

City of Gainesville

City Hall
200 East University Avenue
Gainesville, Florida 32601



Meeting Agenda - Final

July 27, 2021

6:00 PM

Joint City Commission/Utility Advisory Board Special Meeting

Gainesville Regional Utilities Multi-Purpose Room

City Commission

Mayor Lauren Poe (At Large)

Commissioner Reina Saco (At Large, Seat A)

Mayor-Commissioner Pro Tem Gail Johnson (At Large, Seat B)

Commissioner Desmon Duncan-Walker (District 1)

Commissioner Harvey Ward (District 2)

Commissioner David Arreola (District 3)

Commissioner Adrian Hayes-Santos (District 4)

If you have a disability and need an accommodation in order to participate in this meeting, please contact the Office of Equal Opportunity at (352)334-5051 at least two business days in advance. TTY (Text Telephone Telecommunication Device) users please call 711 (Florida Relay Service). For Speech to Speech (STS) relay, please call 1-877-955-5334. For STS Spanish relay, please call 1-877-955-8773. For STS French Creole relay, please call 1-877-955-8707.

CALL TO ORDER**AGENDA STATEMENT**

"The City of Gainesville encourages civility in public discourse and requests that speakers direct their comments to the Chair. Signs, props and posters are not permitted in the meeting room."

ROLL CALL**ADOPTION OF THE AGENDA****BUSINESS DISCUSSION ITEMS**

[201103.](#)

Proposed Cost Agreement with St. Johns River Water Management District to Meet Lake Brooklyn and Geneva Minimum Flows and Levels (MFLs) (B)

****This item was presented to the UAB on July 8, 2021.****

Summary: GRU staff worked with St. Johns River Water Management District (SJRWMD) staff to develop a proposed cost participation agreement which will enable the City of Gainesville d/b/a Gainesville Regional Utilities ("GRU") to comply with Minimum Flows and Levels (MFLs) rules for Lakes Brooklyn and Geneva. Under the proposed agreement GRU will pay \$2.71 million to SJRWMD as a cost participation for the Black Creek Water Resource Development Project. The agreement will ensure GRU's compliance with these MFLs through at least 2045. GRU will pay the money into an escrow account, which has a separate escrow agreement associated with it. The proposed cost participation and escrow agreements will be presented to the SJRWMD governing board for their approval on July 13, 2021. Staff recommends that City Commission approve the agreements and have the mayor sign them, upon approval of SJRWMD governing board.

Explanation: Groundwater withdrawals in Florida are regulated by five regional water management districts. GRU has a consumptive use permit (CUP) for the Murphree Wellfield issued by the SJRWMD. A portion of GRU's service area also extends into the Suwannee River Water Management District (SRWMD) to the West. The water management districts develop regulatory criteria known as MFLs for individual water bodies in order to ensure that they are not significantly harmed by aquifer drawdowns due to pumping in the region. If it is deemed that a water body is being significantly harmed, the district must issue a recovery plan for restoring water levels. Recovery plans often include projects and other provisions that CUP permit holders must comply with.

The SJRWMD has developed proposed MFLs for Lakes Brooklyn and Geneva in Keystone Heights along with a proposed recovery plan. The Lake Brooklyn and Geneva MFLs are of particular significance in our region. The recovery plan includes construction of the Black Creek Water Resource Development Project to increase recharge and restore water levels in these lakes. SJRWMD has secured \$48 million in funding for the project which has an estimated construction cost of \$83 million. SJRWMD has proposed that CUP holders participate in the cost of the project as a means to comply with the MFLs.

GRU staff have been working with SJRWMD staff and other utilities in order to develop an equitable agreement for cost participation. SJRWMD had originally proposed a cost share of \$5.5 million for GRU. However, through a series of discussions and refinement of groundwater modeling and cost calculations, GRU and SJRWMD staff have agreed upon the proposed \$2.71 million amount as being appropriate based on the methodology for determining the proportional impacts of groundwater pumping from GRU's wellfield. The amount will be paid in two payments, with half being paid by November 1, 2021 and the other half being paid by November 1, 2022.

Other key provisions of the agreement include:

- The agreement will allow GRU to meet the Lake Brooklyn and Geneva MFLs for its current CUP allocation of 30 mgd through 2045*
- If in the future GRU needs additional CUP allocation, it can provide additional cost share funding to the project to continue to meet these MFLs*
- The project will be solely owned and operated by SJRWMD*
- GRU has no responsibility for project implementation, project success, cost overruns, or other issues*
- If the project construction cost is lower than estimated, GRU's cost will be reduced proportionally*

Prior to resolution of the cost share agreement, staff and City Commission had requested that the SJRWMD delay adoption of the MFLs and recovery strategy rules until the cost participation could be negotiated. However, SJRWMD moved forward with adoption despite this request. In response GRU, along with other utilities, had to file legal petitions in order to preserve its rights in negotiation. However, if the proposed cost participation and escrow agreements are approved by both the SJRWMD governing board and the City Commission, GRU will dismiss all petitions. The other utilities involved, JEA, Clay County, and St. Johns County are developing similar cost share and escrow agreements with SJRWMD and are expecting to dismiss their petitions as well.

Following approval of these agreements, GRU staff intends to apply for early renewal of its CUP. The current CUP expires in 2034. Early renewal will allow us to extend it to 2041.

Fiscal Note: If the City Commission approves the proposed agreement, GRU will pay \$2.71 million, with one half due November 1, 2021 and the other half due November 1, 2022.

RECOMMENDATION

1) City Commission approve the proposed cost participation and escrow agreements and settlement stipulation and have the mayor sign them.

2) City Commission approve the dismissal of all petitions related to the MFLs and Recovery Strategy, upon approval of these agreements by the SJRWMD governing board.

On July 8, 2021, the UAB voted 6-0, with Member Lewis absent, to advise the Commission to approve the staff recommendation.

Legislative History

4/15/21	City Commission	Approved as Recommended
6/17/21	City Commission	Heard
7/19/21	City Commission	Continued

[201103 CCom Ltr to SJWMD Re Keystone Lakes Project 20210415](#)

[201103 SJRWMD Brooklyn-Geneva MFLs 20210617](#)

[201103 Cost Participation Agreement Final 20210727](#)

[201103 Escrow Agreement Final 20210727](#)

[201103 Final Settlement Stipulation \(Utilities\) 20210727](#)

[180258.](#)

Public Engagement Strategy for Public Input on the UAB's Energy Policy Plan (B)

Explanation: Following City Commission approval of their work plan in October 2018, the UAB undertook drafting of an energy policy that they proposed to have the City adopt and implement. Following completion of the draft policy and staff review, the commission directed the UAB and staff to obtain public feedback on the policy.

Staff completed an online survey and presented those results to the UAB in June 2021. The UAB voted at their July 8, 2021 meeting to bring the results forward to the City Commission for discussion and further direction.

Fiscal Note: None at this time.

RECOMMENDATION

The UAB and City Commission discuss and the Commission either provide direction for further work on the policy or decide whether to accept and implement the policy as is.

Legislative History

4/23/19 City Commission Discussed

[180258 Energy Policy Presentation 20210610](#)

[180258 Energy Policy Survey Analysis 20210610](#)

[180258 Energy Policy Survey Results 20210727](#)

[210158.](#)

Partnership Opportunities for Federal and State Grants (B)

Explanation: The Board recently discussed an idea submitted by a member for a possible partnership between GRU and UF's College of Engineering that he believes might engender federal funding for helping GRU start the transition to providing 100% of it's energy from renewable sources.

Fiscal Note: None at this time.

RECOMMENDATION Discuss and take any action deemed appropriate.

[210158 Potential Federal Funding for GRU 20210708](#)

[210206.](#)

Update on Natural Gas Rebate Policies and Marketing (B)

Explanation: Following a request from the UAB in their April 27, 2021 joint meeting with the City Commission, the Commission directed staff to review GRU's policy on providing gas rebates and determine what impact stopping those rebates would have on revenue. They also asked staff to revisit language marketing natural gas as a clean fuel.

Fiscal Note: None at this time.

RECOMMENDATION Discuss and take action deemed appropriate.

[210206 Natural Gas Rebate Program 20210727](#)

PUBLIC COMMENT

MEMBER COMMENT

ADJOURNMENT