



City of San Marcos

Electric Utility Public Hearing

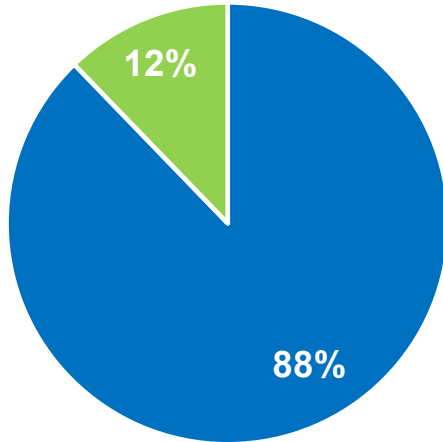
Fiscal Year 2026

September 2, 2025

Electric Utility Overview

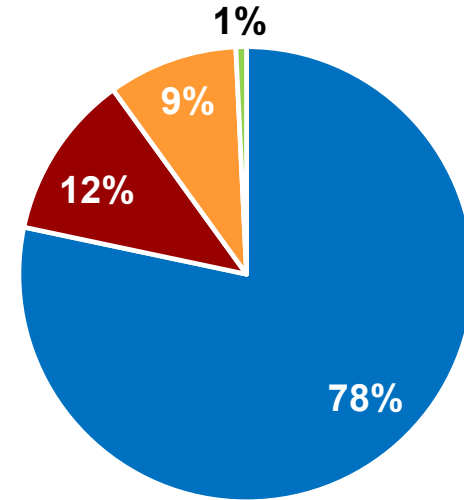


Total Revenues = \$85.1M



■ Electric Utility Bills ■ Other Revenue

Total Expenses = \$84.4M



■ Operating ■ Personnel ■ Debt Service ■ One-time

sanmarcostx.gov

Electric Utility Fund



UTILITIES FUND - ELECTRIC	FY 2024 ACTUALS	FY 2025 BUDGET	FY 2025 ESTIMATE	FY 2026 PROPOSED
Beginning Fund Balance	\$ 17,316,538	\$ 31,457,145	\$ 31,457,145	\$ 32,963,378
Revenues	\$ 83,251,789	\$ 81,309,572	\$ 81,309,572	\$ 85,103,463
Electric Utility Bills	67,987,763	75,813,519	75,813,519	74,708,991
Other Revenue	15,264,026	5,496,053	5,496,053	10,394,472
Expenses	\$ 69,111,182	\$ 79,768,752	\$ 79,803,339	\$ 84,430,378
Personnel	7,753,221	9,318,838	8,603,703	9,890,923
Operating	54,356,160	62,359,853	62,316,326	66,121,739
Debt Service	6,946,110	7,456,749	7,456,749	7,782,936
One-time	55,691	633,312	1,426,561	634,780
Ending Fund Balance	\$ 31,457,145	\$ 32,997,965	\$ 32,963,378	\$ 33,636,463
Days of Cash on Hand				145
Fund Balance Reserve Requirement for 150 Days				\$34,914,833

Electric Utility Major Increases



Public Safety, Core Services & Fiscal Excellence

Cost Drivers – Personnel & Other Costs

- 3% Increase in personnel costs = \$280K
- New Electrical Engineering Design Supervisor = \$167K

Cost Drivers – Operational

- Customer Software for Utility Billing = \$235K
- Professional Services = \$350K

Cost Drivers – Debt Service

- FY 2026 CIP Debt Service payment increase = \$326K

CUAB Recommendations



- Electric – 4.4% Effective Rate increase
- Proposed FY26 Debt Service Coverage is at 1.22, above the legal minimum required of 1.20

Electric Utility Rating Reports



- September 2022:
Downgrade from A- to
BBB+



- September 2023:
Affirmed BBB+ rating

Credit Rating Scales by Agency, Long-Term

Moody's	S&P	Fitch	
Aaa	AAA	AAA	Prime
Aa1	AA+	AA+	High grade
Aa2	AA	AA	
Aa3	AA-	AA-	
A1	A+	A+	Upper medium grade
A2	A	A	
A3	A-	A-	
Baa1	BBB+	BBB+	Lower medium grade
Baa2	BBB	BBB	
Baa3	BBB-	BBB-	
Ba1	BB+	BB+	Non-investment grade speculative
Ba2	BB	BB	
Ba3	BB-	BB-	
B1	B+	B+	Highly speculative
B2	B	B	
B3	B-	B-	
Caa1	CCC+	CCC	Substantial risk
Caa2	CCC		Extremely speculative
Caa3	CCC-		Default imminent with little prospect for recovery
Ca	CC	CC	
	C	C	
/	D	D	In default
/			

"Junk"



Rate Comparison – Residential Electric



Utility	500 kWh	1,000 kWh	1,500 kWh
College Station	\$ 75.35	\$ 143.70	\$ 212.05
Pedernales Electric Cooperative	81.68	130.86	180.03
New Braunfels	74.58	129.16	183.74
San Marcos Proposed	70.42	126.52	182.63
CPS	65.35	124.77	184.20
Average	70.50	124.86	180.59
San Marcos Current	66.32	120.03	173.74
Bluebonnet	70.49	118.48	166.47
Seguin	62.79	110.07	157.36

Rate Comparison – Commercial Electric



Utility	500 kWh	1,000 kWh	2,500 kWh
College Station	\$ 86.95	\$ 164.90	\$ 346.70
Pedernales Electric Cooperative	81.68	130.86	180.03
Bluebonnet	80.08	130.15	280.38
San Marcos Proposed	73.08	129.39	298.33
New Braunfels	74.58	129.16	183.74
Average	77.57	127.69	267.29
CPS	65.17	126.60	300.80
Seguin	79.27	123.54	256.35
San Marcos Current	68.66	122.56	284.24

Electric Utility Rate History



	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26 PROPOSED
<u>Electric - Residential</u>	0.0%	0.0%	0.0%	0.0%	0.0%	3.4%	0.0%	1.7%	5.5%	4.4%
Minimum Charge	9.29	9.29	9.29	9.29	9.29	10.25	10.25	10.76	12.61	14.31
Cost per kWh	0.02080	0.02080	0.02080	0.02080	0.02080	0.02885	0.02885	0.03029	0.03550	0.04029
<u>Electric - Small General</u>	0.0%	0.0%	0.0%	0.0%	0.0%	3.4%	0.0%	1.7%	5.5%	4.4%
Minimum Charge	10.92	10.92	10.92	10.92	10.92	12.00	12.00	12.60	14.77	16.76
Cost per kWh	0.0208	0.02080	0.02080	0.02080	0.02080	0.02915	0.02915	0.03061	0.03587	0.04071
<u>Electric - Medium General</u>	0.0%	0.0%	0.0%	0.0%	0.0%	3.4%	0.0%	1.7%	5.5%	4.4%
Minimum Charge	49.14	49.14	49.14	49.14	49.14	50.00	50.00	52.50	61.53	69.84
Cost per kWh	0.0102	0.01020	0.01020	0.01020	0.01020	0.0114	0.0114	0.01197	0.01403	0.01592
Cost per kW (Demand Threshold >50kW)	3.61	3.61	3.61	3.61	3.61	5.50	5.50	5.78	6.77	7.68

All electric rate adjustments shown as effective rate increases.



Stephanie Reyes
City Manager

Joe Pantalione
Assistant City Manager

Lonzo Anderson
Assistant City Manager

Rodney Gonzales
Assistant City Manager

Jon Locke
Finance Director/CFO

Trisha Patek
Budget Manager

Thank You