



Wednesday, August 7, 2024, 5:30 p.m.

GRU Administration Building

301 SE 4th Avenue

Gainesville, FL 32601

Authority Directors

Eric Lawson - Chair

David Haslam - Vice Chair

Craig Carter

Robert Skinner

Vacant

If you have a disability and need accommodation in order to participate in this meeting, please call (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.

A. CALL TO ORDER

Agenda Statement: The Gainesville Regional Utilities Authority encourages civil public speech. The Gainesville Regional Utilities Authority expects each person entering this chamber to treat others with respect and courtesy. Speakers are expected to focus on agenda items under discussion. Signs, props, posters, food, and drinks should be left outside the auditorium.

B. ROLL CALL

C. INVOCATION

D. PLEDGE OF ALLEGIANCE

E. ADOPTION OF THE AGENDA

F. APPROVAL OF MINUTES

1. **Approval of Minutes from the June 26, 2024 Meeting**

G. CHAIR COMMENTS

H. GENERAL PUBLIC COMMENT

(for items not on the agenda, not to exceed 30 minutes total)

I. CONSENT AGENDA

1. **2024-558 Contract for GRU CEO (B)**

Department: Gainesville Regional Utilities/GRU Authority

Explanation: On June 26th the GRU Authority voted to “remove ‘interim’ from the title of the current Interim CEO Ed Bielarski and appoint him as the permanent CEO of GRU”. In light of the permanent appointment a contract was drafted and reviewed by the GRU Authority’s attorney, Folds Walker LLC, as well as CEO Bielarski and Chair Lawson. The contract is being brought before the GRU Authority for approval.

Fiscal Note: Salary: \$332,061.

Recommendation: The GRU Authority approve as written.

2. **2024-598 Annual HVAC Preventative Maintenance and Repair (B)**
Department: Gainesville Regional Utilities/Customer Service

Description: On March 21, 2024, GRU Procurement issued a Solicitation for annual preventative maintenance and repair of GRU's HVAC systems located at GRU's substations, tower sites, office buildings, service centers, and utility plants. Two (2) responses to the solicitation were received.

Staff evaluated the proposals and recommends that GRU enter into a contract with Johnson Controls, Inc. The proposed contract is a three year contract with provisions for one (1) two year extension, upon mutual agreement of the parties and negotiation of the contract prices.

Fiscal Note: Funds will be fully allocated for the initial year in the fiscal year 2024 and 2025 budget.

Recommendation: The GRU Authority Board: 1) authorize the Chief Executive Officer, or his designee, to execute a contract with Johnson Controls, Inc., for annual preventative maintenance and repair of GRU's HVAC systems and 2) approve the issuance of purchase orders to Johnson Controls, INC, in an amount not to exceed \$900,000.00 annually for fiscal year 2025 and for subsequent years of the contract, pending final appropriation of funds for each year.

J. **CEO COMMENTS**

K. **ATTORNEY COMMENTS**

L. **RESOLUTIONS (Roll Call Required)**

1. **2024-557 Resolution Authorizing the CEO and Certain Other Authorized Officers to Negotiate and Execute Upcoming Potential Financial Transactions Subject to the Prescribed Execution Parameters and Timeframes (B)**

Department: Gainesville Regional Utilities/Budget, Finance, and Accounting

Explanation: This item is related to obtaining authorization to negotiate and execute a number of potential financial transactions. GRU is considering a number of potential financial transactions in the upcoming months. In order to be as nimble as possible and to allow us to take advantage of favorable market conditions, staff is bringing these potential transactions to the Authority under a single resolution and asking that the Authority provide the CEO and certain other authorized officers with the authority to execute any or all of these transactions within the prescribed execution parameters and timeframes. The transactions fall in the following categories:

Defeasance and/or redemption of debt as dictated by existing agreements or approved policy positions

Trunked Radio System (TRS) Outstanding Debt – Under the agreement with the

County for the sale of the TRS, GRU committed to using the sales proceeds of \$8M to pay down outstanding debt related to TRS. Pursuant to this commitment the proposed resolution authorizes GRU to defease and/or redeem the portions of the following outstanding debt series attributable to TRS: 2014B, 2019A, 2019C, 2020A, 2022A and 2022B. In addition, the resolution authorizes the County and the Authority to amend or waive tax covenants in the TRS Sale Agreement related to private business use or private ownership of the TRS.

Debt Reduction Plan – Consistent with Section XIV Delevering of the GRU Debt Management Policy approved in October of 2022 by the City Commission, GRU's debt reduction plan utilizes funds from the following sources as part of the plan to reduce net debt outstanding by ~\$395M over the next decade:

- GFT reductions
- Excess reserves generated from electric & wastewater system base rate increases from FY22 – FY24
- O&M budget cuts committed to as part of the FY24 budget process

The proposed resolution authorizes the use of the funds identified from these strategies to provide for the redemption or defeasance of up to \$30M of certain maturities of the following outstanding bond series:

- Electric System – 2017A
- Water, Wastewater & GRUCom Systems – 2012B

Amending/Modifying existing agreements

2019 Series C Credit Facility - GRU maintains a credit facility with Bank of America which provides credit and liquidity support for GRU's outstanding 2019 Series C variable rate bonds. Any draws made on this facility are subject to the variable interest rate index known as the Bloomberg Short-Term Bank Yield Index (BSBY). The administrator of BSBY has announced that it will no longer support the index after November 15, 2024. The proposed resolution authorizes GRU to work with Bank of America to provide for an alternative index.

Extending Outstanding Revolving Lines of Credit – On December 6, 2023 the prior GRU Authority adopted Resolution 2023-1148 approving the extension of certain of GRU's outstanding revolving lines of credit:

- 2018 Series A with Truist Bank expiring November 30, 2024
- 2019 Series C with Bank of America expiring April 25, 2025
- 2020 Series A with Truist Bank expiring November 30, 2024

- 2022 Series A and 2022 Series B with US Bank expiring April 29,2025

The proposed resolution:

- Ratifies and approves the original adoption of Resolution 2023-1148
- Delegates authority to the CEO or Chief Financial Officer to:
 - Amend and/or extend the existing agreements
 - Draw on the 2022 Series A and 2022 Series B revolving lines of credit for funding of certain emergency expenses in a principal amount not to exceed \$75M outstanding at any time

Debt service savings opportunities

Forward Starting Swap (FSS) on outstanding 2017 Series A Bonds – The proposed resolution authorizes GRU to enter into a FSS on GRU’s outstanding 2017 Series A bonds. The FSS is a method to lock in existing rates (2024) until the refunding transaction qualifies as a current refunding (July of 2027).

Under the provisions of the swap, as the effective date of the swap transaction approaches in 2027 GRU will have the option to either:

- Keep the swap in place and issue variable rate debt to refund the fixed rate 2017 Series A Bonds or
- Terminate the swap and issue new fixed rate debt to refund the bonds

The proposed transaction is subject to the following execution parameters:

- Net Present Value savings from the transaction shall be no less than 5.00% of the par amount of the bonds refunded
- The trade date shall be on or before August 30, 2025

Fiscal Note: Overall avoided debt service costs related to debt defeasance and/or redemption efforts will depend upon the specific maturities ultimately selected for defeasance or redemption. Net present value savings on the 2017A FSS shall be no less than 5.00% of the par amount of bonds refunded.

Recommendation: The GRU Authority (1) Adopt the proposed resolution and (2) Authorize the CEO or certain other authorized officers to negotiate and execute the listed transactions within the prescribed execution parameters and timeframes.

M. BUSINESS DISCUSSION ITEMS

1. **2024-593 Financial Update: October 1, 2023 through June 30, 2024 (B)**
Department: Gainesville Regional Utilities Budget, Finance, and Accounting

Description: This is an information item related to a summary of the budget vs actual results for FY2024 through June 30, 2024. This summary outlines budget to actual financial results as of June 30, 2024 as well as actual expense trend information for June 30, 2022 and June 30, 2023.

Fiscal Note: No fiscal impact.

Recommendation: Informational only.

2. **2024-599 GRUA's Opinion Request to Florida's Attorney General (B)**
Department: Gainesville Regional Utilities/CEO's Office

Description: Florida law authorizes public bodies to request guidance from the Attorney General on questions of state law. Consistent with past board discussion, the proposed request to the Florida Attorney General for guidance relates to the impact of the pending city referendum on the legislatively granted powers to the GRUA and ability of the GRUA to engage an independent legal general counsel pursuant to its legislatively granted powers to manage operated and control the utilities.

Fiscal Note: None at this time.

Recommendation: The GRU Authority authorize the Chair to execute the attached letter requesting an opinion from the Florida Attorney General along with all needed administrative forms.

N. **DIRECTOR COMMENT**

O. **ADJOURNMENT**

June 26, 2024, 5:30 p.m.
GRU Administration Building
301 SE 4th Avenue
Gainesville, FL 32601

Members Present: Craig Carter, Vice-Chair Haslam,
Chair Lawson, Robert Skinner

A. CALL TO ORDER

B. ROLL CALL

C. INVOCATION

Director Carter led the invocation.

D. PLEDGE OF ALLEGIANCE

E. ADOPTION OF THE AGENDA

Moved by Craig Carter

Seconded by Vice-Chair Haslam

Aye (4): Craig Carter, Vice-Chair Haslam, Chair Lawson, and Robert Skinner

Approved (4 to 0)

F. APPROVAL OF MINUTES

Public Comment: Jim Konish, Chuck Ross

Moved by Robert Skinner

Seconded by Craig Carter

Motion: Approve the minutes for the June 10th and June 12th meetings, with an amendment to ensure the passing of the gavel was captured from the former chair to the vice-chair at the last meeting.

Aye (4): Craig Carter, Vice-Chair Haslam, Chair Lawson, and Robert Skinner

Approved (4 to 0)

1. **Approval of Minutes from the June 10 2024 Meeting**
2. **Approval of Minutes from the June 12 2024 Meeting**

G. CHAIR COMMENTS

Newly appointed Chair, Eric Lawson, shared thoughts on the following:

- appointing the Interim CEO/GM, Ed Bielarski, as the permanent CEO/GM of GRU
- would like to reduce the amount of presentations shared at the board meetings, and focus more on discussion

Public Comment: Jim Konish, Debbie Martinez, Chuck Ross, Bobby Murmur, Jeffrey Shapiro, Ernesto Martinez

Moved by Craig Carter

Seconded by Vice-Chair Haslam

Motion: Remove "Interim" from the title of the current Interim CEO/GM Ed Bielarski and appoint him as the permanent CEO/GM of GRU.

Aye (4): Craig Carter, Vice-Chair Haslam, Chair Lawson, and Robert Skinner

Approved (4 to 0)

H. GENERAL PUBLIC COMMENT

Jim Konish, Debbie Martinez, Chuck Ross, Teresa Summerall

I. CONSENT AGENDA

J. CEO/GM COMMENTS

CEO/GM Ed Bielarski provided a few comments to the board.

K. ATTORNEY COMMENTS

Folds Walker Kiersten Ballou shared some comments with the board.

L. RESOLUTIONS (Roll Call Required)

1. 2024-502 A resolution modifying net-metering for customer-owned renewable energy (B)

Public Comment: Jim Konish, Alex Hood, Ernesto Martinez, Debbie Martinez, Bobby Murmur

Moved by Craig Carter

Seconded by Robert Skinner

Recommendation: The GRU Authority adopt the proposed resolution.

Aye (4): Craig Carter, Vice-Chair Haslam, Chair Lawson, and Robert Skinner

Approved (4 to 0)

2. 2024-504 A resolution adopting an Advanced Metering Infrastructure Opt-Out Program (B)

No public comment.

Moved by Craig Carter

Seconded by Vice-Chair Haslam

Recommendation: The GRU Authority adopt the proposed resolution.

Aye (4): Craig Carter, Vice-Chair Haslam, Chair Lawson, and Robert Skinner

Approved (4 to 0)

3. 2024-505 A resolution modifying provisions regarding public streetlight and rental outdoor light service (B)

Public Comment: Jim Konish

Moved by Craig Carter

Seconded by Vice-Chair Haslam

Recommendation: The GRU Authority adopt the proposed resolution.

Aye (4): Craig Carter, Vice-Chair Haslam, Chair Lawson, and Robert Skinner

Approved (4 to 0)

4. 2024-507 Appendix A Resolution (Utility Fees, Rates & Charges for FY 2025) B)

Public Comment: Jim Konish

Moved by Robert Skinner

Seconded by Vice-Chair Haslam

Recommendation: The GRU Authority adopt the proposed resolution.

Aye (4): Craig Carter, Vice-Chair Haslam, Chair Lawson, and Robert Skinner

Approved (4 to 0)

5. 2024-511 Resolution Adopting the Gainesville Regional Utilities budget for the Fiscal Year beginning October 1, 2024 and Ending September 30, 2025 (B)

Moved by Robert Skinner

Motion 1: to accept the recommendation as written with an amendment to have the monies go directly to first responders and fire rescue employees.

The CEO/GM suggested that Director Skinner's recommendation be added to the cover letter of the budget submission.

Died for lack of second

Motion 2: to accept the recommendation as written with an amendment to state "Chairperson or his designee"

Motion 2 Public Comment: Jim Konish, Bobby Murmur, Steve Varvel, Chuck Ross

Moved by Robert Skinner

Seconded by Craig Carter

Recommendation: The GRU Authority adopt the proposed budget resolution, and direct the CEO to submit the budget to the City of Gainesville consistent with the requirements of Chapter 2023-348, Laws of Florida.

Aye (4): Craig Carter, Vice-Chair Haslam, Chair Lawson, and Robert Skinner

Approved (4 to 0)

M. BUSINESS DISCUSSION ITEMS

N. DIRECTOR COMMENT

O. ADJOURNMENT

Meeting adjourned at 6:33pm.

Christine Kunkel, GRUA Staff Liaison



**Gainesville Regional Utilities Authority
Agenda Item Report**

File Number: 2024-558

Agenda Date: August 7, 2024

Department: Gainesville Regional Utilities

Title: 2024-558 Contract for GRU CEO (B)

Department: Gainesville Regional Utilities/GRU Authority

Explanation: On June 26th the GRU Authority voted to “remove ‘interim’ from the title of the current Interim CEO Ed Bielarski and appoint him as the permanent CEO of GRU”. In light of the permanent appointment a contract was drafted and reviewed by the GRU Authority’s attorney, Folds Walker LLC, as well as CEO Bielarski and Chair Lawson. The contract is being brought before the GRU Authority for approval.

Fiscal Note: Salary: \$332,061.

Recommendation: The GRU Authority approve as written.

EMPLOYMENT AGREEMENT

THIS AGREEMENT, made and entered into this ____ day of June 2024, by and between the **Gainesville Regional Utilities Authority**, hereinafter called the "Authority" and **Edward J. Bielarski, Jr**, hereinafter also called the "Chief Executive Officer/General Manager" or "CEO", both of whom understand as follows:

WITNESSETH:

WHEREAS Edward J. Bielarski, Jr is qualified and competent to serve as the CEO of Gainesville Regional Utilities, and is ready, willing and able to perform the duties of CEO consistent with the following terms and conditions; and

WHEREAS Edward J. Bielarski, Jr and the Authority feel it would be mutually beneficial to enter into a contract of employment setting forth agreements and understandings which:

1. provide inducement for the CEO to accept such employment with the Authority;
2. make possible full work productivity by assurances to the CEO with respect to future security;
3. establish the basis, framework and context for the relationship which shall exist between the Authority and the CEO; and
4. provide a just means of terminating the CEO's services at such time as the Authority may desire to terminate such employment.

NOW, THEREFORE, in consideration of the mutual covenants herein contained, the parties agree as follows:

Section 1. Duties.

The Authority hereby agrees to employ Edward J. Bielarski, Jr as the CEO of Gainesville Regional Utilities to perform duties and functions of said position as specified in the City of Gainesville (the "City") Charter, Code of Ordinances, and job description, if any, and such other lawful duties as the Authority may from time to time assign the CEO.

Section 2. Term.

This Agreement shall be of a continuing nature, provided, however, that:

A. The CEO shall hold office at the will of the Authority, and nothing in this Agreement shall prevent, limit, or otherwise interfere with the right of the Authority to terminate the services of the CEO at any time, subject only to the provisions set forth in Section 4 of this Agreement.

B. Nothing in this Agreement shall prevent, limit, or interfere with the right of the CEO to resign at any time from his position with the Authority, subject only to the provisions set forth in Section 4 of this Agreement.

C. The CEO shall report for duty as CEO for Gainesville Regional Utilities on June 13, 2024, which date shall be the CEO's leave progression date for the purposes of computing benefits.

Section 3. Salary and Related Matters.

A. The Authority agrees to pay the CEO for his services rendered pursuant hereto an annual base salary of \$ 332,061.00 payable in equal installments at the same time as other employees of the Authority are paid. The Authority agrees to increase said base salary and/or benefits of the CEO in such amounts and to such extent as the Authority and the CEO may determine that it is desirable to do so. The CEO's performance, salary, and benefits shall be reviewed after the conclusion of every fiscal year by the Authority. The performance objectives and review procedures will be established by mutual agreement of the CEO and the Authority at the beginning of the fiscal year for the next review period. Any salary increases will be based on the CEO's performance of the established performance objectives and review procedures in the prior fiscal year and become effective on the first Monday of the first full pay period of the next calendar year.

B. The Authority shall fix any such other terms and conditions of employment as it may

determine from time to time, relating to the performance of the CEO, provided such terms and conditions are not inconsistent with the provisions of this Agreement, the City Charter, or any other law.

C. All provisions of the City Charter and the Code, and regulations, policies, and rules of the Authority relating to fringe benefits and working conditions as they now exist or hereafter may be amended, including without limitation, health insurance and disability retirement benefits, also shall apply to the CEO as they would to other management employees of the Authority hired on June 13, 2024, except as herein provided.

D. The CEO shall be entitled to the rights described in the Authority's Policies except as modified as follows. Upon commencement of employment as CEO, the CEO shall receive 104 hours of PTO. Beginning with the fifth (5th) pay period after commencement of employment as CEO, the CEO shall accrue PTO at the rate of 10 hours 47 minutes per pay period or the rate of accrual per pay period applicable to CEO's leave progression date, whichever is greater. The maximum number of PTO hours that can be accrued (carryover cap) is 560 hours, adjusted as otherwise provided in the Authority's Policies. The CEO is not eligible to earn administrative leave.

Upon termination of employment, earned and accrued PTO shall be paid to the CEO and earned and accrued PCLB shall be resolved as generally allowed for management employees of the Authority hired on CEO's leave progression date.

E. The CEO shall have the option of utilizing either the City's contractual medical provider or his personal physician for a yearly physical exam and EKG, provided that, in the latter case, the monetary exposure for the Authority shall not exceed \$250. If a personal physician is utilized, the CEO will be required to submit any bills for the services provided through any available insurance coverage before requesting reimbursement from the Authority for non-covered

deductibles or co-insurance payments. The scope of the examination will be that of a "Type A" physical examination as described in the City's contract with Family Practice Medical Group or an examination of a similar scope with any successor provider. Services provided by a personal physician other than those listed under Type A above shall not be subject to reimbursement under this paragraph.

F. The Authority shall provide the CEO term life insurance under the City's group plan, in an amount equal to approximately two (2) times the salary of the CEO up to a maximum of \$250,000. The parties understand that, in accordance with law, a portion of the life insurance provided, and the amount of premium payments, may constitute a taxable benefit to the CEO.

Section 4. Termination and Severance Pay.

A. In the event the CEO's employment is terminated by virtue of his resignation, he shall inform the Authority in writing and shall give the Authority two (2) months written notice in advance, unless the parties otherwise agree.

B. In the event the CEO is terminated for cause as so stated by at least three (3) members of the Authority or a majority of appointed Authority members at the time of termination, the Authority shall have no obligation to provide any severance pay, but accrued and unused PTO shall be paid for. It is understood and agreed that the Authority will be the sole judge as to the effectiveness and efficiency with which the CEO performs his employment, and whether cause exists for the termination of such. By way of illustration, but not limitation, the following are some examples of situations the parties agree could reasonably be deemed "cause" warranting denial of severance pay: gross negligence in the handling of the Authority's affairs; willful violation of the provisions of law; willfully disregarding a lawful direct order or demand of the Authority or a policy of the Authority; conduct unbecoming a CEO; pleading guilty or *nolo contendere* to, or being

found guilty by a jury or court of a misdemeanor involving physical violence, theft, driving under the influence of alcohol or drugs or possession or sale of drugs, or a felony, regardless of whether or not adjudication is withheld and probation imposed.

C. In the event the CEO's employment is terminated under any other circumstances (including but not limited to the dissolution of the Authority) during such time as the CEO is willing and able to perform the duties of CEO, then the CEO shall be entitled to severance pay in the amount equal to 20 weeks' salary less appropriate deductions for federal withholding and other applicable taxes, in addition to payment for any earned and accrued annual, sick, or compensatory leave (PTO and PCLB).

D. If termination of employment occurs under any other circumstance, i.e., death or disability, or the CEO is unable, or anticipated to be unable, to perform the duties of the CEO position due to a physical or mental impairment for a period of 90 consecutive days, or 180 days out of the next 365 days, then the parties may agree to terminate the CEO and pay the CEO, effective the last day of his employment, an amount, less appropriate deductions for federal withholding and other appropriate taxes up to a maximum of 12 weeks' salary at the CEO's current rate of pay, in addition to any accrued and unused PTO and any other benefits to which the CEO is entitled.

E. Any severance pay provided to the CEO by the Authority shall not exceed an amount greater than 20 weeks of salary, provided, however, the CEO is prohibited from receiving any severance pay from the Authority if the CEO's employment is terminated by the Authority for misconduct, as defined in Section 443.036(29), Florida Statutes (2023).

Section 5. Dues and Subscriptions.

The Authority agrees to pay for the professional dues and subscriptions of the CEO necessary for his continuation and full participation in national, regional, state, and local

associations and organizations necessary and desirable for his continued professional participation, growth, and advancement, and for the good of the Authority. The total expenditure for dues and subscriptions may be limited by the amount specifically approved and appropriated in the Authority's Annual Financial and Operating Plan Budget.

Section 6. Bonding.

The Authority shall bear the full cost of any fidelity or other bonds required of the CEO under any law or ordinance.

Section 7. Retirement.

The Authority agrees to execute all necessary agreements provided by MissionSquare or similar City approved providers for participation in any such retirement plans sponsored by the City. The CEO will decide the percentage of his base salary that he desires to have contributed/deferred to such plans and the Authority will implement his decision to the extent allowed by law by, among other things, deducting appropriate equal proportionate amounts each pay period. The Authority agrees to facilitate the transfer of ownership of said funds to succeeding employers upon the CEO's termination, if such is in accordance with the plan provisions and legal requirements in effect at that time.

Section 8. General Provisions.

- A. The text herein shall constitute the entire Agreement between the parties.
- B. If any provision, or any portion thereof, contained in this Agreement is held unconstitutional, invalid, or unenforceable, the remainder of this Agreement, or portion thereof, shall be deemed severable, shall not be affected and shall remain in full force and effect.
- C. Except as otherwise provided herein, the terms and conditions of employment described in this Agreement shall be effective June 13, 2024.

IN WITNESS WHEREOF, the Authority has caused this Employment Agreement to be signed and executed on its behalf by its Chairperson, and the CEO has signed and executed this Employment Agreement, both in duplicate on the respective dates under each signature.

GAINESVILLE REGIONAL UTILITIES
AUTHORITY

ERIC LAWSON
CHAIRPERSON
DATED: _____

EDWARD J. BIELARSKI, JR.
CHIEF EXECUTIVE OFFICER
DATED: _____



**Gainesville Regional Utilities Authority
Agenda Item Report**

File Number: 2024-598

Agenda Date: August 7, 2024

Department: Gainesville Regional Utilities

Title: 2024-598 Annual HVAC Preventative Maintenance and Repair (B)

Department: Gainesville Regional Utilities/Customer Service

Description: On March 21, 2024, GRU Procurement issued a Solicitation for annual preventative maintenance and repair of GRU's HVAC systems located at GRU's substations, tower sites, office buildings, service centers, and utility plants. Two (2) responses to the solicitation were received.

Staff evaluated the proposals and recommends that GRU enter into a contract with Johnson Controls, Inc. The proposed contract is a three year contract with provisions for one (1) two year extension, upon mutual agreement of the parties and negotiation of the contract prices.

Fiscal Note: Funds will be fully allocated for the initial year in the fiscal year 2024 and 2025 budget.

Recommendation: The GRU Authority Board: 1) authorize the Chief Executive Officer, or his designee, to execute a contract with Johnson Controls, Inc., for annual preventative maintenance and repair of GRU's HVAC systems and 2) approve the issuance of purchase orders to Johnson Controls, INC, in an amount not to exceed \$900,000.00 annually for fiscal year 2025 and for subsequent years of the contract, pending final appropriation of funds for each year.



2024 - 0118

ANNUAL HVAC PREVENTIVE MAINTENANCE AND REPAIR

GAINESVILLE REGIONAL UTILITIES

301 SE 4th Avenue

Gainesville, FL 32601

1. Recital

**CONTRACT BETWEEN THE CITY OF GAINESVILLE, d/b/a
GAINESVILLE REGIONAL UTILITIES, AND JOHNSON CONTROLS, INC
FOR
ANNUAL HVAC PREVENTATIVE MAINTENANCE AND REPAIR**

THIS CONTRACT is made and entered into with an effective date of Monday, July 1, 2024, by and between the **CITY OF GAINESVILLE**, a Florida municipal corporation d/b/a **GAINESVILLE REGIONAL UTILITIES** (“GRU”), with offices located at 301 SE 4th Ave, Gainesville, FL 32601, and **JOHNSON CONTROLS, INC** (“Contractor”), a Florida Incorporated , with its principal place of business at 4603 NW 6th street Gainesville, FL 32609, individually referred to as “Party” or collectively as “Parties”.

WHEREAS, GRU requires HVAC Preventive Maintenance and Repair; and

WHEREAS, GRU issued a Solicitation on March 1, 2024 for HVAC Preventive Maintenance and Repair; and

WHEREAS, Johnson Controls, Inc. submitted a Response dated May 23, 2024, to provide HVAC Preventive Maintenance and Repair; and

WHEREAS, the Gainesville Regional Utilities Authority (GRUA) approved GRU entering into a contract with Contractor on September 28, 2023, for HVAC Preventive Maintenance and Repair; and

WHEREAS, GRU desires to enter into a Contract for the services described herein.

NOW, THEREFORE, in consideration of the covenants contained herein, the Parties agree to the following:

1. Contractor shall provide HVAC Preventive Maintenance and Repair as detailed in the Technical Specifications/Scope of Work in accordance with the General Terms and Conditions, Supplemental Conditions and Special Instructions.
2. GRU shall pay to Contractor for the faithful performance of this Contract according to the pricing schedule attached hereto (Attachment A). Adjustments to price may be requested by the Contractor at least sixty (60) calendar days prior to the anniversary date of this Contract each year. Any negotiated price changes shall become effective on the anniversary date of that calendar year. Contractor shall provide documentation for any such price increase and the price increase shall not exceed the Producer’s Price Index (PPI) for the product during the previous twelve calendar months as published by the U.S. Department of Labor, Bureau of Labor Statistics.

3. TERM:

- a. This Contract shall commence on the July 1, 2024 and terminate on June 30, 2027.
- b. The Contract may be extended for One (1) two (2) year renewal years upon mutual agreement of the Parties.
- c. Beyond the extensions described above, this Contract may be extended for an additional six (6) months to allow for completion of a new solicitation.

IN WITNESS WHEREOF, the Parties hereto have executed this Contract on the date first above written.

JOHNSON CONTROLS, INC

BY: _____

Erin Ballard

Erin.Ballard@jci.com

CITY OF GAINESVILLE d/b/a GAINESVILLE REGIONAL UTILITIES

BY: _____

Kinnzon Hutchinson

Chief Customer Officer

Approved as to form and legality:

Bianca Lherisson

Assistant City Attorney II

Prepared by:

Nelson Delcasio

Procurement Specialist III

2. GENERAL TERMS AND CONDITIONS

2.1. DEFINITIONS

- Agreement: A written Contract between two or more Parties [“GRU” and “Contractor”]. “Contract” and “Agreement” are synonymous.
- Deliverable: The completion of a milestone or the accomplishment of a task associated with the Work.
- Free on Board (FOB) Destination: The Contractor is responsible for delivery of materials to a specified delivery point. The risks of loss are borne by the seller or consignee. Title passes when delivery is received by the buyer at destination. Seller has total responsibility until shipment is delivered.
- Specification: A description of the physical or functional characteristics of goods or services as defined in the Solicitation.
- Work: Activity involving effort done in order to achieve a purpose or result requested in the scope.

2.2. COMPLIANCE WITH REFERENCED SPECIFICATIONS

All Work, materials, systems, or operations specified by reference to standard trade or manufacturer’s published specifications shall comply with the requirements, except as modified by this Contract. The specifications used must be the latest published edition that is in effect on the effective date of this Contract unless a particular edition is specified. In the event of a conflict, the specifications that contain the more stringent requirements will govern.

2.3. CHANGE ORDERS

GRU shall pay Contractor for the Work at the price[s] stated in this Contract. No additional payment will be made to Contractor except for additional Work or materials stated on a valid change order, and issued by GRU prior to the performance of the added Work or delivery of additional materials. A change order may be issued without invalidating the Contract, if a) made in writing; b) signed by the authorized representative(s), and c) accepted by Contractor.

Such change shall include the following: change orders that constitute changes: a) the general scope of Work, b) the schedule, c) administrative procedures not affecting the conditions of the Contract, or d) the Contract price.

2.4. NOTICES

Notices to Contractor shall be deemed to have been properly sent when delivered to Contractor physical address and email. Notices to GRU are deemed to have been properly sent when emailed, mailed to P.O. Box 147117 Station A105, Gainesville, FL 32614 or delivered to Utilities Procurement Department, 301 SE 4th Avenue, Gainesville, Florida 32601 and GRU acknowledges receipt.

2.5. PAYMENT

1. Invoicing. Contractor is responsible for invoicing GRU for Work performed pursuant to this Contract. Itemized invoices shall include the following information (if applicable): Contract number, Purchase Order number, item number, job number, description of supplies or services, quantities, unit prices, Work location, GRU Project Representative, job start date, job completion date or other pertinent information. Itemized invoice(s) must be mailed to Gainesville Regional Utilities, Accounts Payable, P.O. Box 147118, Station A-27, Gainesville, FL 32614-7118 or e-mailed to accountspayable@gru.com.
2. Receipting Report for Services. An itemized receipting report for services must be provided to the GRU Project Representative prior to invoicing which includes the number of hours and labor rates by job title, overhead, authorized per diem or travel expenses, and other charges. Receipting reports shall be used by the Project Representative to verify the services rendered.
3. Payment Terms. Unless otherwise agreed upon in writing, GRU's payment terms are net thirty (30) days from receipt of correct invoice. Contractor shall not submit more than one (1) invoice per thirty-day period. Any delay in receiving invoices, or error and omissions, will be considered just cause for delaying or withholding payment. Invoices for partially completed Work may be allowed with GRU's prior approval. All partial invoices must be clearly identified as such on the invoice. Any charges or fees will be governed by current Florida Statutes.
4. Lien Release. Before the final acceptance of the Work and payment by GRU, Contractor shall furnish to GRU an affidavit and final waiver that all claims for labor and materials employed or used in the construction of said Work have been settled and no legal claim can be filed against GRU for such labor and materials. If such evidence is not furnished to GRU, such amounts as may be necessary to meet the unsatisfied claims may be retained from monies due to Contractor under this Contract until the liability has been discharged.
5. Final Payment/Acceptance. The acceptance by Contractor of final payment due on termination of the Contract shall constitute a full and complete release of GRU from any and all claims, demands and causes of action whatsoever which Contractor, its successors or assigns have or may have against GRU under the provisions of this Contract.

2.6. COMPLIANCE WITH LAWS AND REGULATIONS

All City, County, State and Federal laws, regulations and/or ordinances shall be strictly observed. Contractor is responsible for taking all precautions necessary to protect life and property.

2.7. GOVERNING LAW, VENUE, ATTORNEY'S FEES, AND WAIVER OF RIGHT TO JURY TRIAL

This Contract shall be governed and construed pursuant to the laws of Florida and may not be construed more strictly against one party than against the other. In the event of any legal proceedings arising from or related to this Contract: (1) venue for any state or federal legal proceedings shall be in Alachua County Florida; (2) each Party shall bear its own attorneys' fees except to the extent that Contractor agrees to indemnify GRU as described in Supplemental

Conditions, including any appeals; and (3) for civil proceedings, the Parties hereby waive the right to jury trial.

2.8. VERIFICATION OF EMPLOYEES

The Contractor shall comply with all applicable requirements of Section 448.095, Florida Statutes, including but not limited to: (1) the Contractor shall register with and use the U.S. Department of Homeland Security's E-Verify system to verify the work authorization status of all new employees of the Contractor during the term of this Agreement; and (2) the Contractor shall expressly require any subcontractors performing work or providing services pursuant to this Agreement to likewise register with and use the U.S. Department of Homeland Security's E-Verify system to verify the work authorization status of all new employees of the subcontractor during the term of this Agreement. Section 448.095, Florida Statutes, states the statute must be construed in a manner that is fully consistent with any applicable federal laws or regulations, and therefore this section does not apply to this Agreement to the extent that this section would be inconsistent with any federal laws or regulations that are applicable to this Agreement.

2.9. SOVEREIGN IMMUNITY

Nothing in this Contract shall be interpreted as a waiver of GRU's sovereign immunity as granted pursuant to Section 768.28 Florida Statutes.

2.10. SEVERABILITY

If any provision of this Contract is declared by a court to be illegal or in conflict with any law, the validity of the remaining terms and provisions shall not be affected; and the rights and obligations of the Parties shall be construed and enforced as if this Contract did not contain the particular provision held to be invalid.

2.11. ASSIGNMENT

GRU or Contractor shall not assign or transfer, in whole or in part, any right or obligation pursuant to this Contract, without the prior written consent of the other Party.

2.12. AUDIT OF RECORDS

Contractor shall maintain records sufficient to document completion of the scope of services pursuant to this contract. At all reasonable times, these records shall be made available to review, inspect, copy and audit by persons duly authorized by GRU. These records shall be kept for a minimum of three (3) years after termination of this Contract. Records that relate to any litigation, appeals or settlement of claim arising pursuant to the performance of this Contract shall be made available until a final disposition has been made of such litigation, appeal, or claim.

2.13. NONEXCLUSIVE REMEDIES

Except as expressly set forth in this Contract, the exercise by either Party of any of its remedies under this Contract shall be without prejudice to its other remedies under this Contract or otherwise.

2.14. ADVERTISING

Contractor shall not publicly disseminate any information concerning the Contract without prior written approval from GRU, including but not limited to, mentioning the Contract in a press release or other promotional material, identifying GRU or the City as a reference, or otherwise linking Contractor's name and either a description of the Contract or the name of the City or GRU in any material published, either in print or electronically, to any entity that is not a party to Contract, except potential or actual authorized distributors, dealers, resellers, or service representative.

2.15. MODIFICATION OF TERMS

This Contract constitutes the entire agreement between the Parties. No oral agreements or representations shall be valid or binding upon GRU or Contractor. No alteration or modification of this Contract, including substitution of product, shall be valid or binding unless authorized by GRU. Contractor may not unilaterally modify the terms of this Contract by affixing additional terms to product upon delivery (e.g., attachment or inclusion of standard preprinted forms, product literature, "shrink wrap" terms accompanying or affixed to a product, whether written or electronic) or by incorporating such terms onto Contractor's order or fiscal forms or any other documents forwarded by Contractor for payment. An acceptance of product or processing of documentation on forms furnished by Contractor for approval or payment shall not constitute acceptance of the proposed modification to terms and conditions.

2.16. WAIVER

Any delay or failure by GRU to exercise or enforce any of its rights pursuant to this Contract shall not constitute or be deemed a waiver of GRU's right thereafter to enforce those rights, nor will any single or partial exercise of any such right preclude any other or further exercise thereof or the exercise of any other right.

2.17. DISCLOSURE AND CONFIDENTIALITY

1. Florida's Public Records Law, Chapter 119, Florida Statutes, includes numerous exemptions to the general requirement to disclose information to the public in response to a public record's request. Exemptions are found in various provisions of the Florida Statutes, including but not limited to Section 119.071, Florida Statutes (General exemptions from inspection or copying of public records), and Section 119.0713, Florida Statutes (Local government agency exemptions from inspection or copying of public records). Section 815.045, Florida Statutes (Trade secret information), provides that trade secret information as defined in Section 812.081, Florida Statutes (Trade secrets; theft, embezzlement; unlawful copying; definitions; penalty) is confidential and exempt from disclosure because it is a felony to disclose such records. The Parties understand and agree that Florida's Public Records Law is very broad and that documents claimed by a Party to be confidential and exempt from public disclosure pursuant to the Public Records Law may in fact not be deemed such by a court of law. Accordingly, the following provisions shall apply:

- a. Identifying Trade Secret or Otherwise Confidential and Exempt Information. For any records or portions thereof that Contractor claims to be Trade Secret or otherwise

confidential and exempt from public disclosure under the Public Records Law, Contractor shall:

- i. Specifically identify the records or specific portions thereof that are confidential and exempt and reference the particular Florida Statute that grants such status. Provide one redacted copy of the record and one copy of the record with the confidential and exempt information highlighted. Contractor shall take care to redact only the confidential and exempt information within a record.
- ii. Provide an affidavit or similar type of evidence that describes and supports the basis for Contractor's claim that the information is confidential and exempt from public disclosure.

b. Request for Trade Secret or Otherwise Confidential and Exempt Information.

- i. In the event GRU receives a public records request for a record with information labeled by Contractor as Trade Secret or otherwise as confidential and exempt, GRU will provide the public record requester with the redacted copy of the record and will notify Contractor of the public records request.
- ii. However and notwithstanding the above, in the event that GRU in its sole discretion finds no basis for Contractor's claim that certain information is Trade Secret or otherwise confidential and exempt under Florida's Public Records Law, then GRU shall notify Contractor in writing of such conclusion and provide Contractor a reasonable amount of time to file for declaratory action requesting a court of law to deem the requested information as Trade Secret or otherwise as confidential and exempt under Florida's Public Records Law. If Contractor fails to file for declaratory action within the reasonable amount of time provided, then GRU will disclose the information requested.
- iii. If a public records lawsuit is filed against GRU requesting public disclosure of the information labeled by Contractor as Trade Secret or otherwise as confidential and exempt, GRU shall notify Contractor and Contractor shall intervene in the lawsuit to defend the nondisclosure of such information under Florida's Public Records Law.
- iv. Contractor hereby indemnifies and holds GRU, its officers and employees harmless from any and all liabilities, damages, losses, and costs of any kind and nature, including but not limited to attorney's fees, that arise from or are in any way connected with Contractor's claim that any information it provided to GRU is Trade Secret or otherwise confidential and exempt from public disclosure under Florida's Public Records Law.

2. "Work Product" may include creative work which may lead to programs, intellectual properties, computer software, computer programs, codes, text, hypertext, designs, and/or any other work products associated with or arising directly out of the performance of the Work.

2.18. PUBLIC RECORDS

If Contractor is either a “contractor” as defined in Section 119.0701(1)(a), Florida Statutes, or an “agency” as defined in Section 119.011(2), Florida Statutes, Contractor shall:

- a. Keep and maintain public records, as defined in Section 119.011(12) of the Florida Statutes, required by GRU to perform the service.
- b. Upon request from GRU’s custodian of public records, provide the public agency with a copy of the requested records or allow the records to be inspected or copied within a reasonable time at a cost that does not exceed the cost provided in this chapter or as otherwise provided by law.
- c. Ensure that public records that are exempt or confidential and exempt from public records disclosure requirements are not disclosed except as authorized by law for the duration of the contract term and following completion of the contract if the contractor does not transfer the records to GRU.
- d. Upon completion of the contract, transfer, at no cost, to GRU all public records in possession of the contractor or keep and maintain public records required by GRU to perform the service. If the contractor transfers all public records to GRU upon completion of the contract, the contractor shall destroy any duplicate public records that are exempt or confidential and exempt from public records disclosure requirements. If the contractor keeps and maintains public records upon completion of the contract, the contractor shall meet all applicable requirements for retaining public records. All records stored electronically must be provided to GRU, upon request from GRU’s custodian of public records, in a format that is compatible with the information technology systems of GRU.
- e. IF THE CONTRACTOR HAS QUESTIONS REGARDING THE APPLICATION OF CHAPTER 119, FLORIDA STATUTES, AS TO THE CONTRACTOR’S DUTY TO PROVIDE PUBLIC RECORDS RELATING TO THIS CONTRACT, CONTACT THE GRU CUSTODIAN OF PUBLIC RECORDS AT (352) 393-1240, PURCHASING@GRU.COM, OR 301 SE 4TH AVENUE, GAINESVILLE FL 32601.

2.19. SALES TAX

Respondent’s pricing shall include applicable taxes on items purchased or manufactured by Respondent for the project. GRU is exempt from Florida sales taxes for certain purchases. A “Consumer’s Certificate of Exemption” is available at <https://www.gru.com/WorkWithGRU/Procurement/PurchaseOrders>

2.20. ANTI-DISCRIMINATION

Contractor shall not discriminate on the basis of race, color, religion, sex, gender, national origin, marital status, sexual orientation, age, disability or gender identity, or other unlawful forms of discrimination in the performance of this Contract. Contractor understands and agrees that a violation of this clause shall be considered a material breach of this Contract and may result in termination of the Contract. This clause is not enforceable by or for the benefit of, and creates no obligation to, any third party.

2.21. CAPTIONS AND SECTION HEADINGS

Captions and section headings used herein are for convenience only and shall not be used in construing this contract.

2.22. COUNTERPARTS

This agreement may be executed in any number of and by the different parties hereto on separate counterparts, each of which when so executed shall be deemed to be an original, and such counterparts shall together constitute but one and the same instrument.

2.23. ATTACHMENTS

All exhibits attached to this contract are incorporated into and made part of this contract by reference.

3. SUPPLEMENTAL CONDITIONS

These Supplemental Conditions amend or supplement the Solicitation/Contract as indicated below. All provisions which are not so amended or supplemented remain in full force and effect, except that the Technical Specifications, if any, shall govern if any conflict arises between such sections and these Supplemental Conditions.

3.1. CONDUCT OF THE WORK

Contractor(s) shall be considered an independent entity and as such shall not be entitled to any right or benefit to which GRU employees are or may be entitled to by reason of employment. Except as specifically noted in this Contract, Contractor(s) shall be solely responsible for the means, methods, techniques, sequences, and procedures utilized by Contractor(s) in the performance of this Contract. Contractor(s) will assign only competent and skilled workers to perform the Work. All of Contractor(s)'s personnel or subcontractors engaged in any of the Work performed pursuant to this Contract are under Contractor(s)'s sole direction, supervision and control at all times and in all places. Contractor(s)'s employees must be as clean and in good appearance as the job conditions permit, conducting themselves in an industrious and professional manner. Contractor(s) and its employees cannot represent, act, or be deemed to be an agent or employee of GRU. Nothing in this Agreement is intended to or shall be deemed to constitute a partnership or joint venture between the Parties. Further, unless specifically authorized to do so, the Contractor(s) shall not represent to others that, as the Contractor(s), it has the authority to bind GRU to any third-party agreement.

3.2. CONTRACTOR(S) RESPONSIBILITIES

1. Performance. Contractor(s) shall perform all Work promptly and diligently in a good, proper and workmanlike manner in accordance with the Specifications. In performing the Work, Contractor(s) has the freedom to perform Work in the manner which is most beneficial to the project provided that it is within the limits of these Specifications.
2. Project Related Requirements. Contractor(s) is responsible for providing and paying expenses for all labor, tools, equipment, and materials. All project related requirements must be of high quality, in good working condition, and conducive for the particular task. Adequate first aid supplies must be provided by Contractor(s) and accessible to employees. These may include, but are not limited to, sanitation facilities, potable water, and office trailers.

3.3. COOPERATION/ COORDINATION

1. Access to Work Site. GRU and its authorized representatives are permitted free access to the work site, and reasonable opportunity for the inspection of all Work and materials.
2. Work by GRU. GRU reserves the right to perform activities in the area where the Work is being performed by Contractor(s).
3. Work by Other Contractor(s). GRU reserves the right to permit other Contractor(s) to perform work within the same work area. Contractor(s) shall not damage, endanger, compromise or

destroy any part of the site, including by way of example and not limitation, work being performed by others on the site.

4. Coordination. Contractor(s) shall, in the course of providing the Work, cooperate and communicate with GRU and all other persons or entities as required for satisfactory completion. Contractor(s) will afford GRU and other Contractor(s)s reasonable opportunity for the introduction and storage of their equipment and materials and the execution of their Work concurrently and coordinating its Work in the best interest of GRU.

3.4. INDEMNIFICATION

1. Contractor(s) shall be fully liable for its action, the actions of its agents, employees, partners, or subcontractors and fully indemnifies, defends, and holds harmless the City of Gainesville, GRU, its elected officials, its officers, agents, and employees, from any such suits, actions, damages, and/or costs of every name and description, including attorneys' fees, arising from or relating to personal injury and damage to real or personal tangible property alleged to be caused in whole or in part by Contractor(s), its agents, employees, partners, or subcontractors.

2. Further, Contractor(s) shall fully indemnify, defend, and hold harmless the City of Gainesville and/or GRU from any suits, actions, damages, and costs of every name and description, including attorneys' fees, arising from or relating to violation or infringement of a trademark, copyright, patent, trade secret or intellectual property right, provided, however, that the foregoing obligation will not apply to GRU's misuse or modification or Contractor(s)'s products or GRU's operation or use of Contractor(s)'s products in a manner not contemplated by the Contract or the purchase order. If any product is the subject of an infringement suit or in Contractor(s)'s opinion is likely to become the subject of such a suit, Contractor(s) may at its sole expense procure for GRU the right to continue using the product or to modify it to become non-infringing. If Contractor(s) is not reasonably able to modify or otherwise secure GRU the right to continue using the product, Contractor(s) shall remove the product and refund GRU the amounts paid in excess of a reasonable rental for past use. GRU shall not be liable for any royalties if applicable.

3. Contractor(s)'s obligations under the preceding two paragraphs with respect to any legal action are contingent upon GRU giving Contractor(s)

- a. written notice of any action or threatened action,
- b. defending the action at Contractor(s)'s sole expense. Contractor(s) shall not be liable for any costs or expenses incurred or made by GRU in any legal action without Contractor(s)'s prior written consent, which will not be unreasonably withheld.

4. The provisions of this section shall survive the termination or expiration of this Contract.

3.5. DAMAGE TO WORK

Until final acceptance of the Work by GRU, Work will be under the charge and care of Contractor(s) who must take every necessary precaution against damage to the Work by the elements or from any other cause whatsoever. Contractor(s) will rebuild, repair, restore, or make good at their expense, damages to any portion of the Work before its completion and

acceptance. Failure to do so will be at Contractor(s)'s own risk. Contractor(s) is not relieved of a requirement of the specifications on the plea of error.

3.6. DISPUTES

If a dispute arises out of or relates to this Agreement, or the breach thereof, and if the dispute cannot be settled through negotiation, either party may, by giving written notice, refer the dispute to a meeting of appropriate higher management, to be held within 20 business days after giving of notice. If the dispute is not resolved within 30 business days after giving notice, or such later date as may be mutually agreed, the Parties will submit the dispute to a mediator. The Parties shall mutually agree to the mediator and the costs of the mediator will be borne equally by both parties. The venue for mediation and any subsequent litigation shall be in Alachua County, Florida.

3.7. DELAY

Notwithstanding the completion schedule, GRU has the right to delay performance for up to three (3) consecutive months as necessary or desirable and such delay will not be deemed a breach of Contract, but the performance schedule will be extended for a period equivalent to the time lost by reason of GRU's delay. Such extension of time will be Contractor(s)'s sole and exclusive remedy for such delay. If the project is stopped or delayed for more than three (3) consecutive months and GRU or Contractor(s) elects to terminate the Contract because of such delay, or if such stoppage or delay is due to actions taken by GRU within its control, then Contractor(s)'s sole and exclusive remedy under the Contract will be reimbursement for costs reasonably expended in preparation for or in performance of the Contract. None of the aforementioned costs will be interpreted to include home office overhead expenses or other expenses not directly attributable to performance of the Contract. Contractor(s) is not entitled to make any other claim, whether in breach of Contract or in tort for damages resulting in such delay.

3.8. DEFAULT

If Contractor(s) should be adjudged as bankrupt, or make a general assignment for the benefit of its creditor(s), or if a receiver should be appointed for Contractor(s), or if there is persistent or repeated refusal or failure to supply sufficient properly skilled workforce or proper materials, or if Contractor(s) should refuse or fail to make payment to persons supplying labor or materials for the Work pursuant to this Contract, or persistently disregards instructions of GRU, or fails to observe or perform or is guilty of a substantial violation of any provision of the Contract documents, then GRU, after serving at least ten (10) calendar days prior written notice to Contractor(s) of its intent to terminate and such default should continue un-remedied for a period of ten (10) calendar days, may terminate the Contract without prejudice to any other rights or remedies and take possession of the Work; and GRU may take possession of and utilize in completing the Work such materials, appliances, equipment as may be on the site of the Work and necessary therefore. Contractor(s) will be liable to GRU for any damages resulting from such default.

3.9. TERMINATION

1. Termination for Convenience. GRU may, by providing thirty “30” calendar days written notice to Contractor(s), terminate this Contract, or any part thereof, for any or no reason, for GRU’s convenience and without cause. After the termination date, Contractor(s) shall stop all Work and cause its suppliers and/or subcontractors to stop all Work in connection with this Contract. If GRU terminates for convenience, GRU shall pay Contractor(s) for goods and services accepted as of the date of termination, and for Contractor(s)’s actual and reasonable, out of pocket costs incurred directly as a result of such termination. GRU is not responsible for Work performed after the effective termination date of this contract.
2. Termination for Cause (Cancellation). GRU may terminate this Contract for cause if Contractor(s) materially breaches this Contract by:
 - a. refusing, failing or being unable to properly manage or perform;
 - b. refusing, failing or being unable to perform the Work pursuant to this Contract with sufficient numbers of workers, properly skilled workers, proper materials to maintain applicable schedules;
 - c. refusing, failing or being unable to make prompt payment to subcontractors or suppliers;
 - d. disregarding laws, ordinances, rules, regulations or orders of any public authority or quasi-public authority having jurisdiction over the Project;
 - e. refusing, failing or being unable to substantially perform pursuant to the terms of this Contract as determined by GRU, or as otherwise defined elsewhere herein; and/or
 - f. refusing, failing or being unable to substantially perform in accordance with the terms of any other agreement between GRU and Contractor(s).
4. Funding out Clause. If funds for this Contract are no longer available, GRU reserves the right to terminate this Contract without cause by providing Contractor(s) with thirty (30) calendar day’s written notice to Contractor(s).

3.10. FORCE MAJEURE

No Party to this Contract shall be liable for any default or delay in the performance of its obligations under this Contract due to an act of God or other event to the extent that: (a) the non-performing Party is without fault in causing such default or delay; and (b) such default or delay could not have been prevented by reasonable precautions. Such causes include, but are not limited to acts of civil or military authority (including but not limited to courts of administrative agencies); acts of God; war; terrorist attacks; riot; insurrection; inability of GRU to secure approval; validation or sale of bonds; inability of GRU or Supplier to obtain any required permits, licenses or zoning; blockades; embargoes; sabotage; epidemics; fires; hurricanes, tornados, floods; or strikes.

In the event of any delay resulting from such causes, the time for performance of each of the Parties hereunder (including the payment of invoices if such event actually prevents payment) shall be extended for a period of time reasonably necessary to overcome the effect of such delay. Any negotiated delivery dates established during or after a Force Majeure event will always be discussed and negotiated if additional delays are expected.

In the event of any delay or nonperformance resulting from such cause, the Party affected will promptly notify the other Party in writing of the nature, cause, date of commencement, and the anticipated impact of such delay or nonperformance. Such written notice, including change orders, will indicate the extent, if any, to which is anticipated that any delivery or completion date will be affected.

3.11. LIMITATION OF GRU'S LIABILITY

To the fullest extent permitted by law, GRU shall not be liable to Contractor(s) for any incidental, consequential, punitive, exemplary or indirect damages, lost profits, revenue or other business interruption damages, including but not limited to, loss of. use of equipment or facility.

3.12. WORK HOURS

GRU normal business hours are Monday through Friday 8:00 AM to 5:00 PM. Contractor(s) may perform the Work outside business hours only with prior approval from the Authorized Representative or designee.

3.13. PERFORMANCE TIME

Contractor(s) shall complete the Work no later than the date set forth in the Contract. Contractor(s) further understands and agrees that time is of the essence. If Contractor(s) fails to complete the Work on or before the date established for Final Completion, then Contractor(s) will be solely responsible for liquidated damages or other costs as set forth in the Solicitation or Contract.

3.14. LIQUIDATED DAMAGES

Liquidated damages shall be assessed in the amount of \$TBD.

3.15. COMPLETION OF WORK

1. Substantial Completion: The time at which the Work (or a specified part thereof) has progressed to the point where, in the opinion of Engineer, the Work (or a specified part thereof) is sufficiently complete, in accordance with the Contract Documents, so that the Work (or a specified part thereof) can be utilized for the purposes for which it is intended. The terms "substantially complete" and "substantially completed" as applied to all or part of the Work refer to Substantial Completion thereof.

2. Final Completion: The date that the Owner receives and agrees with written notice from the Contractor stating that the Work has been completed and is ready for final payment.

3.16. DELIVERY

All materials and equipment shall be delivered F.O.B. Destination, freight included.

3.17. INSURANCE

Contractor(s) shall meet the minimum insurance requirements at all times as required by law and GRU. Contractor(s) shall notify GRU of any changes in coverage within seven (7) business days of knowledge of such change taking effect. Failure to maintain minimum coverage may result in breach of Contract. Contractor(s) shall procure and maintain insurance with coverage amounts as required. Contractor(s) must furnish GRU a certificate of insurance in a form acceptable to GRU for the insurance required with endorsement naming GRU as additional insured.

3.18. MINIMUM INSURANCE AMOUNTS REQUIRED

Insurance is required in the amounts set forth below:

- Commercial General Liability: \$1,000,000 combined single limit for bodily injury and property damage
- Automobile Liability: \$1,000,000 combined single limit for bodily injury and property damage
- Worker's Compensation:
 - State (Florida): Statutory
 - Applicable Federal: Statutory
 - Employer's Liability:
 - \$500,000 per Accident
 - \$500,000 Disease, Policy Limit
 - \$500,000 Disease, Each Employee
- Excess Liability: \$1,000,000

3.19. WARRANTY/GUARANTEES

1. Contractor(s) warrants and guarantees to GRU that all materials will be new unless otherwise specified and that all Work will be of a quality free from defects and in accordance with the Specifications. Contractor(s) agrees to remedy promptly, and without cost to GRU, any defective materials or workmanship which appear within the stated warranty period.

2. No provision contained in the Specifications shall be interpreted to limit Contractor(s)'s liability for defects. No provision contained in the Specifications shall be interpreted to limit the terms and conditions of the manufacturer's warranty and Contractor(s) will secure parts, materials and equipment to be installed with manufacturer's full warranty as to parts and service wherever possible. Contractor(s) must indicate if any warranty is being provided by either Contractor(s) or a

manufacturer and if any such warranty is being provided, such warranty will be stated. When the manufacturer warrants the equipment or materials being supplied, Contractor(s) must provide such warranty to GRU or must state as a Clarification and Exception the reason Contractor(s) is not able to provide such warranty.

3. All labor shall be warranted for a minimum of one year. For materials, the Manufacturer's warranty applies.

3.20. SAFETY AND SECURITY

Each location has unique safety and security procedures and guidelines that must be followed. Acceptance of a project or work assignment in a particular location will be an acceptance of the safety and security requirements for that location. GRU will provide the safety and security requirements along with the scope of work requested. The contractor shall at all times take all reasonable precautions for the safety of its employees engaged in services and shall comply with all safety laws, rules and regulations as mentioned in the contractors safety orientation and/or manual as instruction may be site specific.

- a. Confinement to Work Area/Parking. Contractor(s)'s employees shall stay in the designated work area to the maximum extent possible and shall not traverse other areas of GRU's site except for travel to and from sanitary facilities or designated parking areas. Contractor(s) and its employees shall park personal vehicles and equipment in areas designated by GRU.
- b. Sanitation. If sanitary facilities are available near the work site, Contractor(s) may request GRU's permission to use such facilities by its employees, obtaining written permission from GRU prior to the use of such facilities. Unless such permission has been obtained, Contractor(s) is responsible for the cost, provision and maintenance of sanitary facilities for persons employed by Contractor(s). If responsible for providing sanitary facilities, Contractor(s) is also responsible for all labor and supplies necessary to maintain such facilities and must comply with the State Board of Health requirements. Upon completion of the Work, facilities must be removed from the site.
- c. Personal Protection Equipment requirements during a Pandemic, Epidemic, Sporadic, Endemic or Outbreaks event.
 - a. The Contractor(s) shall supply all safety and personal protective equipment (PPE) required to complete the scope of the contracted work (or as stated in the Contract). Equipment supplied by the Contractor(s) must meet or exceed all GRU requirements and the requirements of the appropriate governmental regulatory agency
 - b. It is the sole responsibility of the contractor to supply and train all workers with reasonably anticipated occupational potential exposure to any work place hazards.
 - c. This training includes when to use PPE; what PPE is necessary; how to properly put on, use, and take off PPE; how to properly dispose of or disinfect, inspect for damage, and maintain PPE; and the limitations of PPE.

- d. Protocols should be in place to prevent or reduce the likelihood of exposure and be in compliance with operating site PPE requirements. Local, state, and federal mandates must be followed.

3.21. WARRANTY OF TITLE

Contractor(s) warrants that it holds and shall transfer unencumbered title of the property to GRU and further warrants that it has the right and authority to transfer the title to the property.

3.22. NERC CIP COMPLIANCE REQUIREMENTS

Pursuant to federally mandated security standards from the North American Electric Reliability Corporation (NERC) regarding Critical Infrastructure Protection (CIP), GRU has implemented specific requirements for any contract employee requiring access to protected systems and facilities. These requirements are outlined in NERC Standard "CIP-004-6 Table R3 – Personnel Risk Assessment Program", and apply to anyone who shall have physical and/or electronic access to these designated locations. Compliance verification for an employee, including annual training as well as a qualified criminal history background screening, will be required prior to granting that employee authorized access to the designated protected systems and/or facilities.

3.23. CONTRACTOR(S)' RESPONSIBILITIES

1. Contractor(s) will recruit, screen, interview, hire and assign its employees to perform the work pursuant to this Contract; compensate its employees for hours worked at GRU; withhold and transmit payroll taxes, provide unemployment insurance and workers' compensation benefits; and handle unemployment and workers' compensation claims involving employees.
2. Contractor(s) shall obtain background check and drug screening services of its employees who will perform work at GRU locations. To ensure compliance with the Fair Credit Reporting Act, Contractor(s) will not provide copies of such background check or drug screening results to GRU but will instead provide an attestation of completion of such services to GRU. Background check services may be conducted by one or more of Contractor(s)'s preferred, third-party vendors (e.g., Hire Right, A-Check Global).
3. Contractor(s) shall require all of the Employees to self-report in writing to Contractor(s) within forty-eight hours any incidents of arrests by local, state or federal law enforcement agencies. If the Employee is unable to report in writing due to incarceration or confinement, the Employee shall notify Contractor(s) within forty-eight (48) hours after the arrest by text message, email, phone call, or voicemail. In addition, all Employees holding a Commercial Driver's License (CDL) as a condition of employment shall self-report, in writing, to Contractor(s) within forty-eight (48) hours after any citations, arrests, or charges disqualifying the Employee from holding a CDL.

3.24. ORDER OF PRECEDENCE

In the event that there is any conflict between the terms and conditions, the order of precedence shall be as follows:

- a. Any modification to this Contract

- b. Contract
- c. GRU Technical Specifications
- d. GRU Supplemental Conditions
- e. GRU General Conditions
- f. GRU Instructions
- g. Contractor(s) Response

4. TECHNICAL SPECIFICATIONS/SCOPE OF WORK

4.1. Scope of Work

The provisions contained in this section are intended to be read in conjunction with, to supplement, or to modify the Special Provisions and General Conditions, and in case of any conflict with such sections, the intent of any and all Technical Specifications shall govern.

PURPOSE OF CONTRACT.

- A. GRU's HVAC equipment has been well maintained and is in good condition. In order to continue to assure that that all of HVAC equipment and systems continue to be operational and within the industry and manufacturer's tolerance, a contract with a certified Heating Ventilation and Air Conditioning (HVAC) Contractor is needed to perform maintenance, testing, repair and replacement of all HVAC Systems at various GRU locations. A contract may be entered into with a Class A Air-Conditioning Contractor for all systems, or a Class A Air-Conditioning Contractor together with a Class B Air-Conditioning Contractor (for systems up to and including 25 tons of cooling and 500,000 BTU of heating as designated on the Pricing Response Form).
- B. GRU currently utilizes the following building automation systems at two of its facilities: Metasys Building Automation System is used at the GRU Administration Building, and KMC Controls at its Eastside Operations Center (EOC). A building automation system is not required for any of the other GRU locations. GRU is requesting additional pricing (see Pricing Response Form Sections D and E) to provide annual service for preventative maintenance and repairs to these systems, or to provide a replacement equivalent building automation system and the required annual maintenance and service agreements.

GENERAL DESCRIPTION OF THE WORK.

- A. This Contract is for performing all preventative maintenance, testing, repairs, and replacements of all HVAC systems at various GRU locations specifically identified in Attachment "A". For purposes of this contract HVAC Systems include COMMERCIAL ice makers. The work to be performed under this agreement shall include providing labor, supervision, administration, material, equipment, technical support, and services necessary to provide such services.
- B. New equipment and/or systems may be added to the Contract at GRU's discretion. Note: if the Contractor discovers any discrepancies in the equipment list, the list shall be updated accordingly at the rates specified on the Bid Form. This contract shall be accepted by the Contractor with the equipment being in "As is" condition. Any updates or changes to the list shall be in writing to the GRU representative within 7 days of the change.

SCOPE OF WORK.

The Contractor shall be responsible for performing the following tasks:

MAINTENANCE SERVICE POINT

The coverage for the annual maintenance contract starts at the water supply connection from the building and includes every HVAC component from that point forward throughout the system. The electrical coverage starts at and includes the point of electrical connection, either a disconnect or breaker, and covers every HVAC component from that point forward throughout the system. All mechanical and electrical HVAC components are covered under the annual maintenance contract except for the electrical HVAC components of the Building Automaton System. The electrical HVAC components of the Building Automation System are part of separate controls agreement which may or may not be awarded with the annual maintenance contract.

PREVENTATIVE MAINTENANCE PROGRAM REQUIREMENTS

Preventative Maintenance shall include the following:

Preventative Maintenance includes scheduling inspections, lubrication, tests, adjustments and any other proactive maintenance tasks. The Contractor shall cooperate with the GRU Project Manager or other individuals as directed by GRU in regard to all maintenance scheduling. The Contractor shall schedule work consistent with GRU's operational requirements. The Contractor shall be responsible for generating the schedule at the agreed upon intervals.

- Maintenance intervals will be determined by application, location and manufacture's specifications.
- Any air moving equipment that must be turned off for inspection or adjustment must be scheduled in advance or after normal business hours.
- Contractor shall provide electronic reports to GRU following each inspection and or repair.

If any problems discovered during routine maintenance work that requires immediate attention, the Contractor shall inform the GRU Project Manager regarding the situation.

FULL MAINTENANCE COVERAGE (FM).

- A. In addition to all Preventative Maintenance Program Requirements, Full Maintenance Coverage shall include:
- B. All supervision and labor necessary to meet minimum equipment maintenance requirements.
- C. All supervision and labor necessary to diagnose, repair, or replace failed components.
- D. All emergency service calls between inspections as required for the purpose of troubleshooting, adjustment, repairs, or resetting of controls.
- E. All parts, motors, refrigerant, oil, and any other material to complete the repairs.
- F. The Contractor shall perform repairs to any equipment problems discovered during routine maintenance as well as any problems reported to the Contractor by GRU. The equipment shall be repaired and returned to service promptly.

- G. The Contractor shall repair or replace worn, failed or doubtful components, parts or controls with new components, parts or controls, as needed to ensure that the equipment is in good working condition. The cost of such items is the responsibility of the Contractor. Any replacement components, parts, or controls placed in service must be equal in quality to the original manufacturer's recommended parts for the equipment.
- H. Equipment repairs shall be performed at the equipment site whenever feasible. If equipment repairs cannot be made on site, the Contractor shall notify the GRU Project Manager of the need for and circumstances regarding the offsite repair.
- I. When extreme weather conditions exist (cold front or heat wave) and there are problems with equipment operation, the Contractor shall return the equipment to service as best as possible, even if temporarily, until the required repairs can be performed. In the event that the equipment needs to be offline to complete the repair or if the equipment cannot be brought online, the contractor shall be responsible for supplying and covering all the costs of a temporary unit to maintain the area or building's normal conditioned temperature. The Contractor shall keep the GRU Project Manager fully informed of the circumstances and status of the repair work.
- J. The Contractor shall be responsible for proper removal and disposal of all spent HVAC equipment and refrigerant according to the Environmental Protection Agency (EPA) ASHRA guidelines.
- K. GRU reserves the right to keep, and store used equipment or parts if they may be used at a later date for another purpose.

The following parts and components are examples of items that typically require replacement or repair in conjunction with this work. This is not an inclusive listing of the HVAC parts and components that will require repair and/or replacement under this Contract but is provided as a guide to bidders to understand the work requirements.

Condensing units

- A. Interconnecting refrigerant lines
- B. Capacity and safety devices which control HVAC equipment.
- C. Associated air filters.
- D. Electrical motors (as pertaining to equipment covered)
- E. Belts
- F. Electrical starters (as pertaining to equipment covered)
- G. Heating coils.
- H. Cooling coils.

- I. Belt drives.
- J. Unit heaters
- K. Fan Coil units.
- L. In-line strainers
- M. Insulation on refrigerator piping
- N. Thermostats and related temperature controls
- O. Compressors.
- P. Air-handler units.
- Q. Duct and expansion joint leaks.
- R. Insulation installs and repairs.

If repair work that commenced during regular business hours must continue into after business hours due to emergency circumstances, the Contractor shall obtain approval from the GRU Project Manager prior to performing such work after hours. If approved to continue the work past business hours, the after-business hours rate shall apply.

BUSINESS HOURS.

Regular business operating hours for this contract, are defined as Monday through Friday, from 7:00 a.m. to 6:00 p.m., excluding GRU recognized holidays. Any work performed on a holiday shall be billed as “holiday rate” and shall be performed only at the request of an authorized GRU representative.

WORK SCHEDULE.

- A. All work under this contract shall be performed during regular business hours unless after hours work is authorized by the GRU Project Manager or an authorized GRU representative.
- B. Within 30 days after execution of the Contract, Contractor shall provide GRU with a service schedule indicating the facility and day of the month when service is scheduled. Times for the escorted facilities shall be coordinated at least five (5) business days in advance.
- C. The Contractor shall create a “tracking chart” for each location’s equipment to be serviced which outlines the annual, semi-annual, quarterly, monthly, bi-weekly and weekly service schedules for the equipment. The tracking chart shall be provided to the GRU Project Manager within 30 days of the startup of this contract, with a copy of the tracking chart located at each GRU facility where service is provided.

EMERGENCY REPAIR/SERVICES.

- A. The Contractor shall maintain competent and qualified HVAC Technicians on its staff that will be on site at GRU for emergency repairs within two (2) hours of GRU reporting the emergency.

Emergency repairs shall be performed when requested by GRU any time of day, any day of the year.

- B. The Contractor shall maintain a twenty-four (24) hour answering and dispatch service for the purpose of dispatching a Technician to the emergency repair equipment site.
- C. After the Contractor's answering service has received a request for emergency service, the Contractor shall contact the GRU authorized representative who requested the service within one (1) hour to indicate that the request has been received and to indicate when the Contractor will be at the repair site.
- D. If significant equipment problems are discovered during repairs, the Contractor shall consult with GRU's Project Manager prior to the commencement of the work.
- E. If any emergency repairs are performed at the request of any authorized GRU representative other than GRU's Project Manager, the Contractor shall contact GRU's Project Manager to report the repair work performed the next business day following the repair.

COMPONENT/EQUIPMENT REPLACEMENT.

- A. Contractor shall supply and replace worn, failed or doubtful components and parts with like or current design or brand name components and parts that meet manufacture specifications to minimize system depreciation and obsolescence. All pneumatic and DDC controls requiring replacement will be replaced with controls of like or current design or brand name.
- B. If the Contractor recommends equipment to be replaced, Contractor shall provide written documentation to GRU including the age of unit, results of efficiency test(s) and other pertinent data. If the Contractor recommends replacement due to life expectancy, such documentation shall be in accordance with the standards and guidelines published by the American Society of Heating, Refrigerating and Air-Conditioning Engineers (ASHRAE).
- C. If GRU determines that the unit shall be replaced, GRU will budget for replacement of the unit in the next available budget year and the unit being replaced will continue to be serviced until such time that is replaced, provided the replacement occurs within one year of the acceptance of the recommendation.
- D. If GRU determines that the equipment will not be replaced, GRU will be responsible for the cost of repairs not specified in the Preventative Maintenance Program for that unit. Contractor will continue to be responsible for routine maintenance cost.
- E. GRU reserves the right to receive bids from other HVAC Contractors for replacement and new unit installations when deemed appropriate to conform to GRU's Purchasing Department Guidelines and Policies.
- F. GRU will consider the Contractor's request to negotiate the component costs with GRU for parts that are determined to be above what is reasonable given the scope of work for this contract.

- G. Due to budgetary constraints, GRU reserves the right to negotiate a decrease to the work scope.

REPORTING.

- A. Contractor shall provide GRU's Project Manager with monthly comprehensive maintenance reports by the 15th of the succeeding month outlining routine maintenance and repair services performed for all equipment at all locations for that month. Such reporting will include the following:
 - 1. Unit Description.
 - 2. Physical location of the unit.
 - 3. Description of the service performed.
 - 4. Date and time of the service.
 - 5. Technician who performed the service.

CONTRACTOR'S REQUIREMENTS.

- A. **An authorized GRU representative will accompany the Contractor to all electric substations, GRUCom Central Building and tower sites.** The specific date and time shall be mutually agreed upon between the Contractor and GRU's Project Manager (or their designee), at least five (5) business days in advance of service.
- B. The Contractor shall provide GRU's Project Manager with the names of each technician that will perform service at GRU facilities. The list shall be updated as changes occur. For security reasons, unauthorized personnel will not be permitted access to the work sites.
- C. The Contractor shall assign only competent, qualified technicians who are capable of servicing and repairing all of GRU's equipment to perform the work.
- D. The Contractor's technicians shall be equipped with materials and equipment necessary to conduct normal repairs and maintenance. GRU will not be responsible for additional charges attributed to locating such materials and equipment.
- E. Personal protection equipment will be required for GRU sites (hard hat, closed shoes, hearing protection, etc.). GRU will not furnish these items.
- F. Provide up to five hours annual operators training for equipment at the Facility Managers discretion.

SPECIAL SECURITY REQUIREMENTS.

- A. The Contractor and all of their employees, subcontractors, and vendors visiting the sites may be required to attend safety and security training relating to requirements of a particular GRU site.
- B. The security training will be provided by GRU to the Contractor's staff and any other subcontractors as deemed necessary.

- C. Failure to comply with security training procedures will result in expulsion from the site and may subject the offending employees, subcontractors, and vendors to arrest for trespass.
- D. The Contractor must provide a list of all employees anticipated to be on-site before the work begins. The Contractor may be required to sign-in or sign-out upon arrival and departure from site.
- E. Pursuant to federally mandated security standards from the North American Electric Reliability Corporation (NERC) regarding Critical Infrastructure Protection (CIP), GRU has implemented specific requirements for any contract employee requiring access to protected systems and facilities. These requirements are outlined in NERC Standard "CIP-004-6 Table R3 – Personnel Risk Assessment Program" and apply to anyone who shall have physical and/or electronic access to these designated locations. Compliance verification for an employee, including annual training as well as a qualified criminal history background screening, will be required prior to granting that employee authorized access to the designated protected systems and/or facilities.

OWNER'S RESPONSIBILITIES.

- A. GRU's Project Manager (or their designee) will be responsible for communicating any equipment or other contract-related problems or concerns to the Contractor. GRU is responsible for conveying any changes to the work schedule or equipment serviced under this Contract to the Contractor.
- B. GRU will provide security access to the Contractor's authorized technicians for entrance into GRU facilities where work will be performed.

EQUIPMENT LIST.

- A. GRU will provide the Contractor with an electronic version of the current Equipment List (Attachment "A"). It will be the Contractor's responsibility to maintain the list by verifying the listed equipment, and amending the list as needed in the event that any equipment is replaced. Any edits to the Equipment List must be approved by GRU's Project Manager in advance. The Contractor will provide GRU's Project Manager a current Equipment List Quarterly, or as requested by GRU's Project Manager.
- B. GRU reserves the right to add or delete equipment to be serviced and repaired under this contract. Any increases or decreases to the equipment list shall be in accordance with the unit pricing provided for various types of equipment on the Bid Form. All equipment shall be properly and professionally labeled in a manner acceptable to GRU.

PROJECT MEETINGS.

- A. A pre-commencement meeting will be held prior to the start of the contract for the purpose of reviewing the contract requirements and discussing the administration of the contract. Follow up meetings with the Contractor and GRU's Project Manager and GRU representatives will be

held throughout the term of the contract at a minimum of four times per year to discuss the administration of the contract and to review any issues or concerns that may develop.

MAINTENANCE SCHEDULES.

- A. The Contractor shall report any abnormalities discovered while conducting the following maintenance schedules to GRU's Project Manager. The Contractor shall review the monthly maintenance reports with the GRU Project Manager to determine trends and life expectancy of the individual equipment units.
- B. The HVAC Contractor shall follow the listed routine maintenance schedules whenever the service is applicable and according to manufacturer's specifications.

HVAC EQUIPMENT SCHEDULES.

ANNUAL SCHEDULE

- A. Perform all services outlined in semi-annual, quarterly, and monthly routine schedules below.
- B. Verify the operation of the discharge, outside & mixed air temperature control device.
- C. Test the operation of the high condenser pressure safety device. Calibrate, if applicable, and record setting.
- D. Test the operation of the low evaporator pressure safety device. Calibrate, if applicable, and record setting.
- E. Test the operation of the low temperature safety device. Calibrate, if applicable, and record setting.
- F. Test the operation of the low oil pressure safety device. Calibrate and record setting.
- G. Verify the operation of the static pressure control.
- H. Check oil for acid content and discoloration. Make recommendations to GRU based on the test results.
- I. Clean float valve assembly and adjust for proper operation². Check and clean bleed offline and overflow.
- J. Check for leaks.
- K. Lubricate fan and motor bearings and check amperage on motors.
- L. Inspect electrical connections and safety controls.
- M. Pressure wash cooling towers.

SEMI ANNUAL SCHEDULE

- A. Perform routine quarterly and monthly schedule inspections.

- B. Clean evaporator coils and condenser coils (Spring & Fall) (Non-rinse cleaner not acceptable).
- C. Lubricate damper bearings, if applicable.
- D. Lubricate motor bearing, if applicable.
- E. Lubricate fan bearings.
- F. Check oil level in the compressor(s), if applicable.
- G. Check oil for acid content and discoloration. Make recommendations to GRU based on the test results.

QUARTERLY SCHEDULE

- A. Perform routine monthly schedule inspections.
- B. Check operation of emergency heat.
- C. Check operation of reversing valve.
- D. Check operation of defrost control.
- E. Flush condensate drains and pans.
- F. Review operating procedures with GRU personnel.
- G. Verify crank case heater operation.
- H. Calculate refrigerant loss rate per Environmental Protection Agency guidelines.
- I. Check heat transfer/temperature difference across indoor coil.
- J. Check and calibrate operation and safety controls.
- K. Verify the operation of heating elements.
- L. Check voltage and amperage and compare readings with the watt rating of the heater elements.

MONTHLY SCHEDULE

- A. Inspect for leaks and repair.
- B. Check the sheaves and pulleys for wear and alignment.
- C. Check the belts for tension, wear, cracks and/or glazing.
- D. Inspect condenser and evaporated coils.
- E. Change and date filters according to Filter Schedule Section 24.0 FILTER SCHEDULE unless approved by GRU's Project Manager, their designee, or an authorized GRU representative.
- F. Verify proper damper operation.
- G. Check mechanical linkages for wear, tightness, and clearances.

- H. Check the Variable Frequency Drive, if applicable.
- I. Verify the starter operation.
- J. Verify smooth operation of the compressors and fans.
- K. Provide a written report of completed work, operating log, and indicate any uncorrected deficiencies detected.
- L. Inspect and flush condensate drains if necessary.
- M. Inspect wiring and connections for tightness and signs of overheating and discoloration.
- N. Verify operation of temperature controls.
- O. Clean or replace outside air/handler filters.

BI-WEEKLY AND WEEKLY SCHEDULES

- A. The Contractor shall follow the monthly schedule for the equipment units which require bi-weekly or weekly service.

CHILLER SCHEDULES

- A. Once a year each chiller shall receive an annual inspection according to the manufacturer's specifications. The inspection shall include but not be limited to the following:
 - B. Pressure and Leak Tests
 - C. Repair all leaks.
 - D. Check and calibrate safety controls.
 - E. Meg compressor motor. Record readings.
 - F. Acid clean (if required) and brush condenser tubes.
 - G. Electronic Eddy Current Tube Probe Analysis.
 - H. Set starter overloads.
 - I. Spectrographic oil analysis. (Bi-annual)
 - J. Oil sump inspection.
 - K. Detailed inspection of purge systems.
 - L. Check condition of contacts for wear and pitting.
 - M. Tighten all electrical terminals.
 - N. Check starter.
 - O. Clean oil strainer.

PUMP SCHEDULES

- A. Once a year each pump shall receive an annual inspection according to the manufacturer's specifications. The inspection shall include but not be limited to the following:
- B. Clean pump strainers.
- C. Lubricate pump and motor bearings.
- D. Check pump and coupling alignment with dial indicator or laser.
- E. Tighten all nuts, bolts and vibration pads (replace as necessary).
- F. Meg pump motors.
- G. Inspect, adjust or replace mechanical seals and pump packing.
- H. Check motor voltage and amperage.

COOLING TOWER SCHEDULES

SEMI ANNUAL MAINTENANCE

- A. Clean float valve assembly and adjust for proper operation.
- B. Check and clean bleed off-line and overflow.
- C. Check for leaks.
- D. Lubricate fan and motor bearings and check amperage on motors.
- E. Inspect electrical connections and safety controls.

MONTHLY SCHEDULE

- A. Inspect fan, motor and belts.
- B. Check and adjust oil level in gear reducer.
- C. Check intake strainer, bleed and overflow.
- D. Check and adjust operating conditions.
- E. Inspect and repair issues that prevent efficient operation.

ICE MACHINE SCHEDULES

QUARTERLY SCHEDULE

- A. Check all electrical connections.
- B. Inspect for refrigerant leaks and report/repair and document as required by EPA guidelines.
- C. Check all controls and safety controls.

- D. Check all fans.
- E. Check water level in pump housing for proper height.
- F. Check harvest cycle.
- G. Check ice thickness.
- H. Check drain.
- I. Check all gaskets on machine.
- J. Check water filter.
- K. Check filter for condenser and change if needed.
- L. Check all operations in units "sequence or operation".

SEMI-ANNUAL SCHEDULE

- A. Perform quarterly schedule.
- B. Clean/wash condenser coil.
- C. Clean and sanitize ice machine and bin. Use of manufacturer's approved cleaner and sanitizer only.

WINDOW UNIT SCHEDULES

QUARTERLY SCHEDULE

- A. Change filter.
- B. Check for proper operation – cool and heat.
- C. Check controls.
- D. Check gaskets/caulking.

ANNUAL SCHEDULE

- A. Perform quarterly schedule.
- B. Pull unit from case and wash case, evaporator, condenser and tray.
- C. Oil fan motor.
- D. Check/tighten all electrical connections and power supply voltage.

BOILER SCHEDULE

- A. Check boilers before winter start-up and monthly during the month of September thru February.
- B. Check general condition of units.

- C. Check gaskets for leaks, repair if necessary.
- D. Check hot water pump for leaks and proper operation.
- E. Add SAE 30 oil annually to circulators that are provided with oil cups or oil holes.
- F. Check boiler pressures.
- G. Check boiler water temperature.
- H. Follow all manufacturers suggested service and annual maintenance instructions.

EXHAUST FANS

- A. Perform listed routine maintenance on a quarterly schedule.
- B. Check general condition of fans.
- C. Check V-belts, sheaves, and pulleys.
- D. Oil and grease bearings and motors where applicable.
- E. Clean fan blades when necessary.

| LOCATION | DESCRIPTION | MINIMUM MERV | FREQUENCY |
|---|--|-----------------|-----------|
| EASTSIDE OPERATIONS CENTER | CARRIER AHU(PLEATED) | MERV 14 | 6 MO / YR |
| | DUCTLESS UNITS | WASHABLE | QUARTERLY |
| | EOC BUILDING 6 AND GUARDHOUSE (PLEATED) | MERV 14 | QUARTERLY |
| | ERU UNITS EXHAUST SIDE(PLEATED) | MERV 14 | QUARTERLY |
| | ERU UNITS INTAKE SIDE(PLEATED) | MERV 14 | MONTHLY |
| DEERHAVEN GENERATING STATION | PROCESS AREAS | MERV 8 | MONTHLY |
| | ADMINISTRATION AREAS | MERV 12 | QUARTERLY |
| GRU ADMINISTRATION | PREFILTER AHUS(PLEATED) | MERV 10 | QUARTERLY |

| | | | |
|--|-------------------------------|---------|-----------|
| BUILDING | AHUS ANTIMICROBIAL (PLEATED) | MERV 14 | YEARLY |
| | VARICEL OR EQUIVALENT | | |
| GRUCOM CENTRAL OFFICE | PLEATED | MERV 12 | QUARTERLY |
| KANAPAHA WATER RECLAMATION | PLEATED | MERV 12 | QUARTERLY |
| | PROCESS AREAS(PLEATED) | MERV 8 | MONTHLY |
| KELLY POWER PLANT AND BUILDINGS | PROCESS AREAS(PLEATED) | MERV 8 | MONTHLY |
| | ADMINISTRATION AREAS(PLEATED) | MERV 12 | QUARTERLY |
| MAIN STREET WATER REC. FAC. | PROCESS AREAS(PLEATED) | MERV 8 | MONTHLY |
| | ADMINISTRATION AREAS(PLEATED) | MERV 12 | QUARTERLY |
| MURPHREE WATER PLANT | PROCESS AREAS(PLEATED) | MERV 8 | MONTHLY |
| | ADMINISTRATION AREAS(PLEATED) | MERV 12 | QUARTERLY |
| SPRINGHILL SERVICE CENTER | PROCESS AREAS(PLEATED) | MERV 8 | MONTHLY |
| | ADMINISTRATION AREAS(PLEATED) | MERV 12 | QUARTERLY |
| DEERHAVEN RENEWABLE | PROCESS AREAS | MERV 8 | MONTHLY |
| | ADMINISTRATION AREAS | MERV 12 | QUARTERLY |
| WELLNESS CENTER | PLEATED | MERV 12 | QUARTERLY |

| | | | |
|--------------------|------------------------|--------|-----------|
| TOWER SITES | VARIOUS UNITS(PLEATED) | MERV 8 | QUARTERLY |
| | | | |
| SUBSTATIONS | VARIOUS UNITS(PLEATED) | MERV 8 | QUARTERLY |
| | | | |

4.2. Contractor Requirements

Contractor shall have been in the commercial and/or industrial HVAC business for a minimum of 5 years.

Contractor will designate a minimum of three (3) HVAC Certified Technicians for facilities locations, one (1) Chiller Mechanic, two (2) at substation locations and two (2) at tower sites locations to perform preventative maintenance and repairs on GRU equipment only.

Class A Contractors shall have a minimum of two (2) certified Journeyman level mechanics on staff. All other Technicians shall have a minimum of 5 years commercial HVAC experience.

ATTACHMENT A

SUBSTATION-SEE ATTACHED MASTER EQUIPMENT LIST.

Class A or B License based on attached Master Equipment list.

| Line Item | Award Type | Description | Unit of Measure | Unit Cost | Address |
|-----------|------------|------------------------------------|-----------------|------------|-----------------------|
| 1 | Primary | Hague | Annual Rate | \$2,857.00 | 11253 NW US Hwy 441 |
| 2 | Primary | Ironwood | Annual Rate | \$2,857.00 | 1710 NE 31st Avenue |
| 3 | Primary | Kanapaha | Annual Rate | \$2,857.00 | 6930 SW 88th Street |
| 4 | Primary | Rocky Point | Annual Rate | \$2,857.00 | 4012 SW 27th Street |
| 5 | Primary | Deerhaven | Annual Rate | \$2,857.00 | 10001 NW 13th Street |
| 6 | Primary | Kelly South | Annual Rate | \$2,857.00 | 811 SE 4th Street |
| 7 | Primary | Fort Clarke | Annual Rate | \$2,857.00 | 1200 NW 122nd Street |
| 8 | Primary | McMichen | Annual Rate | \$2,857.00 | 5202 NE 15th Street |
| 9 | Primary | Millhopper Sub and Buildings | Annual Rate | \$2,857.00 | 5501 NW 43rd Street |
| 10 | Primary | Parker | Annual Rate | \$2,857.00 | 12301 SW Archer Lane |
| 11 | Primary | Sugarfoot | Annual Rate | \$2,857.00 | 1200 SW 62nd BLVD |
| 12 | Primary | Seronola | Annual Rate | \$2,857.00 | 4303 SW 40th BLVD |
| 13 | Primary | Springhill | Annual Rate | \$2,857.00 | 4458 NW 115th Terrace |
| 14 | Primary | Kelly Switch Yard Control Building | Annual Rate | \$2,857.00 | 605 SE 3rd Street |

FACILITIES-SEE ATTACHED MASTER EQUIPMENT LIST.

Class A License ONLY based on attached Master Equipment list.

| Line Item | Award Type | Description | Unit of Measure | Unit Cost | Address |
|-----------|------------|------------------------------|-----------------|--------------|----------------------|
| 15 | Primary | Deerhaven Generating Station | Annual Rate | \$123,041.00 | 10001 NW 13th Street |
| 16 | Primary | Eastside Operations Center | Annual Rate | \$129,041.00 | 4747 N. Main Street |
| 17 | Primary | GRU Administration Building | Annual Rate | \$40,000.00 | 301 SE 4th Avenue |
| 18 | Primary | GRUCom Central Office | Annual Rate | \$20,000.00 | 301 SW 5th Avenue |

| Line Item | Award Type | Description | Unit of Measure | Unit Cost | Address |
|-----------|------------|--|-----------------|--------------|-----------------------|
| 19 | Primary | Kanapaha Water Reclamation | Annual Rate | \$123,041.00 | 3901 SW 63rd BLVD |
| 20 | Primary | Kelly power Plant and Buildings | Annual Rate | \$124,241.00 | 515 SE 5th Avenue |
| 21 | Primary | Main Street Water Reclamation Facility | Annual Rate | \$20,000.00 | 200 SE 16th Avenue |
| 22 | Primary | Murphree Water Plant | Annual Rate | \$80,000.00 | 100 NE 53rd Avenue |
| 23 | Primary | Springhill Service Center | Annual Rate | \$40,000.00 | 3805 NW 97th BLVD |
| 24 | Primary | Wellness Center | Annual Rate | \$15,000.00 | 555 SE 5th Avenue |
| 25 | Primary | Deerhaven Renewable | Annual Rate | \$123,041.00 | 111201 NW 13th Street |

TOWER SITES-SEE ATTACHED MASTER EQUIPMENT LIST.

Class A or Class B License based on attached Master Equipment list.

| Line Item | Award Type | Description | Unit of Measure | Unit Cost | Address |
|-----------|------------|-------------|-----------------|------------|----------------------|
| 26 | Primary | GPD | Annual Rate | \$2,000.00 | 721 NW 6th Street |
| 27 | Primary | Springhill | Annual Rate | \$2,000.00 | 3805 NW 97th BLVD |
| 28 | Primary | WYKS | Annual Rate | \$2,000.00 | 7120 SW 24th Avenue |
| 29 | Primary | Millhopper | Annual Rate | \$2,000.00 | 4200 NW 53rd Avenue |
| 30 | Primary | Parker Road | Annual Rate | \$2,000.00 | 12301 SW Archer Road |

METASYS SYSTEM, KMC SYSTEM-SEE ATTACHED MASTER EQUIPMENT LIST.

Provide an annual maintenance cost including software maintenance and upgrades to maintain the current Metasys system in the Administration Building and the KMC system at the Eastside Operations Center.

| Line Item | Award Type | Description | Unit of Measure | Unit Cost |
|-----------|------------|----------------|-----------------|------------|
| 31 | Primary | Metasys System | Yearly | \$6,000.00 |
| 32 | Primary | KMC System | Yearly | \$3,000.00 |

ADDITIONAL PRICING-SEE ATTACHED MASTER EQUIPMENT LIST.

After normal business hours rate. (Rates to be used when work is performed after normal business hours as defined by these specifications)

| Line Item | Award Type | Description | Unit of Measure | Unit Cost |
|-----------|------------|-----------------------|-----------------|-----------|
| 33 | Primary | Certified Technician | Hour | \$309.72 |
| 34 | Primary | Journeyman Technician | Hour | \$206.92 |
| 35 | Primary | Apprentice Technician | Hour | \$165.54 |

HOLIDAY RATE-SEE ATTACHED MASTER EQUIPMENT LIST.

(Rates to be used when work is performed during Contractor's holidays as defined by these specifications)

| Line Item | Award Type | Description | Unit of Measure | Unit Cost |
|-----------|------------|-----------------------|-----------------|-----------|
| 36 | Primary | Certified Technician | Hour | \$412.96 |
| 37 | Primary | Journeyman Technician | Hour | \$275.90 |
| 38 | Primary | Apprentice Technician | Hour | \$220.72 |

ITEMIZED PRICING FOR ADDITION OR REMOVAL OF UNITS FROM-SEE ATTACHED MASTER EQUIPMENT LIST.

| Line Item | Award Type | Description | Unit of Measure | Unit Cost |
|-----------|------------|--|-----------------|------------|
| 39 | Primary | Window Unit | Month | \$25.00 |
| 40 | Primary | Split/Package Unit 1-10 tons. | Month | \$500.00 |
| 41 | Primary | Split/Package Unit 11-30 tons. | Month | \$1,000.00 |
| 42 | Primary | Split/Package Unit over 31 tons. | Month | \$2,000.00 |
| 43 | Primary | Ice Machine less than a 100 lbs. capacity. | Month | \$85.00 |
| 44 | Primary | Ice Machine 100 lbs.+ capacity. | Month | \$175.00 |

NORMAL BUSINESS HOURS RATE-SEE ATTACHED MASTER EQUIPMENT LIST.

| Line Item | Award Type | Description | Unit of Measure | Unit Cost |
|-----------|------------|-----------------------|-----------------|-----------|
| 45 | Primary | Certified Technician | Hour | \$206.48 |
| 46 | Primary | Journeyman Technician | Hour | \$137.95 |
| 47 | Primary | Apprentice Technician | Hour | \$110.363 |



File Number: 2024-557

Agenda Date: August 7, 2024

Department: Gainesville Regional Utilities

Title: 2024-557 Resolution Authorizing the CEO and Certain Other Authorized Officers to Negotiate and Execute Upcoming Potential Financial Transactions Subject to the Prescribed Execution Parameters and Timeframes (B)

Department: Gainesville Regional Utilities/Budget, Finance, and Accounting

Explanation: This item is related to obtaining authorization to negotiate and execute a number of potential financial transactions. GRU is considering a number of potential financial transactions in the upcoming months. In order to be as nimble as possible and to allow us to take advantage of favorable market conditions, staff is bringing these potential transactions to the Authority under a single resolution and asking that the Authority provide the CEO and certain other authorized officers with the authority to execute any or all of these transactions within the prescribed execution parameters and timeframes. The transactions fall in the following categories:

Defeasance and/or redemption of debt as dictated by existing agreements or approved policy positions

Trunked Radio System (TRS) Outstanding Debt – Under the agreement with the County for the sale of the TRS, GRU committed to using the sales proceeds of \$8M to pay down outstanding debt related to TRS. Pursuant to this commitment the proposed resolution authorizes GRU to defease and/or redeem the portions of the following outstanding debt series attributable to TRS: 2014B, 2019A, 2019C, 2020A, 2022A and 2022B. In addition, the resolution authorizes the County and the Authority to amend or waive tax covenants in the TRS Sale Agreement related to private business use or private ownership of the TRS.

Debt Reduction Plan – Consistent with Section XIV Delevering of the GRU Debt Management Policy approved in October of 2022 by the City Commission, GRU’s debt reduction plan utilizes funds from the following sources as part of the plan to reduce net debt outstanding by ~\$395M over the next decade:

- GFT reductions
- Excess reserves generated from electric & wastewater system base rate increases from FY22 – FY24
- O&M budget cuts committed to as part of the FY24 budget process

The proposed resolution authorizes the use of the funds identified from these strategies to provide for the redemption or defeasance of up to \$30M of certain maturities of the following outstanding bond series:

- Electric System – 2017A
- Water, Wastewater & GRUCom Systems – 2012B

Amending/Modifying existing agreements

2019 Series C Credit Facility - GRU maintains a credit facility with Bank of America which provides credit and liquidity support for GRU's outstanding 2019 Series C variable rate bonds. Any draws made on this facility are subject to the variable interest rate index known as the Bloomberg Short-Term Bank Yield Index (BSBY). The administrator of BSBY has announced that it will no longer support the index after November 15, 2024. The proposed resolution authorizes GRU to work with Bank of America to provide for an alternative index.

Extending Outstanding Revolving Lines of Credit – On December 6, 2023 the prior GRU Authority adopted Resolution 2023-1148 approving the extension of certain of GRU's outstanding revolving lines of credit:

- 2018 Series A with Truist Bank expiring November 30, 2024
- 2019 Series C with Bank of America expiring April 25, 2025
- 2020 Series A with Truist Bank expiring November 30, 2024
- 2022 Series A and 2022 Series B with US Bank expiring April 29, 2025

The proposed resolution:

- Ratifies and approves the original adoption of Resolution 2023-1148
- Delegates authority to the CEO or Chief Financial Officer to:
 - Amend and/or extend the existing agreements
 - Draw on the 2022 Series A and 2022 Series B revolving lines of credit for funding of certain emergency expenses in a principal amount not to exceed \$75M outstanding at any time

Debt service savings opportunities

Forward Starting Swap (FSS) on outstanding 2017 Series A Bonds – The proposed resolution authorizes GRU to enter into a FSS on GRU's outstanding 2017 Series A bonds. The FSS is a method to lock in existing rates (2024) until the refunding transaction qualifies as a current refunding (July of 2027).

Under the provisions of the swap, as the effective date of the swap transaction approaches in 2027 GRU will have the option to either:

- Keep the swap in place and issue variable rate debt to refund the fixed rate 2017 Series A Bonds or
- Terminate the swap and issue new fixed rate debt to refund the bonds

The proposed transaction is subject to the following execution parameters:

- Net Present Value savings from the transaction shall be no less than 5.00% of the par amount of the bonds refunded
- The trade date shall be on or before August 30, 2025

Fiscal Note: Overall avoided debt service costs related to debt defeasance and/or redemption efforts will depend upon the specific maturities ultimately selected for defeasance or redemption. Net present value savings on the 2017A FSS shall be no less than 5.00% of the par amount of bonds refunded.

Recommendation: The GRU Authority (1) Adopt the proposed resolution and (2) Authorize the CEO or certain other authorized officers to negotiate and execute the listed transactions within the prescribed execution parameters and timeframes.

RESOLUTION NO. _____

A RESOLUTION OF THE GAINESVILLE REGIONAL UTILITIES AUTHORITY, A UNIT OF CITY GOVERNMENT OF THE CITY OF GAINESVILLE, FLORIDA, AUTHORIZING, ON BEHALF OF THE CITY OF GAINESVILLE, FLORIDA, PURSUANT TO THE POWER AND AUTHORITY OF THE AUTHORITY SET FORTH IN THE CITY CHARTER, THE REFUNDING AND/OR CASH DEFEASANCE OF CERTAIN OUTSTANDING UTILITY SYSTEM DEBT; AUTHORIZING THE PAYMENT OF RELATED COSTS, AND DELEGATING THE AUTHORITY TO DETERMINE CERTAIN MATTERS IN CONNECTION THEREWITH; APPROVING THE FORM, AND AUTHORIZING THE EXECUTION AND DELIVERY, OF ONE OR MORE ESCROW DEPOSIT AGREEMENTS WITH RESPECT THERETO, AND DELEGATING THE AUTHORITY TO DETERMINE CERTAIN MATTERS IN CONNECTION THEREWITH; APPROVING THE SELECTION OF AN ESCROW AGENT; APPROVING THE SELECTION OF A VERIFICATION AGENT; AUTHORIZING THE PAYMENT OF RELATED COSTS, AND DELEGATING THE AUTHORITY TO DETERMINE CERTAIN MATTERS IN CONNECTION THEREWITH; AUTHORIZING AMENDMENTS TO THE CREDIT AGREEMENT WITH BANK OF AMERICA, N.A. TO PROVIDE A SUBSTITUTE INDEX RATE UPON THE PHASEOUT OF THE BLOOMBERG SHORT-TERM BANK YIELD INDEX BASED ON THE ADVICE OF THE FINANCIAL ADVISOR; AUTHORIZING OFFICIALS AND EMPLOYEES OF THE CITY AND THE AUTHORITY TO TAKE ALL OTHER ACTIONS DEEMED NECESSARY OR ADVISABLE IN CONNECTION THEREWITH; AUTHORIZING ENTERING INTO A FORWARD STARTING QUALIFIED HEDGING CONTRACT TO SYNTHETICALLY FIX THE INTEREST RATE ON A FUTURE SERIES OF VARIABLE RATE REFUNDING BONDS; AUTHORIZING OFFICIALS AND EMPLOYEES OF THE CITY AND THE AUTHORITY TO TAKE ALL OTHER ACTIONS DEEMED NECESSARY OR ADVISABLE IN CONNECTION THEREWITH; AUTHORIZING TAKING CERTAIN ACTIONS IN CONNECTION WITH THE SALE OF THE TRS AND DEFEASANCE AND/OR REDEMPTION OF ASSOCIATED BONDS; AUTHORIZING THE WAIVER OF THE TAX COVENANTS IN THE TRS AGREEMENT; RATIFY AND APPROVE THE EXTENSION OF CERTAIN OUTSTANDING REVOLVING LINES OF CREDIT; PROVIDING CERTAIN OTHER MATTERS IN CONNECTION THEREWITH; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City Commission (the "*Commission*") of the City of Gainesville, Florida ("*City*") adopted on September 21, 2017 its Resolution No. 170395 incorporating by reference the Second Amended and Restated Utilities System Revenue Bond Resolution adopted

by the City on September 21, 2017, as amended (the "Master Resolution"), and authorized the issuance of Bonds; and

WHEREAS, the Commission adopted Resolution No. 2023-1186 on December 22, 2023 (the "Transition Resolution") to effectuate the orderly transition of the governance, operation, management, and control of all utility systems, properties and assets related to the System to the Gainesville Regional Utilities Authority (the "Authority"); and

WHEREAS, pursuant to the Transition Resolution the Commission, among other things, authorized and delegated to the Gainesville Regional Utilities Authority (the "Authority") authority (i) to supplement and amend the Master Resolution and any supplements thereto and other related agreements, including, without limitation, agreements entered into in connection with Credit Enhancement for the Bonds, Qualified Hedging Contracts, continuing covenant agreements, the Credit Agreement entered into in connection with the USB Line of Credit, and paying agent and registrar agreements, in order to effectuate the provisions of Section 716 of the Master Resolution, (ii) to take all actions on behalf of the City under the Bond Resolution, (iii) to, among others, the General Manager, the Chief Financial Officer or their respective designees to do all acts and things required of them by the Transition Resolution, the Master Resolution, as amended and supplemented, or otherwise, as may be necessary or desirable to effectuate the amendment, extension and substitution of the liquidity facilities providing liquidity for the Variable Rate Bonds, and (iv) to the General Manager or Chief Financial Officer, or his or her respective designees, in accordance with the Master Resolution, as amended and supplemented, from time to time, to extend the term of those outstanding lines of credit and to authorize draws on such lines of credit; and

WHEREAS, the Commission adopted Resolution No. 180818 on March 21, 2019, adopting the Thirty-First Supplemental Utilities System Revenue Bond Resolution supplementing the Master Resolution and authorizing the issuance of its Variable Rate Utilities System Revenue Bonds, 2019 Series C (the "2019C Bonds"); and

WHEREAS, in order to provide credit and liquidity support for the 2019C Bonds, Bank of America, N.A. ("BofA") has issued its Letter of Credit (as amended from time to time, the "Credit Facility") and the City entered into a Letter of Credit and Reimbursement Agreement dated as of April 26, 2019 (the "Original Agreement") with BofA agreeing to reimburse advances made under the Credit Facility and pay other fees and costs of BofA set forth therein; and

WHEREAS, the Credit Facility was scheduled to expire by its terms on April 25, 2022 and BofA and the City extended the scheduled expiration date of the Credit Facility and due to the phase out of the London Interbank Offering Rate modified the variable interest rate index that draws under the Credit Facility are subject to, to the Bloomberg Short-Term Bank Yield Index ("BSBY") (together with the Original Agreement, the "Reimbursement Agreement"); and

WHEREAS, the administrator of BSBY has announced that it will no longer support the BSBY index immediately following publication of BSBY on November 15, 2024 and in advance of the phase out of BSBY the City and BofA desire to amend the Reimbursement Agreement in connection with the Credit Facility to provide for an alternative index; and

WHEREAS, the City transferred ownership of the Trunked Radio System (the "TRS") pursuant to an Interlocal Agreement for the Acquisition of the Trunked Radio System by and between the City, by and through the Authority, and Alachua County, Florida (the "County"), dated as of December 14, 2023 (the "TRS Agreement"); and

WHEREAS, pursuant to the TRS Agreement, the City received proceeds from the sale of the TRS and desires to use such proceeds to defease and/or redeem a portion of the TRS Bonds which financed improvements to the TRS; and

WHEREAS, the County and the City, by and through the Authority, desire to amend or waive certain provisions related to the TRS Agreement that may result in private business use or private ownership of the TRS. In connection with such amendment or waiver to the TRS Agreement, the City, by and through the Authority desires to defease or redeem the allocable portion of the TRS Bonds which financed the TRS and to take anticipatory remedial action under Section 1.141-12(d)(3) of the Treasury Department Regulations (the "Regulations"); and

WHEREAS, the Authority has realized Revenues from certain recently implemented cost savings strategies and has determined to use a portion of such Revenues to provide for the cash defeasance of the Potential Defeased Bonds (as defined below); and

WHEREAS, the Authority adopted Resolution No. 2023-1148 on December 6, 2023, approving the extension of certain of the City's outstanding revolving lines of credit (the "Extension Resolution") and the Authority has determined to ratify and approve the adoption of such Extension Resolution; and

WHEREAS, pursuant to Resolution No. 211098 adopted by the City on April 21, 2022, the City issued its Variable Rate Subordinated Utilities System Revenue Bond, 2022 Series A (the "Series A USB LC Bond") and Variable Rate Subordinated Utilities System Revenue Bond, 2022 Series B (Federally Taxable) (the "Series B USB LC Bond") and together with the Series A USB LC Bond, the "USB LC Bonds") which USB LC Bond were purchased by U.S. Bank National Association (the "USB Line of Credit") and is a revolving line of credit; and

WHEREAS, the Authority due to market conditions and other factors has determined to delegate the authorization to make future draws on the USB Line of Credit upon the conditions set forth herein; and

WHEREAS, the Authority wishes to provide for a forward starting synthetic fixed rate payable by the City which will be used in connection with the expected issuance of a future floating rate Series of Bonds, with the successful bidder pursuant to a negotiated bid process with Qualified Hedging Contract Providers among outstanding Qualified Hedging Contracts and with TD Bank, N.A. (or an affiliate thereof) or Truist Bank (or an affiliate thereof) (such selected counterparty, the "Forward Swap Provider"), and to enter into a trade confirmation with respect thereto (the "Forward Swap Confirmation"); and

WHEREAS, the Forward Swap Confirmation shall be issued pursuant to a Master ISDA Agreement, Credit Support Annex and Schedule (collectively, the "Forward Swap Documents") with the Forward Swap Provider and the termination payment and other Hedge Charges due thereunder shall constitute Subordinated Hedging Contract Obligations for purposes of the Master Resolution and the Forward Swap Provider will constitute a Qualified Hedging Contract Provider under the Master Resolution; and

WHEREAS, the Authority desires to delegate to the General Manager and Chief Financial Officer, or either of them, subject to the delegation parameters and limitations set forth herein, the authority to complete the negotiation of the Forward Swap Confirmation and the Forward Swap and any necessary amendments to the Forward Swap Documents, and to pay any associated costs from legally available Revenues; and

BE IT RESOLVED by the Gainesville Regional Utilities Authority, a unit of city government of the City, that:

**ARTICLE I
DEFINITIONS AND STATUTORY AUTHORITY**

Section 1.01. Definitions.

1. All terms which are defined in Section 101 of the Master Resolution shall have the same meanings, respectively, in this Resolution, unless otherwise defined herein.

2. In this Resolution, in addition to the terms elsewhere defined herein, the following terms shall have the meanings set forth below:

"Amendment" shall mean Chapter No. 2023-348, Laws of Florida.

"Authority" shall mean the Gainesville Regional Utility Authority established by Article VII of the Charter as a unit of city government of the City and having the powers, authority and duties as set forth in the Charter.

"Authorized Officer" or **"Authorized Officers"** shall mean the Mayor, the General Manager, the Chief Financial Officer or any other officer, employee or agent of the City or the Authority pursuant to the Charter authorized to perform specific acts or duties by resolution duly adopted by the Authority.

"Charter" shall mean the City Charter of the City, being Chapter 90-394, Laws of Florida (1990), amending Chapter 12760, Laws of Florida (1927), as further amended by the Amendment, as such Charter may hereafter be amended.

"Chief Financial Officer" shall mean the Chief Financial Officer of the System, including any interim officer.

"City" shall mean the City of Gainesville, Florida.

"City Attorney" shall mean the City Attorney or such other assistant City Attorney as designated by the City Attorney.

"City Clerk" shall mean the Clerk of the City or any Deputy Clerk.

"Commission" shall mean the City Commission of the City of Gainesville, Florida.

"Financial Advisor" shall mean PFM Financial Advisors, LLC, the financial advisor to the System and successors thereof.

"General Manager" shall mean the General Manager of the System, who may have been appointed by the Commission under the Charter prior to the effective date of the Amendment or appointed as the Chief Executive Officer/General Manager pursuant to the Amendment or any assistant General Manager in the General Managers absence or unavailability or interim General Manager or other person authorized to serve as the general manager of the System.

"Master Resolution" shall mean Resolution No. 170395 incorporating by reference the Second Amended and Restated Utilities System Revenue Resolution adopted by the City on September 21, 2017, as amended and supplemented.

"Potential Defeased Bonds" shall mean the Utilities System Revenue Bonds set forth on Exhibit B hereto.

"TRS" shall mean the Trunked Radio System.

"TRS Bonds" shall mean, collectively, the Utilities System Revenue Bonds, 2014 Series B, the 2019A Defeased Bonds, 2019C Bonds, the Utilities System Revenue Bond, 2020 Series A, the Utilities System Revenue Bonds, 2022 Series A and the Utilities System Revenue Bond, 2022 Series B.

"TRS Refunded Bonds" shall mean the portion of the TRS Bonds that financed improvements to the TRS.

"Swap Advisor" shall mean PFM Swap Advisors LLC, or such other entity as the Authority may designate as its Qualified Independent Representative.

"2019A Defeased Bonds" shall mean the Utilities System Revenue Bonds, 2019 Series A maturing on October 1, 2047.

Section 1.02. Authority for this Resolution. This Resolution is adopted (i) pursuant to the provisions of the Act, and (ii) in accordance with the Master Resolution and other applicable provisions therein, including, without limitation the Transition Resolution.

Section 1.03. Findings. It is hereby ascertained, determined and declared that:

(a) The Authority deems it necessary and in the City's best interest to use proceeds from the sale of the TRS for the redemption and/or defeasance of the TRS Refunded Bonds, and to pay the costs related to such redemption and/or defeasance.

(b) The Authority deems it necessary and in the City's best interest to authorize the amendment of the Reimbursement Agreement in connection with the phase out of BSBY and to ratify and approve the adoption of the Extension Resolution.

(c) The Authority deems it necessary and in its best interest to use legally available Revenues of the System realized from certain recently implemented cost savings strategies to provide for the redemption and/or cash defeasance of the Potential Defeased Bonds and pay the costs related to such redemption and/or defeasance.

(d) The Authority desires to delegate certain matters set forth herein to the General Manager or the Chief Financial Officer or such other Authorized Officer as set forth in this Resolution.

ARTICLE II AUTHORIZATION OF DEFEASANCE AND REDEMPTION

Section 2.01. Authorization of Defeasance and Redemption of TRS Bonds; Delegation of Certain Determinations. The Authority has determined to defease and/or redeem up to \$8,100,000 of the TRS Refunded Bonds. The General Manager, Chief Financial Officer or any Authorized Officers, are each hereby authorized to take all actions necessary to defease the 2019A Defeased Bonds which are allocable to the TRS and to deposit such amounts under an Escrow Deposit Agreement in the form approved under Section 2.03 hereof in an amount sufficient, together with investment earnings thereon, to pay the principal of, redemption premium if any, and interest thereon to the earliest day on which such 2019A Defeased Bonds may be redeemed. The General Manager, Chief Financial Officer or any Authorized Officers, are each hereby authorized to apply the balance after taking into account the defeasance of the 2019A Defeased Bonds to redeem the other TRS Refunded Bonds on the earliest date practical. All prior actions for the redemption or defeasance of any of the TRS Refunded Bonds are hereby ratified and approved. The General Manager, Chief Financial Officer or any Authorized Officers, upon the advice of the Financial Advisor, are each hereby authorized to determine which TRS Refunded Bonds (including which maturity and/or sinking fund installments) shall be selected for redemption and/or defeasance.

The Authority intends to defease and/or redeem pursuant to anticipatory remedial action under Section 1.141-12(d)(3) of the Regulations the portion of the TRS Bonds attributable to the financing and refinancing of the TRS of which approximately \$8,013,663 of the outstanding principal amount of the TRS Bonds are attributable to such purpose. The Authority intends to apply \$7,999,644.25 received from the TRS sale, together with other legally available Revenues of the Authority to redeem and/or defease the TRS Refunded Bonds in a principal amount of at least \$8,013,663. The Authority anticipates the potential private business use or private ownership of the TRS under Section 141 of the Internal Revenue Code of 1986, as amended (the "Code"). The defeasance and/or redemption of the TRS Refunded Bonds will be funded from moneys other than proceeds of tax-exempt bonds under Section 103 of the Code. The General Manager, the Chief Financial Officer or any Authorized Officer is hereby authorized to take all actions necessary or convenient in order to comply with the Code.

In connection with the sale of the TRS, the General Manager, the Chief Financial Officer or any Authorized Officer is hereby authorized to execute a waiver or amendment of the covenants imposed on the County pursuant to Section 13 of the TRS Agreement pertaining to certain tax covenants which the County had agreed to comply with.

Section 2.02. Authorization of Potential Defeased Bonds Defeasance; Delegation of Certain Determinations. The General Manager, Chief Financial Officer or any Authorized Officers, upon the advice of the Financial Advisor, are each hereby authorized to determine which Potential Defeased Bonds (including which maturity and/or sinking fund installments) shall be selected for redemption and/or defeasance and to use available System Revenues to redeem and/or defease up to \$30,000,000 of Potential Defeased Bonds and to deposit such amounts for Potential Defeased Bonds that are not subject to immediate redemption, under one

or more Escrow Deposit Agreements in the form approved under Section 2.03 hereof in an amount sufficient, together with investment earnings thereon to pay the principal of, redemption premium if any, and interest thereon to their maturity or earlier redemption, provided, however, such defeasance may occur in one more transactions. Each Escrow Deposit Agreement shall expressly identify which Potential Defeased Bonds shall be defeased, execution of the Escrow Deposit Agreement shall be conclusive evidence of such determination. The payment of costs of the defeasance is hereby authorized to be paid from System Revenues.

Section 2.03. Approval of Escrow Deposit Agreements; Purchase of Escrow Investments. The form of Escrow Deposit Agreement substantially in the form attached hereto as Exhibit A is hereby approved, subject to such changes, insertions and omissions and such filling of blanks therein as may be approved and made in such Escrow Deposit Agreement by the General Manager, the Chief Financial Officer or any other Authorized Officer executing the same, in a manner consistent with the provisions of this Resolution and the Master Resolution, and subject to the terms hereof and thereof, such execution to be conclusive evidence of such approval. Subject to the provisions set forth herein, the General Manager, the Chief Financial Officer or such other Authorized Officer, is hereby authorized to execute the Escrow Deposit Agreement for and on behalf of the City pursuant to the terms hereof and the City Clerk is hereby authorized to attest such signature to the extent required by such form of the Escrow Deposit Agreement, subject to the approval of the City Attorney as to form and legality.

In connection with the defeasance of the 2019A Defeased Bonds and the Potential Defeased Bonds, any Authorized Officer is hereby authorized to cause the proceeds from the TRS sale and other legally available Revenues and earnings thereon to be invested in United States Treasury Securities - State and Local Government Series ("SLGS") or other United States Treasury Securities or other obligations permitted to be used to accomplish the defeasance of 2019A Defeased Bonds and the Potential Defeased Bonds, in such amounts, at such times, maturing at such times and having such rate or rates of interest as such officer shall determine is necessary or desirable; and any authorized officer of the escrow agent or the Financial Advisor is hereby authorized in the name and on behalf of the City to submit subscriptions to the Bureau of Public Debt of the United States Department of the Treasury for the purchase of book-entry form SLGS, and to take such other action as such person deems necessary or appropriate to effectuate such purposes or to purchase such other obligations, including, without limitation, the solicitation of bids for the sale of such securities to the City for deposit under the escrow deposit agreement and the engagement of the Financial Advisor or such other firm, to solicit such bids is hereby authorized. Each Authorized Officer is hereby authorized to amend or supplement any such Escrow Deposit Agreement to purchase such securities after the deposit of funds therein and to deliver such other certificates, notices and agreements necessary to accomplish the investment of such proceeds. Any Authorized Officer is hereby authorized to irrevocably instruct the escrow agent to file such defeasance and redemption notices as are required by the Master Resolution.

Section 2.04. Selection of Escrow Agent and Verification Agent. U.S. Bank Trust Company, National Association is hereby selected and appointed as escrow agent in connection with the defeasance of the 2019A Defeased Bonds and the Potential Defeased Bonds. The Arbitrage Group, Inc. is hereby selected and appointed as verification agent in connection with the defeasance of the 2019A Defeased Bonds and the Potential Defeased Bonds.

Section 2.05. Further Actions. Each Authorized Officer is hereby authorized and empowered to execute and deliver or cause to be executed and delivered such other documents and opinions and to do all such acts and things as may be necessary or desirable in connection with the adoption of this Resolution, the approval, execution and delivery of each Escrow Deposit Agreement, and the carrying out of its terms and the terms of this Resolution.

ARTICLE III APPROVAL OF FUTURE AMENDMENTS

Section 3.01. Authorization and Approval of Future Amendments to Reimbursement Agreement. The Authority acknowledges that BSBY will cease to be administered by Bloomberg Index Services Limited and a substitute rate and equivalency factors have not been commonly agreed to in the market. Thus, in connection with a future amendment of the Reimbursement Agreement, the Authority hereby delegates to the General Manager, Chief Financial Officer or any other Authorized Officer, in consultation with the Financial Advisor, the authority to negotiate and determine (i) an appropriate substitution rate, whether now existing or subsequently developed, that is deemed approximately equivalent to BSBY and other related adjustments and amendments to the Reimbursement Agreement as may be necessary and appropriate for the implementation and administration of the replacement index, (ii) an appropriate effective date of the substitution rate (which could become immediately effective or a hardwired approach to become effective upon certain events defined therein), and (iii) alternative index rates in the event that the fallback rates are not available. The Authorized Officers, or their respective designees, the Clerk and the City Attorney are each hereby authorized and directed to execute and deliver any and all papers, instruments and opinions and to do and cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated hereunder.

ARTICLE IV AUTHORIZATION OF DRAWS

Section 4.01. Authorization of Draws. The Authority has determined that there may be situations requiring immediate funding of certain emergency expenses requiring advances to be made under the USB LC Bonds before a meeting of the Authority can be called. The Authority desires to authorize certain Authorized Officers, to submit requisition requests for advances under the USB Line of Credit, without further approval of the Authority, in a principal amount not to be outstanding at any time in excess of \$75,000,000 under the USB LC Bonds and based on advice of Bond Counsel and the Financial Advisor to determine whether the draws shall be made under the Series A USB LC Bond and/or Series B USB LC Bond; provided, however, that notice shall be promptly provided to the governing body of the upon Authority the submission of an advance requisition.

Each Authorized Officer and the City Attorney is hereby authorized and empowered to execute and deliver or cause to be executed and delivered such other documents and opinions and to do all such acts and things as may be necessary or desirable in connection with authorizing an advance under the USB LC Bonds, for the full punctual and complete performance of all the terms, covenants and agreements contained herein and in the USB LC Bonds and the Clerk is hereby authorized to attest such signatures to the extent required. The Authorized Officers, or their respective designees, the Clerk and the City Attorney are each hereby authorized and directed to execute and deliver any and all papers, instruments and

opinions and to do and cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated hereunder.

ARTICLE V AUTHORIZATION OF FORWARD SWAP

Section 5.01. Authorization of Forward Swap Documents; Delegation. The General Manager, the Chief Financial Officer or other Authorized Officer, each are individually, upon the advice of the Swap Advisor and/or the Financial Advisor, authorized and directed to conduct a negotiated bid of the Forward Swap with Qualified Hedging Contract Providers which have outstanding Qualified Hedging Contracts and/or with TD Bank, N.A. (or an affiliate thereof) and/or Truist Bank (or an affiliate thereof), that will provide for a forward starting synthetic fixed rate payable by the City which will be used in connection with the expected issuance of a future floating rate Series of Bonds (the "Future Bonds"), the proceeds of which when issued will be used to refund all or any portion of the City's Outstanding Utility System Revenue Bonds, 2017 Series A (the "2017 Bonds"), all in accordance with the delegation parameters set forth below (referred to herein as the "Forward Starting Swap Transaction"). The General Manager, the Chief Financial Officer or other Authorized Officer, each are individually, upon the advice of the Swap Advisor and/or the Financial Advisor, authorized and directed to select the successful bidder, to enter into the Forward Starting Swap Transaction, to complete the negotiation of the Forward Swap Confirmation and deliver all other documents necessary to effectuate an interest rate hedge thereunder that will effectuate the Forward Starting Swap Transaction, including without limitation, Dodd Frank Protocols and related documentation, and to take such further action, all as may be necessary or desirable to effectuate the Forward Starting Swap Transaction, subject to the delegation parameters in Section 5.02. If the successful Forward Swap Provider has an existing Qualified Hedging Contract the Forward Starting Swap Transaction shall be issued pursuant to the existing Forward Swap Documents for the Forward Swap Provider. If the successful Forward Swap Provider shall be TD Bank, N.A. (or an affiliate thereof) or Truist Bank (or an affiliate thereof), the Authorized officer is, authorized to negotiate the terms of the Forward Swap Documents, including, without limitation, the Credit Support Annex, Dodd Frank Protocols and other documents necessary to effectuate the Forward Starting Swap Transaction, secured in a manner similar to those with the existing Qualified Hedging Contract Providers which have outstanding Qualified Hedging Contracts and to determine such other matters, including the amortization schedule, and percentage of the index which the swap counterparty shall pay, execution of the Forward Swap Documents to be conclusive evidence of such approval. Such officers, or either of them, are further authorized to negotiate and execute the Forward Swap Confirmation and other documents necessary or related to effectuate the Forward Starting Swap Transaction, and to take such further action, all as may be necessary or desirable to effectuate the Forward Starting Swap Transaction, provided in each case that the parameters set forth herein are satisfied.

Section 5.02. Delegation Parameters. The Forward Swap Confirmation entered into pursuant to the Forward Swap Documents with an existing Qualified Hedging Contract Provider (subject to any necessary amendments as recommended by the Swap Advisor and/or the Financial Advisor, including amendments necessary to reflect the transition of the governance, operation, management, and control of all utility systems, properties and assets related to the System to the Gainesville Regional Utilities Authority) or Forward Swap Documents negotiated and entered into with a new Qualified Hedging Contract Provider, as provided herein, and shall not be executed by the General Manager or the Chief Financial Officer and the Forward Starting

Swap Transaction shall not be effectuated, until such time as the following conditions have been satisfied:

(i) The Forward Swap Provider shall constitute a Qualified Hedging Contract Provider and the Forward Starting Swap Transaction shall constitute a Qualified Hedging Contract under the Master Resolution;

(ii) The termination date under the Forward Swap Confirmation shall not be later than the final maturity date of the 2017 Bonds and the notional amount under the Forward Swap Confirmation shall be equal to or less than the outstanding principal of the 2017 Bonds, and shall amortize proportionally in accordance with, the amortization schedule for, the applicable portion of the 2017 Bonds for which the Forward Starting Swap Transaction applies;

(iii) assuming that the Future Bonds were issued based on the fixed interest rate and the notional amount of the Forward Starting Swap Transaction, the estimated overall net present value savings achieved by the proposed refunding of such portion the 2017 Bonds shall be no less than 5.00% of the par amount of the 2017 Bonds subject to the Forward Starting Swap Transaction;

(iv) The Authority may have the option to terminate the Forward Starting Swap Transaction without payment to Forward Swap Provider, on such date(s) as shall be recommended by the Financial Advisor and/or the Swap Advisor; provided, however if recommended by the Financial Advisor to have such right, the initial termination right with respect to the Forward Starting Swap Transaction shall not be more than 11 years from the effective date of the Forward Swap;

(v) The Forward Starting Swap Transaction may be secured by a Bilateral Credit Support Annex (New York Law);

(vi) The scheduled payments due under the Forward Starting Swap Transaction shall constitute Parity Hedging Contract Obligations and the termination payments and other Hedge Charges due thereunder shall constitute Subordinated Hedging Contract Obligations for purposes of the Master Resolution; and

(vii) The Forward Swap Confirmation shall be entered into by the Authority with a trade date on or before August 30, 2025.

The General Manager or the Chief Financial Officer may rely conclusively upon the Financial Advisor and Swap Advisor for a determination that the Authority has complied with the conditions provided in clauses (ii) through (iv) above. The execution of the Forward Swap Confirmation or certificate shall be conclusive evidence of such determination.

Notwithstanding anything to the contrary herein, if the Authorized Officer determines that due to market conditions it is not in the best interest of the City to issue the Future Bonds, it may negotiate with the Forward Swap Provider to extend the effective date of the Forward Starting Swap Transaction for up to one year from the original effective date and to pay any associated costs from legally available Revenues.

Section 5.03. Pledge of Revenues. The Authority hereby reaffirms and/or grants, to the extent applicable, to the Forward Swap Provider, a lien on the Trust Estate (as defined in the Master Resolution) to secure the City's obligations under the Forward Starting Swap Transaction as a Parity Hedging Contract Obligation in the manner and to the extent provided in the Master Resolution. In furtherance of the foregoing, the obligation of the City to make monthly payments under the interest rate hedging transaction entered into pursuant to the Forward Starting Swap Transaction is hereby designated as a Parity Hedging Contract Obligation under the Master Resolution and shall be entitled to the rights and benefits of such obligations thereunder, and the obligation of the City to make any termination payment and any other Hedge Charges under the Forward Starting Swap Transaction are hereby reaffirmed and/or designated, as applicable, as Subordinated Hedging Contract Obligations under the Master Resolution, entitled to the benefits thereof on a parity with other obligations issued or incurred by the City under the Subordinated Bond Resolution.

Section 5.04. Further Actions. Each Authorized Officer and the City Attorney is hereby authorized and empowered to execute and deliver or cause to be executed and delivered such other documents and opinions and to do all such acts and things as may be necessary or desirable in connection with the delivery of the Forward Swap Documents and Forward Swap Confirmation, for the full punctual and complete performance of all the terms, covenants and agreements contained herein and in the Forward Swap Documents and Forward Swap Confirmation and the Clerk is hereby authorized to attest such signatures to the extent required by the Forward Swap Documents and Forward Swap Confirmation, subject to the approval of the City Attorney as to form and legality. The Authorized Officers, or their respective designees, the Clerk and the City Attorney are each hereby authorized and directed to execute and deliver any and all papers, instruments and opinions and to do and cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated hereunder.

ARTICLE VI MISCELLANEOUS PROVISIONS

Section 6.01. Ratification. All prior actions of the Authority in connection with the Extension Resolution, including, but not limited to, the adoption of the Extension Resolution in accordance with the Master Resolution and the Act, are hereby ratified.

Section 6.02. Severability. If any one or more of the covenants, agreements or provisions of this Resolution should be held to be contrary to any express provision of law or to be contrary to the policy of express law, though not expressly prohibited, or to be against public policy, or should for any reason whatsoever be held invalid, then such covenants, agreements, or provisions of, and in no way affect the validity of, all the other provisions of this Resolution.

Section 6.03. Effective Date. This Resolution shall take effect immediately after its adoption by the Authority.

[Signature Page Follows]

PASSED AND ADOPTED IN PUBLIC SESSION OF THE GAINESVILLE REGIONAL UTILITIES AUTHORITY, THIS 7TH DAY OF AUGUST, 2024.

GAINESVILLE REGIONAL UTILITIES AUTHORITY

ATTESTED:

By: _____
Chairman

By: _____
City Clerk

APPROVED AS TO FORM AND LEGALITY:

By: _____
City Attorney

#503727452_v11 136433.00038

EXHIBIT A
FORM OF ESCROW DEPOSIT AGREEMENT

ESCROW DEPOSIT AGREEMENT

This is an Escrow Deposit Agreement dated as of _____, 2024, by and between **CITY OF GAINESVILLE, FLORIDA** (the "Issuer"), and **U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION**, a national banking association, organized and existing under the laws of the United States of America and having its designated corporate trust office in which its duties hereunder are to be performed in Jacksonville, Florida, as the escrow agent and as paying agent with respect to the Defeased Bonds, as hereinafter defined (the "Escrow Agent"):

WITNESSETH:

WHEREAS, the Issuer has previously issued its Utilities System Revenue Bonds, 2019 Series A (the "2019A Bonds"), of which \$_____ in aggregate principal amount remain outstanding prior to the date hereof; and

WHEREAS, the Issuer wishes to make provision for the payment of a portion of the outstanding 2019A Bonds maturing on October 1, 2047 with new CUSIP Number [_____] and applied to the Sinking Fund Installment on October 1, 2047 (the "Defeased Bonds") by irrevocably depositing in escrow moneys in an amount which, together with investment earnings thereon will be sufficient to pay the principal of and interest on the Defeased Bonds as the same become due as herein provided; and

WHEREAS, in order to deposit such amount of money in trust, the Issuer has authorized the use of certain hereinafter described legally available moneys of the Issuer; and

WHEREAS, upon deposit in escrow as herein contemplated, a portion of the moneys will be applied to purchase certain noncallable direct obligations of the United States of America ("Government Obligations"), the principal of which, together with investment earnings thereon and a cash deposit, will be sufficient to pay when due, or when called for earlier redemption, the principal of and interest on the Defeased Bonds; and

WHEREAS, in order to provide for the proper and timely application of the moneys deposited in said escrow to the payment of the Defeased Bonds, it is necessary to enter into this Escrow Deposit Agreement with the Escrow Agent on behalf of the Holders from time to time of the Defeased Bonds.

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants herein set forth and in order to secure the payment of the principal of and interest on the Defeased Bonds according to their tenor and effect, the Issuer does hereby deliver to and give, grant, mortgage, assign and pledge to the Escrow Agent, and to its successors and its assigns forever, all and singular the property hereinafter described:

I.

All right, title and interest of the Issuer in and to \$_____ derived from certain legally available funds of the Issuer [**and \$_____ from the debt service fund allocable to the Defeased Bonds**].

II.

All right, title and interest of the Issuer in and to the Government Obligations purchased from the moneys described in Clause I above and more particularly described in Schedule "A" hereto.

III.

All right, title and interest of the Issuer in and to all cash balances held from time to time hereunder and all income and earnings derived from or accruing to the Government Obligations described in Clause II above and more particularly described in Schedule "A" attached hereto and made a part hereof, and all proceeds of any of the foregoing.

IV.

All property which is by the express provisions of this Agreement required to be subject to the pledge hereof and any additional property of every kind and nature that may, from time to time hereafter, by delivery or by writing of any kind, be conveyed, pledged, assigned, or transferred as and for additional security hereunder or to be subject to the pledge hereof, by the Issuer or by anyone in its behalf, and the Escrow Agent is hereby authorized to receive the same at any time as additional security hereunder.

TO HAVE AND TO HOLD, all the same, including all additional property which by the terms hereof has or may become subject to the encumbrances of this Agreement given, granted, pledged and assigned or agreed or intended so to be, with all privileges and appurtenances hereby to the Escrow Agent, and its successors and assigns, forever;

IN ESCROW NEVERTHELESS, upon the terms herein set forth, for the equal and proportionate benefit, security and protection, as herein described, of the Holders or owners from time to time of the Defeased Bonds in the manner herein provided; but if the Defeased Bonds shall be fully and promptly paid when due or redeemed in accordance with the terms thereof, then this Agreement shall be and become null and void and of no further force and effect, otherwise the same shall remain in full force and effect, and subject to the covenants and conditions hereinafter set forth.

ARTICLE I
DEFINITIONS

SECTION 1.01. Definitions. Words used herein in capitalized form and not otherwise defined herein shall have the meanings ascribed thereto in the Resolution (defined below). In addition to words and terms elsewhere defined in this Agreement, as used herein, unless some other meaning is plainly intended, the following terms and phrases shall have the following meanings:

"Agreement" means this Escrow Deposit Agreement between the Issuer and the Escrow Agent.

"Amendment" means Chapter No. 2023-348, Laws of Florida.

"Charter" means the City Charter of the City of Gainesville, Florida, being Chapter 90-394, Laws of Florida (1990), amending Chapter 12760, Laws of Florida (1927), as further amended by the Amendment, as such Charter may hereafter be amended.

"Chief Financial Officer" means the Chief Financial Officer of the System, including any interim officer.

"City Attorney" means the City Attorney or such other assistant City Attorney.

"Commission" means the City Commission of the City of Gainesville, Florida.

"Defeased Bonds" means the portion of outstanding City of Gainesville, Florida Utilities System Revenue Bonds, 2019 Series A, maturing on October 1, 2047 with new CUSIP Number [_____] and applied to the Sinking Fund Installment on October 1, 2047.

"Escrow Agent" means U.S. Bank Trust Company, National Association, a national banking association and a member of the Federal Deposit Insurance Corporation, organized and existing under and by virtue of the laws of the United States of America and being duly qualified to accept and administer the escrow hereby created, and its successors in such capacity.

"Escrow Deposit Fund" means the fund so designated and established under Section 2.01(a) of this Agreement and entitled "Escrow Deposit Fund."

"Escrow Funds" means the funds deposited by the Issuer pursuant to Section 2.01(b).

"General Manager" means the General Manager of the System, who may have been appointed by the Commission under the Charter prior to the effective date of the Amendment or appointed as the Chief Executive Officer/General Manager

pursuant to the Amendment or any assistant General Manager in the General Managers absence or unavailability or interim General Manager or other person authorized to serve as the general manager of the System.

"Government Obligations" means the noncallable direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America described in Schedule "A" attached hereto in which the Escrow Agent is instructed to invest pursuant to Section 2.01(c).

"Issuer" means City of Gainesville, Florida.

"Paying Agent" means U.S. Bank Trust Company, National Association, and its successors as paying agent for the Defeased Bonds.

"Resolution" means the Issuer's Resolution No. 170395 incorporating by reference the Second Amended and Restated Utilities System Revenue Bond Resolution adopted by the Issuer on September 21, 2017, as amended, as supplemented by Resolution No. 210089 adopted by the Issuer on June 17, 2021, as such Resolution may be hereafter by further supplemented and amended.

"Written Request" with respect to the Issuer means a request in writing signed by the General Manager, Chief Financial Officer or any other officer or official of the Issuer duly authorized by the Issuer to execute such request and satisfactory to the Escrow Agent.

SECTION 1.02. Uses of Phrases. Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Unless the context shall otherwise indicate, words importing the singular number shall include the plural number and vice versa. The word "person" shall include corporations, associations, natural persons and public bodies unless the context shall otherwise indicate. Reference to a person other than a natural person shall include its successors.

ARTICLE II

ESTABLISHMENT OF FUNDS; FLOW OF FUNDS

SECTION 2.01. Creation of Escrow Deposit Fund.

(a) There is hereby created and established with the Escrow Agent a special and irrevocable escrow fund designated the "Escrow Deposit Fund" to be held in the custody of the Escrow Agent separate and apart from other funds of the Issuer or of the Escrow Agent.

(b) Concurrently with the execution of this Agreement, the Issuer hereby deposits or has caused to be deposited with the Escrow Agent, and the Escrow Agent acknowledges receipt of, immediately available moneys in the amount of \$_____

from certain legally available funds of the Issuer [and \$ _____ from the debt service fund allocable to the Defeased Bonds, for a total of \$ _____ to be deposited in the Escrow Deposit Fund].

(c) The Escrow Funds deposited in the Escrow Deposit Fund pursuant to subsection (b) above shall be immediately invested by the Escrow Agent in the noncallable Government Obligations described in Schedule "A" hereto, except \$ _____ of the Escrow Funds shall be initially held uninvested as a cash balance and the Escrow Agent hereby acknowledges its receipt of such Government Obligations. The Issuer hereby represents and warrants that the Government Obligations described in Schedule "A" together with the earnings to be received thereon, and the initial cash balance, will provide sufficient funds to pay the principal of and interest on the Defeased Bonds as the same become due. The total aggregate receipts from such investments pursuant to Schedule "A" is shown on Schedule "B" attached hereto. The debt service on the Defeased Bonds is shown on Schedule "C" hereto.

SECTION 2.02. Irrevocable Escrow Created. Except as provided in Section 4.01 hereof with respect to certain amendments, the deposit of Escrow Funds in the Escrow Deposit Fund and the investments as described in Schedule "A" shall constitute an irrevocable escrow fund deposit of said moneys and Government Obligations for the benefit of the registered owners of the Defeased Bonds and such registered owners shall have an express lien on all moneys and the principal of and interest on all such Government Obligations and all cash balances therein, until used and applied according to this Escrow Deposit Agreement. Such moneys and investments, and the matured principal of the Government Obligations and the interest thereon, shall be held in escrow by the Escrow Agent in the Escrow Deposit Fund created hereunder for the benefit of the registered owners of the Defeased Bonds as herein provided, and shall be kept separate and distinct from all other funds of the Issuer and the Escrow Agent and used only for the purposes and in the manner provided in this Escrow Deposit Agreement.

SECTION 2.03. Purchase of Government Obligations. The Escrow Agent is hereby directed to immediately purchase the Government Obligations listed on Schedule "A" hereto solely from the moneys deposited in the Escrow Deposit Fund as hereinabove described and to retain the initial cash balance of \$ _____ uninvested in the Escrow Deposit Fund. Except as otherwise provided below, cash balances received from the Government Obligations as described in Schedule "A" as shown on Schedule "B" shall be held uninvested until applied in accordance with the terms hereof.

SECTION 2.04. Redemption of Bonds; Use of Moneys in the Escrow Deposit Fund.

(a) The Issuer hereby irrevocably instructs the Escrow Agent to file the defeasance notice substantially in the form attached hereto as Exhibit One and to

give the notice to the Holders of such Defeased Bonds, on or about the date hereof, by electronic delivery or first class mail, postage prepaid and is further instructed to file such notice of redemption, on the Municipal Securities Rulemaking Board's Electronic Municipal Market Access website. The Issuer hereby irrevocably instructs the Escrow Agent to instruct the Paying Agent to call the Defeased Bonds for redemption on the Redemption Date in accordance with the terms of the Resolution and to provide a timely notice of redemption in compliance with the requirements of the Resolution, substantially in the form attached hereto as Exhibit Two and is further instructed to file such notice of redemption, on the Municipal Securities Rulemaking Board's Electronic Municipal Market Access website.

(b) As any principal of and interest on the Government Obligations set forth in Schedule "A" shall mature and is received as shown on Schedule "B," the Escrow Agent shall no later than the principal and interest payment dates and the maturity date or earlier redemption date with respect to the Defeased Bonds (unless any such date shall not be a business day, in which case, the next succeeding date which is a business day), transfer from the Escrow Deposit Fund to the Paying Agent for the Defeased Bonds amounts sufficient to pay the principal of and interest on the Defeased Bonds on the next principal and interest payment date and maturity date or earlier redemption date, as shown on Schedule "C." Such amounts shall be applied by the Paying Agent to pay the principal of and interest on the Defeased Bonds. Except as otherwise provided herein, all cash balances remaining from time to time in the Escrow Deposit Fund, as described in Schedule "B," shall be held uninvested until needed for the purposes hereof.

(c) Any moneys remaining after payment in full of the Defeased Bonds shall also be transferred to the Issuer as contemplated in Section 2.06 below.

SECTION 2.05. Investment of Moneys remaining in Escrow Deposit Fund. The Escrow Agent shall have no power or duty to invest any moneys held hereunder or to make substitutions of the Government Obligations held hereunder or to sell, transfer or otherwise dispose of the Government Obligations acquired hereunder except as provided in this Agreement. At the Written Request of the Issuer, the Escrow Agent shall invest and reinvest any moneys remaining from time to time in the Escrow Deposit Fund until such time that they are needed in direct obligations of the United States of America maturing at such time and bearing interest at such rates as, in the opinion of Holland & Knight LLP or other nationally recognized bond counsel, based upon an independent verification by a nationally recognized independent certified public accounting firm (which such verification report shall also be delivered to the Escrow Agent), will not, under the statutes, rules and regulations then in force and applicable to the Defeased Bonds cause the interest on such Defeased Bonds not to be excludable from gross income for federal income tax purposes. The Escrow Agent will not make any investments or reinvestments not expressly contemplated herein and in the Schedules hereto without such an opinion and verification report. Any interest income resulting from reinvestment of moneys pursuant to this Section 2.05 shall be transferred to the Issuer, at the Written

Request of the Issuer, and used by the Issuer for any lawful purpose, unless the opinion referred to above shall dictate otherwise.

SECTION 2.06. Transfer of Funds after all Payments Required by this Agreement are Made. After all of the transfers by the Escrow Agent to the Paying Agent for payment of the principal of and interest on the Defeased Bonds on the final maturity date of the Defeased Bonds or earlier redemption have been made, all remaining moneys and Government Obligations, together with any income and interest thereon, in the Escrow Deposit Fund shall be transferred to the Issuer by the Escrow Agent pursuant to the Issuer's written direction and used by the Issuer for any lawful purpose which, in the opinion of Holland & Knight LLP or other nationally recognized bond counsel, will not cause the interest on the Defeased Bonds not to be excludable from gross income for federal income tax purposes and applied to the payment of Bonds (as defined in the Resolution); provided, however, that no such transfer (except transfers made in accordance with Sections 2.04(c), 2.05 and 4.01 hereof) to the Issuer shall be made until all of the principal of and interest, on the Defeased Bonds have been paid.

ARTICLE III

CONCERNING THE ESCROW AGENT

SECTION 3.01. Appointment of Escrow Agent. The Issuer hereby appoints U.S. Bank Trust Company, National Association, as Escrow Agent under this Agreement.

SECTION 3.02. Acceptance by Escrow Agent. By execution of this Agreement, the Escrow Agent accepts the duties and obligations as Escrow Agent hereunder for the fee set forth on Exhibit Two hereto. The Escrow Agent further represents that it has all requisite power, and has taken all corporate actions necessary to execute this Escrow Agreement. The Issuer shall pay the Escrow Agent's fees and expenses for services rendered hereunder described on Exhibit Two hereto and reasonable expenses from funds of the Issuer other than those held hereunder. If the Escrow Agent is required by a governmental agency or court proceeding initiated by a third party to undertake efforts beyond that which is set forth herein but related thereto (other than due to the Escrow Agent's negligence or willful misconduct), the Escrow Agent shall notify the Issuer of the same in writing and the Issuer shall promptly pay the Escrow Agent for such extraordinary fees, costs and expenses reasonably incurred in connection therewith. The Escrow Agent shall have no lien whatsoever upon any of the moneys or investments in either the Escrow Deposit Fund for the payment of fees and expenses for services rendered by the Escrow Agent under this Agreement. To the extent authorized under applicable law, the Issuer shall indemnify and hold harmless Escrow Agent and each director, officer, employee and affiliate of Escrow Agent (each, an "Indemnified Party") upon demand against any and all claims, actions and proceedings (whether asserted or commenced by Issuer or any other person or entity and whether or not valid), losses, damages,

liabilities, penalties, costs and expenses of any kind or nature (including without limitation reasonable attorneys' fees and costs incurred in the enforcement of Issuer's obligations hereunder) (collectively, "Losses") arising from this Agreement or Escrow Agent's actions hereunder, except to the extent such Losses are finally determined by a court of competent jurisdiction, which determination is not subject to appeal, to have been directly caused solely by the negligence or willful misconduct of such Indemnified Party.

SECTION 3.03. Liability of Escrow Agent. The Escrow Agent shall not be liable in connection with the performance of its duties hereunder except for its own negligence or willful misconduct. The Escrow Agent shall not be liable for any loss resulting from any investment made pursuant to the terms and provisions of this Agreement.

The Escrow Agent shall not be liable for the accuracy of the calculations as to the sufficiency of moneys and of the principal amount of the Government Obligations, and the earnings thereon to pay the Defeased Bonds. In the event of the Escrow Agent's failure to account for any of the Government Obligations, or moneys received by it hereunder, said Government Obligations, or moneys shall be and remain the property of the Issuer in escrow for payments of its obligations to the Holders of the Defeased Bonds, as herein provided.

SECTION 3.04. Permitted Acts. The Escrow Agent and its affiliates may become the owner of or may deal in any obligations of the Issuer described herein as fully and with the same rights as if it were not the Escrow Agent.

SECTION 3.05. Resignation of Escrow Agent. The Escrow Agent at the time acting hereunder may at any time resign and be discharged from the escrow hereby created by giving not less than sixty (60) days' advance written notice to the Issuer, but no such resignation shall take effect unless a successor Escrow Agent shall have been appointed by the Holders of the Defeased Bonds or by the Issuer or otherwise as hereinafter provided and such successor Escrow Agent shall have accepted such appointment, in which event such resignation shall take effect immediately upon the appointment and acceptance of a successor Escrow Agent, and the transfer to such successor Escrow Agent of the funds and accounts held by the Escrow Agent hereunder.

SECTION 3.06. Removal of Escrow Agent.

(a) The Escrow Agent may be removed by Issuer at any time if the Holders of a majority in aggregate principal amount of the Defeased Bonds then outstanding file a request for removal in writing with the Issuer, but the Escrow Agent shall remain in office until the appointment and taking office of a successor Escrow Agent in accordance with the provisions of this Agreement. A copy of such request shall be delivered by the Issuer to the Escrow Agent.

(b) The Escrow Agent may also be removed at any time for any violation of this Agreement either by the Issuer or by a court of competent jurisdiction upon the application of the Issuer or the Holders of not less than five percent (5%) in aggregate principal amount of the Defeased Bonds then outstanding.

(c) The Escrow Agent shall be deemed to have been removed if it is dissolved, becomes incapable of exercising the powers necessary to carry out its obligations hereunder or is taken over by any governmental action.

SECTION 3.07. Successor Escrow Agent.

(a) When the position of the Escrow Agent becomes or is about to become vacant, the Issuer shall appoint a successor Escrow Agent to fill such vacancy.

(b) If no appointment of a successor Escrow Agent shall be made pursuant to the foregoing provisions of this Section within sixty (60) days of (i) the date of the resignation of the Escrow Agent or (ii) the date the vacancy occurs, the Issuer shall, or the holder of any Defeased Bond then outstanding, or any Escrow Agent retiring or being removed from office may, apply to any court of competent jurisdiction to appoint a successor Escrow Agent. Upon the deposit by the retiring or removed Escrow Agent of all funds and securities held by it under the provisions hereof into the registry of such court, such retiring or removed Escrow Agent shall be relieved of all future duties hereunder.

SECTION 3.08. Receipt of Proceedings. Receipt of true and correct copies of the proceedings of the Issuer authorizing the issuance of the Defeased Bonds are hereby acknowledged by the Escrow Agent, and reference herein to or citation herein of any provision of said documents shall be deemed to incorporate the same as a part thereof in the same manner and with the same effect as if they were fully set forth herein but only to the extent that such incorporation shall be necessary to the performance by the Escrow Agent of its duties and obligations set forth herein. Except as otherwise provided in the preceding sentence, no such incorporation shall be deemed or construed to place upon the Escrow Agent any duties or obligations not otherwise expressly set forth herein.

SECTION 3.09. Responsibilities of Escrow Agent.

(a) The Escrow Agent and its respective successors, assigns, agents and servants shall not be held to any personal liability whatsoever, in tort, contract, or otherwise, in connection with the execution and delivery of this Agreement, the acceptance of the funds and securities deposited in the Escrow Deposit Fund, the purchase of the Government Obligations in accordance with the terms hereof, the establishment of the Escrow Deposit Fund, the retention of the Government Obligations or the proceeds thereof or any payment, transfer or other application of moneys or securities by the Escrow Agent in accordance with the provisions of this Agreement or by reason of any act, omission or error of the Escrow Agent made in good faith in the conduct of its duties except to the extent that a court of competent

jurisdiction determines that such act, omission or error constituted negligence or willful misconduct. In no event will Escrow Agent be liable for (i) acting in accordance with or conclusively relying upon any Written Request, instruction, notice, demand, certificate or document believed by Escrow Agent to have been created by or on behalf of the Issuer or (ii) incidental, indirect, special, consequential or punitive damages or penalties of any kind (including, but not limited to lost profits), provided, however, notwithstanding the foregoing does not limit liability for losses directly suffered by Holders of the Defeased Bonds to the extent solely caused by the negligence of the Escrow Agent that results in the interest on the Defeased Bonds to not be excludable from the gross income of the Holders thereof or amounts payable pursuant to a settlement agreement reasonably entered into by the Issuer with the Internal Revenue Service as a direct result of such negligence in order to preserve the excludability of interest income on Defeased Bonds for federal income tax purposes. The duties and obligations of the Escrow Agent shall be determined by the express provisions of this Agreement and no implied covenants or obligations should be read into this Agreement against the Escrow Agent. Escrow Agent has no fiduciary or discretionary duties of any kind. Escrow Agent's permissive rights will not be construed as duties.

(b) Whenever the Escrow Agent shall deem it necessary or desirable that a matter be proved or established prior to taking, suffering or omitting any action under this Agreement, such matter may be deemed to be conclusively established by a certificate signed by an authorized officer of the Issuer. The Escrow Agent may conclusively rely, as to the correctness of statements, conclusions and opinions therein, upon any certificate, report, opinion or other document furnished to the Escrow Agent pursuant to any provision of this Agreement; the Escrow Agent shall be fully protected and shall not be liable for acting or proceeding in good faith upon such reliance; and the Escrow Agent shall be under no duty to make any investigation or inquiry as to any statements contained or matters referred to in any such instrument. The Escrow Agent may consult with counsel, who may be counsel to the Issuer or independent counsel, with regard to legal questions, and the advice of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance herewith. The Escrow Agent may act through its agents and attorneys and shall not be responsible for any misconduct or negligence on the part of any such person so appointed with due care. Any payment obligation of the Escrow Agent hereunder shall be paid from, and is limited to funds available, established and maintained hereunder; the Escrow Agent shall not be required to expend its own funds for the performance of its duties hereunder.

ARTICLE IV

MISCELLANEOUS

SECTION 4.01. Amendments to this Agreement. This Agreement is made for the benefit of the Issuer and the Holders from time to time of the Defeased

Bonds. The Issuer warrants that it will take no action to repeal, revoke, alter or amend this Agreement without the written consent of all Holders of the Defeased Bonds and the Escrow Agent; provided, however, that the Issuer further warrants that the Issuer and the Escrow Agent may, without the consent of, or notice to, such Holders, enter into such agreements supplemental to this Agreement that, as the Issuer determines, shall not adversely affect the rights of such Holders and not be inconsistent with the terms and provisions of this Agreement, for any one or more of the following purposes:

- (a) to cure any ambiguity or formal defect or omission in this Agreement;
- (b) to grant to, or confer upon, the Escrow Agent for the benefit of the Holders of the Defeased Bonds, additional rights, remedies, powers or authority that may lawfully be granted to, or conferred upon, such Holders or the Escrow Agent; and
- (c) to subject to this Agreement additional funds, securities or properties.

The Escrow Agent shall be entitled to rely conclusively upon an unqualified opinion of Holland & Knight LLP or other nationally recognized attorneys on the subject of municipal bonds and the exclusion of the interest thereon from gross income for federal income tax purposes with respect to compliance with this Section, including the extent, if any, to which any change, modification, addition or elimination affects the rights of the Holders of the Defeased Bonds, or that any instrument executed hereunder complies with the conditions and provisions of this Section.

Notwithstanding the foregoing or any other provision of this Agreement, at the Written Request of the Issuer and upon compliance with the conditions hereinafter stated, the Escrow Agent shall have the power to and shall, in simultaneous transactions, sell, transfer, otherwise dispose of or request the redemption of the Government Obligations held hereunder and to substitute therefor noncallable direct obligations of, or obligations the principal of and interest on which is fully guaranteed by the United States of America, subject to the condition that such moneys or securities held by the Escrow Agent shall be sufficient to timely pay the principal of and interest on the Defeased Bonds in accordance with the schedules attached hereto. The Escrow Agent shall purchase such substituted securities with the proceeds derived from the maturity, sale, transfer, disposition or redemption of the Government Obligations held hereunder or from other moneys available in accordance with the written directions of the Issuer. The transactions may be effected only if there shall have been obtained: an independent verification by a nationally recognized independent certified public accounting firm acceptable to the Escrow Agent concerning the adequacy of such substituted securities with respect to principal and the interest thereon and any other moneys or securities held for such purpose to meet the principal and interest when due of the Defeased Bonds as contemplated by the schedules hereto.

If Schedules "D-1" and "D-2" have been attached hereto at the time of execution hereof, the noncallable Government Obligations described in Schedule "A" (the "Substituted Securities") have been provided to the Issuer by the supplier thereof (the "Supplier") under a contract pursuant to which (i) the Supplier may at any time substitute the Government Obligations listed in Schedule "D-1" (the "Original Securities"), for the Substituted Securities without cost or expense to either party and (ii) the Supplier is entitled to amounts received on the Substituted Securities in excess of the amounts that would have been received on the Original Securities, to the extent not needed to pay principal of and interest on the Defeased Bonds at the time and the manner contemplated by the terms of this Escrow Agreement. Under such circumstances, the Escrow Agent shall deliver to the Supplier amounts received on the Substituted Securities that, as certified by the Issuer to the Escrow Agent are in excess of the amounts that would have been received on the Original Securities, to the extent not needed to pay principal of and interest on the Defeased Bonds. In addition, if the Escrow Agent receives delivery from the Supplier of the Original Securities in substitution for the Substituted Securities, the Escrow Agent shall promptly deliver to the Supplier the Substituted Securities in exchange for the Original Securities without regard to the market value thereof at the time of substitution, provided that no payment of any principal of or interest on the Original Securities or the Substituted Securities has been made to the Escrow Agent. Immediately upon such substitution, Schedules "D-1" and "D-2" shall be substituted for Schedule "A" and "B," respectively, for all purposes hereof.

If securities are substituted pursuant to this Section 4.01, any surplus moneys resulting from the sale, transfer, other disposition or redemption of the Government Obligations held hereunder and the substitutions therefor of noncallable direct obligations of, or obligations the principal of and interest on which are fully guaranteed by, the United States of America, shall be released from the Escrow Deposit Fund and shall be transferred to the Issuer pursuant to the Issuer's written direction and may be used by the Issuer for any lawful purpose.

Prior to any repeal, revocation, alteration or amendment of this Agreement, the Issuer shall provide written notice of such proposed repeal, revocation, alteration or amendment, if the Defeased Bonds are then rated by Moody's Investors Service, Inc. ("Moody's") or Standard & Poor's Ratings Service ("S&P") or Fitch Ratings ("Fitch"), to Moody's, S&P and Fitch, as applicable, at the following addresses, respectively:

Moody's Investors Service, Inc.
99 Church Street
New York, New York 10007
Attn: Municipal Rating Desk/Defeased Bonds

Standard & Poor's Ratings Service
55 Water Street
New York, New York 10041

Fitch Ratings
One State Street Plaza
New York, New York 10004

SECTION 4.02. Severability. If any one or more of the covenants or agreements provided in this Agreement should be determined by a court of competent jurisdiction to be contrary to law, such covenant or agreement shall be deemed to be separate and shall in no way affect the validity of the remaining provisions of this Agreement.

SECTION 4.03. Agreement Binding. All the covenants, promises and agreements in this Agreement contained by or on behalf of the Issuer or by or on behalf of the Escrow Agent shall bind and inure to the benefit of their respective successors and assigns, and shall be for the benefit of the Holders of the Defeased Bonds, whether so expressed or not.

SECTION 4.04. Termination. This Agreement shall terminate when all transfers and payments required to be made by the Escrow Agent under the provisions hereof shall have been made.

SECTION 4.05. Governing Law. This Agreement shall be governed by the applicable laws of the State of Florida without regard to conflict of law principles.

SECTION 4.06. Execution by Counterparts. This Agreement may be executed in several counterparts, each of which shall be regarded for all purposes as an original, and all of which, together, shall constitute and be but one and the same instrument.

SECTION 4.07. Notices. All notices and communications required to be delivered pursuant to this Agreement shall be given in writing, or by telegram, telex, or cable or first class mail, postage prepaid, addressed to the following parties, at the following addresses:

The Issuer: City of Gainesville, Florida
200 East University Avenue, Suite 425
Gainesville, Florida 32601
Attention: City Attorney

The Escrow Agent: U.S. Bank Trust Company, National Association
225 Water Street, Suite 700
Jacksonville, Florida 32202
Attention: Corporate Trust Department

[Signature page follows]

IN WITNESS WHEREOF, the Issuer and the Escrow Agent have duly executed this Agreement as of the ____ day of _____, 2024.

CITY OF GAINESVILLE, FLORIDA

By: _____
Chief Financial Officer

Attested and countersigned:

By: _____
City Attorney

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, as Escrow Agent

By: _____
Authorized Signatory

#503629171_v2

EXHIBIT ONE

NOTICE OF PARTIAL DEFEASANCE

City of Gainesville, Florida
Utilities System Revenue Bonds,
2019 Series A

Notice is hereby given by the City of Gainesville, Florida (the "Issuer"), that a portion of the Issuer's outstanding Utilities System Revenue Bonds, 2019 Series A dated April 12, 2019 and maturing on October 1, 2047 described in the table below and applied to the Sinking Fund Installment on October 1, 2047 (the "Defeased Bonds"), have been defeased and are deemed to be paid pursuant to Section 1201 of Resolution No. 170395 incorporating by reference the Second Amended and Restated Utilities System Revenue Bond Resolution adopted by the Issuer on September 21, 2017, as amended and supplemented (collectively, the "Bond Resolution"). In accordance with Section 1201(3)(b) of the Bond Resolution, the Issuer has deposited with U.S. Bank Trust Company, National Association in an irrevocable escrow cash or federal securities, the principal of and interest on which will be sufficient to pay the principal of and interest due or to become due on the Defeased Bonds on or prior to their maturity or earlier redemption on October 1, 2029.

The maturity date, original principal amount, defeased principal amount, undefeased principal amount and CUSIP numbers for the original bonds, the Defeased Bonds and the undefeased bonds are as set forth below:

| Maturity Date (October 1) | Outstanding Principal Amount | Defeased Principal Amount | Undefeased Principal Amount | Interest Rate | Original CUSIP No. | Defeased CUSIP No. * | Undefeased CUSIP No.* |
|---------------------------|------------------------------|---------------------------|-----------------------------|---------------|--------------------|----------------------|-----------------------|
| 2047 | \$ _____ | \$ [] | \$ [] | 5.000% | 362848UQ4 | _____ | _____ |

This notice does not constitute a notice of redemption and no Defeased Bonds should be delivered to the Issuer or U.S. Bank Trust Company, National Association, as paying agent for the Defeased Bonds, as a result of this Notice.

Dated this ___ day of _____, 2024.

CITY OF GAINESVILLE, FLORIDA

* The CUSIP number is included solely for the convenience of the Bondholders. Neither City of Gainesville, Florida nor the Paying Agent shall be responsible for the selection or the use of the CUSIP number, nor is any representation made as to its correctness on the securities or as indicated on any notice.

EXHIBIT TWO

NOTICE OF PARTIAL REDEMPTION

City of Gainesville, Florida
Utilities System Revenue Bonds,
2019 Series A

Notice is hereby given to the holders of the outstanding City of Gainesville, Florida Utilities System Revenue Bonds, 2019 Series A, originally issued on and dated April 12, 2019, that a portion of said Bonds maturing on and after October 1, 2047 described in the table below (the "Refunded Bonds"), have been called for redemption prior to maturity, on October 1, 2029 (the "Redemption Date"), at a redemption price equal to 100% of the principal amount of each bond to be redeemed and without premium (the "Redemption Price"). The Issuer will apply the amount redeemed as a credit against the October 1, 2047 Sinking Fund Installment.

The Refunded Bonds are more particularly described below:

| Maturity Date (October 1) | Outstanding Principal Amount | Refunded Principal Amount | Non-Refunded Principal Amount | Interest Rate | Original CUSIP No. | Redeemed CUSIP No. * | Non-Redeemed CUSIP No.* |
|---------------------------|------------------------------|---------------------------|-------------------------------|---------------|--------------------|----------------------|-------------------------|
| 2047 | \$_____ | \$[___] | \$[___] | 5.000% | 362848UQ4 | _____ | _____ |

The Redemption Price of and accrued interest on such Refunded Bonds shall be due and payable on the Redemption Date, and on and after the Redemption Date, interest on the principal amount of Refunded Bonds called for redemption will cease to accrue.

Refunded Bonds held in book-entry form need not be presented. To receive payment of the redemption price for these Refunded Bonds, you must present your certificate(s) to us on or prior to the Redemption Date. The certificates should be delivered to the following address:

Delivery Instructions:
U.S. Bank Trust Company, National Association
Corporate Trust Services
111 Fillmore Avenue E
St. Paul, MN 55107
1-800-934-6802

Important: The provisions of the Jobs and Growth Tax Relief Reconciliation Act of 2003 (the "Act") require bondholders to submit their Taxpayer Identification Number, (either their social security or employer identification number, as

appropriate) to the Paying Agent with each bond presented for payment (whether by purchase or redemption). Failure to comply will subject the payment of the principal portion to the withholding of twenty-eight percent (28%) of such principal portion. To avoid being subject to such withholding, bondholders should submit an IRS Form W-9 at the time the Refunded Bonds are presented for payment. Form W-9 is available from your local bank or broker.

Dated this ___ day of _____, 2024.

U.S. BANK TRUST COMPANY,
NATIONAL ASSOCIATION, as
Paying Agent

EXHIBIT THREE
ESCROW AGENT FEE

SCHEDULE A
GOVERNMENT OBLIGATIONS

SCHEDULE B
TOTAL AGGREGATE RECEIPTS

SCHEDULE C
DEBT SERVICE ON DEFEASED BONDS

EXHIBIT B

POTENTIAL DEFEASED BONDS

| <u>Utility System Revenue Bonds</u> | <u>Maturity (October 1)</u> | <u>Currently Outstanding Principal Amount</u> |
|--|--|--|
| 2017 Series A | 2027 | \$16,495,000 |
| 2012 Series B | 2025 | 500,000 |
| 2012 Series B | 2027 | 3,370,000 |
| 2012 Series B | 2028 | 3,200,000 |
| 2012 Series B | 2029 | 3,080,000 |
| 2012 Series B | 2030 | 2,910,000 |

Potential Financing Activities



Overview

- GRU is executing financial transactions in the upcoming months
- These activities include transactions that:
 - Defeasance and/or redeem debt as dictated by existing agreements or approved policy positions;
 - Amend existing agreements to ensure consistency with market conditions; and
 - Capitalize on opportunities to generate debt service savings.
- In order to be as nimble as possible and allow us to take advantage of favorable market conditions, staff is bringing these potential transactions to the Authority under a single resolution and asking that the Authority provide the CEO and certain other authorized officers with the authority to execute any or all of these transactions within the prescribed execution parameters and timeframes.

Debt Defeasance and/or Redemption

- The agreement with the County for the sale of the Trunked Radio System (TRS) committed GRU to using the sales proceeds of \$8M to pay down outstanding debt related to TRS
- Pursuant to this commitment the proposed resolution authorizes GRU to defease and/or redeem the portions of the following outstanding debt series attributable to TRS, totaling ~ \$8M: 2014B, 2019A, 2019C, 2020A, 2022A, and 2022B
- In addition the resolution authorizes the County and the Authority to amend or waive tax covenants in the TRS Agreement related to private business use or private ownership of the TRS

Debt Defeasance and/or Redemption (continued)

- GRU's debt reduction plan utilizes funds from the following sources to defease and/or redeem debt as part of the plan to reduce net debt outstanding by ~\$395M over the next decade
 - GFT reductions
 - Excess reserves generated from electric & wastewater system increases from FY22 – FY24
 - Budget cuts committed to as part of the FY24 budget process
- The resolution authorizes the use of the funds identified from these strategies to provide for the redemption or defeasance of up to \$30M of certain maturities of the following outstanding bond series
 - Electric System – 2017A
 - Water, Wastewater & GRUCom Systems - 2012B

Debt Defeasance and/or Redemption (continued)

| | FY24 Budgeted Debt Reduction Per Debt Reduction Plan | FY24 Projected Debt Reduction |
|---|---|-------------------------------|
| Scheduled Principal Paydowns - Existing Debt | 35,340,000 | 35,340,000 |
| Debt Defeasance - Debt Reduction Plan Resources | 26,693,011 | 29,555,000 |
| Debt Defeasance - Trunked Radio System | - | 8,050,000 |
| Remaining Outstanding principal - 2005 Series C | - | 3,090,000 |
| Remaining Outstanding principal - 2006 Series A | - | 2,985,000 |
| Total | 62,033,011 | 79,020,000 |

| Projected Change in Debt to Capitalization Ratio | |
|---|--------|
| FYE 23 | 86.14% |
| Projected FYE24 | 84.04% |

Amending/ Modifying Existing Agreements

- GRU maintains a credit facility with Bank of America which provides credit and liquidity support for our outstanding 2019 Series C variable rate bonds
- Drawdowns under the facility are subject to the variable interest rate index known as the Bloomberg Short-Term Bank Yield Index (BSBY)
- The administrator of BSBY has announced it will no longer support the BSBY index after November 15, 2024
- The resolution authorizes GRU to work with Bank of America to amend the facility to provide for an alternative index

Amending/ Modifying Existing Agreements

- On December 6, 2023 the prior GRU Authority adopted Resolution 2023-1148 approving the extension of certain of GRU's outstanding revolving lines of credit:
 - 2018 Series A with Truist Bank expiring November 30, 2024
 - 2019 Series C with Bank of America expiring April 25, 2025
 - 2020 Series A with Truist Bank expiring November 30, 2024
 - 2022 Series A and 2022 Series B with US Bank expiring April 29, 2025
- The proposed resolution:
 - Ratifies and approves the original adoption of Resolution 2023-1148
 - Delegates authority to the CEO or Chief Financial Officer to:
 - Amend and/or extend the existing agreements
 - Draw on the 2022 Series A and 2022 Series B revolving lines of credit for funding of certain emergency expenses in a principal amount not to exceed \$75M outstanding at any time

Debt Service Savings Opportunities

- The proposed resolution authorizes GRU to enter into a forward starting swap on GRU's outstanding 2017 Series A bonds. The forward starting swap is a method to lock in existing interest rates (2024) until the refunding transaction qualifies as a current refunding (in 2027)
- As the effective date of the swap transaction approaches in 2027, GRU will have the option to either:
 - Keep the swap in place and issue variable rate debt to refund the fixed rate 2017 Series A bonds or
 - Terminate the swap and issue new fixed rate debt to refund the bonds
- The transaction is subject to the following execution parameters:
 - NPV savings from the transaction shall be no less than 5.00% of the par amount of the bonds refunded
 - The trade date shall be on or before August 30, 2025

Summary – Potential Defeased Bonds

| TRS RELATED BONDS | | |
|-------------------|-------------------------|-----------|
| SERIES | MATURITY (OCTOBER 1) | PRINCIPAL |
| 2014 B | 2036 | 250,000 |
| 2019 A | 2047 | 700,000 |
| 2019 C | 2047 | 600,000 |
| 2020 A | 2034 | 250,000 |
| 2022 A | 2028 | 1,480,000 |
| 2022 B | 2038 | 4,770,000 |

| OTHER POTENTIAL DEFEASED BONDS | | |
|--------------------------------|-------------------------|------------|
| SERIES | MATURITY (OCTOBER 1) | PRINCIPAL |
| 2017 A | 2027 | 16,495,000 |
| 2012 B | 2025 | 500,000 |
| 2012 B | 2027 | 3,370,000 |
| 2012 B | 2028 | 3,200,000 |
| 2012 B | 2029 | 3,080,000 |
| 2012 B | 2030 | 2,910,000 |

| FY24 Budgeted Debt Reduction | | |
|---|-------------------------|-------------------------------|
| | Per Debt Reduction Plan | FY24 Projected Debt Reduction |
| Scheduled Principal Paydowns - Existing Debt | 35,340,000 | 35,340,000 |
| Debt Defeasance - Debt Reduction Plan Resources | 26,693,011 | 29,555,000 |
| Debt Defeasance - Trunked Radio System | - | 8,050,000 |
| Remaining Outstanding principal - 2005 Series C | - | 3,090,000 |
| Remaining Outstanding principal - 2006 Series A | - | 2,985,000 |
| Total | 62,033,011 | 79,020,000 |

| Projected Change in Debt to Capitalization Ratio | |
|---|--------|
| FYE 23 | 86.14% |
| Projected FYE24 | 84.04% |

RECOMMENDATION

The GRU Authority (1) Adopt the proposed resolution and (2) Authorize the CEO or certain other Authorized Officers to negotiate and execute the listed transactions within the prescribed execution parameters and timeframes



**Gainesville Regional Utilities Authority
Agenda Item Report**

File Number: 2024-593

Agenda Date: August 7, 2024

Department: Gainesville Regional Utilities

Title: 2024-593 Financial Update: October 1, 2023 through June 30, 2024 (B)

Department: Gainesville Regional Utilities Budget, Finance, and Accounting

Description: This is an information item related to a summary of the budget vs actual results for FY2024 through June 30, 2024. This summary outlines budget to actual financial results as of June 30, 2024 as well as actual expense trend information for June 30, 2022 and June 30, 2023.

Fiscal Note: No fiscal impact.

Recommendation: Informational only.

Gainesville Regional Utilities

Financial Update

October 1, 2023 through June 30, 2024



Financial Update Summary

- As of June 30, 2024 actual financial results are tracking closely to budget

| COMBINED SYSTEM REVENUE & EXPENSE AS OF 6/30/24 | |
|---|---------------------------------|
| | % Actual Over (Under) Budget |
| Revenue Net of Fuel | 1.54% |
| Expense Net of Fuel & Depreciation | (3.40%) |

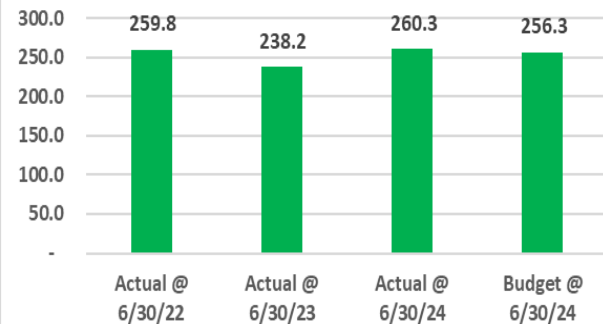
| UNIT SALES AS OF 6/30/24 | |
|---------------------------------|---------------------------------|
| | % Actual Over (Under) Budget |
| Retail Electric MWH sales | (0.64%) |
| Water System Kgal sales | 0.61% |
| Wastewater System Kgal billings | 1.01% |
| Gas System Therm sales | 1.13% |

- FY24 profits have increased as planned compared to prior years
 - Driven in large part by GFT reductions
 - Increase in profits utilized to fund increase in debt defeased
- Anomalies in GRUCom financials at 6/30/24 result from sale of Trunked Radio System
 - Reduced revenue & operating expense numbers
 - Increased non-operating revenue numbers from gain on sale of Trunked Radio System assets

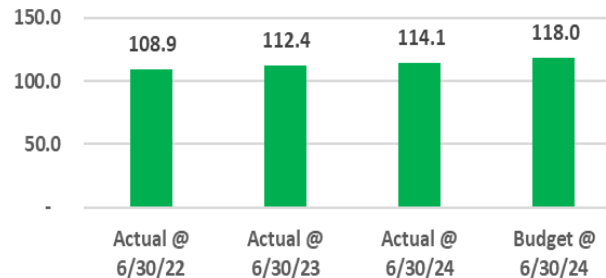
Combined Systems

| | Actual @ 6/30/22 | Actual @ 6/30/23 | Actual @ 6/30/24 | Budget @ 6/30/24 | Favorable (Unfavorable) | % Difference |
|---|---------------------|---------------------|---------------------|---------------------|----------------------------|-----------------|
| Revenue Net of Fuel | 259,843,428 | 238,168,236 | 260,333,788 | 256,332,510 | 4,001,278 | 1.54% |
| Fuel | 98,699,340 | 89,753,479 | 65,675,266 | 75,940,362 | (10,265,096) | -15.63% |
| Total Operating Revenue | 358,542,768 | 327,921,715 | 326,009,054 | 332,272,872 | (6,263,818) | |
| Expense Net of Fuel & Depreciation | 108,931,314 | 112,415,173 | 114,112,709 | 117,993,148 | 3,880,439 | 3.40% |
| Fuel | 98,699,340 | 89,753,479 | 65,675,266 | 75,940,362 | 10,265,096 | 15.63% |
| Depreciation | 76,877,630 | 76,866,990 | 79,337,419 | 79,337,419 | - | 0.00% |
| Total Operating Expense | 284,508,284 | 279,035,642 | 259,125,394 | 273,270,929 | 14,145,535 | |
| Operating Income | 74,034,484 | 48,886,073 | 66,883,660 | 59,001,943 | 7,881,717 | |
| Non-operating Expense | 48,566,259 | 39,016,725 | 35,775,415 | 35,775,415 | - | 0.00% |
| Income Before Capital Contributions & Transfers (Profit) | 25,468,225 | 9,869,348 | 31,108,245 | 23,226,528 | 7,881,717 | |
| GFT | 27,212,250 | 25,712,250 | 11,478,919 | 11,478,919 | - | 0.00% |
| Surplus (Deficit) After GFT | (1,744,025) | (15,842,902) | 19,629,326 | 11,747,609 | 7,881,717 | |

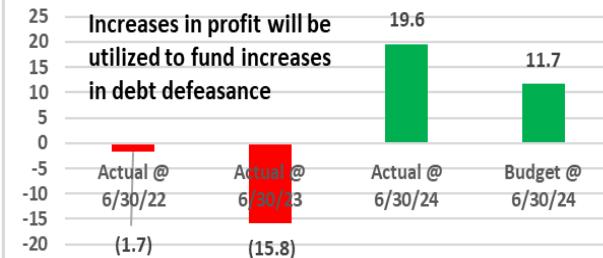
Revenue Net of Fuel (Millions)

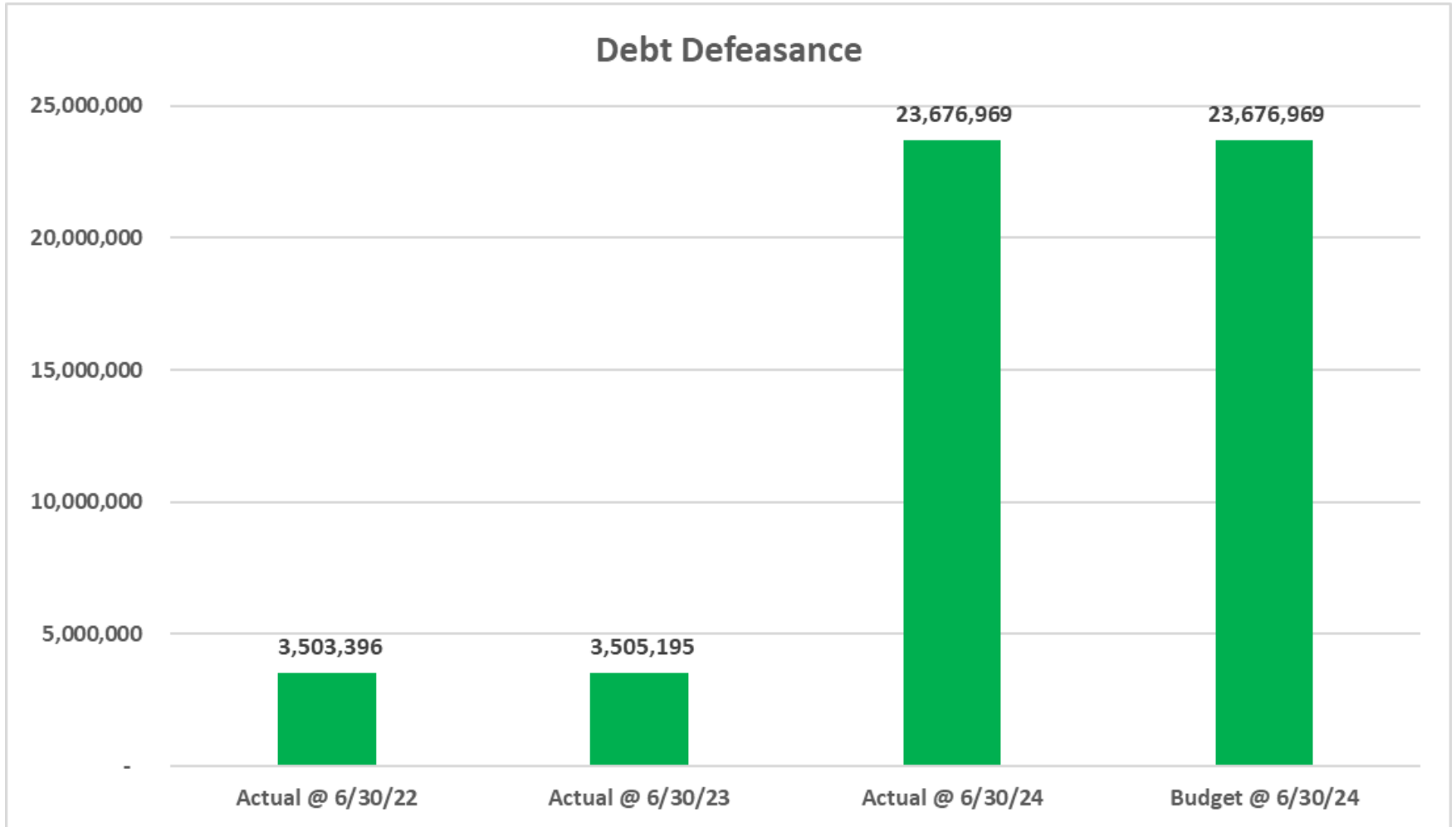


Expense Net of Fuel & Depreciation (Millions)



Surplus (Deficit) After GFT (Millions)





| | Actual @ 6/30/22 | Actual @ 6/30/23 | Actual @ 6/30/24 | Budget @ 6/30/24 | Favorable (Unfavorable) | % Difference |
|--|---------------------|---------------------|---------------------|---------------------|----------------------------|-----------------|
| Revenue Net of Fuel | 165,945,207 | 151,034,558 | 165,354,803 | 155,823,657 | 9,531,146 | 5.76% |
| Fuel | 86,409,605 | 78,817,204 | 57,708,495 | 66,095,384 | (8,386,889) | -14.53% |
| Total Operating Revenue | 252,354,812 | 229,851,762 | 223,063,298 | 221,919,041 | 1,144,257 | |
| Expense Net of Fuel & Depreciation | 69,158,271 | 66,665,903 | 69,160,606 | 71,321,026 | 2,160,420 | 3.12% |
| Fuel | 86,409,605 | 78,817,204 | 57,708,495 | 66,095,384 | 8,386,889 | 14.53% |
| Depreciation | 49,696,527 | 51,577,204 | 53,201,136 | 53,201,136 | - | 0.00% |
| Total Operating Expense | 205,264,403 | 197,060,311 | 180,070,237 | 190,617,546 | 10,547,309 | |
| Operating Income | 47,090,409 | 32,791,451 | 42,993,061 | 31,301,495 | 11,691,566 | |
| Non-operating Expense | 30,983,946 | 26,493,016 | 28,455,722 | 28,455,722 | - | 0.00% |
| Income Before Capital Contributions & Transfers (Profit) | 16,106,463 | 6,298,435 | 14,537,339 | 2,845,773 | 11,691,566 | |
| GFT | 17,541,277 | 16,733,532 | 7,142,458 | 7,142,458 | - | 0.00% |
| Surplus (Deficit) After GFT | (1,434,814) | (10,435,097) | 7,394,881 | (4,296,685) | 11,691,566 | |

| Retail MWH Sales through June | | | | |
|-------------------------------|--------------------|--------------------|------------------|---------------|
| Category | Budget | Actual | Difference | % Difference |
| Residential | 576,209.6 | 573,631.3 | (2,578.3) | -0.45% |
| GSN | 131,170.5 | 130,307.0 | (863.5) | -0.66% |
| GSD | 418,980.6 | 417,926.8 | (1,053.8) | -0.25% |
| Large Power | 125,631.6 | 121,858.2 | (3,773.4) | -3.00% |
| Other* | 11,974.5 | 12,185.1 | 210.6 | 1.76% |
| Total | 1,263,966.8 | 1,255,908.4 | (8,058.4) | -0.64% |

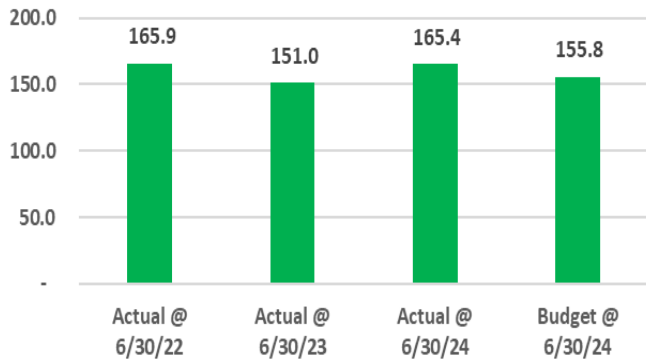
*Other = traffic signals, street lighting & rental lighting

| Heating Degree Days through June | | | |
|----------------------------------|--------|------------|--------------|
| Average | Actual | Difference | % Difference |
| 1,086 | 875 | (211) | -19.43% |

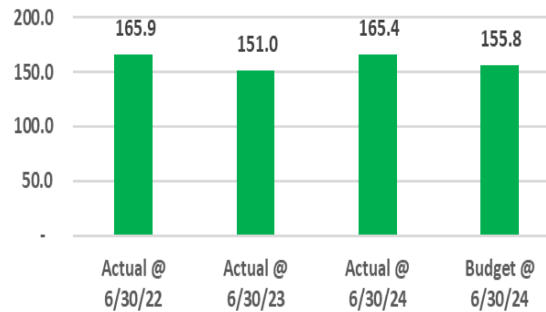
| Cooling Degree Days through June | | | |
|----------------------------------|--------|------------|--------------|
| Average | Actual | Difference | % Difference |
| 1,383 | 1,482 | 99 | 7.16% |

Every degree that avg. daily temperature > 65 = one cooling degree day
 Every degree that avg. daily temperature < 65 = one heating degree day

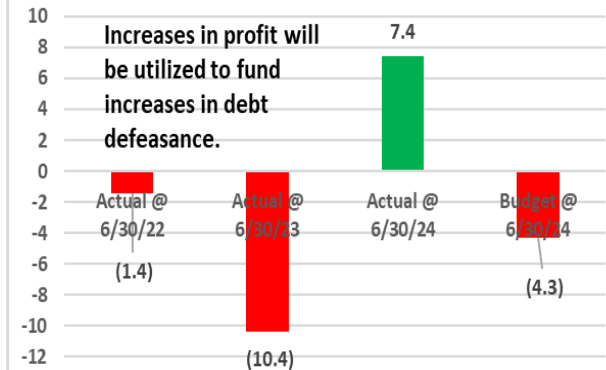
Revenue Net of Fuel (Millions)



Expense Net of Fuel & Depreciation (Millions)



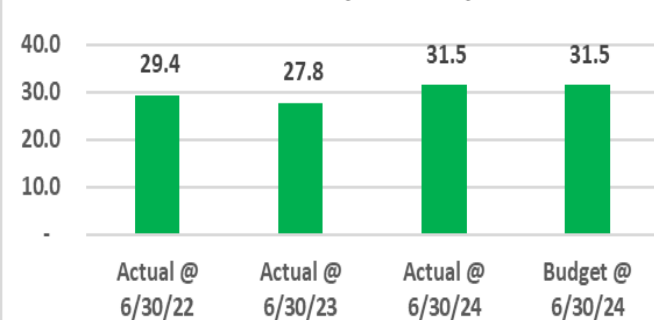
Surplus (Deficit) After GFT (Millions)



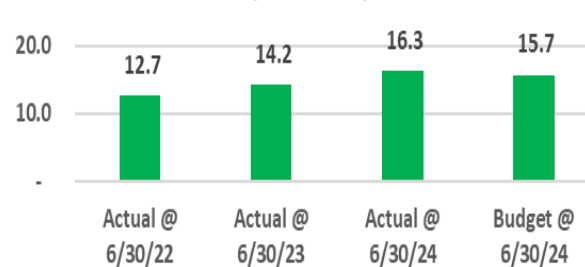
Water System

| | Actual | Actual | Actual | Budget | Favorable | % | Kgal Sales through June | | | | |
|--|-------------|-------------|------------|------------|---------------|------------|--|-------------|-------------|--------------|--------------|
| | @ 6/30/22 | @ 6/30/23 | @ 6/30/24 | @ 6/30/24 | (Unfavorable) | Difference | Category | Budget | Actual | Difference | % Difference |
| Revenue | 29,434,202 | 27,838,191 | 31,537,240 | 31,520,874 | 16,366 | 0.05% | Residential | 3,264,621.0 | 3,205,607.0 | (59,014.0) | -1.81% |
| Total Operating Revenue | 29,434,202 | 27,838,191 | 31,537,240 | 31,520,874 | 16,366 | | Commercial | 1,561,988.0 | 1,613,924.0 | 51,936.0 | 3.32% |
| Expense Net of Depreciation | 12,680,845 | 14,221,862 | 16,297,843 | 15,697,364 | (600,479) | -3.68% | UF | 570,784.0 | 610,884.0 | 40,100.0 | 7.03% |
| Depreciation | 9,049,050 | 8,649,147 | 9,207,498 | 9,207,498 | - | 0.00% | Total | 5,397,393.0 | 5,430,415.0 | 33,022.0 | 0.61% |
| Total Operating Expense | 21,729,895 | 22,871,009 | 25,505,341 | 24,904,862 | (600,479) | | Rainfall through June (Inches) | | | | |
| Operating Income | 7,704,307 | 4,967,182 | 6,031,899 | 6,616,012 | (584,113) | | Average | Actual | Difference | % Difference | |
| Non-operating Expense | 5,850,113 | 3,667,662 | 3,902,403 | 3,902,403 | - | 0.00% | 30.38 | 32.75 | 2.37 | 7.80% | |
| Income Before Capital Contributions & Transfers (Profit) | 1,854,194 | 1,299,520 | 2,129,496 | 2,713,609 | (584,113) | | Rainfall March through May (Inches) | | | | |
| GFT | 3,319,663 | 3,034,046 | 1,493,568 | 1,493,568 | - | 0.00% | Average | Actual | Difference | % Difference | |
| Surplus (Deficit) After GFT | (1,465,469) | (1,734,526) | 635,928 | 1,220,041 | (584,113) | | 9.58 | 7.92 | (1.66) | -17.33% | |

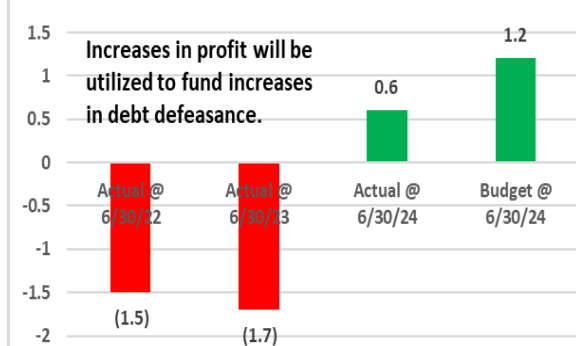
Revenue (Millions)



Expense Net of Depreciation (Millions)



Surplus (Deficit) After GFT (Millions)



Wastewater System

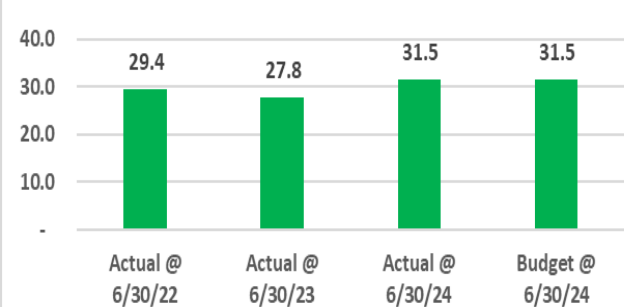
| | Actual @ 6/30/22 | Actual @ 6/30/23 | Actual @ 6/30/24 | Budget @ 6/30/24 | Favorable (Unfavorable) | % Difference |
|--|---------------------|---------------------|---------------------|---------------------|----------------------------|-----------------|
| Revenue | 41,254,658 | 37,771,949 | 43,601,357 | 44,893,351 | (1,291,994) | -2.96% |
| Total Operating Revenue | 41,254,658 | 37,771,949 | 43,601,357 | 44,893,351 | (1,291,994) | |
| Expense Net of Depreciation | 15,576,876 | 18,089,352 | 17,421,730 | 17,647,357 | 225,627 | 1.30% |
| Depreciation | 12,621,980 | 11,220,273 | 11,753,465 | 11,753,465 | - | 0.00% |
| Total Operating Expense | 28,198,856 | 29,309,625 | 29,175,195 | 29,400,822 | 225,627 | |
| Operating Income | 13,055,802 | 8,462,324 | 14,426,162 | 15,492,529 | (1,066,367) | |
| Non-operating Expense | 7,872,013 | 5,304,168 | 4,877,358 | 4,877,358 | - | 0.00% |
| Income Before Capital Contributions & Transfers (Profit) | 5,183,789 | 3,158,156 | 9,548,804 | 10,615,171 | (1,066,367) | |
| GFT | 4,010,101 | 3,630,570 | 1,842,688 | 1,842,688 | - | 0.00% |
| Surplus (Deficit) After GFT | 1,173,688 | (472,414) | 7,706,116 | 8,772,483 | (1,066,367) | |

| Kgals Billed through June | | | | |
|---------------------------|-------------|-------------|------------|--------------|
| Category | Budget | Actual | Difference | % Difference |
| Residential | 2,681,646.0 | 2,638,269.0 | (43,377.0) | -1.62% |
| Commercial | 1,169,934.0 | 1,252,393.0 | 82,459.0 | 7.05% |
| Total | 3,851,580.0 | 3,890,662.0 | 39,082.0 | 1.01% |

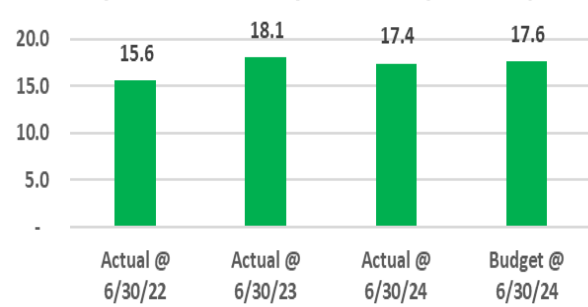
| Rainfall through June (Inches) | | | |
|--------------------------------|--------|------------|--------------|
| Average | Actual | Difference | % Difference |
| 30.38 | 32.75 | 2.37 | 7.80% |

| Rainfall March through May (Inches) | | | |
|-------------------------------------|--------|------------|--------------|
| Average | Actual | Difference | % Difference |
| 9.58 | 7.92 | (1.66) | -17.33% |

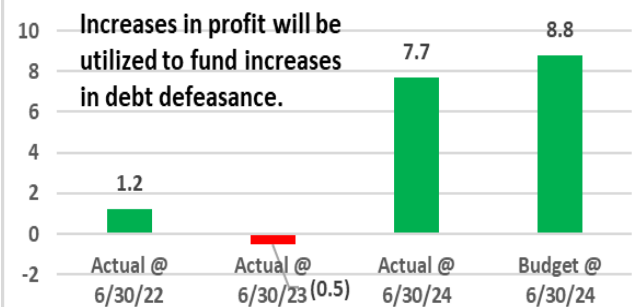
Revenue (Millions)



Expense Net of Depreciation (Millions)



Surplus (Deficit) After GFT (Millions)



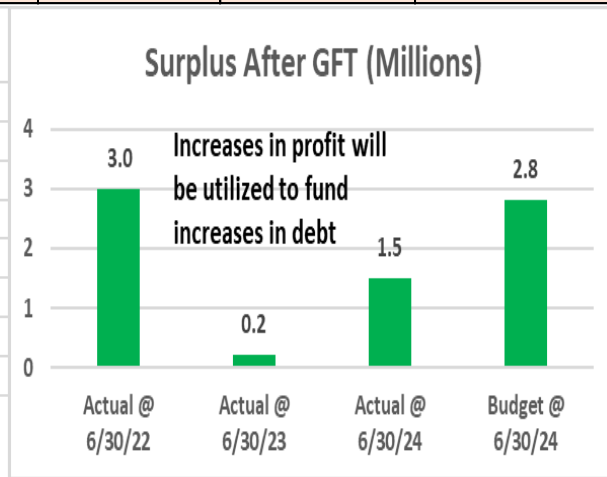
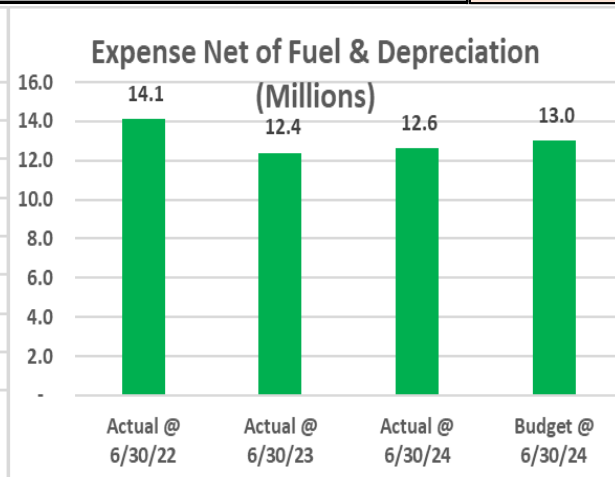
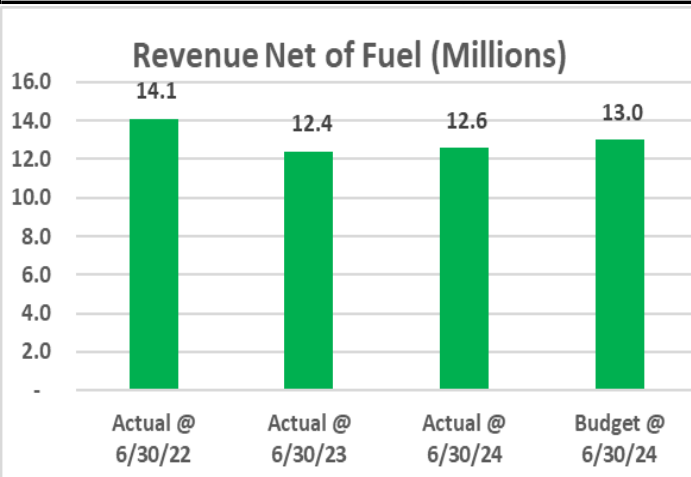
Gas System

| | Actual @ 6/30/22 | Actual @ 6/30/23 | Actual @ 6/30/24 | Budget @ 6/30/24 | Favorable (Unfavorable) | % Difference |
|--|---------------------|---------------------|---------------------|---------------------|----------------------------|-----------------|
| Revenue Net of Fuel | 14,077,823 | 12,362,998 | 12,620,960 | 12,985,747 | (364,787) | -2.89% |
| Fuel | 12,289,735 | 10,936,275 | 7,966,771 | 9,844,978 | (1,878,207) | -23.58% |
| Total Operating Revenue | 26,367,558 | 23,299,273 | 20,587,731 | 22,830,725 | (2,242,994) | |
| Expense Net of Fuel & Depreciation | 4,663,938 | 5,853,789 | 5,393,948 | 4,526,114 | (867,834) | -16.09% |
| Fuel | 12,289,735 | 10,936,275 | 7,966,771 | 9,844,978 | 1,878,207 | 23.58% |
| Depreciation | 2,992,206 | 2,995,843 | 3,130,393 | 3,130,393 | - | 0.00% |
| Total Operating Expense | 19,945,879 | 19,785,907 | 16,491,112 | 17,501,485 | 1,010,373 | |
| Operating Income | 6,421,679 | 3,513,366 | 4,096,619 | 5,329,240 | (1,232,621) | |
| Non-operating Expense | 2,091,328 | 1,957,084 | 1,976,368 | 1,976,368 | - | 0.00% |
| Income Before Capital Contributions & Transfers (Profit) | 4,330,351 | 1,556,282 | 2,120,251 | 3,352,872 | (1,232,621) | |
| GFT | 1,349,848 | 1,373,034 | 572,649 | 572,649 | - | 0.00% |
| Surplus After GFT | 2,980,503 | 183,248 | 1,547,602 | 2,780,223 | (1,232,621) | |

| Therm Sales through May | | | | |
|-------------------------|---------------------|---------------------|------------------|--------------|
| Category | Budget | Actual | Difference | % Difference |
| Residential | 6,928,520.0 | 6,766,308.0 | (162,212.0) | -2.34% |
| Commercial | 7,238,530.0 | 7,179,268.0 | (59,262.0) | -0.82% |
| Old Interruptible | 225,252.0 | 280,312.0 | 55,060.0 | 24.44% |
| New LVS | 3,674,250.0 | 4,044,184.0 | 369,934.0 | 10.07% |
| Total | 18,066,552.0 | 18,270,072.0 | 203,520.0 | 1.13% |

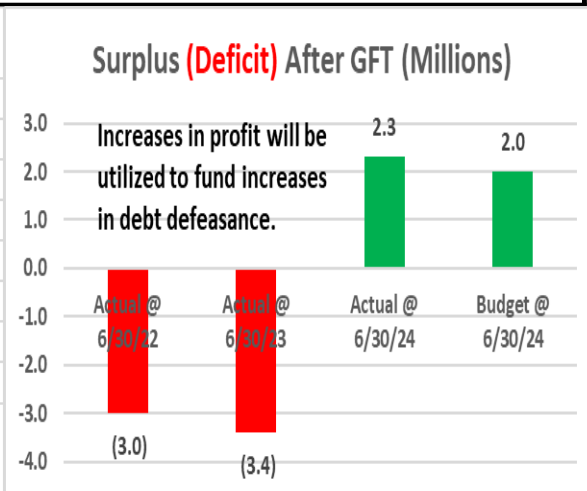
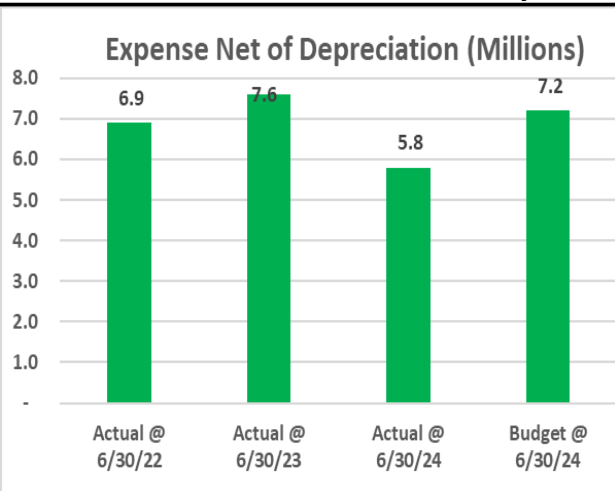
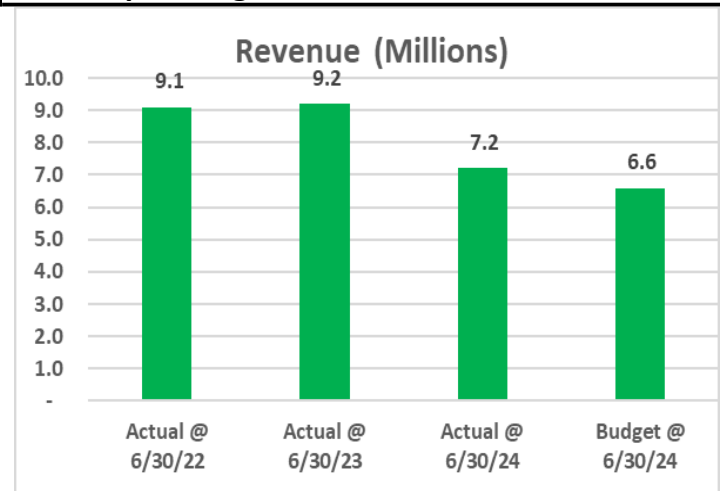
| Heating Degree Days through June | | | |
|----------------------------------|--------|------------|--------------|
| Average | Actual | Difference | % Difference |
| 1,086 | 875 | (211) | -19.43% |

| Cooling Degree Days through May | | | |
|---------------------------------|--------|------------|--------------|
| Average | Actual | Difference | % Difference |
| 1,383 | 1,482 | 99 | 7.16% |



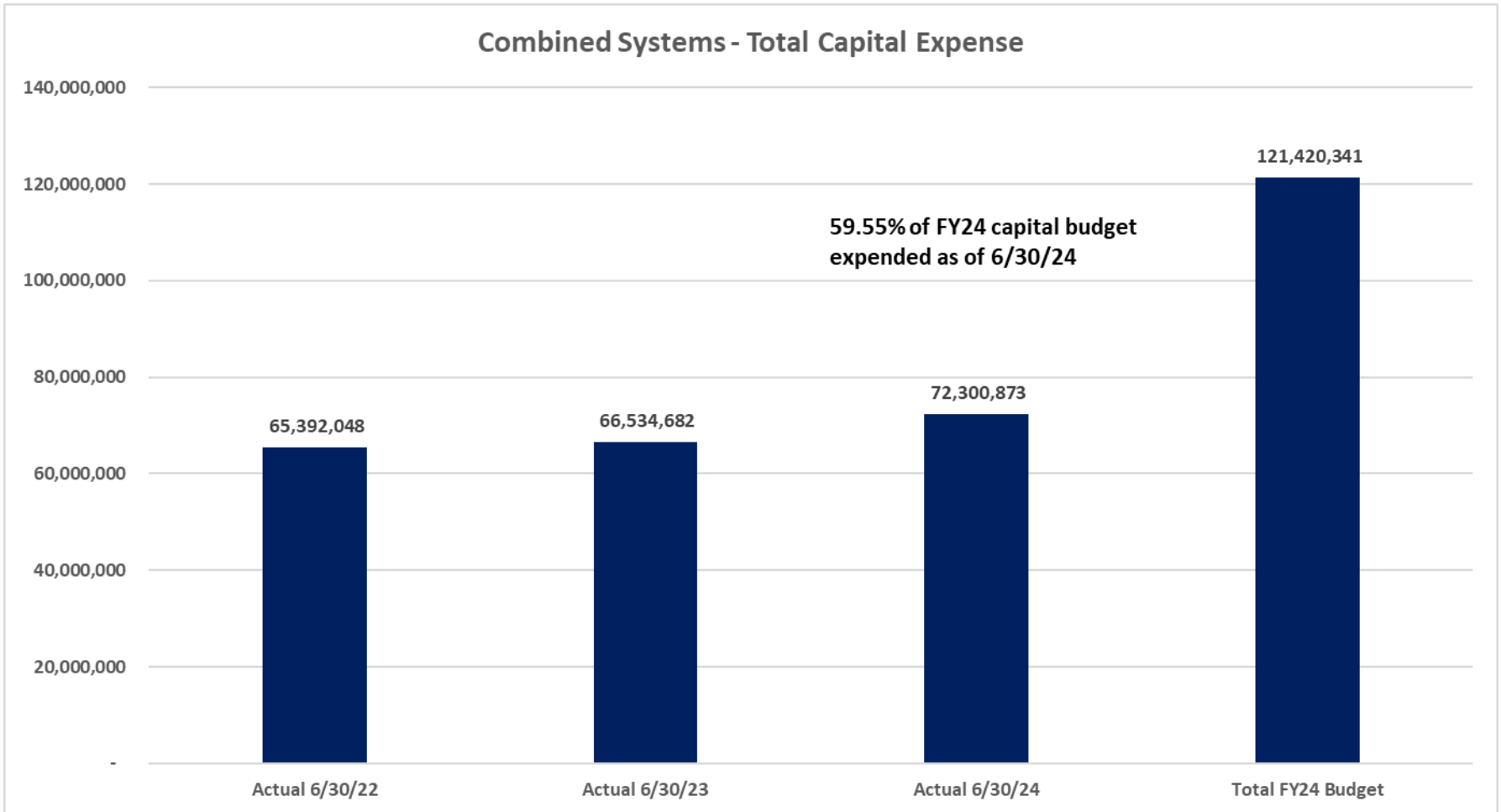
| | Actual @ 6/30/22 | Actual @ 6/30/23 | Actual @ 6/30/24 | Budget @ 6/30/24 | Favorable (Unfavorable) | % Difference |
|--|---------------------|---------------------|---------------------|---------------------|----------------------------|-----------------|
| Revenue | 9,131,538 | 9,160,540 | 7,219,428 | 6,555,056 | 664,372 | 9.20% |
| Total Operating Revenue | 9,131,538 | 9,160,540 | 7,219,428 | 6,555,056 | 664,372 | |
| Expense Net of Depreciation | 6,851,384 | 7,584,267 | 5,838,582 | 7,162,314 | 1,323,732 | 22.67% |
| Depreciation | 2,517,867 | 2,424,523 | 2,044,927 | 2,044,927 | - | 0.00% |
| Total Operating Expense | 9,369,251 | 10,008,790 | 7,883,509 | 9,207,241 | 1,323,732 | |
| Operating Income | (237,713) | (848,250) | (664,081) | (2,652,185) | 1,988,104 | |
| Non-operating Expense (Income)* | 1,768,859 | 1,594,795 | (3,436,436) | (3,436,436) | - | 0.00% |
| Income Before Capital Contributions & Transfers (Profit) | (2,006,572) | (2,443,045) | 2,772,355 | 784,251 | 1,988,104 | |
| GFT | 991,361 | 941,068 | 427,556 | 427,556 | - | 0.00% |
| Surplus (Deficit) After GFT | (2,997,933) | (3,384,113) | 2,344,799 | 356,695 | 1,988,104 | |

* Non-operating income in FY24 due to \$5.03M Gain on Sale of the Trunked Radio System assets



Combined System Capital Expense

Combined Systems - Total Capital Expense



59.55% of FY24 capital budget
expended as of 6/30/24



**Gainesville Regional Utilities Authority
Agenda Item Report**

File Number: 2024-599

Agenda Date: August 7, 2024

Department: Gainesville Regional Utilities

Title: 2024-599 GRUA's Opinion Request to Florida's Attorney General (B)

Department: Gainesville Regional Utilities/CEO's Office

Description: Florida law authorizes public bodies to request guidance from the Attorney General on questions of state law. Consistent with past board discussion, the proposed request to the Florida Attorney General for guidance relates to the impact of the pending city referendum on the legislatively granted powers to the GRUA and ability of the GRUA to engage an independent legal general counsel pursuant to its legislatively granted powers to manage operated and control the utilities.

Fiscal Note: None at this time.

Recommendation: The GRU Authority authorize the Chair to execute the attached letter requesting an opinion from the Florida Attorney General along with all needed administrative forms.

GAINESVILLE REGIONAL UTILITIES AUTHORITY

301 SE 4th Avenue
Gainesville, Florida 32601

August 7, 2024

The Honorable Ashley Moody
Attorney General of the State of Florida
The Department of Legal Affairs
The Capitol PL01
Tallahassee, FL 32399-1050

RE: **Request for Attorney General Opinion**

Dear Attorney General Moody,

Pursuant to Section 16.01(3), Florida Statutes, and the authorizing vote of the Gainesville Regional Utilities Authority ("GRUA"), a regional utilities authority created by Chapter 2023-348, Laws of Florida, at a public meeting on August 7, 2024, we are requesting your opinion on the following questions of state law:

- **Question 1: Can a Special Act of the Legislature, specifically Chapter 2023-348, Laws of Florida, granting special powers and extraterritorial power, be repealed via a city charter amendment only voted on by city voters?**
- **Question 2: Pursuant to Chapter 2023-348, Laws of Florida, is GRUA authorized to hire an independent legal general counsel for all Authority operations?**

We have enclosed a description of facts and circumstance including the basis for our request, along with analysis of the questions for your consideration. We have also included an executed Certification as required and due to the nature of the questions the GRUA is submitting this request directly and not through legal counsel. If you have any questions we can answer, please contact our Chief Executive Officer, Ed Bielarski, at (352) 393-1019.

We ask for expedited review of this request, given the immediate impact on operations of the GRUA and the City scheduling of a charter amendment vote for the November 2024 ballot. Thank you for your consideration and all you do for the citizens of Alachua County and the rest of the State of Florida.

Sincerely,

GAINESVILLE REGIONAL UTILITIES AUTHORITY
BY:

Eric Lawson
Chair, Gainesville Regional Utilities Authority
Appointed by Governor DeSantis on May 16, 2024

GAINESVILLE REGIONAL UTILITIES AUTHORITY
Description of Facts and Circumstances

Basis for Making Request

- These questions solely relate to questions of state law, specifically in reference to Chapter 2023-348, Laws of Florida, which amends Chapter 12760, Laws of Florida (1927), as amended by Chapter 90-394, Laws of Florida (the “Special Act”).
- That Special Act created the Gainesville Regional Utilities Authority (“GRUA”) to govern the utilities system owned by the City of Gainesville.
- Pursuant to the Special Act, Section 2: “The Authority shall operate as a unit of city government and, except as otherwise provided in this article, shall be free from direction and control of the Gainesville City Commission. [emphasis added]”
- Given this legislative authorization, the GRUA is making this request independent of any other political entity and as an “other unit of local government” is authorized to make such requests under Section 16.01(3), Florida Statutes.
- The GRUA is not a party to litigation regarding these questions.
- The Gainesville City Commission has approved placing a charter amendment on the November 2024 ballot seeking to override the Special Act and repeal the GRUA.

Statewide Impact

- These questions have statewide impact given the Legislature’s broad ability to grant special powers and create regional authorities.
- Given this, the GRUA requests a formal opinion, though the GRUA would defer to the Attorney General’s judgment as to whether an informal opinion is instead appropriate.

Analysis

- **Question 1: Can a Special Act of the Legislature, specifically Chapter 2023-348, Laws of Florida, granting special powers and extraterritorial power be repealed via a city charter amendment only voted on by city voters?**

The GRUA believes the answer to this question is NO.

Chapter 2023-348, Laws of Florida, expressed the will of the Legislature to create an independent regional authority. We understand that the City of Gainesville (“City”) now seeks to repeal and delete the Legislation via a city-only referendum this fall.

Article 8, Section 2(c) of the Florida Constitution states that “exercise of extra-territorial powers by municipalities shall be as provided by general or special law.” As constituted by the Legislature, GRUA’s service area extends beyond the limits of any one city. In addition, the Legislature required participation on its board by other Alachua County residents through requiring that the GRUA Board must contain “one member [who] must be a resident of the unincorporated area of the county or a municipality in the county other than the City of Gainesville.”

While municipalities are generally permitted to amend their charters via general law, the exercise and granting of extra-territorial powers is expressly preempted to the State. Further, the Legislature granted the City a special power to operate a utilities system in 1927 (Chapter 12760, Laws of Florida (1927)) and reaffirmed it in 1990 (Chapter 90-394, Laws of Florida) to operate a

utilities system that extended beyond the City limits. The Legislature then, through the creation of GRUA in 2023, amended that granted special power to preempt the City Commission from managing the utilities system. The Special Act provides that “[i]n the event that any City charter provision, ordinance, resolution, decree, or any part thereof conflicts with the provisions of this article, the provisions of this article shall govern.” Therefore, it appears the Legislature has expressly preempted a modification to this granting of a special power.

Furthermore, the GRUA is granted independence from the Gainesville City Commission by the Special Act:

“The authority shall operate as a unit of city government and, except as otherwise provided in this article, shall be free from direction and control of the Gainesville City Commission. The authority is created for the express purpose of managing, operating, controlling, and otherwise having broad authority with respect to the utilities owned by the City of Gainesville. [emphasis added]”

If the City can propose a charter amendment that dissolves the statutorily created GRUA through a vote of only city residents, the GRUA cannot be “free from direction and control” of the City Commission, and it loses all of its “broad authority with respect to utilities,” because a charter amendment will return control of utilities system to the City, in derogation of the Special Act.

As a result, it appears both counterintuitive and inconsistent with the Florida Constitution that a city proposed charter amendment, executed though a city-only vote, could repeal a regional authority exercising a special extraterritorial power. As a regional authority, it is the GRUA’s position that only a new special act of the Legislature can modify or amend special and extraterritorial powers granted. While this matter is of pressing concern to the GRUA due to the scheduled city-wide vote on the proposed charter amendment in November 2024, it is also applicable to any regional authority created by the Legislature in a similar manner.

- **Question 2: Pursuant to Chapter 2023-348, Laws of Florida, is GRUA authorized to hire an independent legal general counsel for all Authority operations?**

The GRUA believes the answer to this question is YES.

Chapter 2023-348, Laws of Florida, expressed the will of the Legislature to create an independent regional authority – the GRUA. The GRUA is granted independence from the Gainesville City Commission by the Special Act:

“The authority shall operate as a unit of city government and, except as otherwise provided in this article, shall be free from direction and control of the Gainesville City Commission. The authority is created for the express purpose of managing, operating, controlling, and otherwise having broad authority with respect to the utilities owned by the City of Gainesville. [emphasis added]”

While the Gainesville City Attorney has represented the utilities department in the past, the Gainesville City Commission appoints the Gainesville City Attorney and that individual serves at the will of the commission. By Charter, the City Attorney is subject to the “procedures and

limitations prescribed by the [City] [C]ommission.” Therefore, the City Attorney and its office is an instrumentality of the City Commission and not an independent officer.

To ensure compliance with the Special Act mandate to “*to manage, operate, and control the utilities, and to do all things necessary to effectuate an orderly transition of the management, operation, and control of the utilities from the city to the authority...*,” it is the GRUA’s position that it must have the ability to appoint a general counsel that is independent of the City and its City Commission.

While this issue is of particular interest to the GRUA, it has statewide application where the Legislature has created an authority that is free from direction and control of another legal entity, such as a city or county commission.

Attorney General Opinion Certification

The Attorney General expects that any person submitting an opinion request adhere to the same duty of candor owed by counsel to tribunals. See Rule 4-3.3, Rules Regulating the Florida Bar. The undersigned, submitting an opinion request to the Attorney General, certifies the following [each statement must either be checked or marked N/A (“not applicable”)]:

1. ___ The person or entity requesting an opinion from the Attorney General is one of the officers enumerated in section 16.01(3), Florida Statutes, and is not a private individual or entity.
2. ___ An opinion request submitted by a collegial body, meaning a board, council, commission, etc., is being made on behalf of a majority of such body pursuant to a vote by the entire body, and a copy of the resolution, minutes, or transcript approving the opinion request are attached. If the collegial body is represented by counsel, a copy of the opinion of counsel is attached.
3. N/A An opinion request submitted by a member of the Florida Legislature is not being made on behalf of a private person or entity and a copy of the opinion request has been submitted to the presiding officer of the member’s chamber. The member has attempted to obtain an opinion of the general counsel of the member’s chamber on the issue and a copy of any written opinion is attached.
4. ___ The opinion request does not involve an issue or question pending before the courts in any matter known to the requesting party after conducting a reasonably diligent search.
5. ___ The opinion request relates to the official duties of the requesting party.
6. ___ The opinion request does not seek or require a determination of the constitutionality of an existing statute or ordinance.
7. ___ The opinion request does not require an interpretation of federal law.
8. ___ The opinion request does not require an interpretation solely of local codes, ordinances, or charters.
9. ___ The opinion request does not involve an issue or question that falls within the jurisdiction of another state agency, such as the Florida Commission on Ethics or the Division of Elections.
10. ___ The requesting party has determined that a declaratory statement from a state agency with jurisdiction over the applicable statutes would not adequately address the subject matter.
11. ___ Based upon a reasonably diligent search, the opinion request does not involve matters addressed in proposed legislation currently before the Florida Legislature.
12. ___ The opinion request does not involve an action that the official or agency has already taken or funds which have already been expended.

13. ___ Based upon a reasonably diligent search, there are no known pending disputes, proceedings, challenges, or litigation relating to the subject of the opinion request.
14. ___ The facts presented in the opinion request are true and correct to the best of the undersigned's knowledge.
15. ___ All relevant and material facts known to the undersigned that might bear on the question or questions posed in the request have been included in the opinion request.
16. ___ All entities known to have an interest in the outcome of the opinion request have been disclosed.
17. N/A The opinion request includes a memorandum of law that contains an analysis of the issues, citations to relevant authorities, a statement of counsel's opinion if the request is submitted by an attorney, any previous legal opinions provided to the entity requesting the opinion, and any documents or diagrams that would be helpful to the Attorney General in responding to the request.

Respectfully submitted,

GAINESVILLE REGIONAL UTILITIES AUTHORITY

 Requesting party
 Name: BY: Eric Lawson
 Chair

N/A

 Counsel to requesting party
 Name: _____
 Florida Bar No. _____