

City of Gainesville

City Hall
200 East University Avenue
Gainesville, Florida 32601



Meeting Agenda

March 12, 2020

5:30 PM

MODIFIED

City Hall Auditorium

Utility Advisory Board

Wendell Porter (Member)

Wes Wheeler (Member)

Barry Jacobson (Member)

Carla Miles (Member)

Theresa Spurling-Wood (Non-Voting Member)

Tim Rockwell (Member)

Don Davis (Non-Voting Member)

Fletcher Crowe (Member)

Jason Fults (Member)

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****[191096.](#) Minutes of the February 13, 2020 UAB Meeting (B)**

Explanation: Staff has prepared minutes from the February 13, 2020 meeting.

Fiscal Note: None.

RECOMMENDATION *Approve the minutes of the February 13, 2020
UAB meeting as drafted.*

[191096_UAB_21320_Meeting_Minutes_20200312](#)

ADOPTION OF THE AGENDA**CITIZEN COMMENT****STATE OF THE UTILITY****[191098.](#) GRU Operational Update for the Month of February 2020 (B)**

Explanation: Staff has prepared a report of statistical data for GRU's operations in the month of February 2020.

Fiscal Note: None.

RECOMMENDATION *Receive report.*

[191098_GRU_Ops_Update_Feb2020_All_Depts_20200312](#)

OLD BUSINESS**NEW BUSINESS****[191099.](#) Community Weatherization Coalition Update (B)**

Explanation: Staff of the Community Weatherization Coalition (CWC) will give an update on their recent activities in the community.

Fiscal Note: None.

RECOMMENDATION *Hear a presentation from CWC staff.*

[191099_CWC_UAB_Presentation_20200312](#)

[191095.](#)

Resolution Authorizing Replacement of Existing Credit Agreements With Respect to GRU Variable Rate Utilities System Revenue Bonds 2005 Series C, 2006 Series A and 2012 Series B, and Amendment and Extension of the Existing Liquidity Agreement with respect to GRU Variable Rate Utilities System Revenue Bonds 2008 Series B (B)

Explanation: GRU's debt portfolio contains a mix of fixed rate and variable rate debt. We are required, both by the applicable bond resolutions, investors and rating agencies to maintain liquidity facilities to secure our outstanding publicly issued variable rate debt. These liquidity facilities provide cash to pay investors that tender their bonds in the event of a market disruption that precludes remarketing of the bonds or in certain instances, a termination of the liquidity facility.

GRU has nine current liquidity/credit facilities, and during calendar year 2020 multiple of the facilities are scheduled to expire. Our financial advisor, PFM Financial Advisors, LLC, reached out to solicit proposals to supply liquidity facilities for the following variable rate issues:

- 2005 Series C
- 2006 Series A
- 2012 Series B
- 2008 Series B

Based on considerations such as facility fees, proposed term, long term and short term bank ratings, and trading history Barclays Bank PLC was chosen as the preferred responder.

Fiscal Note: Based on the Barclays proposal, the annual expense for the four liquidity facilities will be approximately \$98,500 less than current facility fees.

RECOMMENDATION *The Utility Advisory Board recommend that the City Commission approve 1) the resolution authorizing with Barclays Bank the replacement of the existing liquidity facility agreements for Variable Rate Utilities System Revenue Bonds 2005 Series C, 2006 Series A, and 2012 Series B and amendment and extension of the existing liquidity agreement with Barclays Bank PLC for Variable Rate Utilities System Revenue Bonds 2008 Series B, each subject to the approval of the City Attorney as to form and legality 2) the form of the Standby Bond Purchase Agreements for each of the liquidity facilities and fee letters and 3) the form of the Reoffering Memorandum.*

[191095 GRU \(Barclays\) Resolution with Exhibits 20200312](#)

[191095 UAB Liquidity Facility Presentation 20200312](#)

[191104.](#)**Resolution Authorizing Amendment to a Swap Transaction between Gainesville Regional Utilities (GRU) and Citibank N.A. Amending the Optional Par Early Termination Option of GRU (B)**

Explanation: In 2017 as part of the DHR acquisition transaction, GRU entered into a 27 year \$45 million dollar swap with Citibank. The purpose of this swap was to hedge a portion of the variable interest rate debt issued to acquire the plant to a fixed rate, as well as to achieve additional interest rate savings compared to issuing more long term fixed rate debt. This swap included a right for GRU to terminate the swap on and after year 10 without cost, similar to the redemption rights of the fixed rate bonds issued for the acquisition. GRU is requesting authorization to negotiate an approximate seven year extension of the termination option, extending the call option from 10 years to 17 years. In exchange for this extension, staff will negotiate with the swap provider, based on current market conditions, either a reduction in the fixed rate GRU currently pays to the swap provider or an upfront lump sum payment. The Resolution authorizes the General Manager or Chief Financial Officer to execute this transaction subject to the following execution parameters:

- Authorization to execute is through September 30, 2020
- Minimum annual savings based on a reduction in the fixed rate leg of the swap of \$90,000, or
- An upfront payment of no less than \$2.1 million

Fiscal Note: Based on the execution parameters, the transaction if executed will result in annual savings of at least \$90,000 or an upfront payment of \$2.1 million.

RECOMMENDATION

The Utility Advisory Board recommend that the City Commission approve the resolution authorizing the General Manager or Chief Financial Officer to negotiate and execute an amendment to the swap transaction between GRU and Citibank N.A. extending the termination option from 10 years to 17 years, subject to certain execution parameters being met.

[191104 Resolution 2017B Citi Swap 20200312](#)

MEMBER COMMENT[191097.](#)**March 24, 2020 Workshop (NB)**

Explanation: Chair Porter will not be able to attend the March 24, 2020 workshop and wants to discuss whether the board wants to cancel or perhaps reschedule.

Fiscal Note: None.

RECOMMENDATION

Discuss and take any action deemed appropriate.

CITIZEN COMMENT

NEXT MEETING DATE

ADJOURNMENT