



Wednesday, February 12, 2025, 5:30 p.m.

GRU Administration Building

301 SE 4th Avenue

Gainesville, FL 32601

Directors

Chair Eric Lawson

Vice-Chair David Haslam

Director Craig Carter

Director Jack Jacobs

Director Robert Skinner

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**A. CALL TO ORDER**

Agenda Statement: The Gainesville Regional Utilities Authority encourages civil public speech. The Gainesville Regional Utilities Authority expects each person entering this chamber to treat others with respect and courtesy. Speakers are expected to focus on agenda items under discussion. Signs, props, posters, food, and drinks should be left outside the auditorium.

**B. ROLL CALL**

**C. INVOCATION**

**D. PLEDGE OF ALLEGIANCE**

**E. ADOPTION OF THE AGENDA**

**F. APPROVAL OF MINUTES**

**G. CHAIR COMMENTS**

**H. GENERAL PUBLIC COMMENT**

(for items not on the agenda, not to exceed 30 minutes total)

**I. CONSENT AGENDA**

1. **2025-101 Paul C. Jones v. City of Gainesville; Case No. 2024-CA-771; Eighth Judicial Circuit in and for Alachua County, Florida. (NB)**  
**Department: Risk Management / Utilities Attorney**

**Explanation:** On June 14, 2021, around 4:30 p.m., the Plaintiff was driving west on 39th Avenue on his way home from work, and was aiming to traverse the intersection at North Main Street. Should the matter proceed to trial, his attorneys would argue that he was proceeding under a green light and that a Gainesville Regional Utilities (“GRU”) truck pulled out across his lane of travel while attempting to turn north from 39th Avenue onto North Main Street. His attorneys would further argue that the GRU truck was pulling a trailer with a backhoe and that the Plaintiff’s vehicle was totaled when the Plaintiff’s vehicle collided with the trailer that the GRU truck was pulling. The Plaintiff sought medical treatment following this collision, including chiropractic care and epidural steroid injections. The Plaintiff also obtained MRI images that indicate, as his attorneys would argue, that he suffered herniated discs at C3-4, L2-3, L3-4, and L4-5 as a result of this accident and that these injuries are permanent. The Plaintiff also advanced a claim for his truck being totaled and for lost wages. Furthermore, the Plaintiff, through his attorneys, advanced a claim for approximately \$47,000 in past medical damages and \$44,000 in future medical costs.

Per the application of Florida’s limited waiver of sovereign immunity contained in Florida Statutes section 768.28, the liability limit for the State, its agencies and subdivisions is \$200,000 per person and \$300,000 per incident. As a result of a settlement agreement reached during negotiations in court-ordered mediation, Plaintiff has agreed to accept \$80,000.00 in full and final settlement of the claim. Should the matter proceed to trial, a jury would likely be able to consider the cost of the Plaintiff’s past medical expenses, along with his claims of future medical expenses, as well as property damage, lost wages, and past and future pain and suffering. It is the recommendation of the City Attorney’s Office, the City’s Risk Management Department, and GRU’s Water/Wastewater management that the Authority settle the claim for \$80,000.00 and avoid the risk of greater liability at trial.

**Fiscal Impact:** Funds are available in GRU’s FY 2025 budget.

**Recommended Motion:** The Gainesville Regional Utilities Authority 1) approve the terms of the settlement reached during negotiations in court-ordered mediation; and 2) authorize the City Attorney to settle the claim of Paul C. Jones v. City of Gainesville; Case No. 2024-CA-771; Eighth Judicial Circuit, in and for Alachua County, Florida.

**2. 2025-102 People Policies (B)**

**Department:** Office of People Resources

**Description:** As part of the orderly transition established under State Law 2023-348 (HB 1645), it has become necessary to establish new human resource policies (People Policies) for GRU employees, separate and distinct from the City of Gainesville's long-standing human resources policies.

The new People Policies were developed to incorporate the utility's mandate to operate GRU as a business, limiting the financial burden to customers, easing administrative burdens, and to be fair and respectful of employees as we work to attract, and retain talent.

The policies provide overarching direction from GRUA to the CEO to ensure the people resources of GRU are managed in an effective, fair, and equitable manner. Companion procedures will ultimately be established by the CEO to implement, interpret, describe and/or administer the requirements of the policies.

Policies covering benefits administered by the City of Gainesville's Risk Management Department are unchanged, including the City's pension plan. GRU employees will continue to follow those policies and be covered by the pension plan.

The policies are being reviewed by legal counsel as to form and legality.

**Fiscal Note:** The establishment of the Office of People Resources to develop, implement and manage the People Policies is part of a multi-year transition of HR services from the City to GRU which is anticipated to be cost-neutral.

**Recommended Motion:** GRUA approve the People Policies as presented.

**J. CEO COMMENTS**

**K. ATTORNEY COMMENTS**

**L. BUSINESS DISCUSSION ITEMS**

**1. 2025-104 December 2024 Financial Position (B)**

**Department:** Budget, Finance and Accounting

**Description:** This is an informational item related to the December 31, 2024 budget vs actual results.

**Fiscal Note:** No fiscal impact.

**Recommended Motion:** Informational item only.

2. **2025-105 State of the Utility FY25 December (B)**

**Department:** Chief Operating Officer

**Description:** A monthly operational update to Authority members to ensure they are aware of important projects and relevant utility measurements and benchmarks. This report provides information from December 2024. We will be assessing the most effective methods for delivering the report in addition to the most relevant information as it continues to evolve.

**Fiscal Note:** No fiscal note.

**Recommended Motion:** The GRU Authority hear a monthly update from the utility's operational areas.

3. **2025-110 Liquidity and Reserve Metrics (B)**

**Department:** Business, Finance and Accounting

**Description:** This is an informational item related to a review of GRU's liquidity and reserve metrics.

**Explanation:** At the December 11, 2024 GRUA meeting, the board requested that in the future staff bring forward more in-depth discussion of GRU's financial metrics. It is staff's intent to review a different metric at the same meeting quarterly budget to actual financial information is presented until all significant metrics are covered. This initial presentation covers GRU's liquidity metrics.

**Fiscal Note:** No fiscal impact.

**Recommended Motion:** Informational item only.

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

1. **2025-106 Resolution of the Gainesville Regional Utilities Authority, a unit of city government of the City of Gainesville, Florida approving the execution, delivery and performance of one or more natural gas supply agreements with Municipal Gas Authority**

**Department:** Budget, Finance and Accounting

**Description:** The resolution approves participation in a natural gas prepayment transaction between the Gas Authority and TD Bank.

**Fiscal Note:** The initial discount is estimated at \$0.58 per MMBtu net of an administrative fee of the Gas Authority's Issuer entity. At \$0.50/MMBtu, annual savings are projected at \$1,825,000 on the recently completed Citi Bank transaction and at \$0.58/MMBtu on the proposed TD Bank transaction, annual savings are projected at \$1,167,540.

**Explanation:** At their November 6, 2024 meeting GRUA delegated authority to the CEO or CFO to negotiate and execute one or more natural gas prepay agreements, cumulatively not to exceed 50% of GRU's projected average daily gas load.

Through this transaction, GRU has the opportunity to reduce its fuel costs by purchasing a portion of its projected future gas needs at a discounted price. The key elements of the proposed transaction are:

- GRU's obligation is limited to paying only for the natural gas delivered
- The transaction does not increase GRU's outstanding debt
- The transaction provides not less than \$0.30/MMBtu discount, for the initial term of the transaction, and after the initial term not less than \$0.23/MMBtu discount, in each case net of administrative fees.
- While the transaction is long term, GRU has the flexibility to transition from natural gas to electricity and still retain the discount
- The transaction will serve to diversify GRU's commodity supplier base
- In the event the transaction unwinds, GRU would simply revert to the current process for purchasing gas. The impact to GRU would be the loss of the discount.
- In December GRU executed a prepayment deal with Citi Bank which equaled approximately 24% of GRU's average daily load. The proposed transaction with TD Bank will encompass another 13% of GRU's daily load, bringing the total portion of GRU's load accounted for through prepay transactions to approximately 37%.

**Recommended Motion:** GRUA adopt the proposed resolution authorizing participation in a natural gas prepayment transaction between the Gas Authority and TD Bank.

**N. DIRECTOR COMMENTS**

**O. ADJOURNMENT**



**Gainesville Regional Utilities Authority**

**MINUTES**

**January 15, 2025, 5:30 p.m.  
GRU Administration Building  
301 SE 4th Avenue  
Gainesville, FL 32601**

Members Present: Craig Carter, Vice-Chair Haslam, Jack Jacobs, Chair Lawson, Robert Skinner

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**A. CALL TO ORDER**

Craig Carter joined the meeting at 5:30 pm.

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

Jack Jacobs joined the meeting at 5:30 pm.

Chair Lawson joined the meeting at 5:30 pm.

Robert Skinner joined the meeting at 5:30 pm.

**B. INVOCATION**

The invocation was lead by Vice Chair Haslam.

**C. PLEDGE OF ALLEGIANCE**

**D. ADOPTION OF THE AGENDA**

5:35PM End public discussion at 6:05PM

Public Comment: Jim Konish, Chuck Ross, David Hastings, Bobby Murmer, Janice Garry, Nancy Deren, Melanie Sheppens (UF Student), Campbell (UF Student - Climate activist group), Inaudible Name

Director Skinner reminds public that GRU's decision to terminate Solar PPA agreement does not mean a departure from solar efforts in the future, just a departure from this specific contract.

**Moved by** Craig Carter  
**Seconded by** Vice-Chair Haslam

Motion: Accept the agenda as written.

Aye (5): Craig Carter, Vice-Chair Haslam, Jack Jacobs, Chair Lawson, and Robert Skinner

**E. CHAIR COMMENTS**

Chair Lawson fully expects GRU to return to solar efforts in the future with the right PPA.

**F. GENERAL PUBLIC COMMENT**

5:56 - 6:26 Public Comment

Jim Konish, Angela Casteel, Chris Russell, David Chaiz, Rainy Eagle Glenn, Bobby Mermer, Chuck Ross, Sicilla Abonte', Syed M Haider, Dr Burke Hughes DDS, Paige Nicholson DDS, Donald Sheppherd.

**G. CONSENT AGENDA**

**1. Approval of the Minutes from the December 11, 2024 GRUA Meeting (B)**

**2. 2025-15 Termination and Release of Solar Power Purchase Agreement (B)**

**Recommendation:** GRUA approve the Termination and Release of the Renewable Power Purchase Agreement and authorize the CEO, or his designee, to execute the Termination and Release between GRU and FL Solar 6, LLC.

**3. 2025-24 Wild Spaces & Public Places Multi-Use Trail Systems in GRU Utility Rights-of-Way (B)**

**H. CEO COMMENTS**

Ed spoke to some of the comments made by the public regarding solar Orgis contract and other comments.

Ed commented on his vision for "Customer First" - thinking about GRU operations from a customer perspective.

**I. ATTORNEY COMMENTS**

Attorney Scott Walker provides updates on the lawsuit with Judge Wright.



**J. BUSINESS DISCUSSION ITEMS**

**1. 2025-29 State of the Utility, Monthly Update (B)**

Update on turbine repair at Deerhaven.

State of the Utility Presentation by COO, Tom Brown. Presentation was displayed.

**Recommendation:** The GRU Authority hear a monthly update from the utility's operational areas.

**2. 2025-17 First Amendment to the Contract between Gainesville Regional Utilities Authority (GRUA) and Folds Walker, LLC for General Legal Services (B)**

Public comment: Jim Konnish, Donald Sheppherd.

**Recommendation:** The Authority approve the extension to the general legal services agreement with Folds Walker through August 8, 2025.

**Moved by** Craig Carter

**Seconded by** Robert Skinner

Approved as Recommended

**3. 2025-30 FY26 GRU Budget: Presentation on GRU's Debt Portfolio Review (B)**

Presentation of Debt Portfolio by Mark Benton, Finance Director.

**Recommendation:** The Authority hear a presentation from staff.

Heard

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

**1. 2025-26: A resolution of the GRUA authorizing and ratifying the GRUA's use of independent legal counsel to serve as "Utilities Attorneys" for the purpose of conducting the business of the Authority (B)**

Public comment: Donald Sheppherd

**Moved by** Jack Jacobs

**Seconded by** Vice-Chair Haslam

**Recommendation:** Approve resolution that authorizes Utilities Attorney as an agent of the City for the purposes outlined in the Charter Amendment, and to provide that Utilities Attorney performs legal services for the Authority as directed or approved by the Authority or the CEO/GM, including, without limitation, to sign as to form on legality all agreements entered into pursuant to the Charter Amendment, for the benefit of the System and ratifies all prior actions heretofore taken by the Utilities Attorney.

Approved as Recommended

**L. DIRECTOR COMMENTS**

Director Jacobs encouraged the public to educate themselves and us to work to educate them.

Vice Chair Haslam encouraged the public to engage in back and forth as the meeting progresses through the agenda and not just talk and leave, reminding everyone that they are all local directors.

Director Skinner - Concurred with previous directors.

Director Carter - Briefed all on two conversations he had with two customers/constituents. Praising GRU employees and their knowledge and customer service. Thanked GRU employees.

Chair Lawson - Thanked board members for their commitment.

**M. ADJOURNMENT**

Chair Lawson adjourns.

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Tracie Osteen, Executive Assistant Senior

Raquel Lopez, Executive Assistant Senior



## Gainesville Regional Utilities Authority Agenda Item Report

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**File Number:** 2025-101

**Agenda Date:** February 12, 2025

**Department:** Gainesville Regional Utilities

**Title:** 2025-101 Paul C. Jones v. City of Gainesville; Case No. 2024-CA-771; Eighth Judicial Circuit, in and for Alachua County, Florida. (NB)

**Department:** Risk Management / Utilities Attorney

**Explanation:** On June 14, 2021, around 4:30 p.m., the Plaintiff was driving west on 39th Avenue on his way home from work, and was aiming to traverse the intersection at North Main Street. Should the matter proceed to trial, his attorneys would argue that he was proceeding under a green light and that a Gainesville Regional Utilities (“GRU”) truck pulled out across his lane of travel while attempting to turn north from 39th Avenue onto North Main Street. His attorneys would further argue that the GRU truck was pulling a trailer with a backhoe and that the Plaintiff’s vehicle was totaled when the Plaintiff’s vehicle collided with the trailer that the GRU truck was pulling. The Plaintiff sought medical treatment following this collision, including chiropractic care and epidural steroid injections. The Plaintiff also obtained MRI images that indicate, as his attorneys would argue, that he suffered herniated discs at C3-4, L2-3, L3-4, and L4-5 as a result of this accident and that these injuries are permanent. The Plaintiff also advanced a claim for his truck being totaled and for lost wages. Furthermore, the Plaintiff, through his attorneys, advanced a claim for approximately \$47,000 in past medical damages and \$44,000 in future medical costs.

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**Recommended Motion:** The Gainesville Regional Utilities Authority 1) approve the terms of the settlement reached during negotiations in court-ordered mediation; and 2) authorize the City Attorney to settle the claim of Paul C. Jones v. City of Gainesville; Case No. 2024-CA-771; Eighth Judicial Circuit, in and for Alachua County, Florida.



**Gainesville Regional Utilities Authority  
Agenda Item Report**

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**File Number: 2025-102**

**Agenda Date:** February 12, 2025

**Department:** Gainesville Regional Utilities

**Title: 2025-102 People Policies**

**Department:** Office of People Resources

**Description:** As part of the orderly transition established under State Law 2023-348 (HB 1645), it has become necessary to establish new human resource policies (People Policies) for GRU employees, separate and distinct from the City of Gainesville's long-standing human resources policies.

The new People Policies were developed to incorporate the utility's mandate to operate GRU as a business, limiting the financial burden to customers, easing administrative burdens, and to be fair and respectful of employees as we work to attract, and retain talent.

The policies provide overarching direction from GRUA to the CEO to ensure the people resources of GRU are managed in an effective, fair, and equitable manner. Companion procedures will ultimately be established by the CEO to implement, interpret, describe and/or administer the requirements of the policies.

Policies covering benefits administered by the City of Gainesville's Risk Management Department are unchanged, including the City's pension plan. GRU employees will continue to follow those policies and be covered by the pension plan.

The policies are being reviewed by legal counsel as to form and legality.

**Fiscal Note:** The establishment of the Office of People Resources to develop, implement and manage the People Policies is part of a multi-year transition of HR services from the City to GRU which is anticipated to be cost-neutral.

**Recommended Motion:** GRUA approve the People Policies as presented.

# Gainesville Regional Utilities People Policies

## Table of Contents

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- 1.1 Statement of Purpose
- 2.1 Employment
- 3.1 Compensation
- 4.1 Benefits
- 5.1 Performance Management
- 6.1 Leave - Paid Time Off
- 6.2 Leave – General
- 6.3 Leave of Absence
- 7.1 Code of Ethical Standards
- 7.2 Code of Conduct & Workplace Violence Prevention
- 8.1 Public Records

## Gainesville Regional Utilities People Policies

Policy Type: General

Policy 1.1

Policy Title: **Statement of Purpose**

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**Purpose** - To attain the foregoing goals and standards, and in recognition of the complexity of Gainesville Regional Utilities (GRU) and all the services provided, GRU shall establish people policies that ensure the people resources of GRU are managed in an effective, fair, and equitable manner. In recognition of the ever-changing landscape of the practice of human resource management, the adoption of flexible policies is essential to ensure that management has the tools necessary to carry out the goals of the GRU Authority. Furthermore, the policies must be sufficiently detailed to enable equal application by those charged with such responsibility, as well as to allow employees to understand their obligations related to the terms and conditions of employment described in the policies.

**Administration** - The Gainesville Regional Utilities Authority provides direction to the Chief Executive Officer (CEO) regarding human resources practices by the adoption of people policies for the Utility. The responsibility for the administration of these policies is delegated to the CEO who may develop procedures for the administration of these policies, and has responsibility for the development, maintenance and administration of GRU people practices and systems in accordance with people policies and procedures, and local, state, and federal laws.

The CEO is responsible for the administration of procedures developed to interpret, apply or assist in carrying out policies or to set operational direction for the utility. Such procedures may be amended by the CEO from time to time to ensure compliance with changes in people systems and laws governing employment. The CEO is responsible for the consistent application of the people policies and procedures at GRU and for ensuring that the people resources goals of the GRU Authority are met.

**Non-Material Changes to Policies** - Over time, it may become apparent that people policies contain outdated references to industry terminology, obsolete department names or classifications, spelling and grammatical errors, inappropriate formatting, etc. The CEO is authorized to make non-material changes to people policies to correct these types of issues.

**Collective Bargaining Agreements** - Collective bargaining agreements, when in effect, also define terms and conditions of employment for bargaining-unit employees and may take precedence over people policies. The terms and conditions of a collective bargaining agreement shall prevail in the event of any conflicts between such an agreement and these people policies.

Adopted by GRUA 02/12/2025

## Gainesville Regional Utilities People Policies

Policy Type: Employment

Policy 2.1

Policy Title: **Employment**

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**Purpose** - Gainesville Regional Utilities (GRU) fosters an employment atmosphere where all people are treated equally and fairly without discrimination. All employee related processes and decisions are based on merit and fitness alone, and without regard to race, color, gender, age, religion, national origin, marital status, sexual orientation, disability, or gender identity.

**Administration** - To provide consistent employment processes and to ensure compliance with all applicable federal, state, and local laws, regulations, policies and procedures, the Office of People Resources is responsible for oversight of all employment processes at GRU.

**Hiring** - To best carry out the functions of the utility, departments may hire a mix of regular or temporary, full- or part-time, GRU or contractual employees. Temporary employees may be short- or long-term.

Hiring authority - The authority for making the final decision as to which applicant will be hired rests with the Chief Executive Officer (CEO) or their designee.

Chief Officers, Officers and Directors serve at the will of the CEO.

Probationary Period - All regular employees shall be subject to satisfactory completion of a probationary period. The probationary period shall be regarded as an integral part of the selection process and shall be utilized for closely observing the employee's work for securing the most effective adjustment of an employee to the position and for releasing any employee whose performance, dependability or conduct is not satisfactory.

**Separation from Service** - An employee shall be separated from GRU and shall be considered terminated for all purposes if the employee resigns, retires, is laid off, is discharged, is absent for three consecutive days without notification, or is deceased.

Authority for Discharge – The final authority for discharge rests with the CEO.

Removal of Other Non-Probationary Employees - Only the CEO or their designee may remove any non-probationary subordinate employee from employment and may do so for any nondiscriminatory legitimate reason including, but not limited to, obsolescence of position, to satisfy budgetary restrictions, or for cause.

Layoff - Layoffs may occur for reasons of, but not limited to, shortage of funds or work or other material changes in the duties or organization, and will be conducted in a nondiscriminatory, orderly, systematic and uniform manner.



Laid-off employees may apply for any regular position with GRU or the City of Gainesville and, if rehired within 180 days of layoff, shall have their tenure of service restored.

**Nepotism** - To provide a work environment that is seen as fair and just by employees and customers, GRU employees will not report to relatives.

No GRU employee in a position of authority shall place any relative into a position over which the employee has authority and shall not directly supervise nor be in the direct chain of command of a relative, nor advocate for compensation changes for a relative.

Exceptions may occur if an employee becomes a relative through no act of their own (for example, when a marriage of two current GRU employees makes another GRU employee a relative to someone in their direct chain of command).

The CEO is responsible for ensuring that processes are developed to address such matters in a timely manner.

**Outside Employment or Business Activity** - Regular full-time employment with GRU is the primary employment for GRU employees. An employee shall not engage in any outside employment or business association without first obtaining written approval of the department head.

Outside employment shall not interfere with or conflict with the proper performance of an employee's duties with GRU, nor conflict with the Code of Ethical Standards.

Employees shall not be in a position of influence in a firm doing business with GRU and shall not have any employment or contractual relationship with any entity which engages with GRU where such relationship interferes with or conflicts with the proper performance of duties with the Utility.

Final approval is subject to the review and approval of the CEO or authorized designee.

Adopted by GRUA 02/12/2025

## Gainesville Regional Utilities People Policies

Policy Type: Compensation

Policy 3.1

Policy Title: **Compensation**

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**Purpose** - Gainesville Regional Utilities' (GRU) compensation program is designed to achieve the goals of attracting, welcoming, retaining, and engaging the most qualified employees to join the effort of providing safe, reliable and competitively priced utility services in an environmentally responsible way. Thus, the following guiding principles for GRU's compensation program are established:

Structure the most effective total compensation plan to attract, motivate and retain the caliber of employees needed to achieve GRU's short- and long-term goals by linking pay to performance.

Ensure sound compensation procedures and practices are utilized while managing related processes in a timely fashion.

Appropriately balance external market competitiveness with internal equity and budgetary constraints.

**Administration** - The CEO ensures that appropriate compensation systems and procedures are developed, implemented, maintained and administered in accordance with local, state and federal law to meet the demands of the changing employment environment, and will recommend and budget for the appropriate people resources annually to meet the goals of the GRU Authority (GRUA).

The Office of People Resources (OPR) is responsible for oversight of compensation systems and processes. OPR will use sound compensation practices to establish appropriate pay rates for employees upon hire and for any changes that occur during an employee's tenure. Established pay rates will be approved by the CEO or their designee.

**Job Classification System** - GRU will establish and maintain a flexible and responsive Job Classification System to ensure that GRU employees are appropriately classified and in the proper pay grade for carrying out their assigned work to meet the goals of the utility.

**Extra Compensation to Exempt Employees** - GRU recognizes that employees in jobs that are exempt from overtime requirements of the Fair Labor Standards Act (FLSA) are paid on a salary basis. It is normal and expected for such employees to be required to work an extensive amount of time beyond normal work hours for which there is no additional pay. However, if it is determined that emergency conditions involving GRU facilities or operations exists or are imminent, exempt employees of GRU may be required to work hours significantly more than their regularly scheduled work week. Subject to the limitations set forth in Sec. 215.425, F.S., the CEO will establish procedures for compensating exempt employees who perform services relating to such an incident.

Adopted by GRUA 02/12/2025

## Gainesville Regional Utilities People Policies

Policy Type: Benefits

Policy 4.1

Policy Title: **Benefits**

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Gainesville Regional Utilities' (GRU) employee benefits currently administered by the City of Gainesville's Risk Management Department will continue as is, and their benefits policies and procedures apply to GRU employees.

GRU employees will continue to be covered by the City's pension plan.

Adopted by GRUA 02/12/2025

## Gainesville Regional Utilities People Policies

Policy Type: Performance Management

Policy 5.1

Policy Title: **Performance Management**

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**Purpose** - Gainesville Regional Utilities (GRU) maintains a formal performance management system that

1. Links performance to pay and motivates employees to achieve organizational goals and objectives,
2. Provides the CEO with a platform to effectively distribute available salary dollars to manage and motivate employees' behavior and to discourage entitlement, and
3. Provides a comprehensive and systematic way to:
  - a. Evaluate performance for the achievement of individual, departmental and organizational goals.
  - b. Reward top performers and incentivize low performers to improve by linking pay to the successful accomplishment of goals.
  - c. Establish development plans to encourage each employee to optimize their potential.
  - d. Communicate to employees the process used to evaluate and reward performance.

**Administration** - The CEO is responsible for the development, implementation, maintenance and administration of appropriate performance management systems, including procedures, to maintain an effective and productive workforce to meet organizational goals. GRU Chief Officers, Officers and Directors will be accountable and responsible for implementation of the Performance Management Policy for their areas of responsibility.

The Office of People Resources is responsible for oversight of Performance Management systems and processes.

**Evaluating Performance** - The CEO shall ensure appropriate processes and procedures for evaluating performance are developed and maintained. Each Officer and Director will be responsible for the consistent application of the adopted processes and procedures.

**Linking Pay to Performance** - The CEO shall ensure appropriate mechanisms are in place to manage performance-based merit awards based upon market considerations and budgetary or fiscal constraints.

Performance-based merit awards and any other form of pay increases are not entitlement. GRU may increase, freeze or decrease pay at any time.

Adopted by GRUA 02/12/2025

## Gainesville Regional Utilities People Policies

Policy Type: Leave

Policy 6.1

Policy Title: **Leave – Paid Time Off**

**Purpose** - An effective Paid Time Off (PTO) policy can prevent absenteeism by giving employees the freedom, flexibility and respect to handle personal matters without disrupting their work schedule. All regular and probationary full-time and part-time employees are automatically covered by the Paid Time Off Leave System.

Employees currently on the Vacation/Sick Time Leave Plan will convert to the PTO plan when GRU converts from Workday to SAP Success Factors, anticipated to be 01/01/2026. Until then, those employees will be covered by the current Vacation/Sick Time policy which is administered by the City.

**Annual Accrual Rates –** Employees will accrue PTO as follows:

Years of Continuous Service	Equivalent Months of Service	Rate of Accrual per Pay Period	Approximate Annual Accrual	
			Hours	Equivalent Weeks
0-5	1-59	6 Hrs. 10 Mins.	160	4
5-10	60-119	7 Hrs. 42 Mins.	200	5
10-15	120-179	8 Hrs. 37 Mins.	224	5.5
15-20	180-239	9 Hrs. 14 Mins.	240	6
20+	240+	10 Hrs. 28 Mins.	278	7

Accrual rates for employees with service of 25-plus years will be reduced from 10 hours, 47 minutes to 10 hours, 28 minutes (eight weeks to seven weeks) upon GRU's conversion to Success Factors.

Regular part-time employees shall earn PTO in the proportion that their workweek is to a fulltime workweek.

**Maximum Accrual Carryover Cap -** Carryover of accrued PTO is permitted as follows:

Years of Continuous Service	Equivalent Months of Service	Carryover Permitted	
		Hours	Equivalent Weeks
0 - 5	1 - 59	160	4
5 - 10	60 - 119	200	5
10 - 15	120 - 179	224	5.5
15 - 20	180 - 239	240	6
20+	240+	278	7

All hours exceeding the PTO accrual cap on the employee's anniversary date will automatically be deposited into the employee's Personal Critical Leave Bank.

**Departmental Leave Guidelines** - Each Department shall establish and may amend reasonable written guidelines defining scheduled and unscheduled leave, based on job function and according to operational needs.

**Personal Critical Leave Bank (PCLB)** - Employees may establish a personal critical leave bank for two purposes: 1) Employee use in case of serious illness, accident or disability; or 2) Achieve Normal Retirement Eligibility for Employees with Serious Illness.

There is an unlimited accumulation of time in the PCLB.

**Donations to other employees** - An employee may donate time from their accrued PTO leave to another employee for whom a leave donation fund has been established.

**Conversion of PTO to Cash** - Employees will be permitted to convert up to 40 hours of PTO to cash at any one time during the fiscal year, to be paid via payroll, provided their total PTO balance does not fall below 80 hours. Hours converted to cash will not be included in the pension base nor used for final average earnings calculations.

**Disposition of Leave upon Separation** - Upon separation from GRU, an employee shall be paid for accrued unused PTO leave hours up to their maximum carryover cap. Unused PTO leave hours paid at termination shall not be included in the calculation of final average earnings for pension purposes.

Adopted by GRUA 02/12/2025

## Gainesville Regional Utilities People Policies

Policy Type: Leave

Policy 6.2

Policy Title: **Leave - General**

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**Purpose** - There are occasions when it is necessary for employees to take time away from work for reasons other than those expected to be covered by the PTO leave policy. This general leave policy establishes the following leave categories: Administrative Leave, Bereavement Leave, Domestic/Sexual Violence Leave, Jury Duty or Witness Appearance, Paid Parental Leave, and Workers' Compensation Leave.

**Administrative Leave** - Regular Exempt employees are responsible for carrying out management policies of the GRU Authority, and exercise delegated authority in the management and administration of service delivery to GRU customers. The intent of this policy is to establish a means by which covered employees can be partially compensated for the contribution of an unusual number of hours worked beyond the normal workweek. Covered employees shall be eligible to earn up to one work week of Administrative Leave with pay in a fiscal year.

Such leave is discretionary, is not an entitlement and non-cumulative.

**Bereavement Leave** - In the event of death in an employee's immediate family, regular employees shall be granted bereavement leave with pay for three working days and shall have immediate access to their Personal Critical Leave Bank (PCLB) hours for up to an additional two working days (proportionate to their work schedule).

**Domestic/Sexual Violence Leave** - Employees who have been employed by GRU for at least three months shall be granted up to three working days of leave in any 12-month period if the employee or a family or household member of the employee is the victim of domestic violence or sexual violence. This leave is available to an employee to engage in activities needed because of the domestic/sexual violence, such as seeking an injunction, obtaining medical care, seeking shelter services, securing their home, or seeking legal services.

**Jury Duty or Witness Appearance** - GRU encourages employees to accept and properly discharge their civic responsibility when called upon for jury duty or to appear as a witness in a legal proceeding. To prevent a financial burden resulting from the performance of such duty, GRU will pay an employee their regular straight time rate to perform jury service during their normal working hours.

**Witness Subpoena** - An employee who is required to appear in a legal proceeding during their normal working hours in response to a legally valid subpoena shall be paid their regular straight time rate for those hours absent from work; provided that either the employee is required to testify on behalf of GRU, or that GRU be a party to the case and the employee is required to testify because of conduct arising out of and in the course of their employment with GRU while actually on duty.



**Paid Parental Leave** – GRU provides employees eligible for FMLA leave with six weeks of paid parental leave to be used by the employee to care for and bond with the newborn child, foster child or adopted child of that employee to be used within six months of the birth or placement of the child.

Paid parental leave shall be limited to no more than six weeks per calendar year, regardless of the number of covered events within that calendar year and shall be limited to 18 weeks during the entire time an eligible employee is employed by GRU and the City.

**Workers' Compensation** - Payment of workers' compensation benefits to all employees who are disabled because of an injury arising out of, and in the course of performing their duties with GRU will be governed by full workers' compensation benefits as provided in accordance with the Workers' Compensation Law, Chapter 440, F.S., as may be amended from time to time.

Whenever an employee is absent due to a compensable injury, they shall receive their regular pay for the first 15 calendar days of such absence. But such payment shall not, when added to workers' compensation benefits, total more than the normal take home pay (gross base pay minus taxes), received by the employee immediately prior to such absence.

An employee sustaining a lost-time injury in excess of 15 calendar days, may use available Personal Critical Leave Bank (PCLB) or Paid Time Off (PTO).

After employees are authorized to return to rehabilitative or full duty, they shall receive no further benefits under this policy, nor shall they be entitled to elect to take PCLB or PTO in lieu of returning to work.

Adopted by GRUA 02/12/2025

## Gainesville Regional Utilities People Policies

Policy Type: Leave

Policy 6.3

Policy Title: **Leave of Absence**

---

**Purpose** - Employees may take a leave of absence for the purposes of Family and Medical Leave, Military Leave and Personal Leave of Absence which may be paid or unpaid, depending upon the circumstances of the leave.

### **Family and Medical Leave (FMLA)**

Eligibility - Employees are generally eligible for FMLA if they have worked for GRU for at least one year and for 1,250 hours over the 12 months previous to the leave. Time worked at the City of Gainesville counts toward eligibility.

FMLA will be granted for:

1. The birth of a child and care for a child within 12 months following a birth.
2. The placement of a child with the employee. Leave must be taken within 12 months following placement.
3. To care for the spouse, child, or parent of the employee who has a serious health condition.
4. When the employee is unable to perform their own job because of the employee's own serious health condition.
5. Because of "any qualifying exigency" arising out of the fact that the spouse, son, daughter, or parent of the employee is on active duty, or has been notified of an impending call to active duty status, in support of a contingency operation, as a member of the reserves or retired member of the Regular Armed Services or Reserves.

Leave Period and Conditions - Eligible employees may take a maximum of 12 weeks of family and medical leave in their FMLA leave year. This leave may be paid or unpaid. The FMLA Leave Year is defined as the 12-month period measured forward from January 1 each year. Additional information regarding rights and responsibilities under the FMLA, can be found at <https://www.dol.gov/whd/regs/compliance/posters/fmlaen.pdf>

Military Caregiver Leave - An eligible employee who is the spouse, son, daughter, parent or next of kin of a covered servicemember, as defined by the FMLA, who is recovering from a serious illness or injury sustained in the line of duty on active duty is entitled to up to 26 weeks of leave in a single 12-month period to care for the servicemember.

This military caregiver leave is available during "a single 12-month period" during which an employee is entitled to a combined total of 26 weeks of all types of FMLA leave.

Should two eligible employees be related to the servicemember, the aggregate number of workweeks of leave to which both may be entitled may be limited to twenty-six (26) workweeks during the single twelve (12) -month period if the leave is Military Caregiver Leave or a combination of other FMLA covered events and Military Caregiver Leave.

Use of Leave - Leave may be taken intermittently or on a reduced leave schedule when certified as medically necessary. Leave due to qualifying exigencies may also be taken on an intermittent basis.

Conditions - Leave without pay for one (1) full pay period, or more, will not be considered time worked for purposes of accruing employee benefits, including PTO.

Employees may take Family and Medical Leave in twelve (12) consecutive weeks, may use the leave intermittently, or under certain circumstances may use the leave to reduce the workweek or workday, resulting in a reduced-hour schedule. Except for care for a covered service member, the FMLA-covered leave may not exceed a total of twelve (12) weeks in the twelve (12) -month period measured forward from January 1.

Maximum Paid Leave - The maximum hours of paid leave shall be 480 (12 weeks) and any approved absence beyond 480 in the leave year, or servicemember leave period shall be without pay.

### **Military Leave**

Offering paid military leave allows employees who are also servicemembers to take time off from their GRU jobs to fulfill their military duties. Military leave makes it possible for these employees to serve in the military without losing their GRU employment or benefits.

Leave for Military Training – A military leave of absence with pay will be granted to any employee called to temporary active or inactive duty for training purposes which conflicts with their work schedule. Time off shall be granted for a period not to exceed 240 hours (six weeks) in any one calendar year.

Leave for Active Military Service - A military leave of absence will be granted to any employee called to active military service or state active duty, with the first thirty (30) calendar days of any such leave of absence being with full pay from GRU.

Military Leave Without Pay - In the event military leave is required in excess of the time allowed by this policy, the employee may be granted additional leave without pay or they may elect to use PTO. PTO will not be required prior to allowing leave without pay.

Supplemental Pay -

- A. Members of the National Guard or Reservists called to active military service may have their military pay supplemented by an amount not to exceed their regular GRU base pay for up to twelve (12) months, immediately following the thirty (30) days full pay status.
- B. Employees receiving Supplemental Pay will not accrue PTO and will not receive holiday pay during the period of such Supplemental Pay.
- C. Following a period of Supplemental Pay, the employee may elect to use PTO provided that such an amount shall not exceed regular base pay. The employee may also elect to go into Leave without Pay status and shall not be required to use paid leave.
- D. Said Supplemental Pay shall cease immediately upon termination of the period of active military service.

#### Health and Basic Life Insurance Benefits

Election to Continue or Cancel Insurance Coverage - After receipt of notice to report to active duty, the employee has a specified amount of time to elect to continue or cancel coverage in the City Health and/or Basic Life insurance plans in which the employee was enrolled in at the time of reporting for active duty.

GRU will continue to pay the employer portion of health and basic life insurance coverage for members of the National Guard and Reservists called to active military service. The employee will continue to be responsible for any amount the employee had been paying. This continued payment of insurance premiums by GRU beyond the first thirty-one days is an enhancement to Federally required Uniformed Services Employment and Reemployment Rights Act (USERRA) benefits and shall cease immediately upon termination of the period of active military service should the employee not return immediately to GRU employment.

Re-Enrollment after Cancellation of Coverage - Any employee who elects not to continue City Health and/or Basic Life insurance coverage upon being called to active duty may re-enroll in that same coverage if the employee returns to work no later than ninety (90) calendar days after separation from military service by submitting an application to City of Gainesville, Risk Management within thirty-one (31) calendar days after returning to work. Generally, any waiting period and pre-existing condition provisions of any coverage will not apply.

#### **Personal Leave of Absence:**

An employee may be granted a Personal Leave of Absence for a period of time not to exceed one year, for the following reasons:

1. Health or family related problems not defined within FMLA Policy, or beyond the time limits of the FMLA.
2. Education
3. Military leave not covered under Military Leave Policy
4. Extenuating personal reasons

During an employee's approved Personal Leave, their position may be filled by a temporary or permanent appointment of another employee. At the expiration of the leave, the employee shall be reinstated to their previous position if it has not been filled permanently during the leave. If the position has been filled, then the employee will be reinstated to another position which is vacant and for which the employee is qualified. The replacement position shall not be at a higher pay rate than the position from which the leave was granted.

Continuity of Service - Any leave without pay which is approved in accordance with these procedures shall not constitute a break in service but may result in an adjustment to the employee's leave progression date and the employee's performance review and merit increase (if eligible) date. If the leave is for ninety (90) days or longer, the employee's pension service date will also be affected.

Expiration of Leave and Reinstatement - Reinstatement is dependent upon the type of leave.

Adopted by GRUA 02/12/2025

## Gainesville Regional Utilities People Policies

Policy Type: Conduct

Policy 7.1

Policy Title: **Code of Ethical Standards**

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**Purpose** - The successful operation of a public utility requires that employees observe the highest standards of morality and carry out their duties recognizing that the customer interest must be their primary concern. Their conduct both on and off the job must be above reproach. Employees of Gainesville Regional Utilities (GRU) shall follow Article II, Section 8, of the Florida Constitution entitled "Ethics in Government" and Florida Statutes [Chapter 112, Part III](#), entitled "Code of Ethics for Public Officers and Employees." These provisions are general in nature and the Commission on Ethics encourages political subdivisions including municipalities to adopt ethical standards tailored to their particular needs. GRU hereby adopts this Code of Ethical Standards.

Since it is neither desirable nor possible to list all possible activities that could result in a breach of public trust, this Code serves as a guideline and statement of policy. Each employee has a personal responsibility for assessing their own compliance with these policies and guidelines. The ethical implication of every action should be considered carefully and be directed toward enhancement rather than erosion of customer trust.

**Administration** - The CEO shall determine whether any activity violates this Code of Ethics. Questions on key decisions may be referred to the GRU Authority for comment and advice at the CEO's discretion.

**Fair and Equal Treatment** - Every employee must treat all customers and employees with courtesy, impartiality, fairness and equality under the law. No employee shall grant any special consideration, treatment or advantage to any person beyond that which is available to every other person.

**Use of GRU Resources** - Use of GRU resources, including personnel, vehicles, equipment, material or funds (including procurement cards) for other than legitimate GRU business is prohibited except for *de minimis* personal use authorized by GRU policy or procedure. Such prohibited use is considered a breach of ethics.

**Solicitation or Acceptance of Items of Value** - No employee shall solicit or accept anything of value for personal use, including free or discounted goods, services, prizes, gifts, favors, accommodations, entertainment, discounted loans, promises of future employment or anything else of value, except as provided below.

This code must be read as prohibiting the *appearance* of impropriety as well as actual conflicts of interest. No circumvention of this code is permitted by diverting free or discounted goods or services to family or associates of employees to avoid direct acceptance of gifts.

Exception - No breach of ethics is deemed to occur under the following circumstances provided there is no understanding or perception that the vote, official action, or judgment of the employee would be influenced under such circumstances:

1. Items of value offered to the public or a representative group thereof.
2. Promotional materials, awards, prizes, food or drink of inconsequential value.
3. Normal gift giving among family and friends on festive occasions.

**Contracts with GRU** - Except for publicly recorded salary and benefits, no employee may receive any additional personal financial benefit (income, goods or service, or increase in equity or other value) from any transaction of GRU, including contracts for construction and transactions for the sale or purchase of goods, services or real estate, except those indirect and incidental public benefits and conveniences accruing to all customers under similar circumstances.

**Policy or Legislative Matters Before the Gainesville Regional Utilities Authority** - Any employee who has a financial or other private interest in any matter before the GRU Authority requiring a decision and vote by the Authority or who contributes to the preparation, presentation or discussion of an official report or recommendation to the Authority affecting such financial or other private interest shall disclose at the appropriate public meeting, orally or in writing, duly recorded in the minutes thereof, the nature and extent of such interest. This disclosure shall be made prior to any vote by the Authority.

**Honoraria** - Refers to monies and expense reimbursement received by an employee of GRU for performing some service for an organization not directly associated with GRU.

1. Employees shall not accept and retain both an honorarium and payment from GRU for the same work or expenses.
2. Employees receiving honoraria in accordance with this policy will not be required to file Outside Employment forms.
3. If an honorarium is offered to the employee for services normally covered by GRU, the honorarium is to be paid to GRU. The employee is encouraged to have the original honorarium paid with a check made payable to Gainesville Regional Utilities, when possible.
4. If an employee accepts an honorarium for expenses normally covered by GRU, the expenses for the given period will not be advanced or paid by GRU. The employee will be considered an agent of the organization that is offering the honorarium or travel expenses, and for that period of time which GRU so designates, no expenses will be paid.

Adopted by GRUA 02/12/2025

## Gainesville Regional Utilities People Policies

Policy Type: Conduct

Policy 7.2

Policy Title: **Code of Conduct and Workplace Violence Prevention**

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**Purpose** - GRU's Code of Conduct is designed to ensure the safety of all GRU employees and to provide guidelines to ensure equitable and business-like implementation. GRU employees are held to a high standard of conduct and these guidelines reflect such standards.

**Administration** - GRU will treat each violation of the Code of Conduct on an individual basis without creating a binding precedent for other cases. The goal of imposing disciplinary action is to achieve sustained performance improvement or behavior change. Guidelines for imposing corrective action for violations of the Code of Conduct are provided in Procedure.

**Code of Conduct Rules** – Offenses and deficiencies on or off the job covered by the Code of Conduct include rules regarding Safety; Fraud, Theft and Destruction of Property; Ethics; Refusal to Work and Work Performance; Disrespect to Others; Worktime related offenses and deficiencies; and several miscellaneous rules.

**Departmental Rules** - Departmental Rules may further define expectations of employees in a department but may not conflict with or supersede the Code of Conduct.

**Workplace Violence Prevention** – GRU promotes a safe work environment and maintains an environment free from violence, threats of violence, harassment, intimidation and other disruptive behavior, including an absolute prohibition against employees carrying firearms or personal weapons onto any GRU property.

All reports of incidents will be taken seriously and will be dealt with appropriately. Such behavior includes oral or written statements, gestures, or expressions that communicate a direct or indirect threat of physical harm.

Any employee who is determined to have engaged in any act of workplace violence shall be subject to disciplinary action, up to and including dismissal and may be subject to criminal penalties.



RULE #	<b>Offenses and Deficiencies On or Off the Job</b>
<b>Safety</b>	
1	Unauthorized possession of firearms, explosives, or weapons on GRU property.
2	Working Under the Influence of intoxicating beverages or drugs; Violation of Drug Free Workplace Program.
3	Violating a departmental safety rule or practice.
4	Failure to report an accident or injury on the job.
5	Carelessness; Contributing to unsafe or unsanitary conditions.
<b>Fraud, Theft, Destruction of Property</b>	
6	Destruction of Property - Deliberately destroying, misusing, or damaging property or equipment of GRU or another person.
7	Theft or Removal of Property – Theft or removal of property without proper authority any property of GRU or another person.
8	Unauthorized use of Property - Unauthorized use or possession or operation of any property or equipment of GRU or another person.
9	Falsification of Personnel or GRU Records.
10	False Claims for Benefits - Making false claims or misrepresentations in an attempt to obtain sickness, accident or workers' compensation benefits.
<b>Ethics</b>	
11	Violation of GRU's Code of Ethics.
<b>Refusal to Work; Work Performance</b>	
12	Concerted curtailment or Restriction of Production.
13	Insubordination - refusing to perform work assigned or to comply with instructions, including refusal to give testimony in any investigation.
14	Willful Violations of Rules - Wanton or willful violation of statutory authority, rules, regulations or policies.
15	Willful Neglect of Duties - Wanton or willful neglect in their performance of assigned duties.
16	Disregarding Job Duties - Neglect of work; loafing, wasting time, loitering or leaving assigned work area without authorization.
17	Failure to Work as Scheduled – including scheduled overtime, special hours, or to respond during adverse weather conditions or emergencies.
18	Work not up to Standard - Productivity or workmanship not up to required standard of performance.

<b>Disrespect to Others</b>	
19	Improper Conduct - immoral, unlawful, or improper conduct or indecency, which would tend to affect the employee's relationship to their job, co-workers, GRU's reputation or goodwill in the community, including bribery or political pressure to secure appointment or advantages.
20	Harassment - threatening, intimidating, coercing, or interfering with employees or supervisors, including sexual harassment and abusive language.
21	False or Malicious Statement - making or publishing of false, vicious, or malicious statement(s) concerning any employee, GRU or its operations.
22	Discourtesy - to persons while in the performance of duties.
<b>Work-time Related Offenses/Deficiencies</b>	
23	Unauthorized Recording of Time - Knowingly recording the time of another employee; having one's time recorded by another employee; or unauthorized altering of a time record; Failure to record time in and out.
24	Leaving Post Unattended where the operations are continuous until relieved by supervisor or relieving employee on the incoming shift.
25	Absence without authorized leave or permission, including return from leave of absence. If absence is for 3 consecutive workdays, the employee will be deemed to have abandoned the position and resigned from GRU employment.
26	Excessive Tardiness or Absenteeism; Abuse of Breaks.
<b>Other</b>	
27	Sleeping during working hours.
28	Unauthorized Media/Bulletin Board use, Distribution of material or Soliciting.
29	Personal Contact Information - Failure to keep the department and Office of People Resources notified of their current home address, email address and telephone number.
30	Continual Abuse of the Code of Conduct, Personnel Policies and Safety Rules.

Adopted by GRUA 02/12/2025

## Gainesville Regional Utilities People Policies

Policy Type: Public Records

Policy 8.1

Policy Title: **Public Records**

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**Purpose** – Gainesville Regional Utilities' (GRU) public records shall be retained and accessible in accordance with Florida law.

**Administration** - Each GRU employee is the custodian of any public record under their supervision and control, such as the public records located in an employee's office desk drawer or an employee's GRU emails.

### **Records Management Liaison Officer**

GRU's Chief Executive Officer (CEO) shall designate a Records Management Liaison Officer ( RMLO) for GRU. The RMLO is responsible for processing all public records requests on behalf of GRU. In addition, the RMLO also:

- a. Reports GRU's compliance statement annually to the Florida Department of State, Division of Library and Information Services.
- b. Helps ensure proper disposition of eligible records.
- c. Trains and advises GRU staff in records management practices.
- d. Responds to questions from the public regarding GRU records.
- e. Works with the Florida Department of State, Division of Library and Information Services to establish retention schedules.

**Retention of GRU's Public Records** - Each GRU employee who has public records in their custody is required to retain such records in accordance with the records retention schedules established by the Florida Department of State. In addition, the current record retention schedule provides that transitory messages, the record category which many emails will also fall into, must be retained until obsolete, superseded, or until their administrative value is lost. The RMLO provides assistance with records retention schedules.

**Disposal of Public Records** - The RMLO shall ensure that public records are disposed of in compliance with Florida Statute Sections 119.021(2) and 257.36, as may be amended, and Florida Administrative Code Rule 1B-24, as may be amended.

**Access to GRU's Public Records** - GRU will permit requested records to be inspected and copied by any person desiring to do so, at any reasonable time, under reasonable conditions, and under supervision by the custodian (or designee) of the public records.

Florida law contains numerous exemptions from inspection or copying of public records and provides that certain public records are confidential. Such records will be handled accordingly.

**Copies and Special Service Charges** - Any person may inspect public records in the presence of a GRU employee (or designee), and they may tab, clip, or in some other form, identify which documents they would like copied. GRU shall charge for copies of public records at the rate allowable by Florida law. The GRU employee shall provide an estimate of the cost of the requested copies and collect all copy costs from the person requesting copies of public records prior to making any copies.

**Public Records Mandatory Training** - All GRU employees are required to attend training on public records. As Florida's public records law changes, training will be provided and is mandatory for all employees.

**Non-Compliance with Public Records Policy** - Failure to comply with this Policy may result in disciplinary action up to and including termination of employment.

In addition, pursuant to Florida Statute Section 119.10, violations of Florida's public records law are punishable by fine not exceeding \$500, and willful and knowing violations are subject to additional criminal penalties.

Adopted by GRUA 02/12/2025



**Gainesville Regional Utilities Authority  
Agenda Item Report**

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**File Number:** 2025-104

**Agenda Date:** February 12, 2025

**Department:** Gainesville Regional Utilities

**Title:** 2025-104 December 2024 Financial Position (B)

**Department:** Budget, Finance and Accounting

**Description:** This is an informational item related to the December 31, 2024 budget vs actual results.

**Fiscal Note:** No fiscal impact.

**Recommended Motion:** Informational item only.



# Gainesville Regional Utilities

FY25 Financial Update

Quarter Ended December 31, 2024

## SURPLUS (DEFICIT) AFTER GFT

	Actual as of December 31			Budget
	2022	2023	2024	2024
Electric	(2,819,446)	2,885,687	(2,299,488)	(7,459)
Water	(332,658)	608,296	671,985	414,761
Wastewater	474,124	4,639,940	2,673,351	1,510,412
Gas	(565,614)	762,336	207,459	301,817
GRUCom	(1,371,900)	3,931,375	(239,535)	(1,154,141)
<b>Total</b>	<b>(4,615,494)</b>	<b>12,827,634</b>	<b>1,013,772</b>	<b>1,065,390</b>

Drivers in difference between 12/31/23 & 12/31/24 surplus after GFT:

- (1) ~\$ 6.3M increase in transfers to Rate Stabilization Fund 24 vs 23
- (2) ~\$5M gain from sale of TRS System in 23

# Financial Update Summary

## DECEMBER 31, 2024 FINANCIAL RESULTS: % ACTUAL OVER (UNDER) BUDGET

### COMBINED SYSTEM REVENUE & EXPENSE

Revenue Net of Fuel	1.11%
Expense Net of Fuel & Depreciation	2.59%

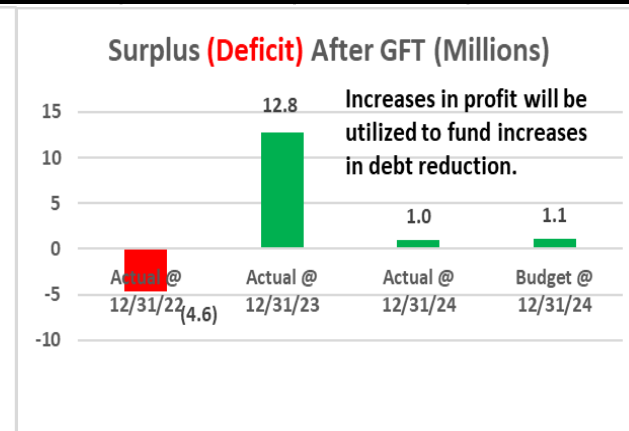
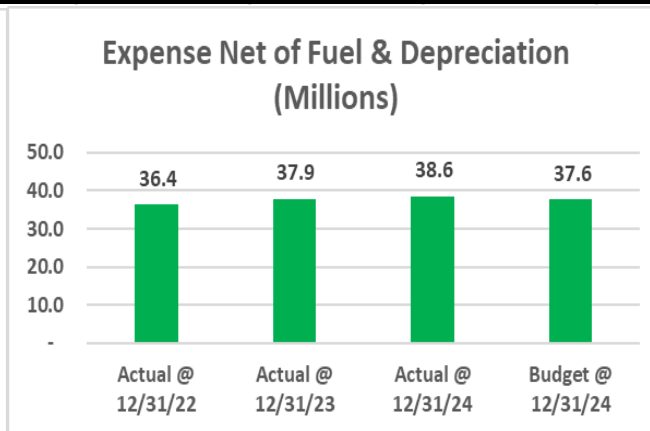
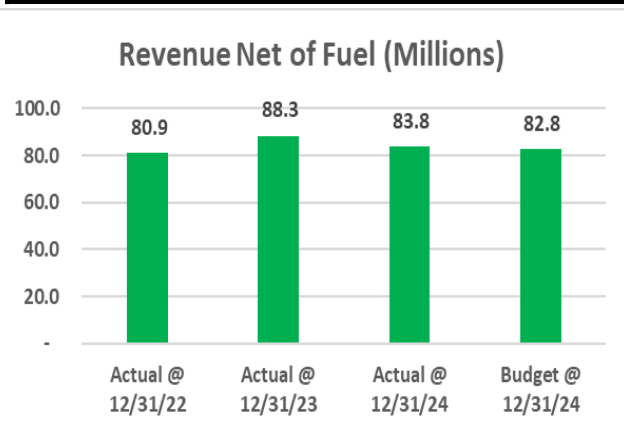
### UNIT SALES

Retail Electric MWH	2.55%
Water Kgals	3.91%
Wastewater Kgals (billings)	5.86%
Gas Therms	-2.31%

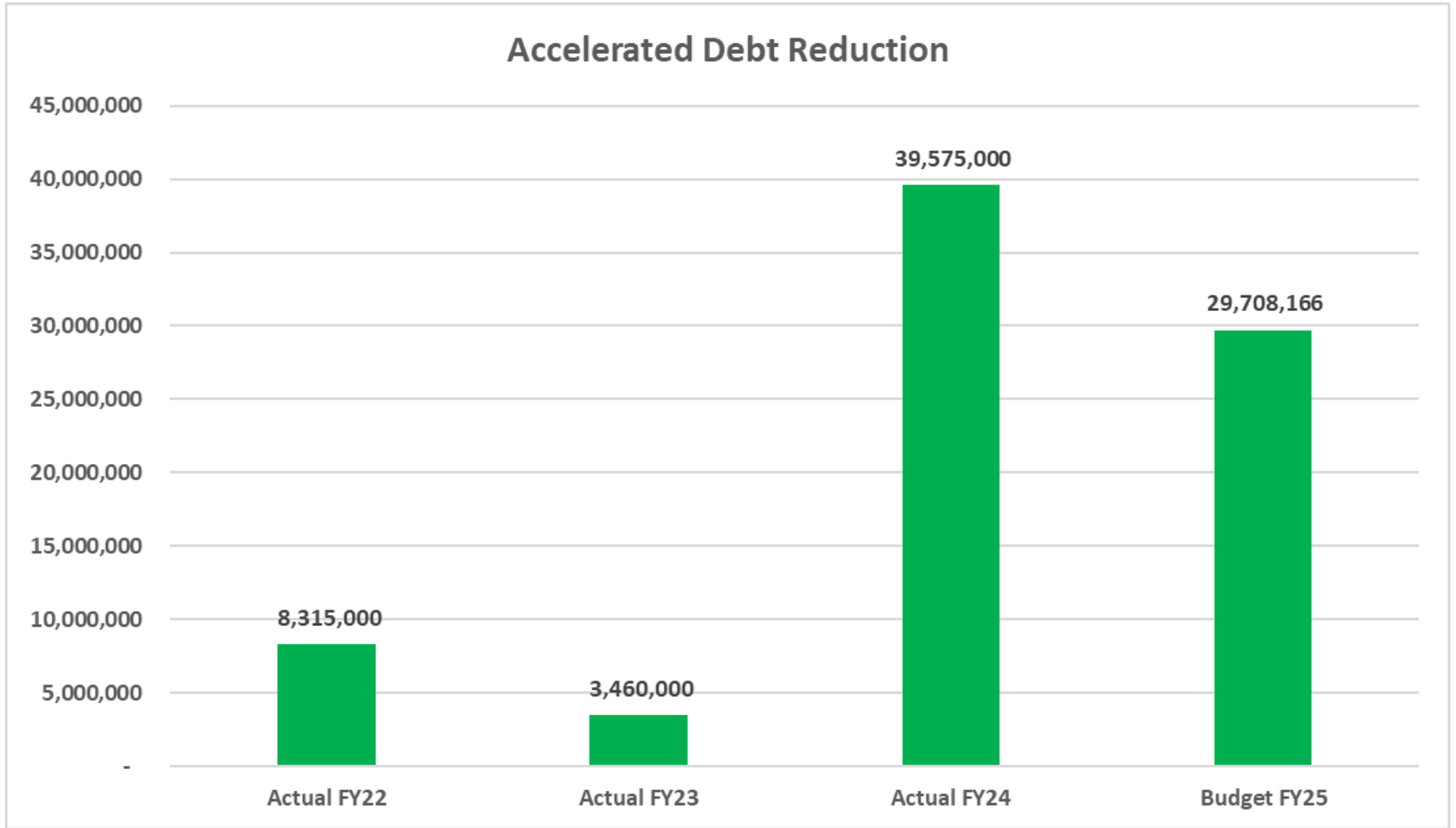


# Combined Systems

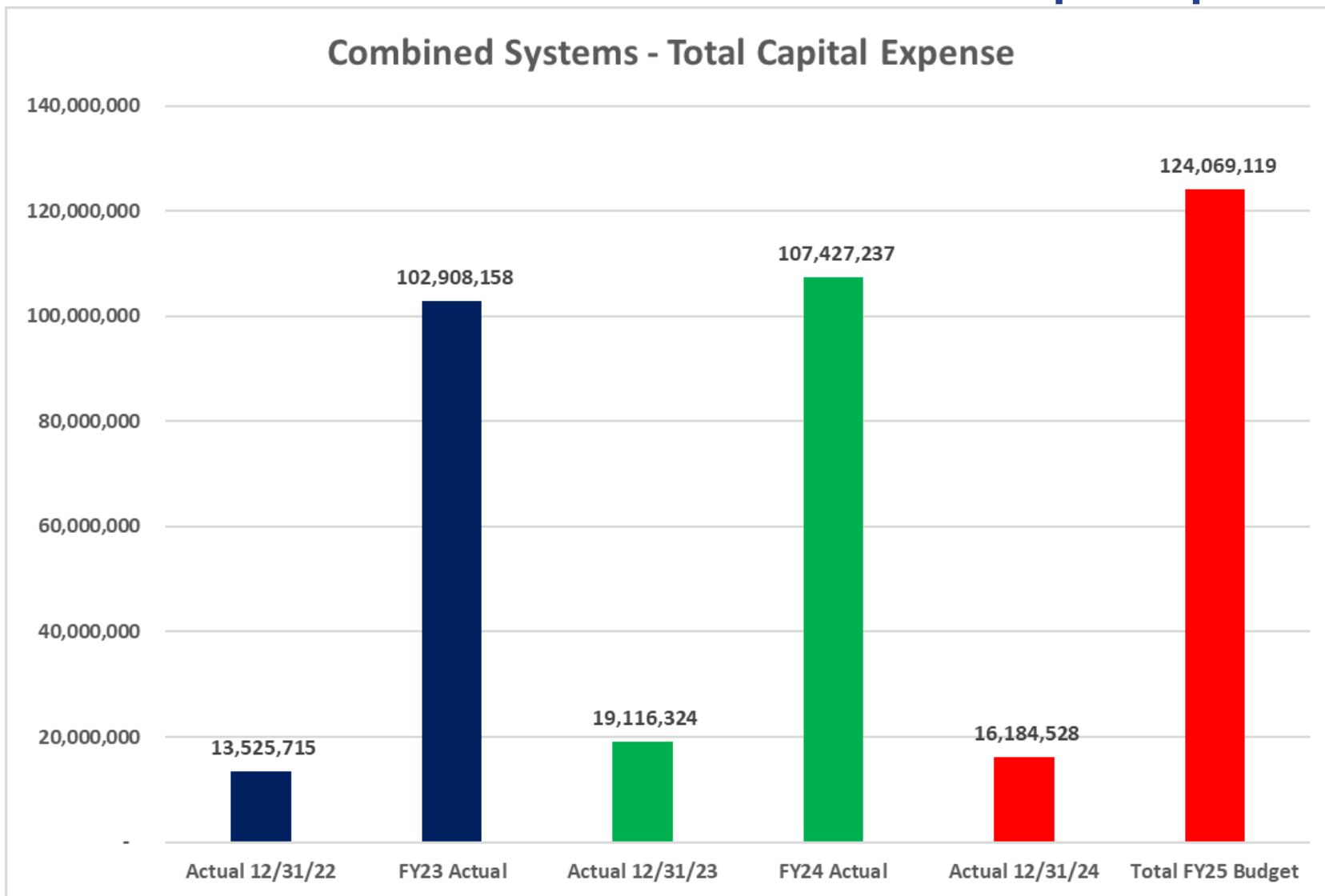
	Actual @ 12/31/22	Actual @ 12/31/23	Actual @12/31/24	Budget @ 12/31/24	Favorable (Unfavorable)	% Difference	
Revenue Net of Fuel	80,867,337	88,308,426	83,760,564	82,837,937	922,627	1.11%	↑
Fuel	37,074,170	21,675,211	20,483,811	19,985,083	498,728	2.50%	↑
<b>Total Operating Revenue</b>	<b>117,941,507</b>	<b>109,983,637</b>	<b>104,244,375</b>	<b>102,823,020</b>	<b>1,421,355</b>	<b>1.38%</b>	↑
Expense Net of Fuel & Depreciation	36,393,584	37,941,680	38,566,945	37,592,700	(974,245)	-2.59%	↓
Fuel	37,074,170	21,675,211	20,483,811	19,985,083	(498,728)	-2.50%	↓
Depreciation	25,782,940	26,112,784	27,401,411	27,401,411	-		
<b>Total Operating Expense</b>	<b>99,250,694</b>	<b>85,729,675</b>	<b>86,452,167</b>	<b>84,979,194</b>	<b>(1,472,973)</b>	<b>-1.73%</b>	↓
Operating Income	18,690,813	24,253,962	17,792,208	17,843,826	(51,618)	-0.29%	↓
Non-operating Expense	14,735,557	7,592,022	14,652,130	14,652,130	-		
Income Before Capital Contributions & Transfers (Profit)	3,955,256	16,661,940	3,140,078	3,191,696	(51,618)	-1.62%	↓
GFT	8,570,750	3,834,306	2,126,306	2,126,306	-		
<b>Surplus (Deficit) after GFT</b>	<b>(4,615,494)</b>	<b>12,827,634</b>	<b>1,013,772</b>	<b>1,065,390</b>	<b>(51,618)</b>	<b>-4.84%</b>	↓



## Accelerated Debt Reduction



# Combined System Capital Expense



# Electric System

	Actual @ 12/31/22	Actual @ 12/31/23	Actual @ 12/31/24	Budget @ 12/31/24	Favorable (Unfavorable)	% Difference	
Revenue Net of Fuel	52,798,985	54,970,936	52,630,639	53,437,966	(807,327)	-1.51%	↓
Fuel	31,856,524	18,739,761	17,923,007	16,621,336	1,301,671	7.83%	↑
Total Operating Revenue	84,655,509	73,710,697	70,553,646	70,059,302	494,344	0.71%	↑
Expense Net of Fuel & Depreciation	22,202,616	23,036,462	24,602,207	23,117,505	(1,484,702)	-6.42%	↓
Fuel	31,856,524	18,739,761	17,923,007	16,621,336	(1,301,671)	-7.83%	↓
Depreciation	17,265,808	17,538,251	18,232,563	18,232,563	-		
Total Operating Expense	71,324,948	59,314,474	60,757,777	57,971,404	(2,786,373)	-4.81%	↓
Operating Income	13,330,561	14,396,223	9,795,869	12,087,898	(2,292,029)	-18.96%	↓
Non-operating Expense	10,572,163	9,129,717	10,721,002	10,721,002	-		
Income Before Capital Contributions & Transfers (Profit)	2,758,398	5,266,506	(925,133)	1,366,896	(2,292,029)	-167.68%	↓
GFT	5,577,844	2,380,819	1,374,355	1,374,355	-		
Surplus (Deficit) after GFT	(2,819,446)	2,885,687	(2,299,488)	(7,459)	(2,292,029)	30728.37%	↓

Retail MWH Sales through December				
Category	Budget	Actual	Difference	% Difference
Residential	195,784.1	209,453.3	13,669.2	6.98%
GSN	44,590.6	47,217.9	2,627.3	5.89%
GSD	148,251.0	141,859.3	(6,391.7)	-4.31%
Large Power	44,581.3	45,873.9	1,292.6	2.90%
Other*	4,094.9	4,039.0	(55.9)	-1.37%
Total	437,301.9	448,443.4	11,141.5	2.55%

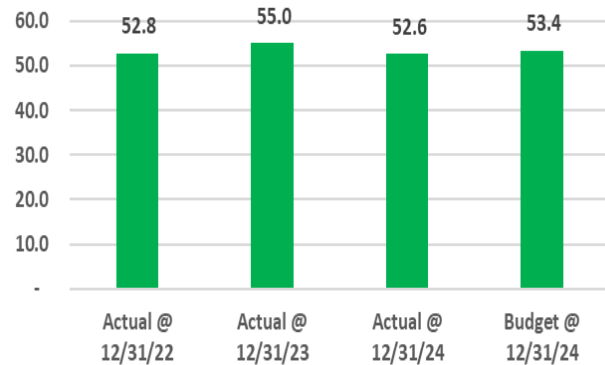
\*Other = traffic signals, street lighting & rental lighting

Heating Degree Days through December			
Average	Actual	Difference	% Difference
398	379	(19)	-4.77%

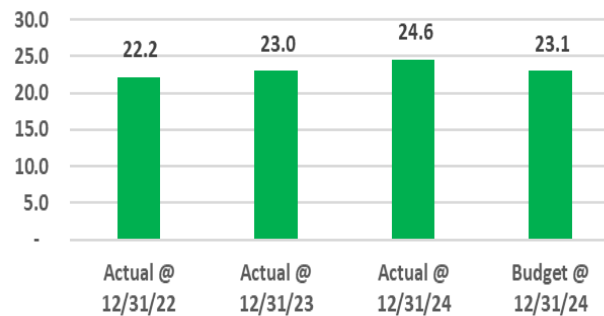
Cooling Degree Days through December			
Average	Actual	Difference	% Difference
336	413	77	22.92%

Every degree that avg. daily temperature > 65 = one cooling degree day  
 Every degree that avg. daily temperature < 65 = one heating degree day

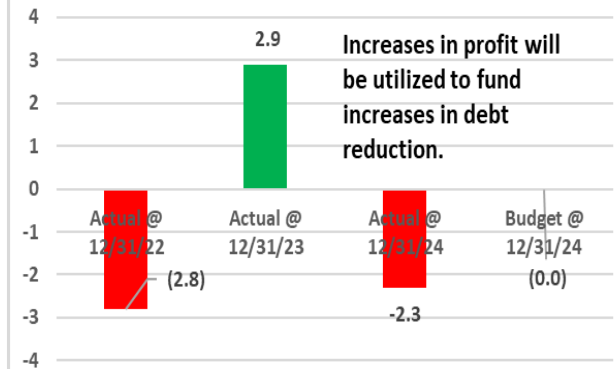
Revenue Net of Fuel (Millions)



Expense Net of Fuel & Depreciation (Millions)



Surplus (Deficit) After GFT (Millions)



# Electric System Variances

## Major Drivers

- As of December 31, 2024 Electric System revenues net of fuel are ~\$800K or 1.51% below budget
  - Retail megawatt hour sales are 2.55% greater than budget at quarter end
  - UF Health December billing of ~\$1.4M wasn't generated until January
  - Controlling for that UF Health billing revenues are 1.1% ahead of budget as of December 31
- Expenses net of fuel & depreciation were ~\$1.4M or 6.42% greater than budget as of December 31
  - Labor costs allocated to capital expense were ~\$1.36M less than budget; correspondingly \$1.36M more in labor costs were allocated to O&M expense in the first quarter
  - Controlling for this shift in labor costs between capital and O&M, Electric System expense was .53% greater than budget as of December 31

# Water System

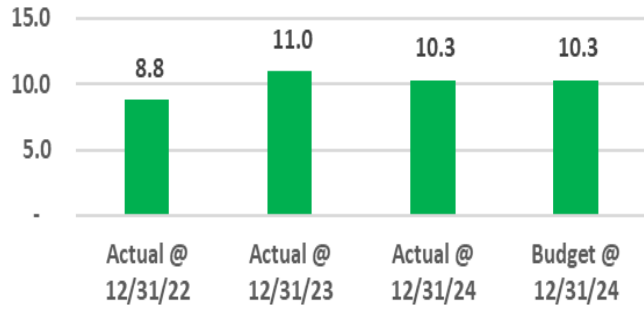
	Actual @ 12/31/22	Actual @ 12/31/23	Actual @ 12/31/24	Budget @ 12/31/24	Favorable (Unfavorable)	% Difference	
Revenue	8,797,175	11,039,459	10,713,879	10,287,684	426,195	4.14%	↑
Total Operating Revenue	8,797,175	11,039,459	10,713,879	10,287,684	426,195	4.14%	↑
Expense Net of Depreciation	4,552,487	5,813,625	5,198,695	5,029,724	(168,971)	-3.36%	↓
Depreciation	2,887,479	2,951,978	3,282,383	3,282,383	-		
Total Operating Expense	7,439,966	8,765,603	8,481,078	8,312,107	(168,971)	-2.03%	↓
Operating Income	1,357,209	2,273,856	2,232,801	1,975,577	257,224	13.02%	↑
Non-operating Expense	1,232,189	1,167,704	1,319,455	1,319,455	-		
Income Before Capital Contributions & Transfers (Profit)	125,020	1,106,152	913,346	656,122	257,224	39.20%	↑
GFT	457,678	497,856	241,361	241,361	-		
Surplus (Deficit) after GFT	(332,658)	608,296	671,985	414,761	257,224	62.02%	↑

Kgal Sales through December				
Category	Budget	Actual	Difference	% Difference
Residential	1,066,000.0	1,080,642.0	14,642.0	1.37%
Commercial	532,066.0	550,951.0	18,885.0	3.55%
UF	195,424.0	232,086.0	36,662.0	18.76%
Total	1,793,490.0	1,863,679.0	70,189.0	3.91%

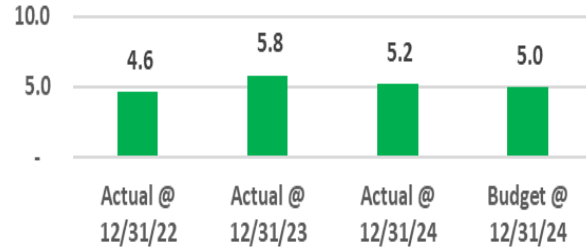
Rainfall through December (Inches)			
Average	Actual	Difference	% Difference
7.41	6.34	(1.07)	-14.44%

Rainfall March through May (Inches)			
Average	Actual	Difference	% Difference
N/A	N/A		

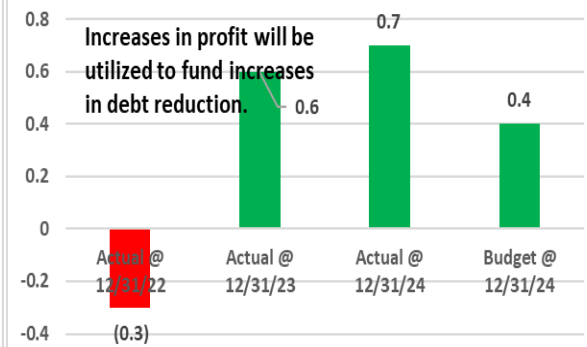
Revenue (Millions)



Expense Net of Depreciation (Millions)



Surplus (Deficit) After GFT (Millions)



# Water System Variances

## Major Drivers

- As of December 31, 2024 Water System revenues were ~\$426K or 4.14% greater than budget
  - Total Kgal sales were 3.91% more than budget
- Expenses net of depreciation are ~\$169K or 3.36% greater than budget;
  - Labor costs allocated to capital expense were ~\$108K less than budget; correspondingly \$108K more in labor costs were allocated to O&M expense in the first quarter
  - Controlling for this shift in labor costs between capital and O&M, Water System expense was 1.20% greater than budget as of December 31

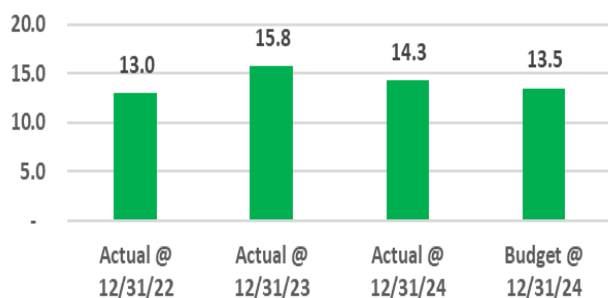
# Wastewater System

	Actual @ 12/31/22	Actual @ 12/31/23	Actual @ 12/31/24	Budget @ 12/31/24	Favorable (Unfavorable)	% Difference	
Revenue	12,984,749	15,813,726	14,280,957	13,486,024	794,933	5.89%	↑
Total Operating Revenue	12,984,749	15,813,726	14,280,957	13,486,024	794,933	5.89%	↑
Expense Net of Depreciation	5,964,696	5,641,828	5,611,855	5,979,861	368,006	6.15%	↑
Depreciation	3,757,346	3,808,431	4,149,541	4,149,541	-		
Total Operating Expense	9,722,042	9,450,259	9,761,396	10,129,402	368,006	3.63%	↑
Operating Income	3,262,707	6,363,467	4,519,561	3,356,622	1,162,939	34.65%	↑
Non-operating Expense	1,777,234	1,109,298	1,497,498	1,497,498	-		
Income Before Capital Contributions & Transfers (Profit)	1,485,473	5,254,169	3,022,063	1,859,124	1,162,939	62.55%	↑
GFT	1,011,349	614,229	348,712	348,712	-		
Profit (Loss) after GFT	474,124	4,639,940	2,673,351	1,510,412	1,162,939	76.99%	↑

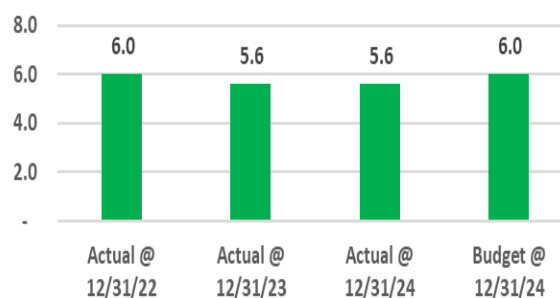
Kgals Billed through December				
Category	Budget	Actual	Difference	% Difference
Residential	839,179.0	888,456.0	49,277.0	5.87%
Commercial	406,954.0	430,668.0	23,714.0	5.83%
Total	1,246,133.0	1,319,124.0	72,991.0	5.86%

Rainfall through December (Inches)			
Average	Actual	Difference	% Difference
7.41	6.34	(1.07)	-14.44%
Rainfall March through May (Inches)			
Average	Actual	Difference	% Difference
N/A	N/A		

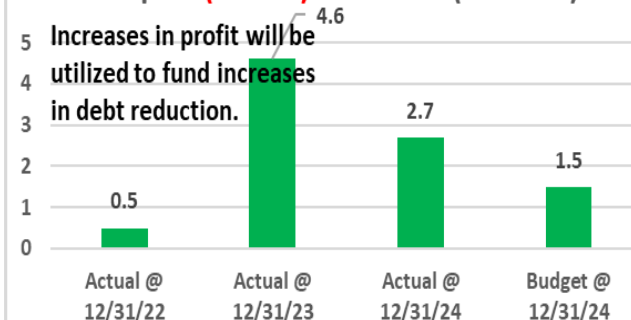
Revenue (Millions)



Expense Net of Depreciation (Millions)



Surplus (Deficit) After GFT (Millions)





# Wastewater System Variances

## Major Drivers

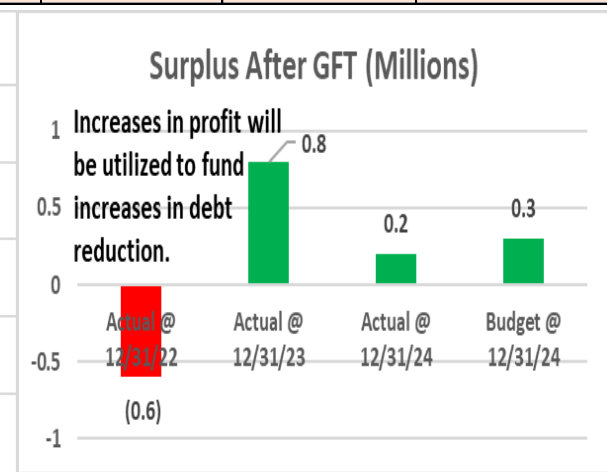
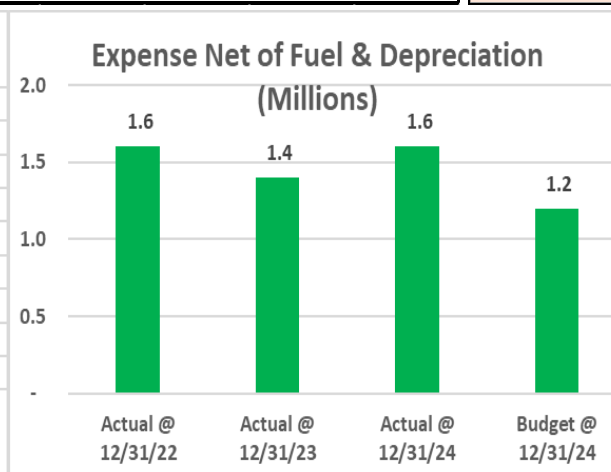
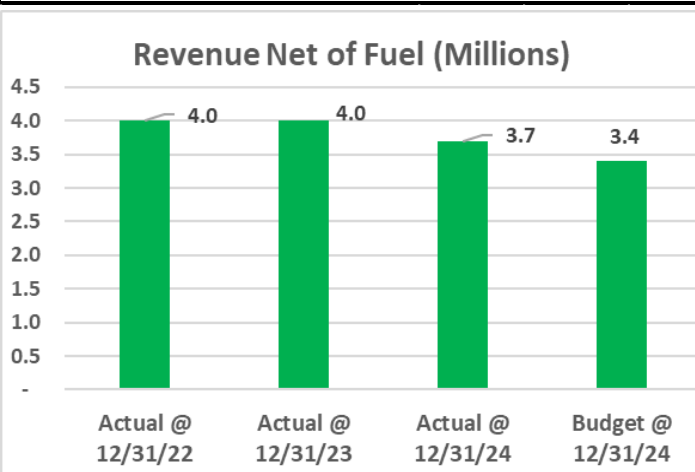
- As of December 31, 2024 Wastewater System revenues were ~\$794K or 5.89% greater than budget
  - Total Kgal billings were 5.86% greater than budget at quarter end
  - Interest income was \$58K greater than budget
- Expenses net of depreciation are ~\$368K or 6.15% less than budget
  - Labor costs allocated to capital expense were ~\$194K less than budget; correspondingly \$194K more in labor costs were allocated to O&M expense in the first quarter
  - Electric service expense was ~\$127K less than budget
  - Chemicals ~\$134K less than budget
  - Sludge disposal fees ~\$198K less than budget

# Gas System

	Actual @ 12/31/22	Actual @ 12/31/23	Actual @ 12/31/24	Budget @ 12/31/24	Favorable (Unfavorable)	% Difference	
Revenue Net of Fuel	3,950,520	3,984,430	3,662,578	3,354,328	308,250	9.19%	↑
Fuel	5,217,646	2,935,450	2,560,804	3,363,747	(802,943)	-23.87%	↓
<b>Total Operating Revenue</b>	<b>9,168,166</b>	<b>6,919,880</b>	<b>6,223,382</b>	<b>6,718,075</b>	<b>(494,693)</b>	<b>-7.36%</b>	↓
Expense Net of Fuel & Depreciation	1,613,479	1,361,791	1,596,262	1,193,654	(402,608)	-33.73%	↓
Fuel	5,217,646	2,935,450	2,560,804	3,363,747	802,943	23.87%	↑
Depreciation	1,047,200	1,021,639	1,156,455	1,156,455	-		
<b>Total Operating Expense</b>	<b>7,878,325</b>	<b>5,318,880</b>	<b>5,313,521</b>	<b>5,713,856</b>	<b>400,335</b>	<b>7.01%</b>	↑
Operating Income	1,289,841	1,601,000	909,861	1,004,219	(94,358)	-9.40%	↓
Non-operating Expense	645,265	639,781	609,378	609,378	-		
Income Before Capital Contributions & Transfers (Profit)	644,576	961,219	300,483	394,841	(94,358)	-23.90%	↓
GFT	1,210,190	198,883	93,024	93,024	-		
<b>Surplus After GFT</b>	<b>(565,614)</b>	<b>762,336</b>	<b>207,459</b>	<b>301,817</b>	<b>(94,358)</b>	<b>-31.26%</b>	↓

Therm Sales through December				
Category	Budget	Actual	Difference	% Difference
Residential	1,576,390.0	1,388,392.0	(187,998.0)	-11.93%
Commercial	2,178,282.0	2,141,021.0	(37,261.0)	-1.71%
Old Interruptible	73,645.0	74,237.0	592.0	0.80%
New LVS	1,160,686.0	1,270,201.0	109,515.0	9.44%
<b>Total</b>	<b>4,989,003.0</b>	<b>4,873,851.0</b>	<b>(115,152.0)</b>	<b>-2.31%</b>

Heating Degree Days through December			
Average	Actual	Difference	% Difference
398	379	(19)	-4.77%
Cooling Degree Days through December			
Average	Actual	Difference	% Difference
336	413	77	22.92%



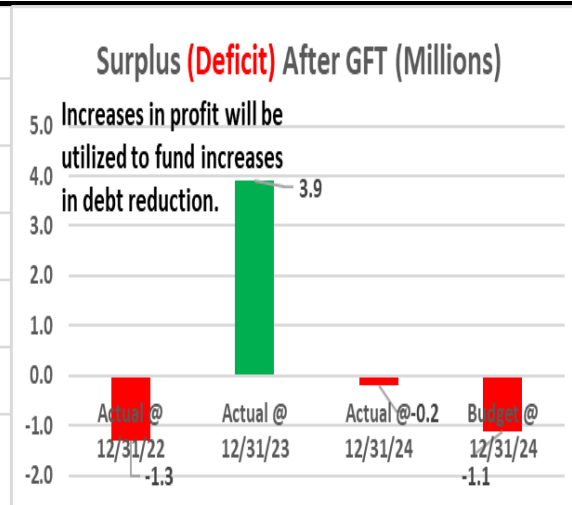
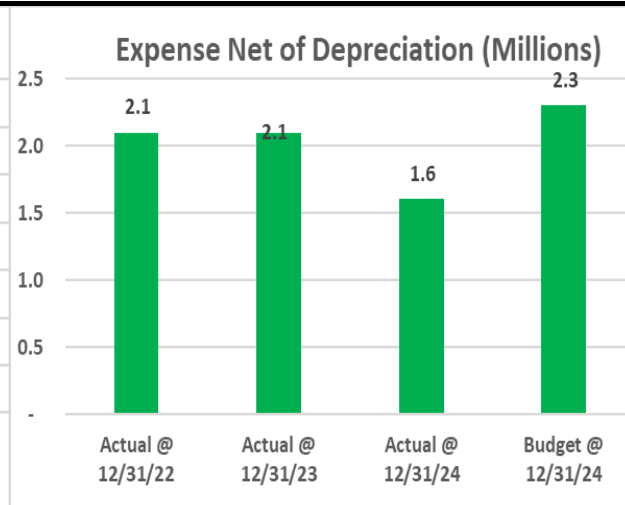
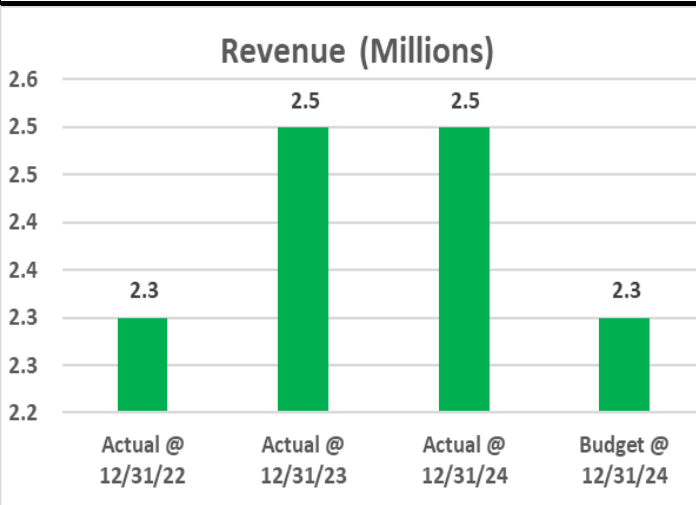
# Gas System Variances

## Major Drivers

- As of December 31, 2024 Gas System revenues net of fuel were ~308K or 9.19% greater than budget
  - The impact of unbilled revenues, which are included in December 31 actuals but not in budgeted revenues, was ~\$295K
  - Controlling for the unbilled revenue impact, December 31 revenues are 0.40% above budget
- Expenses net of depreciation are ~\$402K greater than budget
  - Labor costs allocated to capital expense were ~\$154K less than budget; correspondingly \$154K more in labor costs were allocated to O&M expense in the first quarter
  - Insurance premium payments were ~\$65K over budget

	Actual @ 12/31/22	Actual @ 12/31/23	Actual @ 12/31/24	Budget @ 12/31/24	Favorable (Unfavorable)	% Difference	
Revenue	2,335,908	2,499,875	2,472,511	2,271,935	200,576	8.83%	↑
Total Operating Revenue	2,335,908	2,499,875	2,472,511	2,271,935	200,576	8.83%	↑
Expense Net of Depreciation	2,060,306	2,087,974	1,557,926	2,271,956	714,030	31.43%	↑
Depreciation	825,107	792,485	580,469	580,469	-		
Total Operating Expense	2,885,413	2,880,459	2,138,395	2,852,425	714,030	25.03%	↑
Operating Income	(549,505)	(380,584)	334,116	(580,490)	914,606	-157.56%	↓
Non-operating (Income) Expense*	508,706	(4,454,478)	504,797	504,797	-		
Income Before Capital Contributions & Transfers (Profit)	(1,058,211)	4,073,894	(170,681)	(1,085,287)	914,606	-84.27%	↓
GFT	313,689	142,519	68,854	68,854	-		
Surplus (Deficit) After GFT	(1,371,900)	3,931,375	(239,535)	(1,154,141)	914,606	-79.25%	↓

\* FY24 non-operating income due to sale of TRS



# GRUCom System Variances

## Major Drivers

- As of December 31, 2024 revenues are ~\$200K or 8.83% greater than budget
  - Tower lease revenues are ~\$365K greater than budget
- Expenses net of depreciation as of December 31 are ~\$714K under budget.
  - Personal services are ~\$430K under budget. GRUCom's vacancy rate as of December 31 was 19.38%
  - Communications, network maintenance & network supplies were ~\$139K below budget at December 31



**Gainesville Regional Utilities Authority  
Agenda Item Report**

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**File Number: 2025-105**

**Agenda Date:** February 12, 2025

**Department:** Gainesville Regional Utilities

**Title: 2025-105 State of the Utility FY25 December (B)**

**Department:** Chief Operating Officer

**Description:** A monthly operational update to Authority members to ensure they are aware of important projects and relevant utility measurements and benchmarks. This report provides information from December 2024. We will be assessing the most effective methods for delivering the report in addition to the most relevant information as it continues to evolve.

**Fiscal Note:** No fiscal note.

**Recommended Motion:** The GRU Authority hear a monthly update from the utility's operational areas.

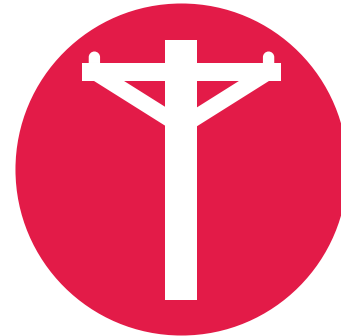
**FY25**  
**December**  
**State of the Utility**



# State of the Utility

**FY25**

**December**





# Energy Supply

## Major Figures & Achievements



### Safety

The SEC Wartsila Engine Heat Recovery Steam Generator (HRSG) drum door leak has been fully repaired after new replacement gasket arrived. No longer an outstanding safety hazard.

There are no other outstanding active safety issues at any of our facilities. Energy Supply has currently had no recordable injuries or lost time accidents for 1128 days.

### Regulatory Compliance

We have no outstanding environmental or electric regulatory compliance issues at this time. We are working on our audit preparation checklist in preparation of upcoming NERC Audit later in 2025.

The GRU NERC-CIP Audit Opening Presentation with SERC Auditors was completed on Jan. 27, 2025.

### Deerhaven Generating Station (DH)

Plant site infrastructure in general:

- Following recent storms, where we experienced some plant site damage due to wind and heavy rain, the following repair work update below:
  - Deerhaven Unit #2 Cooling Tower cell # 9 and #10 fan repairs are were complete but still experiencing some fan blade rubbing on dell #10. We are working with engineering to determine cause and needed corrective actions.

# Energy Supply

## **Deerhaven Unit #2 (DH2)**

- Unit is online.
- Unit is being operated briefly on coal weekly to ensure unit dual fuel reliability as well as operator proficiency with unit on coal. During recent cold weather events throughout January, we had to shift DH2 to coal numerous days to be able to support meeting customer load due to natural gas volume curtailment. This demonstrates how our ability to utilize multiple alternate fuel sources benefits our customers.

## **Deerhaven Unit #1 (DH1)**

- Unit is online offline.
- Continuing building a currently unplanned outage scope to be conducted in FY2026. This originally planned outage was going to be deferred due to unit expected retirement at end of calendar year 2027, but with possible intention to evaluate needs to continue operation beyond this 55 years at end of CY2027, we will need this outage scope for evaluation of critical components to determine scope of work needed for possible additional unit life extension.

## **Deerhaven Combustion Turbines**

No issues and all three (3) units are fully available.

## **Deerhaven Renewable (DHR)**

- Unit offline in extended outage through Jan. 26. Unit restoration is in progress as of Jan. 27 with intent to fully release unit back to service by Jan. 30.
- We are continuing to conduct the required research and analysis to determine cost and scope to add both a Run Transformer and Run Breaker electrical scheme to DHR, like we have at all our other steam units. This project is needed to resolve impactful reliability issues at DHR. Currently without this electrical scheme DHR auxiliary equipment (fans, motors and pumps) have resulted in unit trips, this is due to voltage swings we experience on our grid that can impact logic to trip these auxiliaries. Our other 3 steam units (DH1, DH2 and JCC1) shift the unit equipment auxiliaries to their respective Run Transformers once unit is online, and therefore their auxiliary equipment is not impacted by these grid voltage swings.

# Energy Supply

## **Kelly Generating Station (JRK)**

- Unit is online
- CT4 Battery had an inter cell failure requiring full disconnect from unit for safety and installation of a temporary leased battery. We will be installing a new permanent replacement battery in upcoming outage scheduled to begin Feb. 21, 2025.

## **South Energy Center (SEC)**

- The UF Health Cancer Center Heating Hot Water project is nearing commissioning to service. All the required piping between the hospital and SEC is complete and the piping has been flushed and prepped. We are finishing the electrical controls portion of the project in the week of Jan. 27, 2025. SEC will begin recirculating hot water supply as soon as the electrical controls are complete later the week of Jan. 27. This will mean we have the hot water fully available to the hospital when they complete their work internal to the hospital and open their isolation valve that is currently closed, so our current projected commissioning of this project is now early in February.
- We completed the 38,000 hour planned outage on Wartsila engine with no issues in December 2024.

## **Other Items**

- We are continuing to pursue an insurance claim for the DHR Stacker Reclaimer Bearing failure following the replacement in FY23/24. We have already received verification that a claim is accepted working on the data required to receive payment(s). There is a second portion of this claim still being reviewed for added coverage and potential cost recovery of unplanned expenses incurred when reclaimer was out of service.
- We have submitted an insurance claim for the required repair work of the DHR turbine rotor that we discovered in October 2024. As this turbine has only been in service for 11 years, the failure we found is premature. Our insurance adjuster has hired a third party engineering firm that has already visited Siemens site in Charlotte and DHR to assess the nature of the damage and aid in determining the root cause of failure. Based on the findings we will continue to pursue our claim.

# Energy Supply

## Fuel Inventories (in tons)

**Coal**

**85,459**

45 days at full load;  
90 days at half load.

3,623 tons utilized in December  
and January

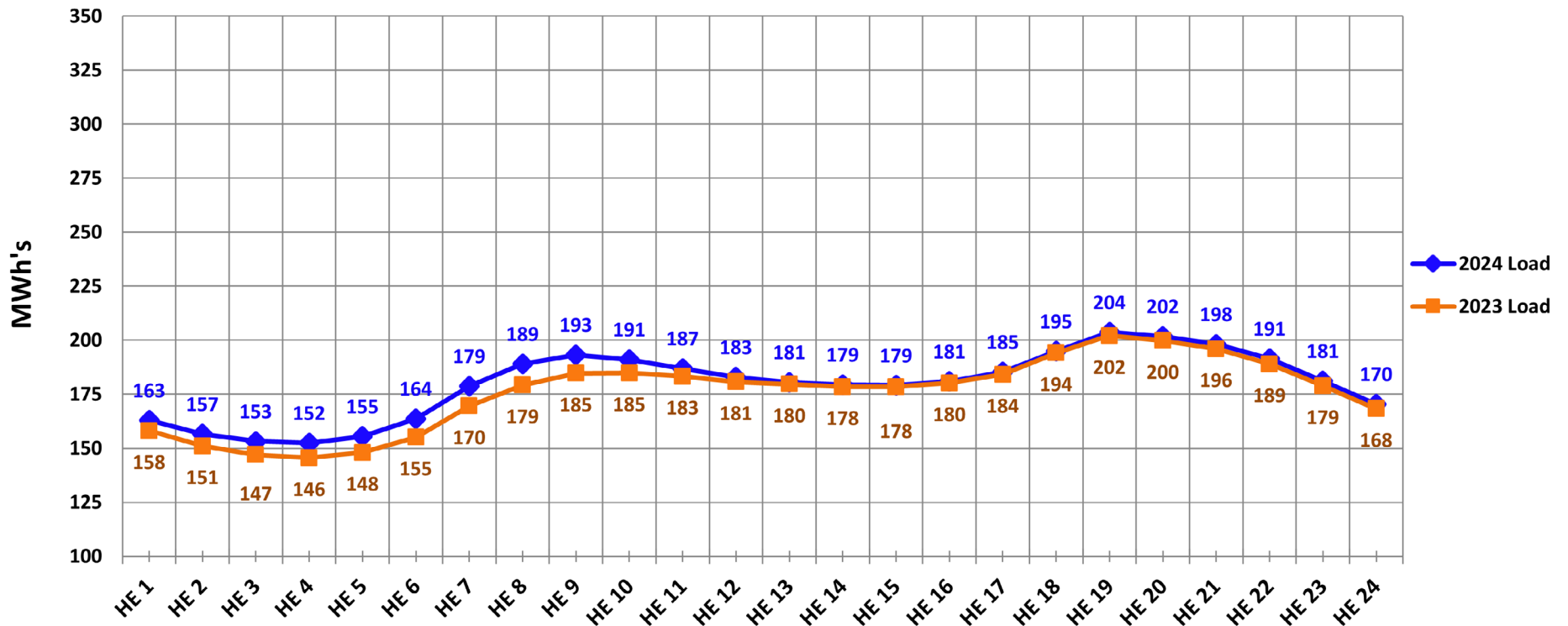
**Biomass**

**34,648**

11.6 days at full load;  
18.9 days at half load;  
20.5 days at most recent  
burn load.

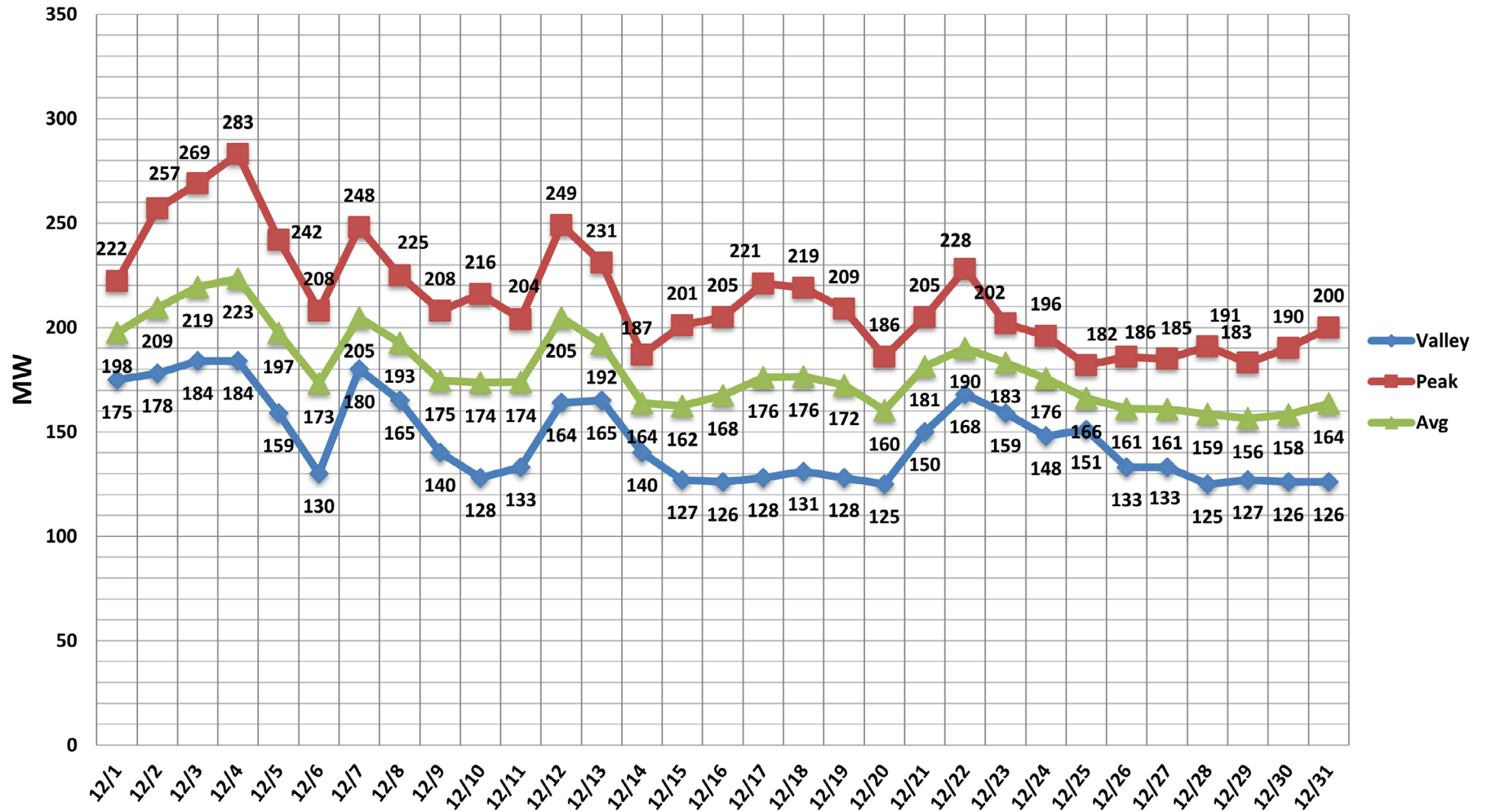
# Energy Supply

**December 2024 vs December 2023**  
**Average Hourly Loads**



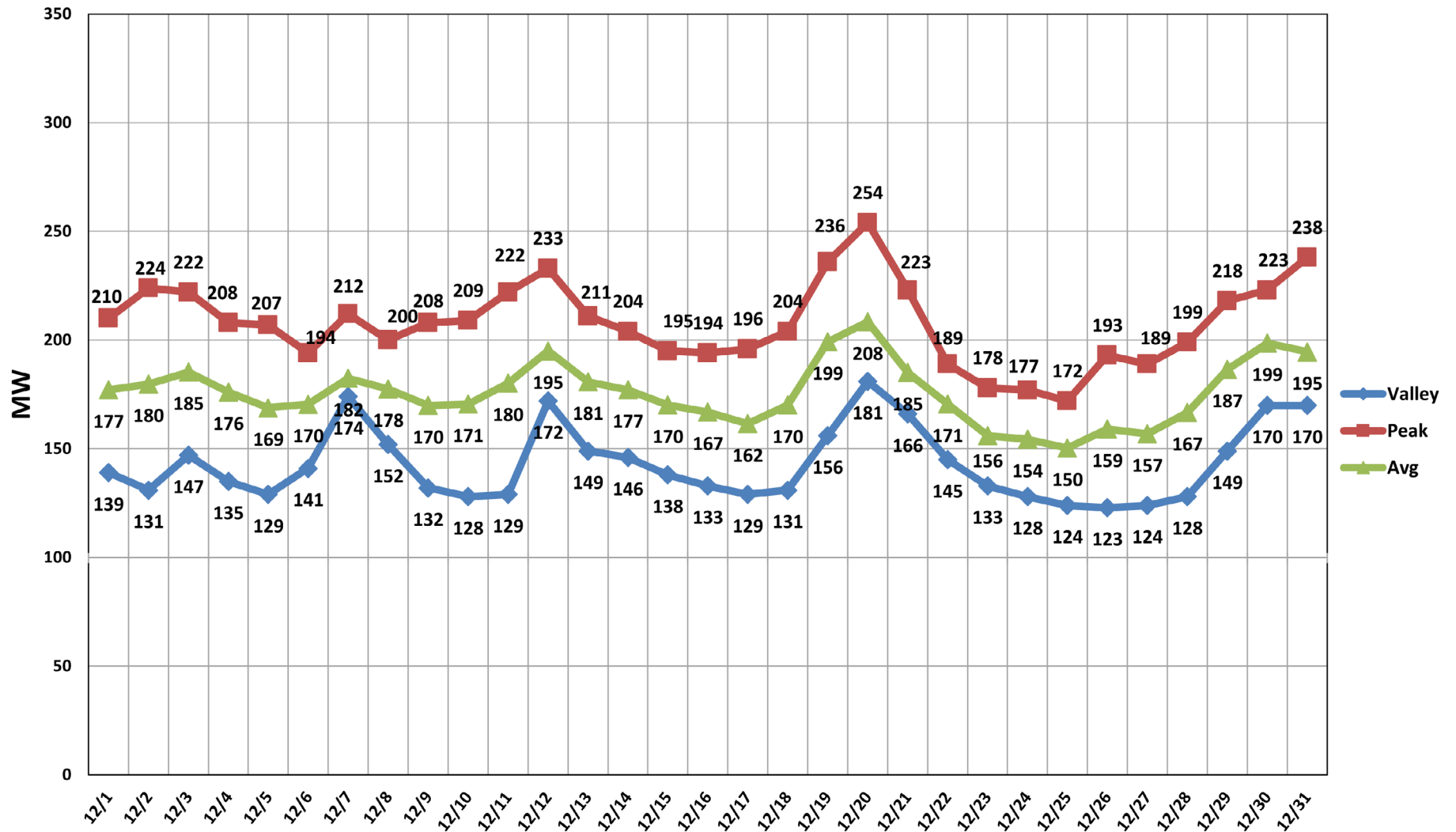
# Energy Supply

## December 2024 Peak, Valley, and Average Loads



# Energy Supply

## December 2023 Peak, Valley, and Average Loads



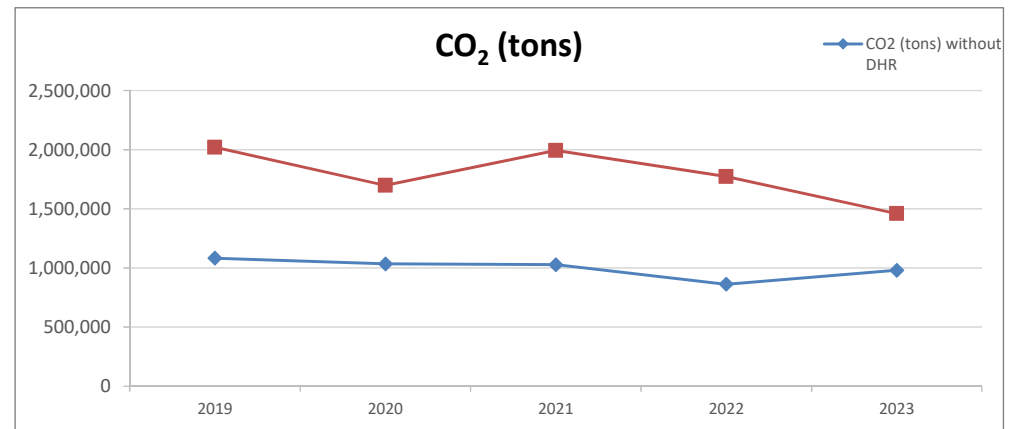
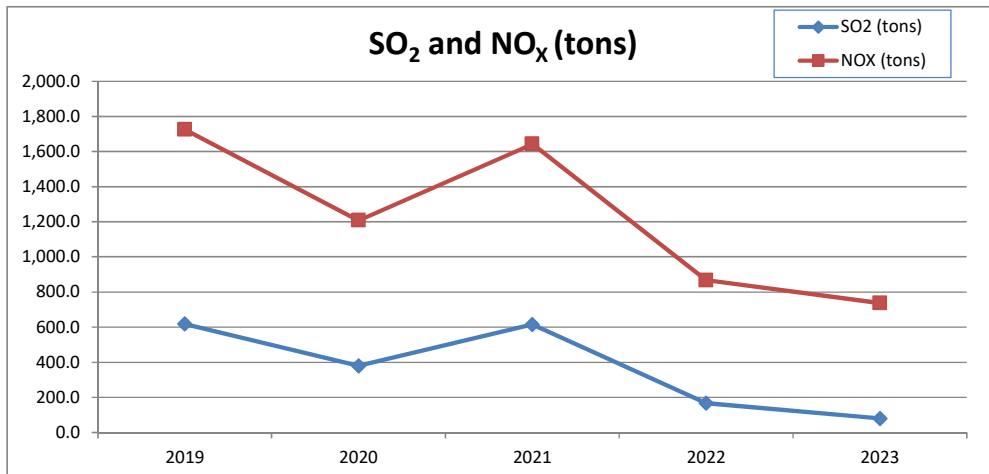
# Energy Supply

## Emissions Data

### Yearly Emissions

	SO <sub>2</sub> (tons)	NO <sub>x</sub> (tons)	Mercury (lbs)	PM (tons)	CO <sub>2</sub> (tons) without DHR	CO <sub>2</sub> (tons) with DHR
2020	379.3	1,208.3	3.1	56.5	1,033,389.5	1,697,218.5
2021	614.7	1,643.0	3.7	63.7	1,027,918.9	1,991,487.9
2022	167.4	867.8	2.1	11.2	861,824.7	1,771,204.7
2023	80.2	737.1	0.6	12.2	980,726.2	1,458,824.3
2024	26.5	598.4	0.8	5.3	946,129.6	1,373,862.4

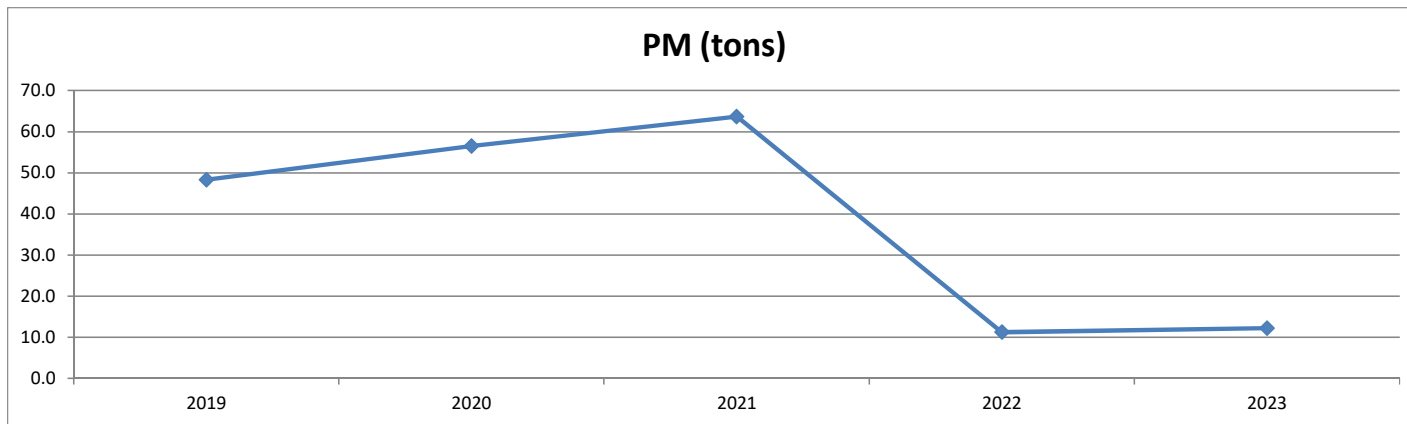
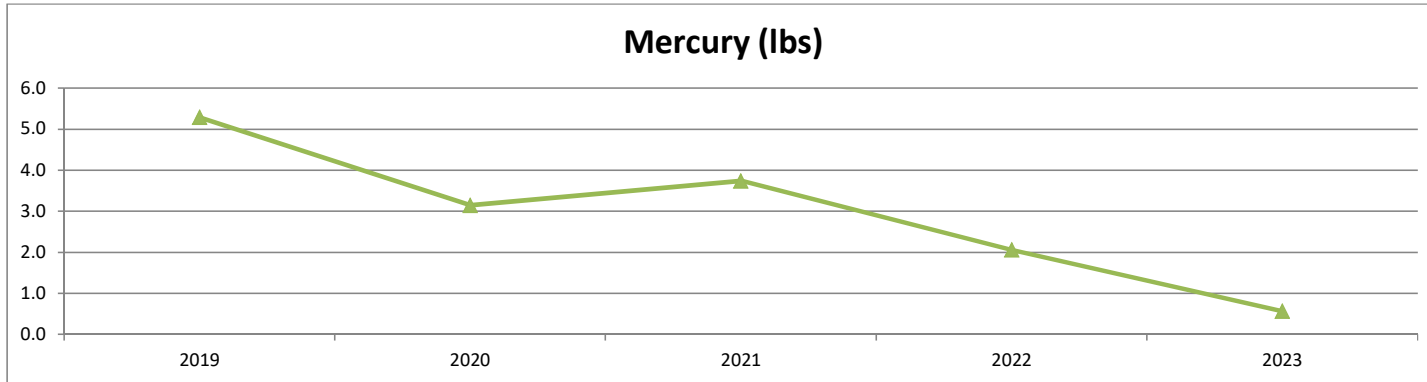
Mercury and Particulate values are for Unit 2 only.





# Energy Supply

## Yearly Emissions



# Energy Supply

## Emissions Data

2024 (thru December)

	SO <sub>2</sub> (tons)	NO <sub>x</sub> (tons)	Mercury (lbs)	PM (tons)	CO <sub>2</sub> (tons)	SO <sub>2</sub> Rate (lb/MMBtu)	NO <sub>x</sub> Rate (lb/MMBtu)	HTIP (MMBtu)	GEN (MW-hours)
DH1	1.2	152.6			126,131.0			2,122,026.4	178,796.6
DH2	14.7	253.6	0.75	5.3	416,617.6			7,013,262.6	634,789.5
DHCT3	0.0	0.4			1,240.1			20,868.3	1,627.6
JRKCC1	2.0	70.8			402,141.0			6,766,833.9	823,073.4
DHR	8.6	121.0			427,732.7			4,101,776.7	295,362.8
<b>TOTAL</b>	<b>26.5</b>	<b>598.4</b>	<b>0.75</b>	<b>5.3</b>	<b>1,373,862.4</b>			<b>20,024,767.9</b>	<b>1,933,649.9</b>

TOTALS without DHR

	SO <sub>2</sub> (tons)	NO <sub>x</sub> (tons)	Mercury (lbs)	PM (tons)	CO <sub>2</sub> (tons)	SO <sub>2</sub> Rate (lb/MMBtu)	NO <sub>x</sub> Rate (lb/MMBtu)	HTIP (MMBtu)	GEN (MW-hours)
DH1	1.2	152.6			126,131.0			2,122,026.4	178,796.6
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DHCT3	0.0	0.4			1,240.1			20,868.3	1,627.6
JRKCC1	2.0	70.8			402,141.0			6,766,833.9	823,073.4
<b>Total Without DHR</b>	<b>18.0</b>	<b>477.4</b>	<b>0.753</b>	<b>5.3</b>	<b>946,129.6</b>			<b>15,922,991.2</b>	<b>1,638,287.1</b>

# Energy Supply

## Emissions & Compliance Data

	December	Calendar Year to Date (December)
Notices of Violation	0	0
<b>Emissions</b>		
<b>DH1, DH2, DHCT3, JRKCC1</b>		
CO <sub>2</sub> (tons)	88,318.5	946,129.6
NO <sub>x</sub> (tons)	39.5	477.4
SO <sub>2</sub> (tons)	1.3	18.0
<b>DH Unit 2 (only)</b>		
PM <sub>FILT</sub> (tons)	0.5	5.3
Hg (lbs)	0.1	0.8
<b>DHR</b>		
CO <sub>2</sub> (tons)	0.0	427,732.7
NO <sub>x</sub> (tons)	0.0	121.0
SO <sub>2</sub> (tons)	0.0	8.6

# Energy Supply

## Availability & Capacity

	Month	FY25 YTD	FY24 YTD	Month	FY25 YTD	FY24 YTD
DH-2	100%	100%	74.32%	27.65%	31.82%	29.13%
DH-1	100%	100%	90.96%	32.01%	22.31%	20.76%
Kelly CC	100%	100%	88.78%	100%	100%	81.90%
DH CT-1	100%	100%	95.09%	0.00%	0.01%	0.06%
DH CT-2	100%	99.70%	94.75%	0.01%	0.02%	0.02%
DH CT-3	100%	100%	99.09%	0.00%	0.00%	0.29%
DHR	0.00%	0.00%	84.30%	0.00%	32.09%	33.83%

## Fuel Consumed

	Month	YTD	Budget YTD	Delta Budget
Coal (Tons)	62	113	-	113
Gas (MCF)	1,475,853	4,459,749	3,964,676	495,073
Fuel Oil (Gal)	61	136	-	136
Biomass (Tons)	-	-	-	-

# Energy Supply

## Performance Parameters

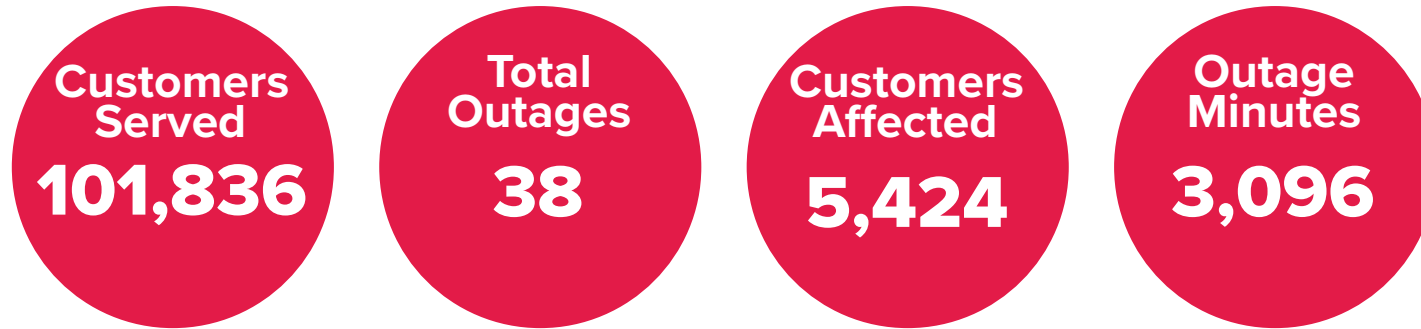
	Month	YTD	Budget YTD	Delta Budget
DH-2	42,330	559,908	596,205	(36,297)
DH-1	16,502	161,102	135,711	25,391
Kelly CC1	81,301	816,488	873,950	(57,462)
CTs	1	1,613	2,012	(399)
Grid	(6,488)	38,543	174,880	(136,337)
DHR	-	252,702	55,292	197,410

# Energy Supply

**END OF SECTION**

# Energy Delivery

## Reliability Statistics



### Outage Causes

Cause	Overhead	Underground	Both
Undetermined	7	0	0
Weather	1	0	0
Vegetation	8	0	0
Animals	7	0	0
Foreign Interference	2	0	0
Human Cause	1	1	0
Equipment Failure	5	4	2
Other	0	0	0
<b>Total</b>	<b>31</b>	<b>5</b>	<b>2</b>

# Energy Delivery

## Electric System Consumption

	CONSUMPTION (kWh)	CUSTOMERS
Feed-in-Tariff - Residential	3,283	103
Feed-in-Tariff - General Service	3,564	149
Electric - GS - Demand - Regular	42,302,939	1,111
Electric - General Service Demand PV	1,475,000	30
Electric - GS - Kanapaha w Curtail Cr	993,600	1
Electric - GS - Demand - Large Power	7,259,960	8
Electric - GS - Murphree Curtail Credit	1,490,400	1
Electric - GS - Large Demand PV	3,638,400	2
Electric - GS - Non Demand	14,064,602	10,160
Electric - General Service PV	164,037	85
Electric - Lighting - Rental	811,488	1,817
Electric - Lighting - Street - City	404,013	16
Electric - Lighting - Street - Country	127,313	1
Electric - Lighting - Traffic	163	1
Electric - Residential - Non TOU	60,444,164	91,156
Electric - Residential PV	695,461	1,474
<b>Total Retail Electric</b>	<b>133,878,387</b>	<b>104,281</b>



# Energy Delivery

## Gas System Consumption

	CONSUMPTION (THM)	CUSTOMERS
Gas - GS - Regular Service (Firm)	794,083	1,275
Gas - GS - Regular Service (Small)	27,349	491
Gas - GS - Interruptible - Regular Serv	21,095	1
Gas - GS - Interruptible - Large Volume	474,892	8
Gas - Residential - Regular Service	675,800	35,580
<b>Total Retail Gas</b>	<b>1,993,219 THM</b>	<b>37,355</b>

## Major Projects

### Electric Engineering / T&D Construction

- **North Florida Regional Medical Center at Archer** – Completed design and construction has started. Temporary power installations and reliability improvements for underground circuit have been completed, waiting on civil work for permanent power.
- **Oaks Preserve Phase 2** – Residential subdivision. Construction on electrical installations in progress.
- **Butler Plaza Center Cup** – Commercial development. Completed design and construction has started.
- **Archer Place Apartments** – Multistory buildings with apartments and retail. Overhead to Underground Conversion of electrical facilities is ongoing. Permanent power to be completed after road improvements and buildings are finalized. 90% complete with the project. Installed 1,550 ft of 3” poly to feed the new apartment complex. Customer paid all costs associated with this extension.
- **Evergreen Apartments at Oaks Mall** – Five multistory apartment buildings and one fitness center. Completed design and construction has started. Developer is installing conduits. Waiting on developer to start installing the electrical facilities.
- **Hawthorne Heights** – Affordable housing. Working on final details of design in ProjectDox.
- **Natura** – Multifamily apartment site, nine three-story buildings, clubhouse, garages, common areas, and amenities. Design work is underway for the project.
- **Hammock Preserve** – Residential, commercial mix new development. Construction is in progress.
- **Tesla at Wawa on Archer** – New fast charging station. Construction will start soon.
- **Airport Parking Garage** – Construction in progress.
- **Gilbane-Collegiate Apartments** – New multistory apartments on NW 20th Ave. Construction will start soon.

# Energy Delivery

- **Tesla at Oaks Mall** – New fast charging station. Construction will start soon.
- **Main St W/WW Plant** – In design process. New underground power source will be installed.
- **203-205 Feeders Reconductoring (GRIP Grant Project)** – Work order has been released. Waiting for DOE approval.
- **Transmission Line 15 (GRIP Grant Project)** – Pole and insulator replacements. Engineering package has been released.
- **TACTICS 931** – Hardening lines and adding a tie point to improve reliability. 65% completed.

## New Projects

- **Pre-design for new distribution feeder #1038** – Surveys are almost done.
- **Enhancement of the Santa Fe College 12kV system** – Surveying is almost done.
- **County Criminal Court Complex Expansion** – Design ongoing.
- **Replacing poles and insulators on Bradford Transmission Line 15** – Construction began Jan. 6, stopped Jan. 8 due to a request from Seminole. Working with System Control to find a new timeframe for the work.

## Substation & Relay

- **Parker Autotransformers** – Design drawings for T-75 are being reviewed. The first transformer is anticipated in May.
- **McMichen T-42 Transformer** – The construction phase has begun. The old transformer is scheduled for removal at the beginning of February, and site work for delivery of the new transformer is ongoing, including pad, limerock, and road preparations.
- **Line 16 Upgrade** – Design is in progress to replace two 138kV breakers, two sets of 138kV gang switches, and two line protection relays.

## Gas Engineering

- **Bridlewood** – Bridlewood subdivision and 6” main extension under construction, with design work underway to re-route the 6” main to avoid a sinkhole.
- **Parker Road backfeed to Archer Road** – Completed design and construction has started.
- **Convergence Research Park Ph 3** – Design is complete and has been submitted to construction. The contractor estimates completion by the end of April.
- **UF Backfeeds** – Quoted prices to UF to run additional gas backfeeds to increase system reliability.
- **UF Cogen Test** – Scheduled nitrogen delivery and working to finalize a new plan for the upcoming test.
- **Flint Rock Phase 2** – Builder has contacted us to request gas. Design is complete, and coordination is ongoing for a joint trench with the electric contractor.

# Energy Delivery

## Gas T&D

- **Museum Road Pit Relocation** – Approval received from UF to relocate the underground regulator station from Museum Rd to an above-ground location on Center Dr. UF is reviewing the final location to determine if an easement is present or if an application to the state for an easement is necessary.
- **FDLE Work Camp** – Extending 3,300 ft of 3” gas main east on SR 26 to the reopened FDLE property at 700 NE 55th Blvd. This site previously used propane but is being reopened with natural gas. FDLE provided 50% of the investment for this project.
- **UF Co-Generation Transmission Pipeline Testing** – Testing scheduled for the morning of 4/6/2025. This process will be very loud and smelly. Portions of SW Archer Rd and a few campus roads will be closed during testing.
- **Mi Apa Restaurant** – Extending 820 ft of 3” gas main to the new Mi Apa location in Alachua.
- **Infrastructure Upgrade (Gainesville Housing Authority, 2626 E. Univ. Ave)** – Installing approximately 3,520 ft of poly (2” & 1-1/4”) to replace the old bare steel piping. This will satisfy the PSC regulatory requirement for CY25.
- **Bridlewood Subdivision (External & Phase 1)** – Extending 9,400 ft of 6” gas main from US-441 in High Springs to service the Bridlewood subdivision. Installing 5,367 ft of 4”, 3”, 2”, and 3/4” gas main for phase 1 of the subdivision.
- **Archer Place Apartments (3101 Old Archer Rd)** – Project is 90% complete. Installed 1,550 ft of 3” poly to feed the new apartment complex. The customer covered all associated costs.
- **Lugano Subdivision Phase 4** – Project is complete except for several tie-ins. Installed 2,780 ft of poly (3” & 3/4”) to feed phase 4 of the subdivision.
- **Flint Rock Subdivision Phase 2 & 3** – Extending 2,980 ft of 3”, 2”, and 3/4” gas main to complete phases 2 and 3 of the Flint Rock subdivision.
- **Convergence Research Park Subdivision** – Extending 4,840 ft of 3”, 1-1/4”, and 3/4” gas main to complete phase 3 of the Convergence subdivision.
- **24 PSI Backfeed** – Working with Land Right to secure property for a regulating station. This project will backfeed the 24-pound system on Williston Rd, reducing outages in the event of future damage.

# Energy Delivery

## Advanced Metering Infrastructure (AMI)

Category	Electric	Water	Natural Gas	Total
Remote Reading	103,194	49,553	31,650	184,397
AMI Devices	103,370	51,231	31,712	186,313
Non-AMI Devices	510	26,661	6,556	33,727
Total Devices	103,880	77,892	38,268	220,040
Saturation %	99.5%	65.8%	82.9%	84.7%

## Standard Industry Comparisons

Comparison	Actual	Goal
SAIDI	1.97	4.5
CAIDI	37.05	55
SAIFI	0.05	0.08
ASAI	99.99	

For all except ASAI, lower is better.

SAIDI: System Average Interruption Duration Index.

CAIDI: Customer Average Interruption Duration Index.

SAIFI: System Average Interruption Frequency Index.

ASAI: Average Service Availability Index.

# Water/Wastewater

<b>Production</b>						
<b>Murphree Water Treatment Plant</b>						
		Month (mgd)	FY 25 YTD (mgd)	FY 24 (mgd)	Permitted Capacity (mgd)	FY 25 YTD % of Permitted Capacity
	Average Daily Flow	21.9	23.3	23.2	30	78%
	Max Daily Peak Flow	27.9	30.7	35.4	54	57%
<b>Main Street Water Reclamation Facility</b>						
		Month (mgd)	FY 25 YTD (mgd)	FY 24 (mgd)	Permitted Capacity (mgd)	FY 25 YTD % of Permitted Capacity
	Average Daily Flow	5.2	6.0	6.2	7.5	80%
	Max Daily Peak Flow	9.1	13.1	16.1	NA	NA
<b>Kanapaha Water Reclamation Facility</b>						
		Month (mgd)	FY 25 YTD (mgd)	FY 24 (mgd)	Permitted Capacity (mgd)	FY 25 YTD % of Permitted Capacity
	Average Daily Flow	10.1	10.8	11.1	14.9	72%
	Max Daily Peak Flow	18.7	19.1	24.7	NA	NA

# Water/Wastewater

Environmental Compliance			
Water Distribution System			
	Month	FY 25 YTD	FY 24
Precautionary Boil Water Notices:	3	4	25
Wastewater Collection System			
	Month	FY 25 YTD	FY 24
Sanitary Sewer Overflows (SSOs)	3	5	22
SSOs By Type:			
Residential Grease & Toiletries	1	1	8
Infrastructure	2	4	4
Third-Party Damage			3
Wet Weather			0
Named Storms			7

# Water/Wastewater

<b>Maintenance</b>				
<b>Water Distribution System</b>				
	Month	FY 25 YTD	FY 24	Monthly Goal
Dispatched Water Work Orders	488	1302	3866	-
Water Leaks	315	807	2400	-
Water Damages (by 3rd Parties)	33	80	N/A	-
Other Water Work Orders	140	415	1466	-
AMI Large Meter Changeouts	36	217	1057	-
Number of Water Services Replaced	60	187	1280	83
Feet of Water Main Replaced	148	2233	22,487	2200
<b>Wastewater Collection System</b>				
	Month	FY 25 YTD	FY 24	Monthly Goal
Dispatched Sewer Work Orders	76	199	776	-
Sewer Stoppages	21	49	168	-
Sewer Damages (by 3rd Parties)	3	7	N/A	-
Other Sewer Work Orders	52	143	608	-
SWAMP Program				
Miles of Gravity Main Inspected	6.9	38.1	215	12.5
Number of Manholes Inspected	204	897	5216	200

# Water/Wastewater

## Major Projects

**Water Distribution** – Alachua County Public Works project for NW 23rd Ave, two water main relocations underway. Connection to new mains is scheduled to be completed in January.

**Wastewater Collection – SW 24th Ave. Force Main Improvements Project (Grant Funded)** – Contract is executed. Notice to Proceed was provided on November 11, 2024. Construction is scheduled to begin in January 2025.

**Wastewater Collection** – Fort Clarke Gravity Main Improvements Project (Grant Funded) – Contract was executed and Purchase Order issued. Preconstruction meeting to be scheduled, with construction expected to begin by May 2025.

**Main Street Water Reclamation Facility** – Capacity and Renewal Upgrade Project Phase 1 (Grant Funded) – Influent piping work is complete, and performance testing is underway. Bypass pumping remains in place until piping work is finalized in January 2025. Construction has started on the master pump station.

**Kanapaha Water Reclamation Facility** – No major projects were underway in December. Planning for Phase 3 of the Headworks Restoration Project is set to begin in April 2025.

**Murphree Water Treatment Plant** – Lime slaking equipment manufacturer selected based on best value. Working with engineer and contractor on the scope of work for installation. New carbon dioxide tanks were installed and are currently being connected for service.



# Safety & Training

## Safety Data

### December Injury Statistics



Department	First Aid Given	Recordable Injuries	DART*
Administration	1	1	0
W/WW	0	0	0
Energy Supply	0	0	0
Energy Delivery & Gas	0	0	0
GRUCom	0	0	0
<b>Total</b>	<b>1</b>	<b>1</b>	<b>0</b>

\*DART: Days away, restricted or transferred.

### Fiscal YTD Injury Statistics



Department	First Aid Given	Recordable Injuries	DART*
Administration	1	1	0
W/WW	0	1	0
Energy Supply	0	0	0
Energy Delivery & Gas	0	2	0
GRUCom	0	0	0
<b>Total</b>	<b>1</b>	<b>4</b>	<b>0</b>

# Safety & Training

## December Vehicle Collisions & Miles Driven



Department	Miles Driven	Recordable Collisions	Preventable Collisions
Administration	7,661	0	0
W/WW	62,949	0	0
Energy Supply	2,109	0	0
Energy Delivery & Gas	95,059	2	1
GRUCom	3,681	0	0
<b>Total</b>	<b>171,459</b>	<b>2</b>	<b>1</b>

## Fiscal YTD Vehicle Collisions & Miles Driven



Department	Miles Driven	Recordable Collisions	Preventable Collisions
Administration	23,037	0	0
W/WW	211,347	0	0
Energy Supply	7,522	0	0
Energy Delivery & Gas	314,328	3	3
GRUCom	15,194	0	0
<b>Total</b>	<b>571,428</b>	<b>3</b>	<b>3</b>

# Safety & Training

## Injury Details

- **Dec. 19, 2024** – Cut finger cleaning pipe to make a cut.

## Collision Details

- **Dec. 13, 2024** – GRU vehicle headed eastbound on NW 23rd Avenue towards NW 43 Street. GRU vehicle was stationary in outside lane at red light when private vehicle rear-ended GRU.
- **Dec. 19, 2024** – Employee moved forward after waiting at traffic light running into back of vehicle still stopped at traffic light in front of GRU vehicle. **Preventable.**

## Emergency Management

- The Recovery Scoping Meetings for Helene and Milton are coming in the next two weeks. Any damages or impacts from either of these storms needs to be finalized in the next two weeks.
- Learned Lessons from hurricanes Helene & Milton must be emailed back to Scott so the After Action Reports can be finalized.
- The floorplans for the Administration Building are being updated. The procedures for responding to alarms at the Administration Building, Springhill and the Eastside Operations Center are being revised.
- 14% of GRU employees need to complete NIMS training or send in certificates. Out of 817 GRU employees, we still have 113 who need to submit their certificates. The Safety & Training team is working the list.
- Continuing to work with Jim Lennon on reimbursements from storms Ian, Nicole, Idalia, Debby, Helene and Milton.

**END OF SECTION**

# Customer Support Services

## Revenue Assurance



**YTD: \$3,053,280.32**



**YTD: \$186,948.26**



**YTD: \$127,070.82**

## Billing & Customer Solutions

- Invoicing rating: **99.9%**
- Meter rereads: **206**
- Locked reads: **10,979**
- Solar invoicing rating: **100%**
- Processed emails: **1,240/1,363 (91%)**

## Customer Experience

Transactional Survey

**4.0**



Lobby Survey

**4.9**



# Customer Support Services

## New Services

<b>Active Projects</b>	<b>Amount</b>
City	158
County	41

<b>Building Permit Reviews</b>	<b>108</b>
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<b>New Installations</b>	<b>Amount</b>
Electric	44
Water	96
Wastewater	16
Gas	11

<b>Solar Reviews</b>	<b>Amount</b>
Plan Reviews for November	9
PVs Completed on Time	9
PV Installations	9

# Customer Support Services

## Customer Service

### Answer Speed

Call Type	Actual	YTD	Goal
Residential	4:21	7:18	5:00
Non-residential	1:05	1:25	3:00

### Handle Time

Call Type	Actual	YTD	Goal
Residential	7:31	7:25	6:00
Non-residential	8:12	8:36	6:00



### Other Statistics



# Customer Support Services

## Payment Type Details

<b>Payment Type</b>	<b>Instances</b>	<b>Instances YTD</b>	<b>\$ Amount</b>	<b>\$ Amount YTD</b>
Drop Box	602	920	\$684,374.54	\$772,031.93
Mailed	18,103	73,830	\$16,911,219.35	\$61,079,255.12
Office Payment	30	138	\$6,636.90	\$56,665.11
Drive Thru	4,402	17,365	\$2,373,488.81	\$10,901,411.60
Kubra Cash	181	751	\$31,859.99	\$141,508.94
Check Free	7,021	27,046	\$2,190,676.43	\$9,045,981.78
Kubra ACH	17,900	70,455	\$5,214,391.68	\$21,496,210.78
Collection Agency	18	75	\$7,164.45	\$36,235.58
Kubra CC/EZPAY	23,310	95,632	\$4,639,289.27	\$20,157,012.53
Lobby Walk-Ins	2,521	8,870	\$840,648.71	\$3,285,800.15
Direct Debit	34,069	400,038	\$9,068,510.73	\$36,440,629.61





**Gainesville Regional Utilities Authority  
Agenda Item Report**

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**File Number:** 2025-110

**Agenda Date:** February 12, 2025

**Department:** Gainesville Regional Utilities

**Title:** 2025-110 Liquidity and Reserve Metrics (B)

**Department:** Business, Finance and Accounting

**Description:** This is an informational item related to a review of GRU's liquidity and reserve metrics.

**Explanation:** At the December 11, 2024 GRUA meeting, the board requested that in the future staff bring forward more in-depth discussion of GRU's financial metrics. It is staff's intent to review a different metric at the same meeting quarterly budget to actual financial information is presented until all significant metrics are covered. This initial presentation covers GRU's liquidity metrics.

**Fiscal Note:** No fiscal impact.

**Recommended Motion:** Informational item only.

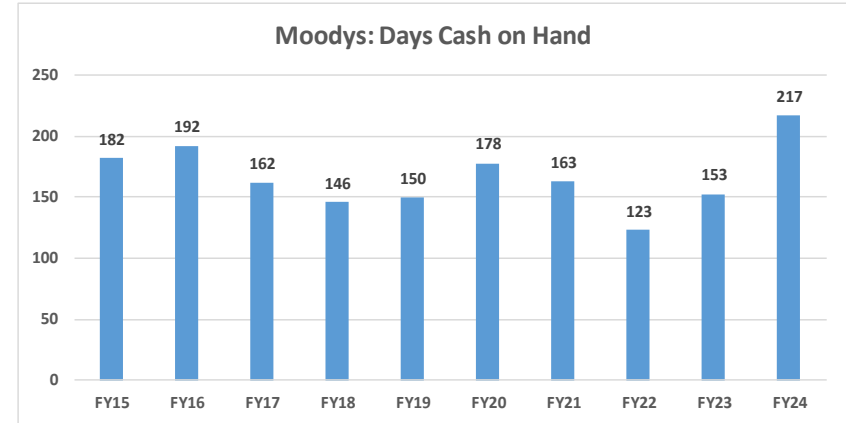
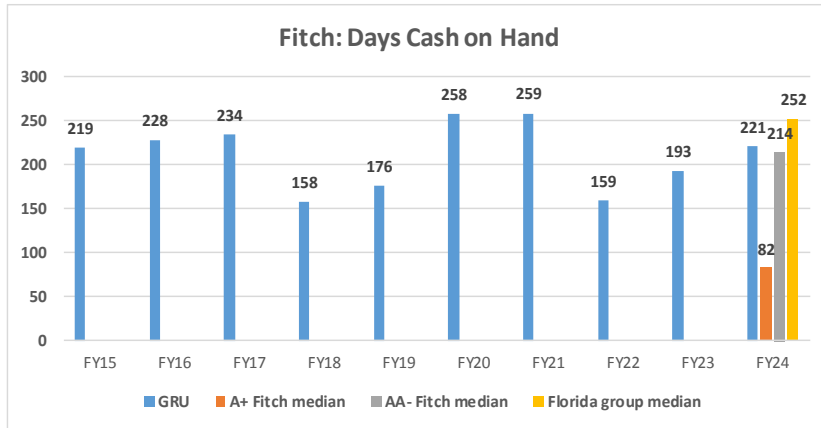
# Liquidity & Reserve Metrics

## Liquidity & Reserve Metrics

- Liquidity and reserve assessments measure GRU's flexibility to address
  - Fluctuations in cash flow
  - Volatility in operating expenses, including fuel & power costs
  - Short-term capital needs
- These assessments are intended to measure how GRU's
  - Internal sources such as cash reserves and cash flow, and
  - External sources such as undrawn capacity under lines of credit provide the liquidity to fund immediate needs on an ongoing basis
- Provides an estimate of how long GRU can operate without further cash flows
- The metrics typically considered most important to assess are
  - Days cash on hand
  - Total days liquidity

# Liquidity & Reserve Metrics

## Days Cash on Hand



Florida group = Tallahassee, JEA,OUC, and Lakeland

### FITCH DAYS CASH ON HAND FORMULA

Cash balances:

Operating

UPIF

Rate Stabilization

= Unrestricted Cash

Divided by average daily operating expense less depreciation

= Days Cash on Hand

### MOODY'S CASH ON HAND FORMULA

Cash Balances:

Operating

Fuel Hedging

Utility Deposits

Rate Stabilization

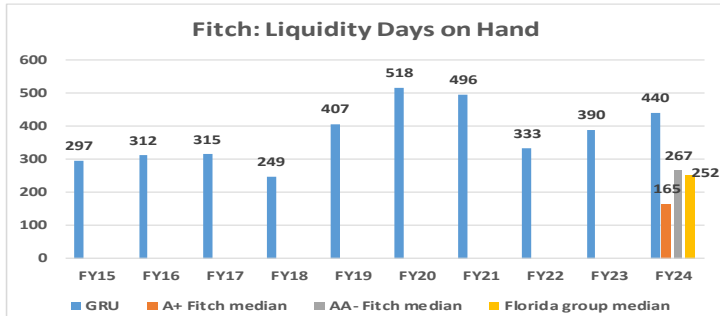
= Unrestricted Cash

Divided by average daily operating expense less depreciation

= Days Cash on Hand

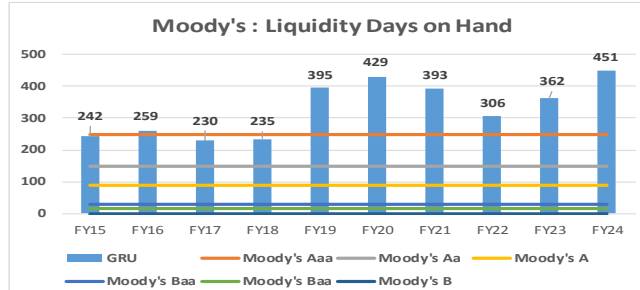
# Liquidity & Reserve Metrics

## Days Liquidity on Hand



### FITCH DAYS LIQUIDITY ON HAND FORMULA

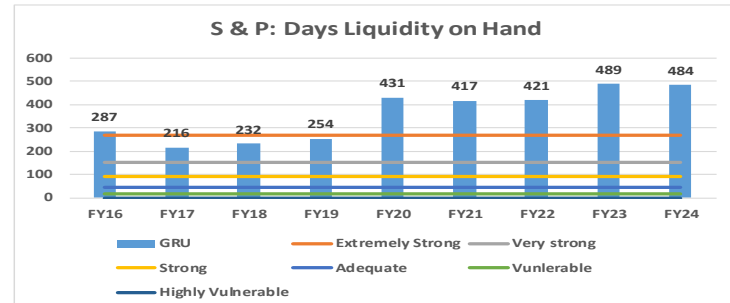
Cash balances:  
 Operating  
 UPIF  
 Rate Stabilization  
 Authorized but Unissued Lines of Credit  
 = Total Liquidity  
 Divided by average daily operating expense less depreciation  
 = Days Liquidity on Hand



### MOODY'S LIQUIDITY ON HAND FORMULA

Cash Balances:  
 Operating  
 Fuel Hedging  
 Utility Deposits  
 Rate Stabilization  
 Authorized but Unissued Lines of Credit  
 = Total Liquidity  
 Divided by average daily operating expense less depreciation  
 less pension adjustment  
 = Days Liquidity on Hand

Moody's Liquidity Scale	
Moody's Aaa	> 250
Moody's Aa	150 - 250
Moody's A	90 - 150
Moody's Baa	30 - 90
Moody's Ba	15 - 30
Moody's B	<15



### S & P DAYS LIQUIDITY ON HAND FORMULA

Cash balances:  
 Operating  
 UPIF  
 Rate Stabilization  
 Undrawn Letters of Credit  
 Authorized but Unissued Lines of Credit  
 = Total Liquidity  
 Divided by average daily operating expense + GFT less depreciation  
 = Days Liquidity on Hand

### S & P Liquidity Scale

Extremely Strong	> 270
Very Strong	150 - 270
Strong	90 - 150
Adequate	45 - 90
Vulnerable	15 - 45
Highly Vulnerable	<15

## Liquidity & Reserve Metrics

### Actions to Preserve Appropriate Cash Levels

- GRU experienced a significant decline in cash levels between FY15 and FY19
- 2019 Series Bonds provided near-term debt service savings and replenished UPIF cash levels
- Cash Balance policy implemented in 2019 set cash & reserve level targets commensurate with GRU business risk; target levels updated in 2024
- Debt Management Policy amendment in 2024 codified minimum level of cash on hand of 250 days at end of each financial forecast period



**File Number: 2025-106**

**Agenda Date:** February 12, 2025

**Department:** Gainesville Regional Utilities

**Title: 2025-106 Resolution of the Gainesville Regional Utilities Authority, a unit of city government of the City of Gainesville, Florida approving the execution, delivery, and performance of one or more natural gas supply agreements with Municipal Gas Authority**

**Department:** Budget, Finance and Accounting

**Description:** The resolution approves participation in a natural gas prepayment transaction between the Gas Authority and TD Bank.

**Fiscal Note:** The initial discount is estimated at \$0.58 per MMBtu net of an administrative fee of the Gas Authority's Issuer entity. At \$0.50/MMBtu, annual savings are projected at \$1,825,000 on the recently completed Citi Bank transaction and at \$0.58/MMBtu on the proposed TD Bank transaction, annual savings are projected at \$1,167,540.

**Explanation:** At their November 6, 2024 meeting GRUA delegated authority to the CEO or CFO to negotiate and execute one or more natural gas prepay agreements, cumulatively not to exceed 50% of GRU's projected average daily gas load. Through this transaction, GRU has the opportunity to reduce its fuel costs by purchasing a portion of its projected future gas needs at a discounted price. The key elements of the proposed transaction are:

- GRU's obligation is limited to paying only for the natural gas delivered
- The transaction does not increase GRU's outstanding debt
- The transaction provides not less than \$0.30/MMBtu discount, for the initial term of the transaction, and after the initial term not less than \$0.23/MMBtu discount, in each case net of administrative fees.
- While the transaction is long term, GRU has the flexibility to transition from natural gas to electricity and still retain the discount
- The transaction will serve to diversify GRU's commodity supplier base
- In the event the transaction unwinds, GRU would simply revert to the current process for purchasing gas. The impact to GRU would be the loss of the discount.
- In December GRU executed a prepayment deal with Citi Bank which equaled approximately 24% of GRU's average daily load. The proposed transaction with

TD Bank will encompass another 13% of GRU's daily load, bringing the total portion of GRU's load accounted for through prepay transactions to approximately 37%.

**Recommended Motion:** GRUA adopt the proposed resolution authorizing participation in a natural gas prepayment transaction between the Gas Authority and TD Bank.



RESOLUTION GAINESVILLE REGIONAL UTILITIES AUTHORITY, A UNIT OF CITY GOVERNMENT OF THE CITY OF GAINESVILLE, FLORIDA, APPROVING THE EXECUTION, DELIVERY AND PERFORMANCE OF ONE OR MORE NATURAL GAS SUPPLY AGREEMENTS WITH MUNICIPAL GAS AUTHORITY OF GEORGIA, AND OTHER DOCUMENTS RESPECTING NATURAL GAS PREPAYMENT TRANSACTIONS WITH MAIN STREET NATURAL GAS; AND FOR OTHER PURPOSES.

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**WHEREAS**, the Charter of the City of Gainesville, Florida (the "City") being Chapter 12760, Laws of Florida, as amended by Chapter 90-394, Laws of Florida was amended pursuant to House Bill 1645 and codified by Chapter No. 2023-348, Laws of Florida (the "Charter Amendment"), which such Charter Amendment, among other things, added Article VII to the Charter and thereby created the Gainesville Regional Utilities Authority (the "Authority"); and

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

**WHEREAS**, the Authority is expressly authorized pursuant to the Charter Amendment to, among other things, enter into agreements for the future delivery of fuel or other commodities; and

**WHEREAS**, the System was formed, among other reasons, to acquire secure, reliable and adequate long-term supplies of natural gas for resale to governmentally owned customers for ultimate delivery to the residential, commercial, institutional, and industrial consumers in their areas of service and to achieve cost savings, economies of scale and reliability of supply; and

**WHEREAS**, the System has a need for long-term gas supplies; and

**WHEREAS**, Municipal Gas Authority of Georgia (the "Gas Authority") is participating in, and developing new, natural gas prepayment transactions from time to time with Main Street Natural Gas, Inc. ("Issuer") from the proceeds of certain tax-exempt bonds (each a "Prepayment Project"); and

**WHEREAS**, neither the Authority nor the City shall have any financial liability with respect to the tax-exempt bonds to be issued by the Issuer and the only obligation of the Authority, as a unit of the City government, shall be to make payments for natural gas deliveries made pursuant to the Agreement (as defined herein); and

**WHEREAS**, the Gas Authority and the Authority have caused to be prepared forms of Base Contract for Sale and Purchase of Natural Gas, Special Provisions to the NAESB Base Contract between the Gas Authority and the Authority, which modifies and supplements the NAESB Standard 6.3.1 Base Contract for the Sale and Purchase of Natural Gas (the "Base Contract") with the special provisions contained therein ("Special Provisions") and transaction confirmations to be entered into from time to time; and

**WHEREAS**, the Base Contract, including the General Terms and Conditions thereto, as modified by the Special Provisions, shall apply to all confirmed transactions between the Gas Authority and the Authority for the purchase and sale of gas unless otherwise specifically stated in a written confirmation executed by both parties; and

**WHEREAS**, the Authority will pay for gas supplies delivered pursuant to an Agreement only if and as such supplies are delivered; and

**WHEREAS**, the City Commission adopted on September 21, 2017, its Resolution No. 170395 incorporating by reference the Second Amended and Restated Utilities System Revenue Bond Resolution adopted by the City on September 21, 2017 (the "Bond Resolution"); and

**WHEREAS**, pursuant to the Transitional Resolution, the City Commission authorized the Authority to, among other things, take all actions on behalf of the City under the Bond Resolution; and

**WHEREAS**, the Authority adopted Resolution 2024-920A on December 11, 2024 authorizing the Authority to execute, deliver and perform one or more natural gas supply agreements with the Gas Authority, and other documents in connection with natural gas prepayment transactions with the Issuer, and for other purposes; and

**WHEREAS**, on December 18, 2024, the Authority entered into an agreement with the Gas Authority defined as Citi2024E Gas Purchase Agreement for 10,000 MMBTu/day with an initial effective date of April 1, 2025; and

**WHEREAS**, the Authority proposes to enter into a new transaction confirmation under the same Base Contract and Special Provisions with the Gas Authority (collectively, the "Agreement") defined as the Main Street TD2025A Gas Purchase Agreement for an annual average of 5,500 MMBTu/day with an initial effective date of not later than August 1, 2025, with not less than a \$0.50/MMBtu discount off spot index, for the initial term of the transaction (until May 31, 2032) and, provided the Authority exercises certain contract rights, a minimum \$.23/MMBtu discount thereafter, in each case net of administrative fees (collectively, the "Purchase Terms"); and

**WHEREAS**, the purchase of gas delivered and paid by the Authority and all other fees, costs and expenses related thereto shall be an Operation and Maintenance Expense under the Bond Resolution;

NOW, THEREFORE, BE IT RESOLVED by the Authority, a unit of city government of the City, that the Agreement, and the Purchase Terms, transactions, purchases and obligations represented thereby, are hereby approved in substantially the form of the Agreement, forms of which are attached hereto, and the Chief Executive Officer/General Manager of the Authority, the Chief Financial Officer of the Authority, or any other officer, employee or agent of the City or the Authority pursuant to the Charter authorized to perform specific acts or duties by resolution duly adopted by the Authority (the "Authorized Officers"), or any of them, are hereby authorized to finalize one or more Agreements from time to time within the parameters of the Purchase Terms with such changes, additions, and deletions as are required, in their sole discretion, to complete the Agreement, and the execution of the Agreement by any Authorized Officer shall be conclusive evidence of any such approval; and

FURTHER RESOLVED that, when each such Agreement is so finalized, the Authorized Officers, or any of them, are hereby authorized to execute and deliver such Agreement in as many counterparts as may be required; and

FURTHER RESOLVED that the Authorized Officers, or any of them, are hereby authorized to execute and deliver all such additional certificates, documents and other instruments reasonably required or desirable to complete the transactions contemplated by each Agreement, including but not limited to any necessary tax certificates or documents necessary to evidence the Authority's compliance with any tax or continuing disclosure requirements arising as a result of the Authority's execution of the Agreement or as reasonably required.

PASSED AND ADOPTED IN PUBLIC SESSION OF THE GAINESVILLE REGIONAL UTILITIES AUTHORITY, THIS 12th DAY OF FEBRUARY, 2025.

GAINESVILLE REGIONAL UTILITIES  
AUTHORITY

By: \_\_\_\_\_  
Chairman

APPROVED AS TO FORM AND  
LEGALITY:

By: \_\_\_\_\_  
Utilities Attorney

Exhibit  
Gas Supply Agreement

**TRANSACTION CONFIRMATION  
FOR IMMEDIATE DELIVERY**

Date: February 20, 2025

Transaction Confirmation #: 2 \_\_\_\_\_

This Transaction Confirmation is subject to the Base Contract between Seller and Buyer dated as of December 18, 2024. The terms of this Transaction Confirmation are binding upon execution unless otherwise specified in the Base Contract.

**SELLER:**

**MUNICIPAL GAS AUTHORITY OF GEORGIA**  
("Seller" or "Gas Authority")

104 TownPark Drive, Kennesaw, GA 30144

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**BUYER:**

**GAINESVILLE REGIONAL UTILITIES AUTHORITY**  
("Buyer" or "Customer")

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Attn: Jeff Billings

Phone: (770) 590-1000

Fax: 678-819-0948

EMAIL: jbillings@gasauthority.com

Base Contract No.

Transporter:

Transporter Contract Number:

**Contract Price: Spot Index minus \$0.57/MMBtu Discount plus the Index Premium as defined herein under Section 15H below. The Discount is subject to change as provided in Section 15I(2) below.**

**Delivery Period: Begin: April 1, 2025      End: March 31, 2055, subject to Section 15A and Section 15I below.**

**Performance Obligation and Contract Quantity: \***

Firm: Contract Quantity in MMBtu per day as set forth in Exhibit A.

**Delivery Point(s):**

See Exhibit A hereto for volumes and delivery points. \*

\*Pursuant to a certain Natural Gas Supply Agreement, dated as of February 1, 2025, between Seller and Main Street Natural Gas, Inc. ("Main Street"), the volumes to be delivered to Buyer hereunder, as reflected in Exhibit A attached hereto, shall be sourced from Main Street's hereinafter defined TD2025A Gas Purchase Agreement. Buyer has executed a Qualified Use Certificate in accordance with its purchase of the Gas from Seller under this Transaction Confirmation. A copy of such Qualified Use Certificate is attached to this Transaction Confirmation as Exhibit C and is a part of it and this Contract.

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Special Conditions:

The following Special Conditions shall apply to the transaction set forth in this Transaction Confirmation:

*Amendment to Section 1.3 to the Base Contract:*

The second sentence of this paragraph is revised to read: "For a Transaction Confirmation using NAESB WGO Standard No. 6.4.2 dataset sent via ECS, the receiving party shall notify the sending party via ECS of receiving party's acceptance or dispute of the Transaction Confirmation."

*Amendment to Section 3.2 of the Base Contract:*

Subsection (ii) of Section 3.2 (Cover Standard) of the Base Contract is hereby amended to provide that, in the case of a breach by Buyer, Buyer's payment to Seller, if any, shall be determined using the Cover Standard and the 'Spot Index' as defined herein under new Section 15B.

*Amendment to Section 7.1 to the Base Contract:*

Section 7.1 is hereby amended by deleting the first sentence and inserting in lieu thereof a new first sentence to read in its entirety as follows:

"Seller shall invoice Buyer for Gas delivered and received in the preceding Month and for any other applicable charges, providing supporting documentation acceptable in industry practice to support the amount charged, on the 15<sup>th</sup> day of each Month. For the avoidance of doubt, Buyer shall have no duty to pay Seller for Gas not delivered and received, including any Gas not delivered and received due to, force majeure or default by the Supplier under the TD2025A Gas Purchase Agreement (as hereinafter defined in Section 15A below)."

*Amendment to Section 7.4 to the Base Contract:*

Section 7.4 is hereby amended by deleting Section 7.4 in its entirety and inserting in lieu thereof new Section 7.4 to read as follows:

"The invoiced party shall pay the invoice in full, including any disputed amounts, but excluding disputed amounts, if any, in excess of the Contract Price multiplied by the scheduled Gas deliveries for the prior month to which such invoice relates (e.g., such excluded, excess amounts include excess replacement costs and penalties). After such payment, if the invoiced party disputes the amount due, it must provide supporting documentation acceptable in industry practices to support the amount paid and disputed. In the event the parties are unable to resolve such dispute, either party may pursue any remedy at law or in equity, including but not limited to mandamus, to enforce its rights pursuant to this Section. The payment obligations of the Buyer under this Contract shall be absolute and unconditional without right of recoupment or setoff, and without regard to the existence of any claim, defense, reduction, abatement or other right to which the Buyer may have at any time against the Seller, including without limitation any defense related to force majeure."

*Amendment to Section 8.3 to the Base Contract:*

Section 8.3 is hereby amended by inserting the following language at the beginning of the second sentence thereof:

"To the extent permitted by law,"

In addition, the following is added to Section 8.3 after the second sentence thereof: "Notwithstanding the foregoing, to the extent that any such proceeding seeks enforcement based on tort or similar claim, in such case such defense is available only to the extent set forth under Section 768.28, Florida Statutes or other similarly applicable provision of law."

*Amendment to Section 10.2 to the Base Contract:*

Section 10.2 is hereby amended by deleting the period at the end thereof and inserting the following language: "; provided, however, that with respect to any Event of Default described in clauses (i) through (viii) above where Buyer is the Defaulting Party, Seller shall notify Buyer on the 19th Day of the Month that Seller shall, on the tenth Business Day following such Notice, withhold and/or suspend deliveries or payments and terminate or liquidate the transactions under this Contract in the manner provided in Section 10.3 of this Contract."

*Amendment to Section 10.6 of the Base Contract:*

Section 10.6 of the Base Contract is deleted in its entirety and replaced with a new Section 10.6 to read in its entirety as follows:

"The Non-Defaulting Party's remedies under this Section 10, those remedies expressly provided for in this Transaction Confirmation and any derivative rights of Buyer under the TD2025A Gas Purchase Agreement (as hereinafter defined) are the sole and exclusive remedies of the Non-Defaulting Party with respect to the occurrence of any Early Termination Date."

*Amendment to Section 15.2 to the Base Contract:*

Section 15.2 is hereby amended by deleting the period at the end thereof and inserting the following language: "; provided, however, that if such severability materially changes the economic benefits or risks of this Contract to either Party, the Parties shall negotiate in good faith and attempt to agree to an equitable adjustment to the provisions of this Contract to replicate to the best of their ability the economic benefits and risks of this Contract to both Parties."

*Amendment to Section 15.5 to the Base Contract:*

Section 15.5 is deleted in its entirety and replaced with a new Section 15.5 to read in its entirety as follows:

"This Contract shall be interpreted in accordance with the laws of the State of New York without regard to principles of law that would require the application of the laws of another jurisdiction, except that interpretation of the Contract with respect to the powers of Buyer shall be interpreted in accordance with the laws of the Buyer's state of organization without regard to principles of law that would require the application of the laws of another jurisdiction."

*A new Section 15A is added to the Base Contract:*

**"Source of Supply.** This Transaction Confirmation is entered into for the sale of gas by Seller to Buyer that Seller has purchased from Main Street, which Main Street has purchased from The Toronto-Dominion Bank ("TD" or "Supplier") under a certain Prepaid Natural Gas Purchase and Sale Agreement, between Main Street and Supplier, dated January 30, 2025 (the "TD2025A Gas Purchase Agreement"). Main Street has paid the purchase price of the gas under the TD2025A Gas Purchase Agreement from the proceeds of its Gas Supply Revenue Bonds, Series 2025A (the "Bonds") issued pursuant to a Trust Indenture, dated as of February 1, 2025, between Main Street and U.S. Bank National Association, as trustee (the "Trustee"). The Seller's duty to deliver, and Buyer's duty to purchase, Gas to be delivered by Main Street from the Supplier pursuant to this Contract shall be terminated by Seller or Buyer, in whole or in part, upon the occurrence of an early termination of the TD2025A Gas Purchase Agreement, in whole or in part, notwithstanding any other provision herein to the contrary, and any such termination by Seller or Buyer shall not constitute a breach of this Contract or a default under this Contract, such that in any such event, no early termination damages shall be owed by either Seller or Buyer under Section 10.3.1. In addition, any invocation of force majeure by the Supplier under the TD2025A Gas Purchase Agreement shall automatically support an invocation of force majeure by Seller under this Contract and shall constitute an event of Seller force majeure."

*A new Section 15B is added to the Base Contract:*

**"Pricing.** The Contract Price under this Transaction Confirmation shall be the Index-based price as stated in this Transaction Confirmation. 'Spot Index' means, for a Delivery Point for any Month, the index price per MMBtu, stated in U.S. dollars, as published in the first issue for the Month (including corrections thereto in later issues) in which the event occurred that required calculation of the index price, of *Inside FERC's Gas Market Report*, a publication of S&P Global Platts, a division of S&P Global, in the section "Monthly Bidweek Spot Gas Prices (\$/MMBtu)", under the heading for such Delivery Point as is specified on Exhibit A hereto. If *Inside FERC's Gas Market Report* should cease to publish such first-of-the-month index prices or should cease to be published entirely, the Spot Index Price for a Delivery Point shall be the price per MMBtu, stated in U.S. dollars, for Gas to be delivered at such Delivery Point during the applicable Month as set forth in an alternative index as determined by Seller related to the TD2025A Gas Purchase Agreement."

*A new Section 15C is added to the Base Contract:*

**"Annual Returns.** In addition to the monthly discount applicable to deliveries hereunder, Seller will provide such Annual Refund to Buyer as may be available for distribution following distribution of refunds to Seller by Main Street pursuant to the Indenture. Such Annual Refund, if any, will be paid by Seller to Buyer and the other Project Participants (Seller and other Customers, as defined in the Indenture) as soon as practicable following the receipt of funds for such purpose by Seller from Main Street under the terms of the Indenture. Buyer and the other Project Participants will be allocated a proportionate share of the refunds received by Seller in accordance with each Project Participant's Annualized Daily Quantity as a percentage of the aggregate Annualized Daily Quantities of all Project Participants for the applicable as distributed pursuant to the Indenture. Notwithstanding anything else herein to the contrary, Annual Returns provided for in this Section shall only be due to Buyer to the extent a corresponding Annual Return is received by Seller from Main Street."

*A new Section 15D is added to the Base Contract:*

**"Information Provisions:**

Buyer shall furnish the following information to the Seller:

- (1) Annual audited financial statements related to Buyer's purchase of gas under this Contract within 180 days after the end of the Buyer's fiscal year (together with a certification of Buyer that it is not aware of any default or Event of Default under this Contract); and
- (2) A full original transcript of authorizing resolutions and executed documents relating to the execution of any amendment, supplement, modification or waiver of this Contract.

*A new Section 15E is added to the Base Contract:*

**"Payments.** Payments to Seller pursuant to this Contract shall be made to Seller's Account maintained at Well Fargo Bank, N.A., as follows:

Wire Transfer or ACH Number:  
BANK: Wells Fargo Bank, N.A.  
ABA: 121000248  
ACCT: 2000132133254"

*A new Section 15F is added to the Base Contract:*

**"Additional Purchases from Seller.** Buyer shall use its good faith efforts to purchase additional Gas supplies from Seller in the future so that Issuer can purchase such Gas from the Prepayment suppliers as necessary such that the interest on the Issuer's bonds shall remain excludable from the gross income of the holder of such bonds under the provisions of the Internal Revenue Code of 1986, as amended."

*A new Section 15G is added to the Base Contract:*

**"Sale of Buyer's Gas or Electric System.** If the governing body of Buyer sells Buyer's gas or electric system to an entity other than a governmental person within the meaning of Section 1.141-1(b) of the Treasury Regulations, as amended, for qualifying tax-exempt uses, Seller's duty to sell and deliver, and Buyer's duty to purchase and receive, Gas to be delivered pursuant to this Contract shall be terminated. Buyer shall notify Seller no later than 60 days prior to the effective date of such sale, or such earlier date as designated by Seller in a written notice to Buyer, and any such termination shall not constitute a breach of this Contract or a default under this Contract."

*A new Section 15H is added to the Base Contract:*

**"Index Premium (Discount).** The Index Premium (Discount) for each Delivery Point, which shall be established under the TD2025A Gas Purchase Agreement and flowed through from Main Street to Seller and from Seller to Buyer, is set forth in Exhibit A and shall remain in effect through the date corresponding to each such Delivery Point. Thereafter, as to each Delivery Point, the Index Premium shall be subject to adjustment no more often than quarterly upon mutual agreement of Main Street and Supplier under the TD2025A Gas Purchase Agreement, and such Index Premium shall be for a minimum period of at least three months. Seller shall notify Buyer at least 15 Days before the end of each Index Premium period to enable Buyer to participate in the process of establishing the new Index Premium, if any, prior to the beginning of the next Index Premium period. Upon adjustment of the Index Premium as to any Delivery Point, Seller and Buyer shall execute a revised Exhibit A reflecting the new Index Premium, if any."

*A new Section 15I is added to the Base Contract:*

**"(1) Early Termination Upon Termination of the TD2025A Gas Purchase Agreement.** Notwithstanding the Delivery Period of this Transaction Confirmation, Buyer acknowledges and agrees that, in the event the TD2025A Gas Purchase Agreement terminates prior to the end of the Delivery Period, (i) this Transaction Confirmation shall terminate on the date of early termination of the TD2025A Gas Purchase Agreement, and (ii) Seller's obligation to deliver Gas under this Transaction Confirmation shall terminate on the same date on which the Supplier's obligation to deliver Gas to Main Street under the TD2025A Gas Purchase Agreement terminates; provided, however, that in the event of such early termination, Seller agrees to continue to deliver to Buyer and Buyer agrees to purchase from Seller the Contract Quantity at the applicable Delivery Point for the remainder of the Month during which such early termination has occurred and for the remainder of the Index Premium period currently in effect, at a price equal to the Spot Index Price plus any Index Premium. Seller shall provide notice to Buyer of any early termination of this

Transaction Confirmation pursuant to this Section 15I, the date of such termination, and the date on which the obligation to purchase Gas at the Spot Index Price plus any Index Premium shall end.

**(2) Early Termination Upon a Remarketing Election at a Reset Period under the TD2025A Gas Purchase Agreement.**

(i) Reset Protocol. The Discount provided in the Contract Price together with the Annual Returns is dependent on the pricing achieved under the TD2025A Gas Purchase Agreement. Such pricing is subject to change at the end of a Reset Period. The Initial Reset Period ends on May 31, 2032. For each Reset Period following the Initial Reset Period under the TD2025A Gas Purchase Agreement, Seller shall provide to Buyer, at least nine (9) days prior to the applicable deadlines under the TD2025A Gas Purchase Agreement, written notice setting forth the duration of such Reset Period and the estimated Discount available and Annual Returns, if any, for such Reset Period.

(ii) Remarketing Event. In the event the estimated Discount available ("Estimated Available Discount") for a Reset Period is less than 23 cents ("Minimum Discount") per MMBtu (a "Remarketing Event"), the notice provided pursuant to Section 15I(2)(i) above shall state (i) that a Remarketing Event has occurred and (ii) that Buyer may (A) continue to purchase and receive its Contract Quantity for each Gas Day of each Delivery Month during such Reset Period at a Contract Price that reflects the Discount available for the Reset Period (as finally determined as hereinafter described in Section 15I(2)(iv)), or (B) elect that such Contract Quantity be remarketed for the remainder of the Delivery Period (a "Remarketing Election") by providing a Remarketing Election Notice (as defined below in Section 15I(2)(iii)) prior to the Remarketing Election Deadline, which shall be set forth in the notice.

(iii) Remarketing Election; Early Termination. If Buyer makes a Remarketing Election and thereby elects to have its Contract Quantity remarketed for the remainder of the Delivery Period following the occurrence of a Remarketing Event, Buyer shall provide written notice of such Remarketing Election to Seller (its "Remarketing Election Notice") not later than the applicable Remarketing Election Deadline. In the event Buyer provides a Remarketing Election Notice on or prior to the applicable Remarketing Election Deadline, the Delivery Period shall terminate as of the end of the last Gas Day of the last Delivery Month of the Reset Period then in effect, and this Transaction Confirmation shall terminate as of the last day of such Reset Period. Any such termination on the last Delivery Month of the Reset Period shall not constitute a breach of this Contract or a default under this Contract, such that in any such event, no early termination damages shall be owed by either Seller or Buyer under Section 10.3.1.

(iv) Final Determination of Available Discount. Buyer acknowledges and agrees that the final Discount available for any Reset Period following the Initial Reset Period shall be determined under the TD2025A Gas Purchase Agreement, and that such Discount may differ from the estimate or estimates of such Discount provided to Buyer prior to the applicable Remarketing Election Deadline, provided that the final Discount shall not be less than the Minimum Discount per MMBtu unless Buyer affirmatively agrees to such a Discount or fails to provide a Remarketing Election Notice prior to the Remarketing Election Deadline."

*A new Section 15J is added to the Base Contract:*

**"Permanent Load Loss.** In the event of permanent load loss on Buyer's system due to (a) the permanent cessation of all or part of the operations of a large industrial customer or natural gas fired electric generation facilities, (b) a permanent reduction in requirements for Gas due to a change in Customer's generation requirements (including as a result of increased purchases of renewable generation or economic dispatch of other non-Gas-fired generation) or (c) the sale of the relevant utility system to any entity other than a governmental person ("Gas Need Reduction"), Customer may request the permanent reduction of its Contract Quantity for the remaining term of this Transaction Confirmation. If the Gas Authority consents to such request, which consent will not be unreasonably withheld, conditioned or delayed and subject to Section 15K, the Seller will reduce Customer's Contract Quantities through the remaining term of this Agreement accordingly. Any such reduction shall not constitute a breach of this Contract or a default under this Contract, such that in any such event, no early termination damages shall be owed by either Seller or Buyer under Section 10.3.1.

At Buyer's option, in lieu of a reduction in the Daily Contract Quantities through the remaining term of this Transaction Confirmation upon a Gas Need Reduction, and upon no less than 18 Months' advance notice and effective on the first day of a Reset Period, Buyer may request that the Gas Authority cause wholesale electricity to be provided to Customer in lieu of Gas, as provided for hereunder by taking assignment or causing an affiliate to take assignment of one or more power purchase agreements, to which Buyer is a party, in whole or in part. Upon receipt of any such notice, the Gas Authority will make good faith efforts to implement the requested transaction."



A new Section 15K is added to the Base Contract:

**“Priority of Gas.** The Customer covenants and agrees to take the Contract Quantity delivered by Seller under this Transaction Confirmation (a) in priority over and in preference to all other Gas available to the Customer that is not Priority Gas, and (b) in priority over and in preference to all other Priority Gas that first commences deliveries after the initiation of deliveries under this Transaction Confirmation. “Priority Gas” means the Gas to be purchased by the Buyer under this Agreement, together with Gas (i) purchased by the Buyer or a related joint powers authority using the proceeds of bonds, notes, or other obligations the interest on which is excluded from income for federal income tax purposes pursuant to a long-term prepaid gas purchase agreement or (ii) produced from oil and gas reserves in the ground owned by the Buyer or a related joint powers authority that were financed with the proceeds of bonds, notes, or other obligations the interest on which is excluded from income for federal tax purposes.”

A new Section 15L is added to the Base Contract:

**“Remediation Event.** Upon a Remediation Event under the TD2025A Gas Purchase Agreement with respect Gas hereunder, Customer will be relieved of its obligation to purchase and take delivery of Gas under this Transaction Confirmation as to those quantities of Gas to the extent of the Remediation Event; provided, however, not less than six months prior to a Remediation Event being declared, Customer may request that a Remediation Use be effected respecting the applicable quantities of Gas, and upon such request, Seller will work in good faith to effect the requested Remediation Use. Capitalized terms used herein but not defined have the meaning set forth in the TD2025A Gas Purchase Agreement.

“Remediation Event” means that Disposition Proceeds have remained for two (2) years or more within the Disposition Proceeds Ledger without having been applied to a Remediation Use, unless there is a Favorable Opinion of Bond Counsel permitting other action.

“Remediation Use” means, with respect to Disposition Proceeds, any of the following:

- (a) the purchase of Gas in an amount equal to such Disposition Proceeds and the sale of such Gas for a Qualifying Use (as evidenced by a Qualifying Use Certificate);
- (b) the application of an amount equal to the Disposition Proceeds by the Gas Authority to the purchase of Gas which Gas is sold by the Gas Authority for a Qualifying Use; or
- (c) the application of an amount equal to the Disposition Proceeds to the purchase of electricity in compliance with Treasury Regulation Section 1.148-1(e)(2)(iii)(B)(2).”

A new Section 16A is added to the Base Contract:

**“Delivery Point Exchange.** Buyer may effectuate an exchange of Delivery Points for Gas Purchased under this Contract on a Monthly basis. With the consent of the Seller, which will not be unreasonably withheld, conditioned or delayed, the seller will exchange Gas delivered at the Delivery Point (“Primary Point”) to a delivery point on the same pipeline or another pipeline on which the Buyer has transportation receipt rights (“Alternate Point”) pursuant to Exhibit A & B hereto.”

Seller: MUNICIPAL GAS AUTHORITY OF GEORGIA	Buyer: GAINESVILLE REGIONAL UTILITIES AUTHORITY
By: _____	By: _____
Title: _____	Title: _____
Date:	Date:

**Exhibit A**

**INDEX – For Primary Delivery Point – Florida Gas Transmission Zone 3 will be:**

Source:	Inside FERC’s Gas Market Report, published by S&P Global Platts, a Division of S&P Global, first issue of the month
Heading:	Monthly Bidweek Spot Gas Prices – Platts Locations (\$/MMBtu)
Index Point:	FGT Z3
Column:	“Index”
Contract Quantity:	MMBtu/day April – 7,000 May – 8,000 June – September - 7,000 October – 5,000 November – December – 3,000 January – 4,000 February – 3,000 March – 5,000
Primary Delivery Point:	FGT Z3

**Exchange Request: Not Currently Applicable**

Exchange Summary						
	Primary Delivery Point FGT Z3			Alternate Delivery Point _____		
Delivery Period	Delivery Point Quantity (MMBtu/day)	Index Point	Exchange Cost	Delivery Point Quantity (MMBtu/day)	Index Point	Index Premium
TBD	_____	FGT Z3	\$0.xx	_____		\$TBD

Seller: MUNICIPAL GAS AUTHORITY OF GEORGIA

Buyer: GAINESVILLE REGIONAL UTILITIES AUTHORITY

By: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

## **Exhibit B**

### **Exchange Terms**

As provided in Section 15A of the Transaction Confirmation, dated February 20, 2025 (the "Agreement"), between GAINESVILLE REGIONAL UTILITIES AUTHORITY ("Customer"), and Municipal Gas Authority of Georgia, a public body corporate and politic, a public corporation and an instrumentality created and existing under the laws of the State of Georgia (the "Exchange Provider"), as exchange provider, Customer may effectuate an exchange of Delivery Points for Gas purchased under the Agreement on a daily or Monthly basis. Upon written request, the Exchange Provider will exchange Gas delivered at the Delivery Point ("Primary Point") to a delivery point on another pipeline on which Customer has transportation receipt rights ("Alternate Point") pursuant to this Exhibit B and the Agreement.

Customer has contracted for the purchase of Gas ("Exchange Quantities"), at Primary Point (as defined in Exhibit A as updated from time to time, and hereby requests that Exchange Provider effect an exchange and deliver equivalent quantities of such Exchange Quantities as set forth in Exhibit A at Alternate Point ("Equivalent Quantities") approximately equivalent to such Exchange Quantities. The terms of the Agreement are incorporated herein by this reference and capitalized terms used herein but not defined have the meaning set forth therein; provided that such terms will apply to transactions contemplated hereby and Equivalent Quantities at Alternate Point in lieu of Exchange Quantities at Primary Point.

Customer will deliver or cause to be delivered for the account of Exchange Provider a quantity of gas equal to up to the Exchange Quantity attributable to Customer's source of supplies at Primary Point, and Exchange Provider will deliver or cause to be delivered for the account of Customer on each day from its sources of supplies such quantity of gas at Alternate Point. Greater or less than Exchange Quantity for any period will be exchanged hereunder upon mutual agreement of the parties.

Unless otherwise mutually agreed, the Exchange Quantity on any given day will be equal to quantities of gas available to Customer at Primary Point and will be equal to quantities and term shown in Exhibit A hereto.

On any day, Exchange Provider may determine in its reasonable judgment how to schedule and allocate gas at any or all of Primary Point for exchange under this Agreement, so long as Customer and third parties are not substantially harmed by Exchange Provider's allocation method. Customer will provide Exchange Provider all downstream contract information necessary so that Exchange Provider may schedule and deliver the gas at Alternate Point.

Customer will reimburse actual costs and expenses incurred, e.g., premium and other costs at Alternate Point(s), daily replacement costs, or other costs related to failures by the physical supplier for the Alternate Point, and minus actual benefits achieved in performance of service hereunder (the "Exchange Fee"). In return for this Exchange Fee, Exchange Provider will work in good faith with Customer respecting all nominations, scheduling, balancing, reporting, and other administrative activities related to this Agreement and each party will keep the other informed on a daily basis of the quantities confirmed as being exchanged under this Agreement.

**Exhibit C**

**QUALIFIED USE CERTIFICATE**

This Qualified Use Certificate is executed in connection with the NAESB Transaction Confirmation dated February 20, 2025 (the "Supply Agreement"), by and between the Municipal Gas Authority of Georgia (the "Gas Authority") and GAINESVILLE REGIONAL UTILITIES AUTHORITY, a unit of city government of the City of Gainesville, Florida ("Customer"). Capitalized terms used and not otherwise defined herein will have the meanings given to them in the Supply Agreement or in the Indenture.

WHEREAS Customer acknowledges that Main Street Natural Gas, Inc. has issued the Bonds to fund the prepayment price under the Prepaid Gas Agreement; and

WHEREAS the Bonds are intended to qualify for tax exemption under Section 103 of the Internal Revenue Code of 1986, as amended; and

WHEREAS Customer's use of Gas acquired pursuant to the Supply Agreement and certain funds and accounts of Customer will affect the Bonds' qualification for such tax exemption.

NOW, THEREFORE, CUSTOMER HEREBY CERTIFIES AS FOLLOWS:

Customer is a unit of city government of the City of Gainesville, Florida a municipal corporation of the State of Florida and owns and operates retail and wholesale electric systems.

Customer will either (a) resell all of the Gas acquired pursuant to the Supply Agreement to its retail gas customers within its natural gas service area or (b) utilize such Gas for purposes of electric generation, which will then be sold to retail electric system customers within the service area pursuant to regularly established and generally applicable tariffs or under authorized requirements contracts. For purposes of the foregoing sentence, the term "service area" means (x) the area throughout which Customer's identified customers provided Gas transmission or distribution service or electric generation at all times during the 5-year period ending on December 31, 2024, and from then until the date of execution of the Service Agreement (the "Closing Date"), and (y) any area recognized as the service area of Customer's customers under state or federal law.

The annual average amount during the most recently completed five-year testing period of Gas purchased by the specified customers of Customer (other than for resale) who are located within the service area of Customer is 16,687,403 MMBtu [the average shall not exceed the annual amount of Gas reasonably expected to be purchased by customers (other than for resale) within the service area of Customer who as of the date of issue of the Bonds February 20 are customer of the Customer]. The maximum annual amount of Gas in any year being acquired pursuant to the Supply Agreement is 2,016,000 MMBtu. The volumes of Gas being acquired annually pursuant to the Supply Agreement are 5,500(MMBtu per day). The maximum annual amount of Gas which Customer otherwise has a right to acquire, as of the Closing Date, is 3,660,000. The maximum annual amount of Gas which Customer holds in storage as of the Closing Date is 0 MMBtu, and the annual average amount of Gas which Customer holds in storage in the past year prior to the Closing Date is 0 MMBtu. The sum of (a) the maximum amount of Gas in any year being acquired pursuant to the Supply Agreement, (b) the amount of Gas which Customer otherwise has a right to acquire, and (c) the annual average amount of Gas which Customer holds in storage in the year described in the foregoing clause (a) is 5,676,000 MMBtu. Accordingly, the amount of Gas to be acquired under the Supply Agreement by Customer, supplemented by the amount of Gas otherwise available to Customer as of the Closing Date, during any year does not exceed the sum of (i) 34.01% of the annual average amount during the testing period of Gas purchased (other than for resale) by customers of Customer who are located within the service area of Customer, and (ii) the amount of Gas to be used to transport the prepaid Gas to Customer during such year. For purposes of this paragraph, the term "testing period" means the 5 calendar years ending December 31, 2024, and the term "service area" means (x) the area throughout which Customer's customers provided Gas transmission or distribution service or electric generation at all times during the testing period, (y) any area within a county contiguous to the area described in (x) in which retail customers of Customer's customers are located if such area is not also served by another utility providing Gas services, and (z) any area recognized as the service area of Customer's customers under state or federal law. However, the supplying of additional Gas pursuant to a contract to supply Gas to business customers (other than for resale) (the "Contract") within the service area after the close of the testing period and before the date of issue of the Bonds February 20 where Customer did not supply Gas to such property during the testing period or the ratable amount of Gas to be supplied to under the Contract is significantly greater than the ratable amount of Gas supplied to such property during the testing period is 0 MMBtu, which constitutes a permitted additional amount of Gas to be acquired under the Supply Agreement.

Customer expects to pay for Gas acquired pursuant to the Supply Agreement with funds derived from the resale of Gas to its customers as specified herein. Customer will pay for other Gas not acquired pursuant to the subject Supply Agreement in accordance with other appropriate contractual arrangements with its customers. Customer intends to pay for Gas purchased in accordance with the Gas Supply Agreement. Customer does not intend or expect to invest Bond proceeds for purposes of accruing interest, nor otherwise utilize any proceeds of the Bonds, either directly or indirectly, for any purpose other than that for which the Bonds were issued. The representations and warranties contained in the Supply Agreement are true and correct as of the date hereof.

February 20, 2025

By: \_\_\_\_\_

[Authorized Representative]