

# **City of Gainesville**

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



## **Meeting Agenda**

**March 8, 2018**

**5:30 PM**

**MODIFIED**

**City Hall Auditorium**

## **Utility Advisory Board**

*Darin Cook  
Mary Alford  
Michael Selvester  
David Denslow  
Wendell Porter  
Wes Wheeler  
Barry Jacobson*

*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**[170874.](#)**Minutes of the February 8, 2018 UAB Meeting (B)****RECOMMENDATION**

*Approve the minutes of the February 8, 2018 UAB meeting as drafted.*

[170874 UAB 2.8.18 Meeting Minutes 20180308](#)

**ADOPTION OF THE AGENDA****CITIZEN COMMENT****MEMBER COMMENT**[170879.](#)**Statement from Chair Darin Cook (B)****RECOMMENDATION**

*Hear a statement from Chair Darin Cook.*

**STATE OF THE UTILITY**[170881.](#)**GRU Operational Update and FY19 Budget Process Update (B)****RECOMMENDATION**

*1) Hear an update on GRU's operations in the month of February 2018.*

*2) Hear an update on the FY18 budget process.*

[170881 Ops Update Feb 2018 - All Depts. 20180308](#)

**OLD BUSINESS**[170793.](#)**Discussion of Cost of Service Study (NB)**

*Explanation: Chair Cook requested a discussion of the cost of service study and any implications for the FY19 budget.*

**RECOMMENDATION**      *Discuss the cost of service study and take any action deemed appropriate.*

[170793 GRU COS Presentation UAB 20180208](#)

[170793 GRU Electric COS Model 20180208](#)

[170793 GRU Gas COS Rate Model 20180208](#)

[170793 GRU Review Model W-WW 20180208](#)

[170793 GRU SDC Model-20180208](#)

[170793 COS Presentation for CCom 20180208](#)

## NEW BUSINESS

[170880.](#)

### **Election of Officers (NB)**

*Explanation: The UAB rules state that a Chair and Vice Chair will be elected every year in April. The term of the current vice chair ended on March 3, 2018, and the member was not reappointed. Therefore, the Board must elect a new vice chair to serve for the month of March and then hold another election at the April 2018 meeting. Alternatively, the Board may vote to waive their rules and elect both a chair and a vice chair to serve during the period March 8, 2018 to April 30, 2019.*

**RECOMMENDATION**

- 1) *Elect a vice chair to serve for the month of March 2018; or*
- 2) *Waive the Board rules and elect both a chair and vice chair to serve during the period March 8, 2018 to April 30, 2019.*

[170875.](#)

### **Water Conservation Proclamation (B)**

*\*This item is for informational purposes.\**

*Explanation: Each year Utilities and Municipalities declare April Water Conservation month to promote awareness for water conservation and the importance of this vital natural resource. GRU sponsors an art contest each year for local schools to endorse and promote water conservation. The first place winners will compete in a State level contest through the Florida Section of the American Water Works Association. Staff will receive a proclamation from the City of Gainesville on April 5, 2018.*

**RECOMMENDATION**      *Receive information about water conservation month.*

[170875 Water Conservation Proclamation 20180308](#)[170876.](#)

Amendment of the City of Gainesville Comprehensive Plan to meet Statutory Water Supply Planning Requirements (B)

*Explanation: The City of Gainesville is required to amend its Comprehensive Plan in order to meet statutory water supply planning requirements. The City Plan Board approved the proposed comprehensive plan amendments on February 22, 2018. Department of Doing along with GRU staff anticipate bringing the proposed amendments to City Commission for approval in April 2018. Staff proposes to provide an overview to the UAB, but would be able to go through the entire presentation that was given to the Plan Board if desired by the UAB. The entire plan board presentation is included as backup to this item.*

*The St. Johns River Water Management District and the Suwanee River Water Management District, which are the two water management districts with jurisdiction in the City of Gainesville and Alachua County, adopted the North Florida Regional Water Supply Plan on January 17, 2017. The North Florida Regional Water Supply Plan is a regional framework for water supply planning based on projected population growth and associated water demand over the planning period. It also identifies essential water resource, water conservation, and water supply development options that need to be implemented to address future water demand, and water supply goals.*

*In response local governments within the Water Management district are required by state statutes, Chapter 163.3177(6) (c) and 163.3177(4) (a), F.S. to create a Water Supply Facilities Work Plan within 18 months of the adoption of the Regional Water Supply Plan. The City of Gainesville collaborated with GRU and County staff to develop the Joint Alachua County/ City of Gainesville Water Supply Facilities Work Plan (2018-2028). The plan will be adopted by both the City and the County together with associated comprehensive plan amendments.*

*The proposed amendments to the Comprehensive Plan will implement the water supply requirements of the North Florida Regional Water Supply Plan (2015-2035) and adopt the Joint Alachua County/City of Gainesville Water Supply Facilities Work Plan (2018-2028) by reference into the Comprehensive Plan.*

*Fiscal Note: None.*

**RECOMMENDATION**

UAB hear a brief presentation from staff and make recommendations as appropriate.

[170876 PB-17-145 CPA City Plan Board 20180308](#)[170877.](#)

**Modification to The Energy Authority's Guarantees (B)**

*Explanation: On February 28, 2000, the City Commission approved GRU's membership in The Energy Authority (TEA), an organization comprised of public power organizations throughout the United States whose primary function is to buy and sell wholesale energy for its members at the best possible prices.*

*Guarantees have always been important in the electric and gas markets. These guarantees are provided to potential Sellers by TEA on our behalf in one of two forms depending upon what is required by the Seller. The first is a Bank Letter of Credit. The total amount of the current TEA letter of credit is \$29 million. The second is a Trade Guaranty which is essentially a written document promising to pay. The current total of the TEA trade guaranty is \$144.5 million.*

*In order to access a broader pool of counterparties with which to do business and to assist with operational and management expenses, TEA has determined it would be beneficial to establish another form of guaranty, a Bank Line of Credit. The Bank Line of Credit permits TEA to borrow under a revolving line of credit rather than asking for additional capital contributions from the members. To create this third alternative, funds would be moved from the existing TEA trade guaranty to the line of credit, thereby providing a third guaranty without increasing the total dollar amount of the existing guarantees. TEA is not asking for an increase in the Advance from its members. The Advance Agreement will continue to permit the TEA board to reallocate the components of the Advance between the Trade Guaranty and the Bank Guaranty. That is how TEA will accommodate the additional collateral that will be needed by the bank to provide the revolving line of credit - by increasing the amount of the Bank Guaranty and decreasing the amount of the Trade Guaranty. This reduction in the Trade Guaranty requires an amendment to the "Guaranty Limit" provided in the Trade Guaranty under Section 7 of the Amended and Restated Electric Advance Agreement.*

*Fiscal Note: The total dollar amount of TEA's existing guarantees will not be increased by the proposal. If approved, TEA will be able to offer three forms of guarantees to potential Sellers.*

**RECOMMENDATION**

*The Utility Advisory Board recommend that the City Commission authorize the General Manager or his designee to execute and deliver such documents as may be required to effect amendments to the Restated and Amended Electric Advance Agreement with The Electric Authority to enable The Electric Authority to add a third alternative guaranty in the form of a Bank Line of Credit.*

[170877 Restated and Amended Electric Advance Agreement 20180308](#)

[170877 Blackline - Restated and Amended Electric Advance Agreement 20180308](#)

[170882.](#)

**UAB Mission Statement (B)**

*Explanation: Discuss the UAB mission statement with the three new board members.*

**RECOMMENDATION**

*Discuss the UAB mission statement and take any action deemed appropriate.*

[170882 UAB MISSION STATEMENT 20180308](#)

[170902.](#)

**GRU Governance Sub-Committee Draft Ordinance Changes (B)**

*Explanation: During the discussion of GRU governance at the November 28, 2017 joint meeting of the UAB and the City Commission, the two bodies discussed the idea of creating a UAB sub-committee to further study the issue. The UAB discussed this at their December 14, 2017, regular meeting and voted unanimously to form the sub-committee composed of two UAB members and two city Commissioners. At their January 4, 2018, regular meeting the City Commission voted unanimously to form the sub-committee with Commissioners Budd and Ward and UAB members Alford and Selvester and directed the Clerk's office to find a date for the first meeting. The Clerk subsequently scheduled a meeting for January 29, 2018, at 3:00 p.m.*

*The subcommittee has met four times since its inception and have worked to make changes to the language of Ordinance Number 140384, which sets out the provisions for the UAB. The subcommittee members from the UAB bring the draft changes back to the full board tonight for review and action.*

**RECOMMENDATION**

*Review the draft ordinance and take any action deemed appropriate.*

[170902 UAB governance subcommittee - model ordinance 20180308](#)

[170902 2nd DRAFT - City Code - UAB 20180308](#)

**MEMBER COMMENT**

**CITIZEN COMMENT**

**NEXT MEETING DATE**

*April 12, 2018*

**ADJOURNMENT**