectively for all three utility services offered by Huntsville Utilities, in addition to certain other services offered by the city of Huntsville (sanitation and waste water), Madison County (sanitation and water), the city of Madison (sanitation) and the town of New Hope (sanitation, water and waste water).

Huntsville Utilities produces monthly a set of financial statements for each utility service (enterprise funds). The city then presents that data as a component unit of its own financial statements. All debt issuance for Huntsville Utilities and the power contract with TVA are in the name of the City of Huntsville. The power contract contains explicit provisions providing for payments in lieu of taxes, calculated by applying the prevailing municipal, county and state property tax rates to the depreciated original cost of tangible property used for electric operations within the respective taxing jurisdictions at the beginning of each tax year. It also expressly prohibits Huntsville Utilities from making any other transfers to city funds from electric revenues or reserves. Water and gas payments in lieu of taxes to the city are not covered in the power contract but are required by city ordinance and are equivalent to 6% of sales revenue. Comingling of funds is not allowed for the electric, water and gas utility services. Board, City Council and TVA approval is required for any local electric rate actions, water rate actions must be approved by the Board and City Council and natural gas rate actions only require Board approval.

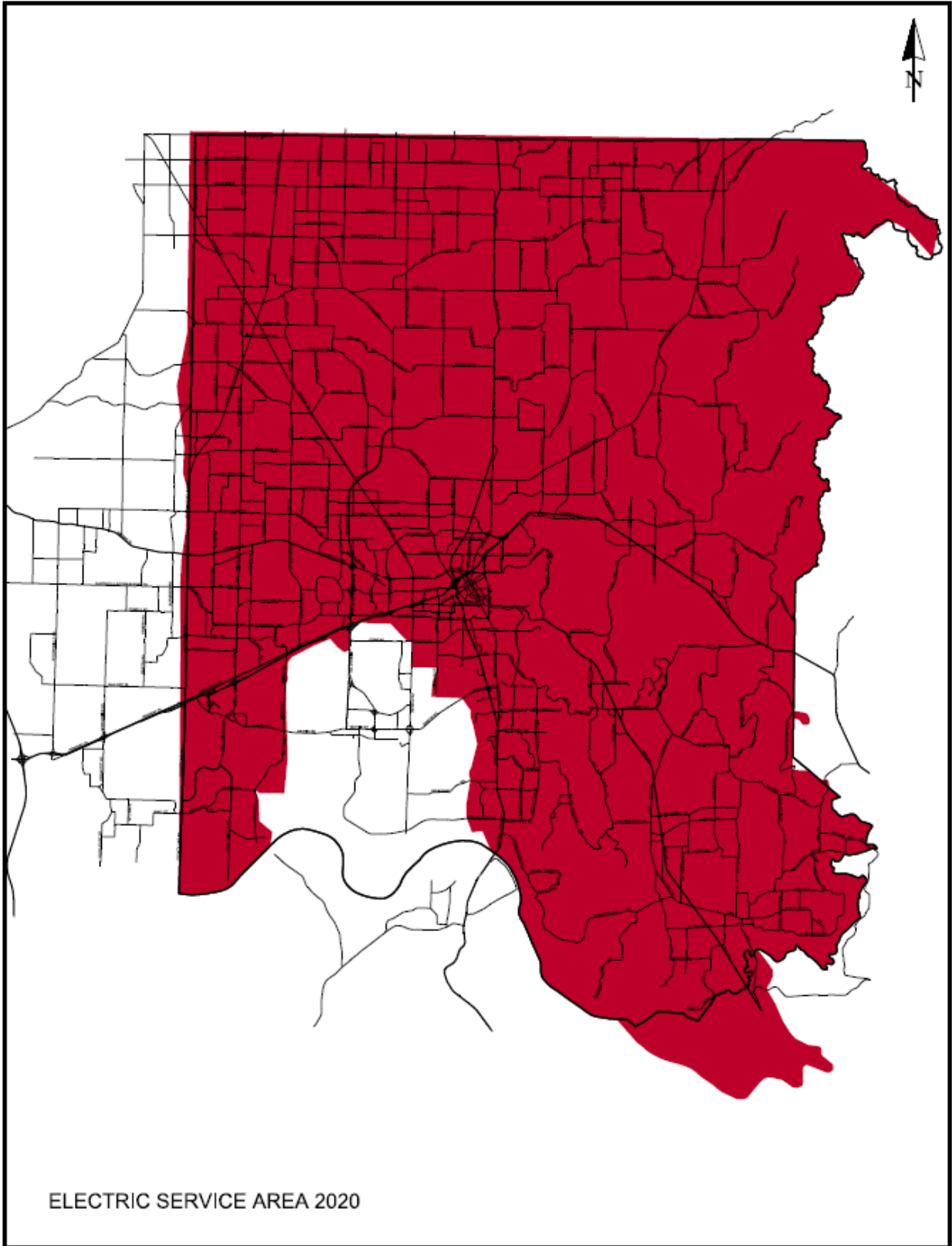
*Huntsville Utilities Electric line workers participating in a climbing class.*

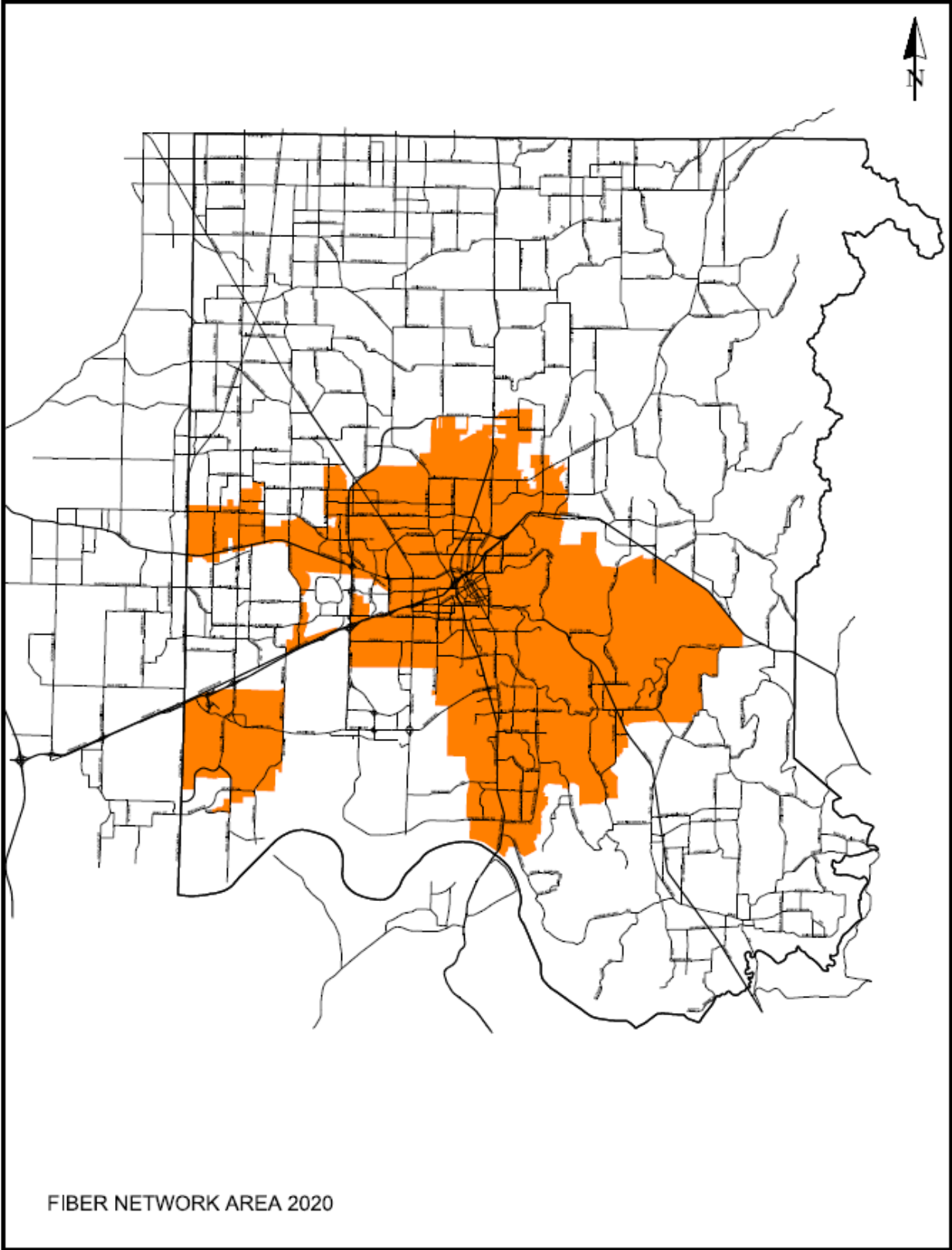












FIBER NETWORK AREA 2020

## Top 10 Utility Customers by Volume and Revenue – Water

### 2019

Top 10 by Revenue			Top 10 by Consumption		
UNITED STATES ARMY	\$	1,343,806	UNITED STATES ARMY	784,508,400	GAL
MADISON CO COMM S2WD	\$	1,318,622	MADISON CO COMM S2WD	763,912,100	GAL
HUNTSVILLE CITY GSD	\$	739,705	HUNTSVILLE CITY GSD	203,557,341	GAL
HUNTSVILLE HOSPITAL	\$	431,840	HUNTSVILLE HOSPITAL	163,357,900	GAL
HOUSING AUTHORITY COH	\$	430,746	NEW HOPE TOWN OF	149,623,000	GAL
HUNTSVILLE SCHOOLS	\$	375,853	ALABAMA A&M UNIV	144,241,800	GAL
ALABAMA A&M UNIV	\$	309,550	COVANTA HUNTSVILLE INC	124,350,500	GAL
NEW HOPE TOWN OF	\$	306,171	HOUSING AUTHORITY COH	115,382,400	GAL
IMI HUNTSVILLE LLC	\$	241,830	TRIANA TOWN OF	114,323,000	GAL
TRIANA TOWN OF	\$	228,819	OAKWOOD UNIVERSITY	87,909,000	GAL

### 2018

Top 10 by Revenue			Top 10 by Consumption		
UNITED STATES ARMY	\$	1,314,449	UNITED STATES ARMY	765,894,800	GAL
MADISON CO COMM S2WD	\$	1,286,604	MADISON CO COMM S2WD	738,073,900	GAL
HUNTSVILLE CITY GSD	\$	714,959	HUNTSVILLE CITY GSD	193,735,490	GAL
HUNTSVILLE HOSPITAL	\$	435,424	HUNTSVILLE HOSPITAL	170,403,000	GAL
HOUSING AUTHORITY COH	\$	425,213	ALABAMA A&M UNIV	155,090,900	GAL
HUNTSVILLE SCHOOLS	\$	394,681	NEW HOPE TOWN OF	150,617,000	GAL
ALABAMA A&M UNIV	\$	325,104	COVANTA HUNTSVILLE INC	115,846,700	GAL
NEW HOPE TOWN OF	\$	304,304	HOUSING AUTHORITY COH	112,391,900	GAL
IMI HUNTSVILLE LLC	\$	259,798	TRIANA TOWN OF	103,946,000	GAL
TRIANA TOWN OF	\$	208,480	HUNTSVILLE SCHOOLS	92,172,300	GAL

### 2017

Top 10 by Revenue			Top 10 by Consumption		
MADISON CO COMM S2WD	\$	1,313,708	MADISON CO COMM S2WD	750,659,600	GAL
UNITED STATES ARMY	\$	1,152,614	UNITED STATES ARMY	665,814,300	GAL
HUNTSVILLE CITY GSD	\$	724,187	HUNTSVILLE CITY GSD	207,274,200	GAL
HOUSING AUTHORITY COH	\$	439,124	HUNTSVILLE HOSPITAL	173,368,700	GAL
HUNTSVILLE HOSPITAL	\$	438,710	ALABAMA A&M UNIV	162,151,600	GAL
HUNTSVILLE SCHOOLS	\$	419,908	NEW HOPE TOWN OF	142,575,000	GAL
ALABAMA A&M UNIV	\$	335,767	HOUSING AUTHORITY COH	120,968,000	GAL
NEW HOPE TOWN OF	\$	285,902	COVANTA HUNTSVILLE INC	117,029,800	GAL
IMI HUNTSVILLE LLC	\$	285,677	HUNTSVILLE SCHOOLS	103,249,700	GAL
COVANTA HUNTSVILLE INC	\$	205,305	IMI HUNTSVILLE LLC	89,807,700	GAL

## Top 10 Utility Customers by Volume and Revenue – Gas

### 2019

Top 10 by Revenue			Top 10 by Consumption		
HUNTSVILLE SCHOOLS	\$	958,008	UNITED STATES ARMY	351,971,600	CUF
POLARIS INDUSTRIES INC	\$	858,847	HUNTSVILLE HOSPITAL	231,936,000	CUF
HUNTSVILLE CITY GSD	\$	692,335	NORRIS CYLINDER COMPANY INC	215,733,000	CUF
REMINGTON ARMS COMPANY LLC	\$	544,831	KOHLER CO	174,770,600	CUF
ALABAMA A&M UNIV	\$	516,280	HUNTSVILLE SCHOOLS	110,575,100	CUF
UNITED STATES ARMY	\$	509,049	UNITED STATES ARMY	108,913,000	CUF
BASF CATALYSTS LLC	\$	485,696	POLARIS INDUSTRIES INC	104,965,500	CUF
HUNTSVILLE HOSPITAL	\$	472,275	REED CONTRACTING SVCS INC	90,221,500	CUF
INTERNATIONAL PAPER CO	\$	441,682	HUNTSVILLE CITY GSD	79,381,200	CUF
HEALTH GROUP OF AL	\$	307,672	REMINGTON ARMS COMPANY LLC	66,693,000	CUF

### 2018

Top 10 by Revenue			Top 10 by Consumption		
HUNTSVILLE SCHOOLS	\$	960,147	UNITED STATES ARMY	346,378,000	CUF
POLARIS INDUSTRIES INC	\$	843,422	BASF CATALYSTS LLC	335,460,000	CUF
HUNTSVILLE CITY GSD	\$	705,637	HUNTSVILLE HOSPITAL	249,796,700	CUF
VINTAGE PHARMACEUTICALS LLC	\$	482,345	NORRIS CYLINDER COMPANY INC	220,226,000	CUF
HUNTSVILLE HOSPITAL	\$	465,173	HUNTSVILLE SCHOOLS	111,749,400	CUF
REMINGTON ARMS COMPANY LLC	\$	447,909	POLARIS INDUSTRIES INC	103,190,400	CUF
UNITED STATES ARMY	\$	429,502	HUNTSVILLE CITY GSD	81,951,900	CUF
ALABAMA A&M UNIV	\$	400,083	REMINGTON ARMS COMPANY LLC	59,454,000	CUF
INTERNATIONAL PAPER CO	\$	383,579	VINTAGE PHARMACEUTICALS LLC	58,823,300	CUF
BASF CATALYSTS LLC	\$	360,633	INTERNATIONAL PAPER COMPAN'	54,487,000	CUF

### 2017

Top 10 by Revenue			Top 10 by Consumption		
HUNTSVILLE SCHOOLS	\$	804,077	BASF CATALYSTS LLC	320,366,000	CUF
VINTAGE PHARMACEUTICALS LLC	\$	620,143	UNITED STATES ARMY	318,496,500	CUF
HUNTSVILLE CITY GSD	\$	609,535	HUNTSVILLE HOSPITAL	235,047,800	CUF
POLARIS INDUSTRIES INC	\$	576,428	NORRIS CYLINDER COMPANY INC	206,195,000	CUF
REMINGTON ARMS COMPANY LLC	\$	400,067	KOHLER CO	156,842,800	CUF
ALABAMA A&M UNIV	\$	380,546	UNITED STATES ARMY	127,683,000	CUF
INTERNATIONAL PAPER CO	\$	374,936	HUNTSVILLE SCHOOLS	90,544,500	CUF
HUNTSVILLE HOSPITAL	\$	372,307	VINTAGE PHARMACEUTICALS LLC	75,521,900	CUF
NEKTAR THERAPEUTICS	\$	319,085	HUNTSVILLE CITY GSD	71,075,700	CUF
UNITED STATES ARMY	\$	312,797	POLARIS INDUSTRIES INC	69,904,400	CUF

## Top 10 Utility Customers by Volume and Revenue – Electric

### 2019

Top 10 by Revenue			Top 10 by Consumption		
HUNTSVILLE HOSPITAL	\$	8,933,267	HUNTSVILLE HOSPITAL	100,675,112	KWH
HUNTSVILLE SCHOOLS	\$	6,003,648	TMMAL	63,966,990	KWH
TMMAL	\$	4,447,729	HUNTSVILLE SCHOOLS	61,349,151	KWH
HUNTSVILLE UTILITIES	\$	4,120,590	TECHNICOLOR HOME ENT SVCS	55,912,341	KWH
WAL MART STORES EAST	\$	3,941,692	SAINT GOBAIN CERAMIC	55,829,982	KWH
KENNAMETAL INC	\$	3,677,540	KENNAMETAL INC	46,093,661	KWH
TECHNICOLOR HOME ENT SVCS	\$	3,545,495	WAL MART STORES EAST	44,915,991	KWH
ALABAMA A&M UNIV	\$	3,424,163	HUNTSVILLE UTILITIES	43,926,073	KWH
MAD CO BD OF ED	\$	3,346,487	BOEING COMPANY	39,463,391	KWH
HUNTSVILLE CITY ENG	\$	3,184,185	PPG INDUSTRIES INC WKS #22	39,176,199	KWH

### 2018

Top 10 by Revenue			Top 10 by Consumption		
HUNTSVILLE HOSPITAL	\$	8,518,543	HUNTSVILLE HOSPITAL	98,374,602	KWH
HUNTSVILLE SCHOOLS	\$	5,868,568	TMMAL	76,489,585	KWH
TMMAL	\$	5,256,469	SAINT GOBAIN CERAMIC	66,825,744	KWH
SAINT GOBAIN CERAMIC	\$	3,939,776	HUNTSVILLE SCHOOLS	62,359,274	KWH
WAL MART STORES EAST	\$	3,884,225	TECHNICOLOR HOME ENT SVCS	59,712,538	KWH
HUNTSVILLE UTILITIES	\$	3,829,350	KENNAMETAL INC	49,566,427	KWH
KENNAMETAL INC	\$	3,795,747	WAL MART STORES EAST	45,921,829	KWH
TECHNICOLOR HOME ENT SVCS	\$	3,750,124	HUNTSVILLE UTILITIES	41,824,392	KWH
MAD CO BD OF ED	\$	3,247,406	BASF CATALYSTS LLC	38,690,111	KWH
ALABAMA A&M UNIV	\$	3,141,686	BOEING COMPANY	36,547,597	KWH

### 2017

Top 10 by Revenue			Top 10 by Consumption		
HUNTSVILLE HOSPITAL	\$	7,916,573	HUNTSVILLE HOSPITAL	91,476,210	KWH
HUNTSVILLE SCHOOLS	\$	6,116,198	TMMAL	79,137,907	KWH
TMMAL	\$	5,257,134	HUNTSVILLE SCHOOLS	63,844,322	KWH
TECHNICOLOR HOME ENT SVCS	\$	4,056,149	TECHNICOLOR HOME ENT SVCS	63,317,066	KWH
HUNTSVILLE UTILITIES	\$	3,888,189	SAINT GOBAIN CERAMIC	55,092,164	KWH
WAL MART STORES EAST	\$	3,797,528	KENNAMETAL INC	47,615,774	KWH
KENNAMETAL INC	\$	3,640,054	WAL MART STORES EAST	44,927,523	KWH
SAINT GOBAIN CERAMIC	\$	3,579,830	HUNTSVILLE UTILITIES	42,074,252	KWH
MAD CO BD OF ED	\$	3,046,318	BASF CATALYSTS LLC	37,434,940	KWH
ALABAMA A&M UNIV	\$	3,018,277	ALABAMA A&M UNIV	34,583,277	KWH



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# Strategic Plan

## 2020 Strategic Plan



**Mission** **Strengthen Trust in Huntsville Utilities** — Huntsville Utilities is committed to listening and operating with integrity and excellence, worthy of high trust from our community, stakeholders, and employees.

**Vision** **Deliver Excellent Customer Experiences** — Through our services and people, Huntsville Utilities' highest ambition is to consistently deliver excellent customer experiences.

**Values** **Do What's Right** — Huntsville Utilities is a steward of the community's resources and foundational to the success of our region. We owe it to our coworkers and the community to do our work ethically, accurately, and completely—making it easier for others to do their work and creating the best possible outcome.

**Build Community** — Huntsville Utilities, its employees, and our customers are in this community together. Treating our coworkers and customers with respect, embracing efficiency, and providing exceptional service and value is how we build our future.

**Get Better Everyday** — Huntsville Utilities' employees personally and collectively embrace continuous improvement and diverse perspectives. We develop our thinking, systems, processes, and technology to strengthen our work and empower a dynamic community.



## 2020 Strategic Plan

### Organizational Goals

<b>Demonstrate Prudent Stewardship</b>	Maintain reliable systems
	Charge fair and reasonable rates
	Enforce process efficiency and financial accountability
<b>Develop Engaged and Effective Employees</b>	Protect our people and facilities
	Promote cross-functional thinking
	Encourage two-way communication
<b>Respect our Customers</b>	Operate with integrity
	Deliver the best customer outcome
	Strengthen our community

### Strategic Focus Areas





**HUNTSVILLE UTILITIES**  
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# Budget Summary

I am pleased to submit for your consideration the proposed Annual Budget and Capital Improvement Plan for fiscal year 2021.

The annual budget is an important document that guides our activities and spending plans. The budget is presented for initial review at the July board meetings, and the budgets should be ready for adoption in August. Budget work orders (comprising capital projects over \$25,000) are then sent to City Council for consideration in September.

This year, Huntsville Utilities management expanded and improved the information provided in the annual budget. While in previous years, the budget was a series of spreadsheets and presentation slides, it now is a comprehensive document that provides meaningful context for HU's use of funds.

Proposed revenues and expenditures for FY21 are provided in the following table:

	<b>Water</b>	<b>Gas</b>	<b>Electric</b>	<b>Combined *</b>
Operating Revenue	\$53,225,294	\$47,795,628	\$527,399,270	\$628,420,192
Other Revenue	\$390,924	\$443,455	\$15,864,609	\$16,698,988
Reimbursements	\$7,074,895	\$6,648,543	\$1,406,058	\$15,129,496
Warrant Proceeds	\$10,815,000	\$7,100,000	\$0	\$17,915,000
Reserve Transfers	\$9,358,302	\$1,901,086	\$1,215,976	\$12,475,364
<b>Total Revenue</b>	<b>\$80,864,415</b>	<b>\$63,888,712</b>	<b>\$545,885,913</b>	<b>\$690,639,040</b>
Commodity	\$40,000	\$19,036,084	\$406,855,241	\$425,931,325
O&M Expense	\$36,016,047	\$23,091,081	\$70,618,978	\$129,726,106
Debt Service	\$9,113,318	\$2,345,205	\$6,591,600	\$18,050,123
Taxes	\$2,795,561	\$2,657,886	\$17,091,993	\$22,545,440
Capital Expenditures	\$32,899,489	\$16,758,456	\$44,728,101	\$94,386,046
<b>Total Expense</b>	<b>\$80,864,415</b>	<b>\$63,888,712</b>	<b>\$545,885,913</b>	<b>\$690,639,040</b>

*\* For reference purposes only*

Each utilities' budget is balanced for the upcoming year through the application of expected revenues, debt funding, and available reserves.

Given the current economic uncertainty, the budget is conservative. Estimated sales revenues are higher than last year's budget in Water (+1.6%), but lower in Gas (-4.8%) and Electric (-2.3%).

Budgeted expenses have been carefully reviewed. Though Huntsville has grown rapidly in recent years, it is difficult to predict when growth will stop and how the disruptions of 2020 will impact the health of the local economy. HU finds itself in the difficult position of needing to support ongoing construction, while keeping a weather eye on the horizon for trouble ahead.

To highlight a few major efforts underway:

- A considerable amount of time and money continues to be directed toward the Greenbrier area. HU is working diligently to provide needed water and gas infrastructure to Mazda/Toyota and the developing areas in west Huntsville.

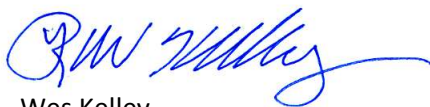
- In FY21, we will begin executing a multi-year construction effort to upgrade the South Parkway Water Treatment Plant.
- Construction of the trailblazing fiber project is complete. In FY21, we will fill in a few holes within the initial construction area, increase utility/municipal use of the network, and address dark-fiber lease arrangements.
- More than half of homes now have an electric smart meter. The electric deployment is on schedule and should be completed by FY22. Gas AMI modules will be deployed in FY21 and FY22. Unfortunately, given budget constraints, we have deferred the installation of water AMI modules. While water AMI remains desirable, there is not adequate funding in the five-year capital plan to support the cost. We hope to revisit water AMI later.
- The five-year forecast includes a possible water rate increase in FY22 through FY24. Based on current data, the recommendation is to increase water rates by 6% each year for three years. While this does not impact the FY21 budget, it will be a key factor in the following year's budget.
- The potential utility services agreement with Redstone Arsenal is being negotiated with base officials. If the U.S. Army is interested in proceeding, this project will be addressed in a separate financial analysis.
- Given the vulnerable state of the economy and very low (near zero) inflation, the FY21 budget provides a modest 1% cost-of-living-adjustment (COLA) for HU employees. Also, changes in employee and retiree health insurance copays and deductibles will help control the cost of employee benefits.

This document conveys a considerable amount of information. I hope you have time to review all the material, but I would draw your attention to sections such as Factors Influencing the Budget, Net Position, and the Capital Improvement Plan. Also, useful and detailed information is provided in the Organizational Function and Capital Project Summary sections.

The Budget and Rates and Engineering Planning staff have been especially assiduous in the preparation of this budget. I am very appreciative of the time and effort expended to create a purposeful tool that will help HU execute on its priorities.

It is my privilege to lead an outstanding organization, comprised of men and women dedicated to providing foundational and essential services to a vibrant community. I look forward to a productive year ahead.

Sincerely,



Wes Kelley  
President/CEO

## Factors Influencing the Budget

Huntsville Utilities provides water, natural gas and electric service to over 190,000 customers in the greater Huntsville area. With Huntsville currently ranked as Alabama's second largest city, and on pace to be the largest city in the state within the next five years, having a sound strategic plan will be key in adapting current operations to the needs of a growing service area and customer base. By focusing on workforce performance, customer satisfaction, system reliability, financial stability and organizational excellence, Huntsville Utilities is prepared to embrace the following challenges and opportunities.

### **COVID-19/Coronavirus Pandemic**

In March 2020, the highly contagious, and sometimes fatal, coronavirus reached the city of Huntsville and Madison County. State and local leaders initially acted to mitigate the spread of the disease by promoting social distancing and shutting down non-essential businesses for two weeks, but after several extensions and a resurgence of positive tests in the community after re-opening, it is unclear at this time what the long-term solution will be for dealing with the virus or what the new "normal" will look like.

There will be financial impacts from businesses closing temporarily or permanently. However, in most cases, construction projects within the service area that started prior to the pandemic have continued. It is too early to know if this level of activity will be sustained once those projects have been completed. Residents have quarantined at home reducing the workforce and slowing down the economy, but residential utility service must continue unabated. Early statistical and financial results for Huntsville Utilities show little change in residential usage and revenue, but more pronounced differences for business customers. Like many utilities, service disconnection and late fees were suspended temporarily to offer some relief to customers.

At this point, the utility workforce has not been significantly impacted with positive coronavirus cases.

To account for COVID-19 financial impacts, the following adjustments have been made to the budget and five-year plan:

- Electric energy consumption has been reduced by 5% for commercial and industrial customer classes starting with June 2020 and continuing through September 2022. These projections result in a decrease of \$12.5 million in annual sales revenue, a \$10 million reduction in annual power costs and cumulative reduction in cash reserves of approximately \$7 million.
- Water usage has been reduced by 2.5% for all business customers for the same period, resulting in annual revenue reductions of around \$300,000 and a cumulative reduction in cash reserves of \$670,000. Tax equivalents for water are based on sales revenue, so those amounts also decreased by \$17,000 annually.

- No adjustments were made to gas usage. Early results indicate that commercial and industrial gas usage has not been impacted to the same extent as water and electric.

### **Long-Term Partnership Agreement with TVA**

The City of Huntsville and the Tennessee Valley Authority (TVA) are parties to a power contract that requires all electricity distributed by Huntsville Utilities to be purchased from TVA. The contract has an “evergreen” provision meaning that it renews every year. Prior to 2020, either party could terminate the contract by giving 10 years written notice.

To solidify its customer base, build stability into its revenue stream, and move towards more uniform contract terms; TVA approached local power companies in 2019 with an alternative contract proposal that would extend the length of the termination clause to 20 years in addition to other changes. As an incentive for signing the new contract, TVA offered a 3.1% credit to be applied to standard service purchased power on the monthly power bills, a pledge to not raise rates more than 10% over any 5-year period, and power supply flexibility for up to 5% of the local power company’s energy requirements. For any local power company that does not sign the new proposal and remains under its original contract provisions, any incentives are forfeited. If the contract is signed and TVA fails to uphold any of its contract provisions, the local power contract reverts back to a shorter term.

After requesting clarity in terms of contract language and performing other due diligence activities to evaluate contract alternatives, Huntsville Utilities agreed to sign the long-term partnership and obtained Electric Board and City Council approval for the contract amendment in February 2020.

Budgetary impacts of this action for Huntsville Utilities are currently limited to the inclusion of the credit to offset purchased power costs. A separate line item is shown in the budget and long-term financial plan to track cumulative savings. This amount is expected to be around \$10 million annually.

### **Rate Adjustments**

Huntsville Utilities continues to offer some of the most affordable rates in the Tennessee Valley. Each year, management evaluates the current financial position, planned operating and capital expenditures, historical revenue information and commodity prices to determine if any rate adjustments are necessary. Cost of service studies, designed to make sure rates are cost-based, are scheduled to be conducted by rate consultants for each service every three years.

Water rate adjustments must be approved by the Gas and Water Board and City Council. The last approved change to Huntsville Utilities’ water rates took place in fiscal year 2017, although some minor adjustments have taken place since then because of a link to Madison County water rates. The current cash model does include three water rate adjustments of approximately 6% to be applied in fiscal years 2022, 2023 and 2024. The next cost of service study for water is scheduled for fiscal year 2021 and will be conducted by Jackson Thornton Utilities.

As permitted by city ordinance, due to the volatility of the commodity market, natural gas rate adjustments do not require City Council approval but must be approved by the Gas and Water Board. In 2017, the Board authorized a three-year rate adjustment increasing availability charges and usage rates each year ending with fiscal year 2020. No additional rate increases are included in the five-year plan. Interruptible gas retail rates were discontinued for commercial and industrial customers in April 2020 and replaced by three new firm rate classes. A cost of service study for gas rates is currently underway (fiscal year 2020) and is being conducted by Kan Huston Associates.

All electric rate adjustments must be approved by the Electric Board, TVA and City Council. Huntsville Utilities management proposed a five-step rate strategy beginning in fiscal year 2019 that would last through fiscal year 2023 that was approved by all governing bodies. The fiscal year 2021 budget includes the third step of that plan which is estimated to produce approximately \$2.5 million in additional revenue by adjusting availability charges on residential and commercial customers. The next cost of service study for electric rates is scheduled to take place in fiscal year 2022 and will be performed by Chris Mitchell Management Consultants.

### **Advanced Metering Infrastructure (AMI) Deployment**

Huntsville Utilities is replacing conventional mechanical meters with AMI meters that will provide timely usage data and facilitate cost reductions related to connecting or disconnecting utility service. This change will potentially lead to more options in rate offerings, such as prepaid usage plans or time of use pricing and give customers information needed to manage usage patterns. Meters are being deployed in phases with electric meter replacement happening first. Huntsville Utilities is purchasing the meters, maintaining the inventory and utilizing Aclara Technologies as the meter installation vendor.

As of July 2020, deployment of electric AMI meters is on schedule with 106,000 out of an estimated 192,000 meters installed (55% complete). Total project cost is estimated at \$27.4 million. All remaining costs should be incurred during fiscal year 2021.

The gas AMI meter deployment is expected to begin in fiscal year 2021 at an estimated cost of \$6 million split evenly over two years even though some minor up-front costs have already occurred. There are approximately 56,000 modules to be deployed that will interface with existing meters.

The changeout of the water meters has been removed from the budget and five-year plan due to cost concern and performance issues. Management is currently evaluating the next steps for water meter replacement.

### **Fiber Network Build-Out**

In 1999, Huntsville Utilities' system included about 100 miles of fiber optic cable intended strictly for internal purposes, but as time passed the fiber network was expanded incrementally to meet



specific customer needs. In 2014, a study was conducted to determine the next steps in maximizing the potential of the asset and one of the conclusions drawn was that installing infrastructure to support fiber to the home was simply too expensive for the utility to pursue. Consequently, the decision was made to undertake a 3.5-year project to build a backbone network around the service territory and complement it with enough facilities and fiber to reach all critical assets as well as accommodate growth. City Council approved an ordinance allowing the Electric Board to lease excess fiber and establish lease rates. Google entered into a lease agreement with Huntsville Utilities that would allow for the fiber network to be extended to customers' homes. During the build, substantial improvements to the electric system infrastructure were made as older poles and equipment were identified and replaced.

Huntsville Utilities primarily leases dark fiber to interested parties, including the City of Huntsville who is working to migrate its services onto the network. The initial build-out of the fiber network is now complete, resulting in fiber infrastructure that includes the following:

- 6,000-miles of fiber installed (3,960 aerial and 2,040 underground)
- 75-miles of backbone fiber installed in a ring configuration for redundancy
- 6 dedicated HUT buildings to facilitate fiber distribution
- Google Fiber leasing fiber to potentially provide service to over 100,000 homes in the City of Huntsville

The total cost for the project will be more than \$105 million and it is shown as an electric asset on the financial statements. Annual lease revenue from the fiber network is expected to reach \$12.8 million in 2021. Payback of the initial investment is expected take approximately 12 years. Each year of the five-year plan shows at least \$750,000 budgeted for additional fiber expansion.

### **Mazda Toyota Manufacturing**

Mazda Motor Corporation and Toyota Motor Corporation announced in January 2018 that Mazda Toyota Manufacturing (MTM), a joint-venture between the two companies, had chosen the Huntsville area as the location for an automobile manufacturing site that would start production in 2021. With an investment of \$1.6 billion, the facility is currently under construction and is expected to create 4,000 direct jobs for the local economy. In addition to the MTM buildings, there will be a support network of smaller businesses that will also be constructed to streamline the supply chain needed for such a large operation. Because the buildings on the MTM campus are in Limestone County, electric service will be provided by Athens Utilities (Athens, AL) but gas and water service will be provided by Huntsville Utilities. When full production capacity is reached, MTM will be the single largest gas customer served by Huntsville Utilities.

The following items related to MTM are included in the five-year plan:

- Gas revenue is estimated at \$1.6 million starting in fiscal year 2022 and escalates at 1.5% per year. Revenue projections have been removed from 2021 because of construction

delays, including those caused by the pandemic. The target date for completion is mid to late 2021. Purchased gas has also been adjusted accordingly.

- Development of the Greenbrier gas infrastructure, where the facility will be located, is included in the fiscal year 2021 gas capital budget at \$2.3 million. This work began in fiscal year 2019 and has an overall projected cost of \$9.5 million.
- A water tank required for adequate fire flow coverage on the MTM campus has been included in the 2021 water capital budget at \$4.2 million. MTM is expected to contribute approximately \$3 million towards the construction of the tank. The tank will help stabilize water pressure fluctuations in the area and reduced the need for several MTM on-site suppliers to build their own tanks needed for fire flow purposes.
- There are additional Limestone County improvements included in the water capital budget as Huntsville Utilities continues to build infrastructure to better serve the area that was purchased from the Limestone County Water and Sewer Authority in fiscal year 2019. This may not be directly attributable to MTM, but growth is expected in that area because of the production facility. Water revenue is projected for Limestone County to be around \$1.2 million in fiscal year 2022 and grow at 1%.

### Allocation Changes

Because Huntsville Utilities has functional areas within the organization that support all utility services, the costs related to those areas are allocated to the water, gas and electric financial statements using several defined percentages built on established criteria. A few examples of functional areas that would have costs allocated are the Legal, Purchasing, Fleet Management, Customer Care and IT departments.

The allocation percentages are internally evaluated and updated each year by the Financial Services section under the direction of the Controller. Additionally, Utility Financial Solutions was asked to conduct an external study for Huntsville Utilities in 2017 that evaluated the cost allocation process and suggested changes. The proposed changes would have a large enough impact on the water, gas and electric financial statements that management chose to stagger implementation of the percentages over time.

The largest of these changes will take place in 2022 and is for the reallocation of the Customer Care and IT functional unit costs. The allocation change is incorporated in the five-year plan as a separate line item. The following table shows how budgeted expenses are shifted each year.

	2022	2023	2024	2025	5 Year Total
<b>Water</b>	\$2,258,762	\$2,312,573	\$2,367,676	\$2,424,102	\$ 9,363,113
<b>Gas</b>	\$ 954,515	\$ 977,255	\$1,000,541	\$1,024,386	\$ 3,956,696
<b>Electric</b>	(\$3,213,277)	(\$3,289,828)	(\$3,368,217)	(\$3,448,488)	(\$13,319,809)
<b>Total</b>	-	-	-	-	-

## Budget Process

No later than March of each year, the Budget and Rates Director will prepare a budget calendar to set tentative deadlines for the upcoming budget cycle. The goal is to have a draft of the budgets ready for Board review at the July meetings, with final budgets ready for Board approval in August. The fiscal year for Huntsville Utilities runs from October through September.

During the first quarter of the calendar year, the Budget and Rates Analysts set up two databases, one for operating and maintenance expenses and a second devoted to salary and benefits, that will be used to track and consolidate budget data for the upcoming fiscal year. Specific budgeting tools may change over time, but the Analysts utilize this period to do any preparatory work required to make the budget process flow smoothly.

Internal group budget meetings are conducted by the Budget and Rates staff during the months of February and March to convey executive management expectations, review any changes to the budgeting process, communicate deadlines and respond to questions from departmental management regarding the submission of the capital and operating expense budgets. Individual meetings are scheduled upon request throughout the budget cycle to assist with specific issues.

During March and April, departmental management reviews and updates their existing capital budgets. Capital submissions for the upcoming fiscal year are normally due to the Budget and Rates department no later than April 20<sup>th</sup>. The Budget and Rates Analysts utilize the remainder of April to compile the departmental capital budgets by utility service and obtain additional data from the departments to support the capital budget requests. Preliminary capital budgets will be reviewed with the executive management team in early May.

During April and May, departmental management reviews and updates their existing operating expense budgets, except for salary and benefits costs. Operating expense submissions for the upcoming fiscal year are normally due to the Budget and Rates department no later than May 20<sup>th</sup>. The Budget and Rates Analysts utilize the remainder of May to compile the departmental operating expense budgets by utility service and obtain additional data from the departments to support the operating expense budget requests.

Salary and benefits expenses are budgeted at the employee level by the Budget and Rates group with information provided by Human Resources. Generally, the salary and benefits budgets are prepared during the month of June and shared with the executive management team as part of the operating expense budget before July 1.

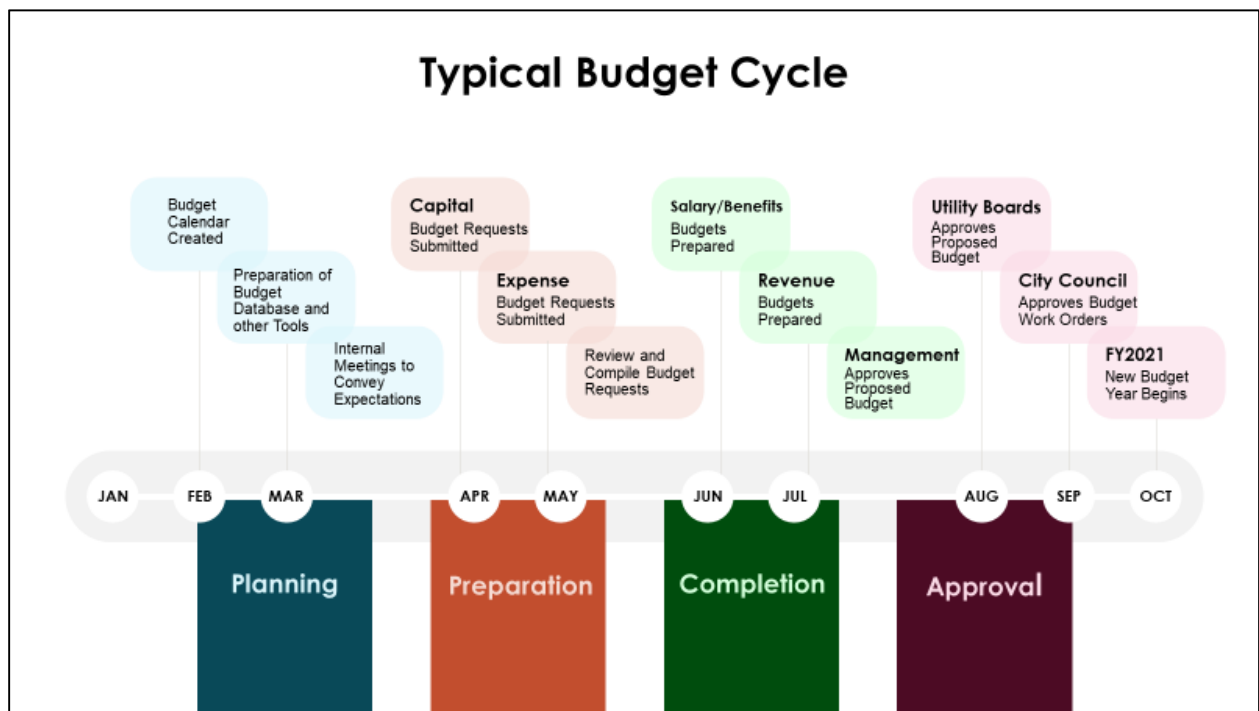
Revenue projections are prepared for each utility by the Budget and Rates section. These calculations are usually pushed toward the end of the budgeting process to allow for as much current fiscal year data as possible to be included in the projections. Customer and usage growth or decline percentages are factored into revenue projections and are based on historical averages and customer and usage trends for the service areas. The budgets for purchased electricity and natural gas, which combined is the single largest operating expense, are also usually prepared at this time because they are dependent on usage projections. Revenue and commodity projections are shared with the executive management team prior to July 1<sup>st</sup>.

Final review of the budgets by the CEO/President and CFO should be completed by early July. The documents are then submitted to the Boards for their review. The Boards may elect to have the budgets presented as part of the agenda at specially convened budget sessions or during the normal July Board meetings. The budgets should be approved by the Boards no later than the August Board meetings.

Budget work orders are prepared by the Budget and Rates department for all capital items over \$25,000 and submitted for review to the City Council. City Council should approve the budget work orders no later than the last Council Meeting in September.

The Budget and Rates department will ensure that all approved budget data is ready for use by the organization on October 1<sup>st</sup>.

The budget adjustment and amendment process is described in Budget Policy FM-11. Budget adjustments are administrative in nature because no additional appropriations are required. In this case, cost savings in other areas are used to offset unbudgeted needs. Budget amendments do require additional approvals and, as a result, must be presented to the appropriate Board. Unbudgeted capital improvements greater than \$25,000 require a Budget Work Order Addendum that requires City Council approval.



## Financial Policies

The mission statement for Huntsville Utilities, shown below, serves as the guiding principle for the organization.

### ***Strengthen Trust in Huntsville Utilities***

*Huntsville Utilities is committed to listening and operating with integrity and excellence, worthy of high trust from our community, stakeholders, and employees.*

The financial policies that have been adopted by the Boards are designed to foster trust in the utilities by establishing a transparent framework that enables proper stewardship of public funds. The policies provide the basis for maintaining stable and competitive rates, ensuring the on-going operations of the utilities and enhancing long-term financial planning.

### **Reserve Funds**

Huntsville Utilities has implemented financial reserve policies designed to define overall liquidity levels that are reasonable, prudent and necessary to provide adequate availability of funds to ensure on-going operations for each of the utility services.

Utility services are subject to many types of risk that can be mitigated by having sufficient cash reserves to ensure adequate and reasonable liquidity. Weather events such as tornados, snow or ice along with other harsh or mild weather conditions can impact both costs and revenues. Commodity prices can be impacted by weather, market conditions and international events. Budgeted revenues can be impacted by commercial or industrial customers ceasing or reducing operations in the service area. Prospective customers might also announce start-up operations requiring infrastructure investments that were not anticipated during budget preparation.

The financial reserve policies, which were approved in 2017 and 2019 by the respective Boards, are specific to the water, gas and electric services. Each year during the budget process, minimum cash reserve targets are calculated for each service and used by management to evaluate the effectiveness of the current budget and long-term financial plan. The financial reserve policies also provide a list of actions that may be pursued to counteract cash balances that fall below acceptable levels.

### **Investments**

It is the policy of Huntsville Utilities to invest public funds in a manner which will enhance financial performance while protecting the principal of the investments. All activity is designed to obtain the highest yield while meeting safety and liquidity criteria established in the policy and complying with applicable state law and federal tax regulations. The Investment Policy is reviewed every two years by the Boards and all investments are made under the direct management of the CFO. The “prudent person” standard is applied in managing the portfolio and any ethical dilemmas or conflicts of interest are required to be disclosed.

Cash from all operating funds is combined into a single pool and allocated among the investment options available to the CFO. Investment decisions are made by considering the following objectives in order of priority: Safety, Liquidity, Return on Investment and Maintaining Public Trust. The CFO primarily invests in money market accounts, US treasury obligations, certificate of deposits, and certain government sponsored entities including Federal Home Loan Banks (FHLB), Federal National Mortgage Association (FNMA), and Federal Home Loan Mortgage Corporation (FHLMC). Mutual fund investments are not allowed, and the portfolio is diversified so that no more than 50% of investments are a single type of security or held by a single financial institution. A minimum standard of investment return uses the 90-day treasury bill as a benchmark.

**Budgeting**

Huntsville Utilities is a component unit of the City of Huntsville. As required by city ordinance, Huntsville Utilities must account separately for its electric, natural gas and water systems. Costs are allocated to the three systems in a manner that ensures results of operations and changes in financial position are presented fairly and consistently from year to year.

To this end, Huntsville Utilities prepares separate balanced budgets for the water, gas and electric services on an annual basis. The budgets consist of revenue projections, operation and maintenance expense forecasts and planned capital projects and expenditures. The budgets are considered balanced when the sum of estimated revenues and appropriated cash reserves, if necessary, are equal to planned expenditures. The budget proposals are approved by the appropriate Board and then capital items greater than \$25,000 are submitted to the City Council for approval.

The budget policy identifies capital expenditures as those incurred for the long-term development of the utility services, either by direct purchase or as the result of construction projects. Capital items must have a useful life of 3 years or more and be valued at \$5,000 or greater. For infrastructure additions or improvements to be considered capital improvements, there is a minimum value threshold of \$35,000.

Budgets are prepared using the modified accrual basis of accounting. This is the same method used on our financials except for the following differences noted below:

Transaction Type	GAAP Reporting	Budget Reporting
Depreciation Expense	Included	Excluded
Capital Outlays	Included as an Asset	Included as an Expense
Debt Principal Payments	Reduction of Liability	Included as an Expense
Proceeds from Debt Issuance	Included as a Liability	Included as Revenue
Mark to Market Adjustments	Included as Revenue or Expense	Not included

# Fiscal Year 2021 Budget

## Revenues and Expenditures Summary – Water

REVENUE:	FY18 Actual	FY19 Actual	FY20 Budget	FY20 Projected	FY21 Budget
Residential Sales	\$ 24,807,596	\$ 25,690,099	\$ 25,882,422	\$ 26,204,694	\$ 26,453,930
Small Commercial Sales	\$ 8,741,900	\$ 9,400,935	\$ 9,454,828	\$ 9,809,764	\$ 9,828,933
Medium Commercial Sales	\$ 2,964,556	\$ 2,921,487	\$ 2,965,279	\$ 2,916,958	\$ 2,909,618
Large Commercial Sales	\$ 655,156	\$ 641,654	\$ 654,237	\$ 627,067	\$ 623,261
Small Industrial Sales	\$ 1,803,784	\$ 1,754,841	\$ 1,834,698	\$ 1,839,418	\$ 1,837,683
Large Industrial Sales	\$ 198,100	\$ 206,871	\$ 206,160	\$ 202,849	\$ 200,991
Other Sales	\$ 4,727,989	\$ 4,857,816	\$ 4,840,039	\$ 4,735,510	\$ 4,738,271
Forefeited Discounts	\$ 219,954	\$ 219,104	\$ 200,203	\$ 175,158	\$ 219,954
Aid-To-Construction	\$ 4,642,664	\$ 4,781,923	\$ 5,002,361	\$ 5,050,788	\$ 5,294,980
Connection/Tap Fees	\$ 573,562	\$ 602,641	\$ 540,470	\$ 557,913	\$ 632,773
Collection/Reconnection Fees	\$ 380,782	\$ 391,178	\$ 409,347	\$ 365,103	\$ 391,178
Miscellaneous Revenue	\$ 162,074	\$ 154,390	\$ 62,217	\$ 137,300	\$ 93,722
Interest Income	\$ (642,740)	\$ 1,662,357	\$ 800,000	\$ 952,208	\$ 390,924
Rental Income	\$ -	\$ -	\$ -	\$ -	\$ -
Water Fiber Lease Income	\$ -	\$ -	\$ -	\$ -	\$ -
Gas Fiber Lease Income	\$ -	\$ -	\$ -	\$ -	\$ -
COH Fiber Lease Income	\$ -	\$ -	\$ -	\$ -	\$ -
Google Fiber Lease Income	\$ -	\$ -	\$ -	\$ -	\$ -
Reimbursements	\$ 271,671	\$ 331,708	\$ 5,122,627	\$ 1,934,329	\$ 7,074,895
Warrant Proceeds	\$ 4,539,197	\$ 11,000,000	\$ 9,750,327	\$ -	\$ 10,815,000
Cash Reserves Transfer	\$ 1,331,208	\$ (8,322,699)	\$ 4,478,378	\$ 442,626	\$ 9,358,302
	<b>\$ 55,377,453</b>	<b>\$ 56,294,305</b>	<b>\$ 72,203,593</b>	<b>\$ 55,951,685</b>	<b>\$ 80,864,415</b>

### EXPENDITURES:

Employee Expenses	\$ 16,960,586	\$ 15,945,238	\$ 19,194,009	\$ 17,967,108	\$ 20,252,735
Supplies and Materials	\$ 4,410,271	\$ 4,351,946	\$ 3,765,772	\$ 4,166,874	\$ 4,550,669
Services	\$ 1,749,925	\$ 2,339,574	\$ 3,333,326	\$ 2,759,662	\$ 4,116,495
Travel and Training	\$ 186,175	\$ 268,522	\$ 384,048	\$ 158,646	\$ 423,558
Equipment Maintenance	\$ 624,551	\$ 672,939	\$ 1,497,996	\$ 751,192	\$ 1,084,455
Utilities	\$ 3,342,593	\$ 3,800,346	\$ 3,750,227	\$ 3,513,310	\$ 3,926,061
Commodity	\$ -	\$ -	\$ -	\$ 121,421	\$ 40,000
Tax Equivalents	\$ 2,556,503	\$ 2,635,769	\$ 2,750,260	\$ 2,780,176	\$ 2,795,561
Debt Service	\$ 17,937,091	\$ 7,842,734	\$ 9,094,403	\$ 9,094,403	\$ 9,113,318
Other Operating Expenses	\$ 1,318,112	\$ 1,726,081	\$ 1,702,175	\$ 1,709,827	\$ 1,662,074
Capital Expenditures	\$ 6,291,646	\$ 16,711,156	\$ 26,731,377	\$ 12,929,066	\$ 32,899,489
	<b>\$ 55,377,453</b>	<b>\$ 56,294,305</b>	<b>\$ 72,203,593</b>	<b>\$ 55,951,685</b>	<b>\$ 80,864,415</b>



## Revenue Detail - Water

Sales Revenues	FY19 Actual	FY20 Budget	FY20 Projected	FY21 Budget	BvB	BvP
Residential Sales	\$ 25,690,099	\$ 25,882,422	\$ 26,204,694	\$ 26,453,930	2.2%	1.0%
Small Commercial Sales	\$ 9,400,935	\$ 9,454,828	\$ 9,809,764	\$ 9,828,933	4.0%	0.2%
Medium Commercial Sales	\$ 2,921,487	\$ 2,965,279	\$ 2,916,958	\$ 2,909,618	-1.9%	-0.3%
Large Commercial Sales	\$ 641,654	\$ 654,237	\$ 627,067	\$ 623,261	-4.7%	-0.6%
Small Industrial Sales	\$ 1,754,841	\$ 1,834,698	\$ 1,839,418	\$ 1,837,683	0.2%	-0.1%
Large Industrial Sales	\$ 206,871	\$ 206,160	\$ 202,849	\$ 200,991	-2.5%	-0.9%
Fire Protection Sales	\$ 1,570,843	\$ 1,575,379	\$ 1,618,546	\$ 1,634,733	3.8%	1.0%
Other Sales	\$ 3,286,973	\$ 3,264,660	\$ 3,116,964	\$ 3,103,538	-4.9%	-0.4%
<b>Total</b>	<b>\$ 45,473,703</b>	<b>\$ 45,837,663</b>	<b>\$ 46,336,260</b>	<b>\$ 46,592,687</b>	<b>1.6%</b>	<b>0.6%</b>

Other Operating Revenue	FY19 Actual	FY20 Budget	FY20 Projected	FY21 Budget	BvB	BvP
Forfeited Discounts	\$ 219,104	\$ 200,203	\$ 175,158	\$ 219,954	9.9%	25.6%
Aid-To-Construction	\$ 4,781,923	\$ 5,002,361	\$ 5,050,788	\$ 5,294,980	5.8%	4.8%
Connection/Tap Fees	\$ 602,641	\$ 540,470	\$ 557,913	\$ 632,773	17.1%	13.4%
Collection/Reconnect Fees	\$ 391,178	\$ 409,347	\$ 365,103	\$ 391,178	-4.4%	7.1%
Miscellaneous	\$ 154,390	\$ 62,217	\$ 137,300	\$ 93,722	50.6%	-31.7%
<b>Total</b>	<b>\$ 6,149,236</b>	<b>\$ 6,214,598</b>	<b>\$ 6,286,262</b>	<b>\$ 6,632,607</b>	<b>6.7%</b>	<b>5.5%</b>

Non Operating Revenue	FY19 Actual	FY20 Budget	FY20 Projected	FY21 Budget	BvB	BvP
Interest Income	\$ 1,662,357	\$ 800,000	\$ 952,208	\$ 390,924	-51.1%	-58.9%
Rental Income	\$ -	\$ -	\$ -	\$ -	0.0%	0.0%
Reimbursements	\$ 331,708	\$ 5,122,627	\$ 1,934,329	\$ 7,074,895	38.1%	265.8%
<b>Total</b>	<b>\$ 1,994,065</b>	<b>\$ 5,922,627</b>	<b>\$ 2,886,537</b>	<b>\$ 7,465,819</b>	<b>26.1%</b>	<b>158.6%</b>

Warrant and Loan Proceeds	FY19 Actual	FY20 Budget	FY20 Projected	FY21 Budget	BvB	BvP
Warrant Proceeds	\$ 11,000,000	\$ 9,750,327	\$ -	\$ 10,815,000	10.9%	100.0%
<b>Total</b>	<b>\$ 11,000,000</b>	<b>\$ 9,750,327</b>	<b>\$ -</b>	<b>\$ 10,815,000</b>	<b>10.9%</b>	<b>100.0%</b>

Total Revenues	FY19 Actual	FY19 Budget	FY20 Projected	FY21 Budget	BvB	BvP
<b>Total</b>	<b>\$ 64,617,004</b>	<b>\$ 67,725,215</b>	<b>\$ 55,509,059</b>	<b>\$ 71,506,113</b>	<b>5.6%</b>	<b>28.8%</b>

The last two columns on this table and others like it compare the FY21 Budget amount for each line item to the FY20 Budget amount (BvB) and to the FY20 Projected amount (BvP).

## Expense Detail – Water

Employee Expenses	FY19 Actual	FY20 Budget	FY20 Projected	FY21 Budget	BvB	BvP
Payroll-Straight Time	\$ 10,177,758	\$ 11,956,910	\$ 10,850,856	\$ 12,765,020	6.8%	17.6%
Payroll-Overtime	\$ 616,239	\$ 516,358	\$ 624,966	\$ 547,876	6.1%	-12.3%
Health Insurance	\$ 1,607,319	\$ 3,250,929	\$ 3,024,236	\$ 3,201,623	-1.5%	5.9%
FICA Taxes - Employers	\$ 834,871	\$ 937,621	\$ 885,683	\$ 1,002,047	6.9%	13.1%
Unemployment	\$ 1,123	\$ 2,651	\$ 559	\$ 3,179	19.9%	468.7%
Workers Comp.	\$ 90,189	\$ 73,278	\$ 83,166	\$ 74,131	1.2%	-10.9%
Employer Pension Expense	\$ 1,735,121	\$ 1,469,836	\$ 1,526,564	\$ 1,621,740	10.3%	6.2%
Other Employee Benefits	\$ 882,618	\$ 986,426	\$ 971,078	\$ 1,037,119	5.1%	6.8%
<b>Total</b>	<b>\$ 15,945,238</b>	<b>\$ 19,194,009</b>	<b>\$ 17,967,108</b>	<b>\$ 20,252,735</b>	<b>5.5%</b>	<b>12.7%</b>

Supplies and Materials	FY19 Actual	FY20 Budget	FY20 Projected	FY21 Budget	BvB	BvP
Small Tools & Equipment	\$ 379,868	\$ 399,335	\$ 304,207	\$ 409,488	2.5%	34.6%
Postage	\$ 182,384	\$ 182,414	\$ 162,364	\$ 188,951	3.6%	16.4%
Materials: Non-Stock	\$ 3,416,707	\$ 2,814,760	\$ 3,409,365	\$ 3,545,403	26.0%	4.0%
Office Supplies & Expenses	\$ 176,410	\$ 192,003	\$ 155,923	\$ 229,417	19.5%	47.1%
Fuel	\$ 191,545	\$ 174,545	\$ 134,290	\$ 174,440	-0.1%	29.9%
Board Expenses	\$ 5,032	\$ 2,715	\$ 725	\$ 2,970	9.4%	309.7%
<b>Total</b>	<b>\$ 4,351,946</b>	<b>\$ 3,765,772</b>	<b>\$ 4,166,874</b>	<b>\$ 4,550,669</b>	<b>20.8%</b>	<b>9.2%</b>

Services	FY19 Actual	FY20 Budget	FY20 Projected	FY21 Budget	BvB	BvP
Outside Services	\$ 1,966,907	\$ 3,205,740	\$ 2,635,711	\$ 3,967,711	23.8%	50.5%
Legal Services	\$ 199,926	\$ 69,982	\$ 34,075	\$ 82,952	18.5%	143.4%
Public Information	\$ 172,741	\$ 57,604	\$ 89,876	\$ 65,832	14.3%	-26.8%
<b>Total</b>	<b>\$ 2,339,574</b>	<b>\$ 3,333,326</b>	<b>\$ 2,759,662</b>	<b>\$ 4,116,495</b>	<b>23.5%</b>	<b>49.2%</b>

Travel and Training	FY19 Actual	FY20 Budget	FY20 Projected	FY21 Budget	BvB	BvP
Education & Training	\$ 177,767	\$ 260,988	\$ 87,908	\$ 290,086	11.1%	230.0%
Trade Memberships/Dues	\$ 37,043	\$ 53,637	\$ 46,224	\$ 51,964	-3.1%	12.4%
Employee Meals	\$ 35,569	\$ 32,625	\$ 19,878	\$ 42,797	31.2%	115.3%
Business Travel	\$ 18,143	\$ 36,798	\$ 4,636	\$ 38,711	5.2%	735.0%
<b>Total</b>	<b>\$ 268,522</b>	<b>\$ 384,048</b>	<b>\$ 158,646</b>	<b>\$ 423,558</b>	<b>10.3%</b>	<b>167.0%</b>

Equipment Maintenance	FY19 Actual	FY20 Budget	FY20 Projected	FY21 Budget	BvB	BvP
Equipment Maintenance	\$ 147,581	\$ 885,255	\$ 143,190	\$ 199,409	-77.5%	39.3%
Software/Hardware Maint.	\$ 525,358	\$ 612,741	\$ 608,002	\$ 885,046	44.4%	45.6%
<b>Total</b>	<b>\$ 672,939</b>	<b>\$ 1,497,996</b>	<b>\$ 751,192</b>	<b>\$ 1,084,455</b>	<b>-27.6%</b>	<b>44.4%</b>

Utilities	FY19 Actual	FY20 Budget	FY20 Projected	FY21 Budget	BvB	BvP
Utilities	\$ 3,800,346	\$ 3,750,227	\$ 3,513,310	\$ 3,926,061	4.7%	11.7%
<b>Total</b>	<b>\$ 3,800,346</b>	<b>\$ 3,750,227</b>	<b>\$ 3,513,310</b>	<b>\$ 3,926,061</b>	<b>4.7%</b>	<b>11.7%</b>

Commodity	FY19 Actual	FY20 Budget	FY20 Projected	FY21 Budget	BvB	BvP
Purchased Water	\$ -	\$ -	\$ 121,421	\$ 40,000	100.0%	-67.1%
<b>Total</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 121,421</b>	<b>\$ 40,000</b>	<b>100.0%</b>	<b>-67.1%</b>

Tax Equivalents	FY19 Actual	FY20 Budget	FY20 Projected	FY21 Budget	BvB	BvP
Tax Equivalents	\$ 2,635,769	\$ 2,750,260	\$ 2,780,176	\$ 2,795,561	1.6%	0.6%
<b>Total</b>	<b>\$ 2,635,769</b>	<b>\$ 2,750,260</b>	<b>\$ 2,780,176</b>	<b>\$ 2,795,561</b>	<b>1.6%</b>	<b>0.6%</b>

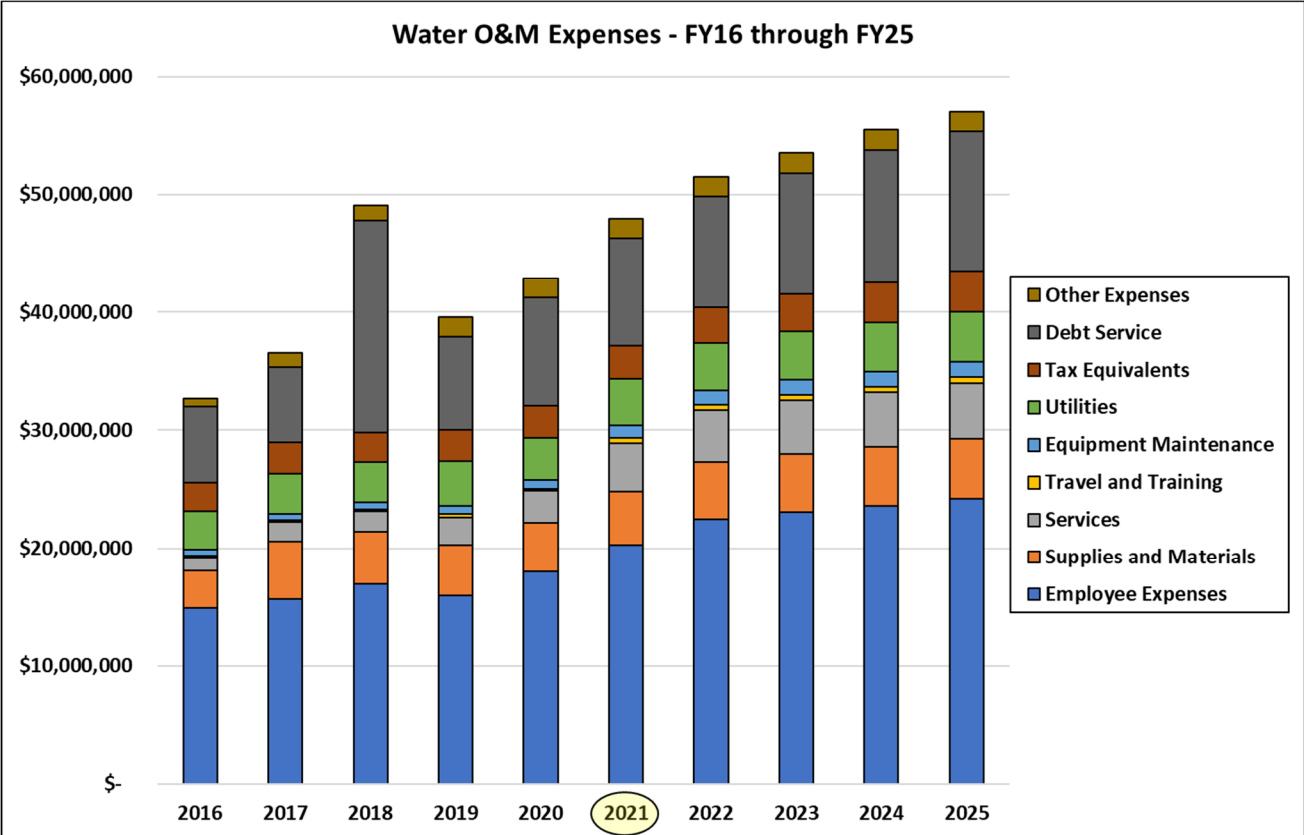
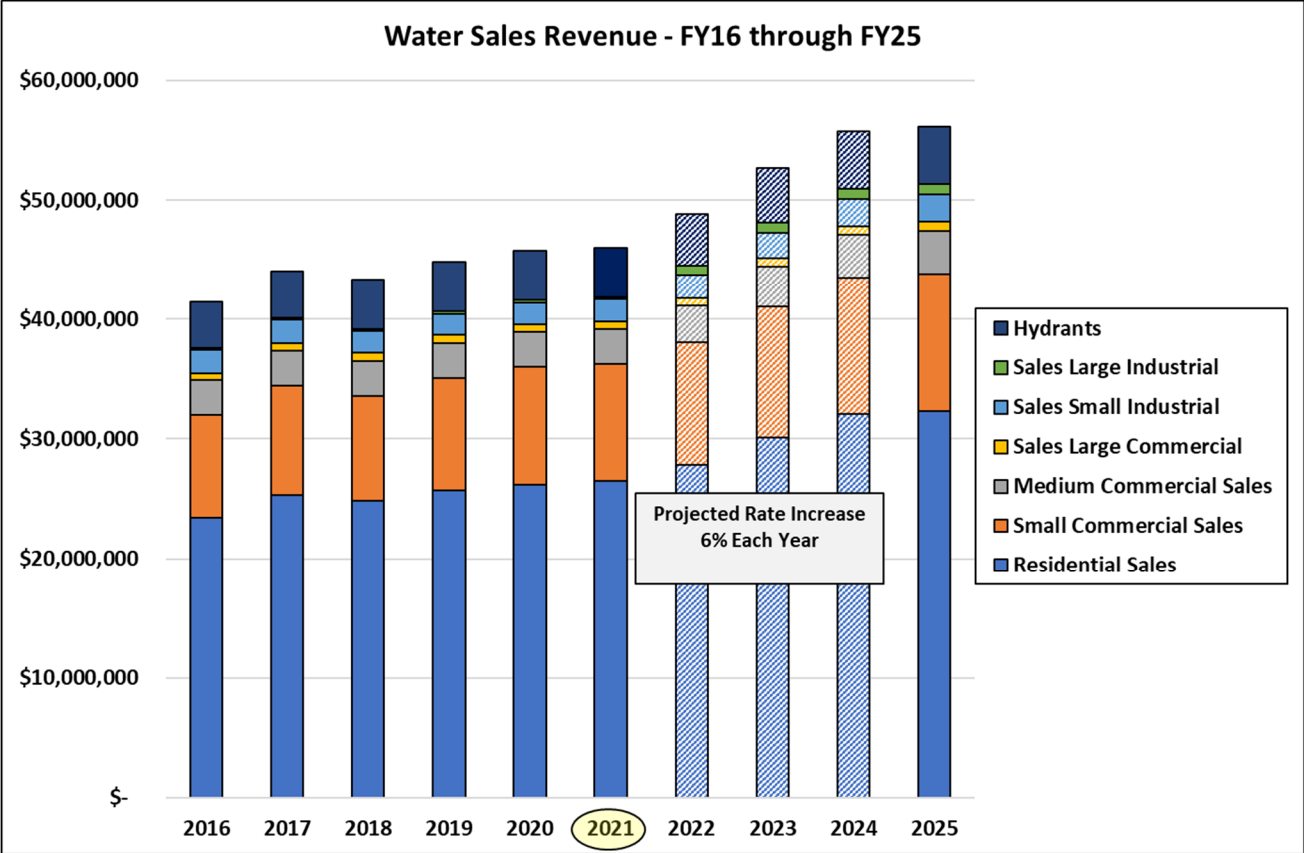
## Expense Detail – Water (Continued)

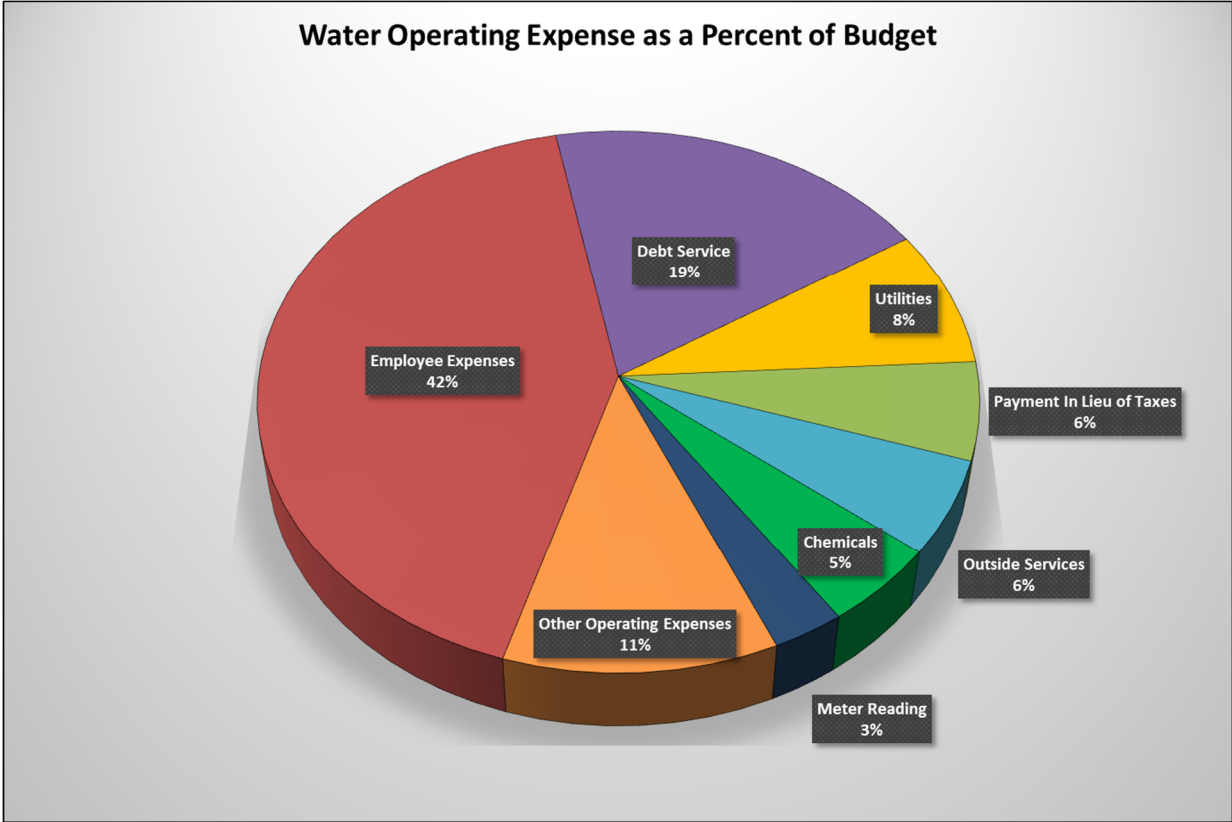
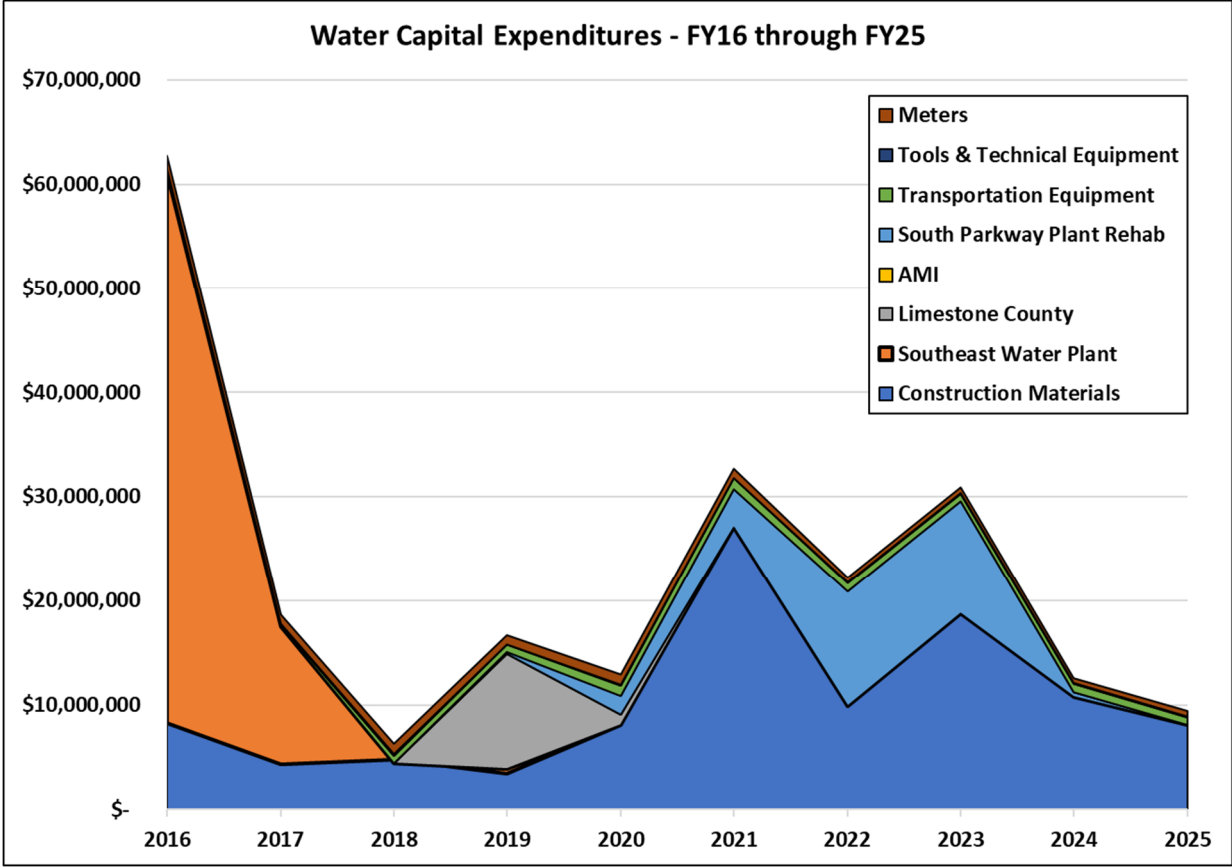
Debt Service	FY19 Actual	FY20 Budget	FY20 Projected	FY21 Budget	BvB	BvP
Debt Service Expenses	\$ 7,842,734	\$ 9,094,403	\$ 9,094,403	\$ 9,113,318	0.2%	0.2%
<b>Total</b>	<b>\$ 7,842,734</b>	<b>\$ 9,094,403</b>	<b>\$ 9,094,403</b>	<b>\$ 9,113,318</b>	<b>0.2%</b>	<b>0.2%</b>

Other Expenses	FY19 Actual	FY20 Budget	FY20 Projected	FY21 Budget	BvB	BvP
Fiber Lease	\$ 750,000	\$ 840,000	\$ 840,000	\$ 840,000	0.0%	0.0%
Rentals	\$ 576,029	\$ 492,898	\$ 467,615	\$ 500,401	1.5%	7.0%
Uncollectible Accounts	\$ 64,018	\$ 14,621	\$ 43,809	\$ 22,706	55.3%	-48.2%
Injuries & Damages	\$ 44,020	\$ 4,520	\$ 16,911	\$ 10,000	121.2%	-40.9%
Cash Overages & Shortage	\$ 121	\$ 204	\$ (105)	\$ 204	0.0%	-294.3%
Insurance	\$ 262,512	\$ 237,932	\$ 259,170	\$ 256,967	8.0%	-0.9%
Propane	\$ -	\$ 2,000	\$ 2,287	\$ 2,000	0.0%	-12.5%
Interest on Customer Deposits	\$ 29,381	\$ 110,000	\$ 80,140	\$ 29,796	-72.9%	-62.8%
<b>Total</b>	<b>\$ 1,726,081</b>	<b>\$ 1,702,175</b>	<b>\$ 1,709,827</b>	<b>\$ 1,662,074</b>	<b>-2.4%</b>	<b>-2.8%</b>

Capital	FY19 Actual	FY20 Budget	FY20 Projected	FY21 Budget	BvB	BvP
Mat. - Operation & Maint.	\$ 483,423	\$ 350,000	\$ 218,866	\$ 400,000	14.3%	82.8%
Mat. - New Construction	\$ 3,033,380	\$ 8,895,000	\$ 6,795,000	\$ 12,055,000	35.5%	77.4%
Limestone County System	\$ 11,087,372	\$ 1,000,000	\$ 1,000,000	\$ 2,600,500	160.1%	160.1%
AMI	\$ -	\$ 6,550,327	\$ -	\$ -	-100.0%	0.0%
Mat. - Renew & Replace	\$ 484,197	\$ 4,630,000	\$ 1,088,924	\$ 12,013,000	159.5%	1003.2%
South Parkway Rehab	\$ -	\$ 3,200,000	\$ 1,750,000	\$ 3,650,000	14.1%	108.6%
Land	\$ 11,000	\$ 200,000	\$ -	\$ 200,000	0.0%	100.0%
Office Furniture/Equipment	\$ -	\$ -	\$ -	\$ -	0.0%	0.0%
Tools & Work Equipment	\$ -	\$ 270,000	\$ 72,803	\$ 5,500	-98.0%	-92.4%
Transportation Equipment	\$ 646,160	\$ 621,000	\$ 983,912	\$ 1,045,489	68.4%	6.3%
Communication Equipment	\$ -	\$ -	\$ -	\$ -	0.0%	0.0%
Computer Equipment	\$ -	\$ 85,050	\$ -	\$ -	-100.0%	0.0%
Metering Equipment	\$ 965,624	\$ 930,000	\$ 1,019,561	\$ 930,000	0.0%	-8.8%
Regulators	\$ -	\$ -	\$ -	\$ -	0.0%	0.0%
<b>Total</b>	<b>\$ 16,711,156</b>	<b>\$ 26,731,377</b>	<b>\$ 12,929,066</b>	<b>\$ 32,899,489</b>	<b>23.1%</b>	<b>154.5%</b>

	FY19 Actual	FY20 Budget	FY20 Projected	FY21 Budget	BvB	BvP
<b>Sales Revenue</b>	\$ 45,473,703	\$ 45,837,663	\$ 46,336,260	\$ 46,592,687	1.6%	0.6%
<b>Other Revenue</b>	\$ 8,143,301	\$ 12,137,225	\$ 9,172,799	\$ 14,098,426	16.2%	53.7%
<b>Warrant Proceeds</b>	\$ 11,000,000	\$ 9,750,327	\$ -	\$ 10,815,000	10.9%	100.0%
<b>Commodity</b>	\$ -	\$ -	\$ 121,421	\$ 40,000	100.0%	-67.1%
<b>O&amp;M Expenses</b>	\$ 29,104,646	\$ 33,627,553	\$ 31,026,619	\$ 36,016,047	7.1%	16.1%
<b>Debt Service</b>	\$ 7,842,734	\$ 9,094,403	\$ 9,094,403	\$ 9,113,318	0.2%	0.2%
<b>Taxes</b>	\$ 2,635,769	\$ 2,750,260	\$ 2,780,176	\$ 2,795,561	1.6%	0.6%
<b>Capital Expenses</b>	\$ 16,711,156	\$ 26,731,377	\$ 12,929,066	\$ 32,899,489	23.1%	154.5%
<b>Net Cash Impact</b>	\$ 8,322,699	\$ (4,478,378)	\$ (442,626)	\$ (9,358,302)		





## Revenues and Expenditures Summary – Gas

REVENUE:	FY18 Actual	FY19 Actual	FY20 Budget	FY20 Projected	FY21 Budget
Residential Sales	\$ 20,882,454	\$ 21,433,105	\$ 22,700,423	\$ 21,153,208	\$ 22,347,269
Small Commercial Sales	\$ 11,652,459	\$ 12,021,227	\$ 10,605,131	\$ 11,728,396	\$ 10,877,912
Medium Commercial Sales	\$ 9,964,690	\$ 10,055,759	\$ 9,974,778	\$ 8,673,644	\$ 7,691,028
Large Commercial Sales	\$ -	\$ -	\$ -	\$ 856,401	\$ 1,858,556
Small Industrial Sales	\$ 1,400,032	\$ 1,329,786	\$ 2,057,315	\$ 812,281	\$ -
Large Industrial Sales	\$ 700,890	\$ 696,119	\$ 1,223,149	\$ 770,422	\$ 1,533,007
Other Sales	\$ -	\$ -	\$ -	\$ -	\$ -
Forefeited Discounts	\$ 214,456	\$ 209,673	\$ 192,559	\$ 198,996	\$ 231,213
Aid-To-Construction	\$ 1,259,508	\$ 79,563	\$ 100,000	\$ 37,281	\$ 40,000
Connection/Tap Fees	\$ 358,084	\$ 374,296	\$ 339,569	\$ 345,233	\$ 393,011
Collection/Reconnection Fees	\$ 244,729	\$ 253,116	\$ 264,180	\$ 236,013	\$ 253,116
Miscellaneous Revenue	\$ 2,751,524	\$ 2,427,082	\$ 2,593,425	\$ 2,625,191	\$ 2,570,516
Interest Income	\$ (473,972)	\$ 856,616	\$ 400,000	\$ 367,002	\$ 266,820
Rental Income	\$ 176,635	\$ 176,635	\$ 176,635	\$ 176,635	\$ 176,635
Water Fiber Lease Income	\$ -	\$ -	\$ -	\$ -	\$ -
Gas Fiber Lease Income	\$ -	\$ -	\$ -	\$ -	\$ -
COH Fiber Lease Income	\$ -	\$ -	\$ -	\$ -	\$ -
Google Fiber Lease Income	\$ -	\$ -	\$ -	\$ -	\$ -
Reimbursements	\$ 1,052,214	\$ 673,643	\$ 2,567,708	\$ 997,163	\$ 6,648,543
Warrant Proceeds	\$ -	\$ -	\$ 9,405,439	\$ 5,202,076	\$ 7,100,000
Cash Reserves Transfer	\$ (2,965,565)	\$ (2,000,444)	\$ (260,063)	\$ (2,879,143)	\$ 1,901,086
	<b>\$ 47,218,138</b>	<b>\$ 48,586,176</b>	<b>\$ 62,340,248</b>	<b>\$ 51,300,799</b>	<b>\$ 63,888,712</b>

### EXPENDITURES:

Employee Expenses	\$ 13,696,369	\$ 12,354,678	\$ 15,156,275	\$ 13,960,655	\$ 16,158,804
Supplies and Materials	\$ 1,948,670	\$ 2,358,048	\$ 1,482,691	\$ 1,796,057	\$ 1,617,685
Services	\$ 1,269,419	\$ 2,078,583	\$ 1,826,161	\$ 2,020,895	\$ 2,799,508
Travel and Training	\$ 374,690	\$ 318,417	\$ 594,565	\$ 320,893	\$ 634,686
Equipment Maintenance	\$ 399,730	\$ 411,006	\$ 503,592	\$ 473,278	\$ 879,863
Utilities	\$ 202,685	\$ 207,913	\$ 197,142	\$ 202,927	\$ 246,598
Commodity	\$ 22,744,363	\$ 22,712,213	\$ 20,096,914	\$ 18,938,104	\$ 19,036,084
Tax Equivalents	\$ 2,673,772	\$ 2,731,597	\$ 2,738,660	\$ 2,639,661	\$ 2,657,886
Debt Service	\$ -	\$ -	\$ 1,563,881	\$ 1,563,881	\$ 2,345,205
Other Operating Expenses	\$ 650,825	\$ 624,909	\$ 811,931	\$ 987,600	\$ 753,937
Capital Expenditures	\$ 3,257,615	\$ 4,788,812	\$ 17,368,436	\$ 8,396,848	\$ 16,758,456
	<b>\$ 47,218,138</b>	<b>\$ 48,586,176</b>	<b>\$ 62,340,248</b>	<b>\$ 51,300,799</b>	<b>\$ 63,888,712</b>

## Revenue Detail – Gas

Sales Revenues	FY19 Actual	FY20 Budget	FY20 Projected	FY21 Budget	BvB	BvP
Residential Sales	\$ 21,433,105	\$ 22,700,423	\$ 21,153,208	\$ 22,347,269	-1.6%	5.6%
Small Commercial Sales	\$ 12,021,227	\$ 10,605,131	\$ 11,728,396	\$ 10,877,912	2.6%	-7.3%
Medium Commercial Sales	\$ 10,055,759	\$ 9,974,778	\$ 8,673,644	\$ 7,691,028	-22.9%	-11.3%
Large Commercial Sales	\$ -	\$ -	\$ 856,401	\$ 1,858,556	100.0%	117.0%
Small Industrial Sales	\$ 1,329,786	\$ 2,057,315	\$ 812,281	\$ -	-100.0%	-100.0%
Large Industrial Sales	\$ 696,119	\$ 1,223,149	\$ 770,422	\$ 1,533,007	25.3%	99.0%
<b>Total</b>	<b>\$ 45,535,996</b>	<b>\$ 46,560,796</b>	<b>\$ 43,994,352</b>	<b>\$ 44,307,772</b>	<b>-4.8%</b>	<b>0.7%</b>

Other Operating Revenue	FY19 Actual	FY20 Budget	FY20 Projected	FY21 Budget	BvB	BvP
Forfeited Discounts	\$ 209,673	\$ 192,559	\$ 198,996	\$ 231,213	20.1%	16.2%
Aid-To-Construction	\$ 79,563	\$ 100,000	\$ 37,281	\$ 40,000	-60.0%	7.3%
Connection/Tap Fees	\$ 374,296	\$ 339,569	\$ 345,233	\$ 393,011	15.7%	13.8%
Collection/Reconnect Fees	\$ 253,116	\$ 264,180	\$ 236,013	\$ 253,116	-4.2%	7.2%
Miscellaneous	\$ 2,427,082	\$ 2,593,425	\$ 2,625,191	\$ 2,570,516	-0.9%	-2.1%
<b>Total</b>	<b>\$ 3,343,730</b>	<b>\$ 3,489,733</b>	<b>\$ 3,442,714</b>	<b>\$ 3,487,856</b>	<b>-0.1%</b>	<b>1.3%</b>

Non Operating Revenue	FY19 Actual	FY20 Budget	FY20 Projected	FY21 Budget	BvB	BvP
Interest Income	\$ 856,616	\$ 400,000	\$ 367,002	\$ 266,820	-33.3%	-27.3%
Rental Income	\$ 176,635	\$ 176,635	\$ 176,635	\$ 176,635	0.0%	0.0%
Reimbursements	\$ 673,643	\$ 2,567,708	\$ 997,163	\$ 6,648,543	158.9%	566.7%
<b>Total</b>	<b>\$ 1,706,894</b>	<b>\$ 3,144,343</b>	<b>\$ 1,540,800</b>	<b>\$ 7,091,998</b>	<b>125.5%</b>	<b>360.3%</b>

Warrant and Loan Proceeds	FY19 Actual	FY20 Budget	FY20 Projected	FY21 Budget	BvB	BvP
Warrant Proceeds	\$ -	\$ 9,405,439	\$ 5,202,076	\$ 7,100,000	-24.5%	36.5%
<b>Total</b>	<b>\$ -</b>	<b>\$ 9,405,439</b>	<b>\$ 5,202,076</b>	<b>\$ 7,100,000</b>	<b>-24.5%</b>	<b>36.5%</b>

Total Revenues	FY19 Actual	FY20 Budget	FY20 Projected	FY21 Budget	BvB	BvP
<b>Total</b>	<b>\$ 50,586,620</b>	<b>\$ 62,600,311</b>	<b>\$ 54,179,942</b>	<b>\$ 61,987,626</b>	<b>-1.0%</b>	<b>14.4%</b>

The last two columns on this table and others like it compare the FY21 Budget amount for each line item to the FY20 Budget amount (BvB) and to the FY20 Projected amount (BvP).

## Expense Detail – Gas

Employee Expenses	FY19 Actual	FY20 Budget	FY20 Projected	FY21 Budget	BvB	BvP
Payroll-Straight Time	\$ 7,739,953	\$ 9,058,905	\$ 8,131,944	\$ 9,733,246	7.4%	19.7%
Payroll-Overtime	\$ 954,439	\$ 731,318	\$ 720,259	\$ 847,921	15.9%	17.7%
Health Insurance	\$ 1,214,955	\$ 2,805,509	\$ 2,544,708	\$ 2,815,557	0.4%	10.6%
FICA Taxes - Employers	\$ 676,557	\$ 737,742	\$ 688,405	\$ 798,279	8.2%	16.0%
Unemployment	\$ 830	\$ 2,453	\$ 413	\$ 2,941	19.9%	612.1%
Workers Comp.	\$ 56,711	\$ 59,141	\$ 68,564	\$ 58,088	-1.8%	-15.3%
Employer Pension Expense	\$ 981,441	\$ 961,761	\$ 995,388	\$ 1,054,214	9.6%	5.9%
Other Employee Benefits	\$ 729,792	\$ 799,446	\$ 810,974	\$ 848,558	6.1%	4.6%
<b>Total</b>	<b>\$ 12,354,678</b>	<b>\$ 15,156,275</b>	<b>\$ 13,960,655</b>	<b>\$ 16,158,804</b>	<b>6.6%</b>	<b>15.7%</b>

Supplies and Materials	FY19 Actual	FY20 Budget	FY20 Projected	FY21 Budget	BvB	BvP
Small Tools & Equipment	\$ 330,665	\$ 266,585	\$ 288,664	\$ 283,415	6.3%	-1.8%
Postage	\$ 109,567	\$ 117,108	\$ 105,036	\$ 116,023	-0.9%	10.5%
Materials: Non-Stock	\$ 1,449,855	\$ 770,945	\$ 1,043,958	\$ 843,485	9.4%	-19.2%
Office Supplies & Expenses	\$ 235,940	\$ 133,045	\$ 196,906	\$ 195,228	46.7%	-0.9%
Fuel	\$ 231,639	\$ 195,008	\$ 161,456	\$ 179,453	-8.0%	11.1%
Board Expenses	\$ 382	\$ -	\$ 37	\$ 81	100.0%	118.9%
<b>Total</b>	<b>\$ 2,358,048</b>	<b>\$ 1,482,691</b>	<b>\$ 1,796,057</b>	<b>\$ 1,617,685</b>	<b>9.1%</b>	<b>-9.9%</b>

Services	FY19 Actual	FY20 Budget	FY20 Projected	FY21 Budget	BvB	BvP
Outside Services	\$ 1,629,181	\$ 1,447,453	\$ 1,612,664	\$ 2,311,359	59.7%	43.3%
Legal Services	\$ 143,073	\$ 71,087	\$ 64,088	\$ 77,017	8.3%	20.2%
Public Information	\$ 306,329	\$ 307,621	\$ 344,143	\$ 411,132	33.6%	19.5%
<b>Total</b>	<b>\$ 2,078,583</b>	<b>\$ 1,826,161</b>	<b>\$ 2,020,895</b>	<b>\$ 2,799,508</b>	<b>53.3%</b>	<b>38.5%</b>

Travel and Training	FY19 Actual	FY20 Budget	FY20 Projected	FY21 Budget	BvB	BvP
Education & Training	\$ 122,723	\$ 223,525	\$ 94,308	\$ 234,143	4.8%	148.3%
Trade Memberships/Dues	\$ 158,811	\$ 303,020	\$ 196,563	\$ 334,330	10.3%	70.1%
Employee Meals	\$ 27,635	\$ 44,746	\$ 26,408	\$ 47,772	6.8%	80.9%
Business Travel	\$ 9,248	\$ 23,274	\$ 3,614	\$ 18,441	-20.8%	410.3%
<b>Total</b>	<b>\$ 318,417</b>	<b>\$ 594,565</b>	<b>\$ 320,893</b>	<b>\$ 634,686</b>	<b>6.7%</b>	<b>97.8%</b>

Equipment Maintenance	FY19 Actual	FY20 Budget	FY20 Projected	FY21 Budget	BvB	BvP
Equipment Maintenance	\$ 6,861	\$ 26,195	\$ 8,609	\$ 23,277	-11.1%	170.4%
Software/Hardware Maint.	\$ 404,145	\$ 477,397	\$ 464,669	\$ 856,586	79.4%	84.3%
<b>Total</b>	<b>\$ 411,006</b>	<b>\$ 503,592</b>	<b>\$ 473,278</b>	<b>\$ 879,863</b>	<b>74.7%</b>	<b>85.9%</b>

Utilities	FY19 Actual	FY20 Budget	FY20 Projected	FY21 Budget	BvB	BvP
Utilities	\$ 207,913	\$ 197,142	\$ 202,927	\$ 246,598	25.1%	21.5%
<b>Total</b>	<b>\$ 207,913</b>	<b>\$ 197,142</b>	<b>\$ 202,927</b>	<b>\$ 246,598</b>	<b>25.1%</b>	<b>21.5%</b>

Commodity	FY19 Actual	FY20 Budget	FY20 Projected	FY21 Budget	BvB	BvP
Purchased Gas	\$ 22,712,213	\$ 20,096,914	\$ 18,938,104	\$ 19,036,084	-5.3%	0.5%
<b>Total</b>	<b>\$ 22,712,213</b>	<b>\$ 20,096,914</b>	<b>\$ 18,938,104</b>	<b>\$ 19,036,084</b>	<b>-5.3%</b>	<b>0.5%</b>

Tax Equivalents	FY19 Actual	FY20 Budget	FY20 Projected	FY21 Budget	BvB	BvP
Tax Equivalents	\$ 2,731,597	\$ 2,738,660	\$ 2,639,661	\$ 2,657,886	-2.9%	0.7%
<b>Total</b>	<b>\$ 2,731,597</b>	<b>\$ 2,738,660</b>	<b>\$ 2,639,661</b>	<b>\$ 2,657,886</b>	<b>-2.9%</b>	<b>0.7%</b>



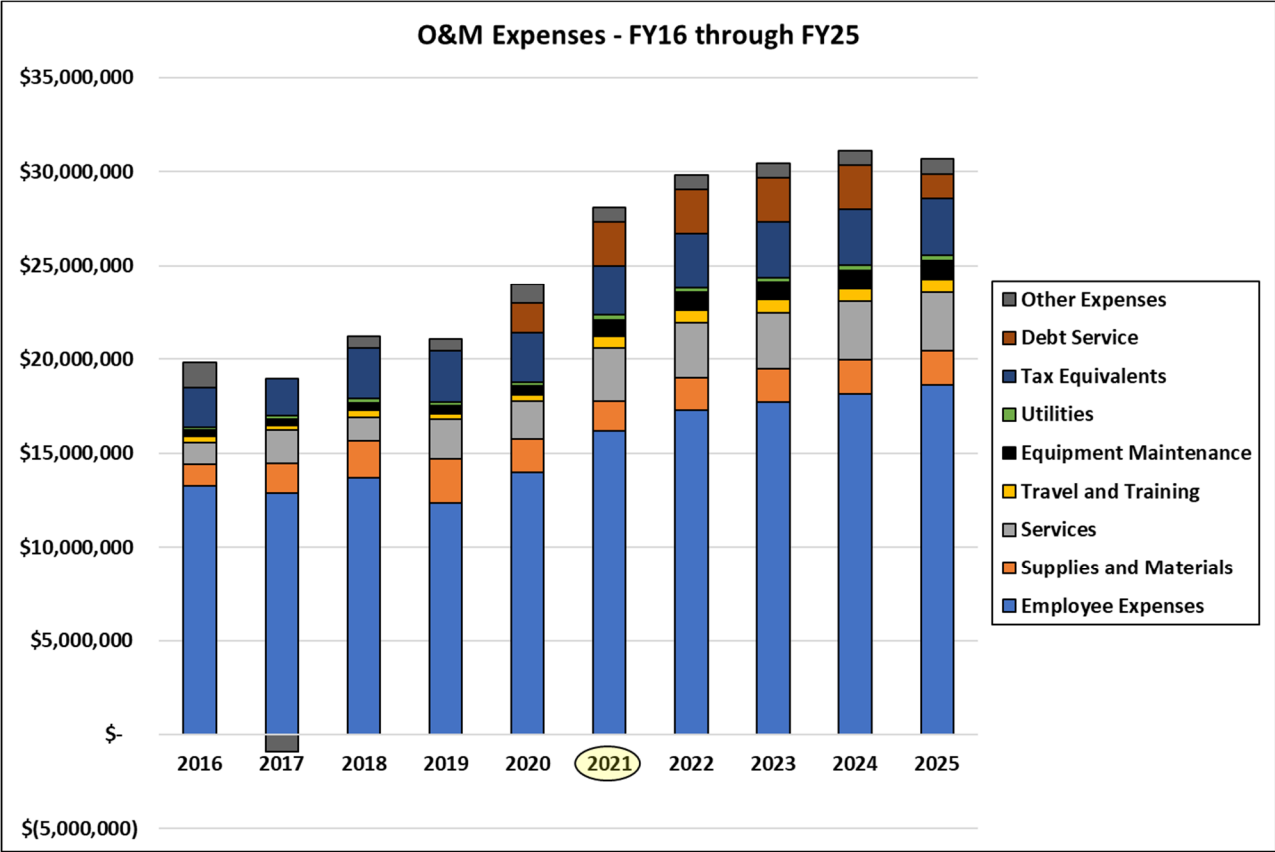
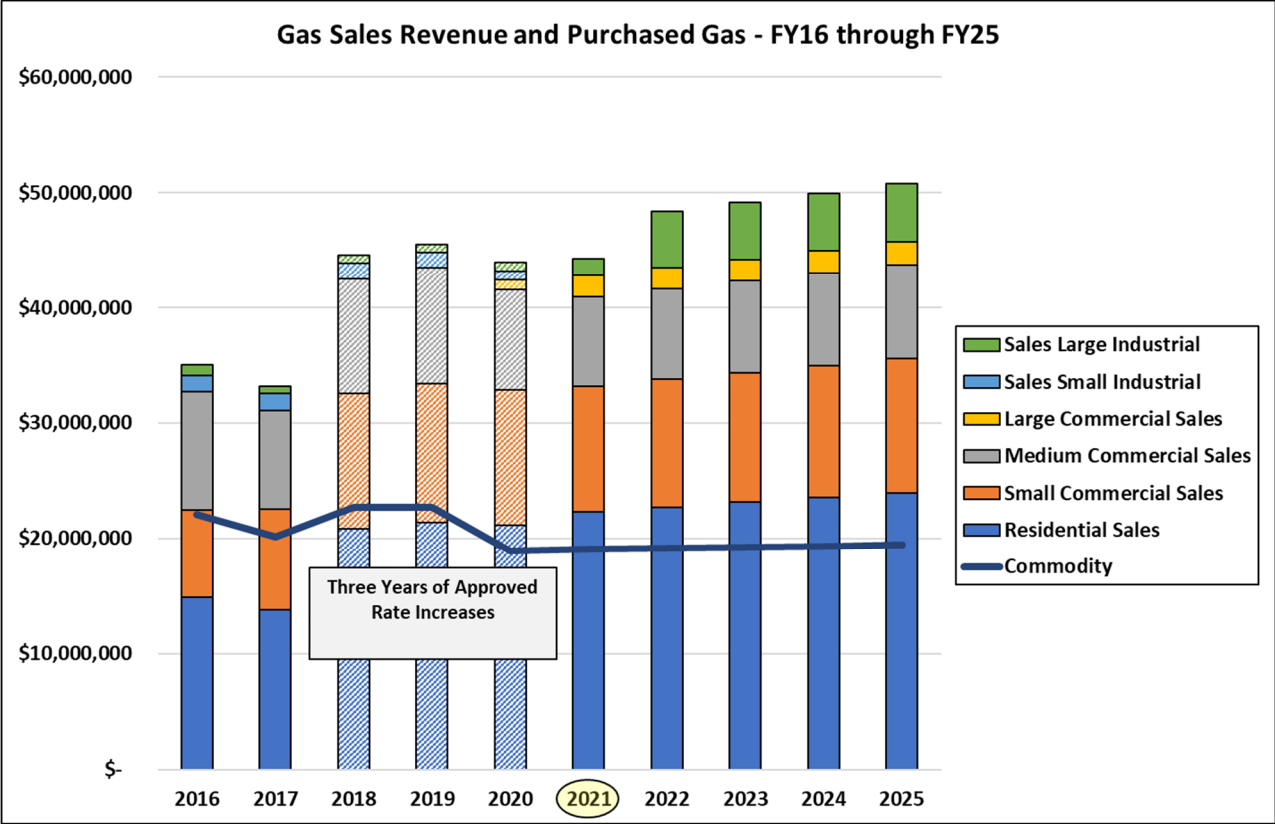
## Expense Detail – Gas (Continued)

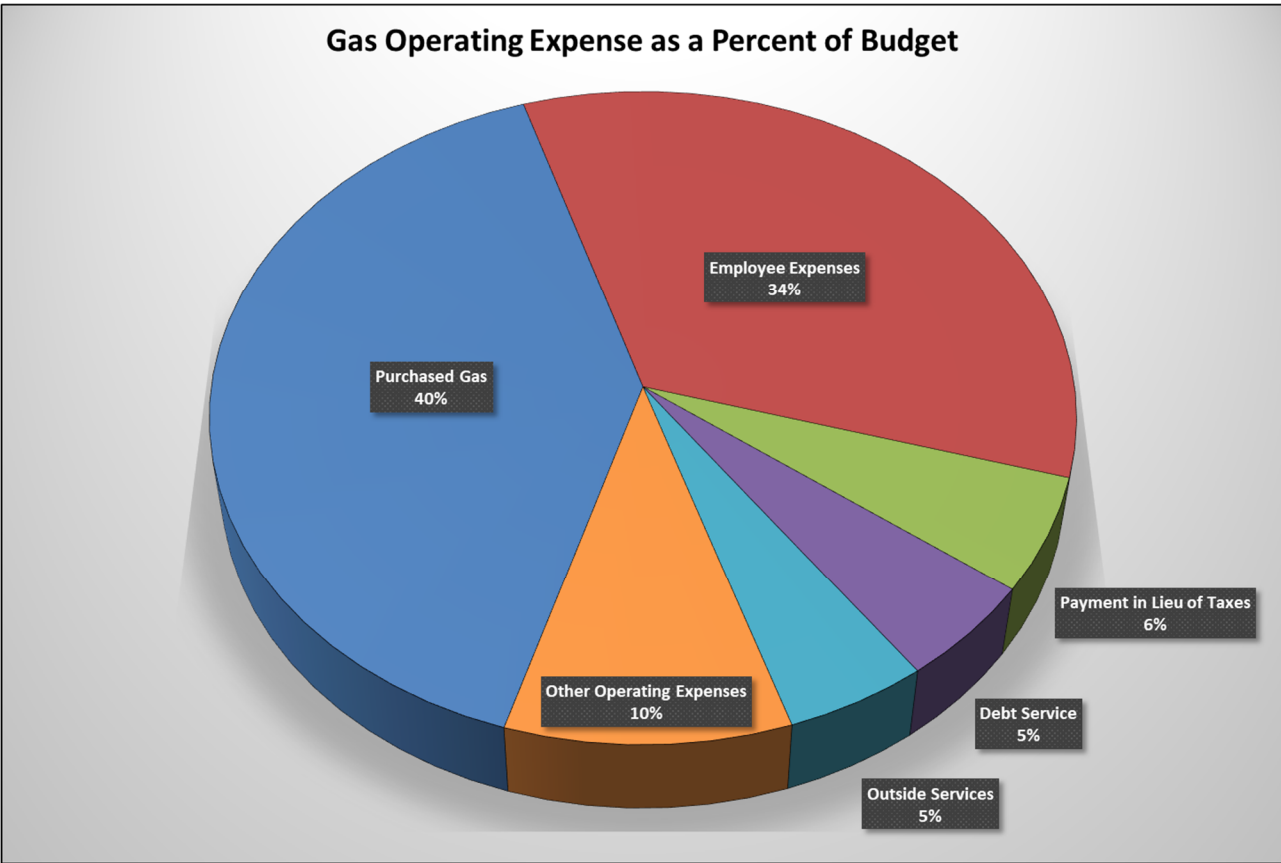
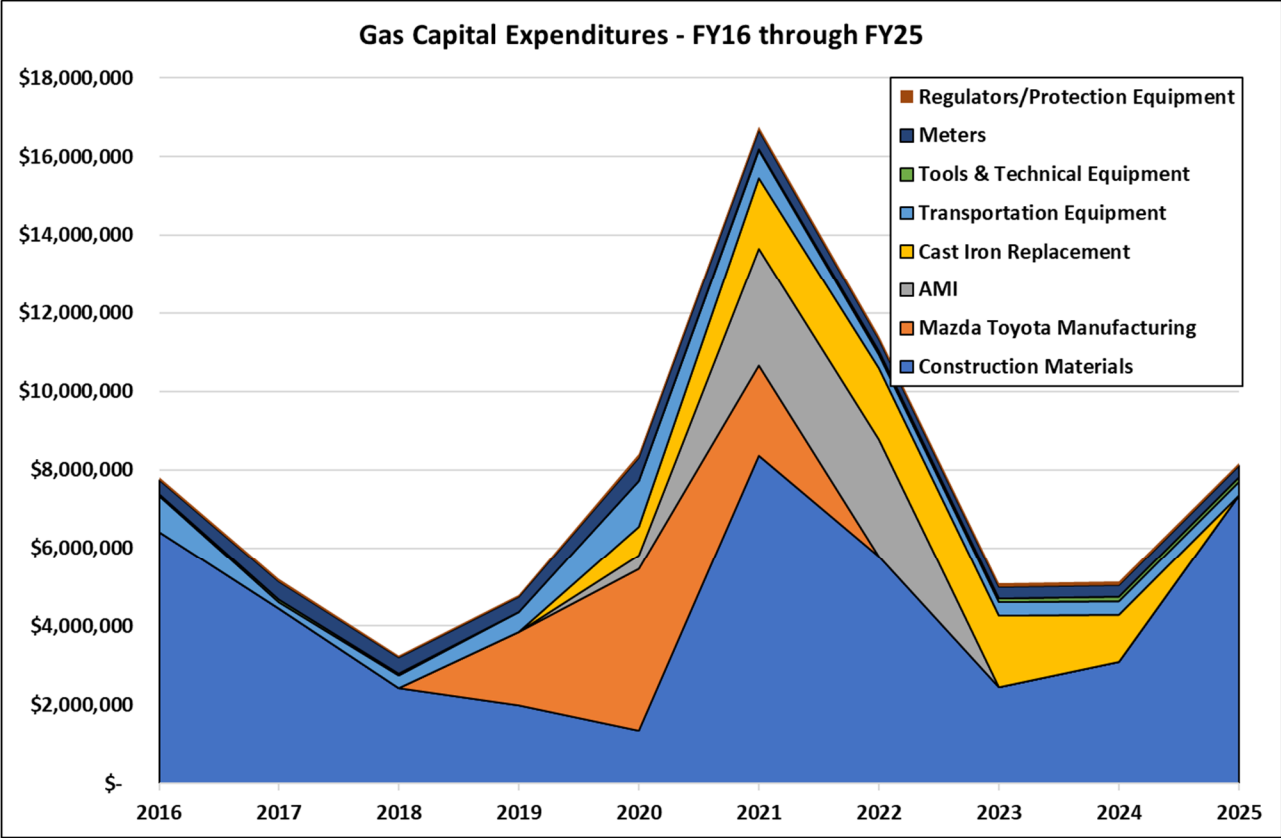
Debt Service	FY19 Actual	FY20 Budget	FY20 Projected	FY21 Budget	BvB	BvP
Debt Service Expenses	\$ -	\$ 1,563,881	\$ 1,563,881	\$ 2,345,205	50.0%	50.0%
<b>Total</b>	<b>\$ -</b>	<b>\$ 1,563,881</b>	<b>\$ 1,563,881</b>	<b>\$ 2,345,205</b>	<b>50.0%</b>	<b>50.0%</b>

Other Expenses	FY19 Actual	FY20 Budget	FY20 Projected	FY21 Budget	BvB	BvP
Fiber Lease	\$ 360,000	\$ 360,000	\$ 360,000	\$ 360,000	0.0%	0.0%
Rentals	\$ 225,649	\$ 247,551	\$ 209,362	\$ 246,832	-0.3%	17.9%
Uncollectible Accounts	\$ (68,689)	\$ 13,646	\$ 184,996	\$ 19,819	45.2%	-89.3%
Injuries & Damages	\$ 14,666	\$ 15,530	\$ 106,094	\$ 6,800	-56.2%	-93.6%
Cash Overages & Shortages	\$ 79	\$ 132	\$ (68)	\$ 132	0.0%	-294.1%
Insurance	\$ 88,871	\$ 75,072	\$ 66,368	\$ 81,078	8.0%	22.2%
Customer Deposit Interest	\$ 4,333	\$ 100,000	\$ 60,848	\$ 39,276	-60.7%	-35.5%
Propane	\$ -	\$ -	\$ -	\$ -	0.0%	0.0%
<b>Total</b>	<b>\$ 624,909</b>	<b>\$ 811,931</b>	<b>\$ 987,600</b>	<b>\$ 753,937</b>	<b>-7.1%</b>	<b>-23.7%</b>

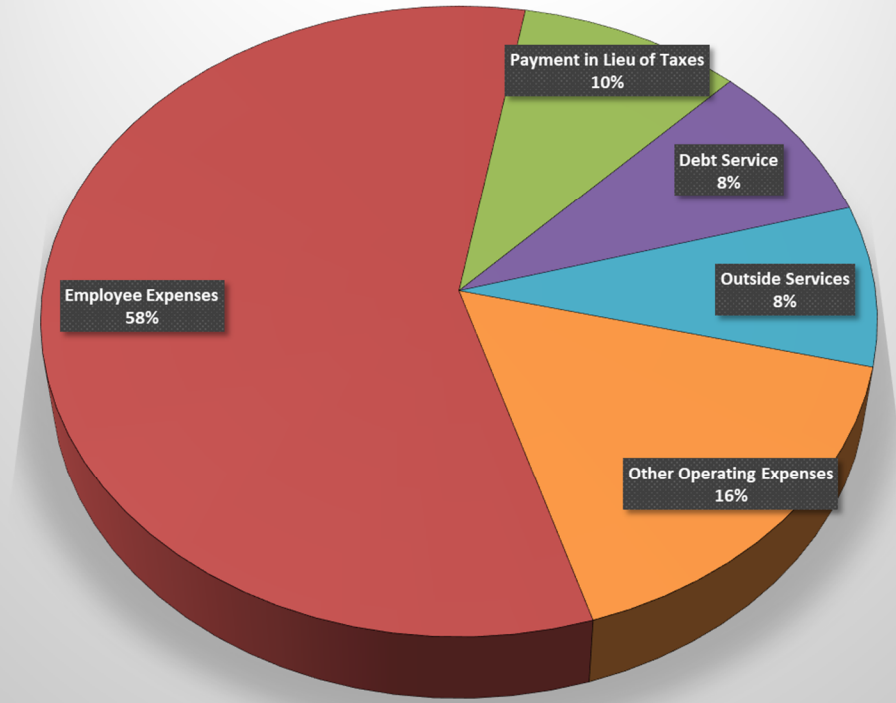
Capital	FY19 Actual	FY20 Budget	FY20 Projected	FY21 Budget	BvB	BvP
Mat. - Operation & Maint.	\$ 238,738	\$ 575,000	\$ 130,603	\$ 235,000	-59.1%	79.9%
Mat. - New Construction	\$ 3,503,566	\$ 1,475,000	\$ 652,044	\$ 915,000	-38.0%	40.3%
Greenbrier (MTM)	\$ -	\$ 5,586,000	\$ 4,115,826	\$ 2,300,000	-58.8%	-44.1%
AMI	\$ -	\$ 1,534,439	\$ 336,250	\$ 3,000,000	95.5%	792.2%
Mat. - Renew & Replace	\$ 116,021	\$ 4,114,500	\$ 559,998	\$ 7,212,500	75.3%	1188.0%
Cast Iron Replacement	\$ -	\$ 2,285,000	\$ 750,000	\$ 1,800,000	-21.2%	140.0%
Land	\$ -	\$ -	\$ -	\$ -	0.0%	0.0%
Office Furniture/Equipment	\$ -	\$ -	\$ -	\$ -	0.0%	0.0%
Tools & Work Equipment	\$ -	\$ 25,000	\$ -	\$ 21,000	-16.0%	100.0%
Transportation Equipment	\$ 485,610	\$ 1,245,497	\$ 1,174,744	\$ 714,956	-42.6%	-39.1%
Communication Equipment	\$ -	\$ -	\$ -	\$ -	0.0%	0.0%
Computer Equipment	\$ -	\$ 68,000	\$ -	\$ -	-100.0%	0.0%
Metering Equipment	\$ 391,011	\$ 375,000	\$ 587,850	\$ 475,000	26.7%	-19.2%
Regulators	\$ 53,866	\$ 85,000	\$ 89,533	\$ 85,000	0.0%	-5.1%
<b>Total</b>	<b>\$ 4,788,812</b>	<b>\$ 17,368,436</b>	<b>\$ 8,396,848</b>	<b>\$ 16,758,456</b>	<b>-3.5%</b>	<b>99.6%</b>

	FY19 Actual	FY20 Budget	FY20 Projected	FY21 Budget	BvB	BvP
<b>Sales Revenue</b>	<b>\$ 45,535,996</b>	<b>\$ 46,560,796</b>	<b>\$ 43,994,352</b>	<b>\$ 44,307,772</b>	<b>-4.8%</b>	<b>0.7%</b>
<b>Other Revenue</b>	<b>\$ 5,050,624</b>	<b>\$ 6,634,076</b>	<b>\$ 4,983,514</b>	<b>\$ 10,579,854</b>	<b>59.5%</b>	<b>112.3%</b>
<b>Warrant Proceeds</b>	<b>\$ -</b>	<b>\$ 9,405,439</b>	<b>\$ 5,202,076</b>	<b>\$ 7,100,000</b>	<b>-24.5%</b>	<b>36.5%</b>
<b>Commodity</b>	<b>\$ 22,712,213</b>	<b>\$ 20,096,914</b>	<b>\$ 18,938,104</b>	<b>\$ 19,036,084</b>	<b>-5.3%</b>	<b>0.5%</b>
<b>O&amp;M Expenses</b>	<b>\$ 18,353,554</b>	<b>\$ 20,572,357</b>	<b>\$ 19,762,305</b>	<b>\$ 23,091,081</b>	<b>12.2%</b>	<b>16.8%</b>
<b>Debt Service</b>	<b>\$ -</b>	<b>\$ 1,563,881</b>	<b>\$ 1,563,881</b>	<b>\$ 2,345,205</b>	<b>50.0%</b>	<b>50.0%</b>
<b>Taxes</b>	<b>\$ 2,731,597</b>	<b>\$ 2,738,660</b>	<b>\$ 2,639,661</b>	<b>\$ 2,657,886</b>	<b>-2.9%</b>	<b>0.7%</b>
<b>Capital Expenses</b>	<b>\$ 4,788,812</b>	<b>\$ 17,368,436</b>	<b>\$ 8,396,848</b>	<b>\$ 16,758,456</b>	<b>-3.5%</b>	<b>99.6%</b>
<b>Net Cash Impact</b>	<b>\$ 2,000,444</b>	<b>\$ 260,063</b>	<b>\$ 2,879,143</b>	<b>\$ (1,901,086)</b>		





**Gas Operating Expense as a Percent of Budget (Purchased Gas Excluded)**



*Huntsville Utilities Gas crews installing service lines in a subdivision.*



## Revenues and Expenditures Summary – Electric

REVENUE:	FY18 Actual	FY19 Actual	FY20 Budget	FY20 Projected	FY21 Budget
Residential Sales	\$ 260,792,769	\$ 262,084,646	\$ 264,622,019	\$ 260,620,218	\$ 265,232,677
Small Commercial Sales	\$ 42,397,969	\$ 42,286,445	\$ 41,658,889	\$ 40,984,342	\$ 40,285,733
Medium Commercial Sales	\$ 138,185,406	\$ 140,764,231	\$ 143,249,380	\$ 138,723,399	\$ 134,782,199
Large Commercial Sales	\$ 24,189,589	\$ 26,673,331	\$ 34,319,451	\$ 27,812,418	\$ 26,969,195
Small Industrial Sales	\$ 19,819,354	\$ 18,538,860	\$ 16,135,310	\$ 19,032,311	\$ 18,455,285
Large Industrial Sales	\$ 18,021,670	\$ 17,623,591	\$ 17,470,945	\$ 20,008,983	\$ 19,589,941
Other Sales	\$ 4,777,392	\$ 5,111,686	\$ 5,056,857	\$ 4,944,927	\$ 4,946,249
Forefeited Discounts	\$ 2,718,184	\$ 2,715,496	\$ 2,535,354	\$ 2,153,782	\$ 2,718,184
Aid-To-Construction	\$ 6,213,716	\$ 9,120,168	\$ 7,000,000	\$ 10,118,639	\$ 8,575,478
Connection/Tap Fees	\$ 2,307,999	\$ 2,412,762	\$ 2,240,535	\$ 2,230,111	\$ 2,520,507
Collection/Reconnection Fees	\$ 1,597,182	\$ 1,656,716	\$ 1,756,886	\$ 1,553,951	\$ 1,656,716
Miscellaneous Revenue	\$ 2,634,346	\$ 2,890,553	\$ 1,853,239	\$ 2,250,517	\$ 1,667,106
Interest Income	\$ 329,330	\$ 1,844,055	\$ 900,000	\$ 702,170	\$ 427,716
Rental Income	\$ 4,963,470	\$ 4,620,728	\$ 4,529,660	\$ 4,485,400	\$ 4,529,277
Water Fiber Lease Income	\$ 750,000	\$ 840,000	\$ 840,000	\$ 840,000	\$ 840,000
Gas Fiber Lease Income	\$ 330,000	\$ 360,000	\$ 360,000	\$ 360,000	\$ 360,000
COH Fiber Lease Income	\$ 1,208,332	\$ 2,164,000	\$ 2,400,000	\$ 2,496,000	\$ 2,496,000
Google Fiber Lease Income	\$ 2,490,356	\$ 4,603,651	\$ 6,980,375	\$ 6,642,906	\$ 7,211,616
Reimbursements	\$ 1,165,269	\$ 1,939,794	\$ 2,616,801	\$ 2,416,131	\$ 1,406,058
Warrant Proceeds	\$ 15,951,590	\$ 25,913,925	\$ 7,495,434	\$ 5,054,000	\$ -
Cash Reserves Transfer	\$ 2,621,793	\$ (4,221,526)	\$ 5,282,019	\$ (8,356,525)	\$ 1,215,976
	<b>\$ 553,465,716</b>	<b>\$ 569,943,112</b>	<b>\$ 569,303,154</b>	<b>\$ 545,073,680</b>	<b>\$ 545,885,913</b>

### EXPENDITURES:

Employee Expenses	\$ 41,521,338	\$ 40,680,082	\$ 46,777,402	\$ 43,996,311	\$ 46,876,597
Supplies and Materials	\$ 5,209,391	\$ 5,842,235	\$ 4,778,486	\$ 5,461,574	\$ 4,704,866
Services	\$ 7,920,124	\$ 13,259,088	\$ 13,730,142	\$ 12,564,263	\$ 13,157,271
Travel and Training	\$ 795,088	\$ 884,992	\$ 1,250,585	\$ 776,778	\$ 1,265,674
Equipment Maintenance	\$ 1,868,719	\$ 2,001,560	\$ 2,288,241	\$ 2,306,353	\$ 2,317,093
Utilities	\$ 791,195	\$ 875,423	\$ 799,052	\$ 826,796	\$ 678,782
Commodity	\$ 424,966,671	\$ 429,473,972	\$ 433,111,399	\$ 418,221,237	\$ 406,855,241
Tax Equivalent	\$ 11,097,956	\$ 13,477,577	\$ 11,559,796	\$ 15,437,942	\$ 17,091,993
Debt Service	\$ 5,066,494	\$ 4,801,365	\$ 6,595,100	\$ 6,595,100	\$ 6,591,600
Other Operating Expenses	\$ 2,070,478	\$ 2,028,454	\$ 2,238,613	\$ 2,946,736	\$ 1,618,695
Capital Expenditures	\$ 52,158,262	\$ 56,618,364	\$ 46,174,338	\$ 35,940,590	\$ 44,728,101
	<b>\$ 553,465,716</b>	<b>\$ 569,943,112</b>	<b>\$ 569,303,154</b>	<b>\$ 545,073,680</b>	<b>\$ 545,885,913</b>

## Revenue Detail – Electric

Sales Revenues	FY19 Actual	FY20 Budget	FY20 Projected	FY21 Budget	BvB	BvP
Residential Sales	\$ 262,084,646	\$ 264,622,019	\$ 260,620,218	\$ 265,232,677	0.2%	1.8%
Small Commercial Sales	\$ 42,286,445	\$ 41,658,889	\$ 40,984,342	\$ 40,285,733	-3.3%	-1.7%
Medium Commercial Sales	\$ 140,764,231	\$ 143,249,380	\$ 138,723,399	\$ 134,782,199	-5.9%	-2.8%
Large Commercial Sales	\$ 26,673,331	\$ 34,319,451	\$ 27,812,418	\$ 26,969,195	-21.4%	-3.0%
Small Industrial Sales	\$ 18,538,860	\$ 16,135,310	\$ 19,032,311	\$ 18,455,285	14.4%	-3.0%
Large Industrial Sales	\$ 17,623,591	\$ 17,470,945	\$ 20,008,983	\$ 19,589,941	12.1%	-2.1%
Lighting Sales	\$ 5,111,686	\$ 5,056,857	\$ 4,944,927	\$ 4,946,249	-2.2%	0.0%
<b>Total</b>	<b>\$ 513,082,790</b>	<b>\$ 522,512,851</b>	<b>\$ 512,126,598</b>	<b>\$ 510,261,279</b>	<b>-2.3%</b>	<b>-0.4%</b>

Other Operating Revenue	FY19 Actual	FY20 Budget	FY20 Projected	FY21 Budget	BvB	BvP
Forfeited Discounts	\$ 2,715,496	\$ 2,535,354	\$ 2,153,782	\$ 2,718,184	7.2%	26.2%
Aid-To-Construction	\$ 9,120,168	\$ 7,000,000	\$ 10,118,639	\$ 8,575,478	22.5%	-15.3%
Connection/Tap Fees	\$ 2,412,762	\$ 2,240,535	\$ 2,230,111	\$ 2,520,507	12.5%	13.0%
Collection/Reconnect Fees	\$ 1,656,716	\$ 1,756,886	\$ 1,553,951	\$ 1,656,716	-5.7%	6.6%
Miscellaneous	\$ 2,890,553	\$ 1,853,239	\$ 2,250,517	\$ 1,667,106	-10.0%	-25.9%
<b>Total</b>	<b>\$ 18,795,695</b>	<b>\$ 15,386,014</b>	<b>\$ 18,307,000</b>	<b>\$ 17,137,991</b>	<b>11.4%</b>	<b>-6.4%</b>

Non Operating Revenue	FY19 Actual	FY20 Budget	FY20 Projected	FY21 Budget	BvB	BvP
Interest Income	\$ 1,844,055	\$ 900,000	\$ 702,170	\$ 427,716	-52.5%	-39.1%
Rental Income	\$ 4,620,728	\$ 4,529,660	\$ 4,485,400	\$ 4,529,277	0.0%	1.0%
Reimbursements	\$ 1,939,794	\$ 2,616,801	\$ 2,416,131	\$ 1,406,058	-46.3%	-41.8%
Water Fiber Lease	\$ 840,000	\$ 840,000	\$ 840,000	\$ 840,000	0.0%	0.0%
Gas Fiber Lease	\$ 360,000	\$ 360,000	\$ 360,000	\$ 360,000	0.0%	0.0%
City Fiber Lease	\$ 2,164,000	\$ 2,400,000	\$ 2,496,000	\$ 2,496,000	4.0%	0.0%
Google Fiber Lease	\$ 4,603,651	\$ 6,980,375	\$ 6,642,906	\$ 7,211,616	3.3%	8.6%
<b>Total</b>	<b>\$ 16,372,228</b>	<b>\$ 18,626,836</b>	<b>\$ 17,942,607</b>	<b>\$ 17,270,667</b>	<b>-7.3%</b>	<b>-3.7%</b>

Warrant and Loan Proceeds	FY19 Actual	FY20 Budget	FY20 Projected	FY21 Budget	BvB	BvP
Warrant Proceeds	\$ 25,913,925	\$ 7,495,434	\$ 5,054,000	\$ -	-100.0%	-100.0%
<b>Total</b>	<b>\$ 25,913,925</b>	<b>\$ 7,495,434</b>	<b>\$ 5,054,000</b>	<b>\$ -</b>	<b>-100.0%</b>	<b>-100.0%</b>

Total Revenues	FY19 Actual	FY20 Budget	FY20 Projected	FY21 Budget	BvB	BvP
<b>Total</b>	<b>\$ 574,164,638</b>	<b>\$ 564,021,135</b>	<b>\$ 553,430,205</b>	<b>\$ 544,669,937</b>	<b>-3.4%</b>	<b>-1.6%</b>

The last two columns on this table and others like it compare the FY21 Budget amount for each line item to the FY20 Budget amount (BvB) and to the FY20 Projected amount (BvP).

## Expense Detail - Electric

Employee Expenses	FY19 Actual	FY20 Budget	FY20 Projected	FY21 Budget	BvB	BvP
Payroll-Straight Time	\$ 24,141,580	\$ 27,837,424	\$ 25,299,921	\$ 27,876,781	0.1%	10.2%
Payroll-Overtime	\$ 3,749,449	\$ 2,974,612	\$ 3,165,482	\$ 3,367,279	13.2%	6.4%
Health Insurance	\$ 3,751,246	\$ 7,422,682	\$ 6,864,123	\$ 6,882,908	-7.3%	0.3%
FICA Taxes - Employers	\$ 2,214,751	\$ 2,327,146	\$ 2,238,900	\$ 2,361,382	1.5%	5.5%
Unemployment	\$ 2,929	\$ 4,904	\$ 1,457	\$ 5,880	19.9%	303.6%
Workers Comp.	\$ 104,395	\$ 170,172	\$ 80,438	\$ 132,032	-22.4%	64.1%
Employer Pension Expense	\$ 4,517,981	\$ 3,648,645	\$ 4,006,137	\$ 3,842,562	5.3%	-4.1%
Other Employee Benefits	\$ 2,197,751	\$ 2,391,817	\$ 2,339,853	\$ 2,407,773	0.7%	2.9%
<b>Total</b>	<b>\$ 40,680,082</b>	<b>\$ 46,777,402</b>	<b>\$ 43,996,311</b>	<b>\$ 46,876,597</b>	<b>0.2%</b>	<b>6.5%</b>

Supplies and Materials	FY19 Actual	FY20 Budget	FY20 Projected	FY21 Budget	BvB	BvP
Small Tools & Equipment	\$ 1,314,218	\$ 1,219,830	\$ 1,317,448	\$ 1,334,197	9.4%	1.3%
Postage	\$ 730,785	\$ 765,244	\$ 701,833	\$ 764,511	-0.1%	8.9%
Materials: Non-Stock	\$ 2,421,498	\$ 1,168,409	\$ 2,240,665	\$ 1,510,964	29.3%	-32.6%
Office Supplies & Expenses	\$ 657,174	\$ 925,130	\$ 686,468	\$ 527,818	-42.9%	-23.1%
Fuel	\$ 707,766	\$ 691,094	\$ 509,515	\$ 559,334	-19.1%	9.8%
Board Expenses	\$ 10,794	\$ 8,779	\$ 5,645	\$ 8,042	-8.4%	42.5%
<b>Total</b>	<b>\$ 5,842,235</b>	<b>\$ 4,778,486</b>	<b>\$ 5,461,574</b>	<b>\$ 4,704,866</b>	<b>-1.5%</b>	<b>-13.9%</b>

Services	FY19 Actual	FY20 Budget	FY20 Projected	FY21 Budget	BvB	BvP
Outside Services	\$ 12,378,225	\$ 12,841,916	\$ 11,887,379	\$ 12,393,484	-3.5%	4.3%
Legal Services	\$ 184,740	\$ 136,751	\$ 43,139	\$ 161,351	18.0%	274.0%
Public Information	\$ 696,123	\$ 751,475	\$ 633,745	\$ 602,436	-19.8%	-4.9%
<b>Total</b>	<b>\$ 13,259,088</b>	<b>\$ 13,730,142</b>	<b>\$ 12,564,263</b>	<b>\$ 13,157,271</b>	<b>-4.2%</b>	<b>4.7%</b>

Travel and Training	FY19 Actual	FY20 Budget	FY20 Projected	FY21 Budget	BvB	BvP
Education & Training	\$ 432,228	\$ 641,574	\$ 241,168	\$ 652,483	1.7%	170.6%
Trade Memberships/Dues	\$ 312,925	\$ 401,388	\$ 453,041	\$ 398,134	-0.8%	-12.1%
Employee Meals	\$ 87,968	\$ 125,200	\$ 56,996	\$ 135,179	8.0%	137.2%
Business Travel	\$ 51,871	\$ 82,423	\$ 25,573	\$ 79,878	-3.1%	212.4%
<b>Total</b>	<b>\$ 884,992</b>	<b>\$ 1,250,585</b>	<b>\$ 776,778</b>	<b>\$ 1,265,674</b>	<b>1.2%</b>	<b>62.9%</b>

Equipment Maintenance	FY19 Actual	FY20 Budget	FY20 Projected	FY21 Budget	BvB	BvP
Equipment Maintenance	\$ 27,686	\$ 41,261	\$ 32,213	\$ 52,524	27.3%	63.1%
Software/Hardware Maint.	\$ 1,973,874	\$ 2,246,980	\$ 2,274,140	\$ 2,264,569	0.8%	-0.4%
<b>Total</b>	<b>\$ 2,001,560</b>	<b>\$ 2,288,241</b>	<b>\$ 2,306,353</b>	<b>\$ 2,317,093</b>	<b>1.3%</b>	<b>0.5%</b>

Utilities	FY19 Actual	FY20 Budget	FY20 Projected	FY21 Budget	BvB	BvP
Utilities	\$ 875,423	\$ 799,052	\$ 826,796	\$ 678,782	-15.1%	-17.9%
<b>Total</b>	<b>\$ 875,423</b>	<b>\$ 799,052</b>	<b>\$ 826,796</b>	<b>\$ 678,782</b>	<b>-15.1%</b>	<b>-17.9%</b>

Commodity	FY19 Actual	FY20 Budget	FY20 Projected	FY21 Budget	BvB	BvP
Purchased Power	\$ 429,473,972	\$ 433,111,399	\$ 418,221,237	\$ 406,855,241	-6.1%	-2.7%
<b>Total</b>	<b>\$ 429,473,972</b>	<b>\$ 433,111,399</b>	<b>\$ 418,221,237</b>	<b>\$ 406,855,241</b>	<b>-6.1%</b>	<b>-2.7%</b>

Tax Equivalents	FY19 Actual	FY20 Budget	FY20 Projected	FY21 Budget	BvB	BvP
Tax Equivalents	\$ 13,477,577	\$ 11,559,796	\$ 15,437,942	\$ 17,091,993	47.9%	10.7%
<b>Total</b>	<b>\$ 13,477,577</b>	<b>\$ 11,559,796</b>	<b>\$ 15,437,942</b>	<b>\$ 17,091,993</b>	<b>47.9%</b>	<b>10.7%</b>

## Expense Detail – Electric (Continued)

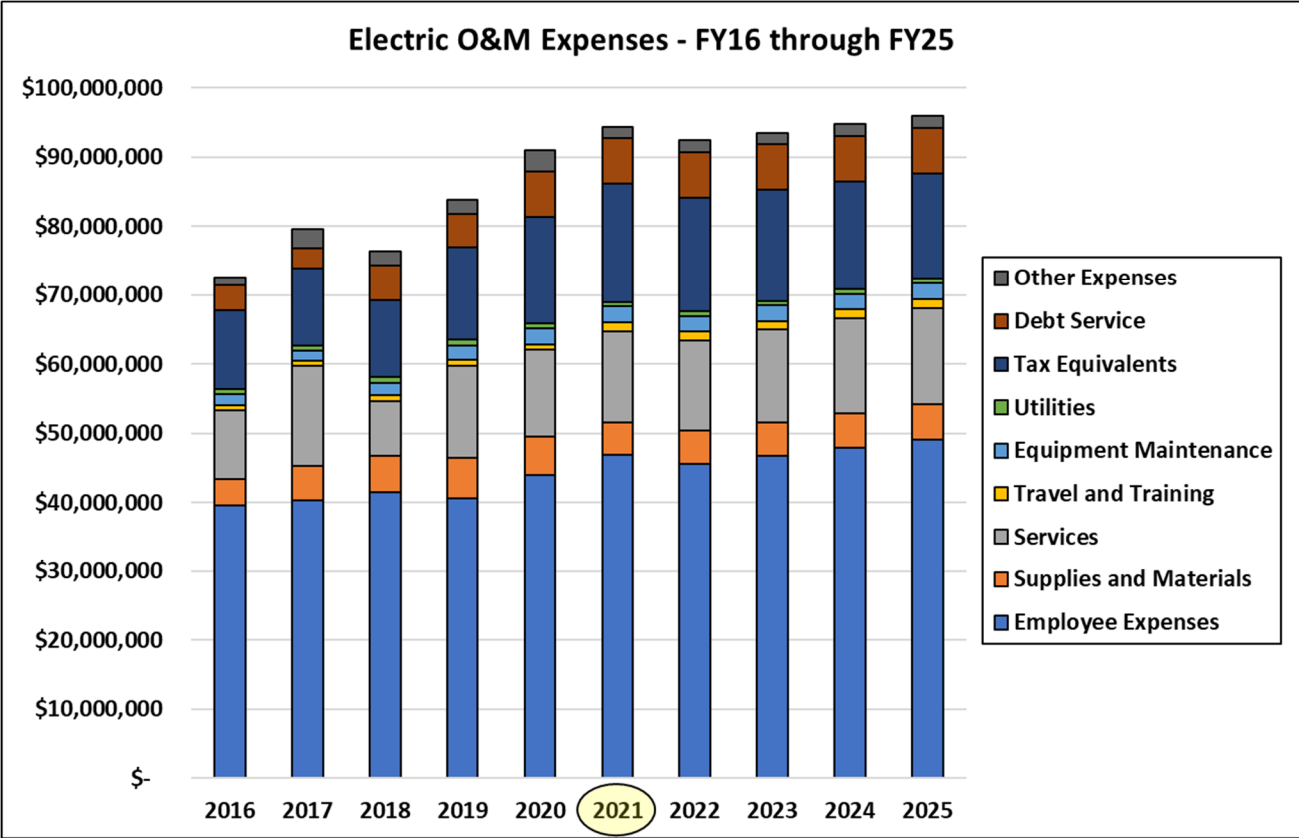
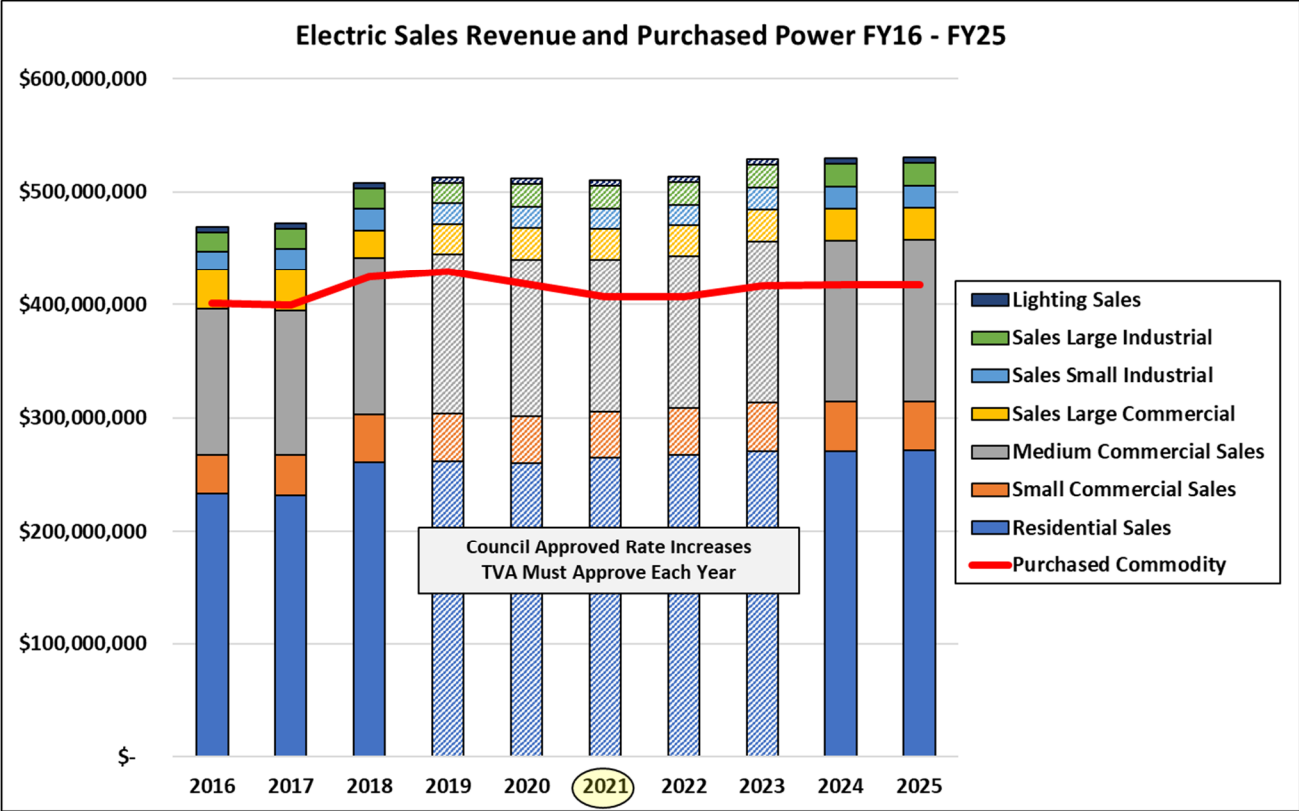
Debt Service	FY19 Actual	FY20 Budget	FY20 Projected	FY21 Budget	BvB	BvP
Debt Service Expenses	\$ 4,801,365	\$ 6,595,100	\$ 6,595,100	\$ 6,591,600	-0.1%	-0.1%
<b>Total</b>	<b>\$ 4,801,365</b>	<b>\$ 6,595,100</b>	<b>\$ 6,595,100</b>	<b>\$ 6,591,600</b>	<b>-0.1%</b>	<b>-0.1%</b>

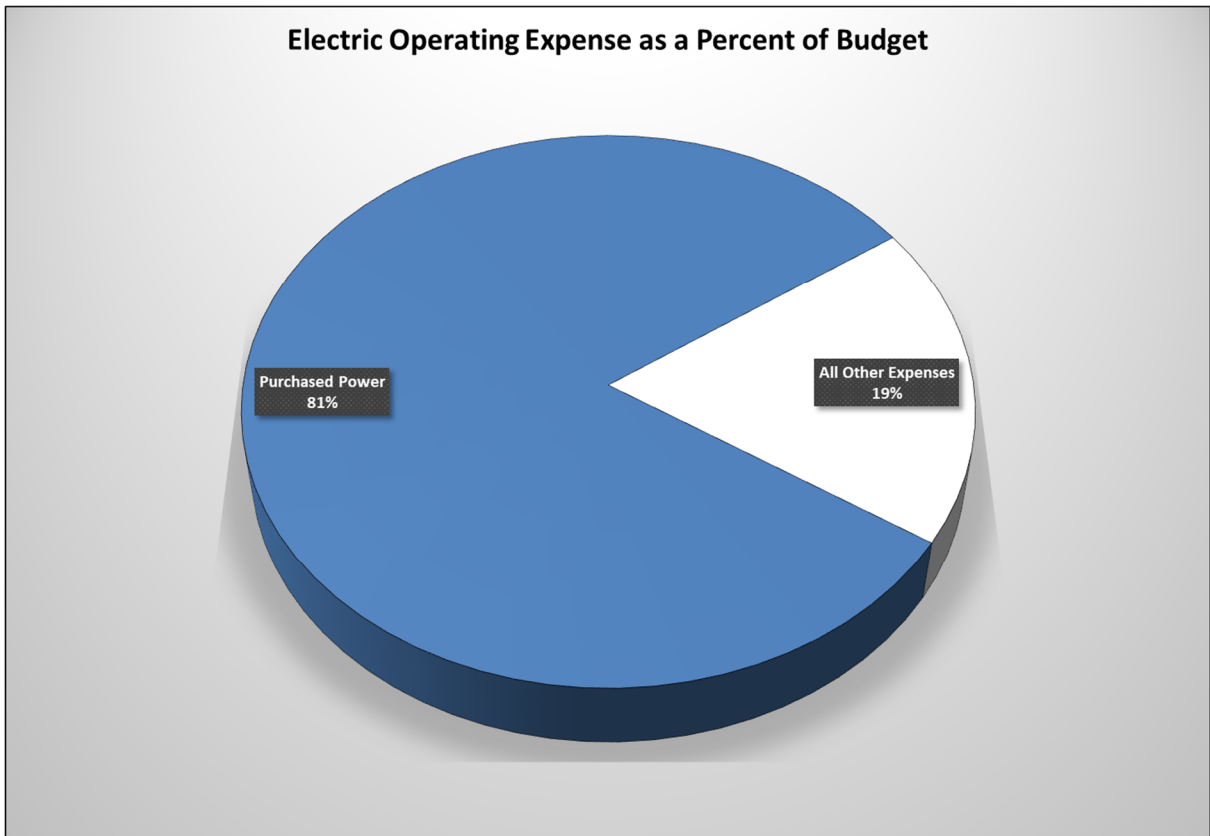
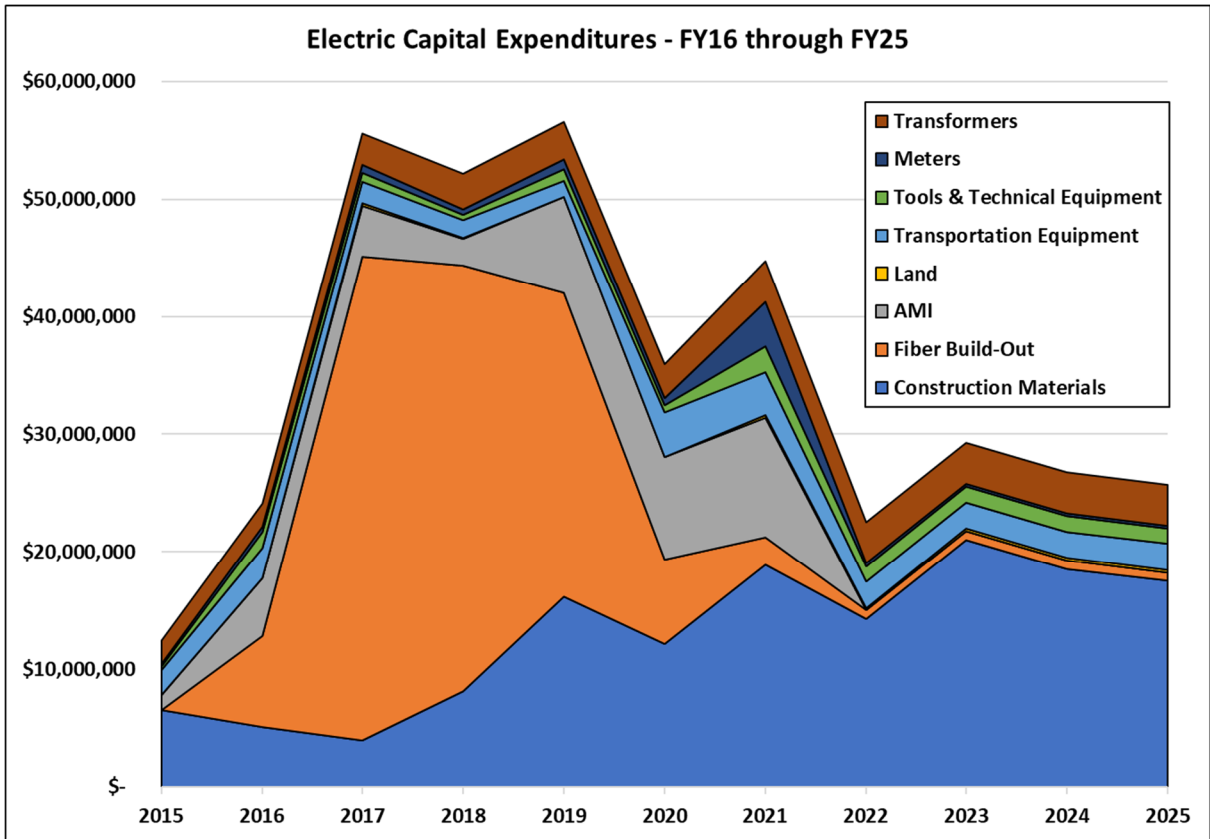
Other Expenses	FY19 Actual	FY20 Budget	FY20 Projected	FY21 Budget	BvB	BvP
Rentals	\$ 636,856	\$ 599,425	\$ 601,015	\$ 638,642	6.5%	6.3%
Uncollectible Accounts	\$ 374,345	\$ 296,634	\$ 1,240,586	\$ 281,850	-5.0%	-77.3%
Injuries & Damages	\$ 115,664	\$ 46,050	\$ 46,183	\$ 8,280	-82.0%	-82.1%
Cash Overages & Shortage	\$ 12	\$ 864	\$ 300	\$ 864	0.0%	188.0%
Insurance	\$ 388,129	\$ 420,240	\$ 430,635	\$ 453,859	8.0%	5.4%
Interest on Customer Deposits	\$ 513,448	\$ 875,000	\$ 628,017	\$ 234,720	-73.2%	-62.6%
Propane	\$ -	\$ 400	\$ -	\$ 480	20.0%	100.0%
<b>Total</b>	<b>\$ 2,028,454</b>	<b>\$ 2,238,613</b>	<b>\$ 2,946,736</b>	<b>\$ 1,618,695</b>	<b>-27.7%</b>	<b>-45.1%</b>

Capital	FY19 Actual	FY20 Budget	FY20 Projected	FY21 Budget	BvB	BvP
Mat. - Operation & Maint.	\$ 6,848,450	\$ 3,550,000	\$ 3,050,000	\$ 3,780,000	6.5%	23.9%
Mat. - New Construction	\$ 7,513,055	\$ 8,775,000	\$ 8,267,255	\$ 9,444,500	7.6%	14.2%
AMI	\$ 8,200,407	\$ 8,651,597	\$ 8,651,597	\$ 10,200,000	17.9%	17.9%
Fiber Build Out	\$ 26,144,259	\$ 10,454,712	\$ 7,240,834	\$ 2,355,000	-77.5%	-67.5%
Mat. - Renew & Replace	\$ 2,127,079	\$ 4,965,000	\$ 818,867	\$ 5,637,200	13.5%	588.4%
Land	\$ -	\$ 200,000	\$ -	\$ 200,000	0.0%	100.0%
Office Furniture/Equipment	\$ -	\$ 19,000	\$ 18,069	\$ -	-100.0%	-100.0%
Tools & Work Equipment	\$ 140,494	\$ 137,520	\$ 108,685	\$ 269,000	95.6%	147.5%
Transportation Equipment	\$ 1,335,162	\$ 4,073,827	\$ 3,859,290	\$ 3,664,401	-10.1%	-5.0%
Communication Equipment	\$ -	\$ 490,500	\$ 65,085	\$ 30,000	-93.9%	-53.9%
Computer Equipment	\$ 888,348	\$ 1,077,182	\$ 382,191	\$ 1,918,000	78.1%	401.8%
Metering Equipment	\$ 178,439	\$ 1,480,000	\$ 610,191	\$ 3,730,000	152.0%	511.3%
Transformers	\$ 3,242,671	\$ 2,300,000	\$ 2,868,526	\$ 3,500,000	52.2%	22.0%
<b>Total</b>	<b>\$ 56,618,364</b>	<b>\$ 46,174,338</b>	<b>\$ 35,940,590</b>	<b>\$ 44,728,101</b>	<b>-3.1%</b>	<b>24.5%</b>

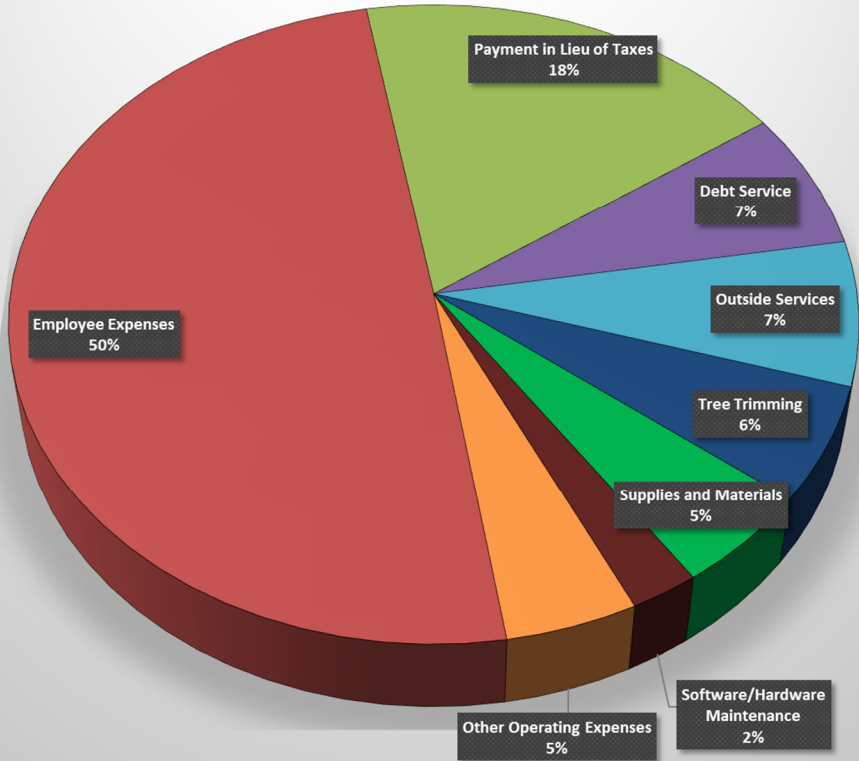
	FY19 Actual	FY20 Budget	FY20 Projected	FY21 Budget	BvB	BvP
<b>Sales Revenue</b>	<b>\$ 513,082,790</b>	<b>\$ 522,512,851</b>	<b>\$ 512,126,598</b>	<b>\$ 510,261,279</b>	<b>-2.3%</b>	<b>-0.4%</b>
<b>Other Revenue</b>	<b>\$ 35,167,923</b>	<b>\$ 34,012,850</b>	<b>\$ 36,249,607</b>	<b>\$ 34,408,658</b>	<b>1.2%</b>	<b>-5.1%</b>
<b>Warrant Proceeds</b>	<b>\$ 25,913,925</b>	<b>\$ 7,495,434</b>	<b>\$ 5,054,000</b>	<b>\$ -</b>	<b>-100.0%</b>	<b>-100.0%</b>
<b>Commodity</b>	<b>\$ 429,473,972</b>	<b>\$ 433,111,399</b>	<b>\$ 418,221,237</b>	<b>\$ 406,855,241</b>	<b>-6.1%</b>	<b>-2.7%</b>
<b>O&amp;M Expenses</b>	<b>\$ 65,571,834</b>	<b>\$ 71,862,521</b>	<b>\$ 68,878,811</b>	<b>\$ 70,618,978</b>	<b>-1.7%</b>	<b>2.5%</b>
<b>Debt Service</b>	<b>\$ 4,801,365</b>	<b>\$ 6,595,100</b>	<b>\$ 6,595,100</b>	<b>\$ 6,591,600</b>	<b>-0.1%</b>	<b>-0.1%</b>
<b>Taxes</b>	<b>\$ 13,477,577</b>	<b>\$ 11,559,796</b>	<b>\$ 15,437,942</b>	<b>\$ 17,091,993</b>	<b>47.9%</b>	<b>10.7%</b>
<b>Capital Expenses</b>	<b>\$ 56,618,364</b>	<b>\$ 46,174,338</b>	<b>\$ 35,940,590</b>	<b>\$ 44,728,101</b>	<b>-3.1%</b>	<b>24.5%</b>
<b>Net Cash Impact</b>	<b>\$ 4,221,526</b>	<b>\$ (5,282,019)</b>	<b>\$ 8,356,525</b>	<b>\$ (1,215,976)</b>		







**Electric Operating Expense as a Percent of Budget (Purchased Power Excluded)**



*Huntsville Utilities has been providing safe, reliable electric service for 80 years.*



## Departmental Budget by Utility Service Compared to Prior Year

### FY21 Budget

Department	Water	Gas	Electric	Total
Administration	\$ 631,701	\$ 584,635	\$ 1,188,068	\$ 2,404,404
Customer Care	\$ 4,246,688	\$ 2,552,447	\$ 12,085,848	\$ 18,884,983
Engineering	\$ 2,710,111	\$ 1,492,863	\$ 6,197,554	\$ 10,400,528
Finance	\$ 16,172,357	\$ 9,256,501	\$ 33,163,180	\$ 58,592,038
Employee Engagement	\$ 1,262,384	\$ 1,271,702	\$ 3,641,023	\$ 6,175,109
Information Technology	\$ 2,270,308	\$ 2,206,211	\$ 6,166,063	\$ 10,642,582
Water Operations	\$ 19,605,953	\$ -	\$ -	\$ 19,605,953
Gas Operations	\$ 503,406	\$ 10,319,248	\$ 125,851	\$ 10,948,505
Electric Operations	\$ 522,018	\$ 410,565	\$ 31,734,984	\$ 32,667,567
Purchased Commodity	\$ 40,000	\$ 19,036,084	\$ 406,855,241	\$ 425,931,325
<b>Grand Total</b>	<b>\$ 47,964,926</b>	<b>\$ 47,130,256</b>	<b>\$ 501,157,812</b>	<b>\$ 596,252,994</b>

### FY20 Budget

Department	Water	Gas	Electric	Total
Administration	\$ 589,734	\$ 545,803	\$ 1,111,138	\$ 2,246,675
Customer Care	\$ 2,946,122	\$ 2,190,382	\$ 13,343,709	\$ 18,480,213
Engineering	\$ 2,682,078	\$ 1,479,234	\$ 6,095,369	\$ 10,256,681
Finance	\$ 16,023,015	\$ 8,363,906	\$ 27,947,535	\$ 52,334,456
Employee Engagement	\$ 1,053,104	\$ 983,002	\$ 3,023,249	\$ 5,059,355
Information Technology	\$ 2,010,110	\$ 1,543,662	\$ 7,498,969	\$ 11,052,741
Water Operations	\$ 19,743,153	\$ -	\$ -	\$ 19,743,153
Gas Operations	\$ -	\$ 9,483,809	\$ -	\$ 9,483,809
Electric Operations	\$ 424,900	\$ 285,100	\$ 30,997,448	\$ 31,707,448
Purchased Commodity	\$ -	\$ 20,096,914	\$ 433,111,399	\$ 453,208,313
<b>Grand Total</b>	<b>\$ 45,472,216</b>	<b>\$ 44,971,812</b>	<b>\$ 523,128,816</b>	<b>\$ 613,572,844</b>

NOTE: These tables exclude revenue and any related credits and capital expenditures.

## Multi-Year Summary of Expenditures by Functional Department

Department	FY19 Actual	FY20 Budget	FY21 Budget	FY22 Plan
Administration	\$ 1,596,126	\$ 2,246,675	\$ 2,404,404	\$ 2,461,278
Customer Care	\$ 16,977,381	\$ 18,480,213	\$ 18,884,983	\$ 19,323,736
Engineering	\$ 7,456,917	\$ 10,256,681	\$ 10,400,528	\$ 10,644,925
Finance	\$ 44,743,805	\$ 52,334,456	\$ 58,592,038	\$ 59,140,367
Human Resources	\$ 4,356,505	\$ 5,059,355	\$ 6,175,109	\$ 6,456,444
Information Technology	\$ 9,029,261	\$ 11,052,741	\$ 10,642,582	\$ 10,880,972
Water Operations	\$ 18,262,175	\$ 19,743,153	\$ 19,605,953	\$ 20,053,061
Gas Operations	\$ 9,811,954	\$ 9,483,809	\$ 10,948,505	\$ 11,213,014
Electric Operations	\$ 32,284,952	\$ 31,707,448	\$ 32,667,567	\$ 33,438,981
Purchased Commodity	\$ 452,186,185	\$ 453,208,313	\$ 425,931,325	\$ 426,220,280
<b>Grand Total</b>	<b>\$ 596,705,261</b>	<b>\$ 613,572,844</b>	<b>\$ 596,252,994</b>	<b>\$ 599,833,058</b>

*Huntsville Utilities Customer Care employees responding to customer needs and requests.*



# Net Position

The change in net position over the last five years is shown below for each of the utility services.

	FY15	FY16	FY17	FY18	FY19
Electric	(\$1,599,851)	\$892,494	\$9,502,908	\$18,867,509	\$11,353,850
Water	\$10,725,352	\$17,584,740	\$16,879,413	\$10,417,464	\$11,939,977
Gas	\$2,153,417	(\$3,667,061)	(\$1,570,342)	\$4,886,470	\$6,704,760

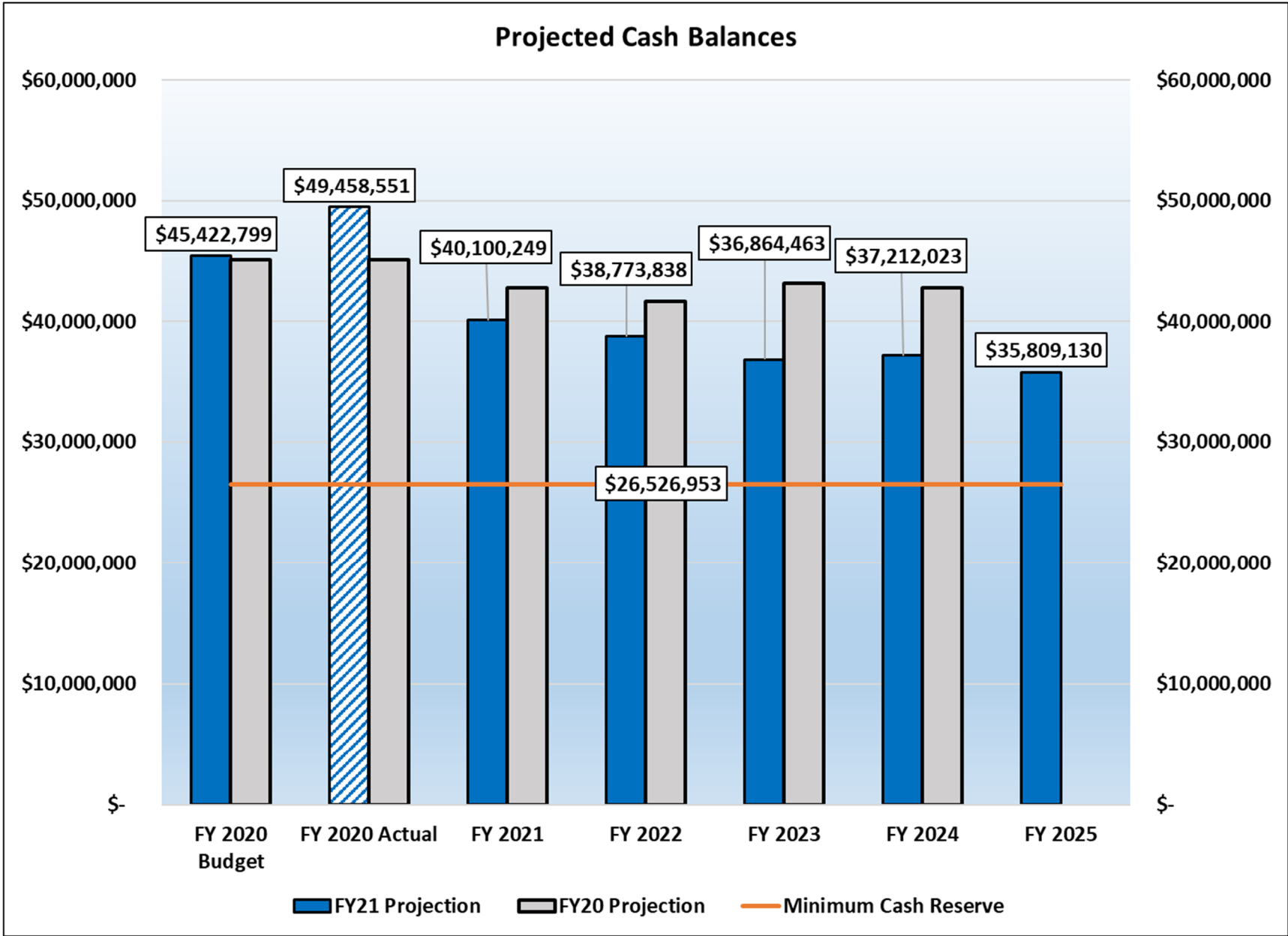
For the utility industry, weather is a major factor in financial performance. Huntsville Utilities normally experiences peak usage for gas in the winter months, for water in the summer months, and for electric in both summer and winter months. Any deviation from this trend can have significant impacts to revenue, commodity costs and tax equivalents. This can be seen in fiscal years 2016 and 2017, where the winter weather was extremely mild resulting in a negative change in the net position for gas. For electricity, months that have a high usage peak surrounded by low usage the rest of the month can have an even more severe impact due to the demand and energy components of the power contract with TVA. That is evident in fiscal year 2015, where an increase in sales revenue was overcome by an increase in demand costs.

Rate adjustments also influence the results. For example, a series of three gas retail rate adjustments were approved by the Gas and Water Board that began in fiscal year 2018 and ended in 2020. The change in net position shown above reflects larger positive changes for gas in both 2018 and 2019. Water rates were adjusted from fiscal years 2013 through 2017. A series of five adjustments were approved for electric retail rates beginning in fiscal year 2019 that will extend through fiscal year 2023.

Although capital expenditures do not show up directly on the statement of net position, they do have an impact. As significant assets, such as water treatment plants, AMI meter data management systems or fiber network assets are capitalized, there is a corresponding increase in depreciation expense. Conversely, if significant asset additions are deferred, there is often an increase to operation and maintenance expense. If financing is involved with the procurement or construction of capital expenditures, debt service costs will show up as an expense.

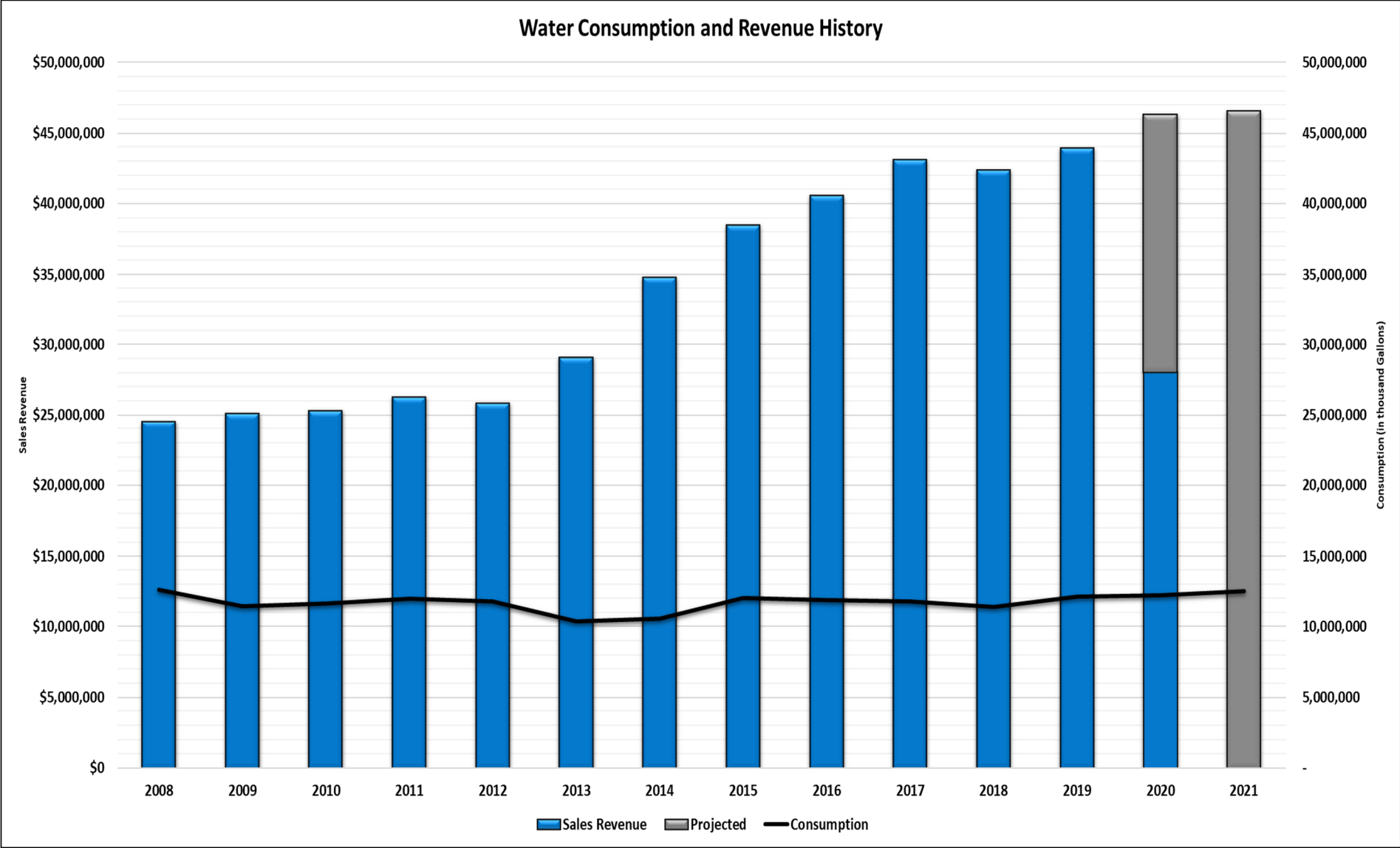
# Long-Term Financial Plan – Water

	Budget						
	FY 2020 Budget	FY 2020 Actual	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
<b>Beginning Cash Balances</b>	\$ 49,901,177	\$ 49,901,177	\$ 49,458,551	\$ 40,100,249	\$ 38,773,838	\$ 36,864,463	\$ 37,212,023
Sales Revenue	\$ 45,437,663	\$ 45,749,058	\$ 45,983,288	\$ 48,203,749	\$ 52,061,816	\$ 55,135,996	\$ 55,550,078
Limestone County Sales Revenue	\$ 400,000	\$ 587,202	\$ 609,399	\$ 1,233,473	\$ 1,284,416	\$ 1,323,980	\$ 1,335,279
Other Operating Revenue	\$ 6,214,598	\$ 6,286,262	\$ 6,632,607	\$ 6,698,933	\$ 6,765,922	\$ 6,833,582	\$ 6,901,917
Non Operating Revenue	\$ 5,922,627	\$ 2,886,537	\$ 7,465,819	\$ 1,787,220	\$ 7,194,592	\$ 752,038	\$ 759,558
<b>Operating Revenue</b>	\$ 57,974,888	\$ 55,509,059	\$ 60,691,113	\$ 57,923,375	\$ 67,306,747	\$ 64,045,595	\$ 64,546,833
Adjustment for Allocation Changes	\$ -	\$ -	\$ -	\$ 2,258,762	\$ 2,312,573	\$ 2,367,676	\$ 2,424,102
Purchased Water	\$ -	\$ 121,421	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000
Employee Expenses	\$ 19,194,009	\$ 17,967,108	\$ 20,252,735	\$ 20,759,053	\$ 21,278,030	\$ 21,809,980	\$ 22,355,230
Supplies and Materials	\$ 3,765,772	\$ 4,166,874	\$ 4,550,669	\$ 4,641,682	\$ 4,814,516	\$ 4,829,206	\$ 4,925,790
Services	\$ 3,333,326	\$ 2,759,662	\$ 4,116,495	\$ 4,198,825	\$ 4,282,801	\$ 4,368,457	\$ 4,455,827
Travel and Training	\$ 384,048	\$ 158,646	\$ 423,558	\$ 432,029	\$ 440,670	\$ 449,483	\$ 458,473
Equipment Maintenance	\$ 1,497,996	\$ 751,192	\$ 1,084,455	\$ 1,106,144	\$ 1,128,267	\$ 1,150,832	\$ 1,173,849
Utilities	\$ 3,750,227	\$ 3,513,310	\$ 3,926,061	\$ 4,004,582	\$ 4,084,674	\$ 4,166,367	\$ 4,249,695
Other Expenses	\$ 862,175	\$ 869,827	\$ 822,074	\$ 838,515	\$ 855,286	\$ 872,392	\$ 889,839
Payment to Fiber	\$ 840,000	\$ 840,000	\$ 840,000	\$ 840,000	\$ 840,000	\$ 840,000	\$ 840,000
<b>Operating Expenses (Excludes Depreciation)</b>	\$ 33,627,553	\$ 31,148,040	\$ 36,056,047	\$ 39,119,593	\$ 40,076,816	\$ 40,894,394	\$ 41,812,805
<b>Net Operating Income</b>	\$ 24,347,334	\$ 24,361,019	\$ 24,635,066	\$ 18,803,782	\$ 27,229,930	\$ 23,151,201	\$ 22,734,028
<b>Debt Service (P&amp;I)</b>	\$ 9,094,403	\$ 9,094,403	\$ 9,113,318	\$ 9,458,960	\$ 10,273,532	\$ 11,241,041	\$ 11,873,800
<b>Tax Equivalent</b>	\$ 2,750,260	\$ 2,780,176	\$ 2,795,561	\$ 2,966,233	\$ 3,200,774	\$ 3,387,599	\$ 3,413,121
New Materials - O&M	\$ 350,000	\$ 218,866	\$ 400,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000
New Materials - New Construction	\$ 8,895,000	\$ 6,795,000	\$ 12,055,000	\$ 6,100,000	\$ 5,000,000	\$ 5,500,000	\$ 2,500,000
Limestone County System	\$ 1,000,000	\$ 1,000,000	\$ 2,600,500	\$ -	\$ -	\$ -	\$ -
Advance Metering Infrastructure (AMI)	\$ 6,550,327	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
New Materials - R&R	\$ 4,630,000	\$ 1,088,924	\$ 12,013,000	\$ 3,505,000	\$ 13,465,000	\$ 4,925,000	\$ 5,250,000
South Parkway Plant	\$ 3,200,000	\$ 1,750,000	\$ 3,650,000	\$ 11,000,000	\$ 10,750,000	\$ 525,000	\$ -
Land	\$ 200,000	\$ -	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000
Office Furniture & Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Tools and Work Equipment	\$ 270,000	\$ 72,803	\$ 5,500	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000
Transportation Budget	\$ 621,000	\$ 983,912	\$ 1,045,489	\$ 750,000	\$ 750,000	\$ 750,000	\$ 750,000
Communication Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Computer Equipment	\$ 85,050	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Metering Equipment	\$ 930,000	\$ 1,019,561	\$ 930,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000
<b>Capital</b>	\$ 26,731,377	\$ 12,929,066	\$ 32,899,489	\$ 22,455,000	\$ 31,065,000	\$ 12,800,000	\$ 9,600,000
<b>Warrant and Load Proceeds</b>	\$ 9,750,327	\$ -	\$ 10,815,000	\$ 14,750,000	\$ 15,400,000	\$ 4,625,000	\$ 750,000
<b>FY21 Cash Projection</b>	\$ 45,422,799	\$ 49,458,551	\$ 40,100,249	\$ 38,773,838	\$ 36,864,463	\$ 37,212,023	\$ 35,809,130



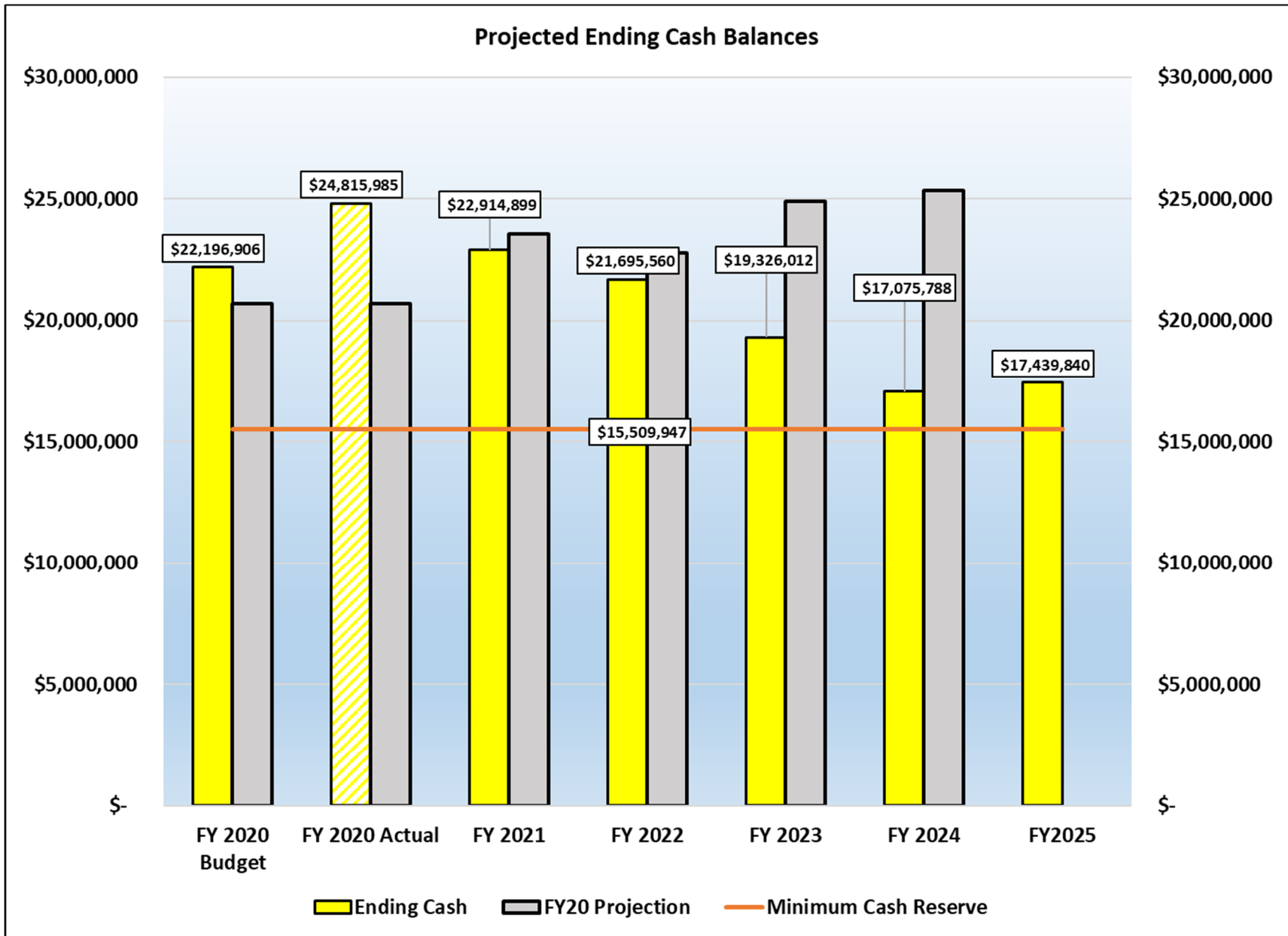


### Water Consumption and Revenue History

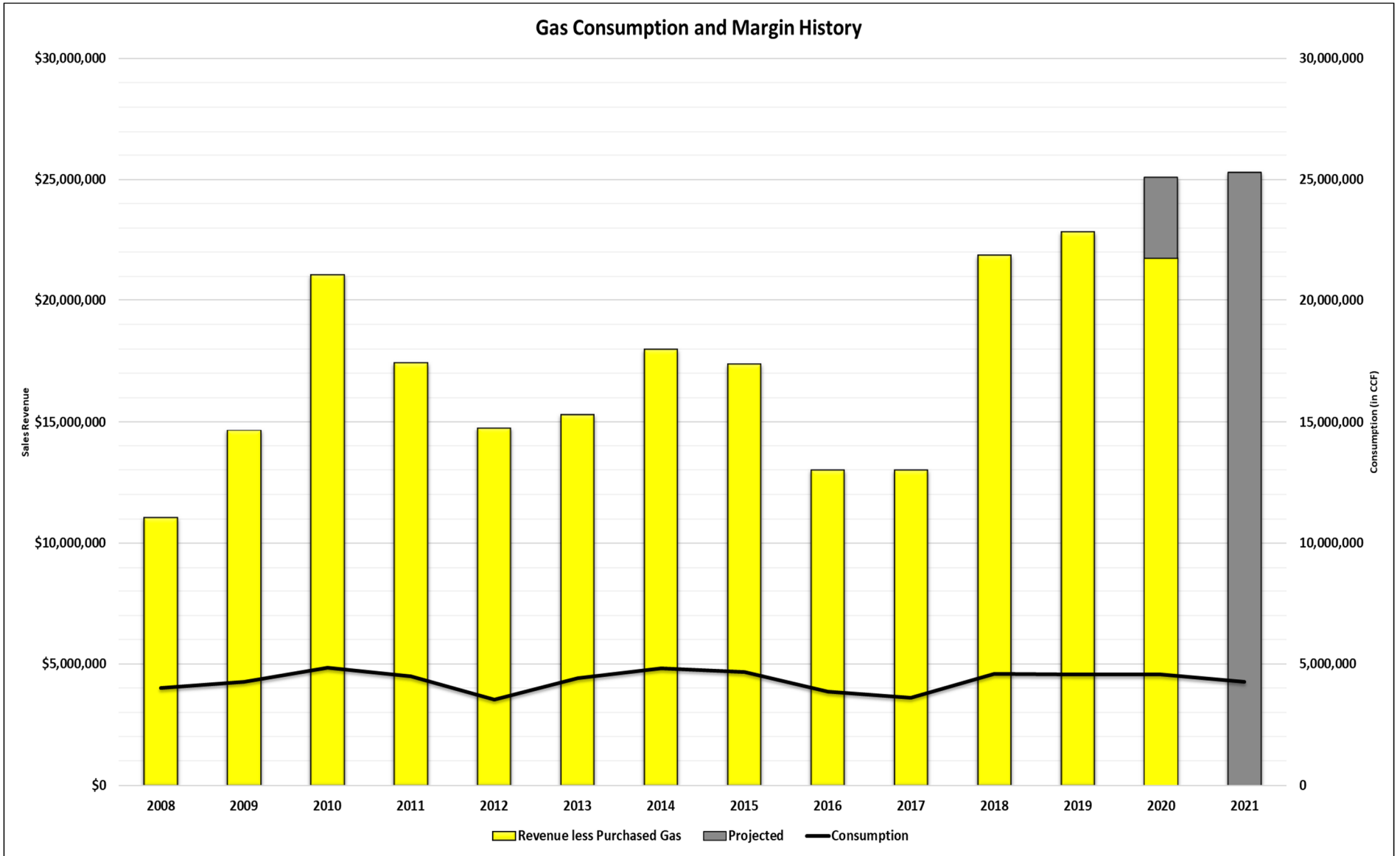


# Long-Term Financial Plan – Gas

	<b>FY 2020 Budget</b>	<b>FY 2020 Actual</b>	<b>Budget FY 2021</b>	<b>FY 2022</b>	<b>FY 2023</b>	<b>FY 2024</b>	<b>FY2025</b>
<b>Beginning Cash Balances</b>	<b>\$ 21,936,842</b>	<b>\$ 21,936,842</b>	<b>\$ 24,815,985</b>	<b>\$ 22,914,899</b>	<b>\$ 21,695,560</b>	<b>\$ 19,326,012</b>	<b>\$ 17,075,788</b>
Sales Revenue	\$ 45,744,366	\$ 43,994,352	\$ 44,307,772	\$ 45,157,809	\$ 45,914,191	\$ 46,683,931	\$ 47,467,280
Mazda Toyota Manufacturing	\$ 816,430	\$ -	\$ -	\$ 1,600,000	\$ 1,624,000	\$ 1,648,360	\$ 1,673,085
Other Operating Revenue	\$ 3,489,733	\$ 3,442,714	\$ 3,487,856	\$ 3,532,203	\$ 3,577,160	\$ 3,622,734	\$ 3,668,934
Non Operating Revenue	\$ 3,144,343	\$ 1,540,800	\$ 7,091,998	\$ 4,481,599	\$ 1,189,414	\$ 1,297,308	\$ 2,305,281
<b>Operating Revenue</b>	<b>\$ 53,194,872</b>	<b>\$ 48,977,866</b>	<b>\$ 54,887,626</b>	<b>\$ 54,771,611</b>	<b>\$ 52,304,764</b>	<b>\$ 53,252,333</b>	<b>\$ 55,114,581</b>
Adjustment for Allocation Changes	\$ -	\$ -	\$ -	\$ 954,515	\$ 977,255	\$ 1,000,541	\$ 1,024,385
Purchased Gas	\$ 20,096,914	\$ 18,938,104	\$ 19,036,084	\$ 19,131,264	\$ 19,226,921	\$ 19,323,055	\$ 19,419,671
Employee Expenses	\$ 15,156,275	\$ 13,960,655	\$ 16,158,804	\$ 16,562,774	\$ 16,976,843	\$ 17,401,265	\$ 17,836,296
Supplies and Materials	\$ 1,482,691	\$ 1,796,057	\$ 1,617,685	\$ 1,650,039	\$ 1,683,039	\$ 1,781,700	\$ 1,751,034
Services	\$ 1,826,161	\$ 2,020,895	\$ 2,799,508	\$ 2,855,498	\$ 2,912,608	\$ 2,970,860	\$ 3,030,277
Travel and Training	\$ 594,565	\$ 320,893	\$ 634,686	\$ 647,380	\$ 660,327	\$ 673,534	\$ 687,005
Equipment Maintenance	\$ 503,592	\$ 473,278	\$ 879,863	\$ 897,460	\$ 915,409	\$ 933,718	\$ 952,392
Utilities	\$ 197,142	\$ 202,927	\$ 246,598	\$ 251,530	\$ 256,561	\$ 261,692	\$ 266,926
Other Expenses	\$ 451,931	\$ 627,600	\$ 393,937	\$ 401,816	\$ 409,852	\$ 418,049	\$ 426,410
Payment to Fiber	\$ 360,000	\$ 360,000	\$ 360,000	\$ 360,000	\$ 360,000	\$ 360,000	\$ 360,000
<b>Operating Expenses</b>	<b>\$ 40,669,271</b>	<b>\$ 38,700,409</b>	<b>\$ 42,127,165</b>	<b>\$ 43,712,276</b>	<b>\$ 44,378,816</b>	<b>\$ 45,124,413</b>	<b>\$ 45,754,396</b>
<b>Net Operating Income</b>	<b>\$ 12,525,601</b>	<b>\$ 10,277,457</b>	<b>\$ 12,760,461</b>	<b>\$ 11,059,334</b>	<b>\$ 7,925,948</b>	<b>\$ 8,127,919</b>	<b>\$ 9,360,185</b>
<b>Debt Service (P&amp;I)</b>	<b>\$ 1,563,881</b>	<b>\$ 1,563,881</b>	<b>\$ 2,345,205</b>	<b>\$ 2,345,205</b>	<b>\$ 2,345,205</b>	<b>\$ 2,345,205</b>	<b>\$ 1,284,711</b>
<b>Tax Equivalents</b>	<b>\$ 2,738,660</b>	<b>\$ 2,639,661</b>	<b>\$ 2,657,886</b>	<b>\$ 2,805,469</b>	<b>\$ 2,852,291</b>	<b>\$ 2,899,937</b>	<b>\$ 2,948,422</b>
New Materials - O&M	\$ 575,000	\$ 130,603	\$ 235,000	\$ 120,000	\$ 120,000	\$ 120,000	\$ 120,000
New Materials - New Construction	\$ 1,475,000	\$ 652,044	\$ 915,000	\$ 2,265,000	\$ 1,735,000	\$ 2,030,000	\$ 2,100,000
Greenbrier (MTM)	\$ 5,586,000	\$ 4,115,826	\$ 2,300,000	\$ -	\$ -	\$ -	\$ -
Advance Metering Infrastructure (AMI)	\$ 1,534,439	\$ 336,250	\$ 3,000,000	\$ 3,000,000	\$ -	\$ -	\$ -
Cast Iron Replacement	\$ 2,285,000	\$ 750,000	\$ 1,800,000	\$ 1,800,000	\$ 1,800,000	\$ 1,200,000	\$ -
New Materials - R&R	\$ 4,114,500	\$ 559,998	\$ 7,212,500	\$ 3,900,000	\$ 600,000	\$ 940,000	\$ 1,700,000
Tools and Work Equipment	\$ 25,000	\$ -	\$ 21,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000
Transportation Budget	\$ 1,245,497	\$ 1,174,744	\$ 714,956	\$ 350,000	\$ 350,000	\$ 350,000	\$ 350,000
Communication Equipment	\$ -	\$ -	\$ -	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000
Computer Equipment	\$ 68,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Metering Equipment	\$ 375,000	\$ 587,850	\$ 475,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000
Regulators	\$ 85,000	\$ 89,533	\$ 85,000	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000
<b>Capital</b>	<b>\$ 17,368,436</b>	<b>\$ 8,396,848</b>	<b>\$ 16,758,456</b>	<b>\$ 11,928,000</b>	<b>\$ 5,098,000</b>	<b>\$ 5,133,000</b>	<b>\$ 4,763,000</b>
<b>Warrant and Loan Proceeds</b>	<b>\$ 9,405,439</b>	<b>\$ 5,202,076</b>	<b>\$ 7,100,000</b>	<b>\$ 4,800,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>FY21 Cash Projection</b>	<b>\$ 22,196,906</b>	<b>\$ 24,815,985</b>	<b>\$ 22,914,899</b>	<b>\$ 21,695,560</b>	<b>\$ 19,326,012</b>	<b>\$ 17,075,788</b>	<b>\$ 17,439,840</b>



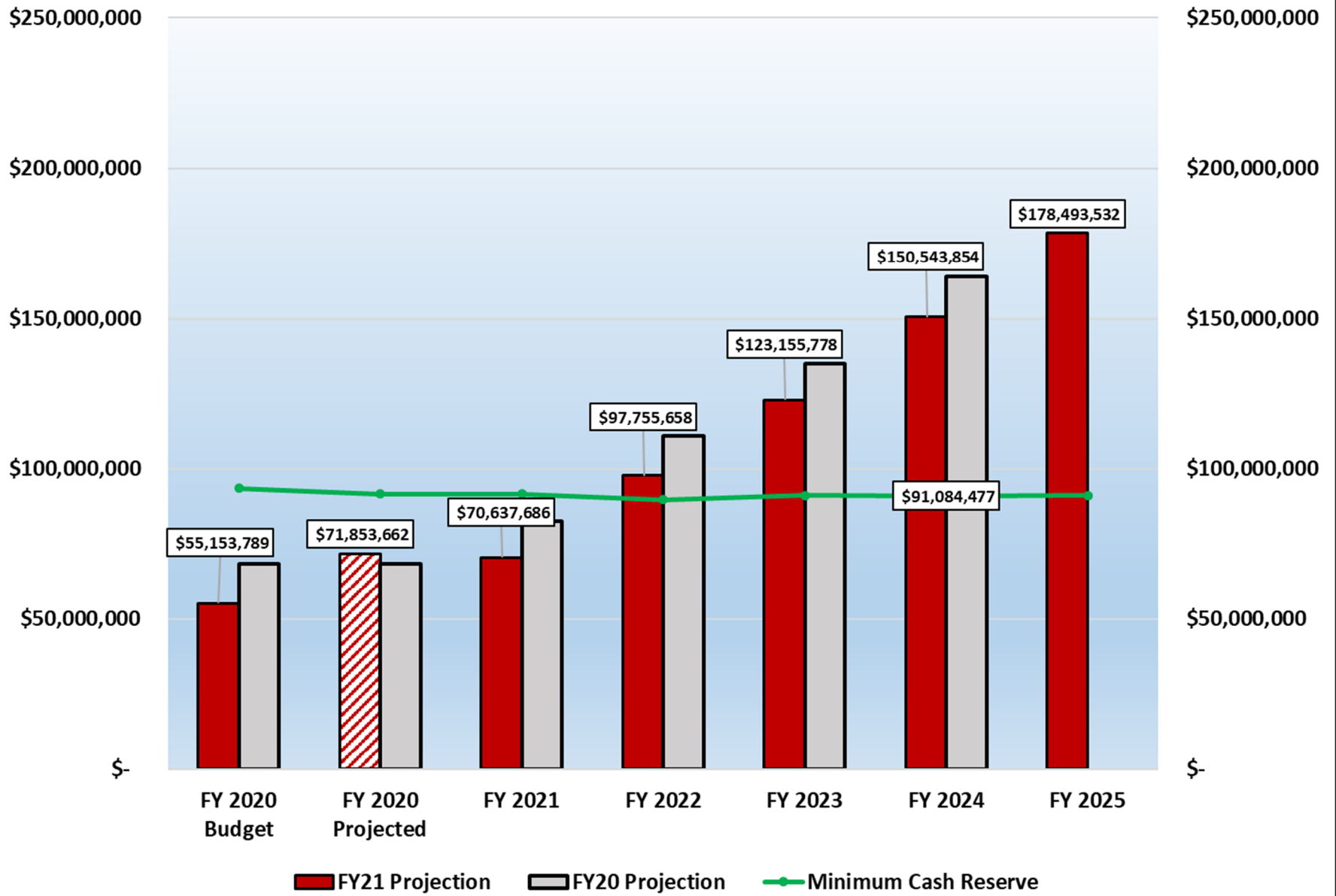
Gas Consumption and Margin History



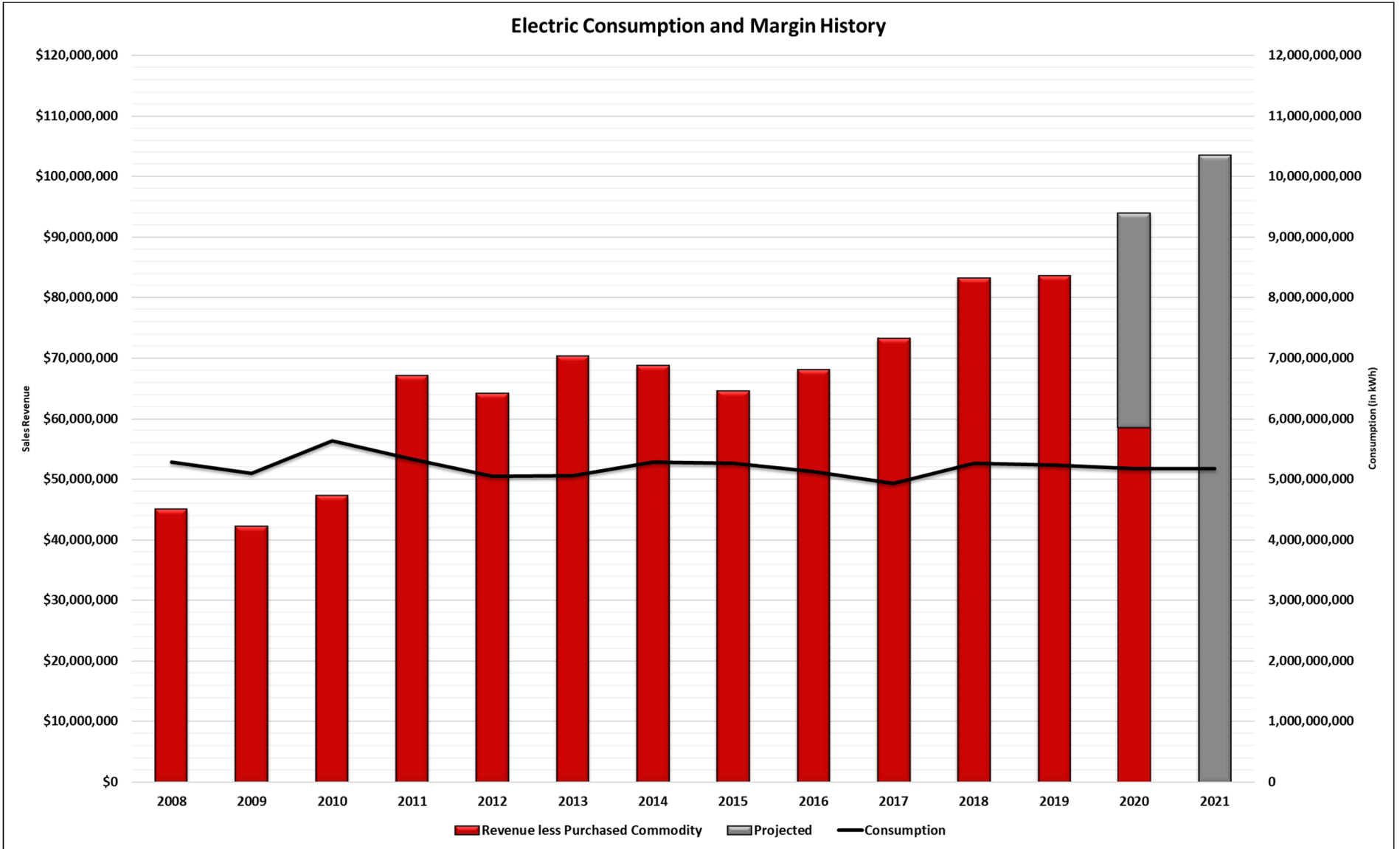
# Long-Term Financial Plan – Electric

	Budget FY 2020	Projected FY 2020	Budget FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
<b>Beginning Cash Balances</b>	\$ 63,497,137	\$ 63,497,137	\$ 71,853,662	\$ 70,637,686	\$ 97,755,658	\$ 123,155,778	\$ 150,543,854
Electric Sales Revenue	\$ 522,512,851	\$ 512,126,598	\$ 510,261,279	\$ 513,512,565	\$ 529,374,512	\$ 530,095,461	\$ 530,825,102
Fiber Project Revenues	\$ 12,380,375	\$ 12,138,906	\$ 12,518,616	\$ 12,902,565	\$ 12,902,565	\$ 12,902,565	\$ 12,902,565
Additional Fiber Revenues	\$ -	\$ -	\$ 189,000	\$ 45,000	\$ 45,000	\$ 45,000	\$ 45,000
Other Operating Revenue	\$ 15,386,014	\$ 18,307,000	\$ 17,137,991	\$ 17,309,370	\$ 17,482,464	\$ 17,657,288	\$ 17,833,861
Rent from 911	\$ 39,364	\$ 39,364	\$ 39,364	\$ 39,364	\$ 39,364	\$ 39,364	\$ 39,364
Non Operating Revenue	\$ 8,007,097	\$ 7,564,337	\$ 6,323,687	\$ 7,055,428	\$ 7,055,428	\$ 7,055,428	\$ 7,055,428
<b>Operating Revenue</b>	\$ 558,325,701	\$ 550,176,205	\$ 546,469,937	\$ 550,864,293	\$ 566,899,333	\$ 567,795,107	\$ 568,701,321
Adjustment from Allocation Changes	\$ -	\$ -	\$ -	\$ (3,213,277)	\$ (3,289,828)	\$ (3,368,216)	\$ (3,448,488)
Purchased Power	\$ 433,111,399	\$ 423,128,060	\$ 417,048,086	\$ 417,246,629	\$ 427,343,903	\$ 427,547,594	\$ 427,751,387
TVA Long-Term Partnership Credit	\$ -	\$ (4,906,823)	\$ (10,192,845)	\$ (10,197,613)	\$ (10,429,323)	\$ (10,434,210)	\$ (10,439,099)
Employee Expenses	\$ 46,777,402	\$ 43,996,311	\$ 46,876,597	\$ 48,048,512	\$ 49,249,725	\$ 50,480,968	\$ 51,742,992
Supplies and Materials	\$ 4,778,486	\$ 5,461,574	\$ 4,704,866	\$ 4,939,962	\$ 5,063,762	\$ 5,220,037	\$ 5,324,438
Services	\$ 13,730,142	\$ 12,564,263	\$ 13,157,271	\$ 13,420,417	\$ 13,688,825	\$ 13,962,602	\$ 14,241,854
Travel and Training	\$ 1,250,585	\$ 776,778	\$ 1,265,674	\$ 1,290,987	\$ 1,316,807	\$ 1,343,143	\$ 1,370,006
Equipment Maintenance	\$ 2,288,241	\$ 2,306,353	\$ 2,317,093	\$ 2,363,435	\$ 2,410,704	\$ 2,458,918	\$ 2,508,096
Utilities	\$ 799,052	\$ 826,796	\$ 678,782	\$ 692,358	\$ 706,205	\$ 720,329	\$ 734,736
Other Expenses	\$ 2,238,613	\$ 2,946,736	\$ 1,618,695	\$ 1,651,069	\$ 1,684,090	\$ 1,717,773	\$ 1,752,128
Payment to Fiber	\$ 1,800,000	\$ 1,800,000	\$ 1,800,000	\$ 1,800,000	\$ 1,800,000	\$ 1,800,000	\$ 1,800,000
<b>Operating Expenses (Excludes Depreciation)</b>	\$ 506,773,920	\$ 488,900,048	\$ 479,274,219	\$ 478,042,478	\$ 489,544,870	\$ 491,448,938	\$ 493,338,050
<b>Net Operating Income</b>	\$ 51,551,781	\$ 61,276,157	\$ 67,195,718	\$ 72,821,815	\$ 77,354,463	\$ 76,346,169	\$ 75,363,271
<b>Debt Service (Principal &amp; Interest)</b>	\$ 6,595,100	\$ 6,595,100	\$ 6,591,600	\$ 6,590,850	\$ 6,582,600	\$ 6,586,350	\$ 6,581,600
<b>Tax Equivalent</b>	\$ 11,559,796	\$ 15,437,942	\$ 17,091,993	\$ 16,591,993	\$ 16,091,993	\$ 15,591,993	\$ 15,091,993
New Materials - O&M	\$ 3,550,000	\$ 3,050,000	\$ 3,780,000	\$ 2,280,000	\$ 2,050,000	\$ 2,050,000	\$ 2,050,000
New Materials - New Construction	\$ 8,775,000	\$ 8,267,255	\$ 9,444,500	\$ 8,316,000	\$ 11,934,750	\$ 9,284,750	\$ 10,775,000
Advance Metering Infrastructure (AMI)	\$ 8,651,597	\$ 8,651,597	\$ 10,200,000	\$ -	\$ -	\$ -	\$ -
Fiber Build Out	\$ 10,454,712	\$ 7,240,834	\$ 2,355,000	\$ 750,000	\$ 750,000	\$ 750,000	\$ 750,000
New Materials - R&R	\$ 4,965,000	\$ 818,867	\$ 5,637,200	\$ 3,635,000	\$ 7,045,000	\$ 7,195,000	\$ 4,665,000
Land	\$ 200,000	\$ -	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000
Office Furniture & Equipment	\$ 19,000	\$ 18,069	\$ -	\$ -	\$ -	\$ -	\$ -
Tools and Work Equipment	\$ 137,520	\$ 108,685	\$ 269,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000
Transportation Budget	\$ 4,073,827	\$ 3,859,290	\$ 3,664,401	\$ 2,250,000	\$ 2,250,000	\$ 2,250,000	\$ 2,250,000
Communication Equipment	\$ 490,500	\$ 65,085	\$ 30,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000
Computer Equipment	\$ 1,077,182	\$ 382,191	\$ 1,918,000	\$ 1,040,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
Metering Equipment	\$ 1,480,000	\$ 610,191	\$ 3,730,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000
Transformers	\$ 2,300,000	\$ 2,868,526	\$ 3,500,000	\$ 3,500,000	\$ 3,500,000	\$ 3,500,000	\$ 3,500,000
<b>Capital</b>	\$ 46,174,338	\$ 35,940,590	\$ 44,728,101	\$ 22,521,000	\$ 29,279,750	\$ 26,779,750	\$ 25,740,000
<b>Warrant and Loan Proceeds</b>	\$ 7,495,434	\$ 5,054,000	\$ -	\$ -	\$ -	\$ -	\$ -
<b>FY21 Cash Projection</b>	\$ 55,153,789	\$ 71,853,662	\$ 70,637,686	\$ 97,755,658	\$ 123,155,778	\$ 150,543,854	\$ 178,493,532

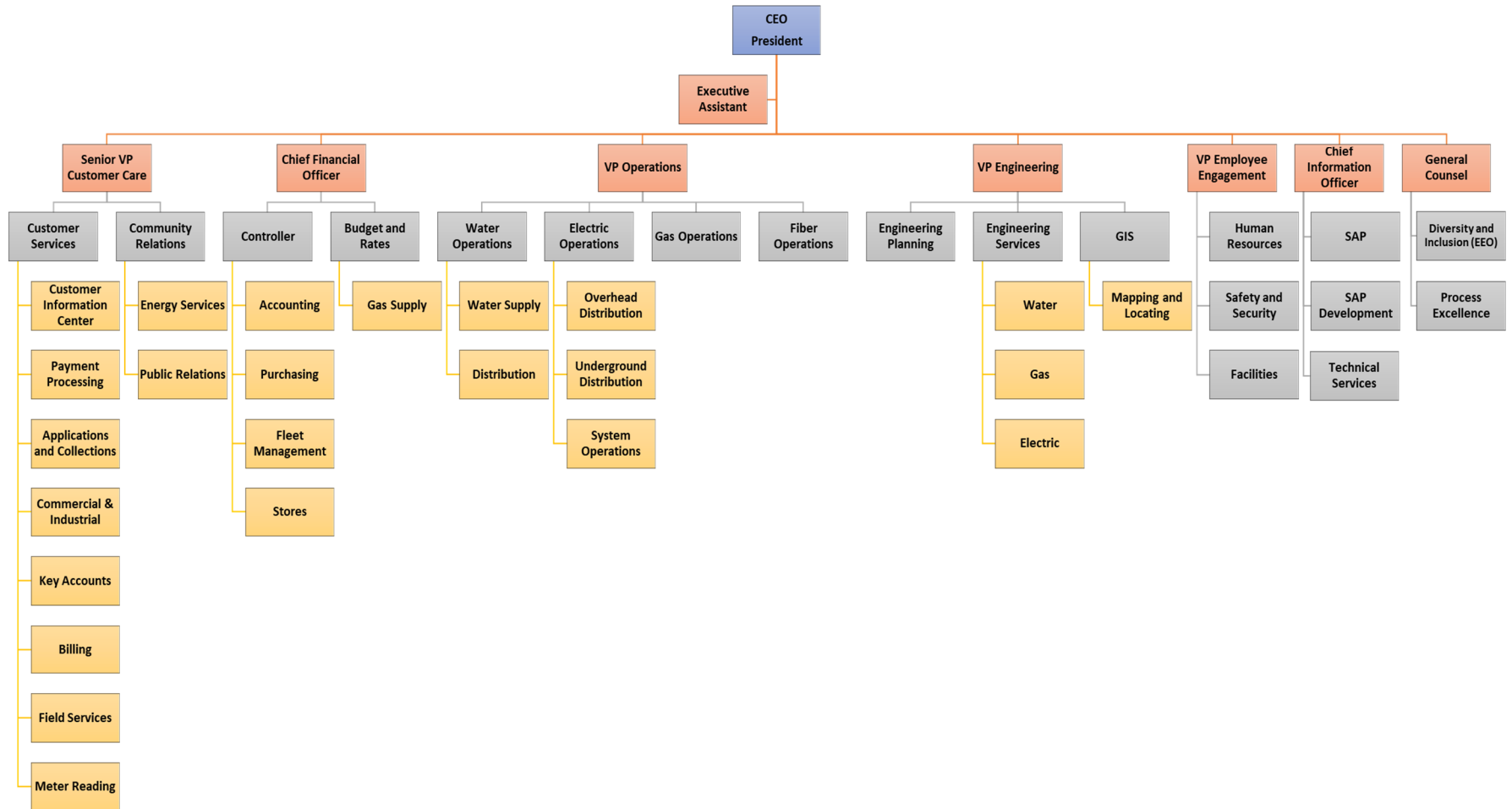
### Projected Ending Cash Balances



### Electric Consumption and Margin History



# Organizational Chart





## Personnel Summary

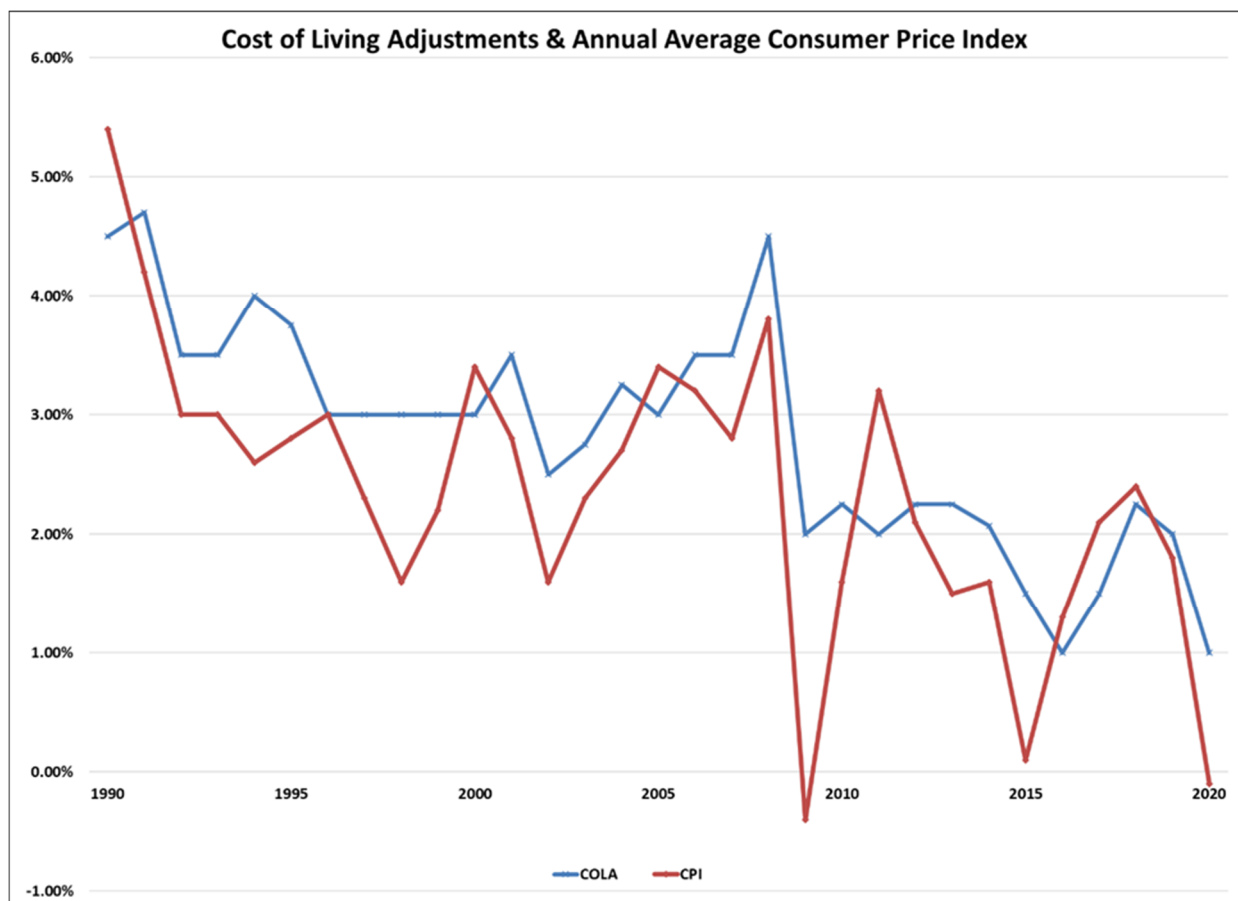
Shown below is a five-year summary of Huntsville Utilities' staffing levels.

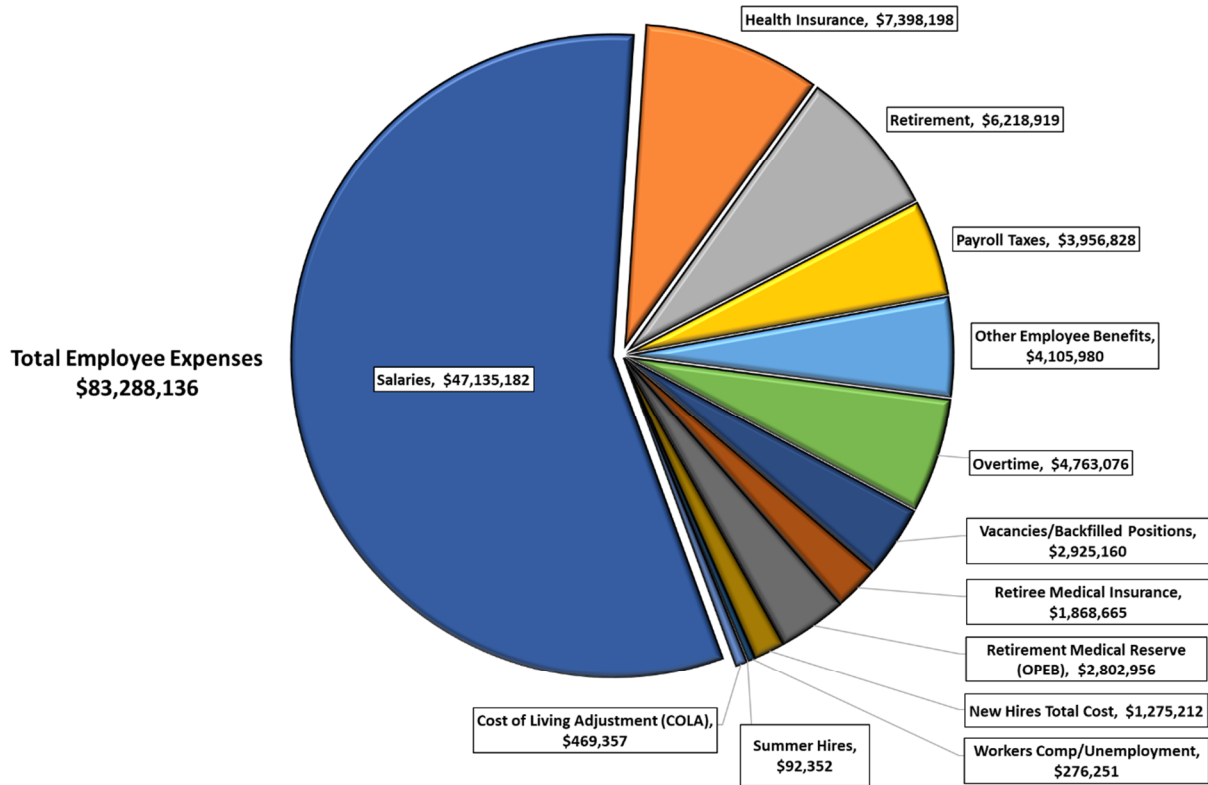
		2017	2018	2019	2020	Vacancies	Reductions	Planned Additions	BUDGET 2021
<b>ADMINISTRATION</b>	Full-time	8	7	9	9	1	0	0	10
	Part-time	0	0	0	0	0	0	0	0
	Temporary	0	0	0	0	0	0	0	0
<b>CUSTOMER CARE</b>	Full-time	134	134	132	132	10	-4	2	140
	Part-time	0	0	0	0	0	0	0	0
	Temporary	0	0	1	0	0	0	0	0
<b>ENGINEERING</b>	Full-time	59	60	57	60	6	0	2	68
	Part-time	0	0	0	0	0	0	0	0
	Temporary	5	2	4	1	0	0	0	1
<b>FINANCE</b>	Full-time	44	43	46	46	0	-1	2	47
	Part-time	0	0	0	0	0	0	0	0
	Temporary	0	0	0	0	0	0	0	0
<b>EMPLOYEE ENGAGEMENT</b>	Full-time	16	19	22	22	1	0	2	25
	Part-time	0	0	0	0	0	0	0	0
	Temporary	14	12	12	11	0	0	0	11
<b>INFORMATION TECHNOLOGY</b>	Full-time	40	37	38	35	4	-2	1	38
	Part-time	0	0	0	0	0	0	0	0
	Temporary	0	0	0	0	0	0	0	0
<b>WATER OPERATIONS</b>	Full-time	102	97	105	107	5	0	2	114
	Part-time	0	0	0	0	0	0	0	0
	Temporary	0	0	0	0	0	0	0	0
<b>GAS OPERATIONS</b>	Full-time	82	83	84	82	6	0	4	92
	Part-time	0	0	0	0	0	0	0	0
	Temporary	0	0	0	0	0	0	0	0
<b>ELECTRIC OPERATIONS</b>	Full-time	178	188	183	184	10	-2	5	197
	Part-time	0	0	0	0	0	0	0	0
	Temporary	0	0	0	1	0	0	0	1
<b>ACTUAL POSITIONS</b>		<b>682</b>	<b>682</b>	<b>693</b>	<b>690</b>	<b>43</b>	<b>-9</b>	<b>20</b>	<b>744</b>
<b>BUDGETED POSITIONS</b>		<b>690</b>	<b>696</b>	<b>707</b>	<b>729</b>				<b>744</b>

31 temporary summer hires have also been budgeted for 2021.

## Employee Expenses

Second only to purchased commodity in the size of projected costs, employees expenses are 12.1% of the total Huntsville Utilities budget. With operational and support staff of over 700 employees, maintaining existing salaries and benefits is a challenge that grows in complexity each year. Performance-based merit increases are factored into the budget for exempt employees and step increases based on years of service for non-exempt employees that have not reached the top of their paygrade. The Boards also evaluate economic metrics and the financial position of the organization to determine if a cost of living adjustment (COLA) can be awarded. For fiscal year 2021, an average merit increase of 2.5% was applied to existing salaries for eligible employees and 1.0% was applied as a cost of living increase pending Board approval.



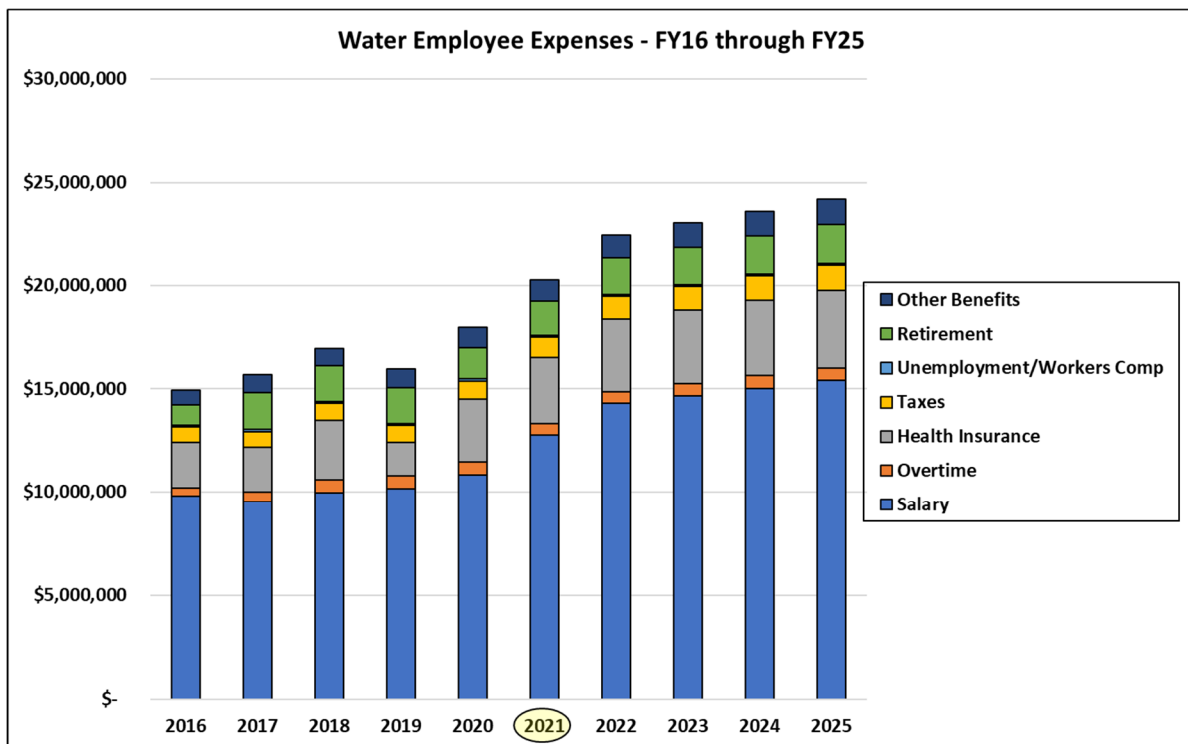


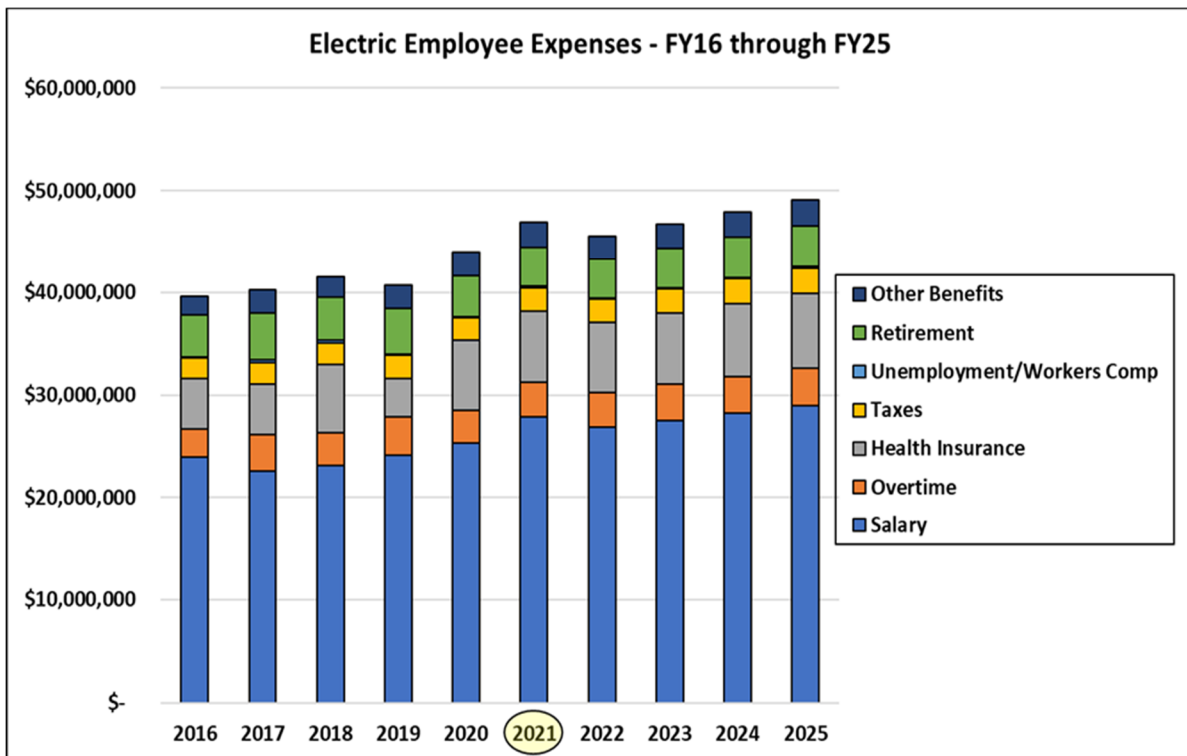
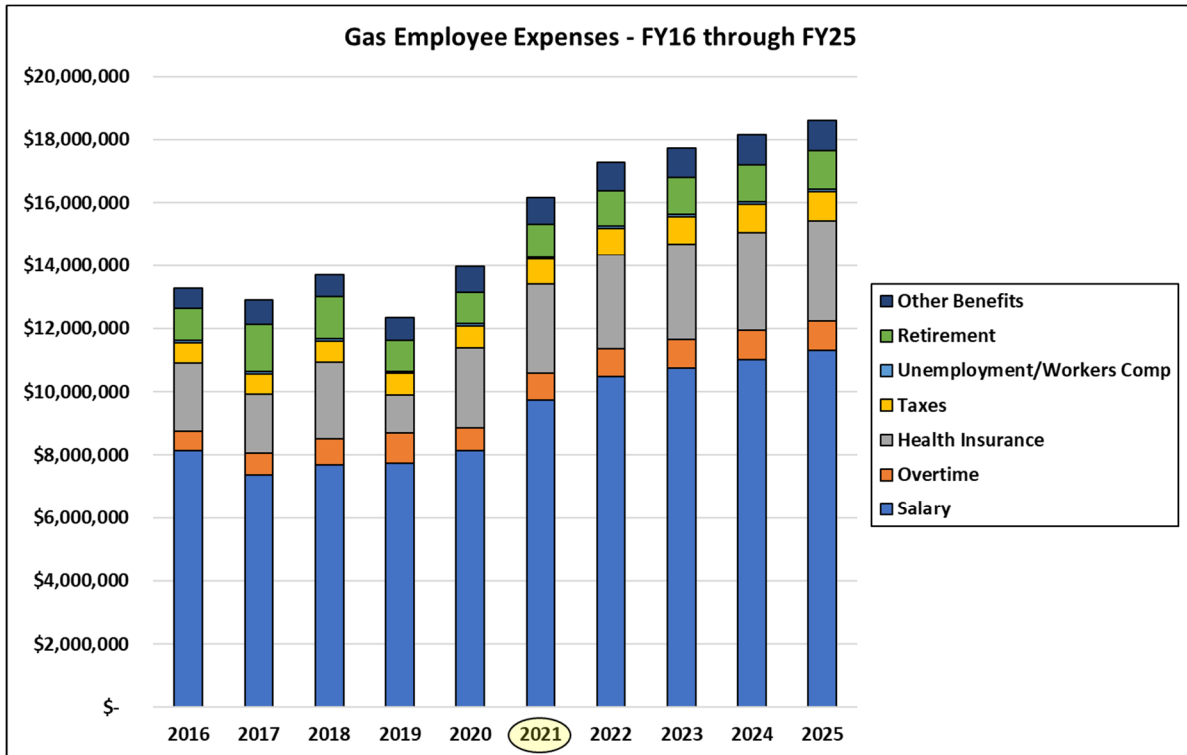
	<u>Water</u>	<u>Gas</u>	<u>Electric</u>	<u>Fiber</u>	<u>Total</u>
Salaries	\$ 11,993,757	\$ 8,991,711	\$ 25,486,902	\$ 662,812	\$ <b>47,135,182</b>
Health Insurance	\$ 1,910,729	\$ 1,461,585	\$ 3,907,961	\$ 117,923	\$ <b>7,398,198</b>
Retirement	\$ 1,553,653	\$ 993,610	\$ 3,564,002	\$ 107,654	\$ <b>6,218,919</b>
Payroll Taxes	\$ 954,352	\$ 749,081	\$ 2,186,911	\$ 66,484	\$ <b>3,956,828</b>
Other Employee Benefits	\$ 993,476	\$ 803,541	\$ 2,247,327	\$ 61,636	\$ <b>4,105,980</b>
Overtime	\$ 547,876	\$ 847,921	\$ 3,167,639	\$ 199,640	\$ <b>4,763,076</b>
Vacancies/Backfilled Positions	\$ 684,321	\$ 652,534	\$ 1,588,305	\$ -	\$ <b>2,925,160</b>
Retiree Medical Insurance	\$ 445,184	\$ 432,736	\$ 990,745	\$ -	\$ <b>1,868,665</b>
Retirement Medical Reserve (OPEB)	\$ 652,248	\$ 724,284	\$ 1,426,424	\$ -	\$ <b>2,802,956</b>
New Hires Total Cost	\$ 292,041	\$ 342,348	\$ 482,777	\$ 158,046	\$ <b>1,275,212</b>
Workers Comp/Unemployment	\$ 77,309	\$ 61,030	\$ 137,912	\$ -	\$ <b>276,251</b>
Summer Hires	\$ 28,340	\$ 8,946	\$ 55,066	\$ -	\$ <b>92,352</b>
Cost of Living Adjustment (COLA)	\$ 119,449	\$ 89,477	\$ 253,803	\$ 6,628	\$ <b>469,357</b>
<b>Total Employee Expenses</b>	<b>\$ 20,252,735</b>	<b>\$ 16,158,804</b>	<b>\$ 45,495,774</b>	<b>\$ 1,380,823</b>	<b>\$ 83,288,136</b>

Huntsville Utilities is self-insured and uses Blue Cross Blue Shield of Alabama to manage the health insurance plan and claims. The organization jointly sponsors a local government employee health clinic with Madison County and Huntsville Emergency Medical Services, Inc. (HEMSI) that is free of charge for employees and their dependents. Huntsville Utilities promotes healthy lifestyles for employees by offering smoking cessation classes, incentivized wellness plans and biometric testing that can reduce employee insurance costs if certain parameters are met. Management recognizes the need for a balanced approach to health insurance that provides a strong benefit package for employees and that also keeps short and long-term expenses for the organization at a reasonable level. As a result, there is no increase to employee premiums budgeted for fiscal year 2021, but there are adjustments to employee copay and deductible amounts.

Huntsville Utilities is a participant in the Retirement System of Alabama. This year, the Board authorized changes to the retirement plans that will give all participating employees equivalent benefits albeit at a slightly higher cost for newer employees. The company also provides health insurance for its retirees that have 20 or more years of service. This benefit is becoming less common within the industry and is something that management and the Boards evaluate regularly. The utility must also make annual required contributions to fund other post-employment benefits (OPEB) based on an actuarial review of the benefit plan's performance. Recent Board approval has given management more flexibility in investing to maximize yield while maintaining a conservative approach.

The following charts show five years of historical employee expenses for each utility service as well as the current budget year estimates and projections for the next four years.





*Huntsville Utilities Water crews working as a team on a service main break.*



## Proposed New Positions

The new positions shown below are being proposed for fiscal year 2021. Following the tables is a business justification for the additional staff.

<u>Position</u>	<u>Salary</u>	<u>Health</u>			<u>Other Employee</u>		<u>Total</u>
		<u>Insurance</u>	<u>Retirement</u>	<u>FICA</u>	<u>Benefits</u>		
Customer Care Quality Assurance Specialist	\$ 50,981	\$ 14,193	\$ 4,558	\$ 3,900	\$ 3,569	\$ 77,200	
Customer Care Training Coordinator	\$ 50,981	\$ 14,193	\$ 4,558	\$ 3,900	\$ 3,569	\$ 77,200	
Electric Utility Worker (2)	\$ 45,458	\$ 21,289	\$ 8,510	\$ 3,478	\$ 3,182	\$ 81,917	
Engineering Aide	\$ 46,093	\$ 14,193	\$ 4,121	\$ 3,526	\$ 3,226	\$ 71,159	
Facilities Assistant	\$ 30,306	\$ 14,193	\$ 2,709	\$ 2,318	\$ 2,121	\$ 51,647	
Fiber Equipment Operator	\$ 43,826	\$ 14,193	\$ 8,204	\$ 3,353	\$ 3,068	\$ 72,643	
Fiber Utility Worker (2)	\$ 45,458	\$ 21,289	\$ 8,510	\$ 3,478	\$ 3,182	\$ 81,917	
Gas Engineer I	\$ 46,379	\$ 10,644	\$ 4,146	\$ 3,548	\$ 3,246	\$ 67,964	
Gas Landscaping Utility Worker (3)	\$ 68,188	\$ 31,933	\$ 6,096	\$ 5,216	\$ 4,773	\$ 116,206	
Human Resources Trainer	\$ 61,838	\$ 14,193	\$ 5,528	\$ 4,731	\$ 4,329	\$ 90,619	
Mapping Database/Applications Programmer	\$ 84,115	\$ 14,193	\$ 7,520	\$ 6,435	\$ 5,888	\$ 118,151	
Natural Gas Supply Coordinator	\$ 76,253	\$ 14,193	\$ 6,817	\$ 5,833	\$ 5,338	\$ 108,433	
Network Technician I	\$ 49,379	\$ 14,193	\$ 4,414	\$ 3,778	\$ 3,457	\$ 75,220	
Warehouse Material Repair Specialist	\$ 39,666	\$ 14,193	\$ 3,546	\$ 3,034	\$ 2,777	\$ 63,215	
Water Plant Operator (2)	\$ 73,216	\$ 28,385	\$ 9,394	\$ 5,601	\$ 5,125	\$ 121,721	
<b>Total Costs</b>	<b>\$812,136</b>	<b>\$255,468</b>	<b>\$ 88,631</b>	<b>\$62,129</b>	<b>\$ 56,849</b>	<b>\$1,275,212</b>	

<u>Position</u>	<u>Water</u>	<u>Gas</u>	<u>Electric</u>	<u>Fiber</u>	<u>Total</u>
Customer Care Quality Assurance Specialist	\$ 13,124	\$ 8,492	\$ 55,584	\$ -	\$ 77,200
Customer Care Training Coordinator	\$ 13,124	\$ 8,492	\$ 55,584	\$ -	\$ 77,200
Electric Utility Worker (2)	\$ -	\$ -	\$ 81,917	\$ -	\$ 81,917
Engineering Aide	\$ 20,636	\$ 11,385	\$ 39,137	\$ -	\$ 71,159
Facilities Assistant	\$ 10,329	\$ 7,231	\$ 34,087	\$ -	\$ 51,647
Fiber Equipment Operator	\$ -	\$ -	\$ -	\$ 72,643	\$ 72,643
Fiber Utility Worker (2)	\$ -	\$ -	\$ -	\$ 81,917	\$ 81,917
Gas Engineer I	\$ -	\$ 67,964	\$ -	\$ -	\$ 67,964
Gas Landscaping Utility Worker (3)	\$ 37,186	\$ 69,724	\$ 5,810	\$ 3,486	\$ 116,206
Human Resources Trainer	\$ 24,005	\$ 22,211	\$ 44,403	\$ -	\$ 90,619
Mapping Database/Applications Programmer	\$ 34,051	\$ 18,739	\$ 65,361	\$ -	\$ 118,151
Natural Gas Supply Coordinator	\$ -	\$ 108,433	\$ -	\$ -	\$ 108,433
Network Technician I	\$ 17,865	\$ 19,678	\$ 37,678	\$ -	\$ 75,220
Warehouse Material Repair Specialist	\$ -	\$ -	\$ 63,215	\$ -	\$ 63,215
Water Plant Operator (2)	\$ 121,721	\$ -	\$ -	\$ -	\$ 121,721
<b>Total Costs</b>	<b>\$292,041</b>	<b>\$342,348</b>	<b>\$482,777</b>	<b>\$158,046</b>	<b>\$1,275,212</b>

## Business Justification for Additional Staff

**Customer Care Quality Assurance Specialist** – This position will allow Huntsville Utilities to expand the call quality program to include the Commercial & Industrial group. This will further enhance call quality and employee coaching by improving consistency and identify areas for improvement or training. The QA Specialist will also assist with departmental training classes.

**Customer Care Training Coordinator** – This position will oversee training for all new hires in the Customer Care area and be responsible for documenting all departmental procedures. The employee will schedule and oversee all annual training classes, refreshers and assist with training related to performance improvement needs.

**Electric Utility Worker (2)** – Two lineworker positions were re-assigned during construction of the fiber network to manage and audit the fiber make-ready contractors. Although the initial fiber build-out is complete, these two lineworkers continue to audit the line construction contract crews.

**Engineering Aide** – This position is being filled to assist with the design and estimation of fiber conduit installation in new subdivisions that will be installed in joint trenches with electric conduit. This position will also assist with designing ongoing utility and third-party dark fiber projects.

**Facilities Assistant** – This position will primarily serve the Chase operations complex and perform a hybrid of facilities maintenance and janitorial duties. This position will allow skilled technicians to focus more time on major repairs, replacements or installation of building equipment.

**Fiber Equipment Operator** – This position is needed to make repairs on fiber dig-ins and for the installation of underground plant in green fields, tier two construction, deferred fiber installation areas and Huntsville City School circuits, as well as assist in the maintenance of fiber plant.

**Fiber Utility Worker (2)** – These positions are needed to perform maintenance on existing fiber plant and construction of future fiber plant. Maintenance will be crucial in Huntsville Utilities complying with fiber service level agreements.

**Gas Engineer I** – The gas operations department has not had a dedicated engineer since the last engineer promoted to the gas operations director. Essential duties for this position will be regulatory compliance, operator qualification and system design.

**Gas Landscaping Utility Worker (3)** – These positions are entry-level landscaping positions to offset the rising cost of contract landscaping. The primary responsibility for these positions will be to perform landscaping repairs for all departments.

**Human Resources Trainer** – The purpose of this position is to have a dedicated resource, HR Trainer/Generalist, to plan and implement an effective training curriculum, collaborate with others to identify company training needs, oversee and facilitate training sessions, maintain a training budget, and provide on-the-job education to newly hired employees, as well as, enhance education to current



employees to keep everyone up-to-date on changes in the industry, and address advancements in technology that affect job requirements.

**Mapping Database/Applications Programmer** – This position will provide support to Engineering and Operations in the design, development and deployment of web-based and client server applications for Huntsville Utilities’ GIS/OMS initiatives and data integrity for same, including: base maps, Gas, Water, Electric and Fiber GTech conversions; Work Management (WMS); Asset Management (AMS); Advanced Metering (AMI), InService and Outage Management Systems (OMS).

**Natural Gas Supply Coordinator** - This position is being filled to provide redundancy in gas purchasing and scheduling activity and minimize key employee dependence which will facilitate succession planning for this function.

**Network Technician I** – This position will install and configure new cabling for computers, phones and other communication systems. The additional employee should create opportunities for cross training and succession planning, contribute to better documentation of processes and allow senior employees to focus on more complex issues.

**Warehouse Material Repair Specialist** – This position will provide support for the increasing number of electric and fiber crews and to address safety requirements. Two employees must be present when applying voltage to temporary poles and during transformer testing for losses. Current staffing levels make this difficult to manage during required employee rest time and planned and unplanned absences.

**Water Plant Operator (2)** – Two entry level plant operators will be hired to work at the Southwest and Southeast water treatment plants. Supervisor positions have been created resulting in promotional opportunities that left operator positions understaffed.



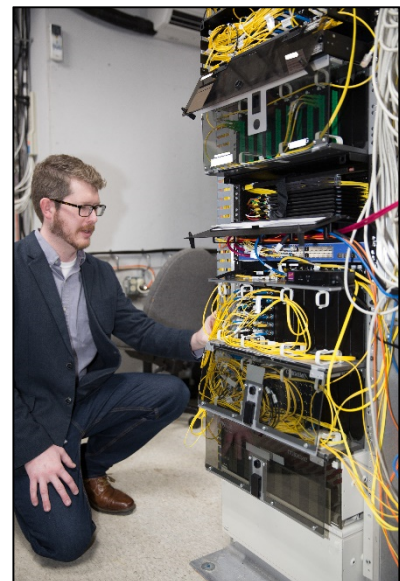
## Staffing Reductions and Other Cost Saving Measures

As stewards of ratepayer dollars, management evaluates staffing requests and will sometimes make the decision not to backfill positions that have been vacated. These staffing reductions will not show up in the budget but do make a financial impact through omission. The following positions fall into that category:

- **SAP Functional Analyst III (MIS)**
- **SAP Functional Analyst I (MIS)**
- **Engineering Assistant (Planning)**
- **Clerk I (Electric Operations)**

Other staffing changes in 2020 that will impact the fiscal year 2021 budget through cost savings or increased effectiveness include the following:

- **Executive Assistant (CFO)** – This position was vacated and will not be backfilled to assist in the funding of the Natural Gas Supply Coordinator new hire.
- **Accounts Payable Assistant (Accounting)** – Automated accounts payable software has been implemented which will allow for the elimination of a temporary employee.
- **Operations Director (Fiber)** – This position was vacated and will not be filled until 2022.
- **Front Desk Receptionist (Customer Care)** – This position was filled with two part time temporary employees, reducing Huntsville Utilities overhead and benefit costs.
- **Commercial & Industrial Clerk (Customer Care)** – This position was reduced from two clerks to one when the Commercial & Industrial department moved as part of the Customer Service reorganization plan.
- **Customer Relations Director (Customer Care)** – Job responsibilities were assumed by the Customer Service Director and the position eliminated as part of the Customer Service reorganization plan.
- **Billing Supervisor (Customer Care)** – This position was also eliminated as part of the Customer Service reorganization plan.



# Capital Improvement Plan

Planned spending for fiscal year 2021 includes recurring capital expenditures of approximately \$35.8 million and non-recurring capital items of \$58.6 million. Recurring capital expenses are costs that the organization expects to have each year that meet the capitalization criteria set forth in the Budget policy. This may include routine capital projects, certain tools and work equipment, vehicles, computer and communications systems, transformers or metering equipment. Non-Recurring capital expenses are typically construction projects that can be classified as having a defined timeline, even if the construction is expected to be completed outside of the five-year window for the capital improvement plan. The plan includes reimbursable projects as well as self-funded items and expenditures that will be funded through borrowing. Expected reimbursements are included in the budget as revenue. Shown below is a breakdown of capital expenditures for fiscal year 2021.

	Water	Gas	Electric	Total
Recurring Capital	\$ 6,530,989	\$ 2,530,956	\$ 26,701,401	<b>\$ 35,763,346</b>
Non-Recurring Capital	\$ 26,368,500	\$ 14,227,500	\$ 18,026,700	<b>\$ 58,622,700</b>
<b>Total</b>	<b>\$ 32,899,489</b>	<b>\$ 16,758,456</b>	<b>\$ 44,728,101</b>	<b>\$ 94,386,046</b>

Some of the more notable projects included in the 2021 capital improvement plan include:

- Rehabilitation of the South Parkway Water Treatment Plant \$25,925,000
- Automated Meter Infrastructure (AMI) deployment for the Gas system \$ 6,000,000
- Cast iron pipe replacement for the Gas system \$ 6,600,000
- Completion of AMI deployment for the Electric system \$10,200,000
- Construction of 8 new Electric substations \$15,600,000
- Construction of a new Systems Operations Center \$ 8,000,000

The following pages show the five-year capital improvement planned expenditures and funding sources for each utility service.

## Water Capital Improvement Plan

NON-RECURRING PROJECTS	2021	2022	2023	2024	2025	5-Year Spending	Total Project Cost	Strategic Focus
MTM Tank	\$ 4,200,000	\$ -	\$ -	\$ -	\$ -	\$ 4,200,000	\$ 4,200,000	System Reliability
South Parkway Water Treatment Plant Rehab	\$ 3,650,000	\$ 11,000,000	\$ 10,750,000	\$ 525,000	\$ -	\$ 25,925,000	\$ 27,845,000	System Reliability
AL Hwy 20 (N of I-565 & E of Greenbrier Parkway)	\$ 3,355,000	\$ -	\$ -	\$ -	\$ -	\$ 3,355,000	\$ 3,355,000	System Reliability
Memorial Parkway Relocates (Mastin Lake to Winchester)	\$ 3,000,000	\$ -	\$ -	\$ -	\$ -	\$ 3,000,000	\$ 3,400,000	System Reliability
Swancott Rd East	\$ 2,085,000	\$ -	\$ -	\$ -	\$ -	\$ 2,085,000	\$ 2,210,000	System Reliability
Bailey Cove Phase 2 Construction (Hobbs to Green Mtn)	\$ 2,000,000	\$ -	\$ -	\$ -	\$ -	\$ 2,000,000	\$ 2,300,000	System Reliability
Martin Road Relocates Phase 2 (Old Jim Williams to Laracy)	\$ 2,000,000	\$ -	\$ -	\$ -	\$ -	\$ 2,000,000	\$ 2,000,000	System Reliability
AL Hwy 20 (County Line to Indian Springs) (1+2)	\$ 1,575,000	\$ -	\$ -	\$ -	\$ -	\$ 1,575,000	\$ 1,760,000	System Reliability
Tank Maintenance and Repainting	\$ 1,030,000	\$ 1,030,000	\$ 1,040,000	\$ 1,400,000	\$ 1,700,000	\$ 6,200,000	\$ 6,200,000	System Reliability
Mid City Area Improvements	\$ 800,000	\$ -	\$ -	\$ -	\$ -	\$ 800,000	\$ 800,000	System Reliability
Northern Bypass Relocates (Pulaski Pk to Memorial Pkwy)	\$ 750,000	\$ -	\$ -	\$ -	\$ -	\$ 750,000	\$ 750,000	System Reliability
Pulaski Pike/NHIP (replace tie to County)	\$ 475,000	\$ -	\$ -	\$ -	\$ -	\$ 475,000	\$ 625,000	System Reliability
Dallas Branch Flood Mitigation Project	\$ 400,000	\$ -	\$ -	\$ -	\$ -	\$ 400,000	\$ 400,000	System Reliability
Old Hwy 20 to Mooresville Rd	\$ 350,000	\$ 2,400,000	\$ -	\$ -	\$ -	\$ 2,750,000	\$ 2,750,000	System Reliability
Adventist Boulevard Water Main Extension	\$ 220,000	\$ -	\$ -	\$ -	\$ -	\$ 220,000	\$ 220,000	System Reliability
GIS Implementation Project	\$ 200,000	\$ -	\$ -	\$ -	\$ -	\$ 200,000	\$ 200,000	Org. Excellence
Limestone County Improvements	\$ 105,000	\$ -	\$ -	\$ -	\$ -	\$ 105,000	\$ 555,000	System Reliability
Kellner Rd to Lady Hawk Ln Tie	\$ 85,000	\$ -	\$ -	\$ -	\$ -	\$ 85,000	\$ 150,000	System Reliability
Swancott Road West	\$ 60,500	\$ 1,200,000	\$ -	\$ -	\$ -	\$ 1,260,500	\$ 1,335,000	System Reliability
SW Water Plant/Lincoln Dallas Security Upgrade	\$ 28,000	\$ -	\$ -	\$ -	\$ -	\$ 28,000	\$ 28,000	System Reliability
Slaughter Rd widening from Old Madison Pk to SR-20	\$ -	\$ 1,000,000	\$ -	\$ -	\$ -	\$ 1,000,000	\$ 1,000,000	System Reliability
AL Hwy 20 (Greenbrier to Mooresville)	\$ -	\$ 150,000	\$ 2,000,000	\$ -	\$ -	\$ 2,150,000	\$ 2,150,000	System Reliability
Church Street Relocates at Big Spring Park	\$ -	\$ 50,000	\$ -	\$ -	\$ -	\$ 50,000	\$ 50,000	System Reliability
US 72 Relocates (County Line to Providence Main)	\$ -	\$ -	\$ 9,000,000	\$ -	\$ -	\$ 9,000,000	\$ 9,000,000	System Reliability
Research Blvd New Main (Oakwood to Hwy 53)	\$ -	\$ -	\$ 2,500,000	\$ -	\$ -	\$ 2,500,000	\$ 2,500,000	System Reliability
AL Hwy 20 (N I-565 & W - Greenbrier Parkway)	\$ -	\$ -	\$ 150,000	\$ 1,000,000	\$ -	\$ 1,150,000	\$ 1,150,000	System Reliability
SW Plant Plate Settlers and Sludge Vac Upgrades	\$ -	\$ -	\$ -	\$ 3,000,000	\$ -	\$ 3,000,000	\$ 3,000,000	System Reliability
Major Road Way Projects COH/ALDOT	\$ -	\$ -	\$ -	\$ 1,000,000	\$ 1,000,000	\$ 2,000,000	\$ 2,000,000	System Reliability
SW Plant SCADA Upgrade (Engineering)	\$ -	\$ -	\$ -	\$ 150,000	\$ -	\$ 150,000	\$ 150,000	System Reliability
I-565 Ramp SE at Greenbrier	\$ -	\$ -	\$ -	\$ 100,000	\$ 750,000	\$ 850,000	\$ 850,000	System Reliability
Old Monrovia Road (Shellbrook to Jeff Road)	\$ -	\$ -	\$ -	\$ -	\$ 525,000	\$ 525,000	\$ 1,500,000	System Reliability
<b>NON-RECURRING CAPITAL</b>	<b>\$ 26,368,500</b>	<b>\$ 16,830,000</b>	<b>\$ 25,440,000</b>	<b>\$ 7,175,000</b>	<b>\$ 3,975,000</b>	<b>\$ 79,788,500</b>	<b>\$ 84,433,000</b>	

## Water Capital Improvement Plan (CONTINUED)

RECURRING CAPITAL	2021	2022	2023	2024	2025	5-Year Spending	Total Project Cost	Strategic Focus
General Development and Extensions	\$ 2,200,000	\$ 2,200,000	\$ 2,200,000	\$ 2,200,000	\$ 2,200,000	\$ 11,000,000	Not Applicable	Customer Satisfaction
Vehicles	\$ 1,045,489	\$ 750,000	\$ 750,000	\$ 750,000	\$ 750,000	\$ 4,045,489	Not Applicable	System Reliability
Cl/PVC/AC Replacement	\$ 1,000,000	\$ 900,000	\$ 900,000	\$ 900,000	\$ 900,000	\$ 4,600,000	Not Applicable	System Reliability
Metering Equipment	\$ 930,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 2,930,000	Not Applicable	System Reliability
Capitalized material for O&M construction	\$ 400,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 1,600,000	Not Applicable	System Reliability
New Service Lines	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 1,500,000	Not Applicable	Customer Satisfaction
Misc Road Relocations/Street Pavement	\$ 275,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 1,075,000	Not Applicable	System Reliability
Land Purchases	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 1,000,000	Not Applicable	System Reliability
Rerun Service Line Material	\$ 175,000	\$ 175,000	\$ 175,000	\$ 175,000	\$ 175,000	\$ 875,000	Not Applicable	Customer Satisfaction
Tools and Work Equipment	\$ 5,500	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 405,500	Not Applicable	System Reliability
<b>RECURRING CAPITAL</b>	<b>\$ 6,530,989</b>	<b>\$ 5,625,000</b>	<b>\$ 5,625,000</b>	<b>\$ 5,625,000</b>	<b>\$ 5,625,000</b>	<b>\$ 29,030,989</b>		
<b>TOTAL CAPITAL</b>	<b>\$ 32,899,489</b>	<b>\$ 22,455,000</b>	<b>\$ 31,065,000</b>	<b>\$ 12,800,000</b>	<b>\$ 9,600,000</b>	<b>\$ 108,819,489</b>		

FUNDING SOURCE	2021	2022	2023	2024	2025	5-Year Total
Pay As You Go	\$ 14,334,489	\$ 5,655,000	\$ 8,215,000	\$ 7,175,000	\$ 7,850,000	\$ 43,229,489
Transfers	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Reimbursements	\$ 6,750,000	\$ 1,050,000	\$ 6,450,000	\$ -	\$ -	\$ 14,250,000
System Development Fees	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 5,000,000
State Revolving Fund	\$ 10,815,000	\$ 14,750,000	\$ 15,400,000	\$ 4,625,000	\$ 750,000	\$ 46,340,000
Revenue Bonds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL FUNDING</b>	<b>\$ 32,899,489</b>	<b>\$ 22,455,000</b>	<b>\$ 31,065,000</b>	<b>\$ 12,800,000</b>	<b>\$ 9,600,000</b>	<b>\$ 108,819,489</b>

## Gas Capital Improvement Plan

NON-RECURRING CAPITAL	2021	2022	2023	2024	2025	5-Year Spending	Total Project Cost	Strategic Focus
Northern Bypass Relocates (Pulaski Pk to Memorial Pkwy)	\$ 3,200,000	\$ -	\$ -	\$ -	\$ -	\$ 3,200,000	\$ 3,200,000	System Reliability
AMI Modules - Purchase and Install by Contractor	\$ 3,000,000	\$ 3,000,000	\$ -	\$ -	\$ -	\$ 6,000,000	\$ 6,000,000	Org. Excellence
Greenbrier Area Expansion	\$ 2,300,000	\$ -	\$ -	\$ -	\$ -	\$ 2,300,000	\$ 9,500,000	Customer Satisfaction
Memorial Parkway Relocates (Mastin Lake to Winchester)	\$ 1,900,000	\$ -	\$ -	\$ -	\$ -	\$ 1,900,000	\$ 1,900,000	System Reliability
Cast Iron Replacement	\$ 1,800,000	\$ 1,800,000	\$ 1,800,000	\$ 1,200,000	\$ -	\$ 6,600,000	\$ 10,527,500	System Reliability
Martin Road Phase 2 (Wall Triana to Old Jim Williams)	\$ 1,100,000	\$ -	\$ -	\$ -	\$ -	\$ 1,100,000	\$ 1,100,000	System Reliability
Winchester Road Relocates (Naugher Rd to Dominion)	\$ 550,000	\$ -	\$ -	\$ -	\$ -	\$ 550,000	\$ 550,000	System Reliability
Kellner Rd to Lady Hawk Ln Tie	\$ 175,000	\$ -	\$ -	\$ -	\$ -	\$ 175,000	\$ 175,000	Customer Satisfaction
GIS Implementation Project	\$ 115,000	\$ -	\$ -	\$ -	\$ -	\$ 115,000	\$ 115,000	Org. Excellence
HVAC Equipment	\$ 87,500	\$ -	\$ -	\$ -	\$ -	\$ 87,500	\$ 87,500	Workplace Performance
Jeff Road Relocates (CR-28 to Douglas Road)	\$ -	\$ 3,400,000	\$ -	\$ -	\$ -	\$ 3,400,000	\$ 3,400,000	Customer Satisfaction
Second Floor Buildout of the Triana Operations Center	\$ -	\$ 500,000	\$ -	\$ -	\$ -	\$ 500,000	\$ 500,000	Workplace Performance
Downtown System Improvement	\$ -	\$ 400,000	\$ -	\$ -	\$ -	\$ 400,000	\$ 400,000	System Reliability
McMullen Regulator Station	\$ -	\$ 300,000	\$ -	\$ -	\$ -	\$ 300,000	\$ 300,000	System Reliability
Moore's Mill (Shed Road to Oscar Patterson)	\$ -	\$ 265,000	\$ -	\$ -	\$ -	\$ 265,000	\$ 265,000	Customer Satisfaction
Slaughter Rd Widening from Old Madison Pk to SR-20	\$ -	\$ 250,000	\$ -	\$ -	\$ -	\$ 250,000	\$ 250,000	System Reliability
Church Street Relocates at Big Spring Park	\$ -	\$ 50,000	\$ -	\$ -	\$ -	\$ 50,000	\$ 50,000	System Reliability
Oscar Patterson Road	\$ -	\$ -	\$ 580,000	\$ -	\$ -	\$ 580,000	\$ 580,000	Customer Satisfaction
US 72 Relocates (County Line to Providence Main)	\$ -	\$ -	\$ 400,000	\$ -	\$ -	\$ 400,000	\$ 400,000	System Reliability
AL Hwy 20 (Greenbrier to Mooresville) (w/water)	\$ -	\$ -	\$ 240,000	\$ -	\$ -	\$ 240,000	\$ 240,000	Customer Satisfaction
Big Cove Area Improvements	\$ -	\$ -	\$ 115,000	\$ -	\$ -	\$ 115,000	\$ 115,000	Customer Satisfaction
Walker Ln/Steger Rd Completion	\$ -	\$ -	\$ -	\$ 500,000	\$ -	\$ 500,000	\$ 500,000	Customer Satisfaction
Old Big Cove Road (River Ridge to Wilson Mann)	\$ -	\$ -	\$ -	\$ 500,000	\$ -	\$ 500,000	\$ 500,000	Customer Satisfaction
Jeff Road Widening from Douglas to Hwy 53	\$ -	\$ -	\$ -	\$ 500,000	\$ -	\$ 500,000	\$ 500,000	System Reliability
South Pointe Connector (Endeavor to Hwy 20)	\$ -	\$ -	\$ -	\$ 230,000	\$ -	\$ 230,000	\$ 230,000	Customer Satisfaction
Remove Hobbs Island Gate Station	\$ -	\$ -	\$ -	\$ 125,000	\$ -	\$ 125,000	\$ 125,000	System Reliability
Governors Bend	\$ -	\$ -	\$ -	\$ 115,000	\$ -	\$ 115,000	\$ 115,000	Customer Satisfaction
Old Monrovia Road (Shellbrook to Jeff)	\$ -	\$ -	\$ -	\$ -	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	Customer Satisfaction
Jack Thomas and Grimwood Main Extension	\$ -	\$ -	\$ -	\$ -	\$ 800,000	\$ 800,000	\$ 800,000	Customer Satisfaction
Cherry Tree Area (Regency to Eslinger)	\$ -	\$ -	\$ -	\$ -	\$ 500,000	\$ 500,000	\$ 500,000	Customer Satisfaction
Capshaw Road Relocations (Jeff Rd to Old Railroad Bed)	\$ -	\$ -	\$ -	\$ -	\$ 500,000	\$ 500,000	\$ 500,000	System Reliability
<b>NON-RECURRING CAPITAL</b>	<b>\$ 14,227,500</b>	<b>\$ 9,965,000</b>	<b>\$ 3,135,000</b>	<b>\$ 3,170,000</b>	<b>\$ 2,800,000</b>	<b>\$ 33,297,500</b>	<b>\$ 44,425,000</b>	

**Gas Capital Improvement Plan (CONTINUED)**

RECURRING CAPITAL	2021	2022	2023	2024	2025	5-Year Spending	Total Project Cost	Strategic Focus
Vehicles	\$ 714,956	\$ 350,000	\$ 350,000	\$ 350,000	\$ 350,000	\$ 2,114,956	Not Applicable	System Reliability
General Development and Extensions	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 2,500,000	Not Applicable	Customer Satisfaction
Metering Equipment	\$ 475,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 1,675,000	Not Applicable	System Reliability
New Service Lines	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 1,500,000	Not Applicable	Customer Satisfaction
Maintenance of Gas System	\$ 235,000	\$ 120,000	\$ 120,000	\$ 120,000	\$ 120,000	\$ 715,000	Not Applicable	System Reliability
Misc Road Relocations/Street Pavement	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 1,000,000	Not Applicable	System Reliability
Regulators	\$ 85,000	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000	\$ 445,000	Not Applicable	System Reliability
Tools and Work Equipment	\$ 21,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 421,000	Not Applicable	System Reliability
Communication Equipment	\$ -	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 12,000	Not Applicable	System Reliability
<b>RECURRING CAPITAL</b>	<b>\$ 2,530,956</b>	<b>\$ 1,963,000</b>	<b>\$ 1,963,000</b>	<b>\$ 1,963,000</b>	<b>\$ 1,963,000</b>	<b>\$ 10,382,956</b>		

<b>TOTAL CAPITAL</b>	<b>\$ 16,758,456</b>	<b>\$ 11,928,000</b>	<b>\$ 5,098,000</b>	<b>\$ 5,133,000</b>	<b>\$ 4,763,000</b>	<b>\$ 43,680,456</b>
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FUNDING SOURCE	2021	2022	2023	2024	2025	5-Year Total
Pay As You Go	\$ 3,208,456	\$ 3,428,000	\$ 4,698,000	\$ 4,633,000	\$ 3,263,000	\$ 19,230,456
Transfers	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Reimbursements	\$ 6,450,000	\$ 3,700,000	\$ 400,000	\$ 500,000	\$ 1,500,000	\$ 12,550,000
Revenue Bonds	\$ 7,100,000	\$ 4,800,000	\$ -	\$ -	\$ -	\$ 11,900,000
<b>TOTAL FUNDING</b>	<b>\$ 16,758,456</b>	<b>\$ 11,928,000</b>	<b>\$ 5,098,000</b>	<b>\$ 5,133,000</b>	<b>\$ 4,763,000</b>	<b>\$ 43,680,456</b>

## Electric Capital Improvement Plan

NON-RECURRING CAPITAL	2021	2022	2023	2024	2025	5-Year Spending	Total Project Cost	Strategic Focus
AMI Modules - Purchase and Install by Contractor	\$ 10,200,000	\$ -	\$ -	\$ -	\$ -	\$ 10,200,000	\$ 27,400,000	Org. Excellence
Northern Bypass Relocates	\$ 1,800,000	\$ -	\$ -	\$ -	\$ -	\$ 1,800,000	\$ 1,800,000	System Reliability
Old Monrovia Substation	\$ 1,462,500	\$ 487,500	\$ -	\$ -	\$ -	\$ 1,950,000	\$ 1,950,000	System Reliability
Capshaw - Complete Substation & Transmission Tap	\$ 1,000,000	\$ -	\$ -	\$ -	\$ -	\$ 1,000,000	\$ 2,165,000	System Reliability
GIS Implementation Project	\$ 605,000	\$ -	\$ -	\$ -	\$ -	\$ 605,000	\$ 645,000	Org. Excellence
Winchester Road (Dominion to Naugher)	\$ 450,000	\$ -	\$ -	\$ -	\$ -	\$ 450,000	\$ 450,000	System Reliability
Martin Road (Wall Triana to Old Jim Williams)	\$ 450,000	\$ -	\$ -	\$ -	\$ -	\$ 450,000	\$ 450,000	System Reliability
Downtown Electric Switch Replacement	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 2,000,000	\$ 4,000,000	System Reliability
Jetport - Replace 6 46kV Breakers	\$ 315,000	\$ -	\$ -	\$ -	\$ -	\$ 315,000	\$ 315,000	System Reliability
IBM - Replace 4 1966 Breakers	\$ 230,000	\$ -	\$ -	\$ -	\$ -	\$ 230,000	\$ 230,000	System Reliability
Automatic Transfer Switching	\$ 200,000	\$ 450,000	\$ 450,000	\$ 450,000	\$ 450,000	\$ 2,000,000	\$ 2,000,000	System Reliability
Memorial Parkway Relocates (Mastin Lake)	\$ 200,000	\$ -	\$ -	\$ -	\$ -	\$ 200,000	\$ 200,000	System Reliability
Huntsville Hospital Madison Tie	\$ 180,000	\$ -	\$ -	\$ -	\$ -	\$ 180,000	\$ 180,000	System Reliability
HVAC Units	\$ 123,700	\$ -	\$ -	\$ -	\$ -	\$ 123,700	\$ 123,700	Workplace Performance
Mount Lebanon Tie Circuit	\$ 120,000	\$ -	\$ -	\$ -	\$ -	\$ 120,000	\$ 120,000	System Reliability
Town Madison Substation Security	\$ 66,000	\$ -	\$ -	\$ -	\$ -	\$ 66,000	\$ 66,000	System Reliability
Madison Substation Security	\$ 66,000	\$ -	\$ -	\$ -	\$ -	\$ 66,000	\$ 66,000	System Reliability
Intermodal, Navistar, Sunlake, Gillespie substation battery banks	\$ 55,000	\$ -	\$ -	\$ -	\$ -	\$ 55,000	\$ 55,000	System Reliability
Dallas Branch Flood Mitigation Relocations	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ 50,000	\$ 50,000	System Reliability
Chase Ice Machines and Box Filter systems	\$ 19,000	\$ -	\$ -	\$ -	\$ -	\$ 19,000	\$ 19,000	Workplace Performance
Door and Opener for Warehouse Paint Booth	\$ 17,500	\$ -	\$ -	\$ -	\$ -	\$ 17,500	\$ 17,500	Workplace Performance
Replacement of Gate at Gilespie	\$ 17,000	\$ -	\$ -	\$ -	\$ -	\$ 17,000	\$ 17,000	Workplace Performance
Moontown (46kV Line from Moontown to Chase)	\$ -	\$ 1,750,000	\$ -	\$ -	\$ -	\$ 1,750,000	\$ 1,750,000	System Reliability
Dug Hill Substation	\$ -	\$ 1,462,500	\$ 487,500	\$ -	\$ -	\$ 1,950,000	\$ 1,950,000	System Reliability
Owens Cross Roads - Replace Transformers	\$ -	\$ 750,000	\$ -	\$ -	\$ -	\$ 750,000	\$ 750,000	System Reliability
Green Mountain Reconductor	\$ -	\$ 500,000	\$ -	\$ -	\$ -	\$ 500,000	\$ 500,000	System Reliability
Remodel of the Air Plant Facility for Fiber Use	\$ -	\$ 500,000	\$ -	\$ -	\$ -	\$ 500,000	\$ 500,000	Workplace Performance
Jeff Road Relocates (CR-28 to Douglas Road)	\$ -	\$ 170,000	\$ -	\$ -	\$ -	\$ 170,000	\$ 170,000	System Reliability
Slaughter Rd Widening form Old Madison Pk to SR-20	\$ -	\$ 90,000	\$ -	\$ -	\$ -	\$ 90,000	\$ 90,000	System Reliability
New Substations Security	\$ -	\$ 66,000	\$ 66,000	\$ 66,000	\$ -	\$ 198,000	\$ 198,000	System Reliability
Church Street Relocates at Big Spring Park	\$ -	\$ 30,000	\$ -	\$ -	\$ -	\$ 30,000	\$ 30,000	System Reliability
Construction of the System Operations Center	\$ -	\$ -	\$ 4,000,000	\$ 4,000,000	\$ -	\$ 8,000,000	\$ 8,000,000	Workplace Performance
Charity Lane - Add New Transformer	\$ -	\$ -	\$ 1,600,000	\$ -	\$ -	\$ 1,600,000	\$ 1,600,000	System Reliability
SE Delivery Substation	\$ -	\$ -	\$ 1,462,500	\$ 487,500	\$ -	\$ 1,950,000	\$ 1,950,000	System Reliability
Pegasus Substation	\$ -	\$ -	\$ 1,462,500	\$ 487,500	\$ -	\$ 1,950,000	\$ 1,950,000	System Reliability
Elkwood Substation	\$ -	\$ -	\$ 1,462,500	\$ 487,500	\$ -	\$ 1,950,000	\$ 1,950,000	System Reliability
SE Delivery (46kV from SE Delivery to New Hope)	\$ -	\$ -	\$ 843,750	\$ 281,250	\$ -	\$ 1,125,000	\$ 1,125,000	System Reliability



## Electric Capital Improvement Plan (CONTINUED)

NON-RECURRING CAPITAL	2021	2022	2023	2024	2025	5-Year Spending	Total Project Cost	Strategic Focus
Barber Coleman - Replace 1961 Transformer	\$ -	\$ -	\$ 680,000	\$ -	\$ -	\$ 680,000	\$ 680,000	System Reliability
US 72 Relocates (County Line to Providence Main)	\$ -	\$ -	\$ 340,000	\$ -	\$ -	\$ 340,000	\$ 340,000	System Reliability
Mose Chapel Substation	\$ -	\$ -	\$ -	\$ 1,462,500	\$ 487,500	\$ 1,950,000	\$ 1,950,000	System Reliability
Walker Lane Substation	\$ -	\$ -	\$ -	\$ 1,462,500	\$ 487,500	\$ 1,950,000	\$ 1,950,000	System Reliability
SW Water - Replace 2 Old Transformers	\$ -	\$ -	\$ -	\$ 680,000	\$ -	\$ 680,000	\$ 680,000	System Reliability
Replace Monte Sano LTC Transformer	\$ -	\$ -	\$ -	\$ 320,000	\$ -	\$ 320,000	\$ 320,000	System Reliability
Jeff Road Widening from Douglas to Hwy 53	\$ -	\$ -	\$ -	\$ 170,000	\$ -	\$ 170,000	\$ 170,000	System Reliability
46kV - Thornton to Pegasus	\$ -	\$ -	\$ -	\$ -	\$ 2,300,000	\$ 2,300,000	\$ 2,300,000	System Reliability
Cherrytree Area Substation	\$ -	\$ -	\$ -	\$ -	\$ 1,950,000	\$ 1,950,000	\$ 1,950,000	System Reliability
VBC duct bank	\$ -	\$ -	\$ -	\$ -	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	Customer Satisfaction
46kV to Cherrytree Area Substation	\$ -	\$ -	\$ -	\$ -	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	System Reliability
Replace Chrysler Transformer	\$ -	\$ -	\$ -	\$ -	\$ 320,000	\$ 320,000	\$ 320,000	System Reliability
Replace Vintage Transformer	\$ -	\$ -	\$ -	\$ -	\$ 320,000	\$ 320,000	\$ 320,000	System Reliability
Capshaw Road Widening (Jeff to Old Railroad Bed)	\$ -	\$ -	\$ -	\$ -	\$ 250,000	\$ 250,000	\$ 250,000	System Reliability
Old Monrovia Road (Shellbrook to Jeff)	\$ -	\$ -	\$ -	\$ -	\$ 250,000	\$ 250,000	\$ 250,000	System Reliability
<b>NON RECURRING CAPITAL</b>	<b>\$ 18,026,700</b>	<b>\$ 6,656,000</b>	<b>\$ 13,254,750</b>	<b>\$ 10,754,750</b>	<b>\$ 9,715,000</b>	<b>\$ 58,407,200</b>	<b>\$ 78,812,200</b>	

RECURRING CAPITAL	2021	2022	2023	2024	2025	5-Year Spending	Total Project Cost	Strategic Focus
Electric General Development and Extensions	\$ 6,000,000	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000	\$ 22,000,000	Not Applicable	Customer Satisfaction
Metering Equipment	\$ 3,730,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 4,730,000	Not Applicable	System Reliability
Vehicles	\$ 3,664,401	\$ 2,250,000	\$ 2,250,000	\$ 2,250,000	\$ 2,250,000	\$ 12,664,401	Not Applicable	System Reliability
Distribution Transformers	\$ 3,500,000	\$ 3,500,000	\$ 3,500,000	\$ 3,500,000	\$ 3,500,000	\$ 17,500,000	Not Applicable	System Reliability
Maintenance of electric system/pole change outs	\$ 3,500,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 11,500,000	Not Applicable	System Reliability
Fiber General Development and Extensions	\$ 2,000,000	\$ 750,000	\$ 750,000	\$ 750,000	\$ 750,000	\$ 5,000,000	Not Applicable	Customer Satisfaction
Computer Equipment	\$ 1,918,000	\$ 1,040,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 5,958,000	Not Applicable	System Reliability
Replace Obsolete Breakers	\$ 610,000	\$ 295,000	\$ 225,000	\$ 225,000	\$ 225,000	\$ 1,580,000	Not Applicable	System Reliability
Misc Underground Cable Replacement	\$ 500,000	\$ 500,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 4,000,000	Not Applicable	System Reliability
Electric Misc Upgrades & COH/Roadway Relocations	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 1,500,000	Not Applicable	System Reliability
Materials for Maintenance of Fiber System	\$ 280,000	\$ 280,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 710,000	Not Applicable	System Reliability
Tools & Work Equipment	\$ 269,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 1,069,000	Not Applicable	System Reliability
Land Purchases for Substations	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 1,000,000	Not Applicable	System Reliability
Fiber Road Relocations	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 500,000	Not Applicable	System Reliability
Fiber New Tier 2 (COH, etc)	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 500,000	Not Applicable	Customer Satisfaction
Communication Equipment	\$ 30,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 430,000	Not Applicable	System Reliability
<b>RECURRING CAPITAL</b>	<b>\$ 26,701,401</b>	<b>\$ 15,865,000</b>	<b>\$ 16,025,000</b>	<b>\$ 16,025,000</b>	<b>\$ 16,025,000</b>	<b>\$ 90,641,401</b>		

<b>TOTAL CAPITAL</b>	<b>\$ 44,728,101</b>	<b>\$ 22,521,000</b>	<b>\$ 29,279,750</b>	<b>\$ 26,779,750</b>	<b>\$ 25,740,000</b>	<b>\$ 149,048,601</b>		
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**Electric Capital Improvement Plan (CONTINUED)**

<b>FUNDING SOURCE</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>5-Year Total</b>
Pay As You Go	\$ 44,728,101	\$ 22,521,000	\$ 29,279,750	\$ 26,779,750	\$ 25,740,000	\$ 149,048,601
Transfers	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Reimbursements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Revenue Bonds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL FUNDING</b>	<b>\$ 44,728,101</b>	<b>\$ 22,521,000</b>	<b>\$ 29,279,750</b>	<b>\$ 26,779,750</b>	<b>\$ 25,740,000</b>	<b>\$ 149,048,601</b>

# Engineering Capital Project Summary Sheets - Water

**Note:** Every item in the capital improvement plan will not have a project summary sheet. Only projects that require design and planning by the Engineering section are included.

**Current&Future Huntsville Utilities Project- Water Capital** June 2020

**MTM Tank** Status: Planning

**On Time**

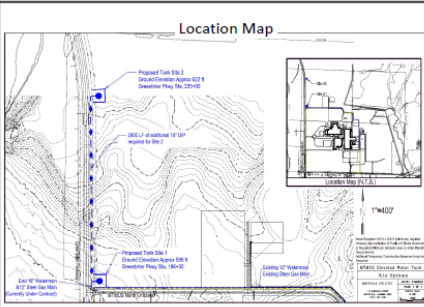
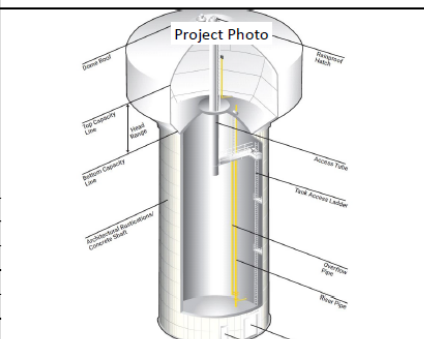
**Scope of Project:**  
2 MG elevated tank on MTMUS Campus along Greenbrier Parkway. MTMUS is expected to donate property for tank and contribute towards construction of tank. Project is estimated at \$4.2M with MTMUS contributing \$3.0M in ATC.

**Justification:**  
Service area was acquired from LCWSA in July 2019. The acquisition did not include any system storage and the nearest tank base level tank to this portion of the service area is located off Holmes Avenue between Jordan Ln and Memorial Pkwy. Tank will stabilize water pressure flocculation's and provide additional capacity in the area during time of high demands.

**Project Update:**  
MTMUS has tentatively agreed to pay up to \$3.0M towards construction of the tank. Staff is currently working with MTMUS to identify parcel and develop MOU. 2 site locations were submitted to MTMUS. MTMUS has chosen site 1500 ft north of MTMUS NW entrance road. Task orders for Geotechnical and Surveying are being prepared.

**Project Notes:**

Fiscal Year	FY2021				TOTAL
Budget Line					
Budget	\$4,200,000	\$0	\$0	\$0	\$4,200,000
Actual/FYTD	\$0	\$0	\$0	\$0	\$0
Budget Remaining	\$4,200,000	\$0	\$0	\$0	\$4,200,000
% Budget Spent	0%	0%	0%	0%	0%

Engineering Start:

Bid Opening:

Intent to Award:

N.T.P.:

Projected Complete:

Req'd Complete:

**Current&Future Huntsville Utilities Project- Water Capital** June 2020

**South Parkway Plant Raw Water Station Rehab** Status: Engineering

CPP-20.W.607310.52.04

**On Time**

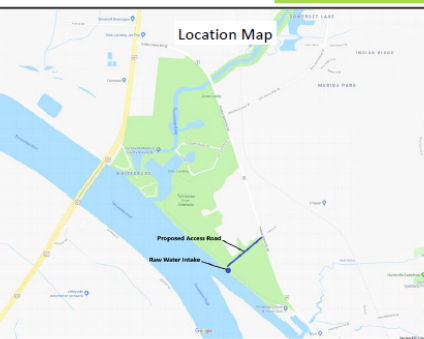

**Scope of Project:**  
R&R of existing obsolete and worn equipment, especially electrical and control building. Equipment purchasing and construction to be performed in FY20 and FY21.

**Justification:**  
2400v Electrical Equipment is past useful life and control building doesn't meet current safety standards

**Project Update:**  
Construction contract has been executed. Pre-construction meeting conducted on June 10, 2020. Contractor's submittals are being reviewed and approved. Site work planned for late June has been delayed until early July due to rain.

**Project Notes:**  
Opened bids on April 14, 2020. Mastin's was low bid at \$2,294,106 which was less than budgeted amount. Purchasing issued Intent to Award letter on April 16, 2020. Received approval for contingent award approval at April board meeting. Issued Addenda 1 through 3.  
March 8, 2020 Received pre-qualification packages from 5 contractors. All five contractors approved:

Fiscal Year	FY2020	FY2021	FY2021		TOTAL
Budget Line	152-2020-4	Carryover	Additional Req'd		
Budget	\$1,500,000	\$830,000	\$1,370,000	\$0	\$2,870,000
Actual/FYTD	\$181,700	\$0	\$0	\$0	\$181,700
Budget Remaining	\$1,318,300	\$830,000	\$1,370,000	\$0	\$2,688,300
% Budget Spent	12%	0%	0%	0%	6%

Engineering Start: 21-Mar-1

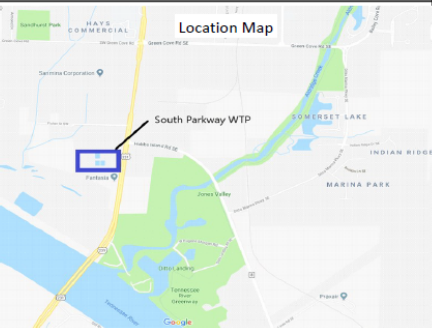

Bid Opening:

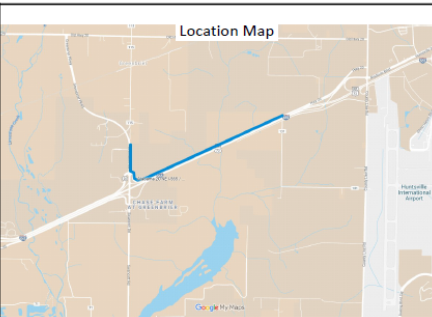

Intent to Award: 04/16/20

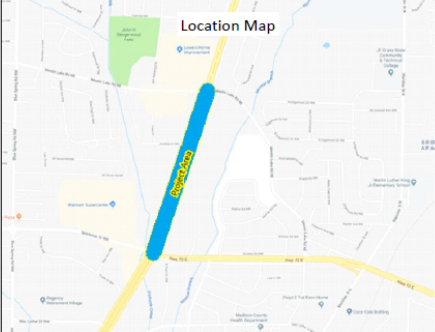

N.T.P.:

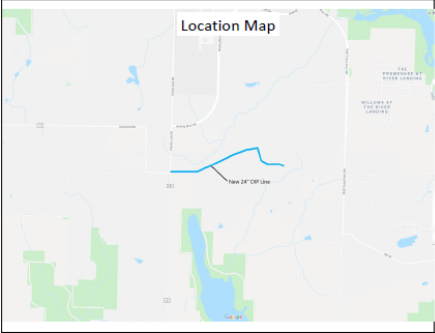

Projected Complete: 01-Jan-21

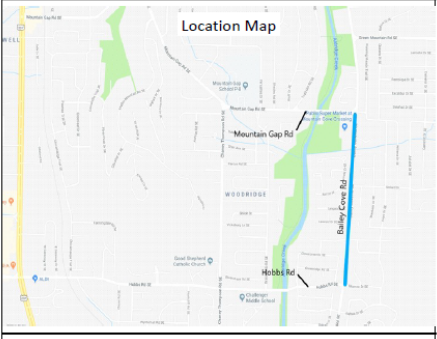

Req'd Complete: 01-Apr-21

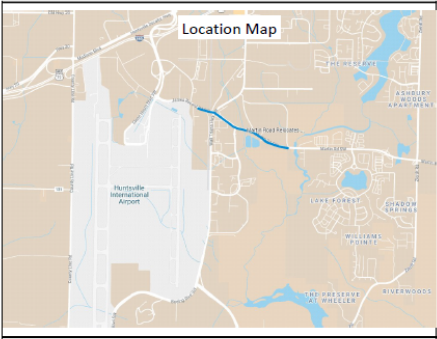

Current&Future Huntsville Utilities Project- Water Capital					June 2020
South Parkway Main Plant Rehab Engineering & Construction			CPP-20.W.607310.52.05	Status: Engineering	
Scope of Project: Prepare construction plans, specifications, bid documents to upgrade aging clarifiers, clear well, and appurtenances at the South Parkway Treatment Plant that were originally constructed in the 1960's and 1970's.				<b>On Time</b>	
Justification: Structures and equipment are at the end of their useful life and are starting to become more costly to maintain. This will reduce the potential for mechanical or structural malfunctions and provide a stable supply of potable water for our customers.					
Project Update: Constantine is continuing on design. 30% design review meetings conducted on May 19 through 21. 60% design review meeting scheduled in August 2020.					
Project Notes: Conducted design Kick-off meeting on January 16, 2020. Purchase Requisition for engineering for \$1,253,150 entered 17DEC19. 30% Design: 15MAY20 60% Design: 14AUG20 90% Design: 23OCT20 100% Design: 15DEC20 Advertisement: March 2021 Bid Open: April 2021 Award: May 2021 NTP: May 2021 Final Completion: March 2023					
Fiscal Year	FY2020	FY2021	FY2021	FY2022	<b>TOTAL</b>
Budget Line	152-2020-5	Carryover		NA	
Budget	\$1,700,000	\$450,000	\$1,000,000	\$11,000,000	<b>\$24,975,000</b>
Actual/FYTD	\$1,253,150	\$0	\$0	\$0	<b>\$1,253,150</b>
Budget Remaining	\$446,850	\$450,000	\$1,000,000	\$11,000,000	<b>\$23,721,850</b>
% Budget Spent	74%	0%	0%	0%	<b>5%</b>
Engineering Start:	16-Jan-20	Bid Opening:		Intent to Award:	
				N.T.P.:	
				Projected Complete:	
				Req'd Complete:	30-Sep-23

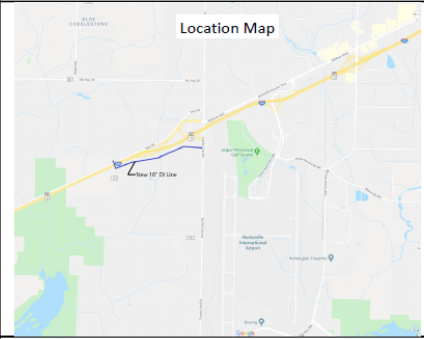

Future Huntsville Utilities Project- Water Capital					June 2020
Al Hwy 20 (N of I-565 & E of Greenbrier Pkwy)				Status: Planning	
Scope of Project: Installation of 14,500 lf of 16" D.I. connecting from Indian Springs Project to existing 30" on Greenbrier Parkway					
Justification: Increase available flow to Mazda Toyota area. Based on stress test hydraulic modeling, this project is most critical for increasing available flow to the MTMUS. Project is projected to increase capacity by 75%.					
Project Update:					
Project Notes:					
Fiscal Year	FY2021				<b>TOTAL</b>
Budget Line					
Budget	\$3,355,000	\$0	\$0	\$0	<b>\$3,355,000</b>
Actual/FYTD	\$0	\$0	\$0	\$0	<b>\$0</b>
Budget Remaining	\$3,355,000	\$0	\$0	\$0	<b>\$3,355,000</b>
% Budget Spent	0%	0%	0%	0%	<b>0%</b>
Engineering Start:		Bid Opening:		Intent to Award:	
				N.T.P.:	
				Projected Complete:	
				Req'd Complete:	

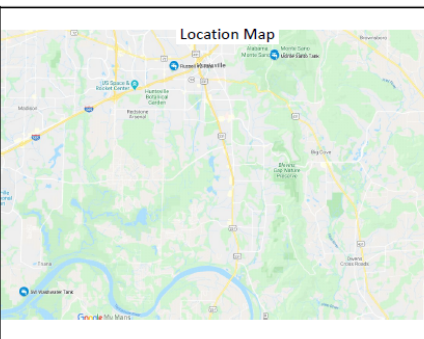

Current&Future Huntsville Utilities Project- Water Capital					June 2020
Memorial Pkwy Relocates (Mastin Lake to Winchester)		CPP-20.W.607310.52.06		Status: Engineering	
<p>Scope of Project: Reimbursable road project to relocate existing water mains to clear way for the construction of an interchange at Mastin Lake and Memorial Parkway by ALDOT. Relocation cost will be reimbursed by ALDOT with betterment in this project.</p> <p>Justification: Existing water lines interfere with the new Mastin Lake Rd overpass//Memorial Parkway Improvements project. The betterment in the project will eliminate some cast iron main under Memorial Parkway.</p> <p>Project Update: Design complete. SAHD #2 agreement has been signed by HU and submitted to ALDOT. Once agreement is signed, and FHWA authorizes the utility project, we will advertise for bids.</p> <p>Project Notes: Reimbursement: \$2,768,952.94 Betterment: \$362,570 Total: \$3,131,522.94 Consultant began planning work prior to execution of agreement.</p>					
					
					
Fiscal Year	FY2019	FY2020	FY2021	FY2021	TOTAL
Budget Line	NA	152-2020-6	Carryover	Additional Req'd	
Budget	\$250,000	\$2,500,000	\$2,350,000	\$650,000	\$3,400,000
Actual/FYTD	\$92,283	\$149,321	\$0	\$0	\$241,604
Budget Remaining	\$157,717	\$2,350,679	\$2,350,000	\$650,000	\$3,158,396
% Budget Spent	37%	6%	0%	0%	7%
Engineering Start:	22-Jul-19	Bid Opening:		Intent to Award:	
				N.T.P.:	
				Projected Complete:	
				Req'd Complete:	

Current&Future Huntsville Utilities Project- Water Capital					June 2020
Swancott East		CPP-20.W.607310.51.16		Status: Planning	
<b>On Time</b>					
<p>Scope of Project: Engineering &amp; Construction for approx. 7400 lf of 24" DIP ran along Swancott Rd from the existing 36" main (approx. 4000 ft. east of Wall Triana) to County Line Rd.</p> <p>Justification: Hydraulic Modeling ranked this as priority #2. This project alone would increase the available flow to Mazda -Toyota by 20% in the stress case scenarios. Additionally, the 24" main would provide a redundant supply to County Line Road and the Limestone County Service Area which would not be available with the upgrade of the 12" on Boeing BLVD which is a bottle neck.</p> <p>Project Update: Had 30% design review on May 22, 2020. Additional survey needed as new unmarked utilities were discovered after 30% review. 60% design review scheduled for July 24, 2020.</p> <p>Project Notes: Engineering proposal did not include construction engineering. Transferred \$125,000 from CPP-20.W.607310.51.14, Limestone County Improvements</p>					
					
					
Fiscal Year	FY2020	FY2021			TOTAL
Budget Line	151-2020-11				
Budget	\$125,000	\$2,085,000	\$0	\$0	\$2,210,000
Actual/FYTD	\$115,080	\$0	\$0	\$0	\$115,080
Budget Remaining	\$9,920	\$2,085,000	\$0	\$0	\$2,094,920
% Budget Spent	92%	0%	0%	0%	5%
Engineering Start:	09-Apr-20	Bid Opening:		Intent to Award:	
				N.T.P.:	
				Projected Complete:	
				Req'd Complete:	30-Jun-21

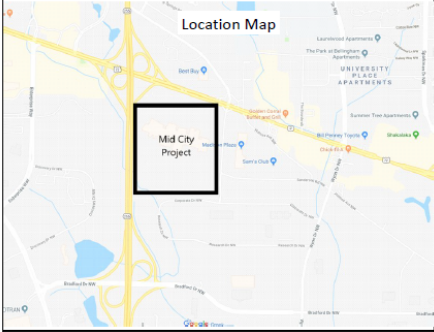
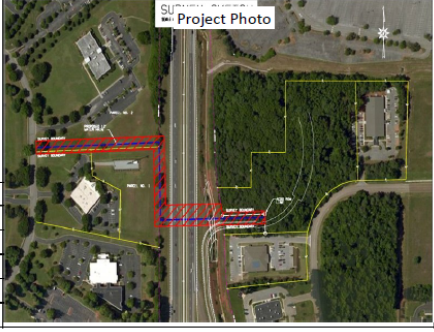
<b>Current&amp;Future Huntsville Utilities Project- Water Capital</b>					<b>June 2020</b>
Bailey Cove Phase II (Hobbs to Green Mtn)			CPP-19.W.607310.51.15		Status: Engineering
<p>Scope of Project: Engineering for the Continuation of the Transmission line along Bailey Cove Rd from Hobbs Rd to Green Mountain Road. Consists of surveying, design, bidding and construction administration of approximately 6000 feet of 16" Transmission main. Phase 2 of 2.</p> <p>Justification: This project will provide a larger feed into the Whitesburg area that currently experiences low pressure during high demands. Enables Water from the SE plant to feed into South Huntsville without passing through the restrictions at the South Plant.</p> <p>Project Update: 90% design review meeting held on May 1, 2020. Final design documents have been submitted and are under review. Adjustments to Final Design being done to adjust for existing sewer line.</p> <p>Project Notes: Project was extended 1,500 feet north to Green Mountain Road due to miss-sized pipe in GT Viewer. Project schedule to bid end of FY20 for execution in FY21.</p>					<b>On Time</b>
					
					
Fiscal Year	FY2019		FY2021		<b>TOTAL</b>
Budget Line	151-2019-8				
Budget	\$300,000	\$0	\$2,000,000	\$0	<b>\$2,300,000</b>
Actual/FYTD	\$84,528	\$148,502	\$0	\$0	<b>\$233,030</b>
Budget Remaining	\$215,472	(\$148,502)	\$2,000,000	\$0	<b>\$2,066,970</b>
% Budget Spent	28%	0%	0%	0%	<b>10%</b>
Engineering Start:	01-Oct-18	Bid Opening:		Intent to Award:	
		N.T.P.:		Projected Complete:	
				Req'd Complete:	30-Sep-20

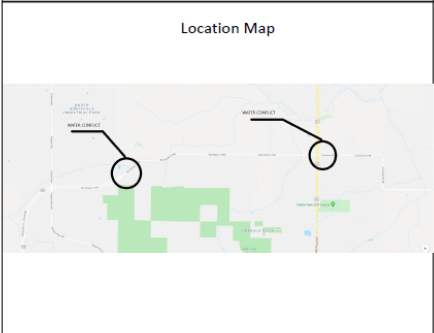

<b>Future Huntsville Utilities Project- Water Capital</b>					<b>June 2020</b>
Martin Road Relocates Ph. 2 (Old Jim Williams to Laracy)			Status: Planning		
<p>Scope of Project: Reimbursable road project to relocate &amp; replace approx. 700 lf of 12" C.I., 3000 lf of 16" D.I. &amp; 2200 L.F. 18" D.I. to clear way for the widening of Martin Road by City of Huntsville. Relocation cost will be reimbursed by ALDOT &amp; betterment is not anticipated.</p> <p>Justification: Existing water main along Martin Road is in conflict with the Martin Road widening project</p> <p>Project Update: Received email from Jacob Stephens (COH) on April 21, 2020 that the project is moving forward and we should select an engineer and begin gas relocation plans. Garver will be doing design work. Garver has prepared a preliminary cost estimate, drawing, and utility consultant agreement. Documents being reviewed prior to sending to ALDOT for concurrence.</p> <p>Project Notes:</p>					
					
					
Fiscal Year	FY2021				<b>TOTAL</b>
Budget Line					
Budget	\$2,000,000	\$0	\$0	\$0	<b>\$2,000,000</b>
Actual/FYTD	\$0	\$0	\$0	\$0	<b>\$0</b>
Budget Remaining	\$2,000,000	\$0	\$0	\$0	<b>\$2,000,000</b>
% Budget Spent	0%	0%	0%	0%	<b>0%</b>
Engineering Start:		Bid Opening:		Intent to Award:	
		N.T.P.:		Projected Complete:	
				Req'd Complete:	

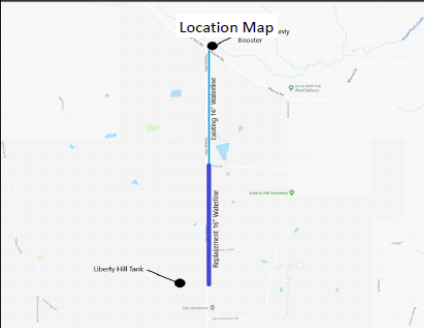

Current&Future Huntsville Utilities Project- Water Capital					June 2020																																			
AL Hwy 20, County Line to Indian Springs			CPP-20.W.607310.51.15		Status: Planning																																			
Scope of Project:					<b>On Time</b>																																			
<p>Engineering &amp; Construction for approx. 7000 lf of 16" DIP from County Line Rd along AL Hwy 20 west to Indian Springs Rd and a 24" DIP bored under I-565 to the existing 12" PVC north of Highway 20.</p> <p>Justification: Hydraulic Modeling Priority #1. Hydraulic modeling identified this project as most important to increase flow to Mazda Toyota and Greenbrier area. Installing a 16" main along Hwy 20 as well as a new bore under I-565 to connect to and existing line will increase flow to Mazda-Toyota area by 75% under the stress test scenario.</p> <p>Project Update: Had 30% design review on April 24, 2020. Potholing has been completed for existing water line. New findings have held project up temporarily while additional hydraulic modeling is completed.</p> <p>Project Notes: Engineering Proposal was received 02/18/2020 Transferred \$185,000 from CPP-20.W.607310.51.14, Limestone County Improvements</p>					 <p style="text-align: center;">Location Map</p>																																			
 <p style="text-align: center;">Project Photo</p>																																								
<table border="1" style="width:100%; border-collapse: collapse;"> <thead> <tr> <th>Fiscal Year</th> <th>FY2020</th> <th>FY2021</th> <th></th> <th></th> <th>TOTAL</th> </tr> </thead> <tbody> <tr> <td>Budget Line</td> <td>151-2020-11</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Budget</td> <td>\$185,000</td> <td>\$1,575,000</td> <td>\$0</td> <td>\$0</td> <td><b>\$1,760,000</b></td> </tr> <tr> <td>Actual/FYTD</td> <td>\$184,191</td> <td>\$0</td> <td>\$0</td> <td>\$0</td> <td><b>\$184,191</b></td> </tr> <tr> <td>Budget Remaining</td> <td>\$809</td> <td>\$1,575,000</td> <td>\$0</td> <td>\$0</td> <td><b>\$1,575,809</b></td> </tr> <tr> <td>% Budget Spent</td> <td>100%</td> <td>0%</td> <td>0%</td> <td>0%</td> <td><b>10%</b></td> </tr> </tbody> </table>					Fiscal Year	FY2020	FY2021			TOTAL	Budget Line	151-2020-11					Budget	\$185,000	\$1,575,000	\$0	\$0	<b>\$1,760,000</b>	Actual/FYTD	\$184,191	\$0	\$0	\$0	<b>\$184,191</b>	Budget Remaining	\$809	\$1,575,000	\$0	\$0	<b>\$1,575,809</b>	% Budget Spent	100%	0%	0%	0%	<b>10%</b>
Fiscal Year	FY2020	FY2021			TOTAL																																			
Budget Line	151-2020-11																																							
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Engineering Start:	09-Apr-20	Bid Opening:		Intent to Award:		N.T.P.:		Projected Complete:		Req'd Complete:	30-Apr-21																													

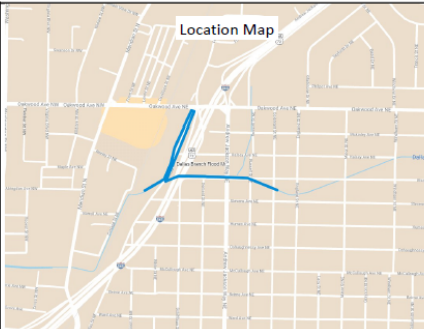

Future Huntsville Utilities Project- Water Capital					June 2020																																			
Tank Painting			CPP-20.W.607310.51.15		Status: Planning																																			
Scope of Project:																																								
<p>FY2021 (SW Washwater Tank-\$260,000) (Russell Hill #2-\$380,000) (Monte Sano-\$384,000)  FY2022 (Inspiration Point-\$404,000) (Green Mountain-\$624,000)  FY2023 (Hampton Cove-\$1,037,000) FY2024 (Huntsville Hills-\$769,000) (College Hill-\$590,000)  FY2025 (Hwy 72 East-\$1,700,000)</p> <p>Justification: Dixon Engineering rated these SW Washwater &amp; Russell Hill #2 as Priority 1 and Monte Sano as Priority 2 of the 10 oldest tanks that they inspected in 2019.</p> <p>Project Update:</p> <p>Project Notes:</p>					 <p style="text-align: center;">Location Map</p>																																			
 <p style="text-align: center;">Project Photo</p>																																								
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Fiscal Year	FY2021	FY2022	FY2023	FY2024	TOTAL																																			
Budget Line																																								
Budget	\$1,030,000	\$1,030,000	\$1,040,000	\$1,400,000	<b>\$6,200,000</b>																																			
Actual/FYTD	\$0	\$0	\$0	\$0	<b>\$0</b>																																			
Budget Remaining	\$1,030,000	\$1,030,000	\$1,040,000	\$1,400,000	<b>\$6,200,000</b>																																			
% Budget Spent	0%	0%	0%	0%	<b>0%</b>																																			
Engineering Start:		Bid Opening:		Intent to Award:		N.T.P.:		Projected Complete:		Req'd Complete:																														

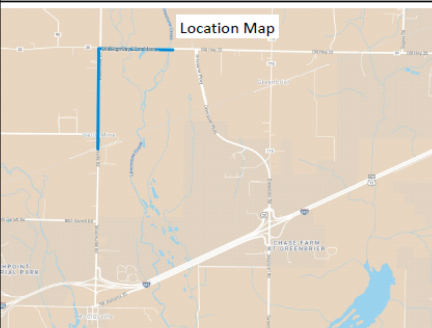



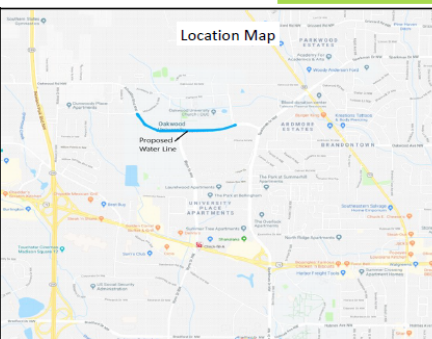

Current&Future Huntsville Utilities Project- Water Capital					June 2020
Mid City Area Improvements		CPP-20.W.607310.51.04		Status: Engineering	
Scope of Project: New 12" main from Research Park to Mid City. Huntsville Utilities crews will install water main, and the bore under SR-255 will be done by blanket bid.				<b>On Time</b>	
Justification: This project will add additional high pressure feed to Mid City, which is currently being redeveloped and loop the system in the area.					
Project Update: Final Design completed and submitted on April 17, 2020. HU crews to install main with on-call contract being used for bore under SR-255. ALDOT permit received, ROW acquired by COH in April.					
Project Notes: ALDOT Permit - March 12, 2020 Engineering Started - November 14, 2020					
Fiscal Year	FY2018	FY2019	FY2020	FY2021	<b>TOTAL</b>
Budget Line	151-2018-8	Carryover	Carryover	Carryover	
Budget	\$800,000	\$800,000	\$800,000	\$800,000	<b>\$800,000</b>
Actual/FYTD	\$0	\$0	\$35,700	\$0	<b>\$35,700</b>
Budget Remaining	\$800,000	\$800,000	\$764,300	\$800,000	<b>\$764,300</b>
% Budget Spent	0%	0%	4%	0%	<b>4%</b>
Engineering Start:	14-Nov-19	Bid Opening:		Intent to Award:	
			N.T.P.:		
				Projected Complete:	30-Sep-20
				Req'd Complete:	30-Sep-20


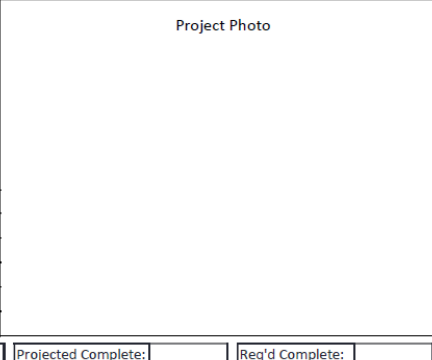
Current&Future Huntsville Utilities Project- Water Capital					June 2020
Northern Bypass Relocates (Pulaski Pike to Mem Pkwy)		CPP-20.W.607310.52.07		Status: Engineering	
Scope of Project: Reimbursable road project, from West of Northgate Drive to US 231/431. Project is being done by ALDOT. Includes relocate 1050 lf of 8" main at west end of project and meter/FH cluster feeding Madison County at east end of project.				<b>Delayed</b>	
Justification: Existing line along Bob Wade Lane conflicts with the new Northern Bypass route.					
Project Update: Project is delayed due to funding talks between the City and ALDOT. Our understanding that talks are currently happening, but don't expect authorization to proceed until late FY20 at the earliest. Project has been included in FY21 budget as carry-over. City confirmed on 7/6/2020 that project is still on hold and no new information is available.					
Project Notes: Original Budget of \$2,250,000 based upon extension of existing 24" along Research Park Blvd. Modeling indicated this wasn't needed and budget was reduced to \$750,000. Project may be reimbursable depending on Funding Agreement					
Fiscal Year	FY2019	FY2020	FY2021		<b>TOTAL</b>
Budget Line	152-2019-4	152-2020-7	Carryover		
Budget	\$2,250,000	\$750,000	\$678,343	\$0	<b>\$750,000</b>
Actual/FYTD	\$20,473	\$71,657	\$0	\$0	<b>\$92,130</b>
Budget Remaining	\$2,229,527	\$678,343	\$678,343	\$0	<b>\$657,870</b>
% Budget Spent	1%	10%	0%	0%	<b>12%</b>
Engineering Start:		Bid Opening:		Intent to Award:	
			N.T.P.:		
				Projected Complete:	
				Req'd Complete:	

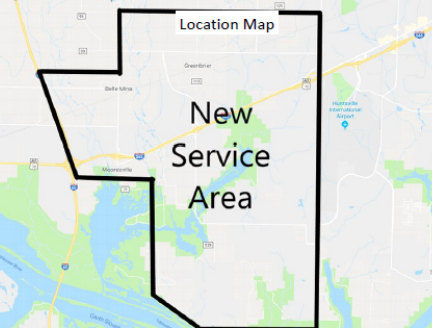

Current&Future Huntsville Utilities Project- Water Capital					June 2020																																			
Pulaski Pike/NHIP (replace tie to County)			CPP-20.W.607310.51.09		Status: Engineering																																			
Scope of Project: Replace dedicated 16" watermain feeding Madison County Booster from Liberty Hill Tank. This will replace the section from the Liberty Hill Tank to Routt Rd. used to feed the Starbelt Development. Work to be performed by HU crews.					<b>On Time</b>																																			
Justification: Madison County water paid for the materials to connect their booster station with Liberty Hill Tank. A portion of this dedicated line was used to feed the Starbelt Development due to time constraints.																																								
Project Update: Survey of west side of Pulaski Pike between Liberty Hill Tank and Routt Road has been completed. Design has started. Design is 90% complete. Need some special pricing for materials to finish design. Project expected to carry-over to FY21																																								
Project Notes:																																								
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Fiscal Year	FY2020	FY2021			TOTAL																																			
Budget Line	151-2020-6	Carryover																																						
Budget	\$625,000	\$475,000	\$0	\$0	<b>\$625,000</b>																																			
Actual/FYTD	\$19,263	\$0	\$0	\$0	<b>\$19,263</b>																																			
Budget Remaining	\$605,737	\$475,000	\$0	\$0	<b>\$605,737</b>																																			
% Budget Spent	3%	0%	0%	0%	<b>3%</b>																																			
Engineering Start:	01-Jan-20	Bid Opening:		Intent to Award:		N.T.P.:		Projected Complete:		Req'd Complete:	30-Sep-20																													

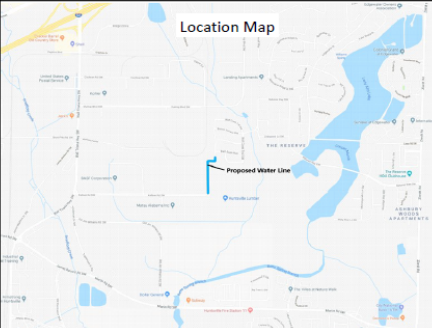

Future Huntsville Utilities Project- Water Capital					June 2020																																			
Dallas Branch Flood Mitigation			Status: Planning																																					
Scope of Project: Relocate Water Facilities along the Dallas Branch of Pinhook Creek as needed for Drainage/Flood Mitigation Project.																																								
Justification: Execution of flood improvement project requires relocation of existing facilities due to conflicts.																																								
Project Update: City has been awarded grant money from FEMA and has 3 years to spend the money. Design from 2013 was reviewed and cost estimate updated.																																								
Project Notes:																																								
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Fiscal Year	FY2021				TOTAL																																			
Budget Line																																								
Budget	\$400,000	\$0	\$0	\$0	<b>\$400,000</b>																																			
Actual/FYTD	\$0	\$0	\$0	\$0	<b>\$0</b>																																			
Budget Remaining	\$400,000	\$0	\$0	\$0	<b>\$400,000</b>																																			
% Budget Spent	0%	0%	0%	0%	<b>0%</b>																																			
Engineering Start:		Bid Opening:		Intent to Award:		N.T.P.:		Projected Complete:		Req'd Complete:																														

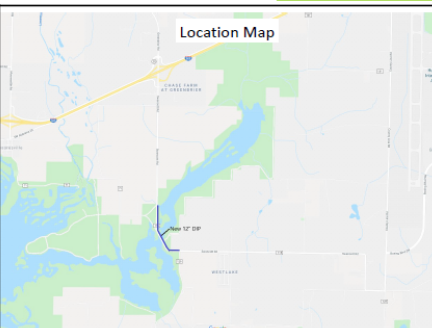
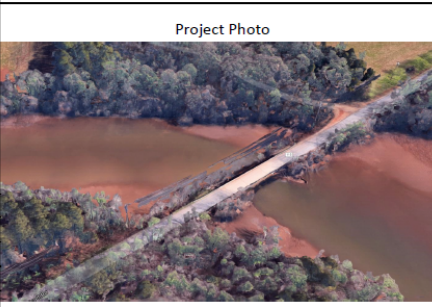
Future Huntsville Utilities Project- Water Capital					June 2020
<b>Old Highway 20 to Mooresville Engineering &amp; Construction</b>					Status: Planning
<p>Scope of Project: 10,300 lf of 12" D.I. from HU purchase point on Old Hwy 20 to the RR crossing in Belle Mina. Project requires bore under creek and bore under Norfolk Southern Railroad.</p> <p>Justification: Increases available flow to Mooresville area and provides redundant flow without purchasing water from Limestone County. Project will connect tank planned for MTMUS property to Mooresville area.</p> <p>Project Update:</p> <p>Project Notes:</p>					
					
					
Fiscal Year	FY2021	FY2022			<b>TOTAL</b>
Budget Line					
Budget	\$350,000	\$2,400,000	\$0	\$0	<b>\$2,750,000</b>
Actual/FYTD	\$0	\$0	\$0	\$0	<b>\$0</b>
Budget Remaining	\$350,000	\$2,400,000	\$0	\$0	<b>\$2,750,000</b>
% Budget Spent	0%	0%	0%	0%	0%
Engineering Start:		Bid Opening:		Intent to Award:	
				N.T.P.:	
				Projected Complete:	
				Req'd Complete:	

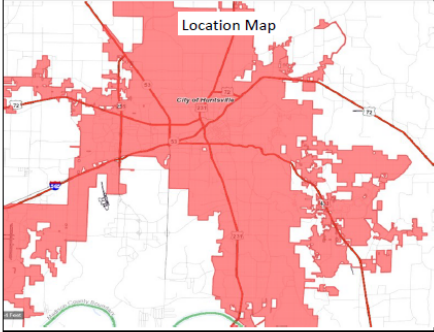
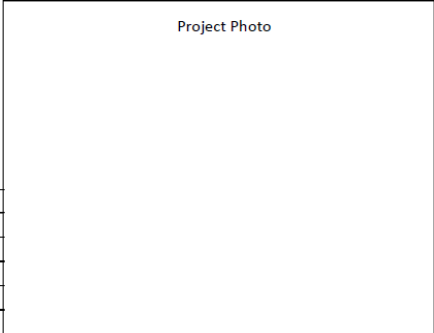
Current&Future Huntsville Utilities Project- Water Capital					June 2020
<b>Adventist Boulevard Water Main Extension</b>					Status: Engineering
					<b>On Time</b>
<p>Scope of Project: Approx. 3700 lf of DIP from Millennium Dr. to Oakwood Farms to be installed by HU crews.</p> <p>Justification: Adventist Boulevard Water Main Extension and new regulated feed for redundancy to regulated zone</p> <p>Project Update: W.O. is complete and sent to operations for construction. The bore across Wynn Drive is completed and the pipe is installed in the casing pipe.</p> <p>Project Notes:</p>					
					
Fiscal Year	FY2020	FY2021			<b>TOTAL</b>
Budget Line	151-2020-9	Carryover			
Budget	\$220,000	\$220,000	\$0	\$0	<b>\$220,000</b>
Actual/FYTD	\$6,471	\$0	\$0	\$0	<b>\$6,471</b>
Budget Remaining	\$213,529	\$220,000	\$0	\$0	<b>\$213,529</b>
% Budget Spent	3%	0%	0%	0%	3%
Engineering Start:		Bid Opening:		Intent to Award:	
				N.T.P.:	
				Projected Complete:	
				Req'd Complete:	30-Sep-20

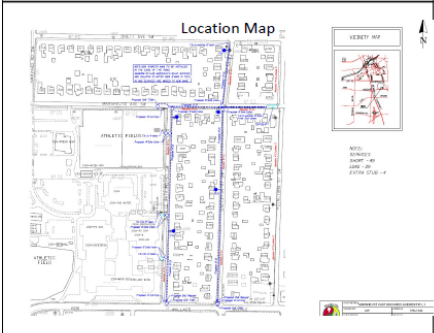

Future Huntsville Utilities Project- Water Capital					June 2020																																				
<b>GIS Software</b> Status:																																									
Scope of Project: Implementation of new Geographical Information System (GIS) platform and conversion of all Gas, Water, Electric and Fiber facility maps and data.																																									
Justification: New system brings all facilities onto a single software platform, with greater functional & operational capabilities & a shared database. This will result in more efficient & common workflows & much reduced back office configuration & administration. The new system also offers more capability in configuring mobile work & asset management that will help with inspections, maintenance & other infrastructure-wide work.																																									
Project Update:																																									
Project Notes: The total cost for the project is projected to be \$1,200,000 and will be split between electric, fiber, gas, and water.																																									
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Fiscal Year	FY2021					TOTAL																																			
Budget Line																																									
Budget	\$200,000	\$0	\$0	\$0	\$200,000																																				
Actual/FYTD	\$0	\$0	\$0	\$0	\$0																																				
Budget Remaining	\$200,000	\$0	\$0	\$0	\$200,000																																				
% Budget Spent	0%	0%	0%	0%	0%																																				
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Engineering Start:		Bid Opening:		Intent to Award:		N.T.P.:		Projected Complete:		Req'd Complete:																															

Current&Future Huntsville Utilities Project- Water Capital					June 2020																																				
<b>Limestone County Improvements</b> CPP-20.W.607310.51.14 Status: Engineering <span style="background-color: #92d050; padding: 2px;">On Time</span>																																									
Scope of Project: Increase capacity into new service area by upgrading existing lines or laying new lines.																																									
Justification: Newly acquired area was previously supplied by Limestone County from the NW and is now supplied from the HU SW Water treatment plant. System upgrades needed to supply increased demand in the Mazda/Toyota Plant area.																																									
Project Update: First project is installation of 600lf of 16 DIP at the Norfolk Southern RR and Old Hwy 20 intersection which is included in Greenbrier 2B Gas contract. Rast Construction is focusing on gas main prior to installation of water main. Continue to identify and begin engineering on additional improvement projects.																																									
Project Notes: Transferred \$445,000 of \$1,000,000 to AL Hwy 20, Swancott East & Swancott West. Hydraulic modeling has identified 3 additional priority projects, See Project Sheets CPP-20.W.607310.51.15, CPP-20.W.607310.51.16 & CPP-20.W.607310.51.17																																									
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Fiscal Year	FY2020	FY2021				TOTAL																																			
Budget Line	151-2020-11	Carryover																																							
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Engineering Start:		Bid Opening:		Intent to Award:		N.T.P.:		Projected Complete:		Req'd Complete:	30-Sep-20																														

Current&Future Huntsville Utilities Project- Water Capital					June 2020																																				
Kellner Rd to Lady Hawk Ln Tie			CPP-20.W.607310.51.13	Status: Planning	<b>Behind Schedule</b>																																				
<p>Scope of Project: Includes approx. 1350 lf of 8" DI water line connecting Kellner Rd and Lady Hawk Ln. to be installed by HU crews.</p> <p>Justification: New water main will provide additional loop in area and allow 2nd feed to existing residential area that is currently served by a single feed. Provides 2nd feed to supply critical customer BASF at 9800 Kellner Road and provides secondary feed along Natures Way if 48" on Zierdt Rd is lost.</p> <p>Project Update: Design to begin 4th Quarter FY2020. To be constructed after Adventist Blvd.</p> <p>Project Notes:</p>																																									
Location Map																																									
Project Photo																																									
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			Fiscal Year	FY2020	FY2021			TOTAL																																	
Budget Line	151-2020-10	Carryover																																							
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Engineering Start:		Bid Opening:		Intent to Award:		N.T.P.:		Projected Complete:		Req'd Complete:	30-Sep-20																														

Current&Future Huntsville Utilities Project- Water Capital					June 2020																																				
Swancott West			CPP-20.W.607310.51.17	Status: Planning	<b>On Time</b>																																				
<p>Scope of Project: Engineering &amp; Construction of approx. 4300 lf of Replacement 16" HDPE along Swancott Rd from Rockhouse Rd to Pryor Rd. This project crosses the Wheeler Wildlife Refuge. Construction planned in FY22.</p> <p>Justification: Existing single 8" PVC line is a restriction to flow to Mooresville Rd area. The project has minimal impact to Mazda-Toyota flow. The project will require significant environmental clearances. Therefore, it is important to begin engineering and obtain environmental clearances.</p> <p>Project Update: Kickoff meeting held April 29, 2020. Environmental assessments being conducted on Wheeler Wildlife Refuge. 30% Design Review held on June 8, 2020.</p> <p>Project Notes: Transferred \$135,000 from CPP-20.W.607310.51.14, Limestone County Improvements</p>																																									
Location Map																																									
Project Photo																																									
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			Fiscal Year	FY2020	FY2021	FY2022		TOTAL																																	
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Future Huntsville Utilities Project- Water Capital					June 2020																																				
<b>General Development and Main Extensions</b>					Status: Planning																																				
<b>Scope of Project:</b> General Development and Extensions covers most of the new development/customer driven projects including commercial, industrial, residential, subdivisions, apartments, hotels, etc. The majority of this work is offset by ATC payments, minus any betterments by Huntsville Utilities.																																									
<b>Justification:</b> Infrastructure needed to support new development projects and economic development projects.																																									
<b>Project Update:</b> Developments are continuing to come quickly and we do not expect that to change anytime soon.																																									
<b>Project Notes:</b>																																									
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Future Huntsville Utilities Project- Water Capital					June 2020																																				
<b>CI/PVC/AC Replacement</b>					Status: Planning																																				
<b>Scope of Project:</b> Various water cast iron replacement projects within the COH, primarily due to smaller unlined cast iron water lines causing water quality issues.																																									
<b>Justification:</b> These projects are prioritized based on information provided by Water Supply/Quality on problem areas and Water Operations on high leak areas.																																									
<b>Project Update:</b>																																									
<b>Project Notes:</b>																																									
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**Future Huntsville Utilities Project- Water Capital**

**June 2020**

Misc. Road Relocation/Street Pavement

Status: Planning

Scope of Project:

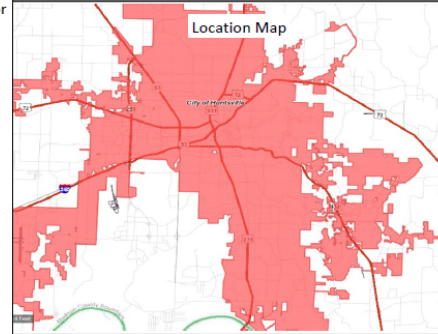
City and County road and intersection improvement projects not identified sufficiently in advance for normal budgeting process.

Justification:

For unplanned small projects that are identified after the current FY budget is approved and will be started before the next FY budget approval.

Project Update:

Project Notes:



Project Photo

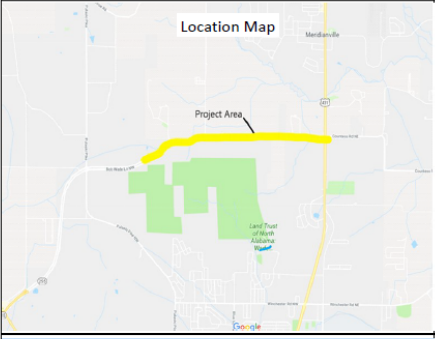

Fiscal Year	FY2021	FY2022	FY2023	FY2024	TOTAL
Budget Line					
Budget	\$275,000	\$200,000	\$200,000	\$200,000	\$1,075,000
Actual/FYTD	\$0	\$0	\$0	\$0	\$0
Budget Remaining	\$275,000	\$200,000	\$200,000	\$200,000	\$1,075,000
% Budget Spent	0%	0%	0%	0%	0%

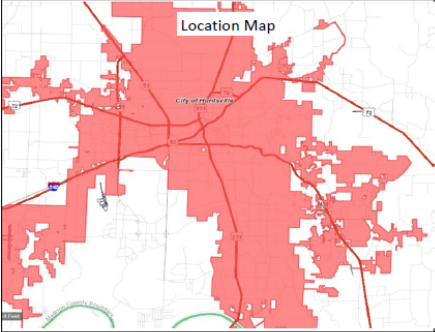

Engineering Start:		Bid Opening:		Intent to Award:		N.T.P.:		Projected Complete:		Req'd Complete:	
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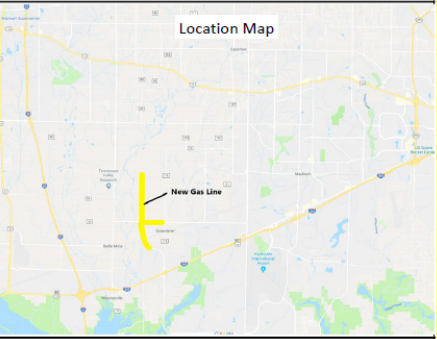

# Engineering Capital Project Summary Sheets - Gas

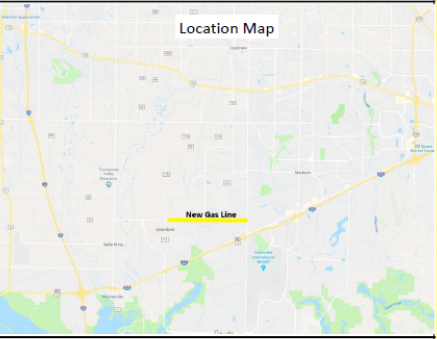

**Note:** Every item in the capital improvement plan will not have a project summary sheet. Only projects that require design and planning by the Engineering section are included.

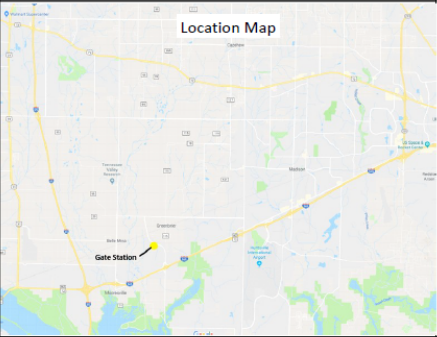
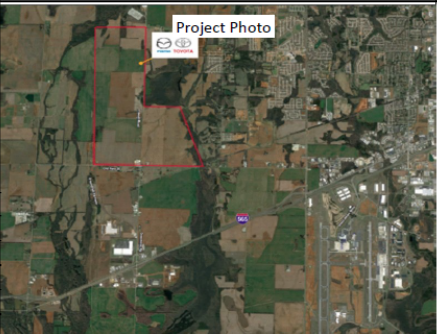


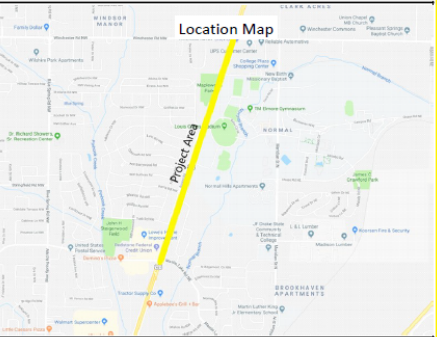

Current&Future Huntsville Utilities Project- Gas Capital					June 2020																																				
Northern Bypass Relocates (Pulaski Pike to Mem Pkwy)			CPP-20.G.607320.52.04		Status: Planning																																				
<p>Scope of Project: Reimbursable road project to relocate approximately 15,000 lf of 14" WS to clear way for the construction of the Northern Bypass by ALDOT. Relocation cost will be reimbursed by ALDOT and betterment is not anticipated with this project.</p> <p>Justification: Existing gas main along Bob Wade Lane interferes with the Northern Bypass project</p> <p>Project Update: Project is delayed due to funding discussions between the City and ALDOT. Our understanding that talks are currently happening, but don't expect authorization to proceed until late FY20 at the earliest. Project has been submitted in FY21 budget. City confirmed on 7/6/2020 that project is still on hold and no new information is available.</p> <p>Project Notes:</p>					 <p style="text-align: center;">Location Map</p>  <p style="text-align: center;">Project Photo</p>																																				
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Fiscal Year	FY2019	FY2020	FY2021	FY2021	TOTAL																																				
Budget Line	252-2019-4	252-2020-3	Carryover	Additional Req'd																																					
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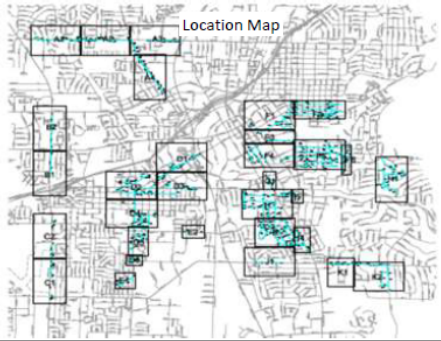

Future Huntsville Utilities Project- Gas Capital					June 2020																																				
AMI Modules - Purchase and Install by Contractor			CPP-20.G.607320.52.04		Status: Engineering																																				
<p>Scope of Project: The scope of this project is to convert existing service meters in the field over to AMI meters. This involves the ordering of modules, warehousing, deploying AMI modules. Aclara-SGS is the contractor hired to install the majority of the gas AMI modules in the field.</p> <p>Justification: The gas AMI module deployment is necessary for adding gas meters to the AMI system. AMI will increase the amount of data available to analyze the system and remove the need for manual reads.</p> <p>Project Update: First batch of Landis &amp; Gyr AMI modules for Aclara-SGS deployment is on order. Lead time is 4-5 months. Aclara will need 3-4 months notice to hire &amp; train new technicians for gas deployment. First batch of modules is enough inventory for Aclara-SGS to deploy first 2-3 months, depending on rate of installs during initial slow ramp up. Development updates to systems need to be completed before Aclara-SGS begin deployments. Plans to achieve are being developed.</p> <p>Project Notes: This project schedule has shifted many times for technical and financial reasons. Aclara-SGS last agreed to deploy all gas modules within a two year time frame to end along with the electric deployment. Startup delays so far in fiscal year 2020 will extend the project schedule beyond original scope and contract.</p>					 <p style="text-align: center;">Location Map</p>  <p style="text-align: center;">Project Photo</p>																																				
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N.T.P.: <input type="text"/>		Projected Complete: 31-Mar-22		Req'd Complete: 30-Sep-21																																					

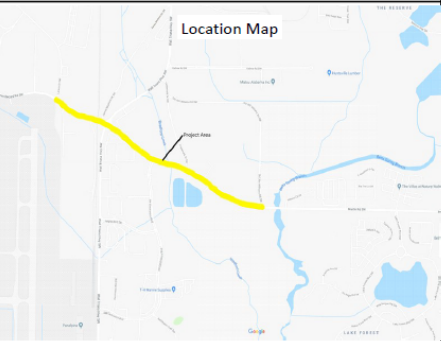

Current&Future Huntsville Utilities Project- Gas Capital					June 2020
Greenbrier Area Expansion Phase 2A			CPP-20.G.607320.51.04 Ph2A		Status: Construction
Scope of Project:					<b>On Time</b>
New line along Greenbrier Parkway and Old Hwy 20. Consists of approx. 16,000 lf of 12 inch welded steel Gas Line					
Justification:					
The phase of the project will connect to gas main installed in Phase 1 and gas main installed in Phase 2B. Phase 2B will provide redundant supply to Mazda Toyota through regulator station located on Greenbrier Parkway from the County Line Gate Station. Additionally, Phase 2A will connect to future gate station on Greenbrier Parkway and serve supplementary and back-up supply to Mazda-Toyota.					
Project Update:					
Apel/MGL has installed all 12 inch welded steel gas main. Gas main was satisfactory pressured tested. Gas main has been placed in-service. Change Order 1 adjusted estimated quantities to actual quantities was executed in June. Substantial Completion inspection scheduled in early July.					
Project Notes:					
Apel was the low bidder (IFB 20-01) and contract was approved by the Board at the December meeting. Preconstruction meeting was conducted on January 17, 2020. Period of performance is 180 days.					
					
					
Fiscal Year	FY2019	FY2020	FY2021		<b>TOTAL</b>
Budget Line	251-2019FebMTM	Carryover	Carryover		
Budget	\$2,400,000	\$2,400,000	\$50,000	\$0	<b>\$2,400,000</b>
Actual/FYTD	\$158,085	\$1,619,900	\$0	\$0	<b>\$1,777,985</b>
Budget Remaining	\$2,241,915	\$780,100	\$50,000	\$0	<b>\$622,015</b>
% Budget Spent	7%	67%	0%	0%	<b>74%</b>
Engineering Start:	02-Apr-19	Bid Opening:	21-Nov-19	Intent to Award:	11/27/20
				N.T.P.:	22-Jan-20
				Projected Complete:	20-Jul-20
				Req'd Complete:	20-Jul-20

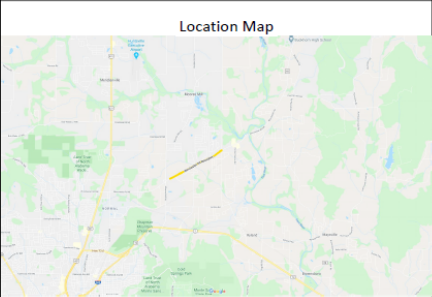

Current&Future Huntsville Utilities Project- Gas Capital					June 2020
Greenbrier Area Expansion Phase 2B			CPP-20.G.607320.51.04 Ph2B		Status: Construction
Scope of Project:					<b>On Time</b>
New line along Old Hwy 20 from County Line Rd. Consists of approx. 16,700 lf of Gas Line					
Justification:					
Phase 2B will connect the existing gate station on County Line Road to the Mazda - Toyota regulator station located on Old Highway 20. Phase 2B will be the primary gas supply to the Mazda-Toyota complex. Phase 2B will connect to Phase 1 and Phase 2A.					
Project Update:					
Rast has installed 11,420 feet (61%) of gas main. Directional bore under Beaver Dam Creek is continuing. Anticipated completion of directional bore under creek is 2nd week in July. Subcontractor for Jack and Bore schedule to begin on July 6, 2020.					
Project Notes:					
Recorded easements were received in May.					
Final insurance policy issued resolved with Rast Construction on April 20, 2020. Contract award and Notice to Proceed effective April 21, 2020.					
Conducted pre-construction meeting with Rast Construction on April 15, 2020.					
On March 23, B.W. Hobson declined to perform work after submitting bonds and satisfactory					
					
					
Fiscal Year	FY2019	FY2020	FY2021		<b>TOTAL</b>
Budget Line	251-2019FebMTM	Carryover	Carryover		
Budget	\$2,850,000	\$2,850,000	\$300,000	\$0	<b>\$2,850,000</b>
Actual/FYTD	\$139,818	\$137,163	\$0	\$0	<b>\$276,981</b>
Budget Remaining	\$2,710,182	\$2,712,837	\$300,000	\$0	<b>\$2,573,019</b>
% Budget Spent	5%	5%	0%	0%	<b>10%</b>
Engineering Start:	23-Apr-19	Bid Opening:	31-Jan-20	Intent to Award:	03/26/20
				N.T.P.:	21-Apr-20
				Projected Complete:	18-Oct-20
				Req'd Complete:	02-Oct-20

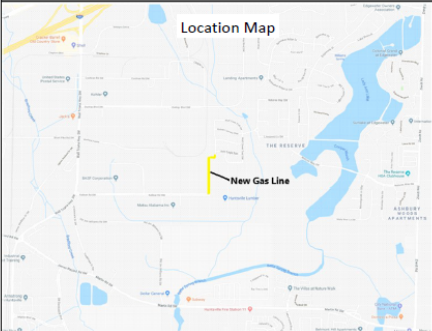

<b>Current&amp;Future Huntsville Utilities Project- Gas Capital</b>				<b>June 2020</b>																																		
Greenbrier Area Expansion Phase 3			CPP-20.G.607320.51.04 Ph3		Status: Planning																																	
Scope of Project: New Gate Station connected to Mid-Tenn			<b>Delayed</b>																																			
Justification: New gate station located on Greenbrier Parkway to provide a completely redundant feed to the Mazda-Toyota site.																																						
Project Update: Selected Clark Engineering and Utility Solutions to design new gate station. Insurance documents submitted by Clark Engineering have been reviewed, deficiencies identified, revised documents have been requested. Conducted site visit with Clark Engineering on May 18, 2020. Clark Engineering is preparing proposal.																																						
Project Notes: Received Statement of Qualifications from S&ME and Clark Engineering. Coordinated with Gas Meter Engineers to develop scope for new gate station. Negotiations fell through since they would not agree to HU's standard contract.																																						
<table border="1" style="width:100%; border-collapse: collapse;"> <thead> <tr> <th>Fiscal Year</th> <th>FY2019</th> <th>FY2020</th> <th>FY2021</th> <th></th> <th>TOTAL</th> </tr> </thead> <tbody> <tr> <td>Budget Line</td> <td>251-2019FebMTM</td> <td>Carryover</td> <td>Carryover</td> <td></td> <td></td> </tr> <tr> <td>Budget</td> <td>\$1,950,000</td> <td>\$1,950,000</td> <td>\$1,950,000</td> <td>\$0</td> <td><b>\$1,950,000</b></td> </tr> <tr> <td>Actual/FYTD</td> <td>\$0</td> <td>\$0</td> <td>\$0</td> <td>\$0</td> <td><b>\$0</b></td> </tr> <tr> <td>Budget Remaining</td> <td>\$1,950,000</td> <td>\$1,950,000</td> <td>\$1,950,000</td> <td>\$0</td> <td><b>\$1,950,000</b></td> </tr> <tr> <td>% Budget Spent</td> <td>0%</td> <td>0%</td> <td>0%</td> <td>0%</td> <td><b>0%</b></td> </tr> </tbody> </table>						Fiscal Year	FY2019	FY2020	FY2021		TOTAL	Budget Line	251-2019FebMTM	Carryover	Carryover			Budget	\$1,950,000	\$1,950,000	\$1,950,000	\$0	<b>\$1,950,000</b>	Actual/FYTD	\$0	\$0	\$0	\$0	<b>\$0</b>	Budget Remaining	\$1,950,000	\$1,950,000	\$1,950,000	\$0	<b>\$1,950,000</b>	% Budget Spent	0%	0%
Fiscal Year	FY2019	FY2020	FY2021		TOTAL																																	
Budget Line	251-2019FebMTM	Carryover	Carryover																																			
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Actual/FYTD	\$0	\$0	\$0	\$0	<b>\$0</b>																																	
Budget Remaining	\$1,950,000	\$1,950,000	\$1,950,000	\$0	<b>\$1,950,000</b>																																	
% Budget Spent	0%	0%	0%	0%	<b>0%</b>																																	
Engineering Start:		Bid Opening:		Intent to Award:																																		
				N.T.P.:																																		
			Projected Complete:		Req'd Complete: 30-Sep-21																																	

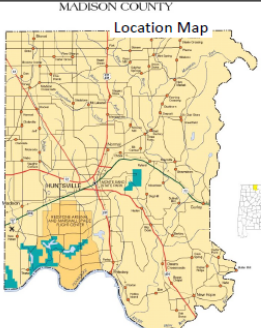
<b>Current&amp;Future Huntsville Utilities Project- Gas Capital</b>				<b>June 2020</b>																																		
Memorial Pkwy Relocates (Mastin Lake to Winchester)			CPP-20.G.607320.52.03		Status: Engineering																																	
Scope of Project: Reimbursable road project to relocate existing gas mains to clear way for the construction of an interchange at Mastin Lake and Memorial Parkway by ALDOT. Relocation cost will be reimbursed by ALDOT and betterment is not anticipated with this project.			<b>Delayed</b>																																			
Justification: Existing Gas lines interferes with the New Mastin Lake Rd overpass project																																						
Project Update: Received revisions to plans and estimate from consultant. ALDOT #2 agreement has been sent to ALDOT for approval. Once approval is given and the utility project is authorized by FHWA we will advertise for bids. Current FHWA authorization date is August 1, 2020.																																						
Project Notes: Consultant began planning work prior to execution of agreement. Project is externally scheduled by ALDOT.																																						
In Kind = \$1,768,917.74 Betterment = \$15,930.04 Total = \$1,784,847.98																																						
<table border="1" style="width:100%; border-collapse: collapse;"> <thead> <tr> <th>Fiscal Year</th> <th>FY2019</th> <th>FY2020</th> <th>FY2021</th> <th></th> <th>TOTAL</th> </tr> </thead> <tbody> <tr> <td>Budget Line</td> <td>252-2019-3</td> <td>252-2020-2</td> <td>Carryover</td> <td></td> <td></td> </tr> <tr> <td>Budget</td> <td>\$350,000</td> <td>\$1,900,000</td> <td>\$1,900,000</td> <td>\$0</td> <td><b>\$1,900,000</b></td> </tr> <tr> <td>Actual/FYTD</td> <td>\$0</td> <td>\$235,982</td> <td>\$0</td> <td>\$0</td> <td><b>\$235,982</b></td> </tr> <tr> <td>Budget Remaining</td> <td>\$350,000</td> <td>\$1,664,018</td> <td>\$1,900,000</td> <td>\$0</td> <td><b>\$1,664,018</b></td> </tr> <tr> <td>% Budget Spent</td> <td>0%</td> <td>12%</td> <td>0%</td> <td>0%</td> <td><b>12%</b></td> </tr> </tbody> </table>			Fiscal Year	FY2019	FY2020	FY2021		TOTAL	Budget Line	252-2019-3	252-2020-2	Carryover			Budget	\$350,000	\$1,900,000	\$1,900,000	\$0	<b>\$1,900,000</b>	Actual/FYTD	\$0	\$235,982	\$0	\$0	<b>\$235,982</b>	Budget Remaining	\$350,000	\$1,664,018	\$1,900,000	\$0	<b>\$1,664,018</b>	% Budget Spent	0%	12%	0%	0%	<b>12%</b>
Fiscal Year	FY2019	FY2020	FY2021		TOTAL																																	
Budget Line	252-2019-3	252-2020-2	Carryover																																			
Budget	\$350,000	\$1,900,000	\$1,900,000	\$0	<b>\$1,900,000</b>																																	
Actual/FYTD	\$0	\$235,982	\$0	\$0	<b>\$235,982</b>																																	
Budget Remaining	\$350,000	\$1,664,018	\$1,900,000	\$0	<b>\$1,664,018</b>																																	
% Budget Spent	0%	12%	0%	0%	<b>12%</b>																																	
Engineering Start:	22-Jul-19	Bid Opening:		Intent to Award:																																		
				N.T.P.:																																		
			Projected Complete:		Req'd Complete:																																	

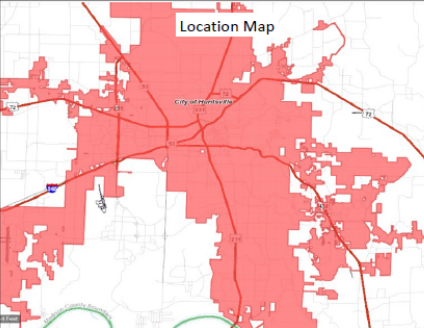
<b>Current&amp;Future Huntsville Utilities Project- Gas Capital</b>					<b>June 2020</b>
<b>Cast Iron Replacement</b>		CPP-20.G.607120.52.02		Status: Delayed	
<b>At Risk</b>					
<p><b>Scope of Project:</b> Program of multiple projects to replace approximately 27 miles of existing cast iron gas mains with PE ranging from 2" to 8". Individual projects are primarily located within the older portions of HU's gas system surrounding the downtown area.</p> <p><b>Justification:</b> Reduced maintenance, fewer leaks, improved service, improved customer perception, significantly improved integrity management. Also, there has been a push by PHMSA and ALPSC to encourage natural gas systems to replace all cast iron within their systems.</p> <p><b>Project Update:</b> Project is currently stalled due to contract with contractor. Council has approved change order. Working on bonds for contractor to begin work possibly in July/August 2020.</p> <p><b>Project Notes:</b></p>					
					
					
Fiscal Year	FY2017-19	FY2020	FY2021	FY22 to FY24	TOTAL
Budget Line		252-2020-1	NA	NA	
Budget	\$1,642,500	\$2,285,000	\$1,800,000	\$4,800,000	\$10,527,500
Actual/FYTD	\$1,336,513	\$16,131	\$0	\$0	\$1,352,644
Budget Remaining	\$305,987	\$2,268,869	\$1,800,000	\$4,800,000	\$9,174,856
% Budget Spent	81%	1%	0%	0%	13%
Engineering Start:	Bid Opening:	Intent to Award:	N.T.P.:	Projected Complete:	Req'd Complete: 30-Sep-24

<b>Current&amp;Future Huntsville Utilities Project- Gas Capital</b>					<b>June 2020</b>
<b>Martin Rd Ph. 2 Relocates (Old Jim Williams to Laracy)</b>		CPP-20.G.607320.52.01		Status: Planning	
<p><b>Scope of Project:</b> Reimbursable road project to relocate &amp; replace approx. 6,000 lf of 6" &amp; 8" Welded Steel with 8" PE to clear way for the widening of Martin Road by City of Huntsville. Relocation cost will be reimbursed by ALDOT &amp; betterment is not anticipated.</p> <p><b>Justification:</b> Existing gas main along Martin Road interferes with the Martin Road widening project</p> <p><b>Project Update:</b> Talked to Brian Shannon (Garver) and he has prepared a preliminary cost estimate, drawing, and utility consultant agreement are being reviewed prior to sending to ALDOT for concurrence.</p> <p><b>Project Notes:</b> On April 16, 2020, received confirmation from ALDOT project would move forward. ALDOT and City of Huntsville began work on funding agreement.</p>					
					
					
Fiscal Year	FY2019	FY2020	FY2021	FY2021	TOTAL
Budget Line	252-2019-5	Carryover	Carryover	Additional Req'd	
Budget	\$299,500	\$299,500	\$299,500	\$800,500	\$1,100,000
Actual/FYTD	\$0	\$0	\$0	\$0	\$0
Budget Remaining	\$299,500	\$299,500	\$299,500	\$800,500	\$1,100,000
% Budget Spent	0%	0%	0%	0%	0%
Engineering Start:	Bid Opening:	Intent to Award:	N.T.P.:	Projected Complete:	Req'd Complete:

Future Huntsville Utilities Project- Gas Capital					June 2020
<b>Winchester Rd Relocates (Naugher Rd to Dominion)</b>					Status: Planning
<p>Scope of Project: Relocate approx. 2.2 miles of 6" PE gas line, along with meters and side road connections. Road widening is COH managed ATRIP project.</p> <p>Justification: Existing Line interferes with Road Widening Project</p> <p>Project Update:</p> <p>Project Notes:</p>					
					
					
Fiscal Year	FY2021				<b>TOTAL</b>
Budget Line					
Budget	\$550,000	\$0	\$0	\$0	<b>\$550,000</b>
Actual/FYTD	\$0	\$0	\$0	\$0	<b>\$0</b>
Budget Remaining	\$550,000	\$0	\$0	\$0	<b>\$550,000</b>
% Budget Spent	0%	0%	0%	0%	<b>0%</b>
Engineering Start:	Bid Opening:	Intent to Award:	N.T.P.:	Projected Complete:	Req'd Complete:

Current&Future Huntsville Utilities Project- Gas Capital					June 2020
<b>Kellner Rd to Lady Hawk Ln Tie</b>					Status: Planning
CPP-20.G.607320.51.06					<b>Delayed</b>
<p>Scope of Project: Includes approx. 1350 lf of 2" PE gas line connecting Kellner Rd and Lady Hawk Ln.</p> <p>Justification: New gas main will provide additional looping in area and allow second feed to an existing residential area that is currently served by a single feed. Provides secondary feed along Natures Way if gas line on Zierdt Road is lost.</p> <p>Project Update: Design will be done in conjunction with water and design is planned to start in 4th quarter FY20.</p> <p>Project Notes:</p>					
					
					
Fiscal Year	FY2020	FY2021			<b>TOTAL</b>
Budget Line	251-2020-6	Carryover			
Budget	\$175,000	\$175,000	\$0	\$0	<b>\$175,000</b>
Actual/FYTD	\$0	\$0	\$0	\$0	<b>\$0</b>
Budget Remaining	\$175,000	\$175,000	\$0	\$0	<b>\$175,000</b>
% Budget Spent	0%	0%	0%	0%	<b>0%</b>
Engineering Start:	Bid Opening:	Intent to Award:	N.T.P.:	Projected Complete:	Req'd Complete:

Future Huntsville Utilities Project- Gas Capital					June 2020																																				
<b>GIS Software (Gas)</b>					Status: Planning																																				
<p>Scope of Project: Implementation of new Geographical Information System (GIS) platform and conversion of all Gas, Water, Electric and Fiber facility maps and data.</p> <p>Justification: New system brings all facilities onto a single software platform, with greater functional &amp; operational capabilities &amp; a shared database. This will result in more efficient &amp; common workflows &amp; much reduced back office configuration &amp; administration. The new system also offers more capability in configuring mobile work &amp; asset management that will help with inspections, maintenance &amp; other infrastructure-wide work.</p> <p>Project Update:</p> <p>Project Notes: The total cost for the project (all Departments) is projected to be \$1,200,000; approximately \$250,000 in FY2020 and the remainder in FY2021.</p>					 <p style="text-align: center;">Project Photo</p>																																				
<table border="1" style="width:100%; border-collapse: collapse;"> <thead> <tr> <th>Fiscal Year</th> <th>FY2021</th> <th></th> <th></th> <th></th> <th>TOTAL</th> </tr> </thead> <tbody> <tr> <td>Budget Line</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Budget</td> <td>\$115,000</td> <td>\$0</td> <td>\$0</td> <td>\$0</td> <td>\$115,000</td> </tr> <tr> <td>Actual/FYTD</td> <td>\$0</td> <td>\$0</td> <td>\$0</td> <td>\$0</td> <td>\$0</td> </tr> <tr> <td>Budget Remaining</td> <td>\$115,000</td> <td>\$0</td> <td>\$0</td> <td>\$0</td> <td>\$115,000</td> </tr> <tr> <td>% Budget Spent</td> <td>0%</td> <td>0%</td> <td>0%</td> <td>0%</td> <td>0%</td> </tr> </tbody> </table>						Fiscal Year	FY2021				TOTAL	Budget Line						Budget	\$115,000	\$0	\$0	\$0	\$115,000	Actual/FYTD	\$0	\$0	\$0	\$0	\$0	Budget Remaining	\$115,000	\$0	\$0	\$0	\$115,000	% Budget Spent	0%	0%	0%	0%	0%
Fiscal Year	FY2021				TOTAL																																				
Budget Line																																									
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Budget Remaining	\$115,000	\$0	\$0	\$0	\$115,000																																				
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Engineering Start:		Bid Opening:		Intent to Award:		N.T.P.:		Projected Complete:		Req'd Complete:																															

Future Huntsville Utilities Project- Gas Capital					June 2020																																				
<b>General Development and Main Extensions</b>					Status: Planning																																				
<p>Scope of Project: General Development and Extensions covers most of the new development/customer driven projects including commercial, industrial, residential, subdivisions, apartments, hotels, etc. Some of this work is offset by ATC payments, minus any credits or betterments by Huntsville Utilities. New subdivisions are currently installed at HU cost in order to expand the gas system.</p> <p>Justification: Infrastructure needed to support new development projects and economic development projects.</p> <p>Project Update: Developments are continuing to come quickly and we do not expect that to change anytime soon.</p> <p>Project Notes:</p>					 <p style="text-align: center;">Project Photo</p>																																				
<table border="1" style="width:100%; border-collapse: collapse;"> <thead> <tr> <th>Fiscal Year</th> <th>FY2021</th> <th>FY2022</th> <th>FY2023</th> <th>FY2024</th> <th>TOTAL</th> </tr> </thead> <tbody> <tr> <td>Budget Line</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Budget</td> <td>\$500,000</td> <td>\$500,000</td> <td>\$500,000</td> <td>\$500,000</td> <td>\$2,500,000</td> </tr> <tr> <td>Actual/FYTD</td> <td>\$0</td> <td>\$0</td> <td>\$0</td> <td>\$0</td> <td>\$0</td> </tr> <tr> <td>Budget Remaining</td> <td>\$500,000</td> <td>\$500,000</td> <td>\$500,000</td> <td>\$500,000</td> <td>\$2,500,000</td> </tr> <tr> <td>% Budget Spent</td> <td>0%</td> <td>0%</td> <td>0%</td> <td>0%</td> <td>0%</td> </tr> </tbody> </table>						Fiscal Year	FY2021	FY2022	FY2023	FY2024	TOTAL	Budget Line						Budget	\$500,000	\$500,000	\$500,000	\$500,000	\$2,500,000	Actual/FYTD	\$0	\$0	\$0	\$0	\$0	Budget Remaining	\$500,000	\$500,000	\$500,000	\$500,000	\$2,500,000	% Budget Spent	0%	0%	0%	0%	0%
Fiscal Year	FY2021	FY2022	FY2023	FY2024	TOTAL																																				
Budget Line																																									
Budget	\$500,000	\$500,000	\$500,000	\$500,000	\$2,500,000																																				
Actual/FYTD	\$0	\$0	\$0	\$0	\$0																																				
Budget Remaining	\$500,000	\$500,000	\$500,000	\$500,000	\$2,500,000																																				
% Budget Spent	0%	0%	0%	0%	0%																																				
Engineering Start:		Bid Opening:		Intent to Award:		N.T.P.:		Projected Complete:		Req'd Complete:																															

**Future Huntsville Utilities Project- Gas Capital**

**June 2020**

**Misc. Road Relocation/Street Pavement**

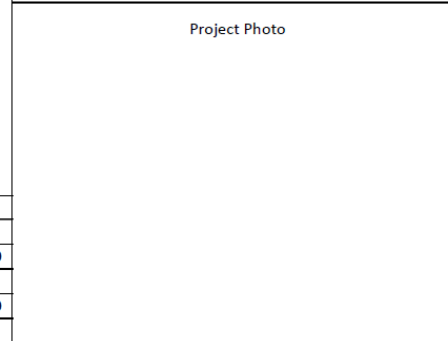
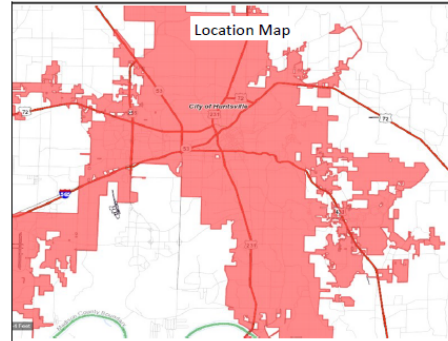
Status: Planning

Scope of Project:  
Misc. system improvements as needed

Justification:  
For unexpected small projects that are identified after the current FY budget is approved and will be started before the next FY budget approval.

Project Update:  
No projects have been identified at this time.

Project Notes:



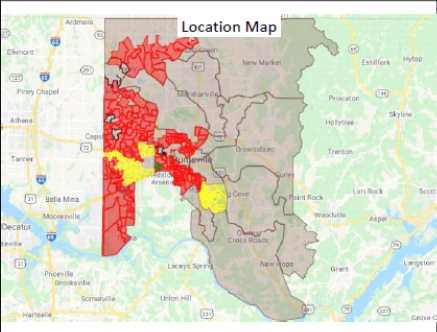

Fiscal Year	FY2021	FY2022	FY2023	FY2024	TOTAL
Budget Line					
Budget	\$200,000	\$200,000	\$200,000	\$200,000	\$1,000,000
Actual/FYTD	\$0	\$0	\$0	\$0	\$0
Budget Remaining	\$200,000	\$200,000	\$200,000	\$200,000	\$1,000,000
% Budget Spent	0%	0%	0%	0%	0%

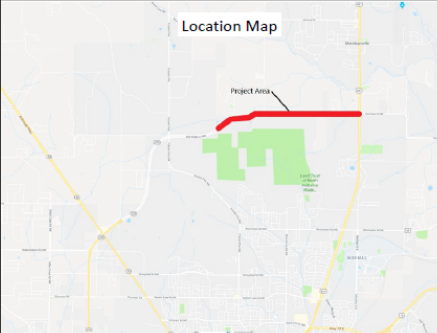

Engineering Start:		Bid Opening:		Intent to Award:		N.T.P.:		Projected Complete:		Req'd Complete:	
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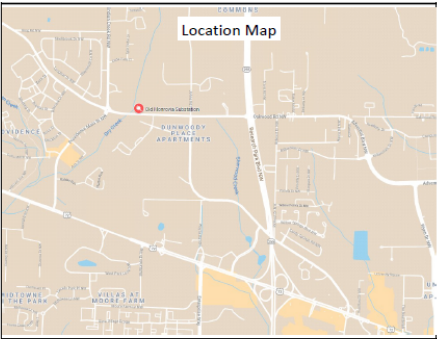

# Engineering Capital Project Summary Sheets - Electric

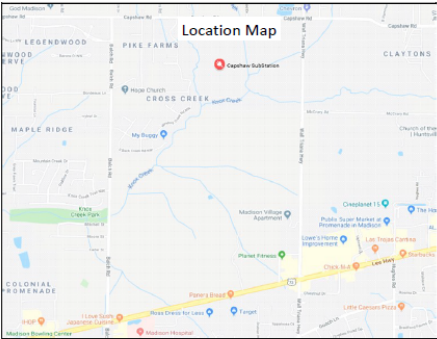
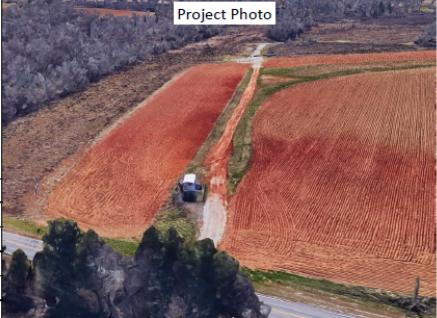
**Note:** Every item in the capital improvement plan will not have a project summary sheet. Only projects that require design and planning by the Engineering section are included.

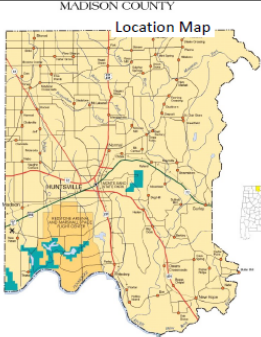


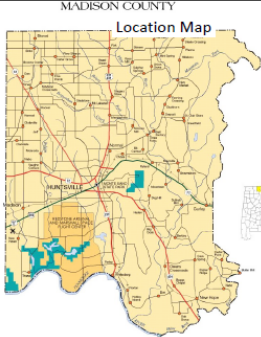
<b>Current&amp;Future Huntsville Utilities Project- Electric Capital</b>					<b>June 2020</b>																																				
AMI Modules - Purchase and Install by Contractor			CPP-20.E.607130.51.03		Status: Construction																																				
					<b>On Time</b>																																				
<p><b>Scope of Project:</b> The scope of this project is to convert existing service meters in the field over to Landis and Gyr AMI meters. This involves the ordering of meters, warehousing, deploying AMI meters, and the removal and scrapping of the old meters. Aclara-SGS is the contractor hired to install the majority of AMI meters in the field.</p> <p><b>Justification:</b> Electric AMI meter deployment is necessary for conversion to AMI system. AMI will increase amount of data to analyze system, eliminate manual reads, report outages &amp; faster customer service with move in/out. AMI electric meters are communications backbone for future water &amp; gas AMI modules. AMI meters are a foundation to future upgrades to an Outage Management System and Distribution Automation.</p> <p><b>Project Update:</b> There are 106,667 electric AMI meters installed as of June 30, 2020. This is over 50% of the entire electric meters in the service area. The AMI system is producing the automated reads as designed.</p> <p><b>Project Notes:</b> FY 2020 Electric AMI Deployment Goal is to deploy 60,000 AMI meters. 33,291 have been deployed in fiscal year 2020 as of March 30, 2020.</p>																																									
																																									
																																									
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% Budget Spent	0%	94%	67%	0%	<b>48%</b>																																				
Engineering Start:		Bid Opening:		Intent to Award:																																					
				N.T.P.:	05-Nov-18																																				
				Projected Complete:	30-Sep-21																																				
				Req'd Complete:	30-Sep-21																																				

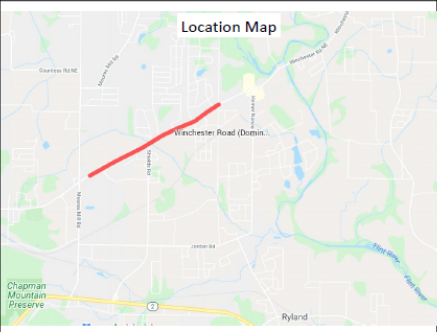

<b>Current&amp;Future Huntsville Utilities Project- Electric Capital</b>					<b>June 2020</b>																																				
Northern Bypass Relocates			CPP-20.E.607330.52.09		Status: Planning																																				
					<b>Delayed</b>																																				
<p><b>Scope of Project:</b> Replace and re-route approximately 4 miles of 46 kV and 12 kV lines along Bob Wade Lane and US 231/431.</p> <p><b>Justification:</b> Existing lines interfere with road project.</p> <p><b>Project Update:</b> Still in design. COH and State are still negotiating who will pay for the project. City confirmed on 7/6/2020 that project is still on hold and no new information is available.</p> <p><b>Project Notes:</b></p>																																									
																																									
																																									
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Fiscal Year	FY2019	FY2020	FY2021		TOTAL																																				
Budget Line	352-2019-7	352-2020-3	Carryover																																						
Budget	\$850,000	\$1,800,000	\$1,800,000	\$0	<b>\$1,800,000</b>																																				
Actual/FYTD	\$0	\$0	\$0	\$0	<b>\$0</b>																																				
Budget Remaining	\$850,000	\$1,800,000	\$1,800,000	\$0	<b>\$1,800,000</b>																																				
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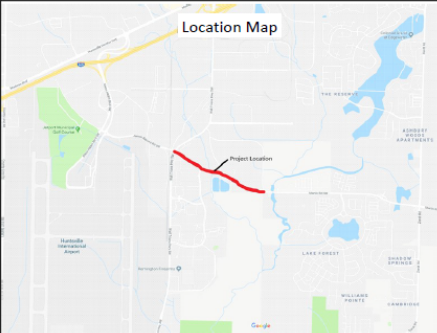

Future Huntsville Utilities Project- Electric Capital					June 2020
<b>Old Monrovia Substation</b>					Status: Planning
Scope of Project: Build a new 46/12 kV, 4-feeder distribution system alongside Old Monrovia Rd near Dry Creek.					
Justification: Perimeter Park Substation (PERP) has a high summer peak (90% loading August 2019) and PERP 224 is exceeding loading of 750 AL cables existing substation. 90% of PERP distribution circuits are 12kV making conversion to 25kV not a viable option. See \\files\server\engineering1\admin\budget\future projects\electric\justifications\Old Monrovia Substation 2021.docx for more detail.					
Project Update:					
Project Notes:					
					
					
Fiscal Year	FY2021	FY2022			TOTAL
Budget Line					
Budget	\$1,462,500	\$487,500	\$0	\$0	\$1,950,000
Actual/FYTD	\$0	\$0	\$0	\$0	\$0
Budget Remaining	\$1,462,500	\$487,500	\$0	\$0	\$1,950,000
% Budget Spent	0%	0%	0%	0%	0%
Engineering Start:		Bid Opening:		Intent to Award:	
				N.T.P.:	
				Projected Complete:	
				Req'd Complete:	

Current&Future Huntsville Utilities Project- Electric Capital					June 2020
<b>Capshaw - Complete Substation &amp; Transmission Tap</b>					CPP-20.E.607320.51.05
Scope of Project: Project is to build a 46/12 kV substation on HU property off Capshaw Road, and construct a 46 kV line to the substation.					Status: Engineering <b>On Time</b>
Justification: Project is needed to support the continued growth in the area. The area is presently fed by Old Railroad Bed, Nick Davis and Walnut Substations. Growth in the area has pushed loads to the limits of these substations. Peak loads of Jan. 2018, Nick Davis Bank 2 was loaded 79% of 28 MVA capacity; Old Railroad Bed Bank 1 was loaded 100% of 28 MVA capacity; Walnut Bank 1 was loaded 50% of 28 MVA capacity. Also allows backup source for Madison Hospital.					
Project Update: No progress due to time constraints of other priorities and COVID-19 response. Some equipment requisitions are out, with more to follow. Still working on site prep design with OMI. Need to see if purchase orders have been issued as bid awards were recommended for the circuit breakers.					
Project Notes:					
					
					
Fiscal Year	FY2019	FY2020	FY2021		TOTAL
Budget Line	351-2019-4	351-2020-5	carryover		
Budget	\$540,000	\$1,625,000	\$1,000,000	\$0	\$2,165,000
Actual/FYTD	\$311,993	\$39,922	\$0	\$0	\$351,915
Budget Remaining	\$228,007	\$1,585,078	\$1,000,000	\$0	\$1,813,085
% Budget Spent	58%	2%	0%	0%	16%
Engineering Start:	01-Mar-1	Bid Opening:		Intent to Award:	
				N.T.P.:	
				Projected Complete:	30-Jun-21
				Req'd Complete:	30-Jun-21

<b>Future Huntsville Utilities Project- Electric Capital</b>					<b>June 2020</b>																																				
GIS Software (Electric)					Status: Planning																																				
<p>Scope of Project: Implementation of new Geographical Information System (GIS) platform and conversion of all Gas, Water, Electric and Fiber facility maps and data.</p> <p>Justification: New system brings all facilities onto a single software platform, with greater functional &amp; operational capabilities &amp; a shared database. This will result in more efficient &amp; common workflows &amp; much reduced back office configuration &amp; administration. The new system also offers more capability in configuring mobile work &amp; asset management that will help with inspections, maintenance &amp; other infrastructure-wide work.</p> <p>Project Update:</p> <p>Project Notes: The total cost for the project is projected to be \$1,200,000 and will be split between electric, fiber, gas, and water.</p>																																									
																																									
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Fiscal Year	FY2021	FY2022			TOTAL																																				
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% Budget Spent	0%	0%	0%	0%	<b>0%</b>																																				
Engineering Start:		Bid Opening:		Intent to Award:																																					
				N.T.P.:																																					
				Projected Complete:																																					
				Req'd Complete:																																					

<b>Future Huntsville Utilities Project- Electric Capital</b>					<b>June 2020</b>																																				
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<p>Scope of Project: Implementation of new Geographical Information System (GIS) platform and conversion of all Gas, Water, Electric and Fiber facility maps and data.</p> <p>Justification: New system brings all facilities onto a single software platform, with greater functional &amp; operational capabilities &amp; a shared database. This will result in more efficient &amp; common workflows &amp; much reduced back office configuration &amp; administration. The new system also offers more capability in configuring mobile work &amp; asset management that will help with inspections, maintenance &amp; other infrastructure-wide work.</p> <p>Project Update:</p> <p>Project Notes: The total cost for the project is projected to be \$1,200,000 and will be split between electric, fiber, gas, and water.</p>																																									
																																									
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Fiscal Year	FY2021				TOTAL																																				
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Engineering Start:		Bid Opening:		Intent to Award:																																					
				N.T.P.:																																					
				Projected Complete:																																					
				Req'd Complete:																																					

Future Huntsville Utilities Project- Electric Capital					June 2020
Winchester Road (Dominion to Naugher)				Status:	
Scope of Project: Relocate approx. 2 Miles of Electric Facilities as required for road relocation				<div style="text-align: center;">  <p><b>Location Map</b></p> </div> <div style="text-align: center;">  <p><b>Project Photo</b></p> </div>	
Justification: Existing Facilities interfere with Road Relocation project					
Project Update:					
Project Notes:					
Fiscal Year	FY2021				<b>TOTAL</b>
Budget Line					
Budget	\$450,000	\$0	\$0	\$0	<b>\$450,000</b>
Actual/FYTD	\$0	\$0	\$0	\$0	<b>\$0</b>
Budget Remaining	\$450,000	\$0	\$0	\$0	<b>\$450,000</b>
% Budget Spent	0%	0%	0%	0%	<b>0%</b>
Engineering Start:		Bid Opening:		Intent to Award:	
				N.T.P.:	
				Projected Complete:	
				Req'd Complete:	

Current&Future Huntsville Utilities Project- Electric Capital					June 2020
Martin Road (Wall Triana to Old Jim Williams)				Status: Delayed	
				<b>Delayed</b>	
Scope of Project: Relocate 5,400 feet of transmission and distribution system due to a road widening project. Limits of project are along Martin Road between and Old Jim Williams Road and Wall Triana Hwy.				<div style="text-align: center;">  <p><b>Location Map</b></p> </div> <div style="text-align: center;">  <p><b>Project Photo</b></p> </div>	
Justification: Existing lines interfere with the Martin Road Project.					
Project Update: Received correspondence from COH and ALDOT that the utility phase for this project has been funded. Anticipate relocations to begin later this year.					
Project Notes:					
Fiscal Year	FY2018	FY2019	FY2020	FY2021	<b>TOTAL</b>
Budget Line	352-2018-4	352-2019-4	Carryover	Carryover	
Budget	\$450,000	\$450,000	\$450,000	\$450,000	<b>\$450,000</b>
Actual/FYTD	\$0	\$0	\$1,414	\$0	<b>\$1,414</b>
Budget Remaining	\$450,000	\$450,000	\$448,586	\$450,000	<b>\$448,586</b>
% Budget Spent	0%	0%	0%	0%	<b>0%</b>
Engineering Start:		Bid Opening:		Intent to Award:	
				N.T.P.:	
				Projected Complete:	
				Req'd Complete:	

**Future Huntsville Utilities Project- Electric Capital**

June 2020

**Downtown Electric Switch Replacement**

Status: Planning

Scope of Project:

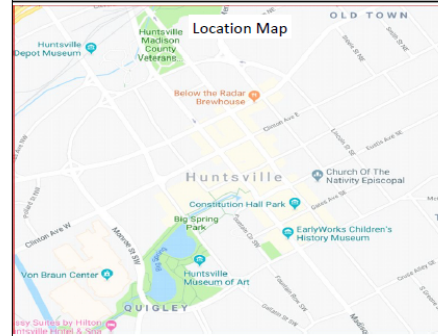
Replace two (2) underground switchgears.

Justification:

The Underground switchgear we have in our downtown area is old. It is becoming less reliable and more dangerous. Several of them leak, and when they fail they often times fail catastrophically and blow apart.

Project Update:

Project Notes:



Fiscal Year	FY2020	FY2021	FY2022	FY23 to FY29	TOTAL
Budget Line					
Budget	\$400,000	\$400,000	\$400,000	\$2,800,000	\$4,000,000
Actual/FYTD	\$0	\$0	\$0	\$0	\$0
Budget Remaining	\$400,000	\$400,000	\$400,000	\$2,800,000	\$4,000,000
% Budget Spent	0%	0%	0%	0%	0%

Engineering Start:  Bid Opening:  Intent to Award:  N.T.P.:  Projected Complete:  Req'd Complete: 30-Sep-21

**Future Huntsville Utilities Project- Electric Capital**

June 2020

**Jetport - Replace 6 46kV Breakers**

Status: Planning

Scope of Project:

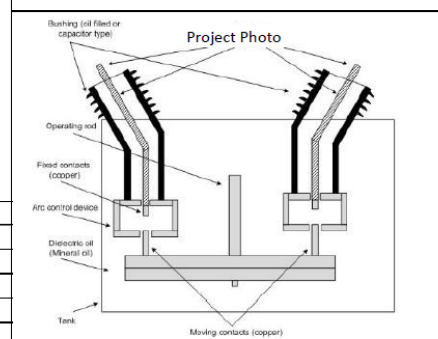
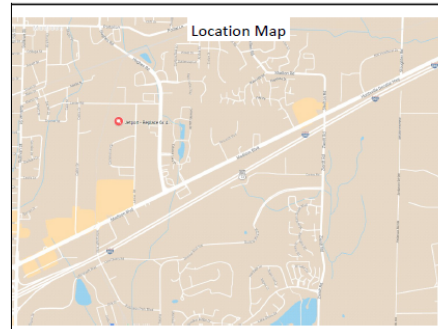
Replace six (6) 46 kV breakers at the Jetport Substation.

Justification:

Improve system reliability. These breakers are now 40 years old. While their performance has been good, they are obsolete. Parts are not available for them.

Project Update:

Project Notes:



Fiscal Year	FY2021				TOTAL
Budget Line					
Budget	\$315,000	\$0	\$0	\$0	\$315,000
Actual/FYTD	\$0	\$0	\$0	\$0	\$0
Budget Remaining	\$315,000	\$0	\$0	\$0	\$315,000
% Budget Spent	0%	0%	0%	0%	0%

Engineering Start:  Bid Opening:  Intent to Award:  N.T.P.:  Projected Complete:  Req'd Complete:

**Future Huntsville Utilities Project- Electric Capital**

**June 2020**

**IBM - Replace 4 1966 Breakers**

Status:

Scope of Project:

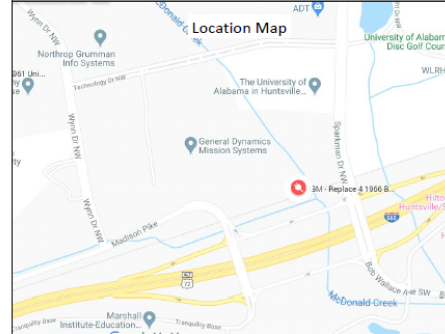
Replace four (4) 12 kV breakers at the IBM Substation. The plan is to go with retrofitted breakers in an attempt to not replace the entire metal clad switchgear.

Justification:

Improve system reliability. These breakers are now 54 years old. While they are doing well in a controlled environment (metal enclosed switchgear), they are obsolete. Parts are not available for them.

Project Update:

Project Notes:



Fiscal Year	FY2021				TOTAL
Budget Line					
Budget	\$230,000	\$0	\$0	\$0	\$230,000
Actual/FYTD	\$0	\$0	\$0	\$0	\$0
Budget Remaining	\$230,000	\$0	\$0	\$0	\$230,000
% Budget Spent	0%	0%	0%	0%	0%

Engineering Start:  Bid Opening:  Intent to Award:  N.T.P.:  Projected Complete:  Req'd Complete:

**Future Huntsville Utilities Project- Electric Capital**

**June 2020**

**Automatic Transfer Switching**

Status: Planning

Scope of Project:

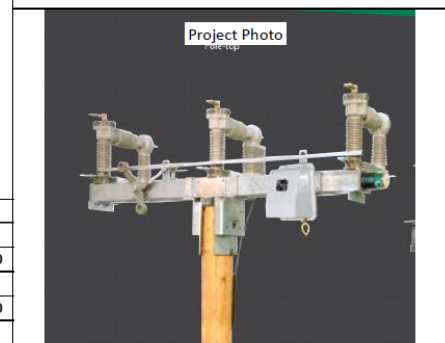
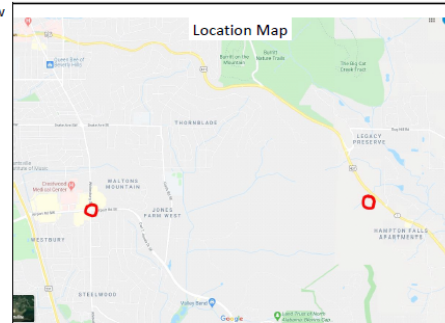
Replace two (2) overhead 46 kV switches with new switches equipped with motor operators to allow for remote opening and closing through SCADA.

Justification:

Improve system reliability & restoration times. The 46kV Switch #486-483 on Governor's Dr. is very difficult to access and by replacing this switch with a switch controlled by SCADA, we can improve system reliability by improving restoration time. Replacing the 46kV switch near Airport Rd & Whitesburg Dr. with a switch controlled by SCADA we can decrease the restoration time to get Crestwood Hospital back on in the event of a 46kV outage affecting the facility.

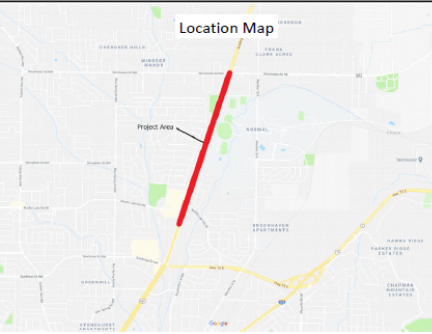

Project Update:

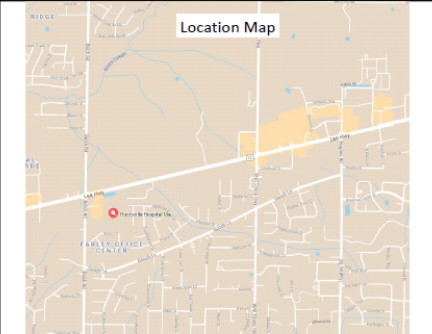

Project Notes:

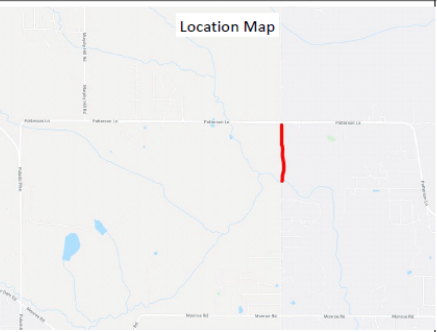



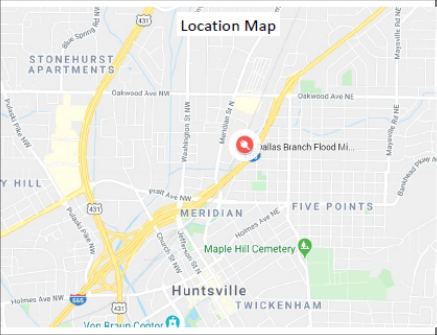

Fiscal Year	FY2021	FY2022	FY2023	FY2024	TOTAL
Budget Line					
Budget	\$200,000	\$450,000	\$450,000	\$450,000	\$2,000,000
Actual/FYTD	\$0	\$0	\$0	\$0	\$0
Budget Remaining	\$200,000	\$450,000	\$450,000	\$450,000	\$2,000,000
% Budget Spent	0%	0%	0%	0%	0%

Engineering Start:  Bid Opening:  Intent to Award:  N.T.P.:  Projected Complete:  Req'd Complete:

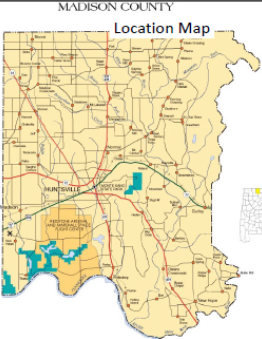
Current&Future Huntsville Utilities Project- Electric Capital					June 2020
Memorial Parkway Relocates (Mastin Lake)			CPP-20.E.607330.52.08	Status: Engineering	
Scope of Project: Replace and re-route approximately 2 miles of 46 kV and 12 kV lines along Memorial Parkway from south of Mastin Lake Road to Winchester Road including associated side streets.			<b>On Time</b>		
Justification: Existing lines interfere with road project.			<div style="display: flex; flex-direction: column;"> <div style="text-align: center;">  <p>Location Map</p> </div> <div style="text-align: center;">  <p>Project Photo</p> </div> </div>		
Project Update: Designed. Going through for approvals. State has yet to release construction. Maybe towards the end of FY20, but we can get started.					
Project Notes: Project has been redesigned which reduced cost from \$1.2M to \$200k.					
Fiscal Year	FY2019	FY2020	FY2021		<b>TOTAL</b>
Budget Line	352-2019-6	352-2020-2	Carryover		
Budget	\$850,000	\$200,000	\$200,000	\$0	<b>\$200,000</b>
Actual/FYTD	\$0	\$0	\$0	\$0	<b>\$0</b>
Budget Remaining	\$850,000	\$200,000	\$200,000	\$0	<b>\$200,000</b>
% Budget Spent	0%	0%	0%	0%	<b>0%</b>
Engineering Start:	<input type="text"/>	Bid Opening:	<input type="text"/>	Intent to Award:	<input type="text"/>
				N.T.P.:	<input type="text"/>
				Projected Complete:	<input type="text"/>
				Req'd Complete:	<input type="text"/>

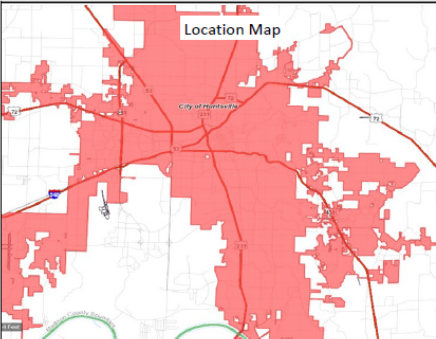

Future Huntsville Utilities Project- Electric Capital					June 2020
Huntsville Hospital Madison Tie			Status: Planning		
Scope of Project: Install approximately 10,000 feet of 750 cable, a switchgear and two bridges riser switches to complete the Madison Hospital tie circuit. Conduit has already been installed and switch base has been poured.			<div style="display: flex; flex-direction: column;"> <div style="text-align: center;">  <p>Location Map</p> </div> <div style="text-align: center;">  <p>Project Photo</p> </div> </div>		
Justification: Completing tie circuit will provide hospital with redundancy. Redundant feeds are crucial to providing adequate service to any medical facility. This will allow HU to tie between WAL 234 & WAL 244 allowing for (1)Quicker restoration time in the event of a cable failure. (2)Put HU in a position to provide automated switching capability in the future to reduce restoration time. (3)Will reduce the chances of single phasing which will protect customer equipment.					
Project Update: Design under review					
Project Notes:					
Fiscal Year	FY2021				<b>TOTAL</b>
Budget Line					
Budget	\$180,000	\$0	\$0	\$0	<b>\$180,000</b>
Actual/FYTD	\$0	\$0	\$0	\$0	<b>\$0</b>
Budget Remaining	\$180,000	\$0	\$0	\$0	<b>\$180,000</b>
% Budget Spent	0%	0%	0%	0%	<b>0%</b>
Engineering Start:	<input type="text"/>	Bid Opening:	<input type="text"/>	Intent to Award:	<input type="text"/>
				N.T.P.:	<input type="text"/>
				Projected Complete:	<input type="text"/>
				Req'd Complete:	<input type="text"/>

Future Huntsville Utilities Project- Electric Capital					June 2020																																				
<b>Mount Lebanon Tie Circuit</b>					Status:																																				
Scope of Project: Extend three phase approximately 3,100 lf along Mt. Lebanon from Browning Circle to Patterson Lane.					<div style="text-align: center;">Location Map</div> 																																				
Justification: Provide a tie between the ends LIBH 214 and LBH 234. This will help restore power to areas impacted with outages quicker.																																									
Project Update:																																									
Project Notes:																																									
<table border="1" style="width:100%; border-collapse: collapse;"> <thead> <tr> <th>Fiscal Year</th> <th>FY2021</th> <th></th> <th></th> <th></th> <th>TOTAL</th> </tr> </thead> <tbody> <tr> <td>Budget Line</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Budget</td> <td>\$120,000</td> <td>\$0</td> <td>\$0</td> <td>\$0</td> <td>\$120,000</td> </tr> <tr> <td>Actual/FYTD</td> <td>\$0</td> <td>\$0</td> <td>\$0</td> <td>\$0</td> <td>\$0</td> </tr> <tr> <td>Budget Remaining</td> <td>\$120,000</td> <td>\$0</td> <td>\$0</td> <td>\$0</td> <td>\$120,000</td> </tr> <tr> <td>% Budget Spent</td> <td>0%</td> <td>0%</td> <td>0%</td> <td>0%</td> <td>0%</td> </tr> </tbody> </table>					Fiscal Year	FY2021				TOTAL	Budget Line						Budget	\$120,000	\$0	\$0	\$0	\$120,000	Actual/FYTD	\$0	\$0	\$0	\$0	\$0	Budget Remaining	\$120,000	\$0	\$0	\$0	\$120,000	% Budget Spent	0%	0%	0%	0%	0%	<div style="text-align: center;">Project Photo</div> 
Fiscal Year	FY2021				TOTAL																																				
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Engineering Start:		Bid Opening:		Intent to Award:		N.T.P.:		Projected Complete:		Req'd Complete:																															

Future Huntsville Utilities Project- Electric Capital					June 2020																																				
<b>Dallas Branch Flood Mitigation</b>					Status: Planning																																				
Scope of Project: Relocate Electric Facilities along the Dallas Branch of Pinhook Creek as needed for Drainage/Flood Mitigation Project.					<div style="text-align: center;">Location Map</div> 																																				
Justification: Existing Facilities interfere with Flood Mitigation Project. City has been awarded grant money from FEMA and has 3 years to spend the money. Design from 2013 was reviewed and cost estimate updated.																																									
Project Update:																																									
Project Notes:																																									
<table border="1" style="width:100%; border-collapse: collapse;"> <thead> <tr> <th>Fiscal Year</th> <th>FY2021</th> <th></th> <th></th> <th></th> <th>TOTAL</th> </tr> </thead> <tbody> <tr> <td>Budget Line</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Budget</td> <td>\$50,000</td> <td>\$0</td> <td>\$0</td> <td>\$0</td> <td>\$50,000</td> </tr> <tr> <td>Actual/FYTD</td> <td>\$0</td> <td>\$0</td> <td>\$0</td> <td>\$0</td> <td>\$0</td> </tr> <tr> <td>Budget Remaining</td> <td>\$50,000</td> <td>\$0</td> <td>\$0</td> <td>\$0</td> <td>\$50,000</td> </tr> <tr> <td>% Budget Spent</td> <td>0%</td> <td>0%</td> <td>0%</td> <td>0%</td> <td>0%</td> </tr> </tbody> </table>					Fiscal Year	FY2021				TOTAL	Budget Line						Budget	\$50,000	\$0	\$0	\$0	\$50,000	Actual/FYTD	\$0	\$0	\$0	\$0	\$0	Budget Remaining	\$50,000	\$0	\$0	\$0	\$50,000	% Budget Spent	0%	0%	0%	0%	0%	<div style="text-align: center;">Project Photo</div> 
Fiscal Year	FY2021				TOTAL																																				
Budget Line																																									
Budget	\$50,000	\$0	\$0	\$0	\$50,000																																				
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Engineering Start:		Bid Opening:		Intent to Award:		N.T.P.:		Projected Complete:		Req'd Complete:																															



Future Huntsville Utilities Project- Electric Capital						June 2020
General Development and Extensions					Status: Planning	
<p>Scope of Project: General Development and Extensions covers most of the new development/customer driven projects including commercial, industrial, residential, subdivisions, apartments, hotels, etc. The majority of this work is offset by ATC payments, minus any credits or betterments by Huntsville Utilities.</p> <p>Justification: Infrastructure needed to support new development projects and economic development projects.</p> <p>Project Update:</p> <p>Project Notes:</p>						 <p style="text-align: center;">Project Photo</p>
Fiscal Year	FY2021	FY2022	FY2023	FY2024	<b>TOTAL</b>	
Budget Line						
Budget	\$6,000,000	\$4,000,000	\$4,000,000	\$4,000,000	<b>\$22,000,000</b>	
Actual/FYTD	\$0	\$0	\$0	\$0	<b>\$0</b>	
Budget Remaining	\$6,000,000	\$4,000,000	\$4,000,000	\$4,000,000	<b>\$22,000,000</b>	
% Budget Spent	0%	0%	0%	0%	<b>0%</b>	
Engineering Start:	<input type="text"/>	Bid Opening:	<input type="text"/>	Intent to Award:	<input type="text"/>	N.T.P.:
						Projected Complete:
						Req'd Complete:

Future Huntsville Utilities Project- Electric Capital						June 2020
Fiber General Development and Extensions					Status: Planning	
<p>Scope of Project: Install fiber conduit in joint trench w/ Electric for new subdivisions</p> <p>Justification: Cost reduction vs. installing later</p> <p>Project Update: Installing 2" conduit in joint trench w/ Electric for new subdivisions under construction in the COH</p> <p>Project Notes:</p>						 <p style="text-align: center;">Project Photo</p> 
Fiscal Year	FY2021	FY2022	FY2023	FY2024	<b>TOTAL</b>	
Budget Line						
Budget	\$2,000,000	\$750,000	\$750,000	\$750,000	<b>\$5,000,000</b>	
Actual/FYTD	\$0	\$0	\$0	\$0	<b>\$0</b>	
Budget Remaining	\$2,000,000	\$750,000	\$750,000	\$750,000	<b>\$5,000,000</b>	
% Budget Spent	0%	0%	0%	0%	<b>0%</b>	
Engineering Start:	<input type="text"/>	Bid Opening:	<input type="text"/>	Intent to Award:	<input type="text"/>	N.T.P.:
						Projected Complete:
						Req'd Complete:

**Future Huntsville Utilities Project- Electric Capital**

June 2020

**Replace Obsolete Breakers**

Status: Planning

Scope of Project:

Ongoing replacement of obsolete breakers. This was originally for oil-filled breakers, but it will be expanded to include older SF6 breakers (15- and 38-kV units). For both types of breakers (oil and SF6) parts are no longer available, hence they're obsolete.

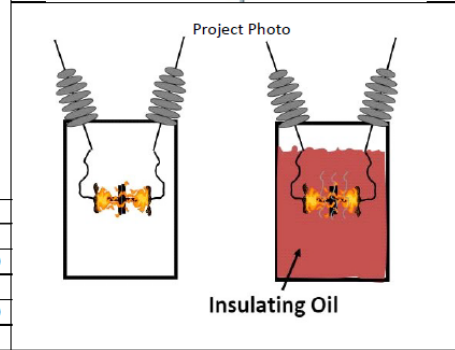
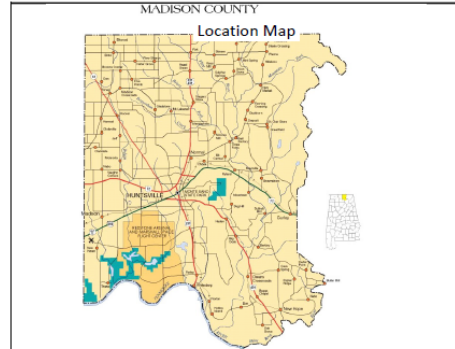
Justification:

For continued and improved reliability of the electric system.

Project Update:

10 Breakers to be replaced in FY2020

Project Notes:



Fiscal Year	FY2021	FY2022	FY2023	FY2024	TOTAL
Budget Line					
Budget	\$610,000	\$295,000	\$225,000	\$225,000	\$1,580,000
Actual/FYTD	\$0	\$0	\$0	\$0	\$0
Budget Remaining	\$610,000	\$295,000	\$225,000	\$225,000	\$1,580,000
% Budget Spent	0%	0%	0%	0%	0%

Engineering Start:		Bid Opening:		Intent to Award:		N.T.P.:		Projected Complete:		Req'd Complete:	30-Sep-21
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**Future Huntsville Utilities Project- Electric Capital**

June 2020

**Misc. Underground Cable Replacement**

Status: Planning

Scope of Project:

This is an ongoing program to replace failed and/or aged underground cables, especially those that are direct buried.

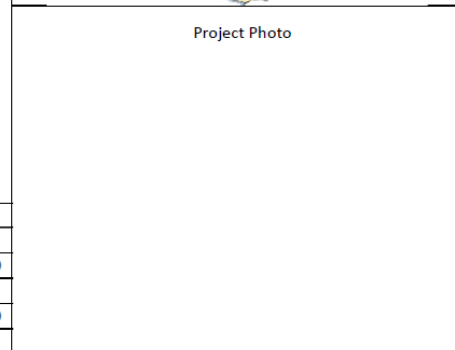
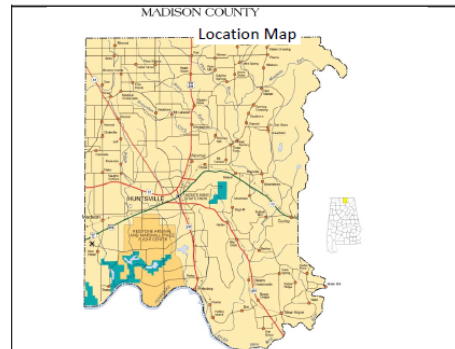
Justification:

Improves system reliability. Underground cables have a definite life dependent on cable's material qualities & environment. Early underground cables touted as direct buried for ease of installation & lower costs (no conduit req'd), however, the environment is harsher than designers realized. These cables routinely fail and when they fail they direct buried cables are replaced with new cables in conduit.

Project Update:

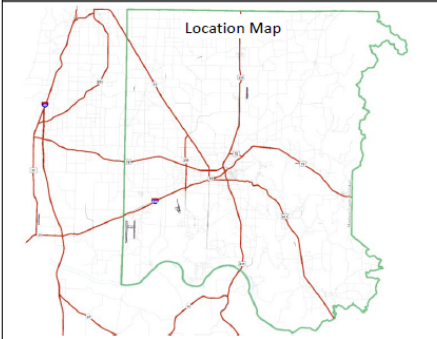
Project Notes:

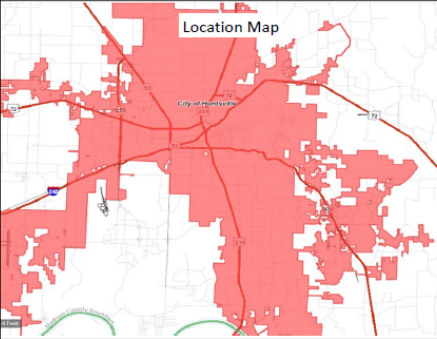
Cost is based on historical data.



Fiscal Year	FY2021	FY2022	FY2023	FY2024	TOTAL
Budget Line					
Budget	\$500,000	\$500,000	\$1,000,000	\$1,000,000	\$4,000,000
Actual/FYTD	\$0	\$0	\$0	\$0	\$0
Budget Remaining	\$500,000	\$500,000	\$1,000,000	\$1,000,000	\$4,000,000
% Budget Spent	0%	0%	0%	0%	0%

Engineering Start:		Bid Opening:		Intent to Award:		N.T.P.:		Projected Complete:		Req'd Complete:	
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Future Huntsville Utilities Project- Electric Capital					June 2020
Misc. Upgrades & COH/Roadway Relocations					Status: Planning
Scope of Project: Minor Misc. system changes as required for smaller Road Projects					
Justification: Existing lines interfere with road project.					
Project Update:					
Project Notes:					
Fiscal Year	FY2021	FY2022	FY2023	FY2024	<b>TOTAL</b>
Budget Line					
Budget	\$300,000	\$300,000	\$300,000	\$300,000	<b>\$1,500,000</b>
Actual/FYTD		\$0	\$0	\$0	
Budget Remaining		\$300,000	\$300,000	\$300,000	
% Budget Spent		0%	0%	0%	
Engineering Start:		Bid Opening:		Intent to Award:	
				N.T.P.:	
				Projected Complete:	
				Req'd Complete:	

Future Huntsville Utilities Project- Electric Capital					June 2020
Fiber Road Relocations					Status: Planning
Scope of Project: Relocate fiber lines as required for Road Relocation projects					
Justification: Existing lines interfere with road project.					
Project Update:					
Project Notes:					
Fiscal Year	FY2021	FY2022	FY2023	FY2024	<b>TOTAL</b>
Budget Line					
Budget	\$100,000	\$100,000	\$100,000	\$100,000	<b>\$500,000</b>
Actual/FYTD	\$0	\$0	\$0	\$0	<b>\$0</b>
Budget Remaining	\$100,000	\$100,000	\$100,000	\$100,000	<b>\$500,000</b>
% Budget Spent	0%	0%	0%	0%	<b>0%</b>
Engineering Start:		Bid Opening:		Intent to Award:	
				N.T.P.:	
				Projected Complete:	
				Req'd Complete:	

**Future Huntsville Utilities Project- Electric Capital**

June 2020

**Fiber New Tier 2 (COH, etc.)**

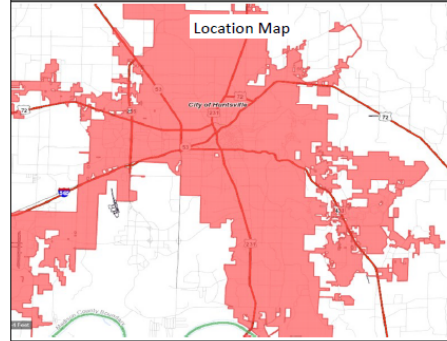
Status: Planning

Scope of Project:  
Installation of fiber service to existing and future HU Gas, Water, Electric, COH, etc. sites.

Justification:  
As required to connect up Huntsville Utilities and City of Huntsville Facilities

Project Update:

Project Notes:



Fiscal Year	FY2021	FY2022	FY2023	FY2024	TOTAL
Budget Line					
Budget	\$100,000	\$100,000	\$100,000	\$100,000	\$500,000
Actual/FYTD	\$0	\$0	\$0	\$0	\$0
Budget Remaining	\$100,000	\$100,000	\$100,000	\$100,000	\$500,000
% Budget Spent	0%	0%	0%	0%	0%

Engineering Start:		Bid Opening:		Intent to Award:		N.T.P.:		Projected Complete:		Req'd Complete:	
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# Debt and Debt Service

Capital spending to maintain and expand major infrastructure is an integral part of the budget cycle each year. Debt Policy FM-10 establishes criteria that will protect the utilities’ financial integrity while providing a funding mechanism to meet capital needs. Huntsville Utilities’ approach towards debt is to borrow only for capital improvements that cannot be funded on a pay-as-you-go basis. No long-term debt will be issued to finance current operations. All debt issued for Huntsville Utilities will be issued in the name of the City of Huntsville and debt issuance for Huntsville Utilities must be approved by the appropriate Board and Huntsville City Council.

Debt financing is primarily provided by revenue bonds, local borrowings or state revolving loans. Revenue bonds are not subject to voter or customer approval nor are they subject to the City of Huntsville’s statutory debt limit but there are debt covenants in place.

Debt limitations are also imposed by policy for each utility. Debt service payments can be no more than 30% of total sales revenue for Water or operating margin for Electric and Gas. For the Water utility, the ratio of sales to operating expenses and debt service must be at least 110%. For Electric and Gas, the ratio of gross profit margin to operating expenses and debt service must be at least 110%.

Huntsville Utilities’ projected debt as of September 30, 2020 is \$180,958,597 consisting of \$162,700,000 in revenue bonds, \$130,000 in Alabama state revolving loans and \$18,128,597 of other debt. The projected debt service for fiscal year 2020 is \$17,253,384. A breakdown of debt by utility service is shown below:

Transaction	Water	Gas	Electric
Revenue Bonds	\$87,925,000	-	\$74,775,000
Local Borrowings	\$9,975,000	\$8,153,597	-
AL State Revolving Loans	130,000	-	-
Projected FY20 Debt Service	\$9,094,403	\$1,563,881	\$6,595,100

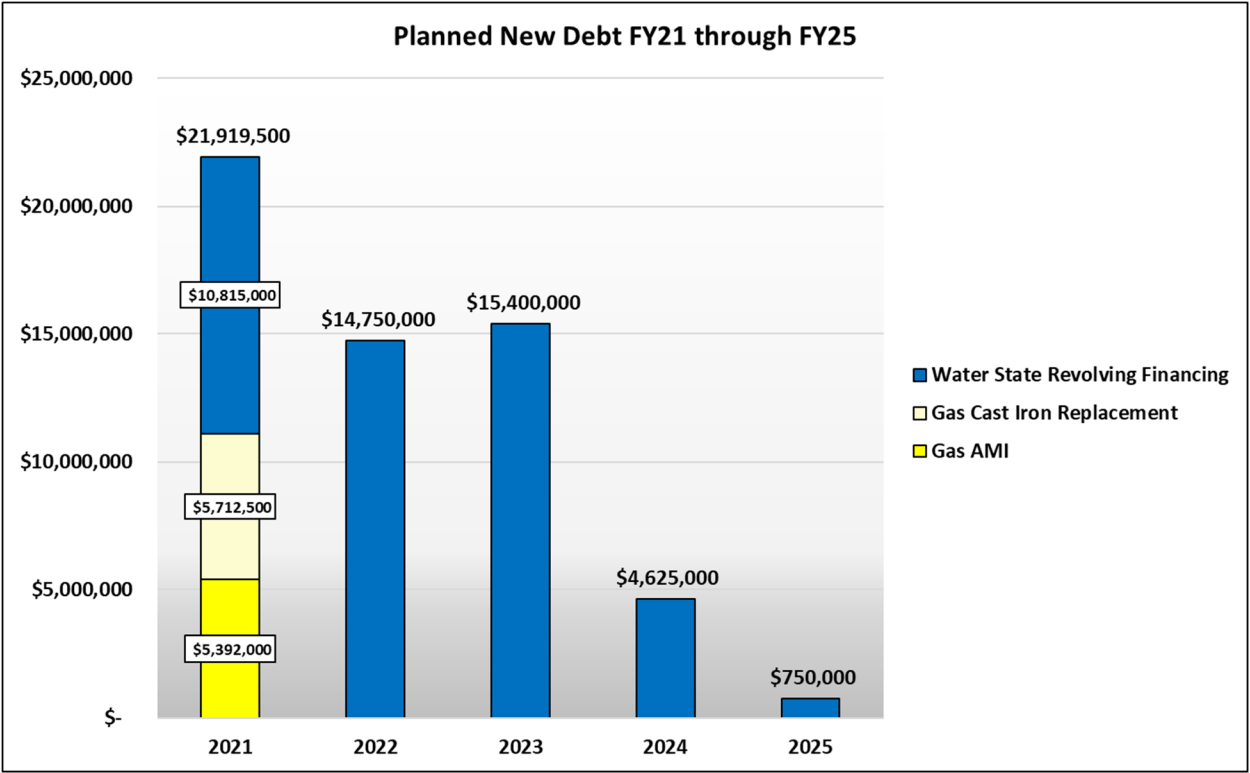
Financial ratios are used to measure and assist in recommending proper debt levels. Debt to equity ratios are calculated and compared to an acceptable range between 30%-40% of total equity. A capital spending ratio is also used to measure the amount of capital spending compared to the amount of depreciation. The goal is for capital spending to be in a range between 100% and 120% of depreciation. A third ratio, degree of asset depreciation, is also used to measure the amount of useful lives of infrastructure assets that remain. The goal is to maintain a percentage of 50% of useful lives remaining.

The Water system currently has the highest debt levels due to construction of a third water treatment plant and the purchase of additional service area from the Limestone County Water Authority. The amount of outstanding debt for this utility is \$98,030,000 with annual debt service of \$9,094,403. Budgeted debt service is approximately 20% of total budgeted revenue.

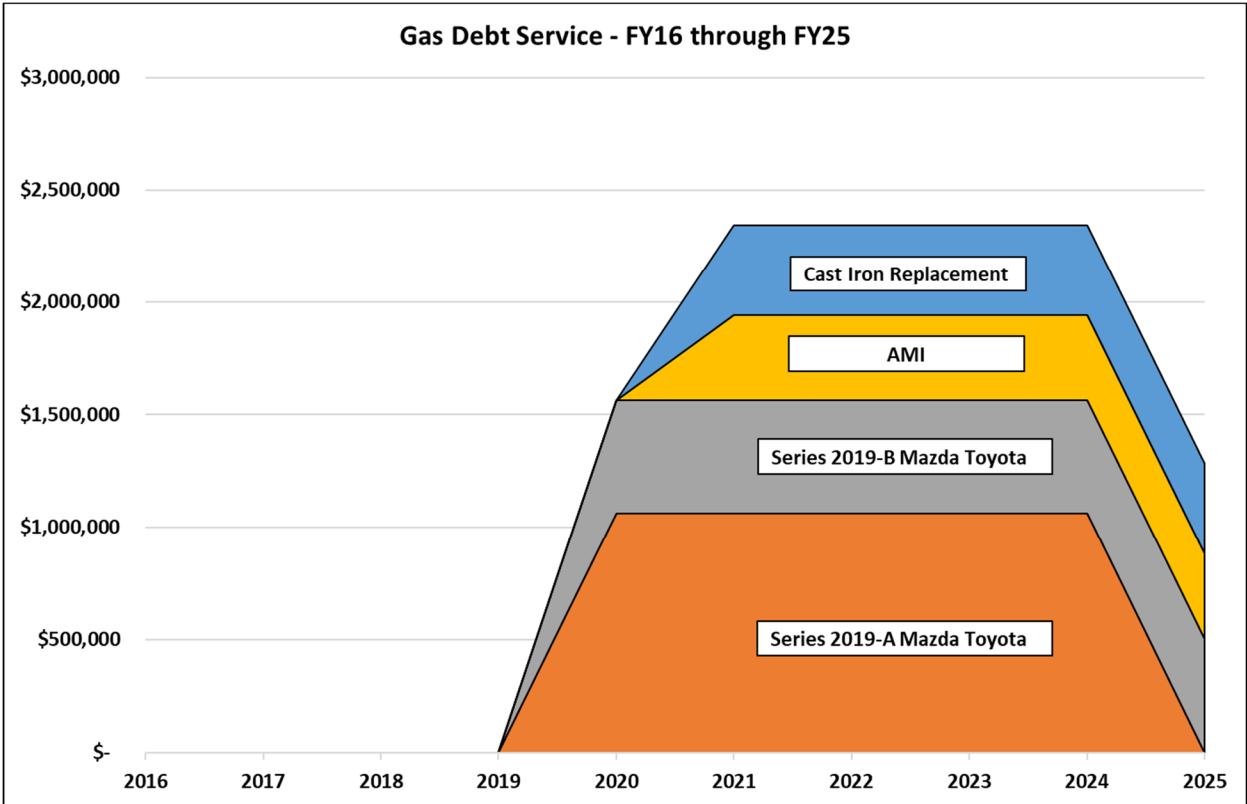
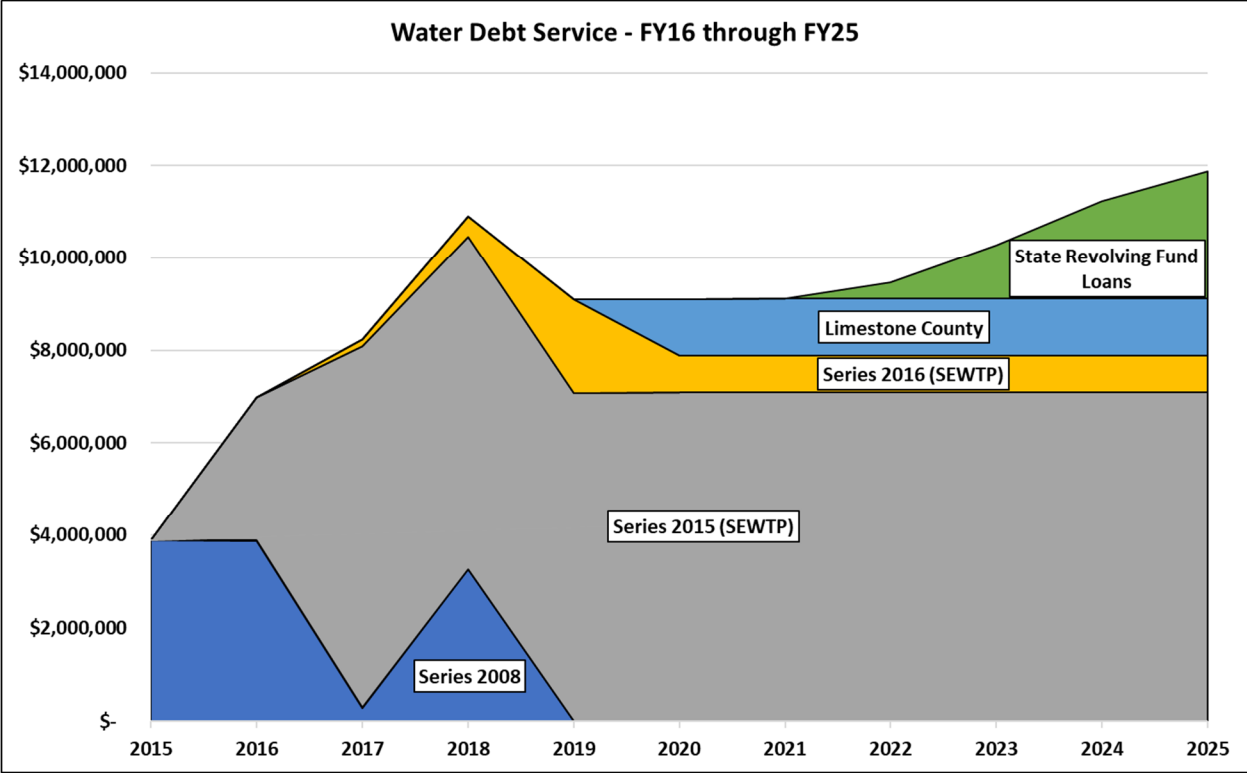
The Gas system has outstanding debt of \$8,153,597 with annual debt service of \$1,563,881 or 14% of gross profit margin. This debt, which includes both a taxable and non-taxable portion, is to fund infrastructure improvements in Limestone County that are needed to serve Mazda Toyota Manufacturing and the surrounding area.

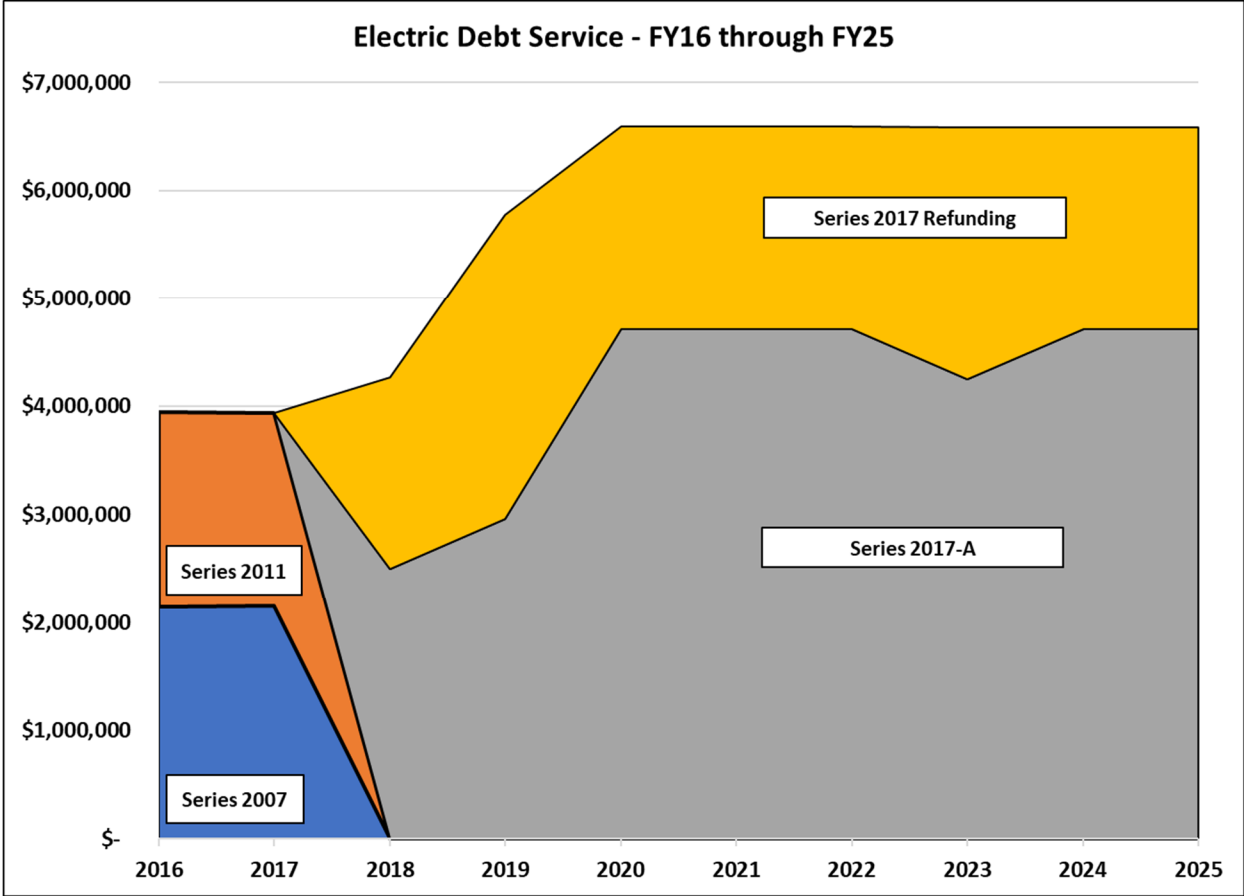
The Electric system has outstanding debt of \$74,775,000 with annual debt service of \$6,595,100 representing 6.4% of gross profit margin. This debt is used primarily to fund distribution infrastructure such as AMI deployment and substation builds.

Huntsville Utilities expects to issue approximately \$57.5 million in additional debt over the next five years to fund the capital improvement plan. As shown below, all of the expected new debt will be for the water and gas systems.



The current and projected debt service is expected to peak in fiscal year 2023 at \$20.2 million. The following charts shows debt service payments for the past five years and projections for the next five years for each utility service.







## Functional Budgets

The following pages present summary budget information for the organization by business function. Each functional area contains multiple cost centers.

Functional Areas	Cost Centers Included
<b>Administration</b>	CEO, Legal, EEO Diversity and Inclusion, Process Excellence
<b>Customer Care</b>	SVP Customer Care, Customer Care Director, Applications, Billing, Collections, Commercial and Industrial, Key Accounts, Community Relations/Public Relations, Customer Information Center, Energy Services, Field Services, Meter Reading, Payment Processing
<b>Engineering</b>	Engineering Management, Engineering Planning, Engineering Services, GIS and Mapping, Facility Mapping, Facility Locating
<b>Finance</b>	CFO, Budget and Rates, Financial Services, Stores and Warehouse, Purchasing, Fleet Management
<b>Employee Engagement</b>	VP Employee Engagement, Human Resources, Safety and Security, Facilities
<b>Information Technology</b>	CIO, Management Information Systems, Technical Services
<b>Water Operations</b>	Water Management, Meter Shop, New Services, Maintenance, Large Construction, Small Construction, Valve/Fire Hydrant, Pump Station Maintenance, Water Quality, Water Treatment Plants
<b>Gas Operations</b>	Gas Management, Meter Shop, New Services, Maintenance, Corrosion, Heavy Construction, Boring, Landscaping
<b>Electric Operations</b>	VP Operations, Meter Shop, Operations Center, Overhead Distribution, Underground Distribution, Substation, SCADA Operations, Fiber Operations

As mentioned previously, all cost centers, except for those specific to one utility service, will have costs that are allocated between water, gas and electric. Financial Services updates these percentages annually in October. The percentages used for allocating costs in preparation of this budget are shown below.

Allocation Area	Water	Gas	Electric
Fleet	20.00%	24.00%	56.00%
Stores and Purchasing	11.00%	5.00%	84.00%
Facilities	20.00%	14.00%	66.00%
Administrative and Finance	26.49%	24.51%	49.00%
Safety	23.76%	22.82%	53.42%
Customer Care	17.00%	11.00%	72.00%
Engineering	29.00%	16.00%	55.00%
Dispatch	11.00%	5.00%	84.00%
Technical Services	23.75%	26.16%	50.09%
Mapping	28.82%	15.86%	55.32%
Meter Reading	64.00%	19.00%	17.00%
Landscaping	32.00%	60.00%	8.00%
Water Operations	100.00%	0.00%	0.00%
Gas Operations	0.00%	100.00%	0.00%
Electric and Fiber Operations	0.00%	0.00%	100.00%

# **Administration**

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**Wes Kelley, CEO/President**

**Warne Heath, General Counsel**

## Organizational Function

The **CEO/President** has the overall management responsibility for operation of the water, gas, and electric utility systems. This includes insuring adequate reliable service, proper collection and disbursement of revenues, effective system maintenance and improvements and the appointment of necessary personnel, all subject to the general policies and budgets approved by the Boards. The Executive Assistant works closely with the CEO/President handling any administrative duties related to the management of the organization and requests from the Boards, City Council, and County Commissioners.

The **Legal department** works to prevent and manage any legal issues that arise during operation of the utilities. General Counsel and the Legal Assistant serve a critical role in drafting or reviewing contracts, policies and other official documents. The group coordinates with outside legal representation in any litigation or other specialized services. General Counsel works closely with the CEO/President by offering guidance in legal matters to insure compliance with any relevant laws or regulatory requirements.

The **Equal Employment Opportunity / Diversity and Inclusion** office is responsible for interpreting federal laws prohibiting discrimination and promoting workforce diversity. To achieve these goals, this section holds several training meetings for employees educating them on their rights and how to report a problems or concerns. The EEO/DI group is active in investigations and all employment interviews.

**Process Excellence** provides proper controls, governance, and risk management to protect our employees, processes, records, and assets. Beyond after-the-fact review, this group also promotes performance improvements that add value to utility operations and minimize risk in all aspects of business.

Position	Current Staffing	Staffing Reduction	Additional Staffing	Approved Staffing
<b><u>CEO</u></b>				
CEO/President	1	0	0	1
Executive Assistant	<u>1</u>	<u>0</u>	<u>0</u>	<u>1</u>
	<b>2</b>	<b>0</b>	<b>0</b>	<b>2</b>
<b><u>Legal</u></b>				
General Counsel	1	0	0	1
Legal Assistant	<u>1</u>	<u>0</u>	<u>0</u>	<u>1</u>
	<b>2</b>	<b>0</b>	<b>0</b>	<b>2</b>
<b><u>EEO, Diversity and Inclusion</u></b>				
Director, EEO, Diversity and Inclusion	1	0	0	1
EEO, Diversity & Inclusion Officer	<u>1</u>	<u>0</u>	<u>0</u>	<u>1</u>
	<b>2</b>	<b>0</b>	<b>0</b>	<b>2</b>
<b><u>Process Excellence</u></b>				
Director, Internal Audit	1	0	0	1
Senior Internal Auditor	2	0	0	2
Internal Auditor II	<u>1</u>	<u>0</u>	<u>0</u>	<u>1</u>
	<b>4</b>	<b>0</b>	<b>0</b>	<b>4</b>
<b>ADMINISTRATION HEADCOUNT</b>	<b>10</b>	<b>0</b>	<b>0</b>	<b>10</b>

## Departmental Overview

Performance Indicators	Goal	Current
Employees reported as “promoters” in annual workplace survey	60%	71%
Recent customers “very satisfied” with the ease of doing business with HU	90%	93.7%
Community “very satisfied with the ease of doing business with HU	80%	85%
Ensure strong Electric average system availability and average customer outage duration	99.990% / < 60 minutes	99.993% / 60.7 minutes
Ensure strong Gas average system availability and average customer outage duration	99.999% / < 60 minutes	100% / 10.0 minutes
Ensure strong Water average system availability and average customer outage duration	99.999% / < 60 minutes	100% / 5.5 minutes
Provide competitive Electric, Gas, and Water rates	< 25%	15% / 50% /13%
Maintain reasonable utility bills compared to Madison County median household incomes	< 5%	4.9%
Participate in industry award programs	APPA – RP3 APGA – SOAR AWWA/AWPC Best	RP3 – Diamond Level SOAR – Silver Level AWWA/AWPC -

### Accomplishments for FY2020 Budget Year:

- Addressed TVA long-term partnership agreement.
- Managed HU’s response to the COVID-19 pandemic.
- Updated the strategic plan and numerous polices and standards.
- Facilitated improvements to budgeting and capital planning.
- Wrap-up of city-wide fiber construction and addressed ongoing extensions.
- Developed LED streetlight conversion plan.
- Reviewed potential IGSA partnership with Redstone Arsenal.
- Reviewed employee benefits and compensation structures.
- Further defined roles and responsibilities for EEO/D&I function.
- Evaluated reforming HU governance under PA 175.

### Goals & Objectives for the FY2021 Budget Year:

- Finalize incorporation of HU under PA 175.
- Improve construction/development processes and practices.
- Develop improved document and contract management practices.
- Incorporate risk assessments into more operational functions.
- Launch a workforce diversity committee.

## Department Budget Summary

	FY20 Budget	FY21 Budget
Water Operating Expenses	\$589,734	\$631,701
Gas Operating Expenses	\$545,803	\$584,635
Electric Operating Expenses	\$1,111,138	\$1,188,068
<b>Total Operating Expenses</b>	<b>\$2,246,675</b>	<b>\$2,404,404</b>
Electric Capital Expenses	\$0	\$40,000
<b>Grand Total</b>	<b>\$2,246,675</b>	<b>\$2,444,404</b>

## **Customer Care**

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**John Olshefski, Senior Vice President Customer Care**

## Organizational Function

The **Customer Care Department** is comprised of Applications and Payment Processing; Billing and Collections, the Commercial and Industrial group; the Customer Information Center; Community Relations and Public Relations; Field Services and Meter Reading and has approximately 140 employees. The department's goal is to deliver an excellent customer experience and provide accurate information. Customer Care provides services with the focus on the customers' needs to transact business with Huntsville Utilities easily and conveniently.

**Residential Applications** processes applications for utility services and assists with walk-in customer account inquiries. On average, Applications handles 1,900 customer account inquiries and 1,500 service applications monthly. Customers can apply online to Start/Stop/Transfer residential service. For new residential customers, the online application process utilizes a consumer reporting agency to perform ID verification and to quote security deposits based on the customer's credit score. On average, 1,260 online applications are processed monthly.

**Billing** serves as the focal point from which all customer utility billing originates. Billing processes adjustments, investigates inquiries, and is responsible for quality control of a customer's bill. A third-party vendor handles the bill print and mailing process for Huntsville Utilities. Bills are rendered the day after meter readings are received. Additionally, Huntsville Utilities serves as the billing agent for the City of Huntsville, Madison County and New Hope.

**Collections** processes funds received from utility assistance agencies to assist customers. Unauthorized usage is handled in this area with the assistance of Field Services Representatives. This group contacts customers to collect past due balances, submits claims to the Court and performs the necessary steps in bankruptcy cases to recover money owed to Huntsville Utilities, e.g., bad debt, unauthorized usage, and damage work orders. Huntsville Utilities collection activities are approved by a Federal Court Order and include the customer's right to an Account Review Process. Collections utilizes a third-party vendor to issue overdue final bill letters.

**Commercial and Industrial (C&I)** processes non-residential applications for utility services. This section manages the multifaceted security deposit process and contract requirements outlined in Huntsville Utilities approved procedures. The Key Account Representatives maintain a working relationship with C&I customers, discuss TVA programs / services and conduct site visits. Apartment Specialists offer a one-stop shop for apartment construction, owner allocation requests and tenant applications.

**Community Relations/PR**, comprised of Communications/Public Relations and Energy Services, this group helps with image branding for Huntsville Utilities through public communications and energy programs.

**Communications/Public Relations** representatives regularly attends an array of meetings on behalf of Huntsville Utilities, including Huntsville City Council, Madison County Commission, Huntsville Planning Commission, Energy Huntsville, Huntsville/Madison County Chamber of Commerce, North Alabama African American Chamber of Commerce, APPA, APGA, AWWA, TVPPA, Electric Cities of Alabama, AL/MS Section of AWWA, NAPRCA, etc. This area publishes the annual report and maintains Huntsville Utilities' presence in social media, the community and legislative/governmental affairs. The group developed a logo/brand and worked with MIS, Purchasing and Customer Care to revamp Huntsville Utilities' website.



**Customer Information Center (CIC)** handles the majority of calls to Huntsville Utilities. On average, 28,000 calls are handled monthly. All calls are recorded for quality assurance / training purposes. Additional channels of customer communications include CHAT (online portal) and email.

Self-service channels are available 24/7 via Huntsville Utilities Interactive Voice Response system (IVR). Options available when using the IVR include debit / credit card payments, bank drafts, general bill inquiries (account balance/due dates), service status and office hours/payment locations. CIC offers extended hours for customers to transact business at their convenience (Monday-Friday 7:00 a.m. – 7:00 p.m.).

**Energy Services** administers the New Homes Program, which provides State of Alabama Energy Code certification for new construction. Other programs include the Home Efficiency Survey Program, High Bill Inspection, Customer Renewable Programs, and the residential energy program E Score. It also administers low-income programs such as Uplift and the Project Share Improvement Program. The staff participates in community events such as Earth Day and the annual Home and Remodeling Show. The team is responsible for presenting Education Days, an energy education program that hosts on average 2,640 students, chaperones and educators from different school districts, private schools and home-schooled students in the Huntsville Madison area.

**Field Services** Representatives utilize Bobcat computers to handle service tickets issued by Applications, Collections, Billing and CIC. They are available 14 hours daily for field service with one Field Services Representative on call 24 hours per day. Field Service Reps worked on the AMI Project by installing AMI meters at apartment complexes.

**Meter Reading** oversees a third-party vendor that reads approximately 90,000 electric, 138,000 water (includes New Hope and Madison County meters) and 60,000 gas meters monthly. For billing purposes, our service area is divided into 20 portions with each portion containing 30 MRUs (routes). This allows our contract meter readers to complete the full read cycle monthly. The number of electric meters read decreased due to Advanced Metering Infrastructure (AMI) deployment (approximately 106,000 AMI meters installed). Customers contact this office to obtain their meter reading date to allow meter readers accessibility to the meters.

**Payment Processing** is responsible for processing all customer utility payments and returned items. Payment Processing Representatives (PPRs) rotate between the Downtown Office, Pulaski Pike and the Mail Room. They answer general inquiries, assist customers with using the payment kiosks and promote Project Share, Roundup and various payment options. In addition, they work with other departments to resolve customer payment issues. Seven self-service payment kiosks are available to customers; four are available 24/7. Self-service payment kiosks accept cash, check, and debit cards / most major credit cards.

Position	Current Staffing	Staffing Reductions	Additional Staffing	Approved Staffing
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**SVP Customer Care**

Senior Vice President Customer Care	1	0	0	1
Executive Assistant	<u>1</u>	<u>0</u>	<u>0</u>	<u>1</u>
	<b>2</b>	<b>0</b>	<b>0</b>	<b>2</b>

**Director Customer Services**

Customer Services Director	1	0	0	1
Customer Services Manager	1	0	0	1
Customer Operations Manager	1	0	0	1
Customer Support Supervisor	1	0	0	1
Training Coordinator	0	0	1	1
Quality Assurance Specialist	<u>1</u>	<u>0</u>	<u>1</u>	<u>2</u>
	<b>5</b>	<b>0</b>	<b>2</b>	<b>7</b>

**Applications**

Customer Care Lead	0	1	0	1
Customer Rep III	1	0	0	1
Residential Specialist	1	0	0	1
Customer Rep II	6	0	0	6
Receptionist	<u>1</u>	<u>-1</u>	<u>0</u>	<u>0</u>
	<b>9</b>	<b>0</b>	<b>0</b>	<b>9</b>

**Billing**

Billing Supervisor	1	-1	0	0
Billing Specialist Lead	1	0	0	1
Billing Specialist III	2	0	0	2
Billing Specialist II	4	0	0	4
Billing Specialist I	5	0	0	5
Billing Representative	<u>1</u>	<u>0</u>	<u>0</u>	<u>1</u>
	<b>14</b>	<b>-1</b>	<b>0</b>	<b>13</b>

**Collections**

Collections & Billing Supervisor	1	0	0	1
Customer Care Lead	1	-1	0	0
Collections Specialist	4	0	0	4
Collections Representative	<u>1</u>	<u>0</u>	<u>0</u>	<u>1</u>
	<b>7</b>	<b>-1</b>	<b>0</b>	<b>6</b>

Position	Current Staffing	Staffing Reductions	Additional Staffing	Approved Staffing
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**Commercial & Industrial Applications**

Customer Relations Director	1	-1	0	0
Commercial Supervisor	1	0	0	1
Apartment Specialist	2	0	0	2
C&I Specialist	4	0	0	4
Clerk II	<u>2</u>	<u>-1</u>	<u>0</u>	<u>1</u>
	<b>10</b>	<b>-2</b>	<b>0</b>	<b>8</b>

**Key Accounts**

Key Account Supervisor	1	0	0	1
Key Account Rep	3	0	0	3
Key Account Analyst	<u>1</u>	<u>0</u>	<u>0</u>	<u>1</u>
	<b>5</b>	<b>0</b>	<b>0</b>	<b>5</b>

**Community Relations**

Community Relations Director	1	0	0	1
Energy Services Supervisor	1	0	0	1
Lead Energy Technician	1	0	0	1
Lead Process Coordinator	1	0	0	1
Lead Energy Advisor	1	0	0	1
Energy Coordinator	1	0	0	1
Quality Specialist	1	0	0	1
Energy Technician	<u>6</u>	<u>0</u>	<u>0</u>	<u>6</u>
	<b>13</b>	<b>0</b>	<b>0</b>	<b>13</b>

**Public Relations**

Communications & PR Manager	1	0	0	1
Legislative & Regulatory Analyst	1	0	0	1
Electronic Content Administrator	1	0	0	1
Visual Media Administrator	1	0	0	1
Communication Specialist	<u>1</u>	<u>0</u>	<u>0</u>	<u>1</u>
	<b>5</b>	<b>0</b>	<b>0</b>	<b>5</b>

**Customer Information Center (CIC)**

CIC Supervisor	1	0	0	1
Customer Care Lead	3	0	0	3
Customer Representative III	4	0	0	4
Customer Representative II	14	0	0	14
Customer Representative I	9	0	0	9
PBX Operator	<u>1</u>	<u>0</u>	<u>0</u>	<u>1</u>
	<b>32</b>	<b>0</b>	<b>0</b>	<b>32</b>

Position	Current Staffing	Staffing Reductions	Additional Staffing	Approved Staffing
<b><u>Field Services</u></b>				
Field Services Supervisor	1	0	0	1
Field Services Crew Leader	0	2	0	2
Customer Account Inspector	2	-2	0	0
Field Services Rep II	20	0	0	20
Meter Quality Rep	1	0	0	1
Service Coordinator	1	1	0	2
Field Service Clerk	<u>1</u>	<u>-1</u>	<u>0</u>	<u>0</u>
	<b>26</b>	<b>0</b>	<b>0</b>	<b>26</b>
<b><u>Meter Reading</u></b>				
Meter Reading Supervisor	1	0	0	1
Meter Reading Coordinator II	1	0	0	1
Meter Reading Coordinator I	<u>1</u>	<u>0</u>	<u>0</u>	<u>1</u>
	<b>3</b>	<b>0</b>	<b>0</b>	<b>3</b>
<b><u>Payment Processing</u></b>				
Payment Processing Supervisor	1	0	0	1
Payment Processing Lead	1	0	0	1
Payment Processing Clerk	1	0	0	1
Payment Processing Rep	8	-2	0	6
Customer Rep I (Lobby)	<u>0</u>	<u>2</u>	<u>0</u>	<u>2</u>
	<b>11</b>	<b>0</b>	<b>0</b>	<b>11</b>
<b>CUSTOMER CARE HEADCOUNT</b>	<b>142</b>	<b>-4</b>	<b>2</b>	<b>140</b>

## Departmental Overview

Performance Indicators	Goal	Current
Recent customers satisfaction level = “very satisfied”	90%	95.0%
Calls answered by CIC within 60 seconds	≥ 85%	97.1%
Calls answered by C&I within 60 seconds	≥ 80%	89.1%
Completion of set orders on scheduled date	100%	100%
Completion of cut orders within 3 days of scheduled date	70%	79.4%
Bills requiring correction due to misread meter	< 2%	0.9%
Bills are mailed the business day following the meter reading	> 85%	81.0%
Payment processing time for customers	< 5:00	2:01
Payments posted properly	≥ 98%	100%
Increase kiosk payments	> 10%	15.2%
Maintain electronic payments	> 50%	75.7%
Increase customer receiving e-bill	> 20%	9.3%
CIC call hold time < 3 minutes	≤ 10%	0.6%
C&I call hold time < 3 minutes	≤ 10%	5.4%

### Accomplishments for FY2020 Budget Year:

- The Call Center achieved a service level of 98.92%, the highest percentage since 2017, making the Call Abandoned rate .29%.
- Completed a departmental reorganization to align all functions under one Director.
- Established the COVID Community Care Fund and qualifications for assistance.
- Electronic payments reached an all-time high in April 2020 @ 75.6%.
- Completed rebid and selection on 3 major contracts for Customer Care (Bill Print, Meter Reading and Credit/Debit Card Processing).
- 185 tickets, totaling \$235,361.50, worked in the Comprehensive Services Program (July 2019 – May 2020).
- Increased funds collected for Property Damage Claims by more than 50%.
- Completed backlog of all Dead Meter Tickets.
- Started with Gas Index Project to assist with the deployment of AMI Gas Meters.
- Refreshed the company logo and began deploying it, primarily on electronic materials and communications.
- Paid out over \$500,000 in natural gas incentives to new home construction and existing customers that switched to natural gas.
- Huntsville Utilities’ social media mainstream platform (Facebook, Twitter, YouTube, LinkedIn, and Instagram) experienced growth in followership and post engagement.
- Working with MIS, Purchasing and Customer Care to revamp Huntsville Utilities’ website.
- Joined TVA’s eScore program, offering several options for customers to improve their home energy efficiency, receive incentives for improvements; and, for the first time in decades, off-bill financing is available for funding the improvements.

### Goals & Objectives for the FY2021 Budget Year:

- Maintain a phone service level of 85% or greater for all classes of customers.
- Develop a high usage alert for AMI electric meters to reduce Implausible billing issues.

- Redesign the final notice using a double panel postcard (DPPC) form. Estimated savings of \$35,000 annually.
- Install a 2<sup>nd</sup> self-service kiosk at Pulaski Pike Drive-Thru (available 24/7).
- Incorporate incoming emails to Business Communications software for C&I (improve efficiency and handling time).
- Deploy an online interactive customer portal for C&I customers.
- Reevaluate leadership structure in Energy Services.
- Successfully implement TVA Home Uplift Program.
- Work with IT to update HU website, mobile app, and MyLogin customer portal.
- Fully deploy new HU logo and distribute logo manual.
- Develop strategic / executable marketing plan for Project Share and Sign Up To Round Up.

## Department Budget Summary

	FY20 Budget	FY21 Budget
Water Operating Expenses	\$2,946,122	\$4,246,688
Gas Operating Expenses	\$2,190,382	\$2,552,447
Electric Operating Expenses	\$13,343,709	\$12,085,848
<b>Total Operating Expenses</b>	<b>\$18,480,213</b>	<b>\$18,884,983</b>
Electric Capital Expenses	\$119,832	\$155,077
<b>Grand Total</b>	<b>\$18,600,045</b>	<b>\$19,040,060</b>

# Engineering

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**Stacy Cantrell, Vice President Engineering**

## Organizational Function

The **Engineering** department is responsible for handling the daily interaction with customers regarding new construction, planning, engineering, and service reliability projects. Additionally, incorporated into the Engineering department are the GIS, Mapping, and Locating sections. Engineering coordinates with Huntsville Utilities operations departments regarding work order schedules on short- and long-term projects.

It is the **Vice President of Engineering's** responsibility to represent, manage, and direct the operation of all engineering functions, and to prepare the annual budget for large capital projects and new construction projects related to customer growth. It is also the responsibility of the VP of Engineering to improve daily processes for efficiency, while documenting solid policies and procedures.

**Engineering Planning** is responsible for general system planning, engineering and design of large capital projects. Large capital projects include electrical substations, water plants, water booster stations, water tanks, gas gate stations and associated transmission and distribution infrastructure. These projects are typically individual budget line items. This department runs modelling software to determine where system improvement projects are most needed and to determine the impact of projected growth. The Engineering Planning department works closely with Operations to stay connected to current issues and ensure efforts on both sides are coordinated. This group also handles field inspection of contractor work and project coordination.

**Engineering Services** is responsible for the engineering and design of electric distribution systems and fiber optics routing for new development, water distribution systems, and gas distribution systems, as well as maintenance, upgrade, and relocation projects. This group also handles field inspection of facilities installed by the developers. Engineering Services must work closely with operations to ensure projects are completed to meet customer timelines. Engineering Services and Engineering Planning also work closely on system planning and on projects that overlap both sections.

**Geographic Information and Mapping Services** consists of three sections – GIS, Facilities Mapping, and Facilities Locating. The GIS section is responsible for administering mapping software system(s), managing the database integrity, and handling any complex database queries. This group also maintains the basemaps and addressing, as well as plats, facilitates the aerial photography collection each year, and fits the imagery to our basemaps.

**Facility Mapping and Locating** consists of a Facility Mapping section and a Facility Locating section. The Facility Mapping section is responsible for maintaining and updating all facility maps, posting completed work orders to the map, and ensuring accuracy and connectivity. Recently, the group has taken on the responsibility of handling all make-ready requests and pole attachments. The Facility Locating section handles all requests for facility locating due to excavation projects and is a member of the Alabama One Call per the Public Service Commission mandate. This group also manages a contractor that works the locate tickets in a specified part of the service territory.



Position	Current Staffing	Staffing Reductions	Additional Staffing	Approved Staffing
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**Engineering Management**

Vice President Engineering	1	0	0	1
Engineer II	1	0	0	1
Clerk II	2	0	0	2
Executive Assistant	<u>1</u>	<u>0</u>	<u>0</u>	<u>1</u>
	<b>5</b>	<b>0</b>	<b>0</b>	<b>5</b>

**Engineering Planning**

Engineering Planning Director	1	0	0	1
Senior Engineer - Water/Gas	1	0	0	1
Engineer II - Water/Gas	1	0	0	1
Engineer I - Water/Gas	1	0	0	1
Installations Inspector - Water/Gas	1	0	0	1
Senior Engineer - Electric	1	0	0	1
Engineer II - Electric	2	0	0	2
Engineer I - Electric	1	0	0	1
Engineering Assistant	1	0	0	1
Co-op Student Electric	<u>1</u>	<u>0</u>	<u>0</u>	<u>1</u>
	<b>11</b>	<b>0</b>	<b>0</b>	<b>11</b>

**Engineering Services**

Engineering Services Director	1	0	0	1
Water Engineering Services Manager	1	0	0	1
Engineer I - Water	1	0	0	1
Engineering Aide II - Water	3	0	0	3
Engineering Aide I - Water	1	0	0	1
Installations Inspector - Water	2	0	0	2
Gas Engineering Services Manager	1	0	0	1
Engineering Aide II	2	0	0	2
Electric Engineering Services Manager	1	0	0	1
Engineering Aide Lead	2	0	0	2
Engineering Aide II – Electric	3	0	0	3
Engineering Aide I – Electric	5	0	0	5
Installations Inspector – Electric	1	0	0	1
Fiber Engineering Services Manager	1	0	0	1
Engineering Aide II - Fiber	0	0	1	1
Work Management Analyst	<u>1</u>	<u>0</u>	<u>0</u>	<u>1</u>
	<b>26</b>	<b>0</b>	<b>1</b>	<b>27</b>

Position	Current Staffing	Staffing Reductions	Additional Staffing	Approved Staffing
<b><u>Geographic Info/Mapping Services</u></b>				
GIS Director	1	0	0	1
Database/Applications Programmer	0	0	1	1
GIS Administrator	1	0	0	1
GIS Technician	4	0	0	4
MDM Analyst/Administrator	1	0	0	1
AMI Operator	<u>1</u>	<u>0</u>	<u>0</u>	<u>1</u>
	<b>8</b>	<b>0</b>	<b>1</b>	<b>9</b>
<b><u>Facility Mapping</u></b>				
Locating & Mapping Supervisor	1	0	0	1
Pole Attachment Coordinator	1	0	0	1
CADD Operator II	3	0	0	3
Engineering Aide I	<u>1</u>	<u>0</u>	<u>0</u>	<u>1</u>
	<b>6</b>	<b>0</b>	<b>0</b>	<b>6</b>
<b><u>Facility Locating</u></b>				
Facilities Locator	9	0	0	9
Facilities Locator (T)	1	0	0	1
Clerk I	<u>1</u>	<u>0</u>	<u>0</u>	<u>1</u>
	<b>11</b>	<b>0</b>	<b>0</b>	<b>11</b>
<b>ENGINEERING HEADCOUNT</b>	<b>67</b>	<b>0</b>	<b>2</b>	<b>69</b>

## Departmental Overview

Performance Indicators	Goal	Current
Maintain Compliance with state and federal utility regulations	100%	100%
Projects completed within budget estimate (<+15%)	80%	Water: 22 of 23 projects on target Gas: 11 of 12 projects on target Electric: 12 of 13 projects on target
Projects completed on schedule	80%	Water: 20 of 23 projects on target Gas: 10 of 12 projects on target Electric: 9 of 13 projects on target
Report estimate to actual costs for work orders	Water 40/Gas 20/Electric 60	Water 54/Gas 43/Electric 45 Through June 2020
AMI deployment for FY2020	60,000 electric meters	48,528 through June 2020

### Accomplishments for FY2020 Budget Year:

- Developed project tracking reports for all major capital budget line items.
- Managed the construction of five electric substations: Blue Origin, Madison, Old 431, Redstone, and Town of Madison.
- Managed installation of over 45,000 LF of 12" welded steel gas main 6,400 LF of 8" PE gas main needed to serve Mazda-Toyota.
- Coordinated the construction of the Liberty Hill and Cecil Ashburn water booster stations. Installed over 18,000 LF of 12" and 16" water main to serve Mazda-Toyota.
- Completed the Bailey Cove Phase 1 (Ditto Marina Parkway to Hobbs) 24" water main, 7,400 LF.
- Maintained a locate ticket workload of over 60,000 tickets per year for the third year in a row (double the amount from FY2015 and prior).

### Goals & Objectives for the FY2021 Budget Year:

- Use new Work Management Coordinator position to develop new KPIs for tracking work order progress, monitor work orders to ensure they are updated, released, and closed in a timely manner.
- Establish scheduling protocol with Operations departments.
- Incorporate Compatible Unit review and updates into the work order audit process.
- Update policies, procedures and standards related to work order design, including customer facing documents and literature.

### Department Budget Summary

	FY20 Budget	FY21 Budget
Water Operating Expenses	\$2,682,078	\$2,710,111
Gas Operating Expenses	\$1,479,234	\$1,492,863
Electric Operating Expenses	\$6,095,369	\$6,197,554
<b>Total Operating Expenses</b>	<b>\$10,256,681</b>	<b>\$10,400,528</b>
Water Capital Expenses	\$23,795,327	\$30,045,265
Gas Capital Expenses	\$14,264,939	\$14,840,000
Electric Capital Expenses	\$24,727,729	\$31,119,959
<b>Total Capital Expenses</b>	<b>\$62,787,995</b>	<b>\$76,005,224</b>
<b>Grand Total</b>	<b>\$73,044,676</b>	<b>\$86,405,752</b>

## **Finance**

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**Ted Phillips, Chief Financial Officer**

## Organizational Function

The **Finance** functional area plans, organizes and directs the overall financial management of the organization. The department provides strategic, innovative, and proactive financial direction to the CEO/President, Boards and management team regarding financial planning and analysis, natural gas supply, financial reporting, accounting, investments, debt management, fleet management, insurance and risk management, and supply chain.

It is the responsibility of the office of the **Chief Financial Officer** to administer and direct personnel for financial planning and analysis, financial reporting, accounting, treasury management, debt management, and ensuring access to financial markets.

The **Budget and Rates** section is responsible for the long-term rate modeling and financial forecasting which include long-term financial plans, capital project funding plans, rates and cost of service studies, and budget preparation. This section monitors the organization's spending and assists the organization's leadership in meeting goals and objectives. The Budget and Rates section is also responsible for the natural gas purchasing and supply function.

The **Financial Services** section prepares monthly and annual reports, which reflects each unit's financial position for our stakeholders. Financial Services conducts financial analysis of operations and provide appropriate guidance to management and our Boards. The group processes over 1,600 accounts payable invoices in a month and handles non-utility accounts receivable, plant accounting, and all the financial reporting as required by the state of Alabama or TVA.

The **Stores and Warehouse** section is responsible for maintaining inventory and providing material handling support for all the operations departments. Stores provides on-call services for operations for after-hours emergency repair work. The department is also responsible for maintaining compliance with EPA regulations regarding PCB's (CFR 761). Stores continues to monitor ADEM's Universal Waste Standards for the proper storage and disposal of mercury lamps, batteries, lead in computer monitors and the disposal of electronic equipment.

The **Purchasing** section is responsible for the bidding and procurement of labor, services, work, materials, equipment, supplies and construction in accordance with applicable State laws and Huntsville Utilities' Purchasing Policies and Procedures. The Purchasing section manages and administers all contracts and agreements for the company. The Purchasing section's objective is to reduce the cost of doing business and directly improve the quality and timeliness of services rendered. The procurement process is a service function, supporting programs and departments through the acquisition of goods and services, including the construction of public works.

The **Fleet Management** section make repairs to all of Huntsville Utilities' fleet vehicles, equipment, trailers, and other motorized devices. Fleet Management diagnoses complex vehicle and equipment malfunctions, ensures appropriate repairs are made at scheduled times and insures safety devices are operational.

Position	Current Staffing	Staffing Reductions	Additional Staffing	Approved Staffing
<b><u>CFO</u></b>				
Chief Financial Officer	1	0	0	1
Executive Assistant	<u>1</u>	<u>-1</u>	<u>0</u>	<u>0</u>
	<b>2</b>	<b>-1</b>	<b>0</b>	<b>1</b>
<b><u>Budget and Rates</u></b>				
Budget and Rates Director	1	0	0	1
Natural Gas Supply Manager	1	0	0	1
Natural Gas Supply Coordinator	0	0	1	1
Budget and Rates Analyst II	1	0	0	1
Budget and Rates Analyst I	<u>1</u>	<u>0</u>	<u>0</u>	<u>1</u>
	<b>4</b>	<b>0</b>	<b>1</b>	<b>5</b>
<b><u>Financial Services</u></b>				
Controller	1	0	0	1
Accounting Supervisor	1	0	0	1
Senior Accountant	1	0	0	1
Accountant II	1	0	0	1
Accountant I	1	0	0	1
Secretary	1	0	0	1
Accounts Receivable Clerk	1	0	0	1
Bank Reconciliation Clerk	1	0	0	1
Accounts Payable Clerk II	<u>1</u>	<u>0</u>	<u>0</u>	<u>1</u>
	<b>9</b>	<b>0</b>	<b>0</b>	<b>9</b>
<b><u>Stores and Warehouse</u></b>				
Stores Supervisor	1	0	0	1
Stores Crew Leader	1	0	0	1
Stores Specialist	4	0	0	4
Senior Material Repair Specialist	1	0	0	1
Material Repair Specialist II	1	0	1	2
Stores Clerk II	1	0	0	1
Storekeeper II	3	0	0	3
Storekeeper I	<u>2</u>	<u>0</u>	<u>0</u>	<u>2</u>
	<b>14</b>	<b>0</b>	<b>1</b>	<b>15</b>
<b><u>Purchasing</u></b>				
Purchasing Supervisor	1	0	0	1
Senior Buyer	1	1	0	2
Buyer II	1	-1	0	0
Buyer I	<u>2</u>	<u>0</u>	<u>0</u>	<u>2</u>
	<b>5</b>	<b>0</b>	<b>0</b>	<b>5</b>

Position	Current Staffing	Staffing Reductions	Additional Staffing	Approved Staffing
<b><u>Fleet Management</u></b>				
Fleet Maintenance Supervisor	1	0	0	1
Fleet Crew Leader	2	0	0	2
Fleet Technician II	5	0	0	5
Fleet Service Advisor	1	0	0	1
Fleet Technician I	2	0	0	2
Service Coordinator	<u>1</u>	<u>0</u>	<u>0</u>	<u>1</u>
	<b>12</b>	<b>0</b>	<b>0</b>	<b>12</b>
<b>FINANCE HEADCOUNT</b>	<b>46</b>	<b>-1</b>	<b>2</b>	<b>47</b>



## Departmental Overview

Performance Indicators	Goal	Current
Provide Competitive Rates Among Regional Peers	≤ 25% for Electric and Water ≤50% for Gas	Electric 15% / Water 13% Gas 50%
Maintain Affordable Bills	< 5% of Madison County annual income	4.86% of Madison County annual income
Achieve Electric Target Margins	> 17%	16.3%
Achieve Gas Target Margins	> 50%	50.1%
Achieve Water Target Margins	> \$45.5M	\$43.9M
Maintain Electric Cash Reserve	> \$40.3M	\$63.5M
Maintain Gas Cash Reserve	> \$13.3M	\$21.9M
Maintain Water Cash Reserve	> \$31.2M	\$49.9M
Grow Electric and Water System	Increase customers by > 1.5%	Electric 2.2% / Water 2.9%
Grow Gas System	Increase customers by ≥ 3%	Gas 2.5%
Weighted Avg Cost of Gas	<\$3.50	\$2.48
Gas Pipeline Capacity	5% over Peak Demand	50.8%
Gas Storage	>700,000 Dth	1,224,028
Report Estimate to Actual Cost for Capital Infrastructure Projects	100% of Projects	100% of Projects

### Accomplishments for FY2020 Budget Year:

- New OPEB Investment Policy approved by Boards targeting 60% investment in equities and 40% investments in fixed incomes.
- Implemented new accounts payable automation software to streamline the payment process.
- Interruptible gas rates were discontinued for commercial/industrial gas customers and replaced with new firm rate classes to make rates more competitive and equitable.
- To accommodate expected growth, secured 10,000 MMBtu per day of firm pipeline capacity and 600,000 MMBtu of additional storage at a lower cost than previous capacity and storage levels.

### Goals & Objectives for the FY2021 Budget Year:

- Obtain the GFOA Distinguished Budget Award.
- Complete the fiscal year 2020 external audit with no exceptions or findings.
- Use AMI technology and data to improve the turnaround time for the accounting monthly and fiscal year closing process.
- Using the FY2020 gas cost of service study, improve metrics for comparing gas rates to peer utilities.
- Better utilize existing technology to extract data that can be used to construct an improved timeline for the vehicle replacement process.
- Build redundancy into the natural gas purchasing process.
- Obtain State Revolving financing for water capital improvements.

### Department Budget Summary

	FY20 Budget	FY21 Budget
Water Operating Expense	\$16,023,015	\$16,172,357
Gas Operating Expense	\$8,363,906	\$9,256,501
Electric Operating Expense	\$27,947,535	\$33,163,180
<b>Total Operating Expenses</b>	<b>\$52,334,456</b>	<b>\$58,592,038</b>
Electric Capital Expenses	\$50,338	\$135,877
<b>Grand Total</b>	<b>\$52,384,794</b>	<b>\$58,727,915</b>

# **Employee Engagement**

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**Harry Hobbs, Vice President Employee Engagement**

## Organizational Function

It is the responsibility of the Vice President Employee Engagement (VPEE) to facilitate an effective human resources program, safety and security program and facilities maintenance preventive maintenance program. The VPEE must establish and maintain a proactive working relationship with other departments, employees and the public. Huntsville Utilities is a public utility company and does not have an assigned union officer to represent employees to upper management. The VPEE is responsible to be a bridge and communication conduit to carry the message and concerns from the lowest level employee to the CEO/President's office. It is incumbent upon the VPEE to be an advocate for all employees.

The job of the Vice President of Employee Engagement is to display transformational leadership, positive characteristics and the ability to be present, focused, and energized at all times. The daily mission is to communicate to employees in a way that will keep them engaged, because engaged people go above and beyond expectations with a sense of purpose that is bigger than themselves. The purpose of engagement is to build a foundation that allows employees to feel an important part of the organization they work for and, in many cases, spend many years of their lives supporting. The result of positive engagement is employee buy-in during the good and bad times experienced as individuals, as a company and even now as a nation.

**Human Resources** is responsible for balancing the organization's people and processes to best achieve the goals and strategies of the organization, as well as those of employees. This section is responsible for four critical functions: recruitment, training and professional development, benefits and compensation, and employee relations. Some of the specific responsibilities of the department include administration of the performance appraisal program; fair compensation, benefits, and training; succession planning; pre-employment and background check programs; coordination and execution of disciplinary action; and providing consultation and assistance to all employees to ensure understanding of equal opportunity, FMLA, ADA and FLSA laws, as well as other applicable human resources management rules, regulations and policies.

**Safety and Security** is responsible for developing, organizing, and enforcing safety programs. The safety team assesses, develops and implements safety policies and procedures to keep employees safe from any hazards they may be exposed to in their work environments. The section develops strong safety procedures and manuals and conduct inspections and accident investigations. The team manages all workers compensation injuries along with vehicle claims. They provide training to all employees on the many aspects of utility work functions and threats. They also secure all HU facilities, assets and employees through badge accessed entry, video surveillance and security monitors. Safety also administers all random drug and alcohol screening monthly. They conduct safety audits and engage employees in safety committees to provide opportunities for injury prevention. Huntsville Utilities has a wide range of prevention programs implemented to help our employees and our company work safe.

**Facilities** performs tasks associated with improvements, renovations, preventive maintenance, janitorial, and refuse services. The section is responsible for repairs at multiple sites, including commercial buildings, fiber optic transmission buildings, natural gas gate stations, and electric substations. Additionally, the Facilities group is primarily responsible for the cleaning and upkeep of all buildings to ensure the surrounding environment is always in a safe and sanitary condition. The section's goal is that work be performed in a manner that consistently ensures Facilities' services meet the needs of employees while ensuring operational readiness.

Position	Current Staffing	Staffing Reductions	Additional Staffing	Approved Staffing
<b><u>Human Resources</u></b>				
VP Employee Engagement	1	0	0	1
Human Resources Director	1	0	0	1
Compensation Analyst	1	0	0	1
Benefits Administrator II	1	0	0	1
Payroll Administrator	1	0	0	1
Human Resources Administrator	1	0	0	1
Human Resources Recruiter	1	0	0	1
Human Resources Coordinator	1	0	0	1
Human Resources Trainer	<u>0</u>	<u>0</u>	<u>1</u>	<u>1</u>
	<b>8</b>	<b>0</b>	<b>1</b>	<b>9</b>
<b><u>Safety and Security</u></b>				
Safety and Security Manager	1	0	0	1
Safety Officer	3	0	0	3
Security Officer	1	0	0	1
Safety Administrative Assistant	<u>1</u>	<u>0</u>	<u>0</u>	<u>1</u>
	<b>6</b>	<b>0</b>	<b>0</b>	<b>6</b>
<b><u>Security Officers</u></b>				
Security Officers (T)	<u>11</u>	<u>0</u>	<u>0</u>	<u>11</u>
	<b>11</b>	<b>0</b>	<b>0</b>	<b>11</b>
<b><u>Facilities</u></b>				
Facilities Manager	1	0	0	1
Facilities Crew Leader	1	0	0	1
Facilities Maintenance Technician II	2	0	0	2
Facilities Maintenance Technician I	2	0	0	2
Facilities Assistant	1	0	1	2
Facilities Administrative Assistant	1	0	0	1
Custodian	<u>1</u>	<u>0</u>	<u>0</u>	<u>1</u>
	<b>9</b>	<b>0</b>	<b>1</b>	<b>10</b>
<b>EMPLOYEE ENGAGEMENT HEADCOUNT</b>	<b>34</b>	<b>0</b>	<b>2</b>	<b>36</b>

## Departmental Overview

Performance Indicators	Goal	Current
Company Retention Rate	97%	95%
Company Turnover	< 5%	3.16%
Elevate employee engagement and satisfaction	Achieve > 60% employees reported as “promoters” in annual workplace survey	70%
Provide a safe workplace	Achieve injury incident rate $\leq 2.0$	1.69
Promote safe driving	Achieve preventable vehicle accident ratio of < 4.0	2.44
Promote safety awareness	Ensure employees attend 75% of assigned safety training	100%
Improve organizational communication	Achieve > 55% participation in annual workplace survey	70%
Improve organizational communication	Conduct $\geq 4$ supervisory training	4
Encourage training and professional development	Define promotional matrix and define training requirements for 25% of job descriptions	~40-45%
Promote training and professional development	Ensure exempt employees participate in $\geq 1$ professional development opportunity each year	2
Enhance succession planning and promotional opportunities	Achieve $\geq 2$ qualified internal employees within candidate pool for supervisory positions	9
Implement technology projects and facility preventative maintenance	Perform > 90% of needed facility preventative maintenance	98.3%

### Accomplishments for FY2020 Budget Year:

- Launch of New Survey Tool-Rippleworx. 2020 employee survey results state that employee promoters increased to 70% and employee participation increased to 70%.
- 2019 Configuration of new Learning Management System.
- Company’s 1st Biennial Benefits Fair.
- Launch of 1st ever Benefits Guide Booklet for the organization.
- Revamped and launch of Educational Assistance Program focused directly on degrees, provided a Summary Plan Description, Fact Sheet, New Forms, streamline process, and dedicated my EdAssist email address for repository and 17 employees utilized the Employee Educational Assistance Program.
- Participated in 22 Job Fairs & Community Events to increase interest in the Utility Industry & diversify workforce and expanded reach and partnerships with colleges and universities within the state of Alabama and Tennessee.
- Revamped New Employee Orientation Process-streamlined number of orientations, refreshed slides, and developed new experience for employees. HR Subject matter experts facilitate the new employee experience.
- Implemented electronic Exit Interview Surveys.
- Successful completion of Security Command Center.
- Replacement and upgrade of exterior cameras outside facilities.
- Implemented the Year of Wellness - each month focuses on a different topic for employee wellness-health or financial well-being.

- Launched Financial Wellness Program for Employees – SmartDollar.
- Launched Teladoc for Employee Benefits - Virtual Doctor Assistance.
- Reduced injury rate by 4% from 2.09 in 2019.
- Add a safety officer for each specialized operations department – water, gas and electric.
- Created and distributed a safe work practice audit for each unit – water, gas and electric.

Goals & Objectives for the FY2021 Budget Year:

- Ensure all performance appraisals are completed on time.
- Conduct an annual employee survey.
- Conduct compensation study of 175 non-exempt job descriptions and launch Compensation Software Tool.
- Recruit Human Resources Trainer to focus on development and training objectives for the organization.
- Configure Succession Planning Module.
- Configure and prepare Total Rewards Statements in preparation of launch for Exempt Merits.
- Maintain at least 75% safety training compliance of all employees.
- Update and issue new employee safety manual.
- Implement new employee safety recognition program based on approved new standard.

## Department Budget Summary

	FY20 Budget	FY21 Budget
Water Operating Expenses	\$1,053,104	\$1,262,384
Gas Operating Expenses	\$983,002	\$1,271,702
Electric Operating Expenses	\$3,023,249	\$3,641,023
<b>Total Operating Expenses</b>	<b>\$5,059,355</b>	<b>\$6,175,109</b>
Water Capital Expenses	\$98,000	\$28,000
Gas Capital Expenses	\$98,000	\$87,500
Electric Capital Expenses	\$280,000	\$458,700
<b>Total Capital Expenses</b>	<b>\$476,000</b>	<b>\$574,200</b>
<b>Grand Total</b>	<b>\$5,535,355</b>	<b>\$6,749,309</b>

# Information Technology

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David Champigny, Chief Information Officer



## Organizational Function

The Huntsville Utilities IT department strives for efficient, secure, and effective use of information technology in support of HU's goals and objectives. IT is responsible for developing, supporting, operating and delivering state of the art systems, applications and infrastructure to support the mission of Huntsville Utilities. The IT team consists of two groups; **Management Information Systems (MIS)** and **Technical Services (TS)** that report to the office of the Chief Information Officer. Huntsville Utilities IT uses the waterfall/agile Software Development Lifecycle Methodologies (SDLC) where applicable. Project planning, requirements, definition, system design, security, development, test, acceptance and deployment phases are followed while adhering to a change control management process. In October 2018, a five-year information technology roadmap was completed. The technology roadmap represents the most important outcome arising from the strategic technology planning process. The roadmap maintains HU's focus on the most important needs across the utility and will support planning and budgeting decisions as a dynamic management tool, integrated into an overall technology governance practice. The IT Steering Committee (ITSC) oversees the governance of information technology.

The ITSC's structure and risk management processes ensure:

- *Strategic Alignment* - Open communication between the IT departments and the other functional units to promote collaborative planning. IT sustains and facilitates the implementation of strategic objectives and follows the Huntsville Utilities five-year Information Technology Strategic Plan.
- *Value Delivery* - Balancing increasing cost to the value of information obtained to ensure an appropriate return from IT.
- *Resource Management* - IT resources are properly allocated, thereby resolving resource priority conflicts. IT assets are safeguarded.
- *Risk Management* - Risks are assessed, monitored and managed to maintain the confidentiality, integrity and availability of information and systems. Authority, roles, and responsibilities are clearly defined through documented policies.
- *Performance Measurement* – Projects are delivered on time and on budget while meeting quality standards. Projects improve the effectiveness and efficiency of operations.

The **MIS** team supports HU's SAP ERP back office systems such as Accounting/Payroll/Fixed Assets, HumanResources/Benefits, Purchasing/Inventory/Fleet, Water/Gas/Electric Meter Shops, Finance, Budget, Payroll, Materials Management, and Procurement as well as front office Customer Information Systems (CIS) systems such as Customer Resource Management (CRM), Device Management (DM) Billing & Invoicing, Cash Handling, Customer Call Center systems and Multichannel Customer Bill Payment Options including IVR, Mobile Phone Apps (IOS and Android platforms), Kiosks, Drop Box, and the Customer Payment Portal (MyAccount). In addition, MIS is responsible for nightly data processing that generates over 2 million customer bills each year.

The MIS team is split into Functional and Technical groups by business domain. The functional analysts are liaisons between the business units and IT. The functional team is responsible for the configuration, security, testing and training of various modules such as materials management, purchasing, pricing, billing, human resources, accounting and device management.

The SAP Technical team is responsible for providing the tools, technology and framework for development/programming of the application portfolio, including middleware services and business intelligence reporting.

The **Technical Services** group is responsible for designs, installs, maintenance and management of network and communication infrastructure and equipment supporting all of HU's computing systems. This includes computing hardware, comprised of servers and data storage, workstations, laptops, tablets, cellphones, printers and other miscellaneous devices, as well as software systems that are not part of the SAP suite that the MIS group supports. Some of these systems include email, the help desk, file storage, web-based collaboration tools and engineering design, modelling and monitoring applications.

The Technical Services team is also divided into Functional and Technical groups, but more aligned to IT functions than business domains. The Network Infrastructure team provides all of the hardware, programming and configuration for our computer networks (including wireless networks), radio systems (both for trucks/crews and radio communications that support our AMI (Automated Metering) and SCADA (system control) systems. We have a group of Field Technicians who work with the radios, towers, substation monitoring equipment and all the internal wiring for our computer and phone systems at all facilities.

System Administrations is responsible for all desktop and laptop computer systems and cell phone infrastructure. The Help Desk team is a part of this group and supports all employees and approximately 700 computers. Servers that support all applications are a shared responsibility between System Administration and Network Integration. The Network Integration team supports web applications and several GIS related field applications, including the InService product, which is used by Field Services and Meter Shops to install, disconnect, and remove Water, Gas and Electric services to our customers and is integrated into SAP with real-time data. This program will also support a planned Outage Management system which will replace our legacy applications in this area.

Technical Services installs and maintains servers and networking for technology/computer related systems (Phone and IVR systems, Safety and Security Systems, etc.) The group maintains the fiber optic hardware and software that supports all HU facilities. In many cases, this infrastructure is shared with or provides services to the City of Huntsville. There is redundant connectivity to the internet at the Chase Operations Center and Downtown Offices.

The Cyber Security group supports multiple redundant firewalls and monitors cyber security for both Technical Services and MIS. HU has adopted the Cyber Security NIST framework to protect our assets.

Position	Current Staffing	Staffing Reductions	Additional Staffing	Approved Staffing
<b><u>CIO</u></b>				
Chief Information Officer	1	0	0	1
Executive Assistant	<u>1</u>	<u>0</u>	<u>0</u>	<u>1</u>
	<b>2</b>	<b>0</b>	<b>0</b>	<b>2</b>
<b><u>Management Information Systems</u></b>				
Applications Director	1	0	0	1
Senior SAP Functional Analyst	4	-1	0	3
SAP Functional Analyst II	3	0	0	3
SAP Functional Analyst I	3	-1	0	2
Applications Development Director	1	0	0	1
Senior ABAP Developer	1	0	0	1
Senior SAP BW Specialist	1	0	0	1
SAP PI Developer	1	0	0	1
Basis/Database Administrator	1	0	0	1
Database Administrator	<u>1</u>	<u>0</u>	<u>0</u>	<u>1</u>
	<b>17</b>	<b>-2</b>	<b>0</b>	<b>15</b>
<b><u>Technical Services</u></b>				
Technical Services Director	1	0	0	1
Network Infrastructure Manager	1	0	0	1
Network Integration Manager	1	0	0	1
Senior Systems Administrator	1	0	0	1
Systems Administration Manager	1	0	0	1
Systems Administrator	1	0	0	1
Network Security Engineer	1	0	0	1
Network Security Analyst	1	0	0	1
Help Desk Technician II	1	0	0	1
Help Desk Technician I	2	0	0	2
Network Technician I	1	0	1	2
Field Network Technician	1	0	0	1
Field Network Tech Crew Leader	1	0	0	1
Electronic Technician	1	0	0	1
Utility Applications Analyst	1	0	0	1
Systems Integration/Training	1	0	0	1
Technical Services Programmer	2	0	0	2
Information Security Manager	<u>1</u>	<u>0</u>	<u>0</u>	<u>1</u>
	<b>20</b>	<b>0</b>	<b>1</b>	<b>21</b>
<b>INFORMATION TECHNOLOGY</b>				
<b>HEADCOUNT</b>	<b>39</b>	<b>-2</b>	<b>1</b>	<b>38</b>

## Departmental Overview

Performance Indicators	Goal	Current
Complete > 80% IT Projects within target year	> 80%	40%
Respond to > 90% of IT help desk requests in < 4 hours	> 90%	89%
Provide resolution in < 2 business days for 80% of requests marked “under review”	80%	94%

### Accomplishments for FY2020 Budget Year:

- Maintained a strong foundation by performing enterprise system upgrades, projects, and activities (SAP HR upgrades, Inservice upgrade to 9.4, AML release 5, AP automation project).
- Provided a reliable and secure IT infrastructure to support access to information including mobile anytime anyplace support (WFH deployment of 70 laptops, rollout of Microsoft Teams and teleconference solutions. Deployed latest patches using SCCM, deployed new GlobalProtect VPN and firewall to reduce single point of failure, endpoint protection, SCADA network improvements, customer website failover servers.
- Continued education of IT staff and reorganized the department.
- New solutions created utilizing advanced technologies, expanded CIC IVR capabilities, improvements to websites, new help desk system, and electronic signatures, new signature pads deployed, partnered with Baron services, COH/HPD for Guardian camera deployments.

### Goals & Objectives for the FY2021 Budget Year:

- Leverage our reliable, secure, and efficient information technology infrastructure and maximize staff potential to foster innovation and excellence.
- Integrate engineering systems.
- Expand utility fiber assets.
- Deployment of new payment vendors and website.
- RFID project for Chase and Triana warehouses.
- Monitoring equipment and software for fiber HUTS.
- Switches, security and encryption for ongoing SCADA upgrades and fiber projects.
- Wireless routers for water plants.
- Provide a secure computing environment that ensures data privacy and integrity and mitigates cyber-security threats.
- Maintain a strong foundation by performing enterprise system upgrades, projects, and activities - Avaya system upgrades, OnBase licensing / consulting services for HR documents and process automation.

## Department Budget Summary

	FY20 Budget	FY21 Budget
Water Operating Expenses	\$2,010,110	\$2,270,308
Gas Operating Expenses	\$1,543,662	\$2,206,211
Electric Operating Expenses	\$7,498,969	\$6,166,063
<b>Total Operating Expenses</b>	<b>\$11,052,741</b>	<b>\$10,642,582</b>
Electric Capital Expenses	\$890,500	\$1,367,601
<b>Grand Total</b>	<b>\$11,943,241</b>	<b>\$12,010,183</b>

# **Water Operations**

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**Mike Counts, Vice President Operations**

**Fredrick Mucke, Water Operations Director**

## Organizational Function

The **Water Department's** goal is to provide superior customer service to our customers through the safest, most reliable and economical treatment and distribution system possible.

The Water Department includes water treatment plants, deep wells, elevated tanks, booster pumping stations, distribution mains and services. The Water System consists of 1,475 miles of water mains, which provides water service to the customers of Huntsville Utilities. The Water Department consists of the Meter Shop, New Services, South Maintenance, North Maintenance, Small Construction, Large Construction, Valve/Fire Hydrant Maintenance, Water Quality, South Parkway Plant, Southwest Plant, Lincoln Dallas Plant, Wells/Tanks/Boosters, and Southeast Water Treatment Plant sections. The Water Department reports to the Vice President of Operations.

The **Water Management** group provides leadership of all water supply and operation sections, and engineering advice to the HU Engineering department. Assures the following: daily administrative operations for the water system personnel; processing applications for new and existing customers; maintaining records for maintenance services and input to mapping on completed work and engineering on needed capital projects. Responsible for compliance with all EPA, ADEM and ADPH regulations in the treatment and distribution of potable water.

The **Water Meter Shop** is responsible for working all service orders generated by field services, any calls meter related from Dispatch, as well as meter changes. The Meter Shop also has an industrial crew that is responsible for all meters 3" and larger as well as fire lines. This crew is responsible for performing the AWWA MR-6 manual recommendation of testing a minimal of 5% of all industrial meters annually. Meter Shop installs and maintains all regulators feeding the different pressure zones. Second shift reports to the Meter Shop as well handling all calls from end of normal business hours until 10:00 PM. The Service Coordinator oversees all meter changes as well as new sets and makes sure all record keeping is completed and filed.

**New Services** is responsible for installation of all new meters ranging from  $\frac{3}{4}$ " to 2". This section is responsible for dewaterers in our system as well.

The **Maintenance** sections are responsible for replacing or repairing all leaking service lines. They take care of water main breaks and third-party damages and all 2" lines are repaired by a trouble truck that reports to the maintenance sections as well.

The **Large Construction** section is responsible for pipe installation above 12" as well as repairs on all transmission mains. This would include requests to lower or raise large pipelines for projects.

The **Small Construction** section is responsible for 12" and smaller pipe installation. They also set all vaults for 3" and larger meters. This section would assist in lowering or raising 12" and smaller pipelines for projects.

The **Valve/Fire Hydrant** section is responsible for maintaining all valves and fire hydrants in the system. The group replaces all inoperable or damaged hydrants. This section is also responsible for the leak detection program used to detect leaks within the system.

The **Pump Station Maintenance** section is responsible for maintaining all booster stations, tanks, and wells, to include preventative maintenance, repairs, and overall site upkeep.

The **Water Quality** section ensures overall drinking water system compliance with ADEM, ADPH, and EPA regulations and monitors distribution system water quality through compliance sampling, hydrant flushing, distribution system instrumentation maintenance, and answering any customer water quality calls.

The **Water Treatment Plants** operate all treatment plants, monitor the distribution system SCADA to ensure adequate system capacity, perform any plant maintenance, and ensure overall facility upkeep.



Position	Current Staffing	Staffing Reductions	Additional Staffing	Approved Staffing
<b><u>Water Management</u></b>				
Water Operations Director	1	0	0	1
Water Operations Manager	2	0	0	2
Water Supply Manager	1	0	0	1
Engineer II	1	0	0	1
Operations Analyst	1	0	0	1
Utility Worker	<u>2</u>	<u>0</u>	<u>0</u>	<u>2</u>
	<b>8</b>	<b>0</b>	<b>0</b>	<b>8</b>
<b><u>Water Meter Shop</u></b>				
Meter Shop Supervisor	1	0	0	1
Gas/Water Crew Leader	1	0	0	1
Senior Meter Technician	1	0	0	1
Meter Technician II	1	0	0	1
Equipment Operator III	1	0	0	1
Pipefitter	7	0	0	7
Service Coordinator	1	0	0	1
Leak Detector II	1	0	0	1
Utility Worker	<u>2</u>	<u>0</u>	<u>0</u>	<u>2</u>
	<b>16</b>	<b>0</b>	<b>0</b>	<b>16</b>
<b><u>New Services</u></b>				
New Services Supervisor	1	0	0	1
Gas/Water Crew Leader	2	0	0	2
Pipefitter	3	0	0	3
Equipment Operator	<u>3</u>	<u>0</u>	<u>0</u>	<u>3</u>
	<b>9</b>	<b>0</b>	<b>0</b>	<b>9</b>
<b><u>Water Maintenance</u></b>				
Supervisor	2	0	0	2
Gas/Water Crew Leader	4	0	0	4
Equipment Operator III	6	0	0	6
Pipefitter	2	0	0	2
Utility Worker	<u>7</u>	<u>0</u>	<u>0</u>	<u>7</u>
	<b>21</b>	<b>0</b>	<b>0</b>	<b>21</b>

Position	Current Staffing	Staffing Reductions	Additional Staffing	Approved Staffing
<b><u>Large Construction</u></b>				
Supervisor	1	0	0	1
Gas/Water Crew Leader	2	0	0	2
Equipment Operator III	1	0	0	1
Pipefitter	1	0	0	1
Utility Worker	<u>3</u>	<u>0</u>	<u>0</u>	<u>3</u>
	<b>8</b>	<b>0</b>	<b>0</b>	<b>8</b>
<b><u>Small Construction</u></b>				
Gas/Water Crew Leader	1	0	0	1
Equipment Operator III	1	0	0	1
Pipefitter	<u>1</u>	<u>0</u>	<u>0</u>	<u>1</u>
	<b>3</b>	<b>0</b>	<b>0</b>	<b>3</b>
<b><u>Hydrants</u></b>				
Supervisor	1	0	0	1
Gas/Water Crew Leader	1	0	0	1
Pipefitter	3	0	0	3
Leak Detector II	<u>1</u>	<u>0</u>	<u>0</u>	<u>1</u>
	<b>6</b>	<b>0</b>	<b>0</b>	<b>6</b>
<b><u>Water Quality</u></b>				
Water Quality Supply Supervisor	1	0	0	1
Water Quality Technician	1	0	0	1
Laboratory Technician II	1	0	0	1
Cross Connection Technician I	<u>2</u>	<u>0</u>	<u>0</u>	<u>2</u>
	<b>5</b>	<b>0</b>	<b>0</b>	<b>5</b>
<b><u>Water Treatment Plants</u></b>				
Water Treatment Plant Supervisors	4	0	0	4
Water Plant Operator Chief	3	0	0	3
Crew Leader - Water Supply	1	0	0	1
Water Plant Operator II	15	0	0	15
Water Plant Operator I	0	0	2	2
Pump Station Maintenance Tech	5	0	0	5
Electrical Maintenance Tech II	1	0	0	1
Water Plant Maintenance Tech I	3	0	0	3
Utility Worker	<u>4</u>	<u>0</u>	<u>0</u>	<u>4</u>
	<b>36</b>	<b>0</b>	<b>2</b>	<b>38</b>
<b>WATER OPERATIONS HEADCOUNT</b>	<b>112</b>	<b>0</b>	<b>2</b>	<b>114</b>

## Departmental Overview

Performance Indicators	Goal	Current
Ensure Water Availability	≥ 99.999%	100%
Ensure Customer Interruptions are Brief	< 30 minutes	5.76 minutes
Maintain Low Raw Water and High Service Pump Unscheduled Downtimes Each Month	< 10%	Raw Water 5% / High Service Pumps 1%
Maintain Non-Revenue Water Losses	< 20%	23%
Maintain System Capacity to Peak Water Demand	< 75%	43%

### Accomplishments for FY2020 Budget Year:

- Maintained 100% compliance with state and federal utility regulations.
- Yearly average for cumulative water loss at 22%.
- 2019 Best Operated Plant of the Year – Southwest Water Plant.
- High rate study completed for Southeast Water Plant to increase from 12 MGD to 24 MGD.
- Liberty Hills and Cecil Ashburn Booster Station completion.
- Acquisition of Limestone County Water territory.

### Goals & Objectives for the FY2021 Budget Year:

- Maintain 100% compliance with state and federal utility regulations.
- South Parkway Raw Water Intake Improvements.
- Cross Connection Program Improvements.
- South Plant Rehab Design Completion.
- AMI Program Ongoing.
- Cast Iron Main Replacement.

## Department Budget Summary

	FY20 Budget	FY21 Budget
Water Operating Expenses	\$19,743,153	\$19,605,953
Water Capital Expenses	\$2,838,050	\$2,826,224
<b>Grand Total</b>	<b>\$22,581,203</b>	<b>\$22,432,177</b>

# **Gas Operations**

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**Mike Counts, Vice President Operations**

**Todd Gentle, Gas Operations Director**

## Organizational Function

The **Gas Department's** goal is to provide superior customer service to our customers through the safest, most reliable and economical distribution system possible.

The Gas Department operates and maintains a 1,447 mile natural gas distribution pipeline system throughout Madison, Marshall and Limestone County, which provides natural gas service to the customers of Huntsville Utilities. The Gas Department consists of the Meter Shop, New Services, Maintenance, Corrosion, Heavy Construction/Boring, and Landscaping sections. The Gas Department reports to the Vice President of Operations.

The **Gas Management** group provides support to the Meter Shop, New Services, Maintenance, Corrosion, Heavy Construction/Boring, and Landscaping sections. This support consists of the following: performing daily administrative operations for the gas system personnel; processing applications for new and existing customers; maintaining records for Maintenance services; managing customer relations; ensuring compliance with Federal requirements.

The **Gas Meter Shop** is responsible for repairing and testing natural gas meters as well as responding to various natural gas leak calls. Records are kept of each meter in service indicating location, installation date and maintenance work performed. Meters are changed periodically in accordance with rules and regulations of the Utility. The Gas Meter Shop is currently in the process of gathering all pertinent data to be able to install AMI modules on the gas meters. Meter Shop employees are responsible for the operation and maintenance of 84 district regulators, 4 gate stations and an interconnect station which supply natural gas to our customers.

**New Services** is responsible for installing natural gas service lines to residential, industrial and commercial customers throughout Madison, Marshall and Limestone County. In addition, due to the increased growth in Madison County, the Service Line Crews will install short main extensions to serve new customers. Service Line crews installed 1,491 service lines, which contributed to over 3% customer growth for fiscal year 2019.

The **Maintenance** section installs and maintains natural gas distribution pipelines and facilities. This installation and maintenance consists of the following: installing main and service pipeline extensions and meters to meet customer requests; performing maintenance to meet or exceed Department of Transportation (DOT) requirements; inspecting contractors' construction crews to ensure proper pipeline installation; repairing third party damages (e.g., cut gas lines); and installing and implementing the cathodic protection system. The Leak Detection crews are responsible for responding to any outside leak calls, pinpointing the underground leak and determining the risk level of the leak.

The **Corrosion** section is responsible for operating and maintaining the cathodic protection on approximately 830 miles of steel gas mains and 21,700 steel service lines. In order to comply with Federal and State regulations, the Corrosion section must make bi-monthly inspections of our rectifier systems to ensure proper levels of protection are being maintained and each pipeline segment is being tested annually. Due to the continued growth of our community, the corrosion section must be vigilant of new facilities being installed by outside agencies to ensure they do not interfere with our protection systems.

The **Heavy Construction** section is responsible for the installation and relocation of natural gas throughout our service area. This work consist of new residential subdivisions, system improvement extensions, and relocations due to City and State road widening projects. The Heavy Construction crews were responsible for installing 52,732 feet of various sizes of gas main for fiscal year 2019.

The **Boring** section is responsible for all horizontal directional boring of gas mains and services as well as supporting the installation of Fiber and Water facilities which require boring. The Boring section was responsible for 728 directional bores resulting in 80,257 feet of infrastructure installed last fiscal year for the various departments.

The **Landscaping** section is responsible for the restoration of landscape and hardscape disturbed during the installation and maintenance of all construction within Huntsville Utilities. The landscaping crews completed 2,758 landscaping requests for fiscal year 2019.

Position	Current Staffing	Staffing Reductions	Additional Staffing	Approved Staffing
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**Gas Management**

Gas Operations Director	1	0	0	1
Gas Operations Assistant Director	1	0	0	1
Gas Operations Manager	2	0	0	2
Engineer I	0	0	1	1
Operations Analyst	1	0	0	1
Clerk II	<u>1</u>	<u>0</u>	<u>0</u>	<u>1</u>
	<b>6</b>	<b>0</b>	<b>1</b>	<b>7</b>

**Gas Meter Shop**

Meter Shop Supervisor	1	0	0	1
Crew Leader Gas/Water	1	0	0	1
Senior Meter Technician	1	0	0	1
Meter Technician II	2	0	0	2
Meter Technician I	4	0	0	4
Service Coordinator	1	0	0	1
Leak Detector II	<u>4</u>	<u>0</u>	<u>0</u>	<u>4</u>
	<b>14</b>	<b>0</b>	<b>0</b>	<b>14</b>

**New Services**

New Services Supervisor	2	0	0	2
Gas/Water Crew Leader	4	0	0	4
Equipment Operator III	4	0	0	4
Pipefitter	7	0	0	7
Welder	1	0	0	1
Utility Worker	<u>2</u>	<u>0</u>	<u>0</u>	<u>2</u>
	<b>20</b>	<b>0</b>	<b>0</b>	<b>20</b>

**Gas Maintenance**

Gas Maintenance Supervisor	2	0	0	2
Gas/Water Crew Leader	3	0	0	3
Welder	1	0	0	1
Equipment Operator III	2	0	0	2
Leak Detector II	3	0	0	3
Pipefitter	4	0	0	4
Utility Worker	<u>7</u>	<u>0</u>	<u>0</u>	<u>7</u>
	<b>22</b>	<b>0</b>	<b>0</b>	<b>22</b>

Position	Current Staffing	Staffing Reductions	Additional Staffing	Approved Staffing
<b><u>Gas Corrosion</u></b>				
Corrosion Supervisor	1	0	0	1
Corrosion Technician I	2	0	0	2
Corrosion Control Assistant	<u>1</u>	<u>0</u>	<u>0</u>	<u>1</u>
	<b>4</b>	<b>0</b>	<b>0</b>	<b>4</b>
<b><u>Heavy Construction</u></b>				
Heavy Construction Supervisor	1	0	0	1
Gas/Water Crew Leader	3	0	0	3
Equipment Operator III	3	0	0	3
Utility Worker	<u>1</u>	<u>0</u>	<u>0</u>	<u>1</u>
	<b>8</b>	<b>0</b>	<b>0</b>	<b>8</b>
<b><u>Boring/Landscaping</u></b>				
Boring/Landscaping Supervisor	1	0	0	1
Gas/Water Crew Leader	2	0	0	2
Ground Maintenance Crew Leader	2	0	0	2
Welder	1	0	0	1
Equipment Operator III	2	0	0	2
Equipment Operator I	1	0	0	1
Pipefitter	3	0	0	3
Utility Worker	<u>2</u>	<u>0</u>	<u>3</u>	<u>5</u>
	<b>14</b>	<b>0</b>	<b>3</b>	<b>17</b>
<b>GAS OPERATIONS HEADCOUNT</b>	<b>88</b>	<b>0</b>	<b>4</b>	<b>92</b>



## Departmental Overview

Performance Indicators	Goal	Current
Ensure Gas Availability	>99.999%	100%
Ensure Customer Interruptions are Brief	< 60 minutes	32.7 minutes
Inspect Corrosion Points Annually	10%	10%

### Accomplishments for FY2020 Budget Year:

- Maintained 100% compliance with state and federal utility regulations.
- Achieved over 3% customer growth.
- Completion of Mazda/Toyota Manufacturing installation.
- Development of Natural Gas Training Committee.

### Goals & Objectives for the FY2021 Budget Year:

- American Public Gas Association (APGA) System Operational Achievement Recognition (SOAR) Award.
- APGA Safety Management Excellence Award.
- Maintain 100% compliance with state and federal utility regulations.

## Department Budget Summary

	FY20 Budget	FY21 Budget
Water Operating Expenses	\$0	\$503,406
Gas Operating Expenses	\$9,483,809	\$10,319,248
Electric Operating Expenses	\$0	\$125,851
<b>Total Operating Expenses</b>	<b>\$9,483,809</b>	<b>\$10,948,505</b>
Gas Capital Expenses	\$3,005,497	\$1,830,956
<b>Grand Total</b>	<b>\$12,489,306</b>	<b>\$12,779,461</b>

**Note:** The Landscaping section costs have been allocated 100% to gas in prior years but are now being allocated to all three services based on the nature of services performed.

# **Electric Operations**

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**Mike Counts, Vice President Operations**

**Wayne Jordan, Electric Operations Director**

## Organizational Function

The **Electric Department's** goal is to provide superior customer service to our customers through the safest, most reliable and economical distribution system possible.

The Electric Department is responsible for the construction, operation, and maintenance of the entire electric and fiber optic systems. The Electric System consists of 2,915 miles of overhead primary and 1,469 miles of underground primary, which provide electric service to the customers of Huntsville Utilities. The Electric Department consists of the Meter Shop, Dispatch, Substations, Overhead, Underground, Tree Trimming, SCADA Communication, and Fiber sections. The Electric Department reports to the Vice President of Operations.

The **Electric Meter Shop** section is responsible for the procurement, documentation, integrity, maintenance, and accuracy of electric metering for Huntsville Utilities, including the recent AMI conversion. This section orders metering equipment and ensures new meters are received, checked, numbered, and placed in stock for installation. The Meter Shop verifies programming of the meters, repairs & tests all meters in the electric system, and documents meter location in the field, installation date, & maintenance work performed. Additionally, this section performs all instrument-rated installations and service verifications and verifies the accuracy of the monthly TVA Power Bill invoice.

The **Operations Center** operates 24 hours a day, seven days a week monitoring and dispatching electric, water, gas, fiber, and field service crews that provide utility services to the Huntsville and Madison County communities. Another responsibility of the Operations Center is to assist with the monitoring of the Huntsville Utilities' security systems. Specifically, the Operations Center assumes the responsibility of attending customers after regular business hours while simultaneously maintaining and monitoring a variety of complex systems that ensure all customers receive the highest quality service possible.

The **Overhead Distribution** section is responsible for the construction, operation, and maintenance of our overhead transmission and distribution systems. All combined, the overhead system consists of over 2,900 miles of overhead conductor operated at 12kV, 25kV, and 46kV. The Overhead Distribution section is also responsible for Right-of-Way line clearance operations and vegetation management control through the use of in-house and contract line clearance crews and herbicides.

The **Underground Distribution** section is responsible for the construction, operation, and maintenance of our residential and commercial underground transmission and distribution systems. The underground system consists of nearly 1,500 miles of underground cable operated at 12kV, 25kV, and 46kV. The Underground Distribution section also consists of the Trouble/Street Light section and the Services section responsible for addressing all electric system problems, the installation and maintenance of street lights, and the installation of new electric services.

The **Substation** section is responsible for the operation and maintenance of 14 delivery points and 95 distribution substations. The section operates, troubleshoots, repairs, and maintains 64 circuit switchers, 171 power transformers, 415 circuit breakers, 667 voltage regulators, and 43 station battery banks. Additionally, the substation group installs new equipment for substation expansions and replacements and assists SCADA technicians with remote station monitoring and line crews with line switching.

The **SCADA Operations** section is responsible for real-time monitoring and control of the electric, water, and gas facilities utilizing our computerized supervisory control and data acquisition (SCADA) system. Our SCADA section currently maintains approximately 200 RTU's throughout Huntsville Utilities' electric, water and gas systems used to gather and analyze relevant system data. Our System Operators use a graphical-user-interface for supervisory management. The key attribute of our SCADA system is the ability to respond to customer outages, proactively.

The **Fiber** section is responsible for the construction, operation, and maintenance of our fiber network. The Fiber System consists of 6,000 miles of fiber plant, 66% overhead and 34% underground. The Fiber section is also responsible for a 75-mile aerial backbone and an approximate 100-mile legacy fiber plant. The Fiber section maintains a network capable of serving over 110,000 parcels in the city of Huntsville. The Fiber section will also be responsible for providing reliable service to over 1,000 tier two addresses that will consist of municipal, medical, educational and Huntsville Utilities operational circuits.

Position	Current Staffing	Staffing Reductions	Additional Staffing	Approved Staffing
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**VP Operations**

Vice President Operations	1	0	0	1
Electric Operations Director	1	0	0	1
Fiber Operations Director	1	-1	0	0
Operations Analyst	2	0	0	2
Service Coordinator	2	0	0	2
Clerk II	1	0	0	1
Clerk I	<u>1</u>	<u>-1</u>	<u>0</u>	<u>0</u>
	<b>9</b>	<b>-2</b>	<b>0</b>	<b>7</b>

**Meter Shop**

Metering & Power Quality Super	1	0	0	1
Senior Meter Technician	1	0	0	1
Meter Technician II	3	0	0	3
Meter Technician I	3	0	0	3
Service Coordinator	<u>1</u>	<u>0</u>	<u>0</u>	<u>1</u>
	<b>9</b>	<b>0</b>	<b>0</b>	<b>9</b>

**Operations Center/Dispatch**

Systems Operations Manager	1	0	0	1
System Operations Supervisor	1	0	0	1
Senior Load Controller	1	0	0	1
System Operator III Trainee	3	0	0	3
System Operator III	2	0	0	2
System Operator II	4	0	0	4
System Operator I	3	0	0	3
Clerk II	1	0	0	1
Engineer II	<u>1</u>	<u>0</u>	<u>0</u>	<u>1</u>
	<b>17</b>	<b>0</b>	<b>0</b>	<b>17</b>

Position	Current Staffing	Staffing Reductions	Staffing Request	Approved Staffing
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**Overhead Distribution**

Electric Line Manager	1	0	0	1
Line Supervisor	4	0	0	4
Lead Lineworker	5	0	0	5
Journey Lineworker	13	0	0	13
Apprentice Lineworker	6	0	0	6
Equipment Crew Lead	4	0	0	4
Equipment Operator III	3	0	0	3
Apprentice Equipment Operator	4	0	0	4
Utility Worker	4	0	0	4
Line Clearance Supervisor	1	0	0	1
Right of Way Supervisor	1	0	0	1
Line Clearance Planner	3	0	0	3
Line Clearance Coordinator	4	0	0	4
Tree Trimmer	4	0	0	4
Clerk II	<u>1</u>	<u>0</u>	<u>0</u>	<u>1</u>
	<b>58</b>	<b>0</b>	<b>0</b>	<b>58</b>

**Underground Distribution**

Electric Line Manager	1	0	0	1
Line Supervisor	5	0	0	4
Conduit Installation Supervisor	1	0	0	1
Lead Lineworker	10	0	0	10
Journey Lineworker	34	0	0	24
Apprentice Lineworker	4	0	0	4
Equipment Crew Lead	1	0	0	1
Equipment Operator III	4	0	0	4
Apprentice Equipment Operator	3	0	0	3
Utility Worker	<u>8</u>	<u>0</u>	<u>2</u>	<u>10</u>
	<b>71</b>	<b>0</b>	<b>2</b>	<b>73</b>

**Substation**

Substation Superintendent	1	0	0	1
Lead Electrician	2	0	0	2
Journey Electrician	8	0	0	8
Apprentice Electrician	<u>3</u>	<u>0</u>	<u>0</u>	<u>3</u>
	<b>14</b>	<b>0</b>	<b>0</b>	<b>14</b>

Position	Current Staffing	Staffing Reductions	Staffing Request	Approved Staffing
<b><u>SCADA Operations</u></b>				
SCADA Technician Crew Leader	1	0	0	1
SCADA Technician II	2	0	0	2
SCADA Administrator	1	0	0	1
Engineer II	1	0	0	1
Communications Assistant	<u>1</u>	<u>0</u>	<u>0</u>	<u>1</u>
	<b>6</b>	<b>0</b>	<b>0</b>	<b>6</b>
<b><u>Fiber Operations</u></b>				
Fiber Operations Manager	1	0	0	1
Fiber Outside Plant Supervisor	1	0	0	1
Fiber Outside Plant Crew Leader	1	0	0	1
Fiber Outside Plant Tech II	2	0	0	2
Fiber Outside Plant Tech I	4	0	0	4
Equipment Operator III	0	0	1	1
Utility Worker	<u>2</u>	<u>0</u>	<u>2</u>	<u>4</u>
	<b>11</b>	<b>0</b>	<b>3</b>	<b>14</b>
<b>ELECTRIC OPERATIONS</b>				
<b>HEADCOUNT</b>	<b>195</b>	<b>-2</b>	<b>5</b>	<b>198</b>

## Departmental Overview

Performance Indicators	Goal	Current
Ensure Electric Availability	≥ 99.990%	99.990%
Duration of Interruptions	< 60 minutes	55.99 minutes
Ensure Fiber Availability	≥ 99.998%	100%
Maximum Duration of Interruptions	< 8 hours	6.96 hours
Tree Trimming of Overhead Distribution Annually	25%	12%
Maintain Average Load Capacity for Substations & Main Feeders	< 50%	99%
Maintain Load Capacity for Substations & Main Feeders at Peak Demand	< 100%	99%

### Accomplishments for FY2020 Budget Year:

- Maintained 100% compliance with state and federal utility regulations
- Completed 95,000 parcels in the Fiber build.
- Completed the Electric Make Readies for the Fiber build.
- Hired an Electric Line Construction Contractor to assist HU crews.
- Obtained a cost to operate Redstone’s Electric System for the IGSA document.

### Goals & Objectives for the FY2021 Budget Year:

- Maintain 100% compliance with state and federal utility regulations.
- Perform maintenance on our oldest fiber plant.
- Complete a significant amount of utility and municipal fiber installs.
- Complete the Meter Shop AMI installs.
- Complete the IGSA document and pricing for Redstone.

## Department Budget Summary

	FY20 Budget	FY21 Budget
Water Operating Expenses	\$424,900	\$522,018
Gas Operating Expenses	\$285,100	\$410,565
Electric Operating Expenses	\$30,997,448	\$31,734,984
<b>Total Operating Expenses</b>	<b>\$31,707,448</b>	<b>\$32,667,567</b>
Electric Capital Expenses	\$20,105,939	\$11,450,887
<b>Grand Total</b>	<b>\$51,813,387</b>	<b>\$44,118,454</b>



## Information about the City of Huntsville

Huntsville is a city in the Appalachian region of northern Alabama. It is the county seat of Madison County, but extends west into neighboring Limestone County and south into Morgan County. Pioneer, John Hunt, for whom the city is named, occupied a cabin alongside a spring here in 1805. A town soon flourished and was the largest in the Alabama Territory by 1819. That year the leaders of the Alabama Territory met here to petition the U.S. Congress to grant Alabama statehood.

Huntsville was the cotton trading center of the Tennessee Valley during the 1840s and 1850s when planters and merchants originally from Virginia and the Carolinas built impressive town homes. LeRoy Pope, who purchased land at auction and donated land for the town, originally picked the name Twickenham. He wanted to honor the London suburb which was home to poet Alexander Pope, a relative. However, following the War of 1812, the name reverted to Huntsville. Huntsville was still a cotton market town of 16,437 people in 1950 when U.S. Senator John Sparkman brought a band of German rocket scientists to Redstone Arsenal to develop rockets for the U.S. Army. By the end of the decade, Wernher von Braun's team had developed the rocket which launched America's first satellite. The rockets eventually put the first American in space and transported the first astronauts to the Moon.

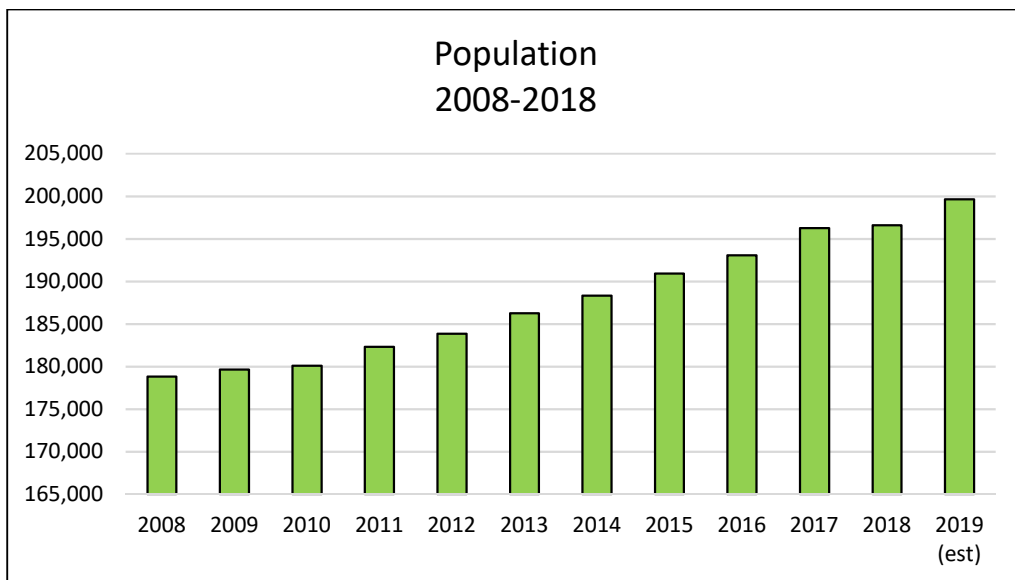
In 1960, the George C. Marshall Space Flight Center (MSFC) was established in Huntsville. MSFC is the U.S. government's civilian rocketry and spacecraft propulsion research center. It's the largest NASA center and it's first mission was developing the Saturn launch vehicles for the Apollo program. The additional jobs in the Valley created by these space program initiatives encouraged other companies to join Huntsville's industrial community.

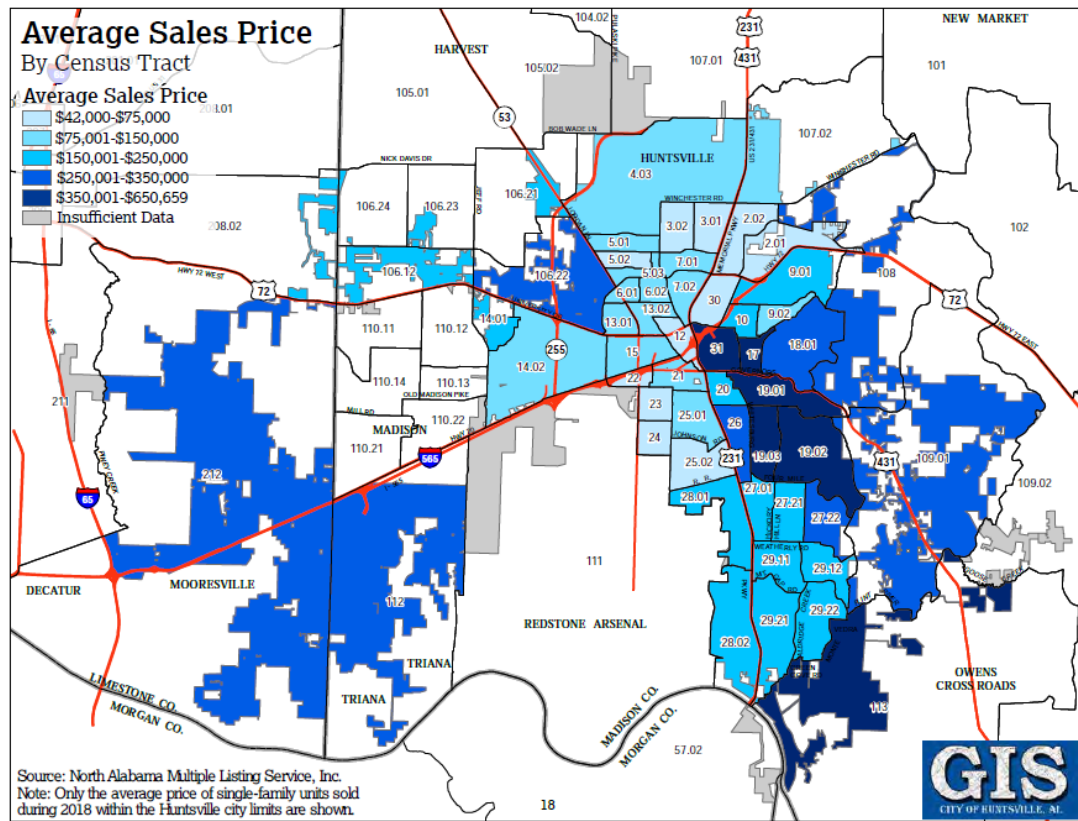
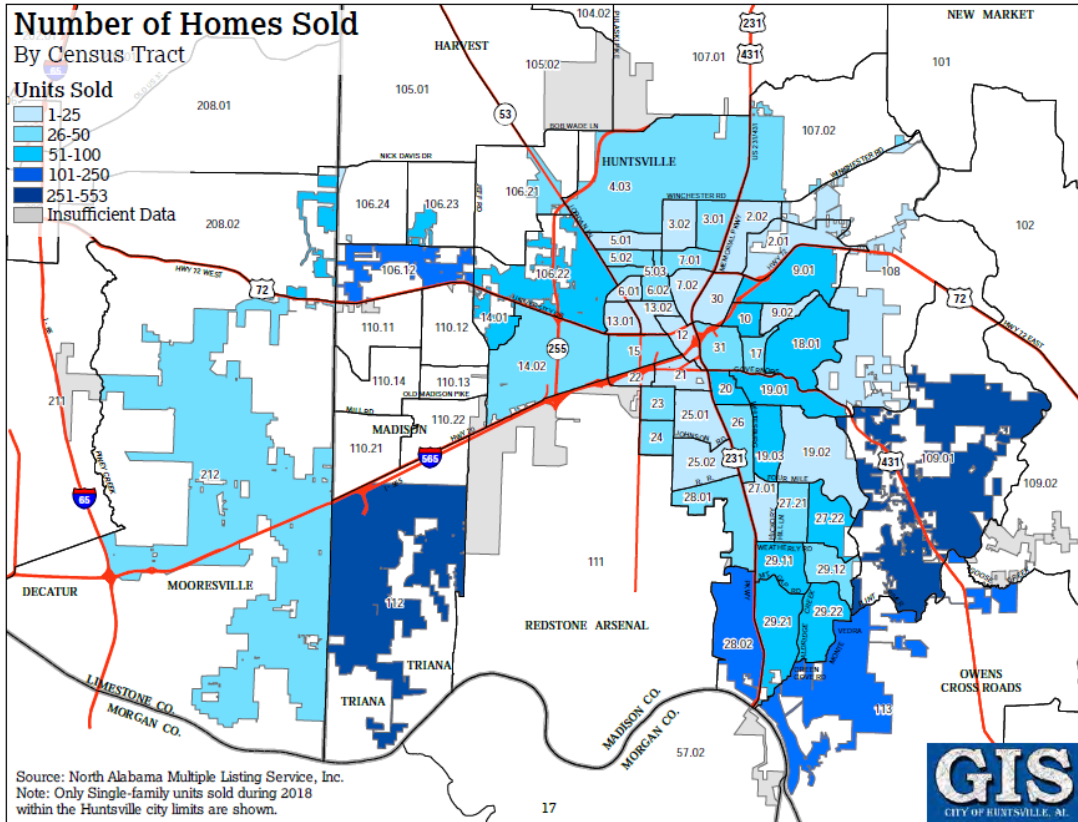
During the 1970s, Huntsville's economy was nearly crippled and growth stalled for more than a decade due to the closing of the Apollo program. Once the emergence of the Space Station and a wide variety of advanced research and space sciences were introduced, Huntsville's economy and job market exploded again. Not long after, Redstone Arsenal expanded into missile defense programs, which brought even more jobs and support companies to Huntsville and the surrounding areas. The Cummings Research Park was developed just north of Redstone Arsenal to help accommodate this industrial growth.

Since the 2000s, Huntsville has been home to the second largest technology and research park in the nation, and it ranks among the top 25 most educated cities in the United States. It is considered one of the nation's high-tech hotspots, and one of the best Southern cities for defense jobs. In 2019 Mazda Toyota Manufacturing announced plans to build an automobile production plant that would create thousands of direct and indirect jobs. The city has added data centers like Facebook, DC Blox, and Simple Helix to its diverse commercial portfolio. In terms of land, Huntsville is the biggest city in Alabama; and is set to be the biggest in terms of population by 2025.

<b>Highlights</b>		<b>Huntsville Rank</b>	<b>U.S.</b>
Cost of Living	Cost of Living	86 <sup>th</sup>	100 <sup>th</sup>
	Median Home Cost	\$153,200	\$231,200
	Transportation Commute time	19.0 minutes	26.4 minutes
	Grocery	96 <sup>th</sup>	100 <sup>th</sup>
	Health	105.1	100
	Housing	66.3	100
	Utilities	96.2	100
Population		190,501	
Population by Occupation	Agriculture, Forestry, Fishing, Hunting	0.4%	1.3%
	Mining, Quarrying, Oil & Gas	0.1%	0.6%
	Construction	4.4%	6.2%
	Manufacturing	10.9%	10.4%
	Wholesale Trade	1.8%	2.7%
	Retail Trade	11.7%	11.6%
	Transportation & Warehousing	2.1%	4.1%
	Utilities	0.7%	0.9%
	Information	2.8%	2.1%
	Finance & Insurance	2.4%	4.7%
	Real Estate, Rental, Leasing	1.5%	1.9%
	Professional, Scientific, Technical Svc.	13.2%	6.7%
	Management of Companies	0.0%	0.1%
	Admin., Support, Waste	4.7%	4.3%
	Management	8.8%	9.3%
	Educational Services	12.4%	13.8%
	Health Care & Social Assistance	1.6%	2.2%
Arts, Entertainment, Recreation	8.3%	7.4%	
Accommodation, Food Service	4.6%	4.9%	
Other Service	7.5%	4.8%	
Public Administration			
Schools & Education	Expenditures per Student	\$11,583	\$12,383
	Instructor Expend. Per Student	\$5,638	\$6,428
	Student/Teacher Ratio	16.9	16.8
	Students/Librarian	415	538.1
	Students/Counselor	446.3	403.2
Job Market	Income per Capita	\$33,070	\$31,177
	Household Income	\$51,926	\$57,652
	Unemployment Rate	2.80%	3.70%
	Recent Job Growth	3.58%	1.59%
	Future Job Growth	40.91%	33.51%
Crime	Violent Crime	43.2%	22.7%
	Property Crime	66.9%	35.4%

	<b>Highlights</b>	<b>Huntsville Rank</b>	<b>U.S.</b>
Climate	Rain Per Year	55-inches	38-inches
	Snow Per Year	2-inches	28-inches
	Sunny Days Per Year	199	205
	Summer High	July & 90°	85.8°
	Winter Low	January & 30°	21.7°
	Comfort Index	7.3/10	7/10
	UV Index	4.9	4.3
	Elevation	633-feet	2443-feet
Health	Air Quality	49	58.4
	Water Quality	1	55
	Superfund Index	92.5	86.9
	Physicians/100k People	231	210
	Health Cost	105	100
Economy	Median Income	\$49,060	\$53,482
	Sales Tax Rate	9%	7.3%
	Income Tax Rate	5.0%	4.6%
People Stats	People Per Square Mile	889	
	Median Age	36.8	37.4
	People Per Household	2.3	2.6
	Married	45.5%	
	Divorced	13.7%	
	Married with Children	26.3%	
	Single with Children	19.85%	
	White	59.0%	
	Black	30.1%	
	Asian	2.3%	
	Native American	0.4%	
	Other	0.1%	
Hispanic	5.7%		





## APPENDIX – Customer Service Fees



**HUNTSVILLE UTILITIES — CUSTOMER SERVICE FEES**  
Effective January 2, 2013

➤ Account Set-up/Transfer/Temp to Perm .....	\$70.00
Accelerated .....	\$95.00
Second Trip/Additional .....	\$70.00
After 6:00 p.m. weekends, holidays additional .....	\$100.00
➤ Reconnect Paid Delinquent Account.....	\$95.00
After 6 p.m., weekends and holidays .....	\$115.00
➤ Cut/Final .....	\$160.00
After Hours Cut/Final .....	\$180.00
➤ Trip Fee.....	\$40.00
Field Collect Fee .....	\$65.00
Field Collect and Reconnect (Only until 3 p.m.) .....	\$135.00
➤ Reconnect Paid Delinquent Account at Pole/Weatherhead .....	\$160.00
Field Collect and Reconnect (Only until 3 p.m.) .....	\$200.00
Reconnect Cut on Pole/Weatherhead (10:00 p.m. Friday - 6:00 a.m. Monday), weekends & holidays .....	\$200.00
➤ Returned Item .....	\$35.00
➤ Accelerated <u>Overhead</u> Electric Service .....	\$245.00
➤ Accelerated <u>Underground</u> Electric Service .....	\$260.00
➤ Accelerated Electric Service Tap .....	\$160.00
➤ Disconnect/Reconnect/Operate Cut-off for Customer .....	\$90.00
<i>(Trouble or Convenience)</i> 10:00 p.m. Friday - 6:00 a.m. Monday), weekends & holidays .....	\$100.00
➤ Service Out <i>(Customer Problem, Minimum Charge plus Materials)</i> .....	\$90.00
(10:00 p.m. Friday - 6:00 a.m. Monday), weekends & holidays .....	\$100.00
➤ Meter Test (At Customer's Request)	
ELECTRIC .....	\$115.00
GAS .....	\$60.00
WATER .....	\$60.00
➤ Reread Meter (At Customer's Request or Due to Accessibility) .....	\$50.00
➤ Pilot Lighting on Active Service .....	\$50.00
After 11 p.m., weekends and holidays .....	\$80.00
➤ Thermocouple Replacement (Includes Pilot Lighting).....	\$55.00
After 11 p.m., weekends and holidays .....	\$85.00
➤ Install secondary Lightning Protector .....	\$80.00
➤ Standard Residential Security Deposit .....	\$300.00
<i>(Co-signer option to remain available)</i>	
➤ Retention of Standard Residential Security Deposit .....	3 years
<i>(Each account to remain secured by \$100)</i>	

Huntsville Utilities is an equal opportunity residential utility service provider. We do not discriminate in the terms, conditions, or provision of services based on race, color, religion, sex, disability, familial status, or national origin.

# APPENDIX – Rate Schedules



**Water Retail Rates  
Effective September 2019\***

All usage rates are per 1,000 gallons

All availability rates are per meter per month

		Prior Month	New Rates	% Change
<b>Residential RWM-22, RWM-32</b>	1 <sup>st</sup> 3,000 Gallons	\$ 1.33	\$ 1.33	0.00%
	Next 3,000 Gallons	\$ 1.71	\$ 1.71	0.00%
	Next 6,000 Gallons	\$ 1.91	\$ 1.91	0.00%
	Over 12,000 Gallons	\$ 3.01	\$ 3.01	0.00%
<b>Residential Sprinkler RWM-78</b>	All usage	\$ 3.01	\$ 3.01	0.00%
<b>Wholesale/Resale IWM-90 IWM-93</b>	Sole Source	\$ 1.96	\$ 1.96	0.00%
	Supplemental	\$ 6.45	\$ 6.45	0.00%
<b>Multi-Meter Sole Source IWM-91</b>	1 <sup>st</sup> 1,000,000 Gallons	\$ 1.96	\$ 1.96	0.00%
	Over 1,000,000 Gallons	\$ 1.61	\$ 1.61	0.00%
<b>Sales to Madison Co IWM-94</b>	1 <sup>st</sup> 5,000,000 Gallons	\$ 1.96	\$ 1.96	0.00%
	Over 5,000,000 Gallons	\$ 1.61	\$ 1.61	0.00%
<b>Commerical / Industrial CWM-40, 50, 52, 54 IWM-56, 58, 59</b>	1 <sup>st</sup> 1,000,000 Gallons	\$ 1.96	\$ 1.96	0.00%
	Over 1,000,000 Gallons	\$ 1.61	\$ 1.61	0.00%
<b>Commercial Sprinkler CWM-79</b>	All usage	\$ 3.01	\$ 3.01	0.00%
<b>Metered Fire Line CFM-06</b>	All usage	\$ 3.01	\$ 3.01	0.00%
<b>Availability</b>	1" and smaller meters	\$ 12.34	\$ 12.34	0.00%
	1.5" meters	\$ 38.02	\$ 38.02	0.00%
	2" meters	\$ 57.68	\$ 57.68	0.00%
	3" meters	\$ 122.66	\$ 122.66	0.00%
	4" meters	\$ 199.01	\$ 199.01	0.00%
	6" meters	\$ 395.46	\$ 395.46	0.00%
	8" meters	\$ 537.91	\$ 537.91	0.00%
	10" meters	\$ 1,022.42	\$ 1,022.42	0.00%
	Fire Line (per inch per month)	\$ 10.04	\$ 10.04	0.00%
	Fire Hydrant Charge (each per month)	\$ 7.53	\$ 7.53	0.00%





**Water Retail Rates  
Effective September 2019\***

All usage rates are per 1,000 gallons

All availability rates are per meter per month

		Prior Month	New Rates	% Change
<b>Master Meter RWM-42 / CWM-55</b>	Availability	\$ 12.34	\$ 12.34	0.00%
	Usage	\$ 1.71	\$ 1.71	0.00%
<b>Residential Outside City Limits RWM-92</b>	1 <sup>st</sup> 2,500 Gallons	\$ 2.50	\$ 2.55	2.00%
	Next 2,500 Gallons	\$ 4.30	\$ 4.39	2.09%
	Next 5,000 Gallons	\$ 4.30	\$ 4.39	2.09%
	Next 40,000 Gallons	\$ 4.30	\$ 4.39	2.09%
	Over 50,000 Gallons**	\$ 6.85	\$ 6.99	2.04%
<b>Multi-Unit Residential Outside City Limits RWM-44</b>	1 <sup>st</sup> 2,500 Gallons	\$ 2.50	\$ 2.55	2.00%
	Next 2,500 Gallons	\$ 4.30	\$ 4.39	2.09%
	Next 5,000 Gallons	\$ 4.30	\$ 4.39	2.09%
	Next 40,000 Gallons	\$ 4.30	\$ 4.39	2.09%
	Over 50,000 Gallons**	\$ 6.85	\$ 6.99	2.04%
<b>Commercial Outside City Limits CWM-45</b>	1 <sup>st</sup> 2,500 Gallons	\$ 2.50	\$ 2.50	0.00%
	Next 2,500 Gallons	\$ 3.75	\$ 3.75	0.00%
	Next 5,000 Gallons	\$ 3.50	\$ 3.50	0.00%
	Next 40,000 Gallons	\$ 3.25	\$ 3.25	0.00%
	Over 50,000 Gallons**	\$ 6.85	\$ 6.85	0.00%
<b>Multi-Unit Commercial Outside City Limits CWM-46</b>	1 <sup>st</sup> 2,500 Gallons	\$ 2.50	\$ 2.50	0.00%
	Next 2,500 Gallons	\$ 3.75	\$ 3.75	0.00%
	Next 5,000 Gallons	\$ 3.50	\$ 3.50	0.00%
	Next 40,000 Gallons	\$ 3.25	\$ 3.25	0.00%
	Over 50,000 Gallons**	\$ 6.85	\$ 6.85	0.00%
<b>Residential Availability</b>	1" and smaller meters	\$ 14.00	\$ 14.00	0.00%
	1.5" and 2" meters	\$ 30.00	\$ 30.00	0.00%
	3" meters	\$ 50.00	\$ 50.00	0.00%
	4" and larger meters	\$ 100.00	\$ 100.00	0.00%
<b>Commercial Availability</b>	1" and smaller meters	\$ 10.00	\$ 10.00	0.00%
	1.5" and 2" meters	\$ 30.00	\$ 30.00	0.00%
	3" meters	\$ 50.00	\$ 50.00	0.00%
	4" and larger meters	\$ 100.00	\$ 100.00	0.00%

\* Rate increases for county water have been scheduled through 2022 and are effective each September 1  
\*\* The base of the Over 50,000 gallon rate is the wholesale supplemental rate.



**Natural Gas Retail Rates  
Effective April 2020**

All usage rates are per 1,000 cubic feet

All availability rates are per meter per month

		Prior Month	New Rates	% Change
<b>Residential RGM-22</b>	Availability	\$ 10.00	\$ 10.00	0.00%
	Usage	\$ 8.96	\$ 8.96	0.00%
<b>Small Commercial CGM-35</b>	Availability	\$ 20.00	\$ 20.00	0.00%
	Usage	\$ 8.83	\$ 8.83	0.00%
<b>Commercial &amp; Industrial CGM-00</b>	Availability	\$ 200.00	\$ 200.00	0.00%
	Usage (15,000 - 49,999 cubic ft daily)	\$ 8.14	\$ 8.14	0.00%
<b>Commercial &amp; Industrial CGM-20</b>	Availability	\$ -	\$ 200.00	N/A
	Usage (50,000 - 99,999 cubic ft daily)	\$ -	\$ 7.50	N/A
<b>Commercial &amp; Industrial IGM-25</b>	Availability	\$ -	\$ 200.00	N/A
	Usage ( $\geq$ 100,000 cubic ft daily)	\$ -	\$ 6.50	N/A
<b>Transport IGM-39 ,40</b>	Availability	\$ 1,000.00	\$ 1,000.00	0.00%
	Volumes transported	\$ 1.41	\$ 1.41	0.00%
<b>CNG Fueling Stations CGM-41</b>	Service Charge	\$ 200.00	\$ 200.00	0.00%
	Usage	\$ 1.80	\$ 1.80	0.00%



**Electric Retail Rates  
Effective July 2020  
Summer Seasonal Rates\***

			Prior Month (Summer)	New Rates (Summer)	% Change
Standard Svc FCA		\$ 0.01497 per kwh			
Large MS FCA		\$ 0.01258 per kwh			
Large GS FCA		\$ 0.01360 per kwh			
<b>Residential REM-22</b>	Availability Charge		\$ 11.17	\$ 11.17	0.00%
	Energy Charge - 1 <sup>st</sup> 1,400 kwh		\$ 0.09196	\$ 0.09270	0.80%
	Energy Charge - Next 1,600 kwh		\$ 0.10032	\$ 0.10106	0.74%
	Energy Charge - Additional kwh		\$ 0.10032	\$ 0.10106	0.74%
<b>Residential SRS REM-21</b>	Availability Charge		\$ 12.77	\$ 12.77	0.00%
	Energy Charge - All kwh		\$ 0.10522	\$ 0.10595	0.69%
<b>Outdoor Lighting RLU-77 CLM-72,73,74,75</b>	Availability Charge *** (Parking Lots, Traffic Signals, Athletic Lights)		\$ 2.50	\$ 2.50	0.00%
	Energy Charge - All kwh		\$ 0.07222	\$ 0.07296	1.02%
<b>Commercial CEM-40,49</b>	<b>GSA1</b>	Availability Charge	\$ 14.26	\$ 14.26	0.00%
		Energy Charge - All kwh	\$ 0.10522	\$ 0.10595	0.69%
<b>Commercial CEM-50,57</b>	<b>GSA2</b>	Availability Charge	\$ 67.43	\$ 67.43	0.00%
		Demand Charge - 1 <sup>st</sup> 50 kW	\$ -	\$ -	0.00%
		Demand Charge - Additional kW	\$ 15.53	\$ 15.53	0.00%
		Energy Charge - 1 <sup>st</sup> 15,000 kwh	\$ 0.10529	\$ 0.10602	0.69%
		Energy Charge - Additional kwh	\$ 0.06010	\$ 0.06083	1.21%
<b>Commercial CEM-54,59 IEM-55</b>	<b>GSA3</b>	Availability Charge	\$ 192.65	\$ 192.65	0.00%
		Demand Charge - 1 <sup>st</sup> 1,000 kW	\$ 15.34	\$ 15.34	0.00%
		Demand Charge - Additional kW	\$ 15.16	\$ 15.16	0.00%
		Energy Charge - All kwh	\$ 0.06187	\$ 0.06260	1.18%
<b>Industrial IEM-26</b>	<b>MSB</b>	Availability Charge	\$ 1,500.00	\$ 1,500.00	0.00%
		Administrative Fee	\$ 350.00	\$ 350.00	0.00%
		Demand Charge - Onpeak kW	\$ 10.24	\$ 10.24	0.00%
		Demand Charge - Max kW	\$ 2.60	\$ 2.60	0.00%
		Demand Charge - Excess Over Contract kW	\$ 10.24	\$ 10.24	0.00%
		Energy Charge - Onpeak kwh	\$ 0.07259	\$ 0.07318	0.81%
		Energy Charge - Offpeak 1 <sup>st</sup> 200 hrs	\$ 0.04759	\$ 0.04818	1.24%
		Energy Charge - Offpeak Next 200 hrs	\$ 0.01790	\$ 0.01849	3.30%
		Energy Charge - Offpeak Additional kwh	\$ 0.01535	\$ 0.01594	3.84%
<b>Industrial IEM-28</b>	<b>MSC</b>	Availability Charge	\$ 1,500.00	\$ 1,500.00	0.00%
		Administrative Fee	\$ 350.00	\$ 350.00	0.00%
		Demand Charge - Onpeak kW	\$ 10.24	\$ 10.24	0.00%
		Demand Charge - Max kW	\$ 2.40	\$ 2.40	0.00%
		Demand Charge - Excess Over Contract kW	\$ 10.24	\$ 10.24	0.00%
		Energy Charge - Onpeak kwh	\$ 0.07147	\$ 0.07206	0.83%
		Energy Charge - Offpeak 1 <sup>st</sup> 200 hrs	\$ 0.04646	\$ 0.04705	1.27%
		Energy Charge - Offpeak Next 200 hrs	\$ 0.01931	\$ 0.01990	3.06%
		Energy Charge - Offpeak Additional kwh	\$ 0.01931	\$ 0.01990	3.06%



**Electric Retail Rates  
Effective July 2020  
Summer Seasonal Rates\***

			Prior Month (Summer)	New Rates (Summer)	% Change
Standard Svc FCA		\$ 0.01497 per kwh			
Large MS FCA		\$ 0.01258 per kwh			
Large GS FCA		\$ 0.01360 per kwh			
<b>Industrial IEM-29</b>	<b>MSD</b>	Availability Charge	\$ 1,500.00	\$ 1,500.00	0.00%
		Administrative Fee	\$ 350.00	\$ 350.00	0.00%
		Demand Charge - Onpeak kW	\$ 10.24	\$ 10.24	0.00%
		Demand Charge - Max kW	\$ 1.64	\$ 1.64	0.00%
		Demand Charge - Excess Over Contract kW	\$ 10.24	\$ 10.24	0.00%
		Energy Charge - Onpeak kwh	\$ 0.06677	\$ 0.06736	0.88%
		Energy Charge - Offpeak 1 <sup>st</sup> 200 hrs	\$ 0.04176	\$ 0.04235	1.41%
		Energy Charge - Offpeak Next 200 hrs	\$ 0.01519	\$ 0.01578	3.88%
		Energy Charge - Offpeak Additional kwh	\$ 0.01460	\$ 0.01519	4.04%
<b>Industrial IEM-68</b>	<b>TDMSA</b>	Availability Charge	\$ 1,500.00	\$ 1,500.00	0.00%
		Administrative Fee	\$ 350.00	\$ 350.00	0.00%
		Demand Charge - Onpeak kW	\$ 10.24	\$ 10.24	0.00%
		Demand Charge - Max kW	\$ 3.91	\$ 3.91	0.00%
		Demand Charge - Excess Over Contract kW	\$ 10.24	\$ 10.24	0.00%
		Energy Charge - Onpeak kwh	\$ 0.07266	\$ 0.07338	0.99%
		Energy Charge - Offpeak 1 <sup>st</sup> 200 hrs	\$ 0.04766	\$ 0.04838	1.51%
		Energy Charge - Offpeak Next 200 hrs	\$ 0.02023	\$ 0.02095	3.56%
		Energy Charge - Offpeak Additional kwh	\$ 0.01768	\$ 0.01840	4.07%
<b>Industrial IEM-36</b>	<b>GSB</b>	Availability Charge	\$ 1,500.00	\$ 1,500.00	0.00%
		Administrative Fee	\$ 350.00	\$ 350.00	0.00%
		Demand Charge - Onpeak kW	\$ 10.87	\$ 10.87	0.00%
		Demand Charge - Max kW	\$ 5.55	\$ 5.55	0.00%
		Demand Charge - Excess Over Contract kW	\$ 10.87	\$ 10.87	0.00%
		Energy Charge - Onpeak kwh	\$ 0.08085	\$ 0.08157	0.89%
		Energy Charge - Offpeak 1 <sup>st</sup> 200 hrs	\$ 0.05594	\$ 0.05666	1.29%
		Energy Charge - Offpeak Next 200 hrs	\$ 0.02136	\$ 0.02208	3.37%
		Energy Charge - Offpeak Additional kwh	\$ 0.01795	\$ 0.01867	4.01%
<b>Industrial IEM-66</b>	<b>TDGSA</b>	Availability Charge	\$ 1,500.00	\$ 1,500.00	0.00%
		Administrative Fee	\$ 350.00	\$ 350.00	0.00%
		Demand Charge - Onpeak kW	\$ 10.95	\$ 10.95	0.00%
		Demand Charge - Max kW	\$ 5.57	\$ 5.57	0.00%
		Demand Charge - Excess Over Contract kW	\$ 10.95	\$ 10.95	0.00%
		Energy Charge - Onpeak kwh	\$ 0.09762	\$ 0.09834	0.74%
		Energy Charge - Offpeak 1 <sup>st</sup> 200 hrs	\$ 0.06413	\$ 0.06485	1.12%
		Energy Charge - Offpeak Next 200 hrs	\$ 0.02165	\$ 0.02237	3.33%
		Energy Charge - Offpeak Additional kwh	\$ 0.01862	\$ 0.01934	3.87%
<b>General Manufacturing Credit (Small Mfg Credit)</b>		Demand Credit - 1st 1,000 kW	\$ (1.38)	\$ (1.38)	0.00%
		Demand Credit - Additional kW	\$ (1.63)	\$ (1.63)	0.00%
		Energy Credit - All kwh	\$ (0.01076)	\$ (0.01076)	0.00%
<b>Green Power Switch</b>		Price Per Block	\$ 4.00	\$ 4.00	0.00%

## APPENDIX – Glossary

**AC:** Asbestos cement pipe comprises a mixture of Portland cement and asbestos fibers. This is mainly used for potable water mains that are 24 inches and less in diameter.

**ADA:** The Americans with Disabilities Act is a civil rights law that prohibits discrimination based on disability.

**ADEM:** The Alabama Department of Environmental Management is a state government agency charged with the enforcement of environmental policy in the US state of Alabama.

**ADPH:** The Alabama Department of Public Health is the primary state health agency of the government of the US state of Alabama. It provides a number of public health services to Alabama residents.

**ALDOT:** The Alabama Department of Transportation, also referred to as the DOT. This is the government agency responsible for transportation infrastructure in the state of Alabama.

**ALA-TENN:** An interstate natural gas pipeline that travels west to east delivering natural gas to industrial customers in northwest Alabama.

**Allocate:** The process of splitting costs between financial components. Huntsville Utilities allocates shared operational costs to the water, gas and electric financial statements.

**ALPSC:** The Alabama Public Service Commission was established by an act of the Alabama Legislature to primarily replace the State Railroad Commission.

**AMI:** Advanced metering infrastructure (AMI) that provides more timely usage information than traditional mechanical meters and allows remote connection and disconnection of utility service.

**Annual Budget:** A budget covering a single fiscal year.

**AP:** Accounts payable are amounts due to the vendors or suppliers for goods or services received that have not yet been paid for.

**APGA:** The American Public Gas Association is a not-for-profit nationwide association for public & community owned natural gas utilities with over 700 million members in 37 states.

**APPA:** The American Public Power Association is the service organization for community owned electric utilities.

**Appropriation:** An authorization made by the legislative body of a government which permits a specific amount of money to be expended for the purchase of goods and services.

**Asset Management System (AMS):** A system that tracks important details about each asset in real time. This should help decrease administrative costs, improve service and provide greater visibility into asset utilization, costs and maintenance.

**Assets:** Resources owned or held by Huntsville Utilities that provide positive economic value.

**ATC:** a non-refundable Aid-To-Construction payment that may be required before construction can begin on a customer's project. This is in addition to any service application fees or deposits due at the time the customer applies for an account with Huntsville Utilities.

**ATRIP:** The purpose of the Alabama Transportation Rehabilitation and Improvement Program is to rehabilitate and improve transportation infrastructure through the accelerated delivery of project funding.

**AWPC:** The Alabama Water Pollution Control Association promotes the advancement of fundamental and practical knowledge concerning water supply and treatment, and the nature, collection, treatment, reclamation and disposal of domestic and industrial wastewaters.

**AWWA:** The American Water Works Association is an international, nonprofit, scientific and educational society dedicated to ensuring safe and clean water.

**Balanced Budget:** A budget in which the sum of estimated revenues and appropriated cash reserves, if necessary, are equal to planned expenditures.

**Betterment:** This occurs when utility assets are moved due to a request from the ALDOT, but instead of moving the assets in kind, the assets are instead upgraded or replaced with superior assets solely for the benefit of the utilities. This is not reimbursable by ALDOT.

**Board of Directors:** The two governing boards of Huntsville Utilities are the Electric Board and the Gas and Water Board. Each Board is made up of 3 Board members that are appointed by City Council.

**Bond:** A certificate of debt issued by a government or corporation guaranteeing periodic payments of interest and return of original investment on specified future dates.

**Bond Issue:** The sale of governmental bonds as a means of borrowing money.

**Bond Rating:** A grade given by bond rating agencies (Moody's, S&P, and Fitch) indicating a government's investment qualities. Ratings range from AAA (highest) to D (lowest) and the higher the rating the lower the interest rate on the bonds.

**Budget:** A financial plan for a specific fiscal year that contains both the estimated revenues to be received and the proposed expenditures to be incurred during the year.

**Budget Adjustment:** One of two methods of adjusting the budget after approval. No additional approval is required because funding will simply be shifted from one area to another.

**Budget Amendment:** One of two methods of adjusting the budget after approval. Amendments are for the request of additional funding and must include approval from the Boards and City Council.

**Budget Calendar:** The schedule of key dates in the preparation and adoption of the budget.

**Budget Document:** A formal document presented to the Board of Directors containing Huntsville Utilities' financial plan for the upcoming fiscal year.

**Budget Message:** An overview of the proposed budget from the CEO/President to the Boards of Directors which discusses the major budget items, changes from the current and previous fiscal years, and the views and recommendations for the upcoming fiscal year.

**BVB:** A comparison of budget vs budget looking at the current year budget in comparison to the proposed upcoming budget.

**BVP:** A comparison of budget vs projected looking at the projected current year actuals to the upcoming year budget.

**C&I:** The customer service group that specializes in commercial and industrial customer assistance.

**CADD:** Computer aided design and drafting is the use of computers to aid in the creation, modification, analysis, or optimization of a design.

**Capital Asset:** An item purchased or constructed with a useful life of 3 years or more that is valued at \$5,000 or greater.

**Capital Improvement Plan (CIP):** A plan which identifies and estimates the nature, schedule, cost, priority, and financing of long-term assets with an expected life of at least 3 years and a total cost of \$5,000 or more.

**Capital Project:** Projects established to account for the cost of capital improvements. Typically, a capital project would be the construction of or improvements to a facility or infrastructure.

**CFR:** The Code of Federal Regulations is the codification of the general and permanent rules and regulations published in the Federal Register by the executive departments and agencies of the federal government of the United States.

**CI:** This refers to cast iron pipe that is used for water and natural gas distribution.

**CIC:** The customer information center that handles the majority of calls to Huntsville Utilities.

**COH:** An acronym that is often used to refer to the City of Huntsville, a parent component to Huntsville Utilities.

**COH/HPD:** The Huntsville Police Department, a part of the City of Huntsville.

**Consumer Price Index:** A measure of the average change over time in the prices paid by urban consumers for a market basket of consumer goods and services.

**Cost of Living Adjustment (COLA):** An increase to employee salary to counteract the cost of inflation.

**Cubic Foot (CUF):** A unit of measure for natural gas. This can also be expressed in hundred cubic feet (CCF) or thousand cubic feet (MCF).

**Customer Information Systems (CIS):** A system used by an organization to assist employees in obtaining customer information efficiently.



**Customer Resource Management (CRM):** A technology for managing all company relationships and interactions with customers and potential customers.

**Dark Fiber:** Also known as unlit fiber or black fiber, this is optical cable with no light pulses being transmitted through it.

**Debt Service:** The sum of money required to pay installments of principal and interest on borrowed funds according to a pre-determined payment schedule.

**Dekatherm (Dth):** A unit of energy used to measure natural gas and equivalent to one million British Thermal Units (BTU). This term is interchangeable with MMBTU.

**Device Management (DM):** The process of managing the implementation, operation and maintenance of a physical and/or virtual device.

**DI:** Ductile Iron pipe (DIP) is made up of ductile cast iron used for potable water distribution.

**EEO/DI:** The department responsible for equal employment opportunity and diversity and inclusion. This department ensures all employees are treated equally in all aspects of their jobs and they help promote a diverse and inclusive workforce.

**EPA:** The Environmental Protection Agency is an independent executive agency of the US federal government tasked with environmental protection matters.

**Expenditures:** Actual payment for goods and services received.

**Federal Home Loan Banks (FHLB):** This system is a group of 11 regional banks across the U.S. that was created by the federal government to keep a reliable stream of cash available to other banks for lending to individuals.

**Federal Home Loan Mortgage Corporation (FHLMC):** Typically known as Freddie Mac, this is a stockholder-owned, government-sponsored enterprise (GSE) chartered by Congress to keep money flowing to mortgage lenders in support of homeownership and rental housing for middle-income Americans.

**Federal National Mortgage Association (FNMA):** Typically known as Fannie Mae, this is a government-sponsored enterprise (GSE) founded by Congress during the Great Depression as part of a New Deal to stimulate the housing market by making more mortgages available to moderate- to low-income borrowers.

**FEMA:** The Federal Emergency Management Agency is an agency of the US Department of Homeland security that helps before, during and after disasters.

**FH:** A fire hydrant is a connection point by which firefighters can tap into a water supply.

**FHWA:** The Federal Highway Administration is a division of the US Department of Transportation that specializes in highway transportation.

**FICA Taxes:** FICA is an acronym for Federal Insurance Contributions Act. This is the money that is taken out of workers' paychecks to pay social security retirement and Medicare benefits.

**Financial Reserves Policy:** A policy to identify prudent reserve levels to mitigate risk while promoting long-term financial stability.

**Fiscal Year (FY):** A twelve-month period that organizations use for planning and reporting financial results. Huntsville Utilities' fiscal year is October 1 through September 30.

**Fixed Assets:** Assets of long-term nature that are intended to continue to be held or used, such as land, buildings, machinery, and other equipment.

**FLSA:** The Fair Labor Standards Act is a United States labor law that creates the right to a minimum wage and time and a half overtime pay when people work over forty hours a week.

**FMLA:** The Family and Medical Leave Act is a United States labor law requiring covered employers to provide employees with job protection and unpaid leave for qualified medical and family reasons.

**Fund:** A set of interrelated accounts to record revenues and expenditures associated with a specific purpose.

**Fund Balance:** The sum of cash and investments less the sum of liabilities, encumbrances, and deferred revenues arising from cash receipts.

**FYTD:** The fiscal year to date refers to the actual dollars spent this fiscal year thru the point in time when it was reported. The fiscal year would always begin on October 1 but it can end on any date until September 30<sup>th</sup> based on when the actual information is reported.

**Generally Accepted Accounting Principles (GAAP):** The set of accounting standards, rules and procedures used by governmental agencies to account for the receipt and expenditure of funds.

**GFOA:** The Government Finance Officers Association represents public finance officials throughout the United States and Canada. They assist in the professional management of governments by developing and identifying financial policies and best practices through education, training, facilitation of member leadership and networking.

**GIS:** A geographic information system is a framework for gathering, managing, and analyzing data. It specializes in spatial location and organizes layers of information into visualizations using maps and 3D scenes.

**GT Viewer:** Software that allows geospatial viewing and analysis capabilities for the office and field.

**GTech:** Intergraph's G/Technology enables operators to maintain a definitive source of reliable, location-based information describing their facility network and its connectivity and share with users and systems across their organization.

**HR:** Human resources is the department that deals with the hiring, administration, and training of personnel.

**HU:** An acronym that is often used to refer to Huntsville Utilities.

**HUTS:** Fiber huts, located along the fiber ring, act as the main switchboards for the network. Inside the huts, fiber cables are connected to devices that receive and transmit signals between the end users' devices and the internet. Fiber leaves the huts in bundles of cable called distribution fiber.

**HVAC:** Heating, Ventilation, and Air Conditioning is the technology of indoor and vehicular environmental comfort. It provides thermal comfort and acceptable indoor air quality.

**ID:** A form of identification that could include a driver's license, a non-driver ID, a gun permit with photo, a military ID card, a FAA issued pilots license, a US passport, social security card, birth certificate, voters registration, Medicare or Medicaid card, W-2 forms, etc.

**In Kind:** Relocation work done for the ALDOT moving utility assets in a good state of repair without adding to its physical makeup or changing its physical capacity. This is the maximum amount that will be reimbursable by the ALDOT.

**Inter-Governmental Service Agreement (IGSA):** Huntsville Utilities is currently evaluating the costs and benefits of entering into an IGSA with Redstone Arsenal.

**Interactive Voice Response system (IVR):** A technology that allows humans to interact with a computer-operated phone system through the use of voice and DTMF tones input via a keyboard.

**Interest:** The cost of using money.

**Investment Policy:** A policy to invest public funds that will provide the highest return with the maximum security while meeting the daily cash flow demands of the entity and conforming to all state and local statutes governing the investment of public funds.

**IOS:** This is a mobile iPhone operating system created and developed by Apple Inc. exclusively for its hardware.

**IT:** A reference to the Information Technology group which includes the Chief Information Officer (CIO), Management Information Systems (MIS), and the Technical Services groups.

**IT Steering Committee (ITSC):** A group that is responsible for the oversight and governance of information technology at Huntsville Utilities.

**kW:** One kilowatt is equal to 1,000 watts consumed for just one second. It is also equal to 1.34 horsepower.

**kWh:** A measure of electricity equal to one kilowatt (kW) of power sustained for one hour.

**KPI:** Key Performance Indicators are specific quantitative and qualitative measures of work performed as an objective of specific departments.

**kV:** A unit of electrical potential, equal to 1,000 Volts.

**LED:** A light emitting diode is a semiconductor light source that emits light when current flows through it. Electrons in the semiconductor recombine with electron holes, releasing energy in the form of photons.

**LF:** A linear foot is a 12-inch measurement of length, where the material's width and height doesn't matter.

**Lit Fiber:** This is optical cable that is currently being used and has light transmitted through it in order to transmit data.

**Long-Term Debt:** Debt with a maturity of more than one year after the date of issuance.

**MDM:** Master Data Management is a technology enabled discipline in which the business and IT work together to ensure the uniformity, accuracy, stewardship, semantic consistency and accountability of the shared master data assets.

**MGD:** A measure of water indicating a million gallons per day.

**Mid-Tenn:** A natural gas pipeline system that transports natural gas from Louisiana, the Gulf of Mexico and south Texas to the northeast section of the United States.

**MIS:** The Management Information Systems group that reports to the Chief Information Officer (CIO). They create and maintain information systems for data management and play a key role in information security, integration, and exchange.

**Modified Accrual Basis of Accounting:** A basis of accounting under which revenues are recognized in the period they become available, and expenditures are recognized in the period the associated liability is incurred.

**MMBTU:** One million British Thermal Units (BTU). A BTU is the measure of energy content in fuel. Natural gas can typically be priced in dollars per MMBTU. To convert from MMBTU to some other measure of natural gas, such as cubic feet, the average heat content of natural gas must be known. The heat content is generally around 1,030 BTU per cubic foot.

**MOU:** A memorandum of understanding, a type of agreement between two or more parties.

**MR-6:** The MR-6 AWWA Manual of Practice provides a complete manual of practice for water utilities on the selection, installation, operation, and maintenance of customer water meters.

**MTM:** Mazda Toyota Manufacturing, a joint venture company formed by Mazda and Toyota. This is also referred to as MTMUS.

**MVA:** A unit of electrical potential, equal to 1,000 kilo-volt amperes.

**NAPRCA:** The North Alabama chapter of the Public Relations Council of Alabama is part of a statewide organization that supports public relations leaders.

**NHIP:** North Huntsville Industrial Park is a 1,700 acre park located in north east Huntsville that is home to more than 35 domestic and international companies.

**NIST:** The National Institute of Standards and Technology (NIST) is part of the US Department of Commerce. In February 2013, the president issued executive order 13636 directing NIST to work with stakeholders to develop a voluntary framework for reducing cyber risks to critical infrastructure.

**Non-Recurring Capital:** Items of significant value and having a useful life of several years. These capital items have a finite life cycle and are not expected to have expenditures every year.

**NTP:** A notice to proceed is a letter from the owner or director of a company or business to a contractor to inform the contractor of the date that he can start work, as outlined in a previous contract.

**O&M:** The operation and maintenance associated with normal repairs and replacement of parts and structural components, and other activities needed to preserve an asset so that it continues to provide acceptable services and achieves its expected life.

**OPEB:** Other Post-Employment Benefits liability this is described by GASB 43 and GASB 45.

**Operating Expenses:** The cost of personnel, materials and equipment required for a department to perform its responsibilities.

**Ordinance:** A piece of legislation enacted by a municipal authority.

**Outage Management System (OMS):** A computer system used by operators of utility distribution systems to assist in the restoration of power.

**Pay-as-you-go Basis:** A term used to describe a financial policy by which capital outlays are financed from current revenues rather than through borrowing.

**PBX:** A private branch exchange network used within a company or organization.

**PCB:** Polychlorinated Biphenyl is an organic chlorine compound that was once widely deployed as dielectric and coolant fluids in electrical apparatus, carbonless copy paper and in heat transfer fluids.

**PHMSA:** The Pipeline and Hazardous Materials Safety Administration is a United States Department of Transportation agency responsible for developing and enforcing regulations for the safe, reliable, and environmentally sound operation of the US's pipeline transportation.

**Polyethylene (PE) Pipe:** Flexible plastic pipe used for fluid and gas. It is often used to replace aging concrete or steel main pipelines.

**PR:** Public relations is the practice of deliberately managing the release and spread of information between an organization, like Huntsville Utilities, and the public.

**PVC:** Polyvinyl Chloride is the world's third-most widely produced synthetic plastic polymer. This type of pipe is used to distribute water.

**Recurring Capital:** Items of significant value and having a useful life of several years. These capital items will have expenditures planned each year.

**R&R:** Any renewal or replacement to preserve, repair, reconstruct, or modify assets that is not considered routine operation and maintenance.

**Revenue Bonds:** Bonds usually sold for constructing a project that will produce revenue for the entity.

**Revenues:** Funds that are received as income.

**RFID:** Radio Frequency identification uses electromagnetic fields to automatically identify and track tags attached to objects.

**ROW:** A right-of-way is the legal right, established by usage or grant, to pass along a specific route through grounds or property belonging to another.

**RP3:** The APPA's Reliable Public Power Provider designation recognizes public power utilities that demonstrate leading practices in reliability, safety, work force development and system improvement.

**RTU:** A remote thermal unit is a remote monitoring and control unit device, responsible for on-site signaling, industrial equipment monitoring and control.

**SAHD:** A State of Alabama Highway Department standard agreement form used by ALDOT for utility roadway relocations. There are various standard SAHD forms available depending on the type of relocation work being done.

**SAP:** One of the world's leading producers of software for the management of business processes, developing solutions that facilitate effective data processing and information flow across organizations. It stands for System Analysis Program Development.

**SCADA:** Supervisory control and data acquisition is a control system that is crucial to help maintain efficiency, process data for smarter decisions, and communicate system issues to help mitigate downtime.

**SCCM:** A System Center Configuration Manager provides remote control, patch management, software distribution, operating system development, network access protection and hardware and software inventory.

**SOAR:** The APGA's System Operational Achievement Recognition program to honor those public natural gas systems that have achieved excellence in the operation of their natural gas utility.

**Software Development Lifecycle Methodologies (SDLC):** A methodology with clearly defined processes for creating high-quality software.

**Standard Service:** The aggregate name for the following electric rate classes: Residential, GSA1, GSA2, GSA3 and Outdoor Lighting. On the TVA power bill, wholesale power costs for these rate classes are shown grouped together.

**State Revolving Fund (SRF) Loan:** A fund administered by a U.S. state to provide low-interest loans for investments in water infrastructure.

**Strategic Plan:** A process for determining an organization's immediate and long-term goals.

**Technical Services (TS):** The technical services group reports to the Chief Information Officer (CIO). They are responsible for designs, installs, maintenance and management of network and communication infrastructure and equipment supporting computing systems.

**Tennessee Valley Authority (TVA):** The sole provider of electricity to Huntsville Utilities. It is a corporate agency of the United States that provides electricity in parts of seven southeastern states. TVA receives no taxpayer funding, deriving virtually all of its revenue from the sale of electricity.

**VPN:** A virtual private network extends a private network across a public network and enables users to send and receive data across shared or public networks as if their computing devices were directly connected to the private network.

**Washwater Tank:** This is a special tank that provides water pressure to clean filters.

**WO:** A work order is usually a task or a job for a customer that can be scheduled or assigned to someone.

**WFH:** Work from Home describes work being done remotely, instead of at an office.

**Work Management System (WMS):** A system that helps gain insight into workforce and improve productivity. It helps plan work, manage time, costs and improve efficiency.

**WS:** Welded steel pipe is steel pipe manufactured with a weld. It is a tubular product made out of flat plates, known as skelp, that are formed, bent and prepared for welding. This type of pipe is used for natural gas distribution.

**WTP (Water Treatment Plant):** A facility that monitors and controls the quality of water, to include purity and turbidity as required by state and federal guidelines.