



Fiscal Year 2022 Budget

Fiscal Year 2022 Budget

Table of Contents

Executive Summary	2	Operations and Maintenance Non-Labor.....	55
Flow of Funds	10	Combined Systems.....	56
Combined Systems.....	11	Energy Supply.....	57
Electric System.....	12	Energy Delivery.....	59
Water System.....	13	Water.....	61
Wastewater System.....	14	Wastewater.....	63
Gas System.....	15	Gas.....	65
Telecommunications System	16	Telecommunications.....	67
Total Operations Labor and Non-Labor.....	17	Administration.....	69
Combined Systems.....	18	Budget, Finance and Accounting.....	71
Electric System.....	19	Customer Support Services.....	73
Water System.....	20	Information Technology.....	75
Wastewater System.....	21	Corporate Expenses.....	77
Gas System.....	22		
Telecommunications System.....	23	Fuels.....	78
Total Capital Labor and Non-Labor	24	Uses of Net Revenues.....	80
Combined Systems.....	25	Combined Systems.....	81
Electric System.....	26	Capital Non-Labor.....	82
Water System.....	27	Lines of Business.....	83
Wastewater System.....	28	Energy Supply.....	84
Gas System.....	29	Energy Delivery.....	86
Telecommunications System.....	30	Water.....	88
Revenues	31	Wastewater.....	90
Combined Systems.....	32	Gas.....	92
Electric System.....	33	Telecommunications.....	94
Water System.....	35	Budget, Finance and Accounting.....	96
Wastewater System.....	37	Customer Support Services.....	98
Gas System.....	39	Information Technology.....	100
Telecommunications System.....	41	Financial Reserves and Ratios.....	102
Payroll.....	43	Reserve Requirements	103
Combined Systems.....	44	Charts.....	105
Energy Supply.....	45	Total Costs by Line of Business.....	109
Energy Delivery.....	46	Appendix	111
Water.....	47	Glossary.....	120
Wastewater.....	48		
Gas.....	49		
Telecommunications.....	50		
Administration.....	51		
Budget, Finance and Accounting.....	52		
Customer Support Services.....	53		
Information Technology.....	54		

PEOPLE POWERED. CUSTOMER CENTERED.

STRATEGIC PLAN 2017-2022

VISION

GRU envisions a well-run business optimizing all aspects of the organization for the benefit of the customers and the community at large.

MISSION

GRU will provide safe, reliable, competitively priced utility services in an environmentally responsible manner and will actively contribute to the enhancement of the quality of life in our community.

CULTURE

GRU will strive to earn the honor of being Gainesville's best place to work based on inclusion, the quality of the staff, the operational teamwork, the internal alignment with corporate goals and a passionate commitment to the community it serves.



We are in the business to provide our customers with the necessities of life.



ELECTRIC | NATURAL GAS | WATER | WASTEWATER | TELECOMMUNICATION SERVICES

Executive Summary

GRU is a 107-year-old utility borne of a billing dispute with Gainesville Gas and Electric Company over a \$7.30 bill. When the dispute escalated to the point Gainesville's street lights were shutoff for non-payment, the city decided it was time for a municipal utility with the interests of Gainesville in mind. From that point forward, GRU has embodied those original values of independence and self-sufficiency while maintaining safe and reliable utility services for the well-being of our community.

This past year, GRU once again demonstrated its commitment to the long-term health and welfare of the community by undertaking what I consider a State of Renewal.

GRU pursued ambitious capital projects designed to improve its social, environmental and financial health. These "triple bottom line" investments were inspired by our own holistic approach in addition to our desire to address community concerns. Among those projects:

Deerhaven 2: We took massive steps to end the use of coal-fired power generation by converting the Deerhaven 2 power plant into a dual-fuel operation. With the anticipation of using natural gas 90% of the time, GRU envisions reductions of 39% in greenhouse gas emissions over the coming years.

Kelly Generation Station: GRU's original power plant, Kelly was built in 1914. In a carefully planned and skillfully executed project, GRU retrofitted Kelly with a new steam turbine to replace the 1964 vintage unit to expand its power generation by three additional megawatts and to provide a transition toward net-zero carbon emissions by 2045.

Solar PPA: As part of our net-zero strategy, GRU entered into an historic 50-megawatt solar power purchase agreement (PPA) with Miami-based Origis Energy. The agreement would solidify GRU as the top solar utility in the state based on percentage of solar generation. While the site location has received criticism outside of Gainesville, we anticipate that the project will ultimately be completed to the benefit of all GRU customers.

CIS/AMI: Older and outdated administrative systems such as our Customer Information System (CIS) are under contract to be renewed with new SAP software, providing a more fluent and valuable customer experience. Advanced Meter Infrastructure (AMI) is also under contract with a top-tier metering organization with the vision of providing GRU's customer service and operational employees with real-time system data to better assist customers and schedule move-ins and move-outs, among other services.

Recharge Wetland Park: GRU is planning and designing the construction of a 75-acre groundwater recharge wetland park developed in coordination with Florida Department of Environmental Protection, Suwannee River Water Management (SRWMD) and Alachua County. During fiscal year 2021, GRU purchased the 75-acre property in southwest Gainesville and received reimbursement for 50% of the costs from the SRWMD for the purchase. The wetland park is expected to open to the public in 2025 and is a major component of providing a sustainable water supply to our community.

Executive Summary

Murphree Water Treatment Plant Electrical System Upgrade: GRU completed a major overhaul of the 1970s-era water treatment plant's electrical system, which included the construction of a new electrical building that houses the “brains” of the system (new motor control centers and variable frequency drives, new switchgear and a new diesel plant generator). The electrical system upgrades ensure continued reliability by eliminating single points of failure for GRU's only water plant – which serves 200,000 customers – and ensures sustainable water for our community well into the future.

Main Street Water Reclamation Facility Capacity and Renewal Upgrade Project: This is the latest in a series of upgrades, since our downtown wastewater treatment plant was built in the 1920s. This critical project is the first at the facility since the 1990s and renews or replaces major components of the plant essential to treating wastewater for downtown Gainesville and the east side of GRU's service area. We will also expand the plant by 33% to compensate for growth in these parts of our system. The upgrades and capacity expansion are anticipated to cost more than \$50 million over the next five years.

Fiscal year 2021 didn't come without its share of obstacles, what with the COVID-19 pandemic necessitating more agility than ever from our more than 100-year-old utility: remote working arrangements, fluctuating schedules, Zoom meetings, masks, fewer community events and reduced customer contact, among other challenges. We suspended customer shutoffs, waived late fees, instituted automatic payment extensions and held off on much-needed rate increases. The pandemic taught this old utility a few new tricks.

Sometimes it takes a challenge such as COVID-19 to test an organization's mettle. While GRU continues to be tested, I have never been more confident that we will view these challenges as opportunities for growth and renewal — and look forward to serving our community for the next 100 years.

GRU Lines of Business Overview

Energy Supply

Energy Supply operates and maintains GRU's electric generating and combined heating and power assets. Other areas of responsibility under Energy Supply are engineering, outage planning and major maintenance, system control operations, transmission switching, power marketing, generation planning, fuels management (including procurement, transportation and risk management for both the electric generating and gas distribution systems) and new business opportunities.

Energy Delivery

Energy Delivery is responsible for the design, construction, operation, maintenance and security control of substations, electric lines and gas mains, field services, meter operations and line locations.

Water

The Water System is responsible for operating and maintaining the Murphree Water Treatment Plant, which has a treatment capacity of 54 million gallons of water per day (MGD). These responsibilities include providing safe, reliable, high-quality drinking water to 73,000 customers serving 199,000 people in the Gainesville urban area at acceptable pressures and volumes. The Water System is also responsible for construction, operation and maintenance of over 1,182 miles of water transmission and distribution lines, as well as the installation and maintenance of water meters, fire hydrants and backflow prevention devices.

Wastewater

The Wastewater System operates and maintains the 14.9 million gallons of water per day (MGD) Kanapaha Water Reclamation Facility, the 7.5 MGD Main Street Water Reclamation Facility, 173 lift stations, 693 miles of gravity main and 154 miles of associated force main, providing service to 65,000 customers in the Gainesville urban area. Responsibilities include pumping, treating and discharging high-quality treated effluent that meets federal and state drinking water standards, and providing high-quality reclaimed water to residential and business customers, primarily for irrigation. The Wastewater System also administers the utility's Industrial Pretreatment Program (IPP), biosolids disposal, fats, oils and greases (FOG) disposal, and reclaimed water programs.

Gas

The Gas System covers approximately 102 square miles and provides service to 30% of Alachua County's population. The System is responsible for the construction, operation and maintenance of six natural gas gate stations, as well as all transmission and distribution (T&D) system infrastructure, including 788 miles of pipelines in various sizes and materials, valves, pressure regulators, protection devices, odorant injection systems, meters and control systems. The System also includes a number of propane gas distribution systems, operated in developments where natural gas is not yet available.

Telecommunications

GRU's Telecommunications System provides communications services utilizing a 559-mile all fiber-optic network. Telecommunication's three primary product lines are: 1) telecommunication and data services; 2) public safety radio; and 3) tower leasing services. Telecommunications is divided into several operating units, including business management, engineering, construction, electronics, network operations, public safety radio and customer sales. The telecommunication fiber-optic network continues to expand and implement new products and services that provide customers with unmatched service and reliability.

Administration

The General Manager is responsible for all aspects of the combined utility systems – Electric, Water, Wastewater, Gas and Telecommunications – and the implementation of policies adopted by the City Commission. The Chief Operating Officer (COO) oversees the Corporate Safety and Training programs, Environmental Compliance, Regulatory Compliance, Water Production, Wastewater Processing, Natural Gas Delivery, Electric Generation Supply and Electric Delivery. The COO also leads various strategic initiatives such as the drive toward achieving 100% renewable energy by 2045. The Chief People Officer (CPO) oversees the Human Resources operation. Administration also includes the Office of Inclusion and Communications, which are vital to achieving our mission.

Budget, Finance and Accounting

Budget, Finance and Accounting (BFA) provides leadership to ensure the long-term financial health of GRU. BFA is responsible for all financial and accounting activities for the utility. This includes the overall budget preparation and execution, long-term financial planning and forecasting, cash management and forecasting, debt issuance and compliance, credit metrics and ratings, treasury, rate formulation, financial reporting, benchmarking, regulatory and tax reporting, and various other responsibilities.

Customer Support Services

Customer Support Services includes the customer call center, lobby and drive-thru payment processing, billing and collections, conservation and new services. It also includes administrative functions such as utilities purchasing and stores, mail services, land rights and real estate, facilities maintenance and security.

Information Technology

Information Technology (IT) maintains the network, phone, storage and data center infrastructure and provides IT and communication services for the combined utilities and General Government. IT supports more than 2,300 users and approximately 3,000 desktop and laptop computers used by employees at over 61 locations. IT also supports mission-critical systems such as SAP financial management and customer care systems, multiple websites and various revenue collection systems.

Budget Snapshot

OPERATIONS & MAINTENANCE

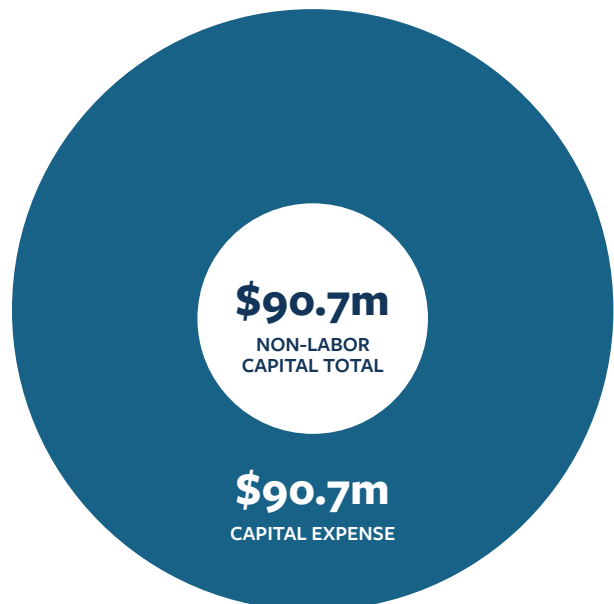
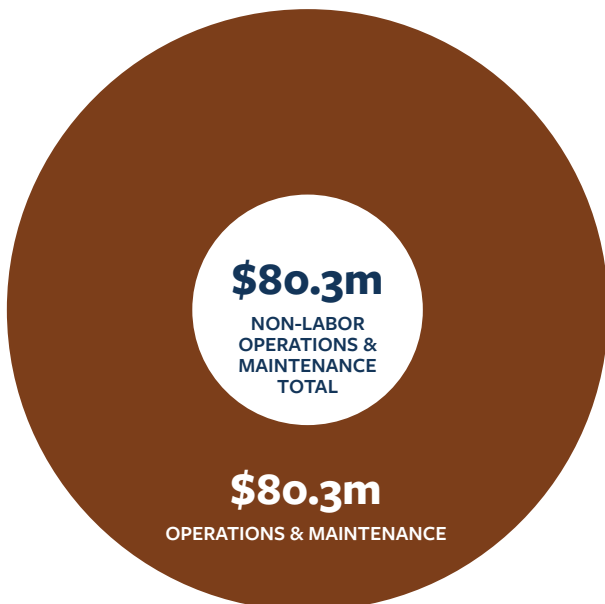
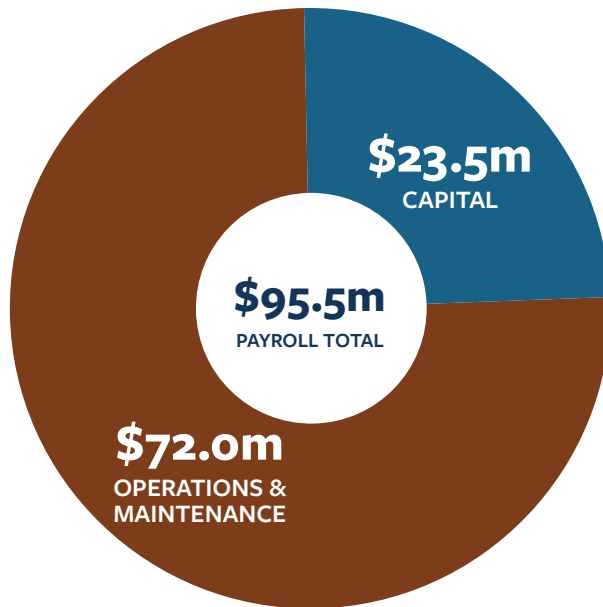
Paid annually, so it has a greater impact on rates.

Total (all cost centers) \$152.3m

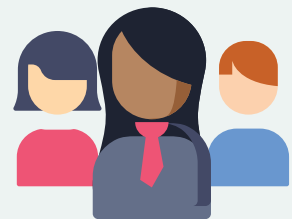
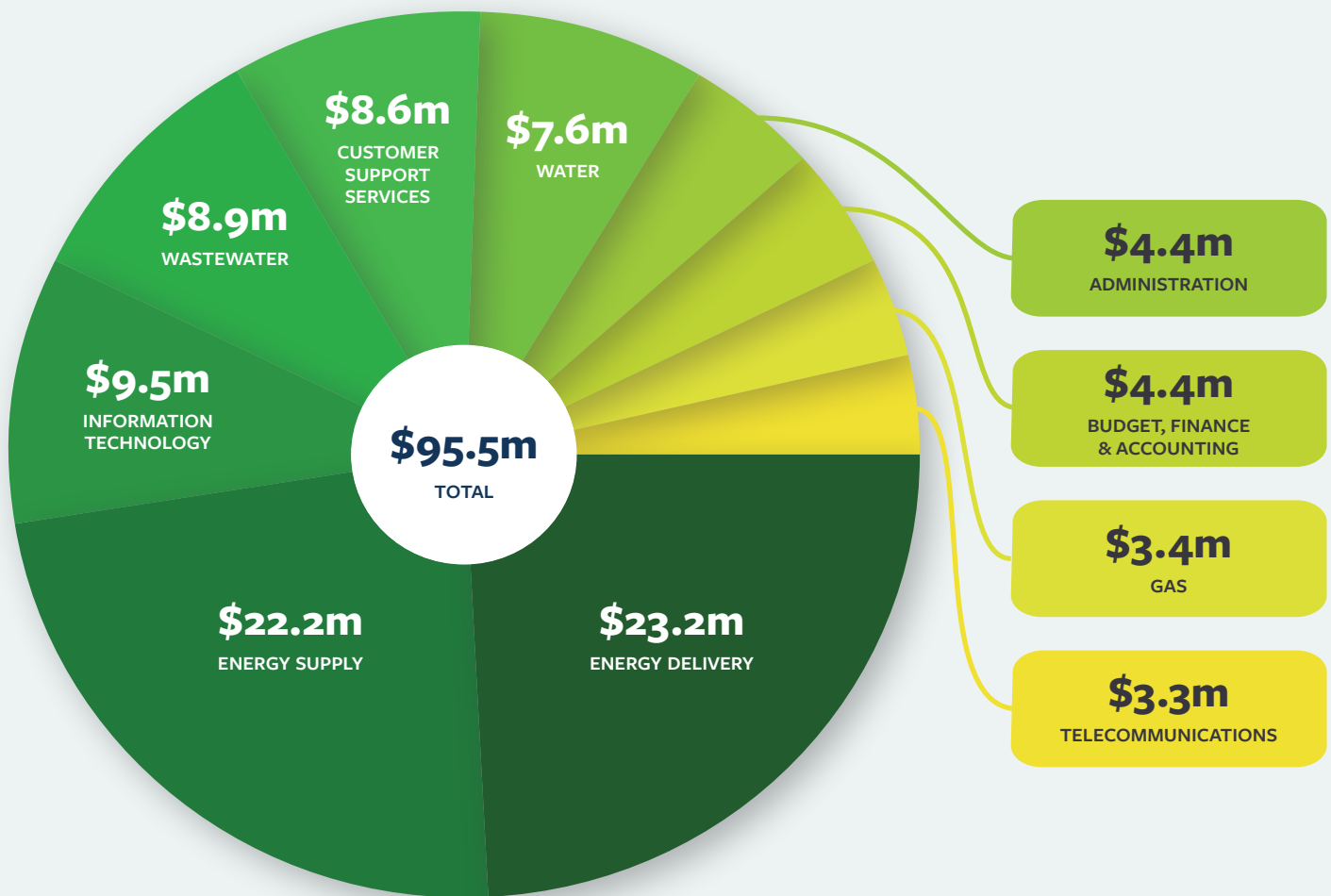
CAPITAL

Financed over 30 years, so it has less of an impact on rates.

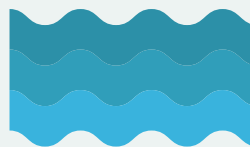
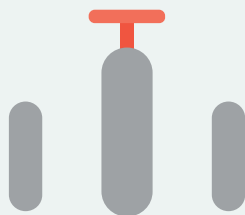
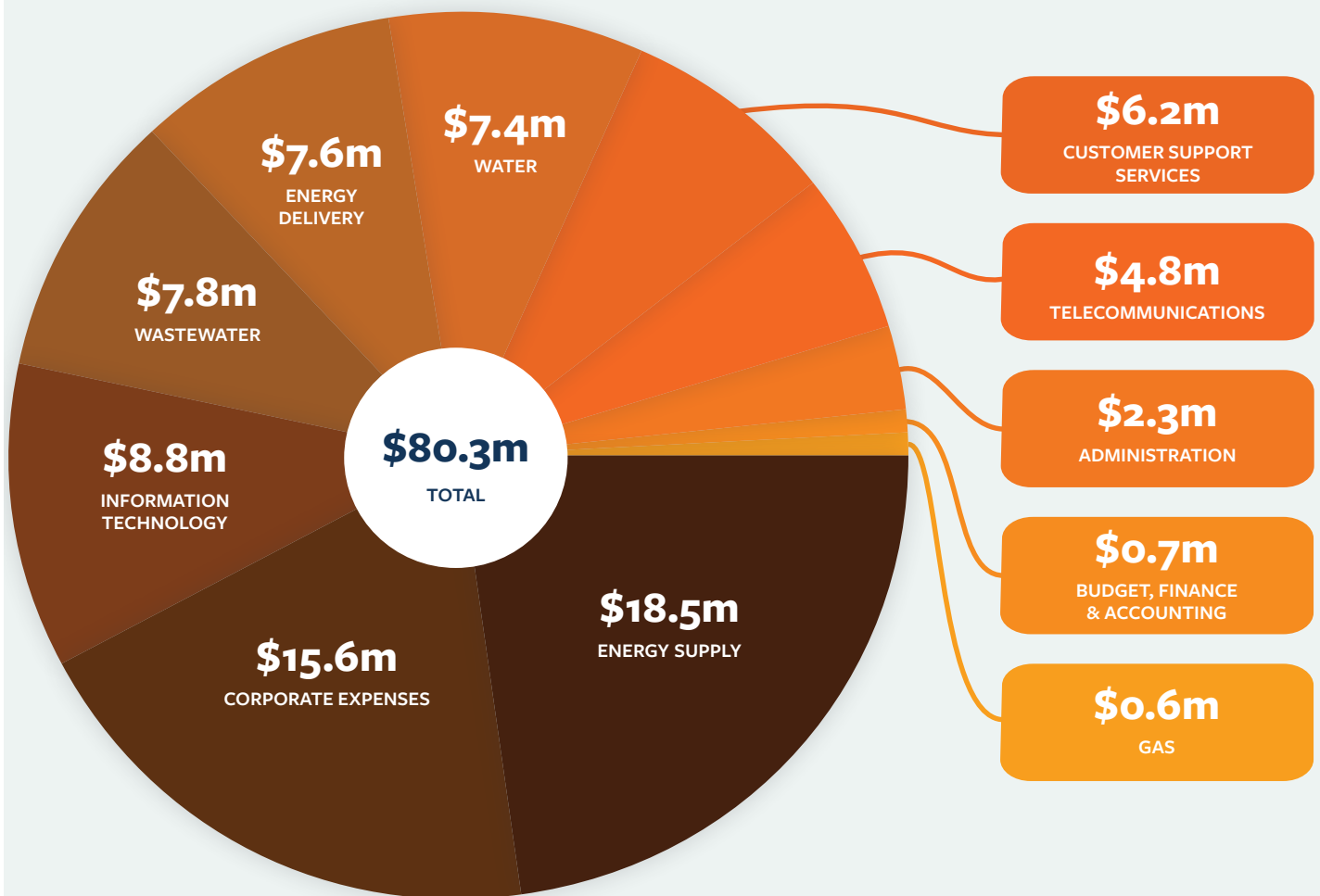
Total (all cost centers) \$114.2m



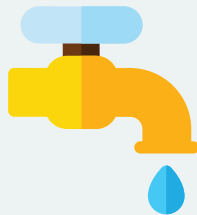
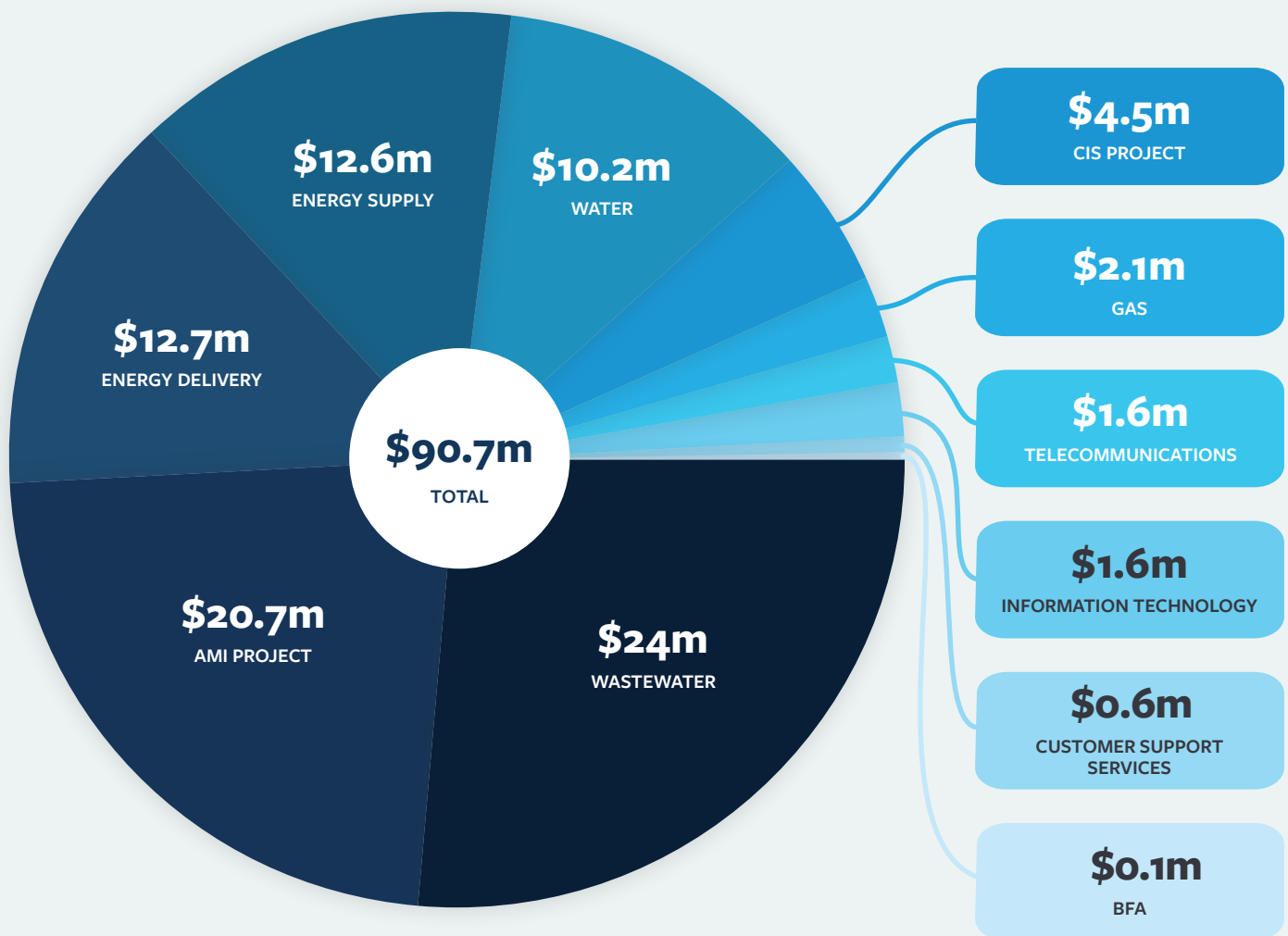
Payroll



Non-Labor Operations & Maintenance



Non-Labor Capital





Fiscal Year 2022 Budget **Flow of Funds**

Annual Operating Budget

Combined Systems

	2021	2022
Revenues:		
Sales	\$ 270,747,285	\$ 281,729,805
Fuel adjustment	82,800,178	79,938,081
Purchased gas adjustment	7,024,802	7,925,032
Utility surcharge	10,791,315	11,383,683
Connection charges	3,471,758	3,168,000
Rate stabilization (to)/from	1,069,427	6,102,869
Other electric sales	19,975,893	20,113,211
Other revenue	14,801,405	13,918,830
Interest income	918,166	1,083,889
Total Revenues	411,600,229	425,363,400
Operation and Maintenance Expenses:		
Fuel expenses	82,800,178	79,938,081
Purchased gas	7,024,802	7,925,032
Operation and maintenance expenses	145,601,519	152,215,701
Total Operation and Maintenance Expenses	235,426,499	240,078,814
Total Net Revenues	176,173,730	185,284,586
Uses of Net Revenues:		
Debt service	92,382,912	98,567,831
Utility plant improvement fund	43,675,766	45,762,559
General fund transfer	38,285,000	36,283,000
Debt defeasance/Debt service	1,830,052	4,671,196
Total Uses of Net Revenues	176,173,730	185,284,586
Net Impact to Rate Stabilization	\$ -	\$ -

Annual Operating Budget

Electric System

	2021	2022
Revenues:		
Residential sales	\$ 77,938,968	\$ 78,710,652
Residential rate change	-	5,509,746
Non-residential sales	92,535,643	90,990,868
Non-residential rate change	-	6,177,453
Fuel adjustment	82,800,178	79,938,081
Sales for resale	2,552,526	1,141,386
Utility surcharge	4,480,751	4,835,711
South Energy Center	16,385,169	16,476,950
Innovation Square	348,000	353,000
Other electric sales	3,150,960	3,191,497
Rate stabilization (to)/from	(1,976,109)	1,523,668
Other revenue	8,752,231	7,320,440
Interest income	470,199	644,606
Total Revenues	287,438,516	296,814,058
Operation and Maintenance Expenses:		
Fuel expenses	82,800,178	79,938,081
Operation and maintenance expenses	88,891,108	93,720,529
Total Operation and Maintenance Expenses	171,691,286	173,658,610
Total Net Revenues	115,747,230	123,155,448
Uses of Net Revenues:		
Debt service	68,197,740	71,284,412
Utility plant improvement fund	23,383,465	24,770,690
General fund transfer	22,415,868	23,388,369
Debt defeasance/Debt service	1,750,157	3,711,977
Total Uses of Net Revenues	115,747,230	123,155,448
Net Impact to Rate Stabilization	\$ -	\$ -

Annual Operating Budget

Water System

	2021	2022
Revenues:		
Sales of water	\$ 30,666,496	\$ 30,895,552
Rate change revenue	-	-
University of Florida	2,014,673	2,039,528
Utility surcharge	2,548,386	2,579,779
Rate stabilization (to)/from	(886,926)	(680,975)
Connection charges	1,277,142	1,167,000
Surcharge on connections	105,364	96,000
Other revenue	2,268,318	2,625,037
Interest income	170,464	189,804
Total Revenues	38,163,917	38,911,725
Total Operation and Maintenance Expenses	18,508,013	18,972,300
Total Net Revenues	19,655,904	19,939,425
Uses of Net Revenues:		
Debt service	7,733,904	8,427,667
Utility plant improvement fund	6,515,350	6,765,625
General fund transfer	5,356,071	4,426,217
Debt defeasance/Debt service	50,579	319,916
Total Uses of Net Revenues	19,655,904	19,939,425
Net Impact to Rate Stabilization	\$ -	\$ -

Annual Operating Budget

Wastewater System

	2021	2022
Revenues:		
Wastewater charges	\$ 37,580,077	\$ 37,353,008
Rate change revenue	-	1,841,423
Utility surcharge	2,912,456	3,129,808
South Energy Center	91,764	91,764
Biosolids	300,000	300,000
Rate stabilization (to)/from	2,214,763	1,797,451
Connection charges	2,194,616	2,001,000
Surcharge on connections	181,056	165,000
Other revenue	2,183,376	2,350,075
Interest income	178,639	98,987
Total Revenues	47,836,747	49,128,516
Total Operation and Maintenance Expenses	23,146,303	23,409,313
Total Net Revenues	24,690,444	25,719,203
Uses of Net Revenues:		
Debt service	9,768,646	11,695,566
Utility plant improvement fund	8,040,610	8,314,263
General fund transfer	6,860,672	5,346,802
Debt defeasance/Debt service	20,516	362,572
Total Uses of Net Revenues	24,690,444	25,719,203
Net Impact to Rate Stabilization	\$ -	\$ -

Annual Operating Budget

Gas System

	2021	2022
Revenues:		
Residential	\$ 8,587,711	\$ 8,385,440
Residential rate change revenue	-	-
Non-residential	5,244,159	5,246,116
Non-Residential rate change revenue	-	-
Purchased gas adjustment	7,024,802	7,925,032
Utility surcharge	563,302	577,385
Manufactured gas plant	1,220,224	1,194,755
Rate stabilization (to)/from	(63,592)	1,087,299
Other revenue	1,262,480	1,288,278
Interest income	93,445	134,216
Total Revenues	23,932,531	25,838,521
Operation and Maintenance Expenses:		
Purchased gas	7,024,802	7,925,032
Operation and maintenance expenses	5,253,611	6,163,378
Total Operation and Maintenance Expenses	12,278,413	14,088,410
Total Net Revenues	11,654,118	11,750,111
Uses of Net Revenues:		
Debt service	4,527,808	5,024,427
Utility plant improvement fund	4,659,189	4,762,422
General fund transfer	2,465,554	1,799,797
Debt defeasance/Debt service	1,567	163,465
Total Uses of Net Revenues	11,654,118	11,750,111
Net Impact to Rate Stabilization	\$ -	\$ -

Annual Operating Budget

Telecommunications System

	2021	2022
Revenues:		
Telecommunications	\$ 7,558,941	\$ 7,460,180
Trunking Radio Service	2,969,886	2,744,485
Tower lease rental	1,877,981	2,039,213
Intercompany Loan	1,781,291	2,375,426
Other revenue	35,000	35,000
Interest income	5,419	16,276
Total Revenues	14,228,518	14,670,580
Total Operation and Maintenance Expenses	9,802,484	9,950,181
Total Net Revenues	4,426,034	4,720,399
Uses of Net Revenues:		
Debt service	2,154,814	2,135,759
Utility plant improvement fund	1,077,152	1,149,559
General fund transfer	1,186,835	1,321,815
Debt defeasance/Debt service	7,233	113,266
Total Uses of Net Revenues	4,426,034	4,720,399
Net Impact to Rate Stabilization	\$ -	\$ -



Fiscal Year 2022 Budget **Total Operations and Maintenance Labor and Non-Labor**

Total Operations and Maintenance

Labor and Non-Labor

Combined Systems

	Labor and Fringe		Non-Labor		2022
Electric	\$	47,013,382	\$	46,707,147	\$ 93,720,529
Water		7,253,925		11,718,375	18,972,300
Wastewater		10,820,452		12,588,861	23,409,313
Gas		2,999,269		3,164,109	6,163,378
Telecommunications		3,872,311		6,077,870	9,950,181
Total Operations and Maintenance Labor and Non-Labor	\$	71,959,339	\$	80,256,362	\$ 152,215,701

	Labor and Fringe		Non-Labor		2021
Electric	\$	44,205,219	\$	44,685,889	\$ 88,891,108
Water		7,707,020		10,800,993	18,508,013
Wastewater		10,869,784		12,276,519	23,146,303
Gas		2,762,486		2,491,125	5,253,611
Telecommunications		4,103,333		5,699,150	9,802,483
Total Operations and Maintenance Labor and Non-Labor	\$	69,647,842	\$	75,953,676	\$ 145,601,518

Total Operations and Maintenance

Labor and Non-Labor

Electric System

	Labor and Fringe	Non-Labor	2022
Electric Transmission and Distribution	\$ 9,138,714	\$ 4,212,544	\$ 13,351,258
Deerhaven Operations	8,931,333	3,326,880	12,258,213
Deerhaven Renewables Operations	6,149,516	3,135,795	9,285,311
Major Maintenance Group	2,743,924	5,839,634	8,583,558
Kelly Plant Operations	3,822,877	1,250,369	5,073,246
South Energy Center	1,694,232	3,303,798	4,998,030
Energy Delivery Electric Engineering	2,686,606	164,233	2,850,839
Energy Supply Water Systems	1,890,816	868,395	2,759,211
Substation/Relay/Relay Engineering	1,735,578	865,685	2,601,263
Energy Delivery Systems Control	7,135	1,591,548	1,598,683
Fuels	1,040,934	17,850	1,058,784
Production Assurance Support	624,481	67,350	691,831
Energy Supply Administration	1,324	530,794	532,118
District Energy	450,478	42,616	493,094
Electric Meter Measurement	204,807	179,586	384,393
Innovation Energy Center	808	298,340	299,148
Energy Supply Systems Control	330	209,230	209,560
Energy Delivery/Administration	-	17,500	17,500
Corporate Expenses	5,889,489	20,785,000	26,674,489
Total Operations and Maintenance Labor and Non-Labor	\$ 47,013,382	\$ 46,707,147	\$ 93,720,529

	Labor and Fringe	Non-Labor	2021
Electric Transmission and Distribution	\$ 8,106,581	\$ 4,159,547	\$ 12,266,128
Deerhaven Operations	7,357,376	3,477,611	10,834,987
Deerhaven Renewables Operations	6,531,504	3,185,480	9,716,984
Major Maintenance Group	3,470,451	5,642,115	9,112,566
Kelly Plant Operations	4,220,374	1,311,632	5,532,006
South Energy Center	1,591,744	3,219,476	4,811,220
Energy Delivery Electric Engineering	1,860,299	121,050	1,981,349
Energy Supply Water Systems	3,513,636	932,945	4,446,581
Substation/Relay/Relay Engineering	2,061,484	675,090	2,736,574
Fuels	830,900	17,850	848,750
Production Assurance Support	700,198	74,750	774,948
Energy Supply Administration	2,914	638,114	641,028
District Energy	431,516	49,660	481,176
Electric Meter Measurement	993,520	170,857	1,164,377
Energy Supply Systems Control	321	239,635	239,956
Innovation Energy Center	960	285,690	286,650
Energy Delivery Systems Control	6,537	1,483,599	1,490,136
Energy Delivery/Administration	-	16,100	16,100
Corporate Expenses	2,524,904	18,984,688	21,509,592
Total Operations and Maintenance Labor and Non-Labor	\$ 44,205,219	\$ 44,685,889	\$ 88,891,108

Total Operations and Maintenance

Labor and Non-Labor

Water System

	Labor and Fringe	Non-Labor	2022
Murphree Water Treatment Plant	\$ 2,603,725	\$ 6,506,786	\$ 9,110,511
Distribution	2,387,465	710,516	3,097,981
Engineering	120,471	100,483	220,954
Water / Wastewater Planning	49,399	-	49,399
Corporate Expenses	2,092,865	4,400,590	6,493,455
Total Operations and Maintenance Labor and Non-Labor	\$ 7,253,925	\$ 11,718,375	\$ 18,972,300

	Labor and Fringe	Non-Labor	2021
Murphree Water Treatment Plant	\$ 2,631,414	\$ 5,832,937	\$ 8,464,351
Distribution	2,716,511	672,412	3,388,923
Engineering	378,011	238,157	616,168
Water / Wastewater Planning	-	-	-
Corporate Expenses	1,830,695	4,057,487	5,888,182
Total Operations and Maintenance Labor and Non-Labor	\$ 7,707,020	\$ 10,800,993	\$ 18,508,013

Total Operations and Maintenance Labor and Non-Labor Wastewater System

	Labor and Fringe	Non-Labor	2022
Kanapaha Water Reclamation Facility	\$ 2,247,041	\$ 4,099,740	\$ 6,346,781
Mainstreet Water Reclamation Facility	1,425,949	1,680,267	3,106,216
Collection	2,255,177	616,751	2,871,928
Lift Stations	785,974	1,573,340	2,359,314
Engineering	798,087	52,452	850,539
Kanapaha Lab	518,717	227,808	746,525
Reclaimed Water Distribution	174,617	16,154	190,771
Corporate Expenses	2,614,890	4,322,349	6,937,239
Total Operations and Maintenance Labor and Non-Labor	\$ 10,820,452	\$ 12,588,861	\$ 23,409,313

	Labor and Fringe	Non-Labor	2021
Kanapaha Water Reclamation Facility	\$ 2,317,959	\$ 4,393,707	\$ 6,711,666
Mainstreet Water Reclamation Facility	1,603,769	1,708,928	3,312,697
Collection	2,651,152	670,268	3,321,420
Lift Stations	630,910	791,086	1,421,996
Engineering	527,902	35,793	563,695
Kanapaha Lab	502,272	222,707	724,979
Reclaimed Water Distribution	79,000	15,717	94,717
Corporate Expenses	2,556,820	4,438,313	6,995,133
Total Operations and Maintenance Labor and Non-Labor	\$ 10,869,784	\$ 12,276,519	\$ 23,146,303

Total Operations and Maintenance Labor and Non-Labor Gas System

	Labor and Fringe	Non-Labor	2022
Meter Measurement Operations	\$ 824,951	\$ 191,315	\$ 1,016,266
Transmission and Distribution Construction	692,035	82,202	774,237
Transmission and Distribution Operations	293,364	100,200	393,564
Transmission and Distribution Engineering	335,129	21,341	356,470
Marketing	56	279,687	279,743
Transmission and Distribution Administration	1,501	52,633	54,134
Corporate Expenses	852,233	2,436,731	3,288,964
Total Operations and Maintenance Labor and Non-Labor	\$ 2,999,269	\$ 3,164,109	\$ 6,163,378

	Labor and Fringe	Non-Labor	2021
Meter Measurement Operations	\$ 981,342	\$ 195,518	\$ 1,176,860
Transmission and Distribution Construction	458,197	90,905	549,102
Transmission and Distribution Operations	448,508	115,568	564,076
Transmission and Distribution Engineering	256,224	22,924	279,148
Marketing	72	284,033	284,105
Transmission and Distribution Administration	1,950	60,002	61,952
Corporate Expenses	616,193	1,722,175	2,338,368
Total Operations and Maintenance Labor and Non-Labor	\$ 2,762,486	\$ 2,491,125	\$ 5,253,611

Total Operations and Maintenance

Labor and Non-Labor

Telecommunications System

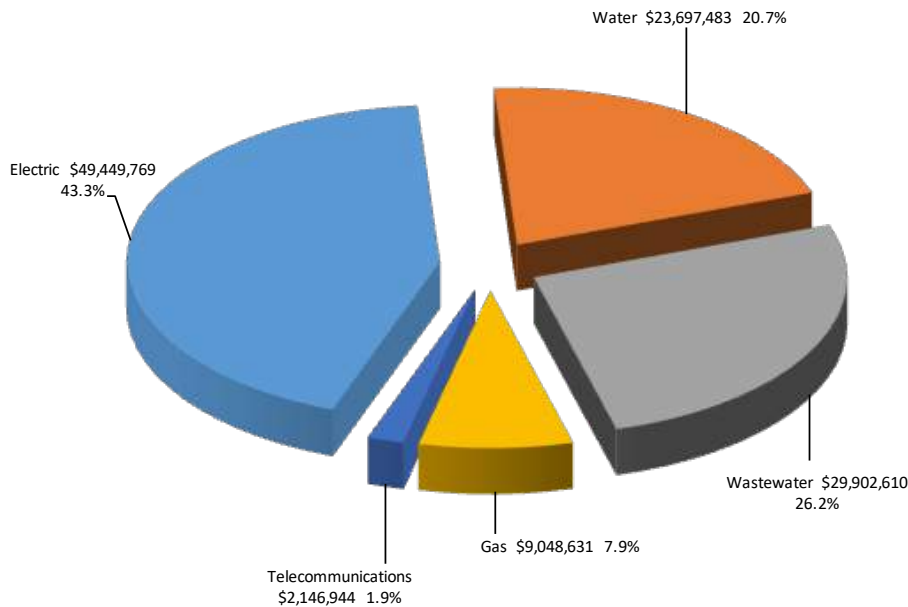
	Labor and Fringe	Non-Labor	2022
Network Operations Center	\$ 1,337,792	\$ 826,065	\$ 2,163,857
Trunked Radio System	292,822	1,638,446	1,931,268
Business Administration	761,444	452,321	1,213,765
Customer Operations	308,459	690,577	999,036
Voice Operations	225,916	325,954	551,870
Internet Operations	109,977	215,419	325,396
Central Office Operations	132,068	176,104	308,172
Engineering and Construction Administration	171,559	112,701	284,260
Chief Officer	8,285	224,113	232,398
Engineering	178,253	2,556	180,809
GatorNet	89,368	46,198	135,566
Technical Services	76,100	425	76,525
Technology and Services Administration	4,056	74,028	78,084
Towers 1-12	836	74,810	75,646
Data Center Services	40,428	606	41,034
Construction	29,887	320	30,207
Electronics	-	463	463
Corporate Expenses	105,061	1,216,764	1,321,825
Total Operations and Maintenance Labor and Non-Labor	\$ 3,872,311	\$ 6,077,870	\$ 9,950,181

	Labor and Fringe	Non-Labor	2021
Network Operations Center	\$ 1,420,159	\$ 875,824	\$ 2,295,983
Trunked Radio System	272,949	1,360,853	1,633,802
Business Administration	556,391	438,209	994,600
Customer Operations	227,973	649,222	877,195
Voice Operations	59,627	379,701	439,328
Internet Operations	162,405	128,360	290,765
Central Office Operations	19,715	162,032	181,747
Engineering and Construction Administration	250,301	24,138	274,439
Chief Officer	3,448	219,314	222,762
Engineering	140,205	2,024	142,229
GatorNet	196,929	67,696	264,625
Technical Services	204,979	2,550	207,529
Technology and Services Administration	221,862	70,915	292,777
Towers 1-12	202	125,422	125,624
Data Center Services	-	-	-
Construction	121,036	2,043	123,079
Electronics	202,540	3,073	205,613
Corporate Expenses	42,612	1,187,774	1,230,386
Total Operations and Maintenance Labor and Non-Labor	\$ 4,103,333	\$ 5,699,150	\$ 9,802,483



Fiscal Year 2022 Budget **Total Capital Labor and Non-Labor**

Total Capital Labor and Non-Labor Combined Systems

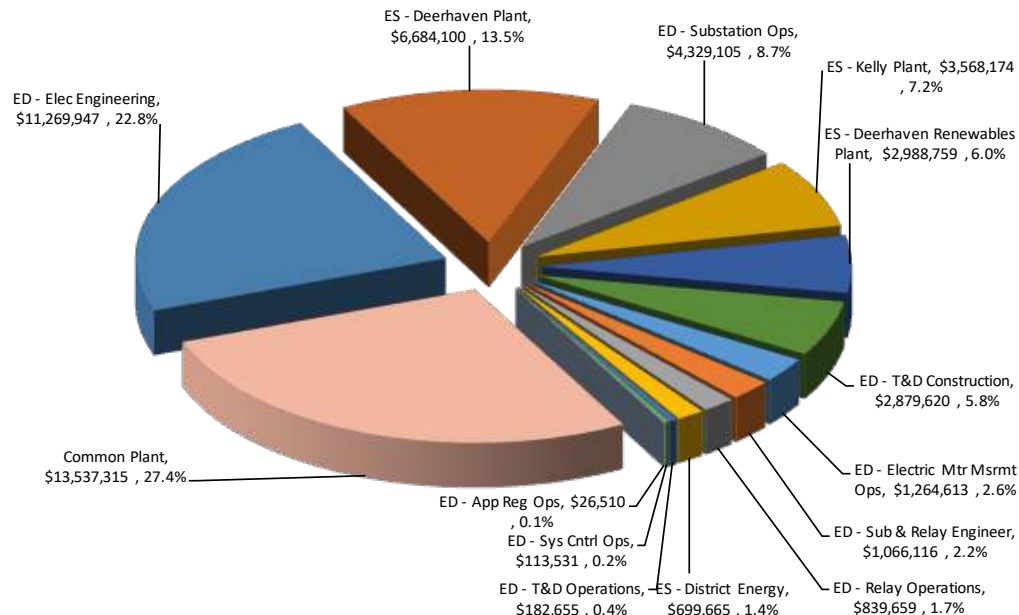


	Labor and Fringe	Non-Labor	2022
Electric	\$ 11,839,458	\$ 37,610,311	\$ 49,449,769
Water	3,414,370	20,283,113	23,697,483
Wastewater	4,500,544	25,402,066	29,902,610
Gas	3,334,589	5,714,042	9,048,631
Telecommunications	425,393	1,721,551	2,146,944
Total Capital Labor and Non-Labor	\$ 23,514,354	\$ 90,731,083	\$ 114,245,437

	Labor and Fringe	Non-Labor	2021
Electric	\$ 13,078,831	\$ 30,881,281	\$ 43,960,112
Water	2,807,871	7,779,574	10,587,445
Wastewater	4,007,266	18,809,846	22,817,112
Gas	3,490,152	1,806,059	5,296,211
Telecommunications	619,261	755,510	1,374,771
Total Capital Labor and Non-Labor	\$ 24,003,381	\$ 60,032,270	\$ 84,035,651

* Total capital budget for fiscal year 2022 increased substantially due to City Commission directives to implement Customer Information System (CIS) and Advanced Metering Infrastructure (AMI) beginning in 2022 (included in Common Plant)

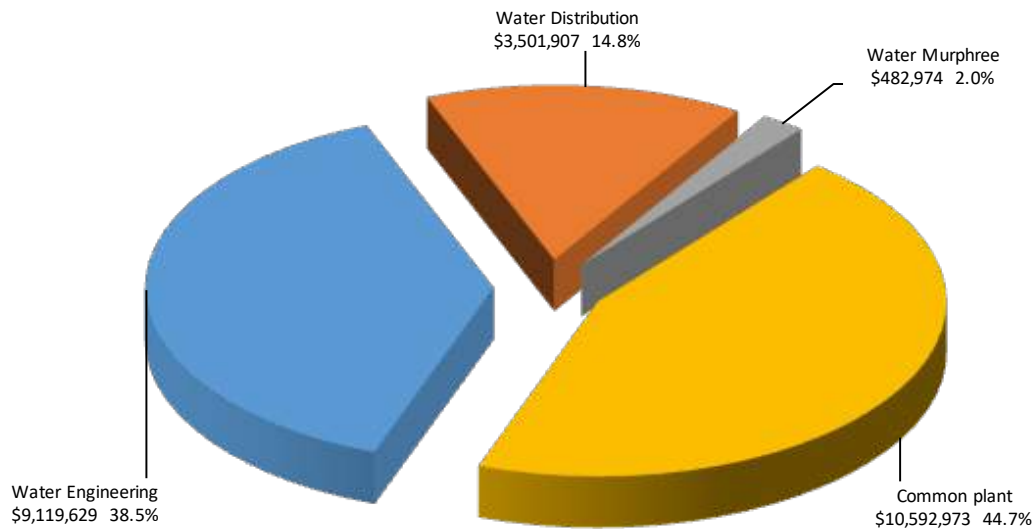
Total Capital Labor and Non-Labor Electric System



	Labor and Fringe		Non-Labor	2022
ED - Elec Engineering	\$	6,091,255	\$ 5,178,692	\$ 11,269,947
ES - Deerhaven Plant		788,303	5,895,797	6,684,100
ED - Substation Ops		1,094,521	3,234,584	4,329,105
ES - Kelly Plant		196,593	3,371,581	3,568,174
ES - Deerhaven Renewables Plant		270,059	2,718,700	2,988,759
ED - T&D Construction		956,000	1,923,620	2,879,620
ED - Electric Mtr Msrmt Ops		569,437	695,176	1,264,613
ED - Sub & Relay Engineer		160,474	905,642	1,066,116
ED - Relay Operations		600,128	239,531	839,659
ES - District Energy		93,329	606,336	699,665
ED - T&D Operations		175,572	7,083	182,655
ED - Sys Cntrl Ops		3,531	110,000	113,531
ED - App Reg Ops		25,482	1,028	26,510
Common Plant		814,774	12,722,541	13,537,315
Total Capital Labor and Non-Labor	\$	11,839,458	\$ 37,610,311	\$ 49,449,769

	Labor and Fringe		Non-Labor	2021
ED - Elec Engineering	\$	7,770,521	\$ 5,029,668	\$ 12,800,189
ES - Deerhaven Plant		334,997	2,457,538	2,792,535
ED - Substation Ops		475,535	487,048	962,583
ES - Kelly Plant		1,098,915	13,209,841	14,308,756
ES - Deerhaven Renewables Plant		557,149	2,808,130	3,365,279
ED - T&D Construction		1,385,915	1,714,644	3,100,559
ED - Electric Mtr Msrmt Ops		640,778	617,457	1,258,235
ED - Sub & Relay Engineer		-	61,874	61,874
ED - Relay Operations		595,770	748,840	1,344,610
ES - District Energy		6,321	800,080	806,401
ED - T&D Operations		170,279	557,522	727,801
ED - Sys Cntrl Ops		-	365,000	365,000
ED - App Reg Ops		39,025	1,238	40,263
Common Plant		3,626	2,022,401	2,026,027
Total Capital Labor and Non-Labor	\$	13,078,831	\$ 30,881,281	\$ 43,960,112

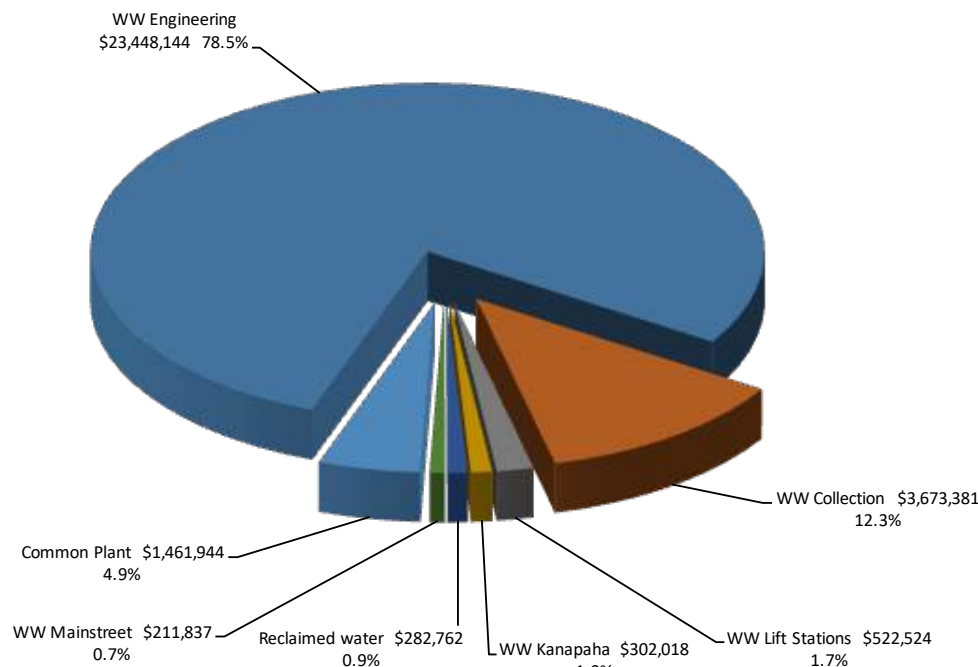
Total Capital Labor and Non-Labor Water System



	Labor and Fringe	Non-Labor	2022
Water Engineering	\$ 1,190,398	\$ 7,929,231	\$ 9,119,629
Water Distribution	1,679,500	1,822,407	3,501,907
Water Murphree	65,795	417,179	482,974
Common plant	478,677	10,114,296	10,592,973
Total Capital Labor and Non-Labor	\$ 3,414,370	\$ 20,283,113	\$ 23,697,483

	Labor and Fringe	Non-Labor	2021
Water Engineering	\$ 1,228,499	\$ 5,421,925	\$ 6,650,424
Water Distribution	1,553,435	1,813,946	3,367,381
Water Murphree	25,237	268,290	293,527
Common plant	700	275,413	276,113
Total Capital Labor and Non-Labor	\$ 2,807,871	\$ 7,779,574	\$ 10,587,445

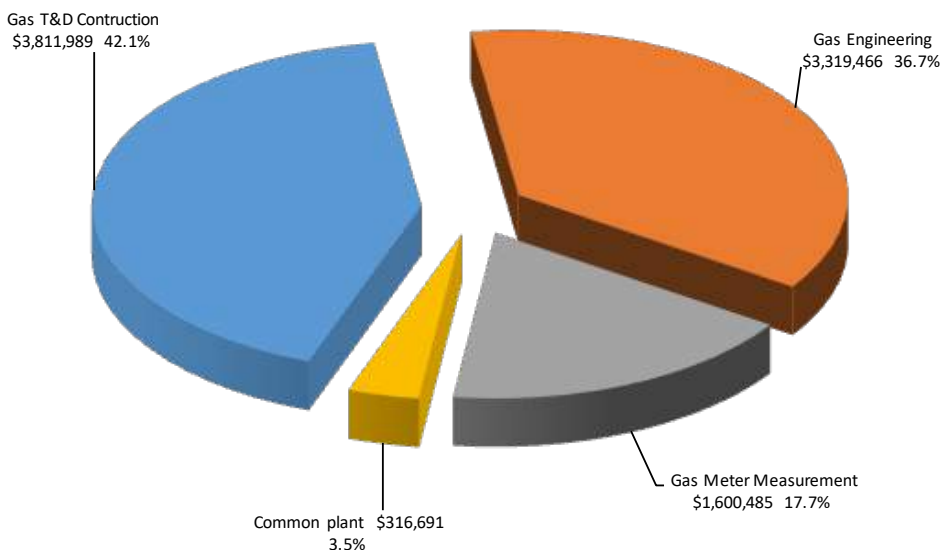
Total Capital Labor and Non-Labor Wastewater System



	Labor and Fringe	Non-Labor	2022
WW Engineering	\$ 2,823,487	\$ 20,624,657	\$ 23,448,144
WW Collection	1,433,228	2,240,153	3,673,381
WW Lift Stations	49,667	472,857	522,524
WW Kanapaha	14,778	287,240	302,018
Reclaimed water	91,770	190,992	282,762
WW Mainstreet	52,830	159,007	211,837
Common Plant	34,784	1,427,160	1,461,944
Total Capital Labor and Non-Labor	\$ 4,500,544	\$ 25,402,066	\$ 29,902,610

	Labor and Fringe	Non-Labor	2021
WW Engineering	\$ 2,680,370	\$ 15,220,296	\$ 17,900,666
WW Collection	986,440	1,712,636	2,699,076
WW Lift Stations	98,498	478,621	577,119
WW Kanapaha	79,993	178,350	258,343
Reclaimed water	23,901	183,034	206,935
WW Mainstreet	137,228	714,243	851,471
Common Plant	836	322,666	323,502
Total Capital Labor and Non-Labor	\$ 4,007,266	\$ 18,809,846	\$ 22,817,112

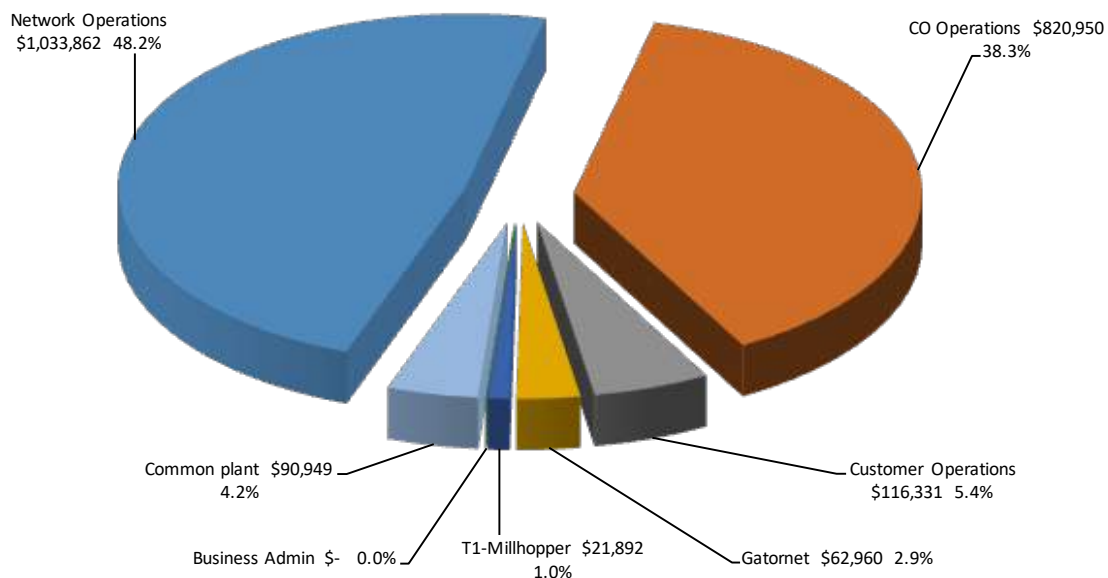
Total Capital Labor and Non-Labor Gas System



	Labor and Fringe	Non-Labor	2022
Gas T&D Construction	\$ 194,395	\$ 3,617,594	\$ 3,811,989
Gas Engineering	2,417,675	901,791	3,319,466
Gas Meter Measurement	468,617	1,131,868	1,600,485
Common plant	253,902	62,789	316,691
Total Capital Labor and Non-Labor	\$ 3,334,589	\$ 5,714,042	\$ 9,048,631

	Labor and Fringe	Non-Labor	2021
Gas T&D Construction	\$ 182,359	\$ 100,617	\$ 282,976
Gas Engineering	2,903,801	755,354	3,659,155
Gas Meter Measurement	403,702	597,524	1,001,226
Common plant	290	352,564	352,854
Total Capital Labor and Non-Labor	\$ 3,490,152	\$ 1,806,059	\$ 5,296,211

Total Capital Labor and Non-Labor Telecommunications System



	Labor and Fringe		Non-Labor	2022
Network Operations	\$	308,744	\$ 725,118	\$ 1,033,862
CO Operations		70,950	750,000	820,950
Customer Operations		28,242	88,089	116,331
Gatornet		15,285	47,675	62,960
T1-Millhopper		1,892	20,000	21,892
Business Admin		-	-	-
Common plant		280	90,669	90,949
Total Capital Labor and Non-Labor	\$	425,393	\$ 1,721,551	\$ 2,146,944

	Labor and Fringe		Non-Labor	2021
Network Operations	\$	495,445	\$ 524,087	\$ 1,019,532
CO Operations		8,229	113	8,342
Customer Operations		82,512	74,771	157,283
Gatornet		32,867	68,932	101,799
T1-Millhopper		-	-	-
Business Admin		-	2,500	2,500
Common plant		208	85,107	85,315
Total Capital Labor and Non-Labor	\$	619,261	\$ 755,510	\$ 1,374,771



Fiscal Year 2022 Budget **Revenues**

Fiscal Year 2022 Revenues

Combined Systems

	2021	2022
Electric	\$ 287,438,517	\$ 296,814,058
Water	38,163,916	38,911,725
Wastewater	47,836,747	49,128,516
Gas	23,932,531	25,838,521
Telecommunications	14,228,518	14,670,580
Total Revenues	\$ 411,600,229	\$ 425,363,400

FY22 budgeted revenues include projected revenue requirement increases of 7% in the Electric System and 5% in the Wastewater System. Net of approximately \$13.5 million in revenue associated with these changes, FY22 revenues were approximately one-half of one percent greater than FY21 levels.

Please see individual pages for descriptions and highlights.

Fiscal Year 2022 Revenues

Electric System

	2021	2022
Residential sales	\$ 77,938,969	\$ 78,710,652
Residential rate change	-	5,509,746
Non-residential sales	92,535,643	90,990,868
Non-residential rate change	-	6,177,453
Fuel adjustment	82,800,178	79,938,081
Sales for Resale	2,552,526	1,141,386
Utility surcharge	4,480,751	4,835,711
South Energy Center	16,385,169	16,476,950
Innovation Square	348,000	353,000
Other electric sales	3,150,960	3,191,497
Rate stabilization (to)/from	(1,976,109)	1,523,668
Other revenue	8,752,231	7,320,440
Interest income	470,199	644,606
Total Revenues	\$ 287,438,517	\$ 296,814,058

Overview

Residential and non-residential sales, excluding rate change revenue, decreased by approximately \$773,000 or 0.45%. Total Electric System revenues net of fuel, transfers from the Rate Stabilization Fund, and rate change revenue fell approximately \$2,949,000 or 1.4%. Total revenues include approximately \$11,687,000 in rate change revenue based on a 7% revenue requirement increase.

Fiscal Year 2022 Revenues

Electric System Continued

Description

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

Budget Highlights

- The number of electric customers is forecast to increase at an average annual rate of 0.61% per year over the next 10 years.
- Retail electric energy sales are forecast to increase at an average annual rate of 0.37% per year through fiscal 2030.
- Revenues from retail electric energy sales are projected to increase at an average annual rate of 0.46% per year over the next 10 years, under current rates.
- Through 2030, residential average use is forecast to decline by 0.25% per year and non-residential average use is projected to fall by 0.30% per year.

Fiscal Year 2022 Revenues

Water System

	2021	2022
Sales of water	\$ 30,666,496	\$ 30,895,552
Rate change revenue	-	-
University of Florida	2,014,673	2,039,528
Utility surcharge	2,548,386	2,579,779
Rate stabilization (to)/from	(886,926)	(680,975)
Connection charges	1,277,142	1,167,000
Surcharge on connections	105,364	96,000
Other revenue	2,268,318	2,625,037
Interest income	170,463	189,804
Total Revenues	\$ 38,163,916	\$ 38,911,725

Overview

Net of transfers from or (to) the Rate Stabilization Fund, projected Water System revenues increased by approximately \$604,000 or 1.6%. The primary component in this increase is related to a projected increase in connection charges.

Fiscal Year 2022 Revenues

Water System Continued

Description

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

Budget Highlights

- The number of total water customers is forecast to increase at an average annual rate of 0.68% per year over the next 10 years.
- Total water sales are forecast to increase at an average annual rate of 0.41% per year through 2030.
- Revenues from water sales, including sales related to UF and surcharge revenues, are projected to increase at an average annual rate of 0.66% per year over the next 10 years. This projection does not include any changes to rates for water service.

Fiscal Year 2022 Revenues

Wastewater System

	2021	2022
Wastewater charges	\$ 37,580,077	\$ 37,353,008
Rate change revenue	-	1,841,423
Utility surcharge	2,912,456	3,129,808
South Energy Center	91,764	91,764
Biosolids	300,000	300,000
Rate stabilization (to)/from	2,214,763	1,797,451
Connection charges	2,194,616	2,001,000
Surcharge on connections	181,056	165,000
Other revenue	2,183,376	2,350,075
Interest income	178,639	98,987
Total Revenues	\$ 47,836,747	\$ 49,128,516

Overview

Net of transfers to the Rate Stabilization Fund and rate change revenue, FY22 revenues remained relatively unchanged, increasing only \$2,068 from FY21. The projected \$1,841,423 in rate change revenue results from a 5% revenue requirement increase.

Fiscal Year 2022 Revenues

Wastewater System Continued

Description

- Forecasts were developed from models that project number of customers and usage per customer for each major billing class. Demographic, economic, and climate related variables were incorporated from independent external sources.
- Revenue projections are the product of number of customers, billed quantities and GRU's prevailing prices. 2021 projections were reduced by \$267,000 due to the expected effects of COVID-19 on customer growth and consumption.
- Revenues are obtained from wastewater charges to residential and non-residential customers served by our wastewater collection, treatment, re-use and disposal systems.
- Cumulative increases in retail revenues from proposed rate changes are shown as rate change revenue.
- Wastewater is not metered. Charges for most residential customers are based on winter water consumption to avoid billing customers for irrigation and other outdoor uses that do not discharge to the Wastewater System.
- Non-residential customers are billed based on 95% of water consumption each month. Customers are given the option of installing irrigation water meters, which are not included in wastewater bill calculations, as a way to manage wastewater costs.
- The SEC is a generation facility that became operational in 2009 and is served by the Wastewater System.
- Biosolids revenue is generated for the receipt, treatment and beneficial reuse of waste residuals of other municipalities and septage haulers.
- A surcharge of 25% is collected from customers outside the incorporated portion of the City of Gainesville.
- Connection charges are collected to recover the capital costs of wastewater collection and treatment required for each new customer. There is a 25% surcharge on connection fees for customers outside the incorporated portion of the City.
- Interest income is generated from the investment earnings for the Operating Fund, Rate Stabilization Fund and Utility Plant Improvement Fund for each System.
- Rate Stabilization revenues are withdrawals from (if positive) or deposits to (if negative) Rate Stabilization Fund.

Budget Highlights

- The number of total wastewater customers is forecast to increase at an average annual rate of 0.72% per year over the next 10 years.
- The quantity of wastewater billed to all customers is forecast to increase at an average annual rate of 0.51% per year through fiscal year 2030.
- Revenues from wastewater system monthly billings are projected to increase at an average annual rate of 0.64% per year over the next 10 years. This projection does not include any changes to wastewater rates.

Fiscal Year 2022 Revenues

Gas System

	2021	2022
Residential	\$ 8,587,711	\$ 8,385,440
Residential rate change revenue	-	-
Non-residential	5,244,159	5,246,116
Non-residential rate change revenue	-	-
Purchased gas adjustment	7,024,802	7,925,032
Utility surcharge	563,302	577,385
Manufactured gas plant	1,220,224	1,194,755
Rate stabilization (to)/from	(63,592)	1,087,299
Other revenue	1,262,480	1,288,278
Interest income	93,445	134,216
Total Revenue	\$ 23,932,531	\$ 25,838,521

Overview

Net of fuel and transfers (to)/from the Rate Stabilization Fund, projected Gas System revenues decreased by approximately \$145,000 or 0.86%.

Fiscal Year 2022 Revenues

Gas System Continued

Description

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

Budget Highlights

- The number of retail natural gas system customers is forecast to increase at an average annual rate of 0.72% per year over the next 10 years.
- Total retail natural gas system energy sales are forecast to increase at an average annual rate of 0.44% per year through fiscal year 2030.
- Non-fuel revenues from sales to retail natural gas customers are projected to increase at an average rate of 0.30% per year over the next 10 years. This projection does not include any changes to natural gas rates.

Fiscal Year 2022 Revenues

Telecommunications System

	2021	2022
Telecommunications	\$ 7,558,941	\$ 7,460,180
Trunking Radio Service	2,969,886	2,744,485
Tower lease rental	1,877,981	2,039,213
Other revenue	35,000	35,000
Interest income	5,419	16,276
Total Sales	\$ 12,447,227	\$ 12,295,154
Intercompany Loan	1,781,291	2,375,426
Total Revenue	\$ 14,228,518	\$ 14,670,580

Overview

Net of transfers from the Rate Stabilization Fund, Telecommunications System revenues are projected to decline by approximately \$152,000 or 1.22%.. The Telecommunications System is projected to operate at a loss for 2021 and 2022. Management is currently evaluating options for the system.

Fiscal Year 2022 Revenues

Telecommunications Continued

Description

- Telecommunications revenues are based on historical sales trends, anticipated customer growth and competitive market conditions. Projections reflect an expectation for continued growth in business services and a continued erosion in carrier services.
- Trunking Radio Service revenue projections are based on the historical trends of number of radios deployed pursuant to the billing rates established under the existing inter-local agreement which expired in 2020. Management is currently in negotiations with subscribers to update and expand coverage of the system, and the potential changes to revenues are reflected in the 2022 projections.
- Tower lease rental services are primarily tower space leases with Personal Wireless Communications Services (PCS) providers. Revenues from new leases executed in recent months are included in the forecast. Tower space leases contain provisions for automatic annual rent increases included in the projections.
- Interest income is generated from the investment earnings for the Operating Fund, Rate Stabilization Fund and Utility Plant Improvement Fund for each system.
- Rate Stabilization revenues are withdrawals from (if positive) or deposits to (if negative) Rate Stabilization Fund. GRUCom has been experiencing an inability to cover its expenses. Interfund loans have been provided to the system as a temporary bridge while the long term operational and financial aspects of GRUcom's future are being reviewed.

Budget Highlights

- GRUCom data and Internet services continue to be in high demand by local businesses.
- GRUCom is now offering "Gator Net Wi-Fi" Internet service to residential multiple dwelling units and student housing communities. It is expected that demand for this Wi-Fi service offering will continue to increase as housing consumers seek the benefits of wireless Internet access backed by fiber-to-the-home (FTTH) technology and ultra-fast broadband services. GRUCom continues to receive requests from existing and newly developed apartment complexes for GATOR NET services (both wired and wireless). Revenues from these new contracts are included in projections.
- GRUCom introduced a new voice services product line in fiscal year 2019.



Fiscal Year 2022 Budget **Payroll**

Fiscal Year 2022 Payroll

Combined Systems

	Labor	Fringe	2022
Energy Supply	\$ 16,909,566	\$ 5,276,461	\$ 22,186,027
Energy Delivery	17,784,308	5,459,177	23,243,485
Water	5,829,286	1,813,780	7,643,066
Wastewater	6,762,779	2,106,617	8,869,396
Gas	2,563,743	795,570	3,359,313
Telecommunications	2,536,353	774,793	3,311,146
Administration	3,360,856	1,088,720	4,449,576
Budget, Finance & Accounting	3,336,133	1,038,252	4,374,385
Customer Support Services	6,553,076	2,030,062	8,583,138
Information Technology	7,254,191	2,199,970	9,454,161
Total Payroll	\$ 72,890,291	\$ 22,583,402	\$ 95,473,693

	Labor	Fringe	2021
Energy Supply	\$ 16,693,330	\$ 5,655,479	\$ 22,348,809
Energy Delivery	16,544,879	5,528,416	22,073,295
Water	5,472,046	1,878,972	7,351,018
Wastewater	6,584,502	2,259,241	8,843,743
Gas	2,552,237	870,931	3,423,168
Telecommunications	2,833,437	971,995	3,805,432
Administration	3,213,422	1,113,040	4,326,462
Budget, Finance & Accounting	2,921,092	990,516	3,911,608
Customer Support Services	6,307,221	2,150,813	8,458,034
Information Technology	6,852,500	2,257,155	9,109,655
Total Payroll	\$ 69,974,666	\$ 23,676,558	\$ 93,651,224

Full Time Equivalent (FTE)	2021	2022
MAP	300.00	299.00
CWA	632.25	633.25
Total FTEs Authorized	932.25	932.25

Fiscal Year 2022 Payroll

Energy Supply

	Labor	Fringe	2022
Deerhaven Operations	\$ 3,683,473	\$ 1,146,119	\$ 4,829,592
Deerhaven Renewables Operations	2,725,570	851,096	3,576,666
Major Maintenance Group	2,692,236	838,940	3,531,176
Kelly Plant Operations	1,714,376	540,640	2,255,016
Energy Supply Administration	1,302,751	416,772	1,719,523
Systems Control	1,099,156	343,573	1,442,729
Production Assurance Support	1,073,416	313,818	1,387,234
South Energy Center	721,321	224,870	946,191
Energy Supply Water Systems	464,744	148,358	613,102
Deerhaven Renewables Administration	341,330	106,613	447,943
Fuels	322,899	100,467	423,366
District Energy	320,008	99,481	419,489
Deerhaven Administration	235,547	78,407	313,954
Kelly Plant Administration	212,739	67,307	280,046
Total Payroll	\$ 16,909,566	\$ 5,276,461	\$ 22,186,027

	Labor	Fringe	2021
Deerhaven Operations	\$ 3,618,149	\$ 1,239,843	\$ 4,857,992
Deerhaven Renewables Operations	2,732,420	934,214	3,666,634
Major Maintenance Group	2,607,739	891,586	3,499,325
Kelly Plant Operations	1,777,220	607,632	2,384,852
Energy Supply Administration	1,260,968	441,425	1,702,393
Systems Control	1,006,097	344,586	1,350,683
Production Assurance Support	1,179,521	328,878	1,508,399
South Energy Center	618,491	211,822	830,313
Energy Supply Water Systems	514,962	179,566	694,528
Deerhaven Renewables Administration	331,698	113,798	445,496
Fuels	309,128	105,691	414,819
District Energy	303,862	104,289	408,151
Deerhaven Administration	230,061	81,958	312,019
Kelly Plant Administration	203,014	70,191	273,205
Total Payroll	\$ 16,693,330	\$ 5,655,479	\$ 22,348,809

Full Time Equivalent (FTE)	2021	2022
MAP	42.00	41.00
CWA	152.00	153.00
Total FTEs Authorized	194.00	194.00

Fiscal Year 2022 Payroll

Energy Delivery

	Labor	Fringe	2022
Electric Transmission and Distribution	\$ 6,016,665	\$ 1,880,801	\$ 7,897,466
Energy Delivery/Admin/Shared Svcs	5,978,150	1,818,666	7,796,816
Systems Control	2,309,359	681,672	2,991,031
Substation/Relay/Relay Engineering	1,500,104	461,959	1,962,063
Energy Delivery Electric Engineering	1,373,243	430,715	1,803,958
Electric Meter Measurement	606,787	185,364	792,151
Total Payroll	\$ 17,784,308	\$ 5,459,177	\$ 23,243,485

	Labor	Fringe	2021
Electric Transmission and Distribution	\$ 5,918,017	\$ 2,023,370	\$ 7,941,387
Energy Delivery/Admin/Shared Svcs	5,395,273	1,776,861	7,172,134
Systems Control	2,213,898	708,392	2,922,290
Substation/Relay/Relay Engineering	1,098,290	372,424	1,470,714
Energy Delivery Electric Engineering	1,365,920	461,663	1,827,583
Electric Meter Measurement	553,481	185,706	739,187
Total Payroll	\$ 16,544,879	\$ 5,528,416	\$ 22,073,295

Full Time Equivalent (FTE)	2021	2022
MAP	48.00	48.00
CWA	179.00	179.00
Total FTEs Authorized	227.00	227.00

Fiscal Year 2022 Payroll

Water

	Labor	Fringe	2022
Distribution	\$ 2,466,631	\$ 767,176	\$ 3,233,807
MurphreeWater Treatment Plant	1,499,747	467,317	1,967,064
Engineering	965,701	295,216	1,260,917
Water / Wastewater Planning	369,569	115,547	485,116
Water / Wastewater Engineering	314,244	98,285	412,529
Water / Wastewater Administration	213,394	70,239	283,633
Total Payroll	\$ 5,829,286	\$ 1,813,780	\$ 7,643,066

	Labor	Fringe	2021
Distribution	\$ 2,316,032	\$ 791,850	\$ 3,107,882
MurphreeWater Treatment Plant	1,420,768	489,261	1,910,029
Engineering	900,641	298,569	1,199,210
Water / Wastewater Planning	336,976	124,642	461,618
Water / Wastewater Engineering	295,103	101,796	396,899
Water / Wastewater Administration	202,526	72,854	275,380
Total Payroll	\$ 5,472,046	\$ 1,878,972	\$ 7,351,018

Full Time Equivalent (FTE)	2021	2022
MAP	17.00	17.00
CWA	57.00	57.00
Total FTEs Authorized	74.00	74.00

Fiscal Year 2022 Payroll

Wastewater

	Labor	Fringe	2022
Collection	\$ 2,394,404	\$ 755,365	\$ 3,149,769
Kanapaha Water Reclamation Facility	1,439,460	450,818	1,890,278
Engineering	1,036,451	311,442	1,347,893
Mainstreet Water Reclamation Facility	924,180	287,576	1,211,756
Lift Stations	539,930	168,059	707,989
Kanapaha Lab	300,573	93,434	394,007
Reclaimed Water Distribution	127,781	39,923	167,704
Total Payroll	\$ 6,762,779	\$ 2,106,617	\$ 8,869,396

	Labor	Fringe	2021
Collection	\$ 2,481,899	\$ 848,561	\$ 3,330,460
Kanapaha Water Reclamation Facility	1,364,792	474,622	1,839,414
Engineering	889,727	304,198	1,193,925
Mainstreet Water Reclamation Facility	969,908	331,611	1,301,519
Lift Stations	451,733	154,448	606,181
Kanapaha Lab	301,179	102,973	404,152
Reclaimed Water Distribution	125,264	42,828	168,092
Total Payroll	\$ 6,584,502	\$ 2,259,241	\$ 8,843,743

Full Time Equivalent (FTE)	2021	2022
MAP	11.00	12.00
CWA	84.00	83.00
Total FTEs Authorized	95.00	95.00

Fiscal Year 2022 Payroll

Gas

	Labor	Fringe	2022
Transmission and Distribution Operations	\$ 706,848	\$ 220,260	\$ 927,108
Meter Measurement Operations	617,281	191,475	808,756
Transmission and Distribution Construction	611,930	190,864	802,794
Transmission and Distribution Engineering	258,891	77,112	336,003
Transmission and Distribution Administration	216,620	69,054	285,674
Marketing	152,173	46,805	198,978
Total Payroll	\$ 2,563,743	\$ 795,570	\$ 3,359,313

	Labor	Fringe	2021
Transmission and Distribution Operations	\$ 785,117	\$ 268,432	\$ 1,053,549
Meter Measurement Operations	577,425	197,421	774,846
Transmission and Distribution Construction	617,326	211,064	828,390
Transmission and Distribution Engineering	236,358	76,632	312,990
Transmission and Distribution Administration	196,372	69,639	266,011
Marketing	139,639	47,743	187,382
Total Payroll	\$ 2,552,237	\$ 870,931	\$ 3,423,168

Full Time Equivalent (FTE)	2021	2022
MAP	5.00	5.00
CWA	32.00	32.00
Total FTEs Authorized	37.00	37.00

Fiscal Year 2022 Payroll

Telecommunications

	Labor	Fringe	2022
Network Operations Center	\$ 526,157	\$ 158,946	\$ 685,103
Technical Services	389,852	118,709	508,561
Business Administration	314,437	96,273	410,710
Construction	272,850	83,610	356,460
Engineering	256,280	78,731	335,011
Chief Officer	205,232	67,729	272,961
Electronics	174,249	54,111	228,360
Trunked Radio System	155,723	48,584	204,307
Planning	154,997	48,411	203,408
Work Management	86,576	19,689	106,265
Operations Administration	-	-	-
Total Payroll	\$ 2,536,353	\$ 774,793	\$ 3,311,146

	Labor	Fringe	2021
Network Operations Center	\$ 468,471	\$ 165,168	\$ 633,639
Technical Services	515,331	176,192	691,523
Business Administration	287,444	98,277	385,721
Construction	312,347	106,792	419,139
Engineering	303,571	103,791	407,362
Chief Officer	193,425	69,732	263,157
Electronics	212,204	72,553	284,757
Trunked Radio System	155,957	53,322	209,279
Planning	149,104	50,979	200,083
Work Management	114,378	33,749	148,127
Operations Administration	121,205	41,440	162,645
Total Payroll	\$ 2,833,437	\$ 971,995	\$ 3,805,432

Full Time Equivalent (FTE)	2021	2022
MAP	14.00	14.00
CWA	24.00	24.00
Total FTEs Authorized	38.00	38.00

Fiscal Year 2022 Payroll

Administration

	Labor	Fringe	2022
Safety & Training	\$ 921,752	\$ 287,930	\$ 1,209,682
General Manager	584,972	194,216	779,188
Electric Environment	543,210	178,487	721,697
Office of Inclusion	433,521	135,876	569,397
Communications	336,055	118,618	454,673
Chief Operating Officer	281,809	93,221	375,030
Electric Reliability	259,537	80,372	339,909
Training	-	-	-
Total Payroll	\$ 3,360,856	\$ 1,088,720	\$ 4,449,576

	Labor	Fringe	2021
Safety	\$ 266,257	\$ 91,033	\$ 357,290
General Manager	548,777	193,527	742,304
Electric Environment	565,469	193,594	759,063
Office of Inclusion	399,204	138,414	537,618
Communications	304,424	104,683	409,107
Chief Operating Officer	288,973	104,130	393,103
Electric Reliability	209,931	72,130	282,061
Training	630,387	215,529	845,916
Total Payroll	\$ 3,213,422	\$ 1,113,040	\$ 4,326,462

Full Time Equivalent (FTE)	2021	2022
MAP	29.00	29.00
CWA	6.00	7.00
Total FTEs Authorized	35.00	36.00

Fiscal Year 2022 Payroll

Budget, Finance and Accounting

	Labor	Fringe	2022
Financial Accounting	\$ 846,433	\$ 260,706	\$ 1,107,139
Project Management	524,724	163,384	688,108
Managerial Accounting	485,759	147,974	633,733
Chief Financial Officer	405,157	130,803	535,960
Rates and Forecasting	380,260	118,433	498,693
Budget	304,522	94,030	398,552
Treasury	210,694	65,807	276,501
Accounts Payable	178,584	57,115	235,699
Total Payroll	\$ 3,336,133	\$ 1,038,252	\$ 4,374,385

	Labor	Fringe	2021
Financial Accounting	\$ 645,774	\$ 214,436	\$ 860,210
Project Management	443,260	151,550	594,810
Managerial Accounting	492,552	163,109	655,661
Chief Financial Officer	390,002	136,784	526,786
Rates and Forecasting	285,521	97,620	383,141
Budget	292,023	99,843	391,866
Treasury	202,222	69,140	271,362
Accounts Payable	169,738	58,034	227,772
Total Payroll	\$ 2,921,092	\$ 990,516	\$ 3,911,608

Full Time Equivalent (FTE)	2021	2022
MAP	38.00	37.00
CWA	5.00	5.00
Total FTEs Authorized	43.00	42.00

Fiscal Year 2022 Payroll

Customer Support Services

	Labor	Fringe	2022
Customer Service	\$ 1,710,438	\$ 544,976	\$ 2,255,414
Utilities Stores	809,852	252,319	1,062,171
Energy and Business Services	752,769	226,869	979,638
Procurement	598,008	188,966	786,974
Billing and Customer Solutions	546,300	169,421	715,721
Project Management Office	328,836	91,671	420,507
Facilities Maintenance	314,998	98,172	413,170
Customer Operations	314,051	88,275	402,326
New Services	261,925	72,912	334,837
Administrative Services	238,542	79,273	317,815
Chief Customer Officer	204,939	70,135	275,074
Revenue Assurance	198,092	62,820	260,912
Land Rights / Real Estate	189,002	57,756	246,758
Mail Services	85,324	26,497	111,821
Total Payroll	\$ 6,553,076	\$ 2,030,062	\$ 8,583,138

	Labor	Fringe	2021
Customer Service	\$ 1,581,984	\$ 555,639	\$ 2,137,623
Utilities Stores	781,833	267,309	1,049,142
Energy and Business Services	730,722	240,344	971,066
Procurement	612,251	201,330	813,581
Billing and Customer Solutions	518,319	177,213	695,532
Project Management Office	303,667	95,713	399,380
Facilities Maintenance	303,229	103,674	406,903
Customer Operations	340,358	107,314	447,672
New Services	248,655	91,375	340,030
Administrative Services	247,814	85,088	332,902
Chief Customer Officer	192,282	72,125	264,407
Revenue Assurance	189,676	64,438	254,114
Land Rights / Real Estate	186,710	65,413	252,123
Mail Services	69,721	23,838	93,559
Total Payroll	\$ 6,307,221	\$ 2,150,813	\$ 8,458,034

Full Time Equivalent (FTE)	2021	2022
MAP	37.00	37.00
CWA	81.25	81.25
Total FTEs Authorized	118.25	118.25

Fiscal Year 2022 Payroll

Information Technology

	Labor	Fringe	2022
Technical Management	\$ 3,350,496	\$ 1,038,765	\$ 4,389,261
Administration	2,122,189	608,031	2,730,220
Application Management	1,781,506	553,174	2,334,680
Total Payroll	\$ 7,254,191	\$ 2,199,970	\$ 9,454,161

	Labor	Fringe	2021
Technical Management	\$ 2,173,971	\$ 750,079	\$ 2,924,050
Administration	724,849	145,492	870,341
Application Management	1,340,283	461,603	1,801,886
OneERP	798,734	273,447	1,072,181
Service Desk	806,250	275,657	1,081,907
Project Management	561,915	198,219	760,134
Data Governance and Compliance	446,498	152,658	599,156
Total Payroll	\$ 6,852,500	\$ 2,257,155	\$ 9,109,655

Full Time Equivalent (FTE)	2021	2022
MAP	59.00	59.00
CWA	12.00	12.00
Total FTEs Authorized	71.00	71.00



Fiscal Year 2022 Budget **Operations and Maintenance Non-Labor**

Operations and Maintenance Non-Labor Combined Systems

	2022
Energy Supply	18,502,000
Energy Delivery	7,598,537
Water	7,349,238
Wastewater	7,782,980
Gas	613,328
Telecommunications	4,807,665
Administration	2,236,986
Budget, Finance and Accounting	733,527
Customer Support Services	6,182,973
Information Technology	8,824,927
Corporate Expenses	15,624,201
Total Operations and Maintenance Non-Labor	\$ 80,256,362

	2021
Energy Supply	18,247,002
Energy Delivery	7,082,883
Water	6,670,823
Wastewater	7,229,150
Gas	637,403
Telecommunications	4,449,065
Administration	2,215,157
Budget, Finance and Accounting	840,667
Customer Support Services	6,032,969
Information Technology	6,711,052
Corporate Expenses	13,302,304
Total Operations and Maintenance Non-Labor	\$ 73,418,475

Operations and Maintenance Non-Labor

Energy Supply

2022

Major Maintenance Group	\$ 5,804,236
South Energy Center	3,278,350
Deerhaven Operations	3,189,248
Deerhaven Renewables Operations	3,038,799
Kelly Plant Operations	1,190,605
Energy Supply Water Systems	840,600
Energy Supply Administration	530,794
Innovation Energy Center	298,340
Energy Supply Systems Control	209,230
Production Assurance Support	67,350
District Energy	36,598
Fuels	17,850

Total Operations and Maintenance Non-Labor	\$ 18,502,000
---	----------------------

2021

Major Maintenance Group	\$ 5,549,210
South Energy Center	3,171,119
Deerhaven Operations	3,250,563
Deerhaven Renewables Operations	2,976,251
Kelly Plant Operations	1,182,496
Energy Supply Water Systems	824,575
Energy Supply Administration	638,114
Innovation Energy Center	285,690
Energy Supply Systems Control	239,635
Production Assurance Support	74,750
District Energy	36,749
Fuels	17,850

Total Operations and Maintenance Non-Labor	\$ 18,247,002
---	----------------------

Energy Supply Budget Highlights

Energy Supply is responsible for all power generation, power engineering, fuels management, and design, construction, operations, and maintenance of power systems. The power generation portfolio includes Deerhaven Renewable Generation Station (DHR), Deerhaven (DH), and John R. Kelly (JRK) Generating Station. District Energy, also managed by Energy Supply, includes the South Energy Center (SEC) and the Innovation Energy Center (IEC). During fiscal year 2018, DHR, which burns local clean wood waste, was purchased by GRU and integrated into its power portfolio as its newest plant. DHR has performed extremely well and is an integral part of GRU's renewable portfolio. Projected renewable energy production for fiscal year 2022 is estimated at 28% of our total forecasted load. GRU reached a peak of 41% for renewable energy in fiscal year 2019. Projected non-labor costs for DHR in fiscal year 2022 are \$3 million. Energy Supply's fiscal year 2022 non-labor budget reflects a 1.4% increase over fiscal year 2021 budget. This increase is driven by expected cost increases related to items such as chemicals, laboratory equipment, materials, services and regulations.



Operations and Maintenance Non-Labor

Energy Delivery

	2022
Electric Transmission and Distribution	\$ 3,852,423
Energy Delivery Systems Control	1,591,548
Energy Delivery/Administration	1,149,255
Substation/Relay/Relay Engineering	807,705
Electric Meter Measurement	137,945
Energy Delivery Electric Engineering	59,661
Total Operations and Maintenance Non-Labor	\$ 7,598,537

	2021
Electric Transmission and Distribution	\$ 3,918,535
Energy Delivery Systems Control	1,483,599
Energy Delivery/Administration	867,376
Substation/Relay/Relay Engineering	610,130
Electric Meter Measurement	139,933
Energy Delivery Electric Engineering	63,310
Total Operations and Maintenance Non-Labor	\$ 7,082,883

Energy Delivery Budget Highlights

Energy Delivery is responsible for the construction, operation and maintenance of the electric transmission and distribution systems. This includes Engineering, Systems Control, Substations and Relay, Electric T&D, Field Services, and Electric Measurements & Regulation. The transmission and distribution systems are fully focused on reliability and are modeled in a geographical information system (“GIS”). The GIS is integrated with the outage management system to enable the linkage of customer calls to specific devices. This integration promotes enhanced and expedited service restoration. Integrated software systems are also used extensively to assign loads to specific circuits, planning distribution and substation system improvements, and supporting restoration efforts resulting from extreme weather. In addition, more than 62% of the distribution system’s circuit miles are underground, which is among the highest percentages in Florida. Energy Delivery is also primarily responsible for hurricane response, which includes not only providing timely and safe response to events in the Gainesville area, but also mutual aid for other utilities. Energy Delivery’s fiscal year 2022 non-labor budget is 7.3% more than fiscal year 2021. There are increased costs related to items such as contracts and professional services that support significant capital projects, cybersecurity assessments, utilities, materials, and equipment.



Operations and Maintenance Non-Labor

Water

	2022
Murphree Water Treatment Plant	\$ 6,386,100
Distribution	592,525
Water / Wastewater Engineering	187,150
Engineering	92,600
Water / Wastewater Administration	73,850
Water / Wastewater Planning	17,013
Total Operations and Maintenance Non-Labor	\$ 7,349,238

	2021
Murphree Water Treatment Plant	\$ 5,694,650
Distribution	527,500
Water / Wastewater Engineering	158,550
Engineering	208,750
Water / Wastewater Administration	58,500
Water / Wastewater Planning	22,873
Total Operations and Maintenance Non-Labor	\$ 6,670,823

Water Department Budget Highlights

Water is responsible for the operation and maintenance of the water system to deliver a safe and reliable water supply that is provided by the Murphree Water Treatment Plant. Groundwater, from a well field tapping into the Floridian aquifer, is treated at Murphree Water Treatment Plant prior to distribution and eventual use. Water treatment and supply facilities are planned based on the need to provide reserve capacity under extreme conditions of extended drought, with attendant maximum demands for water and lowered aquifer water levels. Water treatment at Murphree consists of softening to protect the distribution system and improve customer satisfaction, fluoridation for improved cavity protection in young children, filtration, and chlorination for protection from microbial contamination. Specific treatment processes include sulfide oxidation, lime softening, pH stabilization, filtration, fluoridation, and chlorination. GRU is constantly striving to mitigate expense increases to our Water System.

- Nearly 70% of non-labor expenses in operating and maintaining the water system are related to electricity, chemicals, and materials. Many of these expenses are mandated by regulatory and other external requirements, including safe



drinking water standards and certified personnel. Water's fiscal year 2022 non-labor budget has increased 10.2% from fiscal year 2021. The proposed increases are primarily driven by increased costs of electricity and chemicals related to the operation of the water treatment plant.

Operations and Maintenance Non-Labor

Wastewater

	2022
Kanapaha Water Reclamation Facility	\$ 3,955,000
Mainstreet Water Reclamation Facility	1,588,655
Wastewater Lift Stations	1,521,500
Wastewater Collection	472,525
Wastewater Kanapaha Lab	192,800
Wastewater Engineering	47,500
Reclaimed Water Distribution	5,000
Total Operations and Maintenance Non-Labor	\$ 7,782,980

	2021
Kanapaha Water Reclamation Facility	\$ 4,214,550
Mainstreet Water Reclamation Facility	1,582,600
Wastewater Lift Stations	739,400
Wastewater Collection	468,600
Wastewater Kanapaha Lab	184,850
Wastewater Engineering	30,900
Reclaimed Water Distribution	8,250
Total Operations and Maintenance Non-Labor	\$ 7,229,150

Wastewater Department Budget Highlights

Wastewater is responsible for the operation and maintenance of the wastewater system to deliver safe and reliable wastewater treatment and water reclamation from two facilities: Main Street Water Reclamation Facility (MSWRF) and Kanapaha Water Reclamation Facility (KWRF). The two Water Reclamation Facilities have advanced activated sludge treatment process units, influent screening and grit removal, clarification, filtration and disinfection. Biosolids from MSWRF are treated via aerobic digestion and are transferred to the KWRF facility where it is combined with KWRF biosolids for beneficial reuse and/or disposal. In addition, both Water Reclamation Facilities include a reclaimed water pumping station and distribution system. The reclaimed water distribution system currently includes a pipeline that provides reclaimed water for irrigation, recharge wetlands, and cooling uses. GRU is constantly striving to mitigate expense increases to our System.

- The majority of non-labor expenses in the Wastewater System are associated with operating and maintaining the water reclamation facilities, lift stations, and wastewater collection system. Many of these expenses are mandated by regulatory and other external requirements in order to meet federal and state collection, treatment, effluent and disposal standards, using certain chemicals, processes and certified operational personnel.

- The Wastewater System has a 7.7% increase in non-labor operations and maintenance from the fiscal year 2021 budget. The proposed increases are primarily driven by increased costs of electricity, chemicals, and laboratory analyses related to the operation of the water reclamation facilities and lift stations.



Operations and Maintenance Non-Labor

Gas

	2022
Marketing	\$ 279,687
Meter Measurement Operations	144,933
Transmission and Distribution Operations	71,933
Transmission and Distribution Construction	60,050
Transmission and Distribution Administration	52,633
Transmission and Distribution Engineering	4,092
Total Operations and Maintenance Non-Labor	\$ 613,328

	2021
Marketing	\$ 284,034
Meter Measurement Operations	135,014
Transmission and Distribution Operations	87,697
Transmission and Distribution Construction	64,159
Transmission and Distribution Administration	60,002
Transmission and Distribution Engineering	6,497
Total Operations and Maintenance Non-Labor	\$ 637,403

Gas Budget Highlights

The Gas System is responsible for the construction, operation, and maintenance of the natural gas transmission and distribution systems. The majority of the non-labor expenses in the system are costs associated with materials and supplies. There has been a high rate of turnover due to age of personnel. Training new employees over a three-year progression increases costs. The Gas System proposes a 3.8% decrease in non-labor operations and maintenance from the fiscal year 2021 budget. Fleet and equipment are utilized longer than in the past. This increases costs associated with maintaining the fleet and equipment. GRU has aggressively been replacing pipelines made of dated materials with modern polyethylene and all cast iron pipe has been replaced. This will ultimately result in lower costs associated with leaks and improve the safety of the system. Construction activities have increased significantly in the past several years resulting in a higher level of damage repairs. There are other increased costs related to other items. However, GRU is constantly striving to mitigate those increases.



Operations and Maintenance Non-Labor Telecommunications

2022

Trunked Radio System	\$ 1,634,148
Network Operations	713,880
Customer Operations	685,983
Business Administration	441,251
Voice Operations	322,818
Chief Officer	224,113
Internet Operations	213,771
Central Office Operations	174,142
Engineering and Construction Administration	110,000
Network Operations Center	93,850
Towers 1-12	74,810
Technology and Services Administration	74,028
GatorNet	44,871
Total Operations and Maintenance Non-Labor	\$ 4,807,665

2021

Trunked Radio System	\$ 1,356,692
Network Operations	696,287
Customer Operations	645,660
Business Administration	429,509
Voice Operations	378,874
Chief Officer	219,314
Internet Operations	125,810
Central Office Operations	161,732
Engineering and Construction Administration	20,000
Network Operations Center	157,747
Towers 1-12	125,422
Technology and Services Administration	67,410
GatorNet	64,608
Total Operations and Maintenance Non-Labor	\$ 4,449,065

Telecommunications Budget Highlights

Telecommunications provides services which include Internet and data transport to local businesses, government agencies, multiple dwelling units housing communities, various Internet service providers, and other telecommunications carriers. Additional services include tower space leases for wireless personal communications (cellular telephone) providers, public safety radio services for all the major government and public safety agencies operating in the county, and colocation services in the system's central office.

As demand for bandwidth continues to grow, there are associated increases in equipment and support fees related to upgrading the core network. Additional support contract expenses for the newly upgraded Public Safety Radio System (offset by increased revenue from the system) resulted in an overall 8.1% increase from 2021 approved budget. GRUCom is constantly striving to mitigate increases through regular contract negotiations with vendors.



Operations and Maintenance Non-Labor Administration

	2022
General Manager	\$ 763,749
Community Relations	535,035
Communications	459,400
Safety	251,550
Electric Environment	155,130
Electric Reliability	55,622
Chief Operating Officer	11,500
Training	5,000
Total Operations and Maintenance Non-Labor	\$ 2,236,986

	2021
General Manager	\$ 747,814
Community Relations	514,922
Communications	473,648
Safety	177,050
Electric Environment	155,130
Electric Reliability	50,193
Chief Operating Officer	14,400
Training	82,000
Total Operations and Maintenance Non-Labor	\$ 2,215,157

Administration Budget Highlights

Administration includes the General Manager's office, the Office of Inclusion, communications, safety, training, the Chief Operating Officer's area, Chief People Officer and others.

The daily operations and overall responsibility of GRU is led by the General Manager. Responsibilities include policy development and the implementation of policies adopted by the City Commission, planning, administration, organizational development, construction and operations.

The Chief Operating Officer's budget includes Safety & Training, Environmental Compliance, and Regulatory Compliance. The Office of Inclusion is responsible for the utility's overall community relations by planning and executing several programs and events that benefit our community, including the Brighter Tomorrow Scholarship Banquet, Camp EmPower and the Williams Elementary Benefit Golf Tournament. The Office of Inclusion is also responsible for GRU's inclusion and diversity initiative. Communications is responsible for the overall marketing and communications of the utility. This area's budget has increased slightly from fiscal year 2021 to fiscal year 2022 by less than 1%.



Operations and Maintenance Non-Labor Budget, Finance, and Accounting

	2022
Chief Financial Officer	\$ 573,000
Project Management	47,600
Financial Accounting	37,000
Treasury	36,600
Managerial Accounting	26,050
Rates and Forecasting	8,977
Accounts Payable	2,600
Budget	1,700
Total Operations and Maintenance Non-Labor	\$ 733,527

	2021
Chief Financial Officer	\$ 406,511
Project Management	50,000
Financial Accounting	27,500
Treasury	307,400
Managerial Accounting	36,500
Rates and Forecasting	8,556
Accounts Payable	2,500
Budget	1,700
Total Operations and Maintenance Non-Labor	\$ 840,667

Budget, Finance, and Accounting Budget Highlights

Budget, Finance and Accounting (BFA) provides leadership to ensure the long-term financial health of GRU. BFA is responsible for all financial and accounting activity for the utility. This includes the overall budget preparation and execution, long-term financial planning and forecasting, cash management and forecasting, debt issuance and compliance, credit metrics and ratings, treasury, rate formulation, financial reporting, benchmarking, regulatory and tax reporting, and various other responsibilities. In addition, BFA manages the utility-wide corporate expenses. Since the re-implementation of SAP, BFA has developed financial and managerial reports to meet the utility-wide needs of management, the Utility Advisory Board and the City

Commission. BFA's budget has decreased \$107,140 from fiscal year 2021's budget due to completed implementation of the Treasury function in SAP.



Operations and Maintenance Non-Labor

Customer Support Services

2022

Facilities Maintenance	\$ 3,036,977
Billing and Customer Solutions	666,074
Energy and Business Services	625,068
Customer Services	597,600
Administrative Services	496,839
Mail Services	302,000
Revenue Assurance	180,070
Customer Operations	94,950
New Services	86,082
Land Rights / Real Estate	29,500
Utilities Stores	23,891
Chief Customer Officer	23,045
Project Management Office	10,600
Procurement	10,277

Total Operations and Maintenance Non-Labor	\$ 6,182,973
---	---------------------

2021

Facilities Maintenance	\$ 3,048,148
Billing and Customer Solutions	670,510
Energy and Business Services	626,268
Customer Services	498,940
Administrative Services	442,295
Mail Services	305,750
Revenue Assurance	179,070
Customer Operations	92,950
New Services	86,082
Land Rights / Real Estate	29,200
Utilities Stores	22,481
Chief Customer Officer	15,670
Project Management Office	5,328
Procurement	10,277

Total Operations and Maintenance Non-Labor	\$ 6,032,969
---	---------------------

Customer Support Services Budget Highlights

Customer Support Services includes the Chief Customer Office, Customer Operations, Customer Operations Project Management Office, Customer Service, Billing & Customer Solutions, Revenue Assurance, New Services, Administrative Services, Land Rights/Real Estate, Utility Stores, Mail Services, Facilities Maintenance, Procurement, and Energy & Business Services. Facilities Maintenance manages utility services and continually strives to lower costs through energy efficiency and usage optimization. This area also manages chiller units at the Administration Building and the Eastside Operations Center (EOC) in addition to hundreds of smaller HVAC systems and lighting systems throughout the 60+ facilities they maintain. Energy & Business Services is charged with customer education regarding utility usage and conservation. This area also manages the Low Income Energy Efficiency Program plus (LEEPplus) which provides energy efficiency upgrades, averaging \$4,250 per home, to low income homeowners. Customer Operations is responsible for the overall customer experience. This includes Billing & Customer Solutions which manages the budget for bill presentment, printing, mailing, and postage associated with the creation and distribution of over 100,000 customer bills per month. Customer Support Services reflects a 2.5% increase in non-labor operations and maintenance expenses from the fiscal year 2021 budget. This increase is due mainly to higher costs in general along with an increase in training dollars needed to enhance the skills of our employees.



Operations and Maintenance Non-Labor Information Technology

	2022
Administration	\$ 5,450,187
AMI Project	2,287,190
Application Management	791,750
Technical Management	295,800
Governance and Compliance	-
ERP Program Management	-
Service Desk	-
Project Management	-
Total Operations and Maintenance Non-Labor	\$ 8,824,927

	2021
Administration	\$ 126,627
AMI Project	-
Application Management	154,320
Technical Management	395,800
Governance and Compliance	3,606,555
ERP Program Management	2,062,672
Service Desk	334,478
Project Management	30,600
Total Operations and Maintenance Non-Labor	\$ 6,711,052

Information Technology Budget Highlights

Information Technology (IT) provides services to both GRU and General Government and is responsible for the maintenance of mission critical systems, implementing infrastructure and software upgrades, and network security improvements as well as various other IT-related functions. IT partners with operational and administrative areas to more effectively and efficiently support the applications and network infrastructure of GRU. Expenses are budgeted to support the continued effort to replace aging software, equipment and infrastructure for the utility and general government's technology environment and are cyclical. IT's budget also includes expenses for ongoing application and infrastructure support and training for IT staff. Training is vital to the support and management of City wide Enterprise Resource Planning (ERP) systems, revenue collection systems and other critical IT infrastructure. Continuous evaluations of software applications and support agreements allows IT to maintain compliance as well as keeping the computing environment secure. One of the goals of these evaluations is to uncover cost savings for the organization by consolidating software and retiring products that are more expensive to maintain. For fiscal year 2021 an increase of \$2.3M is being driven by the O&M portion of the Advanced Metering Infrastructure (AMI) project that was approved in 2021.



Operations and Maintenance Non-Labor

Corporate Expenses

	2022
Debt Service Fees	\$ 2,985,226
Vehicle and Transportation	2,913,240
Joint Services - General Government	2,808,081
Risk Management	2,111,500
Property Insurance - Plant	1,800,970
Uncollectible Accounts	1,291,337
Insurance - Transportation Eq Liability	828,207
Insurance Premiums	662,533
Audit Fees	491,480
Worker's Compensation	316,883
Legal Services	250,000
Software Maintenance	75,000
Bank Fees	74,160
Pension Bonds	-
Fleet Expenses to Capital	(984,416)
Total Operations and Maintenance Non-Labor	\$ 15,624,201

	2021
Debt Service Fees	\$ 2,535,201
Vehicle and Transportation	2,892,678
Joint Services - General Government	2,674,362
Risk Management	2,200,000
Property Insurance - Plant	1,261,144
Uncollectible Accounts	803,820
Insurance - Transportation Eq Liability	405,220
Insurance Premiums	1,076,904
Audit Fees	218,000
Worker's Compensation	317,817
Legal Services	-
Software Maintenance	-
Bank Fees	72,000
Pension Bonds	2,385,504
Fleet Expenses to Capital	(1,005,145)
Total Operations and Maintenance Non-Labor	\$ 13,302,304



Fiscal Year 2022 Budget

Fuels

Fiscal Year 2022 Budget

Fuels

	2022
Natural Gas	\$ 47,762,081
Biomass	17,758,492
Local Distribution Customer Sales	7,925,032
Purchased Power	6,084,446
SolarFit	4,991,337
Marion County Landfill Gas	3,198,291
Coal	103,434
Renewable Energy Credits	40,000
Total Fuels	\$ 87,863,113

	2021
Natural Gas	\$ 24,305,367
Biomass	24,782,570
Local Distribution Customer Sales	7,024,802
Purchased Power	7,622,399
SolarFit	5,177,874
Marion County Landfill Gas	3,120,333
Coal	17,751,635
Renewable Energy Credits	40,000
Total Fuels	\$ 89,824,980



Fiscal Year 2022 Budget **Uses of Net Revenues**

Fiscal Year 2022 Uses of Net Revenues

Combined Systems

	2022
Debt Service	\$ 98,567,831
Utility Plant Improvement Fund	45,762,559
General Fund Transfer	36,283,000
Debt Defeasance	4,671,196
Total Uses of Net Revenues	\$ 185,284,586

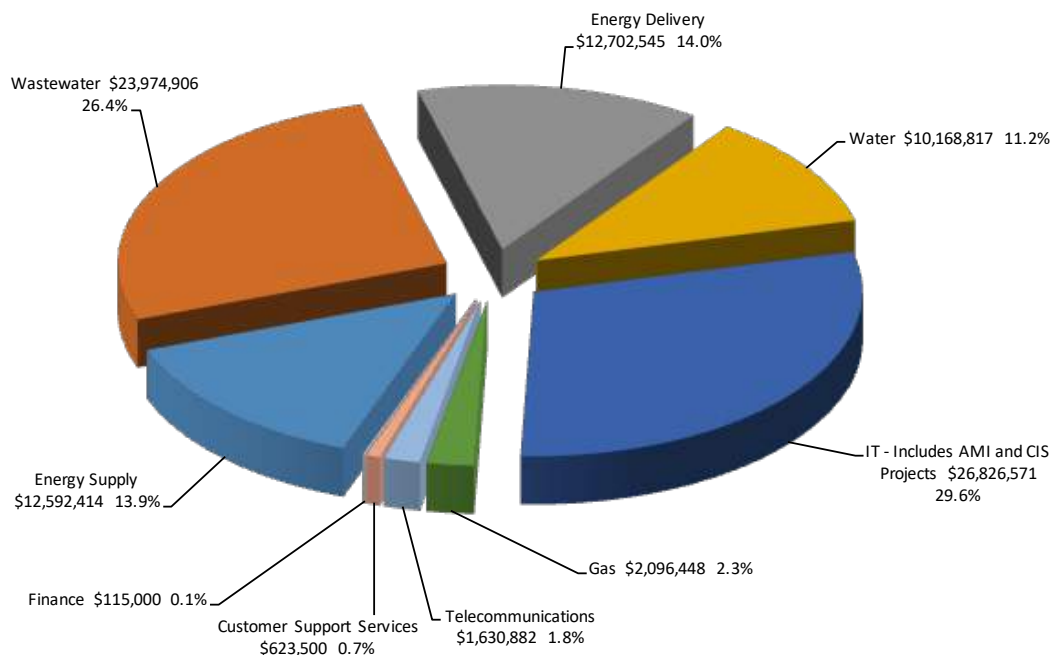
	2021
Debt Service	\$ 92,382,912
Utility Plant Improvement Fund	43,675,766
General Fund Transfer	38,285,000
Debt Defeasance	1,830,052
Total Uses of Net Revenues	\$ 176,173,730



Fiscal Year 2022 Budget **Capital Non-Labor**

Capital Non-Labor

Lines of Business

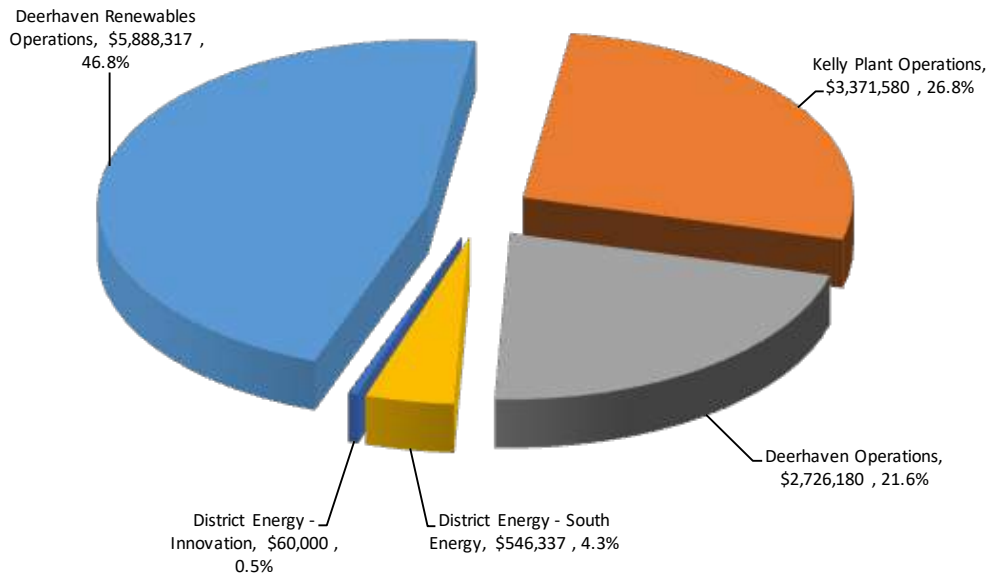


2022		
Energy Supply	\$	12,592,414
Wastewater		23,974,906
Energy Delivery		12,702,545
Water		10,168,817
IT - Includes AMI and CIS Projects		26,826,571
Gas		2,096,448
Telecommunications		1,630,882
Customer Support Services		623,500
Finance		115,000
Total Capital Non-Labor	\$	90,731,083

2021		
Energy Supply	\$	19,275,589
Wastewater		18,487,181
Energy Delivery		10,578,543
Water		7,504,161
IT		1,593,000
Gas		1,453,494
Telecommunications		670,402
Customer Support Services		355,500
Finance		114,400
Total Capital Non-Labor	\$	60,032,270

* Total capital budget for fiscal year 2022 increased substantially due to City Commission directives to implement Customer Information Systems (CIS) and Advanced Metering Infrastructure (AMI) beginning in 2022 (included in Common Plant)

Capital Non-Labor Energy Supply



2022

Deerhaven Renewables Operations	\$	5,888,317
Kelly Plant Operations		3,371,580
Deerhaven Operations		2,726,180
District Energy - South Energy		546,337
District Energy - Innovation		60,000

Total Capital Non-Labor	\$	12,592,414
--------------------------------	-----------	-------------------

2021

Deerhaven Renewables Operations	\$	2,808,130
Kelly Plant Operations		13,209,841
Deerhaven Operations		2,457,538
District Energy - South Energy		780,080
District Energy - Innovation		20,000

Total Capital Non-Labor	\$	19,275,589
--------------------------------	-----------	-------------------

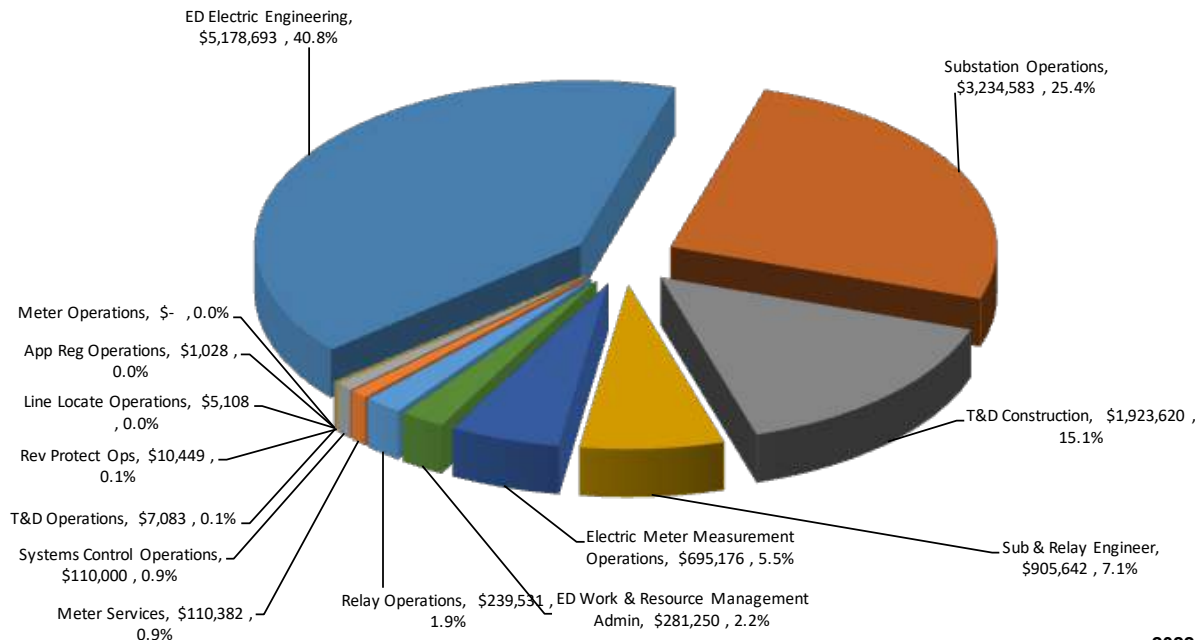
Energy Supply

Energy Supply Budget Highlights

Energy Supply is responsible for all power generation, power engineering, fuels management, and design, construction, operations, and maintenance of power systems. Capital non-labor work for fiscal year 2022 is \$6.6 million less than planned capital non-labor work for fiscal year 2021. This decrease is being driven by the completion of large capital projects at John R. Kelly (JRK) Generating Station and Deerhaven (DH) in 2021. Large projects for 2022 include refurbishment of Kelly Generating Station Combustion Turbine #4 capital spare parts, Kelly Generating Station Unit #8 simulator, Deerhaven Renewable Station boiler induced fan variable frequency drive installation, Deerhaven Generating Station Unit #2 baghouse bag replacement and Deerhaven Generating Station Unit #1 turbine/generator lifetime assessment.

Capital Non-Labor

Energy Delivery



2022		
ED Electric Engineering	\$	5,178,693
Substation Operations		3,234,583
T&D Construction		1,923,620
Sub & Relay Engineer		905,642
Electric Meter Measurement Operations		695,176
ED Work & Resource Management Admin		281,250
Relay Operations		239,531
Meter Services		110,382
Systems Control Operations		110,000
Rev Protect Ops		10,449
T&D Operations		7,083
Line Locate Operations		5,108
App Reg Operations		1,028
Meter Operations		-
Total Capital Non-Labor	\$	12,702,545

2021		
ED Electric Engineering	\$	5,029,668
Substation Operations		487,048
T&D Construction		1,714,644
Sub & Relay Engineer		61,874
Electric Meter Measurement Operations		622,875
ED Work & Resource Management Admin		849,489
Relay Operations		748,841
Meter Services		29,302
Systems Control Operations		365,000
Rev Protect Ops		29,302
T&D Operations		557,522
Line Locate Operations		52,821
App Reg Operations		1,238
Meter Operations		28,919
Total Capital Non-Labor	\$	10,578,543

Energy Delivery

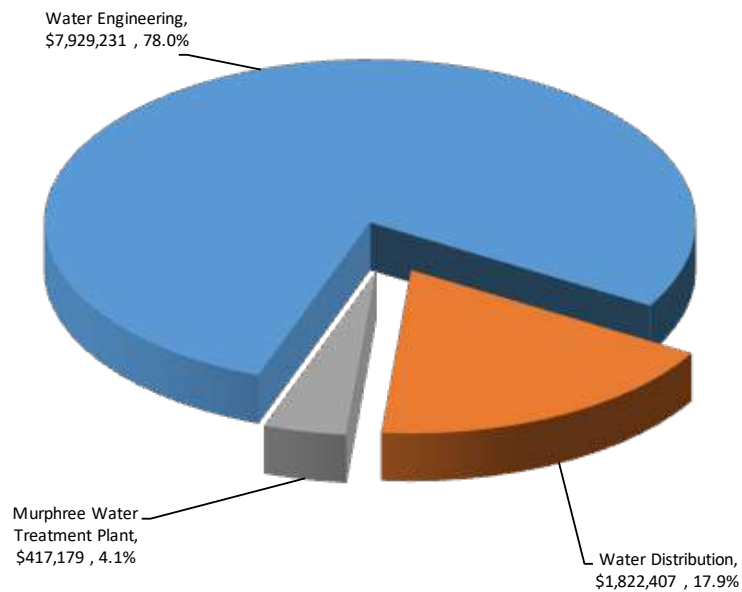
Energy Delivery Budget Highlights

Energy Delivery is responsible for the construction, operation, and maintenance of the electric transmission and distribution systems. This includes Engineering, Systems Control, Substations and Relay, Electric T&D, Field Services, and Electric Measurements & Regulation. The transmission and distribution systems are fully focused on reliability and are modeled in a geographical information system (“GIS”). The GIS is integrated with the outage management system to enable the linkage of customer calls to specific devices.

This integration promotes enhanced and expedited service restoration. Energy Delivery continues to improve the reliability and resilience of our electric transmission and distribution systems by prudently spending capital dollars to achieve those goals where our efforts will be most effective. Energy Delivery’s fiscal year 2022 capital non-labor budget is 20.4% more than fiscal year 2021. The increase is being driven by upgrading Substations for increased reliability, and solar initiatives. There are increased costs related to items such as contracts and professional services, offset by decreases in computer software and hardware, building maintenance and postponement of fleet replacement.

Capital Non-Labor

Water



2022		
Water Engineering	\$	7,929,231
Water Distribution		1,822,407
Murphree Water Treatment Plant		417,179
Total Capital Non-Labor	\$	10,168,817

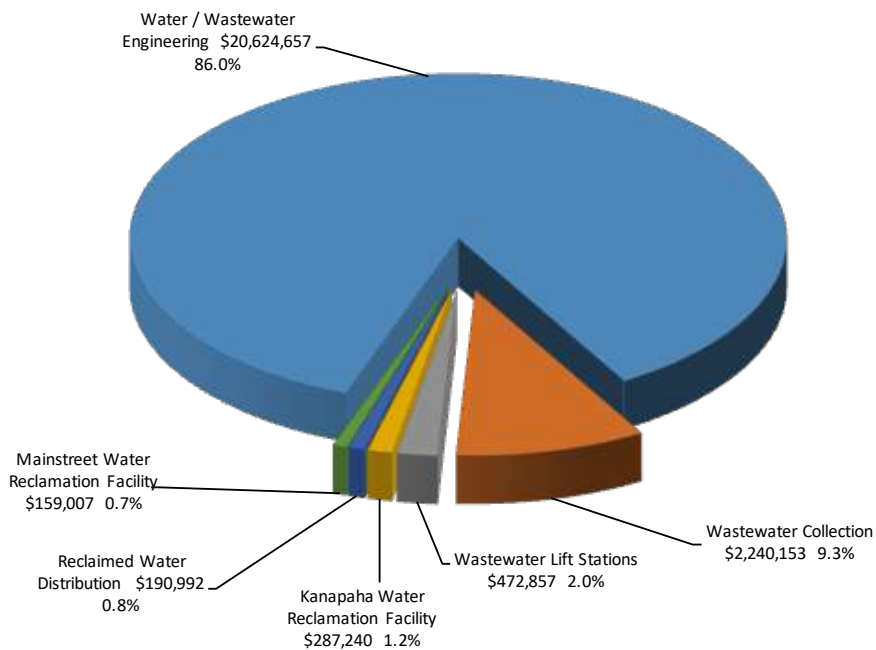
2021		
Water Engineering	\$	5,421,925
Water Distribution		1,813,946
Murphree Water Treatment Plant		268,290
Total Capital Non-Labor	\$	7,504,161

Water Department Budget Highlights

Water is responsible for the design, construction, and rehabilitation of the water system to deliver a safe and reliable water supply that is provided by the Murphree Water Treatment Plant. Groundwater, from a well field tapping into the Floridian aquifer, is treated at Murphree Water Treatment Plant prior to distribution and eventual use. Water treatment and supply facilities are planned based on the need to provide reserve capacity under extreme conditions of extended drought, with attendant maximum demands for water and lowered aquifer water levels. Water treatment at Murphree consists of softening to protect the distribution system and improve customer satisfaction, fluoridation for improved cavity protection in young children, filtration, and chlorination for protection from microbial contamination. Specific treatment processes include sulfide oxidation, lime softening, pH stabilization, filtration, fluoridation, and chlorination. The Water System capital non-labor budget for fiscal year 2022 has increased as compared to fiscal year 2021 and is primarily driven by replacement projects for aging infrastructure at the Water Treatment Plant and Water Distribution. GRU is constantly striving to mitigate expense increases to our Water System.

Capital Non-Labor

Wastewater



2022

Water / Wastewater Engineering	\$	20,624,657
Wastewater Collection		2,240,153
Wastewater Lift Stations		472,857
Kanapaha Water Reclamation Facility		287,240
Reclaimed Water Distribution		190,992
Mainstreet Water Reclamation Facility		159,007

Total Capital Non-Labor	\$	23,974,906
--------------------------------	-----------	-------------------

2021

Water / Wastewater Engineering	\$	15,220,297
Wastewater Collection		1,712,636
Wastewater Lift Stations		478,621
Kanapaha Water Reclamation Facility		183,034
Reclaimed Water Distribution		178,350
Mainstreet Water Reclamation Facility		714,243

Total Capital Non-Labor	\$	18,487,181
--------------------------------	-----------	-------------------

Capital Non-Labor

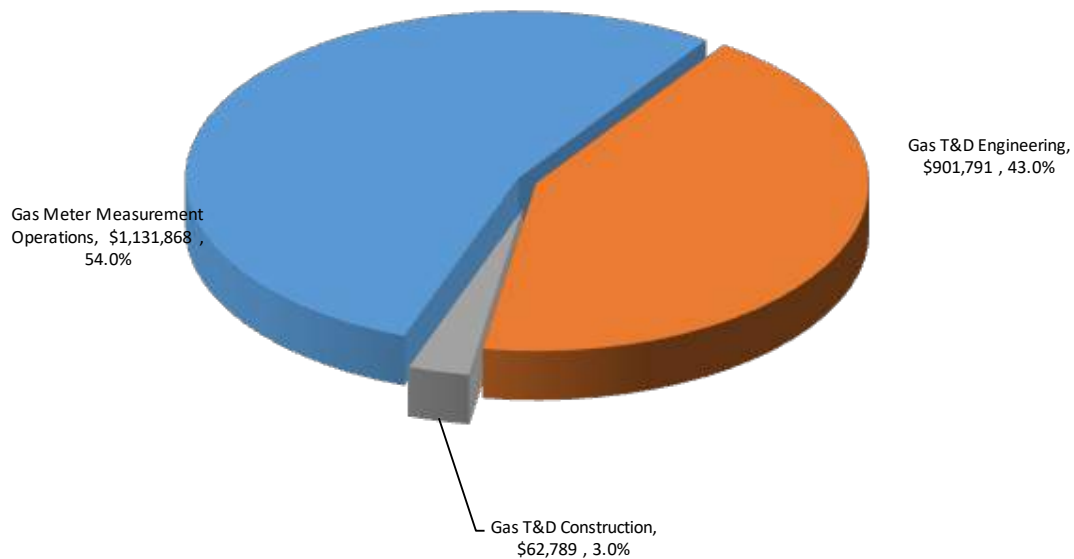
Wastewater

Wastewater Department Budget Highlights

Wastewater is responsible for the design, construction and rehabilitation of the wastewater system to deliver safe and reliable wastewater treatment and water reclamation from two facilities: Main Street Water Reclamation Facility (MSWRF) and Kanapaha Water Reclamation Facility (KWRF). The two Water Reclamation Facilities have advanced activated sludge treatment process units, influent screening and grit removal, clarification, filtration and disinfection. Biosolids from MSWRF are treated via aerobic digestion and are transferred to the KWRF facility where it is combined with KWRF biosolids for beneficial reuse and/or disposal. In addition, both Water Reclamation Facilities include a reclaimed water pumping station and distribution system. The reclaimed water distribution system currently includes a pipeline that provides reclaimed water for irrigation, recharge wetlands, and cooling uses. The Wastewater System capital non-labor budget for fiscal year 2022 is 29.7% more than the fiscal year 2021 budget. Increase is being driven by replacement projects for aging infrastructure at the Wastewater Reclamation Facilities and Wastewater Collection. GRU is constantly striving to mitigate expense increases to our Wastewater System.

Capital Non-Labor

Gas



2022

Gas Meter Measurement Operations	\$	1,131,868
Gas T&D Engineering		901,791
Gas T&D Construction		62,789
Total Capital Non-Labor	\$	2,096,448

2021

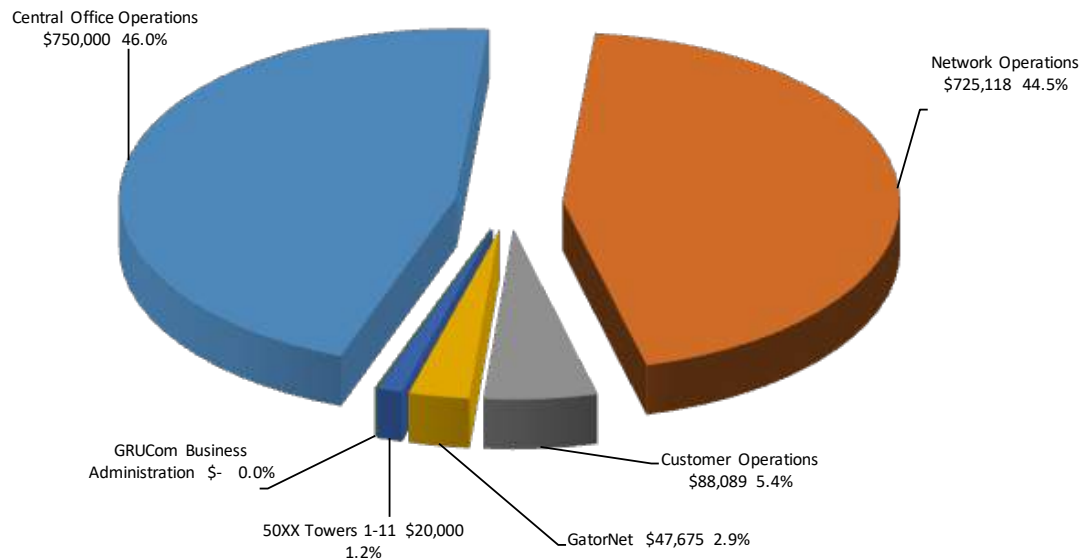
Gas Meter Measurement Operations	\$	597,524
Gas T&D Engineering		755,353
Gas T&D Construction		100,617
Total Capital Non-Labor	\$	1,453,494

Gas Budget Highlights

The Gas System is responsible for the construction, operation, and maintenance of the natural gas transmission and distribution systems. GRU maintains 811 miles of natural gas distribution pipes and 7 miles of LP pipes. The natural gas system consists primarily of underground gas distribution and service lines, six points of delivery or interconnections with Florida Gas Transmission, and gas pressure regulating stations, metering and measuring equipment. The system proposes a 44.2% increase in their fiscal year capital non-labor budget when compared to the fiscal year 2021 budget. Several projects, such as maintenance of lines for new development and associated contract services, delayed in 2021 are now scheduled to be completed in 2022. Other increases are related to fleet, equipment, materials and supplies.

Capital Non-Labor

Telecommunications



2022		
Central Office Operations	\$	750,000
Network Operations		725,118
Customer Operations		88,089
GatorNet		47,675
50XX Towers 1-11		20,000
GRUCom Business Administration		-
Total Capital Non-Labor	\$	1,630,882

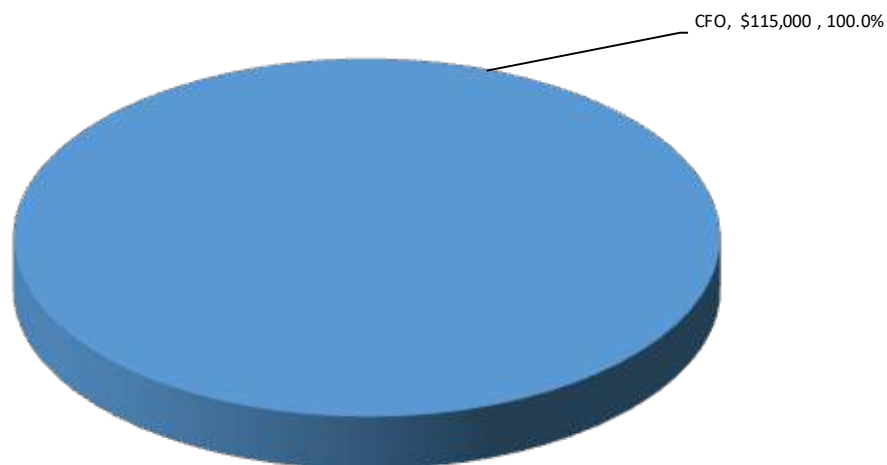
2021		
Central Office Operations	\$	113
Network Operations		524,086
Customer Operations		74,771
GatorNet		68,932
50XX Towers 1-11		-
GRUCom Business Administration		2,500
Total Capital Non-Labor	\$	670,402

Telecommunications

Telecommunications Budget Highlights

Telecommunications provides services that include Internet and data transport to local businesses, government agencies, multiple dwelling units housing communities, various Internet service providers, and other telecommunications carriers. Additional services include tower space leases for wireless personal communications (cellular telephone) providers, public safety radio services for all the major government and public safety agencies operating in the county, and colocation services in the system's central office. The fiscal year 2022 budget proposes a \$960,480 increase over the 2021 approved budget. This is being driven by the re-budgeting of critical HVAC and electric system upgrades planned for the GRUCom Central Office and colocation facility.

Capital Non-Labor Budget, Finance, and Accounting



2022

CFO	\$	115,000
Total Capital Non-Labor	\$	115,000

2021

CFO	\$	114,400
Total Capital Non-Labor	\$	114,400

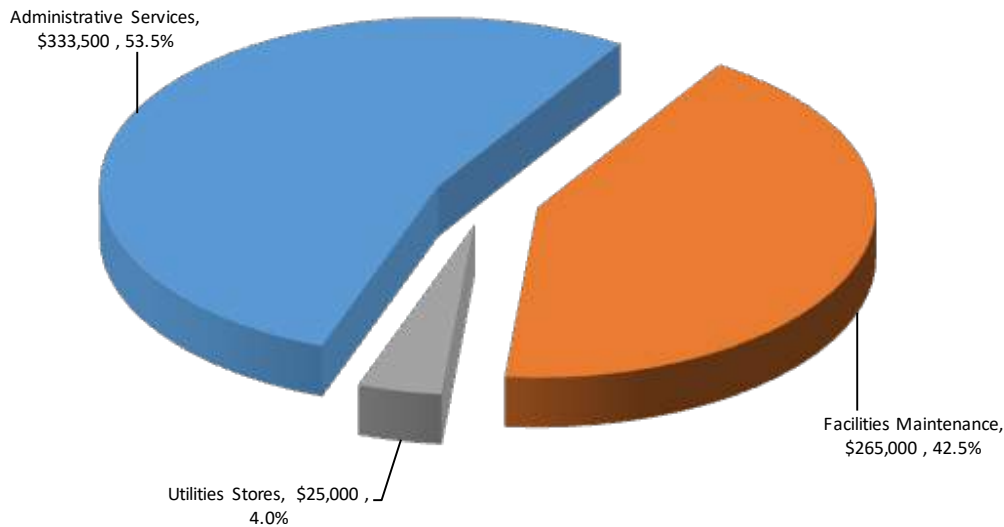
Capital Non-Labor Budget, Finance, and Accounting

Budget, Finance, and Accounting Budget Highlights

Budget, Finance and Accounting (BFA) provides leadership to ensure the long-term financial health of GRU. BFA is responsible for all financial and accounting activity for the utility. This includes the overall budget preparation and execution, long-term financial planning and forecasting, cash management and forecasting, debt issuance and compliance, credit metrics and ratings, treasury, rate formulation, financial reporting, benchmarking, regulatory and tax reporting, and various other responsibilities. Since the re-implementation of SAP, BFA has developed financial and managerial reports to meet the utility-wide needs of management, the Utility Advisory Board and the City Commission. BFA's capital non-labor budget represents equipment purchases for the City of Gainesville's fleet garage.

Capital Non-Labor

Customer Support Services



2022		
Administrative Services	\$	333,500
Facilities Maintenance		265,000
Utilities Stores		25,000
Total Capital Non-Labor	\$	623,500

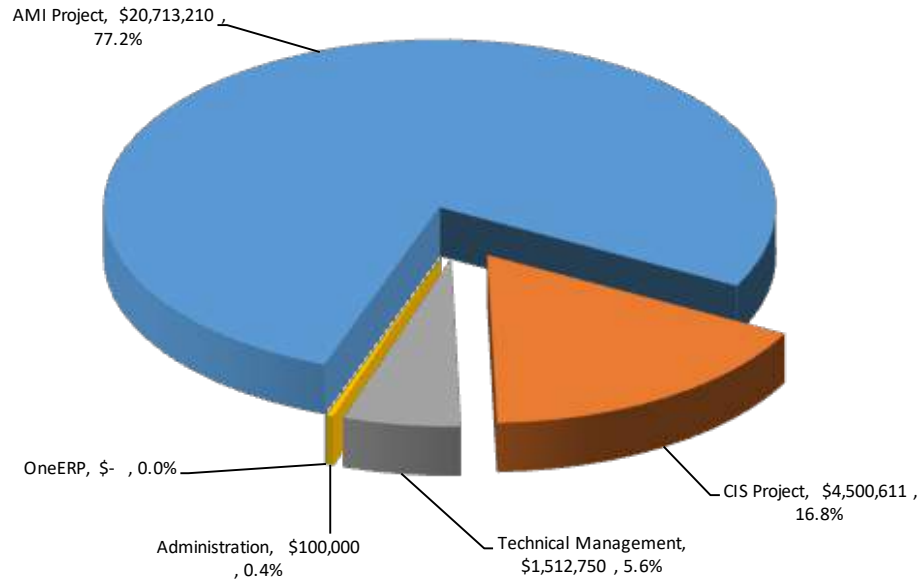
2021		
Administrative Services	\$	62,500
Facilities Maintenance		223,000
Utilities Stores		70,000
Total Capital Non-Labor	\$	355,500

Customer Support Services

Customer Support Services Budget Highlights

Customer Support Services includes the Chief Customer Office, Customer Operations, Customer Operations Project Management Office, Customer Service, Billing & Customer Solutions, Revenue Assurance, New Services, Administrative Services, Land Rights/Real Estate, Utility Stores, Mail Services, Facilities Maintenance, Procurement, and Energy & Business Services. All of Customer Support Services' capital budget resides in the Administrative Services, Utility Stores, and Facilities Maintenance areas. Customer Support Services reflects a \$268,000 increase in non-labor capital expenses from the fiscal year 2021 budget. The increase in non-labor capital for FY22 compared to FY21 represents the implementation of several security initiatives at our EOC Campus including perimeter fencing, computer upgrades in the entry guard shack, and intercom system improvements at EOC and our Springhill Service Center. In addition, money is also budgeted to replace the chiller at Deerhaven's Water Plant, which is at the end of its life cycle.

Capital Non-Labor Information Technology



2022

AMI Project	\$	20,713,210
CIS Project		4,500,611
Technical Management		1,512,750
Administration		100,000
OneERP		-
Total Capital Non-Labor	\$	26,826,571

2021

AMI Project	\$	-
CIS Project		-
Technical Management		1,493,000
Administration		-
OneERP		100,000
Total Capital Non-Labor	\$	1,593,000

Information Technology

Information Technology

Information Technology (IT) provides services to both GRU and General Government and is responsible for the maintenance of mission critical systems, implementing infrastructure and software upgrades, and network security improvements as well as various other IT-related functions. IT partners with operational and administrative areas to more effectively and efficiently support the applications and network infrastructure of GRU.

Capital expenses are budgeted to support the continued effort to replace aging software, equipment and infrastructure for the utility and general government's technology environment. For the FY 2022 budget there are two major projects that were approved in 2021, Advanced Metering Infrastructure (AMI) and Customer Information System (CIS) projects.

The Customer Information System (CIS) project involves replacing the currently outdated system with a functionally robust customer-focused communication and management application that will be GRU's customer system of record. Beyond its role as a critical accounting sub-ledger through which utility revenues flow, the new CIS solution will provide GRU with new tools and processes that will lead to increased customer satisfaction and increased employee productivity and efficiency in supporting the customer experience. Lastly the system will be cost-effective and more economical to support long-term.

Advanced metering infrastructure (AMI) is an integrated system of smart meters, modules, communications networks, and data management systems that enables two-way communication between GRU and our customers. The system provides a number of important functions that were not previously possible or had to be performed manually, such as the ability to automatically and remotely measure energy usage, connect and disconnect service, detect tampering, identify outages, monitor voltage, and provide water leak notifications. Combined with GRU's Customer Information System (CIS), AMI enables the utility the capability to offer new time-based rate programs and incentives that encourage our customers to reduce peak demand and manage energy consumption and costs.

Over the last 10 years, advanced metering has evolved from an optional technology to one that is widely deployed across the industry. There are many reasons for this trend, but the primary motivator is enhancing customer choice and control. In addition, GRU aims to perform existing operations more reliably and efficiently and provide enhanced customer services and products that are not possible without an AMI implementation.

The project is set to kick off deployment in January 2022.



Fiscal Year 2022 Budget **Financial Reserves and Ratios**

Fiscal Year 2022 Financial Reserves and Ratios

Reserve Requirements and Reserve Funded

	Budget 2021	Budget 2022
Reserve Requirements:		
Electric	\$ 59,092,130	\$ 60,864,894
Water	5,092,320	5,245,090
Wastewater	6,259,310	6,447,089
Gas	4,667,960	4,807,999
Telecommunications	2,015,710	2,076,181
Total Reserve Requirements	\$ 77,127,430	\$ 79,441,253
Reserve Funded:		
Rate Stabilization Fund	\$ 50,702,513	\$ 45,260,830
Operating Cash (60 days)	4,584,256	5,749,957
Utility Plant Improvement Fund	47,320,325	49,587,740
Total Reserve Funded	\$ 102,607,094	\$ 100,598,527
Amount Over/(Under) Funded	\$ 25,479,664	\$ 21,157,274

Description

The methodology for determining reserve requirements was modified during fiscal year 2019. GRU commissioned our financial advisor to conduct a cash balance study which encompassed a review of the revenue and expense risks facing GRU and its individual systems. This risk analysis examined the economic, environmental, and to some degree climate risk facing the utility. The study developed an appropriate level of cash to reserve against each of these identified risks to determine an overall target level of cash. A cash balance policy based on the study was presented to and approved by the City Commission in April of 2019.

Accordingly, the methodology of what resources could be counted as available to meet reserve requirements was modified as well. Prior to the adoption of the cash balance policy, the following resources were deemed eligible to meet reserve requirements:

- 60 days of operating cash
- Rate Stabilization Fund cash balance
- Utility Plant Improvement Fund cash balance
- Authorized but unissued commercial paper
- Undrawn bank lines of credit

Per the provisions of the cash balance policy, the resources which will be counted as eligible to meet reserve requirements going forward are 60 days of operating cash, Rate Stabilization Fund cash balance, and available Utility Plant Improvement Fund cash balance.

As detailed above, total reserves for budget year 2022 exceed the reserve level required by policy. However, looking at a system by system basis demonstrates that for our largest system (Electric) FY22 reserves are slightly below target levels.

	Reserve Requirement	Reserve Funded	Excess (Underfunded)
Electric	60,864,894	59,564,786	(1,300,108)
Water	5,245,090	19,880,594	14,635,504
Wastewater	6,447,089	9,306,195	2,859,106
Gas	4,807,999	11,941,355	7,133,356
Telecommunications	2,076,181	(94,403)	(2,170,584)
Total	79,441,253	100,598,527	21,157,274

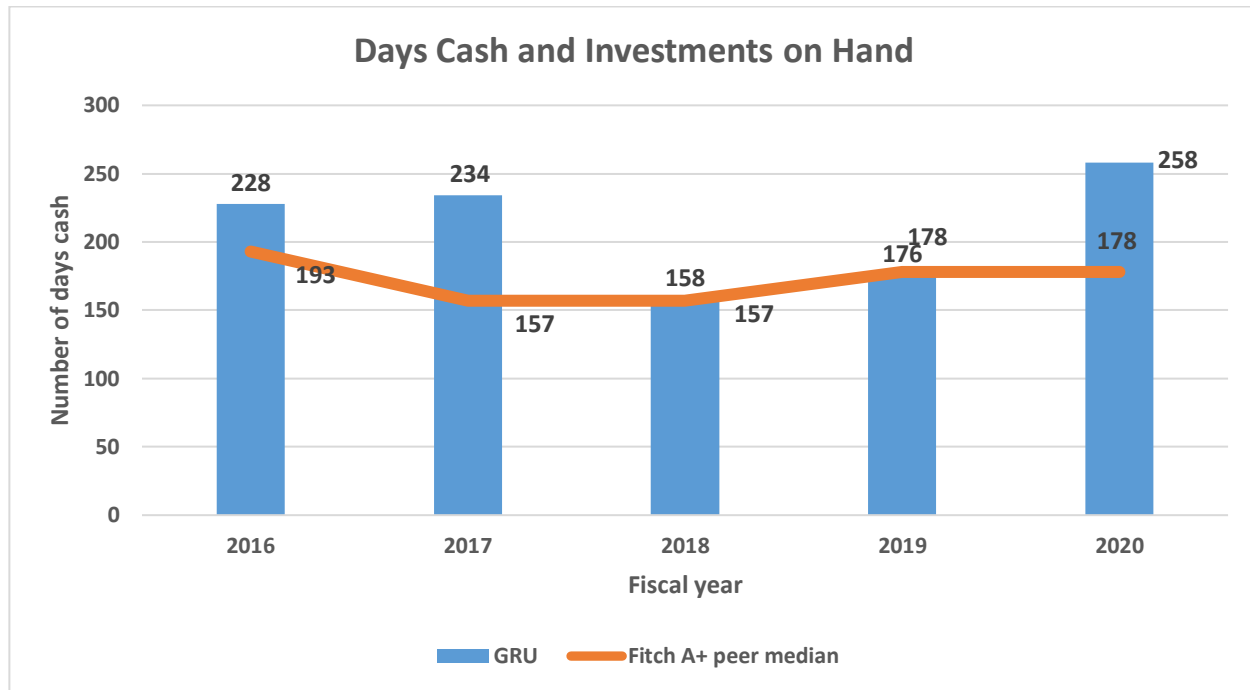
Additionally, there are three large projects – Gasification of Deerhaven 2, implementation of the new Customer Billing System, and Advanced Metering Infrastructure (AMI) which are either in progress or planned which we project will be funded primarily utilizing UPIF. Utilizing UPIF monies for these projects will drive this portion of our reserves down over the upcoming years as outlined below.

PROJECTED UPIF BALANCES BY SYSTEM						
	FY22	FY23	FY24	FY25	FY26	FY27
Electric	27,472,756	17,822,097	10,567,220	780,833	1,273,450	641,827
Water	6,894,535	1,265,848	1,546,462	149,240	1,129,974	467,567
Wastewater	1,177,188	1,802,348	1,861,615	2,471,714	1,792,332	1,792,132
Gas	12,098,503	9,602,183	9,407,744	8,812,638	7,982,963	6,982,057
Telecommunications	1,944,758	2,301,475	2,719,052	3,130,430	3,501,410	3,814,757
Total	49,587,740	32,793,951	26,102,093	15,344,855	15,680,129	13,698,340

Finally, a portion of these reserves will be used to defease debt as directed by the City Commission. The impact on reserves from these measures will be replenished by the recently approved base rate increases through 2027 as well as the recently approved General Fund Transfer decreases. Any change in Commission direction in these two financial components will have a significant detrimental impact to the Utility's reserves.

Fiscal Year 2022

Financial Reserves and Ratios



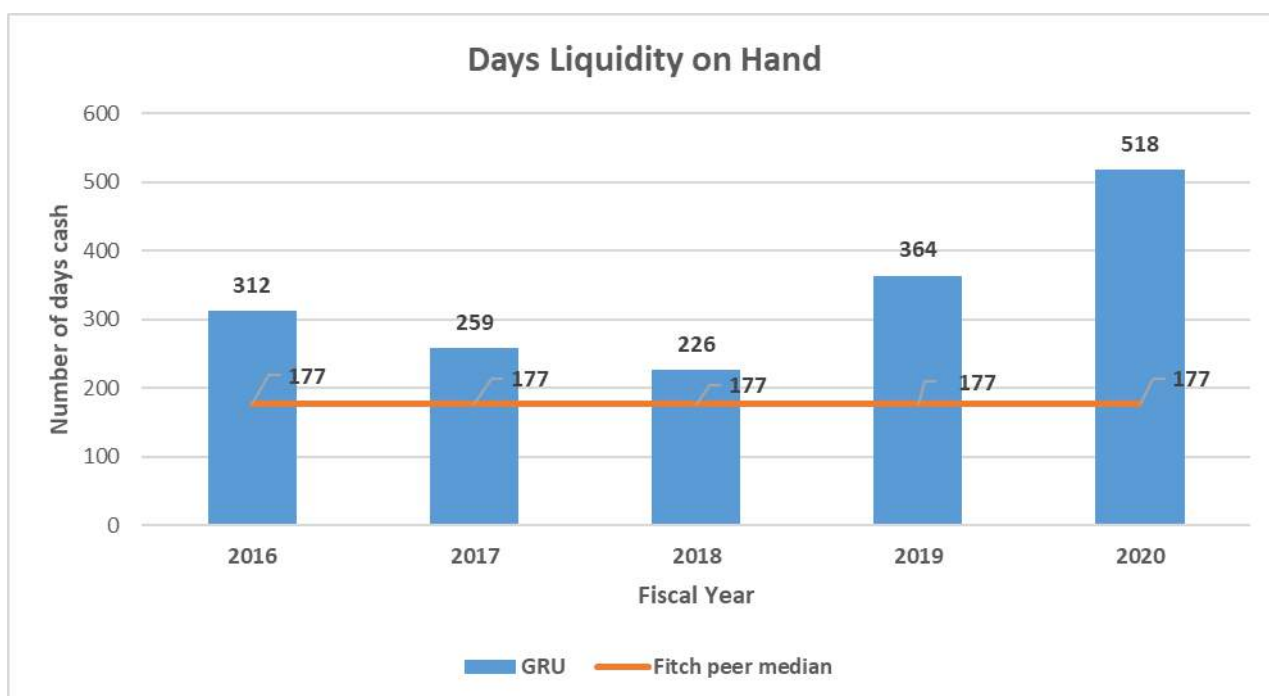
Days Cash and Investments on Hand: Number of days operating cash on hand. This metric indicates financial flexibility, specifically cash and short-term investments, relative to expenses.

Formula: Unrestricted cash divided by average daily operating expense.

Note: These values incorporate FitchRatings 2017 adjustment to the definition of Cash & Investments which included UPIF funds.

Fiscal Year 2022

Financial Reserves and Ratios

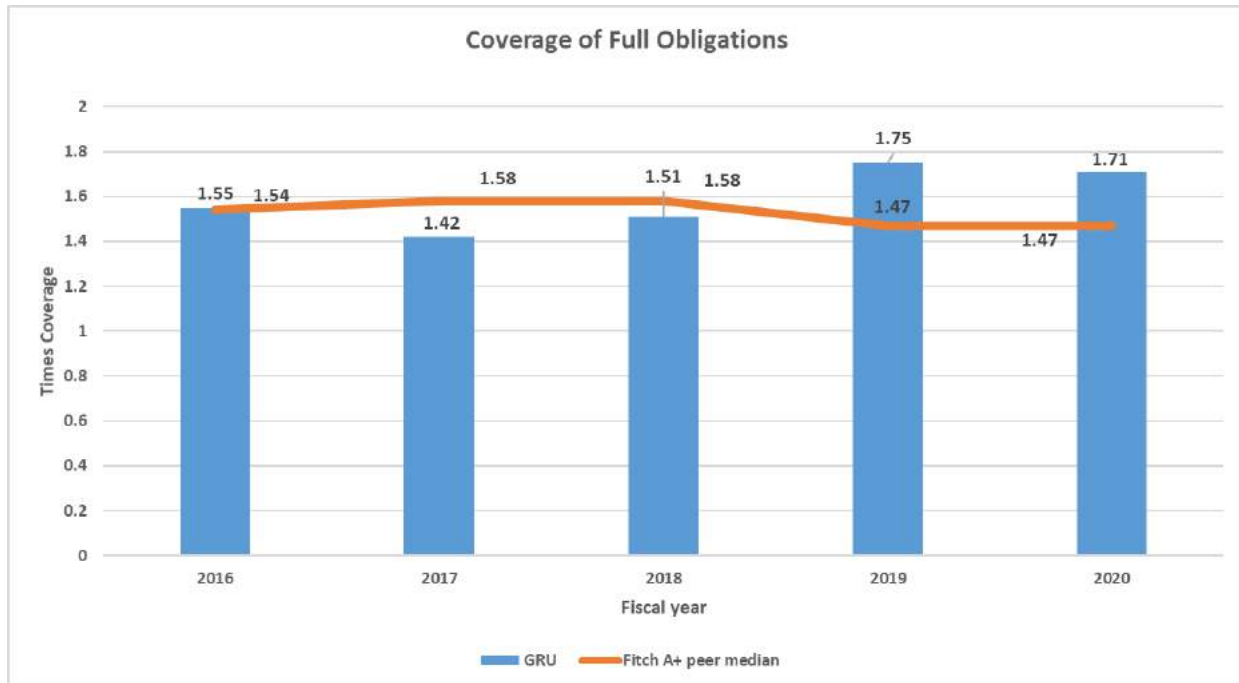


Days Liquidity on Hand: Number of days liquidity on hand. This metric indicates financial flexibility, including all available sources of cash, short-term investments and liquidity, relative to expenses.

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

Fiscal Year 2022

Financial Reserves and Ratios

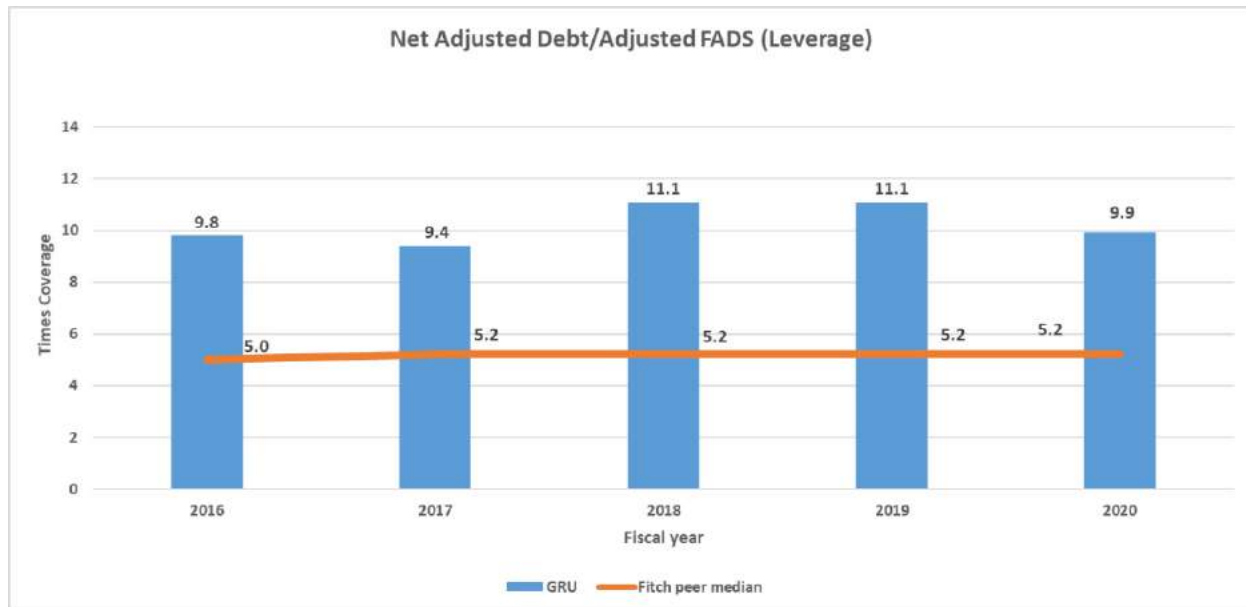


Coverage of Full Obligations: Number of times total fixed obligations are covered by funds available to pay debt service. This metric provides an indicator of the margin available to meet current debt service requirements and other fixed obligations.

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

Fiscal Year 2022

Financial Reserves and Ratios



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

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

Note: GRU and the City Commission are developing a multi-component strategy to reduce the Utility's leverage. Recent actions include an FY22 7% Electric base rate increase and a 5% increase in Wastewater; multi-year base rate increases of 3% in Electric and 5% in Wastewater from 2023 through 2027; and allocations of debt transaction and pension bond savings to debt defeasance.



Fiscal Year 2022 Budget

Total Costs by Line of Business

Fiscal Year 2022 Budget

Total Costs by Line of Business

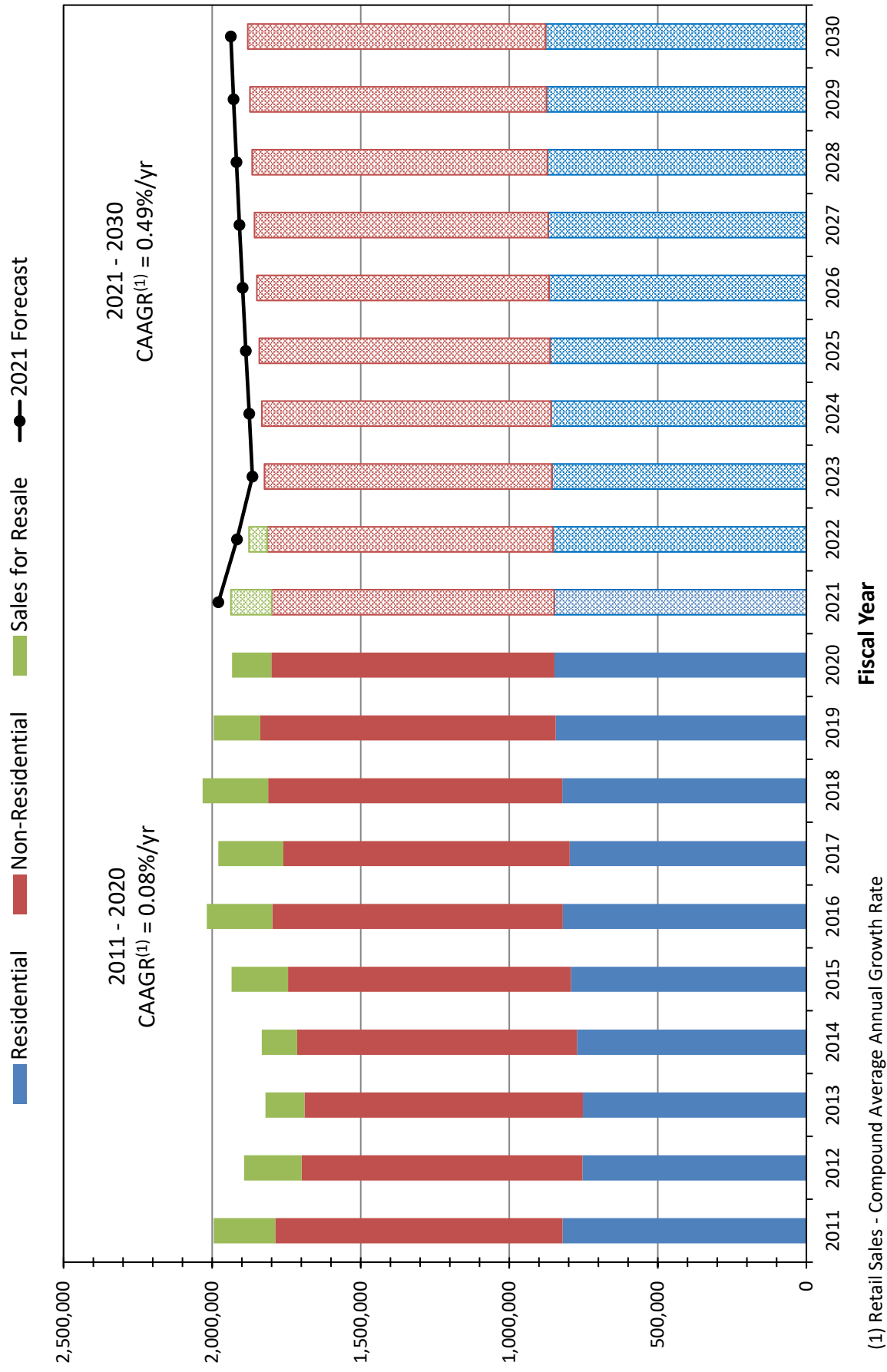
	Payroll	Operations and Maintenance Non-Labor	Capital Non-Labor	2022
Energy Supply	\$ 22,186,027	\$ 18,502,000	\$ 12,592,414	\$ 53,280,441
Energy Delivery	23,243,485	7,598,537	12,702,545	43,544,567
Water	7,643,066	7,349,238	10,168,817	25,161,121
Wastewater	8,869,396	7,782,980	23,974,906	40,627,282
Gas	3,359,313	613,328	2,096,448	6,069,089
Telecommunications	3,311,146	4,807,665	1,630,882	9,749,693
Administration	4,449,576	2,236,986	-	6,686,562
Budget, Finance & Accounting	4,374,385	733,527	115,000	5,222,912
Customer Support Services	8,583,138	6,182,973	623,500	15,389,611
Information Technology	9,454,161	8,824,927	26,826,571	45,105,659
Corporate Expenses	-	15,624,201	-	15,624,201
Total Costs by Line of Business	\$ 95,473,693	\$ 80,256,362	\$ 90,731,083	\$ 266,461,138

	Payroll	Operations and Maintenance Non-Labor	Capital Non-Labor	2021
Energy Supply	\$ 22,348,809	\$ 18,247,002	\$ 19,275,589	\$ 59,871,400
Energy Delivery	22,073,295	7,082,883	10,578,543	39,734,721
Water	7,351,018	6,670,823	7,504,161	21,526,002
Wastewater	8,843,743	7,229,150	18,487,181	34,560,074
Gas	3,423,168	637,403	1,453,494	5,514,065
Telecommunications	3,805,432	4,449,065	670,402	8,924,899
Administration	4,326,462	2,215,157	-	6,541,619
Budget, Finance & Accounting	3,911,608	1,040,667	114,400	5,066,675
Customer Support Services	8,458,034	6,032,969	355,500	14,846,503
Information Technology	9,109,655	6,711,052	1,593,000	17,413,707
Corporate Expenses	-	15,637,505	-	15,637,505
Total Costs by Line of Business	\$ 93,651,224	\$ 75,953,676	\$ 60,032,270	\$ 229,637,170

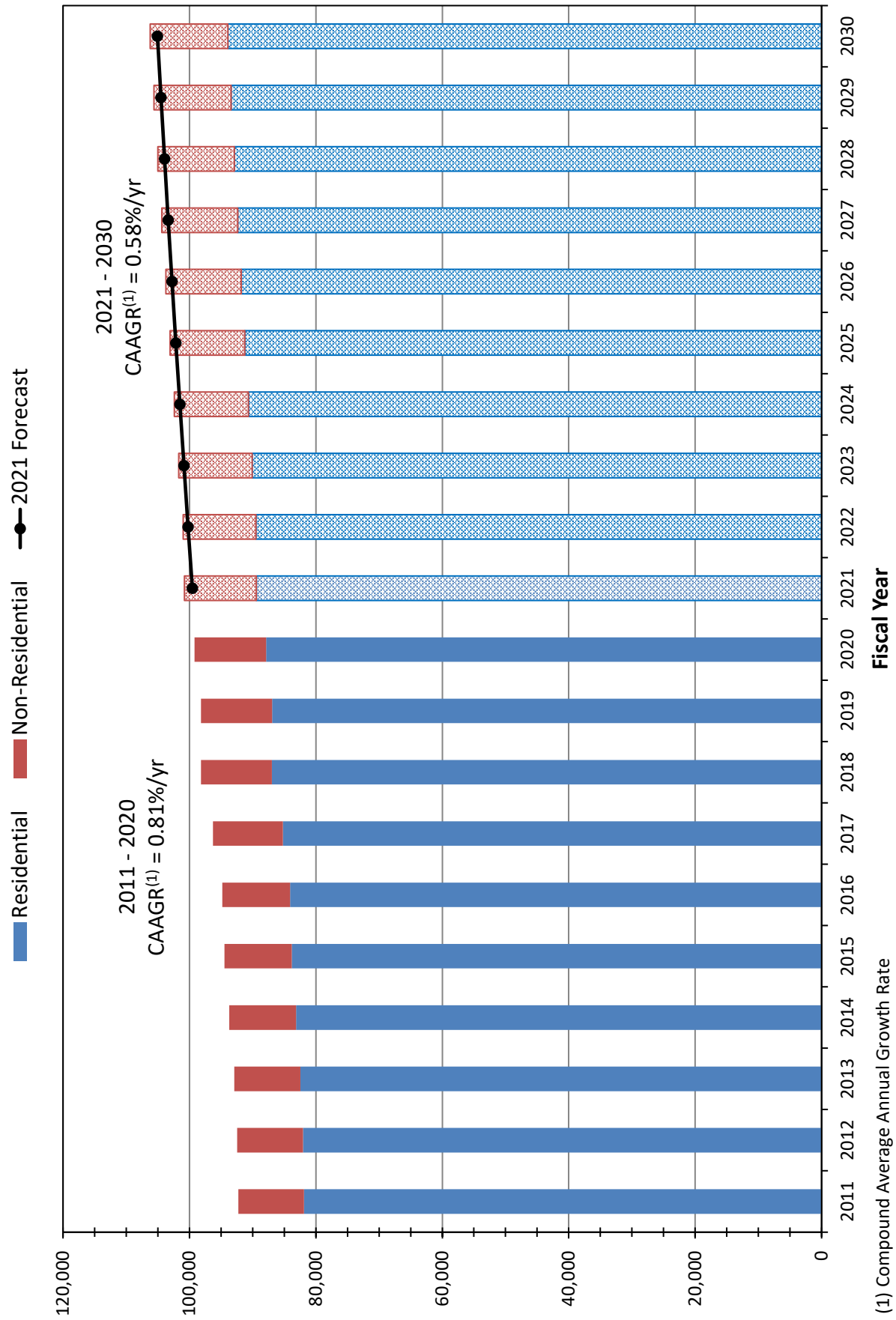


Fiscal Year 2022 Budget **Appendix**

Electric Energy Sales MegaWatt-hours

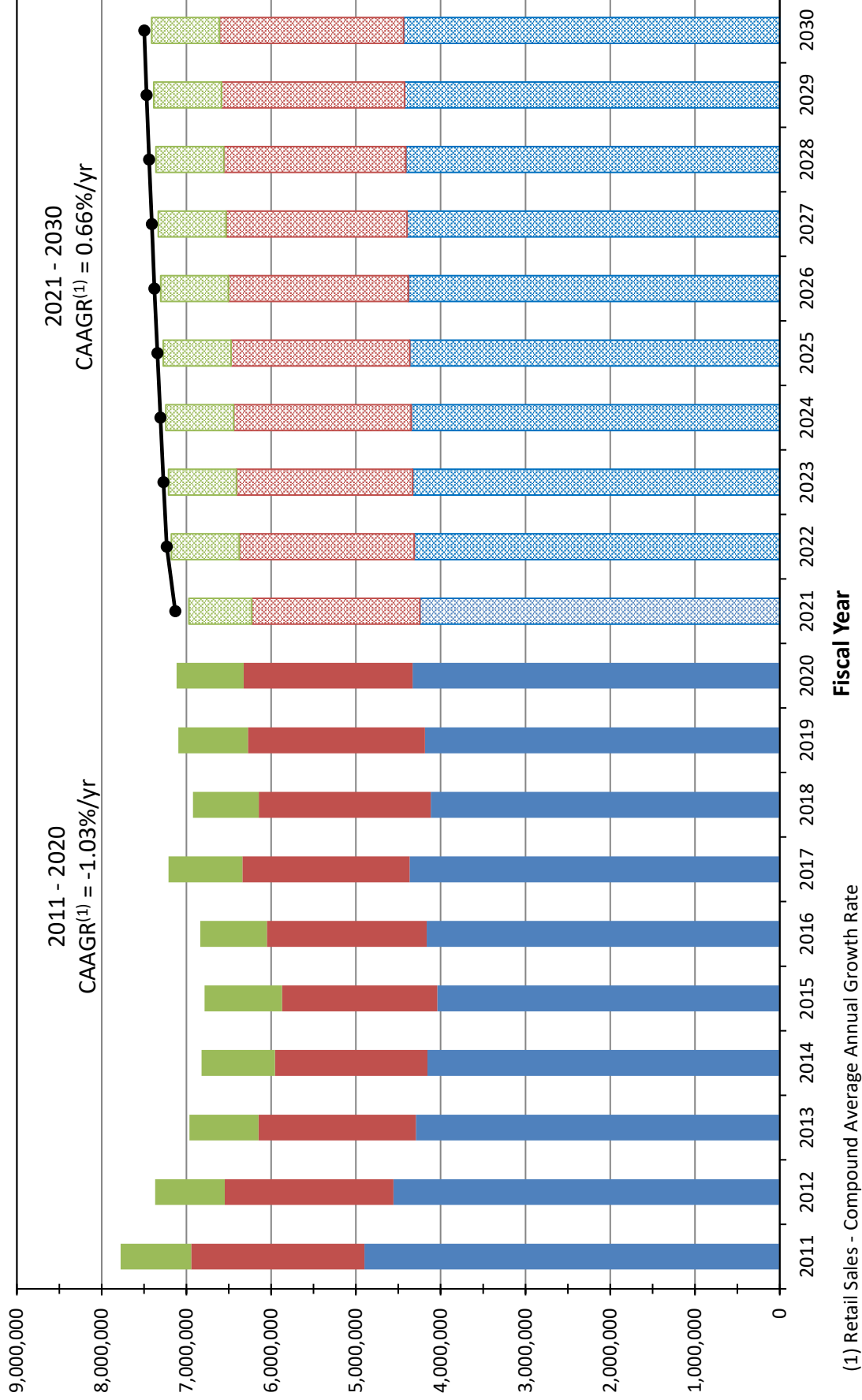


Electric Customers

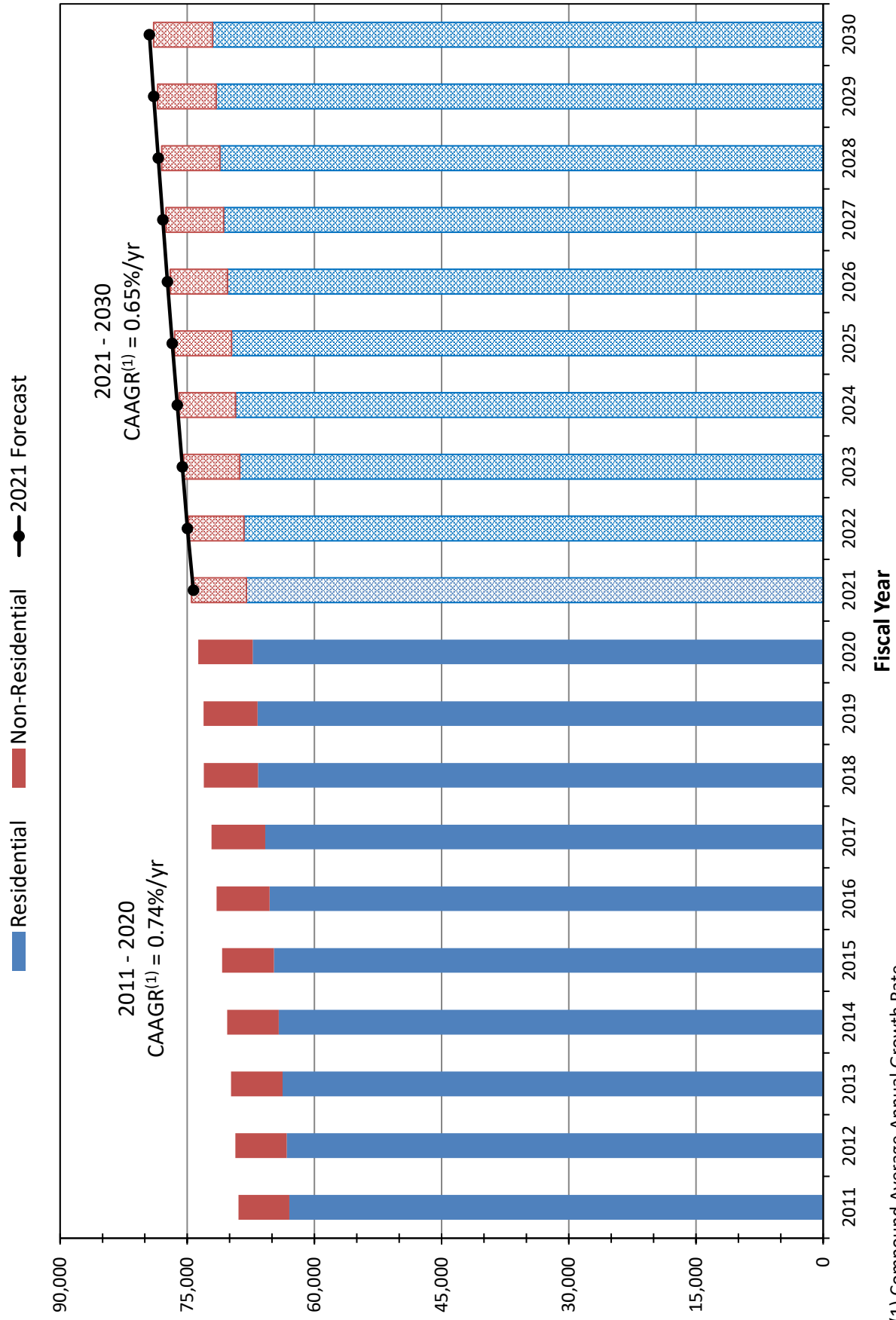


Water Sales Thousand Gallons (kgal)

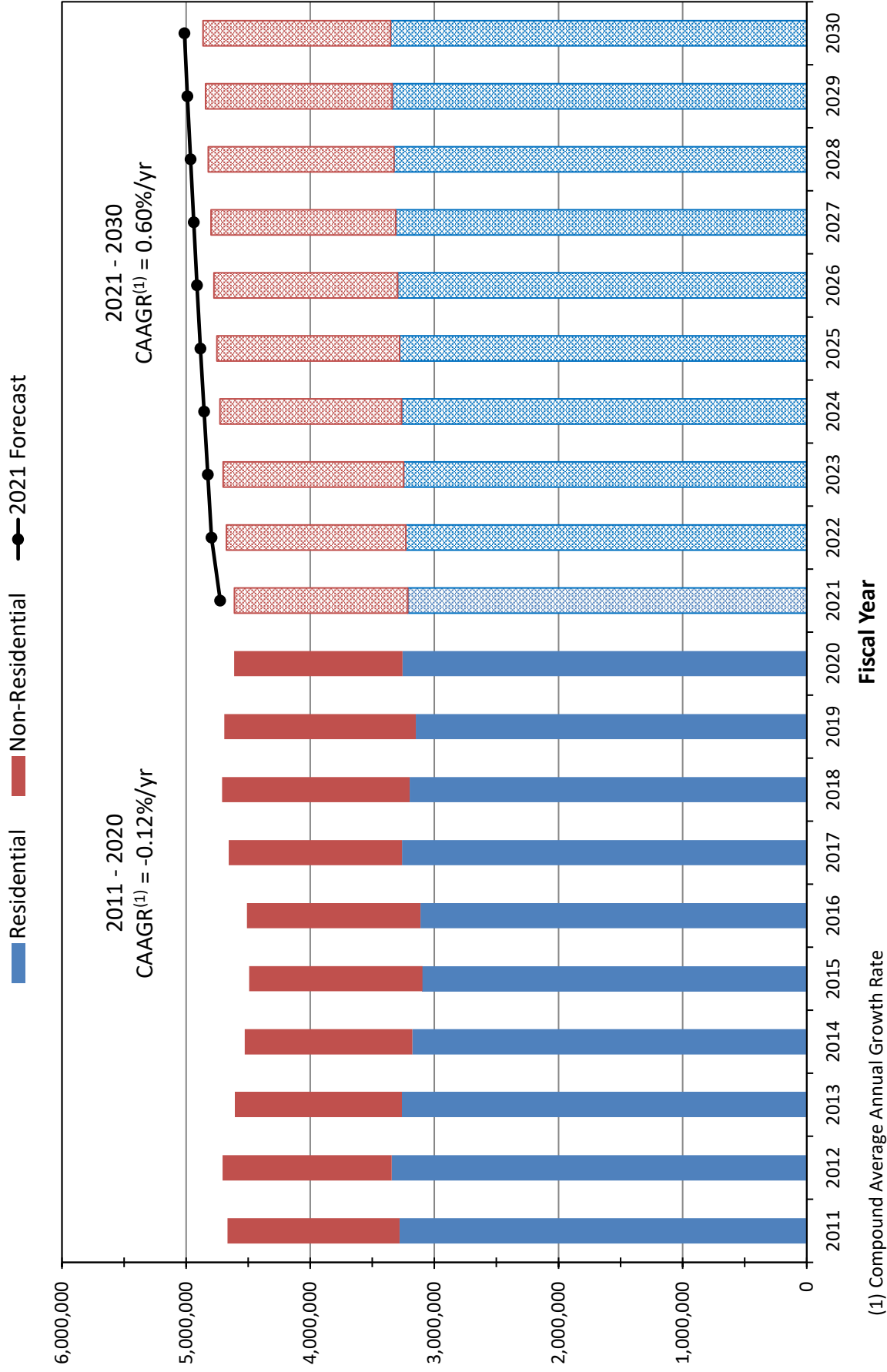
Residential Non-Residential University of Florida 2021 Forecast



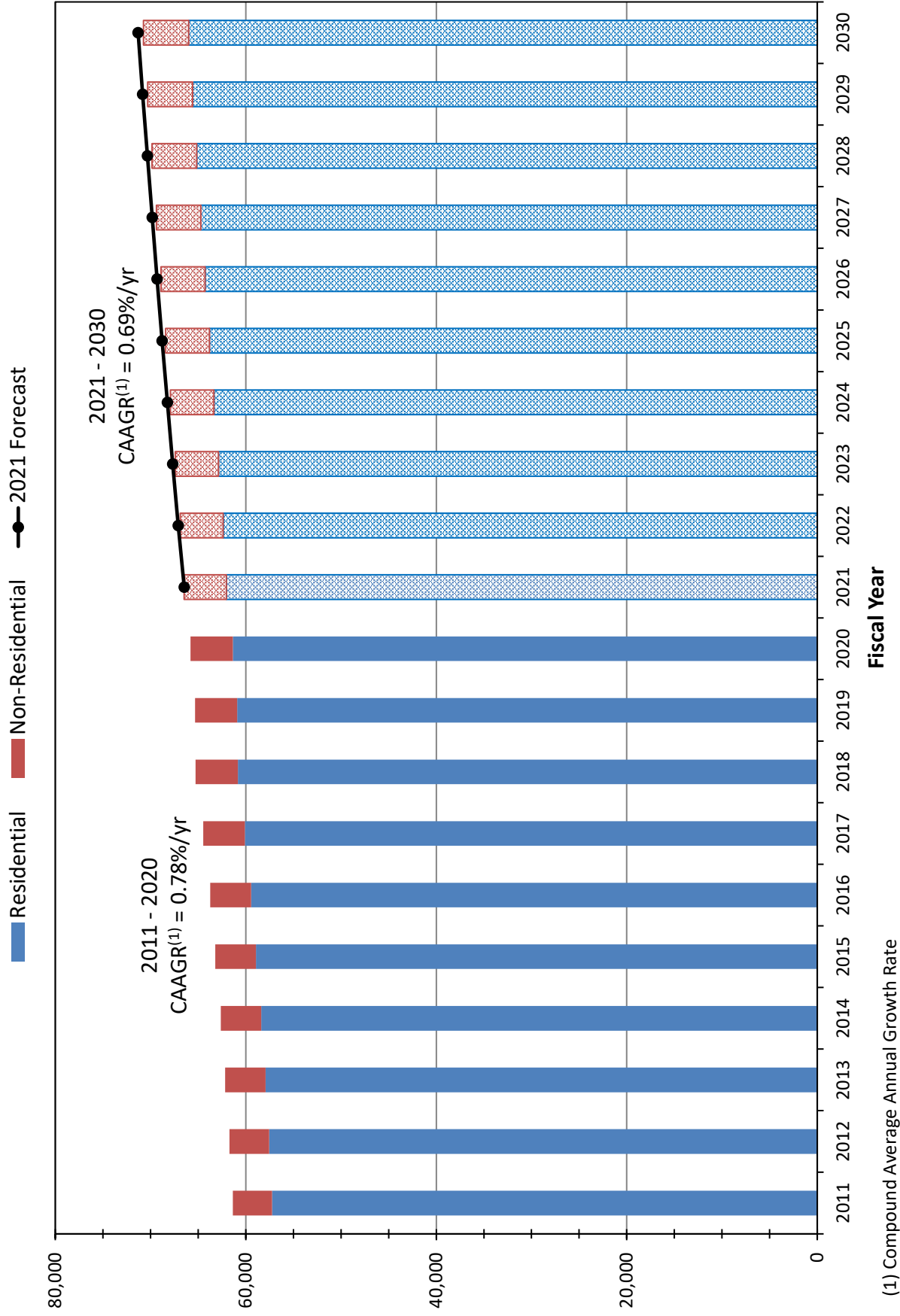
Water Customers



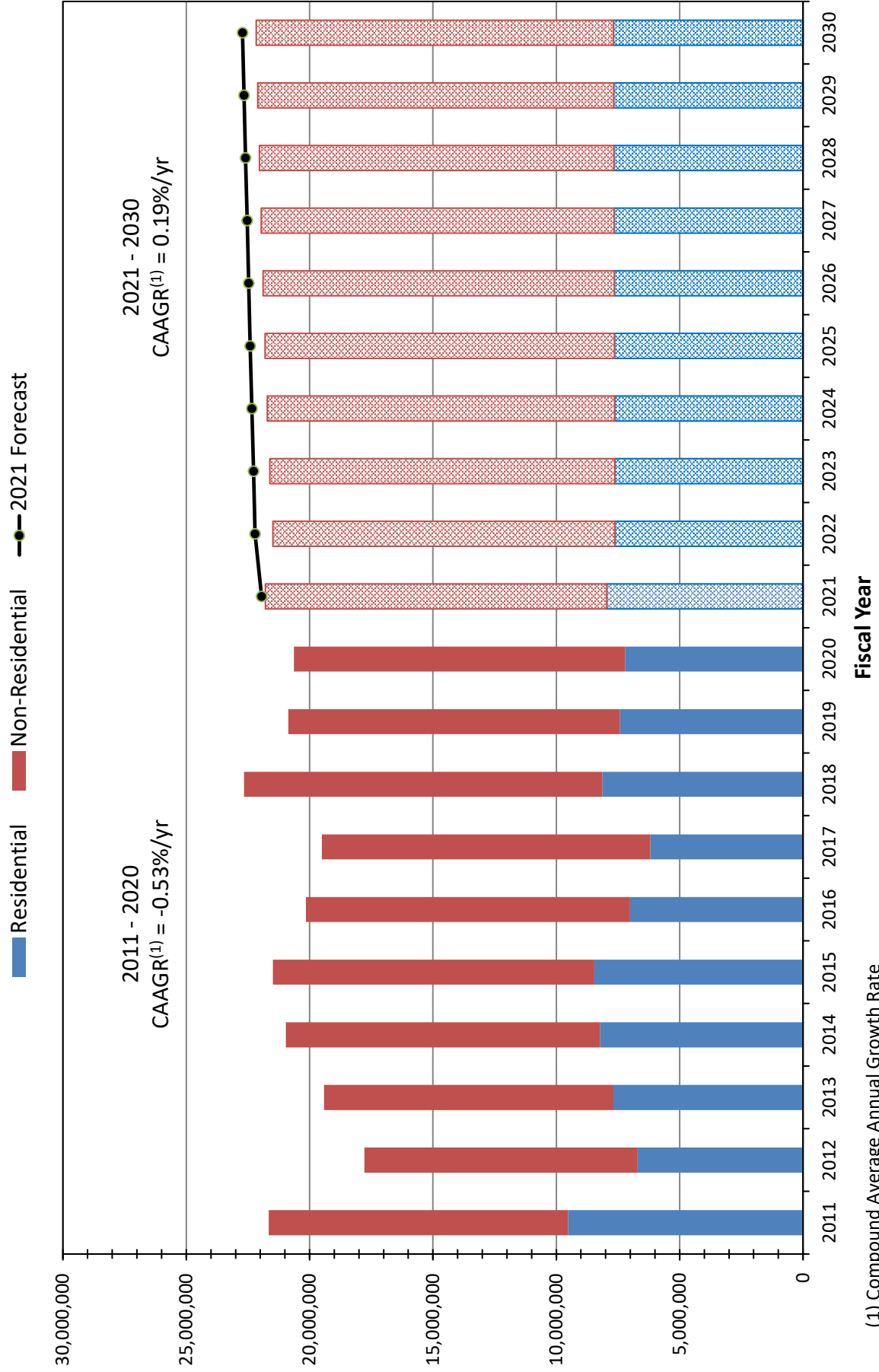
Wastewater Billings Thousand Gallons (kgal)



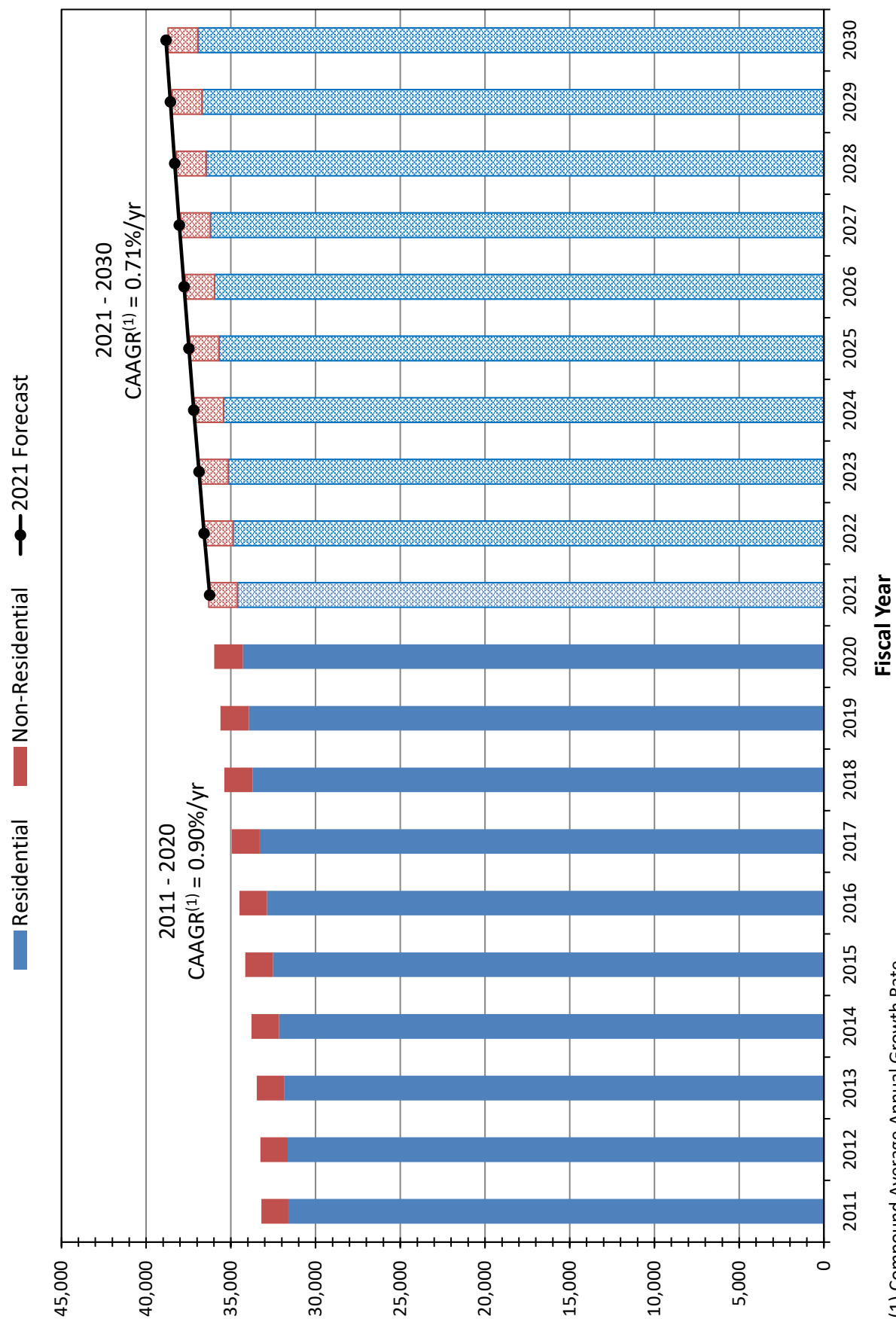
Wastewater Customers



Natural Gas Energy Sales Therms



Natural Gas Customers



Fiscal Year 2022 Budget

Glossary

Compound Average Annual Growth Rate (CAAGR or CAGR)

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

Connection Charges

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

Customer Charge

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

Debt Service Fund

Funds used to pay principal and interest on outstanding debt.

Electric Reliability

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

Fuel Adjustment Revenue

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

GATOR NET

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

General Fund Transfer (GFT)

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

kgal

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

LDC

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

Fiscal Year 2022 Budget

Glossary

Liquidity

The degree to which an asset can be quickly bought or sold in the market at a price reflective of its value. Liquidity measures the ability to convert assets into cash.

Manufactured Gas Plant Cost Recovery Factor Revenue (MGPCRF)

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

Multi Dwelling Unit (MDU)

Multiple separate residences within one building or several buildings within one complex, such as an apartment building.

Natural Gas Customer Charge

Fixed charge to recover costs GRU must incur to provide service.

OneERP

The OneERP Program is the name for GRU's SAP Enterprise Resource Planning (ERP) software program. The program includes the Financial Management Information System (FMIS) module, the Customer Information System (CIS) module and the Enterprise Asset Management (EAM) module.

Operation and Maintenance Expenses

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

Purchased Gas Adjustment

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

Rate Stabilization Fund

Cash and investments accumulated to stabilize rates over future periods through the transfer of funds to and from operations.

Residential Rate-Change Revenue

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

Solar Feed-In-Tariff (FIT)

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

Transmission and Distribution

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

Fiscal Year 2022 Budget

Glossary

Trunked Radio System

A digital, two-way radio system used by GRU, Gainesville Fire and Rescue, the Gainesville Police Department, the Alachua County Sheriff's Office and many other county and municipal entities.

Unrestricted Cash

Unrestricted cash is not earmarked for a particular use.

Utilities Plant Improvement Fund (UPIF)

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

Utility Surcharge

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

Utility Tax

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