

A white utility truck with a yellow crane mounted on the back. The truck has "GRU More than Energy" and "U2131-ED" on its side. A worker in a yellow safety vest and hard hat is walking away from the truck. The truck has a "CERTIFIED CLEAN IDLE" badge on the front. The background shows trees and a clear sky.

Rating Agency Update

GRUSM
More than Energy



Agenda

- Financial Updates
- Financial Policy Updates
- Hurricane Response
- Status of Referendum and Litigation

- End of Year Results
 - Preliminary financials reflect a profit of \$4 million
 - Deposited \$2.8 million into rate stabilization
 - Paid \$75 million in principal, \$40 million above projections
- Debt reduction plan is working as designed
- For FY2024 and FY2025, GRU is projected to pay \$140 million in principal
- GRU is expecting limited to no base rate increases in the electric system while still ensuring safety and reliability by strategic cost controls

Financial Policy Updates

- GRU has entered the fiscal year 2026 budget cycle
- New board seated in May 2024
 - Approved fiscal year 2025 budget in June
 - Slight increase in O&M and Capital
- Active in grant submissions
 - \$47 million in Grid Resilience and Innovation Partnerships (GRIP) Grant
- Updated debt management policy approved by the Authority on November 6
 - Includes a requirement for 250 days cash on hand
- Updated investment management policy approved by the Authority on November 6
- Updated cash balance reserve policy will be submitted to the Authority for approval on January 8
- Increased reserve targets beginning in fiscal year 2026 by \$28.9 million

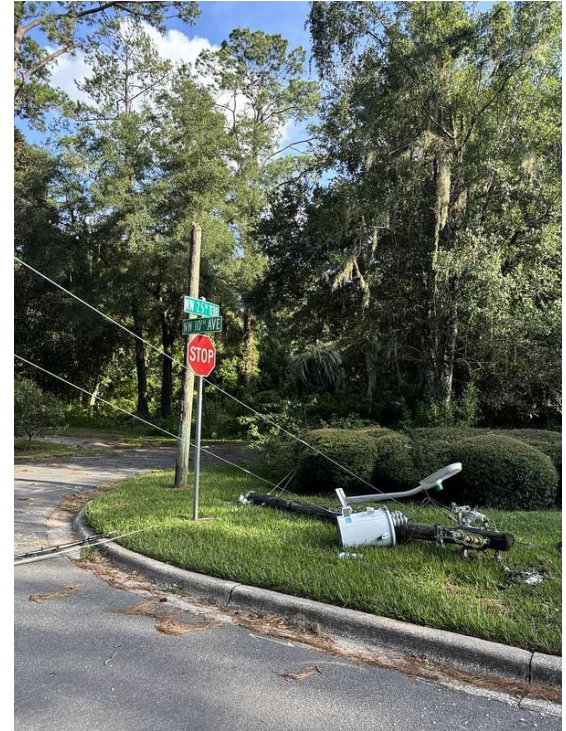
FY24 Preliminary Budget vs Actual Combined Systems

	Budget @ 9/30/24	Actual @ 9/30/24	Favorable (Unfavorable)	% Difference
Net revenue excluding RSF transfers	198,718,129	207,956,333	9,238,204	4.65%
Use of net revenues	195,918,984	201,101,020	(5,182,036)	-2.64%
Result of operations excluding RSF transfers	2,799,145	6,855,313	4,056,168	
RSF transfers: from (to) RSF	(2,799,145)	(2,799,145)	-	
Result of operations after RSF transfers	-	4,056,168	4,056,168	
Components of impact to RSF:				
Revenues net of fuel & RSF	356,042,326	367,473,980	11,431,654	3.21%
Expense net of fuel	157,324,197	159,517,647	(2,193,450)	-1.39%
Use of net revenues	195,918,984	201,101,020	(5,182,036)	-2.64%
Transfer from (to) RSF	(2,799,145)	(2,799,145)	-	0.00%
			4,056,168	

Hurricane Responses

- GRU experienced 2 hurricanes in as many weeks, Helene and Milton
- While severe damage was forecast and expected, Gainesville was able to avoid much of the predicted destruction. However, there was some major damage, primarily to the electric system
- Helene
 - Total lineworkers: 126 (34 from GRU, rest mutual aid)
 - Total tree crews: 64
 - Hotel rooms: 63 between five and 10 nights
 - 98 Poles; 460 insulators; 70 transformers; 18,440 feet of overhead lines
- Milton
 - Total lineworkers: 69 (34 from GRU, rest mutual aid)
 - Total tree crews: 40
 - Hotel rooms: 53 between 1 to 4 nights
 - 2 poles, 22 insulators, 4 transformers, and approximately 1000 feet of various sizes and types of overhead line conductors
- Mutual aid, again, proved to be required and responsive

Helene Damage



Helene and Milton Financial Impacts

- Hurricane Helene initial estimate: \$3.2 million
- Hurricane Milton initial estimate: \$1.3 million
 - Total financial impact: \$4.5 million
- Anticipate 50% reimbursement for Helene, 0% reimbursement for Milton

Referendum Status

- Referendum was placed on the ballot:
 - Shall the City of Gainesville charter be amended to delete Article VII, eliminating the governor-appointed Gainesville Regional Utilities Authority and its appointed administrator that manage, operate and control the City of Gainesville's local public utilities, and placing that responsibility with the elected city commission and charter officer; and eliminating limitations on the government services contribution and utility directives, as proposed by Ordinance No. 2024-448?
- Passed, ~75% in favor of moving GRU back under the governance of the City Commission
- However, on October 23, 2024 judicial ruling was for a temporary injunction for status quo
 - No changes will be made until a hearing of the case on its merits is heard (hearing is scheduled for late January or February)
- GRUA continues to govern GRU

Litigation Status

- Young and Hammer v. City of Gainesville, Harvey Ward, and Craig Carter, 2023 CA 4376 (Fla. 8th Cir. Ct. October 20, 2023)
 - Challenged the existence of the Authority
 - No decision, last action September 13, 2024
- Gainesville Regional Utility Authority v. City of Gainesville, Florida and Kim A. 2024 CA (Fla. 8th Cir. Ct. September 10, 2024)
 - Complaint for temporary injunction. Upheld four prongs of irreparable harm.
 - Hearing in January or February 2025
- City of Gainesville v. State, 2023 CA 1928 (Fla 2nd Cir. Ct. September 29, 2023)
 - Challenged constitutionality of the special act
 - Dismissed on summary judgement, named defendants were not proper parties
- Doughtie v. Desantis, Moody, Byrd and the City of Gainesville, No. 1:23-ev-00210-AW-MJF (N.D. Fla. August 18, 2023)
 - Challenged constitutionality of the special act
 - Dismissed the case for lack of standing
 - "As a matter of law, the Authority and the City are separate legal entities."
- Gainesville Residents United, Inc v. Desantis and City of Gainseville, No. 1:23-ev-00176-AW-HTC (N.D. Fla. date filed)
 - Challenged the special act under various federal and state law claims
 - Dismissed for lack of standing
- Hutchinson and Shapiro v. Desantis, 2023-CA-002361 (Fla. 2nd Cir. Ct. October 2, 2023)
 - Challenged the governor's authority
 - Dismissed in May of 2024