

City of Gainesville

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



Meeting Agenda

October 12, 2017

5:30 PM

MODIFIED AGENDA

City Hall Auditorium

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**ROLL CALL****ADOPTION OF THE AGENDA****APPROVAL OF MINUTES**[170459.](#)**Minutes of the August 10, 2017, September 5, 2017 and September 14, 2017 Meetings (B)**

RECOMMENDATION *Approve minutes as drafted.*

[170459 UAB 8-10-17 Meeting Minutes 20171012](#)

[170459 UAB 9.5.17 Special Meeting Minutes 20171012](#)

[170459 UAB 9.14.17 Meeting Minutes 20171012](#)

CITIZEN COMMENT**STATE OF THE UTILITY**[170474.](#)**GRU Operational Updates for August and September, 2017 (B)**

RECOMMENDATION *Hear an report from staff.*

[170474 GRU Ops Updates FY17August 20171012](#)

[170474 GRU Ops Updates FY17September 20171012](#)

OLD BUSINESS[170412.](#)**Incremental Taxes Created by GRU's Purchase of the Power Purchase Agreement and Biomass Plant (B)**

Explanation: This item was discussed at the UAB's September 26, 2017 workshop. The Chair asked staff to bring additional information to the Board's next regular meeting.

RECOMMENDATION *Discuss additional information provided by staff.*

[170412 Tax of GREC Tax Bill FY17 20170926](#)

[170412 FY2018 GSD Electric Bill 20170926](#)

[170412 FY2018 GSLD Electric Bill 20170926](#)

[170412 FY2018 GSN Electric Bill 20170926](#)

[170412 FY2018 Residential Electric Bill 20170926](#)

[170412 GSD detail 2017.June 20171012](#)

[170412 GSD Savings by Load Factor 20171012](#)

NEW BUSINESS

[170452.](#)

Swap Authorizing Resolution (B)

Explanation: At their meeting of September 14, 2017, the Utility Advisory Board recommended to the City Commission approval of the financing structure related to the acquisition of the Gainesville Renewable Energy Center. This structure consists of 65% fixed rate bonds (2017 Series A), 20% direct placement variable rate bonds to be synthetically fixed through a 10 year swap agreement (2017 Series B), and 15% direct placement variable rate bonds which would remain unhedged (2017 Series C). On September 21, 2017, the City Commission approved this financing structure.

To effectuate the swap agreement related to the 2017 Series B Bonds, the attached Swap Authorizing Resolution authorizes the forms of a Master ISDA Agreement, Schedule and Credit Support Annex (collectively the Swap Documents). The Swap Documents will provide the basis for soliciting proposals from potential swap counterparties. The resolution also delegates authority to the General Manager and Chief Financial Officer to conduct a negotiated bid of the swap with counterparties, and to complete the negotiation of the Swap Documents, in accordance with the delegation parameters set forth in Section 2.02 of the resolution.

Fiscal Note: Utilizing the 65% fixed, 20% synthetically fixed, and 15% variable rate financing structure is expected to enhance the annual average savings associated with the acquisition of the Gainesville Renewable Energy Center by approximately 2 million dollars compared to the alternative structure of 85% fixed and 15% variable rate bonds.

RECOMMENDATION

The Utility Advisory Board recommend that the City Commission approve the attached Swap Authorizing Resolution, authorizing the forms of a Master ISDA Agreement, Schedule and Credit Support Annex, and delegating authority to the General Manager and Chief Financial Officer to conduct a negotiated bid of the swap with counterparties, and to complete the negotiation of the Swap Documents, in accordance with the

stated delegation parameters.

[170452 Swap Authorizing Resolution - GRU 20171012](#)

[170452 Swap Authorizing Resolution - Revised Final 20171012](#)

[170452 Swap Resolution - Red Line V9 to V10 20171012](#)

[170450.](#)

Request for Statement of Qualifications for Recruitment Services for Professional Engineer and Technical Positions at a Municipal Multi-Service Utility (NB)

Explanation: On May 15, 2017, Gainesville Regional Utilities' Purchasing Division solicited written statements of qualifications for recruitment services for professional engineer and technical positions at a multi-service utility (RFSQ No. 2017-071).

Five firms submitted statements on June 8, 2017. Evaluation of the written submittals resulted in the qualifying of the five firms listed:

1. Aerotek
2. The Search Partnership, LLC
3. Helbling & Associates Inc.
4. MTI Moten Tate, Inc.
5. The Mercer Group, Inc.

Fiscal Note: The amount of each contract will be determined through negotiations. Funding sources are available and will be identified as needed through the appropriate departments.

RECOMMENDATION

The City Commission: 1) accept the qualified firms; 2) authorize the General Manager or designee to initiate contract negotiations and execute a contract for recruiting services with each of the firms; and 3) authorize the General Manager or designee to execute all contract documents and other necessary documents, subject to approval by the City Attorney as to form and legality.

[170450 Intent to Award 20171012](#)

[170460.](#)

Perpetual Transportation Easement to Alachua County (B)

Explanation: Alachua County has received partial funding from the Florida Department of Transportation to construct an extension of SW 8th Avenue, from NW 143rd Street to SW 137th Way, to help alleviate congestion on Newberry Road. The new road will be two lanes with bike lanes and a multi-use path. The construction will be in compliance with the specifications set forth in the State of Florida Manual of Uniform Minimum Standards for Design, Construction and Maintenance for Streets and Highways.

The transportation plan has routed the new road across the City of Gainesville transmission right-of-way and construction cannot be completed without this crossing. As such, it is necessary that the City grant a transportation easement to Alachua County. The City acquired fee simple title to this transmission right-of-way through a condemnation proceeding in 1974. The final judgment stipulated that the City is required to provide ingress and egress across the acquired parcels, expressly to governmental bodies, for roadways or streets.

In exchange for the transportation easement, Alachua County will be constructing two (2) twelve foot wide paved driveways and installing two (2) sixteen foot gates and fencing to serve as a secured, unimpeded access to the transmission corridor. Additionally, the County has also agreed to waive all Right of Way Utilization Inspection Fees for the installation of water, sewer and gas facilities along the new roadway during the initial construction.

Staff has reviewed and recommended the granting of the Perpetual Transportation Easement to Alachua County for this project. The City will retain fee simple title to the transmission right-of-way and an indemnification clause has been incorporated into the easement to protect and defend the City from all claims or expenses arising out of or relating to the County's utilization of the easement areas for transportation purposes.

Fiscal Note: None.

RECOMMENDATION

The Utility Advisory Board advise the City Commission to: 1) approve the granting of a perpetual transportation easement to Alachua County for transportation purposes across a portion of the City of Gainesville electric transmission right-of-way; and 2) authorize the Mayor and the Clerk of the Commission to execute the Easement, substantially in the form as attached, subject to approval by the City Attorney as to form and legality.

[170460 Project Location Map 20171012](#)

[170460 SW 8th Ave Ext Transportation Easement 20171012](#)

[170460 Transportation Easement Location Map 20171012](#)

[170461.](#)

GRU Estimated Bills (NB)

Explanation: Members of the Board asked for information on the estimated bills received by some customers after Hurricane Irma.

RECOMMENDATION

Receive information from staff.

[170458.](#)

THE CITY OF GAINESVILLE D/B/A GAINESVILLE REGIONAL UTILITIES (GRU) CLAIM FOR COMPENSATION IN REGARD TO THE DEERHAVEN SCRUBBER COLLAPSE (NB)

Explanation: On September 29, 2016, the Unit 2 SO2 dry scrubber vessel at Deerhaven partially collapsed. According to an independent engineering report by Thielsch Engineering, the partial collapse was due to "excessive longitudinal stresses in the vessel resulting from severe loss of wall thickness" and "the loss of wall thickness was due to erosion-corrosion that incurred during normal operation". The cost to decommission the damaged scrubber and replace and upgrade the new scrubber was approximately \$6,500,000.00.

In 2007, the City contracted with Babcock Power Environmental, Inc. and Lockwood Green E & C, Inc. to design and construct the scrubber. The scrubber was commissioned in 2009 and was expected to have a 30 year life.

After review and analysis of the Thielsch Engineering report, the Office of the City Attorney retained Holland & Knight (in an amount not to exceed \$50,000) to provide an initial assessment of legal issues relating to the partial collapse. As a result of the initial assessment, the General Manager for Utilities is desirous of pursuing a claim against Babcock Power.

Fiscal Note: The City Attorney's Office will remain engaged in this matter, and assist outside counsel, in an effort to contain costs. Funding for outside counsel will be paid either from GRU budgeted funds for legal expenses or from unanticipated cost savings that GRU realizes.

RECOMMENDATION

Discuss.

MEMBER COMMENT

CITIZEN COMMENT

NEXT MEETING DATE

November 9, 2017

ADJOURNMENT