

Statement written by UAB Chair Darin Cook for Item #170647

When GRU purchased the biomass plant and its associated purchase power agreement a change in the taxes occurred because of the movement of costs from the energy derived from the biomass plant from the fuel adjustment charge to the energy use charge. This creates a \$1.8 million financial boon of excess taxes to the City of Gainesville for fiscal year 2018.

Back in April 2016, the Gainesville City Commission unanimously voted that all savings derived from the purchase of the biomass plant and associated power purchase agreement would be returned to the ratepayers of GRU. This vote was based on a unanimous recommendation by the Utility Advisory Board that if the biomass plant and its associated purchase power agreement was purchased by GRU that all savings would be returned to the ratepayers. Five of the seven commissioners that voted on that still sit on the Gainesville City Commission.

On the 14<sup>th</sup> of December the UAB voted 5 out of 7 to recommend to the City of Gainesville that it lessen the general fund transfer by the amount of excess tax dollars gained to offset the boon in taxes the City of Gainesville would receive for this year and continue forward each year thereafter. The majority wishes the excess taxes be returned to the ratepayer and equally lessen the rates of commercial and residential ratepayers. The two dissenting votes also wish to return the boon of taxes to the ratepayers but in a different manner which is discussed in their writing.

All members wish to keep the promise elicited by each body's unanimous vote (UAB and GCC) to return all savings to the ratepayers, which in the UAB's view includes excess gain in taxes due to the purchase of the biomass plant and its associated purchase power agreement.