

Mayor Poe and Commissioners:

At our February 13th meeting, GRU's financial advisor, Public Financial Management, and GRU's Chief Financial Officer presented the case for issuance of Gainesville Regional Utility System Revenue Bonds 2019 Series A and 2019 Series B. They spoke to the significant points of the proposed bond issue and answered questions from the Board. Questions were also posed to staff from several citizens in attendance. Based on the presentation and subsequent discussion, as well as our review of the backup material provided, the UAB concluded that the proposed bond issue will:

- Provide necessary funding to finance GRU capital improvement projects in FY19 and FY20.
- Improve GRU reserve levels by replenishing Utility Plan Improvement Fund balances.
- Take advantage of favorable financial market conditions and convert GRU's currently outstanding short term commercial paper to long term fixed rate bonds and therefore reduce the variable rate risk of GRU's debt and improve GRU's liquidity.
- Lower GRU's current cost of debt by refunding outstanding Series 2005B bonds.

Based on the financial benefits generated by the proposed bond issuance, the UAB voted unanimously to approve staff's recommendation to approve the documents required to authorize the issuance and sale of the 2019 Series A and 2019 Series B bonds.

Thank you,

Mary Alford, PE

UAB Chair