



Wednesday, April 8, 2026, 5:30 p.m.

GRU Administration Building

301 SE 4th Avenue

Gainesville, FL 32601

Directors

Chair Eric Lawson

Vice-Chair David Haslam

Director Jack Jacobs

Director Robert Skinner

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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. ADOPTION OF THE AGENDA

F. APPROVAL OF MINUTES

1. **Gainesville Regional Utilities Authority Approve the Minutes from the March 10, 2026 Meeting (B)**

Recommendation: The GRU Authority approve the minutes from the March 10, 2026 meeting.

G. CHAIR COMMENTS

H. CONSENT AGENDA

1. **2026-258 State of the Utility, February 2026 (B)**

Department: Gainesville Regional Utilities/Office of the Chief Operating Officer

Description: GRU will be providing a monthly update to Authority members to ensure they are aware of the important projects and relevant utility measurements and benchmarks. This report provides information from February 2026.

Fiscal Note: None.

I. CEO COMMENTS

J. ATTORNEY COMMENTS

K. RESOLUTIONS (Roll Call Required)

- 1. 2026-259 Amendment to Utilities System Revenue Bond Master Bond Resolution and Subordinated Bond Resolution (B)**

Department: Gainesville Regional Utilities/Budget, Finance, and Accounting

Description: This resolution amends the Master Bond Resolution and Subordinated Bond Resolution.

Fiscal Note: There will be no impact to the financials of the System.

Recommendation: The GRU Authority adopt the proposed resolution.

- 2. 2026-260 Resolution for Remarketing Gainesville Variable Rate Utilities Revenue Bonds 2023 Series B and Ratifying the Agent**

Department: Gainesville Regional Utilities/Budget, Finance, and Accounting

Description: At the meeting of February 18, 2026 GRUA adopted a resolution authorizing the CEO and/or CFO to negotiate and execute (within certain prescribed execution parameters) a range of potential financial transactions. One of these transactions was the renewal or replacement of GRU's 2023 Series B variable rate bonds.

Fiscal Note: The rate proposed by TD Public Finance LLC Bank for the renewal of the 2023 Series B Bonds is 79% of SOFR plus 53 basis points. Using the SOFR rate in effect as of the date of this writing, this translates to an annual savings of \$38,325 compared to the current rate for the bonds.

Recommendation: The GRU Authority adopt the proposed resolution.

L. BUSINESS DISCUSSION ITEMS

- 1. 2026-262 FY27 GRU Budget Cash and Liquidity Report (B)**

Department: Gainesville Regional Utilities/Budget, Finance, and Accounting

Description: Staff will present a Cash & Liquidity Report as part of the FY27 budget process.

Fiscal Note: The fiscal impact is the transfer of \$16M from the Electric System Rate Stabilization Fund to the Electric System Unrestricted Operating Cash Fund.

Recommendation: The GRU Authority approve the transfer, effective March 31, 2026, of \$16M of restricted regulatory cash assets in the Electric System Rate Stabilization Fund to unrestricted operating cash in the Electric System.

2. **2026-264 FY27 GRU Budget Presentation of GRU's Debt Portfolio Review (B)**

Department: Gainesville Regional Utilities/Budget, Finance, and Accounting

Description: Staff will present an overview of GRU's debt portfolio as part of the FY27 budget process.

Fiscal Note: None at this time.

Recommendation: The GRU Authority hear a presentation from staff.

3. **2026-265 Public and Rental Rates for Pole and Lighting – Proposed Changes for FY27 (B)**

Department: Gainesville Regional Utilities/Energy Delivery

Description: Staff will present an overview of GRU's lighting program, including current service options, program structure, and proposed updates for FY27.

The presentation will highlight the program's benefits, including turnkey service options with installation, maintenance, and service included, as well as flexible participation through both long-term (60-month) and month-to-month contract structures. Staff will also outline the customer-funded nature of the program and available private (DIY) alternatives.

Proposed changes for FY27 include the implementation of an annual 5% cap on rate increases per service to provide greater predictability for customers while allowing GRU to recover actual cost increases. Additional updates include revisions to lighting and pole standards due to equipment lifecycle and supply chain considerations, as well as modifications to early termination language to align charges with current published rates.

These changes are intended to balance cost recovery with rate stability and transparency for customers. If approved, the proposed modifications would become effective October 1, 2026.

Fiscal Note: None at this time.

Recommendation: The GRU Authority approve the proposed changes to rates, standards and early termination language effective October 1, 2026.

4. **2026-266 FY27 Water and Wastewater Connection Charges and Fee Summary – Proposed Changes (B)**

Department: Gainesville Regional Utilities/Water and Wastewater

Description: As a standard industry practice, GRU charges connection charges for new customer connections to the water and wastewater systems. These charges, along with other new development-related fees, are reviewed and adjusted on an annual basis. GRU has been using the Engineering News Record Construction Cost Index for annual inflationary adjustments to connection charges in most years, with detailed reviews of the basis for these charges on a periodic basis. Connection charges and Innovation District (IIA), plan review, and inspection fees are proposed to increase by 2.7% from FY26 to FY27 based on the construction cost index.

The meters, taps, and temporary water service fees are reviewed annually based on the actual costs for parts, equipment, and labor of installing these facilities for customers. For FY27, small water meter and box fees and the temporary water service deposit are proposed to increase due to higher parts costs. Tapping fees for a 1-inch water service are proposed to decrease due to efficiency found in labor and equipment charges. The large water meter fees are being updated to differentiate between the installation of the meter above ground versus below ground. Below ground installation is much more expensive for large meters due to the cost of meter vaults. Other fees were held consistent at the FY26 rate.

Fiscal Note: There are no significant fiscal impacts. The increase in connection fees would be expected to result in a small increase in revenue. However, connection charge and other new development-related fee revenues vary from year to year depending on development activity.

Recommendation: The GRU Authority approve the proposed changes to water and wastewater connection charges and plan review, inspection, meter, tap and temporary water services fees effective as of October 1, 2026, for FY 27.

- M. **GENERAL PUBLIC COMMENT**
(for items not on the agenda, not to exceed 30 minutes total)
- N. **DIRECTOR COMMENTS**
- O. **ADJOURNMENT**



**Gainesville Regional Utilities Authority
Agenda Item Report**

File Number: 2026-267

Agenda Date: April 8, 2026

Department: Gainesville Regional Utilities

Title: Gainesville Regional Utilities Authority Approve the Minutes from the March 10, 2026 Meeting (B)

Recommendation: The GRU Authority approve the minutes from the March 10, 2026 meeting.



Gainesville Regional Utilities Authority

MINUTES

March 10, 2026, 5:30 p.m.
GRU Administration Building
301 SE 4th Avenue
Gainesville, FL 32601

Members Present: Vice-Chair Haslam, Jack Jacobs, Chair
Lawson

Members Absent: Robert Skinner

A. CALL TO ORDER

Meeting called to order at 5:30pm

B. ROLL CALL

Vice-Chair Haslam joined the meeting at 5:28 pm.

Jack Jacobs joined the meeting at 5:28 pm.

Chair Lawson joined the meeting at 5:28 pm.

C. INVOCATION

Given by Vice Chair Haslam.

D. PLEDGE OF ALLEGIANCE

E. ADOPTION OF THE AGENDA

No Public Comment

Moved by Vice-Chair Haslam

Seconded by Jack Jacobs

Approved

F. APPROVAL OF MINUTES

No Public Comment

Moved by Vice-Chair Haslam

Seconded by Jack Jacobs

Approved

1. Gainesville Regional Utilities Authority Approve the Minutes from the February 18, 2026 Meeting (B)

Recommendation: The Authority approve the minutes from the February 18, 2026 meeting.

G. CHAIR COMMENTS

Chair Lawson had no opening comments.

H. DIRECTOR COMMENTS

Vice Chair Haslam thanked the BFA department for their work during the recent audit.

I. CONSENT AGENDA

No Public Comment

Moved by Vice-Chair Haslam

Seconded by Jack Jacobs

Approved

1. 2026-184 State of the Utility, January 2026 (B)

2. 2026-186 FY2027 Budget Calendar

Recommendation: The GRU Authority approve the proposed dates and topics.

3. 2026-187 FY26 First Quarter Budget vs Actuals

Recommendation: The GRU Authority receive the first quarter of FY26 budget vs actual report.

4. 2026-188 Approval of Code of Business Conduct for the Gainesville Regional Utilities Authority (B)

Recommendation: The GRU Authority adopt its code of business conduct.

J. CEO COMMENTS

CEO Bielarski provided the Authority with a comprehensive presentation outlining recent developments and key updates at GRU.

Chair Lawson stated that during his one-on one meetings with Ed, he had asked him to explore looking at the policy for fuel adjustments. Bielarski stated he thought it was a good idea for the customers to see the ebb and flow of fuel adjustments.

Jacobs said that a citizen had asked him about the price of natural gas when it comes to the situation in Iran. Bielarski stated that gas is not impacted, the US is the biggest exporter of natural gas, however oil is impacted by the conflict.

K. ATTORNEY COMMENTS

Kiersten Ballou of Folds Walker gave an update on the legal process between GRU/GRUA and the City of Gainesville.

Derek Perry had no further comments on the legal process. He stated that he was very proud of the GRU staff for their work during the recent ice storm that affected a lot of the states north of Florida and GRU staff went out to help other utilities.

L. BUSINESS DISCUSSION ITEMS

1. 2026-189 Gainesville Regional Utilities' Annual Investment Report for Fiscal Year 2025

Mark Benton, shared a presentation with the Authority about the FY25 Annual Investments. CEO Bielarski asked Mark Benton to explain the process of GRU's investment when it comes to Bonds.

Claudia Rasnick, Chief Financial Officer, clarified.

Jacobs commented that a citizen stated investment income was less than 50% than previous year, he asked for Mark to explain. Mark explained.

Recommendation: The GRU Authority receives and accepts the Gainesville Regional Utilities' Fiscal Year 2025 Annual Investment Report.

Heard

2. 2026-190 GRU FY25 Audited Financial Statements, Independent Auditor Reports, and Governance Communications (B)

Claudia Rasnick, Chief Financial Officer, gave an explanation regarding the annual auditing process at GRU.

Haslam stated that he had read the report and thanked the staff for their work.

Public Comment: Jim Konish

Chair Lawson responded to comments made during public comment. He invited Mr. Konish to email him about any particular SLAs that he had concerns with.

Haslam responded to comments made during public comment. Ms. Rasnick responded to a question from Vice Chair Haslam regarding the credentials of Baker Tilly.

CEO Bielarski expanded on the comments made by Ms. Rasnick and how GRU operates under HB1645, for example how the IT and HR departments run, the City is setting up their own IT department and GRU is taking over their own HR processes.

Recommendation: The GRU Authority receive and accept the Gainesville Regional Utilities Fiscal Year 2025 audited financial statements and independent auditor's report along with the required communication from Baker Tilly, US LLP to the Gainesville Regional Utilities Authority.

Moved by Vice-Chair Haslam

Seconded by Jack Jacobs

Approved

3. 2026-191 Audit and Finance Committee or Process (B)

CEO Bielarski shared a presentation with the Authority regarding the auditing and finance process.

Lawson explained that he previously discussed this topic with Mr. Bielarski. At this time, he does not believe it is practical to form a committee, as the board currently has only four members. He feels the idea should be revisited once the board returns to a five-member structure.

He also noted that any committee meeting would be a public meeting and would take place prior to the Authority meeting. He does not believe any action is needed tonight and recommends revisiting the matter at a later date.

Jacobs and Haslam agreed. Bielarski agreed that finance matters should be shared by the CFO rather than just him.

Recommendation: The GRU Authority discuss and provide direction regarding how Audit and Finance issues will be presented to the Board as a whole or through a committee.

Discussed

4. **2026-194 Stormwater and Solid Waste Billing (B)**

The CEO shared an update on recent discussions with the City of Gainesville regarding Stormwater and Solid Waste billing and requested the Board's approval to execute the agreement. He noted that, in the future, these charges could be placed on a separate bill once electronic billing is implemented, as some customers are concerned about the optics of higher GRU bills.

Haslam agreed, stating that he also does not like the appearance of higher GRU bills and noted that this arrangement brings in nearly a million dollars for GRU.

Jacobs remained opposed, expressing that he believes GRU should further separate itself from the City. He added that he frequently receives complaints about high bills.

Because only three members were present and Director Jacobs indicated he would not second a motion, the agreement will be tabled until next month's meeting.

Moved by Vice-Chair Haslam

Recommendation: The GRU Authority approve and authorize its CEO to execute the agreement.

Died for lack of second

M. RESOLUTIONS (Roll Call Required)

N. GENERAL PUBLIC COMMENT

Public Comment: Jim Konish, Nancy Deren

The following left a Public Comment Card but did not wish to speak: Bobby Mermer, Abigail Trachtenberg, Jack Calder, Katelyn Ulbrich, Ace McLain, Ana Ferreira, Alissa Brady

Vice Chair Haslam offered remarks in response to statements made during public comment.

Chair Lawson also addressed points raised during public comment. CEO Bielarski provided additional clarification and expanded on both the public comments and Chair Lawson's remarks. Director Jacobs added further comments regarding issues raised during public comment.

All Public Comment Cards submitted by individuals who did not speak will be scanned, distributed to the Directors, and maintained as part of the public record.

O. DIRECTOR COMMENTS

Vice Chair Haslam addressed Ms. Deren and noted that if her concerns were not fully addressed during the meeting, she was encouraged to email the Board for further follow-up.

P. ADJOURNMENT

Adjourned at 6:39pm.

Kunti Nesbitt, GRUA Staff Liaison



**Gainesville Regional Utilities Authority
Agenda Item Report**

File Number: 2026-258

Agenda Date: April 8, 2026

Department: Gainesville Regional Utilities

Title: 2026-258 State of the Utility, February 2026 (B)

Department: Gainesville Regional Utilities/Office of the Chief Operating Officer

Description: GRU will be providing a monthly update to Authority members to ensure they are aware of the important projects and relevant utility measurements and benchmarks. This report provides information from February 2026.

Fiscal Note: None.

State of the Utility

FY26
February



Energy Supply

Major Figures & Achievements



Regulatory Compliance (NERC)

Environmental Compliance

- There are no outstanding environmental or electric regulatory compliance issues at this time.
- The SERC Audit was completed on Feb. 29, 2026.

Deerhaven (DH)

Deerhaven Unit 1 (DH1)

- Unit was placed in an economic outage.

Deerhaven Unit 2 (DH2)

- Unit remained online. The previous derate of 120 MW has been eliminated, with the unit restored to full load capability of approximately 232 MW following restoration of the south circulating water pump.

Deerhaven Combustion Turbines

- All units were available during February with no operational issues.
- The planned outage for DHCT2 to replace the Automatic Voltage Regulator (AVR) has been deferred to April due to impacts from the extended JCC1 outage.

Deerhaven Renewable (DHR)

- Unit remained online.

Energy Supply

Kelly Generating Station (JRK)

JCC1 (Combined Cycle)

- The unit remained in a planned outage throughout February, with the outage now projected to extend through the last week of May 2026.
- The critical path item remains the CT4 generator rotor, which requires a full rewind. This work is currently in progress at the contractor facility (Sulzer) in Houston, Texas.
- The rotor is expected to return to JRK in early May.
- Upon return, remaining scope includes generator reassembly, testing and balancing (as required), followed by CT4 tuning and emissions testing prior to returning the unit to service.

South Energy Center (SEC)

- During February, the Wärtsilä engine was fully restored to service following resolution of prior misfiring issues.
- Wärtsilä representatives provided onsite troubleshooting support to resolve the issue.
- The SOLAR engine has been returned to standby status.

Other Items

- At JRK, removal of the three combustion turbines (CT1–CT3), decommissioned in 2010, remains in progress under contractor execution for repurposing. Significant progress has been made, with completion anticipated by the end of March 2026.
- A study is currently underway to evaluate a potential project to convert DH2 alternate fuel from coal to diesel.

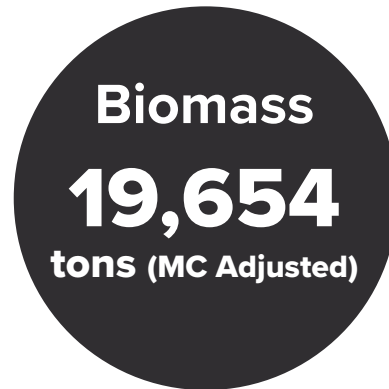
Energy Supply

Fuels Management

Inventory



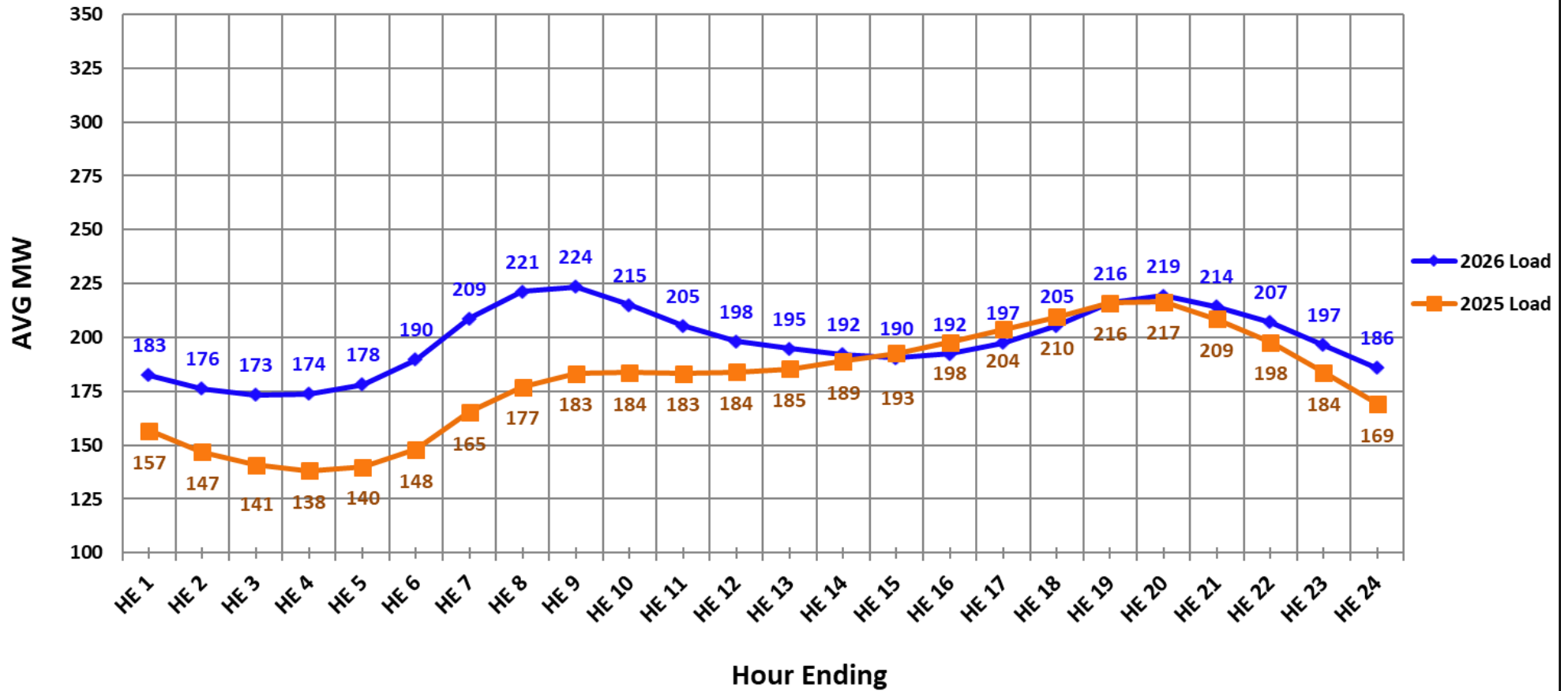
36 days at full load;
73 days at half load.



8 days at full load;
14 days at half load;
12 days at most recent
burn rate.

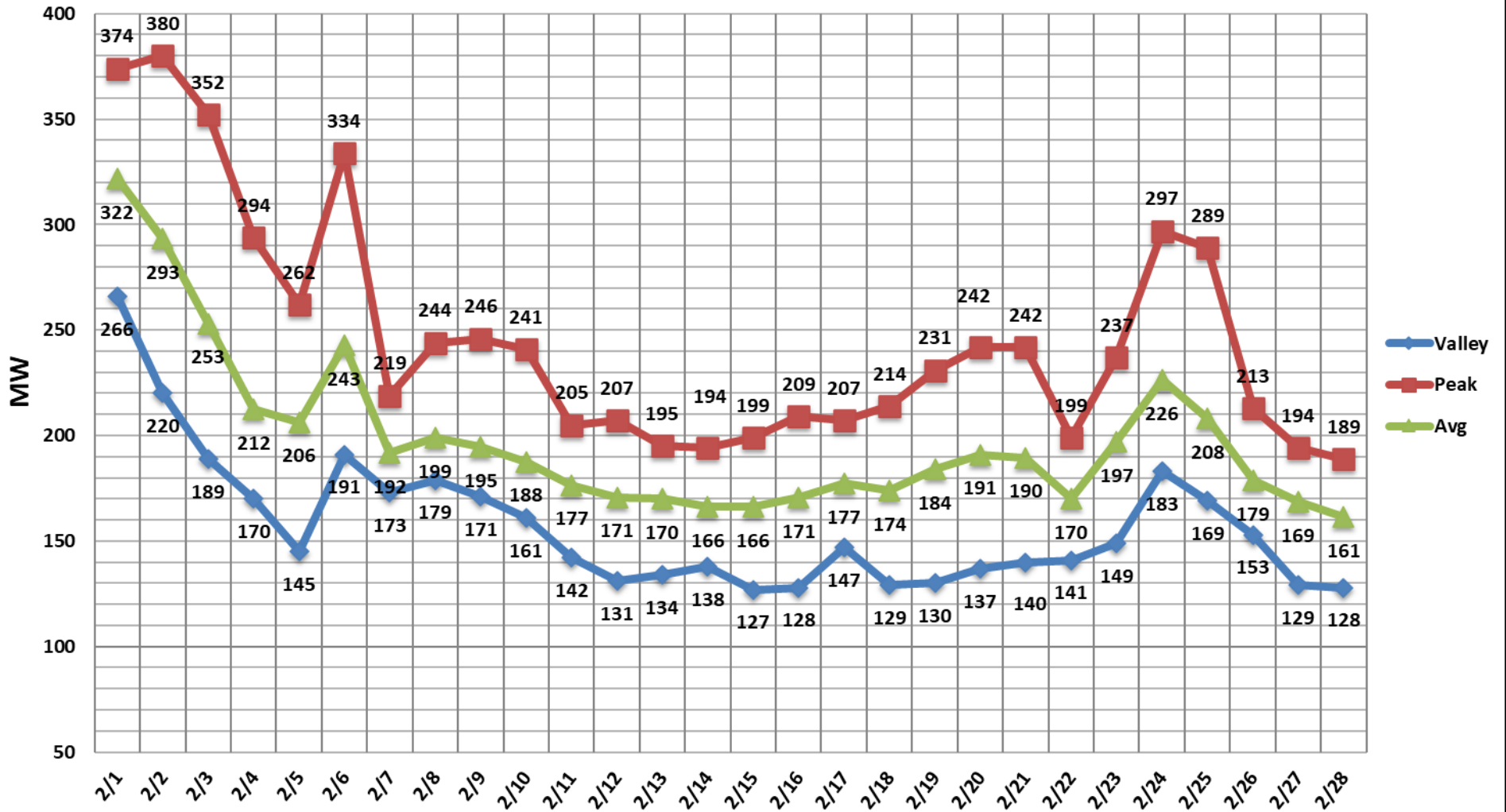
Energy Supply

February 2026 vs February 2025
Average Hourly Loads



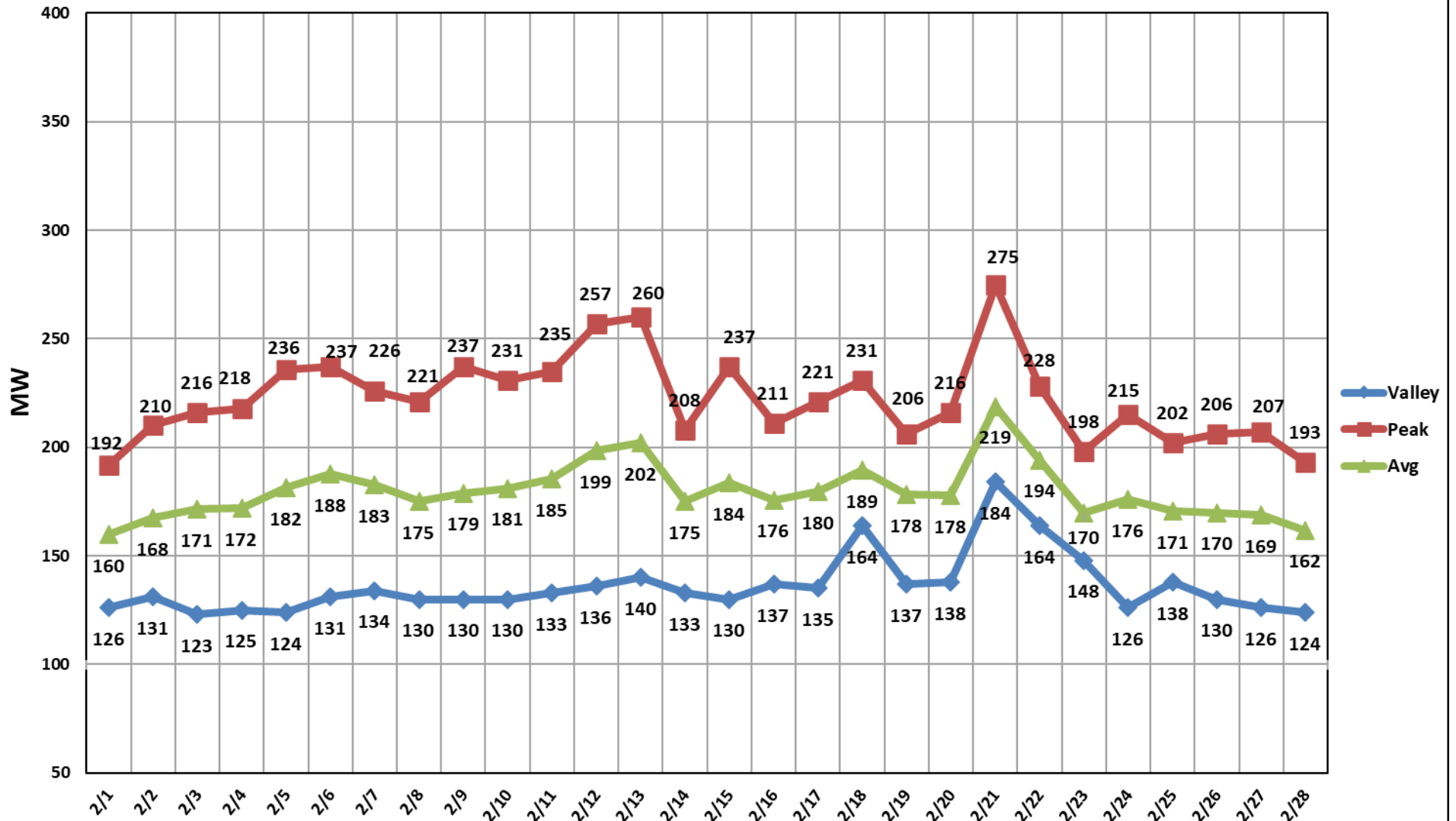
Energy Supply

February 2026
Peak, Valley, and Average Loads



Energy Supply

February 2025
Peak, Valley, and Average Loads



Energy Supply

Emissions Data

Yearly Emissions

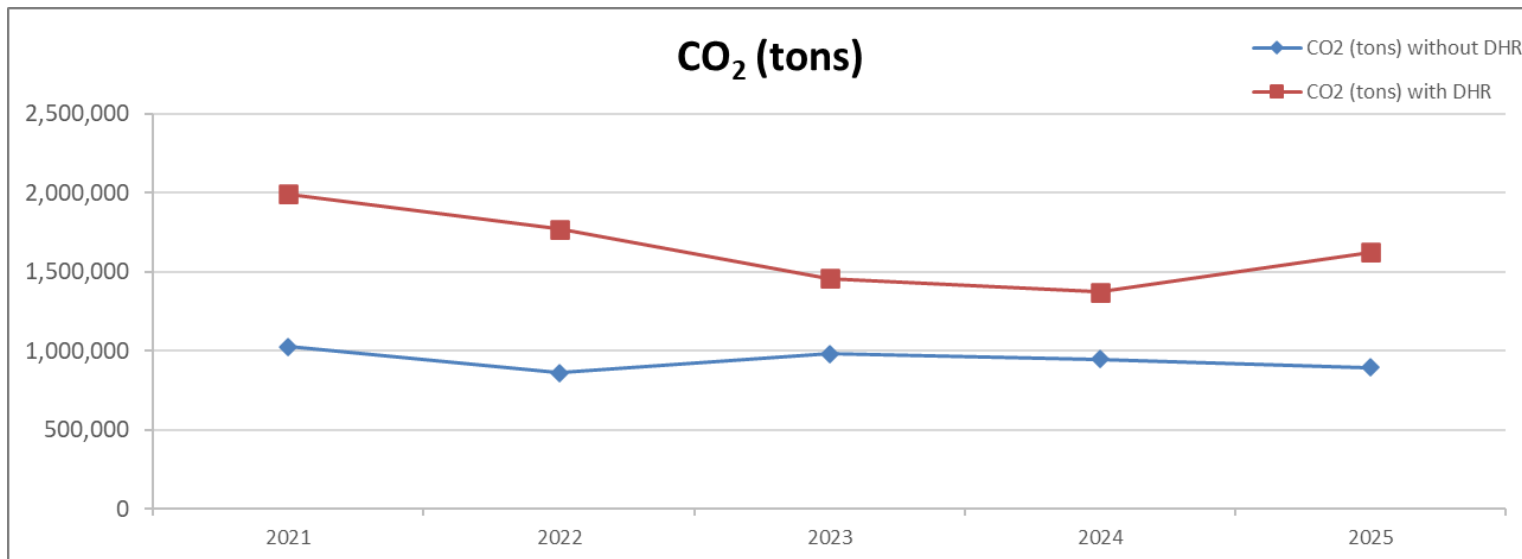
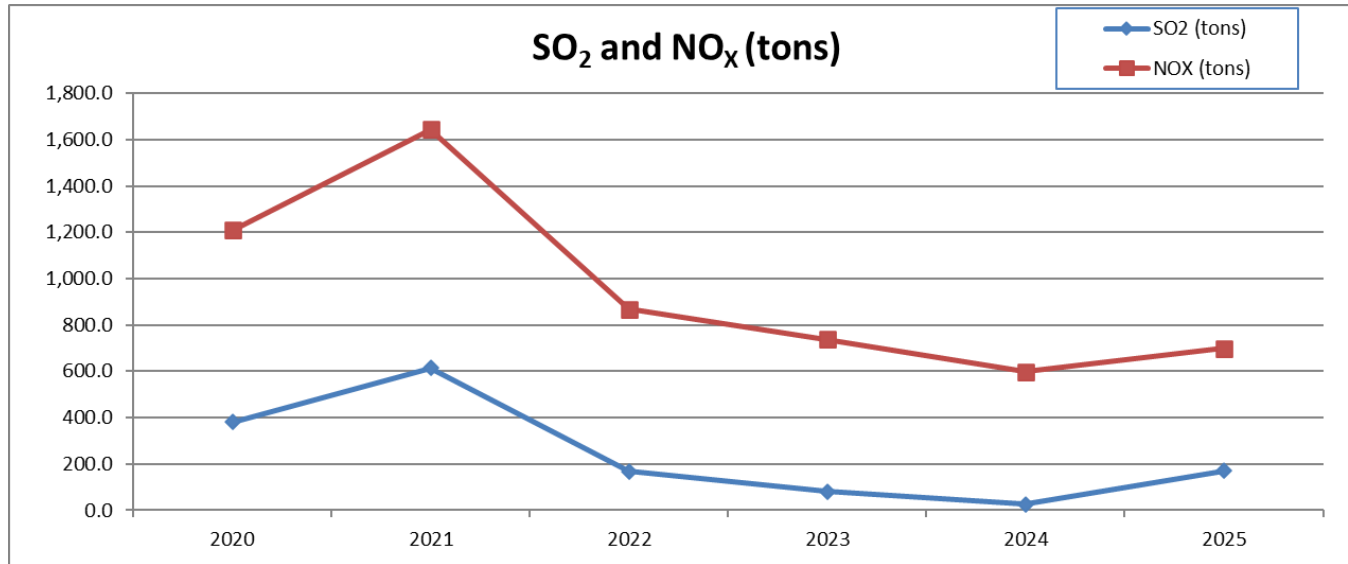
	SO ₂ (tons)	NO _x (tons)	Mercury (lbs)*	PM (tons)*	CO ₂ (tons) without DHR	CO ₂ (tons) with DHR
2020	379.3	1,208.3	3.1	56.5	1,033,389.5	1,697,218.5
2021	614.7	1,643.0	3.7	63.7	1,027,918.9	1,991,487.9
2022	167.4	867.8	2.1	11.2	861,824.7	1,771,204.7
2023	80.2	737.1	0.6	12.2	980,726.2	1,458,824.3
2024	26.5	598.4	0.8	5.3	946,129.6	1,373,862.0
2025	170.4	698.4	1.4	8.4	894,873.2	1,624,161.8
2026 (through February)	116.4	137.4	0.4	4.9	99,609.1	249,455.8

*Mercury and Particulate values are for Unit 2 only.

**Values Subject to Change - Final Values Dependent on Fuel Analyses

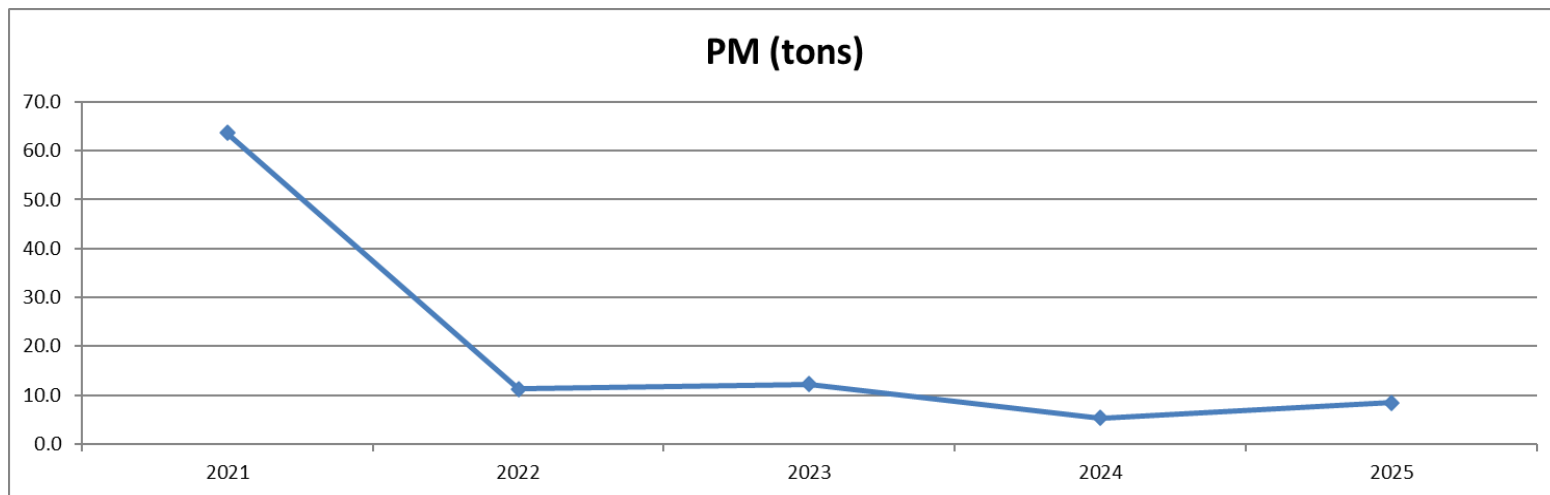
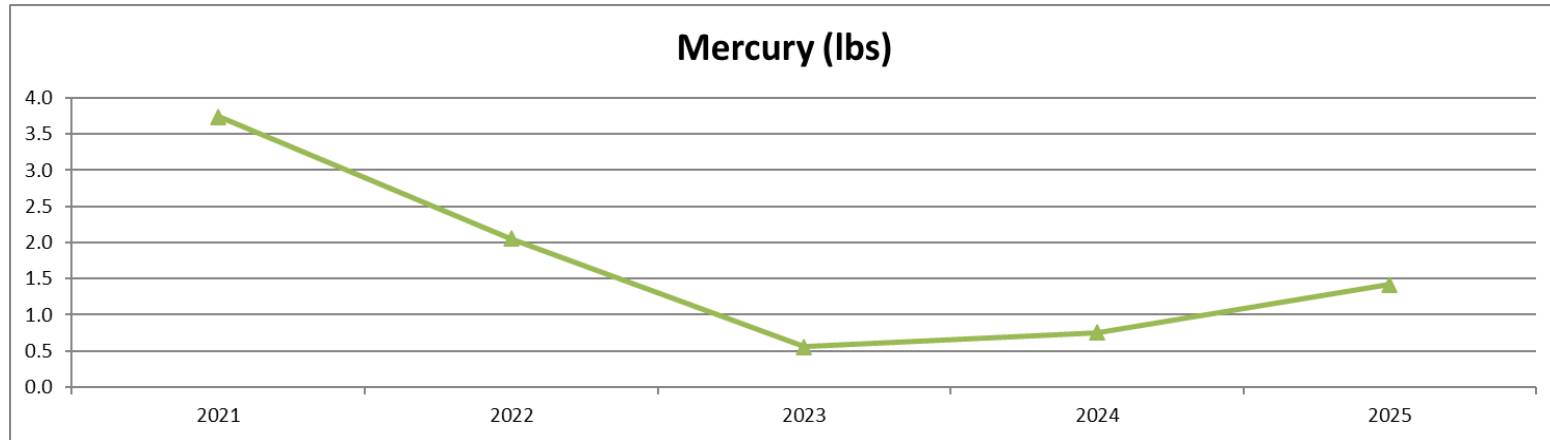
Energy Supply

Yearly Emissions



Energy Supply

Yearly Emissions



Energy Supply

Emissions Data

2026 (thru February)									
Unit	SO ₂ (tons)	NO _x (tons)	Mercury (lbs)	PM (tons)	CO ₂ (tons)	SO ₂ Rate (lb/MMBtu)	NO _x Rate (lb/MMBtu)	HTIP (MMBtu)	GEN (MW-hours)
DH1	28.2	18.2			12,657.2			198,182.0	15,806.0
DH2	85.5	75.3	0.40	4.9	84,249.6			1,273,450.0	92,064.0
DHCT3	0.0	0.2			675.3			11,361.0	832.0
JRKCC1	0.0	0.7			2,027.0			34,105.1	3,858.0
DHR	2.7	43.0			149,846.7			1,423,510.5	121,349.0
TOTAL	116.4	137.4	0.40	4.9	249,455.8			2,940,608.6	233,909.0
TOTALS without DHR									
Unit	SO ₂ (tons)	NO _x (tons)	Mercury (lbs)	PM (tons)	CO ₂ (tons)	SO ₂ Rate (lb/MMBtu)	NO _x Rate (lb/MMBtu)	HTIP (MMBtu)	GEN (MW-hours)
DH1	28.2	18.2			12,657.2			198,182.0	15,806.0
DH2	85.5	75.3	0.40	4.9	84,249.6			1,273,450.0	92,064.0
DHCT3	0.0	0.2			675.3			11,361.0	832.0
JRKCC1	0.0	0.7			2,027.0			34,105.1	3,858.0
Total Without DHR	113.7	94.4	0.40	4.9	99,609.1			1,517,098.1	112,560.0

Energy Supply

Emissions & Compliance Data

		February	Calendar Year to Date (February)
Notices of Violation		0	0
Emissions			
DH1, DH2, DHCT3, JRKCC1			
	CO₂ (tons)	45,213.3	99,609.1
	NO_x (tons)	41.5	94.4
	SO₂ (tons)	25.7	113.7
DH Unit 2 (only)			
	PM_{FILT} (tons)	2.5	4.9
	Hg (lbs)	0.1	0.4
DHR			
	CO₂ (tons)	70,749.2	149,846.7
	NO_x (tons)	20.2	43.0
	SO₂ (tons)	1.3	2.7

Energy Supply

Availability & Capacity

	Availability			Capacity		
	Month	FY26 YTD	FY25 YTD	Month	FY26 YTD	FY25 YTD
DH-2	100.00%	72.69%	94.26%	26.38%	18.42%	34.26%
DH-1	100.00%	99.74%	99.30%	16.63%	5.47%	21.30%
Kelly CC	2.86%	75.72%	83.54%	2.38%	64.90%	75.93%
DH CT-1	100.00%	88.15%	97.96%	0.01%	0.15%	0.02%
DH CT-2	100.00%	100.00%	99.91%	0.00%	0.00%	0.01%
DH CT-3	100.00%	100.00%	96.60%	0.00%	0.10%	0.71%
DHR	100.00%	100.00%	64.49%	74.34%	62.37%	37.07%

Fuel Consumed

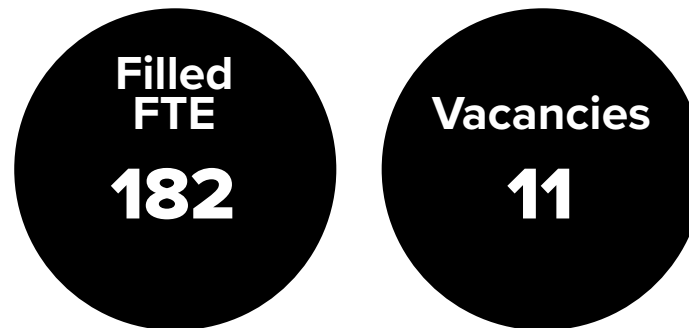
	Month	YTD	Budget YTD	Delta Budget
Coal (Tons)	2,599	6,867	30,197	-23,330
Gas (MCF)	570,195	3,923,752	3,312,712	611,040
Fuel Oil (Gal)	11,672	277,177	—	277,177
Biomass (Tons)	73,493	342,917	325,193	17,723

Energy Supply

Performance Parameters

Sept. 2025	kWh/Month	kWh/YTD	Budget YTD	Delta Budget
DH-2	36,933	89,954	\$103,433	\$(13,479)
DH-1	5,292	20,209	\$3,848	\$16,361
Kelly CC1	(19)	80,473	\$13,786	\$66,687
CTs	840	841	\$0	\$841
Grid	37,181	42,267	\$21,729	\$20,538
DHR	52,453	55,746	\$125,124	\$(69,378)

Personnel



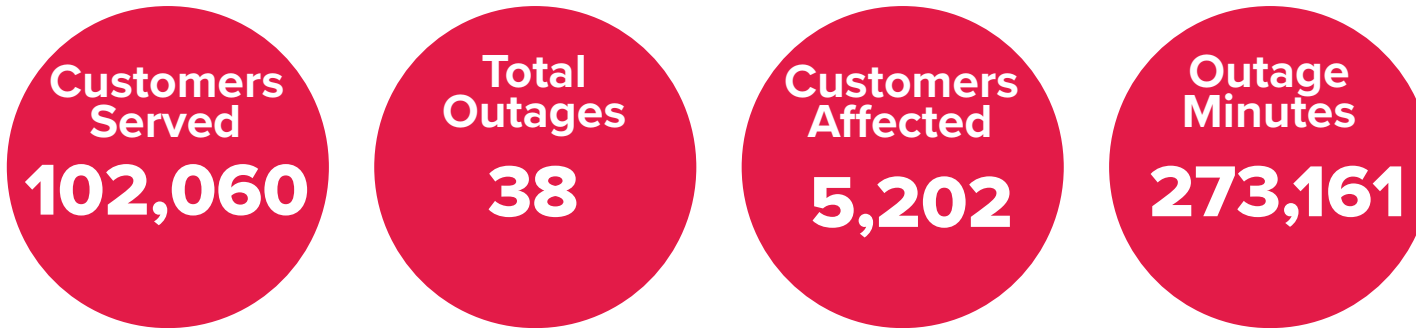
Energy Supply

Vacancies and Retirements

Status	Title	Filled?	Group	Vacant Date
Filled	Analyst Senior	Y	GRU Deerhaven Plant	Aug. '25
Vacant	Principal Engineer	N	GRU Deerhaven Plant	Jan. '26
Vacant	Engineer and Utility Designer IV	N	GRU Deerhaven Plant	Dec. '23
Vacant	Engineer and Utility Designer IV	N	GRU Deerhaven Plant	April '25
Vacant	Power Plant Chemistry Technician	N	GRU Deerhaven Plant	Nov. '25
Filled	Power Plant Control Specialist	Y	GRU Deerhaven Plant	Dec. '25
Vacant	Power Plant ICE Supervisor	N	GRU Deerhaven Plant	May '23
Vacant	Power Plant Journeyman Operator	N	GRU Deerhaven Plant	March '25
Vacant	Power Plant Journeyman Operator	N	GRU Kelly Plant	Aug. '25
Vacant	Power Plant Mechanic Journeyman	N	GRU Deerhaven Plant	Jan. '25
Vacant	Power Plant Mechanic Journeyman	N	GRU Deerhaven Plant	Sept. '25
Vacant	Process Plant Operator	N	GRU Deerhaven Plant	July '24
Vacant	Production Technician	N	GRU Kelly Plant	April '25
Vacant	Production Technician	N	GRU Kelly Plant	June '25

Energy Delivery

Reliability Statistics



Outage Causes

Cause	Overhead	Underground	Both
Undetermined	2	0	0
Weather	0	0	0
Vegetation	8	1	0
Animals	6	0	0
Foreign Interference	0	1	0
Human Cause	0	0	0
Equipment Failure	13	4	2
Other	1	0	0
Total	30	6	2

Energy Delivery

Electric System Consumption

	Feb. 2026		Feb. 2025	
	CONSUMPTION (kWh)	CUSTOMERS	CONSUMPTION (kWh)	CUSTOMERS
Feed-in-Tariff - Residential	141	84	1,165	90
Feed-in-Tariff - General Service	2,765	144	-1,255	142
Electric - GS - Demand - Regular	41,762,862	1,101	41,255,062	1,101
Electric - General Service Demand PV	1,736,086	31	1,335,094	30
Electric - GS - Kanapaha w Curtail Cr	1,087,200	1	1,029,600	1
Electric - GS - Demand - Large Power	7,492,400	10	7,481,240	9
Electric - GS - Murphree Curtail Credit	1,328,544	1	1,437,600	1
Electric - GS - Large Demand PV	3,244,800	2	5,508,000	3
Electric - GS - Non Demand	14,088,747	10,139	14,693,247	10,138
Electric - General Service PV	165,715	92	177,099	83
Electric - Lighting - Rental *	807,617	1,781	813,822	1,814
Electric - Lighting - Street - City *	403,044	14	403,962	15
Electric - Lighting - Street - County *	127,106	1	127,313	1
Electric - Lighting - Traffic	144	1	144	1
Electric - Residential - Non TOU	72,312,559	90,638	74,064,024	91,160
Electric - Residential PV	1,094,886	1,579	1,111,607	1,514
Total Retail Electric	145,654,616	103,823	149,437,724	104,273

* Number of customers is excluded from total customer count.

Energy Delivery

Gas System Consumption

	Feb. 2026		Feb. 2025	
	CONSUMPTION (THM)	CUSTOMERS	CONSUMPTION (THM)	CUSTOMERS
Gas - GS - Regular Service (Firm)	940,513	1,252	1,060,474	1,250
Gas - GS - Regular Service (Small)	46,453	508	55,058	498
Gas - GS - Interruptible - Regular Serv	0		27,706	1
Gas - GS - Interruptible - Large Volume	380,456	6	480,465	8
Gas - Residential - Regular Service	1,710,812	35,611	2,014,600	35,715
Total Retail Gas	3,078,234	37,377	3,638,303	37,472

Major Projects

ED Electric Engineering

- **Portman Apartments** – Coordination started for demolition plan. Billing initiated for relocation of existing street lights, temporary power, and other electrical facilities.
- **TACTICS – Circuits 209–287** – Construction in progress (~75% complete).
- **County Criminal Court Complex Expansion** – Pre-construction meeting held Feb. 17, 2026; switchgear delivery expected in April. Directional bore completed week of March 16.
- **Amazon EV Fleet Feeder** – Design 90% complete; CSX permit submitted Feb. 24, 2026. Construction began week of Feb. 9 (~50% complete).
- **Woodland Park (Gainesville Housing Authority)** – Demolition completed; electric design in progress.
- **Natura (Multifamily)** – Design completed and released; construction underway (~30% complete, awaiting developer coordination).
- **Hammock Preserve** – Construction in progress (~60% complete).
- **Gilbane-Colligate Apartments** – Construction underway (~15% complete, awaiting developer coordination).
- **TACTICS – Circuit 550** – Construction in progress (50% complete).
- **Circuit 1038 Feeder** – Energized (100% complete).

Energy Delivery

Gas Engineering

- **AUD Rollout** – Testing 2025 system update for compatibility.
- **Ben E. Keith Facility** – Project permitted; installation of 6-inch gas main underway (~10% complete). Additional main extension in permitting.
- **Bridlewood** – External 6-inch main nearly complete; awaiting developer completion of internal portion (~90% complete).
- **Westgate Backfeed** – Design ongoing to replace nonstandard 5-inch steel (~66% complete).
- **Tioga Phase 22** – CAD files received; coordinating joint trench with Clay Electric.

Electric Operations

T&D Operations

- Construction began on McMichen circuit (NE 53rd Ave) to support Amazon EV fleet.
- Circuit 1038 – Nearing completion (~85%); full energization anticipated in March.
- Ongoing coordination with Engineering on TACTICS projects to improve reliability (Millhopper, Kelly, Kelly West).
- Coordinating with Water/Wastewater on transformer replacement for Lift Station 1.
- Coordinating with FDOT on SR 222 lighting upgrades.
- Responded to 241 customer and outage tickets in February.

Substation & Relay

- **Line 16 Project** – Completed Feb. 26. replaced two 138kV breakers, two sets of gang switches, and two line relays.
- SERC O&P audit completed with no findings or compliance issues.

Systems Control

- FPL power purchase agreement extended through May for 75 MW capacity and transmission; supporting DH1 outage and CC1 outage conditions.
- SERC audit site visit completed; no findings or areas of concern identified.

Energy Delivery

Technical Services Group (continued)

- **GIS Upgrade (10.8 → 11.3)** – ~70% complete; testing upcoming. Projected completion May 2026.
 - Electric Meter Field Audit (6,000 meters)** – ~48% complete; ongoing as resources allow.
 - AMI to OMS Integration** – ~80% complete.
 - GIS Azure Repository** – ~50% complete; legacy code archived, remaining code and documentation in progress. Target completion May 2026.
 - GIS Symbology Standardization** – Finalizing with Water/Wastewater; completion expected May 2026.
 - System Control Internal Outage Map** – ~95% complete; pending SharePoint go-live for production deployment. Final completion mid-March 2026.
 - Navigator Replacement** – Requirements complete; design phase to begin after 11.3 migration. Target completion July 2026.
 - OMS Upgrade** – ~75% complete; coordinating VM migration (Nutanix to VMware).
 - OMS Map Automation** – ~95% complete; batch server integration ~50% complete. Final adjustments and logging features remaining.
 - Crew Assignments / CAP Tracking / Circuit Trips Refactor** – ~95% complete; awaiting SharePoint readiness for training rollout.
 - CAMS Upgrade (.NET Core 5 → .NET Core 10)** – ~65% complete; currently in testing.

Energy Delivery

Energy Measurement & Field Operations

Revenue Protection

- Investigated 26 damaged underground facilities in February.

Field Services

- Responded to 86 gas emergencies in February.

Electric Measurement

- Completed annual testing with FPL for Hampton Tie Meter.

Gas Measurement

- Received Feb. 17, 2026 quote for new Welker odorizer system featuring zero-emission, odor-free maintenance technology.

Gas T&D Major Projects

- **Bridlewood Subdivision** – Main feed tied-in, tested, and pressurized.
- **Flint Rock Subdivision (Phase 2)** – Joint trench installation for 2-inch main ongoing.
- **Freepoint Ecosystems (Hawthorne)** – Project delayed to 2028.
- **Ben E. Keith (Alachua)** – Installed ~7,500 ft and bored ~1,220 ft of gas pipe.
- **New Gas Customers (FY26)** – 131.
- **CIAC Collections (FY25–FY26)** – \$270,321.
- **February Activity** – 10 new gas services installed; 1 retired for inactivity; 2 re-run.

AMI Data Lake

- GRU signed a managed analytics SOW with Util-Assist in December.
- Project starts Feb. 16.
- Workshops start Feb. 23.
- Proposed duration is 16 weeks.
- Deliverable AMI interval data environment for analytics.

Energy Delivery

Advanced Metering Infrastructure (AMI)

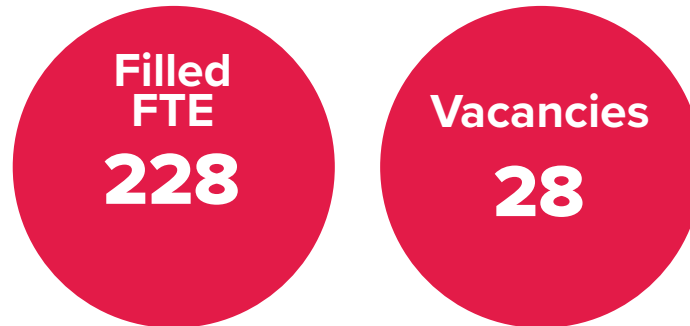
Category	Electric	Water	Natural Gas	Total
Remote Reading	104,230	70,499	32,578	207,307
AMI Devices	104,243	71,369	33,456	209,068
Non-AMI Devices	30	7,080	4,880	11,990
Total Devices	104,273	78,449	38,336	221,058
Saturation %	100.00%	90.30%	85.10%	94.00%

AMI Financial Summary		
Actuals Spent	\$41,462,733	88.00%
O/M Budget Remaining	\$2,169,212	5.00%
Capital Budget Remaining	\$3,434,431	7.00%
Total Budget	\$47,066,376	100.00%

Standard Industry Comparisons

Comparison	Actual	Goal	Description
SAIDI	2.268	4.5	System Average Interruption Duration Index
CAIDI	52.51	55	Customer Average Interruption Duration Index
SAIFI	0.05	0.08	System Average Interruption Frequency Index
ASAI	99.99%		Average Service Availability Index

Personnel



Energy Delivery

Vacancies and Retirements

Status	Title	Filled?	Group	Vacant Date
Vacant	Engineer and Utility Designer I	N	Gas Engineering	Jun. '24
Vacant	Field Service Technician	N	Meter Services	Feb. '25
Vacant	Field Service Technician	N	Meter Services	Aug. '25
Vacant	GIS and Operational Systems Coordinator	N	GIS Operations Services	Mar. '24
Vacant	Technical Support Specialist III	N	Electric Measurement	Jan. '25
Vacant	Operational Technology Network Analyst Lead	N	Systems Control	Feb. '25
Vacant	Operational Technology Network Analyst Senior	N	Systems Control	Mar. '25
Vacant	Principal Engineer	N	System Control Technical Operations	Aug. '25
Vacant	Electric Measurement Technician	N	Electric Meter Measurement Operations	Jul. '25
Vacant	Substation Relay Engineer and Utility Designer III	N	S&R Engineer Group	Jun. '25
Vacant	Relay Technician	N	Relay Operations	Mar. '24
Vacant	Electric Line Worker	N	Electric Line Workers	Aug. '25
Vacant	Line Worker Lead	N	Electric Line Workers	Oct. '24
Vacant	Electric Line Worker	N	Electric Transmission & Delivery	Jul. '24
Vacant	Electric Line Worker	N	Electric Line Workers	Feb. '25
Vacant	Principal Engineer and Utility Designer	N	Electric Engineering	Sep. '25
Vacant	Transmission Planning Principal Engineer	N	Electric Engineering	Jul. '25
Vacant	Energy Delivery Facilities Specialist Supervisor	N	Electric Engineering	Jul. '25
Vacant	Principal Engineer and Utility Designer	N	Electric Engineering	Sep. '25
Vacant	Energy Delivery Facilities Specialist II	N	Electric Engineering	Sep. '25
Vacant	Energy Delivery Facilities Specialist II	N	Electric Engineering	Feb. '25
Vacant	Energy Delivery Facilities Specialist II	N	Electric Engineering	Jan. '26
Vacant	Gas Worker	N	Gas T&D Operations	Feb. '26
Vacant	Lead Line Worker	N	T&D Construction	Dec. '25
Vacant	Operational Technology Network Analyst Senior	N	Systems Control / Technical Support	Feb. '26
Vacant	Electric Line Worker	N	T&D Construction	Jun. '25
Vacant	AMI Meter Technician	N	AMI Operations	Feb. '26
Vacant	Operational Technology Manager	N	ED Administration	

Water/Wastewater

Production

Murphree Water Treatment Plant (Operations Normal)

		Month (mgd)	FY 26 YTD (mgd)	FY 25 (mgd)	Permitted Capacity (mgd)	FY 26 YTD % of Permitted Capacity
	Average Daily Flow	22.5	22.8	24.0	30	76%
	Max Daily Peak Flow	35.9	35.9	36.6	54	67%

Main Street Water Reclamation Facility (Operations Normal, Reclaimed Water On)

		Month (mgd)	FY 26 YTD (mgd)	FY 25 (mgd)	Permitted Capacity (mgd)	FY 26 YTD % of Permitted Capacity
	Average Daily Flow	5.2	5.3	5.4	7.5	70%
	Max Daily Peak Flow	8.3	8.5	13.1	NA	NA

Kanapaha Water Reclamation Facility (Operations Normal, Reclaimed Water On)

		Month (mgd)	FY 26 YTD (mgd)	FY 25 (mgd)	Permitted Capacity (mgd)	FY 26 YTD % of Permitted Capacity
	Average Daily Flow	10.3	10.1	10.6	14.9	68%
	Max Daily Peak Flow	18.9	18.9	19.1	NA	NA

Water/Wastewater

Environmental Compliance					
Water Distribution System					
			Month	FY 26 YTD	FY 25
		Precautionary Boil Water Notices:	3	9	22
Wastewater Collection System					
			Month	FY 26 YTD	FY 25
		Sanitary Sewer Overflows (SSOs)	1	5	18
		<i>SSOs By Type:</i>			
		Residential Grease & Toiletries		2	6
		Infrastructure		2	10
		Third-Party Damage	1	1	2
		Wet Weather			0
		Named Storms			0

Water/Wastewater

Maintenance

Water Distribution System

		Month	FY 26 YTD	FY 25	Monthly Goal
	Dispatched Water Work Orders	1495	2,834	5,238	-
	Water Leaks	140	657	2,189	-
	Water Damages (by 3rd Parties)	31	89	358	-
	Other Water Work Orders	1324	2,088	2,691	-
	Water Valve Exercising Program <i>* New program for FY 26</i>	92	692	460	-
	Number of Water Services Replaced	63	349	1,058	83
	Feet of Water Main Replaced	39	3,366	25,293	2,200

Wastewater Collection System

		Month	FY 26 YTD	FY 25	Monthly Goal
	Dispatched Sewer Work Orders	81	435	860	-
	Sewer Stoppages	11	90	202	-
	Sewer Damages (by 3rd Parties)	3	26	62	-
	Other Sewer Work Orders	67	319	596	-
	SWAMP Program				
	Miles of Gravity Main Inspected	0.3	17.8	154	-
	Number of Manholes Inspected	5	408	3,833	-

Reclaimed Distribution System

		Month	FY 26 YTD	FY 25	Monthly Goal
	Dispatched Reclaim Work Orders	7	28	115	-
	Reclaim Leaks		6	20	-
	Reclaim Water Damages (by 3rd Parties)		1	4	-
	Other Reclaim Work Orders		21	91	-

Water/Wastewater

Major Projects

Water Distribution / Wastewater Collection

- Coordinating preconstruction for 1st Ave Streatery water main and gravity main improvements; construction anticipated to begin in April.

Wastewater Collection

- NE 9th Street (Univ Ave to 5th Ave) gravity main improvements ongoing, progressing north.
- Design underway for force main replacement on SW 34th St (SW 2nd Ave to north of Univ Ave).

Main Street Water Reclamation Facility

- Phase 1 construction ongoing; pre-startup testing of mechanical and electrical systems in progress. Staff training underway; start-up targeted for March.

Kanapaha Water Reclamation Facility

- Aerator No. 6 out of service; preparing for installation of 150 hp temporary replacement.

Lift Stations

- Coordinating wetwell bypass operations at Lift Station 1 to support mechanical work.

Murphree Water Treatment Plant

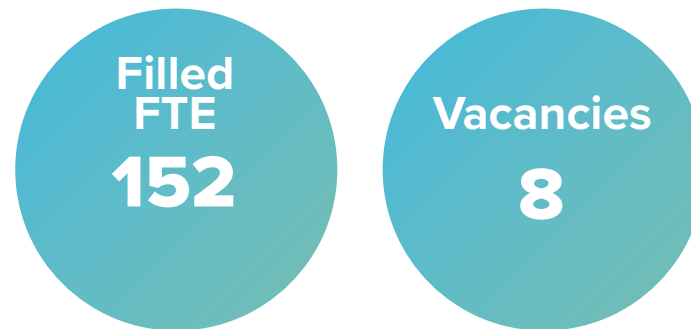
- Preparing for backwash pipe lining in early March (48" × 60" elliptical pipe).

Water/Wastewater

Vacancies and Retirements

Status	Title	Filled?	Group	Vacant Date
Starting March 30	Service Operator	Y	Water Distribution	Oct. '25
Reposting Job Ad	GIS/OS Specialist I	N	Water Distribution	July '25
Hold for PTP Update	Wastewater ICE Tech	N	Water Reclamations	Nov. '24
Hold for PTP Update	Wastewater ICE Tech	N	Water Reclamations	July '25
Hold for PTP Update	Wastewater ICE Tech	N	Water Reclamations	Feb. '26
Starting March 30	GIS/OS Tech	Y	Wastewater Collection	Nov. '25
Starting March 30	Service Operator	Y	Wastewater Collection	Oct. '25
Starting March 30	Service Operator	Y	Wastewater Collection	Dec. '25

Personnel



Safety & Training

Safety Data Month Injury Statistics



Department	First Aid Given	Recordable Injuries	DART*
Administration	0	0	0
W/WW	0	0	0
Energy Supply	0	0	0
Energy Delivery & Gas	0	0	0
GRUCom	0	0	0
Total	0	0	0

*DART: Days away, restricted or transferred.

Fiscal YTD Injury Statistics



Department	First Aid Given	Recordable Injuries	DART
Administration	0	0	0
W/WW	0	4	0
Energy Supply	0	0	0
Energy Delivery & Gas	0	1	7
GRUCom	0	0	0
Total	0	5	0

Safety & Training

Month Vehicle Collisions & Miles Driven



Department	Miles Driven	Recordable Collisions	Preventable Collisions
Administration	6,340	0	0
W/WW	62,615	1	0
Energy Supply	2,097	0	0
Energy Delivery & Gas	75,707	1	1
GRUCom	4,589	0	0
Total	151,348	2	1

Fiscal YTD Vehicle Collisions & Miles Driven



Department	Miles Driven	Recordable Collisions	Preventable Collisions
Administration	32,580	0	0
W/WW	320,163	5	0
Energy Supply	11,489	0	0
Energy Delivery & Gas	422,058	2	1
GRUCom	27,206	1	0
Total	810,496	8	1

Safety & Training

Monthly Injury, Collision & DART Summaries

Injury & DART Details

None reported for February.

Collision Details

- Feb. 4: Private vehicle sideswiped GRU pick-up.
- Feb. 10: Preventable. GRU pick-up rear-ended school bus.

Customer Operations

Revenue Assurance

Referred
to Collections
\$147,599.30

FYTD: **\$1,372,441.62**

Funds
Collected
\$102,306.74

FYTD: **\$452,652.10**

Bankruptcies
\$217.29

FYTD: **\$9,384.66**

Prior Indebtedness
Funds Collected
\$29,441.95

FYTD: **\$120,573.40**

Disconnections
2,004

Reconnections
1,914

Billing & Customer Solutions

- Invoicing rating: **99.92%**
- Meter rereads: **78**
- Locked reads: **5,901**
- Solar invoicing rating: **100%**
- Processed emails: **1,915/1,914 (100%)**

Customer Experience

Transactional
Survey

4.1



Lobby
Survey

5



Customer Operations

New Services

Building Permit Reviews	239
Active Projects	Amount
City	200
County	39
New Installations	Amount
Electric	158
Water	47
Wastewater	45
Gas	32
Solar Reviews	Amount
Plan Reviews	4
PVs Completed on Time	4
PV Installations	3
Avg. Handle Time (in Weeks)	3.71

Customer Operations

Customer Service

Answer Speed

Call Type	Actual	FYTD	Goal
Residential & Non-residential	0:01:30	0:01:33	0:05:00

Handle Time

Call Type	Actual	FYTD	Goal
Residential & Non-residential	0:07:18	0:07:11	0:07:00



Other Statistics



\$219,615.92



\$73,660.60

Customer Operations

Payment Type Details

Payment Type	Transactions	Transactions FYTD	\$ Amount	\$ Amount FYTD
Drop Box	552	3,905	\$763,233.40	\$99,510,951.93
Mailed	16,152	75,439	\$10,133,921.72	\$63,926,038.07
Office Payment	24	296	\$6,679.36	\$124,092.65
Drive Thru	6,069	18,186	\$2,016,927.76	\$5,832,063.42
Kubra Cash	3,517	18,184	\$1,779,419.18	\$11,197,897.41
Check Free	-	14,557	\$0.00	\$5,228,423.86
Kubra ACH	16,662	89,264	\$5,089,173.29	\$28,406,633.20
Collection Agency	53	234	\$18,755.92	\$81,201.71
Kubra CC/EZPAY	22,479	119,959	\$4,692,768.43	\$25,523,149.34
Lobby Walk-Ins	2,122	11,475	\$773,753.28	\$5,078,643.06
Direct Debit	27,909	155,485	\$7,859,572.80	\$44,581,505.40

Customer Operations

Energy & Business Services

Residential Surveys	27
Commercial Surveys	6
LEEP ^{plus} Applications Received	12
LEEP ^{plus} Pre-inspections	17
LEEP ^{plus} Completed Homes	4

FY26
February
State of the Utility





**Gainesville Regional Utilities Authority
Agenda Item Report**

File Number: 2026-259

Agenda Date: April 8, 2026

Department: Gainesville Regional Utilities

Title: 2026-259 Amendment to Utilities System Revenue Bond Master Bond Resolution and Subordinated Bond Resolution (B)

Department: Gainesville Regional Utilities/Budget, Finance, and Accounting

Description: This resolution amends the Master Bond Resolution and Subordinated Bond Resolution.

Fiscal Note: There will be no impact to the financials of the System.

Explanation: The resolution amends the Master Bond Resolution and Subordinated Bond Resolution in order to better conform to the creation of the Gainesville Regional Utilities Authority and to make certain related administrative changes.

Recommendation: The GRU Authority adopt the proposed resolution.

**GAINESVILLE REGIONAL UTILITIES AUTHORITY,
A UNIT OF CITY GOVERNMENT OF THE
CITY OF GAINESVILLE, FLORIDA**

RESOLUTION NO. 2026-259

Adopted April 8, 2026

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**AMENDMENT TO UTILITIES SYSTEM
REVENUE BOND RESOLUTION**

A RESOLUTION OF THE GAINESVILLE REGIONAL UTILITIES AUTHORITY, A UNIT OF CITY GOVERNMENT OF THE CITY OF GAINESVILLE, FLORIDA, AMENDING THE MASTER BOND RESOLUTION AND SUBORDINATED BOND RESOLUTION TO REFLECT CERTAIN AMENDMENTS TO THE CITY CHARTER; AMENDING RESOLUTION NO. 2024-440 TO REPEAL CERTAIN AMENDMENTS CONTAINED THEREIN; PROVIDING CERTAIN OTHER MATTERS IN CONNECTION THEREWITH; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City Commission (the "City Commission") of the City of Gainesville, Florida ("City") adopted on September 21, 2017, its Resolution No. 170395 incorporating by reference the Second Amended and Restated Utilities System Revenue Bond Resolution adopted by the City on September 21, 2017 (such resolution, as amended from time to time, being referred to as the "Master Bond Resolution"), and authorized the issuance of Bonds; and

WHEREAS, on May 17, 2018, the City adopted its Resolution No. 171090 incorporating by reference the Second Amended and Restated Subordinated Utilities System Revenue Bond Resolution, supplementing the Master Bond Resolution (such resolution, as amended from time to time, being referred to as the "Subordinated Bond Resolution"), authorizing the issuance of Subordinated Indebtedness junior and subordinated in all respects to the security interest in and pledge and assignment of the Trust Estate created by the Master Bond Resolution as security for the Bonds; and

WHEREAS, the Charter was amended pursuant to Chapter No. 2023-348, Laws of Florida (the "Amendment"), which such Amendment added Article VII to the Charter and thereby created the Gainesville Regional Utilities Authority (the "Authority") and the position of chief executive officer/general manager ("CEO/GM") and repealed Section 3.06 of Article III of section 1 of Chapter 90-394, Laws of Florida relating to the position of the General Manager for Utilities; and

WHEREAS, Section 716 of the Master Bond Resolution contemplates and allows for the lawful reorganization of the governmental structure of the City and the transfer of a public function of the City to another public body, so long as the reorganization provides that the System shall be continued as a single enterprise; and

WHEREAS, the Charter provides that the System shall continue to be operated as a single enterprise and there shall be no change to the ownership of the System; and

WHEREAS, the Charter grants the Authority the power to do all things necessary to effectuate an orderly transition of the management, operation, and control of the Utilities from the Commission to the Authority, consistent with the Charter, including the power to authorize the issuance of revenue bonds, the execution and attestations of bonds by officers, employees and agents of the City, by individuals designated by the Authority as agents of the City for such purposes, and authorized the Authority to enter in hedging agreements for interest rate and commodity price fluctuations; and

WHEREAS, the Charter provides that the City and the Authority shall perform all acts necessary and proper to effectuate an orderly transition of the governance, operation, management, and control of all utility systems, properties and assets related to the System, including, but not limited to, the creation of such instruments as are necessary for the Authority to function in accordance with the Charter; and

WHEREAS, the Authority adopted Resolution No. 2023-1148 on December 6, 2023 and thereafter ratified by the Authority pursuant to Resolution No. 2024-557 on August 7, 2024 (collectively, "Resolution Nos. 1148/557") to effectuate the orderly transition of the governance, operation, management, and control of all utility systems, properties and assets related to the System, doing business as the Gainesville Regional Utilities, to the Authority; and

WHEREAS, the City Commission adopted Resolution No. 2023-1186 on December 22, 2023 ("Resolution No. 2023-1186") to effectuate the orderly transition of the governance, operation, management, and control of all utility systems, properties and assets related to the System, doing business as the Gainesville Regional Utilities, to the Authority; and

WHEREAS, in order to provide further assurances, the Authority adopted Resolution No. 2026-128 on February 18, 2026 ("Resolution No. 2026-128") and the City Commission adopted Resolution No. 2026-129 on February 19, 2026 ("Resolution No. 2026-129"); and

WHEREAS, Article VII, Section 7.10(2) of the Charter provides that in "the event that any City charter provision, ordinance, resolution, decree, or any part thereof conflicts with the provisions of this article, the provisions of this article [VII] shall govern";

WHEREAS, Article VII, Section 7.03(e) of the Charter provides that "bonds and other forms of indebtedness of the City shall be executed and attested by the officers, employees, or agents of the city, including the chief executive officer/general manager (CEO/GM) or chief financial officer of the utility system, the Authority has so designated as agents of the city" and the Authority desires to conform the Master Bond Resolution and the Subordinated Bond Resolution;

BE IT RESOLVED by the Gainesville Regional Utilities Authority, a unit of city government of the City, on behalf of the City, as follows:

ARTICLE I STATUTORY AUTHORITY, DEFINITIONS AND FINDINGS

SECTION 1.01 AUTHORITY FOR THIS RESOLUTION; RESOLUTION CONSTITUTES CONTRACT. This Resolution (this "Resolution") is enacted pursuant to the Act. The Act includes, without limitation, Article VIII, Section 2 of the Constitution of the State of Florida, Section 159.11, Florida Statutes, Chapter 166, Florida Statutes, Chapter 180, Florida Statutes, and the Charter. This Resolution is supplemental to the Master Bond Resolution and is a Supplemental Resolution within the meaning of the Master Bond Resolution. The Master Bond Resolution, as amended and supplemented, including, without limitation, as supplemented by this Resolution, is sometimes hereinafter referred to as the "Bond Resolution."

SECTION 1.02 DEFINITIONS. Except as provided by this Resolution, all terms which are defined in Section 101 of the Master Bond Resolution shall have the same meanings,

respectively, in this Resolution as such terms are given in said Section 101 of the Master Bond Resolution and in this Resolution.

"Authority" shall mean the Gainesville Regional Utilities Authority established by Article VII of the Charter as a unit of city government of the City and having the powers, authority and duties as set forth in the Charter.

"Charter" shall mean the City Charter of the City, being Chapter 90-394, Laws of Florida (1990), amending Chapter 12760, Laws of Florida (1927), as further amended by Chapter No. 2023-348, Laws of Florida (2023), as such Charter may hereafter be amended.

"Chief Financial Officer" shall mean the Chief Financial Officer of the System.

"General Manager" shall mean the chief executive officer/general manager of the System as set forth under the Charter. Until such time as a chief executive officer/general manager shall be appointed by the Authority, the sitting General Manager as appointed by the Commission shall serve as the chief executive officer/general manager.

Words importing singular number shall include the plural number in each case and vice versa, and words importing persons shall include firms and corporations.

SECTION 1.03 FINDINGS AND DETERMINATIONS.

(1) Section 716 of the Master Bond Resolution allows for the lawful reorganization of the governmental structure of the City and the transfer of a public function of the City to another public body, so long as the reorganization provides that the System shall be continued as a single enterprise and further permits amendments to the Master Bond Resolution necessary to implement such reorganization.

(2) In furtherance of the Charter and Section 716 of the Master Bond Resolution, the Authority has assumed all obligations and duties of the City under the Master Bond Resolution and the Subordinated Bond Resolution, as each has been or may hereafter be amended and supplemented, and all obligations and duties of the City in connection with all agreements of the City with any Credit Enhancers in connection with Credit Enhancement, agreements of the City with Qualified Hedging Contract Providers in connection with Qualified Hedge Contracts and all other ancillary agreements of the City entered into in connection with any Bonds and Subordinated Indebtedness.

(3) Sections 706 and 710 of the Master Bond Resolution set forth certain requirements of the City relating to the establishment and collection of rates, fees and charges for the use or the sale of the output, capacity or service of the System. In furtherance of the assumption by the Authority of all obligations and duties of the City under the Master Bond Resolution and the Subordinated Bond Resolution, and in furtherance of the rights, powers and duties of the Authority under the Charter and the provisions of Section 1.04(7) of the Charter relating to such rates, fees and charges, and subject in all instances to the requirements of the Master Bond Resolution, as supplemented, and the Subordinated Bond Resolution, as supplemented, the Authority will, from time to time, and without further action by the City, establish those rates, fees and charges for the use or the sale of the output, capacity or service of the System as the Authority determines necessary and appropriate, including as necessary to

comply with the applicable covenants of the City under the Master Bond Resolution, as supplemented, and the Subordinated Bond Resolution, as supplemented.

(4) The Authority, on behalf of the City, may authorize the issuance by the City of Bonds of the City from time to time under the Master Bond Resolution, as supplemented, for the purpose, among others, of financing and refinancing Bonds, including refunding any Outstanding Bonds, and may enter into related agreements, including, without limitation, limitation agreements with any Credit Enhancers in connection with Credit Enhancement, agreements with Qualified Hedging Contract Providers in connection with Qualified Hedge Contracts and all other ancillary agreements entered into in connection with any Bonds and Subordinated Indebtedness.

(5) Pursuant to the Charter and the Master Bond Resolution, the Bonds and other forms of indebtedness of the City authorized by the Authority must be executed and attested by the officers, employees, or agents of the City, including the General Manager or Chief Financial Officer of the System, as the Authority has so designated as agents of the City.

(6) The City heretofore has issued certain Bonds, including the Refunded Bonds, for the purpose of financing and refinancing a portion of the Cost of Acquisition and Construction of the System.

(7) Section 716 of the Master Bond Resolution permits amendments thereto, without consent of the Holders of the Bonds or the Trustee, as necessary to implement the reorganization of the governance of System required by the Charter, provided that such amendment will not adversely affect the rights of the Holder of the Bonds. The Authority hereby determines, on behalf of the City, that certain amendments to the Master Bond Resolution, as set forth in Article II of this Resolution (collectively, the "Amendments"), are required to be made in order to implement the provisions of the Charter establishing the Authority. The Amendments are hereby determined by the Authority, on behalf of the City, to not adversely affect the rights of the Holders of the Bonds heretofore issued under the Master Bond Resolution, as supplemented.

(8) The Authority hereby finds, ascertains, determines and declares that certain amendments to the Subordinated Bond Resolution, as set forth in Article II of this Resolution (collectively, the "Subordinated Bond Amendments"), are required to be made in order to implement the provisions of the Charter establishing the Authority. The Subordinated Bond Amendments are hereby determined by the Authority, on behalf of the City, to not adversely affect the rights of the Holders of the Subordinated Bonds heretofore issued under the Subordinated Bond Resolution, as supplemented.

ARTICLE II AMENDMENTS

SECTION 2.01 AMENDMENTS TO MASTER BOND RESOLUTION. The following amendments are made pursuant to Section 716 of the Master Bond Resolution, to revise the definitions of the City and the Commission and other related changes to reflect such governmental reorganization by the establishment of the Authority together with such other amendments related thereto that are hereby determined will not adversely affect the rights of the

Holders of the Bonds in order to effectuate such reorganization. The amendments, pursuant to Section 716 of the Master Bond Resolution, shall not require the consent of the Holders of the Bonds and shall become effective upon the filing with the Trustee of a copy of this Resolution. For purposes of this Section 2.01, underlining reflects inserts and ~~strikethroughs~~ represents deletions from the original text.

A. The following definitions are hereby added in alphabetical order to Section 101 of the Bond Resolution:

Authority shall mean the Gainesville Regional Utilities Authority.

Chairperson shall mean the Chairperson or Vice Chairperson of the Authority or such other member of the Authority delegated authority to act on behalf of the Chairperson by the Authority.

Chief Financial Officer shall mean the Chief Financial Officer of the System or such other similar position.

General Manager shall mean the chief executive officer/general manager of the System as set forth under the Charter. Until such time as a chief executive officer/general manager shall be appointed by the Authority the sitting General Manager for Utilities as appointed by the Commission shall serve as the chief executive officer/general manager.

Utilities Attorney shall mean legal counsel engaged by the Authority to represent the City in connection with the operations of the System and such counsel may be an employee of the City or outside counsel engaged by the Authority for this purpose.

B. The following definition in Section 101 of the Master Bond Resolution is hereby amended and replaced in its entirety with the following:

Authorized Officer of the City shall mean the Chairperson, Mayor, the General Manager ~~for Utilities~~, the ~~Utility~~ Chief Financial Officer or any other officer, employee or agent of the City authorized to perform specific acts or duties by resolution of the City duly adopted by the ~~City~~ Authority.

C. Section 210, paragraph 1, subparagraph (a) of the Master Bond Resolution is hereby amended and replaced in its entirety with the following:

(a) If so required by the Supplemental Resolution, the Trustee shall have received a credit facility or a liquidity facility with respect to such Commercial Paper Notes containing such terms and conditions, including with respect to reimbursement, as shall be approved by the Authority ~~Commission~~;

D. Section 211, paragraph 1, subparagraph (a) of the Master Bond Resolution is hereby amended and replaced in its entirety with the following:

(a) If so required by the Supplemental Resolution, the Trustee shall have received a credit facility or a liquidity facility with respect to such Medium-Term Notes

containing such terms and conditions, including with respect to reimbursement, as shall be approved by the Authority Commission;

E. Section 303, paragraphs 1 and 2 of the Master Bond Resolution are hereby amended and replaced in their entirety with the following:

1. The Bonds shall be executed in the name of the City by the manual or facsimile signature of ~~its~~ the Mayor, the Chairperson, the General Manager or the Chief Financial Officer who are hereby designated as agents of the City or such other officer, employee or agent of the Authority that the Authority has so designated as agents of the City and may have the seal of the City (or a facsimile thereof), ~~shall be~~ impressed, imprinted, engraved or otherwise reproduced thereon and attested by the manual or facsimile signature of the Clerk or such other officer, employee or agent of the Authority that the Authority has so designated as agents of the City. The Bonds shall be approved as to form and legality by the City Attorney. In case any one or more of the officers, employees or agents who shall have signed or sealed any of the Bonds shall cease to be such officer before the Bonds so signed and sealed shall have been authenticated and delivered by the Trustee, such Bonds may, nevertheless, be authenticated and delivered as herein provided, and may be issued as if the persons who signed or sealed such Bonds had not ceased to hold such offices. Any Bond of a Series may be signed and sealed on behalf of the City by such persons as at the time of the execution of such Bonds shall be duly authorized or hold the proper office in the City or the Authority, although at the date borne by the Bonds of such Series such persons may not have been so authorized or have held such office.

2. The validation certificate appearing on the Bonds, if any, shall be signed by the manual or facsimile signature of the Chairperson, Mayor, the General Manager or the Chief Financial Officer and attested with the manual or facsimile signature of the Clerk of the Commission of the City or such other officer, employee or agent of the Authority the Authority has so designated as agents of the City, or in such other manner as may be required or permitted by law, and the City may adopt and use for that purpose the facsimile signature of any person or persons who shall have been Chairperson, Mayor, the General Manager or the Chief Financial Officer or Clerk of the Commission of the City or such other officer, employee or agent of the Authority the Authority had so designated as agents of the City at any time on or after the date borne by the Bonds of such Series, notwithstanding that such person may not have been such Chairperson, Mayor, the General Manager or the Chief Financial Officer or Clerk of the Commission of the City or officer, employee or agent of the Authority the Authority had so designated as agents of the City at the date of any such Bond or may have ceased to be such Chairperson, Mayor, the General Manager or the Chief Financial Officer or Clerk of the Commission of the City or officer, employee or agent of the Authority the Authority had so designated as agents of the City at the time when any such Bond shall be authenticated and delivered.

F. Section 503, paragraph 5 of the Master Bond Resolution is hereby amended and replaced in its entirety with the following:

5. Nothing in this Section 503 shall be construed to prevent the City from permanently discontinuing the acquisition or construction of any portion of the System the Cost of Acquisition and Construction of which is at the time being paid out of the Construction Fund, if the ~~Commission~~ Authority determines by resolution that such discontinuance is necessary or desirable in the conduct of the business of the City and not disadvantageous to the Holders of the Bonds.

G. Section 707, paragraph 2, subparagraphs (2) and (3) of the Master Bond Resolution are hereby amended and replaced in their entirety with the following:

(2) In addition to any agreement currently in effect to which the City is a party relating to the ownership or operation of any part of the System or the use of the output thereof, the City may lease or make contracts or grant licenses for the operation of, or make arrangements for the use of, or grant easements or other rights with respect to, any part of the System, provided that any such lease, contract, license, arrangement, easement or right (i) does not impede the operation by the City or its agents of the System and (ii) does not in any manner materially impair or adversely affect the rights or security of the Bondholders under the Resolution; and provided, further, that if the book value of the property to be covered by any such lease, contract, license, arrangement, easement or other right is in excess of 1% of the book value of the total assets of the System at such time, the City shall first file with the Trustee a certificate of an Authorized Officer of the City setting forth a determination of the ~~Commission~~ Authority that the action of the City with respect thereto does not result in a breach of the conditions under this clause (2). Any payments received by the City under or in connection with any such lease, contract, license, arrangement, easement or right in respect of the System or any part thereof shall constitute Revenues;

(3) The limitations imposed upon the City by clauses (1) and (2) of this paragraph 2 shall not apply to any disposition of property by the City where: (i) such property is leased back to the City under a lease having a term of years (including renewal options) of not less than 75% of the remaining estimated useful life of the property computed from the date of disposition and lease, (ii) fair value to the City (as determined by the City) is received by the City for the property subject to such transaction, (iii) proceeds of such transaction, after payment of expenses, are set aside as a deposit in the Utilities Plant Improvement Fund, and (iv) the Trustee receives a certified copy of resolutions of the ~~Commission~~ Authority to the effect that, based upon such certificates and opinions as the ~~Commission~~ Authority shall deem necessary or appropriate, the ~~Commission~~ Authority has determined that the disposition and lease are not materially adverse to the Holders of the Bonds; and

H. The first paragraph of Section 717 of the Master Bond Resolution is hereby amended and replaced in its entirety with the following:

The City may expand the utility functions of the System as they exist on the date hereof as permitted by the proviso contained in the definition of "System" in Section 101, only if the City files with the Trustee a certified copy of resolutions of the ~~Commission~~ Authority to the effect that, based upon such certificates and opinions of its Consulting Engineers, independent certified public accountants, bond counsel, financial advisors or

other appropriate advisors as the ~~Commission~~ Authority shall deem necessary or appropriate, the addition of such utility functions (a) will not impair the ability of the City to comply during the current or any future Fiscal Year with the provisions of the Resolution, including specifically Section 710, and (b) will not materially adversely affect the rights of the Holders of the Bonds.

SECTION 2.02 AMENDMENT TO SUBORDINATED BOND RESOLUTION.

The following amendment is made pursuant to Section 10.02 of the Subordinated Bond Resolution to reflect such governmental reorganization by the establishment of the Authority and it is hereby determined that such amendments will not have a material adverse effect on the interests of the Holders of Outstanding Subordinated Bonds. The amendments, pursuant to Section 10.02 of the Subordinated Bond Resolution, shall not require the consent of the Holders of Subordinated Bonds, except to the extent required under the applicable agreements with such Holders and shall become effective upon the filing with the Trustee of the Opinion of Counsel described in Section 10.02 of the Subordinated Bond Resolution.

Section 3.03, paragraph 1 of the Subordinated Bond Resolution is hereby amended and replaced in its entirety with the following (with underlining reflecting inserts and ~~strickethroughs~~ representing deletions from the original text):

1. The Subordinated Bonds shall be executed in the name of the City by the manual or facsimile signature of the its Mayor, the Chairperson, the General Manager or the Chief Financial Officer who are hereby designated as agents of the City or such other officer, employee or agent of the Authority that the Authority has so designated as agents of the City and may have the seal of the City (or a facsimile thereof), shall be impressed, imprinted, engraved or otherwise reproduced thereon and attested by the manual or facsimile signature of the Clerk of the Commission of the City or such other officer, employee or agent of the Authority that the Authority has so designated as agents of the City. The Subordinated Bonds shall be approved as to form and legality by the City Attorney. In case any one or more of the officers, employees or agents who shall have signed or sealed any of the Subordinated Bonds shall cease to be such officer before the Subordinated Bonds so signed and sealed shall have been authenticated and delivered by the Subordinated Bond Registrar or its agent, such Subordinated Bonds may, nevertheless, be authenticated and delivered as herein provided, and may be issued as if the persons who signed or sealed such Subordinated Bonds had not ceased to hold such offices. Any Subordinated Bond of a Series may be signed and sealed on behalf of the City by such persons as at the time of the execution of such Subordinated Bonds shall be duly authorized or hold the proper office in the City, although at the date borne by the Subordinated Bonds of such Series such persons may not have been so authorized or have held such office.

**ARTICLE III
MISCELLANEOUS**

SECTION 3.01 FURTHER ASSURANCES. The Authority agrees that it shall on behalf of itself and the City, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such documents and instruments and take such further

actions as may be required to continue the perfection and priority of the lien and security interest of the Bondholders in the Trust Estate to the extent provided herein.

SECTION 3.02 REPEAL OF PRIOR RESOLUTION. Resolution No. 2024-187, adopted on March 27, 2024 was repealed in its entirety pursuant to Resolution 2024-440 on May 29, 2024 ("Resolution No. 2024-440"). Resolution No. 2024-440 provided that the amendments in Article V thereof would become effective upon the filing with the Trustee of a copy of such Resolution No. 2024-440 and a certificate of an Authorized Officer (as defined therein) confirming the effectiveness of the amendments set forth in Article V thereof (the "Conditions Precedent to Effectiveness"). Because the Conditions Precedent to Effectiveness were not satisfied the amendments set forth in Article V of Resolution No. 2024-440 are not effective and are repealed as of the date hereof.

SECTION 3.03 SEVERABILITY OF INVALID PROVISIONS. If any one or more of the covenants, agreements or provisions of this Resolution should be held contrary to any express provision of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed separate from the remaining covenants, agreements or provisions, and shall in no way affect the validity of any other provisions of the Bond Resolution, including this Resolution, or of the Outstanding Bonds or the Outstanding Subordinated Bonds.

SECTION 3.04 FURTHER ACTIONS. Each Authorized Officer is hereby authorized and empowered to execute and deliver or cause to be executed and delivered such other documents and opinions and to do all such acts and things as may be necessary or desirable in connection with the adoption of this Resolution.

This Resolution approved and adopted April 8, 2026.

**GAINESVILLE REGIONAL UTILITIES
AUTHORITY**

Eric Lawson, Chairperson

ATTESTED:

Authorized Representative

Approved as to Form and Legality:

Derek D. Perry
Utilities Attorney



**Gainesville Regional Utilities Authority
Agenda Item Report**

File Number: 2026-260

Agenda Date: April 8, 2026

Department: Gainesville Regional Utilities

Title: 2026-260 Resolution for Remarketing Gainesville Variable Rate Utilities Revenue Bonds 2023 Series B and Ratifying the Agent

Department: Gainesville Regional Utilities/Budget, Finance, and Accounting

Description: At the meeting of February 18, 2026 GRUA adopted a resolution authorizing the CEO and/or CFO to negotiate and execute (within certain prescribed execution parameters) a range of potential financial transactions. One of these transactions was the renewal or replacement of GRU's 2023 Series B variable rate bonds.

Fiscal Note: The rate proposed by TD Public Finance LLC Bank for the renewal of the 2023 Series B Bonds is 79% of SOFR plus 53 basis points. Using the SOFR rate in effect as of the date of this writing, this translates to an annual savings of \$38,325 compared to the current rate for the bonds.

Explanation: GRU has negotiated an agreement with TD Bank, N.A. the current holder of the bonds, to remarket the bonds to a non-bank affiliate of TD Bank, TD Public Finance LLC. Under this agreement TD Bank N.A. will serve as the remarketing agent for the 2023 Series B bonds.

Recommendation: The GRU Authority adopt the proposed resolution.

RESOLUTION NO. 2026-260**RESOLUTION OF THE GAINESVILLE REGIONAL UTILITIES AUTHORITY AUTHORIZING THE REMARKETING OF THE CITY OF GAINESVILLE, FLORIDA VARIABLE RATE UTILITIES SYSTEM REVENUE BONDS, 2023 SERIES B, AMENDING THE CITY'S RESOLUTION NO. 2023-304; RATIFYING THE APPOINTMENT OF A REMARKETING AGENT, DELEGATING THE AUTHORITY TO DETERMINE CERTAIN MATTERS AND AUTHORIZING PROPER OFFICIALS TO DO ALL OTHER THINGS DEEMED NECESSARY OR ADVISABLE IN CONNECTION WITH THE TRANSACTIONS DESCRIBED HEREIN; AND PROVIDING AN EFFECTIVE DATE.**

WHEREAS, the City Commission (the "City Commission") of the City of Gainesville, Florida ("City") adopted on September 21, 2017 its Resolution No. 170395 incorporating by reference the Second Amended and Restated Utilities System Revenue Bond Resolution adopted by the City on September 21, 2017, as amended, including as amended on the date hereof (the "Master Bond Resolution"), and authorized the issuance of Bonds; and

WHEREAS, the Charter of the City being Chapter 12760, Laws of Florida, as amended by Chapter 90-394, Laws of Florida was amended pursuant to Chapter No. 2023-348, Laws of Florida (the "Amendment"), which such Amendment added Article VII to the Charter and thereby created the Gainesville Regional Utilities Authority (the "Authority") and the position of chief executive officer/general manager ("CEO/GM") and repealed Section 3.06 of Article III of section 1 of Chapter 90-394, Laws of Florida relating to the position of the General Manager for Utilities; and

WHEREAS, Section 716 of the Master Bond Resolution allows for the lawful reorganization of the governmental structure of the City and the transfer of a public function of the City to another public body, so long as the reorganization provides that the System shall be continued as a single enterprise; and

WHEREAS, the Charter provides that the System shall continue to be operated as a single enterprise and there shall be no change to the ownership of the System; and

WHEREAS, the Charter grants the Authority the power to do all things necessary to effectuate an orderly transition of the management, operation, and control of the Utilities from the Commission to the Authority, consistent with the Charter, including the power to authorize the issuance of revenue bonds, the execution and attestations of bonds by officers, employees and agents of the City, by individuals designated by the Authority as agents of the City for such purposes, and authorized the Authority to enter in hedging agreements for interest rate and commodity price fluctuations; and

WHEREAS, the Charter provides that the City and the Authority shall perform all acts necessary and proper to effectuate an orderly transition of the governance, operation, management, and control of all utility systems, properties and assets related to the System, including, but not limited to, the creation of such instruments as are necessary for the Authority to function in accordance with the Charter; and

WHEREAS, the Authority adopted Resolution No. 2023-1148 on December 6, 2023 and thereafter ratified by the Authority pursuant to Resolution No. 2024-557 on August 7, 2024 (collectively, "Resolution Nos. 1148/557") to effectuate the orderly transition of the governance, operation, management, and control of all utility systems, properties and assets related to the System, doing business as the Gainesville Regional Utilities, to the Authority; and

WHEREAS, the City Commission adopted Resolution No. 2023-1186 on December 22, 2023 ("Resolution No. 2023-1186") to effectuate the orderly transition of the governance, operation, management, and control of all utility systems, properties and assets related to the System, doing business as the Gainesville Regional Utilities, to the Authority; and

WHEREAS, in order to provide further assurances and approve the transactions set forth herein, the Authority adopted Resolution No. 2026-128 on February 18, 2026 ("Resolution No. 2026-128") and the City Commission adopted Resolution No. 2026-129 on February 19, 2026 ("Resolution No. 2026-129"); and

WHEREAS, the City has previously issued its Variable Rate Utilities System Revenue Bonds, 2023 Series B (the "2023 Series B Bonds") authorized pursuant to the Master Bond Resolution, as supplemented by Resolution No. 2023-304 adopted by the City Commission on April 6, 2023 (the "Original 2023B Resolution" and as amended hereby, the "Bond Resolution") which such 2023 Series B Bonds are subject to tender on May 1, 2026 at the option of the TD Bank, N.A., the sole holder of the 2023 Series B Bonds (the "Initial Bank Purchase Date"); and

WHEREAS, Resolution No. 2026-128 and Resolution No. 2026-129 authorized the General Manager or Chief Financial Officer or any other Authorized Officer, upon the advice of the municipal advisor to the System, to enter into negotiations with the holder of the 2023 Series B Bonds to modify the interest rate and other provisions therein and remarketed and thereafter reassigned to TD Public Finance LLC, with such final terms as shall be approved by or authorized pursuant to a Supplemental Resolution adopted by the Authority; and

WHEREAS, TD Bank, N.A. (the "Remarketing Agent") has been appointed as Remarketing Agent (as defined in the Original 2023B Resolution) to remarket the 2023 Series B Bonds in accordance with Section 3.06 of the Original 2023B Resolution; and

WHEREAS, the Authority desires upon the successful remarketing by the Remarketing Agent to remarket and thereafter reassign the 2023 Series B Bonds to TD Public Finance LLC upon the terms set forth herein and make certain amendments to the 2023B Resolution to modify the interest rate on the 2023 Series B Bonds and establish a new Bank Purchase Date (as defined in the Original 2023B Resolution) for the 2023 Series B Bonds;

NOW, THEREFORE, BE IT RESOLVED BY THE AUTHORITY THAT:

**ARTICLE I
DEFINITIONS**

Section 1.01 Authority; Definitions. All capitalized terms not otherwise defined herein shall have such meaning as given in the Master Bond Resolution, as supplemented, and the Original 2023B Resolution, as hereby amended. This Resolution is adopted pursuant to the

provisions of Chapter 166, Florida Statutes, the City's Charter, the Master Bond Resolution, the 2023B Resolution and other applicable provisions of law (the "Act").

"Authorized Officer" for purposes of this Resolution shall mean the General Manager, the Chief Financial Officer or their respective designees or any other officer, employee or agent of the City or the Authority authorized to perform specific acts or duties by resolution duly adopted by the City or the Authority.

"Chief Financial Officer" shall mean the Chief Financial Officer of the System.

"City Attorney" shall mean the City Attorney or any assistant City Attorney.

"General Manager" shall mean the General Manager of the System, appointed as the chief executive officer/general manager pursuant to the Charter or any assistant General Manager in the General Manager's absence or unavailability or interim General Manager or such other person authorized to serve as the general manager of the System under the Act.

"Issuer Documents" means the Continuing Covenant Agreement and such other related agreements, certificates, notices and documents entered into in connection with the issuance of the 2023 Series B Bonds.

"System" shall have the meaning given in the Master Bond Resolution.

ARTICLE II CERTAIN FINDINGS AND DETERMINATIONS

Section 2.01 Certain Findings and Determinations. The Authority hereby finds and determines that:

(a) The factual recitals set forth herein are incorporated in this section as findings as if expressly set forth herein.

(b) The Authority has assumed all obligations and duties of the City under the Master Bond Resolution, the Bond Resolution and Issuer Documents, as amended and supplemented, which have been delegated to the Authority under the City's Charter.

(c) It is in the best interest of the System to delegate authorization for the transactions set forth herein.

ARTICLE III AUTHORIZATIONS

Section 3.01 Authorization of Remarketing and Reissuance of 2023 Series B Bonds, Extension of Bank Purchase Date and Amendments to Original 2023B Resolution. The remarketing of the 2023 Series B Bonds to TD Public Finance LLC and the execution, issuance and delivery of replacement 2023 Series B Bonds (the "Replacement 2023 Series B Bonds") to TD Public Finance LLC are hereby approved. The extension of the Bank Purchase Date to May 1, 2029 is hereby approved.

Section 3.02 Ratification of Appointment of Remarketing Agent. The Authority hereby ratifies the appointment of TD Bank, N.A. as Remarketing Agent for the 2023 Series B Bonds.

Section 3.03 Authorizations. The Authorized Officers, collectively or individually, upon satisfaction of the conditions set forth herein are hereby authorized to execute the agreements (including the restatement of the Continuing Covenant Agreement on terms consistent with the existing agreement but reflecting changes as a result of the Amendment and the new Bondholder) related to the extension, amendment, reissuance and replacement of the 2023 Series B Bonds, each subject to completion thereof, and with such changes therein as the officer(s) executing the same may approve as necessary and desirable and in the best interests of the System, such approval to be evidenced by the execution and delivery thereof. The seal of the City may be affixed to each of the foregoing agreements to the extent required by the forms thereof and to attest the same, to the extent required therein. Such officers are each hereby authorized to deliver such agreements on behalf of the City. The Authorized Officers, individually and collectively and the officers, attorneys and other agents or employees of the City are each hereby requested and authorized to do all acts and things required of them by the Bond Resolution, the Issuer Documents or necessary or desirable and not inconsistent with the terms hereof, the Issuer Documents for the full punctual and complete performance of all the terms, covenants and agreements contained herein or in the Issuer Documents, and each Authorized Officer, employee, attorney and officer of the City is hereby authorized and directed to execute and deliver any and all papers and instruments, and to be and cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated hereunder.

The Mayor or such other officer authorized under the Master Bond Resolution is hereby requested to execute the Replacement 2023 Series B Bonds on behalf of the City, subject to the approval of the City Attorney as to form and legality; *provided, however*, that the Replacement 2023 Series B Bonds shall be executed and delivered pursuant to the Master Bond Resolution and applicable law. The signatures on the Replacement 2023 Series B Bonds may be a manual or facsimile signature. In case one or more of the officers who have signed or sealed the Replacement 2023 Series B Bonds shall cease to be such officer of the City before the Replacement 2023 Series B Bonds so signed and sealed shall have been actually delivered, such Replacement 2023 Series B Bonds may nevertheless be delivered as herein provided and may be issued as if the person who signed or sealed such Replacement 2023 Series B Bonds had not ceased to hold such office. The Replacement 2023 Series B Bonds may be signed and sealed on behalf of the City by such person as at the actual time of the execution of such Replacement 2023 Series B Bonds shall hold the proper office, although at the date of such Replacement 2023 Series B Bonds such person may not have held such office or may not have been so authorized.

Section 3.04 Notices. The Authorized Officers are hereby authorized and directed to deliver such notices as may be required under the terms of each of the applicable resolutions as may be necessary to effectuate the transactions described herein, as applicable, and all such prior actions, taken in conformance with the provisions hereof, are hereby ratified.

**ARTICLE IV
MISCELLANEOUS**

Section 4.01 Amendments to Bond Resolution.

(a) The following definitions in Section 1.02 of the Original 2023B Resolution are amended and restated in their entirety to read as follows (double underlining reflecting inserts and ~~strikethroughs~~ reflecting deletions):

"Applicable Percentage" means (x) (i) during the Initial Period 80%, (ii) during the Placement Period commencing on May 1, 2026 through the next Placement Period, 79%, and (iii) during any Placement Period after the Initial Period and the Placement Period commencing on May 1, 2026 and ending on May 1, 2029, the percentage determined by the Remarketing Agent as the "Applicable Percentage" pursuant to Section 3.06(3), provided, however, in no event shall the Applicable Percentage be less than 65% or more than 135%.

"Applicable Spread" means (i) during the Initial Period, initially fifty-three basis points (0.53%), (ii) during the Placement Period commencing on May 1, 2026 and ending on May 1, 2029, fifty-three basis points (0.53%), and (iii) after the Initial Period and the Placement Period commencing on May 1, 2026 and ending on May 1, 2029, "Applicable Spread" shall mean during each Placement Period, the number of basis points determined by the Remarketing Agent appointed by the City designated by the Commission in accordance with Section 3.06(3) not later than two (2) Business Days prior to the commencement on or before the first day of such new Placement Period, that when added to Term SOFR, would equal the minimum interest rate per annum that would enable the Remarketing Agent to sell the 2023 Series B Bonds on the first day of such Placement Period such date at a price equal to the principal amount thereof, plus accrued interest, if any, thereon and without a premium.

"Bank Purchase Date" means (i) the Initial Bank Purchase Date, (ii) May 1, 2029 and (iii) during any Placement Period other than the Initial Period and the Placement Period commencing on May 1, 2026 and ending on May 1, 2029, the date designated by the ~~city~~ City pursuant to Section 3.06(3); provided, however, if such date is not a Business Day, such date shall be the last Business Day of such applicable Placement Period; provided, further, however, if all of the 2023 Series B Bonds shall be owned by a single beneficial holder and the City shall have received written notice from such Lender not less than 120 days (or such shorter period of time as shall have been agreed to by the City in writing) prior to the applicable Bank Purchase Date that such Lender has elected not to tender such 2023 Series B Bonds for purchase on such Bank Purchase Date whereupon ~~upon consent of the City~~, such due date shall not be a Bank Purchase Date; and in connection with such election such Lender shall also deliver written notice to the City establishing or modifying the date of the next succeeding Bank Purchase Date or Dates; and from and after such notice ~~and consent of the City~~, the succeeding Bank Purchase Date(s) shall be the date(s) specified in such notice unless and until modified by subsequent notice pursuant to the terms hereof.

"Calculation Agent" means (i) so long as the Initial Purchaser holds all or a portion of the 2023 Series B Bonds, the Initial Purchaser, (ii) commencing on May 1,

2026, TD Public Finance LLC, and (iii) if TD Public Finance LLC the Initial Purchaser does not hold any portion of the 2023 Series B Bonds, the Trustee, or if the Trustee is unable or unwilling, shall mean such other bank, financial institution, or financial advisor firm, designated from time to time by the City.

"Lender" means (i) from the period commencing on the Delivery Date to and not including the Initial Bank Purchase Date, the Initial Purchaser, and (ii) from and after the Initial Bank Purchase Date, TD Public Finance LLC and its successors and assigns, as beneficial owner of the 2023 Series B Bonds.

(b) Paragraphs (2) and (3) of Section 3.06 of the Original 2023B Resolution are hereby amended and restated in their entirety (double underlining reflecting inserts and ~~strikethroughs~~ reflecting deletions):

(2) Prior to the Initial Bank Purchase Date, in connection with any mandatory tender for purchase of 2023 Series B Bonds in accordance with paragraph 1 above, not less than fifteen (15) days prior to each Bank Purchase Date the Trustee shall give written notice of such Bank Purchase Date to the City and the Remarketing Agent, if any. From and after the Initial Bank Purchase Date, in connection with any mandatory tender for purchase of 2023 Series B Bonds in accordance with paragraph 1 above, not less than forty-five (45) days prior to each Bank Purchase Date the Trustee shall give written notice of such Bank Purchase Date to the City and the Remarketing Agent, if any. Failure to mail such notice or any defect therein shall not affect the rights or obligations of the Holders of the 2023 Series B Bonds and the Trustee shall not be liable to the Holders of the 2023 Series B Bonds by reason of its failure to mail such notice or any defect therein.

(3) Unless the Bank Purchase Date shall be extended as provided in the definition thereof, at least thirty (30) days prior to each Bank Purchase Date, the City may appoint a Remarketing Agent. The City shall notify the Remarketing Agent and the Trustee of the next Bank Purchase Date. Not later than 11:00 a.m. Eastern time on the date that is two (2) Business Days prior to the commencement of a new Placement Period, the Remarketing Agent shall notify the Trustee and the City of the appropriate Applicable Percentage and Applicable Spread, which such Applicable Percentage and Applicable Spread shall be the amount ~~to be those~~ that, in the sole judgment of the Remarketing Agent, taking into account prevailing financial market conditions, would be the minimum amounts required to sell the 2023 Series B Bonds at Par on the first day of such Placement Period for a period of time equal to the duration of such Placement Period. The duration of the Placement Period shall be for the period from such Bank Purchase Date to the earlier of the next succeeding Bank Purchase Date and the final maturity date of the 2023 Series B Bonds. The notice from the Remarketing Agent to the City and the Trustee Lender ~~establishing the duration of the new Placement Period,~~ the new Applicable Percentage and/or the new Applicable Spread shall be accompanied by a form of a Favorable Opinion to the effect that, on the date of such new Placement Period, the interest on the 2023 Series B Bonds is excludable from the gross income of the Holders of the 2023 Series B Bonds thereof for federal income tax purposes or that the establishment of the new Applicable Percentage and/or Applicable Spread for the Placement Period will not, in and of itself, adversely affect the exclusion of interest on the 2023 Series B Bonds from the gross income of the holder thereof for federal income

tax purposes. After delivery of such notices and a form of a Favorable Opinion, the Remarketing Agent shall attempt to remarket the 2023 Series B Bonds upon the foregoing terms. On the delivery date of the remarketed 2023 Series B Bonds, the Favorable Opinion shall be delivered.

ARTICLE V MISCELLANEOUS

Section 5.01 Further Authority. The Authorized Officers are each hereby authorized to do all acts and things required of them by this Resolution, or otherwise, as may be necessary or desirable to effectuate the transactions described herein for the purposes described herein and to pay all costs related thereto including those referenced in the fee letters, all other legal expenses, expenses for fiscal agents, municipal advisors, accountants and other experts, printing expenses and such other expenses necessary or incidental and incurred in connection therewith. The Authorized Officers, or their respective designees, are each hereby authorized and directed to execute and deliver any and all papers and instruments and to do and cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated hereunder, the City Attorney and/ or other counsel to the Authority is authorized to deliver all opinions necessary or desirable in connection therewith and to approve as to form and legality and the Clerk is authorized to attest such signatures, to certify resolutions, and cause the seal of the City to be affixed to documents as shall be deemed necessary or desirable.

Section 5.02 Severability. If any one or more of the covenants, agreements or provisions of this Resolution should be held contrary to any express provision of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed separate from the remaining covenants, agreements or provisions of this Resolution and the Bond Resolution or of the 2023 Series B Bonds.

Section 5.03 No Third-Party Beneficiaries. Except as herein otherwise expressly provided, nothing in this Resolution expressed or implied is intended or shall be construed to confer upon any person, firm or corporation other than the parties hereto and the owners and holders of the 2023 Series B Bonds issued under and secured by the Master Bond Resolution, any right, remedy or claim, legal or equitable, under or by reason of this Resolution or any provision hereof, this Resolution and all its provisions being intended to be and being for the sole and exclusive benefit of the parties hereto and the owners and holders from time to time of the 2023 Series B Bonds.

Section 5.04 Controlling Law; Members Not Liable. All covenants, stipulations, obligations and agreements contained in this Resolution shall be deemed to be covenants, stipulations, obligations and agreements of the City to the full extent authorized by the Act and provided by the Constitution and laws of the State. No covenant, stipulation, obligation or agreement contained herein shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future member, agent or employee of the City, including the Authority, in their individual capacity, and neither the members of the Authority nor any official of the City executing any agreements or documents authorized hereby shall be subject to any personal liability or accountability by reason of the issuance or the execution thereof.

Section 5.05 Effective Date. This Resolution shall be fully effective immediately upon adoption.

PASSED AND ADOPTED IN PUBLIC SESSION OF THE GAINESVILLE REGIONAL UTILITIES AUTHORITY, THIS 8TH DAY OF APRIL, 2026.

GAINESVILLE REGIONAL UTILITIES
AUTHORITY

ATTESTED:

By: _____
Eric Lawson, Chairperson

By: _____
Name: _____
Title: _____

APPROVED AS TO FORM AND
LEGALITY:

By: _____
Utilities Attorney

APPROVED AS TO FORM AND
LEGALITY:

By: _____
City Attorney

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**Gainesville Regional Utilities Authority
Agenda Item Report**

File Number: 2026-262

Agenda Date: April 8, 2026

Department: Gainesville Regional Utilities

Title: 2026-262 FY27 GRU Budget Cash and Liquidity Report (B)

Department: Gainesville Regional Utilities/Budget, Finance, and Accounting

Description: Staff will present a Cash & Liquidity Report as part of the FY27 budget process.

Fiscal Note: The fiscal impact is the transfer of \$16M from the Electric System Rate Stabilization Fund to the Electric System Unrestricted Operating Cash Fund.

Explanation: As part of the budget development process, staff will hold discussions with the Authority to present information on the various pieces that make up GRU's annual budget. These meetings are designed to give the Authority a chance to have a more in-depth view of GRU's budget and finances and ask questions that will help staff ensure they provide the appropriate level of detail in GRU's final budget submission for a vote. This presentation involves a review of cash and liquidity.

Recommendation: The GRU Authority approve the transfer, effective March 31, 2026, of \$16M of restricted regulatory cash assets in the Electric System Rate Stabilization Fund to unrestricted operating cash in the Electric System.

Cash & Liquidity Update

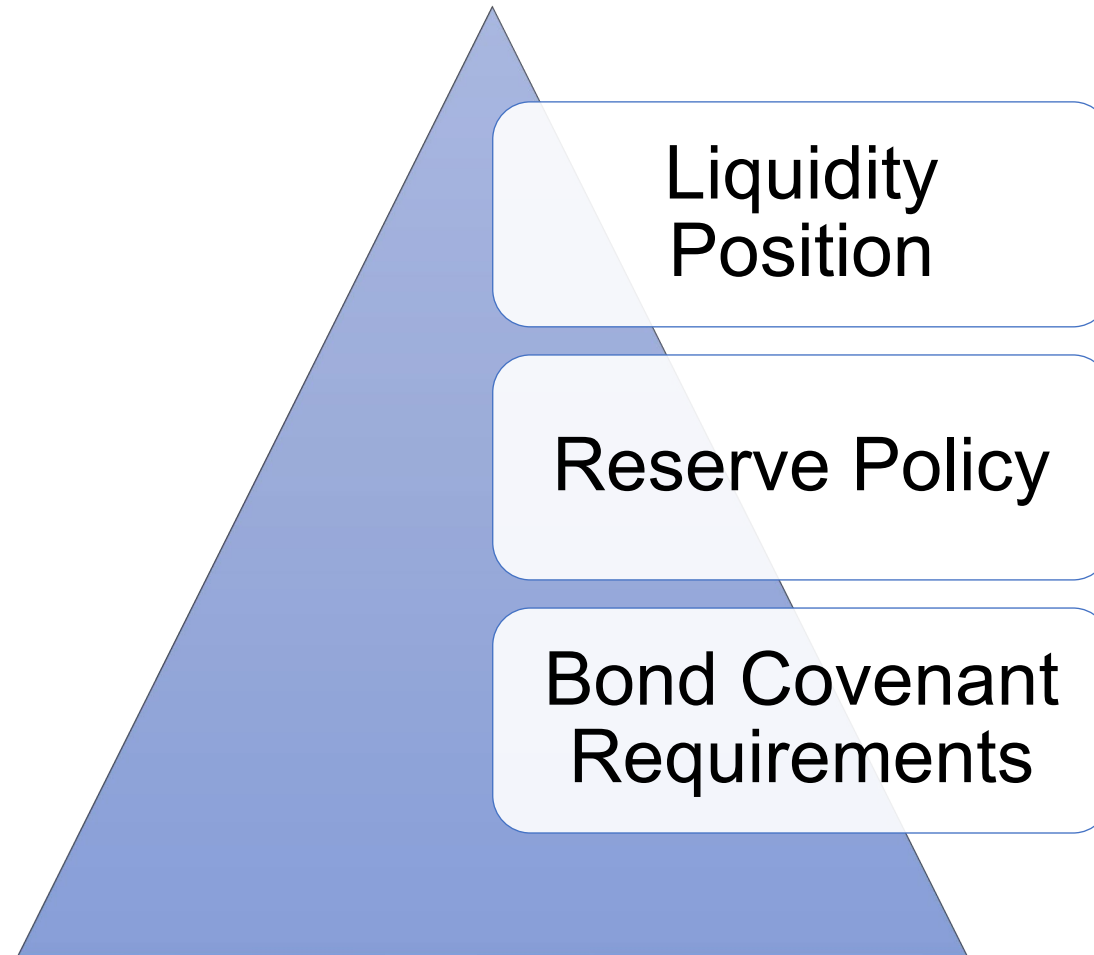
April 8, 2026



CUSTOMER FIRST

ONE UTILITY. ONE GOAL.

Building Blocks of Financial Strength



Bond Covenant Requirements

Bond Covenants

GRU is required to establish separate funds for the following*

- Revenue Fund
- Rate Stabilization Fund
- Utility Plant Improvement Fund
- Debt Service Fund
- Construction Fund

*In accordance with Sections 502-510 of GRU's Amended and Restated Utilities System Revenue Bond Resolution.

GRU has one unrestricted fund: Revenue Fund

Revenue Fund: In accordance with GRU's approved budget, the utility's operations and maintenance expenses (day-to-day expenses) come from the Revenue Fund.

GRU has four restricted funds:

- *Rate Stabilization Fund (regulatory)*: Funds are accumulated primarily to stabilize rates over future periods through transfers to and from operations*.
- *Utility Plant Improvement Fund (regulatory)*: Used primarily to fund capital projects or pay debt service expense*.
- *Debt Service Fund*: Used only to pay principal and interest expense on GRU's outstanding debt.
- *Construction Fund*: Used to pay for capital projects.

*Used in Reserve Metrics



Reserve Policy

How GRU manages its revenue and expense risks

- In 2018, GRU commissioned our financial advisor PFM LLC to conduct a Reserve Study to give a holistic view of GRU's revenue and expense risks and determine the appropriate levels of cash to reserve against each identified risk – *target cash levels*.
- In March 2019, the City Commission approved a Reserve Policy based on the study's results.
- In November 2024, the GRU Authority approved an updated Reserve Policy.

Three metrics to determine and measure reserve adequacy

1. Actual Reserves vs Target Reserve* levels, per policy.

Achieve Targeted Reserve levels, and when necessary, take action to further compliance.

2. Actual Reserve Days Cash-on-Hand vs Target, per policy.

Manage Reserve Days Cash-on-Hand metrics to >250 days throughout the financial forecast horizon.

3. Actual Days of Operating Cash-on-Hand of 60 days, per internal standard.

Manage operating cash levels (Revenue Fund) equal to 60 days of operating expense, including fuel.

**Reserves include Revenue, Rate Stabilization and UPIF Funds*

Metric # 1

Actual vs. targeted reserves, as of Feb. 28, 2026

	Electric	Water	Wastewater	Gas	GRUCom	Total
Target reserves	80,920,190	10,460,315	11,161,092	10,487,071	2,715,522	115,744,190
Actual @ 2/28/26	64,734,461	19,467,804	41,954,187	17,426,145	2,121,029	145,703,626
Over (Under) @ 2/28/26	(16,185,729)	9,007,489	30,793,095	6,939,074	(594,493)	29,959,436

Key Takeaway: GRU met its overall target reserves, while the electric system was negatively impacted by historical and current economic stressors.

Metric # 2

Targeted 250 Days Cash-on-Hand, as of Feb. 28, 2026

	Electric	Water	Wastewater	Gas	GRUCom	Total
Target: 250 days cash on hand	250	250	250	250	250	250
Actual @ 2/28/26	113	336	699	264	125	188
Over (Under) @ 2/28/26	(137)	86	449	14	(125)	(62)
Target: 250 days cash on hand	143,186,161	14,481,732	15,003,671	16,477,305	4,230,262	193,379,129
Actual \$ @ 2/28/26	64,734,461	19,467,804	41,954,187	17,426,145	2,121,029	145,703,626
Over (Under) @ 2/28/26	(78,451,700)	4,986,072	26,950,516	948,840	(2,109,233)	(47,675,503)

Key Takeaway: GRU's goal of 250 Days Cash on Hand is to achieve a key rating agency metric in which GRU is close to achieving in the planning horizon.

Metric # 3

Actual vs. targeted days of operating cash, as of Feb. 28, 2026

	Electric	Water	Wastewater	Gas	GRUCom	Total
Target 60 days	60	60	60	60	60	60
Actual @ 2/28/26	(1)	38	134	115	29	23
Over (under) @ 2/28/26	(61)	(22)	74	55	(31)	(37)
Target \$ @ 60 days	34,364,679	3,475,616	3,600,881	3,954,553	1,015,263	46,410,991
Actual @ 2/28/26	(351,284)	2,177,012	8,036,871	7,564,910	493,281	17,920,790
Over (under) @ 2/28/26	(34,715,963)	(1,298,604)	4,435,990	3,610,357	(521,982)	(28,490,201)

Key Takeaway: Actual operating cash fell below the 60-day target primarily due to the economic stressors in the Electric System.

What are they?

1. Natural gas price shock, December through February.
2. Loss of cheapest generating source, the Kelly plant, until May/June 2026.
3. Business philosophy of stable pricing for customers:
 - Deferring recovery of higher fuel costs over a longer period
 - Returning over-collections from prior periods from Fuel Levelization Fund
 - Using TEA return of equity to Fuel Levelization and benefiting customers

Key Takeaway: GRU used its financial strength to cushion the temporary financial impact of events outside our control.

Proposed Solutions

1. Use the Rate Stabilization Fund to stabilize rates and inject \$16 million into Electric System cash fund to reach 15 Days Cash-on-Hand:
 - Rate Stabilization Fund is set up specifically for these events
 - It was established with customer money, so it should be used to cushion rates
2. Continue to increase fuel adjustment, as necessary, to support required cash on hand.
3. Increase fuel adjustment to 55 mills on April 1

Recommendation

Recommendation: Approve the transfer, effective March 31, 2026, of \$16 million of restricted regulatory cash assets in the Electric System Rate Stabilization Fund to unrestricted operating cash in the Electric system.



Liquidity

Liquidity Request

Liquidity position remains strong despite cash pressure

Definition: Liquidity = cash and investments, plus undrawn lines of credit.

LIQUIDITY DAYS ON HAND @ FEBRUARY 28, 2026	
Cash & investments	145,703,626
Revolving line of credit with US Trust	150,000,000
Liquidity	295,703,626
Divided by average daily operating expense	773,517
= Liquidity Days on hand	382
Target = Fitch AA- rated median	267
Liquidity Days on Hand over target	115

As of Feb. 28, 2026, Liquidity Days-on-Hand of 382 is 115 days over the target, which is Fitch's median for AA- rated utilities.

Key Takeaway: Strong liquidity supports GRU's bond ratings and offsets leverage concerns. No changes are required.



Appendix

Definitions

Cash = GRU's cash and investments

- Cash and investment levels from following funds are incorporated in the development of GRU's financial metrics:
 - Operating
 - Rate Stabilization
 - UPIF

Liquidity = cash and investments from aforementioned funds, plus undrawn lines of credit.

Metric Language

Metric #1 (per Reserve Policy): “If at any time cash balances fall outside the acceptable range, staff will as soon as practicable bring for proposals for GRUA consideration designed to move cash balance levels within the bounds of the acceptable range.”

“Target ranges will be adjusted, if necessary, to ensure that Days Cash on Hand metrics do not fall below 250 days throughout the financial forecast horizon.”

Metric #2 (per Debt Management Policy, Section XIII Credit Metrics): “GRU will manage its excess of reserves over target levels to maintain minimum Days Cash on Hand metrics of no less than 250 days throughout the financial forecast horizon.”

Metric #3 (per Internal Standard): Goal is to maintain operating cash levels = to 60 days of operating expense including fuel .

Metrics Part 2

- The adequacy of GRU's cash position is measured in terms of whether three target metrics are met:
 - Cash reserves vs reserve targets
 - Days Cash-on-Hand
 - Operating cash as measured in terms of number of covered days of operating expense including fuel

Cash Reserves

Cash Balance Policy
Approved March 2019
Updated November 2024

Days Cash on Hand

Cash Balance Policy
Section XIII. Debt Management Policy
Approved November 2024

Operating Cash:Days Operating Expense

Internal Target

Cash vs. Targeted

Cash Reserves vs Reserve Targets: Cash Balance Policy

- The resources eligible to be counted as reserves against the reserve target are:
 - Operating Fund cash
 - Rate Stabilization Fund cash
 - UPIF cash

CASH RESERVES VS TARGETS @ 2/28/26		
Unrestricted Reserves		
Operating Fund cash		17,920,790
Restricted Reserves		
Rate Stabilization Fund cash		99,826,023
UPIF cash		27,956,813
Total Reserves		145,703,626
Reserve Target		115,744,190
Reserves in Excess of Target		29,959,436

Operating Cash

Number of days operating expense covered by operating cash

- GRU's internal target is operating cash equal to at least 60 days of operating expense, less depreciation but including fuel.

CURRENT OPERATING FUND CASH VS 60 DAYS OPERATING EXPENSE INCLUDING FUEL						
	Electric	Water	WW	Gas	GRUCom	Total
Operating cash & investments @ February 28, 2026	(351,284)	2,177,012	8,036,871	7,564,910	493,281	17,920,790
60 days operating expense including fuel @ February 28, 2026						
Expense @ February 28	86,484,441	8,746,966	9,062,217	9,952,292	2,555,078	116,800,994
# days FY26 @ February 28	151	151	151	151	151	151
Average daily operating expense	572,745	57,927	60,015	65,909	16,921	773,517
Avg daily expense X 60 = 60 days expense	34,364,679	3,475,616	3,600,881	3,954,553	1,015,263	46,410,991
Operating cash over (under) 60 days expense	(34,715,963)	(1,298,604)	4,435,990	3,610,357	(521,982)	(28,490,201)
# of days operating expense covered by operating cash	-0.6	38	134	115	29	23
Days over (under) 60 day target	(61)	(22)	74	55	(31)	(37)

- Electric, water, GRUCom and combined operating cash levels are below 60-day target.

Liquidity Days on Hand

Liquidity = cash and investments, plus undrawn lines of credit.

- As of Feb. 28, 2026, GRU's Liquidity Days-on-Hand of 382 is 115 days over the target, which is Fitch's median for AA- rated utilities.
- This strong liquidity position assists in maintaining GRU's bond ratings in the face of our high leverage.

LIQUIDITY DAYS ON HAND @ FEBRUARY 28, 2026	
Cash & investments	145,703,626
Revolving line of credit with US Trust	150,000,000
Liquidity	295,703,626
Divided by average daily operating expense	773,517
= Liquidity Days on hand	382
Target = Fitch AA- rated median	267
Liquidity Days on Hand over target	115



**Gainesville Regional Utilities Authority
Agenda Item Report**

File Number: 2026-264

Agenda Date: April 8, 2026

Department: Gainesville Regional Utilities

Title: 2026-264 FY27 GRU Budget Presentation of GRU's Debt Portfolio Review (B)

Department: Gainesville Regional Utilities/Budget, Finance, and Accounting

Description: Staff will present an overview of GRU's debt portfolio as part of the FY27 budget process.

Fiscal Note: None at this time.

Explanation: As part of the budget development process, staff will hold discussions with the Authority to present information on the various pieces that make up GRU's annual budget. These meetings are designed to give the Authority a chance to have a more in-depth view of GRU's budget and finances and ask questions that will help staff ensure they provide the appropriate level of detail in GRU's final budget submission for a vote. This presentation involves a review of GRU's debt portfolio.

Recommendation: The GRU Authority hear a presentation from staff.

Debt Portfolio Review March 2026

April 8, 2026



CUSTOMER FIRST

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GRU manages a large and complex debt portfolio

- \$1.672 billion outstanding
- 31% of FY26 budgeted expenses tied to debt service
- From 2017 forward - 12 restructurings generating \$1 billion + projected savings
- \$276 million principal reduction since 2015

Debt Service as % of Operating Budget	
GRU	31%
OUC	18%
JEA	12%
Tallahassee	10%
Lakeland	9%

Takeaway: Over the next 10 years, GRU's debt burden is significant but strategically managed and trending downward.

GRU's High Debt Load

GRU's debt load is large relative to its peers

- \$1.672 billion outstanding principal
- Nearly 4 X FY26 operating revenue
- 2.25 X larger than next closest peer

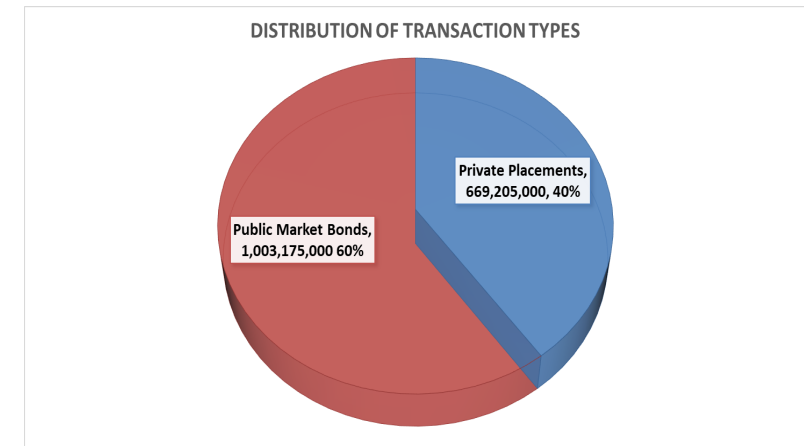
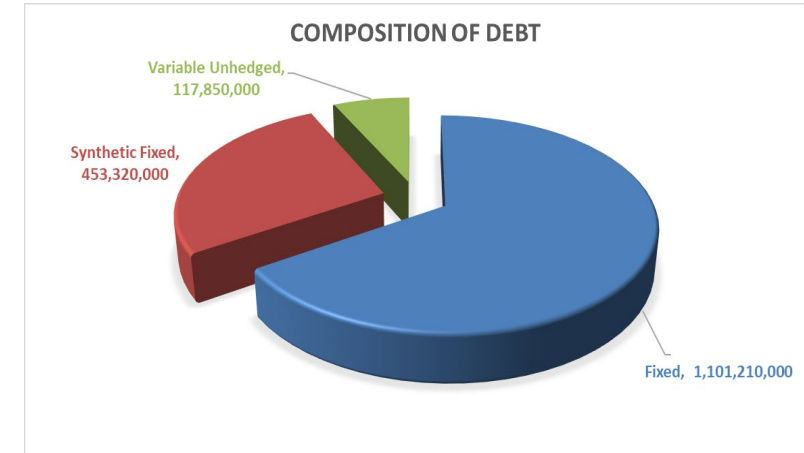
Debt to Operating Revenue Ratio	
GRU	3.87
Tallahassee	1.72
JEA	1.61
OUC	1.59
Lakeland	1.37

Takeaway: Debt levels require disciplined management and long-term planning.

Composition of Debt

GRU Debt Portfolio

OUTSTANDING PRINCIPAL @ 3/31/26				Outstanding Notional Swap \$
	Fixed	Variable	Total	
2005C		-	-	1,570,000
2006A		-	-	1,515,000
2009B	107,985,000		107,985,000	
2010A	12,930,000		12,930,000	
2010B	132,445,000		132,445,000	
2012B		88,215,000	88,215,000	
2014A	24,775,000		24,775,000	
2014B	11,830,000		11,830,000	
2017A	282,710,000		282,710,000	
2019A	153,115,000		153,115,000	
2019B	26,665,000		26,665,000	
2019C		66,745,000	66,745,000	34,025,000
2020A	10,215,000		10,215,000	
2021A	95,760,000		95,760,000	
2022A	32,295,000		32,295,000	
2022B	210,485,000		210,485,000	
2023A		160,000,000	160,000,000	45,000,000
			-	115,000,000
2023B		105,000,000	105,000,000	105,000,000
2023C		151,210,000	151,210,000	151,210,000
@ 3/31/26	1,101,210,000	571,170,000	1,672,380,000	453,320,000
% of Portfolio fixed or synthetically fixed = 92.95%				

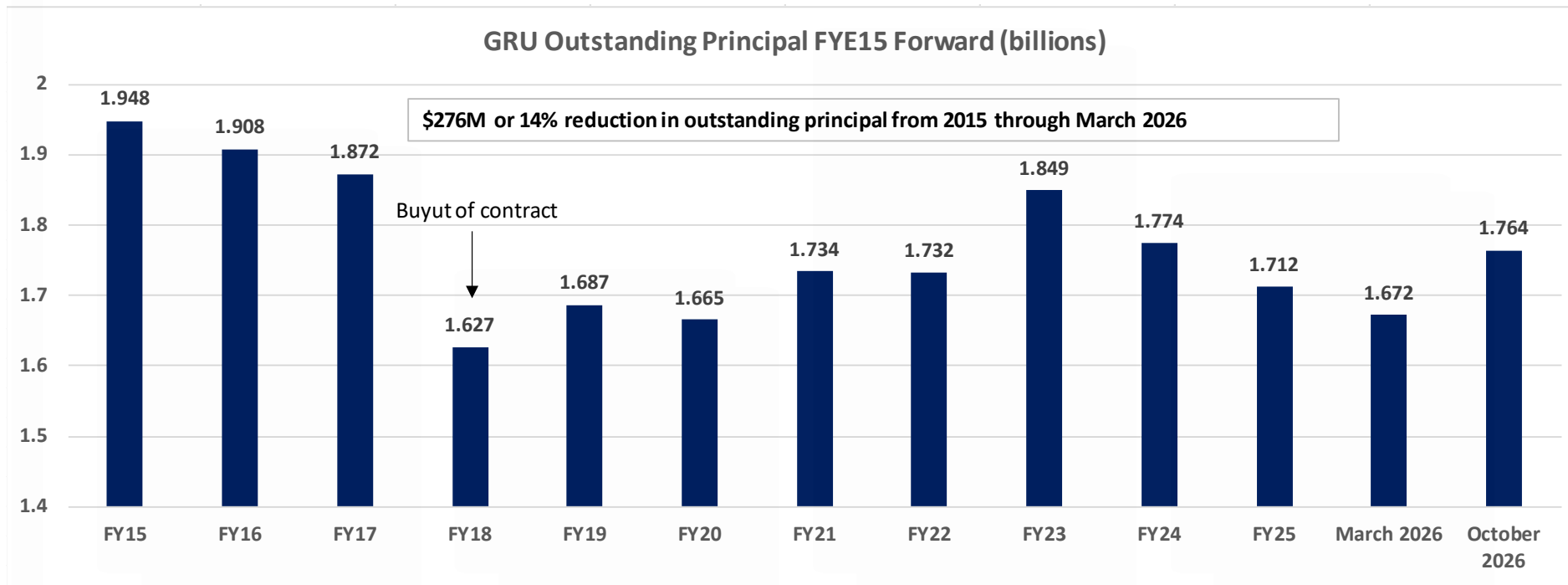


Actively Managed Portfolio

Restructuring transactions are projected to save in excess of \$1 billion over the life of the issues.

SUMMARY OF TRANSACTION RELATED SAVINGS 2017 FORWARD	
Savings Over the Life of the Issues	
DHR Acquisition	771,772,806
Series 2019B: Refunding of Series 2005B (savings 2019 - 2024)	9,573,288
Series 2019C: Refunding of Series 2005C, 2006A, 2007A, 2008B, & 2012B (savings 2019 - 2024)	56,759,489
2020 Restructuring Transactions:	
Series 2017C Swap	23,941,220
Series 2020A: Forward Delivery Tax-Exempt Direct Placement Refunding of Series 2010C Bonds	4,108,262
Series 2017B Goldman Sachs Swap Termination Option Extension	8,532,699
Series 2005A Bonds Redemptions	190,273
Series 2019A Forward Starting Swap	78,749,501
Series 2017B Citi Swap Termination Option Extension	5,577,708
2020 Pension Obligation Bonds	63,689,301
Series 2022A : Series 2012A Refunding	5,142,652
Series 2022B: Refunding of Series 2007A & 2008B	5,917,611
Accelerated Debt Reduction Transactions (other than 2005A redemptions)	12,383,088
Total Savings	1,046,337,898

GRU has aggressively reduced debt



Takeaway: Active management has materially improved GRU's long-term financial position.

October 2026 includes projected new money issue of \$150M less projected August 2026 defeasance & October 1 scheduled principal payment

Despite substantial capital improvement expense over the period, outstanding principal has been reduced by ~\$276M or more than 14% from its peak in FY2015 through March 2026.

Defeasance Plan

- Accelerated debt-reduction program has resulted in more than \$78M in defeasances and redemptions since 2020:
 - ~ \$12.6M in escrow earnings and interest expense avoided

ACCELERATED DEBT REDUCTION HISTORY					
FY	Redemption/ Defeasance	Series	Principal	Total	Avoided Interest/ Escrow Earnings
2020	Redemption	2005A	405,000	405,000	190,273
2022	Defeasance	2017A	7,185,000	8,315,000	357,240
	Defeasance	2009B	1,130,000		46,644
2023	Defeasance	2017A	3,460,000	3,460,000	618,668
2024	Redemption	2005C	3,090,000	39,575,000	204,470
	Redemption	2006A	2,985,000		197,330
	Redemption	2020A	275,000		46,036
	Redemption	2022B	4,740,000		1,048,934
	Redemption	2022A	1,200,000		47,489
	Redemption	2012B	10,065,000		1,715,142
	Redemption	2019C	610,000		266,889
	Redemption	2014B	255,000		65,126
	Defeasance	2017A	15,650,000		1,230,381
	Defeasance	2019A	705,000		109,896
2025	Defeasance	2017A	18,230,000	26,420,000	1,896,958
	Redemption	2014A	8,190,000		4,534,885
Total				78,175,000	12,576,361

Omnibus Resolution

FY26 Omnibus Resolution: Potential Financial Transactions

On Feb. 18, GRUA adopted an authorizing resolution delegating to the CEO & CFO authority to negotiate and execute a list of potential transactions

POTENTIAL 2026 FINANCIAL TRANSACTIONS		
NEW MONEY		
New money fixed rate bond issuance: Series 2026B	150,000,000	
RENEWAL/REPLACEMENT OF DIRECT PLACEMENT ISSUES		
Renew 2023 Series A variable rate demand bonds with Truist	160,000,000	
Replace 2023 Series B variable rate demand bonds: TD Public Finance LLC replaces TD Bank	105,000,000	
Replace 2023 Series C variable rate demand bonds: Barclays replaces TD Bank	151,210,000	
OPPORTUNITY FOR SAVINGS		
SRF lead service line replacement plans	547,405	50% reimbursable grant
SRF PFAS treatment evaluation	1,100,000	100% reimbursable grant
SRF wastewater collection & treatment resiliency	19,166,503	100% reimbursable grant
Refund outstanding 2014 Series A Bonds	24,775,000	\$5.9 million present value savings
Refund outstanding 2014 Series B Bonds	11,830,000	\$713,000 present value savings
Refund outstanding 2009 Series A Bonds	107,985,000	\$2.1M subsidization benefit preserved
Refund outstanding 2010 Series A Bonds	132,445,000	\$2.6M subsidization benefit preserved
Defuse 2029 maturity of 2017 Series A bonds	18,900,000	\$2.4M interest avoided & escrow earnings
Total potential 2026 transactions	882,958,908	



Appendix

Why Utilize Debt Financing?

- Utilizing debt for capital infrastructure may seem counterintuitive, however
 - If GRU funds with cash, current rate payers shoulder an inordinate amount of the burden for assets which will serve rate payers for 30+ years
 - Borrowing spreads the rate impact over the useful life of the assets and limits intergenerational inequity
- GRU executes new money issues every 2-3 years

Combining Statement of Net Position AS of February 28, 2026	
Utility plant in service	3,329,824,345
Right-of-Use Asset	11,616,741
Less: accumulated depreciation & amortization	(1,650,671,195)
	<hr/>
	1,690,769,891
Construction in progress	173,330,538
Net capital assets	<hr/>
	1,864,100,429

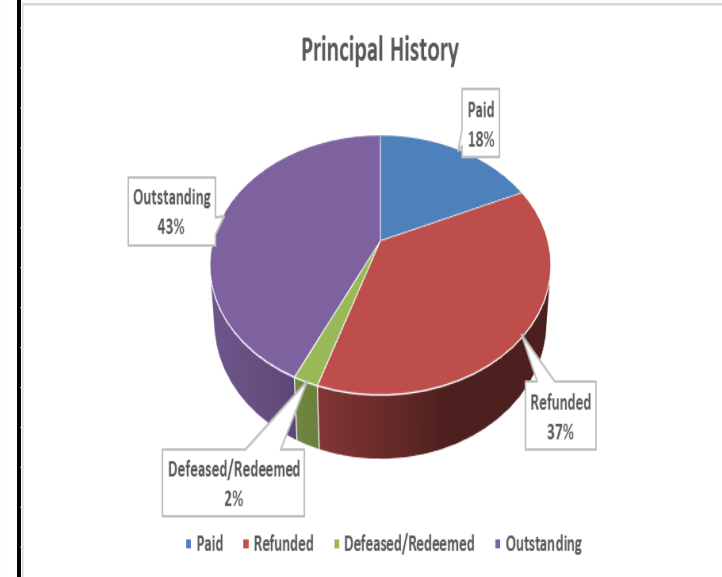
- Ultimate goal is for capital infrastructure funding to be allocated as 50% debt and 50% internal equity
- GRU Budget, Finance & Accounting proactively initiates refunding & restructuring transactions as opportunities to generate debt service savings are developed

Debt History

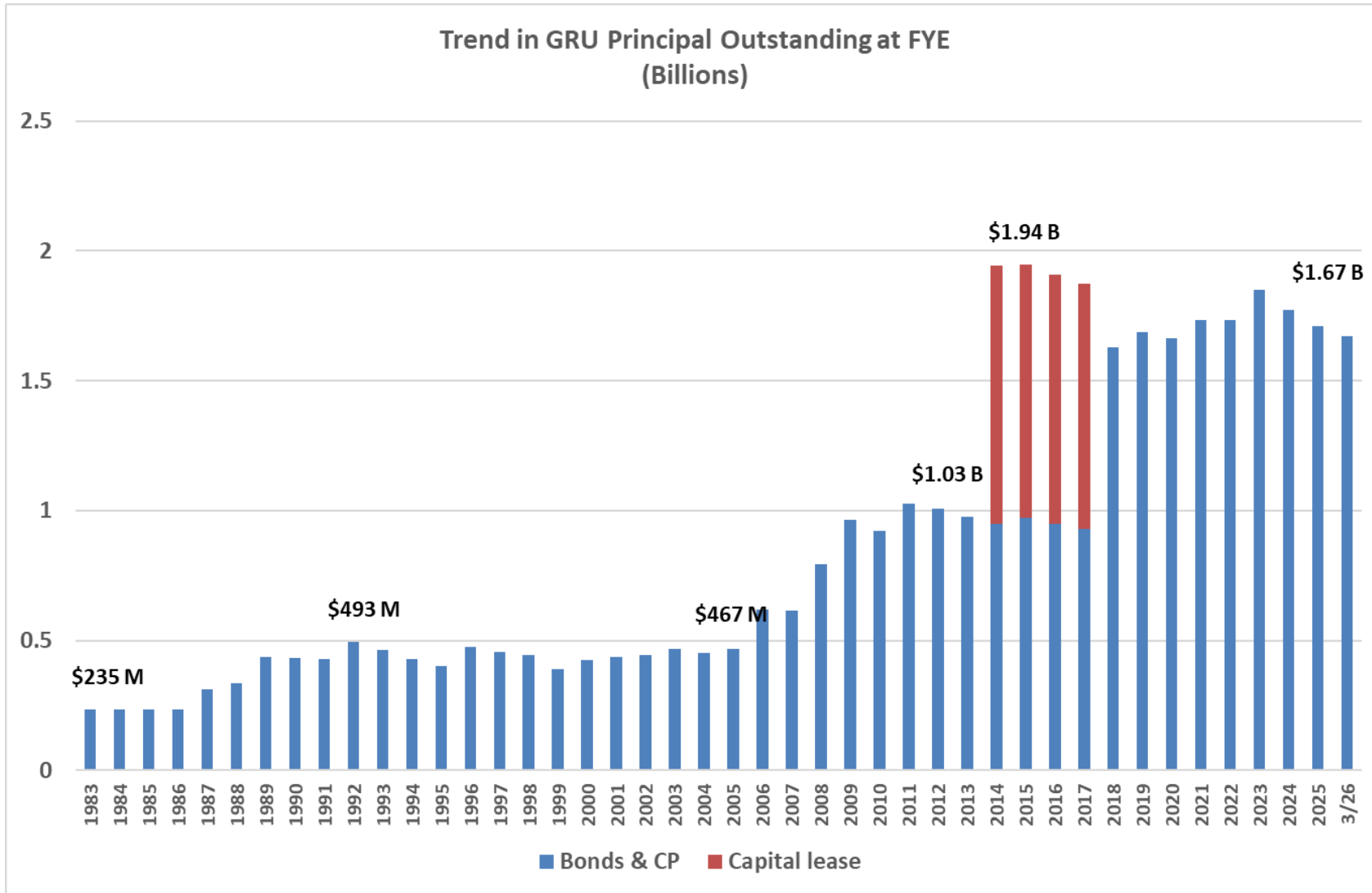
Series	Issue Date	Issue Amount	Principal Paid as of 3/31/26	Refunded	Deceased/ Redeemed	Outstanding as of 3/31/26	Final Maturity
1983	August 1, 1983	186,000,000	13,530,000	172,470,000	-	-	
1987A	August 1, 1987	74,867,331	10,600,000	64,267,331	-	-	
1989A	January 15, 1989	100,366,362	-	100,366,362	-	-	
1992A	March 1, 1992	73,000,000	9,270,000	63,730,000	-	-	
1992B	March 1, 1992	61,920,000	25,275,000	36,645,000	-	-	
1993A & B	March 1, 1993	163,975,000	50,050,000	113,925,000	-	-	
1993C	August 1, 1993	20,935,000	20,935,000	-	-	-	
1993 Sub.	August 1, 1993	51,575,000	51,575,000	-	-	-	
1996A	February 1, 1996	143,215,000	32,115,000	111,100,000	-	-	
2002A & B	June 25, 2002	77,300,000	12,000,000	65,300,000	-	-	
2003A & B	January 30, 2003	40,625,000	7,625,000	33,000,000	-	-	
2003C	July 18, 2003	115,925,000	115,925,000	-	-	-	
2005A	November 3, 2005	196,950,000	-	196,545,000	405,000	-	
2005B	November 3, 2005	61,590,000	19,915,000	41,675,000	-	-	
2005C	November 9, 2005	55,135,000	15,960,000	36,085,000	3,090,000	-	
2006A	February 23, 2007	53,305,000	10,485,000	39,835,000	2,985,000	-	
2007A	February 6, 2008	139,505,000	3,325,000	136,180,000	-	-	
2008A	February 6, 2008	105,000,000	52,505,000	52,495,000	-	-	
2008B	September 16, 2009	90,000,000	-	90,000,000	-	-	
2009A	September 16, 2009	24,190,000	24,190,000	-	-	-	

Debt History

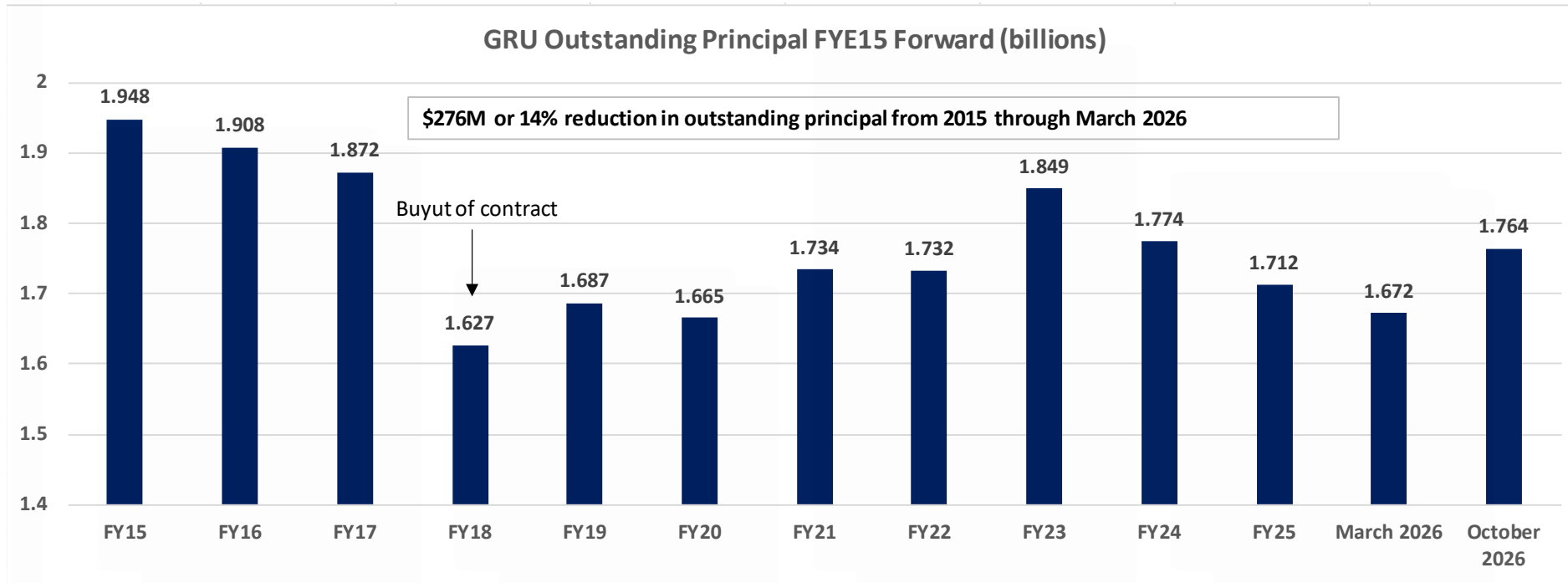
Series	Issue Date	Issue Amount	Principal Paid as of 3/31/26	Refunded	Deceased/Redeemed	Outstanding as of 3/31/26	Final Maturity
2009B	November 10, 2010	156,900,000	47,785,000	-	1,130,000	107,985,000	2039
2010A	November 10, 2010	12,930,000	-	-	-	12,930,000	2030
2010B	November 10, 2010	132,445,000	-	-	-	132,445,000	2040
2010C	November 10, 2010	16,365,000	5,860,000	10,505,000	-	-	
2012A	July 13, 2012	81,860,000	15,785,000	66,075,000	-	-	
2012B	July 24, 2012	100,470,000	330,000	1,860,000	10,065,000	88,215,000	2042
2014A	December 11, 2014	37,980,000	5,015,000	-	8,190,000	24,775,000	2044
2014B	December 11, 2014	30,970,000	18,885,000	-	255,000	11,830,000	2036
2017A	November 7, 2017	415,920,000	88,685,000	-	44,525,000	282,710,000	2040
2017B/2023A & 2023B	November 7, 2017	105,000,000	-	-	-	105,000,000	2044
2017C/2023A	November 7, 2017	160,000,000	-	-	-	160,000,000	2047
2019A	April 3, 2019	153,820,000	-	-	705,000	153,115,000	2047
2019B	April 3, 2019	26,665,000	-	-	-	26,665,000	2047
2019C	April 26, 2019	67,355,000	-	-	610,000	66,745,000	2047
2020A	July 7, 2020	10,665,000	175,000	-	275,000	10,215,000	2034
2021A	August 11, 2021	95,760,000	-	-	-	95,760,000	2051
2022B	April 29, 2022	232,880,000	17,655,000	-	4,740,000	210,485,000	2038
2022A	July 14, 2022	66,600,000	33,105,000	-	1,200,000	32,295,000	2028
2023C	June 22, 2023	151,210,000	-	-	-	151,210,000	2053
Totals		3,891,173,693	708,560,000	1,432,058,693	78,175,000	1,672,380,000	



Visual of Outstanding Debt



GRU has aggressively reduced debt



Takeaway: Active management has materially improved GRU's long-term financial position.

October 2026 includes projected new money issue of \$150M less projected August 2026 defeasance & October 1 scheduled principal payment

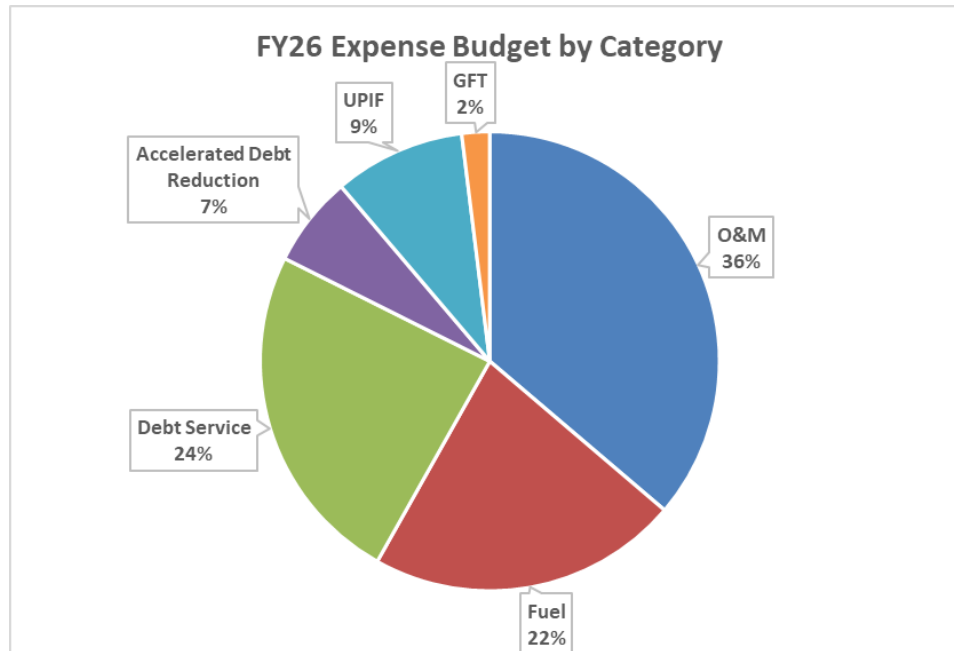
Despite substantial capital improvement expense over the period, outstanding principal has been reduced by ~\$276M or more than 14% from its peak in FY2015 through March 2026.

Debt Portfolio Review

- @ \$1.672 billion outstanding principal is almost 4 times FY26 budgeted total operating revenue
- Debt service expense (principal & interest) and accelerated debt reduction make up almost 31% of the FY26 expense budget

Debt to Operating Revenue Ratio	
GRU	3.87
Tallahassee	1.72
JEA	1.61
OUC	1.59
Lakeland	1.37

EXPENSE CATEGORY	FY26 BUDGET	
	\$	%
O&M	156,821,878	36.22%
Fuel	94,955,162	21.93%
Debt Service	104,915,569	24.23%
Accelerated Debt Reduction	27,655,767	6.39%
UPIF	40,059,434	9.25%
GFT	8,505,224	1.96%
Total	432,913,034	



Debt Service as % of Operating Budget	
GRU	31%
OUC	18%
JEA	12%
Tallahassee	10%
Lakeland	9%

Why Utilize Variable Rate Debt

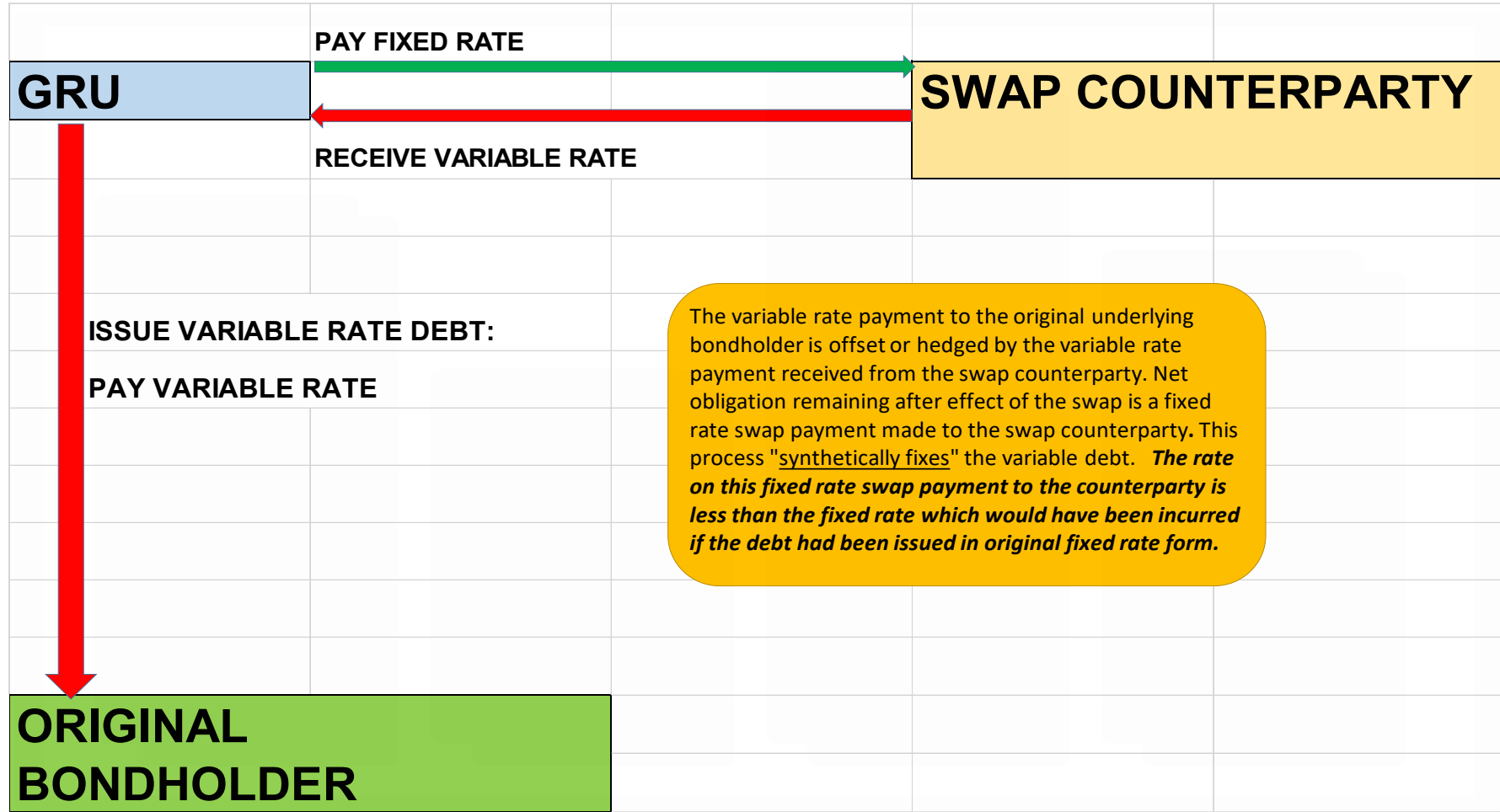
PROS

- Generally lower initial interest rates compared to fixed rate debt
- More flexibility regarding potential refundings
- Provides for asset/liability matching
- As size and complexity of portfolio grows facilitates managing the overall cost of borrowing

CONS

- Exposure to interest rate risk in rising interest rate environments

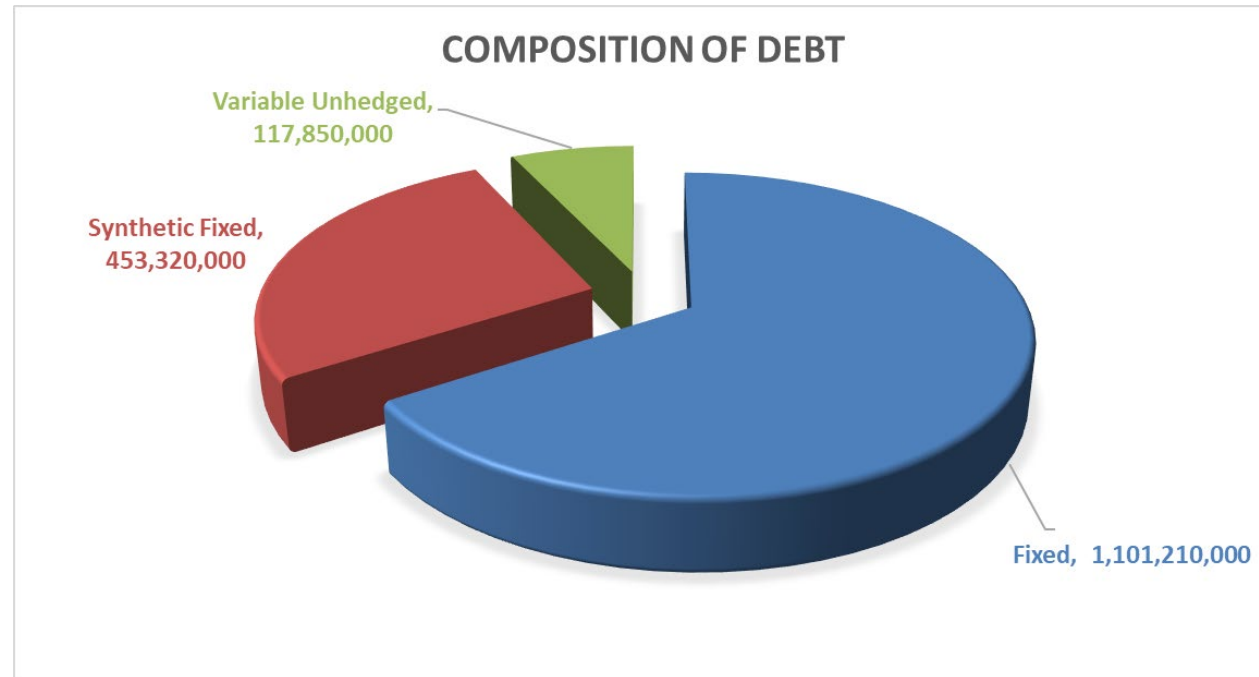
Mitigating Interest Rate Risk



Capital Structure: Part 1

- Capital structure includes fixed and variable rate debt, together with swaps to mitigate variable rate risk

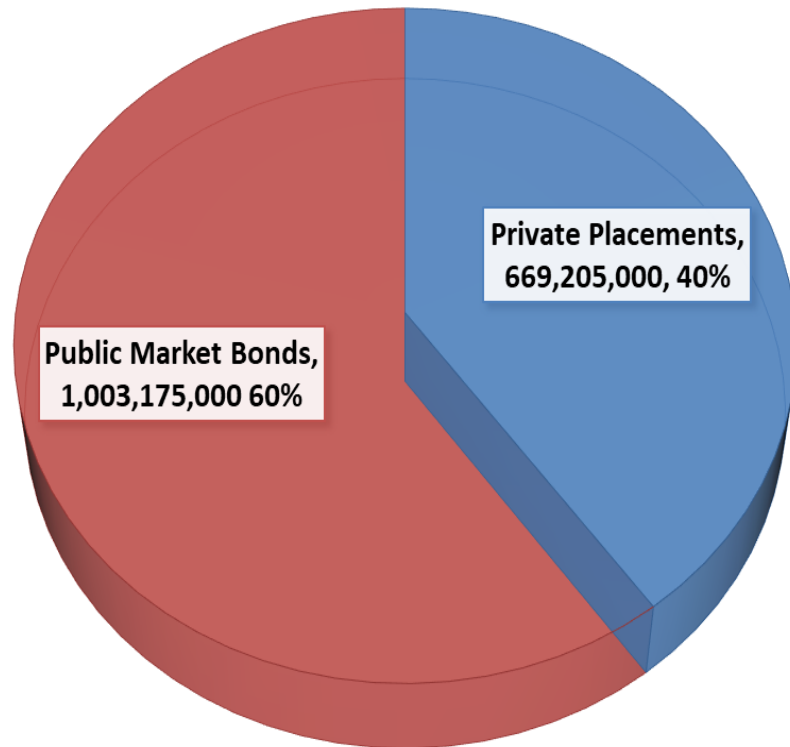
PORTFOLIO COMPOSITION					
Outstanding Principal @3/12/26				Outstanding	(Overhedged)
	Fixed	Variable	Total	Notional Swap \$	Net Unhedged
2005C		-		1,570,000	(1,570,000)
2006A		-		1,515,000	(1,515,000)
2009B	107,985,000				
2010A	12,930,000				
2010B	132,445,000				
2012B		88,215,000			88,215,000
2014A	24,775,000				
2014B	11,830,000				
2017A	282,710,000			(3)	
2019A	153,115,000			(2)	
2019B	26,665,000				
2019C		66,745,000		(1)	
2020A	10,215,000			34,025,000	32,720,000
2021A	95,760,000				
2022A	32,295,000				
2022B	210,485,000				
2023A		160,000,000		45,000,000	115,000,000
				115,000,000	(115,000,000)
2023B		105,000,000		105,000,000	-
2023C		151,210,000		151,210,000	-
@ 3/12/26	1,101,210,000	571,170,000	1,672,380,000	453,320,000	117,850,000
Composition Summary					
% Original Issue Fixed	65.85%				
% Original Issue Variable	34.15%				
\$ Notional Swaps	453,320,000				
% Fixed/Synthetically Fixed	92.95%				
\$ Fixed/Synthetically Fixed	1,554,530,000				
\$ Variable Unhedged	117,850,000				
(1) 2014A FSS cash flows effective October 1, 2024 with a notional amount of \$34,025,000 reassigned to 2019C (2) 2019A FSS cash flows effective October 1, 2029 with a notional amount of \$153,820,000 (3) 2017A FSS cash flows effective October 1, 2027 with a notional amount of \$249,625,000					



Capital Structure: Part 2

- Debt portfolio is also diversified between public bond offerings and direct or private placement issues

DISTRIBUTION OF TRANSACTION TYPES



PRIVATE PLACEMENTS	
Series	Outstanding Principal
2020 A	10,215,000
2022 B	210,485,000
2022 A	32,295,000
2023 A	160,000,000
2023 B	105,000,000
2023 C	151,210,000

COUNTERPARTIES	
Bank of America	252,995,000
TD Bank	256,210,000
Truist	160,000,000

Public Market Transaction vs Private Transaction

- In addition to internally generated cash through the Utility Plant Improvement Fund (UPIF) there are primarily two transaction methodologies GRU can utilize to finance infrastructure needs
- Public Market Bond Transaction – Utilizing a banking syndicate GRU would issue bonds on the public capital markets
 - Requires an update of GRU's disclosure document, the Official Statement
 - Requires a rating agency review
 - Transaction process generally takes 3-4 months
- Private Placement (Bank) Transaction – Selecting a bank through a competitive process and then negotiating the loan with that bank

Public Market Transaction vs Private Transaction

- Private placement
 - No need to update disclosure document
 - Banks that work with GRU generally maintain credit surveillance of the utility
 - Are considered “sophisticated” investors
 - No need for ratings review
 - Can normally be completed one month faster than a public transaction
 - Interest rate that GRU pays can be higher than through a public transaction
 - Higher cost offset by the elimination of the disclosure update and ratings process, which depending on the size of the issuance can total \$200,000 - \$300,000
- For both transaction types, a Request For Proposal process is utilized and GRU’s independent financial advisor reviews the results for accuracy, consistency with market conditions, fairness and overall risk to GRU.

Liquidity Facilities Support Variable Rate Debt

- Depending on the method of issuance, administering a variable rate debt program can require utilization of several financial tools
 - Liquidity facilities
 - Remarketing agreements

Series	Series Type	Provider	Term Date	Fee	Remarketing Agent	Par
2012 B*	Daily VRDO	Truist	4/24/2027	43 bps	JPMorgan	88,215,000
2018 A (LOC)	Tax-Exempt LOC	Truist	11/21/2027	25 bps	NA	25,000,000
2019 C	Daily VRDN	Bank of America	4/25/2028	39 bps	BofA	66,745,000
2020 A (LOC)	Taxable LOC	Truist	11/21/2027	30 bps	NA	50,000,000
2022 AB Revolving Line of Credit	A Tax Exempt B Taxable	US Bank	12/20/2027	38 bps	N/A	150,000,000

- These facilities provide funds to pay investors principal as variable rate instruments mature in the event of market disruptions that affect the ability to remarket these instruments.

History of Restructurings

- Since 2017, 12 restructuring transactions have been executed, which are projected to save in excess of \$1 billion over the life of the issues

SUMMARY OF TRANSACTION RELATED SAVINGS 2017 FORWARD	
Savings Over the Life of the Issues	
DHR Acquisition	771,772,806
Series 2019B: Refunding of Series 2005B (savings 2019 - 2024)	9,573,288
Series 2019C: Refunding of Series 2005C, 2006A, 2007A, 2008B, & 2012B (savings 2019 - 2024)	56,759,489
2020 Restructuring Transactions:	
Series 2017C Swap	23,941,220
Series 2020A: Forward Delivery Tax-Exempt Direct Placement Refunding of Series 2010C Bonds	4,108,262
Series 2017B Goldman Sachs Swap Termination Option Extension	8,532,699
Series 2005A Bonds Redemptions	190,273
Series 2019A Forward Starting Swap	78,749,501
Series 2017B Citi Swap Termination Option Extension	5,577,708
2020 Pension Obligation Bonds	63,689,301
Series 2022A : Series 2012A Refunding	5,142,652
Series 2022B: Refunding of Series 2007A & 2008B	5,917,611
Accelerated Debt Reduction Transactions (other than 2005A redemptions)	12,383,088
Total Savings	1,046,337,898

Debt Reduction Plan

- Financial restructurings
 - 2019B and 2019C: a portion of the near-term savings were used to redeem the final \$405,000 in outstanding bonds from the Series 2005A issue on February 27, 2020
 - 2020 GRU debt restructurings - \$134M in savings over the next 26 years
 - 2020 Pension Obligation Bonds (POB) transaction executed by General Government - \$64M in savings to GRU over the next 22 years
- Significant reductions to the GFT - \$121M over the period 2024 – 2033
- Incremental revenues from base rate increases - \$6.5M per year through 2033
- \$2.8M per year in O&M reductions through 2033

Debt Portfolio Review

This table compares the current status of the debt reduction plan to the original plan developed in April 2023

		Outstanding Principal	Plus Unamortized Bond Premium	Plus Lease Liability	Less Funds Available to Pay Debt Service*	= Net Debt	Divided by Net Capital Assets	= Debt to Capitalization Ratio
	CURRENT Fiscal Year							
Actual	FYE22	1,731,945,000						
	23	1,849,115,000	92,538,457	3,078,396	(398,332,273)	1,546,399,580	1,856,736,806	83.29%
	24	1,773,860,000	81,626,821	2,278,945	(377,842,148)	1,479,923,618	1,855,469,491	79.76%
	25	1,712,100,000	73,196,623	1,894,656	(338,540,238)	1,448,651,041	1,873,679,582	77.32%
Projected	26	1,644,724,236	74,810,556	1,894,656	(387,139,246)	1,334,290,202	1,848,384,908	72.19%
	27	1,729,874,194	68,471,244	1,894,656	(273,479,242)	1,526,760,852	1,817,332,041	84.01%
	28	1,668,305,580	62,598,489	1,894,656	(339,666,681)	1,393,132,044	1,786,800,863	77.97%
	29	1,753,214,442	56,744,334	1,894,656	(284,275,868)	1,527,577,564	1,756,782,608	86.95%
	30	1,665,383,599	51,303,693	1,894,656	(260,421,824)	1,458,160,124	1,727,268,661	84.42%
	31	1,572,764,130	46,384,707	1,894,656	(342,892,964)	1,278,150,529	1,698,250,547	75.26%
	32	1,577,496,246	41,814,371	1,894,656	(328,221,128)	1,292,984,145	1,669,719,938	77.44%
	33	1,478,628,982	37,572,715	1,894,656	(295,750,840)	1,222,345,513	1,641,668,643	74.46%
	34	1,376,571,718	33,630,520	1,894,656	(273,422,070)	1,138,674,824	1,614,088,610	70.55%
	ORIGINAL April 23 Fiscal Year							
	FYE22	1,731,945,000			(220,027,342)	1,511,917,658	1,854,172,294	81.54%
	23	1,846,265,000	101,033,480	-	(298,074,000)	1,649,224,480	1,843,298,490	89.47%
	24	1,784,231,989	101,033,480	-	(250,872,000)	1,634,393,469	1,830,000,000	89.31%
	25	1,716,729,989	101,033,480	-	(205,211,000)	1,612,552,469	1,815,000,000	88.85%
	26	1,710,581,979	101,033,480	-	(279,568,000)	1,532,047,459	1,800,000,000	85.11%
	27	1,638,818,979	101,033,480	-	(256,594,000)	1,483,258,459	1,795,000,000	82.63%
	28	1,564,724,180	101,033,480	-	(239,170,000)	1,426,587,660	1,790,000,000	79.70%
	29	1,585,262,638	101,033,480	-	(342,880,000)	1,343,416,118	1,785,000,000	75.26%
	30	1,504,450,499	101,033,480	-	(286,953,000)	1,318,530,979	1,780,000,000	74.07%
	31	1,421,568,946	101,033,480	-	(225,518,000)	1,297,084,426	1,775,000,000	73.08%
	32	1,440,729,197	101,033,480	-	(310,521,000)	1,231,241,677	1,740,000,000	70.76%
	33	1,349,995,516	101,033,480	-	(234,332,000)	1,216,696,996	1,725,000,000	70.53%
* Operating Fund, Rate Stabilization Fund, Debt Service Fund, and Construction Fund cash								

Debt Portfolio Review

Accelerated debt reduction

Accelerated debt reduction program has resulted in more than \$78M in defeasances and redemptions since 2020

- ~ \$12.6M in escrow earnings and interest expense avoided

ACCELERATED DEBT REDUCTION HISTORY					
FY	Redemption/ Defeasance	Series	Principal	Total	Avoided Interest/ Escrow Earnings
2020	Redemption	2005A	<u>405,000</u>	405,000	190,273
2022	Defeasance	2017A	7,185,000	8,315,000	357,240
	Defeasance	2009B	<u>1,130,000</u>		46,644
2023	Defeasance	2017A	<u>3,460,000</u>	3,460,000	618,668
2024	Redemption	2005C	3,090,000	39,575,000	204,470
	Redemption	2006A	2,985,000		197,330
	Redemption	2020A	275,000		46,036
	Redemption	2022B	4,740,000		1,048,934
	Redemption	2022A	1,200,000		47,489
	Redemption	2012B	10,065,000		1,715,142
	Redemption	2019C	610,000		266,889
	Redemption	2014B	255,000		65,126
	Defeasance	2017A	15,650,000		1,230,381
	Defeasance	2019A	<u>705,000</u>		109,896
2025	Defeasance	2017A	18,230,000	26,420,000	1,896,958
	Redemption	2014A	<u>8,190,000</u>		4,534,885
Total				78,175,000	12,576,361

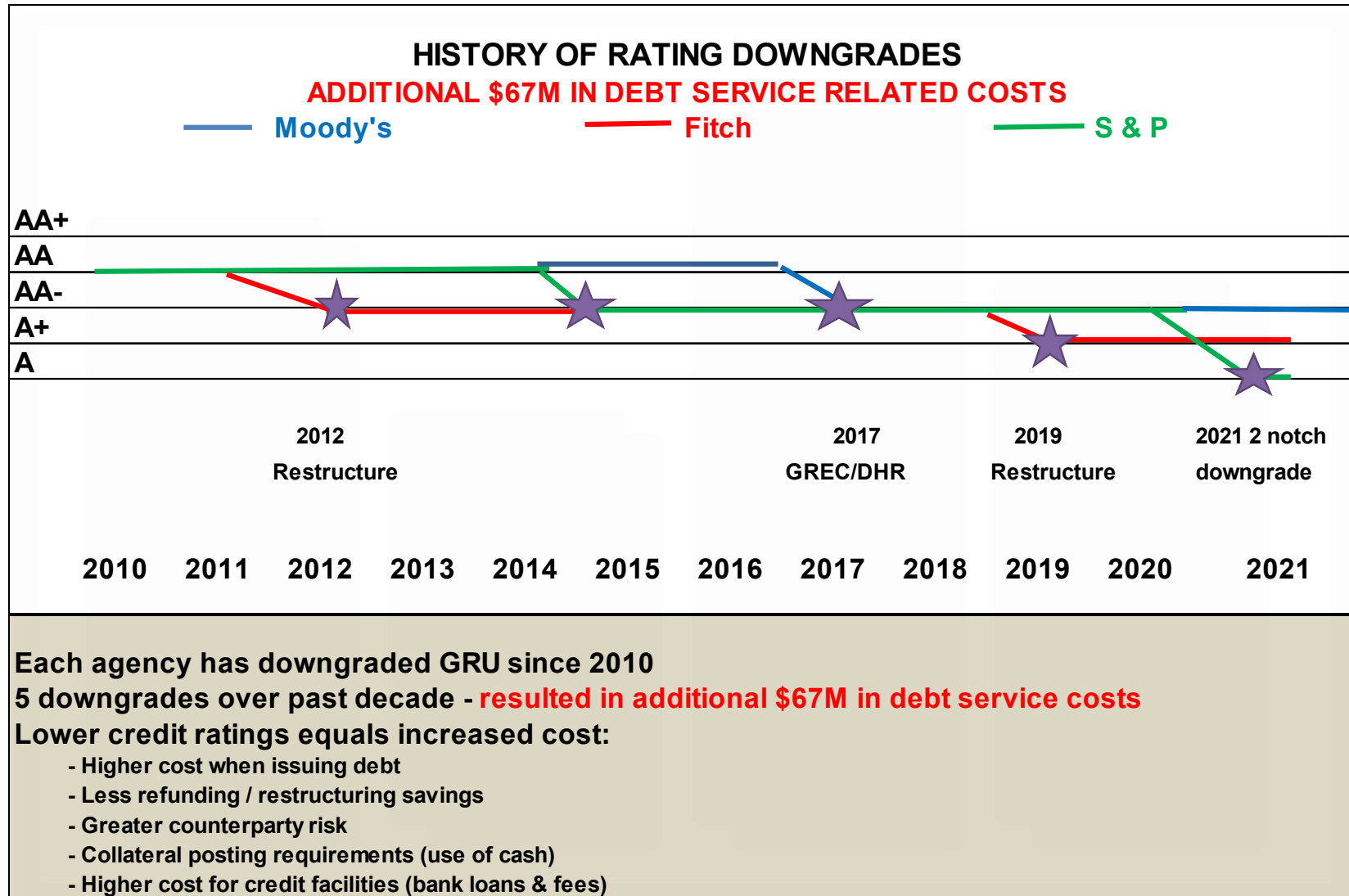
Rating Agency Methodology

- GRU is rated by the 3 major agencies: Standard & Poors, Moodys & Fitch
- Investors use these rating reports as a means to judge and compare GRU to other bonds available in the municipal market
 - Rating agencies work on behalf of investors and bondholders – not debt issuers such as GRU
- GRU's credit ratings directly relate to the cost of GRU's debt:
 - Fixed rate bonds: rates determined once, at pricing
 - Variable Rate bonds: cost of the credit facility supporting the variable rate debt increases as GRU's ratings are lowered
- Some reputational risk associated with a rating downgrade
- Ratings analysts do their work throughout the year

Rating Agency Methodology

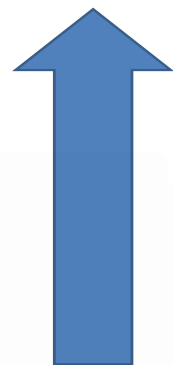
- Rating agencies accomplish their financial review in part by analyzing the metrics of a company
 - Metrics are financial ratios that serve as measures of quantitative assessment used for assessing, comparing and tracking performance
- In determining ratings, each rating agency uses
 - slightly different metrics
 - slightly different formulas to calculate these metrics
 - applies slightly different weights to these metrics
- Agencies conduct a full review of frequent issuers annually
 - Can provide a formal report or just a generic update

The Ratings History



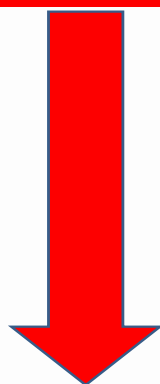
What Each Rating Means

RATING AGENCY SCALES			
	Moody's	S & P	Fitch
	Aaa	AAA	AAA
	Aa1	AA+	AA+
	Aa2	AA	AA
	Aa3	AA-	AA-
	A1	A+	A+
	A2	A	A
	A3	A-	A-
	Baa1	BBB+	BBB+
	Baa2	BBB	BBB
	Baa3	BBB-	BBB-
	Ba1	BB+	BB+
	Ba2	BB	BB
	Ba3	BB-	BB-
	B1	B+	B+
	B2	B	B
	B3	B-	B-
	Caa1	CCC+	CCC
	Caa2	CCC+	
	Caa3	CCC-	
	Ca		
	C	D	D
Current GRU rating			
Prior ratings before downgrades			



Investment Grade

Junk Bonds



Default

Debt Management Policy: Financial Metrics & Deleveraging

- GRU has incorporated in its approved Debt Management Policy sections on target financial metrics and deleveraging
- Inclusion of such factors within policy
 - Facilitates development of financial goals
 - Assists with budget formulation
 - Enables GRU to identify financial trends over a multiple-year period as well as tracking performance over the course of a fiscal year

FINANCIAL METRICS					
PER DEBT MANAGEMENT POLICY			ACTUAL PER FY25 FINANCIAL STATEMENTS		
Metric	Type of Metric	Target	Fitch	S & P	Moody's
Days Cash on Hand	Liquidity	250 days	209	-	175
Days Liquidity	Liquidity	300 days	410	463	398
Debt Service Coverage	Coverage	1.7X debt service	1.89	1.57	1.67
Coverage of Fixed Obligations	Coverage	1.3X debt service	1.77	1.69	1.50
Debt to Capitalization	Capital Structure	70%	80.07%	80.70%	77.50%
Leverage	Capital Structure	8X debt service	9.38	-	-



**Gainesville Regional Utilities Authority
Agenda Item Report**

File Number: 2026-265

Agenda Date: April 8, 2026

Department: Gainesville Regional Utilities

Title: 2026-265 Public and Rental Rates for Pole and Lighting – Proposed Changes for FY27 (B)

Department: Gainesville Regional Utilities/Energy Delivery

Description: Staff will present an overview of GRU’s lighting program, including current service options, program structure, and proposed updates for FY27.

The presentation will highlight the program’s benefits, including turnkey service options with installation, maintenance, and service included, as well as flexible participation through both long-term (60-month) and month-to-month contract structures. Staff will also outline the customer-funded nature of the program and available private (DIY) alternatives.

Proposed changes for FY27 include the implementation of an annual 5% cap on rate increases per service to provide greater predictability for customers while allowing GRU to recover actual cost increases. Additional updates include revisions to lighting and pole standards due to equipment lifecycle and supply chain considerations, as well as modifications to early termination language to align charges with current published rates.

These changes are intended to balance cost recovery with rate stability and transparency for customers. If approved, the proposed modifications would become effective October 1, 2026.

Fiscal Note: None at this time.

Recommendation: The GRU Authority approve the proposed changes to rates, standards and early termination language effective October 1, 2026.

Public and Rental Rates for Poles and Lighting

Proposed Changes for FY27



CUSTOMER FIRST

ONE UTILITY. ONE GOAL.

Program Benefits

- Numerous outdoor lighting and pole options.
- All-in pricing includes installation, maintenance and service.
- No-money-down program requires a 60-month initial commitment.
- Fast outage response, within seven business days of notice.
- User-funded program, not subsidized by customer base rates.
- Participation is optional.

Current Programs

60-Month Initial Contract

- Customer pays no up-front charges.
- Customer pays one all-inclusive monthly rental bill for turnkey product.
- Monthly rental bill includes installation of both lighting and poles, maintenance, removal and energy usage.
- Taxes and fuel adjustments are extra.

Month-to-Month Contract

- Customer pays up front for the cost of the light and pole, plus installation.
- No long-term contract required.
- Customer pays for any replacements or removals.
- Monthly rental bill covers lighting and minor maintenance.
- Taxes and fuel adjustments are extra.

Known as “Private” Option

- Customer provides:
 - Installation of the lights/poles behind GRU meter.
 - Compliance with local codes.
 - All maintenance and servicing of product.

Annual 5% Cap on Rate Increases

- Each year we evaluate light and pole cost
- These costs increase independently of one another and differ year-to-year.
- Our proposed changes are designed to recover GRU's costs but mitigate exorbitant customer rate increases.

Cap Rule

- Charge GRU's actual costs for increases between 0-5%
 - Example: If a pole or light cost increases 3%, we increase the cost by 3%
- Cap GRU's rate increases at 5% for anything 6% or above
 - Example: If a fixture cost increases 15%, we only increase the cost by 5%

FY27 Request

- Rate modifications
 - 5% cap on increases, per service.
- Lighting & Pole Standards
 - Add/retire fixture standards (poles and lights discontinued due to end of life, supply chain issues).
- Early Termination Language
 - Change from flat rate to current published rate for the remainder of the initial term.
- Effective Oct. 1, 2026

Recommendation

- Approve the proposed changes to rates, standards and early termination language effective Oct. 1, 2026.



Thank you!



**Gainesville Regional Utilities Authority
Agenda Item Report**

File Number: 2026-266

Agenda Date: April 8, 2026

Department: Gainesville Regional Utilities

Title: 2026-266 FY27 Water and Wastewater Connection Charges and Fee Summary – Proposed Changes (B)

Department: Gainesville Regional Utilities/Water and Wastewater

Description: As a standard industry practice, GRU charges connection charges for new customer connections to the water and wastewater systems. These charges, along with other new development-related fees, are reviewed and adjusted on an annual basis. GRU has been using the Engineering News Record Construction Cost Index for annual inflationary adjustments to connection charges in most years, with detailed reviews of the basis for these charges on a periodic basis. Connection charges and Innovation District (IIA), plan review, and inspection fees are proposed to increase by 2.7% from FY26 to FY27 based on the construction cost index.

The meters, taps, and temporary water service fees are reviewed annually based on the actual costs for parts, equipment, and labor of installing these facilities for customers. For FY27, small water meter and box fees and the temporary water service deposit are proposed to increase due to higher parts costs. Tapping fees for a 1-inch water service are proposed to decrease due to efficiency found in labor and equipment charges. The large water meter fees are being updated to differentiate between the installation of the meter above ground versus below ground. Below ground installation is much more expensive for large meters due to the cost of meter vaults. Other fees were held consistent at the FY26 rate.

Fiscal Note: There are no significant fiscal impacts. The increase in connection fees would be expected to result in a small increase in revenue. However, connection charge and other new development-related fee revenues vary from year to year depending on development activity.

Recommendation: The GRU Authority approve the proposed changes to water and wastewater connection charges and plan review, inspection, meter, tap and temporary water services fees effective as of October 1, 2026, for FY 27.

FY27 W/WW Connection Charges and Fee Summary

April 2026



CUSTOMER FIRST

ONE UTILITY. ONE GOAL.

Executive Summary 1

User related fees are a method by which GRU keeps Base Rates lower and charges the user the actual costs of providing the service.

These user related costs include:

- **Connection charges** – the cost of facilities needed to provide water and wastewater system capacity for new service connection.
- **Plan Review and Inspection fees** – the cost of having GRU staff perform a technical review of customer plans before the build and inspection of the installation during the build.
- **Meters, Taps and Temporary water services** – the cost of installing new meters and new pipe installations for customer and providing temporary water services (hydrant meters)

Executive Summary 2

Our Proposal

- **Connection Charges, Innovation District (IIA) Fees, Plan Review & Inspection Fees** increase by 2.7% based on ENR Construction Cost Index (CCI).
- **Small Water Meter & Box Fees (5/8" and 3/4")** increase 5.5% due to higher parts costs.
 - There are no changes to the charges for 1" to 2" meters.
- **Large Water Meter & Box Fees (3" to 8") will be separated into above ground (AG) and below ground (BG) fees rather than a one size fits all fee.**
 - GRU preferred AG installs will decrease by 20 to 25% due to no need for vault.
 - BG installs will increase 47% to 103% due to material cost, particularly vault increasing from \$9k to \$21k.
- **Temporary water services** deposit increase by 37% due to higher parts costs.
- **Tapping a 1" line** will fall ~17% due to found efficiencies. All other tapping fees remain the same.

Executive Summary 3

Total Financial Impact of these Fees are as follows:

- **Connection charges** – Expected to increase from \$3.65M year to \$3.75M
- **Plan Review and Inspection Fees** – Expected to increase from \$534k a year to \$549k.
- **Meters, Taps and Temporary water services** – Typically collect ~\$700k per year, varies based on customer requests
- **Increase in fees approximately \$150,000 per year**, however, connection charge and other new development-related fee revenues vary from year to year depending on development activity.

Recommendation

- GRU Authority approve the proposed changes to water and wastewater connection charges and plan review, inspection, meter, tap and temporary water services fees effective as of October 1, 2026, for FY 27.



Thank You!



EXHIBITS

Construction Related Fees

Construction-related fees (meters, taps, etc.) based on GRU's costs for labor, equipment, and materials with markups:

Labor:

- 200% markup based on five-year average overheads w/ GFT and debt defeasance
- Labor information gathered from Cityworks data

Equipment

- Equipment rates set based on generally accepted market rates

Materials

- 10% markup for warehousing and handling

Connection Charges

	Standard Home Greater than 1,400 ft ²		Small Home Between 850 & 1400 ft ²		Small Home/ADU Less than 850 ft ²	
	2026	2027	2026	2027	2026	2027
	Water	\$1,448	\$1,487	\$941	\$967	\$517
Wastewater	\$4,254	\$4,369	\$2,765	\$2,840	\$1,519	\$1,560
TOTAL	\$5,702	\$5,856	\$3,706	\$3,806	\$2,036	\$2,091

FY25 Revenue	
Connection Charges	
Water	\$969,132
Wastewater	\$2,616,724
TOTAL	\$3,585,856

	Commercial/MultiFamily	
	2026	2027
Water (\$/gpd)	\$5.17	\$5.31
Wastewater (\$/gpd)	\$15.19	\$15.60
TOTAL	\$20.36	\$20.91

Innovation District IIA Fees				
	Water		Wastewater	
	2026	2027	2026	2027
Commercial & Institutional (\$/ft ²)	\$1.30	\$1.33	\$1.32	\$1.35
Hotel &/or Motel (\$/room)	\$518.64	\$532.72	\$527.27	\$541.59
Laboratory (wet) (\$/ft ²)	\$1.56	\$1.60	\$1.59	\$1.63
Multi-family residential (\$/bedroom)	\$363.05	\$372.91	\$369.09	\$379.11
Office & laboratory (dry) (\$/ft ²)	\$0.77	\$0.79	\$0.79	\$0.82
Parking Garage (\$/ft ²)	\$0.77	\$0.79	NA	NA

W/WW Plan Review & Inspection Fees

Plan Review Fee		
Category	2026 (Current)	2027 (Proposed)
Water	\$980	\$1,006
Wastewater	\$1,760	\$1,808

FY25 Total Revenue	
Category	FY25 Revenue
Water Inspection	\$89,092
WW Inspection	\$309,570
Water Plan Review	\$56,410
WW Plan Review	\$69,319
TOTAL	\$524,391

Inspection Fee			
Category	Unit	2026 (Current)	2027 (Proposed)
Water	\$ per LF	\$3.17	\$3.26
Wastewater	\$ per LF	\$7.81	\$8.02

Water Meter Fees (Small)

Water Meter & Box				
Meter Size	2026	2027	Change	
	(Current)	(Proposed)	(\$)	(%)
5/8"	\$872	\$920	\$48	5.5%
3/4" *	\$872	\$920	\$48	5.5%
1"	\$1,140	\$1,140	\$0	0.0%
1 1/2"	\$2,883	\$2,883	\$0	0.0%
2"	\$3,080	\$3,080	\$0	0.0%

FY25 Total Revenue	
Category	FY25 Revenue
Meter Install	\$572,852

Water Meter Only				
Meter Size	2026	2027	Change	
	(Current)	(Proposed)	(\$)	(%)
5/8"	\$530	\$530	\$0	0.0%
3/4"	\$530	\$530	\$0	0.0%
1"	\$658	\$658	\$0	0.0%
1 1/2"	\$2,022	\$2,022	\$0	0.0%
2"	\$2,302	\$2,302	\$0	0.0%

Water Meter Fees (Large)



Water Meter & Box				
Meter Size	2026 (Current)	2027 (Proposed)	Change	
			(\$)	(%)
3"	\$17,606			
3" AG		\$13,195	-\$4,411	-25%
3" BG		\$35,820	\$18,214	103%
4"	\$19,569			
4" Fire Line Meter	\$24,199			
4" AG		\$15,660	-\$3,909	-20%
4" BG		\$37,770	\$18,201	93%
6"	\$25,792			
6" Fire Line Meter	\$30,028			
6" AG		\$19,300	-\$6,492	-25%
6" BG		\$40,370	\$14,578	57%
8"	\$30,397			
8" Fire Line Meter	\$36,221			
8" AG		\$23,940	-\$6,457	-21%
8" BG		\$44,720	\$14,323	47%

Temporary Water Service

Also referred to as “Hydrant Meters”

Temporary Water Service Fee				
Service	2026 (Current)	2027 (Proposed)	Change	
			(\$)	(%)
Deposit	\$1,548	\$2,120	\$572	36.98%
Setup/Removal	\$127	\$127	\$0	0.0%
Monthly Base Charge	\$91	\$91	\$0	0.0%

- Increase in Deposit due to parts cost increase

Tapping Fees

Water Main Tapping Charges				
Tap Size	2026 (Current)	2027 (Proposed)	Change	
			(\$)	(%)
1"	\$1,345	\$1,120	-\$225	-16.7%
2"	\$2,038	\$2,038	\$0	0.0%
4"	\$4,850	\$4,850	\$0	0.0%
6"	\$5,024	\$5,024	\$0	0.0%
8"	\$6,246	\$6,246	\$0	0.0%
12"	\$8,580	\$8,580	\$0	0.0%

FY25 Total Revenue	
Category	FY25 Revenue
Taps	\$123,010

- Decrease in calculated cost for 1” tap due to:
 - Reduction in estimated man-hours since crew typically already mobilized for Meter & Box set