



Gainesville Regional Utilities Authority Agenda Item Report

File Number: 2024-115

Agenda Date: February 7, 2024

Department: Gainesville Regional Utilities

Title: 2024-115 Agreements and Associations (B)

Department: CEO/GM Office

Description: GRU maintains several formal and informal agreements and associations with General Government (GG). The utility continues to evaluate which can be modified or eliminated to adhere to HB-1645 and evaluating cost-effectiveness.

Fiscal Note: The presentation identifies a number of areas where GRU can potentially reduce expenses and raise revenue by changing its current agreements or associations. In some cases, the potential exists to lose revenue and increase expenses. The overall goal is to ensure services are properly being billed and paid

Explanation: Gainesville Regional Utilities (GRU) provides services to GG and receives services from GG. Many of these services are captured under a memorandum of understanding or service level agreement; however, many are not as clearly defined. GRU has identified services that it is not receiving during the current fiscal year immediately based on the new direction of the utility through the change in governance; these result in \$1.4 million in savings in FY24. The presentation explores potential additional changes to GRU and GG's agreements and associations (in FY25 and in future years) based on HB-1645's requirement to follow practices that "solely further the fiscal and financial benefit of the utility system and customers."

Recommendation: 1.) Implement Phase 2 plan to modify relationships: IT, network connectivity, Connect Free, streetlights and FY24 service reductions.

2.) Evaluate Phase 3, which includes obtaining the most cost-effective services with the highest value and determining whether the best source is internal, external or GG.