

Fiscal Year 2020 Budget

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PEOPLE POWERED. CUSTOMER CENTERED.

STRATEGIC PLAN 2017-2022

VISION

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

MISSION

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

CULTURE

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



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



Executive Summary

GRU is a community-owned utility that prides itself on providing customers with a full range of services, including electric, water, wastewater, gas and telecommunications, while also maintaining financial stability, strict environmental standards, industry-best reliability and ground-breaking initiatives for inclusivity and diversity. No utility in the state offers a broader scope of services or provides the same level of renewable generation. In fact, GRU has:

- Reached a peak of 41% renewable energy in fiscal year 2019.
- Earned the American Public Power Association’s (APPA) diamond-level Reliable Public Power Provider (RP3) designation for electric safety and reliability, an honor achieved by only 14% of the APPA’s 2,000 public power utilities. Fewer than 5% receive the diamond level each year.
- Met or exceeded all state and federal standards for our drinking water while performing more than 200,000 water quality tests throughout the year.
- Continued returning 70% of the water we use to the Floridan aquifer.
- Saved customers time by instituting automatic 14-day payment extensions.
- Maintained the lowest natural gas prices in the state.

Providing these “necessities of life” in a manner that adds value to our community is a complex endeavor requiring approximately 850 skilled employees whose jobs vary from restoring power during storms to lab-testing drinking water to make sure it always meets state and federal guidelines.

To accomplish this while keeping rates competitive, GRU employees have worked to minimize expenses, resulting in \$23 million of lower costs in fiscal year 2020 as compared to fiscal year 2017, as shown in the Total Expenses table below. GRU has at least partially accomplished this by holding its number of full-time equivalent employees, or FTEs, steady since 2018 despite higher regulatory demands from the North American Electric Reliability Corporation (NERC) and the Federal Energy Regulatory Commission (FERC).

Total Expenses			
Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020
\$433 million	\$437 million	\$418 million	\$410 million

Prior to fiscal year 2018, GRU was party to an out-of-market power purchase agreement (PPA) for all available energy of a biomass plant owned by Gainesville Renewable Energy Center (GREC.) When GRU bought out the PPA in November of 2017, it also played a significant role in cutting costs. By purchasing the PPA, GRU lowered fuel expenses by \$75 million a year while adding only \$49 million in debt and operating costs. The savings totaled \$26 million per year.

By undertaking these efforts in the face of mounting pressures on wages, contractor costs and flat revenues, GRU has managed more modest rate increases than would have otherwise been needed.

As reflected in the residential bill amounts in the table on page 3, a GRU customer using the industry standard 1,000 kWh per month will pay less in fiscal year 2020 than they paid in fiscal year 2016. Although GRU gas remains the most affordable in the state, gas customers will experience a modest increase in fiscal year 2020; and after three years with no increases, GRU water and wastewater customers will also experience modest increases in fiscal year 2020. These increases are due to implementation of Total Rewards, as discussed on page 3. The dramatic reduction in monthly electric rates between fiscal years 2018 and 2019 are the result of the purchase of the biomass plant.

Residential Monthly Bills at Standard Usage (in dollars)						
	FY2016	FY2017	FY2018	FY2019	FY2020	CAAGR
Electric, 1,000 kWh	138.40	130.40	131.55	122.87	131.63	0.31%
Water, 7 kGal	29.85	30.50	30.50	30.50	30.64	0.15%
Wastewater, 7 kGal	52.40	53.20	53.20	53.20	53.41	0.13%
Gas, 25 therms	32.14	32.64	32.64	34.64	35.54	2.88%
Total	252.79	246.74	247.89	241.21	251.22	0.60%

FY = Fiscal Year

CAAGR = Please see glossary on page 110

By operating Deerhaven Renewable Generating Station (DHR) with an ownership mindset, not under a restrictive PPA, GRU has not only been able to run the plant more economically and save customers money, but it's also garnered high marks from bond rating agencies S&P Global, Moody's Investors Service and Fitch Ratings.

In its 2019 report, S&P*, which gave GRU a AA- rating, noted: "The stable outlook reflects our view that the acquisition of the Gainesville Renewable Energy Center, with which GRU had a costly power purchase agreement, has allowed the utility to mitigate further rate stress and enables it to achieve organic fixed-cost coverage levels – without recurring rate-stabilization transfers – that we consider very strong and necessary to support this rating."

Moody's** cited the "successful integration" of the biomass plant, "diversified operations" and a healthy financial track record in giving GRU an Aa3 rating (equivalent to AA-). Fitch***, which downgraded GRU from AA- to A+ due to its high system leverage, also noted that GRU's bond ratings remain stable due to its strong financial track record, healthy service area and diverse generating portfolio. These positive ratings affirm GRU's decisions to mitigate challenges and signal future strength.

The utility has made every effort to lessen the impact on customers through strategic moves such as integrating DHR into our generating fleet and by revisiting the costs of an overall Enterprise Resource Planning system (ERP) and the implementation of smart meters. At the same time, GRU continues to support city services through the General Fund Transfer (GFT) and by simple measures such as including garbage collection and storm water on GRU bills, even as these services are performed by other city departments. One comprehensive bill offers yet another value to the community.

As part of the city's commitment to its employees and the services they provide, a Total Rewards Study was initiated in March 2018. The portion of study results related to compensation was approved by the City Commission for a three-year implementation beginning in fiscal year 2020. The revenue requirement for each system is 0.41% for Electric, 0.44% for Water, 0.42% for Wastewater, 0.57% for Gas and 0.05% for GRUCom for the 2020 budget.

The coming pages describe in detail the many intricacies of GRU's budget, including revenues, payroll, labor, non-labor and capital expenditures. Budget making is part art and part science. As former Treasury Secretary Jack Lew said, "The budget is not just a collection of numbers, but an expression of our values and aspirations." That is particularly true for GRU as we balance competitive rates, safety and reliability with aspirational goals such as inclusivity and 100% renewables by 2045. This year's proposed budget helps us take a step in that direction.

*Panger, J.M. (2019, Feb. 28). Gainesville, FL. 2019A&B Utility System Revenue Bond Rated 'AA-'; Outlook Stable. Retrieved from <http://gru.com/Portals/0/SP%20Press%20release%20for%202019%20Transaction%2028%20FEB%2019.pdf>

**Heitmann, K. (2019, March 11). Gainesville (City of) FL Combined Util. Ent. Retrieved from <http://gru.com/LinkClick.aspx?fileticket=24BJK6pT6wE%3d&portalid=0>

***DeStefano, A. (2019, March 13). Fitch Rates Gainesville Regional Utilities Bonds (FL) 'A+' Outlook Stable. Retrieved from http://gru.com/Portals/0/3.13.19_fitch_Final%20Published%20RAC.pdf

Public Meetings

GRU is committed to transparency. Below are the dates GRU management held public meetings to discuss the fiscal year 2020 budget process.

General Policy Committee	
Dec. 13	Resolution discussions
Jan. 10	General Fund Transfer (GFT)

Utility Advisory Board	
Oct. 30	Goals, processes and service levels
Dec. 13	GFT proposal
Jan. 10	GFT
Feb. 19	2019 Financing transaction
Feb. 28	Strategic planning
March 20	Operations and Maintenance and capital
April 10	Sales, customer & revenue forecast and debt service/cash/liquidity
April 30	Fuels and first rate review
May 30	Rate approval presentation

City Commission	
Oct. 30	Goals, processes and service levels
Dec. 20	GFT proposal
Jan. 16	GFT
Feb. 7	Approve budget calendar
Feb. 21	2019 Financing transaction
Feb. 28	Strategic planning
April 10	Sales, customer & revenue forecast and debt service/cash/liquidity
April 3	Operations and Maintenance and Capital
April 17	Sales, customer & revenue forecast and debt service/cash/liquidity
May 1	Fuels and first rate review
May 14	Open topics
June 5	Final rate review presentation
Sept. 12	First budget reading
Sept. 26	Second budget reading

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 72,500 customers serving 189,000 people in the Gainesville urban area at acceptable pressures and volumes. The Water System is also responsible for construction, operation and maintenance of over 1,169 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, 672 miles of gravity main and 152 miles of associated force main, providing service to 66,000 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 543-mile all fiber-optic network. Telecommunication's three primary product lines are: 1) telecommunication and data services; 2) public safety radio; and 3) tower leasing services. Telecommunications is divided into several operating units, including business management, engineering, construction, electronics, network operations, public safety radio and customer sales. The telecommunication fiber-optic network continues to expand and implement new products and services that provide customers with unmatched service and reliability.

Administration

The General Manager is responsible for all aspects of the combined utility systems – Electric, Water, Wastewater, Gas and Telecommunications – and the implementation of policies adopted by the City Commission. The Chief Operating Officer (COO) oversees the Corporate Safety and Training programs, Environmental Compliance, Regulatory Compliance, Water Production, Wastewater Processing, Natural Gas Delivery, Electric Generation Supply and Electric Delivery. The COO also leads various strategic initiatives such as the drive toward achieving 100% renewable energy by 2045. Administrative Services also includes 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 and compliance, credit metrics and ratings, treasury, rate formulation, financial reporting, benchmarking, regulatory and tax reporting, and various other responsibilities.

Customer Support Services

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

Information Technology

Information Technology (IT) maintains the network, phone, storage and data center infrastructure and provides IT and communication services for the combined utilities and General Government. IT supports more than 2,100 users and approximately 2,500 desktop and laptop computers used by employees at over 30 locations. IT also supports mission-critical systems such as SAP financial management and customer care systems, multiple websites and various revenue collection systems.

Budget Snapshot

OPERATIONS & MAINTENANCE

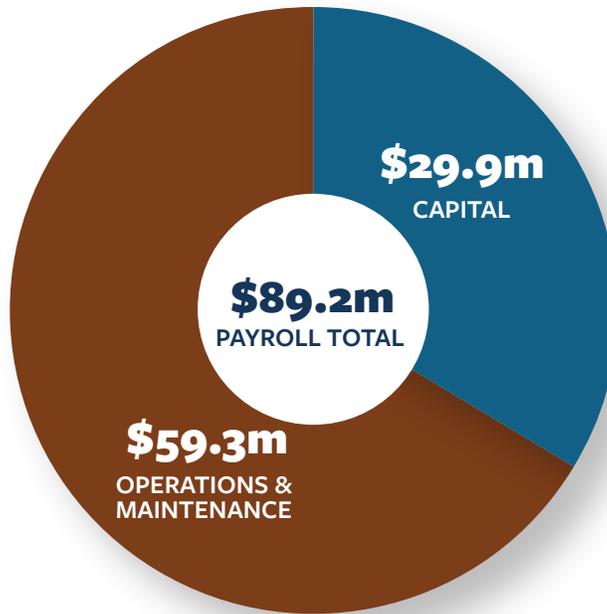
Paid annually, so it has a greater impact on rates.

Total (all cost centers)
\$139.9m

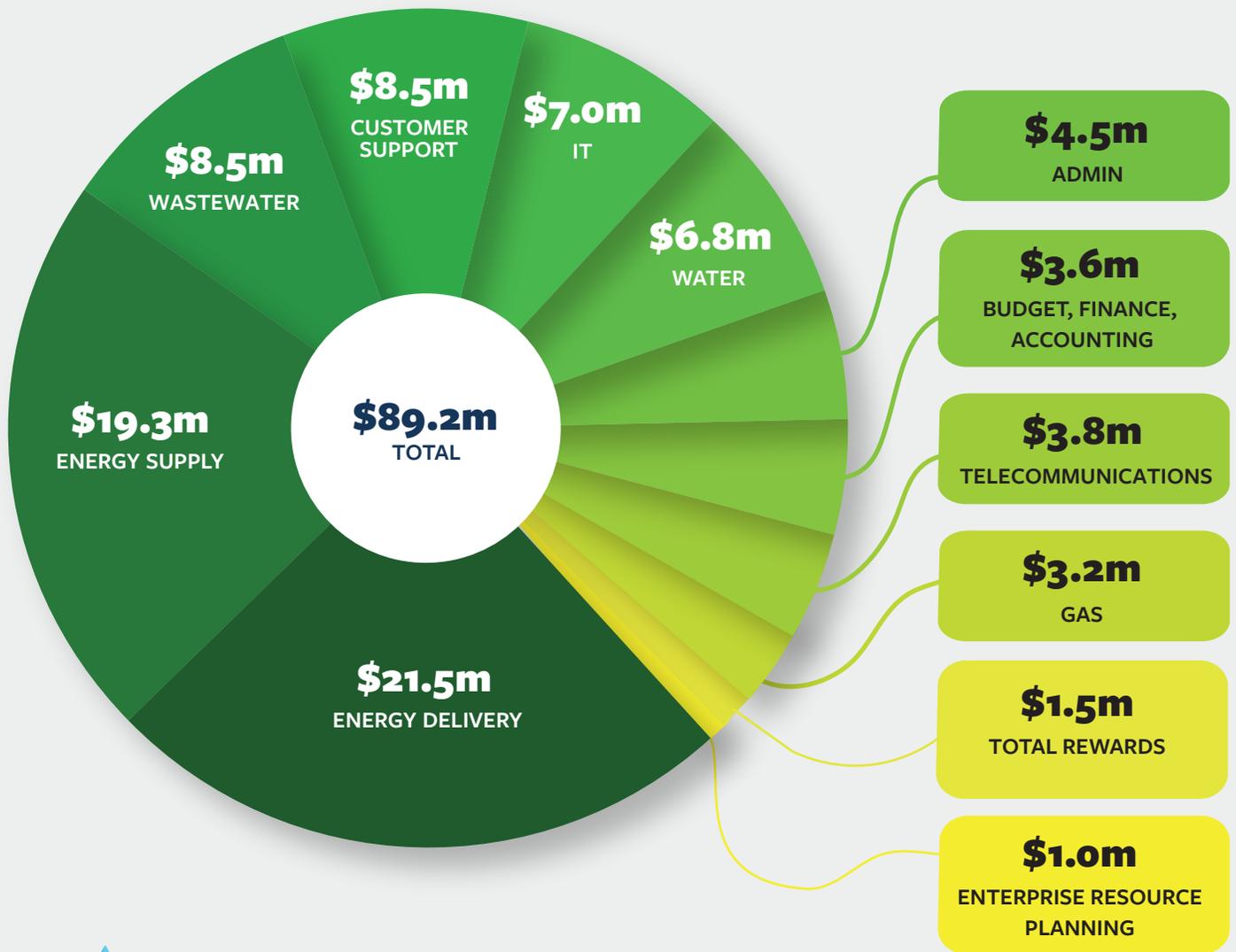
CAPITAL

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

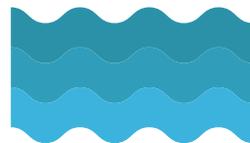
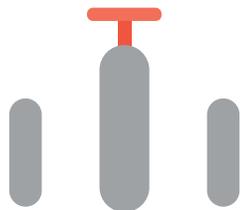
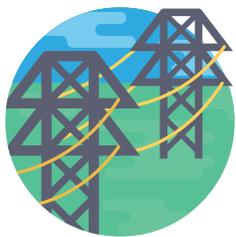
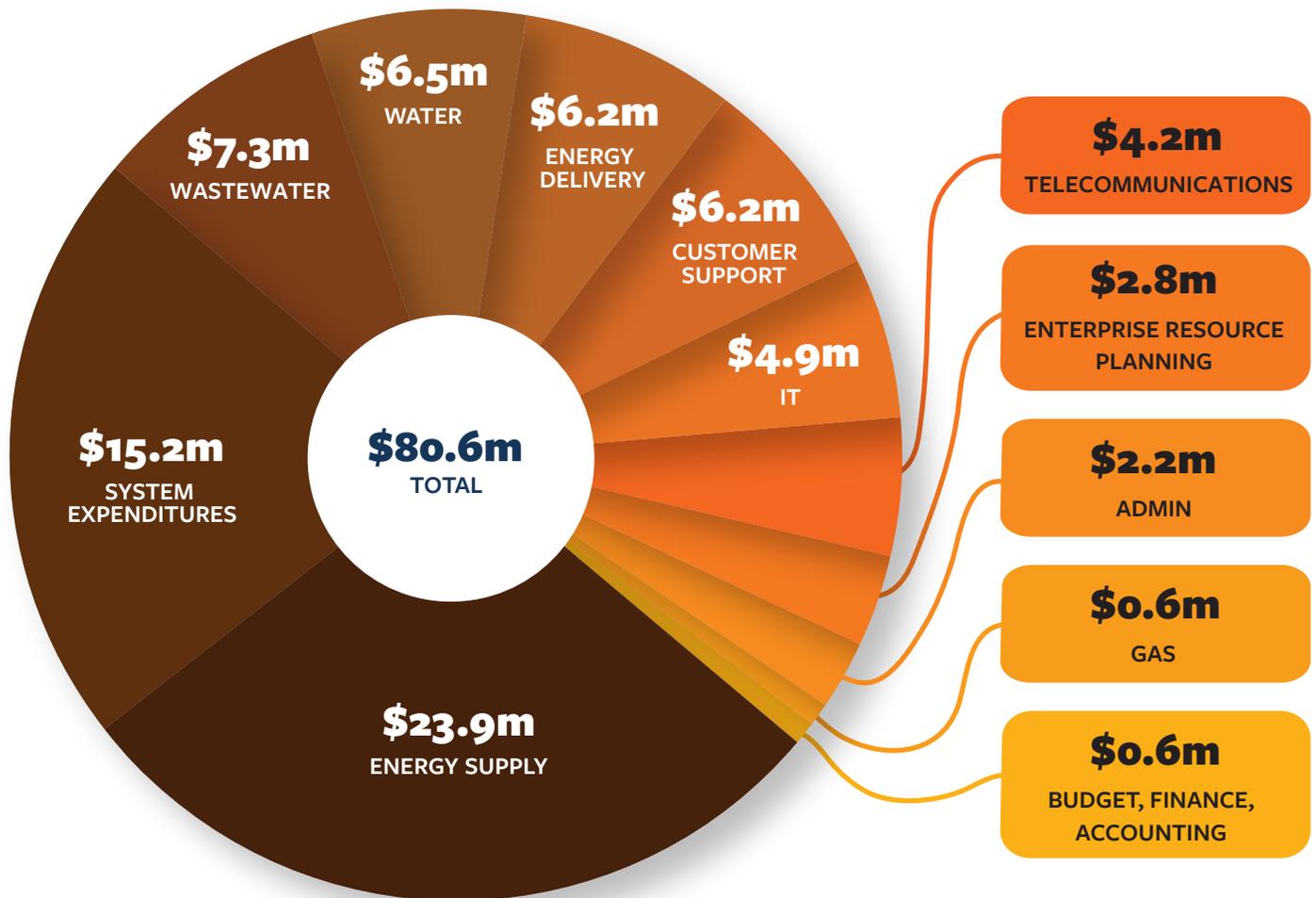
Total (all cost centers)
\$98.5m



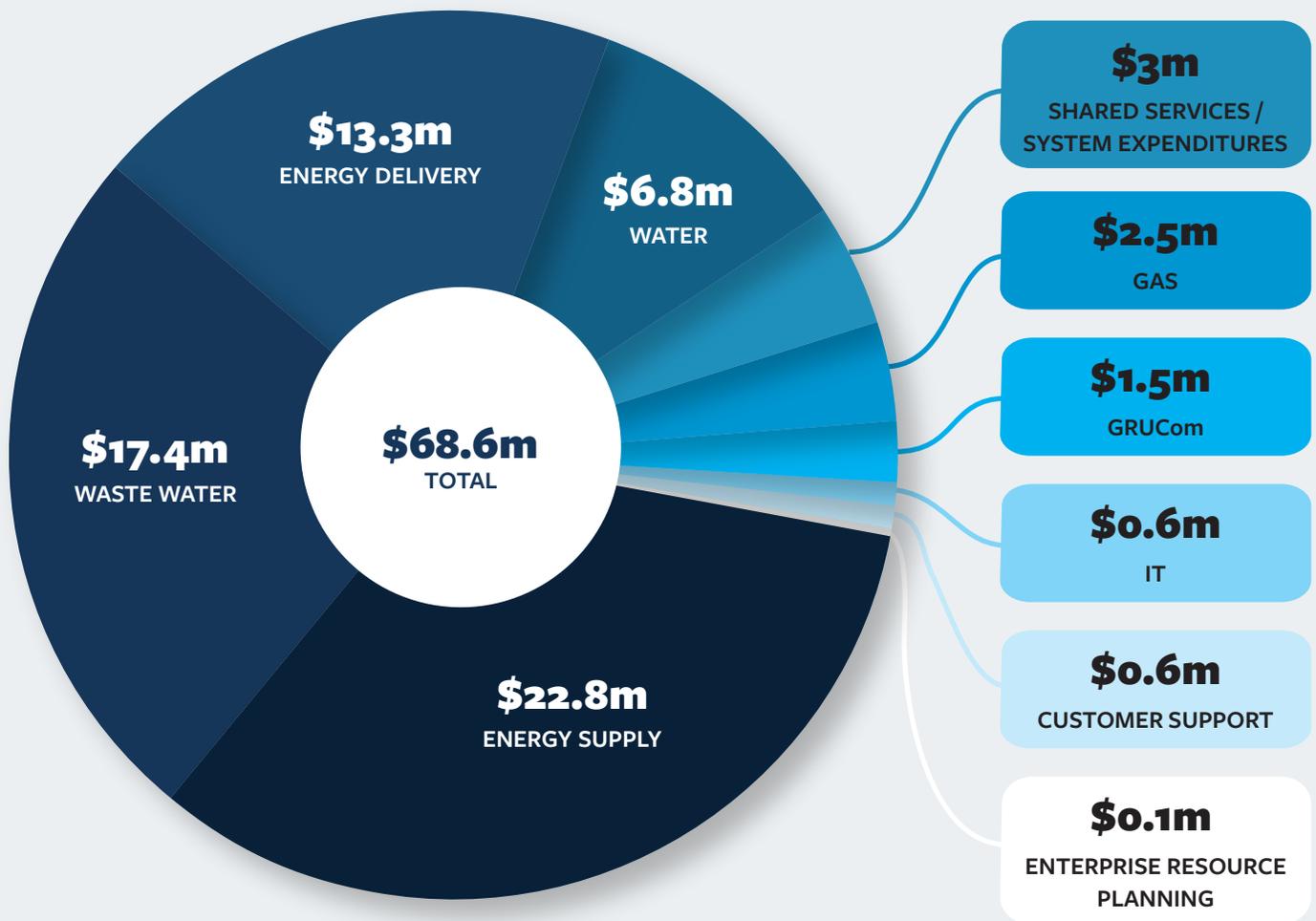
Payroll



Non-Labor Operations & Maintenance



Non-Labor Capital





Fiscal Year 2020 Budget Flow of Funds

Annual Operating Budget

Combined Systems

	2019	2020
Revenues:		
Sales	\$ 257,852,228	\$ 268,149,704
Fuel adjustment	83,811,322	80,934,082
Purchased gas adjustment	8,449,129	8,601,893
Utility surcharge	10,378,790	10,887,527
Connection charges	2,675,000	4,230,000
Rate stabilization (to)/from	12,214,830	(2,615,307)
Other electric sales	22,528,546	22,207,607
Other revenue	19,243,936	16,841,995
Interest income	1,172,546	1,418,227
Total Revenues	418,326,327	410,655,728
Operation and Maintenance Expenses:		
Fuel expenses	83,811,322	80,934,082
Purchased gas	8,449,129	8,601,893
Operation and maintenance expenses	148,382,583	139,863,661
Total Operation and Maintenance Expenses	240,643,034	229,399,636
Total Net Revenues	177,683,293	181,256,092
Uses of Net Revenues:		
Debt service	98,113,883	99,113,821
Utility plant improvement fund	41,284,410	43,857,271
General fund transfer	38,285,000	38,285,000
Total Uses of Net Revenues	177,683,293	181,256,092
Net Impact to Rate Stabilization	\$ -	\$ -

Annual Operating Budget

Electric System

	2019	2020
Revenues:		
Residential sales	\$ 71,308,514	\$ 72,737,990
Residential rate change	1,454,694	4,662,505
Non-residential sales	84,001,229	84,445,927
Non-residential rate change	1,713,625	5,412,984
Fuel adjustment	83,811,322	80,934,082
Sales for resale	2,906,940	2,604,638
Utility surcharge	4,262,049	4,492,848
South Energy Center	16,927,140	15,432,760
Innovation Square	314,000	314,000
Other electric sales	5,601,406	6,460,847
Rate stabilization (to)/from	3,135,837	(2,508,108)
Other revenue	10,791,837	8,773,255
Interest income	547,303	570,625
Total Revenues	286,775,896	284,334,353
Operation and Maintenance Expenses:		
Fuel expenses	83,811,322	80,934,082
Operation and maintenance expenses	90,769,953	83,542,330
Total Operation and Maintenance Expenses	174,581,275	164,476,412
Total Net Revenues	112,194,621	119,857,941
Uses of Net Revenues:		
Debt service	73,408,090	76,262,698
Utility plant improvement fund	22,870,664	21,179,375
General fund transfer	15,915,867	22,415,868
Total Uses of Net Revenues	112,194,621	119,857,941
Net Impact to Rate Stabilization	\$ -	\$ -

Annual Operating Budget

Water System

	2019	2020
Revenues:		
Sales of water	\$ 30,619,728	\$ 31,166,686
Rate change revenue	-	137,133
University of Florida	1,843,669	1,958,803
Utility surcharge	2,538,375	2,598,217
Rate stabilization (to)/from	152,124	(2,392,779)
Connection charges	984,000	1,589,000
Surcharge on connections	81,000	131,000
Other revenue	2,617,229	2,301,281
Interest income	305,063	433,792
Total Revenues	39,141,188	37,923,133
Total Operation and Maintenance Expenses	19,642,018	18,578,824
Total Net Revenues	19,499,170	19,344,309
Uses of Net Revenues:		
Debt service	7,348,207	7,193,996
Utility plant improvement fund	6,794,891	6,794,242
General fund transfer	5,356,072	5,356,071
Total Uses of Net Revenues	19,499,170	19,344,309
Net Impact to Rate Stabilization	\$ -	\$ -

Annual Operating Budget

Wastewater System

	2019	2020
Revenues:		
Wastewater charges	\$ 37,181,416	\$ 38,154,643
Rate change revenue	-	158,495
Utility surcharge	2,862,969	2,950,247
South Energy Center	91,764	91,764
Biosolids	300,000	300,000
Rate stabilization (to)/from	1,588,082	(1,277,756)
Connection charges	1,691,000	2,641,000
Surcharge on connections	140,000	218,000
Other revenue	2,999,800	3,081,717
Interest income	220,625	285,158
Total Revenues	47,075,656	46,603,268
Total Operation and Maintenance Expenses	23,429,635	22,628,480
Total Net Revenues	23,646,021	23,974,788
Uses of Net Revenues:		
Debt service	8,986,333	8,770,700
Utility plant improvement fund	8,799,016	8,343,416
General fund transfer	5,860,672	6,860,672
Total Uses of Net Revenues	23,646,021	23,974,788
Net Impact to Rate Stabilization	\$ -	\$ -

Annual Operating Budget

Gas System

	2019	2020
Revenues:		
Residential	\$ 8,777,770	\$ 8,598,905
Residential rate change revenue	-	49,014
Non-residential	5,180,805	5,344,121
Non-Residential rate change revenue	-	30,461
Purchased gas adjustment	8,449,129	8,601,893
Utility surcharge	494,397	497,215
Manufactured gas plant	1,237,872	1,247,983
Rate stabilization (to)/from	5,112,157	648,409
Other revenue	2,355,725	2,350,742
Interest income	119,792	119,792
Total Revenues	31,727,647	27,488,535
Operation and Maintenance Expenses:		
Purchased gas	8,449,129	8,601,893
Operation and maintenance expenses	6,889,896	5,598,963
Total Operation and Maintenance Expenses	15,339,025	14,200,856
Total Net Revenues	16,388,622	13,287,679
Uses of Net Revenues:		
Debt service	4,062,275	4,172,663
Utility plant improvement fund	2,360,793	6,649,462
General fund transfer	9,965,554	2,465,554
Total Uses of Net Revenues	16,388,622	13,287,679
Net Impact to Rate Stabilization	\$ -	\$ -

Annual Operating Budget

Telecommunications System

	2019	2020
Revenues:		
Telecommunications	\$ 7,733,558	\$ 7,743,912
Trunking Radio Service	1,718,952	1,776,906
Tower lease rental	1,767,692	1,826,834
Rate stabilization (to)/from	2,226,630	2,914,927
Other revenue	179,345	35,000
Interest income	(20,237)	8,860
Total Revenues	13,605,940	14,306,439
Total Operation and Maintenance Expenses	7,651,081	9,515,064
Total Net Revenues	5,954,859	4,791,375
Uses of Net Revenues:		
Debt service	4,308,978	2,713,764
Utility plant improvement fund	459,046	890,776
General fund transfer	1,186,835	1,186,835
Total Uses of Net Revenues	5,954,859	4,791,375
Net Impact to Rate Stabilization	\$ -	\$ -



Fiscal Year 2020 Budget Total Operations and Maintenance Labor and Non-Labor

Total Operations and Maintenance Labor and Non-Labor Combined Systems

	Labor and Fringe		Non-Labor		2020
Electric	\$	34,088,919	\$	48,815,425	\$ 82,904,344
Water		7,673,441		10,761,420	18,434,861
Wastewater		9,833,008		12,627,621	22,460,629
Gas		2,505,478		3,013,118	5,518,596
Telecommunications		4,079,149		5,390,287	9,469,436
Total Rewards *		1,075,795		-	1,075,795
Total Operations and Maintenance Labor and Non-Labor	\$	59,255,790	\$	80,607,871	\$ 139,863,661

	Labor and Fringe		Non-Labor		2019
Electric	\$	34,229,243	\$	56,118,768	\$ 90,348,011
Water		7,478,479		12,051,453	19,529,932
Wastewater		9,266,412		14,029,464	23,295,876
Gas		3,265,530		3,578,390	6,843,920
Telecommunications		3,001,507		4,613,337	7,614,844
Total Rewards *		750,000		-	750,000
Total Operations and Maintenance Labor and Non-Labor	\$	57,991,171	\$	90,391,412	\$ 148,382,583

*Total Rewards will affect all systems; shown in combined systems only.

Total Operations and Maintenance Labor and Non-Labor Electric System

	Labor and Fringe	Non-Labor	2020
Deerhaven Operations	\$ 11,067,030	\$ 4,721,358	\$ 15,788,388
Deerhaven Renewables Operations	502,702	9,213,853	9,716,555
Major Maintenance Group	1,539,127	4,316,363	5,855,490
Kelly Plant Operations	3,871,397	1,328,250	5,199,647
South Energy Center	1,791,709	3,144,832	4,936,541
Energy Supply Water Systems	1,024,440	658,991	1,683,431
Fuels	408,669	18,650	427,319
Production Assurance Support	316,003	71,300	387,303
Innovation Energy Center	19,011	322,951	341,962
Energy Supply Administration	1,997	331,470	333,467
Systems Control	383	200,182	200,565
Deerhaven Administration	20	104,250	104,270
District Energy	21,608	46,030	67,638
Deerhaven Renewables Administration	45	34,120	34,165
Kelly Plant Administration	-	8,923	8,923
Electric Transmission and Distribution	5,721,336	3,253,978	8,975,314
Substation/Relay/Relay Engineering	1,335,629	746,340	2,081,969
Systems Control	4,120	1,453,897	1,458,017
Energy Delivery Electric Engineering	854,903	104,967	959,870
Electric Meter Measurement	798,322	-	798,322
Energy Delivery/Administration	-	156,585	156,585
Shared Services/Corporate Expenses	4,810,468	18,578,135	23,388,603
Total Operations and Maintenance Labor and Non-Labor	\$ 34,088,919	\$ 48,815,425	\$ 82,904,344

	Labor and Fringe	Non-Labor	2019
Deerhaven Operations	\$ 8,176,651	\$ 4,550,036	\$ 12,726,687
Deerhaven Renewables Operations	338,665	8,856,073	9,194,738
Major Maintenance Group	6,590,045	4,990,353	11,580,398
Kelly Plant Operations	3,864,661	1,288,761	5,153,422
South Energy Center	1,524,995	4,834,278	6,359,273
Energy Supply Water Systems	1,128,158	692,412	1,820,570
Fuels	345,865	19,750	365,615
Production Assurance Support	613,992	72,400	686,392
Innovation Energy Center	37,743	318,114	355,857
Energy Supply Administration	6,004	260,830	266,834
Systems Control	-	225,553	225,553
Deerhaven Administration	-	68,228	68,228
District Energy	-	45,700	45,700
Deerhaven Renewables Administration	160	50,100	50,260
Kelly Plant Administration	-	20,650	20,650
Electric Transmission and Distribution	4,857,415	3,166,127	8,023,542
Substation/Relay/Relay Engineering	1,762,108	675,404	2,437,512
Systems Control	14,863	1,508,191	1,523,054
Energy Delivery Electric Engineering	2,491,123	164,613	2,655,736
Electric Meter Measurement	1,221,319	-	1,221,319
Energy Delivery/Administration	-	144,424	144,424
Shared Services/Corporate Expenses	1,255,476	24,166,771	25,422,247
Total Operations and Maintenance Labor and Non-Labor	\$ 34,229,243	\$ 56,118,768	\$ 90,348,011

Total Operations and Maintenance

Labor and Non-Labor

Water System

	Labor and Fringe	Non-Labor	2020
Murphree Water Treatment Plant	\$ 2,291,891	\$ 5,642,495	\$ 7,934,386
Distribution	2,459,292	696,357	3,155,649
Engineering	411,821	247,372	659,193
Water / Wastewater Planning	108,795	-	108,795
Shared Services/Corporate Expenses	2,401,642	4,175,196	6,576,838
Total Operations and Maintenance Labor and Non-Labor	\$ 7,673,441	\$ 10,761,420	\$ 18,434,861

	Labor and Fringe	Non-Labor	2019
Murphree Water Treatment Plant	\$ 2,244,166	\$ 5,577,634	\$ 7,821,800
Distribution	2,435,738	571,860	3,007,598
Engineering	997,395	226,801	1,224,196
Water / Wastewater Planning Shared	56,520	-	56,520
Services/Corporate Expenses	1,744,660	5,675,158	7,419,818
Total Operations and Maintenance Labor and Non-Labor	\$ 7,478,479	\$ 12,051,453	\$ 19,529,932

Total Operations and Maintenance

Labor and Non-Labor

Wastewater System

	Labor and Fringe	Non-Labor	2020
Kanapaha Water Reclamation Facility	\$ 2,070,035	\$ 2,274,666	\$ 4,344,701
Lift Stations	967,512	2,914,551	3,882,063
Mainstreet Water Reclamation Facility	1,444,746	1,706,349	3,151,095
Collection	2,023,107	617,449	2,640,556
Engineering	742,302	89,086	831,388
Kanapaha Lab	518,656	248,703	767,359
Reclaimed Water Distribution Shared	160,522	18,009	178,531
Services/Corporate Expenses	1,906,128	4,758,808	6,664,936
Total Operations and Maintenance Labor and Non-Labor	\$ 9,833,008	\$ 12,627,621	\$ 22,460,629

	Labor and Fringe	Non-Labor	2019
Kanapaha Water Reclamation Facility	\$ 1,758,321	\$ 3,925,219	\$ 5,683,540
Lift Stations	1,132,616	1,398,743	2,531,359
Mainstreet Water Reclamation Facility	1,321,542	1,663,979	2,985,521
Collection	2,410,052	509,516	2,919,568
Engineering	373,527	162,114	535,641
Kanapaha Lab	510,390	195,440	705,830
Reclaimed Water Distribution	193,946	23,692	217,638
Shared Services/Corporate Expenses	1,566,018	6,150,761	7,716,779
Total Operations and Maintenance Labor and Non-Labor	\$ 9,266,412	\$ 14,029,464	\$ 23,295,876

Total Operations and Maintenance Labor and Non-Labor Gas System

	Labor and Fringe	Non-Labor	2020
Meter Measurement Operations	\$ 625,478	\$ 158,731	\$ 784,209
Transmission and Distribution Construction	263,128	68,149	331,277
Marketing	258	283,490	283,748
Transmission and Distribution Operations	148,922	94,539	243,461
Transmission and Distribution Engineering	125,229	11,501	136,730
Transmission and Distribution Administration	269	63,601	63,870
Shared Services/Corporate Expenses	1,342,194	2,333,107	3,675,301
Total Operations and Maintenance Labor and Non-Labor	\$ 2,505,478	\$ 3,013,118	\$ 5,518,596

	Labor and Fringe	Non-Labor	2019
Meter Measurement Operations	739,706	182,751	922,457
Transmission and Distribution Construction	604,887	93,267	698,154
Marketing	720	284,049	284,769
Transmission and Distribution Operations	562,434	93,512	655,946
Transmission and Distribution Engineering	110,820	10,562	121,382
Transmission and Distribution Administration	767	75,928	76,695
Shared Services/Corporate Expenses	1,246,196	2,838,321	4,084,517
Total Operations and Maintenance Labor and Non-Labor	\$ 3,265,530	\$ 3,578,390	\$ 6,843,920

Total Operations and Maintenance

Labor and Non-Labor

Telecommunications System

	Labor and Fringe	Non-Labor	2020
Network Operations Center	\$ 1,436,498	\$ 887,723	\$ 2,324,221
Trunked Radio System	245,280	1,717,945	1,963,225
Business Administration	1,108,120	648,705	1,756,826
Customer Operations	227,666	809,707	1,037,373
Voice Operations	292,625	478,433	771,058
Technology and Services Administration	227,559	66,482	294,041
Towers 1-12	798	287,321	288,119
Central Office Operations	61,051	198,182	259,232
Engineering and Construction Administration	40,069	157,175	197,244
Chief Officer	155,258	4,101	159,358
Internet Operations	58,642	84,737	143,380
GatorNet	88,206	14,034	102,240
Engineering	47,093	1,347	48,439
Electronics	46,333	1,205	47,538
Construction	43,778	1,456	45,234
Research and Development	172	31,735	31,907
Total Operations and Maintenance Labor and Non-Labor	\$ 4,079,149	\$ 5,390,287	\$ 9,469,436

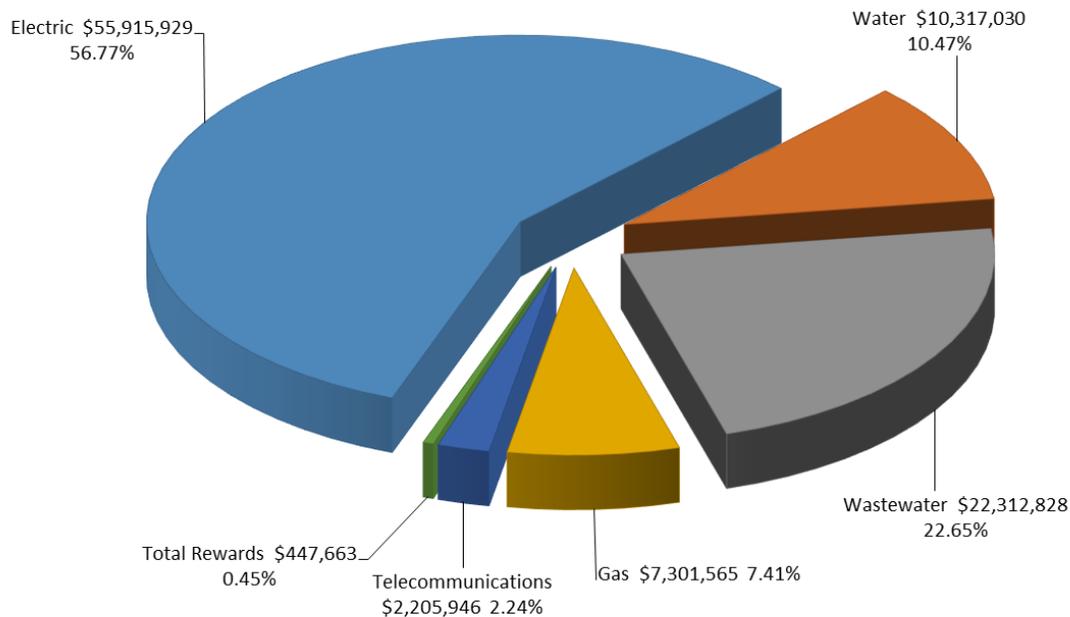
	Labor and Fringe	Non-Labor	2019
Network Operations Center	786,932	646,580	1,433,512
Trunked Radio System	306,319	450,660	756,979
Business Administration	77,881	439,489	517,370
Customer Operations	358,201	640,683	998,884
Voice Operations	99,522	139,050	238,572
Technology and Services Administration	2,139	196,758	198,897
Towers 1-12	85,300	123,324	208,624
Central Office Operations	68,727	156,288	225,015
Engineering and Construction Administration	-	-	-
Chief Officer	-	-	-
Internet Operations	151,880	68,759	220,639
GatorNet	62,511	10,792	73,303
Engineering	62,895	-	62,895
Electronics	6,169	-	6,169
Construction	-	-	-
Research and Development	983	25,000	25,983
Shared Services/Corporate Expenses	932,048	1,715,954	2,648,002
Total Operations and Maintenance Labor and Non-Labor	\$ 3,001,507	\$ 4,613,337	\$ 7,614,844

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Fiscal Year 2020 Budget **Total Capital Labor and Non-Labor**

Total Capital Labor and Non-Labor Combined Systems

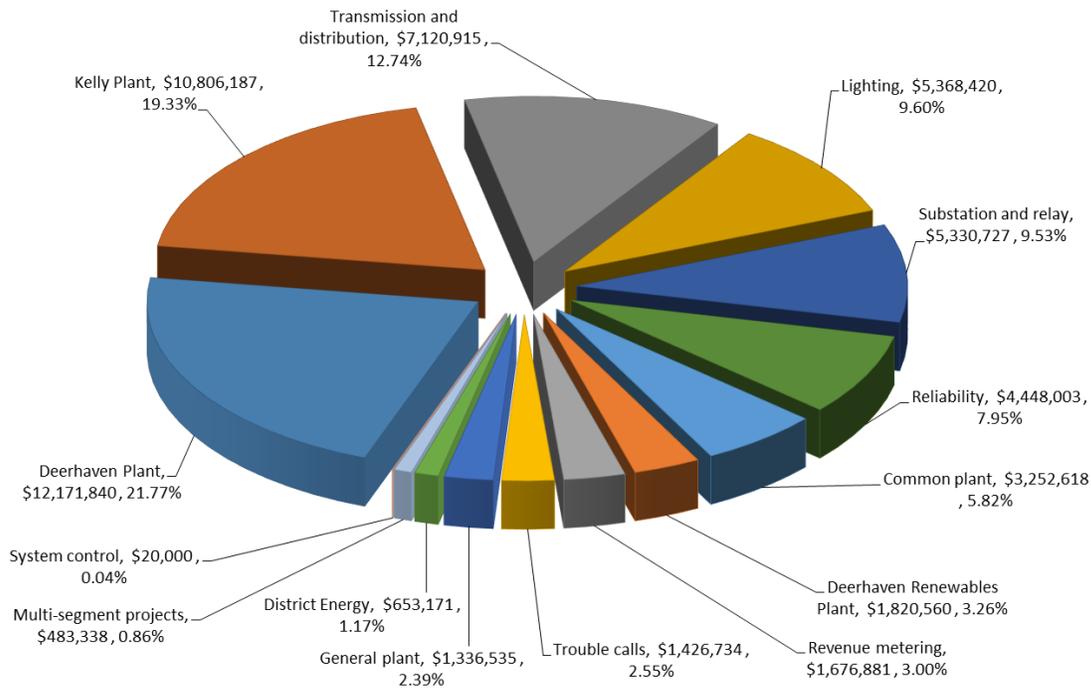


	Labor and Fringe	Non-Labor	2020
Electric	\$ 18,063,794	\$ 37,852,135	\$ 55,915,929
Water	2,885,014	7,432,016	10,317,030
Wastewater	4,101,278	18,211,550	22,312,828
Gas	3,901,643	3,399,922	7,301,565
Telecommunications	539,374	1,666,572	2,205,946
Total Rewards*	447,663	-	447,663
Total Capital Labor and Non-Labor	\$ 29,938,766	\$ 68,562,195	\$ 98,500,961

	Labor and Fringe	Non-Labor	2019
Electric	\$ 13,006,403	\$ 36,861,675	\$ 49,868,078
Water	3,156,618	9,894,906	13,051,524
Wastewater	3,942,265	15,937,562	19,879,827
Gas	2,832,183	3,367,132	6,199,315
Telecommunications	1,278,054	3,325,856	4,603,910
Total Rewards*	250,000	-	250,000
Total Capital Labor and Non-Labor	\$ 24,465,523	\$ 69,387,131	\$ 93,852,654

*Total Rewards will affect all systems; shown in combined systems only.

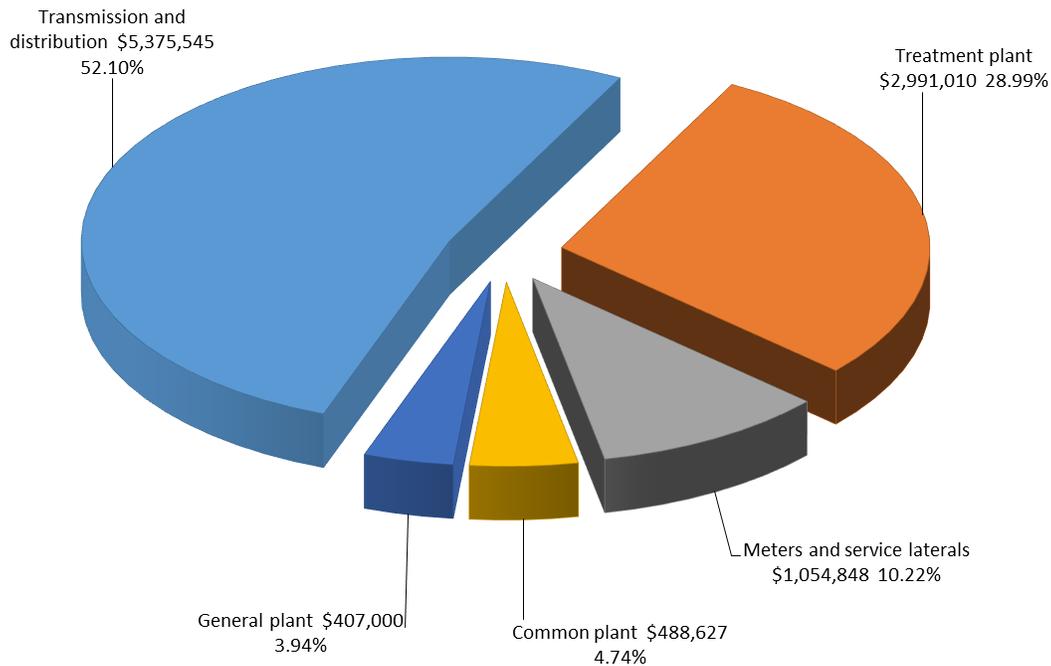
Total Capital Labor and Non-Labor Electric System



	Labor and Fringe	Non-Labor	2020
Deerhaven Plant	\$ 1,547,981	\$ 10,623,859	\$ 12,171,840
Kelly Plant	710,092	10,096,095	10,806,187
Transmission and distribution	5,151,641	1,969,274	7,120,915
Lighting	2,639,203	2,729,217	5,368,420
Substation and relay	2,077,654	3,253,073	5,330,727
Reliability	3,559,754	888,249	4,448,003
Common plant	18,982	3,233,636	3,252,618
Deerhaven Renewables Plant	235,621	1,584,939	1,820,560
Revenue metering	888,838	788,043	1,676,881
Trouble calls	833,370	593,364	1,426,734
General plant	-	1,336,535	1,336,535
District Energy	71,094	582,077	653,171
Multi-segment projects	329,564	153,774	483,338
System control	-	20,000	20,000
Total Capital Labor and Non-Labor	\$ 18,063,794	\$ 37,852,135	\$ 55,915,929

	Labor and Fringe	Non-Labor	2019
Deerhaven Plant	\$ 949,050	\$ 4,463,782	\$ 5,412,832
Kelly Plant	207,496	2,817,144	3,024,640
Transmission and distribution	2,370,810	2,332,911	4,703,721
Lighting	923,198	1,423,034	2,346,232
Substation and relay	1,736,193	2,272,622	4,008,815
Reliability	2,754,262	1,828,161	4,582,423
Common plant	2,164,988	11,754,561	13,919,549
Deerhaven Renewables Plant	35,324	758,160	793,484
Revenue metering	474,424	359,948	834,372
Trouble calls	535,409	525,124	1,060,533
General plant	-	374,165	374,165
District Energy	182,951	5,020,867	5,203,818
Multi-segment projects	666,081	1,593,055	2,259,136
System control	6,217	1,338,141	1,344,358
Total Capital Labor and Non-Labor	\$ 13,006,403	\$ 36,861,675	\$ 49,868,078

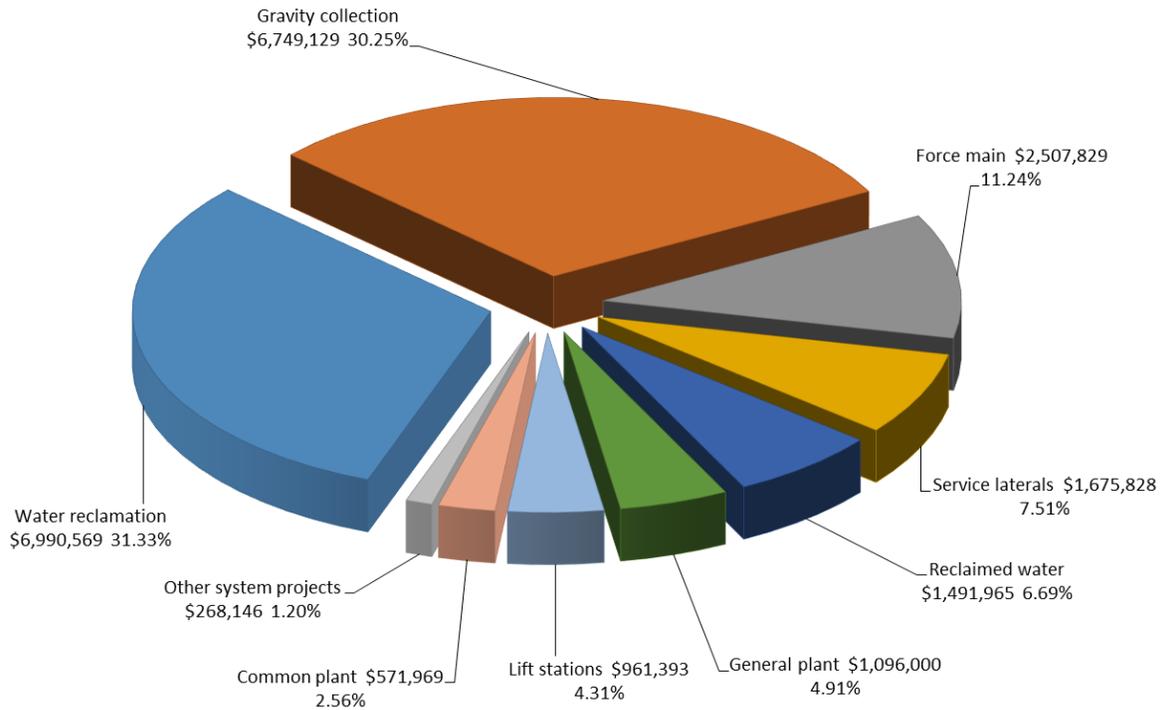
Total Capital Labor and Non-Labor Water System



	Labor and Fringe	Non-Labor	2020
Transmission and distribution	\$ 1,977,149	\$ 3,398,396	\$ 5,375,545
Treatment plant	346,066	2,644,944	2,991,010
Meters and service laterals	556,756	498,092	1,054,848
Common plant	5,043	483,584	488,627
General plant	-	407,000	407,000
Total Capital Labor and Non-Labor	\$ 2,885,014	\$ 7,432,016	\$ 10,317,030

	Labor and Fringe	Non-Labor	2019
Transmission and distribution	\$ 1,551,667	\$ 2,458,751	\$ 4,010,418
Treatment plant	560,707	3,698,421	4,259,128
Meters and service laterals	537,921	509,112	1,047,033
Common plant	506,323	2,934,022	3,440,345
General plant	-	294,600	294,600
Total Capital Labor and Non-Labor	\$ 3,156,618	\$ 9,894,906	\$ 13,051,524

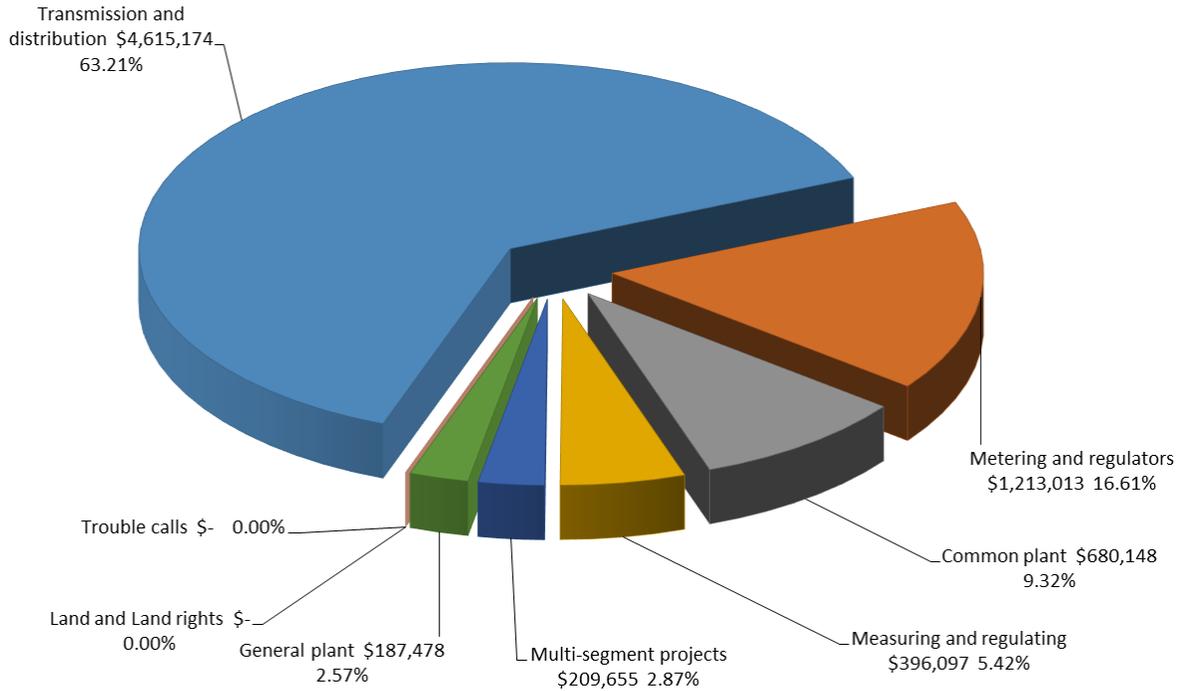
Total Capital Labor and Non-Labor Wastewater System



	Labor and Fringe	Non-Labor	2020
Water reclamation	\$ 762,235	\$ 6,228,334	\$ 6,990,569
Gravity collection	1,592,848	5,156,281	6,749,129
Force main	499,657	2,008,172	2,507,829
Service laterals	892,105	783,723	1,675,828
Reclaimed water	84,273	1,407,692	1,491,965
General plant	-	1,096,000	1,096,000
Lift stations	238,222	723,171	961,393
Common plant	5,906	566,063	571,969
Other system projects	26,032	242,114	268,146
Total Capital Labor and Non-Labor	\$ 4,101,278	\$ 18,211,550	\$ 22,312,828

	Labor and Fringe	Non-Labor	2019
Water reclamation	\$ 692,023	\$ 4,570,877	\$ 5,262,900
Gravity collection	1,179,318	4,947,709	6,127,027
Force main	389,038	1,406,275	1,795,313
Service laterals	872,576	810,547	1,683,123
Reclaimed water	47,960	568,666	616,626
General plant	-	746,550	746,550
Lift stations	184,346	759,180	943,526
Common plant	577,004	2,127,758	2,704,762
Other system projects	-	-	-
Total Capital Labor and Non-Labor	\$ 3,942,265	\$ 15,937,562	\$ 19,879,827

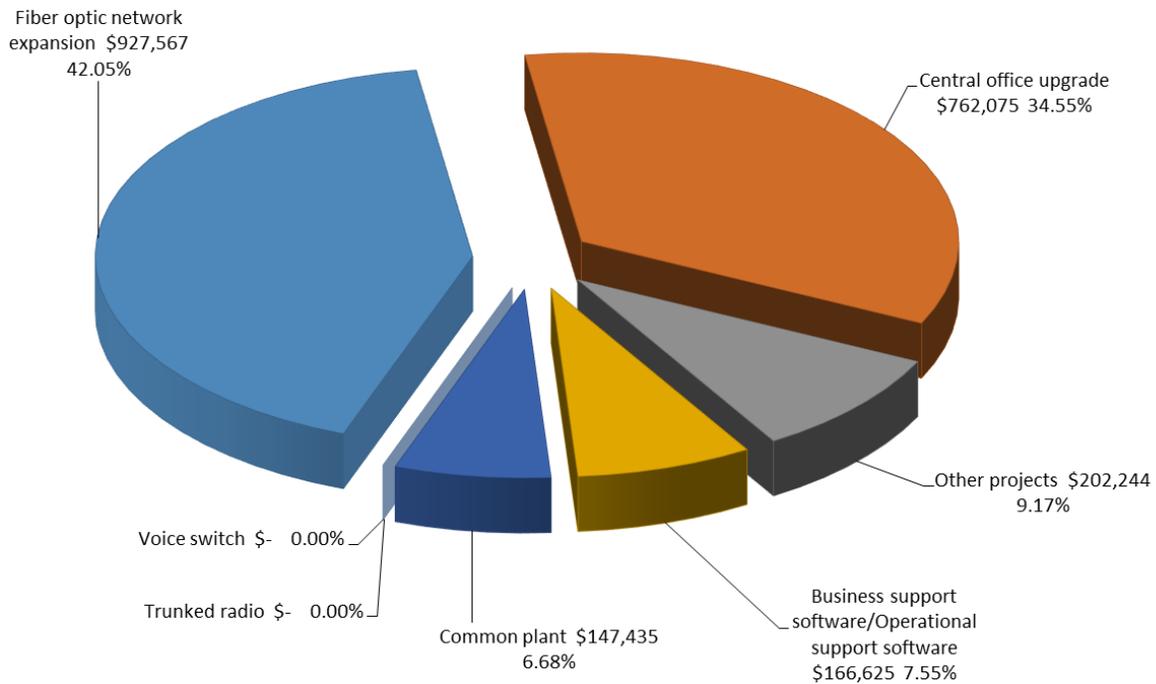
Total Capital Labor and Non-Labor Gas System



	Labor and Fringe	Non-Labor	2020
Transmission and distribution	\$ 2,957,185	\$ 1,657,989	\$ 4,615,174
Metering and regulators	616,251	596,762	1,213,013
Common plant	2,204	677,944	680,148
Measuring and regulating	176,168	219,929	396,097
Multi-segment projects	149,775	59,880	209,655
General plant	60	187,418	187,478
Land and land rights	-	-	-
Trouble calls	-	-	-
Total Capital Labor and Non-Labor	\$ 3,901,643	\$ 3,399,922	\$ 7,301,565

	Labor and Fringe	Non-Labor	2019
Transmission and distribution	\$ 2,140,551	\$ 869,976	\$ 3,010,527
Metering and regulators	348,669	452,809	801,478
Common plant	215,876	1,225,751	1,441,627
Measuring and regulating	86,409	525,149	611,558
Multi-segment projects	-	-	-
General plant	178	289,236	289,414
Land and land rights	12,531	599	13,130
Trouble calls	27,969	3,612	31,581
Total Capital Labor and Non-Labor	\$ 2,832,183	\$ 3,367,132	\$ 6,199,315

Total Capital Labor and Non-Labor Telecommunications System



	Labor and Fringe	Non-Labor	2020
Fiber optic network expansion	\$ 523,541	\$ 404,026	\$ 927,567
Central office upgrade	12,075	750,000	762,075
Other projects	2,244	200,000	202,244
Business support software/Operational support software	-	166,625	166,625
Common plant	1,514	145,921	147,435
Trunked radio	-	-	-
Voice switch	-	-	-
Total Capital Labor and Non-Labor	\$ 539,374	\$ 1,666,572	\$ 2,205,946

	Labor and Fringe	Non-Labor	2019
Fiber optic network expansion	\$ 948,891	\$ 752,144	\$ 1,701,035
Central office upgrade	41,632	750,169	791,801
Other projects	-	-	-
Business support software/Operational support software	72,216	199,614	271,830
Common plant	195,070	1,123,495	1,318,565
Trunked radio	3,374	72	3,446
Voice switch	16,871	500,362	517,233
Total Capital Labor and Non-Labor	\$ 1,278,054	\$ 3,325,856	\$ 4,603,910



Fiscal Year 2020 Budget **Revenues**

Fiscal Year 2020 Revenues

Combined Systems

	2019	2020
Electric	\$ 286,775,896	\$ 284,334,353
Water	39,141,188	37,923,133
Wastewater	47,075,656	46,603,268
Gas	31,727,647	27,488,535
Telecommunications	13,605,940	14,306,439
Total Revenues	\$ 418,326,327	\$ 410,655,728

Please see individual system pages for descriptions and highlights.

Fiscal Year 2020 Revenues

Electric System

	2019	2020
Residential sales	\$ 71,308,514	\$ 72,737,990
Residential rate change	1,454,694	4,662,505
Non-residential sales	84,001,229	84,445,927
Non-residential rate change	1,713,625	5,412,984
Fuel adjustment	83,811,322	80,934,082
Sales for resale	2,906,940	2,604,638
Utility surcharge	4,262,049	4,492,848
South Energy Center	16,927,140	15,432,760
Innovation Square	314,000	314,000
Other electric sales	5,601,406	6,460,847
Rate stabilization (to)/from	3,135,837	(2,508,108)
Other revenue	10,791,837	8,773,255
Interest income	547,303	570,625
Total Revenues	\$ 286,775,896	\$ 284,334,353

Overview

Net of transfers (to)/from the Rate Stabilization Fund, Electric System revenues increased by approximately \$3.2 million or 1.13%. A significant factor in the rise in revenues is the revenue requirement increase of 6.41%, with 0.41% of the increase attributable to personnel costs identified in the recent Total Rewards compensation study. The City Commission approved the increase in the Electric System to rectify several years of no increases and rate reductions, decreasing reserves and increased operating costs. The South Energy Center (SEC) revenue reduction of \$1.5 million is driven by a change in generation dispatch which is projected to significantly reduce maintenance costs, and by a reduction in the overhead charged to University of Florida Health (UF Health) on third party contract services.

Fiscal Year 2020 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 SEC is a combined heat and power plant providing electricity, chilled water, steam, and the storage and delivery of medical gases to the 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, Seminole transmission revenue, 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 0.71% per year over the next 10 years.
- Retail electric energy sales are forecast to increase at an average annual rate of 0.62% per year through fiscal 2028.
- Revenues from retail electric energy sales are projected to increase at an average annual rate of 0.69% per year over the next 10 years, under current rates.
- Through 2036, residential average use is forecast to decline by 0.23% per year and non-residential average use is projected to fall by 0.34% per year.

Fiscal Year 2020 Revenues

Water System

	2019	2020
Sales of water	\$ 30,619,728	\$ 31,166,686
Rate change revenue	-	137,133
University of Florida	1,843,669	1,958,803
Utility surcharge	2,538,375	2,598,217
Rate stabilization (to)/from	152,124	(2,392,779)
Connection charges	984,000	1,589,000
Surcharge on connections	81,000	131,000
Other revenue	2,617,229	2,301,281
Interest income	305,063	433,792
Total Revenues	\$ 39,141,188	\$ 37,923,133

Overview

Net of transfers (to)/from the Rate Stabilization Fund, Water System revenues increased by approximately \$1.33 million or 3.40%. The largest single component of this increase was related to a \$605,000 increase in expected connection charges. The rate change revenue is associated with a 0.44% increase attributable to personnel costs identified in the recent compensation study, Total Rewards.

Fiscal Year 2020 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 1.01% per year over the next 10 years.
- Total water sales are forecast to increase at an average annual rate of 0.69% per year through 2028.
- Revenues from water sales, including sales related to UF and surcharge revenues, are projected to increase at an average annual rate of 0.62% per year over the next 10 years. This projection does not include any changes to rates for water service.

Fiscal Year 2020 Revenues

Wastewater System

	2019	2020
Wastewater charges	\$ 37,181,416	\$ 38,154,643
Rate change revenue	-	158,495
Utility surcharge	2,862,969	2,950,247
South Energy Center	91,764	91,764
Biosolids	300,000	300,000
Rate stabilization (to)/from	1,588,082	(1,277,756)
Connection charges	1,691,000	2,641,000
Surcharge on connections	140,000	218,000
Other revenue	2,999,800	3,081,717
Interest income	220,625	285,158
Total Revenues	\$ 47,075,656	\$ 46,603,268

Overview

Net of transfers (to)/from the Rate Stabilization Fund, Wastewater System revenues increased approximately \$2.39 million or 5.26%. The primary driver of this increase was a \$950,000 increase in expected connection charges. The rate change revenue is attributable to a 0.42% increase resulting from personnel costs identified in the recent compensation study, Total Rewards.

Fiscal Year 2020 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. Charges for most residential customers are based on winter water consumption to avoid billing customers for irrigation and other outdoor uses that do not discharge to the Wastewater System.
- Non-residential customers are billed based on 95% of water consumption each month. Customers are given the option of installing irrigation water meters, which are not included in wastewater bill calculations, as a way to manage wastewater costs.
- The SEC is a generation facility that became operational in 2009 and is served by the Wastewater System.
- Biosolids revenue is generated for the receipt, treatment and beneficial reuse of waste residuals of other municipalities and septage haulers.
- A surcharge of 25% is collected from customers outside the incorporated portion of the City of Gainesville.
- Connection charges are collected to recover the capital costs of wastewater collection and treatment required for each new customer. There is a 25% surcharge on connection fees for customers outside the incorporated portion of the City.
- Interest income is generated from the investment earnings for the Operating Fund, Rate Stabilization Fund and Utility Plant Improvement Fund for each System.
- Rate Stabilization revenues are withdrawals from (if positive) or deposits to (if negative) Rate Stabilization Fund.

Budget Highlights

- The number of total wastewater customers is forecast to increase at an average annual rate of 1.03% 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 0.78% per year through fiscal year 2028.
- Revenues from wastewater system monthly billings are projected to increase at an average annual rate of 0.82% per year over the next 10 years. This projection does not include any changes to wastewater rates.

Fiscal Year 2020 Revenues

Gas System

	2019	2020
Residential	\$ 8,777,770	\$ 8,598,905
Residential rate change revenue	-	49,014
Non-residential	5,180,805	5,344,121
Non-Residential rate change revenue	-	30,461
Purchased gas adjustment	8,449,129	8,601,893
Utility surcharge	494,397	497,215
Manufactured gas plant	1,237,872	1,247,983
Rate stabilization (to)/from	5,112,157	648,409
Other revenue	2,355,725	2,350,742
Interest income	119,792	119,792
Total Revenues	\$ 31,727,647	\$ 27,488,535

Overview

Net of transfers (to)/from the Rate Stabilization Fund, Gas System revenues increased by approximately \$224,600 or 0.84%. The rate change revenue is attributable to a 0.57% increase resulting from personnel costs identified in the recent compensation study, Total Rewards.

Fiscal Year 2020 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 nearly \$29 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 0.89% per year over the next 10 years.
- Total retail natural gas system energy sales are forecast to increase at an average annual rate of 0.39% per year through fiscal year 2028.
- Non-fuel revenues from sales to retail natural gas customers are projected to increase at an average rate of 0.52% per year over the next 10 years. This projection does not include any changes to natural gas rates.

Fiscal Year 2020 Revenues

Telecommunications System

	2019	2020
Telecommunications	\$ 7,733,558	\$ 7,743,912
Trunking Radio Service	1,718,952	1,776,906
Tower lease rental	1,767,692	1,826,834
Rate stabilization (to)/from	2,226,630	2,914,927
Other revenue	179,345	35,000
Interest income	(20,237)	8,860
Total Revenues	\$ 13,605,940	\$ 14,306,439

Overview

Net of transfers (to)/from the Rate Stabilization Fund, Telecommunications System revenues increased approximately \$12,200 or 0.11%. The Telecommunications System is projected to operate at a loss for 2019 and 2020. Management is currently evaluating options for the system.

Fiscal Year 2020 Revenues

Telecommunications Continued

Description

- Telecommunications revenues are based on historical sales trends, anticipated customer growth and competitive market conditions. Projections reflect an expectation for continued growth in business services and a continued erosion in carrier services.
- Trunking Radio Service revenue projections are based on the historical trends of numbers of radios deployed pursuant to the billing rates established under the existing inter-local agreement due to expire in 2020. Management is currently in negotiations with subscribers to update and expand coverage of the system, and the potential changes to revenues are not reflected in projections.
- Tower lease rental services are primarily tower space leases with Personal Wireless Communications Services (PCS) providers. Revenues from new leases executed in recent months are included in the forecast. Tower space leases contain provisions for automatic annual rent increases included in the projections.
- Interest income is generated from the investment earnings for the Operating Fund, Rate Stabilization Fund and Utility Plant Improvement Fund for each system.
- Rate Stabilization revenues are withdrawals from (if positive) or deposits to (if negative) Rate Stabilization Fund. For fiscal year 2019, GRUCom is experiencing a negative Rate Stabilization fund balance and may require a loan to meet their revenue requirements.

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 multi-dwelling unit 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 2020 Budget **Payroll**

Fiscal Year 2020 Payroll

Combined Systems

	Labor	Fringe	2020
Energy Supply	\$ 14,430,041	\$ 4,912,358	\$ 19,342,399
Energy Delivery	16,177,042	5,362,418	21,539,460
Water	5,050,961	1,730,834	6,781,795
Wastewater	6,331,266	2,138,182	8,469,448
Gas	2,401,838	819,723	3,221,561
Telecommunications	2,817,901	967,784	3,785,685
Administration	3,316,523	1,146,606	4,463,129
Budget, Finance & Accounting	2,707,985	922,107	3,630,092
Customer Support Services	6,230,789	2,180,227	8,411,018
Information Technology	6,027,217	1,999,294	8,026,511
Total Rewards*	1,136,909	386,549	1,523,458
Total Payroll	\$ 66,628,472	\$ 22,566,082	\$ 89,194,556

	Labor	Fringe	2019
Energy Supply	\$ 12,701,827	\$ 4,126,515	\$ 16,828,342
Energy Delivery	15,242,087	4,904,521	20,146,608
Water	4,942,588	1,545,278	6,487,866
Wastewater	6,044,821	1,824,306	7,869,127
Gas	2,294,560	730,057	3,024,617
Telecommunications	2,212,641	735,926	2,948,567
Administration	3,359,429	1,160,999	4,520,428
Budget, Finance & Accounting	2,737,705	908,649	3,646,354
Customer Support Services	6,323,611	2,163,721	8,487,332
Information Technology	5,839,984	1,907,468	7,747,452
Total Rewards*	746,269	253,731	1,000,000
Total Payroll	\$ 62,445,522	\$ 20,261,171	\$ 82,706,693

Full Time Equivalent (FTE)	2019	2020
MAP	289.00	297.00
CWA	603.25	595.25
Total FTEs Authorized	892.25	892.25

*Total Rewards will affect all systems; shown in combined systems only.

Fiscal Year 2020 Payroll

Energy Supply

	Labor	Fringe	2020
Deerhaven Operations	\$ 3,969,665	\$ 1,364,028	\$ 5,333,693
Major Maintenance Group	3,003,036	1,027,788	4,030,824
Kelly Plant Operations	1,861,386	636,408	2,497,794
Systems Control	1,136,200	388,467	1,524,667
Production Assurance Support	1,026,859	299,462	1,326,321
Energy Supply Administration	708,926	254,482	963,408
South Energy Center	631,713	215,982	847,695
Deerhaven Administration	542,327	194,222	736,549
Energy Supply Water Systems	516,079	176,448	692,527
District Energy	316,006	108,441	424,447
Fuels	304,545	104,124	408,669
Kelly Plant Administration	249,211	85,205	334,416
Deerhaven Renewables Operations	164,088	57,301	221,389
Total Payroll	\$ 14,430,041	\$ 4,912,358	\$ 19,342,399

	Labor	Fringe	2019
Deerhaven Operations	\$ 3,612,342	\$ 1,095,883	\$ 4,708,225
Major Maintenance Group	2,610,210	881,236	3,491,446
Kelly Plant Operations	1,639,965	546,533	2,186,498
Systems Control	921,374	325,806	1,247,180
Production Assurance Support	840,665	262,262	1,102,927
Energy Supply Administration	690,570	243,646	934,216
South Energy Center	620,108	181,957	802,065
Energy Supply Water Systems	488,252	152,421	640,673
Deerhaven Administration	469,991	158,197	628,188
District Energy	297,098	93,250	390,348
Fuels	287,782	92,485	380,267
Kelly Plant Administration	223,470	91,470	314,940
Deerhaven Renewables Operations	-	1,369	1,369
Total Payroll	\$ 12,701,827	\$ 4,126,515	\$ 16,828,342

Full Time Equivalent (FTE)	2019	2020
MAP	36.00	36.00
CWA	119.00	119.00
Total FTEs Authorized	155.00	155.00

Fiscal Year 2020 Payroll

Energy Delivery

	Labor	Fringe	2020
Electric Transmission and Distribution	\$ 5,730,407	\$ 1,959,226	\$ 7,689,633
Energy Delivery/Admin/Shared Svcs	5,328,203	1,750,926	7,079,129
Systems Control	2,081,894	661,896	2,743,790
Energy Delivery Electric Engineering	1,218,681	418,967	1,637,648
Substation/Relay/Relay Engineering	1,137,676	383,104	1,520,780
Electric Meter Measurement	680,181	188,299	868,480
Total Payroll	\$ 16,177,042	\$ 5,362,418	\$ 21,539,460

	Labor	Fringe	2019
Electric Transmission and Distribution	\$ 5,024,584	\$ 1,610,948	\$ 6,635,532
Energy Delivery/Admin/Shared Svcs	5,119,605	1,633,493	6,753,098
Systems Control	1,810,280	638,435	2,448,715
Energy Delivery Electric Engineering	1,334,059	427,547	1,761,606
Substation/Relay/Relay Engineering	1,213,170	388,441	1,601,611
Electric Meter Measurement	740,389	205,657	946,046
Total Payroll	\$ 15,242,087	\$ 4,904,521	\$ 20,146,608

Full Time Equivalent (FTE)	2019	2020
MAP	47.00	47.00
CWA	179.00	179.00
Total FTEs Authorized	226.00	226.00

Fiscal Year 2020 Payroll

Water

	Labor	Fringe	2020
Distribution	\$ 2,156,290	\$ 737,236	\$ 2,893,526
MurphreeWater Treatment Plant	1,283,784	442,926	1,726,710
Engineering	828,091	272,549	1,100,640
Water / Wastewater Planning	310,468	113,349	423,817
Water / Wastewater Engineering	276,534	94,232	370,766
Water / Wastewater Administration	195,794	70,542	266,336
Total Payroll	\$ 5,050,961	\$ 1,730,834	\$ 6,781,795

	Labor	Fringe	2019
Distribution	\$ 2,088,639	\$ 633,231	\$ 2,721,870
MurphreeWater Treatment Plant	1,236,726	362,584	1,599,310
Engineering	864,816	287,425	1,152,241
Water / Wastewater Planning	307,167	103,693	410,860
Water / Wastewater Engineering	252,540	90,064	342,604
Water / Wastewater Administration	192,700	68,281	260,981
Total Payroll	\$ 4,942,588	\$ 1,545,278	\$ 6,487,866

Full Time Equivalent (FTE)	2019	2020
MAP	12.00	17.00
CWA	57.00	57.00
Total FTEs Authorized	69.00	74.00

Fiscal Year 2020 Payroll

Wastewater

	Labor	Fringe	2020
Collection	\$ 2,391,200	\$ 817,552	\$ 3,208,752
Kanapaha Water Reclamation Facility	1,225,910	408,726	1,634,636
Mainstreet Water Reclamation Facility	868,138	296,816	1,164,954
Engineering	765,068	252,217	1,017,285
Lift Stations	639,960	218,802	858,762
Kanapaha Lab	313,769	100,572	414,341
Reclaimed Water Distribution	127,221	43,497	170,718
Total Payroll	\$ 6,331,266	\$ 2,138,182	\$ 8,469,448

	Labor	Fringe	2019
Collection	\$ 2,298,804	\$ 693,395	\$ 2,992,199
Kanapaha Water Reclamation Facility	1,132,020	334,148	1,466,168
Mainstreet Water Reclamation Facility	818,119	242,585	1,060,704
Engineering	764,556	250,356	1,014,912
Lift Stations	608,294	178,393	786,687
Kanapaha Lab	299,939	87,400	387,339
Reclaimed Water Distribution	123,089	38,029	161,118
Total Payroll	\$ 6,044,821	\$ 1,824,306	\$ 7,869,127

Full Time Equivalent (FTE)	2019	2020
MAP	13.00	10.00
CWA	86.00	84.00
Total FTEs Authorized	99.00	94.00

Fiscal Year 2020 Payroll

Gas

	Labor	Fringe	2020
Transmission and Distribution Operations	\$ 644,511	\$ 220,360	\$ 864,871
Meter Measurement Operations	587,183	200,758	787,941
Transmission and Distribution Construction	585,544	200,197	785,741
Marketing	209,264	71,547	280,811
Transmission and Distribution Engineering	207,839	69,594	277,433
Transmission and Distribution Administration	167,497	57,267	224,764
Total Payroll	\$ 2,401,838	\$ 819,723	\$ 3,221,561

	Labor	Fringe	2019
Transmission and Distribution Operations	\$ 672,859	\$ 215,463	\$ 888,322
Meter Measurement Operations	471,866	145,125	616,991
Transmission and Distribution Construction	581,069	181,176	762,245
Marketing	197,834	65,012	262,846
Transmission and Distribution Engineering	203,901	67,074	270,975
Transmission and Distribution Administration	167,031	56,207	223,238
Total Payroll	\$ 2,294,560	\$ 730,057	\$ 3,024,617

Full Time Equivalent (FTE)	2019	2020
MAP	6.00	6.00
CWA	32.00	32.00
Total FTEs Authorized	38.00	38.00

Fiscal Year 2020 Payroll

Telecommunications

	Labor	Fringe	2020
Network Operations Center	\$ 478,925	\$ 177,058	\$ 655,983
Technical Services	384,004	131,291	515,295
Construction	351,671	120,236	471,907
Engineering	297,457	101,701	399,158
Business Administration	245,596	83,969	329,565
Operations Administration	238,031	75,368	313,399
Electronics	187,056	63,954	251,010
Trunked Radio System	186,595	63,797	250,392
Chief Officer	182,741	66,079	248,820
Planning	157,807	53,954	211,761
Work Management	108,018	30,377	138,395
Technology and Services Administration	-	-	-
Total Payroll	\$ 2,817,901	\$ 967,784	\$ 3,785,685

	Labor	Fringe	2019
Network Operations Center	\$ 353,109	\$ 115,468	\$ 468,577
Technical Services	311,722	105,985	417,707
Construction	270,256	90,287	360,543
Engineering	252,139	84,427	336,566
Business Administration	376,384	127,970	504,354
Operations Administration	-	-	-
Electronics	200,565	67,592	268,157
Trunked Radio System	143,532	48,401	191,933
Chief Officer	-	-	-
Planning	-	-	-
Work Management	-	-	-
Technology and Services Administration	304,934	95,796	400,730
Total Payroll	\$ 2,212,641	\$ 735,926	\$ 2,948,567

Full Time Equivalent (FTE)	2019	2020
MAP	14.00	15.00
CWA	24.00	23.00
Total FTEs Authorized	38.00	38.00

Fiscal Year 2020 Payroll

Administration

	Labor	Fringe	2020
Training	\$ 704,871	\$ 240,995	\$ 945,866
Electric Environment	526,172	180,158	706,330
General Manager	409,239	145,542	554,781
Community Relations	349,179	121,484	470,663
Communications	324,927	111,693	436,620
Safety	324,341	110,892	435,233
Chief Operating Officer	294,786	104,867	399,653
Electric Reliability	209,201	71,881	281,082
Chief People Officer	173,807	59,094	232,901
Total Payroll	\$3,316,523	\$1,146,606	\$4,463,129

	Labor	Fringe	2019
Training	\$ 509,855	\$ 173,351	\$ 683,206
Electric Environment	444,541	149,496	594,037
General Manager	686,859	239,196	926,055
Community Relations	242,667	83,081	325,748
Communications	368,384	133,217	501,601
Safety	408,495	138,888	547,383
Chief Operating Officer	239,970	87,609	327,579
Electric Reliability	180,578	61,793	242,371
Chief Change Officer	278,080	94,368	372,448
Total Payroll	\$3,359,429	\$1,160,999	\$4,520,428

Full Time Equivalent (FTE)	2019	2020
MAP	31.00	30.00
CWA	5.00	6.00
Total FTEs Authorized	36.00	36.00

Fiscal Year 2020 Payroll

Budget, Finance and Accounting

	Labor	Fringe	2020
Financial Accounting	\$ 670,820	\$ 221,208	\$ 892,028
Project Management	413,407	141,451	554,858
Managerial Accounting	361,132	123,471	484,603
Budget	345,577	116,795	462,372
Chief Financial Officer	306,337	108,179	414,516
Rates and Forecasting	278,526	95,228	373,754
Treasury	168,824	59,921	228,745
Accounts Payable	163,362	55,854	219,216
Total Payroll	\$ 2,707,985	\$ 922,107	\$ 3,630,092

	Labor	Fringe	2019
Financial Accounting	\$ 554,112	\$ 172,197	\$ 726,309
Project Management	328,317	110,579	438,896
Managerial Accounting	443,338	144,335	587,673
Budget	355,257	118,787	474,044
Chief Financial Officer	295,582	103,771	399,353
Rates and Forecasting	397,016	131,547	528,563
Treasury	201,949	72,908	274,857
Accounts Payable	162,134	54,525	216,659
Total Payroll	\$ 2,737,705	\$ 908,649	\$ 3,646,354

Full Time Equivalent (FTE)	2019	2020
MAP	38.00	37.00
CWA	5.00	5.00
Total FTEs Authorized	43.00	42.00

Fiscal Year 2020 Payroll

Customer Support Services

	Labor	Fringe	2020
Customer Service	\$ 1,637,604	\$ 593,657	\$ 2,231,261
Energy and Business Services	820,107	272,912	1,093,019
Utilities Stores	748,474	255,903	1,004,377
Procurement	529,529	208,359	737,888
Billing and Customer Solutions	457,192	156,314	613,506
Change Management PMO	331,410	109,218	440,628
Facilities Maintenance	298,211	101,958	400,169
New Services	285,818	104,081	389,899
Administrative Services	287,068	98,509	385,577
Customer Operations	253,827	77,729	331,556
Revenue Assurance	191,039	64,904	255,943
Land Rights / Real Estate	179,008	64,371	243,379
Chief Customer Officer	146,666	50,145	196,811
Business Services	-	-	-
Mail Services	64,836	22,167	87,003
Total Payroll	\$ 6,230,789	\$ 2,180,227	\$ 8,411,016

	Labor	Fringe	2019
Customer Service	\$ 1,686,871	\$ 600,858	\$ 2,287,729
Energy and Business Services	736,991	244,001	980,992
Utilities Stores	748,976	248,474	997,450
Procurement	602,333	181,393	783,726
Billing and Customer Solutions	451,188	146,204	597,392
Change Management PMO	-	-	-
Facilities Maintenance	278,081	93,675	371,756
New Services	246,546	83,472	330,018
Administrative Services	231,707	104,280	335,987
Customer Operations	378,633	125,228	503,861
Revenue Assurance	267,315	93,965	361,280
Land Rights / Real Estate	180,117	58,772	238,889
Chief Customer Officer	175,741	64,312	240,053
Business Services	276,092	97,660	373,752
Mail Services	63,020	21,427	84,447
Total Payroll	\$ 6,323,611	\$ 2,163,721	\$ 8,487,332

Full Time Equivalent (FTE)	2019	2020
MAP	34.00	40.00
CWA	84.25	78.25
Total FTEs Authorized	118.25	118.25

Fiscal Year 2020 Payroll

Information Technology

	Labor	Fringe	2020
Technical Management	\$ 1,925,488	\$ 647,530	\$ 2,573,018
Application Management	1,281,751	429,367	1,711,118
OneERP	740,473	253,168	993,641
Service Desk	753,089	225,927	979,016
Project Management	518,487	183,371	701,858
Data Governance and Compliance	487,265	155,301	642,566
Administration	320,664	104,630	425,294
Total Payroll	\$ 6,027,217	\$ 1,999,294	\$ 8,026,511

	Labor	Fringe	2019
Technical Management	\$ 1,905,398	\$ 638,170	\$ 2,543,568
Application Management	1,277,838	429,301	1,707,139
OneERP	681,172	209,195	890,367
Service Desk	602,827	197,284	800,111
Project Management	486,009	170,942	656,951
Data Governance and Compliance	407,789	135,991	543,780
Administration	478,951	126,585	605,536
Total Payroll	\$ 5,839,984	\$ 1,907,468	\$ 7,747,452

Full Time Equivalent (FTE)	2019	2020
MAP	58.00	59.00
CWA	12.00	12.00
Total FTEs Authorized	70.00	71.00



Fiscal Year 2020 Budget Operations and Maintenance Non-Labor

Operations and Maintenance Non-Labor Combined Systems

	2020
Energy Supply	23,884,878
Energy Delivery	6,194,015
Water	6,548,008
Wastewater	7,282,844
Gas	620,343
Telecommunications	4,242,268
Administration	2,177,376
Budget, Finance and Accounting	578,742
Customer Support Services	6,172,036
Information Technology	4,931,059
System Expenditures	15,178,657
Enterprise Resource Planning	2,797,645
Total Operations and Maintenance Non-Labor	\$ 80,607,871

	2019
Energy Supply	25,671,763
Energy Delivery	6,276,225
Water	6,307,708
Wastewater	7,265,120
Gas	739,962
Telecommunications	2,855,639
Administration	2,271,811
Budget, Finance and Accounting	692,511
Customer Support Services	5,970,975
Information Technology	5,202,910
System Expenditures	18,951,558
Enterprise Resource Planning	8,185,230
Total Operations and Maintenance Non-Labor	\$ 90,391,412

Operations and Maintenance Non-Labor Energy Supply

	2020
Deerhaven Renewables Operations	\$ 9,201,313
Deerhaven Operations	4,359,865
Major Maintenance Group	4,269,000
South Energy Center	3,084,950
Kelly Plant Operations	1,206,475
Energy Supply Water Systems	625,975
Innovation Energy Center	322,375
Energy Supply Administration	331,470
Systems Control	200,182
Deerhaven Administration	104,250
Production Assurance Support	71,300
District Energy	46,030
Deerhaven Renewables Administration	34,120
Fuels	18,650
Kelly Plant Administration	8,923
Total Operations and Maintenance Non-Labor	\$ 23,884,878

	2019
Deerhaven Renewables Operations	\$ 8,855,665
Deerhaven Operations	4,294,332
Major Maintenance Group	4,777,000
South Energy Center	4,786,371
Kelly Plant Operations	1,163,881
Energy Supply Water Systems	657,300
Innovation Energy Center	317,003
Energy Supply Administration	317,830
Systems Control	225,553
Deerhaven Administration	68,228
Production Assurance Support	72,400
District Energy	45,700
Deerhaven Renewables Administration	50,100
Fuels	19,750
Kelly Plant Administration	20,650
Total Operations and Maintenance Non-Labor	\$ 25,671,763

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, and John R. Kelly Generating Station. District Energy, also managed by Energy Supply, includes the South Energy Center and the Innovation Energy Center.

During fiscal year 2018, DHR, which burns local clean wood waste, was purchased by GRU and integrated into its power portfolio as its newest plant. DHR has performed extremely well and is an integral part of GRU's renewable portfolio. Projected renewable energy production for fiscal year 2020 is 25-28%. GRU reached a peak of 41% for renewable energy in fiscal year 2019. Projected non-labor costs for DHR are \$9.2 million.

Energy Supply's fiscal year 2020 non-labor budget reflects a 7% decrease with the primary component a drop in expected expenses for South Energy Center due to contracted cost decreases. There are increased costs related to items such as chemicals, laboratory equipment, materials, services and regulations.

Daniel Grant Senior Mechanical Engineer

As a senior mechanical engineer in GRU's Energy Supply department, Daniel Grant helps maintain and extend the life of GRU's four multi-million-dollar combustion turbines. These complex, jet engine-sized machines are subject to extraordinarily high temperatures and repeated, damaging thermal cycles. The parts used to manufacture these machines are specialized and expensive, so Grant plans his budget years in advance based on which parts he'll need to repair or replace. In fiscal year 2018, they spent about \$3.1 million on replacement and repair parts. On top of that, costs rise about 3% per part every year. "These are large-scale aircraft engines," Grant says. "Keeping these machines running and running reliable is one of the biggest challenges we face."



Operations and Maintenance Non-Labor Energy Delivery

	2020
Electric Transmission and Distribution	\$ 3,054,495
Systems Control	1,453,897
Energy Delivery/Administration	771,238
Substation/Relay/Relay Engineering	702,386
Electric Meter Measurement	136,292
Energy Delivery Electric Engineering	75,707
Total Operations and Maintenance Non-Labor	\$ 6,194,015

	2019
Electric Transmission and Distribution	\$ 3,009,780
Systems Control	1,508,191
Energy Delivery/Administration	960,932
Substation/Relay/Relay Engineering	611,108
Electric Meter Measurement	107,518
Energy Delivery Electric Engineering	78,696
Total Operations and Maintenance Non-Labor	\$ 6,276,225

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 system’s 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 60% of the distribution system’s circuit miles are underground, which is among the highest percentages in Florida.

Energy Delivery is also primarily responsible for hurricane response, which includes not only providing timely and safe response to events in the Gainesville area but also mutual aid for other utilities. Energy Delivery’s fiscal year 2020 non-labor budget is 1.3% less than fiscal year 2019.

As GRU is working towards a renewable future, there are budgetary increases in initiatives related to solar and lighting applications offset by decreases in software and building maintenance and other costs. There are increased costs related to items such as contracts and professional services, utilities, materials and supplies.

Joe Wolf GRU Forester

GRU’s vegetation management department plays a critical role in GRU’s reliability. The men and women responsible for maintaining our urban forest are skilled individuals who rely on the proper equipment and a top-notch safety program. Vegetation (trees and tree limbs on wires, primarily) is a leading cause of power outages, so we aggressively maintain the tree canopy around our wires. If GRU gets behind in its tree-trimming cycle, reliability decreases, and the amount and duration of outages increases. “if we get behind in our cycle, it takes sometimes four or five times as much to reclaim the ground we’ve lost,” Wolf says. “Our job is to keep the urban forest healthy and to keep infrastructure safe and reliable.”



Operations and Maintenance Non-Labor

Water

	2020
Murphree Water Treatment Plant	\$ 5,536,790
Distribution	583,495
Engineering	228,100
Water / Wastewater Engineering	132,800
Water / Wastewater Administration	53,300
Water / Wastewater Planning	13,523
Total Operations and Maintenance Non-Labor	\$ 6,548,008

	2019
Murphree Water Treatment Plant	\$ 5,476,439
Distribution	460,354
Engineering	197,000
Water / Wastewater Engineering	111,150
Water / Wastewater Administration	51,350
Water / Wastewater Planning	11,415
Total Operations and Maintenance Non-Labor	\$ 6,307,708

Water Department Budget Highlights

Water is responsible for the design, construction, operation and maintenance of the 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 Floridan aquifer, is treated at Murphree 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.

Nearly 75% of non-labor expenses in operating and maintaining the water system are related to electricity, chemicals, and materials. Many of these expenses are mandated by regulatory and other external requirements, including safe drinking water standards and certified personnel.

Water's fiscal year 2020 non-labor budget has increased 3.8% from fiscal year 2019. Specifically, the quicklime contract for Murphree increased \$190,000 year over year. There are other increased costs related to items such as electricity and chemicals.

Nate Ford Water Plant Operator

Nate Ford is one of the employees tasked with making sure water at the Murphree Water Treatment Plant always meets state and federal drinking water standards. Ford faces plenty of challenges since the plant is staffed 24/7/365. One thing Ford always keeps an eye on is the cost of products such as Quicklime, which takes the hardness out of GRU's water. Hard water can damage appliances, so Quicklime plays an important role in our treatment process. The cost of Quicklime, though, has increased about \$190,000 in the last fiscal year. "We have to optimize all treatment processes to make sure we hold down those costs," Ford says.



Operations and Maintenance Non-Labor Wastewater

	2020
Wastewater Lift Stations	\$ 2,841,700
Kanapaha Water Reclamation Facility	2,121,870
Mainstreet Water Reclamation Facility	1,595,374
Wastewater Collection	469,100
Wastewater Kanapaha Lab	212,900
Wastewater Engineering	35,100
Reclaimed Water Distribution	6,800
Total Operations and Maintenance Non-Labor	\$ 7,282,844

	2019
Wastewater Lift Stations	\$ 1,303,500
Kanapaha Water Reclamation Facility	1,542,654
Mainstreet Water Reclamation Facility	3,798,991
Collection	340,425
Kanapaha Lab	156,400
Engineering	114,850
Reclaimed Water Distribution	8,300
Total Operations and Maintenance Non-Labor	\$ 7,265,120

Wastewater Department Budget Highlights

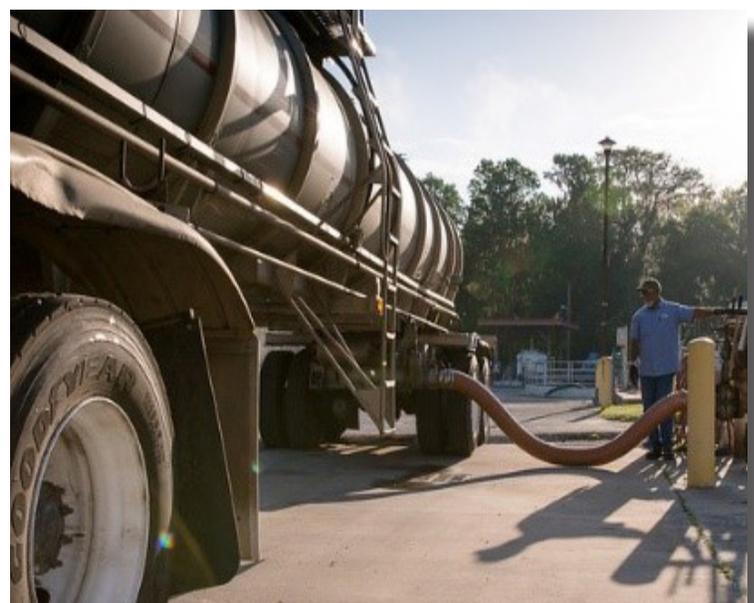
The Wastewater system is responsible for the design, construction, operation and maintenance of the wastewater system to deliver safe and reliable wastewater treatment and water reclamation from two facilities: Main Street Water Reclamation Facility (MSWRF) and Kanapaha Water Reclamation Facility (KWRF).

The MSWRF has advanced tertiary activated sludge treatment process units, influent screening and grit removal, activated sludge treatment, filtrations and disinfection. Biosolids from the plant are treated via aerobic digestion and are transferred to the KWRF facility where it is combined with KWRF sludge for beneficial reuse and/or disposal.

In addition, the MSWRF includes a reclaimed water pumping station and distribution system. The reclaimed water distribution system currently includes a pipeline which provides reclaimed water for other irrigation and cooling uses.

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

The Wastewater System has a miniscule increase in non-labor operations and maintenance from the fiscal year 2019 budget. The proposed increases are primarily for increased costs of electricity, chemicals, and laboratory analyses related to the operation of the water reclamation facilities and lift stations. GRU is constantly striving to mitigate those increases.



Operations and Maintenance Non-Labor

Gas

	2020
Marketing	\$ 283,490
Meter Measurement Operations	129,635
Transmission and Distribution Operations	85,561
Transmission and Distribution Administration	63,601
Transmission and Distribution Construction	52,954
Transmission and Distribution Engineering	5,102
Total Operations and Maintenance Non-Labor	\$ 620,343

	2019
Marketing	\$ 284,139
Meter Measurement Operations	146,180
Transmission and Distribution Operations	69,179
Transmission and Distribution Administration	173,570
Transmission and Distribution Construction	61,750
Transmission and Distribution Engineering	5,144
Total Operations and Maintenance Non-Labor	\$ 739,962

Gas

Budget Highlights

The Gas System is responsible for the construction, operation and maintenance of the natural gas transmission and distribution systems. 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 metering and measuring equipment.

The majority of the non-labor expenses in the system are costs associated with contract and professional services, materials and supplies, equipment and training.

The Gas System proposes a 16% decrease in non-labor operations and maintenance from the fiscal year 2019 budget. The decrease is mostly related to electric services, building maintenance and janitorial services.

There are other increased costs related to other items. However, GRU is constantly striving to mitigate those increases.



Operations and Maintenance Non-Labor Telecommunications

	2020
Trunked Radio System	\$ 1,375,154
Network Operations Center	682,868
Technology and Services Administration	645,660
Business Administration	497,084
Customer Operations	378,087
Chief Officer	230,871
Voice Operations	157,914
Central Office Operations	125,422
Towers 1-12	66,810
Internet Operations	47,545
Research and Develop	25,500
GatorNet	9,353
Total Operations and Maintenance Non-Labor	\$ 4,242,268

	2019
Trunked Radio System	\$ 444,364
Network Operations Center	630,261
Technology and Services Administration	196,758
Business Administration	437,992
Customer Operations	633,000
Chief Officer	-
Voice Operations	137,000
Central Office Operations	154,817
Towers 1-12	121,778
Internet Operations	65,500
Research and Develop	25,000
GatorNet	9,169
Total Operations and Maintenance Non-Labor	\$ 2,855,639

Telecommunications Budget Highlights

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

To support business needs of customers, contract costs increased for Trunking Radio Service (TRS)/public safety radio system upgrade requested by the TRS users from \$150,000 in fiscal year 2019 to \$1,078,000 in fiscal year 2020. In addition, an increase in hosted billing software and voice switch expenses will enable billing of new voice service products and future services.

The fiscal year 2020 budget reflects a large increase in baseline operating expenses over fiscal year 2019 primarily due to TRS costs. These costs are expected to be recovered through negotiated contract reimbursements from the users.

There are other increased costs related to items such as electricity, chemicals transport circuits for additional customer capacity and other costs. GRU is constantly striving to mitigate those increases.

Capacity Increase

Tripled transport capacity from 20 Gigabits total in fiscal year 2018 to 60 Gigabits in fiscal year 2020 at only a 25% total cost increase of \$18,000 annually to meet customer demand and improve redundancy to Atlanta and Miami internet hubs.



Operations and Maintenance Non-Labor Administration

	2020
General Manager	\$ 674,203
Community Relations	514,922
Communications	473,500
Safety	208,419
Electric Environment	145,222
Training	91,800
Electric Reliability	49,210
Chief Operating Officer	14,400
Chief People Officer	5,700
Chief Change Officer	-
Total Operations and Maintenance Non-Labor	\$ 2,177,376

	2019
General Manager	\$ 758,272
Community Relations	499,297
Communications	486,800
Safety	206,669
Electric Environment	145,222
Training	94,800
Electric Reliability	48,020
Chief Operating Officer	14,400
Chief People Officer	-
Chief Change Officer	18,331
Total Operations and Maintenance Non-Labor	\$ 2,271,811

Administration

Budget Highlights

Administration includes the General Manager's office, community relations, communications, safety, training, the Chief Operating Officer's area, Chief People Officer and others. The daily operations and overall responsibility of GRU is led by the General Manager. Responsibilities include policy development and the implementation of policies adopted by the City Commission, planning, administration, organizational development, construction and operations.

The Chief Operating Officer's budget includes Safety & Training, Environmental Compliance, and Regulatory Compliance.

Community Relations is responsible for planning and executing several programs and events that benefit our community, including the Brighter Tomorrow Scholarship Banquet, Camp EmPower and the Williams Elementary Benefit Golf Tournament. Community Relations is also responsible for GRU's inclusion and diversity initiative.

Communications is responsible for the overall marketing and communications of utility. This area's budget has decreased from \$486,800 in fiscal year 2019 to \$473,500 in fiscal year 2020 even as it has incorporated formerly contracted services such as social media. The Administration budget is reflecting a 4% decrease from 2019, even after incorporating costs for city attorney services.



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

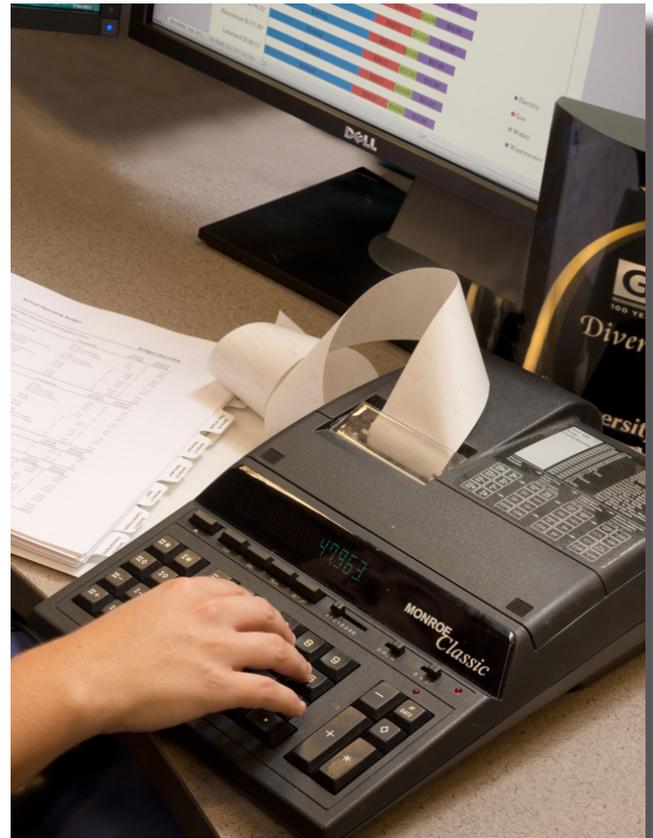
	2020
Chief Financial Officer	\$ 377,352
Treasury	83,550
Project Management	46,400
Managerial Accounting	34,000
Rates and Forecasting	25,140
Financial Accounting	7,500
Budget	3,800
Accounts Payable	1,000
Total Operations and Maintenance Non-Labor	\$ 578,742

	2019
Chief Financial Officer	\$ 366,202
Treasury	93,505
Project Management	18,000
Rates and Forecasting	28,678
Financial Accounting	116,951
Managerial Accounting	60,980
Budget	4,300
Accounts Payable	3,895
Total Operations and Maintenance Non-Labor	\$ 692,511

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 for the utility. This includes the overall budget preparation and execution, long-term financial planning and forecasting, cash management and forecasting, debt issuance and compliance, credit metrics and ratings, treasury, rate formulation, financial reporting, benchmarking, regulatory and tax reporting, and various other responsibilities. In addition, BFA manages the utility-wide corporate expenses on page 78.

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 16% from 2019.



Operations and Maintenance Non-Labor Customer Support Services

	2020
Facilities Maintenance	\$ 3,029,993
Customer Services	705,200
Billing and Customer Solutions	666,114
Energy and Business Services	644,643
Administrative Services	451,789
Mail Services	305,250
Revenue Assurance	148,070
New Services	86,082
Land Rights / Real Estate	48,514
Customer Operations	25,750
Chief Customer Officer	23,075
Utilities Stores	21,592
Business Services	-
Procurement	9,814
Change Management Project Management Office	6,150
Total Operations and Maintenance Non-Labor	\$ 6,172,036

	2019
Facilities Maintenance	\$ 2,787,610
Customer Services	833,100
Billing and Customer Solutions	663,000
Energy and Business Services	614,584
Administrative Services	371,382
Mail Services	296,399
Revenue Assurance	193,750
New Services	88,519
Land Rights / Real Estate	30,417
Customer Operations	30,850
Chief Customer Officer	25,400
Utilities Stores	16,285
Business Services	15,250
Procurement	4,429
Change Management Project Management Office	-
Total Operations and Maintenance Non-Labor	\$ 5,970,975

Customer Support Services Budget Highlights

Customer Support Services includes customer service, billing, collections, mail services, quality control, facilities, purchasing, cashiers, energy and business services and new services. Facilities manages utility services costs and strives to lower costs when possible.

This area manages two chiller units at the Administration Building and the Eastside Operations Center (EOC) in addition to hundreds of smaller HVAC systems and lighting systems.

Customer Operations also includes billing and customer solutions for payment processing, bill presentment, printing, mailing, and postage associated with the creation and distribution of customer bills.

Customer Support Services reflects a slight increase in non-labor operations and maintenance expenses from the approved fiscal year 2019 budget. The increase included the reclassification of utility services and operations and maintenance from the Springhill location in the Gas System to Facilities for consistency in reporting. In addition, HVAC contract maintenance increased year over year.

Giving Back

Energy & Business Services budgeted \$425,000 for GRU's LEEP-plus (Low-income Energy Efficiency Program). The program helps 100 low-income customers improve the energy efficiency of their home at an average cost of \$4,250 per home. Since its inception in 2007, LEEPplus has helped over 1,600 households.



Operations and Maintenance Non-Labor Information Technology

	2020
Governance and Compliance	\$ 3,229,522
Technical Management	630,904
Application Management	551,440
Service Desk	434,000
Administration	65,568
Project Management	19,625
Subtotal Operations and Maintenance Non-Labor	4,931,059
OneERP	2,797,645
Total Operations and Maintenance Non-Labor	\$ 7,728,704

	2019
Governance and Compliance	\$ 3,103,775
Technical Management	764,500
Application Management	701,822
Service Desk	478,600
Administration	134,588
Project Management	19,625
Subtotal Operations and Maintenance Non-Labor	5,202,910
OneERP	8,185,230
Total Operations and Maintenance Non-Labor	\$ 13,388,140

Operations and Maintenance Non-Labor Corporate Expenses

	2020
Joint Services - General Government	\$ 3,354,927
Vehicle and Transportation	3,000,000
Risk Management	3,000,000
Debt Service Fees	2,398,231
Pension Bonds	2,144,748
Uncollectible Accounts	1,763,800
Boiler Insurance	800,000
Worker's Compensation	531,000
General Liability	515,600
Insurance Premiums	490,000
Audit Fees	218,000
Common Plant	(3,037,649)
Total Operations and Maintenance Non-Labor	\$ 15,178,657

	2019
Joint Services - General Government	\$ 3,195,168
Vehicle and Transportation	2,981,000
Risk Management	2,100,000
Debt Service Fees	4,552,636
Pension Bonds	2,144,748
Uncollectible Accounts	1,763,800
Boiler Insurance	1,000,000
Worker's Compensation	585,000
General Liability	500,000
Insurance Premiums	400,184
Audit Fees	214,400
Common Plant	(485,378)
Total Operations and Maintenance Non-Labor	\$ 18,951,558



Fiscal Year 2020 Budget

Fuels

Fiscal Year 2020 Budget

Fuels

		2020
Coal	\$	29,402,951
Natural Gas		26,659,067
Biomass		11,864,146
Local Distribution Customer Sales		8,601,893
SolarFit		5,659,210
Purchased Power		4,245,930
Marion County Landfill Gas		3,052,778
Renewable Energy Credits		50,000
Total Fuels	\$	89,535,975

		2019
Coal	\$	26,725,988
Natural Gas		27,845,586
Biomass		14,979,392
Local Distribution Customer Sales		8,449,129
SolarFit		6,035,670
Purchased Power		5,736,023
Marion County Landfill Gas		2,468,662
Renewable Energy Credits		20,000
Total Fuels	\$	92,260,450



Fiscal Year 2020 Budget Uses of Net Revenues

Fiscal Year 2020 Uses of Net Revenues

Combined Systems

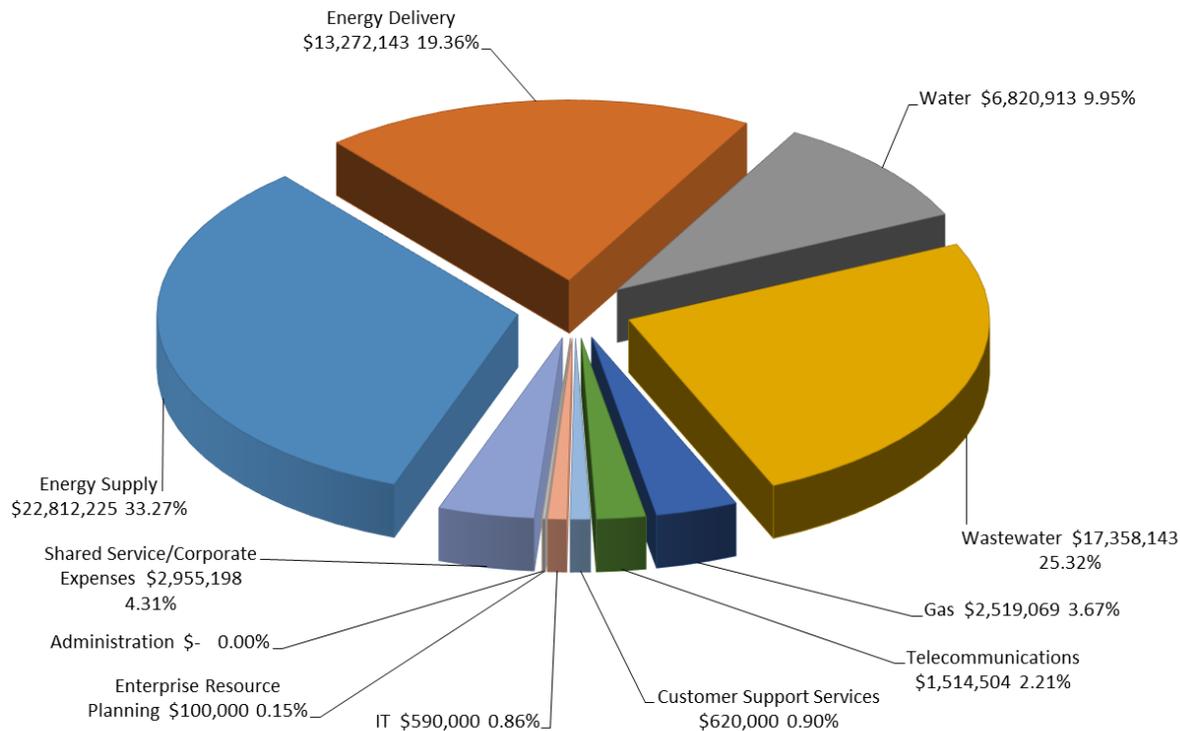
	2020
Debt Service	\$ 99,113,821
Utility Plant Improvement Fund	43,857,271
General Fund Transfer	38,285,000
Total Uses of Net Revenues	\$ 181,256,092

	2019
Debt Service	\$ 98,113,883
Utility Plant Improvement Fund	41,284,409
General Fund Transfer	38,285,001
Total Uses of Net Revenues	\$ 177,683,293



Fiscal Year 2020 Budget **Capital Non-Labor**

Capital Non-Labor Lines of Business

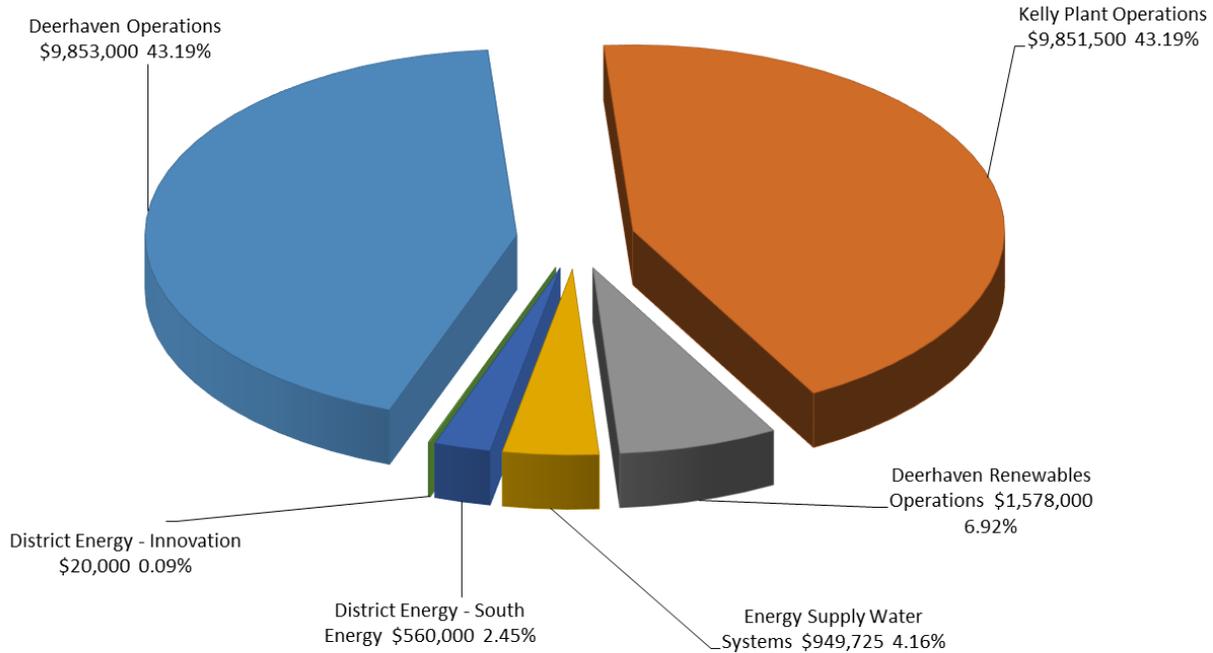


2020	
Energy Supply	\$ 22,812,225
Energy Delivery	13,272,143
Water	6,820,913
Wastewater	17,358,143
Gas	2,519,069
Telecommunications	1,514,504
Customer Support Services	620,000
IT	590,000
Enterprise Resource Planning	100,000
Administration	-
Shared Service/Corporate Expenses	2,955,198
Total Capital Labor and Non-Labor	\$ 68,562,195

2019	
Energy Supply	\$ 13,025,075
Energy Delivery	13,161,207
Water	6,841,669
Wastewater	13,559,688
Gas	2,018,608
Telecommunications	2,180,478
Customer Support Services	938,250
IT	1,289,900
Enterprise Resource Planning	17,615,854
Administration	27,000
Shared Service/Corporate Expenses	(1,270,598)
Total Capital Labor and Non-Labor	\$ 69,387,131

Capital Non-Labor

Energy Supply

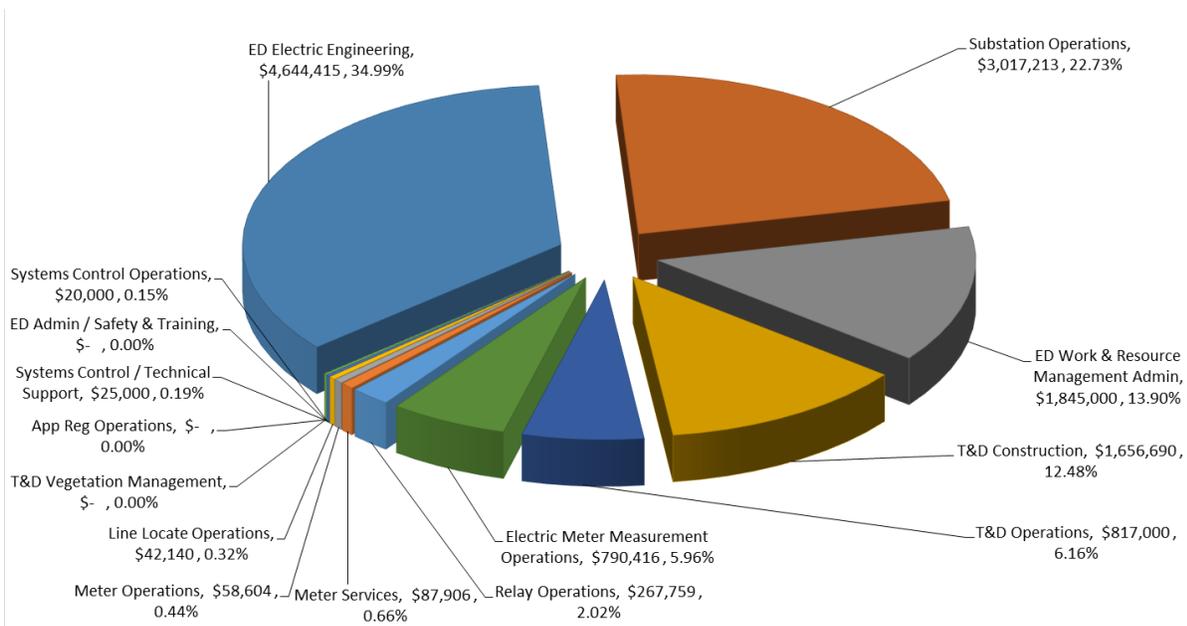


		2020
Deerhaven Operations	\$	9,853,000
Kelly Plant Operations		9,851,500
Deerhaven Renewables Operations		1,578,000
Energy Supply Water Systems		949,725
District Energy - South Energy		560,000
District Energy - Innovation		20,000
Total Capital Non-Labor	\$	22,812,225

		2019
Deerhaven Operations	\$	4,183,000
Kelly Plant Operations		2,665,000
Deerhaven Renewables Operations		758,000
Energy Supply Water Systems		404,075
District Energy - South Energy		4,495,000
District Energy - Innovation		520,000
Total Capital Non-Labor	\$	13,025,075

Capital Non-Labor

Energy Delivery



2020

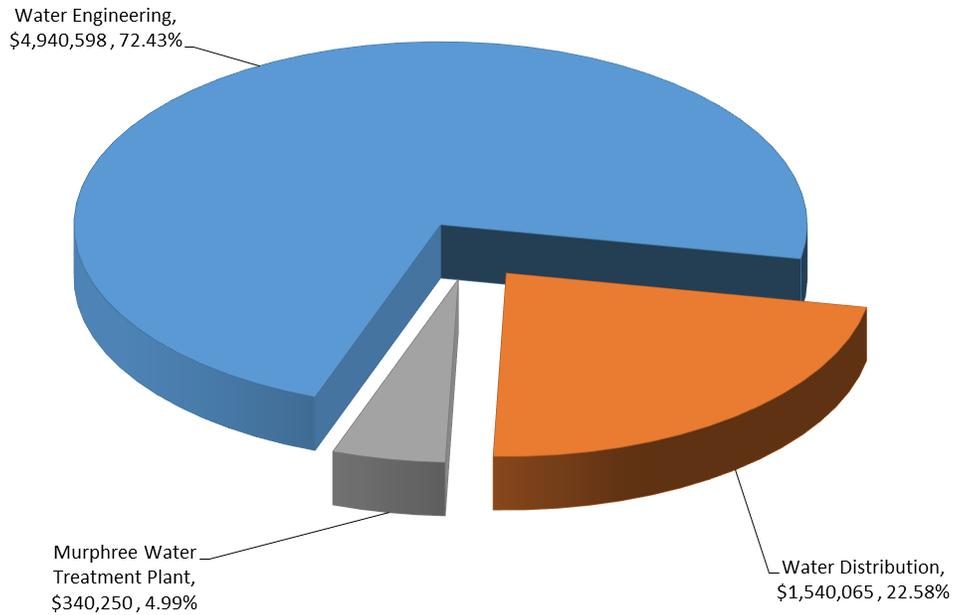
ED Electric Engineering	\$	4,644,415
Substation Operations		3,017,213
ED Work & Resource Management Admin		1,845,000
T&D Construction		1,656,690
T&D Operations		817,000
Electric Meter Measurement Operations		790,416
Relay Operations		267,759
Meter Services		87,906
Meter Operations		58,604
Line Locate Operations		42,140
Systems Control / Technical Support		25,000
Systems Control Operations		20,000
T&D Vegetation Management		-
App Reg Operations		-
ED Admin / Safety & Training		-
Total Capital Non-Labor	\$	13,272,143

2019

ED Electric Engineering	\$	6,574,595
Substation Operations		1,970,481
ED Work & Resource Management Admin		1,415,200
T&D Construction		628,935
T&D Operations		350,400
Electric Meter Measurement Operations		400,841
Relay Operations		255,550
Meter Services		-
Meter Operations		-
Line Locate Operations		30,458
Systems Control / Technical Support		-
Systems Control Operations		1,403,141
T&D Vegetation Management		108,000
App Reg Operations		20,000
ED Admin / Safety & Training		3,606
Total Capital Non-Labor	\$	13,161,207

Capital Non-Labor

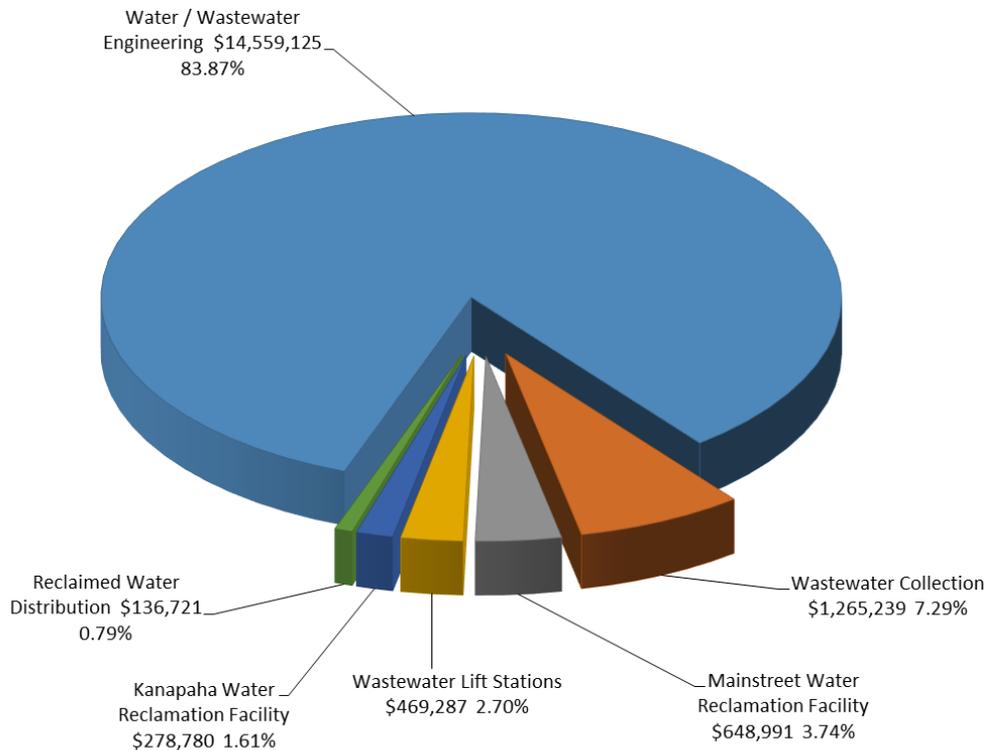
Water



2020	
Water Engineering	\$ 4,940,598
Water Distribution	1,540,065
Murphree Water Treatment Plant	340,250
Total Capital Non-Labor	\$ 6,820,913

2019	
Water Engineering	\$ 4,997,673
Water Distribution	1,578,215
Murphree Water Treatment Plant	265,781
Total Capital Non-Labor	\$ 6,841,669

Capital Non-Labor Wastewater

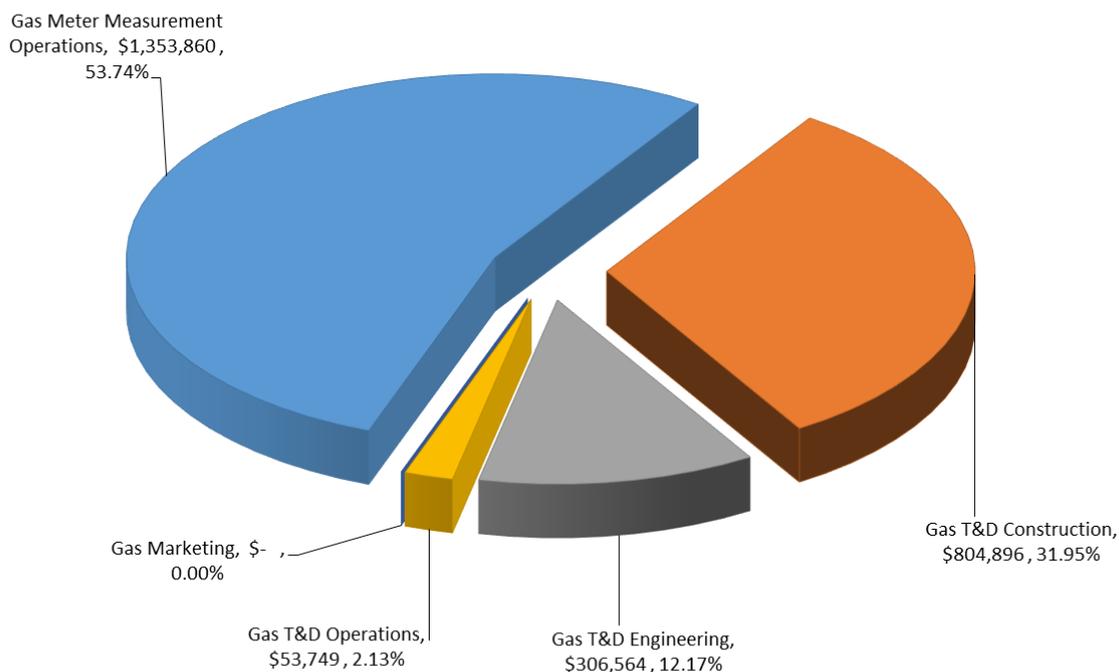


2020	
Water / Wastewater Engineering	\$ 14,559,125
Wastewater Collection	1,265,239
Mainstreet Water Reclamation Facility	648,991
Wastewater Lift Stations	469,287
Kanapaha Water Reclamation Facility	278,780
Reclaimed Water Distribution	136,721
Total Capital Non-Labor	\$ 17,358,143

2019	
Water / Wastewater Engineering	\$ 10,583,741
Wastewater Collection	1,527,348
Mainstreet Water Reclamation Facility	584,331
Wastewater Lift Stations	580,914
Kanapaha Water Reclamation Facility	139,599
Reclaimed Water Distribution	143,755
Total Capital Non-Labor	\$ 13,559,688

Capital Non-Labor

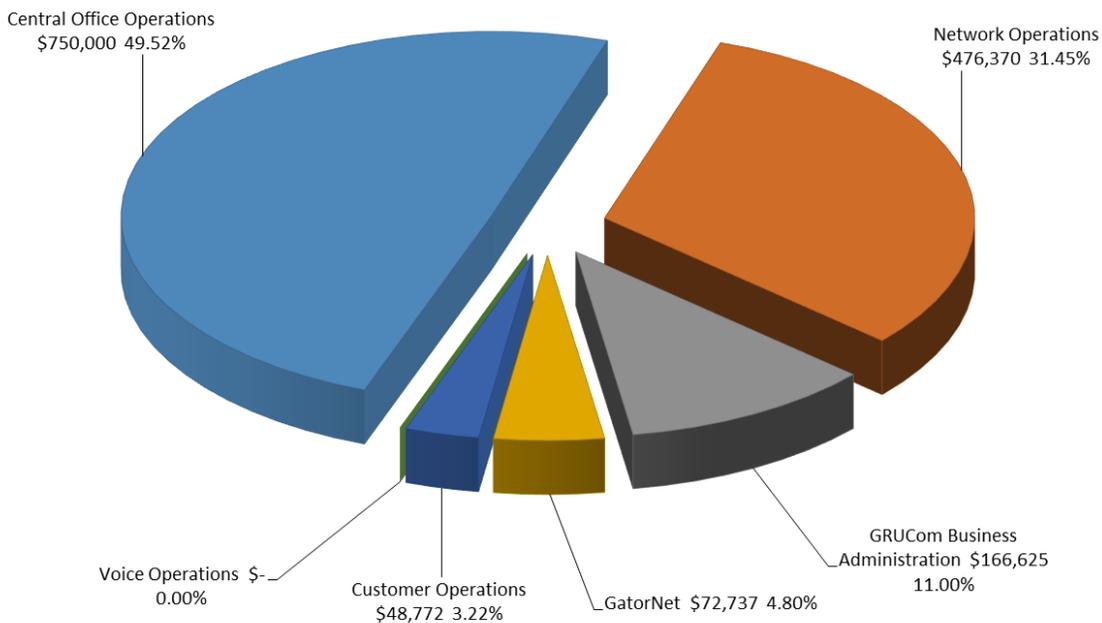
Gas



2020	
Gas Meter Measurement Operations	\$ 1,353,860
Gas T&D Construction	804,896
Gas T&D Engineering	306,564
Gas T&D Operations	53,749
Gas Marketing	-
Total Capital Non-Labor	\$ 2,519,069

2019	
Gas Meter Measurement Operations	\$ 1,018,244
Gas T&D Construction	727,958
Gas T&D Engineering	149,164
Gas T&D Operations	97,242
Gas Marketing	26,000
Total Capital Non-Labor	\$ 2,018,608

Capital Non-Labor Telecommunications

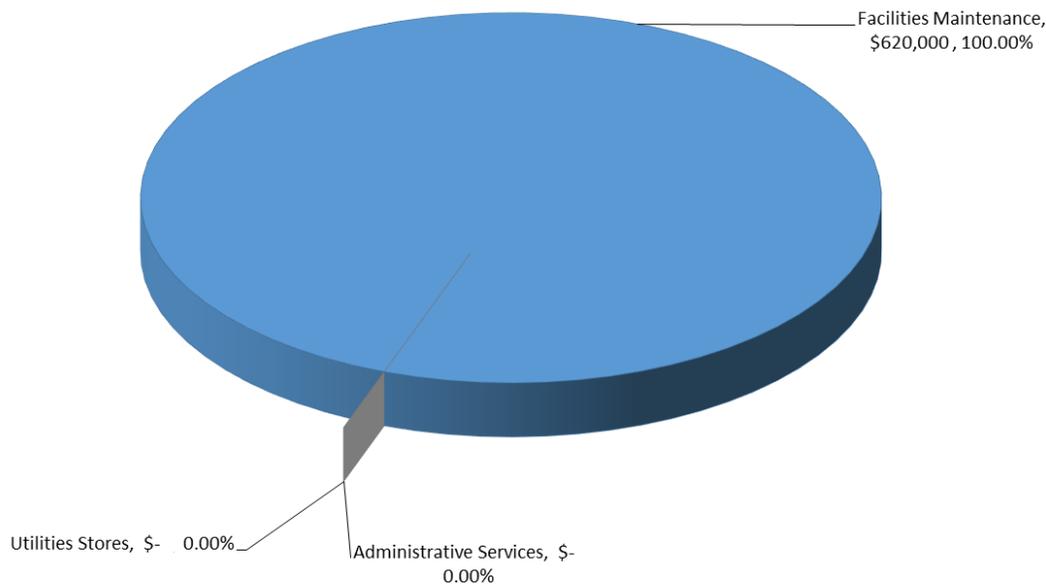


2020	
Central Office Operations	\$ 750,000
Network Operations	476,370
GRUCom Business Administration	166,625
GatorNet	72,737
Customer Operations	48,772
Voice Operations	-
Total Capital Non-Labor	\$ 1,514,504

2019	
Central Office Operations	\$ 750,000
Network Operations	487,660
GRUCom Business Administration	198,118
GatorNet	176,112
Customer Operations	68,587
Voice Operations	500,000
Total Capital Non-Labor	\$ 2,180,478

Capital Non-Labor

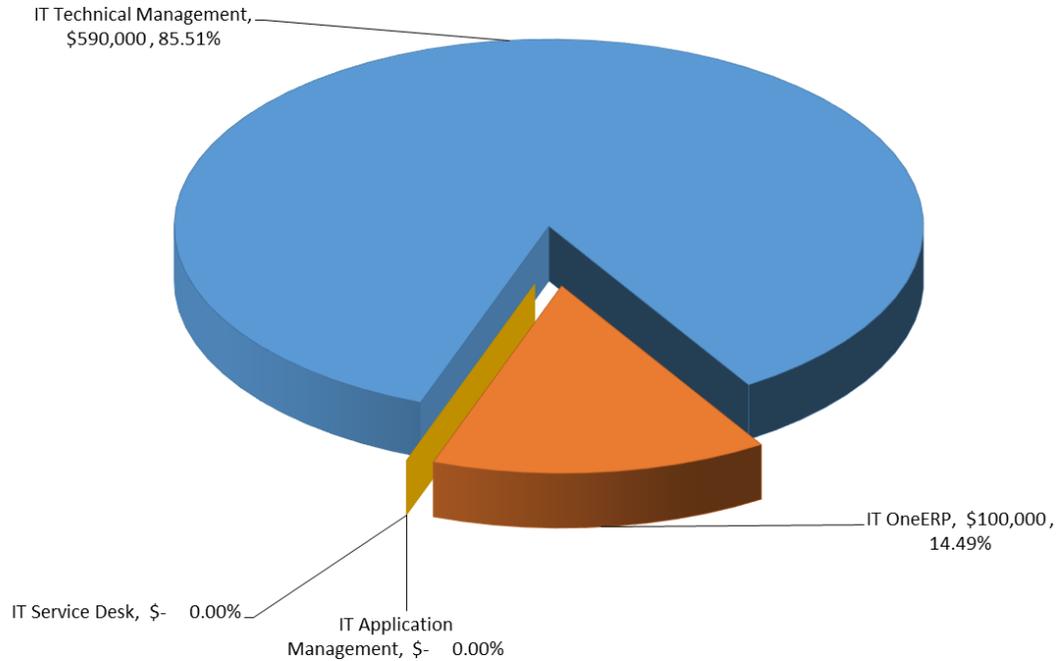
Customer Support Services



	2020
Facilities Maintenance	\$ 620,000
Administrative Services	-
Utilities Stores	-
Total Capital Non-Labor	\$ 620,000

	2019
Facilities Maintenance	\$ 660,500
Administrative Services	272,750
Utilities Stores	5,000
Total Capital Non-Labor	\$ 938,250

Capital Non-Labor Information Technology



2020	
IT Technical Management	\$ 590,000
IT OneERP	100,000
IT Application Management	-
IT Service Desk	-
Total Capital Non-Labor	\$ 690,000

2019	
IT Technical Management	\$ 1,045,900
IT OneERP	17,615,854
IT Application Management	194,000
IT Service Desk	50,000
Total Capital Non-Labor	\$ 18,905,754



Fiscal Year 2020 Budget Financial Reserves and Ratios

Fiscal Year 2020 Financial Reserves and Ratios

Reserve Requirements and Reserve Funded

	Budget 2019	Budget 2020
Reserve Requirements:		
Electric	\$ 41,963,013	\$ 57,371,000
Water	10,182,961	4,944,000
Wastewater	11,948,520	6,077,000
Gas	5,172,626	4,532,000
Telecommunications	3,311,196	1,957,000
Total Reserve Requirements	\$ 72,578,316	\$ 74,881,000
Reserve Funded:		
Rate Stabilization Fund	\$ 49,068,153	\$ 53,333,636
Operating Cash (60 days)	8,248,028	4,465,571
Utility Plant Improvement Fund	24,560,581	23,591,018
Total Reserve Funded	\$ 81,876,762	\$ 81,390,225
Amount Over/(Under) Funded	\$ 9,298,446	\$ 6,509,225

Description

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

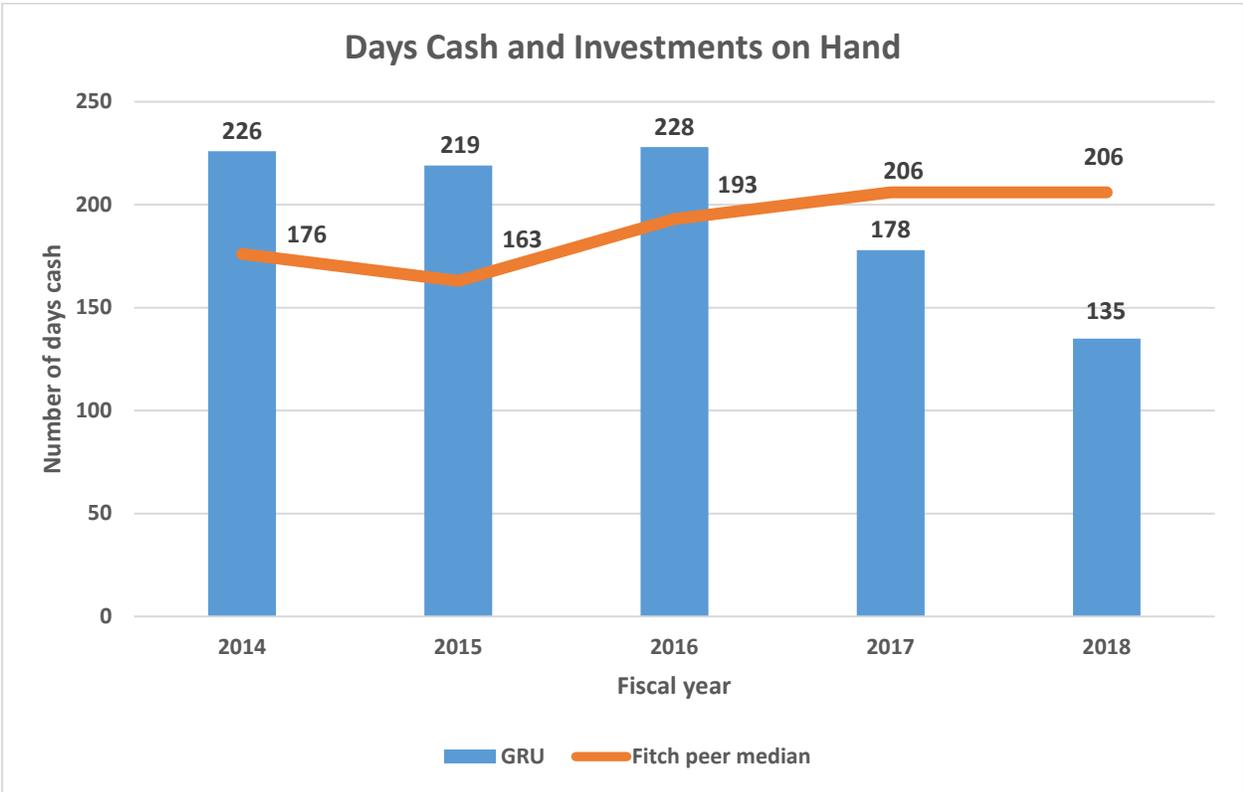
Accordingly, the methodology of what resources could be counted as available to meet reserve requirements was modified as well. Prior to the adoption of the cash balance policy, the following resources were deemed eligible to meet reserve requirements:

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

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

Fiscal Year 2020

Financial Reserves and Ratios

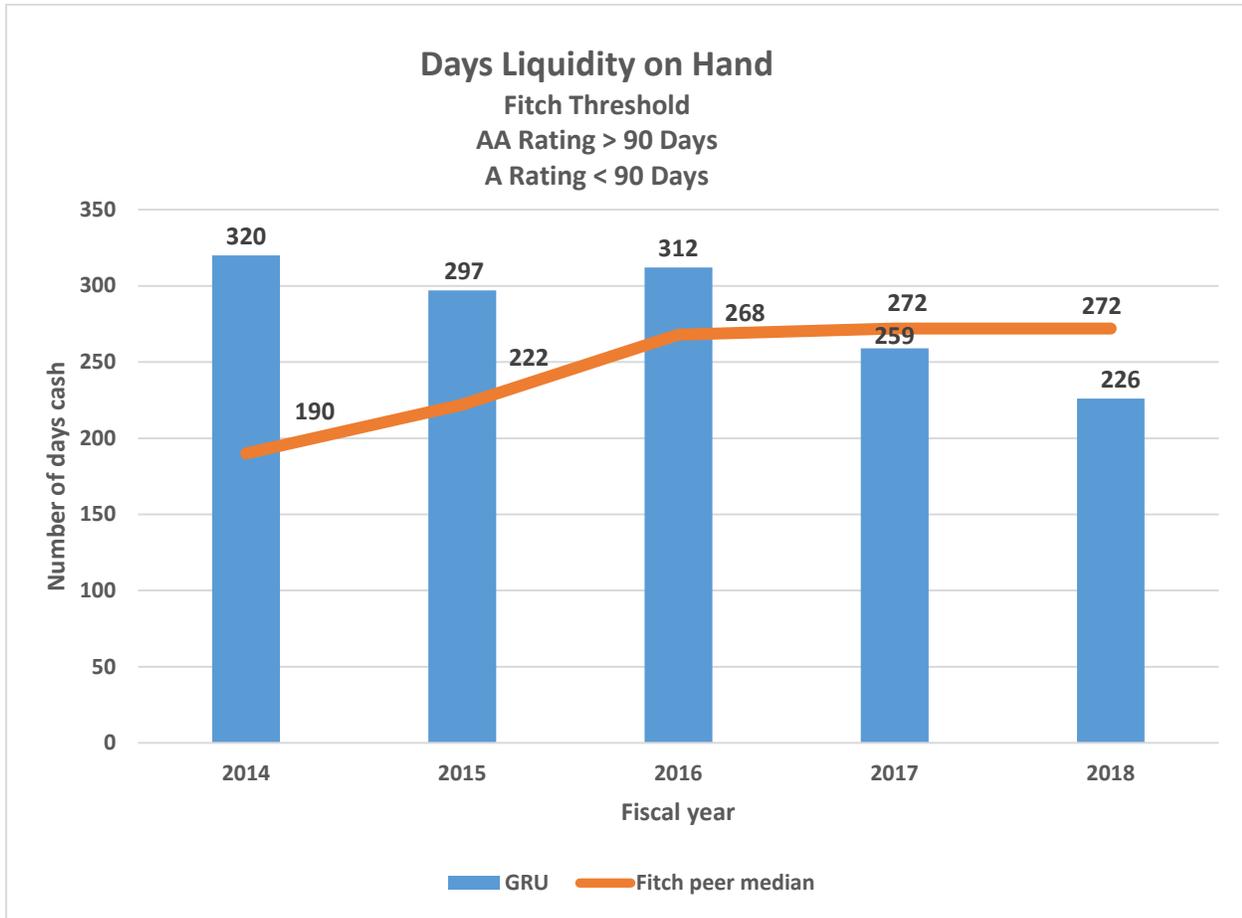


Days Cash and Investments on Hand: Number of days operating cash on hand. This metric indicates financial flexibility, specifically cash and short-term investments, relative to expenses.

Formula: Unrestricted cash divided by average daily operating expense.

Fiscal Year 2020

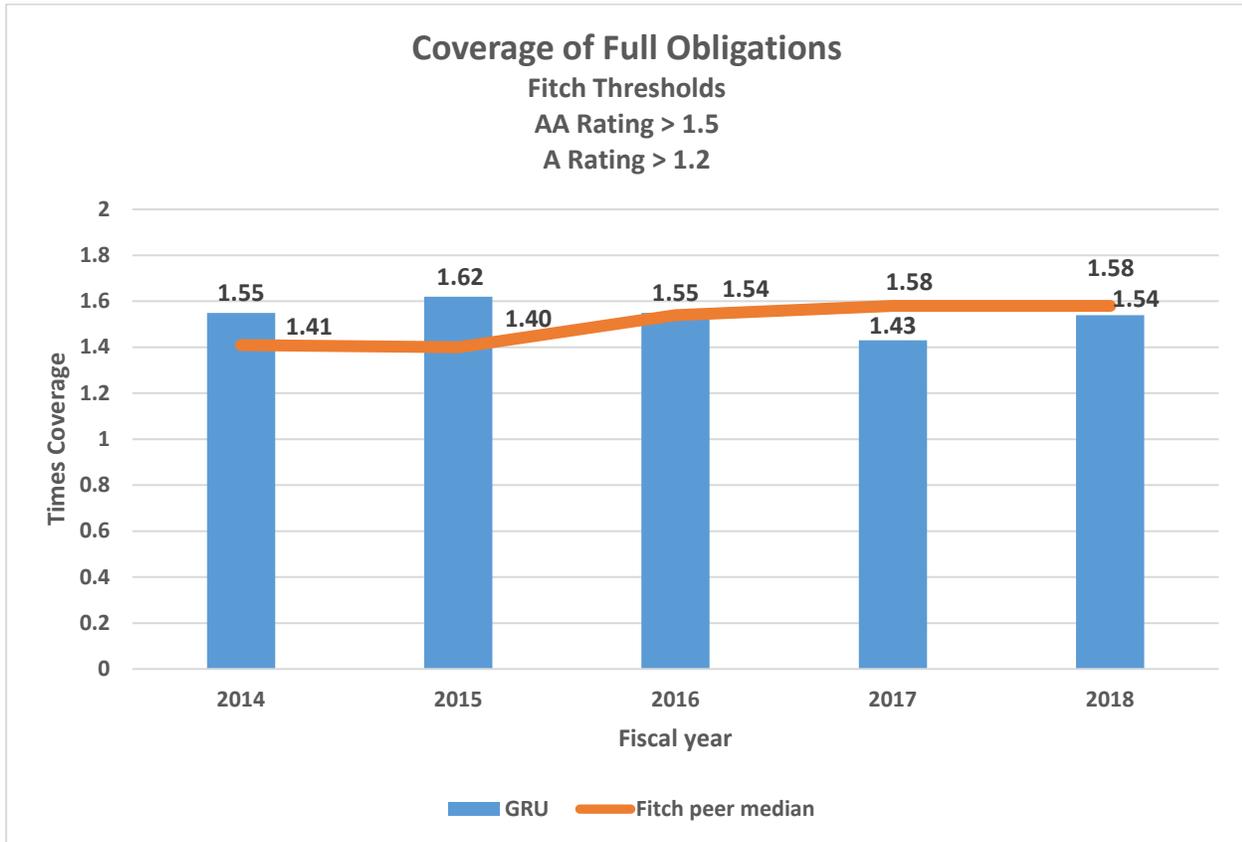
Financial Reserves and Ratios



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.

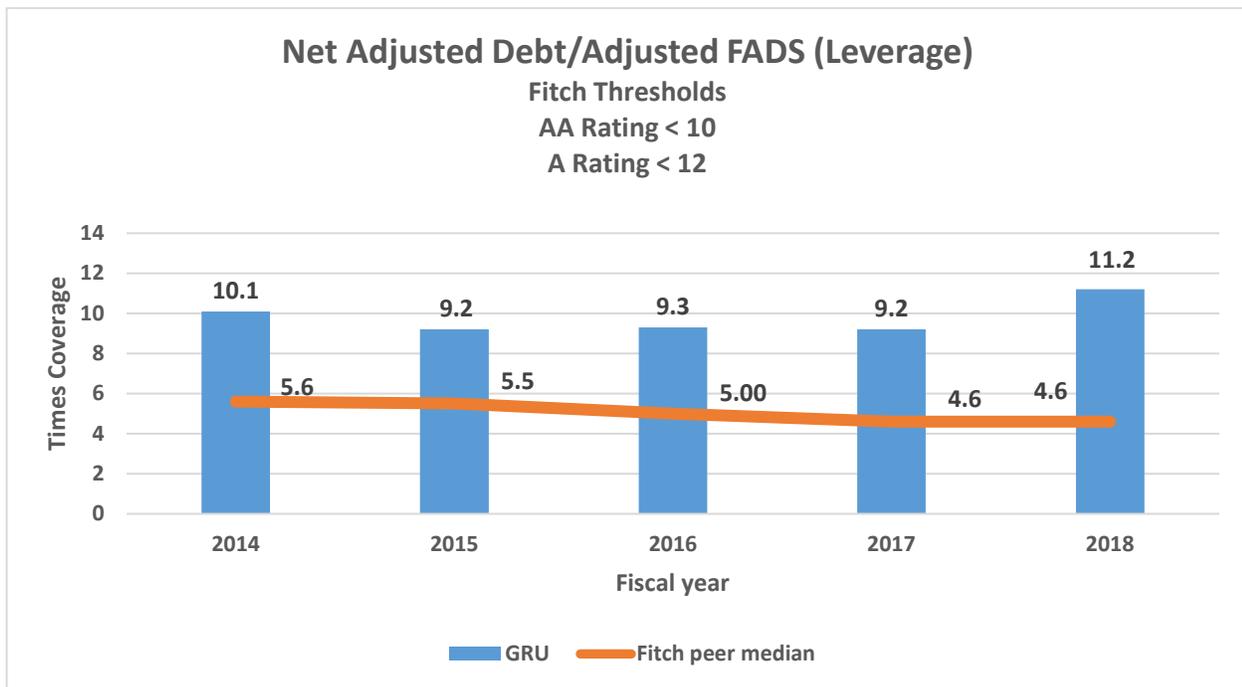
Formula: Total liquid assets divided by average daily operating expense.

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.



Fiscal Year 2020 Budget **Total Costs by Line of Business**

Fiscal Year 2020 Budget

Total Costs by Line of Business

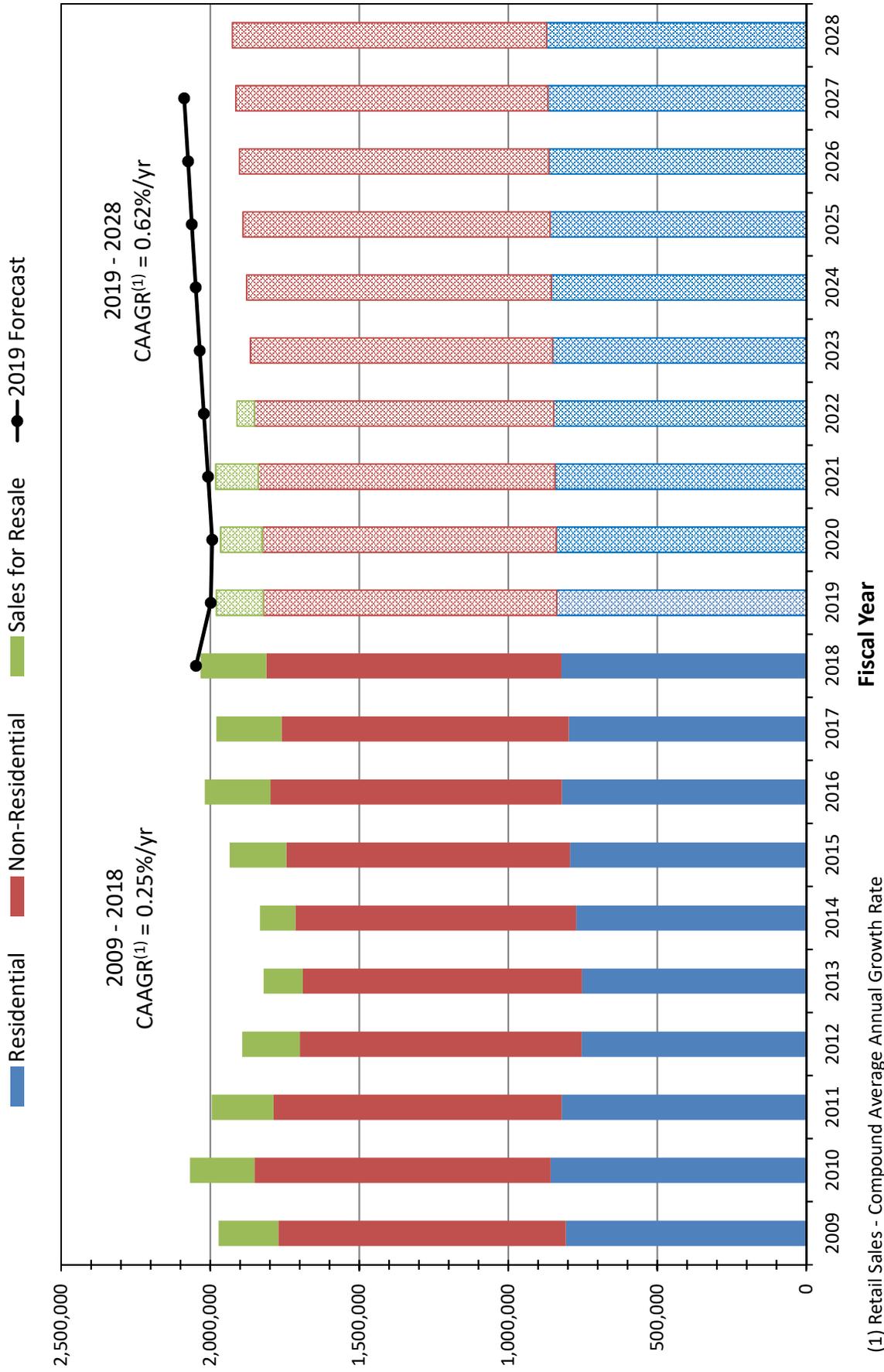
	Payroll	Operations and Maintenance Non-Labor	Capital Non-Labor	2020
Energy Supply	\$ 19,342,399	\$ 23,884,878	\$ 22,812,225	\$ 66,039,502
Energy Delivery	21,539,460	6,194,015	13,272,143	41,005,618
Water	6,781,795	6,548,008	6,820,913	20,150,716
Wastewater	8,469,448	7,282,844	17,358,143	33,110,435
Gas	3,221,561	620,343	2,519,069	6,360,973
Telecommunications	3,785,685	4,242,268	1,514,504	9,542,457
Administration	4,463,129	2,177,376	-	6,640,505
Budget, Finance & Accounting	3,630,092	578,742	-	4,208,834
Customer Support Services	8,411,018	6,172,036	620,000	15,203,054
Information Technology	8,026,511	4,931,059	590,000	13,547,570
Shared Services/System Expenditures	-	15,178,657	2,955,198	18,133,855
Enterprise Resource Planning	-	2,797,645	100,000	2,897,645
Total Rewards	1,523,458	-	-	1,523,458
Total Costs by Line of Business	\$ 89,194,556	\$ 80,607,871	\$ 68,562,195	\$ 238,364,622

	Payroll	Operations and Maintenance Non-Labor	Capital Non-Labor	2019
Energy Supply	\$ 16,828,342	\$ 25,671,763	\$ 13,025,075	\$ 55,525,180
Energy Delivery	20,146,608	6,276,225	13,161,207	39,584,040
Water	6,487,866	6,307,708	6,841,669	19,637,243
Wastewater	7,869,127	7,265,120	13,559,688	28,693,935
Gas	3,024,617	739,962	2,018,608	5,783,187
Telecommunications	2,948,567	2,855,639	2,180,478	7,984,684
Administration	4,520,428	2,271,811	27,000	6,819,239
Budget, Finance & Accounting	3,646,354	692,511	-	4,338,865
Customer Support Services	8,487,332	5,970,975	938,250	15,396,557
Information Technology	7,747,452	5,202,910	1,289,900	14,240,262
Shared Services/System Expenditures	-	18,951,558	(1,270,598)	17,680,960
Enterprise Resource Planning	-	8,185,230	17,615,854	25,801,084
Total Rewards	1,000,000	-	-	1,000,000
Total Costs by Line of Business	\$ 82,706,693	\$ 90,391,412	\$ 69,387,131	\$ 242,485,236



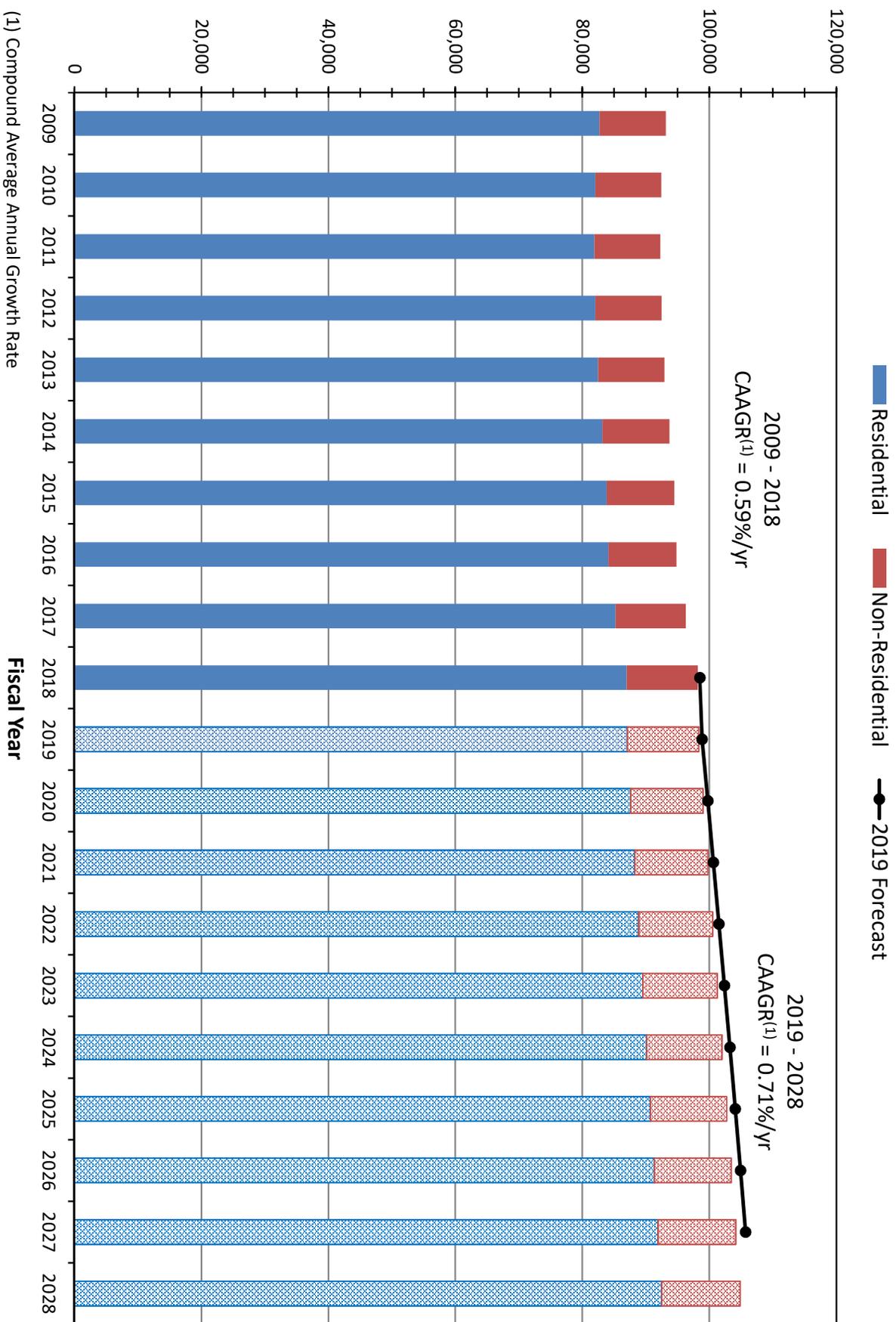
Fiscal Year 2020 Budget **Appendix**

Electric Energy Sales MegaWatt-hours



(1) Retail Sales - Compound Average Annual Growth Rate

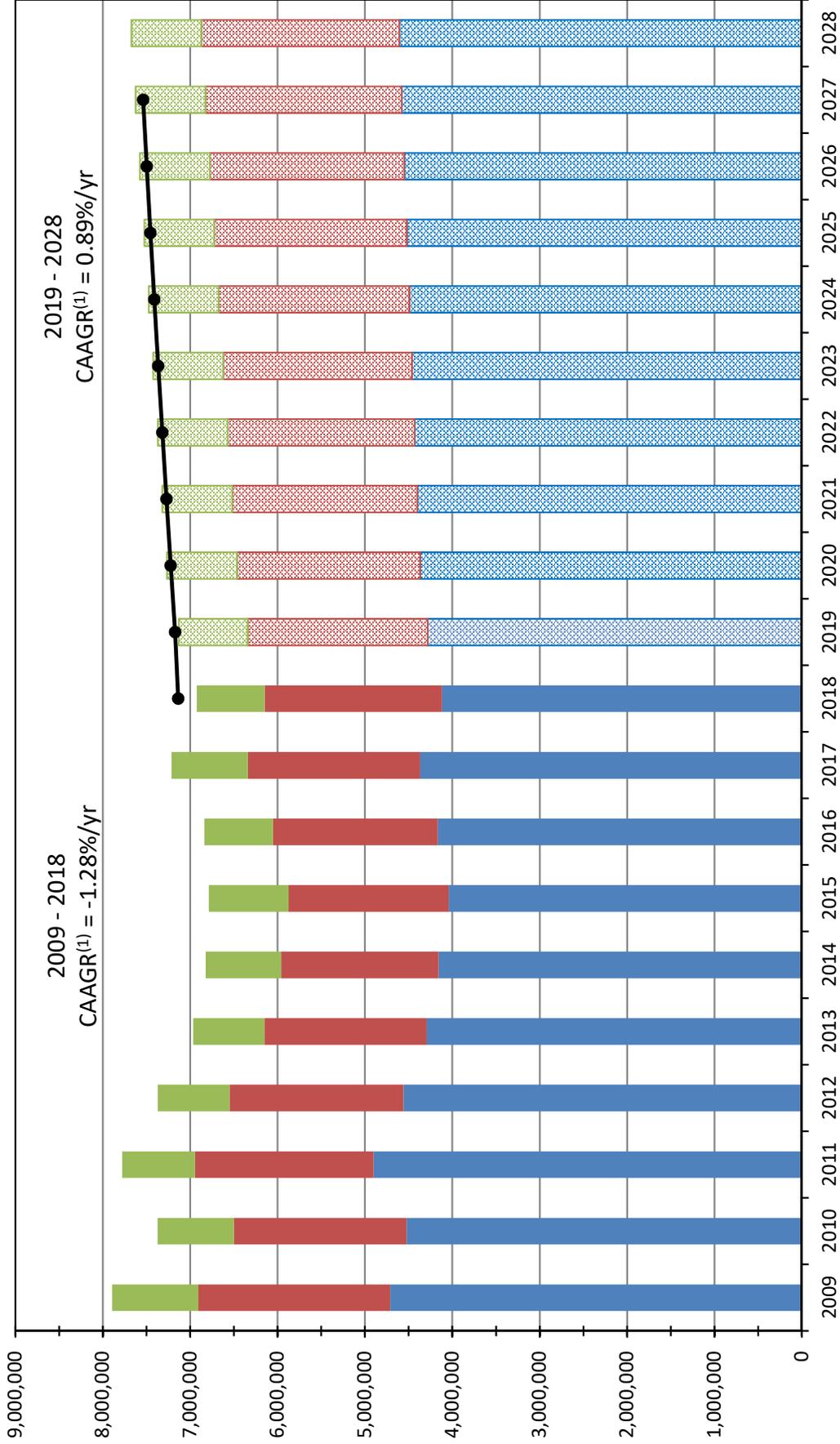
Electric Customers



(1) Compound Average Annual Growth Rate

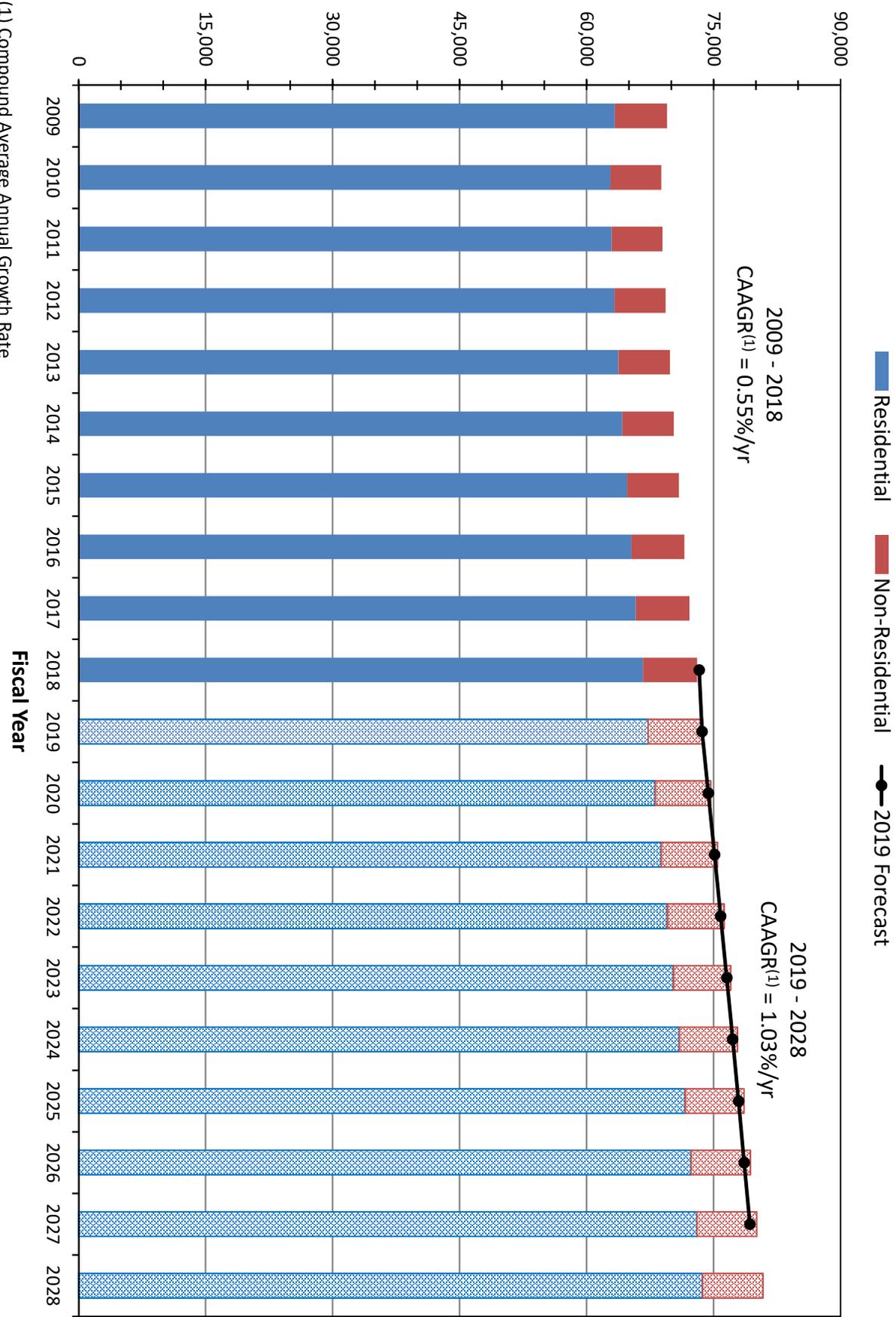
Water Sales Thousand Gallons (kgal)

■ Residential
 ■ Non-Residential
 ■ University of Florida
 ● 2019 Forecast



(1) Retail Sales - Compound Average Annual Growth Rate

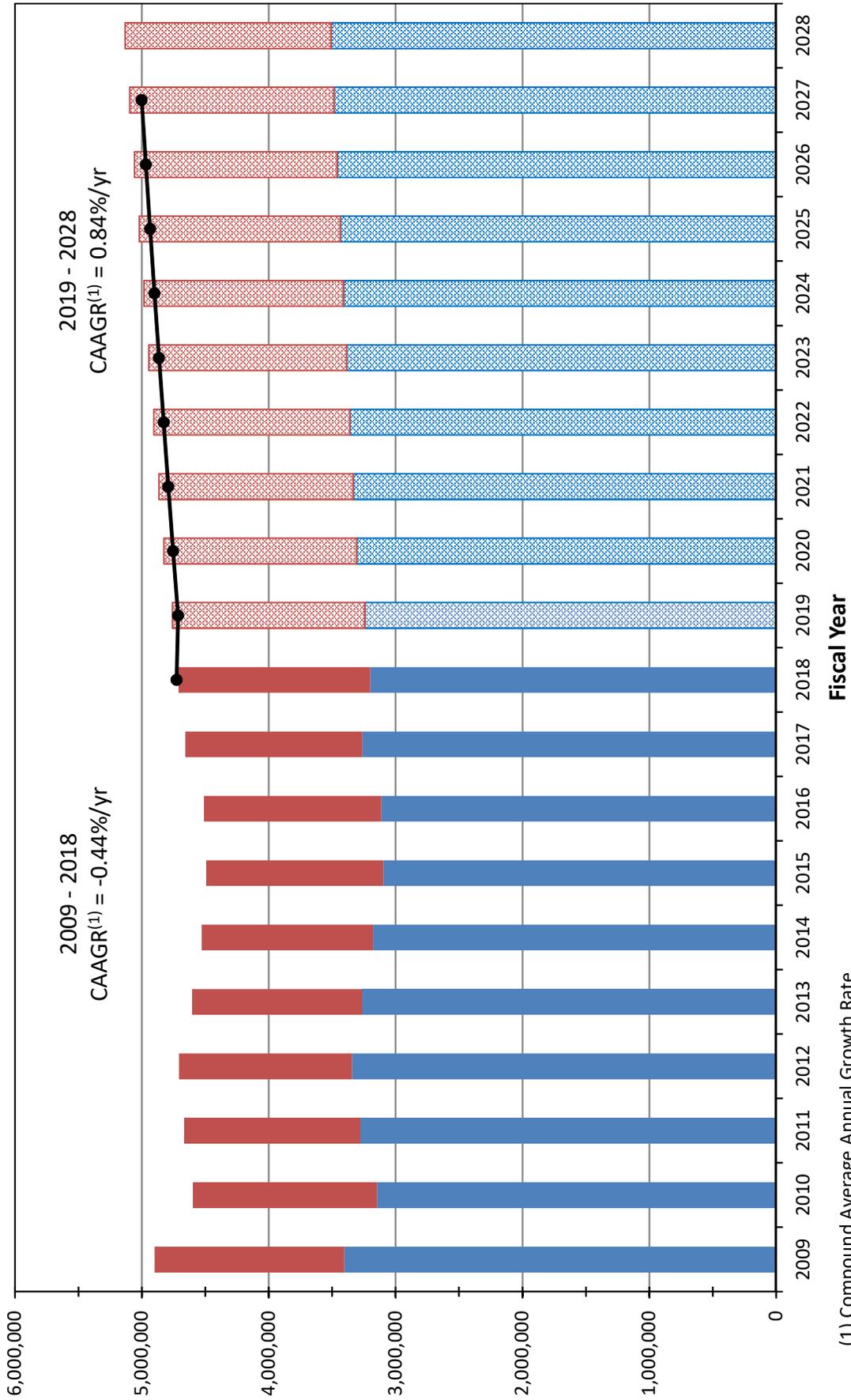
Water Customers



(1) Compound Average Annual Growth Rate

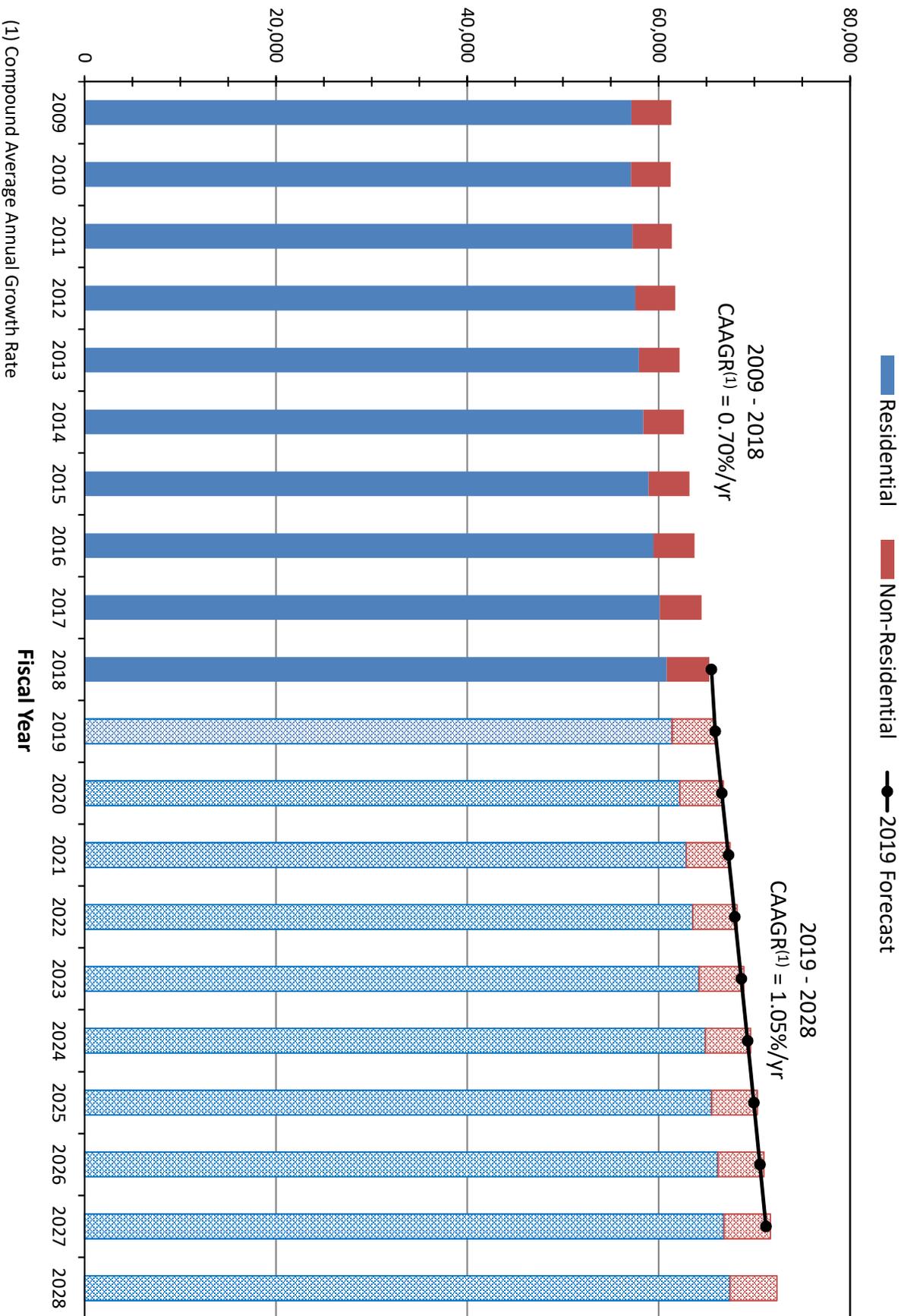
Wastewater Billings Thousand Gallons (kgal)

■ Residential
 ■ Non-Residential
 ●— 2019 Forecast



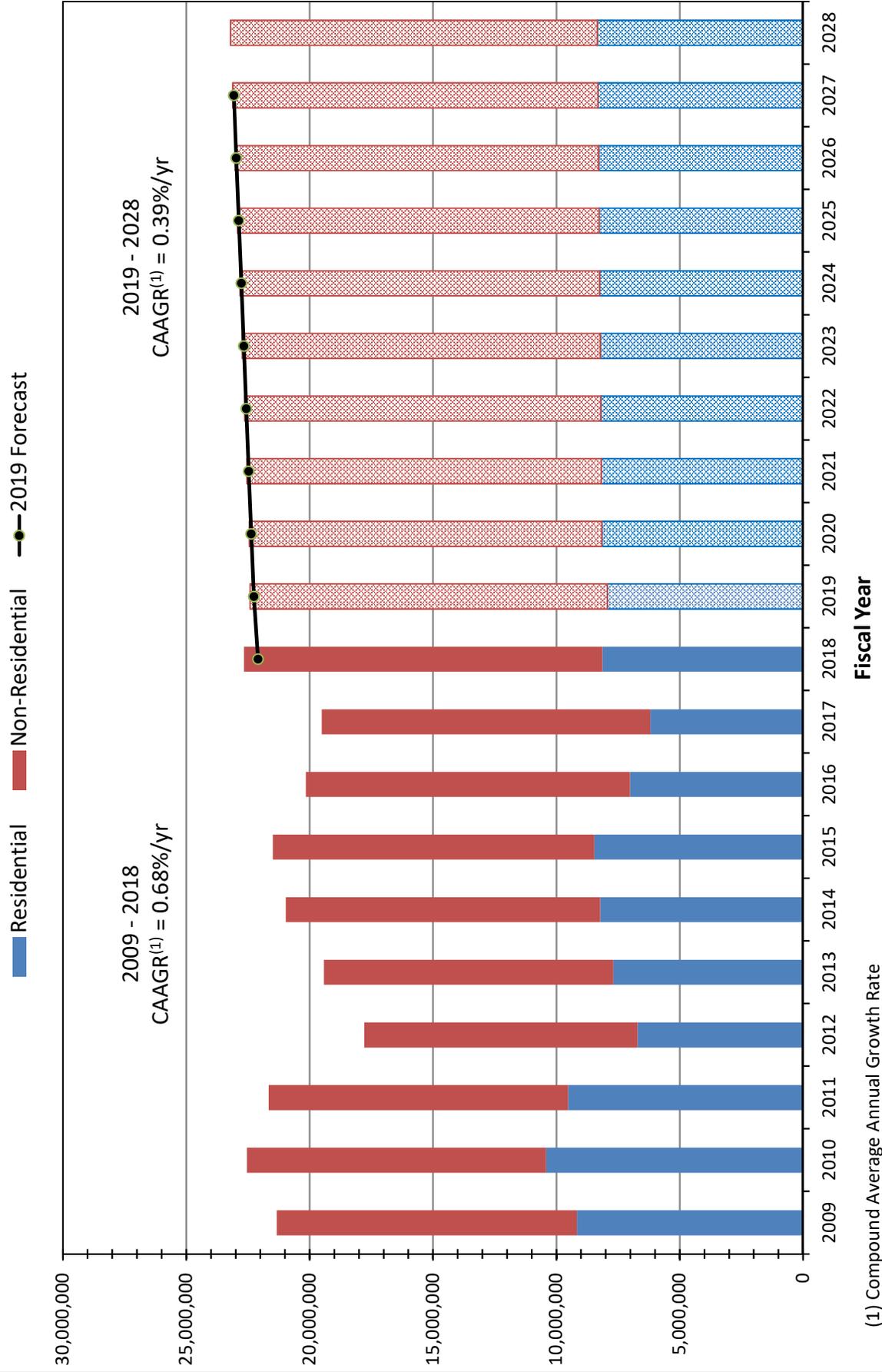
(1) Compound Average Annual Growth Rate

Wastewater Customers



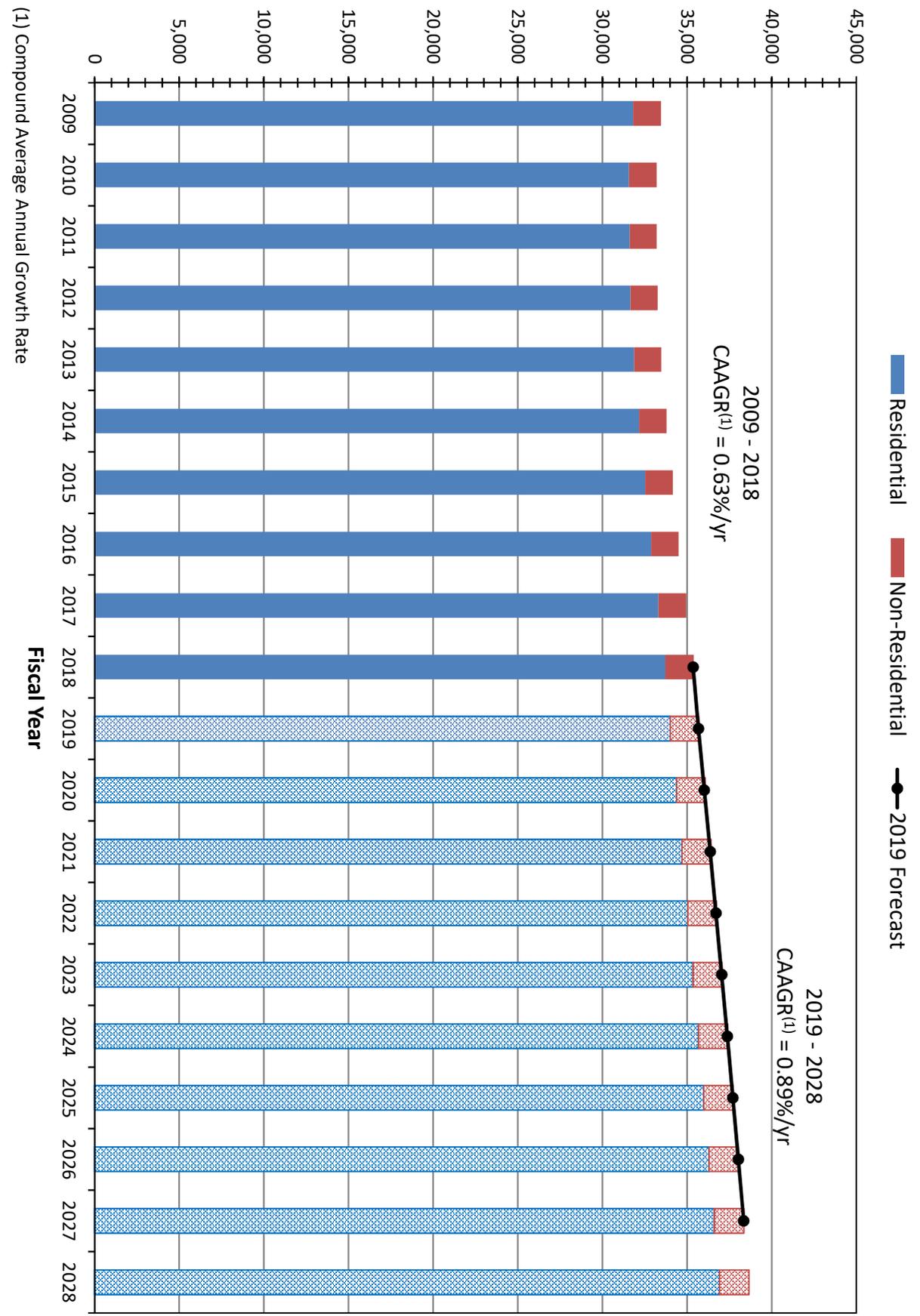
(1) Compound Average Annual Growth Rate

Natural Gas Energy Sales Therms



(1) Compound Average Annual Growth Rate

Natural Gas Customers



(1) Compound Average Annual Growth Rate

Glossary

Compound Average Annual Growth Rate (CAAGR or CAGR)

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

Connection Charges

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

Customer Charge

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

Debt Service Fund

Funds used to pay principal and interest on outstanding debt.

Electric Reliability

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

Fuel Adjustment Revenue

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

GATOR NET

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

General Fund Transfer (GFT)

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

kgal

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

LDC

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

Glossary

Liquidity

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

Manufactured Gas Plant Cost Recovery Factor Revenue (MGPCRF)

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

Multi Dwelling Unit (MDU)

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

Natural Gas Customer Charge

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

OneERP

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

Operation and Maintenance Expenses

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

Purchased Gas Adjustment

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

Rate Stabilization Fund

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

Residential Rate-Change Revenue

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

Solar Feed-In-Tariff (FIT)

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

Glossary

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.

Trunked Radio System

A digital, two-way radio system used by GRU, plus Gainesville Fire and Rescue and the Gainesville Police Department, among others.

Unrestricted Cash

Unrestricted cash is not earmarked for a particular use.

Utilities Plant Improvement Fund (UPIF)

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

Utility Surcharge

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

Utility Tax

A municipality may levy a tax on the purchase of electricity, metered natural gas, liquefied petroleum gas either metered or bottled, manufactured gas either metered or bottled, and water service.

The tax shall be levied only upon purchases within the municipality and shall not exceed 10 percent of the payments received by the seller of the taxable item from the purchaser for the purchase of such service.

The tax imposed shall not be applied against any fuel adjustment charge, and such charge shall be separately stated on each bill. The term "fuel adjustment charge" means all increases in the cost of utility services to the ultimate consumer resulting from an increase in the cost of fuel to the utility subsequent to October 1, 1973.