



# Fiscal Year 2021 Budget

# Fiscal Year 2021 Budget

## Table of Contents

<b>Executive Summary .....</b>	<b>2</b>	<b>Operations and Maintenance Non-Labor.....</b>	<b>58</b>
<b>Flow of Funds .....</b>	<b>13</b>	Combined Systems.....	59
Combined Systems.....	14	Energy Supply.....	60
Electric System.....	15	Energy Delivery.....	62
Water System.....	16	Water.....	64
Wastewater System.....	17	Wastewater.....	66
Gas System.....	18	Gas.....	68
Telecommunications System .....	19	Telecommunications.....	70
<b>Total Operations Labor and Non-Labor.....</b>	<b>20</b>	Administration.....	72
Combined Systems.....	21	Budget, Finance and Accounting.....	74
Electric System.....	22	Customer Support Services.....	76
Water System.....	23	Information Technology.....	78
Wastewater System.....	24	Corporate Expenses.....	80
Gas System.....	25		
Telecommunications System.....	26	<b>Fuels.....</b>	<b>81</b>
<b>Total Capital Labor and Non-Labor .....</b>	<b>27</b>	<b>Uses of Net Revenues.....</b>	<b>83</b>
Combined Systems.....	28	Combined Systems.....	84
Electric System.....	29		
Water System.....	30	<b>Capital Non-Labor.....</b>	<b>85</b>
Wastewater System.....	31	Lines of Business.....	86
Gas System.....	32	Energy Supply.....	87
Telecommunications System.....	33	Energy Delivery.....	89
<b>Revenues .....</b>	<b>34</b>	Water.....	91
Combined Systems.....	35	Wastewater.....	93
Electric System.....	36	Gas.....	95
Water System.....	38	Telecommunications.....	97
Wastewater System.....	40	Budget, Finance and Accounting.....	99
Gas System.....	42	Customer Support Services.....	101
Telecommunications System.....	44	Information Technology.....	103
<b>Payroll.....</b>	<b>46</b>	<b>Financial Reserves and Ratios.....</b>	<b>105</b>
Combined Systems.....	47	Reserve Requirements .....	106
Energy Supply.....	48	Charts.....	107
Energy Delivery.....	49		
Water.....	50	<b>Total Costs by Line of Business.....</b>	<b>111</b>
Wastewater.....	51		
Gas.....	52	<b>Appendix .....</b>	<b>113</b>
Telecommunications.....	53	Glossary.....	122
Administration.....	54		
Budget, Finance and Accounting.....	55		
Customer Support Services.....	56		
Information Technology.....	57		

# 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.



ELECTRIC | NATURAL GAS | WATER | WASTEWATER | TELECOMMUNICATION SERVICES



# Executive Summary

Dear GRU Stakeholders:

If there ever was a time when the value of a community-owned utility was on full display, it was 2020. GRU spent most of the year, not in lockdown, but rather locking down solutions for the community it serves by providing the essentials of life its customers expect. What follows is more than an introduction to the fiscal year 2021 budget, but a year in review with a focus on the utility's accomplishments.

## **GRU continued to reduce its carbon footprint**

In fiscal year 2020, GRU continued its trailblazing role as the statewide leader in renewable energy used per capita. On average, 26% percent of every megawatt GRU generated or purchased came from a combination of biomass, solar feed-in-tariff and landfill gas, all renewable sources of energy. Determined to further expand our renewable fuel sources while reducing our carbon footprint — even amidst the unsteady backdrop of COVID-19 — GRU entered into a 50-megawatt solar power purchase agreement (PPA) with Origis Energy, at a rate lower than the utility's average cost of generation. This commercial-grade solar farm is anticipated to begin service in late 2022, and will provide the following benefits:

- Almost triple GRU's solar generation capacity from about 24 megawatts to about 74 megawatts.
- Avoid up to 73,000 tons of carbon emissions annually, the equivalent of taking 60,000 automobiles off Gainesville's roads each year.
- Solve issues of daily cloud cover and storm intermittency by utilizing the largest battery solution in Florida to date.

Origis is building its solar farm near GRU's Parker Road Substation in southwest Gainesville. The PPA will require Origis to meet specific performance levels throughout the 20-year agreement. In addition to the solar PPA, the Gainesville City Commission approved GRU's plan to convert GRU's Deerhaven Generating Station into a dual-fuel facility (natural gas and coal) by the end of fiscal year 2021. This will provide the following benefits:

- Potentially reduce GRU's carbon monoxide emissions by almost 500,000 tons per year, or 39%.
- Through the use of natural gas, reduce particulate matter by 42%, sulfur dioxide by 99.6%, Mercury by 63% and nitric oxide by 39%.
- Based on current and projected natural gas prices as compared to coal, reduce GRU's fuel costs by approximately \$4 million per year, resulting in pass-through fuel savings to customers.

## **More than Energy**

In fiscal year 2020, GRU also completed significant improvements in its water system with the replacement of the Murphree Water Treatment Plant's 50-year-old central electric system. Plans are also in place to significantly modernize our wastewater plants — The Main Street Water Reclamation Facility and Kanapaha Water Reclamation Facility — over the decade, avoiding the considerable cost of constructing new plants.

GRU's natural gas system continues as one of the state's safest, based on multiple years of zero findings on state agency audits. It's also the state's lowest-cost provider of low-carbon energy to homes throughout our territory.

Our fiber-optic telecommunications service, GRUCom, supports countywide trunked radio service for first responders and is the fiber backbone for service providers like Cox and AT&T, as well as our own GATOR NET, high-speed internet service. Without GRUCom taking the lead years ago, the City of Gainesville would not be able to engage in its current policy discussions concerning bridging the digital divide and providing lower-cost internet services.

GRU has five separate operating systems: electric, water, wastewater, natural gas and telecommunications — the most of any utility in Florida. The utility also bills for City of Gainesville services such as stormwater and refuse pickup. From the breadth of these services, GRU was able to transfer \$38.3 million to the City of Gainesville General Fund to support the community.

## **Supporting our Community Through a Pandemic**

In addition to the incredible milestones and projects listed above, while the country was locked down during the COVID-19 pandemic, employees at GRU worked through their shifts, maintaining 24 hours of service, seven days a week, at all of our power generating stations, water plants, wastewater facilities and in the field.



# Executive Summary

This included responding to gas emergencies, water leaks, sewer backups, internet disruptions, new service requests and providing all the necessities of life that our community needs, at the same level of service they've come to expect. We drew up plans to sequester employees if the pandemic worsened at home so we could continuously provide essential services. We continue to be prepared to house employees for up to a month away from their families, and our dedicated employees were willing to make this sacrifice for our customers.

Thanks largely to the planning and efforts of our IT department, about a third of GRU's workforce also effectively worked remotely. During that time, GRU professionals in our Budget, Finance and Accounting (BFA) department undertook a series of monetary transactions and expertly timed multiple debt re-financings and restructurings, resulting in eliminating over \$134 million of future interest costs.

These transactions further reduced the risk embedded in our debt portfolio by synthetically fixing interest rates on debt through the use of fixed payer swaps, increasing the percentage of GRU's debt that is either fixed or synthetically fixed from 88% to 94%.

Furthermore, early in 2020, BFA proactively increased the utility's line of credit by \$50 million to provide further operating funding capacity in the case of extensive revenue loss due to the pandemic's economic consequences.

GRU Customer Operations also responded to unprecedented conditions during the COVID-19 pandemic by placing moratoriums on customer shutoffs and late fees and by providing long-term payment arrangements to pay down any past-due balances.

GRU was one of only a few Florida utilities to automatically provide these long-term payment plans to its customers. Adhering to its mission, GRU kept thousands of customers from having their utilities disconnected, even though these customers were months behind in payments.

Finally, during the pandemic, GRU lowered its fuel adjustment on three separate occasions, providing much needed relief to its customers in real time. In fact, GRU reduced the fuel adjustment 22% between February and May of this year.

## **Post-pandemic Planning**

In the midst of on-going crisis management, GRU carefully reviewed its operations during the fiscal year to uncover potential current and future avenues for cost savings that will further reduce pressure on customers. Among them:

- Exploring the expansion of GRU's transmission access with FPL to gain access to less costly electric power.
- Completed planning for an outage at the Kelly Generating Station, involving extensive work on the turbine generator, which will ensure continued service of GRU's most cost-efficient generating facility for years to come.
- AMI negotiation finalizations that will enable GRU to install smart meters throughout its territory in a phased manner, ultimately reducing the costs of move-ins and shutoffs by executing them remotely.
- A cloud-based customer service information technology system (CIS) that will reduce customer wait times and add response flexibility.

Both CIS and AMI will reduce the need to dispatch personnel and trucks to turn on or off services, will allow GRU to more easily detect customer water leaks and provide a basis for time-of-day billing and more robust feedback throughout the system.

## **Acknowledgement of Our Work**

All of this work on the part of your community-owned utility resulted in bond rating agencies continuing to deliver high marks for GRU's efforts. Standard & Poor's and Moody's have confirmed GRU's AA- bond credit rating, while Fitch Ratings has confirmed its A+ rating. For example, Fitch noted in its March report that "A combination of direct operating control of Deerhaven Renewable (DHR) and lower natural gas prices led to a significant decline in operating expenses, and a cost burden that fully supports the strong assessment." Fitch also wrote, "However, rates are highly affordable especially when compared to the broader service territory's somewhat higher median household income." Rating agencies recognize that GRU management has responded prudently to industry-wide disruptive business conditions along with the aforementioned organizational challenges. This is largely thanks to prudent fiduciary practices throughout the utility, as well as the diligent work of our executive and leadership teams, which have provided a clear and responsible fiscal plan.

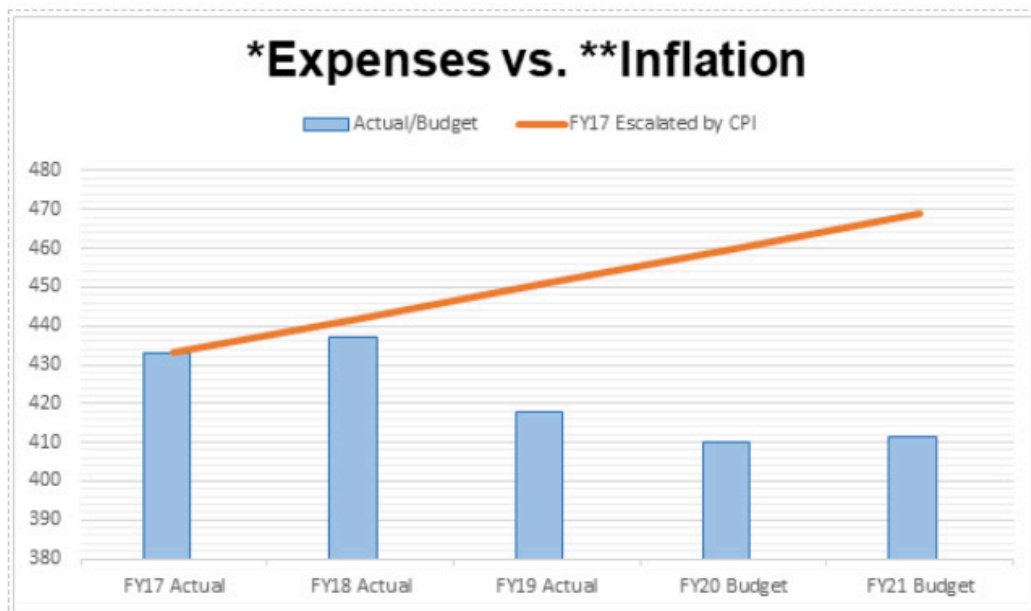
# Executive Summary

## By the numbers

GRU's accomplishments over the past five years have been built on minimizing costs, maximizing productivity and keeping rates competitive. As chart 1A indicates, since fiscal year 2017, GRU has reduced its overall expenses from \$433 million to \$411.6 million in fiscal year 2021's budget, while the cost of inflation would have been anticipated to increase those costs to almost \$470 million.

This significant decrease in overall expenses was built upon 1) the historic 2017 biomass PPA buyout; 2) the 2019 debt restructuring; 3) operating the DHR facility at optimal levels, outside the burden of the PPA; and 4) maintaining underlying operations and maintenance costs to average annual increases of less than 2 1/2%, while absorbing the additional expenses of the Total Rewards Compensation Study implementation.

**Chart 1A**



**\*Expenses represent GRU's cost of Operations and Maintenance, Debt Service, Utility Plant and Infrastructure, Fuels and General Fund Transfer to the City.**

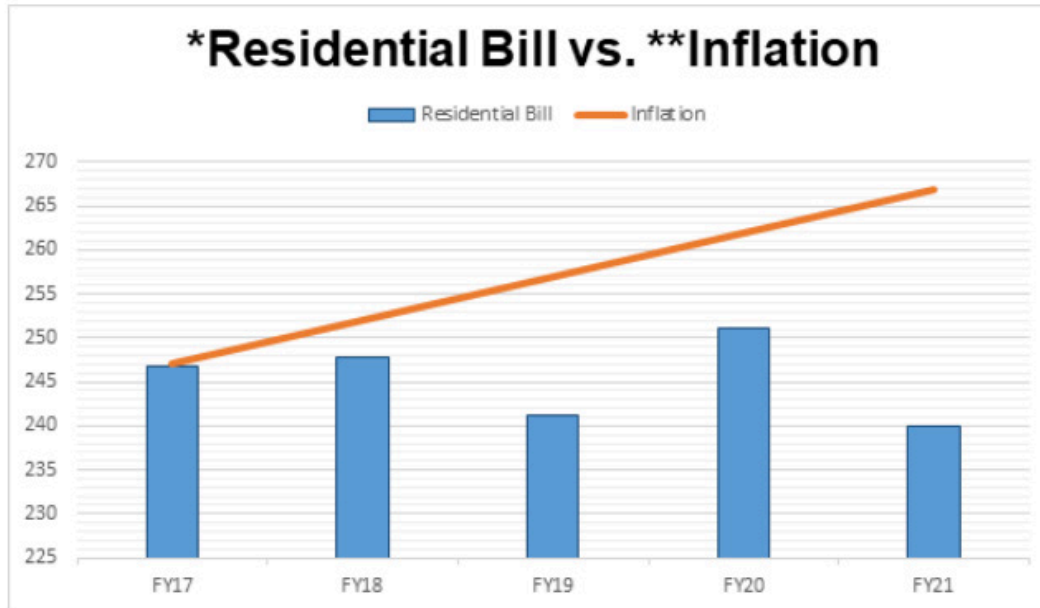
**\*\*Inflation is based on the Consumer Price Index for all items averaged across the United States and derived from U.S. Department of Labor statistics. Figures represent where GRU's bill would be if it kept pace with inflation.**

On the rate side, as chart 1B indicates, since fiscal year 2017, GRU has reduced its overall residential bills, using the industry standard usage levels from \$247 a month to \$240 a month, during a period when the bills could have risen to \$267 a month to keep up with inflation.

These rate reductions were built upon 1) returning the savings from the biomass PPA buyout to the customers; 2) lowering pass-through fuel costs resulting from GRU's new ability to dispatch DHR and direct benefit from less expensive natural gas generation; and 3) establishing new sources of liquidity reserves and implementing a cash reserve policy.

# Executive Summary

**Chart 1B**



\* Residential bill totals include electric, water, wastewater and natural gas at industry standard usage levels.

\*\* Inflation is based on the Consumer Price Index for all items averaged across the United States and derived from U.S. Department of Labor statistics. Figures represent where GRU's bill would be if it kept pace with inflation.

## The Year Ahead

The following pages describe in detail the many intricacies of GRU's budget, including revenues, payroll, labor, non-labor and capital expenditures. In a historic year where nearly nothing has felt certain, the stability of utilities seems more important than ever. The budget lays a crucial framework for us to provide the steadiness and reliability so deeply needed as we move forward.

GRU proactively completed the fiscal year 2021 budget process, reducing the utility's leverage with the savings from the 2020 debt restructurings, as well as 1) freezing positions; 2) allowing only essential travel and training; and 3) significantly reducing employee use of take-home vehicles, which had been a historical practice to reduce emergency response times. Bottom line: GRU has modestly increased its fiscal year 2021 budget from \$410 million to \$411.6 million, or less than 1%. As a result, for its fiscal year 2021, GRU asked for no utility rate increases in its electric, water, wastewater and gas systems, in spite of the potential of revenue losses of up to \$8 million due to economic impacts of the coronavirus pandemic.



# Public Meeting Schedule

GRU had originally scheduled, received approval, and subsequently adjusted the following workshops for the fiscal year 2021 budget cycle:

<b>Dates</b>	<b>Public Meetings</b>
January 28	Repurposed for a discussion on the Network Service Agreement with FPL.
February 25	Cancelled as it was a scheduled continuation of topics from the January 28 meeting.
April 21	Cancelled due to COVID-19.
May 13	Cancelled due to COVID-19.
May 28	Completed on fiduciary responsibilities, credit ratings, cash, debt, liquidity, GFT and Fuels.
June 16	Cancelled due to COVID-19.
July 9	Utility Advisory Board (UAB)
July 13	Budget presentation including revenue requirements.

# GRU Lines of Business Overview

## Energy Supply

Energy Supply operates and maintains GRU's electric generating and combined heating and power assets. Other areas of responsibility under Energy Supply are engineering, outage planning and major maintenance, system control operations, transmission switching, power marketing, generation planning, fuels management (including procurement, transportation and risk management for both the electric generating and gas distribution systems) and new business opportunities.

## Energy Delivery

Energy Delivery is responsible for the design, construction, operation, maintenance and security control of substations, electric lines and gas mains, field services, meter operations and line locations.

## Water

The Water System is responsible for operating and maintaining the Murphree Water Treatment Plant, which has a treatment capacity of 54 million gallons of water per day (MGD). These responsibilities include providing safe, reliable, high-quality drinking water to 73,000 customers serving 199,000 people in the Gainesville urban area at acceptable pressures and volumes. The Water System is also responsible for construction, operation and maintenance of over 1,182 miles of water transmission and distribution lines, as well as the installation and maintenance of water meters, fire hydrants and backflow prevention devices.

## Wastewater

The Wastewater System operates and maintains the 14.9 million gallons of water per day (MGD) Kanapaha Water Reclamation Facility, the 7.5 MGD Main Street Water Reclamation Facility, 173 lift stations, 693 miles of gravity main and 154 miles of associated force main, providing service to 65,000 customers in the Gainesville urban area. Responsibilities include pumping, treating and discharging high-quality treated effluent that meets federal and state drinking water standards, and providing high-quality reclaimed water to residential and business customers, primarily for irrigation. The Wastewater System also administers the utility's Industrial Pretreatment Program (IPP), biosolids disposal, fats, oils and greases (FOG) disposal, and reclaimed water programs.

## Gas

The Gas System covers approximately 102 square miles and provides service to 30% of Alachua County's population. The System is responsible for the construction, operation and maintenance of six natural gas gate stations, as well as all transmission and distribution (T&D) system infrastructure, including 788 miles of pipelines in various sizes and materials, valves, pressure regulators, protection devices, odorant injection systems, meters and control systems. The System also includes a number of propane gas distribution systems, operated in developments where natural gas is not yet available.

## **Telecommunications**

GRU's Telecommunications System provides communications services utilizing a 559-mile all fiber-optic network. Telecommunication's 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. The Chief People Officer (CPO) oversees the Human Resources operation. Administration also includes the Office of Inclusion 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 2,300 users and approximately 3,000 desktop and laptop computers used by employees at over 61 locations. IT also supports mission-critical systems such as SAP financial management and customer care systems, multiple websites and various revenue collection systems.



# Budget Snapshot

## OPERATIONS & MAINTENANCE

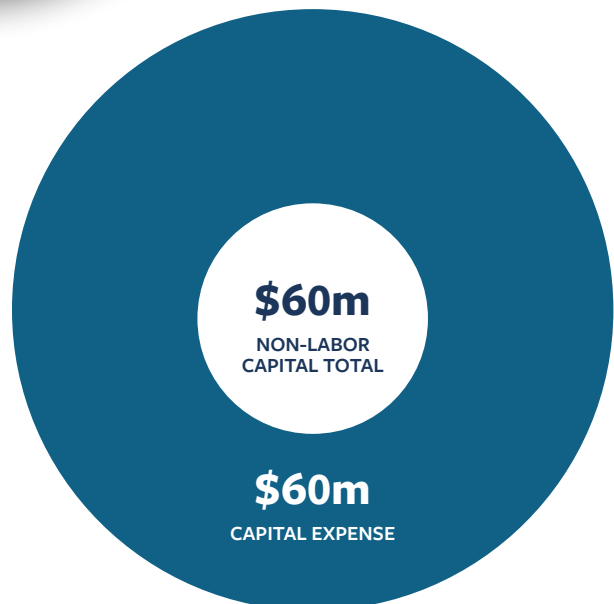
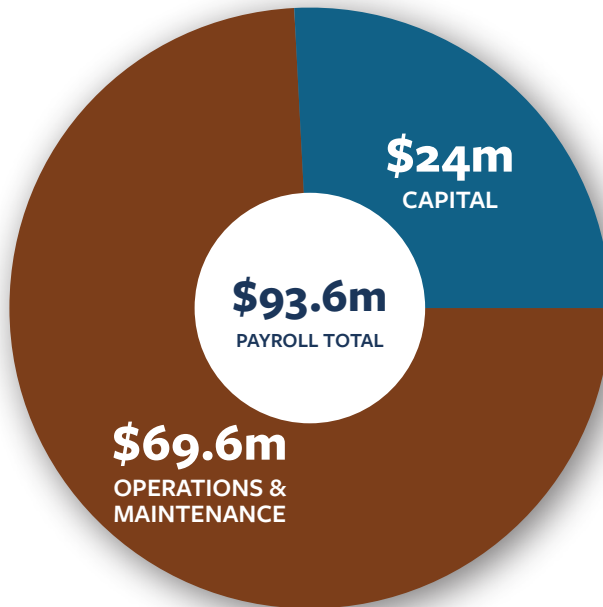
Paid annually, so it has a greater impact on rates.

**Total (all cost centers)**  
**\$145.6m**

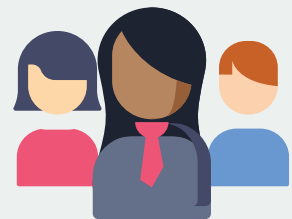
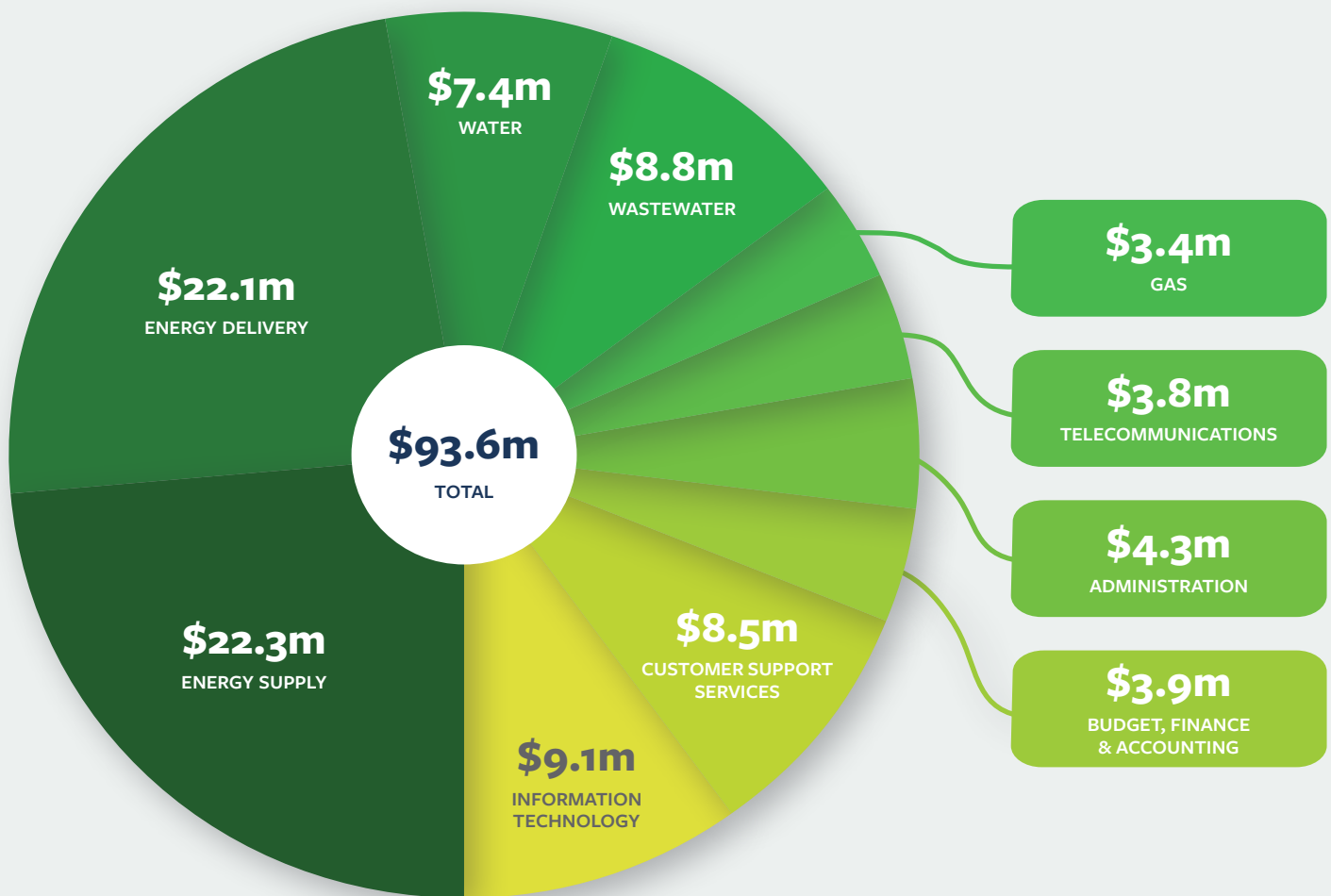
## CAPITAL

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

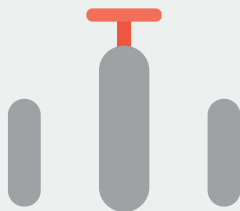
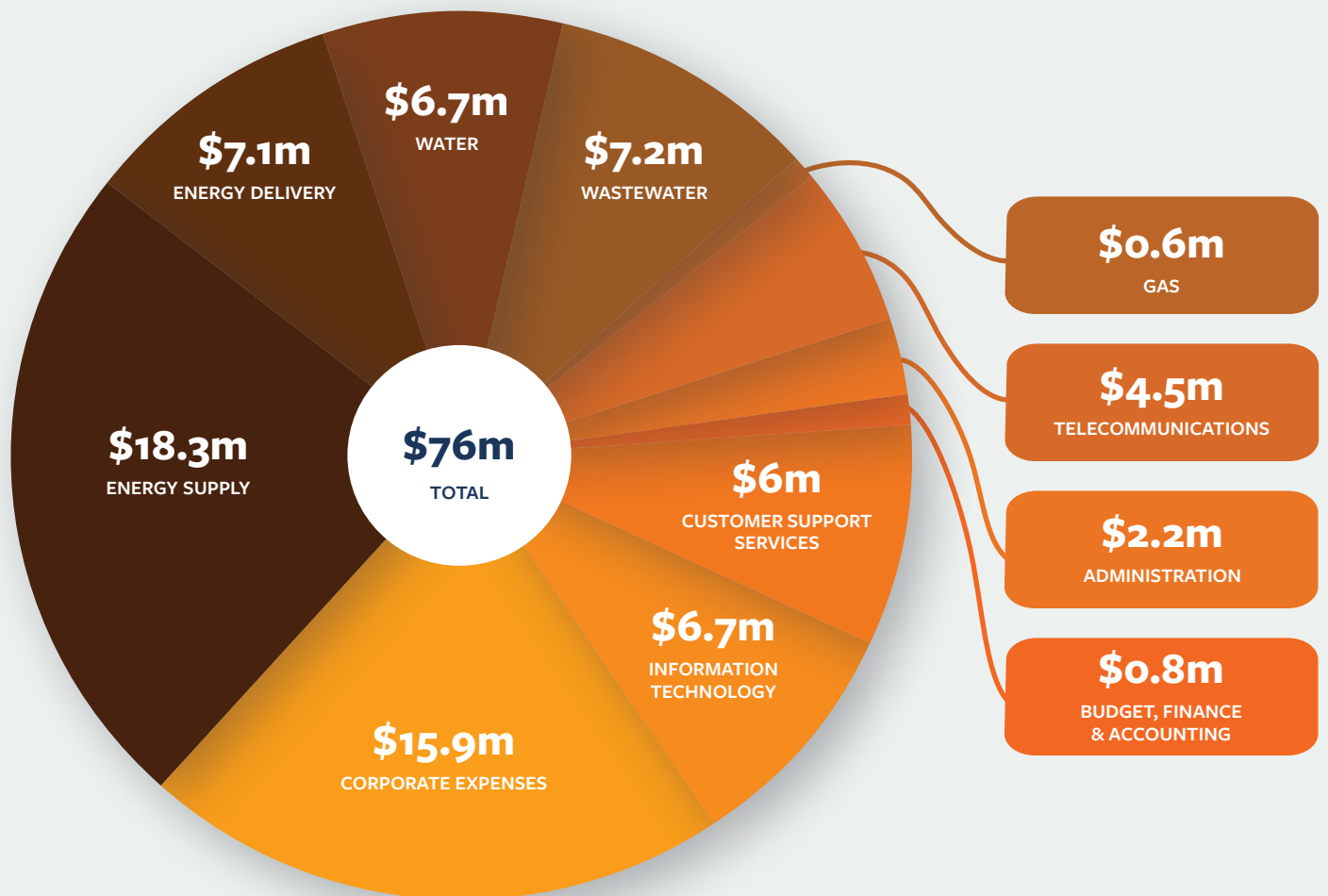
**Total (all cost centers)**  
**\$84m**



# Payroll

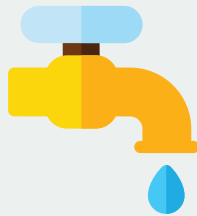
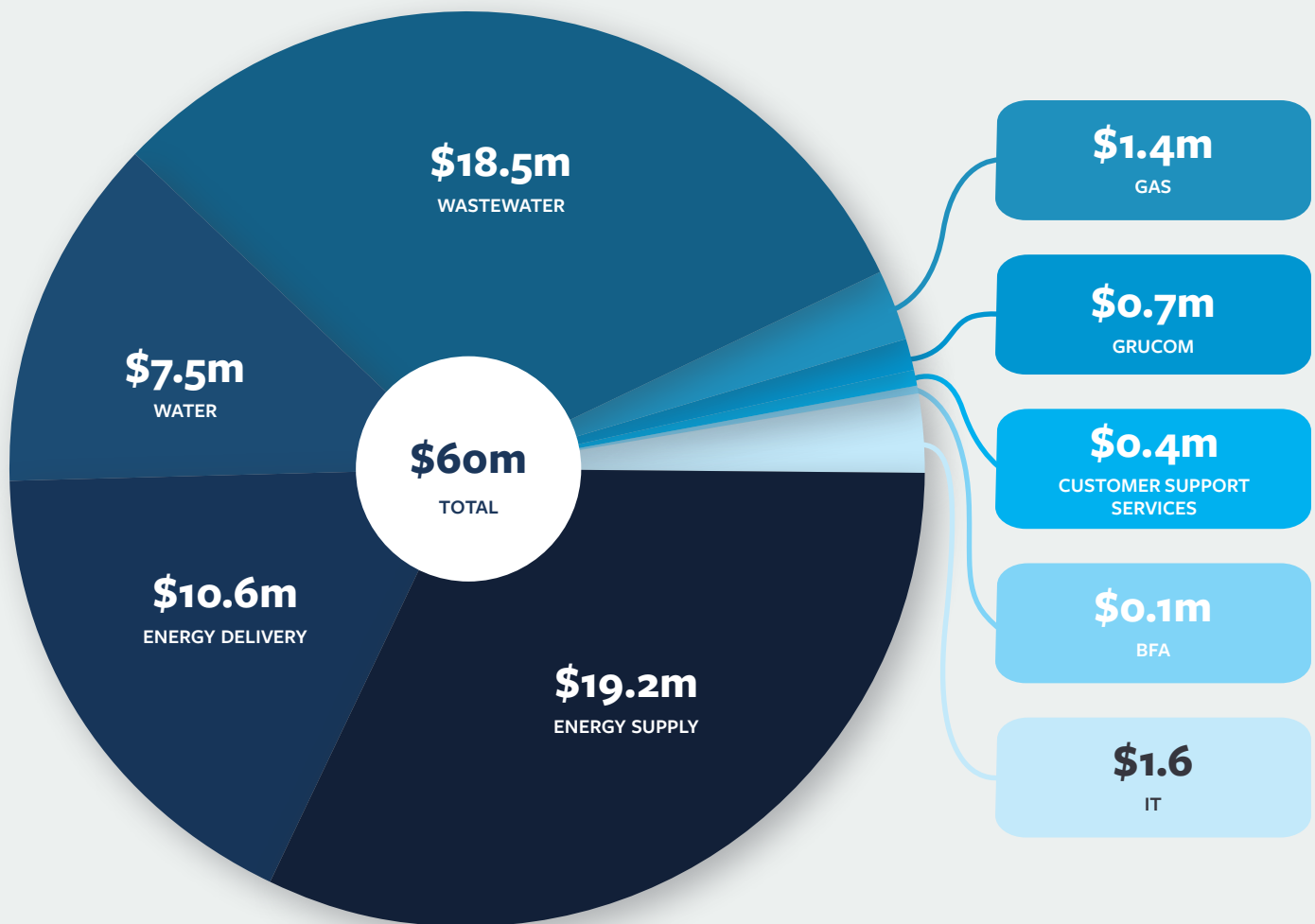


# Non-Labor Operations & Maintenance





# Non-Labor Capital





# Fiscal Year 2021 Budget **Flow of Funds**

# Annual Operating Budget

## Combined Systems

	2020	2021
<b>Revenues:</b>		
Sales	\$ 268,149,704	\$ 267,780,585
Fuel adjustment	80,934,082	82,800,178
Purchased gas adjustment	8,601,893	7,024,802
Utility surcharge	10,887,527	10,791,315
Connection charges	4,230,000	3,471,758
Rate stabilization (to)/from	(2,615,307)	1,069,427
Other electric sales	22,207,607	22,942,593
Other revenue	16,841,995	14,801,405
Interest income	1,418,227	918,166
<b>Total Revenues</b>	<b>410,655,728</b>	<b>411,600,229</b>
<b>Operation and Maintenance Expenses:</b>		
Fuel expenses	80,934,082	82,800,178
Purchased gas	8,601,893	7,024,802
Operation and maintenance expenses	139,863,661	145,601,519
<b>Total Operation and Maintenance Expenses</b>	<b>229,399,636</b>	<b>235,426,499</b>
<b>Total Net Revenues</b>	<b>181,256,092</b>	<b>176,173,730</b>
<b>Uses of Net Revenues:</b>		
Debt service	99,113,821	92,382,912
Utility plant improvement fund	43,857,271	43,675,766
General fund transfer	38,285,000	38,285,000
Debt defeasance/Debt service	-	1,830,052
<b>Total Uses of Net Revenues</b>	<b>181,256,092</b>	<b>176,173,730</b>
<b>Net Impact to Rate Stabilization</b>	<b>\$ -</b>	<b>\$ -</b>



# Annual Operating Budget

## Electric System

	2020	2021
<b>Revenues:</b>		
Residential sales	\$ 72,737,990	\$ 77,938,968
Residential rate change	4,662,505	-
Non-residential sales	84,445,927	89,568,943
Non-residential rate change	5,412,984	-
Fuel adjustment	80,934,082	82,800,178
Sales for resale	2,604,638	2,552,526
Utility surcharge	4,492,848	4,480,751
South Energy Center	15,432,760	16,385,169
Innovation Square	314,000	348,000
Other electric sales	6,460,847	6,117,660
Rate stabilization (to)/from	(2,508,108)	(1,976,109)
Other revenue	8,773,255	8,752,231
Interest income	570,625	470,199
<b>Total Revenues</b>	<b>284,334,353</b>	<b>287,438,516</b>
<b>Operation and Maintenance Expenses:</b>		
Fuel expenses	80,934,082	82,800,178
Operation and maintenance expenses	83,542,330	88,891,108
<b>Total Operation and Maintenance Expenses</b>	<b>164,476,412</b>	<b>171,691,286</b>
<b>Total Net Revenues</b>	<b>119,857,941</b>	<b>115,747,230</b>
<b>Uses of Net Revenues:</b>		
Debt service	76,262,698	68,197,740
Utility plant improvement fund	21,179,375	23,383,465
General fund transfer	22,415,868	22,415,868
Debt defeasance/Debt service	-	1,750,157
<b>Total Uses of Net Revenues</b>	<b>119,857,941</b>	<b>115,747,230</b>
<b>Net Impact to Rate Stabilization</b>	<b>\$ -</b>	<b>\$ -</b>

# Annual Operating Budget

## Water System

	2020	2021
<b>Revenues:</b>		
Sales of water	\$ 31,166,686	\$ 30,666,496
Rate change revenue	137,133	-
University of Florida	1,958,803	2,014,673
Utility surcharge	2,598,217	2,548,386
Rate stabilization (to)/from	(2,392,779)	(886,926)
Connection charges	1,589,000	1,277,142
Surcharge on connections	131,000	105,364
Other revenue	2,301,281	2,268,318
Interest income	433,792	170,464
<b>Total Revenues</b>	<b>37,923,133</b>	<b>\$ 38,163,917</b>
<b>Total Operation and Maintenance Expenses</b>	<b>18,578,824</b>	<b>18,508,013</b>
<b>Total Net Revenues</b>	<b>19,344,309</b>	<b>19,655,904</b>
<b>Uses of Net Revenues:</b>		
Debt service	7,193,996	7,733,904
Utility plant improvement fund	6,794,242	6,515,350
General fund transfer	5,356,071	5,356,071
Debt defeasance/Debt service		50,579
<b>Total Uses of Net Revenues</b>	<b>19,344,309</b>	<b>19,655,904</b>
<b>Net Impact to Rate Stabilization</b>	<b>\$ -</b>	<b>\$ -</b>

# Annual Operating Budget

## Wastewater System

	2020	2021
<b>Revenues:</b>		
Wastewater charges	\$ 38,154,643	\$ 37,580,077
Rate change revenue	158,495	-
Utility surcharge	2,950,247	2,912,456
South Energy Center	91,764	91,764
Biosolids	300,000	300,000
Rate stabilization (to)/from	(1,277,756)	2,214,763
Connection charges	2,641,000	2,194,616
Surcharge on connections	218,000	181,056
Other revenue	3,081,717	2,183,376
Interest income	285,158	178,639
<b>Total Revenues</b>	<b>46,603,268</b>	<b>47,836,747</b>
<b>Total Operation and Maintenance Expenses</b>	<b>22,628,480</b>	<b>23,146,303</b>
<b>Total Net Revenues</b>	<b>23,974,788</b>	<b>24,690,444</b>
<b>Uses of Net Revenues:</b>		
Debt service	8,770,700	9,768,646
Utility plant improvement fund	8,343,416	8,040,610
General fund transfer	6,860,672	6,860,672
Debt defeasance/Debt service		20,516
<b>Total Uses of Net Revenues</b>	<b>23,974,788</b>	<b>24,690,444</b>
<b>Net Impact to Rate Stabilization</b>	<b>\$ -</b>	<b>\$ -</b>

# Annual Operating Budget

## Gas System

	2020	2021
<b>Revenues:</b>		
Residential	\$ 8,598,905	\$ 8,587,711
Residential rate change revenue	49,014	-
Non-residential	5,344,121	5,244,159
Non-Residential rate change revenue	30,461	-
Purchased gas adjustment	8,601,893	7,024,802
Utility surcharge	497,215	563,302
Manufactured gas plant	1,247,983	1,220,224
Rate stabilization (to)/from	648,409	(63,592)
Other revenue	2,350,742	1,262,480
Interest income	119,792	93,445
<b>Total Revenues</b>	<b>27,488,535</b>	<b>23,932,531</b>
<b>Operation and Maintenance Expenses:</b>		
Purchased gas	8,601,893	7,024,802
Operation and maintenance expenses	5,598,963	5,253,611
<b>Total Operation and Maintenance Expenses</b>	<b>14,200,856</b>	<b>12,278,413</b>
<b>Total Net Revenues</b>	<b>13,287,679</b>	<b>11,654,118</b>
<b>Uses of Net Revenues:</b>		
Debt service	4,172,663	4,527,808
Utility plant improvement fund	6,649,462	4,659,189
General fund transfer	2,465,554	2,465,554
Debt defeasance/Debt service		1,567
<b>Total Uses of Net Revenues</b>	<b>13,287,679</b>	<b>11,654,118</b>
<b>Net Impact to Rate Stabilization</b>	<b>\$ -</b>	<b>\$ -</b>

# Annual Operating Budget

## Telecommunications System

	2020	2021
<b>Revenues:</b>		
Telecommunications	\$ 7,743,912	\$ 7,558,941
Trunking Radio Service	1,776,906	2,969,886
Tower lease rental	1,826,834	1,877,981
Intercompany Loan	2,914,927	1,781,291
Other revenue	35,000	35,000
Interest income	8,860	5,419
<b>Total Revenues</b>	<b>14,306,439</b>	<b>14,228,518</b>
<b>Total Operation and Maintenance Expenses</b>	<b>9,515,064</b>	<b>9,802,484</b>
<b>Total Net Revenues</b>	<b>4,791,375</b>	<b>4,426,034</b>
<b>Uses of Net Revenues:</b>		
Debt service	2,713,764	2,154,814
Utility plant improvement fund	890,776	1,077,152
General fund transfer	1,186,835	1,186,835
Debt defeasance/Debt service		7,233
<b>Total Uses of Net Revenues</b>	<b>4,791,375</b>	<b>4,426,034</b>
<b>Net Impact to Rate Stabilization</b>	<b>\$ -</b>	<b>\$ -</b>



# Fiscal Year 2021 Budget Total Operations and Maintenance Labor and Non-Labor



# Total Operations and Maintenance

## Labor and Non-Labor

# Combined Systems

	Labor and Fringe		Non-Labor	2021
Electric	\$	44,205,219	\$ 44,685,889	\$ 88,891,108
Water		7,707,020	10,800,993	18,508,013
Wastewater		10,869,784	12,276,519	23,146,303
Gas		2,762,486	2,491,125	5,253,611
Telecommunications		4,103,333	5,699,150	9,802,483
<b>Total Operations and Maintenance Labor and Non-Labor</b>	<b>\$</b>	<b>69,647,842</b>	<b>\$ 75,953,676</b>	<b>\$ 145,601,518</b>

	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		4,079,148	5,390,288	9,469,436
Total Rewards		1,075,795	-	1,075,795
<b>Total Operations and Maintenance Labor and Non-Labor</b>	<b>\$</b>	<b>59,255,789</b>	<b>\$ 80,607,872</b>	<b>\$ 139,863,661</b>

# Total Operations and Maintenance

## Labor and Non-Labor

# Electric System

	Labor and Fringe	Non-Labor	2021
Deerhaven Operations	\$ 7,357,376	\$ 3,477,611	\$ 10,834,987
Deerhaven Renewables Operations	6,531,504	3,185,480	9,716,984
Major Maintenance Group	3,470,451	5,642,115	9,112,566
Kelly Plant Operations	4,220,374	1,311,632	5,532,006
South Energy Center	1,591,744	3,219,476	4,811,220
Energy Supply Water Systems	3,513,636	932,945	4,446,581
Fuels	830,900	17,850	848,750
Production Assurance Support	700,198	74,750	774,948
Innovation Energy Center	960	285,690	286,650
Energy Supply Administration	2,914	638,114	641,028
Energy Supply Systems Control	321	239,635	239,956
District Energy	431,516	49,660	481,176
Electric Transmission and Distribution	8,106,581	4,159,547	12,266,128
Substation/Relay/Relay Engineering	2,061,484	675,090	2,736,574
Energy Delivery Systems Control	6,537	1,483,599	1,490,136
Energy Delivery Electric Engineering	1,860,299	121,050	1,981,349
Electric Meter Measurement	993,520	170,857	1,164,377
Energy Delivery/Administration	-	16,100	16,100
Corporate Expenses	2,524,904	18,984,688	21,509,592
<b>Total Operations and Maintenance Labor and Non-Labor</b>	<b>\$ 44,205,219</b>	<b>\$ 44,685,889</b>	<b>\$ 88,891,108</b>

	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	2,062	478,763	480,825
Energy Supply Systems Control	383	200,182	200,565
District Energy	21,608	46,030	67,638
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
Energy Delivery 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
Corporate Expenses	4,810,468	18,578,135	23,388,603
<b>Total Operations and Maintenance Labor and Non-Labor</b>	<b>\$ 34,088,919</b>	<b>\$ 48,815,425</b>	<b>\$ 82,904,344</b>

# Total Operations and Maintenance Labor and Non-Labor Water System

	Labor and Fringe	Non-Labor	2021
Murphree Water Treatment Plant	\$ 2,631,414	\$ 5,832,937	\$ 8,464,351
Distribution	2,716,511	672,412	3,388,923
Engineering	378,011	238,157	616,168
Water / Wastewater Planning	150,389	-	150,389
Corporate Expenses	1,830,695	4,057,487	5,888,182
<b>Total Operations and Maintenance Labor and Non-Labor</b>	<b>\$ 7,707,020</b>	<b>\$ 10,800,993</b>	<b>\$ 18,508,013</b>

	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
Corporate Expenses	2,401,642	4,175,196	6,576,838
<b>Total Operations and Maintenance Labor and Non-Labor</b>	<b>\$ 7,673,441</b>	<b>\$ 10,761,420</b>	<b>\$ 18,434,861</b>

# Total Operations and Maintenance Labor and Non-Labor Wastewater System

	Labor and Fringe	Non-Labor	2021
Kanapaha Water Reclamation Facility	\$ 2,317,959	\$ 4,393,707	\$ 6,711,666
Lift Stations	630,910	791,086	1,421,996
Mainstreet Water Reclamation Facility	1,603,769	1,708,928	3,312,697
Collection	2,651,152	670,268	3,321,420
Engineering	527,902	35,793	563,695
Kanapaha Lab	502,272	222,707	724,979
Reclaimed Water Distribution	79,000	15,717	94,717
Corporate Expenses	2,556,820	4,438,313	6,995,133
<b>Total Operations and Maintenance Labor and Non-Labor</b>	<b>\$ 10,869,784</b>	<b>\$ 12,276,519</b>	<b>\$ 23,146,303</b>

	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	160,522	18,009	178,531
Corporate Expenses	1,906,128	4,758,808	6,664,936
<b>Total Operations and Maintenance Labor and Non-Labor</b>	<b>\$ 9,833,008</b>	<b>\$ 12,627,621</b>	<b>\$ 22,460,629</b>

# Total Operations and Maintenance Labor and Non-Labor Gas System

	Labor and Fringe	Non-Labor	2021
Meter Measurement Operations	\$ 981,342	\$ 195,518	\$ 1,176,860
Transmission and Distribution Construction	458,197	90,905	549,102
Marketing	72	284,033	284,105
Transmission and Distribution Operations	448,508	115,568	564,076
Transmission and Distribution Engineering	256,224	22,924	279,148
Transmission and Distribution Administration	1,950	60,002	61,952
Corporate Expenses	616,193	1,722,175	2,338,368
<b>Total Operations and Maintenance Labor and Non-Labor</b>	<b>\$ 2,762,486</b>	<b>\$ 2,491,125</b>	<b>\$ 5,253,611</b>

	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
Corporate Expenses	1,342,194	2,333,107	3,675,301
<b>Total Operations and Maintenance Labor and Non-Labor</b>	<b>\$ 2,505,478</b>	<b>\$ 3,013,118</b>	<b>\$ 5,518,596</b>

# Total Operations and Maintenance

## Labor and Non-Labor

# Telecommunications System

	Labor and Fringe	Non-Labor	2021
Network Operations Center	\$ 1,420,159	\$ 875,824	\$ 2,295,983
Trunked Radio System	272,949	1,360,853	1,633,802
Business Administration	556,391	438,209	994,600
Customer Operations	227,973	649,222	877,195
Voice Operations	59,627	379,701	439,328
Technology and Services Administration	221,862	70,915	292,777
Towers 1-12	202	125,422	125,624
Central Office Operations	19,715	162,032	181,747
Engineering and Construction Administration	250,301	24,138	274,439
Chief Officer	3,448	219,314	222,762
Internet Operations	162,405	128,360	290,765
GatorNet	196,929	67,696	264,625
Engineering	140,205	2,024	142,229
Electronics	202,540	3,073	205,613
Construction	121,036	2,043	123,079
Research and Develop	-	-	-
Technical Services	204,979	2,550	207,529
Corporate Expenses	42,612	1,187,774	1,230,386
<b>Total Operations and Maintenance Labor and Non-Labor</b>	<b>\$ 4,103,333</b>	<b>\$ 5,699,150</b>	<b>\$ 9,802,483</b>

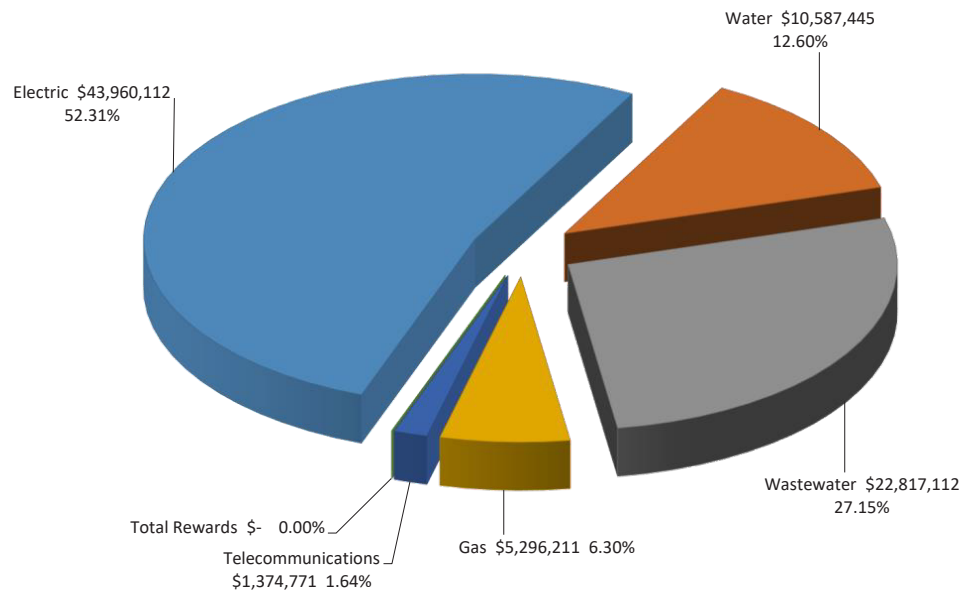
	Labor and Fringe	Non-Labor	2020
Network Operations Center	\$ 1,436,498	\$ 887,723	2,324,221
Trunked Radio System	245,280	1,717,945	1,963,225
Business Administration	1,108,120	648,705	1,756,825
Customer Operations	227,666	809,707	1,037,373
Voice Operations	292,625	478,433	771,058
Technology and Services Administration	227,559	66,482	294,041
Towers 1-12	798	287,321	288,119
Central Office Operations	61,051	198,182	259,233
Engineering and Construction Administration	40,069	157,175	197,244
Chief Officer	155,258	4,101	159,359
Internet Operations	58,642	84,737	143,379
GatorNet	88,206	14,034	102,240
Engineering	47,093	1,347	48,440
Electronics	46,334	1,205	47,539
Construction	43,777	1,456	45,233
Research and Develop	172	31,735	31,907
Technical Services	-	-	-
<b>Total Operations and Maintenance Labor and Non-Labor</b>	<b>\$ 4,079,148</b>	<b>\$ 5,390,288</b>	<b>\$ 9,469,436</b>





# Fiscal Year 2021 Budget **Total Capital Labor and Non-Labor**

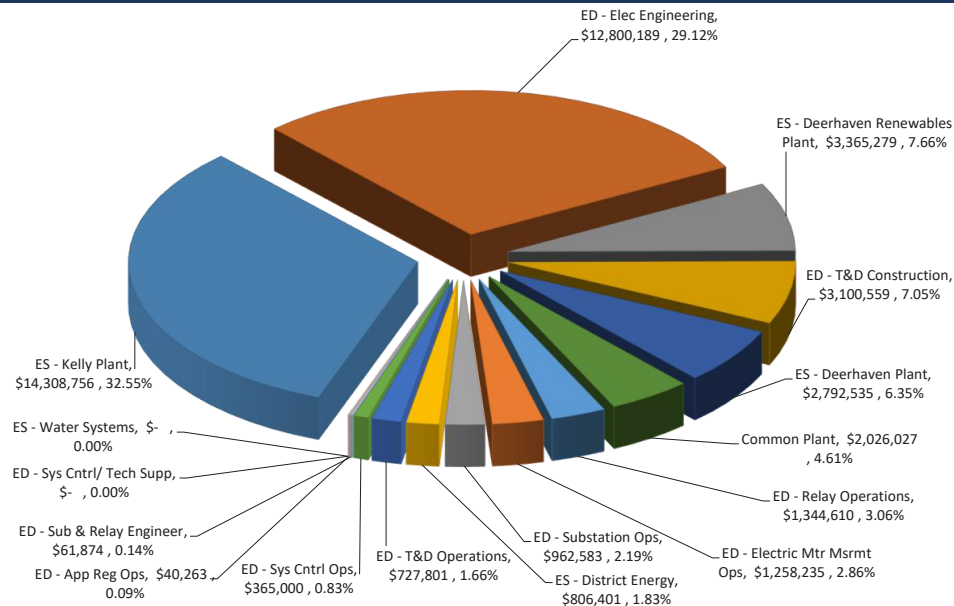
# Total Capital Labor and Non-Labor Combined Systems



	Labor and Fringe	Non-Labor	2021
Electric	\$ 13,078,831	\$ 30,881,281	\$ 43,960,112
Water	2,807,871	7,779,574	10,587,445
Wastewater	4,007,266	18,809,846	22,817,112
Gas	3,490,152	1,806,059	5,296,211
Telecommunications	619,261	755,510	1,374,771
Total Rewards	-	-	-
<b>Total Capital Labor and Non-Labor</b>	<b>\$ 24,003,381</b>	<b>\$ 60,032,270</b>	<b>\$ 84,035,651</b>

	Labor and Fringe	Non-Labor	2020
Electric	\$ 18,063,792	\$ 55,915,930	\$ 73,979,722
Water	2,885,015	10,317,030	13,202,045
Wastewater	4,101,279	18,211,549	22,312,828
Gas	3,901,643	3,399,922	7,301,565
Telecommunications	539,373	1,666,572	2,205,945
Total Rewards	447,663	-	447,663
<b>Total Capital Labor and Non-Labor</b>	<b>\$ 29,938,765</b>	<b>\$ 89,511,003</b>	<b>\$ 119,449,768</b>

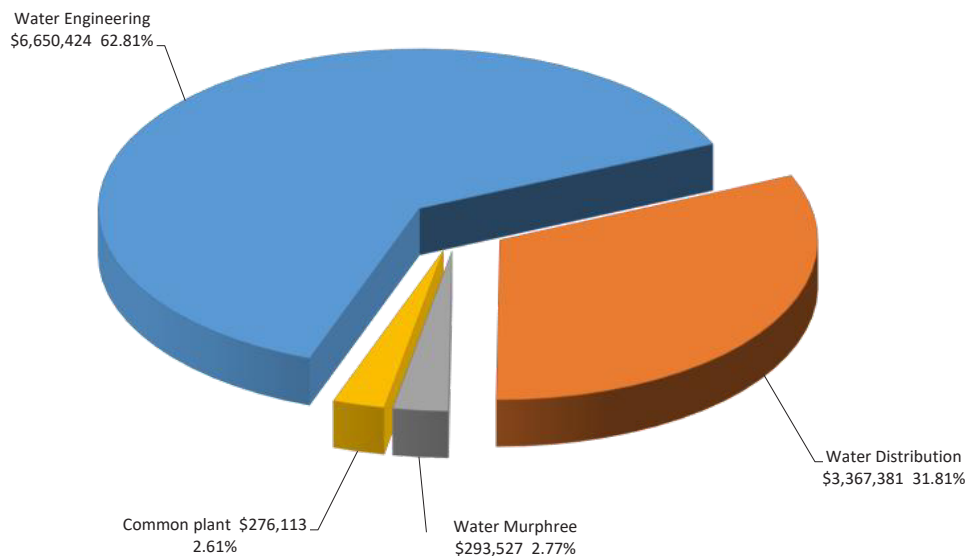
# Total Capital Labor and Non-Labor Electric System



	Labor and Fringe	Non-Labor	2021
ES - Kelly Plant	\$ 1,098,915	\$ 13,209,841	\$ 14,308,756
ED - Elec Engineering	7,770,521	5,029,668	12,800,189
ES - Deerhaven Renewables Plant	557,149	2,808,130	3,365,279
ED - T&D Construction	1,385,915	1,714,644	3,100,559
ES - Deerhaven Plant	334,997	2,457,538	2,792,535
Common Plant	3,626	2,022,401	2,026,027
ED - Relay Operations	595,770	748,840	1,344,610
ED - Electric Mtr Msrmt Ops	640,778	617,457	1,258,235
ED - Substation Ops	475,535	487,048	962,583
ES - District Energy	6,321	800,080	806,401
ED - T&D Operations	170,279	557,522	727,801
ED - Sys Cntrl Ops	-	365,000	365,000
ED - Sub & Relay Engineer	-	61,874	61,874
ED - App Reg Ops	39,025	1,238	40,263
ED - Sys Cntrl/ Tech Supp	-	-	-
ES - Water Systems	-	-	-
<b>Total Capital Labor and Non-Labor</b>	<b>\$ 13,078,831</b>	<b>\$ 30,881,281</b>	<b>\$ 43,960,112</b>

	Labor and Fringe	Non-Labor	2020
ES - Kelly Plant	\$ 557,860	\$ 10,424,383	\$ 10,982,243
ED - Elec Engineering	10,664,108	15,649,092	26,313,200
ES - Deerhaven Renewables Plant	235,621	1,820,560	2,056,181
ED - T&D Construction	1,647,521	3,356,901	5,004,422
ES - Deerhaven Plant	1,527,701	11,426,096	12,953,797
Common Plant	18,982	3,252,623	3,271,605
ED - Relay Operations	319,531	597,410	916,941
ED - Electric Mtr Msrmt Ops	888,838	1,707,725	2,596,563
ED - Substation Ops	1,704,576	4,775,006	6,479,582
ES - District Energy	71,094	653,171	724,265
ED - T&D Operations	201,901	1,025,153	1,227,054
ED - Sys Cntrl Ops	-	20,000	20,000
ED - Sub & Relay Engineer	-	-	-
ED - App Reg Ops	53,546	55,263	108,809
ED - Sys Cntrl/ Tech Supp	-	25,000	25,000
ES - Water Systems	172,513	1,127,547	1,300,060
<b>Total Capital Labor and Non-Labor</b>	<b>\$ 18,063,792</b>	<b>\$ 55,915,930</b>	<b>\$ 73,979,722</b>

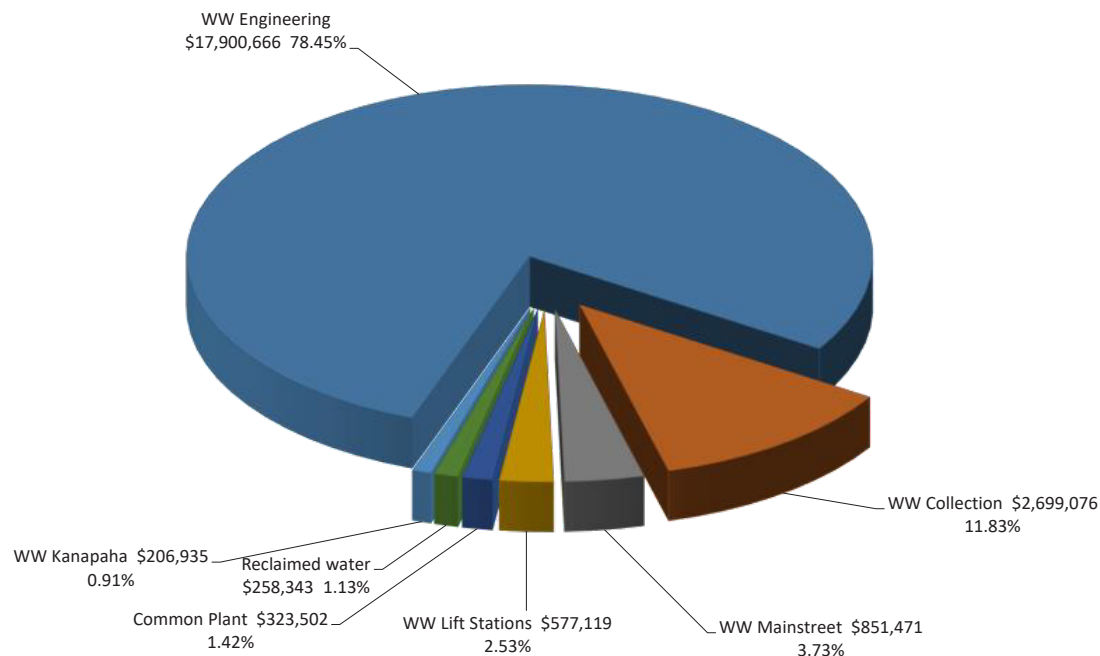
# Total Capital Labor and Non-Labor Water System



	Labor and Fringe	Non-Labor	2021
Water Engineering	\$ 1,228,499	\$ 5,421,925	\$ 6,650,424
Water Distribution	1,553,435	1,813,946	3,367,381
Water Murphree	25,237	268,290	293,527
Common plant	700	275,413	276,113
<b>Total Capital Labor and Non-Labor</b>	<b>\$ 2,807,871</b>	<b>\$ 7,779,574</b>	<b>\$ 10,587,445</b>

	Labor and Fringe	Non-Labor	2020
Water Engineering	\$ 1,174,078	\$ 6,164,932	\$ 7,339,010
Water Distribution	1,654,743	3,269,877	4,924,620
Water Murphree	51,151	393,595	444,746
Common plant	5,043	488,626	493,669
<b>Total Capital Labor and Non-Labor</b>	<b>\$ 2,885,015</b>	<b>\$ 10,317,030</b>	<b>\$ 13,202,045</b>

# Total Capital Labor and Non-Labor Wastewater System

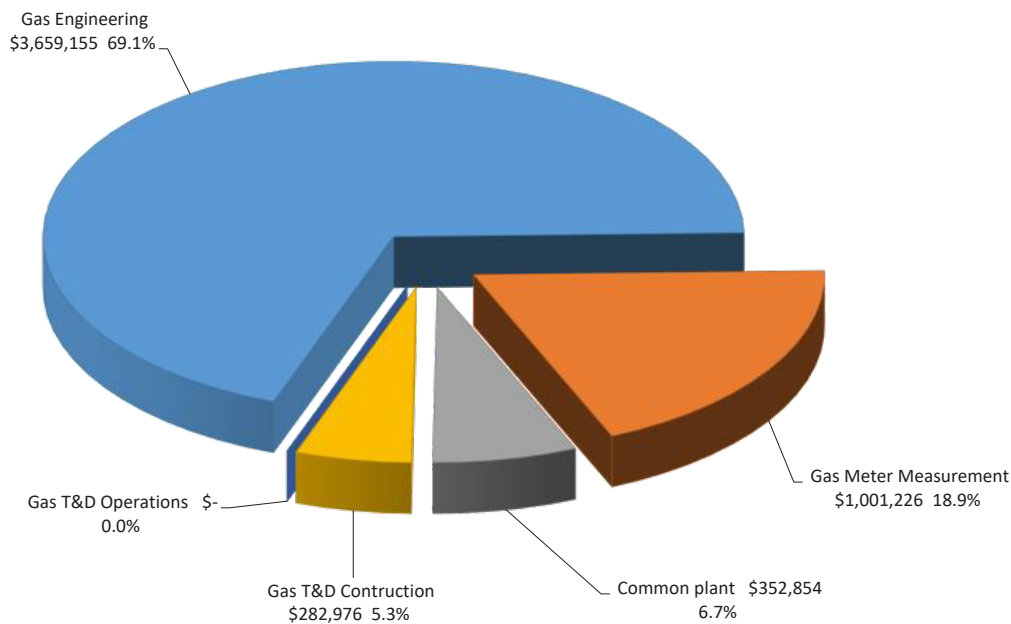


	Labor and Fringe	Non-Labor	2021
WW Engineering	\$ 2,680,370	\$ 15,220,296	\$ 17,900,666
WW Collection	986,440	1,712,636	2,699,076
WW Mainstreet	137,228	714,243	851,471
WW Lift Stations	98,498	478,621	577,119
Common Plant	836	322,666	323,502
Reclaimed water	79,993	178,350	258,343
WW Kanapaha	23,901	183,034	206,935
<b>Total Capital Labor and Non-Labor</b>	<b>\$ 4,007,266</b>	<b>\$ 18,809,846</b>	<b>\$ 22,817,112</b>

	Labor and Fringe	Non-Labor	2020
WW Engineering	\$ 2,050,630	\$ 14,695,343	\$ 16,745,973
WW Collection	1,718,209	1,392,758	3,110,967
WW Mainstreet	61,610	653,498	715,108
WW Lift Stations	164,414	481,195	645,609
Common Plant	5,906	566,062	571,968
WW Kanapaha	56,585	282,804	339,389
Reclaimed water	43,925	139,889	183,814
<b>Total Capital Labor and Non-Labor</b>	<b>\$ 4,101,279</b>	<b>\$ 18,211,549</b>	<b>\$ 22,312,828</b>

# Total Capital Labor and Non-Labor

## Gas System

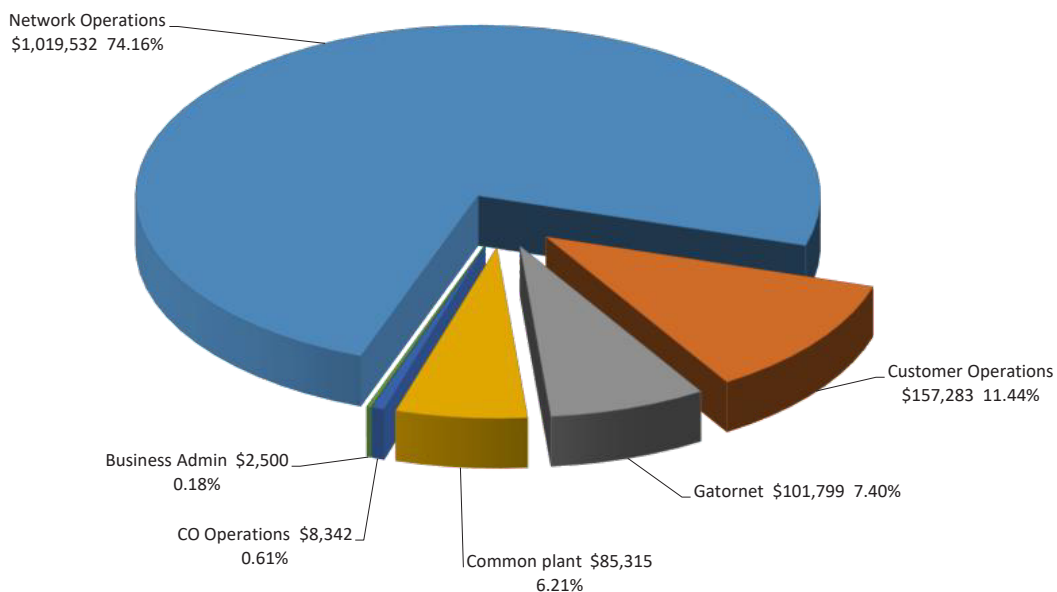


	Labor and Fringe	Non-Labor	2021
Gas Engineering	\$ 2,903,801	\$ 755,354	\$ 3,659,155
Gas Meter Measurement	403,702	597,524	1,001,226
Common plant	290	352,564	352,854
Gas T&D Construction	182,359	100,617	282,976
Gas T&D Operations	-	-	-
<b>Total Capital Labor and Non-Labor</b>	<b>\$ 3,490,152</b>	<b>\$ 1,806,059</b>	<b>\$ 5,296,211</b>

	Labor and Fringe	Non-Labor	2020
Gas Engineering	\$ 442,110	\$ 329,514	\$ 771,624
Gas Meter Measurement	922,530	1,401,642	2,324,172
Common plant	2,204	677,944	680,148
Gas T&D Construction	2,463,008	933,325	3,396,333
Gas T&D Operations	71,791	57,497	129,288
<b>Total Capital Labor and Non-Labor</b>	<b>\$ 3,901,643</b>	<b>\$ 3,399,922</b>	<b>\$ 7,301,565</b>



# Total Capital Labor and Non-Labor Telecommunications System



	Labor and Fringe	Non-Labor	2021
Network Operations	\$ 495,445	\$ 524,087	\$ 1,019,532
Customer Operations	82,512	74,771	157,283
Gatornet	32,867	68,932	101,799
Common plant	208	85,107	85,315
CO Operations	8,229	113	8,342
Business Admin	-	2,500	2,500
<b>Total Capital Labor and Non-Labor</b>	<b>\$ 619,261</b>	<b>\$ 755,510</b>	<b>\$ 1,374,771</b>

	Labor and Fringe	Non-Labor	2020
Network Operations	\$ 379,002	\$ 480,795	\$ 859,797
Customer Operations	105,371	50,013	155,384
Gatornet	41,411	73,218	114,629
Common plant	1,514	145,921	147,435
CO Operations	12,075	750,000	762,075
Business Admin	-	166,625	166,625
<b>Total Capital Labor and Non-Labor</b>	<b>\$ 539,373</b>	<b>\$ 1,666,572</b>	<b>\$ 2,205,945</b>



# Fiscal Year 2021 Budget **Revenues**

## Fiscal Year 2021 Revenues

# Combined Systems

	2020	2021
Electric	\$ 284,334,353	\$ 287,438,517
Water	37,923,133	38,163,916
Wastewater	46,603,268	47,836,747
Gas	27,488,535	23,932,531
Telecommunications	14,306,439	14,228,518
Total Revenues	\$ 410,655,728	\$ 411,600,229

*During March 2020, before COVID-19 began impacting the local economy, GRU proactively completed projections of potential revenue declines in the Electric, Water, Wastewater, and Gas systems. GRU is monitoring revenues, past due receivables, and cash collections closely during this extraordinary time.*

*Please see individual pages for descriptions and highlights.*

## Fiscal Year 2021 Revenues

# Electric System

	2020	2021
Residential sales	\$ 72,737,990	\$ 77,938,969
Residential rate change	4,662,505	-
Non-residential sales	84,445,927	89,568,943
Non-residential rate change	5,412,984	-
Fuel adjustment	80,934,082	82,800,178
Sales for Resale	2,604,638	2,552,526
Utility surcharge	4,492,848	4,480,751
South Energy Center	15,432,760	16,385,169
Innovation Square	314,000	348,000
Other electric sales	6,460,847	6,117,660
Rate stabilization (to)	(2,508,108)	(1,976,109)
Other revenue	8,773,255	8,752,231
Interest income	570,625	470,199
<b>Total Revenues</b>	<b>\$ 284,334,353</b>	<b>\$ 287,438,517</b>

### Overview

Net of fuel and transfers to the Rate Stabilization Fund, Electric System revenues increased by approximately \$706,000 or 0.34%. Residential and non-residential sales were almost flat between 2020 and 2021, with a \$1.65 million projected impact from COVID-19 offsetting traditional expected customer growth.

# Fiscal Year 2021 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. 2021 projections were reduced by \$1.65 million due to the expected effects of COVID 19 on customer growth and consumption.
- Cumulative increases in retail revenues from proposed rate changes are shown as residential and non-residential rate change revenue.
- The South Energy Center (SEC) is a combined heat and power plant providing electricity, chilled water, steam, and the storage and delivery of medical gases to the University of Florida Health (UF Health) Cancer Center. The SEC has contributed significant revenues to the Electric System since May 2009. Phase II of SEC is now completed in conjunction with the completion of the new UF Health Heart & Vascular and Neuromedicine hospitals.
- Innovation Square is a research and business development effort of the University of Florida and is served by the Electric System.
- Fuel adjustment revenues offset fuel and purchased power costs.
- Surcharge revenues are a 10% charge applied to the non-fuel portion of retail rates for customers outside the incorporated portion of the City of Gainesville.
- Other revenue includes Build America Bonds payments, late fees and other miscellaneous service charges.
- Interest income is generated from the investment earnings for the Operating Fund, Rate Stabilization Fund and Utility Plant Improvement Fund for each system.
- Rate Stabilization revenues are withdrawals from (if positive) or deposits to (if negative) Rate Stabilization Fund.

### *Budget Highlights*

- The number of electric customers is forecast to increase at an average annual rate of 0.62% per year over the next 10 years.
- Retail electric energy sales are forecast to increase at an average annual rate of 0.57% per year through fiscal 2029.
- Revenues from retail electric energy sales are projected to increase at an average annual rate of 0.54% per year over the next 10 years, under current rates.
- Through 2039, residential average use is forecast to decline by 0.20% per year and non-residential average use is projected to fall by 0.18% per year.



## Fiscal Year 2021 Revenues

# Water System

	2020	2021
Sales of water	\$ 31,166,686	\$ 30,666,496
Rate change revenue	137,133	-
University of Florida	1,958,803	2,014,673
Utility surcharge	2,598,217	2,548,386
Rate stabilization (to)	(2,392,779)	(886,926)
Connection charges	1,589,000	1,277,142
Surcharge on connections	131,000	105,364
Other revenue	2,301,281	2,268,318
Interest income	433,792	170,463
<b>Total Revenues</b>	<b>\$ 37,923,133</b>	<b>\$ 38,163,916</b>

### Overview

Net of transfers (to) the Rate Stabilization Fund, projected Water System revenues decreased by approximately \$1,265,000 or 3.14%. The primary components in this reduction are a projected \$259,000 impact on revenues from COVID-19 and a \$312,000 reduction in connection charges.

# Fiscal Year 2021 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. 2021 projections were reduced by \$259,000 due to the expected effects of COVID-19 on customer growth and consumption.
- Revenues are obtained from retail sales to residential and non-residential customers served by the potable water system and include monthly customer charges and usage charges (Kgal) based on metered water sales.
- UF Revenues represent wholesale water sales to the UF campus, which maintains its own distribution system, as well as off-campus UF facilities.
- Cumulative increases in retail revenues from proposed rate changes are shown as rate change revenue.
- The SEC, as described in the Electric System, is a generation facility that became operational in 2009 and is served by the Water System.
- A surcharge of 25% is collected outside the incorporated portion of the City of Gainesville.
- Connection fees are collected to recover the costs of meter installations, transmission and distribution, and water treatment and supply required for each new customer. There is a 25% surcharge on connection fees for customers outside the incorporated portion of the City.
- Interest income is generated from the investment earnings for the Operating Fund, Rate Stabilization Fund and Utility Plant Improvement Fund for each system.
- Rate Stabilization revenues are withdrawals from (if positive) or deposits to (if negative) Rate Stabilization Fund.

### *Budget Highlights*

- The number of total water customers is forecast to increase at an average annual rate of 0.76% per year over the next 10 years.
- Total water sales are forecast to increase at an average annual rate of 0.48% per year through 2029.
- Revenues from water sales, including sales related to UF and surcharge revenues, are projected to increase at an average annual rate of 0.58% per year over the next 10 years. This projection does not include any changes to rates for water service.

## Fiscal Year 2021 Revenues

# Wastewater System

	2020	2021
Wastewater charges	\$ 38,154,643	\$ 37,580,077
Rate change revenue	158,495	-
Utility surcharge	2,950,247	2,912,456
South Energy Center	91,764	91,764
Biosolids	300,000	300,000
Rate stabilization (to)/from	(1,277,756)	2,214,763
Connection charges	2,641,000	2,194,616
Surcharge on connections	218,000	181,056
Other revenue	3,081,717	2,183,376
Interest income	285,158	178,639
<b>Total Revenues</b>	<b>\$ 46,603,268</b>	<b>\$ 47,836,747</b>

### Overview

Net of transfers to the Rate Stabilization Fund, projected Wastewater System revenues decreased approximately \$2,259,040 or 4.72%. The primary components of this change were an \$898,000 decrease in other revenue, a projected \$267,000 reduction due to the impact of COVID-19, and a decrease in connection charges of \$446,000.

# Fiscal Year 2021 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. 2021 projections were reduced by \$267,000 due to the expected effects of COVID-19 on customer growth and consumption.
- 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 0.80% 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 0.59% per year through fiscal year 2029.
- Revenues from wastewater system monthly billings are projected to increase at an average annual rate of 0.69% per year over the next 10 years. This projection does not include any changes to wastewater rates.

## Fiscal Year 2021 Revenues

# Gas System

	2020	2021
Residential	\$ 8,598,905	\$ 8,587,711
Residential rate change revenue	49,014	-
Non-residential	5,344,121	5,244,159
Non-residential rate change revenue	30,461	-
Purchased gas adjustment	8,601,893	7,024,802
Utility surcharge	497,215	563,302
Manufactured gas plant	1,247,983	1,220,224
Rate stabilization (to)/from	648,409	(63,592)
Other revenue	2,350,742	1,262,480
Interest income	119,792	93,445
<b>Total Revenue</b>	<b>\$ 27,488,535</b>	<b>\$ 23,932,531</b>

### Overview

Net of fuel and transfers (to)/from the Rate Stabilization Fund, projected Gas System revenues decreased by approximately \$1,267,000 or 6.95%. This decrease is primarily due to a \$124,000 impact from COVID-19 and an approximate \$1,100,000 reduction in other revenues.

# Fiscal Year 2021 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. 2021 projections were reduced \$124,000 due to the expected effect of COVID-19 on customer growth and consumption.
- Cumulative increases in retail revenues from proposed rate changes are shown as rate change revenue.
- The Manufactured Gas Plant Cost Recovery Factor (MGPCRF) is a component of revenue based on therm sales. It recovers the cost of environmental clean-up at the former Gainesville Gas Manufactured Gas Plant. This cost is partially offset with insurance proceeds, with the project expected to total approximately \$29.2 million.
- Purchased Gas Adjustment (PGA) revenue is collected for the natural gas fuel distributed to customers.
- Surcharge revenues are a 10% charge applied to the non-fuel portion of retail rates for customers outside the incorporated portion of the City of Gainesville.
- Other revenue includes transportation sales to UF's cogeneration facility, late fees, service charges, and sales to liquid propane distribution system customers.
- Interest income is generated from the investment earnings for the Operating Fund, Rate Stabilization Fund, and Utility Plant Improvement Fund for each System.
- Rate Stabilization revenues are withdrawals from (if positive) or deposits to (if negative) Rate Stabilization Fund.

### *Budget Highlights*

- The number of retail natural gas system customers is forecast to increase at an average annual rate of 0.79% per year over the next 10 years.
- Total retail natural gas system energy sales are forecast to increase at an average annual rate of 0.29% per year through fiscal year 2029.
- Non-fuel revenues from sales to retail natural gas customers are projected to increase at an average rate of 0.42% per year over the next 10 years. This projection does not include any changes to natural gas rates.



## Fiscal Year 2021 Revenues

# Telecommunications System

	2020	2021
Telecommunications	\$ 7,743,912	\$ 7,558,941
Trunking Radio Service	1,776,906	2,969,886
Tower lease rental	1,826,834	1,877,981
Rate stabilization from	2,914,927	1,781,291
Other revenue	35,000	35,000
Interest income	8,860	5,419
Total Revenue	\$ 14,306,439	\$ 14,228,518

### Overview

Net of transfers from the Rate Stabilization Fund, Telecommunications System revenues increased approximately \$1.06 million or 9.27%. This increase is driven by increased Trunking Radio Service revenues to recover costs associated with enhanced service delivery. The Telecommunications System is projected to operate at a loss for 2020 and 2021. Management is currently evaluating options for the system.

# Fiscal Year 2021 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 number 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 reflected in the 2021 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. GRUCom is experiencing insufficient Rate Stabilization fund balance and may require additional loans 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 multiple dwelling units and student housing communities. It is expected that demand for this Wi-Fi service offering will continue to increase as housing consumers seek the benefits of wireless Internet access backed by fiber-to-the-home (FTTH) technology and ultra-fast broadband services. GRUCom continues to receive requests from existing and newly developed apartment complexes for GATOR NET services (both wired and wireless). Revenues from these new contracts are included in projections.
- GRUCom introduced a new voice services product line in fiscal year 2019.



# Fiscal Year 2021 Budget **Payroll**

# Fiscal Year 2021 Payroll

## Combined Systems

	Labor	Fringe	2021
Energy Supply	\$ 16,693,330	\$ 5,655,479	\$ 22,348,809
Energy Delivery	16,544,879	5,528,416	22,073,295
Water	5,472,046	1,878,972	7,351,018
Wastewater	6,584,502	2,259,241	8,843,743
Gas	2,552,237	870,931	3,423,168
Telecommunications	2,833,437	971,995	3,805,432
Administration	3,213,422	1,113,040	4,326,462
Budget, Finance & Accounting	2,921,092	990,516	3,911,608
Customer Support Services	6,307,221	2,150,813	8,458,034
Information Technology	6,852,500	2,257,155	9,109,655
<b>Total Payroll</b>	<b>\$ 69,974,666</b>	<b>\$ 23,676,558</b>	<b>\$ 93,651,224</b>

	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	8,411,016
Information Technology	6,027,217	1,999,294	8,026,511
Total Rewards	1,136,909	386,549	1,523,458
<b>Total Payroll</b>	<b>\$ 66,628,472</b>	<b>\$ 22,566,082</b>	<b>\$ 89,194,554</b>

Full Time Equivalent (FTE)	2020	2021
MAP	297.00	300.00
CWA	595.25	632.25
<b>Total FTEs Authorized</b>	<b>892.25</b>	<b>932.25</b>

# Fiscal Year 2021 Payroll

## Energy Supply

	Labor	Fringe	2021
Deerhaven Operations	\$ 3,618,149	\$ 1,239,843	\$ 4,857,992
Major Maintenance Group	2,607,739	891,586	3,499,325
Kelly Plant Operations	1,777,220	607,632	2,384,852
Systems Control	1,006,097	344,586	1,350,683
Production Assurance Support	1,179,521	328,878	1,508,399
Energy Supply Administration	1,260,968	441,425	1,702,393
South Energy Center	618,491	211,822	830,313
Deerhaven Administration	230,061	81,958	312,019
Energy Supply Water Systems	514,962	179,566	694,528
District Energy	303,862	104,289	408,151
Fuels	309,128	105,691	414,819
Kelly Plant Administration	203,014	70,191	273,205
Deerhaven Renewables Administration	331,698	113,798	445,496
Deerhaven Renewables Operations	2,732,420	934,214	3,666,634
<b>Total Payroll</b>	<b>\$ 16,693,330</b>	<b>\$ 5,655,479</b>	<b>\$ 22,348,809</b>

	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
Energy Supply Water Systems	542,327	194,222	736,549
Deerhaven Administration	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 Administration	-	-	-
Deerhaven Renewables Operations	164,088	57,301	221,389
<b>Total Payroll</b>	<b>\$ 14,430,041</b>	<b>\$ 4,912,358</b>	<b>\$ 19,342,399</b>

Full Time Equivalent (FTE)	2020	2021
MAP	36.00	42.00
CWA	119.00	152.00
<b>Total FTEs Authorized</b>	<b>155.00</b>	<b>194.00</b>

# Fiscal Year 2021 Payroll

## Energy Delivery

	Labor	Fringe	2021
Electric Transmission and Distribution	\$ 5,918,017	\$ 2,023,370	\$ 7,941,387
Energy Delivery/Admin/Shared Svcs	5,395,273	1,776,861	7,172,134
Systems Control	2,213,898	708,392	2,922,290
Energy Delivery Electric Engineering	1,365,920	461,663	1,827,583
Substation/Relay/Relay Engineering	1,098,290	372,424	1,470,714
Electric Meter Measurement	553,481	185,706	739,187
<b>Total Payroll</b>	<b>\$ 16,544,879</b>	<b>\$ 5,528,416</b>	<b>\$ 22,073,295</b>

	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
<b>Total Payroll</b>	<b>\$ 16,177,042</b>	<b>\$ 5,362,418</b>	<b>\$ 21,539,460</b>

Full Time Equivalent (FTE)	2020	2021
MAP	49.00	48.00
CWA	178.00	179.00
<b>Total FTEs Authorized</b>	<b>227.00</b>	<b>227.00</b>



# Fiscal Year 2021 Payroll

## Water

	Labor	Fringe	2021
Distribution	\$ 2,316,032	\$ 791,850	\$ 3,107,882
MurphreeWater Treatment Plant	1,420,768	489,261	1,910,029
Engineering	900,641	298,569	1,199,210
Water / Wastewater Planning	336,976	124,642	461,618
Water / Wastewater Engineering	295,103	101,796	396,899
Water / Wastewater Administration	202,526	72,854	275,380
<b>Total Payroll</b>	<b>\$ 5,472,046</b>	<b>\$ 1,878,972</b>	<b>\$ 7,351,018</b>

	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
<b>Total Payroll</b>	<b>\$ 5,050,961</b>	<b>\$ 1,730,834</b>	<b>\$ 6,781,795</b>

Full Time Equivalent (FTE)	2020	2021
MAP	17.00	17.00
CWA	57.00	57.00
<b>Total FTEs Authorized</b>	<b>74.00</b>	<b>74.00</b>

# Fiscal Year 2021 Payroll

## Wastewater

	Labor	Fringe	2021
Collection	\$ 2,481,899	\$ 848,561	\$ 3,330,460
Kanapaha Water Reclamation Facility	1,364,792	474,622	1,839,414
Mainstreet Water Reclamation Facility	969,908	331,611	1,301,519
Engineering	889,727	304,198	1,193,925
Lift Stations	451,733	154,448	606,181
Kanapaha Lab	301,179	102,973	404,152
Reclaimed Water Distribution	125,264	42,828	168,092
<b>Total Payroll</b>	<b>\$ 6,584,502</b>	<b>\$ 2,259,241</b>	<b>\$ 8,843,743</b>

	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
<b>Total Payroll</b>	<b>\$ 6,331,266</b>	<b>\$ 2,138,182</b>	<b>\$ 8,469,448</b>

Full Time Equivalent (FTE)	2020	2021
MAP	10.00	11.00
CWA	84.00	84.00
<b>Total FTEs Authorized</b>	<b>94.00</b>	<b>95.00</b>

# Fiscal Year 2021 Payroll

## Gas

	Labor	Fringe	2021
Transmission and Distribution Operations	\$ 785,117	\$ 268,432	\$ 1,053,549
Meter Measurement Operations	577,425	197,421	774,846
Transmission and Distribution Construction	617,326	211,064	828,390
Marketing	139,639	47,743	187,382
Transmission and Distribution Engineering	236,358	76,632	312,990
Transmission and Distribution Administration	196,372	69,639	266,011
<b>Total Payroll</b>	<b>\$ 2,552,237</b>	<b>\$ 870,931</b>	<b>\$ 3,423,168</b>

	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
<b>Total Payroll</b>	<b>\$ 2,401,838</b>	<b>\$ 819,723</b>	<b>\$ 3,221,561</b>

Full Time Equivalent (FTE)	2020	2021
MAP	5.00	5.00
CWA	32.00	32.00
<b>Total FTEs Authorized</b>	<b>37.00</b>	<b>37.00</b>

# Fiscal Year 2021 Payroll

## Telecommunications

	Labor	Fringe	2021
Network Operations Center	\$ 468,471	\$ 165,168	\$ 633,639
Technical Services	515,331	176,192	691,523
Construction	312,347	106,792	419,139
Engineering	303,571	103,791	407,362
Business Administration	287,444	98,277	385,721
Operations Administration	121,205	41,440	162,645
Electronics	212,204	72,553	284,757
Trunked Radio System	155,957	53,322	209,279
Chief Officer	193,425	69,732	263,157
Planning	149,104	50,979	200,083
Work Management	114,378	33,749	148,127
<b>Total Payroll</b>	<b>\$ 2,833,437</b>	<b>\$ 971,995</b>	<b>\$ 3,805,432</b>

	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
<b>Total Payroll</b>	<b>\$ 2,817,901</b>	<b>\$ 967,784</b>	<b>\$ 3,785,685</b>

Full Time Equivalent (FTE)	2020	2021
MAP	14.00	14.00
CWA	24.00	24.00
<b>Total FTEs Authorized</b>	<b>38.00</b>	<b>38.00</b>

# Fiscal Year 2021 Payroll Administration

	Labor	Fringe	2021
Training	\$ 630,387	\$ 215,529	\$ 845,916
Electric Environment	565,469	193,594	759,063
General Manager	548,777	193,527	742,304
Community Relations	399,204	138,414	537,618
Communications	304,424	104,683	409,107
Safety	266,257	91,033	357,290
Chief Operating Officer	288,973	104,130	393,103
Electric Reliability	209,931	72,130	282,061
<b>Total Payroll</b>	<b>\$3,213,422</b>	<b>\$1,113,040</b>	<b>\$4,326,462</b>

	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
<b>Total Payroll</b>	<b>\$3,316,523</b>	<b>\$1,146,606</b>	<b>\$4,463,129</b>

Full Time Equivalent (FTE)	2020	2021
MAP	29.00	29.00
CWA	6.00	6.00
<b>Total FTEs Authorized</b>	<b>35.00</b>	<b>35.00</b>

# Fiscal Year 2021 Payroll

## Budget, Finance and Accounting

	Labor	Fringe	2021
Financial Accounting	\$ 645,774	\$ 214,436	\$ 860,210
Project Management	443,260	151,550	594,810
Managerial Accounting	492,552	163,109	655,661
Budget	292,023	99,843	391,866
Chief Financial Officer	390,002	136,784	526,786
Rates and Forecasting	285,521	97,620	383,141
Treasury	202,222	69,140	271,362
Accounts Payable	169,738	58,034	227,772
<b>Total Payroll</b>	<b>\$ 2,921,092</b>	<b>\$ 990,516</b>	<b>\$ 3,911,608</b>

	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
<b>Total Payroll</b>	<b>\$ 2,707,985</b>	<b>\$ 922,107</b>	<b>\$ 3,630,092</b>

Full Time Equivalent (FTE)	2020	2021
MAP	38.00	38.00
CWA	5.00	5.00
<b>Total FTEs Authorized</b>	<b>43.00</b>	<b>43.00</b>



# Fiscal Year 2021 Payroll

## Customer Support Services

	Labor	Fringe	2021
Customer Service	\$ 1,581,984	\$ 555,639	\$ 2,137,623
Energy and Business Services	730,722	240,344	971,066
Utilities Stores	781,833	267,309	1,049,142
Procurement	612,251	201,330	813,581
Billing and Customer Solutions	518,319	177,213	695,532
Project Management Office	303,667	95,713	399,380
Facilities Maintenance	303,229	103,674	406,903
New Services	248,655	91,375	340,030
Administrative Services	247,814	85,088	332,902
Customer Operations	340,358	107,314	447,672
Revenue Assurance	189,676	64,438	254,114
Land Rights / Real Estate	186,710	65,413	252,123
Chief Customer Officer	192,282	72,125	264,407
Mail Services	69,721	23,838	93,559
<b>Total Payroll</b>	<b>\$ 6,307,221</b>	<b>\$ 2,150,813</b>	<b>\$ 8,458,034</b>

	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
Project Management Office	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
Mail Services	64,836	22,167	87,003
<b>Total Payroll</b>	<b>\$ 6,230,789</b>	<b>\$ 2,180,227</b>	<b>\$ 8,411,016</b>

Full Time Equivalent (FTE)	2020	2021
MAP	40.00	37.00
CWA	78.25	81.25
<b>Total FTEs Authorized</b>	<b>118.25</b>	<b>118.25</b>

# Fiscal Year 2021 Payroll

## Information Technology

	Labor	Fringe	2021
Technical Management	\$ 2,173,971	\$ 750,079	\$ 2,924,050
Application Management	1,340,283	461,603	1,801,886
OneERP	798,734	273,447	1,072,181
Service Desk	806,250	275,657	1,081,907
Project Management	561,915	198,219	760,134
Data Governance and Compliance	446,498	152,658	599,156
Administration	724,849	145,492	870,341
<b>Total Payroll</b>	<b>\$ 6,852,500</b>	<b>\$ 2,257,155</b>	<b>\$ 9,109,655</b>

	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
<b>Total Payroll</b>	<b>\$ 6,027,217</b>	<b>\$ 1,999,294</b>	<b>\$ 8,026,511</b>

Full Time Equivalent (FTE)	2020	2021
MAP	59.00	59.00
CWA	12.00	12.00
<b>Total FTEs Authorized</b>	<b>71.00</b>	<b>71.00</b>



# Fiscal Year 2021 Budget **Operations and Maintenance Non-Labor**

# Operations and Maintenance Non-Labor Combined Systems

	2021
Energy Supply	18,247,002
Energy Delivery	7,082,883
Water	6,670,823
Wastewater	7,229,150
Gas	637,403
Telecommunications	4,449,065
Administration	2,215,157
Budget, Finance and Accounting	840,667
Customer Support Services	6,032,969
Information Technology	6,711,052
Corporate Expenses	15,837,505
<b>Total Operations and Maintenance Non-Labor</b>	<b>\$ 75,953,676</b>

	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	7,728,704
Corporate Expenses	15,178,657
<b>Total Operations and Maintenance Non-Labor</b>	<b>\$ 80,607,871</b>

# Operations and Maintenance Non-Labor

## Energy Supply

	2021
Deerhaven Renewables Operations	\$ 2,976,251
Deerhaven Operations	3,250,563
Major Maintenance Group	5,549,210
South Energy Center	3,171,119
Kelly Plant Operations	1,182,496
Energy Supply Water Systems	824,575
Innovation Energy Center	285,690
Energy Supply Administration	638,114
Energy Supply Systems Control	239,635
Production Assurance Support	74,750
District Energy	36,749
Fuels	17,850
<b>Total Operations and Maintenance Non-Labor</b>	<b>\$ 18,247,002</b>

	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	478,763
Energy Supply Systems Control	200,182
Production Assurance Support	71,300
District Energy	46,030
Fuels	18,650
<b>Total Operations and Maintenance Non-Labor</b>	<b>\$ 23,884,878</b>



## Energy Supply Budget Highlights

Energy Supply is responsible for all power generation, power engineering, fuels management, and design, construction, operations, and maintenance of power systems. The power generation portfolio includes Deerhaven Renewable Generation Station (DHR), Deerhaven (DH), and John R. Kelly (JRK) Generating Station. District Energy, also managed by Energy Supply, includes the South Energy Center (SEC) and the Innovation Energy Center (IEC). During 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 2021 is estimated at 28% of our total forecasted load. GRU reached a peak of 41% for renewable energy in fiscal year 2019. Projected non-labor costs for DHR in fiscal year 2021 are \$3 million. Energy Supply's fiscal year 2021 non-labor budget reflects a 23.6% decrease over fiscal year 2020 budget with the primary component a drop in expected expenses for DH and DHR operations. Some of these reductions are offset by increased payroll cost resulting from the integration of the DHR employees from North American Energy Services. In addition, there are increased costs related to items such as chemicals, laboratory equipment, materials, services and regulations.





# Operations and Maintenance Non-Labor

## Energy Delivery

	2021
Electric Transmission and Distribution	\$ 3,918,535
Energy Delivery Systems Control	1,483,599
Energy Delivery/Administration	867,376
Substation/Relay/Relay Engineering	610,130
Electric Meter Measurement	139,933
Energy Delivery Electric Engineering	63,310
<b>Total Operations and Maintenance Non-Labor</b>	<b>\$ 7,082,883</b>

	2020
Electric Transmission and Distribution	\$ 3,054,495
Energy Delivery 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
<b>Total Operations and Maintenance Non-Labor</b>	<b>\$ 6,194,015</b>

## 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 61% 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 2021 non-labor budget is 14.4% more than fiscal year 2020. 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.



# Operations and Maintenance Non-Labor

## Water

	2021
Murphree Water Treatment Plant	\$ 5,694,650
Distribution	527,500
Engineering	208,750
Water / Wastewater Engineering	158,550
Water / Wastewater Administration	58,500
Water / Wastewater Planning	22,873
<b>Total Operations and Maintenance Non-Labor</b>	<b>\$ 6,670,823</b>

	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
<b>Total Operations and Maintenance Non-Labor</b>	<b>\$ 6,548,008</b>



## Water Department Budget Highlights

Water is responsible for the operation and maintenance of the water system to deliver a safe and reliable water supply that is provided by the Murphree Water Treatment Plant. Groundwater, from a well field tapping into the Floridan aquifer, is treated at Murphree Water Treatment Plant prior to distribution and eventual use. Water treatment and supply facilities are planned based on the need to provide reserve capacity under extreme conditions of extended drought, with attendant maximum demands for water and lowered aquifer water levels. Water treatment at Murphree consists of softening to protect the distribution system and improve customer satisfaction, fluoridation for improved cavity protection in young children, filtration, and chlorination for protection from microbial contamination. Specific treatment processes include sulfide oxidation, lime softening, pH stabilization, filtration, fluoridation, and chlorination.



GRU is constantly striving to mitigate expense increases to our Water System.

- Nearly 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 2021 non-labor budget has increased 1.9% or \$122,815 from fiscal year 2020.



# Operations and Maintenance Non-Labor

## Wastewater

	2021
Wastewater Lift Stations	\$ 739,400
Kanapaha Water Reclamation Facility	4,214,550
Mainstreet Water Reclamation Facility	1,582,600
Wastewater Collection	468,600
Wastewater Kanapaha Lab	184,850
Wastewater Engineering	30,900
Reclaimed Water Distribution	8,250
<b>Total Operations and Maintenance Non-Labor</b>	<b>\$ 7,229,150</b>

	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
<b>Total Operations and Maintenance Non-Labor</b>	<b>\$ 7,282,844</b>



## Wastewater Department Budget Highlights

Wastewater is responsible for the operation and maintenance of the wastewater system to deliver safe and reliable wastewater treatment and water reclamation from two facilities: Main Street Water Reclamation Facility (MSWRF) and Kanapaha Water Reclamation Facility (KWRF). The two Water Reclamation Facilities have advanced activated sludge treatment process units, influent screening and grit removal, clarification, filtration and disinfection. Biosolids from MSWRF are treated via aerobic digestion and are transferred to the KWRF facility where it is combined with KWRF biosolids for beneficial reuse and/or disposal. In addition, both Water Reclamation Facilities include a reclaimed water pumping station and distribution system. The reclaimed water distribution system currently includes a pipeline that provides reclaimed water for irrigation, recharge wetlands, and cooling uses. GRU is constantly striving to mitigate expense increases to our System.

The majority of non-labor expenses in the Wastewater System are associated with operating and maintaining the water reclamation facilities, lift stations, and wastewater collection 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 de minimus decrease in non-labor operations and maintenance from the fiscal year 2020 budget. The proposed decreases are primarily for reduced costs of electricity, chemicals, and laboratory analyses related to the operation of the water reclamation facilities and lift stations.



# Operations and Maintenance Non-Labor

## Gas

### 2021

Marketing	\$	284,034
Meter Measurement Operations		135,014
Transmission and Distribution Operations		87,697
Transmission and Distribution Administration		60,002
Transmission and Distribution Construction		64,159
Transmission and Distribution Engineering		6,497
<b>Total Operations and Maintenance Non-Labor</b>	<b>\$</b>	<b>637,403</b>

### 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
<b>Total Operations and Maintenance Non-Labor</b>	<b>\$</b>	<b>620,343</b>



## Gas Budget Highlights

The Gas System is responsible for the construction, operation and maintenance of the natural gas transmission and distribution systems. The majority of the non-labor expenses in the system are costs associated with contract and professional services, materials and supplies, equipment and training. Due to the age of the workforce, there has been a high rate of turn-over in personnel. This increases costs associated with training new employees, as their training period is three years of progressively more difficult tasks. The Gas System proposes a 2.8% increase in non-labor operations and maintenance from the fiscal year 2020 budget. Currently, trucks and equipment are being kept longer than in the past.

This increases costs associated with maintaining the equipment and trucks. GRU has aggressively been replacing pipelines made of dated materials with modern polyethylene. There is no cast iron and only a few miles of inferior materials left to replace. This will ultimately result in lower costs associated with leaks and improve the safety of the system. Construction activities have increased dramatically in the past several years resulting in a higher level of damage repairs. There are other increased costs related to other items. However, GRU is constantly striving to mitigate those increases.



# Operations and Maintenance Non-Labor Telecommunications

	2021
Trunked Radio System	\$ 1,356,692
Network Operations	696,287
Technology and Services Administration	67,410
Business Administration	429,509
Customer Operations	645,660
Chief Officer	219,314
Voice Operations	378,874
Central Office Operations	161,732
Network Operations Center	157,747
Towers 1-12	125,422
Internet Operations	125,810
Research and Develop	-
GatorNet	64,608
Engineering and Construction Administration	20,000
<b>Total Operations and Maintenance Non-Labor</b>	<b>\$ 4,449,065</b>

	2020
Trunked Radio System	\$ 1,375,154
Network Operations	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
Network Operations Center	-
Towers 1-12	66,810
Internet Operations	47,545
Research and Develop	25,500
GatorNet	9,353
Engineering and Construction Administration	-
<b>Total Operations and Maintenance Non-Labor</b>	<b>\$ 4,242,268</b>



## Telecommunications Budget Highlights

Telecommunications provides services which include Internet and data transport to local businesses, government agencies, multiple dwelling units 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 colocation services in the system's central office. As demand for bandwidth continues to grow, there are associated increases in equipment and support fees related to upgrading the core network.

New product expansion has required additional professional services for implementation assistance and regulatory support resulting in a 4.9% increase from fiscal year 2020 approved budget. GRUCom is constantly striving to mitigate increases through regular contract negotiations with vendors.



# Operations and Maintenance Non-Labor Administration

	2021
General Manager	\$ 747,814
Community Relations	514,922
Communications	473,648
Safety	177,050
Electric Environment	155,130
Training	82,000
Electric Reliability	50,193
Chief Operating Officer	14,400
<b>Total Operations and Maintenance Non-Labor</b>	<b>\$ 2,215,157</b>

	2020
General Manager	\$ 679,903
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 Change Officer	-
<b>Total Operations and Maintenance Non-Labor</b>	<b>\$ 2,177,376</b>



## Administration Budget Highlights

Administration includes the General Manager's office, the Office of Inclusion, 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. The Office of Inclusion is responsible for the utility's overall community relations by planning and executing several programs and events that benefit our community, including the Brighter Tomorrow Scholarship Banquet, Camp EmPower and the Williams Elementary Benefit Golf Tournament. The Office of Inclusion is also responsible for GRU's inclusion and diversity initiative. Communications is responsible for the overall marketing and communications of the utility. This area's budget has increased slightly from fiscal year 2020 to fiscal year 2021 by 1.7%.



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

	2021
Chief Financial Officer	\$ 406,511
Treasury	307,400
Project Management	50,000
Managerial Accounting	36,500
Rates and Forecasting	8,556
Financial Accounting	27,500
Budget	1,700
Accounts Payable	2,500
<b>Total Operations and Maintenance Non-Labor</b>	<b>\$ 840,667</b>

	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
<b>Total Operations and Maintenance Non-Labor</b>	<b>\$ 578,742</b>



## Budget, Finance, and Accounting Budget Highlights

Budget, Finance and Accounting (BFA) provides leadership to ensure the long-term financial health of GRU. BFA is responsible for all financial and accounting activity for the utility. This includes the overall budget preparation and execution, long-term financial planning and forecasting, cash management and forecasting, debt issuance and compliance, credit metrics and ratings, treasury, rate formulation, financial reporting, benchmarking, regulatory and tax reporting, and various other responsibilities. In addition, BFA manages the utility-wide corporate expenses on page 80. 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 increased \$261,925 from fiscal year 2020's budget to complete implementation of the Treasury function in SAP.





# Operations and Maintenance Non-Labor

## Customer Support Services

2021

Facilities Maintenance	\$ 3,048,148
Customer Services	498,940
Billing and Customer Solutions	670,510
Energy and Business Services	626,268
Administrative Services	442,295
Mail Services	305,750
Revenue Assurance	179,070
New Services	86,082
Land Rights / Real Estate	29,200
Customer Operations	92,950
Chief Customer Officer	15,670
Utilities Stores	22,481
Procurement	10,277
Project Management Office	5,328

<b>Total Operations and Maintenance Non-Labor</b>	<b>\$ 6,032,969</b>
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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
Procurement	9,814
Project Management Office	6,150

<b>Total Operations and Maintenance Non-Labor</b>	<b>\$ 6,172,036</b>
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## Customer Support Services Budget Highlights

Customer Support Services includes the Chief Customer Office, Customer Operations, Customer Operations Project Management Office, Customer Service, Billing & Customer Solutions, Revenue Assurance, New Services, Administrative Services, Land Rights/Real Estate, Utility Stores, Mail Services, Facilities Maintenance, Procurement, and Energy & Business Services. Facilities Maintenance manages utility services and continually strives to lower costs through energy efficiency and usage optimization. This area also manages chiller units at the Administration Building and the Eastside Operations Center (EOC) in addition to hundreds of smaller HVAC systems and lighting systems throughout the 60+ facilities they maintain. Energy & Business Services is charged with customer education regarding utility usage and conservation. This area also manages the Low Income Energy Efficiency Programplus (LEEPplus) which provides energy efficiency upgrades, averaging \$4,250 per home, to low income homeowners. Customer Operations is responsible for the overall customer experience. This includes Billing & Customer Solutions which manages the budget for bill presentment, printing, mailing, and postage associated with the creation and distribution of over 100,000 customer bills per month. Customer Support Services reflects a 2.3% decrease in non-labor operations and maintenance expenses from the fiscal year 2020 budget. The decrease was due mainly to the completion of two customer experience enhancement projects and travel restrictions imposed by the pandemic.



# Operations and Maintenance Non-Labor Information Technology

	2021
Governance and Compliance	\$ 3,606,555
ERP Program Management	2,062,672
Technical Management	395,800
Application Management	154,320
Service Desk	334,478
Administration	126,627
Project Management	30,600
<b>Total Operations and Maintenance Non-Labor</b>	<b>\$ 6,711,052</b>

	2020
Governance and Compliance	\$ 3,229,522
ERP Program Management	2,797,645
Technical Management	630,904
Application Management	551,440
Service Desk	434,000
Administration	65,568
Project Management	19,625
<b>Total Operations and Maintenance Non-Labor</b>	<b>\$ 7,728,704</b>



## Information Technology Budget Highlights

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

Expenses are budgeted to support the continued effort to replace aging software, equipment and infrastructure for the utility and general government's technology environment and are cyclical. IT's budget also includes expenses for ongoing application and infrastructure support and training for IT staff. Training is vital to the support and management of City wide Enterprise Resource Planning (ERP) systems, revenue collection systems and other critical IT infrastructure.

Continuous evaluations of software applications and support agreements allows IT to maintain compliance as well as keeping the computing environment secure. One of the goals of these evaluations is to uncover cost savings for the organization by consolidating software and retiring products that are more expensive to maintain. IT reflects a 13.2% decrease in non-labor operations and maintenance expenses from the approved fiscal year 2020 budget.



# Operations and Maintenance Non-Labor

## Corporate Expenses

	2021
Joint Services - General Government	\$ 2,674,362
Vehicle and Transportation	2,892,678
Risk Management	2,200,000
Debt Service Fees	2,535,201
Pension Bonds	2,385,504
Uncollectible Accounts	803,820
Property Insurance - Plant	1,261,144
Worker's Compensation	317,817
Insurance Premiums	1,076,904
Insurance - Transportation Eq Liability	405,220
Bank Fees	72,000
Audit Fees	218,000
Fleet Expenses to Capital	(1,005,145)
<b>Total Operations and Maintenance Non-Labor</b>	<b>\$ 15,837,505</b>

	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
Property Insurance - Plant	800,000
Worker's Compensation	531,000
General Liability	515,600
Insurance Premiums	490,000
Insurance - Transportation Eq Liability	-
Bank Fees	-
Audit Fees	218,000
Fleet Expenses to Capital	(3,037,649)
<b>Total Operations and Maintenance Non-Labor</b>	<b>\$ 15,178,657</b>





# Fiscal Year 2021 Budget

## Fuels

# Fiscal Year 2021 Budget

## Fuels

	2021
Coal	\$ 17,751,635
Natural Gas	24,305,367
Biomass	24,782,570
Local Distribution Customer Sales	7,024,802
SolarFit	5,177,874
Purchased Power	7,622,399
Marion County Landfill Gas	3,120,333
Renewable Energy Credits	40,000
<b>Total Fuels</b>	<b>\$ 89,824,980</b>

	2020
Coal	\$ 29,402,952
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
<b>Total Fuels</b>	<b>\$ 89,535,976</b>





# Fiscal Year 2021 Budget **Uses of Net Revenues**

# Fiscal Year 2021 Uses of Net Revenues

## Combined Systems

	2021
Debt Service	\$ 92,382,912
Utility Plant Improvement Fund	43,675,766
General Fund Transfer	38,285,000
Debt Defeasance	1,830,052
<b>Total Uses of Net Revenues</b>	<b>\$ 176,173,730</b>

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

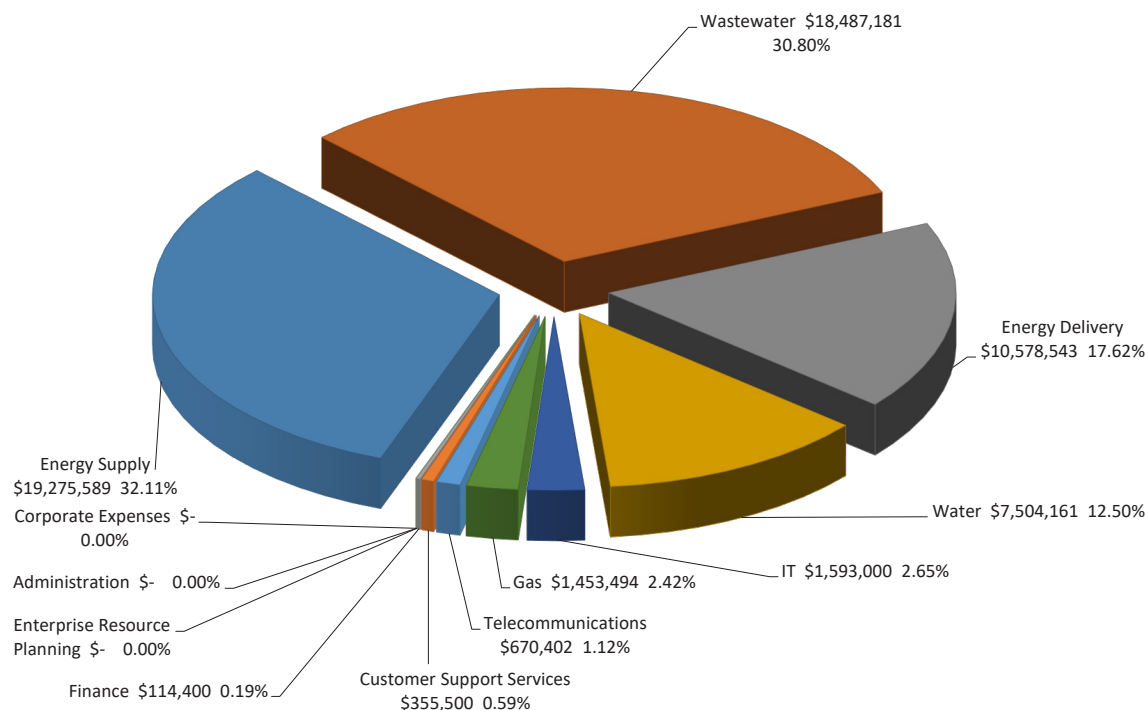




## Fiscal Year 2021 Budget **Capital Non-Labor**

# Capital Non-Labor

## Lines of Business

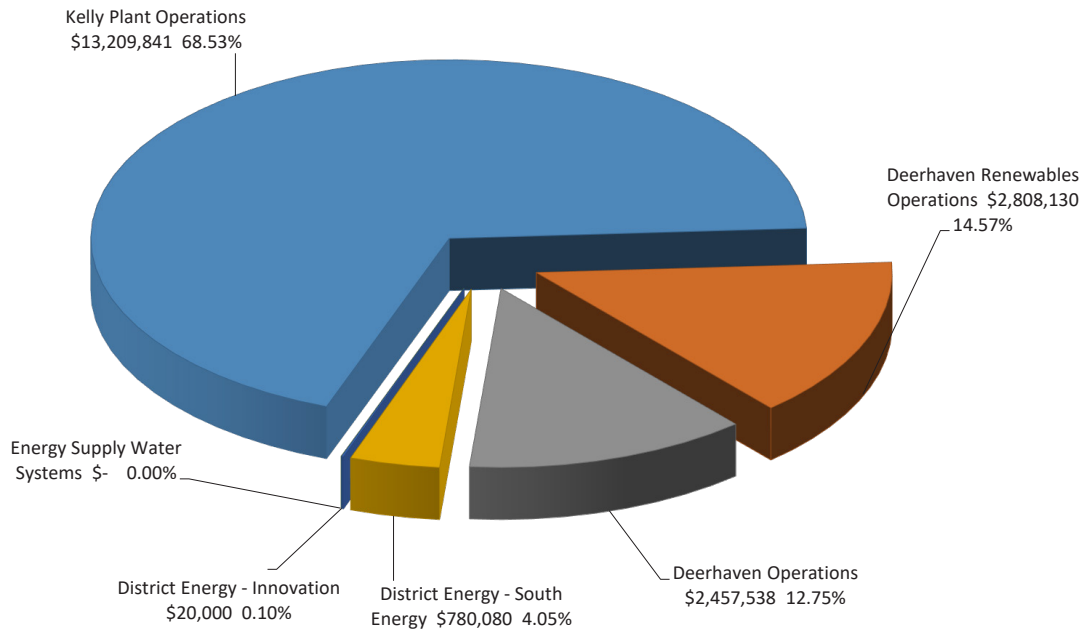


2021		
Energy Supply	\$	19,275,589
Wastewater		18,487,181
Energy Delivery		10,578,543
Water		7,504,161
IT		1,593,000
Gas		1,453,494
Telecommunications		670,402
Customer Support Services		355,500
Finance		114,400
Enterprise Resource Planning		-
Administration		-
Corporate Expenses		-
<b>Total Capital Non-Labor</b>	<b>\$</b>	<b>60,032,270</b>

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

# Capital Non-Labor

## Energy Supply



2021

Kelly Plant Operations	\$	13,209,841
Deerhaven Renewables Operations		2,808,130
Deerhaven Operations		2,457,538
District Energy - South Energy		780,080
District Energy - Innovation		20,000
Energy Supply Water Systems		-

<b>Total Capital Non-Labor</b>	<b>\$</b>	<b>19,275,589</b>
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2020

Kelly Plant Operations	\$	9,851,500
Deerhaven Renewables Operations		1,578,000
Deerhaven Operations		9,853,000
District Energy - South Energy		560,000
District Energy - Innovation		20,000
Energy Supply Water Systems		949,725

<b>Total Capital Non-Labor</b>	<b>\$</b>	<b>22,812,225</b>
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# Energy Supply

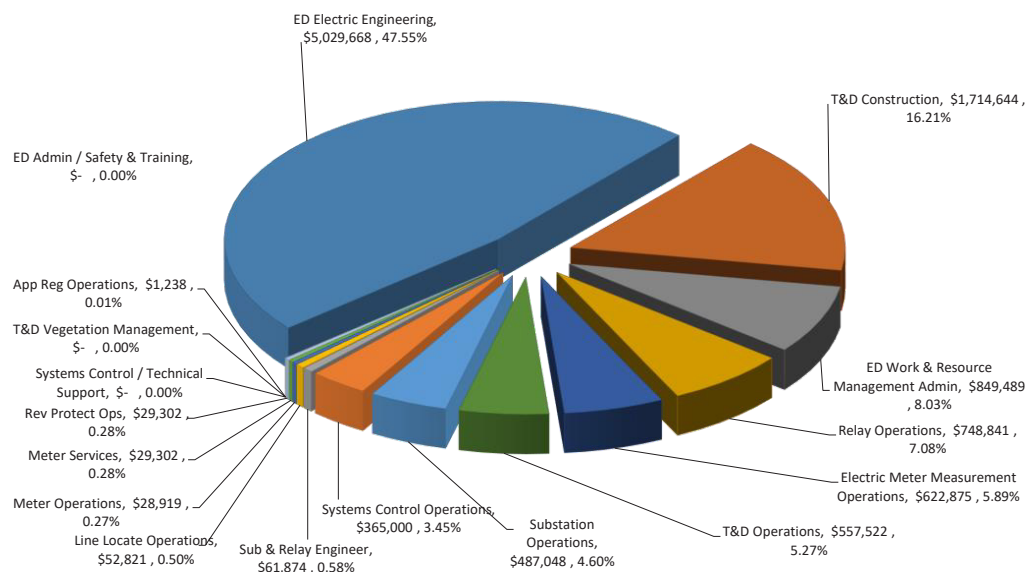
### Energy Supply Budget Highlights

Energy Supply is responsible for all power generation, power engineering, fuels management, and design, construction, operations, and maintenance of power systems. Capital non-labor work for fiscal year 2021 is \$3.5 million less than planned capital non-labor work for fiscal year 2020. Both Deerhaven (DH) and South Energy Center (SEC) capital non-labor expenses are reduced for fiscal year 2021 due to reduction in projects and decrease in contracted costs, respectively. Energy Supply plans on performing approximately \$ 18.2 million worth of capital replacement of the John R. Kelly (JRK) Generating Station Unit #8 turbine and generator.

---

# Capital Non-Labor

## Energy Delivery



2021		
ED Electric Engineering	\$	5,029,668
T&D Construction		1,714,644
ED Work & Resource Management Admin		849,489
Relay Operations		748,841
Electric Meter Measurement Operations		622,875
T&D Operations		557,522
Substation Operations		487,048
Systems Control Operations		365,000
Sub & Relay Engineer		61,874
Line Locate Operations		52,821
Meter Operations		28,919
Meter Services		29,302
Rev Protect Ops		29,302
Systems Control / Technical Support		-
T&D Vegetation Management		-
App Reg Operations		1,238
ED Admin / Safety & Training		-
<b>Total Capital Non-Labor</b>	<b>\$</b>	<b>10,578,543</b>

2020		
ED Electric Engineering	\$	4,644,415
T&D Construction		1,656,690
ED Work & Resource Management Admin		1,845,000
Relay Operations		267,759
Electric Meter Measurement Operations		790,416
T&D Operations		817,000
Substation Operations		3,017,213
Systems Control Operations		-
Sub & Relay Engineer		-
Line Locate Operations		42,140
Meter Operations		-
Meter Services		87,906
Meter Services		58,604
Systems Control / Technical Support		-
T&D Vegetation Management		20,000
App Reg Operations		-
ED Admin / Safety & Training		25,000
<b>Total Capital Non-Labor</b>	<b>\$</b>	<b>13,272,143</b>



# Energy Delivery

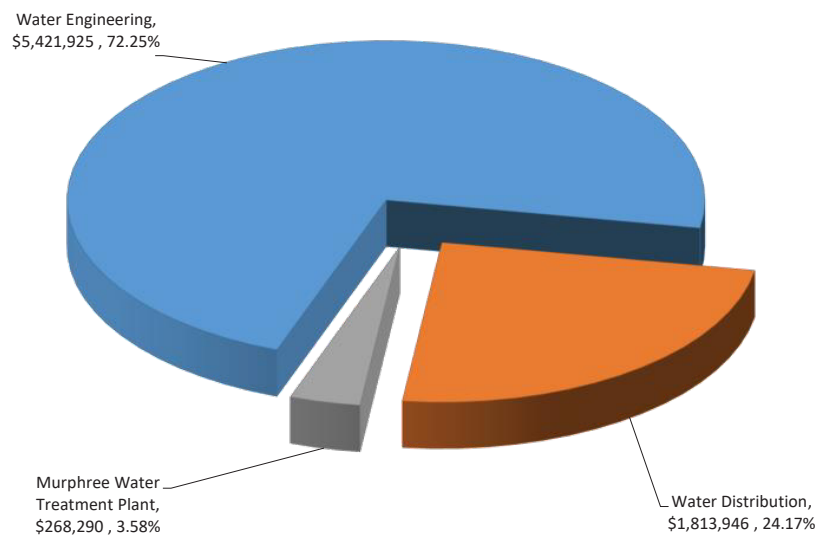
### Energy Delivery Budget Highlights

Energy Delivery is responsible for the construction, operation and maintenance of the electric transmission and distribution systems. This includes Engineering, Systems Control, Substations and Relay, Electric T&D, Field Services, and Electric Measurements & 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. Energy Delivery continues to improve the reliability and resilience of our electric transmission and distribution systems by prudently spending capital dollars to achieve those goals where our efforts will be most effective. Energy Delivery’s fiscal year 2021 capital non-labor budget is 20.3% less than fiscal year 2020.

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# Capital Non-Labor

# Water



2021		
Water Engineering	\$	5,421,925
Water Distribution		1,813,946
Murphree Water Treatment Plant		268,290
<b>Total Capital Non-Labor</b>	<b>\$</b>	<b>7,504,161</b>

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

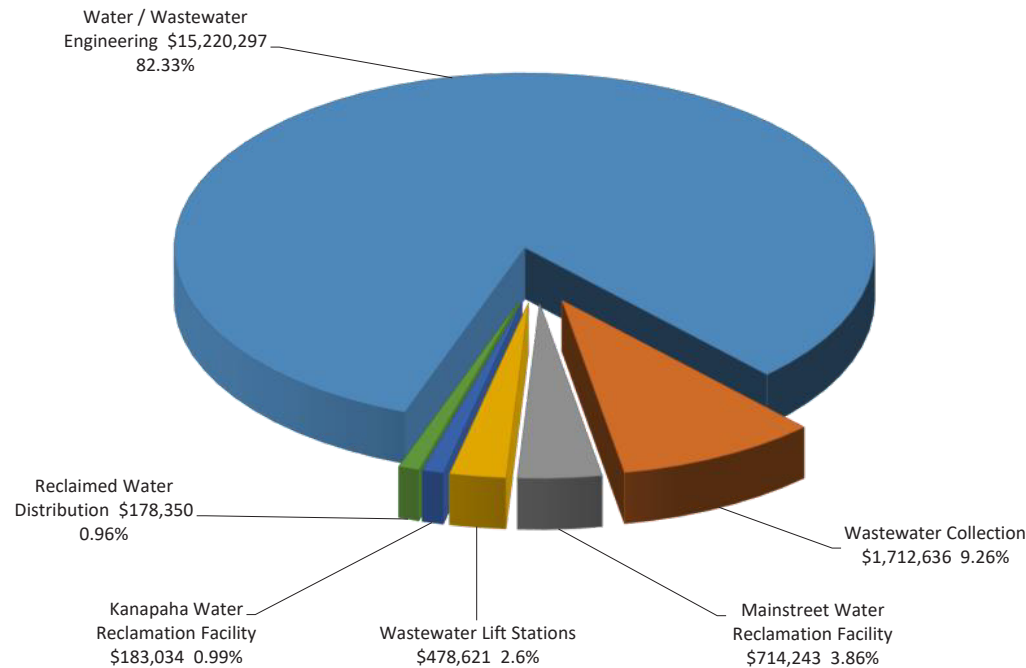
## Water Department Budget Highlights

Water is responsible for the design, construction, and rehabilitation of the water system to deliver a safe and reliable water supply that is provided by the Murphree Water Treatment Plant. Groundwater, from a well field tapping into the Floridan aquifer, is treated at Murphree Water Treatment Plant prior to distribution and 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. The Water System capital non-labor budget for fiscal year 2021 is 10.0% more than the fiscal year 2020 budget. GRU is constantly striving to mitigate expense increases to our Water System.

---

# Capital Non-Labor

## Wastewater



2021

Water / Wastewater Engineering	\$	15,220,297
Wastewater Collection		1,712,636
Mainstreet Water Reclamation Facility		714,243
Wastewater Lift Stations		478,621
Kanapaha Water Reclamation Facility		183,034
Reclaimed Water Distribution		178,350
<b>Total Capital Non-Labor</b>	<b>\$</b>	<b>18,487,181</b>

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
<b>Total Capital Non-Labor</b>	<b>\$</b>	<b>17,358,143</b>

# Wastewater

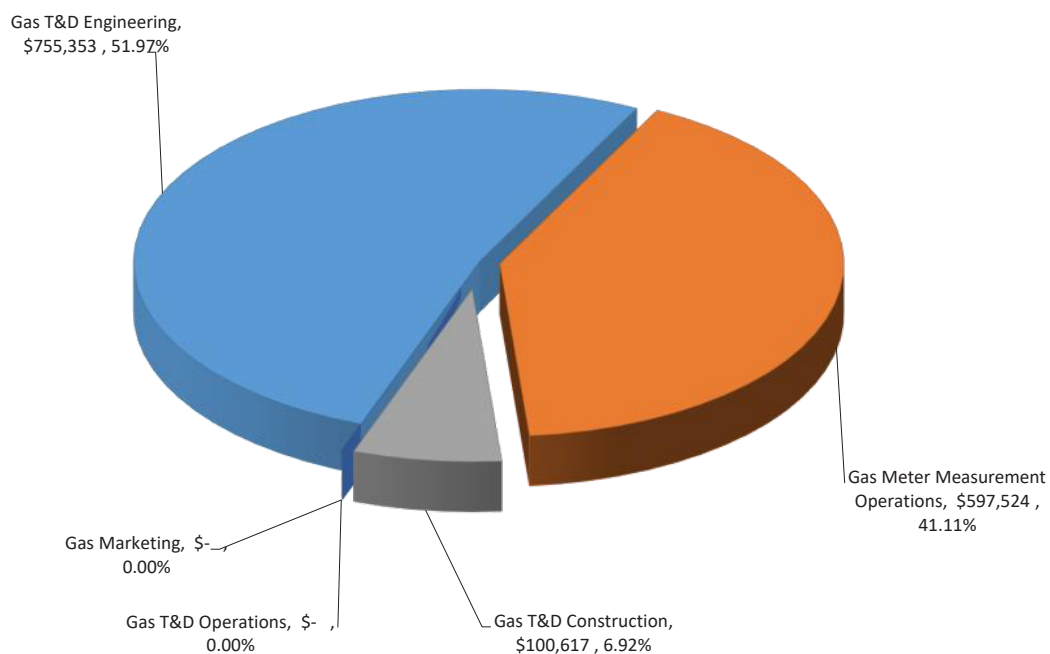
### Wastewater Department Budget Highlights

Wastewater is responsible for the design, construction and rehabilitation of the wastewater system to deliver safe and reliable wastewater treatment and water reclamation from two facilities: Main Street Water Reclamation Facility (MSWRF) and Kanapaha Water Reclamation Facility (KWRF). The two Water Reclamation Facilities have advanced activated sludge treatment process units, influent screening and grit removal, clarification, filtration and disinfection. Biosolids from MSWRF are treated via aerobic digestion and are transferred to the KWRF facility where it is combined with KWRF biosolids for beneficial reuse and/or disposal. In addition, both Water Reclamation Facilities include a reclaimed water pumping station and distribution system. The reclaimed water distribution system currently includes a pipeline that provides reclaimed water for irrigation, recharge wetlands, and cooling uses. The Wastewater System capital non-labor budget for fiscal year 2021 is 6.5% more than the fiscal year 2020 budget. GRU is constantly striving to mitigate expense increases to our Wastewater System.

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# Capital Non-Labor

## Gas



**2021**

Gas T&D Engineering	\$	755,353
Gas Meter Measurement Operations		597,524
Gas T&D Construction		100,617
Gas T&D Operations		-
Gas Marketing		-

<b>Total Capital Non-Labor</b>	<b>\$</b>	<b>1,453,494</b>
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**2020**

Gas T&D Engineering	\$	306,564
Gas Meter Measurement Operations		1,353,860
Gas T&D Construction		804,896
Gas T&D Operations		53,749
Gas Marketing		-

<b>Total Capital Non-Labor</b>	<b>\$</b>	<b>2,519,069</b>
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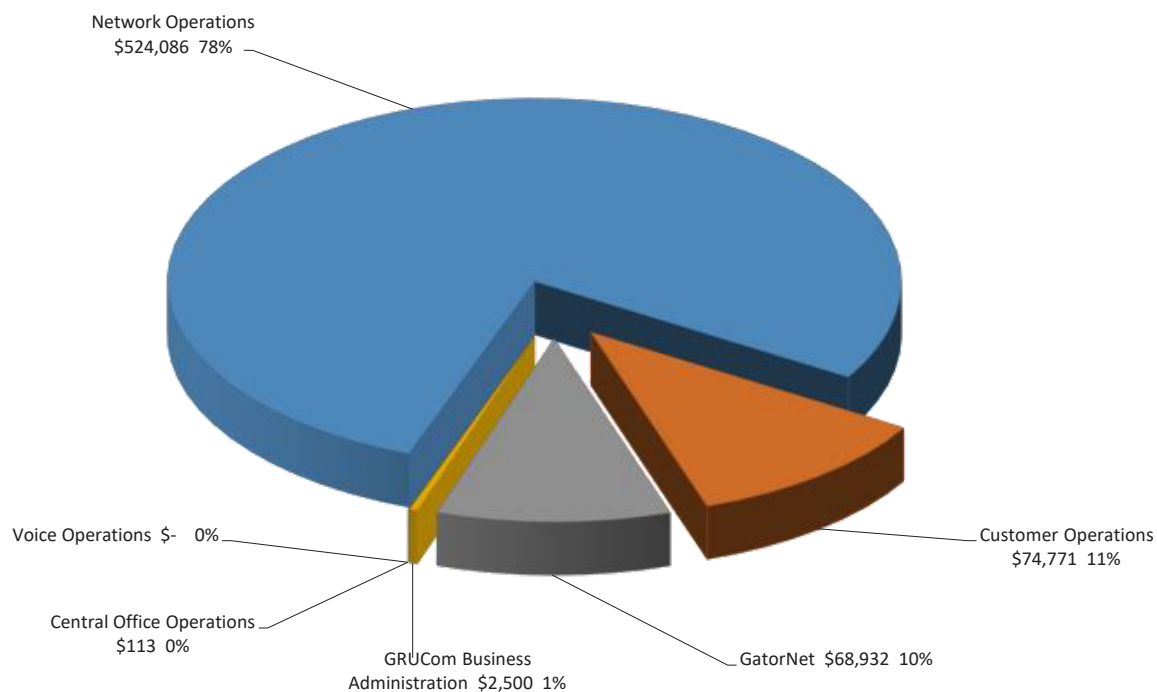


## Gas Budget Highlights

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 pressure regulating stations, metering and measuring equipment. The system proposes a \$1.1 million reduction in their fiscal year capital non-labor budget when compared to the fiscal year 2020 budget. More than half of that reduction is in their gas metering and measurement group mainly in the areas of reductions in outside services and equipment purchases. There are several large projects that have been proposed that we no longer believe will come to fruition in 2021. Thus, Gas Engineering is proposing a decrease in the purchase of materials and supplies for fiscal year 2021.

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# Capital Non-Labor Telecommunications



2021

Network Operations	\$	524,086
Customer Operations		74,771
GatorNet		68,932
GRUCom Business Administration		2,500
Central Office Operations		113
Voice Operations		-
<b>Total Capital Non-Labor</b>	<b>\$</b>	<b>670,402</b>

2020

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

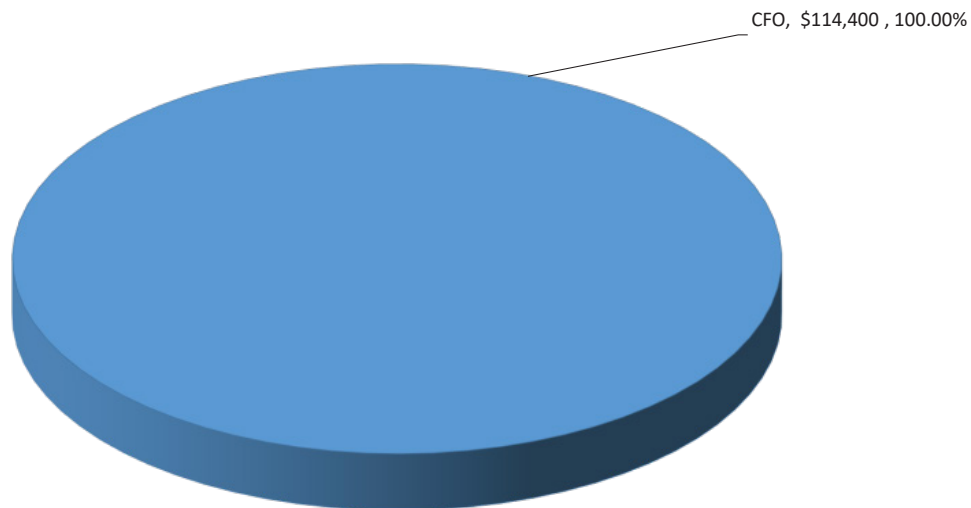
# Telecommunications

### **Telecommunications Budget Highlights**

Telecommunications provides services that include Internet and data transport to local businesses, government agencies, multiple dwelling units 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 colocation services in the system's central office. To support business needs of customers, GRUCom has moved to a hosted ERP solution that has contributed to a reduced capital expenditure outlook for fiscal year 2021 and future fiscal years.

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# Capital Non-Labor Budget, Finance, and Accounting



2021		
CFO	\$	114,400
<b>Total Capital Non-Labor</b>	<b>\$</b>	<b>114,400</b>

2020		
CFO	\$	-
<b>Total Capital Non-Labor</b>	<b>\$</b>	<b>-</b>

# Capital Non-Labor Budget, Finance, and Accounting

## **Budget, Finance, and Accounting Budget Highlights**

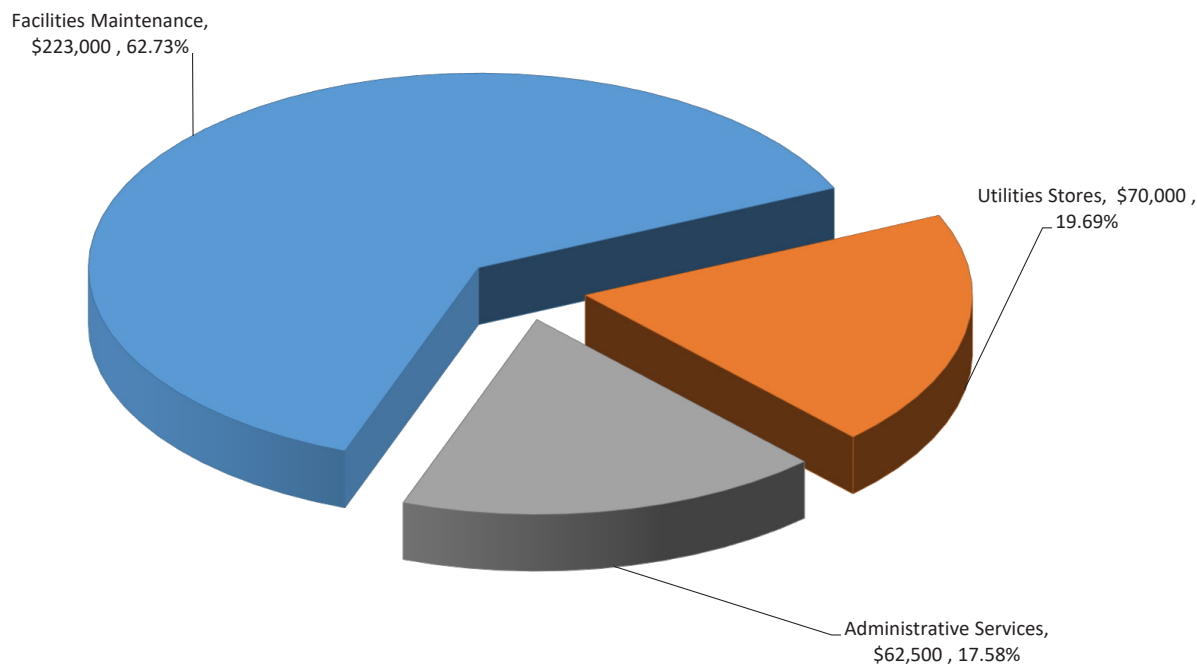
Budget, Finance and Accounting (BFA) provides leadership to ensure the long-term financial health of GRU. BFA is responsible for all financial and accounting activity for the utility. This includes the overall budget preparation and execution, long-term financial planning and forecasting, cash management and forecasting, debt issuance and compliance, credit metrics and ratings, treasury, rate formulation, financial reporting, benchmarking, regulatory and tax reporting, and various other responsibilities. 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 capital non-labor budget represents equipment purchases for the City of Gainesville's fleet garage.

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# Capital Non-Labor

## Customer Support Services



2021		
Facilities Maintenance	\$	223,000
Utilities Stores		70,000
Administrative Services		62,500
<b>Total Capital Non-Labor</b>	<b>\$</b>	<b>355,500</b>

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

# Customer Support Services

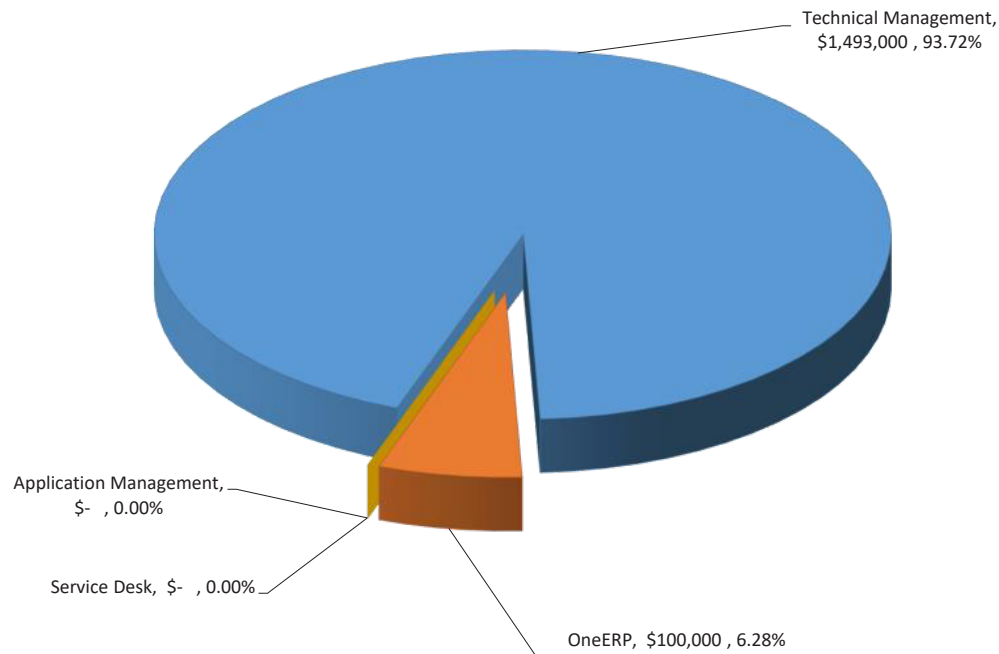
### Customer Support Services Budget Highlights

Customer Support Services includes the Chief Customer Office, Customer Operations, Customer Operations Project Management Office, Customer Service, Billing & Customer Solutions, Revenue Assurance, New Services, Administrative Services, Land Rights/Real Estate, Utility Stores, Mail Services, Facilities Maintenance, Procurement, and Energy & Business Services. All of Customer Support Services' capital budget resides in the Administrative Services, Utility Stores, and Facilities Maintenance areas. Customer Support Services reflects a \$264,500 decrease in non-labor capital expenses from the fiscal year 2020 budget. The decrease is due mainly to numerous capital projects completed in fiscal year 2020, such as the security access system hardware upgrade and the emergency generator enhancements for the Eastside Operations Center campus.

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# Capital Non-Labor

## Information Technology



2021	
Technical Management	\$ 1,493,000
OneERP	100,000
Application Management	-
Service Desk	-
<b>Total Capital Non-Labor</b>	<b>\$ 1,593,000</b>

2020	
Technical Management	\$ 590,000
OneERP	100,000
Application Management	-
Service Desk	-
<b>Total Capital Non-Labor</b>	<b>\$ 690,000</b>

# Information Technology

### **Information Technology**

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

Capital expenses are budgeted to support the continued effort to replace aging software, equipment and infrastructure for the utility and general government's technology environment.

The cyclical nature of replacing aging servers and network equipment causes periodic spikes in capital expenses. IT reflects a \$903,000 increase in non-labor capital expenses that includes an increase in technical management from the approved fiscal year 2020 budget.

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# Fiscal Year 2021 Budget Financial Reserves and Ratios



# Fiscal Year 2021 Financial Reserves and Ratios

## Reserve Requirements and Reserve Funded

	Budget 2020	Budget 2021
<b>Reserve Requirements:</b>		
Electric	\$ 57,371,000	\$ 59,092,130
Water	4,944,000	5,092,320
Wastewater	6,077,000	6,259,310
Gas	4,532,000	4,667,960
Telecommunications	1,957,000	2,015,710
<b>Total Reserve Requirements</b>	<b>\$ 74,881,000</b>	<b>\$ 77,127,430</b>
<b>Reserve Funded:</b>		
Rate Stabilization Fund	\$ 53,333,636	\$ 50,702,513
Operating Cash (60 days)	4,465,571	4,584,256
Utility Plant Improvement Fund	23,591,018	47,320,325
<b>Total Reserve Funded</b>	<b>\$ 81,390,225</b>	<b>\$ 102,607,094</b>
<b>Amount Over/(Under) Funded</b>	<b>\$ 6,509,225</b>	<b>\$ 25,479,664</b>

### 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.

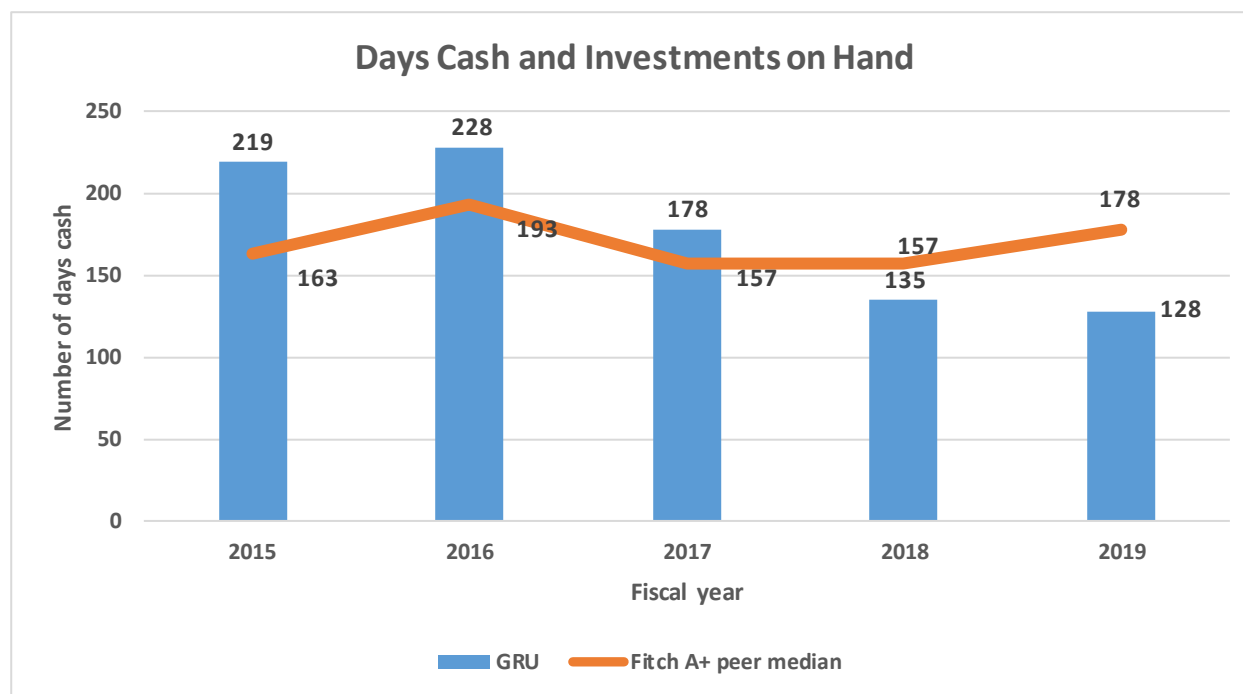
Accordingly, the methodology of what resources could be counted as available to meet reserve requirements was modified as well. Prior to the adoption of the cash balance policy, the following resources were deemed eligible to meet reserve requirements:

- 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. As detailed above, total reserves for budget year 2021 significantly exceed the reserve level required by policy. However, there are three large projects – Gasification of Deerhaven 2, implementation of the new Customer Billing System, and Advanced Metering Infrastructure (AMI) which we plan to fund primarily utilizing Utility Plant Improvement Funds.

## Fiscal Year 2021

### Financial Reserves and Ratios



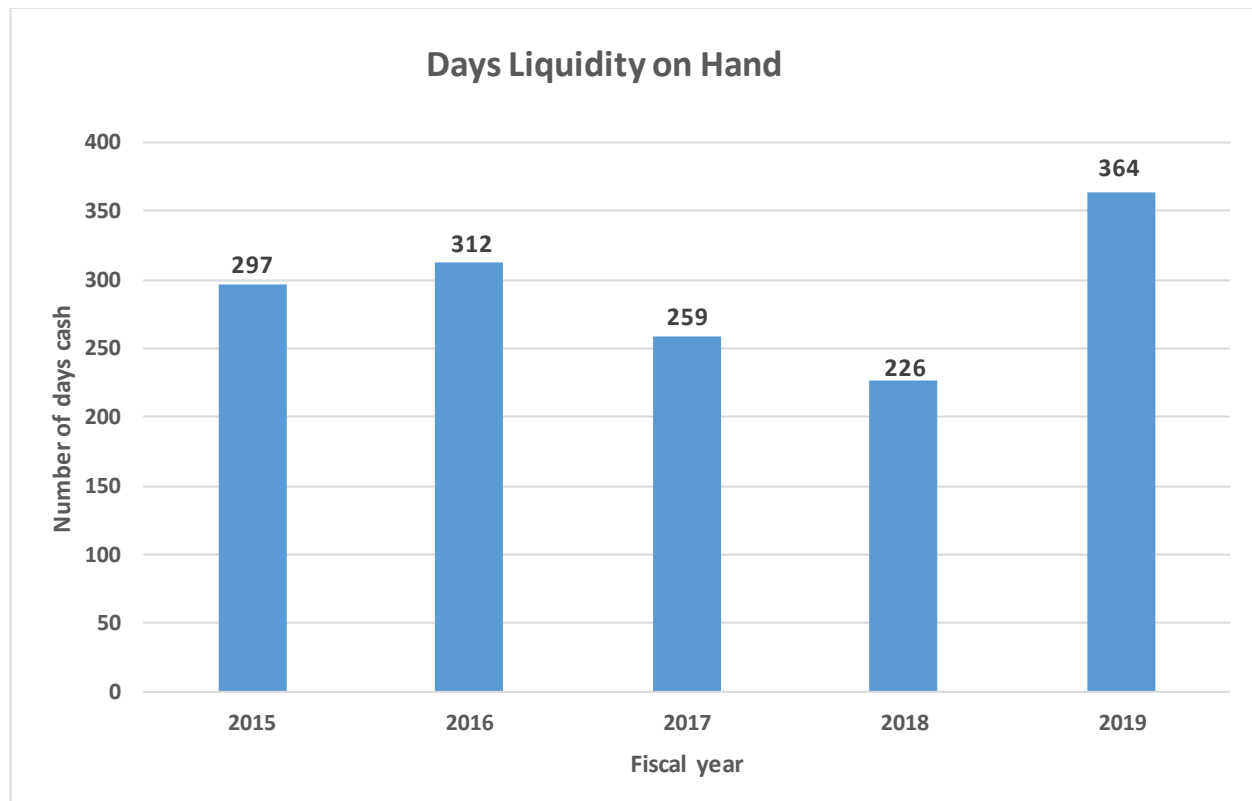
**Days Cash and Investments on Hand:** Number of days operating cash on hand. This metric indicates financial flexibility, specifically cash and short-term investments, relative to expenses.

**Formula:** Unrestricted cash divided by average daily operating expense.

## Fiscal Year 2021

### Financial Reserves and Ratios

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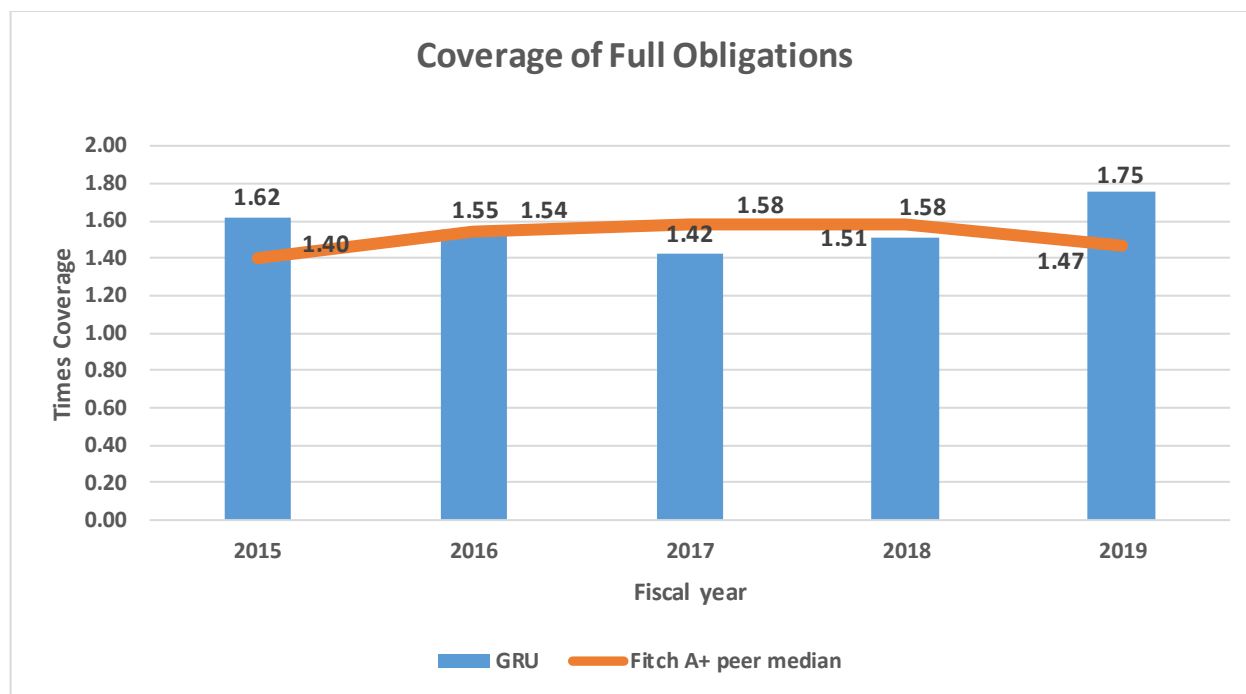


**Days Liquidity on Hand:** Number of days liquidity on hand. This metric indicates financial flexibility, including all available sources of cash, short-term investments and liquidity, relative to expenses.

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

## Fiscal Year 2021

### Financial Reserves and Ratios

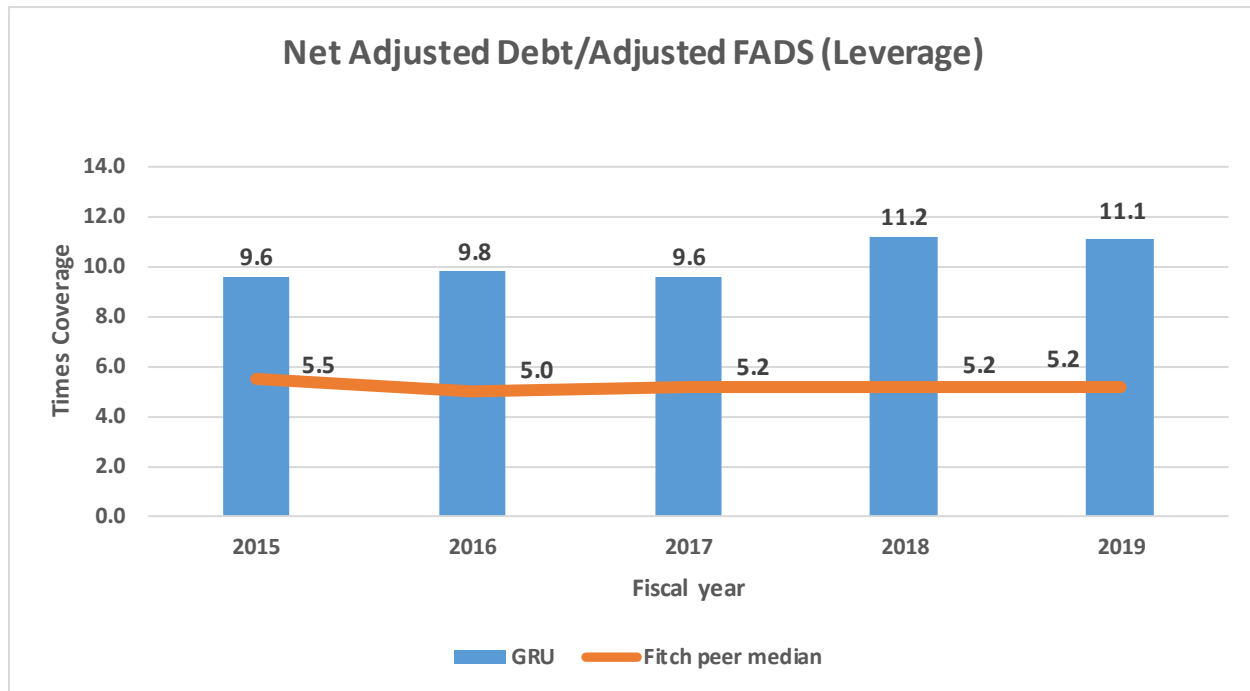


**Coverage of Full Obligations:** Number of times total fixed obligations are covered by funds available to pay debt service. This metric provides an indicator of the margin available to meet current debt service requirements and other fixed obligations.

**Formula:** Adjusted funds available for debt service divided by total fixed obligations.

## Fiscal Year 2021

### Financial Reserves and Ratios



**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 2021 Budget

## **Total Costs by Line of Business**

## Fiscal Year 2021 Budget

# Total Costs by Line of Business

	Payroll	Operations and Maintenance Non-Labor	Capital Non- Labor	2021
Energy Supply	\$ 22,348,809	\$ 18,247,002	\$ 19,275,589	\$ 59,871,400
Energy Delivery	22,073,295	7,082,883	10,578,543	39,734,721
Water	7,351,018	6,670,823	7,504,161	21,526,002
Wastewater	8,843,743	7,229,150	18,487,181	34,560,074
Gas	3,423,168	637,403	1,453,494	5,514,065
Telecommunications	3,805,432	4,449,065	670,402	8,924,899
Administration	4,326,462	2,215,157	-	6,541,619
Budget, Finance & Accounting	3,911,608	1,040,667	114,400	5,066,675
Customer Support Services	8,458,034	6,032,969	355,500	14,846,503
Information Technology	9,109,655	6,711,052	1,593,000	17,413,707
Corporate Expenses	-	15,637,505	-	15,637,505
<b>Total Costs by Line of Business</b>	<b>\$ 93,651,224</b>	<b>\$ 75,953,676</b>	<b>\$ 60,032,270</b>	<b>\$ 229,637,170</b>

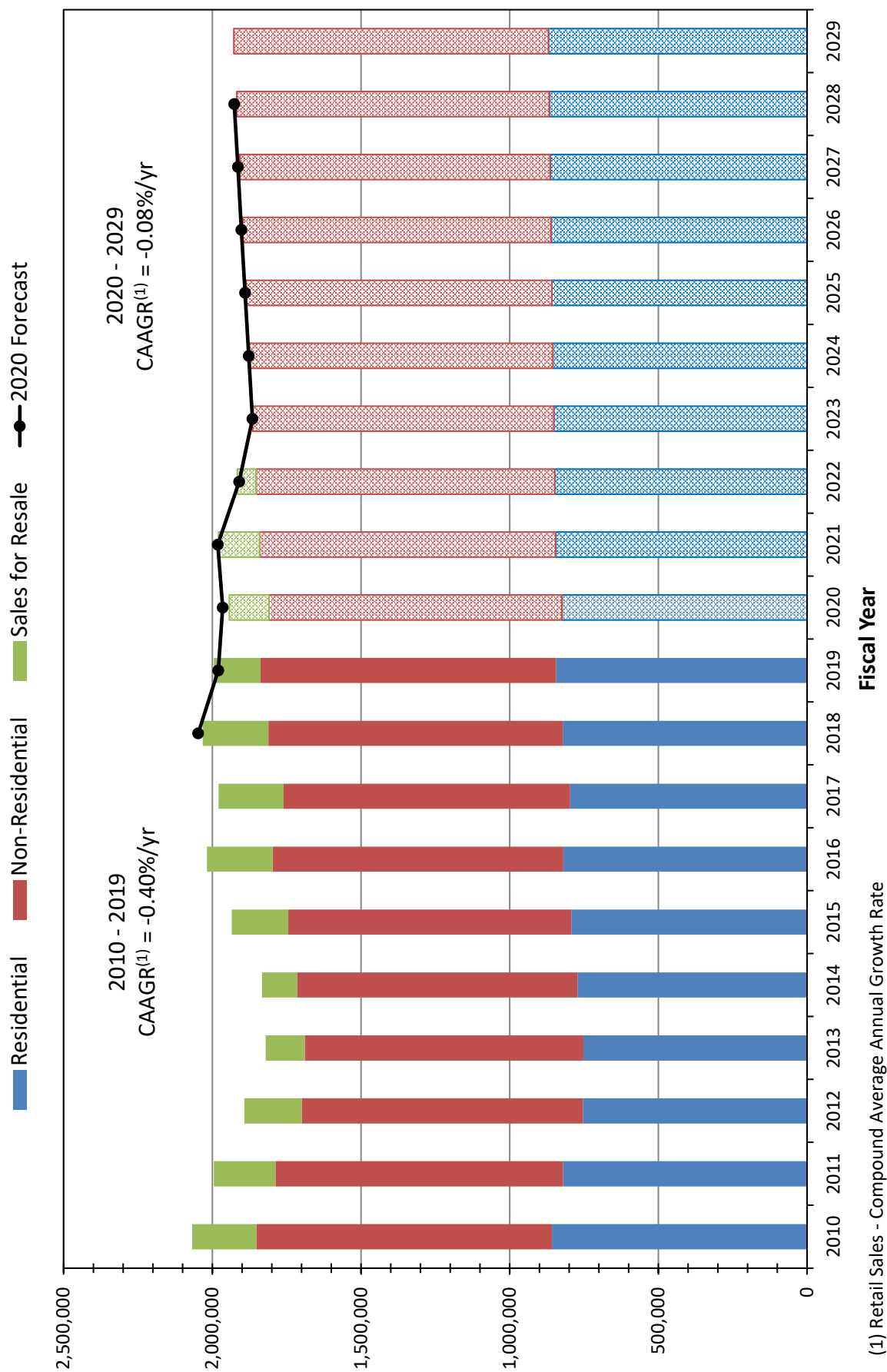
	Payroll	Operations and Maintenance Non-Labor	Capital Non- Labor	2020
Energy Supply	\$ 19,342,399	\$ 23,884,878	\$ 22,812,225	\$ 66,039,502
Energy Delivery	21,539,460	6,194,015	13,272,143	41,005,618
Water	6,781,795	6,548,008	6,820,913	20,150,716
Wastewater	8,469,448	7,282,844	17,358,143	33,110,435
Gas	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	7,728,704	690,000	16,445,215
Corporate Expenses	-	15,178,657	2,955,198	18,133,855
Total Rewards	1,523,458	-	-	1,523,458
<b>Total Costs by Line of Business</b>	<b>\$ 89,194,556</b>	<b>\$ 80,607,871</b>	<b>\$ 68,562,195</b>	<b>\$ 238,364,622</b>



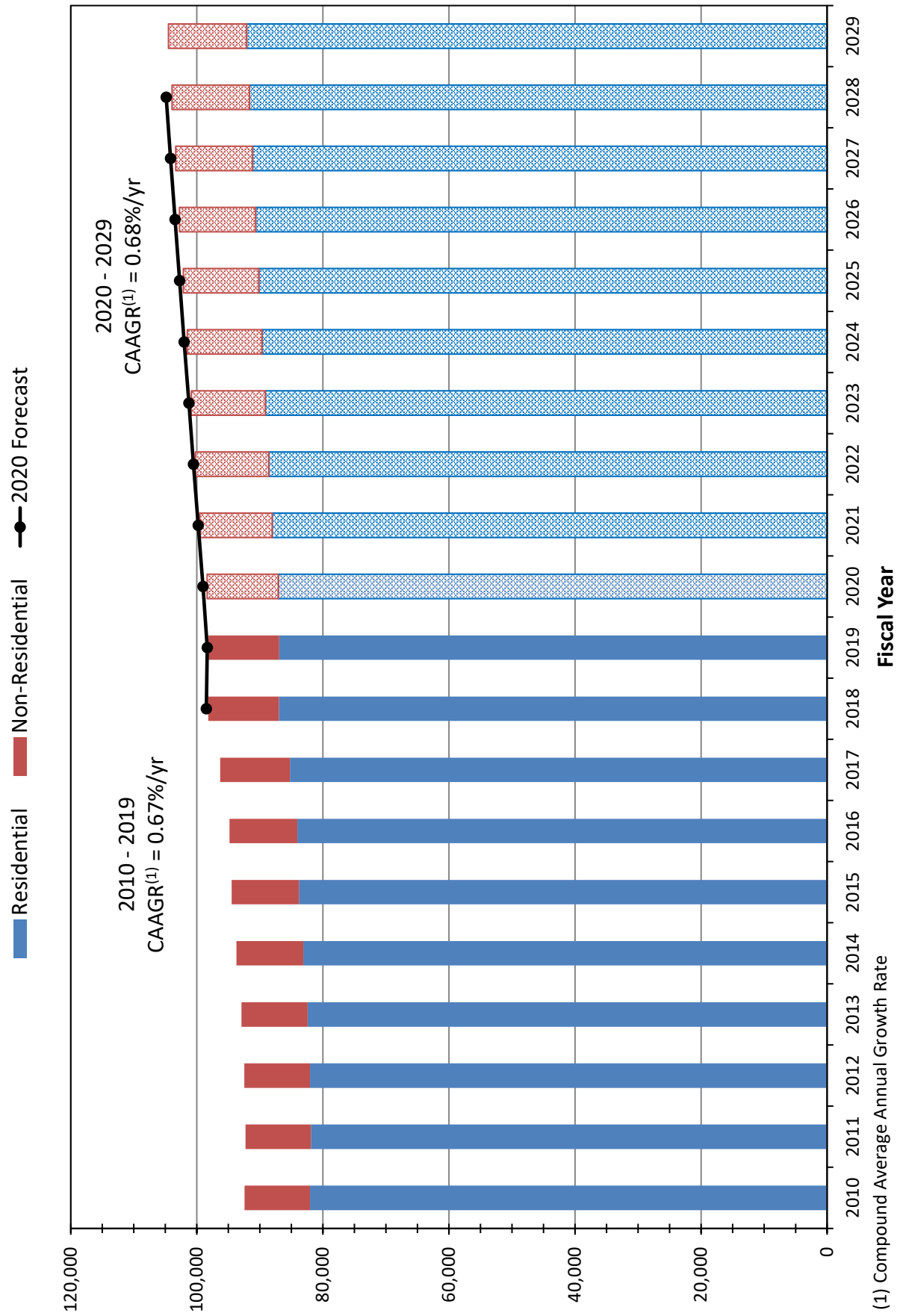


# Fiscal Year 2021 Budget **Appendix**

# Electric Energy Sales MegaWatt-hours

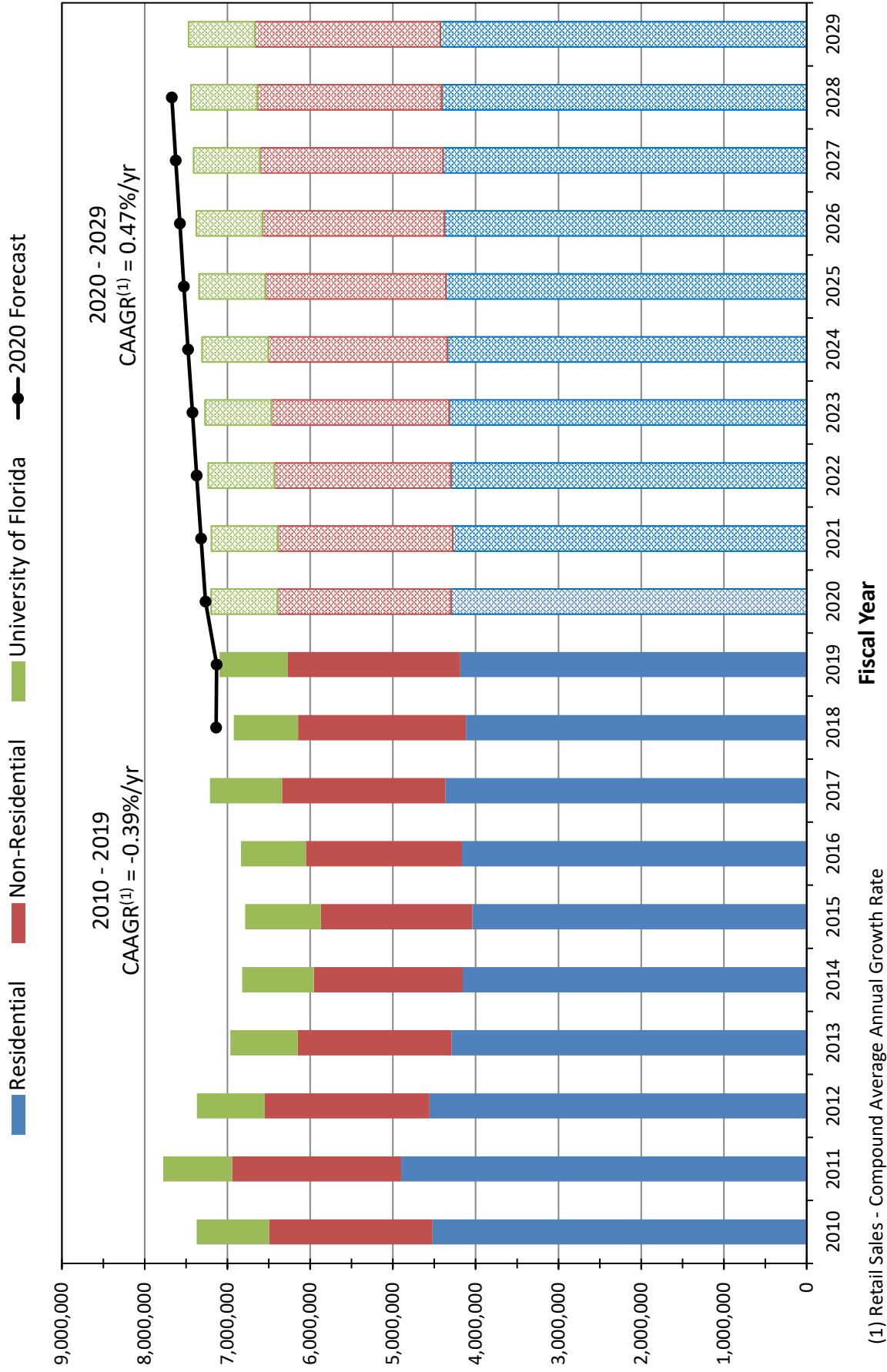


## Electric Customers



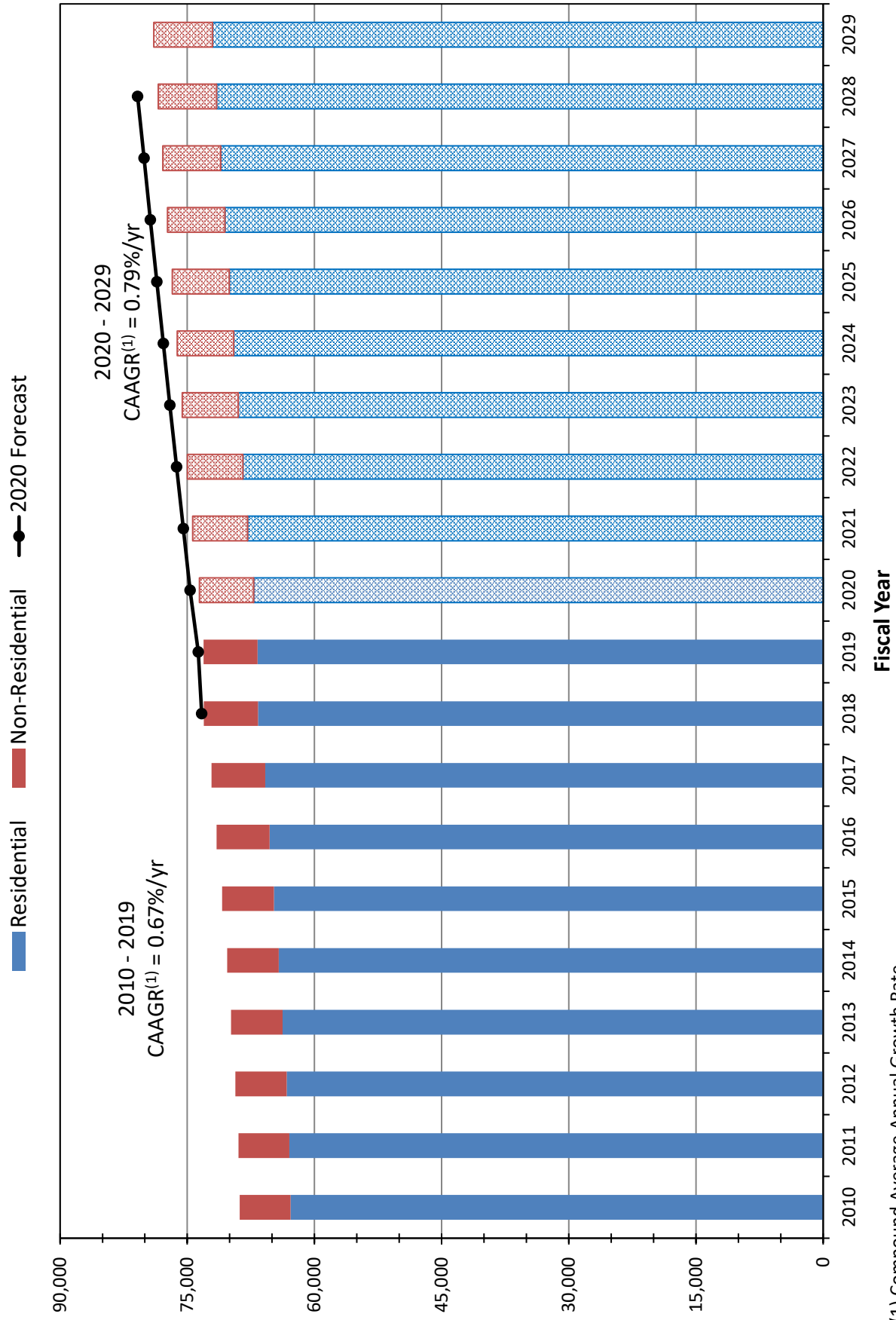


# Water Sales Thousand Gallons (kgal)

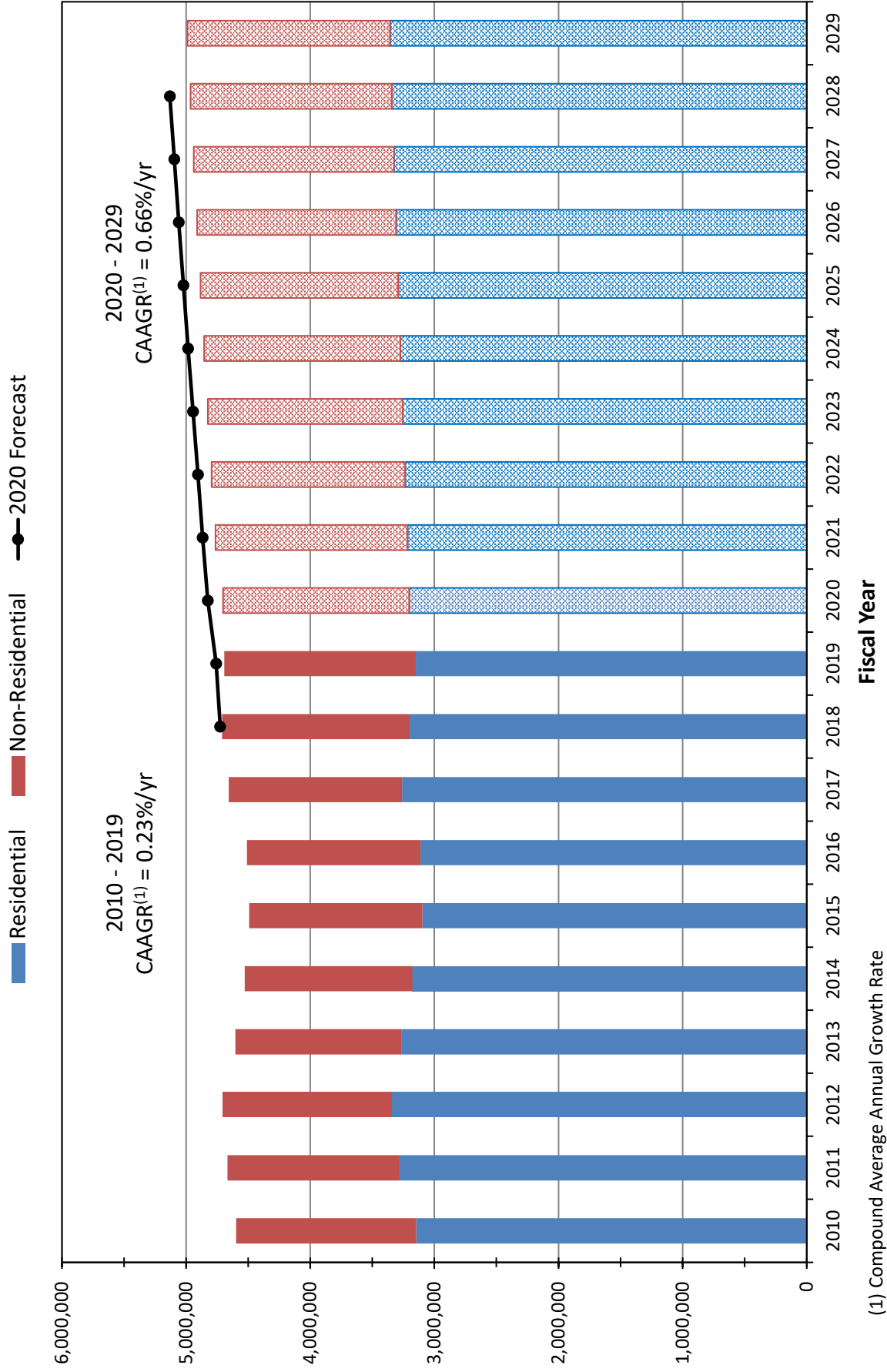




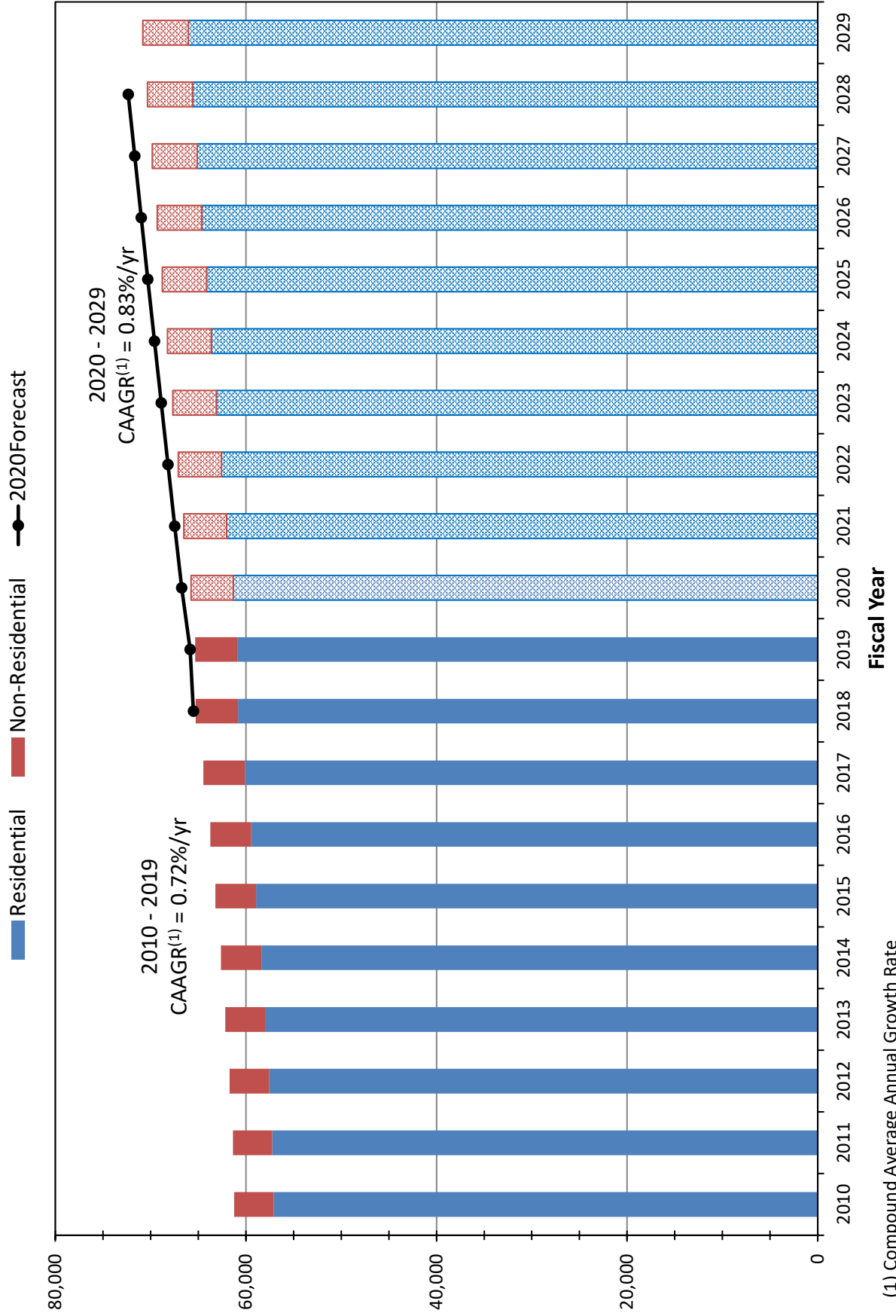
## Water Customers



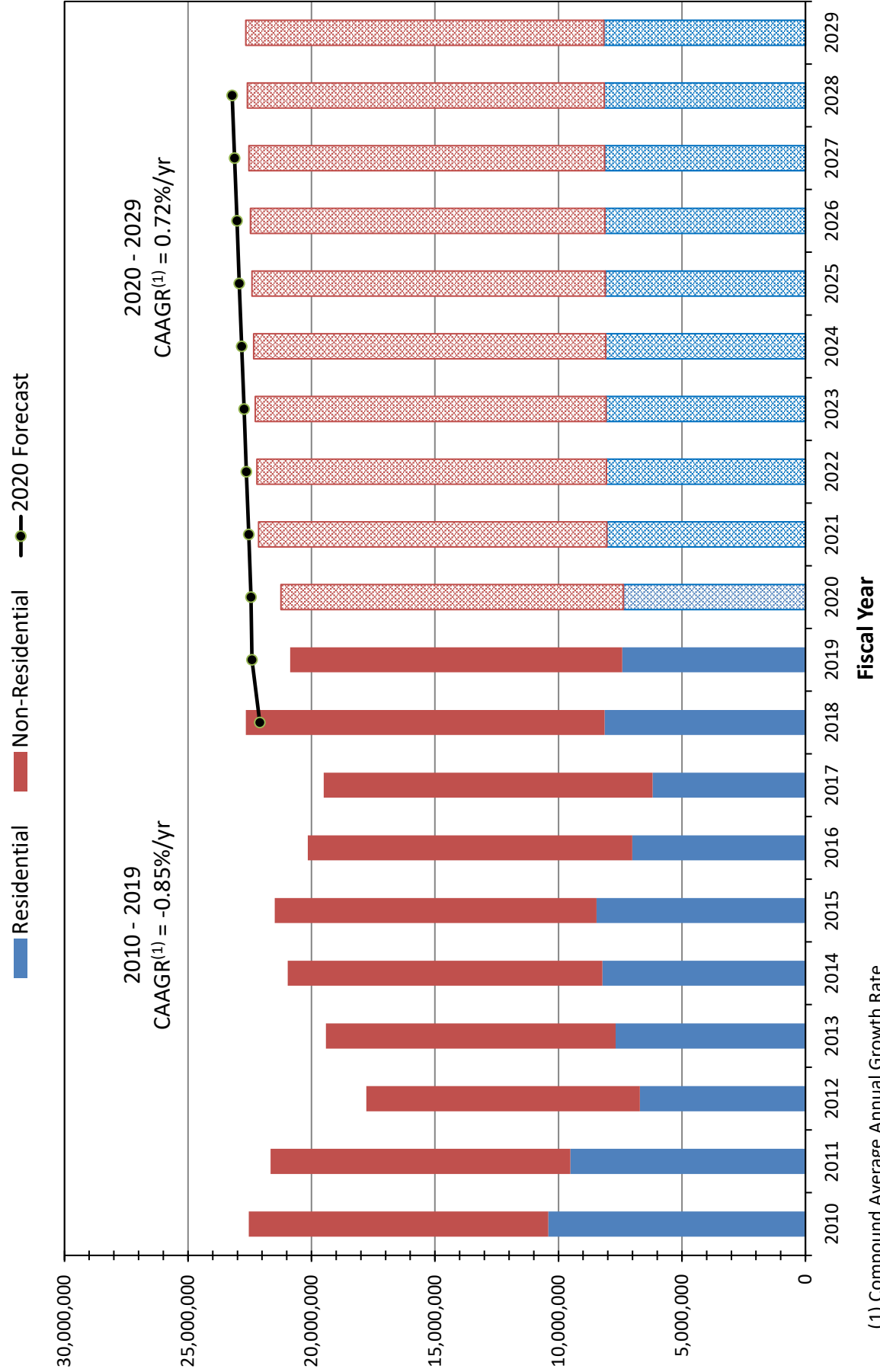
# Wastewater Billings Thousand Gallons (kgal)



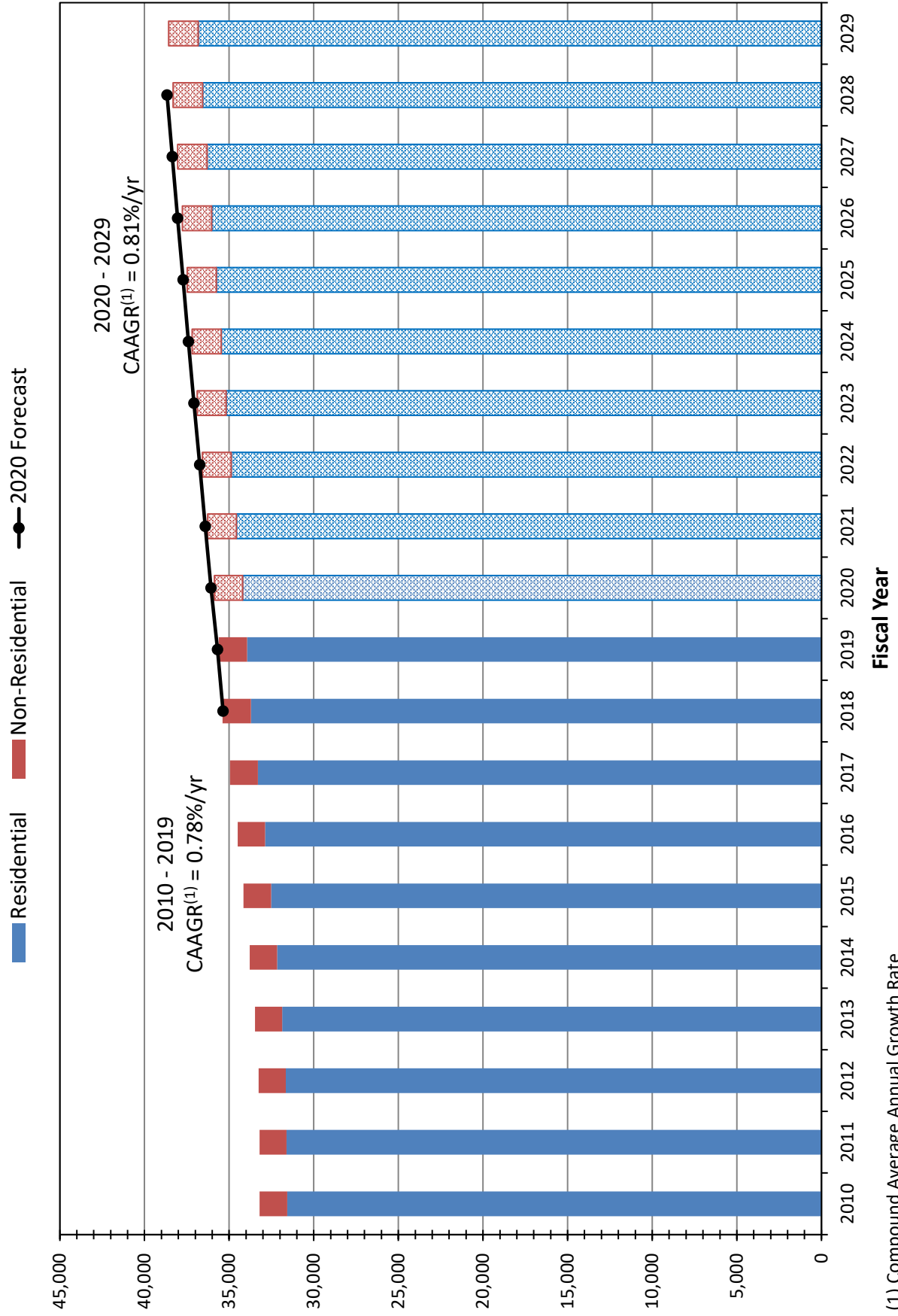
## Wastewater Customers



# Natural Gas Energy Sales Therms



# Natural Gas Customers





# Fiscal Year 2021 Budget

## Glossary

**Compound Average Annual Growth Rate (CAAGR or CAGR)**

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

**Connection Charges**

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

**Customer Charge**

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

**Debt Service Fund**

Funds used to pay principal and interest on outstanding debt.

**Electric Reliability**

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

**Fuel Adjustment Revenue**

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

**GATOR NET**

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

**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.