



Wednesday, February 21, 2024, 5:30 p.m.

GRU Administration Building

301 SE 4th Avenue

Gainesville, FL 32601

Authority Members

Craig Carter - Chair

James Coats, IV - Vice-Chair

Robert Karow - Member

Eric Lawson - Member

Vacant

If you have a disability and need accommodation in order to participate in this meeting, please call (352) 334-5051 at least two business days in advance. TTY (Text Telephone Telecommunication Device) users please call 711 (Florida Relay Service). For Speech to Speech (STS) relay, please call 1-877-955-5334. For STS Spanish relay, please call 1-877-955-8773. For STS French Creole relay, please call 1-877-955-8707.

A. CALL TO ORDER

Agenda Statement: The Gainesville Regional Utilities Authority encourages civil public speech. The Gainesville Regional Utilities Authority expects each person entering this chamber to treat others with respect and courtesy. Speakers are expected to focus on agenda items under discussion. Signs, props, posters, food, and drinks should be left outside the auditorium.

B. ROLL CALL

C. INVOCATION

D. PLEDGE OF ALLEGIANCE

E. CHAIR COMMENTS

F. GENERAL PUBLIC COMMENT

(for items not on the agenda, not to exceed 30 minutes total)

G. ADOPTION OF THE AGENDA

H. APPROVAL OF MINUTES

1. **Approval of Minutes from the February 7 2024 Meeting**

I. CONSENT AGENDA

J. CEO/GM COMMENTS

K. ATTORNEY COMMENTS

L. BUSINESS DISCUSSION ITEMS

1. **2024-160 Legislative Updates (B)**

Department: GRU/Government of Affairs and Community Relations

Description: Hear an update on State Legislative Items for the 2024 session that have potential impacts on our utility from a representative of GrayRobinson.

Fiscal Note: None

Recommendation: The GRU Authority hear a presentation from Ryan Matthews, from GrayRobinson – GRU’s state lobby firm.

2. 2024-67 Power District Overview (B)

Department: GRU/Customer Support Services

Description: Staff will present an overview of the Power District properties and make recommendations on how to start a liquidation process.

Fiscal Note: No initial cost for Request for Proposal (RFP) for real estate brokerage firm. Cost of sell will be established through RFP process.

Space needs analysis expected range of \$40,000-\$50,000.

Recommendation: The GRU Authority hear a presentation on the status of the Power District.

3. 2024-162 Cybersecurity Update (B)

Department: GRU/ Information Technology

Description: Staff will provide an overview of cybersecurity and its role in safeguarding our critical infrastructure.

Fiscal Note: None at this time.

Recommendation: The GRU Authority hear a presentation from staff.

4. 2024-168 CEO/GM Search (NB)

Department: Member Lawson/GRUA

Description: Chair Carter requested that an update be provided on the CEO/GM search.

Fiscal Note: None

Recommendation: The GRU Authority hear an update on the CEO/GM Search.

M. MEMBER COMMENT

N. ADJOURNMENT



Gainesville Regional Utilities Authority

MINUTES

**February 7, 2024, 5:30 p.m.
GRU Administration Building
301 SE 4th Avenue
Gainesville, FL 32601**

Members Present: Chair Craig Carter, Vice-Chair James Coats, IV, Robert Karow, Eric Lawson

A. CALL TO ORDER

Chair Carter called the meeting to order at 5:30pm.

B. ROLL CALL

C. INVOCATION

Pastor Chipper Flaniken provided the invocation.

D. PLEDGE OF ALLEGIANCE

E. CHAIR COMMENTS

Chair Carter provided comments related to the meeting.

F. GENERAL PUBLIC COMMENT

Jim Konish, Debbie Martinez, Coulter Halloway, Gene Childers, Kimpope Joy, Alex Hood, Bobby Mermer, Armando Grundy-Gomez, James Angle

The CEO addressed a question posed by one of the citizens.

Robert Karow joined the meeting at 5:34 pm.

G. ADOPTION OF THE AGENDA

1st Motion - Public Comment: Jim Konish, Armando Grundy-Gomez

2nd Motion - No Public Comment

Moved by Robert Karow

Seconded by Vice-Chair Coats

First Motion: Move Item #2024-137 Escrow for Government Services Contribution (GSC) to the #2 Item on the agenda with the addition of the removal of the consent item #2024-116 Lift Station 1 Improvements to the spot following the Escrow for Government Services.

Motion did not pass due to tied vote.

Aye (2): Vice-Chair Coats, and Robert Karow

Nay (2): Chair Carter, and Eric Lawson

Tied (2 to 2)

Moved by Eric Lawson

Seconded by Chair Carter

Second Motion: Adopt the agenda and remove the consent item and place on the regular agenda following item#2024-137 Escrow for Government Services Contribution (GSC)

Aye (4): Chair Carter, Vice-Chair Coats, Robert Karow, and Eric Lawson

Approved (4 to 0)

H. APPROVAL OF MINUTES

There was no public comment.

Moved by Vice-Chair Coats

Seconded by Eric Lawson

Aye (4): Chair Carter, Vice-Chair Coats, Robert Karow, and Eric Lawson

Approved (4 to 0)

1. Approval of Minutes from the January 17 2024 Meeting

I. CONSENT AGENDA

1. 2024-116 Lift Station 1 Improvements (B)

Item removed from consent agenda per earlier motion and added to the end of the regular agenda, following item#2024-137.

The CEO/GM, Tony Cunningham, introduced the item.

Water Wastewater Officer Debbie Daugherty spoke to the item.

The board discussed the item.

Public Comment: Donald Shepherd

Moved by Vice-Chair Coats

Seconded by Robert Karow

Recommendation: The GRU Authority authorize the CEO/General Manager, or his designee, to negotiate and execute a contract with SGS Contracting Services for Lift Station No. 1 Improvements for the price of \$4,722,700, subject to legal review and approval.

Aye (4): Chair Carter, Vice-Chair Coats, Robert Karow, and Eric Lawson

Approved (4 to 0)

J. CEO/GM COMMENTS

The CEO/GM, Tony Cunningham, provided some comments related to the meeting.

Chair Carter and Member Karow provided some additional comments related to the IRP item on the agenda.

K. ATTORNEY COMMENTS

Attorney Scott Walker, with Folds Walker, provided some additional comments.

L. BUSINESS DISCUSSION ITEMS

1. 2024-114 IRP Introduction and Preliminary Results (B)

The CEO/GM, Tony Cunningham, introduced the topic.

Chief Sustainability Officer, Eric Walters, presented on Part I on the item at hand.

Member Karow inquired about the IRP.

Mark Anderson, Account Director for The Energy Authority, presented on The Energy Authority and their relationship with GRU.

Chair Carter inquired about some items related to Mr. Anderson's presentation.

Chief Sustainability Officer, Eric Walters, presented on Part II on the item at hand.

Public Comment: Jim Konish, David Hastings, Donald Shepherd, James Angle, Angela Casteel, Tom Cunilio, Nancy Deren, Armando Grundy-Gomez

The CEO/GM, Tony Cunningham, spoke to the item at hand.

Chair Carter spoke to the issue.

Recommendation: Hear staff presentations on the Integrated Resource Plan process and preliminary results and market overview presentation from TEA.

Heard

2. 2024-115 Agreements and Associations (B)

The CEO/GM, Tony Cunningham, spoke to the item.

Chair Carter spoke to the item.

Vice Chair Coats mentioned a cybersecurity issue that occurred with Jacksonville Beach Utilities. He inquired if our IT Dept. could present on the topic of cybersecurity at a future GRU Authority meeting.

Member Karow and Member Lawson also spoke to the item.

Public Comment: Kathleen Pagan (Escribe comment - read in the record during earlier public comment), Jim Konish, Donald Shepherd, Bobby Mermer, James Angle, Angela Casteel, Nancy Deren, Kimpope Joy

Moved by Robert Karow

Seconded by Vice-Chair Coats

Recommendation: 1.) Implement Phase 2 plan to modify relationships: IT, network connectivity, Connect Free, streetlights and FY24 service reductions. **2.)** Evaluate Phase 3, which includes obtaining the most cost-effective services with the highest value and determining whether the best source is internal, external or GG.

Motion: Amended from Initial Recommendation - Implement Phase 2 plan to modify relationships: IT, network connectivity and Connect Free

Phase III does not require the motion as it's already in effect and was purely affirming that the board is an agreement, which they affirmed that they are indeed.

Aye (4): Chair Carter, Vice-Chair Coats, Robert Karow, and Eric Lawson

Approved (4 to 0)

3. 2024-137 Escrow for Government Services Contribution (GSC) (NB)

Vice Chair Coats introduced the item.

The board spoke to the item.

Attorney Scott Walker spoke to the item.

Public Comment: Armando Grundy-Gomez, Bobby Murmur, Jim Konish, Donald Shepherd, Angela Casteel, Roberta Gastmeyer, James Angle, Nancy Deren, Tyler Forrest

The board spoke to the item.

Moved by Robert Karow

Seconded by Vice-Chair Coats

Recommendation: GRU Authority members discuss and recommend next steps.

Motion (Amendment from Original Recommendation): To withhold the entire GSC payment to General Government.

Motion did not pass due to tied vote.

Aye (2): Vice-Chair Coats, and Robert Karow

Nay (2): Chair Carter, and Eric Lawson

Tied (2 to 2)

M. MEMBER COMMENT

Chair Carter provided a comment.

N. ADJOURNMENT

The meeting was adjourned at 10:35pm.

Chair Craig Carter left the meeting at 10:35 pm.

Vice-Chair James Coats, IV left the meeting at 10:35 pm.

Robert Karow left the meeting at 10:35 pm.

Eric Lawson left the meeting at 10:35 pm.

Christine Kunkel, Clerk



City of Gainesville

Office of Ed Book
City Commissioner District II

February 6th, 2024

GRU Authority Board Leadership,

I believe the City & GRU both have enormous impact on the well-being of our community.

While this is by no means an exhaustive list, below is what I consider some of the most impactful actions taken by the City Commission to address GRU stability, City operations, & budget within the last year. (Figures are approximate though exact numbers can be provided if needed.)

- **\$19 million dollar reduction to Government Services Contribution (GSC)** – From \$34.3 to \$15.3 million dollars, an unprecedented figure. Previously known as the General Funds Transfer (GFT). This reduction was the key & relates to all other significant City budgetary decisions.
- **GSC Methodology** - With the reduction above, a formula driven methodology for transfer was devised collaboratively by GRU & City leadership. This debt defeasance plan is intended to be used to decrease GRU debt to 71% by saving over \$300 million within 10 years for the utility.
- **125.5 City staff positions eliminated & hiring freeze enacted** - The City immediately froze most hiring after the JLAC meeting, created a continuous improvement committee, and finalized a significant staff reduction. Total value approx. \$8.3 million.
- **Public safety budget increase** – Approx. \$7.7 million increased funding for fire & police. Most other City government areas were reduced or remained essentially the same. This increase was due to budgeting up front likely overtime costs (trued up end of FY) & honoring existing bargaining contracts.
- **Property values increase** - As determined by the Alachua County Property Appraiser's office. Values in the City resulted in addition of approx. \$6.3 million in revenues.
- **GRU rate increases of 3% for water & 5% for electric** – Based on GRU staff recommendations & previous planning & contribute to long-term stability, debt reduction, & infrastructure improvements.
- **Zero Based Budget Process** – The City initiated reviewing finances with zero based budgeting (building a budget from the “ground up” as opposed to starting with what an organization had in the preceding year). The Continuous Improvement Review Committee scrutinized proposals for efficiencies, reductions, & staffing changes.
- **Single Year Budget Process** – Previously the City had a 2-year budget cycle. Taken together, zero-based budgeting & a one year budget cycle is more flexible in accounting for economic and financial changes, & improves identification of budget efficiencies & unnecessary expenses. These were both approved by the City Commission in Spring 2023.



City of Gainesville

Office of Ed Book
City Commissioner District II

February 6th, 2024

- **Fire Safety Assessment Fee** – A standardized non-arbitrary fee formula was devised by City leadership. This methodology was updated to remove the burden from single family homes & more levy more accurate fire safety costs on buildings that use the most services. It was considered a revenue neutral change, however in FY24 additional revenue of \$2.9 million was generated.
- **Audit** – The 18 audit findings primarily dating to 2021 & 2022 were resolved in 2023 & have been closed. Aspects of this report relate to GRU. Comprehensive audit reports are available.
- **\$180,000 indirect cost allocations elimination to the City by GRU** - I recognize there is disagreement on whether this payment to the City is for services previously provided or currently not being used. Regardless, the elimination of that payment to the City immediately results in an approx. \$1.4 million reduction in the City budget this Fiscal Year & increased revenues for GRU. Today (2/6), the City Commission Finance Committee approved full Commission review of removal of programs & contingencies to account for that loss.
- **City & GRU collaboration** – The City Commission held a short-notice emergency meeting in December 2023 & approved GRU requested actions relating to the extension of GRU liquidity facilities. The Commission originally was going to review further information in January 2024. We were told that any delay or non-approval by the Commission could have immediate negative financial impacts to GRU costing potentially millions. Instead, we met on this one agenda item in December knowing that swift action on behalf of & to the benefit of GRU & ratepayers was necessary.

Important Dates:

- January 2023 - Three (3) new City Commissioners including myself & a new Mayor take office.
- February 2023 - State Joint Legislative Auditing Committee (JLAC) provides input to the City that decisive actions will have to be taken related to GRU & negative audit findings on a range of subjects largely related to finance & accountability dating back years. The Commission & City leadership take immediate large-scale actions & enact unprecedented budgetary changes to both the City & GRU. City deadline to report back with substantive changes was the end of the fiscal year, September 2023. Additionally, interim reports were sent to keep JLAC apprised of progress.
- March 2023 - Bill filed in State legislature on creation of GRU Authority.
- March-September 2023 – Numerous City & GRU budget hearings. Budget finalized Sept 2023.
- July 2023 - GRU Authority enacted.
- October 2023 - FY24 begins with budget set in place for both the City & GRU.

Thank you for considering this information as the GRU Authority deliberates on ways to position GRU for long-term stability & continued excellence in partnership with the City for the mutual benefit of our Gainesville community. I look forward to our joint meeting at the end of this month.

Respectfully,
Ed Book, City Commissioner

PO Box 490 • Station 19 • Gainesville, Florida 32627-0490
bookea@cityofgainesville.org • (352) 334-5016 • FAX (352) 334-2036



**Gainesville Regional Utilities Authority
Agenda Item Report**

File Number: 2024-160

Agenda Date: February 21, 2024

Department: Gainesville Regional Utilities

Title: 2024-160 Legislative Updates (B)

Department: GRU/Government of Affairs and Community Relations

Description: Hear an update on State Legislative Items for the 2024 session that have potential impacts on our utility from a representative of GrayRobinson.

Fiscal Note: None

Explanation: In order to keep the GRU Authority up to date on various items that may impact GRU, staff would like to provide this update in order to ensure that the board is aware of potential items that may come up in the future.

Recommendation: The GRU Authority hear a presentation from Ryan Matthews, from GrayRobinson – GRU’s state lobby firm.

2024 MID-SESSION REPORT

Gainesville Regional Utilities

GRAYROBINSON

February 2024

RYAN MATTHEWS

Ryan is a recognized authority in environmental policy related to natural resources, with broadly developed expertise in water future and scarcity concerns. He represents some of Florida's largest electric, water, and wastewater utility companies, local government entities, statewide associations, and top private sector corporations navigating the environmental resource permitting process.

Ryan embraces client challenges with a unique understanding of how local governmental frameworks intersect with regulated interests and the business community. Some of the state's most notable public and private players turn to him for influential decision-making and the ability to bridge communication gaps, break down barriers, and shepherd them through thorny legal, administrative, and regulatory challenges.

Before joining GrayRobinson, Ryan served as the Secretary of the Florida Department of Environmental Protection (DEP) under the Rick Scott Administration and in the general counsel and legislative affairs offices of the Florida League of Cities. Ryan has a Master of Laws in Environmental/Natural Resources Law from the University of Denver Sturm College of Law and a Juris Doctor from the Florida Coastal School of Law. He is a former Chair of the CFWI and a board member of the Florida State Park Foundation.



Government Affairs and Lobbying Deputy Section Chair
850.577.5466
ryan.matthews@gray-robinson.com

THRIVING WHERE OPPORTUNITY AND RISK CONVERGE.

GrayRobinson is a multidimensional team of professionals providing integrated legal, lobbying, and regulatory services to leading corporations and emerging businesses, industry stakeholders, governmental entities, and entrepreneurs nationwide. We are agile, adaptable, and fully embedded to deliver results.

We thrive where opportunity and risk converge. For us, growing and protecting your enterprise is a collective endeavor that requires a diverse network of talent and a clarity of ideas to overcome constraints and harness forward momentum. Our strategies and approach go beyond the conventional. We're focused on outcomes – not barriers – to help create possibilities, cultivate conditions for optimal growth, and build resilience to rapid change.

INFORMED BY THE PAST, WITH OUR EYES ON YOUR FUTURE.

Grounded by more than fifty years of service and advocacy, we are intimately connected to America's dynamic economy. Our people have helped transform commerce and communities across the U.S., and our growing ecosystem of resources and relationships has expanded to our nation's capital and beyond.

BUILT ON INDIVIDUAL INSTINCTS, SHAPED BY SHARED EXPERIENCES.

Built on individual instincts and shaped by our shared experience, we support and develop professionals who collaborate across service lines to strengthen strategic alliances, tap meaningful spheres of influence, and reframe critical conversations. We evolve alongside our clients in pursuit of new and different ways to help rewrite the future of business.

LOCAL PRESENCE

BOCA RATON

One Boca Place
2255 Glades Road
Suite 301E
Boca Raton, FL 33431
561.368.3808

FORT LAUDERDALE

401 E. Las Olas Blvd.
Suite 1000
Fort Lauderdale, FL 33301
954.761.8111

FORT MYERS

1404 Dean St.
Suite 300
Fort Myers, FL 33901
239.340.7979



GAINESVILLE

643 SW 4th Ave.
Suite 110
Gainesville, FL 32601
352.376.6400

JACKSONVILLE

50 N. Laura St.
Suite 1100
Jacksonville, FL 32202
904.598.9929

KEY WEST

221 Simonton St.
Key West, FL 33040
305.294.0252

LAKELAND

One Lake Morton Drive
Lakeland, FL 33801
863.284.2200

MELBOURNE

1795 W. NASA Blvd.
Melbourne, FL 32901
321.727.8100

NAPLES

3838 Tamiami Trail N
Suite 410
Naples, FL 34103
239.598.3601

ORLANDO

301 E. Pine St.
Suite 1400
Orlando, FL 32801
407.843.8880

TALLAHASSEE

301 S. Bronough St.
Suite 600
Tallahassee, FL 32301
850.577.9090

TAMPA

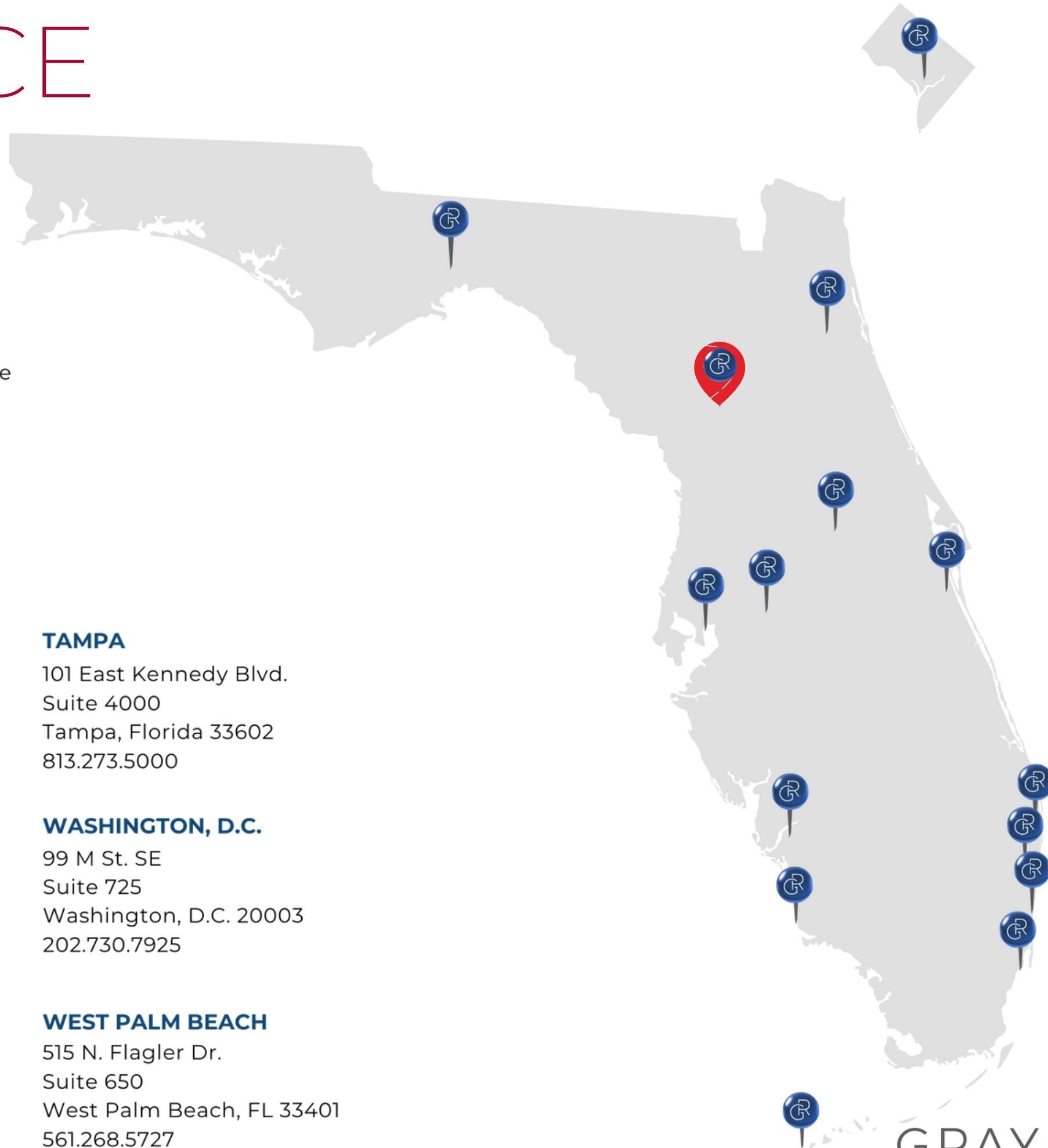
101 East Kennedy Blvd.
Suite 4000
Tampa, Florida 33602
813.273.5000

WASHINGTON, D.C.

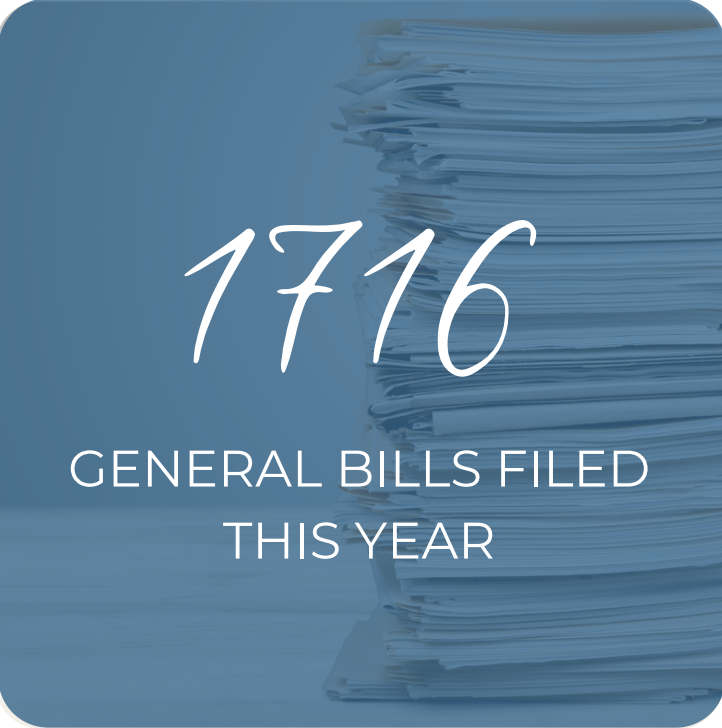
99 M St. SE
Suite 725
Washington, D.C. 20003
202.730.7925

WEST PALM BEACH

515 N. Flagler Dr.
Suite 650
West Palm Beach, FL 33401
561.268.5727



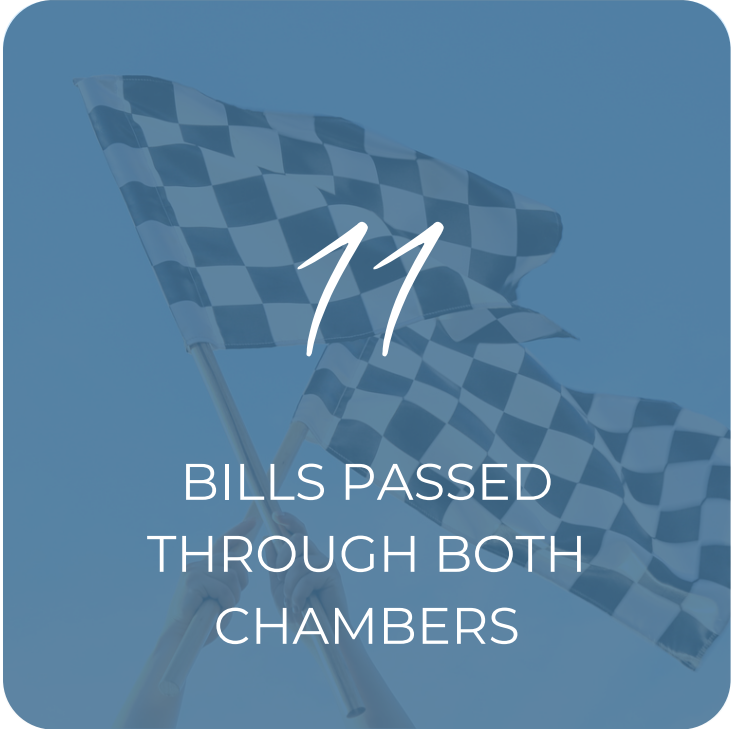
2024 CURRENT STATS



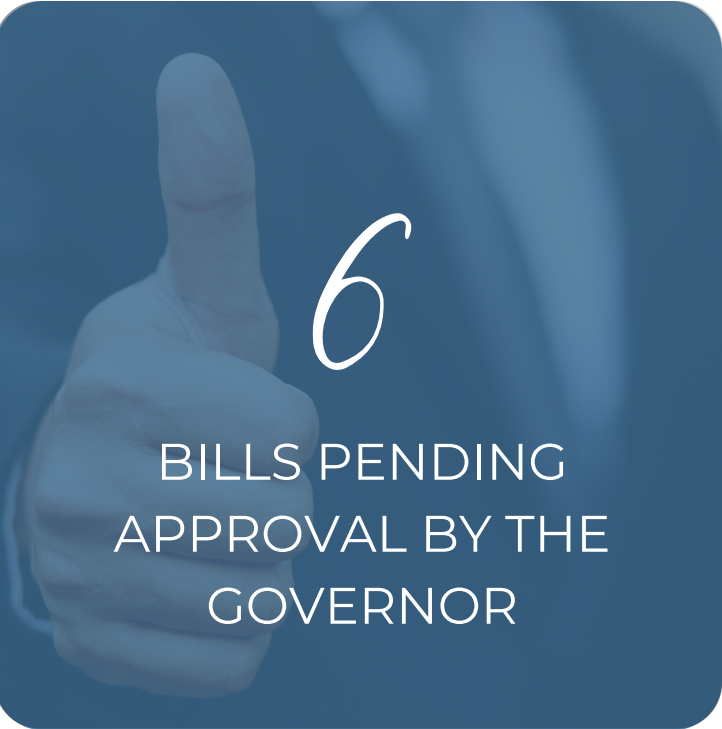
1716
GENERAL BILLS FILED
THIS YEAR



35
LOCAL BILLS FILED THIS
YEAR



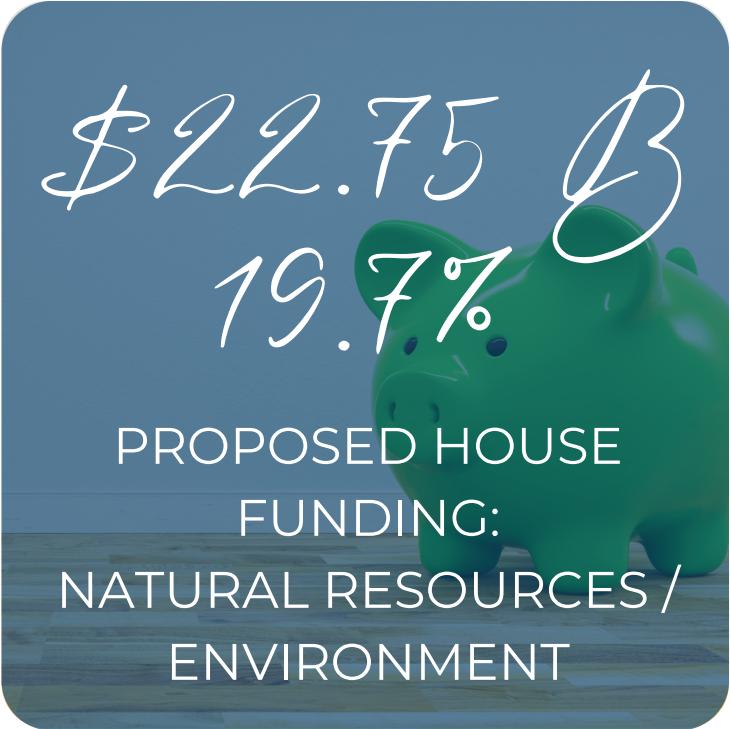
11
BILLS PASSED
THROUGH BOTH
CHAMBERS



6
BILLS PENDING
APPROVAL BY THE
GOVERNOR



\$22.96 B
19.8%
PROPOSED SENATE
FUNDING:
NATURAL RESOURCES /
ENVIRONMENT



\$22.75 B
19.7%
PROPOSED HOUSE
FUNDING:
NATURAL RESOURCES /
ENVIRONMENT

DATE	EVENT
FEBRUARY 18	<u>Day 41: Reconsideration in Committee or Subcommittee:</u> No bill may be retained for the purpose of reconsideration in committee or subcommittee after the 40th day (February 17) of a regular session.
FEBRUARY 22	<u>Day 45: Ceremonial Resolution Filing Deadline:</u> No ceremonial resolution shall be given first reading unless approved for filing with the Clerk before the 46th day (February 23) of the regular session. NOTE: To meet a filing deadline, the ceremonial resolution must be APPROVED FOR FILING in Leagis by the applicable deadline.
FEBRUARY 23	<u>Day 46: Committee or Subcommittee Notice Deadlines During Session:</u> After the 45th day (February 22) of regular session, notice shall be provided no later than 4:30 p.m. on the day (including Saturdays, Sundays, and official state holidays) before the committee or subcommittee meeting. <u>Day 46: Daily Order of Business:</u> After the 45th day (February 22) of a regular session, by a majority vote, the House may, on motion of the Chair or Vice Chair of the Rules Committee, move to Communications, Messages from the Senate, Bills and Joint Resolutions on Third Reading, or Special Orders.
FEBRUARY 24	<u>Last 14 Days: Immediate Certification of Bills:</u> Unless otherwise directed by the Speaker, during the last 14 days of a regular session, all measures acted on by the House shall be transmitted to the Senate without delay.
MARCH 4	<u>Day 56:</u> After the 55th day (March 3) of a regular session, the Special Order Calendar shall be published in one Calendar of the House and may be taken up on the day the Calendar is published. <u>Day 56:</u> After the 55th day (March 3) of a regular session: Main floor amendments must be approved for filing with the Clerk not later than 8:00 a.m. on the day session is scheduled to convene on the day the bill appears on the Special Order Calendar in the Calendar of the House or 2 hours before session is scheduled to convene on the day the bill appears on the Special Order Calendar of the House; and amendments to main floor amendments and substitute amendments for main floor amendments must be approved for filing not later than 1 hour after the main floor amendment deadline. <u>Day 56:</u> After the 55th day (March 3) of a regular session, no House bills on second reading may be taken up and considered by the House.
MARCH 7	<u>Day 59:</u> After the 58th day (March 6) of a regular session, the House may consider only: Returning Messages, Conference Reports, and Concurrent Resolutions.
MARCH 8	Last day of Regular Session, if Legislature completes work in 60 days.

PRIORITY **BILLS**

- HB 1277/SB 1510
- HB 777/SB 1088
- SB 1386/HB 1577
- HB 1645
- SB 340
- HB 1304/SB 1154



Priorities

QUESTIONS?



THANK YOU



GRAYROBINSON

Ryan Matthews

Government Affairs and Lobbying Deputy Section Chair

850.577.5466

ryan.matthews@gray-robinson.com



**Gainesville Regional Utilities Authority
Agenda Item Report**

File Number: 2024-67

Agenda Date: February 21, 2024

Department: Gainesville Regional Utilities

Title: 2024-67 Power District Overview (B)

Department: GRU/Customer Support Services

Description: Staff will present an overview of the Power District properties and make recommendations on how to start a liquidation process.

Fiscal Note: No initial cost for Request for Proposal (RFP) for real estate brokerage firm. Cost of sell will be established through RFP process.

Space needs analysis expected range of \$40,000-\$50,000.

Explanation: GRU currently controls approximately 24 acres of property in downtown Gainesville known as the Power District. In 2011 GRU vacated 17 of those acres when field operations were relocated to the Eastside Operations Center. The utility is now exploring ways to sell the unused property.

Recommendation: The GRU Authority hear a presentation on the status of the Power District.

Power District

Feb. 21, 2024



- History
- Property Overview
 - Total Acreage
 - Conditions
 - Value
- Disposition Options
- Recommendation





History

History

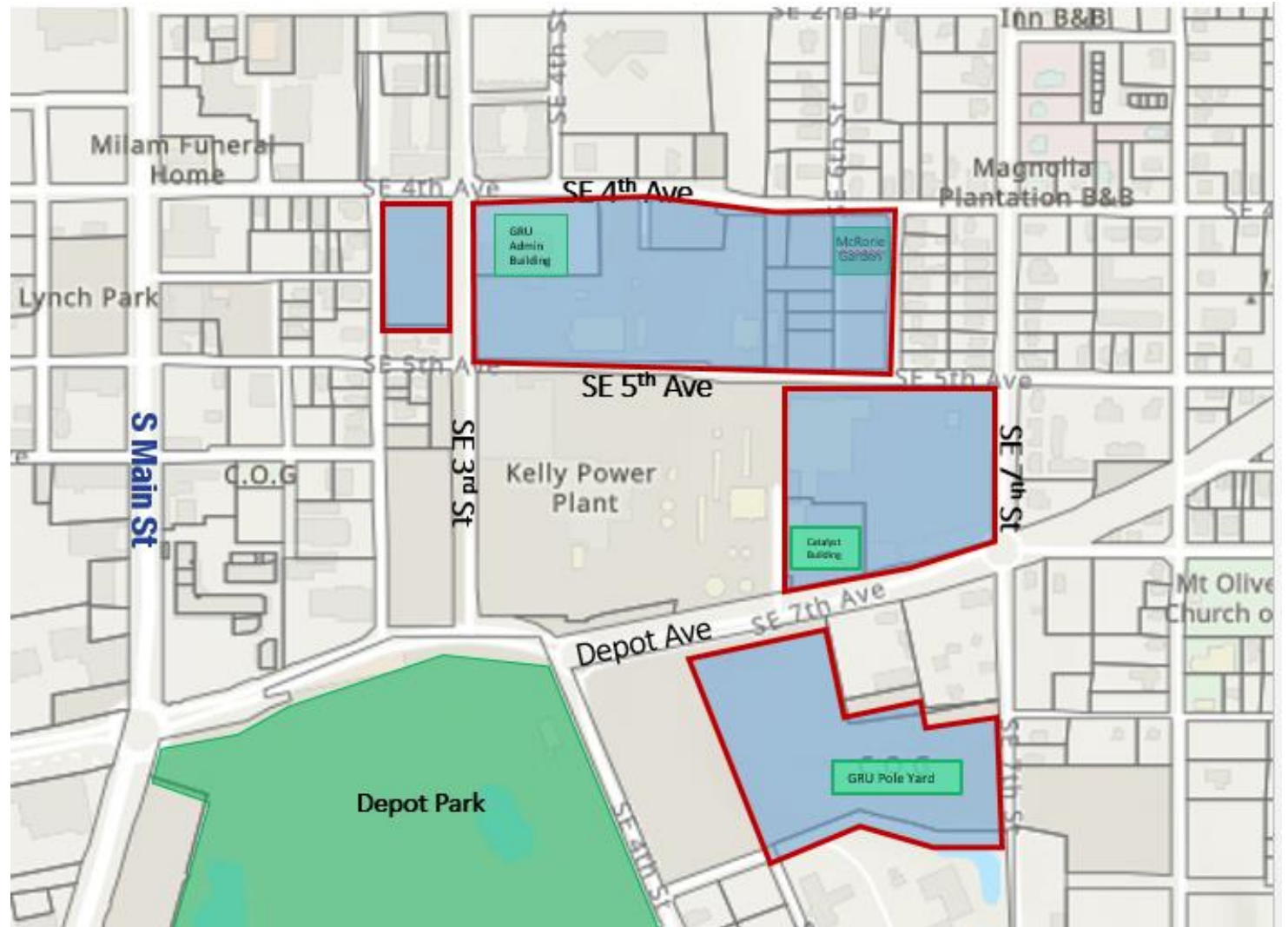
- 2011 GRU Operations relocated to the EOC
- Vacated approximately 17 acres downtown (south and east of the GRU Administration Building)
- At that time, at the direction of the City Commission, CRA (now Gainesville Community Reinvestment Area) led the effort to liquidate the property, emphasizing redevelopment.



Power District Boundary



Power District expanded boundary (~24 acres)





Property Overview

Property Overview

- Approximately 24 Acres
- Minimal environmental concerns and restrictions
 - (creek, transmission line, and existing utilities set backs; power plant disclosures, monitoring wells, etc.)
- 2023 Appraised Value approx. \$22 million





Disposition Options

- **Sell “As-Is”**
 - Power District Boundary
 - RFP process to select real estate brokerage firm
 - Market available parcels according to appraisal suggestion for highest & best use

- **Plat & Sell Individual Lots**
 - Follow Power District plat concept
 - RFP process to select real estate brokerage firm
 - Complete re-plat process & market new lots



Current Status

Issued a Request for Proposal (RFP) for a real estate brokerage firm to:

- Provide guidance for identifying the most advantageous method of liquidating the property;
- Upon approval of methodology, provide services necessary to market and sell the property;
- Determine if space-needs assessment is needed for operations currently housed in the Administration Building

- Evaluate results of RFP
- Bring recommendation to Authority





**Gainesville Regional Utilities Authority
Agenda Item Report**

File Number: 2024-162

Agenda Date: February 21, 2024

Department: Gainesville Regional Utilities

Title: 2024-162 Cybersecurity Update (B)

Department: GRU/Information Technology

Description: Staff will provide an overview of cybersecurity and its role in safeguarding our critical infrastructure.

Fiscal Note: None at this time.

Explanation: Staff will provide an overview of cybersecurity and its importance in safeguarding our digital assets and critical infrastructure. Key topics include the history and purpose of the Security Team, compliance and regulatory requirements, industry challenges, and partnerships.

Recommendation: The GRU Authority hear a presentation from staff.

Cybersecurity Update

February 21, 2024



- Security Team History and Guiding Principles
- Overview of Cybersecurity Importance
- Industry Challenges
- Impact on Business Operations
- High-level Risk Management Approach
- Compliance and Regulatory Requirements
- Partnerships and Closing Remarks

Security Team History

Cybersecurity involves defending computer systems, networks, and data from unauthorized access, cyberattacks, and potential threats.

Security Team History

- Recognized the need for a dedicated IT security team due to rising cyber threats.
- Team consists of diverse members with technical and security certifications.
- Responsible for reducing risk to the City of Gainesville's information systems.
- Focus on data confidentiality, integrity, and availability.
- Utilize National Institute of Standards and Technology's (NIST) Cybersecurity Framework and other best practices.

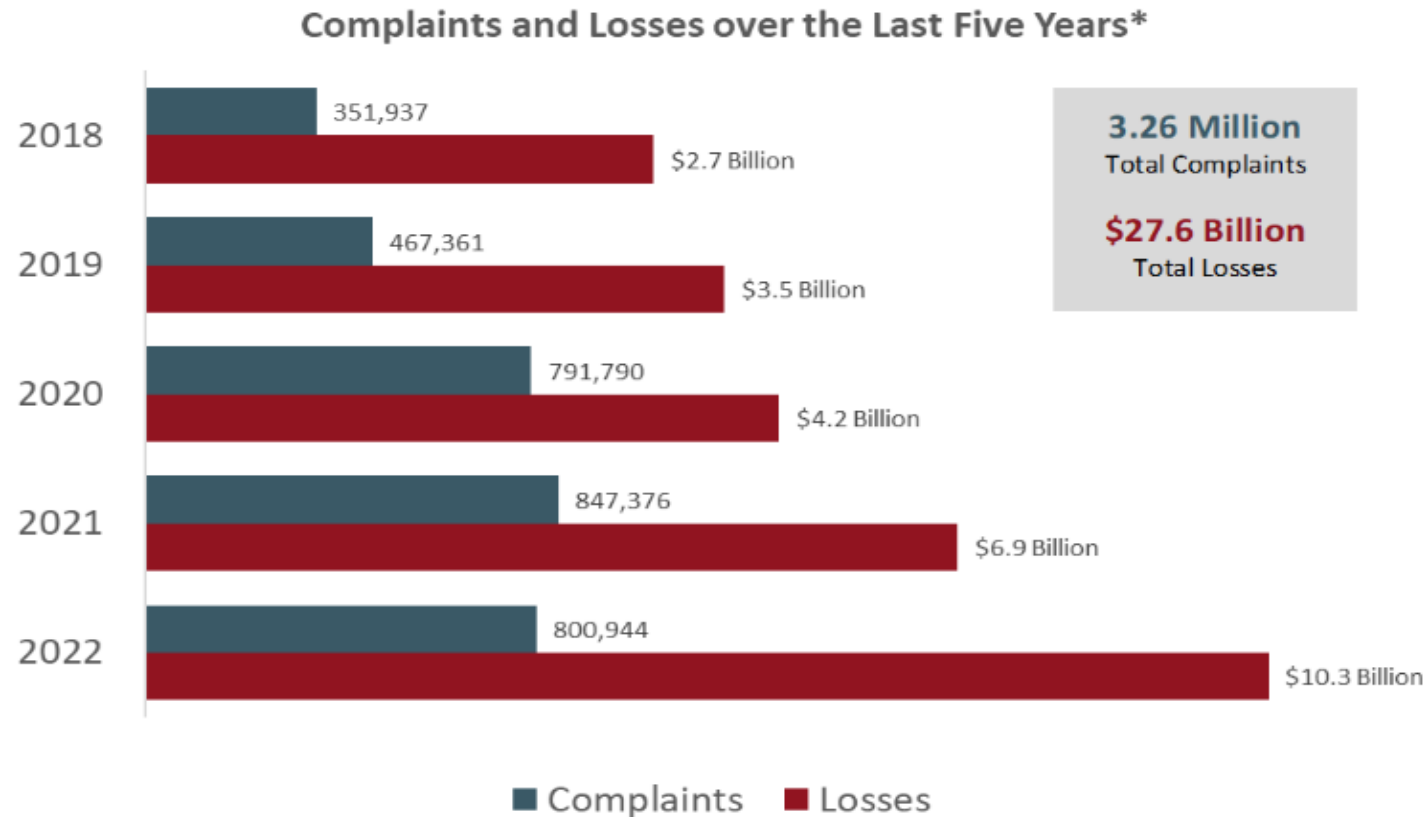
Security Team Guiding Principles

Recommendations are based on core security principles of:

- **Confidentiality:** Limit access to authorized users.
- **Integrity:** Prevent unauthorized data changes.
- **Availability:** Ensure constant access for authorized users.
- **Least Privilege:** Grant minimal necessary access.
- **Need-to-Know:** Provide access based on job requirements.
- **Separation of Duties:** Prevent misuse with restricted privileges.
- **Defense in Depth:** Layered defenses for protection.

Cybersecurity Importance

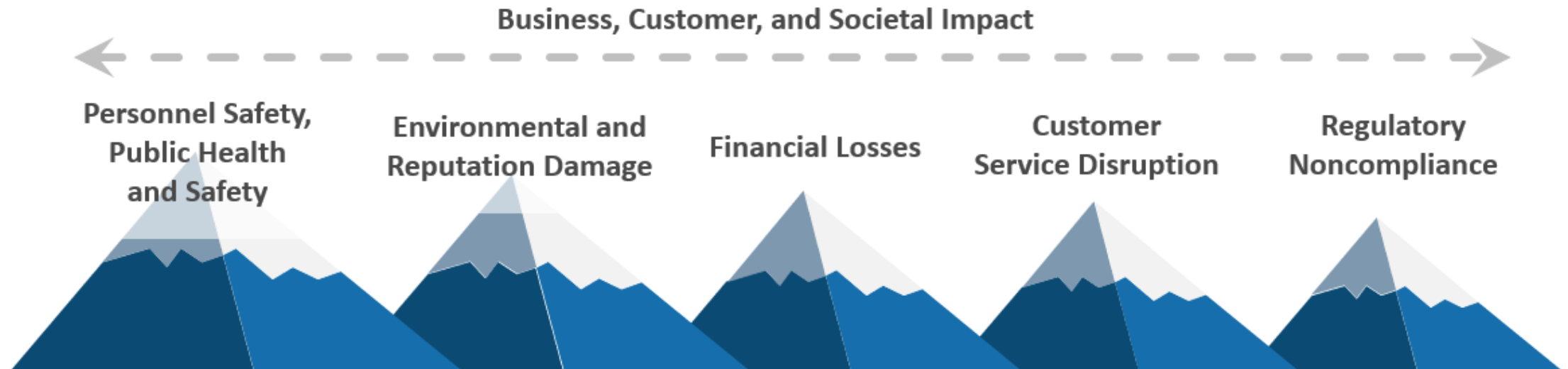
FBI's Internet Crime Complaint Center reported \$10.3 billion in monetary damages in the U.S. in 2022



Source: <https://www.ic3.gov/>

Cyberattacks have significant consequences

Recent cyberattacks targeting critical infrastructure serves to remind utilities of the potentially devastating consequences.



Industry Challenges

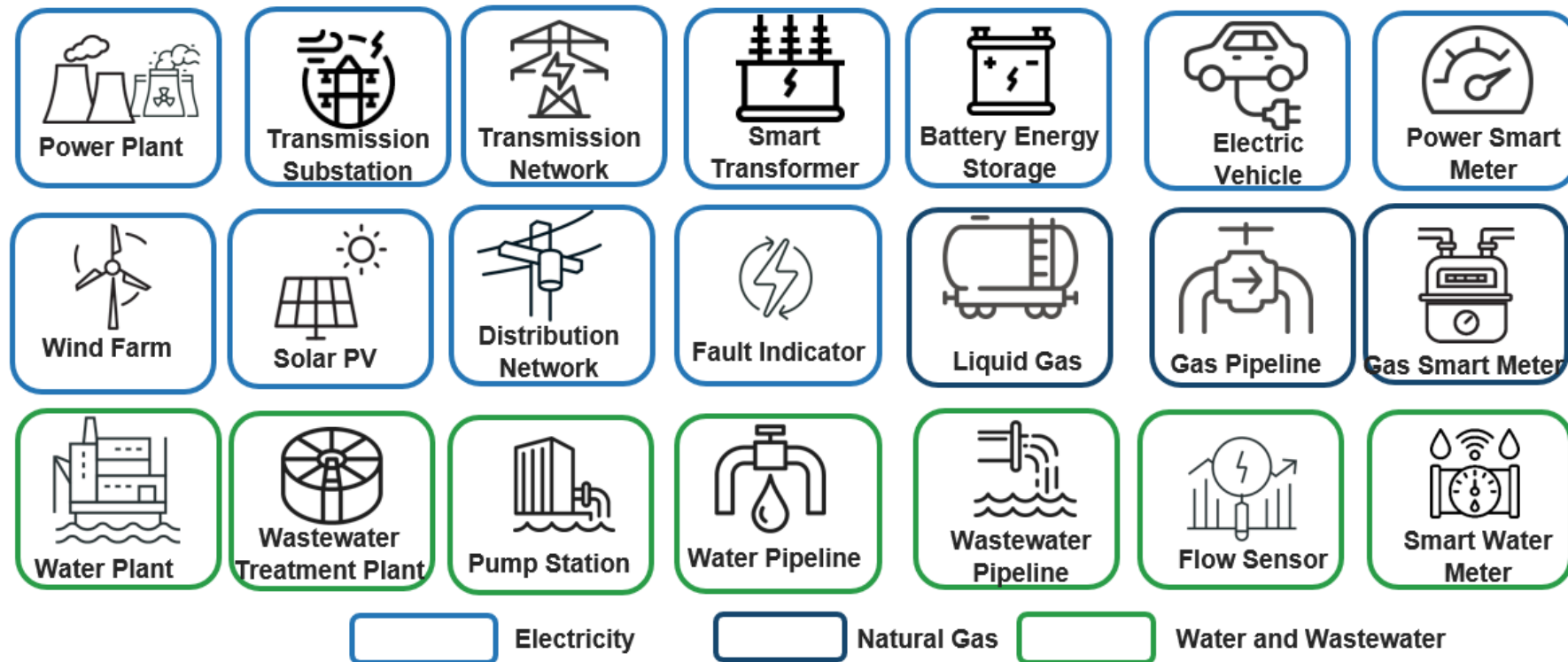
- Insufficient skills to deal with sophisticated threats.
- Proper security controls are not in place to prevent or respond to sophisticated threats.
- Inadequate cybersecurity training for non-technical employees.
- Struggle to keep up with the volume of security alerts.
- Executive management lacks cybersecurity knowledge and commitment.

Source: Splunk, The State of Security 2023

Industry Challenges

Utility Cyberattack Risks are Diverse

- Utilities manage interconnected systems, assets, and devices in the physical world.
- Cyberattacks pose varying risk levels and consequences, increasing complexity.



FBI director warns that Chinese hackers are preparing to ‘wreak havoc’ on U.S. critical infrastructure:

- Hackers from China have infiltrated and remain undetected within computer networks in the U.S. for as long as five years per Cyber officials.
- Targets include critical infrastructure, law enforcement, and international agencies.
- Sectors compromised: communications, energy, transportation, water, and wastewater.
- Concerns about potential disruptive effects during geopolitical tensions or conflicts.
- High confidence that hackers are strategically positioning themselves within technology networks in preparation for future attacks on operational technology assets.

Recent Cyber Events

- **City of Jacksonville Beach** - Forced to close city hall and city facilities.
- **Riviera Beach** – City council pays hackers \$600,000 after ransomware attack.
- **MGM Resorts** - Ransomware hack costs \$110 Million.
- **Highlands County Sheriff's Office** – Ransomware attack with hackers demanding \$2.5 million.

Vendor Security Risk Management

- **Issue**

- Concerns are rising about managing security risks associated with vendors.
- Stricter regulations requiring vendors to adhere to security measures.

- **Challenge**

- Stringent assessments may deter vendor participation.
- Assessment do not stop once a vendor is chosen.

- **Solution**

- Implement a comprehensive security risk management approach:
 - Conduct periodic assessments to monitor and mitigate risks.
- Engage stakeholders to gain support and align goals.

Evolving utility cybersecurity regulations

Critical Infrastructure (CI):

Electricity, Gas, Water, and Wastewater

- North American Electric Reliability Corporation enforces Critical Infrastructure Protection standards (NERC CIP).
- The U.S. Cybersecurity and Infrastructure Security Agency developed regulations in 2022 in response to the Cyber Incident Reporting for Critical Infrastructure Act for reporting cyber incidents and ransomware payments.
- The U.S. Nuclear Regulatory Commission approved the Cyber Security Plan for Nuclear Power Reactors in 2010.
- The U.S. Environmental Protection Agency announced new cybersecurity requirements for water facilities in 2022.

Fla. Stat. 282.3185 - Florida Local Government Cybersecurity Act

- Mandatory Annual Cybersecurity Training
- Incident Classification and Notification
- Cybersecurity Framework and Standards Adoption

Fla. Stat. 282.3186 - Ransomware Incident Compliance

A state agency, a county, or a municipality experiencing a ransomware incident may not pay or otherwise comply with a ransom demand.

Partnerships

- Cybersecurity and Infrastructure Security Agency (CISA)
- Florida Digital Service (FDS)
- Multi-State Information Sharing and Analysis Center (MS-ISAC)

Cybersecurity Highlights

- Proactive Threat Detection and Continuous Monitoring
- Security Audits and Assessments
- Incident Response Preparedness
- Compliance and Regulatory Adherence
- Transparent Communication
- Security Best Practice Communications
- Cybersecurity Awareness Campaigns



**Gainesville Regional Utilities Authority
Agenda Item Report**

File Number: 2024-168

Agenda Date: February 21, 2024

Department: Gainesville Regional Utilities

Title: 2024-168 CEO/GM Search (NB)

Department: Member Lawson/GRUA

Description: Chair Carter requested that an update be provided on the CEO/GM search.

Fiscal Note: None

Explanation: In order to keep the GRU Authority up to date on the CEO/GM search, Member Lawson will provide a status of where things are in the process.

Recommendation: The GRU Authority hear an update on the CEO/GM Search.