

City of Gainesville

*City Hall
200 East University Avenue
Gainesville, Florida 32601*



Minutes

Monday, June 24, 2013

5:30 PM

GRU Administration Building, Multipurpose Room

Regional Utilities Committee

*Commissioner Todd Chase, Chair
Mayor Ed Braddy, Member
Commissioner Lauren Poe, Member*

Persons with disabilities who require assistance to participate in this meeting are requested to notify the Equal Opportunity Department at 334-5051 or call the TDD phone line at 334-2069 at least two business days in advance.

CALL TO ORDER**ADOPTION OF THE AGENDA**

Adopted with modification - move item number 121029 to be discussed first.

APPROVAL OF MINUTES

130054. RUC April 17, 2013 Meeting Minutes

Attachments: [20130417 RUC Meeting Minutes](#)

RECOMMENDATION *Approve the RUC April 17, 2013 meeting minutes as drafted.*

Approved as drafted

CURRENT ACTION ITEMS

110665 Review of the GRU Cost Allocation Study (B)

Attachments: [20121011 RUC Presentation Item 110665](#)
[20121120-RUC Presentation Item #110665](#)
[20130624 RUC Presentation Item 110665](#)
[FINAL GRU Electric Rate Study.Baker Tilly](#)
[FINAL GRU Gas Rate Study.Baker Tilly](#)
[FINAL GRU Water Rate Study.Baker Tilly](#)
[FINAL GRU Wastewater Rate Study.Baker Tilly](#)

RECOMMENDATION *The City Commission hear a presentation from staff regarding the Cost of Service Study.*

The committee agreed to table discussion of this item.

Mr. Hunzinger stated that rate tiers would be discussed in detail in the budget presentation.

121029. Fuel Adjustment Policy

Attachments: [20130624 RUC Presentation Item 121029](#)

RECOMMENDATION *The Committee and staff discuss the Fuel Adjustment Policy ordinance.*

Committee Chair Chase explained that the discussion would focus on the ordinance, the attorney memo, Fuel Adjustment (FA) policy clarity, accumulated total in the FA levelization fund, options and plans for the fund, and assumptions for what the balance would be at the end of this year.

Mr. Hunzinger gave some background history on the FA and explained when and why we switched from monthly adjustments to annual adjustments.

Diane Wilson explained that the FA is the non-taxable fuel charge portion of the utility bill that is used to recover the cost of fuel, including purchased power. She explained that levelizing the FA provides flexibility and allows the utility to keep rates stable from month to month instead of spiking with market swings, planned outages and natural disasters. It also provides for revenue stability. She stated that the FA levelization fund balance is listed on our balance sheet and is audited by separate entities on a monthly and yearly basis.

Discussion ensued about keeping the FA levelization fund at $-5/+10$. Mayor Braddy asked if that is a current policy or something we were doing in the past. Mr. Hunzinger responded that we started levelization in 2009. Responding to a question from Commissioner Poe, Ms. Wilson explained that the FA is mandated by ordinance, but the $-5/+10$ is an internal guideline. Commissioner Poe asked if $-5/+10$ should be a formal policy so that the Commission and the public could be notified when changes are made to the FA. Discussion ensued between committee members and Mr. Hunzinger about whether the utility must ask for Commission approval to keep a balance in the FA levelization fund and also whether the true up should be done monthly or yearly.

Committee agreed to discuss the issue at the July 18th City Commission meeting. The Committee and staff discussed the current balance in the FA levelization fund.

Committee agreed to retain policy issues in committee to be discussed at a future date.

MEMBER COMMENT

CITIZEN COMMENT

NEXT MEETING DATE

7/24/13

ADJOURNMENT

Meeting was adjourned at 9:25 p.m.