



More than Energy



Fiscal Year 2024 Budget

Fiscal Year 2024 Budget

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Leadership Team Organizational Chart



Strategic Executive Team



Leadership Team



PEOPLE POWERED. CUSTOMER CENTERED.

STRATEGIC PLAN

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

In the FY2024 budget, GRU customers will see rate increases in the electric and wastewater systems to cover rising costs and to support the utility's long-term plan to reduce debt and become more financially stable.

Electric rates will increase 3 percent and wastewater rates 5 percent. Both increases were previously approved by the Gainesville City Commission as part of a long-term plan to manage debt, were formally adopted in September 2023 and take effect October 2023. As a result of these rate changes, the average residential electric customer will see a \$2.50 increase in their monthly bill and the average wastewater customer will see a \$2.25 increase. Gas and water rates will not increase in FY2024.

The main drivers influencing this year's budget are supply chain issues, aging infrastructure, skilled labor scarcity and inflationary pressures. GRU has seen costs skyrocket in several areas, including the chemicals used to treat water and wastewater, at least one of which has shot up 300 percent. The utility has worked to offset the impact of these pressures without hindering its ability to provide essential services.

The approved rate increases also are a key component to GRU's ambitious debt-reduction plan. Established after months of collaboration, the plan reduces net debt by \$315 million over the next 10 years through a combination of rate increases, budget reductions and savings.

The savings come from a reduction in the Government Services Contribution (GSC), the annual revenues GRU transfers to the city. The contribution has decreased from more than \$34 million in FY2023 to roughly \$15 million in FY2024. Those savings will be used to pay down debt.

FY2024 also marks the dawn of a new era for GRU's governance, as a governor-appointed board is scheduled to assume the Gainesville City Commission's utility-related responsibilities in October 2023.

While this is a significant change, as anybody familiar with the utility industry knows, change is an almost daily occurrence, and the ability to assess and recalibrate is critical to providing safe and reliable services. GRU continues to excel in this area as we plan and budget for the upcoming year and beyond.

GRU's FY2024 budget is focused on protecting public health and safety and bolstering reliability in a cost-effective manner. We will see an overall decrease in payroll and slight increases in non-labor operations and maintenance (O&M) and non-labor capital. FY2024 total expenditures is approximately \$278.7 million compared to \$267.4 million the previous fiscal year. Every project budgeted for in the coming year is essential to reliability and to cost-effectively serving this community.

Executive Summary

Energy Supply: Energy Supply's Lifetime Assessment of Deerhaven Unit 1 will help extend the life of this generating unit up to five years, but it also identified corrective actions that will require a planned outage. This is one of four outages planned for the year, an unusually high amount required for continued safe and reliable operations. Capital projects focus primarily on repairs or replacement of aging infrastructure at GRU's 10 generation assets.

Energy Delivery: Energy Delivery's capital budget increases about \$10 million in FY2024 largely due to projects that will replace aging equipment at substations (\$6.0 million) and on transmission poles (\$2.7 million). Additional projects include safety-related computer hardware upgrades and a new power line serving North Butler Plaza and Celebration Pointe.

Water: Modest increases in O&M are mostly related to the Murphree Water Plant, which has seen increasingly higher prices for the chemicals needed to provide safe drinking water. The capital budget has decreased 10.7 percent, with projects scheduled to upgrade Murphree and the water distribution system.

Wastewater: O&M costs are associated with meeting current and future regulatory requirements. Additionally, many of the chemicals needed to treat wastewater have increased significantly. The department, however, has mitigated these increases by cutting expenses in other areas. Among the capital projects in the FY2024 budget is the Southwest Nature Park, a constructed wetland scheduled to open in 2026.

GRUCom: GRUCom has reduced expenses to improve its financial outlook. This includes cutting its O&M budget by nearly 22 percent and its capital budget by 51 percent. Budgeted projects are based on ensuring continued reliability of the area's only all-fiber network.

The GRUCom business will continue to evolve this year as we adjust the business model to best serve the utility and its customers.

GRU's budgeting process continues to focus on transparency and public engagement. Leading up to the passing of the FY2024 budget, GRU held six public meetings starting in February 2023 and included more detail than in previous years.

The modest rate increases included in this budget enable GRU to continue providing safe and reliable utilities to approximately 200,000 people in and around Gainesville. We never take rate increases lightly but unfortunately continue to face rising costs from regulatory demands, inflation and a variety of other pressures.

In the past year, we completed a long-overdue transition to a new customer information system, and we continue our system-wide installation of Advanced Metering Infrastructure (AMI). We have currently installed approximately 25,000 meters and are testing a small area with excellent success.

Executive Summary

Overall, we are confident the FY2024 budget enables GRU to continue providing safe and reliable services while simultaneously addressing the utility's high debt levels. As always, I am grateful to the approximately 850 employees who provide essential services day and night, rain or shine, 365 days a year and to the customers we serve.

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 two product lines are: 1) telecommunication and data services; 2) tower leasing services. Public safety radio has been sold and should close on or before September 30, 2023. 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 General Manager will report to the Gainesville Regional Utilities Authority beginning in October 2023. 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, electric delivery and various strategic initiatives. The Chief People Officer (CPO) oversees the Human Resources operation. Administration also includes Government Affairs and Community Relations 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, administration and compliance, credit metrics and ratings, treasury, rate formulation, financial reporting, benchmarking, regulatory and tax reporting, and various other responsibilities. BFA also manages the utilities purchasing department.

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 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.

Sustainability

In FY2023, a decision was made to breakout the Office of Sustainability to its own line of business to prepare for the future direction of GRU. Sustainability is responsible for strategic planning for major utility systems using a balanced triple bottom line approach that considers impacts to economics, environment, and people. This includes the Integrated Resource Plan (IRP) that determines future electric system needs and the proper generation resources. Environmental Compliance and Electric Regulatory Compliance are also part of Sustainability.

Budget Snapshot

OPERATIONS & MAINTENANCE

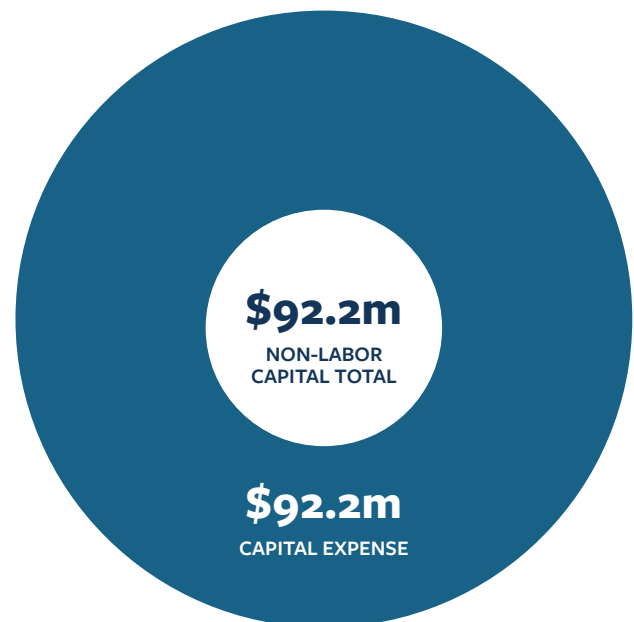
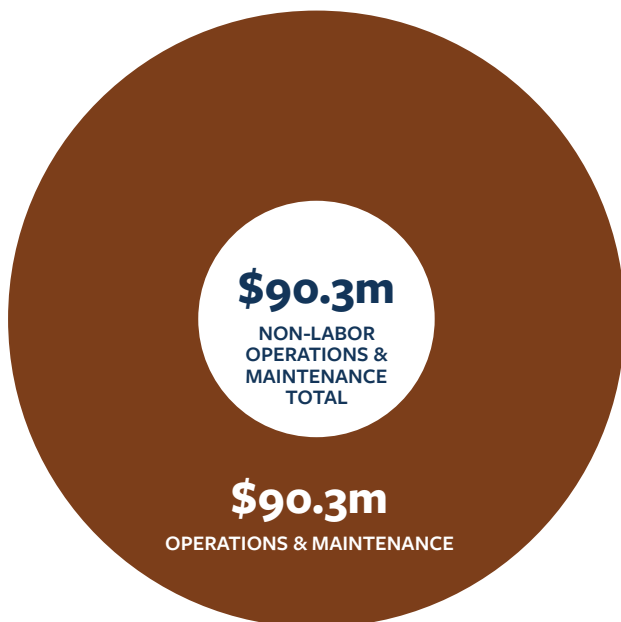
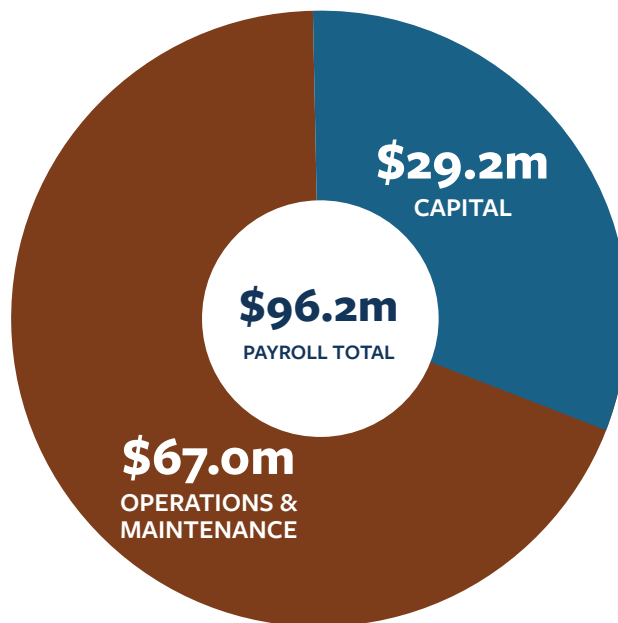
Paid annually, so it has a greater impact on rates.

Total (all cost centers)
\$157.3m

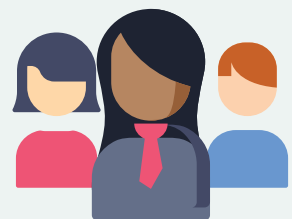
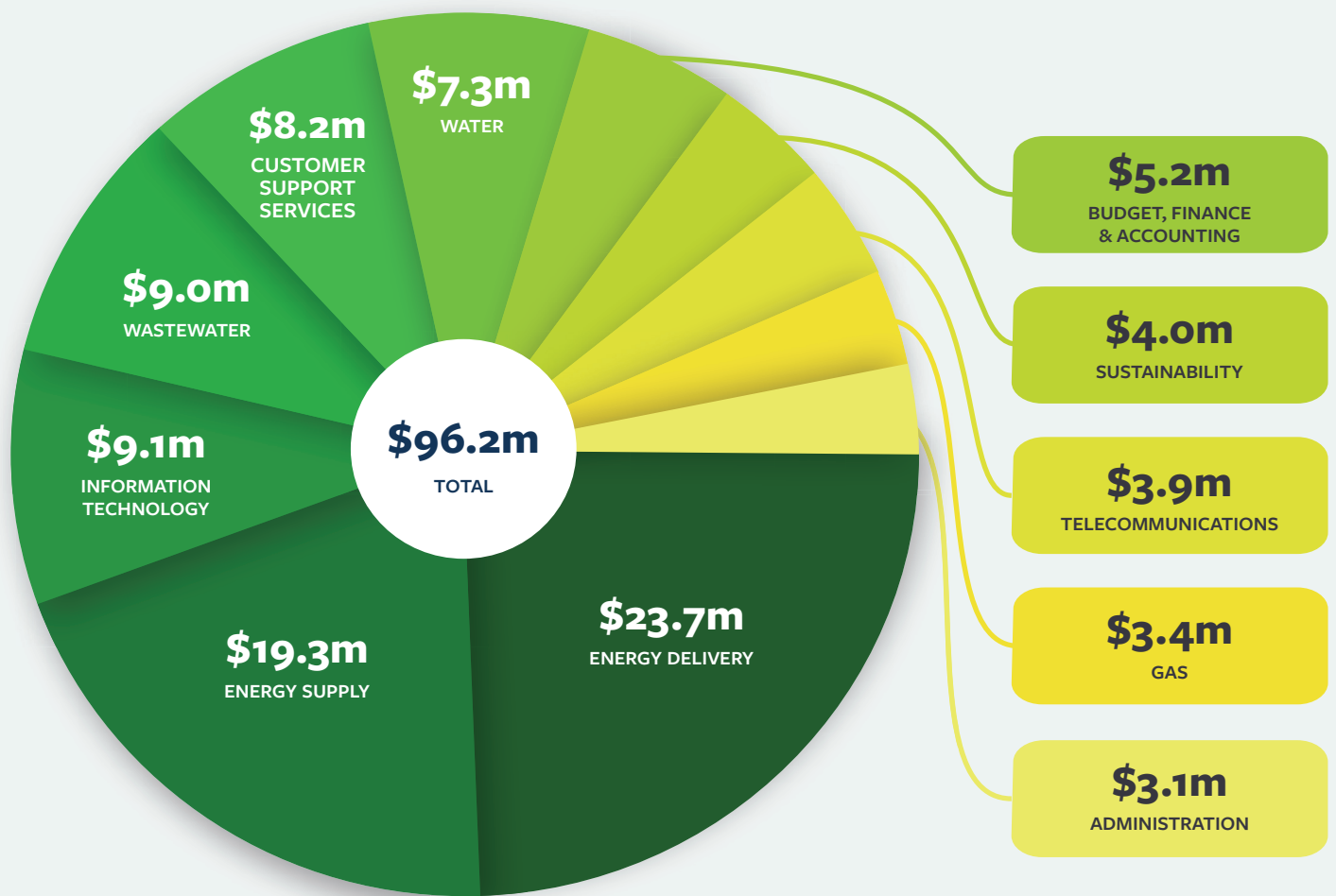
CAPITAL

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

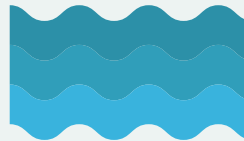
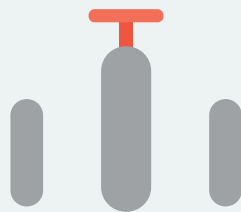
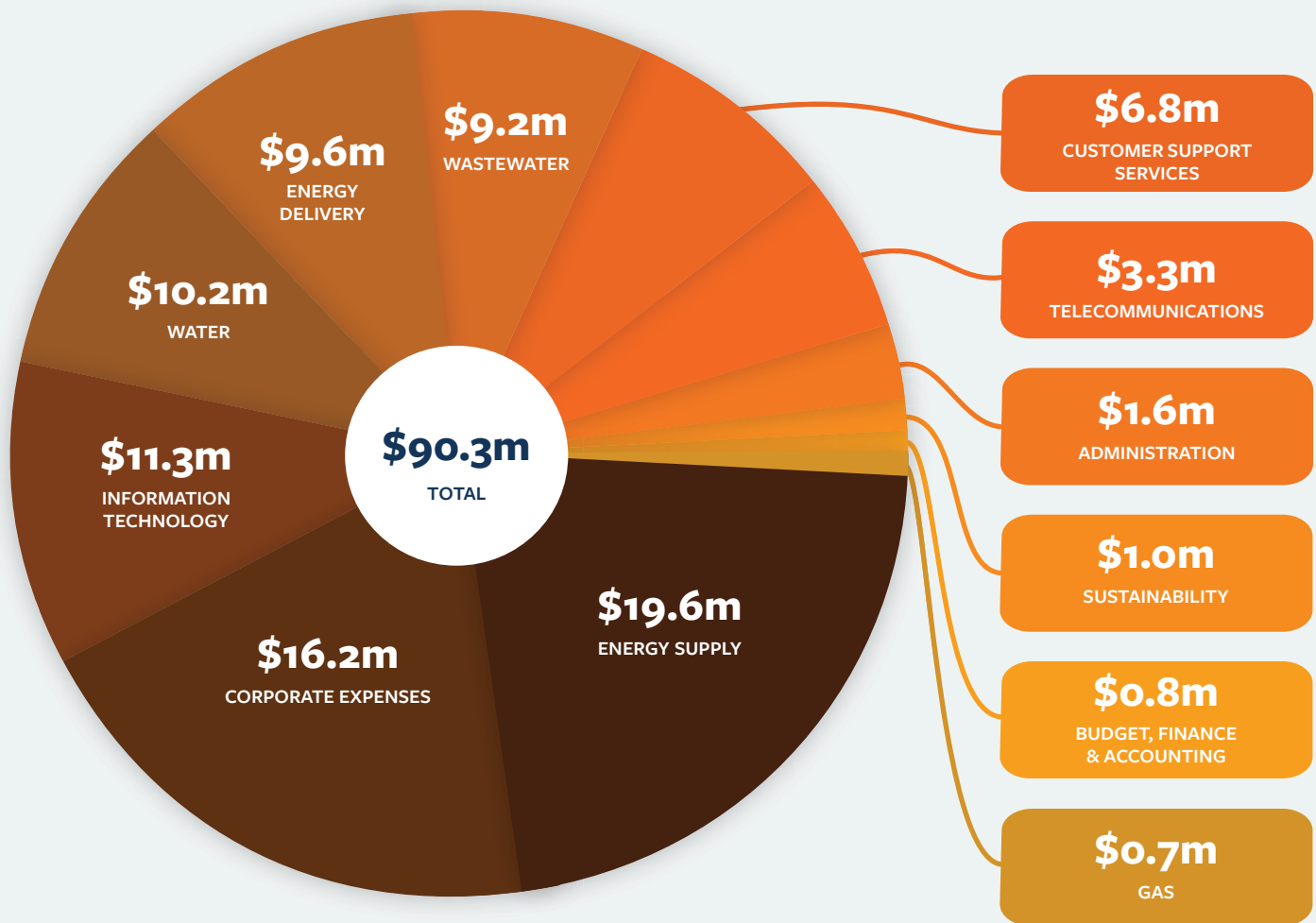
Total (all cost centers)
\$121.4m



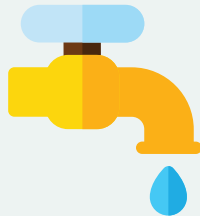
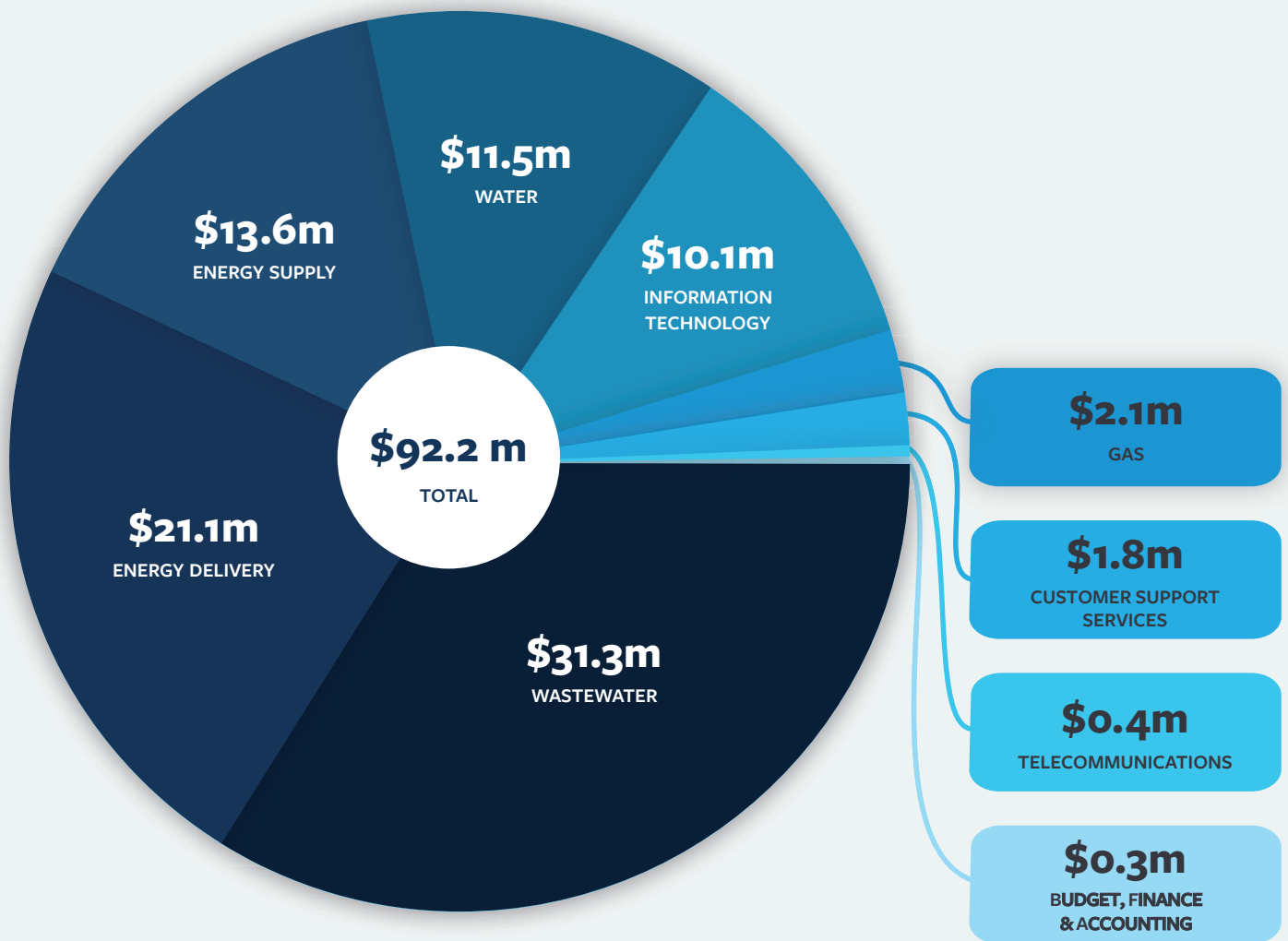
Payroll



Combined Systems



Non-Labor Capital





Fiscal Year 2024 Budget **Flow of Funds**

Annual Operating Budget

Combined Systems

	2023	2024
Revenues:		
Sales	\$ 291,672,465	\$ 299,298,713
Fuel adjustment	111,803,673	95,440,704
Purchased gas adjustment	15,765,595	11,762,097
Utility surcharge	11,724,113	12,233,346
Connection charges	3,325,000	3,259,000
Rate stabilization (to)/from	(6,554,761)	(2,799,145)
Other electric sales	19,631,161	20,201,269
Other revenue	14,125,066	17,044,194
Interest income	1,233,699	4,005,804
Total Revenues	462,726,011	460,445,982
Operation and Maintenance Expenses:		
Fuel expenses	111,803,673	95,440,704
Purchased gas	15,765,595	11,762,097
Operation and maintenance expenses	151,043,811	157,324,197
Total Operation and Maintenance Expenses	278,613,079	264,526,998
Total Net Revenues	184,112,932	195,918,984
Uses of Net Revenues:		
Debt service	99,750,434	102,918,848
Utility plant improvement fund	46,206,211	46,125,618
Government Service Contribution	34,283,000	15,305,225
Transfer from City of Gainesville General Fund for County Streetlights	(800,000)	(1,100,000)
Loss absorbed from GRUCom	-	-
Debt Defeasance from Excess Revenues	-	7,600,000
Debt Defeasance from Budget Reductions	-	3,410,011
Debt Defeasance from GSC reduction	-	16,977,775
Debt Defeasance from Treasury	4,673,287	4,681,507
Total Uses of Net Revenues	184,112,932	195,918,984
Net Impact to Rate Stabilization	\$ -	\$ -

Annual Operating Budget

Electric System

	2023	2024
Revenues:		
Residential sales	\$ 85,256,172	\$ 87,095,739
Residential rate change	2,557,685	2,612,872
Non-residential sales	97,576,462	101,851,681
Non-residential rate change	2,856,407	2,965,107
Fuel adjustment	111,803,673	95,440,704
Sales for resale	453,520	456,133
Utility surcharge	5,018,753	5,109,345
South Energy Center	16,274,305	16,758,442
Innovation Square	274,000	286,000
Other electric sales	2,991,092	3,065,063
Rate stabilization (to)/from	(3,756,508)	(2,028,377)
Other revenue	7,368,338	9,712,180
Interest income	663,436	2,074,972
Total Revenues	329,337,335	325,399,861
Operation and Maintenance Expenses:		
Fuel expenses	111,803,673	95,440,704
Operation and maintenance expenses	93,228,619	95,094,701
Total Operation and Maintenance Expenses	205,032,292	190,535,405
Total Net Revenues	124,305,043	134,864,456
Uses of Net Revenues:		
Debt service	71,730,634	71,930,998
Utility plant improvement fund	27,349,341	28,736,177
Government Service Contribution	22,311,376	9,523,278
Transfer from City of Gainesville General Fund for County Streetlights	(800,000)	(1,100,000)
Loss absorbed from GRUCom	-	3,910,080
Debt Defeasance from Excess Revenues	-	5,456,143
Debt Defeasance from Budget Reductions	-	2,121,791
Debt Defeasance from GSC reduction	-	10,563,980
Debt Defeasance from Treasury	3,713,692	3,722,009
Total Uses of Net Revenues	124,305,043	134,864,456
Net Impact to Rate Stabilization	\$ -	\$ -

Annual Operating Budget

Water System

	2023	2024
Revenues:		
Sales of water	\$ 31,116,664	\$ 31,759,933
Rate change revenue	-	-
University of Florida	1,881,782	1,996,110
Utility surcharge	2,644,916	2,715,474
Rate stabilization (to)/from	(3,041,533)	711,205
Connection charges	1,227,000	1,188,000
Surcharge on connections	31,000	30,000
Other revenue	2,691,464	2,908,663
Interest income	306,075	957,917
Total Revenues	36,857,368	42,267,302
Total Operation and Maintenance Expenses	17,467,669	20,929,819
Total Net Revenues	19,389,699	21,337,483
Uses of Net Revenues:		
Debt service	8,652,785	9,479,902
Utility plant improvement fund	6,371,313	6,154,840
Government Service Contribution	4,045,394	1,991,424
Loss absorbed from GRUCom	-	738,374
Debt Defeasance from Excess Revenues	-	-
Debt Defeasance from Budget Reductions	-	443,690
Debt Defeasance from GSC reduction	-	2,209,046
Debt Defeasance from Treasury	320,207	320,207
Total Uses of Net Revenues	19,389,699	21,337,483
Net Impact to Rate Stabilization	\$ -	\$ -

Annual Operating Budget

Wastewater System

	2023	2024
Revenues:		
Wastewater charges	\$ 40,675,385	\$ 44,514,011
Rate change revenue	2,001,399	2,191,729
Utility surcharge	3,395,378	3,734,503
South Energy Center	91,764	91,764
Biosolids	300,000	300,000
Rate stabilization (to)/from	(3,437,640)	(399,453)
Connection charges	2,098,000	2,071,000
Surcharge on connections	52,000	52,000
Other revenue	2,389,093	2,836,296
Interest income	154,042	701,494
Total Revenues	47,719,421	56,093,344
Total Operation and Maintenance Expenses	22,883,175	25,715,106
Total Net Revenues	24,836,246	30,378,238
Uses of Net Revenues:		
Debt service	12,007,752	13,933,319
Utility plant improvement fund	7,625,160	7,263,974
Government Service Contribution	4,840,760	2,456,917
Loss absorbed from GRUCom	-	944,788
Debt Defeasance from Excess Revenues	-	2,143,857
Debt Defeasance from Budget Reductions	-	547,402
Debt Defeasance from GSC reduction	-	2,725,408
Debt Defeasance from Treasury	362,574	362,573
Total Uses of Net Revenues	24,836,246	30,378,238
Net Impact to Rate Stabilization	\$ -	\$ -

Annual Operating Budget

Gas System

	2023	2024
Revenues:		
Residential	\$ 8,465,573	\$ 8,579,649
Residential rate change revenue	-	-
Non-residential	5,210,346	5,316,311
Non-residential rate change revenue	-	-
Purchased gas adjustment	15,765,595	11,762,097
Utility surcharge	582,066	592,024
Manufactured gas plant	1,192,755	1,219,363
Rate stabilization (to)/from	136,810	(1,082,520)
Other revenue	1,341,171	1,287,055
Interest income	107,935	271,421
Total Revenues	32,802,251	27,945,400
Operation and Maintenance Expenses:		
Purchased gas	15,765,595	11,762,097
Operation and maintenance expenses	6,399,003	6,034,819
Total Operation and Maintenance Expenses	22,164,598	17,796,916
Total Net Revenues	10,637,653	10,148,484
Uses of Net Revenues:		
Debt service	5,139,713	4,929,474
Utility plant improvement fund	3,503,680	2,970,627
Government Service Contribution	1,830,712	763,532
Loss absorbed from GRUCom	-	304,314
Debt Defeasance from Excess Revenues	-	-
Debt Defeasance from Budget Reductions	-	170,115
Debt Defeasance from GSC reduction	-	846,970
Debt Defeasance from Treasury	163,548	163,452
Total Uses of Net Revenues	10,637,653	10,148,484
Net Impact to Rate Stabilization	\$ -	\$ -

Annual Operating Budget

Telecommunications System

	2023	2024
Revenues:		
Telecommunications	\$ 7,568,291	\$ 6,655,562
Trunking Radio Service	2,789,249	-
Tower lease rental	2,070,775	2,084,513
Intercompany loan	3,544,110	-
Other revenue	35,000	-
Interest income	2,211	-
Total Revenues	16,009,636	8,740,075
Total Operation and Maintenance Expenses	11,065,345	9,549,752
Total Net Revenues	4,944,291	(809,677)
Uses of Net Revenues:		
Debt service	2,219,550	2,645,155
Utility plant improvement fund	1,356,717	1,000,000
Government Service Contribution	1,254,758	570,074
Loss from GRUCom allocated to other systems *	-	(5,897,556)
Debt Defeasance from Excess Revenues	-	-
Debt Defeasance from Budget Reductions	-	127,013
Debt Defeasance from GSC reduction	-	632,371
Debt Defeasance from Treasury	113,266	113,266
Total Uses of Net Revenues	4,944,291	(809,677)
Net Impact to Rate Stabilization	\$ -	\$ -

* For the last several years, the GRUCom system's operations have resulted in flattening revenues, increasing expenses. Combined with significant debt, this has contributed to the necessity for GRUCom to receive intercompany loans of cash for operations from other GRU systems' reserves. GRUCom is a highly leveraged system.

GRUCom's financial losses are forecasted to continue on an annual basis over the next decade and the projected impacts to other systems' reserves are significant. GRU has been evaluating GRUCom's ability to remain financially viable for the past few years as the services that GRUCom provides to GRU are necessary for operations. This evaluation will continue into fiscal year 2024.

As it has become clearer that GRUCom has no financial ability to reimburse the intercompany loans of cash already provided nor can repay future loans, the cash movements into GRUCom for fiscal year 2024 and beyond are a permanent movement of systems' reserves in the form of cash for GRUCom operations.

As demonstrated in the flow of funds, GRUCom financial losses are now allocated to the other Systems and reported as "Losses Absorbed from GRUCom" based on each System's respective percentage of total Utility revenues.



Fiscal Year 2024 Budget **Total Operations Labor and Non-Labor**

Total Operations and Maintenance Labor and Non-Labor Combined Systems

	Labor and Fringe		Non-Labor	2024
Electric	\$	40,867,832	\$ 54,226,869	\$ 95,094,701
Water		6,871,671	14,058,149	20,929,820
Wastewater		10,921,901	14,793,204	25,715,105
Gas		3,424,270	2,610,549	6,034,819
Telecommunications		4,920,208	4,629,544	9,549,752
Total Operations and Maintenance Labor and Non-Labor	\$	67,005,882	\$ 90,318,315	\$ 157,324,197

	Labor and Fringe		Non-Labor	2023
Electric	\$	45,194,262	\$ 48,034,359	\$ 93,228,621
Water		5,034,085	12,433,583	17,467,668
Wastewater		8,966,883	13,916,292	22,883,175
Gas		3,301,171	3,097,831	6,399,002
Telecommunications		4,827,886	6,237,459	11,065,345
Total Operations and Maintenance Labor and Non-Labor	\$	67,324,287	\$ 83,719,524	\$ 151,043,811

Total Operations and Maintenance

Labor and Non-Labor

Electric System

	Labor and Fringe	Non-Labor	2024
Deerhaven Operations	\$ 9,317,389	\$ 3,400,709	\$ 12,718,098
Deerhaven Renewables Operations	7,586,707	2,985,000	10,571,707
Electric Transmission and Distribution	4,832,999	4,942,889	9,775,888
Major Maintenance Group	1,786,516	6,635,746	8,422,262
Kelly Plant Operations	4,149,375	1,333,335	5,482,710
South Energy Center	1,526,574	3,808,866	5,335,440
Substation/Relay/Relay Engineering	1,692,115	775,875	2,467,990
Energy Delivery Electric Engineering	2,144,381	180,846	2,325,227
Energy Supply Water Systems	908,803	917,397	1,826,200
Energy Delivery Systems Control	7,088	1,801,021	1,808,109
Electric Meter Measurement	1,535,577	153,875	1,689,452
Fuels	1,223,204	11,450	1,234,654
AMI Operations	1,298	826,562	827,860
Energy Supply Administration	1,027	543,123	544,150
Production Assurance Support	407,867	67,450	475,317
Innovation Energy Center	1,386	317,625	319,011
Energy Supply Systems Control	418	199,500	199,918
District Energy	-	-	-
Energy Delivery/Administration	-	-	-
Corporate Expenses	3,745,108	25,325,600	29,070,708
Total Operations and Maintenance Labor and Non-Labor	\$ 40,867,832	\$ 54,226,869	\$ 95,094,701

	Labor and Fringe	Non-Labor	2023
Deerhaven Operations	\$ 8,172,523	\$ 3,448,566	\$ 11,621,089
Deerhaven Renewables Operations	6,836,681	2,765,462	9,602,143
Electric Transmission and Distribution	4,541,880	4,075,409	8,617,289
Major Maintenance Group	4,246,155	5,272,011	9,518,166
Kelly Plant Operations	4,298,551	1,267,057	5,565,608
South Energy Center	1,593,685	3,404,607	4,998,292
Substation/Relay/Relay Engineering	1,888,268	817,746	2,706,014
Energy Delivery Electric Engineering	2,618,237	237,082	2,855,319
Energy Supply Water Systems	811,018	846,582	1,657,600
Energy Delivery Systems Control	3,609	1,488,357	1,491,966
Electric Meter Measurement	1,192,418	180,128	1,372,546
Fuels	429,550	16,450	446,000
AMI Operations	-	-	-
Energy Supply Administration	1,060	558,191	559,251
Production Assurance Support	390,066	67,350	457,416
Innovation Energy Center	532	307,290	307,822
Energy Supply Systems Control	213	213,880	214,093
District Energy	1,068,228	55,455	1,123,683
Energy Delivery/Administration	-	18,000	18,000
Corporate Expenses	7,101,588	22,994,736	30,096,324
Total Operations and Maintenance Labor and Non-Labor	\$ 45,194,262	\$ 48,034,359	\$ 93,228,621

Total Operations and Maintenance

Labor and Non-Labor

Water System

	Labor and Fringe	Non-Labor	2024
Murphree Water Treatment Plant	\$ 2,209,112	\$ 9,081,100	\$ 11,290,212
Distribution	2,258,833	706,427	2,965,260
Engineering	411,542	34,191	445,733
Water / Wastewater Planning	-	-	-
Corporate Expenses	1,992,184	4,236,431	6,228,615
Total Operations and Maintenance Labor and Non-Labor	\$ 6,871,671	\$ 14,058,149	\$ 20,929,820

	Labor and Fringe	Non-Labor	2023
Murphree Water Treatment Plant	\$ 1,513,638	\$ 7,142,515	\$ 8,656,153
Distribution	2,400,204	650,639	3,050,843
Engineering	767,974	29,858	797,832
Water / Wastewater Planning	85,954	-	85,954
Corporate Expenses	266,315	4,610,571	4,876,886
Total Operations and Maintenance Labor and Non-Labor	\$ 5,034,085	\$ 12,433,583	\$ 17,467,668

Total Operations and Maintenance

Labor and Non-Labor

Wastewater System

	Labor and Fringe	Non-Labor	2024
Kanapaha Water Reclamation Facility	\$ 1,963,365	\$ 5,185,386	\$ 7,148,751
Mainstreet Water Reclamation Facility	1,795,500	1,894,234	3,689,734
Wastewater Lift Stations	1,405,050	1,774,240	3,179,290
Wastewater Collection	2,344,090	606,973	2,951,063
Wastewater Engineering	953,801	63,516	1,017,317
Wastewater Kanapaha Lab	543,210	246,535	789,745
Reclaimed Water Distribution	109,366	42,674	152,040
Corporate Expenses	1,807,519	4,979,646	6,787,165
Total Operations and Maintenance Labor and Non-Labor	\$ 10,921,901	\$ 14,793,204	\$ 25,715,105

	Labor and Fringe	Non-Labor	2023
Kanapaha Water Reclamation Facility	\$ 2,245,243	\$ 4,696,871	\$ 6,942,114
Mainstreet Water Reclamation Facility	1,772,556	2,123,863	3,896,419
Wastewater Lift Stations	697,785	1,743,656	2,441,441
Wastewater Collection	1,594,272	578,755	2,173,027
Wastewater Engineering	805,711	54,854	860,565
Wastewater Kanapaha Lab	501,546	234,517	736,063
Reclaimed Water Distribution	58,818	8,044	66,862
Corporate Expenses	1,290,952	4,475,732	5,766,684
Total Operations and Maintenance Labor and Non-Labor	\$ 8,966,883	\$ 13,916,292	\$ 22,883,175

Total Operations and Maintenance Labor and Non-Labor Gas System

	Labor and Fringe	Non-Labor	2024
Meter Measurement Operations	\$ 950,043	\$ 204,685	\$ 1,154,728
Transmission and Distribution Operations	556,595	127,119	683,714
Transmission and Distribution Construction	561,752	90,678	652,430
Transmission and Distribution Engineering	388,784	26,995	415,779
Marketing	30	272,703	272,733
Transmission and Distribution Administration	806	63,366	64,172
Corporate Expenses	966,260	1,825,003	2,791,263
Total Operations and Maintenance Labor and Non-Labor	\$ 3,424,270	\$ 2,610,549	\$ 6,034,819

	Labor and Fringe	Non-Labor	2023
Meter Measurement Operations	\$ 835,125	\$ 207,809	\$ 1,042,934
Transmission and Distribution Operations	532,069	100,614	632,683
Transmission and Distribution Construction	503,359	78,281	581,640
Transmission and Distribution Engineering	294,760	21,849	316,609
Marketing	80	279,689	279,769
Transmission and Distribution Administration	2,157	55,397	57,554
Corporate Expenses	1,133,621	2,354,192	3,487,813
Total Operations and Maintenance Labor and Non-Labor	\$ 3,301,171	\$ 3,097,831	\$ 6,399,002

Total Operations and Maintenance Labor and Non-Labor Telecommunications System

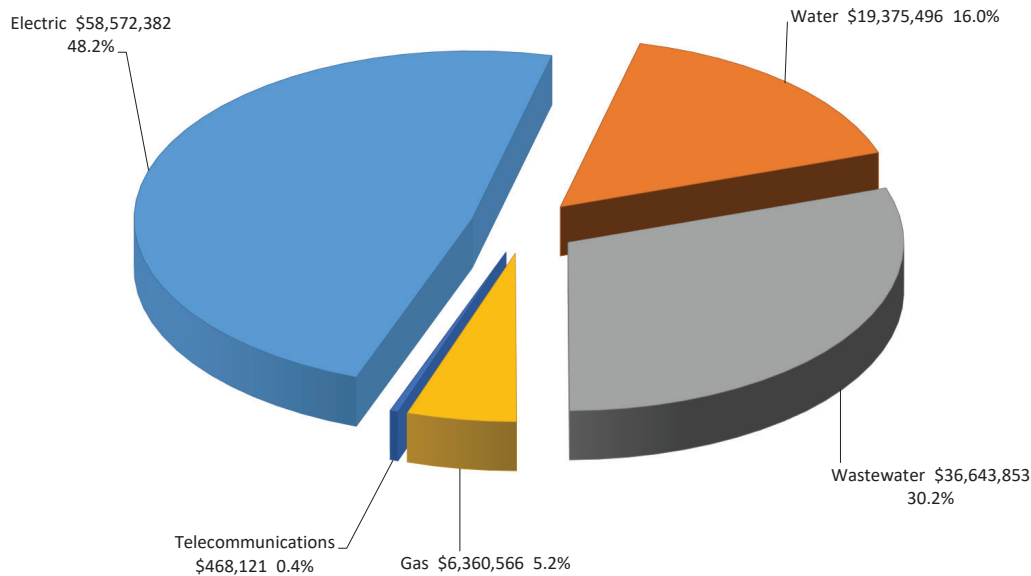
	Labor and Fringe	Non-Labor	2024
Network Operations	\$ 1,126,875	\$ 1,167,549	\$ 2,294,424
Business Administration	653,928	345,124	999,052
Network Operations Center	871,348	102,561	973,909
Customer Operations	375,797	508,869	884,666
Trunked Radio System	286,287	262,489	548,776
Engineering	323,508	207,186	530,694
Central Office Operations	117,704	205,906	323,610
Internet Operations	257,450	5,177	262,627
Technology and Services Administration	227,958	5,685	233,643
Engineering and Construction Administration	204,683	4,001	208,684
Voice Operations	6,002	186,000	192,002
Chief Officer	1,690	178,169	179,859
Data Center Services	117,152	5,356	122,508
Construction	63,023	41,069	104,092
Technical Services	72,157	30,476	102,633
Towers 1 - 12	339	89,779	90,118
GatorNet	1,112	51,800	52,912
Electronics	37,918	13,285	51,203
Corporate Expenses	175,277	1,219,063	1,394,340
Total Operations and Maintenance Labor and Non-Labor	\$ 4,920,208	\$ 4,629,544	\$ 9,549,752

	Labor and Fringe	Non-Labor	2023
Network Operations	\$ 653,480	\$ 1,180,443	\$ 1,833,923
Business Administration	632,351	348,713	981,064
Network Operations Center	835,307	109,564	944,871
Customer Operations	1,001,858	764,143	1,766,001
Trunked Radio System	269,536	1,651,639	1,921,175
Engineering	324,047	91,852	415,899
Central Office Operations	105,474	181,548	287,022
Internet Operations	39,557	2,924	42,481
Technology and Services Administration	118,082	68,140	186,222
Engineering and Construction Administration	251,117	3,132	254,249
Voice Operations	201,944	184,549	386,493
Chief Officer	5,789	204,610	210,399
Data Center Services	47,711	511	48,222
Construction	112,367	74,169	186,536
Technical Services	-	-	-
Towers 1 - 12	1,719	99,779	101,498
GatorNet	92,238	52,581	144,819
Electronics	25,119	14,678	39,797
Corporate Expenses	110,190	1,204,484	1,314,674
Total Operations and Maintenance Labor and Non-Labor	\$ 4,827,886	\$ 6,237,459	\$ 11,065,345



Fiscal Year 2024 Budget **Total Capital Labor and Non-Labor**

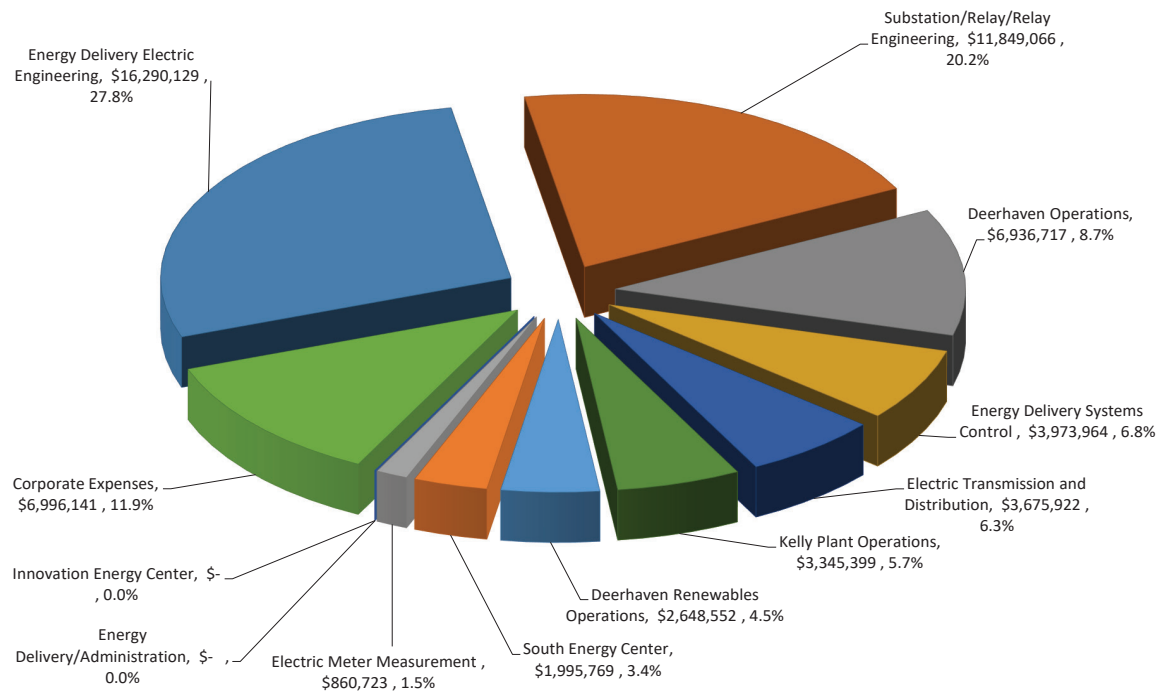
Total Capital Labor and Non-Labor Combined Systems



	Labor and Fringe	Non-Labor	2024
Electric	\$ 17,545,874	\$ 41,026,508	\$ 58,572,382
Water	3,726,409	15,649,087	19,375,496
Wastewater	4,948,877	31,694,976	36,643,853
Gas	2,994,675	3,365,891	6,360,566
Telecommunications	6,944	461,177	468,121
Total Capital Labor and Non-Labor	\$ 29,222,779	\$ 92,197,639	\$ 121,420,418

	Labor and Fringe	Non-Labor	2023
Electric	\$ 15,053,372	\$ 34,636,951	\$ 49,690,323
Water	5,870,976	20,723,137	26,594,113
Wastewater	5,670,974	25,765,228	31,436,202
Gas	3,270,919	4,522,159	7,793,078
Telecommunications	118,366	807,887	926,253
Total Capital Labor and Non-Labor	\$ 29,984,607	\$ 86,455,362	\$ 116,439,969

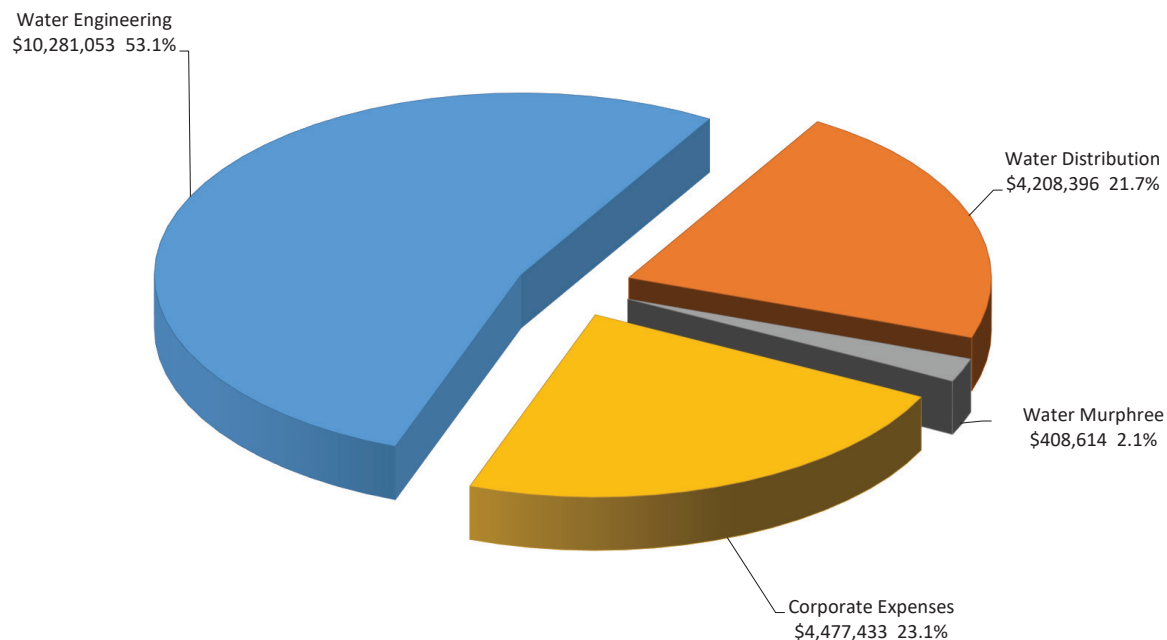
Total Capital Labor and Non-Labor Electric System



	Labor and Fringe	Non-Labor	2024
Energy Delivery Electric Engineering	\$ 10,306,000	\$ 5,984,129	\$ 16,290,129
Substation/Relay/Relay Engineering	3,255,730	8,593,336	11,849,066
Deerhaven Operations	728,792	6,207,925	6,936,717
Energy Delivery Systems Control	44,376	3,929,588	3,973,964
Electric Transmission and Distribution	1,926,465	1,749,457	3,675,922
Kelly Plant Operations	296,793	3,048,606	3,345,399
Deerhaven Renewables Operations	186,461	2,462,091	2,648,552
South Energy Center	94,392	1,901,377	1,995,769
Electric Meter Measurement	592,864	267,859	860,723
Energy Delivery/Administration	-	-	-
Innovation Energy Center	-	-	-
Corporate Expenses	114,001	6,882,140	6,996,141
Total Capital Labor and Non-Labor	\$ 17,545,874	\$ 41,026,508	\$ 58,572,382

	Labor and Fringe	Non-Labor	2023
Energy Delivery Electric Engineering	\$ 7,874,601	\$ 5,216,967	\$ 13,091,568
Substation/Relay/Relay Engineering	2,774,169	6,539,708	9,313,877
Deerhaven Operations	783,523	4,436,619	5,220,142
Energy Delivery Systems Control	3,251	282,262	285,513
Electric Transmission and Distribution	1,516,740	810,084	2,326,824
Kelly Plant Operations	258,865	2,853,816	3,112,681
Deerhaven Renewables Operations	283,656	1,304,779	1,588,435
South Energy Center	93,119	663,255	756,374
Electric Meter Measurement	602,506	568,335	1,170,841
Energy Delivery/Administration	-	60,000	60,000
Innovation Energy Center	-	20,000	20,000
Corporate Expenses	862,942	11,881,126	12,744,068
Total Capital Labor and Non-Labor	\$ 15,053,372	\$ 34,636,951	\$ 49,690,323

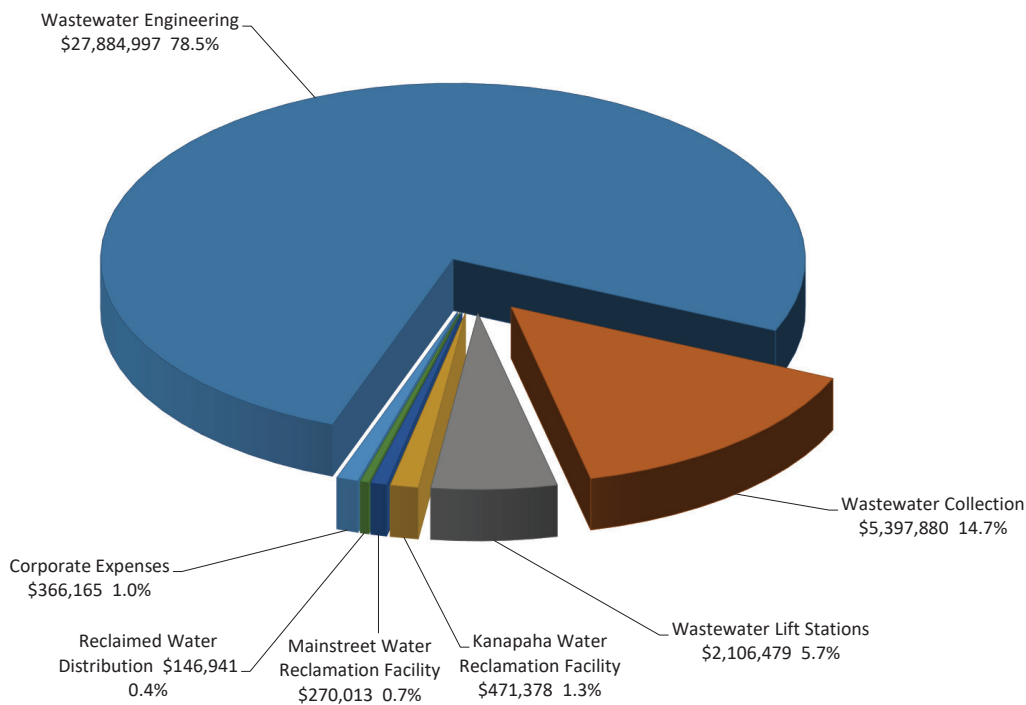
Total Capital Labor and Non-Labor Water System



	Labor and Fringe	Non-Labor	2024
Water Engineering	\$ 1,564,243	\$ 8,716,810	\$ 10,281,053
Water Distribution	1,714,122	2,494,274	4,208,396
Water Murphree	99,067	309,547	408,614
Corporate Expenses	348,977	4,128,456	4,477,433
Total Capital Labor and Non-Labor	\$ 3,726,409	\$ 15,649,087	\$ 19,375,496

	Labor and Fringe	Non-Labor	2023
Water Engineering	\$ 3,677,005	\$ 7,833,245	\$ 11,510,250
Water Distribution	1,568,265	2,503,438	4,071,703
Water Murphree	39,513	453,936	493,449
Corporate Expenses	586,193	9,932,518	10,518,711
Total Capital Labor and Non-Labor	\$ 5,870,976	\$ 20,723,137	\$ 26,594,113

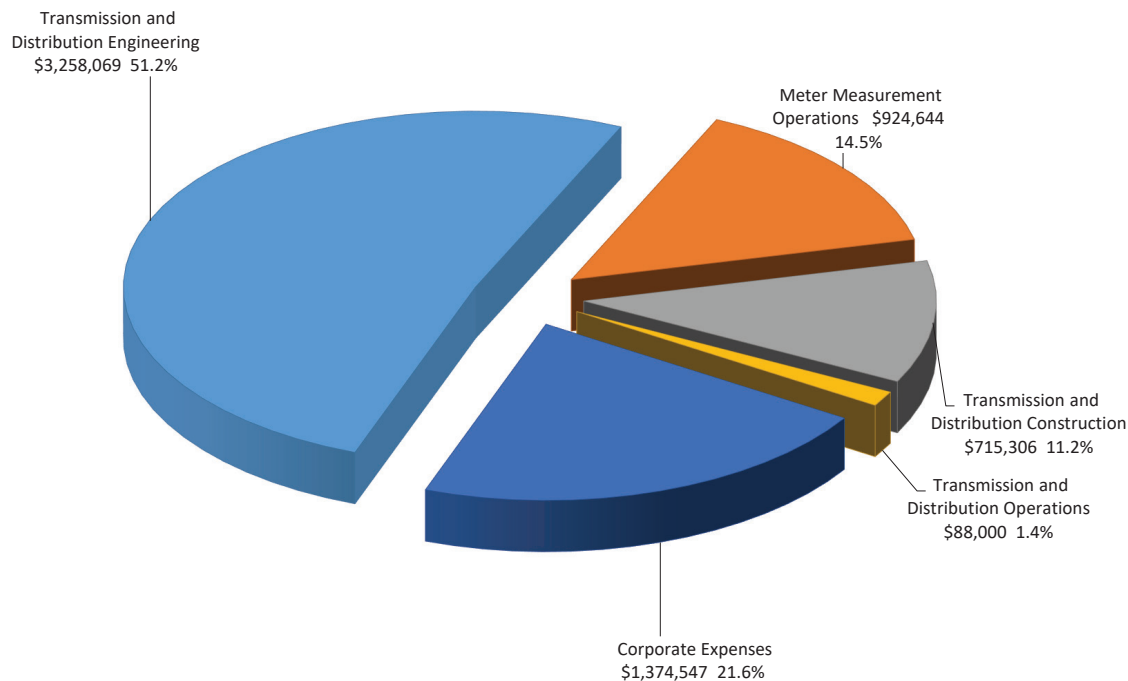
Total Capital Labor and Non-Labor Wastewater System



	Labor and Fringe	Non-Labor	2024
Wastewater Engineering	\$ 1,751,225	\$ 26,133,772	\$ 27,884,997
Wastewater Collection	2,893,250	2,504,630	5,397,880
Wastewater Lift Stations	200,514	1,905,965	2,106,479
Kanapaha Water Reclamation Facility	39,148	432,230	471,378
Mainstreet Water Reclamation Facility	30,433	239,580	270,013
Reclaimed Water Distribution	33,274	113,667	146,941
Corporate Expenses	1,033	365,132	366,165
Total Capital Labor and Non-Labor	\$ 4,948,877	\$ 31,694,976	\$ 36,643,853

	Labor and Fringe	Non-Labor	2023
Wastewater Engineering	\$ 2,463,823	\$ 20,271,657	\$ 22,735,480
Wastewater Collection	2,836,309	1,850,106	4,686,415
Wastewater Lift Stations	132,061	1,742,590	1,874,651
Kanapaha Water Reclamation Facility	9,969	351,351	361,320
Mainstreet Water Reclamation Facility	3,909	180,336	184,245
Reclaimed Water Distribution	171,885	227,087	398,972
Corporate Expenses	53,018	1,142,101	1,195,119
Total Capital Labor and Non-Labor	\$ 5,670,974	\$ 25,765,228	\$ 31,436,202

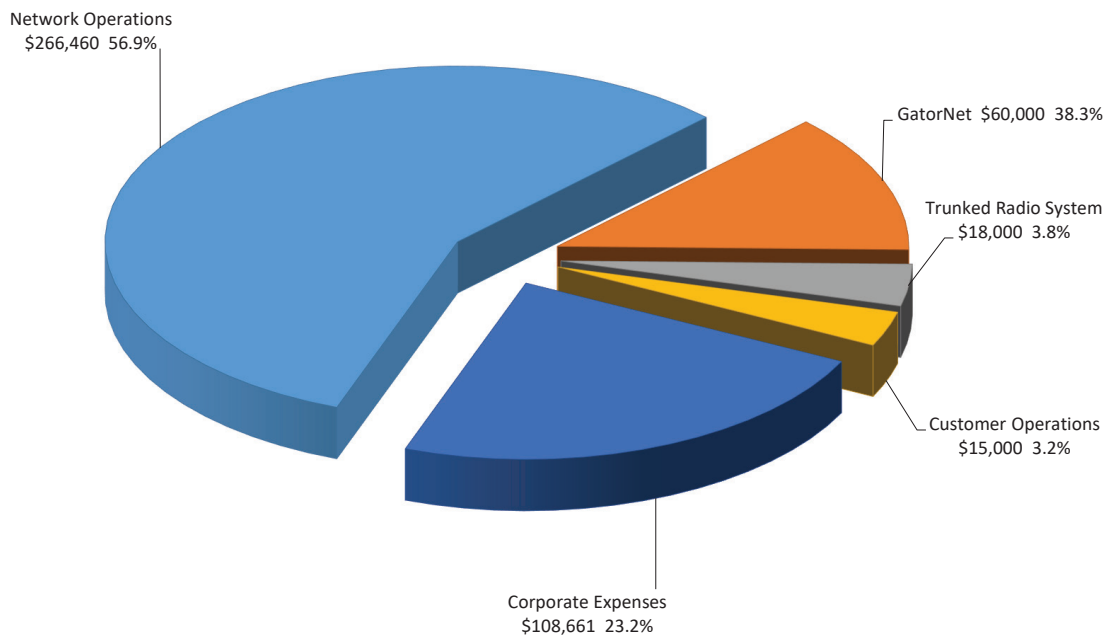
Total Capital Labor and Non-Labor Gas System



	Labor and Fringe	Non-Labor	2024
Transmission and Distribution Engineering	\$ 2,192,015	\$ 1,066,054	\$ 3,258,069
Meter Measurement Operations	441,074	483,570	924,644
Transmission and Distribution Construction	248,250	467,056	715,306
Transmission and Distribution Operations	-	88,000	88,000
Corporate Expenses	113,336	1,261,211	1,374,547
Total Capital Labor and Non-Labor	\$ 2,994,675	\$ 3,365,891	\$ 6,360,566

	Labor and Fringe	Non-Labor	2023
Transmission and Distribution Engineering	\$ 2,363,824	\$ 724,666	\$ 3,088,490
Meter Measurement Operations	466,023	513,304	979,327
Transmission and Distribution Construction	174,609	59,384	233,993
Transmission and Distribution Operations	-	-	-
Corporate Expenses	266,463	3,224,805	3,491,268
Total Capital Labor and Non-Labor	\$ 3,270,919	\$ 4,522,159	\$ 7,793,078

Total Capital Labor and Non-Labor Telecommunications System



	Labor and Fringe		Non-Labor	2024
Network Operations	\$	6,460	\$ 260,000	\$ 266,460
GatorNet		-	60,000	60,000
Trunked Radio System		-	18,000	18,000
Customer Operations		-	15,000	15,000
Corporate Expenses		484	108,177	108,661
Total Capital Labor and Non-Labor	\$	6,944	\$ 461,177	\$ 468,121

	Labor and Fringe		Non-Labor	2023
Network Operations	\$	114,507	\$ 314,132	\$ 428,639
Gatornet		-	60,000	60,000
Trunked Radio System		3,018	92,000	95,018
Customer Operations		-	163,094	163,094
Corporate Expenses		841	178,661	179,502
Total Capital Labor and Non-Labor	\$	118,366	\$ 807,887	\$ 926,253



Fiscal Year 2024 Budget **Revenues**

Fiscal Year 2024 Revenues

Combined Systems

	2023	2024
Electric	\$ 329,337,335	\$ 325,399,861
Water	36,857,368	42,267,302
Wastewater	47,719,421	56,093,344
Gas	32,802,251	27,945,400
Telecommunications	16,009,636	8,740,075
Total Revenues	\$ 462,726,011	\$ 460,445,982

Overview

FY24 budgeted revenues include projected revenue requirement increases of 3% in the Electric System and 5% in the Wastewater System. Fuel adjustment revenue, which is a pass-through to customers, is projected to decline by approximately \$20.4 million in FY24 as natural gas prices are projected to decrease somewhat from levels experienced during FY23. Net of revenue requirement increases, fuel and transfers to/from the Rate Stabilization Fund, FY24 revenues are projected to be approximately \$13.3 million or 4.0% less than FY23 levels.

Please see individual pages for descriptions and highlights.

Fiscal Year 2024 Revenues

Electric System

	2023	2024
Residential sales	\$ 85,256,172	\$ 87,095,739
Residential rate change	2,557,685	2,612,872
Non-residential sales	97,576,462	101,851,681
Non-residential rate change	2,856,407	2,965,107
Fuel adjustment	111,803,673	95,440,704
Sales for Resale	453,520	456,133
Utility surcharge	5,018,753	5,109,345
South Energy Center	16,274,305	16,758,442
Innovation Square	274,000	286,000
Other electric sales	2,991,092	3,065,063
Rate stabilization (to)/from	(3,756,508)	(2,028,377)
Other revenue	7,368,338	9,712,180
Interest income	663,436	2,074,972
Total Revenues	\$ 329,337,335	\$ 325,399,861

Overview

Residential and non-residential sales, excluding rate change revenue, increased by approximately \$5.5 million or 3.0%. Total Electric System revenues net of fuel, transfers from the Rate Stabilization Fund, and rate change revenue fell approximately \$6.1 million or 5.9%. Total revenues include approximately \$5.6 million in rate change revenue based on a 3% revenue requirement increase, and \$95.4 million in fuel adjustment revenue which is a pass-through to customer bills.

Fiscal Year 2024 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 0.55% per year over the next 10 years.
- Retail electric energy sales are forecast to increase at an average annual rate of 0.68% per year through fiscal 2032.
- Revenues from retail electric energy sales are projected to increase at an average annual rate of 0.71% per year over the next 10 years, under current rates.
- The forecast ten year average annual growth rate in residential average use is 0.37%.

Fiscal Year 2024 Revenues

Water System

	2023	2024
Sales of water	\$ 31,116,664	\$ 31,759,933
Rate change revenue	-	-
University of Florida	1,881,782	1,996,110
Utility surcharge	2,644,916	2,715,474
Rate stabilization (to)/from	(3,041,533)	711,205
Connection charges	1,227,000	1,188,000
Surcharge on connections	31,000	30,000
Other revenue	2,691,464	2,908,663
Interest income	306,075	957,917
Total Revenues	\$ 36,857,368	\$ 42,267,302

Overview

Net of transfers from or (to) the Rate Stabilization Fund, projected Water System revenues in FY24 are projected to increase by approximately \$1.6 million or 4.2% compared to FY23.

Fiscal Year 2024 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 0.59% per year over the next 10 years.
- Total water sales are forecast to increase at an average annual rate of 0.54% per year through 2032.
- Revenues from water sales, including sales related to UF and surcharge revenues, are projected to increase at an average annual rate of 0.39% per year over the next 10 years. This projection does not include any changes to rates for water service.

Fiscal Year 2024 Revenues

Wastewater System

	2023	2024
Wastewater charges	\$ 40,675,385	\$ 44,514,011
Rate change revenue	2,001,399	2,191,729
Utility surcharge	3,395,378	3,734,503
South Energy Center	91,764	91,764
Biosolids	300,000	300,000
Rate stabilization (to)/from	(3,437,640)	(399,453)
Connection charges	2,098,000	2,071,000
Surcharge on connections	52,000	52,000
Other revenue	2,389,093	2,836,296
Interest income	154,042	701,494
Total Revenues	\$ 47,719,421	\$ 56,093,344

Overview

Net of transfers to the Rate Stabilization Fund and rate change revenue, FY24 revenues are projected to increase by approximately \$5.1 million or 10.5% from FY23 levels. The projected \$2,191,729 in rate change revenue results from a 5% revenue requirement increase.

Fiscal Year 2024 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.
- 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.
- 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 0.65% 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 0.27% per year through fiscal year 2032.
- Revenues from wastewater system monthly billings are projected to increase at an average annual rate of 0.60% per year over the next 10 years. This projection does not include any changes to wastewater rates.

Fiscal Year 2024 Revenues

Gas System

	2023	2024
Residential	\$ 8,465,573	\$ 8,579,649
Residential rate change revenue	-	-
Non-residential	5,210,346	5,316,311
Non-residential rate change revenue	-	-
Purchased gas adjustment	15,765,595	11,762,097
Utility surcharge	582,066	592,024
Manufactured gas plant	1,192,755	1,219,363
Rate stabilization (to)/from	136,810	(1,082,520)
Other revenue	1,341,171	1,287,055
Interest income	107,935	271,421
Total Revenue	\$ 32,802,251	\$ 27,945,400

Overview

Net of fuel and transfers (to)/from the Rate Stabilization Fund, projected Gas System revenues are projected to increase by approximately \$363,978 or 2.2%.

Fiscal Year 2024 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 0.59% per year over the next 10 years.
- Total retail natural gas system energy sales are forecast to increase at an average annual rate of 0.91% per year through fiscal year 2032.
- Non-fuel revenues from sales to retail natural gas customers are projected to increase at an average rate of 0.79% per year over the next 10 years. This projection does not include any changes to natural gas rates.

Fiscal Year 2024 Revenues

Telecommunications System

	2023	2024
Telecommunications	\$ 7,568,291	\$ 6,655,562
Trunking Radio Service	2,789,249	-
Tower lease rental	2,070,775	2,084,513
Other revenue	35,000	-
Interest income	2,211	-
Total Sales	\$ 12,465,526	\$ 8,740,075
Intercompany Loan	3,544,110	-
Total Revenue	\$ 16,009,636	\$ 8,740,075

Overview

Net of transfers from the Rate Stabilization Fund, Telecommunications System revenues are projected to decline by approximately \$3.7 million or 29.9%. This revenue reduction is driven primarily by the anticipated sale of the Trunking Radio System to Alachua County. Management is currently evaluating options for the system.

Fiscal Year 2024 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.
- 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 2024 Budget **Payroll**

Fiscal Year 2024 Payroll

Combined Systems

	Labor	Fringe	2024
Energy Delivery	\$ 18,204,410	\$ 5,486,891	\$ 23,691,301
Energy Supply	14,850,490	4,510,715	19,361,205
Information Technology	6,943,551	2,109,025	9,052,576
Wastewater	6,884,713	2,086,764	8,971,477
Customer Support Services	6,307,924	1,900,341	8,208,265
Water	5,643,975	1,714,589	7,358,564
Budget, Finance & Accounting	3,973,369	1,234,685	5,208,054
Sustainability	3,085,988	950,736	4,036,724
Telecommunications	2,952,749	920,574	3,873,323
Gas	2,596,482	788,863	3,385,345
Administration	2,365,096	716,732	3,081,828
Total Payroll	\$ 73,808,747	\$ 22,419,915	\$ 96,228,662

	Labor	Fringe	2023
Energy Delivery	\$ 19,072,680	\$ 5,753,969	\$ 24,826,649
Energy Supply	16,438,185	5,259,540	21,697,725
Information Technology	7,329,309	2,237,871	9,567,180
Wastewater	6,715,777	2,130,588	8,846,365
Customer Support Services	6,002,190	1,875,332	7,877,522
Water	5,612,188	1,796,221	7,408,409
Budget, Finance & Accounting	3,861,604	1,235,230	5,096,834
Sustainability	-	-	-
Telecommunications	3,085,133	926,553	4,011,686
Gas	2,626,639	820,708	3,447,347
Administration	3,426,414	1,102,763	4,529,177
Total Payroll	\$ 74,170,119	\$ 23,138,775	\$ 97,308,894

Full Time Equivalent (FTE)	2023	2024
MAP	299.00	300.00
CWA	633.25	628.25
Total FTEs Authorized	932.25	928.25

Fiscal Year 2024 Payroll

Energy Supply

	Labor	Fringe	2024
Deerhaven Operations	\$ 3,786,664	\$ 1,155,783	\$ 4,942,447
Deerhaven Renewables Operations	2,982,270	895,430	3,877,700
Major Maintenance Group	2,109,639	640,755	2,750,394
Kelly Plant Operations	1,690,253	513,188	2,203,441
Energy Supply Administration	979,843	308,699	1,288,542
Production Assurance Support	979,791	285,926	1,265,717
South Energy Center	716,606	217,881	934,487
Deerhaven Renewables Administration	381,751	116,239	497,990
Energy Supply Water Systems	364,705	110,862	475,567
Fuels	322,470	98,227	420,697
Deerhaven Administration	279,676	89,523	369,199
Kelly Plant Administration	256,822	78,202	335,024
Energy Supply Systems Control	-	-	-
District Energy	-	-	-
Total Payroll	\$ 14,850,490	\$ 4,510,715	\$ 19,361,205

	Labor	Fringe	2023
Deerhaven Operations	\$ 3,316,926	\$ 1,082,375	\$ 4,399,301
Deerhaven Renewables Operations	2,946,295	899,682	3,845,977
Major Maintenance Group	2,665,507	845,325	3,510,832
Kelly Plant Operations	1,742,128	555,316	2,297,444
Energy Supply Administration	2,020,558	659,322	2,679,880
Production Assurance Support	916,329	307,873	1,224,202
South Energy Center	699,121	223,223	922,344
Deerhaven Renewables Administration	-	-	-
Energy Supply Water Systems	372,159	130,474	502,633
Fuels	326,866	102,683	429,549
Deerhaven Administration	-	-	-
Kelly Plant Administration	-	-	-
Energy Supply Systems Control	929,921	313,406	1,243,327
District Energy	502,375	139,861	642,236
Total Payroll	\$ 16,438,185	\$ 5,259,540	\$ 21,697,725

Full Time Equivalent (FTE)	2023	2024
MAP	41.00	32.00
CWA	153.00	149.00
Total FTEs Authorized	194.00	181.00

Fiscal Year 2024 Payroll

Energy Delivery

	Labor	Fringe	2024
Electric Transmission and Distribution	\$ 5,988,117	\$ 1,822,412	\$ 7,810,529
Energy Delivery/Administration	5,248,218	1,570,421	6,818,639
Energy Delivery Systems Control	2,408,958	710,394	3,119,352
Substation/Relay/Relay Engineering	1,712,473	515,780	2,228,253
Electric Meter Measurement	1,615,210	490,295	2,105,505
Energy Delivery Electric Engineering	1,231,434	377,589	1,609,023
Total Payroll	\$ 18,204,410	\$ 5,486,891	\$ 23,691,301

	Labor	Fringe	2023
Electric Transmission and Distribution	\$ 5,921,165	\$ 1,902,484	\$ 7,823,649
Energy Delivery/Administration	6,436,772	1,854,431	8,291,203
Energy Delivery Systems Control	2,245,856	689,774	2,935,630
Substation/Relay/Relay Engineering	1,758,002	525,571	2,283,573
Electric Meter Measurement	1,397,321	357,867	1,755,188
Energy Delivery Electric Engineering	1,313,564	423,842	1,737,406
Total Payroll	\$ 19,072,680	\$ 5,753,969	\$ 24,826,649

Full Time Equivalent (FTE)	2023	2024
MAP	48.00	49.00
CWA	179.00	171.00
Total FTEs Authorized	227.00	220.00

Fiscal Year 2024 Payroll

Water

	Labor	Fringe	2024
Distribution	\$ 2,430,857	\$ 737,768	\$ 3,168,625
Murphree Water Treatment Plant	1,436,896	435,154	1,872,050
Engineering	1,132,171	340,691	1,472,862
Water / Wastewater Engineering	263,121	80,542	343,663
Water / Wastewater Administration	226,441	73,071	299,512
Water / Wastewater Planning	154,489	47,363	201,852
Total Payroll	\$ 5,643,975	\$ 1,714,589	\$ 7,358,564

	Labor	Fringe	2023
Distribution	\$ 2,372,918	\$ 761,324	\$ 3,134,242
Murphree Water Treatment Plant	1,384,241	451,042	1,835,283
Engineering	1,004,536	306,036	1,310,572
Water / Wastewater Engineering	320,776	100,993	421,769
Water / Wastewater Administration	215,890	71,681	287,571
Water / Wastewater Planning	313,827	105,145	418,972
Total Payroll	\$ 5,612,188	\$ 1,796,221	\$ 7,408,409

Full Time Equivalent (FTE)	2023	2024
MAP	17.00	17.00
CWA	57.00	56.00
Total FTEs Authorized	74.00	73.00

Fiscal Year 2024 Payroll

Wastewater

	Labor	Fringe	2024
Wastewater Collection	\$ 2,494,994	\$ 758,083	\$ 3,253,077
Kanapaha Water Reclamation Facility	1,373,684	417,352	1,791,036
Wastewater Engineering	1,023,605	306,662	1,330,267
Mainstreet Water Reclamation Facility	939,959	285,379	1,225,338
Wastewater Lift Stations	706,812	214,315	921,127
Wastewater Kanapaha Lab	276,534	84,079	360,613
Reclaimed Water Distribution	69,125	20,894	90,019
Total Payroll	\$ 6,884,713	\$ 2,086,764	\$ 8,971,477

	Labor	Fringe	2023
Wastewater Collection	\$ 2,417,109	\$ 773,415	\$ 3,190,524
Kanapaha Water Reclamation Facility	1,402,994	447,690	1,850,684
Wastewater Engineering	1,026,889	313,642	1,340,531
Mainstreet Water Reclamation Facility	1,021,217	313,493	1,334,710
Wastewater Lift Stations	458,064	154,754	612,818
Wastewater Kanapaha Lab	301,834	95,605	397,439
Reclaimed Water Distribution	87,670	31,989	119,659
Total Payroll	\$ 6,715,777	\$ 2,130,588	\$ 8,846,365

Full Time Equivalent (FTE)	2023	2024
MAP	12.00	11.00
CWA	83.00	84.00
Total FTEs Authorized	95.00	95.00

Fiscal Year 2024 Payroll

Gas

	Labor	Fringe	2024
Transmission and Distribution Operations	\$ 859,609	\$ 260,793	\$ 1,120,402
Transmission and Distribution Construction	590,141	179,230	769,371
Meter Measurement Operations	535,358	162,760	698,118
Transmission and Distribution Engineering	305,086	92,904	397,990
Transmission and Distribution Administration	176,098	53,519	229,617
Marketing	130,190	39,657	169,847
Total Payroll	\$ 2,596,482	\$ 788,863	\$ 3,385,345

	Labor	Fringe	2023
Transmission and Distribution Operations	\$ 815,259	\$ 246,620	\$ 1,061,879
Transmission and Distribution Construction	584,376	188,014	772,390
Meter Measurement Operations	585,495	187,505	773,000
Transmission and Distribution Engineering	269,573	80,528	350,101
Transmission and Distribution Administration	218,143	70,273	288,416
Marketing	153,793	47,768	201,561
Total Payroll	\$ 2,626,639	\$ 820,708	\$ 3,447,347

Full Time Equivalent (FTE)	2023	2024
MAP	5.00	4.00
CWA	32.00	33.00
Total FTEs Authorized	37.00	37.00

Fiscal Year 2024 Payroll

Telecommunications

	Labor	Fringe	2024
Technical Services	\$ 468,675	\$ 142,764	\$ 611,439
Network Operations Center	423,568	128,948	552,516
Construction	400,729	121,833	522,562
Engineering	371,642	114,117	485,759
Business Administration	328,806	100,157	428,963
Chief Officer	218,256	70,448	288,704
Electronics	217,447	66,218	283,665
Trunked Radio System	160,561	48,908	209,469
Engineering and Construction Administration	119,519	46,259	165,778
Technology and Services Administration	117,463	46,634	164,097
Work Management	126,083	34,288	160,371
Total Payroll	\$ 2,952,749	\$ 920,574	\$ 3,873,323

	Labor	Fringe	2023
Technical Services	\$ 498,117	\$ 143,394	\$ 641,511
Network Operations Center	446,937	157,555	604,492
Construction	408,892	113,885	522,777
Engineering	400,227	110,651	510,878
Business Administration	315,386	97,739	413,125
Chief Officer	214,923	70,684	285,607
Electronics	220,562	64,270	284,832
Trunked Radio System	156,650	49,449	206,099
Engineering and Construction Administration	118,169	51,034	169,203
Technology and Services Administration	143,491	30,764	174,255
Work Management	161,779	37,128	198,907
Total Payroll	\$ 3,085,133	\$ 926,553	\$ 4,011,686

Full Time Equivalent (FTE)	2023	2024
MAP	14.00	14.00
CWA	24.00	24.00
Total FTEs Authorized	38.00	38.00

Fiscal Year 2024 Payroll

Administration

	Labor	Fringe	2024
Safety and Training	\$ 862,213	\$ 263,298	\$ 1,125,511
General Manager	584,656	178,091	762,747
Communications	325,818	96,675	422,493
Office of Inclusion	300,877	89,168	390,045
Chief Operating Officer	291,532	89,500	381,032
Electric Environment	-	-	-
Electric Reliability	-	-	-
Total Payroll	\$ 2,365,096	\$ 716,732	\$ 3,081,828

	Labor	Fringe	2023
Safety and Training	\$ 939,611	\$ 296,528	\$ 1,236,139
General Manager	652,176	211,421	863,597
Communications	333,555	104,091	437,646
Office of Inclusion	426,953	136,154	563,107
Chief Operating Officer	279,332	94,103	373,435
Electric Environment	532,724	178,495	711,219
Electric Reliability	262,063	81,971	344,034
Total Payroll	\$ 3,426,414	\$ 1,102,763	\$ 4,529,177

Full Time Equivalent (FTE)	2023	2024
MAP	29.00	23.00
CWA	7.00	4.00
Total FTEs Authorized	36.00	27.00

Fiscal Year 2024 Payroll

Budget, Finance and Accounting

	Labor	Fringe	2024
Financial Accounting	\$ 899,192	\$ 272,761	\$ 1,171,953
Chief Financial Officer	771,027	239,024	1,010,051
Procurement	556,212	177,122	733,334
Project Management	415,152	126,407	541,559
Rates and Forecasting	316,591	110,908	427,499
Budget	277,879	84,643	362,522
Treasury	276,880	84,304	361,184
Managerial Accounting	244,936	73,225	318,161
Accounts Payable	215,500	66,291	281,791
Total Payroll	\$ 3,973,369	\$ 1,234,685	\$ 5,208,054

	Labor	Fringe	2023
Financial Accounting	\$ 915,673	\$ 279,303	\$ 1,194,976
Chief Financial Officer	406,432	132,811	539,243
Procurement	601,833	196,207	798,040
Project Management	517,296	164,011	681,307
Rates and Forecasting	306,409	104,344	410,753
Budget	250,481	84,702	335,183
Treasury	212,320	67,058	279,378
Managerial Accounting	470,415	148,455	618,870
Accounts Payable	180,745	58,339	239,084
Total Payroll	\$ 3,861,604	\$ 1,235,230	\$ 5,096,834

Full Time Equivalent (FTE)	2023	2024
MAP	37.00	44.00
CWA	5.00	5.00
Total FTEs Authorized	42.00	49.00

Fiscal Year 2024 Payroll

Customer Support Services

	Labor	Fringe	2024
Customer Services	\$ 1,898,433	\$ 577,855	\$ 2,476,288
Utilities Stores	715,967	217,837	933,804
Energy and Business Services	708,490	205,244	913,734
Billing and Customer Solutions	633,905	192,801	826,706
Project Management Office	398,087	117,410	515,497
Customer Operations	370,530	112,857	483,387
New Services	341,125	103,890	445,015
Facilities Maintenance	292,855	89,103	381,958
Administrative Services	253,501	74,640	328,141
Chief Customer Officer	248,957	75,835	324,792
Revenue Assurance	199,524	58,797	258,321
Land Rights / Real Estate	170,391	50,873	221,264
Mail Services	76,159	23,199	99,358
Total Payroll	\$ 6,307,924	\$ 1,900,341	\$ 8,208,265

	Labor	Fringe	2023
Customer Service	\$ 1,820,905	\$ 568,169	\$ 2,389,074
Utilities Stores	784,252	251,617	1,035,869
Energy and Business Services	780,962	231,105	1,012,067
Billing and Customer Solutions	535,676	169,329	705,005
Project Management Office	394,861	106,866	501,727
Customer Operations	243,290	78,981	322,271
New Services	271,637	80,361	351,998
Facilities Maintenance	287,714	94,155	381,869
Administrative Services	239,664	83,293	322,957
Chief Customer Officer	204,498	71,962	276,460
Revenue Assurance	200,854	61,909	262,763
Land Rights / Real Estate	163,571	53,102	216,673
Mail Services	74,306	24,483	98,789
Total Payroll	\$ 6,002,190	\$ 1,875,332	\$ 7,877,522

Fiscal Year 2024 Payroll

Information Technology

	Labor	Fringe	2024
Technical Management	\$ 3,212,177	\$ 978,693	\$ 4,190,870
Application Management	2,013,381	596,871	2,610,252
Administration	1,717,993	533,461	2,251,454
Total Payroll	\$ 6,943,551	\$ 2,109,025	\$ 9,052,576

	Labor	Fringe	2023
Technical Management	\$ 3,474,498	\$ 1,065,283	\$ 4,539,781
Application Management	2,066,446	599,409	2,665,855
Administration	1,788,365	573,179	2,361,544
Total Payroll	\$ 7,329,309	\$ 2,237,871	\$ 9,567,180

Full Time Equivalent (FTE)	2023	2024
MAP	59.00	60.00
CWA	12.00	11.00
Total FTEs Authorized	71.00	71.00

Fiscal Year 2024 Payroll

Sustainability

	Labor	Fringe	2024
Sustainability-Oper	\$ 1,101,049	\$ 335,612	\$ 1,436,661
System Control	1,057,660	321,279	1,378,939
Electric Environment	409,864	135,516	545,380
Electric Reliability	267,847	81,931	349,778
Sustainability-Admin	249,568	76,398	325,966
Total Payroll	\$ 3,085,988	\$ 950,736	\$ 4,036,724

	Labor	Fringe	2023
Sustainability-Oper	\$ -	\$ -	\$ -
System Control	-	-	-
Electric Environment	-	-	-
Electric Reliability	-	-	-
Sustainability-Admin	-	-	-
Total Payroll	\$ -	\$ -	\$ -

Full Time Equivalent (FTE)	2023	2024
MAP	0.00	19.00
CWA	0.00	8.00
Total FTEs Authorized	0.00	27.00



Fiscal Year 2024 Budget **Operations and Maintenance** **Non-Labor**

Operations and Maintenance Non-Labor Combined Systems

	2024
Energy Supply	\$ 19,585,080
Information Technology	11,308,012
Water	10,160,480
Wastewater	9,223,285
Energy Delivery	9,633,785
Customer Support Services	6,756,639
Telecommunications	3,314,971
Administration	1,608,584
Sustainability	1,002,313
Budget, Finance and Accounting	816,597
Gas	660,584
Corporate Expenses	16,247,985
Total Operations and Maintenance Non-Labor	\$ 90,318,315

	2023
Energy Supply	\$ 17,744,741
Information Technology	9,323,562
Water	8,072,377
Wastewater	8,999,176
Energy Delivery	7,434,473
Customer Support Services	6,478,434
Telecommunications	4,982,092
Administration	2,299,903
Sustainability	-
Budget, Finance and Accounting	1,162,861
Gas	641,753
Corporate Expenses	16,580,152
Total Operations and Maintenance Non-Labor	\$ 83,719,524

Operations and Maintenance Non-Labor

Energy Supply

	2024
Major Maintenance Group	\$ 6,635,746
South Energy Center	3,783,310
Deerhaven Operations	3,227,300
Deerhaven Renewables Operations	2,842,194
Kelly Plant Operations	1,256,652
Energy Supply Water Systems	900,230
Energy Supply Administration	543,123
Innovation Energy Center	317,625
Production Assurance Support	67,450
Fuels	11,450
Energy Supply Systems Control	-
District Energy	-
Total Operations and Maintenance Non-Labor	\$ 19,585,080

	2023
Major Maintenance Group	\$ 5,210,501
South Energy Center	3,376,461
Deerhaven Operations	3,296,300
Deerhaven Renewables Operations	2,642,808
Kelly Plant Operations	1,187,482
Energy Supply Water Systems	832,200
Energy Supply Administration	558,191
Innovation Energy Center	307,290
Production Assurance Support	67,350
Fuels	16,450
Energy Supply Systems Control	213,880
District Energy	35,828
Total Operations and Maintenance Non-Labor	\$ 17,744,741

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 FY2018, 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 FY2024 is estimated at 30% of our total forecasted load. GRU reached a peak of 41% for renewable energy in FY2019. Energy Supply's FY2024 non-labor budget reflects a \$1.8 million increase from FY2023 budget. This increase is driven by the cyclical nature of planned expenditures in support of aspects of the capital projects above, as well as the fact that Energy Supply will have an unprecedented four major plant planned outages in FY2024.



Operations and Maintenance Non-Labor

Energy Delivery

2024

Electric Transmission and Distribution	\$ 4,739,261
Energy Delivery Systems Control	1,801,021
Energy Delivery/Administration	1,358,471
AMI Operations	826,562
Substation/Relay/Relay Engineering	712,915
Electric Meter Measurement	112,218
Energy Delivery Electric Engineering	83,337

Total Operations and Maintenance Non-Labor	\$ 9,633,785
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2023

Electric Transmission and Distribution	\$ 3,926,310
Energy Delivery Systems Control	1,488,357
Energy Delivery/Administration	969,837
AMI Operations	-
Substation/Relay/Relay Engineering	766,292
Electric Meter Measurement	138,127
Energy Delivery Electric Engineering	145,550

Total Operations and Maintenance Non-Labor	\$ 7,434,473
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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 FY2024 non-labor budget is \$2.2M more than FY2023. This increase is being driven by increases in contract and professional services. Our vegetation management contract costs increased substantially, and we hired a contractor to assist with cyber security. Finally, as AMI comes online, costs will be transferred from the AMI project to Operations.



Operations and Maintenance Non-Labor

Water

	2024
Murphree Water Treatment Plant	\$ 8,929,705
Distribution	587,975
Water / Wastewater Engineering	386,850
Water / Wastewater Planning	194,000
Water / Wastewater Administration	61,950
Engineering	-
Total Operations and Maintenance Non-Labor	\$ 10,160,480

	2023
Murphree Water Treatment Plant	\$ 7,062,000
Distribution	565,075
Water / Wastewater Engineering	232,450
Water / Wastewater Planning	136,952
Water / Wastewater Administration	75,300
Engineering	600
Total Operations and Maintenance Non-Labor	\$ 8,072,377

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 FY2024 non-labor budget has increased \$2.1M from FY2023. 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

	2024
Kanapaha Water Reclamation Facility	\$ 5,060,800
Mainstreet Water Reclamation Facility	1,777,900
Wastewater Lift Stations	1,677,800
Wastewater Collection	459,035
Wastewater Kanapaha Lab	210,200
Reclaimed Water Distribution	35,850
Wastewater Engineering	1,700
Total Operations and Maintenance Non-Labor	\$ 9,223,285

	2023
Kanapaha Water Reclamation Facility	\$ 4,570,000
Mainstreet Water Reclamation Facility	2,021,000
Wastewater Lift Stations	1,704,000
Wastewater Collection	481,976
Wastewater Kanapaha Lab	206,000
Reclaimed Water Distribution	5,000
Wastewater Engineering	11,200
Total Operations and Maintenance Non-Labor	\$ 8,999,176

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 have 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 Wastewater 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 systems. 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 proposes a \$224,109 increase in non-labor operations and maintenance from the FY2023 budget. The proposed increases are primarily driven by increased costs of electricity, chemicals, and sludge disposal related to the operation of the water reclamation facilities and lift stations.



Operations and Maintenance Non-Labor

Gas

	2024
Marketing	\$ 272,703
Meter Measurement Operations	148,831
Transmission and Distribution Operations	98,731
Transmission and Distribution Construction	63,958
Transmission and Distribution Administration	70,566
Transmission and Distribution Engineering	5,795
Total Operations and Maintenance Non-Labor	\$ 660,584

	2023
Marketing	\$ 279,689
Meter Measurement Operations	165,127
Transmission and Distribution Operations	76,482
Transmission and Distribution Construction	60,633
Transmission and Distribution Administration	55,597
Transmission and Distribution Engineering	4,225
Total Operations and Maintenance Non-Labor	\$ 641,753

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. The Gas System proposes a 2.9% increase in non-labor operations and maintenance from the FY2023 budget. GRU has aggressively been replacing pipelines made of dated materials with modern polyethylene and all cast iron pipes have been replaced. Ultimately, this will result in lower maintenance costs associated with leaks and improve the safety of the system. The other increased costs are related to inflation, including materials and supplies, communication services, tools, and equipment.



Operations and Maintenance Non-Labor Telecommunications

2024

Network Operations	\$ 1,145,442
Customer Operations	501,336
Business Administration	332,195
Trunked Radio System	256,750
Central Office Operations	203,550
Engineering	202,000
Voice Operations	186,000
Chief Officer	178,169
Towers 1 - 12	89,779
Network Operations Center	83,000
GatorNet	51,800
Construction	39,950
Technical Services	28,750
Electronics	12,500
Data Service Centers	3,000
Technology and Services Administration	750
Internet Operations	-

Total Operations and Maintenance Non-Labor	\$ 3,314,971
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2023

Network Operations	\$ 1,173,920
Customer Operations	753,425
Business Administration	342,062
Trunked Radio System	1,648,795
Central Office Operations	180,434
Engineering	89,000
Voice Operations	182,500
Chief Officer	204,610
Towers 1 - 12	99,779
Network Operations Center	100,000
GatorNet	51,617
Construction	73,450
Technical Services	64,750
Electronics	14,500
Data Service Centers	-
Technology and Services Administration	750
Internet Operations	2,500

Total Operations and Maintenance Non-Labor	\$ 4,982,092
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Telecommunications Budget Highlights

Telecommunications provides services which include internet and data transport for local businesses, government agencies, multiple dwelling unit communities, various internet service providers, and other telecommunications carriers. Additional services include tower space leases for wireless communications 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 FY2024 budget proposes a \$1.7M reduction in non-labor O&M expenses. This reduction is driven by the removal of expenses in supporting the Trunking Radio System (TRS) that is currently being sold to Alachua County. GRUCom is constantly striving to mitigate increases through regular contract negotiations with vendors.



Operations and Maintenance Non-Labor Administration

2024

Community Relations	\$ 505,698
General Manager	464,686
Communications	412,900
Safety and Training	220,050
Chief Operating Officer	5,250
Electric Environment	-
Electric Reliability	-

Total Operations and Maintenance Non-Labor	\$ 1,608,584
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2023

Community Relations	\$ 555,735
General Manager	816,016
Communications	442,900
Safety and Training	251,300
Chief Operating Officer	11,500
Electric Environment	166,830
Electric Reliability	55,622

Total Operations and Maintenance Non-Labor	\$ 2,299,903
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Administration

Budget Highlights

Administration includes the General Manager's office, Chief Operating Officer, communications, government affairs and community relations, and the Chief People Officer. The General Manager leads the daily operation of and has overall responsibility for GRU. These responsibilities include policy development and the implementation of policies adopted by the City Commission, as well as planning, administration, organizational development and the administrative areas. The Chief Operating Officer oversees all operational areas, including construction and operations. The Office of Government Affairs and Community Relations is shared between the General Manager and City Manager and 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 and the Williams Elementary Benefit Golf Tournament. Communications is responsible for the overall customer and employee communications of the utility, as well as media relations. The Administration budget has decreased from FY2023 to FY2024 by \$691,319, largely due to shifting funds for regulatory fees and industry organization dues to the Electric System.



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

2024

Chief Financial Officer	\$ 315,300
Treasury	291,200
Procurement	76,402
Project Management	49,600
Financial Accounting	40,600
Managerial Accounting	21,550
Rates and Forecasting	12,995
Accounts Payable	7,600
Budget	1,350

Total Operations and Maintenance Non-Labor	\$ 816,597
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2023

Chief Financial Officer	\$ 463,000
Treasury	267,600
Procurement	112,397
Project Management	47,600
Financial Accounting	35,500
Managerial Accounting	20,150
Rates and Forecasting	212,114
Accounts Payable	3,300
Budget	1,200

Total Operations and Maintenance Non-Labor	\$ 1,162,861
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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, administration 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 \$346,264 from fiscal year 2023's budget due to completion of large projects in 2023.



Operations and Maintenance Non-Labor

Customer Support Services

	2024
Facilities Maintenance	\$ 3,225,591
Billing and Customer Solutions	823,900
Energy and Business Services	756,068
Customer Services	718,100
Administrative Services	545,700
Revenue Assurance	180,070
Mail Services	167,750
Customer Operations	96,950
New Services	89,042
Project Management Office	58,700
Land Rights / Real Estate	38,500
Chief Customer Officer	33,045
Utilities Stores	23,223
Total Operations and Maintenance Non-Labor	\$ 6,756,639

	2023
Facilities Maintenance	\$ 3,190,973
Billing and Customer Solutions	687,625
Energy and Business Services	625,068
Customer Services	727,100
Administrative Services	485,290
Revenue Assurance	180,070
Mail Services	310,750
Customer Operations	96,950
New Services	86,082
Project Management Office	12,700
Land Rights / Real Estate	30,000
Chief Customer Officer	23,045
Utilities Stores	22,781
Total Operations and Maintenance Non-Labor	\$ 6,478,434

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 department 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 \$278,205 increase in non-labor operations and maintenance expenses from the FY2023 budget. This increase is the result of higher general costs in addition to necessary training to enhance the skills of our employees.



Operations and Maintenance Non-Labor Information Technology

	2024
Administration	\$ 10,033,504
Technical Management	731,680
Application Management	299,500
AMI Project	243,328
Total Operations and Maintenance Non-Labor	\$ 11,308,012

	2023
Administration	\$ 6,673,696
Technical Management	590,090
Application Management	299,000
AMI Project	1,760,776
Total Operations and Maintenance Non-Labor	\$ 9,323,562

Information Technology

Budget Highlights

One of the pivotal aspects of managing a robust IT infrastructure lies in efficiently managing Operations and Maintenance (O&M) expenses. Investing in the right areas benefits both IT and GRU customers. Some key components of the department's O&M expenses include training, internet redundancy and solutions for IT Service Management, Endpoint Detection and Response, and a suite of productivity and collaboration tools, each playing an integral role in elevating our IT capabilities.

IT equips its professionals with the latest skills and certifications through comprehensive training programs, ensuring they are well-prepared to tackle ever evolving challenges.

In the realm of effective operations, streamlined management is paramount. This is where the IT Service Management platform, Compass Portal, comes into play. This product streamlines processes, enhances communication and expedites incident resolution. Its efficiency-driven design allows IT to respond promptly to customer needs, foster smoother collaboration, optimize workflows, and improve the IT experience across the organization.

The department's Endpoint Detection and Response solution highlights its commitment to safeguarding GRU's digital assets. This integrated platform coordinates security across devices, cloud environments, and network infrastructure. By consolidating threat intelligence and incident response, we proactively defend against cyber threats, ensuring the integrity of our cyber ecosystem.

In the ever-evolving digital landscape, productivity and collaboration tools are indispensable. IT's comprehensive suite of applications and services revolutionizes how it works and communicates, significantly enhancing collaboration capabilities, boosting productivity, and amplifying flexibility by seamlessly integrating tools like Word, Excel, Teams, and more. Whether operating within the office or on the move, this suite empowers employees to work beyond traditional boundaries and consistently deliver exceptional services.

We have enlisted the services of two additional internet service providers (ISPs) to enhance redundancy and business continuity. This arrangement guarantees that in the event one ISP experiences downtime or disruption, the other ISP can step in, seamlessly mitigating any potential gaps in internet connectivity. This proactive approach demonstrates a commitment to sustaining consistent online operations, diminishing the risk of service interruptions, and reinforcing a dependable online presence for our customers.

Our O&M budget is a vital cornerstone of our Cloud-First strategy. It ensures the smooth operation of our cloud systems. By allocating resources here, we're investing in the reliability and longevity of our cloud infrastructure. This budget reflects our commitment to a seamless transition and continued success in a cloud environment. Embracing a Cloud-First approach means leveraging cloud technology's power to drive innovation, scalability, and efficiency in all aspects of our service offerings.

Operations and Maintenance Non-Labor Sustainability

	2024
Operations	\$ 405,575
System Control	199,500
Electric Environment	178,905
Administration	184,324
Electric Reliability	34,009
Total Operations and Maintenance Non-Labor	\$ 1,002,313

	2023
Operations	\$ -
System Control	-
Electric Environment	-
Administration	-
Electric Reliability	-
Total Operations and Maintenance Non-Labor	\$ -

Sustainability Budget Highlights

In FY2023, a decision was made to separate the Office of Sustainability to its own line of business to prepare for the future direction of GRU. Sustainability is responsible for the strategic planning for major utility systems using a balanced triple-bottom-line approach that considers impacts to economics, environment and people. This approach includes the Integrated Resource Plan (IRP) that determines future electric system needs and the proper generation of resources. Environmental Compliance and Electric Regulatory Compliance are also part of Sustainability. This reorganization moved budgeted costs from Administration and Energy Supply to Sustainability. The FY2024 budget for O&M costs is \$1M.

Operations and Maintenance Non-Labor

Corporate Expenses

	2024
Joint Services - General Government	\$ 3,672,590
Vehicle and Transportation	2,812,742
Property Insurance - Plant	2,663,562
Risk Management	2,386,848
Uncollectible Accounts	1,430,270
Debt Service Fees	1,417,373
Electric Service (Streetlights)	1,100,000
Insurance Premiums	516,852
Audit Fees	414,648
Worker's Compensation	360,452
Legal Services	255,313
Insurance - Transportation Eq Liability	252,234
General Liability Claims Paid	159,503
Software Maintenance	82,500
Bank Fees	80,000
Fleet Expenses to Capital	(1,356,902)
Total Operations and Maintenance Non-Labor	\$ 16,247,985

	2023
Joint Services - General Government	\$ 2,776,317
Vehicle and Transportation	2,757,590
Property Insurance - Plant	2,421,420
Risk Management	2,169,862
Uncollectible Accounts	1,291,337
Debt Service Fees	3,354,527
Electric Service (Streetlights)	800,000
Insurance Premiums	469,865
Audit Fees	485,980
Worker's Compensation	349,953
Legal Services	255,313
Insurance - Transportation Eq Liability	229,304
General Liability Claims Paid	154,858
Software Maintenance	82,500
Bank Fees	76,385
Fleet Expenses to Capital	(1,095,059)
Total Operations and Maintenance Non-Labor	\$ 16,580,152



Fiscal Year 2024 Budget

Fuels

Fiscal Year 2024 Budget

Fuels

2024

Natural Gas	\$ 50,385,489
Biomass	31,321,764
Local Distribution Customer Sales	11,762,097
Purchased Power	9,158,786
SolarFit	4,271,696
Marion County Landfill Gas	207,861
Coal	55,107
Renewable Energy Credits	40,000

Total Fuels	\$ 107,202,800
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2023

Natural Gas	\$ 81,377,317
Biomass	19,818,024
Local Distribution Customer Sales	15,765,595
Purchased Power	4,060,217
SolarFit	4,687,721
Marion County Landfill Gas	1,639,176
Coal	181,218
Renewable Energy Credits	40,000

Total Fuels	\$ 127,569,268
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Fiscal Year 2024 Budget **Uses of Net Revenues**

Fiscal Year 2024 Uses of Net Revenues

Combined Systems

2024

Debt Service	\$ 102,918,848
Utility Plant Improvement Fund	46,125,618
Government Service Contribution	15,305,225
Transfer from City of Gainesville General Fund for County Streetlights	(1,100,000)
Debt Defeasance from Excess Revenues	7,600,000
Debt Defeasance from Budget Reductions	3,410,011
Debt Defeasance from GSC reduction	16,977,775
Debt Defeasance from Treasury	4,681,507
Total Uses of Net Revenues	\$ 195,918,984

2023

Debt Service	\$ 99,750,434
Utility Plant Improvement Fund	46,206,211
Government Service Contribution	34,283,000
Transfer from City of Gainesville General Fund for County Streetlights	(800,000)
Debt Defeasance from Excess Revenues	-
Debt Defeasance from Budget Reductions	-
Debt Defeasance from GSC reduction	-
Debt Defeasance from Treasury	4,673,287
Total Uses of Net Revenues	\$ 184,112,932

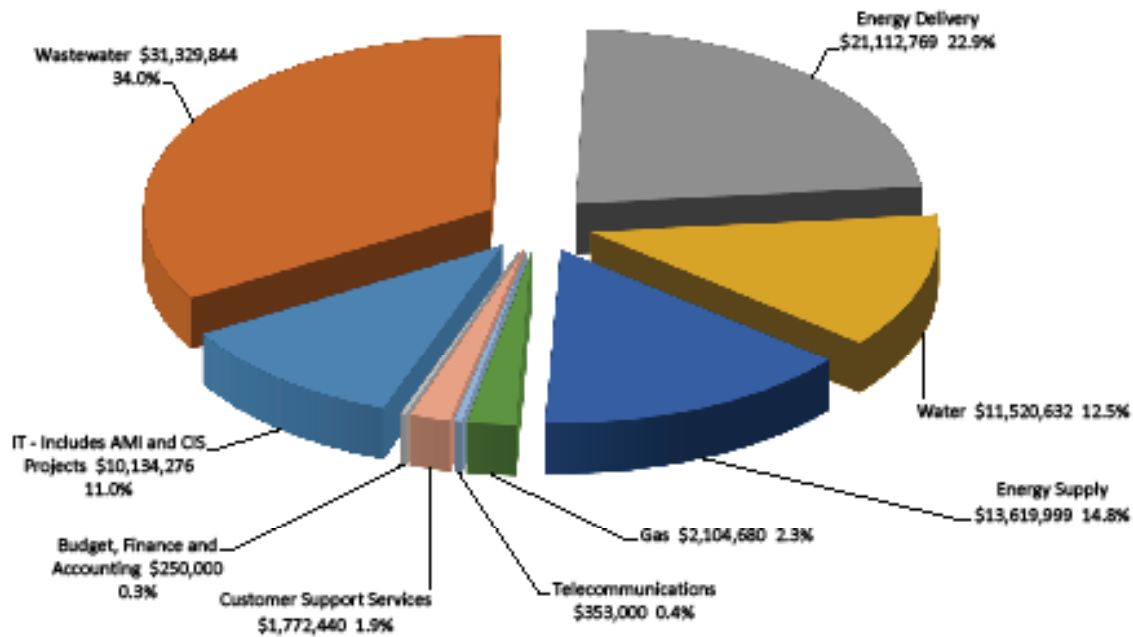


Fiscal Year 2024 Budget

Capital Non-Labor

Capital Non-Labor

Lines of Business

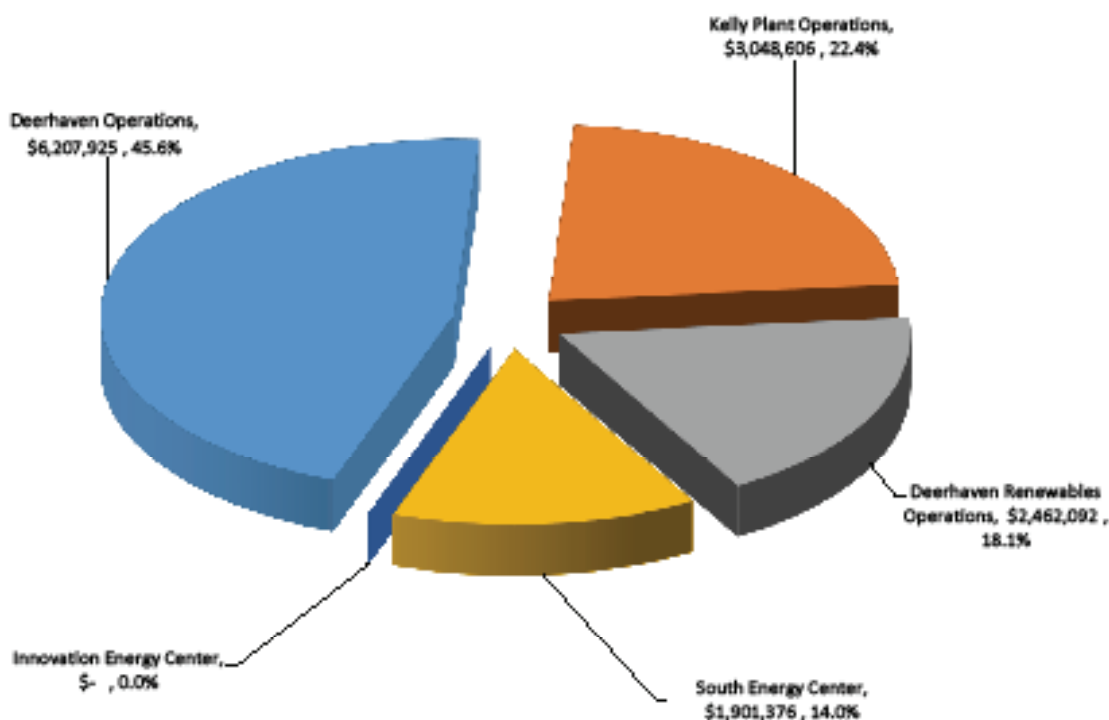


2024		
IT - Includes AMI and CIS Projects	\$	10,134,276
Wastewater		31,329,844
Energy Delivery		21,112,769
Water		11,520,632
Energy Supply		13,619,999
Gas		2,104,680
Telecommunications		353,000
Customer Support Services		1,772,440
Budget, Finance and Accounting		250,000
Total Capital Non-Labor	\$	121,137,648

2023		
IT - Includes AMI and CIS Projects	\$	25,256,451
Wastewater		24,623,127
Energy Delivery		13,977,116
Water		10,790,618
Energy Supply		9,278,470
Gas		1,297,354
Telecommunications		629,226
Customer Support Services		488,000
Budget, Finance and Accounting		115,000
Total Capital Non-Labor	\$	86,455,362

Capital Non-Labor

Energy Supply



2024		
Deerhaven Operations	\$	6,207,925
Kelly Plant Operations		3,048,606
Deerhaven Renewables Operations		2,462,092
South Energy Center		1,901,376
Innovation Energy Center		-
Total Capital Non-Labor	\$	13,619,999

2023		
Deerhaven Operations	\$	4,436,620
Kelly Plant Operations		2,853,816
Deerhaven Renewables Operations		1,304,779
South Energy Center		663,255
Innovation Energy Center		20,000
Total Capital Non-Labor	\$	9,278,470

Energy Supply

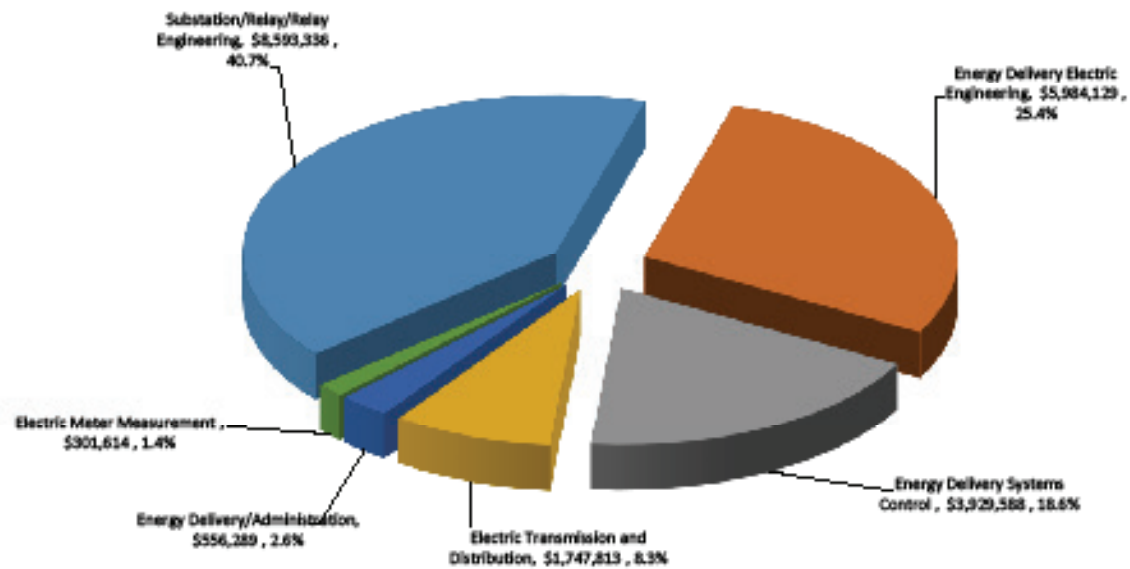
Energy Supply Budget Highlights

Energy Supply is responsible for all power generation, power engineering, fuels management, and design, construction, operations, and maintenance of power generation systems. The power generation portfolio in Energy Supply 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). Capital non-labor work for fiscal year 2024 is \$7.1 million higher than planned capital non-labor work for fiscal year 2023. Both the number and scope of planned unit outages drives the Energy Supply capital and O&M budgets. This increase is cyclical in nature in plant capital projects. Large projects for 2024 include:

- Due to DH1 Life Time Assessment conducted in FY 2023 Energy Supply will need to address these material issue finding in FY 2024. This will mean Energy Supply will have four major outages in FY 2024 vs three, and this is a major driver in both cost and scope of work. Estimated findings impact to FY 2024 capital is just over \$2.8 million not originally budgeted in FY 2023-24 forecast.
- Procurement of first of three increments of required gas turbine capital spares that will be required in support of the next major maintenance for Kelly Station Combustion Turbine (CT4) in FY 2026. These capital spares will be procured over time due to cost and lead times estimated capital cost for this scope in FY 2024 is \$1.8 million.
- DHR boiler optimization project is a 2 year project with estimated cost in FY 2024 of \$1.3 million. This project replaces the boiler fan motors with Variable Frequency Drives, thus allowing reduction in motor size and less wear on components. Long term impact of this project will create a reduction of annul O& M expense of just over \$300,000.00. This increase efficiency and reduces annual O&M cost.

Capital Non-Labor

Energy Delivery



2024		
Substation/Relay/Relay Engineering	\$	8,593,336
Energy Delivery Electric Engineering		5,984,129
Energy Delivery Systems Control		3,929,588
Electric Transmission and Distribution		1,747,813
Energy Delivery/Administration		556,289
Electric Meter Measurement		301,614
Total Capital Non-Labor	\$	21,112,788

2023		
Substation/Relay/Relay Engineering	\$	6,553,498
Energy Delivery Electric Engineering		5,191,850
Energy Delivery Systems Control		282,262
Electric Transmission and Distribution		796,294
Energy Delivery/Administration		584,877
Electric Meter Measurement		568,335
Total Capital Non-Labor	\$	13,877,118

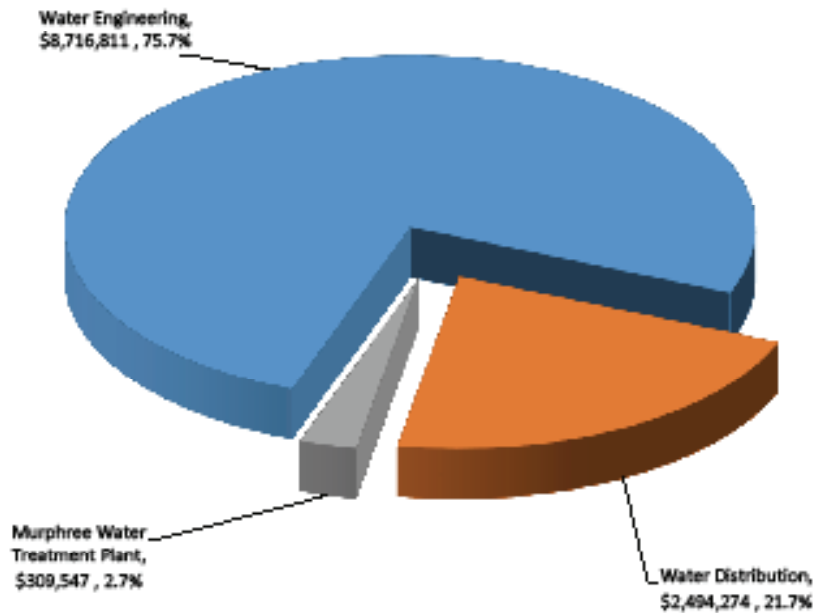
Energy Delivery

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 and Regulation. Energy Delivery continues to improve the reliability and resilience of our electric transmission and distribution systems by prudently spending capital dollars to maximize efficacy. Energy Delivery's FY2024 capital non-labor budget is \$7.1M more than FY2023. The increase is driven by substation transformer replacements, circuit breaker replacements, and other improvements for increased reliability, as well as contract and professional services allowing us to utilize subject matter experts. Supply chain shortages have driven price increases in materials and supplies, offset with the postponement of fleet purchases.

Capital Non-Labor

Water



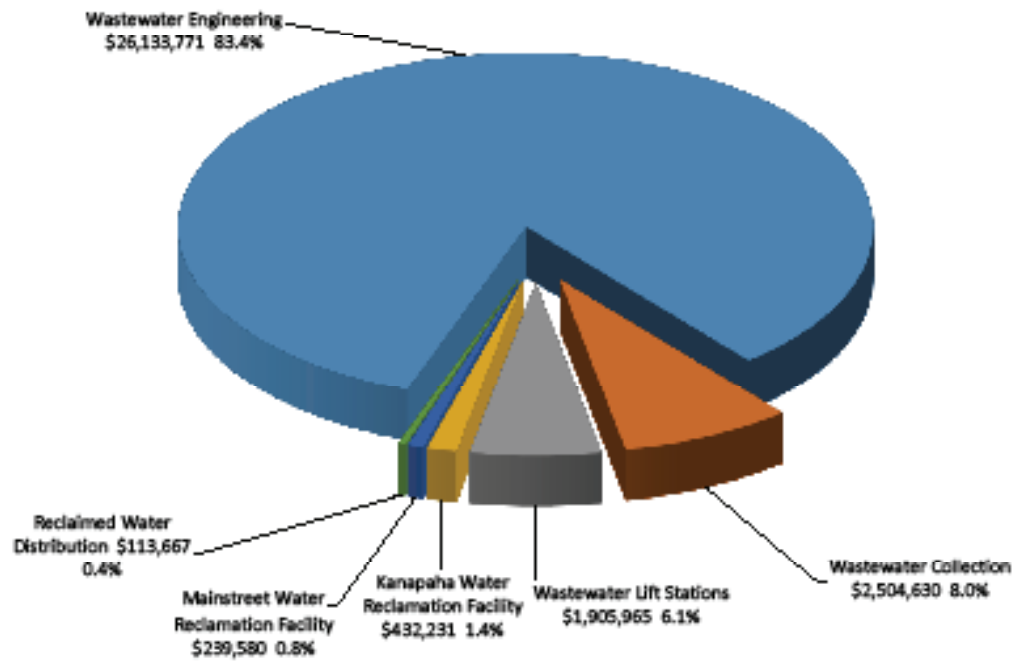
2024		
Water Engineering	\$	8,716,811
Water Distribution		2,494,274
Murphree Water Treatment Plant		309,547
Total Capital Non-Labor	\$	11,520,632

2023		
Water Engineering	\$	7,833,244
Water Distribution		2,503,438
Murphree Water Treatment Plant		453,936
Total Capital Non-Labor	\$	10,790,618

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 provided by the Murphree Water Treatment Plant. Groundwater, from a well field tapping into the Floridan aquifer, is treated at Murphree Water Treatment Plant prior to distribution and use by our community. 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 FY2024 has increased by \$749,573 as compared to FY2023 and is primarily driven by replacement projects for aging infrastructure at the Water Treatment Plant and in the Water Distribution system. GRU is constantly striving to mitigate expense increases to our Water System.

Capital Non-Labor Wastewater



2024		
Wastewater Engineering	\$	26,133,771
Wastewater Collection		2,504,630
Wastewater Lift Stations		1,905,965
Kanapaha Water Reclamation Facility		432,231
Mainstreet Water Reclamation Facility		239,580
Reclaimed Water Distribution		113,667
Total Capital Non-Labor	\$	31,329,844

2023		
Wastewater Engineering	\$	20,271,657
Wastewater Collection		1,850,106
Wastewater Lift Stations		1,742,590
Kanapaha Water Reclamation Facility		351,351
Mainstreet Water Reclamation Facility		180,336
Reclaimed Water Distribution		227,087
Total Capital Non-Labor	\$	24,623,127

Capital Non-Labor

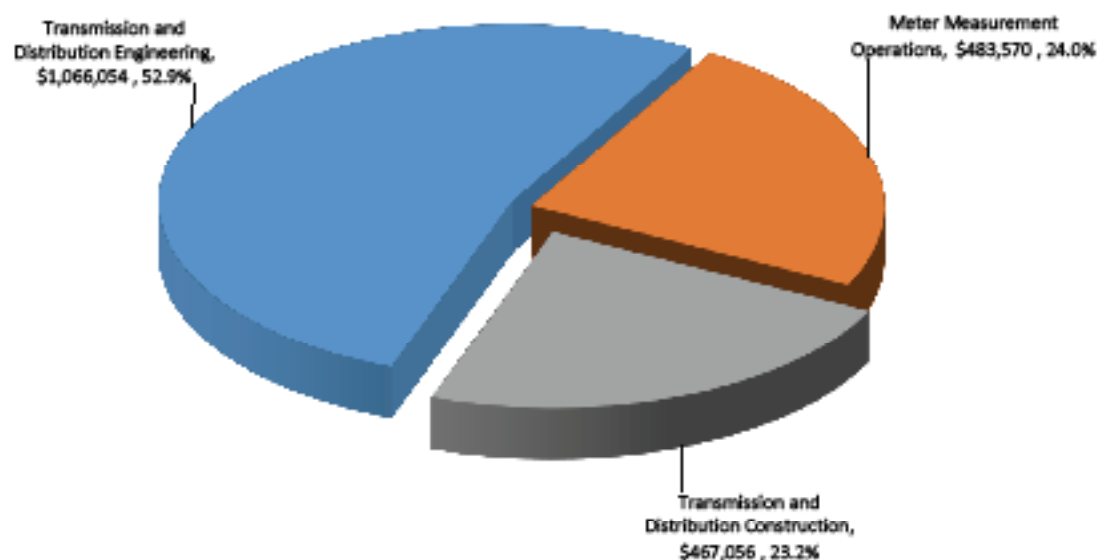
Wastewater

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 FY2024 is \$6.7M more than the FY2023 budget. The increase is driven by replacement projects for aging infrastructure at the Wastewater Reclamation Facilities and in the wastewater collection system. Key projects for FY2024 are the MSWRF Capacity Renewal Upgrade, Regional Groundwater Recharge Wetland, and Lift Station No. 1 Replacement. GRU is constantly striving to mitigate expense increases to our Wastewater System.

Capital Non-Labor

Gas



2024

Transmission and Distribution Engineering	\$	1,066,054
Meter Measurement Operations		483,570
Transmission and Distribution Construction		467,056
Transmission and Distribution Operations		88,000
Total Capital Non-Labor	\$	2,104,680

2023

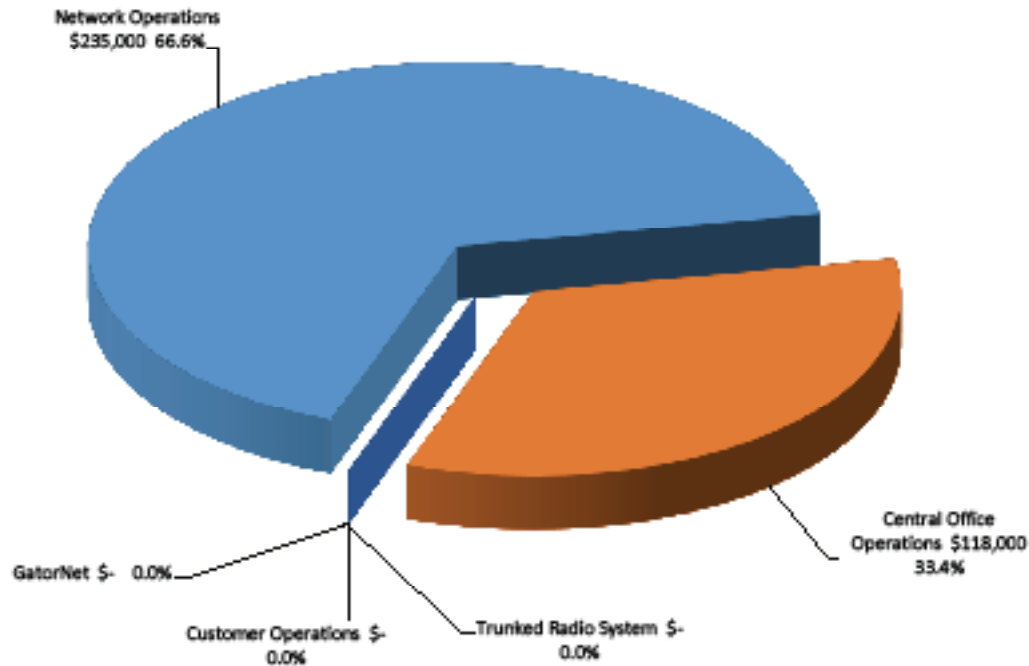
Transmission and Distribution Engineering	\$	724,666
Meter Measurement Operations		513,304
Transmission and Distribution Construction		59,384
Transmission and Distribution Operations		-
Total Capital Non-Labor	\$	1,297,354

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 an \$807,326 increase in their FY2024 capital non-labor budget compared to the FY2023 budget. This increase is driven by additional contract and professional services and new developments, which include 2 new subdivision phases requiring an extension of the main gas lines by 6,000 feet, and one (1) new commercial gas boiler, which requires an extension of the main gas lines by 1,200 feet. Additionally, increases in the budget were driven by the addition of a Green Energy Hub and the conversion of one neighborhood from LP to Natural Gas.

Capital Non-Labor

Telecommunications



2024		
Network Operations	\$	235,000
Central Office Operations		118,000
Customer Operations		-
Trunked Radio System		-
GatorNet		-
Total Capital Non-Labor	\$	353,000

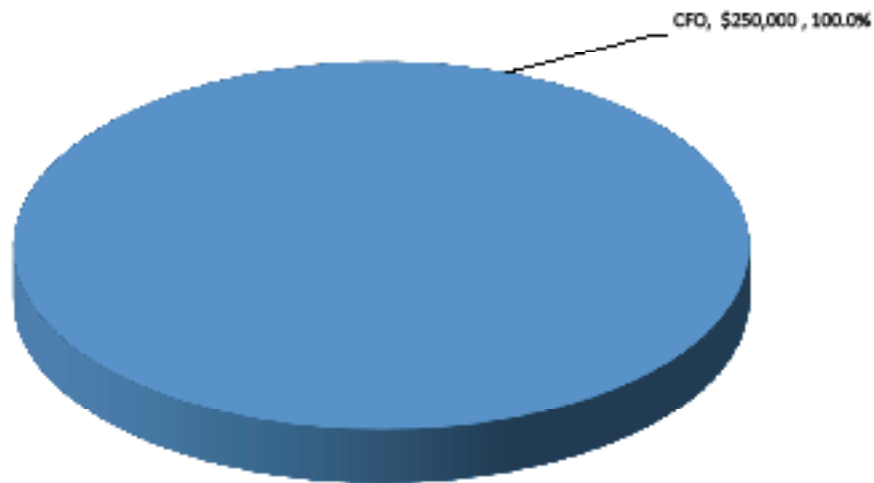
2023		
Network Operations	\$	314,132
Central Office Operations		-
Customer Operations		163,094
Trunked Radio System		92,000
GatorNet		60,000
Total Capital Non-Labor	\$	629,226

Telecommunications

Telecommunications Budget Highlights

Telecommunications provides services including internet and data transport for local businesses, government agencies, multiple dwelling unit communities, various internet service providers, and other telecommunications carriers. Additional services include tower space leases for wireless communications 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 FY2024 budget proposes a \$276,226 decrease over the FY2023 approved budget. This decrease is driven by a reduction in capital earmarked for network expansion and upgrades to infrastructure.

Capital Non-Labor Budget, Finance, and Accounting



2024		
CFO	\$	250,000
Total Capital Non-Labor	\$	250,000

2023		
CFO	\$	115,000
Total Capital Non-Labor	\$	115,000

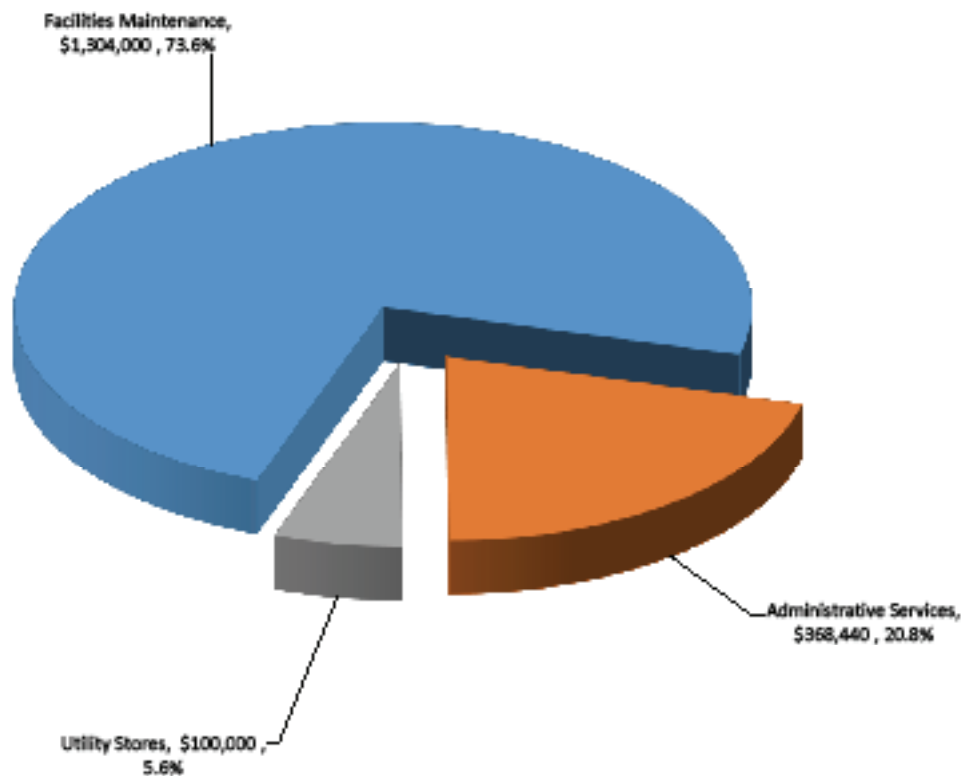
Capital Non-Labor Budget, Finance, and Accounting

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, and regulatory and tax reporting.. Since the re-implementation of SAP, BFA has developed financial and managerial reports to meet the utility-wide needs of 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. BFA's budget has increased by \$135,000 over the FY2023 budget due to projected price increase for equipment.

Capital Non-Labor

Customer Support Services



2024		
Facilities Maintenance	\$	1,304,000
Administrative Services		368,440
Utility Stores		100,000
Total Capital Non-Labor	\$	1,772,440

2023		
Facilities Maintenance	\$	300,000
Administrative Services		188,000
Utility Stores		-
Total Capital Non-Labor	\$	488,000

Capital Non-Labor

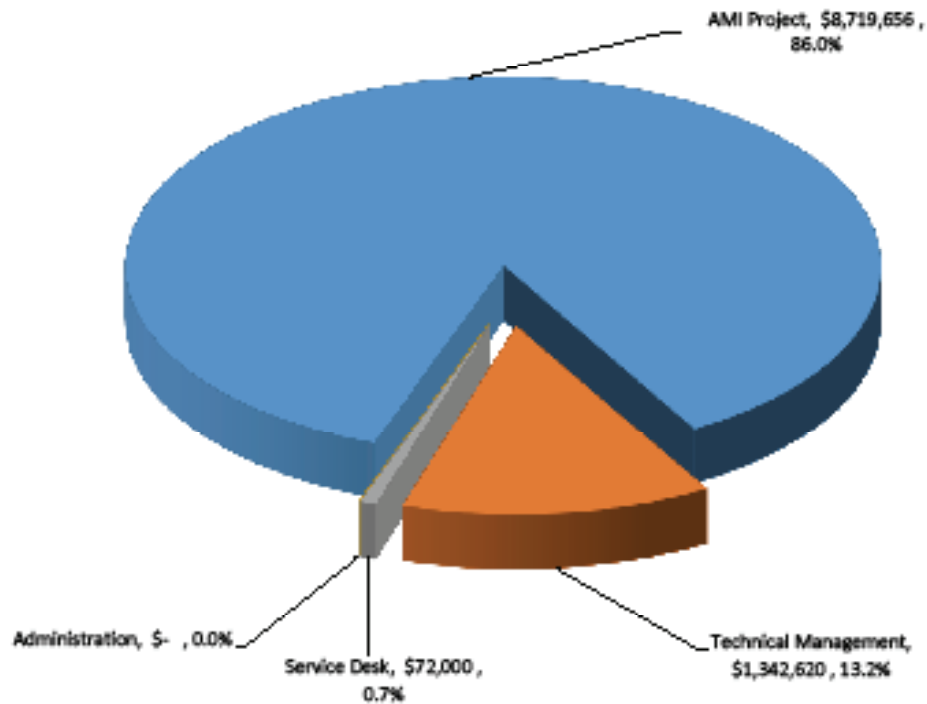
Customer Support Services

Customer Support Services Budget Highlights

Customer Support Services includes the Chief Customer Officer, 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 Administrative Services, Utility Stores, and Facilities Maintenance departments. Customer Support Services reflects a \$1.3M increase in non-labor capital expenses from the FY2023 budget. The increase is being driven by the Kelly Plant Backup control center renovation and Liebert unit for GRUcom building. There will be an increase to O&M in CSS for the completion of defects and change request for the CIS project.

Capital Non-Labor

Information Technology



2024	
AMI Project	\$ 8,719,656
Technical Management	1,342,620
Service Desk	72,000
Administration	-
Total Capital Non-Labor	\$ 10,134,276

2023	
AMI Project	\$ 22,686,451
Technical Management	2,210,000
Service Desk	60,000
Administration	300,000
Total Capital Non-Labor	\$ 25,256,451

Capital Non-Labor

Information Technology

Information Technology Budget Highlights

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

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.

A major endeavor for the 2024 budget is our Network Equipment Lifecycle (Gigabit) initiative, a transformative step towards enhancing network performance and reliability in the upcoming fiscal year. As technology advances rapidly, our network infrastructure must remain at the forefront. This initiative focuses on strategically replacing aging network equipment. By adopting newer, more efficient equipment, we aim to optimize data transfer speeds, reduce latency, and bolster overall network capacity for BY2024 and beyond. This evolution will elevate our operational efficiency and ensure seamless and uninterrupted connectivity for our customers. By embracing this initiative, we are optimizing network performance and fortifying our cybersecurity posture. The implementation of updated security features in the new equipment will help safeguard against emerging threats, providing an additional layer of protection for our organization and its valuable IT assets.

Another significant capital project for BY2024 focuses on implementing an Application Centric Infrastructure (ACI). This effort will reshape our network landscape with advanced software-defined capabilities and centralized control. ACI's micro-segmentation enhances security by isolating workloads and applications. It will keep our information safer by ensuring different parts of our network don't mix when they shouldn't, while centralized management simplifies monitoring, troubleshooting, and maintenance. Additionally, ACI enhances disaster recovery capabilities, ensuring consistent connectivity across data centers, simplifying failover processes, and accelerating system recovery times.

Furthermore, our capital investment in implementing a network discovery and asset management solution within our infrastructure will improve efficiency and cybersecurity. This product tracks and manages IT infrastructure components while generating dependency maps for systems and equipment that communicate with one another. The benefits are significant as this is achieved without software installation on devices or physical visits to supported sites and locations. Establishing and maintaining a comprehensive enterprise asset inventory aligns with our objective of attaining basic cyber hygiene through our ongoing cybersecurity efforts. Leveraging this solution grants a holistic understanding of our IT environment and enhances cybersecurity by promptly identifying vulnerabilities through accurate asset inventory.



Fiscal Year 2024 Budget Financial Reserves and Ratios

Fiscal Year 2024 Financial Reserves and Ratios

Reserve Requirements and Reserve Funded

	2023	2024
Reserve Requirements:		
Electric	\$ 62,690,841	\$ 64,571,566
Water	5,402,442	5,564,516
Wastewater	6,640,502	6,839,717
Gas	4,952,239	5,100,806
GRUCom	2,138,467	2,202,621
Total Reserve Requirements	81,824,491	84,279,225
Reserve Funded:		
Rate Stabilization Fund	71,042,328	58,544,883
Operating Cash (60 days)	4,099,318	5,271,878
Utility Plant Improvement Fund	40,088,510	41,671,692
Total Reserve Funded	115,230,156	105,488,453
Amount Over/(Under Funded)	\$ 33,405,665	\$ 21,209,228

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 are currently 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.

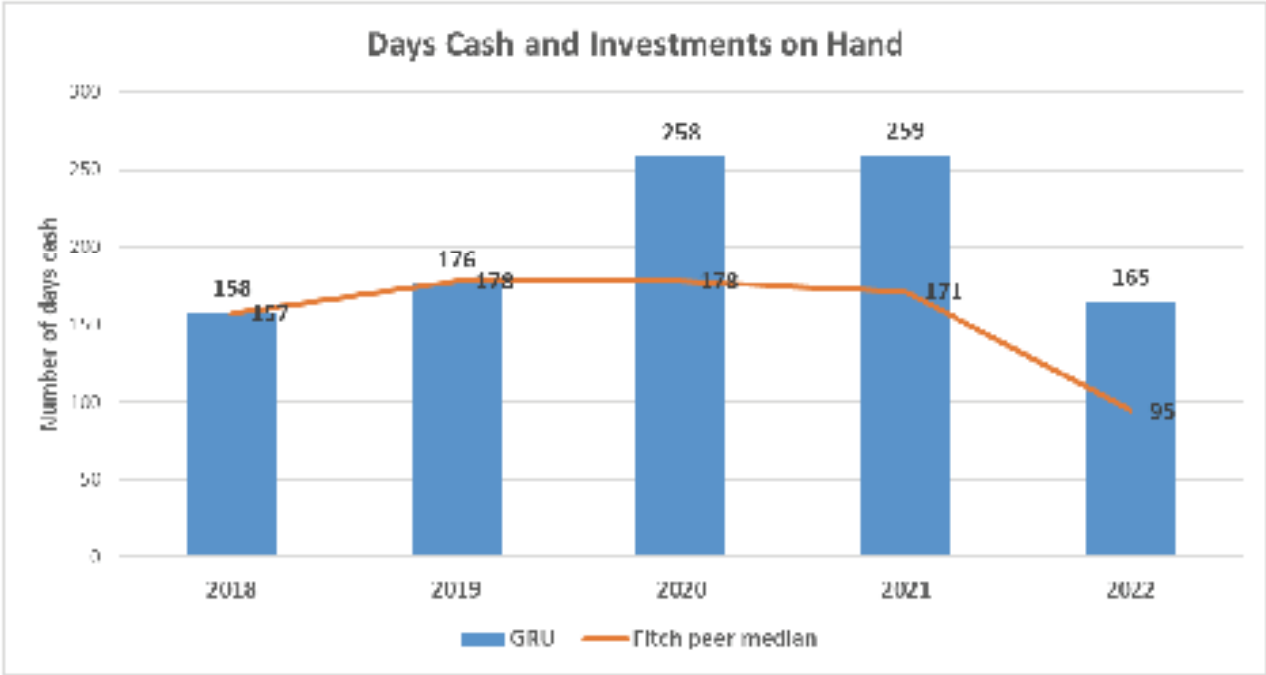
As detailed above, total reserves for budget year 2024 exceed the reserve level required by policy. This is consistent with the long-term financial plan approved by the City Commission as part of the FY22 budget. This plan authorized recurring annual base rate increases of 3% in the Electric System and 5% in the Wastewater System for the years FY22 through FY27. These base rate increases are

Fiscal Year 2024 Financial Reserves and Ratios

Reserve Requirements and Reserve Funded

intended to generate reserves over and above the target levels identified in the approved cash balance policy. These "excess" reserves, per City Commission direction, are to be utilized to reduce net debt through either defeasance of existing debt or funding of capital projects to reduce future debt issuances.

GRU's financial advisor is currently in the process of reviewing and updating the cash balance policy. The revised policy is scheduled to be presented for consideration in the fall of 2023.

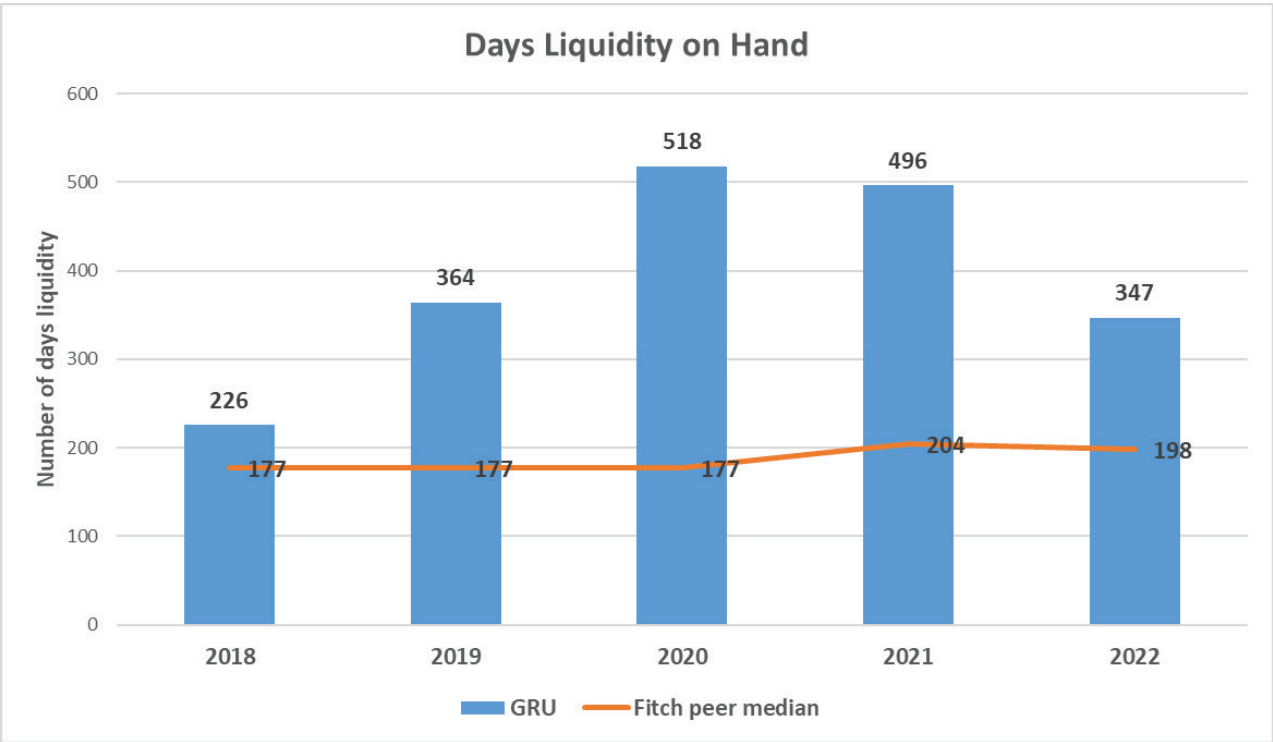


Days Cash and Investments on Hand: Number of days operating cash on hand. This metric indicates financial flexibility, specifically cash and short-term investments, relative to expenses.

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.

Financial Reserves and Ratios

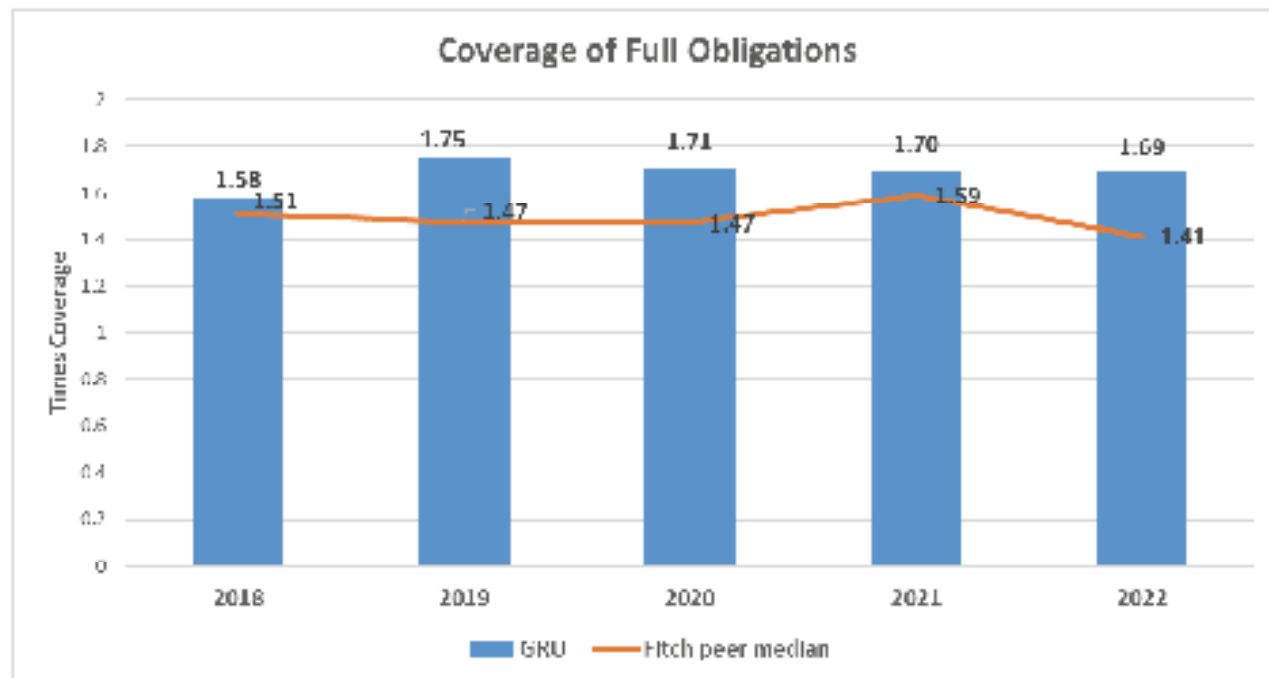


Days Liquidity on Hand: Number of days liquidity on hand. This metric indicates financial flexibility, including all available sources of cash, short-term investments and liquidity, relative to expenses.

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

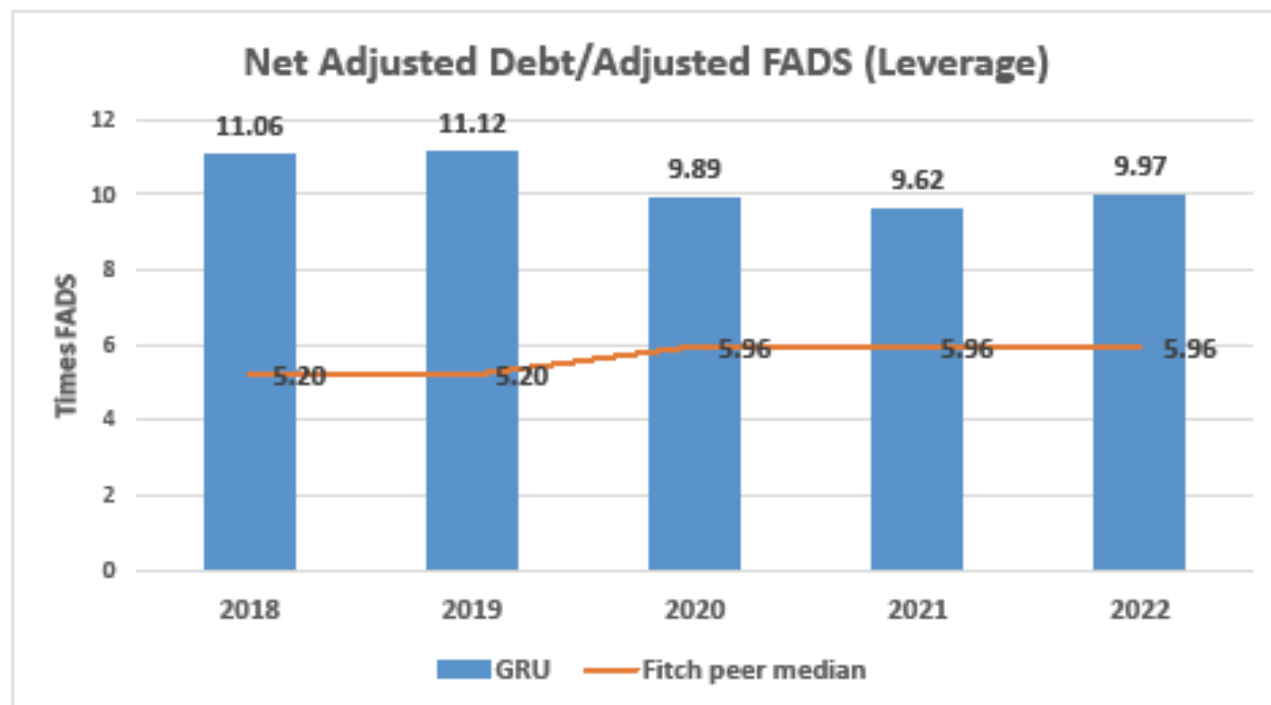
Fiscal Year 2024

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.



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 have developed 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 FY23 through FY27; and allocations of debt transaction and pension bond savings to debt defeasance.

- On April 13, 2023 the City Commission sitting as the General Policy Committee approved a plan to reduce GRU's capitalization rate to 70% over the next decade. This plan includes a process designed to reduce GRU's net debt by approximately \$315 million over this period. The steps include using the funds generated from the initiatives detailed below to reduce net debt either by defeasing debt or increasing the amount of internal equity used to fund GRU's Capital Plan:
- Improvement Plan: Implementing a formula to determine the General Fund Transfer, now known as the Government Services Contribution, by over \$119 million over the next ten years
- \$76 million in incremental reserves generated by the base rate increases noted above
- \$28.2 million in budgetary expense reductions committed to by GRU management over the next decade



Fiscal Year 2024 Budget

Total Costs by Line of Business

Fiscal Year 2024 Budget

Total Costs by Line of Business

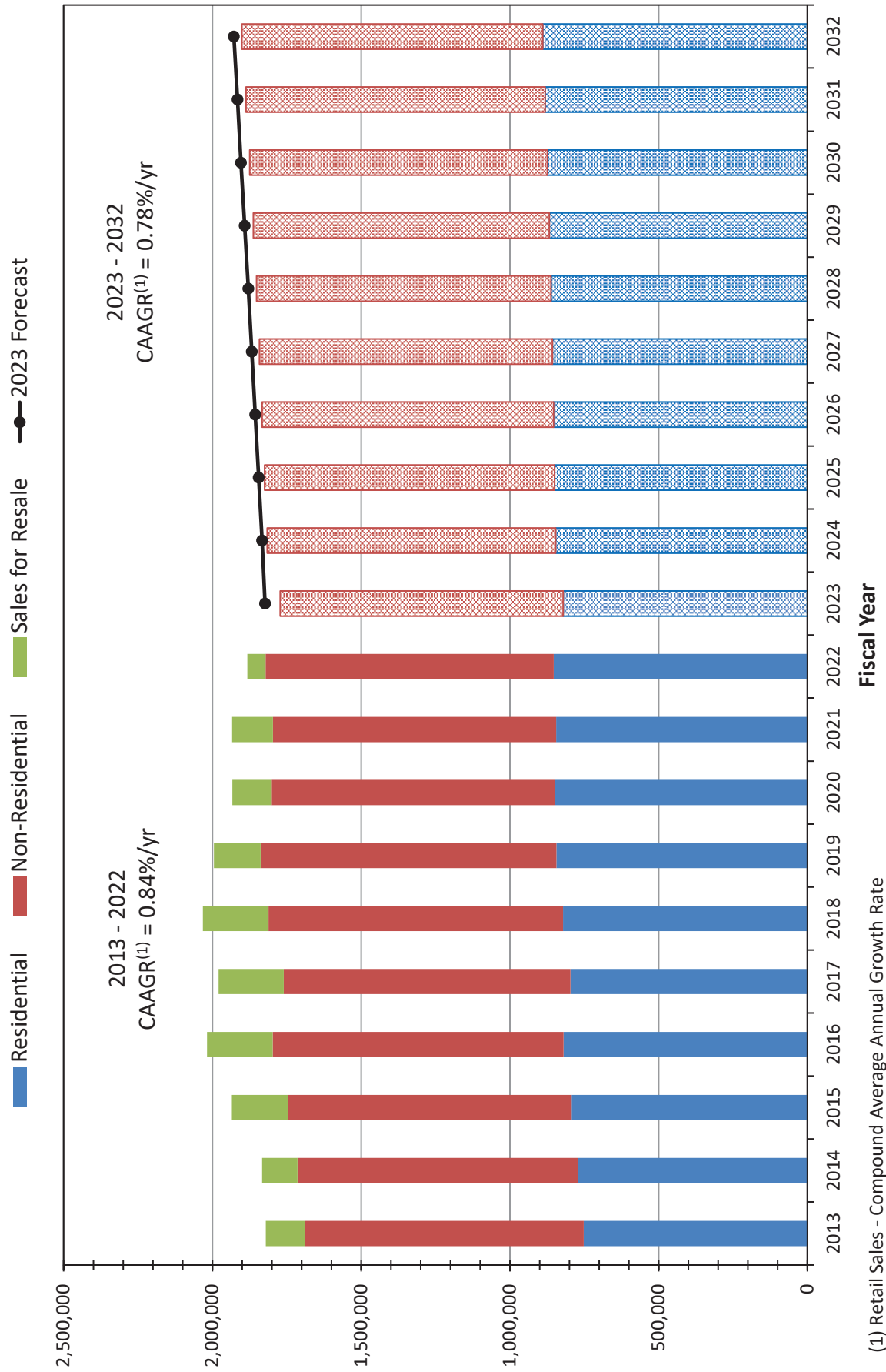
	Operations and Maintenance Non-			2024
	Payroll	Labor	Capital Non-Labor	
Energy Supply	\$ 19,361,202	\$ 20,020,701	\$ 13,620,000	\$ 53,001,903
Energy Delivery	23,691,302	8,681,069	20,524,369	52,896,740
Water	7,358,565	9,821,718	11,520,631	28,700,914
Wastewater	8,971,478	9,813,558	31,329,844	50,114,880
Gas	3,385,344	785,546	2,104,680	6,275,570
Telecommunications	3,873,323	3,410,482	353,000	7,636,805
Administration	3,081,828	-	-	3,081,828
Budget, Finance & Accounting	5,208,054	2,350	-	5,210,404
Customer Support Services	8,208,265	-	-	8,208,265
Information Technology	9,052,577	-	-	9,052,577
Sustainability	4,036,723	199,500	-	4,236,223
Corporate Expenses	-	37,583,391	12,745,116	50,328,507
Total Costs by Line of Business	\$ 96,228,661	\$ 90,318,315	\$ 92,197,640	\$ 278,744,616

	Operations and Maintenance Non-			2023
	Payroll	Labor	Capital Non-Labor	
Energy Supply	\$ 21,697,724	\$ 17,744,738	\$ 9,278,471	\$ 48,720,933
Energy Delivery	24,826,649	7,434,473	13,977,116	46,238,238
Water	7,408,409	8,072,377	10,790,618	26,271,404
Wastewater	8,846,365	8,999,176	24,623,128	42,468,669
Gas	3,447,347	641,753	1,297,354	5,386,454
Telecommunications	4,011,686	4,982,092	629,226	9,623,004
Administration	4,529,177	2,299,903	-	6,829,080
Budget, Finance & Accounting	5,096,834	1,162,861	115,000	6,374,695
Customer Support Services	7,877,522	6,478,434	488,000	14,843,956
Information Technology	9,567,181	9,323,562	25,256,449	44,147,192
Sustainability	-	-	-	-
Corporate Expenses	-	16,580,155	-	16,580,155
Total Costs by Line of Business	\$ 97,308,894	\$ 83,719,524	\$ 86,455,362	\$ 267,483,780

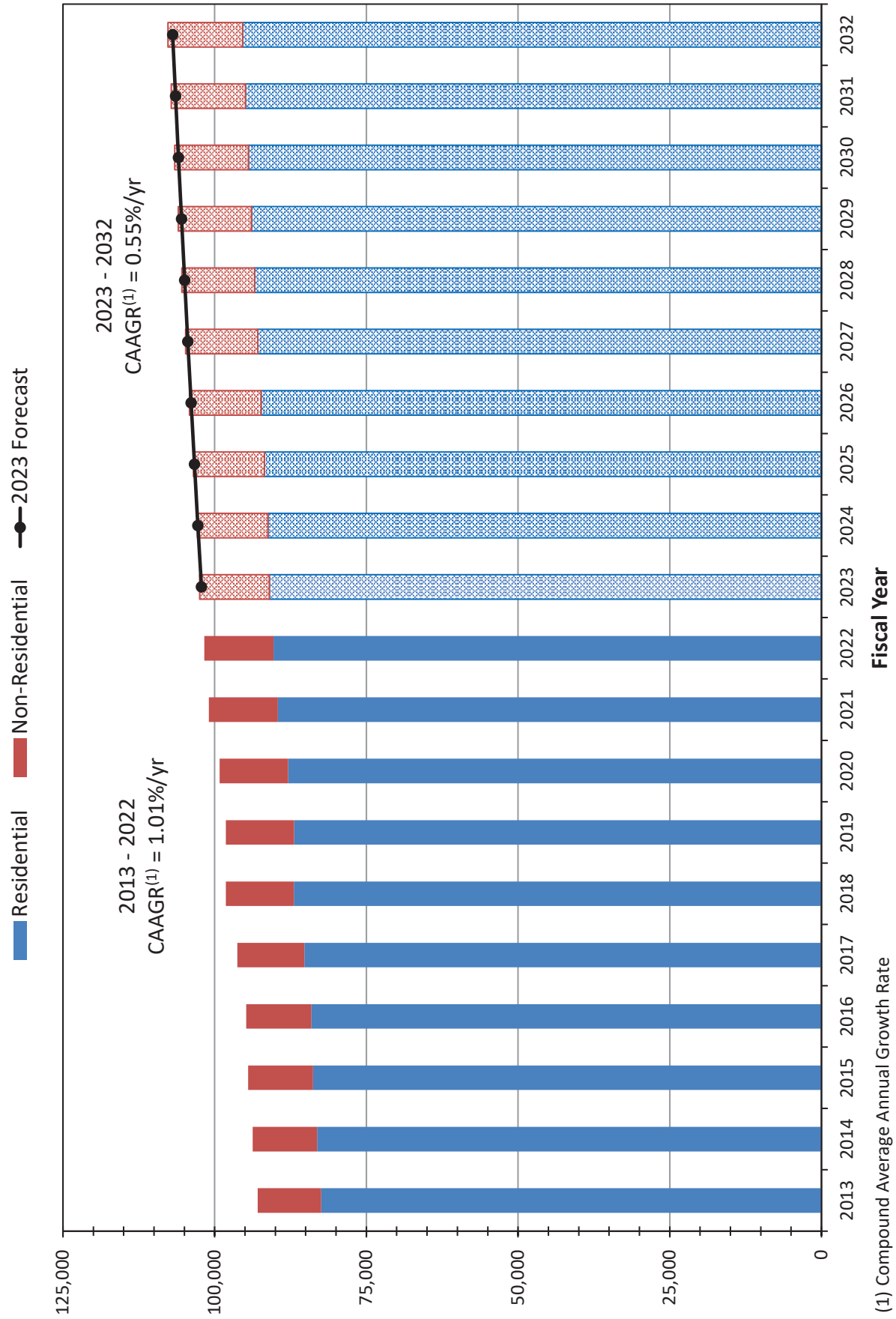


Fiscal Year 2024 Budget **Appendix**

Electric Energy Sales MegaWatt-hours

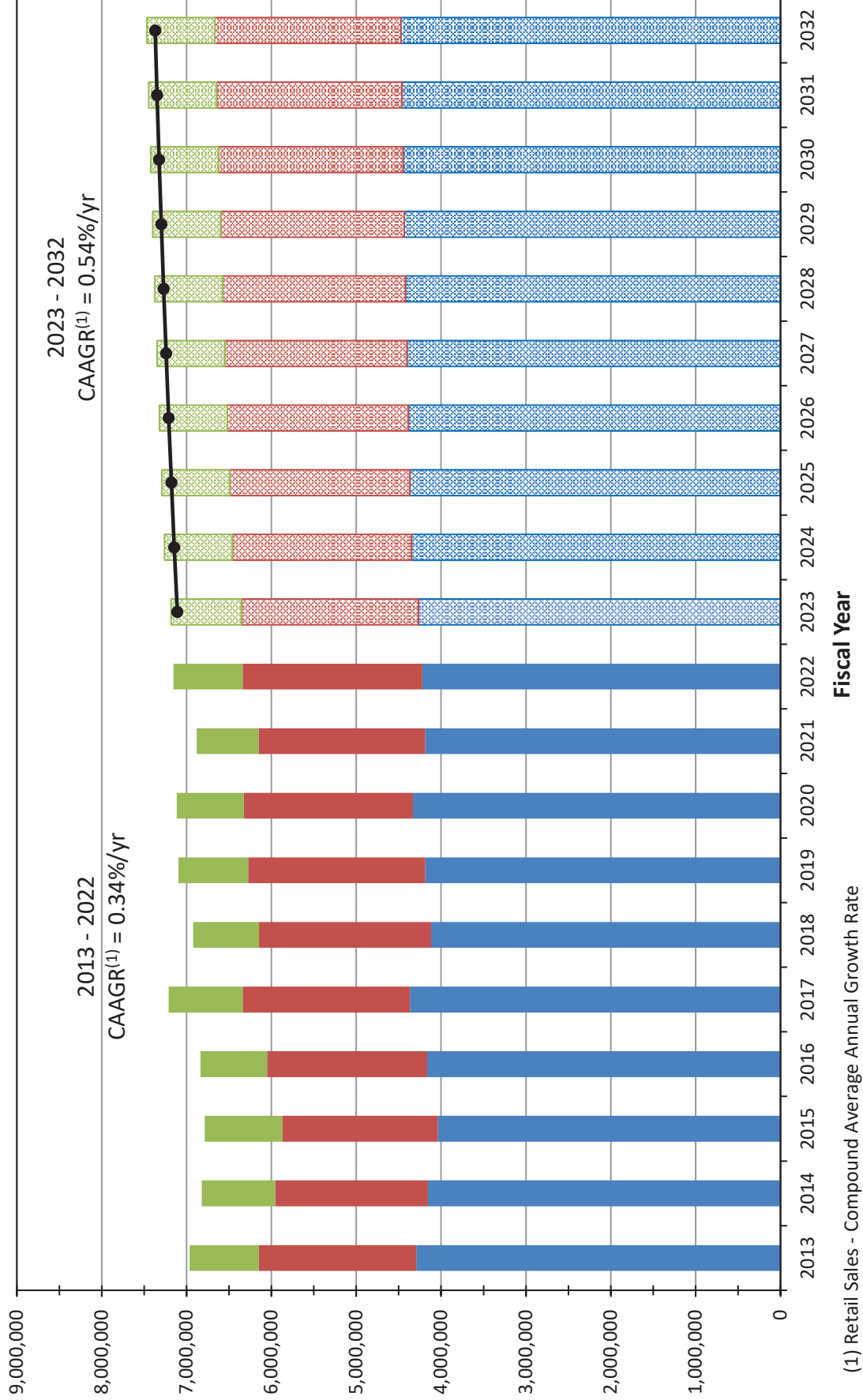


Electric Customers



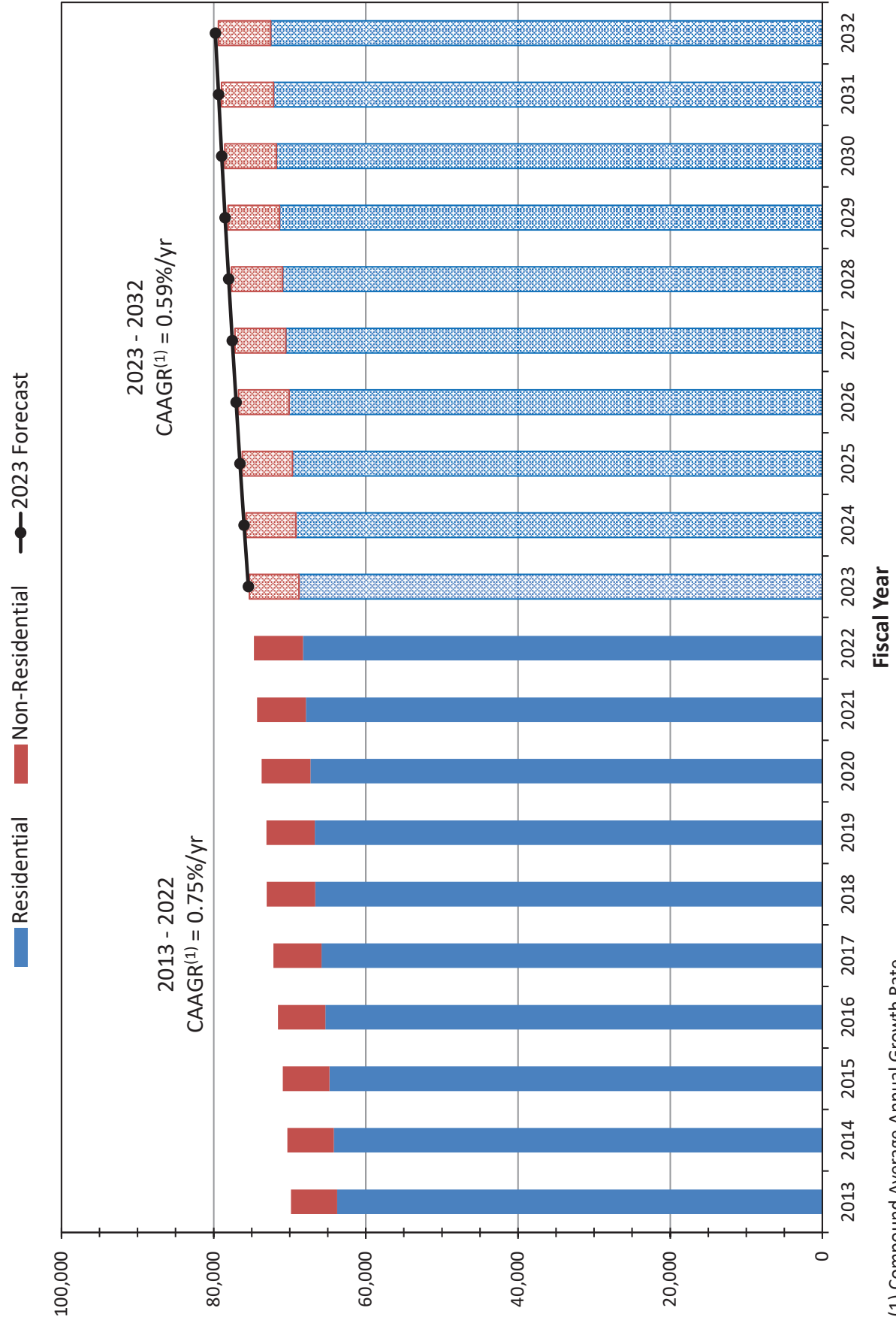
Water Sales Thousand Gallons (kgal)

Residential Non-Residential University of Florida 2023 Forecast



(1) Retail Sales - Compound Average Annual Growth Rate

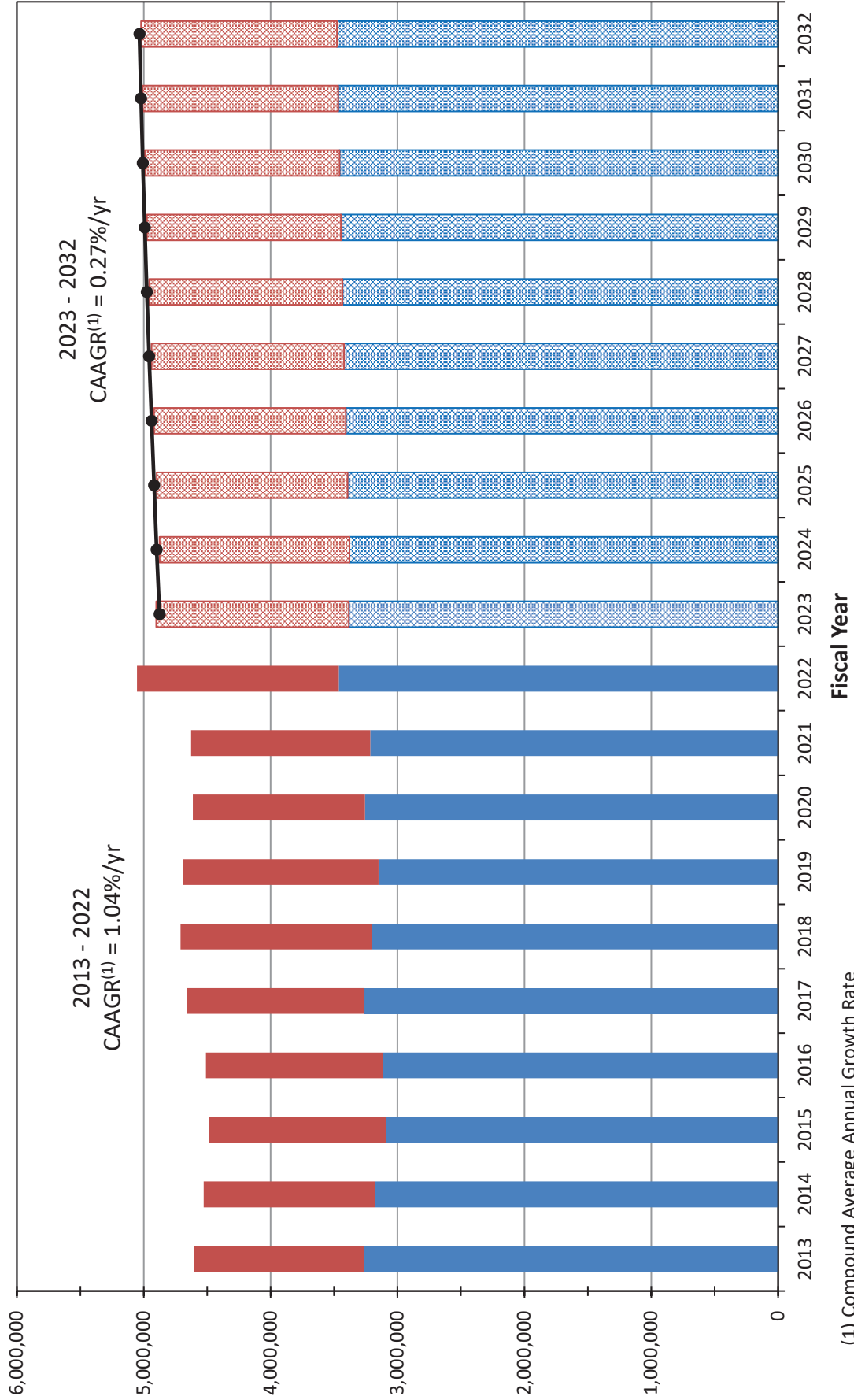
Water Customers



(1) Compound Average Annual Growth Rate

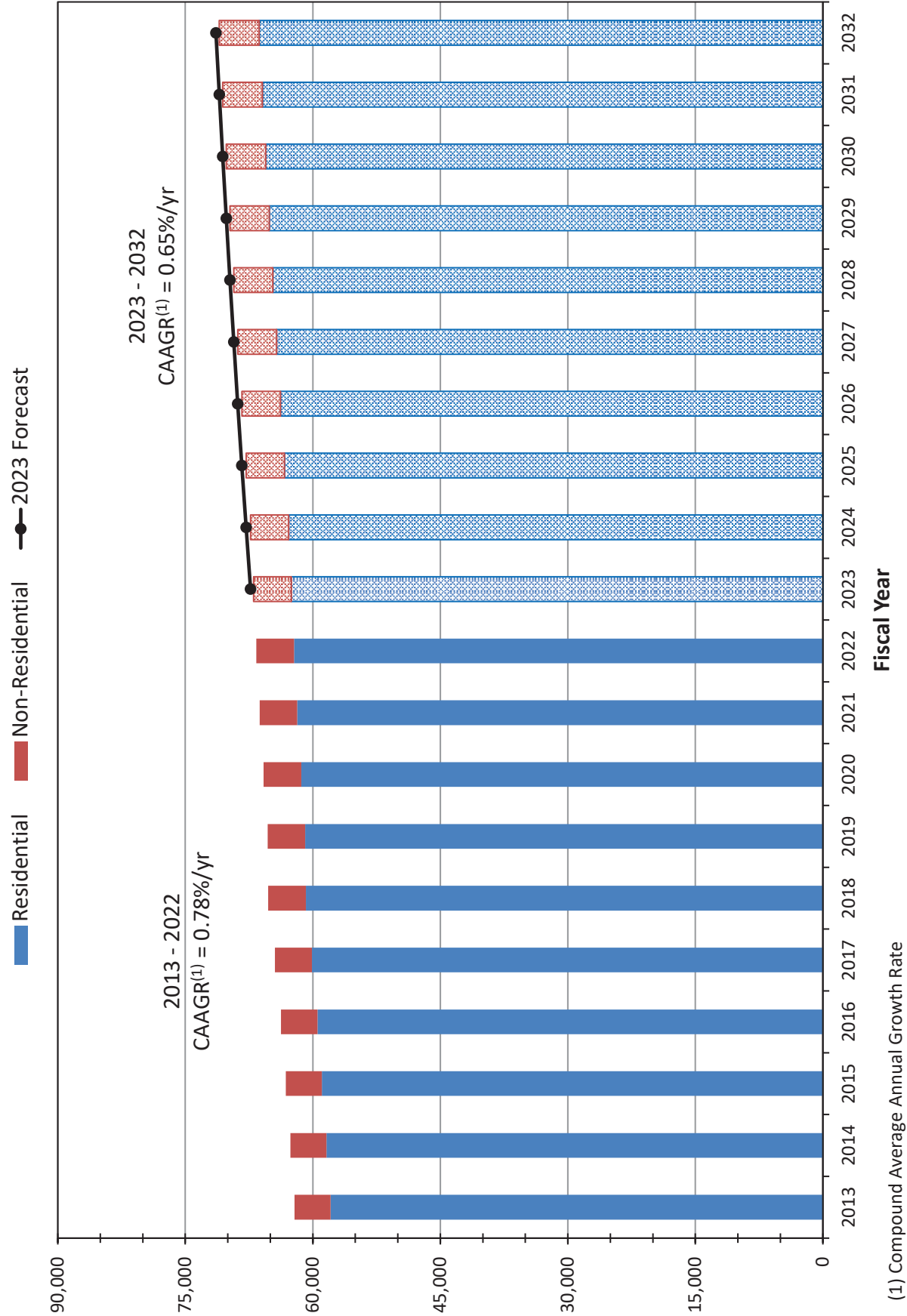
Wastewater Billings Thousand Gallons (kgal)

Residential Non-Residential 2023 Forecast

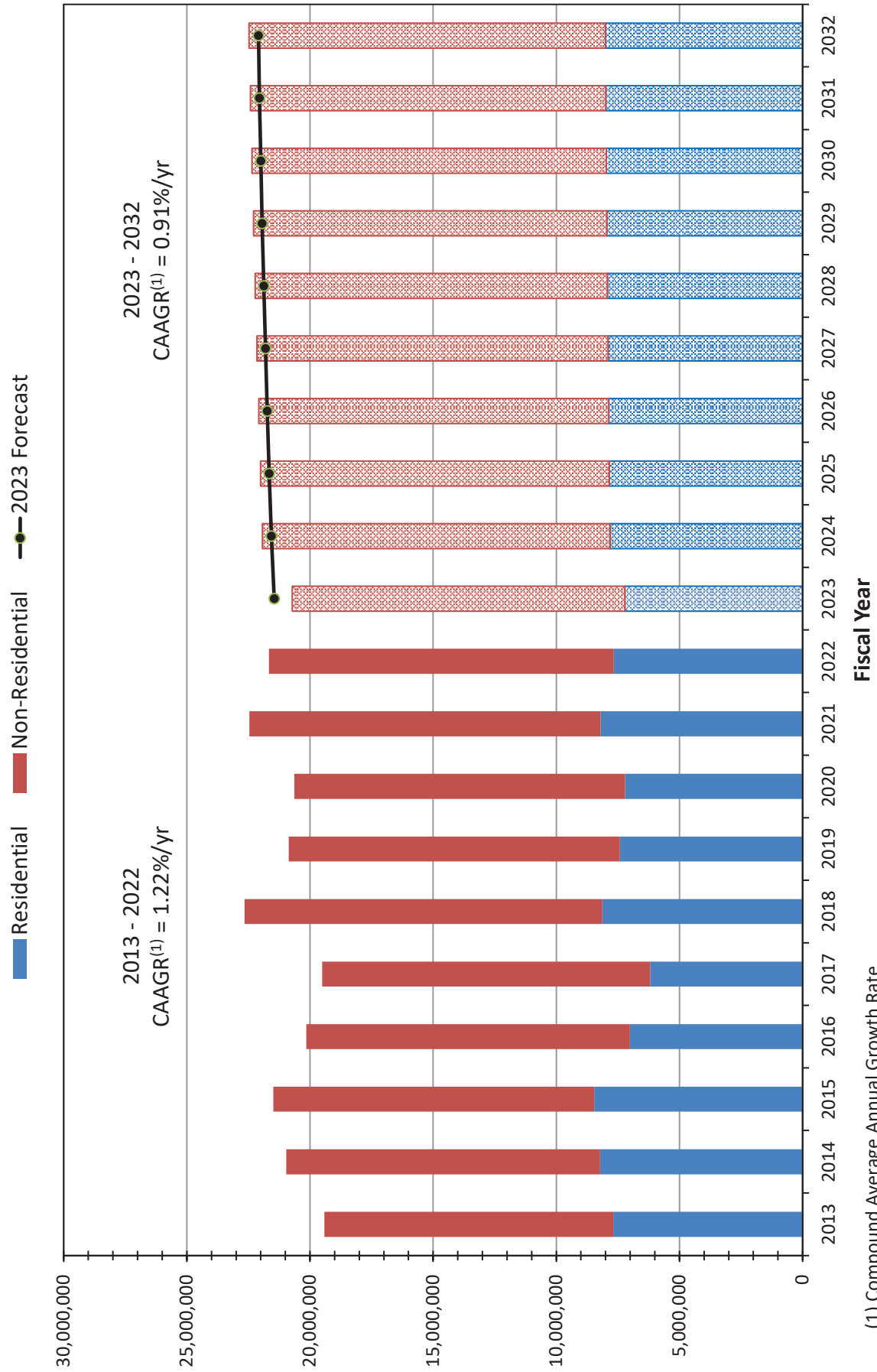


(1) Compound Average Annual Growth Rate

Wastewater Customers

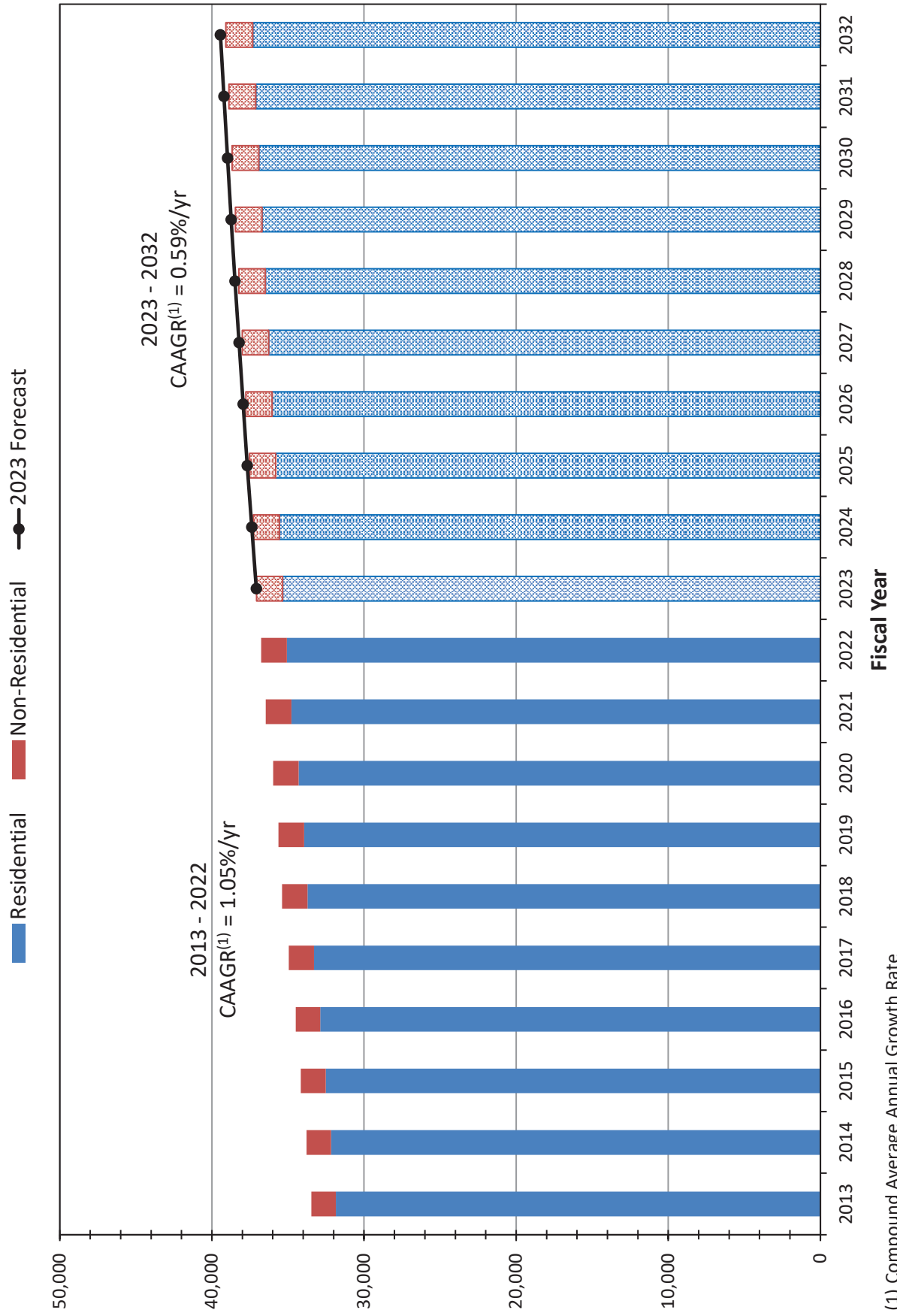


Natural Gas Energy Sales Therms



(1) Compound Average Annual Growth Rate

Natural Gas Customers



Fiscal Year 2024 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.

Government Services Contribution (GSC)

The GSC 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. (Formally GFT)

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 2024 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.

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 2024 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.