

City of Gainesville

*City Hall
200 East University Avenue
Gainesville, Florida 32601*



Minutes

September 5, 2017

6:00 PM

SPECIAL MEETING - MODIFIED AGENDA

GRU Administration Building - Multipurpose Room

301 SE 4th Avenue

Utility Advisory Board

*Annie Orlando
Darin Cook
David Denslow
Robert Walpole
Mary Alford
Sandra Campbell
Michael Selvester*

Persons with disabilities who require assistance to participate in this meeting are requested to notify the Office of the Equal Opportunity at 334-5051 or call the TDD phone line at 334-2069 at least two business days in advance.

CALL TO ORDER

The meeting was called to order at 6:00 p.m.

ROLL CALL

All members were present except David Denslow and Robert Walpole.

ADOPTION OF THE AGENDA

The agenda was adopted as drafted by a vote of 4-1, with member Orlando in dissent.

Citizen Jim Konish spoke on the matter.

CITIZEN COMMENT

Citizens Jim Konish, Jo Beaty, Nancy Daren and Wilbert Holloway spoke.

ACTION ITEM

170355.

Due Diligence for Purchase of Biomass Facility (B)

Attachments: [170355A - Due Diligence Re Title to Real Property 20170905](#)
[170355B - Due Diligence Re Litigation etc 20170905](#)
[170355 Material Contracts Memo Ver 2 - 20170905](#)
[170355 Permits Memo 20170905](#)
[130355 Due Diligence Pres UAB 20170905](#)
[GREC AIG Report Submitted by A.Orlando 9-5-17](#)
[GREC Due Diligence Docs Submitted by A.Orlando 9-5-17](#)
[Questions for City Atty Submitted by A.Orlando 9-5-17](#)

Staff presented the independent engineer's due diligence reports and answered questions from the Board and citizens.

At 7:25, the Chair passed the gavel to the Vice-Chair and left the meeting. The chair returned to the meeting at 7:30 and assumed the gavel.

RECOMMENDATION General Manager for Utilities to the Utility Advisory Board:
Review the results of the due diligence activities and accept the results as satisfactory.

General Manager for Utilities to the City Commission:

1) Review the results of the due diligence activities and accept the results as satisfactory, thereby directing the Mayor to execute the Asset Purchase Agreement, as approved on

August 24, on or before September 14, 2017;

2) authorize the General Manager for Utilities or his designee(s) to apply for and execute any documents necessary to obtain permits, consents and approvals for the operation and maintenance of the biomass facility; and

3) Find that a non-competitive situation exists and provide advance approval for the General Manager for Utilities to negotiate and execute assumptions of existing contracts or new contracts necessary to operate and maintain the biomass facility, provided such contracts do not exceed a term of 1 year from closing and further provided that such contracts are subject to approval as to form and legality by the City Attorney or her designee(s).

Before the item was heard, Member Orlando made a motion to recommend that the City Commission delay a decision on approval of the Asset Purchase Agreement until after the storm (Hurricane Irma) passes. Member Alford seconded and the motion passed unanimously.

Citizens Jim Konish and Jo Beaty spoke on the motion.

At the conclusion of the discussion, Member Alford made a motion that the Board accept the results of the due diligence as satisfactory with a recommendation to the City Commission that the UAB be kept informed of contracts as they come into play. Member Selvester seconded and the motion passed 4-1 with Member Orlando in dissent.

Citizens Ray Washington and Donald Fields spoke on the motion.

DISCUSSION ITEM

[170366](#)

Financing Options for the GREC Facility Purchase (B)

Attachments: [9/14170366 GREC Buyout Financing Scenarios 20170905](#)
[170366 GREC Buyout Financing Scenarios 20170905 Modified](#)
[170366 Resolution with Prospective Amendments with Exhibit A 20170914](#)
[170366 Currently Effective Amendatory Resolution 20170914](#)
[170366 29th Supplemental Resolution - Series C - Bank of America with Exh](#)
[170366 28th Supplemental Resolution - Series B with Exhibits attached 2017](#)
[170366 27th Supplemental Resolution - 2017 Series A with Exhibits 2017091](#)
[Fixed v Variable Rates Graph - Submitted by CFO J.Locke 9.5.17](#)
[Real World Economy Graph Submitted by Nancy Daren 9.5.17](#)

Staff gave a presentation on options for financing the GREC facility purchase. After much discussion, the Board asked that staff bring additional information to their September 14, 2017 meeting along with a representative from GRU's financial advising consultation firm.

Citizens Ray Washington, Mark Goldstein and Nancy Daren spoke on the matter.

Member Campbell asked staff to look into information presented by Citizen Ray Washington on a firm that might possibly offer a lower interest rate.

Member Orlando asked for information on how much GRU has spent on outside legal counsel to date on GREC.

RECOMMENDATION *Hear a presentation from staff on options for financing the purchase of the GREC facility.*

MEMBER COMMENT

Member Orlando stated that Exhibit C in the due diligence provided a get out of jail free card to those responsible for the PPA. She gave a list of questions to City Attorney Shalley and asked to have an answer before the September 14th meeting.

Member Alford stated that she is in favor of a more traditional, lower-risk financing option than those presented by staff.

NEXT MEETING DATE

September 14, 2017

ADJOURNMENT

The meeting was adjourned at 10:05 p.m.