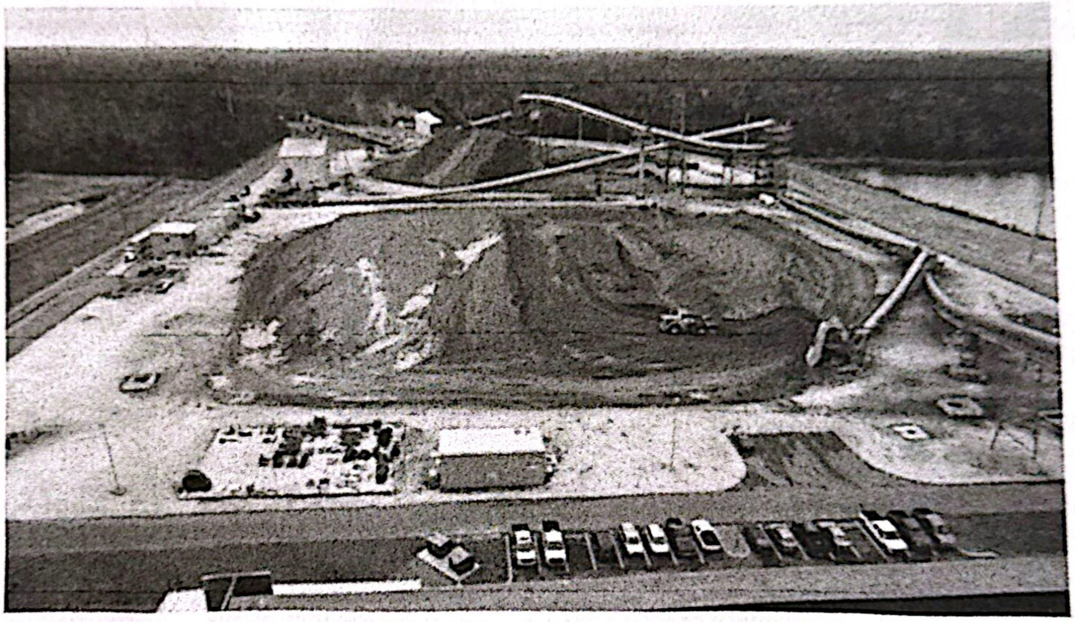
FY 2018 *Increase In Utility Plant In Service After "Capital Lease" Buyout.

LOCAL

Report: GREC contract among country's worst

Andrew Caplan andrew.caplan@gvillesun.com

Oct. 24, 2018, 7:09 p.m. ET



The Gainesville Renewable Energy Center in 2015. [File] *The Gainesville Sun*

FY 2017: $1,158,781,857

FY 2018: $1,954,629,548

*** $795,847,691**

Gainesville Regional Utilities
Combining Statement of Net Position
September 30, 2017

	Electric	Water	Wastewater	Gas	GRUCom	Combined
Assets						
Current assets:						
Cash and investment	$ 22,728,981	$ 6,387,901	$ 7,525,783	$ 5,359,309	$ 7,486,196	$ 49,488,170
Accounts receivable, net of allowance for uncollectible accounts	40,632,400	4,359,451	4,480,718	1,660,485	1,290,265	52,423,319
Inventories:						
Fuel	7,697,011	-	-	-	-	7,697,011
Materials and supplies	5,908,213	896,162	57,961	452,419	439,362	7,754,117
Fuel adjustment	5,588,054	-	-	(858,737)	-	4,729,317
Other assets and regulatory assets	1,772,668	87,331	(33,076)	955,890	10,826	2,793,639
Total current assets	84,327,327	11,730,845	12,031,386	7,569,366	9,226,649	124,885,573
Restricted assets:						
Utility deposits - cash and investments	8,252,179	811,537	538,532	396,470	-	9,998,718
Debt service - cash and investments	27,862,023	4,448,782	4,727,328	2,956,770	2,327,416	42,322,319
Rate stabilization - cash and investments	35,572,780	9,842,787	11,646,168	5,359,917	10,254	62,431,906
Construction fund - cash and investments	1,647,799	962,695	1,794,039	75,639	4,348,590	8,828,762
Utility plant improvement fund - cash and investments	13,176,782	12,049,174	6,615,940	3,543,882	32,297	35,418,075
Total restricted assets	86,511,563	28,114,975	25,322,007	12,332,678	6,718,557	158,999,780
Noncurrent assets:						
Net costs recoverable in future years - regulatory asset	61,574,434	-	-	-	-	61,574,434
Unamortized debt issuance costs - regulatory asset	3,755,097	636,226	775,856	384,614	269,448	5,821,241
Investment in The Energy Authority	1,288,881	-	-	805,102	-	2,093,983
Pollution remediation - regulatory asset	-	-	-	12,133,159	-	12,133,159
Other noncurrent assets and regulatory assets	3,458,776	559,219	673,991	224,048	84,814	5,000,848
Pension regulatory asset	43,747,899	9,524,607	11,832,759	4,243,886	3,792,361	73,141,512
Total noncurrent assets	113,825,087	10,720,052	13,282,606	17,790,809	4,146,623	159,765,177
Capital assets:						
Utility plant in service	1,158,781,857	289,287,812	380,256,040	93,723,302	72,688,569	1,994,737,580
Capital lease	1,006,808,754	-	-	-	-	1,006,808,754
Less: accumulated depreciation and amortization	(651,851,821)	(117,915,869)	(155,367,998)	(48,679,203)	(37,087,322)	(1,010,902,213)
	1,513,738,790	171,371,943	224,888,042	45,044,099	35,601,247	1,990,644,121
Construction in progress	66,931,096	7,629,868	12,739,777	3,485,611	1,311,723	92,098,075
Net capital assets	1,580,669,886	179,001,811	237,627,819	48,529,710	36,912,970	2,082,742,196
Total assets	1,865,333,863	229,567,683	288,263,818	86,222,563	57,004,799	2,526,392,726
Deferred outflows of resources:						
Unamortized loss on refundings of bonds	12,564,939	2,768,723	3,204,533	1,198,347	1,635,738	21,372,280
Accumulated decrease in fair value of hedging derivatives	42,283,618	6,565,355	6,082,057	1,693,593	1,027,738	57,652,361
Pension costs	16,687,258	3,633,078	4,513,504	1,618,794	1,446,563	27,899,197
Total deferred outflows of resources	71,535,815	12,967,156	13,800,094	4,510,734	4,110,039	106,923,838
Total assets and deferred outflows of resources	$ 1,936,869,678	$ 242,534,839	$ 302,063,912	$ 90,733,297	$ 61,114,838	$ 2,633,316,564

Continued on next page.

Gainesville Regional Utilities
Combining Statement of Net Position (concluded)
September 30, 2017

	Electric	Water	Wastewater	Gas	GRUCom	Combined
Liabilities						
Current liabilities:						
Accounts payable and accrued liabilities	$ 22,327,635	$ 2,482,592	$ 2,914,998	$ 1,113,119	$ 618,713	$ 29,457,057
Fuels payable	12,951,316	-	-	354,581	-	13,305,897
Due to other funds	3,824,172	(2,944,700)	(4,113,456)	3,091,534	(731,133)	(873,583)
Capital lease – current	19,255,473	-	-	-	-	19,255,473
Other liabilities and regulatory liabilities	(325,675)	(115,506)	(84,300)	121,967	583,373	179,859
Total current liabilities	58,032,921	(577,614)	(1,282,758)	4,681,201	470,953	61,324,703
Payable from restricted assets:						
Utility deposits	7,786,145	811,537	538,532	396,470	-	9,532,684
Accounts payable and accrued liabilities	7,587,273	674,756	1,333,598	50,504	325,656	9,971,787
Utilities system revenue bonds – current	13,311,733	1,119,907	1,003,467	719,788	1,965,105	18,120,000
Commercial paper notes – current	3,131,425	508,285	1,256,995	1,003,295	-	5,900,000
Accrued interest payable	10,827,643	2,455,202	2,899,657	1,341,776	514,926	18,039,204
Total payable from restricted assets	42,644,219	5,569,687	7,032,249	3,511,833	2,805,687	61,563,675
Long-term debt:						
Utilities system revenue bonds	505,365,110	113,529,642	133,690,283	56,290,970	44,543,995	853,420,000
Commercial paper notes	21,546,000	5,256,000	11,304,000	6,894,000	8,000,000	53,000,000
Capital lease	922,013,598	-	-	-	-	922,013,598
Unamortized bond premium/discount	11,023,034	1,527,785	3,027,942	901,268	422,358	16,902,387
Fair value of derivative instruments	44,290,895	7,124,573	6,756,048	1,997,438	1,015,126	61,184,080
Total long-term debt	1,504,238,637	127,438,000	154,778,273	66,083,676	53,981,479	1,906,520,065
Noncurrent liabilities:						
Reserve for insurance claims	1,999,960	598,326	546,333	187,085	5,296	3,337,000
Reserve for environmental liability	-	-	-	665,000	-	665,000
Pension liability	49,467,696	10,769,896	13,379,828	4,798,751	4,288,191	82,704,362
Total noncurrent liabilities	51,467,656	11,368,222	13,926,161	5,650,836	4,293,487	86,706,362
Total liabilities	1,656,383,433	143,798,295	174,453,925	79,927,546	61,551,606	2,116,114,805
Deferred inflows of resources:						
Rate stabilization	35,928,183	9,910,077	11,722,814	5,385,476	(577,511)	62,369,039
Pension costs	10,967,461	2,387,789	2,966,435	1,063,929	950,733	18,336,347
Total deferred inflows of resources	46,895,644	12,297,866	14,689,249	6,449,405	373,222	80,705,386
Net position:						
Net investment in capital assets	91,649,021	60,116,857	91,010,113	(3,922,970)	(12,359,869)	226,493,152
Restricted	30,321,750	13,975,461	8,366,957	5,133,317	2,432,606	60,230,091
Unrestricted	111,619,830	12,346,360	13,543,668	3,145,999	9,117,273	149,773,130
Total net position	233,590,601	86,438,678	112,920,738	4,356,346	(809,990)	436,496,373
Total liabilities, deferred inflows of resources and net position	$ 1,936,869,678	$ 242,534,839	$ 302,063,912	$ 90,733,297	$ 61,114,838	$ 2,633,316,564

Gainesville Regional Utilities
Combining Statement of Net Position
September 30, 2018

	Electric	Water	Wastewater	Gas	GRUCom	Combined
Assets						
Current assets:						
Cash and investment	$ 15,504,248	$ 1,544,114	$ 340,211	$ 5,708,312	$ 3,696,541	$ 26,793,426
Accounts receivable, net of allowance for uncollectible accounts	46,743,358	4,706,734	5,398,423	1,898,480	1,230,353	59,977,348
Inventories:						
Fuel	16,077,741	-	-	-	-	16,077,741
Materials and supplies	10,247,806	1,092,393	78,328	501,903	450,184	12,370,614
Fuel adjustment	2,310,115	-	-	66,826	-	2,376,941
Other assets and regulatory assets	870,443	81,977	68,098	1,029,823	9,652	2,059,993
Total current assets	91,753,711	7,425,218	5,885,060	9,205,344	5,386,730	119,656,063
Restricted assets:						
Utility deposits - cash and investments	7,581,525	630,775	483,012	382,868	-	9,078,180
Debt service - cash and investments	44,990,439	4,113,993	4,573,187	3,481,326	2,110,329	59,269,274
Rate stabilization - cash and investments	27,854,271	10,134,806	10,387,793	9,180,120	146,816	57,703,806
Construction fund - cash and investments	16,694,925	6,129,395	9,760,384	2,129,594	482,792	35,197,090
Utility plant improvement fund - cash and investments	1,937,712	8,140,771	1,620,025	2,667,897	350,000	14,716,405
Total restricted assets	99,058,872	29,149,740	26,824,401	17,841,805	3,089,937	175,964,755
Noncurrent assets:						
Unamortized debt issuance costs - regulatory asset	7,116,859	600,684	733,246	364,321	241,125	9,056,235
Investment in The Energy Authority	1,412,689	-	-	844,607	-	2,257,296
Pollution remediation - regulatory asset	-	-	-	10,782,332	-	10,782,332
Other noncurrent assets and regulatory assets	5,986,327	927,533	981,913	504,043	250,436	8,650,252
Pension regulatory asset	44,336,403	9,652,115	11,989,694	4,302,736	3,841,403	74,122,351
Total noncurrent assets	58,852,278	11,180,332	13,704,853	16,798,039	4,332,964	104,868,466
Capital assets:						
Utility plant in service	1,954,629,548	290,549,130	380,989,683	94,727,565	73,683,677	2,794,579,603
Less: accumulated depreciation and amortization	(582,113,857)	(127,192,970)	(166,897,748)	(52,706,654)	(39,313,120)	(968,224,349)
	1,372,515,691	163,356,160	214,091,935	42,020,911	34,370,557	1,826,355,254
Construction in progress	37,911,701	20,036,216	30,439,154	6,291,709	5,417,898	100,096,678
Net capital assets	1,410,427,392	183,392,376	244,531,089	48,312,620	39,788,455	1,926,451,932
Total assets	1,660,092,253	231,147,666	290,945,403	92,157,808	52,598,086	2,326,941,216
Deferred outflows of resources						
Unamortized loss on refundings of bonds	10,345,267	2,450,131	2,856,627	1,071,327	1,252,199	17,975,551
Accumulated decrease in fair value of hedging derivatives	27,872,915	3,812,891	3,365,034	1,128,017	711,647	36,890,504
Pension costs	10,184,607	2,224,171	2,779,464	968,528	904,676	17,061,446
Total deferred outflows of resources	48,402,789	8,487,193	9,001,125	3,167,872	2,868,522	71,927,501
Total assets and deferred outflows of resources	$ 1,708,495,042	$ 239,634,859	$ 299,946,528	$ 95,325,680	$ 55,466,608	$ 2,398,868,717

Continued on next page.

Gainesville Regional Utilities
Combining Statement of Net Position (concluded)
September 30, 2018

	Electric	Water	Wastewater	Gas	GRUCom	Combined
Liabilities						
Current liabilities:						
Accounts payable and accrued liabilities	$ 17,080,494	$ 1,909,634	$ 1,407,272	$ 656,753	$ 326,388	$ 21,380,541
Fuels payable	4,769,484	-	-	-	-	4,769,484
Due to other funds	1,840,713	(458,711)	610,639	(1,376,624)	(165,185)	450,832
Other liabilities and regulatory liabilities	687,082	-	-	155,930	-	843,012
Total current liabilities	24,377,773	1,450,923	2,017,911	(563,941)	161,203	27,443,869
Payable from restricted assets:						
Utility deposits	7,581,525	667,632	446,155	382,868	-	9,078,180
Accounts payable and accrued liabilities	4,075,614	1,843,695	2,382,292	41,860	(907)	8,342,554
Utilities system revenue bonds – current	19,989,595	2,105,484	2,517,176	1,197,009	2,075,736	27,885,000
Accrued interest payable	23,314,865	2,144,199	2,385,240	1,167,951	443,038	29,455,293
Other liabilities and regulatory liabilities	8,175	970	1,198	516	737	11,596
Total payable from restricted assets	54,969,774	6,761,980	7,732,061	2,790,204	2,518,604	74,772,623
Long-term debt:						
Utilities system revenue bonds	1,166,295,515	111,424,157	131,173,107	55,093,961	42,468,260	1,506,455,000
Commercial paper notes	41,004,000	11,373,000	21,318,000	10,489,000	8,816,000	93,000,000
Unamortized bond premium/discount	78,462,569	1,357,315	2,753,631	809,515	375,355	83,758,385
Fair value of derivative instruments	28,963,880	4,125,294	3,741,542	1,253,174	681,397	38,765,287
Total long-term debt	1,314,725,964	128,279,766	158,986,280	67,645,650	52,341,012	1,721,978,672
Noncurrent liabilities:						
Reserve for insurance claims	1,999,960	598,326	546,333	187,085	5,296	3,337,000
Reserve for environmental liability	-	-	-	519,000	-	519,000
Pension liability	42,552,146	9,271,526	11,535,681	4,107,196	3,711,895	71,178,444
Other noncurrent liabilities and regulatory liabilities	723,820	156,827	193,019	72,382	651,696	1,797,744
Total noncurrent liabilities	45,275,926	10,026,679	12,275,033	4,885,663	4,368,887	76,832,188
Total liabilities	1,439,349,437	146,519,348	181,011,285	74,757,576	59,389,706	1,901,027,352
Deferred inflows of resources						
Rate stabilization	28,722,113	10,347,783	10,625,459	9,273,248	(439,351)	58,529,252
Pension costs	11,968,864	2,604,760	3,233,477	1,164,069	1,034,183	20,005,353
Other deferred inflows	112,691	24,416	30,051	11,269	9,391	187,818
Total deferred inflows of resources	40,803,668	12,976,959	13,888,987	10,448,586	604,223	78,722,423
Net position						
Net investment in capital assets	127,639,867	63,868,104	97,003,678	(5,335,523)	(12,225,704)	270,950,422
Restricted	23,605,535	10,072,885	3,843,847	4,980,807	2,016,581	44,519,655
Unrestricted	77,096,535	6,197,563	4,198,731	10,474,234	5,681,802	103,648,865
Total net position	228,341,937	80,138,552	105,046,256	10,119,518	(4,527,321)	419,118,942
Total liabilities, deferred inflows of resources and net position	$ 1,708,495,042	$ 239,634,859	$ 299,946,528	$ 95,325,680	$ 55,466,608	$ 2,398,868,717

Customer Operations

September 2025

Revenue Assurance

Referred to Collections	Funds Collected	Bankruptcies	Prior Indebtedness Funds Collected
$232,904.44	$80,335.53	$262.62	$29,370.31
YTD: $10,592,875.39	YTD: $944,329.53	YTD: $239,179.03	YTD: $343,415.41

Disconnections	Reconnections
3,380	3,174

Billing & Customer Solutions

- Invoicing rating: 99.87%
- Meter rereads: 172
- Locked reads: 7,617
- Solar invoicing rating: 100%
- Processed emails: 2,361/2,433 (97%)

Customer Experience

Transactional Survey
4.2

Lobby Survey
4.9

Jim Konish, Attorney at Law
(352)-871-4747
jimkonishrentals@gmail.com
PO Box 6020, Gainesville FL, 32627

October 7, 2025

To: Mr. Eric Lawson, Chairman, Gainesville Regional Utilities Authority (GRUA)

From: Jim Konish

RE: Serious Problems for GRUA

I respectfully request that you address certain matters of great public interest:

1. GRU is refusing to comply with, or recently, even respond to a series of my Public Records Requests. I will refer this to the appropriate governmental officials. I urge you to consult with Mr. Walker regarding the legality of this noncompliance.
2. Similarly, GRU refuses to answer written questions about the GRU FY24 Audited Financial Statements – after soliciting the same in lieu of public discussion.
3. In regard to the Combined GRU "Net Position", as per the Audited Financial Statements, please note:
    a. The FY2018 "Buyout" of the GRU Biomass Plant "Capital Lease" INCREASED GRU Electric Utility Plant in service" by $795,847,691, as compared to the 2017 number. The ENTIRE PURCHASE PRICE PLUS CLOSING COSTS was booked as Asset Value. In fact, the purchase price for the physical plant was rolled into an unidentified penalty for exiting the corresponding "Ironclad" Biomass PPA. Mr. Bielarski claims otherwise. Note: The land beneath the plant belongs to the City thus is accounted for otherwise.
    b. In FY17, the Biomass PPA was accounted for as follows:
        i. Asset value: "Capital Lease" - $1,006,808.754
        ii. Liability: "Capital Lease" - $922,013,598
        Difference: +84,795,156

While failing to report a huge, yet not determined **OPERATING LOSS** in FY2017 GRU claimed to have INCREASED its "Net Position" by $84,795,156 by virtue of the Biomass PPA. In FY2018, Utility System Revenue Bonds INCREASED to $1,166,295,515, from $505,365,110, an increase of $660,930,185. The FY2018 Capital Lease Buyout thus is claimed to be part of an increase in GRU FY2018 "Net Position" of $134,917,506.

Jim Konish, Attorney at Law
(352)-871-4747
jimkonishrentals@gmail.com
PO Box 6020, Gainesville FL, 32627

4. It is increasingly obvious that there are dozens of SLA Losses involving entities other than the City of Gainesville, many of which have been identified, but not properly accounted for. Bielarski claims otherwise. Many of these "Financial Associations" are contrary to the express mandates of Sec. 7.09(2) and 7.12 of HB1645, and further are unencumbered by an MOU (Memorandum of Understanding) or SLA (Service Level Agreement). Counterparties to this include five (5) local governments, and private parties. Please note that this problem was discovered in the State of Florida Auditor General's January 2022 Report, Finding #3; as far back as 2017 for IT, Equity, and Inclusion.
5. The Joint Local Legislative Delegation meeting is October 20, 2025. Why does GRU not:
   1. Have a legislative agenda?
   2. Have an independent, well-connected Lobbyist to get the State of Florida to:
      a. Join the litigation
      b. Put forth remedial legislation
      c. Investigate why GRU is insolvent
      d. Sanction City elected officials
      e. Broker a transmission line with firm GRU availability with FP&L, Duke, and/or Florida Municipal Power Agency (FMPA)

For supporting documents in regard to these and other matters, please see whypaygrumore.com

Sincerely,

Jim Konish

Gmail

Jim Konish <jimkonishrentals@gmail.com>

See Attached - Urgent

message

im Konish <jimkonishrentals@gmail.com> Tue, Oct 7, 2025 at 4:28 PM

o: LawsonCE8@gru.com, lawsonCE@gru.com, BielarskiEJ@gru.com, rasnickce@gmail.com, dan.lahaye@bakertilly.com, ethany.ryers@bakertilly.com

Hello all, please see attached.

GRU Financial FYI Docket.pdf

Letter to Lawson.docx
107K