



# Fiscal Year 2023 Budget

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# PEOPLE POWERED. CUSTOMER CENTERED.

## STRATEGIC PLAN

### VISION

GRU envisions a well-run business optimizing all aspects of the organization for the benefit of the customers and the community at large.

### MISSION

GRU will provide safe, reliable, competitively priced utility services in an environmentally responsible manner and will actively contribute to the enhancement of the quality of life in our community.

### CULTURE

GRU will strive to earn the honor of being Gainesville's best place to work based on inclusion, the quality of the staff, the operational teamwork, the internal alignment with corporate goals and a passionate commitment to the community it serves.



We are in the business to provide our customers with the necessities of life.



# Executive Summary

In its Fiscal Year 2023 budget, Gainesville Regional Utilities has worked hard to keep rate increases to a minimum, despite continual pressure from steadily rising costs. Based on average usage, a residential electric customer will see a \$2.42 increase to their bill and a wastewater customer will see a \$2.25 increase. Both of these rates were previously approved by the Gainesville City Commission and formally adopted this September. These slight increases enable GRU to continue satisfying its mission of providing safe and reliable utility services in an environmentally responsible manner that contributes to the quality of life in our community. Main drivers in this year's budget are costs associated with our Advanced Metering Infrastructure (AMI) project and improvements to our Customer Information System, both of which are essential to achieving our mission.

AMI is an integrated system of smart meters, modules, communications networks, and data management systems that enables two-way communication between GRU and our customers. The system provides a number of important functions that were either not previously possible or had to be performed manually. These functions include the ability to automatically and remotely measure energy usage, connect and disconnect service, detect tampering, identify outages, monitor voltage, and provide water leak notifications. Over the last 10 years, AMI has become the industry standard, largely because it enhances customer choice and control.

The CIS project involves replacing our currently outdated system with a functionally robust customer-focused communication and management application that will be GRU's customer system of record. Beyond its role as a critical accounting sub-ledger through which utility revenues flow, CIS will be more cost-effective long-term and provide GRU with new tools and processes to improve customer satisfaction and employee productivity and efficiency.

Combined with AMI, CIS will eventually give GRU the ability to offer new time-based rate programs and incentives that encourage customers to reduce peak demand and manage energy consumption and costs. As energy costs increase, this becomes more and more critical.

The significance of these projects notwithstanding, the utility as a whole continues to invest in the maintenance and upkeep of its assets to assure future reliability. These investments include a critical project to increase capacity and replace aging equipment at the Main Street Water Reclamation Facility, ongoing sewer lining to maintain the integrity of our pipes and continued progress on our 75-acre groundwater recharge wetland park, which will replenish the Floridan aquifer with reclaimed water while also creating a wetland habitat.

# Executive Summary

While the Energy Supply Department has reduced its capital, non-labor budget by \$3.3 million compared to last fiscal year, the department continues to focus on maintaining the reliability of GRU's aging operating fleet. This includes advance purchasing parts (due to supply chain delays) necessary to maintain CT4, the Kelly combustion turbine, and completing a "lifetime" assessment of Deerhaven Unit 1 to extend the operating unit's retirement date an additional five years.

In the same spirit of maintaining core services, GRU's Energy Delivery Department is replacing 30-year old transformers at two substations, upgrading a 20-year-old transmission communication system per North American Electric Reliability Corporation (NERC) standards and replacing four 30-year-old 138 kilovolt circuit breakers.

Again, GRU's primary purpose is to provide safe and reliable utility services to the more than 100,000 electric, water, wastewater, gas and telecommunications customers we serve and to accomplish this in a manner that is environmentally responsible and enhances the quality of life in our community. We balance these responsibilities with financial stability.

In the upcoming year, GRU will continue to serve this mission in numerous ways, including by working with the community to craft an electric Integrated Resource Plan that helps establish a sustainable path toward long-term power needs. At the same time, we will continue to encourage and promote the conservation of our precious water resources. With these goals in mind, I want to acknowledge the GRU employees who remain the heart and soul of our utility and the people of Gainesville, whom we humbly serve.

# GRU Lines of Business Overview

## Energy Supply

Energy Supply operates and maintains GRU's electric generating and combined heating and power assets. Other areas of responsibility under Energy Supply are engineering, outage planning and major maintenance, system control operations, transmission switching, power marketing, generation planning, fuels management (including procurement, transportation and risk management for both the electric generating and gas distribution systems) and new business opportunities.

## Energy Delivery

Energy Delivery is responsible for the design, construction, operation, maintenance and security control of substations, electric lines and gas mains, field services, meter operations and line locations.

## Water

The Water System is responsible for operating and maintaining the Murphree Water Treatment Plant, which has a treatment capacity of 54 million gallons of water per day (MGD). These responsibilities include providing safe, reliable, high-quality drinking water to 73,000 customers serving 199,000 people in the Gainesville urban area at acceptable pressures and volumes. The Water System is also responsible for construction, operation and maintenance of over 1,182 miles of water transmission and distribution lines, as well as the installation and maintenance of water meters, fire hydrants and backflow prevention devices.

## Wastewater

The Wastewater System operates and maintains the 14.9 million gallons of water per day (MGD) Kanapaha Water Reclamation Facility, the 7.5 MGD Main Street Water Reclamation Facility, 173 lift stations, 693 miles of gravity main and 154 miles of associated force main, providing service to 65,000 customers in the Gainesville urban area. Responsibilities include pumping, treating and discharging high-quality treated effluent that meets federal and state drinking water standards, and providing high-quality reclaimed water to residential and business customers, primarily for irrigation. The Wastewater System also administers the utility's Industrial Pretreatment Program (IPP), biosolids disposal, fats, oils and greases (FOG) disposal, and reclaimed water programs.

## Gas

The Gas System covers approximately 102 square miles and provides service to 30% of Alachua County's population. The System is responsible for the construction, operation and maintenance of six natural gas gate stations, as well as all transmission and distribution (T&D) system infrastructure, including 788 miles of pipelines in various sizes and materials, valves, pressure regulators, protection devices, odorant injection systems, meters and control systems. The System also includes a number of propane gas distribution systems, operated in developments where natural gas is not yet available.

## **Telecommunications**

GRU's Telecommunications System provides communications services utilizing a 559-mile all fiber-optic network. Telecommunication's three primary product lines are: 1) telecommunication and data services; 2) public safety radio; and 3) tower leasing services. Telecommunications is divided into several operating units, including business management, engineering, construction, electronics, network operations, public safety radio and customer sales. The telecommunication fiber-optic network continues to expand and implement new products and services that provide customers with unmatched service and reliability.

## **Administration**

The General Manager is responsible for all aspects of the combined utility systems – Electric, Water, Wastewater, Gas and Telecommunications – and the implementation of policies adopted by the City Commission. The Chief Operating Officer (COO) oversees the Corporate Safety and Training programs, Environmental Compliance, Regulatory Compliance, Water Production, Wastewater Processing, Natural Gas Delivery, Electric Generation Supply and Electric Delivery. The COO also leads various strategic initiatives such as the drive toward achieving 100% renewable energy by 2045. The Chief People Officer (CPO) oversees the Human Resources operation. Administration also includes the Office of Inclusion and Communications, which are vital to achieving our mission.

## **Budget, Finance and Accounting**

Budget, Finance and Accounting (BFA) provides leadership to ensure the long-term financial health of GRU. BFA is responsible for all financial and accounting activities for the utility. This includes the overall budget preparation and execution, long-term financial planning and forecasting, cash management and forecasting, debt issuance and compliance, credit metrics and ratings, treasury, rate formulation, financial reporting, benchmarking, regulatory and tax reporting, and various other responsibilities.

## **Customer Support Services**

Customer Support Services includes the customer call center, lobby and drive-thru payment processing, billing and collections, conservation and new services. It also includes administrative functions such as utilities purchasing and stores, mail services, land rights and real estate, facilities maintenance and security.

## **Information Technology**

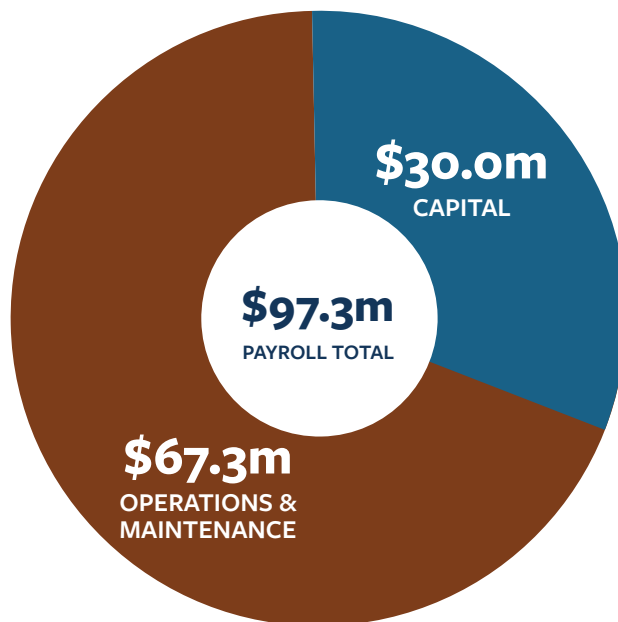
Information Technology (IT) maintains the network, phone, storage and data center infrastructure and provides IT and communication services for the combined utilities and General Government. IT supports more than 2,300 users and approximately 3,000 desktop and laptop computers used by employees at over 61 locations. IT also supports mission-critical systems such as SAP financial management and customer care systems, multiple websites and various revenue collection systems.

# Budget Snapshot

## OPERATIONS & MAINTENANCE

Paid annually, so it has a greater impact on rates.

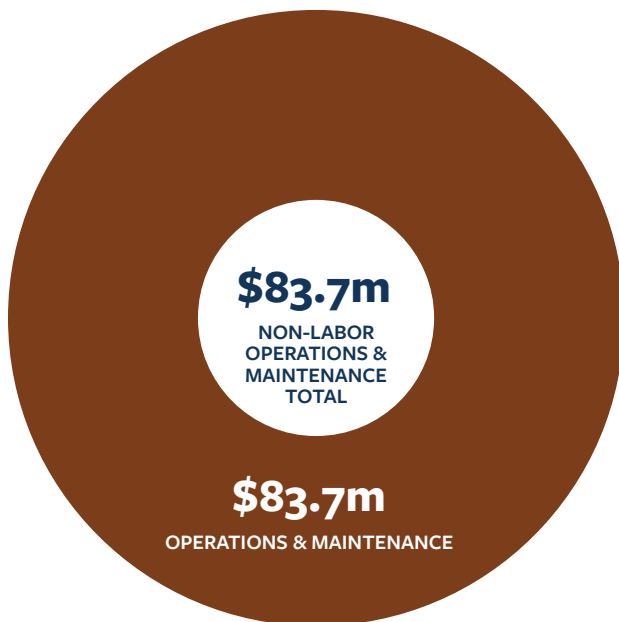
**Total (all cost centers)**  
**\$151m**



## CAPITAL

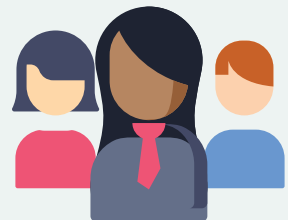
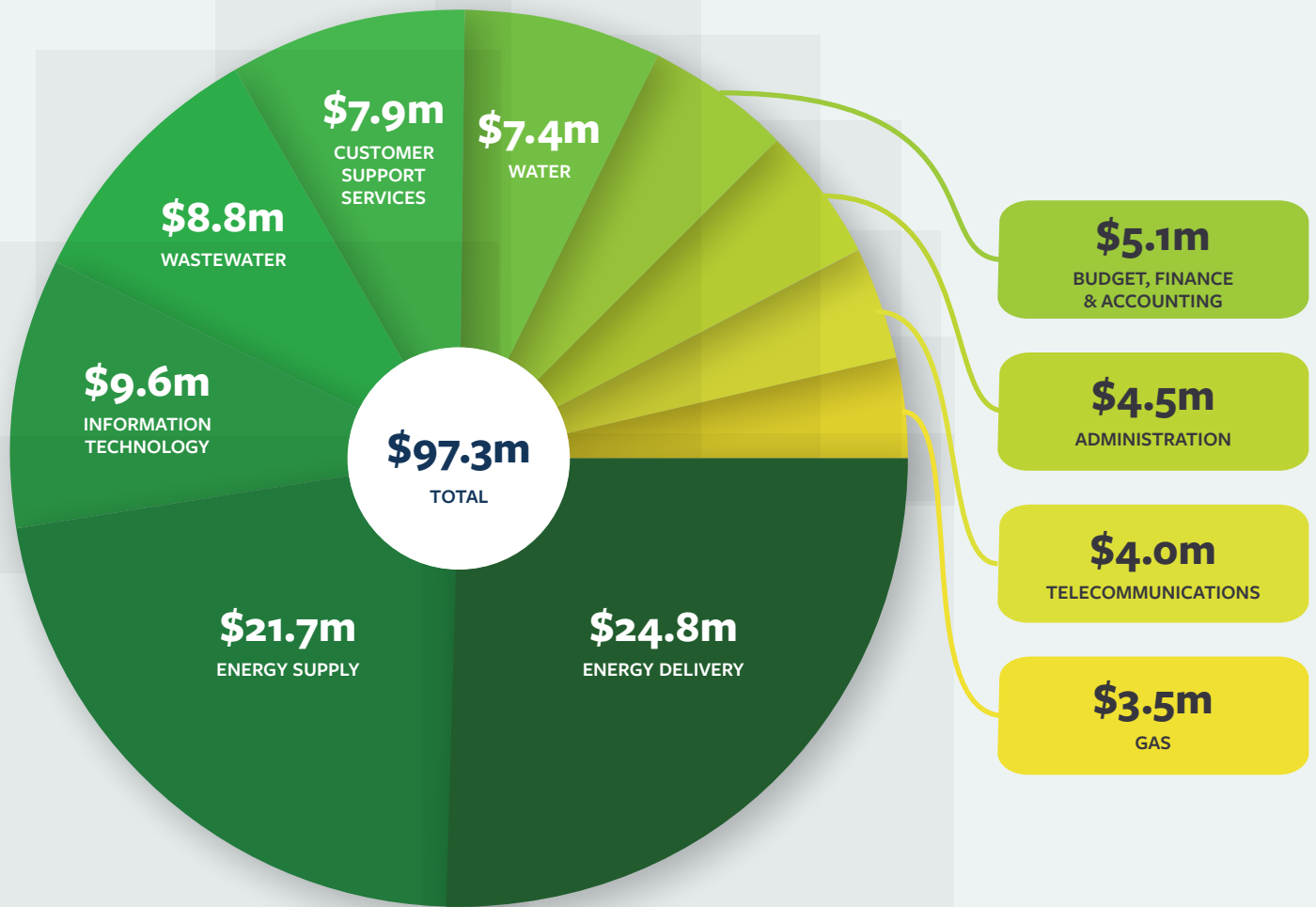
Financed over 30 years, so it has less of an impact on rates.

**Total (all cost centers)**  
**\$116.4m**

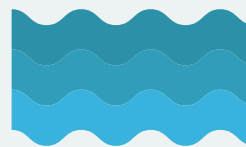
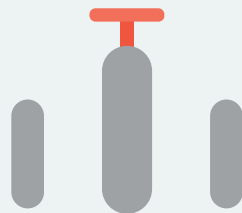
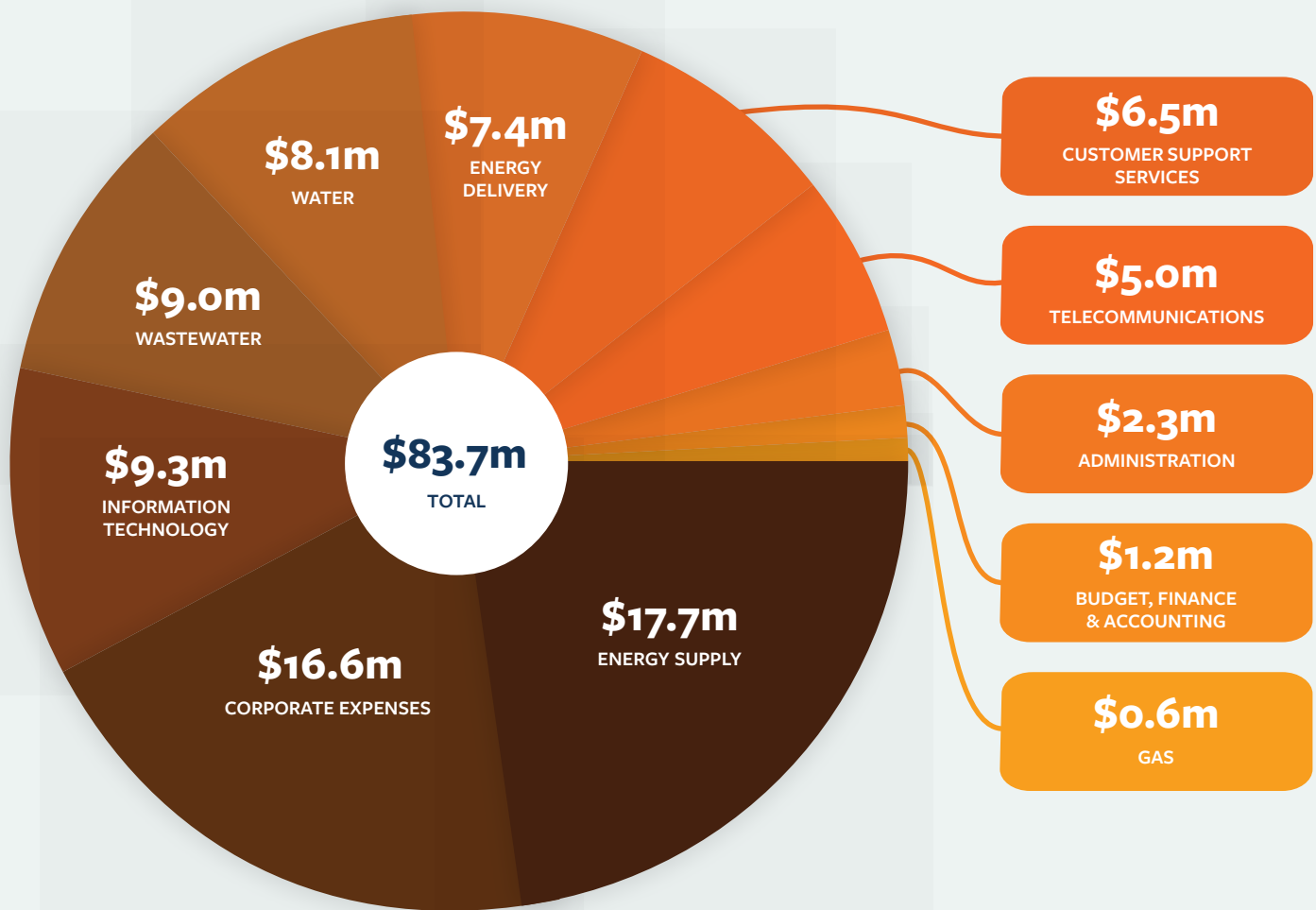




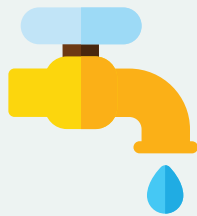
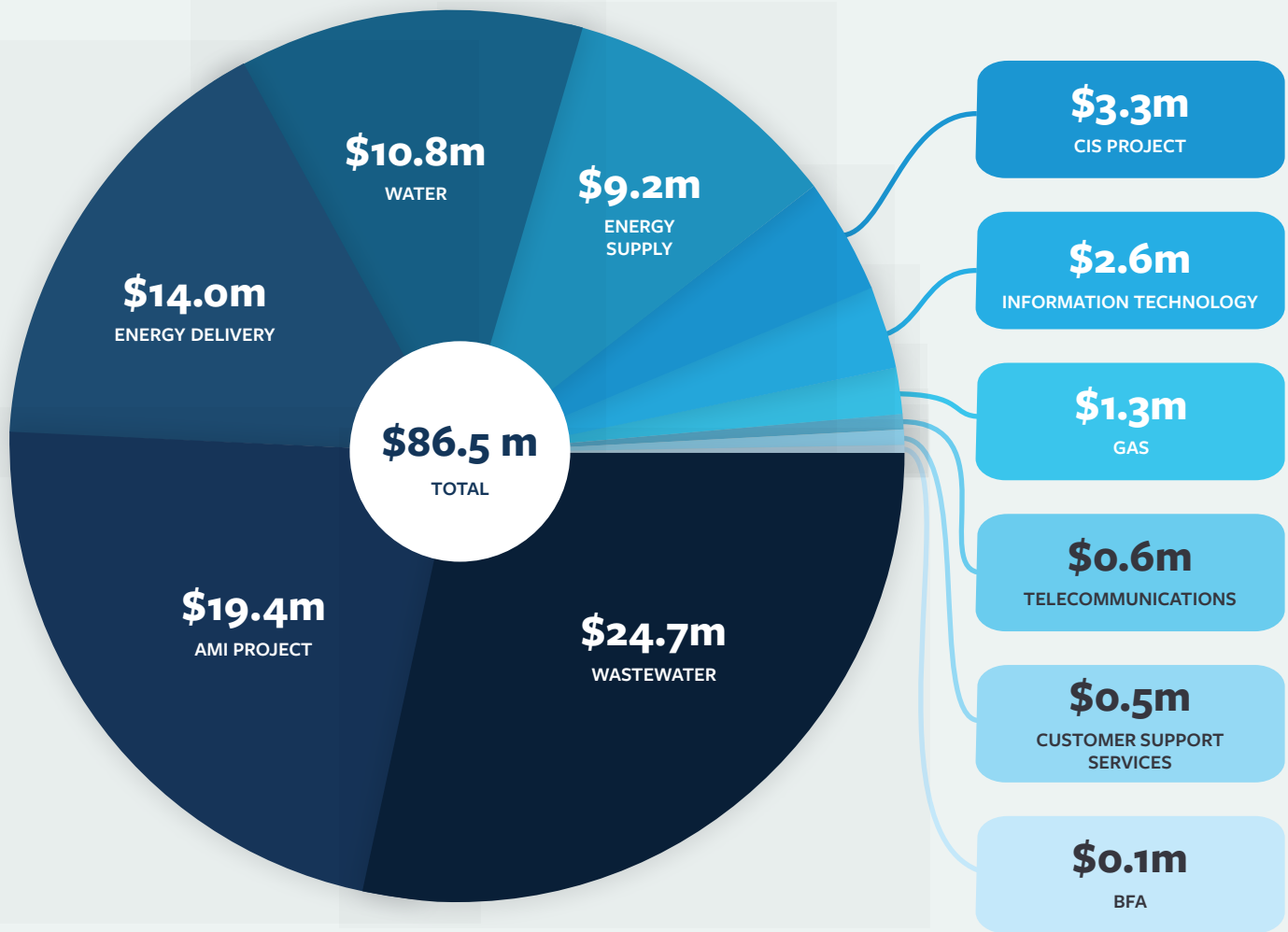
# Payroll



# Non-Labor Operations & Maintenance



# Non-Labor Capital





# Fiscal Year 2023 Budget Flow of Funds

# Annual Operating Budget

## Combined Systems

	2022	2023
<b>Revenues:</b>		
Sales	\$ 281,729,805	\$ 291,672,465
Fuel adjustment	79,938,081	111,803,673
Purchased gas adjustment	7,925,032	15,765,595
Utility surcharge	11,383,683	11,724,113
Connection charges	3,168,000	3,325,000
Rate stabilization (to)/from	6,102,869	(6,554,761)
Other electric sales	20,113,211	19,631,161
Other revenue	13,918,830	14,125,066
Interest income	1,083,889	1,233,699
<b>Total Revenues</b>	<b>425,363,400</b>	<b>462,726,011</b>
<b>Operation and Maintenance Expenses:</b>		
Fuel expenses	79,938,081	111,803,673
Purchased gas	7,925,032	15,765,595
Operation and maintenance expenses	152,215,701	151,043,811
<b>Total Operation and Maintenance Expenses</b>	<b>240,078,814</b>	<b>278,613,079</b>
<b>Total Net Revenues</b>	<b>185,284,586</b>	<b>184,112,932</b>
<b>Uses of Net Revenues:</b>		
Debt service	98,567,831	99,750,434
Utility plant improvement fund	45,762,559	46,206,211
General fund transfer	36,283,000	34,283,000
Transfer from City of Gainesville General Fund for County Streetlights		(800,000)
Debt defeasance/Debt service	4,671,196	4,673,287
<b>Total Uses of Net Revenues</b>	<b>185,284,586</b>	<b>184,112,932</b>
<b>Net Impact to Rate Stabilization</b>	<b>\$ -</b>	<b>\$ -</b>

# Annual Operating Budget

## Electric System

	2022	2023
<b>Revenues:</b>		
Residential sales	\$ 78,710,652	\$ 85,256,172
Residential rate change	5,509,746	2,557,685
Non-residential sales	90,990,868	97,576,462
Non-residential rate change	6,177,453	2,856,407
Fuel adjustment	79,938,081	111,803,673
Sales for resale	1,141,386	453,520
Utility surcharge	4,835,711	5,018,753
South Energy Center	16,476,950	16,274,305
Innovation Square	353,000	274,000
Other electric sales	3,191,497	2,991,092
Rate stabilization (to)/from	1,523,668	(3,756,508)
Other revenue	7,320,440	7,368,338
Interest income	644,606	663,436
<b>Total Revenues</b>	<b>296,814,058</b>	<b>329,337,335</b>
<b>Operation and Maintenance Expenses:</b>		
Fuel expenses	79,938,081	111,803,673
Operation and maintenance expenses	93,720,529	93,228,619
<b>Total Operation and Maintenance Expenses</b>	<b>173,658,610</b>	<b>205,032,292</b>
<b>Total Net Revenues</b>	<b>123,155,448</b>	<b>124,305,043</b>
<b>Uses of Net Revenues:</b>		
Debt service	71,284,412	71,730,634
Utility plant improvement fund	24,770,690	27,349,341
General fund transfer	23,388,369	22,311,376
Transfer from City of Gainesville General Fund for County Streetlights		(800,000)
Debt defeasance/Debt service	3,711,977	3,713,692
<b>Total Uses of Net Revenues</b>	<b>123,155,448</b>	<b>124,305,043</b>
<b>Net Impact to Rate Stabilization</b>	<b>\$ -</b>	<b>\$ -</b>

# Annual Operating Budget

## Water System

	2022	2023
<b>Revenues:</b>		
Sales of water	\$ 30,895,552	\$ 31,116,664
Rate change revenue	-	-
University of Florida	2,039,528	1,881,782
Utility surcharge	2,579,779	2,644,916
Rate stabilization (to)/from	(680,975)	(3,041,533)
Connection charges	1,167,000	1,227,000
Surcharge on connections	96,000	31,000
Other revenue	2,625,037	2,691,464
Interest income	189,804	306,075
<b>Total Revenues</b>	<b>38,911,725</b>	<b>36,857,368</b>
<b>Total Operation and Maintenance Expenses</b>	<b>18,972,300</b>	<b>17,467,669</b>
<b>Total Net Revenues</b>	<b>19,939,425</b>	<b>19,389,699</b>
<b>Uses of Net Revenues:</b>		
Debt service	8,427,667	8,652,785
Utility plant improvement fund	6,765,625	6,371,313
General fund transfer	4,426,217	4,045,394
Debt defeasance/Debt service	319,916	320,207
<b>Total Uses of Net Revenues</b>	<b>19,939,425</b>	<b>19,389,699</b>
<b>Net Impact to Rate Stabilization</b>	<b>\$ -</b>	<b>\$ -</b>

# Annual Operating Budget

## Wastewater System

	2022	2023
<b>Revenues:</b>		
Wastewater charges	\$ 37,353,008	\$ 40,675,385
Rate change revenue	1,841,423	2,001,399
Utility surcharge	3,129,808	3,395,378
South Energy Center	91,764	91,764
Biosolids	300,000	300,000
Rate stabilization (to)/from	1,797,451	(3,437,640)
Connection charges	2,001,000	2,098,000
Surcharge on connections	165,000	52,000
Other revenue	2,350,075	2,389,093
Interest income	98,987	154,042
<b>Total Revenues</b>	<b>49,128,516</b>	<b>47,719,421</b>
<b>Total Operation and Maintenance Expenses</b>	<b>23,409,313</b>	<b>22,883,175</b>
<b>Total Net Revenues</b>	<b>25,719,203</b>	<b>24,836,246</b>
<b>Uses of Net Revenues:</b>		
Debt service	11,695,566	12,007,752
Utility plant improvement fund	8,314,263	7,625,160
General fund transfer	5,346,802	4,840,760
Debt defeasance/Debt service	362,572	362,574
<b>Total Uses of Net Revenues</b>	<b>25,719,203</b>	<b>24,836,246</b>
<b>Net Impact to Rate Stabilization</b>	<b>\$ -</b>	<b>\$ -</b>



# Annual Operating Budget

## Gas System

	2022	2023
<b>Revenues:</b>		
Residential	\$ 8,385,440	\$ 8,465,573
Residential rate change revenue	-	-
Non-residential	5,246,116	5,210,346
Non-residential rate change revenue	-	-
Purchased gas adjustment	7,925,032	15,765,595
Utility surcharge	577,385	582,066
Manufactured gas plant	1,194,755	1,192,755
Rate stabilization (to)/from	1,087,299	136,810
Other revenue	1,288,278	1,341,171
Interest income	134,216	107,935
<b>Total Revenues</b>	<b>25,838,521</b>	<b>32,802,251</b>
<b>Operation and Maintenance Expenses:</b>		
Purchased gas	7,925,032	15,765,595
Operation and maintenance expenses	6,163,378	6,399,003
<b>Total Operation and Maintenance Expenses</b>	<b>14,088,410</b>	<b>22,164,598</b>
<b>Total Net Revenues</b>	<b>11,750,111</b>	<b>10,637,653</b>
<b>Uses of Net Revenues:</b>		
Debt service	5,024,427	5,139,713
Utility plant improvement fund	4,762,422	3,503,680
General fund transfer	1,799,797	1,830,712
Debt defeasance/Debt service	163,465	163,548
<b>Total Uses of Net Revenues</b>	<b>11,750,111</b>	<b>10,637,653</b>
<b>Net Impact to Rate Stabilization</b>	<b>\$ -</b>	<b>\$ -</b>

# Annual Operating Budget

# Telecommunications System

	2022	2023
<b>Revenues:</b>		
Telecommunications	\$ 7,460,180	\$ 7,568,291
Trunking Radio Service	2,744,485	2,789,249
Tower lease rental	2,039,213	2,070,775
Intercompany loan	2,375,426	3,544,110
Other revenue	35,000	35,000
Interest income	16,276	2,211
<b>Total Revenues</b>	<b>14,670,580</b>	<b>16,009,636</b>
<b>Total Operation and Maintenance Expenses</b>	<b>9,950,181</b>	<b>11,065,345</b>
<b>Total Net Revenues</b>	<b>4,720,399</b>	<b>4,944,291</b>
<b>Uses of Net Revenues:</b>		
Debt service	2,135,759	2,219,550
Utility plant improvement fund	1,149,559	1,356,717
General fund transfer	1,321,815	1,254,758
Debt defeasance/Debt service	113,266	113,266
<b>Total Uses of Net Revenues</b>	<b>4,720,399</b>	<b>4,944,291</b>
<b>Net Impact to Rate Stabilization</b>	<b>\$ -</b>	<b>\$ -</b>



# Fiscal Year 2023 Budget Total Operations and Maintenance Labor and Non-Labor

# Total Operations and Maintenance Labor and Non-Labor Combined System

	Labor and Fringe	Non-Labor	2023
Electric	\$ 45,194,262	\$ 47,234,359	\$ 92,428,621
Water	5,034,085	12,433,583	17,467,668
Wastewater	8,966,883	13,916,292	22,883,175
Gas	3,301,171	3,097,831	6,399,002
Telecommunications	4,827,886	6,237,459	11,065,345
<b>Total Operations and Maintenance Labor and Non-Labor</b>	<b>\$ 67,324,287</b>	<b>\$ 82,919,524</b>	<b>\$ 150,243,811</b>

	Labor and Fringe	Non-Labor	2022
Electric	\$ 47,013,382	\$ 46,707,147	\$ 93,720,529
Water	7,253,925	11,718,375	18,972,300
Wastewater	10,820,452	12,588,861	23,409,313
Gas	2,999,269	3,164,109	6,163,378
Telecommunications	3,872,311	6,077,870	9,950,181
<b>Total Operations and Maintenance Labor and Non-Labor</b>	<b>\$ 71,959,339</b>	<b>\$ 80,256,362</b>	<b>\$ 152,215,701</b>

# Total Operations and Maintenance Labor and Non-Labor Electric System

	Labor and Fringe	Non-Labor	2023
Deerhaven Operations	\$ 8,172,523	\$ 3,448,566	\$ 11,621,089
Deerhaven Renewables Operations	6,836,681	2,765,462	9,602,143
Major Maintenance Group	4,246,155	5,272,011	9,518,166
Electric Transmission and Distribution	4,541,880	4,075,409	8,617,289
Kelly Plant Operations	4,298,551	1,267,057	5,565,608
South Energy Center	1,593,685	3,404,607	4,998,292
Energy Delivery Electric Engineering	2,618,237	237,082	2,855,319
Substation/Relay/Relay Engineering	1,888,268	817,746	2,706,014
Energy Supply Water Systems	811,018	846,582	1,657,600
Energy Delivery Systems Control	3,609	1,488,357	1,491,966
Electric Meter Measurement	1,192,418	180,128	1,372,546
District Energy	1,068,228	55,455	1,123,683
Energy Supply Administration	1,060	558,191	559,251
Production Assurance Support	390,066	67,350	457,416
Fuels	429,550	16,450	446,000
Innovation Energy Center	532	307,290	307,822
Energy Supply Systems Control	213	213,880	214,093
Energy Delivery/Administration	-	18,000	18,000
Corporate Expenses	7,101,588	22,994,736	30,096,324
<b>Total Operations and Maintenance Labor and Non-Labor</b>	<b>\$ 45,194,262</b>	<b>\$ 48,034,359</b>	<b>\$ 93,228,621</b>

	Labor and Fringe	Non-Labor	2022
Deerhaven Operations	\$ 8,931,333	\$ 3,326,880	\$ 12,258,213
Deerhaven Renewables Operations	6,149,516	3,135,795	9,285,311
Major Maintenance Group	2,743,924	5,839,634	8,583,558
Electric Transmission and Distribution	9,138,714	4,212,544	13,351,258
Kelly Plant Operations	3,822,877	1,250,369	5,073,246
South Energy Center	1,694,232	3,303,798	4,998,030
Energy Delivery Electric Engineering	2,686,606	164,233	2,850,839
Substation/Relay/Relay Engineering	1,735,578	865,685	2,601,263
Energy Supply Water Systems	1,890,816	868,395	2,759,211
Energy Delivery Systems Control	7,135	1,591,548	1,598,683
Electric Meter Measurement	204,807	179,586	384,393
District Energy	450,478	42,616	493,094
Energy Supply Administration	1,324	530,794	532,118
Production Assurance Support	624,481	67,350	691,831
Fuels	1,040,934	17,850	1,058,784
Innovation Energy Center	808	298,340	299,148
Energy Supply Systems Control	330	209,230	209,560
Energy Delivery/Administration	-	17,500	17,500
Corporate Expenses	5,889,489	20,785,000	26,674,489
<b>Total Operations and Maintenance Labor and Non-Labor</b>	<b>\$ 47,013,382</b>	<b>\$ 46,707,147</b>	<b>\$ 93,720,529</b>

# Total Operations and Maintenance Labor and Non-Labor Water System

	Labor and Fringe	Non-Labor	2023
Murphree Water Treatment Plant	\$ 1,513,638	\$ 7,142,515	\$ 8,656,153
Distribution	2,400,204	650,639	3,050,843
Engineering	767,974	29,858	797,832
Water / Wastewater Planning	85,954	-	85,954
Corporate Expenses	266,315	4,610,571	4,876,886
<b>Total Operations and Maintenance Labor and Non-Labor</b>	<b>\$ 5,034,085</b>	<b>\$ 12,433,583</b>	<b>\$ 17,467,668</b>

	Labor and Fringe	Non-Labor	2022
Murphree Water Treatment Plant	\$ 2,603,725	\$ 6,506,786	\$ 9,110,511
Distribution	2,387,465	710,516	3,097,981
Engineering	120,471	100,483	220,954
Water / Wastewater Planning	49,399	-	49,399
Corporate Expenses	2,092,865	4,400,590	6,493,455
<b>Total Operations and Maintenance Labor and Non-Labor</b>	<b>\$ 7,253,925</b>	<b>\$ 11,718,375</b>	<b>\$ 18,972,300</b>

# Total Operations and Maintenance

## Labor and Non-Labor

# Wastewater System

	Labor and Fringe	Non-Labor	2023
Kanapaha Water Reclamation Facility	\$ 2,245,243	\$ 4,696,871	\$ 6,942,114
Mainstreet Water Reclamation Facility	1,772,556	2,123,863	3,896,419
Wastewater Lift Stations	697,785	1,743,656	2,441,441
Wastewater Collection	1,594,272	578,755	2,173,027
Wastewater Engineering	805,711	54,854	860,565
Wastewater Kanapaha Lab	501,546	234,517	736,063
Reclaimed Water Distribution	58,818	8,044	66,862
Corporate Expenses	1,290,952	4,475,732	5,766,684
<b>Total Operations and Maintenance Labor and Non-Labor</b>	<b>\$ 8,966,883</b>	<b>\$ 13,916,292</b>	<b>\$ 22,883,175</b>

	Labor and Fringe	Non-Labor	2022
Kanapaha Water Reclamation Facility	\$ 2,247,041	\$ 4,099,740	\$ 6,346,781
Mainstreet Water Reclamation Facility	1,425,949	1,680,267	3,106,216
Wastewater Lift Stations	785,974	1,573,340	2,359,314
Wastewater Collection	2,255,177	616,751	2,871,928
Wastewater Engineering	798,087	52,452	850,539
Wastewater Kanapaha Lab	518,717	227,808	746,525
Reclaimed Water Distribution	174,617	16,154	190,771
Corporate Expenses	2,614,890	4,322,349	6,937,239
<b>Total Operations and Maintenance Labor and Non-Labor</b>	<b>\$ 10,820,452</b>	<b>\$ 12,588,861</b>	<b>\$ 23,409,313</b>

# Total Operations and Maintenance Labor and Non-Labor Gas System

	Labor and Fringe	Non-Labor	2023
Meter Measurement Operations	\$ 835,125	\$ 207,809	\$ 1,042,934
Transmission and Distribution Operations	532,069	100,614	632,683
Transmission and Distribution Construction	503,359	78,281	581,640
Transmission and Distribution Engineering	294,760	21,849	316,609
Marketing	80	279,689	279,769
Transmission and Distribution Administration	2,157	55,397	57,554
Corporate Expenses	1,133,621	2,354,192	3,487,813
<b>Total Operations and Maintenance Labor and Non-Labor</b>	<b>\$ 3,301,171</b>	<b>\$ 3,097,831</b>	<b>\$ 6,399,002</b>

	Labor and Fringe	Non-Labor	2022
Meter Measurement Operations	\$ 824,951	\$ 191,315	\$ 1,016,266
Transmission and Distribution Operations	293,364	100,200	393,564
Transmission and Distribution Construction	692,035	82,202	774,237
Transmission and Distribution Engineering	335,129	21,341	356,470
Marketing	56	279,687	279,743
Transmission and Distribution Administration	1,501	52,633	54,134
Corporate Expenses	852,233	2,436,731	3,288,964
<b>Total Operations and Maintenance Labor and Non-Labor</b>	<b>\$ 2,999,269</b>	<b>\$ 3,164,109</b>	<b>\$ 6,163,378</b>



# Total Operations and Maintenance Labor and Non-Labor Telecommunications System

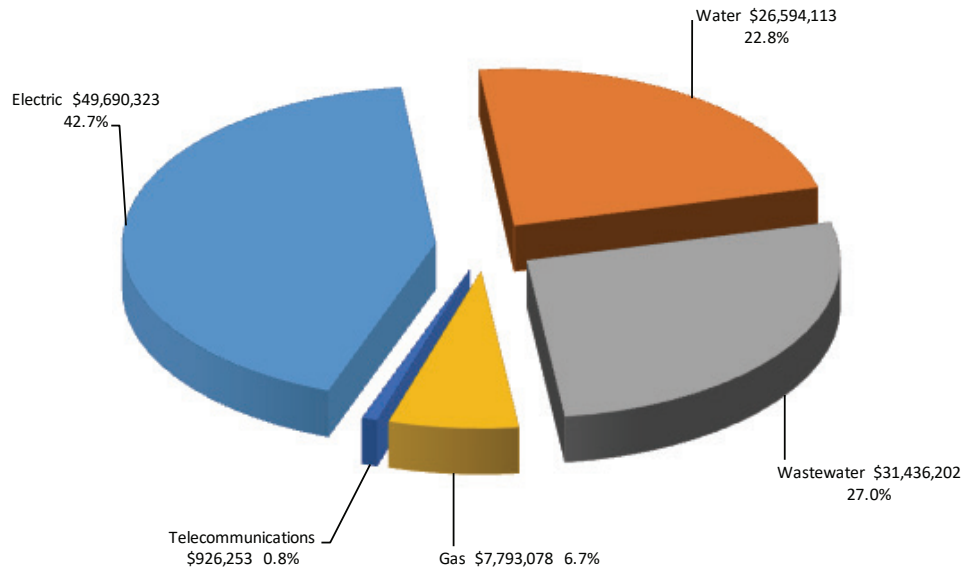
	Labor and Fringe	Non-Labor	2023
Trunked Radio System	\$ 269,536	\$ 1,651,639	\$ 1,921,175
Network Operations	653,480	1,180,443	1,833,923
Customer Operations	1,001,858	764,143	1,766,001
Business Administration	632,351	348,713	981,064
Network Operations Center	835,307	109,564	944,871
Engineering	324,047	91,852	415,899
Voice Operations	201,944	184,549	386,493
Central Office Operations	105,474	181,548	287,022
Engineering and Construction Administration	251,117	3,132	254,249
Technology and Services Administration	118,082	68,140	186,222
Chief Officer	5,789	204,610	210,399
Construction	112,367	74,169	186,536
GatorNet	92,238	52,581	144,819
Towe 1 - 12	1,719	99,779	101,498
Data Center Services	47,711	511	48,222
Internet Operations	39,557	2,924	42,481
Electronics	25,119	14,678	39,797
Technical Services	-	-	-
Corporate Expenses	110,190	1,204,484	1,314,674
<b>Total Operations and Maintenance Labor and Non-Labor</b>	<b>\$ 4,827,886</b>	<b>\$ 6,237,459</b>	<b>\$ 11,065,345</b>

	Labor and Fringe	Non-Labor	2022
Trunked Radio System	\$ 292,822	\$ 1,638,446	\$ 1,931,268
Network Operations Center	1,337,792	826,065	2,163,857
Customer Operations	308,459	690,577	999,036
Business Administration	761,444	452,321	1,213,765
Engineering	178,253	2,556	180,809
Voice Operations	225,916	325,954	551,870
Central Office Operations	132,068	176,104	308,172
Engineering and Construction Administration	171,559	112,701	284,260
Technology and Services Administration	4,056	74,028	78,084
Chief Officer	8,285	224,113	232,398
Construction	29,887	320	30,207
GatorNet	89,368	46,198	135,566
Towers 1-12	836	74,810	75,646
Data Center Services	40,428	606	41,034
Internet Operations	109,977	215,419	325,396
Electronics	-	463	463
Technical Services	76,100	425	76,525
Corporate Expenses	105,061	1,216,764	1,321,825
<b>Total Operations and Maintenance Labor and Non-Labor</b>	<b>\$ 3,872,311</b>	<b>\$ 6,077,870</b>	<b>\$ 9,950,181</b>



# Fiscal Year 2023 Budget Total Capital Labor and Non-Labor

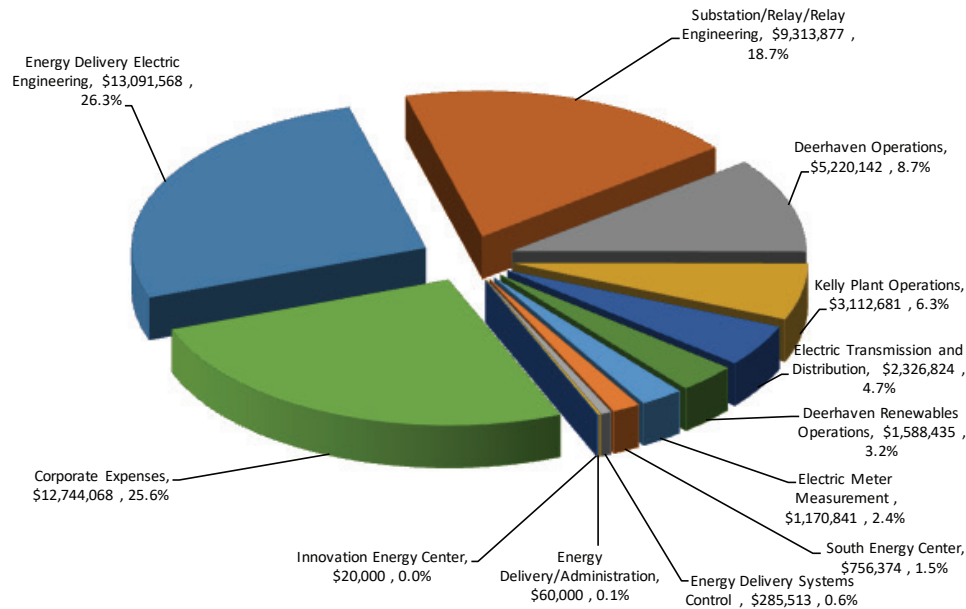
# Total Capital Labor and Non-Labor Combined Systems



	Labor and Fringe	Non-Labor	2023
Electric	\$ 15,053,372	\$ 34,636,951	\$ 49,690,323
Water	5,870,976	20,723,137	26,594,113
Wastewater	5,670,974	25,765,228	31,436,202
Gas	3,270,919	4,522,159	7,793,078
Telecommunications	118,366	807,887	926,253
<b>Total Capital Labor and Non-Labor</b>	<b>\$ 29,984,607</b>	<b>\$ 86,455,362</b>	<b>\$ 116,439,969</b>

	Labor and Fringe	Non-Labor	2022
Electric	\$ 11,839,457	\$ 37,610,312	\$ 49,449,769
Water	3,414,370	20,283,113	23,697,483
Wastewater	4,500,544	25,402,066	29,902,610
Gas	3,334,589	5,714,042	9,048,631
Telecommunications	425,393	1,721,551	2,146,944
<b>Total Capital Labor and Non-Labor</b>	<b>\$ 23,514,353</b>	<b>\$ 90,731,084</b>	<b>\$ 114,245,437</b>

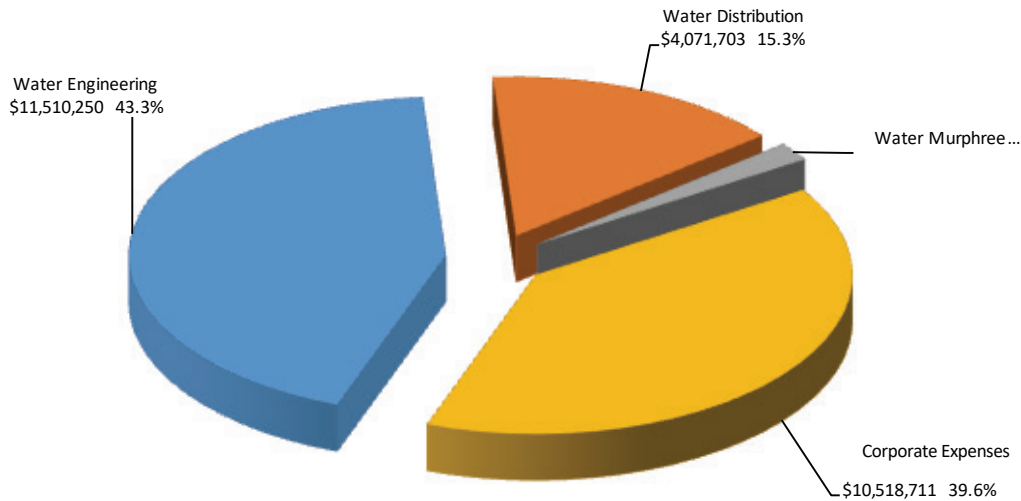
# Total Capital Labor and Non-Labor Electric System



	Labor and Fringe	Non-Labor	2023
Energy Delivery Electric Engineering	\$ 7,874,601	\$ 5,216,967	\$ 13,091,568
Substation/Relay/Relay Engineering	2,774,169	6,539,708	9,313,877
Deerhaven Operations	783,523	4,436,619	5,220,142
Kelly Plant Operations	258,865	2,853,816	3,112,681
Electric Transmission and Distribution	1,516,740	810,084	2,326,824
Deerhaven Renewables Operations	283,656	1,304,779	1,588,435
Electric Meter Measurement	602,506	568,335	1,170,841
South Energy Center	93,119	663,255	756,374
Energy Delivery Systems Control	3,251	282,262	285,513
Energy Delivery/Administration	-	60,000	60,000
Innovation Energy Center	-	20,000	20,000
Corporate Expenses	862,942	11,881,126	12,744,068
<b>Total Capital Labor and Non-Labor</b>	<b>\$ 15,053,372</b>	<b>\$ 34,636,951</b>	<b>\$ 49,690,323</b>

	Labor and Fringe	Non-Labor	2022
Energy Delivery Electric Engineering	\$ 6,091,255	\$ 5,178,692	\$ 11,269,947
Substation/Relay/Relay Engineering	1,855,122	4,379,757	6,234,879
Deerhaven Operations	788,303	5,895,797	6,684,100
Kelly Plant Operations	196,593	3,371,581	3,568,174
Electric Transmission and Distribution	1,157,054	1,931,731	3,088,785
Deerhaven Renewables Operations	270,059	2,718,700	2,988,759
Electric Meter Measurement	569,437	695,176	1,264,613
South Energy Center	92,537	546,337	638,874
Energy Delivery Systems Control	3,531	110,000	113,531
Energy Delivery/Administration	-	-	-
Innovation Energy Center	792	60,000	60,792
Corporate Expenses	814,774	12,722,541	13,537,315
<b>Total Capital Labor and Non-Labor</b>	<b>\$ 11,839,457</b>	<b>\$ 37,610,312</b>	<b>\$ 49,449,769</b>

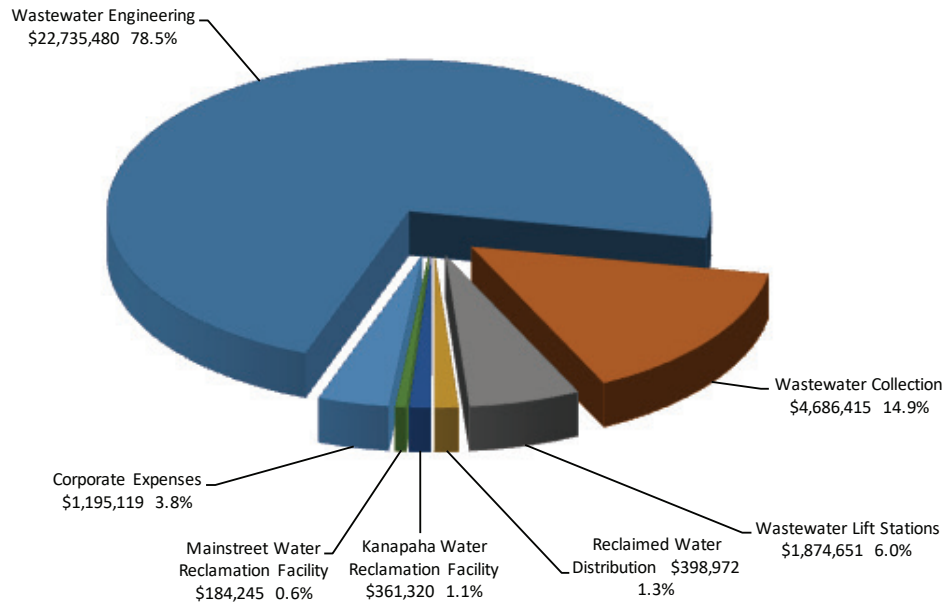
# Total Capital Labor and Non-Labor Water System



	Labor and Fringe	Non-Labor	2023
Water Engineering	\$ 3,677,005	\$ 7,833,245	\$ 11,510,250
Water Distribution	1,568,265	2,503,438	4,071,703
Water Murphree	39,513	453,936	493,449
Corporate Expenses	586,193	9,932,518	10,518,711
<b>Total Capital Labor and Non-Labor</b>	<b>\$ 5,870,976</b>	<b>\$ 20,723,137</b>	<b>\$ 26,594,113</b>

	Labor and Fringe	Non-Labor	2022
Water Engineering	\$ 1,190,398	\$ 7,929,231	\$ 9,119,629
Water Distribution	1,679,500	1,822,407	3,501,907
Water Murphree	65,795	417,179	482,974
Corporate Expenses	478,677	10,114,296	10,592,973
<b>Total Capital Labor and Non-Labor</b>	<b>\$ 3,414,370</b>	<b>\$ 20,283,113</b>	<b>\$ 23,697,483</b>

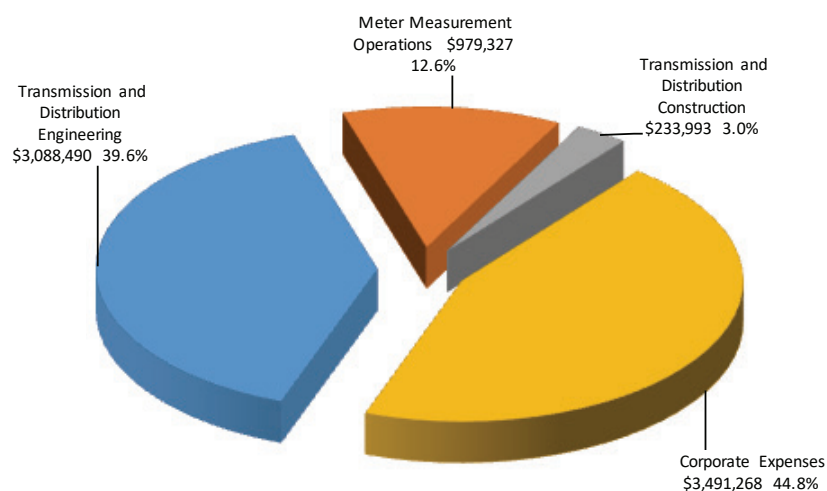
# Total Capital Labor and Non-Labor Wastewater System



	Labor and Fringe	Non-Labor	2023
Wastewater Engineering	\$ 2,463,823	\$ 20,271,657	\$ 22,735,480
Wastewater Collection	2,836,309	1,850,106	4,686,415
Wastewater Lift Stations	132,061	1,742,590	1,874,651
Reclaimed Water Distribution	171,885	227,087	398,972
Kanapaha Water Reclamation Facility	9,969	351,351	361,320
Mainstreet Water Reclamation Facility	3,909	180,336	184,245
Corporate Expenses	53,018	1,142,101	1,195,119
<b>Total Capital Labor and Non-Labor</b>	<b>\$ 5,670,974</b>	<b>\$ 25,765,228</b>	<b>\$ 31,436,202</b>

	Labor and Fringe	Non-Labor	2022
Wastewater Engineering	\$ 2,823,487	\$ 20,624,657	\$ 23,448,144
Wastewater Collection	1,433,228	2,240,153	3,673,381
Wastewater Lift Stations	49,667	472,857	522,524
Reclaimed Water Distribution	91,770	190,992	282,762
Kanapaha Water Reclamation Facility	14,778	287,240	302,018
Mainstreet Water Reclamation Facility	52,830	159,007	211,837
Corporate Expenses	34,784	1,427,160	1,461,944
<b>Total Capital Labor and Non-Labor</b>	<b>\$ 4,500,544</b>	<b>\$ 25,402,066</b>	<b>\$ 29,902,610</b>

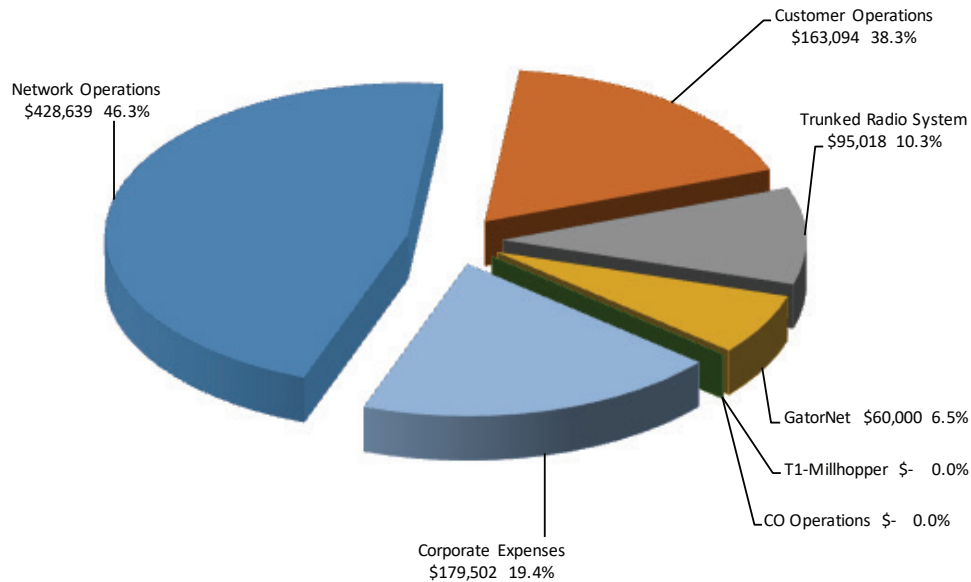
# Total Capital Labor and Non-Labor Gas System



	Labor and Fringe	Non-Labor	2023
Transmission and Distribution Engineering	\$ 2,363,824	\$ 724,666	\$ 3,088,490
Meter Measurement Operations	466,023	513,304	979,327
Transmission and Distribution Construction	174,609	59,384	233,993
Corporate Expenses	266,463	3,224,805	3,491,268
<b>Total Capital Labor and Non-Labor</b>	<b>\$ 3,270,919</b>	<b>\$ 4,522,159</b>	<b>\$ 7,793,078</b>

	Labor and Fringe	Non-Labor	2022
Transmission and Distribution Engineering	\$ 194,395	\$ 3,617,594	\$ 3,811,989
Meter Measurement Operations	468,617	1,131,868	1,600,485
Transmission and Distribution Construction	2,417,675	901,791	3,319,466
Corporate Expenses	253,902	62,789	316,691
<b>Total Capital Labor and Non-Labor</b>	<b>\$ 3,334,589</b>	<b>\$ 5,714,042</b>	<b>\$ 9,048,631</b>

# Total Capital Labor and Non-Labor Telecommunications System



	Labor and Fringe	Non-Labor	2023
Network Operations	\$ 114,507	\$ 314,132	\$ 428,639
Customer Operations	-	163,094	163,094
Trunked Radio System	3,018	92,000	95,018
GatorNet	-	60,000	60,000
T1-Millhopper	-	-	-
CO Operations	-	-	-
Corporate Expenses	841	178,661	179,502
<b>Total Capital Labor and Non-Labor</b>	<b>\$ 118,366</b>	<b>\$ 807,887</b>	<b>\$ 926,253</b>

	Labor and Fringe	Non-Labor	2022
Network Operations	\$ 308,744	\$ 725,118	\$ 1,033,862
Customer Operations	28,242	88,089	116,331
Trunked Radio System	-	-	-
Gatornet	15,285	47,675	62,960
T1-Millhopper	1,892	20,000	21,892
CO Operations	70,950	750,000	820,950
Corporate Expenses	280	90,669	90,949
<b>Total Capital Labor and Non-Labor</b>	<b>\$ 425,393</b>	<b>\$ 1,721,551</b>	<b>\$ 2,146,944</b>





# Fiscal Year 2023 Budget Revenues

## Fiscal Year 2023 Revenues

# Combined Systems

	2022	2023
Electric	\$ 296,814,058	\$ 329,337,335
Water	38,911,725	36,857,368
Wastewater	49,128,516	47,719,421
Gas	25,838,521	32,802,251
Telecommunications	14,670,580	16,009,636
<b>Total Revenues</b>	<b>\$ 425,363,400</b>	<b>\$ 462,726,011</b>

FY23 budgeted revenues include projected revenue requirement increases of 3% in the Electric System and 5% in the Wastewater System. Fuel adjustment revenue, which is a pass-through to customers, is projected to increase by approximately \$39.7 million in FY23. Net of revenue requirement increases, fuel and transfers to/from the Rate Stabilization Fund, FY23 revenues are projected to be approximately \$16.4 million or 5.2% greater than FY22 levels.

Please see individual pages for descriptions and highlights.

## Fiscal Year 2023 Revenues

# Electric System

	2022	2023
Residential sales	\$ 78,710,652	\$ 85,256,172
Residential rate change	5,509,746	2,557,685
Non-residential sales	90,990,868	97,576,462
Non-residential rate change	6,177,453	2,856,407
Fuel adjustment	79,938,081	111,803,673
Sales for Resale	1,141,386	453,520
Utility surcharge	4,835,711	5,018,753
South Energy Center	16,476,950	16,274,305
Innovation Square	353,000	274,000
Other electric sales	3,191,497	2,991,092
Rate stabilization (to)/from	1,523,668	(3,756,508)
Other revenue	7,320,440	7,368,338
Interest income	644,606	663,436
<b>Total Revenues</b>	<b>\$ 296,814,058</b>	<b>\$ 329,337,335</b>

### Overview

Residential and non-residential sales, excluding rate change revenue, increased by approximately \$2.9 million or 3.3%. Total Electric System revenues net of fuel, transfers from the Rate Stabilization Fund, and rate change revenue rose approximately \$12.2 million or 5.9%. Total revenues include approximately \$5.4 million in rate change revenue based on a 3% revenue requirement increase, and \$31.9 million in fuel adjustment revenue which is a pass-through to customer bills.

# Fiscal Year 2023 Revenues

## Electric System Continued

- Forecasts were developed from models that project the number of customers and usage per customer for each major billing class. Demographic, economic, and climate related variables were incorporated from independent external sources. Revenue projections are the product of number of customers, billed sales and GRU's prevailing prices.
- Cumulative increases in retail revenues from proposed rate changes are shown as residential and non-residential rate change revenue.
- The South Energy Center (SEC) is a combined heat and power plant providing electricity, chilled water, steam, and the storage and delivery of medical gases to the University of Florida Health (UF Health) Cancer Center. The SEC has contributed significant revenues to the Electric System since May 2009. Phase II of SEC is now completed in conjunction with the completion of the new UF Health Heart & Vascular and Neuromedicine hospitals.
- Innovation Square is a research and business development effort of the University of Florida and is served by the Electric System.
- Fuel adjustment revenues offset fuel and purchased power costs.
- Surcharge revenues are a 10% charge applied to the non-fuel portion of retail rates for customers outside the incorporated portion of the City of Gainesville.
- Other revenue includes Build America Bonds payments, late fees and other miscellaneous service charges.
- Interest income is generated from the investment earnings for the Operating Fund, Rate Stabilization Fund and Utility Plant Improvement Fund for each system.
- Rate Stabilization revenues are withdrawals from (if positive) or deposits to (if negative) Rate Stabilization Fund.

### *Budget Highlights*

- The number of electric customers is forecast to increase at an average annual rate of 0.49% per year over the next 10 years.
- Retail electric energy sales are forecast to increase at an average annual rate of 0.68% per year through fiscal 2031.
- Revenues from retail electric energy sales are projected to increase at an average annual rate of 0.60% per year over the next 10 years, under current rates.
- The forecast ten year average annual growth rate in residential average use is 0.00%.

## Fiscal Year 2023 Revenues

# Water System

	2022	2023
Sales of water	\$ 30,895,552	\$ 31,116,664
Rate change revenue	-	-
University of Florida	2,039,528	1,881,782
Utility surcharge	2,579,779	2,644,916
Rate stabilization (to)/from	(680,975)	(3,041,533)
Connection charges	1,167,000	1,227,000
Surcharge on connections	96,000	31,000
Other revenue	2,625,037	2,691,464
Interest income	189,804	306,075
<b>Total Revenues</b>	<b>\$ 38,911,725</b>	<b>\$ 36,857,368</b>

### Overview

Net of transfers from or (to) the Rate Stabilization Fund, projected Water System revenues increased by approximately \$306,000 or 0.77%.

# Fiscal Year 2023 Revenues

## Water System Continued

### *Description*

- Forecasts were developed from models that project number of customers and usage per customer for each major billing class. Demographic, economic, and climate related variables were incorporated from independent external sources. Revenue projections are the product of number of customers, billed sales and GRU's prevailing prices.
- Revenues are obtained from retail sales to residential and non-residential customers served by the potable water system and include monthly customer charges and usage charges (Kgal) based on metered water sales.
- UF Revenues represent wholesale water sales to the UF campus, which maintains its own distribution system, as well as off-campus UF facilities.
- Cumulative increases in retail revenues from proposed rate changes are shown as rate change revenue.
- The SEC, as described in the Electric System, is a generation facility that became operational in 2009 and is served by the Water System.
- A surcharge of 25% is collected outside the incorporated portion of the City of Gainesville.
- Connection fees are collected to recover the costs of meter installations, transmission and distribution, and water treatment and supply required for each new customer. There is a 25% surcharge on connection fees for customers outside the incorporated portion of the City.
- Interest income is generated from the investment earnings for the Operating Fund, Rate Stabilization Fund and Utility Plant Improvement Fund for each system.
- Rate Stabilization revenues are withdrawals from (if positive) or deposits to (if negative) Rate Stabilization Fund.

### *Budget Highlights*

- The number of total water customers is forecast to increase at an average annual rate of 0.65% per year over the next 10 years.
- Total water sales are forecast to increase at an average annual rate of 0.43% per year through 2031.
- Revenues from water sales, including sales related to UF and surcharge revenues, are projected to increase at an average annual rate of 0.47% per year over the next 10 years. This projection does not include any changes to rates for water service.

## Fiscal Year 2023 Revenues

# Wastewater System

	2022	2023
Wastewater charges	\$ 37,353,008	\$ 40,675,385
Rate change revenue	1,841,423	2,001,399
Utility surcharge	3,129,808	3,395,378
South Energy Center	91,764	91,764
Biosolids	300,000	300,000
Rate stabilization (to)/from	1,797,451	(3,437,640)
Connection charges	2,001,000	2,098,000
Surcharge on connections	165,000	52,000
Other revenue	2,350,075	2,389,093
Interest income	98,987	154,042
<b>Total Revenues</b>	<b>\$ 49,128,516</b>	<b>\$ 47,719,421</b>

### Overview

Net of transfers to the Rate Stabilization Fund and rate change revenue, FY23 revenues increased by approximately \$3.7 million or 8% from FY22 levels. This increase is related primarily to elimination of the winter max and billing commercial customers at 100% vs 95% of their water usage. The projected \$2,001,399 in rate change revenue results from a 5% revenue requirement increase.

# Fiscal Year 2023 Revenues

## Wastewater System Continued

- Forecasts were developed from models that project number of customers and usage per customer for each major billing class. Demographic, economic, and climate related variables were incorporated from independent external sources. Revenue projections are the product of number of customers, billed quantities and GRU's prevailing prices.
- Revenues are obtained from wastewater charges to residential and non-residential customers served by our wastewater collection, treatment, re-use and disposal systems.
- Cumulative increases in retail revenues from proposed rate changes are shown as rate change revenue.
- Wastewater is not metered.
- The SEC is a generation facility that became operational in 2009 and is served by the Wastewater System.
- Biosolids revenue is generated for the receipt, treatment and beneficial reuse of waste residuals of other municipalities and septage haulers.
- A surcharge of 25% is collected from customers outside the incorporated portion of the City of Gainesville.
- Connection charges are collected to recover the capital costs of wastewater collection and treatment required for each new customer. There is a 25% surcharge on connection fees for customers outside the incorporated portion of the City.
- Interest income is generated from the investment earnings for the Operating Fund, Rate Stabilization Fund and Utility Plant Improvement Fund for each System.
- Rate Stabilization revenues are withdrawals from (if positive) or deposits to (if negative) Rate Stabilization Fund.

### *Budget Highlights*

- The number of total wastewater customers is forecast to increase at an average annual rate of 0.68% per year over the next 10 years.
- The quantity of wastewater billed to all customers is forecast to increase at an average annual rate of 0.38% per year through fiscal year 2031.
- Revenues from wastewater system monthly billings are projected to increase at an average annual rate of 0.32% per year over the next 10 years. This projection does not include any changes to wastewater rates.



# Fiscal Year 2023 Revenues

## Gas System

	2022	2023
Residential	\$ 8,385,440	\$ 8,465,573
Residential rate change revenue	-	-
Non-residential	5,246,116	5,210,346
Non-residential rate change revenue	-	-
Purchased gas adjustment	7,925,032	15,765,595
Utility surcharge	577,385	582,066
Manufactured gas plant	1,194,755	1,192,755
Rate stabilization (to)/from	1,087,299	136,810
Other revenue	1,288,278	1,341,171
Interest income	134,216	107,935
<b>Total Revenue</b>	<b>\$ 25,838,521</b>	<b>\$ 32,802,251</b>

### Overview

Net of fuel and transfers (to)/from the Rate Stabilization Fund, projected Gas System revenues increased by approximately \$74,000 or 0.44%.

# Fiscal Year 2023 Revenues

## Gas System Continued

### *Description*

- Forecasts were developed from models that project number of customers and usage per customer for each major billing class. Demographic, economic, and climate related variables were incorporated from independent external sources. Revenue projections are the product of number of customers, billed sales, and GRU's prevailing prices.
- Cumulative increases in retail revenues from proposed rate changes are shown as rate change revenue.
- The Manufactured Gas Plant Cost Recovery Factor (MGPCRF) is a component of revenue based on therm sales. It recovers the cost of environmental clean-up at the former Gainesville Gas Manufactured Gas Plant. This cost is partially offset with insurance proceeds, with the project expected to total approximately \$29.2 million.
- Purchased Gas Adjustment (PGA) revenue is collected for the natural gas fuel distributed to customers.
- Surcharge revenues are a 10% charge applied to the non-fuel portion of retail rates for customers outside the incorporated portion of the City of Gainesville.
- Other revenue includes transportation sales to UF's cogeneration facility, late fees, service charges, and sales to liquid propane distribution system customers.
- Interest income is generated from the investment earnings for the Operating Fund, Rate Stabilization Fund, and Utility Plant Improvement Fund for each System.
- Rate Stabilization revenues are withdrawals from (if positive) or deposits to (if negative) Rate Stabilization Fund.

### *Budget Highlights*

- The number of retail natural gas system customers is forecast to increase at an average annual rate of 0.72% per year over the next 10 years.
- Total retail natural gas system energy sales are forecast to increase at an average annual rate of 0.39% per year through fiscal year 2031.
- Non-fuel revenues from sales to retail natural gas customers are projected to increase at an average rate of 0.35% per year over the next 10 years. This projection does not include any changes to natural gas rates.

## Fiscal Year 2023 Revenues

# Telecommunications System

	2022	2023
Telecommunications	\$ 7,460,180	\$ 7,568,291
Trunking Radio Service	2,744,485	2,789,249
Tower lease rental	2,039,213	2,070,775
Other revenue	35,000	35,000
Interest income	16,276	2,211
<b>Total Sales</b>	<b>\$ 12,295,154</b>	<b>\$ 12,465,526</b>
Intercompany Loan	2,375,426	3,544,110
<b>Total Revenue</b>	<b>\$ 14,670,580</b>	<b>\$ 16,009,636</b>

### Overview

Net of transfers from the Rate Stabilization Fund, Telecommunications System revenues are projected to decline by approximately \$170,000 or 1.4%. The Telecommunications System is projected to operate at a loss for 2022 and 2023. Management is currently evaluating options for the system.

# Fiscal Year 2023 Revenues

## Telecommunications Continued

### *Description*

- Telecommunications revenues are based on historical sales trends, anticipated customer growth and competitive market conditions. Projections reflect an expectation for continued growth in business services and a continued erosion in carrier services.
- Trunking Radio Service revenue projections are based on the historical trends of number of radios deployed pursuant to the billing rates established under the existing inter-local agreement which expired in 2020. Management is currently in negotiations with subscribers to update and expand coverage of the system, and the potential changes to revenues are reflected in the 2022 projections.
- Tower lease rental services are primarily tower space leases with Personal Wireless Communications Services (PCS) providers. Revenues from new leases executed in recent months are included in the forecast. Tower space leases contain provisions for automatic annual rent increases included in the projections.
- Interest income is generated from the investment earnings for the Operating Fund, Rate Stabilization Fund and Utility Plant Improvement Fund for each system.
- Rate Stabilization revenues are withdrawals from (if positive) or deposits to (if negative) Rate Stabilization Fund. GRUCom has been experiencing an inability to cover its expenses. Interfund loans have been provided to the system as a temporary bridge while the long term operational and financial aspects of GRUcom's future are being reviewed.

### *Budget Highlights*

- GRUCom data and Internet services continue to be in high demand by local businesses.
- GRUCom is now offering "Gator Net Wi-Fi" Internet service to residential multiple dwelling units and student housing communities. It is expected that demand for this Wi-Fi service offering will continue to increase as housing consumers seek the benefits of wireless Internet access backed by fiber-to-the-home (FTTH) technology and ultra-fast broadband services. GRUCom continues to receive requests from existing and newly developed apartment complexes for GATOR NET services (both wired and wireless). Revenues from these new contracts are included in projections.
- GRUCom introduced a new voice services product line in fiscal year 2019.



# Fiscal Year 2023 Budget **Payroll**

# Fiscal Year 2023 Payroll

## Combined Systems

	Labor	Fringe	2023
Energy Supply	\$ 16,438,185	\$ 5,259,540	\$ 21,697,725
Energy Delivery	19,072,680	5,753,969	24,826,649
Water	5,612,188	1,796,221	7,408,409
Wastewater	6,715,777	2,130,588	8,846,365
Gas	2,626,639	820,708	3,447,347
Telecommunications	3,085,133	926,553	4,011,686
Administration	3,426,414	1,102,763	4,529,177
Budget, Finance & Accounting	3,861,604	1,235,230	5,096,834
Customer Support Services	6,002,190	1,875,332	7,877,522
Information Technology	7,329,309	2,237,871	9,567,180
<b>Total Payroll</b>	<b>\$ 74,170,119</b>	<b>\$ 23,138,775</b>	<b>\$ 97,308,894</b>

	Labor	Fringe	2022
Energy Supply	\$ 16,909,566	\$ 5,276,461	\$ 22,186,027
Energy Delivery	17,784,308	5,459,177	23,243,485
Water	5,829,286	1,813,780	7,643,066
Wastewater	6,762,779	2,106,617	8,869,396
Gas	2,563,743	795,570	3,359,313
Telecommunications	2,536,353	774,793	3,311,146
Administration	3,360,856	1,088,720	4,449,576
Budget, Finance & Accounting	3,336,133	1,038,252	4,374,385
Customer Support Services	6,553,076	2,030,062	8,583,138
Information Technology	7,254,191	2,199,970	9,454,161
<b>Total Payroll</b>	<b>\$ 72,890,291</b>	<b>\$ 22,583,402</b>	<b>\$ 95,473,693</b>

Full Time Equivalent (FTE)	2022	2023
MAP	299.00	299.00
CWA	633.25	633.25
<b>Total FTEs Authorized</b>	<b>932.25</b>	<b>932.25</b>

# Fiscal Year 2023 Payroll

## Energy Supply

	Labor	Fringe	2023
Deerhaven Operations	\$ 3,316,926	\$ 1,082,375	\$ 4,399,301
Deerhaven Renewables Operations	2,946,295	899,682	3,845,977
Major Maintenance Group	2,665,507	845,325	3,510,832
Energy Supply Administration	2,020,558	659,322	2,679,880
Kelly Plant Operations	1,742,128	555,316	2,297,444
Energy Supply Systems Control	929,921	313,406	1,243,327
Production Assurance Support	916,329	307,873	1,224,202
South Energy Center	699,121	223,223	922,344
District Energy	502,375	139,861	642,236
Energy Supply Water Systems	372,159	130,474	502,633
Fuels	326,866	102,683	429,549
Deerhaven Administration	-	-	-
Deerhaven Renewables Administration	-	-	-
Kelly Plant Administration	-	-	-
<b>Total Payroll</b>	<b>\$ 16,438,185</b>	<b>\$ 5,259,540</b>	<b>\$ 21,697,725</b>

	Labor	Fringe	2022
Deerhaven Operations	\$ 3,683,473	\$ 1,146,119	\$ 4,829,592
Deerhaven Renewables Operations	2,725,570	851,096	3,576,666
Major Maintenance Group	2,692,236	838,940	3,531,176
Energy Supply Administration	1,302,751	416,772	1,719,523
Kelly Plant Operations	1,714,376	540,640	2,255,016
Systems Control	1,099,156	343,573	1,442,729
Production Assurance Support	1,073,416	313,818	1,387,234
South Energy Center	721,321	224,870	946,191
District Energy	320,008	99,481	419,489
Energy Supply Water Systems	464,744	148,358	613,102
Fuels	322,899	100,467	423,366
Deerhaven Administration	235,547	78,407	313,954
Deerhaven Renewables Administration	341,330	106,613	447,943
Kelly Plant Administration	212,739	67,307	280,046
<b>Total Payroll</b>	<b>\$ 16,909,566</b>	<b>\$ 5,276,461</b>	<b>\$ 22,186,027</b>

Full Time Equivalent (FTE)	2022	2023
MAP	41.00	41.00
CWA	153.00	153.00
<b>Total FTEs Authorized</b>	<b>194.00</b>	<b>194.00</b>

# Fiscal Year 2023 Payroll

## Energy Delivery

	Labor	Fringe	2023
Energy Delivery/Administration	\$ 6,436,772	\$ 1,854,431	\$ 8,291,203
Electric Transmission and Distribution	5,921,165	1,902,484	7,823,649
Energy Delivery Systems Control	2,245,856	689,774	2,935,630
Substation/Relay/Relay Engineering	1,758,002	525,571	2,283,573
Electric Meter Measurement	1,397,321	357,867	1,755,188
Energy Delivery Electric Engineering	1,313,564	423,842	1,737,406
<b>Total Payroll</b>	<b>\$ 19,072,680</b>	<b>\$ 5,753,969</b>	<b>\$ 24,826,649</b>

	Labor	Fringe	2022
Energy Delivery/Administration	\$ 5,978,150	\$ 1,818,666	\$ 7,796,816
Electric Transmission and Distribution	6,016,665	1,880,801	7,897,466
Energy Delivery Systems Control	2,309,359	681,672	2,991,031
Substation/Relay/Relay Engineering	1,500,104	461,959	1,962,063
Electric Meter Measurement	606,787	185,364	792,151
Energy Delivery Electric Engineering	1,373,243	430,715	1,803,958
<b>Total Payroll</b>	<b>\$ 17,784,308</b>	<b>\$ 5,459,177</b>	<b>\$ 23,243,485</b>

Full Time Equivalent (FTE)	2022	2023
MAP	48.00	48.00
CWA	179.00	179.00
<b>Total FTEs Authorized</b>	<b>227.00</b>	<b>227.00</b>



# Fiscal Year 2023 Payroll

## Water

	Labor	Fringe	2023
Distribution	\$ 2,372,918	\$ 761,324	\$ 3,134,242
Murphree Water Treatment Plant	1,384,241	451,042	1,835,283
Engineering	1,004,536	306,036	1,310,572
Water / Wastewater Engineering	320,776	100,993	421,769
Water / Wastewater Planning	313,827	105,145	418,972
Water / Wastewater Administration	215,890	71,681	287,571
<b>Total Payroll</b>	<b>\$ 5,612,188</b>	<b>\$ 1,796,221</b>	<b>\$ 7,408,409</b>

	Labor	Fringe	2022
Distribution	\$ 2,466,631	\$ 767,176	\$ 3,233,807
Murphree Water Treatment Plant	1,499,747	467,317	1,967,064
Engineering	965,701	295,216	1,260,917
Water / Wastewater Engineering	314,244	98,285	412,529
Water / Wastewater Planning	369,569	115,547	485,116
Water / Wastewater Administration	213,394	70,239	283,633
<b>Total Payroll</b>	<b>\$ 5,829,286</b>	<b>\$ 1,813,780</b>	<b>\$ 7,643,066</b>

Full Time Equivalent (FTE)	2022	2023
MAP	17.00	17.00
CWA	57.00	57.00
<b>Total FTEs Authorized</b>	<b>74.00</b>	<b>74.00</b>

# Fiscal Year 2023 Payroll

## Wastewater

	Labor	Fringe	2023
Wastewater Collection	\$ 2,417,109	\$ 773,415	\$ 3,190,524
Kanapaha Water Reclamation Facility	1,402,994	447,690	1,850,684
Wastewater Engineering	1,026,889	313,642	1,340,531
Mainstreet Water Reclamation Facility	1,021,217	313,493	1,334,710
Wastewater Lift Stations	458,064	154,754	612,818
Wastewater Kanapaha Lab	301,834	95,605	397,439
Reclaimed Water Distribution	87,670	31,989	119,659
<b>Total Payroll</b>	<b>\$ 6,715,777</b>	<b>\$ 2,130,588</b>	<b>\$ 8,846,365</b>

	Labor	Fringe	2022
Wastewater Collection	\$ 2,394,404	\$ 755,365	\$ 3,149,769
Kanapaha Water Reclamation Facility	1,439,460	450,818	1,890,278
Wastewater Engineering	1,036,451	311,442	1,347,893
Mainstreet Water Reclamation Facility	924,180	287,576	1,211,756
Wastewater Lift Stations	539,930	168,059	707,989
Wastewater Kanapaha Lab	300,573	93,434	394,007
Reclaimed Water Distribution	127,781	39,923	167,704
<b>Total Payroll</b>	<b>\$ 6,762,779</b>	<b>\$ 2,106,617</b>	<b>\$ 8,869,396</b>

Full Time Equivalent (FTE)	2022	2023
MAP	12.00	12.00
CWA	83.00	83.00
<b>Total FTEs Authorized</b>	<b>95.00</b>	<b>95.00</b>

# Fiscal Year 2023 Payroll

## Gas

	Labor	Fringe	2023
Transmission and Distribution Operations	\$ 815,259	\$ 246,620	\$ 1,061,879
Meter Measurement Operations	585,495	187,505	773,000
Transmission and Distribution Construction	584,376	188,014	772,390
Transmission and Distribution Engineering	269,573	80,528	350,101
Transmission and Distribution Administration	218,143	70,273	288,416
Marketing	153,793	47,768	201,561
<b>Total Payroll</b>	<b>\$ 2,626,639</b>	<b>\$ 820,708</b>	<b>\$ 3,447,347</b>

	Labor	Fringe	2022
Transmission and Distribution Operations	\$ 706,848	\$ 220,260	\$ 927,108
Meter Measurement Operations	617,281	191,475	808,756
Transmission and Distribution Construction	611,930	190,864	802,794
Transmission and Distribution Engineering	258,891	77,112	336,003
Transmission and Distribution Administration	216,620	69,054	285,674
Marketing	152,173	46,805	198,978
<b>Total Payroll</b>	<b>\$ 2,563,743</b>	<b>\$ 795,570</b>	<b>\$ 3,359,313</b>

Full Time Equivalent (FTE)	2022	2023
MAP	5.00	5.00
CWA	32.00	32.00
<b>Total FTEs Authorized</b>	<b>37.00</b>	<b>37.00</b>

# Fiscal Year 2023 Payroll

## Telecommunications

	Labor	Fringe	2023
Technical Services	\$ 498,117	\$ 143,394	\$ 641,511
Network Operations Center	446,937	157,555	604,492
Construction	408,892	113,885	522,777
Engineering	400,227	110,651	510,878
Business Administration	315,386	97,739	413,125
Chief Officer	214,923	70,684	285,607
Electronics	220,562	64,270	284,832
Trunked Radio System	156,650	49,449	206,099
Work Management	161,779	37,128	198,907
Technology and Services Administration	143,491	30,764	174,255
Engineering and Construction Administration	118,169	51,034	169,203
<b>Total Payroll</b>	<b>\$ 3,085,133</b>	<b>\$ 926,553</b>	<b>\$ 4,011,686</b>

	Labor	Fringe	2022
Technical Services	\$ 389,852	\$ 118,709	\$ 508,561
Network Operations Center	526,157	158,946	685,103
Construction	272,850	83,610	356,460
Engineering	256,280	78,731	335,011
Business Administration	314,437	96,273	410,710
Chief Officer	205,232	67,729	272,961
Electronics	174,249	54,111	228,360
Trunked Radio System	155,723	48,584	204,307
Work Management	86,576	19,689	106,265
Technology and Services Administration	-	-	-
Planning	154,997	48,411	203,408
<b>Total Payroll</b>	<b>\$ 2,536,353</b>	<b>\$ 774,793</b>	<b>\$ 3,311,146</b>

Full Time Equivalent (FTE)	2022	2023
MAP	14.00	14.00
CWA	24.00	24.00
<b>Total FTEs Authorized</b>	<b>38.00</b>	<b>38.00</b>

# Fiscal Year 2023 Payroll

## Administration

	Labor	Fringe	2023
Safety and Training	\$ 939,611	\$ 296,528	\$ 1,236,139
General Manager	652,176	211,421	863,597
Electric Environment	532,724	178,495	711,219
Office of Inclusion	426,953	136,154	563,107
Communications	333,555	104,091	437,646
Chief Operating Officer	279,332	94,103	373,435
Electric Reliability	262,063	81,971	344,034
<b>Total Payroll</b>	<b>\$ 3,426,414</b>	<b>\$ 1,102,763</b>	<b>\$ 4,529,177</b>

	Labor	Fringe	2022
Safety and Training	\$ 921,752	\$ 287,930	\$ 1,209,682
General Manager	584,972	194,216	779,188
Electric Environment	543,210	178,487	721,697
Office of Inclusion	433,521	135,876	569,397
Communications	336,055	118,618	454,673
Chief Operating Officer	281,809	93,221	375,030
Electric Reliability	259,537	80,372	339,909
<b>Total Payroll</b>	<b>\$ 3,360,856</b>	<b>\$ 1,088,720</b>	<b>\$ 4,449,576</b>

Full Time Equivalent (FTE)	2022	2023
MAP	29.00	29.00
CWA	7.00	7.00
<b>Total FTEs Authorized</b>	<b>36.00</b>	<b>36.00</b>

# Fiscal Year 2023 Payroll

## Budget, Finance and Accounting

	Labor	Fringe	2023
Financial Accounting	\$ 915,673	\$ 279,303	\$ 1,194,976
Procurement	601,833	196,207	798,040
Project Management	517,296	164,011	681,307
Managerial Accounting	470,415	148,455	618,870
Chief Financial Officer	406,432	132,811	539,243
Rates and Forecasting	306,409	104,344	410,753
Budget	250,481	84,702	335,183
Treasury	212,320	67,058	279,378
Accounts Payable	180,745	58,339	239,084
<b>Total Payroll</b>	<b>\$ 3,861,604</b>	<b>\$ 1,235,230</b>	<b>\$ 5,096,834</b>

	Labor	Fringe	2022
Financial Accounting	\$ 846,433	\$ 260,706	\$ 1,107,139
Procurement	-	-	-
Project Management	524,724	163,384	688,108
Managerial Accounting	485,759	147,974	633,733
Chief Financial Officer	405,157	130,803	535,960
Rates and Forecasting	380,260	118,433	498,693
Budget	304,522	94,030	398,552
Treasury	210,694	65,807	276,501
Accounts Payable	178,584	57,115	235,699
<b>Total Payroll</b>	<b>\$ 3,336,133</b>	<b>\$ 1,038,252</b>	<b>\$ 4,374,385</b>

Full Time Equivalent (FTE)	2022	2023
MAP	37.00	37.00
CWA	5.00	5.00
<b>Total FTEs Authorized</b>	<b>42.00</b>	<b>42.00</b>

# Fiscal Year 2023 Payroll

# Customer Support Services

	Labor	Fringe	2023
Customer Services	\$ 1,820,905	\$ 568,169	\$ 2,389,074
Utilities Stores	784,252	251,617	1,035,869
Energy and Business Services	780,962	231,105	1,012,067
Billing and Customer Solutions	535,676	169,329	705,005
Project Management Office	394,861	106,866	501,727
Facilities Maintenance	287,714	94,155	381,869
New Services	271,637	80,361	351,998
Administrative Services	239,664	83,293	322,957
Customer Operations	243,290	78,981	322,271
Chief Customer Officer	204,498	71,962	276,460
Revenue Assurance	200,854	61,909	262,763
Land Rights / Real Estate	163,571	53,102	216,673
Mail Services	74,306	24,483	98,789
Procurement	-	-	-
<b>Total Payroll</b>	<b>\$ 6,002,190</b>	<b>\$ 1,875,332</b>	<b>\$ 7,877,522</b>

	Labor	Fringe	2022
Customer Service	\$ 1,710,438	\$ 544,976	\$ 2,255,414
Utilities Stores	809,852	252,319	1,062,171
Energy and Business Services	752,769	226,869	979,638
Billing and Customer Solutions	546,300	169,421	715,721
Project Management Office	328,836	91,671	420,507
Facilities Maintenance	314,998	98,172	413,170
New Services	261,925	72,912	334,837
Administrative Services	238,542	79,273	317,815
Customer Operations	314,051	88,275	402,326
Chief Customer Officer	204,939	70,135	275,074
Revenue Assurance	198,092	62,820	260,912
Land Rights / Real Estate	189,002	57,756	246,758
Mail Services	85,324	26,497	111,821
Procurement	598,008	188,966	786,974
<b>Total Payroll</b>	<b>\$ 6,553,076</b>	<b>\$ 2,030,062</b>	<b>\$ 8,583,138</b>

Full Time Equivalent (FTE)	2022	2023
MAP	37.00	37.00
CWA	81.25	81.25
<b>Total FTEs Authorized</b>	<b>118.25</b>	<b>118.25</b>

# Fiscal Year 2023 Payroll

# Information Technology

	Labor	Fringe	2023
Technical Management	\$ 3,474,498	\$ 1,065,283	\$ 4,539,781
Application Management	2,066,446	599,409	2,665,855
Administration	1,788,365	573,179	2,361,544
<b>Total Payroll</b>	<b>\$ 7,329,309</b>	<b>\$ 2,237,871</b>	<b>\$ 9,567,180</b>

	Labor	Fringe	2022
Technical Management	\$ 3,350,496	\$ 1,038,765	\$ 4,389,261
Application Management	1,781,506	553,174	2,334,680
Administration	2,122,189	608,031	2,730,220
<b>Total Payroll</b>	<b>\$ 7,254,191</b>	<b>\$ 2,199,970</b>	<b>\$ 9,454,161</b>

Full Time Equivalent (FTE)	2022	2023
MAP	59.00	59.00
CWA	12.00	12.00
<b>Total FTEs Authorized</b>	<b>71.00</b>	<b>71.00</b>





# Fiscal Year 2023 Budget Operations and Maintenance Non-Labor

# Operations and Maintenance Non-Labor Combined Systems

	2023
Energy Supply	17,744,741
Energy Delivery	7,434,473
Water	8,072,377
Wastewater	8,999,176
Gas	641,753
Telecommunications	4,982,092
Administration	2,299,903
Budget, Finance and Accounting	1,162,861
Customer Support Services	6,478,434
Information Technology	9,323,562
Corporate Expenses	16,580,152
<b>Total Operations and Maintenance Non-Labor</b>	<b>\$ 83,719,524</b>

	2022
Energy Supply	18,502,000
Energy Delivery	7,598,537
Water	7,349,238
Wastewater	7,782,980
Gas	613,328
Telecommunications	4,807,665
Administration	2,236,986
Budget, Finance and Accounting	733,527
Customer Support Services	6,182,973
Information Technology	8,824,927
Corporate Expenses	15,624,200
<b>Total Operations and Maintenance Non-Labor</b>	<b>\$ 80,256,361</b>

# Operations and Maintenance Non-Labor Energy Supply

	<b>2023</b>
Major Maintenance Group	\$ 5,210,501
South Energy Center	3,376,461
Deerhaven Operations	3,296,300
Deerhaven Renewables Operations	2,642,808
Kelly Plant Operations	1,187,482
Energy Supply Water Systems	832,200
Energy Supply Administration	558,191
Innovation Energy Center	307,290
Energy Supply Systems Control	213,880
District Energy	35,828
Fuels	16,450
<b>Total Operations and Maintenance Non-Labor</b>	<b>\$ 17,744,741</b>

	<b>2022</b>
Major Maintenance Group	\$ 5,804,236
South Energy Center	3,278,350
Deerhaven Operations	3,189,248
Deerhaven Renewables Operations	3,038,799
Kelly Plant Operations	1,190,605
Energy Supply Water Systems	840,600
Energy Supply Administration	530,794
Innovation Energy Center	298,340
Energy Supply Systems Control	209,230
Production Assurance Support	67,350
District Energy	36,598
Fuels	17,850
<b>Total Operations and Maintenance Non-Labor</b>	<b>\$ 18,502,000</b>

## Energy Supply Budget Highlights

Energy Supply is responsible for all power generation, power engineering, fuels management, and design, construction, operations, and maintenance of power systems. The power generation portfolio includes Deerhaven Renewable Generation Station (DHR), Deerhaven (DH), and John R. Kelly (JRK) Generating Station. District Energy, also managed by Energy Supply, includes the South Energy Center (SEC) and the Innovation Energy Center (IEC). During fiscal year 2018, DHR, which burns local clean wood waste, was purchased by GRU and integrated into its power portfolio as its newest plant. DHR has performed extremely well and is an integral part of GRU's renewable portfolio. Projected renewable energy production for fiscal year 2023 is estimated at 28% of our total forecasted load. GRU reached a peak of 41% for renewable energy in fiscal year 2019. Energy Supply's fiscal year 2023 non-labor budget reflects a 4.1% decrease from fiscal year 2022 budget. This decrease is driven by the cyclical nature of planned expenditures.



# Operations and Maintenance Non-Labor Energy Delivery

**2023**

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Electric Transmission and Distribution	\$ 3,926,310
Energy Delivery Systems Control	1,488,357
Energy Delivery/Administration	969,837
Substation/Relay/Relay Engineering	766,292
Energy Delivery Electric Engineering	145,550
Electric Meter Measurement	138,127
<b>Total Operations and Maintenance Non-Labor</b>	<b>\$ 7,434,473</b>

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**2022**

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Electric Transmission and Distribution	\$ 3,852,423
Energy Delivery Systems Control	1,591,548
Energy Delivery/Administration	1,149,255
Substation/Relay/Relay Engineering	807,705
Energy Delivery Electric Engineering	59,661
Electric Meter Measurement	137,945
<b>Total Operations and Maintenance Non-Labor</b>	<b>\$ 7,598,537</b>

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## Energy Delivery Budget Highlights

Energy Delivery is responsible for the construction, operation and maintenance of the electric transmission and distribution systems. This includes Engineering, Systems Control, Substations and Relay, Electric T&D, Field Services, and Electric Measurements & Regulation.

The transmission and distribution systems are fully focused on reliability and are modeled in a geographical information system (GIS). The GIS is integrated with the outage management system to enable the linkage of customer calls to specific devices. This integration promotes enhanced and expedited service restoration. Integrated software systems are also used extensively to assign loads to specific circuits, planning distribution and substation system improvements, and supporting restoration efforts resulting from extreme weather. In

addition, more than 62% of the distribution system's circuit miles are underground, which is among the highest percentages in Florida. Energy Delivery is also primarily responsible for hurricane response, which includes not only providing timely and safe response to events in the Gainesville area, but also mutual aid for other utilities. Energy Delivery's fiscal year 2023 non-labor budget is 2.2% less than fiscal year 2022. This decrease is being driven by a reduction of maintenance required with the capital improvements being completed.



# Operations and Maintenance Non-Labor Water

	<b>2023</b>
Murphree Water Treatment Plant	\$ 7,062,000
Distribution	565,075
Water / Wastewater Engineering	232,450
Water / Wastewater Planning	136,952
Water / Wastewater Administration	75,300
Engineering	600
<b>Total Operations and Maintenance Non-Labor</b>	<b>\$ 8,072,377</b>

	<b>2022</b>
Murphree Water Treatment Plant	\$ 6,386,100
Distribution	592,525
Water / Wastewater Engineering	187,150
Water / Wastewater Planning	17,013
Water / Wastewater Administration	73,850
Engineering	92,600
<b>Total Operations and Maintenance Non-Labor</b>	<b>\$ 7,349,238</b>

## Water Department

Water is responsible for the operation and maintenance of the water system to deliver a safe and reliable water supply that is provided by the Murphree Water Treatment Plant. Groundwater, from a well field tapping into the Floridian aquifer, is treated at Murphree Water Treatment Plant prior to distribution and eventual use. Water treatment and supply facilities are planned based on the need to provide reserve capacity under extreme conditions of extended drought, with attendant maximum demands for water and lowered aquifer water levels. Water treatment at Murphree consists of softening to protect the distribution system and improve customer satisfaction, fluoridation for improved cavity protection in young children, filtration, and chlorination for protection from microbial contamination. Specific treatment processes include sulfide oxidation, lime softening, pH stabilization, filtration, fluoridation, and chlorination. GRU is constantly striving to mitigate expense increases to our Water System.

- Nearly 70% of non-labor expenses in operating and maintaining the water system are related to electricity, chemicals, and materials. Many of these expenses are mandated by regulatory and other external requirements, including safe drinking water standards and certified personnel.



Water's fiscal year 2023 non-labor budget has increased 9.8% from fiscal year 2022. The proposed increases are primarily driven by increased costs of electricity and chemicals related to the operation of the water treatment plant.



# Operations and Maintenance Non-Labor Wastewater

	<b>2023</b>
Kanapaha Water Reclamation Facility	\$ 4,570,000
Mainstreet Water Reclamation Facility	2,021,000
Wastewater Lift Stations	1,704,000
Wastewater Collection	481,976
Wastewater Kanapaha Lab	206,000
Wastewater Engineering	11,200
Reclaimed Water Distribution	5,000
<b>Total Operations and Maintenance Non-Labor</b>	<b>\$ 8,999,176</b>

	<b>2022</b>
Kanapaha Water Reclamation Facility	\$ 3,955,000
Mainstreet Water Reclamation Facility	1,588,655
Wastewater Lift Stations	1,521,500
Wastewater Collection	472,525
Wastewater Kanapaha Lab	192,800
Wastewater Engineering	47,500
Reclaimed Water Distribution	5,000
<b>Total Operations and Maintenance Non-Labor</b>	<b>\$ 7,782,980</b>

## Wastewater Department Budget Highlights

Wastewater is responsible for the operation and maintenance of the wastewater system to deliver safe and reliable wastewater treatment and water reclamation from two facilities: Main Street Water Reclamation Facility (MSWRF) and Kanapaha Water Reclamation Facility (KWRF). The two Water Reclamation Facilities have advanced activated sludge treatment process units, influent screening and grit removal, clarification, filtration and disinfection. Biosolids from MSWRF are treated via aerobic digestion and are transferred to the KWRF facility where it is combined with KWRF biosolids for beneficial reuse and/or disposal. In addition, both Water Reclamation Facilities include a reclaimed water pumping station and distribution system. The reclaimed water distribution system currently includes a pipeline that provides reclaimed water for irrigation, recharge wetlands, and cooling uses. GRU is constantly striving to mitigate expense increases to our System.

- The majority of non-labor expenses in the Wastewater System are associated with operating and maintaining the water reclamation facilities, lift stations, and wastewater collection system. Many of these expenses are mandated by regulatory and other external requirements in order to meet federal and state collection, treatment, effluent and disposal standards, using certain chemicals, processes and certified operational personnel.

- The Wastewater System has a 15.6% increase in non-labor operations and maintenance from the fiscal year 2022 budget. The proposed increases are primarily driven by increased costs of electricity, chemicals, and laboratory analyses related to the operation of the water reclamation facilities and lift stations.



# Operations and Maintenance Non-Labor

## Gas

	<b>2023</b>
Marketing	\$ 279,689
Meter Measurement Operations	165,127
Transmission and Distribution Operations	76,482
Transmission and Distribution Construction	60,633
Transmission and Distribution Administration	55,597
Transmission and Distribution Engineering	4,225
<b>Total Operations and Maintenance Non-Labor</b>	<b>\$ 641,753</b>

	<b>2022</b>
Marketing	\$ 279,687
Meter Measurement Operations	144,933
Transmission and Distribution Operations	71,933
Transmission and Distribution Construction	60,050
Transmission and Distribution Administration	52,633
Transmission and Distribution Engineering	4,092
<b>Total Operations and Maintenance Non-Labor</b>	<b>\$ 613,328</b>

## Gas Budget Highlights

The Gas System is responsible for the construction, operation, and maintenance of the natural gas transmission and distribution systems. The majority of the non-labor expenses in the system are costs associated with materials and supplies. The Gas System proposes a 4.6% increase in non-labor operations and maintenance from the fiscal year 2022 budget. GRU has aggressively been replacing pipelines made of dated materials with modern polyethylene and all cast iron pipe has been replaced. This will ultimately result in lower maintenance costs associated with leaks and improve the safety of the system. There are other increased costs related to inflation.



# Operations and Maintenance Non-Labor Telecommunications

	<b>2023</b>
Trunked Radio System	\$ 1,648,795
Network Operations	1,173,920
Business Administration	342,062
Chief Officer	204,610
Voice Operations	182,500
Central Office Operations	180,434
Network Operations Center	100,000
Towers 1 - 12	99,779
Engineering	89,000
Construction	73,450
Technical Services	64,750
GatorNet	51,617
Electronics	14,500
Internet Operations	2,500
Technology and Services Administration	750
Engineering and Construction Administration	-
<b>Total Operations and Maintenance Non-Labor</b>	<b>\$ 4,982,092</b>

	<b>2022</b>
Trunked Radio System	\$ 1,634,148
Network Operations	713,880
Business Administration	441,251
Chief Officer	224,113
Voice Operations	322,818
Central Office Operations	174,142
Network Operations Center	93,850
Towers 1 - 12	74,810
Engineering	-
Construction	-
Technical Services	-
GatorNet	44,871
Electronics	-
Internet Operations	213,771
Technology and Services Administration	74,028
Engineering and Construction Administration	110,000
<b>Total Operations and Maintenance Non-Labor</b>	<b>\$ 4,807,665</b>

## Telecommunications Budget Highlights

Telecommunications provides services which include Internet and data transport to local businesses, government agencies, multiple dwelling units housing communities, various Internet service providers, and other telecommunications carriers. Additional services include tower space leases for wireless personal communications (cellular telephone) providers, public safety radio services for all the major government and public safety agencies operating in the county, and colocation services in the system's central office. As demand for bandwidth continues to grow, there are associated increases in equipment and support fees related to upgrading the core network. Additional support contract expenses for the newly upgraded Public Safety Radio System (offset by increased revenue from the system) resulted in an overall 3.6% increase from 2022 approved budget. GRUCom is constantly striving to mitigate increases through regular contract negotiations with vendors.



# Operations and Maintenance Non-Labor Administration

	<b>2023</b>
General Manager	\$ 816,016
Community Relations	555,735
Communications	442,900
Safety and Training	251,300
Electric Environment	166,830
Electric Reliability	55,622
Chief Operating Officer	11,500
Training	-
<b>Total Operations and Maintenance Non-Labor</b>	<b>\$ 2,299,903</b>

	<b>2022</b>
General Manager	\$ 763,749
Community Relations	535,035
Communications	459,400
Safety	251,550
Electric Environment	155,130
Electric Reliability	55,622
Chief Operating Officer	11,500
Training	5,000
<b>Total Operations and Maintenance Non-Labor</b>	<b>\$ 2,236,986</b>

## Administration Budget Highlights

Administration includes the General Manager's office, communications, safety, training, Chief People Officer, Chief Sustainability Officer and others. The daily operations and overall responsibility of GRU is led by the General Manager. Responsibilities include policy development and the implementation of policies adopted by the City Commission, planning, administration, organizational development, construction and operations. The Office of Government Affairs and Community Relations is shared between the General Manager and City Manager and is responsible for the utility's overall community relations by planning and executing several programs and events that benefit our community, including the Brighter Tomorrow Scholarship Banquet, Camp EmPower and the Williams Elementary Benefit Golf Tournament. Communications is responsible for the overall marketing and communications of the utility. This area's budget has increased slightly from fiscal year 2022 to fiscal year 2023 by 2.8%.





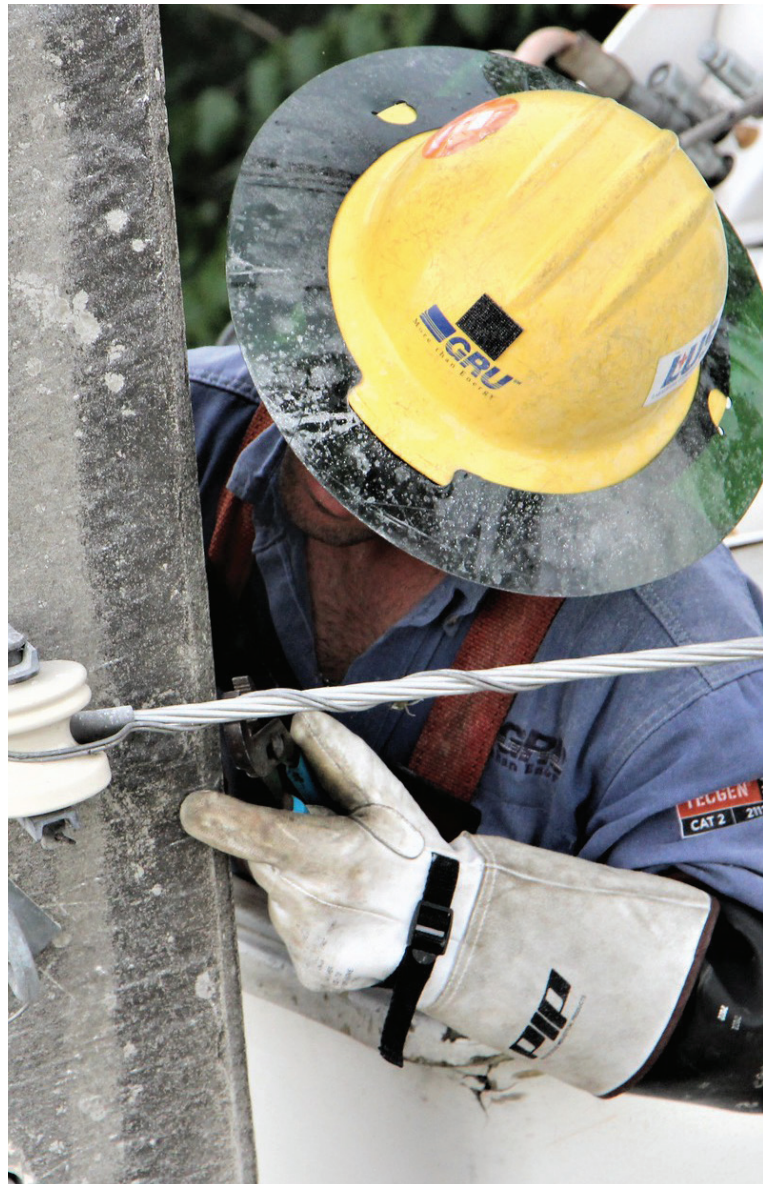
# Operations and Maintenance Non-Labor Budget, Finance, and Accounting

	<b>2023</b>
Chief Financial Officer	\$ 463,000
Treasury	267,600
Rates and Forecasting	212,114
Procurement	112,397
Project Management	47,600
Financial Accounting	35,500
Managerial Accounting	20,150
Accounts Payable	3,300
Budget	1,200
<b>Total Operations and Maintenance Non-Labor</b>	<b>\$ 1,162,861</b>

	<b>2022</b>
Chief Financial Officer	\$ 573,000
Treasury	36,600
Rates and Forecasting	8,977
Procurement	-
Project Management	47,600
Financial Accounting	37,000
Managerial Accounting	26,050
Accounts Payable	2,600
Budget	1,700
<b>Total Operations and Maintenance Non-Labor</b>	<b>\$ 733,527</b>

## Budget, Finance, and Accounting Budget Highlights

Budget, Finance and Accounting (BFA) provides leadership to ensure the long-term financial health of GRU. BFA is responsible for all financial and accounting activity for the utility. This includes the overall budget preparation and execution, long-term financial planning and forecasting, cash management and forecasting, debt issuance and compliance, credit metrics and ratings, treasury, rate formulation, financial reporting, benchmarking, regulatory and tax reporting, and various other responsibilities. In addition, BFA manages the utility-wide corporate expenses. Since the re-implementation of SAP, BFA has developed financial and managerial reports to meet the utility-wide needs of management, the Utility Advisory Board and the City Commission. BFA's budget has increased \$305,738 from fiscal year 2022's budget due to a planned banking RFP and external cost of service study.



# Operations and Maintenance Non-Labor Customer Support Services

	<b>2023</b>
Facilities Maintenance	\$ 3,190,973
Customer Services	727,100
Billing and Customer Solutions	687,625
Energy and Business Services	625,068
Administrative Services	485,290
Mail Services	310,750
Revenue Assurance	180,070
Customer Operations	96,950
New Services	86,082
Land Rights / Real Estate	30,000
Chief Customer Officer	23,045
Utilities Stores	22,781
Project Management Office	12,700
Procurement	-
<b>Total Operations and Maintenance Non-Labor</b>	<b>\$ 6,478,434</b>

	<b>2022</b>
Facilities Maintenance	\$ 3,036,977
Customer Services	597,600
Billing and Customer Solutions	666,074
Energy and Business Services	625,068
Administrative Services	496,839
Mail Services	302,000
Revenue Assurance	180,070
Customer Operations	94,950
New Services	86,082
Land Rights / Real Estate	29,500
Chief Customer Officer	23,045
Utilities Stores	23,891
Project Management Office	10,600
Procurement	10,277
<b>Total Operations and Maintenance Non-Labor</b>	<b>\$ 6,182,973</b>

## Customer Support Services Budget Highlights

Customer Support Services includes the Chief Customer Office, Customer Operations, Customer Operations Project Management Office, Customer Service, Billing & Customer Solutions, Revenue Assurance, New Services, Administrative Services, Land Rights/Real Estate, Utility Stores, Mail Services, Facilities Maintenance, Procurement, and Energy & Business Services. Facilities Maintenance manages utility services and continually strives to lower costs through energy efficiency and usage optimization. This area also manages chiller units at the Administration Building and the Eastside Operations Center (EOC) in addition to hundreds of smaller HVAC systems and lighting systems throughout the 60+ facilities they maintain. Energy & Business Services is charged with customer education regarding utility usage and conservation. This area also manages the Low Income Energy Efficiency Program plus (LEEPplus) which provides energy efficiency upgrades, averaging \$4,250 per home, to low income homeowners. Customer Operations is responsible for the overall customer experience. This includes Billing & Customer Solutions which manages the budget for bill presentment, printing, mailing, and postage associated with the creation and distribution of over 100,000 customer bills per month. Customer Support Services reflects a 2.8% increase in non-labor operations and maintenance expenses from the fiscal year 2022 budget. This increase is due mainly to higher costs in general along with an increase in training dollars needed to enhance the skills of our employees.



# Operations and Maintenance Non-Labor Information Technology

	<b>2023</b>
Administration	\$ 6,673,696
AMI Project	1,760,776
Technical Management	590,090
Application Management	299,000
<b>Total Operations and Maintenance Non-Labor</b>	<b>\$ 9,323,562</b>

	<b>2022</b>
Administration	\$ 5,450,187
AMI Project	2,287,190
Technical Management	295,800
Application Management	791,750
<b>Total Operations and Maintenance Non-Labor</b>	<b>\$ 8,824,927</b>

## Information Technology Budget Highlights

Information Technology (IT) provides services to both GRU and General Government and is responsible for the maintenance of mission critical systems, implementing infrastructure and software upgrades, and network security improvements as well as various other IT-related functions. IT partners with operational and administrative areas to more effectively and efficiently support the applications and network infrastructure of GRU.

Expenses are budgeted to support the continued effort to replace aging software, equipment and infrastructure for the utility and general government's technology environment and are cyclical. IT's budget also includes expenses for ongoing application and infrastructure support and training for IT staff. Training is vital to the support and management of City wide Enterprise Resource Planning (ERP) systems, revenue collection systems and other critical IT infrastructure. Continuous evaluations of software applications and support agreements allows IT to maintain compliance as well as keeping the computing environment secure. One of the goals of these evaluations is to uncover cost savings for the organization by consolidating software and retiring products that are more expensive to maintain. For fiscal year 2023 an increase of \$498,635 is being driven by overall expected cost increases.



# Operations and Maintenance Non-Labor Corporate Expenses

	<b>2023</b>
Debt Service Fees	\$ 3,354,527
Joint Services - General Government	2,776,317
Vehicle and Transportation	2,757,590
Property Insurance - Plant	2,421,420
Risk Management	2,169,862
Uncollectible Accounts	1,291,337
Electric Service (Streetlights)	800,000
Audit Fees	485,980
Insurance Premiums	469,865
Worker's Compensation	349,953
Legal Services	255,313
Insurance - Transportation Eq Liability	229,304
General Liability Claims Paid	154,858
Software Maintenance	82,500
Bank Fees	76,385
Fleet Expenses to Capital	(1,095,059)
<b>Total Operations and Maintenance Non-Labor</b>	<b>\$ 16,580,152</b>

	<b>2022</b>
Debt Service Fees	\$ 2,985,226
Joint Services - General Government	2,808,081
Vehicle and Transportation	2,913,240
Property Insurance - Plant	1,800,969
Risk Management	2,111,500
Uncollectible Accounts	1,291,337
Electric Service (Streetlights)	-
Audit Fees	491,480
Insurance Premiums	662,533
Worker's Compensation	316,883
Legal Services	250,000
Insurance - Transportation Eq Liability	828,207
General Liability Claims Paid	-
Software Maintenance	75,000
Bank Fees	74,160
Fleet Expenses to Capital	(984,416)
<b>Total Operations and Maintenance Non-Labor</b>	<b>\$ 15,624,200</b>



# Fiscal Year 2023 Budget **Fuels**



# Fiscal Year 2023 Budget

## Fuels

**2023**

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Natural Gas	\$	81,377,317
Biomass		19,818,024
Local Distribution Customer Sales		15,765,595
Purchased Power		4,060,217
SolarFit		4,687,721
Marion County Landfill Gas		1,639,176
Coal		181,218
Renewable Energy Credits		40,000
<b>Total Fuels</b>	<b>\$</b>	<b>127,569,268</b>

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**2022**

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Natural Gas	\$	47,762,081
Biomass		17,758,492
Local Distribution Customer Sales		7,925,032
Purchased Power		6,084,446
SolarFit		4,991,337
Marion County Landfill Gas		3,198,291
Coal		103,434
Renewable Energy Credits		40,000
<b>Total Fuels</b>	<b>\$</b>	<b>87,863,113</b>

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# Fiscal Year 2023 Budget Uses of Net Revenues

# Fiscal Year 2023 Uses of Net Revenues

## Combined Systems

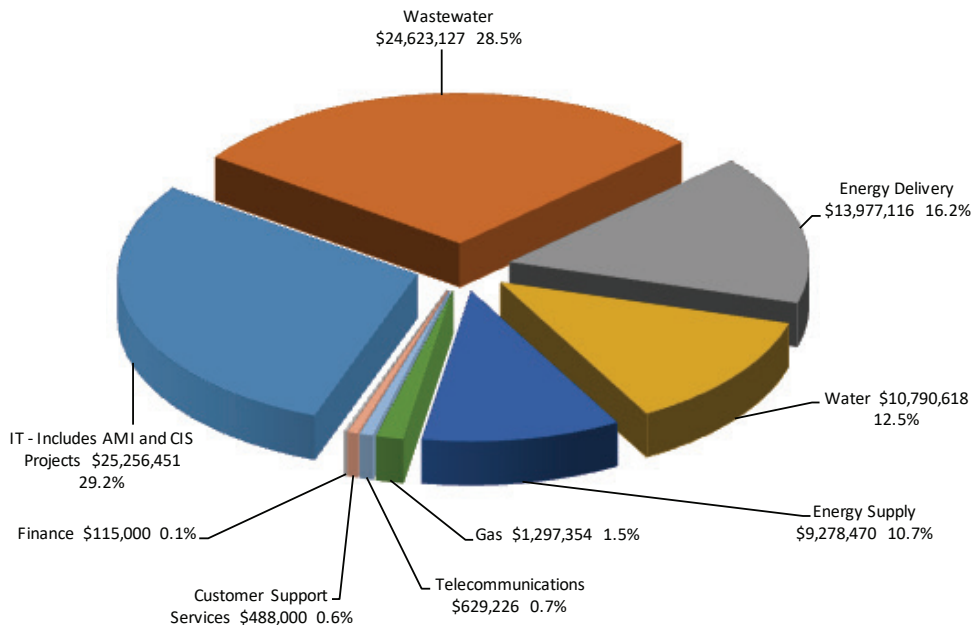
	<b>2023</b>
Debt Service	\$ 99,750,434
Utility Plant Improvement Fund	46,206,211
General Fund Transfer	34,283,000
Transfer from City of Gainesville General Fund for County Streetlights	(800,000)
Debt Defeasance	4,673,287
<b>Total Uses of Net Revenues</b>	<b>\$ 184,112,932</b>

	<b>2022</b>
Debt Service	\$ 98,567,831
Utility Plant Improvement Fund	45,762,559
General Fund Transfer	36,283,000
Transfer from City of Gainesville General Fund for County Streetlights	-
Debt Defeasance	4,671,196
<b>Total Uses of Net Revenues</b>	<b>\$ 185,284,586</b>



# Fiscal Year 2023 Budget **Capital Non-Labor**

# Capital Non-Labor Lines of Business

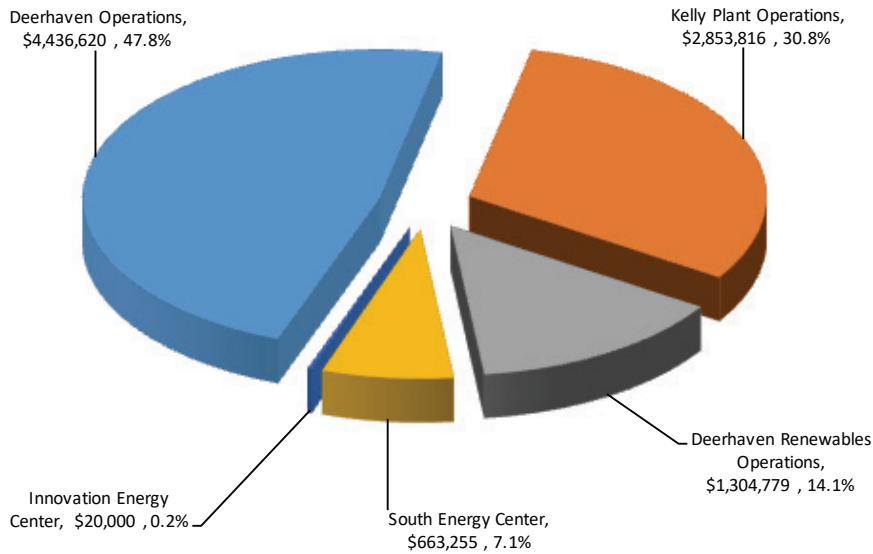


		2023
IT - Includes AMI and CIS Projects	\$	25,256,451
Wastewater		24,623,127
Energy Delivery		13,977,116
Water		10,790,618
Energy Supply		9,278,470
Gas		1,297,354
Telecommunications		629,226
Customer Support Services		488,000
Finance		115,000
<b>Total Capital Non-Labor</b>	<b>\$</b>	<b>86,455,362</b>

		2022
IT	\$	26,826,571
Wastewater		23,974,906
Energy Delivery		12,702,545
Water		10,168,817
Energy Supply		12,592,415
Gas		2,096,448
Telecommunications		1,630,882
Customer Support Services		623,500
Finance		115,000
<b>Total Capital Non-Labor</b>	<b>\$</b>	<b>90,731,084</b>

# Capital Non-Labor

# Energy Supply



	<b>2023</b>
Deerhaven Operations	\$ 4,436,620
Kelly Plant Operations	2,853,816
Deerhaven Renewables Operations	1,304,779
South Energy Center	663,255
Innovation Energy Center	20,000
<b>Total Capital Non-Labor</b>	<b>\$ 9,278,470</b>

	<b>2022</b>
Deerhaven Operations	\$ 5,895,797
Kelly Plant Operations	3,371,581
Deerhaven Renewables Operations	2,718,700
South Energy Center	546,337
Innovation Energy Center	60,000
<b>Total Capital Non-Labor</b>	<b>\$ 12,592,415</b>

# Energy Supply

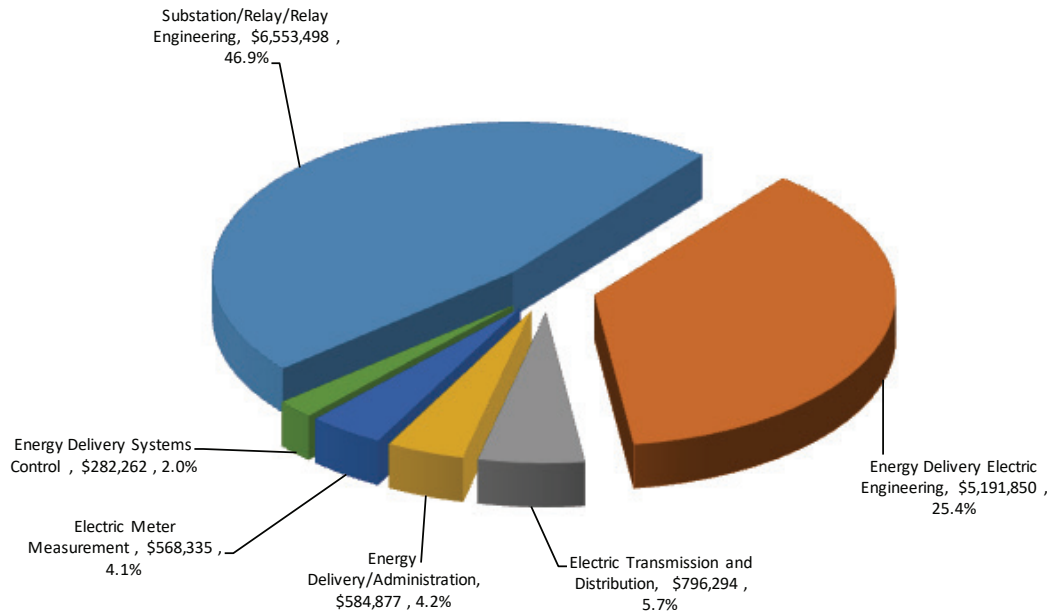
### Energy Supply Budget Highlights

Energy Supply is responsible for all power generation, power engineering, fuels management, and design, construction, operations, and maintenance of power generation systems. The power generation portfolio in Energy Supply includes Deerhaven Renewable Generation Station (DHR), Deerhaven (DH), and John R. Kelly (JRK) Generating Station. District Energy, also managed by Energy Supply, includes the South Energy Center (SEC) and the Innovation Energy Center (IEC). Capital non-labor work for fiscal year 2023 is \$3.3 million less than planned capital non-labor work for fiscal year 2022. This decrease is being driven by the final completion of several large multi-year capital projects at DHR, DH, and JRK Generating Station. District Energy, also managed by Energy Supply, includes the South Energy Center (SEC) and the Innovation Energy Center (IEC). John R. Kelly (JRK) Generating Station and Deerhaven (DH) in 2022. Large projects for 2023 include:

1. Procurement of first of 3 increment of required gas turbine capital spares that will be required in support of the next major maintenance for Kelly Station Combustion Turbine (CT4) in FY 2026. These capital spares will be procured over time due to cost and lead times.
2. Completion of a Life Time Assessment (LTA) of Deerhaven Unit #1(DH1) that was currently scheduled to retire in December of 2002. This LTA is designed to determine scope of work needed to extend the useful life of DH1, with objective up to 5 additional years through 2027. Electrical relay upgrades at South Energy Center (SEC) due to long standing reliability issues in current model of relays.

# Capital Non-Labor

# Energy Delivery



<b>2023</b>	
Substation/Relay/Relay Engineering	\$ 6,553,498
Energy Delivery Electric Engineering	5,191,850
Electric Transmission and Distribution	796,294
Energy Delivery/Administration	584,877
Electric Meter Measurement	568,335
Energy Delivery Systems Control	282,262
<b>Total Capital Non-Labor</b>	<b>\$ 13,977,116</b>

<b>2022</b>	
Substation/Relay/Relay Engineering	\$ 4,379,757
Energy Delivery Electric Engineering	5,178,692
Electric Transmission and Distribution	1,931,731
Energy Delivery/Administration	407,189
Electric Meter Measurement	695,176
Energy Delivery Systems Control	110,000
<b>Total Capital Non-Labor</b>	<b>\$ 12,702,545</b>



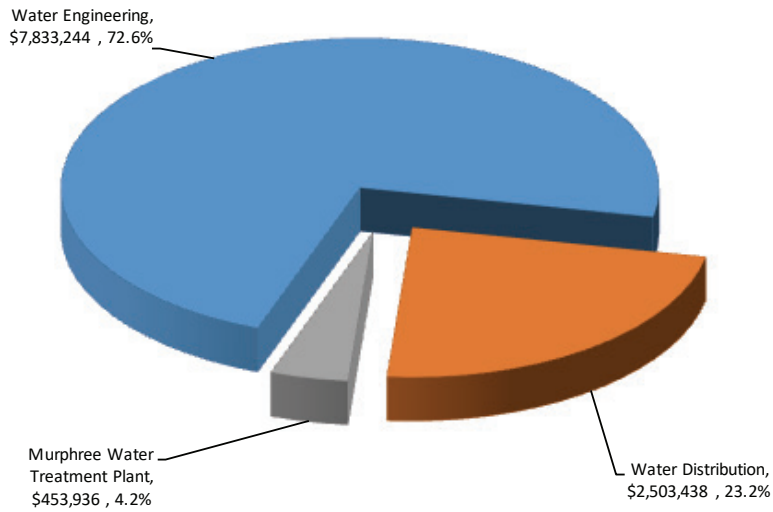
# Energy Delivery

### **Energy Delivery Budget Highlights**

Energy Delivery is responsible for the construction, operation, and maintenance of the electric transmission and distribution systems. This includes Engineering, Systems Control, Substations and Relay, Electric T&D, Field Services, and Electric Measurements & Regulation. Energy Delivery continues to improve the reliability and resilience of our electric transmission and distribution systems by prudently spending capital dollars to achieve those goals where our efforts will be most effective. Energy Delivery's fiscal year 2023 capital non-labor budget is 10.0% more than fiscal year 2022. The increase is being driven by substation transformer replacements and improvements for increased reliability, as well as contract and professional services allowing us to utilize subject matter experts. Supply chain shortages have pushed cost increases in materials and supplies, offset with the postponement of fleet purchases.

# Capital Non-Labor

# Water



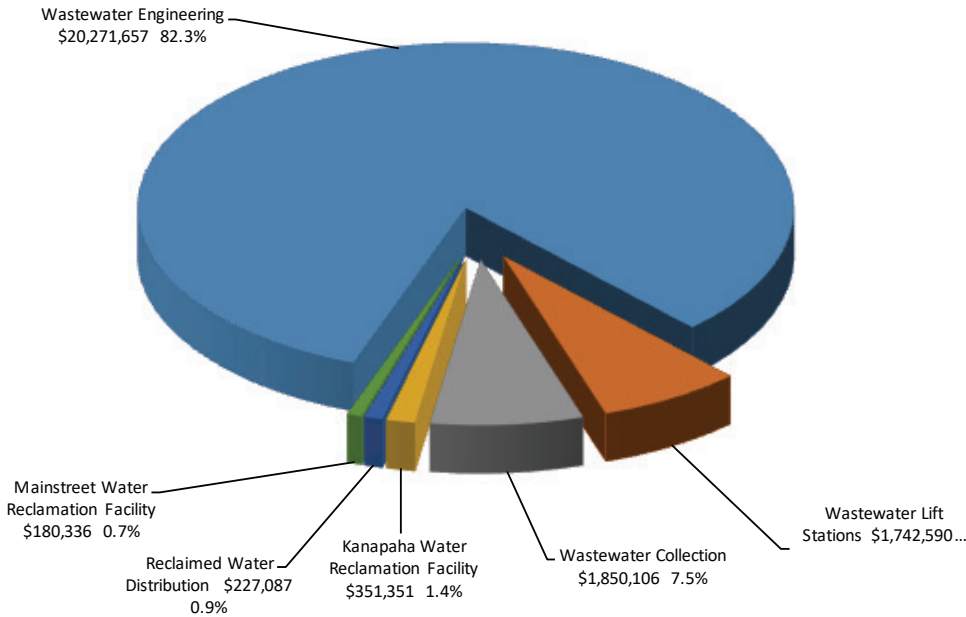
<b>2023</b>	
Water Engineering	\$ 7,833,244
Water Distribution	2,503,438
Murphree Water Treatment Plant	453,936
<b>Total Capital Non-Labor</b>	<b>\$ 10,790,618</b>

<b>2022</b>	
Water Engineering	\$ 7,929,231
Water Distribution	1,822,407
Murphree Water Treatment Plant	417,179
<b>Total Capital Non-Labor</b>	<b>\$ 10,168,817</b>

### **Water Department Budget Highlights**

Water is responsible for the design, construction, and rehabilitation of the water system to deliver a safe and reliable water supply that is provided by the Murphree Water Treatment Plant. Groundwater, from a well field tapping into the Floridian aquifer, is treated at Murphree Water Treatment Plant prior to distribution and eventual use. Water treatment and supply facilities are planned based on the need to provide reserve capacity under extreme conditions of extended drought, with attendant maximum demands for water and lowered aquifer water levels. Water treatment at Murphree consists of softening to protect the distribution system and improve customer satisfaction, fluoridation for improved cavity protection in young children, filtration, and chlorination for protection from microbial contamination. Specific treatment processes include sulfide oxidation, lime softening, pH stabilization, filtration, fluoridation, and chlorination. The Water System capital non-labor budget for fiscal year 2023 has increased by 5.5% as compared to fiscal year 2022 and is primarily driven by replacement projects for aging infrastructure at the Water Treatment Plant and Water Distribution. GRU is constantly striving to mitigate expense increases to our Water System.

# Capital Non-Labor Wastewater



<b>2023</b>	
Wastewater Engineering	\$ 20,271,657
Wastewater Lift Stations	1,742,590
Wastewater Collection	1,850,106
Kanapaha Water Reclamation Facility	351,351
Reclaimed Water Distribution	227,087
Mainstreet Water Reclamation Facility	180,336
<b>Total Capital Non-Labor</b>	<b>\$ 24,623,127</b>

<b>2022</b>	
Wastewater Engineering	\$ 20,624,657
Wastewater Lift Stations	472,857
Wastewater Collection	2,240,153
Kanapaha Water Reclamation Facility	287,240
Reclaimed Water Distribution	190,992
Mainstreet Water Reclamation Facility	159,007
<b>Total Capital Non-Labor</b>	<b>\$ 23,974,906</b>

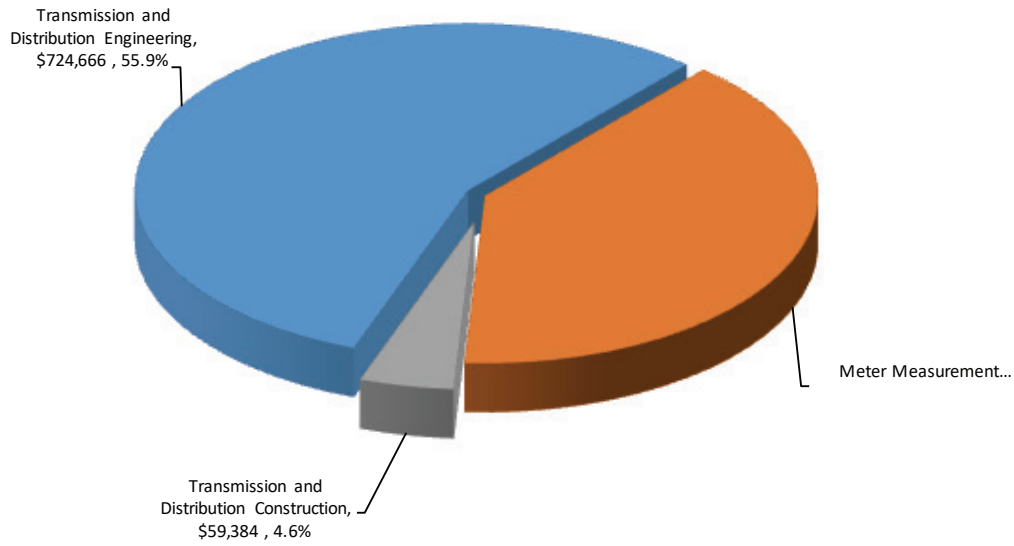
# Wastewater

### **Wastewater Department Budget Highlights**

Wastewater is responsible for the design, construction and rehabilitation of the wastewater system to deliver safe and reliable wastewater treatment and water reclamation from two facilities: Main Street Water Reclamation Facility (MSWRF) and Kanapaha Water Reclamation Facility (KWRF). The two Water Reclamation Facilities have advanced activated sludge treatment process units, influent screening and grit removal, clarification, filtration and disinfection. Biosolids from MSWRF are treated via aerobic digestion and are transferred to the KWRF facility where it is combined with KWRF biosolids for beneficial reuse and/or disposal. In addition, both Water Reclamation Facilities include a reclaimed water pumping station and distribution system. The reclaimed water distribution system currently includes a pipeline that provides reclaimed water for irrigation, recharge wetlands, and cooling uses. The Wastewater System capital non-labor budget for fiscal year 2023 is 2.7% more than the fiscal year 2022 budget. Increase is being driven by replacement projects for aging infrastructure at the Wastewater Reclamation Facilities and Wastewater Collection. GRU is constantly striving to mitigate expense increases to our Wastewater System.

# Capital Non-Labor

# Gas



**2023**

Transmission and Distribution Engineering	\$	724,666
Meter Measurement Operations		513,304
Transmission and Distribution Construction		59,384

**Total Capital Non-Labor** **\$ 1,297,354**

**2022**

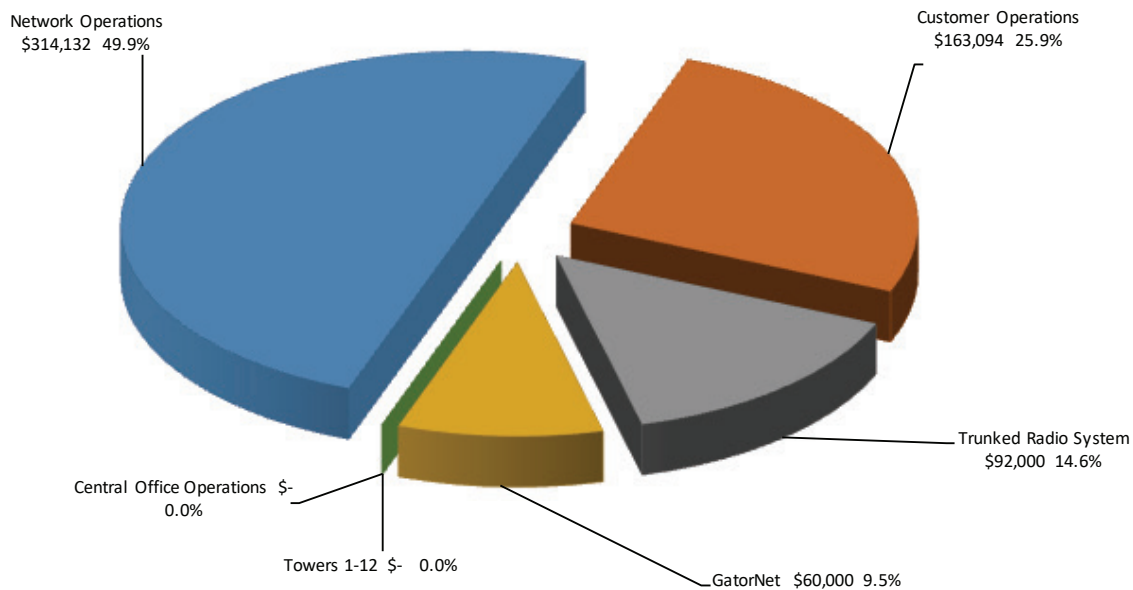
Transmission and Distribution Engineering	\$	901,791
Meter Measurement Operations		1,131,868
Transmission and Distribution Construction		62,789

**Total Capital Non-Labor** **\$ 2,096,448**

## **Gas Budget Highlights**

The Gas System is responsible for the construction, operation, and maintenance of the natural gas transmission and distribution systems. GRU maintains 811 miles of natural gas distribution pipes and 7 miles of LP pipes. The natural gas system consists primarily of underground gas distribution and service lines, six points of delivery or interconnections with Florida Gas Transmission, and gas pressure regulating stations, metering and measuring equipment. The system proposes a 40.3% decrease in their fiscal year 2023 capital non-labor budget when compared to the fiscal year 2022 budget. This decrease was driven by the reduction of large projects, including Butler Town Center and Celebration Pointe. In addition, there has been a slowdown in new construction due to supply chain shortages and an increase in the cost of materials and supplies.

# Capital Non-Labor Telecommunications



		<b>2023</b>
Network Operations	\$	314,132
Customer Operations		163,094
Trunked Radio System		92,000
GatorNet		60,000
Towers 1-12		-
Central Office Operations		-
<b>Total Capital Non-Labor</b>	<b>\$</b>	<b>629,226</b>

		<b>2022</b>
Network Operations	\$	725,118
Customer Operations		88,089
Trunked Radio System		-
GatorNet		47,675
Towers 1-12		20,000
Central Office Operations		750,000
<b>Total Capital Non-Labor</b>	<b>\$</b>	<b>1,630,882</b>

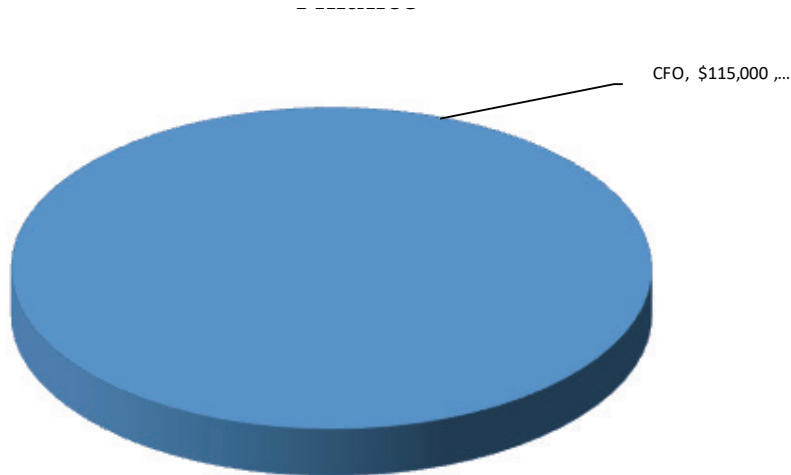


# Telecommunications

### **Telecommunications Budget Highlights**

Telecommunications provides services that include Internet and data transport to local businesses, government agencies, multiple dwelling units housing communities, various Internet service providers, and other telecommunications carriers. Additional services include tower space leases for wireless personal communications (cellular telephone) providers, public safety radio services for all the major government and public safety agencies operating in the county, and colocation services in the system's central office. The fiscal year 2023 budget proposes a \$1M decrease over the 2022 approved budget. This decrease is being driven by a reduction in capital earmarked for network expansion and upgrades to infrastructure.

# Capital Non-Labor Budget, Finance, and Accounting



	<b>2023</b>
CFO	\$ 115,000
<b>Total Capital Non-Labor</b>	<b>\$ 115,000</b>

	<b>2022</b>
CFO	\$ 115,000
<b>Total Capital Non-Labor</b>	<b>\$ 115,000</b>

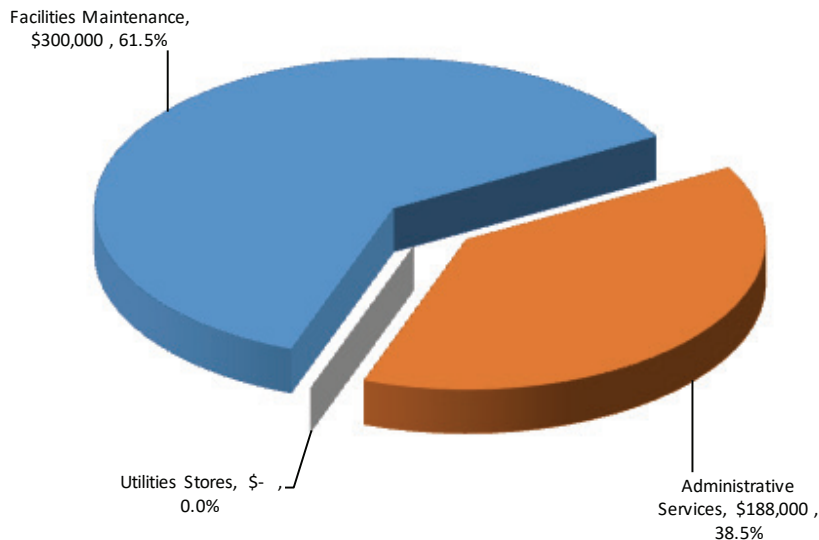
# Capital Non-Labor Budget, Finance, and Accounting

## **Budget, Finance, and Accounting Budget Highlights**

Budget, Finance and Accounting (BFA) provides leadership to ensure the long-term financial health of GRU. BFA is responsible for all financial and accounting activity for the utility. This includes the overall budget preparation and execution, long-term financial planning and forecasting, cash management and forecasting, debt issuance and compliance, credit metrics and ratings, treasury, rate formulation, financial reporting, benchmarking, regulatory and tax reporting, and various other responsibilities. Since the re-implementation of SAP, BFA has developed financial and managerial reports to meet the utility-wide needs of management, the Utility Advisory Board and the City Commission. BFA's capital non-labor budget represents equipment purchases for the City of Gainesville's fleet garage.

# Capital Non-Labor

## Customer Support Services



<b>2023</b>	
Facilities Maintenance	\$ 300,000
Administrative Services	188,000
Utilities Stores	-
<b>Total Capital Non-Labor</b>	<b>\$ 488,000</b>

<b>2022</b>	
Facilities Maintenance	\$ 265,000
Administrative Services	333,500
Utilities Stores	25,000
<b>Total Capital Non-Labor</b>	<b>\$ 623,500</b>

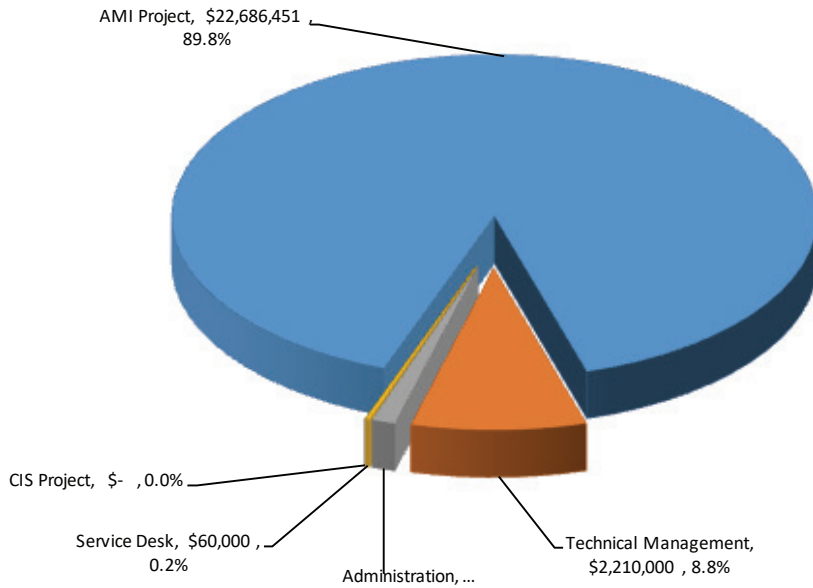
Capital Non-Labor

# Customer Support Services

## **Customer Support Services Budget Highlights**

Customer Support Services includes the Chief Customer Office, Customer Operations, Customer Operations Project Management Office, Customer Service, Billing & Customer Solutions, Revenue Assurance, New Services, Administrative Services, Land Rights/Real Estate, Utility Stores, Mail Services, Facilities Maintenance, Procurement, and Energy & Business Services. All of Customer Support Services' capital budget resides in the Administrative Services, Utility Stores, and Facilities Maintenance areas. Customer Support Services reflects a \$135,500 decrease in non-labor capital expenses from the fiscal year 2022 budget. The decrease was driven by the off maintenance year but will increase in 2023.

# Capital Non-Labor Information Technology



	<b>2023</b>	
AMI Project	\$	22,686,451
Technical Management		2,210,000
Administration		300,000
Service Desk		60,000
CIS Project		-
<b>Total Capital Non-Labor</b>	<b>\$</b>	<b>25,256,451</b>

	<b>2022</b>	
AMI Project	\$	20,713,210
Technical Management		1,512,750
Administration		100,000
Service Desk		-
CIS Project		4,500,611
<b>Total Capital Non-Labor</b>	<b>\$</b>	<b>26,826,571</b>

# Information Technology

## Information Technology

Information Technology (IT) provides services to both GRU and General Government and is responsible for the maintenance of mission critical systems, implementing infrastructure and software upgrades, and network security improvements as well as various other IT-related functions. IT partners with operational and administrative areas to more effectively and efficiently support the applications and network infrastructure of GRU.

Capital expenses are budgeted to support the continued effort to replace aging software, equipment and infrastructure for the utility and general government's technology environment.

For the FY 2023 budget there are two major projects that were approved in 2021, Advanced Metering Infrastructure (AMI) and Customer Information System (CIS) projects.

The Customer Information System (CIS) project involves replacing the currently outdated system with a functionally robust customer-focused communication and management application that will be GRU's customer system of record. Beyond its role as a critical accounting sub-ledger through which utility revenues flow, the new CIS solution will provide GRU with new tools and processes that will lead to increased customer satisfaction and increased employee productivity and efficiency in supporting the customer experience. Lastly the system will be cost-effective and more economical to support long-term.

Advanced metering infrastructure (AMI) is an integrated system of smart meters, modules, communications networks, and data management systems that enables two-way communication between GRU and our customers. The system provides a number of important functions that were not previously possible or had to be performed manually, such as the ability to automatically and remotely measure energy usage, connect and disconnect service, detect tampering, identify outages, monitor voltage, and provide water leak notifications. Combined with GRU's Customer Information System (CIS), AMI enables the utility the capability to offer new time-based rate programs and incentives that encourage our customers to reduce peak demand and manage energy consumption and costs.

Over the last 10 years, advanced metering has evolved from an optional technology to one that is widely deployed across the industry. There are many reasons for this trend, but the primary motivator is enhancing customer choice and control. In addition, GRU aims to perform existing operations more reliably and efficiently and provide enhanced customer services and products that are not possible without an AMI implementation.



# Fiscal Year 2023 Budget Financial Reserves and Ratios



# Fiscal Year 2023 Financial Reserves and Ratios

## Reserve Requirements and Reserve Funded

	2022	2023
<b>Reserve Requirements:</b>		
Electric	\$ 60,864,894	\$ 62,690,841
Water	5,245,090	5,402,442
Wastewater	6,447,089	6,640,502
Gas	4,807,999	4,952,239
GRUCom	2,076,181	2,138,467
<b>Total Reserve Requirements</b>	<b>79,441,253</b>	<b>81,824,490</b>
<b>Reserve Funded:</b>		
Rate Stabilization Fund	45,260,830	71,042,328
Operating Cash (60 days)	5,749,957	4,099,318
Utility Plant Improvement Fund	49,587,740	40,088,510
<b>Total Reserve Funded</b>	<b>100,598,527</b>	<b>115,230,156</b>
<b>Amount Over/(Under Funded)</b>	<b>\$ 21,157,274</b>	<b>\$ 33,405,666</b>

### *Description*

The methodology for determining reserve requirements was modified during fiscal year 2019. GRU commissioned our financial advisor to conduct a cash balance study which encompassed a review of the revenue and expense risks facing GRU and its individual systems. This risk analysis examined the economic, environmental, and to some degree climate risk facing the utility. The study developed an appropriate level of cash to reserve against each of these identified risks to determine an overall target level of cash. A cash balance policy based on the study was presented to and approved by the City Commission in April of 2019.

Accordingly, the methodology of what resources could be counted as available to meet reserve requirements was modified as well. Prior to the adoption of the cash balance policy, the following resources were deemed eligible to meet reserve requirements:

- 60 days of operating cash
- Rate Stabilization Fund cash balance
- Utility Plant Improvement Fund cash balance
- Authorized but unissued commercial paper
- Undrawn bank lines of credit

Per the provisions of the cash balance policy, the resources which will be counted as eligible to meet reserve requirements going forward are 60 days of operating cash, Rate Stabilization Fund cash balance, and available Utility Plant Improvement Fund cash balance.

As detailed above, total reserves for budget year 2023 significantly exceed the reserve level required by policy. However, looking at a system by system basis demonstrates that for our largest system (Electric) FY23 reserves barely meet target levels and in FY24 are projected to fall slightly below target.

# Fiscal Year 2023 Financial Reserves and Ratios

## Reserve Requirements and Reserve Funded

	Reserve Requirement	Reserve Funded	Excess (Underfunded)
<b>Electric</b>	<b>62,690,841</b>	<b>62,789,065</b>	<b>98,224</b>
<b>Water</b>	<b>5,402,442</b>	<b>26,490,122</b>	<b>21,087,680</b>
<b>Wastewater</b>	<b>6,640,502</b>	<b>19,732,351</b>	<b>13,091,849</b>
<b>Gas</b>	<b>4,952,239</b>	<b>8,670,920</b>	<b>3,718,681</b>
<b>Telecommunications</b>	<b>2,138,467</b>	<b>(2,452,302)</b>	<b>(4,590,769)</b>
<b>Total</b>	<b>81,824,491</b>	<b>115,230,156</b>	<b>33,405,665</b>

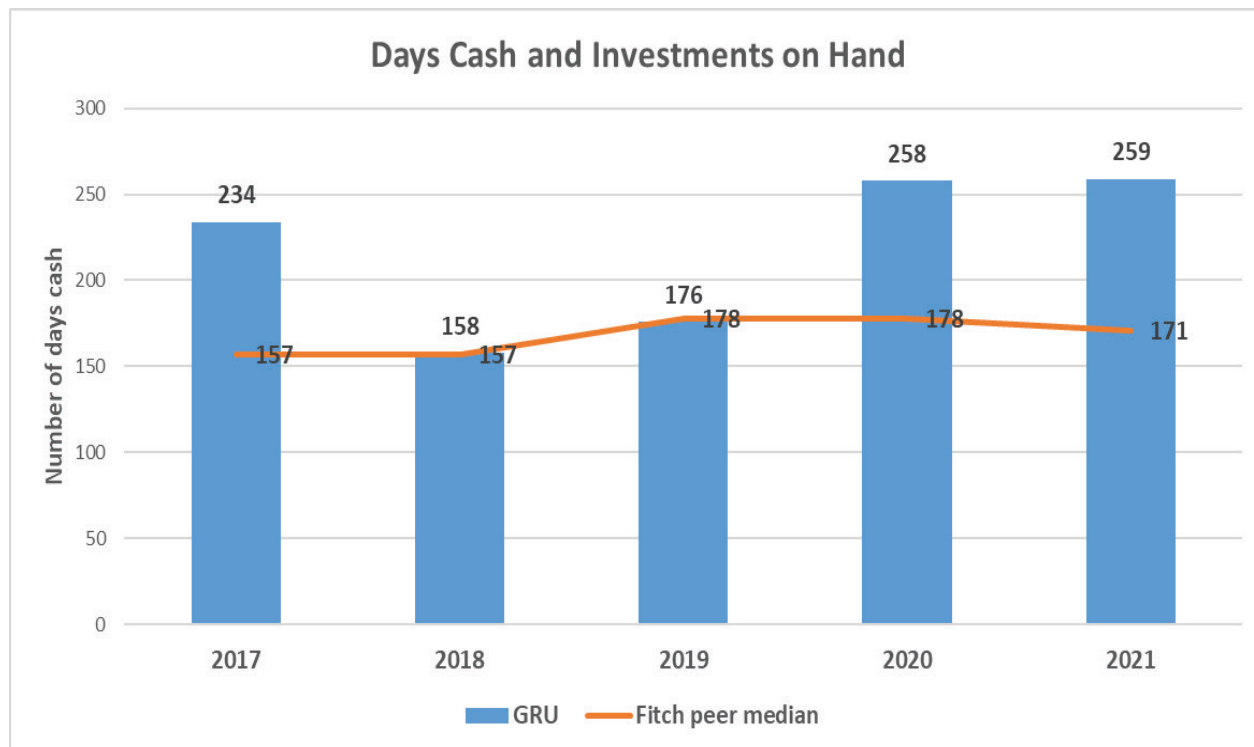
Additionally, there are two large projects – Implementation of the new Customer Billing System, and Advanced Metering Infrastructure (AMI) which are in progress which we project will be funded primarily utilizing Utility Plant Improvement Funds. Utilizing UPIF monies for these projects will drive this portion of our reserves down over the upcoming years as outlined below.

PROJECTED UPIF BALANCES BY SYSTEM						
	FY23	FY24	FY25	FY26	FY27	FY28
<b>Electric</b>	21,000,813	13,852,050	4,718,642	955,192	533,078	772,631
<b>Water</b>	5,007,773	5,219,967	5,067,266	4,595,939	3,822,636	3,459,861
<b>Wastewater</b>	2,539,054	2,492,550	2,950,344	1,995,021	1,774,223	1,255,349
<b>Gas</b>	8,587,634	3,458,257	2,956,948	2,236,313	1,343,601	1,308,759
<b>Telecommunications</b>	2,953,235	3,373,676	3,789,239	3,164,808	2,482,873	1,734,545
<b>Total</b>	<b>40,088,509</b>	<b>28,396,500</b>	<b>19,482,439</b>	<b>12,947,273</b>	<b>9,956,411</b>	<b>8,531,145</b>

Finally, a portion of these reserves will be used to defease debt as directed by the City Commission. The impact on reserves from these measures will be replenished by the, approved by the City Commission during the FY22 budget hearing, base rate increases through 2027 as well as the General Fund Transfer decreases. Any change in Commission direction in these two financial components will have a significant detrimental impact to the Utility's reserves.

## Fiscal Year 2023

### Financial Reserves and Ratios



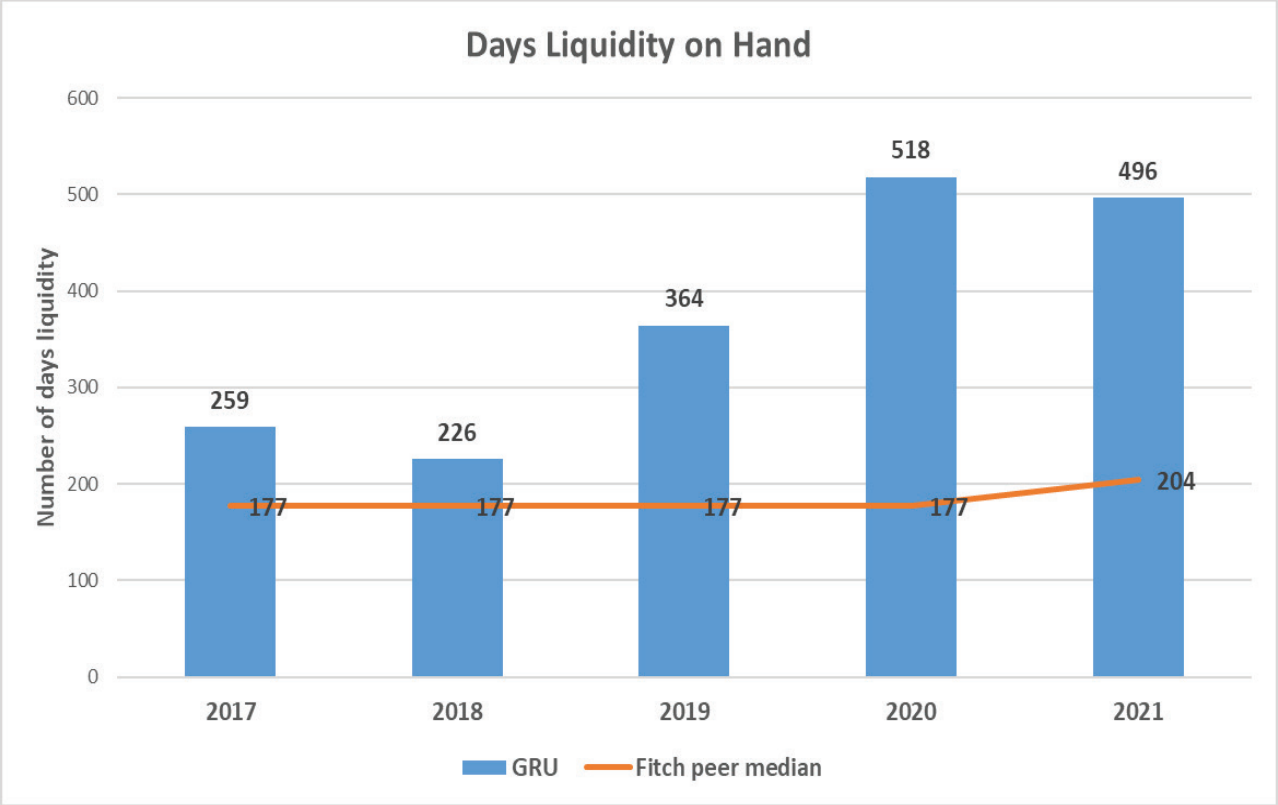
**Days Cash and Investments on Hand:** Number of days operating cash on hand. This metric indicates financial flexibility, specifically cash and short-term investments, relative to expenses.

**Formula:** Unrestricted cash divided by average daily operating expense.

**Note:** These values incorporate FitchRatings 2017 adjustment to the definition of Cash & Investments which included UPIF funds.

# Fiscal Year 2023

## Financial Reserves and Ratios

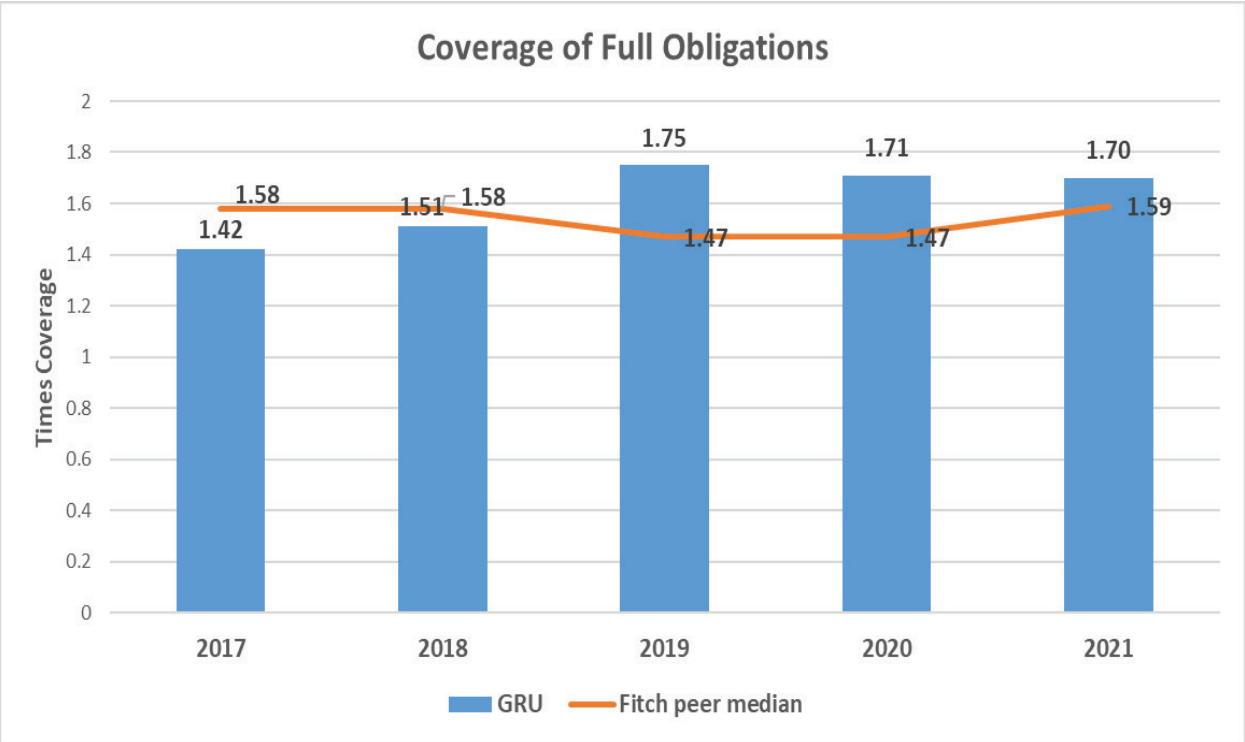


**Days Liquidity on Hand:** Number of days liquidity on hand. This metric indicates financial flexibility, including all available sources of cash, short-term investments and liquidity, relative to expenses.

**Formula:** Total liquid assets divided by average daily operating expense.

# Fiscal Year 2023

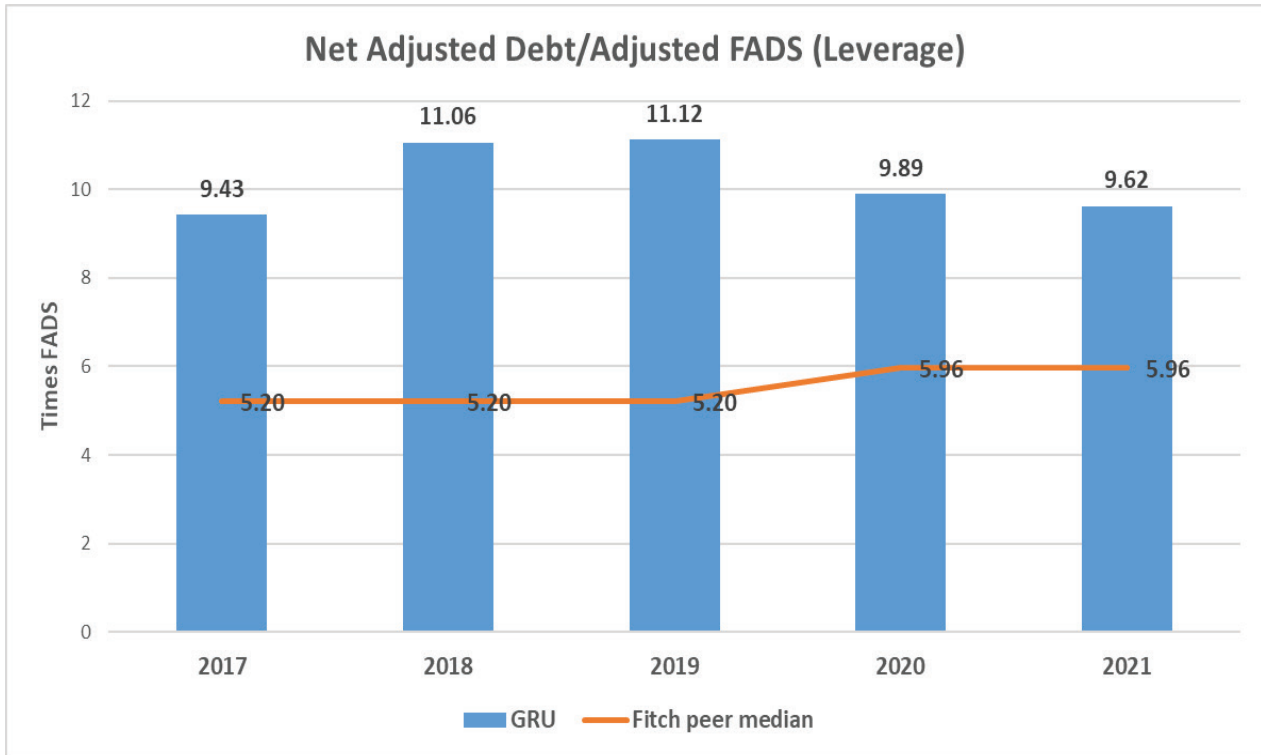
## Financial Reserves and Ratios



**Coverage of Full Obligations:** Number of times total fixed obligations are covered by funds available to pay debt service. This metric provides an indicator of the margin available to meet current debt service requirements and other fixed obligations.

**Formula:** Adjusted funds available for debt service divided by total fixed obligations.

Financial Reserves and Ratios



**Net Adjusted Debt to Adjusted Funds Available for Debt Service (Leverage):** This metric indicates the size of net debt and off-balance sheet obligations to the margin available to meet all debt service, fixed obligations, and transfers and distributions to owners.

**Formula:** Net Adjusted Debt divided by Adjusted Funds Available for Debt Service.

**Note:** GRU and the City Commission are developing a multi-component strategy to reduce the Utility’s leverage. Recent actions include an FY22 7% Electric base rate increase and a 5% increase in Wastewater; multi-year base rate increases of 3% in Electric and 5% in Wastewater from 2023 through 2027; and allocations of debt transaction and pension bond savings to debt defeasance.



# Fiscal Year 2023 Budget Total Costs by Line of Business

# Fiscal Year 2023 Budget

## Total Costs by Line of Business

	Payroll	Operations and Maintenance Non- Labor	Capital Non-Labor	2023
Energy Supply	\$ 21,697,724	\$ 17,744,738	\$ 9,278,471	\$ 48,720,933
Energy Delivery	24,826,649	7,434,473	13,977,116	46,238,238
Water	7,408,409	8,072,377	10,790,618	26,271,404
Wastewater	8,846,365	8,999,176	24,623,128	42,468,669
Gas	3,447,347	641,753	1,297,354	5,386,454
Telecommunications	4,011,686	4,982,092	629,226	9,623,004
Administration	4,529,177	2,299,903	-	6,829,080
Budget, Finance & Accounting	5,096,834	1,162,861	115,000	6,374,695
Customer Support Services	7,877,522	6,478,434	488,000	14,843,956
Information Technology	9,567,181	9,323,562	25,256,449	44,147,192
Corporate Expenses	-	16,580,155	-	16,580,155
<b>Total Costs by Line of Business</b>	<b>\$ 97,308,894</b>	<b>\$ 83,719,524</b>	<b>\$ 86,455,362</b>	<b>\$ 267,483,780</b>

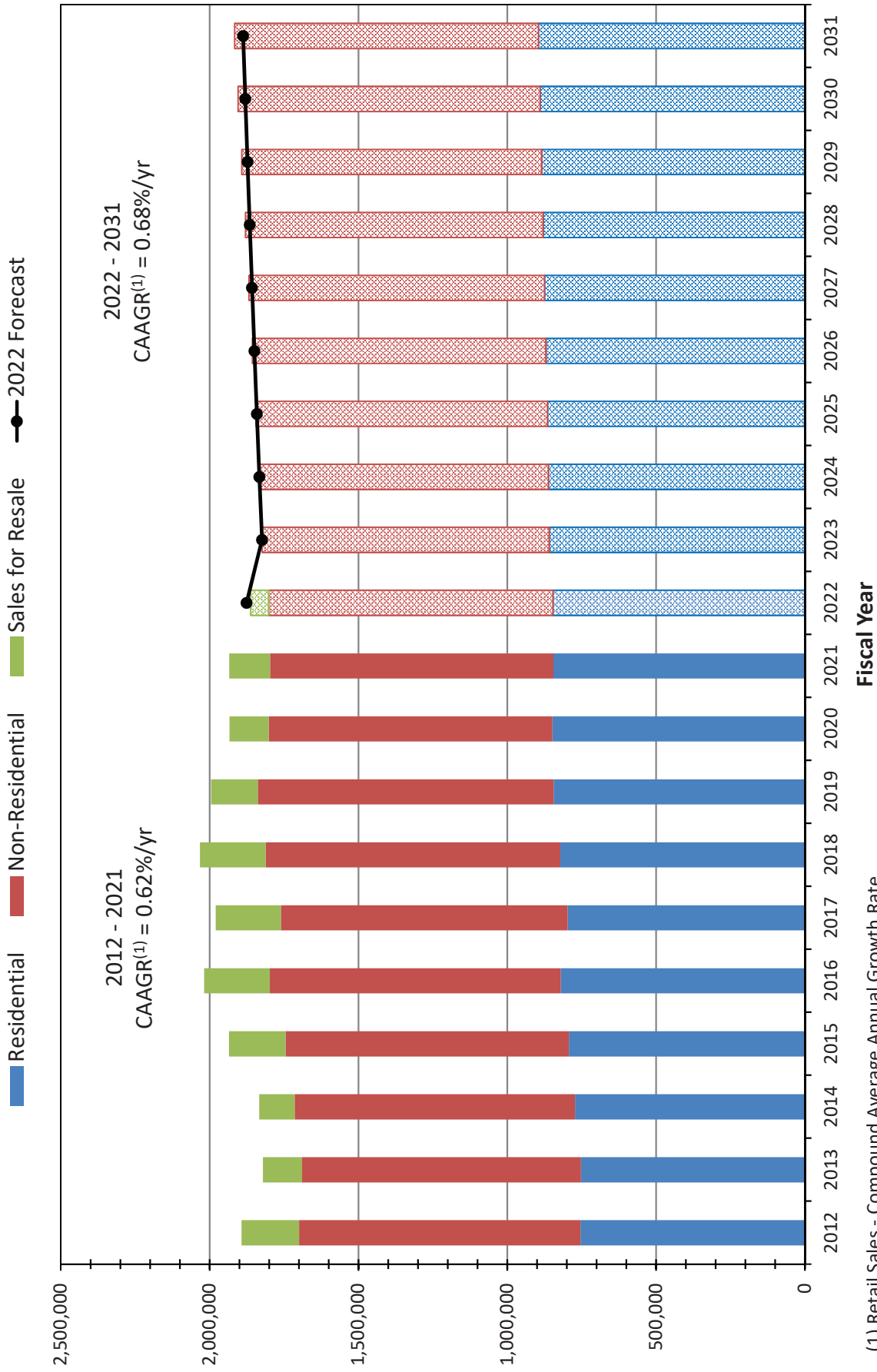
	Payroll	Operations and Maintenance Non- Labor	Capital Non-Labor	2022
Energy Supply	\$ 22,186,027	\$ 18,502,000	\$ 12,592,414	\$ 53,280,441
Energy Delivery	23,243,485	7,598,537	12,702,545	43,544,567
Water	7,643,066	7,349,238	10,168,817	25,161,121
Wastewater	8,869,396	7,782,980	23,974,906	40,627,282
Gas	3,359,313	613,328	2,096,448	6,069,089
Telecommunications	3,311,146	4,807,665	1,630,882	9,749,693
Administration	4,449,576	2,236,986	-	6,686,562
Budget, Finance & Accounting	4,374,385	733,527	115,000	5,222,912
Customer Support Services	8,583,138	6,182,973	623,500	15,389,611
Information Technology	9,454,161	8,824,927	26,826,571	45,105,659
Corporate Expenses	-	15,624,201	-	15,624,201
<b>Total Costs by Line of Business</b>	<b>\$ 95,473,693</b>	<b>\$ 80,256,362</b>	<b>\$ 90,731,083</b>	<b>\$ 266,461,138</b>





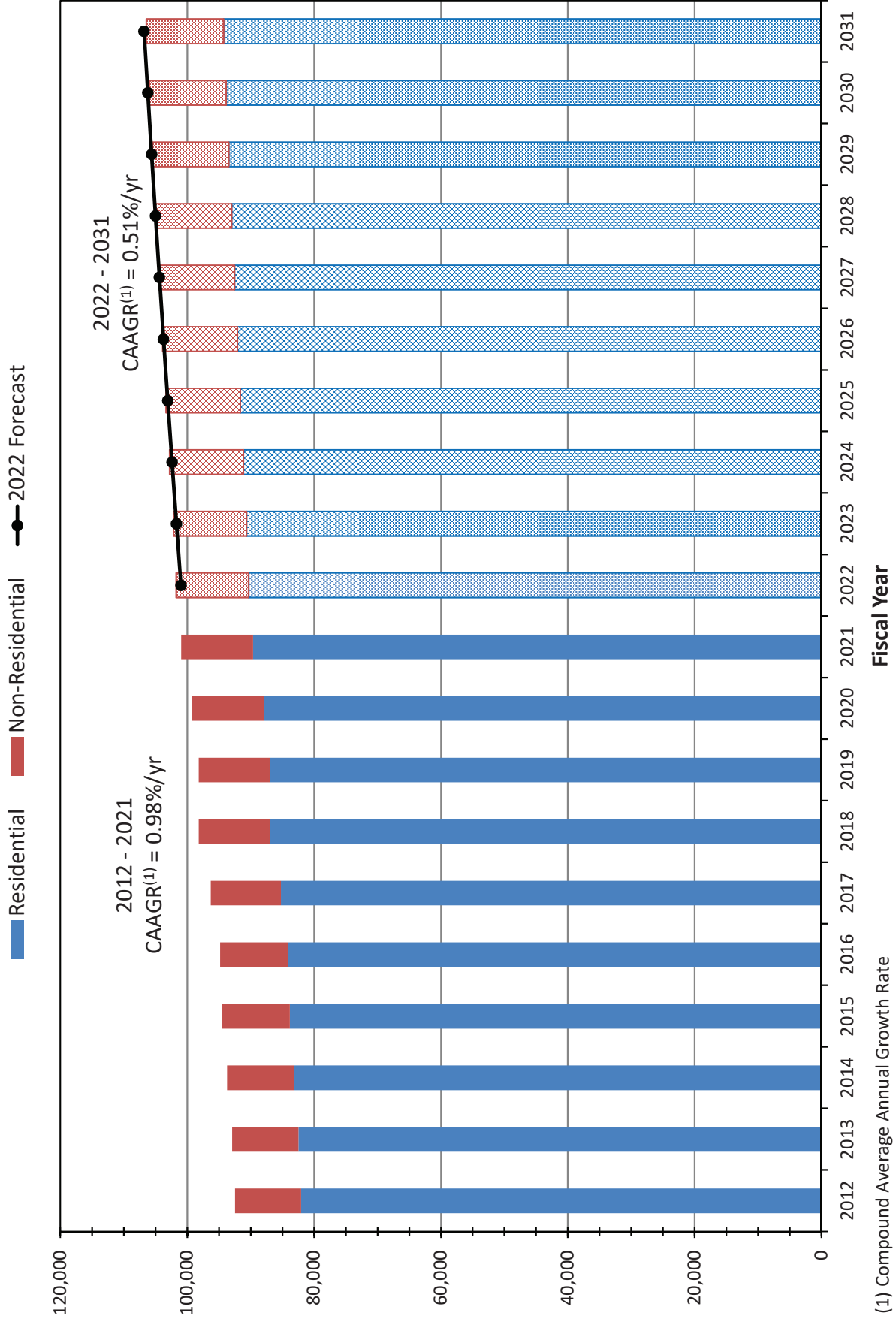
# Fiscal Year 2023 Budget **Appendix**

# Electric Energy Sales MegaWatt-hours



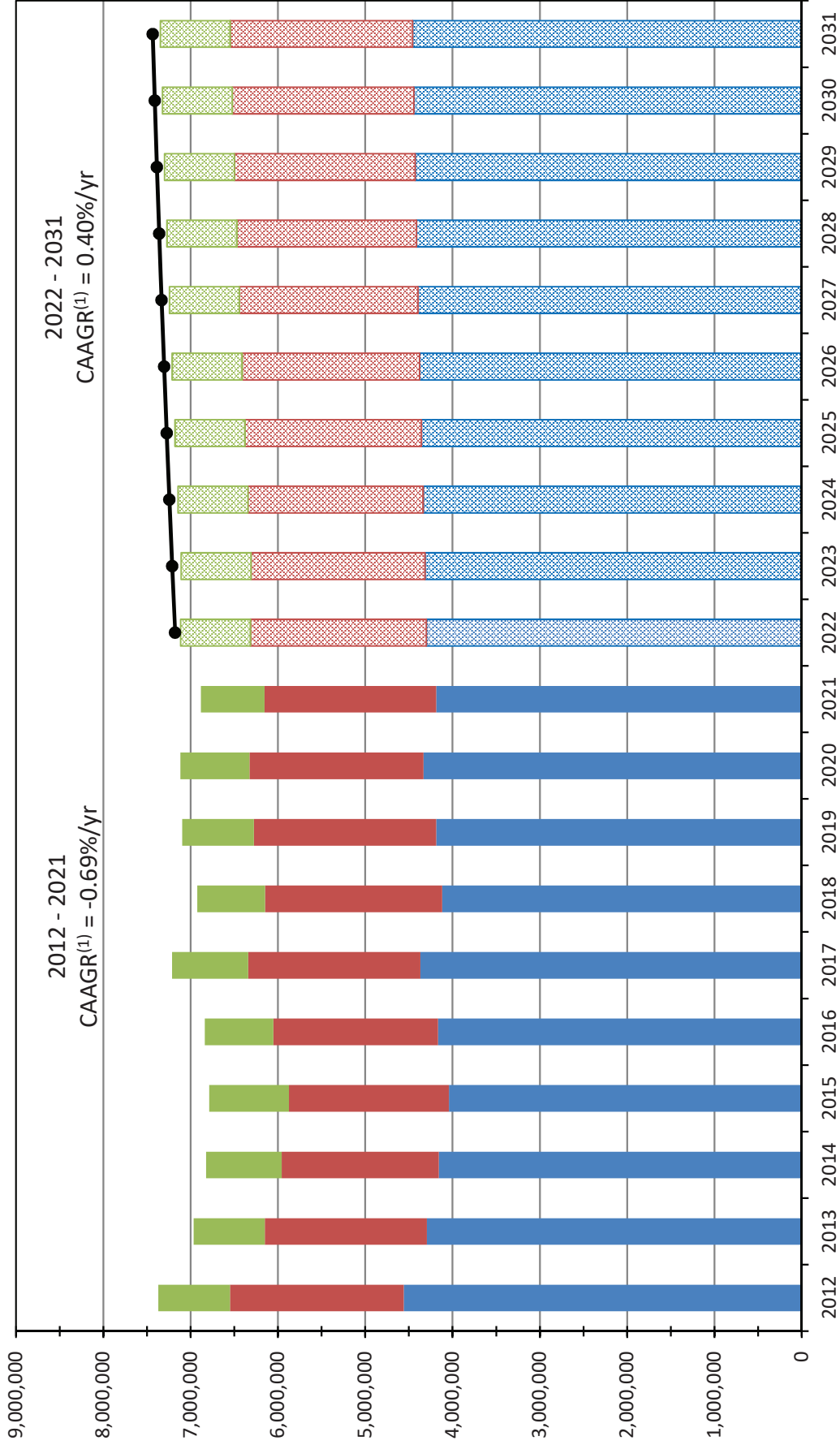
(1) Retail Sales - Compound Average Annual Growth Rate

# Electric Customers



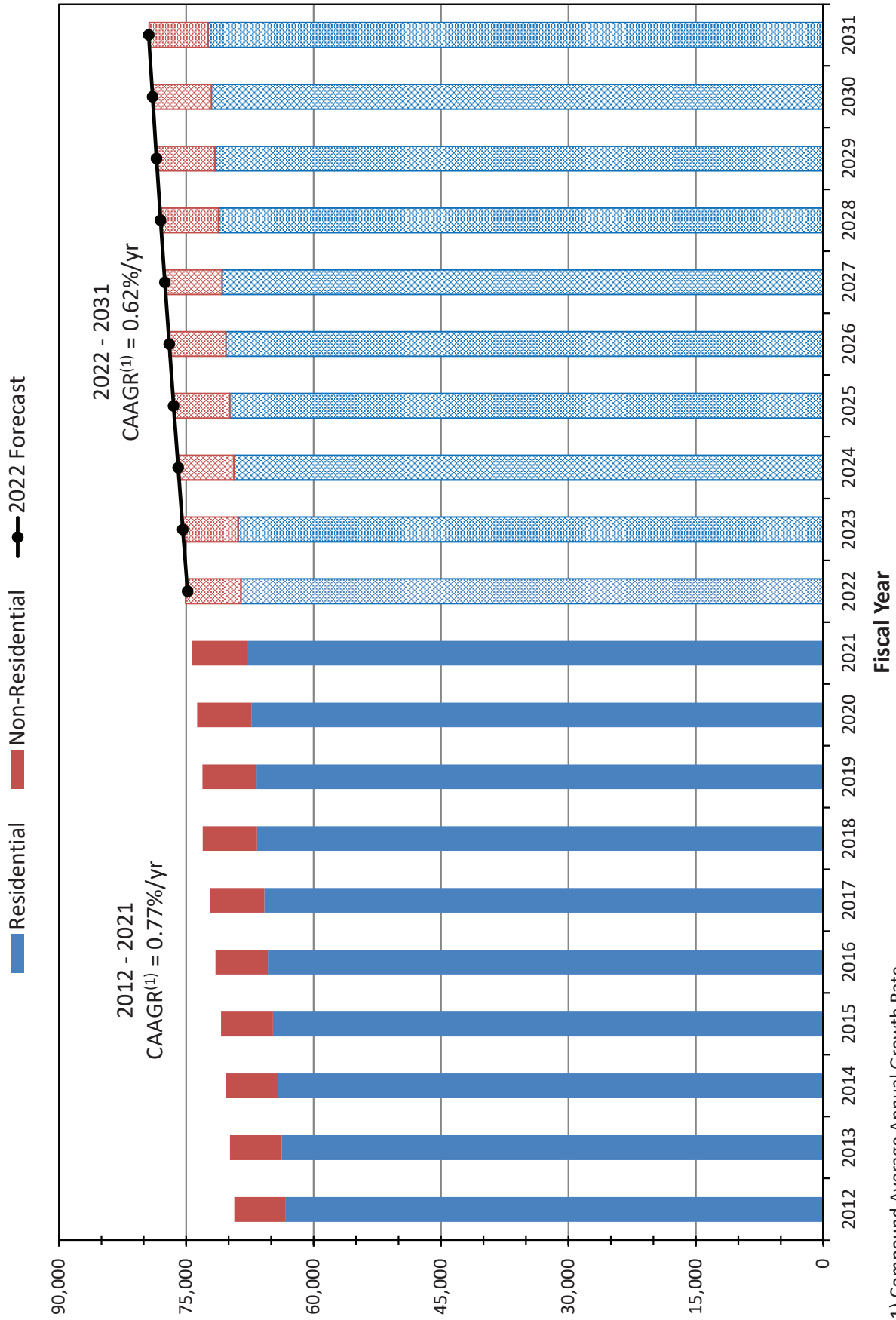
# Water Sales Thousand Gallons (kgal)

■ Residential   
 ■ Non-Residential   
 ■ University of Florida   
 ●— 2022 Forecast



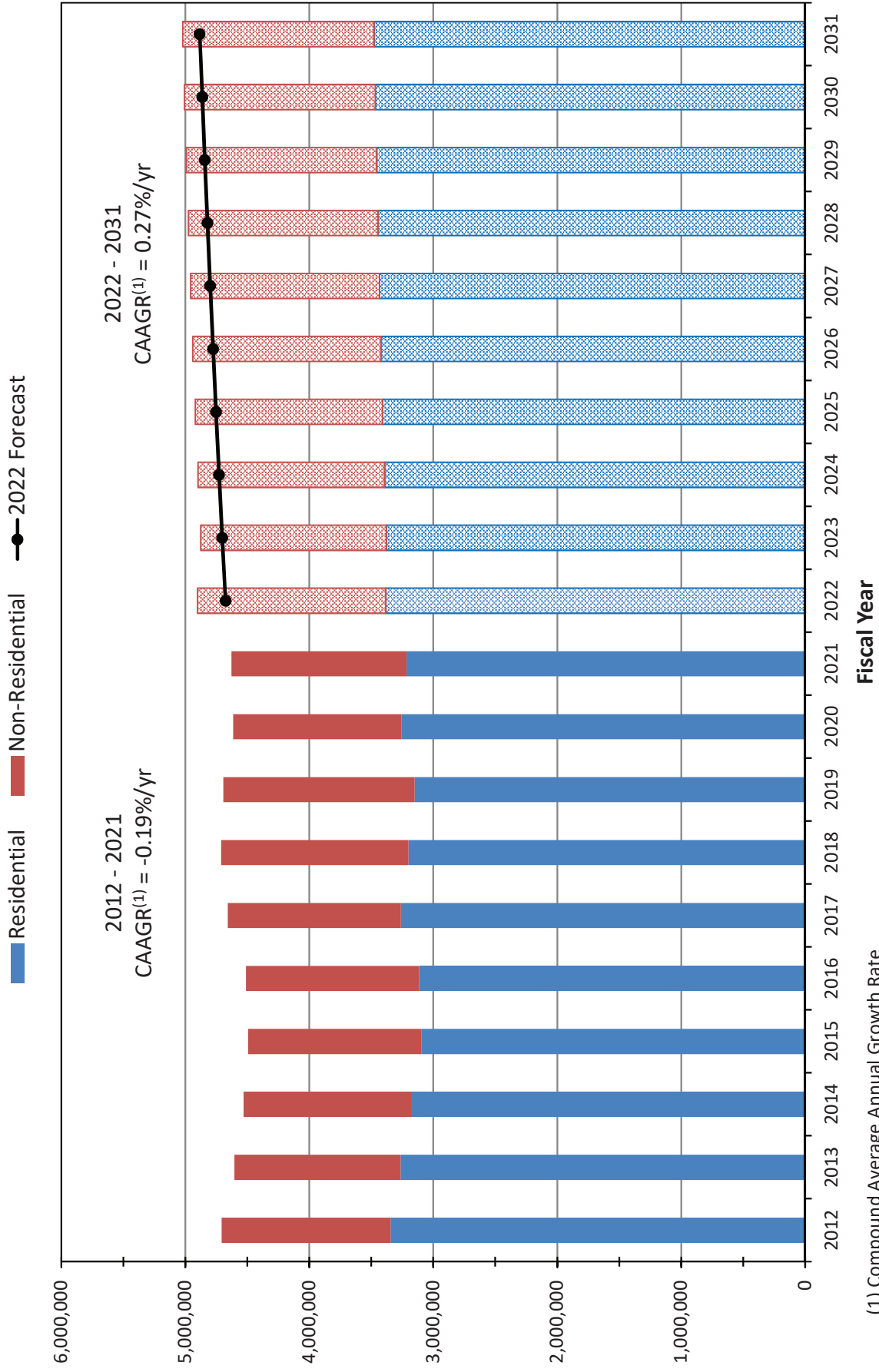
(1) Retail Sales - Compound Average Annual Growth Rate

# Water Customers



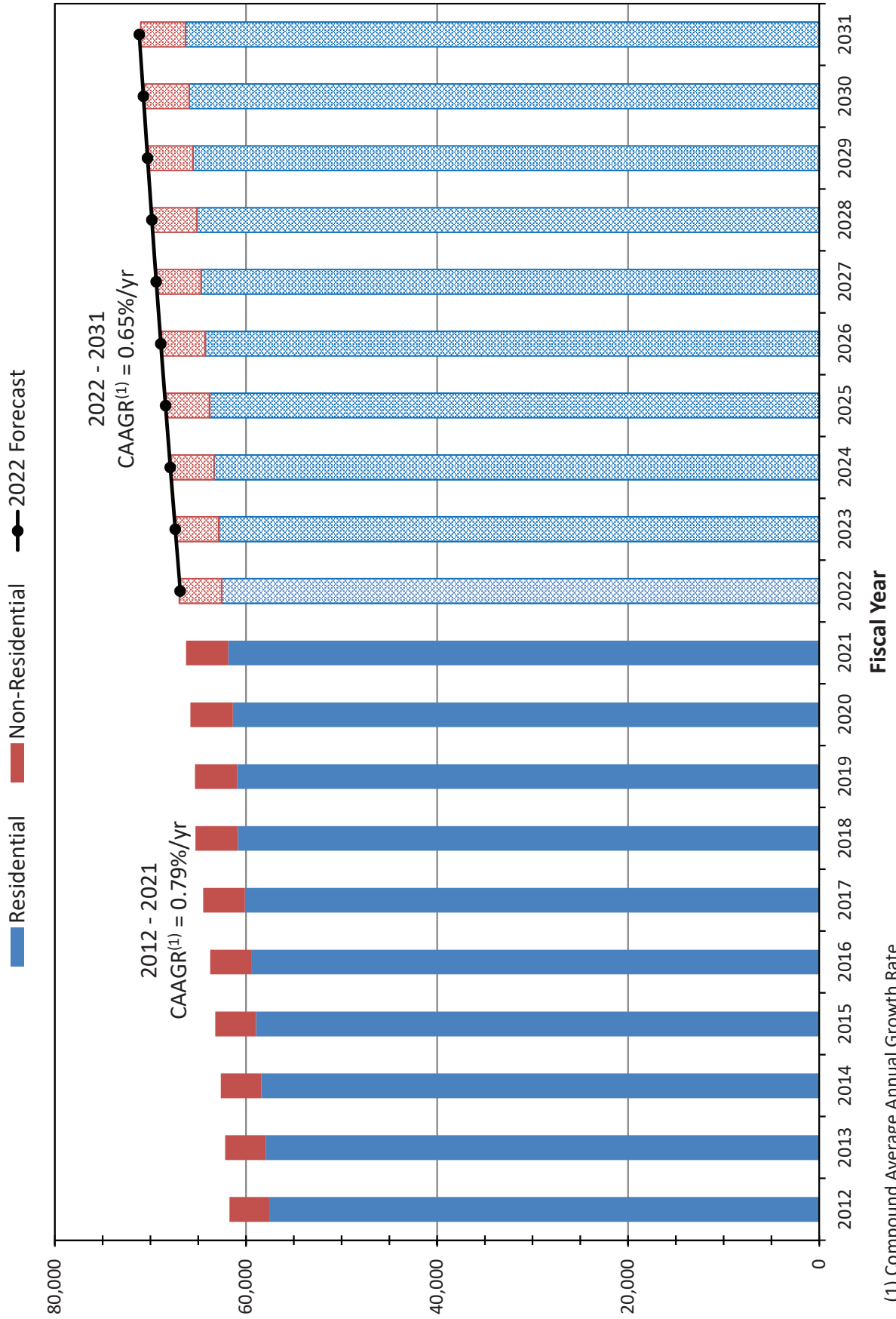
(1) Compound Average Annual Growth Rate

# Wastewater Billings Thousand Gallons (kgal)



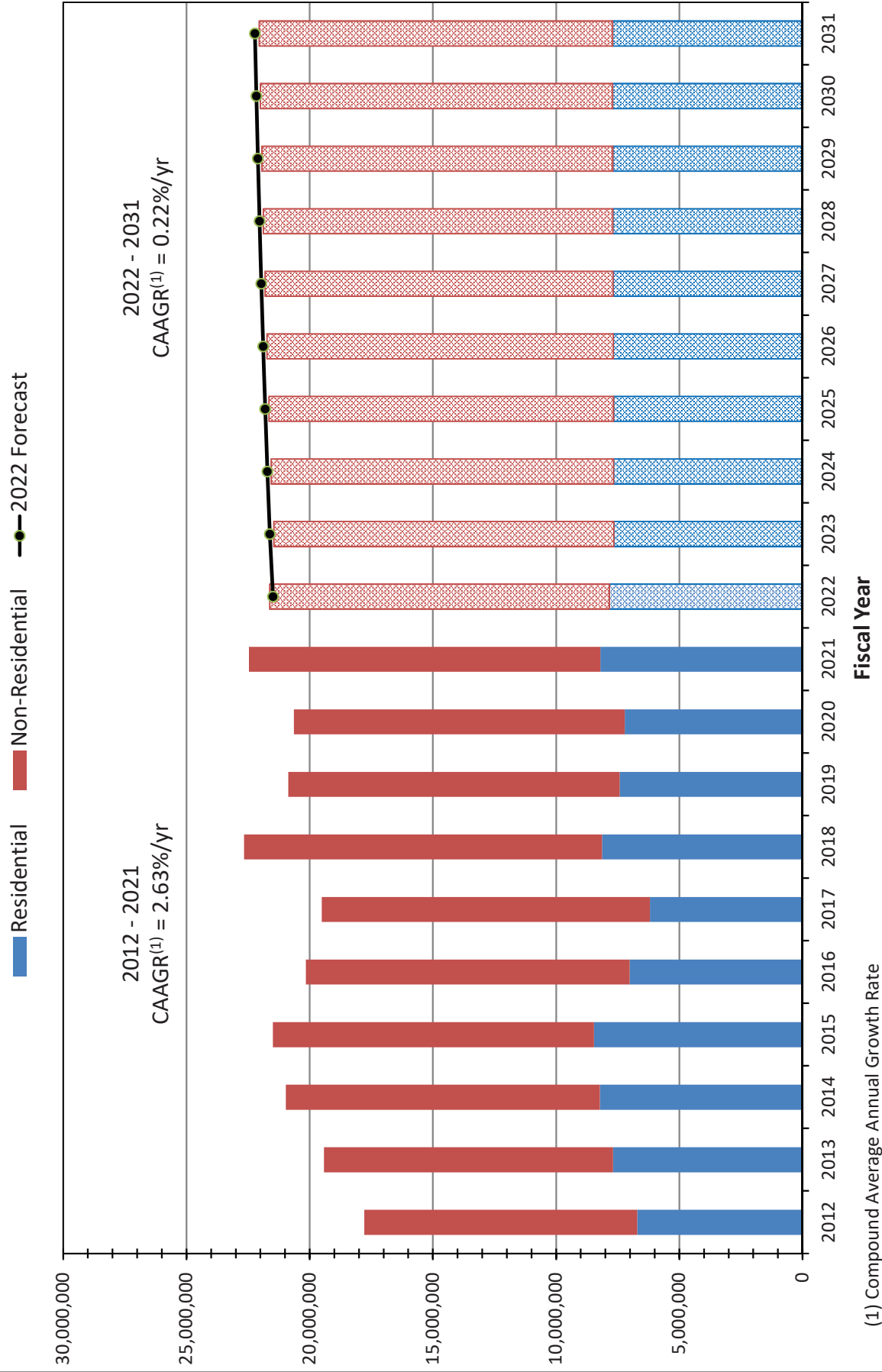
(1) Compound Average Annual Growth Rate

# Wastewater Customers



(1) Compound Average Annual Growth Rate

# Natural Gas Energy Sales Therms

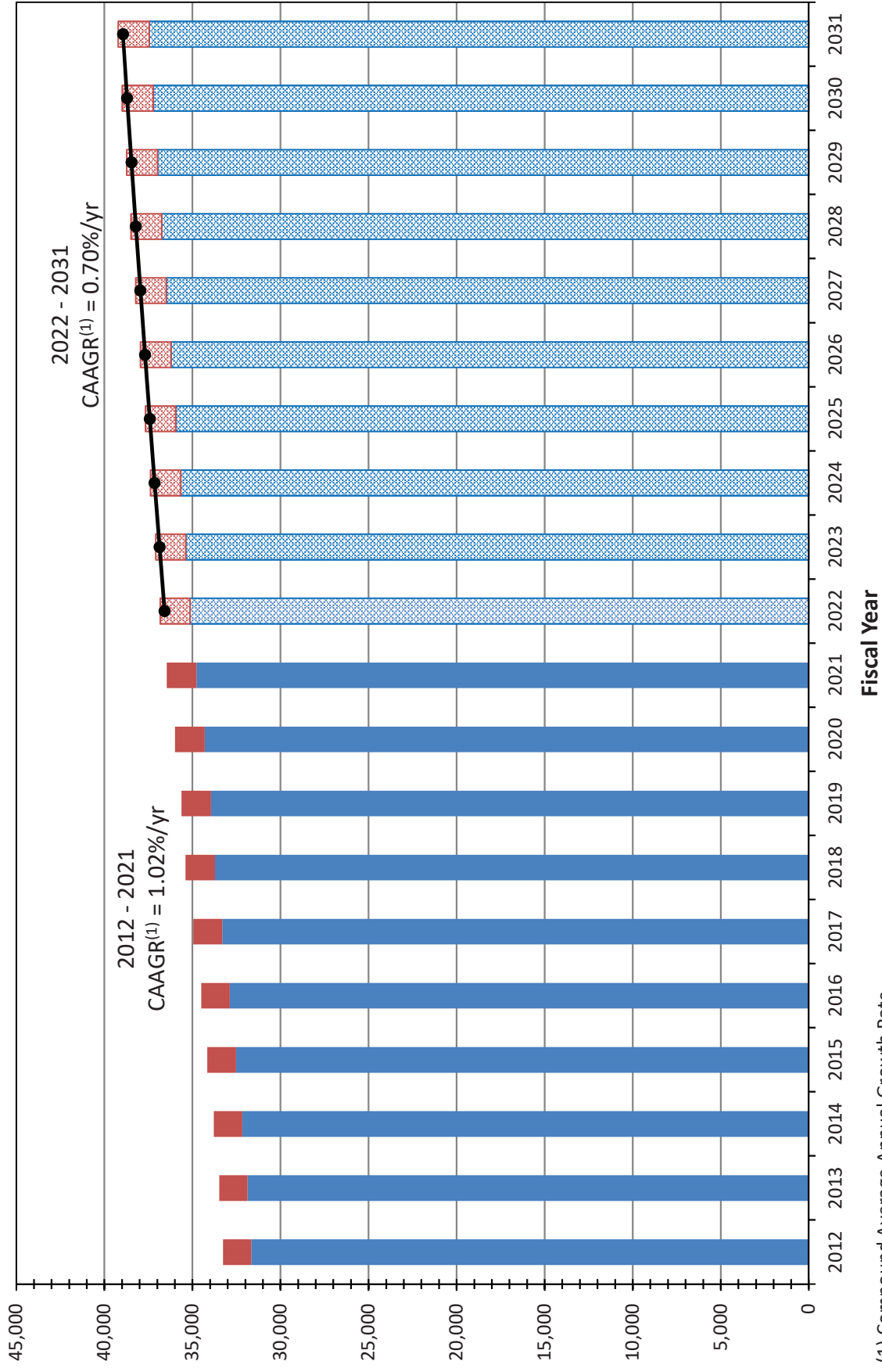


(1) Compound Average Annual Growth Rate



# Natural Gas Customers

Residential Non-Residential 2022 Forecast



(1) Compound Average Annual Growth Rate

## Glossary

### **Compound Average Annual Growth Rate (CAAGR or CAGR)**

Growth rate required to get an investment from its beginning balance to its ending balance, assuming profits were invested each year.

### **Connection Charges**

A one-time charge when a new account or service is added.

### **Customer Charge**

Amount assessed each month or partial month to recover costs GRU incurs to provide service regardless if any consumption occurs. (i.e. meter reading and maintaining facilities).

### **Debt Service Fund**

Funds used to pay principal and interest on outstanding debt.

### **Electric Reliability**

Electric reliability measures the consistency of electric service on demand as provided by utility companies to their customers.

### **Fuel Adjustment Revenue**

Fuel Adjustment Revenue is used to recover fuel costs. For electric service, this charge recovers the cost of the fuel used to generate electricity or the cost of purchasing electricity. For gas service, fuel costs are those paid by GRU to natural gas and liquid propane gas suppliers. GRU's fuel adjustment revenues are exempt from utility taxes and surcharges [Chapter 166, Section 231, Florida Statutes].

### **GATOR NET**

A digital, all-fiber network that provides internet service to apartment complexes and condominium communities in Gainesville.

### **General Fund Transfer (GFT)**

The GFT is a portion of the utility's revenues that is transferred to the City of Gainesville's General Fund to pay for a broad range of city services. It serves as a substitute for property taxes, franchise fees and a return to shareholders.

### **kgal**

Equals one thousand gallons. Water and Wastewater are billed to the nearest whole kgal.

### **LDC**

Local Distribution Company. The industry description for what is commonly known as our Natural Gas System. Includes all of the transmission and distribution components, fuel procurement, and metering points.

## Glossary

### **Liquidity**

The degree to which an asset can be quickly bought or sold in the market at a price reflective of its value. Liquidity measures the ability to convert assets into cash.

### **Manufactured Gas Plant Cost Recovery Factor Revenue (MGPCRF)**

MGPCRF is a per-therm charge to recover clean-up costs associated with a manufactured gas plant facility.

### **Multi Dwelling Unit (MDU)**

Multiple separate residences within one building or several buildings within one complex, such as an apartment building.

### **Natural Gas Customer Charge**

Fixed charge to recover costs GRU must incur to provide service.

### **OneERP**

The OneERP Program is the name for GRU's SAP Enterprise Resource Planning (ERP) software program. The program includes the Financial Management Information System (FMIS) module, the Customer Information System (CIS) module and the Enterprise Asset Management (EAM) module.

### **Operation and Maintenance Expenses**

All expenses incurred in connection with the operation and maintenance of the utility.

### **Purchased Gas Adjustment**

This charge is for recovery of the cost of natural gas and is calculated by multiplying consumption by the purchased gas adjustment rate.

### **Rate Stabilization Fund**

Cash and investments accumulated to stabilize rates over future periods through the transfer of funds to and from operations.

### **Residential Rate-Change Revenue**

Additional revenue expected to be collected from customers due to rate increases.

### **Solar Feed-In-Tariff (FIT)**

European-style solar FIT system that purchases 100% of electricity produced by a photovoltaic ("PV") solar system, which is delivered directly to GRU's distribution system.

### **Transmission and Distribution**

Includes the transportation of power, natural gas, and water in both bulk form (the transmission systems), and service level form (the distribution systems) from the source of supply to the customers' delivery points.

## Glossary

### **Trunked Radio System**

A digital, two-way radio system used by GRU, Gainesville Fire and Rescue, the Gainesville Police Department, the Alachua County Sheriff's Office and many other county and municipal entities.

### **Unrestricted Cash**

Unrestricted cash is not earmarked for a particular use.

### **Utilities Plant Improvement Fund (UPIF)**

Funds available to pay for construction costs, repayment of bonds, and operation and maintenance expenses

### **Utility Surcharge**

Electric, Water, Wastewater, and Gas surcharges levied on customers when these services are provided outside the city limits.

### **Utility Tax**

A municipality may levy a tax on the purchase of electricity, metered natural gas, liquefied petroleum gas either metered or bottled, manufactured gas either metered or bottled, and water service. The tax shall be levied only upon purchases within the municipality and shall not exceed 10 percent of the payments received by the seller of the taxable item from the purchaser for the purchase of such service. The tax imposed shall not be applied against any fuel adjustment charge, and such charge shall be separately stated on each bill. The term "fuel adjustment charge" means all increases in the cost of utility services to the ultimate consumer resulting from an increase in the cost of fuel to the utility subsequent to October 1, 1973.