



# HB 1645 Primer

Filed by Rep. Chuck Clemons, HB 1645 creates a governor-appointed, five-member board called the Gainesville Regional Utilities Authority to govern GRU in place of the Gainesville City Commission. The bill passed the State Affairs Committee on April 19 and must receive approval from the House and Senate before advancing to the governor, who has the authority to sign it into law.

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## Board Responsibilities

- Set and amend rates, fees, assessments, charges, rules, regulations and policies.
- Acquire property or finance construction projects to ensure "economic, safe, responsible and efficient" utility services. The ability to issue debt for capital infrastructure.
- Dispose of utility assets under the same rules and conditions as the City Commission.
- Prepare and submit an annual budget to the City Commission at least three months prior to the beginning of the fiscal year.
- Appoint and remove the CEO/GM.

## Board Composition

- All five members must maintain a primary residence in GRU's electric service area and receive electric service while on the board.
- One member must be a residential customer with "substantial knowledge of GRU, its operations and its history."
- One member must be a private, non-governmental customer using at least 10,000 kWh per month over the previous 12 months (examples of customers with similar usage include Southeast Car Agency and Mi Apa Latin Cafe).
- Three members must be "competent and knowledgeable" in fields such as law, economics, accounting, engineering, finance or energy.
- At least one of the five members must live outside Gainesville city limits.
- If 40 percent or more of GRU's electric meters are outside city limits when any member's term expires, the governor must appoint the new member from outside city limits. The opposite is true if the percentage drops below 40 percent.

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## Board Member Selection and Terms

- The governor issues a public notice for nominations, which must remain active for 30 days.
- The governor appoints members from the list of nominees within 60 days of the notice's ending.
- Once appointed, new members begin their terms on Oct. 1, 2023.
- Initial terms are staggered, so one member serves for one year, another for two years, a third for three years and two for four years.
- Subsequent terms will last four years.
- Members receive no salary but are reimbursed for expenses related to “carrying out and conducting the business of the Authority.”
- The Authority meets at least once a month, beginning Wednesday, Oct. 4, 2023.

## The Board and GRU Personnel

- The Authority appoints and removes the CEO/GM based on a majority vote.
- Until the Authority appoints a CEO/GM, the current general manager continues in this role.
- The appointed CEO/GM has the exclusive authority to “hire, transfer, promote, discipline or terminate employees under his or her supervision and direction.”
- Employee pension plans, benefits and rights will not be impacted by this transition.

## Additional Articles

- The Utility Advisory Board (UAB) has no role with respect to the Authority.
- The bill establishes a maximum cap on the Government Services Contribution (GSC), formerly known as the general fund transfer. The GSC may not exceed GRU net revenues minus all expenses, including debt service.
- The Authority and CEO/GM can only make decisions based on industry best practices “which solely further the fiscal and financial benefit of the utility system and customers.” Decisions cannot be based on advancing “social, political or ideological interests.”