

Gainesville Regional Utilities

April 2025



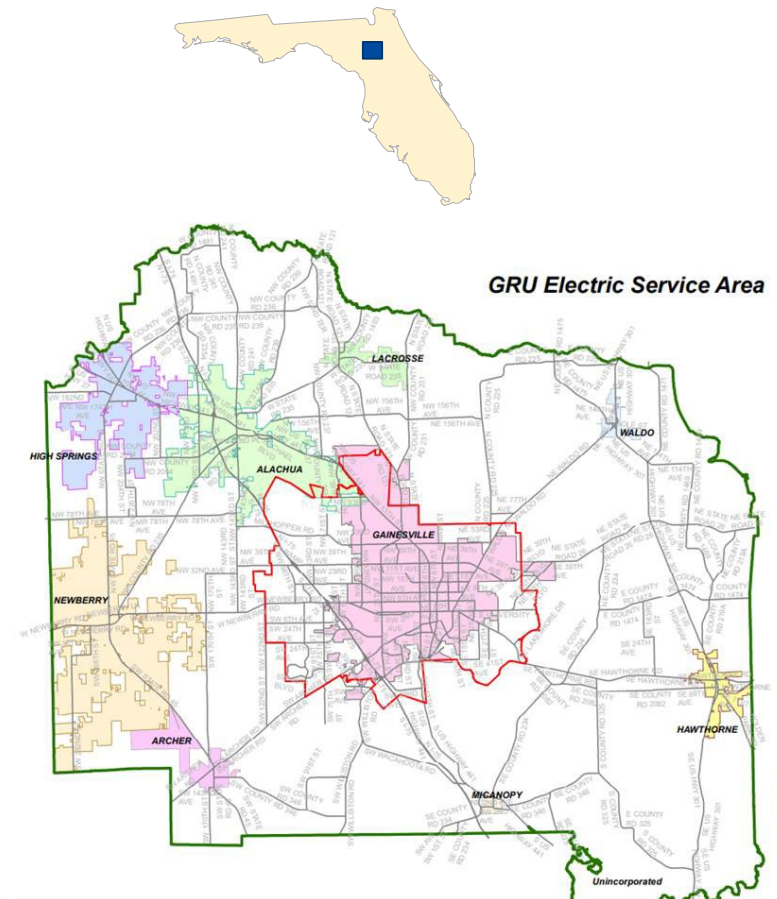
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- Generation and Fuel Mix
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Overview

System Highlights

- A city-owned and operated utility that provides the City of Gainesville and certain unincorporated areas of Alachua County with electric, natural gas, water, wastewater, and telecommunications services
- The State does not have oversight to set System rates. It does have authority to regulate rate structure
- The City is home to the Univ. of Florida with enrollment of ~61,800
- GRU supports a population of ~145,000 (within city limits)

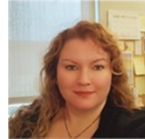
Electric Service Territory





Management Team

Experienced GRU Leadership Team



Kunti Nesbitt
Executive Coordinator



Edward Bielarski
Chief Executive Officer



GRU Attorney
To Be Filled, April 28



Walter Banks
Chief Information Officer



Thomas Brown
Chief Operating Officer



Cheryl McBride
Chief People Officer



Claudia Rasnick
Chief Financial Officer



David Warm
Communications Director



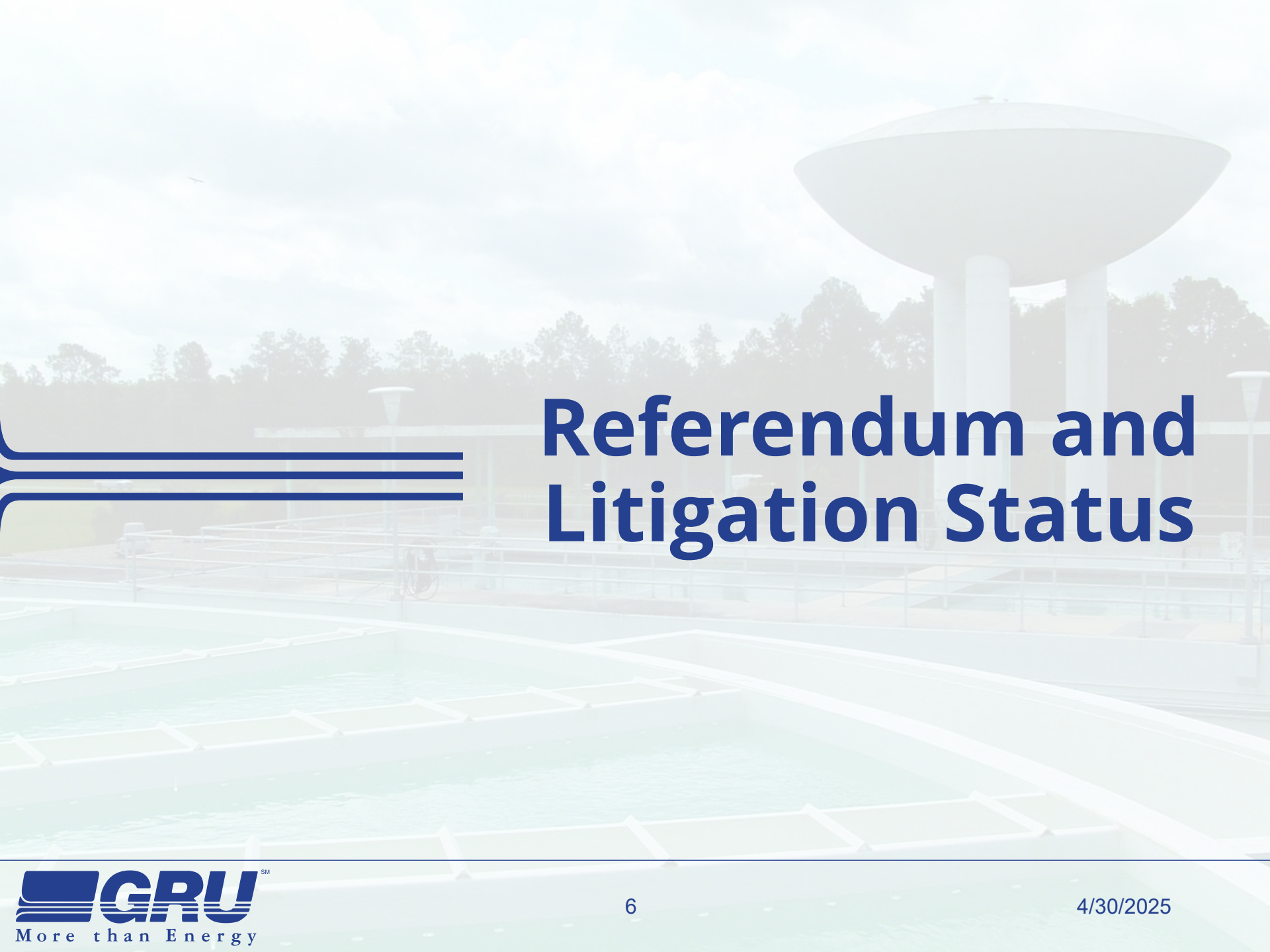
Kinnzon Hutchinson
Director of Customer Operations



Sophia Carter
Government Affairs and
Community Relations



Chief Customer Officer
Vacant



Referendum and Litigation Status

Referendum Status

- Referendum was placed on the ballot:
 - Shall the City of Gainesville charter be amended to delete Article VII, eliminating the governor-appointed Gainesville Regional Utilities Authority and its appointed administrator that manage, operate and control the City of Gainesville's local public utilities, and placing that responsibility with the elected city commission and charter officer; and eliminating limitations on the government services contribution and utility directives, as proposed by Ordinance No. 2024-448?
- Passed, ~73% in favor of governance of under the City Commission
- October 23, 2024, judicial ruling was for a temporary injunction for status quo
- Judge heard arguments from both sides on April 2, 2025.
- Results: GRUA continues to govern GRU
 - Count 1: the city can amend its charter for home rule
 - Count 2: the referendum was nullified
 - Count 3: the business impact statement was valid

- Jason Bellamy-Fults and Robert Louis Mermer II vs. Gainesville Regional Utilities Authority, and Craig Carter, David Haslam, Jack Jacobs, Eric Lawson and Robert “Chip” Skinner
 - The suit challenged that the Authority has no power since the November 2025 referendum
 - The plaintiff filed a motion to dismiss on April 4, 2025
- Young and Hammer v. City of Gainesville, Harvey Ward, and Craig Carter, 2023 CA 4376 (Fla. 8th Cir. Ct. October 20, 2023)
 - Challenged the existence of the Authority
 - No decision, last action September 13, 2024

Litigation Status: Dismissed

- City of Gainesville v. State, 2023 CA 1928 (Fla 2nd Cir. Ct. September 29, 2023)
 - Challenged constitutionality of the special act
 - Dismissed on summary judgement, named defendants were not proper parties
- Doughtie v. Desantis, Moody, Byrd and the City of Gainesville, No. 1:23-ev-00210-AW-MJF (N.D. Fla. August 18, 2023)
 - Challenged constitutionality of the special act
 - Dismissed the case for lack of standing
 - "As a matter of law, the Authority and the City are separate legal entities."
- Gainesville Residents United, Inc v. Desantis and City of Gainesville, No. 1:23-ev-00176-AW-HTC (N.D. Fla. date filed)
 - Challenged the special act under various federal and state law claims
 - Dismissed for lack of standing
- Hutchinson and Shapiro v. Desantis, 2023-CA-002361 (Fla. 2nd Cir. Ct. October 2, 2023)
 - Challenged the governor's authority
 - Dismissed in May of 2024



Strategic Focus

Strategic Focus

- Gainesville Regional Utilities vision is to become a “customer first” organization
- Approach to rates – striving to become the utility the community can afford
- Debt reduction - \$395M in net debt reduction projected minimum over the next ten years
- GFT – has moved from its peak of \$38M to projected \$8.5M over the next ten years which will serve as a driver for further rate relief, debt reduction and/or capital investment
- A bottom-up approach to the 2026 budget process is resulting in stable projected O&M and capital expenses, no base rate increases in electric or gas, with 1.75% water and 1.0% wastewater rate increases



Accomplishments

Accomplishments

Reduction of Customer Bills

- Since the Authority was seated in October 2023, the standard monthly 1,000 kwh electric residential bill has declined from \$155.73 to \$136.60, a reduction of \$19.13
- Since October 2022, the bill has reduced by \$46.01

Accelerated Budget Timeline

- On track to complete 2026 budget in May 2025 four months ahead of historical norms (typically September)

Focus on Debt Reduction

- Focused on cost control while ensuring reliability and safety of its operations which allows for a continued focus on debt reduction throughout the next decade

Recent Award

- Earned the third RP3 Diamond Designation from the American Public Power Association, recognizing our commitment to reliability, safety, workforce development and system improvement

Credit Facilities

- \$150M Line of Credit with U.S. Bank renewed in December 2024 for three years
- \$67M liquidity facility supporting 2019 Series C variable rate debt renewed in March 2025 for 3 years

Natural Gas Prepayments

- Executed three natural gas prepayment transactions, equal to ~50% of GRU's average daily projected natural gas load. Gas flow begins on two transactions in April 2025 and one in November 2025. On an annual basis fuel savings for the three transactions are projected at \$4.6M 5-6 years in length

2017 Series A Forward Starting Swap

- March 18, 2025, GRU closed a \$249.6M forward starting swap for the 2017 Series A Bonds. Projected savings for the period 2027 through 2040 are \$25.6M on a cash basis and \$22.2M on a net present value basis



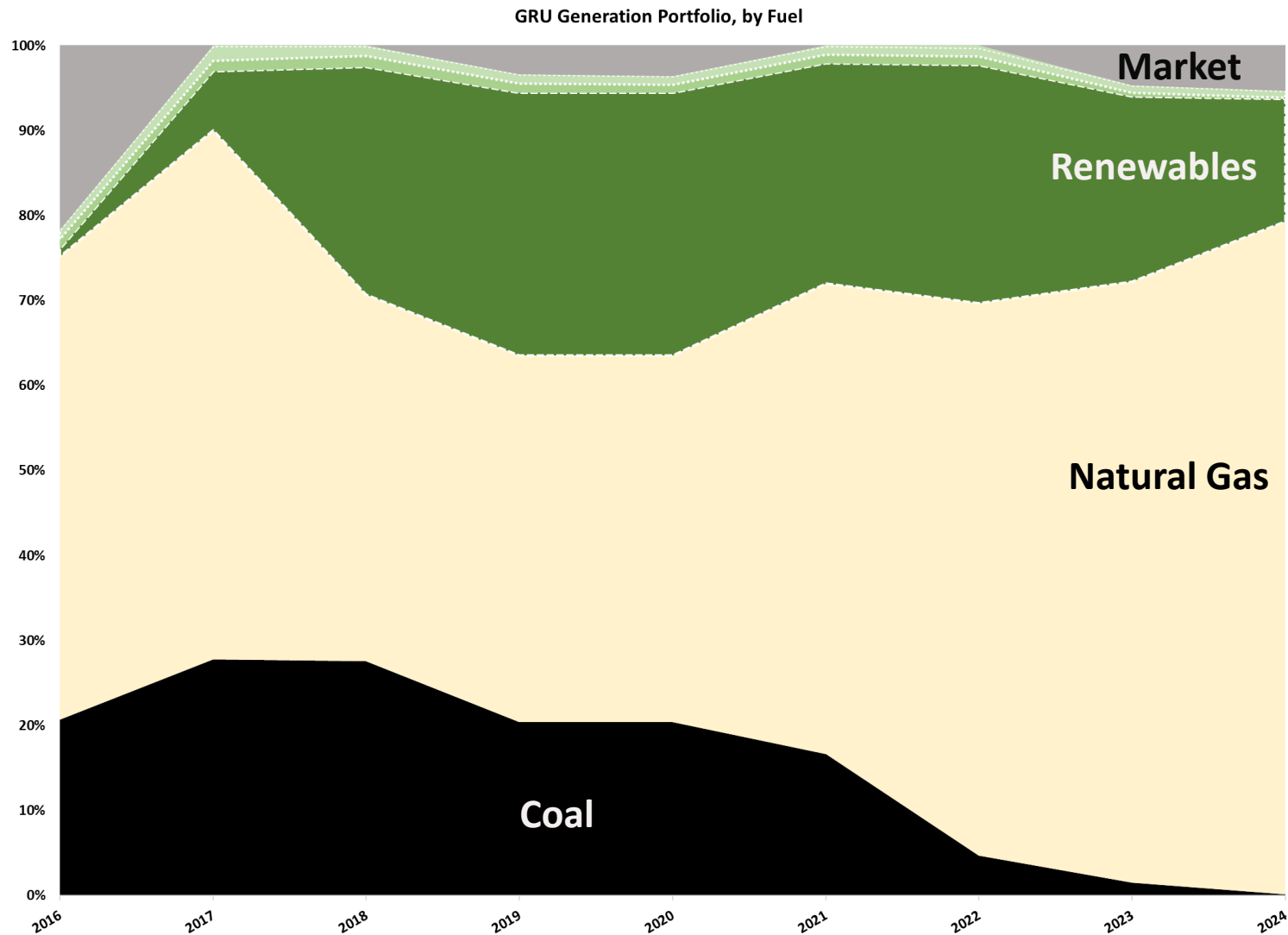
Generation and Fuel Mix

Continued Evolution

- Statewide leader producing over 15% of our generation from renewable sources
- Efforts continue to reduce carbon intensity:
 - DH-2 conversion to 100% gas capability completed in 2021 with coal as a backup fuel.
 - Retrofit of Kelly Combined Cycle reduced GRU's overall emissions and increased efficiency of the steam turbine with an additional 4 to 6 MW's of output

Electric System: Promoting Fuel Diversification and Renewables

Existing Generating Facilities					
Plant Name	Unit No.	Primary	Alternative	Lifetime assessment	Net Summer Capability (MW)
Owned Resources					
J.R. Kelly Station					
	Steam Unit 8	Waste Heat	-	2051	41.0
	Combustion Turbine 4	Natural Gas	-	2051	71.0
	Total				112.0
Deerhaven Generating Station					
	Steam Unit 2	Natural Gas	Bituminous Coal	2031	232.0
	Steam Unit 1	Natural Gas	Residual Fuel Oil	2027	76.0
	Combustion Turbine 3	Natural Gas	-	2046	71.0
	Combustion Turbine 2	Natural Gas	Fuel Oil	2031	17.5
	Combustion Turbine 1	Natural Gas	Fuel Oil	2031	17.5
	Total				414.0
South Energy Center					
	SEC-1	Natural Gas	-	2039	3.8
	SEC-2	Natural Gas	-	2047	7.4
	Total				11.2
Deerhaven Renewable (DHR Biomass Plant)					
		Biomass	-	2043	105.0
Total Owned Resources					642.2



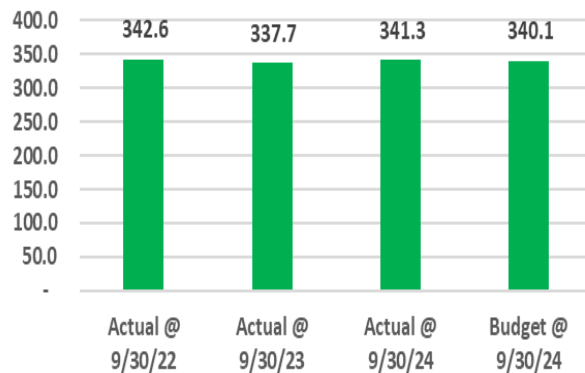


2024 Financials and 2025 Financial Update

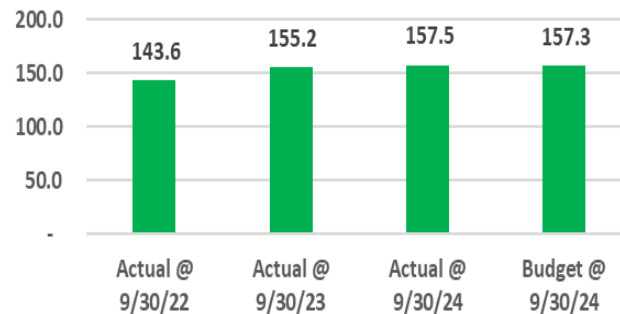
Combined Systems

	Actual @ 9/30/22	Actual @ 9/30/23	Actual @ 9/30/24	Budget @ 9/30/24	Favorable (Unfavorable)	% Difference	
Revenue Net of Fuel	342,646,978	337,739,043	341,336,594	340,068,145	1,268,449	0.37%	↑
Transfer from (to) Rate Stabilization Fund	12,276,987	(8,955,351)	(491,525)	(2,799,145)	(2,307,620)	82.44%	↓
Fuel	169,913,624	122,172,718	92,711,975	107,202,801	(14,490,826)	-13.52%	↓
Total Operating Revenue	524,837,589	450,956,410	433,557,044	444,471,801	(15,529,997)	-3.49%	↓
Expense Net of Fuel	143,628,868	155,228,612	157,475,720	157,324,197	(151,523)	-0.10%	↓
Fuel	169,913,624	122,172,718	92,711,975	107,202,801	14,490,826	13.52%	↓
Depreciation	103,685,541	104,094,708	109,594,924	109,594,924	-		
Total Operating Expense	417,228,033	381,496,038	359,782,619	374,121,922	14,339,303	3.83%	↓
Operating Income	107,609,556	69,460,372	73,774,425	70,349,879	3,424,546	4.87%	↑
Non-operating Expense	60,364,600	52,836,060	50,879,512	50,065,405	814,107		
Income Before Capital Contributions & Transfers (Surplus)	47,244,956	16,624,312	22,894,913	20,284,474	2,610,439	12.87%	↑
GFT	36,283,000	34,283,000	15,305,225	15,305,225	-		
Surplus (Deficit) after GFT	10,961,956	(17,658,688)	7,589,688	4,979,249	2,610,439	52.43%	↑

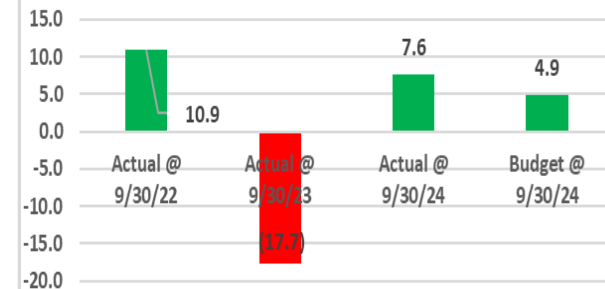
Revenue Net of Fuel (Millions)



Expense Net of Fuel & Depreciation (Millions)



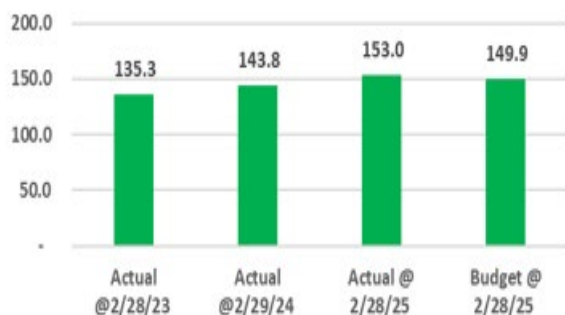
Surplus (Deficit) After GFT (Millions)



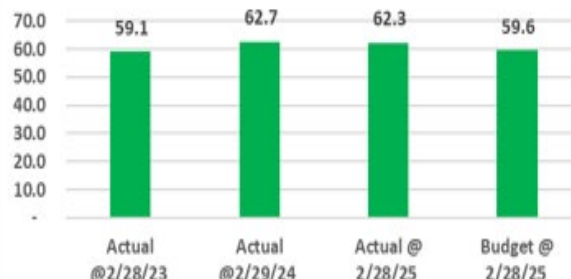
Combined Systems

	Actual @ 2/28/23	Actual @ 2/29/24	Actual @ 2/28/25	Budget @ 2/28/25	Favorable (Unfavorable)	% Difference	
Revenue Net of Fuel	135,332,126	143,840,259	152,973,794	149,883,891	3,089,903	2.06%	▲
Transfer from (to) Rate Stabilization	(4,264,867)	(1,166,310)	(11,739,366)	(11,478,902)	(260,464)	2.27%	▲
Fuel	55,645,420	36,207,513	42,154,462	35,571,842	6,582,620	18.51%	▲
Total Operating Revenue	186,712,679	178,881,462	183,388,890	173,976,831	9,412,059	5.41%	▲
Expense Net of Fuel & Depreciation	59,092,180	62,694,565	62,289,494	59,580,765	(2,708,729)	-4.55%	▼
Fuel	55,645,420	36,207,513	42,154,462	35,571,841	(6,582,621)	-18.51%	▼
Depreciation	42,782,756	43,572,196	45,640,284	45,640,284	-		
Total Operating Expense	157,520,356	142,474,274	150,084,240	140,792,890	(9,291,350)	-6.60%	▼
Operating Income	29,192,323	36,407,188	33,304,650	33,183,941	120,709	0.36%	▲
Non-operating Expense	19,979,030	8,922,383	13,151,644	13,151,644	-		
Income Before Capital Contributions & Transfers (Surplus)	9,213,293	27,484,805	20,153,006	20,032,297	120,709	0.60%	▲
GFT	13,951,250	5,101,742	3,543,843	3,543,843	-		
Surplus (Deficit) after GFT	(4,737,957)	22,383,063	16,609,163	16,488,454	120,709	0.73%	▲

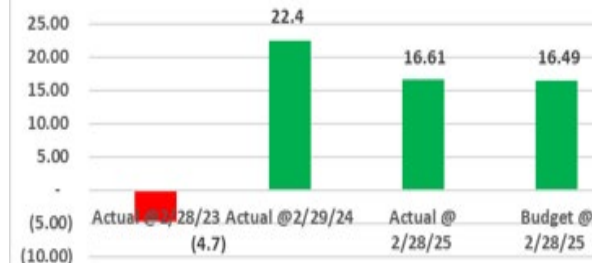
Revenue Net of Fuel (Millions)



Expense Net of Fuel & Depreciation (Millions)



Surplus (Deficit) After GFT (Millions)



2026 Budget Planned CIP

Summary of Capital Improvement Program - Sources and Uses						
	FY25	FY26	FY27	FY28	FY29	FY25 - FY29
Uses of Funds:						
Construction Projects						
Electric	44,453,674	25,808,049	32,020,514	46,330,900	55,043,540	203,656,677
Gas	5,670,122	4,774,859	4,743,606	2,206,858	1,583,920	18,979,365
Water	18,618,450	19,325,698	23,513,313	18,968,019	18,087,574	98,513,054
Wastewater	55,104,779	50,016,697	64,810,904	69,281,250	49,080,808	288,294,438
GRUCom	222,095	1,688,609	1,426,905	210,423	218,842	3,766,874
Total Construction	124,069,120	101,613,912	126,515,242	136,997,450	124,014,684	613,210,408
Sources:						
Current Construction Fund Balance @ 2/28/2025						134,915,000
Bond Financing		80,000,000			111,000,000	191,000,000
Revenues (UPIF)	58,000,000	44,000,000	39,000,000	38,000,000	38,000,000	217,000,000
Grants*	26,257,935	26,312,322	17,725,150			70,295,407
Total Sources	84,257,935	150,312,322	56,725,150	38,000,000	149,000,000	613,210,407
* Primarily Main Street Treatment Plant and Wetlands project						
Significant capital projects:				2025	2026	
Electric	Underground main line & distribution improvements			3,148,942	3,195,851	
Water	Murphree Water Plant water treatment equipment			3,055,507	5,143,613	
Wastewater	Main Street Treatment Plant treatment & disposal equipment			29,103,244	17,427,758	
Gas	System capacity upgrades & integrity improvements			328,333	-	
GRUCom	Wide Area Network (WAN) infrastructure improvements			-	366,965	



Thank You!



CONTACT US

Claudia Rasnick, CPA, CPFO,
CGFO, MBA
Chief Financial Officer, Utilities
rasnickce@gru.com
352-393-1322 <https://www.gru.com>