GRU℠

More than Energy

FISCAL YEAR 2027
BUDGET BOOK

Table of Contents

Table of Contents

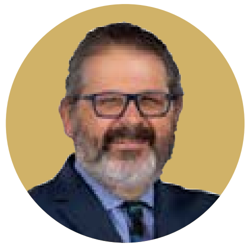
OVERVIEW

Revenues & Expenses

Total Revenue: **$438.5M**	Total Expenses: **$438.5M**
Electric $297.9M	**Operations and Maintenance (O&M)** $170.6M
Water $45.4M	**Debt Service/ Reduction** $128.6M
Wastewater $60.4M	**Total Fuel** $95.3M
Gas $25.6M	**UPIF*** $35.5M
Telecommunications $9.2M	**General Fund Transfer** $8.5M

* **UPIF = Utilities Plant Improvement Fund:** Funds available to pay for construction costs, repayment of bonds and operations and maintenance expenses.

Executive Organizational Chart



ED BIELARSKI
Chief Executive Officer

KUNTI NESBIT
Executive Coordinator

EXECUTIVE TEAM

WALTER BANKS
Chief Information Officer

TOM BROWN
Chief Operating Officer

CHERYL MCBRIDE
Chief People Officer

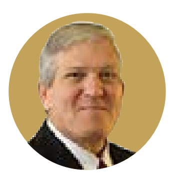
DEREK PERRY
Chief Legal Officer

CLAUDIA RASNICK
Chief Financial Officer

LEADERSHIP TEAM

YVETTE CARTER
Director of Gov't Affairs and Community Relations

DEBBIE DAUGHERTY
Water/Wastewater Officer



DINO DE LEO
Energy Supply Officer

KATHERINE DEMERITTE
Chief Customer Officer

CHAD PARKER
Energy Delivery Officer

TORREY RICHARDSON
Utility Safety and Training Director

DAVID WARM
Communications Director

Executive Summary

"I've seen more people fail because of liquor and leverage – leverage being borrowed money."
— Warren Buffett

"There is no such thing as a free lunch."
— Milton Friedman

These two quotes stand out to me as accurate descriptors of where GRU is headed in the upcoming fiscal year. They represent the importance of continuing to pay down GRU's significant debt load and building on operational efficiencies to deliver competitively priced services to our customers. This is the path GRU has pursued since the GRU Authority was appointed in 2023 and that we will continue to pursue in the foreseeable future.

GRU's strategy is more practical than clever:

- Be diligent about paying down debt
- Price services fairly
- Let time do the heavy lifting of overall cost reductions

For Fiscal Year 2027, GRU proposed a budget consistent with our customer-first approach. That means paying down debt, practicing fiscal discipline and maintaining competitive rates while implementing customer-friendly technology and investing in infrastructure improvements that ensure long-term reliability and safety.

This approach has resulted in the Authority approving a budget with no electric base rate increases for the third consecutive year. In addition to the electric system, the Authority has approved no increases for natural gas customers, a 1.75% increase for wastewater customers and a 2% increase for water customers.

These modest increases buck national trends and spare GRU customers from a cumulative 9% base rate hike previously approved by the Gainesville City Commission. This is largely possible thanks to reduced money transfers to the city's general fund and a utility-wide effort to operate more efficiently that has led to getting more with less, as we maintain our smallest full-time staff since 2009.

We have balanced these efficiencies with the need to continue investing in infrastructure improvements, the most significant of which are partially grant-funded upgrades to our Main Street Water Reclamation Facility that will enable us to continue serving the community for years to come. Overall, GRU has budgeted $161.4 million for capital improvements in FY27.

Again, a budget is a balancing act, so we will balance taking on new debt for facility improvements with paying down old debt at an accelerated rate. Since 2023, GRU has paid off $123 million of additional debt and plans on making $25.3 million in accelerated payments in FY27. This is part of a multi-year plan to reduce debt by more than $400 million.

(continued on following page)

Executive Summary

Finally, GRU will continue to upgrade the customer experience, as we fully realize the efficiencies associated with digital meters and roll out a more user-friendly online customer portal and app, in addition to payment options that make budgeting easier.

As Friedman said, “There is no such thing as a free lunch.”

For GRU employees now and in the future, that means adjusting processes to spend less and provide more, ensuring capital expenses enhance safety and reliability, spending like it was your own money and asking what the customer wants. If the answer is reliable service at a competitive price, then you're on the right path.

— Ed Bielarski, CEO

Contact GRU Authority directors:

Chair **Eric Lawson**
LawsonCE@gru.com

Co-chair **David Haslam**
HaslamDA@gru.com

Jack Jacobs
JacobsJA@gru.com

Robert "Chip" Skinner
SkinnerRG@gru.com

The fifth seat of the GRU Authority is vacant.

GAAP BASIS

Combined Systems

		2026		2027
Operating revenue:				
Sales & service revenues	$	345,446,150	$	355,566,935
Fuel & gas adjustment		94,955,162		95,322,948
Rate stabilization (to)/from		(31,213,376)		(40,421,978)
Amounts to be recovered from (to) future revenue		8,403,196		2,710,475
Other operating revenue		14,561,085		12,650,765
Total operating revenues		**432,152,217**		**425,829,145**
Operation and Maintenance Expenses:				
Fuel expenses		94,955,162		95,322,948
Depreciation & amortization		115,908,311		108,936,035
Operation and maintenance expenses		158,060,549		166,897,040
Total Operation and Maintenance Expenses		**368,924,022**		**371,156,023**
Operating income		**63,228,195**		**54,673,123**
Non-operating income (expenses)				
Interest income		14,735,901		9,482,842
Interest expense		(63,364,885)		(58,233,478)
Other interest related income, BABS		4,645,546		4,561,559
Other income (expense)		(5,206,990)		15,312,646
Total non-operating income (expenses)		**(49,190,428)**		**(28,876,430)**
Income before transfers		**14,037,767**		**25,796,692**
General Fund Transfer		**(8,505,225)**		**(8,505,225)**
Change in net position	**$**	**5,532,542**	**$**	**17,291,467**

The Cost Recovery Budget is built to facilitate rate making and complies with GRU's Bond Resolution. It differs from the GAAP Basis Budget due mainly to:

- Exclusion of certain non-cash activities from the Cost Recovery Budget
  - Amounts to be recovered from future revenue
  - Depreciation and amortization expense
  - Capital contributions
- Interest income and Build America Bonds are recorded as operating revenue in the Cost Recovery Budget and non-operating income in the GAAP Basis Budget
- Construction Fund interest income is excluded from the Cost Recovery Budget

*All GRU profits are primarily focused on the general fund transfer, debt reduction or liquidity metrics

*The GRU's Authority definition of profit is the sum of "Income Before Transfers" and "Rate Stabilization (to)/ from" which differs from GAAP.

Profit*	**$**	**45,251,143**	**$**	**66,218,670**

Electric System

		2026		2027
Operating revenue:				
Sales & service revenues	$	226,999,956	$	232,376,542
Fuel & gas adjustment		84,289,697		84,865,793
Rate stabilization (to)/from		(22,068,896)		(35,043,584)
Amounts to be recovered from (to) future revenue		8,403,196		2,710,475
Other operating revenue		7,780,111		7,191,613
Total operating revenues		**305,404,064**		**292,100,839**
Operation and Maintenance Expenses:				
Fuel expenses		84,289,697		84,865,793
Depreciation & amortization		77,913,567		72,626,367
Operation and maintenance expenses		94,258,469		100,663,828
Total Operation and Maintenance Expenses		**256,461,733**		**258,155,988**
Operating income		**48,942,331**		**33,944,851**
Non-operating income (expenses)				
Interest income		7,518,317		4,185,468
Interest expense		(41,037,064)		(37,076,509)
Other interest related income, BABS		2,519,258		2,467,085
Other income (expense)		(4,368,407)		9,306,632
Total non-operating income (expenses)		**(35,367,896)**		**(21,117,324)**
Income before transfers		**13,574,435**		**12,827,526**
General Fund Transfer		**(5,453,159)**		**(5,371,809)**
Change in net position	**$**	**8,121,276**	**$**	**7,455,717**

The Cost Recovery Budget is built to facilitate rate making and complies with GRU's Bond Resolution. It differs from the GAAP Basis Budget due mainly to:

- Exclusion of certain non-cash activities from the Cost Recovery Budget
  - Amounts to be recovered from future revenue
  - Depreciation and amortization expense
  - Capital contributions
- Interest income and Build America Bonds are recorded as operating revenue in the Cost Recovery Budget and non-operating income in the GAAP Basis Budget
- Construction Fund interest income is excluded from the Cost Recovery Budget

*All GRU profits are primarily focused on the general fund transfer, debt reduction or liquidity metrics

*The GRU's Authority definition of profit is the sum of "Income Before Transfers" and "Rate Stabilization (to)/ from" which differs from GAAP.

Profit*	**$**	**35,643,331**	**$**	**47,871,110**

Water System

		2026		2027
Operating revenue:				
Sales & service revenues	$	39,655,449	$	41,694,688
Rate stabilization (to)/from		(1,551,038)		(567,287)
Other operating revenue		2,693,685		2,289,241
Total operating revenues		**40,798,096**		**43,416,642**
Operation and Maintenance Expenses:				
Depreciation & amortization		13,387,410		12,794,713
Operation and maintenance expenses		22,190,407		23,847,783
Total Operation and Maintenance Expenses		**35,577,817**		**36,642,496**
Operating income		**5,220,279**		**6,774,146**
Non-operating income (expenses)				
Interest income		2,020,799		1,019,626
Interest expense		(6,644,348)		(6,456,013)
Other interest related income, BABS		732,240		720,406
Other income (expense)		(110,980)		2,413,234
Total non-operating income (expenses)		**(4,002,289)**		**(2,302,747)**
Income before transfers		**1,217,990**		**4,471,399**
General Fund Transfer		**(1,135,099)**		**(1,008,453)**
Change in net position	**$**	**82,891**	**$**	**3,462,946**

The Cost Recovery Budget is built to facilitate rate making and complies with GRU's Bond Resolution. It differs from the GAAP Basis Budget due mainly to:

- •Exclusion of certain non-cash activities from the Cost Recovery Budget
  - Amounts to be recovered from future revenue
  - Depreciation and amortization expense
  - Capital contributions
- •Interest income and Build America Bonds are recorded as operating revenue in the Cost Recovery Budget and non-operating income in the GAAP Basis Budget
- •Construction Fund interest income is excluded from the Cost Recovery Budget

*All GRU profits are primarily focused on the general fund transfer, debt reduction or liquidity metrics

*The GRU's Authority definition of profit is the sum of "Income Before Transfers" and "Rate Stabilization (to)/ from" which differs from GAAP.

Profit*	**$**	**2,769,028**	**$**	**5,038,686**

Wastewater System

		2026		2027
Operating revenue:				
Sales & service revenues	$	54,933,814	$	57,154,791
Rate stabilization (to)/from		(4,871,747)		(2,092,676)
Other operating revenue		3,150,198		2,188,073
Total operating revenues		**53,212,265**		**57,250,188**
Operation and Maintenance Expenses:				
Depreciation & amortization		17,026,931		16,315,735
Operation and maintenance expenses		25,213,351		25,608,021
Total Operation and Maintenance Expenses		**42,240,282**		**41,923,756**
Operating income		**10,971,983**		**15,326,432**
Non-operating income (expenses)				
Interest income		3,345,808		2,995,805
Interest expense		(10,761,183)		(9,816,380)
Other interest related income, BABS		864,801		855,546
Other income (expense)		(1,130,073)		3,232,461
Total non-operating income (expenses)		**(7,680,647)**		**(2,732,568)**
Income before transfers		**3,291,336**		**12,593,864**
General Fund Transfer		**(1,323,583)**		**(1,616,804)**
Change in net position	**$**	**1,967,753**	**$**	**10,977,060**

The Cost Recovery Budget is built to facilitate rate making and complies with GRU's Bond Resolution. It differs from the GAAP Basis Budget due mainly to:

- Exclusion of certain non-cash activities from the Cost Recovery Budget
    - Amounts to be recovered from future revenue
    - Depreciation and amortization expense
    - Capital contributions
- Interest income and Build America Bonds are recorded as operating revenue in the Cost Recovery Budget and non-operating income in the GAAP Basis Budget
- Construction Fund interest income is excluded from the Cost Recovery Budget

*All GRU profits are primarily focused on the general fund transfer, debt reduction or liquidity metrics

*The GRU's Authority definition of profit is the sum of "Income Before Transfers" and "Rate Stabilization (to)/ from" which differs from GAAP.

Profit*	**$**	**8,163,083**	**$**	**14,686,540**

Gas System

	2026		2027
Operating revenue:			
Sales & service revenues	$	15,904,209	$ 15,913,032
Fuel & gas adjustment		10,665,465	10,457,155
Rate stabilization (to)/from		(2,721,695)	(2,718,431)
Other operating revenue		864,341	920,375
Total operating revenues		**24,712,320**	**24,572,131**
Operation and Maintenance Expenses:			
Fuel expenses		10,665,465	10,457,155
Depreciation & amortization		4,659,514	4,444,410
Operation and maintenance expenses		7,364,793	7,777,005
Total Operation and Maintenance Expenses		**22,689,772**	**22,678,570**
Operating income		**2,022,548**	**1,893,562**
Non-operating income (expenses)			
Interest income		1,103,114	425,002
Interest expense		(3,034,933)	(3,028,466)
Other interest related income, BABS		529,247	518,522
Other income (expense)		(226,334)	227,184
Total non-operating income (expenses)		**(1,628,906)**	**(1,857,757)**
Income before transfers		**393,642**	**35,805**
General Fund Transfer		**(379,291)**	**(319,883)**
Change in net position	**$**	**14,351**	**$ (284,078)**

The Cost Recovery Budget is built to facilitate rate making and complies with GRU's Bond Resolution. It differs from the GAAP Basis Budget due mainly to:

- Exclusion of certain non-cash activities from the Cost Recovery Budget
  - Amounts to be recovered from future revenue
  - Depreciation and amortization expense
  - Capital contributions
- Interest income and Build America Bonds are recorded as operating revenue in the Cost Recovery Budget and non-operating income in the GAAP Basis Budget
- Construction Fund interest income is excluded from the Cost Recovery Budget

*All GRU profits are primarily focused on the general fund transfer, debt reduction or liquidity metrics

*The GRU's Authority definition of profit is the sum of "Income Before Transfers" and "Rate Stabilization (to)/ from" which differs from GAAP.

		2026	2027
Profit*	**$**	**3,115,337**	**$ 2,754,236**

Telecommunications System

		2026		2027
Operating revenue:				
Sales & service revenues	$	7,952,722	$	8,427,882
Rate stabilization (to)/from		-		-
Other operating revenue		72,750		61,463
Total operating revenues		**8,025,472**		**8,489,345**
Operation and Maintenance Expenses:				
Depreciation & amortization		2,920,889		2,754,811
Operation and maintenance expenses		9,033,529		9,000,402
Total Operation and Maintenance Expenses		**11,954,418**		**11,755,213**
Operating income		**(3,928,946)**		**(3,265,868)**
Non-operating income (expenses)				
Interest income		747,863		856,942
Interest expense		(1,887,357)		(1,856,111)
Other interest related income, BABS		-		-
Other income (expense)		628,804		133,135
Total non-operating income (expenses)		**(510,690)**		**(866,035)**
Income before transfers		**(4,439,636)**		**(4,131,902)**
General Fund Transfer		**(214,094)**		**(188,276)**
Change in net position	**$**	**(4,653,730)**	**$**	**(4,320,178)**

The Cost Recovery Budget is built to facilitate rate making and complies with GRU's Bond Resolution. It differs from the GAAP Basis Budget due mainly to:

- Exclusion of certain non-cash activities from the Cost Recovery Budget
  - Amounts to be recovered from future revenue
  - Depreciation and amortization expense
  - Capital contributions
- Interest income and Build America Bonds are recorded as operating revenue in the Cost Recovery Budget and non-operating income in the GAAP Basis Budget
- Construction Fund interest income is excluded from the Cost Recovery Budget

*All GRU profits are primarily focused on the general fund transfer, debt reduction or liquidity metrics

*The GRU's Authority definition of profit is the sum of "Income Before Transfers" and "Rate Stabilization (to)/ from" which differs from GAAP.

Profit*	**$**	**(4,439,636)**	**$**	**(4,131,902)**

COST RECOVERY - FLOW OF FUNDS

Combined Systems

		2026		2027
Revenues:				
Sales	$	306,123,393	$	314,100,051
Fuel adjustment		84,289,697		84,865,793
Purchased gas adjustment		10,665,465		10,457,155
Utility surcharge		12,855,521		12,742,598
Connection charges		3,127,000		3,041,000
Rate stabilization (to)/from		(31,213,375)		(40,421,977)
Other utility revenue		23,689,540		26,021,645
Other revenue		18,857,326		22,753,325
Interest income		4,518,467		4,876,881
Total Revenues		**432,913,034**		**438,436,471**
Operation and Maintenance Expenses:				
Fuel expenses		84,289,697		84,865,793
Purchased gas		10,665,465		10,457,155
Operation and maintenance expenses		156,821,878		170,565,398
Total Operation and Maintenance Expenses		**251,777,040**		**265,888,346**
Total Net Revenues		**181,135,994**		**172,548,125**
Uses of Net Revenues:				
Debt service		104,915,569		103,360,687
Utility plant improvement fund		40,059,434		35,404,536
General Fund Transfer		8,505,226		8,505,226
Debt Defeasance from Excess Revenues		6,433,010		6,433,010
Debt Defeasance from Budget Reductions		2,800,000		2,800,000
Debt Defeasance from GFT reduction		12,977,777		10,977,777
Debt Defeasance from Treasury		5,444,978		5,066,889
Total Uses of Net Revenues		**181,135,994**		**172,548,125**
Net Impact to Rate Stabilization	$	-	$	-

Electric System

	2026	2027
Revenues:		
Residential sales	$ 93,366,717	$ 94,739,215
Residential rate change	-	-
Non-residential sales	104,943,839	106,628,866
Non-residential rate change	-	-
Fuel adjustment	84,289,697	84,865,793
Sales for resale	527,519	-
Utility surcharge	5,213,410	5,078,579
South Energy Center	17,347,776	18,664,881
Innovation Square	240,000	240,000
Other electric sales	6,010,000	7,025,000
Rate stabilization (to)/from	(22,068,895)	(35,043,583)
Other revenue	9,650,064	13,191,365
Interest income	2,428,594	2,514,472
Total Revenues	**301,948,721**	**297,904,588**
Operation and Maintenance Expenses:		
Fuel expenses	84,289,697	84,865,793
Operation and maintenance expenses	94,258,468	104,134,994
Total Operation and Maintenance Expenses	**178,548,165**	**189,000,787**
Total Net Revenues	**123,400,556**	**108,903,801**
Uses of Net Revenues:		
Debt service	71,337,020	59,826,594
Utility plant improvement fund	25,263,167	22,199,134
General Fund Transfer	5,453,159	5,371,810
Loss absorbed from GRUCom	3,126,174	5,002,179
Debt Defeasance from Excess Revenues	4,289,153	4,289,153
Debt Defeasance from Budget Reductions	1,795,231	1,768,451
Debt Defeasance from GFT reduction	7,705,708	6,461,260
Debt Defeasance from Treasury	4,430,944	3,985,220
Total Uses of Net Revenues	**123,400,556**	**108,903,801**
Net Impact to Rate Stabilization	$ -	$ -

Water System

	2026	2027
Revenues:		
Sales of water	$ 32,347,324	$ 33,973,364
Rate change revenue	566,078	679,467
University of Florida	2,666,786	2,966,108
Utility surcharge	2,827,261	2,969,748
Rate stabilization (to)/from	(1,551,038)	(567,287)
Connection charges	1,135,000	1,106,000
Surcharge on connections	113,000	-
Other revenue	3,425,925	3,577,968
Interest income	652,766	695,527
Total Revenues	**42,183,102**	**45,400,895**
Operation and Maintenance Expenses:		
Operation and Maintenance Expenses	22,190,407	24,321,777
Total Operation and Maintenance Expenses	**22,190,407**	**24,321,777**
Total Net Revenues	**19,992,695**	**21,079,118**
Uses of Net Revenues:		
Debt service	10,821,171	12,573,336
Utility plant improvement fund	4,800,471	4,128,076
General Fund Transfer	1,135,099	1,008,453
Loss absorbed from GRUCom	590,342	944,604
Debt Defeasance from Excess Revenues	-	-
Debt Defeasance from Budget Reductions	373,685	331,992
Debt Defeasance from GFT reduction	1,942,688	1,682,460
Debt Defeasance from Treasury	329,239	410,197
Total Uses of Net Revenues	**19,992,695**	**21,079,118**
Net Impact to Rate Stabilization	$ -	$ -

Wastewater System

	2026	2027
Revenues:		
Wastewater charges	$ 47,986,597	$ 49,891,574
Rate change revenue	472,595	860,050
Utility surcharge	3,891,857	4,076,404
South Energy Center	91,764	91,764
Biosolids	300,000	300,000
Rate stabilization (to)/from	(4,871,747)	(2,092,676)
Connection charges	1,992,000	1,935,000
Surcharge on connections	199,000	-
Other revenue	4,014,999	3,941,974
Interest income	1,080,775	1,346,438
Total Revenues	**55,157,840**	**60,350,528**
Operation and Maintenance Expenses:		
Operation and Maintenance Expenses	25,213,351	26,243,862
Total Operation and Maintenance Expenses	**25,213,351**	**26,243,862**
Total Net Revenues	**29,944,489**	**34,106,666**
Uses of Net Revenues:		
Debt service	16,057,833	20,404,828
Utility plant improvement fund	6,835,283	6,305,122
General Fund Transfer	1,323,583	1,616,804
Loss absorbed from GRUCom	755,373	1,208,672
Debt Defeasance from Excess Revenues	2,143,857	2,143,857
Debt Defeasance from Budget Reductions	435,736	532,267
Debt Defeasance from GFT reduction	2,030,172	1,709,116
Debt Defeasance from Treasury	362,652	186,000
Total Uses of Net Revenues	**29,944,489**	**34,106,666**
Net Impact to Rate Stabilization	$ -	$ -

Gas System

		2026		2027
Revenues:				
Residential	$	8,591,620	$	8,584,389
Residential rate change revenue		-		-
Non-residential		5,462,926		5,470,557
Non-residential rate change revenue		-		-
Purchased gas adjustment		10,665,465		10,457,155
Utility surcharge		610,993		617,867
Manufactured gas plant		1,238,670		1,240,219
Rate stabilization (to)/from		(2,721,695)		(2,718,431)
Other revenue		1,393,588		1,596,436
Interest income		356,332		320,444
Total Revenues		**25,597,899**		**25,568,636**
Operation and Maintenance Expenses:				
Purchased gas		10,665,465		10,457,155
Operation and maintenance expenses		6,126,123		6,575,920
Total Operation and Maintenance Expenses		**16,791,588**		**17,033,075**
Total Net Revenues		**8,806,311**		**8,535,561**
Uses of Net Revenues:				
Debt service		4,948,128		4,949,822
Utility plant improvement fund		2,160,513		1,772,204
General Fund Transfer		379,291		319,883
Loss absorbed from GRUCom		243,304		389,310
Debt Defeasance from Excess Revenues		-		-
Debt Defeasance from Budget Reductions		124,866		105,308
Debt Defeasance from GFT reduction		741,366		641,592
Debt Defeasance from Treasury		208,843		357,442
Total Uses of Net Revenues		**8,806,311**		**8,535,561**
Net Impact to Rate Stabilization	$	-	$	-

Telecommunications System

		2026		2027
Revenues:				
Telecommunications	$	5,850,385	$	6,904,519
Tower lease rental		2,102,337		2,161,723
Rate stabilization (to)/from		-		-
Other revenue		72,750		145,582
Interest income		-		-
Total Revenues		**8,025,472**		**9,211,824**
Operation and Maintenance Expenses:				
Operation and Maintenance Expenses		9,033,529		9,288,845
Total Operation and Maintenance Expenses		**9,033,529**		**9,288,845**
Total Net Revenues		**(1,008,057)**		**(77,021)**
Uses of Net Revenues:				
Debt service		1,751,417		5,606,107
Utility plant improvement fund		1,000,000		1,000,000
General Fund Transfer		214,094		188,276
Loss from GRUCom allocated to other systems *		(4,715,193)		(7,544,765)
Debt Defeasance from Excess Revenues		-		-
Debt Defeasance from Budget Reductions		70,482		61,982
Debt Defeasance from GFT reduction		557,843		483,349
Debt Defeasance from Treasury		113,300		128,030
Total Uses of Net Revenues		**(1,008,057)**		**(77,021)**
Net Impact to Rate Stabilization	$	-	$	-

* GRUCom’s financial losses are forecasted to continue and the projected impacts to other systems’ are significant. GRUCom provides service to GRU that are necessary for operations. This evaluation will continue into fiscal year 2027.

The cash movements into GRUCom in prior years for fiscal year 2027 and beyond are a permanent movement of systems’ reserves in the form of cash for GRUCom operations.

As demonstrated in the flow of funds, GRUCom financial losses are now allocated to the other Systems and reported as “Losses Absorbed from GRUCom” based on each System’s respective percentage of total Utility revenues.

TOTAL OPERATIONS LABOR AND NON-LABOR

Combined Systems

		Labor and Fringe		Non-Labor		2027
Electric	$	49,798,249	$	54,336,745	$	104,134,994
Water		8,674,783		15,646,994		24,321,777
Wastewater		11,149,866		15,093,996		26,243,862
Gas		3,670,320		2,905,600		6,575,920
Telecommunications		4,329,470		4,959,375		9,288,845
Total Operations and Maintenance Labor and Non-Labor	**$**	**77,622,688**	**$**	**92,942,710**	**$**	**170,565,398**

		Labor and Fringe		Non-Labor		2026
Electric	$	45,085,386	$	49,173,082	$	94,258,468
Water		7,585,860		14,604,547		22,190,407
Wastewater		10,800,448		14,412,903		25,213,351
Gas		3,426,446		2,699,677		6,126,123
Telecommunications		4,224,366		4,809,163		9,033,529
Total Operations and Maintenance Labor and Non-Labor	**$**	**71,122,506**	**$**	**85,699,372**	**$**	**156,821,878**

Electric System

	Labor and Fringe	Non-Labor	2027
Corporate Expenses	$ 3,153,046	$ 26,049,569	$ 29,202,615
Electric Transmission and Distribution	8,950,437	5,249,705	14,200,142
Deerhaven Operations	9,226,220	3,036,932	12,263,152
Deerhaven Renewables Operations	6,636,593	2,530,855	9,167,448
Major Maintenance Group	4,188,325	4,848,685	9,037,010
South Energy Center	1,727,691	4,990,923	6,718,614
Kelly Plant Operations	4,522,729	1,391,916	5,914,645
Energy Supply Water Systems	2,609,207	1,554,089	4,163,296
Energy Delivery Electric Engineering	3,074,814	241,559	3,316,373
Substation/Relay/Relay Engineering	2,566,811	659,536	3,226,347
Energy Delivery Systems Control	5,879	1,776,453	1,782,332
AMI Operations	723,596	850,088	1,573,684
Electric Meter Measurement	1,146,457	109,245	1,255,702
Fuels	924,587	10,300	934,887
Energy Supply Administration	1,165	668,250	669,415
Production Assurance Support	340,127	40,200	380,327
Innovation Energy Center	565	328,440	329,005
Total Operations and Maintenance Labor and Non-Labor	**$ 49,798,249**	**$ 54,336,745**	**$ 104,134,994**

	Labor and Fringe	Non-Labor	2026
Corporate Expenses	$ 2,065,637	$ 21,716,674	$ 23,782,311
Electric Transmission and Distribution	7,966,615	5,319,487	13,286,102
Deerhaven Operations	9,099,027	3,045,301	12,144,328
Deerhaven Renewables Operations	6,064,077	2,642,446	8,706,523
Major Maintenance Group	3,696,097	4,958,029	8,654,126
South Energy Center	1,924,706	3,909,288	5,833,994
Kelly Plant Operations	4,717,334	1,389,260	6,106,594
Energy Supply Water Systems	2,512,431	1,474,123	3,986,554
Energy Delivery Electric Engineering	2,671,589	292,617	2,964,206
Substation/Relay/Relay Engineering	2,250,358	694,151	2,944,509
Energy Delivery Systems Control	9,868	1,777,394	1,787,262
AMI Operations	792,087	838,276	1,630,363
Electric Meter Measurement	237,054	117,686	354,740
Fuels	450,287	9,890	460,177
Energy Supply Administration	5,125	630,742	635,867
Production Assurance Support	621,290	38,600	659,890
Innovation Energy Center	1,804	319,118	320,922
Total Operations and Maintenance Labor and Non-Labor	**$ 45,085,386**	**$ 49,173,082**	**$ 94,258,468**

Water System

	Labor and Fringe	Non-Labor	2027
Murphree Water Treatment Plant	$ 2,966,369	$ 9,434,793	$ 12,401,162
Corporate Expenses	1,508,617	5,416,577	6,925,194
Distribution	3,791,250	616,689	4,407,939
Engineering	408,547	178,935	587,482
Total Operations and Maintenance Labor and Non-Labor	**$ 8,674,783**	**$ 15,646,994**	**$ 24,321,777**

	Labor and Fringe	Non-Labor	2026
Murphree Water Treatment Plant	$ 2,580,039	$ 9,108,637	$ 11,688,676
Corporate Expenses	1,370,255	4,463,062	5,833,317
Distribution	3,409,912	687,750	4,097,662
Engineering	225,654	345,098	570,752
Total Operations and Maintenance Labor and Non-Labor	**$ 7,585,860**	**$ 14,604,547**	**$ 22,190,407**

Wastewater System

	Labor and Fringe	Non-Labor	2027
Corporate Expenses	$ 1,635,182	$ 5,796,020	$ 7,431,202
Kanapaha Water Reclamation Facility	2,369,932	4,969,827	7,339,759
Mainstreet Water Reclamation Facility	1,805,694	2,128,592	3,934,286
Wastewater Collection	2,434,600	530,270	2,964,870
Wastewater Lift Stations	1,437,654	1,287,104	2,724,758
Wastewater Kanapaha Lab	577,330	285,817	863,147
Wastewater Engineering	730,985	64,963	795,948
Reclaimed Water Distribution	158,489	31,403	189,892
Total Operations and Maintenance Labor and Non-Labor	**$ 11,149,866**	**$ 15,093,996**	**$ 26,243,862**

	Labor and Fringe	Non-Labor	2026
Corporate Expenses	$ 1,377,778	$ 5,149,169	$ 6,526,947
Kanapaha Water Reclamation Facility	2,154,619	4,757,419	6,912,038
Mainstreet Water Reclamation Facility	1,903,524	2,276,031	4,179,555
Wastewater Collection	2,038,669	571,749	2,610,418
Wastewater Lift Stations	1,886,900	1,196,731	3,083,631
Wastewater Kanapaha Lab	637,837	289,284	927,121
Wastewater Engineering	799,282	155,470	954,752
Reclaimed Water Distribution	1,839	17,050	18,889
Total Operations and Maintenance Labor and Non-Labor	**$ 10,800,448**	**$ 14,412,903**	**$ 25,213,351**

Gas System

	Labor and Fringe	Non-Labor	2027
Corporate Expenses	$ 751,086	$ 2,172,900	$ 2,923,986
Transmission and Distribution Operations	1,654,456	134,503	1,788,959
Meter Measurement Operations	1,050,561	173,949	1,224,510
Marketing	-	268,392	268,392
Transmission and Distribution Construction	124,126	87,035	211,161
Transmission and Distribution Engineering	88,868	23,619	112,487
Transmission and Distribution Administration	1,223	45,202	46,425
Total Operations and Maintenance Labor and Non-Labor	**$ 3,670,320**	**$ 2,905,600**	**$ 6,575,920**

	Labor and Fringe	Non-Labor	2026
Corporate Expenses	$ 744,766	$ 1,900,956	$ 2,645,722
Transmission and Distribution Operations	1,762,941	172,616	1,935,557
Meter Measurement Operations	1,038,947	201,794	1,240,741
Marketing	-	263,947	263,947
Transmission and Distribution Construction	(18,194)	97,686	79,492
Transmission and Distribution Administration	1,147	40,276	41,423
Transmission and Distribution Engineering	(103,161)	22,402	(80,759)
Total Operations and Maintenance Labor and Non-Labor	**$ 3,426,446**	**$ 2,699,677**	**$ 6,126,123**

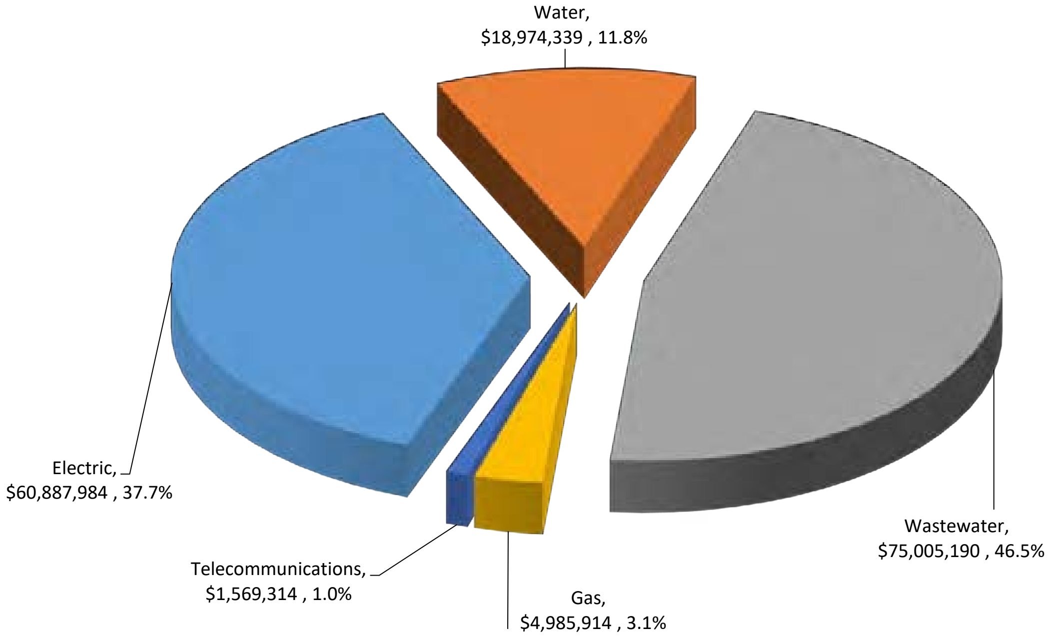
Telecommunications System

	Labor and Fringe	Non-Labor	2027
Corporate Expenses	$ 44,752	$ 1,160,119	$ 1,204,871
Network Operations	19,312	1,148,156	1,167,468
Technical Services	785,903	220,333	1,006,236
Business Administration	503,620	374,784	878,404
Network Operations Center	801,128	72,094	873,222
Engineering	687,187	109,191	796,378
Construction	727,827	35,538	763,365
Customer Operations	466	534,032	534,498
Technology and Services Administration	322,868	170,604	493,472
Electronics	433,748	18,178	451,926
Towers 1 - 12	590	319,882	320,472
Internet Operations	291	319,965	320,256
Central Office Operations	668	209,967	210,635
GatorNet	1,035	143,146	144,181
Chief Officer	49	122,856	122,905
Data Center Services	26	530	556
Engineering and Construction Administration	-	-	-
Total Operations and Maintenance Labor and Non-Labor	**$ 4,329,470**	**$ 4,959,375**	**$ 9,288,845**

	Labor and Fringe	Non-Labor	2026
Corporate Expenses	$ (6,518)	$ 1,060,831	$ 1,054,313
Network Operations	22,099	1,245,193	1,267,292
Technical Services	757,475	202,442	959,917
Business Administration	495,711	387,981	883,692
Network Operations Center	744,344	73,013	817,357
Engineering	506,622	171,139	677,761
Construction	712,835	35,723	748,558
Customer Operations	274	449,040	449,314
Technology and Services Administration	294,357	159,381	453,738
Electronics	454,721	21,560	476,281
Towers 1 - 12	552	242,958	243,510
Internet Operations	172	270,046	270,218
Central Office Operations	563	222,042	222,605
GatorNet	610	124,224	124,834
Chief Officer	169	139,074	139,243
Data Center Services	15	515	530
Engineering and Construction Administration	240,365	4,001	244,366
Total Operations and Maintenance Labor and Non-Labor	**$ 4,224,366**	**$ 4,809,163**	**$ 9,033,529**

TOTAL CAPITAL LABOR AND NON-LABOR

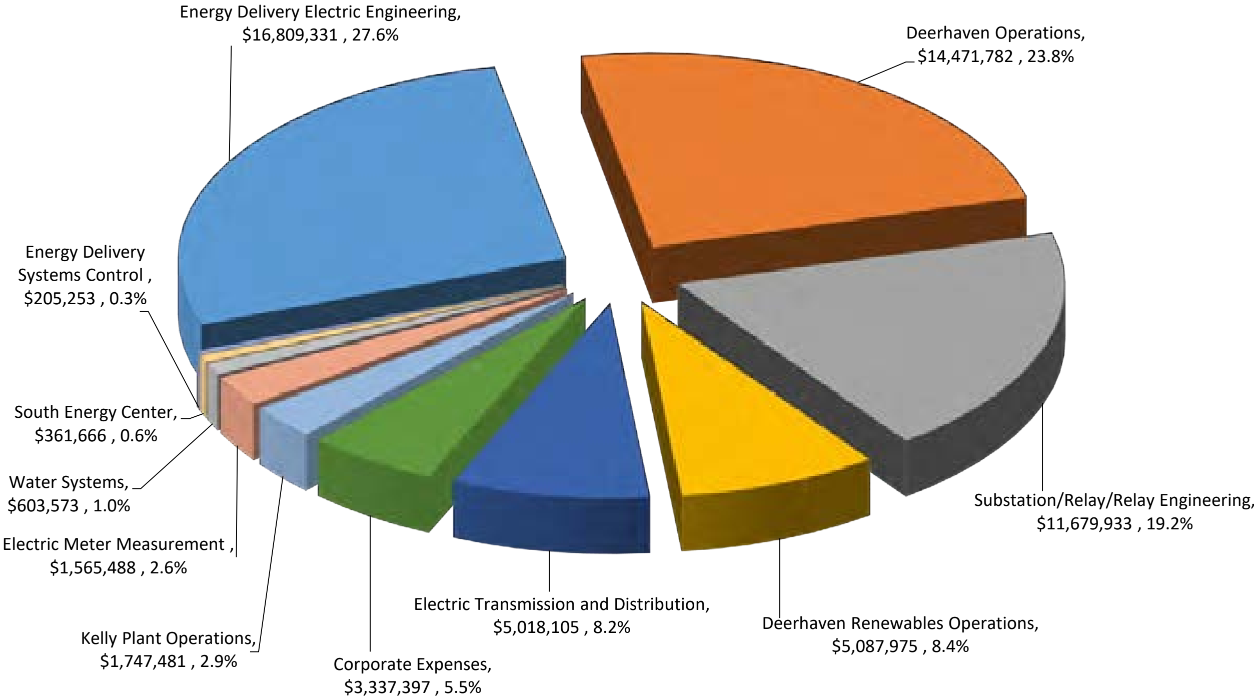
Combined Systems



		Labor and Fringe		Non-Labor		2027
Electric	$	17,982,692	$	42,905,292	$	60,887,984
Water		4,122,443		14,851,896		18,974,339
Wastewater		5,601,609		69,403,581		75,005,190
Gas		3,097,411		1,888,503		4,985,914
Telecommunications		32,896		1,536,418		1,569,314
Total Capital Labor and Non-Labor	**$**	**30,837,051**	**$**	**130,585,690**	**$**	**161,422,741**

		Labor and Fringe		Non-Labor		2026
Electric	$	17,941,836	$	38,068,825	$	56,010,661
Water		4,003,516		15,451,267		19,454,783
Wastewater		5,928,556		44,243,490		50,172,046
Gas		2,834,560		1,974,548		4,809,108
Telecommunications		158,688		1,531,952		1,690,640
Total Capital Labor and Non-Labor	**$**	**30,867,156**	**$**	**101,270,082**	**$**	**132,137,238**

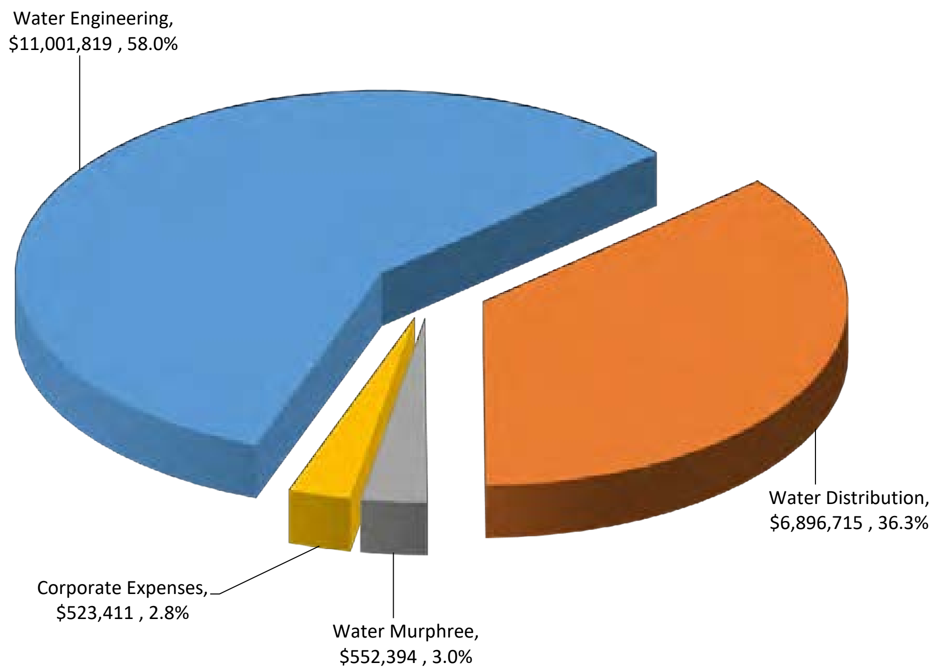
Electric System



	Labor and Fringe	Non-Labor	2027
Energy Delivery Electric Engineering	$ 9,962,533	$ 6,846,798	$ 16,809,331
Deerhaven Operations	907,401	13,564,381	14,471,782
Substation/Relay/Relay Engineering	3,494,621	8,185,312	11,679,933
Deerhaven Renewables Operations	1,057,538	4,030,437	5,087,975
Electric Transmission and Distribution	816,678	4,201,427	5,018,105
Corporate Expenses	57,290	3,280,107	3,337,397
Kelly Plant Operations	251,871	1,495,610	1,747,481
Electric Meter Measurement	1,353,696	211,792	1,565,488
Water Systems	3,978	599,595	603,573
South Energy Center	75,656	286,010	361,666
Energy Delivery Systems Control	1,430	203,823	205,253
Administrative Services	-	-	-
Total Capital Labor and Non-Labor	**$ 17,982,692**	**$ 42,905,292**	**$ 60,887,984**

	Labor and Fringe	Non-Labor	2026
Energy Delivery Electric Engineering	$ 9,485,566	$ 5,421,138	$ 14,906,704
Deerhaven Operations	366,687	5,611,132	5,977,819
Substation/Relay/Relay Engineering	3,959,683	7,925,361	11,885,044
Deerhaven Renewables Operations	205,911	3,605,493	3,811,404
Electric Transmission and Distribution	1,706,235	3,394,997	5,101,232
Corporate Expenses	24,414	6,133,429	6,157,843
Kelly Plant Operations	116,854	2,852,597	2,969,451
Electric Meter Measurement	1,738,591	381,135	2,119,726
Water Systems	251,607	2,446,590	2,698,197
South Energy Center	84,966	211,384	296,350
Energy Delivery Systems Control	1,375	88,069	89,444
Administrative Services	(53)	(2,500)	(2,553)
Total Capital Labor and Non-Labor	**$ 17,941,836**	**$ 38,068,825**	**$ 56,010,661**

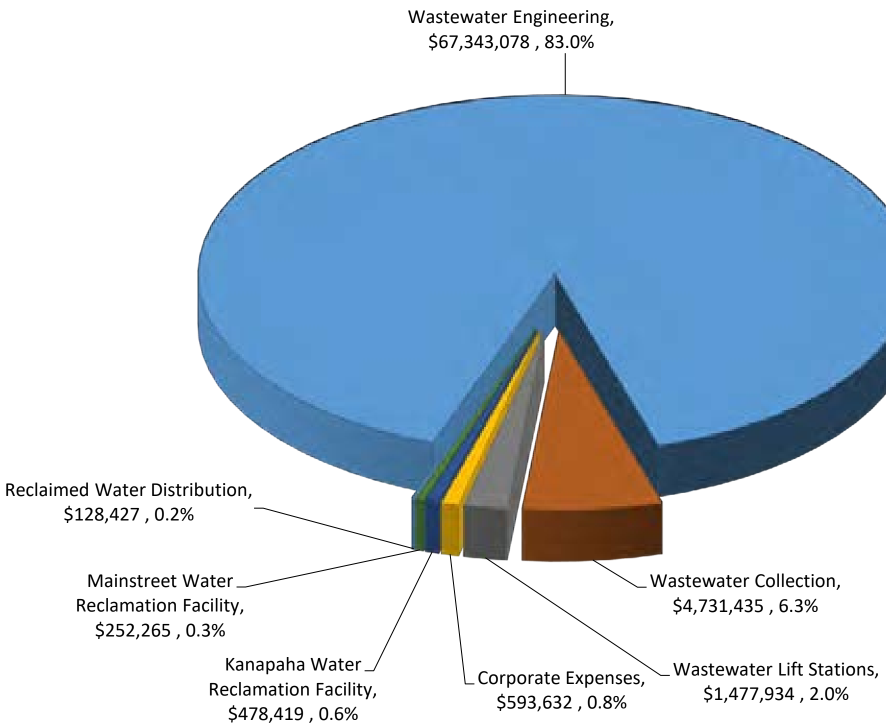
Water System



	Labor and Fringe	Non-Labor	2027
Water Engineering	$ 1,140,067	$ 9,861,752	$ 11,001,819
Water Distribution	2,860,856	4,035,859	6,896,715
Water Murphree	113,406	438,988	552,394
Corporate Expenses	8,114	515,297	523,411
Total Capital Labor and Non-Labor	**$ 4,122,443**	**$ 14,851,896**	**$ 18,974,339**

	Labor and Fringe	Non-Labor	2026
Water Engineering	$ 1,304,097	$ 9,251,868	$ 10,555,965
Water Distribution	2,302,396	3,148,124	5,450,520
Water Murphree	5,588	589,850	595,438
Corporate Expenses	391,435	2,461,425	2,852,860
Total Capital Labor and Non-Labor	**$ 4,003,516**	**$ 15,451,267**	**$ 19,454,783**

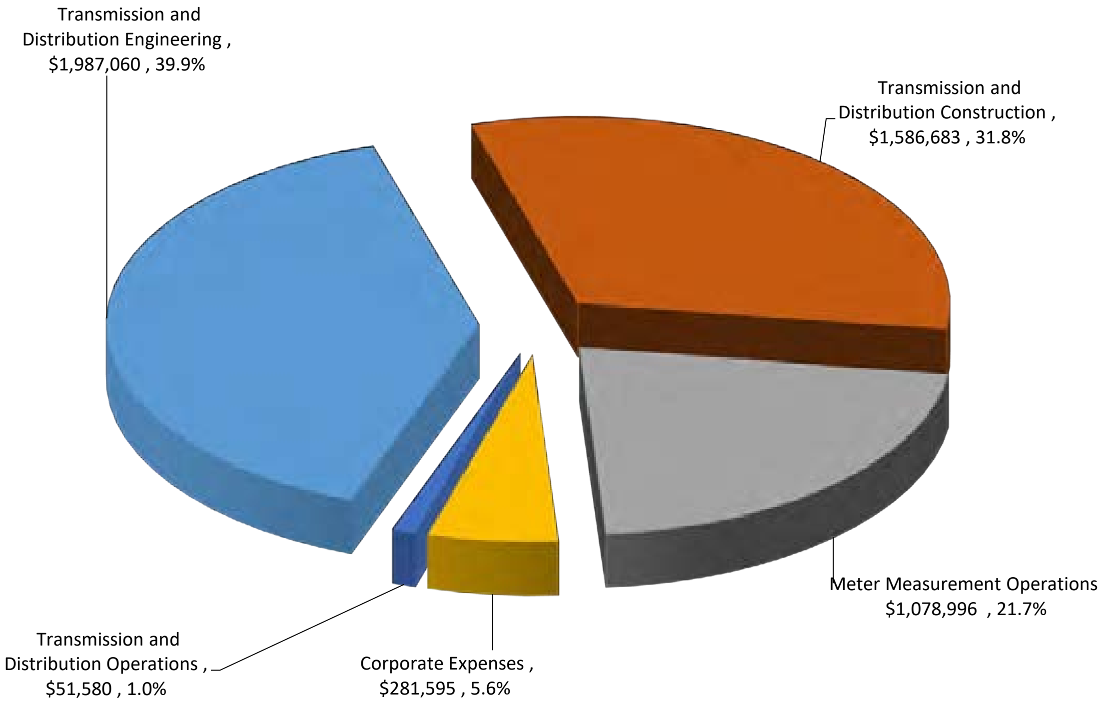
Wastewater System



	Labor and Fringe	Non-Labor	2027
Wastewater Engineering	$ 2,915,891	$ 64,427,187	$ 67,343,078
Wastewater Collection	2,253,886	2,477,549	4,731,435
Wastewater Lift Stations	290,150	1,187,784	1,477,934
Corporate Expenses	9,128	584,504	593,632
Kanapaha Water Reclamation Facility	106,825	371,594	478,419
Mainstreet Water Reclamation Facility	24,815	227,450	252,265
Reclaimed Water Distribution	914	127,513	128,427
Total Capital Labor and Non-Labor	**$ 5,601,609**	**$ 69,403,581**	**$ 75,005,190**

	Labor and Fringe	Non-Labor	2026
Wastewater Engineering	$ 2,417,571	$ 39,243,615	$ 41,661,186
Wastewater Collection	2,482,971	2,104,219	4,587,190
Wastewater Lift Stations	752,465	1,029,137	1,781,602
Corporate Expenses	3,443	1,077,692	1,081,135
Kanapaha Water Reclamation Facility	269,981	411,577	681,558
Mainstreet Water Reclamation Facility	1,256	251,000	252,256
Reclaimed Water Distribution	869	126,250	127,119
Total Capital Labor and Non-Labor	**$ 5,928,556**	**$ 44,243,490**	**$ 50,172,046**

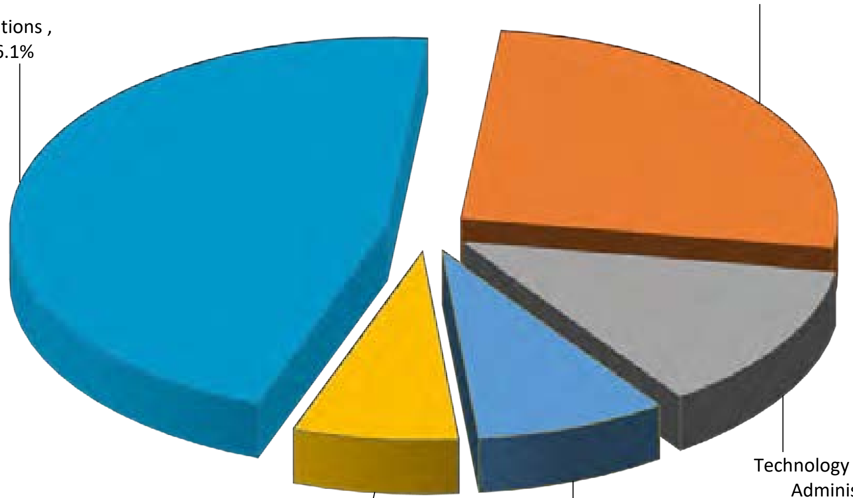
Gas System



	Labor and Fringe	Non-Labor	2027
Transmission and Distribution Engineering	$ 1,361,268	$ 625,792	$ 1,987,060
Transmission and Distribution Construction	1,336,916	249,767	1,586,683
Meter Measurement Operations	392,952	686,044	1,078,996
Corporate Expenses	4,695	276,900	281,595
Transmission and Distribution Operations	1,580	50,000	51,580
Total Capital Labor and Non-Labor	**$ 3,097,411**	**$ 1,888,503**	**$ 4,985,914**

	Labor and Fringe	Non-Labor	2026
Transmission and Distribution Engineering	$ 2,086,508	$ 577,837	$ 2,664,345
Transmission and Distribution Construction	356,869	286,009	642,878
Meter Measurement Operations	390,154	651,971	1,042,125
Corporate Expenses	1,029	365,372	366,401
Transmission and Distribution Operations	-	93,359	93,359
Total Capital Labor and Non-Labor	**$ 2,834,560**	**$ 1,974,548**	**$ 4,809,108**

Telecommunications System



	Labor and Fringe	Non-Labor	2027
Network Operations	$ 5,115	$ 719,030	$ 724,145
Engineering and Construction Administration	2,325	402,650	404,975
Technology and Services Administration	-	200,000	200,000
Customer Operations	23,664	105,205	128,869
Corporate Expenses	1,792	109,533	111,325
Towers 1-12	-	-	-
Business Administration	-	-	-
Total Capital Labor and Non-Labor	**$ 32,896**	**$ 1,536,418**	**$ 1,569,314**

	Labor and Fringe	Non-Labor	2026
Network Operations	$ 7,992	$ 359,000	$ 366,992
Engineering and Construction Administration	592	75,000	75,592
Technology and Services Administration	-	65,000	65,000
Customer Operations	149,521	544,222	693,743
Corporate Expenses	582	303,731	304,313
Towers 1-12	-	180,000	180,000
Business Administration	-	5,000	5,000
Total Capital Labor and Non-Labor	**$ 158,688**	**$ 1,531,952**	**$ 1,690,640**

REVENUES

Combined Systems

		2026		2027
Electric	$	301,948,721	$	297,904,588
Water		42,183,102		45,400,895
Wastewater		55,157,840		60,350,528
Gas		25,597,899		25,568,636
Telecommunications		8,025,472		9,211,824
Total Revenues	$	432,913,034	$	438,436,471

Overview

FY27 projected budgeted revenues include no projected revenue requirement increases in the Electric and Gas Systems. Water System includes a 2.0% base rate increase and the Wastewater System includes a 1.75% base rate increase. Fuel adjustment and purchased gas adjustment revenue, a pass-through to customers, is projected to increase slightly by approximately $367,786. The volatility in natural gas prices will be mitigated by savings related to natural gas prepay contracts already executed and authorized as well as financial hedging. Net of revenue requirement increases, fuel and transfers to/from the Rate Stabilization Fund, FY27 revenues are projected to be approximately $13.9 million or 3.8% higher than FY26 levels.

Please see individual pages for descriptions and highlights.

Electric System

	2026	2027
Residential sales	$ 93,366,717	$ 94,739,215
Residential rate change	-	-
Non-residential sales	104,943,839	106,628,866
Non-residential rate change	-	-
Fuel adjustment	84,289,697	84,865,793
Sales for Resale	527,519	-
Utility surcharge	5,213,410	5,078,579
South Energy Center	17,347,776	18,664,881
Innovation Energy Center	240,000	240,000
Other electric sales	6,010,000	7,025,000
Rate stabilization (to)/from	(22,068,895)	(35,043,583)
Other revenue	9,650,064	13,191,365
Interest income	2,428,594	2,514,472
Total Revenues	$ 301,948,721	$ 297,904,588

Overview

Residential and non-residential sales, excluding rate change revenue, increased by approximately $3.1 million or 1.5%. Total Electric System revenues net of fuel, transfers from the Rate Stabilization Fund, and rate change revenue decreased approximately $8.4 million or 3.5%.

Electric System

Description

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

Budget Highlights

- The number of electric customers is forecast to increase at an average annual rate of 0.6% per year over the next 10 years.
- Retail electric energy sales are forecast to increase at an average annual rate of 0.6% per year through fiscal year 2035.
- Revenues from retail electric energy sales are projected to increase at an average annual rate of 0.5% per year over the next 10 years, under current rates. This projection does not include any changes to electric rates.
- The forecast ten year average annual growth rate in residential average use is 0.2%.

Water System

	2026	2027
Sales of water	$ 32,347,324	$ 33,973,364
Rate change revenue	566,078	679,467
University of Florida	2,666,786	2,966,108
Utility surcharge	2,827,261	2,969,748
Rate stabilization (to)/from	(1,551,038)	(567,287)
Connection charges	1,135,000	1,106,000
Surcharge on connections	113,000	-
Other revenue	3,425,925	3,577,968
Interest income	652,766	695,527
Total Revenues	$ 42,183,102	$ 45,400,895

Overview

Net of transfers from or (to) the Rate Stabilization Fund and rate change increases, Water System revenues in FY27 are projected to increase by approximately $2.1 million or 4.9% compared to FY26.

Water System

Description

- Forecasts were developed from models that project number of customers and usage per customer for each major billing class. Demographic, economic, and climate related variables were incorporated from independent external sources. Revenue projections are the product of number of customers, billed sales and GRU's prevailing prices.
- Revenues are obtained from retail sales to residential and non-residential customers served by the potable water system and include monthly customer charges and usage charges (Kgal) based on metered water sales.
- UF Revenues represent wholesale water sales to the UF campus, which maintains its own distribution system, as well as off-campus UF facilities.
- Cumulative increases in retail revenues from proposed rate changes are shown as rate change revenue.
- The SEC, as described in the Electric System, is a generation facility that became operational in 2009 and is served by the Water System.
- A surcharge of 25% is collected outside the incorporated area of the City of Gainesville.
- Connection fees are collected to recover the costs of meter installations, transmission and distribution, and water treatment and supply required for each new customer. GRU stopped assessing a surcharge on connection charges in FY25.
- Interest income is generated from the investment earnings for the Operating Fund, Rate Stabilization Fund and Utility Plant Improvement Fund for each system.
- Rate Stabilization revenues are withdrawals from (if positive) or deposits to (if negative) Rate Stabilization Fund.

Budget Highlights

- The number of total water customers is forecast to increase at an average annual rate of 0.5% per year over the next 10 years.
- Total water sales are forecast to increase at an average annual rate of 0.3% per year through 2035.
- Revenues from water sales, including sales related to UF and surcharge revenues, are projected to increase at an average annual rate of 0.3% per year over the next 10 years. This projection includes a 2.0% increase to rates for water service.

Wastewater System

	2026	2027
Wastewater charges	$ 47,986,597	$ 49,891,574
Rate change revenue	472,595	860,050
Utility surcharge	3,891,857	4,076,404
South Energy Center	91,764	91,764
Biosolids	300,000	300,000
Rate stabilization (to)/from	(4,871,747)	(2,092,676)
Connection charges	1,992,000	1,935,000
Surcharge on connections	199,000	-
Other revenue	4,014,999	3,941,974
Interest income	1,080,775	1,346,438
Total Revenues	$ 55,157,840	$ 60,350,528

Overview

Net of transfers to the Rate Stabilization Fund and rate change revenue, FY27 revenues are projected to increase by approximately $2.0 million or 3.4% from FY26 levels.

Wastewater System

Description

- Forecasts were developed from models that project number of customers and usage per customer for each major billing class. Demographic, economic, and climate related variables were incorporated from independent external sources. Revenue projections are the product of number of customers, billed quantities and GRU's prevailing prices.
- Revenues are obtained from wastewater charges to residential and non-residential customers served by our wastewater collection, treatment, re-use and disposal systems.
- Cumulative increases in retail revenues from proposed rate changes are shown as rate change revenue.
- Wastewater is not metered.
- The SEC is a generation facility that became operational in 2009 and is served by the Wastewater System.
- Biosolids revenue is generated for the receipt, treatment and beneficial reuse of waste residuals of other municipalities and septage haulers.
- A surcharge of 25% is collected from customers outside the incorporated area of the City of Gainesville.
- Connection charges are collected to recover the capital costs of wastewater collection and treatment required for each new customer. GRU stopped assessing a surcharge on connection charges in FY25.
- Interest income is generated from the investment earnings for the Operating Fund, Rate Stabilization Fund and Utility Plant Improvement Fund for each System.
- Rate Stabilization revenues are withdrawals from (if positive) or deposits to (if negative) Rate Stabilization Fund.

Budget Highlights

- The number of total wastewater customers is forecast to increase at an average annual rate of 0.5% per year over the next 10 years.
- The quantity of wastewater billed to all customers is forecast to increase at an average annual rate of 0.3% per year through fiscal year 2035.
- Revenues from wastewater system monthly billings are projected to increase at an average annual rate of 0.4% per year over the next 10 years. This projection includes a 1.75% increase to wastewater rates.

Gas System

		2026		2027
Residential	$	8,591,620	$	8,584,389
Residential rate change revenue		-		-
Non-residential		5,462,926		5,470,557
Non-residential rate change revenue		-		-
Purchased gas adjustment		10,665,465		10,457,155
Utility surcharge		610,993		617,867
Manufactured gas plant		1,238,670		1,240,219
Rate stabilization (to)/from		(2,721,695)		(2,718,431)
Other revenue		1,393,588		1,596,436
Interest income		356,332		320,444
Total Revenue	$	25,597,899	$	25,568,636

Overview

Net of fuel, transfers (to)/from the Rate Stabilization Fund and rate change revenues, Gas System revenues are projected to increase by approximately $175,783 or 1.0%.

Gas System

Description

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

Budget Highlights

- The number of retail natural gas system customers is forecast to increase at an average annual rate of 0.6% per year over the next 10 years.
- Total retail natural gas system energy sales are forecast to increase at an average annual rate of 0.3% per year through fiscal year 2035.
- Non-fuel revenues from sales to retail natural gas customers are projected to increase at an average rate of 0.4% per year over the next 10 years. This projection does not include any changes to natural gas rates.

Telecommunications System

		2026		2027
Telecommunications	$	5,850,385	$	6,904,519
Tower lease rental		2,102,337		2,161,723
Rate stabilization (to)/from		-		-
Other revenue		72,750		145,582
Interest income		-		-
Total Sales	$	8,025,472	$	9,211,824

Overview

Telecommunications System revenues are projected to increase by approximately $1.2 million or 14.8%.

Telecommunications System

Description

- Telecommunications revenues are based on historical sales trends, anticipated minimal customer growth and competitive market conditions. Projections reflect an expectation for continued minimal growth in business services and a continued erosion in carrier services.
- Tower lease rental services are primarily tower space leases with Personal Wireless Communications Services (PCS) providers. Revenues from new leases executed in recent months are included in the forecast. Tower space leases contain provisions for automatic annual rent increases included in the projections.

Budget Highlights

- GRUCom continues as its mission to provide support through internal data transport services for GRU, building / supporting connectivity for the SCADA network and offering advanced fiber connectivity as an internal resource.
- GRUCom data and Internet services continue to be in high demand by local businesses.
- GRUCom is now offering “Gator Net Wi-Fi” Internet service to residential multiple dwelling units and student housing communities. It is expected that demand for this Wi-Fi service offering will continue to increase as housing consumers seek the benefits of wireless Internet access backed by fiber-to-the-home (FTTH) technology and ultra-fast broadband services. GRUCom continues to receive requests from existing and newly developed apartment complexes for GATOR NET services (both wired and wireless). Revenues from these new contracts are included in projections.
- Alachua County School Board Selects GRUCom: GRUCom has been awarded the Alachua County School Board contract for internet and network services for 47 locations. The new network will have a state-of-the-art 100-gigabit backbone. Each location will receive new equipment, and the internet will now have DDoS protection, which filters traffic and adds improved safeguards against cyberattacks. The project, which utilizes federal funding through the FCC/USAC E-Rate program, was completed on June 30, 2026, and is projected to generate annual revenue of $1.9 million.

PAYROLL

Combined Systems

	Labor	Fringe	2027
Energy Supply	$ 18,283,628	$ 6,201,436	$ 24,485,064
Energy Delivery	20,381,321	7,011,938	27,393,259
Water	5,872,357	2,013,179	7,885,536
Wastewater	8,269,011	2,839,322	11,108,333
Gas	3,045,894	1,047,650	4,093,544
Telecommunications	2,634,350	897,673	3,532,023
Administration	5,693,234	1,973,217	7,666,451
Customer Support Services	4,416,066	1,531,101	5,947,167
Budget, Finance & Accounting	5,203,827	1,757,047	6,960,874
Information Technology	7,092,587	2,294,903	9,387,490
Total Payroll	**$ 80,892,275**	**$ 27,567,466**	**$ 108,459,741**

	Labor	Fringe	2026
Energy Supply	$ 17,147,612	$ 5,745,710	$ 22,893,322
Energy Delivery	19,440,976	6,557,919	25,998,895
Water	5,636,235	1,887,784	7,524,019
Wastewater	7,958,158	2,671,588	10,629,746
Gas	2,885,202	966,127	3,851,329
Telecommunications	2,603,890	864,589	3,468,479
Administration	5,530,163	1,849,219	7,379,382
Customer Support Services	4,384,275	1,469,351	5,853,626
Budget, Finance & Accounting	4,915,481	1,604,927	6,520,408
Information Technology	5,891,677	1,978,776	7,870,453
Total Payroll	**$ 76,393,669**	**$ 25,595,990**	**$ 101,989,659**

Full Time Equivalent (FTE)	**2026**	**2027**
MAP	308.00	311.00
CWA	574.25	556.75
Total FTEs Authorized	**882.25**	**867.75**

Energy Supply

	Labor		Fringe		2027
Deerhaven Operations	$ 4,430,785	$	1,500,166	$	5,930,951
Deerhaven Renewables Operations	2,994,741		1,026,801		4,021,542
Major Maintenance Group	2,254,160		782,561		3,036,721
Kelly Plant Operations	2,263,393		764,505		3,027,898
Energy Supply Administration	1,711,402		587,118		2,298,520
Production Assurance Support	1,258,411		385,931		1,644,342
Energy Supply Water Systems	1,207,684		398,981		1,606,665
South Energy Center	842,749		299,061		1,141,810
Deerhaven Renewables Administration	399,093		137,677		536,770
Fuels	345,809		119,304		465,113
Deerhaven Administration	297,946		103,647		401,593
Kelly Plant Administration	277,453		95,684		373,137
Energy Supply System Control	-		-		-
Total Payroll	**$ 18,283,626**	**$**	**6,201,436**	**$**	**24,485,062**

	Labor		Fringe		2026
Deerhaven Operations	$ 4,099,954	$	1,376,551	$	5,476,505
Deerhaven Renewables Operations	2,867,848		965,938		3,833,786
Major Maintenance Group	2,234,279		751,088		2,985,367
Kelly Plant Operations	2,082,295		696,452		2,778,747
Energy Supply Administration	1,670,738		553,071		2,223,809
Production Assurance Support	970,175		327,539		1,297,714
Energy Supply Water Systems	1,046,336		344,330		1,390,666
South Energy Center	883,241		295,978		1,179,219
Deerhaven Renewables Administration	388,778		130,784		519,562
Fuels	337,007		113,281		450,288
Deerhaven Administration	296,888		99,879		396,767
Kelly Plant Administration	270,073		90,819		360,892
Energy Supply System Control	-		-		-
Total Payroll	**$ 17,147,612**	**$**	**5,745,710**	**$**	**22,893,322**

Full Time Equivalent (FTE)	**2026**	**2027**
MAP	42.00	43.00
CWA	139.00	138.00
Total FTEs Authorized	**181.00**	**181.00**

Energy Delivery

	Labor	Fringe	2027
Electric Transmission and Distribution	$ 7,247,388	$ 2,474,454	$ 9,721,842
Energy Delivery/Administration	4,721,255	1,612,322	6,333,577
Energy Delivery Systems Control	3,725,183	1,311,212	5,036,395
Substation/Relay/Relay Engineering	2,052,494	706,737	2,759,231
Energy Delivery Electric Engineering	1,826,083	627,869	2,453,952
Electric Meter Measurement	808,918	279,344	1,088,262
Total Payroll	**$ 20,381,321**	**$ 7,011,938**	**$ 27,393,259**

	Labor	Fringe	2026
Electric Transmission and Distribution	$ 6,831,002	$ 2,339,409	$ 9,170,411
Energy Delivery/Administration	4,379,259	1,476,523	5,855,782
Energy Delivery Systems Control	3,732,429	1,233,438	4,965,867
Substation/Relay/Relay Engineering	1,983,516	659,825	2,643,341
Energy Delivery Electric Engineering	1,723,170	584,269	2,307,439
Electric Meter Measurement	791,600	264,455	1,056,055
Total Payroll	**$ 19,440,976**	**$ 6,557,919**	**$ 25,998,895**

Full Time Equivalent (FTE)	**2026**	**2027**
MAP	54.00	52.00
CWA	163.00	149.00
Total FTEs Authorized	**217.00**	**201.00**

Water

	Labor	Fringe	2027
Distribution	$ 2,820,250	$ 964,261	$ 3,784,511
Murphree Water Treatment Plant	1,541,785	525,518	2,067,303
Engineering	918,473	318,840	1,237,313
Water / Wastewater Engineering	346,742	119,682	466,424
Water / Wastewater Administration	245,107	84,878	329,985
Total Payroll	**$ 5,872,357**	**$ 2,013,179**	**$ 7,885,536**

	Labor	Fringe	2026
Distribution	$ 2,683,568	$ 898,914	$ 3,582,482
Murphree Water Treatment Plant	1,453,954	487,771	1,941,725
Engineering	923,814	307,683	1,231,497
Water / Wastewater Engineering	336,377	113,231	449,608
Water / Wastewater Administration	238,522	80,185	318,707
Total Payroll	**$ 5,636,235**	**$ 1,887,784**	**$ 7,524,019**

Full Time Equivalent (FTE)	**2026**	**2027**
MAP	12.00	14.00
CWA	53.00	52.00
Total FTEs Authorized	**65.00**	**66.00**

Wastewater

		Labor		Fringe		2027
Wastewater Collection	$	3,055,096	$	1,041,189	$	4,096,285
Kanapaha Water Reclamation Facility		1,494,153		515,397		2,009,550
Wastewater Engineering		1,437,669		499,493		1,937,162
Mainstreet Water Reclamation Facility		1,010,369		354,215		1,364,584
Wastewater Lift Stations		971,943		326,867		1,298,810
Wastewater Kanapaha Lab		299,780		101,849		401,629
Reclaimed Water Distribution		-		313		313
Total Payroll	**$**	**8,269,010**	**$**	**2,839,323**	**$**	**11,108,333**

		Labor		Fringe		2026
Wastewater Collection	$	2,881,150	$	964,992	$	3,846,142
Kanapaha Water Reclamation Facility		1,435,168		485,218		1,920,386
Wastewater Engineering		1,448,211		485,438		1,933,649
Mainstreet Water Reclamation Facility		1,028,719		344,929		1,373,648
Wastewater Lift Stations		883,261		295,306		1,178,567
Wastewater Kanapaha Lab		280,015		94,122		374,137
Reclaimed Water Distribution		1,634		1,583		3,217
Total Payroll	**$**	**7,958,158**	**$**	**2,671,588**	**$**	**10,629,746**

Full Time Equivalent (FTE)	2026	2027
MAP	22.00	17.00
CWA	74.00	77.00
Total FTEs Authorized	**96.00**	**94.00**

Gas

	Labor	Fringe	2027
Transmission and Distribution Operations	$ 970,321	$ 328,789	$ 1,299,110
Transmission and Distribution Construction	716,304	242,209	958,513
Meter Measurement Operations	602,497	213,891	816,388
Transmission and Distribution Engineering	349,667	117,210	466,877
Transmission and Distribution Administration	260,727	87,151	347,878
Marketing	146,377	58,399	204,776
Total Payroll	**$ 3,045,893**	**$ 1,047,649**	**$ 4,093,542**

	Labor	Fringe	2026
Transmission and Distribution Operations	$ 900,387	$ 301,618	$ 1,202,005
Transmission and Distribution Construction	660,113	221,999	882,112
Meter Measurement Operations	634,129	212,460	846,589
Transmission and Distribution Engineering	314,533	105,519	420,052
Transmission and Distribution Administration	233,926	76,751	310,677
Marketing	142,114	47,780	189,894
Total Payroll	**$ 2,885,202**	**$ 966,127**	**$ 3,851,329**

Full Time Equivalent (FTE)	2026	2027
MAP	5.00	6.00
CWA	34.00	32.00
Total FTEs Authorized	**39.00**	**38.00**

Telecommunications

	Labor	Fringe	2027
Construction	$ 444,837	$ 155,411	$ 600,248
Network Operations Center	424,668	135,037	559,705
Technical Services	408,949	140,111	549,060
Engineering	387,694	122,947	510,641
Electronics	263,443	91,009	354,452
Business Administration	248,945	85,849	334,794
Chief Officer	187,863	64,917	252,780
Technology and Services Administration	164,516	66,599	231,115
Work Management	103,434	35,619	139,053
Engineering and Construction Administration	-	175	175
Total Payroll	**$ 2,634,349**	**$ 897,674**	**$ 3,532,023**

	Labor	Fringe	2026
Construction	$ 448,729	$ 150,492	$ 599,221
Network Operations Center	407,706	127,326	535,032
Technical Services	390,026	132,423	522,449
Engineering	294,091	99,482	393,573
Electronics	257,771	86,507	344,278
Business Administration	241,439	82,334	323,773
Chief Officer	183,084	62,609	245,693
Technology and Services Administration	280,755	87,900	368,655
Work Management	100,289	33,714	134,003
Engineering and Construction Administration	-	1,802	1,802
Total Payroll	**$ 2,603,890**	**$ 864,589**	**$ 3,468,479**

Full Time Equivalent (FTE)	**2026**	**2027**
MAP	12.00	12.00
CWA	17.00	17.00
Total FTEs Authorized	**29.00**	**29.00**

Administration

	Labor	Fringe	2027
Safety and Training	$ 1,190,747	$ 405,574	$ 1,596,321
Utilities Stores	869,890	301,859	1,171,749
Chief People Officer	794,248	253,201	1,047,449
Chief Executive Officer	730,518	252,918	983,436
Community Relations	377,871	138,070	515,941
Communications	342,273	120,147	462,420
Facilities Maintenance	322,333	114,119	436,452
Electric Reliability	295,148	101,874	397,022
Chief Operating Officer	259,409	97,869	357,278
Administrative Services	242,564	89,831	332,395
Land Rights / Real Estate	186,401	69,255	255,656
Mail Services	81,831	28,500	110,331
Total Payroll	**$ 5,693,233**	**$ 1,973,217**	**$ 7,666,450**

	Labor	Fringe	2026
Safety and Training	$ 1,080,026	$ 362,555	$ 1,442,581
Utilities Stores	861,840	288,839	1,150,679
Chief People Officer	618,889	201,059	819,948
Chief Executive Officer	720,699	239,676	960,375
Community Relations	431,251	140,091	571,342
Communications	329,126	115,015	444,141
Facilities Maintenance	336,643	113,068	449,711
Electric Reliability	286,781	93,596	380,377
Chief Operating Officer	314,671	109,300	423,971
Administrative Services	286,434	92,683	379,117
Land Rights / Real Estate	181,972	65,851	247,823
Mail Services	81,831	27,486	109,317
Total Payroll	**$ 5,530,163**	**$ 1,849,219**	**$ 7,379,382**

Full Time Equivalent (FTE)	2026	2027
MAP	36.00	38.00
CWA	29.00	28.00
Total FTEs Authorized	**65.00**	**66.00**

Customer Support Services

	Labor	Fringe	2027
Customer Services	$ 1,748,518	$ 608,542	$ 2,357,060
Billing and Customer Solutions	712,868	253,233	966,101
Energy and Business Services	688,382	228,207	916,589
Customer Operations	483,253	181,921	665,174
New Services	370,443	137,333	507,776
Chief Customer Officer	215,060	54,563	269,623
Revenue Assurance	197,542	67,300	264,842
Total Payroll	**$ 4,416,066**	**$ 1,531,099**	**$ 5,947,165**

	Labor	Fringe	2026
Customer Services	$ 1,742,886	$ 584,768	$ 2,327,654
Billing and Customer Solutions	751,087	252,228	1,003,315
Energy and Business Services	677,467	218,060	895,527
Customer Operations	517,906	181,784	699,690
New Services	432,016	144,731	576,747
Chief Customer Officer	57,017	20,927	77,944
Revenue Assurance	205,896	66,853	272,749
Total Payroll	**$ 4,384,275**	**$ 1,469,351**	**$ 5,853,626**

Full Time Equivalent (FTE)	**2026**	**2027**
MAP	17.00	19.00
CWA	55.25	54.75
Total FTEs Authorized	**72.25**	**73.75**

Budget, Finance & Accounting

	Labor	Fringe	2027
Chief Financial Officer	$ 1,565,055	$ 473,553	$ 2,038,608
Financial Accounting	913,272	322,038	1,235,310
Project Management	873,333	329,913	1,203,246
Budgeting, Rates and Forecasting	571,990	192,275	764,265
Procurement	508,820	191,487	700,307
Accounts Payable	324,780	94,498	419,278
Treasury	282,520	97,493	380,013
Managerial Accounting	164,058	55,790	219,848
Total Payroll	**$ 5,203,828**	**$ 1,757,047**	**$ 6,960,875**

	Labor	Fringe	2026
Chief Financial Officer	$ 1,028,849	$ 340,827	$ 1,369,676
Financial Accounting	946,624	318,058	1,264,682
Project Management	1,174,302	344,797	1,519,099
Budgeting, Rates and Forecasting	517,485	175,214	692,699
Procurement	570,677	198,346	769,023
Accounts Payable	242,270	81,963	324,233
Treasury	275,502	92,614	368,116
Managerial Accounting	159,772	53,108	212,880
Total Payroll	**$ 4,915,481**	**$ 1,604,927**	**$ 6,520,408**

Full Time Equivalent (FTE)	**2026**	**2027**
MAP	47.00	49.00
CWA	5.00	5.00
Total FTEs Authorized	**52.00**	**54.00**

Information Technology

	Labor	Fringe	2027
Technical Management	$ 2,469,234	$ 945,489	$ 3,414,723
Administration	2,505,403	659,154	3,164,557
Application Management	2,117,950	690,259	2,808,209
Projected Reduction	-	-	-
Total Payroll	**$ 7,092,587**	**$ 2,294,902**	**$ 9,387,489**

	Labor	Fringe	2026
Technical Management	$ 3,112,239	$ 1,064,434	$ 4,176,673
Administration	2,111,661	711,596	2,823,257
Application Management	1,941,757	628,766	2,570,523
Projected Reduction	(1,273,980)	(426,020)	(1,700,000)
Total Payroll	**$ 5,891,677**	**$ 1,978,776**	**$ 7,870,453**

Full Time Equivalent (FTE)	**2026**	**2027**
MAP	62.00	61.00
CWA	4.00	4.00
Total FTEs Authorized	**66.00**	**65.00**

O&M NON-LABOR

Combined Systems

		2027
Energy Supply	$	19,045,511
Energy Delivery		9,860,804
Water		10,645,138
Wastewater		8,968,094
Gas		639,036
Telecommunications		3,754,575
Administration		5,962,032
Customer Support Services		2,605,745
Budget, Finance and Accounting		784,069
Information Technology		14,106,836
Corporate Expenses		16,570,870
Total Operations and Maintenance Non-Labor	**$**	**92,942,710**

		2026
Energy Supply	$	17,958,015
Energy Delivery		9,656,129
Water		10,181,528
Wastewater		8,580,739
Gas		627,567
Telecommunications		3,681,466
Administration		5,181,341
Customer Support Services		2,469,412
Budget, Finance and Accounting		704,362
Information Technology		12,241,788
Corporate Expenses		14,417,025
Total Operations and Maintenance Non-Labor	**$**	**85,699,372**

Energy Supply

		2027
South Energy Center	$	4,969,195
Major Maintenance Group		4,799,066
Deerhaven Operations		2,923,459
Deerhaven Renewables Operations		2,445,581
Energy Supply Water Systems		1,521,041
Kelly Plant Operations		1,337,979
Energy Supply Administration		669,750
Innovation Energy Center		328,440
Production Assurance Support		40,700
Fuels		10,300
Total Operations and Maintenance Non-Labor	**$**	**19,045,511**

		2026
South Energy Center	$	3,876,724
Major Maintenance Group		4,908,178
Deerhaven Operations		2,891,800
Deerhaven Renewables Operations		2,542,583
Energy Supply Water Systems		1,307,900
Kelly Plant Operations		1,430,320
Energy Supply Administration		632,402
Innovation Energy Center		319,118
Production Assurance Support		39,100
Fuels		9,890
Total Operations and Maintenance Non-Labor	**$**	**17,958,015**

Energy Delivery

	2027
Electric Transmission and Distribution	$ 5,024,998
Energy Delivery Systems Control	1,776,453
Energy Delivery/Administration	1,385,965
AMI Operations	850,088
Substation/Relay/Relay Engineering	593,118
Energy Delivery Electric Engineering	153,261
Electric Meter Measurement	76,921
Total Operations and Maintenance Non-Labor	**$ 9,860,804**

	2026
Electric Transmission and Distribution	$ 4,980,365
Energy Delivery Systems Control	1,779,818
Energy Delivery/Administration	1,196,759
AMI Operations	838,276
Substation/Relay/Relay Engineering	596,222
Energy Delivery Electric Engineering	177,668
Electric Meter Measurement	87,021
Total Operations and Maintenance Non-Labor	**$ 9,656,129**

Water

	2027
Murphree Water Treatment Plant	$ 9,343,993
Water / Wastewater Engineering	558,095
Distribution	516,950
Engineering	162,000
Water / Wastewater Administration	64,100
Total Operations and Maintenance Non-Labor	**$ 10,645,138**

	2026
Murphree Water Treatment Plant	$ 8,956,529
Water / Wastewater Engineering	353,326
Distribution	498,173
Engineering	321,000
Water / Wastewater Administration	52,500
Total Operations and Maintenance Non-Labor	**$ 10,181,528**

Wastewater

		2027
Kanapaha Water Reclamation Facility	$	4,881,957
Mainstreet Water Reclamation Facility		2,066,888
Wastewater Lift Stations		1,239,319
Wastewater Collection		459,800
Wastewater Kanapaha Lab		263,630
Wastewater Engineering		31,500
Reclaimed Water Distribution		25,000
Total Operations and Maintenance Non-Labor	**$**	**8,968,094**

		2026
Kanapaha Water Reclamation Facility	$	4,597,825
Mainstreet Water Reclamation Facility		2,139,006
Wastewater Lift Stations		1,055,988
Wastewater Collection		448,440
Wastewater Kanapaha Lab		239,680
Wastewater Engineering		81,750
Reclaimed Water Distribution		18,050
Total Operations and Maintenance Non-Labor	**$**	**8,580,739**

Gas

		2027
Marketing	$	268,392
Meter Measurement Operations		138,185
Transmission and Distribution Construction		84,810
Transmission and Distribution Operations		78,828
Transmission and Distribution Administration		45,202
Transmission and Distribution Engineering		23,619
Total Operations and Maintenance Non-Labor	**$**	**639,036**

		2026
Marketing	$	263,947
Meter Measurement Operations		132,281
Transmission and Distribution Construction		90,853
Transmission and Distribution Operations		77,808
Transmission and Distribution Administration		40,276
Transmission and Distribution Engineering		22,402
Total Operations and Maintenance Non-Labor	**$**	**627,567**

Telecommunications

	2027
Network Operations	$ 1,148,157
Customer Operations	534,032
Business Administration	369,232
Internet Operations	319,965
Towers 1 - 12	319,882
Technical Services	211,850
Central Office Operations	209,967
Technology and Services Administration	167,266
GatorNet	143,146
Chief Officer	122,856
Engineering	102,099
Network Operations Center	63,654
Construction	28,140
Electronics	13,799
Data Service Centers	530
Total Operations and Maintenance Non-Labor	**$ 3,754,575**

	2026
Network Operations	$ 1,245,192
Customer Operations	449,040
Business Administration	379,773
Internet Operations	270,046
Towers 1 - 12	242,958
Technical Services	190,000
Central Office Operations	222,042
Technology and Services Administration	154,925
GatorNet	124,224
Chief Officer	139,074
Engineering	163,150
Network Operations Center	61,800
Construction	24,497
Electronics	14,230
Data Service Centers	515
Total Operations and Maintenance Non-Labor	**$ 3,681,466**

Administration

		2027
Facilities Maintenance	$	3,679,936
Administrative Services		678,003
Communications		387,950
Chief Executive Officer		350,128
Safety and Training		299,950
Community Relations		210,482
Mail Services		132,750
Chief People Officer		129,251
Land Rights / Real Estate		48,950
Utilities Stores		27,645
Electric Reliability		13,963
Chief Operating Officer		3,024
Total Operations and Maintenance Non-Labor	**$**	**5,962,032**

		2026
Facilities Maintenance	$	3,300,136
Administrative Services		614,095
Communications		409,013
Chief Executive Officer		48,204
Safety and Training		291,422
Community Relations		212,276
Mail Services		132,750
Chief People Officer		84,411
Land Rights / Real Estate		48,750
Utilities Stores		24,679
Electric Reliability		12,669
Chief Operating Officer		2,936
Total Operations and Maintenance Non-Labor	**$**	**5,181,341**

Customer Support Services

		2027
Billing and Customer Solutions	$	971,485
Energy and Business Services		700,466
Customer Services		587,675
Revenue Assurance		180,300
New Services		118,634
Customer Operations		25,060
Chief Customer Officer		22,125
Total Operations and Maintenance Non-Labor	**$**	**2,605,745**

		2026
Billing and Customer Solutions	$	893,304
Energy and Business Services		687,958
Customer Services		558,250
Revenue Assurance		175,067
New Services		112,884
Customer Operations		20,560
Chief Customer Officer		21,389
Total Operations and Maintenance Non-Labor	**$**	**2,469,412**

Budget, Finance & Accounting

	2027
Chief Financial Officer	$ 317,584
Treasury	203,744
Project Management	119,554
Procurement	73,195
Financial Accounting	34,400
Accounts Payable	13,635
Managerial Accounting	12,395
Budgeting, Rates and Forecasting	9,562
Total Operations and Maintenance Non-Labor	**$ 784,069**

	2026
Chief Financial Officer	$ 114,159
Treasury	203,500
Project Management	105,511
Procurement	49,383
Financial Accounting	39,207
Accounts Payable	13,240
Managerial Accounting	20,079
Budgeting, Rates and Forecasting	159,283
Total Operations and Maintenance Non-Labor	**$ 704,362**

Information Technology

	2027
Administration	$ 8,944,527
AMI Project	4,346,449
Technical Management	461,600
Application Management	354,260
Total Operations and Maintenance Non-Labor	**$ 14,106,836**

	2026
Administration	$ 9,123,532
AMI Project	2,184,421
Technical Management	579,575
Application Management	354,260
Total Operations and Maintenance Non-Labor	**$ 12,241,788**

Corporate Expenses

		2027
Property Insurance - Plant	$	3,795,925
Uncollectible Accounts		3,475,552
Vehicle and Transportation		2,420,929
Insurance Premiums		1,754,777
Risk Management		1,630,118
Debt Service Fees		1,591,203
Legal Services		834,793
Merit Increase Placeholder (0.5%)		500,000
Audit Fees		461,383
Worker's Compensation		368,185
Joint Services - General Government		358,844
Insurance - Transportation Eq Liability		154,149
Bank Fees		80,000
General Liability Claims Paid		74,500
Misc Permit Fees (ROW)		-
Fleet Expenses to Capital		(929,488)
Total Operations and Maintenance Non-Labor	**$**	**16,570,870**

		2026
Property Insurance - Plant	$	3,635,351
Uncollectible Accounts		1,358,077
Vehicle and Transportation		3,997,456
Insurance Premiums		1,592,046
Risk Management		377,785
Debt Service Fees		1,588,164
Legal Services		809,750
Merit Increase Placeholder (0.5%)		513,484
Audit Fees		444,984
Worker's Compensation		135,842
Joint Services - General Government		936,968
Insurance - Transportation Eq Liability		210,085
Bank Fees		78,000
General Liability Claims Paid		40,622
Misc Permit Fees (ROW)		327,540
Fleet Expenses to Capital		(1,629,129)
Total Operations and Maintenance Non-Labor	**$**	**14,417,025**

FUELS

Fuels Expenses

		2027
Natural Gas	$	55,410,264
Biomass		20,823,776
Local Distribution Customer Sales		10,457,155
Purchased Power		4,591,373
SolarFit		4,010,903
Renewable Energy Credits		20,402
Coal		9,075
Total Fuels	**$**	**95,322,948**

		2026
Natural Gas	$	54,630,401
Biomass		19,311,287
Local Distribution Customer Sales		10,665,465
Purchased Power		3,376,924
SolarFit		3,541,895
Renewable Energy Credits		40,000
Coal		3,389,190
Total Fuels	**$**	**94,955,162**

USES OF NET REVENUE

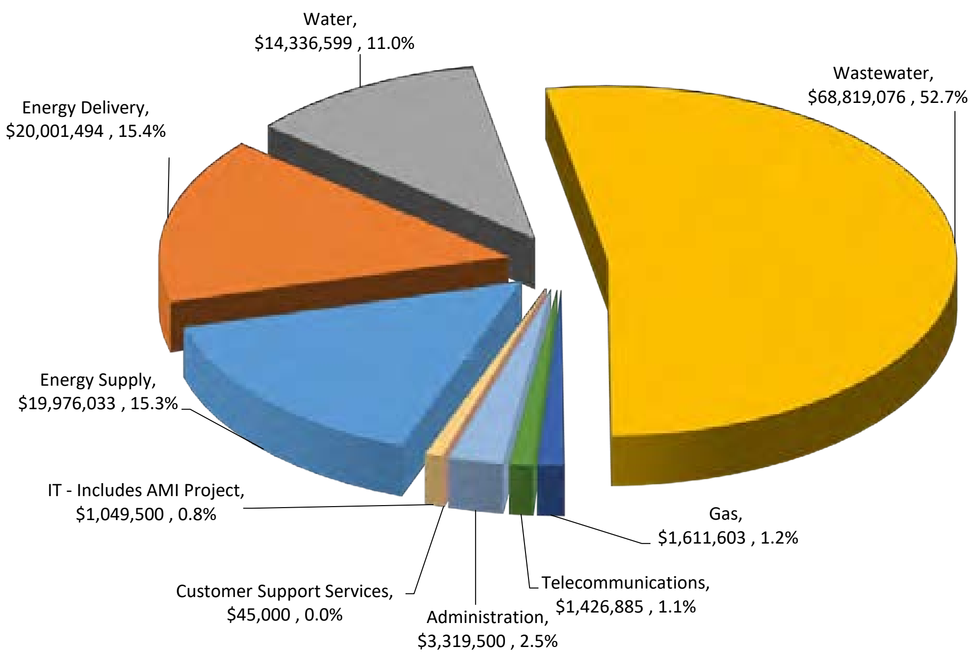
Combined Systems

	2027
Debt Service	$ 103,360,687
Utility Plant Improvement Fund	35,404,536
General Fund Transfer	8,505,226
Debt Defeasance from Excess Revenues	6,433,010
Debt Defeasance from Budget Reductions	2,800,000
Debt Defeasance from GFT reduction	10,977,777
Debt Defeasance from Treasury	5,066,889
Total Uses of Net Revenues	**$ 172,548,125**

	2026
Debt Service	$ 104,915,569
Utility Plant Improvement Fund	40,059,434
General Fund Transfer	8,505,226
Debt Defeasance from Excess Revenues	6,433,010
Debt Defeasance from Budget Reductions	2,800,000
Debt Defeasance from GFT reduction	12,977,777
Debt Defeasance from Treasury	5,444,978
Total Uses of Net Revenues	**$ 181,135,994**

CAPITAL NON-LABOR

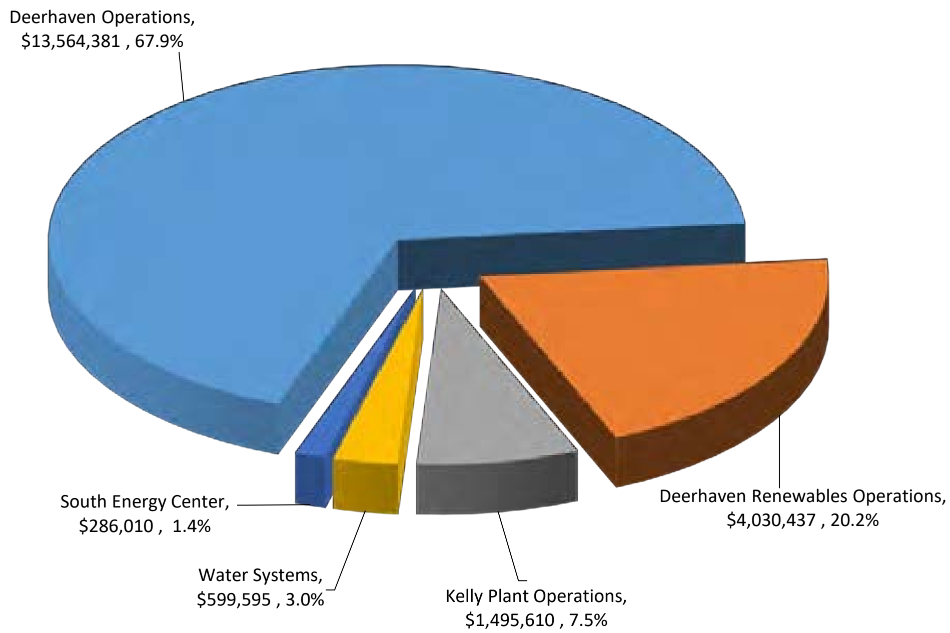
Combined Systems



		2027
Energy Supply	$	19,976,033
Energy Delivery		20,001,494
Water		14,336,599
Wastewater		68,819,076
Gas		1,611,603
Telecommunications		1,426,885
Administration		3,319,500
Customer Support Services		45,000
Budget, Finance and Accounting		-
IT - Includes AMI Project		1,049,500
Total Capital Non-Labor	**$**	**130,585,690**

		2026
Energy Supply	$	14,727,196
Energy Delivery		17,275,238
Water		12,989,841
Wastewater		43,165,799
Gas		1,609,176
Telecommunications		1,228,222
Administration		1,665,000
Customer Support Services		-
Budget, Finance and Accounting		-
IT - Includes AMI and CIS Projects		8,609,610
Total Capital Non-Labor	**$**	**101,270,082**

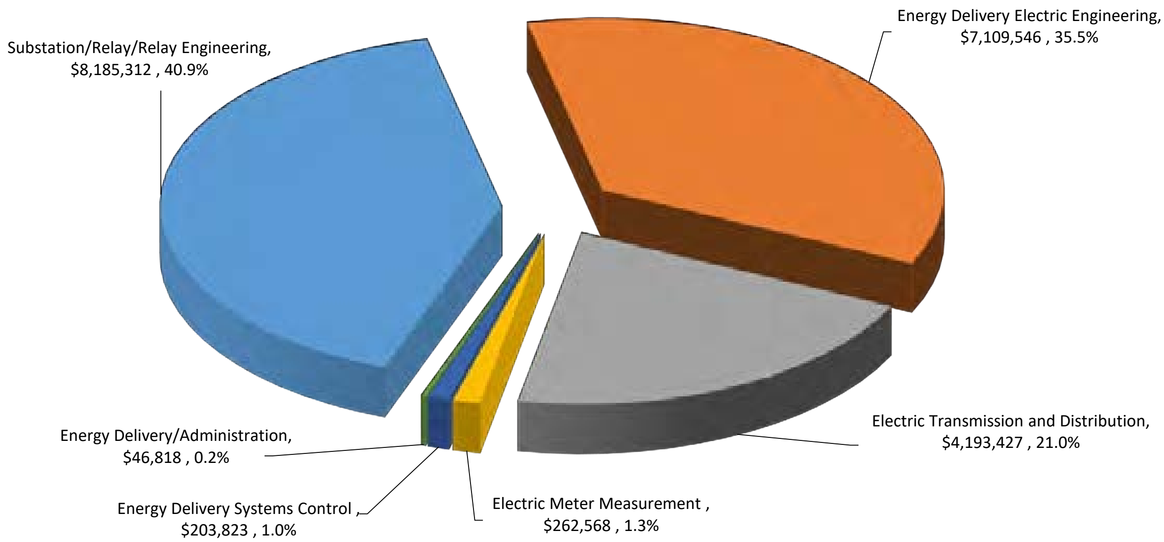
Energy Supply



		2027
Deerhaven Operations	$	13,564,381
Deerhaven Renewables Operations		4,030,437
Kelly Plant Operations		1,495,610
Water Systems		599,595
South Energy Center		286,010
Total Capital Non-Labor	**$**	**19,976,033**

		2026
Deerhaven Operations	$	5,611,132
Deerhaven Renewables Operations		3,605,493
Kelly Plant Operations		2,852,597
Water Systems		2,446,590
South Energy Center		211,384
Total Capital Non-Labor	**$**	**14,727,196**

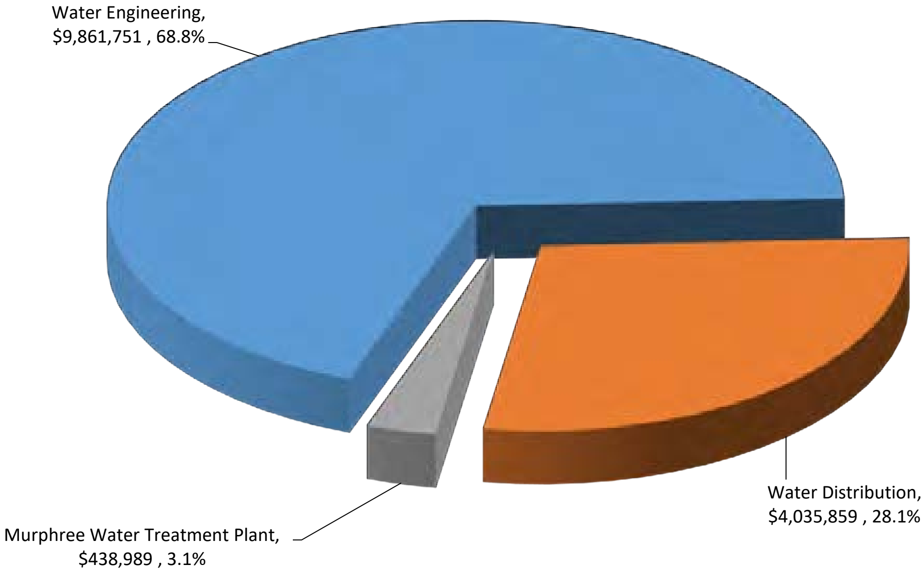
Energy Delivery



		2027
Substation/Relay/Relay Engineering	$	8,185,312
Energy Delivery Electric Engineering		7,109,546
Electric Transmission and Distribution		4,193,427
Electric Meter Measurement		262,568
Energy Delivery Systems Control		203,823
Energy Delivery/Administration		46,818
Total Capital Non-Labor	**$**	**20,001,494**

		2026
Substation/Relay/Relay Engineering	$	7,925,361
Energy Delivery Electric Engineering		5,421,137
Electric Transmission and Distribution		3,392,247
Electric Meter Measurement		430,432
Energy Delivery Systems Control		88,069
Energy Delivery/Administration		17,992
Total Capital Non-Labor	**$**	**17,275,238**

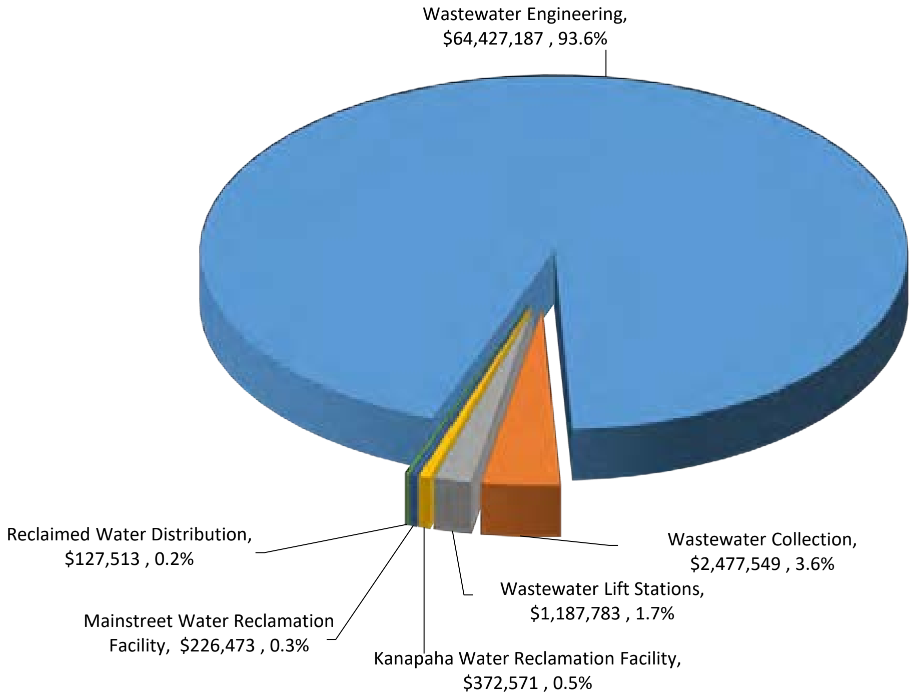
Water



		2027
Water Engineering	$	9,861,751
Water Distribution		4,035,859
Murphree Water Treatment Plant		438,989
Total Capital Non-Labor	**$**	**14,336,599**

		2026
Water Engineering	$	9,251,868
Water Distribution		3,148,124
Murphree Water Treatment Plant		589,850
Total Capital Non-Labor	**$**	**12,989,841**

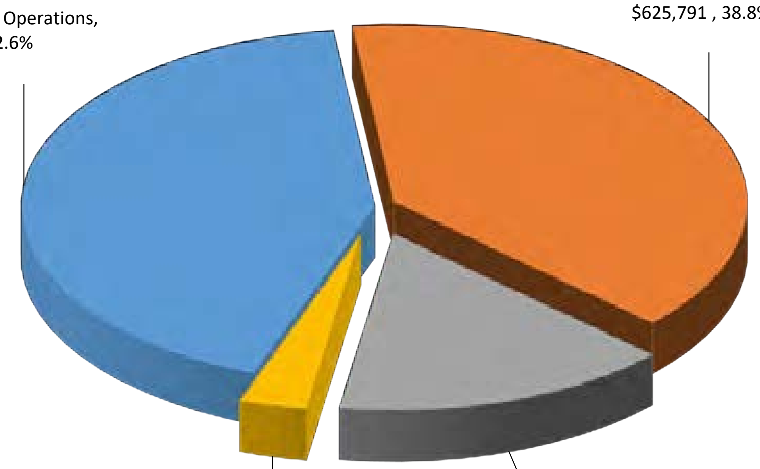
Wastewater



		2027
Wastewater Engineering	$	64,427,187
Wastewater Collection		2,477,549
Wastewater Lift Stations		1,187,783
Kanapaha Water Reclamation Facility		372,571
Mainstreet Water Reclamation Facility		226,473
Reclaimed Water Distribution		127,513
Total Capital Non-Labor	**$**	**68,819,076**

		2026
Wastewater Engineering	$	39,243,615
Wastewater Collection		2,104,219
Wastewater Lift Stations		1,029,137
Kanapaha Water Reclamation Facility		411,578
Mainstreet Water Reclamation Facility		251,000
Reclaimed Water Distribution		126,250
Total Capital Non-Labor	**$**	**43,165,799**

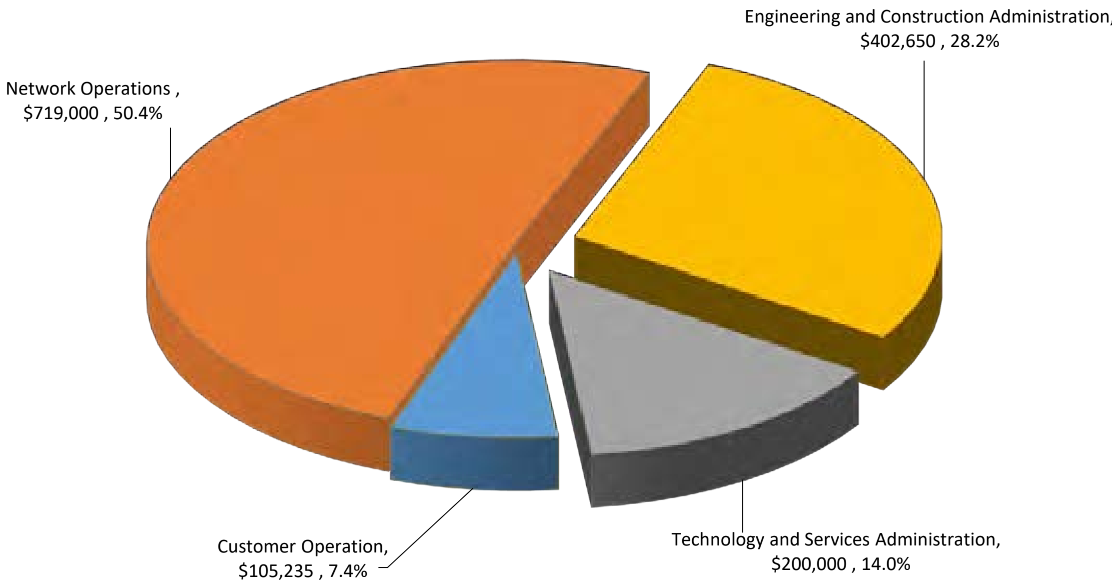
Gas



		2027
Meter Measurement Operations	$	686,044
Transmission and Distribution Engineering		625,791
Transmission and Distribution Construction		249,768
Transmission and Distribution Operations		50,000
Total Capital Non-Labor	**$**	**1,611,603**

		2026
Meter Measurement Operations	$	651,971
Transmission and Distribution Engineering		577,837
Transmission and Distribution Construction		286,009
Transmission and Distribution Operations		93,359
Total Capital Non-Labor	**$**	**1,609,176**

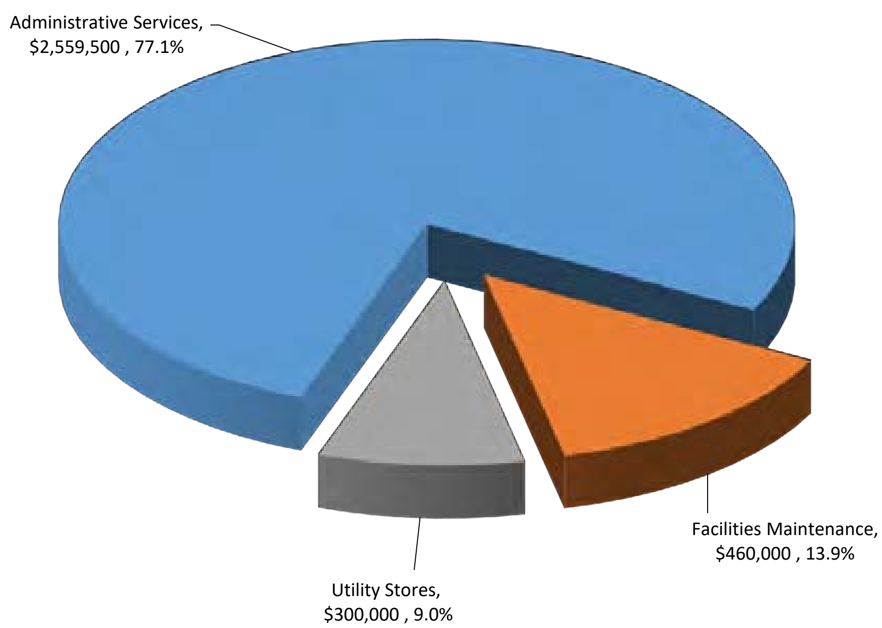
Telecommunications



		2027
Network Operations	$	719,000
Engineering and Construction Administration		402,650
Technology and Services Administration		200,000
Customer Operation		105,235
Towers 1-12		-
Business Administration		-
Total Capital Non-Labor	**$**	**1,426,885**

		2026
Network Operations	$	359,000
Engineering and Construction Administration		75,000
Technology and Services Administration		65,000
Customer Operation		544,222
Towers 1-12		180,000
Business Administration		5,000
Total Capital Non-Labor	**$**	**1,228,222**

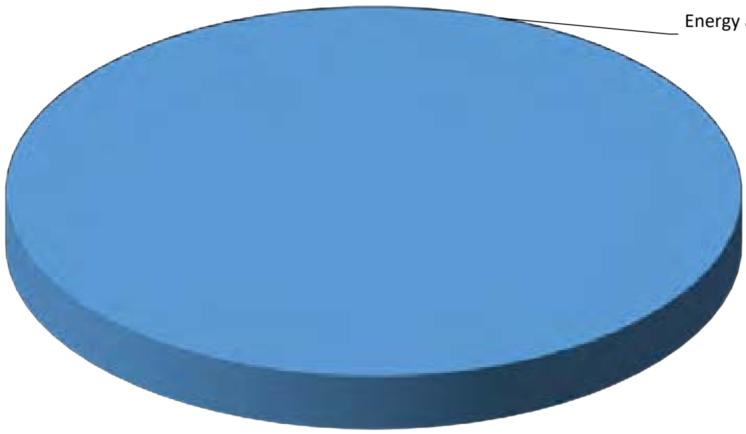
Administration



		2027
Administrative Services	$	2,559,500
Facilities Maintenance		460,000
Utility Stores		300,000
Total Capital Non-Labor	**$**	**3,319,500**

		2026
Administrative Services	$	948,000
Facilities Maintenance		657,000
Utility Stores		60,000
Total Capital Non-Labor	**$**	**1,665,000**

Customer Support Services

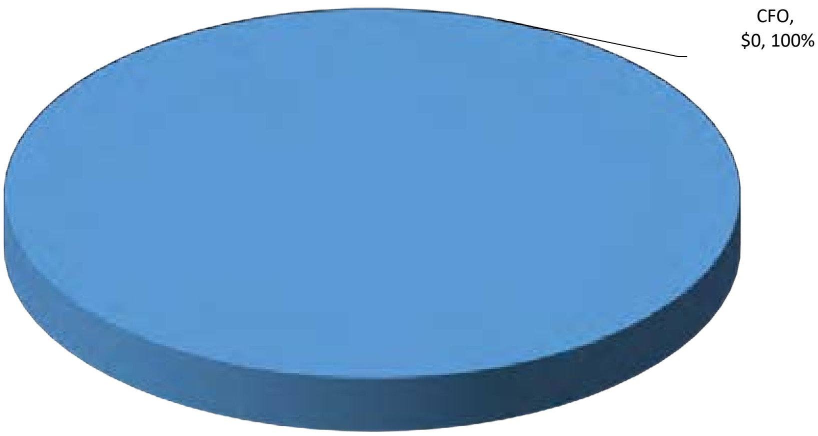


		2027
Energy and Business Services	$	45,000
Total Capital Non-Labor	**$**	**45,000**

		2026
Energy and Business Services	$	-
Total Capital Non-Labor	**$**	**-**

* CSS departments that previously had capital budget have been moved to Administration

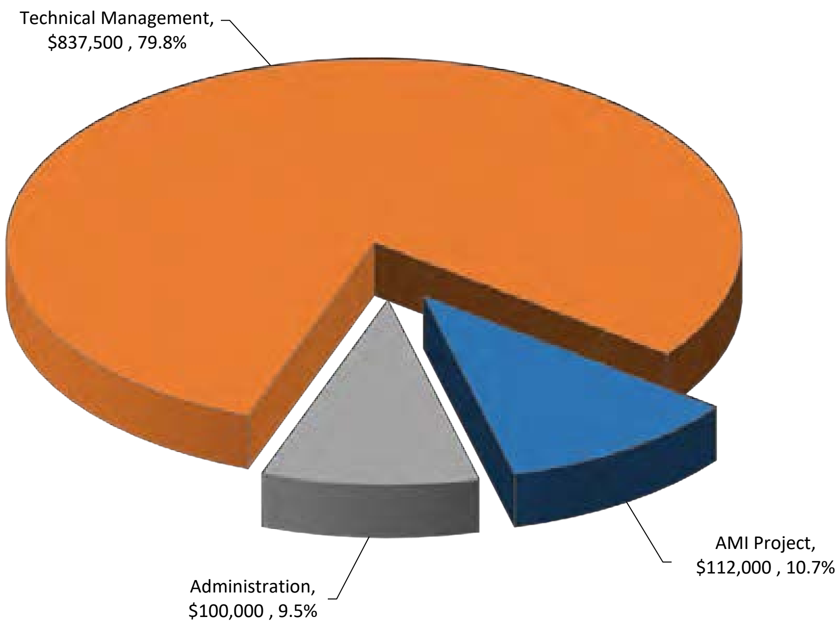
Budget, Finance & Accounting



		2027
CFO	$	-
Total Capital Non-Labor	**$**	**-**

		2026
CFO	$	-
Total Capital Non-Labor	**$**	**-**

Information Technology



		2027
Technical Management	$	837,500
AMI Project		112,000
Administration		100,000
Total Capital Non-Labor	**$**	**1,049,500**

		2026
Technical Management	$	1,450,000
AMI Project		7,059,610
Administration		100,000
Total Capital Non-Labor	**$**	**8,609,610**

FINANCIAL RESERVES AND RATIOS

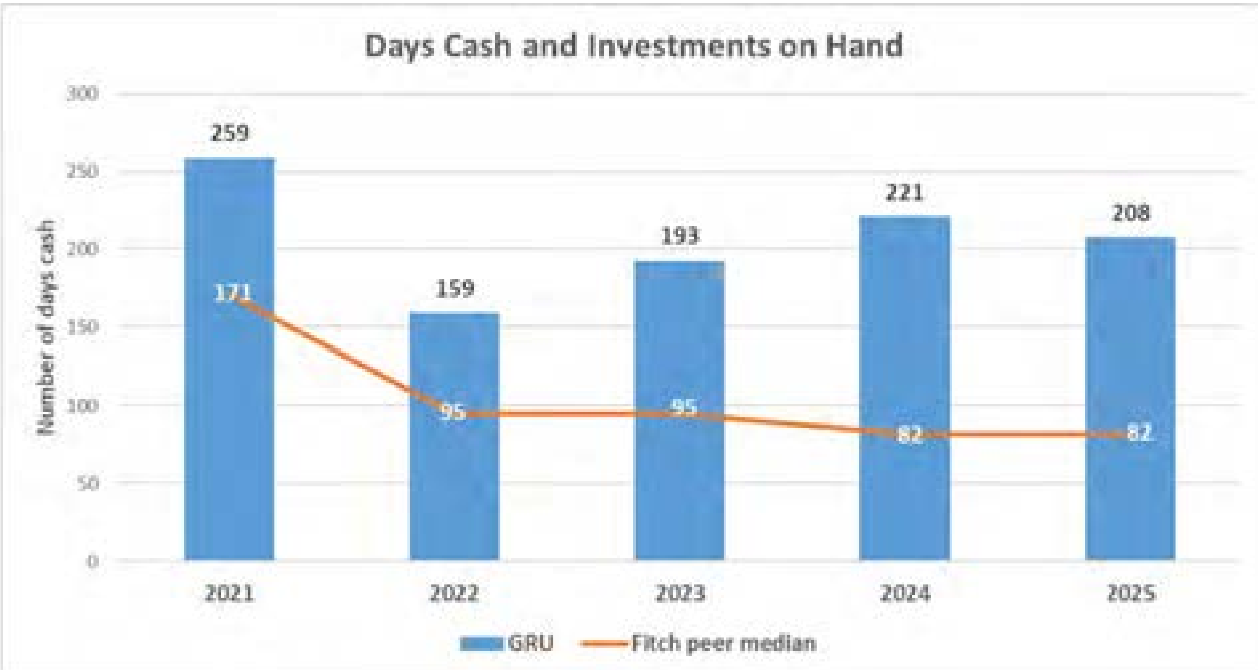
Reserve Requirements and Reserve Funded

	2026	2027
Reserve Requirements:		
Electric	$ 80,920,190	$ 83,347,796
Water	10,460,315	10,774,124
Wastewater	11,161,092	11,495,925
Gas	10,487,071	10,801,683
Telecommunications	2,715,522	2,796,988
Total Reserve Requirements	115,744,190	119,216,516
Reserve Funded:		
Rate Stabilization Fund	127,595,621	158,204,900
Operating Cash	9,961,327	42,680,339
Utility Plant Improvement Fund	13,872,695	18,975,210
Total Reserve Funded	151,429,643	219,860,449
Liquidity & Debt Reduction	35,685,453	100,643,933
Amount Over/(Under Funded)	**$ -**	**$ -**

Description

The initial acceptable cash balance range was established through a Cash Balance Study conducted by GRU's independent financial advisor. The range will move each year based on an inflationary factor (3% per year) and will be adjusted as necessary by the Budget, Finance, and Accounting Department. Target ranges will be adjusted, if necessary, to ensure that Days Cash on Hand metrics do not fall below 250 days throughout the financial forecast horizon. Excess reserves above these targets will be utilized for debt reduction.

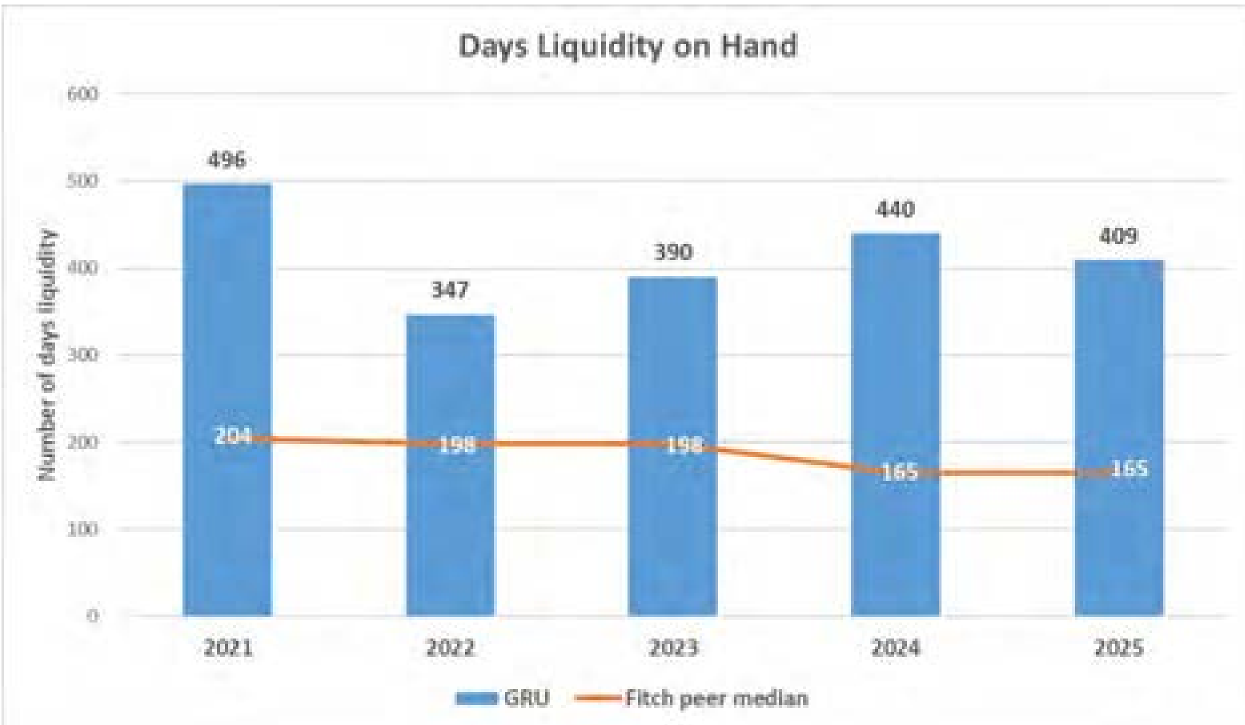
Days Cash and Investments on Hand



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

Formula: Unrestricted cash divided by average daily operating expense.

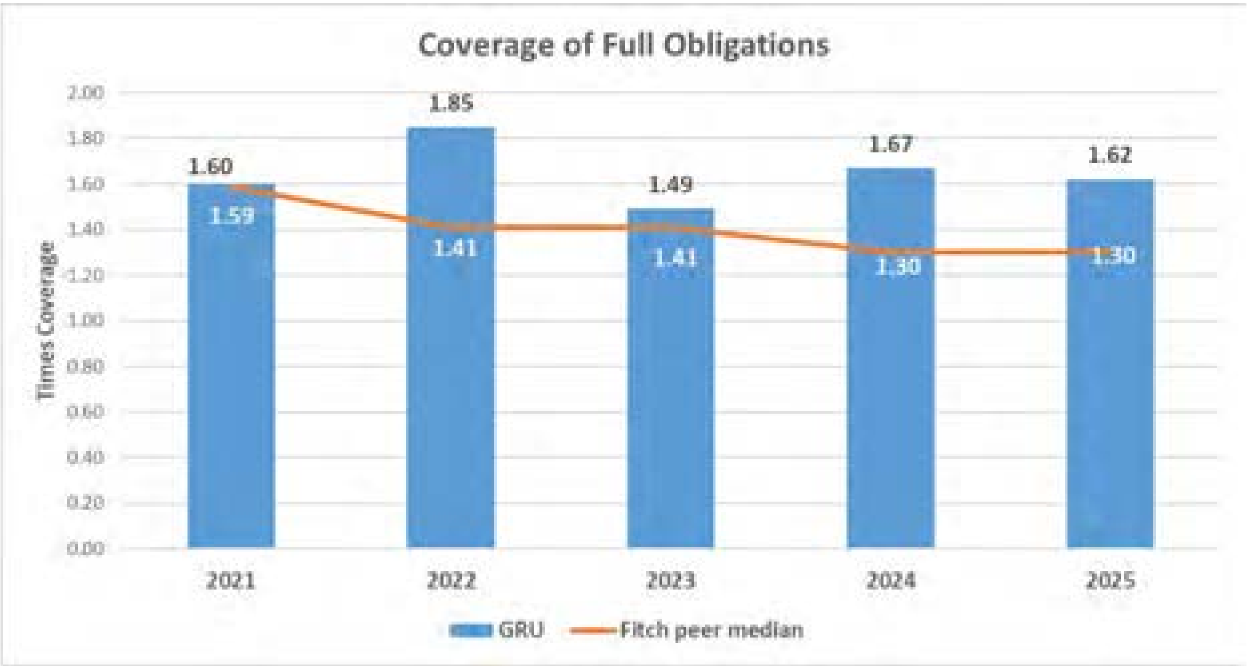
Days Liquidity on Hand



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

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

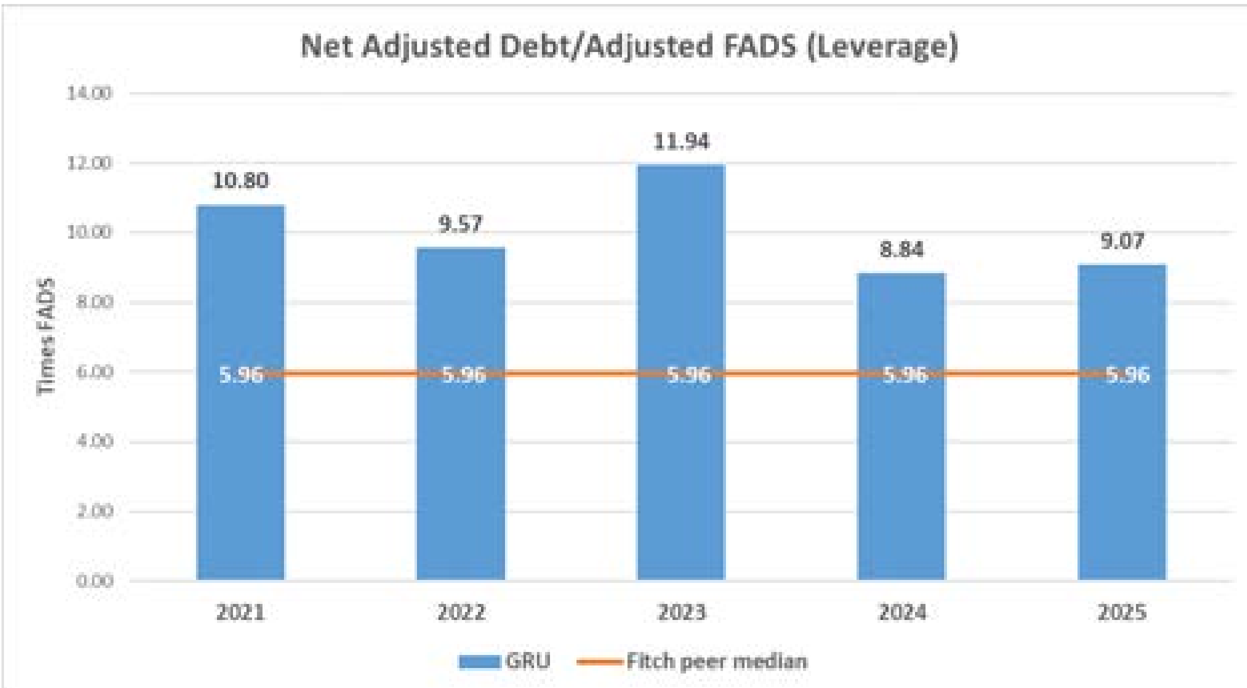
Coverage of Full Obligations



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

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

Net Adjusted Funds Available for Debt Service



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

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

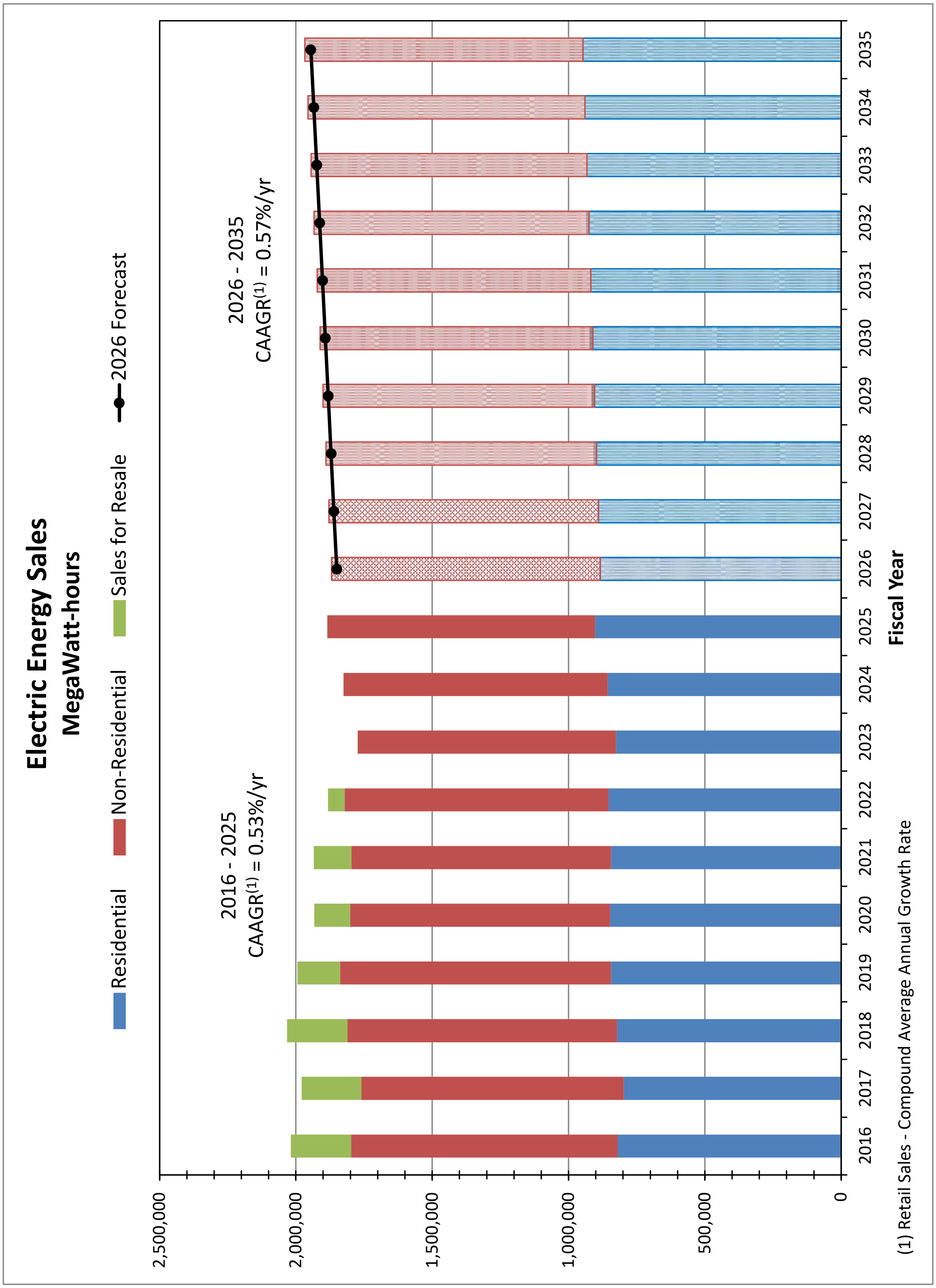
TOTAL COSTS BY LINE OF BUSINESS

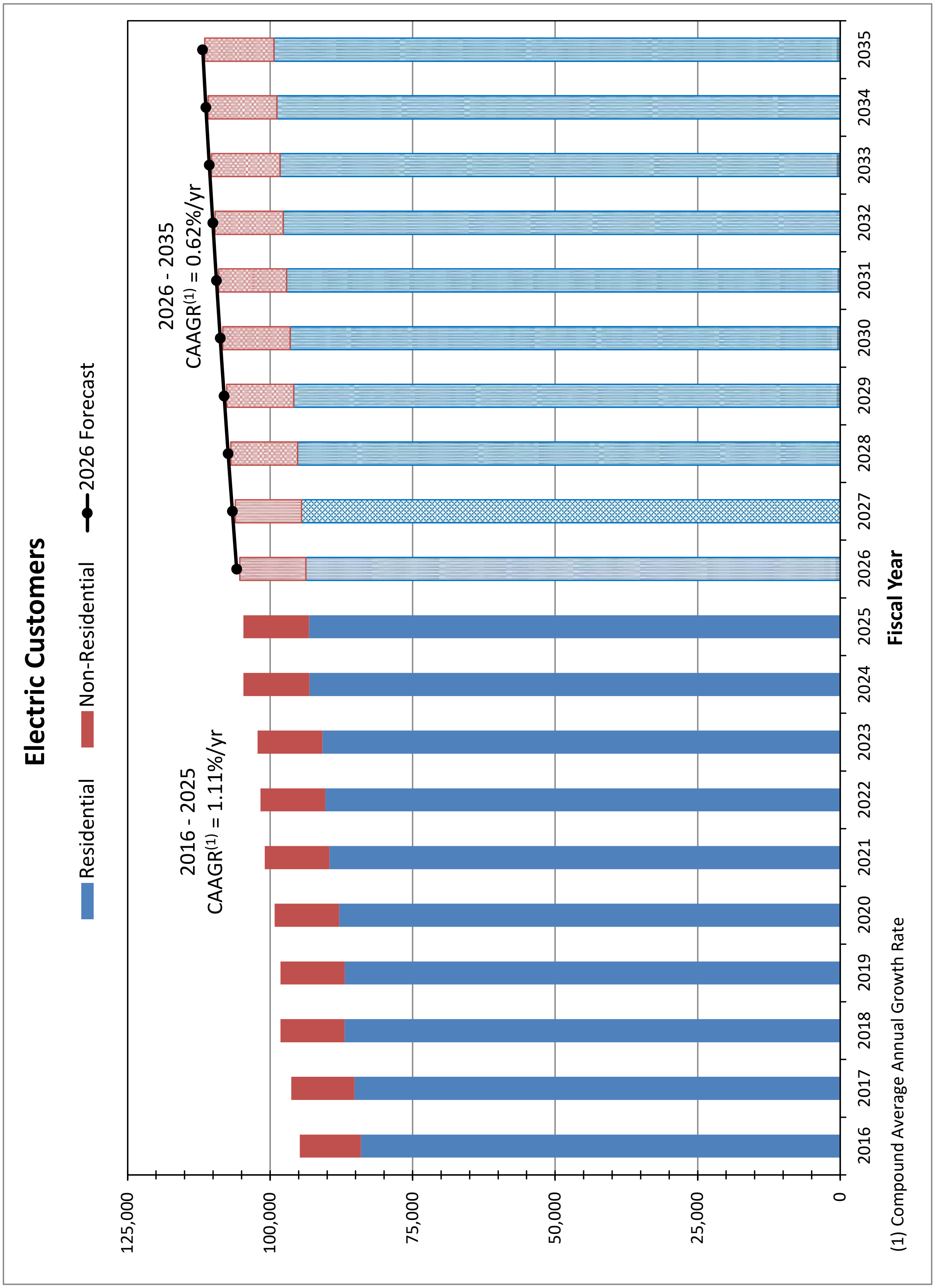
TOTAL COSTS BY LINE OF BUSINESS

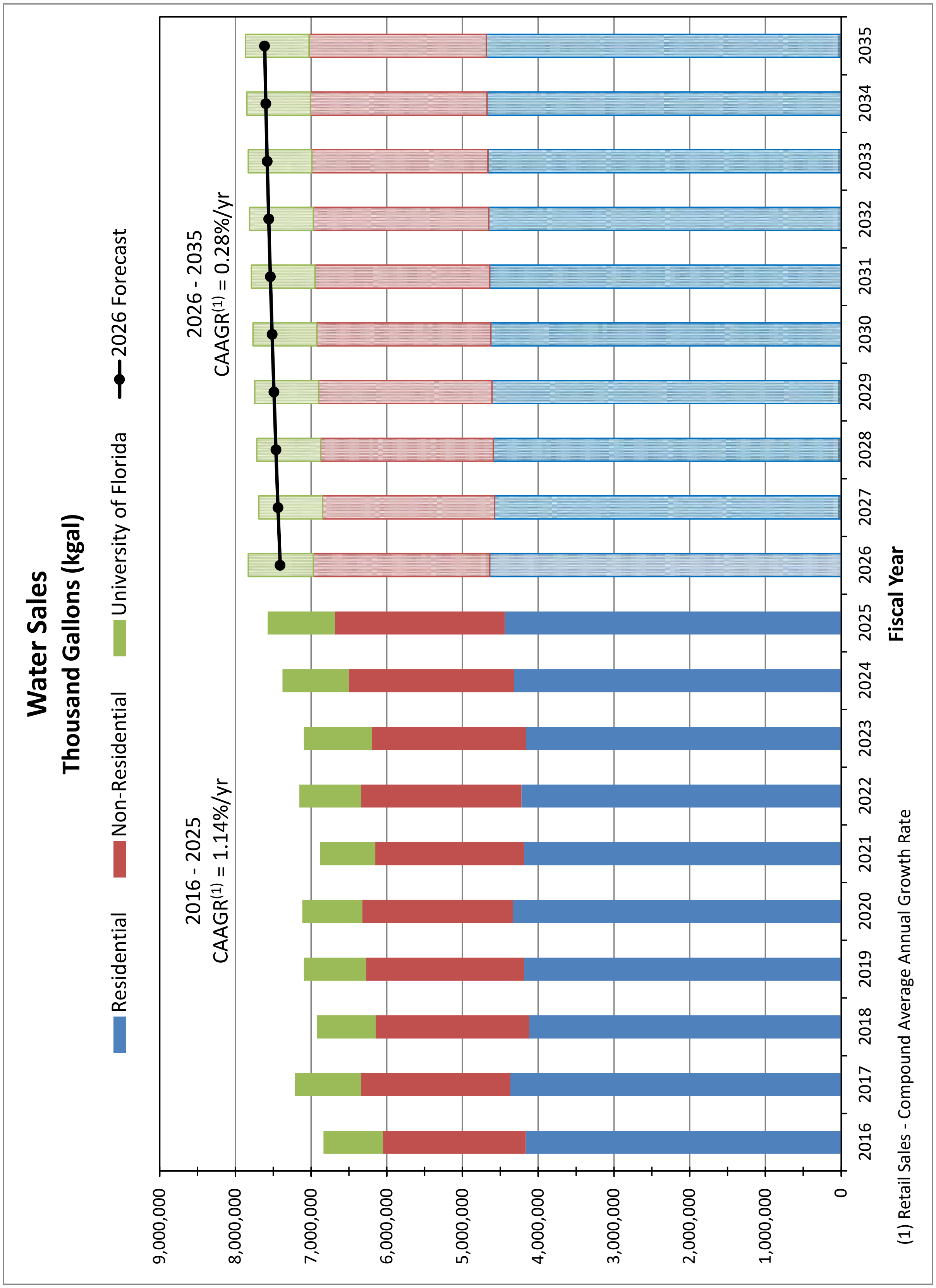
		Payroll		Operations and Maintenance Non-Labor		Capital Non-Labor		2027
Energy Supply	$	24,485,064	$	19,045,511	$	19,976,033	$	63,506,608
Energy Delivery		27,393,259		9,860,804		20,001,494		57,255,557
Water		7,885,536		10,645,138		14,336,599		32,867,273
Wastewater		11,108,333		8,968,094		68,819,076		88,895,503
Gas		4,093,544		639,036		1,611,603		6,344,183
Telecommunications		3,532,023		3,754,575		1,426,885		8,713,483
Administration		7,666,451		5,962,032		3,319,500		16,947,983
Customer Support Services		5,947,167		2,605,745		45,000		8,597,912
Budget, Finance & Accounting		6,960,874		784,069		-		7,744,943
Information Technology		9,387,490		14,106,836		1,049,500		24,543,826
Corporate Expenses		-		16,570,870		-		16,570,870
Total Costs by Line of Business	**$**	**108,459,741**	**$**	**92,942,710**	**$**	**130,585,690**	**$**	**331,988,141**

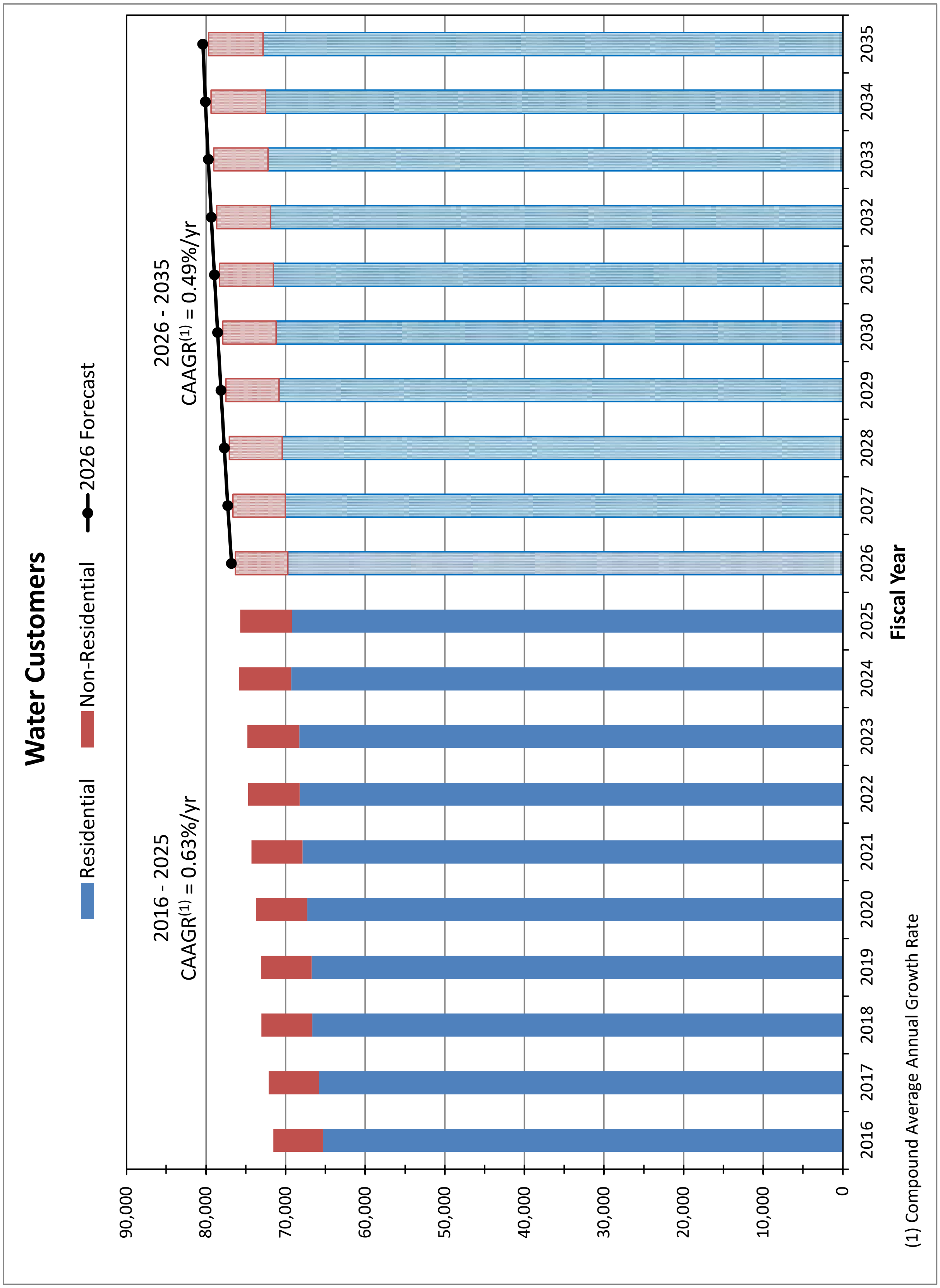
		Payroll		Operations and Maintenance Non-Labor		Capital Non-Labor		2026
Energy Supply	$	22,893,322	$	17,958,015	$	14,727,196	$	55,578,533
Energy Delivery		25,998,895		9,656,129		17,275,238		52,930,262
Water		7,524,019		10,181,529		12,989,841		30,695,389
Wastewater		10,629,746		8,580,739		43,165,799		62,376,284
Gas		3,851,329		627,567		1,609,176		6,088,072
Telecommunications		3,468,479		3,681,465		1,228,222		8,378,166
Administration		7,379,382		5,181,341		1,665,000		14,225,723
Customer Support Services		5,853,626		2,469,412		-		8,323,038
Budget, Finance & Accounting		6,520,408		704,362		-		7,224,770
Information Technology		7,870,453		12,241,788		8,609,610		28,721,851
Corporate Expenses		-		14,417,025		-		14,417,025
Total Costs by Line of Business	**$**	**101,989,659**	**$**	**85,699,372**	**$**	**101,270,082**	**$**	**288,959,113**

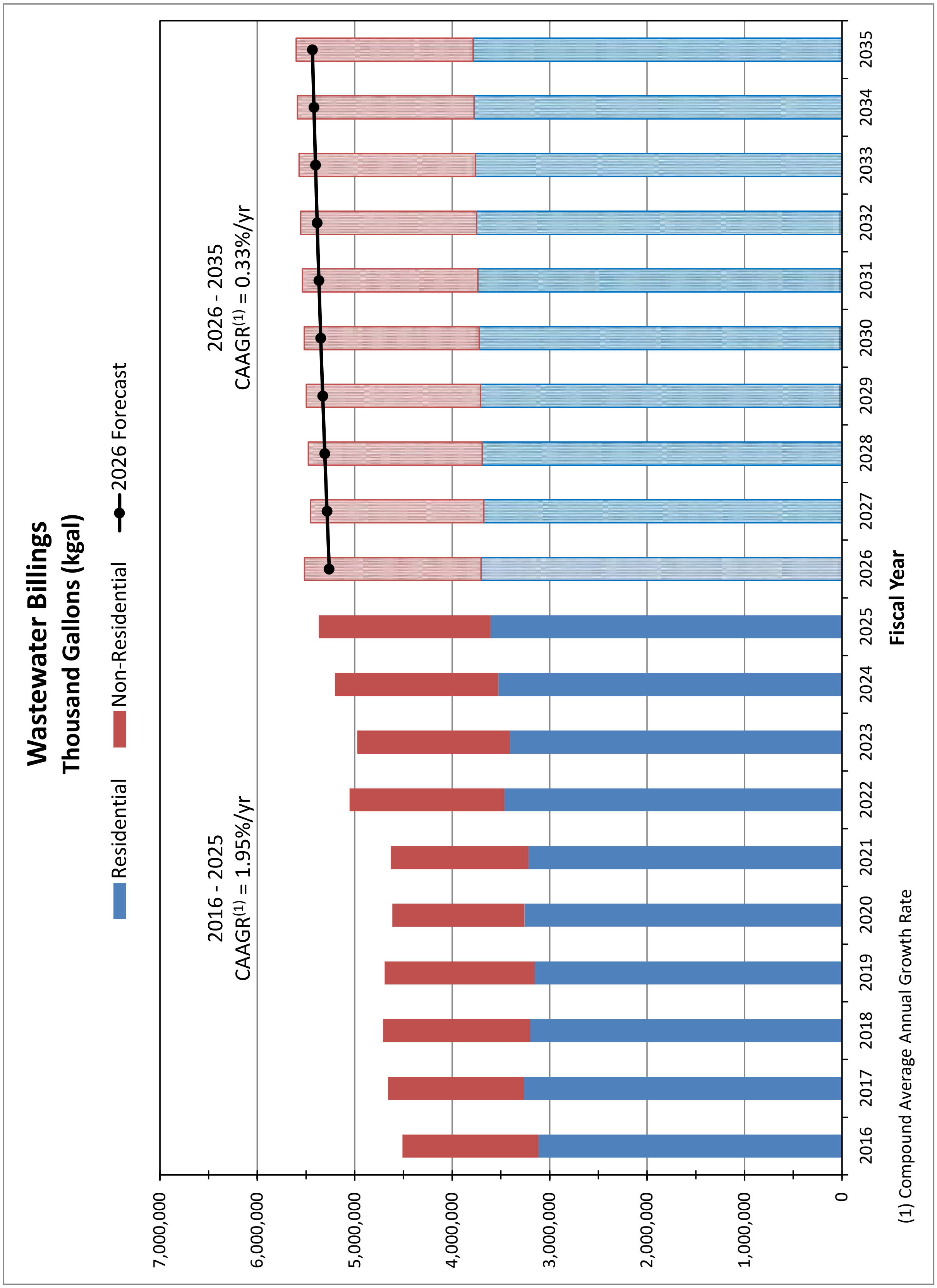
APPENDIX

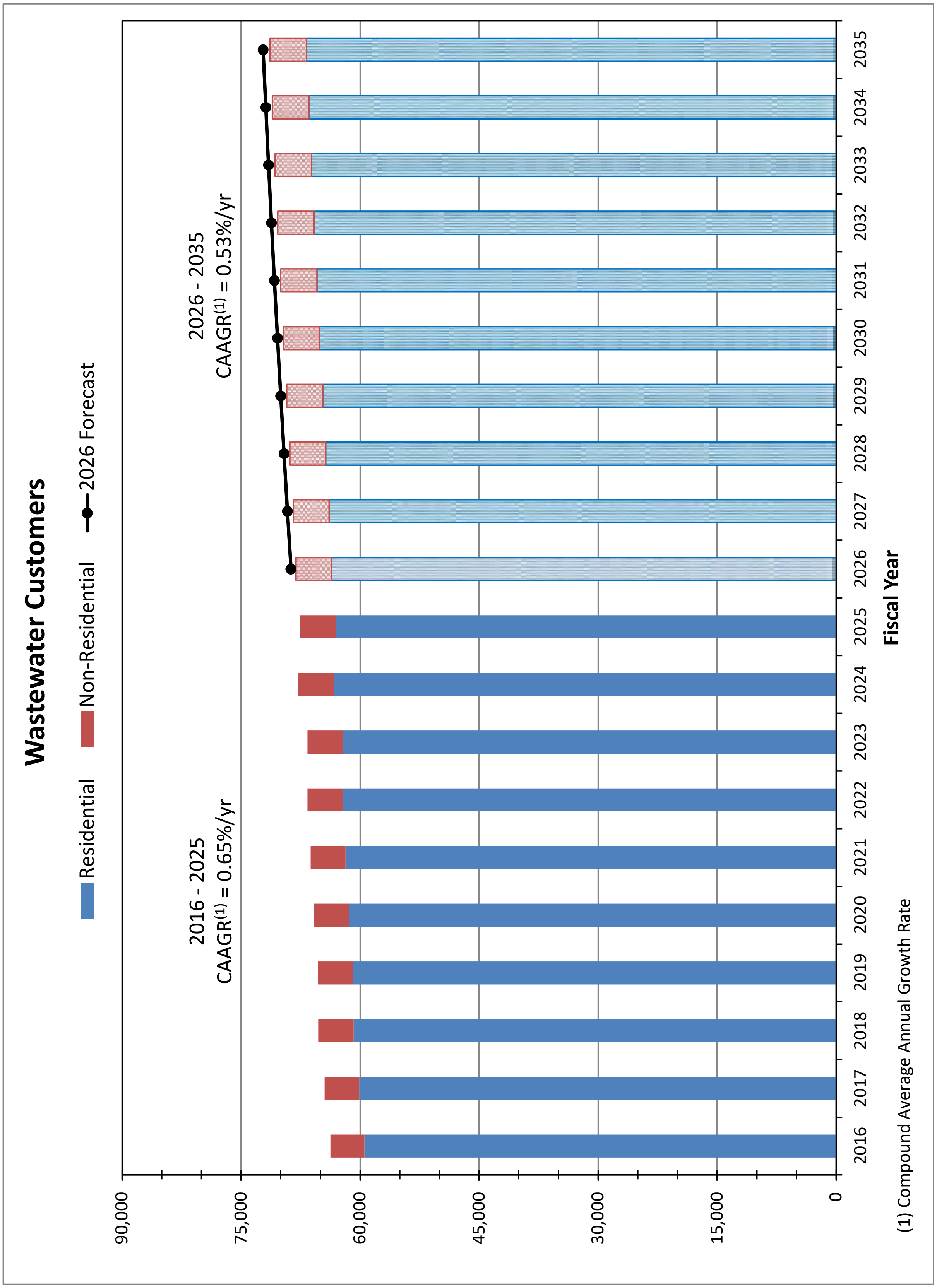

Electric Energy Sales
MegaWatt-hours
Residential
Non-Residential
Sales for Resale
2026 Forecast
2016 - 2025
CAAGR(1) = 0.53%/yr
2026 - 2035
CAAGR(1) = 0.57%/yr
2,500,000
2,000,000
1,500,000
1,000,000
500,000
0
2016
2017
2018
2019
2020
2021
2022
2023
2024
2025
2026
2027
2028
2029
2030
2031
2032
2033
2034
2035
Fiscal Year
(1) Retail Sales - Compound Average Annual Growth Rate

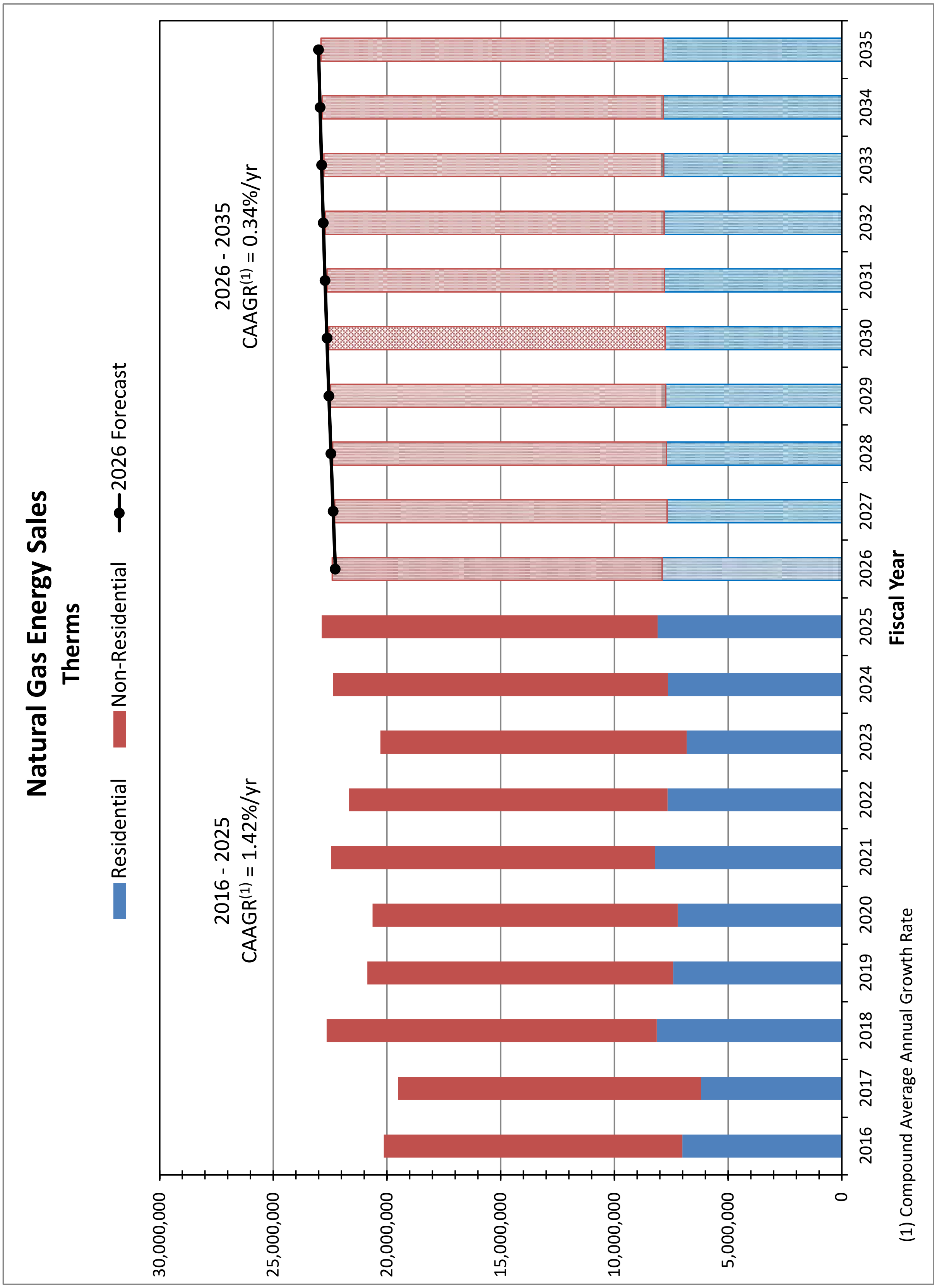

Electric Customers
Residential
Non-Residential
2026 Forecast
2016 - 2025
CAAGR(1) = 1.11%/yr
2026 - 2035
CAAGR(1) = 0.62%/yr
125,000
100,000
75,000
50,000
25,000
0
2016
2017
2018
2019
2020
2021
2022
2023
2024
2025
2026
2027
2028
2029
2030
2031
2032
2033
2034
2035
Fiscal Year
(1) Compound Average Annual Growth Rate

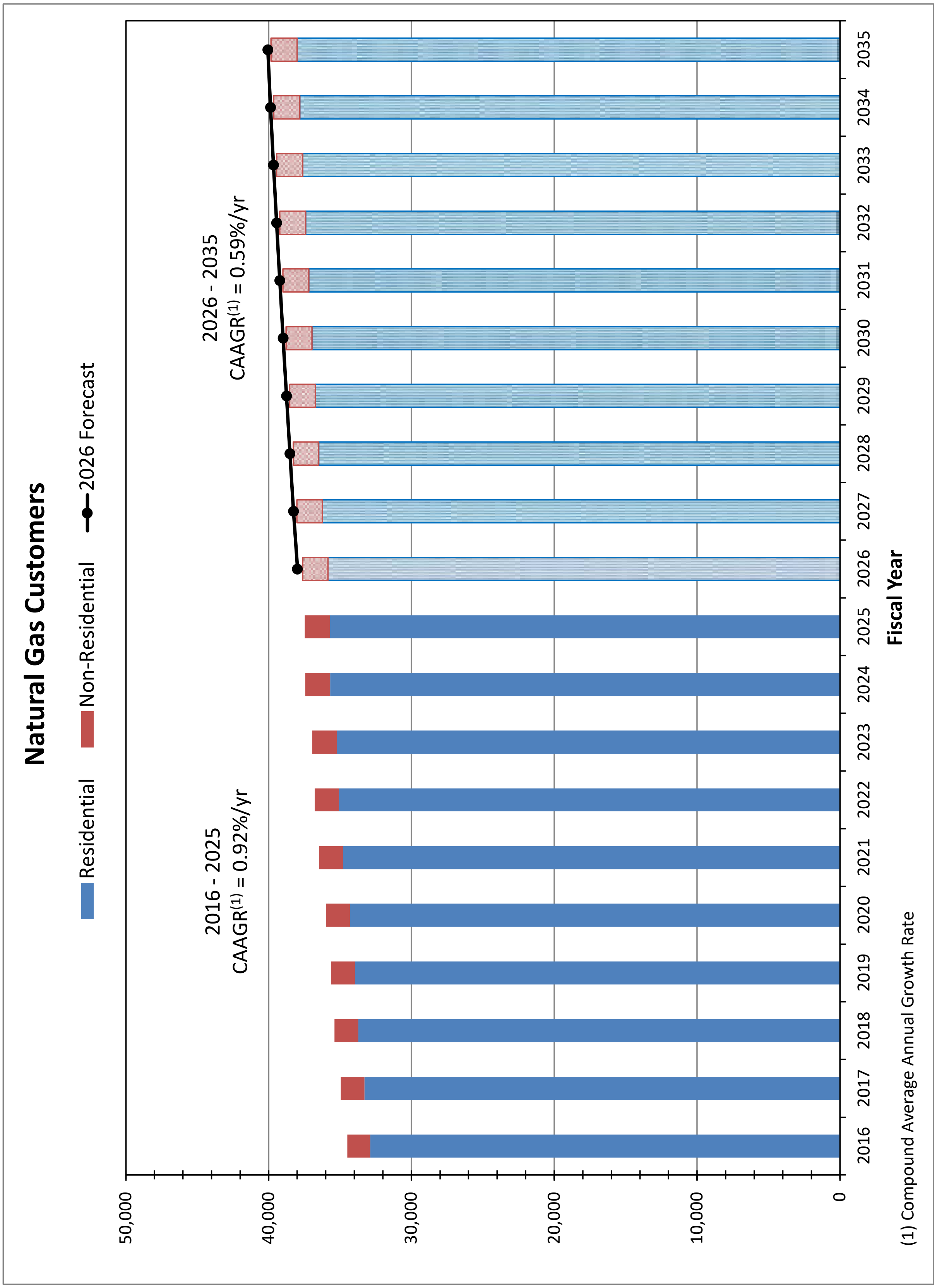

Water Sales
Thousand Gallons (kgal)
Residential
Non-Residential
University of Florida
2026 Forecast
2016 - 2025
CAAGR(1) = 1.14%/yr
2026 - 2035
CAAGR(1) = 0.28%/yr
9,000,000
8,000,000
7,000,000
6,000,000
5,000,000
4,000,000
3,000,000
2,000,000
1,000,000
0
2016
2017
2018
2019
2020
2021
2022
2023
2024
2025
2026
2027
2028
2029
2030
2031
2032
2033
2034
2035
Fiscal Year
(1) Retail Sales - Compound Average Annual Growth Rate


Water Customers
Residential
Non-Residential
2026 Forecast
2016 - 2025
CAAGR(1) = 0.63%/yr
2026 - 2035
CAAGR(1) = 0.49%/yr
90,000
80,000
70,000
60,000
50,000
40,000
30,000
20,000
10,000
0
2016
2017
2018
2019
2020
2021
2022
2023
2024
2025
2026
2027
2028
2029
2030
2031
2032
2033
2034
2035
Fiscal Year
(1) Compound Average Annual Growth Rate


Wastewater Billings
Thousand Gallons (kgal)
Residential
Non-Residential
2026 Forecast
2016 - 2025
CAAGR(1) = 1.95%/yr
2026 - 2035
CAAGR(1) = 0.33%/yr
7,000,000
6,000,000
5,000,000
4,000,000
3,000,000
2,000,000
1,000,000
0
2016
2017
2018
2019
2020
2021
2022
2023
2024
2025
2026
2027
2028
2029
2030
2031
2032
2033
2034
2035
Fiscal Year
(1) Compound Average Annual Growth Rate


Wastewater Customers
Residential
Non-Residential
2026 Forecast
2016 - 2025
CAAGR(1) = 0.65%/yr
2026 - 2035
CAAGR(1) = 0.53%/yr
90,000
75,000
60,000
45,000
30,000
15,000
0
2016
2017
2018
2019
2020
2021
2022
2023
2024
2025
2026
2027
2028
2029
2030
2031
2032
2033
2034
2035
Fiscal Year
(1) Compound Average Annual Growth Rate


Natural Gas Energy Sales
Therms
Residential
Non-Residential
2026 Forecast
2016 - 2025
CAAGR(1) = 1.42%/yr
2026 - 2035
CAAGR(1) = 0.34%/yr
30,000,000
25,000,000
20,000,000
15,000,000
10,000,000
5,000,000
0
2016
2017
2018
2019
2020
2021
2022
2023
2024
2025
2026
2027
2028
2029
2030
2031
2032
2033
2034
2035
Fiscal Year
(1) Compound Average Annual Growth Rate


Natural Gas Customers
Residential
Non-Residential
2026 Forecast
2016 - 2025
CAAGR(1) = 0.92%/yr
2026 - 2035
CAAGR(1) = 0.59%/yr
50,000
40,000
30,000
20,000
10,000
0
2016
2017
2018
2019
2020
2021
2022
2023
2024
2025
2026
2027
2028
2029
2030
2031
2032
2033
2034
2035
Fiscal Year
(1) Compound Average Annual Growth Rate

Compound Average Annual Growth Rate (CAAGR or CAGR)

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

Connection Charges

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

Customer Charge

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

Debt Service Fund

Funds used to pay principal and interest on outstanding debt.

Electric Reliability

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

Fuel Adjustment

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

GAAP

Generally Accepted Accounting Principles.

GatorNet

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

General Fund Transfer (GFT)

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

kgal

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

LDC

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

Manufactured Gas Plant Cost Recovery Factor Revenue (MGPCRF)

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

Operation and Maintenance Expenses

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

Purchased Gas Adjustment

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

Rate Stabilization Fund

Cash and investments accumulated to stabilize rates over future periods through the transfer of funds to and from operations. Excess reserves over 250 days cash on hand will be moved from RSF to the debt defeasance pool.

Residential Rate-Change Revenue

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

Solar Feed-In-Tariff (FIT)

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

Transmission and Distribution

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

Utilities Plant Improvement Fund (UPIF)

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

Utility Surcharge

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

Utility Tax

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