

Wednesday, May 13, 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 April 8, 2026, meeting (B)**

Recommendation: The GRU Authority approve the minutes from the April 8, 2026 meeting.

G. CHAIR COMMENTS

H. DIRECTOR COMMENTS

I. CONSENT AGENDA

1. **2026-330 State of the Utility, March 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 March 2026.

Fiscal Note: None.

2. **2026-331 GRU March 31, 2026 - 2026 Budget to Actual Comparison (B)**

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

Description: This is an information item related to a summary of the March 31, 2026 budget to actual results.

Fiscal Note: None.

J. **CEO COMMENTS**

K. **ATTORNEY COMMENTS**

L. **RESOLUTIONS (Roll Call Required)**

1. **2026-332 Resolution for Adoption of Local Mitigation Strategy Update (B)**

Department: Gainesville Regional Utilities/Utility Safety and Training; Emergency Management

Description: GRU coordinates with other jurisdictions on emergency response and mitigation planning for future storms and other hazards. GRU is a member of the Alachua County Local Mitigation Strategy (LMS) team which includes representatives from municipalities within Alachua County, University of Florida, and Santa Fe College. The LMS team is coordinated by Alachua County.

The LMS team plays a key role in securing federal funding for hazard mitigation projects. The team evaluates proposed hazard mitigation projects and maintains a ranked priority list of projects for funding through the FEMA Hazard Mitigation Grant Program (HMGP). Federal disaster assistance funds are allocated to the HMGP program following presidential disaster declarations. For each disaster a specified funding amount is designated for each impacted state, with specific amounts designated for projects in each county. Funding is awarded to projects within each county in accordance with the LMS ranked priority list. Proposed projects must meet certain criteria for mitigating potential impacts from future disasters to be eligible for funding. HMGP funds typically pay for 75 percent of the cost for mitigation projects, with the remaining 25 percent paid by the sponsoring entity.

GRU has received approximately \$2.8 million in HMGP funding since 2021 for

electric distribution system improvements. GRU is currently seeking HMGP funding for wastewater system improvement projects totaling \$17.6 million which are listed on the LMS ranked priority list from funds made available in response to COVID-19 and Hurricanes Idalia, Helene, Milton, and Debby. The LMS priority list also includes additional projects totaling \$11.5 million which GRU may be able to seek funding for in the future if and when additional federal funds are allocated to the program.

As a condition of receiving HMGP and other non-emergency disaster assistance FEMA requires local governments to develop and adopt hazard mitigation plans which identify and describe mitigation strategies for potential hazards including storms, wildfire, cyber-attack, and other hazards. The LMS provides a high-level framework for interagency coordination and preparation for disaster events but does not dictate or restrict response actions in any way. Every five years the plans must be updated, submitted for review, approval, and adopted by each jurisdiction. The Alachua County LMS was recently updated and has been approved by Florida Department of Emergency Management (FDEM) pending each of the participating jurisdictions in the Alachua County LMS approving resolutions adopting the LMS.

Fiscal Note: There is no fiscal impact for the GRU Authority to adopt the resolution approving the Alachua County LMS. GRU Authority approval of the LMS enables GRU to continue to be eligible for HMGP and other non-emergency disaster assistance funding. However, failure to adopt the resolution, places \$29.1M of possible funding at risk.

Recommendation: The GRU Authority approve the resolution adopting the Alachua County LMS and authorize the Chair to execute the same.

2. **2026-333 Resolution Authorizing Remarketing of Gainesville Utilities Bonds, 2023 Series C, and Ratifying Agent (B)**

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 C variable rate bonds.

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 C bonds.

The resolution:

- Authorizes the remarketing of the bonds

- Ratifies the appointment of TD Bank N.A. as the remarketing agent
- Authorizes amendment of the swap with Wells Fargo Bank, which hedges the 2023 Series C revenue bonds

Fiscal Note: The rate proposed by TD Public Finance LLC Bank for the renewal of the 2023 Series C Bonds is 79% of SOFR plus 57 basis points. Using the SOFR rate in effect as of the date of this writing, this translates to an annual savings of \$137,796 compared to the current rate for the bonds.

Recommendation: The GRU Authority adopt the proposed resolution.

M. BUSINESS DISCUSSION ITEMS

1. 2026-334 GRU FY2027 Budget Presentation of O and M Expenses, Capital, Fuel and Projected Rate Impacts (B)

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

Description: As part of the budget development process, GRU has held a series of meetings with the Authority to present information on various revenues and expenses that make up GRU's annual budget. These meetings were 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 culminating in GRU's final budget submission tonight.

Fiscal Note: None currently.

Recommendation: The GRU Authority hears a presentation from the CEO.

2. 2026-335 Stormwater and Solid Waste Billing (B)

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

Description: This item is a follow-up to the Board's direction for staff to negotiate an agreement with the City of Gainesville to continue in a business relationship handling the city's stormwater and solid waste billings. After working with city staff, and through the approval of GRU's Chief Customer Officer and General Counsel, the item is being brought back for the Authority discussion and/or approval.

During its March 12, 2025 and October 8, 2025 meetings, the Authority discussed whether to continue billing for the City's stormwater and solid waste services, given the number of services already on GRU's bills and public perception that these additional billed City services are GRU services. After healthy debate on October 8, 2025, the Authority directed the CEO to negotiate an agreement with the City.

The City Commission approved a negotiated agreement on March 5, 2026. The agreement is now being brought to the Authority for discussion and/or approval. GRU management believes that continuing the billing through GRU saves the City the risk of trying to bill its services through property tax bills, which is untested and potentially

vulnerable to legal challenges. GRU's billing also provides the City the benefit of a longstanding and tested billing system.

GRU benefits from increasing the reimbursement from the City from \$821,000 to an estimated \$979,000.

It is viewed as a win/win.

Fiscal Note: An increase from \$821,000 to an estimated \$979,000 revenue for GRU.

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

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



Gainesville Regional Utilities Authority Agenda Item Report

File Number:

Agenda Date: May 13, 2026

Department: Gainesville Regional Utilities

Title: Gainesville Regional Utilities Authority approve the minutes from the April 8, 2026, meeting (B)

Recommendation: The GRU Authority approve the minutes from the April 8, 2026 meeting.



Gainesville Regional Utilities Authority

MINUTES

**April 8, 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 5:31pm.

B. ROLL CALL

Vice-Chair Haslam joined the meeting at 5:30 pm.

Jack Jacobs joined the meeting at 5:30 pm.

Chair Lawson joined the meeting at 5:30 pm.

C. INVOCATION

Invocation given by Vice Chair Haslam.

D. PLEDGE OF ALLEGIANCE

E. ADOPTION OF THE AGENDA

Public Comment: Jim Konish, Chuck Ross, David Hastings

Moved by Vice-Chair Haslam

Seconded by Jack Jacobs

Approved

F. APPROVAL OF MINUTES

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

No public comment.

Moved by Vice-Chair Haslam

Seconded by Jack Jacobs

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

Approved

G. CHAIR COMMENTS

Chair Lawson indicated that he had no comments at this time.

H. CONSENT AGENDA

Public Comment: Nancy Deren, Jyoti Parmar

Moved by Vice-Chair Haslam

Seconded by Jack Jacobs

Approved

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

I. CEO COMMENTS

CEO Bielarski delivered a presentation titled *GRU Review*, providing an update on key developments currently underway within GRU.

Chair Lawson requested that Mr. Bielarski keep the board informed on a month- to- month basis regarding any fuel adjustments. He emphasized that the intention is not to interfere with operations, but rather to ensure the board remains engaged in that ongoing discussion.

Director Jacobs also commented on the topic of fuel adjustments, noting that these adjustments occur in real time rather than solely on a monthly schedule. He added that GRU continually works to secure the best possible pricing for its customers.

J. ATTORNEY COMMENTS

Scott Walker of Folds Walker had no comment.

Derek Perry, GRU Utilities Attorney, had no comment.

K. RESOLUTIONS (Roll Call Required)

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

Mark Benton provided an overview of the request before the Board. Chair Lawson asked for a more detailed explanation of what was being proposed, and Mr. Benton offered additional clarification.

Bond Counsel from Holland & Knight LLP, represented by Michael Wiener, stated that he had no further comments.

Director Jacobs expressed support for the amendment. He stated that the amendment appropriately designates the CEO, the GRUA Chair, and the CFO as authorized signatories.

Public Comment: Chuck Ross, Jim Konish

Following public comment, Attorney Perry and Mr. Wiener both confirmed that the amendment is permitted under the Utility System bond resolution.

Moved by Vice-Chair Haslam

Seconded by Jack Jacobs

Recommendation: The GRU Authority adopt the proposed resolution.

Approved

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

Public Comment: Chuck Ross

Moved by Jack Jacobs

Seconded by Vice-Chair Haslam

Recommendation: The GRU Authority adopt the proposed resolution.

Approved

L. BUSINESS DISCUSSION ITEMS

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

Mark Benton, Accounting & Finance Director, presented an overview of GRU's Budget, Cash, and Liquidity for FY27. CEO Bielarski added that GRU has never drawn from the fund in question, but it is maintained as a precautionary measure should it ever be needed.

Public Comment: Chuck Ross, Jim Konish, Bobby Mermer, TJ Mibdzianowski, David Hastings, Armando Gomez.

Following public comment, CEO Bielarski addressed several of the points raised. Vice Chair Haslam also offered additional remarks. Director Jacobs and Chair Lawson provided further comments in response to statements made during public comment.

Director Jacobs asked how long the rate stabilization charge has appeared on GRU bills. CEO Bielarski responded that he was unsure of the exact duration, but noted that it has been in place for a long time. He also provided additional clarification related to comments raised during public comment.

Moved by Jack Jacobs

Seconded by Vice-Chair Haslam

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.

Approved

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

Mark Benton, Accounting & Finance Director, presented an overview of GRU's Debt Portfolio for FY27. CEO Bielarski provided additional context and expanded on several points from the presentation.

Chair Lawson thanked Mr. Benton and the BFA team for their hard work and continued efforts.

Recommendation: The GRU Authority hear a presentation from staff.

Heard

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

Christine Damm, Senior Analyst from Energy Delivery, presented information to the Board. CEO Bielarski provided additional remarks following her presentation.

Public Comment: Jim Konish

Moved by Vice-Chair Haslam

Seconded by Jack Jacobs

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

Approved

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

Debbie Daugherty, Water/Wastewater Officer, presented information to the Board outlining the specific request being brought forward.

Public Comment: Armando Gomez, Jim Konish

Following public comment, CEO Bielarski responded to several of the points raised. Director Jacobs commended the Water/Wastewater team for their hard work and offered additional remarks addressing statements made during public comment.

Moved by Jack Jacobs

Seconded by Vice-Chair Haslam

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.

Approved

M. GENERAL PUBLIC COMMENT

Public Comment: Angela Casteel, Chuck Ross, Nancy Deren, Armando Gomez, Jim Konish, Ashton Weber, David Hastings, Abigail Trachtenberg.

N. DIRECTOR COMMENTS

Vice Chair Haslam responded to several of the points raised during General Public Comment.

Director Jacobs also offered remarks addressing comments made during General Public Comment.

O. ADJOURNMENT

Meeting adjourned at 8:09pm.

Kunti Nesbitt, GRUA Staff Liaison



Gainesville Regional Utilities Authority Agenda Item Report

File Number: 2026-330

Agenda Date: May 13, 2026

Department: Gainesville Regional Utilities

Title: 2026-330 State of the Utility, March 2026 (B)

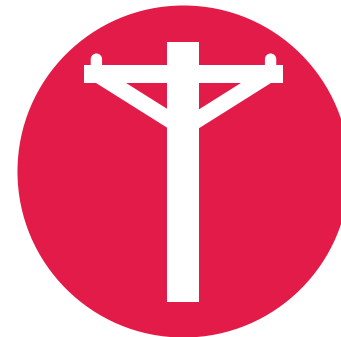
Department: Gainesville Regional Utilities/Office of the Chief Operating Officer

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 March 2026.

Fiscal Note: None.

State of the Utility

FY26
March



Energy Supply

Major Figures & Achievements



YTD



Regulatory Compliance (NERC)

Environmental Compliance

- There are no outstanding environmental or electric regulatory compliance issues at this time.

Deerhaven (DH)

Deerhaven Unit 1 (DH1)

- Unit was in an economic outage.

Deerhaven Unit 2 (DH2)

- Unit remained online.

Deerhaven Combustion Turbines

- All units were available during March 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 March, 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)

- Wärtsilä Engine – Online.
- SOLAR Engine – In standby and fully available.

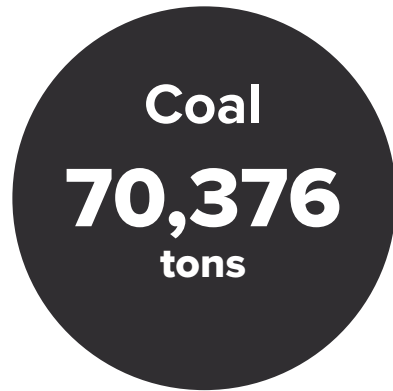
Other Items

- At JRK, removal of the three combustion turbines (CT1–CT3), which were decommissioned in 2010, remains in progress. Removal work for CT1 and CT2 is substantially complete. The contractor continues to seek a buyer for CT3; however, if no buyer is identified, full removal is still projected for completion by mid-May.
- At Deerhaven, the South Bulk Tank used for #6 fuel oil (secondary fuel for DH1) is being decommissioned as the unit transitions to #2 fuel (diesel). All usable #6 fuel has been consumed. Approximately 120,000 gallons remain in the tank below the heater level, consisting of a viscous sludge that cannot be burned in DH1. Staff are coordinating with Fuels to identify a contractor for beneficial reuse to minimize disposal requirements during final decommissioning.
- Evaluation continues on a potential project to convert DH2 secondary fuel from coal to diesel. Ongoing analysis includes assessing the benefits of installing a bypass damper to route exhaust directly to the stack rather than through the Air Quality Control System (AQCS).

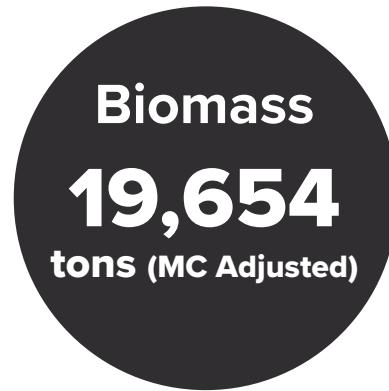
Energy Supply

Fuels Management

Inventory



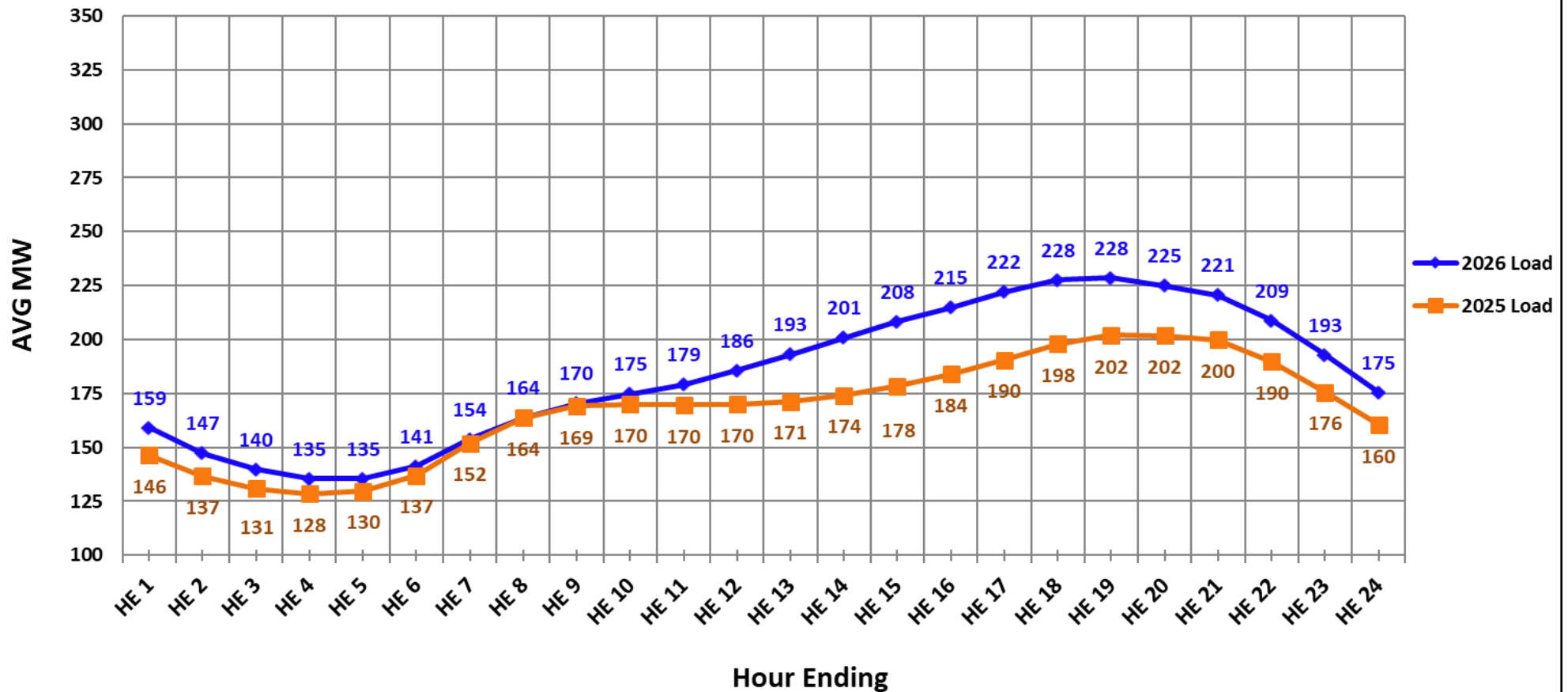
36 days at full load;
73 days at half load.



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

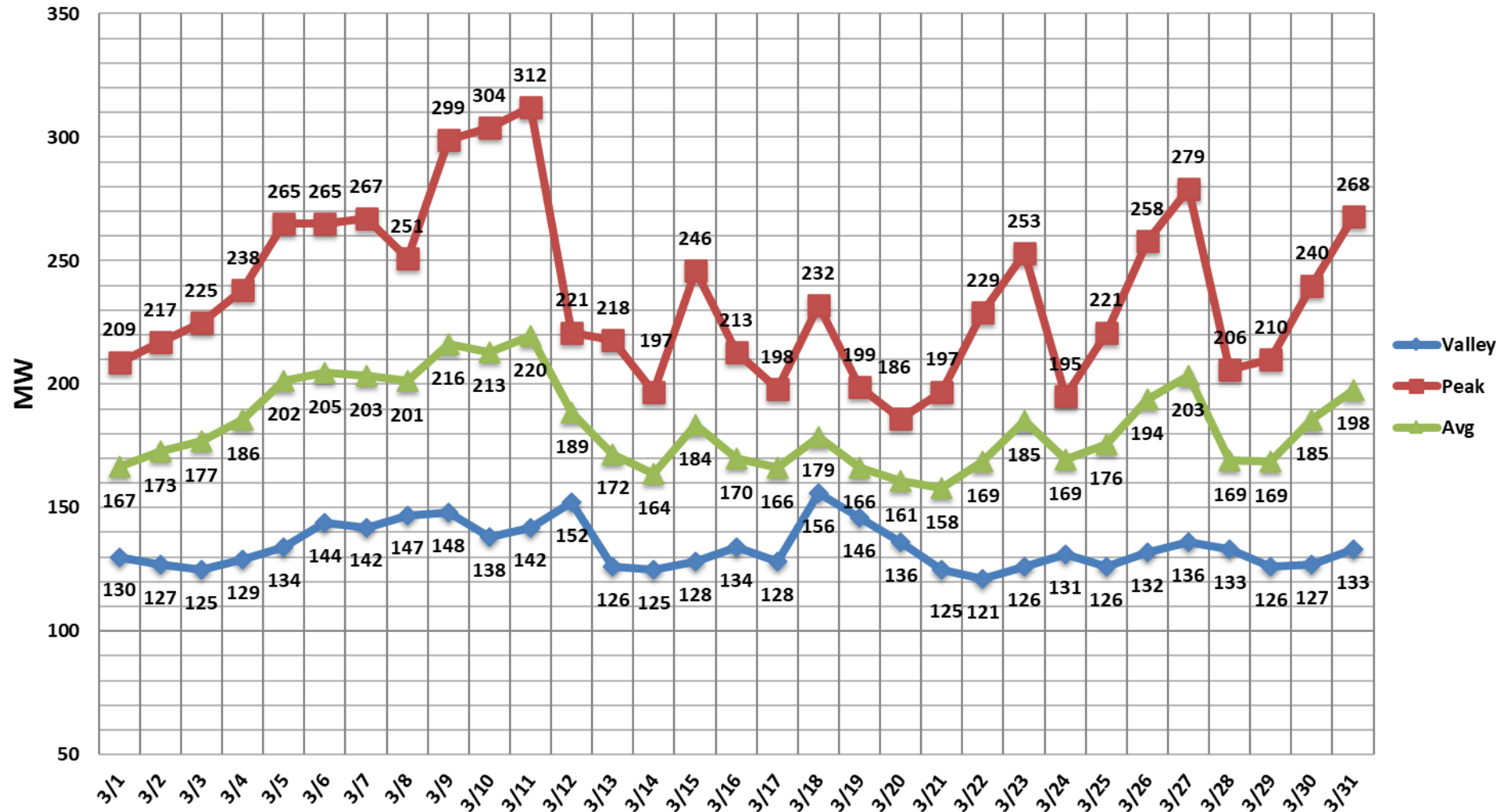
Energy Supply

March 2026 vs March 2025
Average Hourly Loads



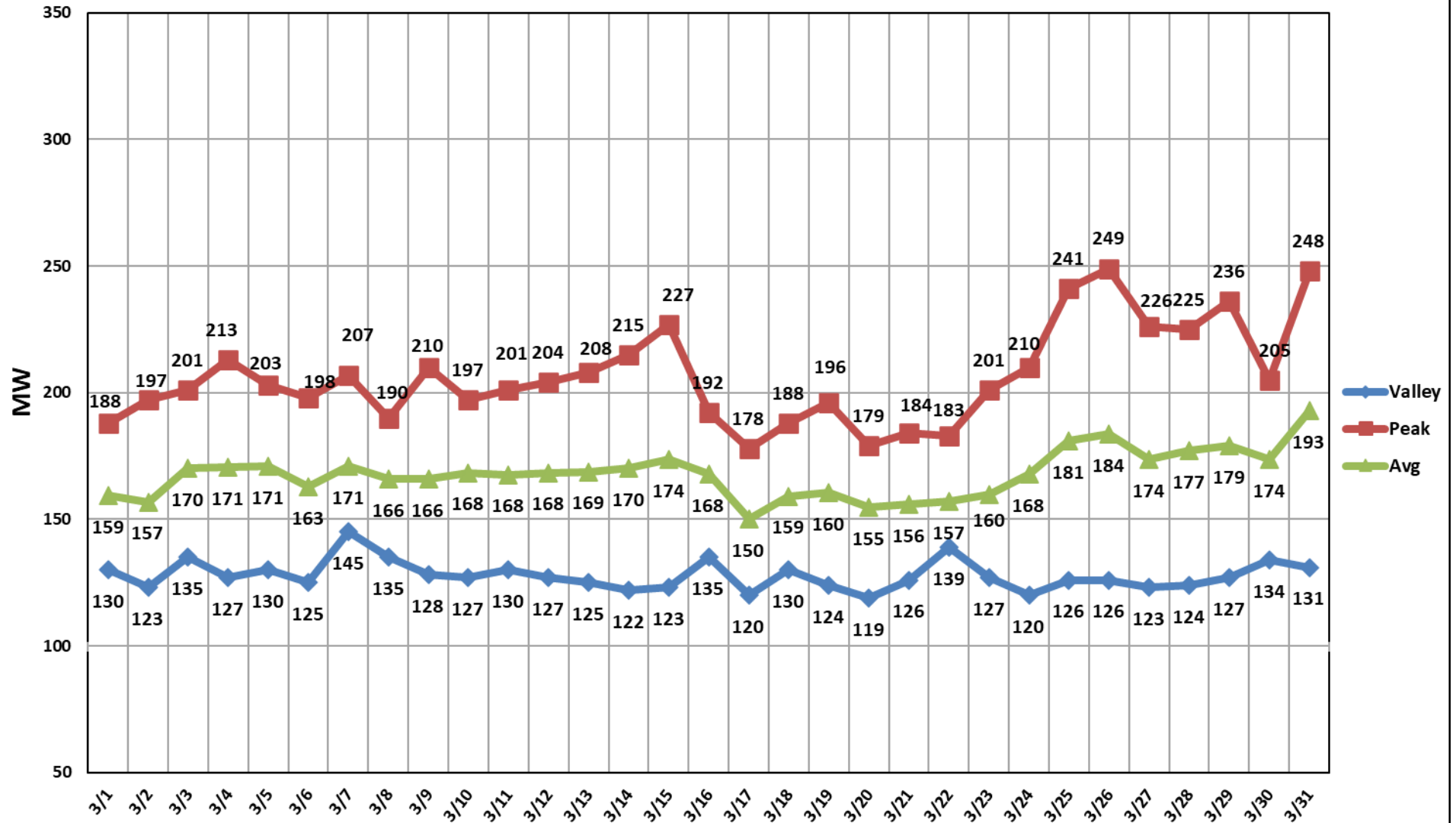
Energy Supply

March 2026
Peak, Valley, and Average Loads



Energy Supply

March 2025
Peak, Valley, and Average Loads



Energy Supply

Emissions Data

Yearly Emissions

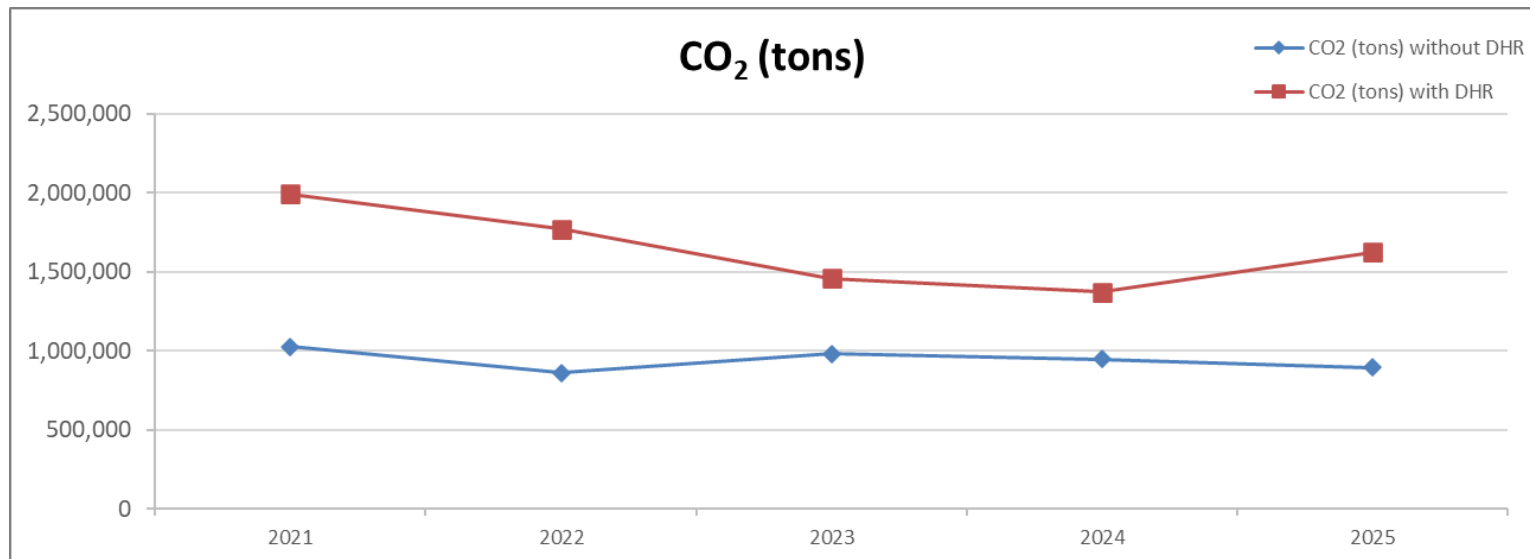
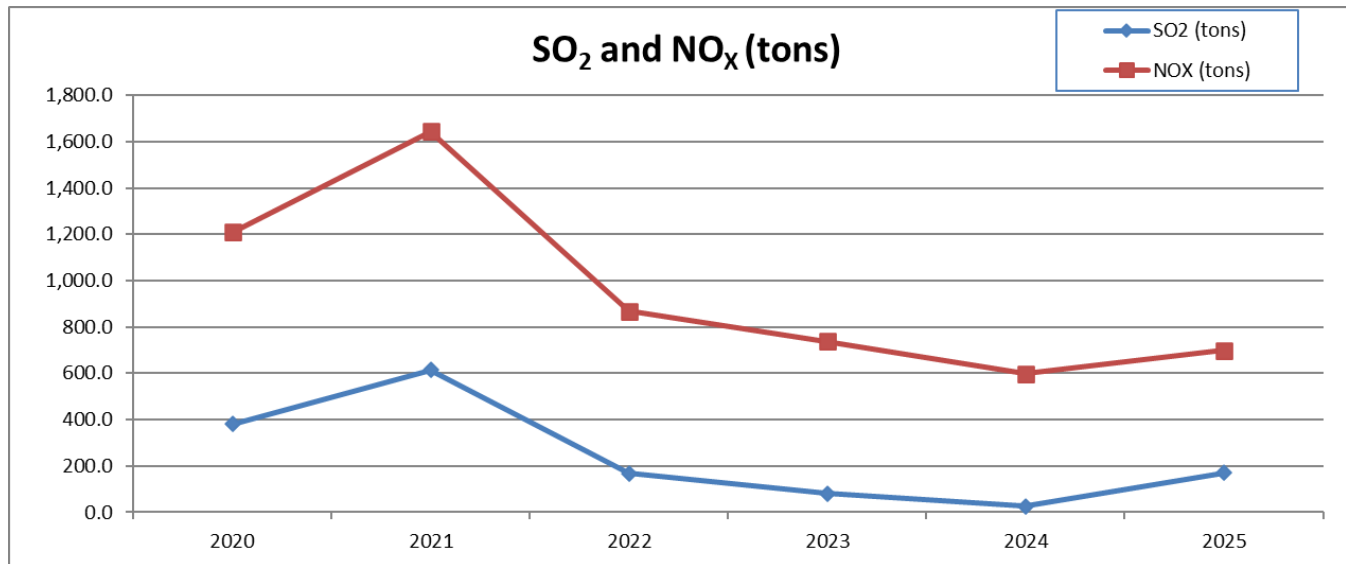
	SO ₂ (tons)	NO _x (tons)	Mercury (lbs)*	PM (tons)*	CO ₂ (tons) without DHR	CO ₂ (tons) with DHR
2020	379.3	1,208.3	3.1	56.5	1,033,389.5	1,697,218.5
2021	614.7	1,643.0	3.7	63.7	1,027,918.9	1,991,487.9
2022	167.4	867.8	2.1	11.2	861,824.7	1,771,204.7
2023	80.2	737.1	0.6	12.2	980,726.2	1,458,824.3
2024	26.5	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 March)	117.7	191.1	0.5	8.2	150,195.2	364,085.3

*Mercury and Particulate values are for Unit 2 only.

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

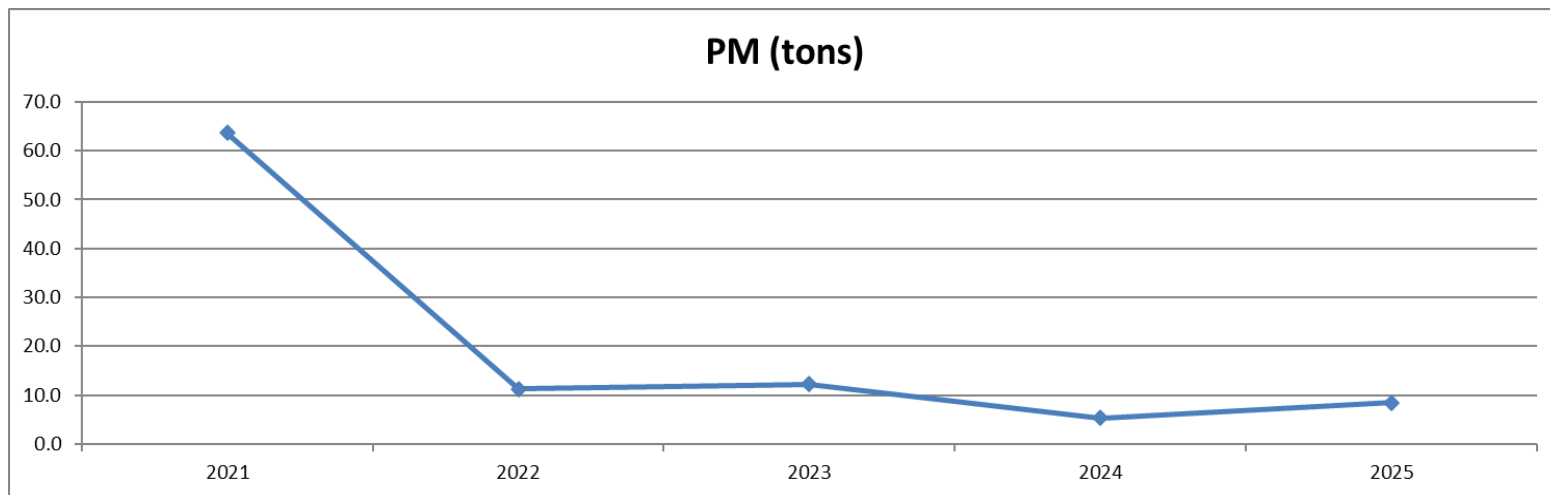
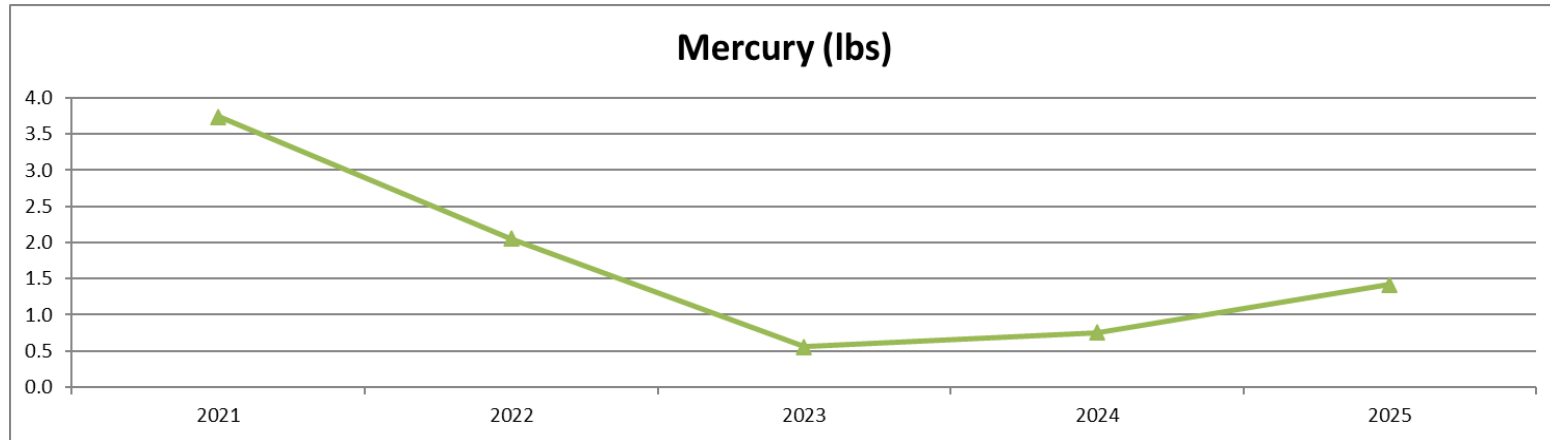
Energy Supply

Yearly Emissions



Energy Supply

Yearly Emissions



Energy Supply

Emissions Data

				2026 (thru March)					
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	28.4	17.7			12,350.7			192,852.0	16,191.0
DH2	85.5	111.1	0.45	8.2	135,328.1			2,135,091.0	165,374.0
DHCT3	0.0	0.2			629.3			10,592.0	832.0
JRKCC1	0.0	0.6			1,887.1			31,751.3	3,858.0
DHR	3.8	61.5			213,890.1			2,037,276.6	170,875.0
TOTAL	117.7	191.1	0.45	8.2	364,085.3			4,407,562.9	357,130.0
				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	28.4	17.7			12,350.7			192,852.0	16,191.0
DH2	85.5	111.1	0.45	8.2	135,328.1			2,135,091.0	165,374.0
DHCT3	0.0	0.2			629.3			10,592.0	832.0
JRKCC1	0.0	0.6			1,887.1			31,751.3	3,858.0
Total Without DHR	113.9	129.6	0.45	8.2	150,195.2			2,370,286.3	186,255.0

Energy Supply

Emissions & Compliance Data

		March		Calendar Year to Date (March)
Notices of Violation		0		0
Emissions				
DH1, DH2, DHCT3, JRKCC1				
	CO ₂ (tons)	51,414.9		150,195.2
	NO _x (tons)	36.2		129.6
	SO ₂ (tons)	0.3		113.9
DH Unit 2 (only)				
	PM _{FILT} (tons)	3.3		8.2
	Hg (lbs)	0.0		0.5
DHR				
	CO ₂ (tons)	64,043.4		213,890.1
	NO _x (tons)	18.5		61.5
	SO ₂ (tons)	1.1		3.8

Energy Supply

Availability & Capacity

	Availability			Capacity		
	Month	FY26 YTD	FY25 YTD	Month	FY26 YTD	FY25 YTD
DH-2	100.00%	81.79%	94.26%	39.88%	23.30%	34.26%
DH-1	100.00%	99.82%	99.30%	0.66%	5.62%	21.30%
Kelly CC	0.00%	50.48%	83.54%	0.00%	43.27%	75.93%
DH CT-1	99.04%	91.94%	97.96%	0.01%	0.18%	0.02%
DH CT-2	99.04%	99.84%	99.91%	0.00%	0.03%	0.01%
DH CT-3	99.04%	99.84%	96.60%	0.00%	0.33%	0.71%
DHR	100.00%	99.85%	64.49%	58.38%	63.97%	37.07%

Fuel Consumed

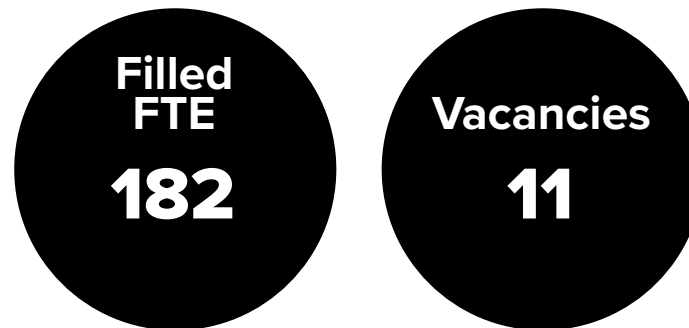
	Month	YTD	Budget YTD	Delta Budget
Coal (Tons)	–	6,867	30,197	-23,330
Gas (MCF)	851,490	4,775,242	4,595,339	179,903
Fuel Oil (Gal)	4,145	281,322	–	281,322
Biomass (Tons)	71,710	414,626	325,193	89,433

Energy Supply

Performance Parameters

March 2026	kWh/Month	kWh/YTD	Budget YTD	Delta Budget
DH-2	64,443	154,398	\$121,721.00	\$32,676.54
DH-1	121	20,330	\$3,840.00	\$16,489.53
Kelly CC1	(35)	80,438	\$19,440.00	\$60,998.48
CTs	-	841	\$684.00	\$156.81
Grid	27,694	69,961	\$62,449.00	\$7,512.00
DHR	43,628	99,374	\$196,418.00	\$(97,043.86)

Personnel



Energy Supply

Vacancies and Retirements

Status	Title	Filled?	Group	Vacant Date
Vacant	Power Plant Chemistry Technician	Y	DH Water Systems	Nov. 5, '25
Vacant	Process Plant Operator	Y	DH Water Systems	Aug. 19, '25
Vacant	Power Plant Production Leader	N	GRU Deerhaven Oper	Feb. 26, '26
Vacant	Power Plant Journeyman Operator	N	GRU Deerhaven Oper	Jul. 8, '24
Vacant	Account Clerk Senior	N	GRU Administration	Mar. 13, '26
Vacant	Production Technician	N	GRU Kelly Plant	Apr. 4, '23
Vacant	Principal Reliability Engineer	N	GRU Production Assurance	Jan. 22, '26
Vacant	Analyst Senior	N	Power Systems Fuels	Aug. 8, '25
Vacant	Process Plant Supervisor	Y	GRU Deerhaven Oper	Mar. 1, '26
Vacant	Engineer and Utility Designer IV	N	GRU Production Assurance	Dec. 1, '23
Vacant	Engineer and Utility Designer IV	N	GRU Production Assurance	Apr. 4, '25
Vacant	Power Plant ICE Supervisor	N	GRU Maintenance Group	May 22, '23
Vacant	Power Plant Journey Operator	N	GRU Deerhaven Oper	Mar. 4, '25
Vacant	Power Plant Mechanic Journeyman	N	GRU Maintenance Group	Jan. 6, '25
Vacant	Power Plan Mechanic Journeyman	N	GRU Maintenance Group	Sept. 1, '25
Vacant	Production Technician	N	GRU Kelly Plant	Jun. 23, '25

Energy Delivery

Reliability Statistics



Outage Causes

Cause	Overhead	Underground	Both
Undetermined	7	0	0
Weather	3	0	0
Vegetation	41	2	3
Animals	2	0	0
Foreign Interference	0	0	0
Human Cause	2	1	2
Equipment Failure	13	5	0
Other	0	0	0
Total	68	8	5

Energy Delivery

Electric System Consumption

	March 2026		March 2025	
	CONSUMPTION (kWh)	CUSTOMERS	CONSUMPTION (kWh)	CUSTOMERS
Feed-in-Tariff - Residential	212	84	-2,168	90
Feed-in-Tariff - General Service	2,204	144	2,156	140
Electric - GS - Demand - Regular	42,126,520	1,132	39,909,645	1,122
Electric - General Service Demand PV	1,139,079	30	1,218,379	30
Electric - GS - Kanapaha w Curtail Cr	998,400	1	964,800	1
Electric - GS - Demand - Large Power	6,753,780	9	7,005,520	9
Electric - GS - Murphree Curtail Credit	1,206,516	1	1,293,600	1
Electric - GS - Large Demand PV	3,105,600	2	3,189,600	2
Electric - GS - Non Demand	14,707,213	10,116	13,542,407	10,058
Electric - General Service PV	151,611	92	132,135	83
Electric - Lighting - Rental *	800,467	1,804	815,204	1,814
Electric - Lighting - Street - City *	402,954	14	403,866	15
Electric - Lighting - Street - County *	127,106	1	127,313	1
Electric - Lighting - Traffic	144	1	144	1
Electric - Residential - Non TOU	67,984,529	91,203	58,614,409	91,001
Electric - Residential PV	837,816	1,582	522,742	1,516
Total Retail Electric	140,344,151	104,397	127,739,752	104,054

* Number of customers is excluded from total customer count.

Energy Delivery

Gas System Consumption

	March 2026		March 2025	
	CONSUMPTION (THM)	CUSTOMERS	CONSUMPTION (THM)	CUSTOMERS
Gas - GS - Regular Service (Firm)	930,498	1,265	830,177	1,265
Gas - GS - Regular Service (Small)	55,399	517	40,792	491
Gas - GS - Interruptible - Regular Serv	16,000	1	25,523	1
Gas - GS - Interruptible - Large Volume	450,773	8	481,083	8
Gas - Residential - Regular Service	1,385,407	35,763	1,008,605	35,654
Total Retail Gas	2,838,077	37,554	2,386,180	37,419

Major Projects

ED Electric Engineering

- **Portman Apartments** – Coordination initiated for demolition plan; temporary power being provided for construction trailer.
- **TACTICS – Circuits 209–287** – T&D construction in progress (approximately 75% complete).
- **County Criminal Court Complex Expansion** – Switchgear received from warehouse; directional boring completed week of March 16, 2026. T&D construction to begin soon.
- **New Feeder for Amazon EV Fleet** – Engineering design 90% complete; CSX permit submitted Feb. 24, 2026. T&D construction began week of Feb. 9 (approximately 55% complete).
- **Woodland Park (Gainesville Housing Authority)** – Preparing for permanent power; construction scheduling forthcoming.
- **Natura** – Multifamily development; design and construction completed.
- **Hammock Preserve** – Residential and commercial mixed-use development; construction in progress (approximately 60% complete).
- **Gilbane-Colligate Apartments** – New multistory development on NW 20th Ave; construction in progress (approximately 15% complete; awaiting developer coordination).
- **TACTICS – Circuit 550**: T&D construction in progress (approximately 50% complete).

Energy Delivery

Gas Engineering

- **Implementing AUD Rollout** – Testing 2025 system update to ensure compatibility.
- **Ben E. Keith Facility** – Project fully permitted; installation of 6-inch gas main in progress (approximately 66% complete); redesign completed.
- **Bridlewood** – Engineering design complete; external 6-inch portion nearly complete; internal work pending developer completion (approximately 90% complete).
- **Westgate Backfeed** – Engineering design complete for replacement of nonstandard 5-inch steel; coordinating timelines with T&D prior to permitting.
- **Tioga Phase 22** – CAD files received; coordinating joint trench work with Clay Electric.

Electric Operations

T&D Operations

- Began construction of new McMichen circuit along NE 53rd Ave to serve Amazon EV fleet (approximately 30% complete).
- Circuit 1038 – Project completed and energized.
- Completed emergency repairs on transmission pole (Line 8) to correct failed guy wire.
- Continuing coordination with Engineering on TACTICS projects to improve reliability in Millhopper, Kelly, and Kelly West circuits.
- Natura multifamily development completed.
- Replaced multiple rejected poles identified during annual inspection and treatment program.
- Coordinating with Water/Wastewater on transformer replacement for Lift Station No. 1.
- Continuing coordination with FDOT on SR 222 lighting upgrade.
- In March, T&D personnel responded to 336 customer/outage tickets; over 100 associated with the March 16 wind event.

Substation & Relay

- Completed breaker maintenance on key units (BKR 423, 745).
- Completed annual NERC battery and relay testing across multiple transmission lines (Lines 7, 9, 14, 19).
- Implemented SERC audit recommendations across applicable processes.

Energy Delivery

Systems Control

- FPL power purchase agreement extended through May for 75 MW capacity and transmission; supporting DH1 economic outage and ongoing CC1 outage.
- Coordinating installation of security cameras at remote substations.
- **March 16 storm response** – 6,633 customers affected (peak 4,073); 1 pole replaced, 2 streetlights identified for follow-up, 3 transformers replaced.
- Coordinated tie-line maintenance with DEF (Idylwild).
Developing scope for UPS replacement at primary control center.

Technical Services Group

- **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** – Process complete; minor adjustments and notification/logging enhancements remaining.
- **Crew Assignments / CAP Tracking / Circuit Trips Refactor** – Code refactoring complete; upgraded to .NET 4.8 and .NET Core 10; deployment pending SharePoint readiness.
- **CAMS Upgrade (.NET Core 5 → .NET Core 10)** – .NET Core 10 upgrade complete; currently in testing; deployment aligned with SharePoint readiness.

Energy Delivery

Energy Measurement & Field Operations

Revenue Protection

- Investigated 27 damaged underground facilities.

Field Services

- Responded to 103 gas emergencies.

Electric Measurement

- Hosted a two-day joint utility meter training session (participants: FPL, OUC, JEA).

Gas Measurement

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

Gas T&D Major Projects

- Preparing application for Natural Gas Distribution Infrastructure Safety and Modernization (NGDISM) Grant Program (deadline: May 22, 2026).
- Continuing joint trench installation for 2-inch main (Flint Rock Subdivision, Phase 2).
- Freepoint Ecosystems project (Hawthorne) deferred to 2028.
- Installed approximately 7,500 feet and bored 1,220 feet of gas pipe for Ben E. Keith (Alachua).
- **New gas customers (FY26):** 143.
- **Contribution in Aid of Construction (CIAC) collected (FY25 & FY26):** \$275,268.
- **In March:** 13 new services installed, 13 retired for inactivity, and 0 re-runs.

AMI Data Lake

- GRU executed a Managed Analytics Statement of Work (SOW) with Util-Assist on Dec. 23, 2025.
- Project start date: Feb. 16, 2026; initial workshops began Feb. 23, 2026.
- Upcoming workshops include Azure setup, data requirements, MDM integration, CIS integration, and sprint cadence development.
- GRU will host data within its Azure environment, utilizing Snowflake for data migration and analytics processing.
- Deliverable: AMI interval data environment enabling business use cases and advanced analytics.

Energy Delivery

Advanced Metering Infrastructure (AMI)

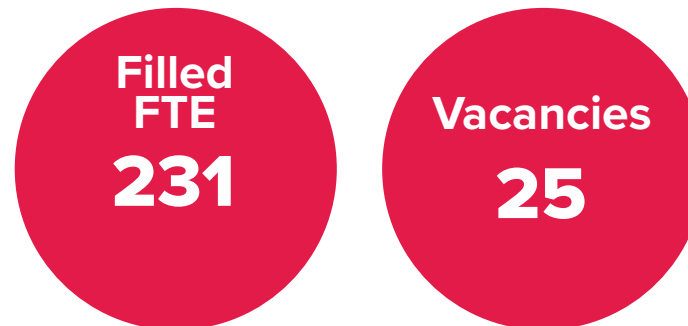
Category	Electric	Water	Natural Gas	Total
Remote Reading	104,257	70,608	32,682	207,547
AMI Devices	104,278	77,670	37,955	219,903
Non-AMI Devices	30	815	390	1,235
Total Devices	104,308	78,485	38,345	221,138
Saturation %	100.00%	99.00%	99.00%	99.40%

AMI Financial Summary		
Actuals Spent	\$41,501,847	88.00%
O/M Budget Remaining	\$2,168,355	5.00%
Capital Budget Remaining	\$3,396,174	7.00%
Total Budget	\$47,066,376	100.00%

Standard Industry Comparisons

Comparison	Actual	Goal	Description
SAIDI	5.67	4.5	System Average Interruption Duration Index
CAIDI	75.26	55	Customer Average Interruption Duration Index
SAIFI	0.08	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	Operational Technology Network Analyst Senior	N	Systems Control	Mar. '25
Vacant	Principal Engineer	N	Systems Control	Aug. '25
Vacant	Electrical Engineer and Utility Designer IV	N	Electric Engineering	Mar. '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	Lead Line Worker	N	Electric Line Workers	Oct. '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	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	Mar. '25
Vacant	Electric Line Worker	N	T&D Construction	Jun. '25
Vacant	Operational Technology Manager	N	ED Administration	—
Vacant	Electric Measurement Technician	N	Electric Measurement Operations	Jul. '25
Vacant	Power Systems Coordinator II	N	Systems Control Technical Operations	Feb. '26
Vacant	Electric Line Worker	N	Electric Line Workers	Jun. '25
Vacant	Principal Engineer and Utility Designer	N	Electric Engineering	Jan. '25
Vacant	Power Systems Coordinator II	N	Systems Control Technical Operations	Mar. '26
Vacant	GIS and Operational Systems Coordinator	N	GIS Operations Services	Mar. '24

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	22.8	22.8	24.0	30	76%
	Max Daily Peak Flow	29.9	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	5.0	5.2	5.4	7.5	69%
	Max Daily Peak Flow	10.0	10.0	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	10.1	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:	1	10	22
Wastewater Collection System					
			Month	FY 26 YTD	FY 25
		Sanitary Sewer Overflows (SSOs)	2	7	18
		<i>SSOs By Type:</i>			
		Residential Grease & Toiletries		2	6
		Infrastructure	1	2	10
		Third-Party Damage	1	3	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		315	3,149	5,238	-
	Water Leaks		110	767	2,189	-
	Water Damages (by 3rd Parties)		12	101	358	-
	Other Water Work Orders		193	2,281	2,691	-
	Water Valve Exercising Program		203	895	460	-
	* New program for FY 26					
	Number of Water Services Replaced		114	463	1,058	83
	Feet of Water Main Replaced		4,648	8,014	25,293	2,200
Wastewater Collection System						
			Month	FY 26 YTD	FY 25	Monthly Goal
	Dispatched Sewer Work Orders		91	526	860	-
	Sewer Stoppages		19	109	202	-
	Sewer Damages (by 3rd Parties)		8	34	62	-
	Other Sewer Work Orders		64	383	596	-
	SWAMP Program					
	Miles of Gravity Main Inspected		1.4	19.4	154	-
	Number of Manholes Inspected		8	416	3,833	-
Reclaimed Distribution System						
			Month	FY 26 YTD	FY 25	Monthly Goal
	Dispatched Reclaim Work Orders		4	32	115	-
	Reclaim Leaks			6	20	-
	Reclaim Water Damages (by 3rd Parties)			1	4	-
	Other Reclaim Work Orders				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; ~80% complete.
- SW 34th Street Force Main Replacement – Design underway (SW 2nd Ave. to north of University Avenue); ~60% complete.

Main Street Water Reclamation Facility

- **Phase 1 testing and startup** – Equipment passed startup and clean water testing. Wastewater introduced into the new system on Mar. 31.

Kanapaha Water Reclamation Facility

- **Operating Permit Renewal** – Application submitted; awaiting FDEP comments and draft permit.

Lift Stations

- North wet well mechanical equipment installation in progress – North side expected to be completed in April; work will then shift to the south wet well.

Murphree Water Treatment Plant

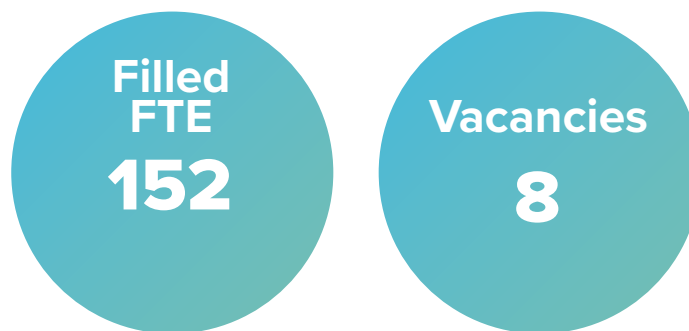
- Backwash pipe lining – Lining of 48"x60" elliptical pipe completed.
- Well 13 improvements – Slab and foundation installation for generator and ATS in progress.

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



END OF SECTION

Safety & Training

Safety Data Month Injury Statistics



Department	First Aid Given	Recordable Injuries	DART*
Administration	0	0	0
W/WW	0	1	0
Energy Supply	0	0	0
Energy Delivery & Gas	0	0	0
GRUCom	0	0	0
Total	0	1	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	8,417	0	0
W/WW	73,356	0	0
Energy Supply	2,421	0	0
Energy Delivery & Gas	100,893	0	0
GRUCom	5,985	0	0
Total	191,072	0	0

Fiscal YTD Vehicle Collisions & Miles Driven



Department	Miles Driven	Recordable Collisions	Preventable Collisions
Administration	40,997	0	0
W/WW	393,519	6	0
Energy Supply	13,910	0	0
Energy Delivery & Gas	522,951	2	1
GRUCom	30,191	1	0
Total	1,001,568	9	1

Safety & Training

Monthly Injury, Collision & DART Summaries

Injury & DART Details

- March 6: Employee strained back while unscrewing galvanized pipe.

Collision Details

- None reported.

END OF SECTION

Customer Operations

Revenue Assurance

Referred
to Collections
\$180,846.83

FYTD: \$1,553,288.45

Funds
Collected
\$84,596.65

FYTD: \$537,248.75

Bankruptcies
\$18,826.95

FYTD: \$28,211.61

Prior Indebtedness
Funds Collected
\$24,705.14

FYTD: \$145,278.54

Disconnections
1,809

Reconnections
1,850

Billing & Customer Solutions

- Invoicing rating: **99.91%**
- Meter rereads: **32**
- Locked reads: **5,354**
- Solar invoicing rating: **100%**
- Processed emails: **2,127/2,181 (98%)**

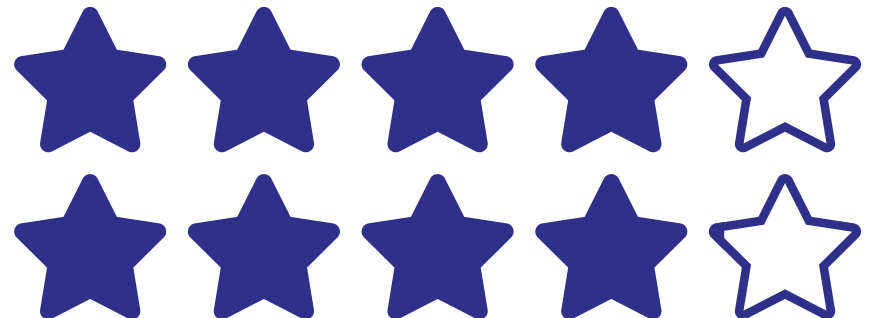
Customer Experience

Transactional
Survey

4.0

Lobby
Survey

4.9



Customer Operations

New Services

Building Permit Reviews	248
Active Projects	Amount
City	208
County	40
New Installations	Amount
Electric	134
Water	57
Wastewater	49
Gas	24
Solar Reviews	Amount
Plan Reviews	3
PVs Completed on Time	3
PV Installations	3
Avg. Handle Time (in Weeks)	3.71

Customer Operations

Customer Service

Answer Speed

Call Type	Actual	FYTD	Goal
Residential & Non-residential	0:00:55	0:01:25	0:05:00

Handle Time

Call Type	Actual	FYTD	Goal
Residential & Non-residential	0:07:39	0:07:11	0:07:00

Total
Calls
10,902

Other Statistics

Payments
Returned

396

Lobby
Visits

10,766

Project
Share
\$3,644.28

Social
Service Vouchers

177

\$126,856.65

\$97,224.65

Customer Operations

Payment Type Details

Payment Type	Transactions	Transactions FYTD	\$ Amount	\$ Amount FYTD
Drop Box	674	4,579	\$930,938.21	\$100,441,890.14
Mailed	16,053	91,492	\$17,395,980.65	\$81,322,018.72
Office Payment	34	330	\$42,776.10	\$166,868.75
Electronic Lockbox	7,314	25,500	\$2,587,416.28	\$8,419,479.70
Drive Thru	3,584	21,768	\$2,576,670.25	\$13,774,567.66
Kubra Cash	256	1,403	\$52,909.16	\$270,319.94
Check Free	—	14,557	\$0.00	\$5,228,423.86
Kubra ACH	17,810	107,074	\$6,568,336.97	\$34,974,970.17
Collection Agency	55	289	\$17,284.72	\$98,486.43
Kubra CC/EZPAY	24,000	143,959	\$5,632,639.30	\$31,155,788.64
Lobby Walk-Ins	2,344	13,819	\$860,530.49	\$5,939,173.55
Direct Debit	34,661	190,146	\$10,904,156.01	\$55,485,661.41

Customer Operations

Energy & Business Services

Residential Surveys	58
Commercial Surveys	6
LEEP ^{plus} Applications Received	21
LEEP ^{plus} Pre-inspections	12
LEEP ^{plus} Completed Homes	5

FY26
March
State of the Utility





Gainesville Regional Utilities Authority Agenda Item Report

File Number: 2026-331

Agenda Date: May 13, 2026

Department: Gainesville Regional Utilities

Title: 2026-331 GRU March 31, 2026 - 2026 Budget to Actual Comparison (B)

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

Description: This is an information item related to a summary of the March 31, 2026 budget to actual results.

Fiscal Note: None.

FY26 Financial Update

Month Ended March 31, 2026



CUSTOMER FIRST

ONE UTILITY. ONE GOAL.

Combined Systems

Combined Systems						
Budget vs Actual Statement of Revenues and Expenses						
As of March 31, 2026						
	Actual @ 3/31/24	Actual @ 3/31/25	Actual @ 3/31/26	Budget @ 3/31/26	Favorable (Unfavorable)	
					\$	%
Operating revenues						
Sales and service charges net of fuel	158,972,314	166,786,303	168,141,148	162,794,792	5,346,356	3.28%
Fuel	41,040,454	51,054,155	62,546,488	43,137,349	19,409,139	44.99%
Transfers from (to) rate stabilization	(1,399,573)	(14,087,239)	393,313	(15,606,688)	16,000,001	102.52%
Amounts recoverable from (to) future revenue	2,335,351	(4,213,111)	(3,231,822)	4,201,598	(7,433,420)	(176.92%)
Other operating revenue	6,096,090	7,491,009	6,633,408	8,988,241	(2,354,834)	(26.20%)
Total operating revenues	207,044,636	207,031,117	234,482,534	203,515,293	30,967,241	15.22%
Operating expenses						
Operation and maintenance net of fuel	75,858,510	78,087,374	79,410,131	78,748,236	(661,895)	(0.84%)
Fuel	41,040,454	51,054,155	62,546,488	43,137,349	(19,409,139)	(44.99%)
Depreciation and amortization	52,406,937	54,798,932	55,715,555	57,954,156	2,238,601	3.86%
Total operating expenses	169,305,901	183,940,461	197,672,174	179,839,741	(17,832,433)	(9.92%)
Operating income	37,738,735	23,090,656	36,810,361	23,675,552	13,134,808	55.48%
Non-operating income (expense)*						
Interest income	6,497,615	3,164,009	4,592,419	7,367,951	(2,775,532)	(37.67%)
Interest expense	(34,700,491)	(32,546,974)	(29,920,298)	(31,682,443)	1,762,144	5.56%
Other interest related income, BABS	2,430,964	2,385,069	2,351,000	2,322,773	28,227	1.22%
Other income (expense)	5,779,584	5,511,177	12,522,232	(3,232,299)	15,754,531	487.41%
Total non-operating income (expense)	(19,992,328)	(21,486,719)	(10,454,648)	(25,224,017)	14,769,369	58.55%
Income (expense) before capital contributions and transfers	17,746,407	1,603,937	26,355,713	(1,548,465)	27,904,178	1802.05%
Transfer to City of Gainesville General Fund	(7,652,613)	(4,252,612)	(4,252,613)	(4,252,613)	(0)	0.00%
	(7,652,613)	(4,252,612)	(4,252,613)	(4,252,613)	(0)	0.00%
Change in net position	\$ 10,093,795	\$ (2,648,675)	\$ 22,103,100	\$ (5,801,078)	\$ 27,904,178	481.02%
Profit**	\$ 19,145,980	\$ 15,691,176	\$ 25,962,400	\$ 14,058,223	11,904,177	84.68%

*Excludes Capital Contributions (CIAC)

**For the purpose of this presentation, income before contributions & transfers (per GAAP statement of revenues, expenses & changes in net assets) plus/minus transfers to rate stabilization = profit.

Executive Summary

PROFIT / (LOSS)					
	Actual @ 3/31/24	Actual @ 3/31/25	Actual @ 3/31/26	Budget @ 3/31/26	Variance
Electric	5,785,137	3,854,605	5,801,642	9,294,274	(3,492,632)
Water	699,144	779,896	735,439	478,225	257,214
Wastewater	6,398,960	8,661,267	17,361,595	3,947,644	13,413,951
Gas	2,790,813	3,484,579	3,161,282	2,904,664	256,618
GRUCom	3,471,926	(1,089,171)	(1,097,559)	(2,566,583)	1,469,024
Total*	19,145,980	15,691,176	25,962,400	14,058,223	11,904,177

**For the purpose of this presentation, income before contributions & transfers (per GAAP statement of revenues, expenses & changes in net assets) plus/minus transfers to rate stabilization = profit.

Executive Summary

VARIANCE	
Revenues	
Wastewater Grant	\$11.0M
Sales Increase	\$5.3M
IT SLA	\$1.8M
Amounts Recoverable*	(\$7.4M)
Interest Income	(\$2.7M)
Water & Wastewater Connection Charges	(\$2.2M)
Expenses	
Non-Fuel O&M	(\$.6M)
TEA	\$2.6M
Depreciation & Amortization	\$2.2M
Interest Expense	\$1.8M

Budget amount is based on the difference between the principal on the series 2017 bonds and the depreciation on the DHR facility.

Our defeasance efforts have resulted in a principal reduction in the 2017 bonds greater than originally budgeted.

File Number: 2026-332

Agenda Date: May 13, 2026

Department: Gainesville Regional Utilities

Title: 2026-332 Resolution for Adoption of Local Mitigation Strategy Update (B)

Department: Gainesville Regional Utilities/Utility Safety and Training; Emergency Management

Description: GRU coordinates with other jurisdictions on emergency response and mitigation planning for future storms and other hazards. GRU is a member of the Alachua County Local Mitigation Strategy (LMS) team which includes representatives from municipalities within Alachua County, University of Florida, and Santa Fe College. The LMS team is coordinated by Alachua County.

The LMS team plays a key role in securing federal funding for hazard mitigation projects. The team evaluates proposed hazard mitigation projects and maintains a ranked priority list of projects for funding through the FEMA Hazard Mitigation Grant Program (HMGP). Federal disaster assistance funds are allocated to the HMGP program following presidential disaster declarations. For each disaster a specified funding amount is designated for each impacted state, with specific amounts designated for projects in each county. Funding is awarded to projects within each county in accordance with the LMS ranked priority list. Proposed projects must meet certain criteria for mitigating potential impacts from future disasters to be eligible for funding. HMGP funds typically pay for 75 percent of the cost for mitigation projects, with the remaining 25 percent paid by the sponsoring entity.

GRU has received approximately \$2.8 million in HMGP funding since 2021 for electric distribution system improvements. GRU is currently seeking HMGP funding for wastewater system improvement projects totaling \$17.6 million which are listed on the LMS ranked priority list from funds made available in response to COVID-19 and Hurricanes Idalia, Helene, Milton, and Debby. The LMS priority list also includes additional projects totaling \$11.5 million which GRU may be able to seek funding for in the future if and when additional federal funds are allocated to the program.

As a condition of receiving HMGP and other non-emergency disaster assistance FEMA requires local governments to develop and adopt hazard mitigation plans which identify and describe mitigation strategies for potential hazards including storms, wildfire, cyber-attack, and other hazards. The LMS provides a high-level framework for interagency coordination and preparation for disaster events but does not dictate or restrict

response actions in any way. Every five years the plans must be updated, submitted for review, approval, and adopted by each jurisdiction. The Alachua County LMS was recently updated and has been approved by Florida Department of Emergency Management (FDEM) pending each of the participating jurisdictions in the Alachua County LMS approving resolutions adopting the LMS.

Fiscal Note: There is no fiscal impact for the GRU Authority to adopt the resolution approving the Alachua County LMS. GRU Authority approval of the LMS enables GRU to continue to be eligible for HMGP and other non-emergency disaster assistance funding. However, failure to adopt the resolution, places \$29.1M of possible funding at risk.

Recommendation: The GRU Authority approve the resolution adopting the Alachua County LMS and authorize the Chair to execute the same.

HMGP Adoption

May 13, 2026



CUSTOMER FIRST

ONE UTILITY. ONE GOAL.

- HMGP Program
- Alachua County Program
- GRU 5-Year Grant History
- Resolution Adoption

Hazard Mitigation Grant Program (HMGP)

- Based on the Disaster Mitigation Act of 2000 (Public Law 106-390)
- Provides funding to state, local, tribal and territorial governments to develop hazard mitigation plans & rebuild in ways that reduce or mitigate future disaster losses in their communities.
- Funding becomes available following a Presidentially declared disaster.
- To receive HMGP funding, all state, local, tribal and territorial governments must develop and adopt hazard mitigation plans.

Alachua County Local Mitigation Strategy (LMS)

- Alachua County LMS addresses projects, policies and programs to reduce the County's vulnerability to impacts of disasters before and after they occur.
- Outlines actions initiated post-disaster to prevent recurring losses from future disasters
- Outlines hazards, impacts, vulnerabilities and past occurrences of listed hazards
- Adopted by multiple community public partners
- Managed by LMS Work Group
- Plan is updated every five years & progress reviewed annually

GRU Participation and Grant History

- GRU has been active with the LMS Work Group for more than ten years.
- Previous revisions were adopted by the City of Gainesville
- GRU currently serves as a voting member separate from the City of Gainesville
- Two GRU employees currently serve on the LMS Work Group
 - Scott Holowasko; Utility Emergency Manager
 - Rick Hutton; Principal Engineer & Utility Designer
- Grants provide up to 75% cost share with GRU funding remainder of project costs
- 5-Year history of HMGP grant activity

Previous HMGP Mitigation Projects (past five years)

Project Name	Estimated Value	Status
Electric System Messenger Cable Removal		
37 individual projects across electric system	\$3,817,353	Complete – Closed 11/04/2021
Total Project Value	\$3,817,353	

Current HMGP Mitigation Projects

Project Name	Estimated Value	Status
Hogtown Creek Crossing #3	\$618,740	Design Complete – Covid funding
Hogtown Creek Gravity Sewer Relocation	\$1,949,241	In Process – Idalia funding
Sweetwater Branch Bank Stabilization	\$9,159,563	In Process – Helene funding
Lift Station Diesel Pumps	\$136,500	In Process – Helene funding
Kanapaha WRF Fiber back-up	\$137,915	In Process – Milton funding
Main Street WRF Backup Generators	\$4,200,000	Secondary – 2024 D/H/M funding
Kanapaha WRF Electric Feed	\$1,365,000	Secondary – 2024 H/M funding
Total Project Value	\$17,566,959	
75% Estimated Share	\$13,175,220	

Future HMGP Mitigation Projects

Project Name	Estimated Value	Status
DHR Auxiliary Power Stability	\$8,000,000	Ranked – waiting future funding
Black Acres Gravity Sewer Main Relocation	\$550,000	Ranked – waiting future funding
Elizabeth Creek Sewer	\$3,000,000	Ranked – waiting future funding
Total Project Value	\$11,550,000	
75% Estimated Share	\$8,662,500	

Resolution to Adopt LMS

- FDEM approval of Alachua County 2026 LMS pending adoption by:

- Alachua County, Unincorporated
- City of Gainesville
- Gainesville Regional Utilities
- City of Alachua
- City of Archer
- City of Hawthorne

Alachua County deadline is May 15, 2026

- City of Newberry
- Santa Fe College
- Town of LaCrosse
- Town of Micanopy
- Town of Waldo
- University of Florida



Thank You!

RESOLUTION NO. 2026-332

A RESOLUTION OF THE GAINESVILLE REGIONAL UTILITIES AUTHORITY OF THE CITY OF GAINESVILLE, FLORIDA, ADOPTING THE 2026 ALACHUA COUNTY LOCAL MITIGATION STRATEGY; DIRECTING STAFF TO PURSUE FUNDING OPPORTUNITIES; PARTICIPATING IN THE LOCAL MITIGATION STRATEGY PROCESS; PROVIDING FOR SEVERABILITY; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, areas of Alachua County are vulnerable to natural, technological and societal hazards and the associated community and economic costs; and

WHEREAS, the Gainesville Regional Utility’s governing body realizes the importance of reducing or eliminating these vulnerabilities for the overall good and welfare of the community; and

WHEREAS, the Gainesville Regional Utility’s governing body, the Gainesville Regional Utilities Authority (“Authority”), realizes the importance of reducing or eliminating these vulnerabilities for the overall good and welfare of the community; and

WHEREAS, Gainesville Regional Utilities has been an active participant in the Alachua County Local Mitigation Strategy Work Group, which has established a comprehensive, coordinated planning process to eliminate or diminish these vulnerabilities; and

WHEREAS, Gainesville Regional Utilities representatives and staff have identified, justified and prioritized a number of proposed Hazard Mitigation Grant Program (HMGP) mitigation initiatives needed to mitigate the vulnerabilities of Gainesville Regional Utilities’ service territory and facilities to the impacts of identified hazards; and

WHEREAS, these proposed HMGP mitigation initiatives (as well as the past five years of completed HMGP mitigation initiatives) are attached hereto as Exhibit “A” and incorporated herein by reference; and

WHEREAS, these proposed initiatives have been incorporated into the 2026 edition of the Alachua County Local Mitigation Strategy that has been prepared and issued for consideration by the Authority and implementation by Gainesville Regional Utilities.

NOW, THEREFORE, BE IT RESOLVED BY THE GAINESVILLE REGIONAL UTILITIES AUTHORITY, a unit of city government of the City of Gainesville, Florida, that:

Section 1. Adoption of the Local Mitigation Strategy.

Gainesville Regional Utilities Authority hereby adopts and approves of its designated portion of the Alachua County Local Mitigation Strategy.

Section 2. Opportunities.

The personnel of Gainesville Regional Utilities are requested and instructed to pursue currently available funding opportunities for implementation of the proposals designated therein and any future opportunities through the HMGP.

Section 3. Implementation.

The agencies and organizations within Alachua County will, upon receipt of such funding or other necessary resources, seek to implement the proposals contained in its section of the strategy.

Section 4. Participation.

Gainesville Regional Utilities will continue to participate in the Alachua County Local Mitigation Strategy process.

Section 5. Severability.

If any word, phrase, clause, paragraph, section, or provision of this resolution or the application hereof to any person or circumstance is held invalid or unconstitutional, such finding will not affect the other provisions or applications of this resolution that can be given effect without the invalid or unconstitutional provision or application, and to this end the provisions of this resolution are declared severable.

Section 6. Effective Date.

This Resolution shall take effect immediately upon adoption.

PASSED and ADOPTED by the GAINESVILLE REGIONAL UTILITIES AUTHORITY
this 13th day of May 2026.

**GAINESVILLE REGIONAL UTILITIES
AUTHORITY**

By: _____
Eric Lawson, Chair

Approved as to form and legality:

Derek D. Perry
Utilities Attorney

EXHIBIT “A”

Current Proposed HMGP Mitigation Initiatives –

<u>Initiative Name</u>	<u>Est. Value</u>	<u>Status</u>
• Hogtown Creek Crossing #3	\$618,740	Design Complete – Covid funding
• Hogtown Creek Gravity Sewer Relocation	\$1,949,241	In Process – Idalia funding
• Sweetwater Branch Bank Stabilization	\$9,159,563	In Process – Helene funding
• GRU Lift Station Diesel Pumps	\$136,500	In Process – Helene funding
• GRU KWRF Fiber back-up	\$137,915	In Process – Milton funding
• GRU MSWRF Backup Generators	\$4,200,000	Secondary – 2024 D/H/M funding
• GRU KWRF Electric Feed	\$1,365,000	Secondary – 2024 H/M funding
• Deerhaven Renewable Auxiliary Power Stability	\$8,000,000	Ranked – awaiting funding
• Black Acres Gravity Sewer Main Relocation	\$550,000	Ranked – awaiting funding
• GRU Elizabeth Creek Sewer	\$3,000,000	Ranked – awaiting funding
Total Current Proposed Projects	\$28,498,219	

Past completed HMGP initiatives within the last five years –

<u>Initiative Name</u>	<u>Est. Value</u>	<u>Date Closed</u>
<u>Messenger Cable Removal Projects</u>		
• West Hills and University Acres	\$207,801	2021-11-04
• SW Williston Rd	\$27,000	2021-11-04
• NW 34 St to NW 38 St	\$109,545	2021-11-04
• SW 24 Ave Tower Rd to SW 84 St	\$77,922	2021-11-04
• NE 8th Ave Duval	\$133,206	2021-11-04
• Meadows	\$14,400	2021-11-04
• Coclough Hills	\$75,600	2021-11-04
• NW 8 Ave from NW 13 St to NW 23 St	\$25,977	2021-11-04
• SW 63 Blvd-SW 75 St/Archer Rd/SW 49 Place	\$101,340	2021-11-04
• Golf view	\$162,546	2021-11-04
• NW 77 St north of Millhopper Rd.	\$13,377	2021-11-04
• NW 23 Ave between NW 71 St & 62 Trc	\$88,719	2021-11-04
• NW 43 St-34 St & NW 8 Ave-NW 16th Ave	\$328,635	2021-11-04
• SW 91 St, 8 Ave & 24 Ave	\$37,044	2021-11-04

Past Completed Initiatives – (continued)

Initiative Name	Est. Value	Date Closed
<u>Messenger Cable Removal Projects (continued)</u>		
• W Univ Av/NW 8 Av/NW 34 St/NW 35 Trc	\$64,800	2021-11-04
• Kirkwood	\$160,800	2021-11-04
• Suburban Heights 546	\$148,800	2021-11-04
• SE 39 Terrace south of Hawthorne Rd	\$18,522	2021-11-04
• Forest Ridge	\$205,200	2021-11-04
• Fletcher's Mill	\$123,687	2021-11-04
• Northwood	\$121,407	2021-11-04
• NW 6 St/NW 13 St/NW 30 Ave/NW 39 Ave	\$102,900	2021-11-04
• Suburban Heights 1037	\$156,000	2021-11-04
• Brywood	\$96,000	2021-11-04
• Clear Lake	\$135,822	2021-11-04
• Broadmoor Area	\$51,693	2021-11-04
• NE 9 St E Univ. Ave. to NE 10 Ave	\$168,477	2021-11-04
• Glen Springs Rd	\$60,000	2021-11-04
• SW 35 Drive S Williston Rd	\$54,528	2021-11-04
• Buckingham & Sunningdale	\$96,207	2021-11-04
• Durant Estates	\$17,493	2021-11-04
• NW 34 St-NW 39 Ave & NW 13 Ave.	\$105,000	2021-11-04
• NW 16-8 Av NW 23-34 St Cirt 211&216	\$125,400	2021-11-04
• Creekside Mall	\$49,122	2021-11-04
• Robin Lane off NW 39 Ave & area	\$79,983	2021-11-04
• NW 43-38 ST NW 16 Av Cirt 541	\$160,200	2021-11-04
• NW 39th Av Circuit 542	\$112,200	2021-11-04
Total Completed projects	\$3,817,353	

File Number: 2026-333

Agenda Date: May 13, 2026

Department: Gainesville Regional Utilities

Title: 2026-333 Resolution Authorizing Remarketing of Gainesville Utilities Bonds, 2023 Series C, and Ratifying Agent (B)

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 C variable rate bonds.

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 C bonds.

The resolution:

- Authorizes the remarketing of the bonds
- Ratifies the appointment of TD Bank N.A. as the remarketing agent
- Authorizes amendment of the swap with Wells Fargo Bank, which hedges the 2023 Series C revenue bonds

Fiscal Note: The rate proposed by TD Public Finance LLC Bank for the renewal of the 2023 Series C Bonds is 79% of SOFR plus 57 basis points. Using the SOFR rate in effect as of the date of this writing, this translates to an annual savings of \$137,796 compared to the current rate for the bonds.

Recommendation: The GRU Authority adopt the proposed resolution.

RESOLUTION NO. 2026-333

RESOLUTION OF THE GAINESVILLE REGIONAL UTILITIES AUTHORITY AUTHORIZING THE REMARKETING OF THE CITY OF GAINESVILLE, FLORIDA VARIABLE RATE UTILITIES SYSTEM REVENUE BONDS, 2023 SERIES C; AMENDING THE CITY'S RESOLUTION NO. 2023-574; APPOINTING 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 C (the "2023 Series C Bonds") authorized pursuant to the Master Bond Resolution, as supplemented by Resolution No. 2023-574 adopted by the City Commission on June 15, 2023 (the "Original 2023C Resolution" and as amended hereby, the "Bond Resolution") which such 2023 Series C Bonds are subject to tender on June 22, 2026 at the option of the TD Bank, N.A., the sole holder of the 2023 Series C 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 C Bonds with such final terms as shall be approved by or authorized pursuant to a Supplemental Resolution adopted by the Authority and to enter into, replace, amend or terminate (which may be in part) any such Qualified Hedging Contracts and to execute and deliver such agreements, documents and instruments on behalf of the City as may be necessary to evidence such amendments as are necessary to maintain the variable rates paid on an interest rate hedge transaction to be substantially similar to the variable rate on the Bonds to which such Qualified Hedging Contract applies or to terminate such Qualified Hedging Contract in connection with the issuance of fixed rate Bonds or for such other financial reasons based on the advice of the municipal advisor to the System; and

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

WHEREAS, the Authority desires upon the successful remarketing by the Remarketing Agent and thereafter reassignment of the 2023 Series C Bonds to TD Public Finance LLC, upon the terms set forth herein and make certain amendments to the 2023C Resolution to modify the

interest rate on the 2023 Series C Bonds and establish a new Bank Purchase Date (as defined in the Original 2023C Resolution) for the 2023 Series C Bonds; and

WHEREAS, the City has entered into an interest rate hedge agreement with Wells Fargo Bank, National Association ("Wells Fargo Bank") with a trade date of April 9, 2020 and Reference No. 37667877 (the "Wells Hedge Agreement") issued pursuant to an ISDA Master Agreement, Credit Support Annex and Schedule with Wells Fargo Bank, each dated as of April 7, 2020, as such Confirmation was amended on December 21, 2022 pursuant to an Amended and Restated Confirmation of Swap Transaction, as further amended on March 30, 2023 pursuant to an Amended and Restated Confirmation of Swap Transaction and as further amended on June 22, 2023 pursuant to an Amended and Restated Confirmation of Swap Transaction in order to moderate interest rate fluctuations with respect to the 2023 Series C Bonds; and

WHEREAS, the Authority desires that upon the remarketing by the Remarketing Agent and reassignment of the 2023 Series C Bonds to TD Public Finance LLC to amend the Wells Hedge Agreement and to execute and deliver such agreements, documents and instruments on behalf of the City as may be necessary to evidence such amendments as are necessary to maintain the variable rates paid on the Wells Hedge Agreement to be substantially similar to the variable rate on the remarketed 2023 Series C 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 2023C 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 2023C 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 C 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 C Bonds, Extension of Bank Purchase Date and Amendments to Original 2023C Resolution. The remarketing of the 2023 Series C Bonds to TD Public Finance LLC and the execution, issuance and delivery of replacement 2023 Series C Bonds (the "Replacement 2023 Series C Bonds") to TD Public Finance LLC are hereby approved. The extension of the Bank Purchase Date to July 1, 2029 is hereby approved.

Section 3.02 Appointment of Remarketing Agent. The Authority hereby appoints TD Bank, N.A. as Remarketing Agent for the 2023 Series C 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 C 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 C 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 C Bonds shall be executed and delivered pursuant to the Master Bond Resolution and applicable law. The signatures on the Replacement 2023 Series C 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 C Bonds shall cease to be such officer of the City before the Replacement 2023 Series C Bonds so signed and sealed shall have been actually delivered, such Replacement 2023 Series C Bonds may nevertheless be delivered as herein provided and may be issued as if the person who signed or sealed such Replacement 2023 Series C Bonds had not ceased to hold such office. The Replacement 2023 Series C 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 C Bonds shall hold the proper office, although at the date of such Replacement 2023 Series C 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 2023C 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 81.5%, (ii) during the Placement Period commencing on June 22, 2026 through the next Placement Period, 79%, and (iii) during any Placement Period after the Initial Period and the Placement Period commencing on June 22, 2026 and ending on July 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 June 22, 2026 and ending on July 1, 2029, fifty-seven basis points (0.57%), and (iii) after the Initial Period and the Placement Period commencing on June 22, 2026 and ending on July 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 C 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) July 1, 2029 and (iii) during any Placement Period other than the Initial Period and the Placement Period commencing on June 22, 2026 and ending on July 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 C 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 C 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 C Bonds, the Initial Purchaser, (ii) commencing on June 22, 2026, TD Public Finance LLC, and (iii) if TD Public Finance LLC the Initial Purchaser does not hold any portion of the 2023 Series C 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.

"Interest Period" means (i) from the period commencing on the Delivery Date to and not including the Initial Bank Purchase Date a period commencing on the Delivery Date and ending on the numerically corresponding day in the calendar month that is one (and each) month thereafter and (ii) for the initial Interest Period after the Initial Bank Purchase Date, the period commencing on the Initial Bank Purchase Date and ending on the last day of the calendar month in which the Initial Bank Purchase Date falls, and (iii) for each Interest Period thereafter, the period commencing on the first day of each calendar month and ending on the last day of such calendar month; provided, however, that no Interest Period shall extend beyond the final maturity date of the 2023 Series C Bonds; ~~provided that (i) if any Interest Period would end on a day other than a Business Day, such Interest Period shall be extended to the next succeeding Business Day unless such next succeeding Business Day would fall in the next calendar month, in which case such Interest Period shall end on the next preceding Business Day, (ii) if any Interest Period would end on a day for which there is no numerically corresponding day in the calendar month, such Interest Period shall end on the last Business Day of the relevant calendar month, (iii) no Interest Period shall extend beyond the final maturity date of the 2023 Series C Bonds and~~

~~(iv) no tenor that has been removed from this definition pursuant to Exhibit A attached to the 2023 Series C Bond shall be available for specification in any advance request.~~

"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 C Bonds.

(b) Paragraphs (2) and (3) of Section 3.06 of the Original 2023C 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 C 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 C 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 C Bonds and the Trustee shall not be liable to the Holders of the 2023 Series C 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 C 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 C 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 C Bonds is excludable from the gross income of the Holders of the 2023 Series C 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 C 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 C Bonds upon the foregoing terms. On the delivery date of the remarketed 2023 Series C Bonds, the Favorable Opinion shall be delivered.

ARTICLE V SWAP AMENDMENTS

Section 5.01. Swap Amendments. The General Manager, Chief Financial Officer or any other Authorized Officer, upon the advice of the financial advisor to the System (or an affiliate company of the financial advisor to the System), are each hereby authorized to enter into such agreements as are necessary to amend the Wells Hedge Agreement and to execute and deliver such agreements, documents and instruments on behalf of the City as may be necessary to evidence such amendments as are necessary to maintain the variable rates paid on the Wells Hedge Agreement to be substantially similar to the variable rate on the remarketed 2023 Series C Bonds. The execution of such amendments by an Authorized Officer shall be conclusive evidence that such rates are substantially similar. Each Authorized Officer and the City Attorney is hereby authorized 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 amendments of the Wells Hedge Agreement, for the full punctual and complete performance of all the terms, covenants and agreements contained herein and in the applicable swap documents, including, without limitation the applicable Master ISDA Agreement and Schedule, Credit Support Annex and trade confirmation, including the payment of all fees and costs related thereto and the Clerk is hereby authorized to attest such signatures to the extent required by such applicable swap documents, subject to the approval of the City Attorney as to form and legality. The amendments referred to herein shall relate only to the Wells Hedge Agreement and shall not affect any other transactions of the City under any other agreements. This section does not require that the Wells Hedge Agreement be amended or that it happen concurrently with the issuance of the 2026 Series A Bonds but such Wells Hedge Agreement may be amended, if based on the advice of financial advisor to the System it is beneficial to the City.

The Authority hereby reaffirms to Wells Fargo Bank the granting of the lien on the Trust Estate (as defined in the Master Resolution) to secure the City's obligations under the Wells Hedge Agreement as a Parity Hedging Contract Obligation in the manner and to the extent provided in the Master Resolution. In furtherance of the foregoing, the obligation of the City to make monthly payments under the interest rate hedging transaction entered into pursuant to the Wells Hedge Agreement is and continues to be a Parity Hedging Contract Obligation under the Master Resolution and shall be entitled to the rights and benefits of such obligations thereunder, and the obligation of the City to make any termination payment and any other Hedge Charges under the Forward Starting Swap Transaction is and continues to be a Subordinated Hedging Contract Obligations under the Master Resolution, entitled to the benefits thereof on a parity with other obligations issued or incurred by the City under the Subordinated Bond Resolution.

ARTICLE VI MISCELLANEOUS

Section 6.01 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 6.02 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 C Bonds.

Section 6.03 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 C 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 C Bonds.

Section 6.04 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 6.05 Effective Date. This Resolution shall be fully effective immediately upon adoption.

PASSED AND ADOPTED IN PUBLIC SESSION OF THE GAINESVILLE REGIONAL UTILITIES AUTHORITY, THIS 13TH DAY OF MAY, 2026.

GAINESVILLE REGIONAL UTILITIES
AUTHORITY

ATTESTED:

By: _____
Eric Lawson, Chairperson

By: _____
Name: Kristen J. Bryant
Title: City Clerk

APPROVED AS TO FORM AND
LEGALITY:

By: _____
Name: Derek D. Perry
Title: Utilities Attorney

APPROVED AS TO FORM AND
LEGALITY:

By: _____
Name: Daniel M. Nee
Title: City Attorney

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CERTIFICATE AS TO PUBLIC MEETINGS
AND NO CONFLICT OF INTEREST

COUNTY OF ALACHUA

STATE OF FLORIDA

Each of the undersigned members of the Gainesville Regional Utilities Authority (the "Authority") of the City of Gainesville, Florida, recognizing that Authority is considering a resolution dated as of the date hereof authorizing certain transactions related to the Variable Rate Utilities System Revenue Bonds, 2023 Series C (the "Transactions") in reliance upon this certificate, HEREBY CERTIFIES that:

(1) He or she will not, meet together with any other member or members of the Authority other than at public meetings of the Authority, reach any conclusion as to the actions taken by the Authority with regard to the Transactions, the security therefor or the application of the proceeds therefrom, or any other material matters in regard to the Transactions; and

(2) He or she will not have or hold any employment or contractual relationship with any business entity which is engaged, directly or through an intermediary, in the Transactions.

IN WITNESS WHEREOF, we have hereunto affixed our official signatures as of the 13th day of May, 2026.

Eric Lawson, Chairperson

David Haslam, Vice Chairperson

Jack Jacobs

Robert "Chip" Skinner

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Gainesville Regional Utilities Authority Agenda Item Report

File Number: 2026-334

Agenda Date: May 13, 2026

Department: Gainesville Regional Utilities

Title: 2026-334 GRU FY2027 Budget Presentation of O and M Expenses, Capital, Fuel and Projected Rate Impacts (B)

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

Description: As part of the budget development process, GRU has held a series of meetings with the Authority to present information on various revenues and expenses that make up GRU's annual budget. These meetings were 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 culminating in GRU's final budget submission tonight.

Fiscal Note: None currently.

Recommendation: The GRU Authority hears a presentation from the CEO.

FY27 Proposed Budget

May 13, 2026



CUSTOMER FIRST

ONE UTILITY. ONE GOAL.

Customer First Priorities

- Competitive Electric Bills
 - Fiscal Discipline
 - Infrastructure Improvements
 - Debt Reduction
-

Customer First Actions

- No electric or gas base rate increases for third consecutive year
- 2% increase for water customers
- 1.75% increase for wastewater customers
- ~ 2% organic sales growth

What we will ask of the Board

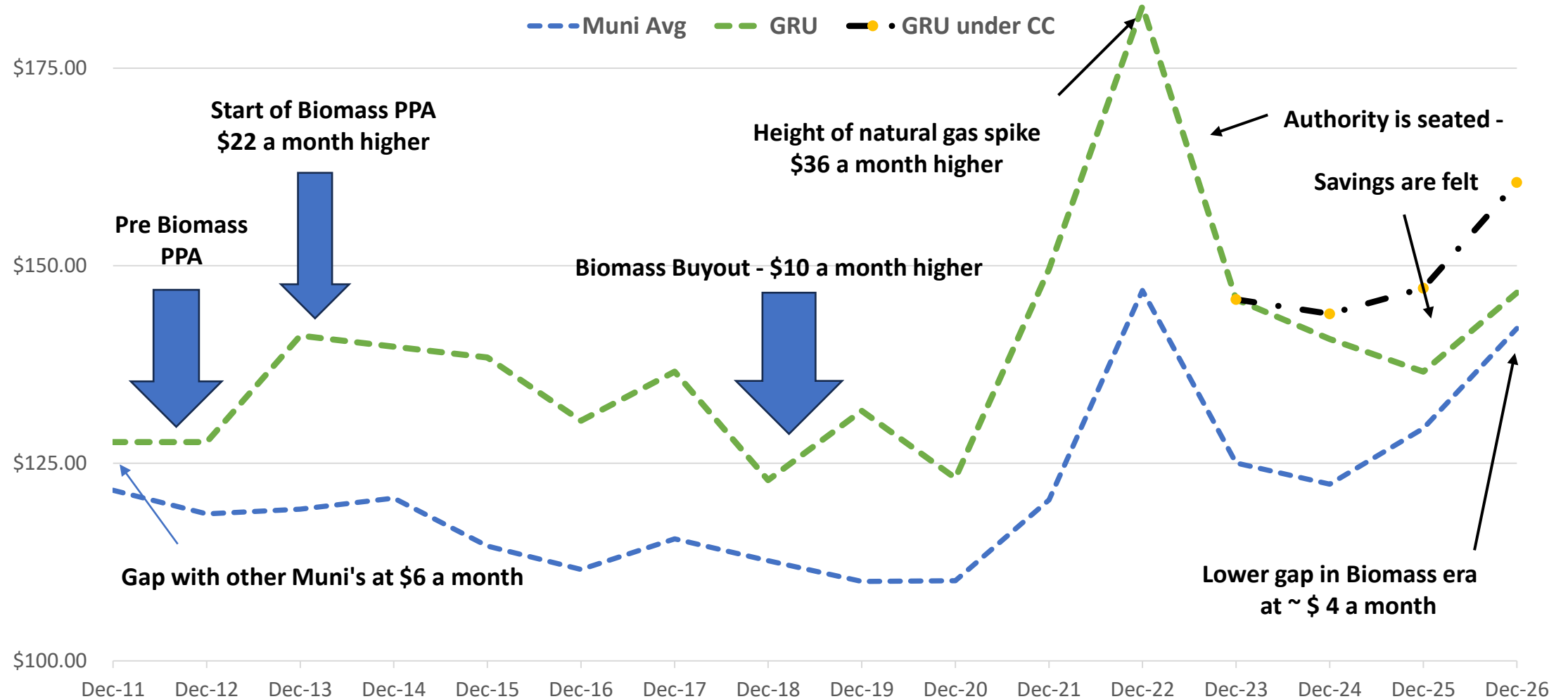
- Approve FY26 amended budget
- Approve FY27 budget plan, including:
 - Base rates
 - Expenses/Expenditures

Perspective on Base Rates over past three years:

- By foregoing electric and gas increases for three years, GRU:
 - Avoided the commission's planned cumulative 9% increase, which would have hiked a current 1,000 kWh residential electric bill by ~ \$10 a month
 - Pushed GRU's residential electric bills into middle quartile of the state
- Jan 2025 Residential electric base rate and tier adjustment:
 - Lowered bills for 59% of customers (another ~ \$4 less than under the commission)
 - Increased bills for high-use customers, or 17% of GRU customers
- GRU has established a platform to reach the state average, surpassing the decade-long goal of ½ of one deviation from the mean

Competitive Electric Bills

GRU vs Avg Muni Monthly 1,000 kWh Residential Bill

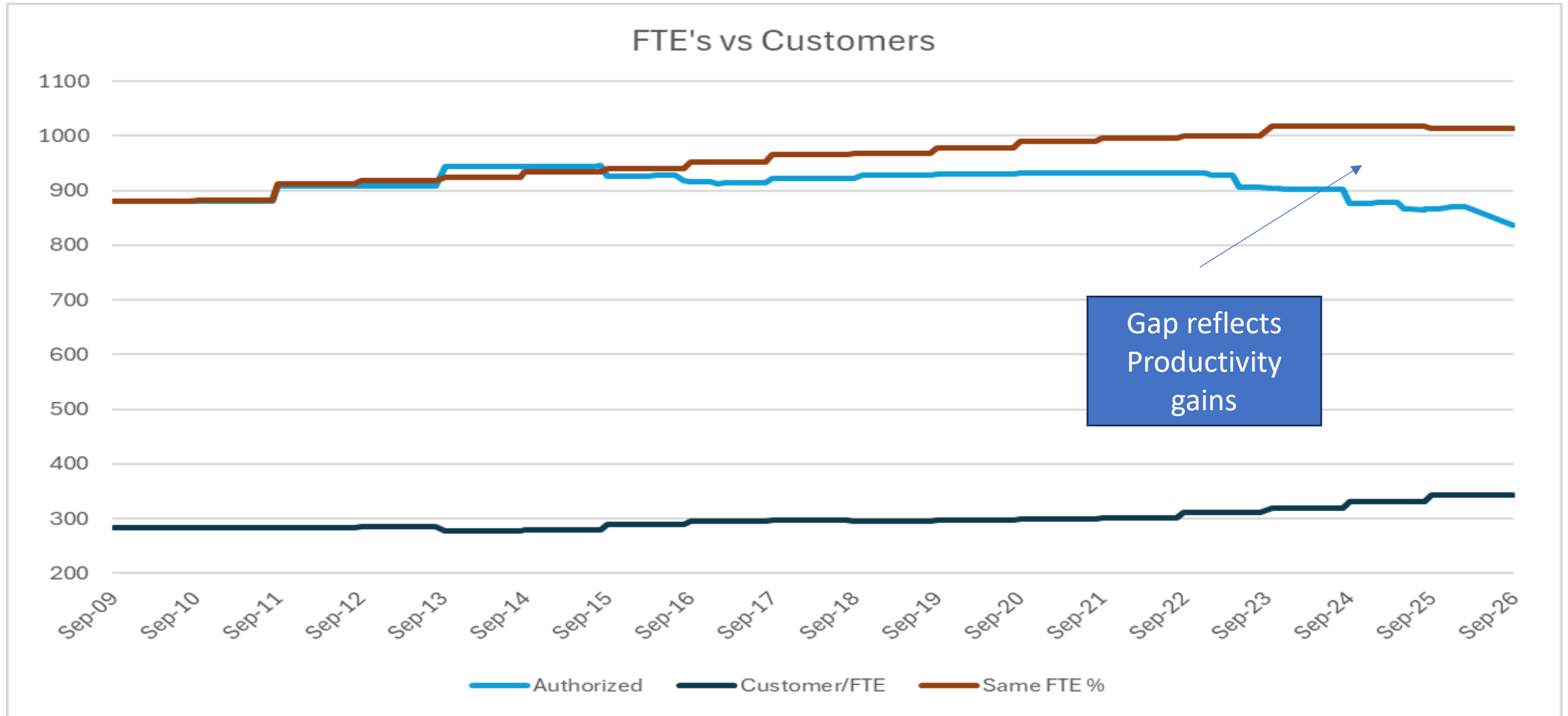


Executive Summary 4

Key Expense Assumptions

- **Payroll:** 3% merit increase pool
- **FTE's:** Reduced 18.5 positions to 852.25 (lowest since 2009)
- **Vacancy rate:** 7% - Average 792 FTE's (lowest since 2009)
- **Interest expenses:** 4.5% long-term borrowing rate on revenue bonds
- **O&M expenses:** 3% inflation adjustment
- **CAPEX:** \$160 million+, driven by Main Street project
- **New money borrowing:** \$150 million fixed-rate revenue bond issue for two years of CAPEX
- **Fuels:** projected at 46 mills (passthrough expense)

Fiscal Discipline



Fiscal Discipline

Profit Derived from GAAP Budgets**			
FY25 Actual	FY26 Amended	FY26 Projected	FY27 Proposed
\$34.8 million	\$45.9 million	\$35.9 million *	\$68.8 million

* Difference between FY26 Amended Budget and FY26 Projected Results is largely due to \$16 M reduction in Amounts Recoverable from Future Revenues – a Non-cash regulatory item used to account for gap between depreciation on biomass plant and debt service on the 2017 bonds.

** For purposes of this presentation, Income before Contributions & Transfers (Per GAAP Statement of Revenues, Expenses & Changes in Net Assets) Plus or Minus Transfers to Rate Stabilization = Profit.

Fiscal Discipline

GAAP Budget				
	FY26 Amended	FY26 Projection	FY27 Proposed	FY27 Proposed vs FY26 Projection Favorable (Unfavorable)
Total operating revenue	\$ 431,062,789	\$ 480,592,438	\$ 428,519,823	(12.15%)
O&M	161,145,765	165,437,775	167,131,686	(1.01%)
Fuel	94,169,946	132,851,502	95,322,949	28.25%
Depreciation & amortization	115,908,311	114,853,750	108,936,035	5.15%
Total operating expenses	371,224,022	413,143,026	371,390,670	10.11%
Operating income	59,838,767	67,449,412	57,129,153	(18.06%)
Total non- operating income (expense)	(45,086,216)	(46,761,033)	(28,955,542)	61.49%
Income before transfer	14,752,551	20,688,379	28,173,611	26.57%
General Fund Transfer	(8,505,225)	(8,505,225)	(8,505,225)	0.00%
Change in net position	\$ 6,247,326	\$ 12,183,154	\$ 19,668,386	38.06%
Profit*	\$ 45,965,927	\$ 35,901,754	\$ 68,821,890	47.83%

* FOR THE PURPOSE OF THIS PRESENTATION, INCOME BEFORE CONTRIBUTIONS & TRANSFERS (PER GAAP STATEMENT OF REVENUES, EXPENSES & CHANGES IN NET ASSETS) PLUS / MINUS TRANSFERS TO RATE STABILIZATION = PROFIT

Fiscal Discipline

FY26 Amended Budget Adjustments

	FY26 Adopted	FY26 Amended
O&M Non-Fuel Expense	\$158,060,549	
Added IT SLA with GG		\$ 2,300,000
Added SEC fuel that's charged to O&M		<u>785,215</u>
Total non-fuel O&M expense		\$161,145,764

	FY26 Adopted	FY26 Amended
Other Income (Expense)	(\$5,206,990)	
Added IT SLA Billing with GG		\$ 3,800,000
Moved grant funding to other income		<u>304,212</u>
Total other income/(expense)		(\$1,102,778)

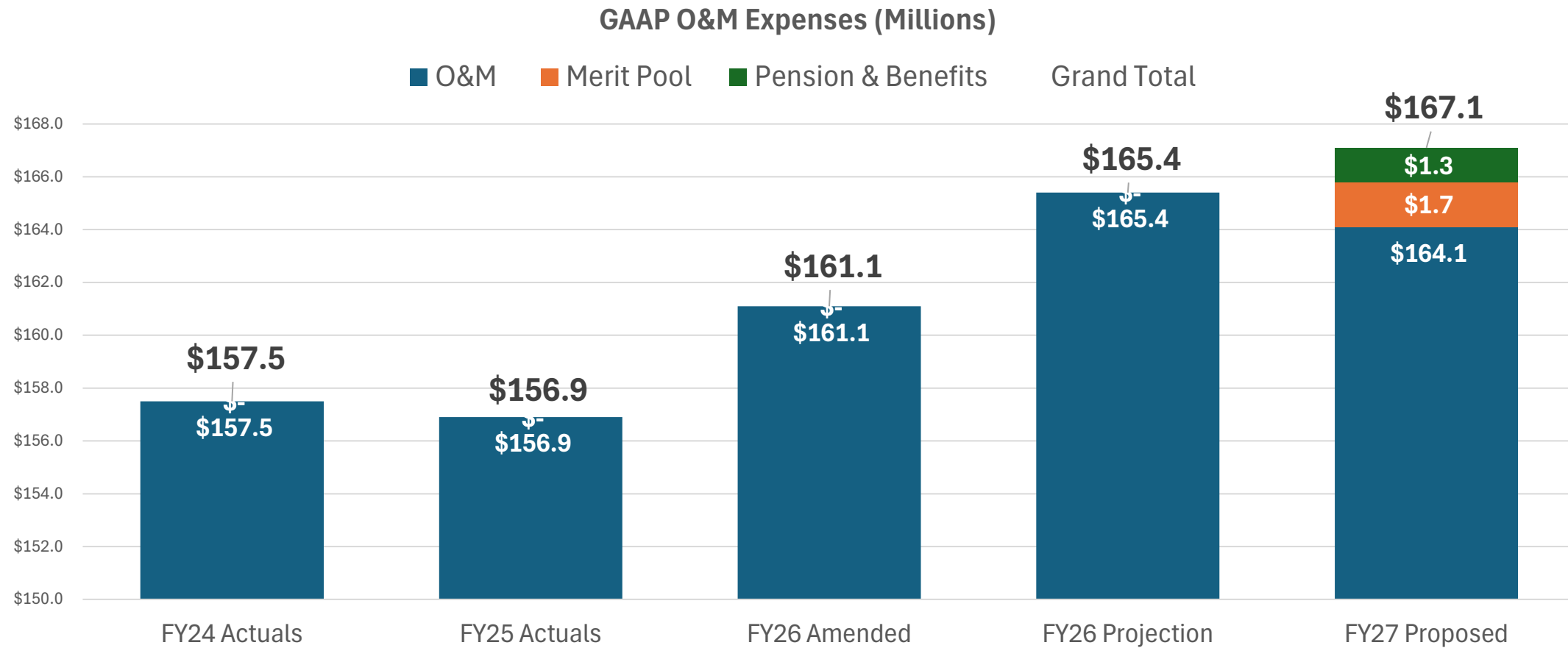
Fiscal Discipline

FY26 Amended Budget Vs. FY27 Proposed Budget

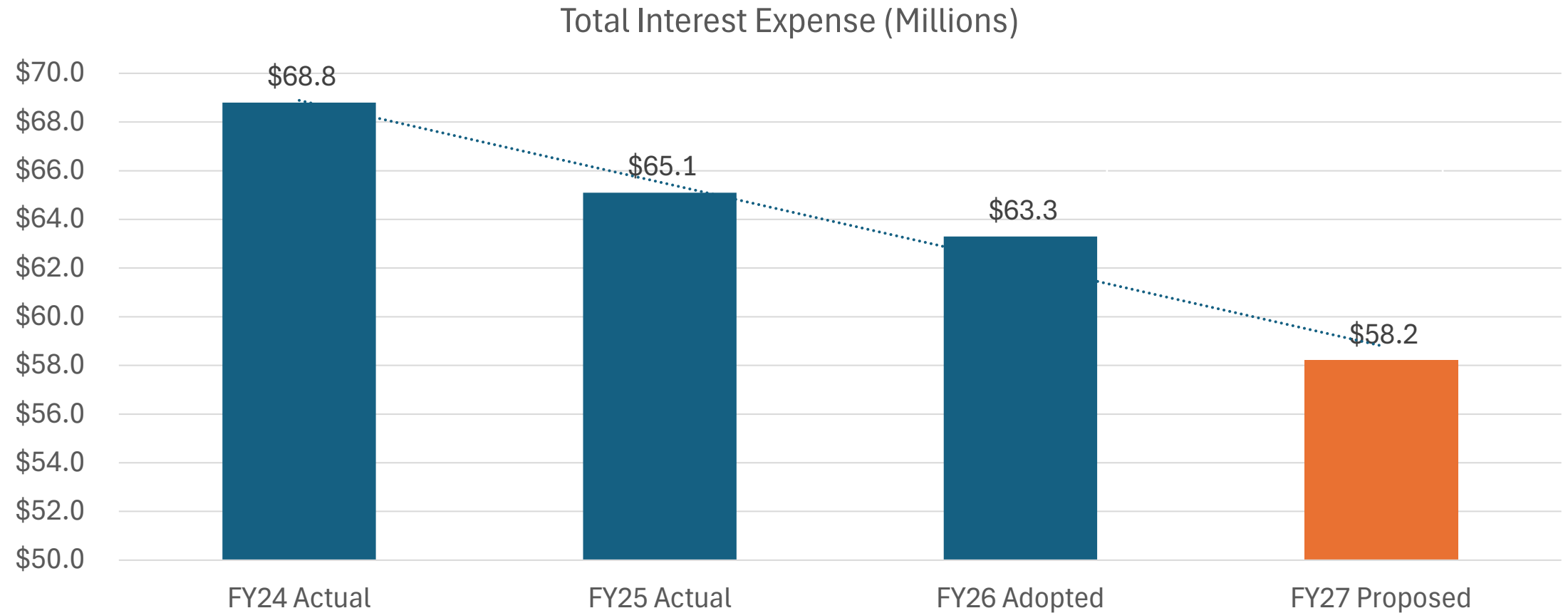
Category	Variance	Comments
Grants & other subsidies	\$16.3 M	Large part is GRIP Grant (\$9.2 M); other is W/WW (\$6.2 M)
Organic sales growth	10.0 M	Modest 2% growth
Lower depreciation	7.0 M	Non-cash GAAP item
Lower interest expense	5.1 M	Debt reduction
W/WW base rate increases	1.5 M	½ % revenue increase
Lower Interest Income	(5.3) M	Lower reserves
Amounts recoverable from future	(5.7) M	• Non-cash regulatory item • Related to biomass asset
Non-fuel O&M	(6.0) M	• ~ 3 ½ % over FY26 Budget • See next slide

Fiscal Discipline

Focus on O&M Expenses



Focus on Interest Expense



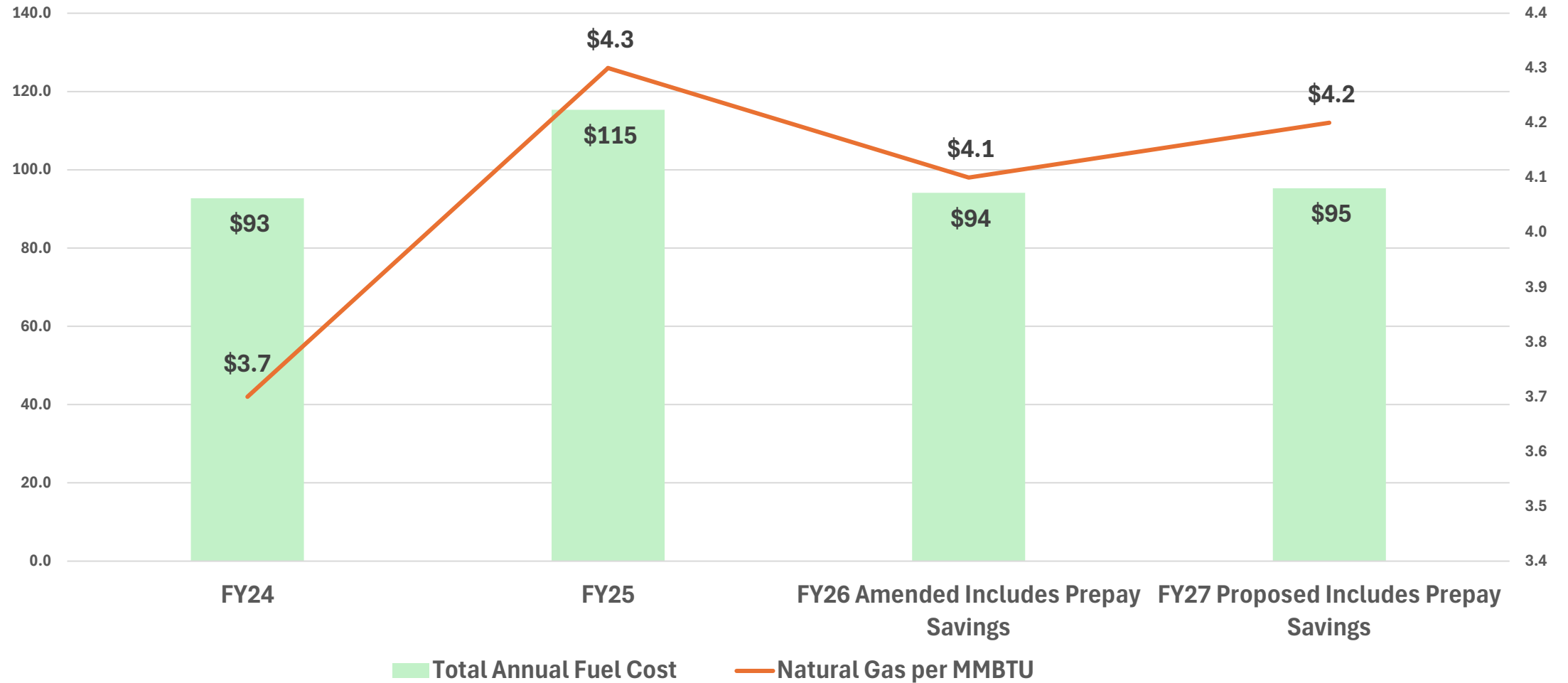
Focus on Power Sources and Fuel Costs

FUEL ASSUMPTIONS			
Fuel Source	Cost Per MMBTU		Cost Per MWH
	FY26 Budget	FY27 Budget	
Natural Gas	\$4.09	\$4.19	\$35 to \$52
Biomass	\$3.40	\$3.98	\$52
Coal*	\$6.76	\$6.76	\$77
Non-Firm Power			\$38 - \$42
Solar Fit			\$250
			\$46
Plant	Heat Rate	Cost Per MWH	
Kelly Combined Cycle @108MW	8,244	\$34.53	
Kelly Gas Turbine	12,300	\$51.53	
DH2 Natural Gas @135MW	11,370	\$47.63	
Biomass @60MW	13,160	\$52.41	
DH2 Coal Burner @139MW	11,400	\$77.06	

* Cost of Coal Inventory versus Coal purchases

Fiscal Discipline

Trend in Generating Fuel Costs



Rate Making Budget

GAAP vs. Ratemaking

- GAAP is principled on accrual-based accounting based on historical cost, matching of revenues & expenses to measure financial health.
- Rate Making is focused on modified cash accounting & the maintenance of reserve levels to determine base rates of services.
- Rate Making includes UPIF, principal & interest versus GAAP's interest and depreciation.

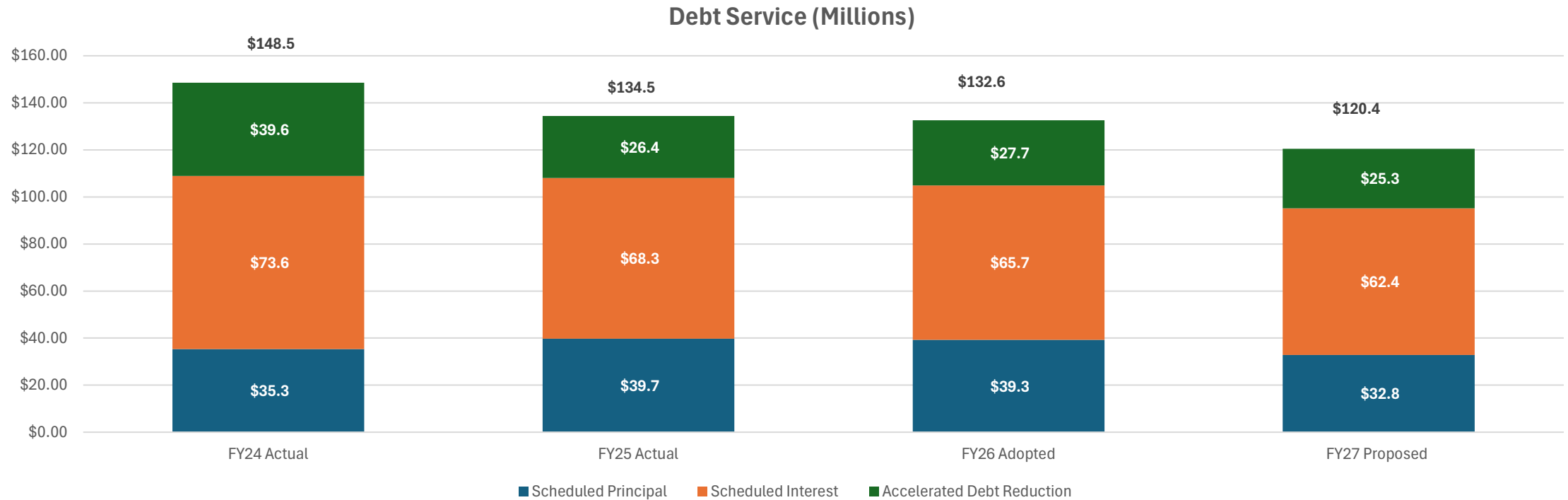
Fiscal Discipline

Actual-to-Budget

	FY24	FY25	FY26 Amended	FY27 Proposed
Revenue	\$ 459,901,079	\$ 495,401,975	\$ 466,426,409	\$ 479,691,292
Fuel	92,711,975	115,310,469	94,169,946	95,322,948
O&M	165,849,624	161,461,988	160,692,310	170,921,603
Net Revenues	201,339,480	218,629,518	211,564,153	213,446,741
Uses of Net Revenues:				
Debt Service	108,945,421	108,036,958	104,915,569	103,360,687
Utility Plant Improvement Fund	46,125,618	45,359,758	40,059,434	35,404,536
General Fund Transfer	14,207,623	6,912,469	8,505,226	8,505,225
Debt Defeasance	31,569,293	28,646,878	27,655,765	25,277,676
	200,847,955	188,956,063	181,135,994	172,548,124
Net Impact to Rate Stabilization	\$ 491,525	\$ 29,673,455	\$ 30,428,159	\$ 40,898,617

Debt Service

Focus on Debt Service

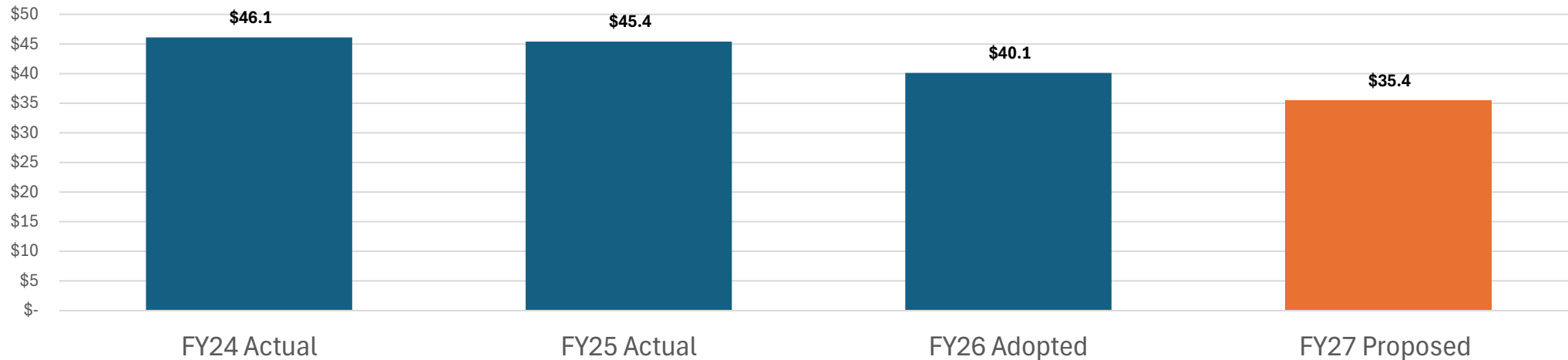


Since 2023, GRU has accelerated the retirement of ~\$123M of additional debt.

UPIF (Utility Plant Improvement Fund)

Focus on UPIF Contributions

Contributions to Utility Plant Improvement Fund (Millions)

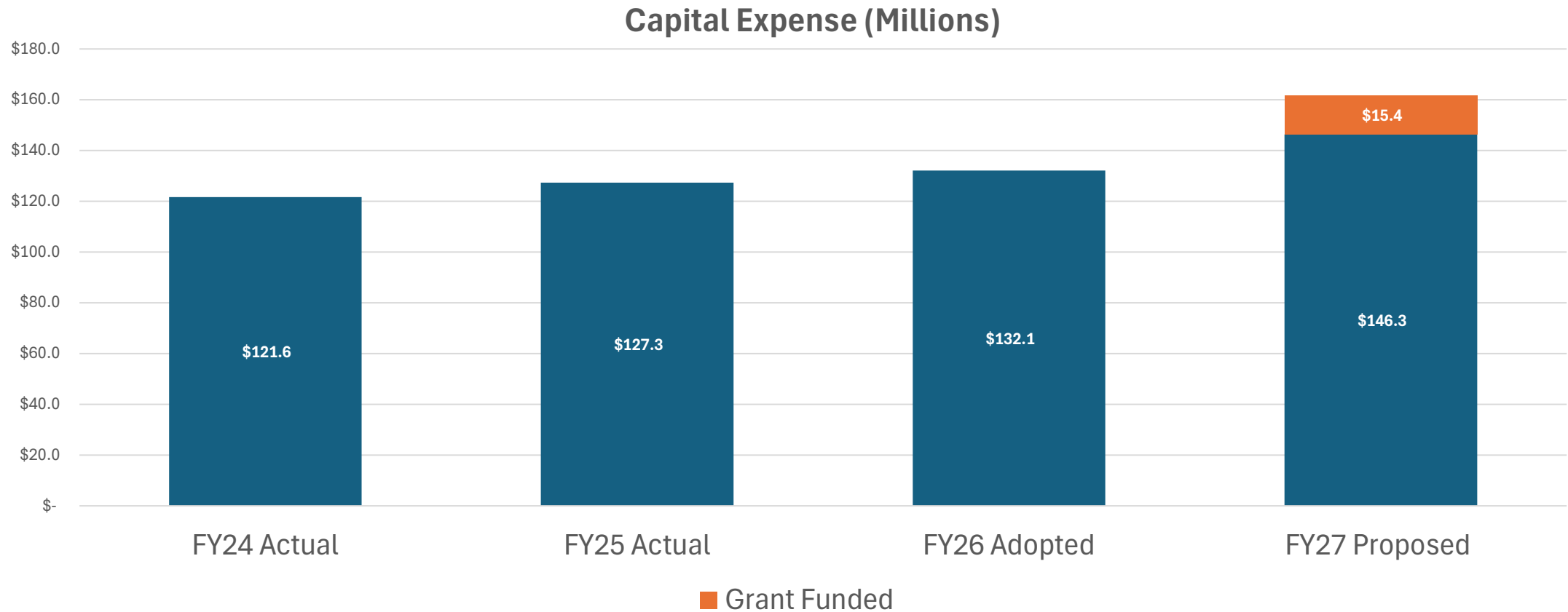


- The Utility Plant Improvement Fund (UPIF) is GRU's internal contribution to the cost of acquisition, construction, and maintenance of capital infrastructure as mandated by bond resolution, and:
- Determined by formula, equal to 50% of the difference between prior year net revenues and senior lien debt service.



Capital

Capital Expense (CAPEX)



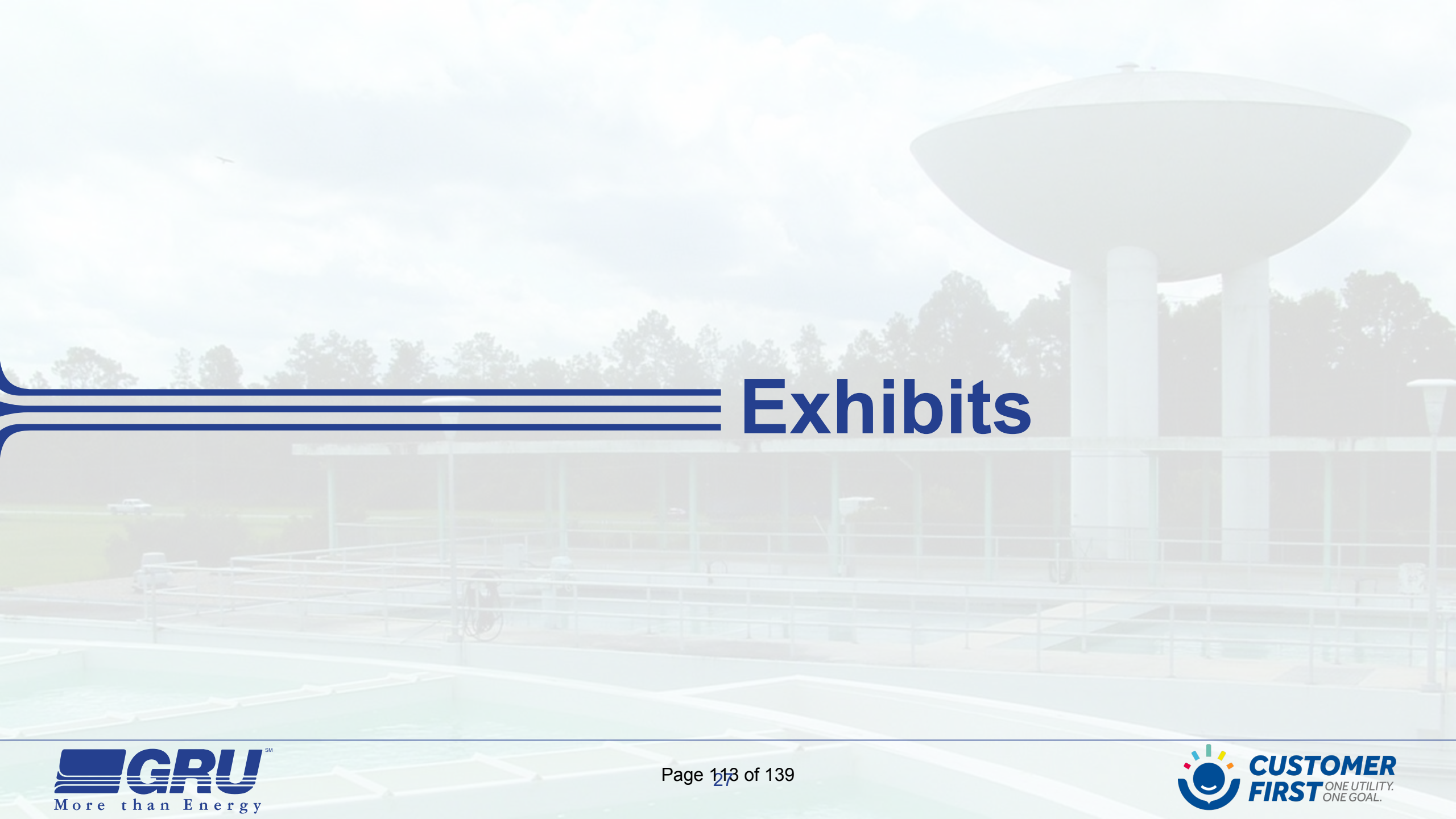
Infrastructure Improvements

SIGNIFICANT FY27 CAPITAL IMPROVEMENT PROJECTS

Main Street Treatment Plant treatment & disposal equipment	\$50.9M
Deerhaven Outage	8.9M
Wastewater Collection gravity system projects	6.5M
Transformer Replacements	6.3M
Murphree Water Plant treatment structures & improvements	5.1M
Reclaimed water wetlands project	4.1M
Deerhaven common capital	4.0M
Apt/Condo/Multi-Fam/Commercial & Indust- transformers, switch gears & conductors	3.5M
T&D Construction_General Plant UPIF- fleet upgrades	3.2M
WD Services Programs - Replacement on existing "Services/Laterals"	2.7M
Total top 10 projects	\$95.2M
Remaining 238 projects	66.5M
Grant Funded	(\$15.4M)
Total FY27 Capital Improvement Plan	\$146.3M

Recommendation

- Approve an amendment to GRU's FY2026 budget, recognizing the IT SLA executed between GG & GRU, and the adjusted accounting treatment for SEC Fuel charged to O&M.
- Approve the FY2027 budget plan, including base rates in each system, the expenses and revenues, as presented.



Exhibits

GAAP Budget

Exhibit 1 - Actual to Budget

	FY25 Actual	FY26 Amended	FY26 Projected	FY27 Proposed	FY27 Proposed vs FY26 Projection	
					Favorable (Unfavorable)	
					\$	%
Operating revenue:						
Sales & service revenues	\$ 346,615,998	\$ 345,446,150	\$ 354,429,066	\$ 356,843,655	\$ 2,414,589	0.68%
Fuel	115,728,330	94,169,946	132,851,502	95,322,949	(37,528,553)	(39.37%)
Rate stabilization (to)/from	(29,673,455)	(31,213,376)	(15,213,375)	(40,648,279)	(25,434,904)	(167.19%)
Amount to be recovered from (to) future revenue	(9,918,905)	8,403,196	(7,696,144)	2,710,475	10,406,619	383.94%
Amounts recoverable from (to) fuel levelization	(11,772,762)	-	-	-	-	0.00%
Other operating revenue	14,945,554	14,256,873	16,221,389	14,291,023	(1,930,366)	(13.51%)
Total operating revenue	425,924,761	431,062,789	480,592,438	428,519,823	(52,072,615)	(12.15%)
Operating expenses:						
O&M expense non fuel	156,894,192	161,145,765	165,437,775	167,131,686	(1,693,911)	(1.01%)
Fuel	115,728,330	94,169,946	132,851,502	95,322,949	37,528,553	39.37%
Depreciation & amortization	113,118,472	115,908,311	114,853,750	108,936,035	5,917,715	5.43%
Total operating expenses	385,740,994	371,224,022	413,143,027	371,390,669	(41,752,358)	(11.24%)
Operating income	\$ 40,183,767	\$ 59,838,767	\$ 67,449,411	\$ 57,129,153	\$ (10,320,258)	(18.06%)
Non-operating income (expense)						
Interest income	6,877,982	14,735,901	11,960,370	9,482,843	(2,477,527)	(26.13%)
Interest expense*	(65,142,126)	(63,364,885)	(61,602,741)	(58,233,478)	3,369,263	5.79%
Other interest related income, BABS	4,759,497	4,645,546	4,645,546	4,561,559	83,987	1.84%
Other income (expense)	18,506,639	(1,102,778)	(1,764,208)	15,233,534	16,997,742	111.58%
Total non-operating income (expense)	(34,998,008)	(45,086,216)	(46,761,033)	(28,955,542)	17,805,491	61.49%
Income before transfer**	5,185,759	14,752,551	20,688,378	28,173,611	7,485,233	26.57%
General Fund Transfer	(8,505,224)	(8,505,225)	(8,505,225)	(8,505,225)	-	0.00%
Change in net position	\$ (3,319,465)	\$ 6,247,326	\$ 12,183,153	\$ 19,668,386	\$ 7,485,233	38.06%
* Interest expense includes amortization of financing costs, bond premiums, gain/loss on refunding, SWAP termination fees, lease & SBITA ** Contributions in Aid of Construction (CIAC) not included						
Profit	\$ 34,859,214	\$ 45,965,927	\$ 35,901,753	\$ 68,821,890	\$ 32,920,137	47.83%

Exhibit 2 - Revenue Budget Considerations FY27 Proposed

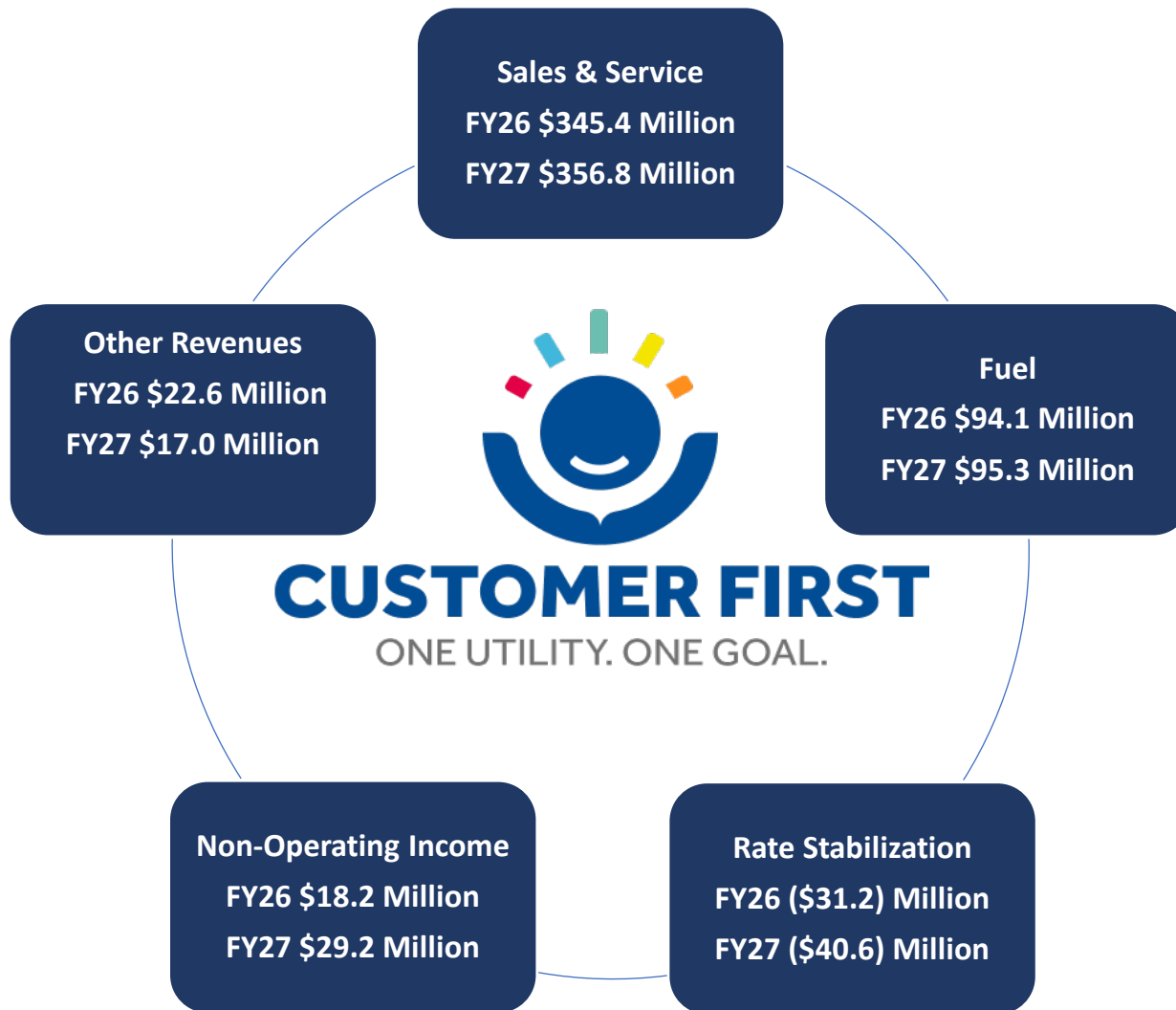


Exhibit 3 - Expense Budget Considerations FY27 Proposed

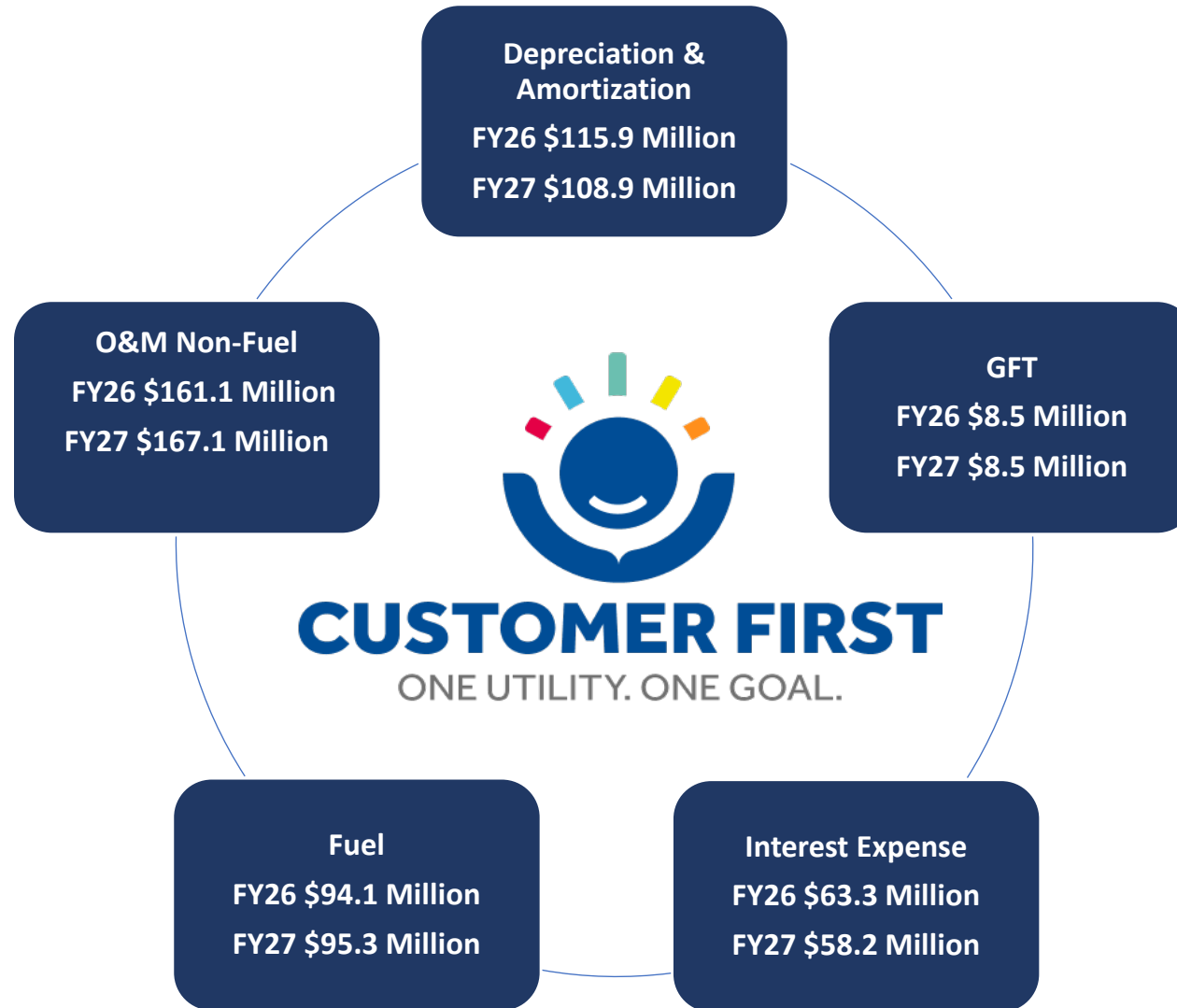
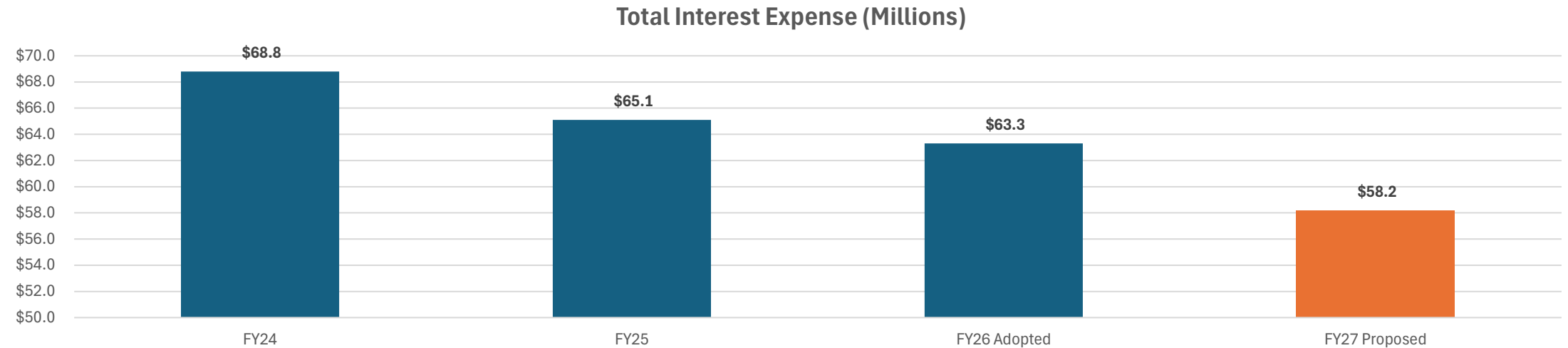


Exhibit 4 - Debt Reduction

FY27 Interest Expense



	FY24	FY25	FY26 Adopted	FY27 Proposed
Debt Service Interest - Swap	(7,559,944)	(6,036,058)	(7,093,053)	(6,258,295)
Debt Service Interest Expense	81,165,365	74,353,016	74,772,064	68,614,234
Debt Service Financing Costs	639,453	537,206	367,422	559,087
Debt Service Premium	(9,609,749)	(7,069,608)	(8,391,997)	(8,391,997)
Debt Service Gain/Loss on Refunding	1,867,063	1,037,703	1,390,581	1,390,581
Debt Service SWAP termination fees	2,128,203	2,128,203	2,128,203	2,128,203
Lease Interest Expense	15,858	12,511	12,512	12,512
SBITA Interest Expense	212,510	179,153	179,153	179,153
Total	\$ 68,858,759	\$ 65,142,126	\$ 63,364,885	\$ 58,233,478

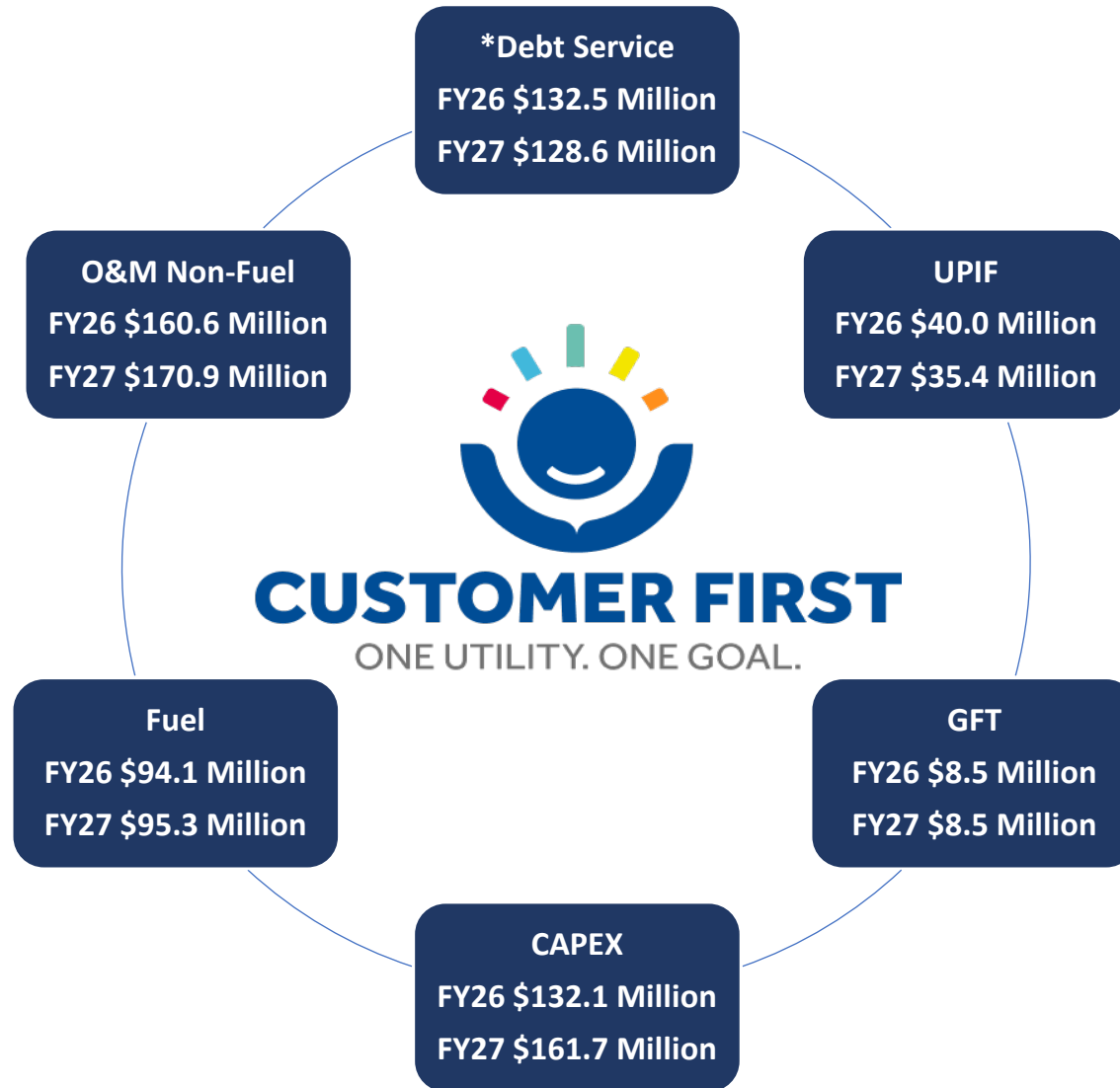
Rate Making Budget

Exhibit 5

Crosswalk: Rate Making to GAAP

	Rate Making	Crosswalk	GAAP
Revenue	\$ 479,691,292		
		Move Interest income to Non-operating income	(4,888,723)
		Move BABs to Non-operating income	(4,561,559)
		Move Other Revenues to Non-operating income- IT SLA	(3,800,000)
		Add Contra Lease Revenue	638,360
		Move grant revenues to non operating revenues	(621,743)
		Add Amounts to be Recovered from(to) Future Revenue	2,710,475
			469,168,102
		Add Depot Park Cost Recovery	1,194,334
		Add Misc. Expenses not utilized for Rate Making	
		Price Variance	(3,775)
		Group Insurance	144,061
		Cost Center Clearing	22,218
		Move Expenses to Non-Operating	
		Bank Fees & Debt Agent Fees	(1,671,203)
		Uncollectable Accounts	(3,475,552)
O&M	266,244,551	Add Depreciation	108,936,035
Net Revenues	213,446,741	Operating Income	97,777,433
Uses of Net Revenues:		Non-operating income (expense):	
Debt Service	103,360,687	Interest income including Construction Fund	9,482,843
Utility Plant Improvement Fund	35,404,536	Add Interest expense-debt service	(58,233,478)
General Funt Transfer	8,505,225	BABS Interest Rebate	4,561,559
Debt Defeasance	25,277,676	Other income (expense)	
Total Use of Net Revenue	172,548,124		
Net Impact to Rate Stabilization	\$ 40,898,617		
		Add Bank Fees & Debt Agent Fees	(1,671,203)
		Add Uncollectable Accounts	(3,475,552)
		Add additional Legal service	(378,528)
		Add Contra lease expense	(71,989)
		Add additional Professional Service	(244,903)
		Add Agent fees	(9,844)
		Add Gain/loss on lease termination	266,231
		Add SBITA Contra O&M expense	(758,861)
		Add Disposal / Sale Fixed Assets Gains	2,021,944
		Add Disposal / Sale Fixed Assets Loss	(4,538,669)
		Add Gain/Loss on Sale of Investments	665
		Add Non Util Rev Miscellaneous Revenue	5,063,740
		Add grants	15,209,268
		Add Discounts taken	21,235
		Add Non Util Rev Miscellaneous Revenue-IT SLA	3,800,000
			(28,955,542)
		Surplus before GFT	68,821,891
		GFT	(8,505,225)
		Impact to Rate Stabilization	\$ 60,316,666

Exhibit 6 - Budget Considerations FY27 Proposed



*Includes Debt Defeasance

Exhibit 7: Forecast Methodology

- Econometric approach used to develop projections of number of customers and usage per customer, by customer class
- Bottom-up Approach
- GRU Billing Records and System Logs
- Demographics: Bureau of Economic and Business Research
- Economics: Woods & Poole Economics, Inc.
- Temperatures and Rainfall: National Weather Service – Gainesville Regional Airport

Exhibit 8

Combined Revenue

Combined Non-Fuel Revenue from Sales (\$million)

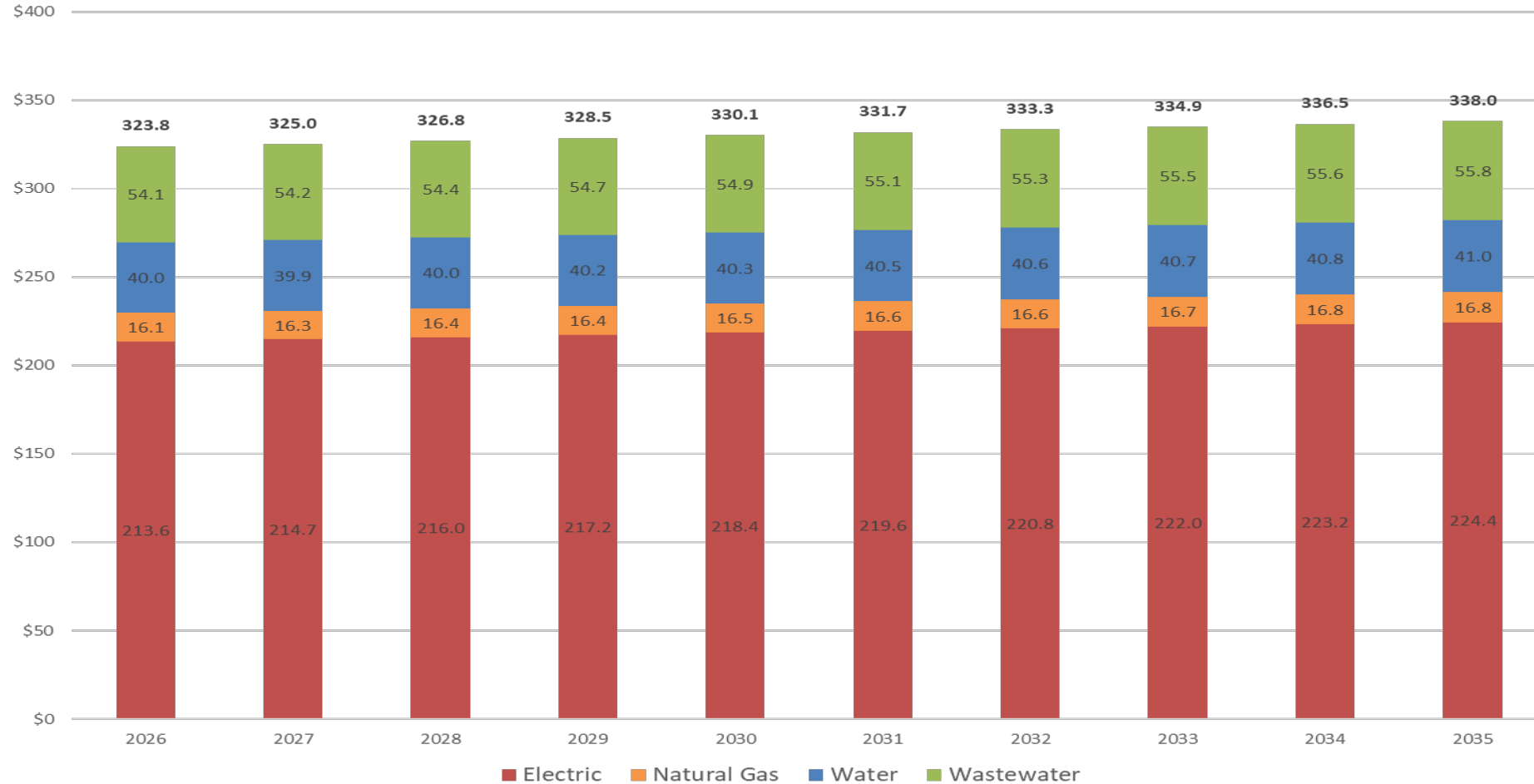


Exhibit 9

Electric Revenue

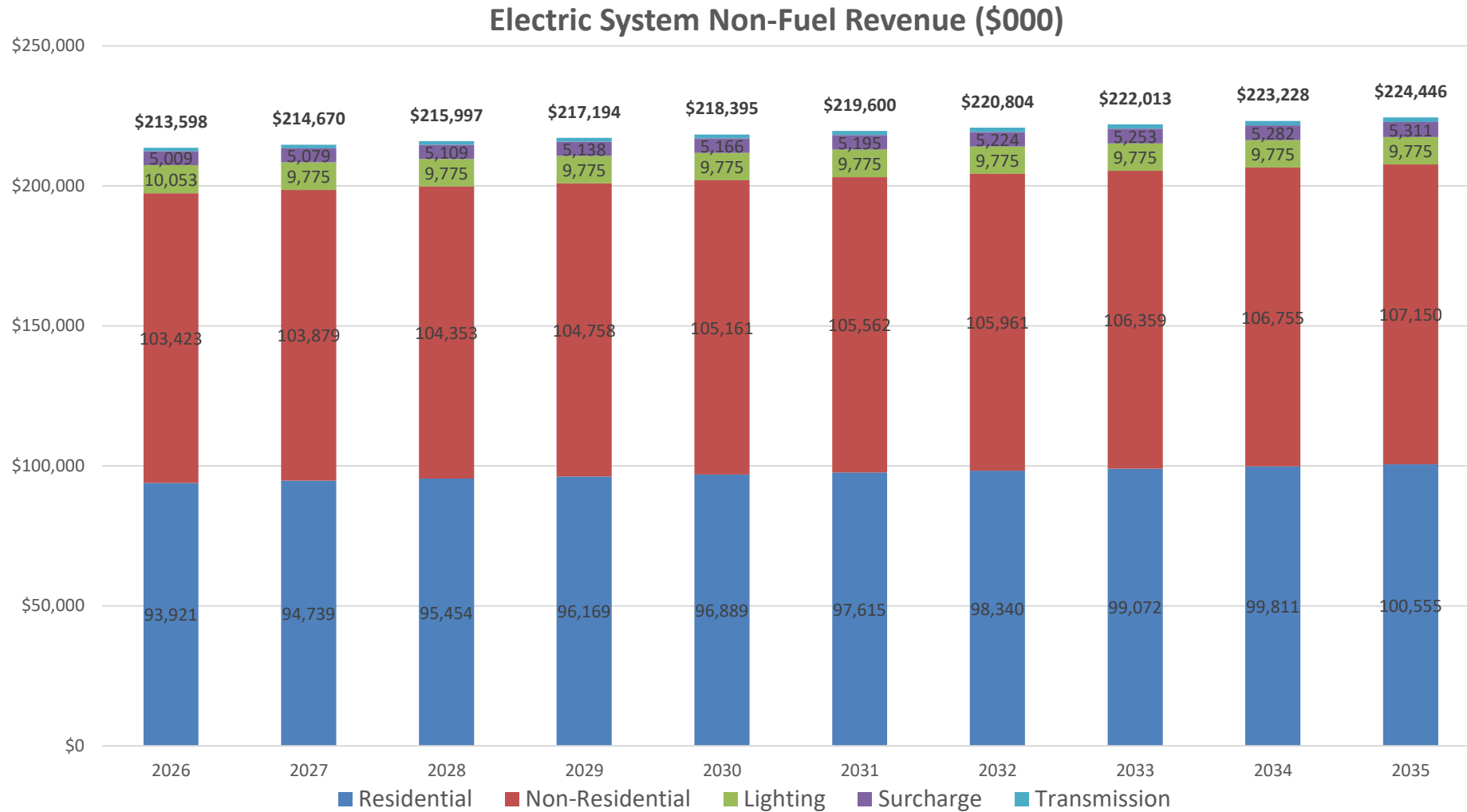


Exhibit 10

Water Revenue

Components of Water System Revenue (\$'000)

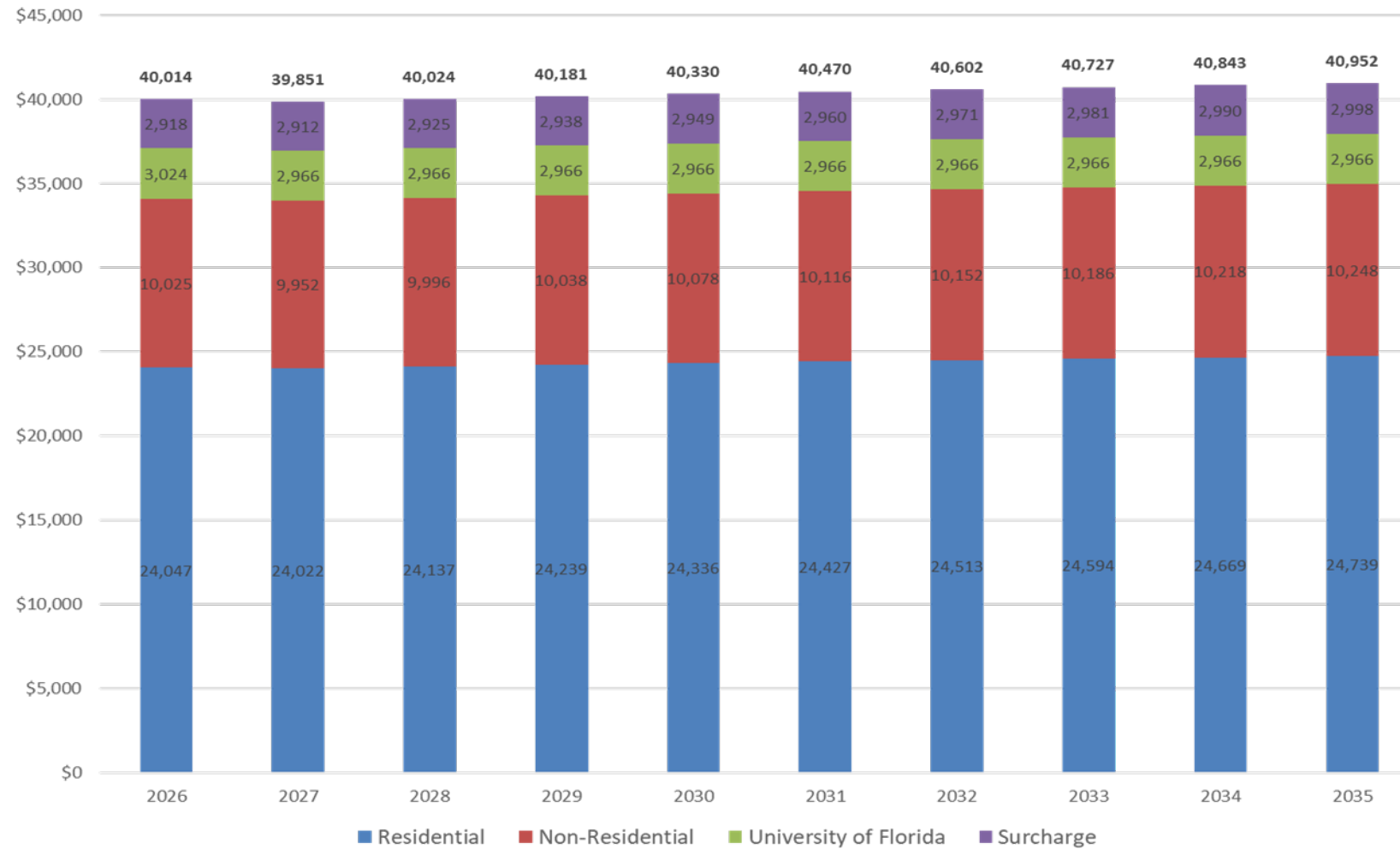


Exhibit 11

Wastewater Revenue

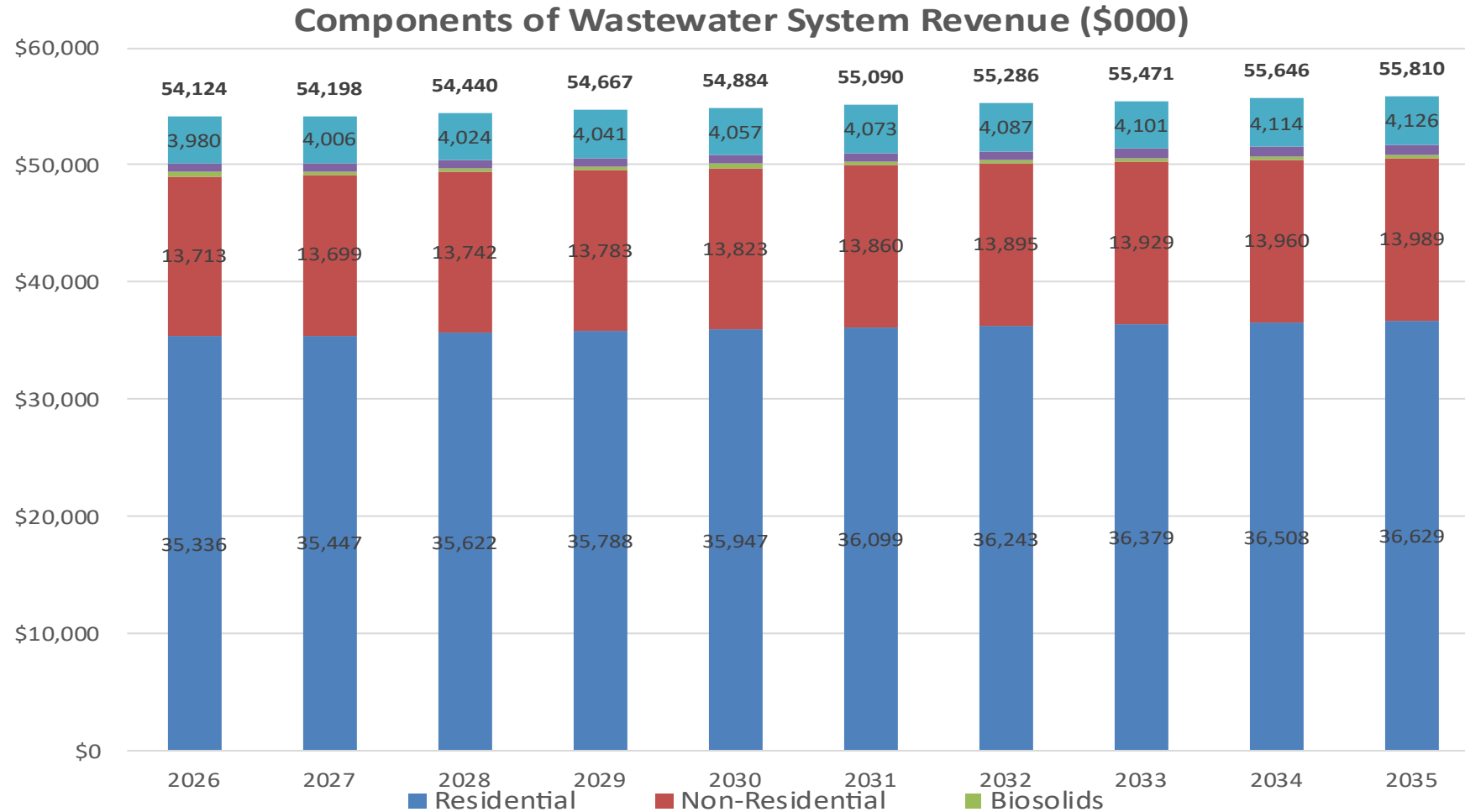


Exhibit 12

Gas Revenue

Components of Non-Fuel Gas System Revenue (\$000)

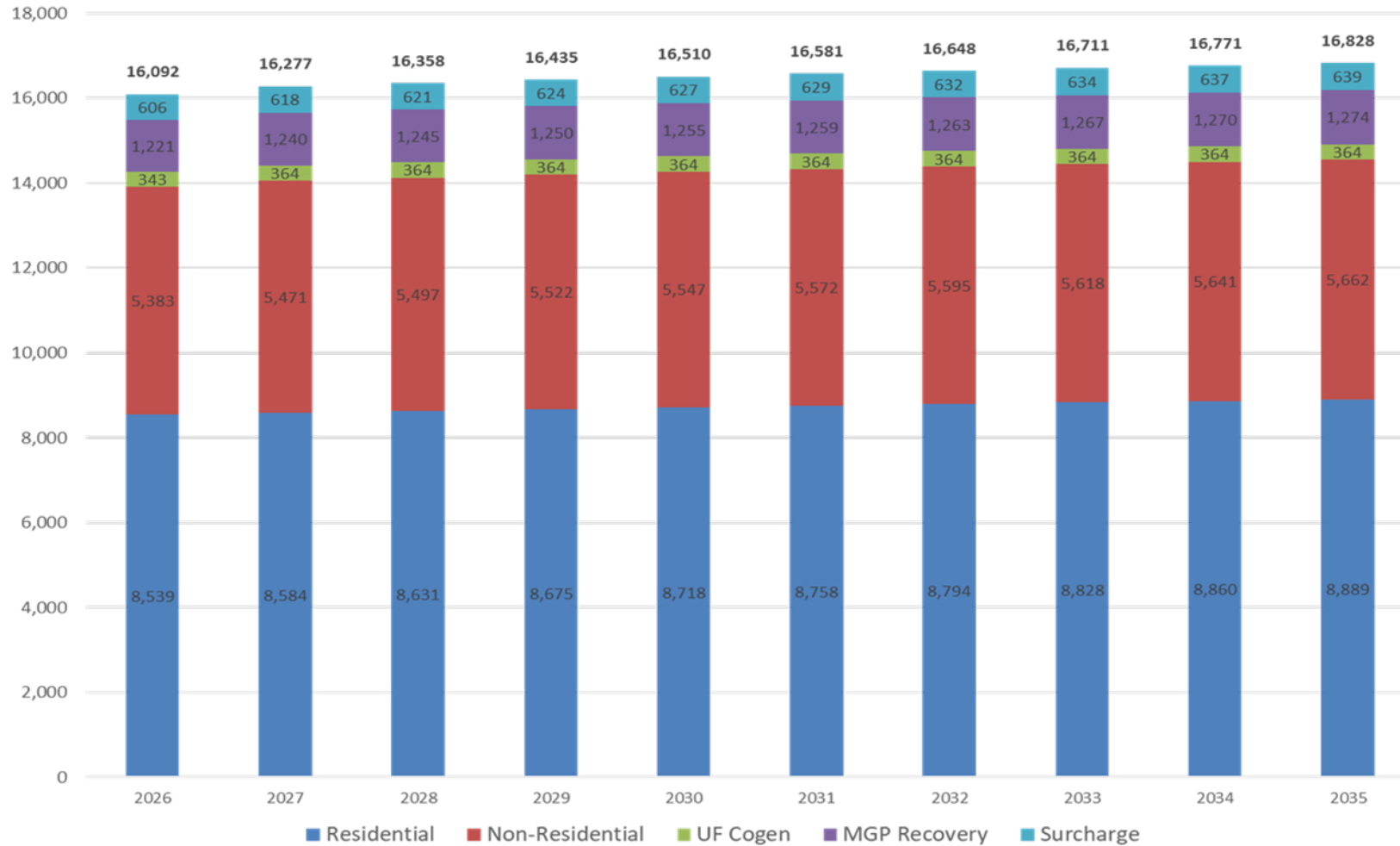


Exhibit 13

Electric Bill Trend

- The utility our community can afford.

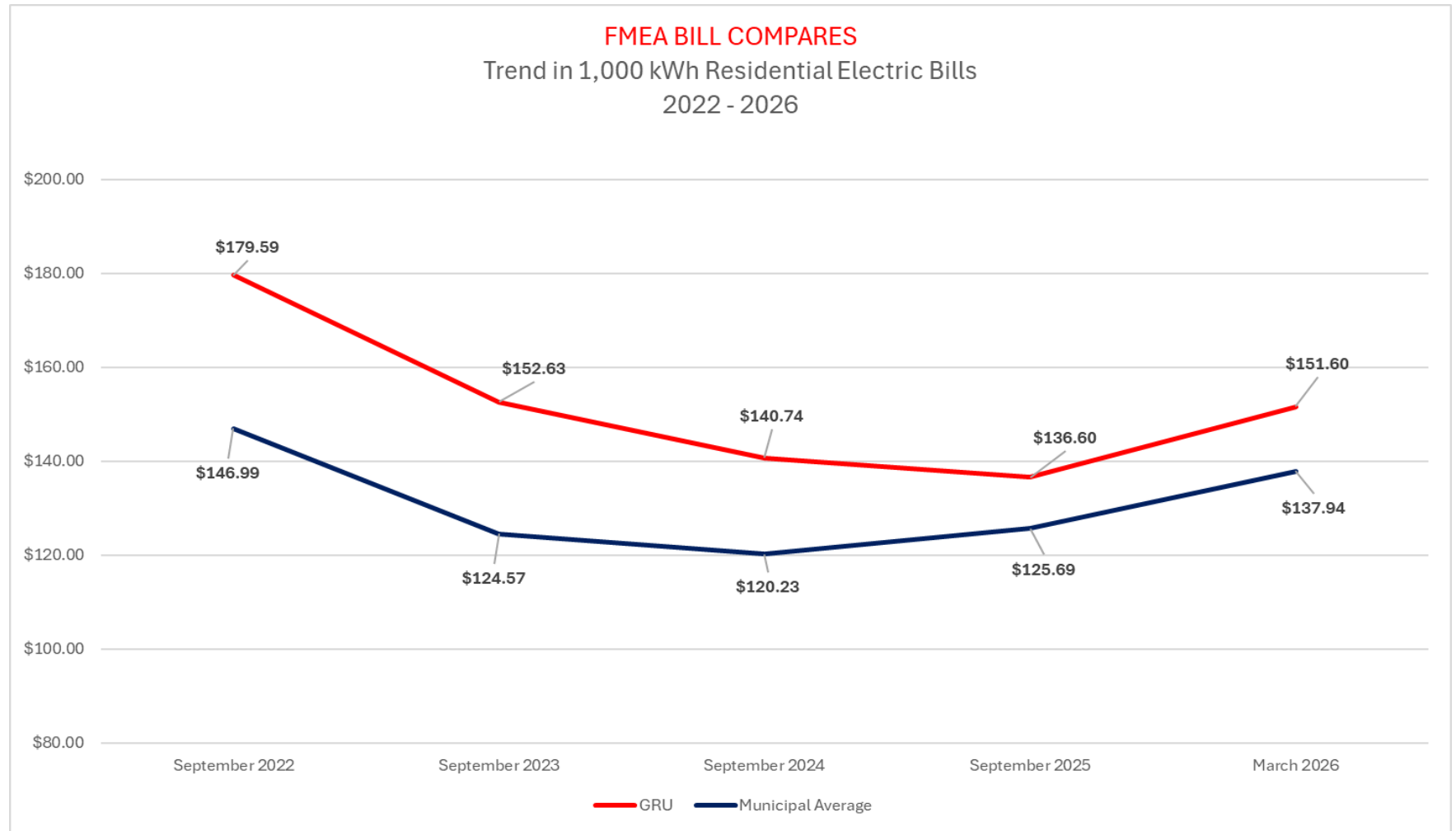


Exhibit 14: Trend in FMEA Bill Compares September 2022

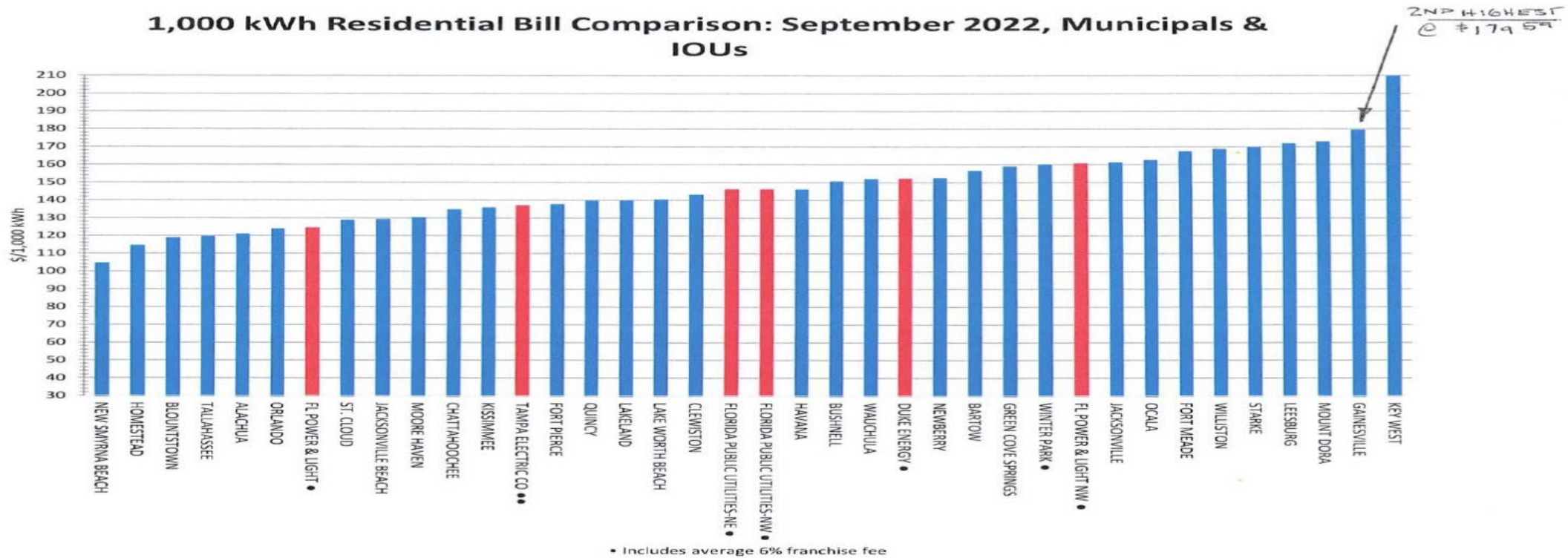


Exhibit 15: Trend in FMEA Bill Compares September 2023

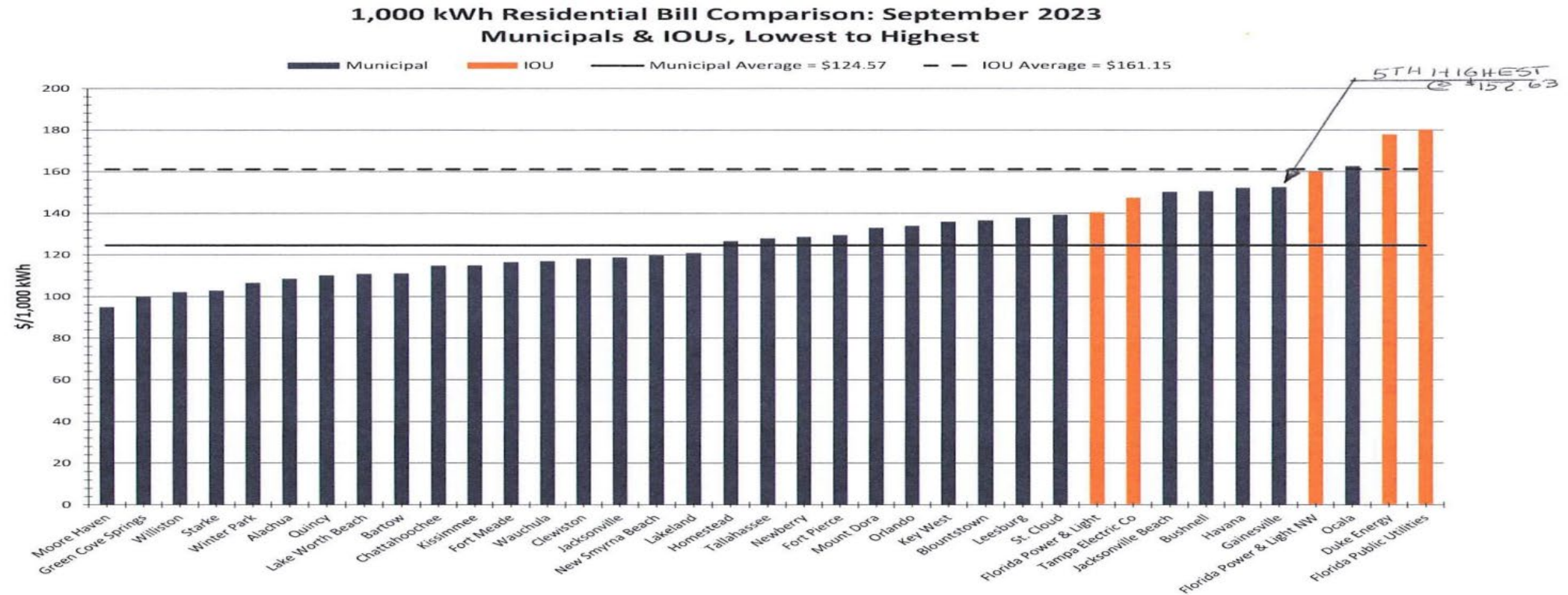


Exhibit 16: Trend in FMEA Bill Compares September 2024

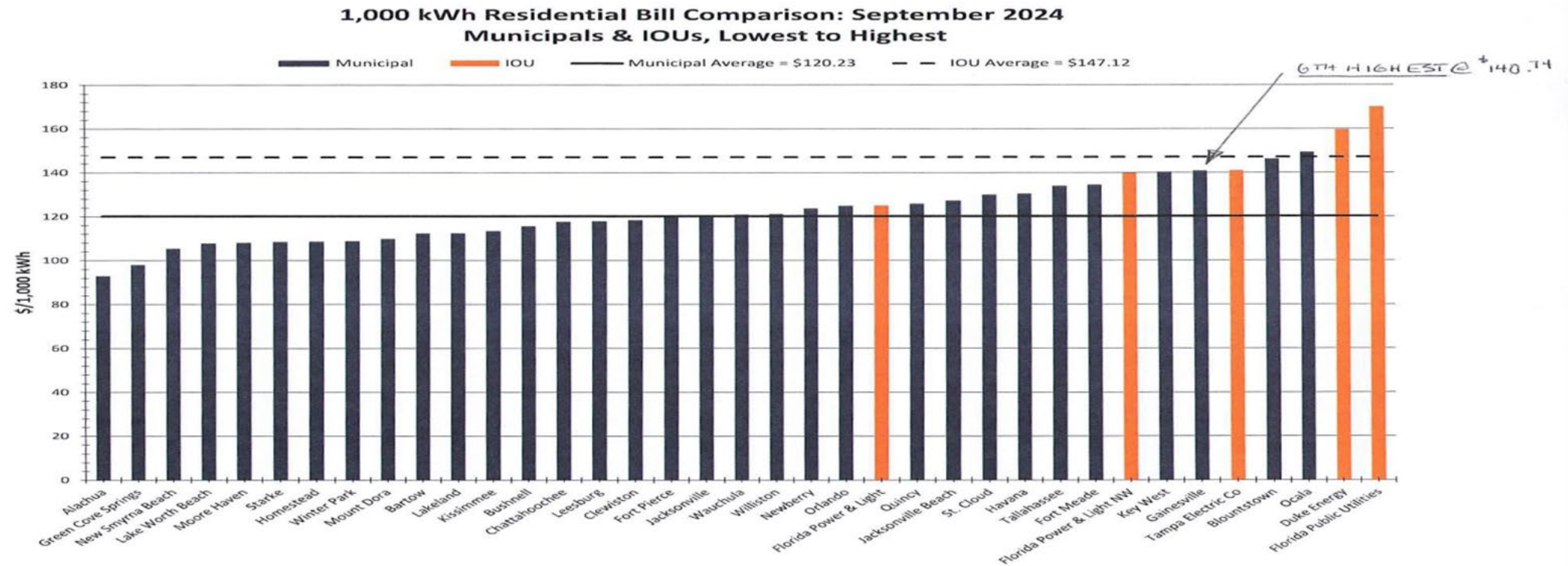


Exhibit 17: Trend in FMEA Bill Compares September 2025

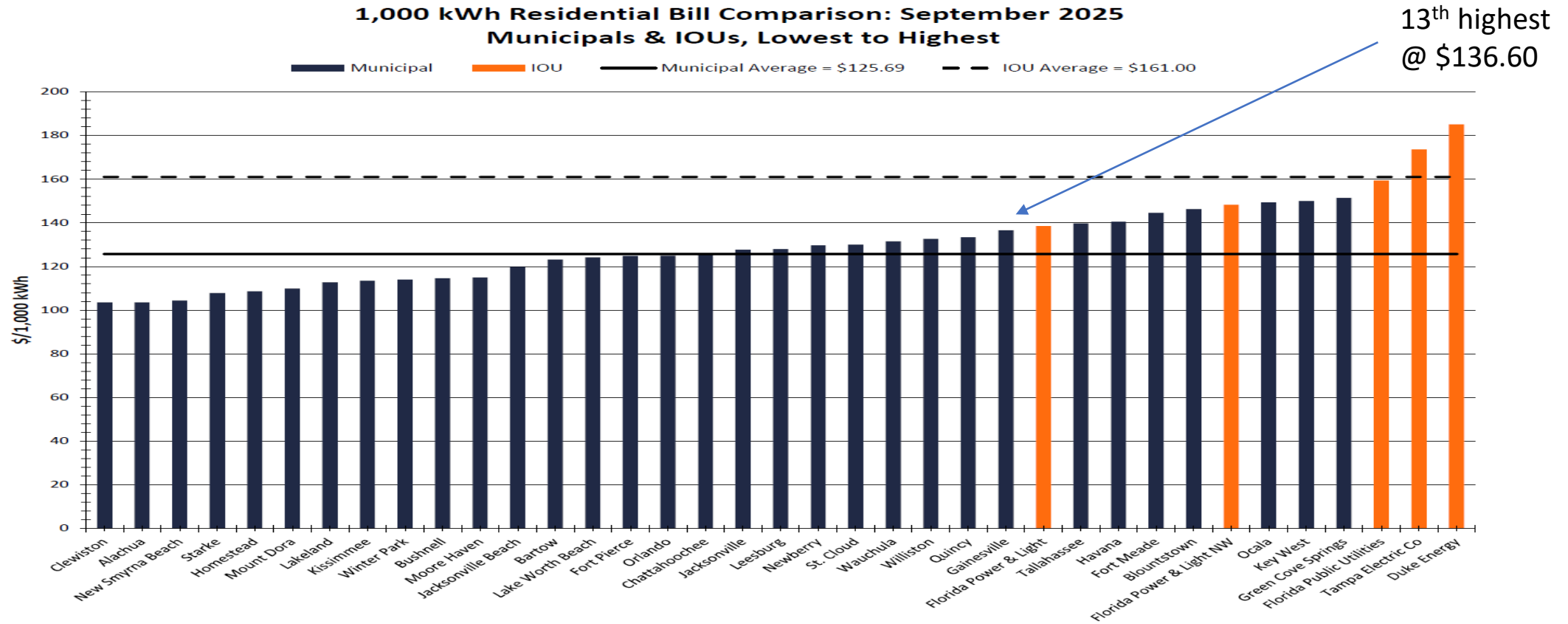
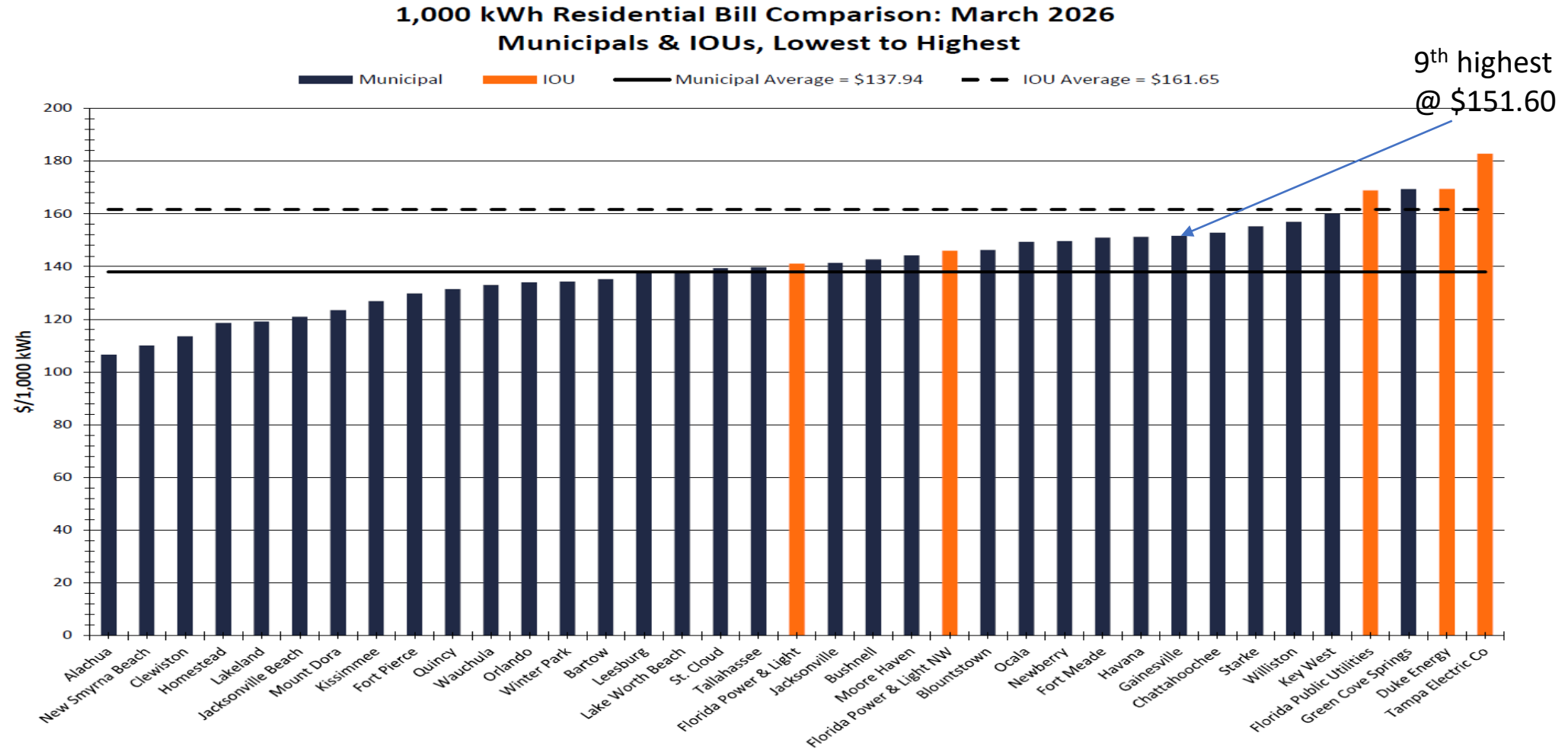


Exhibit 18: Trend in FMEA Bill Compares March 2026



File Number: 2026-335

Agenda Date: May 13, 2026

Department: Gainesville Regional Utilities

Title: 2026-335 Stormwater and Solid Waste Billing (B)

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

Description: This item is a follow-up to the Board's direction for staff to negotiate an agreement with the City of Gainesville to continue in a business relationship handling the city's stormwater and solid waste billings. After working with city staff, and through the approval of GRU's Chief Customer Officer and General Counsel, the item is being brought back for the Authority discussion and/or approval.

During its March 12, 2025 and October 8, 2025 meetings, the Authority discussed whether to continue billing for the City's stormwater and solid waste services, given the number of services already on GRU's bills and public perception that these additional billed City services are GRU services. After healthy debate on October 8, 2025, the Authority directed the CEO to negotiate an agreement with the City.

The City Commission approved a negotiated agreement on March 5, 2026. The agreement is now being brought to the Authority for discussion and/or approval. GRU management believes that continuing the billing through GRU saves the City the risk of trying to bill its services through property tax bills, which is untested and potentially vulnerable to legal challenges. GRU's billing also provides the City the benefit of a longstanding and tested billing system.

GRU benefits from increasing the reimbursement from the City from \$821,000 to an estimated \$979,000.

It is viewed as a win/win.

Fiscal Note: An increase from \$821,000 to an estimated \$979,000 revenue for GRU.

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

**STORMWATER MANAGEMENT UTILITY AND
SOLID WASTE BILLING SERVICES AGREEMENT**

THIS STORMWATER MANAGEMENT UTILITY AND SOLID WASTE BILLING SERVICES AGREEMENT (“Agreement”), entered into this ____ day of March 2026, by and between the Gainesville Regional Utilities Authority (GRUA), by and through its CEO of Gainesville Regional Utilities (GRU), and the City of Gainesville (“City”), and may be referred to throughout this Agreement as “Party” or the “Parties”. This Agreement pertains to the Stormwater Management Utility (SMU) and Solid Waste (SW) billing services.

WHEREAS, Gainesville Regional Utilities (GRU) historically provided SMU and SW billing services to the City’s General Government; and

WHEREAS, in 2023, House Bill 1645 (Ch. 2023-348, Laws of Florida) created the Gainesville Regional Utilities Authority, a unit of city government of the City of Gainesville, to manage and operate Gainesville Regional Utilities; and

WHEREAS, in the spirit of ongoing cooperation amongst governmental entities and maintaining a continuity of services in the public interest, GRUA and the City seek to enter into this Agreement to memorialize the SMU and SW billing services provided by GRU; and

WHEREAS, the City’s Commission adopted Ordinance No. 3444 et al., providing for a stormwater management program and establishing a Stormwater Management Utility (SMU); and

WHEREAS, SMU fees are user charges levied against all developed property within the City of Gainesville that contribute to stormwater runoff to the City’s stormwater management system; and

WHEREAS, SMU fees are charged to all owners or occupants of real property in the City based on an Equivalent Residential Unit (ERU) rate; and

WHEREAS, Solid Waste (SW) fees are charged to all residential owners or occupants of residential property in the City based on cart size; with the exception of commercially collected residential property having five or more units under one roof, and residential properties that have successfully petitioned to be allowed to opt out of the residential collection program; and

WHEREAS, the SMU and SW fees are billed monthly through GRU’s billing system; and

WHEREAS, the City pays GRU a fixed yearly fee for such billing services, unless changed or cancelled by mutual agreement; and

WHEREAS, the City and GRUA both have budgets for and operate under a fiscal year that begins October 1 and ends September 30 of the following year; and

WHEREAS, the Parties have operated under a Memorandum of Understanding dated August 10, 2023, which this Agreement supersedes; and

WHEREAS, GRU uses a software-as-a-service (SaaS) for its billing system, and any custom requests for modifications to the SaaS billing system (e.g., reporting features, change orders, etc.) by the City will be at the City's sole cost and expense when the cost to GRU exceeds \$50,000 in a fiscal year period.

NOW, THEREFORE, in consideration of the above recitals, which are hereby incorporated, and the following terms and conditions, the City and GRUA agree as follows:

1. GRU will include SMU and SW fees on utility bills for the fiscal year that began October 1, 2025, and for each fiscal year thereafter until this Agreement is terminated.
2. The provisions of this Agreement and fees associated with the billing will take effect April 1, 2026. Between August 10, 2023, and April 1, 2026, the Agreement between the parties dated August 10, 2023, will control the rights and obligations of the Parties.
3. GRU shall deduct, retain, and otherwise collect from the City 4.5% of customer billing revenues from GRU's monthly remittance of customer billing revenues to the City in exchange for GRU providing SMU and SW billing services to the City.
4. GRU is responsible for billing all SW users, including annexations and new developments, a fee based on cart size.
5. GRU is responsible for billing all SMU users, including annexations and new developments, according to the ERU rates established by Ordinance Number O-88-43 or latest version, as follows:
 - a. Single-Family units: 1.0 ERU
 - b. Duplex units: 1.0 ERU
 - c. Condominium units: 1.0 ERU
 - d. Apartment units: 0.6 ERU
 - e. Mobile home units: 0.6 ERU
 - f. Nonresidential/commercial TBD ERU (by City)
6. The City will calculate the SMU billing rates and any adjustments for all non-residential uses. Upon receipt of the information, GRU will adjust the billing for the following full billing cycle or as stipulated in a separate implementation schedule.
7. SMU billing rates for new developments will be provided to GRU by the City after approval of final development plans; the SMU fee will be applied when permanent electrical and/or water accounts are created. The City will have access to GRU reports within the SaaS system for nonresidential units that become vacant. The City will identify and provide GRU with the customer information to generate an SMU-only bill commencing with the following full billing cycle.
8. Upon notification of any proposed annexation by the City, GRU, in conjunction with the City, will create SMU and SW billing information for all proposed annexation properties within thirty (30) calendar days of that notification and after the effective date of an annexation adopted by the City Commission. Prior to the effective date of annexation, the

City will provide GRU with all pertinent information regarding ERU billing rates and SW fees for all properties, and a listing of all exempt properties as applicable. The City will provide a list of SMU and SW exempt properties to GRU each calendar month. Exempt properties will be identified in the GRU billing system.

9. GRU is responsible for timely adjustments to accounts. The expectation is that for 80 or less accounts, the adjustments will be complete in a 30-day period. For more than 80 accounts, a separate schedule will be agreed upon and GRU will send monthly reports on the progress of completing the assignment.
10. The City is responsible for prompt responses to GRU's requests for information related to SMU and SW customers and accounts to ensure accurate and timely billing.
11. The City will respond to customer questions regarding the SMU rates and the application thereof.
12. GRU shall make no billing adjustments unless requested to do so by the City.
13. The City may request data, reports, enhancements, permissions, or changes to GRU's SaaS billing system as part of this Agreement. Should the City request a change to GRU's SaaS billing system that results in a cost to GRU, GRU will notify the City in writing that a resultant charge has been identified. The charge must be an actual additional cost to GRU imposed by GRU's SaaS vendor. GRU will request approval from the Public Works Director prior to the commencement of any such change to the SaaS billing system. If the City directs GRU to proceed with the change, GRU will proceed with the change. GRU will keep a record of all requested and accepted changes to the SaaS billing system that result in charges. GRU will bear the cost of changes to GRU's SaaS billing system that amount to a total of \$50,000 or less in any fiscal year period. The annual allotment of \$50,000 for City requested changes to the GRU SaaS billing system is included in the 4.5% of customer billing revenues base fee retained by GRU to perform the billing service to the City. When the cost of the charges exceeds \$50,000 in a fiscal year period, the City shall pay the sole cost and expense of any City-requested changes to GRU's SaaS billing system. The City's obligation to pay for changes that total \$50,000 or more will be in addition to the 4.5% of customer billing revenues base fee retained by GRU to perform the billing service to the City.
14. GRU will provide the City monthly data extracts. The first set of data will include the full set of technical data for system-wide premise and installations. The second set of data will include customer information for new move-ins for the previous month. Any new reports requested by the City that require a change to GRU's SaaS billing system may result in additional charges. The Parties will follow the process outlined in paragraph 13.
15. GRU will maintain reports in the utility billing system to facilitate the City's review of SMU & SW accounts. Any new reports requested by the City that require a change to GRU's SaaS billing system may result in additional charges to the City. The Parties will follow the process outlined in paragraph 13.

16. The City will reimburse GRU annually for SMU and SW charges that go unpaid and are declared by GRU collections to be “bad debt.” GRU will submit an annual Unpaid Billing Balance by 10/31 each year to the shared email account DG_Stormwater_RRem@cityofgainesville.org. Backup documentation to be attached to the invoice will include premise, customer number, service address, and unpaid balance for each account declared to be bad debt. The City of Gainesville accounting will prepare the transfer. Any changes to the GRU SaaS billing system requested by the City to facilitate this request may result in additional charges to the City. The Parties will follow the process outlined in paragraph 13.
17. For SMU only accounts that are overdue by 60 days and have an account balance of \$15 or more, GRU will notify Public Works by email to DG_Stormwater_RRem@cityofgainesville.org. The City will perform manual research. City will request that GRU transfer the SMU only account to another account with other utilities if possible. GRU will automatically refer delinquent SMU only accounts with a remaining balance greater than \$50.00 to a collection agency upon closure. Any changes to the GRU SaaS billing system requested by the City to facilitate this request may result in additional charges to the City. The Parties will follow the process outlined in paragraph 13.
18. GRU will credit the SMU fund in an amount equivalent to the number of ERUs billed and the SW fund in an amount equivalent to the total amount of fees billed to all households with active refuse accounts each month. GRU will distribute Monthly Remittance notices to the DG_Stormwater_RRem@cityofgainesville.org email group. The monthly collection amount for Stormwater and Solid Waste and number of residential and non-residential accounts billed is available at:
http://grupernet/departments/administrative/Corporate_Performance_Indicators/default.aspx
19. The City and GRU will hold periodic (at minimum, quarterly) meetings to discuss the billing process and make any adjustments needed to facilitate the process. The City will hold at a minimum a yearly training session for GRU Customer Operations staff and provide any updated materials to be included in the GRU Customer Operations training manual.
20. GRU will seek input from the City on updates related to the billing system software to facilitate the coordination of SMU and SW billing.
21. SMU and SW billing may remain on the same bill as GRU’s utility bill, but GRU may also in its sole discretion use separate bills, provided that SMU and SW billing is tied to GRU’s utility bill (resulting in customer shut off for non-payment, provided that GRU provides utility services) and any payments shall be applied to the earliest billing.
22. The City shall indemnify, defend, and hold harmless GRU and the GRUA from any and all claims, demands, liabilities, damages, losses, costs, and causes of action of any kind arising out of, related to, or challenging SMU and SW billing.

23. This Agreement will remain in effect until termination by either party (GRUA or City) in writing. If GRUA decides to terminate the agreement, it must provide written notice to the City at least twelve (12) months prior to the beginning of the next fiscal year. For example, if GRUA decides to cease billing services for the City for the fiscal year that begins October 1, 2027, GRUA shall provide a notice of termination to the City no later than October 1, 2026. The purpose of this requirement is to give the City sufficient time to either prepare to issue separate SM and SMU and SW bills to customers or implement a special assessment. The designated representatives for notice of termination for GRUA and the City are the CEO and City Manager, respectively.

IN WITNESS WHEREOF, GRUA and the City hereto have executed this Agreement as of the date and year first written above.

CITY OF GAINESVILLE, FLORIDA

**GAINESVILLE REGIONAL UTILITIES
AUTHORITY**

By: _____
Andrew Persons, Interim City Manager

By: _____
Edward J. Bielarski, Jr., CEO, GRU

Approved as to form and legality:

Approved as to form and legality:

Daniel M. Nee, City Attorney

Derek D. Perry, Utilities Attorney