



Wednesday, August 13, 2025, 5:30 p.m.

GRU Administration Building
301 SE 4th Avenue
Gainesville, FL 32601

Directors

Chair Eric Lawson
Vice-Chair David Haslam
Director Jack Jacobs
Director Robert Skinner

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5. 2025-635 Update on Shared Services with the City – SLAs (B)

Department: Gainesville Regional Utilities/Office of the Chief Executive Officer

Description: An overview of the Service Level Agreements (SLAs) between GRU and the City, outlining the types of shared services and highlighting the financial impact of these agreements. Also showing how SLA-related costs and funding shortfalls affect GRU's financial planning, especially in setting limits on the General Services Contribution (GSC).

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Gainesville Regional Utilities Authority

Fiscal Note: None

Recommendation: The Authority hear a presentation from the CEO and ask any necessary questions.

Gainesville Regional Utilities Authority

1. **2025-628 State of the Utility, Monthly Update June 2025 (B)**

Department: Gainesville Regional Utilities/Office of the Chief Operating Officer

Description: GRU will be providing a monthly update to Authority members to ensure they are aware of the important projects and relevant utility measurements and benchmarks. This report provides information from June 2025.

Fiscal Note: None

Click or tap here to enter text.

2. **2025-629 Budget to Actual Comparison June 30, 2025 (B)**

Department: Gainesville Regional Utilities/Office of the Chief Executive Officer

Description: this is an information item related to a summary of June 30, 2025 budget to actual results.

Fiscal Note: None

3. **2025-630 August 2025 Accelerated Debt Reduction Transaction (B)**

~~Groundwater Withdrawals. The project will also provide a cost-effective, long-term solution for beneficial reuse of reclaimed water from the KWRF to support GRU's needs as our community grows.~~

Fiscal Note:

Total Project Cost: \$16,610,000

Grant Funding: \$8,305,000 (50 percent)

GRU Share: \$8,305,000 (50 percent)



Jim Konish <jimkonishrentals@gmail.com>

URGENT - Please Read

1 message

Jim Konish <jimkonishrentals@gmail.com>

Thu, Jul 31, 2025 at 4:07 PM

To: eogdoge@laspbs.state.fl.us

Please review Finding #3 of the Auditor General's Operational Audit of Gainesville issued in January 2022. Go to whypaygrumore.com to see how a small group of people continue to keep GRU Service Level Agreement (SLA) losses off the Financial Statements in violation of HB1645. This creates a large, hidden indirect transfer from GRU to the City.



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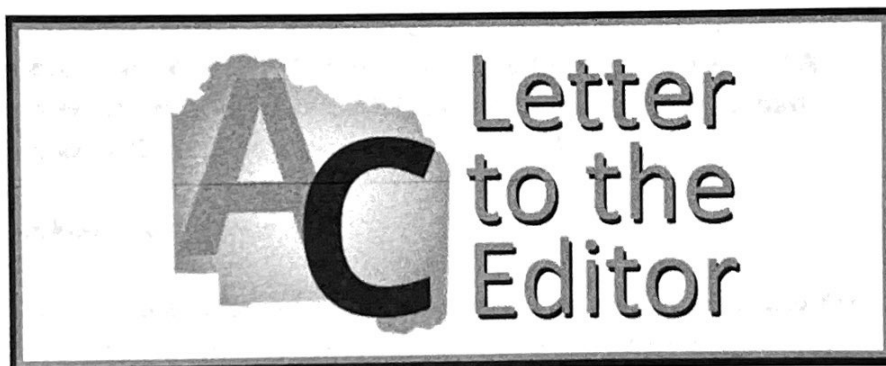
Konish: SLAs hide transfers of GRU ratepayer money to the City

November 17, 2024

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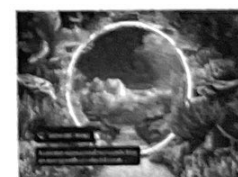
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Letter to the editor

At their last meeting, the GRU Authority voted unanimously to forgive \$3 million in FY24 GRU losses on IT (NOT UTILITY) services provided to the City of Gainesville. This loss is not reflected in GRU's financial statements. It is an in-kind contribution from GRU to the City.



In FY23, the GRU IT loss was \$4.5 million.

In the Auditor General's 2022 report on the City of Gainesville, GRU's IT and indirect cost allocation losses were approximately \$700,000 and \$600,000 in FY18 and FY19, respectively.

The GRU CFO and Chief Information Officer stated publicly at an Authority meeting that former CEO/GM Tony Cunningham had falsified the GRU IT "Full Cost Allocation Report," and Mr. Cunningham admitted it. Cunningham's defense was that he had reduced GRU losses from the \$4.5 million in the previous year and planned to do more in future years.

GRU Service Level Agreement (SLA) losses on IT services involve only one of 42 identified "financial associations" between GRU and the City - but there are more than that. The vast majority of such "associations" are funded through an "interexchange fund" and are unencumbered by either an MOU (Memorandum of Understanding) or SLA.

As GRUA Director Craig Carter has said, transfers are based merely on a "wink and nod." GRU and the City have refused to comply at all with my public records request in regard to this matter for a year.

Such a weak and dishonest handling of a very serious matter addressed specifically by both the Auditor General (see Finding 3) and HB1645 DOES NOT serve the pecuniary interests of either GRU ratepayers or employees.

In his brief stint as an Authority "Director," now-CEO Ed Bielarski abandoned a proposed three-year pause on the direct GRU transfer (Governmental Services Contribution) to the City and received the full support of Carter and Director Eric Lawson for his segue from unpaid Authority "Director" to well-paid GRU CEO/GM.

Jim Konish, Gainesville

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Gainesville Regional Utilities
Notes to Financial Statements
September 30, 2024 and 2023

1. Summary of Significant Accounting Policies (concluded)

Transactions with the City

As an enterprise fund of the City, transactions occur between GRU and the City's governmental and business-type funds throughout the year in the ordinary course of operations.

Below is a summary of significant transactions:

- * {
 - Administrative services – GRU pays for various administrative and certain insurance services provided by the City's governmental and business-type functions. GRU receives payment for Information Technology, telecommunications, certain insurance services, and billing services provided to the City's governmental and business-type functions.
 - Pension obligation payments – GRU makes payments to the City for pension expense obligations. See Note 14 Retirement Plans for additional information.
 - Non-metered and metered service charges – GRU receives payment from the City for all non-metered and metered service charges.
 - Operating transfer to the General Fund – GRU makes payments to the City's General Fund from operating revenues. See Note 12 Transfer to the City of Gainesville General Fund for additional information.

*no detail or quantification
at all.*

SERVICE LEVEL AGREEMENTS or SLAs



What's an SLA ?

Per HB 1645 –

A contract entered into by the Authority that establishes a set of deliverables that one party has agreed to provide another.

- It's virtually every contract GRU has executed since October 1, 2023
- In GRU's world the focus is intracity SLAs
- They come in 4 types

What's Important About an SLA ?

Any loss related to an SLA as defined by HB1645 must be part of the flow of funds required to determine the maximum cap on GSC

- The only SLA related loss was the IT SLA prior to FY2025 due to the City not agreeing to fund GRU's full cost of \$5.9 million (versus \$3.0 million)
- That \$2.9 million became part of the flow of funds that determined a \$14.699 million cap on the FY24 GSC

Service Level Agreements Joint Services Costs

Full Cost Allocation Plan (FCAP): Joint Services Costs			
	FY24 Actual	FY25 Budget	FY26 Budget
Clerk	163,088	239,925	134,075
Payroll	278,982	314,393	106,862
Billing & Collections	-	776	799
Accounting	8,377	10,623	10,942
City Attorney	114,548	141,667	72,959
Auditor	88,000	-	-
Communications & Mkt	4,763	-	-
Equal Opportunity	97,683	97,456	100,380
Human Resources	1,337,244	1,386,478	471,264
Strategic Initiatives	281,989	-	-
Risk Management	45,411	34,540	35,576
Non-departmental	-	3,993	4,113
Totals	2,420,085	2,229,851	936,970

Service Level Agreements
Direct Payments from GG

Direct Payments From GG	
	FY24 Actual
IT Services	2,956,698
Insurance premium reimbursements	294,183
Stormwater & Solid Waste billing fees	681,589
Other	296,266
Total	4,228,736

Service Level Agreements Direct Payments to GG

Direct Payments to GG	
	FY24 Actual
GFT	15,305,225
Less County streetlights payments	(1,097,602)
Subtotal GFT	14,207,623
Fleet	3,884,753
Risk Mgt, General Ins. & Workers Comp	2,555,138
Pension Obligation Bonds	7,944,677
Assistant City Attorney	178,702
Other	49,110
Total	28,820,003

Service Level Agreements
Pass Through Payments to GG

Pass Through Payments to GG	
	FY24 Actual
Utility Tax	16,003,910
Solid Waste Billings	10,379,126
Stormwater Billings	10,871,344
Total	37,254,380

Service Level Agreements IT SLA

	Cost of Service	Actual/Projected Paid
FY23	5,937,502	1,487,385
FY24	5,865,854	2,956,698
FY25	5,400,000	5,400,000
FY26	-	-