

# City of Gainesville

City Hall  
200 East University Avenue  
Gainesville, Florida 32601



## Meeting Agenda

February 11, 2021

6:30 PM

Modified Agenda

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)*

*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****ROLL CALL****ADOPTION OF CONSENT ITEMS**

[200814.](#) **Minutes of the 1-12-21 UAB Meeting and the 1-26-21 UAB Workshop (B)**

*Explanation: Staff has prepared minutes from the January 12, 2021 UAB meeting and the January 26, 2021 UAB workshop.*

*Fiscal Note: None.*

**RECOMMENDATION**      *Approve as drafted.*

[200814 UAB 1-12-21 Meeting Minutes 20210211](#)

[200814 UAB 1-26-21 Workshop Minutes 20210211](#)

**ADOPTION OF THE AGENDA****STATE OF THE UTILITY**

[200815.](#) **GRU Operational Update for the Month of January 2021 (B)**

*Explanation: Staff has prepared a report of statistical and operational data from GRU's operations in the month of January 2021.*

*Fiscal Note: None.*

**RECOMMENDATION**      *Receive report.*

[200815 GRU Ops Update Jan2021 All Depts 20210211](#)

**OLD BUSINESS****NEW BUSINESS**

[200812.](#) **Resolution Authorizing Extension of the Existing Credit Facility with respect to GRU's Taxable Commercial Paper Program (B)**

*Explanation: GRU's debt portfolio includes two commercial paper programs. In order to obtain the lowest interest rate GRU maintains a credit facility for each commercial paper program to secure its outstanding commercial paper.*

*These credit facilities provide funds to pay upon the principal amount due upon the maturity of the commercial paper, in the event of a market disruption that precludes remarketing of the commercial paper.*

*The credit facility on our taxable commercial paper program currently issued by State Street Bank expires August 27, 2021. Our financial advisor, PFM Financial Advisors, LLC, has engaged in discussions with State Street Bank regarding terms for extension of the facility. State Street was agreeable to a four year extension of the facility at terms favorable to GRU and has required in connection therewith certain amendments to conform to the bank's standard terms of agreement.*

*Fiscal Note: The cost of the four-year extension is 64 basis points, a reduction of three basis points compared to the current three year agreement.*

**RECOMMENDATION**

*The Utility Advisory Board recommend that the City Commission approve 1) the resolution authorizing an extension of the existing credit facility with State Street Bank for GRU's taxable commercial paper program, subject to the approval of the City Attorney as to form and legality and 2) the form of the amendment to the Credit Agreement for the credit facility and fee letter.*

[200812 CP Series D Resolution 20210211](#)

[200813.](#)

**Resolution Authorizing Extension of the Existing Liquidity Agreement with respect to GRU Variable Rate Utilities System Revenue Bonds 2007 Series A (B)**

*Explanation: GRU's debt portfolio contains a mix of fixed rate and variable rate debt. In order to obtain the lowest interest rate GRU maintains liquidity facilities to secure its outstanding publicly issued variable rate demand bonds.*

*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.*

*The liquidity facility on our 2007 Series A Bonds currently issued by State Street Bank expires April 1, 2021. Our financial advisor, PFM Financial Advisors, LLC, has engaged in discussions with State Street Bank regarding terms for extension of the facility. State Street was agreeable to a four year extension of the facility at terms favorable to GRU and has required in connection therewith certain amendments to conform to the bank's standard terms of agreement.*

*Fiscal Note: The cost of the four-year extension is 54 basis points, an increase of three basis points over the current three year agreement.*

**RECOMMENDATION**

*The Utility Advisory Board recommend that the City Commission approve 1) the resolution authorizing an extension of the existing liquidity facility with State Street Bank for Variable Rate Utilities System Revenue Bonds 2007 Series A,*

subject to the approval of the City Attorney as to form and legality and 2) the form of the amendment to the Standby Bond Purchase Agreement for the liquidity facility and fee letter.

[200813\\_2007A\\_SBPA\\_Resolution\\_20210211](#)

[180942.](#)

### **GRU Service Area Maps and Extension Policies (B)**

*Explanation: GRU previously provided a presentation to the General Policy Committee regarding the current policies for extending water, wastewater, electric, and natural gas service outside the Gainesville city limits. The City Commission subsequently made a motion for GRU to provide service area maps to the General Policy Committee for their consideration of policies regarding extending utilities outside the City limits. Attached in the backup are the service area maps, as requested.*

*In addition, the City Commission requested that the UAB provide a recommendation regarding the extension of utility service beyond existing service area boundaries and potentially adding a requirement for City Commission approval prior to such an extension.*

*A new City Commission review and approval process is not necessary for the gas and electric systems since current policies require approval prior to significant extensions or expansion outside current service area boundaries. Significant expansion of the gas system currently requires City Commission approval because it exceeds the cost threshold for City Commission approval. To avoid encroachment on other existing gas supply systems, any proposed expansion of the gas system would also require the consent from the Florida Public Service Commission (FPSC). The State is completely divided up into electric service territories served by existing electrical supply providers. Any expansion or change of the electric system boundaries outside of the current electric territory currently in place would require an agreement between the electric providers already covering those territories and also an approval by the (FPSC). The amount of capital required to make a change in the electrical territory served would also trigger CCOM approval.*

*Currently, expansion of the water and wastewater system beyond the existing service area boundaries does not require review or approval from the City Commission since it is typically outside the City limits. Most expansions or extensions of the water and wastewater systems are designed, constructed, and funded by new development. Alachua County has an Urban Cluster line which is intended to regulate development. Alachua County Board of County Commission approval is required for extension of water and wastewater service beyond the line.*

*The proposed approach is to require that extensions of water and*

wastewater beyond the Urban Cluster line must be approved by the City Commission in addition to Alachua County. This approach will require a process to be developed that includes this step in the development review process, since currently projects outside the City limits do not require the developer to engage in the City of Gainesville development review process.

*Fiscal Note: Not Applicable*

**RECOMMENDATION**

- 1) City Commission receive and evaluate the GRU Service Area Maps.
- 2) Require any development that extends Water and Wastewater services beyond the Alachua County Urban Cluster Line to receive approval from the City Commission prior to receiving a Utility Construction Permit.

[180942 GRU Policies Providing Services Beyond Service Area 20190425](#)

[180942 GRU Utilities Service Area 20210121](#)

[180942 Reclaimed Service Area 20210121](#)

[180942 Sewer Service Area 20210121](#)

[180942 Water Service Area 20210121](#)

[180942 Electric Service Area 20210121](#)

[180942 Gas Service Area 20210121](#)

[180942 Service Area Presentation 20210211](#)

**MEMBER COMMENT**

**NEXT MEETING DATE**

*March 11, 2021*

**ADJOURNMENT**