

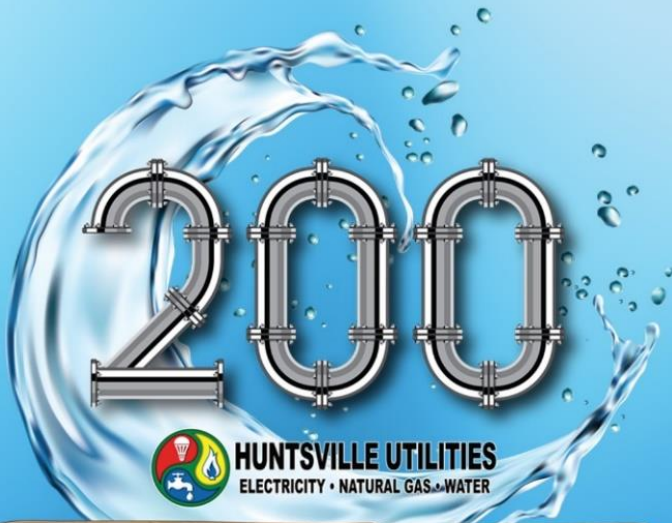
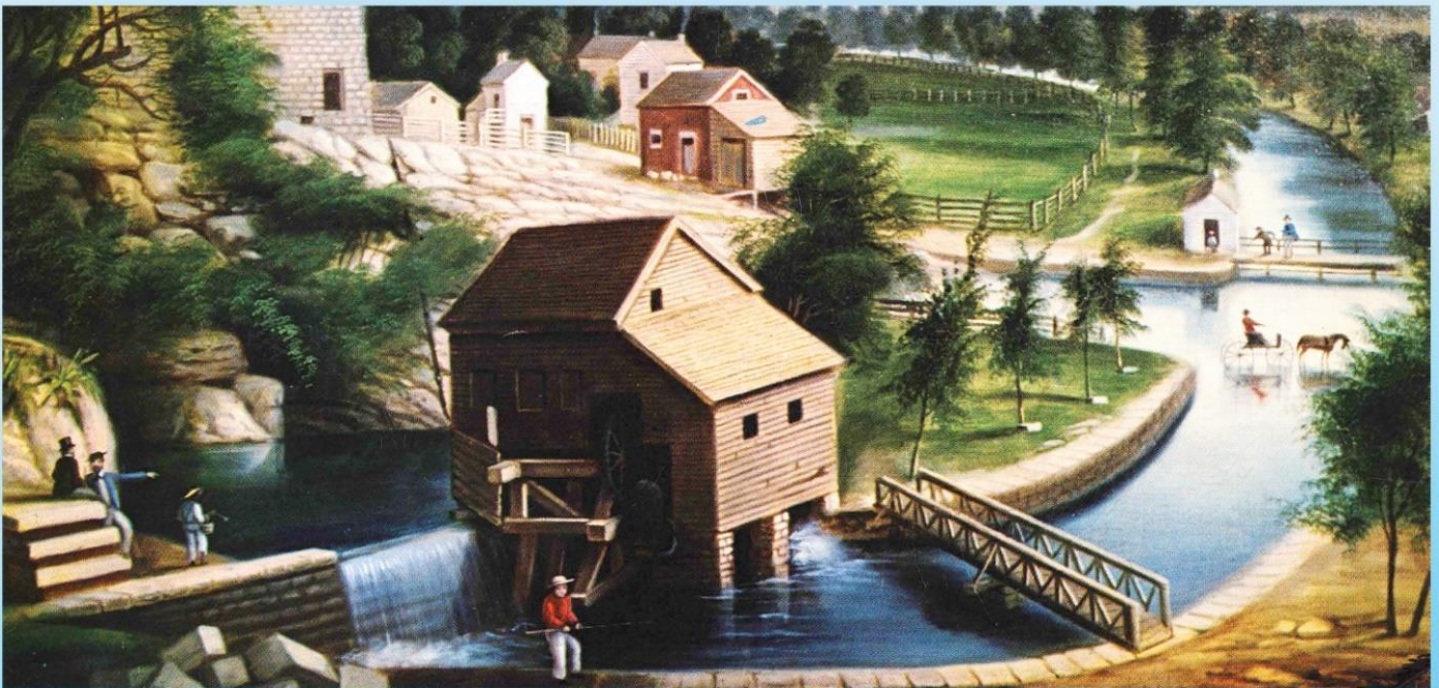
HUNTSVILLE UTILITIES
ELECTRICITY • NATURAL GAS • WATER



Celebrating 200 years

Huntsville Waterworks

1823-2023



HUNTSVILLE UTILITIES
ELECTRICITY • NATURAL GAS • WATER

WATER BICENTENNIAL

HUNTSVILLE WATERWORKS EST. 1823

FISCAL YEAR 2024
ANNUAL BUDGET AND
CAPITAL IMPROVEMENT PLAN

On the cover:

Painting credit: The painting is a depiction of the original pumphouse from 1830.

[*Painting of Big Spring and water works in Huntsville*](#) ca. 1850 by Laura Bassett (Alabama Department of Archives and History)

Huntsville Utilities is celebrating the 200-year Bicentennial of the water works system. Whether for commerce, business, or entertainment, the Big Spring in Huntsville, Alabama, has long been a central point of the city. Believed to be the first municipal water works in Alabama and the oldest west of the Appalachian Mountains, Huntsville Utilities' Water Operations owes its inception to the Big Spring and the Huntsville founders.

In 1809, Leroy Pope purchased most of the land surrounding the Big Spring, but it was not until 1823 that water was drawn from the spring to supply residents and businesses with water. The water in the Big Spring was naturally filtered as it flowed through limestone, making it safe to drink. On February 15, 1823, Hunter Peel was given a contract and exclusive rights to convey water through cedar logs—hollowed out and joined with iron bands. The pipes were believed to be hollowed out with a hot iron rod used to chisel out the center up until 1827, and after 1827 an auger was used.

Also in 1823, Leroy Pope granted the rights to Hunter Peel to erect a dam across the spring, which enabled Peel and his partner, James Barclay, to construct the first water works. The first water plant was a wood, turbine turned by the spring to pump water into the cedar logs up to the town square. Between 1823 and 1828, ownership of the Big Spring water works changed hands three times: from Peel and Barclay; to Joshua Cox; and, finally, to Thomas A. Ronalds.

Upon taking ownership, Ronalds hired Sam D. Morgan to make significant improvements to the water works, such as a new dam, engine house, new cedar logs, and a more powerful pump. In 1828, Ronalds built a new water reservoir by the Court House in the town square, which held 24,000 gallons. Ronalds and Morgan ran the water works until 1836.

In 1836, Dr. Thomas Fearn and his brother, George, took over the water works and had to rebuild the entire system, including a new iron pump and cast-iron pipe 5 inches in diameter (which saw the beginning of the retirement of the cedar logs). In 1840, Dr. Fearn sold the water works to the city. As part of the terms of the sale, Big Spring was to always be open and free to the residents of Huntsville and the surrounding communities.

Now 200 years later, the water works system of Huntsville, Alabama, has undergone considerable change and seen massive growth. From cedar logs supplying water up to the town square to now over 105,000 water customers across the City of Huntsville, Huntsville Utilities' Water Operations remains a vital and central part of day-to-day life for the Rocket City. With more growth anticipated for the city, Huntsville Utilities looks forward to providing the foundational service of drinking water for the next 200-plus years. To learn more about the HU historical timeline follow this link: https://www.hsvutil.org/about_hu/history.php

This document is a result of the combined efforts of the employees of Huntsville Utilities and is prepared each year by the Budget & Rates staff.

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Karen Weir, Executive Assistant



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**Huntsville Utilities
Alabama**

For the Fiscal Year Beginning

October 01, 2022

Christopher P. Morill

Executive Director



**The Government Finance Officers Association
of the United States and Canada**

presents this

CERTIFICATE OF RECOGNITION FOR BUDGET PREPARATION

to

**Finance Department
Huntsville Utilities, Alabama**



The Certificate of Recognition for Budget Preparation is presented by the Government Finance Officers Association to those individuals who have been instrumental in their government unit achieving a Distinguished Budget Presentation Award. The Distinguished Budget Presentation Award, which is the highest award in governmental budgeting, is presented to those government units whose budgets are judged to adhere to program standards.

Executive Director

Christopher P. Morill

Date: **February 22, 2023**

The Government Finance Officers Association of the United States and Canada (GFOA) presented the Distinguished Budget Presentation Award and Certificate for Budget Preparation to Huntsville Utilities, for fiscal year 2023 beginning October 1, 2022. Huntsville Utilities also received Special Capital Recognition and Special Long Range Financial Plans Recognition. To receive this award, a governmental unit must publish a comprehensive budget document that meets all the GFOA program criteria as a policy document, financial plan, operations guide, and as a communications device. This award is valid for one year. Huntsville Utilities is honored to receive this accolade for three straight years and will attempt to improve the budget document each year in hopes of achieving this prestigious award.

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Gas & Water Board of Directors



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VP of Employee Engagement



Melissa Marty
CFO / VP of Finance



Ron Rizzardi
VP of Operations Support

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CEO, Wes Kelley Reflects on Huntsville Utility 200 Year – Bi-Centennial

When I began my journey as the CEO of Huntsville Utilities in 2017, I considered what my role would be and how I could make a difference at such a long-standing organization. My goal has been to lead the utility with a vision that focuses our attention on the future. This includes careful strategic planning and engaging with community leaders to ensure Huntsville Utilities remains an effective steward of this community's resources.

This year, Huntsville Utilities celebrates 83 years of service to our community, but our roots go back much farther. This year also marks the 200th anniversary of Huntsville's public water system—the oldest public water system west of the Appalachians. Not only do we operate one of our nation's oldest systems, but by the efforts of the dedicated men and women of our water department, we also operate one of the most decorated water systems, with awards from the Alabama Department of Environmental Management, the Alabama / Mississippi section of the American Water Works Association, and the Alabama Water and Pollution Control Association. Huntsville Utilities has been recognized regularly for "Best Tasting Water" and "Best Operated Plant" since the awards programs began in the 1970s.

Through Huntsville's transformation from an agricultural hub in the 1800s, to the high-tech center of our nation's rocket and aerospace programs beginning in the 1950s, to a current player in defense and advanced manufacturing, our life-sustaining services have grown with the community and enabled explosive development several times throughout our history. Through the efforts of generations of utility workers, Huntsville Utilities has continuously met the challenges of this rapid growth by providing Water, Electric, and Natural Gas to a vibrant, expanding service area.

It is important to remember that municipal utilities are run by people embedded within the communities we serve. That connection carries a sense of pride and commitment to continuously perform, at the highest level possible, providing safe and reliable services to our friends and neighbors. These services are essential to the success of Madison County, and the employees of Huntsville Utilities consistently deliver them at award-winning levels. Through their efforts, Huntsville Utilities has become well-known in the region as being ready to serve the current and future residents of Rocket City, and we stand ready to meet the new challenges as we continue growing.

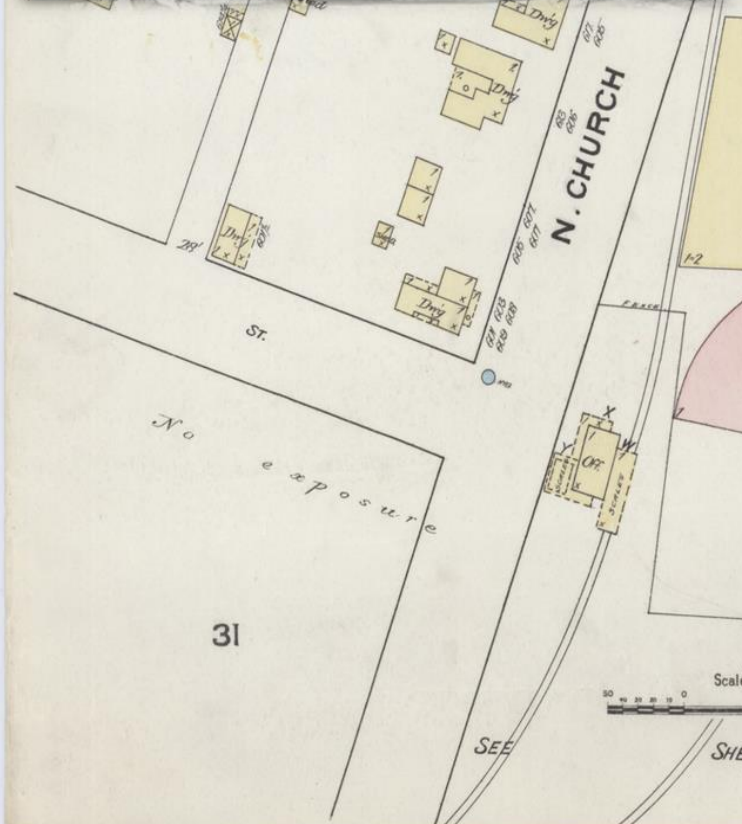
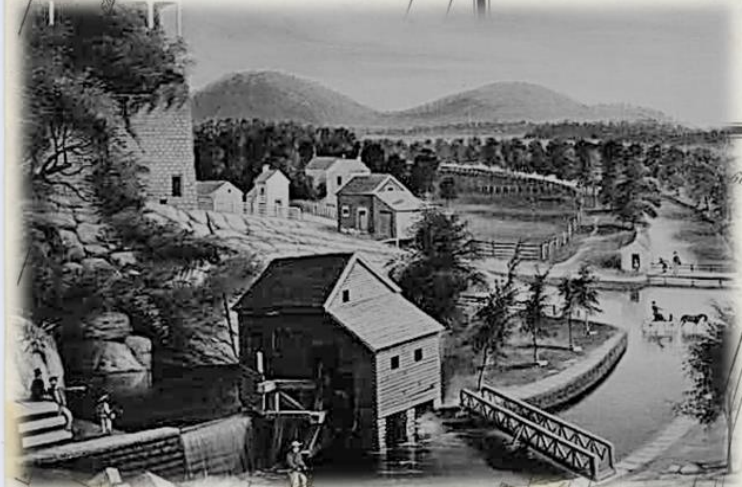
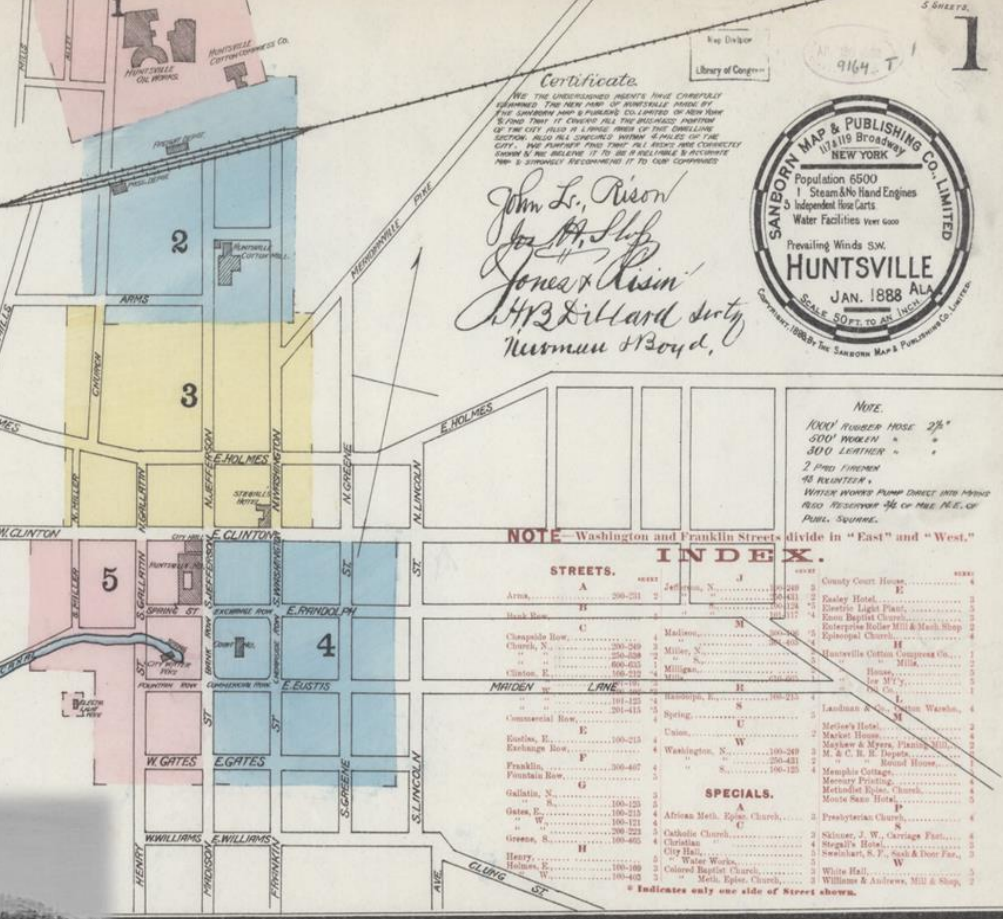
Thank you to all the past and current staff who continue to show pride, hard work, and dedication to Huntsville Utilities, our community, and our neighbors. I am proud of the success that this utility continues to put forth in our community.

Sincerely,

Wes Kelley



WATER BICENTENNIAL
HUNTSVILLE WATERWORKS EST. 1823



Huntsville Utilities

Huntsville Utilities provides water, natural gas, and electricity to more than 210,000 customers in Madison County and a portion of Marshall and Limestone Counties in north Alabama (as of June 2023). 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 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 President/CEO to manage and operate all 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 four water treatment plants (3 on the Tennessee River and one groundwater plant). Three have access to the Tennessee River source water with a current capacity of 120 million gallons per day. The groundwater plant sources about 9 million gallons per day and is treated with a conventional filter treatment. 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 1,512 miles of water mains, ranging in size from 4 inches to 48 inches, and 39 gravity-operated storage reservoirs with a combined capacity of 59 million gallons. Average annual water sales revenue for the five-year period of 2018 through 2022 was \$45,080,294.

Huntsville receives natural gas from various suppliers via the Southern Natural and Black Bear Transmission 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 1,549 miles of gas distribution mains. There are three smaller gate stations that feed polyethylene networks. The total system delivers about 6.4 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 2018 through 2022 was \$50,853,141.

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 fifteen delivery points in Huntsville. There are over 2,931 miles of overhead primary distribution line, approximately 1,539 miles of underground primary distribution line and 106 substation facilities within the service area. The electric system has a total of 2,726 megawatts of

transformer capacity designed to accommodate a maximum system load of 1,475 megawatts, which occurred in December 2022. Average electric sales revenue for the five-year period of 2018 through 2022 was \$522,601,065.

In 2016, Huntsville Utilities began construction on a major expansion of its existing fiber optic cable network. With that construction now essentially complete, there are approximately 1,200 route miles of fiber installed. Excess fiber not needed for utility purposes can be leased to other entities. Lease revenue is expected to be around \$10.1 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 President/CEO 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 wastewater), Madison County (sanitation), the City of Madison (sanitation) and the Town of New Hope (sanitation, water and wastewater).

Huntsville Utilities produces monthly a set of financial statements for each utility service. The city reports Huntsville Utilities' information as a discretely presented 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, with the exception of not-for-profit entities gas sales, which are at 3%. 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, while natural gas rate actions require Board approval.

Shown below are the Downtown Administrative Building (left) and the Chase Electric Operations Center (right).



Budget Summary

This message is from the President/CEO to the boards presented to the
Huntsville Utilities Gas and Water Board on July 25, 2023
Huntsville Utilities Electric Board on July 26, 2023

I am pleased to submit the proposed Annual Budget and Capital Improvement Plan for the fiscal year 2024.

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 budget document is the sum of countless hours of planning undertaken by HU’s management team. The Budget and Rates staff effectively coordinates a complex process that incorporates every department and accounts for every projected dollar. In recognition of the quality of this planning process, HU was awarded the Distinguished Budget Presentation Award, Special Capital Recognition, and Special Long Range Financial Plans Recognition by the Government Finance Officers Association for last year’s budget material. We appreciate the award and the constructive feedback received. HU intends to submit the FY24 budget for GFOA consideration. The updated strategic plan and metrics will be incorporated into the budget document where possible.

Proposed revenues and expenditures for FY24 are provided in the following table.

	Water	Gas	Electric	Combined *
Operating Revenue	\$65,456,555	\$69,926,094	\$600,152,658	\$735,535,307
Other Revenue	\$12,277,748	\$3,681,729	\$45,667,539	\$61,627,016
Reimbursements	\$4,156,019	\$7,176,220	\$1,145,261	\$12,477,500
Warrant Proceeds	\$23,944,052	\$0	\$34,865,000	\$58,809,052
Reserve Transfers	\$1,369,924	(\$314,744)	\$9,475,138	\$10,530,318
Total Revenue	\$107,204,298	\$80,469,299	\$691,305,596	\$878,979,193
Commodity	\$60,000	\$29,606,315	\$482,918,548	\$512,584,863
O&M Expense	\$52,048,742	\$30,144,408	\$95,520,339	\$177,713,489
Debt Service	\$10,989,663	\$1,563,881	\$10,363,743	\$22,917,287
Taxes	\$3,927,393	\$4,037,839	\$17,309,119	\$25,274,351
Capital Expenditures	\$40,178,500	\$15,116,856	\$85,193,847	\$140,489,203
Total Expense	\$107,204,298	\$80,469,299	\$691,305,596	\$878,979,193

** For reference purposes only*

Each utilities’ budget is balanced for the upcoming year by applying 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 for all three services: Water (+36.6% for FY24), Gas (+13.4%) and Electric (+8.0%).

Budgeted expenses have been carefully reviewed. Inflation is a significant factor for the FY24 budget, as many projects and expense have exceeded the FY23 budget due to unexpected increases in material and labor costs. Huntsville continues to grow, and this is another major cost factor as numerous capital improvements are needed to support community growth.

To highlight a few major efforts underway:

- Pinhook 46kV Relocation is a relocation of ~3,000 linear feet of the double circuit 46kV overhead electric transmission line. The line interferes with City of Huntsville planned creek improvements. The City of Huntsville received FEMA funding for flood mitigation; however, the utility costs for this relocation project will be fully funded through Huntsville Utilities. There will be no reimbursement by any funding sources.
- As usual, HU is rebuilding infrastructure to accommodate City and State Road projects. While some of the water and gas relocations are reimbursed by the State, the relocation of Electric infrastructure is not.
- HU continues to invest in new and updating electric substations to support community growth. Work is underway in FY23 and FY24 on the Big Cove, Elkwood, Moontown and others. Additionally, several critical circuit upgrades are underway and will continue through the five-year capital plan.
- The five-year capital plan includes estimated funding for an impressive System Operations Building. This stormproof structure will be located on HU's Chase campus and will house HU's dispatching, SCADA, and outage response functions. This facility is needed as HU's infrastructure grows and systems becomes increasingly complex.
- Improvements and upgrades are planned for the Southwest Water Treatment Plant in FY24. The lining of the fluoride tank is being replaced. Work is being done to the sludge vacuum and the 4-settling basin.
- Research Park Connector: New water main needed to meet future increased demands for water at Starbelt Development and North Huntsville Industrial Park. Hydraulic modeling indicated combined potential demands from Facebook expansion, existing customers, and any future addition would exceed capability area demands.
- Green Mountain water system improvements are planned to serve customers at a higher elevation as a result of growth to the area.
- Information Technology projects are a growing portion of HU's annual expenses. Aligned with the updated Strategic Plan's focus on Technology Transformation, several significant technology improvement efforts are underway, and more is forecast in the five-year plan. HU is currently evaluating technology upgrades or replacements to modernize its digital core and cyber security systems with a goal of improving the level of customer service while increasing our cyber security posture.
- Once again, HU is investing considerable sums in water and gas improvements in the Greenbrier area. While most of the natural gas improvements are complete, a new gate station will be built in FY23/FY24, providing a redundant gas supply to the area. As for water, a long list of improvements is underway. Larger water mains are being installed to support better pressure and resiliency, and a new water tank will be started in FY23/FY24.
- Due to a growing number of critical infrastructure projects in the pipeline, a water rate increase is planned for October 1, 2023. Steps have been taken to minimize the impact of this rate action. Still, additional funding is required as we scale our water system to meet our community's reliability, resiliency, and growth needs.
- Along with a rate increase, additional Water debt is expected to support planned capital improvements. Also, Electric debt will be used to fund the upcoming Systems Operations Building.
- Fiber Operations Building is under remodel and should be available for occupancy by Spring of 2024.

- HU is not insulated from the impact of record-breaking inflation. The FY24 budget includes numerous cost increases, some of which are difficult to project. In addition to increases tied to materials and services, labor costs are increasing. The FY24 budget includes a three percent (3%) cost-of-living-adjustment for the HU workforce, and money is set aside for merit increases and some market-driven wage adjustments. Effective October 1, 2023, Huntsville Utilities' pension benefit eligibility changed from 30 years of service at any age or 10 years of service at age 60 to 25 five years of service at any age and 10 years of service at age 60. This corresponds with common practice among other RSA participating entities.

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, detailed information is provided in the Organizational Function and Capital Project Summary sections.

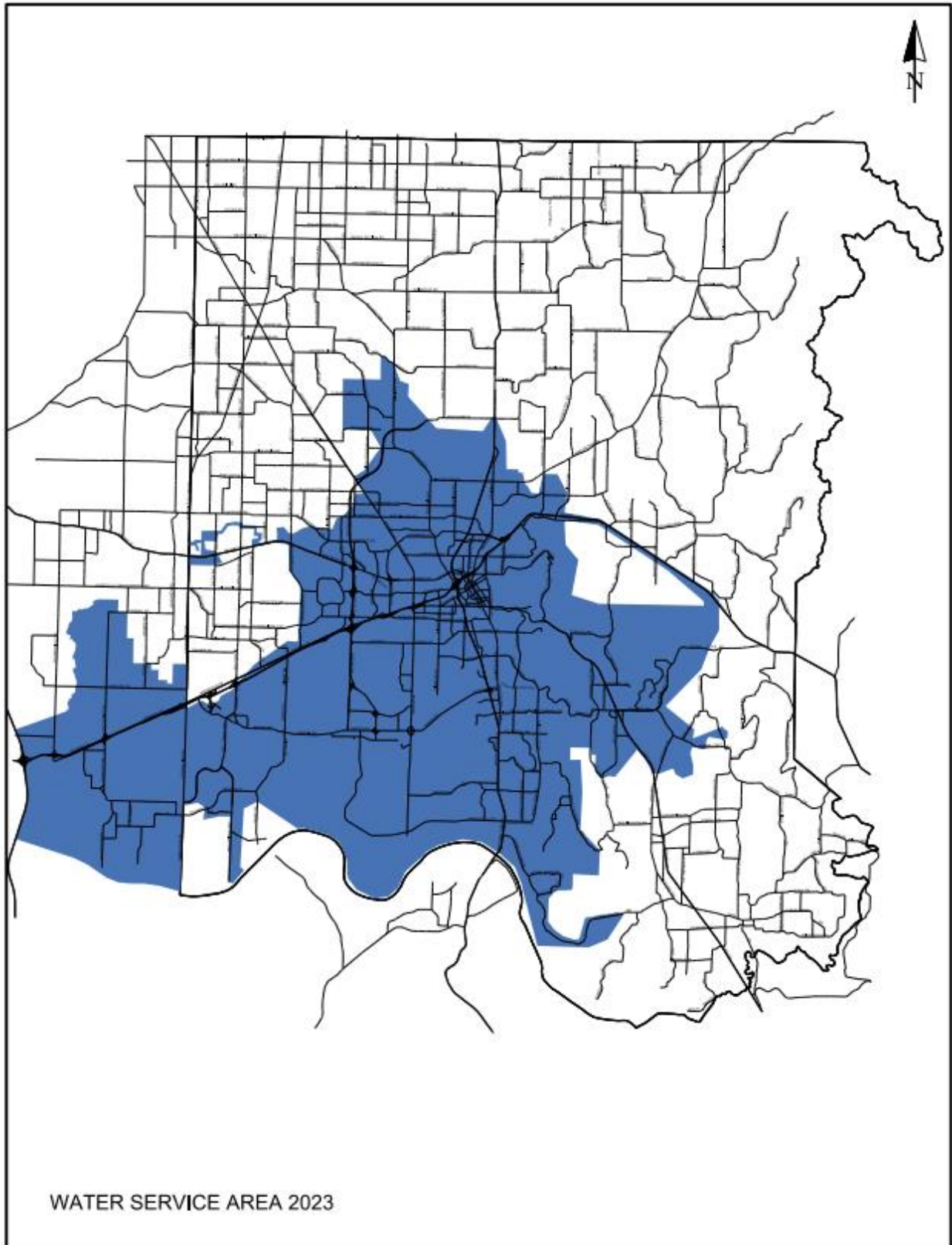
The Budget and Rates and Engineering Planning staff have been exceptionally diligent in preparing this budget. I appreciate the time and effort to create a purposeful tool to help HU execute its priorities.

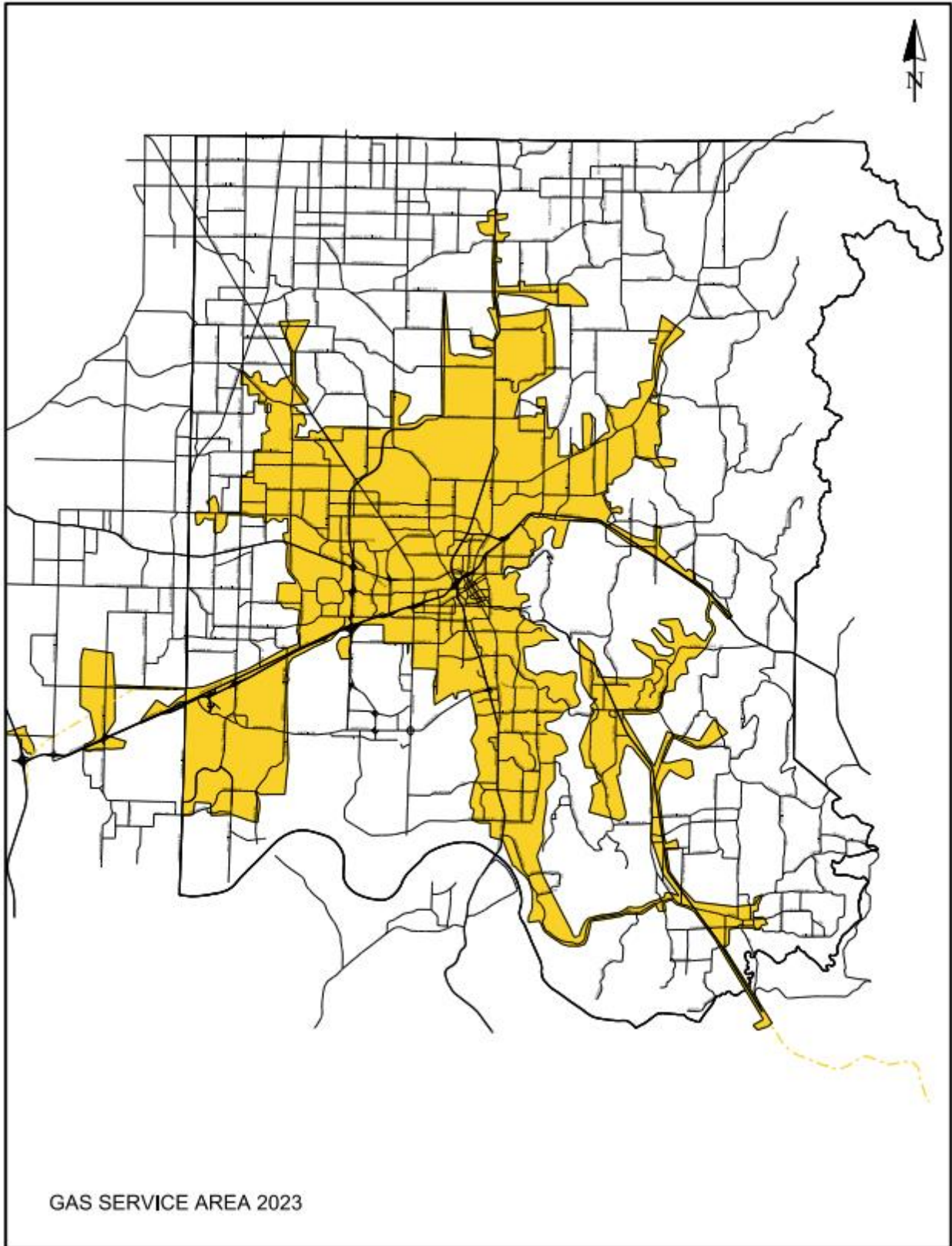
I am privileged to lead an outstanding organization comprised of men and women dedicated to providing foundational and essential services to a vibrant community. I look forward to a productive year ahead.

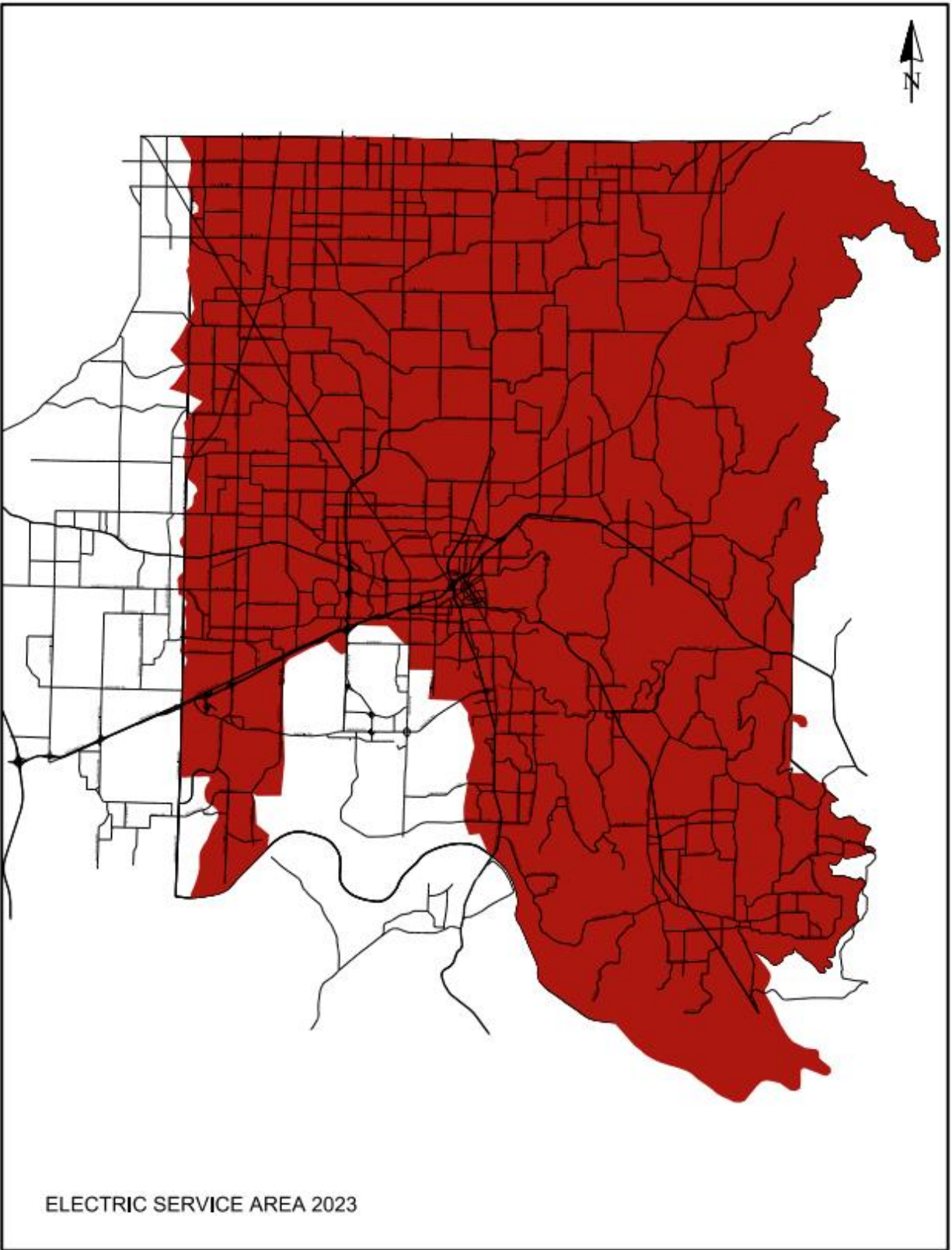
Sincerely,

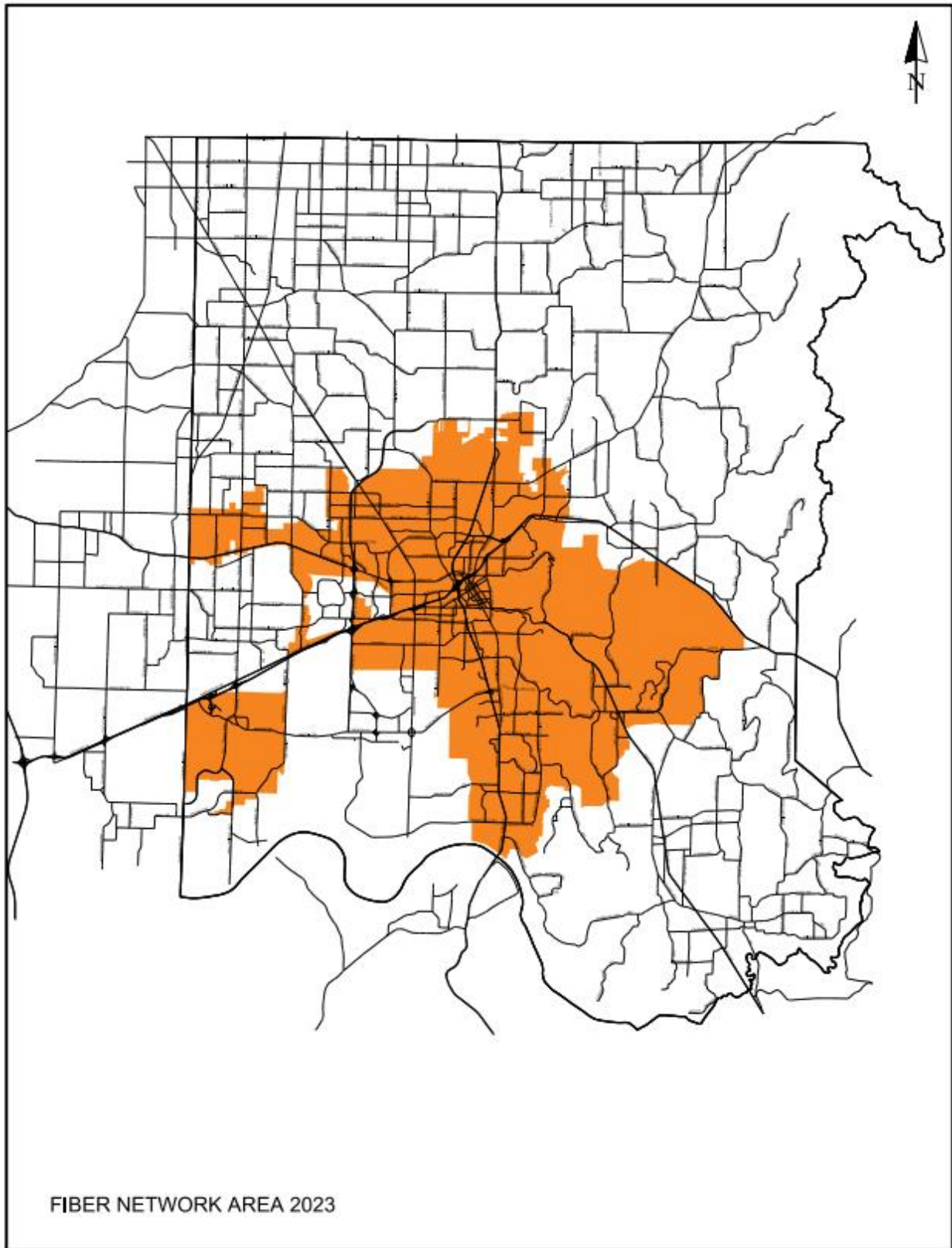


Wes Kelley
President/CEO









Top 10 Utility Customers by Volume and Revenue – Water

2022

Top 10 by Revenue		Top 10 by Consumption	
MADISON CO COMM S2WD	\$ 1,555,439	MADISON CO COMM S2WD	910,247,200 GAL
UNITED STATES ARMY	\$ 1,323,994	UNITED STATES ARMY	783,121,000 GAL
HUNTSVILLE CITY GSD	\$ 704,756	ALABAMA A&M UNIV	214,090,800 GAL
HUNTSVILLE HOSPITAL	\$ 521,767	HUNTSVILLE HOSPITAL	197,168,700 GAL
HUNTSVILLE SCHOOLS	\$ 428,667	HUNTSVILLE CITY GSD	176,130,269 GAL
ALABAMA A&M UNIV	\$ 424,041	NEW HOPE TOWN OF	166,912,000 GAL
HOUSING AUTHORITY OF COH	\$ 374,011	COVANTA HUNTSVILLE INC	146,982,300 GAL
NEW HOPE TOWN OF	\$ 340,057	TOWN OF TRIANA	143,184,000 GAL
TOWN OF TRIANA	\$ 291,841	HUNTSVILLE SCHOOLS	111,302,000 GAL
LW REDSTONE COMPANY LLC	\$ 261,553	OAKWOOD UNIVERSITY	99,871,700 GAL

2021

Top 10 by Revenue		Top 10 by Consumption	
UNITED STATES ARMY	\$ 1,495,954	UNITED STATES ARMY	887,026,700 GAL
MADISON CO COMM S2WD	\$ 1,352,263	MADISON CO COMM S2WD	789,748,300 GAL
HUNTSVILLE CITY GSD	\$ 682,413	HUNTSVILLE HOSPITAL	191,589,800 GAL
HUNTSVILLE HOSPITAL	\$ 488,628	ALABAMA A&M UNIV	173,324,800 GAL
HUNTSVILLE SCHOOLS	\$ 392,224	HUNTSVILLE CITY GSD	168,355,061 GAL
HOUSING AUTHORITY OF COH	\$ 382,787	NEW HOPE TOWN OF	153,316,000 GAL
ALABAMA A&M UNIV	\$ 358,283	COVANTA HUNTSVILLE INC	131,248,100 GAL
NEW HOPE TOWN OF	\$ 313,409	TOWN OF TRIANA	122,763,000 GAL
TOWN OF TRIANA	\$ 247,240	HOUSING AUTHORITY	102,786,800 GAL
COVANTA HUNTSVILLE INC	\$ 227,455	OAKWOOD UNIVERSITY	96,801,600 GAL

2020

Top 10 by Revenue		Top 10 by Consumption	
UNITED STATES ARMY	\$1,346,769	UNITED STATES ARMY	791,348,500 GAL
MADISON CO COMM S2WD	\$1,294,068	MADISON CO COMM S2WD	740,562,500 GAL
HUNTSVILLE CITY GSD	\$733,341	HUNTSVILLE CITY GSD	197,014,549 GAL
HUNTSVILLE HOSPITAL	\$456,240	HUNTSVILLE HOSPITAL	181,006,200 GAL
HOUSING AUTHORITY OF COH	\$415,080	NEW HOPE TOWN OF	155,542,000 GAL
HUNTSVILLE SCHOOLS	\$365,720	ALABAMA A&M UNIV	138,596,200 GAL
NEW HOPE TOWN OF	\$317,651	COVANTA HUNTSVILLE INC	127,066,800 GAL
ALABAMA A&M UNIV	\$299,513	TRIANA TOWN OF	114,263,000 GAL
TRIANA TOWN OF	\$228,657	HOUSING AUTHORITY OF COH	110,069,700 GAL
COVANTA HUNTSVILLE INC	\$221,090	OAKWOOD UNIVERSITY	82,331,300 GAL

Top 10 Utility Customers by Volume and Revenue – Gas

Top 10 by Revenue		2022		Top 10 by Consumption	
MAZDA TOYOTA MFG USA INC	\$ 2,885,020	UNITED STATES ARMY		485,708,200 CUF	
POLARIS INDUSTRIES INC	\$ 1,371,476	BASF CATALYSTS LLC		345,362,000 CUF	
HUNTSVILLE SCHOOLS	\$ 969,604	HUNTSVILLE HOSPITAL		323,871,600 CUF	
UNITED STATES ARMY	\$ 885,440	MAZDA TOYOTA MFG USA INC		320,592,900 CUF	
HUNTSVILLE HOSPITAL	\$ 859,795	KOHLER CO		249,050,000 CUF	
BOCAR US INC	\$ 768,912	POLARIS INDUSTRIES INC		185,019,400 CUF	
HUNTSVILLE CITY GSD	\$ 718,572	NORRIS CYLINDER COMPANY INC		171,562,000 CUF	
BASF CATALYSTS LLC	\$ 588,708	UNITED STATES ARMY		170,800,000 CUF	
ALABAMA A&M UNIV	\$ 559,327	HUNTSVILLE SCHOOLS		100,584,500 CUF	
KOHLER CO	\$ 517,560	ROGERS GROUP INC		98,457,800 CUF	
Top 10 by Revenue		2021		Top 10 by Consumption	
MAZDA TOYOTA MFG USA INC	\$ 2,023,256	UNITED STATES ARMY		469,460,700 CUF	
POLARIS INDUSTRIES INC	\$ 1,168,568	BASF CATALYSTS LLC		344,511,000 CUF	
HUNTSVILLE SCHOOLS	\$967,424	HUNTSVILLE HOSPITAL		299,816,000 CUF	
UNITED STATES ARMY	\$728,089	MAZDA TOYOTA MFG USA INC		248,137,400 CUF	
HUNTSVILLE CITY GSD	\$696,302	KOHLER CO		220,754,800 CUF	
HUNTSVILLE HOSPITAL	\$682,393	POLARIS INDUSTRIES INC		171,718,300 CUF	
BOCAR US INC	\$547,601	UNITED STATES ARMY		162,770,000 CUF	
BASF CATALYSTS LLC	\$497,761	NORRIS CYLINDER COMPANY INC		110,721,300 CUF	
REED CONTRACTING SERVICES	\$473,337	HUNTSVILLE SCHOOLS		103,126,200 CUF	
ALABAMA A&M UNIV	\$447,353	REED CONTRACTING SERVICES		80,704,717 CUF	
Top 10 by Revenue		2020		Top 10 by Consumption	
HUNTSVILLE SCHOOLS	\$892,453	UNITED STATES ARMY		369,278,100 CUF	
POLARIS INDUSTRIES INC	\$764,731	BASF CATALYSTS LLC		304,824,000 CUF	
HUNTSVILLE CITY GSD	\$682,202	HUNTSVILLE HOSPITAL		277,358,200 CUF	
HUNTSVILLE HOSPITAL	\$646,327	KOHLER CO		194,857,400 CUF	
UNITED STATES ARMY	\$587,037	NORRIS CYLINDER COMPANY INC		177,984,000 CUF	
REMINGTON ARMS COMPANY	\$576,675	UNITED STATES ARMY		116,815,000 CUF	
BASF CATALYSTS LLC	\$441,690	REED CONTRACTING SVCS INC		110,317,600 CUF	
INTERNATIONAL PAPER CO	\$422,837	POLARIS INDUSTRIES INC		102,861,600 CUF	
ALABAMA A&M UNIV	\$393,595	HUNTSVILLE SCHOOLS		102,178,300 CUF	
KOHLER CO	\$307,918	HUNTSVILLE CITY GSD		78,447,100 CUF	

Top 10 Utility Customers by Volume and Revenue – Electric

Top 10 by Revenue		<u>2022</u>		Top 10 by Consumption	
HUNTSVILLE HOSPITAL	\$ 10,870,028	HUNTSVILLE HOSPITAL		HUNTSVILLE HOSPITAL	113,487,736 KWH
HUNTSVILLE SCHOOLS	\$ 6,656,723	TMMAL		TMMAL	74,070,150 KWH
TMMAL	\$ 5,612,269	HUNTSVILLE SCHOOLS		HUNTSVILLE SCHOOLS	59,566,546 KWH
HUNTSVILLE UTILITIES	\$ 5,013,993	SAINT GOBAIN CERAMIC		SAINT GOBAIN CERAMIC	58,674,594 KWH
SAINT GOBAIN CERAMIC	\$ 4,488,935	HUNTSVILLE UTILITIES		HUNTSVILLE UTILITIES	47,274,738 KWH
WAL MART STORES EAST	\$ 4,138,335	KENNAMETAL INC		KENNAMETAL INC	41,219,822 KWH
MAD CO BD OF ED	\$ 3,890,629	WAL MART STORES EAST		WAL MART STORES EAST	40,955,789 KWH
HUNTSVILLE CITY ENG	\$ 3,636,292	BASF CATALYSTS LLC		BASF CATALYSTS LLC	40,606,098 KWH
KENNAMETAL INC	\$ 3,579,669	KOHLER CO		KOHLER CO	39,170,721 KWH
HUNTSVILLE CITY GSD	\$ 3,364,890	ALABAMA A&M UNIV		ALABAMA A&M UNIV	35,083,606 KWH

Top 10 by Revenue		<u>2021</u>		Top 10 by Consumption	
HUNTSVILLE HOSPITAL	\$8,888,331	HUNTSVILLE HOSPITAL		HUNTSVILLE HOSPITAL	102,369,238 KWH
HUNTSVILLE SCHOOLS	\$5,675,757	TMMAL		TMMAL	57,888,849 KWH
HUNTSVILLE UTILITIES	\$4,224,655	HUNTSVILLE SCHOOLS		HUNTSVILLE SCHOOLS	56,429,808 KWH
WAL MART STORES EAST	\$3,621,422	SAINT GOBAIN CERAMIC		SAINT GOBAIN CERAMIC	52,743,734 KWH
TMMAL	\$3,584,731	HUNTSVILLE UTILITIES		HUNTSVILLE UTILITIES	43,712,262 KWH
SAINT GOBAIN CERAMIC	\$3,505,267	WAL MART STORES EAST		WAL MART STORES EAST	40,358,649 KWH
HUNTSVILLE CITY ENG	\$3,257,519	KENNAMETAL INC		KENNAMETAL INC	39,729,541 KWH
MAD CO BD OF ED	\$3,215,387	BASF CATALYSTS LLC		BASF CATALYSTS LLC	39,659,395 KWH
HUNTSVILLE CITY GSD	\$3,109,261	BOEING COMPANY		BOEING COMPANY	35,158,380 KWH
KENNAMETAL INC	\$3,103,350	ALABAMA A&M UNIV		ALABAMA A&M UNIV	32,938,311 KWH

Top 10 by Revenue		<u>2020</u>		Top 10 by Consumption	
HUNTSVILLE HOSPITAL	\$8,835,377	HUNTSVILLE HOSPITAL		HUNTSVILLE HOSPITAL	99,680,400 KWH
HUNTSVILLE SCHOOLS	\$5,496,573	TMMAL		TMMAL	59,711,827 KWH
HUNTSVILLE UTILITIES	\$4,186,911	HUNTSVILLE SCHOOLS		HUNTSVILLE SCHOOLS	56,133,153 KWH
TMMAL	\$4,105,864	SAINT GOBAIN CERAMIC		SAINT GOBAIN CERAMIC	49,691,296 KWH
WAL MART STORES EAST	\$3,753,859	HUNTSVILLE UTILITIES		HUNTSVILLE UTILITIES	44,451,216 KWH
KENNAMETAL INC	\$3,140,054	WAL MART STORES EAST		WAL MART STORES EAST	42,719,857 KWH
HUNTSVILLE CITY ENG	\$3,117,899	KENNAMETAL INC		KENNAMETAL INC	38,940,326 KWH
SAINT GOBAIN CERAMIC	\$3,108,105	TECHNICOLOR HOME ENT SVCS		TECHNICOLOR HOME ENT SVCS	37,529,913 KWH
HUNTSVILLE CITY GSD	\$2,954,070	BOEING COMPANY		BOEING COMPANY	37,325,002 KWH
MAD CO BD OF ED	\$2,938,501	BASF CATALYSTS LLC		BASF CATALYSTS LLC	35,671,649 KWH

Pope - Peel Huntsville Water Works Contract

This Indenture made the fourteenth day of April One thousand eight hundred & twenty three between Serry Pope and Judith his wife, all of one part, and Hunter Peel of the other part, all of Madison County, Alabama State, Witnesseth that the said Serry Pope, hereby grant of the covenants on the part of them said, hereby grant and of one dollar by him to them said, and privilege bargain and sell to said Peel the right and privilege of erecting a dam below the Huntsville Spring, and across of the stream thereof of such height as may be necessary to obtain sufficient head or fall of water to propel an hydraulic engine or engine of Huntsville and the County thereof, with water from said Spring, and the County thereof, with water from said dam, to build a dam by twenty five feet wide; all of which said dam is hereby authorized to build on the land of said Pope, at and near the place where said dam is now commenced; also the right and privilege of raising new dam down on, and through the land of said Peel, adjoining said Spring, and up and through the land of Henry Stokes and Stephen & George Lewis, any number of pipes, or conductors that may be necessary to be erect, and to lay down and cover said pipes, and to be erect, necessary supports of timber, or other materials, or shall use Machinery for raising water, or engines and Machinery from the same in order in repair and full operation to help them in repair and full operation to the testimony whereof said Serry Pope and Judith his wife, and said Hunter Peel have put their names and seals, the day and year first aforesaid.

Serry Pope Seal
Judith Pope Seal
Hunter Peel Seal

Witness my hand and seal this 14th day of April 1823.

Acknowledged & sworn before Thomas Brandon
Clerk of County Court Madison County, Alabama
Same the third day of April 1823
Recorded 4 June 1823
Book 51. Folio, 535.

described. Also, the right and privilege of keeping the Machinery aforesaid and of repairing the same, and of entering on and passing through the land of said Pope adjacent to the Spring at all times when necessary for said purposes. To have and to hold and enjoy the right and privilege aforesaid in and upon the said land of the said Pope to said Hunter Peel, his heirs and assigns or vendees of said Water Works forever, Provided always, and on Condition, that, if said Water Works shall at any time for the space of one year together be so out of repair, that water is not freely conveyed from said Spring into a Reservoir, to be built by said Peel on the Public Square of Huntsville, and from thence to said Pops land on the West side of the Hill, on which his dwelling House stands, and so high up the side thereof as can be drawn from said Reservoir; to a Hydrant in sufficient quantity to supply said Pops family & others, then said Pope his heirs and assigns may grant the Privileges of using Water Works to any other person or persons; but said Peel his heirs or assigns before the granting of any such non-privilege, may repair or re-establish the Works as aforesaid under the above mentioned restrictions, and Conditions, and shall thereupon be rewarded with rights and privileges aforesaid as hereby granted. — and said Hunter Peel for himself his heirs and assigns and vendees of his right in the Works aforesaid hereby covenants with said Pope, that the said Pope, his heirs and assigns shall, and may at all times use any surplus water power produced by the Works aforesaid over and above what may be sufficient for propelling the Machinery

Contract between
Serry Pope
&
Hunter Peel
Concerning
Water works at
Huntsville Spring
14 April 1823.



HUNTSVILLE UTILITIES
ELECTRICITY • NATURAL GAS • WATER

Strategic Plan

In 2019, Huntsville Utilities management and the Boards put in place a strategic plan. HU worked with an outside facilitator, Transcend, to craft the Mission, Vision, and Values (MVV) and engaged Dr. David Ammons, the author of several municipal benchmarking and performance measurement books to train departmental staff on developing meaningful key performance indicators (KPIs). The outcome was an easy-to-communicate MVV and an important set of KPIs that help HU management and policymakers determine the organization's effectiveness in meeting its strategic objectives.

In June 2022, HU leadership updated the organization's strategic plan. A new mission statement was crafted, and new key objective categories were identified. Within each category are several goals that cross-departmental teams' advance. In June 2023, once again HU's leadership updated the mission and vision statements and established an annual cadence for reviewing the plan and updating the strategic objectives.

The HU workforce is well versed in the organization's mission, vision, and values. All are core to the organization, but the foundational values of Do What's Right, Build Community, and Get Better Every Day are embedded in the organization's fabric and represent HU at its best.

Along with the updated strategic plan, expanded departmental metrics are being developed to ensure the organization is tracking meaningful measures on the quality of work performed.

2023 Strategic Plan

Mission

Huntsville Utilities is the publicly owned provider of foundational services for one of the nation's smartest places, focused on dynamic innovation.

Vision

Huntsville Utilities is a trustworthy steward of an evolving portfolio of essential services and community enrichment activities that position our organization as an industry leader.

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

Key Objectives



Community Engagement & Social Responsibility

Expand HU's marketing efforts to professionally manage the internal and external messaging, highlighting our commitment to our employees and community stewardship.

Pursue opportunities to improve Huntsville Utilities' governance structure that remove impediments and encourages agility.

Culture of Pride, Respect and Accountability

Promote a culture of safety and security awareness, focusing on personal responsibility, and protecting HU resources.

Strengthen HU's talent management processes to empower existing employees attract and retain qualified individuals.

Compile a master guide that educates employees on messaging information, and metrics that matter.

Transformation

Implement the transition to an updated digital core providing an improved data integration and supporting process improvement.

Develop and analyze innovative solutions, identify additional revenue, and grant funding, to address technology and market opportunities.

Respond to economic development and customer interest in alternative energy solutions.

Huntsville Utilities Awards



Water

2023

- Alabama Water Pollution Control Association (AWPCA)
 - Best Operated Plant/Distribution Award
 - Best Operated Surface Water Plant 20.1-30 MG – Southeast
 - Best Operated Groundwater Plant > 100,000 – Lincoln – Dallas WTP
 - Best Operated Distribution System 50,001-100,000 Meters – Huntsville Utilities

2022

- Alabama Water Pollution Control Association (AWPCA)
 - Best Operated Plant/Distribution Award
 - Best Operated Surface Water Plant 20.1-30 MG – Southeast
 - Best Operated Surface Water Plant 40.1-50 MG – Southwest
 - Best Operated Groundwater Plant > 100,000 – Lincoln – Dallas WTP
 - Best Operated Distribution System 50,001-100,000 Meters – Huntsville Utilities

Gas

2022

- System Operational Achievement Recognition (SOAR) Task Group
 - Earned SOAR recognition at the GOLD level
- American Public Gas Association
 - Safety Award – Group E (over 70,001 hours)

2020 and 2019

- American Public Gas Association
 - 2020 Safety Award – Group E (over 70,001 hours)
 - 2019 Safety Award – Group E (over 70,001 hours)

Electric

2022

- American Public Power Association (APPA)
 - RP3 Diamond award - Demonstrate high proficiency in reliability, safety, workplace development, & system improvement
 - Safety Awards of Excellence - Second Place in Group G (1M to 3.9M worker-hours of exposure)

2021 – 2019

- American Public Power Association (APPA)
 - 2021 Safety Award - Honorable Mention
 - 2020 Safety Award – Third Place
 - 2019 Safety Awards of Excellence - Second Place in Group G (1M to 3.9M worker-hours of exposure)

Budget and Rates

2020 - 2022

- Government Finance Officers Association (GFOA)
 - Distinguished Budget Presentation Award (Three years in a row)
 - 2022 - Special Capital Recognition
 - 2022 - Special Long Range Financial Plan Recognition

Human Resources

2023

- Alabama Office of Apprenticeship (AOA)
 - Region 1 Best Work-Based Learning Practices Program



HUNTSVILLE UTILITIES
ELECTRICITY • NATURAL GAS • WATER

Factors Influencing the Budget

Huntsville Utilities provides water, natural gas, and electric service to approximately 210,000 customers in the greater Huntsville area. With Huntsville recently crowned Alabama's largest city, 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.

Factors:

- The economic development in the region, inflationary pressures from supply chain constraints and labor pool, and an aging system due for upgrades are affecting all services within the utility.
- The HU IT department has seen an increase in budget due to growing cyber security related expenses as well as absorbing previously budgeted IT solutions by business division.
- HU's Gas, Water and Electric services are all continuing to experience increase in capital and expense costs due to the high prices of materials, the increase in expansions of infrastructure and our expanding footprint with extended drive times of staff. Huntsville is growing and more material is needed to respond to that growth.
- With Huntsville expanding to the west, Water and Gas have spent an extensive amount of resources to respond to customer needs in Limestone County. The growth to the west and the increased traffic in Huntsville/Madison County has increased drive times for crews and resulted in less productive work hours for crews. This can lead to increased overtime to handle the everyday jobs as well as during system emergencies.

CONTINUED GROWTH WITHIN THE SERVICE AREA

The economy and global events have resulted in rising inflation and economic downturns for many communities, but Huntsville continues to experience strong growth. In fact, U.S. News identified Huntsville as the 2nd best place to live in America in its 2023 rankings based on high scores for housing affordability and the attractiveness of its job market ([USNews.Com](https://www.usnews.com)). Huntsville also placed #5 as the best places for young professionals to live. In 2022, Huntsville placed #1 as the Best Place to Live [2022 US NEWS](#).



Business Partner	Planned Investment	Planned Jobs
Mazda Toyota Manufacturing	\$2.3 Billion	4,000
Federal Bureau of Investigation	~ \$3 Billion	3,000
Amazon	\$200 Million	1,600
Meta	\$3.8 Billion	200

The information shown below and to the left was taken from the Huntsville Madison County Chamber Economic Update for Huntsville, Alabama, May 2023.

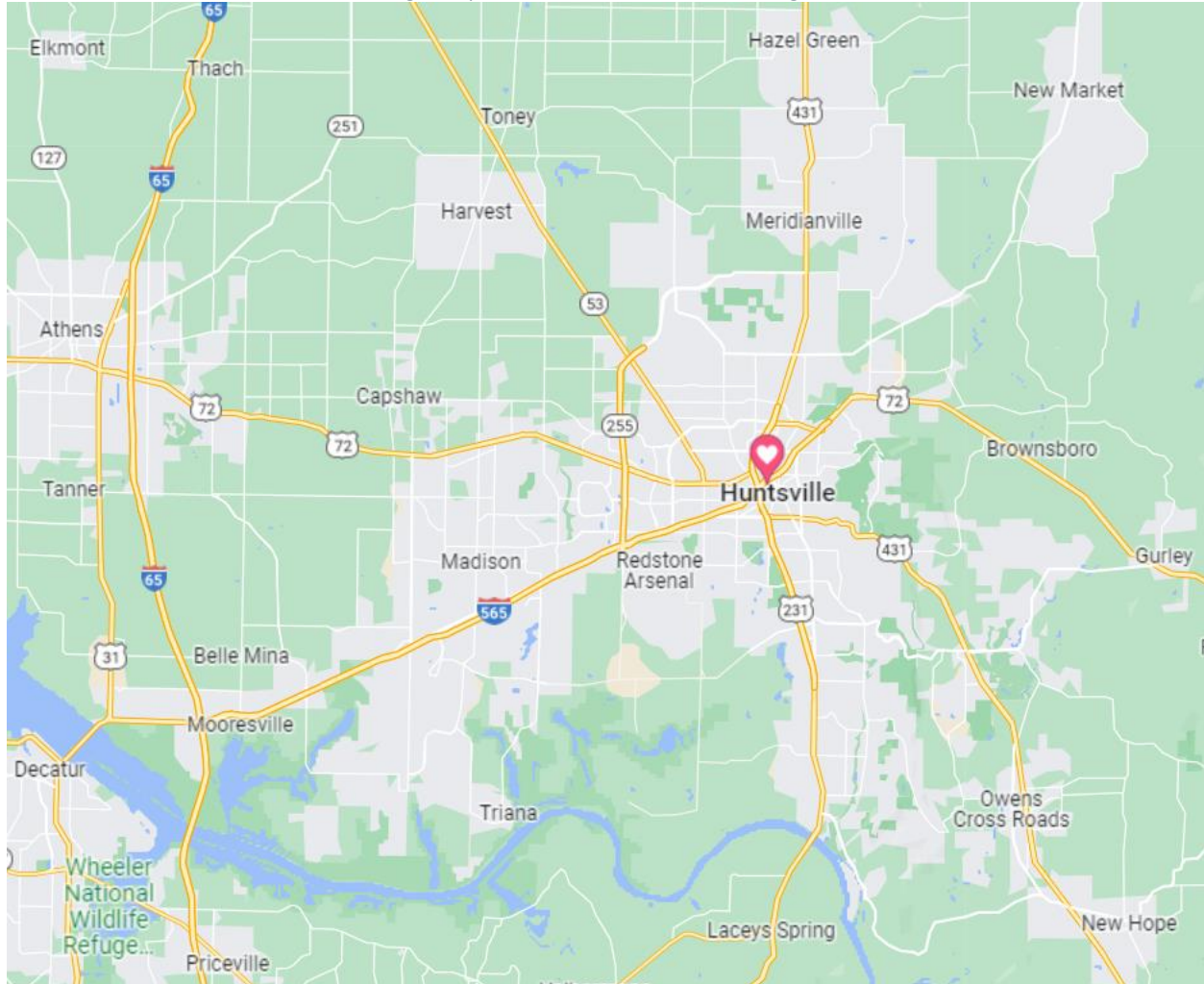
The City of Huntsville population grew 5.8% from April 2020 through July 2022. The average annual growth rate in the City of Huntsville is 1.9% over the past decade. ([Huntsville Development Review 2022](#)). The housing market is experiencing high demand and limited inventory has spurred new home and rental property construction. Below are reported numbers from the January 2023 Huntsville Development Review Update:

- 5,926 – number of building permits issued for residential dwellings
- 3,719 – number of housing units granted certificates of occupancy; Huntsville added more housing units in 2022 than any other year since the Development Review began keeping records in 1983
- 11,327 – number of multi-family units approved for construction
- 81% – year-over-year increase in approved single-family subdivision lots
- 3,575 – number of single-family residential units sold in Huntsville
- \$377,703 – average sale price for a single-family residence
- 694 – number of non-residential building permits issued
- 1,848 – number of acres annexed into Huntsville

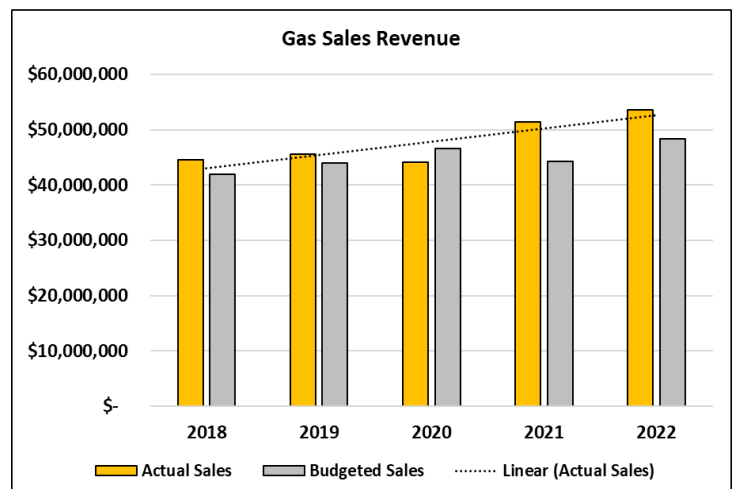
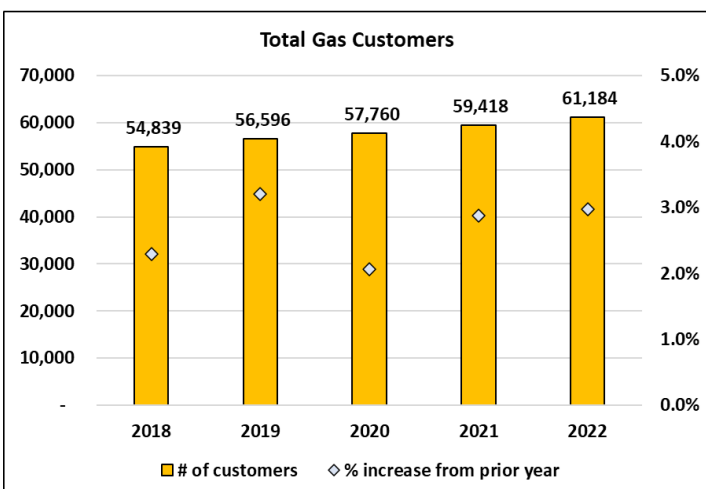
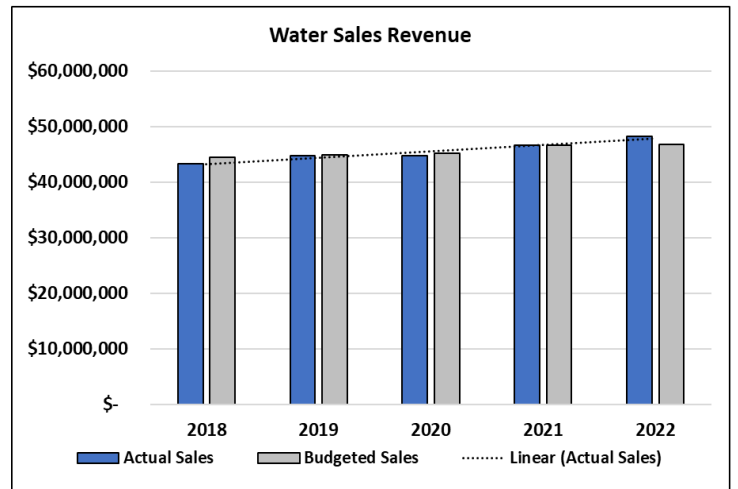
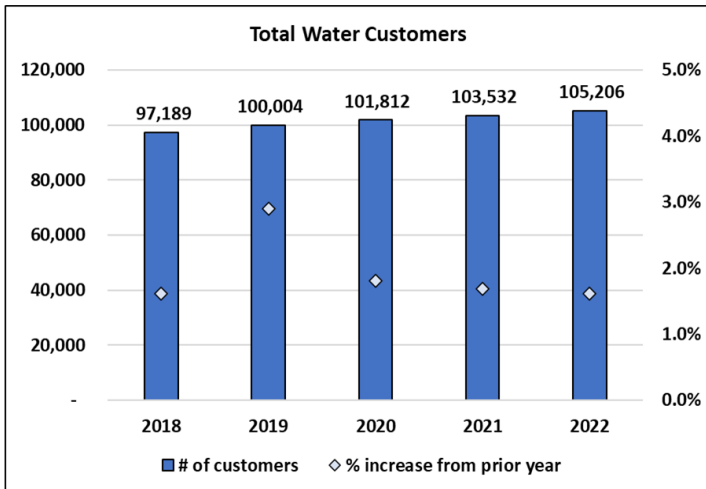
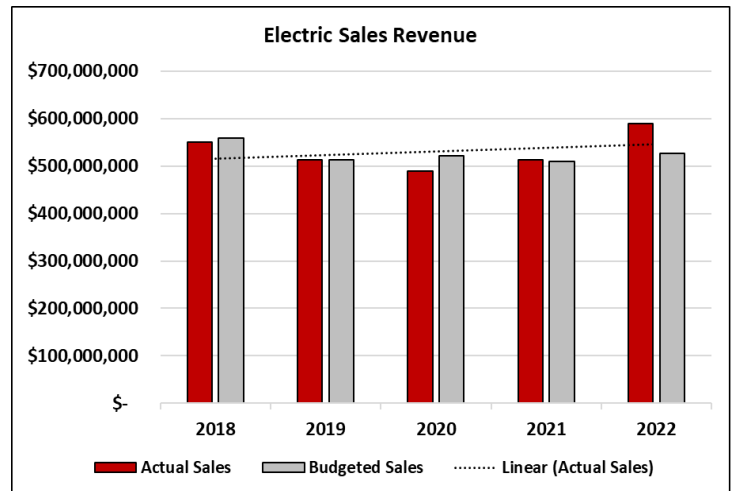
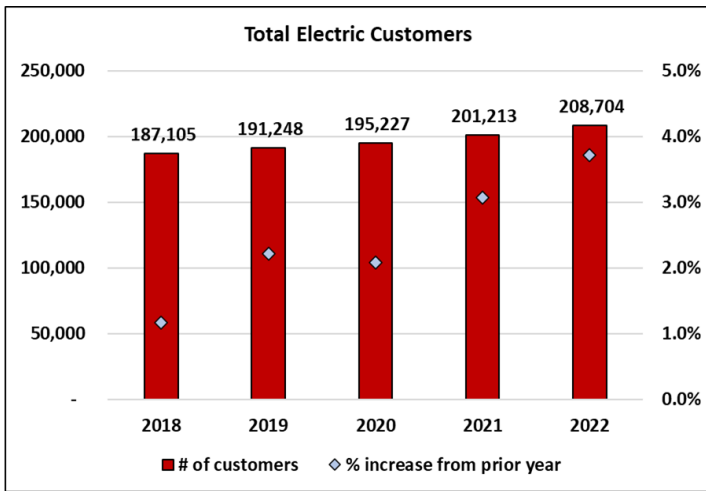
Growth is not limited to the Huntsville metropolitan area. The City of Madison, which borders Huntsville to the west, has seen its population more than double since 2000 with annual increases approximately 2% since 2015 ([WorldPopulationReview.com](#)). The I-565 corridor connecting Huntsville and Madison has experienced an economic awakening with mixed use developments that include retail establishments,

hotels, housing, office parks and a minor league baseball stadium. In other areas of Madison County, the unincorporated areas of Meridianville and Hazel Green which lie to the north have experienced significant building permit increases. ([whnt.com](#)). The Federal Bureau of Investigation has invested \$3 billion in its expansion at Redstone Arsenal ([al.com](#)) and the military base is still under consideration as the future home of the US Space Command. Limestone county, which is adjacent to Madison County, was the fastest growing county in Alabama from 2021-2022 and is home to several key employers in the area such as Amazon, Polaris, and Mazda Toyota Manufacturing ([256today.com](#)).

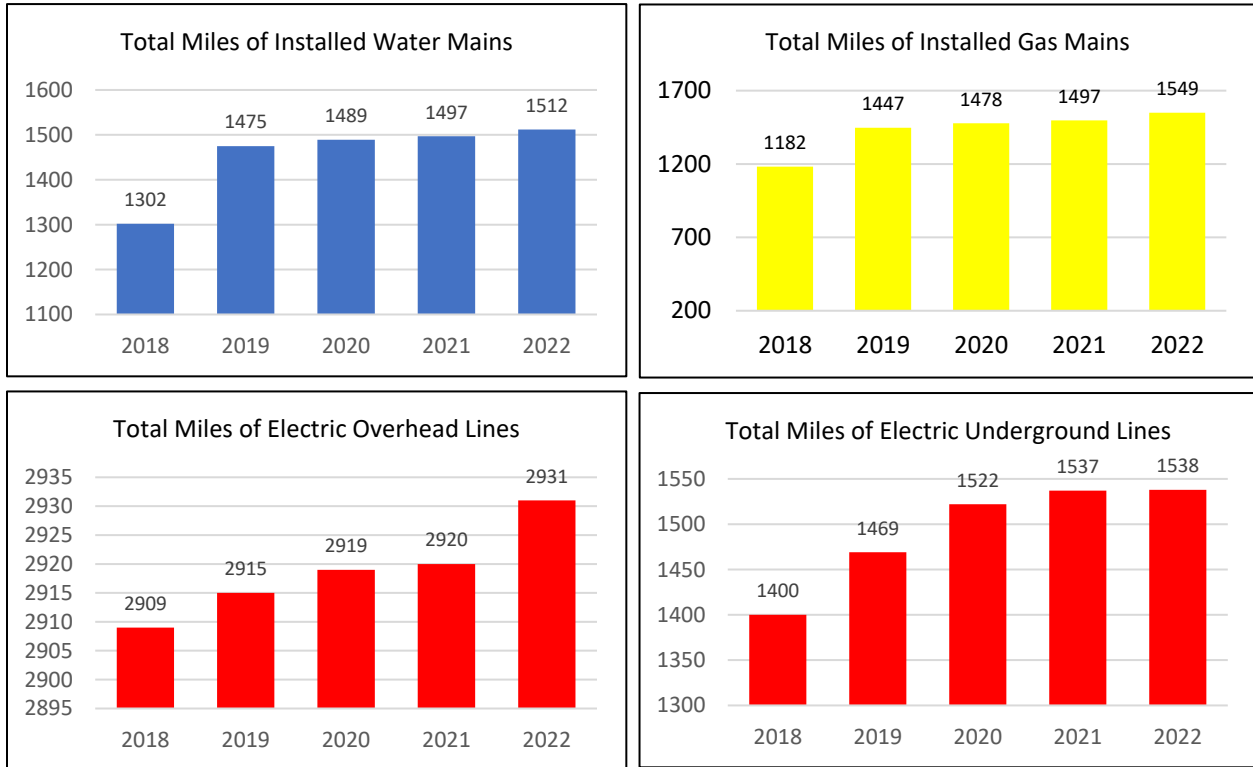
Google Map of Huntsville and the surrounding area



Of all the areas mentioned above, only Limestone County is outside of Huntsville Utilities' electric service area. There are multiple water and gas districts in north Alabama, but HU provides this service to all customers within Huntsville and extends beyond the borders in some instances. The statistical data shown on the following page provides customer counts and sales revenue for Huntsville Utilities over the last five fiscal years and supports the growth data found in the external sources above.



Infrastructure improvements have also risen over that time to keep pace with customer demands. The charts below illustrate how the systems have expanded over time to serve the community.



Despite domestic and global financial uncertainty, Huntsville has proven to be resilient and customer growth continues. What this inflow of customers conceals is that customer usage volumes are levelling out. With new homes and other facilities being built with the latest advancements in utility efficiency, utility usage data is mostly flat or falling when the impacts of weather are removed.

As a result of these factors, the five-year financial models included in this document incorporate the following assumptions regarding growth:

	Customer Growth	Usage Growth
	All Years	All Years
Water	2.0%	0.5%
Gas	3.0%	0.0% - 1.5% by rate class
Electric	3.5%	0.05%

The impact of weather greatly influences sales, so a three-year average of historical usage volumes is used in determining base revenue projections for all utility services.

Below is a summary of other factors by utility service that have resulted in sustained financial stability and growth.

Water

- Completion of a 20-year capital improvement plan identified key areas to focus on growth and system upgrades to ensure the continuing operations of a safe, reliable, and robust water system.
- HU continues to be a strong partner with water entities outside our service territory to ensure continued growth and reliability.
- Recent upgrades to one surface level water treatment plant will allow for expanded water purification and aid in attracting new economic growth while continuing to serve the community.
- Completion of a Water Cost of Service Study and Water Rate increase beginning in November 2024.

Gas

- Unprecedented growth and interest in the Huntsville Utilities gas service has allowed for expanded opportunities to provide competitive natural gas rates to large governmental and quasi-governmental users.
- The award-winning natural gas supply and operations departments continue to be industry leaders in identifying ways to ensure reliable and low-cost natural gas. Continuing replacement of aging infrastructure highlights our commitment to safety for our customers and the community we serve.

Electric

- Huntsville Utilities was recently named the fastest growing Local Power Company in the Tennessee Valley Authority's service area.
- TVA recognized Huntsville Utilities with the Top Performer Award with first place in Carbon Reduction as well as first place in total kWh added in the New Homes Program. HU was also recognized with the Top Performer Award with second place in the total kWh added as a percent of sales in New Homes Programs.
- Huntsville Utilities, in partnership with industry leader and community partner, Toyota Motor Manufacturer of Alabama, have joined forces for a new 30MW AC solar farm that is expected to become operational in early 2024. This project is the largest renewable energy project under the Tennessee Valley Authority's Flexibility 1.0 program.

SUPPLY CHAIN ISSUES AND VOLATILE ECONOMIC CONDITIONS

While all areas of the supply chain were affected during the pandemic, the economy has not fully recovered. The increasing news of military and global conflicts, fuel costs are still high, shipping disruptions, and worker availability have an effect on HU. Worldwide anxiety and uncertainty have caused financial markets to fluctuate wildly. Prices have risen steeply with limited supply and increasing demand.

Budget estimates for FY24 projected expenditures reflect this as everything from meters to tree trimming services have experienced significant increases. Most expense categories show double digit increases from current year expense projections. Vehicles and other materials continue to carry significant delivery delays that have stretched beyond the upcoming budget year.

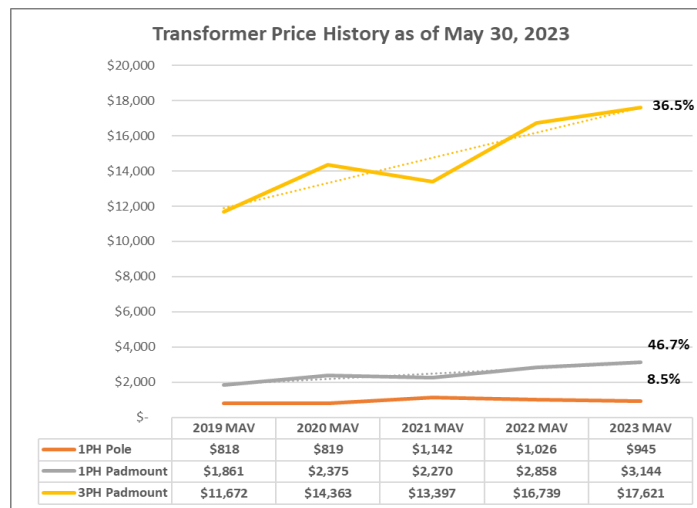
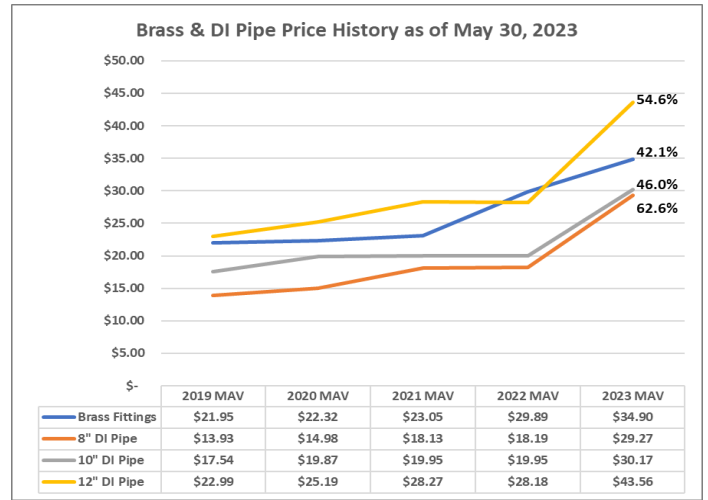
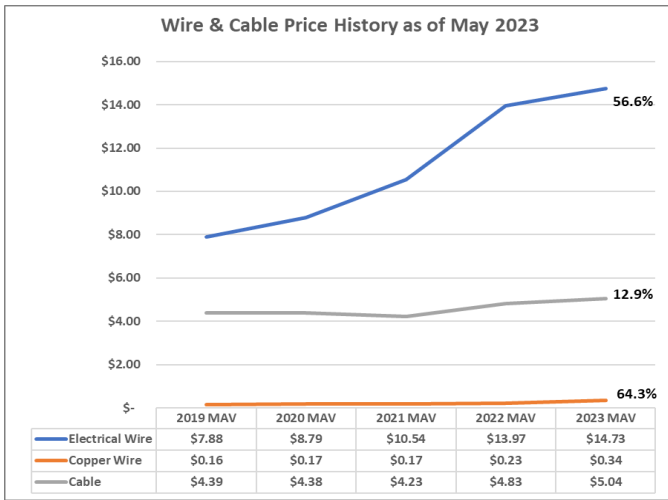
The amount and timing of actual costs is a best guess in many situations and because FY23 estimates and actuals are higher than normal, expense projections for FY24 reflect an increase. This is done under the assumption that inflation may be near its peak, and understandably, departments forecast high costs and long lead times for the year ahead. Expenses for years after FY24 are projected to increase 2.5% all 5 years. Because inflationary increases have already been built into wages, employee-related expenses are excluded from the FY24.

Additional Areas Experiencing Increases

- Vehicles – Experiencing a 15% price increase over last year. Smaller trucks and vehicles are generally being received in the same year. HU is planning for an 18–24-month delivery time on larger vehicles such as bucket trucks. Backhoes and forklifts can be expected in the same year.
- Transformers - Experiencing a 30-50% price increase depending on type and a 15-month delay on delivery. Many current orders will be received in FY24. Approximately 30-40 padmount transformers are being received per week.
- Meters – Pricing is stable, and shipments are being received regularly, but lead times are anywhere from 6-18 months, depending on the type.
- Tools – HU factors in a 10% price increase and asks about availability.
- Construction – Many estimates have come in 20-30% higher. The notice to proceed on projects has been delayed up to 3-5 months in some cases.
- HU Water is pumping an average of 16% more water each day from all plants, and chemical costs continue to increase (some common chemicals by 30% while others by more than 100%)

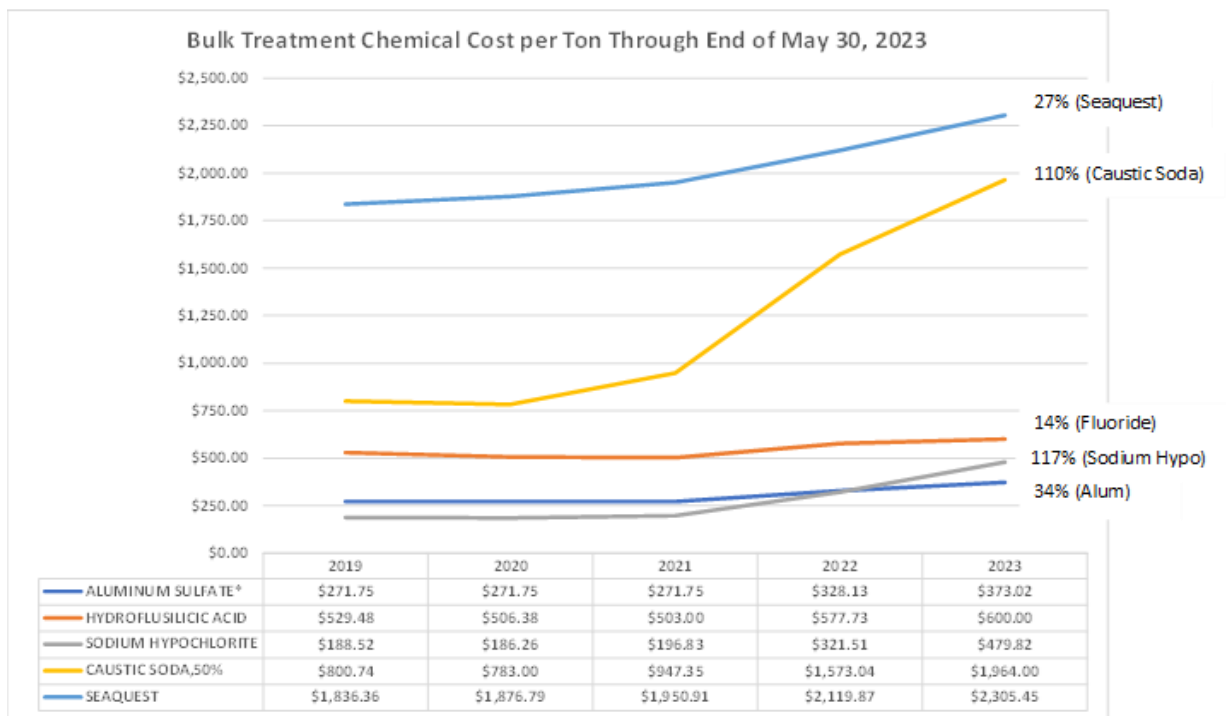
The last year has proven to be challenging with the continued increase in pricing throughout the industry of water, gas and electric. The charts below provide context to the HU pricing history.

Transformers, Brass, DI Pipe, Wire and Cable Costs



Bulk Water Treatment Chemical Costs

Bulk Chemical	Loads Received 2022
ALUMINUM SULFATE	239
HYDROFLUSILICIC ACID	9
SODIUM HYPOCHLORITE	146
CAUSTIC SODA,50%	24
SEAQUEST	11
Total Gallons Pumped (*1000)	18,990,164

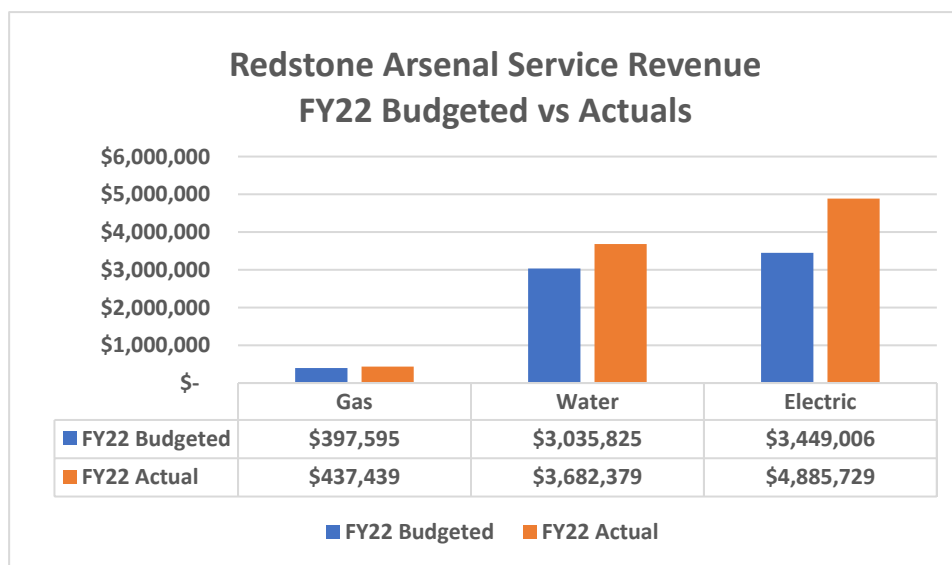


REDSTONE ARSENAL INTERGOVERNMENTAL SERVICE AGREEMENT

In June 2021, Huntsville Utilities assumed responsibility for the operation and maintenance of utility infrastructure on the Redstone Arsenal under a 10-year inter-governmental service agreement with the US Army. Work performed is either preventive routine maintenance or as-needed service requests. The revenue is similarly divided into fixed monthly amounts for standard O&M functions and a cost-plus structure for specific service requests. This agreement does not convey ownership of any government assets to Huntsville Utilities, nor does it require Redstone Arsenal to purchase any of its utility service from Huntsville Utilities.

Two employees are currently dedicated to managing the program and utility crews rotate between Redstone Arsenal and Huntsville Utilities' service area as needed. Each operations departments have a dedicated supervisor overseeing the Redstone work along with work on Huntsville Utilities' system. Results from the 2nd year of the contract have been overwhelmingly positive operationally and financially.

Services	Total Service Calls	Priority Service Calls	Others
Water Operations	426	162	32 hydrants and 11 valves replaced, 96 water leaks repaired
Gas Operations	41	21	1 leak repaired, entire gas system surveyed and leak detected
Electric Operations	1186	209	84 pole changeouts, 2 new pole lines, 3 substation SEL upgrades



POWER PURCHASED FROM 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. In February 2020, a long-term amendment to the contract was executed and now TVA provides Huntsville Utilities a 3.1% credit to be applied towards standard service purchased power. This credit reduces purchased power expense by approximately \$10 million each year based on current usage.

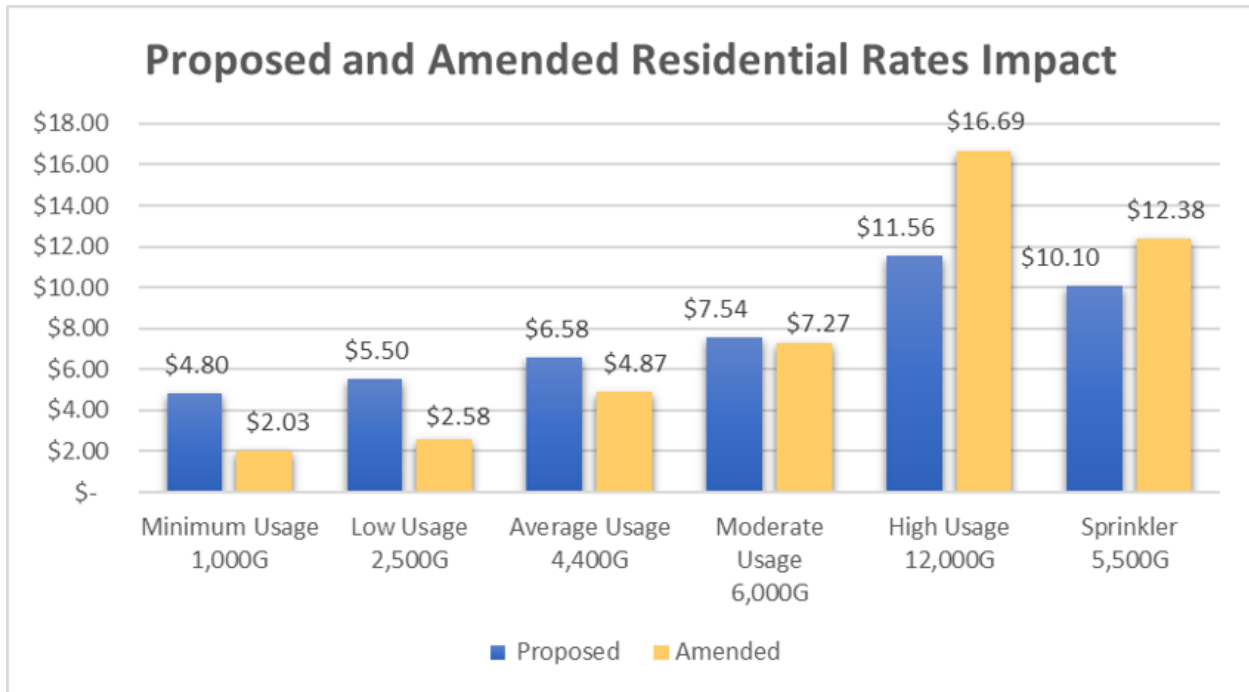
Huntsville Utilities also executed a “flexibility” agreement with TVA in 2020, which allows the utility to procure up to 5% of the system’s energy from local sources if the power generation aligns with TVA’s environmental requirements. Huntsville Utilities has formally announced HU’s solar partnership with Toyota. Soon, construction will begin on a 168-acre solar array near the Toyota Motor Manufacturing facility in north Huntsville. This will generate as much as 30MW of energy. HU is buying all the power flowing from these panels. This is HU’s first power purchase from a source other than TVA. HU started working on this in 2020 and learned many lessons as this innovative project was brought together. Toyota, HU, and the community will benefit from this project's affordable and sustainable energy.

BILLING 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:

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, resulting from a 2012 approved 5-year rate strategy, although some minor adjustments have taken place since then because of a link to Madison County water rates. In 2023, Jackson Thornton conducted a Water Cost of Service Study. Through this study, the evaluation of the HU 20-year Capital Plan, rising costs on capital, and additional O&M expenses, it was determined an increase in water rates was necessary. The budget that was originally approved by the board included the proposed water rate adjustment of 35% in FY24. City Council amended the proposed water rates and shaped them to help lower the impact to the low usage residential customers and put more cost on high usage customers. The chart below shows the rate impacts from the proposed to the amended/approved for different residential usage types:



The chart below shows the current water rates compared to the amended/approved water rates. The approved water rates go into effect on November 1, 2023.

Current and Approved FY24 Water Rates

Residential Rate			
Tiers	Current Rate	Approved Rate	Increase
1st 3,000 gallons	\$ 1.33	\$ 1.70	\$.37
Next 3,000 gallons	\$ 1.71	\$ 3.21	\$ 1.50
Next 6,000 gallons	\$ 1.91	\$ 3.48	\$ 1.57
Over 12,000 gallons	\$ 3.01	\$ 4.96	\$ 1.95
Residential Sprinkler	\$ 3.01	\$ 4.96	\$ 1.95

Wholesale / Resale Rate			
Tiers	Current Rate	Approved Rate	Increase
1st 5 MGAL	\$ 1.96	\$ 2.65	\$.69
Over 5 MGAL	\$ 1.61	\$ 2.17	\$.56
Supplemental / Emergency	\$ 6.45	\$ 6.45	\$ 0

Amended Availability Rate			
Meter Size	Current Rate	Approved Rate	Increase
5/8-inch	\$ 12.34	\$ 14.00	\$ 1.66
1-inch	\$ 12.34	\$ 16.67	\$ 4.33
1.5-inch	\$ 38.02	\$ 51.33	\$ 13.31
2-inch	\$ 57.68	\$ 77.87	\$ 20.19
3-inch	\$ 122.66	\$ 165.59	\$ 42.93
4-inch	\$ 199.01	\$ 268.66	\$ 69.65
6-inch	\$ 395.46	\$ 533.87	\$ 138.41
8-inch	\$ 537.91	\$ 726.18	\$ 188.27
10-inch	\$ 1,022.42	\$ 1,380.27	\$ 357.85
Master Meter-Multi Unit	\$ 12.34	\$ 14.00	\$ 1.66

Other Rates			
Tiers	Current Rate	Approved Rate	Increase
Master Meter – Multi Unit	\$ 1.71	\$ 2.31	\$.60
Metered Fire Line	\$ 3.01	\$ 4.06	\$ 1.05
Commercial Sprinkler	\$ 3.01	\$ 4.06	\$ 1.05

Commercial / Industrial Rate			
Tiers	Current Rate	Approved Rate	Increase
1st 1 MGAL	\$ 1.96	\$ 2.65	\$.69
Over 1 MGAL	\$ 1.61	\$ 2.17	\$.56

All consumption tier rates are (per 1,000 gallons)

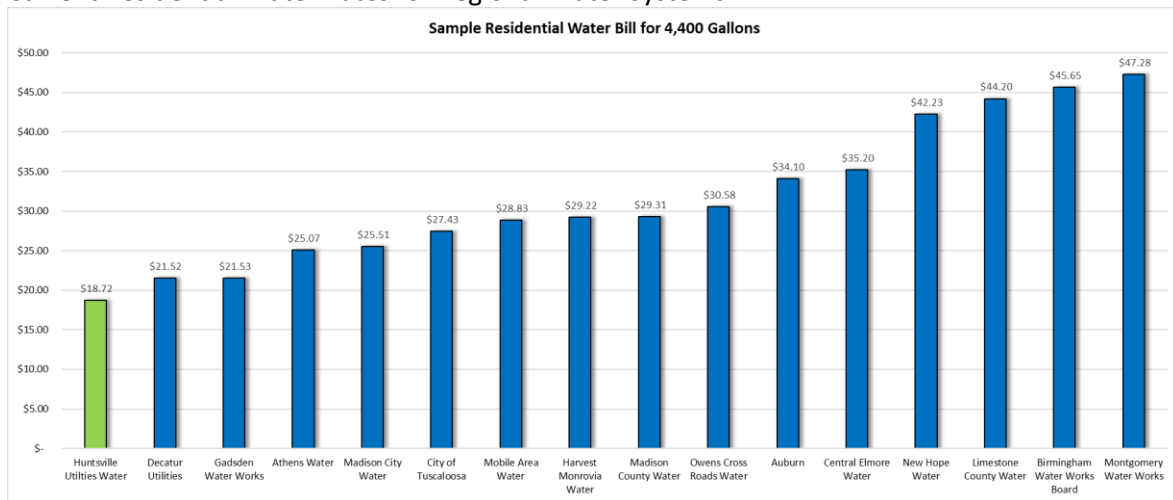
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To view the 2024 budget, click [here](#).

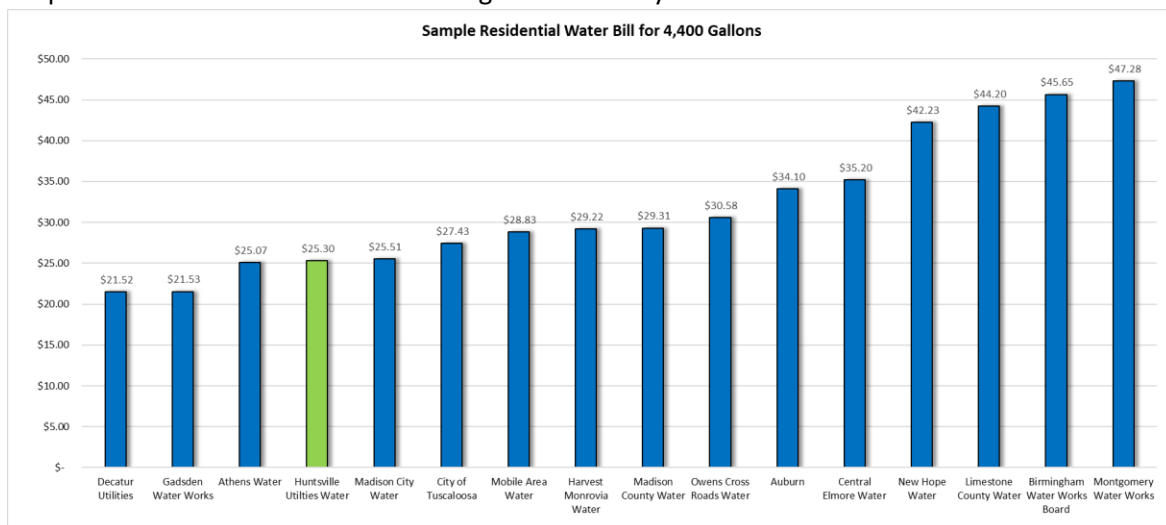
Water Cost Pressures that enhanced the need for a water rate increase are:

- Primary cost driver is not water constraints but building and growth in our community.
- Capital projects are more expensive than expected as labor and material prices rise.
- In addition to significant capital improvement needs, inflation is impacting normal operations.
- Water is not generating enough revenue to fund ongoing operations and capital improvements.
- HU is pumping an average of 16% more water each day from all plants, and chemical costs continue to increase (some common chemicals by 30% while others by more than 100%)
- Vehicle and equipment costs have increased, and orders are lagging from one to two years.
- Payroll and new hire costs have increased.
- Maintenance costs for parts have gone up.
- Increase costs in Meter Reading and Locate Services

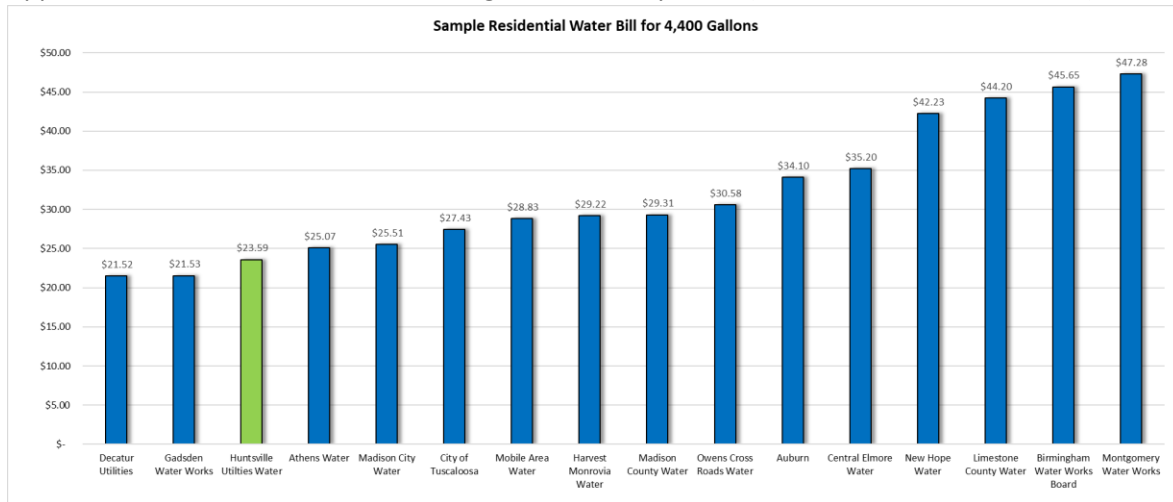
Current Residential Water Rates for Regional Water Systems



Proposed Residential Water Rate for Regional Water Systems



Approved Residential Water Rate for Regional Water Systems (Effective November 1, 2023):



Gas:

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 Board. In 2017, the Board authorized a three-year rate adjustment increasing availability charges and usage rates each year ending with fiscal year 2020. In November 2021, usage rates were adjusted again based on the cost-of-service findings and market supply and demand issues. In 2023, HU conducted a Cost of Service Study. UFS was engaged to complete the study. No rate adjustments are built into the current Gas Model for FY24 – FY28. The next gas cost of service study will be completed in 2026 prior to any potential rate actions.

Electric:

All electric rate adjustments must be approved by the Electric Board, TVA, and City Council. Huntsville Utilities implemented an approved five-step rate strategy beginning in fiscal year 2019 through fiscal year 2023. The fiscal year 2023 budget included the final step of that plan, which was estimated to produce approximately \$2.5 million in additional revenue by adjusting availability charges on residential and commercial customers. A rate adjustment of 2% is built into the electric model in FY25. A cost-of-service study is expected to be completed in FY24.

SERVICE LEVEL CHANGES FOR RATEPAYERS

Huntsville Utilities currently requires a deposit to establish service. During the time that the utility holds the deposit, it accrues simple interest in accordance with the Deposit Interest policy. The governing Boards of Huntsville Utilities have approved the disbursement of accumulated customer deposit interest to residential customers. Each year, deposit interest will be refunded annually for any additional interest accruals on residential accounts.

Deposit interest that has been released:

• Residential posted August 2022	\$6,726,391.33
• Commercial posted September 2022	\$3,394,505.51
• Residential posted January 2023	\$53,976.11
• Commercial posted January 2023	<u>\$71,049.18</u>
Total thus far is	\$10,245,922.13

HU also recognizes the importance of proactively supporting meaningful and effective economic and community development initiatives within our region. To encourage worthwhile projects and programs that meet this need, HU will designate up to 2% of non-rate-based funds to support local economic and community development efforts. Distribution of funds will be overseen by a joint committee of HU's Boards and city and regional representatives. The use of funds will be subject to financial and regulatory restrictions and must serve a purpose of improving the quality of life or economic health of the Huntsville Utilities' service area.

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 and give customers information needed to manage usage patterns. Huntsville Utilities is purchasing the meters, maintaining the inventory, and utilizing a combination of HU crews and outsourcing for installation.

As of June 2023, more than 98% of electric AMI meters have been installed. While a contractor installed the electric residential meters, HU crews are installing the remaining commercial meters. Total budgeted costs for the electric meter deployment were \$27.4 million spread over four years and the deployment is essentially complete at 92% of expected costs.

The gas meter conversion to AMI requires a communication device to be connected to the existing meter. The gas AMI deployment began in May 2021 and approximately 40,345 out of 62,000 devices have been installed to date. The total budget for this project is \$6.4 million and was scheduled to be completed in 2023, but the remaining deployment is being transitioned to HU crews and may stretch in to 2024.

The changeout of water meters has been removed from the budget and five-year plan due to cost concerns and performance issues but is factored in to the 20-year master plan. Management is currently evaluating the next steps for water meter replacement.

Budget Process

No later than March of each year, the Budget and Rates Director prepares 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 are 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 group no later than April 20th. 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 group no later than May 20th. 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 1st.

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 1st.

Final review of the budgets by the President/President/CEO and CFO/VP of Finance 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.

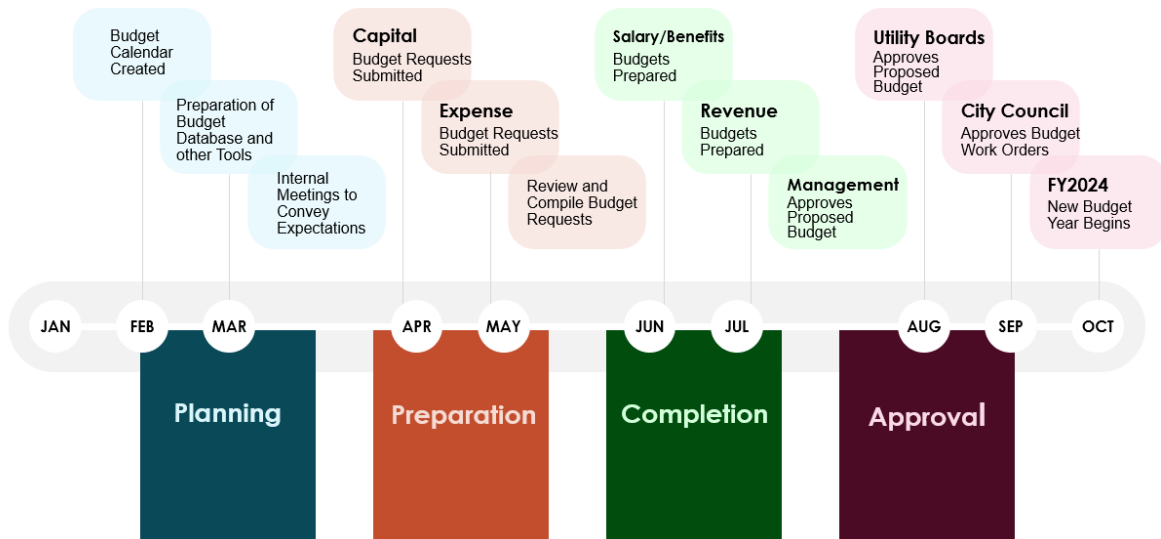
Budget work orders are prepared by the Budget and Rates group for all capital items over \$25,000 and submitted for review to the City Council. City Council should approve the budget work orders no later than the last Council Meeting in September.

Customers are encouraged to bring any specific requests regarding utility service to the attention of Huntsville Utilities management through any available means of communication. This includes in-person discussion, phone calls, written correspondence, email or posting on any of the social media platforms. Members of the community can discuss any utility-related issues, including approval of the budget, in a public forum at the Board meetings or Huntsville City Council meetings which are regularly held each month.

The Budget and Rates group will ensure that all approved budget data is ready for use by the organization on October 1st.

The budget adjustment and amendment process are described in the [Budget Policy](#). 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.

Typical Budget Cycle



The image above illustrates the different stages of the budget process.

Financial Policies

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

Huntsville Utilities is the publicly owned provider of foundational services for one of the nation's smartest places, focused on dynamic innovation.

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 while embracing the standard above. 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 current [Financial Reserve](#) policy, which was approved in 2022 by the respective Boards, is 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 policies focus on an acceptable dollar amount based on historical financial information, debt service schedules and capital plans. 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/VP of Finance. 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/VP of Finance. Investment decisions are made by considering the following objectives in order of priority: Safety, Liquidity, Return on Investment, and Maintaining Public Trust. The CFO/VP of Finance 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 discretely presented 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.

Basis of Budgeting:

The budget is prepared using the modified cash basis of accounting. The financial statements are prepared using the accrual basis of accounting which follows generally accepted accounting principles (GAAP). Differences between the two types of reporting are noted below.

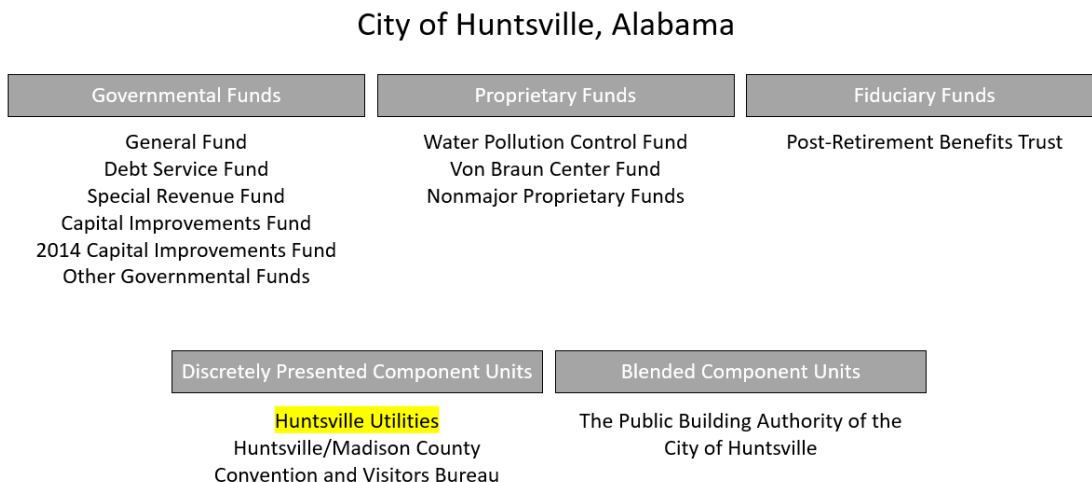
Transaction Type	GAAP Reporting (financials)	Budget Reporting
Depreciation Expense	Included	Not Included
Capital Outlays	Included as an Asset	Included as an Expense
Debt Principal Payments	Reduction of Liability	Included as an Expense
Proceeds from Debt Issuance	Included as a Liability	Included as Revenue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

Funds and Net Position

As mentioned previously, Huntsville Utilities is a discretely presented component unit of the City of Huntsville, Alabama. To be considered a discretely presented entity, where revenues and expense are reported separately, there must be some level of autonomy in management of the utilities but a controlling interest by the City. This is evidenced by the following factors:

- The City of Huntsville appoints the members of the Boards which are responsible for governing the utilities.
- All Huntsville Utilities' debt is issued in the name of the City but will be repaid by Huntsville Utilities
- Huntsville Utilities makes payments in lieu of taxes (PILOT) to the city for each utility service based on sales revenue or asset values rather than providing transfers to the City general fund.

Blended component units, such as the Public Building Authority, are also legally separate entities but provide services exclusively to the City government, which will also pay its debt. The City of Huntsville includes the following funds and component units in its Comprehensive Annual Financial Report.

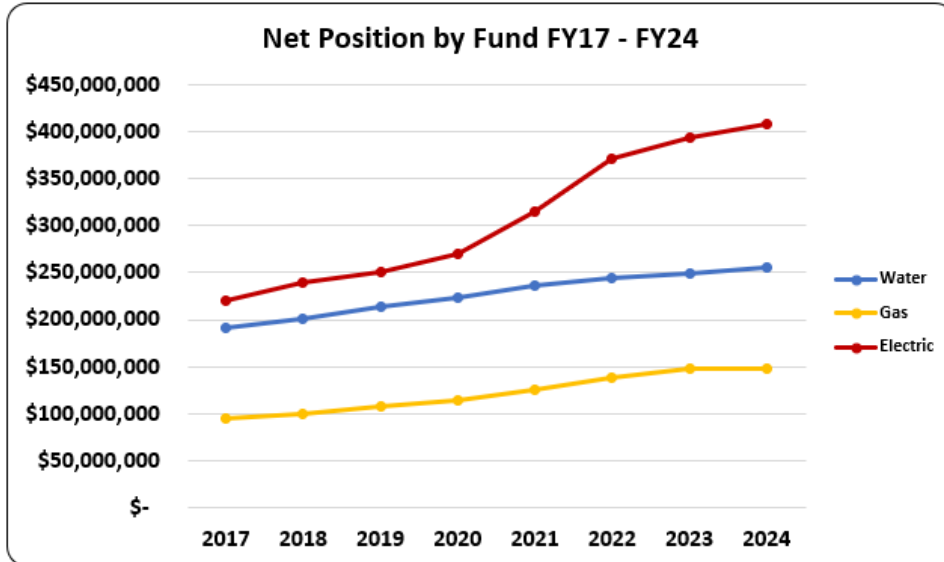


Since Huntsville Utilities offers essential services to the community, operating independently but with the City appointing its governing Boards, the water, natural gas, and electric services are viewed as separate proprietary enterprise funds that are not subject to appropriation. Enterprise funds function like privately held businesses where customers pay charges for a service which then pay for the expenses related to that service. The money for each fund is kept separate from the others meaning that one service will not support the others. This philosophy is consistent with language in the TVA power contract that requires that electric finances be kept separate from other utility activities.

Huntsville Utilities prepares budgets based on a modified cash basis. What this means in terms of the enterprise funds is that a cash balance will be shown on the cash models which is comprised of prior cash reserves, plus all sources of incoming cash (revenue, reimbursements, and borrowing proceeds), less outgoing cash (operating and capital expenses, debt service and tax equivalents). Fund balances are

different from cash balances. Fund balances generally describe the difference between a fund’s assets and liabilities. There are accrual-based accounting entries included in determining those amounts which are consistent with required financial statement reporting. Financial statements are produced for each utility service each month.

For governmental funds such as those used by the City, equity is reported as fund balance. Proprietary funds, such as the enterprise funds used by Huntsville Utilities, show equity as net position.



	Net Position Ending Balances				Change from Prior Year	
	Water	Gas	Electric	Total		
2017	\$ 190,645,698	\$ 95,198,719	\$ 220,058,061	\$ 505,902,478	\$ 30,372,666	6.4%
2018	\$ 201,063,162	\$ 100,085,189	\$ 238,925,570	\$ 540,073,921	\$ 34,171,443	6.8%
2019	\$ 213,525,223	\$ 107,365,286	\$ 251,277,121	\$ 572,167,630	\$ 32,093,709	5.9%
2020	\$ 224,035,478	\$ 114,308,000	\$ 270,445,500	\$ 608,788,978	\$ 36,621,348	6.4%
2021	\$ 235,853,026	\$ 125,433,445	\$ 315,352,891	\$ 676,639,362	\$ 67,850,384	11.1%
2022	\$ 245,038,083	\$ 137,617,674	\$ 371,653,294	\$ 754,309,051	\$ 77,669,689	11.5%
2023	\$ 249,886,485	\$ 147,931,619	\$ 393,342,201	\$ 791,160,305	\$ 36,851,254	4.9%
2024 (Projected)	\$ 255,140,977	\$ 147,882,793	\$ 408,776,778	\$ 811,800,548	\$ 20,640,243	2.6%

The information above shows the ending net position for Huntsville Utilities for the last five years and projected totals for FY23 and FY24.

The larger than normal increases in FY22 was the result of the following factors:

- TVA provided more than \$18 million in purchased power savings through the introduction of the long-term partnership credit and the pandemic relief credit. Both credits were included in fiscal years 2022 and 2023, but only the long-term partnership credit was included in 2024.
- Customer growth and weather impacts resulted in increased revenue.
- COVID safety protocols resulted in lower expenses in multiple categories.

The decline in net position projected for FY24 is the result of the following:

- Inflation and supply chain issues have resulted in dramatic price increases. Budget estimates assume that goods and services can be delivered in a timely manner at the prices quoted.
- The Pandemic credit will no longer be available in 2024.
- 29 new hires are projected in the coming year to accommodate service area growth.
- Several new information technology initiatives are planned that will result in higher-than-

CITY OF HUNTSVILLE, ALABAMA

COMBINING STATEMENT OF ACTIVITIES
DISCRETELY PRESENTED COMPONENT UNITS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

FUNCTIONS / PROGRAMS	Program Revenues			Changes in Net Position				
	Expenses	Charges for Services	Capital Grants and Contributions	Business-Type Activities			Governmental Activities	Total
				Huntsville Utilities			Huntsville / Madison County Convention & Visitors Bureau	
				Electric	Gas	Water		
Component Units								
Huntsville Utilities Electric System	\$ 561,612,166	\$ 616,335,896	\$ -	\$ 54,723,730	\$ -	\$ -	\$ -	\$ 54,723,730
Huntsville Utilities Gas System	54,530,566	61,977,300	6,237,735	-	13,684,469	-	-	13,684,469
Huntsville Utilities Water System	49,173,685	54,996,755	5,966,271	-	-	11,789,341	-	11,789,341
Huntsville / Madison County Convention & Visitors Bureau	4,717,586	9,375	-	-	-	-	(4,708,211)	(4,708,211)
Total Component Units	\$ 670,034,003	\$ 733,319,326	\$ 12,204,006	\$ 54,723,730	\$ 13,684,469	\$ 11,789,341	\$ (4,708,211)	\$ 75,489,329
General Revenues								
Taxes				\$ -	\$ -	\$ -	\$ 1,853,108	\$ 1,853,108
Gain on disposal of capital assets				294,071	67,554	31,786	-	393,411
Unrestricted investment earnings				3,009,035	401,575	699,022	1,486	4,111,118
Loss on investments				(1,726,433)	(1,969,369)	(3,335,091)	-	(7,030,893)
Unrestricted intergovernmental revenues				-	-	-	3,000,899	3,000,899
Total General Revenues				1,576,673	(1,500,240)	(2,604,283)	4,855,493	2,327,643
Change in Net Position				56,300,403	12,184,229	9,185,058	147,282	77,816,972
Net Position, Beginning of Year				315,352,891	125,433,445	235,853,026	2,135,688	678,775,050
Net Position, End of Year				\$ 371,653,294	\$ 137,617,674	\$ 245,038,084	\$ 2,282,970	\$ 756,592,022

Net position is presented on the water, natural gas and electric financial statements by Huntsville Utilities and is then shown by the City of Huntsville in the Discretely Presented Component Units section of its Comprehensive Annual Financial report. A portion of the 2022 Comprehensive Annual Financial Report is shown above. The City has one other discretely presented component unit – the Huntsville Madison County Convention and Visitor’s Bureau (HMC CVB).



South Parkway Water Treatment Plant Built in 1964

***Alabama Water and Pollution Control Association
Best Operated Plant Award 1968***

In the photo Left to Right:

- Mr. J Price, Sr. (Attorney)
- Mr. Edward Cobbs (President of Huntsville Utilities, retired 1992)
- Mr. H. M. Rhett, Jr. (Chairman of the Board)
- Mr. James S. Wall
- Mr. Gordon L. Maples



Fiscal Year 2024 Budget

Electric and Gas Budgets were approved as presented by the
Huntsville Utilities Gas & Water Board on August 22, 2023
Huntsville Utilities Electric Board on August 23, 2023
City of Huntsville City Council September 14, 2023

Water rates were amended and approved by City Council on September 14, 2023. This was after the budget was approved as presented by the water board and as outlined in the water rates section. Click [here](#) to view the details of the changes made to water rates. This budget document and data have been updated to reflex the City of Huntsville City Council amended and approved water rates on September 14, 2023.

Revenues and Expenditures Summary – Consolidated

REVENUE:	FY21 Actual	FY22 Actual	FY23 Budget	FY23 Projected	FY24 Budget
Residential Sales	\$ 319,335,031	\$ 362,350,422	\$ 343,945,629	\$ 347,112,418	\$ 380,759,958
Small Commercial Sales	\$ 64,311,118	\$ 71,827,196	\$ 67,686,456	\$ 70,795,148	\$ 77,588,064
Medium Commercial Sales	\$ 153,326,851	\$ 175,466,220	\$ 161,720,805	\$ 168,263,553	\$ 177,524,259
Large Commercial Sales	\$ 25,895,677	\$ 28,157,194	\$ 28,006,682	\$ 29,896,137	\$ 28,619,630
Small Industrial Sales	\$ 12,226,129	\$ 13,222,523	\$ 15,592,222	\$ 14,701,447	\$ 16,298,561
Large Industrial Sales	\$ 24,913,925	\$ 31,945,580	\$ 37,856,905	\$ 36,440,192	\$ 42,312,644
Other Sales	\$ 10,462,960	\$ 11,421,329	\$ 10,210,957	\$ 11,453,341	\$ 12,432,191
Forefeited Discounts	\$ 2,964,929	\$ 3,248,825	\$ 3,097,100	\$ 3,124,568	\$ 3,135,200
Aid-To-Construction	\$ 24,053,721	\$ 21,425,471	\$ 21,720,000	\$ 23,874,916	\$ 21,306,000
Connection/Tap Fees	\$ 3,712,840	\$ 3,948,618	\$ 3,610,208	\$ 3,586,759	\$ 3,822,325
Collection/Reconnection Fees	\$ 3,496,025	\$ 2,008,907	\$ 2,726,800	\$ 2,452,644	\$ 2,038,900
Miscellaneous Revenue	\$ 5,816,610	\$ 15,475,573	\$ 5,973,919	\$ 10,611,463	\$ 3,620,600
Interest Income	\$ (386,396)	\$ (2,921,261)	\$ 1,429,000	\$ 5,154,705	\$ 2,613,326
Rental Income	\$ 5,877,055	\$ 5,262,016	\$ 5,801,000	\$ 5,366,545	\$ 5,671,120
Water Fiber Lease Income	\$ 840,000	\$ 840,000	\$ 840,000	\$ 840,000	\$ 300,000
Gas Fiber Lease Income	\$ 360,000	\$ 360,000	\$ 360,000	\$ 360,000	\$ 90,000
COH Fiber Lease Income	\$ 2,496,000	\$ 2,496,000	\$ 2,496,000	\$ 2,496,000	\$ 1,000,000
Google Fiber Lease Income	\$ 7,323,540	\$ 6,756,239	\$ 7,784,000	\$ 7,928,220	\$ 7,942,800
Reimbursements	\$ 4,139,605	\$ 6,485,707	\$ 14,601,550	\$ 7,000,317	\$ 12,477,500
IGSA Service Revenue	\$ 2,291,374	\$ 9,359,191	\$ 8,780,219	\$ 8,975,024	\$ 10,086,745
Warrant Proceeds	\$ 5,744,547	\$ 14,378,213	\$ 14,737,102	\$ 10,787,670	\$ 58,809,052
Transfer from Cash Reserves	\$ (55,039,034)	\$ (47,986,489)	\$ 30,398,818	\$ 15,451,208	\$ 10,530,318
	\$ 624,162,507	\$ 735,527,474	\$ 789,375,372	\$ 786,672,274	\$ 878,979,193
EXPENDITURES:					
Employee Expenses	\$ 78,967,501	\$ 81,822,410	\$ 103,878,346	\$ 99,098,227	\$ 112,293,086
Supplies and Materials	\$ 13,185,352	\$ 16,224,361	\$ 16,058,609	\$ 15,661,641	\$ 17,719,761
Services	\$ 18,974,861	\$ 22,765,911	\$ 28,196,307	\$ 23,227,367	\$ 29,338,998
Travel and Training	\$ 1,258,034	\$ 1,689,936	\$ 2,392,973	\$ 2,213,454	\$ 3,018,146
Equipment Maintenance	\$ 3,345,474	\$ 3,261,727	\$ 4,952,744	\$ 3,381,417	\$ 5,287,699
Utilities	\$ 4,953,250	\$ 5,725,291	\$ 5,485,006	\$ 5,749,634	\$ 6,101,540
Commodity	\$ 414,097,297	\$ 491,244,671	\$ 463,639,416	\$ 478,555,212	\$ 512,584,863
Tax Equivalents	\$ 23,872,711	\$ 23,983,497	\$ 24,837,824	\$ 24,438,483	\$ 25,274,351
Debt Service	\$ 10,892,458	\$ 14,913,211	\$ 18,494,058	\$ 20,506,718	\$ 22,917,287
Other Operating Expenses	\$ 3,197,489	\$ 5,170,305	\$ 4,375,846	\$ 4,852,209	\$ 3,954,259
Capital Expenditures	\$ 51,418,080	\$ 68,726,154	\$ 117,064,243	\$ 108,987,911	\$ 140,489,203
	\$ 624,162,507	\$ 735,527,474	\$ 789,375,372	\$ 786,672,274	\$ 878,979,193

Huntsville Utilities prepares separate financial statements for the water, natural gas, and electric services. The consolidated information shown above is for informational purposes only.

Revenues and Expenditures Summary – Water

REVENUE:	FY21 Actual	FY22 Actual	FY23 Budget	FY23 Projected	FY24 Budget
Residential Sales	\$ 26,034,966	\$ 26,701,941	\$ 26,725,571	\$ 26,788,413	\$ 36,250,342
Small Commercial Sales	\$ 10,100,365	\$ 11,372,603	\$ 10,707,331	\$ 11,520,348	\$ 15,216,700
Medium Commercial Sales	\$ 2,900,807	\$ 2,880,281	\$ 2,902,943	\$ 2,900,531	\$ 3,770,952
Large Commercial Sales	\$ 540,332	\$ 568,907	\$ 602,693	\$ 586,037	\$ 755,344
Small Industrial Sales	\$ 1,663,599	\$ 1,857,269	\$ 1,766,300	\$ 1,831,979	\$ 2,410,652
Large Industrial Sales	\$ 223,280	\$ 246,786	\$ 214,054	\$ 242,337	\$ 322,622
Other Sales	\$ 5,166,043	\$ 5,560,015	\$ 4,999,922	\$ 5,715,291	\$ 6,729,943
Forefeited Discounts	\$ 218,252	\$ 217,197	\$ 217,700	\$ 212,172	\$ 214,500
Aid-To-Construction	\$ 7,485,221	\$ 6,730,896	\$ 5,600,000	\$ 6,442,137	\$ 5,256,000
Connection/Tap Fees	\$ 641,840	\$ 1,111,110	\$ 744,000	\$ 924,719	\$ 901,500
Collection/Reconnection Fees	\$ 594,331	\$ 562,494	\$ 520,000	\$ 605,571	\$ 596,900
Miscellaneous Revenue	\$ 172,796	\$ 4,551,054	\$ 98,300	\$ 2,929,273	\$ 121,300
Interest Income	\$ (135,900)	\$ (2,636,069)	\$ 657,000	\$ 1,873,642	\$ 812,200
Rental Income	\$ -	\$ -	\$ -	\$ -	\$ -
Water Fiber Lease Income	\$ -	\$ -	\$ -	\$ -	\$ -
Gas Fiber Lease Income	\$ -	\$ -	\$ -	\$ -	\$ -
COH Fiber Lease Income	\$ -	\$ -	\$ -	\$ -	\$ -
Google Fiber Lease Income	\$ -	\$ -	\$ -	\$ -	\$ -
Reimbursements	\$ 515,583	\$ 3,772,153	\$ 5,250,364	\$ 2,457,723	\$ 4,156,019
IGSA Service Revenue	\$ 980,633	\$ 3,773,154	\$ 3,580,589	\$ 4,022,546	\$ 4,375,348
Warrant Proceeds	\$ 3,038,074	\$ 14,378,213	\$ 14,737,102	\$ 10,787,670	\$ 23,944,052
Cash Reserves Transfer	\$ (6,520,336)	\$ (2,487,495)	\$ 26,077,390	\$ 8,772,059	\$ 1,369,924
	\$ 53,619,886	\$ 79,160,509	\$ 105,401,259	\$ 88,612,448	\$ 107,204,298

EXPENDITURES:

Employee Expenses	\$ 21,056,102	\$ 22,201,267	\$ 28,371,807	\$ 26,651,496	\$ 30,773,861
Supplies and Materials	\$ 4,630,245	\$ 6,218,776	\$ 6,698,703	\$ 6,428,639	\$ 7,219,575
Services	\$ 3,513,636	\$ 3,658,031	\$ 5,802,169	\$ 4,880,638	\$ 5,586,254
Travel and Training	\$ 166,369	\$ 338,141	\$ 422,995	\$ 417,412	\$ 670,546
Equipment Maintenance	\$ 1,031,461	\$ 1,056,810	\$ 1,509,187	\$ 1,058,018	\$ 1,682,149
Utilities	\$ 3,889,875	\$ 4,617,191	\$ 4,374,556	\$ 4,650,089	\$ 4,909,577
Commodity	\$ 33,911	\$ 64,267	\$ 50,000	\$ 45,551	\$ 60,000
Tax Equivalents	\$ 2,743,235	\$ 2,892,313	\$ 2,867,926	\$ 2,938,430	\$ 3,927,393
Debt Service	\$ 3,461,033	\$ 7,797,941	\$ 10,347,577	\$ 11,932,813	\$ 10,989,663
Other Operating Expenses	\$ 1,624,525	\$ 2,328,203	\$ 1,756,339	\$ 1,676,348	\$ 1,206,780
Capital Expenditures	\$ 11,469,494	\$ 27,987,569	\$ 43,200,000	\$ 27,933,015	\$ 40,178,500
	\$ 53,619,886	\$ 79,160,509	\$ 105,401,259	\$ 88,612,448	\$ 107,204,298

Revenue Detail – Water

Sales Revenues	FY22 Actual	FY23 Budget	FY23 Projected	FY24 Budget	BvB	BvP
Residential Sales	\$ 26,701,941	\$ 26,725,571	\$ 26,788,413	\$ 36,250,342	35.6%	35.3%
Small Commercial Sales	\$ 11,372,603	\$ 10,707,331	\$ 11,520,348	\$ 15,216,700	42.1%	32.1%
Medium Commercial Sales	\$ 2,880,281	\$ 2,902,943	\$ 2,900,531	\$ 3,770,952	29.9%	30.0%
Large Commercial Sales	\$ 568,907	\$ 602,693	\$ 586,037	\$ 755,344	25.3%	28.9%
Small Industrial Sales	\$ 1,857,269	\$ 1,766,300	\$ 1,831,979	\$ 2,410,652	36.5%	31.6%
Large Industrial Sales	\$ 246,786	\$ 214,054	\$ 242,337	\$ 322,622	50.7%	33.1%
Fire Protection Sales	\$ 4,550,995	\$ 4,331,948	\$ 4,862,723	\$ 5,785,589	33.6%	19.0%
Other Sales	\$ 1,009,020	\$ 667,974	\$ 852,568	\$ 944,354	41.4%	10.8%
Total	\$ 49,187,802	\$ 47,918,814	\$ 49,584,936	\$ 65,456,555	36.6%	32.0%

Other Operating Revenue	FY22 Actual	FY23 Budget	FY23 Projected	FY24 Budget	BvB	BvP
Forfeited Discounts	\$ 217,197	\$ 217,700	\$ 212,172	\$ 214,500	-1.5%	1.1%
Aid-To-Construction	\$ 6,730,896	\$ 5,600,000	\$ 6,442,137	\$ 5,256,000	-6.1%	-18.4%
Connection/Tap Fees	\$ 1,111,110	\$ 744,000	\$ 924,719	\$ 901,500	21.2%	-2.5%
Collection/Reconnect Fees	\$ 562,494	\$ 520,000	\$ 605,571	\$ 596,900	14.8%	-1.4%
Miscellaneous	\$ 4,551,054	\$ 98,300	\$ 2,929,273	\$ 121,300	23.4%	-95.9%
Total	\$ 13,172,751	\$ 7,180,000	\$ 11,113,873	\$ 7,090,200	-1.3%	-36.2%

Non Operating Revenue	FY22 Actual	FY23 Budget	FY23 Projected	FY24 Budget	BvB	BvP
Interest Income	\$ (2,636,069)	\$ 657,000	\$ 1,873,642	\$ 812,200	23.6%	-56.7%
Rental Income	\$ -	\$ -	\$ -	\$ -	0.0%	0.0%
Reimbursements	\$ 3,772,153	\$ 5,250,364	\$ 2,457,723	\$ 4,156,019	-20.8%	69.1%
IGSA Service Revenue	\$ 3,773,154	\$ 3,580,589	\$ 4,022,546	\$ 4,375,348	22.2%	8.8%
Total	\$ 4,909,238	\$ 9,487,953	\$ 8,353,911	\$ 9,343,567	-1.5%	11.8%

Warrant and Loan Proceeds	FY22 Actual	FY23 Budget	FY23 Projected	FY24 Budget	BvB	BvP
Warrant Proceeds	\$ 14,378,213	\$ 14,737,102	\$ 10,787,670	\$ 23,944,052	62.5%	122.0%
Total	\$ 14,378,213	\$ 14,737,102	\$ 10,787,670	\$ 23,944,052	62.5%	122.0%

Total Revenues	FY22 Actual	FY23 Budget	FY23 Projected	FY24 Budget	BvB	BvP
Total	\$ 81,648,004	\$ 79,323,869	\$ 79,840,390	\$ 105,834,374	33.4%	32.6%

The last two columns on this table and others like it compare the FY24 Budget amount for each line item to the FY23 Budget amount (BvB) and to the FY23 Projected amount (BvP).

Expense Detail – Water

Employee Expenses	FY22 Actual	FY23 Budget	FY23 Projected	FY24 Budget	BvB	BvP
Payroll-Straight Time	\$ 14,081,217	\$ 17,477,954	\$ 16,052,688	\$ 19,018,829	8.8%	18.5%
Payroll-Overtime	\$ 984,923	\$ 989,161	\$ 1,030,676	\$ 1,176,256	18.9%	14.1%
Health Insurance	\$ 2,461,382	\$ 4,010,556	\$ 3,718,440	\$ 3,768,099	-6.0%	1.3%
FICA Taxes - Employers	\$ 1,158,123	\$ 1,387,769	\$ 1,296,228	\$ 1,506,915	8.6%	16.3%
Unemployment	\$ -	\$ 3,770	\$ 1,160	\$ 3,770	0.0%	225.0%
Workers Comp.	\$ 46,682	\$ 75,131	\$ 43,710	\$ 99,133	31.9%	126.8%
Employer Pension Expense	\$ 2,278,557	\$ 2,895,697	\$ 2,602,059	\$ 3,611,549	24.7%	38.8%
Other Employee Benefits	\$ 1,190,383	\$ 1,531,769	\$ 1,906,535	\$ 1,589,310	3.8%	-16.6%
Total	\$ 22,201,267	\$ 28,371,807	\$ 26,651,496	\$ 30,773,861	8.5%	15.5%

Supplies and Materials	FY22 Actual	FY23 Budget	FY23 Projected	FY24 Budget	BvB	BvP
Small Tools & Equipment	\$ 415,659	\$ 434,957	\$ 539,768	\$ 584,345	34.3%	8.3%
Postage	\$ 288,054	\$ 320,616	\$ 295,293	\$ 314,516	-1.9%	6.5%
Materials: Non-Stock	\$ 4,891,823	\$ 5,435,502	\$ 5,122,755	\$ 5,751,029	5.8%	12.3%
Office Supplies & Expenses	\$ 344,883	\$ 260,060	\$ 241,864	\$ 316,551	21.7%	30.9%
Fuel	\$ 277,930	\$ 247,452	\$ 228,895	\$ 252,568	2.1%	10.3%
Board Expenses	\$ 427	\$ 116	\$ 64	\$ 566	387.9%	780.7%
Total	\$ 6,218,776	\$ 6,698,703	\$ 6,428,639	\$ 7,219,575	7.8%	12.3%

Services	FY22 Actual	FY23 Budget	FY23 Projected	FY24 Budget	BvB	BvP
Outside Services	\$ 3,469,568	\$ 5,389,759	\$ 4,495,868	\$ 5,298,821	-1.7%	17.9%
Legal Services	\$ 57,638	\$ 115,204	\$ 88,625	\$ 93,074	-19.2%	5.0%
Public Information	\$ 130,825	\$ 297,206	\$ 296,145	\$ 194,359	-34.6%	-34.4%
Total	\$ 3,658,031	\$ 5,802,169	\$ 4,880,638	\$ 5,586,254	-3.7%	14.5%

Travel and Training	FY22 Actual	FY23 Budget	FY23 Projected	FY24 Budget	BvB	BvP
Education & Training	\$ 200,116	\$ 255,501	\$ 206,002	\$ 388,910	52.2%	88.8%
Trade Memberships/Dues	\$ 88,930	\$ 92,541	\$ 141,859	\$ 162,894	76.0%	14.8%
Employee Meals	\$ 34,541	\$ 38,420	\$ 43,216	\$ 56,794	47.8%	31.4%
Business Travel	\$ 14,554	\$ 36,533	\$ 26,335	\$ 61,948	69.6%	135.2%
Total	\$ 338,141	\$ 422,995	\$ 417,412	\$ 670,546	58.5%	60.6%

Equipment Maintenance	FY22 Actual	FY23 Budget	FY23 Projected	FY24 Budget	BvB	BvP
Equipment Maintenance	\$ 132,162	\$ 179,899	\$ 164,378	\$ 195,761	8.8%	19.1%
Software/Hardware Maint.	\$ 924,648	\$ 1,329,288	\$ 893,640	\$ 1,486,388	11.8%	66.3%
Total	\$ 1,056,810	\$ 1,509,187	\$ 1,058,018	\$ 1,682,149	11.5%	59.0%

Utilities	FY22 Actual	FY23 Budget	FY23 Projected	FY24 Budget	BvB	BvP
Utilities	\$ 4,617,191	\$ 4,374,556	\$ 4,650,089	\$ 4,909,577	12.2%	5.6%
Total	\$ 4,617,191	\$ 4,374,556	\$ 4,650,089	\$ 4,909,577	12.2%	5.6%

Commodity	FY22 Actual	FY23 Budget	FY23 Projected	FY24 Budget	BvB	BvP
Purchased Water	\$ 64,267	\$ 50,000	\$ 45,551	\$ 60,000	20.0%	31.7%
Total	\$ 64,267	\$ 50,000	\$ 45,551	\$ 60,000	20.0%	31.7%

Tax Equivalents	FY22 Actual	FY23 Budget	FY23 Projected	FY24 Budget	BvB	BvP
Tax Equivalents	\$ 2,892,313	\$ 2,867,926	\$ 2,938,430	\$ 3,927,393	36.9%	33.7%
Total	\$ 2,892,313	\$ 2,867,926	\$ 2,938,430	\$ 3,927,393	36.9%	33.7%

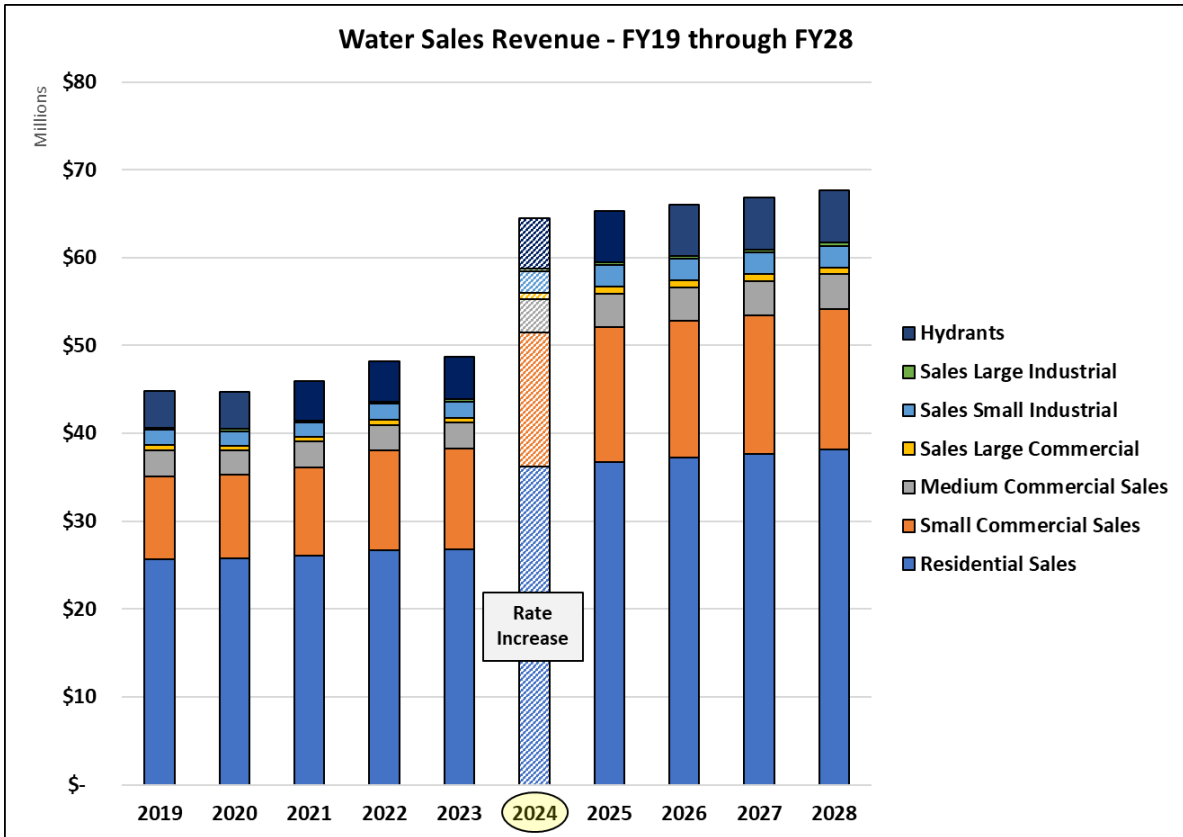
Expense Detail – Water (Continued)

Debt Service	FY22 Actual	FY23 Budget	FY23 Projected	FY24 Budget	BvB	BvP
Debt Service Expenses	\$ 7,797,941	\$ 10,347,577	\$ 11,932,813	\$ 10,989,663	6.2%	-7.9%
Total	\$ 7,797,941	\$ 10,347,577	\$ 11,932,813	\$ 10,989,663	6.2%	-7.9%

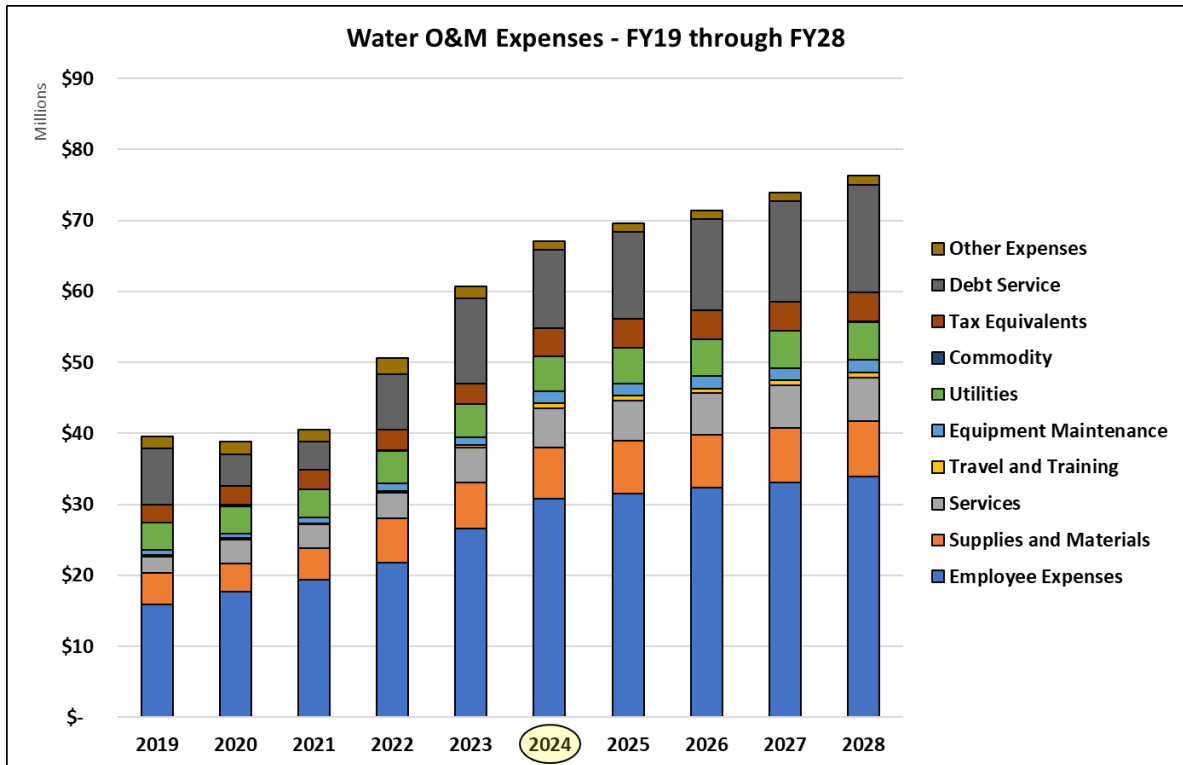
Other Expenses	FY22 Actual	FY23 Budget	FY23 Projected	FY24 Budget	BvB	BvP
Fiber Lease	\$ 750,000	\$ 840,000	\$ 840,000	\$ 300,000	-64.3%	-64.3%
Rentals	\$ 594,046	\$ 482,878	\$ 486,445	\$ 464,828	-3.7%	-4.4%
Uncollectible Accounts	\$ 480,148	\$ 10,700	\$ (48,751)	\$ 81,328	660.1%	-266.8%
Injuries & Damages	\$ 24,212	\$ 12,534	\$ 14,737	\$ 15,347	22.4%	4.1%
Cash Overages & Shortage	\$ 381	\$ 696	\$ 280	\$ 672	-3.4%	139.6%
Insurance	\$ 292,747	\$ 405,595	\$ 348,918	\$ 297,745	-26.6%	-14.7%
Propane	\$ -	\$ -	\$ (806)	\$ 2,400	100.0%	-397.9%
Interest on Customer Deposits	\$ 186,669	\$ 3,936	\$ 35,525	\$ 44,460	1,029.6%	25.2%
Total	\$ 2,328,203	\$ 1,756,339	\$ 1,676,348	\$ 1,206,780	-31.3%	-28.0%

Capital	FY22 Actual	FY23 Budget	FY23 Projected	FY24 Budget	BvB	BvP
Mat. - Operation & Maint.	\$ 186,520	\$ 438,000	\$ 220,864	\$ 455,000	3.9%	106.0%
Mat. - New Construction	\$ 5,618,883	\$ 18,453,000	\$ 8,513,500	\$ 19,185,500	4.0%	125.4%
Limestone County System	\$ 3,175,893	\$ -	\$ -	\$ -	0.0%	0.0%
Mat. - Renew & Replace	\$ 5,177,659	\$ 12,981,000	\$ 8,291,550	\$ 13,886,000	7.0%	67.5%
South Parkway Rehab	\$ 11,348,397	\$ 8,300,000	\$ 8,677,361	\$ 3,350,000	-59.6%	-61.4%
Land	\$ 21,884	\$ 200,000	\$ -	\$ 200,000	0.0%	100.0%
Tools & Work Equipment	\$ 6,909	\$ 206,000	\$ 171,343	\$ -	-100.0%	-100.0%
Transportation Equipment	\$ 1,227,001	\$ 1,372,000	\$ 805,073	\$ 1,457,000	6.2%	81.0%
Computer Equipment	\$ -	\$ -	\$ -	\$ 45,000	100.0%	100.0%
Metering Equipment	\$ 1,224,423	\$ 1,250,000	\$ 1,253,324	\$ 1,600,000	28.0%	27.7%
Total	\$ 27,987,569	\$ 43,200,000	\$ 27,933,015	\$ 40,178,500	-7.0%	43.8%

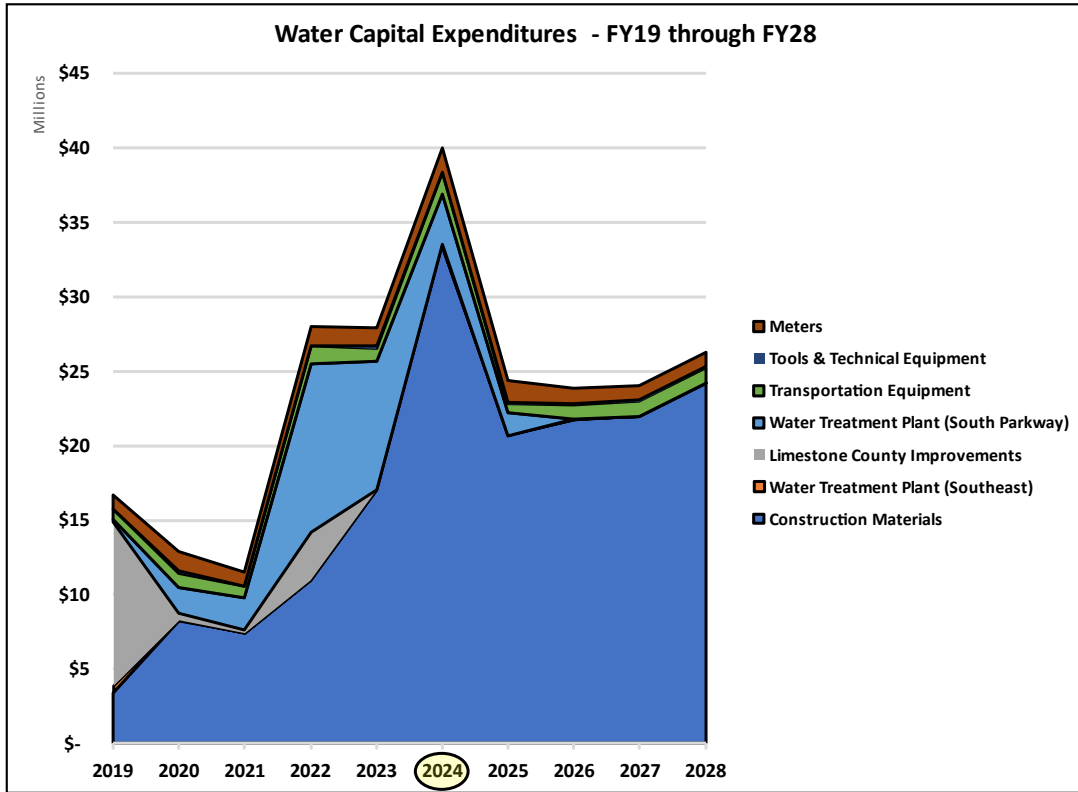
	FY22 Actual	FY23 Budget	FY23 Projected	FY24 Budget	BvB	BvP
Sales Revenue	\$ 49,187,802	\$ 47,918,814	\$ 49,584,936	\$ 65,456,555	36.6%	32.0%
Other Revenue	\$ 18,081,989	\$ 16,667,953	\$ 19,467,784	\$ 16,433,767	-1.4%	-15.6%
Warrant Proceeds	\$ 14,378,213	\$ 14,737,102	\$ 10,787,670	\$ 23,944,052	62.5%	122.0%
Commodity	\$ 64,267	\$ 50,000	\$ 45,551	\$ 60,000	20.0%	31.7%
O&M Expenses	\$ 40,418,419	\$ 48,935,756	\$ 45,762,640	\$ 52,048,742	6.4%	13.7%
Debt Service	\$ 7,797,941	\$ 10,347,577	\$ 11,932,813	\$ 10,989,663	6.2%	-7.9%
Taxes	\$ 2,892,313	\$ 2,867,926	\$ 2,938,430	\$ 3,927,393	36.9%	33.7%
Capital Expenses	\$ 27,987,569	\$ 43,200,000	\$ 27,933,015	\$ 40,178,500	-7.0%	43.8%
Net Cash Impact	\$ 2,487,495	\$ (26,077,390)	\$ (8,772,059)	\$ (1,369,924)		



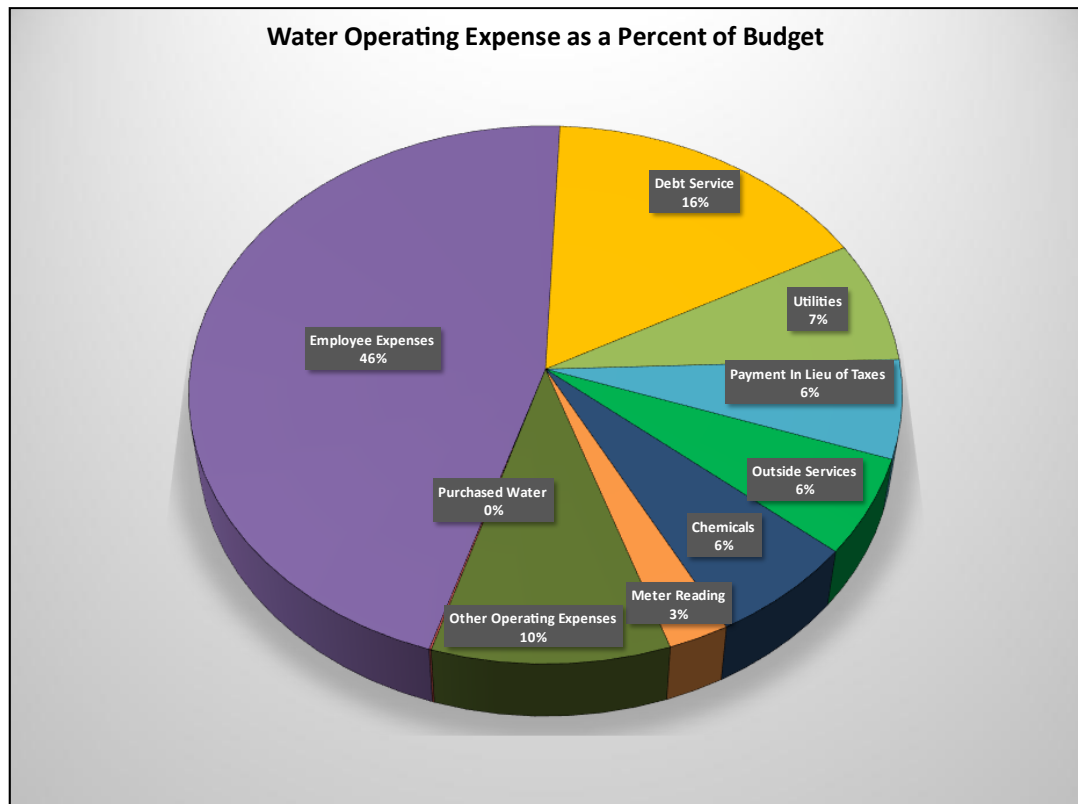
A water rate increase is included in 2024 to cover increasing costs.



Water operating expenses trend upward due to inflation, debt service, and employee related expenses.



The rehab of the South Parkway water treatment plant and system growth are key components of water capital costs.



Employee-related costs account for nearly half of the water expense budget, but debt service payments and fiber lease payments (included in other operating expenses) are other significant factors.

Revenues and Expenditures Summary – Gas

REVENUE:	FY21 Actual	FY22 Actual	FY23 Budget	FY23 Projected	FY24 Budget
Residential Sales	\$ 23,625,499	\$ 25,379,225	\$ 25,725,869	\$ 25,344,597	\$ 28,574,754
Small Commercial Sales	\$ 12,428,650	\$ 13,662,216	\$ 13,662,512	\$ 14,792,041	\$ 15,730,237
Medium Commercial Sales	\$ 12,018,796	\$ 14,140,480	\$ 10,496,028	\$ 10,028,002	\$ 11,679,807
Large Commercial Sales	\$ 1,531,481	\$ 1,646,794	\$ 1,689,813	\$ 2,008,125	\$ 2,019,990
Small Industrial Sales	\$ -	\$ -	\$ -	\$ -	\$ -
Large Industrial Sales	\$ 1,730,033	\$ 1,942,725	\$ 10,076,067	\$ 7,596,585	\$ 11,921,306
Other Sales	\$ -	\$ -	\$ -	\$ -	\$ -
Forefeited Discounts	\$ 220,061	\$ 229,786	\$ 234,900	\$ 277,301	\$ 231,700
Aid-To-Construction	\$ 191,353	\$ 84,145	\$ 45,000	\$ 431,592	\$ 50,000
Connection/Tap Fees	\$ 409,478	\$ 632,426	\$ 447,200	\$ 531,606	\$ 527,000
Collection/Reconnection Fees	\$ 384,567	\$ 321,425	\$ 321,000	\$ 353,994	\$ 356,000
Miscellaneous Revenue	\$ 2,954,248	\$ 4,286,528	\$ 3,321,119	\$ 3,322,114	\$ 1,171,200
Interest Income	\$ (141,632)	\$ (1,567,794)	\$ 415,000	\$ 1,044,848	\$ 551,326
Rental Income	\$ 176,635	\$ 176,635	\$ 176,700	\$ 176,657	\$ 197,710
Water Fiber Lease Income	\$ -	\$ -	\$ -	\$ -	\$ -
Gas Fiber Lease Income	\$ -	\$ -	\$ -	\$ -	\$ -
COH Fiber Lease Income	\$ -	\$ -	\$ -	\$ -	\$ -
Google Fiber Lease Income	\$ -	\$ -	\$ -	\$ -	\$ -
Reimbursements	\$ 1,582,662	\$ 856,181	\$ 8,066,368	\$ 3,136,009	\$ 7,176,220
IGSA Service Revenue	\$ 144,465	\$ 438,324	\$ 525,969	\$ 512,165	\$ 596,793
Warrant Proceeds	\$ 2,706,473	\$ -	\$ -	\$ -	\$ -
Cash Reserves Transfer	\$ (3,491,172)	\$ 4,602,571	\$ 7,920,289	\$ 8,200,363	\$ (314,743)
	\$ 56,471,597	\$ 66,831,667	\$ 83,123,834	\$ 77,755,998	\$ 80,469,299

EXPENDITURES:

Employee Expenses	\$ 16,028,939	\$ 14,926,723	\$ 19,526,298	\$ 18,133,880	\$ 20,833,750
Supplies and Materials	\$ 1,984,202	\$ 2,303,230	\$ 2,060,891	\$ 2,328,722	\$ 2,523,187
Services	\$ 2,826,067	\$ 3,535,515	\$ 3,634,612	\$ 3,271,777	\$ 4,077,867
Travel and Training	\$ 440,452	\$ 477,294	\$ 644,024	\$ 640,108	\$ 691,443
Equipment Maintenance	\$ 587,373	\$ 503,566	\$ 910,865	\$ 551,767	\$ 897,408
Utilities	\$ 262,129	\$ 268,120	\$ 278,868	\$ 265,645	\$ 294,068
Commodity	\$ 21,852,552	\$ 29,562,340	\$ 31,172,150	\$ 30,053,502	\$ 29,606,315
Tax Equivalents	\$ 3,065,742	\$ 3,389,975	\$ 3,699,017	\$ 3,587,343	\$ 4,037,839
Debt Service	\$ 1,561,032	\$ 1,561,013	\$ 1,563,881	\$ 1,562,415	\$ 1,563,881
Other Operating Expenses	\$ 674,266	\$ 870,188	\$ 848,228	\$ 1,011,316	\$ 826,685
Capital Expenditures	\$ 7,188,843	\$ 9,433,703	\$ 18,785,000	\$ 16,349,522	\$ 15,116,856
	\$ 56,471,597	\$ 66,831,667	\$ 83,123,834	\$ 77,755,998	\$ 80,469,299

Revenue Detail – Gas

Sales Revenues	FY22 Actual	FY23 Budget	FY23 Projected	FY24 Budget	BvB	BvP
Residential Sales	\$ 25,379,225	\$ 25,725,869	\$ 25,344,597	\$ 28,574,754	11.1%	12.7%
Small Commercial Sales	\$ 13,662,216	\$ 13,662,512	\$ 14,792,041	\$ 15,730,237	15.1%	6.3%
Medium Commercial Sales	\$ 14,140,480	\$ 10,496,028	\$ 10,028,002	\$ 11,679,807	11.3%	16.5%
Large Commercial Sales	\$ 1,646,794	\$ 1,689,813	\$ 2,008,125	\$ 2,019,990	19.5%	0.6%
Small Industrial Sales	\$ -	\$ -	\$ -	\$ -	0.0%	0.0%
Large Industrial Sales	\$ 1,942,725	\$ 10,076,067	\$ 7,596,585	\$ 11,921,306	18.3%	56.9%
Total	\$ 56,771,440	\$ 61,650,289	\$ 59,769,349	\$ 69,926,093	13.4%	17.0%

Other Operating Revenue	FY22 Actual	FY23 Budget	FY23 Projected	FY24 Budget	BvB	BvP
Forfeited Discounts	\$ 229,786	\$ 234,900	\$ 277,301	\$ 231,700	-1.4%	-16.4%
Aid-To-Construction	\$ 84,145	\$ 45,000	\$ 431,592	\$ 50,000	11.1%	-88.4%
Connection/Tap Fees	\$ 632,426	\$ 447,200	\$ 531,606	\$ 527,000	17.8%	-0.9%
Collection/Reconnect Fees	\$ 321,425	\$ 321,000	\$ 353,994	\$ 356,000	10.9%	0.6%
Miscellaneous	\$ 4,286,528	\$ 3,321,119	\$ 3,322,114	\$ 1,171,200	-64.7%	-64.7%
Total	\$ 5,554,310	\$ 4,369,219	\$ 4,916,606	\$ 2,335,900	-46.5%	-52.5%

Non Operating Revenue	FY22 Actual	FY23 Budget	FY23 Projected	FY24 Budget	BvB	BvP
Interest Income	\$ (1,567,794)	\$ 415,000	\$ 1,044,848	\$ 551,326	32.8%	-47.2%
Rental Income	\$ 176,635	\$ 176,700	\$ 176,657	\$ 197,710	11.9%	11.9%
Reimbursements	\$ 856,181	\$ 8,066,368	\$ 3,136,009	\$ 7,176,220	-11.0%	128.8%
IGSA Service Revenue	\$ 438,324	\$ 525,969	\$ 512,165	\$ 596,793	13.5%	16.5%
Total	\$ (96,654)	\$ 9,184,037	\$ 4,869,679	\$ 8,522,049	-7.2%	75.0%

Warrant and Loan Proceeds	FY22 Actual	FY23 Budget	FY23 Projected	FY24 Budget	BvB	BvP
Warrant Proceeds	\$ -	\$ -	\$ -	\$ -	0.0%	0.0%
Total	\$ -	\$ -	\$ -	\$ -	0.0%	0.0%

Total Revenues	FY22 Actual	FY23 Budget	FY23 Projected	FY24 Budget	BvB	BvP
Total	\$ 62,229,096	\$ 75,203,545	\$ 69,555,634	\$ 80,784,042	7.4%	16.1%

The last two columns on this table and others like it compare the FY24 Budget amount for each line item to the FY23 Budget amount (BvB) and to the FY23 Projected amount (BvP).

Expense Detail – Gas

Employee Expenses	FY22 Actual	FY23 Budget	FY23 Projected	FY24 Budget	BvB	BvP
Payroll-Straight Time	\$ 9,105,826	\$ 11,382,248	\$ 10,597,357	\$ 12,441,724	9.3%	17.4%
Payroll-Overtime	\$ 795,283	\$ 975,254	\$ 948,242	\$ 917,614	-5.9%	-3.2%
Health Insurance	\$ 2,208,311	\$ 3,044,252	\$ 2,798,837	\$ 2,896,168	-4.9%	3.5%
FICA Taxes - Employers	\$ 767,040	\$ 930,472	\$ 883,956	\$ 999,260	7.4%	13.0%
Unemployment	\$ -	\$ 2,990	\$ 920	\$ 2,600	-13.0%	182.6%
Workers Comp.	\$ 95,723	\$ 58,497	\$ 81,003	\$ 86,940	48.6%	7.3%
Employer Pension Expense	\$ 1,149,382	\$ 2,078,369	\$ 1,601,830	\$ 2,431,540	17.0%	51.8%
Other Employee Benefits	\$ 805,158	\$ 1,054,216	\$ 1,221,735	\$ 1,057,904	0.3%	-13.4%
Total	\$ 14,926,723	\$ 19,526,298	\$ 18,133,880	\$ 20,833,750	6.7%	14.9%

Supplies and Materials	FY22 Actual	FY23 Budget	FY23 Projected	FY24 Budget	BvB	BvP
Small Tools & Equipment	\$ 262,243	\$ 300,957	\$ 341,539	\$ 329,187	9.4%	-3.6%
Postage	\$ 158,387	\$ 176,474	\$ 166,651	\$ 179,387	1.7%	7.6%
Materials: Non-Stock	\$ 1,272,976	\$ 1,047,883	\$ 1,349,296	\$ 1,451,305	38.5%	7.6%
Office Supplies & Expenses	\$ 199,608	\$ 171,141	\$ 146,625	\$ 190,832	11.5%	30.1%
Fuel	\$ 409,513	\$ 364,344	\$ 324,563	\$ 372,096	2.1%	14.6%
Board Expenses	\$ 503	\$ 92	\$ 48	\$ 380	313.0%	687.1%
Total	\$ 2,303,230	\$ 2,060,891	\$ 2,328,722	\$ 2,523,187	22.4%	8.4%

Services	FY22 Actual	FY23 Budget	FY23 Projected	FY24 Budget	BvB	BvP
Outside Services	\$ 3,132,846	\$ 3,140,197	\$ 2,768,762	\$ 3,533,708	12.5%	27.6%
Legal Services	\$ 33,028	\$ 80,674	\$ 61,897	\$ 72,899	-9.6%	17.8%
Public Information	\$ 369,641	\$ 413,741	\$ 441,118	\$ 471,260	13.9%	6.8%
Total	\$ 3,535,515	\$ 3,634,612	\$ 3,271,777	\$ 4,077,867	12.2%	24.6%

Travel and Training	FY22 Actual	FY23 Budget	FY23 Projected	FY24 Budget	BvB	BvP
Education & Training	\$ 112,687	\$ 224,385	\$ 193,833	\$ 272,121	21.3%	40.4%
Trade Memberships/Dues	\$ 313,060	\$ 360,614	\$ 389,078	\$ 340,727	-5.5%	-12.4%
Employee Meals	\$ 21,623	\$ 29,782	\$ 30,247	\$ 41,492	39.3%	37.2%
Business Travel	\$ 29,924	\$ 29,243	\$ 26,951	\$ 37,103	26.9%	37.7%
Total	\$ 477,294	\$ 644,024	\$ 640,108	\$ 691,443	7.4%	8.0%

Equipment Maintenance	FY22 Actual	FY23 Budget	FY23 Projected	FY24 Budget	BvB	BvP
Equipment Maintenance	\$ 5,015	\$ 16,349	\$ 12,871	\$ 14,212	-13.1%	10.4%
Software/Hardware Maint.	\$ 498,551	\$ 894,516	\$ 538,896	\$ 883,196	-1.3%	63.9%
Total	\$ 503,566	\$ 910,865	\$ 551,767	\$ 897,408	-1.5%	62.6%

Utilities	FY22 Actual	FY23 Budget	FY23 Projected	FY24 Budget	BvB	BvP
Utilities	\$ 268,120	\$ 278,868	\$ 265,645	\$ 294,068	5.5%	10.7%
Total	\$ 268,120	\$ 278,868	\$ 265,645	\$ 294,068	5.5%	10.7%

Commodity	FY22 Actual	FY23 Budget	FY23 Projected	FY24 Budget	BvB	BvP
Purchased Gas	\$ 29,562,340	\$ 31,172,150	\$ 30,053,502	\$ 29,606,315	-5.0%	-1.5%
Total	\$ 29,562,340	\$ 31,172,150	\$ 30,053,502	\$ 29,606,315	-5.0%	-1.5%

Tax Equivalents	FY22 Actual	FY23 Budget	FY23 Projected	FY24 Budget	BvB	BvP
Tax Equivalents	\$ 3,389,975	\$ 3,699,017	\$ 3,587,343	\$ 4,037,839	9.2%	12.6%
Total	\$ 3,389,975	\$ 3,699,017	\$ 3,587,343	\$ 4,037,839	9.2%	12.6%

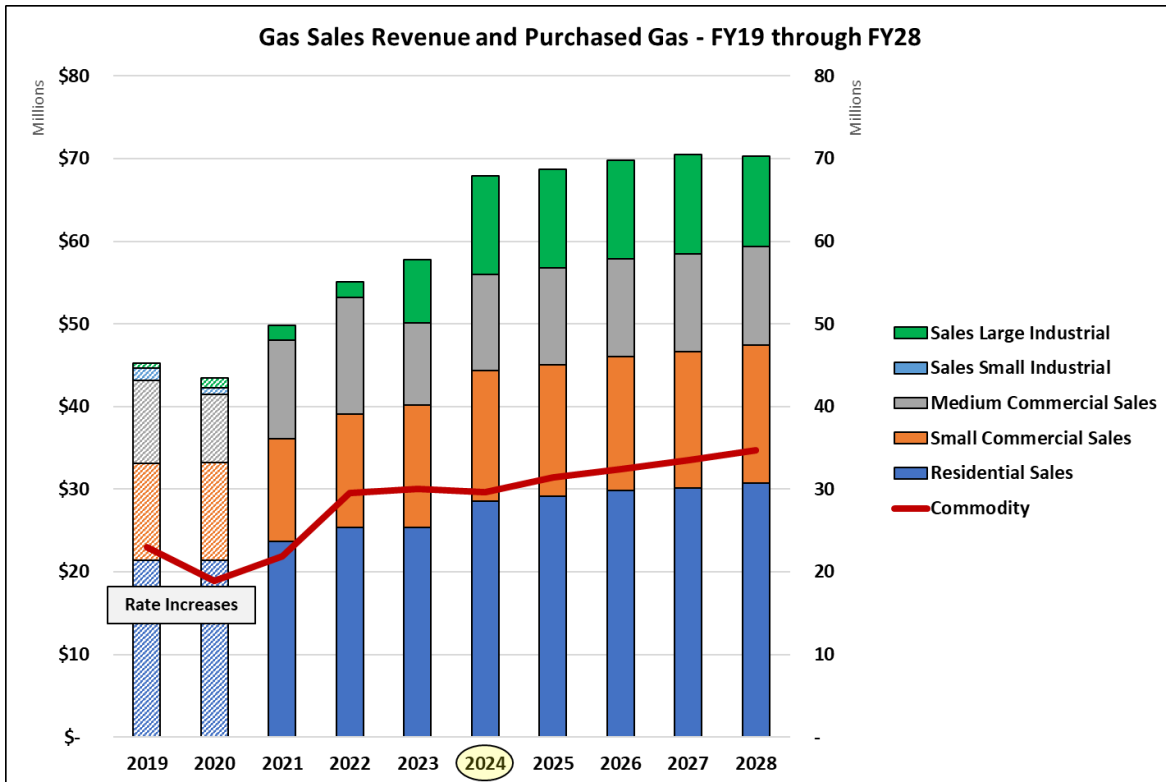
Expense Detail – Gas (Continued)

Debt Service	FY22 Actual	FY23 Budget	FY23 Projected	FY24 Budget	BvB	BvP
Debt Service Expenses	\$ 1,561,013	\$ 1,563,881	\$ 1,562,415	\$ 1,563,881	0.0%	0.1%
Total	\$ 1,561,013	\$ 1,563,881	\$ 1,562,415	\$ 1,563,881	0.0%	0.1%

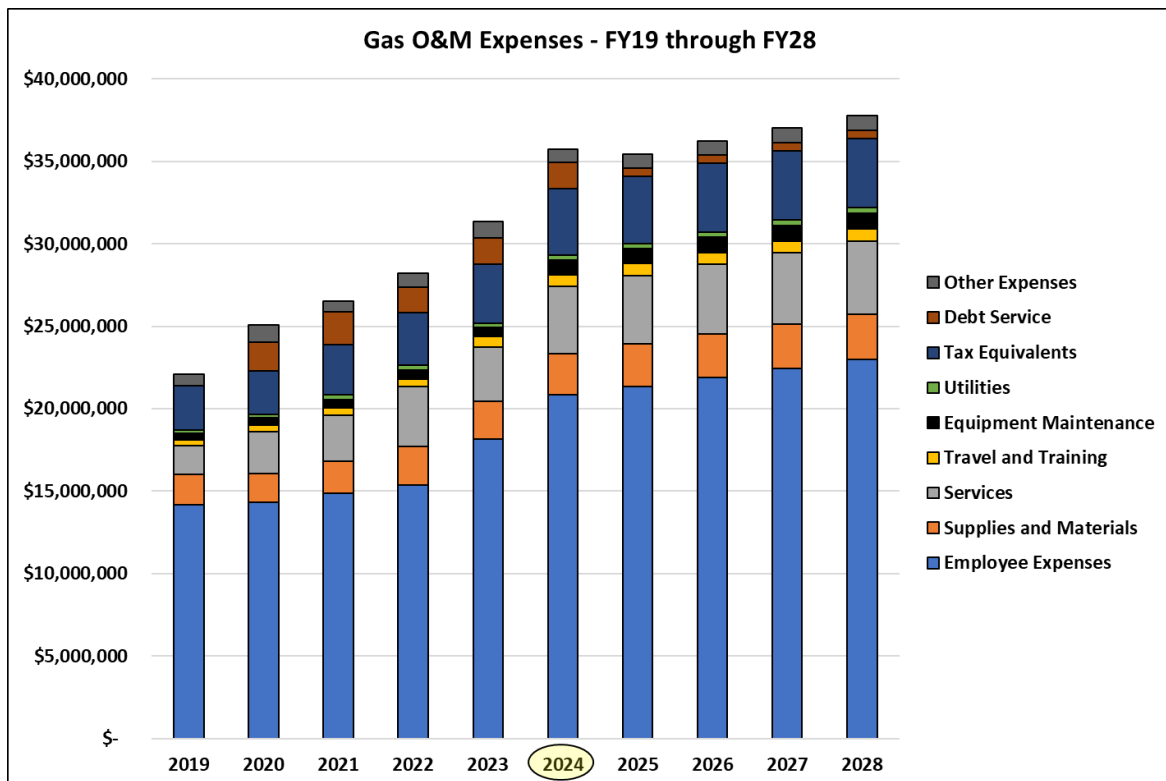
Other Expenses	FY22 Actual	FY23 Budget	FY23 Projected	FY24 Budget	BvB	BvP
Fiber Lease	\$ 360,000	\$ 360,000	\$ 360,000	\$ 90,000	-75.0%	-75.0%
Rentals	\$ 218,923	\$ 220,779	\$ 220,039	\$ 276,807	25.4%	25.8%
Uncollectible Accounts	\$ (82,750)	\$ (3,300)	\$ 107,033	\$ 63,296	-2,018.1%	-40.9%
Injuries & Damages	\$ 19,357	\$ 20,000	\$ 21,431	\$ 21,798	9.0%	1.7%
Cash Overages & Shortages	\$ 218	\$ 384	\$ 156	\$ 384	0.0%	146.6%
Insurance	\$ 262,200	\$ 246,465	\$ 256,368	\$ 344,700	39.9%	34.5%
Customer Deposit Interest	\$ 92,240	\$ 3,900	\$ 46,290	\$ 29,700	661.5%	-35.8%
Total	\$ 870,188	\$ 848,228	\$ 1,011,316	\$ 826,685	-2.5%	-18.3%

Capital	FY22 Actual	FY23 Budget	FY23 Projected	FY24 Budget	BvB	BvP
Mat. - Operation & Maint.	\$ 25,092	\$ 215,000	\$ 27,818	\$ 100,000	-53.5%	259.5%
Mat. - New Construction	\$ 2,068,083	\$ 4,865,000	\$ 4,849,145	\$ 2,508,500	-48.4%	-48.3%
Greenbrier (MTM)	\$ 1,725,594	\$ 100,000	\$ 477,318	\$ -	-100.0%	-100.0%
AMI	\$ 2,608,604	\$ 2,075,000	\$ 1,423,251	\$ 157,000	-92.4%	-89.0%
Mat. - Renew & Replace	\$ 448,493	\$ 7,871,000	\$ 5,782,159	\$ 7,355,000	-6.6%	27.2%
Cast Iron Replacement	\$ 1,309,867	\$ 1,400,000	\$ 1,400,000	\$ 2,700,000	92.9%	92.9%
Land	\$ -	\$ 200,000	\$ 100,000	\$ 200,000	0.0%	100.0%
Tools & Work Equipment	\$ 5,102	\$ -	\$ 23,208	\$ 11,000	100.0%	-52.6%
Transportation Equipment	\$ 501,118	\$ 1,369,000	\$ 1,431,118	\$ 1,325,356	-3.2%	-7.4%
Metering Equipment	\$ 642,881	\$ 575,000	\$ 627,446	\$ 633,000	10.1%	0.9%
Regulators	\$ 98,869	\$ 115,000	\$ 208,060	\$ 127,000	10.4%	-39.0%
Total	\$ 9,433,703	\$ 18,785,000	\$ 16,349,522	\$ 15,116,856	-19.5%	-7.5%

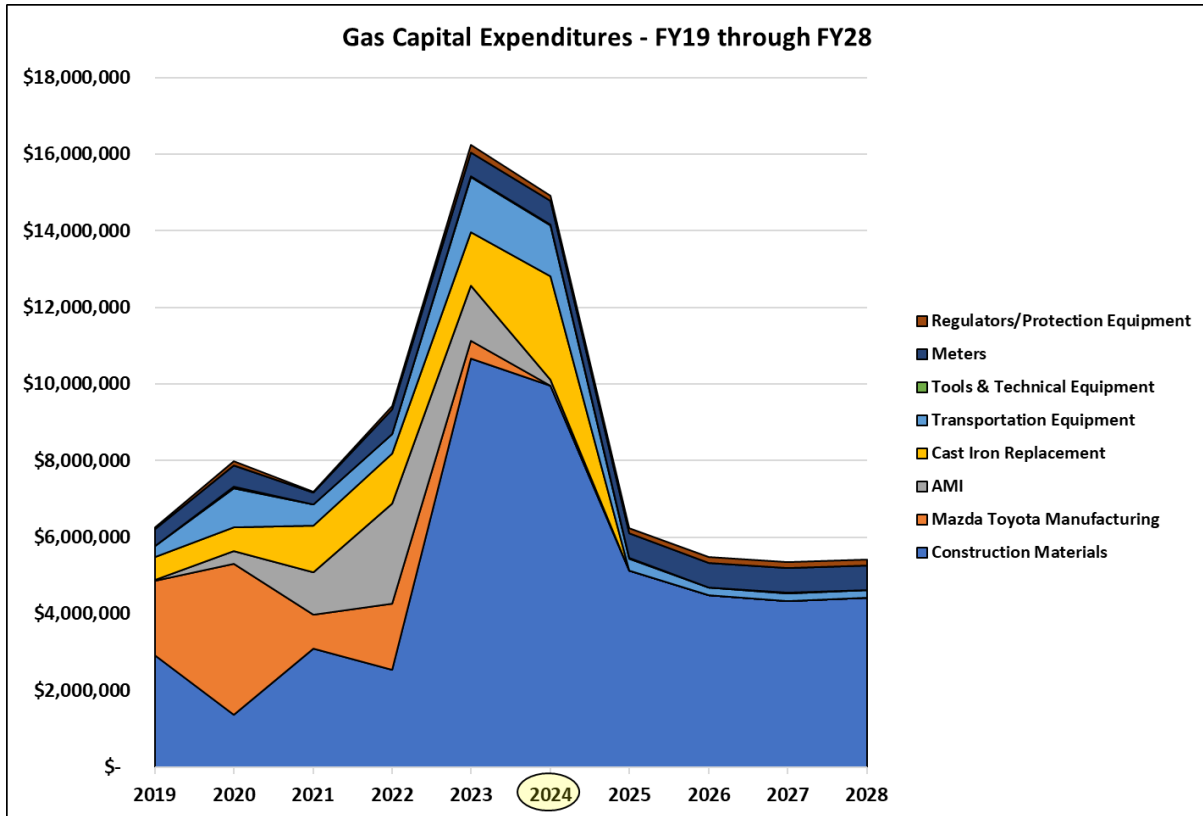
	FY22 Actual	FY23 Budget	FY23 Projected	FY24 Budget	BvB	BvP
Sales Revenue	\$ 56,771,440	\$ 61,650,289	\$ 59,769,349	\$ 69,926,093	13.4%	17.0%
Other Revenue	\$ 5,457,656	\$ 13,553,256	\$ 9,786,285	\$ 10,857,949	-19.9%	11.0%
Warrant Proceeds	\$ -	\$ -	\$ -	\$ -	0.0%	0.0%
Commodity	\$ 29,562,340	\$ 31,172,150	\$ 30,053,502	\$ 29,606,315	-5.0%	-1.5%
O&M Expenses	\$ 22,884,636	\$ 27,903,786	\$ 26,203,215	\$ 30,144,408	8.0%	15.0%
Debt Service	\$ 1,561,013	\$ 1,563,881	\$ 1,562,415	\$ 1,563,881	0.0%	0.1%
Taxes	\$ 3,389,975	\$ 3,699,017	\$ 3,587,343	\$ 4,037,839	9.2%	12.6%
Capital Expenses	\$ 9,433,703	\$ 18,785,000	\$ 16,349,522	\$ 15,116,856	-19.5%	-7.5%
Net Cash Impact	\$ (4,602,571)	\$ (7,920,289)	\$ (8,200,363)	\$ 314,743		



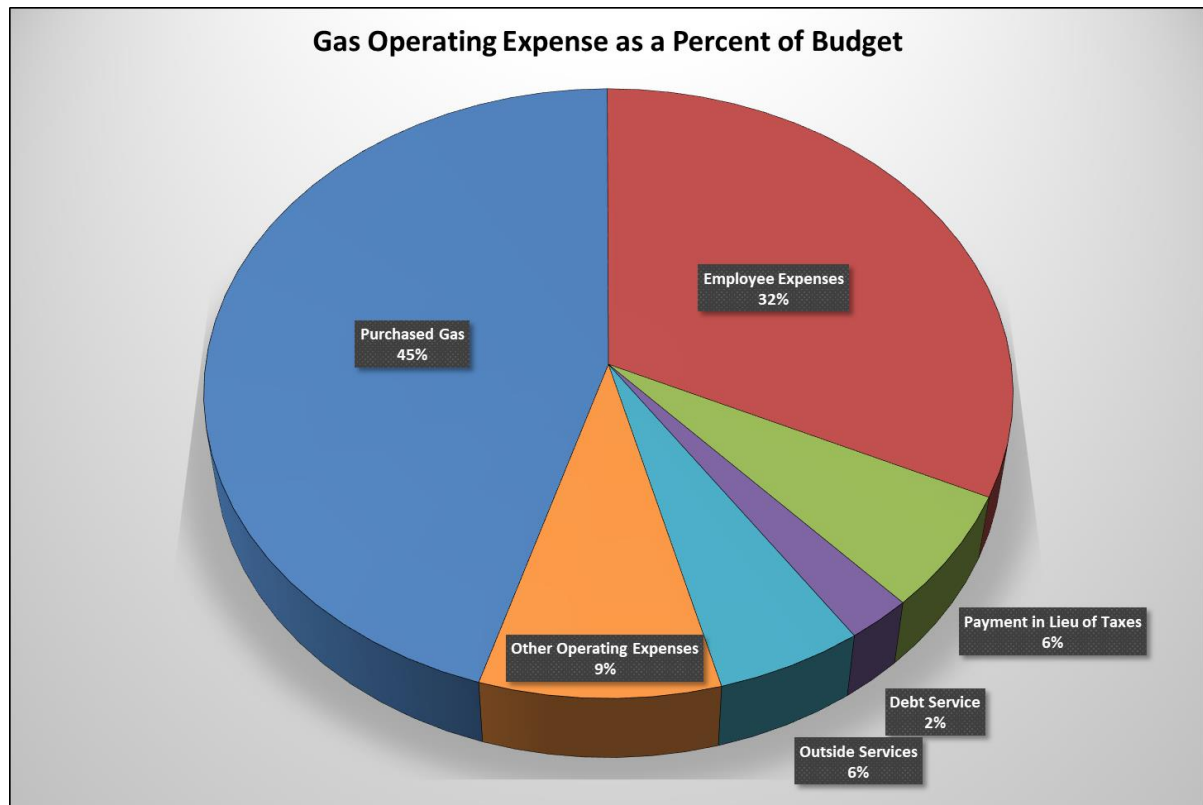
As Mazda Toyota moves into full production status, usage and revenue are expected to increase.



Gas operating expenses trend upward due to inflation and employee-related costs.

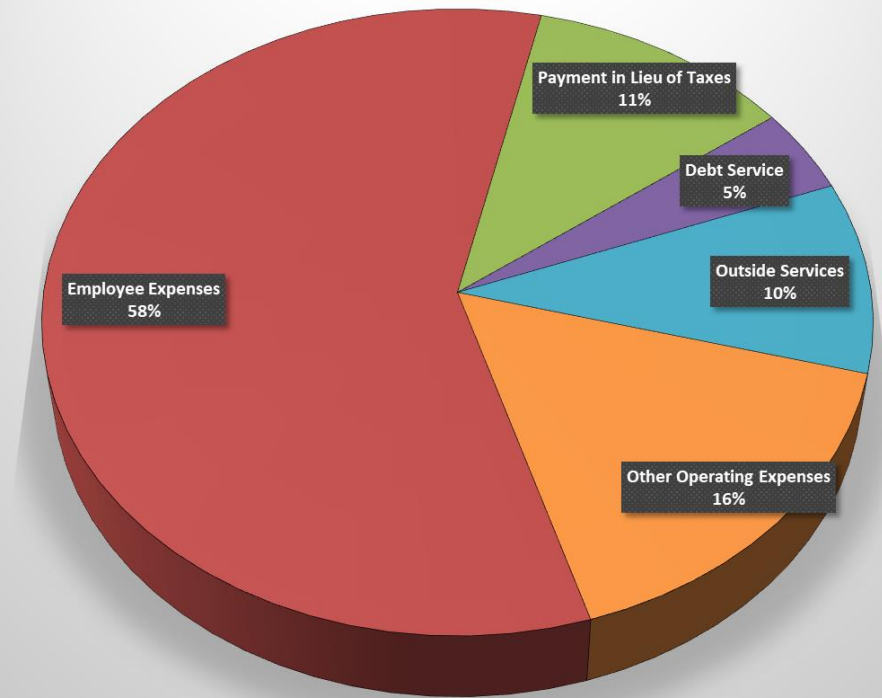


The AMI deployment, cast iron pipe replacement, and system growth are the factors driving the gas capital budget.



Purchased gas or commodity costs, which includes pipeline expenses, are the most significant factor in the gas expense budget.

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



Employee expenses make up more than half of the remaining costs.



Supply chain issues are a major concern that will impact pricing and the delivery of materials. The pictures above show materials on hand in one of the HU warehouses (inside and outside).

Revenues and Expenditures Summary – Electric

REVENUE:	FY21 Actual	FY22 Actual	FY23 Budget	FY23 Projected	FY24 Budget
Residential Sales	\$ 269,674,566	\$ 310,269,256	\$ 291,494,189	\$ 294,979,408	\$ 315,934,862
Small Commercial Sales	\$ 41,782,103	\$ 46,792,377	\$ 43,316,613	\$ 44,482,759	\$ 46,641,127
Medium Commercial Sales	\$ 138,407,248	\$ 158,445,459	\$ 148,321,834	\$ 155,335,020	\$ 162,073,500
Large Commercial Sales	\$ 23,823,864	\$ 25,941,493	\$ 25,714,176	\$ 27,301,976	\$ 25,844,296
Small Industrial Sales	\$ 10,562,530	\$ 11,365,254	\$ 13,825,922	\$ 12,869,468	\$ 13,887,909
Large Industrial Sales	\$ 22,960,612	\$ 29,756,069	\$ 27,566,784	\$ 28,601,270	\$ 30,068,716
Other Sales	\$ 5,296,917	\$ 5,861,314	\$ 5,211,035	\$ 5,738,050	\$ 5,702,248
Forefeited Discounts	\$ 2,526,616	\$ 2,801,842	\$ 2,644,500	\$ 2,635,094	\$ 2,689,000
Aid-To-Construction	\$ 16,377,147	\$ 14,610,430	\$ 16,075,000	\$ 17,001,186	\$ 16,000,000
Connection/Tap Fees	\$ 2,661,522	\$ 2,205,082	\$ 2,419,008	\$ 2,130,434	\$ 2,393,825
Collection/Reconnection Fees	\$ 2,517,127	\$ 1,124,988	\$ 1,885,800	\$ 1,493,079	\$ 1,086,000
Miscellaneous Revenue	\$ 2,689,566	\$ 6,637,991	\$ 2,554,500	\$ 4,360,076	\$ 2,328,100
Interest Income	\$ (108,864)	\$ 1,282,602	\$ 357,000	\$ 2,236,215	\$ 1,249,800
Rental Income	\$ 5,700,420	\$ 5,085,381	\$ 5,624,300	\$ 5,189,888	\$ 5,473,410
Water Fiber Lease Income	\$ 840,000	\$ 840,000	\$ 840,000	\$ 840,000	\$ 300,000
Gas Fiber Lease Income	\$ 360,000	\$ 360,000	\$ 360,000	\$ 360,000	\$ 90,000
COH Fiber Lease Income	\$ 2,496,000	\$ 2,496,000	\$ 2,496,000	\$ 2,496,000	\$ 1,000,000
Google Fiber Lease Income	\$ 7,323,540	\$ 6,756,239	\$ 7,784,000	\$ 7,928,220	\$ 7,942,800
Reimbursements	\$ 2,041,360	\$ 1,857,373	\$ 1,284,818	\$ 1,406,584	\$ 1,145,261
IGSA Service Revenue	\$ 1,166,276	\$ 5,147,713	\$ 4,673,661	\$ 4,440,313	\$ 5,114,604
Warrant Proceeds	\$ -	\$ -	\$ -	\$ -	\$ 34,865,000
Cash Reserves Transfer	\$ (45,027,526)	\$ (50,101,565)	\$ (3,598,861)	\$ (1,521,214)	\$ 9,475,138
	\$ 514,071,024	\$ 589,535,298	\$ 600,850,279	\$ 620,303,827	\$ 691,305,596

EXPENDITURES:

Employee Expenses	\$ 41,882,460	\$ 44,694,420	\$ 55,980,241	\$ 54,312,852	\$ 60,685,475
Supplies and Materials	\$ 6,570,905	\$ 7,702,355	\$ 7,299,015	\$ 6,904,280	\$ 7,976,999
Services	\$ 12,635,158	\$ 15,572,365	\$ 18,759,526	\$ 15,074,952	\$ 19,674,877
Travel and Training	\$ 651,213	\$ 874,501	\$ 1,325,954	\$ 1,155,934	\$ 1,656,157
Equipment Maintenance	\$ 1,726,640	\$ 1,701,351	\$ 2,532,692	\$ 1,771,632	\$ 2,708,142
Utilities	\$ 801,246	\$ 839,980	\$ 831,582	\$ 833,900	\$ 897,895
Commodity	\$ 392,210,834	\$ 461,618,064	\$ 432,417,266	\$ 448,456,160	\$ 482,918,548
Tax Equivalents	\$ 18,063,734	\$ 17,701,209	\$ 18,270,881	\$ 17,912,710	\$ 17,309,119
Debt Service	\$ 5,870,393	\$ 5,554,257	\$ 6,582,600	\$ 7,011,490	\$ 10,363,743
Other Operating Expenses	\$ 898,698	\$ 1,971,914	\$ 1,771,279	\$ 2,164,545	\$ 1,920,794
Capital Expenditures	\$ 32,759,743	\$ 31,304,882	\$ 55,079,243	\$ 64,705,373	\$ 85,193,847
	\$ 514,071,024	\$ 589,535,298	\$ 600,850,279	\$ 620,303,827	\$ 691,305,596

Revenue Detail – Electric

Sales Revenues	FY22 Actual	FY23 Budget	FY23 Projected	FY24 Budget	BvB	BvP
Residential Sales	\$ 310,269,256	\$ 291,494,189	\$ 294,979,408	\$ 315,934,862	8.4%	7.1%
Small Commercial Sales	\$ 46,792,377	\$ 43,316,613	\$ 44,482,759	\$ 46,641,127	7.7%	4.9%
Medium Commercial Sales	\$ 158,445,459	\$ 148,321,834	\$ 155,335,020	\$ 162,073,500	9.3%	4.3%
Large Commercial Sales	\$ 25,941,493	\$ 25,714,176	\$ 27,301,976	\$ 25,844,296	0.5%	-5.3%
Small Industrial Sales	\$ 11,365,254	\$ 13,825,922	\$ 12,869,468	\$ 13,887,909	0.4%	7.9%
Large Industrial Sales	\$ 29,756,069	\$ 27,566,784	\$ 28,601,270	\$ 30,068,716	9.1%	5.1%
Lighting Sales	\$ 5,861,314	\$ 5,211,035	\$ 5,738,050	\$ 5,702,248	9.4%	-0.6%
Total	\$ 588,431,222	\$ 555,450,553	\$ 569,307,951	\$ 600,152,658	8.0%	5.4%

Other Operating Revenue	FY22 Actual	FY23 Budget	FY23 Projected	FY24 Budget	BvB	BvP
Forfeited Discounts	\$ 2,801,842	\$ 2,644,500	\$ 2,635,094	\$ 2,689,000	1.7%	2.0%
Aid-To-Construction	\$ 14,610,430	\$ 16,075,000	\$ 17,001,186	\$ 16,000,000	-0.5%	-5.9%
Connection/Tap Fees	\$ 2,205,082	\$ 2,419,008	\$ 2,130,434	\$ 2,393,825	-1.0%	12.4%
Collection/Reconnect Fees	\$ 1,124,988	\$ 1,885,800	\$ 1,493,079	\$ 1,086,000	-42.4%	-27.3%
Miscellaneous	\$ 6,637,991	\$ 2,554,500	\$ 4,360,076	\$ 2,328,100	-8.9%	-46.6%
Total	\$ 27,380,333	\$ 25,578,808	\$ 27,619,870	\$ 24,496,925	-4.2%	-11.3%

Non Operating Revenue	FY22 Actual	FY23 Budget	FY23 Projected	FY24 Budget	BvB	BvP
Interest Income	\$ 1,282,602	\$ 357,000	\$ 2,236,215	\$ 1,249,800	250.1%	-44.1%
Rental Income	\$ 5,085,381	\$ 5,624,300	\$ 5,189,888	\$ 5,473,410	-2.7%	5.5%
Reimbursements	\$ 1,857,373	\$ 1,284,818	\$ 1,406,584	\$ 1,145,261	-10.9%	-18.6%
Water Fiber Lease	\$ 840,000	\$ 840,000	\$ 840,000	\$ 300,000	-64.3%	-64.3%
Gas Fiber Lease	\$ 360,000	\$ 360,000	\$ 360,000	\$ 90,000	-75.0%	-75.0%
City Fiber Lease	\$ 2,496,000	\$ 2,496,000	\$ 2,496,000	\$ 1,000,000	-59.9%	-59.9%
Google Fiber Lease	\$ 6,756,239	\$ 7,784,000	\$ 7,928,220	\$ 7,942,800	2.0%	0.2%
IGSA Service Revenue	\$ 5,147,713	\$ 4,673,661	\$ 4,440,313	\$ 5,114,604	9.4%	15.2%
Total	\$ 23,825,308	\$ 23,419,779	\$ 24,897,221	\$ 22,315,875	-4.7%	-10.4%

Warrant and Loan Proceeds	FY22 Actual	FY23 Budget	FY23 Projected	FY24 Budget	BvB	BvP
Warrant Proceeds	\$ -	\$ -	\$ -	\$ 34,865,000	100.0%	100.0%
Total	\$ -	\$ -	\$ -	\$ 34,865,000	100.0%	100.0%

Total Revenues	FY22 Actual	FY23 Budget	FY23 Projected	FY24 Budget	BvB	BvP
Total	\$ 639,636,863	\$ 604,449,140	\$ 621,825,042	\$ 681,830,458	12.8%	9.6%

The last two columns on this table and others like it compare the FY24 Budget amount for each line item to the FY23 Budget amount (BvB) and to the FY23 Projected amount (BvP).

Expense Detail – Electric

Employee Expenses	FY22 Actual	FY23 Budget	FY23 Projected	FY24 Budget	BvB	BvP
Payroll-Straight Time	\$ 27,320,082	\$ 32,908,771	\$ 31,136,597	\$ 36,158,645	9.9%	16.1%
Payroll-Overtime	\$ 3,852,890	\$ 3,746,241	\$ 3,860,356	\$ 4,324,745	15.4%	12.0%
Health Insurance	\$ 4,036,880	\$ 7,628,526	\$ 7,117,876	\$ 6,751,067	-11.5%	-5.2%
FICA Taxes - Employers	\$ 2,424,293	\$ 2,767,470	\$ 2,689,165	\$ 3,035,877	9.7%	12.9%
Unemployment	\$ -	\$ 6,240	\$ 1,920	\$ 6,630	6.3%	245.3%
Workers Comp.	\$ 72,848	\$ 149,372	\$ 474,925	\$ 404,927	171.1%	-14.7%
Employer Pension Expense	\$ 4,637,939	\$ 5,787,450	\$ 5,502,533	\$ 6,854,290	18.4%	24.6%
Other Employee Benefits	\$ 2,349,488	\$ 2,986,171	\$ 3,529,481	\$ 3,149,294	5.5%	-10.8%
Total	\$ 44,694,420	\$ 55,980,241	\$ 54,312,852	\$ 60,685,475	8.4%	11.7%

Supplies and Materials	FY22 Actual	FY23 Budget	FY23 Projected	FY24 Budget	BvB	BvP
Small Tools & Equipment	\$ 1,439,776	\$ 1,495,995	\$ 1,439,095	\$ 1,871,447	25.1%	30.0%
Postage	\$ 591,382	\$ 616,887	\$ 599,771	\$ 624,331	1.2%	4.1%
Materials: Non-Stock	\$ 3,736,019	\$ 3,394,250	\$ 3,206,118	\$ 3,594,267	5.9%	12.1%
Office Supplies & Expenses	\$ 632,507	\$ 634,887	\$ 486,083	\$ 705,064	11.1%	45.1%
Fuel	\$ 1,300,504	\$ 1,155,804	\$ 1,170,383	\$ 1,179,186	2.0%	0.8%
Board Expenses	\$ 2,167	\$ 1,192	\$ 2,830	\$ 2,704	126.8%	-4.5%
Total	\$ 7,702,355	\$ 7,299,015	\$ 6,904,280	\$ 7,976,999	9.3%	15.5%

Services	FY22 Actual	FY23 Budget	FY23 Projected	FY24 Budget	BvB	BvP
Outside Services	\$ 14,839,637	\$ 17,850,067	\$ 14,166,569	\$ 18,617,349	4.3%	31.4%
Legal Services	\$ 41,822	\$ 158,962	\$ 103,704	\$ 162,147	2.0%	56.4%
Public Information	\$ 690,906	\$ 750,497	\$ 804,679	\$ 895,381	19.3%	11.3%
Total	\$ 15,572,365	\$ 18,759,526	\$ 15,074,952	\$ 19,674,877	4.9%	30.5%

Travel and Training	FY22 Actual	FY23 Budget	FY23 Projected	FY24 Budget	BvB	BvP
Education & Training	\$ 384,468	\$ 707,189	\$ 498,782	\$ 927,315	31.1%	85.9%
Trade Memberships/Dues	\$ 359,174	\$ 452,325	\$ 490,532	\$ 510,991	13.0%	4.2%
Employee Meals	\$ 74,202	\$ 91,632	\$ 109,782	\$ 114,966	25.5%	4.7%
Business Travel	\$ 56,657	\$ 74,808	\$ 56,838	\$ 102,885	37.5%	81.0%
Total	\$ 874,501	\$ 1,325,954	\$ 1,155,934	\$ 1,656,157	24.9%	43.3%

Equipment Maintenance	FY22 Actual	FY23 Budget	FY23 Projected	FY24 Budget	BvB	BvP
Equipment Maintenance	\$ 42,614	\$ 41,616	\$ 27,564	\$ 51,126	22.9%	85.5%
Software/Hardware Maint.	\$ 1,658,737	\$ 2,491,076	\$ 1,744,068	\$ 2,657,016	6.7%	52.3%
Total	\$ 1,701,351	\$ 2,532,692	\$ 1,771,632	\$ 2,708,142	6.9%	52.9%

Utilities	FY22 Actual	FY23 Budget	FY23 Projected	FY24 Budget	BvB	BvP
Utilities	\$ 839,980	\$ 831,582	\$ 833,900	\$ 897,895	8.0%	7.7%
Total	\$ 839,980	\$ 831,582	\$ 833,900	\$ 897,895	8.0%	7.7%

Commodity	FY22 Actual	FY23 Budget	FY23 Projected	FY24 Budget	BvB	BvP
Purchased Power	\$ 461,618,064	\$ 432,417,266	\$ 448,456,160	\$ 482,918,548	11.7%	7.7%
Total	\$ 461,618,064	\$ 432,417,266	\$ 448,456,160	\$ 482,918,548	11.7%	7.7%

Tax Equivalents	FY22 Actual	FY23 Budget	FY23 Projected	FY24 Budget	BvB	BvP
Tax Equivalents	\$ 17,701,209	\$ 18,270,881	\$ 17,912,710	\$ 17,309,119	-5.3%	-3.4%
Total	\$ 17,701,209	\$ 18,270,881	\$ 17,912,710	\$ 17,309,119	-5.3%	-3.4%

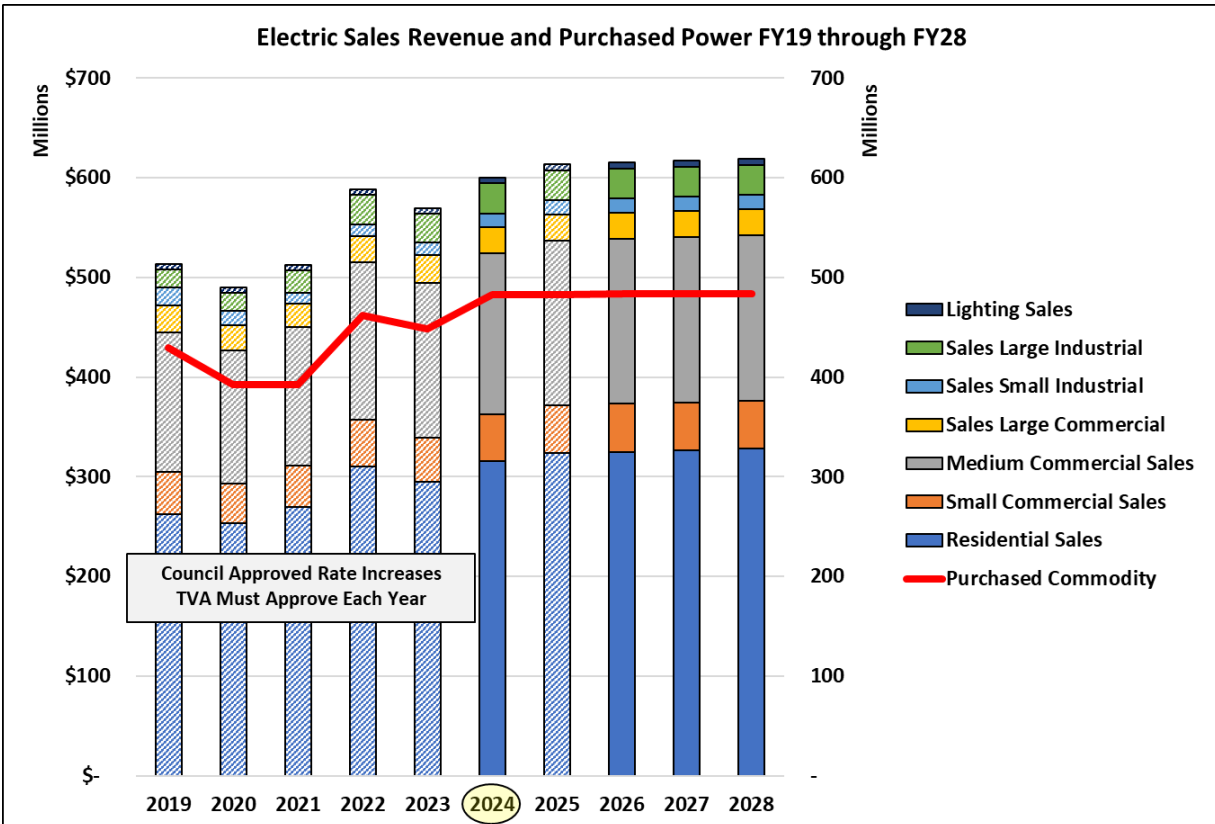
Expense Detail – Electric (Continued)

Debt Service	FY22 Actual	FY23 Budget	FY23 Projected	FY24 Budget	BvB	BvP
Debt Service Expenses	\$ 5,554,257	\$ 6,582,600	\$ 7,011,490	\$ 10,363,743	57.4%	47.8%
Total	\$ 5,554,257	\$ 6,582,600	\$ 7,011,490	\$ 10,363,743	57.4%	47.8%

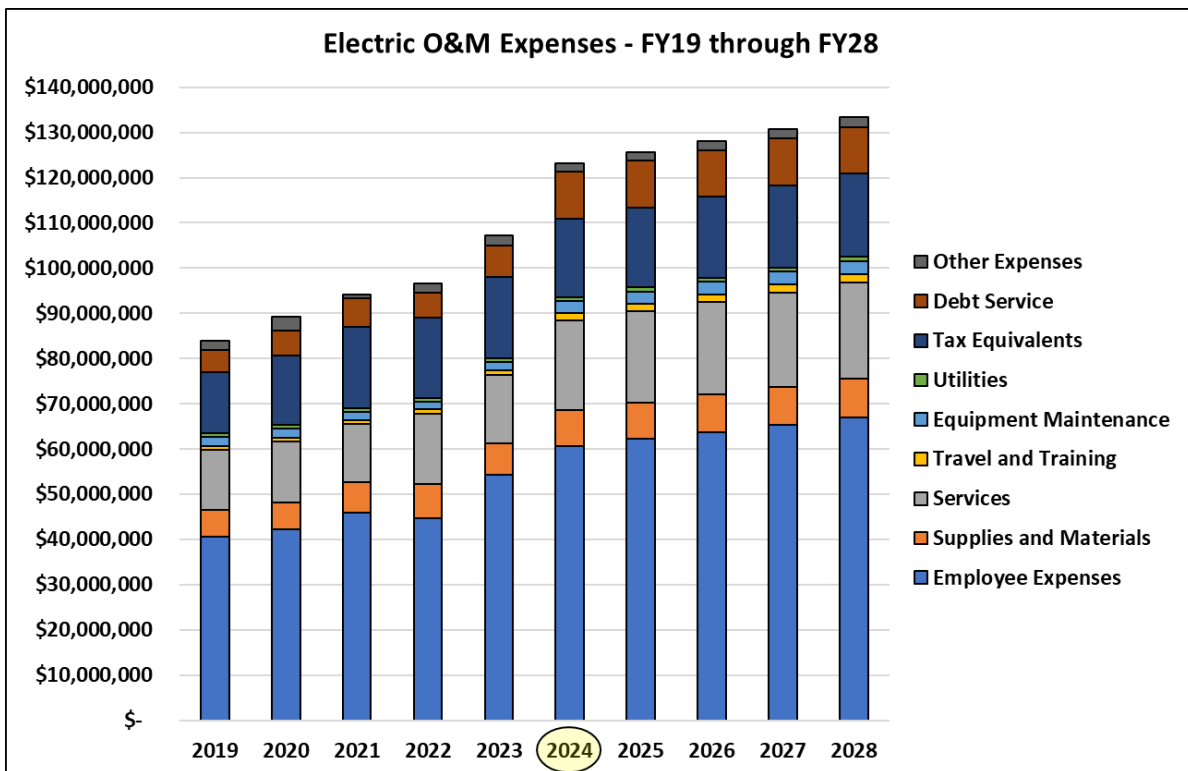
Other Expenses	FY22 Actual	FY23 Budget	FY23 Projected	FY24 Budget	BvB	BvP
Rentals	\$ 717,466	\$ 666,572	\$ 627,086	\$ 635,376	-4.7%	1.3%
Uncollectible Accounts	\$ 248,895	\$ 369,000	\$ 445,335	\$ 238,476	-35.4%	-46.5%
Injuries & Damages	\$ 54,837	\$ 41,236	\$ 57,932	\$ 46,695	13.2%	-19.4%
Cash Overages & Shortage	\$ 470	\$ 1,320	\$ 507	\$ 1,344	1.8%	165.1%
Insurance	\$ 660,392	\$ 658,440	\$ 693,071	\$ 924,255	40.4%	33.4%
Interest on Customer Deposits	\$ 289,854	\$ 34,536	\$ 58	\$ 74,248	115.0%	#####
Propane	\$ -	\$ 175	\$ 340,556	\$ 400	128.6%	-99.9%
Total	\$ 1,971,914	\$ 1,771,279	\$ 2,164,545	\$ 1,920,794	8.4%	-11.3%

Capital	FY22 Actual	FY23 Budget	FY23 Projected	FY24 Budget	BvB	BvP
Mat. - Operation & Maint.	\$ 3,822,767	\$ 2,100,000	\$ 4,557,160	\$ 3,300,000	57.1%	-27.6%
Mat. - New Construction	\$ 12,195,803	\$ 26,891,243	\$ 28,165,018	\$ 43,924,243	63.3%	56.0%
AMI	\$ 38,590	\$ -	\$ 9,811	\$ -	0.0%	-100.0%
Fiber Build Out	\$ 2,036,739	\$ 2,900,000	\$ 2,122,270	\$ 3,950,000	36.2%	86.1%
Mat. - Renew & Replace	\$ 2,773,095	\$ 5,416,000	\$ 3,636,465	\$ 9,218,869	70.2%	153.5%
Land	\$ -	\$ 200,000	\$ 100,000	\$ 200,000	0.0%	100.0%
Tools & Work Equipment	\$ 159,292	\$ 212,000	\$ 167,383	\$ 413,000	94.8%	146.7%
Transportation Equipment	\$ 2,037,027	\$ 6,020,000	\$ 5,928,642	\$ 6,371,735	5.8%	7.5%
Communication Equipment	\$ -	\$ 673,000	\$ 184,782	\$ 104,000	-84.5%	-43.7%
Computer Equipment	\$ 385,190	\$ 1,417,000	\$ 1,093,591	\$ 1,595,000	12.6%	45.8%
Metering Equipment	\$ 1,939,682	\$ 2,250,000	\$ 3,602,731	\$ 2,675,000	18.9%	-25.8%
Transformers	\$ 5,916,697	\$ 7,000,000	\$ 15,137,520	\$ 13,442,000	92.0%	-11.2%
Total	\$ 31,304,882	\$ 55,079,243	\$ 64,705,373	\$ 85,193,847	54.7%	31.7%

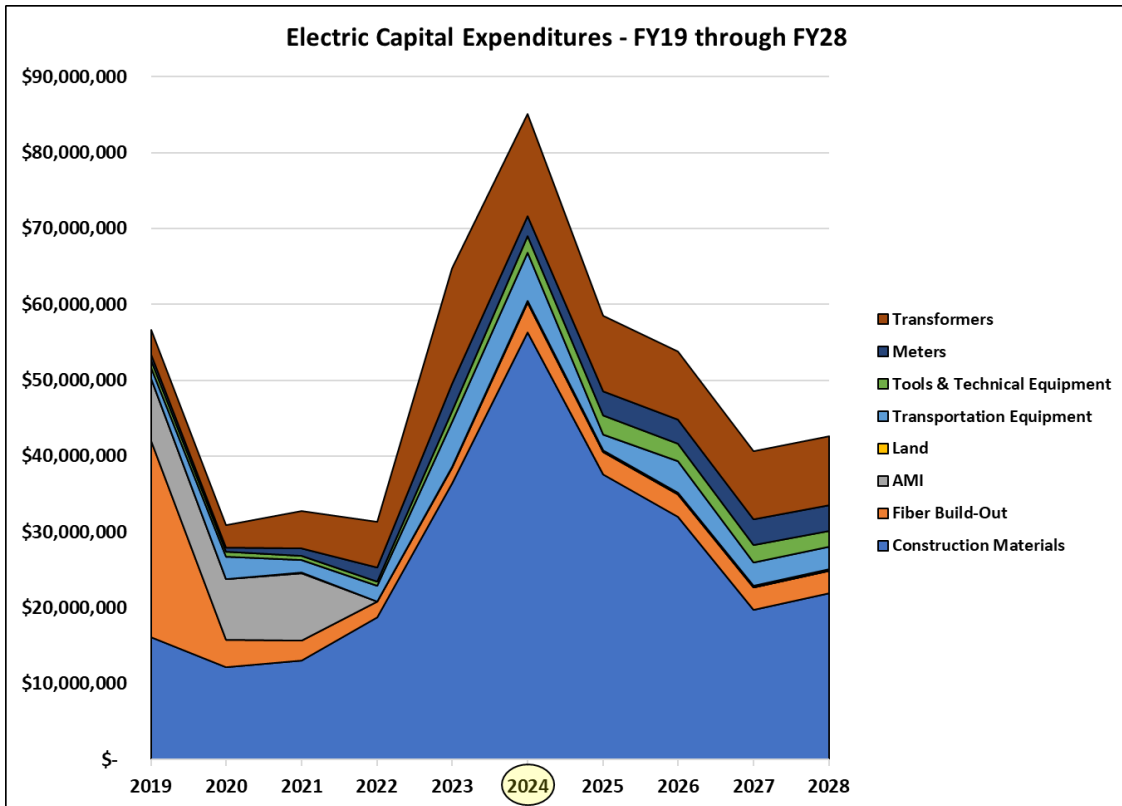
	FY22 Actual	FY23 Budget	FY23 Projected	FY24 Budget	BvB	BvP
Sales Revenue	\$ 588,431,222	\$ 555,450,553	\$ 569,307,951	\$ 600,152,658	8.0%	5.4%
Other Revenue	\$ 51,205,641	\$ 48,998,587	\$ 52,517,090	\$ 46,812,800	-4.5%	-10.9%
Warrant Proceeds	\$ -	\$ -	\$ -	\$ 34,865,000	100.0%	100.0%
Commodity	\$ 461,618,064	\$ 432,417,266	\$ 448,456,160	\$ 482,918,548	11.7%	7.7%
O&M Expenses	\$ 73,356,886	\$ 88,500,289	\$ 82,218,094	\$ 95,520,339	7.9%	16.2%
Debt Service	\$ 5,554,257	\$ 6,582,600	\$ 7,011,490	\$ 10,363,743	57.4%	47.8%
Taxes	\$ 17,701,209	\$ 18,270,881	\$ 17,912,710	\$ 17,309,119	-5.3%	-3.4%
Capital Expenses	\$ 31,304,882	\$ 55,079,243	\$ 64,705,373	\$ 85,193,847	54.7%	31.7%
Net Cash Impact	\$ 50,101,565	\$ 3,598,861	\$ 1,521,214	\$ (9,475,138)		



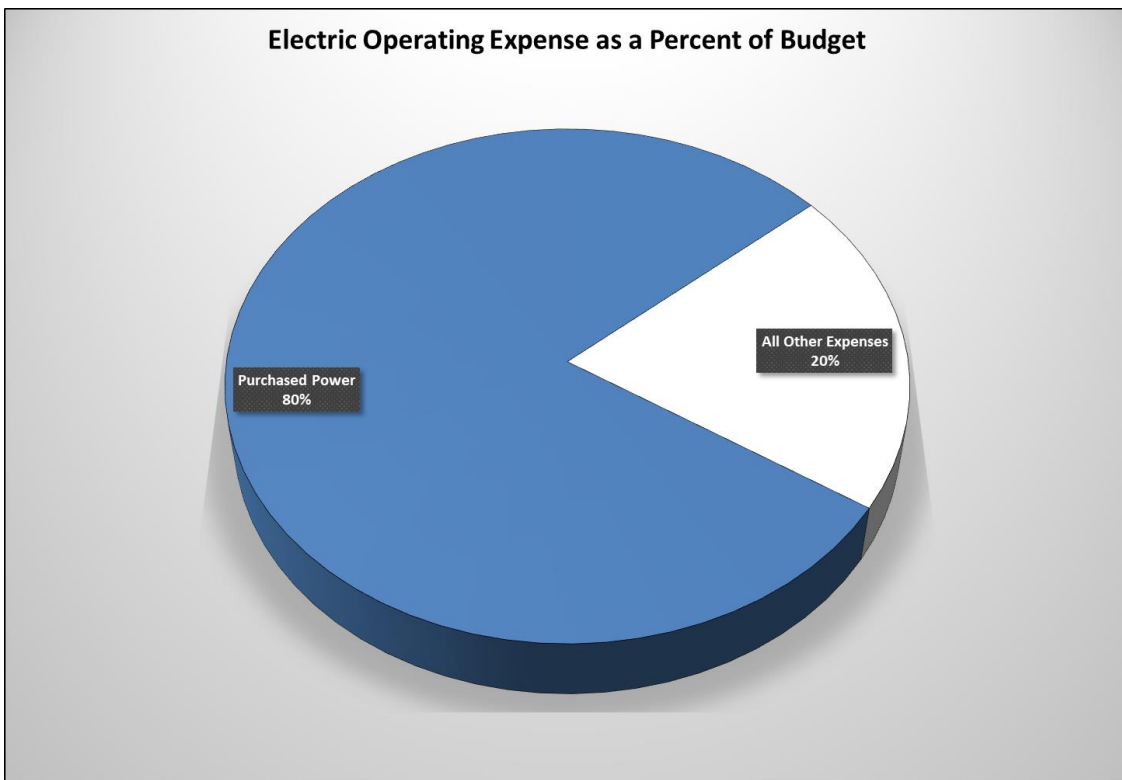
FY25 includes a rate increase that may be deferred if a strong cash position is maintained.



Electric operating expenses trend upward due to inflation and employee related expenses.

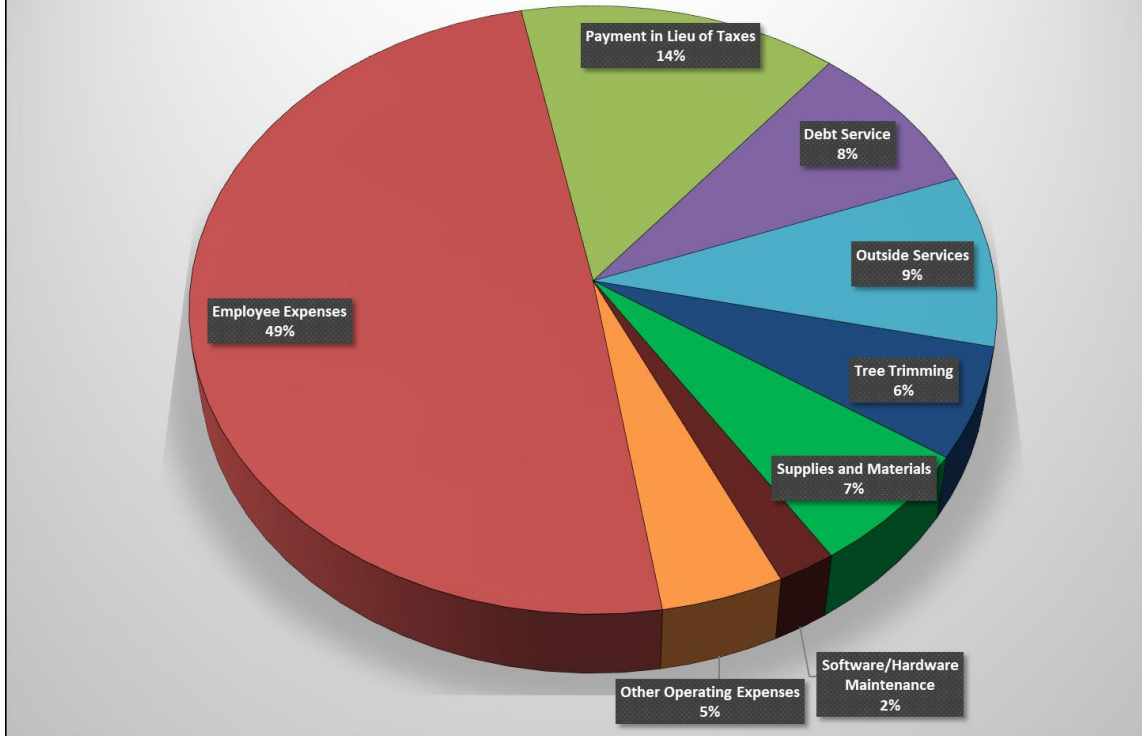


Construction of the System Operations Center is the most significant factor influencing FY24 electric capital costs.



Huntsville Utilities purchases all power from TVA. TVA has provided partnership credits that reduce the expense for FY24.

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



Excluding Purchased Power, employee expenses are the largest operating expense.



Vehicle and equipment purchases are still experiencing higher prices and one-to-two-year lag time in deliveries.

Departmental Budgets by Utility Service Compared to Prior Year

FY24 Budget

Department	Water	Gas	Electric	Total
Administration	\$ 2,204,813	\$ 1,416,445	\$ 4,284,684	\$ 7,905,942
Operations Support	\$ 6,597,653	\$ 5,390,164	\$ 10,870,359	\$ 22,858,176
Engineering	\$ 3,773,444	\$ 2,156,007	\$ 7,958,074	\$ 13,887,525
Finance	\$ 21,123,083	\$ 11,100,898	\$ 39,740,084	\$ 71,964,065
Employee Engagement	\$ 1,621,371	\$ 1,830,728	\$ 5,331,530	\$ 8,783,629
Information Technology	\$ 4,075,508	\$ 2,410,022	\$ 7,397,044	\$ 13,882,574
Water Operations	\$ 26,556,482	\$ -	\$ -	\$ 26,556,482
Gas Operations	\$ 211,811	\$ 10,991,623	\$ 52,955	\$ 11,256,389
Electric Operations	\$ 833,191	\$ 450,241	\$ 47,558,471	\$ 48,841,903
Purchased Commodity	\$ 60,000	\$ 29,606,315	\$ 482,918,548	\$ 512,584,863
Grand Total	\$ 67,057,356	\$ 65,352,443	\$ 606,111,749	\$ 738,521,548

FY23 Budget

Department	Water	Gas	Electric	Total
Administration	\$ 1,985,902	\$ 1,214,212	\$ 3,648,234	\$ 6,848,348
Operations Support	\$ 5,791,821	\$ 4,603,803	\$ 9,795,755	\$ 20,191,379
Engineering	\$ 3,634,401	\$ 1,790,065	\$ 6,613,408	\$ 12,037,874
Finance	\$ 20,043,679	\$ 10,862,449	\$ 37,456,966	\$ 68,363,094
Employee Engagement	\$ 1,432,569	\$ 1,684,706	\$ 4,675,452	\$ 7,792,727
Information Technology	\$ 3,823,627	\$ 2,260,121	\$ 6,945,474	\$ 13,029,222
Water Operations	\$ 24,248,638	\$ -	\$ -	\$ 24,248,638
Gas Operations	\$ 213,231	\$ 9,827,202	\$ 53,308	\$ 10,093,741
Electric Operations	\$ 798,120	\$ 428,437	\$ 44,837,767	\$ 46,064,325
Purchased Commodity	\$ 50,000	\$ 31,172,150	\$ 432,417,266	\$ 463,639,416
Grand Total	\$ 62,021,989	\$ 63,843,145	\$ 546,443,630	\$ 672,308,764

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

Multi-Year Summary of Expenditures by Functional Department

Department	FY22 Actual	FY23 Budget	FY24 Budget	FY25 Plan
Administration	\$ 5,064,616	\$ 6,848,348	\$ 7,905,942	\$ 7,905,942
Operations Support	\$ 19,470,536	\$ 20,191,379	\$ 22,858,176	\$ 22,858,176
Engineering	\$ 9,921,266	\$ 12,037,874	\$ 13,887,525	\$ 13,887,525
Finance	\$ 54,659,257	\$ 68,363,094	\$ 71,964,065	\$ 71,964,065
Employee Engagement	\$ 6,691,547	\$ 7,792,727	\$ 8,783,629	\$ 8,783,629
Information Technology	\$ 10,139,278	\$ 13,029,222	\$ 13,882,574	\$ 13,882,574
Water Operations	\$ 21,088,812	\$ 24,248,638	\$ 26,556,482	\$ 26,556,482
Gas Operations	\$ 9,015,078	\$ 10,093,741	\$ 11,256,389	\$ 11,256,389
Electric Operations	\$ 39,506,259	\$ 46,064,325	\$ 48,841,903	\$ 48,841,903
Purchased Commodity	\$ 491,244,671	\$ 463,639,416	\$ 512,584,863	\$ 512,584,863
Grand Total	\$ 666,801,321	\$ 672,308,764	\$ 738,521,548	\$ 738,521,548

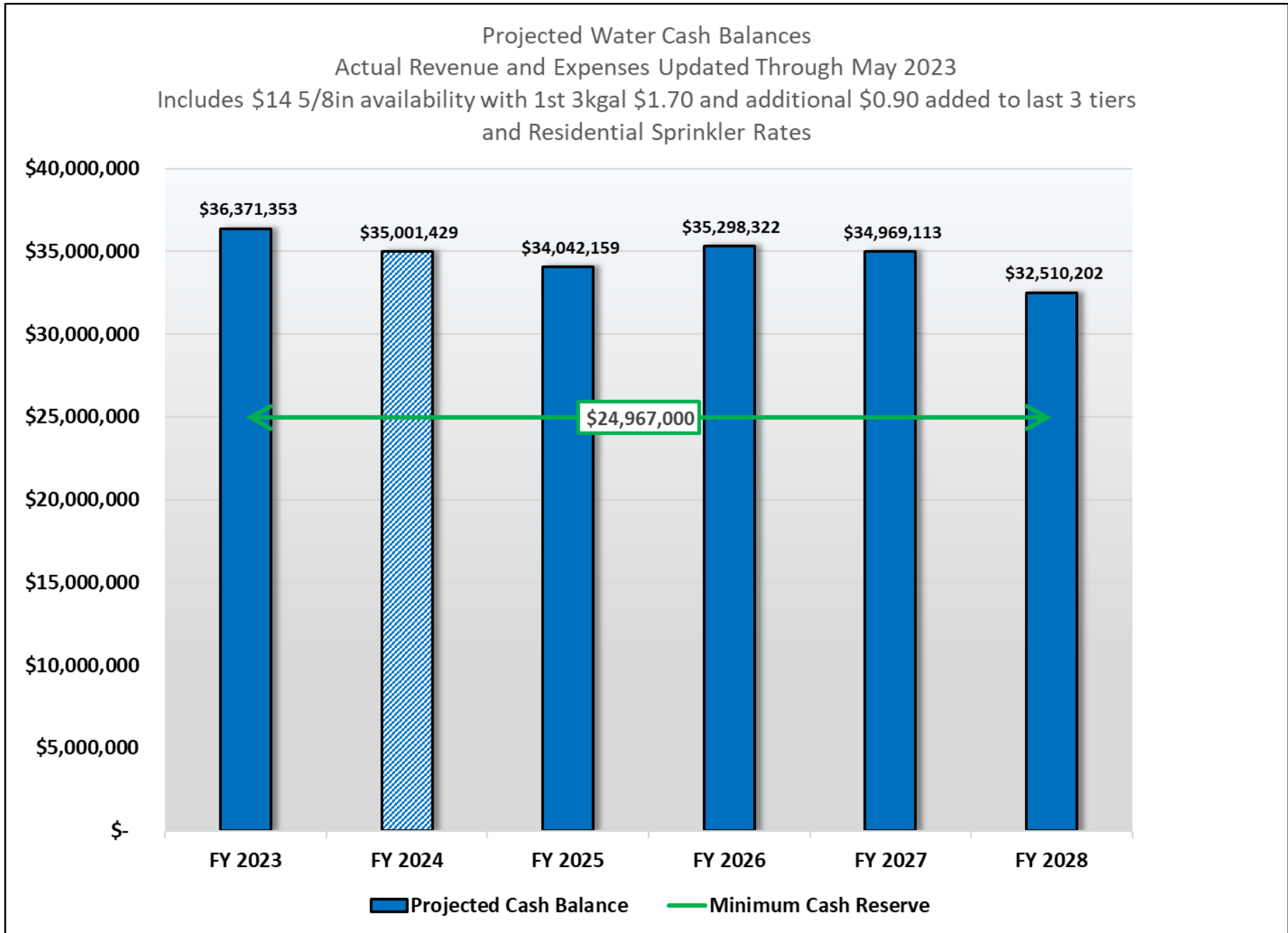
These tables exclude revenue and any related credits and capital expenditures.



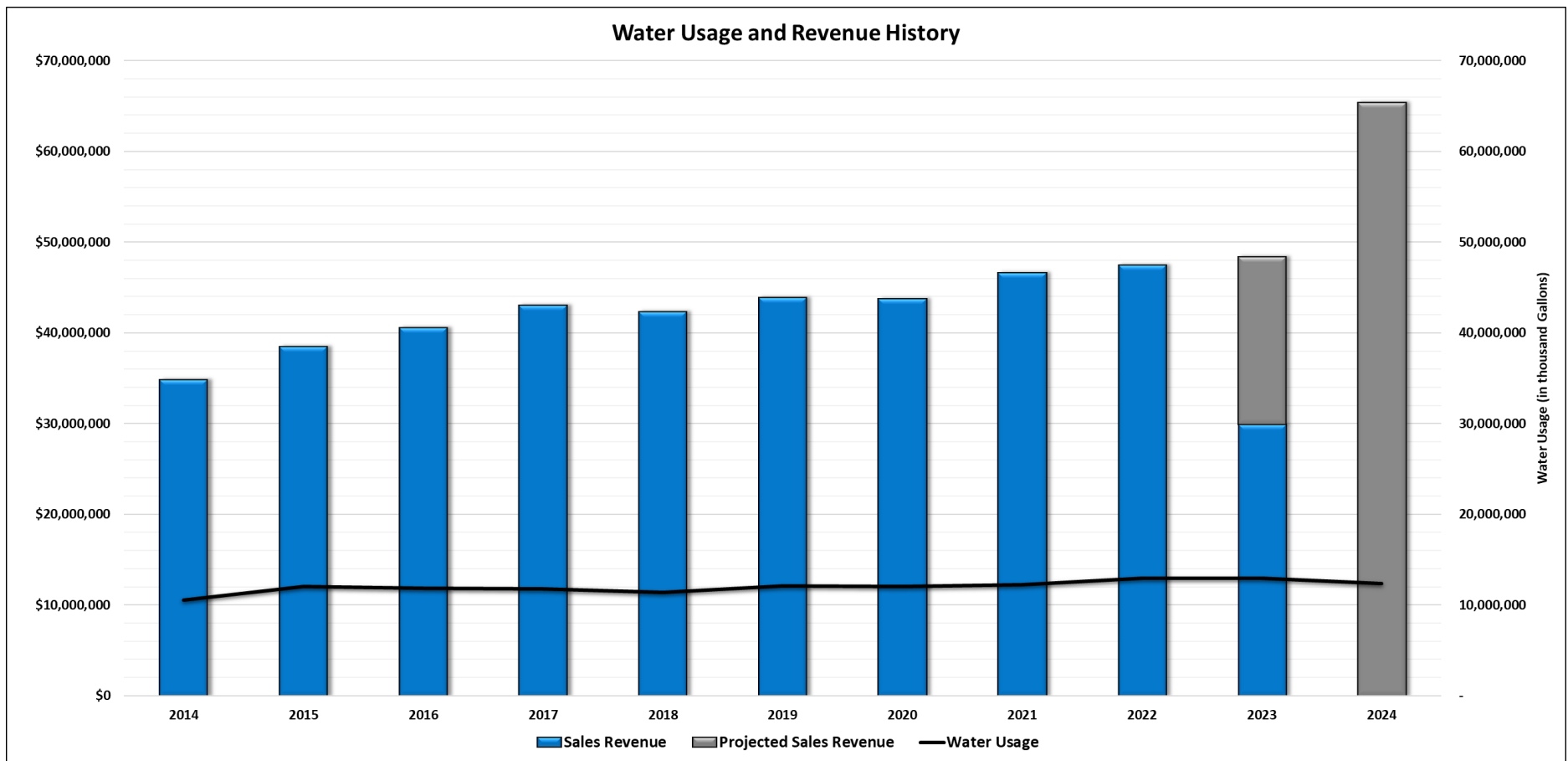
Wes Kelley, President/CEO from Huntsville Utilities held a press event in April 2023, formally announcing HU’s solar partnership with Toyota. Construction will begin soon on a 168-acre solar array near the Toyota Motor Manufacturing facility in north Huntsville. This will generate as much as 30MW of energy.

Long-Term Financial Plan – Water

	Budget FY 2023	Projected FY 2023	Budget FY 2024	Forecast FY 2025	Forecast FY 2026	Forecast FY 2027	Forecast FY 2028
Beginning Cash Balances	\$ 51,651,634	\$ 42,542,933	\$ 36,371,353	\$ 35,001,429	\$ 34,042,159	\$ 35,298,322	\$ 34,969,113
Sales Revenue	\$ 47,061,813	\$ 48,570,179	\$ 64,061,794	\$ 64,810,912	\$ 65,572,348	\$ 66,346,336	\$ 67,133,115
Limestone County Sales Revenue	\$ 857,001	\$ 1,014,756	\$ 1,394,762	\$ 1,413,201	\$ 1,431,964	\$ 1,451,055	\$ 1,470,482
IGSA Service Revenue	\$ 3,580,589	\$ 4,022,546	\$ 4,375,348	\$ 4,462,855	\$ 4,552,112	\$ 4,643,154	\$ 4,736,017
Other Operating Revenue	\$ 7,180,000	\$ 11,113,873	\$ 7,090,200	\$ 7,232,004	\$ 7,376,644	\$ 7,524,177	\$ 7,674,661
Non Operating Revenue	\$ 5,757,364	\$ 4,181,365	\$ 4,968,219	\$ 1,272,288	\$ 1,285,011	\$ 1,297,861	\$ 1,310,840
Greenbrier Tank Reimbursement	\$ 150,000	\$ 150,000	\$ -	\$ -	\$ 600,000	\$ 600,000	\$ 600,000
Operating Revenue	\$ 64,586,767	\$ 69,052,720	\$ 81,890,323	\$ 79,191,260	\$ 80,818,079	\$ 81,862,584	\$ 82,925,115
Purchased Water	\$ 50,000	\$ 45,551	\$ 60,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000
Employee Expenses	\$ 28,371,807	\$ 26,651,496	\$ 30,773,861	\$ 31,543,208	\$ 32,331,788	\$ 33,140,082	\$ 33,968,584
Supplies and Materials	\$ 6,698,703	\$ 6,428,639	\$ 7,219,575	\$ 7,363,967	\$ 7,511,246	\$ 7,661,471	\$ 7,814,700
Services	\$ 5,802,169	\$ 4,880,638	\$ 5,586,254	\$ 5,697,979	\$ 5,811,939	\$ 5,928,177	\$ 6,046,741
Travel and Training	\$ 422,995	\$ 417,412	\$ 670,546	\$ 683,957	\$ 697,636	\$ 711,589	\$ 725,821
Equipment Maintenance	\$ 1,509,187	\$ 1,058,018	\$ 1,682,149	\$ 1,715,792	\$ 1,750,108	\$ 1,785,110	\$ 1,820,812
Utilities	\$ 4,374,556	\$ 4,650,089	\$ 4,909,577	\$ 5,007,769	\$ 5,107,924	\$ 5,210,082	\$ 5,314,284
Other Expenses	\$ 916,339	\$ 836,348	\$ 906,780	\$ 924,916	\$ 943,414	\$ 962,282	\$ 981,528
Payment to Fiber	\$ 840,000	\$ 840,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000
Operating Expenses (Excludes Depreciation)	\$ 48,985,756	\$ 45,808,191	\$ 52,108,742	\$ 53,287,586	\$ 54,504,054	\$ 55,748,794	\$ 57,022,470
Net Operating Income	\$ 15,601,010	\$ 23,244,529	\$ 29,781,581	\$ 25,903,674	\$ 26,314,025	\$ 26,113,790	\$ 25,902,645
Debt Service (Principal & Interest)	\$ 10,347,577	\$ 11,932,813	\$ 10,989,663	\$ 12,301,917	\$ 12,877,603	\$ 14,076,156	\$ 15,086,840
Tax Equivalent	\$ 2,867,926	\$ 2,938,430	\$ 3,927,393	\$ 3,973,447	\$ 4,020,259	\$ 4,067,843	\$ 4,116,216
New Materials - O&M	\$ 438,000	\$ 220,864	\$ 455,000	\$ 455,000	\$ 455,000	\$ 455,000	\$ 455,000
New Materials - New Construction	\$ 18,453,000	\$ 8,513,500	\$ 19,185,500	\$ 14,683,000	\$ 14,830,000	\$ 16,549,000	\$ 16,768,250
New Materials - R&R	\$ 12,981,000	\$ 8,291,550	\$ 13,886,000	\$ 5,545,000	\$ 6,490,000	\$ 4,990,000	\$ 7,015,000
South Parkway Plant	\$ 8,300,000	\$ 8,677,361	\$ 3,350,000	\$ 1,575,000	\$ -	\$ -	\$ -
Land	\$ 200,000	\$ -	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000
Tools and Work Equipment	\$ 206,000	\$ 171,343	\$ -	\$ 80,000	\$ 80,000	\$ 80,000	\$ 80,000
Transportation Budget	\$ 1,372,000	\$ 805,073	\$ 1,457,000	\$ 529,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
Computer Equipment	\$ -	\$ -	\$ 45,000	\$ -	\$ -	\$ -	\$ -
Metering Equipment	\$ 1,250,000	\$ 1,253,324	\$ 1,600,000	\$ 1,500,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
Capital Expenses	\$ 43,200,000	\$ 27,933,015	\$ 40,178,500	\$ 24,567,000	\$ 24,055,000	\$ 24,274,000	\$ 26,518,250
Borrowing Proceeds	\$ 14,737,102	\$ 10,787,670	\$ 23,944,052	\$ 13,979,420	\$ 15,895,000	\$ 15,975,000	\$ 17,359,750
Projected Cash Balance	\$ 25,574,243	\$ 36,371,353	\$ 35,001,429	\$ 34,042,159	\$ 35,298,322	\$ 34,969,113	\$ 32,510,202

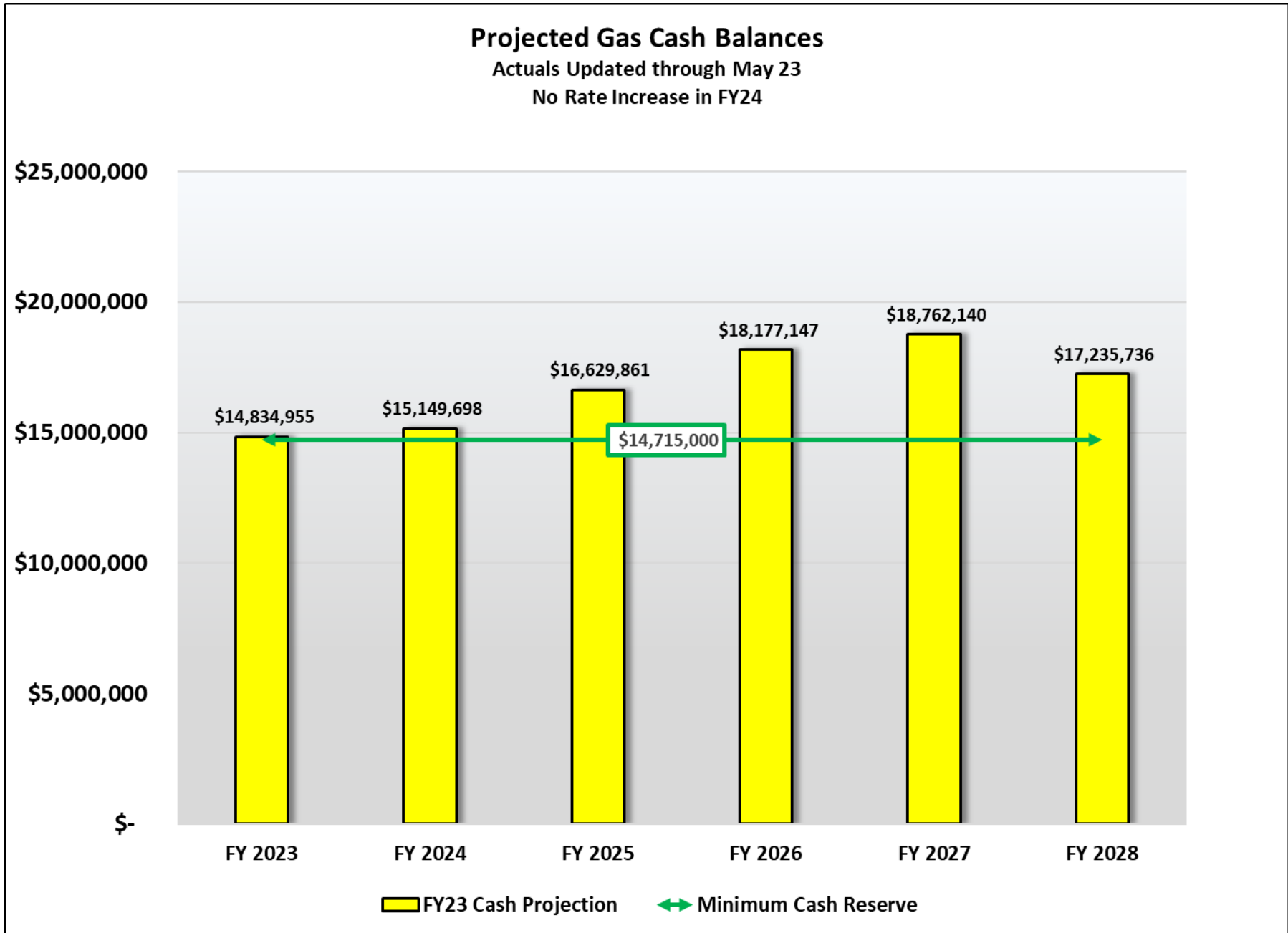


Each of the long-term financial plans attempts to balance the needs of a growing service area and rising operating costs with the objective of offering affordable, cost-based rates. One of the strategic organizational goals is to demonstrate prudent stewardship of ratepayer funds. To this end, the impact on existing cash balances from expected revenue and requested projects is evaluated throughout the budget process to ensure minimum cash reserve levels, which are required by company policy, are maintained. For the long-term water financial plan, the rehabilitation of the South Parkway water treatment plant, which is expected to last for four years, and other clean water related projects are being funded through low interest state revolving fund loans to mitigate the impact on revenue, but those loans do add to debt service costs. Service area growth pushes capital expansion and staffing costs upward for the foreseeable future. Consequently, a rate increase is built into revenue projections for fiscal year 2024 to provide adequate coverage. Additional borrowing is also planned in FY24 to cover future projects. In the past, HU has included roadway relocate budgets in the long-term financial plans, but start dates are set externally and can be rather unpredictable. These projects have both capital and reimbursement income components and are usually fully reimbursed unless HU adds on any betterment. This year, HU has only included roadway relocations where they already have contracts to begin work.

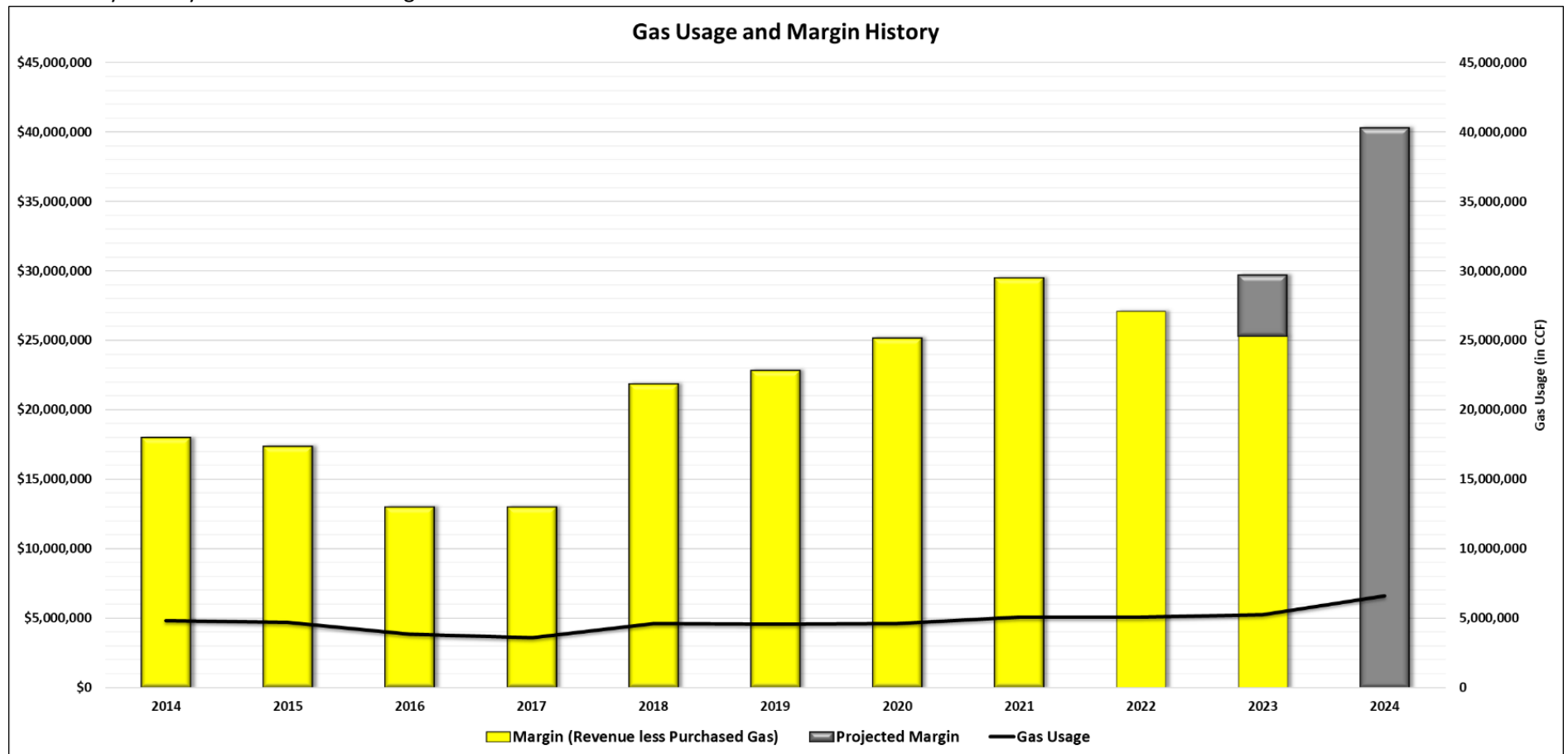


Long-Term Financial Plan – Gas

	Budget FY 2023	Projected FY 2023	Budget FY 2024	Forecast FY 2025	Forecast FY 2026	Forecast FY 2027	Forecast FY 2028
Beginning Cash Balance	\$ 23,452,736	\$ 27,305,920	\$ 14,834,955	\$ 15,149,698	\$ 16,629,861	\$ 18,177,147	\$ 18,762,140
Sales Revenue	\$ 53,475,282	\$ 55,789,451	\$ 63,748,512	\$ 64,600,463	\$ 65,640,872	\$ 66,352,727	\$ 67,253,769
Mazda Toyota Manufacturing	\$ 8,175,007	\$ 3,979,898	\$ 2,855,325	\$ 2,855,325	\$ 2,855,325	\$ 2,855,325	\$ 1,806,825
Redstone Sales	\$ -	\$ -	\$ 3,322,257	\$ 3,322,257	\$ 3,322,257	\$ 3,322,257	\$ 3,322,257
Service Revenue	\$ 525,969	\$ 512,165	\$ 596,793	\$ 608,729	\$ 620,903	\$ 633,322	\$ 645,988
Other Operating Revenue	\$ 4,369,219	\$ 4,916,606	\$ 2,335,900	\$ 2,379,534	\$ 2,424,355	\$ 2,470,396	\$ 2,517,694
Non Operating Revenue	\$ 8,658,068	\$ 4,357,514	\$ 7,925,256	\$ 1,015,261	\$ 1,025,413	\$ 1,035,667	\$ 1,046,024
Operating Revenue	\$ 75,203,545	\$ 69,555,634	\$ 80,784,042	\$ 74,781,569	\$ 75,889,125	\$ 76,669,694	\$ 76,592,557
Purchased Gas	\$ 31,172,150	\$ 30,053,502	\$ 29,606,315	\$ 31,415,353	\$ 32,440,090	\$ 33,536,165	\$ 34,755,681
Employee Expenses	\$ 19,526,298	\$ 18,133,880	\$ 20,833,750	\$ 21,354,594	\$ 21,888,459	\$ 22,435,670	\$ 22,996,562
Supplies and Materials	\$ 2,060,891	\$ 2,328,722	\$ 2,523,187	\$ 2,573,651	\$ 2,625,124	\$ 2,677,626	\$ 2,731,179
Services	\$ 3,634,612	\$ 3,271,777	\$ 4,077,867	\$ 4,159,424	\$ 4,242,613	\$ 4,327,465	\$ 4,414,014
Travel and Training	\$ 644,024	\$ 640,108	\$ 691,443	\$ 705,272	\$ 719,377	\$ 733,765	\$ 748,440
Equipment Maintenance	\$ 910,865	\$ 551,767	\$ 897,408	\$ 915,356	\$ 933,663	\$ 952,337	\$ 971,383
Utilities	\$ 278,868	\$ 265,645	\$ 294,068	\$ 299,949	\$ 305,948	\$ 312,067	\$ 318,309
Other Expenses	\$ 488,228	\$ 651,316	\$ 736,685	\$ 751,419	\$ 766,447	\$ 781,776	\$ 797,412
Payment to Fiber	\$ 360,000	\$ 360,000	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000
Operating Expenses	\$ 59,075,936	\$ 56,256,718	\$ 59,750,723	\$ 62,265,018	\$ 64,011,721	\$ 65,846,871	\$ 67,822,979
Net Operating Income	\$ 16,127,609	\$ 13,298,917	\$ 21,033,319	\$ 12,516,551	\$ 11,877,404	\$ 10,822,823	\$ 8,769,578
Debt Service (Principal & Interest)	\$ 1,563,881	\$ 1,562,415	\$ 1,563,881	\$ 503,387	\$ 503,387	\$ 503,387	\$ 503,387
Tax Equivalents	\$ 3,699,017	\$ 3,587,343	\$ 4,037,839	\$ 4,088,956	\$ 4,151,381	\$ 4,194,092	\$ 4,185,245
New Materials - O&M	\$ 215,000	\$ 27,818	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000
New Materials - New Construction	\$ 4,865,000	\$ 4,849,145	\$ 2,508,500	\$ 4,410,000	\$ 2,600,000	\$ 2,440,000	\$ 4,222,000
Greenbrier (MTM)	\$ 100,000	\$ 477,318	\$ -	\$ -	\$ -	\$ -	\$ -
Advance Metering Infrastructure (AMI)	\$ 2,075,000	\$ 1,423,251	\$ 157,000	\$ -	\$ -	\$ -	\$ -
Cast Iron Replacement	\$ 1,400,000	\$ 1,400,000	\$ 2,700,000	\$ -	\$ -	\$ -	\$ -
New Materials - R&R	\$ 7,871,000	\$ 5,782,159	\$ 7,355,000	\$ 610,000	\$ 1,790,000	\$ 1,790,000	\$ 100,000
Land	\$ 200,000	\$ 100,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000
Tools and Work Equipment	\$ -	\$ 23,208	\$ 11,000	\$ 25,000	\$ -	\$ 25,000	\$ -
Transportation Budget	\$ 1,369,000	\$ 1,431,118	\$ 1,325,356	\$ 309,045	\$ 195,351	\$ 195,351	\$ 195,351
Metering Equipment	\$ 575,000	\$ 627,446	\$ 633,000	\$ 650,000	\$ 650,000	\$ 650,000	\$ 650,000
Regulators	\$ 115,000	\$ 208,060	\$ 127,000	\$ 140,000	\$ 140,000	\$ 140,000	\$ 140,000
Capital Expenses	\$ 18,785,000	\$ 16,349,522	\$ 15,116,856	\$ 6,444,045	\$ 5,675,351	\$ 5,540,351	\$ 5,607,351
Borrowing Proceeds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Projected Ending Cash Balance	\$ 15,532,447	\$ 14,834,955	\$ 15,149,698	\$ 16,629,861	\$ 18,177,147	\$ 18,762,140	\$ 17,235,736

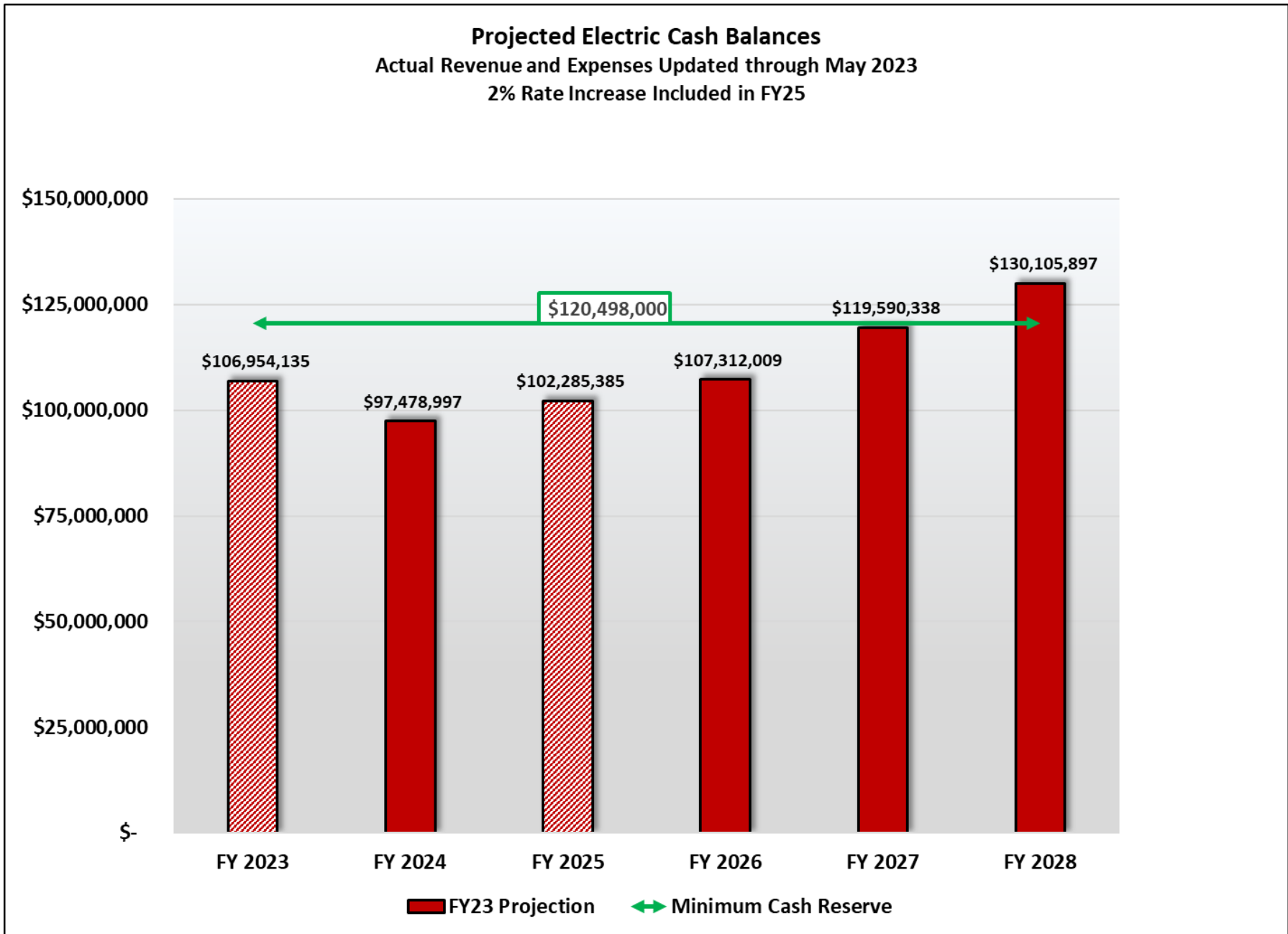


Each of the long-term financial plans attempts to balance the needs of a growing service area and rising operating costs with the objective of offering affordable, cost-based rates. One of the strategic organizational goals is to demonstrate prudent stewardship of ratepayer funds. To this end, the impact on existing cash balances from expected revenue and requested projects is evaluated throughout the budget process to ensure minimum cash reserve levels, which are required by company policy, are maintained. For the long-term gas financial plan, the significant cost drivers are inflation and supply chain issues, the AMI meter deployment, the replacement of cast iron pipe, pipeline relocation projects and rising staffing costs due to service area growth. The funding for these items will come from sales revenue, which is projected to increase substantially when the Mazda Toyota Manufacturing plant starts full production, and reimbursements for shared projects. Sales revenue and commodity costs for the gas system are highly dependent on weather and market conditions. If projections prove incorrect, management will evaluate a variety of cost-cutting measures and consider rate increases, if needed, to maintain financial stability. In the past, HU has included roadway relocate budgets in the long-term financial plans, but start dates are set externally and can be rather unpredictable. These projects have both capital and reimbursement income components and are usually fully reimbursed unless HU adds on any betterment. This year, HU has only included roadway relocations where they already have contracts to begin work.

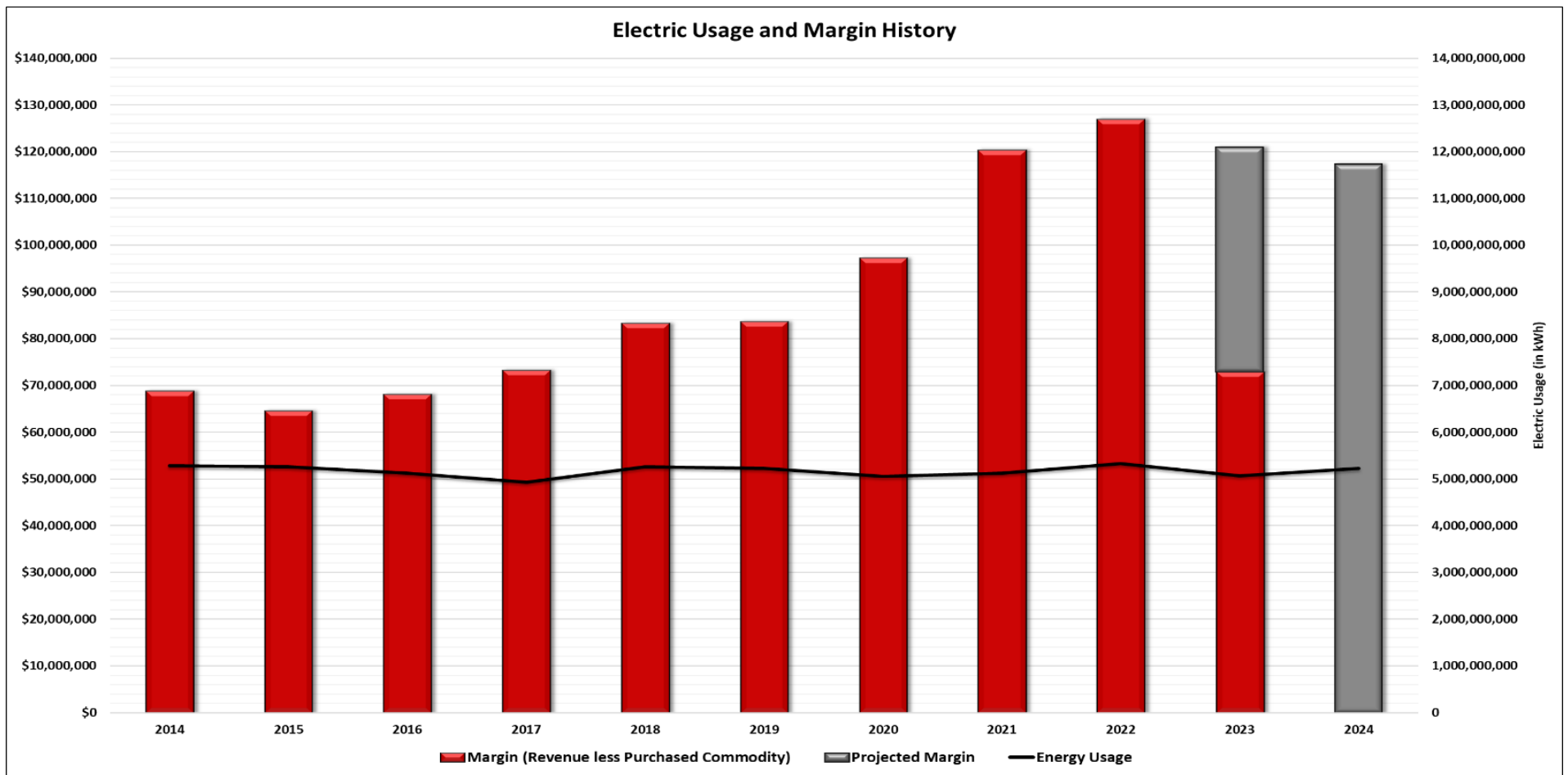


Long-Term Financial Plan – Electric

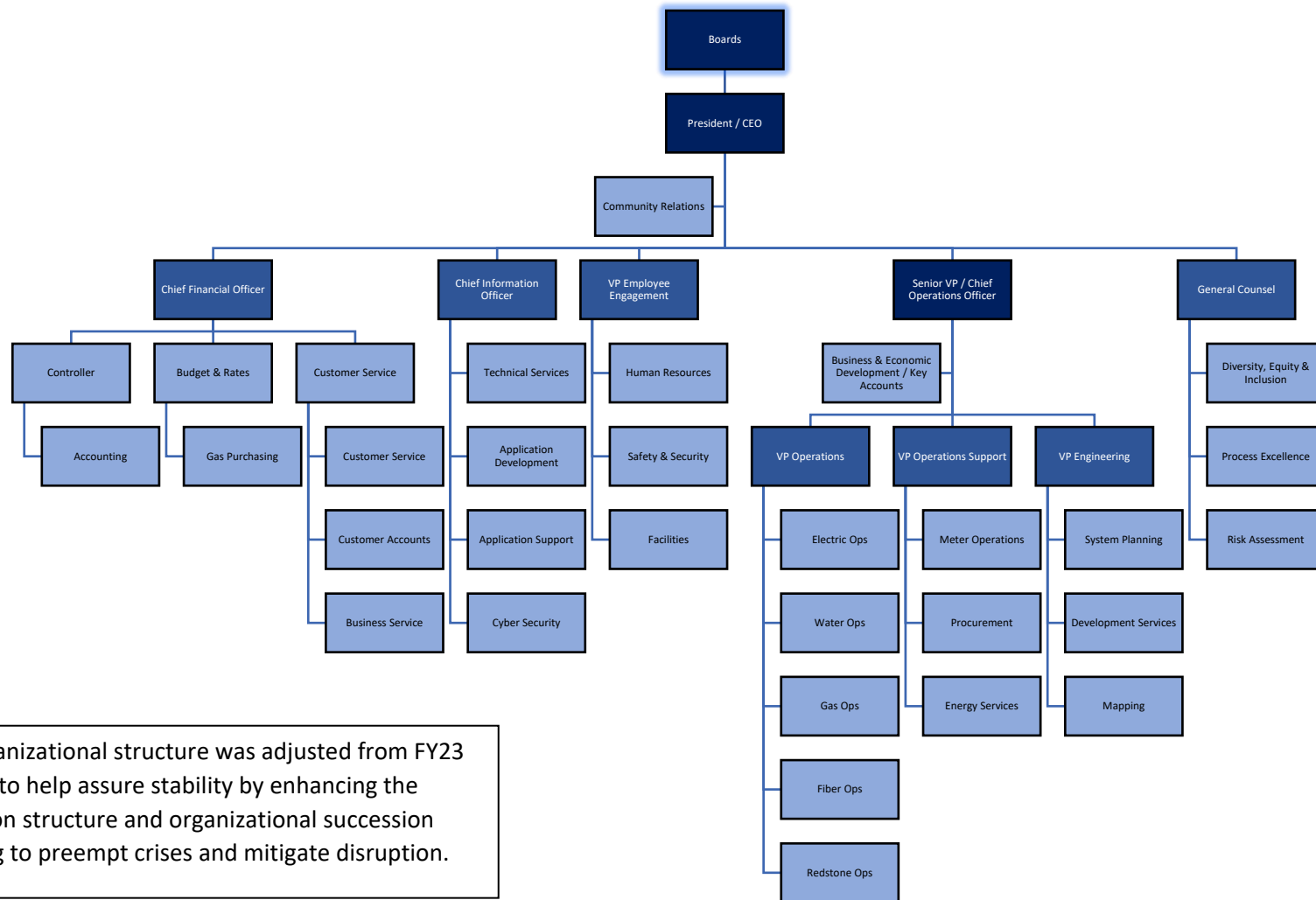
	Budget FY 2023	Projected FY 2023	Budget FY 2024	Forecast FY 2025	Forecast FY 2026	Forecast FY 2027	Forecast FY 2028
Beginning Cash Balances	\$ 110,243,157	\$ 106,810,571	\$ 106,954,135	\$ 97,478,997	\$ 102,285,385	\$ 107,312,009	\$ 119,590,338
Electric Sales Revenue	\$ 555,450,553	\$ 569,307,951	\$ 600,152,658	\$ 613,419,307	\$ 615,154,182	\$ 616,936,667	\$ 618,807,567
Fiber Project Revenue	\$ 13,280,000	\$ 13,424,220	\$ 10,052,800	\$ 10,253,856	\$ 10,458,933	\$ 10,668,112	\$ 10,881,474
Service Revenue	\$ 4,673,661	\$ 4,440,313	\$ 5,114,604	\$ 5,216,896	\$ 5,321,234	\$ 5,427,659	\$ 5,536,212
Other Operating Revenue	\$ 25,578,808	\$ 27,619,870	\$ 24,496,925	\$ 25,231,833	\$ 25,988,788	\$ 26,768,451	\$ 27,571,505
Non Operating Revenue	\$ 7,266,118	\$ 8,832,688	\$ 7,868,471	\$ 7,947,156	\$ 8,026,627	\$ 8,106,894	\$ 8,187,962
Operating Revenue	\$ 606,249,140	\$ 623,625,042	\$ 647,685,458	\$ 662,069,047	\$ 664,949,764	\$ 667,907,783	\$ 670,984,720
Purchased Power	\$ 450,691,701	\$ 467,158,042	\$ 493,134,807	\$ 493,225,656	\$ 493,380,604	\$ 493,791,414	\$ 494,081,682
TVA Long-Term Partnership Credit	\$ (10,113,693)	\$ (10,245,785)	\$ (10,216,259)	\$ (10,216,418)	\$ (10,218,563)	\$ (10,228,639)	\$ (10,234,976)
TVA Pandemic Relief Credit	\$ (8,160,742)	\$ (8,456,097)	\$ -	\$ -	\$ -	\$ -	\$ -
Employee Expenses	\$ 55,980,241	\$ 54,312,852	\$ 60,685,475	\$ 62,202,612	\$ 63,757,677	\$ 65,351,619	\$ 66,985,410
Supplies and Materials	\$ 7,299,015	\$ 6,904,280	\$ 7,976,999	\$ 8,136,539	\$ 8,299,270	\$ 8,465,255	\$ 8,634,560
Services	\$ 18,759,526	\$ 15,074,952	\$ 19,674,877	\$ 20,068,375	\$ 20,367,742	\$ 20,775,097	\$ 21,190,599
Travel and Training	\$ 1,325,954	\$ 1,155,934	\$ 1,656,157	\$ 1,689,280	\$ 1,723,066	\$ 1,757,527	\$ 1,792,678
Equipment Maintenance	\$ 2,532,692	\$ 1,771,632	\$ 2,708,142	\$ 2,762,305	\$ 2,817,551	\$ 2,873,902	\$ 2,931,380
Utilities	\$ 831,582	\$ 833,900	\$ 897,895	\$ 915,853	\$ 934,170	\$ 952,853	\$ 971,910
Other Expenses	\$ 1,771,279	\$ 2,164,545	\$ 1,920,794	\$ 1,959,210	\$ 1,998,394	\$ 2,038,362	\$ 2,079,129
Payment to Fiber	\$ 1,800,000	\$ 1,800,000	\$ 720,000	\$ 720,000	\$ 720,000	\$ 720,000	\$ 720,000
Operating Expenses (Excludes Depreciation)	\$ 522,717,555	\$ 532,474,254	\$ 579,158,887	\$ 581,463,410	\$ 583,779,910	\$ 586,497,390	\$ 589,152,371
Net Operating Income	\$ 83,531,585	\$ 91,150,788	\$ 68,526,571	\$ 80,605,637	\$ 81,169,854	\$ 81,410,392	\$ 81,832,348
Debt Service (Principal & Interest)	\$ 6,582,600	\$ 7,011,490	\$ 10,363,743	\$ 10,358,993	\$ 10,367,193	\$ 10,361,268	\$ 10,363,893
Tax Equivalent	\$ 18,270,881	\$ 17,912,710	\$ 17,309,119	\$ 17,568,756	\$ 17,832,287	\$ 18,099,771	\$ 18,371,268
New Materials - O&M	\$ 2,100,000	\$ 4,557,160	\$ 3,300,000	\$ 4,600,000	\$ 5,000,000	\$ 5,400,000	\$ 5,800,000
New Materials - New Construction	\$ 26,891,243	\$ 28,165,018	\$ 43,924,243	\$ 23,186,000	\$ 23,855,000	\$ 11,491,000	\$ 10,075,000
Advance Metering Infrastructure (AMI)	\$ -	\$ 9,811	\$ -	\$ -	\$ -	\$ -	\$ -
Fiber Build Out	\$ 2,900,000	\$ 2,122,270	\$ 3,950,000	\$ 2,950,000	\$ 2,950,000	\$ 2,950,000	\$ 2,950,000
New Materials - R&R	\$ 5,416,000	\$ 3,636,465	\$ 9,218,869	\$ 9,850,000	\$ 3,150,000	\$ 2,900,000	\$ 6,090,000
Land	\$ 200,000	\$ 100,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000
Tools and Work Equipment	\$ 212,000	\$ 167,383	\$ 413,000	\$ 570,000	\$ 322,000	\$ 370,000	\$ 70,000
Transportation Budget	\$ 6,020,000	\$ 5,928,642	\$ 6,371,735	\$ 2,042,000	\$ 4,194,000	\$ 3,000,000	\$ 3,000,000
Communication Equipment	\$ 673,000	\$ 184,782	\$ 104,000	\$ 52,000	\$ 60,000	\$ 65,000	\$ 70,000
Computer Equipment	\$ 1,417,000	\$ 1,093,591	\$ 1,595,000	\$ 1,900,000	\$ 1,900,000	\$ 1,900,000	\$ 1,900,000
Metering Equipment	\$ 2,250,000	\$ 3,602,731	\$ 2,675,000	\$ 3,142,500	\$ 3,162,750	\$ 3,395,025	\$ 3,426,628
Transformers	\$ 7,000,000	\$ 15,137,520	\$ 13,442,000	\$ 10,000,000	\$ 9,000,000	\$ 9,000,000	\$ 9,000,000
Capital Expenses	\$ 55,079,243	\$ 64,705,375	\$ 85,193,847	\$ 58,492,500	\$ 53,793,750	\$ 40,671,025	\$ 42,581,628
Borrowing Proceeds	\$ -	\$ -	\$ 34,865,000	\$ 10,621,000	\$ 5,850,000	\$ -	\$ -
Projected Ending Cash Balance	\$ 113,842,019	\$ 106,954,135	\$ 97,478,997	\$ 102,285,385	\$ 107,312,009	\$ 119,590,338	\$ 130,105,897



Each of the long-term financial plans attempts to balance the needs of a growing service area and rising operating costs with the objective of offering affordable, cost-based rates. One of the strategic organizational goals is to demonstrate prudent stewardship of ratepayer funds. To this end, the impact on existing cash balances from expected revenue and requested projects is evaluated throughout the budget process to ensure minimum cash reserve levels, which are required by company policy, are maintained. For the long-term electric financial plan, the single largest influence is purchased power, which is closely tied to sales revenue, both of which are directly impacted by weather. All power is bought from TVA and significant credits are offered that reduce power cost by at least \$10 million each year of the plan. The service area continues to grow which boosts revenue but results in additional capital in the form of infrastructure construction and higher labor costs. Operating expenses are funded through existing cash reserves and sales revenue, but the design and construction of a systems operation center and other improvements will be funded through debt. An additional rate action is currently planned in FY25 to cover future projects. Should variables change, such as the awarding of grants or lower than projected expenses, that result in a strong cash position, adjustments to the plan would be considered.

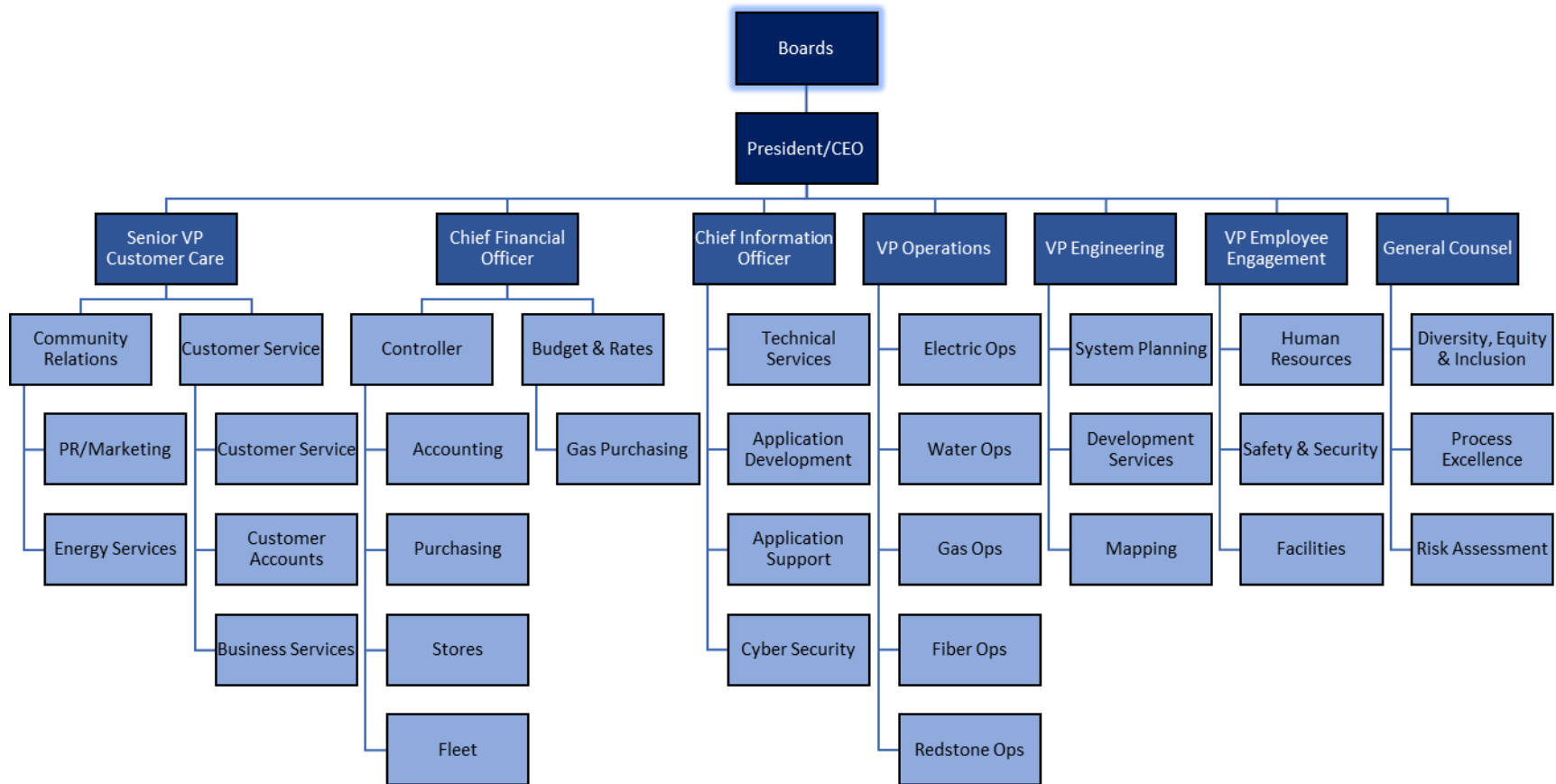


FY24 Huntsville Utilities Organizational Structure



Our organizational structure was adjusted from FY23 to FY24 to help assure stability by enhancing the execution structure and organizational succession planning to preempt crises and mitigate disruption.

FY23 Huntsville Utilities Organizational Structure



Personnel Summary

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

		2020	2021	2022	2023	Vacancies	Reductions	Planned Additions	BUDGET 2024
ADMINISTRATION	Full-time	15	20	20	21	2	0	2	25
	Part-time	0	0	0	0	0	0	0	0
	Temporary	0	0	0	0	0	0	0	0
OPERATIONS SUPPORT	Full-time	111	108	108	110	6	3	5	124
	Part-time	0	0	0	0	0	0	0	0
	Temporary	0	0	0	0	0	0	0	0
ENGINEERING	Full-time	62	57	60	66	3	-1	5	73
	Part-time	0	0	0	0	0	0	0	0
	Temporary	1	1	1	1	0	0	0	1
FINANCE	Full-time	99	96	104	99	26	0	5	130
	Part-time	0	0	0	0	0	0	0	0
	Temporary	0	0	0	0	0	0	0	0
EMPLOYEE ENGAGEMENT	Full-time	23	25	25	30	1	0	2	33
	Part-time	0	0	0	0	0	0	0	0
	Temporary	11	12	10	10	0	0	0	10
INFORMATION TECHNOLOGY	Full-time	34	38	35	39	4	-1	1	43
	Part-time	0	0	0	0	0	0	0	0
	Temporary	0	0	0	0	0	0	0	0
WATER OPERATIONS	Full-time	89	101	107	112	3	0	6	121
	Part-time	0	0	0	0	0	0	0	0
	Temporary	0	0	0	0	0	0	0	0
GAS OPERATIONS	Full-time	69	73	75	73	5	0	2	80
	Part-time	0	0	0	0	0	0	0	0
	Temporary	0	0	0	0	0	0	0	0
ELECTRIC OPERATIONS	Full-time	175	196	209	202	15	1	1	219
	Part-time	0	0	0	0	0	0	0	0
	Temporary	1	1	1	1	0	0	0	1
TOTALS		690	728	755	764	65	2	29	860
BOARD MEMBERS		6	6	6	6	0	0	0	6
ACTUAL POSITIONS		696	734	761	770*	65	2	29	866
BUDGETED POSITIONS		729	763	798	826				866

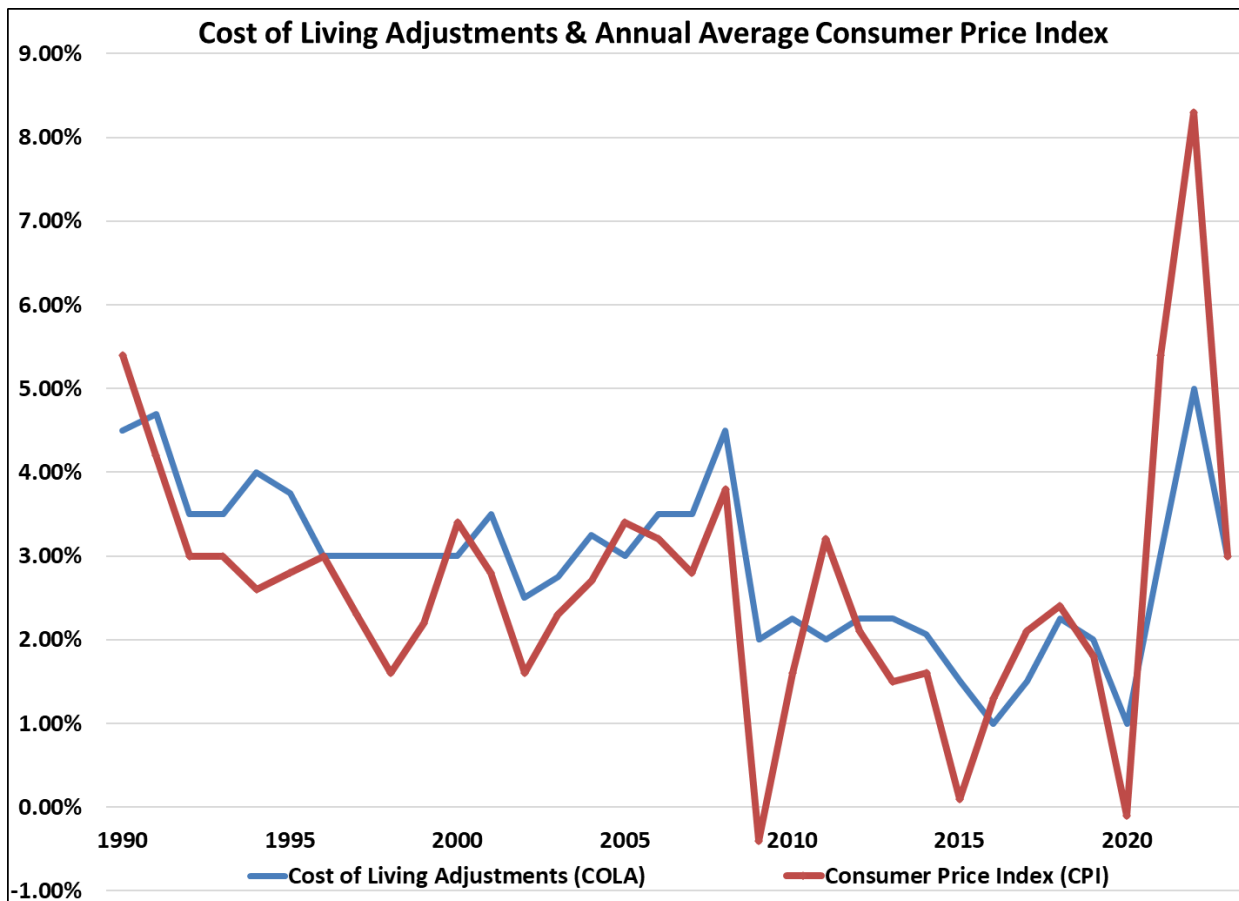
*The staffing total of 772 was as of May 9, 2023. The number of actual positions as of June 28, 2023 is 782. The 65 vacancies factored into the budget include the 10 employees that have been hired since May 9th.

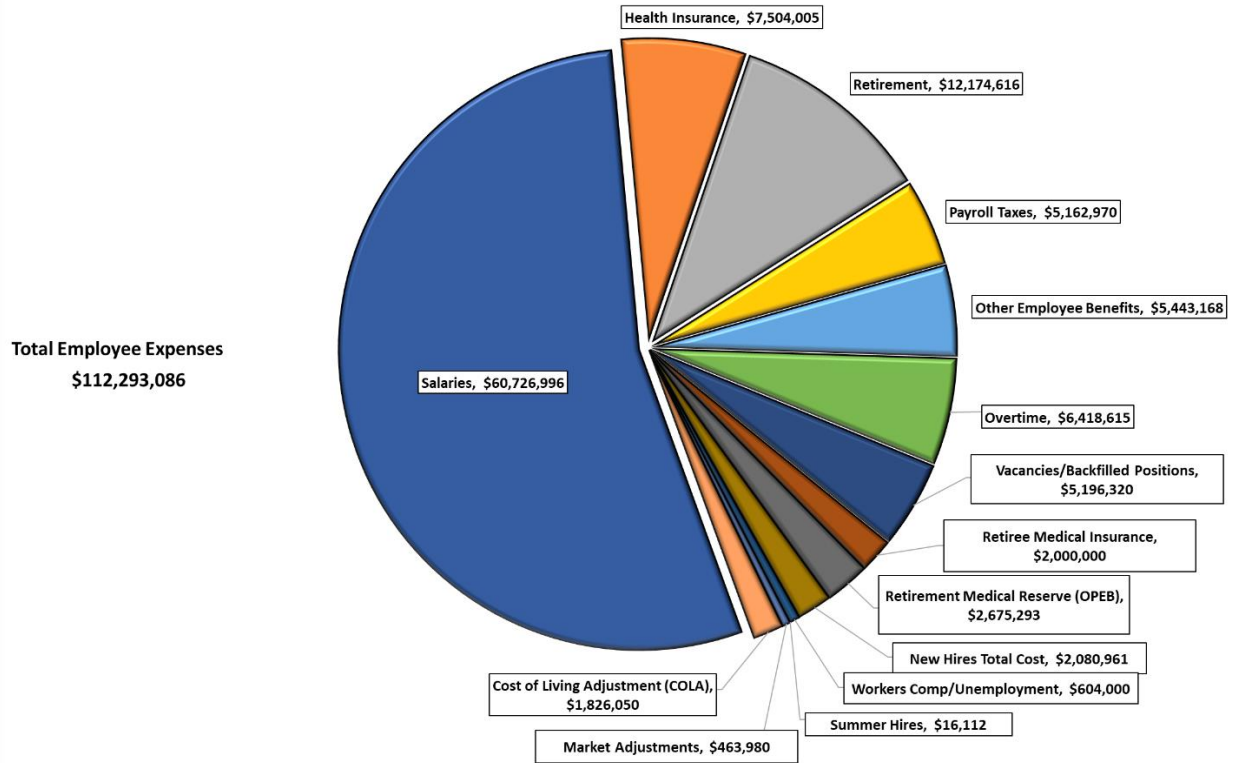
4 temporary summer interns have also been budgeted for 2024.

Employee Expenses

Second only to purchased commodity in size of projected costs, employee expenses are 12.8% of the total Huntsville Utilities budget. With operational and support staff of over 750 employees, maintaining existing salaries and benefits is a challenge that grows in complexity each year. Performance-based merit increases are factored into the budget along with select market-driven wage adjustments. 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 2024 budget purposes, an average merit increase of 2.5% was applied to existing salaries for eligible employees and 3.0% was included as a cost of living increase.

Huntsville Utilities seeks to retain its skilled workforce by offering competitive pay and a strong benefit package. To this end, wages are continually evaluated by a dedicated compensation analyst within the human resources function using salary surveys and peer comparisons in an attempt to achieve market alignment. Pay adjustments proposals are submitted for approval to the Vice Presidents and President/President/CEO. The current budget includes market-based adjustments for specific job functions in both the operations and administrative portions of the organization.



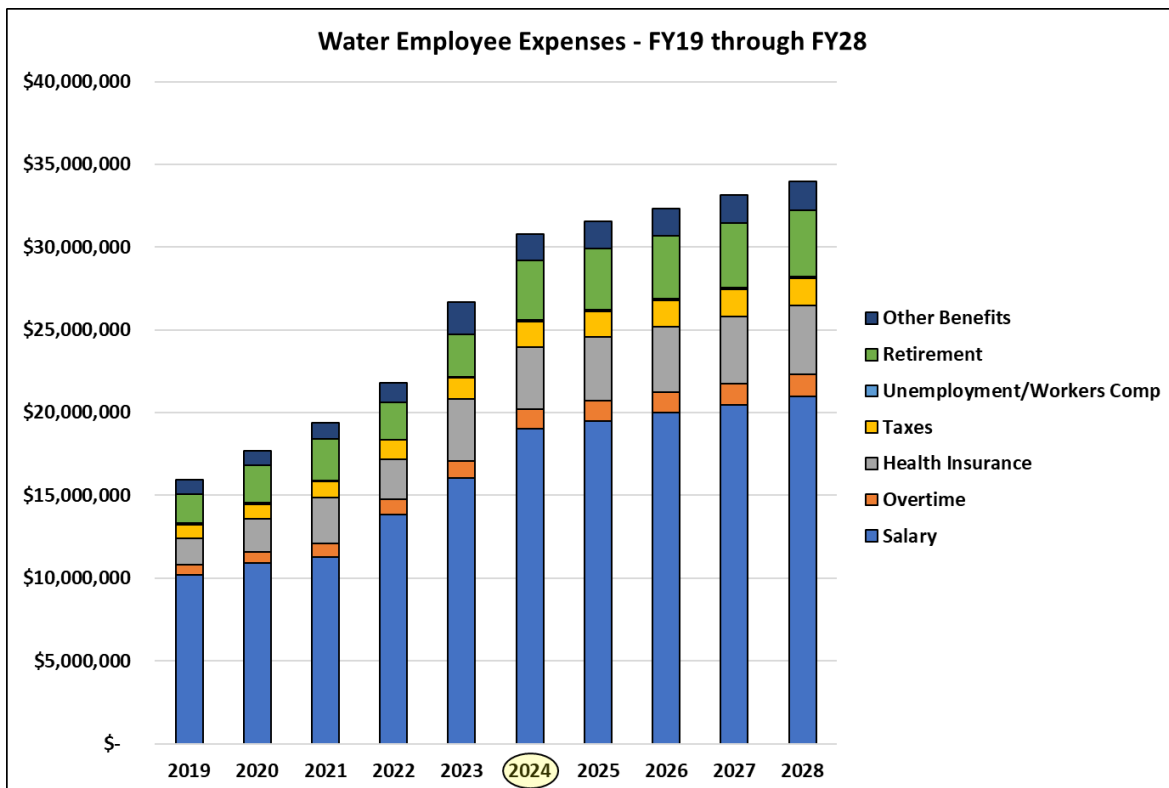


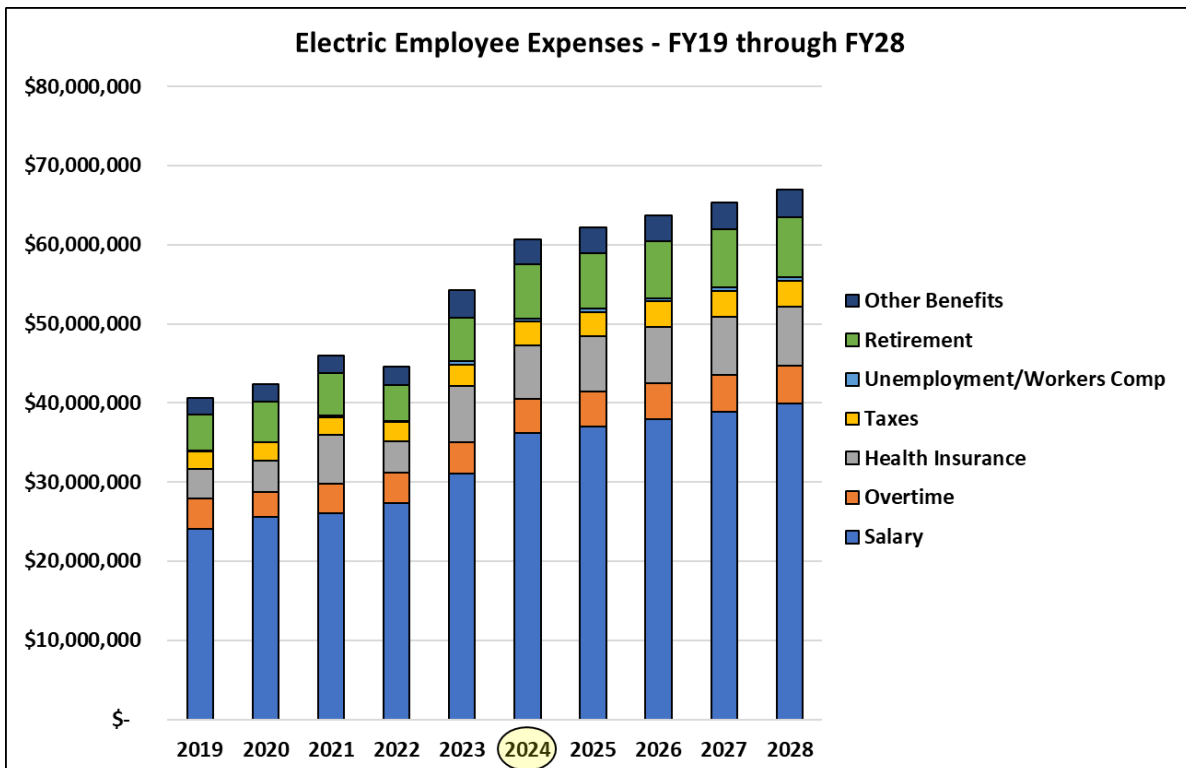
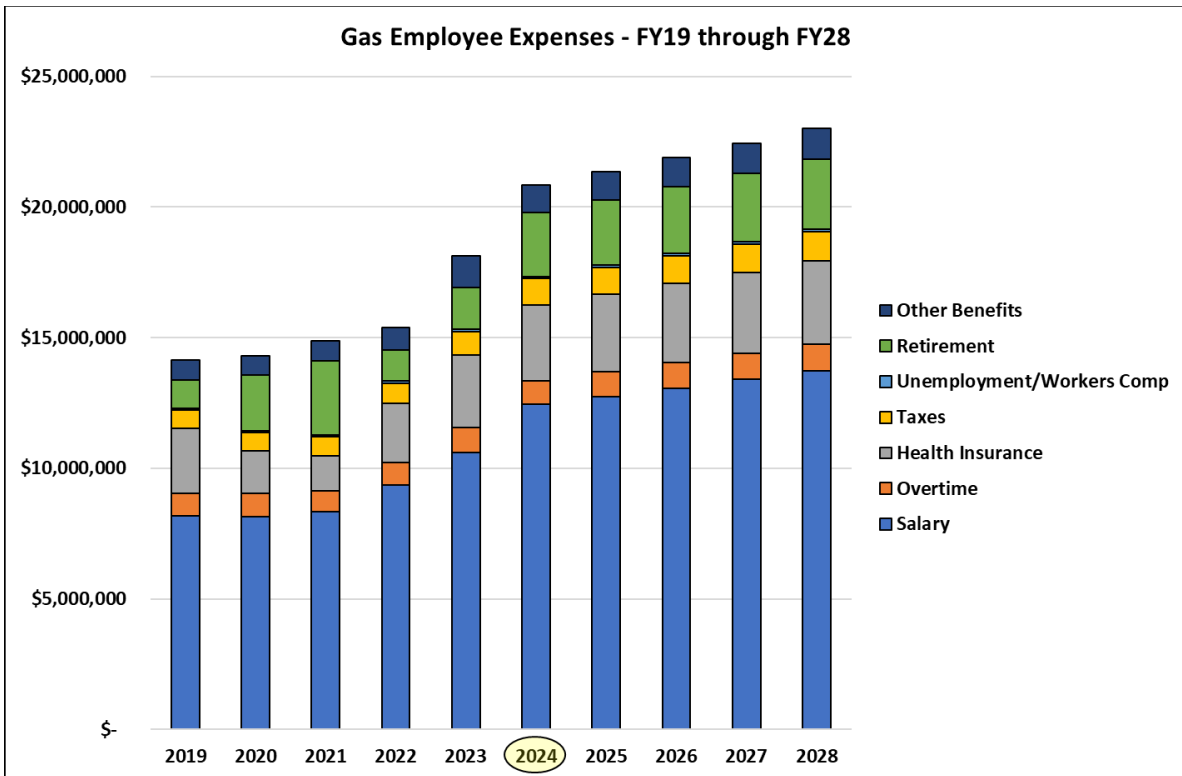
	<u>Water</u>	<u>Gas</u>	<u>Electric</u>	<u>Fiber</u>	<u>Total</u>
Salaries	\$ 17,139,224	\$ 11,060,385	\$ 31,441,504	\$ 1,085,884	\$ 60,726,996
Health Insurance	\$ 2,334,459	\$ 1,525,650	\$ 3,436,241	\$ 207,654	\$ 7,504,005
Retirement	\$ 3,415,846	\$ 2,296,429	\$ 6,248,079	\$ 214,262	\$ 12,174,616
Payroll Taxes	\$ 1,405,224	\$ 920,646	\$ 2,731,598	\$ 105,502	\$ 5,162,970
Other Employee Benefits	\$ 1,494,395	\$ 984,692	\$ 2,866,741	\$ 97,339	\$ 5,443,168
Overtime	\$ 1,176,256	\$ 917,614	\$ 4,064,225	\$ 260,520	\$ 6,418,615
Vacancies/Backfilled Positions	\$ 1,163,595	\$ 1,117,881	\$ 2,846,070	\$ 68,773	\$ 5,196,320
Retiree Medical Insurance	\$ 482,200	\$ 468,000	\$ 1,049,800	\$ -	\$ 2,000,000
Retirement Medical Reserve (OPEB)	\$ 645,013	\$ 626,019	\$ 1,404,261	\$ -	\$ 2,675,293
New Hires Total Cost	\$ 757,467	\$ 397,957	\$ 925,537	\$ -	\$ 2,080,961
Workers Comp/Unemployment	\$ 102,903	\$ 89,540	\$ 411,557	\$ -	\$ 604,000
Summer Hires	\$ 7,396	\$ 2,104	\$ 6,612	\$ -	\$ 16,112
Market Adjustments	\$ 134,302	\$ 94,107	\$ 230,524	\$ 5,047	\$ 463,980
Cost of Living Adjustment (COLA)	\$ 515,580	\$ 332,726	\$ 945,054	\$ 32,690	\$ 1,826,050
Total Employee Expenses	\$ 30,773,861	\$ 20,833,751	\$ 58,607,803	\$ 2,077,672	\$ 112,293,086

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. There are no increases to employee premiums, employee copay, or deductible amounts budgeted for fiscal year 2023.

Huntsville Utilities is a participant in the Retirement System of Alabama. In 2021, the Board authorized changes to the retirement plans that 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. Effective October 1, 2023, Huntsville Utilities’ pension benefit eligibility changed from 30 years of service at any age or 10 years of service at age 60 to 25 five years of service at any age and 10 years of service at age 60. This corresponds with common practice among other RSA participating entities. 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. 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.





Proposed New Positions

The new positions shown below are being proposed for fiscal year 2024. Following the tables is a business justification for the additional staff.

Budgeted Salary and Other Employee Expenses

<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>		
Apartment Specialist	\$30,528.24	\$8,466.00	\$3,886.25	\$2,335.41	\$2,136.97	\$47,352.87	
Associate Attorney	\$37,948.08	\$8,466.00	\$4,830.79	\$2,903.02	\$2,656.36	\$56,804.25	
Contract Administrator	\$56,777.28	\$12,699.00	\$7,227.74	\$4,343.45	\$3,974.40	\$85,021.87	
Customer Care Training Specialist (2)	\$63,865.12	\$16,932.00	\$8,129.98	\$4,885.70	\$4,470.54	\$98,283.34	
Customer Support Supervisor	\$68,725.44	\$12,699.00	\$8,748.76	\$5,257.49	\$4,810.79	\$100,241.48	
Electric Apprentice Meter Tech	\$16,288.80	\$4,233.00	\$3,249.62	\$1,246.08	\$1,140.22	\$26,157.72	
Electric Supervisor - Trainer	\$62,798.40	\$12,699.00	\$12,528.32	\$4,804.05	\$4,395.89	\$97,225.66	
Engineering Planning Manager	\$102,233.60	\$12,699.00	\$13,014.31	\$7,820.88	\$7,156.35	\$142,924.14	
Executive Assistant - COO	\$50,529.60	\$16,932.00	\$6,432.43	\$3,865.53	\$3,537.06	\$81,296.62	
Human Resources Generalist	\$67,818.24	\$16,932.00	\$8,633.28	\$5,188.09	\$4,747.24	\$103,318.85	
Journey Gas Worker (2)	\$101,059.20	\$33,864.00	\$12,864.86	\$7,731.06	\$7,074.12	\$162,593.24	
Journey Water Worker (2)	\$63,307.20	\$21,165.00	\$11,369.94	\$4,843.02	\$4,431.50	\$105,116.66	
Meter Data Analyst	\$43,339.52	\$12,699.00	\$5,517.13	\$3,315.46	\$3,033.76	\$67,904.87	
Procurement Manager	\$48,784.40	\$8,466.00	\$6,210.25	\$3,732.01	\$3,414.91	\$70,607.57	
Purchasing Assistant	\$21,829.84	\$8,466.00	\$2,778.95	\$1,669.99	\$1,528.10	\$36,272.88	
Residential Applications Lead	\$40,673.92	\$12,699.00	\$5,177.79	\$3,111.56	\$2,847.17	\$64,509.44	
SAP Functional Analyst I - HR Support	\$16,088.16	\$4,233.00	\$2,048.01	\$1,230.75	\$1,126.17	\$24,726.09	
Security Officer	\$57,712.32	\$16,932.00	\$7,346.79	\$4,414.97	\$4,039.85	\$90,445.93	
Senior Engineer (2)	\$97,568.80	\$16,932.00	\$12,420.50	\$7,464.02	\$6,829.82	\$141,215.14	
Water IEC Lead	\$14,593.92	\$4,233.00	\$2,621.07	\$1,116.43	\$1,021.57	\$23,585.99	
Water Quality Technician I	\$24,124.96	\$8,466.00	\$4,332.84	\$1,845.55	\$1,688.76	\$40,458.11	
Water Supervisor - RSA/IEC	\$69,258.56	\$4,233.00	\$12,438.84	\$5,298.27	\$4,848.09	\$96,076.76	
Water Systems Technician Operator Lead	\$66,216.64	\$12,699.00	\$11,892.51	\$5,065.57	\$4,635.14	\$100,508.86	
Work Management Analyst	\$50,928.64	\$12,699.00	\$6,483.23	\$3,896.04	\$3,564.98	\$77,571.89	
Workflow Manager	\$97,196.40	\$16,932.00	\$12,373.10	\$7,435.53	\$6,803.76	\$140,740.79	
Total Costs	\$ 1,370,195	\$ 317,475	\$ 192,557	\$ 104,820	\$ 95,914	\$ 2,080,961	

Allocation of New Hires Costs to Each Utility Service

<u>Position</u>	<u>Water</u>	<u>Gas</u>	<u>Electric</u>	<u>Fiber</u>	<u>Total</u>
Apartment Specialist	\$13,258.80	\$7,576.46	\$26,517.61	\$0.00	\$ 47,353
Associate Attorney	\$16,473.23	\$11,360.85	\$28,970.17	\$0.00	\$ 56,804
Contract Administrator	\$11,052.84	\$5,101.31	\$68,867.71	\$0.00	\$ 85,022
Customer Care Training Specialist (2)	\$27,519.34	\$15,725.33	\$55,038.67	\$0.00	\$ 98,283
Customer Support Supervisor	\$28,067.61	\$16,038.64	\$56,135.23	\$0.00	\$ 100,241
Electric Apprentice Meter Tech	\$0.00	\$0.00	\$26,157.72	\$0.00	\$ 26,158
Electric Supervisor - Trainer	\$0.00	\$0.00	\$97,225.66	\$0.00	\$ 97,226
Engineering Planning Manager	\$41,448.00	\$22,867.86	\$78,608.28	\$0.00	\$ 142,924
Executive Assistant - COO	\$23,576.02	\$16,259.32	\$41,461.28	\$0.00	\$ 81,297
Human Resources Generalist	\$29,962.47	\$20,663.77	\$52,692.61	\$0.00	\$ 103,319
Journey Gas Worker (2)	\$0.00	\$162,593.24	\$0.00	\$0.00	\$ 162,593
Journey Water Worker (2)	\$105,116.66	\$0.00	\$0.00	\$0.00	\$ 105,117
Meter Data Analyst	\$19,692.41	\$13,580.97	\$34,631.48	\$0.00	\$ 67,905
Procurement Manager	\$20,476.20	\$14,121.51	\$36,009.86	\$0.00	\$ 70,608
Purchasing Assistant	\$4,715.47	\$2,176.37	\$29,381.03	\$0.00	\$ 36,273
Residential Applications Lead	\$18,062.64	\$10,321.51	\$36,125.29	\$0.00	\$ 64,509
SAP Functional Analyst I - HR Support	\$6,923.31	\$3,956.17	\$13,846.61	\$0.00	\$ 24,726
Security Officer	\$26,229.32	\$18,089.19	\$46,127.42	\$0.00	\$ 90,446
Senior Engineer (2)	\$40,952.39	\$22,594.42	\$77,668.33	\$0.00	\$ 141,215
Water IEC Lead	\$23,585.99	\$0.00	\$0.00	\$0.00	\$ 23,586
Water Quality Technician I	\$40,458.11	\$0.00	\$0.00	\$0.00	\$ 40,458
Water Supervisor - RSA/IEC	\$96,076.76	\$0.00	\$0.00	\$0.00	\$ 96,077
Water Systems Technician Operator Lead	\$100,508.86	\$0.00	\$0.00	\$0.00	\$ 100,509
Work Management Analyst	\$22,495.85	\$12,411.50	\$42,664.54	\$0.00	\$ 77,572
Workflow Manager	\$40,814.83	\$22,518.53	\$77,407.43	\$0.00	\$ 140,741
Total Costs	\$ 757,467	\$ 397,957	\$ 925,537	\$ -	\$ 2,080,961

Business Justification for Additional Staff

Apartment Specialist - This position is to keep pace with our growing workload. The demand for new apartment buildings and ownership has increased in Madison County. Due to the increase of ownership changes and after the initial construction is completed, the process to complete all these changes are tedious. In addition, the owner allocation billing is complex and takes time to explain to the individual owners and manager. This position will provide that direct customer service.

Associate Attorney – The Office of General Counsel needs an Associate Attorney to assist us with contract review, general litigation, legal training for employees, and other legal matters. Due to the retirement of former Gas and Water Board attorney, Mr. Bob Miller, and the growth of Huntsville Utilities, this position is needed to improve the efficiency and efficacy of the legal office. Additionally, it will allow us to handle more issues internally rather than sending matters to outside counsel.

Contract Administrator - This position will be an addition to the two contract administrators in the department. The department has experienced an increase in contract and bid volume over 230% in the past 2 years and it is expected to exceed 270% by the end of this fiscal year. This position is needed to support the growth HU is experiencing and the future projects that are planned.

Customer Care Training Specialist (2) - These two positions will allow HU to have additional trainers for the call center and assist with training in the other Customer Service Departments. Once filled, this role will assist with developing and delivering training programs for both new hires and existing employees. The specialist role will allow customer care to complete refresher training from a technical and operational perspective. For the continuance of process improvement, these positions will help HU to maintain all training material in one database and create and update departmental procedures. Currently, this position is a single point of failure with one existing trainer.

Customer Support Supervisor - This position creates a direct supervisor for the trainers and quality assurance specialists. The purpose of this position is to allow the Customer Service Manager to focus on the long-term and strategic goals of Customer Service. In addition, this provides the employees to have a direct supervisor that will allow a greater structure of coordinating training, development, and quality assurance to all employees in Customer Service.

Electric Apprentice Meter Tech – There are four current meter shop employees nearing retirement. The Electric Meter Shop needs at least one apprentice to begin the three-year apprenticeship program to ensure adequate staffing levels in the near future.

Electric Supervisor – Trainer – It is important to the safety and growth of our Electric Operations field personnel to participate in recurring education and training beyond current safety meetings & completion of HU’s Apprenticeship Program. The goal of this Electric Training Supervisor is to conduct regularly scheduled small group training sessions for all Electric Operations field personnel.

Engineering Planning Manager - This position will be responsible for managing the group that executes all of the capital projects within the Engineering Planning Section. Responsibilities include developing project budgets and schedules for the projects and executing the plan. Manager will be responsible for negotiating consultant scopes and fees, documenting project progress and project changes, maintaining project schedules, coordinating with technical groups to ensure that technical reviews are documented and completed within expected timelines, coordinating with Purchasing on project bids, coordinating all construction tasks, and completing project close-out tasks. Construction tasks include processing shop drawing reviews through technical staff, coordinating with project inspectors, review of invoices, ensure that all project reimbursements are processed.

Executive Assistant – COO - This position is a supportive function to the Chief Operation Officer with superior organizational skills. They will be a proactive problem solver with exceptional communication skills and attention to detail. Given the nature of this position with the COO team, this position will be relied upon to be flexible and to hold confidentiality.

Human Resources Generalist – The need for a Human Resource Generalist is due to the continued increase of hires, planned growth for HU by 20%, the manual processes of a new CIS/ERP system and the payroll administrator position moving to finance. This movement will decrease the headcount in HR that would be able to assist in recruitment and various endeavors. A plan was discussed for HR staff movement to an HR Generalist model and was provided and discussed in 2019. This was the initial start of conversations about the development of job matrices and progressions for the organization. By moving to a generalist model, it sets up HR and prepares them to not have single point of failures.

Journey Gas Worker (2) – Consistent distribution system growth has resulted in increased leak surveying responsibilities. That expansion combined with the responsibilities of Redstone Arsenal and increased regulatory requirements for distribution leak surveying results in a need for additional staffing.

Journey Water Worker (2) – These two positions would handle preventative valve maintenance duties at Redstone Arsenal. Our agreement with Redstone requires at least 2 employees to locate each valve, record dimensions, ensure the valve is operable, and determine if it is on or off. Most of the time currently spent on Redstone is on cost plus work which doesn't leave time for the maintenance requirements.

Meter Data Analyst – The deployment of Advanced Metering Infrastructure (AMI) technology has created new complex data components that must be monitored and validated to ensure consistent meter readings and billing for HU customers. This position will analyze AMI data events, assist with data management, perform reconciling functions, testing, and reporting to assist the meter shops and AMI Operations personnel maintain reliable AMI data and optimize meter functionality.

Procurement Manger – This position is a result of the organizational restructuring that created Operations Support and will be responsible for coordinating the procurement of all materials, equipment, and services through management of the Purchasing, Stores, and Fleet groups. The Procurement Manager will ensure the proper application of federal, state, and local procurement laws and compliance with company policies and procedures. A primary focus will be to strike a balance between cost, quality and service while providing the organization with the resources required to serve the community.

Purchasing Assistant – This position will assist with pre-bid and bid opening meetings, transcribing meeting minutes into addendums and acting as administrator to the Contract Management System. They will also assist with reporting, posting bids, scheduling meetings, and attending vendor diversity events.

Residential Applications Lead – This position will oversee the residential applications department. The lead will help address the day-to-day responsibilities such as guidance, monitoring team performance, boosting team morale, addressing, and tracking errors, assisting with training, completing monthly reports, employee performance logs, and customer escalations. This position will require the lead to be knowledgeable and available to assist with customer escalations. When the team is short staffed the customer support team or supervisor jumps in to help, which makes it challenging to keep up with the supervisor's responsibilities.

SAP Functional Analyst I – This position will assist in HR support and other IT applications. They will provide IT HR support including learning security admin functions for Employee Central, maintaining roles and authorizations for segregation of duty access control, and resolving user tickets in other IT digital core applications.

Security Officer – This position will allow for succession planning, one officer to focus on capital security installation projects, and minimize single points of failure. More resources will allow for us to adequately maintain and service the equipment we have, extending the life of what HU has already invested to allow for managing projects, repair and trouble shoot the system, assist with access requests, install new equipment, and clean and maintain old equipment.

Senior Engineer (2) – Engineering is requesting two new Senior Engineers under the Electric Engineering Manager. One will be a DER/Planning Senior Engineer position and will be a technical subject matter expert for Diverse Energy Resources (DER) and planning of the electric system. DER includes microgrids, solar, battery storage and other generation types. The Senior Engineer will be the technical expert in system modeling and planning. The second position will be a Materials and Standards Senior Engineer and will be the technical subject matter expert for electric materials and technical standards specifications.

Water Instrumentation, Electrical, & Controls Lead – Instrumentation, Electrical, & Control work plays a vital role in making plants run safely and efficiently. HU plants rely heavily on automation and control systems to ensure quality and efficiency. Succession planning and the need to develop a solid team of IEC Techs which must have a team lead. Supply is growing technologically, upgrades in SCADA controls, addition of Redstone Arsenal, increase in preventative maintenance on large electrical equipment.

Water Quality Technician I – This position is needed due to the consistent distribution system growth to include compliance sampling and need to have an enhanced flushing program.

Water Supervisor – RSA/IEC – This position is needed due to the fixed costs (OWO/PMO) work among two supervisors, Supply is providing 75% of time to support the IGSA. This does not include the cost-plus work (DMO/PWO) that occurs. Projection based on current rate results in about 12% of time that a supervisor is supporting the IGSA in cost-plus work. Additional roles and responsibilities will be assigned

to the new supervisor to enhance our value to both HU and IGSA including outage management which requires tracking from start to finish and to be a direct contact for the entirety of project.

Water Systems Technician Operator Lead – This position is needed due to the consistent distribution system growth, addition of new booster stations, addition of Redstone Arsenal, increased regulatory requirements for distribution storage tank maintenance and inspection, ADEM Division 10 updates may require increased staffing needs at Lincoln-Dallas Plant.

Work Management Analyst – This position is requested to assist with the work management in the Engineering Services section. This work consists of managing the workflows, coordinating with other departments to help keep orders moving through the various processes, ensuring service orders are properly prepared and released, closing of orders, etc. This position will assist in coordinating the new work order management software/e-Builder software and processes going forward. This position will monitor progress, completion, materials, close-outs; help manage work order audits and material requirements, etc. and will also assist in the processing of easement and right-of-way vacation requests, service availability requests, plat signatures, etc. This position was originally approved in FY23 as a higher-level Work Management Supervisor position.

Workflow Manager – This position is requested to manage the work management in the Engineering Services section. This work consists of managing the workflows, coordinating with other departments to help keep orders moving through the various processes, ensuring service orders are properly prepared and released, closing of orders, etc. The manager will coordinate the new work order management software/e-Builder software and processes going forward. They will also have oversight of the plat approvals, easement and right-of-way vacations, service availability requests, etc. The Work Management Analyst(s) and the Engineering Services Representative(s) will report to this position. This position was originally approved in FY23 as a higher-level Assistant Director position.

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:

- **Senior SAP ABAP Developer (MIS)**
- **Executive Assistant - IT (MIS)**
- **Accounts Receivable Specialist (Finance)**
- **Engineer II**

Capital Improvement Plan

Planned spending for fiscal year 2024 includes recurring capital expenditures of approximately \$54.6 million and non-recurring capital items of \$85.9 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. Below is a breakdown of capital expenditures for fiscal year 2024.

	Water	Gas	Electric	Total
Recurring Capital	\$ 10,202,000	\$ 3,796,356	\$ 40,600,735	\$ 54,599,091
Non-Recurring Capital	\$ 29,976,500	\$ 11,320,500	\$ 44,593,112	\$ 85,890,112
Total	\$ 40,178,500	\$ 15,116,856	\$ 85,193,847	\$ 140,489,203

Items are included in the capital improvement plan based on need and available resources. The Engineering group evaluates the age of existing infrastructure and monitors growth within the service area to determine where system improvements are needed to maintain reliability. Costs are estimated to perform the work and the resulting capital projects are added to the budget. The Water, Gas and Electric Operations groups will assess the condition of vehicles and work equipment and coordinate with the Fleet Management and Purchasing groups before budget requests for recurring capital items are submitted. The Budget and Rates group updates cash projection models for each service based on the expected capital needs, projected operating and maintenance expenses, and sales forecasts. The President/CEO and CFO will then assess cash impacts of the planned activities and adjust the capital improvement plan.

Some of the more notable projects included in the 2024 capital improvement plan include:

Electric

- Construction of a new System Operations Center and Chase Improvements \$29,980,000
- Pinhook Creek 46kV Relocation \$ 5,000,000

Gas

- Cast Iron Replacement \$ 9,814,578
- Northern Bypass Relocates (Pulaski Pk to Memorial Pkwy) \$ 4,251,000

Water

- Rehabilitation of the South Parkway Water Treatment Plant & Sludge Facilities \$23,975,000
- Greenbrier Tank, Tank Feed, Greenbrier Pkwy to Belle Mina \$22,357,000
- Green Mountain Improvements for the Water system \$ 5,700,000
- Research Park Connector \$ 5,450,000

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



The two photos above show the South Parkway Water Treatment Plant, one of three Huntsville Utilities facilities that treat water taken directly from the Tennessee River. Over \$23 million will be spent to rehab this facility which has been in service since 1964. The project is being funded through low interest Alabama State Revolving Fund (SRF) loans and is expected to be complete in 2025.

Water Capital Improvement Plan

NON-RECURRING PROJECTS	2024	2025	2026	2027	2028	5-Year Spending	Total Project Cost	Strategic Focus
Research Park Connector	\$ 5,450,000	\$ -	\$ -	\$ -	\$ -	\$ 5,450,000	\$ 5,450,000	Community Eng & Social Resp
Greenbrier Tank (formerly MTM Tank)	\$ 3,737,000	\$ 3,737,000	\$ -	\$ -	\$ -	\$ 7,474,000	\$ 8,500,000	Community Eng & Social Resp
Greenbrier Tank Feed (I-565 Bore/South)	\$ -	\$ -	\$ -	\$ -	\$ 808,500	\$ 808,500	\$ 10,857,000	Community Eng & Social Resp
Greenbrier Pkwy to Belle Mina	\$ -	\$ -	\$ -	\$ -	\$ 400,000	\$ 400,000	\$ 3,000,000	Community Eng & Social Resp
Martin Road Relocates Phase 2 (Old Jim Williams to Laracy)	\$ 3,030,000	\$ -	\$ -	\$ -	\$ -	\$ 3,030,000	\$ 3,208,000	Community Eng & Social Resp
Green Mountain Improvements	\$ 2,625,000	\$ 2,625,000	\$ -	\$ -	\$ -	\$ 5,250,000	\$ 5,700,000	Community Eng & Social Resp
AL Hwy 20 (Greenbrier Parkway to Wheeler Refuge)	\$ 2,450,000	\$ -	\$ -	\$ -	\$ -	\$ 2,450,000	\$ 2,650,000	Community Eng & Social Resp
AL Hwy 20 (Gunters Way to Wheeler Refuge)	\$ -	\$ 250,000	\$ 25,000	\$ 25,000	\$ 2,750,000	\$ 3,050,000	\$ 3,050,000	Community Eng & Social Resp
AL Hwy 20 Greenbrier to Mooresville at Bibb Garrett (Con)	\$ 100,000	\$ -	\$ -	\$ -	\$ -	\$ 3,925,757	\$ 3,665,000	Community Eng & Social Resp
Southwest Sludge Vac and Flouride Tank Upgrades	\$ 3,000,000	\$ 1,080,000	\$ -	\$ -	\$ -	\$ 4,080,000	\$ 4,400,000	Community Eng & Social Resp
South Parkway Plant Sludge Facilities Rehab	\$ 2,000,000	\$ 1,050,000	\$ -	\$ -	\$ -	\$ 3,050,000	\$ 3,350,000	Community Eng & Social Resp
South Parkway Main Plant Rehab	\$ 1,250,000	\$ -	\$ -	\$ -	\$ -	\$ 1,250,000	\$ 20,000,000	Community Eng & Social Resp
South Parkway WTP Clearwell Rehab	\$ 100,000	\$ 525,000	\$ -	\$ -	\$ -	\$ 625,000	\$ 625,000	Community Eng & Social Resp
Swancott Road West (Construction) (4)	\$ 1,200,000	\$ -	\$ -	\$ -	\$ -	\$ 1,200,000	\$ 1,335,000	Community Eng & Social Resp
Pulaski Pike/NHIP (replace tie to County)	\$ 1,200,000	\$ -	\$ -	\$ -	\$ -	\$ 1,200,000	\$ 1,350,000	Community Eng & Social Resp
SE I-565 Exit 3 Ramp (Greenbriar Rd)	\$ 950,000	\$ -	\$ -	\$ -	\$ -	\$ 950,000	\$ 1,050,000	Community Eng & Social Resp
Northern Bypass Relocates (Pulaski Pk to Memorial Pkwy)	\$ 903,000	\$ -	\$ -	\$ -	\$ -	\$ 903,000	\$ 962,340	Community Eng & Social Resp
Eastern Connector Main	\$ 750,000	\$ 750,000	\$ 7,000,000	\$ 7,000,000	\$ -	\$ 15,500,000	\$ 15,500,000	Community Eng & Social Resp
CIS/ERP/MDM Conversion - Water Portion	\$ 435,000	\$ 696,000	\$ 435,000	\$ 174,000	\$ -	\$ 1,740,000	\$ 1,740,000	Transformation
Bob Wade Booster Pump Station and Piping Phase I	\$ 400,000	\$ 2,550,000	\$ -	\$ -	\$ -	\$ 2,950,000	\$ 2,950,000	Community Eng & Social Resp
Gas Chromatograph - Mass Spec.	\$ 130,000	\$ -	\$ -	\$ -	\$ -	\$ 130,000	\$ 130,000	Transformation
Hampton Cove Roof Replacement	\$ 108,000					\$ 108,000	\$ 108,000	Community Eng & Social Resp
Ice Machine Room on Dock	\$ 70,000	\$ -	\$ -	\$ -	\$ -	\$ 70,000	\$ 70,000	Transformation
WTP SCADA Security	\$ 45,000	\$ -	\$ -	\$ -	\$ -	\$ 45,000	\$ 45,000	Transformation
Inservice Outage Management System (OMS)	\$ 43,500	\$ -	\$ -	\$ -	\$ -	\$ 43,500	\$ 214,000	Transformation
North Base Booster Upgrade/Replacement	\$ -	\$ 1,350,000	\$ 650,000	\$ 1,350,000	\$ 650,000	\$ 4,000,000	\$ 4,000,000	Community Eng & Social Resp
SEWTP Expansion to 24MGD	\$ -	\$ 550,000	\$ 2,850,000	\$ 2,850,000	\$ -	\$ 6,250,000	\$ 6,250,000	Community Eng & Social Resp
Town of Mooresville Connection	\$ -	\$ 250,000	\$ 2,600,000	\$ -	\$ -	\$ 2,850,000	\$ 2,850,000	Community Eng & Social Resp
Brock Rd Pump Station & Piping	\$ -	\$ -	\$ 420,000	\$ 1,200,000	\$ 1,200,000	\$ 2,820,000	\$ 3,050,000	Community Eng & Social Resp
Ryland Pike Pump Station and Piping	\$ -	\$ -	\$ 350,000	\$ 1,000,000	\$ 1,000,000	\$ 2,350,000	\$ 2,350,000	Community Eng & Social Resp
Ryland Pike Tank and Piping	\$ -	\$ -	\$ -	\$ 250,000	\$ 4,633,500	\$ 4,883,500	\$ 9,517,000	Community Eng & Social Resp
McMullen Rd Tank and Piping	\$ -	\$ -	\$ -	\$ 300,000	\$ 4,726,250	\$ 5,026,250	\$ 9,752,500	Community Eng & Social Resp
Coretta Dr Main	\$ -	\$ -	\$ -	\$ -	\$ 225,000	\$ 225,000	\$ 1,500,000	Community Eng & Social Resp
NON-RECURRING CAPITAL	\$ 29,976,500	\$ 15,413,000	\$ 14,330,000	\$ 14,149,000	\$ 16,393,250	\$ 94,087,507	\$ 139,178,840	

Water Capital Improvement Plan (CONTINUED)

RECURRING CAPITAL	2024	2025	2026	2027	2028	5-Year Spending	Total Project Cost	Strategic Focus
General Development and Main Extensions	\$ 4,000,000	\$ 3,400,000	\$ 3,400,000	\$ 3,400,000	\$ 3,400,000	\$ 17,600,000	Not Applicable	Community Eng & Social Resp
Vehicles	\$ 1,457,000	\$ 529,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 4,986,000	Not Applicable	Community Eng & Social Resp
CI/AC Replacement	\$ 500,000	\$ 1,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 7,500,000	Not Applicable	Community Eng & Social Resp
Tank Maintenance and Repainting	\$ 1,200,000	\$ 1,200,000	\$ 800,000	\$ 1,200,000	\$ 1,200,000	\$ 5,600,000	Not Applicable	Community Eng & Social Resp
Metering Equipment	\$ 1,600,000	\$ 1,500,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 6,100,000	Not Applicable	Community Eng & Social Resp
Capitalized material for O&M construction	\$ 455,000	\$ 455,000	\$ 455,000	\$ 455,000	\$ 455,000	\$ 2,275,000	Not Applicable	Community Eng & Social Resp
New Service Lines	\$ 375,000	\$ 375,000	\$ 375,000	\$ 375,000	\$ 375,000	\$ 1,875,000	Not Applicable	Community Eng & Social Resp
Misc Road Relocations/Street Pavement	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 500,000	Not Applicable	Community Eng & Social Resp
Land Purchases	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 1,000,000	Not Applicable	Community Eng & Social Resp
Rerun Service Line Material	\$ 315,000	\$ 315,000	\$ 315,000	\$ 315,000	\$ 315,000	\$ 1,575,000	Not Applicable	Transformation
Tools and Work Equipment	\$ -	\$ 80,000	\$ 80,000	\$ 80,000	\$ 80,000	\$ 320,000	Not Applicable	Community Eng & Social Resp
RECURRING CAPITAL	\$ 10,202,000	\$ 9,154,000	\$ 9,725,000	\$ 10,125,000	\$ 10,125,000	\$ 49,331,000		

TOTAL CAPITAL	\$ 40,178,500	\$ 24,567,000	\$ 24,055,000	\$ 24,274,000	\$ 26,518,250	\$ 139,592,750
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FUNDING SOURCE	2024	2025	2026	2027	2028	5-Year Total
Pay As You Go	\$ 10,653,448	\$ 8,727,580	\$ 5,700,000	\$ 5,839,000	\$ 6,698,500	\$ 37,618,528
Transfers	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Reimbursements	\$ 3,721,000	\$ -	\$ 600,000	\$ 600,000	\$ 600,000	\$ 5,521,000
System Development Fees	\$ 1,860,000	\$ 1,860,000	\$ 1,860,000	\$ 1,860,000	\$ 1,860,000	\$ 9,300,000
State Revolving Fund	\$ 15,982,052	\$ 8,067,420	\$ 15,895,000	\$ 15,975,000	\$ 17,359,750	\$ 73,279,222
Other Borrowing Proceeds	\$ 7,962,000	\$ 5,912,000	\$ -	\$ -	\$ -	\$ 13,874,000
TOTAL FUNDING	\$ 40,178,500	\$ 24,567,000	\$ 24,055,000	\$ 24,274,000	\$ 26,518,250	\$ 139,592,750

Gas Capital Improvement Plan

NON-RECURRING CAPITAL	2024	2025	2026	2027	2028	5-Year Spending	Total Project Cost	Strategic Focus
Northern Bypass Relocates (Pulaski Pk to Memorial Pkwy)	\$ 3,961,000	\$ -	\$ -	\$ -	\$ -	\$ 3,961,000	\$ 4,251,000	Community Eng & Social Resp
Cast Iron Replacement	\$ 2,700,000	\$ -	\$ -	\$ -	\$ -	\$ 2,700,000	\$ 9,814,578	Community Eng & Social Resp
Blake Bottom Road (Tindall to Anslee Way)	\$ 1,590,000	\$ -	\$ -	\$ -	\$ -	\$ 1,590,000	\$ 1,725,000	Community Eng & Social Resp
Martin Road Phase 2 (Wall Triana to Old Jim Williams)	\$ 1,379,000	\$ -	\$ -	\$ -	\$ -	\$ 1,379,000	\$ 1,500,000	Community Eng & Social Resp
McMullen Regulator Station	\$ 650,000	\$ -	\$ -	\$ -	\$ -	\$ 650,000	\$ 650,000	Community Eng & Social Resp
CIS/ERP/MDM conversion - gas portion	\$ 300,000	\$ 480,000	\$ 300,000	\$ 120,000		\$ 1,200,000	\$ 1,200,000	Transformation
Cathodic Protection Rectifiers & Groundbeds	\$ 225,000	\$ -	\$ -	\$ -	\$ -	\$ 225,000	\$ 250,000	Community Eng & Social Resp
AMI Modules - Purchase and Install by Contractor	\$ 157,000	\$ -	\$ -	\$ -	\$ -	\$ 157,000	\$ 6,430,000	Transformation
Oscar Patterson Road	\$ 100,000	\$ 1,925,000	\$ -	\$ -	\$ -	\$ 2,025,000	\$ 2,225,000	Community Eng & Social Resp
Moores Mill (Charley Patterson to Oscar Patterson)	\$ 80,000	\$ 655,000	\$ -	\$ -	\$ -	\$ 735,000	\$ 735,000	Community Eng & Social Resp
Ice Machine Room on Dock	\$ 70,000	\$ -	\$ -	\$ -	\$ -	\$ 70,000	\$ 70,000	Community Eng & Social Resp
25 hp Air Compressor with Dryer and Receiver	\$ 44,000	\$ -	\$ -	\$ -	\$ -	\$ 44,000	\$ 44,000	Community Eng & Social Resp
Inservice Outage Management System (OMS)	\$ 34,500	\$ -	\$ -	\$ -	\$ -	\$ 34,500	\$ 208,000	Transformation
AL Hwy 20 (Greenbrier to Mooresville) (Construction)	\$ 30,000	\$ -	\$ -	\$ -	\$ -	\$ 30,000	\$ 1,250,000	Community Eng & Social Resp
Providence Main Relocation	\$ -	\$ 410,000	\$ 1,590,000	\$ 1,590,000	\$ -	\$ 3,590,000	\$ 3,590,000	Community Eng & Social Resp
Walker Ln/Steger Rd Completion	\$ -	\$ 150,000	\$ 950,000	\$ -	\$ -	\$ 1,100,000	\$ 1,100,000	Community Eng & Social Resp
North Gas Distribution Phase I	\$ -	\$ -	\$ 150,000	\$ 800,000	\$ -	\$ 950,000	\$ 950,000	Community Eng & Social Resp
North Gas Distribution Phase II	\$ -	\$ -	\$ -	\$ 155,000	\$ 1,332,000	\$ 1,487,000	\$ 1,487,000	Community Eng & Social Resp
North Gas Distribution Phase III	\$ -	\$ -	\$ -	\$ -	\$ 125,000	\$ 125,000	\$ 125,000	Community Eng & Social Resp
Old Big Cove Gas	\$ -	\$ -	\$ -	\$ 165,000	\$ 1,400,000	\$ 1,565,000	\$ 1,565,000	Community Eng & Social Resp
Cherry Tree Area (Regency to Eslinger) Tie	\$ -	\$ -	\$ -	\$ -	\$ 165,000	\$ 165,000	\$ 500,000	Community Eng & Social Resp
NON-RECURRING CAPITAL	\$ 11,320,500	\$ 3,620,000	\$ 2,990,000	\$ 2,830,000	\$ 3,022,000	\$ 23,782,500	\$ 39,669,578	

Gas Capital Improvement Plan (CONTINUED)

RECURRING CAPITAL	2024	2025	2026	2027	2028	5-Year Spending	Total Project Cost	Strategic Focus
Vehicles	\$ 1,325,356	\$ 309,045	\$ 195,351	\$ 195,351	\$ 195,351	\$ 2,220,454	Not Applicable	Community Eng & Social Resp
General Development and Extensions	\$ 850,000	\$ 850,000	\$ 850,000	\$ 850,000	\$ 850,000	\$ 4,250,000	Not Applicable	Community Eng & Social Resp
Metering Equipment	\$ 633,000	\$ 650,000	\$ 650,000	\$ 650,000	\$ 650,000	\$ 3,233,000	Not Applicable	Community Eng & Social Resp
New Service Lines	\$ 350,000	\$ 350,000	\$ 350,000	\$ 350,000	\$ 350,000	\$ 1,750,000	Not Applicable	Community Eng & Social Resp
Land Purchases	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 1,000,000	Not Applicable	Community Eng & Social Resp
Maintenance of Gas System	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 500,000	Not Applicable	Community Eng & Social Resp
Misc Road Relocations/Street Pavement	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 100,000	\$ 900,000	Not Applicable	Community Eng & Social Resp
Regulators	\$ 127,000	\$ 140,000	\$ 140,000	\$ 140,000	\$ 140,000	\$ 687,000	Not Applicable	Community Eng & Social Resp
Tools and Work Equipment	\$ 11,000	\$ 25,000	\$ -	\$ 25,000	\$ -	\$ 61,000	Not Applicable	Community Eng & Social Resp
RECURRING CAPITAL	\$ 3,796,356	\$ 2,824,045	\$ 2,685,351	\$ 2,710,351	\$ 2,585,351	\$ 14,601,454		

TOTAL CAPITAL	\$ 15,116,856	\$ 6,444,045	\$ 5,675,351	\$ 5,540,351	\$ 5,607,351	\$ 38,383,954
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FUNDING SOURCE	2024	2025	2026	2027	2028	5-Year Total
Pay As You Go	\$ 8,186,856	\$ 6,444,045	\$ 5,675,351	\$ 5,540,351	\$ 5,607,351	\$ 31,453,954
Transfers	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Reimbursements	\$ 6,930,000	\$ -	\$ -	\$ -	\$ -	\$ 6,930,000
Borrowing Proceeds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL FUNDING	\$ 15,116,856	\$ 6,444,045	\$ 5,675,351	\$ 5,540,351	\$ 5,607,351	\$ 38,383,954

Electric Capital Improvement Plan

NON-RECURRING CAPITAL	2024	2025	2026	2027	2028	5-Year Spending	Total Project Cost	Strategic Focus
Systems Operations Center and Chase Improvements	\$ 22,852,000	\$ 2,521,000	\$ -	\$ -	\$ -	\$ 25,373,000	\$ 29,980,000	Community Eng & Social Resp
Pinhook Creek 46kV Relocation	\$ 2,700,000	\$ 2,250,000	\$ -	\$ -	\$ -	\$ 4,950,000	\$ 5,000,000	Community Eng & Social Resp
CIS/ERP/MDM conversion - Electric Portion	\$ 765,000	\$ 1,224,000	\$ 765,000	\$ 306,000	\$ -	\$ 3,060,000	\$ 3,060,000	Transformation
Elkwood Section Delivery Substation - 161-25kV	\$ 2,100,000	\$ 2,500,000	\$ -	\$ -	\$ -	\$ 4,600,000	\$ 4,600,000	Community Eng & Social Resp
Elkwood Section Substation Expansion (161/46kV Delivery Point)	\$ -	\$ 1,100,000	\$ 5,600,000	\$ -	\$ -	\$ 6,700,000	\$ 6,700,000	Community Eng & Social Resp
Big Cove 161kV/12kV Substation	\$ 2,092,000	\$ -	\$ -	\$ -	\$ -	\$ 2,092,000	\$ 3,684,000	Community Eng & Social Resp
Walker Lane Substation	\$ 1,949,000	\$ -	\$ -	\$ -	\$ -	\$ 1,949,000	\$ 4,193,000	Community Eng & Social Resp
Walker Lane 12kV to 25kV Conversion	\$ 676,000	\$ -	\$ -	\$ -	\$ -	\$ 676,000	\$ 676,000	Community Eng & Social Resp
Walker Lane Exit Circuits	\$ 400,000	\$ -	\$ -	\$ -	\$ -	\$ 400,000	\$ 400,000	Community Eng & Social Resp
Walker Lane Security System	\$ 72,000	\$ -	\$ -	\$ -	\$ -	\$ 72,000	\$ 71,950	Transformation
Chase Master Plan Improvements	\$ 1,000,000	\$ 500,000	\$ -	\$ -	\$ -	\$ 1,500,000	\$ 2,000,000	Transformation
Northwest Substation Expansion	\$ 1,600,000	\$ 1,600,000	\$ -	\$ -	\$ -	\$ 3,200,000	\$ 3,200,000	Community Eng & Social Resp
Northwest 25kV Conversion	\$ -	\$ 750,000	\$ -	\$ -	\$ -	\$ 750,000	\$ 750,000	Community Eng & Social Resp
Northwest Exit Circuits	\$ -	\$ 500,000	\$ -	\$ -	\$ -	\$ 500,000	\$ 500,000	Community Eng & Social Resp
Moontown (46kV line from Moontown to Chase)	\$ 1,575,000	\$ -	\$ -	\$ -	\$ -	\$ 1,575,000	\$ 2,300,000	Community Eng & Social Resp
Toyota Solar Generation Substation and Security	\$ 1,172,000	\$ -	\$ -	\$ -	\$ -	\$ 1,172,000	\$ 3,300,000	Transformation
Equipment Shed (Fiber Operations facility)	\$ 850,000	\$ -	\$ -	\$ -	\$ -	\$ 850,000	\$ 850,000	Community Eng & Social Resp
Construction of Fiber Ops facility	\$ 500,000	\$ -	\$ -	\$ -	\$ -	\$ 500,000	\$ 1,530,000	Transformation
Northern Bypass Relocates	\$ 800,000	\$ -	\$ -	\$ -	\$ -	\$ 800,000	\$ 800,000	Community Eng & Social Resp
Major Roadway Relocations	\$ 750,000	\$ 750,000	\$ 750,000	\$ 750,000	\$ 750,000	\$ 3,750,000	\$ 3,750,000	Community Eng & Social Resp
Flexible Generation Design	\$ 500,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 4,500,000	\$ 4,500,000	Transformation
Governors Drive Underground	\$ 500,000	\$ 1,000,000	\$ -	\$ -	\$ -	\$ 1,500,000	\$ 2,000,000	Community Eng & Social Resp
Spragins Improvements	\$ 400,000	\$ 650,000	\$ 250,000	\$ -	\$ -	\$ 1,300,000	\$ 1,300,000	Community Eng & Social Resp
Fiber Extension Stateline	\$ 400,000	\$ -	\$ -	\$ -	\$ -	\$ 400,000	\$ 1,000,000	Community Eng & Social Resp
Chase Main Garage Door Replacements	\$ 345,000	\$ 200,000	\$ -	\$ -	\$ -	\$ 545,000	\$ 545,000	Community Eng & Social Resp
Downtown Electric Switch Replacement	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 1,000,000	\$ 1,000,000	Community Eng & Social Resp
Mezzanine to Expand Chase Tool Room	\$ 120,000	\$ -	\$ -	\$ -	\$ -	\$ 120,000	\$ 120,000	Community Eng & Social Resp
DC Fast Charger Project	\$ 105,243	\$ -	\$ -	\$ -	\$ -	\$ 105,243	\$ 105,243	Transformation
Inservice Outage Management System (OMS)	\$ 72,000	\$ -	\$ -	\$ -	\$ -	\$ 72,000	\$ 247,000	Transformation
PBX Upgrade	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ 50,000	\$ 300,000	Transformation
25 hp Air Compressor with Dryer and Receiver	\$ 47,869	\$ -	\$ -	\$ -	\$ -	\$ 47,869	\$ 47,869	Transformation
Pegasus Substation	\$ -	\$ 1,883,000	\$ 1,245,000	\$ -	\$ -	\$ 3,128,000	\$ 3,128,000	Community Eng & Social Resp
46kV - Thornton to Pegasus	\$ -	\$ -	\$ 2,300,000	\$ -	\$ -	\$ 2,300,000	\$ 2,300,000	Community Eng & Social Resp
Cherrytree Area Substation	\$ -	\$ 1,808,000	\$ 1,245,000	\$ -	\$ -	\$ 3,053,000	\$ 3,053,000	Community Eng & Social Resp
46kV to Cherrytree Area Substation	\$ -	\$ 1,075,000	\$ -	\$ -	\$ -	\$ 1,075,000	\$ 1,075,000	Community Eng & Social Resp
Hobbs Island Road Substation 161/12	\$ -	\$ 1,450,000	\$ 2,500,000	\$ -	\$ -	\$ 3,950,000	\$ 3,950,000	Community Eng & Social Resp
Hobbs Island Road Substation Exit Circuits	\$ -	\$ -	\$ 500,000	\$ -	\$ -	\$ 500,000	\$ 500,000	Community Eng & Social Resp
Stegers Transformer and 25kV Conversion	\$ -	\$ 725,000	\$ -	\$ -	\$ -	\$ 725,000	\$ 725,000	Community Eng & Social Resp
SE Substation - 161kV to 46kV	\$ -	\$ -	\$ 750,000	\$ 1,660,000	\$ 75,000	\$ 2,485,000	\$ 2,485,000	Community Eng & Social Resp

Electric Capital Improvement Plan (CONTINUED)

NON-RECURRING CAPITAL	2024	2025	2026	2027	2028	5-Year Spending	Total Project Cost	Strategic Focus
SE Substation (46kV from SE Delivery to New Hope)	\$ -	\$ -	\$ -	\$ 1,125,000	\$ -	\$ 1,125,000	\$ 1,125,000	Community Eng & Social Resp
HVAC Units	\$ -	\$ -	\$ 550,000	\$ -	\$ -	\$ 550,000	\$ 550,000	Community Eng & Social Resp
Charity Lane Substation	\$ -	\$ -	\$ -	\$ -	\$ 1,600,000	\$ 1,600,000	\$ 1,600,000	Community Eng & Social Resp
OXR Substation - Replace Transformers	\$ -	\$ -	\$ -	\$ -	\$ 800,000	\$ 800,000	\$ 800,000	Community Eng & Social Resp
SW Water Substation - Replace Transformers	\$ -	\$ -	\$ -	\$ -	\$ 700,000	\$ 700,000	\$ 700,000	Community Eng & Social Resp
Barber Coleman Substation - Replace Transformers	\$ -	\$ -	\$ -	\$ -	\$ 700,000	\$ 700,000	\$ 700,000	Community Eng & Social Resp
Chrysler Substation - Replace Transformers	\$ -	\$ -	\$ -	\$ -	\$ 330,000	\$ 330,000	\$ 330,000	Community Eng & Social Resp
Monte Sano Substation - Replace Transformers	\$ -	\$ -	\$ -	\$ -	\$ 330,000	\$ 330,000	\$ 330,000	Community Eng & Social Resp
Vintage Substation - Replace Transformers	\$ -	\$ -	\$ -	\$ -	\$ 330,000	\$ 330,000	\$ 330,000	Community Eng & Social Resp
NON RECURRING CAPITAL	\$ 44,593,112	\$ 23,686,000	\$ 17,655,000	\$ 5,041,000	\$ 6,815,000	\$ 97,790,112	\$ 112,191,062	

RECURRING CAPITAL	2024	2025	2026	2027	2028	5-Year Speneing	Total Project Cost	Strategic Focus
Electric General Development and Extensions	\$ 7,400,000	\$ 7,400,000	\$ 7,400,000	\$ 7,400,000	\$ 7,400,000	\$ 37,000,000	Not Applicable	Community Eng & Social Resp
Metering Equipment	\$ 2,675,000	\$ 3,142,500	\$ 3,162,750	\$ 3,395,025	\$ 3,426,628	\$ 15,801,903	Not Applicable	Community Eng & Social Resp
Vehicles	\$ 6,371,735	\$ 2,042,000	\$ 4,194,000	\$ 3,000,000	\$ 3,000,000	\$ 18,607,735	Not Applicable	Community Eng & Social Resp
Distribution Transformers	\$ 13,442,000	\$ 10,000,000	\$ 9,000,000	\$ 9,000,000	\$ 9,000,000	\$ 50,442,000	Not Applicable	Community Eng & Social Resp
Maintenance of electric system/pole change outs	\$ 3,200,000	\$ 4,500,000	\$ 4,900,000	\$ 5,300,000	\$ 5,700,000	\$ 23,600,000	Not Applicable	Community Eng & Social Resp
Fiber General Development and Extensions	\$ 3,700,000	\$ 2,700,000	\$ 2,700,000	\$ 2,700,000	\$ 2,700,000	\$ 14,500,000	Not Applicable	Community Eng & Social Resp
Computer Equipment	\$ 1,595,000	\$ 1,900,000	\$ 1,900,000	\$ 1,900,000	\$ 1,900,000	\$ 9,195,000	Not Applicable	Transformation
Replace Obsolete Breakers	\$ 350,000	\$ 350,000	\$ 350,000	\$ 350,000	\$ 350,000	\$ 1,750,000	Not Applicable	Community Eng & Social Resp
Misc Underground Cable Replacement	\$ 200,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 4,200,000	Not Applicable	Community Eng & Social Resp
Electric Misc Upgrades & COH/Roadway Relocations	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 1,500,000	Not Applicable	Community Eng & Social Resp
Materials for Maintenance of Fiber System	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 500,000	Not Applicable	Community Eng & Social Resp
Misc System Improvements	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 1,000,000	Not Applicable	Community Eng & Social Resp
Tools & Work Equipment	\$ 413,000	\$ 570,000	\$ 322,000	\$ 370,000	\$ 70,000	\$ 1,745,000	Not Applicable	Transformation
Land Purchases for Substations	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 1,000,000	Not Applicable	Community Eng & Social Resp
Fiber Road Relocations	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 500,000	Not Applicable	Community Eng & Social Resp
Fiber New Tier 2 (COH, etc)	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 1,250,000	Not Applicable	Community Eng & Social Resp
Communication Equipment	\$ 104,000	\$ 52,000	\$ 60,000	\$ 65,000	\$ 70,000	\$ 351,000	Not Applicable	Transformation
RECURRING CAPITAL	\$ 40,600,735	\$ 34,806,500	\$ 36,138,750	\$ 35,630,025	\$ 35,766,628	\$ 182,942,638		

TOTAL CAPITAL	\$ 85,193,847	\$ 58,492,500	\$ 53,793,750	\$ 40,671,025	\$ 42,581,628	\$ 280,732,750
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FUNDING SOURCE	2024	2025	2026	2027	2028	5-Year Total
Pay As You Go	\$ 50,328,847	\$ 47,871,500	\$ 47,943,750	\$ 40,671,025	\$ 42,581,628	\$ 229,396,750
Transfers	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Reimbursements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Borrowing Proceeds	\$ 34,865,000	\$ 10,621,000	\$ 5,850,000	\$ -	\$ -	\$ 51,336,000
TOTAL FUNDING	\$ 85,193,847	\$ 58,492,500	\$ 53,793,750	\$ 40,671,025	\$ 42,581,628	\$ 280,732,750

The Northwest Substation pictured here, and several other substations are planned for expansion in FY24 and FY25.



Impacts of Capital Expenditures on Operating & Maintenance Expenses

Many times, capital and operating expenses are viewed exclusive of each other during the budget process. However, the two types of expenses are closely connected and devoting resources to one does not always mean that less resources are required of the other. To illustrate this, the notable projects identified in the current capital improvement plan are discussed below from a perspective of how they might impact operating and maintenance expenses. Additional information on these capital projects can be found in our Engineering FY24 Capital Project Summaries Section.

Water

Southwest Water Treatment Plant Sludge and Fluoride Upgrades

- The Southwest Water Treatment Plant has been in service since 1988. Over the years normal preventative maintenance and upgrades have occurred. It is now time for a few major upgrades and replacements to happen. Listed below are the main upgrades needed.
 - The existing lining of the fluoride tank is deteriorating and needs to be replaced.
 - The sludge vacuums and the 4 settling basins need improvements and the sludge can only be removed by emptying basins one at a time. Plants capacity is limited and reduced when a basin is out of service for sludge removal activities.
- By completion of this project, it will reduce maintenance time of the basins and eliminate downtime to remove sludge.
- Debt service will increase with borrowing required to finance the project.
- Expected first year operating budget impact: \$25,000 Decrease.

Green Mountain Improvements for the Water system

- The existing single line feed and double booster station that feeds to Green Mountain has reached its maximum capacity. The single line feed runs through potential landslide zone. A second feed allows for continued growth on Green Mountain and allows a redundant supply point.
- These improvements, which are required to serve customers at a higher elevation, are also a result of customer growth which ultimately drives up the water treatment expense.
- Long-term operating and maintenance costs will increase with the addition of a booster pump station and roughly a mile of additional water main. Materials and employee expenses will go up as a result.
- There will be a temporary increase in contracted labor for installation of the required infrastructure.
Expected first year operating budget impact: \$25,000 increase.

Greenbrier Tank Improvements for the Water System

- The service area for this water system was acquired from LCWSA in July 2019. The acquisition did not include any system storage and the nearest base level tank to this portion of the service area is located off Holmes Avenue between Jordan Ln and Memorial Pkwy. The tank will stabilize water pressure flocculation's and provide additional capacity in the area during time of high demands from Mazda Toyota and surrounding rapidly growing industrial and Commercial area.
- Long-term operating and maintenance costs will increase with the addition of the new water tank. Materials and employee expenses will go up as a result.
- There will be a temporary increase in contracted labor for installation of the required infrastructure.
- Expected first year operating budget impact: \$10,000 increase.

Gas

Northern Bypass Relocates for the Gas System

- The existing high-pressure gas main along Bob Wade Lane interferes with the Northern Bypass project. This is a reimbursable road project to relocate approximately 15,000 linear feet 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.
- The road must be widened to accommodate increasing traffic counts due to growth in the Huntsville area. New pipe will be installed as part of the relocation process.
- The capital costs will be fully funded through reimbursement from external agencies.
- The service life of the distribution mains will be reset with the new pipe resulting in deferred future capital costs. Due to industry regulatory requirements, operating expenses related to the maintenance of the pipe will remain consistent with current costs.
- Expected first year operating budget impact: \$0 decrease.

Cast Iron Pipe Replacement for the Gas System

- The cast iron pipe was originally installed in the 1950s and 1960s. Regulatory agencies are pushing for replacement to avoid corrosion and leaks. Multiple projects to replace 28.4 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.
- Polyethylene (PE) pipe should result in fewer gas leaks, leading to fewer maintenance calls.
- Preventative leak surveying, required by regulatory agencies, may be reduced due to the elimination of cast iron pipe.
- There will be a temporary increase in contracted labor for installation of the pipe.
- Expected first year operating budget impact: \$100,000 decrease.

Electric

Pinhook 46kV Relocation

- This will be a relocation ~3,000 linear feet of 46kV double circuit overhead electric transmission line.
- The line interferes with City of Huntsville planned creek improvements. The City of Huntsville received FEMA funding for flood mitigation.
- The capital costs for this relocation project will be fully funded through Huntsville Utilities. There will be no reimbursement by any funding sources.
- The service life of the transmission lines will be reset with the new infrastructure resulting in deferred future capital costs. Due to industry regulatory requirements, operating expenses related to the maintenance of this line will remain consistent with current costs.
- Expected first year operating budget impact: \$0 decrease.

Construction of a New System Operations Center

- The current operations center is too small and cannot accommodate additional personnel or equipment needed for expanding systems/infrastructure.
- The new Outage Management System (OMS) will allow more efficient response to system outages, reducing time spent analyzing prospective failures.
- Additional system operators will most likely be needed to staff the larger more advanced facility leading to additional onboarding and education and training costs.
- There will be additional facilities maintenance costs for cleaning, security, and utilities.
- Debt service expense will increase with borrowing required to finance the project.
- Expected first year operating budget impact: \$1 million increase.

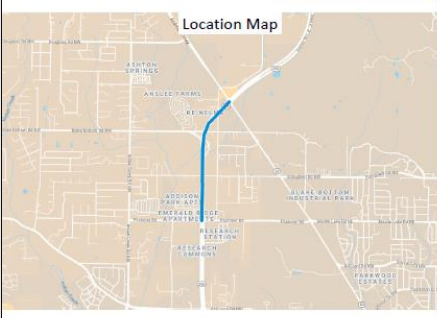

Construction of New Electric Substations and Circuit Upgrades

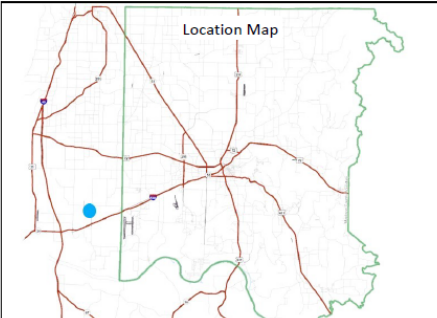
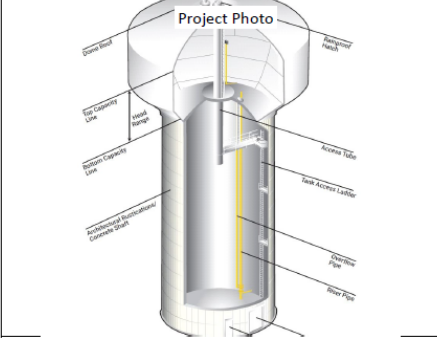
Big Cove, Elkwood, Walker Lane, Toyota Generation, and Moontown

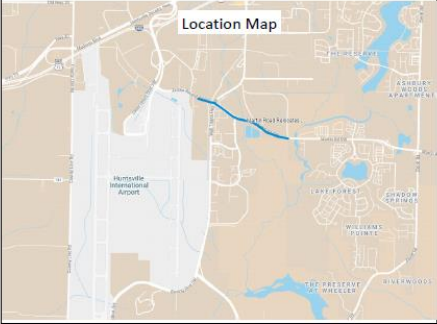

- These substations are a product of customer growth in all areas of the electric system which also results in higher purchased power costs and additional sales revenue.
- Additional facilities across the service area will require long-term increases to material, equipment maintenance, and fuel costs.
- Converting circuits from 12kV to 25kV should reduce line loss, resulting in minor reductions to purchased power, and should allow for greater substation spacing which will reduce future capital costs.
- Payments in lieu of taxes (PILOT) to the city will increase since electric PILOT is based on asset values. Insurance premiums are also tied to asset values.
- Expected first year operating budget impact: \$1M increase.

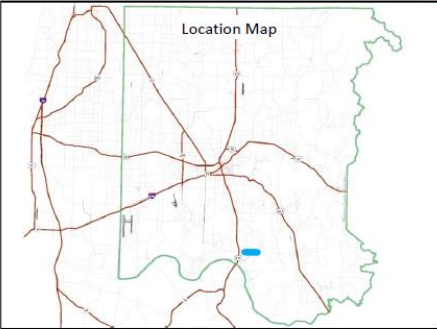
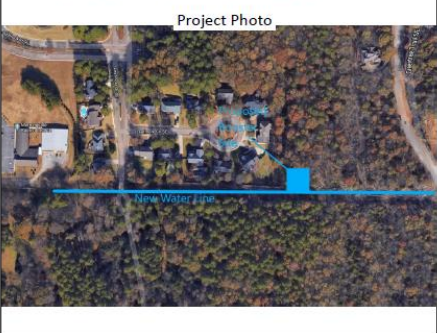
Engineering FY24 Capital Project Summaries – Water

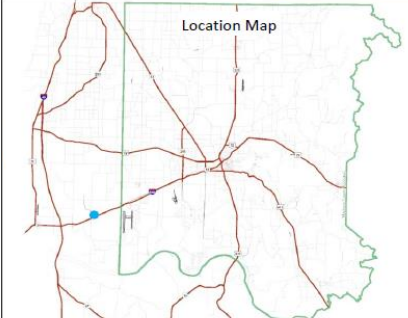

Note: Every item in the capital improvement plan will not have a project summary sheet. Only projects with work scheduled for FY24 that require design and planning by the Engineering section are included.

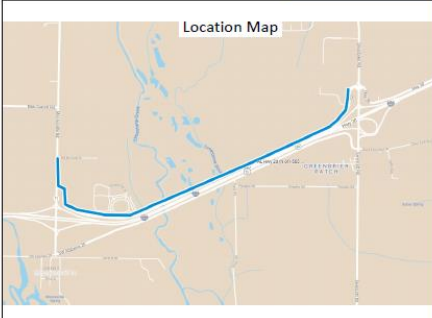

Current&Future Huntsville Utilities Project- Water Capital		Project Owner: HU	July 2023
RESEARCH PARK CONNECTOR [M5]		CPP-23.W.607310.51.09	Status: Engineering On Time
<p>Scope of Project: Installation of 8,200 lf of 24" DI along Research Park Blvd from Plummer Rd to Hwy 53/Jordan Ln. Engineering FY2023, Construction FY2024</p> <p>Justification: New main needed to meet future increased demands for water at Starbelt Development & North Huntsville Industrial Park. Hydraulic modeling indicated combined potential demands from Facebook expansion, existing customers, and any future addition would exceed capability meet area demands.</p> <p>Project Update: Executed agreement with CDG on 7 December 2022. Pre-bid meeting conducted on 9 May 2023. Bid opening conducted on 24 May. Received SRF approval to award on 7 June. Board approval on 27 June John Plott Company was low bidder at \$4,955,492.26. City Council approval of additional project budget will be required. Contingent Intent to Award Issued 30 June 2023</p> <p>Project Notes: Contingent Intent to Award Issued on 30 June 2023. Board Approval on 27 June 2023 SRF Approval to Award 7 June 2023 PRCS submitted to ADEM SRF on 31 May.</p> <p>FY2024 Budget: \$5,450,000.00 Total Project Cost: \$5,450,000.00</p>		 	
Engineering Start:	05-Dec-22	Bid Opening:	24-May-23
Intent to Award:	06/30/2023	N.T.P.:	
Projected Complete:		Req'd Complete:	30-Jun-24

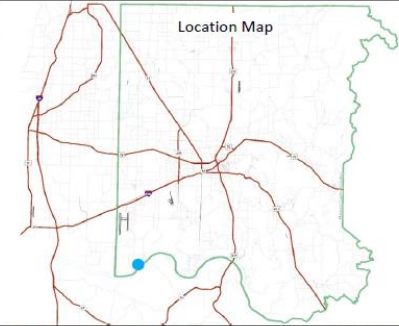

Current&Future Huntsville Utilities Project- Water Capital		Project Owner: HU	July 2023
GREENBRIER TANK [T3]		CPP-22.W.607310.51.12	Status: Engineering Behind Schedule
<p>Scope of Project: 2 MG elevated tank on Greenbrier Rd. Tank will be located north of Norfolk Southern train tracks and south of Old Highway 20.</p> <p>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 from Mazda Toyota and surrounding rapidly growing Industrial & Commercial Area.</p> <p>Project Update: Contract Finalized 25MAY23, Precon scheduled for 07JUN23 Prebid meeting scheduled for January 17, Bid opening Feb 7 Permit submitted to ADEM November 23. Plans & Specs sent to purchasing November 28. LCE approved in September, 90% plans and specs under review Final design and specifications on track for Bidding by end of fiscal Year 2022.</p> <p>Project Notes:</p> <p>FY2024 Budget: \$3,737,000.00 Total Project Cost: \$8,500,000.00</p>		 	
Engineering Start:		Bid Opening:	
Intent to Award:		N.T.P.:	
Projected Complete:		Req'd Complete:	30-Sep-24

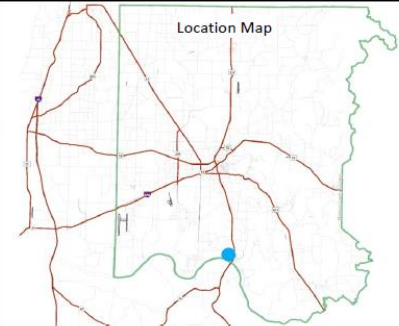

Current&Future Huntsville Utilities Project- Water Capital		Project Owner: COH	July 2023
Martin Road Relocates Ph. 2 (Old Jim Williams to Laracy)		CPP-22.W.607310.52.05	Status: Engineering On Time
<p>Scope of Project: Reimbursable road project to relocate & replace approx. 700 lf of 12" C.I., 3000 lf of 16" D.I. & 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 & betterment is anticipated. Relocation work will be done as part of the roadway project. Engineering in FY2022, Construction in FY2023.</p> <p>Justification: Existing water main along Martin Road is in conflict with the Martin Road widening project.</p> <p>Project Update: Garver is designer. Final Design is completed for incorporation into the roadway plans. No change in June 2023. Current Project Estimate = \$3,207,114.30</p> <p>Project Notes: SAHD 3 agreement approved by ALDOT on October 24, 2022. 90% Design Review July 8, 2022 60% Design Review 18 April 2022. 60% plans submitted on February 24, 2022</p> <p>FY2024 Budget: \$3,030,000.00 Total Project Cost: \$3,208,000.00</p>		 	
Engineering Start:	19-Aug-21	Bid Opening:	
Intent to Award:		N.T.P.:	
Projected Complete:		Req'd Complete:	30-Sep-23

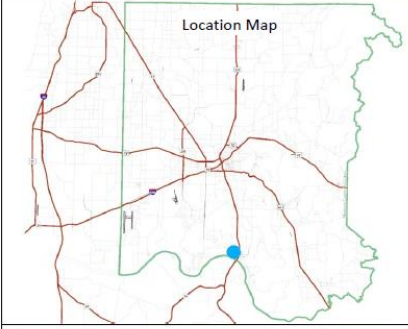

Current&Future Huntsville Utilities Project- Water Capital		Project Owner: HU	July 2023
Green Mountain Improvements (2nd feed)		CPP-22.W.607310.51.11	Status: Engineering Behind Schedule
<p>Scope of Project: 1200 LF of 12" DIP, 2700 LF of Welded Steel Pipe and a High Pressure Booster Station running from Bailey Cove Road along the existing waterline/powerline easement to Monte Vedra Road.</p> <p>Justification: Existing single line feed and double booster station feed to Green Mountain has reached its maximum capacity and runs through a potential landslide zone. A second feed allows for continued growth on Green Mountain and allows a redundant supply point.</p> <p>Project Update: Project proceeding to advertise for bid, June, 2023 Plans & Specs sent to Purchasing for March Bid. Ingress/Egress easement acquisition ongoing Permit submitted to ADEM November 23. 90% plans under review LCE approved in August.</p> <p>Project Notes:</p> <p>FY2024 Budget: \$2,625,000.00 Total Project Cost: \$5,700,000.00</p>		 	
Engineering Start:		Bid Opening:	
Intent to Award:		N.T.P.:	
Projected Complete:		Req'd Complete:	30-Sep-23

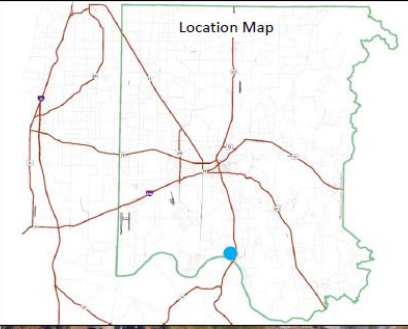

Current&Future Huntsville Utilities Project- Water Capital				Project Owner: HU	July 2023
AL HWY 20 (Greenbrier Pkwy to Wheeler Refuge)		CPP-21.W.607310.52.12		Status: Engineering	
				On Time	
<p>Scope of Project: Installation of 1.55 mi of 24" D.I. connecting from Greenbrier Pkwy to Wheeler Refuge. Original scope from Bore under I-565 at Indian Springs to Greenbrier Parkway. Reduced scope from Greenbrier Parkway to the western boundary of Wheeler Wildlife Refuge.</p> <p>Justification: Project upgrades existing 12" PVC main with 24" ductile iron main. Provides some increase in flow to MTMUS and allows development along AL Hwy 20. Another major benefit of project is reliability with ductile iron water main. Based on additional hydraulic modeling, main size upgraded to 24-inch.</p> <p>Project Update: Reduced scope of project to eliminate portions in Wheeler Wildlife Refuge and between refuge and bore under I-565. Design Updated to 24". SRF approval received, no drinking water permit required per ADEM. Bidding to start when Purchasing has time to start advertising. Current Project Estimate = \$2,585,685 (February 2023) + CEI</p> <p>Project Notes: Task Order to Update Design from 16" to 24" approved November 29, 2022. Installation of 16" main on Gunter's Way has reduced project priority. Project with 24-inch main included in FY23 budget for FY24 construction. 100% Design review October 27, 2021.</p> <p>FY2024 Budget: \$2,450,000.00 Total Project Cost: \$2,650,000.00</p>		 <p style="text-align: center;">Location Map</p>  <p style="text-align: center;">Project Photo</p>			
Engineering Start:	25-Nov-20	Bid Opening:		Intent to Award:	
				N.T.P.:	
				Projected Complete:	
					Req'd Complete: 30-Sep-24

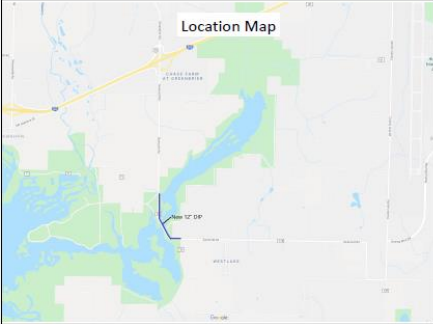

Current&Future Huntsville Utilities Project- Water Capital				Project Owner: HU	July 2023
AL Hwy 20 (Greenbrier to Mooresville Rd at Bibb Garrett)		CPP-22.W.607310.51.08		Status: Construction	
				On Time	
<p>Scope of Project: Installation of 12" DI connecting from Greenbrier Pkwy to Mooresville Rd. Project begins at existing 12" PVC main on AL Hwy 20 near Greenbrier Parkway. Project extends west along AL Hwy 20 and turn north on Mooresville Road. Project ends at intersection of Mooresville Road and Bibb Garrett.</p> <p>Justification: Increases available flow to Mooresville area toward I-65. Project will replace existing 6" and 8" PVC main along AL Hwy 20 from Greenbrier Road to Mooresville Road. When all area upgrades are complete, there will be at least 12" diameter pipes from the MTMUS tank to the Mooresville area.</p> <p>Project Update: CDG selected to design project for both gas and water mains. Contract requires installation of 17,913 feet of water main total. Approximately 88% (15,710 feet) of the overall total water main has been installed. Contractor asked for and was granted a 45-day extension request due to material delays and extra time looking for mains. Substantial Completion required by 11 August 2023.</p> <p>Project Notes: Contract time was restarted 27 March. Bore underneath I-565 began on 20 February Contract was paused, effective 19 December 2022, due to delay in acquiring 12" DI water main Notice to Proceed issued effective 19 September 2022</p> <p>FY2024 Budget: \$100,000.00 Total Project Cost: \$3,665,000.00</p>		 <p style="text-align: center;">Location Map</p>  <p style="text-align: center;">Project Photo</p>			
Engineering Start:	15-Jul-21	Bid Opening:	03-Jun-22	Intent to Award:	07/01/2022
				N.T.P.:	19-Sep-22
				Projected Complete:	
					Req'd Complete: 28-Apr-23

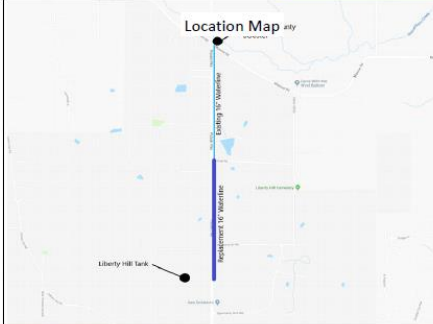

Current&Future Huntsville Utilities Project- Water Capital		Project Owner: HU	July 2023
SW Sludge Vac & Fluoride Tank Upgrades		CPP-22.W.607310.52.06	Status: Engineering On Time
<p>Scope of Project: Installation of new Plate Settlers and replacement of existing sludge collection equipment at the Southwest Water Treatment Plant. Based on revised cost estimate, plate settlers have been removed from project scope. Replacement on aging fluoride tank added to scope Engineering in FY2022, Construction in FY2023</p> <p>Justification: The existing sludge collection equipment is experiencing mechanical and operational issues. The plate settlers will improve the efficiency of the sedimentation basins.</p> <p>Project Update: Project designed by Constantine. Bids opened on 21 April. Low bidder, PF Moon, \$3,770,000. Revised project total is \$4,400,000. Project approved at May Board Meeting. Contingent Intent to Award Issued on 7 June 2023. Contracting working on insurance and bonding requirements. City Council approved additional funding on 22 June 2023.</p> <p>Project Notes: City Council Approved additional funding on 22 June 2023 Contingent Intent to Award letter Issued 7 June 2023 Approved by Gas and Water Board on 25 May 2023 Received SRF Approval to Award on 16 May 2023.</p> <p>FY2024 Budget: \$3,000,000.00 Total Project Cost: \$4,400,000.00</p>		 	
Engineering Start: 16-Dec-21	Bid Opening: 16-May-23	Intent to Award: 06/07/2023	N.T.P.:
		Projected Complete: 30-Sep-24	Req'd Complete: 30-Sep-24



Current&Future Huntsville Utilities Project- Water Capital		Project Owner: HU	July 2023
South Parkway Plant Sludge Facilities Rehab		CPP-23.W.607310.52.14	Status: Engineering On Time
<p>Scope of Project: Includes new Gravity Solids Thickener and rehabilitation of drying bed piping and sludge pumping facilities. Engineering FY2023, Construction FY2024</p> <p>Justification: The 2018 engineering study of the South Parkway Plant indicated that the existing sludge thickener is inadequate for expected future demands and the much of the sludge drying bed and pumping appurtenances have reached the end of their service life.</p> <p>Project Update: Ardurra working on 90% design. 90% design review scheduled on 5 July. Construction cost estimate \$2,500,000 to 3,000,000. Project cost = \$3,350,000. Ardurra provide final documents in July.</p> <p>Project Notes: 90% Design Review conduction on 5 July 2023. 60% Design Review conducted on 9 May 2023. 60% cost estimate \$2,754,421. 30% Design Review 3 March 2023 30% construction cost estimate \$2,480,536 (1 March 2023)</p> <p>FY2024 Budget: \$2,000,000.00 Total Project Cost: \$3,350,000.00</p>		 	
Engineering Start: 05-Dec-22	Bid Opening:	Intent to Award:	N.T.P.:
		Projected Complete:	Req'd Complete: 30-Sep-24

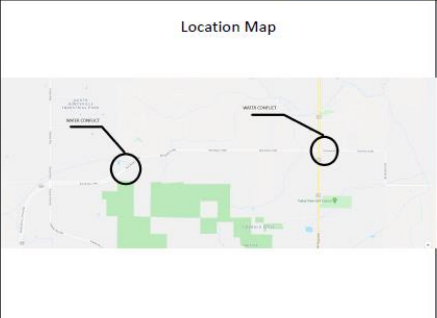

Current&Future Huntsville Utilities Project- Water Capital		Project Owner: HU	July 2023
South Parkway Main Plant Rehab Construction		Status: Construction	
CPP-22.W.607310.52.01		On Time	
<p>Scope of Project: Evaluate, design, and rehab SPWTP. Includes replacement of filter bottoms, high and medium voltage electrical equipment; new air scour; remodeling of the operator and laboratory area; installation of new sludge handling equipment; and general maintenance for the facility. This is part of a multi-year project partially funded through the State Revolving Loan (SRF) program.</p> <p>Justification: Initial portion of South Parkway Water Treatment Plant constructed in the 1960 and early 1970s. 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.</p> <p>Project Update: Contract with BH Craig is \$18,734,026. Change Order 5 being processed. Construction is 78% complete. HU operating south plant. BH Craig working on north plant and 2nd floor. Filters 13-16: Installed SS air scour piping Filters; 9-12: Completed demolition of existing Wheeler bottoms and knee walls and applying concrete coating. 2nd Floor: completed cabinet installation and working on mechanical and electrical above ceiling. Construction phase Project Total = \$20,000,000</p> <p>Project Notes: HU turned over basins 5-6 and Filters 9-12 to BH Craig on 27 March. HU ceased opening basins 7-8 and filters 13-16 on 13 March Startup of filters 5-8 on 9 March Basins 1-4 and filters 1-4 placed in service on 23 February 2023.</p> <p>FY2024 Budget: \$1,250,000.00 Total Project Cost: \$20,000,000.00</p>		 	
Engineering Start:	16-Jan-20	Bid Opening:	20-May-21
Intent to Award:	06/29/2021	N.T.P.:	04-Oct-21
Projected Complete:	23-Jun-23	Req'd Complete:	30-Sep-23

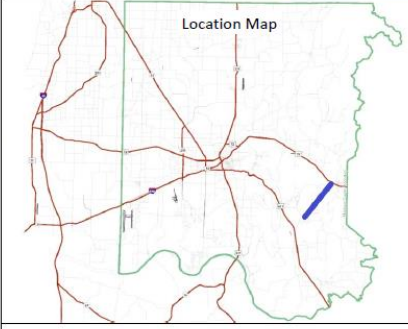

Future Huntsville Utilities Project- Water Capital		Project Owner: HU	July 2023
South Parkway Plant Clearwell Rehab		Status:	
<p>Scope of Project: Includes access hatch and fan/vent upgrades along with a roof membrane replacement to both Clearwells Engineering FY2024, Construction in FY2025</p> <p>Justification: The 2018 engineering study of the South Parkway Plant indicated that the existing hatches and fan/vents are functionally inadequate and the existing roof membrane is reaching the end of it's service life.</p> <p>Project Update:</p> <p>Project Notes:</p> <p>FY2024 Budget: \$100,000.00 Total Project Cost: \$625,000.00</p>		 	
Engineering Start:		Bid Opening:	
Intent to Award:		N.T.P.:	
Projected Complete:		Req'd Complete:	

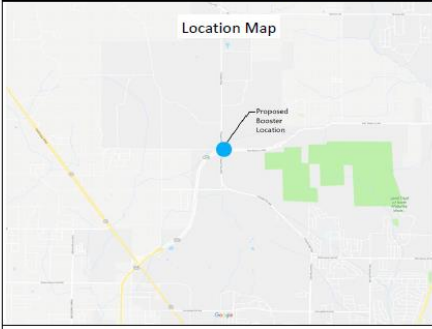

Current&Future Huntsville Utilities Project- Water Capital		Project Owner: HU	July 2023
Swancott Road West		CPP-22.W.607310.52.07	Status: Engineering
			On Time
<p>Scope of Project: Engineering & Construction of approx. 4300 lf of replacement of existing 8"PVC main with 16" HDPE along Swancott Rd from Rock house 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. Project will improve flow to existing and new development south of I-565. The project will require significant environmental clearances. Therefore, it is important to begin engineering and obtain environmental clearances.</p> <p>Project Update: S&ME submitted Environmental assessments to outside agencies for approval week of October 26, 2020. All concurrences required to submit to Wheeler Wildlife Refuge have been obtained. ROW permit received for signature from Wheeler Wildlife Refuge on May 26, 2023. Waiting for signed easement document from Wheeler Wildlife Refuge.</p> <p>Project Notes: S&ME completed 90% design on September 30, 2020. Additional Hydraulic Modelling conformed 16 inch main is sufficient for future build-out of Limestone County area Transferred \$135,000 from CPP-20.W.607310.51.14, Limestone County Improvements</p> <p>FY2024 Budget: \$1,200,000.00 Total Project Cost: \$1,335,000.00</p>		 <p>Location Map</p>  <p>Project Photo</p>	
Engineering Start:	09-Apr-20	Bid Opening:	
Intent to Award:		N.T.P.:	
Projected Complete:		Req'd Complete:	30-Sep-23

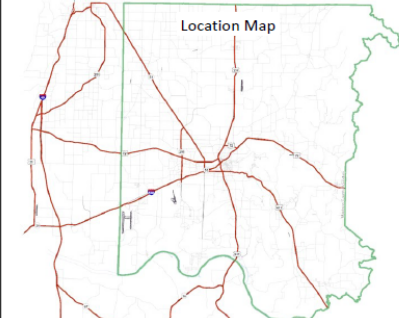
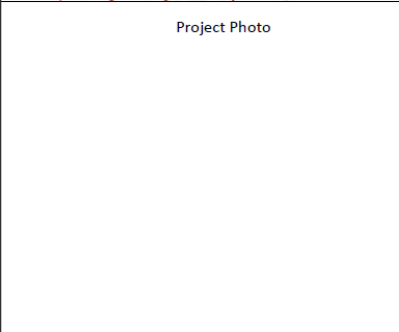
Current&Future Huntsville Utilities Project- Water Capital		Project Owner: HU	July 2023
Pulaski Pike/NHIP (replace tie to County)		CPP-23.W.607310.51.10	Status: Engineering
			On Time
<p>Scope of Project: Replace dedicated 16" water main feeding Madison County Booster from Liberty Hill Tank. This will replace the section from the Liberty Hill Tank to Routt Rd. used to feed the Starbelt Development.</p> <p>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.</p> <p>Project Update: Garver to perform engineering design. 90% Construction Cost Estimate was \$1,467,877.25. 100% Design Review scheduled for 21 July 2023.</p> <p>Project Notes: 90% Design Review 15 June 2023. 60% Design Review 24 April 2023. HU performed and provided Garver pothole information at bore location on 7 March. 30% Design Review 24 February.</p> <p>FY2024 Budget: \$1,200,000.00 Total Project Cost: \$1,350,000.00</p>		 <p>Location Map</p>  <p>Project Photo</p>	
Engineering Start:	21-Dec-22	Bid Opening:	
Intent to Award:		N.T.P.:	
Projected Complete:		Req'd Complete:	30-Sep-24

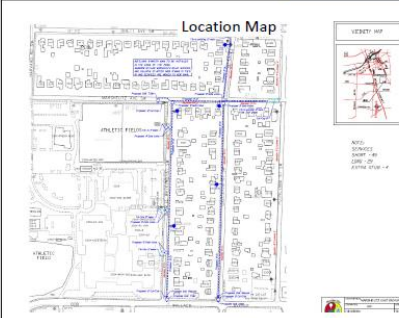

Current&Future Huntsville Utilities Project- Water Capital		Project Owner: HU	July 2023
SE I-565 EXIT 3 (GREENBRIER RD) [M14]		CPP-23.W.607310.52.15	Status: Engineering
<p>Scope of Project: Install 3,900 lf of 12" DI along Greenbrier to I-565 east bound ramp (Project 8). Engineering In FY2023, Construction in FY2024.</p> <p>Justification: Provides additional flow to GE Aviation area and allows water to flow to new Greenbrier Rd Tank. Replaces existing 8 and 12 inch PVC mains. The 8 inch PVC main is a flow restriction.</p> <p>Project Update: Garver is engineer selected. Notice to Proceed for Design issued December 12, 2022. Final design review held June 15, 2023. Current Project Estimate = \$1,048,843.70 + CEI</p> <p>Project Notes: Conducted 60% Design Review on 24 April 2023. Conducted 30% Design Review on 24 February 2023. NTP for Design - December 12, 2022</p> <p>FY2024 Budget: \$950,000.00 Total Project Cost: \$1,050,000.00</p>		 <p>Location Map</p>  <p>Project Photo</p>	
Engineering Start:	12-Dec-22	Bid Opening:	
Intent to Award:		N.T.P.:	
Projected Complete:		Req'd Complete:	30-Sep-24

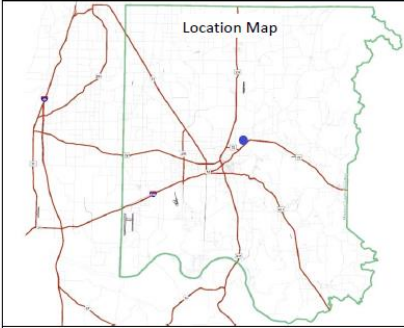

Current&Future Huntsville Utilities Project- Water Capital		Project Owner: COH	July 2023
Northern Bypass Relocates (Pulaski Pike to Mem Pkwy)		CPP-22.W.607310.52.10	Status: Engineering On Time
<p>Scope of Project: Reimbursable road project, from West of Northgate Drive to US 231/431. Project is being 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.</p> <p>Justification: Existing line along Bob Wade Lane conflicts with the new Northern Bypass route.</p> <p>Project Update: Barge Design Solution is designing project. Project has been started again. August 19, 2022 - the 24" water conflict resolved by leaving it in place with the agreement of HU water operations. COH has delayed bidding due to ROW issues. No change in June 2023. Current Project Estimate = \$962,339.98</p> <p>Project Notes: SAHD Agreement approved by ALDOT on October 24, 2022. 100% Design review on 10/03/2022. SAHD 3 Agreement sent to ALDOT on August 29, 2022. Design began on May 3, 2022</p> <p>FY2024 Budget: \$903,000.00 Total Project Cost: \$962,340.00</p>		 <p>Location Map</p>  <p>Project Photo</p>	
Engineering Start:	03-May-22	Bid Opening:	
Intent to Award:		N.T.P.:	
Projected Complete:		Req'd Complete:	30-Sep-23

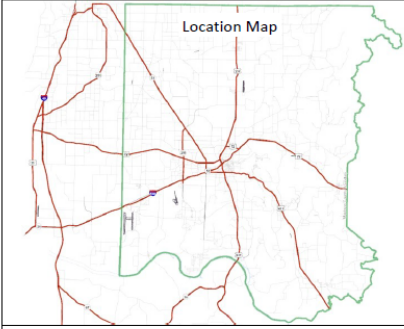
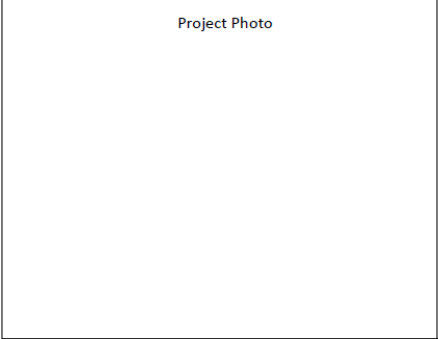
Future Huntsville Utilities Project- Water Capital		Project Owner: HU	July 2023
EASTERN CONNECTOR MAIN [M7]		Status: Planning	
		On Time	
<p>Scope of Project: Project connects existing 24-inch main at intersection of Cherry Tree and Old 431 to existing 24-inch main along US Highway 72 at Stone Drive. Project includes installation of 17,500 lf or 24-inch DI water main. ALDOT ROW permits required. Propose route crosses through unincorporated areas of Madison County currently served by Madison County Water Department.</p> <p>Justification: This project provides a route from Southeast Water treatment plant to future customers along US Highway 72 and northern portion of Madison County. Project would use existing production capacity at Southeast plant. This project along with two pump stations would reverse the flow in the existing 24-inch main along US Hwy 72. The current flow direction is south east along US 72.</p> <p>Project Update:</p> <p>Project Notes:</p> <p>FY2024 Budget: \$750,000.00 Total Project Cost: \$15,500,000.00</p>		<p>Location Map</p>  <p>Project Photo</p> 	
Engineering Start:	Bid Opening:	Intent to Award:	N.T.P.:
		Projected Complete:	Req'd Complete:

Future Huntsville Utilities Project- Water Capital		Project Owner: HU	July 2023
BOB WADE BOOSTER PS & PIPING [P1]		CPP-20.W.607310.51.10	
		Status: Planning	
		On Time	
<p>Scope of Project: Proposed Booster Station to meet future water demands in North Huntsville Industrial Park. Engineering in FY24, Construction in FY25.</p> <p>Justification: Booster Station needed to meet proposed increased demands for water at Starbelt Development & North Huntsville Industrial Park. Hydraulic modeling indicated combined potential demands from Facebook expansion, existing customers, and Madison County would exceed capability to fill Liberty Hill Tank.</p> <p>Project Update: Land has been acquired from COH. Project maybe canceled based upon recent Starbelt/Facebook provided demand being less than previously provided. Expect that budget will be transferred to a new project for the installation of a new 2MG elevated tank at MTMUS. Project included in FY21 budget for FY25</p> <p>Project Notes: Development agreement for project Ferris has a deadline of 6/1/2025 for this project to be complete.</p> <p>FY2024 Budget: \$400,000.00 Total Project Cost: \$2,950,000.00</p>		<p>Location Map</p>  <p>Project Photo</p> 	
Engineering Start:	Bid Opening:	Intent to Award:	N.T.P.:
		Projected Complete:	Req'd Complete:

Future Huntsville Utilities Project- Water Capital				Project Owner: HU	July 2023
Recurring General Development and Extensions - Water				Status: Engineering	
<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 betterments by Huntsville Utilities.</p> <p>Justification: Infrastructure needed to support new development projects and economic development projects.</p> <p>Project Update: Developments are continuing to come quickly.</p> <p>Project Notes:</p> <p>FY2024 Budget: \$4,000,000.00</p> <p>Total Project Cost:</p>				 <p style="text-align: center; margin-top: 10px;">Project Photo</p> 	
Engineering Start:	Bid Opening:	Intent to Award:	N.T.P.:	Projected Complete:	Req'd Complete:

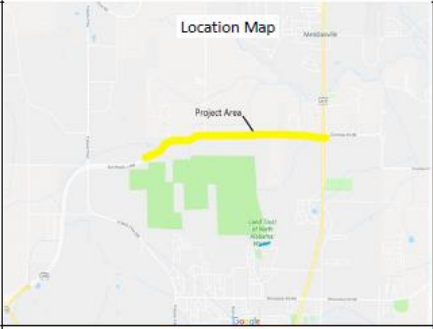

Future Huntsville Utilities Project- Water Capital				Project Owner: HU	July 2023
Recurring CI/AC Main Replacement - Water				Status: Construction	
<p>Scope of Project: Various water cast iron replacement projects within the COH, primarily due to smaller unlined cast iron water lines causing water quality issues.</p> <p>Justification: These projects are prioritized based on information provided by Water Supply/Quality on problem areas and Water Operations on high leak areas.</p> <p>Project Update: #Deleted</p> <p>Project Notes:</p> <p>FY2024 Budget: \$500,000.00</p> <p>Total Project Cost:</p>				<div style="background-color: #90EE90; padding: 2px; display: inline-block; font-weight: bold;">On Time</div>  <p style="text-align: center; margin-top: 10px;">Project Photo</p> 	
Engineering Start:	Bid Opening:	Intent to Award:	N.T.P.:	Projected Complete:	Req'd Complete:



Future Huntsville Utilities Project- Water Capital				Project Owner: HU	July 2023		
Recurring Tank Maintenance and Repainting				Status: Planning On Time			
Scope of Project: FY2024 (Hampton Cove-\$1,200,000) FY2025 (Inspiration Point-\$444,000) (Pulaski Pike-\$649,000) FY2026 (Huntsville Hills-\$680,000) (Redstone Overcoat-\$100,000) FY2027 (Green Mountain-\$1,140,000) ԵՄՆՈՂՔ Ի Կառավարության համար (Գաղտնի-ՀԱՌՈՒ ՈՐՈՒ)							
Justification: Continuing Maintenance of Water Storage Facilities							
Project Update:							
Project Notes:							
FY2024 Budget:		\$1,200,000.00					
Total Project Cost:							
Engineering Start:		Bid Opening:		Intent to Award:		N.T.P.:	
Projected Complete:				Req'd Complete:		30-Sep-22	

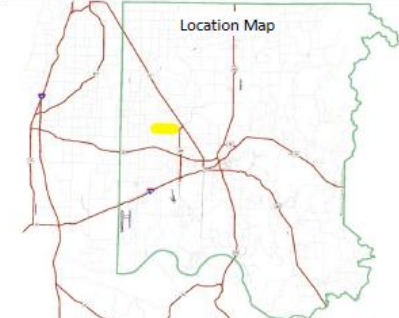

Future Huntsville Utilities Project- Water Capital				Project Owner: Other	July 2023		
Recurring Misc Road Relocations/Street Pavement - Water				Status: Planning			
Scope of Project: City and County road and intersection improvement projects not identified sufficiently in advance for normal budgeting 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: None identified at this time.							
Project Notes:							
FY2024 Budget:		\$100,000.00					
Total Project Cost:							
Engineering Start:		Bid Opening:		Intent to Award:		N.T.P.:	
Projected Complete:				Req'd Complete:			

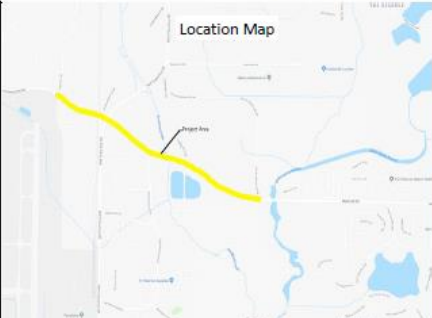

Engineering FY24 Capital Project Summaries – Gas

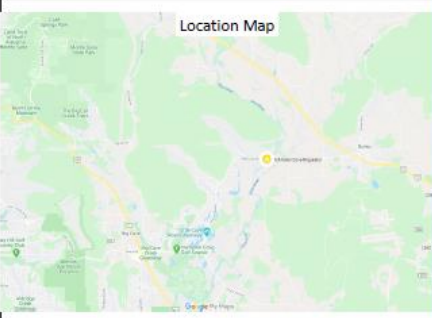

Note: Every item in the capital improvement plan will not have a project summary sheet. Only projects with work scheduled for FY24 that require design and planning by the Engineering section are included.

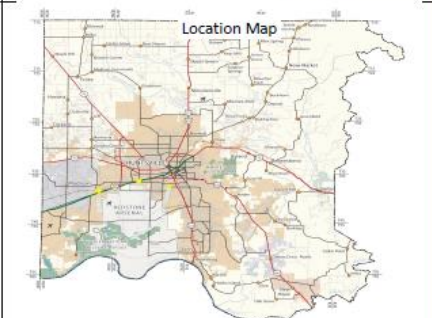

Current&Future Huntsville Utilities Project- Gas Capital		Project Owner: COH	July 2023
Northern Bypass Relocates (Pulaski Pike to Mem Pkwy)		CPP-22.G.607320.52.09	Status: Engineering On Time
<p>Scope of Project: Reimbursable road project to relocate approximately 15,000 lf of 14" WS to clear way for 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: Barge Design Solution is designing project. Design Complete. Bids Opened June 22, 2023. ALDOT reviewing bid tabulation. ALDOT has made contact with COH to discuss shortfall between reimbursable agreement amount and the low bid amount. Apparent Low Bidder is Rast Construction at \$5,603,690. Project Total = \$6,045,486.42</p> <p>Project Notes: Bid Opening on June 22, 2023 90% Design Review February 16, 2023 - Executed Task Order 4 with Barge Design Solutions on 24 October 2022. Reimbursable agreement received on October 4, 2022.</p> <p>FY2024 Budget: \$3,961,000.00 Total Project Cost: \$4,251,000.00</p>		 <p>Location Map</p>  <p>Project Photo</p>	
Engineering Start:	Bid Opening: 22-Jun-23	Intent to Award:	N.T.P.:
Projected Complete:	Req'd Complete: 30-Sep-24		

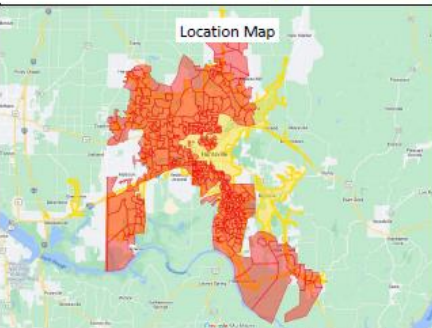

Current&Future Huntsville Utilities Project- Gas Capital		Project Owner: HU	July 2023
Cast Iron Replacement		CPP-22.G.607220.52.06	Status: Construction On Time
<p>Scope of Project: Program of multiple projects to replace approximately 28.4 miles of existing cast iron gas mains with PE ranging from 2" to 8". Individual projects are primarily located within the older portions of HU's gas system surrounding the downtown area.</p> <p>Justification: 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>Project Update: M&W installed 3,722 feet of 6" PE gas main and 0 services in Junbe and has installed a total of 21.8 miles of gas main. As of 6/30/2023, approx. 6.6 miles remain out of 28.4 total at the beginning of the overall project. Approx. 997 services of remaining 1407 services have been installed.</p> <p>Project Notes: This project may be at risk for not being completed by 2024 if the pace of installation is not increased. Operations has coordinated with M&W and is not concerned about the pace. M&W is looking into getting help from a subcontractor to speed up the installation.</p> <p>FY2024 Budget: \$2,700,000.00 Total Project Cost: \$9,814,578.00</p>		 <p>Location Map</p>  <p>Project Photo</p>	
Engineering Start:	Bid Opening:	Intent to Award:	N.T.P.:
Projected Complete:	Req'd Complete: 30-Jun-24		

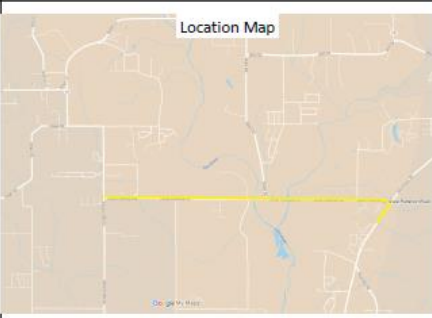

Current&Future Huntsville Utilities Project- Gas Capital		Project Owner: Madison County	July 2023
Blake Bottom Road (Tindall to Anslee Way)		CPP-22.G.607320.52.05	Status: Engineering On Time
<p>Scope of Project: Relocate approximately 2.5 miles of 6" welded steel and PE gas main as needed for road widening project Engineering in FY2022, Construction in FY2023</p> <p>Justification: Existing Facilities interfere with road widening project</p> <p>Project Update: Reimbursable. Garver is designing project. Final design received, waiting on Reimbursable agreement from Madison County to bid project. Madison County is having to condemn property for ROW, project will begin once all ROW is acquired. Current Project Estimate = \$2,011,738</p> <p>Project Notes: Final Design submitted 7 Nov 2022. 90% Design Review October 6, 2022 60% Design Review August 9, 2022 30% Design review June 7, 2022</p> <p>FY2024 Budget: \$1,590,000.00 Total Project Cost: \$1,725,000.00</p>		 <p>Location Map</p>  <p>Project Photo</p>	
Engineering Start:	21-Feb-22	Bid Opening:	
Intent to Award:		N.T.P.:	
Projected Complete:		Req'd Complete:	30-Sep-23

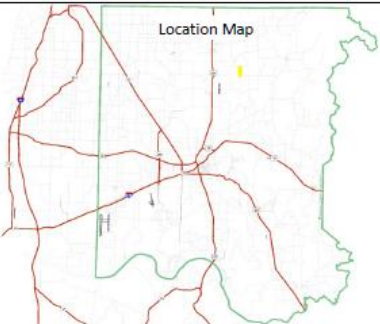

Current&Future Huntsville Utilities Project- Gas Capital		Project Owner: COH	July 2023
Martin Rd Ph. 2 Relocates (Old Jim Williams to Laracy)		CPP-21.G.607320.52.02	Status: Engineering On Time
<p>Scope of Project: Reimbursable road project to relocate & replace approx. 6,000 lf of 6" & 8" Welded Steel with 8" PE to clear way for the widening of Martin Road by City of Huntsville. Relocation cost will be reimbursed by ALDOT & betterment is not anticipated.</p> <p>Justification: Existing gas main along Martin Road interferes with the Martin Road widening project</p> <p>Project Update: Garver has prepared revised preliminary cost estimate, drawings, and utility consultant agreement. Bid Opening May 24, 2023. TJ Construction apparent low bidder at \$1,588,065.63. Board Approval on June 27, 2023 Project Costs = \$1,769,341.66</p> <p>Project Notes: Board Approval on June 27, 2023 Bid Opening on May 24, 2023 Bid Documents sent to ALDOT on August 26, 2022 90% Design Review on July 8, 2022.</p> <p>FY2024 Budget: \$1,379,000.00 Total Project Cost: \$1,500,000.00</p>		 <p>Location Map</p>  <p>Project Photo</p>	
Engineering Start:	19-Aug-21	Bid Opening:	
Intent to Award:		N.T.P.:	
Projected Complete:		Req'd Complete:	31-Dec-23

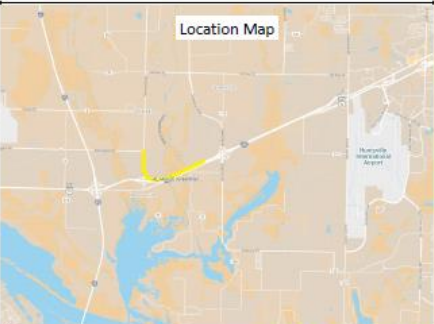

Current&Future Huntsville Utilities Project- Gas Capital		Project Owner: HU	July 2023
McMullen Regulator Station		CPP-23.G.607320.51.07	Status: Engineering On Time
<p>Scope of Project: Add new regulator station and piping in McMullen Cove. Tap existing high pressure main where it crosses Little Cove Road and install 1,700 feet of 4 inch steel gas main on south side of Little Cove Road. Install underground regulator station.</p> <p>Justification: Provide secondary feed into the McMullen Cove residential area. There are approximately 487 gas meters currently fed by a single main. This additional feed would provide better reliability in the event of a cut line.</p> <p>Project Update: Bid opening was held on 28 June 2023. CDG's final cost estimate was \$352,725.00. Apel Machine and Supply Company was the low bid at \$486,065.96. Total project cost \$600,000. Anticipate board award at July Board Meeting.</p> <p>Project Notes: Bid opening on 28 June 2023. Pre-Bid meeting 12 June 2023. Expressed to CDG that final plans and specifications were sufficient on 28 April. Held meeting with CDG to discuss final edits to bid documents on 21 March.</p> <p>FY2024 Budget: \$650,000.00 Total Project Cost: \$650,000.00</p>		<p>Location Map</p>  <p>Project Photo</p> 	
Engineering Start:	18-Nov-22	Bid Opening:	28-Jun-23
Intent to Award:		N.T.P.:	
Projected Complete:		Req'd Complete:	30-Sep-23

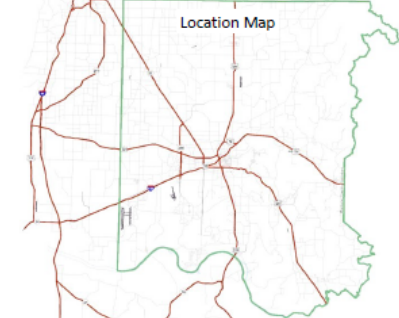

Current&Future Huntsville Utilities Project- Gas Capital		Project Owner: HU	July 2023
Cathodic Protection Rectifiers & Groundbed		CPP-23.G.607320.51.08	Status: Planning On Time
<p>Scope of Project: Relocate 3 existing cathodic protection rectifiers and groundbeds to new locations. 1) Braham Springs Rectifier - move further from pond on COH property. 2) Indian Creek Rectifier - find new location. 3) UAH Rectifier - new location vicinity of I-565 and Sparkman.</p> <p>Justification: Location of current rectifiers and groundbeds is degrading the cathodic protection provided to the steel natural gas pipelines. New locations are required for optimal performance of cathodic protection.</p> <p>Project Update: Conducted site visit to Brahan Spring Park. Identified preferred area for new cathodic protection ground beds at park. Met with COH Parks at Brahan Spring Park on 10 March 2023. Gas Department staked preferred location of semi deep well at Brahan Spring Park. Next step is setup follow up meeting. No progress in June.</p> <p>Project Notes: Meeting at Brahan Spring Parks 10 March 2023 Emailed COH Park Dept concerning Brahan Spring Park on 3 February 2023 Scoping meeting with Tim McKenzie on 9 December 2023</p> <p>FY2024 Budget: \$225,000.00 Total Project Cost: \$250,000.00</p>		<p>Location Map</p>  <p>Project Photo</p> 	
Engineering Start:		Bid Opening:	
Intent to Award:		N.T.P.:	
Projected Complete:		Req'd Complete:	30-Sep-23

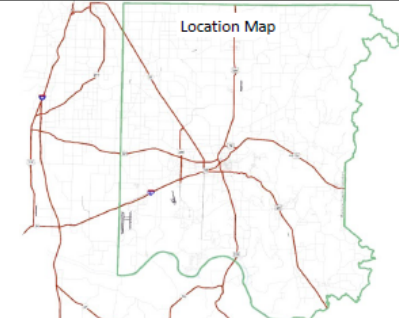
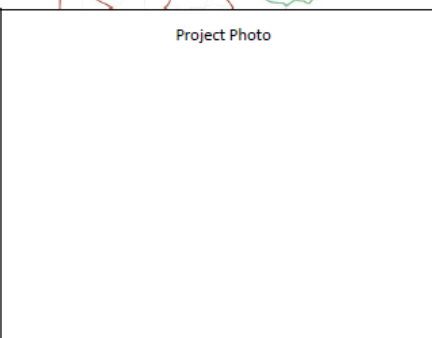
Current&Future Huntsville Utilities Project- Gas Capital		Project Owner: HU	July 2023
AMI Modules - Purchase and Install by Contractor		CPP-22.G.607120.51.07	Status: Engineering On Time
<p>Scope of Project: The scope of this project is to convert existing service meters in the field over to AMI meters. 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: There are 40,307 AMI gas modules installed as of 6/28/23. September 30, 2022 was the last day for Aclara gas deployment. A change order is being negotiated for the Aclara contract. Until the change order is executed, gas module deployments will be fewer going forward and will be performed by HU crews. 162 modules were installed in June.</p> <p>Project Notes: The gas meter shop began installing GPR modules on commercial accounts. They installed 106 GPR modules in June.</p> <p>FY2024 Budget: \$157,000.00 Total Project Cost: \$6,430,000.00</p>		 	
Engineering Start:	Bid Opening:	Intent to Award:	N.T.P.:
		Projected Complete:	31-May-23
		Req'd Complete:	30-Sep-23

Current&Future Huntsville Utilities Project- Gas Capital		Project Owner: HU	July 2023
Oscar Patterson Road		CPP-22.G.607320.51.11	Status: Engineering On Time
<p>Scope of Project: Approx. 4.4 miles of new 6" PE pipe along Oscar Patterson Rd from Moores Mill to Winchester Rd. Engineering in FY22, Construction in FY23</p> <p>Justification: This project is a part of a multi part project to provide redundant feeds to approx. 660 customers in the Winchester Rd area east of Homer Nance Rd and 120 customers in the Hwy 431 area north of Walker Lane and to provide service to a rapidly developing area of Madison County.</p> <p>Project Update: Ardurra was selected base on Statement Of Qualifications submitted. Cultural Resources survey performed, found things that prompted further investigation. Cultural Resources survey data warrants extending a bore under the Flint River. Working on easement acquisition. Current Project Estimate = \$2,234,000</p> <p>Project Notes: 60% Design Review on August 31, 2022 Revised PDR submitted on April 22, 2022. Comments provided to Ardurra on March 31, 2022. PDR submitted on March 25, 2022.</p> <p>FY2024 Budget: \$100,000.00 Total Project Cost: \$2,225,000.00</p>		 	
Engineering Start:	Bid Opening:	Intent to Award:	N.T.P.:
		Projected Complete:	
		Req'd Complete:	30-Sep-25

Future Huntsville Utilities Project- Gas Capital		Project Owner: HU	July 2023
Moores Mill (Charley Patterson to Oscar Patterson)		Status: Planning	
<p>Scope of Project: Approx. 1 mile of new 6" PE pipe along Moores Mill Rd from Charlie Patters Rd to Oscar Patterson Rd.</p> <p>Justification: This project is a portion of a multi part project to provide redundant feeds to approx. 600 customers in the Winchester Rd area east of Homer Nance Rd and 360 customers in the Hwy 431 area north of Gen Harbin Blvd and to provide service to a rapidly developing area of Madison County.</p> <p>Project Update:</p> <p>Project Notes:</p> <p>FY2024 Budget: \$80,000.00 Total Project Cost: \$735,000.00</p>		<p>Location Map</p>  <p>Project Photo</p> 	
Engineering Start:	Bid Opening:	Intent to Award:	N.T.P.:
		Projected Complete:	Req'd Complete:



Current&Future Huntsville Utilities Project- Gas Capital		Project Owner: HU	July 2023
AL Hwy 20 (Greenbrier to Mooresville)		CPP-22.G.607320.51.06	Status: Construction On Time
<p>Scope of Project: Approximately 2 miles of 8" PE gas line installed on AL Highway 20 on north side of I-565. Part of project would be installed in trench with water. Project would connect to existing 8" PE gas main west of Greenbrier Parkway. The project would extend along AL 20 north of I-565 to Mooresville Road and then along Mooresville Road to Bibb Garrett.</p> <p>Justification: Project is phase 1 of connection between Greenbrier Area to Southpoint area. Currently, Southpoint area is feed by a single gate station. The Southpoint gate station is approaching capacity. The new gas main extension would provide additional capacity to support industrial and commercial growth for future customers on Mooresville and Bibb Garrett Roads.</p> <p>Project Update: CDG selected to design project for both gas and water mains. Contract requires installation of 12,595 feet of gas main total. Approximately 83% (10,400 feet) of the overall total gas main has been installed. Contractor asked for and was granted a 45-day extension request due to material delays and extra time looking for mains. Substantial Completion by 11 August 2023.</p> <p>Project Notes: Contract time was restarted 27 March. Contract was paused, effective 19 December 2022, due to delay in acquiring 12" DI water main Notice to Proceed issued with effective date of 19 September 2022. Preconstruction meeting 16 August.</p> <p>FY2024 Budget: \$30,000.00 Total Project Cost: \$1,250,000.00</p>		<p>Location Map</p>  <p>Project Photo</p> 	
Engineering Start:	Bid Opening:	Intent to Award:	N.T.P.:
27-Oct-21	03-Jun-22	07/01/2022	19-Sep-22
		Projected Complete:	Req'd Complete:
			28-Apr-23

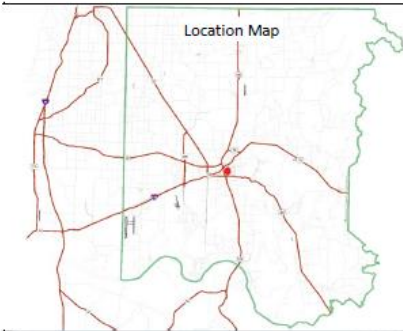

Future Huntsville Utilities Project- Gas Capital		Project Owner: HU	July 2023		
Recurring General Development and Extensions - Gas		Status: Engineering On Time			
Scope of Project: General Development and Extensions covers most of the new development/customer driven projects including commercial, industrial, 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.					
Justification: Infrastructure needed to support new development projects and economic development projects.					
Project Update: Developments are continuing to come quickly and we do not expect that to change anytime soon.					
Project Notes:					
FY2024 Budget: \$850,000.00 Total Project Cost:					
Engineering Start:	Bid Opening:	Intent to Award:	N.T.P.:	Projected Complete:	Req'd Complete: 30-Sep-22



Future Huntsville Utilities Project- Gas Capital		Project Owner: Other	July 2023		
Recurring Misc Road Relocations/Street Pavement - Gas		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:					
FY2024 Budget: \$200,000.00 Total Project Cost:					
Engineering Start:	Bid Opening:	Intent to Award:	N.T.P.:	Projected Complete:	Req'd Complete:



Engineering FY24 Capital Project Summaries – Electric

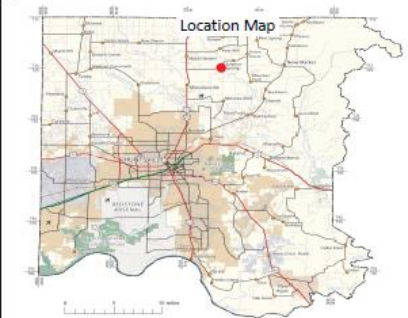

Note: Every item in the capital improvement plan will not have a project summary sheet. Only projects with work scheduled for FY24 that require design and planning by the Engineering section are included.



Current&Future Huntsville Utilities Project- Electric Capital		Project Owner: HU	July 2023
Systems Operations Center and Chase Improvements		CPP-22.E.531200.51.20	Status: Planning
Scope of Project: New Operations Center at Chase Facility. Engineering FY2022, Construction FY2023-2024			On Time
<p>Justification: Our current Ops Center is too small to accommodate electric, water & gas system operators. HU will also be adding fiber system operators to oversee the new fiber optic backbone that was completed in 2019. The fiber system is the communications backbone for all of HU's operations & provides SCADA information from 167+ HU facilities and the new Outage Management System. Additionally, the current facility is not capable of withstanding a significant tornado.</p> <p>Project Update: This is an Electric Operations run project. Please see status update in Electric Operations report.</p> <p>Project Notes:</p> <p>FY2024 Budget: \$22,852,000.00 Total Project Cost: \$29,980,000.00</p>		<p>Location Map</p>  <p>Project Photo</p> 	
Engineering Start:	Bid Opening:	Intent to Award:	N.T.P.:
			Projected Complete:
			Req'd Complete: 20-Sep-24



Future Huntsville Utilities Project- Electric Capital		Project Owner: HU	July 2023
Pinhook Creek 46kV Relocation - Electric			Status:
Scope of Project: Relocation of 46kV electric lines along Pinhook creek from Holmes Ave to Huntsville Hospital Primary substation beside the Huntsville Hospital Medical Mall at Governors and the Parkway.			
<p>Justification: These lines are being relocated at the request of the COH to beautify the area ahead of the PARC project. The old Coca-Cola site (Front Row) is also soon to be developed and the lines are on the West side of the property.</p> <p>Project Update: Fisher & Arnold are evaluating different routes and options for the future location of these lines.</p> <p>Project Notes: HU had a kickoff meeting with Fisher & Arnold on June 1. HU Electric has been coordinating with COH and HU Fiber and Communication to relocate the lines.</p> <p>FY2024 Budget: \$2,700,000.00 Total Project Cost: \$5,000,000.00</p>		<p>Location Map</p>  <p>Project Photo</p> 	
Engineering Start:	Bid Opening:	Intent to Award:	N.T.P.:
			Projected Complete:
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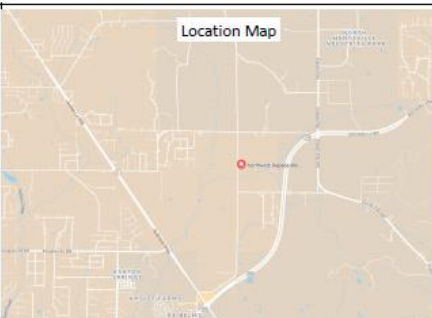

Future Huntsville Utilities Project- Electric Capital		Project Owner: HU	July 2023
Elkwood Section Delivery Substation -161/25kV		Status: Planning	
<p>Scope of Project: The proposed delivery point at 161/25 is part of a bigger project 161/46/25. This reduced scope includes the substation, entrance and exit 25kV distribution circuits. Cost includes the civil structure, labor and all materials needed for the acquisition and construction and of a 161/25kV substation</p> <p>Justification: This substation will increase reliability and capacity in the NW part of HU's service territory by relieving CHAL 161/46kV, 112MVA and MADC 46/25kV, 28MVA transformers. The two transformers were 10% and 5% respectively, above the corresponding rated capacities in 2022</p> <p>Project Update: Models have been developed to assess and justify project implementation</p> <p>Project Notes: Justification has been made to show the need for such a development as well as it's urgency Property is PPIN 62310</p> <p>FY2024 Budget: \$2,100,000.00 Total Project Cost: \$4,600,000.00</p>		<p>Location Map</p>  <p>Project Photo</p> 	
Engineering Start:	Bid Opening:	Intent to Award:	N.T.P.:
Projected Complete:	Req'd Complete:		

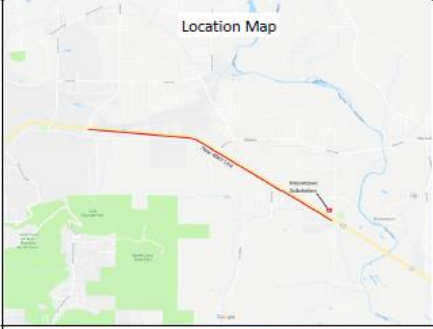

Current&Future Huntsville Utilities Project- Electric Capital		Project Owner: HU	July 2023
Big Cove 161 kV/12 kV Substation		CPP-22.E.607330.51.10	Status: Procurement On Time
<p>Scope of Project: Replace the existing 46/12 kV substation with a 161/12 kV substation, and adding exit circuits (2). Engineering and Equipment in FY2022. Construction in FY2023</p> <p>Justification: Existing substation is located in zip 35763, a high growth area, & reflected in the Big Cove feeder loadings. In the past 5 years we have seen an 18% increase in the number of billed customers. Even though OLD 431 is meant to relieve Big Cove circuits, the relief is not enough to improve on the quality and reliability of supply. A 161/12 kV substation frees up capacity on the 46 kV and thus improve on reliability as well as the quality of supply.</p> <p>Project Update: Survey completed and delivered to us. Transformer has been bid. Equipment has been requisitioned. Layout complete. Steel package purchase order has been released.</p> <p>Project Notes:</p> <p>FY2024 Budget: \$2,092,000.00 Total Project Cost: \$3,684,000.00</p>		<p>Location Map</p>  <p>Project Photo</p> 	
Engineering Start:	Bid Opening:	Intent to Award:	N.T.P.:
Projected Complete:	Req'd Complete:		30-Sep-23

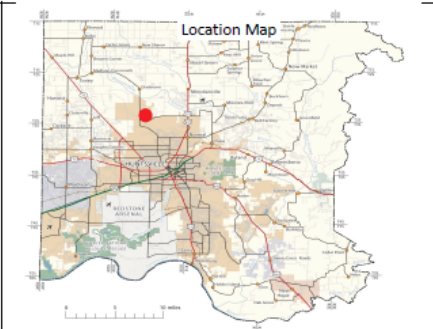
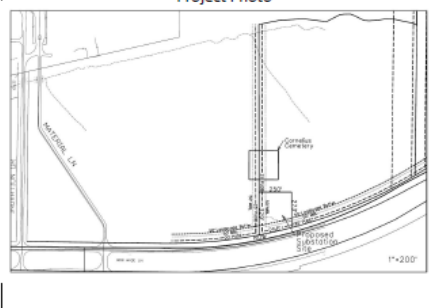
Current&Future Huntsville Utilities Project- Electric Capital				Project Owner: HU	July 2023						
Walker Lane Substation		CPP-22.E.607330.51.22		Status: Procurement							
<p>Scope of Project: Construction of a 161/25 kV substation. Engineering and Equipment in FY2022. Construction in FY2023. The property was acquired in 2016.</p> <p>Justification: The installed electrical capacity in the area needs to be increased to take up new load and help with existing circuits in the 35761 zip code area. 4,000 new homes were built in Madison County in 2020. More growth is expected this year. The project will significantly relieve loaded circuits at HU's Stegers, Deposit, Chase and New Market Substations. Among others, the transformer at Stegers saw a peak loading of 96% of its capacity this February.</p> <p>Project Update: Croy Engineering is currently surveying the site and developing a site plan. Transformer has been bid. Procurement of the other substation equipment is underway. Coordinating with TVA on obtaining easements from the county school for the 161kV feeder lines. Purchase order for the steel package has been issued.</p> <p>Project Notes:</p>		<div style="background-color: #90EE90; padding: 2px; display: inline-block; font-weight: bold;">On Time</div>									
<p>FY2024 Budget: \$1,949,000.00</p> <p>Total Project Cost: \$4,193,000.00</p>		 <p style="text-align: center; font-weight: bold;">Location Map</p>									
		 <p style="text-align: center; font-weight: bold;">Project Photo</p>									
		<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 15%;">Engineering Start:</td> <td style="width: 15%;">Bid Opening:</td> <td style="width: 15%;">Intent to Award:</td> <td style="width: 15%;">N.T.P.:</td> <td style="width: 15%;">Projected Complete:</td> <td style="width: 15%;">Req'd Complete: 30-Sep-23</td> </tr> </table>				Engineering Start:	Bid Opening:	Intent to Award:	N.T.P.:	Projected Complete:	Req'd Complete: 30-Sep-23
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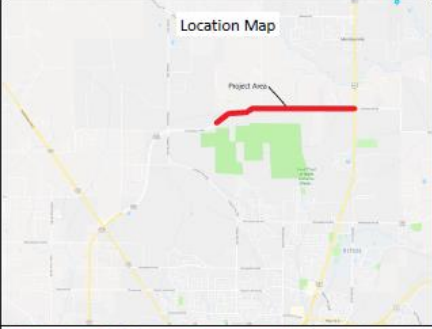

Current&Future Huntsville Utilities Project- Electric Capital				Project Owner: HU	July 2023						
Walker Lane 12kV to 25kV Conversion		CPP-23.E.607330.51.05		Status: Engineering							
<p>Scope of Project: Includes conversion of some interconnecting 12 kV circuits to 25 kV. Some of these will be sections on Steg234, Cha 264, Steg 244, Dep 234 and some NEWM circuits.</p> <p>Justification: All of the existing circuits to be interconnected with the new Walker Lane Substation (Steg234, Cha 264, Steg 244, Dep 234 and some NEWM circuits) are at 12kV and hence the need for some conversion to 25 kV.</p> <p>Project Update: Conversion work has been ongoing in the planned area.</p> <p>Project Notes:</p>		 <p style="text-align: center; font-weight: bold;">Location Map</p>									
<p>FY2024 Budget: \$676,000.00</p> <p>Total Project Cost: \$676,000.00</p>		 <p style="text-align: center; font-weight: bold;">Project Photo</p>									
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Engineering Start:	Bid Opening:	Intent to Award:	N.T.P.:	Projected Complete:	Req'd Complete:						

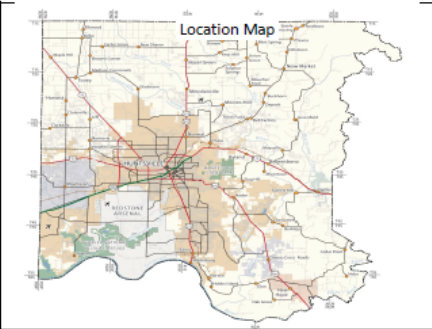
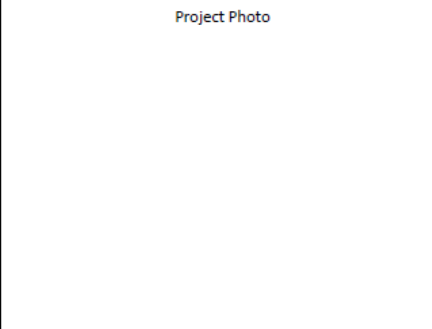
Future Huntsville Utilities Project- Electric Capital				Project Owner: HU	July 2023
<p>Walker Lane Exit Circuits</p> <p>Scope of Project: Four (4) exit circuits for new Walker Lane Substation.</p> <p>Justification: Outgoing circuits from the Walker Lane Substation will be needed to pick up new growth as well as interconnect with existing circuits such as Steg234, Cha 264, Steg 244, Dep 234 & some NEWM circuits. Most of the circuits will be connected at the tail end of the networks, hence the need for reconductoring/ re-phasing depending on existing. 4 exit circuit will be built initially: north, west, south, and in the immediate area of the substation.</p> <p>Project Update: Working on paperwork needed by TVA. Justification for project has been submitted to the TVA. Requisition let for survey and grading plans. Equipment has been requisitioned.</p> <p>Project Notes: Getting our new engineers involved with what needs to be done for conversion.</p> <p>FY2024 Budget: \$400,000.00 Total Project Cost: \$400,000.00</p>				<p style="text-align: center;">Status: Engineering</p>  <p style="text-align: center;">Project Photo</p> 	
Engineering Start:	Bid Opening:	Intent to Award:	N.T.P.:	Projected Complete:	Req'd Complete:

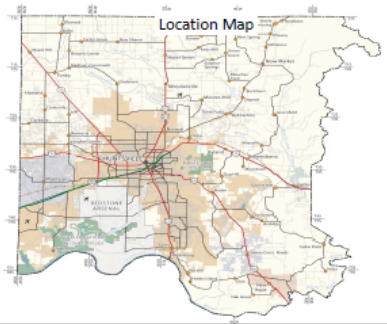
Future Huntsville Utilities Project- Electric Capital				Project Owner: HU	July 2023
<p>Northwest Substation Expansion</p> <p>Scope of Project: Expansion of the Northwest substation to bring out 25kV distribution network to the North of the existing station, towards MADC. Cost includes the acquisition and installation of transformers, conductors, and all equipment needed to have outgoing 25kV distribution at the North of the station</p> <p>Justification: Currently there is no distribution at Northwest even though the location is growing at a very fast rate. A study to assess growth in the year 2021 by the planning department, revealed that Northwest is in a zip code with one of the fastest customer growths. Distribution network in the vicinity increases reliability and reduces the technical losses associated with significant distance between the source and load center.</p> <p>Project Update: This is a newly proposed project for 2024 FY</p> <p>Project Notes: \$1,600,000 has been budgeted for FY 2024 and FY2025</p> <p>FY2024 Budget: \$1,600,000.00 Total Project Cost: \$3,200,000.00</p>				<p style="text-align: center;">Status:</p>  <p style="text-align: center;">Project Photo</p> 	
Engineering Start:	Bid Opening:	Intent to Award:	N.T.P.:	Projected Complete:	Req'd Complete:

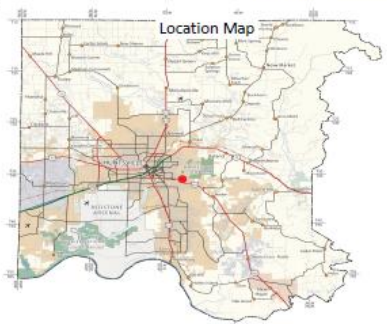

Current&Future Huntsville Utilities Project- Electric Capital		Project Owner: HU	July 2023		
Moontown (46kV Line from Moontown to Chase)		CPP-22.E.607330.51.15	Status: Delayed Delayed		
<p>Scope of Project: Approximately 4.5 miles of 46kV lines from Moontown Substation to Shields Road</p> <p>Justification: Hampton Cove & Moontown Substations are presently fed by a radial line from Big Cove Primary Substation. This line is comprised of 2 sections: Big Cove to Hampton Cove & Hampton Cove to Moontown. An outage on either of these line sections can impact both substations with no backup source. This project will provide a tie to the Chase Primary Substation, thus allowing the 2 substations to have a contingency source should Big Cove not be available.</p> <p>Project Update: Construction is underway. Work has been halted due to crane and roadway issues. We need lighter poles. To continue, work would need to close the entire eastbound lane, which ALDOT won't allow. Steel poles are needed due to crane restrictions. These are ordered, and a new budget for completing construction will be put forth for the next FY.</p> <p>Project Notes: This is set for FY22. The list of needed poles and other hardware has been developed and given to Purchasing for them to acquire the materials due to long lead times. 98% of the design has been completed and will be sent to Operations in February. Final 2% of design crosses TVA 161kV lines and will be coordinated with TVA this month. This has been released to Operations.</p> <p>FY2024 Budget: \$1,575,000.00 Total Project Cost: \$2,300,000.00</p>		 <p>Location Map</p>  <p>Project Photo</p>			
Engineering Start:	Bid Opening:	Intent to Award:	N.T.P.:	Projected Complete:	Req'd Complete: 30-Sep-22

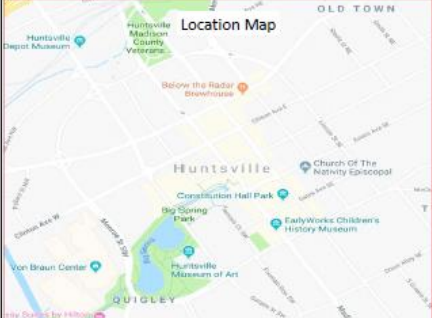

Current&Future Huntsville Utilities Project- Electric Capital		Project Owner: HU	July 2023		
Toyota Solar Generation Substation		CPP-22.E.607330.51.21	Status: Procurement On Time		
<p>Scope of Project: Construction of a 46/12 kV substation to take delivery of Toyota's 30 MW solar power farm, in the vicinity of the Toyota Engine Plant. Includes transformers, breakers, steel, and relaying, including relaying upgrades at our Northwest and Charity Lane Delivery Points. It also includes the necessary 46 kV line work to fold the 46 kV lines into this new substation.</p> <p>Justification: This project will afford HU about \$1,000,000 a year in revenue for the savings in purchased power (compared to our TVA rate).</p> <p>Project Update: Construction bids received. Responsible/responsive low bidder is Goss. Board approval pending.</p> <p>Project Notes:</p> <p>FY2024 Budget: \$1,172,000.00 Total Project Cost: \$3,300,000.00</p>		 <p>Location Map</p>  <p>Project Photo</p>			
Engineering Start:	Bid Opening:	Intent to Award:	N.T.P.:	Projected Complete:	Req'd Complete: 01-Dec-23

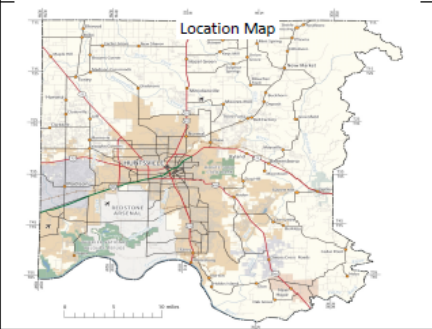
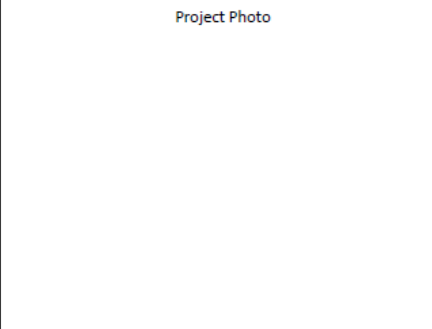
Current&Future Huntsville Utilities Project- Electric Capital		Project Owner: COH	July 2023
Northern Bypass Relocates (Pulaski Pike to Mem Pkwy)		CPP-21.E.607330.52.03	Status: Planning
			On Time
<p>Scope of Project: Project to relocate approximately 16,000-ft of electrical circuit to clear way for the construction of the Northern Bypass.</p> <p>Justification: Existing electrical circuit along Bob Wade Lane interferes with the Northern Bypass project.</p> <p>Project Update: Electric design is complete. City plans to bid project in mid-November</p> <p>Project Notes:</p>			
			
FY2024 Budget:	\$800,000.00		
Total Project Cost:	\$800,000.00		
Engineering Start:	Bid Opening:	Intent to Award:	N.T.P.:
		Projected Complete:	Req'd Complete:

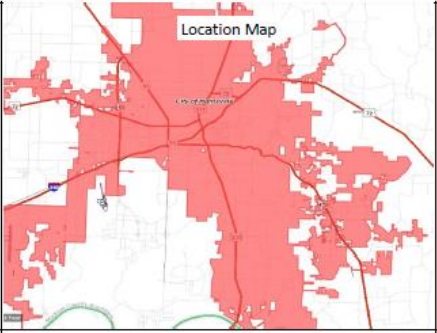

Future Huntsville Utilities Project- Electric Capital		Project Owner: Other	July 2023
Major Roadway Relocations - Electric			Status:
<p>Scope of Project: Relocating electric facilities for major unnamed road projects as required by COH, Madison County, ALDOT etc.</p> <p>Justification: Project schedules are continuously changing for road projects and are difficult to predict beyond 1 year</p> <p>Project Update:</p> <p>Project Notes:</p>			
			
FY2024 Budget:	\$750,000.00		
Total Project Cost:	\$3,750,000.00		
Engineering Start:	Bid Opening:	Intent to Award:	N.T.P.:
		Projected Complete:	Req'd Complete:

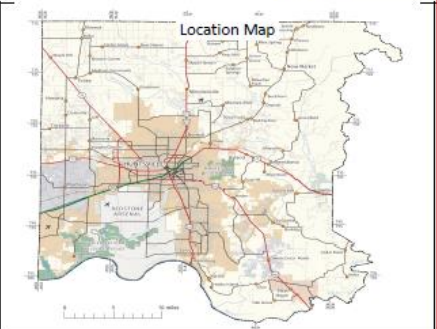
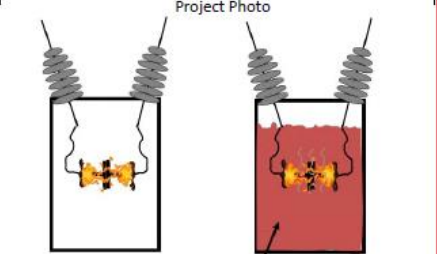
Future Huntsville Utilities Project- Electric Capital				Project Owner: HU	July 2023
<p>Flexible Generation Design</p> <p>Scope of Project: This is one of Huntsville Utilities' Flexible Generation Projects, using a Battery Energy Storage System at an identified distribution network. \$125,000 of the project cost will be funded from the DEED grant award CG-2631. Engineering FY2024, Construction in FY2025-FY2028</p> <p>Justification: For the construction of a flexible generation facility using Battery Energy Storage System, the accompanying controls and a generation system. The project allows HU to take advantage of the 5% generation option that was included in the latest TVA power contract.</p> <p>Project Update: Grant proposal to initiate this project has been approved by DEED. Contract is being reviewed and redlined for any changes that have to be effected. Project start date is slated for January 2024. Location for battery installation still being determined.</p> <p>Project Notes: \$125,000 of the total project cost has been approved by DEED through a DEED grant award. Contract review is in progress.</p> <p>FY2024 Budget: \$500,000.00 Total Project Cost: \$4,500,000.00</p>			<p>Status:</p>  <p>Location Map</p>		
			Project Photo		
Engineering Start:	Bid Opening:	Intent to Award:	N.T.P.:	Projected Complete:	Req'd Complete:

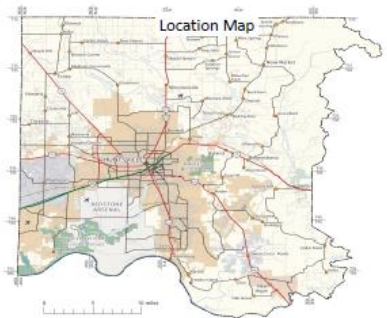

Current&Future Huntsville Utilities Project- Electric Capital				Project Owner: HU	July 2023
<p>Governor's Drive Underground</p> <p style="text-align: right;">CPP-23.E.607330.51.04</p> <p>Scope of Project: Relocating exposed overhead lines along Governor's Drive, at key locations, to reduce vehicle exposure. Part of a multi-year project to underground electric facilities along Governor's Drive. First phases will be to relocate existing OH facilities at Covemont to reduce the likely hood of being hit by vehicles.</p> <p>Justification: In the vicinity of Parkhill Drive and Governor's Drive, HU's overhead facilities have been damaged by various vehicle accidents, resulting in substantial traffic delays. Our facilities are being located underground to remove them from vehicle exposure.</p> <p>Project Update: Design for a single pole relocation at Covemont and Governors has been released to construction. Expect pole to be moved in July with comms to follow.</p> <p>Project Notes:</p> <p>FY2024 Budget: \$500,000.00 Total Project Cost: \$2,000,000.00</p>			<p>Status: Construction</p> <div style="background-color: #90EE90; padding: 2px; display: inline-block;">On Time</div>  <p>Location Map</p>		
			Project Photo		
					
Engineering Start:	Bid Opening:	Intent to Award:	N.T.P.:	Projected Complete:	Req'd Complete: 30-Sep-23

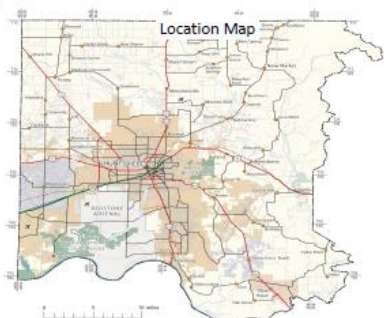
Future Huntsville Utilities Project- Electric Capital				Project Owner: HU	July 2023
<p>Downtown Electric Switch Replacement</p> <p>Scope of Project: Replacement of obsolete underground switchgear. Approximately 20 switches need to be replaced. This is a multi-year project with a total estimated budget of \$4.0M.</p> <p>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.</p> <p>Project Update: Issues. Projects delayed. For the ABB switchgear, we need to meet with ABB to determine what else we need. Project on hold as we re-evaluate space requirements.</p> <p>Project Notes:</p> <p>FY2024 Budget: \$200,000.00 Total Project Cost: \$1,000,000.00</p>				<p>Status: Engineering</p> <p style="background-color: #f4a460; padding: 2px;">Delayed</p>	
				<p>Location Map</p> 	
		<p>Project Photo</p> 			
Engineering Start:		Bid Opening:		Intent to Award:	N.T.P.:
				Projected Complete:	Req'd Complete: 30-Sep-22

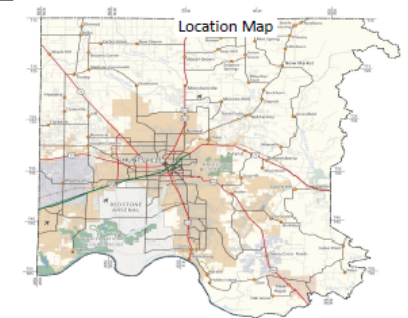
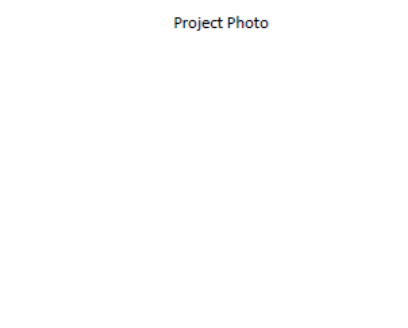
Future Huntsville Utilities Project- Electric Capital				Project Owner: HU	July 2023
<p>Recurring General Development & Extensions - Electric</p> <p>Scope of Project: General Development and Extensions covers most of the new development/customer driven projects including commercial, industrial, residential, 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: Developments are continuing to come quickly.</p> <p>Project Notes:</p> <p>FY2024 Budget: \$7,400,000.00 Total Project Cost:</p>				<p>Status: Engineering</p> <p style="background-color: #92d050; padding: 2px;">On Time</p>	
				<p>Location Map</p> 	
		<p>Project Photo</p> 			
Engineering Start:	01-Oct-22	Bid Opening:		Intent to Award:	N.T.P.:
				Projected Complete:	Req'd Complete: 30-Sep-23

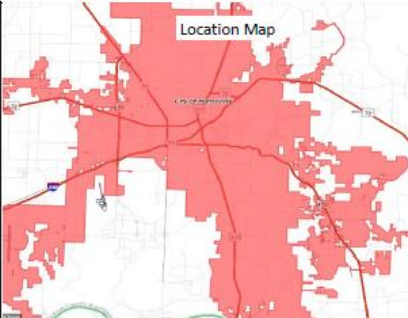

Future Huntsville Utilities Project- Electric Capital				Project Owner: HU	July 2023
Recurring Fiber General Development & Main Extensions				Status: Planning	
<p>Scope of Project: Installing conduit and fiber facilities along with new developments and construction, as well as extensions to remaining facilities outside of the existing fiber network.</p> <p>Justification: Leverage the existing fiber plant to reach more facilities.</p> <p>Project Update: Installing conduit and fiber facilities along with new developments and construction, as well as extensions to remaining facilities outside of the existing fiber network. More fiber designs are being completed for these extensions. This was rebid in July.</p> <p>Project Notes:</p>				 <p style="text-align: center;">Location Map</p>	
				 <p style="text-align: center;">Project Photo</p>	
<p>FY2024 Budget: \$3,700,000.00</p> <p>Total Project Cost:</p>					
Engineering Start:	01-Oct-20	Bid Opening:		Intent to Award:	
				N.T.P.:	
				Projected Complete:	30-Sep-21
				Req'd Complete:	30-Sep-22

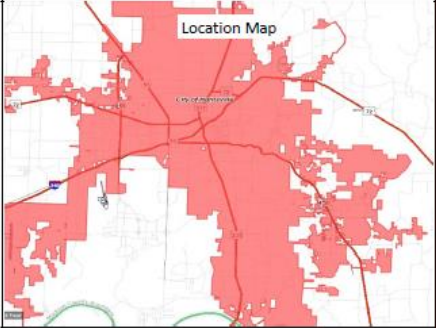

Future Huntsville Utilities Project- Electric Capital				Project Owner: HU	July 2023
Recurring Replace Obsolete Breakers				Status: Completed	
				On Time	
<p>Scope of Project: Ongoing replacement of obsolete breakers. This was originally for oil-filled breakers, but it will be expanded to include older SF6 breakers (15- and 38-kV units). For both types of breakers (oil and SF6) parts are no longer available, hence they're obsolete. Breakers ordered in March 2021.</p> <p>Justification: For continued and improved reliability of the electric supply system which cannot be accomplished with obsolete switchgear and unavailable parts.</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>	
<p>FY2024 Budget: \$350,000.00</p> <p>Total Project Cost:</p>					
Engineering Start:		Bid Opening:		Intent to Award:	
				N.T.P.:	
				Projected Complete:	
				Req'd Complete:	30-Sep-21

Future Huntsville Utilities Project- Electric Capital				Project Owner: HU	July 2023
Recurring Misc Underground Cable Replacement - Electric				Status: Planning	
<p>Scope of Project: This is an ongoing program to replace failed and/or aged underground cables, especially those that are direct buried.</p> <p>Justification: Improves system reliability. Underground cables have a definite life dependent on cable's material qualities & environment. Early underground cables were touted as direct buried for ease of installation & lower costs (no conduit req'd), however, the environment was harsher than designers realized. These cables routinely fail and the downtime for our customers when this happens is undesirable. We seek to avoid this lack of reliability.</p> <p>Project Update:</p> <p>Project Notes: Cost is based on historical data.</p> <p>FY2024 Budget: \$200,000.00</p> <p>Total Project Cost:</p>				<div style="border: 1px solid black; padding: 5px; margin-bottom: 5px;"> <p style="text-align: center; margin: 0;">Location Map</p>  </div> <div style="border: 1px solid black; padding: 5px;"> <p style="text-align: center; margin: 0;">Project Photo</p>  </div>	
Engineering Start:	Bid Opening:	Intent to Award:	N.T.P.:	Projected Complete:	Req'd Complete:

Future Huntsville Utilities Project- Electric Capital				Project Owner: Other	July 2023
Recurring Misc Road Relocations/Street Pavement - Electric				Status: Planning	
<p>Scope of Project: Minor Misc. system changes as required for smaller Road Projects.</p> <p>Justification: Existing lines interfere with road project.</p> <p>Project Update:</p> <p>Project Notes:</p> <p>FY2024 Budget: \$300,000.00</p> <p>Total Project Cost:</p>				<div style="border: 1px solid black; padding: 5px; margin-bottom: 5px;"> <p style="text-align: center; margin: 0;">Location Map</p>  </div> <div style="border: 1px solid black; padding: 5px;"> <p style="text-align: center; margin: 0;">Project Photo</p> </div>	
Engineering Start:	Bid Opening:	Intent to Award:	N.T.P.:	Projected Complete:	Req'd Complete: 30-Sep-22

Future Huntsville Utilities Project- Electric Capital				Project Owner: HU	July 2023
Recurring Misc System Improvements - Electric				Status: Planning	
<p>Scope of Project: This is to have funds available to purchase and/or replace equipment on an emergency or critical basis that occur during a budget year.</p> <p>Justification: The 2021 Substation Reliability Report identified the need to have a funding source available to buy equipment, or replace equipment during a budget year where unforeseen needs and/or circumstances have occurred. This is to set up this funding.</p> <p>Project Update:</p> <p>Project Notes:</p> <p>FY2024 Budget: \$200,000.00</p> <p>Total Project Cost:</p>				 <p style="text-align: center;">Location Map</p>	
				 <p style="text-align: center;">Project Photo</p>	
Engineering Start:	Bid Opening:	Intent to Award:	N.T.P.:	Projected Complete:	Req'd Complete:

Future Huntsville Utilities Project- Electric Capital				Project Owner: Other	July 2023
Recurring Misc Road Relocations for Fiber				Status: Planning	
<p>Scope of Project: Relocate fiber lines as required for Road Relocation projects</p> <p>Justification: Existing lines interfere with road project.</p> <p>Project Update: None identified at this time.</p> <p>Project Notes:</p> <p>FY2024 Budget: \$100,000.00</p> <p>Total Project Cost:</p>				 <p style="text-align: center;">Location Map</p>	
				 <p style="text-align: center;">Project Photo</p>	
Engineering Start:	Bid Opening:	Intent to Award:	N.T.P.:	Projected Complete:	Req'd Complete:

Future Huntsville Utilities Project- Electric Capital		Project Owner: HU	July 2023
Recurring Fiber New Tier 2		Status: Planning	
<p>Scope of Project: Install fiber to new tier 2 and tier 3 locations. Tier 2 is defined as HU and COH point to point locations, HPD camera sites, COH traffic light sites, COH buildings, etc. Tier 3 is defined a point to point service for third party use such as Travellers, DC Blox, Simple Helix, ENA, etc.)</p> <p>Justification: Leverage the existing fiber plant to reach more facilities.</p> <p>Project Update: These requests continue to increase and be filled as the initial fiber build has been completed.</p> <p>Project Notes:</p> <p>FY2024 Budget: \$250,000.00</p> <p>Total Project Cost:</p>		 <p>Location Map</p>	
		 <p>Project Photo</p>	
Engineering Start:	Bid Opening:	Intent to Award:	N.T.P.:
Projected Complete:	Req'd Complete:	30-Sep-22	

Debt and Debt Service

Capital spending to maintain and expand major infrastructure is an integral part of the budget cycle each year. The [Debt Policy](#) 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.

Bond Ratings	Moody’s	Standard & Poor’s
Water	Aa1	AAA
Gas	No Rating	No Rating
Electric	Aa1	AA-

To the left are the current bond ratings. Moody’s and S&P bond ratings both remain unchanged from the prior year. Huntsville Utilities has no outstanding gas bonds so there is no rating.

Debt limitations are also imposed by policy for each utility. Debt service payments can be no more than 30% of total operating revenue for Water or operating margin for Electric and Gas. For all three services, the ratio of operating revenue to operating expenses minus depreciation plus debt service must be at least 110%. Existing debt levels are much lower than covenant and policy requirements, and therefore do not have an impact on current operations.

Debt Limitations Compliance

	<u>Water</u>	<u>Gas</u>	<u>Electric</u>
Operating Revenue (FY22 Audited)	54,996,755	61,977,300	616,335,896
Operating Margin (FY22 Audited)	54,932,488	32,414,960	154,717,832
30% of Margin	16,479,746	9,724,488	46,415,350
FY24 Debt Service	10,989,663	1,563,881	6,582,600
Is debt service less than 30% of margin?	Yes	Yes	Yes
Operating Revenue (FY21 Audited)	54,996,755	61,977,300	616,335,896
Operating Expenses - Depreciation (FY21 Audited)	32,131,070	45,912,091	518,214,307
Annual Net Income	22,865,685	16,065,209	98,121,589
FY24 Debt Service	10,989,663	1,563,881	6,582,600
Operating Expense + Debt Service	43,120,733	47,475,972	524,796,907
Ratio of Sales to Operating Expense + Debt Service	128%	131%	117%
Is the ratio greater than 110%? (Policy)	Yes	Yes	Yes
Ratio of Annual Net Income to Debt Service (Covenant)	208%	1,027%	1,491%
Is the ratio greater than 100% Gas or 115% in Electric and Water? (Covenant)	Yes	Yes	Yes

Huntsville Utilities’ projected debt as of September 30, 2023, is \$189,588,352 consisting of \$156,100,000 in revenue bonds, \$29,516,200 in Alabama State Revolving Fund (SRF) loans and \$3,972,152 of other debt. The projected debt service for fiscal year 2024 is \$22,917,286. A breakdown of debt by utility service is shown below:

Transaction	Water	Gas	Electric
Revenue Bonds	\$90,595,000	-	\$65,505,000
Private Placements	\$100,000	\$3,872,152	-
AL State Revolving Fund Loans	\$29,516,200	-	-
Projected FY23 Debt Service	\$10,347,577	\$1,563,881	\$6,582,600
Projected FY24 Debt Service	\$10,989,663	\$1,563,881	\$10,363,743

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 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 the Southeast water treatment plant, the purchase of additional service area from the Limestone County Water Authority, and rehabilitation of the South Parkway water treatment plant. The amount of outstanding debt for this utility is \$120,211,200 with budgeted debt service of \$10,989,663 which is 16.8% of budgeted sales revenue for FY24.

The Gas system has outstanding debt of \$3,872,152 with budgeted debt service of \$1,563,881 or 4.2% of FY24 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 \$65,505,000 with budgeted debt service of \$6,582,600 representing 5.6% of FY24 gross profit margin. This debt is used primarily to fund distribution infrastructure such as AMI deployment and substation builds.

Amortization schedules for current debt are provided in the footnotes to the audited financial statements. Links to the financial statements for the last three years are provided on the last page of this document. Note 5 – Long Term Debt begins on page 38 of the [2022 Huntsville Utilities Audited Financial Statements](#). On the next page is a summary of principal and interest by fund including planned debt that is not included on our financial statements.

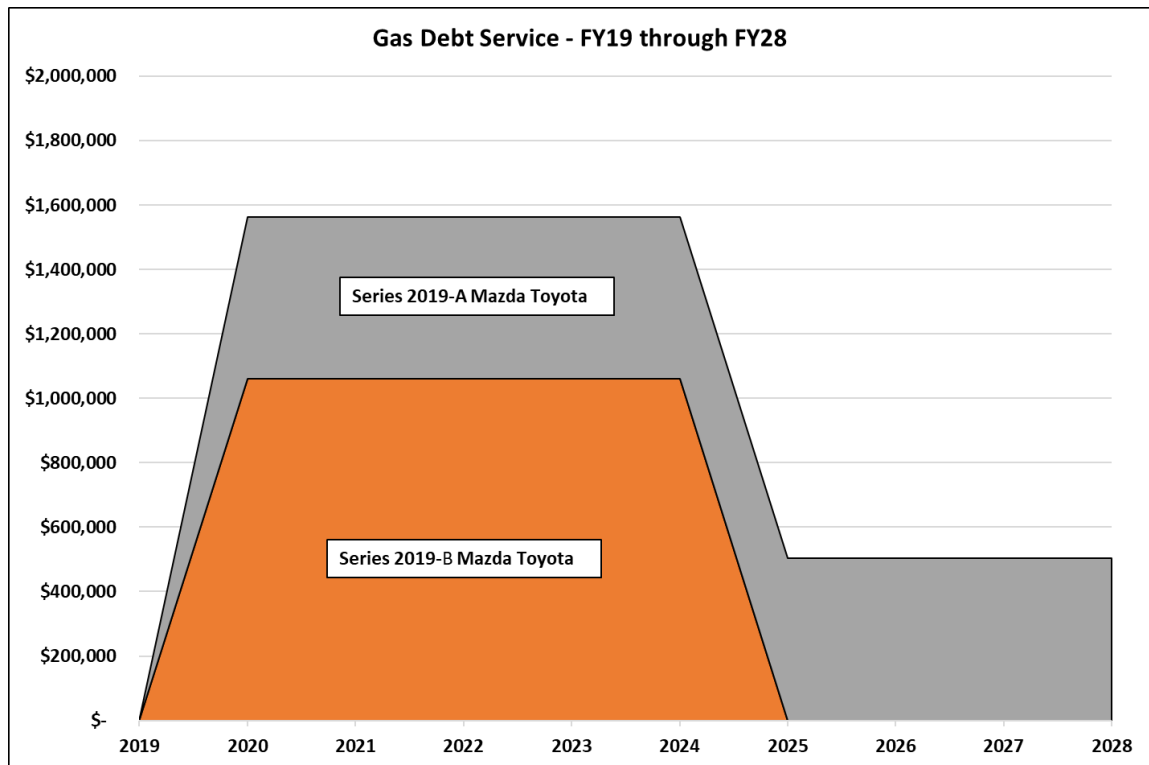
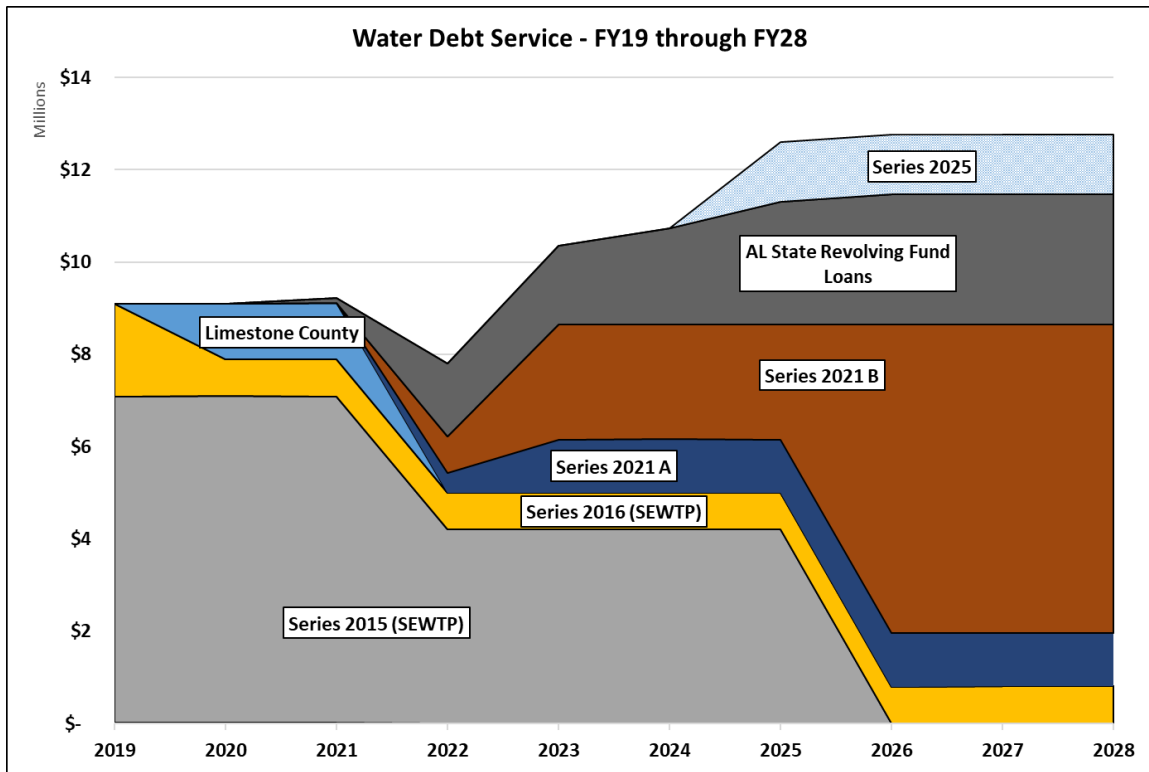
The current and projected debt service is expected to peak in fiscal year 2028 at \$26 million. The charts on the following pages show debt service payments for the past five years and projections for the next five years for each utility service. There is substantial borrowing activity for water within the ten-year window. The series 2016 bonds refunded the 2008 bonds. Series 2021 bonds refunded callable portions of the 2015 bonds and the 2019 borrowing. The Alabama State Revolving Fund (SRF) loans are in five annual installments that started in 2020 and the last should be requested in September 2024. A second

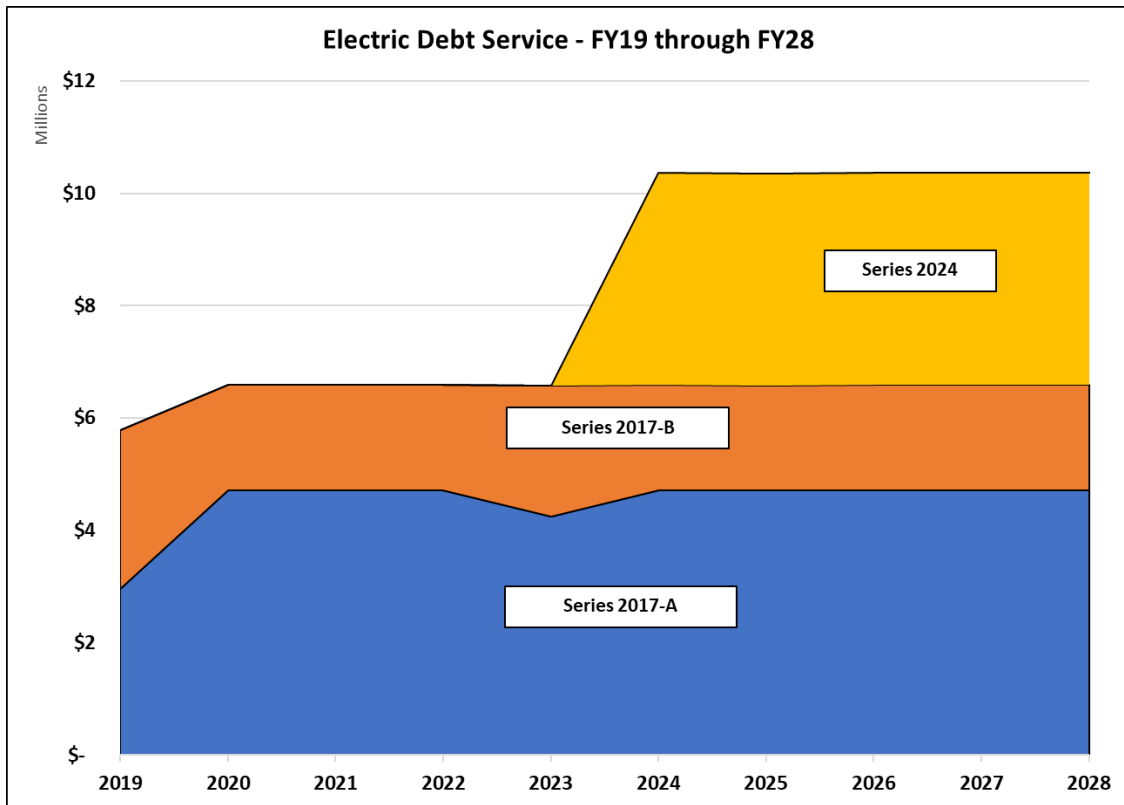
SRF Loan is planned with five annual installments beginning in 2025 thru 2029. For planning purposes, another debt issuance, which may be in the forms of bonds or private placements, to cover additional capital projects has been factored in for 2024. There are no plans for additional gas debt. A planned electric borrowing is shown to cover the cost of the systems operation center and other improvements.

Summary of Principal and Interest by Fund

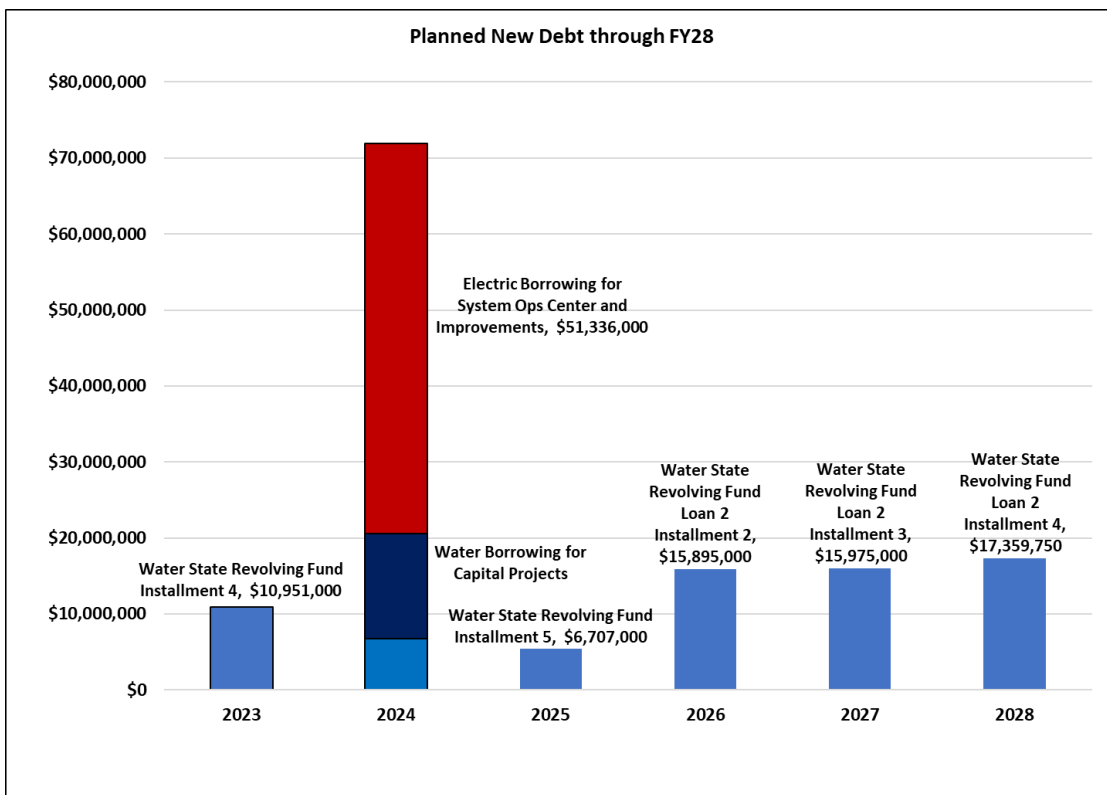
FY	Water		Gas		Electric	
	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$7,545,000	\$2,802,577	\$1,459,362	\$104,519	\$3,240,000	\$3,342,600
2024	\$8,035,482	\$2,954,181	\$1,492,554	\$71,327	\$5,133,953	\$5,229,790
2025	\$9,157,250	\$3,144,667	\$454,953	\$48,434	\$5,372,911	\$4,986,082
2026	\$9,689,260	\$3,188,343	\$465,203	\$38,184	\$5,629,627	\$4,737,565
2027	\$10,741,778	\$3,334,378	\$475,684	\$27,703	\$5,884,212	\$4,477,055
2028	\$11,619,764	\$3,467,076	\$486,400	\$16,986	\$6,166,781	\$4,197,112
2029	\$12,579,444	\$3,523,078	\$497,358	\$6,028	\$6,457,452	\$3,903,691
2030	\$12,168,690	\$3,383,058	-	-	\$6,766,350	\$3,596,168
2031	\$12,433,465	\$3,119,196	-	-	\$7,088,604	\$3,273,789
2032	\$12,695,952	\$2,851,240	-	-	\$7,429,348	\$2,935,794
2033	\$12,966,229	\$2,577,183	-	-	\$5,858,722	\$2,629,545
2034	\$13,244,374	\$2,288,154	-	-	\$6,131,871	\$2,356,772
2035	\$12,735,466	\$1,999,093	-	-	\$6,413,946	\$2,071,197
2036	\$13,024,591	\$1,710,328	-	-	\$6,715,104	\$1,772,164
2037	\$6,566,832	\$1,483,728	-	-	\$7,025,508	\$1,459,010
2038	\$6,722,280	\$1,323,940	-	-	\$7,355,328	\$1,131,064
2039	\$6,881,024	\$1,160,090	-	-	\$7,699,741	\$787,526
2040	\$7,053,158	\$992,137	-	-	\$3,228,931	\$548,462
2041	\$7,223,782	\$819,764	-	-	\$3,358,088	\$419,304
2042	\$5,752,993	\$650,293	-	-	\$3,492,412	\$284,981
2043	\$5,895,895	\$505,344	-	-	\$3,632,108	\$145,284
2044	\$5,709,605	\$360,204	-	-	-	-
2045	\$4,273,976	\$241,396	-	-	-	-
2046	\$3,949,866	\$154,479	-	-	-	-
2047	\$2,709,160	\$84,853	-	-	-	-
2048	\$1,772,825	\$35,551	-	-	-	-
2049	\$729,561	\$8,025	-	-	-	-

The table above shows current principal and interest by fund which is detailed in the notes of our financial statements, but it also includes proposed debt planned in future years for informational purposes.





Huntsville Utilities expects to issue approximately \$137.5 million in additional debt over the next five years to fund the capital improvement plan.



Functional Area Budgets

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

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

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	19.00%	22.00%	59.00%
Stores and Purchasing	13.00%	6.00%	81.00%
Facilities	1.00%	26.00%	73.00%
Administrative and Finance	29.00%	20.00%	51.00%
Safety	29.00%	20.00%	51.00%
Customer Care	28.00%	16.00%	56.00%
Engineering	28.00%	16.00%	56.00%
Dispatch	10.00%	3.00%	87.00%
Technical Services	30.00%	18.00%	52.00%
Mapping	28.00%	16.00%	56.00%
Meter Reading	75.00%	25.00%	0.00%
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

Wes Kelley, President/CEO

Warne Heath, General Counsel

Chris Jones, Chief Operating Officer

Organizational Function

The **President/CEO** has overall management responsibility for the water, gas, and electric utility systems. This includes ensuring adequate and reliable service, proper collection and disbursement of revenues, effective planning and operations, implementation of capital work plans, and the appointment and direction of personnel, all subject to the general policies and budgets approved by the Boards. The President/CEO is also the primary liaison with the Tennessee Valley Authority and other industry partners. The Executive Assistant works closely with the President/CEO, handling administrative duties within the President/CEO's office and support for the Boards.

External Affairs includes Community Relations, Government Relations, and Communications. This group coordinates Huntsville Utilities' engagement with local community leaders and organizations, manages interactions with government officials and addresses legislative and regulatory proposals, and is responsible for Huntsville Utilities' brand and marketing materials. External Affairs responds to media inquiries and complicated customer concerns, and the group is responsible for Huntsville Utilities' extensive social media presence.

The **Chief Operating Officer** supports the President/CEO by directing the organization's Engineering, Operations, and Operations Support functions. The COO is uniquely positioned to identify and lead performance and improvement initiatives, enhance the workforce by strengthening leadership development, promote innovation, and create efficiencies. The COO leads the organization's planning and capital improvement efforts, builds positive relationships with HU's customers, and identifies and advances business opportunities.

Key Accounts cultivates and maintains vital relationships with Huntsville Utilities' most influential and impactful customers. Utilizing business connections with the Tennessee Valley Authority, Key Accounts has the capability to transform the customer's experience from a one-stop shop to a more customized experience. Regular communication and site visits enable customer education regarding TVA incentives and programs. Key Accounts is knowledgeable about TVA's Comprehensive Services Program (a complimentary program for Huntsville Utilities customers); and has enrolled many businesses to take advantage of this service. Key Accounts specializes in multi-level project management within all facets of Huntsville Utilities. This group focuses on and values being proactive to the needs of the customer. Key Account Representatives are active in dealings with the Chamber of Commerce and play an integral role in providing sample billing information to potential commercial and industrial customers. This group aims to provide an excellent customer service experience for all.

The **Legal** group works to prevent and manage any legal issues that arise during the operation of the utilities. General Counsel and the Legal Analyst review contracts, policies, and other official documents. The group coordinates with outside legal representation for litigation or other specialized services. General Counsel works closely with Human Resources and other HU management—especially the President/CEO—by offering guidance in legal matters to ensure compliance with relevant laws or regulatory requirements.

The **Equal Employment Opportunity / Diversity and Inclusion** office ensures that HU operates non-discriminately and promotes diversity and inclusion throughout the organization. EEO/DEI educates

employees on their rights, the value of diversity. and how to report problems or concerns. The EEO/DI group conducts employment investigations and participates in all employment interviews.

Process Excellence recommends proper controls, governance, and risk management to protect HU’s employees, processes, records, and assets. The group audits processes to ensure legal, regulatory, and policy compliance, and beyond after-the-fact reviews, this group also promotes performance improvements that add value to utility operations and minimize risk in all aspects of business operations.

Personnel Summary

		2020	2021	2022	2023	Vacancies	Reductions	Planned Additions	BUDGET 2024
ADMINISTRATION	Full-time	15	20	20	21	2	0	2	25
	Part-time	0	0	0	0	0	0	0	0
	Temporary	0	0	0	0	0	0	0	0

Departmental Overview

Performance Indicators	2021	2022	2023	Goal	Strategic Focus
Determine employee “net promoter score” based on ratio of detractors and promoters	1	17	N/A*	20	Culture of Pride, Respect and Accountability
Recent customers “very satisfied” with the ease of doing business with HU	94%	95%	N/A*	90%	Community Engagement & Social Responsibility
Electric average system availability and average customer outage duration	99.9% 50 min.	99.9% 58 min.	99.96% 63 min.	99.95% < 60 min.	Community Engagement & Social Responsibility
Water disruptions per 1,000 Accounts (1 st tracked in 2022)	N/A	9.51	8.58	< 10	Community Engagement & Social Responsibility
Typical residential winter bills compared to 40 regional and national cities	18th	12th	6th	Top 10	Community Engagement & Social Responsibility
Maintain reasonable utility bills compared to HUD median low income in Madison County	3.35%	3.22%	3.04%	< 5%	Community Engagement & Social Responsibility

Performance Indicators	2021	2022	2023	Goal	Strategic Focus
Participate in industry award programs	<p>APPA RP3-Diamond APGA SOAR-Silver AWPCA Best Plants</p>	<p>APPA RP3-Diamond, CEO Leadership Excellence APGA SOAR-Silver AWPCA Best Plants and System TNCPE/ALPEX-Commitment Award TVPPA Lineworker Rodeo Team-Best Overall</p>	<p>APPA RP3-Diamond, Safety Award of Excellence APGA SOAR-Gold, Safety Award AWPCA-Best Operated Plants and System TVPPA-CEO Distinguished Service Award</p>	<p>APPA-RP3 APGA-SOAR AWWA/AWPC Best</p>	<p>Culture of Pride, Respect and Accountability</p>

*These surveys were not completed in 2023.

Goals for FY23 Budget Year	Status	Strategic Focus	Timeframe
Inspire accountability and measurable workforce performance by improving departmental collaboration and communication, reducing administrative bureaucracy, organizational silos, and promoting a positive work ethic.	Recommended changes to the purchasing process and developed efficiency tools	Workforce Culture	Sept. 2023
Prepare for emerging environmental, social, and governance dynamics and respond to shifting political and regulatory environments.	Prepared HU's first Community Responsibility Report	Industry Disruption	Sept. 2023
Assure stability by enhancing the execution structure and organizational succession planning to preempt crises and mitigate disruption.	Established COO position and VP of Ops Support, retired VP of Customer Care	Workforce Culture	Sept. 2023
Establish an Innovation Dividend Fund, providing a portion of ancillary revenues to support organizations and programs that improve the region's quality of life and economic vitality.	Eight worthy organizations received funding aligned with HU's policy	Community Growth	Sept. 2023

Goals for FY23 Budget Year	Status	Strategic Focus	Timeframe
Launch HU’s first renewable energy project to support sustainability while maintaining affordability and reliability.	Groundbreaking held with Toyota providing 30MW solar in north Huntsville	Industry Disruption	Sept. 2023

Goals for FY24 Budget Year	Strategic Focus	Timeframe
Pursue opportunities to improve HU’s governance structure that removes impediments and encourages agility.	Community Engagement & Social Responsibility	Sept. 2024
Respond to economic development needs and customer interest in alternative energy solutions.	Transformation	Sept. 2024

Departmental Budget Summary

	FY23 Budget	FY24 Budget
Water Operating Expenses	\$1,642,690	\$2,204,813
Gas Operating Expenses	\$1,107,722	\$1,416,445
Electric Operating Expenses	\$2,630,884	\$4,284,684
Total Operating Expenses	\$5,381,296	\$7,905,942
Electric Capital Expenses	\$33,000	\$0
Grand Total	\$5,414,296	\$7,905,942

Engineering

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, natural gas gate stations, and associated transmission and distribution infrastructure. These projects are typically individual budget line items. This group runs modelling software to determine where system improvement projects are most needed and to determine the impact of projected growth. The Engineering Planning group 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 natural gas distribution systems, as well as maintenance, upgrade, and relocation projects. This group also handles field inspection of facilities installed by 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 (GIS) and Mapping Services consists of two sections: GIS and Facilities Mapping, and Facilities Locating and Pole Attachment Maintenance. The GIS and Facilities Mapping section is responsible for administering mapping software system(s), managing the database integrity, and handling any complex database queries. This section maintains the base maps and addressing, plats, facilitates the aerial photography collection each year, and fits the imagery to our base maps. This section coordinates with many other departments using this data, including Operations (both for daily system operations and outage management), planning for the use of system models, and various department requesting maps and system data.

Facility Locating and Pole Attachment Management 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. This group also has the responsibility of handling all pole attachment preparations and pole attachment agreements. 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.

Personnel Summary

		2020	2021	2022	2023	Vacancies	Reductions	Planned Additions	BUDGET 2024
ENGINEERING	Full-time	62	57	60	66	3	-1	5	73
	Part-time	0	0	0	0	0	0	0	0
	Temporary	1	1	1	1	0	0	0	1

Departmental Overview

Performance Indicators	2021	2022	2023	Goal	Strategic Focus
Maintain Compliance with state and federal utility regulations	100%	100%	100%	100%	Community Engagement & Social Resp.
Projects completed under or within +15% of budget estimate	Water: 100% Gas: 100% Electric: 100%	Water: 20 of 20 Gas: 17 of 17 Electric: 23 of 23	Water: 7 of 12 Gas: 5 of 9 Electric: 7 of 14	80%	Culture of Pride, Respect, and Accountability
Projects completed within target fiscal year	Water: 97% Gas: 100% Electric: 86%	Water: 8 of 9 Gas: 8 of 9 Electric: 11 of 14	Water: 3 of 9 Gas: 5 of 9 Electric: 7 of 14	80%	Culture of Pride, Respect, and Accountability
Report estimated to actual costs for work orders	Water: 101 Gas: 43 Electric: 60	Water: 106 Gas: 17 Electric: 15	Water: 69 Gas: 129 Electric: 562	Water: 40 Gas: 20 Electric: 60	Culture of Pride, Respect, and Accountability
AMI deployment	Gas: 7,010 Electric: 70,020	Gas: 17,181 ~24,191 Electric: ~189,965	Gas: 36,366 ~42,952 Electric: 210,429	Substantial Completion of Gas Meters by September 2024; Electric Substantially Completed	Transformation

Goals for FY23 Budget Year	Status	Strategic Focus	Timeframe
Develop annual construction and funding plans to support growth and maintain average utility costs below 5% of median household income	Complete	Community Growth	Sept. 2023
Establish customer digital interactions and develop skills to enable distribution Smart Grid solutions.	Complete	Technology Transformation	Sept. 2023

Goals for FY24 Budget Year	Strategic Focus	Timeframe
Develop and analyze innovative solutions, identifying additional revenue and grant funding, to address technology and market opportunities.	Transformation	Sept. 2024

Departmental Budget Summary

	FY23 Budget	FY24 Budget
Water Operating Expenses	\$3,733,878	\$3,773,444
Gas Operating Expenses	\$1,801,277	\$2,156,007
Electric Operating Expenses	\$6,502,095	\$7,958,074
Total Operating Expenses	\$12,037,250	\$13,887,525
Water Capital Expenses	\$38,635,000	\$35,185,000
Gas Capital Expenses	\$15,359,000	\$12,162,000
Electric Capital Expenses	\$40,372,243	\$66,649,243
Total Capital Expenses	\$94,366,243	\$113,996,243
Grand Total	\$106,403,493	\$127,883,768

Finance

Melissa Marty, 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 President/CEO, Boards and management team regarding financial planning and analysis, natural gas supply, financial reporting, accounting, investments, debt 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.

Gas Supply

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.

Customer Operations:

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.

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. They also promote Project Share, Roundup, and various payment options. In addition, they work with other departments to resolve customer payment issues. Eight self-service payment kiosks are available to customers, four are available 24/7. Self-service payment kiosks accept cash, check, debit cards, and most major credit cards.

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, submit 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.

Customer Services:

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 or 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, 1,460 online applications are processed monthly.

Contact Center handles the majority of incoming calls to Huntsville Utilities. On average, 28,000 calls are handled monthly. All calls are recorded for quality assurance and training purposes. Additional channels of customer communications include chat, call back return, 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 and credit card payments, bank drafts, general bill inquiries, service status, office hours, and payment locations. Contact Center offers extended hours for customers to transact business at their convenience, Monday through Friday from 7:00 a.m. to 6:00 p.m.

Customer Support gathers information, analyzes data, and reports, completes quality assurance, and handles training for new and existing employees. Various roles are responsible for job aides, creating department procedures for various jobs within Customer Care, designing and conducting training for new hires and existing employees, and providing quality oversight. They establish measures to evaluate and coach employees who come in direct contact with customers to help improve employee performance. Customer Support monitors all customer communication channels to assess employee's demeanor, technical accuracy, customer experience and compliance to company policies and procedures. This group also develops and executes standard and custom reports, as well as credit files.

Commercial and Industrial (C&I) team works with all non-residential customers regarding application procedures for different business entities, including contracts for utility services, legal documents, and deposit requirements. The C&I team provides complete life cycle management and care for their accounts. Senior C&I Specialists coordinates all new construction requests for both C&I customers and apartments, regularly meeting with apartment management groups, and is active in the Industrial Facilities Management Association (IFMA) and Apartment Association of North Alabama (AANA). The goal of C&I team is to provide exceptional customer service to our business community through a variety of communication channels.

Personnel Summary

		2020	2021	2022	2023	Vacancies	Reductions	Planned Additions	BUDGET 2024
FINANCE	Full-time	99	96	104	99	26	0	5	130
	Part-time	0	0	0	0	0	0	0	0
	Temporary	0	0	0	0	0	0	0	0

Departmental Overview

Performance Indicators	2021	2022	2023	Goal	Strategic Focus
Provide Competitive Rates Among Regional Peers	Electric 15% Water 13% Gas 50%	Electric 25.95% Water 20.88% Gas 49.36%	Electric 23.63% Water 20.10% Gas 49.44%	≤ 25% Electric ≤ 25% Water ≤ 50% Gas	Community Engagement & Social Responsibility
Maintain reasonable utility bills compared to HUD median low income in Madison County	3.35%	3.22%	3.04%	< 5%	Community Engagement & Social Responsibility
Achieve Electric Target Margins	23%	21.61%	19.65%	> 17%	Community Engagement & Social Resp.
Achieve Gas Target Margins	53%	40.72%	46.73%	> 50%	Community Engagement & Social Resp.
Achieve Water Target Margins	\$31.8M	\$32.6M	\$49.0M	> \$46M	Comm Engmt & Social Resp
Maintain Electric Cash Reserve	\$45.8M	\$74.9M	\$109.4M	> \$41.3M	Comm Engmt & Social Resp
Maintain Gas Cash Reserve	\$29.4M	\$31.0M	\$23.7M	> \$20.1M	Comm Engmt & Social Resp
Maintain Water Cash Reserve	\$46.7M	\$47.8M	\$38.8M	> \$30.3M	Comm Engmt & Social Resp
Weighted Avg Cost of Gas	\$2.50	\$4.09	\$3.679	<\$3.74	Comm Engmt & Social Resp
Gas Pipeline Capacity	13.0%	36.3%	37.06%	5% over Peak Demand	Comm Engmt & Social Resp
Gas Storage	1,357,577	1,357,577	1,338,983	>700,000 Dth	Comm Engmt & Social Resp
Calls answered by C&I within 60 seconds	40.6%	40.0%	57.6%	≥ 80%	Comm Engmt & Social Resp
Report Estimate to Actual Cost for Capital Infrastructure Projects	100% of Projects	100% of Projects	100% of Projects	100% of Projects	Community Engagement & Social Resp.

Performance Indicators	2021	2022	2023	Goal	Strategic Focus
Recent customers satisfaction level = “very satisfied”	95.0%	96.1%	N/A*	90%	Community Engagement & Social Resp.
Calls answered by Contact Center within 60 seconds	97.1%	64.8%	79.3%	≥ 85%	Comm Engmt & Social Resp
Bills are mailed the business day following the meter reading	81.0%	91.9%	91.36%	> 85%	Community Engagement & Social Resp.
Payments posted properly	100%	100%	99.98%	≥ 98%	Comm Engmt & Social Resp
Increase kiosk payments	15.2%	11.9%	11.5%	> 10%	Comm Engmt & Social Resp
Maintain electronic payments	75.7%	79.2%	83%	> 50%	Comm Engmt & Social Resp
Increase customer receiving e-bill	9.3%	20.2%	25.87%	> 20%	Comm Engmt & Social Resp
Contact Center call hold time < 3 min.	0.6%	15.7%	4.18%	≤ 10%	Comm Engmt & Social Resp

*This survey was not completed in 2023.

Goals for FY23 Budget Year	Status	Strategic Focus	Timeframe
Confirm with wholesale energy providers to ensure adequate capacity to meet five-year forecasts	Complete	Community Growth	Sept. 2023
Implement HU-driven customer-facing alternative energy solutions and technologies that advance environmental, financial, and resiliency opportunities	Complete	Industry Disruption	Sept. 2023

Goals for FY24 Budget Year	Strategic Focus	Timeframe
Expand HU’s marketing efforts to professionally manage internal and external messaging, highlighting our commitment to employees and community stewardship.	Community Engagement & Social Resp.	Sept. 2024

Departmental Budget Summary

	FY23 Budget	FY24 Budget
Water Operating Expenses	\$20,519,404	\$21,123,083
Gas Operating Expenses	\$11,141,732	\$11,100,898
Electric Operating Expenses	\$38,172,008	\$39,740,084
Total Operating Expenses	\$69,833,144	\$71,964,065
Grand Total	\$69,833,144	\$71,964,065

Employee Engagement

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 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 President/CEO'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 (HR) 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. Essentially the HR group is responsible for five critical functions: payroll, recruitment, training and professional development, benefits and compensation, and employee relations. Some of the specific responsibilities of the group include administration of the performance appraisal program, fair compensation, benefits, training, succession planning, pre-employment and background check programs, coordination, and execution of disciplinary action, 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. They develop strong safety procedures and manuals, 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. They also provide environmental mitigation, clean up and reporting of all hazardous and universal waste, reporting of oil spills, containment, and PCB testing. Recycling initiatives and other means of reducing the overall environmental impact and footprint are also responsibilities for this group.

Facilities is responsible for overseeing and performing tasks associated with improvements, renovations, preventive maintenance, grounds-keeping, janitorial services, and refuse services. They are responsible for repairs at multiple sites, including commercial buildings, fiber optic transmission buildings, natural gas gate station buildings, and electric substation buildings. 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 goal is that work be performed in a manner that consistently ensures Facilities’ services meet the needs of employees while ensuring operational readiness.

Personnel Summary

		2020	2021	2022	2023	Vacancies	Reductions	Planned Additions	BUDGET 2024
EMPLOYEE ENGAGEMENT	Full-time	23	25	25	30	1	0	2	33
	Part-time	0	0	0	0	0	0	0	0
	Temporary	11	12	10	10	0	0	0	10

Departmental Overview

Performance Indicators	2021	2022	2023	Goal	Strategic Focus
Company Retention Rate	95%	91.3%	95%	97%	Culture of Pride, Respect and Accountability
Company Turnover	3.16%	7%	3.7%	< 5%	Culture of Pride, Respect and Accountability
Increase net promotor score to 7 or greater (scale 0-10)	n/a*	n/a*	100%	100% *Began in FY23	Culture of Pride, Respect and Accountability
Provide a safe workplace	1.69, 8	1.75, 8	.97, 8	Achieve injury incident rate ≤ 2.0	Culture of Pride, Respect and Accountability
Promote safe driving	2.44	3.80	1.69, 9	Achieve preventable vehicle accident ratio of <4.0	Culture of Pride, Respect and Accountability
Encourage training and professional development	~40-45%	~60%	100%	Define promotional matrix & training req. for 25% of job descriptions	Culture of Pride, Respect and Accountability
Enhance succession planning and promotional opportunities	9	35	38	Achieve ≥ 2 qualified internal candidates for supervisory positions	Culture of Pride, Respect and Accountability
Implement technology projects and facility preventative maintenance	98.3%	100%	100%	Perform > 90% of needed facility preventative maintenance	Culture of Pride, Respect and Accountability

Goals for FY23 Budget Year	Status	Strategic Focus	Timeframe
Complete 7 total VPEE visits to include all departments	100%	Organizational Excellence	Sept. 2023
Conduct annual pulse surveys with a participation rate of >60%	ongoing	Organizational Excellence	Sept. 2023
Complete 90% of all preventative maintenance before resolve date	100%	Workforce Performance	Sept. 2023
Acknowledge helpdesk tickets within 90% of service level agreement	100%	Workforce Performance	Sept. 2023
Injury Rate =/ $<$ 2.0	Ongoing	Organizational Excellence	Sept. 2023
Vehicle Incident Rate =/ $<$ 4.0	Ongoing	Organizational Excellence	Sept. 2023
Measure early turnover within the first year of employment	100%	Organizational Excellence	Sept. 2023
Measure training completion rate for Compliance Training =/ $<$ 90%	100%	Organizational Excellence	Sept. 2023
Internal promotion rate of more than 2 qualified internal candidates	100%	Organizational Excellence	Sept. 2023
Develop first-line supervisors and mid-management leaders through training programs and empower department-level decision making.	Ongoing	Workforce Culture	Sept. 2023
Implement HU-driven customer-facing alternative energy solutions and technologies that advance environmental, financial, and resiliency opportunities.	Ongoing	Industry Disruption	Sept. 2023
Address generational and societal diversity through proactive talent acquisition and career development.	Ongoing	Workforce Culture	Sept. 2023

Goals for FY24 Budget Year	Strategic Focus	Timeframe
Strengthen HU’s talent management processes to empower existing employees and attract and retain qualified individuals	Culture of Pride, Respect and Accountability	Sept. 24

Departmental Budget Summary

	FY23 Budget	FY24 Budget
Water Operating Expenses	\$1,409,528	\$1,621,371
Gas Operating Expenses	\$1,797,007	\$1,830,728
Electric Operating Expenses	\$4,586,187	\$5,331,530
Total Operating Expenses	\$7,792,722	\$8,783,629
Water Capital Expenses	\$0	\$70,000
Gas Capital Expenses	\$72,000	\$114,000
Electric Capital Expenses	\$900,000	\$2,226,869
Total Capital Expenses	\$972,000	\$2,410,869
Grand Total	\$8,764,722	\$11,194,498

Information Technology

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 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.

HU IT governance aims at ensuring that expectations for IT are met and IT risks are mitigated. IT governance is comprised of three committees. The Information Technology Steering Committee oversees the governance of information technology and evaluates activities to lessen risk exposure for HU. The Cybersecurity Committee provides a framework for identifying, tracking, and managing cyber threats as well as conducting security assessments for third party vendors. The Data Governance Committee strategizes and steers the enterprise-wide data governance program to enable data quality and regulatory compliance.

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 Enterprise Resource Planning (ERP) back office systems such as Accounting, Payroll, Fixed Assets, Human Resources, Benefits, Talent, Management, 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 and Invoicing, Cash Handling, Customer Call Center systems, and Multichannel Customer Bill Payment Options including IVR, Mobile Phone Apps, 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 and the Meter Data Management System in support of our Automated Metering (AMI) technology.

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, device management, and meter data management systems.

The MIS 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 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 ERP 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 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 Administration 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 750 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 ERP 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 for network and 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.

Personnel Summary

		2020	2021	2022	2023	Vacancies	Reductions	Planned Additions	BUDGET 2024
INFORMATION TECHNOLOGY	Full-time	34	38	35	39	4	-1	1	43
	Part-time	0	0	0	0	0	0	0	0
	Temporary	0	0	0	0	0	0	0	0

Departmental Overview

Performance Indicators	2021	2022	2023	Goal	Strategic Focus
Complete > 80% IT Projects within target year	41%	88%	83%	> 80%	Technology Transformation
Respond to > 90% of IT help desk requests in < 4 hours	91%	99%	99%	> 90%	Technology Transformation
Provide resolution in < 2 business days for 80% of requests marked “under review”	89%	96%	97%	80%	Technology Transformation

Goals for FY23 Budget Year	Status	Strategic Focus	Timeframe
Evaluate and transition to an updated digital core providing improved data integration and supporting process improvement, starting in FY22, and implementing by FY25	Complete	Technology Transformation	Sept. 2023
Continue to enhance our cyber posture ahead of threats, supporting potential cloud and Software-as-a-Service solutions	Complete	Technology Transformation	Sept. 2023

Goals for FY24 Budget Year	Strategic Focus	Timeframe
Implement the transition to an updated digital core, providing improved data integration and supporting process improvement.	Technology Transformation	2023-2025

Departmental Budget Summary

	FY23 Budget	FY24 Budget
Water Operating Expenses	\$3,690,753	\$4,075,508
Gas Operating Expenses	\$2,435,565	\$2,410,022
Electric Operating Expenses	\$6,902,904	\$7,397,044
Total Operating Expenses	\$13,029,222	\$13,882,574
Water Capital Expenses	\$84,000	\$480,000
Gas Capital Expenses	\$48,000	\$300,000
Electric Capital Expenses	\$1,852,000	\$2,430,000
Total Capital Expenses	\$1,984,000	\$3,210,000
Grand Total	\$15,013,222	\$17,092,574

Operations Support

Ron Rizzardi, Vice President Operations Support

Organizational Function

The **Operations Support Department** is comprised of Purchasing, Stores and Warehouses, Fleet Management, Field Services, Meter Reading, the Water, Gas, and Electric Meter Shops and Energy Services. Project management for the AMI deployments has shifted from Engineering to Operations Support. The Department was created as part of organization restructuring that took place in FY23 and consolidated groups from Finance, Operations and Customer Care. The focus of the Department is to provide reliable, cost-effective support functions that enable the organization to best serve HU customers.

The **Purchasing** group is responsible for the bidding and procurement of labor, services, work, materials, equipment, supplies, and construction in compliance with applicable State laws and HU's Purchasing Policies, Standards and Procedures. The Purchasing Department administers bids, contracts, leases, and agreements for all departments.

The **Stores** group is responsible for maintaining inventory and providing material handling support for the Operations Departments. Stores provides on-call services for Operations after hours as needed for emergency repair work.

Fleet technicians maintain and make repairs to all of Huntsville Utilities' vehicles, equipment, trailers, and other motorized devices. Fleet makes diagnoses of complex vehicle/equipment malfunctions, ensures appropriate repairs are made at scheduled times and that safety devices are operational.

Field Services Representatives and Accounts Investigators process service orders issued by Applications, Collections, Billing, C&I, and the Contact Center. These orders include meter sets, removes, move in/move out (ROI's), meter changes, disconnection of service (non-payment), note tickets, audits to investigate theft of service, AMI tilt/tampers, dead meter orders (DMO), AMI inspections and rereads to assist Meter Reading.

The **Meter Reading** group oversees a third-party vendor that reads traditional electric, gas and water meters that have not been converted to AMI. For billing purposes, the service area is divided into 20 portions with each portion containing 30 MRUs (routes). This allows the contract meter readers to complete the full read cycle monthly.

The **Water Meter Shop** is responsible for working service orders, water meter-related customer calls, and performing meter change-outs. Metering materials are budgeted, ordered, received, and inventoried monthly by the meter shop. An industrial meter crew is available for all larger sized meters and fire lines (3" or greater) and performs testing in accordance with AWWA recommendations. The meter shop installs and maintains around 40 regulators feeding the various pressure zones of the service area including Redstone Arsenal.

The **Gas Meter Shop** is responsible for repairing, testing, and installing 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. Metering materials are budgeted, ordered, received, and inventoried monthly by the meter shops. In addition, the group is responsible for the receiving, measuring, odorizing, and maintaining the integrity of 6 City Gate Stations. Inspection is required on 192 district regulators and 751 industrial regulators every year. The Gas Meter Shop maintains the SCADA system to monitor the

gate stations and district regulators. The Gas Meter Shop is responsible for reading, calculating, and entering proper reads for the industrial billing route for 78 of the largest industrial customers. The group is also responsible for troubleshooting AMI gas modules in the field, fitting AMI modules to new meters in the shop, and deploying commercial gas AMI regulators.

The **Electric Meter Shop** is responsible for the procurement, documentation, maintenance, and accuracy of electric metering. This group orders metering equipment and ensures that new meters are received, checked, numbered, and placed in stock for installation. Metering material is inventoried monthly by the meter shop. The group verifies programming of the meters, repairs meters, and tests all meters in the electric system, and documents meter location in the field, installation date, and maintenance work performed. Additionally, this section performs all instrument-rated installation and service verifications. This section is responsible for reading, entering, and processing accurate reads for the 15 TVA billed customers and 14 TVA delivery point stations, all of which have multiple meters. The group is responsible for deploying instrument rated AMI meters.

Energy Services administers various internal energy efficiency program in addition to those offered by TVA. The New Homes Program offers incentives and provides compliance with the State of Alabama Energy Code for new residential homes within the Huntsville Utilities service area. The Home Uplift low income program provides free home energy upgrades to eligible homeowners in our community. The Home Efficiency Survey Program offers customers a detailed report of recommended energy upgrades for their home and the group conducts high bill investigations upon request.

Personnel Summary

		2020	2021	2022	2023	Vacancies	Reductions	Planned Additions	BUDGET 2024
OPERATIONS SUPPORT	Full-time	111	108	108	110	6	3	5	124
	Part-time	0	0	0	0	0	0	0	0
	Temporary	0	0	0	0	0	0	0	0

Departmental Overview

Performance Indicators	2021	2022	2023	Goal	Strategic Focus
Completion of set orders on scheduled date	100%	100%	100%	100%	Culture of Pride, Respect, and Accountability
Completion of cut orders within 3 days	79.4%	93.2%	97.38%	70%	Culture of Pride, Respect, and Accountability
Requisition to purchase order lead time	N/A*	N/A*	1.4 days	2.5 days	Culture of Pride, Respect, and Accountability
Fast moving inventory health	N/A*	N/A*	50.7%	35%	Culture of Pride, Respect, and Accountability
Past due purchase order rate	N/A*	N/A*	27.8%	10%	Culture of Pride, Respect, and Accountability
Stock out rate	N/A*	N/A*	1.8%	2.8%	Culture of Pride, Respect, and Accountability
Turnaround time for vehicle repairs	N/A*	N/A*	4.2 days	7 days	Culture of Pride, Respect, and Accountability
Vehicles coming back for same repair within 6 months	N/A*	N/A*	0.21%	10%	Culture of Pride, Respect, and Accountability
Vehicles > 30 days past due for preventive maintenance	N/A*	N/A*	0.80%	5%	Culture of Pride, Respect, and Accountability
Inventory accuracy	N/A*	N/A*	99.9%	98%	Culture of Pride, Respect, and Accountability
Material repair turnaround time	N/A*	N/A*	0.6 days	5 days	Culture of Pride, Respect, and Accountability

*This is a new performance indicator that was not tracked prior to 2023.

Due to the reorganization and creation of this group in 2023, the Operation Support Group did not have any goals set for FY23.

Goals for FY24 Budget Year	Strategic Focus	Timeframe
Compile a master guide that educates employees on messaging, information, and metrics that matter.	Culture of Pride, Respect, and Accountability	Sept 2024

Departmental Budget Summary

	FY23 Budget	FY24 Budget
Water Operating Expenses	\$5,891,100	\$6,597,653
Gas Operating Expenses	\$4,558,235	\$5,390,164
Electric Operating Expenses	\$9,742,042	\$10,870,359
Total Operating Expenses	\$20,191,377	\$22,858,176
Water Capital Expenses	\$1,250,000	\$1,676,000
Gas Capital Expenses	\$762,000	\$760,000
Electric Capital Expenses	\$2,384,000	\$3,317,000
Total Capital Expenses	\$4,396,000	\$5,753,000
Grand Total	\$24,587,377	\$28,611,176

Water Operations

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 1,512 miles of water mains, which provides water service to the customers of Huntsville Utilities. The Water Department consists of 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.

New Services is responsible for installation of all new meters ranging from ¾" 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 **Water Systems Technician** 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, cross connection control program, and answering any customer water quality calls.

The **Water Treatment Plants** operate all facets of the drinking water treatment process to meet EPA & ADEM regulatory compliance and meet plant optimization goals. Monitor plant security to ensure protection and integrity of water assets to include plants and raw water intakes.

Huntsville Utilities Water Department on June 1, 2021, began to handle the operation and maintenance of the potable and industrial water system on **Redstone Arsenal**. The agreement with Redstone is a 10-year agreement and can be modified yearly (IGSA). Water crews will handle all operations and maintenance issues with the water system and will respond to outages and requests for service. Huntsville Utilities will also run the two water treatment plants on Redstone. The system includes approximately 298 miles of pipe, 1,202 valves, 7 storage tanks and 3 treatment plants (1 is not operational). It is approximately 20% the size of Huntsville’s current water infrastructure.

Personnel Summary

		2020	2021	2022	2023	Vacancies	Reductions	Planned Additions	BUDGET 2024
WATER OPERATIONS	Full-time	89	101	107	112	3	0	6	121
	Part-time	0	0	0	0	0	0	0	0
	Temporary	0	0	0	0	0	0	0	0

Departmental Overview

Performance Indicators	2021	2022	2023	Goal	Strategic Focus
Ensure Water Availability	100%	100%	100%	≥ 99.9%	Community Engagement & Social Resp.
Ensure Customer Interruptions are Brief	3.86 minutes	5.41 minutes	4.56 minutes	< 30 minutes	Community Engagement & Social Resp.
Maintain Low Raw Water and High Service Pump Unscheduled Downtimes Each Month	Raw Water 0% / High Service Pumps 0%	Raw Water 8.5% / High Service Pumps 12.9%	Raw Water 0% / High Service Pumps 0%	< 10%	Community Engagement & Social Resp.
Maintain Non-Revenue Water Losses	23%	24%	24%	< 20%	Culture of Pride, Respect and Accountability
Maintain System Capacity to Peak Water Demand	40%	42%	47%	< 75%	Culture of Pride, Respect and Accountability

Goals for FY23 Budget Year	Status	Strategic Focus	Timeframe
Scale staffing and resources to support 20% community expansion over the next five years	Complete	Community Growth	Sept. 2023
Promote Huntsville as an “it” city through investment in local partnerships and collaboration with community leaders to meet economic development opportunities	Complete	Community Growth	Sept. 2022
Evaluate joint system operations functions and possible realignment of Electric, Water, and Gas resources	Complete	Transformation	Aug. 2023
Investigate joint service facilities benefits and options	Complete	Transformation	Aug. 2023

Goals for FY24 Budget Year	Strategic Focus	Timeframe
Promote a culture of safety and security awareness, focusing on personal responsibility and protecting HU resources.	Culture of Pride, Respect and Accountability	Sept. 2024

Departmental Budget Summary

	FY23 Budget	FY24 Budget
Water Operating Expenses	\$24,248,638	\$26,556,482
Water Capital Expenses	\$3,231,000	\$2,767,500
Grand Total	\$27,479,638	\$29,323,982

Gas Operations

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 1,522-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 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 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.

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 1,947 service lines, which contributed to over 2% customer growth for fiscal year 2022.

The **Maintenance** section installs and maintains natural gas distribution pipelines and facilities. This installation and maintenance consist 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 837 miles of steel gas mains and 21,353 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 consists 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 220,000 feet of various sizes of gas main for fiscal year 2021.

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 directional bores resulting in 117,381 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. HU landscaping crews and our contractor crews completed 3,001 landscaping requests for fiscal year 2023.

Huntsville Utilities Gas Department on June 1, 2021, began to handle the operation and maintenance of the natural gas system on **Redstone Arsenal**. The agreement with Redstone is a 10-year agreement and can be modified yearly (IGSA). Gas crews will handle all operations and maintenance issues with the natural gas system and will respond to outages and requests for service. The gas system is still being owned by Redstone and Redstone is still responsible for buying their natural gas. The system includes approximately 67 miles of pipe, 542 regulators and 265 valves. It is approximately 5% the size of Huntsville’s current gas infrastructure.

Personnel Summary

		2020	2021	2022	2023	Vacancies	Reductions	Planned Additions	BUDGET 2024
GAS OPERATIONS	Full-time	69	73	75	73	5	0	2	80
	Part-time	0	0	0	0	0	0	0	0
	Temporary	0	0	0	0	0	0	0	0

Departmental Overview

Performance Indicators	2021	2022	2023	Goal	Strategic Focus
Ensure Gas Availability	100%	100%	100%	>99.9%	Community Engagement & Social Responsibility
Ensure Customer Interruptions are Brief	50.2 minutes	47.72 minutes	49.32 minutes	< 60 minutes	Community Engagement & Social Responsibility
Unaccounted for Gas (12 month rolling average)	3.09%	2.27%	0.46%	< 5%	Culture of Pride, Respect and Accountability

Goals for FY23 Budget Year	Status	Strategic Focus	Timeframe
Scale staffing and resources to support 20% community expansion over the next five years	Complete	Community Growth	Sept. 2023
Promote Huntsville as an “it” city through investment in local partnerships and collaboration with community leaders to meet economic development opportunities	Complete	Community Growth	Sept. 2023

Goals for FY24 Budget Year	Strategic Focus	Timeframe
Promote a culture of safety and security awareness, focusing on personal responsibility and protecting HU resources.	Culture of Pride, Respect and Accountability	Sept. 2024

Departmental Budget Summary

	FY23 Budget	FY24 Budget
Water Operating Expenses	\$213,230	\$211,811
Gas Operating Expenses	\$9,827,202	\$10,991,623
Electric Operating Expenses	\$53,309	\$52,955
Total Operating Expenses	\$10,093,741	\$11,256,389
Gas Capital Expenses	\$2,544,000	\$1,780,856
Grand Total	\$12,637,741	\$13,037,245

Electric Operations

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 2,931 miles of overhead primary and 1,539 miles of underground primary, which provide electric service to the customers of Huntsville Utilities. The Electric Department consists of Dispatch, Substations, Overhead, Underground, Tree Trimming, SCADA Communication, and Fiber sections. The Electric Department reports to the Vice President of Operations.

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 approximately 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 streetlights, and the installation of new electric services.

The **Substation** section is responsible for the operation and maintenance of 106 Substations on the HU System. This is broken down to 92 distribution substations and 14 delivery points that are fed directly from TVA, and 6 of these also serve as distribution stations. This section operates, troubleshoots, repairs, and maintains 69 circuit switchers, 169 power transformers, 366 circuit breakers, 729 voltage regulators, and 50 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 415 RTU's throughout Huntsville Utilities' electric, water and gas systems used to gather and analyze relevant system data. The SCADA System controls a multitude of in-field devices, gathers, and stores real time as well as long term trend data, and analyzes this data to aid stakeholders in making informed operational decisions. Our System Operators leverage a graphical-user-interface for precise 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 approximately 1,200 route 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.

Huntsville Utilities Electric Department on June 1, 2021, began to handle the operation and maintenance of the transmission and distribution system on **Redstone Arsenal**. The agreement with Redstone is a 10-year agreement and can be modified yearly (IGSA). Electric crews will handle all operations and maintenance issues with the electric system and will respond to outages and requests for service. The electric system is still being owned by Redstone and Redstone is still responsible for buying their power (currently through TVA). The system includes approximately 248 miles of overhead lines, 145 miles of underground lines, 46 miles of transmission and 22 substations. It is approximately 10% the size of Huntsville’s current electric infrastructure.

Personnel Summary

		2020	2021	2022	2023	Vacancies	Reductions	Planned Additions	BUDGET 2024
ELECTRIC OPERATIONS	Full-time	175	196	209	202	15	1	1	219
	Part-time	0	0	0	0	0	0	0	0
	Temporary	1	1	1	1	0	0	0	1

Departmental Overview

Performance Indicators	2021	2022	2023	Goal	Strategic Focus
Ensure Electric Availability	99.9%	99.9%	99.9%	≥ 99.9%	Community Engagement & Social Responsibility
Duration of Interruptions	51.69 minutes	51.69 minutes	50.11 minutes	< 60 minutes	Community Engagement & Social Responsibility
Ensure Fiber Availability	100%	100%	100%	≥ 99.998%	Community Engagement & Social Resp.
Maximum Duration of Interruptions	6.96 hours	6.96 hours	3.4 hours	< 8 hours	Comm Engmt & Social Resp.

Performance Indicators	2021	2022	2023	Goal	Strategic Focus
Tree Trimming of Overhead Distribution Annually	47.6%	47.6%	56.5%	584 miles cleared/Yr.	Culture of Pride, Respect and Accountability
Maintain Average Load Capacity for Substations & Main Feeders	99%	99%	99%	< 50%	Culture of Pride, Resp & Accountability
Maintain Load Capacity for Substations & Main Feeders at Peak Demand	99%	99%	100%	< 100%	Culture of Pride, Resp & Accountability

Goals for FY23 Budget Year	Status	Strategic Focus	Timeframe
Scale staffing and resources to support 20% community expansion over the next five years	On target per Strategic Team	Community Growth	Sept. 2023
Promote Huntsville as an “it” city through investment in local partnerships and collaboration with community leaders to meet economic development opportunities	On target per Strategic Team	Community Growth	Sept. 2023

Goals for FY24 Budget Year	Strategic Focus	Timeframe
Promote a culture of safety and security awareness, focusing on personal responsibility and protecting HU resources.	Culture of Pride, Respect and Accountability	Sept. 2024

Departmental Budget Summary

	FY23 Budget	FY24 Budget
Water Operating Expenses	\$802,038	\$833,191
Gas Operating Expenses	\$497,944	\$450,241
Electric Operating Expenses	\$44,764,341	\$47,558,471
Total Operating Expenses	\$46,064,323	\$48,841,903
Electric Capital Expenses	\$9,538,000	\$10,570,735
Grand Total	\$55,602,323	\$59,412,638

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 it was the largest in the Alabama Territory by 1819. That year the leaders of the Alabama Territory met in Huntsville to petition the U.S. Congress to grant Alabama statehood. In terms of land area, Huntsville is the biggest city in Alabama; and is set to be the biggest in terms of population by 2025.

Huntsville was the cotton trading center of the Tennessee Valley during the 1840s and 1850s when farmers and merchants originally from Virginia and the Carolinas established residence. Huntsville was still a cotton market town of less than 17,000 people in 1950 when U.S. Senator John Sparkman brought a band of German 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 that would launch America's first satellite. Other 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 leading-edge aerospace community.

During the 1970s, Huntsville's economy stalled due to the closing of the Apollo program. However, that setback came to an end with the emergence of the Space Station and other initiatives. Redstone Arsenal became a hub for missile defense programs and research, which brought even more jobs and industrial growth to the city and surrounding areas. The Cummings Research Park was developed just north of Redstone Arsenal to help accommodate this expansion and it is currently the second largest technology and research park in the nation.

Huntsville is currently ranked #2 best place to live by U.S. News & World Report and consistently ranks among the top 25 most educated cities in the United States, driven largely by such a highly skilled workforce. Huntsville is considered one of the nation's high-tech hotspots due to the number of companies that focus on aerospace, defense and research and development but growth has not been limited to those areas. The FBI is currently expanding its presence in Huntsville that will bring over a billion dollars in improvements with new and upgraded facilities. Mazda Toyota Manufacturing (MTM) completed construction of its plant which created thousands of direct and indirect jobs. MTM will join companies in Huntsville like Toyota Motor Manufacturing, Alabama, that produces engines for Toyota trucks and SUVs, and Polaris, which produces a variety of outdoor and all-terrain vehicles. Facebook has established and continues to invest in a data center in Huntsville which only serves to expand the already diverse commercial portfolio.

City of Huntsville Statistics

Area Statistics		Population Statistics	
Total Area of Huntsville		Total Population (as of 7/1 each year)	
Total Area (sq mi):	225.173	Population in 2022 (Estimate):	227,529
Total Area (acres):	144,112	Population in 2020 (Census):	215,006
		Population in 2015 (Estimate):	190,147
		Population in 2010 (Census):	180,105
		Population in 2000 (Census):	158,216
		Population in 1990 (Census):	159,789
		Population in 1980 (Census):	142,513
Area of Huntsville in Madison County		Population Per Square Mile	
Total Area (sq mi):	180.864	2022	1,010.93
Total Area (acres):	115,753	2020	974.11
Percentage of Total:	80.32%	2015	886.05
		2010	851.07
		2000	941.37
		1990	1,015.62
		1980	1,221.08
Area of Huntsville in Madison County Excluding Redstone Arsenal			
Total Area (sq mi):	175.243		
Total Area (acres):	112,156		
Percentage of Total:	77.83%		
Area of Huntsville in Redstone Arsenal			
Total Area (sq mi):	5.620		
Total Area (acres):	3,597		
Percentage of Total:	2.50%		
Area of Huntsville in Limestone County		Estimated Housing Units	
Total Area (sq mi):	43.296	Housing Units in 2020:	100,391
Total Area (acres):	27,710	Housing Units in 2019:	97,856
Percentage of Total:	19.23%	Housing Units in 2015:	91,638
		Housing Units in 2010:	85,152
Area of Huntsville in Morgan County			
Total Area (sq mi):	1.013		
Total Area (acres):	648		

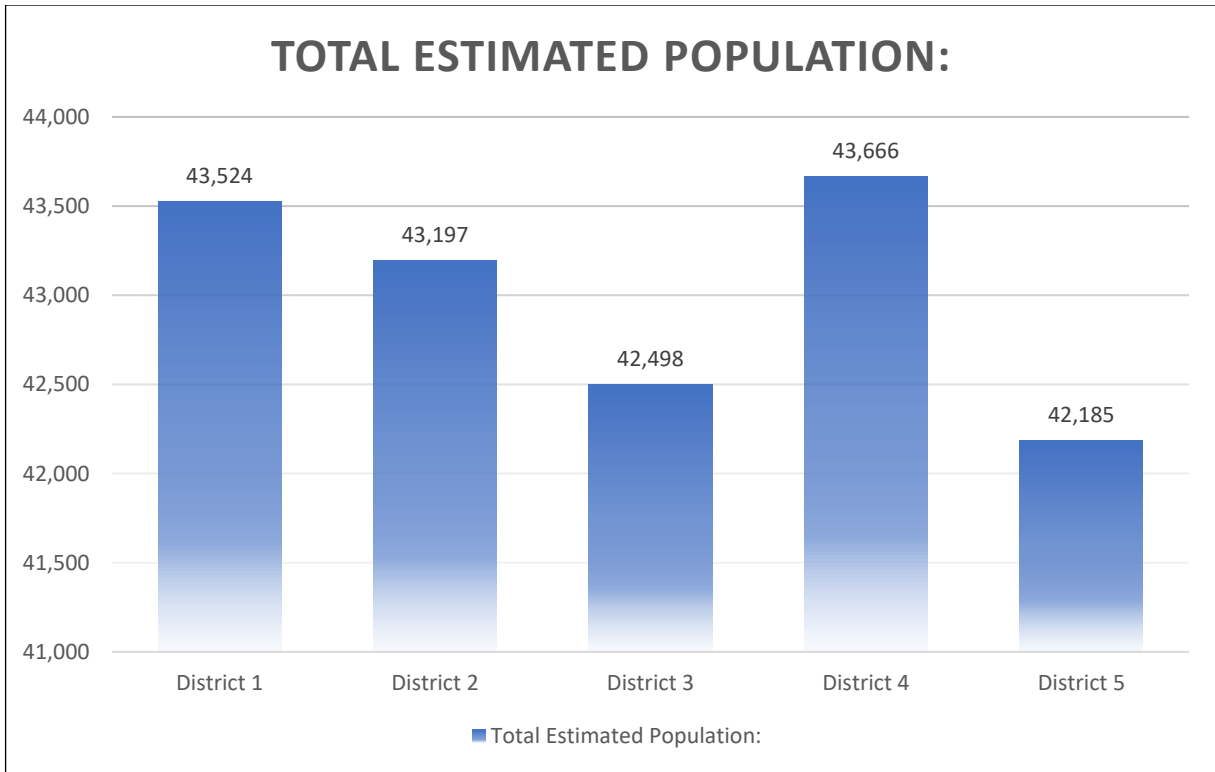
Percentage of
Total: 0.45%

**Area of Huntsville Over
Time**

Total Area in 2022 (sq mi):	225.07
Total Area in 2020 (sq mi):	220.72
Total Area in 2015 (sq mi):	214.60
Total Area in 2010 (sq mi):	211.62
Total Area in 2000 (sq mi):	168.07
Total Area in 1990 (sq mi):	157.33
Total Area in 1980 (sq mi):	116.71

City Council Districts

	District 1	District 2	District 3	District 4	District 5
Total Estimated Population:	43,524	43,197	42,498	43,666	42,185
Percentage of Total Population:	20.24%	20.09%	19.77%	20.31%	19.62%
Population Per sq mi:	968.19	970.08	1,250.45	2,323.79	508.78
Total Area (sq mi):	44.95	44.53	33.99	18.79	82.91
Total Area (acres):	28,771	28,499	21,751	12,026	53,065
Percentage of Total Land Area:	19.96%	19.78%	15.09%	8.35%	36.82%



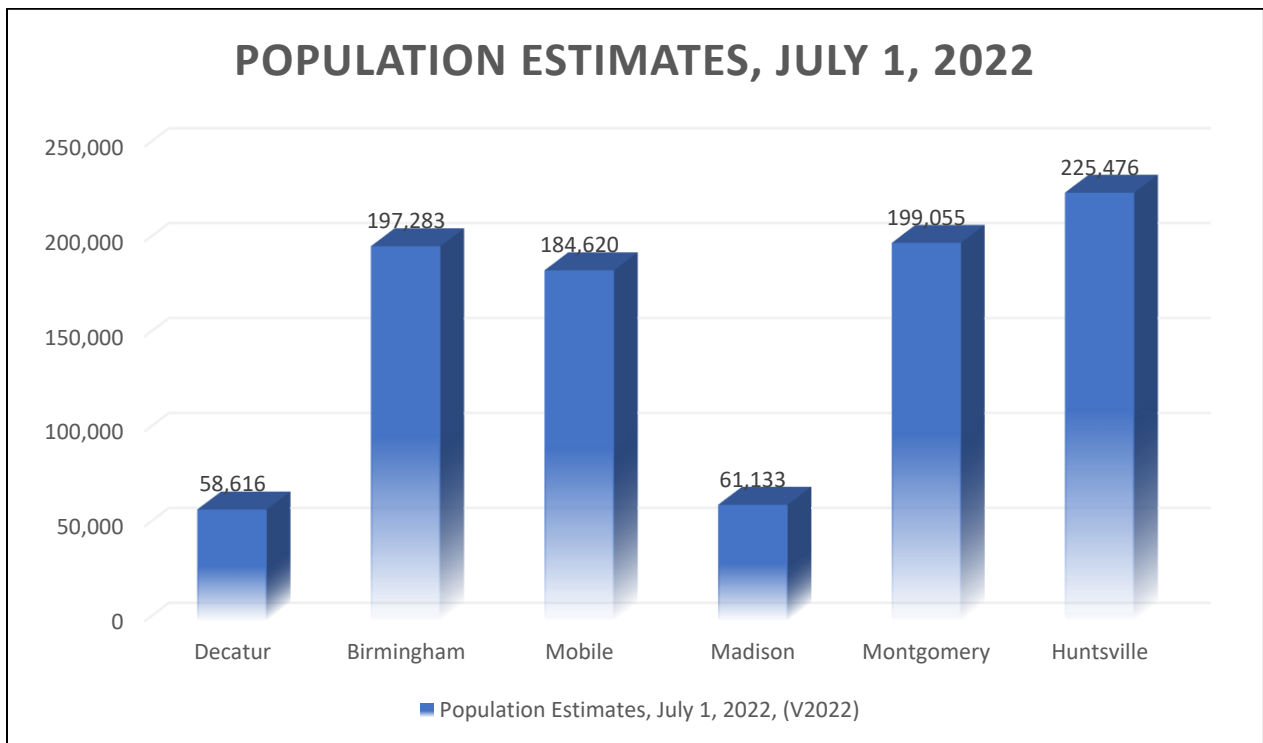
[Huntsville Statistics \(huntsvilleal.gov\)](http://huntsvilleal.gov)

Census Bureau Statistics

Facts	Decatur	Birmingham	Mobile	Madison	Montgomery	Huntsville
Population Estimates, July 1, 2022, (V2022)	58,616	197,283	184,620	61,133	199,055	225,476
Population						
Population Estimates, July 1, 2022	NA	NA	NA	NA	NA	NA
Population Estimates, July 1, 2021	57,804	197,575	184,952	58,357	198,665	216,963
Population estimates base, April 1, 2020	57,851	200,763	186,833	57,124	200,567	214,372
Population, percent change - April 1, 2020 (estimates base) to July 1, 2021,	-0.10%	-1.60%	-1.00%	2.20%	-0.90%	1.20%
Population, Census, April 1, 2020	57,938	200,733	187,041	56,933	200,603	215,006
Population, Census, April 1, 2010	55,683	212,237	195,111	42,938	205,764	180,105
Age and Sex						
Persons under 5 years, percent	6.50%	5.50%	5.80%	5.80%	6.80%	5.80%
Persons under 18 years, percent	23.10%	19.40%	21.60%	28.30%	24.10%	19.80%
Persons 65 years and over, percent	19.00%	15.70%	16.60%	11.60%	14.70%	16.20%
Female persons, percent	50.70%	52.80%	52.80%	50.40%	52.90%	51.30%
Race and Hispanic Origin						
White alone, percent	65.00%	25.10%	41.50%	73.60%	30.60%	59.90%
Black or African American alone %	23.10%	68.70%	52.50%	14.00%	61.60%	30.90%
American Indian and Alaska Native alone, %	0.10%	0.20%	0.20%	0.40%	0.10%	0.40%
Asian alone, %	0.40%	1.40%	1.80%	6.70%	3.30%	2.20%
Native Hawaiian and Other Pacific Islander alone, %	0.10%	0.00%	0.00%	0.00%	0.00%	0.10%
Two or More Races, %	4.40%	2.40%	3.10%	4.20%	3.00%	4.30%
Hispanic or Latino, %	14.10%	4.40%	2.60%	6.60%	4.00%	6.40%
White alone, not Hispanic or Latino %	59.90%	23.20%	40.50%	69.20%	29.10%	57.00%
Population Characteristics						
Veterans, 2017-2021	3,021	10,979	11,712	5,174	13,937	18,583
Foreign born persons, percent, 2017-2021	6.50%	4.10%	3.40%	9.70%	5.10%	6.40%
Housing						
Owner-occupied housing unit rate, 2017-2021	64.60%	45.80%	51.00%	74.00%	53.50%	57.00%
Median value of owner-occupied housing units, 2017-2021	\$147,600	\$102,900	\$138,400	\$279,800	\$125,600	\$194,500
Median selected monthly owner costs -with a mortgage, 2017-2021	\$1,092	\$1,149	\$1,220	\$1,725	\$1,146	\$1,344
Median selected monthly owner costs -without a mortgage, 2017-2021	\$385	\$420	\$416	\$519	\$390	\$391
Median gross rent, 2017-2021	\$725	\$906	\$918	\$1,080	\$939	\$912

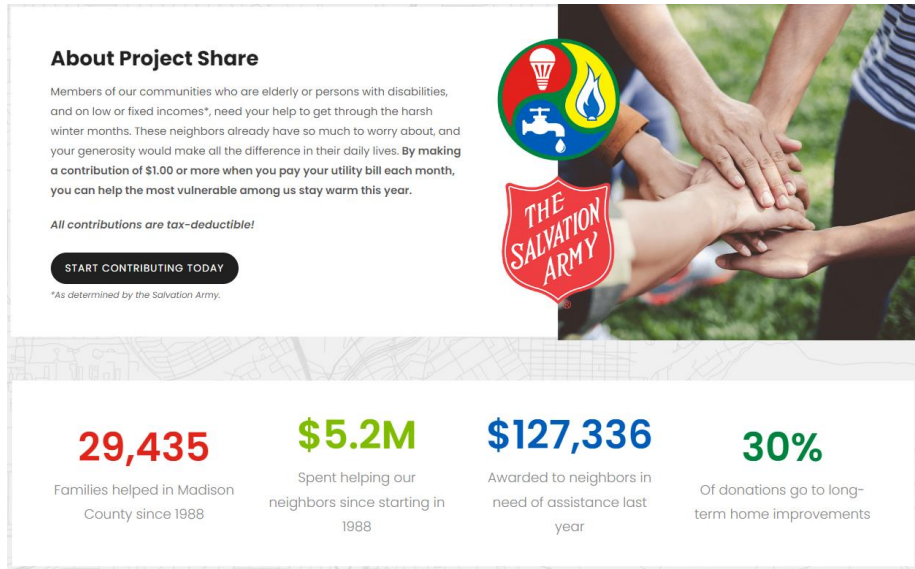
Families & Living Arrangements						
Households, 2017-2021	23,797	85,521	77,515	21,357	78,791	91,048
Facts	Decatur	Birmingham	Mobile	Madison	Montgomery	Huntsville
Persons per household, 2017-2021	2.37	2.26	2.35	2.59	2.47	2.21
Living in same house 1 year ago, percent of persons aged 1 year+, 2017-2021	88.90%	80.40%	86.00%	85.10%	78.70%	79.60%
Language other than English spoken at home, percent of persons aged 5 years+, 2017-2021	11.70%	6.00%	4.20%	12.40%	6.50%	8.00%
Computer and Internet Use						
Households with a computer, percent, 2017-2021	88.10%	87.70%	89.90%	97.70%	91.30%	93.80%
Households with a broadband Internet subscription, percent, 2017-2021	80.20%	78.90%	77.50%	94.50%	84.70%	88.20%
Education						
High school graduate or higher, percent of persons aged 25 years+, 2017-2021	83.70%	87.90%	89.60%	96.90%	87.40%	91.10%
Bachelor's degree or higher, percent of persons aged 25 years+, 2017-2021	23.60%	28.80%	30.20%	63.10%	33.00%	44.80%
Health						
With a disability, under age 65 years, percent, 2017-2021	11.10%	14.50%	8.50%	5.10%	12.20%	9.60%
Persons without health insurance, under age 65 years, percent	13.70%	15.10%	13.10%	3.40%	12.60%	11.70%
Economy						
In civilian labor force, total, percent of population age 16 years+, 2017-2021	58.60%	58.60%	57.60%	65.10%	58.30%	62.70%
In civilian labor force, female, percent of population age 16 years+, 2017-2021	50.80%	56.40%	54.10%	54.40%	55.50%	57.70%
Total accommodation and food services sales, 2017 (\$1,000)	160,065	774,835	626,052	109,376	842,166	716,178
Total health care and social assistance receipts/revenue, 2017 (\$1,000)	440,718	7,422,734	2,505,897	262,366	2,103,918	3,099,938
Total transportation and warehousing receipts/revenue, 2017 (\$1,000)	135,453	1,166,791	667,214	108,710	368,363	597,667
Transportation						
Mean travel time to work (minutes), workers aged 16 years+, 2017-2021	19.4	21.7	22.4	20.3	19.9	19.4
Income and Poverty						
Median household income (in 2021 dollars), 2017-2021	\$52,539	\$39,403	\$44,780	\$105,335	\$49,989	\$60,959
Per capita income in past 12 months (in 2021 dollars), 2017-2021	\$31,010	\$26,746	\$28,905	\$48,070	\$29,038	\$38,838

Persons in poverty, percent	15.20%	25.50%	20.00%	5.00%	21.20%	14.60%
Businesses						
All employer firms, Reference year 2017	1,550	5,076	4,501	921	3,906	4,683
Facts	Decatur	Birmingham	Mobile	Madison	Montgomery	Huntsville
Men-owned employer firms, Ref. 2017	903	2,839	2,615	477	2,207	2,624
Women-owned employer firms, Ref. 2017	251	625	635	200	622	856
Minority-owned employer firms, Ref. 2017	5	646	378	128	636	550
Non-minority-owned employer firms, Ref. 2017	1,126	3,239	3,304	640	2,512	3,348
Veteran-owned employer firms, Ref. 2017	88	266	369	47	332	470
Non-veteran-owned employer Ref. 2017	1,121	3,524	3,191	683	2,702	3,420
Geography						
Population per square mile, 2020	1,065.90	1,365.30	1,341.00	1,875.10	1,254.90	985.7
Population per square mile, 2010	1,037.40	1,453.00	1,402.60	1,450.90	1,289.50	861.5
Land area in square miles, 2020	54.36	147.03	139.48	30.36	159.86	218.12
Land area in square miles, 2010	53.67	146.07	139.11	29.59	159.57	209.05
FIPS Code	120104	107000	150000	145784	151000	137000



Community Resources & Involvement

Huntsville Utilities is an integral part of our community. We offer various programs from assistance with making your home more energy efficient to collecting donations to assist members of our communities who are elderly or persons with disabilities, and on low or fixed incomes*, pay their utility bills during the harsh winter months. Another way Huntsville Utilities employees give back is through our internal [Volunteer Council](#). We help with marketing campaigns for Project Share, School's Sign Up to Round Up, Bikes or Bust drive, Liz Hurley Ribbon Run, No Tricks All Treats, and many other community programs throughout the year.



About Project Share

Members of our communities who are elderly or persons with disabilities, and on low or fixed incomes*, need your help to get through the harsh winter months. These neighbors already have so much to worry about, and your generosity would make all the difference in their daily lives. By making a contribution of \$1.00 or more when you pay your utility bill each month, you can help the most vulnerable among us stay warm this year.

All contributions are tax-deductible!

START CONTRIBUTING TODAY

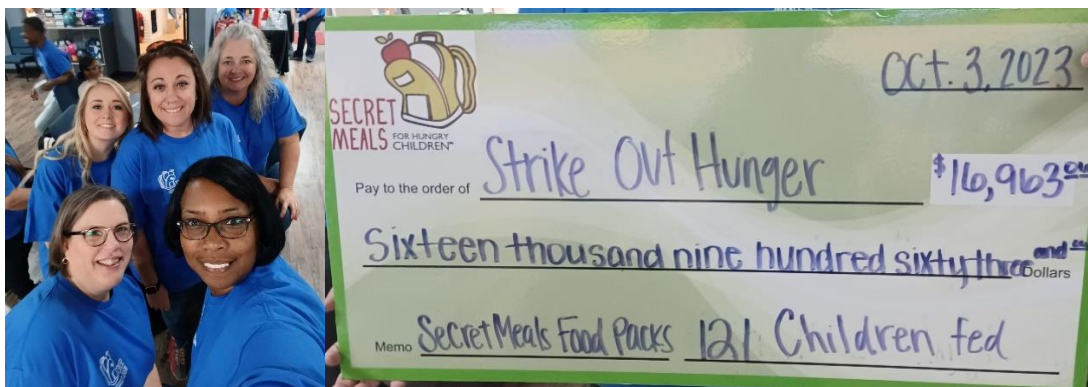
*As determined by the Salvation Army.

29,435 Families helped in Madison County since 1988	\$5.2M Spent helping our neighbors since starting in 1988	\$127,336 Awarded to neighbors in need of assistance last year	30% Of donations go to long-term home improvements
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<https://www.youtube.com/watch?v=OUW8ME2aZuY>

Huntsville Utilities Volunteer Council sponsored a lane--and competed in--Strike Out Hunger at Bowl Madison, an event benefitting Secret Meals for Hungry Children. Secret Meals for Hungry Children is an Alabama-based organization that provides free meals on the weekends to school children who rely on free or reduced cost school lunches during the week.

The event raised nearly \$17,000!



Huntsville Utilities, Calhoun Community College and the Tennessee Valley Authority have partnered to create a \$100,000 scholarship fund dedicated to providing free training for those interested in pursuing a career as an Electric Lineworker.



Drake State and Huntsville Utilities join forces to fuel Gas and Water Operation Scholarship Program. The Gas and Water Operation Certification Program will equip students with the essential skills and knowledge required for successful careers in the gas and water operations sector.



Members of the Huntsville Utilities Volunteer Council and their families participated in the Walk to End Alzheimer's at Big Spring Park. The Walk to End Alzheimer's is the world's largest event to raise awareness and funds for Alzheimer's care, support, and research.



Huntsville Utilities Volunteer Council sponsored a socks and underwear drive for Catholic Center of Concern-Huntsville. Our employees brought in donations for a week, and the council delivered them to the CCC office on Church Street.



Employees of Huntsville Utilities and their family members participated in the 2023 Huntsville Heart Walk for the American Heart Association and staffed the Hydration Station at the event.



Huntsville Utilities employees participated in the March of Dimes March for Babies at Big Spring Park.



Employees from Huntsville Utilities and other local water systems spent two days teaching local students about where their water comes from and how to protect it.



Huntsville Utilities had its first #HUImpactDay at Lynn Fanning Elementary School. Several Huntsville Utilities employees and their families came out to help do landscaping work at the school.



Huntsville Utilities employees and their family members joined in the Diabetes Walk for Camp Seale Harris. This event raises awareness of diabetes, and funds raised make it possible for kids to attend Camp Seale Harris for kids and families living with diabetes.



Huntsville Utilities employees volunteered at Manna House, sorting through donated food and preparing it for distribution.



The Huntsville Utilities Volunteer Council working at their annual Angel Tree event. Each year, our employees take ornaments from the Angel Tree listing requested items, purchase those items, then bring them to our Volunteer Council, which delivers them.



Since 2003, Huntsville Utilities has hosted students from local public, private, and homeschool organizations for a fun day of learning about where their utilities come from, how to use them safely, and how to make their homes more efficient. The two-week event happens in October and is called Education Days. It consists of five primary components: the training yard, the bucket truck, dispatch center, natural gas exploding bubbles, and information about our water system.



We have many other outreach marketing campaigns for safety such as Call Before You Dig day on August 11th each year.



Glossary

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.

Annual Budget: A budget covering a single fiscal year.

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.

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

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.

Blended component units: Component units that are so intertwined with the primary government that they are, in substance, the same as the primary government and are presented as part of the primary government's financial statements.

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 President/CEO 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.

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

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.

Component Unit: A legally separate organization for which the elected officials of the primary government are financially accountable.

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

Depreciation: An accounting method used to allocate the cost of a tangible or physical asset over its useful life. Instead of accounting for the cost of the asset at the time it is purchased, that cost is spread out over the life of the asset which reduces the immediate cost of ownership.

Discretely Presented Component Unit: A component unit that possesses some level of autonomy in management, yet the primary government still has a controlling interest and should be reported in a separate column in the primary government's financial statements.

Enterprise Fund: A self-supporting government fund that sells goods and services to the public for a fee. HU is comprised of three Enterprise funds: the Electric Fund, the Gas Fund, and the Water Fund.

Expenditures: Actual payment for goods and services received.

Fiduciary Fund: Funds use to account for assets held by a government in a trustee capacity or as an agent for others. Fiduciary Funds include Pension, External Trust, Private-Purpose, and Custodial Funds.

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

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.

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.

Governmental Fund: The funds thru which most governmental functions are accounted for. The acquisition, use, and balances of the government's expendable financial resources and liabilities are all accounted for thru governmental funds. Governmental Funds include General, Special Revenue, Debt Service, Capital Projects, and Permanent Funds.

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.

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.

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.

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

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.

Modified Cash Basis of Accounting: A basis of accounting that combines elements of both cash and accrual accounting. Revenues and expenses are recognized when they are received or paid which is like the cash basis. However, capitalization of assets and accrual of taxes are allowed which is in line with accrual accounting. The modified cash basis is not GAAP compliant and is used for internal reporting purposes, not financial statements.

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.

Major Fund: Funds whose total assets, liabilities, revenues, or expenditures of the individual fund are at least 10% of the corresponding total of all funds in that category (i.e., governmental or enterprise) and at least 5% of the aggregate for all funds combined. HU uses three major enterprise funds, one each for water, gas and electric as we are a discreetly presented component unit of the City of Huntsville, AL.

Net Position: The difference between total assets plus deferred outflows of resources, and total liabilities plus deferred inflows of resources. This is similar to equity on the balance sheet of a business entity.

Non-Major Fund: Funds in which special purpose activities are accounted for including special revenue funds, capital project funds, smaller scale enterprise funds, and internal service funds. HU does not use any non-major funds.

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.

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.

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.

Proprietary Fund: Funds that are used to account for a government's ongoing activities that are similar to those often found in the private sector. All assets, liabilities, net assets, revenues, expenses, and transfers relating to the government's business are accounted for thru proprietary funds. Proprietary funds include Enterprise funds and Internal Service Funds.

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

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

Revenues: Funds that are received as income.

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.

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

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.

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

Acronyms

AAC: All Aluminum Conductor	Dth: Dekatherm
AANA: Apartment Association of North Alabama	EEO/DI: Equal Employment Opportunity/Diversity and Inclusion
AC: Asbestos Cement	ENA: Education Networks of America
ADA: Americans with Disabilities Act	Eng: Engineering
ADEM: Alabama Department of Environmental Management	Engmt: Engagement
ADPH: Alabama Department of Public Health	EPA: Environmental Protection Agency
ALDOT: Alabama Department of Transportation	ERP: Enterprise Resource Planning
ALPEX: Alabama Performance Excellence	FAA: Federal Aviation Administration
ALPSC: Alabama Public Service Commission	FEMA: Federal Emergency Management Agency
AMI: Advanced Metering Infrastructure	FH: Fire Hydrant
AMS: Asset Management System	FHLB: Federal Home Loan Banks
APGA: American Public Gas Association	FHLMC: Federal Home Loan Mortgage Corporation
APPA: American Public Power Association	FICA: Federal Insurance Contributions Act
ATC: Aid-To-Construction	FIPS: Federal Information Processing Standards
ATRIP: Alabama Transportation Rehabilitation and Improvement Program	FLSA: Fair Labor Standards Act
AWPC: Alabama Water Pollution Control	FMLA: Family and Medical Leave Act
AWPCA: Alabama Water Pollution Control Assoc.	FNMA: Federal National Mortgage Association
AWWA: American Water Works Association	FY: Fiscal Year
BTU: British Thermal Units	FYTD: Fiscal Year to Date
BVB: Budget vs Budget	GAAP: Generally Accepted Accounting Principles
BVP: Budget vs Projected	GAL: Gallons
BWO: Budget Work Order	GFOA: Government Finance Officers Association
Ca: Circa	GIS: Geographic Information System
C&I: Commercial and Industrial	GPR: Ground-Penetrating Radar
CCC: Catholic Center of Concern	HDPE: High Density Polyethylene
CCF: 100 Cubic Feet	HEMSI: Huntsville Emergency Medical Services Inc.
CE&I: Construction Engineering and Inspection	HMC CVB: Huntsville/Madison County Convention and Visitors Bureau
CEI: Construction, Engineering & Inspection	Hp: Horsepower
CEO: Chief Executive Officer	HPD: Huntsville Police Department
CFO: Chief Financial Officer	HR: Human Resources
CFR: Code of Federal Regulations	HU: Huntsville Utilities
CHAL: Charity Lane	HVAC: Heating, Ventilation, and Air Conditioning
CI: Cast Iron	ID: Identification
CIAC: Contribution in Aid to Construction	IEC: Instrumentation, Electrical and Controls
CIO: Chief Information Officer	IFMA: Industrial Facilities Management Association
CIP: Capital Improvement Plan	IGSA: Inter-Governmental Service Agreement
CIS: Customer Information Systems	IOS: iPhone Operating System
COH: City of Huntsville	IT: Information Technology
COLA: Cost of Living Adjustment	ITSC: IT Steering Committee
Con: Construction	IVR: Interactive Voice Response
COO: Chief Operating Officer	Kgal: Thousand Gallons
CPI: Consumer Price Index	kW: Kilowatt
CRM: Customer Resource Management	kWh: Kilowatt Hour
CUF: Cubic Foot	KPI: Key Performance Indicators
DEED: Demonstration of Energy & Efficiency Developments	kV: 1,000 Volts
DER: Distributed Energy Resources	LCE: Location, Character & Extent
DI: Ductile Iron	LCWSA: Limestone County Water Service Area
DIP: Ductile Iron pipe	LED: Light Emitting Diode
DM: Device Management	LF: Linear Foot
DMO: Demand Maintenance Order	M&W: Moore & Wallace
DOT: Department of Transportation	MADC: Madison Crossroads
	MCF: 1,000 Cubic Feet

MCFD: 1,000 Cubic Feet Daily
MCM: 1,000 Circular Mills
MDM: Master Data Management
MG: Million Gallons
MGAL: Million Gallons
MGD: Million Gallons Per Day
MIS: Management Information Systems
MMBTU: 1,000,000 British Thermal Units
MOU: Memorandum of Understanding
MRU: Meter Reading Units
MTM: Mazda Toyota Manufacturing
MTMUS: Mazda Toyota Manufacturing
MVA: 1,000 Kilo-Volt Amperes
MVV: Mission Vision Values
MW: 1,000 Kilowatts
NAPRCA: North Alabama Public Relations Council of Alabama
NAS: Network Attached Storage
NEWM: New Market
NHIP: North Huntsville Industrial Park
NIST: National Institute of Standards and Technology
NPDES: National Pollutant Discharge Elimination System
NTP: Notice to Proceed
O&M: Operation and Maintenance
OMS: Outage Management System
OPEB: Other Post-Employment Benefits
Ops: Operations
OWO: Operation Work Order
OXR: Owens Cross Roads
PARC: Pedestrian Access & Redevelopment Corridor
PBX: Private Branch Exchange
PCB: Polychlorinated Biphenyl
PDR: Preliminary Design Report
PE: Polyethylene
PHMSA: Pipeline and Hazardous Materials Safety Administration
PILOT: Payment in Lieu of Taxes
PMO: Preventative Maintenance Order
POE: Power Over Ethernet
PPIN: Property Pin
PR: Public Relations
PRCS: Project Review & Cost Summary
PVC: Polyvinyl Chloride
PWO: Project Work Order
R&R: Renew and Replace
RFID: Radio Frequency Identification
RFQ: Request for Quote
ROI: Return on Investment
ROW: Right-of-Way
RP3: Reliable Public Power Provider
RSA: Redstone Arsenal
RTU: Remote Thermal Unit
S&P: Standard & Poor's
SAHD: State of Alabama Highway Department
SAP: System Analysis Program
SCADA: Supervisory Control and Data Acquisition
SCCM: System Center Configuration Manager
SDLC: Software Development Lifecycle
SE: Southeast
SEWTP: Southeast Water Treatment Plant
SGS: Smart Grid Solutions
SOAR: System Operational Achievement Recognition
SOW: Scope of Work
SPWTP: South Parkway Water Treatment Plant
SRF: State Revolving Fund
Svcs: Services
Tech: Technician
TDX: Team Dynamix (Help Desk System)
TECO: Technically Close
TNCPE: Tennessee Center for Performance Excellence
TS: Technical Services
TVA: Tennessee Valley Authority
TVPPA: Tennessee Valley Public Power Association
UFS: Utility Financial Solutions
USACE: United States Army Corps of Engineers
VBC: Von Braun Center
VFD: Variable Frequency Drives
VPEE: Vice President of Employee Engagement
VPN: Virtual Private Network
WFH: Work from Home
WMS: Work Management System
WO: Work Order
WS: Welded Steel pipe
WTP: Water Treatment Plant

Links to Additional Resources

[Huntsville Utilities Website \(www.hsvutil.org\)](http://www.hsvutil.org)
[City of Huntsville Website \(www.huntsvilleal.gov\)](http://www.huntsvilleal.gov)
[Tennessee Valley Authority Website \(www.tva.com\)](http://www.tva.com)

Published Financial Information for Huntsville Utilities and the City of Huntsville, Alabama

[2022 Huntsville Utilities Audited Financial Statements](#)
[2021 Huntsville Utilities Audited Financial Statements](#)
[2020 Huntsville Utilities Audited Financial Statements](#)
[Huntsville Utilities FY23 Annual Budget and Capital Improvement Plan](#)
[Huntsville Utilities FY22 Annual Budget and Capital Improvement Plan](#)
[2021 City of Huntsville, AL Comprehensive Annual Financial Report](#)
[2020 City of Huntsville, AL Comprehensive Annual Financial Report](#)

Huntsville Utilities Rates and Fees

[Current Residential Rates](#)
[Current Commercial Rates](#)
[Customer Service Fees](#)

Huntsville Utilities Financial Policies

[Waterworks Financial Reserve Policy](#)
[Natural Gas Financial Reserve Policy](#)
[Electric Financial Reserve Policy](#)
[Investment Policy](#)
[Budget Policy](#)
[Debt Policy](#)

Information about the greater Huntsville Area

[Huntsville/Madison County Chamber \(www.hsvchamber.org\)](http://www.hsvchamber.org)

- [Community Profile](#)
- [Employment and Workforce Data](#)

Other Links

[AL Dept of Environmental Mgt - State Revolving Fund \(www.adem.alabama.gov\)](http://www.adem.alabama.gov)
[Consumer Price Index \(www.bls.gov\)](http://www.bls.gov)
[GFOA Distinguished Budget Presentation Award \(www.gfoa.org\)](http://www.gfoa.org)

Social Media

