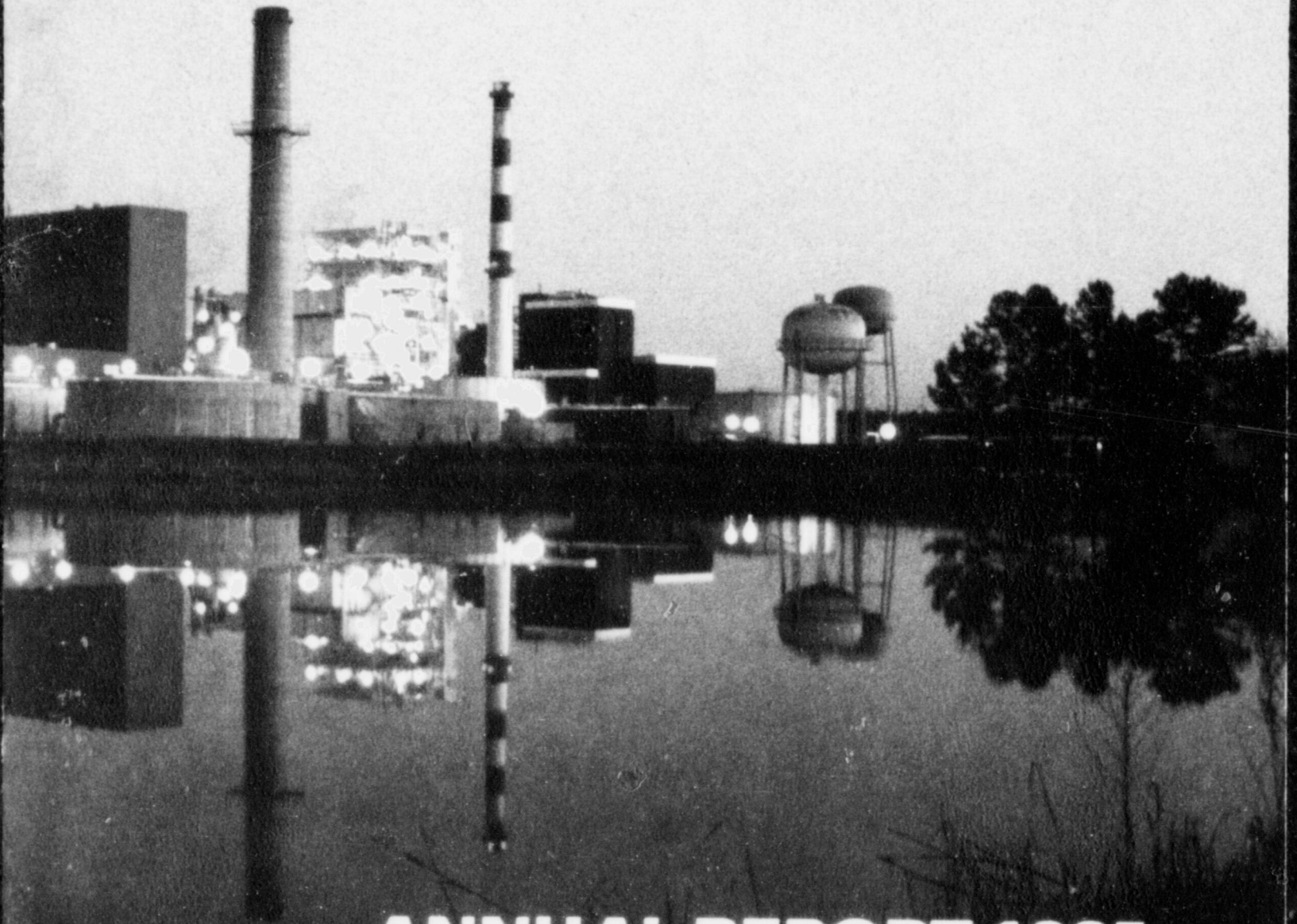


# GAINESVILLE REGIONAL UTILITIES



## ANNUAL REPORT 1985

10000 Orange Blossom  
EIR - ADDEN - 35170101

# City Commission

Left to right

**BEVERLY HILL**

Mayor-Commissioner Pro Tem

**JEAN CHALMERS**

Commissioner

**GARY GORDON**

Mayor-Commissioner

**DAVID FLAGG**

Commissioner

**W.E. "MAC" McEACHERN**

Commissioner



## Foreword

The City of Gainesville is located in north central Florida midway between the Gulf of Mexico and the Atlantic Ocean. With an area of 35 square miles, it is the largest city in Alachua County. The estimated population of the Gainesville urban area is 129,000.

The University of Florida, with more than 35,000 students and employing over 18,000 faculty and staff at an annual payroll in excess of \$260 million, is the most significant factor in Gainesville's economy. Shands Teaching Hospital and Clinics, with an annual payroll of more than \$50 million for its 2,500 employees, is a leading example of the economic impact by the area's medical institutions. The Gainesville area is one of the largest educational and medical complexes in the South.

Gainesville Regional Utilities (GRU), a combined utilities system owned by the City, provides Gainesville and certain unincorporated areas of Alachua County with electric, water, and wastewater services.

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## To Our Owners and Customers

Building upon a record of success, Gainesville Regional Utilities continued in 1985 to establish new benchmarks of service to our customers and community.

Financial performance of the combined systems achieved a record high of \$41.4 million in net revenues with an attendant rise to a 2.31 debt coverage ratio. Major factors in this \$6.1 million improvement over budget projections included a 20 percent increase in interchange energy sales, higher than expected growth in local sales, and improved operating efficiencies.

Due primarily to increased availability of our Deerhaven 2 coal-fired generating unit, GRU was able to provide \$17 million in fuel savings to Florida's electric customers through greater Energy Broker interchange sales to other utilities. At the same time, our own local customers continued to enjoy the lowest residential electric rates of Florida's nine major generating utilities. Efforts to establish firm markets for our surplus generation resulted in new contracts to supply power to the Florida Municipal Power Agency and the City of Alachua. Additional service schedules were added to our interchange contracts with twelve of Florida's seventeen generating utilities.

Strong customer growth and higher than expected use per customer contributed to increased retail sales in all three utilities, as shown in the adjacent "Highlights" tabulation. Operating and maintenance expenses were held under budget as our employees continued to pursue economies in operations throughout the year. Competitive fuel purchasing reduced coal costs \$2.7 million below budget, and continued use of our Tax Exempt Commercial Paper program brought 1985 savings of \$2.6 million over estimated interest on alternative long-term bonds.

No accomplishment during the year was more rewarding than providing higher quality of service to our customers. During a two-week "rush" period this summer, service applications were processed for ten thousand returning college students with no wait in line longer than ten minutes and no wait for service connection longer than twenty-four hours. Two water extension projects provided relief from the hazard of contaminated private wells to citizens in the community of Fairbanks to the north of Gainesville and in the Old Archer Road area at the southern edge of our system.

Recognition of achievements by our staff came from many quarters. Florida's Department of Environmental Regulation once again recognized the Murphree Water Treatment Plant as the best operated plant in Florida's Northeast District. Gainesville's original water supply, the historic Boulware Springs Waterworks, was named an American Water Landmark by the American Waterworks Association and was listed on the prestigious National Register of Historic Places. Half of the design cost for the City's project to restore the facility has been awarded in a Florida Historic Preservation Grant. Leadership roles were assumed by our employees this year in such industry organizations as the Florida Municipal Utilities Association and the Florida Electric Power Coordinating Group.

The bottom line of any financial statement is "profit," and the 1985 benefits from GRU to our owners — the people of Gainesville — have been many. As a major employer in the county, we returned an annual payroll of \$14 million to the local economy while standing as a major financial resource for the City. In the face of winter's freeze, spring's drought, and summer's storms our employees continued to demonstrate a high level of dedication to the quality of service we provide to our customers. And with aggressive programs in water and energy conservation, cross-connection control, safety education, and facilities planning we have demonstrated our commitment to an enriched quality of life for this community.

Gainesville Regional Utilities' 1985 record of achievement is one of joint effort, and we proudly share it with you.

# Highlights

	1985	1984	Percent Increase/ (Decrease)
<b>Financial:</b>			
Net Revenues After Rate Stabilization Transfer	41,405,639	40,780,786	1.5%
Coverage Ratio	2.31	2.27	1.8%
Aggregate Debt Service	17,939,790	17,939,790	0.0%
Long-Term Debt	228,264,986	228,015,469	0.1%
Net Utility Plant	358,548,691	352,595,359	1.7%
<b>Customers (12 Months Average):</b>			
Electric:			
Residential	45,386	43,611	4.1%
Non-Residential	5,243	5,150	1.8%
<b>TOTAL ELECTRIC</b>	<b>50,629</b>	<b>48,761</b>	<b>3.8%</b>
Water	36,024	34,041	5.8%
Wastewater	32,669	30,962	5.5%
<b>Sales of Energy (gigawatt hours):</b>			
Residential	449.5	423.0	6.3%
General Service/Large Power	471.5	436.3	8.1%
Lighting	15.8	15.8	0.0%
Sales for Resale	28.9	26.3	9.9%
<b>SUB-TOTAL</b>	<b>965.7</b>	<b>901.4</b>	<b>7.1%</b>
Interchange	761.1	632.2	20.4%
<b>TOTAL</b>	<b>1,726.8</b>	<b>1,533.6</b>	<b>12.6%</b>
<b>Sales of Water (million gallons)</b>			
	5,972.5	5,580.8	7.0%



**W.D. HIGGINBOTHAM, JR.**  
City Manager (left)

**RICHARD L. HESTER, P.E.**  
General Manager for Utilities (right)

# Electric System

Gainesville Regional Utilities' electric facilities serve 70 percent of Alachua County's population and encompass 150 square miles—about one-sixth of the county.

Our John R. Kelly Station and Deerhaven Station have a combined fossil-fueled generating capability of 485,000 kilowatts (kW). Deerhaven Station, with a capability of 357,000 kW, operates one coal-fueled steam unit, one oil/gas-fueled steam unit, and two oil/gas-fueled combustion turbine units. The Kelly Station's three oil/gas-fueled steam units and three combustion turbine units provide a station capability of 128,000 kW. Part ownership of the Crystal River 3 nuclear power unit operated by Florida Power Corporation provides us with an additional 11,600 kW. These three stations provide all of our power requirements via a 138 kilovolt (kV) transmission network with connections to the Florida Power & Light Company and Florida Power Corporation at 138 kV and 230 kV. The present transmission network consists of 115.4 circuit miles of 138 kV and 2.6 circuit miles of 230 kV. Five major substations connected to this network serve our 12 kV distribution system which includes approximately 1,371 circuit miles of overhead lines and 450 cable miles of underground system.

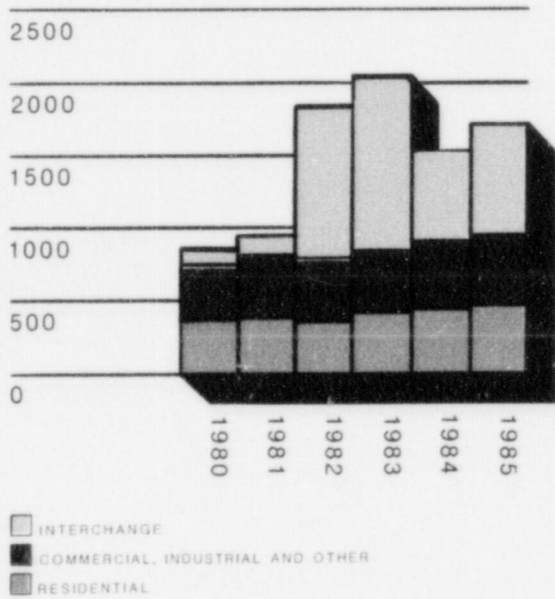
An annual average total of 50,629 local customers were served by our electric system in 1985, an increase of 3.8 percent over 1984. Residential customers, who comprise 90 percent of the total number, increased consumption by 6.3 percent to a total residential energy usage of 449.5 gigawatt hours (gWh). Consumption by general service and large power customers increased 8.1 percent during the year for a combined consumption of 471.5 gWh.

The graph on this page displays the system's fuel mix for net generation historically from 1976 through 1985. As one of the few municipal utilities in the Southeast with the ability to burn five fuel types—coal, nuclear, natural gas, distillate oil, and residual oil—GRU can adapt to a wide variety of economic or emergency conditions. In fiscal year 1985, the system's fuel mix was approximately 75.2 percent coal, 21.9 percent natural gas, 2.3 percent nuclear, and 0.7 percent fuel oil.

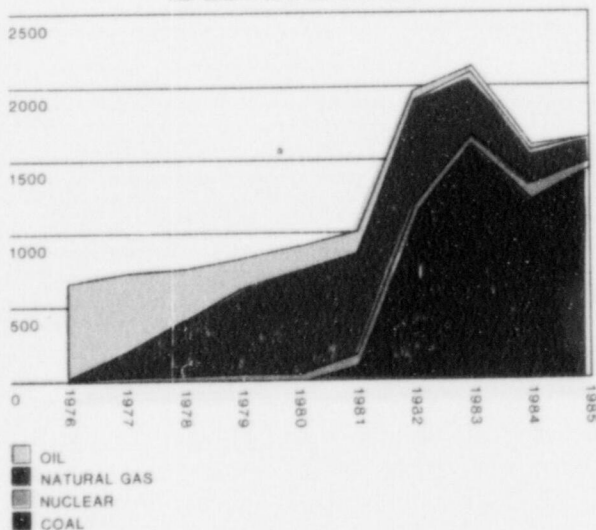
The sale of 742,000 megawatt hours (MWh) of energy to other utilities through Florida's Energy Broker network contributed net revenues of \$8,400,000 to GRU for the year, and resulted in fuel savings of about \$17 million for utilities in peninsular Florida.

Although 1984 interchange revenues had declined sharply from previous years, 1985 registered an increase of approximately 20 percent over 1984. This year's increase was primarily due to the greater availability of Deerhaven 2 and was also influenced by fuel prices, energy demands, and unit availabilities throughout Florida. GRU continues to pursue alternate markets for our surplus capacity, and during the year we added an additional service schedule to our interchange contracts with 12 of Florida's 17 generating utilities. (Three were added in fiscal year 1984.) The new service schedule allows us to increase revenues by entering into economy energy transactions of longer duration than permitted by the original economy energy service schedule. This change provides more flexible alternatives for Florida's utilities when purchasing less expensive coal energy. In addition to enhancement of existing interchange contracts, we have begun supplying approximately 1.5 MW of wholesale power to the City of Alachua by serving a portion of their load through our distribution facilities. Additionally, we have executed an agreement with the Florida Municipal Power Agency for 30 MW of unit power out of Deerhaven 2. This unit-specific power contract will remain in effect through December 1992, with a ramp-down provision for the last two years. Discussion of additional power supply options continues with other utilities.

ELECTRIC SYSTEM ENERGY SALES (GIGAWATT HOURS)



FUEL HISTORY / 1976 - 1985 (NET GENERATION IN GIGAWATT HOURS)





Maintenance of our 1,300 miles of 12 kilovolt overhead distribution system

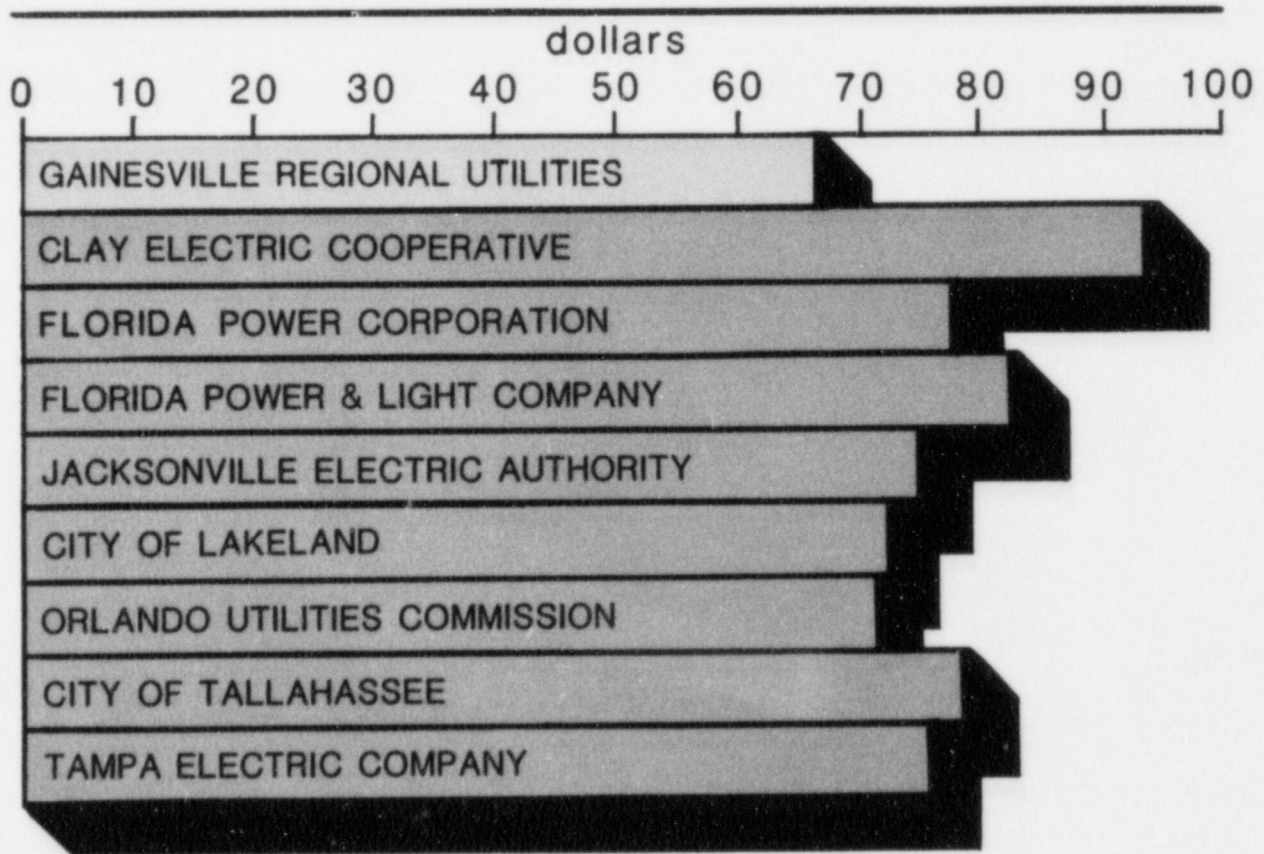
GRU's success in the Florida energy market has been primarily due to our coal-fired Deerhaven 2 generating unit. During 1985 its capacity factor increased 16.8 percent over 1984 to a total of 76.2 percent. Since initial operation in 1981, it has saved Gainesville \$30 million in native load fuel costs and an additional \$81 million of fuel savings on energy marketed to other Florida utilities. Half of this amount has been retained by Gainesville ratepayers.

Competitive fuel purchasing during the year resulted in a \$2.4 million reduction in budgeted coal expenses, and increased delivered heating value contributed an additional \$300,000 savings. GRU's pursuit of a rail transportation agreement with the CSX railway family has resulted in negotiation of a contract with estimated annual transportation savings of \$1.2 million. The agreement is expected to take effect shortly after the beginning of the new fiscal year.

Also initiated in 1985 was a project to add supplemental natural gas firing to Deerhaven 2 as an alternative to firing by No. 2 fuel during startup, shutdown, and under low load conditions. No. 2 fuel oil costs nearly twice as much as natural gas, and this project can considerably reduce the unit's operating costs.

Boiler controls installed in 1965 on Kelly Unit 8 were replaced this year with a modern microprocessor-based electronic control system. Replacement will reduce control maintenance costs on the 44 MW oil/gas-fueled steam unit.

## ELECTRIC RATE COMPARISONS



COMPARISON OF MONTHLY RESIDENTIAL ELECTRIC BILLS FOR 1,000 KWH BASED ON RATE AND FUEL ADJUSTMENT INFORMATION PROVIDED BY THE UTILITIES (12 MONTH AVERAGE, OCTOBER 1984-SEPTEMBER 1985)

Major projects for the electric system during the year included the final design and permitting of two miles of 138 kV transmission line and a new 60 MVA substation. This substation, scheduled to begin service in June 1986, will be located in the center of a rapidly developing area composed of shopping malls, medical facilities, and expanding single- and multiple-family developments.

Final design and specifications were completed for replacement of our twelve-year-old energy management system. The replacement system, representing the current state-of-the-art in computerized control and dispatching of electric generation, transmission, and distribution systems, will feature advanced application programs to evaluate economy and reliability of dispatching alternatives as well as to train power system operators.

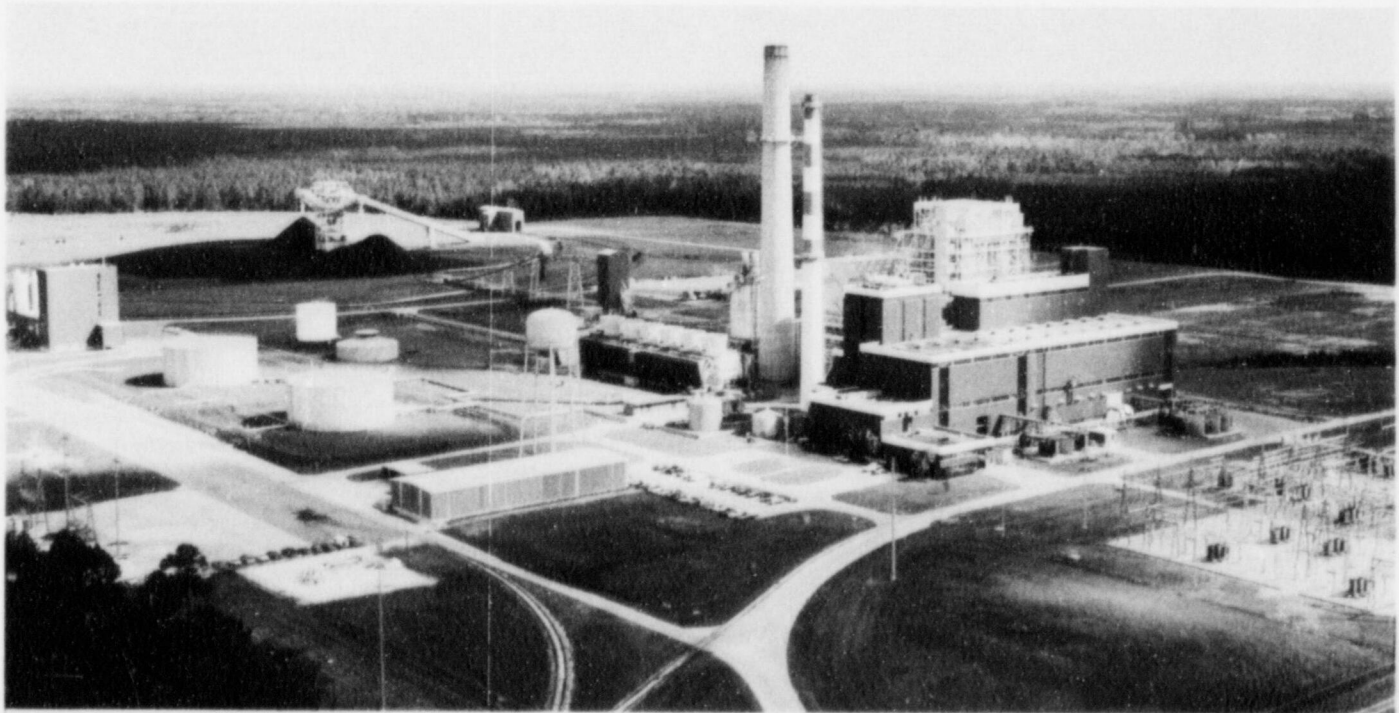
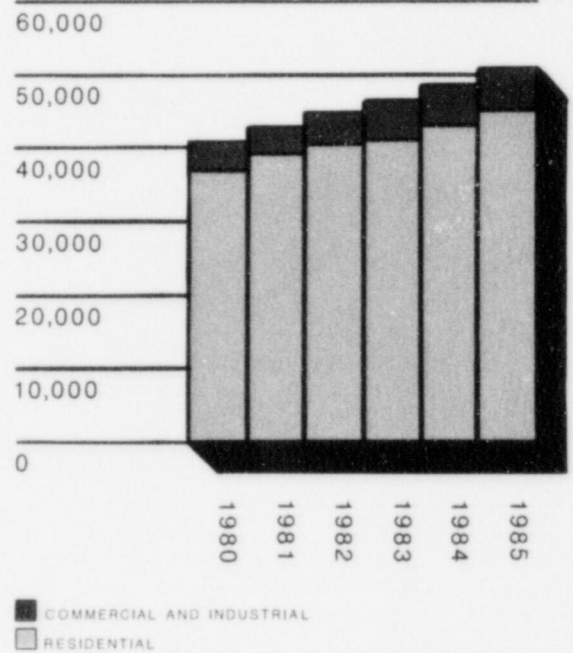
Planning and design activities began for a significant expansion of our Operations Center complex, and land acquisitions for the project were completed during 1985.

Reflecting an active economy, our distribution system continued to grow with the installation of 63.5 miles of underground conductor and 42 miles of overhead conductor to serve an additional 2,647 electric meters.

Reconductoring of selected high-loss distribution feeder circuits with larger conductor continued on schedule with the replacement of three miles of conductor, resulting in reduced system losses and increased load support capability. Our 4 kV conversion program continued with the removal of all 4 kV line, with the exception of one circuit to be removed early in 1986.

Employee skill and safety training throughout the electric system enjoyed continued emphasis during 1985, including instruction in materials safety data as required by Florida's "Right to Know" law. Craft and technical training in our power plants totaled 9,000 manhours of classroom instruction, plus an additional 7,000 hours of safety training. Competency-based training, accepted by the State of Florida, guided our transmission and distribution employees through journeyman level training.

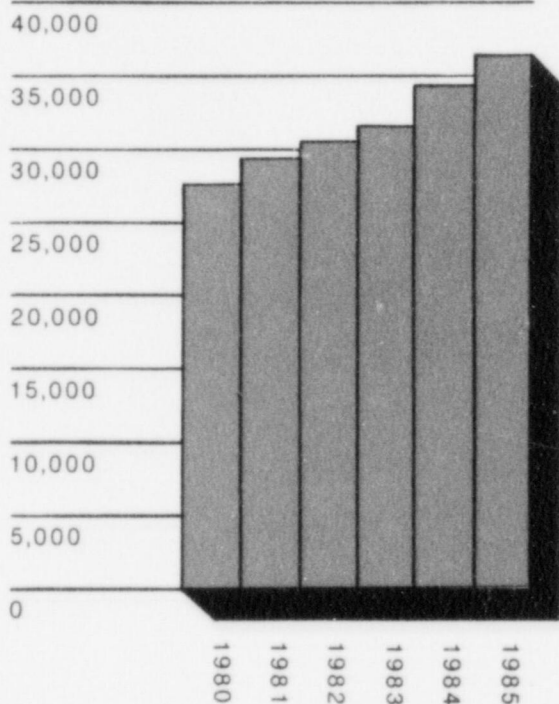
ELECTRIC SYSTEM  
NUMBER OF RETAIL CUSTOMERS  
(ANNUAL AVERAGE)



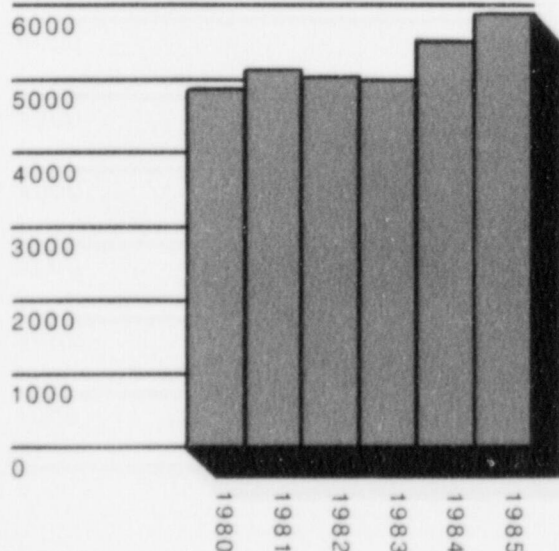
Deerhaven Generating Station: 357,000 kilowatts of generating capability.

# Water System

WATER SYSTEM  
NUMBER OF CUSTOMERS  
(ANNUAL AVERAGE)



WATER SYSTEM SALES  
(MILLION GALLONS)



Gainesville Regional Utilities' water system is supplied by the Murphree Treatment Plant, which is served by eight deep wells capable of pumping 40 million gallons per day (mgd) of ground water to the treatment process. Treatment capacity is rated at 30 mgd, and ten million gallons of storage is provided on the plant grounds. Our water distribution system includes two elevated storage tanks with a combined capacity of 1.5 million gallons and approximately 520 miles of transmission and distribution mains.

Customers increased 5.8 percent during 1985 to an annual average of 36,024, while sales totaled 5,973 million gallons to mark a 7 percent increase over the previous year.

The Murphree Plant delivered an annual average of 18.3 mgd of water to the distribution system this year, representing a 4 percent increase over 1984. In June 1985 we experienced a maximum daily flow of 29.4 mgd due primarily to an extended dry spell. Extremely high hourly peak demands surpassed the distribution system's pipeline capacity for supplying consumer demand while maintaining adequate system pressures. In response to the drought condition, a mandatory irrigation water conservation program was instituted. Customers responded to the conservation program with a 4 mgd hour demand reduction and a favorable shift of peak flow from afternoon to morning hours.

Florida's Department of Environmental Regulation once again recognized the Murphree Plant as the best operated public water plant in the Northeast District. Extensive water quality monitoring, well beyond state and federal requirements, is conducted as part of the City's commitment to provide safe, high-quality water to our customers. Both of our five million gallon ground storage reservoirs were repainted during 1985, providing a protective coating for the concrete walls while greatly enhancing their appearance. The Number 4 supply well casing and pump were rebuilt as a continuation of our five-year supply well rehabilitation program.

Two distinctions were bestowed during the year upon the historic Boulware Springs Waterworks facility with its designation as an American Water Landmark and its listing in the National Register of Historic Places. Dating from 1894, Boulware Springs served as Gainesville's first central water supply, providing spring-fed water to the City until 1977. A City project to restore the facility to its traditional position as a social and cultural gathering place for the area is expected to begin construction in March 1986. The architectural firm of Friedman McKenna has been selected to perform the restoration design, which is half funded by a Florida Department of State Historic Preservation Grant.

During fiscal year 1985, 1,690 new meters were installed, and an additional 21.72 miles of developer-constructed water pipe were accepted into the distribution system.

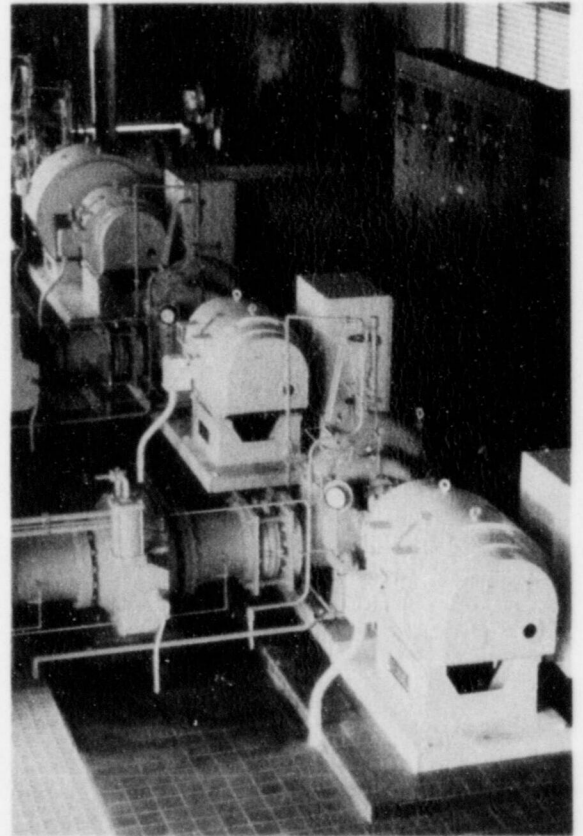
Two major distribution system projects were completed this year in response to groundwater contamination affecting private supply wells in the community of Fairbanks and along Old Archer Road in Gainesville. A total of 290 new customers were provided safe, clean City water in these assistance projects, the cost for which will be borne by the parties found responsible for the contamination.

Major transmission main projects completed this year included the first phase of a 30-inch transmission main leaving the Murphree Plant high service pumping system. Phase II, planned for 1986, will complete this transmission loop. In addition, construction has begun on a 20-inch transmission main along 39th Avenue, to complete another major loop. These projects will significantly enhance our ability to meet peak consumer demands with increased distribution efficiency and reliability.

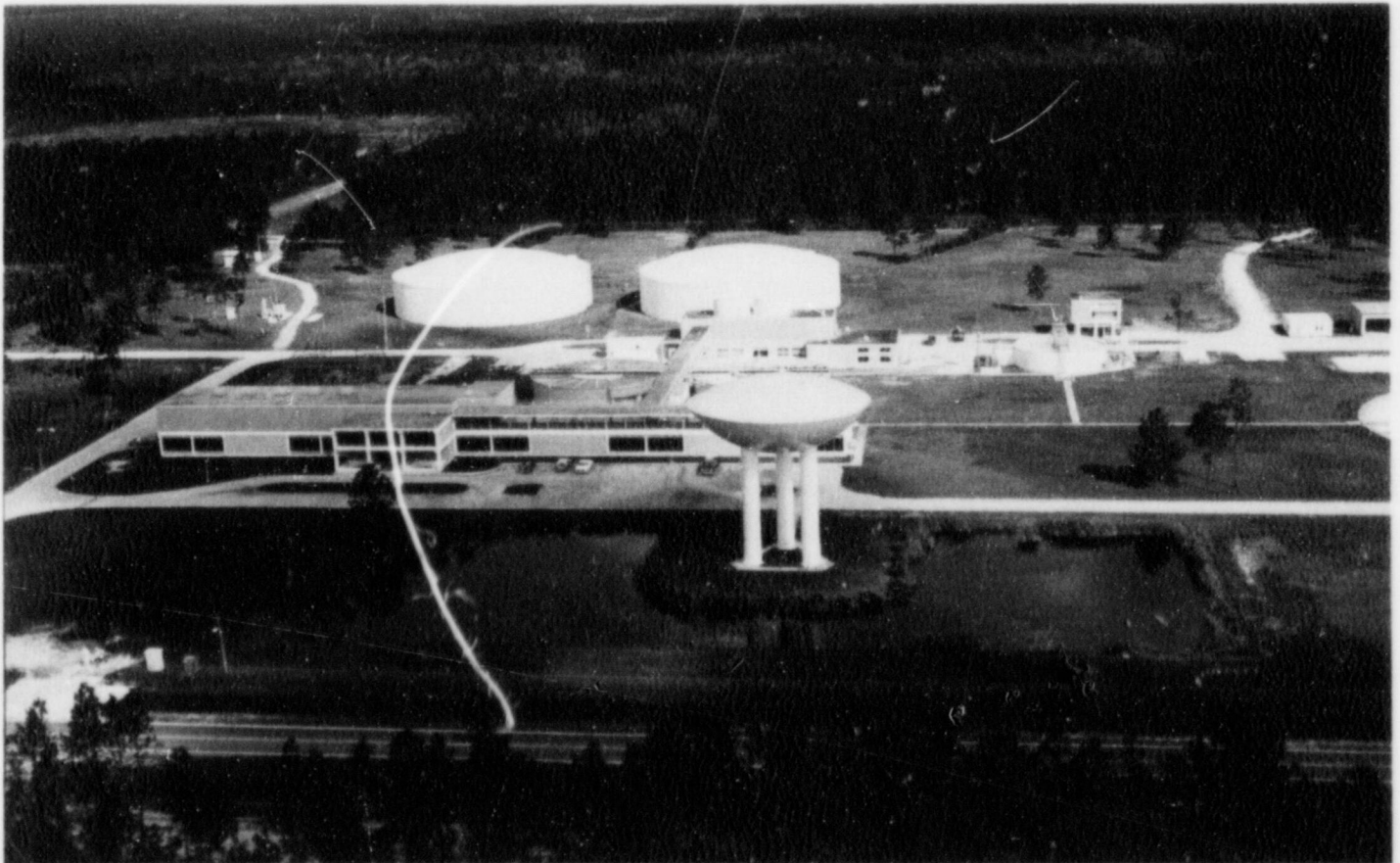


To prevent potential health hazard from the possibility of contaminated backflow into our water distribution system, 97 new cross-connection control devices were installed this year and 452 existing devices were tested. Our most effective program to reduce the number of potential cross-connections, however, will continue to be education and training of our water consumers and members of the plumbing trade. Recognized as a leader in the field of cross-connection education, GRU participated in numerous training schools and workshops throughout the state in conjunction with the University of Florida TREEO Center.

Our strong commitment to craft and safety training of our own employees continued in 1985 with more than 600 classroom hours of instruction. Acclaim for these programs resulted in requests for training assistance from other Florida utilities and professional organizations.



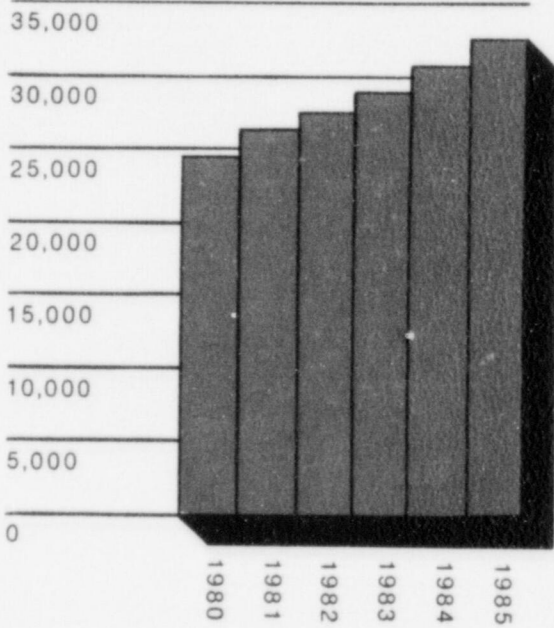
Murphree's 16 million gallon per day high-service pumps.



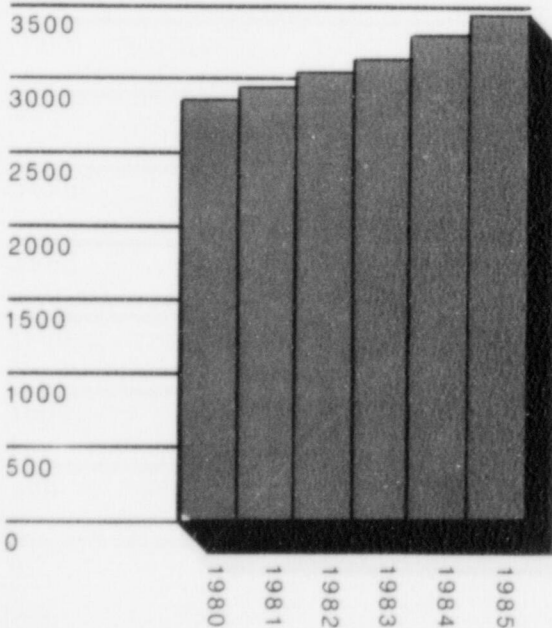
Murphree Water Treatment Plant: 30 million gallons per day of treatment capacity.

# Wastewater System

WASTEWATER SYSTEM  
NUMBER OF CUSTOMERS  
(ANNUAL AVERAGE)



WASTEWATER SYSTEM BILLINGS  
(MILLION GALLONS)



Gainesville Regional Utilities' two wastewater treatment plants, Kanapaha and Main Street, have a combined treatment capacity of 17.5 million gallons per day (mgd), and are supplied by a collection system including 395 miles of gravity lines, 86 miles of force mains, and 112 pumping stations.

Customers on the system during 1985 averaged 32,669, an increase of 5.5 percent over the previous year. Total wastewater billings during the year were for 3,462 million gallons, a 4.7 percent increase over 1984. An average daily wastewater flow of 11.5 mgd was treated this year, representing an 11.5 percent decrease. The primary factors influencing this reduction were extended drought conditions experienced during the summer and infiltration reduction from sealing operations.

Construction of a 30 million gallon emergency holding pond at the Kanapaha Treatment Plant was completed in September 1985. The pond is required for receiving plant effluent which may not meet groundwater quality standards during emergency or upset conditions. A continuous PVC underlining prevents loss of water from the pond to the groundwater aquifer.

A wastewater sludge marketing program developed this year is an effort to recoup a portion of our sludge hauling and disposal costs. Success of the program is predicated on the value of waste sludge as an agricultural soil conditioner and fertilizer source. In addition, a 300-acre farm site has been leased as a backup disposal site should there be a lack of sludge purchasers. Anticipated revenue from the hay grown at this site will contribute to the self-sufficiency of the operation.

A major preventive maintenance project during 1985 was the recoating of the Kanapaha plant's influent structure with an acid-resistant material. This action was in response to severe concrete degradation resulting from hydrogen sulfide acid in the raw wastewater entering the structure. Prior to recoating, approximately 3,000 cubic feet of accumulated grit was removed from the influent structure to better evaluate the hydrogen sulfide damage and to reduce treatment process disruptions.

With the addition of two new clarifiers in last year's Kanapaha plant expansion, we have been able to rehabilitate the two original clarifiers which have been in constant service since 1977.

During 1985 the Kanapaha laboratory performed 18,684 chemical analyses for the combined utilities. This 31 percent increase over last year's activity is a continuation of the City's commitment to provide reliable environmental protection through rigorous monitoring programs.

As additions to our collection system this year, we accepted 70,156 feet of developer-constructed gravity lines, 10,200 feet of force mains, and 4 new lift stations. Continued rehabilitation of existing lines in northeast Gainesville included installation of 3,072 feet of mainline, 14 manholes, 73 service laterals, and 3,400 feet of roadway. Improved maintenance access and reduced stoppages are major benefits of the facilities relocation project.

Remote television inspection and in-place cleaning and sealing of wastewater lines continued to provide savings over the more invasive and time-consuming removal-and-replacement method. The new approach, which earns customer good will by reducing disturbance of landscaped and surfaced areas, accounted for 43 miles of collection line inspection, 96 miles of hydraulic cleaning, and 6.5 miles of pipe sealing.

More than 600 classroom hours were spent in training our employees in job skills, safety and first aid. Instruction programs included heavy equipment driver training, chlorine safety procedures, and hazardous materials information programs in compliance with Florida's new "Right to Know" law.



Kanapaha Wastewater Treatment Plant: ten million gallons per day treatment capacity.

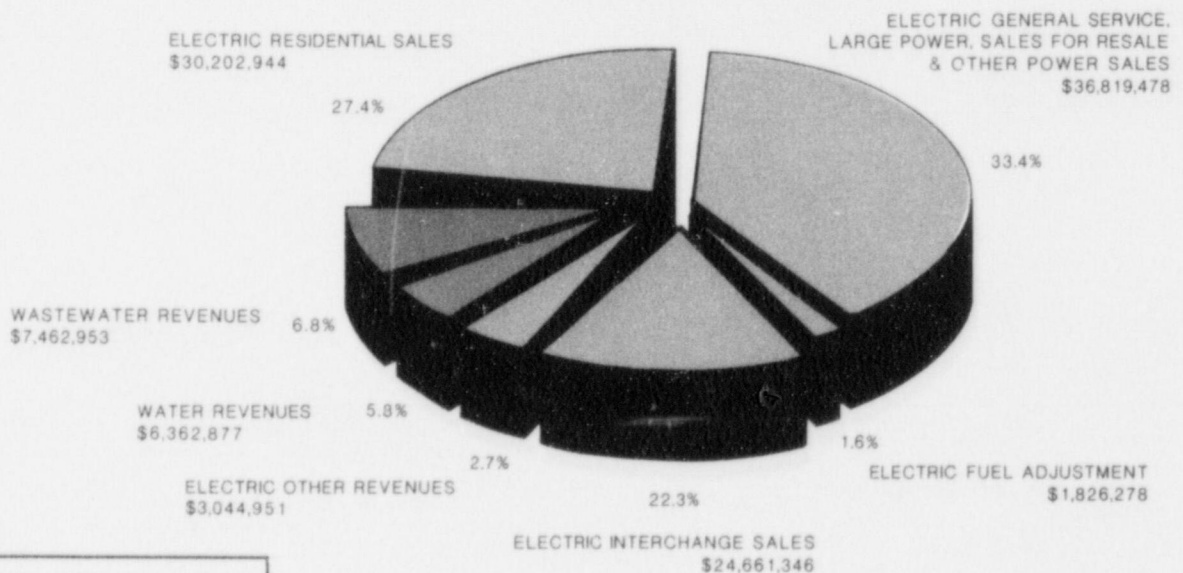
# Financial Summary

As a result of the good financial performance during fiscal 1985, a substantial deposit (\$4.8 million) was made into the Rate Stabilization Fund (RSF) from the Revenue Fund raising the amount in the RSF to approximately \$20 million. We produced net revenues of \$41.4 million for a coverage ratio of 2.31 (i.e., net revenues divided by aggregate debt service). The coverage ratio would have been 2.57 if the \$4.8 million deposit had not been made. The RSF was a feature of the 1983 refinancing which provided more flexibility to stabilize rates for our customers in future years by transferring funds in and out of the RSF.

There was a \$6.1 million improvement over the original budget projections for fiscal 1985 which enabled us to make the \$4.8 million deposit. The primary factors producing this improvement were increased revenues, which were essentially due to improved retail sales revenues, improved net revenues from interchange sales, and operation and maintenance expenses being held under budget.

Retail sales of electricity including fuel adjustment revenues for fiscal 1985 increased 8.0% over fiscal 1984 or \$5.1 million, while net revenues from interchange sales of electricity increased 21.9% or \$1.6 million over fiscal 1984. Water sales and wastewater charges in-

## REVENUE EARNED / FISCAL YEAR 1985



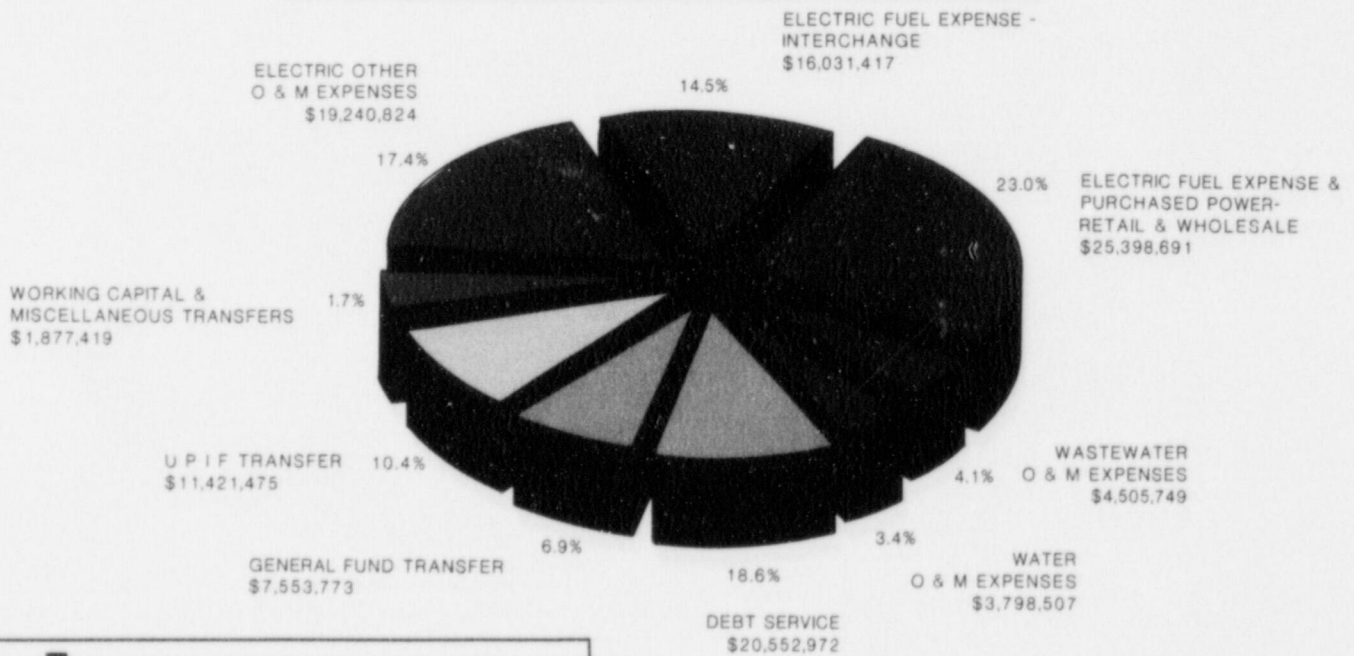
97.4%	ELECTRIC SYSTEM REVENUES	\$36,554,997
5.8%	WATER SYSTEM REVENUES	6,362,877
6.8%	WASTEWATER SYSTEM REVENUES	7,462,953
		<u>\$110,380,827</u>

creased 5.8% or \$300,000 and 5.8% or \$400,000 respectively over fiscal 1984.

The Tax Exempt Commercial Paper (TECP) program, with a total principal outstanding of \$49.5 million, continued to produce considerable savings for our ratepayers of approximately \$2.6 million versus the estimated interest expense on long-term bonds. The average interest rate on outstanding paper was 5.032% for the year and ranged from a high of 6.5% early in the year to a low of 4.49% in late July, 1985. Average maturity of outstanding paper was 57.3 days or approximately the same level as in fiscal 1984. We were in the market 180 days during the year with approximately \$605 million in principal being sold, or a daily average of \$3.36 million.

The capital budgeting/facilities planning process plays an important part in fulfilling our mission to provide reliable and economical service to existing and future customers. Capital improvement funding for fiscal 1985 amounted to \$17.4 million with \$11.4 provided from system net revenues and \$5.9 provided from bond construction funds. Net utility plant increased \$6.0 million during the year to a balance of \$358.5 million at year end.

### REVENUE ALLOCATED / FISCAL YEAR 1985



62.4%	OPERATION & MAINTENANCE (O & M) EXPENSES	\$68,975,188
18.6%	DEBT SERVICE	20,552,972
10.4%	UTILITY PLANT IMPROVEMENT FUND (UPIF) TRANSFER	11,421,475
6.9%	GENERAL FUND TRANSFER	7,553,773
1.7%	WORKING CAPITAL & MISCELLANEOUS FUNDS TRANSFERS	1,877,419
		<u>\$110,380,827</u>

## **INVESTOR INFORMATION**

### **CERTIFIED PUBLIC ACCOUNTANTS**

Coopers & Lybrand and  
Davis, Monk, Farnsworth & Company

### **REVENUE BONDS**

#### **Trustee/Registrar/Paying Agent**

Morgan Guaranty Trust Company  
New York, New York

### **TAX EXEMPT COMMERCIAL PAPER**

#### **Dealer**

Goldman Sachs and Company  
New York, New York

#### **Paying Agent**

Manufacturers Hanover  
Trust Company  
New York, New York

## AUDITORS' REPORT

The Honorable City Commissioners  
City of Gainesville  
Gainesville, Florida 32601

We have examined the balance sheets of Gainesville Regional Utilities (the Combined Utility Funds of the City of Gainesville, Florida), at September 30, 1985 and 1984, and the related statements of revenue and expense and retained earnings and changes in financial position for the years then ended. Our examinations were made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the financial statements referred to above present fairly the financial position of Gainesville Regional Utilities, at September 30, 1985 and 1984, and the results of its operations and the changes in its financial position for the years then ended, in conformity with generally accepted accounting principles applied on a consistent basis.

Coopers & Lybrand  
Jacksonville, Florida

Davis, Monk,  
Farnsworth & Company  
Gainesville, Florida

December 1, 1985

**GAINESVILLE REGIONAL UTILITIES**  
**BALANCE SHEETS**  
September 30, 1985 and 1984

**ASSETS**

	<u>1985</u>	<u>1984</u>
<b>Utility Plant:</b>		
Utility Plant in Service	\$450,979,342	\$436,409,050
Construction in Progress	6,622,981	4,629,207
	<u>457,602,323</u>	<u>441,038,257</u>
Less: Accumulated Depreciation and Amortization	(99,053,632)	(88,442,898)
<b>NET UTILITY PLANT</b>	<u>358,548,691</u>	<u>352,595,359</u>
<b>Restricted Assets:</b>		
Capital Facilities - Cash and Investments	1,346,330	1,353,910
Decommissioning Reserve - Cash and Investments	176,341	-
Water Pollution Emergency Reserve - Cash and Investments	50,000	-
Utility Deposits - Cash and Investments	2,576,555	2,434,340
Debt Service Fund - Cash and Investments	33,225,987	31,403,597
Rate Stabilization Fund - Cash and Investments	20,062,793	14,931,444
Construction Fund -		
Cash and Investments	15,068,546	18,421,181
Contracts-in-Progress	1,488,277	2,274,358
Utility Plant Improvement Fund -		
Cash, Investments, and Receivables	3,347,374	2,427,189
Due From Other Funds	226,070	174,256
Materials Inventories	3,563,254	3,239,583
<b>TOTAL RESTRICTED ASSETS</b>	<u>81,131,527</u>	<u>76,659,858</u>
<b>Current Assets:</b>		
Cash and Short-Term Investments	6,459,106	8,816,765
Accounts Receivable (Net of Allowance for Uncollectible Accounts; \$342,590 in 1985 and \$281,337 in 1984)	15,138,160	12,177,875
Prepaid Expenses	93,369	114,253
Inventories -		
Fuel	10,125,042	10,934,925
Materials and Supplies	271,643	188,916
<b>TOTAL CURRENT ASSETS</b>	<u>32,087,320</u>	<u>32,232,734</u>
<b>Deferred Debits</b>	<u>7,369,362</u>	<u>7,833,213</u>
<b>TOTAL ASSETS</b>	<u>\$479,136,900</u>	<u>\$469,321,164</u>

See accompanying notes.



**LIABILITIES AND FUND EQUITY**

	<u>1985</u>	<u>1984</u>
<b>Long-Term Debt and Fund Equity:</b>		
Long-Term Debt -		
Utilities System Revenue Bonds Payable	\$186,000,000	\$186,000,000
Commercial Paper Notes Payable	49,501,000	49,501,000
	<u>235,501,000</u>	<u>235,501,000</u>
Less: Unamortized Bond Discount	(7,236,014)	(7,485,531)
Total Long-Term Debt	<u>228,264,986</u>	<u>228,015,469</u>
Fund Equity -		
Contributions in Aid of Construction	53,498,024	49,187,956
Retained Earnings	170,883,576	165,281,059
Total Fund Equity	<u>224,381,600</u>	<u>214,469,015</u>
<b>TOTAL LONG-TERM DEBT AND FUND EQUITY</b>	<u>452,646,586</u>	<u>442,484,484</u>
<b>Payable from Restricted assets:</b>		
Utility Deposits	2,576,555	2,438,715
Accrued Interest Payable	9,211,112	9,129,524
Construction Fund -		
Accounts, Contracts and Retainages Payable	1,488,277	2,274,358
Due to Other Funds	1,537,739	833,114
Utility Plant Improvement Fund -		
Accounts Payable and Accrued Liabilities	557,180	471,628
<b>TOTAL PAYABLE FROM RESTRICTED ASSETS</b>	<u>15,370,863</u>	<u>15,147,339</u>
<b>Current Liabilities</b>		
Fuels Payable	5,982,739	7,169,617
Accounts Payable and Accrued Liabilities	2,611,303	2,482,736
Due to Other Funds	36,053	262,555
<b>TOTAL CURRENT LIABILITIES</b>	<u>8,630,095</u>	<u>9,914,908</u>
<b>Deferred Credits</b>	<u>2,489,356</u>	<u>1,774,433</u>
<b>Commitments and Contingencies</b>	-	-
(Note 9)		
 <b>TOTAL LIABILITIES AND FUND EQUITY</b>	 <u>5479,136,900</u>	 <u>5469,321,164</u>

**GAINESVILLE REGIONAL UTILITIES**  
**STATEMENTS OF REVENUE AND EXPENSE**  
**AND RETAINED EARNINGS**  
**FOR THE YEARS ENDED SEPTEMBER 30, 1985 AND 1984**

	<u>1985</u>	<u>1984</u>
<b>Operating Revenues:</b>		
Sales and Service Charges	\$106,876,083	\$ 97,141,777
Other Operating Revenue	899,025	1,588,490
TOTAL OPERATING REVENUES	<u>107,775,108</u>	<u>98,730,267</u>
<b>Operating Expenses:</b>		
Operations and Maintenance	55,904,771	49,611,193
Administrative and General	13,070,417	11,060,916
Depreciation and Amortization	12,818,386	12,670,387
TOTAL OPERATING EXPENSES	<u>81,793,574</u>	<u>73,342,496</u>
OPERATING INCOME	25,981,534	25,387,771
<b>Nonoperating Revenues (Expenses):</b>		
Interest Revenue	6,814,222	7,595,219
Interest Expense	<u>(20,969,857)</u>	<u>(20,933,032)</u>
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>(14,155,635)</u>	<u>(13,337,813)</u>
INCOME BEFORE OPERATING TRANSFERS	11,825,899	12,049,958
OPERATING TRANSFER TO GENERAL FUND	<u>(7,553,773)</u>	<u>(7,177,346)</u>
NET INCOME RETAINED	<u>4,272,126</u>	<u>4,872,612</u>
RETAINED EARNINGS, Beginning	165,281,059	159,059,955
AMORTIZATION OF CONTRIBUTIONS IN AID OF CONSTRUCTION	<u>1,330,391</u>	<u>1,348,492</u>
RETAINED EARNINGS, Ending	<u><u>\$170,883,576</u></u>	<u><u>\$165,281,059</u></u>

See accompanying notes.

**GAINESVILLE REGIONAL UTILITIES**  
**STATEMENTS OF CHANGES IN FINANCIAL POSITION**  
**FOR THE YEARS ENDED SEPTEMBER 30, 1985 AND 1984**

	<u>1985</u>	<u>1984</u>
<b>Source of Working Capital:</b>		
Net Income Retained	\$ 4,272,126	\$ 4,872,612
Items Not Requiring Outlay of Working Capital:		
Depreciation and Amortization	12,818,386	12,670,387
Working Capital Provided from Operations	17,090,512	17,542,999
Utility Plant Sales and Retirements	129,583	1,282,070
Contributions in Aid of Construction	5,640,459	4,257,520
Decrease in Unamortized Bond Discount	249,517	249,462
Decrease (increase) in deferred debits	229,661	(118,400)
Increase in payable from restricted assets	223,524	2,265,895
Increase (decrease) in deferred credits	622,919	(1,915,642)
<b>TOTAL SOURCE OF WORKING CAPITAL</b>	<u>24,186,175</u>	<u>23,563,904</u>
<b>Use of Working Capital:</b>		
Utility Plant Additions	18,575,107	19,299,273
Increase in Restricted Assets	4,471,669	4,914,018
<b>TOTAL USE OF WORKING CAPITAL</b>	<u>23,046,776</u>	<u>24,213,291</u>
<b>CHANGE IN WORKING CAPITAL</b>	<u>\$ 1,139,399</u>	<u>\$ (649,387)</u>
<b>Changes in Working Capital by Component:</b>		
Current Assets - increase (decrease):		
Cash and Short-Term Investments	\$ (2,357,659)	\$ 1,109,978
Accounts Receivable	2,960,285	(1,485,159)
Prepaid Expenses	(20,884)	112,220
Fuel, Materials and Supplies Inventories	(727,156)	(110,436)
Current Liabilities - Decrease (Increase):		
Accounts Payable and Accrued Liabilities	(128,567)	(572,622)
Fuels Payable	1,186,878	292,251
Due to Other Funds	226,502	4,381
<b>CHANGE IN WORKING CAPITAL</b>	<u>\$ 1,139,399</u>	<u>\$ (649,387)</u>

See accompanying notes.

**GAINESVILLE REGIONAL UTILITIES**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 1985 AND 1984**

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

**Basis of Accounting**

Gainesville Regional Utilities ("GRU") consists of the Combined Utility Funds of the City of Gainesville, Florida ("the City"). GRU uses the accrual basis of accounting and has adopted the uniform system of accounts prescribed by the Federal Energy Regulatory Commission. The electric, water, and wastewater funds are combined along with all restricted asset accounts.

**Investments**

Investments are stated at amortized cost. Premium or discount is amortized over the investment's maturity based on the interest method.

**Inventories**

Inventories are stated at cost using the weighted average unit cost method for materials, and the last-in, first-out (LIFO) method for fuel. Obsolete and unusable items are reduced to estimated salvage values.

**Utility Plant**

Property and equipment are recorded at cost or estimated original cost where applicable. Maintenance and repairs are charged to operating expense as incurred. The average cost of depreciable plant retired is eliminated from the plant accounts and such cost, plus removal expense less salvage, is charged to accumulated depreciation.

**Depreciation and Nuclear Generating Plant Decommissioning**

Depreciation of utility plant is computed using the straight-line method over the estimated service life of the property. Depreciation was equivalent to 2.82% and 2.85% of average depreciable property for 1985 and 1984, respectively. Depreciation expense includes a provision for decommissioning costs related to the jointly-owned nuclear power plant (see Note 5) at an annual rate of 3.6% of GRU's share of the estimated costs.

**Amortization of Nuclear Fuel**

The cost of nuclear fuel, including estimated disposal cost, is charged to operating expenses. These costs are charged to customers through increased rates or through the fuel adjustment clause.

**Utility Revenue Recognition**

Utility revenues are recorded as earned. Fuel adjustment revenues are recognized based on the actual fuel costs. Amounts charged based on estimated costs are adjusted monthly for any differences between the actual and estimated costs once actual costs are known.

**Note 1 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued:**

**Interfund Transactions**

Interfund transactions and contributions are generally made in accordance with budget ordinances. Interfund transactions and balances, except direct billings for utility services (see Note 4), are eliminated for the Combined Utility Funds. Interfund loans do not bear interest.

**Allowance for Funds Used During Construction**

An allowance for interest on borrowed funds used during construction of \$254,300 in 1985 and \$570,700 in 1984 is included in construction in progress and as a reduction of interest expense. These amounts are computed by applying the effective rate on the funds borrowed to finance the projects to the monthly balance of projects under construction. The effective interest rates ranged from approximately 6% to 10% in 1985 and 1984.

**Amortization**

Bond issuance costs are amortized over the life of the bonds. Other miscellaneous deferred debits are generally being amortized over periods from five to ten years. Deferred debit amortization expense was \$43,937 and \$43,940 for 1985 and 1984, respectively.

**Contributions in Aid of Construction**

Utility plant in service for the water and wastewater funds includes assets received from contributions in aid of construction. The amount of amortization expense included in the statement of revenue and expense relating to the contributed assets is credited to retained earnings to reflect the transfer of this amount to the related contributions account.

**Reclassification**

Certain amounts for 1984 have been reclassified to conform with the presentation adopted for 1985.

**Note 2 - LONG-TERM DEBT:**

Long-term debt outstanding at September 30 consisted of the following:

	<u>1985</u>	<u>1984</u>
Utilities System Revenue Bonds, Series 1983 (Bonds) Principal Payable Semiannually to October 1, 2014; Interest at various rates between 6% to 10.25%	\$186,000,000	\$186,000,000
Utilities System Commercial Paper Notes, Series A (Notes) Principal payable August 25, 1988; Interest at various rates between 70% and 75% of the Manufacturers Hanover Trust Company Prime Rate	<u>49,501,000</u>	<u>49,501,000</u>
	\$235,501,000	\$235,501,000
Less: Unamortized Bond Discount	<u>(7,236,014)</u>	<u>(7,485,531)</u>
Total Long-Term Debt	<u>\$228,264,986</u>	<u>\$228,015,469</u>

NOTES TO FINANCIAL STATEMENTS, Continued

**Note 2 - LONG-TERM DEBT, CONTINUED:**

The table below lists the Debt Service Requirements on the bonds outstanding at September 30, 1985.

Period Ending October 1	Principal and Sinking Fund Installments	Interest	Total Debt Service Requirements
1985	\$ -	\$ 17,939,790	\$ 17,939,790
1986	-	17,939,790	17,939,790
1987	-	17,939,790	17,939,790
1988	-	17,939,790	17,939,790
1989	-	17,939,790	17,939,790
1990	1,725,000	17,939,790	19,664,790
1991	2,190,000	17,801,790	19,991,790
1992	2,370,000	17,621,115	19,991,115
1993	2,570,000	17,419,665	19,989,665
1994	2,795,000	17,194,790	19,989,790
1995	3,045,000	16,943,240	19,988,240
1996	3,325,000	16,663,100	19,988,100
1997	3,640,000	16,350,550	19,990,550
1998	3,985,000	16,004,750	19,989,750
1999	4,390,000	15,601,268	19,991,268
2000	4,830,000	15,156,781	19,986,781
2001	5,320,000	14,667,743	19,987,743
2002	5,860,000	14,129,093	19,989,093
2003	6,455,000	13,535,768	19,990,768
2004	7,105,000	12,882,200	19,987,200
2005	7,835,000	12,153,937	19,988,937
2006	8,640,000	11,350,850	19,990,850
2007	9,525,000	10,465,250	19,990,250
2008	10,500,000	9,488,937	19,988,937
2009	11,580,000	8,412,687	19,992,687
2010	12,765,000	7,225,737	19,990,737
2011	14,070,000	5,917,325	19,987,325
2012	15,515,000	4,475,150	19,990,150
2013	17,105,000	2,884,862	19,989,862
2014	18,860,000	1,131,600	19,991,600
	<u>\$186,000,000</u>	<u>\$403,116,928</u>	<u>\$589,116,928</u>

**NOTE 2 - LONG-TERM DEBT, Continued:**

The bonds maturing on or after October 1, 1994 (except those maturing on October 1, 2014), are subject to redemption at the option of the City on and after October 1, 1993, at a redemption price of 102½% in 1993, and 102% to 100% thereafter. The bonds maturing on October 1, 2014, are subject to redemption at the option of the City on or after October 1, 1983, at a redemption price of 100%.

Under the terms of the Bond Resolution relating to the sale of the Bonds, payment of the principal and interest is secured by an irrevocable lien on GRU's net revenues (exclusive of any funds which may be established pursuant to the Bond Resolution for decommissioning and certain other specified purposes), including the investments and income, if any, thereof.

The Bond Resolution contains certain restrictions and commitments, including GRU's covenant to establish and maintain rates and other charges to produce revenues sufficient to pay operation and maintenance expenses, amounts budgeted for deposit into the rate stabilization fund, amounts required for deposit in the debt service funds, and amounts required for deposit into the utility plant improvement fund.

The Notes were issued under a Revolving Credit and Term Loan Agreement, dated September 1, 1983 (the "Agreement").

Under the terms of the Agreement, GRU, provided it has satisfied certain conditions, may borrow up to \$50,000,000 on a revolving basis until August 25, 1988, at which time GRU, provided it has satisfied certain conditions, may convert existing borrowings to a term loan which may include amounts utilized to pay maturing Notes on that date. The Agreement provides for same-day availability of funds up to a maximum of \$50,000,000.

**NOTE 3 - CASH AND INVESTMENTS:**

The funds of GRU are administered in accordance with the Bond Resolution and are invested in government securities and other temporary investments.

**NOTE 4 - INTERFUND DIRECT UTILITY BILLINGS:**

Included in revenues are the following interfund direct billings for utility services:

	<u>1985</u>	<u>1984</u>
Revenues:		
Sales of Electricity	\$1,782,637	\$1,569,335
Sales of Water	111,848	122,057
Wastewater Service Charges	<u>2,452</u>	<u>2,979</u>
Total Revenues	<u>\$1,896,937</u>	<u>\$1,694,371</u>

Included in expenses are the following interfund direct billings for utility services:

	<u>1985</u>	<u>1984</u>
Expenses:		
Electric Fund	\$ 271,366	\$ 244,593
Water Fund	820,793	730,469
Wastewater Fund	<u>804,778</u>	<u>719,309</u>
Total Expenses	<u>\$1,896,937</u>	<u>\$1,694,371</u>

**NOTE 5 - JOINTLY-OWNED ELECTRIC PLANT:**

GRU-owned resources for supplying electric power and energy requirements include its 1.4079% undivided ownership interest in the Crystal River Unit 3 ("CR3") nuclear power plant operated by Florida Power Corporation. CR3 revenue and operating and maintenance costs, which represent GRU's part of all revenue and expenses attributable to operation of CR3, are properly recorded in accordance with the instructions as set forth in the Uniform System of Accounts. Payments are made to Florida Power Corporation in accordance with the CR3 participation agreement.

**NOTE 6 - CONTRIBUTIONS IN AID OF CONSTRUCTION:**

Contributions in aid of construction are as follows:

	<u>1985</u>	<u>1984</u>
Contributions In Aid Of Construction:		
Utility Plant, Property And Equipment		
Contributed By Municipality	\$ 3,982,276	\$ 3,982,276
Federal And State Grants In Aid Of Construction	12,119,939	12,082,035
Contributions From Customers And Developers:		
Plant Contributed By Developers	24,718,294	21,245,353
Connection Charges	24,260,502	22,130,888
	<u>65,081,011</u>	<u>59,440,552</u>
Accumulated Amortization	(11,582,987)	(10,252,596)
Contributions In Aid Of Construction	<u>\$ 53,498,024</u>	<u>\$ 49,187,956</u>

**NOTE 7 - RETAINED EARNINGS:**

Retained earnings reserved for debt service and unappropriated are as follows:

	<u>1985</u>	<u>1984</u>
Reserved For Debt Service	\$ 24,014,875	\$ 22,274,073
Unappropriated	146,868,701	143,006,986
Total Retained Earnings	<u>\$ 170,883,576</u>	<u>\$ 165,281,059</u>

Retained earnings balances at September 30, included in the debt service fund accounts, are as follows:

	<u>1985</u>	<u>1984</u>
Sinking Fund Account	\$ 3,143,429	\$ 1,339,269
Reserve Account	20,741,452	20,744,634
Debt Service Account	8,983,068	8,975,802
Subordinated Indebtedness Fund Account	352,000	335,272
Commercial Paper Note Payment Account	6,038	8,620
	<u>33,225,987</u>	<u>31,403,597</u>
Less: Amounts Appropriated For Current Interest Payable	(9,211,112)	(9,129,524)
	<u>\$ 24,014,875</u>	<u>\$ 22,274,073</u>



**NOTE 8 - RETIREMENT PLANS:**

The City sponsors and administers two retirement plans that include GRU employees together with the other City employees.

The Employees Pension Plan ("Employees Plan"), a defined benefit, primary contributory pension plan, covers all employees of GRU, except certain personnel who participate only in the Deferred Compensation Plan.

The City accounts for, and funds the costs of, the Employees Plan as they accrue. Such costs are based on contribution rates determined by the most recent actuarial valuation. The total contributions by the City, including amortization of prior service costs, for the years ended September 30, 1985 and 1984, were \$1,256,526 and \$944,290, respectively. Of these totals, approximately \$730,130 and \$440,600 was contributed by GRU in 1985 and 1984, respectively.

The following information for the Employees Plan is as of September 30, 1984, the date of the latest actuarial valuation:

Actuarial Present Value of Accumulated Plan Benefits - Vested	\$16,106,815
Actuarial Present Value of Accumulated Plan Benefits - Nonvested	<u>517,310</u>
	<u>\$16,624,125</u>
Net Assets Available For Benefits	<u><u>\$19,870,291</u></u>

Weighted Average Assumed Rate of Return Used To Determine the Actuarial Present Value Of Plan Benefits	<u>10%</u>
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Beginning in 1979, certain employees are eligible to participate in a defined contribution deferred compensation plan managed by the International City Management Association Retirement Corporation as fiscal agent for the City. Under this plan, the City contributes 6% of an employee's annual salary and employees may contribute either a specified percentage or dollar amount. Total deferred compensation cost for GRU for the fiscal years ended September 30, 1985 and 1984 was approximately \$99,165 and \$47,200, respectively.

**NOTE 9 - LITIGATION:**

GRU is currently involved in litigation and pending arbitration with Island Creek Coal Sales Company over GRU's cancellation of its coal supply contract. If it were to be determined that GRU's cancellation of the contract was improper, GRU may be liable for damages in connection with the minimum required tonnage of coal for the seven and one-half years remaining on the initial ten-year contract term. Legal counsel is unable to determine what, if any, damages could be assessed if the disputes are decided adversely to GRU. In the opinion of management, any liability that might ensue would not be material in relation to GRU's financial condition.

## **AUDITORS' REPORT ON SUPPLEMENTAL DATA**

The Honorable City Commissioners  
City of Gainesville  
Gainesville, Florida 32601

Our examinations were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedules of combined net revenues in accordance with bond resolution for the years ended September 30, 1985, 1984, 1983 and 1982, net revenues in accordance with bond resolution -electric utility fund, water utility fund, and wastewater utility fund, for the years ended September 30, 1985 and 1984, combining balance sheet at September 30, 1985, combining statement of revenue and expense and retained earnings for the year ended September 30, 1985, and schedules of utility plant properties and accumulated depreciation and amortization for the year ended September 30, 1985, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the examination of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The accompanying schedule of combined net revenues in accordance with bond resolution for the year ended September 30, 1981, was examined by other auditors, whose report dated December 11, 1981, expressed an unqualified opinion on the basic financial statements.

Coopers & Lybrand  
Jacksonville, Florida

Davis, Monk,  
Farnsworth & Company  
Gainesville, Florida

December 1, 1985

**GAINESVILLE REGIONAL UTILITIES**  
**SCHEDULES OF COMBINED NET REVENUES**  
**IN ACCORDANCE WITH BOND RESOLUTION**  
**FOR THE YEARS ENDED SEPTEMBER 30, 1985, 1984, 1983, 1982, and 1981**

	1985	1984	1983	1982	1981
<b>Revenues:</b>					
Electric Fund:					
Sales of Electricity	\$ 93,510,046	\$ 84,512,383	\$ 97,592,233	\$ 92,037,314	\$54,219,805
Other Electric Revenues	(1,113,906)	(1,530,710)	611,473	1,405,509	1,395,168
Interest Income	3,976,216	4,603,179	3,804,633	3,775,215	2,830,183
Settlement of Litigation	-	-	-	-	5,000,000
Total Electric Fund Revenues	<u>96,372,356</u>	<u>87,584,852</u>	<u>102,008,339</u>	<u>97,218,038</u>	<u>63,445,156</u>
Water Fund:					
Sales of Water	6,072,296	5,739,085	5,047,278	4,671,391	4,698,829
Other Water Revenues	(170,396)	443,682	787,078	817,287	1,034,773
Interest Income	448,283	452,587	150,600	139,718	288,538
Total Water Fund Revenues	<u>6,350,183</u>	<u>6,635,354</u>	<u>5,984,956</u>	<u>5,628,396</u>	<u>6,022,140</u>
Wastewater Fund:					
Wastewater Billings	7,293,741	6,890,309	6,122,823	5,308,404	4,691,033
Other Wastewater Revenues	(420,155)	(189,521)	652,823	539,459	863,346
Interest Income	576,804	531,929	221,984	293,138	355,636
Total Wastewater Fund Revenues	<u>7,450,390</u>	<u>7,232,717</u>	<u>6,997,630</u>	<u>6,141,001</u>	<u>5,910,015</u>
<b>TOTAL REVENUES</b>	<u>110,172,929</u>	<u>101,452,923</u>	<u>114,990,925</u>	<u>108,987,435</u>	<u>75,377,311</u>
<b>Operation and Maintenance Expenses:</b>					
Electric Fund:					
Fuel Expense	42,139,504	37,291,649	53,826,111	54,224,930	26,073,656
Operation and Maintenance	8,748,618	7,787,440	7,368,447	6,380,117	4,302,397
Administrative and General	9,782,810	8,265,254	7,586,390	6,517,020	5,015,152
Settlement of Litigation	-	-	-	-	1,549,400
Total Electric Fund Expenses	<u>60,670,932</u>	<u>53,344,343</u>	<u>68,780,948</u>	<u>67,122,067</u>	<u>36,940,605</u>
Water Fund:					
Operation and Maintenance	2,332,583	2,176,909	1,785,644	1,689,260	1,644,641
Administrative and General	1,465,924	1,204,123	1,210,440	1,142,688	1,141,486
Total Water Fund Expenses	<u>3,798,507</u>	<u>3,381,032</u>	<u>2,996,084</u>	<u>2,831,948</u>	<u>2,786,127</u>
Wastewater Fund:					
Operation and Maintenance	2,684,066	2,355,195	2,130,323	1,859,147	1,731,029
Administrative and General	1,821,683	1,591,567	1,364,867	1,577,017	1,382,192
Total Wastewater Fund Expenses	<u>4,505,749</u>	<u>3,946,762</u>	<u>3,495,190</u>	<u>3,436,164</u>	<u>3,113,221</u>
<b>TOTAL OPERATION AND MAINTENANCE EXPENSES</b>	<u>(68,975,188)</u>	<u>(60,672,137)</u>	<u>(75,272,222)</u>	<u>(73,390,179)</u>	<u>(42,839,953)</u>
<b>NET REVENUES IN ACCORDANCE WITH BOND RESOLUTION:</b>					
Electric	35,701,424	34,240,509	33,227,391	30,095,971	26,504,551
Water	2,551,676	3,254,322	2,988,872	2,796,448	3,236,013
Wastewater	2,944,641	3,285,955	3,502,440	2,704,837	2,796,794
Net Revenues Before Interest					
Income From Sinking Fund	41,197,741	40,780,786	39,718,703	35,597,256	32,537,358
Interest Income From Sinking Fund	207,898	-	-	-	-
<b>TOTAL NET REVENUES IN ACCORDANCE WITH BOND RESOLUTION</b>	<u>\$ 41,405,639</u>	<u>\$ 40,780,786</u>	<u>\$ 39,718,703</u>	<u>\$ 35,597,256</u>	<u>\$32,537,358</u>
<b>AGGREGATE DEBT SERVICE</b>	<u>\$ 17,939,790</u>	<u>\$ 17,939,790</u>	<u>\$ 18,974,943</u>	<u>\$ 15,787,520</u>	<u>\$15,111,590</u>
<b>COVERAGE RATIO</b>	2.31	2.27	2.09	2.25	2.15

See note on page 28

**GAINESVILLE REGIONAL UTILITIES**  
**SCHEDULES OF NET REVENUES IN ACCORDANCE WITH**  
**BOND RESOLUTION**  
**ELECTRIC UTILITY FUND**  
**FOR THE YEARS ENDED SEPTEMBER 30, 1985 AND 1984**

	<u>1985</u>	<u>1984</u>
Revenues:		
Sales of Electricity:		
Residential Sales	\$30,202,944	\$28,337,195
General Service and Large Power	32,552,374	30,123,814
Fuel Adjustment	1,826,278	1,334,109
Street and Traffic Lighting	1,384,348	1,328,718
Utility Surcharge	1,379,160	1,261,062
Sales for Resale	1,503,596	1,360,749
Interchange Sales	<u>24,661,346</u>	<u>20,766,736</u>
Total Sales of Electricity	<u>93,510,046</u>	<u>84,512,383</u>
Other Revenues:		
Transfers (to) from rate stabilization	(2,000,000)	(3,000,000)
Service Charges	739,277	623,905
Pole Rentals	76,329	107,737
Miscellaneous	<u>70,488</u>	<u>737,648</u>
Total Other Revenues	<u>(1,113,906)</u>	<u>(1,530,710)</u>
Interest Income	<u>3,976,216</u>	<u>4,603,179</u>
<b>TOTAL REVENUES</b>	<u>96,372,356</u>	<u>87,584,852</u>
<b>Operation and Maintenance Expenses:</b>		
Operation and Maintenance:		
Fuel Expense:		
Retail and Purchased Power	25,398,691	23,039,477
Interchange	16,031,417	13,688,747
Other	<u>709,396</u>	<u>563,425</u>
Total Fuel Expense	<u>42,139,504</u>	<u>37,291,649</u>
Power Production	5,952,738	5,440,623
Transmission	362,598	328,232
Distribution	<u>2,433,282</u>	<u>2,018,585</u>
Total Operation and Maintenance	<u>50,888,122</u>	<u>45,079,089</u>
Administrative and General:		
Customer Accounts	1,377,696	1,315,266
Administrative and General	<u>8,405,114</u>	<u>6,949,988</u>
Total Administrative and General	<u>9,782,810</u>	<u>8,265,254</u>
<b>TOTAL OPERATION AND MAINTENANCE EXPENSES</b>	<u>60,670,932</u>	<u>53,344,343</u>
<b>Net Revenues in Accordance with Bond Resolution:</b>		
Retail	27,071,495	27,162,520
Interchange	<u>8,629,929</u>	<u>7,077,989</u>
Net Revenues Before Interest Income from Sinking Fund	35,701,424	34,240,509
Interest Income from Sinking Fund	<u>182,641</u>	<u>-</u>
<b>TOTAL NET REVENUES IN ACCORDANCE WITH BOND RESOLUTION</b>	<u>\$35,884,065</u>	<u>\$34,240,509</u>

See note on page 28

**GAINESVILLE REGIONAL UTILITIES**  
**SCHEDULES OF NET REVENUES IN**  
**ACCORDANCE WITH BOND RESOLUTION**  
**WATER UTILITY FUND**  
**FOR THE YEARS ENDED SEPTEMBER 30, 1985 AND 1984**

	1985	1984
<b>Revenues:</b>		
Sales of Water:		
General Customers	\$4,635,401	\$4,367,900
University of Florida	557,810	542,144
Fire Protection	650,063	625,111
Generating Stations	79,544	69,222
Utility Surcharge	149,478	134,708
Total Sales of Water	6,072,296	5,739,085
Other Revenues:		
Transfers (to) from rate stabilization	(1,242,000)	(1,100,000)
Connection Charges	1,065,780	1,489,621
Miscellaneous	5,824	54,061
Total Other Revenues	(170,396)	443,682
Interest Income	448,283	452,587
<b>TOTAL REVENUES</b>	<b>6,350,183</b>	<b>6,635,354</b>
<b>Operation and Maintenance Expenses:</b>		
Operation and Maintenance:		
Source of Supply	2,029	2,574
Pumping	866,620	783,787
Water Treatment	1,032,792	961,106
Transmission and Distribution	431,142	429,442
Total Operation and Maintenance	2,332,583	2,176,909
Administrative and General:		
Customer Accounts	262,748	237,524
Administrative and General	1,203,176	966,599
Total Administrative and General	1,465,924	1,204,123
<b>TOTAL OPERATION AND MAINTENANCE EXPENSES</b>	<b>3,798,507</b>	<b>3,381,032</b>
Net Revenues Before Interest Income From Sinking Fund	2,551,676	3,254,322
Interest Income from Sinking Fund	12,694	-
<b>TOTAL NET REVENUES IN ACCORDANCE WITH BOND RESOLUTION</b>	<b>\$ 2,564,370</b>	<b>\$ 3,254,322</b>

See note on page 28

**GAINESVILLE REGIONAL UTILITIES**  
**SCHEDULES OF NET REVENUES IN**  
**ACCORDANCE WITH BOND RESOLUTION**  
**WASTEWATER UTILITY FUND**  
**FOR THE YEARS ENDED SEPTEMBER 30, 1985 AND 1984**

	<u>1985</u>	<u>1984</u>
<b>Revenues:</b>		
Wastewater Billings	\$7,293,741	\$6,890,309
Other Revenues:		
Transfers (to) from rate stabilization	(1,529,000)	(1,600,000)
Connection Charges	1,101,738	1,345,340
Miscellaneous	7,107	65,139
Total Other Revenues	<u>(420,155)</u>	<u>(189,521)</u>
Interest Income	576,804	531,929
<b>TOTAL REVENUES</b>	<u>7,450,390</u>	<u>7,232,717</u>
<b>Operation and Maintenance Expenses:</b>		
Operation and Maintenance:		
Collection	371,425	356,414
Treatment and Pumping	2,312,641	1,998,781
Total Operation and Maintenance	<u>2,684,066</u>	<u>2,355,195</u>
Administrative and General:		
Customer Accounts	212,067	191,727
Administrative and General	1,609,616	1,399,840
Total Administrative and General	<u>1,821,683</u>	<u>1,591,567</u>
<b>TOTAL OPERATION AND MAINTENANCE EXPENSES</b>	<u>4,505,749</u>	<u>3,946,762</u>
Net Revenues Before Interest Income From Sinking Fund	2,944,641	3,285,955
Interest Income from Sinking Fund	<u>12,563</u>	<u>-</u>
<b>TOTAL NET REVENUES IN ACCORDANCE WITH BOND RESOLUTION</b>	<u>\$2,957,204</u>	<u>\$3,285,955</u>

NOTE: "Net revenues in accordance with bond resolution" differs from "Net income retained" which is determined in accordance with generally accepted accounting principles. Following are the more significant differences:

- Interest income does not include interest earned on construction funds and on certain debt service accounts which can only be used for certain restricted purposes.
- Operation and maintenance expenses do not include depreciation, amortization, or interest expense.
- Other water and wastewater revenues include fees for connection, installation, front footage, federal grants and backflow prevention.
- Transfers to the general fund are not included.
- Other revenues include transfers (to) from the rate stabilization fund.
- Extraordinary items are not included.

**GAINESVILLE REGIONAL UTILITIES**  
**SCHEDULE OF COMBINING STATEMENTS**  
**OF REVENUE AND EXPENSE**  
**AND RETAINED EARNINGS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 1985**

	<u>ELECTRIC</u>	<u>WATER</u>	<u>WASTE- WATER</u>	<u>COMBINED</u>
<b>Operating Revenues:</b>				
Sales and Service Charges	\$ 93,510,046	\$ 6,072,296	\$ 7,293,741	\$ 106,876,083
Other Operating Revenue	886,094	5,824	7,107	899,025
TOTAL OPERATING REVENUES	<u>94,396,140</u>	<u>6,078,120</u>	<u>7,300,848</u>	<u>107,775,108</u>
<b>Operating Expenses:</b>				
Operations and Maintenance	50,888,122	2,332,583	2,684,066	55,904,771
Administrative and General	9,782,810	1,465,924	1,821,683	13,070,417
Depreciation and Amortization	9,718,252	1,282,741	1,817,393	12,818,386
TOTAL OPERATING EXPENSES	<u>70,389,184</u>	<u>5,081,248</u>	<u>6,323,142</u>	<u>81,793,574</u>
<b>Operating Income</b>	24,006,956	996,872	977,706	25,981,534
<b>Nonoperating Revenues (Expenses):</b>				
Interest Revenue	5,488,550	535,560	790,112	6,814,222
Interest Expense:	<u>(18,403,870)</u>	<u>(1,055,178)</u>	<u>(1,510,809)</u>	<u>(20,969,857)</u>
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>(12,915,320)</u>	<u>(519,618)</u>	<u>(720,697)</u>	<u>(14,155,635)</u>
Income Before Operating Transfers	11,091,636	477,254	257,009	11,825,899
Operating Transfer to General Fund	<u>(7,404,717)</u>	<u>(149,056)</u>	-	<u>(7,553,773)</u>
Net Income Retained	<u>3,686,919</u>	<u>328,198</u>	<u>257,009</u>	<u>4,272,126</u>
Retained Earnings, Beginning	140,058,103	15,602,265	9,620,691	165,281,059
Residual Equity Transfers	385,997	218,807	(604,804)	-
Amortization of Contributions in Aid of Construction	-	<u>411,292</u>	<u>919,099</u>	<u>1,330,391</u>
Retained Earnings, Ending	<u>\$144,131,019</u>	<u>\$16,560,562</u>	<u>\$10,191,995</u>	<u>\$170,883,576</u>

**GAINESVILLE REGIONAL UTILITIES**  
**SCHEDULE OF COMBINING BALANCE SHEET**  
**SEPTEMBER 30, 1985**

**ASSETS**

	<u>ELECTRIC</u>	<u>WATER</u>	<u>WASTE- WATER</u>	<u>COMBINED</u>
<b>Utility Plant:</b>				
Utility Plant in Service	\$326,400,111	\$52,937,238	\$71,641,993	\$450,979,342
Construction in Progress	3,065,942	2,001,540	1,555,499	6,622,981
	<u>329,466,053</u>	<u>54,938,778</u>	<u>73,197,492</u>	<u>457,602,323</u>
Less: Accumulated Depreciation and Amortization	<u>(65,654,132)</u>	<u>(15,823,551)</u>	<u>(17,575,949)</u>	<u>(99,053,632)</u>
NET UTILITY PLANT	<u>263,811,921</u>	<u>39,115,227</u>	<u>55,621,543</u>	<u>358,548,691</u>
<b>Restricted Assets:</b>				
Capital Facilities -				
Cash and Investments	-	-	1,346,330	1,346,330
Decommissioning Reserve -				
Cash and Investments	176,341	-	-	176,341
Water Pollution Emergency Reserve -				
Cash and Investments	-	50,000	-	50,000
Utility Deposits -				
Cash and Investments	2,576,555	-	-	2,576,555
Debt Service Fund -				
Cash and Investments	29,553,378	1,801,470	1,871,139	33,225,987
Rate Stabilization Fund -				
Cash and Investments	12,692,473	3,308,029	4,062,291	20,062,793
Construction Fund -				
Cash and Investments	13,078,273	185,449	1,804,824	15,068,546
Contracts-in-Progress	587,835	423,654	476,788	1,488,277
Utility Plant Improvement Fund -				
Cash, Investments, and Receivables	2,476,094	477,991	393,289	3,347,374
Due From Other Funds	63,675	62,866	99,529	226,070
Materials Inventories	<u>2,726,634</u>	<u>401,916</u>	<u>434,704</u>	<u>3,563,254</u>
TOTAL RESTRICTED ASSETS	<u>63,931,258</u>	<u>6,711,375</u>	<u>10,488,894</u>	<u>81,131,527</u>
<b>Current Assets:</b>				
Cash and Short-Term Investments	6,091,660	173,318	194,128	6,459,106
Accounts Receivable, Net	13,156,984	984,037	997,139	15,138,160
Prepaid Expenses	92,820	238	311	93,369
Inventories:				
Fuel	10,125,042	-	-	10,125,042
Materials & Supplies	<u>271,643</u>	<u>-</u>	<u>-</u>	<u>271,643</u>
TOTAL CURRENT ASSETS	<u>29,738,149</u>	<u>1,157,593</u>	<u>1,191,578</u>	<u>32,087,320</u>
<b>Deferred Debts</b>	<u>6,712,339</u>	<u>329,988</u>	<u>327,035</u>	<u>7,369,362</u>
TOTAL ASSETS	<u>\$364,193,667</u>	<u>\$47,314,183</u>	<u>\$67,629,050</u>	<u>\$479,136,900</u>



## LIABILITIES AND FUND EQUITY

	ELECTRIC	WATER	WASTE- WATER	COMBINED
<b>Long-Term Debt and Fund Equity:</b>				
Long-Term Debt -				
Utilities System Revenue Bonds Payable	\$ 163,402,860	\$ 11,357,160	\$ 11,239,980	\$ 186,000,000
Commercial Paper Notes Payable	39,289,934	831,122	9,379,944	49,501,000
Less: Unamortized Bond Discount	<u>(6,357,103)</u>	<u>(441,712)</u>	<u>(437,199)</u>	<u>(7,236,014)</u>
Total Long-Term Debt	<u>196,335,691</u>	<u>11,746,570</u>	<u>20,182,725</u>	<u>228,264,986</u>
 Fund Equity -				
Contributions in Aid of Construction	-	17,955,279	35,542,745	53,498,024
Retained Earnings	<u>144,131,019</u>	<u>16,560,562</u>	<u>10,191,995</u>	<u>170,883,576</u>
Total Fund Equity	<u>144,131,019</u>	<u>34,515,841</u>	<u>45,734,740</u>	<u>224,381,600</u>
<b>TOTAL LONG-TERM DEBT AND FUND EQUITY</b>	<u>340,466,710</u>	<u>46,262,411</u>	<u>65,917,465</u>	<u>452,646,586</u>
 <b>Payable from Restricted Assets:</b>				
Utility Deposits	2,576,555	-	-	2,576,555
Accrued Interest Payable	8,071,601	551,752	587,759	9,211,112
Construction Fund -				
Accounts, Contracts and Retainages Payable	587,835	423,654	476,788	1,488,277
Due to Other Funds	1,271,896	110,430	155,413	1,537,739
Utility Plant Improvement Fund -				
Accounts Payable and Accrued Liabilities	<u>429,216</u>	<u>63,402</u>	<u>64,562</u>	<u>557,180</u>
 <b>TOTAL PAYABLE FROM RESTRICTED ASSETS</b>	<u>12,937,103</u>	<u>1,149,238</u>	<u>1,284,522</u>	<u>15,370,863</u>
 <b>Current Liabilities:</b>				
Fuels Payable	5,982,739	-	-	5,982,739
Accounts Payable and Accrued Liabilities	2,116,995	237,451	256,857	2,611,303
Due to (from) Other Funds	<u>200,764</u>	<u>(334,917)</u>	<u>170,206</u>	<u>36,053</u>
<b>TOTAL CURRENT LIABILITIES</b>	<u>8,300,498</u>	<u>(97,466)</u>	<u>427,063</u>	<u>8,630,095</u>
 <b>Deferred Credits</b>	<u>2,489,356</u>	-	-	<u>2,489,356</u>
 <b>Commitments and Contingencies:</b>				
(Note 9)	-	-	-	-
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<u>\$ 364,193,667</u>	<u>\$ 47,314,183</u>	<u>\$ 67,629,050</u>	<u>\$ 479,136,900</u>

**GAINESVILLE REGIONAL UTILITIES**  
**SCHEDULE OF UTILITY PLANT PROPERTIES**  
**COMBINED UTILITY FUND**  
**SEPTEMBER 30, 1985**

	UTILITY PLANT PROPERTIES			
	BALANCE 9-30-84	ADDITIONS	SALES AND RETIREMENTS	BALANCE 9-30-85
<b>Plant in Service</b>				
<b>ELECTRIC UTILITY FUND:</b>				
Production Plant	\$ 231,669,907	\$ 2,478,113	\$ -	\$ 234,148,020
Nuclear Fuel	2,365,608	192,558	-	2,558,166
Transmission and Distribution Plant	76,180,971	4,987,225	816,181	80,352,015
General And Common Plant	8,647,779	865,661	186,743	9,326,697
Plant Acquisition Adjustment	15,213	-	-	15,213
<b>TOTAL ELECTRIC UTILITY FUND</b>	<u>318,879,478</u>	<u>8,523,557</u>	<u>1,002,924</u>	<u>326,400,111</u>
<b>WATER UTILITY FUND:</b>				
Supply, Pumping and Treatment Plant	11,889,625	140,727	391,585	11,638,767
Transmission and Distribution Plant	36,426,198	3,338,208	222,805	39,541,601
General Plant	1,586,643	261,041	90,814	1,756,870
<b>TOTAL WATER UTILITY FUND</b>	<u>49,902,466</u>	<u>3,739,976</u>	<u>705,204</u>	<u>52,937,238</u>
<b>WASTEWATER UTILITY FUND:</b>				
Pumping and Treatment Plant	26,391,392	865,432	-	27,256,824
Collection Plant	38,732,476	3,048,360	76,920	41,703,916
General Plant	2,503,238	404,008	225,993	2,681,253
<b>TOTAL WASTEWATER UTILITY FUND</b>	<u>67,627,106</u>	<u>4,317,800</u>	<u>302,913</u>	<u>71,641,993</u>
<b>TOTAL PLANT IN SERVICE</b>	<u>\$ 436,409,050</u>	<u>\$ 16,581,333</u>	<u>\$ 2,011,041</u>	<u>\$ 450,979,342</u>
<b>Construction In Progress</b>				
<b>CONSTRUCTION FUND:</b>				
Electric Utility Fund	\$ 8,933	\$ 2,632,509	\$ 1,669,368	\$ 972,074
Water Utility Fund	900,246	1,213,795	1,313,667	800,374
Wastewater Utility fund	716,591	1,967,030	1,435,934	1,247,687
<b>TOTAL CONSTRUCTION FUND</b>	<u>1,625,770</u>	<u>5,813,334</u>	<u>4,418,969</u>	<u>3,020,135</u>
<b>UTILITY PLANT IMPROVEMENT FUND:</b>				
Electric Utility Fund	1,881,876	6,407,896	6,195,904	2,093,868
Water Utility Fund	711,370	2,908,418	2,418,622	1,201,166
Wastewater Utility Fund	410,191	2,781,134	2,883,513	307,812
<b>TOTAL UTILITY PLANT IMPROVEMENT FUND</b>	<u>3,003,437</u>	<u>12,097,448</u>	<u>11,498,039</u>	<u>3,602,846</u>
<b>TOTAL CONSTRUCTION IN PROGRESS</b>	<u>\$ 4,629,207</u>	<u>\$ 17,910,782</u>	<u>\$ 15,917,008</u>	<u>\$ 6,622,981</u>

**GAINESVILLE REGIONAL UTILITIES**  
**SCHEDULE OF ACCUMULATED DEPRECIATION**  
**AND AMORTIZATION**  
**COMBINED UTILITY FUND**  
**SEPTEMBER 30, 1985**

	Accumulated Depreciation and Amortization			
	BALANCE 9-30-84	ADDITIONS	SALES AND RETIREMENTS	BALANCE 9-30-85
<b>ELECTRIC UTILITY FUND:</b>				
Production Plant	\$ 36,085,982	\$ 6,704,919	\$ (44,843)	\$ 42,835,744
Nuclear Fuel	1,424,279	192,764	365,210	1,251,833
Transmission and Distribution Plant	16,577,984	2,070,271	898,859	17,749,396
General and Common Plant	3,296,941	443,866	(61,139)	3,801,946
Plant Acquisition Adjustment	1,521	13,692	-	15,213
<b>TOTAL ELECTRIC UTILITY FUND</b>	<b>57,386,707</b>	<b>9,425,512</b>	<b>1,158,087</b>	<b>65,654,132</b>
<b>WATER UTILITY FUND:</b>				
Supply, Pumping, and Treatment Plant	4,169,312	335,155	391,505	4,112,962
Transmission and Distribution Plant	9,879,086	872,726	219,867	10,531,945
General Plant	1,098,155	70,886	(9,603)	1,178,644
<b>TOTAL WATER UTILITY FUND</b>	<b>15,146,553</b>	<b>1,278,767</b>	<b>601,769</b>	<b>15,823,551</b>
<b>WASTEWATER UTILITY FUND</b>				
Pumping and Treatment Plant	5,367,152	867,132	-	6,234,284
Collection Plant	8,888,861	774,768	76,920	9,586,709
General Plant	1,653,625	146,013	44,682	1,754,956
<b>TOTAL WASTEWATER UTILITY PLANT</b>	<b>15,909,638</b>	<b>1,787,913</b>	<b>121,602</b>	<b>17,575,949</b>
<b>TOTALS</b>	<b>\$ 88,442,898</b>	<b>\$ 12,492,192</b>	<b>\$ 1,881,458</b>	<b>\$ 99,053,632</b>

# Commitment

Throughout 1985, in a variety of community and customer service programs, GRU employees demonstrated our continuing commitment to a quality of service beyond routine operational requirements.

During our summer "rush" period, improved processing procedures resulted in outstanding service to applicants for electric and water service. Within a two-week period, applications were processed for 10,000 returning college students — nearly one-fourth of our residential customers — with no wait in line longer than ten minutes and no wait for service connection longer than twenty-four hours.

In a continuing effort to protect the interests of responsible customers, accelerated revenue protection activities produced backbillings of \$140,000 — nearly twice the program's operating expenses. Increased information efforts improved public awareness of the program and led to nearly 100 customer tips on suspected current diversion activities. Cooperation between our investigators and local law enforcement agencies has resulted in a 99.9 percent conviction rate of cases prosecuted during the program's existence.

Leading our environmental protection efforts was GRU's continued involvement in the Florida Acid Deposition Study, sponsored by the Florida Electric Power Coordinating Group (FCG). As a member utility, GRU participates in funding the study, which is the most comprehensive yet undertaken to determine the extent and impact of acid rain in Florida.

Energy conservation accomplishments included more than 2,600 free residential energy audits and 63 commercial audits performed by staff and contract auditors. Nearly 10,000 water conservation devices and 2,500 water heater jackets were installed, and a variety of financial incentive programs were promoted to assist in customer installation of energy-saving measures. Fifteen thousand Alachua County students viewed "The Energy Carnival," an energy awareness play co-developed by GRU and the Florida Arts Council. Produced locally by the Hippodrome State Theatre for Young Audiences, the show began a state and national tour this fall.

Public information campaigns and production support activities covered a broad range of utility programs, including promotion of energy and water conservation. Internally produced conservation TV commercials garnered an Advertising Federation award, while newspaper and TV appeals to customers during our spring dry spell are credited with a successful shift of peak consumption hours. Broadcast television programs "The Right Tree" and "H<sub>2</sub>O2U" promoted improved public understanding of the link between utilities services and our natural resources, while special target-audience video productions dealt with issues and methods of waste disposal.

The state's utility organizations drew upon GRU for leadership during 1985, with members of our staff occupying such positions as the presidency of the Florida Municipal Utility Association and chairmanship of several committees and subcommittees of electric and water utility associations.

Employee information and development programs included the establishment of our bi-weekly "Utility Line" newsletter, and thousands of contact hours in safety and job skills training. Safety programs, including a new heavy equipment driver instruction program, achieved a 75 percent reduction in days lost due to injuries in our water and wastewater systems.

From the January freeze through spring drought and our Labor Day preparations for Hurricane Gloria, few years have provided so many opportunities to demonstrate our commitment to service. In 1985, as in years past, Gainesville Regional Utilities' employees once again showed through their actions our basic philosophy of service: to care.



GRU volunteers assist with public television fundraising.

# Rates

Charges for services in effect at the close of the fiscal year September 30, 1985, for major customer classes.

## Electric

The following monthly electric rate schedules are "base rates" and include a fuels charge of 25 mills per kilowatt hour. The additional variable monthly fuel adjustment charge is not included. The minimum bill is the Customer Charge plus any applicable demand charge.

### Residential

Customer Charge	\$4.35
Energy charge per kilowatt hour (kWh)	
First 750 kWh	\$.0600/kWh
Over 750 kWh	\$.0636/kWh

### General Service Non-Demand (A demand of 50 kilowatts (kW) or greater has not been established)

Customer Charge	\$8.95
Energy Charge	\$.0749/kWh

### General Service Demand (Established demand of 50 kW, but less than 1,000 kW)

Customer Charge	\$15.51
Energy Charge	\$.0529/kWh
Demand Charge	\$4.77/kW

### Large Power (Established demand of 1,000 kW or greater)

Customer Charge	\$59.65
Energy Charge	\$.0464/kWh
Demand Charge	\$4.18/kW

## Water

The minimum bill is the Customer Charge.

Customer Charge	\$2.54
Water Rate	\$0.72 per thousand gallons

## Wastewater

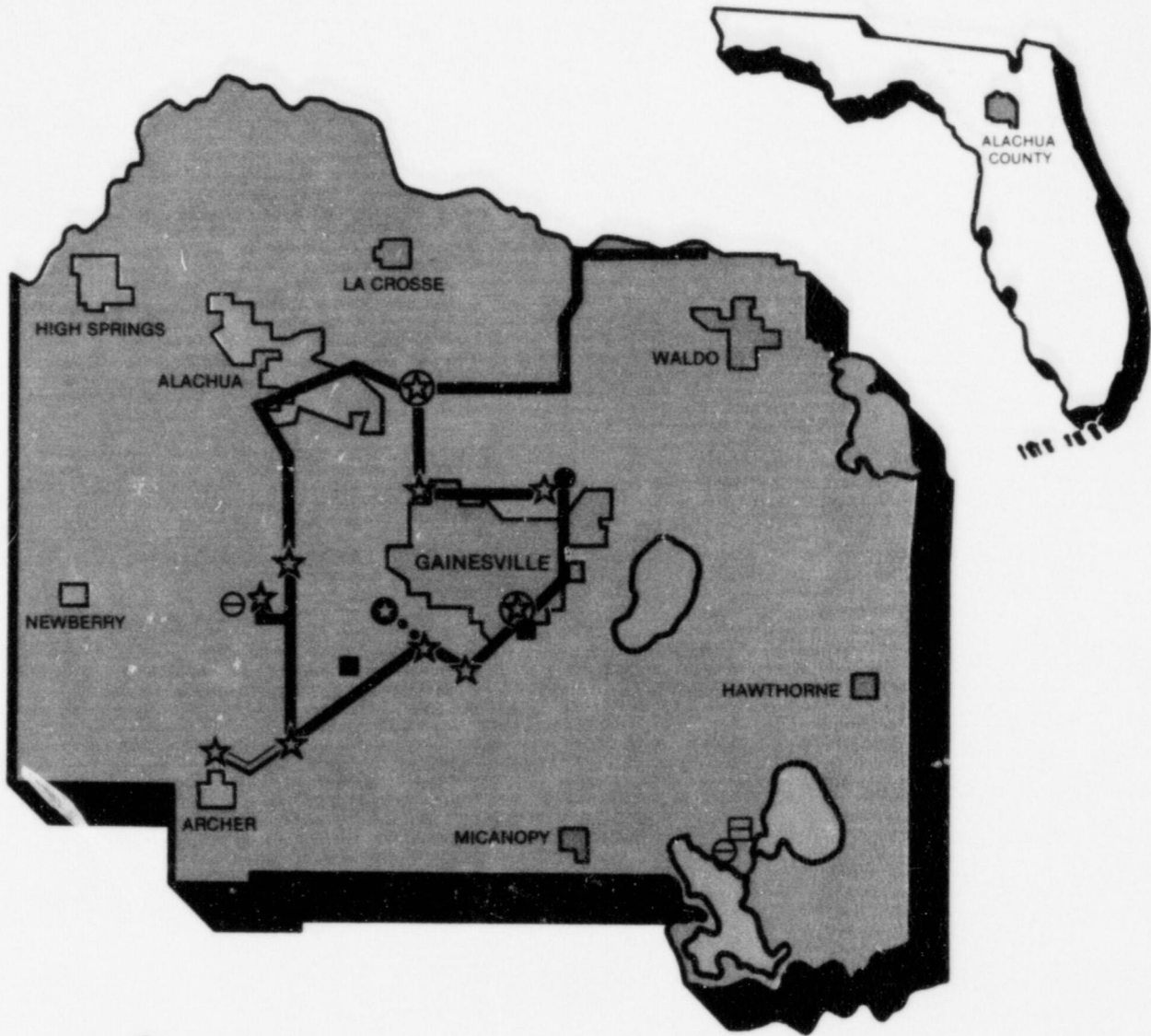
The minimum bill is the Customer Charge.

Customer Charge	\$1.86
Wastewater Charge	\$1.86 per thousand gallons

Additional rate schedules, available upon request, include: Time-Of-Use rate for electric customers, wastewater rates for residential customers not connected to the system but subject to rates and charges, and wastewater rates for residential customers obtaining water from unmetered private wells and discharging into the system.

# Gainesville Regional Utilities

## Major Facilities of Combined Systems



- ELECTRIC GENERATING STATION
- ☆ ELECTRIC SUBSTATION
- ★ ELECTRIC SUBSTATION PROPOSED
- ELECTRIC SYSTEM TRANSMISSION (230 kV)
- ELECTRIC SYSTEM TRANSMISSION (138 kV)
- ..... ELECTRIC SYSTEM TRANSMISSION PROPOSED (138 kV)
- WATER TREATMENT PLANT
- ⊖ PACKAGE WATER PLANT
- WASTEWATER TREATMENT PLANT
- ⊖ PACKAGE WASTEWATER TREATMENT PLANT



**Gainesville Regional Utilities**

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