

City of Gainesville

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



Meeting Agenda

February 13, 2019

5:30 PM

City Hall Auditorium

Utility Advisory Board

*Mary Alford
Michael Selvester
Wendell Porter
Wes Wheeler
Barry Jacobson
Carla Miles
Theresa Spurling-Wood*

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 TDD phone line at 334-2069 at least two business days in advance.

CALL TO ORDER**ROLL CALL****ADOPTION OF CONSENT ITEMS**[180704.](#)**Minutes of the UAB's January 10, 2019 Meeting (B)**

Explanation: Staff has drafted minutes of the January 10, 2019 meeting for the board's approval.

Fiscal Note: None.

RECOMMENDATION

Approve the minutes of the January 10, 2019 meeting as drafted.

[180704_UAB 1-10-19 Meeting Minutes_20190213](#)

[180672.](#)**Gainesville Regional Utilities Unaudited Internally Prepared Financial Statements for the Year Ended September 30, 2018 (B)**

Explanation: The following item is presented for informational purposes: Unaudited Internally Prepared Financial Statements for the Year Ended September 30, 2018, including management's discussion and analysis. The Audit and Finance Committee reviewed the document on January 29, 2019, and approved by the City Commission on February 7, 2019.

Fiscal Note: Unaudited Internally Prepared Financial Statements

RECOMMENDATION

Receive reports.

[180672 GRU Interim Financial Statements Unaudited YE 2018-30-Sept 2019](#)

[180673.](#)**Gainesville Regional Utilities Internally Prepared Budget to Actuals for the Year Ended September 30, 2018 (B)**

Explanation: The following item is presented for informational purposes: Budget to Actuals for the year ended September 30, 2018, internally prepared. The Audit and Finance Committee reviewed the document on January 29, 2019 and the full Commission approved on February 7, 2019.

Fiscal Note: Internally prepared Budget to Actuals

RECOMMENDATION

Receive report.

[180763 GRU Budget-Actual YE 2018-30-Sept 20190129](#)

[180674.](#)

Gainesville Regional Utilities Internally Prepared Supplementary Data for the Year Ended September 30, 2018 (B)

Explanation: The following item is presented for informational purposes: Supplementary Data for the year ended September 30, 2018, internally prepared. The Audit and Finance Committee reviewed the document on January 29, 2019. The City Commission accepted the document on February 7, 2019.

Fiscal Note: Internally prepared Supplementary Data

RECOMMENDATION Receive report.

[180674 GRU Supplementary Data YE 2019-30-Sept 20190129](#)

ADOPTION OF REGULAR AGENDA

CITIZEN COMMENT - For items not on the agenda, limited to 3 minutes per citizen

STATE OF THE UTILITY

[180748.](#)

GRU Operational Update for the Month of January 2019 (B)

Explanation: Staff has prepared a report of GRU's operations for the month of January 2019.

Fiscal Note: None.

RECOMMENDATION Receive report.

[180748 UAB Ops Update Jan 2019 All Depts 20190208](#)

OLD BUSINESS

[180258.](#)

UAB Work Plan - Energy Policy (B)

Explanation: Among the code revisions made in Ordinance Number 170808, which was approved by the City Commission on second reading at their August 2, 2018, regular meeting, is the requirement that the UAB draft a yearly work plan for approval by the City Commission. The board discussed the issue at their August 9, 2018, regular meeting and concluded that creation of an energy policy for the City should be a top priority. They discussed models of energy policies from various other public utilities

across the U.S. at their August 28, 2018, workshop and agreed that the next step is to write their work plan so that it lays out those areas they want to study for the energy policy.

The work plan was discussed again at the Board's September 25, 2018 workshop and their October 11, 2018 regular meeting. They determined that the work plan would consist of drafting an energy policy for the City of Gainesville and that each member would work on various parts of the policy. The Board continued the discussion at their October 23, 2018, workshop and each member chose sections of the plan that they would like to work on.

The plan was presented to the City Commission at the October 30, 2018, joint special meeting and the Commission agreed to the plan as drafted without objection.

The Board continued their work on the plan at their November 8, 2018 meeting, the November 27, 2018 workshop, the December 13, 2018 meeting and the December 18, 2018 workshop. This item was placed on the Board's January 10, 2019, meeting agenda but the board voted to defer discussion due to time constraints. Work on the policy continued at the January 22, 2019 workshop.

Fiscal Note: None

RECOMMENDATION

- 1) Continue discussion and take any action deemed appropriate.
- 2) Decide how many additional workshops need to be scheduled to allow sufficient time to complete work on the policy.

[180258 UAB Work Plan Draft 20181011](#)

[180258 UAB Workplan - w-Assignments 20181108](#)

[180258 UAB FY18-19 Work Plan 20181127](#)

[180258 MS -Draft policies 20190110](#)

NEW BUSINESS

[180749.](#)

Community Weatherization Coalition Update (B)

Explanation: Staff of the Community Weatherization Coalition (CWC) will introduce their organization for new UAB members and give an update on their recent activities in the community.

Fiscal Note: None.

RECOMMENDATION

Hear a presentation from CWC staff.

[180749 CWC Presentation 20190213](#)

[180747.](#)

Resolution Authorizing the Issuance of City of Gainesville Utility System Revenue Bonds 2019 Series A and 2019 Series B (B)

Explanation: Gainesville Regional Utilities (GRU) is planning the issuance of 2019 Series A and 2019 Series B revenue bonds. 2019 Series A is a fixed rate tax-exempt issue which will generate approximately \$181M in proceeds which will provide:

- \$73M to finance capital improvement projects in FY19 and FY20
- \$23M to finance capital improvement projects which would have been otherwise paid with utility revenues on deposit and thereby replenish Utility Plant Improvement Fund (UPIF) reserves, and
- \$85M to convert GRU's currently outstanding tax-exempt short term commercial paper to long term fixed rate bonds. This change will:
 - o Improve the risk profile of the debt portfolio by reducing unhedged variable rate debt
 - o Develop a better match between GRU's cash and investment balances and unhedged variable rate debt, and
 - o Improve liquidity metrics

2019 Series B is a taxable fixed rate issue which will generate approximately \$27.1M in proceeds which will provide:

- \$8M to fund GRUCom capital projects over the next several years
- \$8M to convert currently outstanding GRU taxable commercial paper previously used to finance GRUCom projects to long term fixed rate bonds, and
- \$10.1M to refund currently outstanding 2005 Series B taxable bonds maturing in FY19 - FY21

If approved, the schedule for this issue calls for pricing the bonds on or about April 2, with a proposed closing date of April 12.

Staff is also working on a proposal to issue 2019 Series C bonds. This variable rate issue would provide approximately \$10M to fund capital projects and approximately \$57M to refund certain maturities of currently outstanding variable rate bond series. It is currently anticipated that this proposal will be brought forward for consideration by the Utility Advisory Board at their March 14th meeting and to the City Commission at their March 21st meeting.

Fiscal Note: As noted above, the 2019 Series A & B issue will provide resources to:

- Fund capital projects
- Convert all currently outstanding GRU commercial paper to long term fixed rate bonds, and
- Refund outstanding 2005 Series B Bonds

RECOMMENDATION

The Utility Advisory Board recommend that the City Commission approve the Thirtieth Supplemental Utilities System Revenue Bond Resolution and thereby approve the issuance and sale of the 2019 Series A and 2019 Series B Bonds to the underwriters and approve the forms

of the Bond Purchase Contract, Preliminary Official Statement, and Continuing Disclosure Certificate, and authorize the execution and delivery thereof, subject to approval of the City Attorney as to form and legality.

[180747_Resolution w-Exhibits_20190213](#)

[180747_PFM 2019 AB_20190213](#)

MEMBER COMMENT

CITIZEN COMMENT

NEXT MEETING DATE

March 14, 2019

ADJOURNMENT