



It's disheartening to see a trusted public servant so grossly mischaracterize the truth, especially as she sat quietly for many years as the City Commission destructively mismanaged GRU. Where was this bold voice when the commission burdened GRU customers with a \$2.5 billion biomass plant agreement or when the commission forced a general fund transfer that was \$68 million more than the utility earned from 2018 to 2021?

What Rep. Hayes Hinson irresponsibly cites as "deteriorating finances" are standard utility practices recommended by our highly qualified budget, financing and accounting staff and approved by me and then the GRU Authority.

I'll start with GRU's cash-on-hand and reserve balances. GRU has \$145 million in cash reserves, approximately \$30 million more than our target. The issue is simply in which account we hold that money. Like your personal checking and savings accounts, if you need to pay a bill that draws your checking balance too low, you move money from savings.

In GRU's case, an extremely cold winter caused fuel prices to spike, leading us to increase our fuel adjustment. Fuel is a passthrough cost for us, meaning we pass the expense on to customers monthly without a profit. Instead of passing all that cost on at once, we spread it over 12 months to lessen the impact on our customers' bills. To do that, we have moved \$16 million from our rate stabilization fund, which exists for instances like this, to a more accessible account.

Amid these normal customer-first business practices, GRU is entering its third consecutive year with no base rate increases for electric or gas customers, which is the driving force behind reducing a 1,000 kWh residential electric bill from highest in the state under the commission to middle-third under the Authority. In fact, the gap between GRU and the average for all Florida municipal utilities is the lowest it's been in more than 15 years. Further, when adjusted for inflation, GRU's residential electric bills are actually lower than they were 15 years ago, which you could unlikely say about many other services. Additionally:

- As discussed above, GRU has gradually increased its fuel adjustment four times in four months in response to weather-related high natural gas prices and the need to recover these energy costs over a rolling 12-month period, rather than in

one lump sum, which would unnecessarily and dramatically burden our customers. This is the best industry practice followed by us and our peers.

- While under the City Commission, GRU's fuel adjustment reached 80 mills, but I do not recall seeing a call for a recovery plan from Rep. Hayes Hinson during that time.
- GRU is taking on a long-planned \$150 million in debt for improvements to our water/wastewater systems. GRU is finishing what the City Commission started when it first approved Main Street Water Reclamation Facility upgrades in 2019 and is now entering into Phase 2 of construction.
- Even with this planned expense, GRU is on track to reduce its debt by almost \$400 million over the horizon that was launched in 2022.

I am glad that Rep. Hayes Hinson is finally paying attention to GRU; however, we desperately need leadership that relies on facts and data, not commissioner-produced TikTok videos for their information. The irony of Rep. Hayes Hinson's solution to the alleged concerns over GRU's "deteriorating finances" is that leaving GRU's reserves untouched would impose even further increases on GRU customers. After all, if we didn't take money from well-funded reserves that have been set aside to pay this variable fuel expense, we would necessarily need to increase electric base rates. That is something the Authority and I are committed to avoiding.

- Ed Bielarski, CEO Gainesville Regional Utilities