



Current

News from Floresville Electric Light & Power System

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Customer Numbers Grow; Physical Plant Enhanced

FELPS Financial and Operations Strength Continues

The 2018 financial and operations report for the Floresville Electric Light & Power System shows continued financial strength. The year saw major expenditures for capital improvements that will allow FELPS personnel to continue providing a high level of service for customers.

During 2018, FELPS completed a large number of capital projects funded with cash, since proceeds of the 2014 bond issue were previously exhausted. Capital expenditures generally are funded with a mix of bond funds and cash reserves.

Major projects included replacing rotten poles throughout the system, replacing a third transformer at the Floresville Substation and adding distribution lines to newly developed service areas. FELPS also completed design and engineering work for a new circuit from the Sutherland Springs Substation and replaced about 15 percent of meters with Advanced Metering Infrastructure. Components of the network domain and infrastructure were upgraded. A complete infrastructure audit is underway to improve reliability and increase the safety of FELPS employees.

FELPS Briefs

- The FELPS office will be closed on April 19 for Good Friday. Regular hours will resume at 8 a.m. on April 22.
- To report outages, including on holidays and after business hours (Monday-Friday 8 a.m.-5 p.m.), please call 830-216-7000 and select sub-option 2 or submit your outage through the FELPS web site www.felps.us.
- FELPS supports the stock shows in its service area through contributions. The utility contributed \$1,500 to the buyers' pool for the Wilson County Stock Show and \$1,000 to the La Vernia Stock Show.

Major Projects Planned in 2019

FELPS issued revenue bonds that will be used during the next three years to add reliability to the utility's service. The utility received a rating of AA- from both Standard & Poor's and Fitch.

Beginning with major projects in 2019, FELPS will test and replace rotten poles, complete construction on the Sutherland Springs Substation circuit and complete phase two of the Advanced Metering Infrastructure project, including installing smart meters. FELPS also will continue technology upgrades and complete the infrastructure audit. The purchase of two bucket trucks, a digger/derrick truck and a pickup truck also are planned.

CPS Energy, with an industry leading credit rating, continues to serve as the FELPS wholesale power supplier. CPS Energy operates with a diversified fuel mix for generating electricity, including both traditional and renewable fuel sources. This mix helps keep CPS Energy costs the lowest among the nation's largest cities and allows FELPS to maintain low electric bills.

The FELPS agreement with CPS Energy to purchase power continues through Dec. 31, 2025, and includes a cost reduction from the previous contract.

The number of FELPS customers continued to increase, reaching 15,829 at the end of 2018, a 1.7 percent increase from 2017. When the cities of Floresville, Stockdale and Poth purchased the utility system from CPS Energy in 1943, FELPS had 802 customers.

Both operating revenues from electric sales and income increased from the previous year. Operating revenues

FELPS to Pay Owner Cities

Based on gross electric revenue in 2018, FELPS will pay \$1,195,918 to the three owner cities. Floresville will receive \$765,388 and Stockdale and Poth will each receive \$215,265. The payments represent 3 percent of the utility's gross electric sales within the cities during the previous year.

FELPS also will transfer 2.5 percent of gross electric sales within La Vernia and 2 percent in Falls City.

The payments go into the cities' general funds, allowing the cities to keep tax rates lower than otherwise would be the case.

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in 2018 totaled \$39,863,943, a 2.7 percent increase from 2017. Income was \$4,527,201 in 2018 compared with \$3,825,724 in 2017, an 18.3 percent increase. The increase is due primarily to a larger increase in revenue compared with a smaller increase in expenses.

Operating and maintenance expense other than purchased power costs amounted to \$10,534,176, 1.4 percent higher than the previous year. Total depreciation expense amounted to \$3,322,739, a 3 percent increase from last year, as a result of additions to plant facilities.

Purchased power costs of \$26,349,171 were approximately 0.9 percent more than in 2017. The purchased power cost increase was less than the increase in revenue, because of savings on the fuel component in the wholesale power agreement. The fuel and regulatory component of the purchased power cost is passed through to customers in the form of a charge.

Total assets reached \$101,460,360, an increase of \$18,306,262 from 2017. The increase is primarily due to the bond issue during the year.

FELPS updates its plans and financial analysis annually to ensure continued success in serving customers efficiently. The current financial planning window extends through 2023 and remains on track with the utility's long-range forecast and plans.

Floresville Appoints Tejada to Board

The Floresville city council has appointed Daniel M. Tejada to represent the city on the Floresville Electric Light & Power System Board of Trustees for a four-year term that ends Dec. 31, 2022. He replaces Ignacio Vasquez who had served on the Board since January 2011.

Tejada previously served on the FELPS Board during his term as the first Home Rule Charter mayor of Floresville from 2006-2012. He was elected in 2011 to chair the FELPS Board.

A graduate of the University of the Incarnate Word, Tejada also studied international business at St. Mary's University. He currently serves as executive director of the Association of Hispanic Municipal Officials and is on the Floresville Economic Development Corporation. Past civic posts include the Texas Municipal League Executive Board, South Texas Resource and Assistance Center and numerous others. He is married to Margaret Tejada.

Current Board members and their term expiration dates include:

Cecelia Gonzalez-Dippel, Mayor of Floresville
Serves during term as Mayor
Mark Moczygamba, City of Poth
December 31, 2019
Sherry Castillo, City of Floresville
December 31, 2020
John Akin, City of Stockdale
December 31, 2021
Daniel M. Tejada, City of Floresville
December 31, 2022

Advisory Members and their term expiration dates include:

Tim Braniff, City of Falls City
December 31, 2019
Sharon Tanneberger, City of La Vernia
December 31, 2021

FELPS Hires General Manager

Winston "Greg" Low has taken the helm as general manager of the Floresville Electric Power & Light System. He began his electric utility career in the electric cooperative industry after graduating from Texas A&M University. With 35 years of utility experience, he is following in the footsteps of his parents who worked in South Texas utilities.

Low has worked with generation and transmissions utilities as well as distribution utilities and has held positions that included corporate operations, business strategies and finance. He has helped utilities through complex transitional and growth periods.

He and wife Rhonda have four grown children living in Iowa, California and Texas and five grandchildren. Rhonda trains narcotic and bomb dogs and in her business conducts narcotic searches for businesses, chemical plants, oil field operators and school districts.

"I am excited and honored to work with the consumers, employees and board of trustees of FELPS," said Low. "I plan to focus on process-based enhancements that will further the utility's commitment to continued improvement."



Contacting FELPS

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After 5 p.m.: (830) 216-7000 (for outages, press sub-option 2, or report outages online)
The Floresville Electric Light and Power System Board of Trustees meets the last Wednesday of each month at 8 a.m. in the utility offices, 1400 Fourth Street, Floresville.