



Gainesville Regional Utilities Authority
AGENDA

Wednesday, November 6, 2024, 5:30 p.m.

GRU Administration Building

301 SE 4th Avenue

Gainesville, FL 32601

Directors

Chair Eric Lawson

Vice-Chair David Haslam

Director Craig Carter

Director Jack Jacobs

Director Robert Skinner

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

Includes Consent and Regular Agenda items

F. APPROVAL OF MINUTES

G. CHAIR COMMENTS

H. CONSENT AGENDA

1. **2024-821 Security Force Personnel Services (B)**

Department: Gainesville Regional Utilities/Administrative Services

Description: This item is requesting permission to enter into a Contract for Security Force Personnel Services at various locations around GRU.

GRU requires security force personnel at its various facilities. Security Force Personnel have the task of protecting people and GRU property specific to each work location.

The current contract for security services ends November 21, 2024 with all renewal options exhausted. A request for proposals was released September 30, 2024 with a submission deadline of October 18, 2024.

- GRU received eight vendor proposals
- The proposals were evaluated off the following criteria
 - Cost efficiency and pricing
 - Resource optimization and operational effectiveness
 - Experience and references
 - Training and compliance
- The vendor with the highest evaluation score was Excelsior Defense, Inc.
- The total budgeted amount for FY 25 is \$1,012,240.00
 - Administrative Services \$414,240.00
 - Water & Wastewater \$421,000.00
 - Energy Services \$177,000.00
- Estimated spend for FY 25 is \$860,799.00
 - Administrative Services \$315,813.15
 - Water & Wastewater \$413,570.70
 - Energy Services \$131,415.15

Fiscal Impact: The funds for these services are included in the Fiscal Year 2025 approved budget for the multiple departments who require Security Force Personnel Services.

Recommendation: The GRU Authority delegate authority to the CEO to enter into a Contract for Security Force Personnel Services with Excelsior Defense, Inc.

I. GENERAL PUBLIC COMMENT

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

J. CEO COMMENTS

K. ATTORNEY COMMENTS

L. RESOLUTIONS (Roll Call Required)

M. BUSINESS DISCUSSION ITEMS

1. 2024-798 Natural Gas Prepay Transaction (B)

Department: Gainesville Regional Utilities/Budget, Finance and Accounting

Description: This item relates to a proposed prepay transaction with a commodity supplier to purchase future supplies of natural gas at a discount.

The purchase of fuel constitutes a significant portion of GRU's annual O&M budget. In FY25, the fuels budget is ~\$96.6M or approximately 22% of GRU's budget. GRU has the opportunity to reduce its fuel costs by purchasing a portion of its projected future gas needs at a discounted price. The key elements of the proposed transaction are:

- The initial discount is typically around \$0.50 per MMBTU for the first segment of the contract
- GRU's obligation is limited to paying for the natural gas delivered
- The transaction does not increase GRU's outstanding debt
- While the transaction is long term, GRU has the flexibility to transition from natural gas to electricity and still retain the discount
- The transaction will serve to diversify GRU's commodity supplier base
- In the event the transaction unwinds, GRU would simply revert to the current process for purchases of gas. The impact to GRU would be the loss of the discount.

Fiscal Impact: The initial discount is estimated at \$0.50 per MMBTU. The ultimate percentage of load committed to the prepay transaction is 50% of GRU's daily load.

Recommendation: The GRU Authority delegate to the CEO or CFO to negotiate and execute natural gas prepay contract(s) subject to the following parameter: A savings greater than \$0.40 per MMBtu.

2. **2024-807 State of the Utility, Monthly Update (B)**

Department: Gainesville Regional Utilities/ The Office of the CEO

Description: GRU will be providing a monthly update to Authority members to ensure they are aware of important projects and relevant utility measurements and benchmarks a State of the Utility, if you will. This first report looks at the fourth and final quarter of fiscal year 2024.

We will be assessing the most effective methods for delivering the report in addition to the most relevant information as it evolves. The Board's input on the relevancy and effectiveness is appreciated.

The last State of the Utility report published for January of 2022 is attached for comparative purposes

Fiscal Note: No fiscal note

Recommendation: The GRU Authority hears a monthly update from the utility's operational areas.

3. **2024-796 Debt Management Policy Revision (B)**

Department: Gainesville Regional Utilities/Budget, Finance and Accounting

Description: This item is related to updating GRU's Debt Management policy

Development of a debt management policy:

- Facilitates development of financial goals
- Assists with budget formulation, and
- Enables GRU to identify financial trends over a multi-year period as well as tracking performance over the course of the fiscal year

Some of the primary areas addressed in the policy are:

- Policy objectives
- Debt structure
- Refundings
- Hedging instruments
- Credit metrics, and
- Delevering

The policy was last approved by the City Commission in October 2022. Some of the significant updates to the policy include:

- Introduction of language consistent with the change in governance from the City Commission to the GRU Authority

- Clarifying that the intent of the policy is

- o Not only to maintain but improve GRU's cost of capital, coverage ratios, and credit ratings

- o To facilitate reduction in overall debt and leverage and to move to more normalized debt and leverage levels

Fiscal Note: No fiscal impact at this time.

Recommendation: The GRU Authority adopt the amended Debt Management policy.

4. 2024-797 Amendment to GRU Investment Policy (B)

Department: Gainesville Regional Utilities/ Budget, Finance and Accounting

Description: This item relates to proposed amendments to GRU's Investment Policy

The intent of GRU's Investment Policy is to provide sufficient flexibility to effectively manage funds, maximize returns within acceptable risk limits and ensure compliance with bond covenants and other regulatory requirements. This policy was approved by the City Commission in June 2022. It is considered a best practice by the Government Finance Officers Association.

The key areas addressed in the policy are:

- Investment objectives
- Authorized investments & portfolio composition parameters
- Maturity & liquidity requirements
- Performance measurement benchmarks
- Reporting requirements

Fiscal Note: No impact at this time

Recommendation: The GRU Authority adopt the amended GRU Investment Policy.

5. 2024-795 Financial Reporting Cadence (B)

Department: Gainesville Regional Utilities/ Budget, Finance and Accounting

Description: This item details schedules for various accounting and budget processes.

GRU's Budget, Finance & Accounting Department manages a number of different processes each fiscal year.

This item details schedules for:

- The FY26 budget calendar
- Recurring financial statement delivery to the GRU Authority, and
- The FY24 annual external audit process

Fiscal Note: No impact at this time.

Recommendation: This is an informational item only.

6. **2024-808 Deerhaven Renewable Outage Discovery (B)**

Department: Energy Supply

Description: During the planned maintenance and 10-year turbine inspection outage at Deerhaven Renewable (DHR), GRU uncovered serious concerns in returning the plant to service. The turbine's first-stage blade wheel was found to exhibit 35 cracks in the dampening wire that placed the integrity of the turbine in jeopardy. Rather than place the plant at risk of catastrophic failure, the rotor has been shipped to our turbine manufacturer (Siemens) shop in Charlotte, North Carolina, for repairs.

Siemens located suitable components in Switzerland and immediately arranged for their transport to their shop to complete the necessary repairs.

GRU conducts its power plant outages in the shoulder months (those times where heating and cooling are not at peak capacity) to have ample time to make these types of repairs upon their discovery. It's the best utility practice that has proved beneficial in this situation.

Fiscal Note: Estimated cost to repair is \$1.1 million and 2-3 additional months of downtime to repair.

Recommendation: GRU will repair the turbine rotor prior to returning it to service to prevent further damage. This item is for information only purposes to the GRU Authority notifying them of the situation and repair.

N. **DIRECTOR COMMENTS**

O. **ADJOURNMENT**

October 7, 2024, 5:30 p.m.
GRU Administration Building
301 SE 4th Avenue
Gainesville, FL 32601

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

Directors Absent: Jack Jacobs

A. CALL TO ORDER

B. ROLL CALL

C. INVOCATION

Director Carter led the invocation.

D. PLEDGE OF ALLEGIANCE

E. ADOPTION OF THE AGENDA

Public Comment: Jim Konish

Moved by Craig Carter

Seconded by Robert Skinner

Motion: Adoption of the Agenda

Approved

F. APPROVAL OF MINUTES

Moved by Craig Carter

Seconded by Robert Skinner

Motion: Approval of Minutes

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

Absent (1): Jack Jacobs

Approved (4 to 0)

1. Approval of Minutes from the September 4 2024 Meeting

G. CHAIR COMMENTS

Chair Lawson provided a few comments and thanked GRU employees for their hard work during Hurricane Helene restoration efforts.

H. GENERAL PUBLIC COMMENT

Jim Konish, Dean Mims, Chuck Ross, Nancy Deren, Mary Von Devinski, Kali Blount, Tom Cunilio, David Hastings, Angela Casteel

I. CONSENT AGENDA

1. 2024-748 Fort Clarke Blvd. Sanitary Sewer Gravity Main Improvements Project (B)

Moved by Craig Carter

Seconded by Robert Skinner

Recommendation: GRUA authorize the CEO, or his designee, to negotiate and execute a contract with Commercial Industrial Corporation of Ocala, FL for the Fort Clarke Blvd. Sanitary Sewer Gravity Main Improvements Project for the price of \$6,101,879.00, subject to legal review and approval.

Approved On Consent

J. CEO COMMENTS

Chief Executive Officer, Ed Bielarski, addressed GRU budget cuts, comments/inquiries made during general public comment as well as Hurricane Helene restoration efforts as well as mutual aid efforts.

K. ATTORNEY COMMENTS

GRUA Attorney, Scott Walker, shared updates with the board. Additionally, Kiersten Ballou, shared updates regarding the litigation with the City of Gainesville, and that the trial will be held on October 23rd.

L. RESOLUTIONS (Roll Call Required)

M. BUSINESS DISCUSSION ITEMS

1. 2024-750 Informational presentation on the 2019 and 2023 Integrated Resource Plans (IRP) and their significance to GRU operations and planning (B)

GRU's Chief Executive Officer, Ed Bielarski, discussed the IRP Plans and their significance to GRU operations and planning.

The GRU Authority Board discussed the IRP plans.

Recommendation: The GRU Authority consider the agenda item as information only and participate and ask questions as needed.

Heard

2. 2024-751 Launch of Customer Advocate Program (B)

Government Affairs and Community Relations Director, Yvette Carter, discussed the launch of the Customer Advocate Program (CAP).

The GRU Authority Board discussed CAP.

Recommendation: The agenda item is for informational purposes to inform the GRU Authority of the steps being taken to further GRU's positive presence in the community.

Heard

N. DIRECTOR COMMENTS

Director Carter thanked GRU employees for storm restoration efforts. He also stated that his term with the board has been extended for the time being until the Governor's Office appoints a new director.

Director Skinner made a proposal for hosting meetings in an alternative location. Director Carter added some additional context from previous work done on the topic.

O. ADJOURNMENT

The Chair adjourned the meeting at 7:33PM.

Christine Kunkel, GRUA Staff Liaison

File Number: 2024-821

Agenda Date: November 6, 2024

Department: Gainesville Regional Utilities

Title: 2024-821 Security Force Personnel Services (B)

Department: Gainesville Regional Utilities/ Administrative Services

Description: This item is requesting permission to enter into a Contract for Security Force Personnel Services at various locations around GRU.

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Fiscal Impact: The funds for these services are included in the Fiscal Year 2025 approved budget for the multiple departments who require Security Force Personnel Services.

Recommendation: The GRU Authority delegate authority to the CEO to enter into a Contract for Security Force Personnel Services with Excelsior Defense, Inc.

GENERAL SOLICITATION DOCUMENT

REQUEST 2024-100

SECURITY FORCE PERSONNEL SERVICES- VARIOUS LOCATIONS

Gainesville Regional Utilities

301 SE 4th Avenue

Gainesville, FL 32601



RELEASE DATE: September 30, 2024

DEADLINE FOR QUESTIONS: October 17, 2024

RESPONSE DEADLINE: October 18, 2024, 2:00 pm

RESPONSES MUST BE SUBMITTED ELECTRONICALLY TO:

<https://procurement.opengov.com/portal/gru>

1. INTRODUCTION

1.1. Summary

GRU requires Security Force Personnel services for various facilities in its service areas for the purpose of protecting people and property in accordance with these specifications and the specific post orders for each work location.

1.2. Contact Information

Zoe King

Procurement

Email: kingsl@gru.com

Phone: [\(352\) 393-1251](tel:(352)393-1251)

Department:

Security

1.3. Timeline

Release Project Date	September 30, 2024
Pre-Proposal Meeting (Mandatory)	<p>October 3, 2024, 10:00am Microsoft Teams Need help? Join the meeting now</p> <p>https://teams.microsoft.com/l/meetup-join/19%3ameeting_ZWlxOGMwOWMtZjVmZi00MDAzLWEyOTQtMzJmNTU3MjRiNjc%40thread.v2/0?context=%7b%22Tid%22%3a%2283de56eb-708f-4396-8080-81e0e466a6df%22%2c%22Oid%22%3a%22165d2d8e-145a-439c-96b3-77ee0e8305cb%22%7d</p> <p>Meeting ID: 258 022 890 552 Passcode: 7s4z5J</p> <hr/> <p>Dial in by phone +1 352-554-8008,,849858250# United States, Gainesville Find a local number Phone conference ID: 849 858 250# For organizers: Meeting options Reset dial-in PIN</p> <hr/> <hr/>
Question Submission Deadline	October 17, 2024, 10:00am
Question Response Deadline	October 17, 2024, 2:00pm
Proposal Submission Deadline	October 18, 2024, 2:00pm
Contractor Selection Date	October 23, 2024

2. INSTRUCTIONS

2.1. DEFINITION OF TERMS FOR INSTRUCTIONS

- Addendum/Addenda: Written or graphic document(s) issued prior to the Response due date, which make additions, deletions, or revisions to the solicitation or contract documents.
- Agreement: A written Contract between two or more Parties. "Contract" and "Agreement" are synonymous.
- Best and Final Offer (BAFO): The final proposal submitted after competitive negotiations are completed that contains the Responders most favorable terms.
- Bid: The written response to a Solicitation.
- Due Date: The date the response is due.
- Non-Responsive: A response that does not meet the material requirements of the solicitation.
- Redacted: The censoring of part of a Response.
- Respondent: An individual or business entity that submits a response to a Solicitation.
- Response: A written document submitted by a Respondent in reply to Solicitation.
- Responsive: A response that conforms in all material respects to the requirements set forth in the Solicitation.
- Solicitation: A written document issued by an agency to obtain information or pricing for goods and/or services. May also be referred to as an Invitation to Bid, Request for Proposal, Request for Quotation, or Request for Statement of Qualifications.
- Work: Activity involving mental or physical effort done in order to achieve a purpose or result requested in the scope.

2.2. AUTHORIZED PROCUREMENT REPRESENTATIVE

The Procurement Representative for this Solicitation/Contract is Zoe King. Respondents shall submit all inquiries regarding this bid via GRU e-Procurement Portal, located at <https://procurement.opengov.com/portal/GRU>. Please note the deadline for submitting inquiries. All answers to inquiries will be posted on GRU e-Procurement Portal. Respondents shall click "Follow" on this bid to receive an email notification when answers are posted. It is the responsibility of the respondent to check the website for answers to inquiries.

2.3. MANDATORY PRE-BID MEETING

a) A mandatory meeting will be held on Thursday, October 3, 2024 beginning at 10:00 am at Microsoft Teams Need help? Join the meeting now https://teams.microsoft.com/l/meetup-join/19%3ameeting_ZWlxOGMwOWMtZjVmZi00MDAzLWEyOTQtMzJmNTU3MjRiNjc%40thread.v2/0?context=%7b%22Tid%22%3a%2283de56eb-708f-4396-8080-81e0e466a6df%22%2c%22Oid%22%3a%22165d2d8e-145a-439c-96b3-77ee0e8305cb%22%7d Meeting ID: 258 022 890 552 Passcode: 7s4z5J

_____ Dial in by phone +1 352-554-8008,,849858250# United States, Gainesville Find a local number Phone conference ID: 849 858 250# For organizers: Meeting options | Reset dial-in PIN _____.

Responses will only be accepted from companies that had a representative in attendance at the Pre-Bid/Proposal meeting.

b) Representatives arriving to the Pre-Bid/Proposal Meeting more than 5 minutes late will not be allowed to participate in the meeting.

2.4. EXAMINATION OF SOLICITATION DOCUMENTS AND WORK SITE

a) Prior to responding to the Solicitation, Respondents are responsible for the following:

- examining the Solicitation thoroughly,
- if applicable, visiting the work site to become familiar with local conditions that may affect the cost, progress, performance of furnishing the Work,
- considering federal, state and local laws and regulations that may impact or affect cost, progress, performance or furnishing of the Work,
- studying and carefully correlating Respondent's observations with the Solicitation, and
- notifying the Procurement Representative of all conflicts, errors or discrepancies in the Solicitation.

b) Respondents are expected to become fully informed as to the requirements of the Specifications and failure to do so will be at their own risk. Respondents cannot expect to secure relief on the plea of error.

c) A Respondent who is aggrieved in connection with the specifications of this Solicitation may protest in writing to GRU Procurement at least seven (7) business days prior to the Response due date.

2.5. INTERPRETATIONS AND ADDENDA

a) All questions about the meaning or intent of the Solicitation are to be directed to the Procurement Representative, unless stated otherwise in the Solicitation. Interpretations or clarifications considered necessary in response to such questions will be issued by Addenda sent to all parties recorded as having received the Solicitation. Questions received less than seven (7) business days prior to the Response due date/time may not be answered by the Procurement Representative. Only questions answered by formal written Addenda will be binding.

b) Addenda may also be issued to modify the Solicitation as deemed advisable by the Procurement Representative.

c) Addenda issued by GRU prior to the Solicitation due date/time are considered binding as if written into the original Solicitation. Respondents are responsible for ensuring that all addenda have been received prior to submitting their Response.

2.6. RESPONSE PREPARATION

Florida Statute 493.6111

6) A licensed agency must include its agency license number in any advertisement in any print medium or directory and must include its agency license number in any written bid or offer to provide services.

a) The Pricing Response Form is included in the Solicitation and should be used to submit pricing information, providing a price for all items listed on the form, unless noted otherwise.

b) All blanks on the Respondent's Certification Form must be legibly completed in ink (computer printed, typed or handwritten).

c) A Response submitted by a corporation must be executed in the corporate name by the president, a vice-president, or other corporate representative and accompanied by a document showing authorization of such person's authority. Include the physical address and state of incorporation. A Response submitted by a partnership must be executed in the partnership name and signed by a partner, whose title must appear under the signature, and the physical address of the partnership must be shown below the signature.

d) The names of individuals included on the Respondent's Certification Form must be legibly printed below signatures (computer printed, typed or handwritten).

e) Respondent must acknowledge receipt of all addenda using the space provided on the Respondent's Certification Form.

f) Costs for developing a response to the Solicitation are the sole obligation of the Respondent.

g) Respondent's pricing must 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 www.gru.com.

2.7. SELECTION PROCESS AND RECOMMENDATION

a) The Selection Team will evaluate the responses based on Cost Efficiency and Pricing, Resource Optimization and Operational Effectiveness, Experience and References, and Training and Compliance. The Selection Team will then rank the Statement of Qualifications (SOQ) responses and conduct oral discussions.

b) GRU's evaluation team will conduct an oral discussion on October 23rd, 2024, at 11:30 a.m.

c) Based on the oral discussions, the Selection Team will determine the most qualified firms to perform the services.

d) Upon completion of evaluation discussions, GRU and the most qualified firms will negotiate a contract. In the event GRU and a qualified firm are not able to reach a successful agreement, GRU will formally terminate the negotiations and proceed to negotiation with the remaining qualified firms in accordance with Florida Statute Chapter 287.055.

e) GRU shall negotiate a contract for Security Force Personnel Services that meets the needs of GRU and at compensation rate which GRU determines is fair, competitive, and reasonable.

2.8. PRICE

a) The price stated on the Pricing Response Form is firm. Any additional charges that were not included in the Response will not be paid by GRU unless approved in writing by an authorized GRU representative. Subsequent to contract formation, pricing inconsistencies on invoices may be grounds to cancel the contract.

b) If the Respondent offers discounted pricing, such as prompt payment discounts or volume discounts, it must be clearly stated and explained on the Pricing Response Form. Such discounts, if applicable, will not be used in determining award of the Solicitation.

2.9. DEVIATIONS FROM SPECIFICATIONS

a) Any deviation from this Solicitation must be provided and explained in detail with the Response. Deviations must be explained on a separate page labeled "Clarifications and Exceptions" and included with the Response. Each clarification and exception must correspond to the specific referenced section in the Solicitation. Otherwise, the Response will be considered in strict compliance with the Solicitation and the selected Respondent will be held accountable for compliance with the Specifications.

b) GRU reserves the right to waive clarifications and exceptions to the Solicitation if determined by GRU to be in GRU's best interest.

2.10. DISTRIBUTION OF INFORMATION

a) GRU requires electronic submission of bids and proposals. Submit electronic responses via GRU e-Procurement Portal: <https://procurement.opengov.com/portal/GRU>. By way of the e-Procurement Portal, responses will be locked and digitally encrypted until the submission deadline passes.

- i. Access procurement documents and related information.
- ii. Receive automatic and instant notifications of government opportunities.
- iii. Download solicitation documents and specifications online.
- iv. Submit your bids and proposals online.
- v. See all the forms and documents you need to complete in one place.
- vi. Receive and respond to government requests for quotes immediately.
- vii. Automatic notification of awards.

b) For more information about OpenGov, visit <https://procurement.opengov.com>.

c) It is the responsibility of the vendor to regularly monitor [GRU's eProcurement Portal](https://procurement.opengov.com/portal/GRU). Respondents shall click "Follow" on this solicitation to receive all email notifications when answers are posted, addenda issued, & other solicitation notices.

d) Ultimately, it is the sole responsibility of each respondent to periodically check the site for any addenda at <https://procurement.opengov.com/portal/GRU>. Vendor failure to retrieve available, required procurement information and include the appropriate documentation and information in solicitation responses may result in disqualification.

2.11. SOLICITATION RESPONSE

- a) Bids may be received up to but not later than 2:00 pm on Friday, October 18, 2024 via GRU e-Procurement Portal located at <https://procurement.opengov.com/portal/GRU>. GRU e-Procurement Portal Clock is the official clock for the determination of all deadline dates and times. Without exception, responses will not be accepted after the submission deadline regardless of any technical difficulties such as poor internet connections. Gainesville Regional Utilities strongly recommends completing your response well ahead of the deadline. By way of the e-Procurement Portal, responses will be locked and digitally encrypted until the submission deadline passes.
- b) Responses will be electronically unsealed publicly opened at the time and place indicated in the Solicitation and will be available for inspection upon notice of award or intended Award, or within thirty (30) calendar days after the opening of Responses, whichever occurs first. Prices may be publicly disclosed on GRU's eProcurement Portal at the sole discretion of GRU Procurement.
- c) The Respondent's Certification Form must be submitted with the Response. If required, a Bid Bond and other documents must be provided with the Response. If a Bid Bond is required by the Solicitation and not included the response will be deemed non-responsive.
- d) A "No-Bid" Response can be submitted for those who choose not to participate in the Solicitation. This designation can be submitted in GRU's eProcurement Portal:
<https://procurement.opengov.com/portal/gru/projects/118329>

2.12. SUBMITTING QUESTIONS AND RECEIVING RESPONSES

Respondents shall submit all inquiries regarding this bid via GRU e-Procurement Portal, located at <https://procurement.opengov.com/portal/GRU>. Please note the deadline for submitting inquiries: 10:00 am on Thursday, October 17, 2024. All answers to inquiries will be posted on GRU e-Procurement Portal. Respondents shall click "Follow" on this solicitation to receive all email notifications when answers are posted, addenda issued, & other solicitation notices. It is the responsibility of the respondent to check the website for answers to inquiries.

Addenda Notification and Acknowledgement Addenda Notification:

Respondents are required to register for an account via GRU e-Procurement Portal hosted by OpenGov. Once the respondent has completed registration, they will receive addenda notifications to their email by clicking "Follow" on this project. Ultimately, it is the sole responsibility of each respondent to periodically check the site for any addenda at <https://procurement.opengov.com/portal/GRU>.

2.13. MODIFICATION OR WITHDRAWAL OF A RESPONSE

- a) Changes to a vendor's bid submittals in [GRU's eProcurement Portal](#) can be made up to the deadline date for the bid submittal.
- b) After responses have been opened, corrections to the response are permitted only to the extent that
 - i. Respondent can show by clear and convincing evidence that there was a material and substantial mistake in the preparation of its Response;
 - ii. the nature of the mistake is evident; and
 - iii. the intended pricing is evident.

2.14. TERMS OF AWARD

Award will be made to the best evaluated Respondent(s) for Response(s) based on Cost Efficiency and Pricing, Resource Optimization and Operational Effectiveness, Experience and References, and Training and Compliance for each individual line item, or any combination of line items, as GRU determines to be in its best interest.

- i. GRU reserves the right to reject any and all Responses, or any part thereof, to waive any and all informalities or irregularities, and the right to disregard all nonconforming, nonresponsive, unbalanced or conditional Responses. A responsible Respondent and any selected subcontractors, suppliers, other persons, and/or organizations proposed to perform or furnish the Work have the capacity in all respects to fully perform the Contract requirements and the experience, integrity, reliability, capacity, facilities, equipment, and credit to ensure good faith performance, such capacity and responsibility to be determined solely by GRU. GRU may conduct such investigation as GRU deems necessary to establish the responsibility, qualifications and financial ability of Respondent(s), proposed subcontractors, material suppliers, individuals, or entities to perform the Work in accordance with the Contract. Such information may include,

but shall not be limited to, current financial statements, bank records, verifications of availability of equipment and personnel and past performance records.

ii. Discrepancies in the multiplication of units of Work and unit prices will be resolved in favor of the unit prices. Discrepancies between the indicated sum of any column of figures and the correct sum thereof will be resolved in favor of the correct sum.

iii. If the Contract is awarded, GRU will give the successful Respondent a Notice of Intent to Award within sixty (60) calendar days after the Solicitation due date. All Responses must remain valid for sixty (60) calendar days from the Solicitation due date.

iv. When GRU gives a Notice of Award to the successful Respondent, it will be accompanied by the required number of unsigned counterparts of the Contract (or Purchase Order, as applicable) with all attachments. Within fifteen (15) calendar days thereafter, Respondent must sign and deliver the required number of counterparts of the Contract, attachments, and required Bonds, if applicable. GRU will ultimately provide a fully signed counterpart to the Respondent.

v. Failure on the part of the successful Respondent to execute a Contract within fifteen (15) calendar days after the notice of acceptance may be just cause for annulment of award.

vi. GRU may then accept the Response of the next lowest, responsive, responsible Respondent or re-advertise the Solicitation. If the next lowest, responsive, responsible Response is accepted, this acceptance will bind such Respondent as though it was the original successful Respondent.

vii. Protests in respect to the intended award must be filed within three (3) calendar days of notice for purchases that do not require prior approval of the Gainesville Regional Utility Authority (GRUA), and within seven (7) calendar days for purchases that require prior approval of the Gainesville Regional Utility Authority (GRUA). It is the Respondent's duty to be informed of the intended award and GRU's protest procedures.

2.15. DISCUSSIONS AND BEST AND FINAL OFFER (BAFO)

a) It is anticipated that the evaluation committee may have discussions based on written proposals received by responsive Respondents. GRU reserves the right to waive discussions should it be deemed unnecessary.

b) GRU may, at its sole discretion, conduct a Best and Final Offer (BAFO) round to this solicitation. Should this round be conducted, the Procurement Representative will issue a request to include instructions, deadline, and addenda as applicable.

2.16. TERM OF AGREEMENT

1. The term of this Contract shall commence on the execution date and terminate one (year) from the date of execution.

2. Upon mutual agreement between Parties, this contract may be renewed for four (4) additional one-year periods.

3. Beyond the extensions described above, this Contract may be extended for an additional six (6) months to allow for completion of a new solicitation.

2.17. LOBBYING

To ensure fair consideration and consistent and accurate dissemination of information for all proposers, GRU prohibits communication to or with any department, employee, or agent evaluating or considering the proposals during the submission process, except as authorized by the contact person. During the blackout period no person may lobby, as defined herein, on behalf of a competing party in a particular procurement process, GRU officials or employees except the Procurement designated staff contact in the Procurement Department. Violation of this provision shall result in disqualification of the party on whose behalf the lobbying occurred. Lobbying means when any natural person, for compensation, seeks to influence the governmental decision-making, to encourage the passage, defeat or modification of any proposal, recommendation or decision by GRU officials and employees, except as authorized by procurement documents.

2.18. BLACKOUT PERIOD

Respondents to this solicitation or persons acting on their behalf may not contact, between the release of the solicitation and the end of the 72-hour period following the agency posting the notice of intended award, excluding Saturdays, Sundays, and state holidays, any employee or officer of the executive or legislative branch

concerning any aspect of this solicitation, except in writing to the procurement officer or as provided in the solicitation documents. Violation of this provision may be grounds for rejecting a response.

2.19. COLLUSION

- a) Only one (1) response from any individual, firm, corporation, organization or agency under the same or different name will be considered for this Solicitation. Submission of more than one response may result in the rejection of all responses from the Respondent.
- b) Respondent, by signing the Respondent's Certification Form, declares that the Response is made without any previous understanding, agreement, or connections with any persons, firms, or corporations responding on the same items and that it is in all respects fair and in good faith without any outside control, collusion or fraud. A non-exclusive manufacturer/distributor relationship does not, in and of itself, constitute a prior understanding, agreement, connection or collusion between Responders.
- c) By responding to the Solicitation, the Respondent acknowledges that it has not offered or given any gift or compensation to any GRU officer or employee to secure favorable treatment with respect to being awarded this Contract.

2.20. DEBARMENT/SUSPENSION/TERMINATION.

Debarment/Suspension. The Procurement representative is authorized to suspend a vendor from consideration for award of contracts if there is probable cause to believe that the vendor has engaged in activity which might lead to debarment. The suspension shall be for a period not to exceed three months. After reasonable notice to the vendor involved and reasonable opportunity for that vendor to be heard, the Procurement representative, after consulting with the GRU Attorney, is authorized to debar a vendor for cause from consideration for award of contracts. The debarment shall be for a period of not more than three years. The causes for debarment include:

- i. Conviction for commission of a criminal offense as an incident to obtaining or attempting to obtain a public or private contract or subcontract, or in the performance of such contract or subcontract, within five years of a proposed award;
- ii. Conviction under State or Federal statutes of embezzlement, theft, forgery, bribery, falsification or destruction of records, receiving stolen property, or any other offense indicating a lack of business integrity or business honesty which currently, seriously, and directly affects responsibility as a GRU contractor, within five years of a proposed award;
- iii. Conviction under state or federal antitrust statutes arising out of the submission of bids or proposals, within five years of a proposed award;
- v. Violation of contract provisions, as set forth below, of a character which is regarded by the Procurement representative to be so serious as to justify debarment action, within five years of a proposed award:
 - 1. Deliberate failure without good cause to perform in accordance with the specifications or within the time limit provided in the contract; or
 - 2. A record of failure to perform or of unsatisfactory performance in accordance with the terms of one or more contracts; provided that failure to perform or unsatisfactory performance caused by acts beyond the control of the contractor shall not be considered to be a basis for debarment.
- vi. For any provision of, or offer, gift or agreement to provide, any gratuity, kickback or offer of employment to any current or former GRU employee in connection with any decision, approval, disapproval, recommendation, or preparation of any part of a program requirement or a purchase requisition, influencing the content of any specification or procurement standard, rendering of advice, investigation, auditing, or in any other advisory capacity in any proceeding or application, request for ruling, determination, claim or controversy or other particular matter, pertaining to any program requirement or a contract or subcontract, or to any solicitation or proposal, within three years of a proposed award;
- vii. For any payment, gratuity, kickback or offer of employment to be made by or on behalf of a subcontractor under a contract to the prime contractor or higher tier subcontractor or any person associated therewith, as an inducement for the award of a subcontract or order, within three years of a proposed award;
- viii. For retaining a person or soliciting or securing a GRU contract upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, except for retention of bona fide employees or

bona fide established commercial selling agencies for the purpose of securing business, within three years of a proposed award;

ix. During the period of a contract with GRU, employing, or offering employment to, any current GRU employee participating directly or indirectly in the procurement process, within three years of a proposed award;

x. Any other cause the Procurement representative determines to be so serious and compelling as to affect responsibility as a GRU contractor, including debarment by another governmental entity for any cause listed in this Section.

REJECTION OF BIDS/TERMINATION OF CONTRACT

Previously solicited and/or accepted bids may be rejected or acceptance revoked prior to beginning of performance upon discovery by GRU that the respondent or its affiliates have committed any act which would have been cause for debarment, or were on the convicted vendor list, at or prior to the acceptance of the bid. If GRU discovers, after a contract is awarded and performance has begun, that the respondent or its affiliates have committed any act subsequent to or prior to award or acceptance which would have been cause for debarment had it been discovered prior to award or acceptance, GRU may consider such to be a material breach of the contract and such shall constitute cause for termination of the contract.

3. GENERAL TERMS AND CONDITIONS

3.1. 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.

3.2. 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.

3.3. CHANGE ORDERS

a). 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.

b). 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.

3.4. 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 to purchasing@gru.com, 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.

3.5. PAYMENT

- a). 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.
- b). 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.
- c). 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.
- d). 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.
- e). 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.

3.6. 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.

3.7. 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.

3.8. 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.

3.9. 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.

3.10. 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.

3.11. 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.

3.12. 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.

3.13. 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.

3.14. 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 as a reference, or otherwise linking Contractor's name and either a description of the Contract or the name of the 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.

3.15. 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.

3.16. 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.

3.17. DISCLOSURE AND CONFIDENTIALITY

a). 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 records 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:

1. 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.
 2. 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.
- b). "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.

3.18. 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 AGREEMENT, CONTACT THE GRU CUSTODIAN OF PUBLIC RECORDS AT 352-393-1211, PUBLICRECORDSREQUEST@GRU.COM, PO BOX 147117, STATION E3E, GAINESVILLE, FL 32614.**

3.19. 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>.

3.20. 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.

3.21. CAPTIONS AND SECTION HEADINGS

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

3.22. 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.

3.23. PROHIBITION AGAINST CONSIDERATION OF SOCIAL, POLITICAL, OR IDEOLOGICAL INTEREST IN GOVERNMENT CONTRACTING

In accordance with Section 287.05701(2)(a), F.S. (2023), GRU may not request documentation of or consider a vendor's social, political, or ideological interests when determining if the vendor is a responsible vendor, and may not give preference to a vendor based on the vendor's social, political, or ideological interests.

4. 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.

4.1. CONDUCT OF THE WORK

Contractor 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 shall be solely responsible for the means, methods, techniques, sequences, and procedures utilized by Contractor in the performance of this Contract. Contractor will assign only competent and skilled workers to perform the Work. All of Contractor's personnel or subcontractors engaged in any of the Work performed pursuant to this Contract are under Contractor's sole direction, supervision and control at all times and in all places. Contractor's employees must be as clean and in good appearance as the job conditions permit,

conducting themselves in an industrious and professional manner. Contractor 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 shall not represent to others that, as the Contractor, it has the authority to bind GRU to any third-party agreement.

4.2. CONTRACTOR RESPONSIBILITIES

- a). Performance. Contractor shall perform all Work promptly and diligently in a good, proper and workmanlike manner in accordance with the Specifications. In performing the Work, Contractor 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.
- b). Project Related Requirements. Contractor 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 and accessible to employees. These may include, but are not limited to, sanitation facilities, potable water, and office trailers.

4.3. COOPERATION/ COORDINATION

- a). 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.
- b). Work by GRU. GRU reserves the right to perform activities in the area where the Work is being performed by Contractor.
- c). Work by Other Contractor. GRU reserves the right to permit other Contractors to perform work within the same work area. Contractor 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.
- d). Coordination. Contractor 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 will afford GRU and other Contractors 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.

4.4. INDEMNIFICATION

- a). 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.
- b). 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.
- c). Contractor(s)'s obligations under the preceding two paragraphs with respect to any legal action are contingent upon GRU giving Contractor(s) written notice of any action or threatened action, 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.
- d). The provisions of this section shall survive the termination or expiration of this Contract.

4.5. 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.

4.6. 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 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 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 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 is not entitled to make any other claim, whether in breach of Contract or in tort for damages resulting in such delay.

4.7. DEFAULT

If Contractor 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, or if there is persistent or repeated refusal or failure to supply sufficient properly skilled workforce or proper materials, or if Contractor 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 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 will be liable to GRU for any damages resulting from such default.

4.8. TERMINATION

a). Termination for Convenience. GRU may, by providing thirty (30) calendar days written notice to Contractor, terminate this Contract, or any part thereof, for any or no reason, for GRU's convenience and without cause. After the termination date, Contractor 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 for goods and services accepted as of the date of termination, and for Contractor'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.

b). Termination for Cause (Cancellation). GRU may terminate this Contract for cause if Contractor materially breaches this Contract by:

- i. refusing, failing or being unable to properly manage or perform;
- ii. 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;
- iii. refusing, failing or being unable to make prompt payment to subcontractors or suppliers;
- iv. disregarding laws, ordinances, rules, regulations or orders of any public authority or quasi-public authority having jurisdiction over the Project;
- v. 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
- vi. refusing, failing or being unable to substantially perform in accordance with the terms of any other agreement between GRU and Contractor.

c). 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 with thirty (30) calendar day's written notice to Contractor.

4.9. FORCE MAJEURE

a). 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.

b). 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.

c). 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.

4.10. LIMITATION OF GRU'S LIABILITY

To the fullest extent permitted by law, GRU shall not be liable to Contractor 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.

4.11. WORK HOURS

Work hours vary depending on post location and GRU needs. Details are listed in the Section 5, sub-section 5.16 Work Locations and Service Hours. Contractor(s) may perform the Work outside of the hours listed under the instruction of the designated GRU representative.

4.12. INSURANCE

Contractor shall meet the minimum insurance requirements at all times as required by law and GRU. Contractor 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 shall procure and maintain insurance with coverage amounts as required. Contractor must furnish GRU a certificate of liability insurance in a form acceptable to GRU for the insurance required with endorsement naming GRU as additional insured.

The following language is required on the Certificate of Liability Insurance under Description of Operations:

Gainesville Regional Utilities, their subsidiaries, affiliates, and their respective officers, agents and employees are included as additional insured. The policies have been endorsed to include waiver of subrogation in favor of Gainesville Regional Utilities, their subsidiaries, affiliates and their respective officers, agents and employees. This insurance policy is primary and will not seek contribution from any other insurance available to an additional insured.

4.13. 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

4.14. 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.

1. Confinement to Work Area/Parking. Contractor'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 and its employees shall park personal vehicles and equipment in areas designated by GRU.
2. Sanitation. If sanitary facilities are available near the work site, Contractor 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 is responsible for the cost, provision and maintenance of sanitary facilities for persons employed by Contractor. If responsible for providing sanitary facilities, Contractor 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.
3. Personal Protection Equipment requirements during a Pandemic, Epidemic, Sporadic, Endemic or Outbreaks event.
- d. The Contractor 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 must meet or exceed all GRU requirements and the requirements of the appropriate governmental regulatory agency
4. 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.
5. 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.
6. 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.

4.15. 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.

4.16. ANTI-HUMAN TRAFFICKING

Pursuant to section 787.06(13), Fla. Stat., when this contract is executed, renewed, or extended the Contractor and any subcontractors must provide the City with an affidavit, signed by an officer or a representative of the Contractor and any subcontractors under penalty of perjury, attesting that the Contractor and subcontractor does not use coercion of labor or services as those terms are defined in this section.

4.17. CONTRACTOR'S RESPONSIBILITIES

- a). Contractor 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.
- b). Contractor 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 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 preferred, third-party vendors (e.g., Hire Right, A-Check Global).
- c). Contractor shall require all of the Employees to self-report in writing to Contractor 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 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 within forty-eight (48) hours after any citations, arrests, or charges disqualifying the Employee from holding a CDL.

4.18. ORDER OF PRECEDENCE

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

1. Any modification to this Contract
2. Contract
3. GRU Technical Specifications
4. GRU Supplemental Conditions
5. GRU General Conditions
6. GRU Instructions
7. Contractor Response

5. SCOPE OF WORK

5.1. Technical Specifications

GRU request performance of Security Force Personnel Services for multiple facilities in the GRU territory service. The primary location will be Gainesville, FL, with specific post orders at each work location.

Description of the Position

- Security Officer- A uniformed, unarmed armed Security Force Personnel that performs assigned duties in a professional and courteous manner as outlined in the post orders, Supplemental Instructions, or directives provided by authorized GRU personnel. Officers will report and document any suspicious or criminal activity.
- Security Force Manager- Serves as a uniformed, unarmed officer, who serves as a single point of contact and a liaison for GRU's Utility Security Department. Responsibilities will include scheduling, addressing complaints, ensuring security officers timeliness on posts, neat and cleanliness of posts, maintaining chain of custody logs, handling special requirements, scheduling escort duties, and other GRU security department related needs.

GRU does not currently utilize armed Security Force Personnel

5.2. Contractor Responsibilities

This listing of services is not meant to be all inclusive, but an identification of the general primary duties of the Contractor. The Utility Security Department will issue site specific post orders upon award. These orders will outline any additional, or post specific, duties required of the Contractor. GRU reserves the right to assign additional duties as required throughout the life cycle of the Agreement.

The Contractor is responsible for providing all security services identified in this Scope of Work.

- **It is the Contractors responsibility to be in compliance with all requirements that pertain to Private Security Services set forth in Chapter 493 of the State of Florida Statutes**
<https://www.flsenate.gov/Laws/Statutes/2023/Chapter493>
- The Contractor shall ensure that these duties are fulfilled as intended and designed to protect GRU assets and personnel against incidents of assault, sabotage, fire, property damage, arson, theft, unauthorized access, trespass, etc.
- The Contractor shall regulate entry of employees, contractors and visitors into key properties based on prescribed site orders. The contractor shall be responsible for denying access to sites if conditions, terms, etc. are not met. When it is not clear, the contractor is responsible for denying entry until proper management approval is obtained.
- The Contractor shall promptly respond to, investigate and document incidents of violence, theft, fire, medical emergencies, vandalism, criminal activity, or other security-related acts involving GRU employees, visitors, or property. This includes, but is not limited to, the preservation of any evidence until law enforcement takes over. The Contractor will be required to notify, record, and report full details of such situations to GRU personnel. Summon appropriate assistance, Fire, Police or Emergency Medical Services, in the event of an emergency or unusual occurrence adversely affecting the interest of GRU, and immediately thereafter, notify the designated GRU representative.
- The Contractor shall promptly respond to all request from GRU personnel and/or Security Force Personnel needing assistance because of, or to prevent acts, of physical violence, vandalism, theft, or other disturbances. Promptly notify the designated GRU representative of all such request.
- The Contractor will perform building security checks and patrols, fire watches and inspections, monitor security camera systems, and electronic access systems as required by the GRU's post orders.
- The Contractor is responsible for continuously monitoring areas protected by fire alarms, security alarms, and video surveillance systems. Maintain access logs, records of inspection and testing, visitor registration, records of building security checks and patrol, and key control records in accordance with established GRU's post orders, guidelines, and procedures.
- The Contractor will be required to cooperate fully with any investigation of a Contractual or security-related matter.
- When authorized, the Contractor will participate in routine matters, e.g., patrolling and observing cargo and storage areas; receiving and making telephone calls; receiving, safeguarding, and turning over to the appropriate person's official mail and messages.
- The Contractor will be required to identify potentially hazardous conditions and items in need of repair, including, but not limited to inoperative or malfunctioning alarm points, cameras, doors, fire alarm and

fire extinguishing equipment, hardware, software, lights out, lights left on or off, locks, water left running, leaks and spills, taking corrective action and or reporting same to the proper personnel in a timely manner. Prepare and submit an incident report or other means of reporting based on individual GRU's Port Orders for observed Facilities, Operations & Maintenance defects.

- When directed by the designated GRU representative, the Contractor will conduct incoming and outgoing inspections of GRU property.
- The Contractor shall conduct, and enforce, parking and traffic control based on individual GRU site's post orders.
- In the event of an emergency, the Contractor shall facilitate the evacuation of site occupants.
- The Contractor shall maintain an established place of business and be available by telephone or cell phone at any time. The business does not have to be geographically located in Gainesville, Florida, but must be in compliance with F.S 493.6303 (1) and F.S 493.6106 (3). The Contractor or a representative shall respond to GRU within one (1) hour from the time of contact. Recorded message equipment is not acceptable. In no event shall the established place of business or Contact point be on GRU's property or within its facilities.
- The Contractor shall have a supervisor with residence and responsibilities in the Gainesville area. The supervisor shall make regular, unscheduled inspections at GRU facilities covered under this Proposal. For such visits, the supervisor and guard shall both sign and note the inspection on the guard's shift report form. The area guard supervisor shall not be assigned to a shift and have mobility to various sites. This service shall be included in the service provided under this Proposal and not be billed separately to GRU. A written report of inspections shall be submitted, in writing to the designated GRU representative within 24 hours after inspection. The frequency shall be two, random visits per week, 52 (fifty-two) weeks per calendar year.
- The Contractor shall be responsible for maintaining satisfactory standards of employee competence, conduct, appearance and integrity and shall be responsible for taking disciplinary action with respect to its employees as may be necessary for not meeting these standards.
- A list of potential Security Force Personnel who may be assigned on a temporary basis, along with copies of criminal background checks and training course certification will be provided to the designated GRU representative following award of the Contract, as changes and twice annually.
- The Contractor shall provide the designated GRU representative with a monthly report detailing of all security force member license statutes. Security Force Personnel with a State of Florida "D", "B" and/or "G" license that is listed as "administrative action pending", "recommend denial", "revocation pending" or listed under any other adverse status shall be immediately reported to the designated GRU representative for evaluation.
- The Contractor shall immediately, upon their knowledge; transfer from all GRU posts any Security Force Personnel who is standing post and found to not have a valid State of Florida "D" or "G" license as required by the post orders. If the discovery of the violation is the direct result of an inspection by any regulatory or law enforcement agency, the Contractor will be considered in violation of the Contract and required to immediately provide an action plan to rectify the situation.

- The Contractor is responsible for ensuring that all Security Force Personnel have sufficient knowledge and experience to perform the required duties. Contractor personnel who exhibit inadequate experience or incapability in their work assignment shall be replaced and not allowed on property. Failure on the part of the Contractor to furnish such labor shall be sufficient cause for cancellation of the Contract.
- The Contractor is responsible for all costs and burdens associated with ensuring that the Security Force Personnel meets all identified required qualifications related to the items in this section. The Contractor shall not charge the Security Force Personnel any expenses related to the items in this section.
- Emergency security services may be required by GRU on an as needed basis at any GRU Site. GRU will notify the Contractor as soon as feasible to request the services. Emergencies include late night meetings, natural disaster/storm situations, escort services or other such situations.
- **Employees of GRU shall not be employed by the Contractor to work under the awarded Contract.**

5.3. Security Personnel Responsibilities

The Contractor's security personnel shall adhere to the post guidelines issued at each of the locations under the awarded Contract. Detailed Post Guidelines will be provided to the successful Contractor at the start of the Contract. Post Guidelines are subject to change at GRU's discretion. In addition to the Post Guidelines, the Contractor shall perform the duties listed below. In the event of any conflict between the Post Guidelines at each location and the duties listed below, the post guidelines shall take precedence.

- The Security Officers will adhere to the Post Guideline at site and shall:
 - Perform all necessary services to ensure the safety and protection of all staff and visitors while on or in any property owned or leased by GRU.
 - Protect property, buildings, materials, equipment, supplies and records against loss or damage.
 - Report potentially hazardous situations.
 - Detect and report persons gaining unauthorized access to the property.
 - Work with the local law enforcement agencies regarding any criminal activity at the work site(s). The officer shall follow up on any such situations as required. Upon completion of the investigation by law enforcement, a complete written report shall be supplied to the applicable GRU Contract Manager at the site and where the crime was committed, and a copy will be forwarded to the designated GRU representative.
 - Prepare required reports, including reports of accidents and fires, and maintain and make available all records in connection with the duties and responsibilities of the assignment.
 - Patrol the premises and take necessary action to ensure the premises are secure.
 - Observe and enforce building regulations and personnel or visitor policies.
 - Remain on duty until a replacement officer arrives for shift change.

Additional Responsibilities:

- Where a Security Force Personnel Station is located at any given site, in addition to following post orders, the Security Force Personnel shall adhere to the following:
 - Shall grant authorized access to the site.

- Shall deny access to the site until approval is given.
- Monitor all person(s) and/or vehicle(s) entering or leaving the premises during their assigned shift, verifying identification, name, time and date on a daily report. Before any visitor may enter the job site the officer must obtain authorization from the Site Supervisor. Provide instructions, information, and directions to visitors and delivery vehicles.
- Follow all guidelines set forth in individual site post orders.

5.4. Minimum Qualifications of Assigned Security Personnel

- Security Force Personnel must be in good general health without physical defects or abnormalities which would interfere with the performance of duties.
 - Standing and Walking: Security guards often need to be able to stand and walk for extended periods, sometimes for the majority of their shift. This includes patrolling buildings, facilities, or outdoor areas.
 - Lifting and Carrying: Security guards may need to lift and carry objects, equipment, or supplies weighting 10-30 lbs.
 - Climbing and Bending: Security guards may need to climb stairs, ladders, or ramps and bend or crouch to inspect under vehicles, check secure/unsecure areas or objects, and monitor equipment.
 - Running and Physical Response: In emergency situations, security guards may need to run or engage in physically demanding activities to respond to threats or assist in evacuations.
 - Use of Force: Security guards may need to physically move away from hostile, unfriendly, or mentally unstable persons, which requires strength, agility, and training in proper techniques.
 - Vision and Hearing: Good vision and hearing are essential for monitoring surveillance systems, identifying potential threats, and communicating effectively with others. Possess binocular vision of correctable to 20/30 (Snellen); be capable of hearing ordinary conversations at fifteen (15) feet with or without benefit of a hearing aid.
 - Manual Dexterity: Security guards need to have good hand-eye coordination and the ability to handle security equipment, such as radios, or access control systems.
 - Using Equipment: Security guards may be required to carry and use communication devices, flashlights, or other security tools throughout their shift.
 - Endurance: The job may require long hours, including night shifts, which demands physical endurance and the ability to stay alert over extended periods.
 - Enviromental Conditions: Security guards may work in various environmental conditions, including extreme heat or cold, and need to be physically prepared to work in these conditions.
- All Security personnel must undergo a comprehensive ten (10) year pre-employment investigation to determine suitability for employment, as coordinated and paid for by the Contractor. The results of this pre-employment investigation will be furnished to GRU Utility Security Department at least twenty-four (24) hours prior to assignment at any site. GRU reserves the right to withhold payment for any hours

worked by a newly assigned guard for whom such notice is not given. The pre-employment investigation must include, but not be limited to the following:

- Criminal Investigation: a ten (10) year background investigation for employees being assigned.
- Fingerprinting
- A written statement indicating that the proposed Security Force Personnel is licensed by the State of Florida as a Security Force Personnel.
- All Security personnel assigned under the awarded Contract shall meet the following minimum qualifications:
 - Possess United States citizenship
 - Minimum age requirements of twenty-one (21) years of age
 - Possess, at a minimum, a high school diploma or GED equivalent and be literate to the extent of reading and understanding printed regulations, detailed written reports, training instructions and material and be capable of composing reports which convey information.
- GRU reserves the right to exclude security personnel as it deems unsuitable, objectionable or whose continued employment on the work force is deemed by GRU to be contrary to the public interest or inconsistent with the best interest of GRU. If any Security Force Personnel is excluded at any time from any of the locations covered under the awarded Contract, such Security Force Personnel shall not be assigned to any other location covered by such Contract. GRU reserves the right to withhold payment for any hours worked by a Security Force Personnel who has been reassigned in violation of this provision.
- **Unlicensed Security Force Personnel will not be allowed on GRU post.**

5.5. **General Contractor Requirements**

- Staffing Hours:
 - The Contractor shall provide security services twenty-four (24) hours per day, seven (7) days per week. Service hours will vary by individual site/post, and not all posts will require total coverage of twenty-four (24) hour days, seven (7) days a week. Hours may be added, or deleted, with a minimum of forty-eight (48) business hours' notice under normal circumstances. Under abnormal or emergency circumstances posts and or additional hours may be added or deleted without notice, as deemed necessary by the designated GRU representative.
 - Security force members shall not be permitted to work more than twelve (12) consecutive hours in any twenty-four (24) hour period, nor more than twenty-four (24) hours in any forty-eight (48) hour period, and no more than seventy-two (72) hours in any seven (7) day period. Exceptions may be made, with the written approval of Contract Manager, to support mobilization for mitigation, restoration and recovery during and following disasters and other emergencies that affect GRU's ability to continue normal business functions.
- Staffing Retention and Turnover:
 - As part of the proposal, the Contractor is required to provide to GRU their staffing retention strategy and no call no show policy and procedures.

- After the initial 90 calendar days of the awarded contract, if more than 10% of the Security Force Members leave in any given month, the Contractor shall have 30 calendar days to provide the Contract Manager a detailed written plan describing the actions to be taken to reduce staff turnover.
- If the annualized turnover rate exceeds 50%, the Contractor shall have thirty (30) calendar days to provide the Contract Manger with a detailed, written plan, including a timetable, describing the actions to be taken to reduce turnover and it may result in the termination of the awarded Contract with cause.

5.6. Terminations or Resignations of Personnel

- **No administrative actions by the contractor shall be conducted on GRU property.**
- Security personnel whose performance is satisfactory to GRU shall not be removed from their assigned location by the Contractor without prior notice to the GRU Utility Security Department designee.
- The Contractor is required to immediately communicate any change in the Security Force Personnel employment (termination, resignation, or termination for cause) for any of their personnel assigned to the GRU account. The Contractor is required to retain proof of notification until the designated GRU representative has confirmed the receipt of the communication.
- The Contractor shall immediately, upon the request of the designated GRU representative, remove any security force member from GRU's Contract.

5.7. Standards and Penalties

- The Contractor is required to contact the designated GRU representative immediately upon the identification of any unmanned hours. This notification must be made verbally and in written format for proper documentation. In addition, the Contractor will have forty-eight (48) hours to provide the designated GRU representative with a written performance improvement plan to address the issue that created the unmanned hours. Unmanned, scheduled hours will be grounds for immediate termination of the Contract.
- If the Contractor fails to keep turnover below the 50% rate, listed in section 5.5 General Contractor Requirements, section Staffing Retention and Turnover, GRU reserves the right to charge the contractor for time taken to train personnel.

5.8. Contingency and Emergency Surge Support

- The contractor shall submit with their proposal an emergency surge support plan for meeting the requirements of this section. This plan must be reviewed, and approved, by the designated GRU representative. These support plans shall address the Contractor's process and procedures for the mobilization of personnel in the mitigation, restoration and recovery efforts of GRU. These efforts may be required during and following disasters and other emergencies that may impact any of the individual GRU's ability to continue normal business functions. Upon award of this contract or the plan must be reviewed and updated during the month of April each calendar year. GRU reserves the right to conduct periodic exercises, announced or unannounced, to ensure the plan is properly operational and functional.

- All Security Force Personnel shall be current GRU Security Force Personnel and must to be fully trained, qualified and/or certified to stand post at GRU assigned posts within twenty-four (24) hours of notification.

5.9. Security Licenses

- Security Force Personnel shall have and maintain a current State of Florida Class "D" and/or Class "G" for unarmed Security Force Personnel as required by each GRU site.
- GRU will allow Security Force Personnel to work on GRU sites who fall under F.S 493.6109 Reciprocity.
http://www.leg.state.fl.us/statutes/index.cfm?App_mode=Display_Statute&URL=0400-0499/0493/0493.html

5.10. Driver's License

- If the Security Force Personnel is required to drive a Contractor vehicle the Security Force Personnel shall have a valid government issued driver's license.
- The Contractor shall perform a Department of Motor Vehicle driving records check, minimum of three (3) years, for each jurisdiction of their residence during that same time frame.
- The designated GRU representative reserves the right to disqualify, or not permit Security Force Personnel to drive a Contractor vehicle on GRU property, for any conviction of a DUI within ten (10) years or any other criminal act involving a vehicle and/or any conviction or citations for reckless driving to the designated GRU representative.

5.11. Pre-Employment & Random Drug Screening

- GRU is a drug free workplace. Contractors must comply with FS 440.101-102.
http://www.leg.state.fl.us/Statutes/index.cfm?App_mode=Display_Statute&URL=0400-0499/0440/0440.html
- Security Personnel shall have successfully passed a pre-employment drug screening. All individuals will be disqualified for any use of illegal and/or non-prescribed controlled substances.
- The Contractor shall conduct random drug screening of at least 10% of the security officers each month. This testing shall be conducted in such a manner as to ensure that all Security Force Personnel are screened at least once every eighteen (18) months; however, the screening shall not be predictable. The Contractor is required to immediately remove any individual from the awarded contract for any use of illegal and/or non-prescribed controlled substances.
- The Contractor must use a certified laboratory for conducting all drug screening of Security Force Personnel.
- The Contractor shall provide the designated GRU representative, with the monthly drug test report.

5.12. Security Force Personnel Instructions and Training

- Upon assignment of any Security Force Personnel to a GRU Site, all Security Force Personnel assigned shall receive a minimum of at least four (4) or more hours of training at the assigned site under the direct supervision of the Contractor. Within forty-eight (48) hours of any such assignment, the Contractor shall provide to the designated GRU representative, written certification that such training was completed.

- GRU requires the designated GRU representative and site management be informed of new security guards and their first assignment on their own.
- The cost of such training hours is the responsibility of the Contractor.
- All Security Force Personnel must take a minimum of forty (40) hours of training/course work in areas such as, ethics, public relations, crime prevention techniques, report writing, terrorism emergency procedures, medical and emergency procedures, patrolling, access control and effective communication. All course work should be conducted by a State of Florida approved training facility prior to assignment at GRU.
- The Contractor is required to provide GRU with a copy of their training program as part of their proposal.
- The Contractor is required to track, and maintain, a record of all training courses and certifications completed by each Security Force Personnel. The Contractor provide the designated GRU representative, with a quarterly validation and compliance report.
- The Contractor is responsible for ensuring all Security Force Personnel maintain current training and certification requirements. This includes, but is not limited to, scheduling refresher or recertification courses in advance of the officer's expiration dates to ensure that GRU does not experience a lapse in service. The Contractor is encouraged to conduct cross-training of reserve personnel to ensure the availability of Security Force Personnel for GRU.
- Safety Training
 - The Contractor shall bear all costs associated with the completion of all required safety training. All Security Force Personnel, regardless of job position, must complete all mandatory safety training prior to being assigned to GRU's locations. The following is a listing of the mandatory safety training courses and/or certifications:
 - FEMA course IS-907: Active Shooter: What You Can Do
 - Fire Extinguisher Training
 - Basic First Aid
 - Cardio-Pulmonary Resuscitation (CPR)/Automated External Defibrillators
 - Blood borne pathogens.
 - Personal Protective Equipment (PPE) components as related to operational requirements of the GRU.
 - If assigned to Murphree Water Treatment Plant, Security Force Personnel will be required to take Chlorine Training.
 - The Contractor is required to ensure that all Security Force Personnel receive refresher safety training as required by the specific certification requirements. This refresher training shall not be conducted on GRU's property unless approved by the designated GRU representative.

- Required In-Service Training GRU reserve the right to develop, and require, Security Force Personnel successfully complete in-service training courses before being released for unsupervised assignment on GRU posts.
- If the annualized turnover rate exceeds 50% as stated in Section 5.5 General Contractor Requirements. GRU reserves the right to bill the contractor for any hour GRU staff is used to train Security Force Personnel.

5.13. Security Force Personnel Compensation

- Overtime Hours
 - All overtime cost for Security Force Personnel required to work more than forty (40) hours in a seven (7) day work week to fulfill scheduled post hours shall be borne by the Contractor. GRU will not accept any charges for overtime.
- Holiday Pay
 - All holiday pay costs for Security Force Personnel shall be borne by the Contractor and billed to GRU at the normal straight time pay wages.
 - The designated GRU representative reserves the right to require minimum, or reduced, hours during holidays based on GRU's post orders.
 - The following is a listing of scheduled holidays observed by GRU: ·
 - New Year's Day
 - Martin Luther King Jr. Day
 - Memorial Day
 - Independence Day
 - Juneteenth
 - Labor Day
 - Veterans' Day
 - Thanksgiving Day
 - Day after Thanksgiving Day
 - Additional Holiday (Dec. 24)
 - Christmas Day

5.14. Uniforms and Equipment

- Security Force Personnel shall maintain a positive professional image at all times while on GRU property. The Contractor shall provide at no cost to the Security Force Personnel all required uniforms in sufficient quantity to ensure a clean uniform is worn each day. All uniforms need to be in compliance with F.S 493.6305, http://www.leg.state.fl.us/Statutes/index.cfm?App_mode=Display_Statute&Search_String=&URL=0400-0499/0493/Sections/0493.6305.html.

- The designated GRU representative reserves the right to require the Contractor provide additional equipment not specifically listed in this specification.
- The Contractor shall furnish and maintain equipment, materials, and supplies in good condition which are necessary for the performance of this Contract, approved uniforms for all Security Force Personnel, include, but are not limited to the following:
 - Embroidered or Metal Badge incorporating Contractor's Logo.
 - Uniform Belt to be color compliant to uniform.
 - Short sleeve shirts for summer (Minimum Issue 3 per officer)
 - Long-sleeve shirts for winter (Minimum Issue 3 per officer)
 - Light Weight Jacket. -Cold weather coat or parka.
 - Uniform Trousers (Minimum Issue 3 per officer)
 - Rain Gear including All Weather Boots
 - Traffic Safety Vest (Minimum Issue 1 per officer)
 - For Provisioned Substation Security Personnel; Steel Toe Boots and Fire Rated attire. (Minimum Issue 1 per Provisioned Officer) (The number of articles of apparel provided shall be adequate to allow Contractor's security personnel to maintain a clean appearance at all times.)
- These items are to be covered by the Contractor and shall bear no cost to GRU or the Security Force Personnel.

5.15. Vehicles and Fuel

- The Contractor is responsible for providing a car for the Roving position.
- The Contractor will be required to provide GRU with unrestricted access to the Fleet tracking Software for vehicles assigned to do GRU task.
- GRU will not be charged for any vehicle that is not moving/acquiring miles doing only task for GRU.
- GRU will not accept any charges for vehicles that are not solely assigned to GRU post for Security Personnel related task and rounds.
- Vehicles assigned to GRU duty must perform tasks directly related to GRU business and or making appropriate security rounds. If the cost of the vehicle mileage is less than the monthly vehicle rental fee, GRU reserves the right to pay per mileage in accordance with the IRS mileage reimbursement rate <https://www.irs.gov/tax-professionals/standard-mileage-rates>.
- The Contractor is responsible for ensuring a sufficient fleet of vehicles to ensure the availability of properly operating units at all times. In the event GRU requires or requests a vehicle, the Contractor will use the agreed upon bill rate for these units.
- All fuel used in said vehicles will be provided at no cost to the Contractor or on a reimbursable basis.
 - If the fuel cost is reimbursed, the Contractor is not authorized to markup the fuel expense.

- The Contractor must provide supporting documentation of fuel cost and consumption in alignment with what is reported on the Fleet Tracking Software.
- The fuel charge must be shown as a separate line item on GRU's invoice.

5.16. Work Locations and Service Hours

The following sites are covered. GRU reserves the right to add or remove sites required.

GRU Administration Building/ Wellness Center/ Kelly Plant Exterior

- Located at: 301 SE 4th Avenue Gainesville, FL 32601
- HOURS OF SERVICE - 125 hours per week
 - Monday thru Friday as outlined below:
 - 1st Shift 06:30 AM - 14:30 PM
 - 2nd Shift 08:00 AM - 17:00 PM
 - 3rd Shift 15:00 PM - 19:00 PM
 - 4th Shift 16:00 PM - 20:00 PM

Eastside Operations Center

- Located at: 4747 North Main Street Gainesville, FL 32609
- HOURS OF SERVICE - 168 hours per week
 - 24hrs per day Seven (7) days a week unless listed below:
 - 1st Shift 07:00 AM - 15:00 PM
 - 2nd Shift 15:00 PM - 23:00 PM
 - 3rd Shift 23:00 PM - 07:00 AM
 - 4th Shift 10:00 AM - 18:00 PM **Monday through Friday**

Deerhaven Generating Station (DH)

- Located at: South Gate-10001 NW 13th Street (U.S. Route 441 North) Gainesville, FL 32653
- HOURS OF SERVICE - 65 hours per week
 - Monday thru Friday 05:30 AM - 18:30 PM

Deerhaven Renewables (DHR)

The entire complex is over 3400 acres with 1,116 acres fenced around the Generating Station Operation area.

- Located at: 11201 NW 13th Street Gainesville, FL 32653

This plant is located approximately 7 miles north of downtown Gainesville on Highway 441 or NW 13th Street near Hague, FL.

- DHR HOURS OF SERVICE - 60 hours per week
 - Monday thru Friday 6:00 AM - 18:00 PM

Murphree Water Plant Security Post

- Located at: 1600 NE 53rd Avenue Gainesville, FL 32609

- HOURS OF SERVICE - 300 hours per week
 - 1st Shift 7:00 AM. - 15:00 PM Mon. - Fri.
 - 2nd Shift 15:00 PM - 22:00 PM Mon. - Fri.
 - 3rd Shift 22:00 PM - 7:00 AM Mon. - Fri.
 - 4th Shift 7:00 AM - 19:00 PM Sat. & Sun.
 - 5th Shift 19:00 PM - 7:00 AM Sat. & Sun.
 - Roving Patrol Hrs. 12 hrs. per day seven (7) days per week
 - Shift 19:00 p.m. - 07:00 a.m.

Kanapaha Water Reclamation Facility

- Located at: 7101 SW 41st Place, Gainesville, FL 32608
 - HOURS OF SERVICE- 60 hours per week
 - 1st Shift 06:00 AM-18:00 PM Mon-Fri

Main Street Water Reclamation Facility

- Located at: 200 SE 16th Ave, Gainesville FL, 32601
 - HOURS OF SERVICE- 60 hours per week
 - 1st Shift 19:00 PM-06:00 AM Mon-Fri

5.17. GRU's Responsibilities

- GRU will provide an adequate security station structure of site with a telephone, gate controls, lighting, heating and cooling and convenience outlets. Facilities have restrooms, drinking water, desk area and wash sink available on the property for security personnel's use.
- GRU will provide Contractor's Security Personnel with pertinent information where applicable which includes information as:
 - All authorized on-site Contractors or Subcontractors.
 - The telephone number and address of field offices.
 - The names and business telephone numbers for GRU staff.
 - Emergency telephone numbers and procedures.
 - Post orders respective to each site.
- **In no event shall the Site be maintained as a contact point or answering service for the Contractor.**

5.18. Project Meetings

- Follow up meetings with the Contractor's staff and GRU representatives will be held throughout the term of the awarded Contract at a minimum of twice per year to discuss the administration of such Contract and to review any issues or concerns that may develop.

5.19. GRU Administration Building Post Specific Orders

TYPE OF POST

The Gainesville Regional Utilities (GRU) Administration Building (ADMIN) is an un-armed secured site. The security company shall be granted authority to enforce rules/ regulations established in the “Security Officers Guidelines” and “Post-Orders” set forth by GRU. Although these are only guidelines, they should not be exhaustive of the numerous variable situations that may arise and need to be addressed by the officer on duty. Responsibilities may include but are not limited to:

- Equipment checks
- Alarm response
- Lobby opening and morning responsibilities
- Afternoon/evening responsibilities
- Visitor screening
- Lock down procedures
- Safety Inspection
- Security checks
- Carpool distribution and collection of fleet vehicles and keys
- Reporting threats
- Media request

5.20. Eastside Operations Center Post Specific Orders

TYPE OF POST

The Gainesville Regional Utilities (GRU) Eastside Operations Center (EOC) is an un-armed secured site. The security company shall be granted authority to enforce rules/ regulations established in the “Security Officers Guidelines” and “Post-Orders” set forth by GRU. Although these are only guidelines, they should not be exhaustive of the numerous variable situations that may arise and need to be addressed by the officer on duty. Responsibilities may include but are not limited to:

- Equipment checks
- Alarm and code response in accordance with the systems at the EOC
- EOC gate access and procedures
- Visitor screening
- Lock down procedures
- Safety inspection
- Security checks
- Carpool distribution and collection of fleet vehicles and keys
- Reporting threats
- Media requests

5.21. Deerhaven Generating Station Post Specific Orders

TYPE OF POST

The Gainesville Regional Utilities (GRU) Deerhaven (DH) is an un-armed secured site. The security company shall be granted authority to enforce rules/ regulations established in the “Security Officers Guidelines” and “Post-Orders” set forth by GRU. Although these are only guidelines, they should not be exhaustive of the numerous variable situations that may arise and need to be addressed by the officer on duty. Responsibilities may include but are not limited to:

- Equipment checks
- Gate access and procedures
- Visitor screening
- Working with temporary and outside contractors
- Access for special deliveries and procedures
- Safety inspection
- Security checks
- Lock down procedures
- Reporting threats
- Media request

5.22. Deerhaven Renewable Generating Station Post Orders

TYPE OF POST

The Gainesville Regional Utilities (GRU) Deerhaven Renewables (DHR) is an un-armed secured site. The security company shall be granted authority to enforce rules/ regulations established in the “Security Officers Guidelines” and “Post-Orders” set forth by GRU. Although these are only guidelines, they should not be exhaustive of the numerous variable situations that may arise and need to be addressed by the officer on duty. Responsibilities may include but are not limited to:

- Equipment
- Gate access and procedures
- Visitor screening
- Working with temporary and outside contractors
- Access for special deliveries and procedures
- Safety inspection
- Security checks
- Lock down procedures
- Reporting threats
- Media request

5.23. Murphree Water Plant Post Specific Orders

TYPE OF POST

The Gainesville Regional Utilities (GRU) Murphree Water Plant is an un-armed and secured by access control site. The security company shall be granted authority to enforce rules/ regulations established in the “Security Officers Guidelines” and “Post-Orders” set forth by GRU. Although these are only guidelines, they should not be exhaustive of the numerous variable situations that may arise and need to be addressed by the officer on duty.

Responsibilities may include but are not limited to:

- Equipment checks
- Alarm response
- Gate access and procedures
- Lock down procedures
- Visitor screening
- Safety inspections
- Security checks
- Reporting threats
- Media request

5.24. Water Rover Post Specific Orders

TYPE OF POST

The Gainesville Regional Utilities (GRU) Water and Wastewater Rover is an un-armed secured position. The security company shall be granted authority to enforce rules/ regulations established in the “Security Officers Guidelines” and “Post-Orders” set forth by GRU. Although these are only guidelines, they should not be exhaustive of the numerous variable situations that may arise and need to be addressed by the officer on duty.

Responsibilities may include but are not limited to:

- Equipment checks
- Alarm response to GRU facilities when dispatched
- Responding for calls of assistance to back up other officers
- Relieving officers
- Lock down procedures
- Safety checks with operators
- Visitor screening
- Safety inspections
- Security checks
- Reporting threats
- Media request

5.25. Kanapaha Gate Post Specific Orders

TYPE OF POST

The Gainesville Regional Utilities (GRU) Kanapaha Water Reclamation is an unarmed secured site. The security company shall be granted authority to enforce rules/ regulations established in the “Security Officers Guidelines” and “Post-Orders” set forth by GRU. Although these are only guidelines, they should not be exhaustive of the numerous variable situations that may arise and need to be addressed by the officer on duty. Responsibilities may include but are not limited to:

- Equipment checks
- Alarm response
- Gate access and procedures
- Lock down procedures
- Visitor screening
- Safety inspection
- Security checks
- Reporting threats
- Media request

5.26. Main Street Wastewater Facility Post Specific Orders

TYPE OF POST

The Gainesville Regional Utilities (GRU) Main Street is an un-armed secured site. The security company shall be granted authority to enforce rules/ regulations established in the “Security Officers Guidelines” and “Post-Orders” set forth by GRU. Although these are only guidelines, they should not be exhaustive of the numerous variable situations that may arise and need to be addressed by the officer on duty. Responsibilities may include but are not limited to:

- Equipment checks
- Alarm response
- Gate access and procedures
- Visitor screening
- Lock down procedures
- Safety inspections
- Security checks
- Reporting threats
- Media request

5.27. REPORTABLE INCIDENTS FOR ALL GRU POST

All incidents should be recorded in the daily log and a report be written for the following incidents:

- Emergencies and Crimes:

- All fires, accidents, thefts, or vandalism.
- Any suspicious activity or potential threats.
- Acts of violence or disorderly conduct.
- Medical emergencies or injuries on the property.
- Safety and Security Concerns:
 - Discovery of security breaches or malfunctions.
 - Finding lost or abandoned property.
 - Access control issues (unauthorized entry or exits).
 - Safety hazards like spills, blocked exits, or malfunctioning equipment.
 - Malfunctioning or broken locks, doors, windows, and access control equipment.
- Other Notable Events:
 - Detention of a suspect or use of force.
 - Apprehension of trespassers.
 - Unusual weather events or power outages.
 - Any interaction with law enforcement.
 - Even near misses or close calls should be documented.

6. PRICING PROPOSAL

These hours are estimates for hours to be work. The estimated hours of work listed are not a guaranteed or promised by GRU to the awarded vendor.

SECURITY OFFICER MANAGER/SUPERVISOR HOURLY RATE PER SHIFT

This post is Monday through Friday eight (8) hour shifts

Line Item	Shift	Supervisors Needed	Cost Per Hour
1	Shift hours designated by Contractor	1	

GRU ADMINISTRATION BUILDING HOURLY RATE PER SHIFT

These shifts cover the GRU Administration Building, Wellness Center and Kelly Plant Exterior.

Line Item	Shift	Guards Needed	Cost Per Hour
1	1st Shift: 06:30 A.M.-14:30 P.M.	1	
2	2nd Shift: 08:00 A.M.-17:00 P.M.	1	

Line Item	Shift	Guards Needed	Cost Per Hour
3	3rd Shift: 15:00 P.M.-19:00 P.M.	1	
4	4th Shift: 16:00 P.M.-20:00 P.M.	1	

GRU ADMINISTRATION ANNUAL COST

Estimated cost to be billed to GRU for total hours work for the year, minus holiday hours that fall on scheduled shift days. *These hours are estimates for hours to be work. The estimated hours of work listed are not a guaranteed or promised by GRU to the awarded vendor. *

Line Item	Estimated hours to be worked for all shifts minus holidays.	Total Annual Hours	Unit of Measure	Cost Per Hour	Total Annual Cost
Year 1	Estimated hours to be worked for the year 2025	6,243	\$		
Year 2	Estimated hours to be worked for the year 2026	6,268	\$		
Year 3	Estimated hours to be worked for the year 2027	6,318	\$		
Year 4	Estimated hours to be worked for the year 2028	6,318	\$		
Year 5	Estimated hours to be worked for the year 2029	6,293	\$		
TOTAL					

EASTSIDE OPERATIONS CENTER HOURLY RATE PER SHIFT

This post runs 7 days a week 24 hours a day.

Line Item	Shift	Guards Needed	Cost Per Hour
1	1st Shift: 07:00 A.M.- 15:00 P.M.	1	
2	2nd Shift: 15:00 P.M.-23:00 P.M.	1	
3	3rd Shift: 23:00 P.M.-07:00 A.M.	1	
4	4th Shift: 10:00 AM-18:00 PM (MONDAY THROUGH FRIDAY ONLY NO HOLIDAYS)	1	

EASTSIDE OPERATIONS CENTER ANNUAL COST

Estimated cost to be billed to GRU for total hours work for the year. This post does not exclude holidays. *These hours are estimates for hours to be work. The estimated hours of work listed are not a guaranteed or promised by GRU to the awarded vendor. *

Line Item	Shift	Total Annual Hours	Unit of Measure	Cost Per Hour	Total Annual Cost
Year 1	Estimated hours to be worked for the year 2025	8,760	\$		
Year 2	Estimated hours to be worked for the year 2026	8,760	\$		

Line Item	Shift	Total Annual Hours	Unit of Measure	Cost Per Hour	Total Annual Cost
Year 3	Estimated hours to be worked for the year 2027	8,760	\$		
Year 4	Estimated hours to be worked for the year 2028	8,760	\$		
Year 5	Estimated hours to be worked for the year 2029	8,760	\$		
TOTAL					

DEERHAVEN GENERATING STATION HOURLY RATE PER SHIFT

Line Item	Shift	Guards Needed	Cost Per Hour
1	1st Shift: 05:30 A.M.-18:30 P.M. (MONDAY THROUGH FRIDAY)	1	

DEERHAVEN GENERATING STATION ANNUAL COST

Estimated cost to be billed to GRU for total hours work for the year, minus holiday hours that fall on scheduled shift days. *These hours are estimates for hours to be work. The estimated hours of work listed are not a guaranteed or promised by GRU to the awarded vendor. *

Line Item	Shift	Total Annual Hours	Unit of Measure	Cost Per Hour	Total Annual Cost
Year 1	Estimated hours to be worked for the year 2025	3,246	\$		
Year 2	Estimated hours to be worked for the year 2026	3,259	\$		
Year 3	Estimated hours to be worked for the year 2027	3,285	\$		
Year 4	Estimated hours to be worked for the year 2028	3,285	\$		
Year 5	Estimated hours to be worked for the year 2029	3,272	\$		
TOTAL					

DEERHAVEN RENEWABLE GENERATING STATION HOURLY RATE PER SHIFT

Line Item	Shift	Guards Needed	Cost Per Hour
1	1st Shift: 06:00 A.M.-18:00 P.M. (MONDAY THROUGH FRIDAY)	1	

DEERHAVEN RENEWABLE GENERATING STATION ANNUAL COST

Estimated cost to be billed to GRU for total hours work for the year, minus holiday hours that fall on scheduled shift days. *These hours are estimates for hours to be work. The estimated hours of work listed are not a guaranteed or promised by GRU to the awarded vendor. *

Line Item	Shift	Total Annual Hours	Unit of Measure	Cost Per Hour	Total Annual Cost
Year 1	Estimated hours to be worked for the year 2025	2,997	\$		
Year 2	Estimated hours to be worked for the year 2026	3,009	\$		
Year 3	Estimated hours to be worked for the year 2027	3,033	\$		
Year 4	Estimated hours to be worked for the year 2028	3,033	\$		
Year 5	Estimated hours to be worked for the year 2029	3,021	\$		
TOTAL					

MURPHREE WATER PLANT HOURLY RATE PER SHIFT

This post runs 7 days a week 24 hours a day.

Line Item	Shift	Guards Needed	Cost Per Hour
1	1st Shift: 07:00 A.M.-15:00 P.M. (Monday- Friday)	1	
2	2nd Shift: 15:00 P.M.-22:00 P.M. (Monday- Friday)	1	
3	3rd Shift: 22:00 P.M.-07:00 A.M. (Monday- Friday)	1	
4	4th Shift: 7:00 A.M.-19:00 P.M. (This shift only runs Saturday and Sunday)	1	
5	5th Shift: 19:00 P.M.-07:00 A.M. (This shift only runs Saturday and Sunday)	1	

MURPHREE WATER PLANT ANNUAL COST

Estimated cost to be billed to GRU for total hours work for the year. This post does not exclude holidays. *These hours are estimates for hours to be work. The estimated hours of work listed are not a guaranteed or promised by GRU to the awarded vendor. *

Line Item	Shift	Total Annual Hour	Unit of Measure	Cost Per Hour	Total Annual Cost
Year 1	Estimated hours to be worked for the year 2025	8,760	\$		
Year 2	Estimated hours to be worked for the year 2026	8,760	\$		
Year 3	Estimated hours to be worked for the year 2027	8,760	\$		
Year 4	Estimated hours to be worked for the year 2028	8,760	\$		
Year 5	Estimated hours to be worked for the year 2029	8,760	\$		
TOTAL					

WATER SITE ROVER HOURLY RATE PER SHIFT

This post runs twelve (12) hour shift seven (7) days a week.

Line Item	Shift	Guards Needed	Cost Per Hour
1	1st Shift: 19:00 P.M.-07:00 A.M.	1	

WATER ROVER SITE ANNUAL COST

Estimated cost to be billed to GRU for total hours work for the year. This post does not exclude holidays. *These hours are estimates for hours to be work. The estimated hours of work listed are not a guaranteed or promised by GRU to the awarded vendor. *

Line Item	Shift	Total Annual Hours	Unit of Measure	Cost Per Hour	Total Annual Cost
Year 1	Estimated hours to be worked for the year 2025	4,380	\$		
Year 2	Estimated hours to be worked for the year 2026	4,380	\$		
Year 3	Estimated hours to be worked for the year 2027	4,380	\$		
Year 4	Estimated hours to be worked for the year 2028	4,380	\$		
Year 5	Estimated hours to be worked for the year 2029	4,380	\$		
TOTAL					

KANAPAHA GATE HOURLY RATE PER SHIFT

Line Item	Shift	Guards Needed	Cost Per Hour
1	1st Shift: 06:00 A.M.-18:00 P.M. (MONDAY THROUGH FRIDAY)	1	

KANAPAHA GATE ANNUAL COST

Estimated cost to be billed to GRU for total hours work for the year, minus holiday hours that fall on scheduled shift days. *These hours are estimates for hours to be work. The estimated hours of work listed are not a guaranteed or promised by GRU to the awarded vendor. *

Line Item	Shift	Total Annual Hours	Unit of Measure	Cost Per Hour	Total Annual Cost
Year 1	Estimated hours to be worked for the year 2025	2,997	\$		
Year 2	Estimated hours to be worked for the year 2026	3,009	\$		
Year 3	Estimated hours to be worked for the year 2027	3,033	\$		
Year 4	Estimated hours to be worked for the year 2028	3,033	\$		

Line Item	Shift	Total Annual Hours	Unit of Measure	Cost Per Hour	Total Annual Cost
Year 5	Estimated hours to be worked for the year 2029	3,021	\$		
TOTAL					

MAIN STREET WASTE WATER FACILITY HOURLY RATE PER SHIFT

Line Item	Shift	Guards Needed	Cost Per Hour
1	1st Shift- 19:00 P.M.- 07:00 A.M. (MONDAY THROUGH FRIDAY)	1	

MAIN STREET ANNUAL COST

Estimated cost to be billed to GRU for total hours work for the year, minus holiday hours that fall on scheduled shift days. *These hours are estimates for hours to be work. The estimated hours of work listed are not a guaranteed or promised by GRU to the awarded vendor. *

Line Item	Shift	Total Annual Hours	Unit of Measure	Cost Per Hour	Total Annual Cost
Year 1	Estimated hours to be worked for the year 2025	2,997	\$		
Year 2	Estimated hours to be worked for the year 2026	3,009	\$		
Year 3	Estimated hours to be worked for the year 2027	3,033	\$		
Year 4	Estimated hours to be worked for the year 2028	3,033	\$		
Year 5	Estimated hours to be worked for the year 2029	3,021	\$		
TOTAL					

HOURLY RATE PER POSITION TITLE

Line Item	Position Title	Cost Per Hour	Employees Rate of Pay	Hourly Rate Billed to GRU
1	Security Officer (Manager/Supervisor)	\$		
2	Security Officer (Class D)	\$		

HOURLY SHIFT DIFFERENTIAL

If your company provides a pay incentive for employees to work 2nd and 3rd shift hours, place the flat sum added to the employee's hourly rate.

Line Item	Shift	Cost Per Hour	Amount
1	2nd Shift hours according to your company's schedule policy	\$	

Line Item	Shift	Cost Per Hour	Amount
2	3rd Shift hours according to your company's scheduling policy.	\$	

PROPOSED ANNUAL RATE INCREASE

This is a multi-year contract, if your company plans to increase the annual cost to GRU list that percentage increase below.

Line Item	Description	Unit of Measure	Unit Cost
1	Contractor's purposed annual percentage increase.	%	

VEHICLE COST

Place the total monthly cost your agency would bill to GRU for the vehicle that will be used to perform GRU duties.

Line Item	Vehicle Type	Quantity	Unit of Measure	Unit Cost	Total Monthly Cost
1	Sedan		\$		
2	Sedan		\$		

7. RESPONSE SUBMITTALS

The following information is required with the Response. *Failure to provide the following information may be cause for the response to be deemed "non-responsive"*:

Florida Statute 493.6111

6) A licensed agency must include its agency license number in any advertisement in any print medium or directory and must include its agency license number in any written bid or offer to provide services.

7.1. F.S 493.6125 Maintenance of Information Concerning Administrative Complaints and Disciplinary Actions*

Has your company had any Administrative Complaints and or Disciplinary Actions taken against it?

GRU will be check with the Florida Department of Agriculture and Consumer Services for each company that submits a response to this Solicitation.

☐ Yes

☐ No

*Response required

7.2. Staffing Retention Strategy*

Upload your company's Staffing Retention Strategy.

*Response required

7.3. Job Description for Each Personnel Position Assigned to GRU *

In Accordance with Florida Statute 493.6101

19) "Security officer" means any individual who, for consideration, advertises as providing or performs bodyguard services or otherwise guards persons or property; attempts to prevent theft or unlawful taking of goods, wares, and merchandise; or attempts to prevent the misappropriation or concealment of goods, wares or merchandise, money, bonds, stocks, choses in action, notes, or other documents, papers, and articles of value or procurement of the return thereof. The term also includes armored car personnel and those personnel engaged in the transportation of prisoners.

Upload a copy of your company's job description for each position that will be assigned to GRU.

*Response required

7.4. **Respondent Certification Form***

Please download the below documents, complete, and upload.

"I hereby propose to provide the goods/services requested in this Solicitation. I agree to hold pricing for at least **60** calendar days from the Solicitation due date. I agree that GRU's terms and conditions herein take precedence over any conflicting terms and conditions submitted for GRU's consideration, and agree to abide by all conditions of this Solicitation.

I certify that all information contained in this Response is truthful to the best of my knowledge and belief. I further certify that I am duly authorized to execute and submit this Response on behalf of the organization as its agent and that the organization is ready, willing and able to perform if awarded.

I further certify that this Response is made without prior understanding, agreement, connection, discussion, or collusion with any other person, company or corporation submitting an offer for the same product or service; and the undersigned executed this Respondent's Certification with full knowledge and understanding of the matters therein contained."

- [RESPONDENT CERTIFICATION FO...](#)

*Response required

7.5. **Drug-Free Workplace Certification Form***

Please download the below documents, complete, and upload.

"Preference may be given to a business that certifies that it has implemented a drug-free workplace program. Pursuant to Section 287.087, Florida Statutes, whenever two or more competitive solicitations that are equal with respect to price, quality, and service are received by the State or by any political subdivision for the procurement of commodities or contractual services, a response received from a business that certifies that it has implemented a drug-free workplace program shall be given preference in the award process. Established procedures for processing tie responses will be followed if none of the tied providers has a drug free workplace program. In order to have a drug-free workplace program, a business shall:

- a. Publish a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the workplace and specifying the actions that will be taken against employees for violations of such prohibition.
- b. Inform employees about the dangers of drug abuse in the workplace, the business's policy of maintaining a drug-free workplace, any available drug counseling, rehabilitation, and employee assistance programs, and the penalties that may be imposed upon employees for drug abuse violations.
- c. Give each employee engaged in providing the commodities or contractual services that are under proposal a copy of the statement specified in Subsection (1).
- d. In the statement specified in Subsection (1), notify the employees that, as a condition of working on the commodities or contractual services that are under proposal, the employee will abide by the terms of the statement and will notify the employer of any conviction of, or plea of guilty or nolo contendere to, any violation of Chapter 893, Florida Statutes, or of any controlled substance law of the United States or any state, for a violation occurring in the workplace no later than five (5) days after such conviction.

- e. Impose a sanction on any employee who is so convicted or require the satisfactory participation in a drug abuse assistance or rehabilitation program as such is available in the employee's community.
- f. Make a good faith effort to continue to maintain a drug-free workplace through implementation of applicable laws, rules and regulations.

As the person authorized to sign the statement, I certify that this firm complies fully with the above requirements."

- [DRUG FREE WORKPLACE-FF_1.pdf](#)

*Response required

7.6. AFFIDAVIT OF COMPLIANCE WITH SECTION 787.06(13) – FLORIDA ANTI-HUMAN TRAFFICKING PROVISIONS*

Pursuant to section 787.06(13), Fla. Stat., when this contract is executed, renewed, or extended the Contractor and any subcontractors must provide the City with an affidavit, signed by an officer or a representative of the Contractor and any subcontractors under penalty of perjury, attesting that the Contractor and subcontractor does not use coercion of labor or services as those terms are defined in this section.

Please download the below documents, complete, and upload.

- [Anti-Human Trafficking affi...](#)

*Response required

7.7. Experience Modification Rate (EMR) Documentation*

Experience Modification Rate (EMR) Documentation for the most recent three (3) full years provided on letterhead from current insurance provider.

*Response required

7.8. Copy of Commerical Liability Policy*

Upload a copy of your company's current commercial liability policy in compliance with the F. S 493.6110.

*Awarded contractor will have to comply with GRUs Minimum Insurance Amounts listed in Section 4 Supplemental Conditions, sub-section 4.16 *

*Response required

7.9. Do you have any Clarifications and/or Exceptions to this Solicitation?*

Any deviation from this Solicitation must be provided and explained in detail with the Response. Deviations must be explained on a separate page labeled "Clarifications and Exceptions" and included with the Response. Each clarification and exception must correspond to the specific referenced section in the Solicitation. Otherwise, the Response will be considered in strict compliance with the Solicitation and the selected Respondent will be held accountable for compliance with the Specifications

☐ Yes

☐ No

*Response required

7.10. Clarifications and Exceptions*

Any deviation from this Solicitation must be provided and explained in detail with the Response. Deviations must be explained on a separate page labeled "Clarifications and Exceptions" and included with the Response. Each clarification and exception must correspond to the specific referenced section in the Solicitation. Otherwise, the Response will be considered in strict compliance with the Solicitation and the selected Respondent will be held accountable for compliance with the Specifications

*Response required

7.11. No Call No Show Policy and Procedures*

Upload a copy of your company's No Call No Show Policy and Procedures.

*Response required

7.12. Contingency and Emergency Surge Support Plan*

The contractor shall upload an emergency surge support plan for meeting the requirements of this section. These efforts may be required during and following disasters and other emergencies that may impact any of the individual GRU's ability to continue normal business functions.

*Response required

7.13. Drug Testing Program and Procedures*

Upload a copy of your companies Drug Testing Program and Procedures.

*Response required

7.14. Compliance and Training Program*

Upload a copy of your company's Compliance and Training Program.

*Response required

7.15. Agency License*

In accordance with Chapter 493, Florida Statutes,

Upload proof of;

-Local branch office

-Proper license for this branch

-Proper license for the manager of the local branch office

In addition to the items listed above, include an area supervisor plan in accordance with the requirements listed in Section 5 sub-section 5.2 Contractor Responsibilities.

*Response required

8. EVALUATION CRITERIA

No.	Evaluation Criteria	Scoring Method	Weight (Points)
1.	Cost Efficiency and Pricing Contractors' strategy to reduce cost without compromising performance, efficiency and service provided to GRU under the awarded contract.	Points Based	40 (40% of Total)
2.	Resource Optimization and Operational Effectiveness Employee Recruitment GRU Staffing Plan Staffing Retention Strategy Contingency and Emergency Surge Support Plan Call Outs and No Call No Show Policy Drug Testing Program/ Policy and Procedures	Points Based	25 (25% of Total)

3.	Experience and References The Contactor shall have self-performed or as a member of a joint venture and unarmed and/or armed guard service contract a minimum of one year in a commercial/industrial setting and a government (Federal, State, or Municipal) setting in the last five years. Relevant experience managing similar accounts with public utility entities. Experience with NERC/FERC/SERC related environments. Five (5) verifiable references from the contactor's client list. References must have current phone numbers and emails. GRU reserves the right to contact the listed references, and any other references not provided as needed.	Points Based	15 <i>(15% of Total)</i>
4.	Training and Compliance Contractors' ability to ensure compliance of: Post orders Policy and procedures Scheduling needs Training Licensing Drug Free Workplace Contractor's Training Program/Plan	Points Based	20 <i>(20% of Total)</i>

File Number: 2024-798

Agenda Date: November 6, 2024

Department: Gainesville Regional Utilities

Title: 2024-798 Natural Gas Prepay Transaction (B)

Department: Gainesville Regional Utilities/Budget, Finance and Accounting

Description: This item relates to a proposed prepay transaction with a commodity supplier to purchase future supplies of natural gas at a discount.

Explanation: The purchase of fuel constitutes a significant portion of GRU's annual O&M budget. In FY25, the fuels budget is ~\$96.6M or approximately 22% of GRU's budget. GRU has the opportunity to reduce its fuel costs by purchasing a portion of its projected future gas needs at a discounted price. The key elements of the proposed transaction are:

- The initial discount is typically around \$0.50 per MMBTU for the first segment of the contract
- GRU's obligation is limited to paying for the natural gas delivered
- The transaction does not increase GRU's outstanding debt
- While the transaction is long term, GRU has the flexibility to transition from natural gas to electricity and still retain the discount
- The transaction will serve to diversify GRU's commodity supplier base
- In the event the transaction unwinds, GRU would simply revert to the current process for purchases of gas. The impact to GRU would be the loss of the discount.

Fiscal Impact: The initial discount is estimated at \$0.50 per MMBTU. The ultimate percentage of load committed to the prepay transaction is 50% of GRU's daily load.

Recommendation: The GRU Authority delegate authority to the CEO and CFO to negotiate a natural gas prepay contract subject to the following execution parameter: an initial discount of no less than \$0.50 per MMBTU.



Natural Gas Pre-Payment Transactions



October 30, 2024



Prepayment Transactions: Executive Summary

- ◆ Authorized by Congress (National Energy Policy Act of 2005) and approved by the Internal Revenue Service
- ◆ A 30-year transaction that:
 - Has an initial term of 5-7 years with a required discount of ~\$0.50 per MMBtu
 - Resets at the end each segment, with a required minimum savings level to proceed (~\$0.20 per MMBtu)
 - At resets, volumes and terms can be adjusted to get a higher than the minimum savings level
- ◆ GRU has offramps for this transaction:
 - Can switch from natural gas to energy over term of the contract
 - If minimum savings not achieved at reset points, transaction “comes down”
 - If GRU no longer needs natural gas, unused gas volumes can be remarketed to another municipal entity
- ◆ Debt associated with the prepay is:
 - Non-recourse to GRU
 - Does not appear on GRU's balance sheet
- ◆ Represents:
 - A “routine” transaction for municipal utilities that is considered a best practice with little change in risk
 - A method for GRU to mitigate increases in the fuel adjustment rate
 - At its core, simply a gas commodity contract that achieves savings on a necessary commodity



Prepayment Transactions: Overview

- ◆ Municipal entities (“conduit issuer”) can issue tax-exempt debt to make a prepayment to a commodity supplier to purchase future supplies of **natural gas and/or energy at a discount**
- ◆ GRU can reduce its costs by purchasing natural gas and/or electricity at a **discounted price as well as to diversify commodity suppliers**
- ◆ GRU’s **obligation is generally limited to paying for natural gas or energy that is delivered and not the underlying prepayment bonds**
- ◆ Natural gas volumes from a **prepayment transaction can be incorporated into GRU’s hedging strategy**
- ◆ In the event the **transaction unwinds**, the **risk** for GRU is
 - **loss of potential savings**
 - **return to standard procedures** for purchases of gas / electricity in the market



Questions About A Gas Prepay Transaction

1. Who participates in these transactions
2. How are savings generated?
3. Are Prepayments Risky?
4. How are these transactions structured?
5. What does GRU need to consider for participation?



Who participates in prepay transactions?

A transaction that reduces index gas costs by \$0.40-0.60 / MMBtu and contracted purchased power costs by 8-10%



City of Tallahassee
Your Own Utilities™

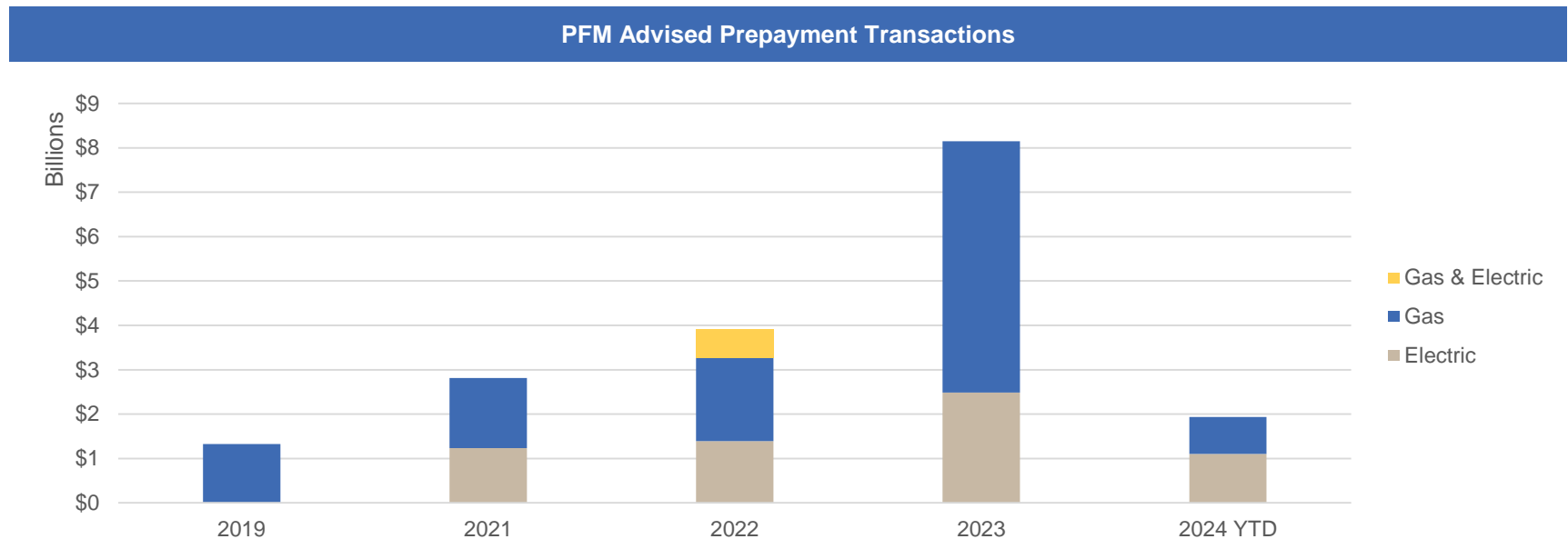


SMUD®





Who participates in prepay transactions?



- PFM represents both “prepay aggregators” and many of the public power participants in these transactions
- PFM generally believes that prepay transactions are a means to generate **meaningful savings** on a **necessary commodity** with **minimal changes in the risk exposure** of public power participants
- New structures allow for a “switch” feature, providing future flexibility and addressing environmental concerns of entering into a long-lived commodity supply contract



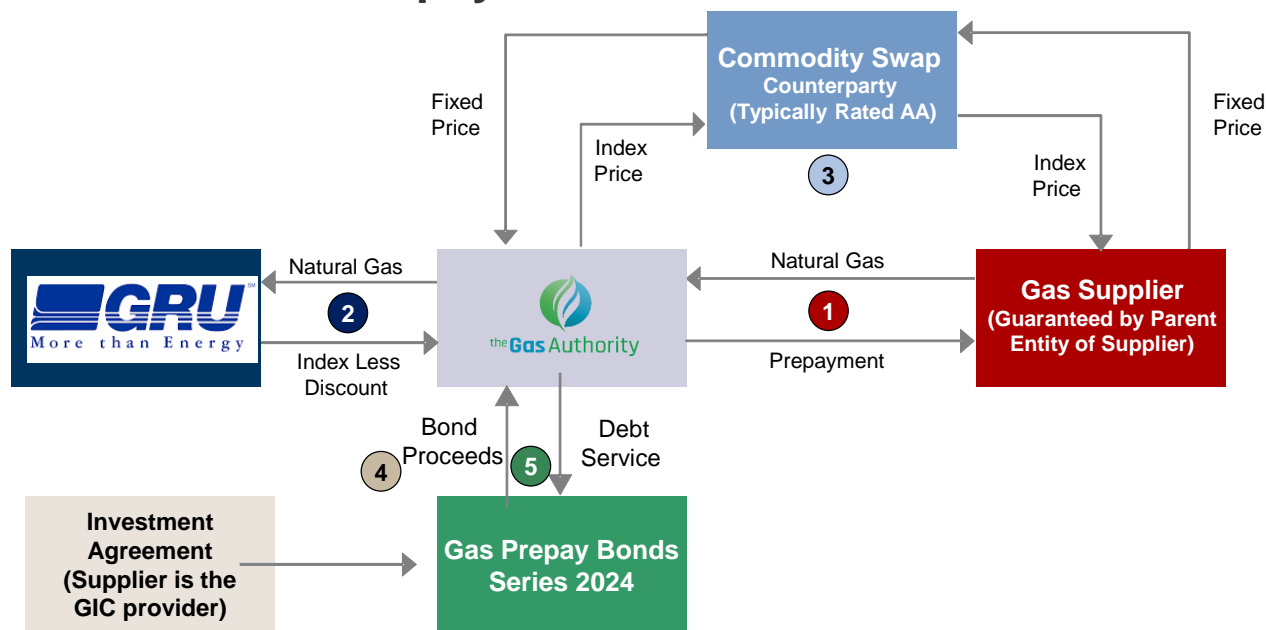
How are the Savings Generated?

- ◆ The **Gas Provider (usually lower rated and a taxable entity) values prepayment as an alternate source of capital funding** at its higher cost of capital ~ 4%
- ◆ Example: Natural gas cash flows of ~\$32.5MM annually over the 30-year life of the transaction are discounted at the 4% rate to establish the upfront prepayment amount
- ◆ **The tax-exempt bonds issued to pay the upfront prepayment at a lower interest cost ~ 3.25% versus the Gas Provider's funding rate of ~4%**
- ◆ The bond payments ~\$30MM annually are lower than the existing ~\$32.5MM PPA payments
- ◆ ~\$2.5MM in **cashflow savings are generated and “shared” with the prepay participants**
- ◆ Savings are quoted net of all upfront and annual transaction expenses
- ◆ For initial segment of the transaction, GRU can expect savings of ~>\$0.40 per MMBtu



How are the Savings Generated?

Sample Natural Gas Prepayment Structure



- 1 Prepayment:** Issuer prepays Supplier for approximately 30 years of natural gas deliveries, entering into a Prepaid Agreement.
- 2 GRU:** Under a Gas Supply Contract, Supplier agrees to sell to GRU 100% of the gas delivered on a pay-as-you-go basis at a price equal to the applicable monthly market index less a discount.
- 3 Commodity Swap:** Issuer enters into a fixed-for-floating Commodity Swap with commodity swap counterparty to facilitate its ability to sell specified gas volumes required to be delivered to GRU at market-referenced prices. Supplier enters into a mirror fixed-for-floating Commodity Swap with the swap counterparty.
- 4 Investment Agreement:** Monthly, Issuer deposits revenues received into debt service account investment agreement. Semiannually, funds are withdrawn to meet debt service.
- 5 Debt Service** Issuer pays debt service semiannually on Series 2024 bonds issued to fund the prepayment for natural gas



How are the Savings Generated?

Economic Drivers of the Gas Prepay Discount

Component	Definition	Impact on Gas Discount
Term of the Prepaid Gas Agreement	Time period from the delivery date to final maturity of the Agreement	Longer the term, the greater the quantity of gas and the associated discount
Natural Gas Price Curve	Series of forward prices where parties can purchase gas at fixed prices	The higher and/or steeper the gas price curve, the greater the gas discount
Gas Supplier's Discount Rate	Gas Supplier's cost of funds expressed as a spread over SOFR swaps	The higher the funding spread, the greater the gas discount
Tax-Exempt Bonds' Trading Levels	Gas prepaid bonds trading levels expressed as a spread over BVAL ("AAA") benchmark rates	The lower the credit spread, the greater the discount
Yield spread between taxable (SOFR) and tax-exempt (BVAL) market	Relationship between taxable and tax-exempt markets	The wider the spread in basis points, the greater the discount

Many different levers and indices/rates/spreads combine to produce the discount to the index for a pre-pay transaction. These transactions can be very market sensitive and opportunistic



Are Prepayments Risky?

Favorable Risk Allocation - “Take-and-Pay” Structure

Under the “take-and-pay” legal structure of the gas prepay transaction, Holland BPW is protected against many of the risks / concerns associated with a gas prepay transaction

Risk

Mitigation

Supplier default on gas delivery

GRU only pays for gas if/when Supplier delivers the natural gas

Supplier/Guarantor assumes debt obligations in the event of Supplier default

GRU receives too much gas and is unable to have Qualified Use and/or has to meet renewable mandates in the future

Supplier/Guarantor will remarket the gas to qualified entities to ensure GRU compliance with Qualified Use. Generally, this can occur over a 2 year period

Debt for prepayment could obligate GRU over the long-term

Rating agency treatment of gas prepay debt

Debt is non-recourse to GRU, and GRU's obligation is take and pay. Rating agencies do not count prepay transactions as debt or fixed costs of GRU. Bonds are rated based on the Supplier.

Commodity swap or investment GIC provider counterparty fails to perform

Documents allow for replacement of swap and GIC provider; Supplier is GIC provider (thus no add'l risk)

Supplier/Guarantor bears the risk of the counterparty's performance and in the event of default, the swap “tears up”. Worst case is deal comes down with no ongoing risk for GRU except that gas would have to then be procured on the market.



How are prepayment transactions structured?

- Prior transactions were typically long-term fixed rate bond transactions to maturity, in which the savings (discount to index) was locked in for the entire term.
- The recent transactions (over the past ~5 years) have a different debt structure:
 - New “segmented” structure that generates a meaningful discount despite low gas prices.
 - Bonds issued for prepayment are fixed rate “Put” bonds with a Put Date in 5-7 years
 - At this Put Date, the bonds would need to be remarketed (as another “Segment”)
- The “Put Structure”, where the bonds have to either be redeemed or remarketed in the 5-7 year timeframe, provides an opportunity to reissue the bonds along with the ability to restrike the discount rate per MMBtu (documents indicate minimum reset savings of ~\$0.20 per MMBtu)
 - Allows for a continued discount under certain market conditions as well as potential expansion of the transaction with more volumes of natural gas (to increase savings)
- To address political and regulatory uncertainty, new structure also allows a “switch” to renewable energy or market energy rather than purchasing natural gas.



How are prepayment transactions structured?

NEW ISSUE - BOOK-ENTRY ONLY

RATING: (SEE "RATING" HEREIN)

In the opinion of Ballard Spahr LLP, Bond Counsel to CCFCA, interest on the Bonds is excludable from gross income for purposes of federal income tax, assuming continuing compliance with the requirements of federal tax laws. Interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; however, such interest is taken into account in determining the adjusted financial statement income of applicable corporations. Bond Counsel is also of the opinion that, based upon existing law, interest on the Bonds is exempt from State of California personal income taxes. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Bonds. See "TAX MATTERS" herein.



\$1,101,625,000

CALIFORNIA COMMUNITY CHOICE FINANCING AUTHORITY

CLEAN ENERGY PROJECT REVENUE BONDS, SERIES 2024A (GREEN BONDS) (TERM RATE)

DATE: Date of Delivery

DUE: As shown on the inside cover

California Community Choice Financing Authority ("CCFCA") is issuing its Clean Energy Project Revenue Bonds, Series 2024A (Green Bonds) (Term Rate) (the "Bonds"), under a Trust Indenture between CCFCA and The Bank of New York Mellon Trust Company, N.A., as Trustee. The Bonds will be issued in book-entry form through the facilities of The Depository Trust Company ("DTC"). Purchases of the Bonds will be made in book-entry form through DTC participants in denominations of \$5,000 or any multiple thereof. Payments of principal of, premium, if any, and interest on the Bonds will be made directly to DTC and will subsequently be disbursed to DTC participants and thereafter to Beneficial Owners of the Bonds, all as described herein. Capitalized terms used and not otherwise defined on this cover page have the meanings set forth herein.

From their initial issue date (the "Initial Issue Date") to and including March 31, 2032 (the "Initial Interest Rate Period"), the Bonds will bear interest in a Term Rate Period, as shown on the inside cover page and described herein. During the Initial Interest Rate Period, interest on the Bonds is payable semiannually on each April 1 and October 1, commencing April 1, 2024. The Bonds are subject to optional and extraordinary mandatory redemptions during the Initial Interest Rate Period, and the Bonds maturing on May 1, 2034 are subject to mandatory tender for purchase on April 1, 2032 (the "Mandatory Purchase Date").

Proceeds of the Bonds will be used to prepare the costs of the acquisition of EPS Compliant Energy to be delivered over approximately 30 years under a Prepaid Energy Sales Agreement (the "Prepaid Energy Sales Agreement"), between Morgan Stanley Energy Structuring, L.L.C., a Delaware limited liability company ("MSES" or the "Energy Supplier") and CCFCA. "EPS Compliant Energy" means three-phase, 60-cycle alternating current electric energy ("Energy") that the Project Participant (hereinafter defined) can contract for and purchase in compliance with California's Emissions Performance Standards ("EPS"), as set forth in Sections 8840 and 8841 of the California Public Utilities Code, as implemented and amended from time to time, and any successor law, that are applicable to such Project Participant. Pursuant to the Prepaid Energy Sales Agreement, MSES is obligated to deliver specified quantities of EPS Compliant Energy to CCFCA (the "Prepaid Energy"), make certain payments for any Prepaid Energy not delivered, remarket quantities of Base Energy (defined herein) in respect of Prepaid Energy not taken by the Project Participant and make a Termination Payment upon any early termination of the Prepaid Energy Sales Agreement in whole or in part. Any such Termination Payment (defined herein) will be applied to the mandatory redemption of the Bonds in whole or in part, as applicable. The payment obligations of MSES under the Prepaid Energy Sales Agreement, including the Redeemable Purchase Provisions therein (as defined herein) and the payment obligations of Morgan Stanley Capital Group, Inc. ("MSCG") under the Debt Service Account Investment Agreement, are unconditionally guaranteed by Morgan Stanley, a Delaware corporation ("Morgan Stanley").

CCFCA will sell all of the Prepaid Energy acquired under the Prepaid Energy Sales Agreement to Silicon Valley Clean Energy Authority ("SVCEA" or the "Project Participant") under a Power Supply Contract (the "Power Supply Contract") between CCFCA and the Project Participant. Under the terms of the Prepaid Energy Sales Agreement and the Power Supply Contract, the Project Participant may assign its rights to the delivery of EPS Compliant Energy under existing and future power purchase agreements to MSES or to Morgan Stanley Capital Group, Inc. ("MSCG") for ultimate delivery of such EPS Compliant Energy from such agreements to the Project Participant. The Project Participant has entered into a limited assignment agreement relating to specific power purchase agreement(s) as of the Date of Delivery.

The Bonds have been designated "Green Bonds". See "DISCLOSURE OF BONDS AS GREEN BONDS" and Second Party Opinion by Kestrel set forth herein.

THE PAYMENT OF THE BONDS IS NOT GUARANTEED BY THE ENERGY SUPPLIER, MSES, MORGAN STANLEY, THE UNDERWRITER, THE COMMODITY SWAP COUNTERPARTIES, THE INVESTMENT AGREEMENT PROVIDER, CCFCA OR ITS MEMBERS, OR THE PROJECT PARTICIPANT. THE BONDS DO NOT CONSTITUTE GENERAL OBLIGATIONS OR INDEBTEDNESS OF CCFCA, THE MEMBERS OF CCFCA, THE PROJECT PARTICIPANT, THE STATE OF CALIFORNIA OR ANY POLITICAL SUBDIVISION OF THE STATE AND NEITHER THE FAITH AND CREDIT OF CCFCA NOR THE TAXING POWER OF THE STATE OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO PAYMENTS PURSUANT TO THE INDENTURE OR THE BONDS. THE BONDS ARE SPECIAL, LIMITED OBLIGATIONS OF CCFCA, PAYABLE SOLELY FROM AND SECURED SOLELY BY THE TRUST ESTATE, IN THE MANNER AND TO THE EXTENT PROVIDED IN THE INDENTURE.

This Official Statement describes the Bonds only during the Initial Interest Rate Period and must not be relied upon if the Bonds are converted to any other interest rate period. The purchase and ownership of the Bonds involve investment risk and may not be suitable for all investors. This cover page is not intended to be a summary of the terms of or the security for the Bonds. Investors are advised to read this Official Statement in its entirety to obtain information essential to the making of an informed investment decision with respect to the Bonds, giving particular attention to the matters discussed under "Investment Considerations" herein.

The Bonds are offered, when, as and if issued by CCFCA and accepted by the Underwriter, subject to the approval of validity by Ballard Spahr LLP, Bond Counsel, and certain other conditions. Certain legal matters will be passed upon for CCFCA by its General Counsel, for the Project Participant by Chapman and Cutler LLP, for the Energy Supplier by Sheppard, Mullin, Richter & Hampton LLP, and for the Underwriter by Nason Peabody LLP. It is expected that the Bonds will be available for delivery through the facilities of DTC on or about January 25, 2024.

Morgan Stanley

This Official Statement is dated January 17, 2024.

NEW ISSUE BOOK-ENTRY ONLY

RATINGS: Moody's "Aa1"

In the opinion of Alston & Bird LLP, Bond Counsel, based upon an analysis of existing law, and assuming, among other matters, the accuracy of certain representations and continuous compliance with certain covenants herein, interest on the Bonds is (i) excluded from gross income for federal income tax purposes under Section 109 of the Internal Revenue Code of 1986, as amended, and (ii) exempt from state income taxation within the State of Georgia. In the further opinion of Bond Counsel, interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax with the exception in certain circumstances of corporate alternative minimum tax. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Bonds. See "TAX MATTERS" herein.



\$836,645,000 MAIN STREET NATURAL GAS, INC. GAS SUPPLY REVENUE BONDS, SERIES 2024A

Bonds Dated: Date of Delivery

Denomination: \$1,000

Principal Due: As shown on the inside cover

Form: Book Entry Only

Main Street Natural Gas, Inc. (the "Issuer") is issuing \$836,645,000 of its Gas Supply Revenue Bonds, Series 2024A (the "Bonds") pursuant to a Trust Indenture, to be dated as of the first day of the month in which the Bonds are issued (the "Indenture"), by and between the Issuer and U.S. Bank Trust Company, National Association, as trustee (the "Trustee").

Proceeds of the Bonds will be used to prepare the costs of the acquisition of a fixed quantity of natural gas to be delivered over 30 years (the "Gas Supply") under a Prepaid Natural Gas Purchase and Sale Agreement, to be dated as of the first day of the month in which the Bonds are issued (the "Prepaid Gas Agreement"), by and between Royal Bank of Canada (the "Gas Supplier") and the Issuer, to fund capitalized interest on the Bonds and to pay costs of issuance of the Bonds. Delivery of the Gas Supply will commence on the first day of April 2024. In connection with its acquisition of the Gas Supply, the Issuer and the Municipal Gas Authority of Georgia (the "Gas Authority") will enter into a Natural Gas Supply Agreement, to be dated as of the first day of the month in which the Bonds are issued (the "Gas Supply Agreement"), providing for the sale of the Gas Supply by the Issuer to the Gas Authority. The Gas Supply acquired by the Gas Authority will be sold to its Members and certain other Public Agencies as herein described. See "THE GAS SUPPLY ACQUISITION".

Pursuant to the Prepaid Gas Agreement, the Gas Supplier is obligated to deliver specified daily quantities of gas to the Issuer, make certain payments for any gas not delivered, remarket gas not taken by the Gas Authority and pay certain liquidated damages upon any early termination of the Prepaid Gas Agreement in whole or in part. Any such payment will be applied to the mandatory redemption of the Bonds in whole or in part, as applicable. See "THE GAS SUPPLY ACQUISITION" and "THE BONDS - Redemption". The Bonds will be issued in authorized denominations of \$1,000 or any integral multiple thereof, and will be registered in the name of Cade & Co., as nominee for The Depository Trust Company ("DTC"), New York, New York, which will act as Securities Depository for the Bonds. The principal or redemption Price and interest on the Bonds are payable by the Trustee, which is also serving as authenticating agent, paying agent, registrar, and tender agent for the Bonds. Purchases of the Bonds (the "Beneficial Owners") will not involve physical delivery of bond certificates. For as long as the Bonds remain in a "book-entry only" system, the Trustee will make such payments only to DTC or its nominee, which, in turn, is obligated to remit such principal and interest to the DTC Participants for disbursement to Beneficial Owners of the Bonds. See APPENDIX B - "BOOK-ENTRY ONLY SYSTEM".

Bonds. The Bonds are being issued in a Long-Term Interest Rate Period commencing on the issue date of the Bonds and ending on (and including) August 31, 2031, during which period the Bonds shall bear interest at the stated per annum rate. The Maturity Date of the Bonds set forth on the inside cover page of this Official Statement. The Bonds are required to be tendered for purchase on September 1, 2031 (the "Mandatory Purchase Date"). The Bonds are not subject to tender at the option of the holders thereof prior to the Mandatory Purchase Date.

Interest on each Bond will be computed on the basis of a 360-day year of twelve 30-day months, and will be payable on each March 1 and September 1, commencing September 1, 2024, and on the Mandatory Purchase Date, any redemption date for each Bond, and the Maturity Date of each Bond (each a "Interest Payment Date").

For a further description of the Bonds, see "THE BONDS" herein.

Settlement Facility. In order to provide for the purchase of Bonds on the Mandatory Purchase Date, which in any case are not restricted, the Issuer is entering into a Settlement Agreement, to be dated the issue date of the Bonds (the "Settlement Facility"), with Royal Bank of Canada (the "Settlement Facility Provider"). The Settlement Facility expires on the Business Day following the Mandatory Purchase Date and is not subject to termination prior to such date, unless the Bonds are no longer Outstanding pursuant to the terms of the Indenture. See "THE SETTLEMENT FACILITY".



Royal Bank of Canada

Failed Remittance. Under the terms of the Indenture, a "Failed Remittance" will occur in the event of a failure, on a Mandatory Purchase Date, to either pay the Purchase Price of the Bonds or redeem the Bonds on such date. A Failed Remittance will result in an Event of Default under the Indenture for which Owners of the Bonds shall have the remedies set forth in the Indenture, and the Owners of the Bonds shall have all rights of an Owner of Settlement Facility Bonds, including the right to demand that all such Bonds be immediately redeemed. See "SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE - Events of Default and Remedies" and "THE BONDS - Redemption - Mandatory Redemption of Settlement Facility Bonds".

Optional Redemption. The Bonds maturing on and after the Mandatory Purchase Date are subject to optional redemption in whole or in part on the 1st day and 15th day of each calendar month on or after June 1, 2031 at the Redemption Price set forth herein plus accrued interest to the redemption date. See "THE BONDS - Redemption - Optional Redemption of Bonds".

Mandatory Redemption. All Bonds are subject to mandatory redemption prior to their respective Maturity Dates in whole, and not in part, upon any early termination of the Prepaid Gas Agreement, or in part upon the occurrence of an early termination of the Prepaid Gas Agreement in part, in either case at a Redemption Price equal to the Assorted Value thereof, plus unpaid accrued interest to the date of redemption. Upon the occurrence of any early termination of the Prepaid Gas Agreement, in whole or in part, the Gas Supplier is required to pay the Liquidation Payment or Partial Liquidation Payment, respectively, to the Trustee for deposit in the Termination Fund, to be applied by the Trustee to the redemption of Bonds on the applicable date of redemption. See "THE BONDS - Redemption - Mandatory Redemption" and "THE GAS SUPPLY ACQUISITION - Early Termination of the Prepaid Gas Agreement".

Security. The Bonds are special limited obligations payable solely from the Trust Estate described herein. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS".

THE BONDS ARE NOT GENERAL OBLIGATIONS OR INDEBTEDNESS OF THE STATE OF GEORGIA. THE ISSUER, THE GAS AUTHORITY OR ANY PUBLIC CORPORATION, POLITICAL SUBDIVISION OR INSTRUMENTALITY OF THE STATE OF GEORGIA, BUT IS SPECIAL LIMITED OBLIGATIONS OF THE ISSUER PAYABLE SOLELY FROM AND SECURED BY A LIEU ON THE TRUST ESTATE, AS FURTHER DESCRIBED HEREIN AND IN THE INDENTURE. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF GEORGIA OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE BONDS. THE ISSUER HAS NO TAXING POWER.

This Official Statement describes the Bonds only during the Long-Term Interest Rate Period in effect from the issue date of the Bonds to the Mandatory Purchase Date, and should not be relied upon if the Bonds are converted to any other interest rate period (including another Long-Term Interest Rate Period).

The purchase and ownership of the Bonds involve investment risk and may not be suitable for all investors. This cover page is not intended to be a summary of the terms of or the security for the Bonds. Investors are advised to read this Official Statement in its entirety to obtain information essential to the making of an informed investment decision with respect to the Bonds, giving particular attention to the matters discussed under "INVESTMENT CONSIDERATIONS AND RISK" herein.

The Bonds are offered, when, as and if issued by the Issuer and accepted by RBC Capital Markets, L.L.C., as underwriter (in such capacity, the "Underwriter"), subject to the approval of validity by Alston & Bird LLP, Bond Counsel, and certain other conditions. Certain legal matters will be passed upon for the Issuer by Alston & Bird LLP, for the Gas Supplier, the Trustee, the Prepaid Gas Agreement and for the Underwriter by Chapman and Cutler LLP, and for the Underwriter by Nason Peabody LLP. It is expected that the Bonds will be available for delivery through the facilities of DTC on or about January 25, 2024.

RBC Capital Markets

January 8, 2024



What does GRU need to consider for participation?

GRU Gas Supply Portfolio Assumptions

A natural gas prepay transaction provides diversification and cost savings opportunity:

- Currently, GRU purchases natural gas through a variety of agreements
 - Adding up to 40-50% of its overall gas needs **could be an appropriate, prudent diversification of natural gas supply**
 - Ultimately, GRU must determine the quantity that will be included in the prepayment (MMBtus per day) and **have a reasonable expectation that this amount will be necessary for the full term of the agreement**
- Remaining supply (not included in prepay) represents:
 - Risk mitigation in the event of changes in carbon legislation
 - Future opportunities to capture savings from future prepaid transactions
 - Hedge against emerging technologies / changes in customers' preferences
- Diversifying GRU's participation in natural gas prepay programs – both on suppliers and the discounts available in the transactions – should be seen as **a long-lived decision**



What does GRU need to consider for participation?

◆ Amount of Natural Gas Supply; Qualified Use of Gas

- Qualified volumes require gas or energy to be used for existing historical service territory
- Substantial additional qualified use on which to obtain savings and potential additional transaction

◆ Timing / amount of 5 year savings per MMBtu

- Savings available is likely to vary over time, as we have seen in past ten years

◆ Choice of Aggregator (“Conduit Issuer”) and Gas Supplier

- Deals are getting done – additional Supplier capacity available
- New entrants more risky; proven form by the banks that have been doing these for the past decade (Goldman Sachs, RBC, Morgan Stanley, Citi)
- GRU may want gas at different **delivery points**; experience with various delivery points important



What does GRU need to consider for participation?

◆ “Switch” feature may be an option to incorporate.

- Upon GRU providing notice, the pre-pay switches from gas to power
- A means to manage future risk (technology, legislative, environmental)
- Areas to address include type of power (green vs brown) or timing (peak versus off-peak)

◆ Timing of participation

- Timing of the transaction **requires patience** – market conditions need to meet the minimum savings level
- **Gas flows typically 4-6 months after** the bond transaction closes
- Generally, **proceed with approval of the Commodity Supply Contract and commit initial volumes** to the transaction



Questions About A Gas Prepay Transaction

1. Who participates in these transactions
Majority of public power utilities have participated in prepay transactions.
2. How are savings generated?
Function of arbitrage between taxable and tax-exempt rates, term of transaction and interest rate relationships
3. Are Prepayments Risky?
Bonds are non-recourse to GRU. In the event a transaction has to terminate, GRU reverts to buying spot market gas
4. How are these transactions structured?
30 year, long-lived transactions that periodically reset
5. What does GRU need to consider for participation?
Volumes, delivery points and integration into hedging strategy.
Aggregator and gas supplier also a consideration



Prepayment Transactions: Executive Summary

- ◆ Authorized by Congress (National Energy Policy Act of 2005) and approved by the Internal Revenue Service
- ◆ A 30-year transaction that:
 - Has an initial term of 5-7 years with a required discount of ~\$0.50 per MMBtu
 - Resets at the end each segment, with a required minimum savings level to proceed (~\$0.20 per MMBtu)
 - At resets, volumes and terms can be adjusted to get a higher than the minimum savings level
- ◆ GRU has offramps for this transaction:
 - Can switch from natural gas to energy over term of the contract
 - If minimum savings not achieved at reset points, transaction “comes down”
 - If GRU no longer needs natural gas, unused gas volumes can be remarketed to another municipal entity
- ◆ Debt associated with the prepay is:
 - Non-recourse to GRU
 - Does not appear on GRU's balance sheet
- ◆ Represents:
 - A “routine” transaction for municipal utilities that is considered a best practice with little change in risk
 - A method for GRU to mitigate increases in the fuel adjustment rate
 - At its core, simply a gas commodity contract that achieves savings on a necessary commodity



Road Ahead

- Determine if prepay transactions and the associated commodity discount are worth staff's time and effort (savings currently >\$0.40 per MMBTu)
- **Identify aggregator or conduit issuer** that has a pending transaction
 - The Gas Authority has several transaction pending over 2024 and planned for 2025
- **Determine volumes to be committed** into the transaction
 - **GRUA can authorizing a maximum annual percentage of natural gas needs and delegate authority** to participate in multiple transactions until that annual volume ceiling is reached
 - Allows GRU to start with one transaction and incorporate into GRU's practices and operations.
 - Once integrated into operations, GRU can commit more volumes to other transactions as a means of diversification and risk management
- **Review and approve commodity supply contract**



Disclosures

PFM is the marketing name for a group of affiliated companies providing a range of services. All services are provided through separate agreements with each company. This material is for general information purposes only and is not intended to provide specific advice or a specific recommendation.

Financial advisory services are provided by PFM Financial Advisors LLC, a registered municipal advisor with the Securities and Exchange Commission (SEC) and the Municipal Securities Rulemaking Board (MSRB) under the Dodd-Frank Act of 2010. Swap advisory services are provided by PFM Swap Advisors LLC which is registered as a municipal advisor with both the MSRB and SEC under the Dodd-Frank Act of 2010, and as a commodity trading advisor with the Commodity Futures Trading Commission. Additional applicable regulatory information is available upon request.

Consulting services are provided through PFM Group Consulting LLC. PFM's financial modeling platform for strategic forecasting is provided through PFM Solutions LLC. A web-based platform for municipal bond information is provided through Munite LLC.

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Gainesville Regional Utilities Authority Agenda Item Report

File Number: 2024-807

Agenda Date: November 6, 2024

Department: Gainesville Regional Utilities

Title: 2024-807 State of the Utility, Monthly Update (B)

Department: Gainesville Regional Utilities/ The Office of the CEO

Description: GRU will be providing a monthly update to Authority members to ensure they are aware of important projects and relevant utility measurements and benchmarks a State of the Utility, if you will. This first report looks at the fourth and final quarter of fiscal year 2024.

We will be assessing the most effective methods for delivering the report in addition to the most relevant information as it evolves. The Board's input on the relevancy and effectiveness is appreciated.

The last State of the Utility report published for January of 2022 is attached for comparative purposes

Fiscal Note: No fiscal note

Recommendation: The GRU Authority hears a monthly update from the utility's operational areas.



2024

STATE OF THE UTILITY - Q4

ENERGY SUPPLY

Major Energy Supply projects/milestones up to Oct. 25, 2024

Damage from recent storms:

None of the damages listed below limited generation capability at any time. We are working with FEMA on possible grant reimbursement for storm damage. The more significant damage included:

- Deerhaven Unit #2 Cooling Tower cell #10 was damaged due to wind gusts, pushing on the fan's outer shroud and resulting in fan blades contacting the shroud. The shroud, fan and gearbox shaft were damaged. Scope and cost of repairs will be submitted to FEMA for consideration of cost recovery. This cell being out of service has no impact to generation capability.
- The construction pond culvert collapsed underground. When FEMA conducted a site visit post-storm they recommended redesigning the culvert configuration. This is in progress, and we are working with FEMA on possible grant money for storm damage and system hardening. Repairs begin 10/28/24

Deerhaven Unit #2 update:

- Cooling Tower cell's #9 and #10 (damaged by previous storms) are out of service and repairs are in progress to restore both cells. Fan #9 was damaged following a storm microburst on 6/5/24.
- Unit max turndown (lowest load) on natural gas was 60 MW. Plant completed and advanced boiler tuning effort to reduce this max turndown to 50 MW. Improved turndown allows for greater generation flexibility and reduced cost of generation.

ENERGY SUPPLY

Deerhaven Unit #2 update continued:

- The unit's maximum ramp rate was just under 3 MW per minute. The boiler OEM has increased the ramp rate to approximately 4 MW per minute. This added ramp rate enhances stability and response to load changes.
- The unit is operated briefly on coal each week to ensure dual-fuel reliability and operator proficiency.

Deerhaven combustion turbines update:

- CT2 is limited to running on natural gas only and currently cannot run on diesel due to failed pressure switch identified during our monthly test run. Due to unit's age (commissioned in 1976) GE does not have many spare parts in inventory, including this failed pressure switch. We researched and obtained what we believe would be a compatible pressure switch on eBay. After changing out this switch we were not able to restore dual-fuel capability and are working with GE to find a compatible replacement pressure switch.
- DHR is in a scheduled planned outage as of 9/28/2024 with the critical path job being the inspection of the steam turbine. This is the first inspection since the unit went into service in 2013. Unit was originally scheduled to return to service on 11/17/2024, but this end date will be significantly extended due to the discovery of material issues with the turbine rotor blade assembly. We will provide a separate detailed update on this discovery work to the Authority.

ENERGY SUPPLY

Kelly Generating Station update:

- The CT4 battery had an inter-cell failure requiring disconnection from unit for safety. We have leased a temporary battery to put in place, so we could restore CT4 to full service. Replacement battery is on order to be installed in spring planned outage.

South Energy Center update:

- The Heating Hot Water project for the UF Health Cancer Hospital is in progress. Piping to the hospital should be completed by mid-November, and we will be reliant on the inside hospital connections before we can finish checkout and implementation. Storm impacts have resulted in slight schedule modifications. There was a short (12-hour) Heating Hot Water outage scheduled for Saturday (10/26) for the UF Health CVNS Hospital. This outage is so we can install an isolation valve needed for the cancer hospital project.

ENERGY DELIVERY

Reliability statistics:

- Monthly average customers served: **103,347**
- Total hours of customer demand: **225,708, 848**
- Total number of outages: **342**
- Total number of customers affected: **52,140**

Industry standard comparisons:

- Average Service Availability Index: **99.99%**
- System Average Interruption Duration Index/SADI: **17.97 (Q4 goal: 13.5)**
- Customer Average Interruption Duration Index/CAIDI: **35.62 (Q4 goal: 55)**
- System Average Frequency Interruption Index/SAIFI: **.09 (Q4 goal: .24)**

Leading outage causes (342 total):

- Vegetation: **140**
- Equipment failure: **73**
- Weather: **28**
- Human cause: **26**
- Animals: **25**

Electric System Consumption:

As of 9/30/24:
Total customers: **104,308**
Kilowatt Hours (kWh): **189,719,815**

As of 9/30/23:
Total customers: **102,701**
Kilowatt Hours (kWh): **190,876,271**

Gas System Consumption:

As of 9/30/24:
Total customers: **37,246**
Therms: **1,444,047**

As of 9/30/23:
Total customers: **36,791**
Therms: **1,251,358**

ENERGY DELIVERY

Major Projects:

Electric Engineering (ED):

- HCA Florida North Florida Hospital (Archer Road facility)
- Oaks Preserve Phase 2
- Butler Plaza Center Cup
- Archer Place Apartments
- Evergreen Apartments at Oaks Mall
- Hawthorne Heights
- Natura

Substation and Relay:

- Breaker 1002 replacement
- Line No. 10 relay upgrade
- Parker lowside and tiebreaker replacement

Gas Engineering:

- Bridlewood subdivision
- Parker Road backfeed to Archer Road
- Convergence Research Park Phase 3

Gas T&D:

- Forest Pines pressure up-rate
- Barrington Place, main installation
- Lakota, main installation
- Infrastructure upgrade

ENERGY DELIVERY

AMI Update:

- GRU has successfully converted **172,443** of **220,165** meters to AMI meters (**78.3%**).
- AMI project budget:
 - Actual spent : **38,637,835**
 - Total budget : **47,066,376**

Detailed Saturation Statistics

Category	Electric	Water	Natural Gas	Total
Remote Reading	100,039	40,456	26,178	166,673
AMI Devices	100,894	42,961	28,588	172,443
Non-AMI Devices	3,327	34,780	9,615	47,772
Total Devices	104,221	77,741	38,203	220,165
Saturation %	96.8%	55.3%	74.8%	78.3%

WATER/WASTEWATER

Environmental/Regulatory Compliance:

- Main Street Water Reclamation Facility NPDES Permit Renewal Application submitted to FDEP on 10/17/2024. Permit renewal is required every five years.

Sanitary sewer overflows (SSOs)

- Total: 10
- Residential grease and toiletries: 1
- Infrastructure: 0
- Third-party damage: 2
- Wet weather: 0
- Storm/hurricane: 7*

**Includes major storms. Typically, residential grease and toiletries is the leading cause.*

Precautionary Boil Water Notices:

- 4, including Hurricane Debby.

Lead and Copper Rule Revision (Oct. 16 regulatory deadline)

- Service line inventory website live
- Service line inventory submitted to FDEP 10/16/24
- Communication plan:
 - Press Release issued 10/16/2024
 - Bill Message – started 10/16/2024
 - Social Media Post 10/17/2024
 - GRU Newsletter 10/17/2024
 - Website live, www.gru.com/ServiceLineInventory
 - Flyers for crews will be distributed next week
 - Notification letter for unknowns (to be sent ~Nov 1st)

WATER/WASTEWATER

Major Projects:

- Water Distribution – Alachua County Public Works project for NW 23rd Ave, current work on two water main relocations. Work will continue into November with an anticipated 4-week construction duration.
- Wastewater Collection – NW 90th Terrace Gravity Main – Working on emergency repairs and replacement to address collapse on critical 18” diameter gravity main. Emergency bypass was set up and repairs performed.
- Wastewater Collection – SW 24th Ave. Force Main Improvements Project (Grant Funded) – Contract is routed for execution. Preconstruction meeting being scheduled. Construction to begin early 2025.
- Wastewater Collection – Fort Clarke Gravity Main Improvements Project (Grant Funded) – Contract is routed for execution. Preconstruction meeting being scheduled. Construction to begin early 2025.
- Main Street Water Reclamation Facility – Capacity and Renewal Upgrade Project Phase 1 (Grant Funded) – Influent piping work under construction, bypass pumping in place until piping work completed in December 2025.
- Kanapaha Water Reclamation Facility – Headworks Bypass Piping Rehabilitation Project – 36-inch ductile iron piping has been removed. Working on getting the new ductile iron pipe installed.
- Murphree Water Treatment Plant – Lime System Improvements – working on 60% design plans and specifications for lime slaking equipment. Construction to begin late 2025.

WATER/WASTEWATER

Operational Data

Water Distribution

- Service Requests from Dispatch: **1,291**
- Water Leaks Dispatched: **550**
- Water Damages (by 3rd Parties): **16 (4 Service, 12 Meter) ***
Limited data due to new metric being tracked
- Water Leaks/Damages Repaired: **493**

Wastewater Collections:

- Stoppage Statistics :
 - Service Requests from Dispatch: **248**
 - Stoppages Dispatched & Cleared: **52** (6 Mainline, 46 Individual Service)
 - Sewer Damages (by 3rd Parties): **3** (1 Force Main, 1 Gravity Main, 1 Service) * Limited data due to new metric being tracked
- SWAMP Program: Inspected **486 miles** (25 miles in Q4) of gravity sewer, 12,350 manholes (590 in Q4). **72%** complete with inspection of entire Collection System.

Murphree Water Treatment Plant

- Average flow: 23.8 MGD
- Peak flow: 31.6 MGD

Kanapaha Water Reclamation Facility

- Average flow: 12.3 MGD
- Peak flow: 24.7 MGD

Main Street Water Reclamation Facility

- Average flow: 7.5 MGD
- Peak flow: 16.1 MGD

SAFETY & TRAINING

SAFETY AND TRAINING INCIDENT RATES

- Recordables per 50,000 manhours worked: **.54**
- Preventable vehicle collisions per 250,000 miles: **.40**
- All vehicle collisions per 250,000 miles: **1.21**
- Total hours worked: **273,576.32**
- Total miles driven: **621,960**

Employees	First Aid	Recordable Injuries	D.A.R.T.*
Administration	0	0	0
W/WW	0	0	0
Energy Supply	0	0	0
Energy Delivery	0	3P/1NP	0
Telecom	0	0	0

SAFETY & TRAINING

	Miles Driven	Recordable Accidents	Preventable Accidents
Administration	22,470	0	0
W/WW	224,871	0	0
Energy Supply	7,440	0	0
Energy Delivery	342,492	3	2
Telecom	22,960	0	0

CUSTOMER SUPPORT SERVICES

Customer Operations consists of the following groups:

- Customer Service (call center, lobby and drive thru)
- New Services (pre- and post-construction)
- Revenue Assurance (collections)
- Billing and Customer Solutions (invoicing/back-office processing, such as emails bulk service requests)
- Customer Experience (new hire training, customer survey feedback, QA/QC)

Customer Service

Q4 results include Student Rush period

- Average Speed of Answer:
 - Residential: **8:11**
 - Non-Residential: **1:47**
- Call-Back Queue:
 - Residential: **32:50**
 - Non-Residential: **8:38**
- Handle Time:
 - Residential: **7:57**
 - Non-Residential: **8:38**
- Call Abandonment Rate: **17.9%**
- Calls per month: **19,321**
- Returned Payments:
 - Number of: **2,438**
 - Amount: **\$1,551,695.92**
- Lobby visits per month: **2,993**
- Project Share (38 assisted): **\$10,861.17**
- Social Service Vouchers: **277**
- Payment amount: **\$420,295.52**

CUSTOMER SUPPORT SERVICES

New Services

- Active Projects:
 - City: **67**
 - County: **15**
- Building Permits: **130**

Major Project Highlights for New Services:

- City: IQ Fiber; Evergreen Apartments, Collegiate Apartments, UF Health Orthopedic, Woodland Park Phase II; Littlewood Elementary improvements, Main Street plant upgrades, sewer main at Hoggtowne Creek, Murphree plant upgrade.
- County: Santa Fe College Cellon Institute, Alachua County Courthouse, Tara Verde, Florida Recovery Center at Spring Hill.

Revenue Assurance

- Referred to collections: **411**
 - Amount: **\$551,677.78**
- Payments from collections referrals: **377**
 - Amount: **\$173,262.45**
- Bankruptcies: 8
 - Amount: **\$11,359.91**

CUSTOMER SUPPORT SERVICES

Customer Experience

- Transactional survey results: **3.5/5**
- Lobby survey results: **4.9/5**
- Relationship survey results: **3.3/5**

Energy & Business Services

- LEEPplus homes:
 - Q4: **3**
 - FY24: **100**
- Energy surveys:
 - Q4: **222**
 - FY24: **650**
- Community engagements:
 - Q4: **3**
 - FY24: **23**

Billing & Customer Solutions

- Invoicing rating: **99.9%**
- New implausible meter reads: **26,745**
- Solar invoicing rating: **100%**

STATE OF THE UTILITY

March 2022

Item #211094

ASA	Average Speed of Answer
ASAI	Average Service Availability Index
CAIDI	Customer Average Interruption Duration Index
CIP	Critical Infrastructure Protection
CMI	Customer Minutes Interrupted
CO2	Carbon Dioxide
CSR	Customer Service Representative
DART	Days away, Restricted duty, Temporary transfer
DH1	DeerHaven 1
DH2	DeerHaven 2
DH CT-1	DeerHaven Combustion Turbine #1 – 17.5 MW
DH CT-2	DeerHaven Combustion Turbine #2 – 17.5 MW
DHCT3 or DH CT-3	DeerHaven Combustion Turbine #3 – 71 MW
DHR	DeerHaven Renewable (Biomass Plant)
EIA	Energy Information Administration
FMPA	Florida Municipal Power Association
FTE	Full Time Employee
FY	Fiscal Year
GS	General Service
HE	Hour Ending
Hg	Mercury
IVR	Interactive Voice Response
JRKCC1	John Kelly Combined Cycle 1
Kelly CC	Kelly Combined Cycle
kGals	A thousand gallons of water
kWh	kilowatt-hour, commonly used as a billing unit for energy delivered to consumers by electric utilities
KWRF	Kanapaha Water Reclamation Facility
L-Bar	Average Length of a Service Interruption
MATS	Mercury
MCF	1000 Cubic Ft. of Gas
MWn	Mega Watts
MSWRF	Main Street Water Reclamation Facility
MWTP	Murphree Water Treatment Plant
NERC	North American Electric Reliability Corporation
NOX	Nitrogen
OEM	Original Equipment Manufacturer
OH	Overhead
PMFILT	Porous Metal Filters
PV	Photo Voltaic (Solar Cell)
SAIDI	System Average Interruption Duration Index
SAIFI	System Average Interruption Frequency Index
SCR	Selectius Catalytic Reactor
SO2	Sulfur Dioxide
Therms	a unit of heat equivalent to 100,000 Btu or 1.055×10^8 joules.
THIP	Total Heat Input
TND	Traditional Neighborhood Development
TOU	Time of Use
UG	Underground
W/WW	Water WasteWater

OPERATIONS SUMMARY

CORPORATE SAFETY

ENVIRONMENTAL

REGULATORY

PERSONNEL

March 2022

Safety

Employees

	First Aid	Current Month Recordable	DART
Administration	0	0	0
WWW Systems	0	0	0
Energy Supply	2	0	0
Energy Delivery - Electric/Gas	0	2	2
GRUCom	0	0	0
Totals		2	

	First Aid	Year to Date Recordable	DART
	1	0	0
	2	2	1
	3	1	0
	0	3	3
	0	0	0
		6	

Vehicles

	Miles Driven*	Current Month Recordable	Preventable
Administration	9,230	0	0
WWW Systems	57,572	0	0
Energy Supply	3,798	0	0
Energy Delivery - Electric/Gas	93,238	1	0
GRUCom	6,430	0	0
Totals	170,268	1	0

*Mileage data is for February 2022. March mileage data will be included in April report.

	Miles Driven*	Year to Date Recordable	Preventable
	30,569	1	1
	223,670	1	1
	10,572	0	0
	367,337	2	0
	27,823	0	0
	659,971	4	2

Mileage FYTD through February 2022

Environmental

	Current Month
Notices of Violation	0

Calendar Year to Date
0

Emissions

DH1, DH2, DHCT3, JRKCC1

CO ₂ (tons)	53,675
NO _x (tons)	9
SO ₂ (tons)	0

207,645
147
39

DH Unit 2 (only)

PM _{FILT} (tons)	0
Hg (lbs)	0.00

6
0.50

DHR

CO ₂ (tons)	0
NO _x (tons)	22
SO ₂ (tons)	1

0
44
3

Regulatory

NERC

Notice of Violations	1
Self Reports/Potential Violations	0

Fiscal Year to Date

1
2

Personnel

	AUTHORIZED FTE	FILLED FTE	VACANCY	LAST MONTH (February)
Administration	16	13	3	2
Chief Operating Officer	20	18	2	2
Customer Support Services	118.25	105.5	12.75	22.5
Energy Delivery	264	228	36	32
Energy Supply	194	166	28	30
Finance	42	30.5	11.5	13.5
Information Technology	71	68	3	3
Water Wastewater	169	160	9	10
GRUCom	38	34	4	5
Grand Total	932.25	823.00	109.25	120.00

Authorized and filled FTE's do not include temporary employees or interns.

Filled FTE's do include staffed overfills

Utility Advisory Board Monthly Report – FY 2022 Safety Data Summary

Employee Injuries (DART – days away, restricted duty, temporary transfer)

OCTOBER

- None reported

NOVEMBER

- None reported

DECEMBER

- 12/1/2021 – While changing a blade on a reciprocating saw, the employee cut the back of the right index finger. Recordable for Rx medication. No work restrictions.
- 12/21/2021 – Hurt right shoulder loading chipper into back of truck. Recordable for Rx medication. Work restrictions given by Dr. do not affect daily duties.

JANUARY

- None reported

FEBRUARY

- 2/09/2022 – An employee was cutting a 12" PVC pipe with a demolition saw. The saw kicked back causing a laceration to the right jaw and shoulder. (DART)
- 2/14/2022 – While trimming a tree limb, an electric chainsaw cut employee's left forearm. (DART)

MARCH

- 3/14/2022 – While driving a GRU vehicle, the employee was rear ended, hurting their left hand and causing neck and back stiffness (DART)
- 3/14/2022 – While relighting an LP water heater, excess gas was ignited causing first degree burns to employee's face, burning hair and damaging contact lenses. (DART)

Utility Advisory Board Monthly Report – FY 2022 Vehicle Collision Summary

Vehicle Collisions (P) indicates preventable by our employee

OCTOBER

- 10/1/2021 – Employee was backing into a parking spot when a private driver cut behind him through the parking spaces. The vehicles collided doing minor damage to both vehicles right rear bumpers. There were no injuries.
- 10/27/2021 – Employee was driving west on NW 39th Avenue approaching the light at NW 91st street. The traffic was flowing normal through the light, which was green. The employee observed a vehicle in the outside lane that looked as if it was going to come over into his lane, so he instinctively looked over at the vehicle and when he looked back up, traffic had come to an abrupt complete stop. The employee braked but could not stop and struck the vehicle ahead causing damage to both vehicles. No injuries were reported. (P)

NOVEMBER

- None reported

DECEMBER

- None reported

JANUARY

- None reported

FEBRUARY

- 2/25/22 – While backing a service truck, the employee backed into a parked scooter. There was minimal damage to the scooter. There were no injuries. No citation issued. (P)

MARCH

- 3/14/2022 – While stopping for traffic on NE 39th Ave, the GRU vehicle was rear-ended. There was minor damage to the vehicle, but caused an employee injury.

CUSTOMER SUPPORT SERVICES

Customer Operations

New Services

Revenue Assurance

Customer Operations Metrics Summary March 2022

Active Accounts	Mar-22	YTD Gain/Loss	FY21
<i>Residential Contract Accounts</i>			
Total	95,490	393	95,097
Electric	87,961	256	87,705
Gas	34,904	172	34,732
Water	64,903	169	64,734
Wastewater	60,669	201	60,468
Telecomm	0	0	0

New Installations	Mar-22	FY22 To Date	FY21
Electric	415	954	1833
Gas	110	291	775
Water	182	439	771
Wastewater	174	391	777
Telecomm	0	0	18

Call Center Volume	Mar-22	FY22 To Date	FY21
Residential ASA	0:11:41	0:15:58	0:16:46
Business ASA	0:03:55	0:04:16	0:03:42
CSR Calls	15,659	89,960	215,887
CSR Callbacks	2,964	18,874	47,189
IVR Self Service	82,646	427,772	189,977
Total	101,269	536,606	453,053
IVR/Total	82%	80%	42%

Bills Generated	Mar-22	FY22 To Date	FY21
Paper Bills	79,012	472,873	109,177
eBills	31,540	193,792	261,591
Total	110,552	666,665	1,353,368
eBill/Total	29%	29%	19%

Payment Arrangements	Mar-22	FY22 To Date	FY21
Total	578	3,718	8,419

Customer Experience	Mar-22	FY22 To Date	FY21
Overall CSAT	0.00	3.84	N/A
Number of Responses	0	933	N/A
Number of Surveys Sent	0	11,133	N/A
Response Rate		8%	N/A

Active Accounts	Mar-22	YTD Gain/Loss	FY21
<i>Nonresidential Contract Accounts</i>			
Total	13,181	(14)	13,195
Electric	11,037	(6)	11,043
Gas	1,683	518	1,165
Water	5,921	16	5,905
Wastewater	4,705	27	4,678
Telecomm	0	0	0

Residential Disconnects	Mar-22	FY22 To Date	FY21
Volume	1,359	7,516	14,313
Average Balance	\$266.94	\$250.06	\$243.10

Revenue Assurance	Mar-22	FY22 To Date	FY21
Referred to Collections	\$123,161.59	\$662,768.94	\$1,972,070.41
Recovered	\$99,165.06	\$542,673.59	\$1,093,335.45

Service Orders	Mar-22	FY22 To Date	FY21
Move Ins	7,121	39,340	114,586
Move Outs	7,153	39,308	112,065

Average Res Bill Amounts	Mar-22	FY22 To Date	FY21
Electric (kWh)	0	742	819
Electric (\$)	\$0.00	\$124.14	\$119.78
Gas (Therms)	0	21	21
Gas (\$)	\$0.00	\$39.60	\$33.99
Water (kGals)	0	5	5
Water (\$)	\$0.00	\$31.61	\$30.64
Wastewater (kGals)	0	5	5
Wastewater(\$)	\$0.00	\$45.05	\$36.96

Annual Relationship	Mar-22	FY22 To Date	FY21
Overall CSAT	2.90	2.90	N/A
Number of Responses	8,953	15,737	N/A
Number of Surveys Sent	57,478	114,956	N/A
Response Rate	16%	14%	N/A

ENERGY DELIVERY

System Consumption

System Reliability

Major Projects – Electric & Gas

Energy Delivery - UAB Report - March 2022

Department Highlights

Electric Transmission & Distribution

- Completed partial discharge testing on circuits connecting to the South Energy Center
- Graduated a class of apprentices

Engineering / Substations & Relays

- Actively working (under design and/or construction) on multiple projects of new development: Butler Plaza, Celebration Pointe, Emergency Clinic, Hyatt Downtown, Lincoln Ventures, Market West / Grand Oaks Subdivision, Oaks Preserve Subdivision, RTS Charging Station, SE 7th St. Lighting Project, SW 62nd Blvd. Roadway Project, Seminary Lane, Tesla Station, The Rise, US Army Reserve Center, VA Hospital
- Finishing 138kV outage at Sugarfoot
- Recently completed the Deerhaven SEL 2032 Upgrade Project

Energy Measurement & Regulation

- Route optimization project completed
 - ED and IT collaborative project to equalize meter read routes
 - Became necessary due to continued growth west of I-75
 - All 21 meter reading cycles were examined to identify which could be relocated to others so that each cycle would have a comparable completion time
 - Process developed/carefully executed to ensure stability of the current reads
 - Team successfully moved 214 routes (over 147,100 installations) into different meter reading cycles during the process
 - Should reduce the strain placed on the Meter Operations department
- AMI meter farm build is complete
 - Cost-effective method for testing communication, functionality and firmware upgrades for AMI meters
 - Will be used in the qualification process prior to deployment, as well as a post deployment tool to allow large scale testing of new releases of firmware over thousands of metering endpoints prior to upgrading the entire system
 - Will also be used to perform long term testing for new hardware releases prior to introducing later generations of meters into the field
- Electric Measurement successfully completed Tie-Testing with Florida Power and Light on our Hampton/Bradford tie point at Deerhaven Power Plant

Gas

- New subdivision gas work – Finley Woods (3,986') and Laureate Village (2,068')
- Recently achieved five years with zero reportable/recordable safety incidents

Systems Control

- Preparations underway for upcoming Ransomware assessment
- Starting OMS training again with different Gray Sky Units to improve storm restoration

Work and Resource Management

- GRU has earned a Reliable Public Power Provider (RP3)® designation from the American Public Power Association for providing reliable and safe electric service
- Lasts for three years
- Recognizes public power utilities that demonstrate proficiency in four key disciplines: Reliability, Safety, Workforce Development, and System Improvement
- Criteria include sound business practices and a utility-wide commitment to safe and reliable delivery of electricity
- GRU joins 274 public power utilities nationwide that hold the RP3 designation

Energy Delivery - UAB Report - March 2022

Durations Reliability Report Between 03/01/2022 and 03/31/2022				
Excludes Extreme Weather and Generation/Transmission Disturbances				
CUSTOMER DATA		RELIABILITY INDICES		MONTHLY AVG GOAL
Monthly Average Customers Served(C)	101,092	Average Service Availability Index (ASAI)	99.9907%	
Total Hours of Customer Demand	75,212,448	System Average Interruption Duration Index (SAIDI)	4.16	4.5
Total Number of Outages	90	Customer Average Interruption Duration Index (CAIDI)	94.58	60
Total Number of Customers Affected (CI)	4,446	System Average Interruption Frequency Index (SAIFI)	0.04	0.08
Total Customer Minutes Interrupted (CMI)	420,507			
Total Customer "Out Minutes"	23,374	Average Length of a Service Interruption (L-Bar)	259.71 Mins	
Cause of Outages				
Cause	Overhead	Underground	Both	Total
0. Undetermined	5	0	1	6
1. Weather	8	0	0	8
2. Vegetation	54	0	0	54
3. Animals	1	0	1	2
4. Foreign Interference	0	0	0	0
5. Human Cause	4	1	2	7
6. Equipment Failure	5	7	1	13
7. All Remaining Outages	0	0	0	0
Total	77	8	5	90

Durations Reliability Report Between 01/01/2022 and 03/31/2022*				
Excludes Extreme Weather and Generation/Transmission Disturbances, Excludes TMED Days				
CUSTOMER DATA		RELIABILITY INDICES		GRU YTD GOALS
Monthly Average Customers Served(C)	101,092	Average Service Availability Index (ASAI)	99.9934%	
Total Hours of Customer Demand	218,358,720	System Average Interruption Duration Index (SAIDI)	8.51	13.5
Total Number of Outages	164	Customer Average Interruption Duration Index (CAIDI)	74.5	60
Total Number of Customers Affected (CI)	11,544	System average Interruption Frequency Index (SAIFI)	0.11	0.24
Total Customer Minutes Interrupted (CMI)	860,000			
Total Customer "Out Minutes"	33,173	Average Length of a Service Interruption (L-Bar)	202.27 Mins	
Cause of Outages				
Cause	Overhead	Underground	Both	Total
0. Undetermined	9	0	1	10
1. Weather	8	0	0	8
2. Vegetation	92	0	1	93
3. Animals	3	0	1	4
4. Foreign Interference	0	0	0	0
5. Human Cause	10	3	2	15
6. Equipment Failure	14	18	2	34
7. All Remaining Outages	0	0	0	0
Total	136	21	7	164
*reported as calendar year				

Energy Delivery - UAB Report - March 2022

Electric System Consumption

	2022		2021	
	CONSUMPTION	CUSTOMERS	CONSUMPTION	CUSTOMERS
Feed-In-Tariff - Residential	134 KWH	100	56 KWH	100
Feed-In-Tariff - General Service	2,749 KWH	157	2,951 KWH	158
Electric - GS - Demand - Regular	39,556,072 KWH	1,134	38,390,264 KWH	1,142
Electric - General Service Demand PV	940,687 KWH	24	866,745 KWH	21
Electric - GS - Kanapaha w Curtail Cr	962,400 KWH	1	1,036,800 KWH	1
Electric - GS - Demand - Large Power	6,837,000 KWH	7	7,150,640 KWH	8
Electric - GS - Murphree Curtail Credit	1,308,000 KWH	1	1,171,200 KWH	1
Electric - GS Large Demand PV	3,280,800 KWH	2	3,460,800 KWH	2
Electric - GS - Non Demand	12,497,972 KWH	10,084	11,745,749 KWH	9,966
Electric - General Service PV	110,281 KWH	78	101,653 KWH	79
Electric - Lighting - Rental	853,973 KWH	3,706 <i>n</i>	929,627 KWH	3,905 <i>n</i>
Electric - Lighting - Street - City	406,347 KWH	13 <i>n</i>	876,139 KWH	13 <i>n</i>
Electric - Lighting - Street - County	126,751 KWH	2 <i>n</i>	261,881 KWH	2 <i>n</i>
Electric - Lighting - Traffic	144 KWH	1	2,725 KWH	2
Electric - Residential - Non TOU	53,658,867 KWH	88,959	52,680,825 KWH	88,544
Electric - Residential PV	230,893 KWH	749	205,121 KWH	576
Total Retail Electric	120,773,070 KWH	101,297	118,883,176 KWH	100,600
City of Alachua	10,518,492 KWH	14,222 KW	9,900,575 KWH	20,539 KW
Total (Native) Electric	131,291,562 KWH		128,783,751 KWH	

(n =not included in total customer count)

Gas System Consumption

	2022		2021	
	CONSUMPTION	CUSTOMERS	CONSUMPTION	CUSTOMERS
Gas - GS - Regular Service (Firm)	818,961 THM	1,342	762,813 THM	1,362
Gas - GS - Regular Service (Small)	18,095 THM	357	12,549 THM	326
Gas - GS - Interruptible - Regular Serv	16,000 THM	1	39,614 THM	1
Gas - GS - Interruptible - Large Volume	386,688 THM	7	368,867 THM	6
Gas - Residential - Regular Service	790,338 THM	35,089	858,218 THM	34,811
REC Gas (PGA only)			2,042,061 THM	36,506
Total Retail Gas	2,030,082 THM	36,796	2,042,061 THM	36,506
Gas - GS - UF Cogeneration Plant	3,097,422 THM	1	3,180,528 THM	1
Gas - Residential - LP - Basic Rate	5,572 GAL	202	4,656 GAL	202

Energy Delivery - UAB Report - March 2022

Major Electric Design Projects

- > Celebration Pointe – Alachua County Sport Events Center, Discovery Village-Block 14, Building 10C 200, multi-story parking garage, etc.
- > Oaks Preserve Subdivision (295 single family residences)
- > Lincoln Ventures (10 story building, apartments and retail)
- > Hyatt Downtown
- > VA Mental Health Hub & Outpatient Clinic 34th St
- > Seminary Lane (various parcels along NW 5th Ave)

Major Gas Design Projects

- > Main Installation – Finley Woods – SW 62nd Ave – 3,986’
- > Main Installation – Laureate Village Ph. 1 – 2,068’
- > Main Installation – Flint Rock Sub – SW 122 St – 15,576’
- > Main Installation – Grand Oaks – 4,375’

Gas Services installed in March 2022: 43 new customer services

ENERGY SUPPLY

SYSTEM STATISTICS
ENERGY DISTRIBUTION
FUEL

Energy Supply Operational Milestone Update as of April 5, 2022

- o For Deerhaven Unit #2 (DH2) we are working on the current planned outage Critical Path (Cooling Tower Restoration following fire), with estimated startup of Dh2 unit on 4/13/2022.
 - o The current outage restoration plan will have cells 3-10 back in full service prior to startup, and the remainder of work to restore cells 1 and 2 will be completed with unit online.
- o For Deerhaven Unit #1 (DH1) we are planning the unit lifetime assessment in fall of 2022, with goal of being able to safely, and reliably, extend life of unit beyond December of 2022.
- o For Deerhaven Renewable (DHR) the unit is still derated from 103 to 95 MW because of Induction (ID) Fan motor limitations. We have a replacement ID fan motor on order to correct the limitations currently in place. No exact estimated delivery date yet but looking at an early June 2022 Short Duration Outage (SDO) to put replacement motor in service.
- o For Kelly Combined Cycle Unit #1 (JCC1) the planned warranty outage for the new turbine/generator installed in 2021, is planned to start on 4/16 and go through 5/13/2022. The actual critical path for this outage would be the Energy Delivery transmission line 5 upgrades required by regulatory compliance.

Energy Supply - CAPACITY

Energy Supply - Performance Parameter

Source

	Unit Capability output - MWn	Month	YTD	Budget YTD	Delta Budget
DH-2	228	-	226,360	81,254	145,106
DH-1	75	16,367	75,258	11,001	64,257
Kelly CC	108	73,678	343,577	411,610	(68,033)
CT's	106	26	(189)	438	(627)
Grid	2 x 224	1,125	(45,150)	116,879	(162,029)
DHR	102.5	50,451	247,018	221,381	25,637

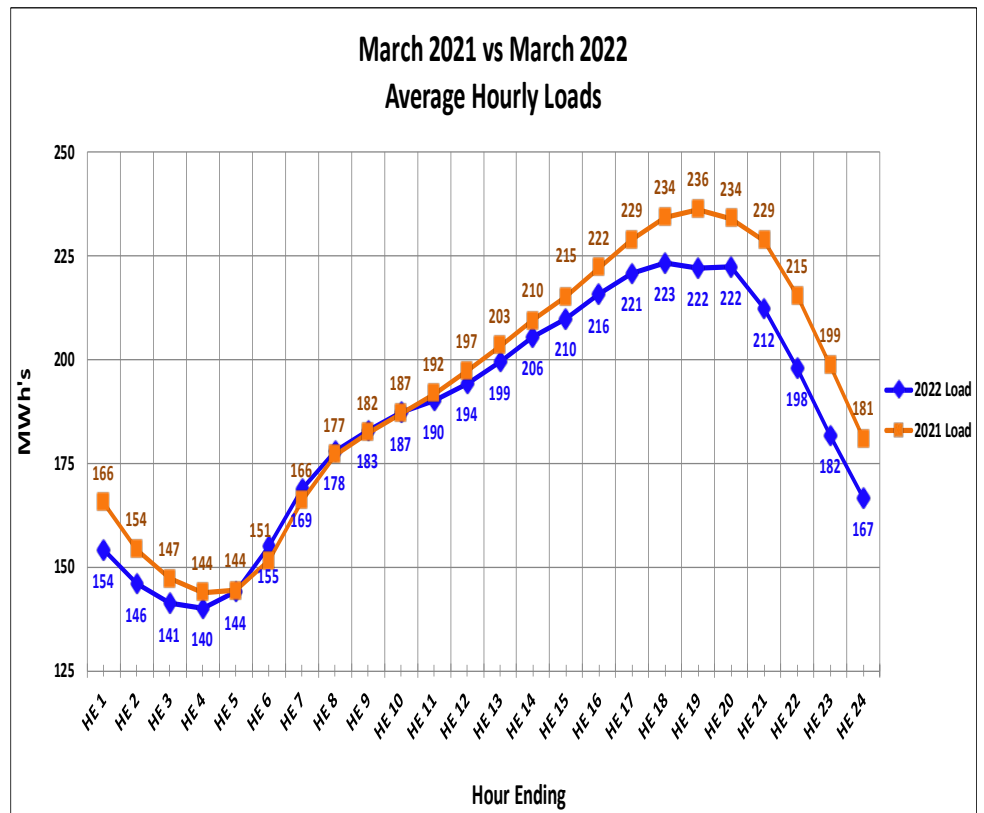
Fuels Consumed

	Month	FYTD	Budget YTD	Delta Budget
Coal - Tons	-	46,986	-	46,986
Gas - MCF	886,931	6,524,892	4,850,856	1,674,036
Fuel oil - Gals	100	344,490	-	344,490
Biomass - Tons	68,164	317,753	292,926	24,827

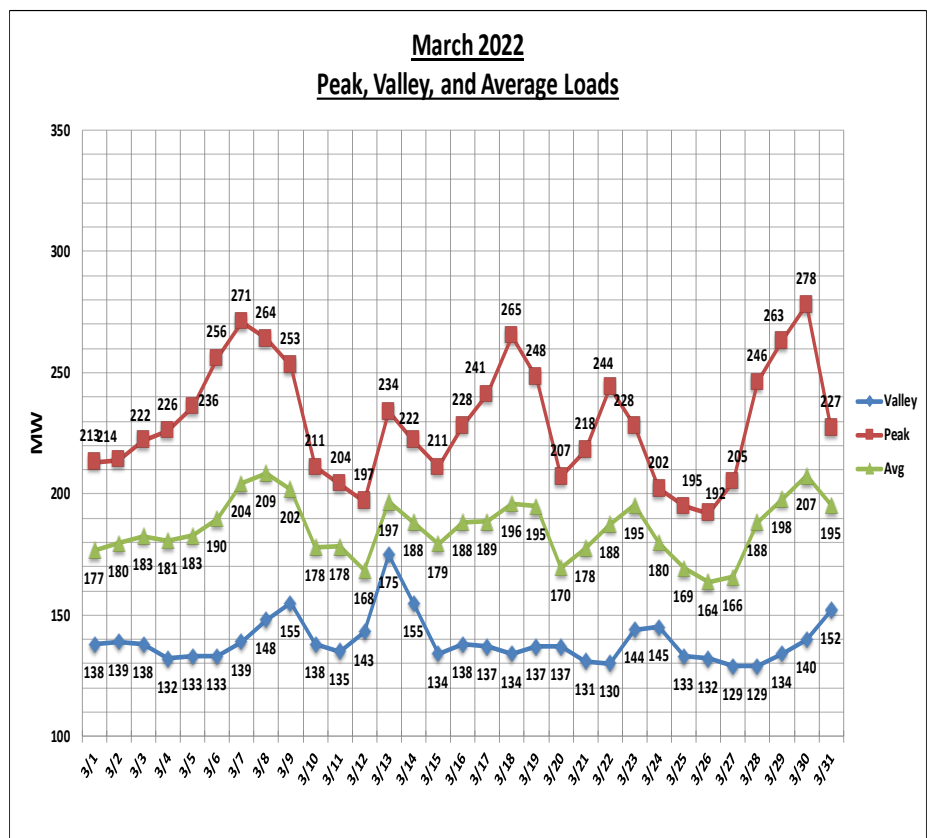
Availability/Capacity

	Availability			Capacity		
	Month	FY 2022 YTD	FY 2021 YTD	Month	FY 2022 YTD	FY 2021 YTD
DH-2	0.00%	71.08%	87.01%	0.00%	24.73%	30.69%
DH-1	100.00%	98.75%	98.80%	32.98%	24.67%	40.19%
Kelly CC	99.89%	97.63%	52.97%	90.60%	73.19%	43.42%
DH CT-1	100.00%	85.09%	96.22%	0.05%	0.09%	0.25%
DH CT-2	100.00%	98.82%	94.96%	0.02%	0.39%	0.21%
DH CT-3	100.00%	91.47%	99.89%	0.59%	0.18%	2.06%
DHR	100.00%	75.97%	68.62%	79.91%	59.09%	46.38%

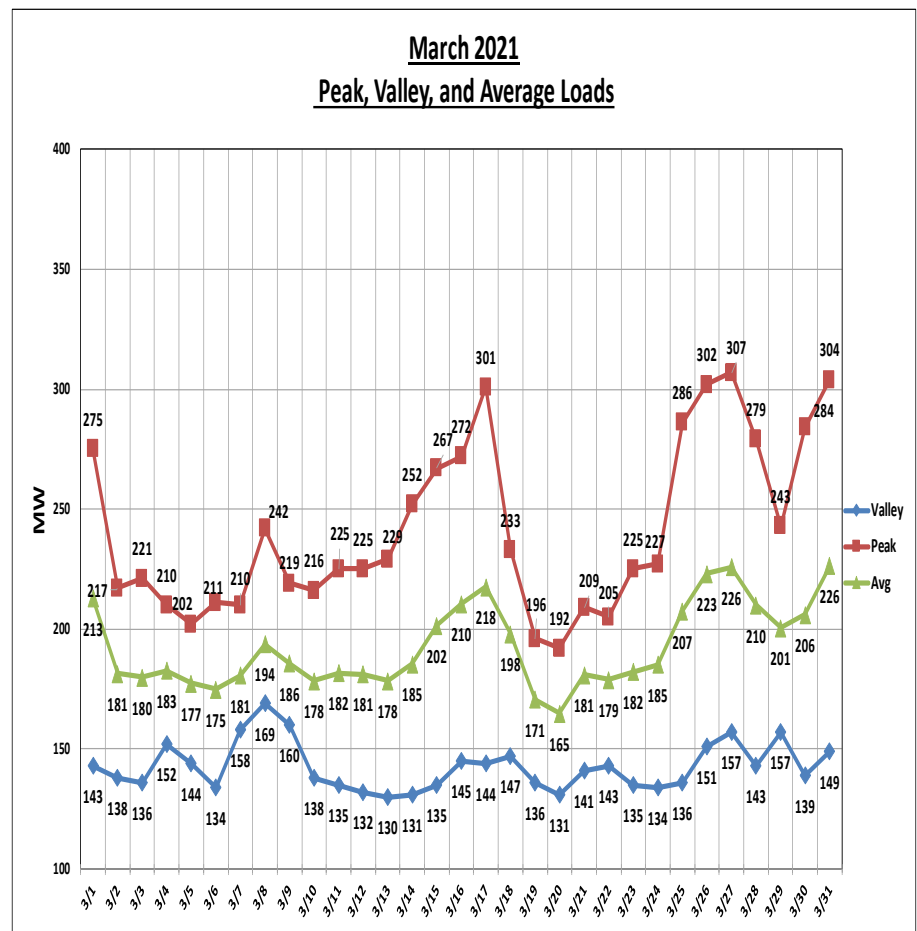
March Average Hourly Loads		
Hour Ending	2021 Load	2022 Load
HE 1	166	154
HE 2	154	146
HE 3	147	141
HE 4	144	140
HE 5	144	144
HE 6	151	155
HE 7	166	169
HE 8	177	178
HE 9	182	183
HE 10	187	187
HE 11	192	190
HE 12	197	194
HE 13	203	199
HE 14	210	206
HE 15	215	210
HE 16	222	216
HE 17	229	221
HE 18	234	223
HE 19	236	222
HE 20	234	222
HE 21	229	212
HE 22	215	198
HE 23	199	182
HE 24	181	167



Date	Valley	Peak	Avg
3/1/2022	138	213	177
3/2/2022	139	214	180
3/3/2022	138	222	183
3/4/2022	132	226	181
3/5/2022	133	236	183
3/6/2022	133	256	190
3/7/2022	139	271	204
3/8/2022	148	264	209
3/9/2022	155	253	202
3/10/2022	138	211	178
3/11/2022	135	204	178
3/12/2022	143	197	168
3/13/2022	175	234	197
3/14/2022	155	222	188
3/15/2022	134	211	179
3/16/2022	138	228	188
3/17/2022	137	241	189
3/18/2022	134	265	196
3/19/2022	137	248	195
3/20/2022	137	207	170
3/21/2022	131	218	178
3/22/2022	130	244	188
3/23/2022	144	202	180
3/24/2022	145	195	169
3/25/2022	133	192	166
3/26/2022	132	205	188
3/27/2022	129	263	207
3/28/2022	129	278	195
3/29/2022	134	227	152
3/30/2022	140	227	152
3/31/2022	152	227	152



Date	Valley	Peak	Avg
3/1/2021	143	275	213
3/2/2021	138	217	181
3/3/2021	136	221	180
3/4/2021	152	210	183
3/5/2021	144	202	177
3/6/2021	134	211	175
3/7/2021	158	210	181
3/8/2021	169	242	194
3/9/2021	160	219	186
3/10/2021	138	216	178
3/11/2021	135	225	182
3/12/2021	132	225	181
3/13/2021	130	229	178
3/14/2021	131	252	185
3/15/2021	135	267	202
3/16/2021	145	272	210
3/17/2021	144	301	218
3/18/2021	147	233	198
3/19/2021	136	196	171
3/20/2021	131	209	165
3/21/2021	141	205	181
3/22/2021	143	225	179
3/23/2021	135	227	182
3/24/2021	134	286	185
3/25/2021	136	302	207
3/26/2021	151	307	223
3/27/2021	157	279	210
3/28/2021	143	243	201
3/29/2021	157	284	206
3/30/2021	139	304	226
3/31/2021	149		



City Commission - FY22 - 2QTR Coal Sourcing Report

Month Coal Delivered	Coal Supplier(s)	Mine	Tons	Deep	MTR	Surface (No MTR)
Jan-22	1	Creech	12,448.63	70%		30%
Feb-22			-	70%		30%
Mar-22			-			
Total			12,448.63	70.00%		30.00%

Notes:

1. Coal Supplier 1

Spot transaction Confirmation, Coal Commodity Purchase Agreement effective September 2, 2021 for a total of three (3) spot trains for delivery between October through December 2021. Due to a schedule conflict the December train loaded on January 29, 2022.

**Gainesville Regional Utilities
Solar PPA Status Report
Report Period: March 2022**

GRU Scope:

Milestone	Expected Completion Date*	Status	Notes
Grid Interconnection Studies	2/2021	Complete	Complete
Grid Interconnection Agreement	7/15/2021	Pending	Finalizing document. Extended due to higher team priorities.
Easement for Seller Interconnection Facilities at Parker Rd Substation	9/2021	Pending	
GRU Interconnection Facilities Planning and Construction	10/2021	Pending	Commenced project planning
GRU Interconnection Facilities Completion	8/2022	Pending	
Operating Procedures	11/2021	Pending	
Scheduled Commercial Operation	12/31/2022	Pending	

Note *: Dates will be recalculated with 18 month delay upon execution of Contract Amendment.

COVID-19 Pandemic Impact – While there remains a potential for impacts that may adversely affect GRU’s ability to fulfil its obligations under this agreement, none have occurred to-date. GRU will continue to monitor the situation and use commercially reasonable efforts to meet it’s contractual obligations.

Origis Energy Scope:

1. The Alachua County Commission denied the Special Use Permit for the Sand Bluff Solar Facility on July 7, 2021.
2. Origis is reviewing their planned course of action which will be communicated to GRU at a future date.
3. A contract amendment was approved by the City Commission on February 17, 2022 and executed on March 10, 2022 to extend the deadlines by 18 months. The dates provided above are being recalculated to include the extension.

Prepared 4/5/2022

ENVIRONMENTAL PERMITTING

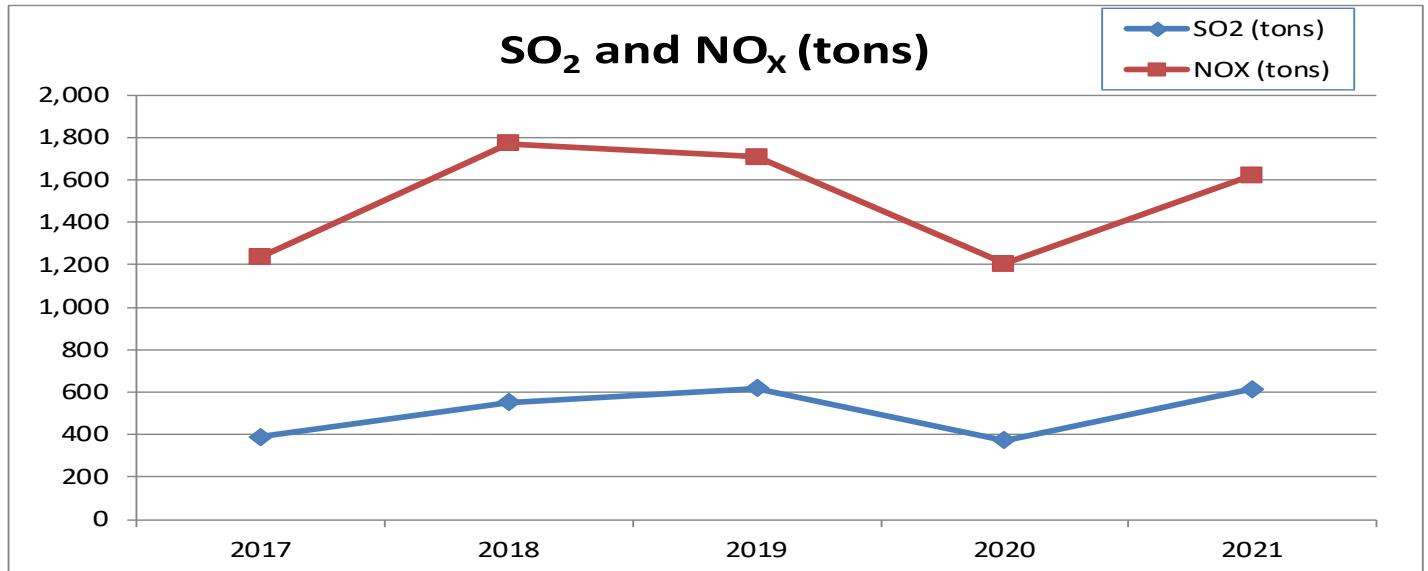
EMISSIONS DATA

Yearly Emissions

	SO ₂ (tons)	NO _x (tons)	Mercury (lbs)	PM (tons)	CO ₂ (tons)
2017	389	1,239	2.40	52	1,037,711
2018	551	1,770	3.80	55	2,096,289
2019	618	1,707	5.30	49	2,020,310
2020	372	1,203	3.14	56	1,462,622
2021	614	1,623	3.74	64	1,989,821
2022 (thru Mar.)	41	191	0.50	5.8	207,645

Mercury and Particulate values are for Unit 2 only.

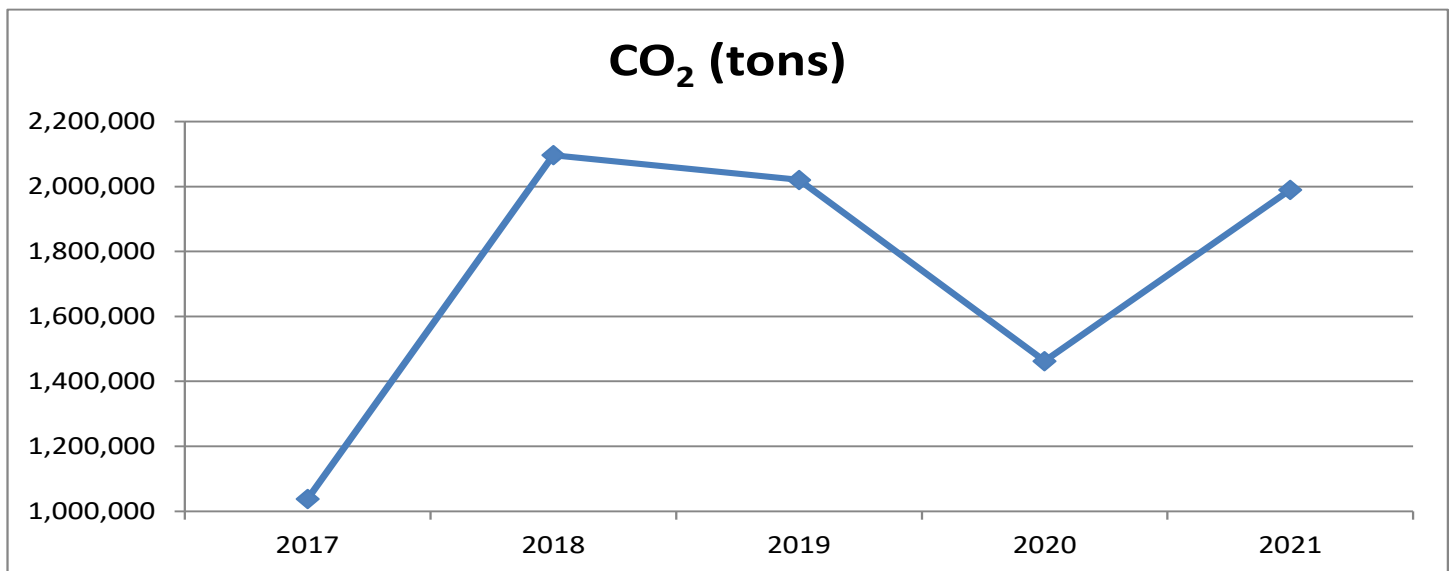
Starting 2022 DHR CO₂ is not included in the YTD since DHR is carbon neutral.



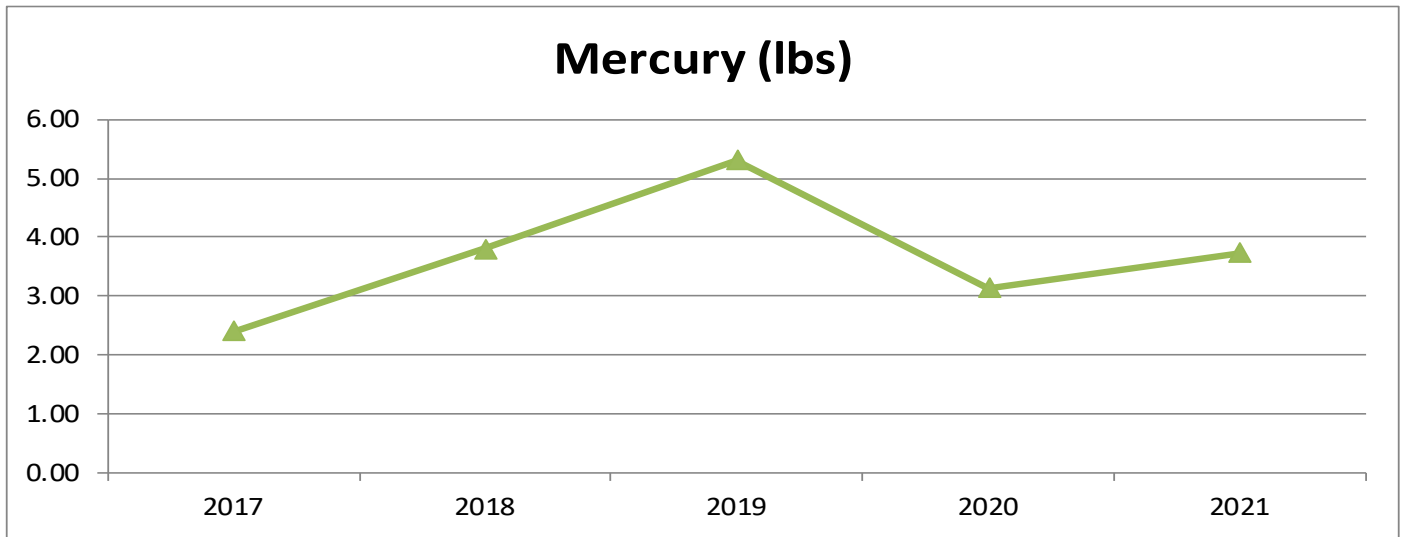
SO₂ was lower in 2017 due to higher removal rate settings to assure compliance with the MATS Rule.

NO_x was higher starting in 2017 since the Cross State Rule was no longer in effect for Florida.

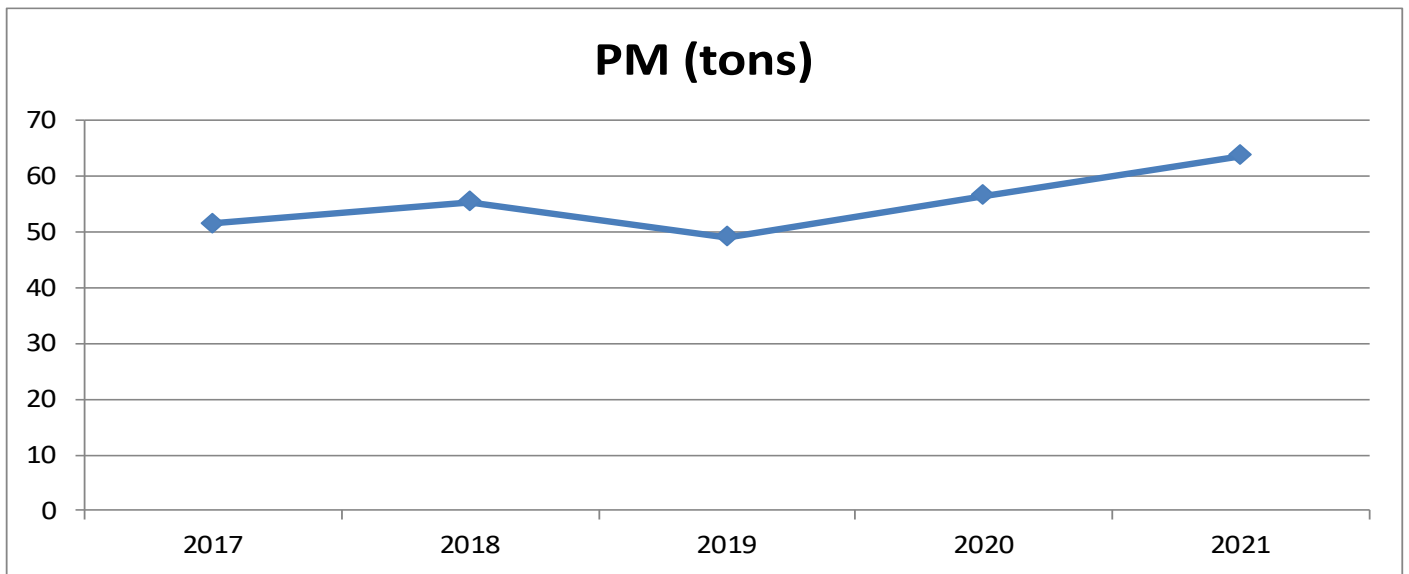
2018 and later data include DHR. 2017 did not include DHR.



Yearly Emissions



Mercury was lower in 2017 due to a higher removal rate setting to assure compliance with the MATS with the MATS Rule.



YTD - 2022 - March

	SO ₂ (tons)	NO _x (tons)	Mercury (lbs)	PM (tons)	CO ₂ (tons)	SO ₂ Rate (lb/MMBtu)	NO _x Rate (lb/MMBtu)	HTIP (MMBtu)	GEN (MW-hours)
DH1	1.1	39.0			30,922.8			520,153.0	40,562.0
DH2	36.9	80.0	0.50	5.8	58,839.6			830,291.0	83,635.0
DHCT3	0.0	0.2			629.4			10,592.0	717.0
JRKCC1	0.6	27.9			117,253.2			1,973,029.0	228,018.0
DHR	2.7	43.7						1,432,968.3	110,716.0
TOTAL	41.3	190.8	0.50	5.8	207,645.0			4,767,033.3	463,648.0

TOTALS without DHR

	SO ₂ (tons)	NO _x (tons)	Mercury (lbs)	PM (tons)	CO ₂ (tons)	SO ₂ Rate (lb/MMBtu)	NO _x Rate (lb/MMBtu)	HTIP (MMBtu)	GEN (MW-hours)
DH1	1.1	39.0			30,922.8			520,153.0	40,562.0
DH2	36.9	80.0	0.50	5.8	58,839.6			830,291.0	83,635.0
DHCT3	0.0	0.2			629.4			10,592.0	717.0
JRKCC1	0.6	27.9			117,253.2			1,973,029.0	228,018.0
Total Without DHR	38.6	147.1	0.50	5.8	207,645.0			3,334,065.0	352,932.0

2022 - March

	SO ₂ (tons)	NO _x (tons)	Mercury (lbs)	PM (tons)	CO ₂ (tons)	SO ₂ Rate (lb/MMBtu)	NO _x Rate (lb/MMBtu)	HTIP (MMBtu)	GEN (MW-hours)
DH1	0.1	18.1			14,708.7			248,718.0	19,524.0
DH2	0.0	0.0	0.00	0.0	0.0			0.0	0.0
DHCT3	0.0	0.1			314.1			5,287.0	363.0
JRKCC1	0.2	9.0			38,652.2			650,392.9	74,496.0
DHR	1.4	22.2						739,241.0	56,847.0
TOTAL	1.7	31.3	0.00	0.0	53,675.0			1,643,638.9	151,230.0

Totals without DHR

	SO ₂ (tons)	NO _x (tons)	Mercury (lbs)	PM (tons)	CO ₂ (tons)	SO ₂ Rate (lb/MMBtu)	NO _x Rate (lb/MMBtu)	HTIP (MMBtu)	GEN (MW-hours)
DH1	0.1	18.1			14,708.7			248,718.0	19,524.0
DH2	0.0	0.0	0.00	0.0	0.0			0.0	0.0
DHCT3	0.0	0.1			314.1			5,287.0	363.0
JRKCC1	0.2	9.0			38,652.2			650,392.9	74,496.0
Without DHR	0.3	9.1	0.00	0.0	53,675.0			904,397.9	94,383.0

WATER/WASTEWATER

PRODUCTION
MAINTENANCE

Key Milestones & Challenges for March

Completed Spyglass Apartments Water Main Replacement: Multi-phase water main replacement project to address an area of the water distribution system that had several water main leaks. Project was successfully completed minimizing disruption to our customers.

Kanapaha WRF Aerator Replacement Project: Project underway to replace the aerators in the Carousel and Old Train portions of KWRF. The Carousel aerator blades will be replaced with newer more efficient blades. This upgrade will require the motor, gearbox, and blades to be changed. The existing aerator motor, gearbox, and blades would be moved to the east/west trains of the old plant to replace the failing 125HP existing aerators.

Heavy Rains/Storms (March 10 & March 11): Heavy rains caused increased flows in the wastewater collection system. KWRF flows reached 20 MGD (14.9 MGD permitted) MSWRF flows reached 11.5 MGD (7.5 MGD permitted). Between 10 to 20 Lift Stations were in distress, 12 Stations were being hauled to avoid overflows, 9 employees worked most of weekend until conditions improved, No external resources were called.

Water/Wastewater March 2022 Dashboard

Production						
Murphree Water Treatment Plant						
		March 22	FY to Date (mgd)	Permitted Capacity (mgd)	% of Permitted Capacity	Status
	Average Daily Flow	22.3	22	30	74%	
	Peak Daily Flow	26.2	26.2	54	48%	
Main Street Water Reclamation Facility						
		March 22	FY to Date (mgd)	Permitted Capacity (mgd)	% of Permitted Capacity	Status
	Average Daily Flow	9.74	10.18	7.5	136%	
Kanapaha Water Reclamation Facility						
		March 22	FY to Date (mgd)	Permitted Capacity (mgd)	% of Permitted Capacity	Status
	Average Daily Flow	12.9	13.2	14.9	89%	
Water Reclamation Facilities (Combined)						
		March 22	FY to Date (mgd)	Permitted Capacity (mgd)	% of Permitted Capacity	Status
	Average Daily Flow	22.6	23.4	22.4	104%	
Maintenance						
Wastewater Collections						
		March 2022 (Miles)	FYTD	Monthly Goal (miles)		
	Miles of gravity mains cleaned	3.97	30.13	5.0		
	Miles of gravity mains TV inspected	5.75	31.54	5.0		
Water Distribution						
		March 2022	FYTD	Monthly Goal		
	Number of Water Services Replaced	75	423	75		
SSO Monthly Summary						
		March 2022	YTD	GOAL (annual)		
	Sanitary Sewer Overflows	8	17	<22		

Major Projects and Other Updates

Recharge Wetland: Currently negotiating the contractor with the top-ranked design build firm, Wharton-Smith. Planning & design work to begin in June/July.

MSWRF Progressive Design Build - Planning phase complete. Currently executing the preliminary task order which will move the project into detailed design phase.

File Number: 2024-796

Agenda Date: November 6, 2024

Department: Gainesville Regional Utilities

Title: 2024-796 Debt Management Policy Revision (B)

Department: Gainesville Regional Utilities/Budget, Finance and Accounting

Description: This item is related to updating GRU's Debt Management policy

Development of a debt management policy:

- Facilitates development of financial goals
- Assists with budget formulation, and
- Enables GRU to identify financial trends over a multi-year period as well as tracking performance over the course of the fiscal year

Some of the primary areas addressed in the policy are:

- Policy objectives
- Debt structure
- Refundings
- Hedging instruments
- Credit metrics, and
- Delevering

The policy was last approved by the City Commission in October 2022. Some of the significant updates to the policy include:

- Introduction of language consistent with the change in governance from the City Commission to the GRU Authority
- Clarifying that the intent of the policy is
 - o Not only to maintain but improve GRU's cost of capital, coverage ratios, and credit ratings
 - o To facilitate reduction in overall debt and leverage and to move to more normalized debt and leverage levels

Fiscal Note: No fiscal impact at this time.

Recommendation: The GRU Authority adopt the amended Debt Management policy.

GRU Debt Management Policy

November 6, 2024

Debt Management Policy Executive Summary

- A comprehensive debt management policy facilitates effective administration of GRU's debt portfolio
 - Enables GRU to execute on the debt reduction plan while protecting GRU's credit metrics reflects full support of the Authority
 - Embraces stretch goals on rating agency metrics against which to measure performance while maintaining current rating levels
 - Provides formal support to avoid future downgrades
 - Reducing debt and avoiding downgrades will result in lower overall interest expense which can translate into lower rates for GRU customers (a few to several years from now)
 - Development of and adherence to a well-defined debt management policy is regarded as very favorable by rating agencies
- GRU is requesting full support of the Authority for this policy

Debt Management Policy

- Debt management policy:
 - Facilitates development of financial goals
 - Assists with budget formulation
 - Enables GRU to identify financial trends over a multi-year period as well as tracing performance over the course of the fiscal year
- Primary areas addressed in the policy are:
 - Policy objectives
 - Debt Structure
 - Refundings
 - Hedging instruments
 - Credit metrics, and
 - Delevering
- Was reviewed by both financial advisory firm and bond counsel

Debt Management Policy

- GRU has already executed under the terms of this policy:

	Accelerated Debt Reduction: Defeasance and Redemptions	Scheduled Principal Payments
FY22	8,315,000	30,580,000
FY23	3,460,000	35,680,000
FY24	39,575,000	35,340,000
Total	51,350,000	101,600,000

- Extremely positive benefit is that GRU has now paid down \$26,295,000 extra in principal for the 2017A bonds that paid for the purchase of the biomass plant!
- Policy includes the current debt reduction plan will add an additional paydown of principal over 10 years of \$400 million, reducing leverage ratios!

Recommendation

The GRU Authority adopt the proposed Debt Management policy

GRU Debt Management Policy

Gainesville Regional Utilities
November 2024



GRU Debt Management Policy

I. Scope

This Policy applies to all current and future debt and related hedging instruments issued by GRU, includes debt and other items previously approved by the Gainesville City Commission and currently approved under the governance of the Gainesville Regional Utilities Authority (GRUA). The purpose of this Policy is to provide guidance for issuing and managing debt.

II. Objectives

GRU's manages its debt with an overall philosophy of taking a long-term approach in borrowing funds to minimize the cost of capital while managing risk, taking into consideration the factors described herein. To achieve this goal, GRU will continuously work towards developing an optimal capital structure. This includes determining the amounts and types of variable rate exposure, in view of GRU's risk tolerance to market fluctuations, capital market outlook, future capital funding needs, rating agency considerations, and counterparty credit profiles.

The primary objectives of the Debt Management Policy are to:

- Maintain or improve cost of capital consistent with other similarly rated municipal utilities (AA, AA-)
- Improve credit ratings
- Maintain or improve coverage ratios in compliance with Utility System Revenue Bond Resolution and this policy
- Provide sufficient funding to support the capital needs of the utility
- Manage variable rate risk
- Minimize cost of capital while managing risk
- Reduce overall debt and leverage moving towards more normalized debt levels and leverage metrics

III. Responsibility for Policy

The Chief Financial Officer, Utilities (CFO) is responsible for managing this policy. The Investment & Debt Committee (IDC) (the Committee), charged with oversight will meet quarterly to review the performance of the debt and investment portfolios in conjunction with this policy as well as the separate Investment Policy. The members of the Committee are the CFO, Accounting and Finance Director, Treasury Manager, Controller, Assistant Controller, and Financial Accounting Manager.

IV. Authorization

Bonds issued for the benefit of GRU are authorized by the GRUA. Based on capital and related debt issuance projections, the GRUA typically approves capital plans through the financial forecast period as part of the annual budget process, and staff brings specific proposed debt issuances, debt restructurings, debt defeasances, and other such items to the GRUA for approval.

V. Investment Structure

GRU invests available funds pursuant to an established Investment Policy, Florida Statutes section 218.415, and the Utilities System Revenue Bond Resolution. The primary goals of the Investment Policy are (1) the preservation of capital, (2) providing sufficient liquidity to meet expected cash flow requirements, and (3) providing returns commensurate with risk limitations identified by the program. The Investment Policy outlines the parameters on authorized investments, maturity and liquidity requirement limits, and procurement and safekeeping procedures.

VI. Annual Plan of Finance

GRU completes capital budgeting to project the amount of debt to be issued for a minimum of a ten-year period. Factors considered in the projections are:

- Forecasted capital infrastructure expenditures
- Availability of internal funds
- Projected reserve levels as internal equity is utilized
- Desired debt service coverage levels consistent with a highly rated multi-system utility
- Additional bonds test calculation outlined in the respective senior and subordinated resolution of the utility system
- Interest rate environment
- An average of 50% debt and 50% internal equity

VII. Debt Structure

GRU has both senior and subordinated bond resolutions and is authorized to issue both senior and subordinated debt. As a municipal utility, the City can issue tax-exempt debt and at times may be eligible to issue taxable bonds, which may allow for GRU or the holder to receive a tax credit as is authorized under Federal legislation, and must comply with appropriate tax regulations to maintain the tax-exempt status (or eligibility to receive the subsidy).. GRU will endeavor to issue tax-exempt, or federally subsidized taxable debt, but it may be necessary for GRU to issue taxable debt due to tax regulations or other factors which preclude the issuance of tax-exempt debt. Such prevailing circumstances may include among other things, private use restrictions or limitations on advance refundings.

GRU will utilize fixed and variable rate debt to lower the overall cost of capital. The decision to issue fixed or variable rate debt will be determined based on the current interest rate cycle, the absolute level of rates, the shape of the yield curve, the capital structure and construction funding requirements and changing tax laws. GRU may target a mixture of roughly 75-85% fixed/synthetic fixed and 15-25% variable rate debt. At times, GRU may be below or above the target level.

GRU may examine the impact of interest rate volatility over the short and long terms and the expected performance of various financial products (debt or hedging instruments) under various interest rate scenarios and model on a periodic basis. GRU determines when to use alternative financing arrangements including variable, fixed, and synthetic structures, the availability of internal and external technical expertise to manage risk and evaluates along with ongoing administrative costs.

GRU is responsible for properly managing its resources to affect the lowest possible costs combined with prudent management of the utilities. There is a trade-off as would be expected between risk and cost savings. When evaluating the best possible methods for funding its capital projects, GRU will document the evaluation process and verify the proposed or expected benefits exceed the identified risks over those available in the traditional cash market. As a guideline, GRU compares the net present value of the interest savings to the risks and administrative costs associated with the outcomes when GRU is restructuring debt for other purposes. GRU monitors risks and mitigates based on current best practices.

GRU engages professional financial advisors, who are familiar with and abreast of the conditions of the municipal market, including interest rate swaps, and is available to assist in structuring the issue, pricing, and monitoring of sales activities. GRU shall not use a firm to serve as both financial advisor and underwriter. The selection of underwriters and other necessary consultants involved in debt transactions will be through a process administered by GRU's Financial Advisor.

VIII. Debt Service Reserve

GRU determines whether to fund, maintain and hold a debt service reserve for the benefit of bondholders to pay principal and/or interest on the bonds. GRU can authorize if it is reasonably required to provide security for the payment of debt service with respect to GRU's bonds and is consistent with normal practice in respect of bonds of the same general type as those issued by GRU. If GRU funds the debt service reserve with monies other than cash or bond proceeds, the selection of surety provider or provider of any financial instrument acceptable to fund the debt service reserve requirement under the appropriate resolution will be through a process administered by GRU's Financial Advisor.

IX. Bond Insurance

For each debt issuance, GRU may evaluate the economic benefit of using bond insurance. This analysis will incorporate the insurance benefits to the call date, to maturity date, and any intermediate date. If GRU determines that bond insurance will add economic benefit to the transaction, GRU's Financial Advisor will select an insurance provider via an agreed upon process.

X. Reporting and Compliance

Debt Service Requirements for Long-Term Debt (debt service being defined as the principal and interest due on an outstanding obligation) is provided to the Investment and Debt Committee that summarizes the principal amount, the range of maturity dates of all outstanding debt.

GRU is committed to full and complete compliance with all applicable laws and regulations with respect to its debt. Because of the complexity of tax regulations and the consequences of non-compliance, GRU will request the advice of bond counsel and other qualified professionals whenever necessary. In carrying out its responsibility, GRU shall monitor and analyze the investments and use of bond proceeds and calculate the amount of arbitrage rebate liability due. GRUA may adopt separate policies relating to: (a) compliance with arbitrage and arbitrage requirements relating to tax-exempt debt, (b) allocation and tracking of the investment and expenditure of tax-exempt debt proceeds and (c) monitoring the use of tax-exempt debt-financed facilities to ensure compliance with private use limitations (with respect to governmental purpose bonds).

XI. Debt Refunding

Refunding of outstanding debt represents unique opportunities for GRU to realize savings in debt service cost. Refunding also allows GRU to restructure its existing debt or debt profile to enable GRU to operate in a more competitive manner. Many of the policies and practices applicable to new money fixed and variable rate financings are applicable to debt refundings and restructurings. GRU will adhere to those policies and practices in any debt refunding issue unless specifically addressed below. Additionally, the CFO and/or Committee will evaluate currently available savings within the context of historical rates and potential savings.

GRU will perform periodic reviews of all outstanding debt to determine refunding opportunities. GRU will consider refundings and restructurings within federal tax law restraints. GRU and the financial advisor shall monitor the municipal bond market for opportunities to obtain interest savings. GRU will evaluate any refunding or restructuring on the economic savings or structured advantages

relating to issuing the new debt or any other criteria deemed to be beneficial to GRU.

XII. Interest Rate Swaps and Related Hedging Instruments

The prudent use of hedging instruments, which may include interest rate swaps, caps, and collars, can be an effective tool in meeting funding needs and structuring a balance sheet while managing risk associated with the movement of interest rates. Utilizing hedging products can provide GRU with cost effective alternatives to traditional debt financing choices.

Interest rate swaps and related hedging instruments may introduce additional risks to GRU's credit profile. These risks include, but are not necessarily limited to, termination risk, counterparty risk, re-execution risk, amortization risk, basis risk, and tax event risk. Prior to entering into each interest rate swap transaction, GRU evaluates these risks to ensure adequate provisions are in place to minimize the downside effects and provide the maximum benefit the transaction originally intended. Prior to the execution of the swaps, GRU will analyze sensitivity of interest rate volatility over the term of the swaps and expected performance of the swaps under various interest rate. GRU will evaluate all swaps considering their comparable costs, ease of entry and exit provisions, and the amount of potential risk exposure. GRUA will approve resolutions for the use of interest rate swaps, caps, and other hedging instruments.

GRU will select Financial Institutions and Dealers executing interest rate swaps, caps, and other hedging instruments for GRU through processes administered by GRU's Financial Advisor. GRU shall require that all institutions and dealers entering into interest rate swap, cap, and other hedging instrument agreements execute a Master Swap Agreement signed by both parties. All transactions entered into shall adhere to the requirements of the Master Swap Agreement. The Master Swap Agreement will contain, among other things, language regarding credit rating maintenance standards.

XIII. Credit Metrics

Inclusion of target credit and financial metrics within the Debt Management Policy

- Facilitates development of financial goals
- Assists with budget formulation, and
- Enables GRU to identify financial trends over a multiple-year period as well as to track financial performance over the course of a fiscal year.

Rating agencies publish municipal-utility based criteria that establish metrics for rating categories. These criteria provide a guide for selecting which benchmarks to include in GRU's Debt Management Policy as well as the appropriate targets for those benchmarks.

GRU management plans and executes its financial operations with the goal of achieving and maintaining the target credit metrics in this policy. It is GRUs goal to attain or improve the following ratings: Fitch AA, S&P AA, and Moody's Aa2 (the Moody's equivalent of AA).

METRIC	TYPE OF METRIC	TARGET	FORMULA	ANALYSIS
Days Cash on Hand	Liquidity	250 days	(Available Cash/Net Operating Expenses) X 365 Available cash = unrestricted cash + cash equivalents + investments unencumbered by legal or policy restrictions. Net operating expenses = O & M expenses - depreciation and non-cash items.	Measures the number of days GRU can pay daily operation & maintenance costs from available cash before running out of funds.
Days Liquidity	Liquidity	300 days	(Available Cash + Liquidity/Net Operating Expenses) X 365 Liquidity is defined as available cash + available lines of credit + authorized but unissued commercial paper lines.	Measures the number of days GRU can pay daily operation & maintenance costs before exhausting its liquidity.
Debt Service Coverage	Coverage	1.7 X debt service	Net Revenues/Debt Service Net revenues = operating revenues - operating expenses + interest income. Debt service = annual debt service expense.	Measures GRU's available cash flow to pay current debt obligations. It assesses financial security and ability to meet legal debt obligations.
Coverage of Fixed Obligations	Coverage	1.3 X fixed obligations	Adjusted Funds Available for Debt Service/Annual Debt Service Funds Available for Debt Service (FADS) = operating income + depreciation expense + transfers to RSF + Build America Bonds federal payments + interest income. Adjusted FADS = FADS - GFT + Adjustments for purchased power	Measures GRU's available cash flow to pay fixed obligations, including "debt-like" obligations such as purchased power agreements. It assesses GRU's financial security and ability to meet debt and other long-term contractual obligations.
Debt to Capitalization	Capital Structure	70%	Total Debt/Capitalization Total debt = amount of principal outstanding at the end of the measurement period. Capitalization = total debt + net position.	One measure of system leverage at a point in time, that accounts for the historical financial of the firm over time (profits)
Leverage	Capital Structure	8 X debt service	Net Adjusted Debt/Adjusted Funds Available for Debt Service Net adjusted debt = outstanding principal + unamortized bond premium + pension liability + purchased power adjustment - available cash (operating fund, rate stabilization fund, UPIF, and debt service fund cash & investments). Adjusted FADS for leverage = to adjusted FADS for coverage of full obligations + pension expense.	An additional measure of system leverage. It gauges outstanding debt principal compared to the cash flow available to service that debt.
Capex vs Depreciation	Operations and Maintenance	1 X depreciation expense	Annual Capital Spending/Annual Depreciation Expense Annual capital spending = capital expense at the end of the measurement period. Annual depreciation expense = depreciation expense for the measurement period	Measures whether capital investments are keeping pace with the aging of GRU's infrastructure.
Accumulated vs Annual Depreciation	Operations and Maintenance	15 years	Accumulated Depreciation/Annual Depreciation Expense Accumulated depreciation expense = inception to date depreciation expense.	Measures whether capital investments are keeping pace with the aging of GRU's infrastructure.
Book Value vs Annual Depreciation	Operations and Maintenance	15 years	Net Property, Plant and Equipment/Annual Depreciation Expense Net property, plant and equipment = total capital assets - accumulated depreciation Annual depreciation expense = depreciation expense for the measurement period	Measures whether capital investments are keeping pace with the aging of GRU's infrastructure.

GRU will manage its excess of reserves over target levels to maintain minimum Days Cash on Hand metrics of no less than 250 days throughout the financial forecast horizon.

XIV. Delevering

As noted in Section XII. GRU is considered highly leveraged by all three rating agencies. The delevering element of our Debt Management Policy has the goal of reducing GRU's

--Debt to capitalization ratio to 70%

--Leverage ratio to Net Adjusted debt no more than 8X Adjusted Funds Available for Debt Service

The proposed delevering policy includes but is not limited to the following elements:

- (1) Continuing as directed by the GRUA to apply savings from the 2020 debt restructuring transactions and the 2020 POB issuance towards reducing outstanding debt to reduce leverage;
- (2) Funding at least 50% of Capital Improvement Plan expense through internal equity (Utility Plant Improvement Fund – UPIF);
- (3) When cash balance levels exceed the targets established in the GRUA approved Cash Balance Policy, applying these excess balances towards debt reduction or cash defeasance;
- (4) Grant reimbursements are to be utilized; and
- (5) Any other funding opportunities that may become available.

Debt Reduction Plan - designed to reduce GRU's debt to capitalization ratio from 86% to the 70% goal noted above. The plan includes using resources identified above in conjunction with savings from (1) reductions in the General Fund Transfer (2) GRU expense budget reductions, and (3) financial transaction restructurings to accelerate payment of debt service obligations or increase the portion of capital expense funded through internal equity vs. borrowed funds.

Debt Reduction – a tool for accelerating reduction of debt is debt defeasance. Defeasance is the act of setting aside sufficient funds to cover an associated debt. It encompasses identifying available resources to purchase state and local government securities, which are placed in an irrevocable escrow account. The value of the securities, together with the interest earned on the escrow, must be sufficient to discharge the debt through payment to the underlying bondholder on the original debt payment date. Upon creation of the irrevocable escrow account, the debt can be removed from the balance sheet.

Approved by _____
Ed Bielarski, Chief Executive Officer of the Utility

Date _____

Approved by _____
Claudia Rasnick, Chief Financial Officer, Utilities

Date _____

APPROVED AND ADOPTED BY THE GAINESVILLE REGIONAL UTILITIES
AUTHORITY

Approved by _____
C. Eric Lawson, Chairperson

Date _____

File Number: 2024-797

Agenda Date: November 6, 2024

Department: Gainesville Regional Utilities

Title: 2024-797 Amendment to GRU Investment Policy (B)

Department: Gainesville Regional Utilities/ Budget, Finance and Accounting

Description: This item relates to proposed amendments to GRU's Investment Policy

Explanation: The intent of GRU's Investment Policy is to provide sufficient flexibility to effectively manage funds, maximize returns within acceptable risk limits and ensure compliance with bond covenants and other regulatory requirements. This policy was approved by the City Commission in June 2022. It is considered a best practice by the Government Finance Officers Association.

The key areas addressed in the policy are:

- Investment objectives
- Authorized investments & portfolio composition parameters
- Maturity & liquidity requirements
- Performance measurement benchmarks
- Reporting requirements

Fiscal Note: No impact at this time

Recommendation: The GRU Authority adopt the amended GRU Investment Policy.

GRU Investment Management Policy

November 6, 2024

Investment Management Policy – Executive Summary

- The primary objective of GRU's Investment Management policy is the preservation of capital
 - Low-risk investments such as agencies & high-grade commercial paper
- Investment cadence is driven by liquidity needs
 - Mandated deposits to debt service funds, maintain available resources to meet operating and capital plan needs
 - Primarily short & intermediate term investments
 - Hold investments to maturity
- GRU is requesting full support of the Authority for this policy

Investment Management Policy – Executive Summary

- The intent of GRU's Investment Management Policy is to provide sufficient flexibility to effectively manage funds in order to:
 - Maximize returns within acceptable risk limits
 - Ensure compliance with bond covenants, statutory requirements and other regulatory restrictions
- The key areas addressed in the policy are:
 - Investment objectives
 - Authorized investments & portfolio composition parameters
 - Maturity & liquidity requirements
 - Performance measurement benchmarks, and
 - Reporting requirements

Investment Management Policy

- Some of the significant updates to the policy include:
 - Change in governance from the City Commission to the GRU Authority
 - Expanding the role of State & Local Government Securities (SLGS) in the investment portfolio consistent with GRU's increase in debt defeasance/reduction activities
- GRU's FY24 annual investment report, as required by this policy, is attached



Investment Management Policy

Recommendation

The GRU Authority adopt the GRU Investment Management Policy

GRU Annual Investment Report

November 6, 2024

- Treasury Division prepares monthly investment summary reports which are distributed to the Investment & Debt Committee (IDC)
- IDC members are enumerated in the Investment Policy
 - CFO
 - Director of Accounting & Finance
 - Treasury Manager
 - Controller
 - Assistant Controller
 - Financial Accounting Manager
- IDC meets quarterly and reviews quarterly investment summary report prepared by the Treasury Division

Annual Investment Report

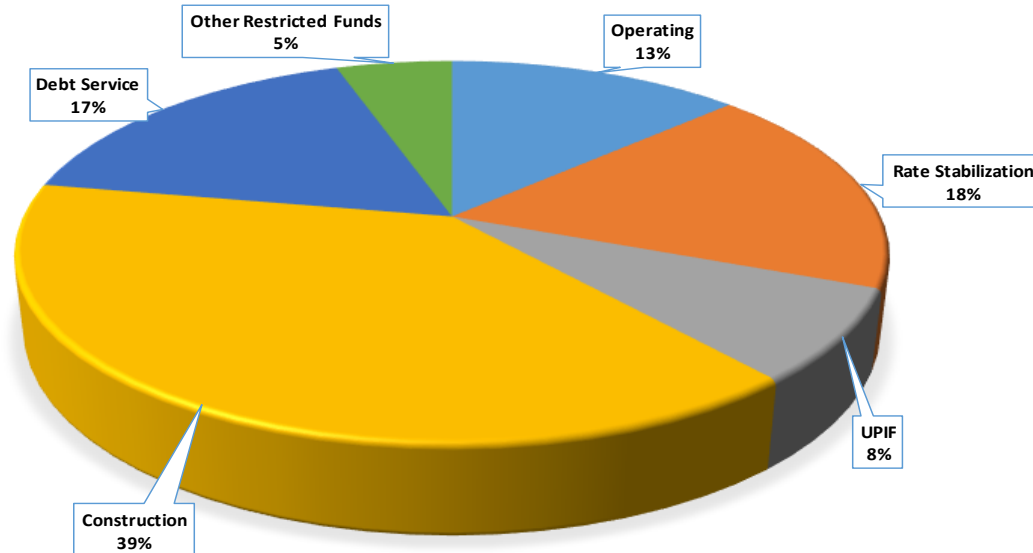
- Primary goals of the GRU investment program are preservation of capital and maintenance of liquidity
 - Maximize returns within those parameters
- Investment strategy is guided by operational characteristics of the specific funds invested
 - Operating fund
 - Rate Stabilization Fund
 - Utility Plant Improvement Fund
 - Construction Fund
 - Debt Service Fund
 - Other Restricted Funds
 - Utility Meter Deposit

Annual Investment Report

- Operating fund – covers GRU’s day-to-day operating expenses. Significant portion of these investments will be short-term in duration to ensure maintenance of adequate liquidity levels.
- Rate stabilization fund – broader mix of short-term and intermediate duration investments.
- Utility plant improvement fund – these resources fund construction projects, so there will be a mix of short and intermediate term investments.
- Construction fund – depends on where GRU is in the expense and borrowing cycle. If GRU has just completed a borrowing and there are significant balances in the construction fund, GRU can go longer on the duration of investments. If GRU is low on construction fund balances, GRU will shorten the duration.
- Debt service funds – GRU pays interest on outstanding bonds every April and October, and principal every October. Investments are purchased with maturities no longer than the next debt service payment.

Annual Investment Report

CASH & INVESTMENTS BY FUND @ SEPTEMBER 30, 2024

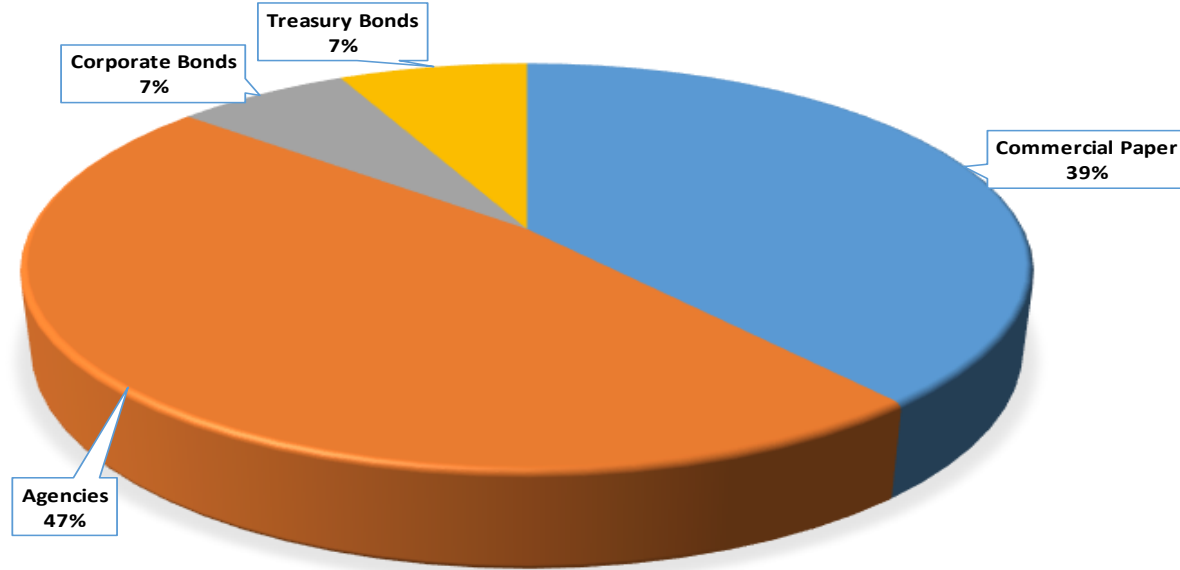


CASH & INVESTMENTS @ 9/30/24

Operating	50,815,288
Restricted Funds:	
Rate Stabilization	69,801,641
UPIF	30,512,285
Construction	152,282,041
Debt Service	66,374,580
Other Restricted Funds	20,032,099
Total	389,817,934

Annual Investment Report

PORTFOLIO COMPOSITION



SECURITY DESCRIPTION	INVESTMENT POLICY MAXIMUM ALLOCATION	ACTUAL ALLOCATION @ 9/30/24	(OVER) UNDER POLICY MAXIMUM	COMPLIANT WITH POLICY
Commercial Paper	60.00%	38.80%	21.20%	Yes
Sponsored Agencies	100.00%	47.29%	52.71%	Yes
Corporate Bonds	50.00%	6.67%	43.33%	Yes
Treasury Bonds	100.00%	7.24%	92.76%	Yes
Repurchase Agreements	50.00%	0.00%	50.00%	Yes
Money Market Funds	50.00%	0.00%	50.00%	Yes
Fixed Income Mutual Funds	10.00%	0.00%	10.00%	Yes
Full Fatih & Credit Agencies	100.00%	0.00%	100.00%	Yes
Treasury Bills	100.00%	0.00%	100.00%	Yes

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KEY RATES & INDICES					
	6 months ago			1 year ago	
	9/30/2024	3/28/2024	% Change	9/29/2023	% Change
Dow Jones Industrial Avg	42,330.15	39,807.37	6.34%	33,507.50	26.33%
3 month Treasury	4.62%	5.36%	-13.81%	5.45%	-15.23%
6 month Treasury	4.40%	5.32%	-17.29%	5.54%	-20.58%
5 year Treasury	3.56%	4.21%	-15.44%	4.61%	-22.78%
10 year Treasury	3.78%	4.20%	-10.00%	4.57%	-17.29%
30 year Treasury	4.12%	4.34%	-5.07%	4.70%	-12.34%
1 month SOFR	4.85%	5.33%	-9.01%	5.32%	-8.83%
10 year SOFR	3.31%	3.83%	-13.58%	4.23%	-21.75%
SIFMA	3.15%	3.64%	-13.46%	3.98%	-20.85%

Annual Investment Report

CASH & INVESTMENTS @ SEPTEMBER 30, 2024

INVESTMENTS

Fund	Year End Cost	Year End Mkt	Unrealized Gain(Loss) to Mkt	Average YTD Cost	Average YTD Interest Income	Average Annualized YTD Return
Operating	14,571,235	14,150,316	(420,919)	15,301,329	25,477	
Rate Stabilization	53,704,938	52,845,575	(859,363)	52,779,451	107,333	
UPIF	19,415,313	18,824,715	(590,598)	33,313,539	44,853	
Construction	122,689,009	124,666,220	1,977,211	125,027,479	718,667	
Debt Service	63,950,300	64,479,531	529,231	34,951,196	140,946	
Other Restricted	4,999,133	5,048,741	49,608	3,719,120	21,732	
	279,329,928	280,015,098	685,170	265,092,114	1,059,008	4.79%

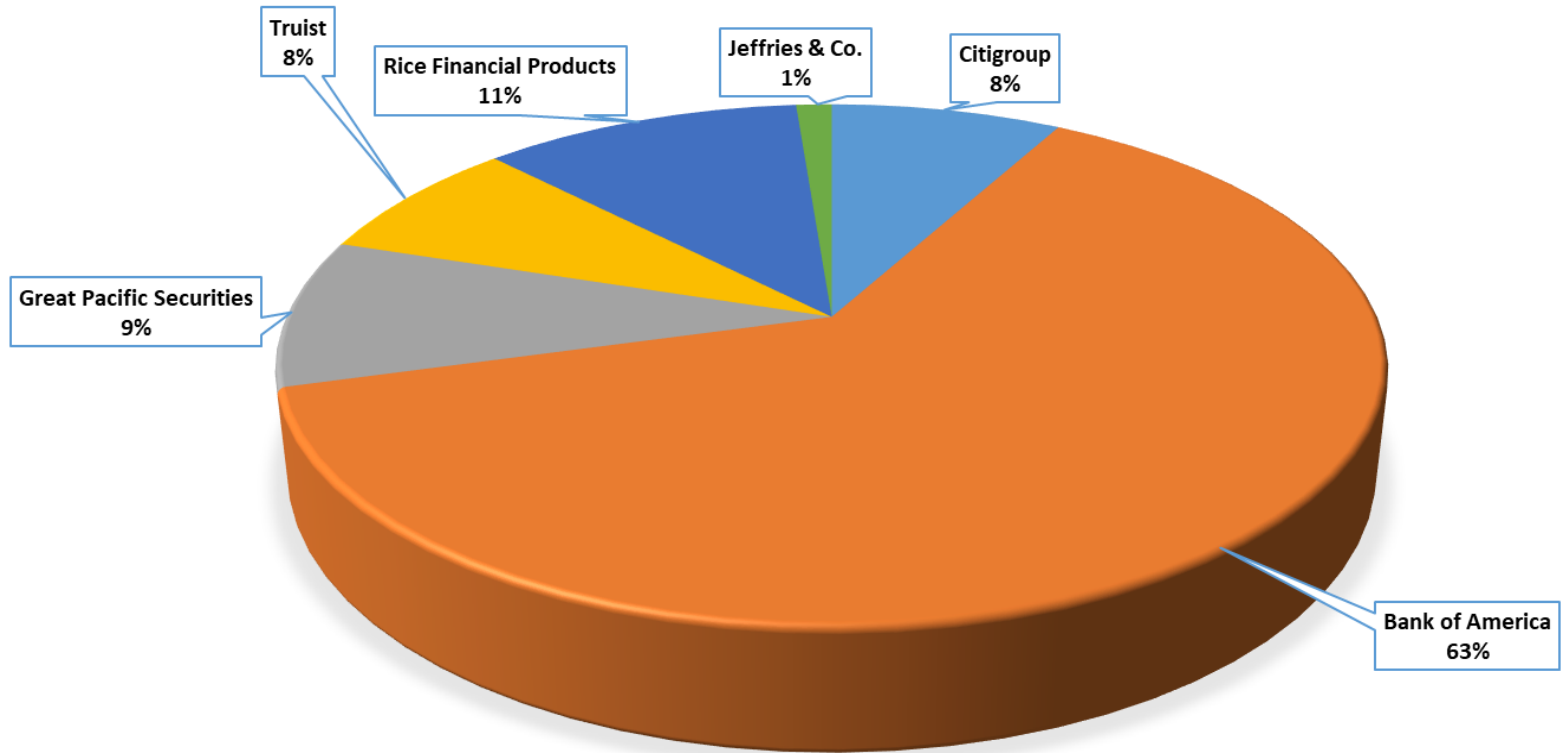
CASH


	Year End Balance	Year End Interest Income		Average YTD Balance	Average YTD Interest Income	Average Annualized YTD Return
Truist Bank Account	109,791,034			117,758,020	301,091	3.07%
Earnings Credit @ .70%		6,306				
Cash Balance Earned at 3.30%		267,248				

- Treasury maintains a pool of qualified brokers
- Brokers wishing to do business with GRU submit documentation
 - Describing the firm
 - Ability to execute
 - History of compliance with regulatory requirements
- Treasury staff monitors
 - Performance
 - Compliance issues
- Rotates pool members based on these on-going assessments

Annual Investment Report

INVESTMENTS BY BROKER





Appendix Investments Outstanding as of September 30, 2024

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Appendix – Construction Fund

Funding	Fund Group	Long Description	ID Number	Start of Term	Final Due Date	Total at Par	Total at Cost	Total at Market
Const.	23CC	US Treasury Bill 4.9275 10/31/2024	912797HE	11/29/2023	10/31/2024	5,000,000.00	4,769,365.63	4,980,500.00
		Toyota Industries 5.08 11/08/24	89232LL8	2/27/2024	11/8/2024	6,642,000.00	6,402,998.70	6,608,657.16
		Natixis 5.24 11/29/24	63873JLV	3/28/2024	11/29/2024	7,500,000.00	7,231,449.98	7,441,500.00
		FNMA Discount 5.065 10/11/24	313588K3	4/18/2024	10/11/2024	10,000,000.00	9,752,377.80	9,985,800.00
		FNMA Discount 5.0 12/13/24	313588T2	4/18/2024	12/13/2024	10,000,000.00	9,668,055.60	9,908,500.00
		Coca-Cola CO 5.06 1/2/25	19121AN2	4/29/2024	1/2/2025	6,216,000.00	5,999,324.04	6,142,278.24
		FNMA Disc. 5.06 1/13/25	313589AN	5/29/2024	1/13/2025	8,000,000.00	7,742,502.22	7,898,160.00
		Anglesea Funding 5.33 10/28/2024	0347M2KI	6/26/2024	10/28/2024	3,853,000.00	3,782,263.20	3,839,090.67
		Honeywell Int 5.26 11/20/2024	43851TLL	6/26/2024	11/20/2024	7,500,000.00	7,338,912.50	7,450,425.00
		Halkin Fin. 5.29 1/2/2025	40588LN2	6/26/2024	1/2/2025	5,339,000.00	5,189,938.11	5,275,679.46
		US Treasury Bill 4.9215 1/23/25	912797JR	7/29/2024	1/23/2025	5,000,000.00	4,878,329.58	4,929,800.00
		FHLB Disc 4.875 2/10/25	313385BS	7/29/2024	2/10/2025	7,704,000.00	7,499,522.97	7,583,047.20
		FNMA Disc. 4.745 3/24/25	313589DL	7/29/2024	3/24/2025	7,742,000.00	7,499,135.63	7,586,540.64
		US Treasury Bill 4.6655 2/27/2025	912797ML	8/30/2024	2/27/2025	7,800,000.00	7,617,034.64	7,660,224.00
		Manhattan Asset 4.79 2/28/2025	56274LPU	8/30/2024	2/28/2025	7,500,000.00	7,318,379.18	7,359,075.01
		Concord Minutemen 4.86 10/25/2024	2063C0KF	9/24/2024	10/25/2024	7,500,000.00	7,468,612.50	7,475,925.00
		Ebury Fin. 4.68 12/24/24	27873JMC	9/24/2024	12/24/2024	5,500,000.00	5,434,935.00	5,439,830.00
		Mountcliff Funding 4.32 4/25/2025	62455FRF	9/24/2024	4/25/2025	7,282,000.00	7,095,872.08	7,101,187.94
	23CC Total					126,078,000.00	122,689,009.36	124,666,220.32
Const. Total						126,078,000.00	122,689,009.36	124,666,220.32

Annual Investment Report

Appendix – Debt Service Fund

Debt Srv	09BD	MUFG Bank 5.37 10/1/24	62479LK1	4/30/2024	10/1/2024	671,248.00	655,828.32	671,158.72
		Metlife 5.31 10/1/24	59157TK1	4/30/2024	10/1/2024	365,427.41	357,126.72	365,378.80
		Liberty Street 5.38 10/1/2024	53127TK1	6/28/2024	10/1/2024	1,093,747.99	1,078,219.80	1,093,602.51
		FNMA Disc. 5.17 10/1/2024	313588H9	7/1/2024	10/1/2024	1,225,998.11	1,209,799.95	1,225,838.73
		FHLMC Disc Note 5.19 10/01/2024	313396H9	7/31/2024	10/1/2024	753,672.59	746,936.02	753,574.61
		Ebury Finance LLC 5.31 10/1/2024	27873JK1	7/31/2024	10/1/2024	268,497.52	266,042.10	268,461.81
		FHLMC Disc Note 5.095 10/1/2024	313396H9	8/30/2024	10/1/2024	1,017,433.86	1,012,826.02	1,017,301.59
		Nestle Capital 4.89 10/1/2024	64105GK1	9/10/2024	10/1/2024	956,547.61	953,819.05	956,420.38
		FHLMC Disc Note 5.035 10/01/2024	313396H9	9/12/2024	10/1/2024	1,263,634.82	1,260,276.89	1,263,470.54
		Chesham Fin. 4.84 10/1/24	16536HK1	9/24/2024	10/1/2024	621,899.92	621,314.64	621,817.22
		FHLMC Disc. Note 4.51 10/1/24	313396H9	9/27/2024	10/1/2024	832,789.78	832,372.46	832,681.52
	09BD Total					9,070,897.61	8,994,561.97	9,069,706.43
	10AD	MUFG Bank 5.37 10/1/24	62479LK1	4/30/2024	10/1/2024	41,935.04	40,971.72	41,929.46
		Metlife 5.31 10/1/24	59157TK1	4/30/2024	10/1/2024	22,829.43	22,310.86	22,826.39
		Liberty Street 5.38 10/1/2024	53127TK1	6/28/2024	10/1/2024	32,451.66	31,990.94	32,447.34
		FNMA Disc. 5.17 10/1/2024	313588H9	7/1/2024	10/1/2024	2,895.87	2,857.61	2,895.49
		FHLMC Disc Note 5.19 10/01/2024	313396H9	7/31/2024	10/1/2024	47,086.30	46,665.43	47,080.18
		Ebury Finance LLC 5.31 10/1/2024	27873JK1	7/31/2024	10/1/2024	16,774.59	16,621.19	16,772.36
		FHLMC Disc Note 5.095 10/1/2024	313396H9	8/30/2024	10/1/2024	63,580.50	63,292.55	63,572.23
		Nestle Capital 4.89 10/1/2024	64105GK1	9/10/2024	10/1/2024	39,406.33	39,293.92	39,401.09
		FHLMC Disc Note 5.035 10/01/2024	313396H9	9/12/2024	10/1/2024	39,315.31	39,210.84	39,310.20
		Chesham Fin. 4.84 10/1/24	16536HK1	9/24/2024	10/1/2024	19,349.99	19,331.78	19,347.42
		FHLMC Disc. Note 4.51 10/1/24	313396H9	9/27/2024	10/1/2024	61,575.67	61,544.81	61,567.67
	10AD Total					387,200.69	384,091.65	387,149.83

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Appendix – Debt Service

Fund continued

	10BD	MUFG Bank 5.37 10/1/24	62479LK1	4/30/2024	10/1/2024	440,519.56	430,400.10	440,460.97
		Metlife 5.31 10/1/24	59157TK1	4/30/2024	10/1/2024	239,818.84	234,371.35	239,786.94
		Liberty Street 5.38 10/1/2024	53127TK1	6/28/2024	10/1/2024	340,899.42	336,059.58	340,854.08
		FNMA Disc. 5.17 10/1/2024	313588H9	7/1/2024	10/1/2024	30,422.28	30,020.33	30,418.32
		FHLMC Disc Note 5.19 10/01/2024	313396H9	7/31/2024	10/1/2024	494,632.58	490,211.40	494,568.28
		Ebury Finance LLC 5.31 10/1/2024	27873JK1	7/31/2024	10/1/2024	176,213.94	174,602.46	176,190.51
		FHLMC Disc Note 5.095 10/1/2024	313396H9	8/30/2024	10/1/2024	667,901.09	664,876.24	667,814.26
		Nestle Capital 4.89 10/1/2024	64105GK1	9/10/2024	10/1/2024	413,956.56	412,775.75	413,901.51
		FHLMC Disc Note 5.035 10/01/2024	313396H9	9/12/2024	10/1/2024	413,000.69	411,903.20	412,947.00
		Chesham Fin. 4.84 10/1/24	16536HK1	9/24/2024	10/1/2024	203,268.43	203,077.13	203,241.39
		FHLMC Disc. Note 4.51 10/1/24	313396H9	9/27/2024	10/1/2024	646,840.66	646,516.52	646,756.58
	10BD Total					4,067,474.05	4,034,814.06	4,066,939.84
	14AD	MUFG Bank 5.37 10/1/24	62479LK1	4/30/2024	10/1/2024	148,258.49	144,852.74	148,238.77
		Metlife 5.31 10/1/24	59157TK1	4/30/2024	10/1/2024	80,711.93	78,878.56	80,701.20
		Liberty Street 5.38 10/1/2024	53127TK1	6/28/2024	10/1/2024	218,494.74	215,392.72	218,465.68
		FNMA Disc. 5.17 10/1/2024	313588H9	7/1/2024	10/1/2024	223,375.80	220,424.50	223,346.76
		FHLMC Disc Note 5.19 10/01/2024	313396H9	7/31/2024	10/1/2024	166,464.84	164,976.92	166,443.19
		Ebury Finance LLC 5.31 10/1/2024	27873JK1	7/31/2024	10/1/2024	59,303.47	58,761.15	59,295.59
		FHLMC Disc Note 5.095 10/1/2024	313396H9	8/30/2024	10/1/2024	224,732.15	223,714.36	224,702.94
		Nestle Capital 4.89 10/1/2024	64105GK1	9/10/2024	10/1/2024	198,179.52	197,614.21	198,153.16
		FHLMC Disc Note 5.035 10/01/2024	313396H9	9/12/2024	10/1/2024	253,605.37	252,931.45	253,572.40
		Chesham Fin. 4.84 10/1/24	16536HK1	9/24/2024	10/1/2024	124,812.87	124,695.41	124,796.28
		FHLMC Disc. Note 4.51 10/1/24	313396H9	9/27/2024	10/1/2024	190,081.01	189,985.76	190,056.30
	14AD Total					1,888,020.19	1,872,227.78	1,887,772.27

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Appendix – Debt Service

Fund continued

	14BD	MUFG Bank 5.37 10/1/24	62479LK1	4/30/2024	10/1/2024	32,761.21	32,008.63	32,756.85
		Metlife 5.31 10/1/24	59157TK1	4/30/2024	10/1/2024	17,835.21	17,430.08	17,832.84
		Liberty Street 5.38 10/1/2024	53127TK1	6/28/2024	10/1/2024	25,352.41	24,992.48	25,349.04
		FNMA Disc. 5.17 10/1/2024	313588H9	7/1/2024	10/1/2024	2,262.26	2,232.36	2,261.96
		FHLMC Disc Note 5.19 10/01/2024	313396H9	7/31/2024	10/1/2024	36,785.56	36,456.77	36,780.78
		Ebury Finance LLC 5.31 10/1/2024	27873JK1	7/31/2024	10/1/2024	13,104.95	12,985.11	13,103.20
		FHLMC Disc Note 5.095 10/1/2024	313396H9	8/30/2024	10/1/2024	49,671.44	49,446.49	49,664.99
		Nestle Capital 4.89 10/1/2024	64105GK1	9/10/2024	10/1/2024	30,785.67	30,697.86	30,781.58
		FHLMC Disc Note 5.035 10/01/2024	313396H9	9/12/2024	10/1/2024	30,714.54	30,632.92	30,710.54
		Chesham Fin. 4.84 10/1/24	16536HK1	9/24/2024	10/1/2024	15,116.92	15,102.70	15,114.92
		FHLMC Disc. Note 4.51 10/1/24	313396H9	9/27/2024	10/1/2024	42,046.94	42,025.87	42,041.48
	14BD Total					296,437.11	294,011.27	296,398.18
	17AD	MUFG Bank 5.37 10/1/24	62479LK1	4/30/2024	10/1/2024	1,753,936.70	1,713,645.85	1,753,703.43
		Metlife 5.31 10/1/24	59157TK1	4/30/2024	10/1/2024	954,843.14	933,153.88	954,716.15
		Liberty Street 5.38 10/1/2024	53127TK1	6/28/2024	10/1/2024	2,922,489.41	2,880,998.18	2,922,100.72
		FNMA Disc. 5.17 10/1/2024	313588H9	7/1/2024	10/1/2024	3,336,125.38	3,292,047.75	3,335,691.68
		FHLMC Disc Note 5.19 10/01/2024	313396H9	7/31/2024	10/1/2024	1,969,304.43	1,951,702.13	1,969,048.42
		Ebury Finance LLC 5.31 10/1/2024	27873JK1	7/31/2024	10/1/2024	701,569.09	695,153.24	701,475.78
		FHLMC Disc Note 5.095 10/1/2024	313396H9	8/30/2024	10/1/2024	2,658,470.01	2,646,430.09	2,658,124.41
		Nestle Capital 4.89 10/1/2024	64105GK1	9/10/2024	10/1/2024	2,536,044.61	2,528,810.54	2,535,707.32
		FHLMC Disc Note 5.035 10/01/2024	313396H9	9/12/2024	10/1/2024	3,373,144.68	3,364,181.01	3,372,706.17
		Chesham Fin. 4.84 10/1/24	16536HK1	9/24/2024	10/1/2024	1,660,096.96	1,658,534.63	1,659,876.17
		FHLMC Disc. Note 4.51 10/1/24	313396H9	9/27/2024	10/1/2024	1,776,918.57	1,776,028.14	1,776,687.57
	17AD Total					23,642,942.98	23,440,685.44	23,639,837.82

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Appendix – Debt Service

Fund continued

	19AD	MUFG Bank 5.37 10/1/24	62479LK1	4/30/2024	10/1/2024	424,646.44	414,891.60	424,589.97
		Metlife 5.31 10/1/24	59157TK1	4/30/2024	10/1/2024	231,177.52	225,926.32	231,146.78
		Liberty Street 5.38 10/1/2024	53127TK1	6/28/2024	10/1/2024	328,615.87	323,950.44	328,572.16
		FNMA Disc. 5.17 10/1/2024	313588H9	7/1/2024	10/1/2024	29,326.08	28,938.62	29,322.26
		FHLMC Disc Note 5.19 10/01/2024	313396H9	7/31/2024	10/1/2024	476,809.59	472,547.71	476,747.60
		Ebury Finance LLC 5.31 10/1/2024	27873JK1	7/31/2024	10/1/2024	169,864.50	168,311.08	169,841.90
		FHLMC Disc Note 5.095 10/1/2024	313396H9	8/30/2024	10/1/2024	643,834.78	640,918.92	643,751.08
		Nestle Capital 4.89 10/1/2024	64105GK1	9/10/2024	10/1/2024	399,040.53	397,902.27	398,987.45
		FHLMC Disc Note 5.035 10/01/2024	313396H9	9/12/2024	10/1/2024	398,119.15	397,061.20	398,067.39
		Chesham Fin. 4.84 10/1/24	16536HK1	9/24/2024	10/1/2024	195,944.11	195,759.71	195,918.06
		FHLMC Disc. Note 4.51 10/1/24	313396H9	9/27/2024	10/1/2024	603,399.38	603,097.00	603,320.95
	19AD Total					3,900,777.95	3,869,304.87	3,900,265.60
	19BD	MUFG Bank 5.37 10/1/24	62479LK1	4/30/2024	10/1/2024	57,050.31	55,739.77	57,042.72
		Metlife 5.31 10/1/24	59157TK1	4/30/2024	10/1/2024	31,058.20	30,352.71	31,054.07
		Liberty Street 5.38 10/1/2024	53127TK1	6/28/2024	10/1/2024	44,148.89	43,522.10	44,143.02
		FNMA Disc. 5.17 10/1/2024	313588H9	7/1/2024	10/1/2024	3,940.06	3,888.01	3,939.55
		FHLMC Disc Note 5.19 10/01/2024	313396H9	7/31/2024	10/1/2024	64,058.33	63,485.76	64,050.00
		Ebury Finance LLC 5.31 10/1/2024	27873JK1	7/31/2024	10/1/2024	22,820.90	22,612.20	22,817.87
		FHLMC Disc Note 5.095 10/1/2024	313396H9	8/30/2024	10/1/2024	86,497.80	86,106.06	86,486.55
		Nestle Capital 4.89 10/1/2024	64105GK1	9/10/2024	10/1/2024	53,610.25	53,457.33	53,603.12
		FHLMC Disc Note 5.035 10/01/2024	313396H9	9/12/2024	10/1/2024	53,486.51	53,344.38	53,479.56
		Chesham Fin. 4.84 10/1/24	16536HK1	9/24/2024	10/1/2024	26,324.70	26,299.93	26,321.19
		FHLMC Disc. Note 4.51 10/1/24	313396H9	9/27/2024	10/1/2024	83,770.28	83,728.30	83,759.39
	19BD Total					526,766.23	522,536.55	526,697.04

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Appendix – Debt Service

Fund continued

	20AD	MUFG Bank 5.37 10/1/24	62479LK1	4/30/2024	10/1/2024	14,514.11	14,180.70	14,512.18
		Metlife 5.31 10/1/24	59157TK1	4/30/2024	10/1/2024	7,901.47	7,721.98	7,900.43
		Liberty Street 5.38 10/1/2024	53127TK1	6/28/2024	10/1/2024	15,855.01	15,629.91	15,852.90
		FNMA Disc. 5.17 10/1/2024	313588H9	7/1/2024	10/1/2024	10,498.58	10,359.88	10,497.22
		FHLMC Disc Note 5.19 10/01/2024	313396H9	7/31/2024	10/1/2024	16,296.77	16,151.11	16,294.65
		Ebury Finance LLC 5.31 10/1/2024	27873JK1	7/31/2024	10/1/2024	5,805.74	5,752.65	5,804.97
		FHLMC Disc Note 5.095 10/1/2024	313396H9	8/30/2024	10/1/2024	22,003.48	21,903.83	22,000.62
		Nestle Capital 4.89 10/1/2024	64105GK1	9/10/2024	10/1/2024	16,261.45	16,215.07	16,259.29
		FHLMC Disc Note 5.035 10/01/2024	313396H9	9/12/2024	10/1/2024	18,713.74	18,664.01	18,711.30
		Chesham Fin. 4.84 10/1/24	16536HK1	9/24/2024	10/1/2024	9,210.20	9,201.54	9,208.97
		FHLMC Disc. Note 4.51 10/1/24	313396H9	9/27/2024	10/1/2024	17,316.48	17,307.81	17,314.23
	20AD Total					154,377.03	153,088.49	154,356.76
	21AD	MUFG Bank 5.37 10/1/24	62479LK1	4/30/2024	10/1/2024	264,361.85	258,289.02	264,326.70
		Metlife 5.31 10/1/24	59157TK1	4/30/2024	10/1/2024	143,918.59	140,649.48	143,899.44
		Liberty Street 5.38 10/1/2024	53127TK1	6/28/2024	10/1/2024	204,578.39	201,673.94	204,551.18
		FNMA Disc. 5.17 10/1/2024	313588H9	7/1/2024	10/1/2024	18,256.74	18,015.53	18,254.36
		FHLMC Disc Note 5.19 10/01/2024	313396H9	7/31/2024	10/1/2024	296,835.82	294,182.60	296,797.23
		Ebury Finance LLC 5.31 10/1/2024	27873JK1	7/31/2024	10/1/2024	105,748.43	104,781.37	105,734.36
		FHLMC Disc Note 5.095 10/1/2024	313396H9	8/30/2024	10/1/2024	400,816.64	399,001.39	400,764.53
		Nestle Capital 4.89 10/1/2024	64105GK1	9/10/2024	10/1/2024	248,420.99	247,712.37	248,387.95
		FHLMC Disc Note 5.035 10/01/2024	313396H9	9/12/2024	10/1/2024	247,847.36	247,188.74	247,815.14
		Chesham Fin. 4.84 10/1/24	16536HK1	9/24/2024	10/1/2024	121,984.16	121,869.36	121,967.94
		FHLMC Disc. Note 4.51 10/1/24	313396H9	9/27/2024	10/1/2024	388,178.01	387,983.48	388,127.55
	21AD Total					2,440,946.98	2,421,347.28	2,440,626.38

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Appendix – Debt Service

Fund concluded

	22AD	MUFG Bank 5.37 10/1/24	62479LK1	4/30/2024	10/1/2024	630,058.78	615,585.28	629,974.97
		Metlife 5.31 10/1/24	59157TK1	4/30/2024	10/1/2024	343,004.00	335,212.66	342,958.37
		Liberty Street 5.38 10/1/2024	53127TK1	6/28/2024	10/1/2024	986,650.99	972,643.27	986,519.76
		FNMA Disc. 5.17 10/1/2024	313588H9	7/1/2024	10/1/2024	1,068,642.27	1,054,523.13	1,068,503.35
		FHLMC Disc Note 5.19 10/01/2024	313396H9	7/31/2024	10/1/2024	707,427.76	701,104.53	707,335.80
		Ebury Finance LLC 5.31 10/1/2024	27873JK1	7/31/2024	10/1/2024	252,022.75	249,718.00	251,989.23
		FHLMC Disc Note 5.095 10/1/2024	313396H9	8/30/2024	10/1/2024	955,022.11	950,696.93	954,897.96
		Nestle Capital 4.89 10/1/2024	64105GK1	9/10/2024	10/1/2024	2,607,746.48	2,600,307.88	2,607,399.64
		FHLMC Disc Note 5.035 10/01/2024	313396H9	9/12/2024	10/1/2024	1,428,417.83	1,424,622.00	1,428,232.13
		Chesham Fin. 4.84 10/1/24	16536HK1	9/24/2024	10/1/2024	702,991.74	702,330.12	702,898.24
		FHLMC Disc. Note 4.51 10/1/24	313396H9	9/27/2024	10/1/2024	1,477,691.84	1,476,951.35	1,477,499.74
	22AD Total					11,159,676.55	11,083,695.15	11,158,209.19
	22BD	MUFG Bank 5.37 10/1/24	62479LK1	4/30/2024	10/1/2024	520,709.51	508,747.94	520,640.26
		Metlife 5.31 10/1/24	59157TK1	4/30/2024	10/1/2024	283,474.26	277,035.17	283,436.56
		Liberty Street 5.38 10/1/2024	53127TK1	6/28/2024	10/1/2024	1,286,715.22	1,268,447.47	1,286,544.08
		FNMA Disc. 5.17 10/1/2024	313588H9	7/1/2024	10/1/2024	1,851,256.57	1,826,797.36	1,851,015.91
		FHLMC Disc Note 5.19 10/01/2024	313396H9	7/31/2024	10/1/2024	584,625.43	579,399.82	584,549.43
		Ebury Finance LLC 5.31 10/1/2024	27873JK1	7/31/2024	10/1/2024	208,274.12	206,369.45	208,246.42
		FHLMC Disc Note 5.095 10/1/2024	313396H9	8/30/2024	10/1/2024	789,036.14	785,462.67	788,933.57
	22BD Total					5,524,091.25	5,452,259.88	5,523,366.23
	23AD	FHLMC Disc. Note 4.51 10/1/24	313396H9	9/27/2024	10/1/2024	613,682.66	613,375.14	613,602.88
	23AD Total					613,682.66	613,375.14	613,602.88
	12BD	FHLMC Disc. Note 4.51 10/1/24	313396H9	9/27/2024	10/1/2024	233,920.22	233,803.00	233,889.80
	12BD Total					233,920.22	233,803.00	233,889.80
	19CD	FHLMC Disc. Note 4.51 10/1/24	313396H9	9/27/2024	10/1/2024	180,150.62	180,060.35	180,127.20
	19CD Total					180,150.62	180,060.35	180,127.20
	23BD	FHLMC Disc. Note 4.51 10/1/24	313396H9	9/27/2024	10/1/2024	400,637.88	400,437.12	400,585.80
	23BD Total					400,637.88	400,437.12	400,585.80
	Debt Srv Total					64,488,000.00	63,950,300.00	64,479,531.25

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Appendix – Rate Stabilization Fund

☐ Rate Stab	☐ 0100	☐ FFCB 1.05 03/25/26 S/A MAR/SEP	☐ 3133EMUI	☐ 3/25/2021	3/25/2026	3,500,000.00	3,500,000.00	3,363,150.01
		☐ FHLB 0.55 01/20/26 S/A JAN/JUL	☐ 3130AKN8	☐ 1/20/2021	1/20/2026	3,500,000.00	3,500,000.00	3,352,405.00
		☐ FHLB 0.60 02/24/26 S/A FEB/AUG	☐ 3130AKXJ	☐ 2/24/2021	2/24/2026	4,000,000.00	4,000,000.00	3,821,360.00
		☐ FHLB 0.75 04/30/26 S/A APR/OCT	☐ 3130AM7Y	☐ 4/30/2021	4/30/2026	5,000,000.00	5,000,000.00	4,813,650.01
		☐ FHLB 0.915 06/24/26 S/A DEC/JUN	☐ 3130AMSJ	☐ 6/24/2021	6/24/2026	2,500,000.00	2,500,000.00	2,378,900.00
		☐ FHLB 1.00 02/18/25 S/A FEB/AUG	☐ 3130APNF	☐ 11/18/2021	2/18/2025	2,500,000.00	2,500,000.00	2,462,200.00
		☐ Freddie Mac .625 08/12/25 S/A FEB/AUG	☐ 3134GWK	☐ 8/12/2020	8/12/2025	5,000,000.00	5,000,000.00	4,845,600.00
		☐ Freddie Mac 3.00 11/26/24 S/A MAY/NOV	☐ 3134GXUS	☐ 5/26/2022	11/26/2024	1,820,000.00	1,820,000.00	1,814,722.00
		☐ National Secs. Clearing 0.75 12/07/25 S/A DE	☐ 637639AE	☐ 12/7/2020	12/7/2025	3,400,000.00	3,354,100.00	3,270,222.00
		☐ Schwab Corp 0.90 03/11/26 S/A MAR/SEP	☐ 808513BF	☐ 12/11/2020	3/11/2026	1,000,000.00	985,700.00	952,589.99
		☐ Anglesea Funding LLC 5.38 10/25/24	☐ 0347M2KF	☐ 4/29/2024	10/25/2024	3,647,000.00	3,549,440.71	3,635,293.13
		☐ Chesham Fin 5.34 1/6/2025	☐ 16537LN6	☐ 6/26/2024	1/6/2025	2,533,000.00	2,460,108.69	2,501,666.79
		☐ Home Depot 2.875 4/15/27 S/A OCT/APR	☐ 437076CN	☐ 4/15/2024	4/15/2027	3,439,000.00	3,266,033.42	3,358,080.33
		☐ FHLB 5.5 6/24/2027 S/A DEC/JUN	☐ 3130B1SJ	☐ 6/24/2024	6/24/2027	2,270,000.00	2,270,000.00	2,273,132.61
		☐ Starbird Funding 4.43 3/25/2025	☐ 85520LQR	☐ 9/24/2024	3/25/2025	6,137,000.00	5,999,555.07	6,004,563.54
		☐ FFCB 4.58 9/20/2027 S/A MAR/SEPT	☐ 3133ERUI	☐ 9/20/2024	9/20/2027	4,000,000.00	4,000,000.00	3,998,040.00
	0100 Total					54,246,000.00	53,704,937.89	52,845,575.41
Rate Stab Total						54,246,000.00	53,704,937.89	52,845,575.41

Annual Investment Report

Appendix – Revenue, UMD & UPIF Funds

Revenue	0001	FFCB 0.68 08/04/25 S/A FEB/AUG	3133EL2U	8/4/2020	8/4/2025	5,000,000.00	5,000,000.00	4,858,600.00
		FHLB 0.915 06/24/26 S/A DEC/JUN	3130AMS	6/24/2021	6/24/2026	2,500,000.00	2,500,000.00	2,378,900.00
		NY Life 2.0 01/22/25 S/A JAN/JUL	64952WDI	1/22/2020	1/22/2025	3,130,000.00	3,128,435.00	3,102,456.00
		Schwab Corp 0.90 03/11/26 S/A MAR/SEP	808513BF	12/11/2020	3/11/2026	4,000,000.00	3,942,800.00	3,810,360.00
	0001 Total					14,630,000.00	14,571,235.00	14,150,316.00
Revenue Total						14,630,000.00	14,571,235.00	14,150,316.00
UMD	0300	LMA Americas LLC 5.32 10/25/24	53944QKF	7/29/2024	10/25/2024	5,065,000.00	4,999,132.51	5,048,741.35
	0300 Total					5,065,000.00	4,999,132.51	5,048,741.35
UMD Total						5,065,000.00	4,999,132.51	5,048,741.35
UPIF	0200	FFCB 0.68 08/04/25 S/A FEB/AUG	3133EL2U	8/4/2020	8/4/2025	5,000,000.00	5,000,000.00	4,858,600.00
		FHLB 0.55 01/20/26 S/A JAN/JUL	3130AKN8	1/20/2021	1/20/2026	3,500,000.00	3,500,000.00	3,352,405.01
		FHLB 0.60 02/24/26 S/A FEB/AUG	3130AKXJ	2/24/2021	2/24/2026	4,000,000.00	4,000,000.00	3,821,360.00
		Principal Life Global 0.875 01/12/2026 S/A JAN/JUL	74256LEK	1/12/2021	1/12/2026	4,000,000.00	3,965,000.00	3,826,760.00
		US Treasury Bond 1.75 03/15/25 S/A MAR/SEP	91282CED	3/15/2022	3/25/2025	3,000,000.00	2,950,312.50	2,965,590.00
	0200 Total					19,500,000.00	19,415,312.50	18,824,715.01
UPIF Total						19,500,000.00	19,415,312.50	18,824,715.01
Grand Total						284,007,000.00	279,329,927.26	280,015,099.34

INVESTMENT POLICY

GAINESVILLE REGIONAL UTILITIES



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Investment Policy Gainesville Regional Utilities, Florida

I. AUTHORITY

In accordance with the Utilities System Revenue Bond Resolution of 1983, as the second amended and restated resolution No. 170395, the Chief Financial Officer of Utilities (“CFO”) shall bear the responsibility of administering the Gainesville Regional Utilities (“GRU”) investment program, as delegated by the Chief Executive Officer (“CEO”) for GRU. This policy is promulgated and pursuant to and consistent with Section 218.415 and applicable Florida Statutes, and City of Gainesville Ordinance #3046.

II. SCOPE

All assets held or controlled by GRU, excluding funds covered under the Master Repurchase Agreement, shall be invested pursuant to the guidelines set forth in this policy. Applicable funds must be invested in compliance with related bond covenants and the laws of the State of Florida and the City of Gainesville, with terms not to exceed cash flow requirements. Such funds may include general operating funds, rate stabilization fund, utility plant and improvement fund, construction funds, debt service funds, and debt service reserve funds.

It is the intent of this policy to provide sufficient latitude to effectively manage funds so as to maximize return within acceptable risk exposure and ensure compliance with bond covenants and related parameters.

III. INVESTMENT OBJECTIVES

A. Safety of Principal

The foremost objective of this investment program is the safety of the principal of those funds within the portfolios. Investment transactions shall seek to keep capital losses at a minimum, whether they are from securities defaults or erosion of market value. To attain this objective, GRU will maintain a diversified portfolio so that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio.

B. Maintenance of Liquidity

The portfolios shall be managed in such a manner that funds are available to meet reasonably anticipated cash flow requirements in an orderly manner. Periodic cash flow analyses will be performed in order to ensure that the portfolio is positioned to provide sufficient liquidity.

C. Return on Investment

Investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs. Return on investment is of least importance compared to the safety and liquidity objectives as described above. The investment portfolios will be managed using a total return strategy (which includes both realized and unrealized gains and losses in the portfolio). This total return strategy seeks to increase the value of the portfolio through reinvestment of income and capital gains. The core of investments is limited to relatively low risk securities in anticipation of earning a fair return relative to the risk being assumed. Despite this, the Investment and Debt Committee or Investment Advisor may trade to recognize loss from time to time to achieve a perceived relative value based on its potential to enhance the total return of the portfolio.

IV. DELEGATION OF AUTHORITY

In accordance with GRU's Internal Controls and Operational Procedures Manual for Investments, the responsibility for providing oversight and direction in regard to the management of the investment program resides with GRU's Chief Financial Officer of Utilities; the Investment and Debt Committee, which consists of the CFO, Accounting & Finance Director, Controller, Assistant Controller, Financial Accounting Manager, and Treasury Manager, will review investment activity and performance. These individuals shall meet at least quarterly. The Treasury Manager shall provide current information regarding investment activity and make recommendations pursuant to changes in market or economic conditions.

The Treasury Division within GRU shall provide the Accounting Division within GRU with timely transaction data as necessary to record and document investment activity.

The Treasury Division shall as part of the quarterly meeting information, provide the Investment and Debt Committee an investment report with monthly information sufficient to provide for a comprehensive review of investment activity and performance. This report will provide, at minimum, information by security class and type, book value, income earned, market value, duration, and convexity. The CFO will have prior approval of any material changes to the investment policy.

The Treasury Division will also provide other such reports and information as deemed reasonable, upon request, from other internal and external sources.

GRU may engage an investment advisor. Such investment advisor must be registered with the SEC under the Investment Advisors Act of 1940.

V. STANDARDS OF PRUDENCE

The standard of prudence to be used by investment officials shall be the "Prudent Person" standard and shall be applied in the context of managing the overall investment program. Staff authorized to make investment decisions, acting in accordance with written procedures and this Policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectation are reported to the CFO in a timely fashion and the liquidity and the sale of securities are carried out in accordance with the terms of this Policy. The "Prudent Person" rule states the following:

Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived from the investment. 218.415(4) Florida Statutes.

While the standard of prudence to be used by investment officials who are officers or employees is the "Prudent Person" standard, any person or firm hired or retained to invest, monitor, or advise concerning these assets shall be held to the higher standard of "Prudent Expert". The standard shall be that in investing and reinvesting monies and in acquiring, retaining, managing, and disposing of investments of these funds, the contractor shall exercise: the judgment, care, skill, prudence, and diligence under the circumstances then prevailing, which persons of prudence, discretion, and intelligence, acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of like character and with like aims by diversifying the investments of the funds, so as to minimize the risk, considering the probable income as well as the probable safety of their capital.

VI. ETHICS AND CONFLICTS OF INTEREST

Employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions. Employees involved in the investment process shall fully disclose to the CFO any material financial interests (excluding normal banking relationships including but not limited to checking and savings accounts, credit cards, and loans) in financial institutions that conduct business with GRU, and they shall further disclose any material personal financial/investment positions that could be related to the performance of GRU's investment program. Additionally, on an annually basis, employees involved in the investment process shall certify to the CFO that they have adhered to the above requirements.

VII. INTERNAL CONTROLS AND INVESTMENT PROCEDURES

The CFO shall establish a system of internal controls and operational procedures that are in writing and made a part of GRU's operational procedures. The internal controls should be designed to prevent losses of funds, which might arise from fraud, employee error, and misrepresentation by third parties, or imprudent actions by employees. The written procedures should include reference to custodial agreements, repurchase agreements, separation of transaction authority from accounting and recordkeeping, wire transfer agreements, banking service contracts, collateral/depository agreements, and "delivery vs. payment" procedures. No person may engage in an investment transaction except as authorized under the terms of this Policy.

VIII. CONTINUING EDUCATION

The Treasury Manager or designee who is authorized to make investment decisions shall annually complete 8 hours of continuing education in subjects or courses of study related to investment practices and products, pursuant to Section 218.415(14) Florida Statutes.

IX. AUTHORIZED INVESTMENT INSTITUTIONS AND DEALERS

Staff authorized to make investment decisions shall only purchase securities from the following financial and investment institutions:

- A. Certificates of Deposit or Savings Accounts-
These investments may only be purchased from public depositories qualified by the Treasurer of the State of Florida, in accordance with Chapter 280, Florida Statutes.
- B. Overnight Repurchase Agreement-
Collateral for GRU's sweep accounts shall be held at a depository bank which must be a State Qualified Public Depository (QPD).
- C. Qualified Institutions for All Other Investments
 - 1. Primary dealers as defined by the Federal Reserve Bank of New York; or
 - 2. Large regional and money market center banks ranked 1-10 in total capital nationally as rated by the Federal Deposit Insurance Corporation, and Qualified Public Depositories, as defined in Section 280.02, Florida Statutes; or
 - 3. A list of broker/dealers to provide investment services will be developed by the Treasury Manager and submitted to the Investment and Debt Committee for approval. Criteria for inclusion to the list will be based on the following: 1) State Law, City of Gainesville Ordinance, and Bond Resolution requirements; 2) perceived financial condition of the firm; 3) consistent degree of competitiveness, i.e., performance; 4)

demonstrated expertise in a variety of market sectors; 5) solid references; and 6) when deemed in the best interest of GRU. In addition, the individual(s) assigned to cover GRU must have a clean SEC form with no violations in any section. This list will be reviewed at regular intervals by the Investment and Debt Committee and amended as necessary.

4. Smaller regional broker-dealers based in the State of Florida meeting the following criteria:
 - a) Must comply with the SEC mandated Minimum Net Capital Rule 15c3-1;
 - b) Must provide their most recent Financial and Operational Combined Uniform Single (FOCUS) report showing a minimum net capital of \$10 million on either line 3750 or line 3760;
 - c) Must have been in continuous business operations for the five (5) years preceding the date of application to be a broker-dealer that is a qualified institution; and
 - d) If a banking institution, must be a Qualified Public Depository, as defined in Section 280.02, Florida Statutes.

Qualified Institutions must have the ability to confirm trades through an electronic trading platform and must complete a broker agreement prior to initial trade. An annual review of -dealers will be conducted at the end of each fiscal year. A list containing a maximum of fifteen (15) approved broker-dealers selected on creditworthiness will be maintained annually.

X. MATURITY AND LIQUIDITY REQUIREMENTS

To the extent possible, an attempt will be made to match investment maturities with known cash needs and anticipated cash flow requirements.

- A. Maturity Guidelines
Securities purchased by or on behalf of GRU shall have a final maturity of five (5) years or less from the date of purchase. For Asset-Backed and Agency Mortgage-Backed Securities, the maximum maturity should be based on a 5 year Weighted Average Life (WAL). The overall weighted average duration of principal return for the portfolio shall be less than three (3) years. The maturities of the underlying securities of a repurchase agreement will follow the requirements of the Master Repurchase Agreement.
- B. Liquidity Requirements
Investment maturities will match known cash needs and anticipated cash flow requirements.

XI. RISK AND DIVERSIFICATION

Assets held shall be diversified to control risks resulting from over concentration of assets in a specific maturity, issuer, instrument, dealer, or bank through which these instruments are bought and sold. The Investment and Debt Committee shall determine diversification strategies within the established guidelines.

XII. MASTER REPURCHASE AGREEMENTS

The CFO will require all approved institutions and dealers transacting repurchase agreements to execute and perform as stated in the Securities Industry and Financial Markets Association (SIFMA) Master Repurchase Agreement. All repurchase agreement transactions will adhere to requirements of the SIFMA Master Repurchase Agreement.

XIII. COMPETITIVE SELECTION OF INVESTMENT INSTRUMENTS

After the Treasury Manager has determined the approximate maturity date based on cash flow needs and market conditions and has analyzed and selected one or more optimal types of investments, all transactions shall be competitively bid, either electronic or manually with a minimum of three (3) qualified banks and/or approved broker/dealers must be contacted and asked to provide bids/offers on securities in question. Bids will be held in confidence until the bid deemed to best meet the investment objectives is determined and selected.

Securities may be purchased utilizing the comparison to current market price method if the current market price is verified through a real-time financial market data provider.

Overnight sweep repurchase agreements will not be bid but may be placed with GRU's depository bank relating to the demand account for which the repurchase agreement was purchased.

XIV. AUTHORIZED INVESTMENTS AND PORTFOLIO COMPOSITION

Investments should be made subject to the cash flow needs and such cash flows are subject to revisions as market conditions and GRU's needs change. However, when the invested funds are needed in whole or in part for the purpose originally intended or for more optimal investments, the investments may be sold at the then-prevailing market price and place the proceeds into the proper account at GRU's custodian.

The following are the investment requirements and the maximum allocation limits on security types, issuers, and maturities as established by GRU. The CFO shall have the option to further restrict investment percentages from time to time based on market conditions, risk, and diversification investment strategies. The percentage allocation requirements for investment types and issuers are calculated based on the original cost of each investment at the time of purchase. Investments not listed in this Policy are prohibited. Minimum credit rating requirements are based on the time of purchase. Credit ratings will be actively monitored, and the Treasury Manager will notify the Investment and Debt Committee if any security is downgraded. The Investment and Debt Committee will review the credit situation and take preventative action if deemed necessary.

These investment guidelines apply to all funds governed by this Policy.

Sector	Sector Maximum (%)	Per Issuer Maximum (%)	Minimum Ratings Requirement¹	Maximum Maturity
U.S. Treasury, State & Local Government Securities (SLGS)	100%	100%	N/A	5 Years ⁷ (5-year avg. life ⁴ for GNMA)
GNMA		40%		
Other U.S. Government Guaranteed (e.g. AID, GTC)		10%		
Federal Agency/GSE: FNMA, FHLMC, FHLB, FFCB*	100%	40% ⁴	N/A	5 Years
Federal Agency/GSE other than those above		10%		
Supranationals where U.S. is a shareholder and voting member	10%	5%	Highest ST or Highest LT Rating Categories (A-1/P-1, AAA-/Aaa3, or equivalent)	5 Years
Corporates	50% ²	5% ³	Highest ST or Three Highest LT Rating Categories (A-1/P-1, A-/A3 or equivalent)	5 Years
Municipals	25%	5%	Highest ST or Three Highest LT Rating Categories (SP-1/MIG 1, A-/A3, or equivalent)	5 Years

Agency Mortgage-Backed Securities (MBS)	25%	40% ⁴	N/A	5 Years Avg. Life ⁵
Non-Negotiable Certificate of Deposit and Savings Accounts	50%	None, if fully collateralized	None, if fully collateralized.	1 Years
Commercial Paper (CP)	60% ²	\$7,500,000	Highest ST Rating Category (A-1/P-1, or equivalent)	270 Days
Money Market Funds (MMFs)	50%	25%	Highest Fund Rating by all NRSROs who rate the fund (AAAm/Aaa-mf, or equivalent)	N/A
Repurchase Agreements	50%			N/A
Savings Accounts	100%			N/A
Florida Prime	25%		Highest ST Rating Categories AAAm or equivalent	N/A
SEC Registered Money Market Funds	100%		Highest ST Rating Categories AAAm or equivalent	N/A
Fixed Income Mutual Funds	10%		Average credit quality of at least (A-1/P-1, A-/A3 or equivalent)	5 years
Intergovernmental Pools (LGIPs)	100% ⁶	25%	Highest Fund Quality and Volatility Rating Categories by all NRSROs, if rated (AAAm/AAAf, S1, or equivalent)	N/A

Notes:

¹ Rating by at least one Nationally Recognized Statistical Ratings Organization (“NRSRO”). ST=Short-term; LT=Long-term.

² Maximum allocation to all corporate and bank credit instruments is 50% combined.

³ Maximum across all permitted investment sectors (excluding Treasuries, U.S. Federal Agencies, Agency MBS, Non-Negotiable CD’s, Savings Accounts, Repos, Money Market Funds, Mutual Funds, LGIPs, and Florida Prime) is 5% combined per issuer.

⁴ Maximum exposure to any one Federal agency, including the combined holdings of Agency debt and Agency MBS, is 40%.

⁵ The maturity limit for MBS and ABS is based on the expected average life at time of purchase, measured using Bloomberg or other industry standard methods.

⁶ Maximum exposure to Florida Prime and Intergovernmental Pools is a combined 50%.

⁷ No maturity limitations will apply to United States Treasury Securities, State and Local Government Series (SLGS) investments made based upon advice provided by our financial advisory and legal teams.

* Federal National Mortgage Association (FNMA); Federal Home Loan Mortgage Corporation (FHLMC); Federal Home Loan Bank or its District banks (FHLB); Federal Farm Credit Bank (FFCB).

1. **U.S. Treasury & Government Guaranteed** - U.S. Treasury obligations, and obligations the principal and interest of which are backed or guaranteed by the full faith and credit of the U.S. Government. State Local Government Series (SLGS) are included in this category.
2. **Federal Agency/GSE** - Debt obligations, participations or other instruments issued or fully guaranteed by any U.S. Federal agency, instrumentality or government-sponsored enterprise (GSE).m
3. **Supranationals** – U.S. dollar denominated debt obligations of a multilateral organization of governments, which are U.S. Federal Instrumentalities, where U.S. is a shareholder and voting member.
4. **Corporates** – U.S. dollar denominated corporate notes, bonds or other debt obligations issued or guaranteed by a domestic corporation, financial institution, non-profit, or other entity.
5. **Municipals** – Obligations, including both taxable and tax-exempt, issued or guaranteed by any State, territory or possession of the United States, political subdivision, public corporation, authority, agency board, instrumentality or other unit of local government of any State or territory.
6. **Agency Mortgage Backed Securities** - Mortgage-backed securities (MBS), backed by residential, multi-family or commercial mortgages, that are issued or fully guaranteed as to principal and interest by a U.S. Federal agency or government sponsored enterprise, including but not limited to pass - throughs, collateralized mortgage obligations (CMOs) and real estate mortgage investment conduits (REMICs).
7. **Non-Negotiable Certificate of Deposit and Savings Accounts** - Non-negotiable interest bearing time certificates of deposit, or savings accounts in banks organized under the laws of this state or in national banks organized under the laws of the United States and doing business in this state, provided that any such deposits are secured by the Florida Security for Public Deposits Act, Chapter 280, Florida Statutes.
8. **Commercial Paper** – U.S. dollar denominated commercial paper issued or guaranteed by a domestic corporation, company, financial institution, trust or other entity, including both unsecured debt and asset-backed programs.
9. **Repurchase Agreements** - Repurchase agreements (Repo or RP) that meet the following requirements:
 - a. Must be governed by a written SIFMA Master Repurchase Agreement which specifies securities eligible for purchase and resale, and which provides the unconditional right to liquidate the underlying securities should the Counterparty default or fail to provide full timely repayment.
 - b. Counterparty must be a Federal Reserve Bank, a primary dealer as designated by the Federal Reserve Bank of New York, or a nationally chartered commercial bank.
 - c. Securities underlying repurchase agreements must be delivered to a third-party custodian under a written custodial agreement and may be of deliverable or tri-party form. Securities must be held in GRU's custodial account or in a separate account in the name of GRU.
 - d. Acceptable underlying securities include only securities that are direct obligations of, or that are fully guaranteed by, the United States or any agency of the United States, or U.S. Agency- backed mortgage related securities.
 - e. Underlying securities must have an aggregate current market value of at least 102% (or 100% if the counterparty is a Federal Reserve Bank) of the purchase price plus current accrued price differential at the close of each business day.
 - f. Final term of the agreement must be 1 year or less.
10. **Money Market Funds (MMFs)**- Shares in open-end and no-load money market mutual funds, provided such funds are registered under the Investment Company Act of 1940 and operate in accordance with Rule 2a-7.
11. **Local Government Investment Pools** – State, local government or privately-sponsored investment pools that are authorized pursuant to state law.

A thorough investigation of any intergovernmental investment pool is required prior to investing, and on an annual basis. Attachment B is a list of questions, to be answered prior to investing, that cover the major aspects of any investment pool/fund. A current prospectus must be obtained.

General Investment and Portfolio Limits

1. General investment limitations:

- a. Investments must be denominated in U.S. dollars and issued for legal sale in U.S. markets.
- b. Minimum ratings are based on the highest rating by any one Nationally Recognized Statistical Ratings Organization (“NRSRO”), unless otherwise specified.
- c. All limits and rating requirements apply at time of purchase.
- d. Should a security fall below the minimum credit rating requirement for purchase, the Treasury Manager will notify the CFO
- e. The maximum maturity (or average life for MBS/ABS) of any investment is 5 years. Maturity and average life are measured from settlement date. The final maturity date can be based on any mandatory call, put, pre-refunding date, or other mandatory redemption date.

2. General portfolio limitations:

The maximum effective duration of the aggregate portfolio is 3 years. Investment in the following are permitted, provided they meet all other policy requirements:

- a. Callable, step-up callable, called, pre-refunded, putable and extendable securities, as long as the effective final maturity meets the maturity limits for the sector
- b. Variable-rate and floating-rate securities
- c. Subordinated, secured and covered debt, if it meets the ratings requirements for the sector
- d. Zero coupon issues and strips, excluding agency mortgage-backed interest-only structures (I/Os)
- e. Treasury TIPS

3. The following are **NOT PERMITTED** investments, unless specifically authorized by statute and with prior approval of the governing body:

- a. Trading for speculation
- b. Derivatives
- c. Mortgage-backed interest-only structures (I/Os)
- d. Inverse or leveraged floating-rate and variable-rate instruments
- e. Currency, equity, index and event-linked notes (e.g. range notes), or other structures that could return less than par at maturity
- f. Private placements and direct loans, except as may be legally permitted by Rule 144A or commercial paper issued under a 4(2) exemption from registration under the Securities Act of 1933 with the SEC.
- g. Convertible, high yield, and non-U.S. dollar denominated debt
- h. Short sales
- i. Use of leverage
- j. Futures and options
- k. Mutual funds, other than fixed-income mutual funds and ETFs
- l. Equities, commodities, currencies and hard assets

XV. DERIVATIVES AND REVERSE REPURCHASE AGREEMENTS

Investment in any derivative products or the use of reverse repurchase agreements is prohibited, unless otherwise stated in Section XIV. Authorized Investments and Portfolio Composition. A “derivative” is defined as a financial instrument the value of which depends on, or is derived from, the value of one or more underlying assets or indices or asset values. For example, this includes, but is not limited to, the following: Options, Forward Contracts, Futures, Stripped Mortgage-Backed Securities, Structured Notes and Swaps.

XVI. PERFORMANCE MEASUREMENTS

In order to assist in the evaluation of the portfolios’ performance, GRU will use performance benchmarks for short-term and long-term portfolios. The use of benchmarks will allow GRU to measure its returns against other investors in the same markets.

- A. Funds designated as short-term funds and other funds that must maintain a high degree of liquidity will be compared to the S&P Rated GIP All Index 30-Day Gross of Fees Yield (ticker LGIP30GY on Bloomberg)
- B. The long-term investment portfolio shall be designed with the annual objective of exceeding the return of the ICE BAML1-3 Year Treasury Index (ticker G1O2 on Bloomberg) compared to the portfolio’s total rate of return. The ICE BAML1-3 Year Treasury Index represents all U.S. Treasury securities maturing over one year, but less than three years. This maturity range is an appropriate benchmark based on the objectives of GRU.
- C. Other indices may be used from time to time to measure the portfolio performance.

XVII. REPORTING

- A. The Treasury Manager shall provide the Investment and Debt Committee with quarterly investment reports, the quarterly report shall include the following:
 - i. A listing of individual securities held at the end of the reporting period
 - ii. Percentage of funds represented by each investment type
 - iii. Coupon, discount or earning rate
 - iv. Average life or duration and final maturity of all investments
 - v. Par value and market value
 - vi. Rate of return as compared to benchmarks
 - vii. A cash flow forecast for the restricted funds, such as construction funds and other funds as necessary.

- B. Annual Investment Report

On an annual basis, the Treasury Manager shall prepare and submit to the GRUA a report on all invested funds. The annual report shall provide all, but not limited to, the following: a complete list of all invested funds, name or type of security in which the funds are invested, the amount invested, the maturity date, earned income, the book value, the market value and the yield on each investment. The annual report will show performance on both a book value and total rate of return basis and will compare the results to the above- stated performance benchmarks. All investments shall be reported at fair value per Governmental Accounting Standards Board (GASB). Investment reports shall be available to the public.

C. Monitoring and Compliance

GRU Auditor will monitor and ensure compliance with this Policy.

XVIII. THIRD-PARTY CUSTODIAL AGREEMENTS

Securities, with the exception of certificates of deposits, shall be held with a third-party custodian; and all securities purchase by, and all collateral obtained by GRU should be properly designated as an asset of GRU. The securities must be held in an account separate and apart from the assets of the financial institution. A third party custodian is defined as any bank depository chartered by the Federal Government, the State of Florida, or any other state or territory of the United States which has a branch or principal place of business in the State of Florida as defined in Section 658.12, Florida Statutes, or by a national association organized and existing under the laws of the United States which is authorized to accept and execute trusts and which is doing business in the State of Florida. Certificates of deposits will be placed in the provider's safekeeping department for the term of the deposit.

The custodian shall accept transaction instructions only from those persons who have been duly authorized by the CFO and which authorization has been provided, in writing, to the custodian. No withdrawal of securities, in whole or in part, shall be made from safekeeping, shall be permitted unless by such a duly authorized person.

The custodian shall provide the Treasury Division with safekeeping receipts that provide detail information on the securities held by the custodian. In addition, the custodian shall report at least quarterly and the Treasury Division shall verify the reports. Security transactions between a broker/dealer and the custodian involving the purchase or sale of securities by transfer of money or securities must be made on a "delivery vs. payment" basis, if applicable, to ensure that the custodian will have the security or money, as appropriate, in hand at the conclusion of the transaction. Only after receiving written authorization from the CFO shall GRU be authorized to deliver securities "free". Securities held as collateral shall be held free and clear of any liens.

XIX. INVESTMENT POLICY ADOPTION

The Policy shall be adopted by Gainesville Regional Utilities Authority, (GRUA). Annually, the CFO will review the Policy for modifications and, if necessary, make recommendations to the GRU's Investment and Debt Committee for their approval. The Investment and Debt Committee shall submit any modifications to the CEO for GRU's submission to the GRUA's for final adoption.

Approved by _____
Ed Bielarski, Chief Executive Officer of the Utility

Date _____

Approved by _____
Claudia Rasnick, Chief Financial Officer, Utilities

Date _____

APPROVED AND ADOPTED BY THE GAINESVILLE REGIONAL UTILITIES AUTHORITY

Approved by _____
C. Eric Lawson, Chairperson

Date _____

Attachment A

Glossary of Cash and Investment Management Terms

Accrued Interest. Interest earned but which has not yet been paid or received.

Agency. See "Federal Agency Securities."

Ask Price. Price at which a broker/dealer offers to sell a security to an investor. Also known as "offered price."

Asset Backed Securities (ABS). A fixed-income security backed by notes or receivables against assets other than real estate. Generally issued by special purpose companies that "own" the assets and issue the ABS. Examples include securities backed by auto loans, credit card receivables, home equity loans, manufactured housing loans, farm equipment loans and aircraft leases.

Average Life. The average length of time that an issue of serial bonds and/or term bonds with a mandatory sinking fund feature is expected to be outstanding.

Bankers' Acceptance (BA's). A draft or bill of exchange drawn upon and accepted by a bank. Frequently used to finance shipping of international goods. Used as a short-term credit instrument, bankers' acceptances are traded at a discount from face value as a money market instrument in the secondary market on the basis of the credit quality of the guaranteeing bank.

Basis Point. One hundredth of one percent, or 0.01%. Thus 1% equals 100 basis points.

Bearer Security. A security whose ownership is determined by the holder of the physical security. Typically, there is no registration on the issuer's books. Title to bearer securities is transferred by delivery of the physical security or certificate. Also known as "physical securities."

Benchmark Bills: In November 1999, FNMA introduced its Benchmark Bills program, a short-term debt securities issuance program to supplement its existing discount note program. The program includes a schedule of larger, weekly issues in three- and sixth-month maturities and biweekly issues in one-year for Benchmark Bills. Each issue is brought to market via a Dutch (single price) auction. FNMA conducts a weekly auction for each Benchmark Bill maturity and accepts both competitive and non-competitive bids through a web-based auction system. This program is in addition to the variety of other discount note maturities, with rates posted on a daily basis, which FNMA offers. FNMA's Benchmark Bills are unsecured general obligations that are issued in book-entry form through the Federal Reserve Banks. There are no periodic payments of interest on Benchmark Bills, which are sold at a discount from the principal amount and payable at par at maturity. Issues under the Benchmark program constitute the same credit standing as other FNMA discount notes; they simply add organization and liquidity to the short-term Agency discount note market.

Benchmark Notes/Bonds: Benchmark Notes and Bonds are a series of FNMA "bullet" maturities (non-callable) issued according to a pre-announced calendar. Under its Benchmark Notes/Bonds program, 2, 3, 5, 10 and 30-year maturities are issued each quarter. Each Benchmark Notes new issue has a minimum size of \$4 billion, 30-year new issues having a minimum size of \$1 billion, with reopenings based on investor demand to further enhance liquidity. The amount of non-callable issuance has allowed FNMA to build a yield curve in Benchmark Notes and Bonds in maturities ranging from 2 to 30 years. The liquidity emanating from these large size issues has facilitated favorable financing opportunities through the development of a liquid overnight and term repo market. Issues under the Benchmark program constitute the same credit standing as other FNMA issues; they simply add organization and liquidity to the intermediate- and long-term Agency market.

Benchmark. A market index used as a comparative basis for measuring the performance of an investment portfolio. A performance benchmark should represent a close correlation to investment guidelines, risk tolerance and duration of the actual portfolio's investments.

Bid Price. Price at which a broker/dealer offers to purchase a security from an investor.

Bond Market Association (BMA). The bond market trade association representing the largest securities markets in the world. In addition to publishing a Master Repurchase Agreement, widely accepted as the industry standard document for Repurchase Agreements, the BMA also recommends bond market closures and early closes due to holidays.

Bond. Financial obligation for which the issuer promises to pay the bondholder (the purchaser or owner of the bond) a specified stream of future cash flows, including periodic interest payments and a principal repayment.

Book Entry Securities. Securities that are recorded in a customer's account electronically through one of the financial markets electronic delivery and custody systems, such as the Fed Securities wire, DTC and PTC (as opposed to bearer or physical securities). The trend is toward a certificate-free society in order to cut down on paperwork and to diminish investors' concerns about the certificates themselves. The vast majority of securities are now book entry securities.

Book Value. The value at which a debt security is reflected on the holder's records at any point in time. Book value is also called "amortized cost" as it represents the original cost of an investment adjusted for amortization of premium or accretion of discount. Also called "carrying value." Book value can vary over time as an investment approaches maturity and differs from "market value" in that it is not affected by changes in market interest rates.

Broker/Dealer. A person or firm transacting securities business with customers. A "broker" acts as an agent between buyers and sellers and receives a commission for these services. A "dealer" buys and sells financial assets from its own portfolio. A dealer takes risk by owning inventory of securities, whereas a broker merely matches up buyers and sellers. See also "Primary Dealer."

Bullet Notes/Bonds. Notes or bonds that have a single maturity date and are non-callable.

Call Date. Date at which a call option may be or is exercised.

Call Option. The right, but not the obligation, of an issuer of a security to redeem a security at a specified value and at a specified date or dates prior to its stated maturity date. Most fixed-income calls are at par but can be at any previously established price. Securities issued with a call provision typically carry a higher yield than similar securities issued without a call feature. There are three primary types of call options (1) European - one-time calls, (2) Bermudan - periodically on a predetermined schedule (quarterly, semi-annual, annual), and (3) American - continuously callable at any time on or after the call date. There is usually a notice period of at least 5 business days prior to a call date.

Callable Bonds/Notes. Securities, which contain an imbedded call option giving the issuer, has the right to redeem the securities prior to maturity at a predetermined price and time.

Certificate of Deposit (CD). Bank obligation issued by a financial institution generally offering a fixed rate of return (coupon) for a specified period of time (maturity). Can be as long as 10 years to maturity, but most CDs purchased by public agencies are one year and under.

Collateral. Investment securities or other property that a borrower pledges to secure repayment of a loan, secure deposits of public monies, or provide security for a repurchase agreement.

Collateralization. Process by which a borrower pledges securities, property, or other deposits for securing the repayment of a loan and/or security.

Collateralized Mortgage Obligation (CMO). A security that pools together mortgages and separates them into short, medium, and long-term positions (called tranches). Tranches are set up to pay different rates of interest depending upon their maturity. Interest payments are usually paid monthly. In “plain vanilla” CMOs, principal is not paid on a tranche until all shorter tranches have been paid off. This system provides interest and principal in a more predictable manner. A single pool of mortgages can be carved up into numerous tranches each with its own payment and risk characteristics.

Commercial Paper. Short term unsecured promissory note issued by a company or financial institution. Issued at a discount and matures for par or face value. Usually a maximum maturity of 270 days and given a short-term debt rating by one or more Nationally Recognized Statistical Rating Organization (NRSRO).

Convexity. A measure of a bond's price sensitivity to changing interest rates. A high convexity indicates greater sensitivity of a bond's price to interest rate changes.

Corporate Note. A debt instrument issued by a corporation with a maturity of greater than one year and less than ten years.

Counterparty. The other party in a two-party financial transaction. "Counterparty risk" refers to the risk that the other party to a transaction will fail in its related obligations. For example, the bank or broker/dealer in a repurchase agreement.

Coupon Rate. Annual rate of interest on a debt security, expressed as a percentage of the bond's face value.

Current Yield. Annual rate of return on a bond based on its price. Calculated as (coupon rate / price) but does not accurately reflect a bond's true yield level.

Custody. Safekeeping services offered by a bank, financial institution or trust company, referred to as the “custodian.” Service normally includes the holding and reporting of the customer's securities, the collection and disbursement of income, securities settlement and market values.

Dealer. A dealer acts as a principal in all transactions, buying and selling for his own account.

Delivery vs. Payment (DVP). Settlement procedure in which securities are delivered versus payment of cash, but only after cash has been received. Most security transactions, including those through the Fed Securities Wire system and Depository Trust Company (DTC), are done DVP as a protection for both the buyer and seller of securities.

Depository Trust Company (DTC). A firm through which members can use a computer to arrange for securities to be delivered to other members without physical delivery of certificates. A member of the Federal Reserve System and owned mostly by the New York Stock Exchange, the Depository Trust Company uses computerized debit and credit entries. Most corporate securities, commercial paper, CDs and BAs clear through DTC.

Derivatives. For hedging purposes, common derivatives are options, futures, swaps and swaptions. All Collateralized Mortgage Obligations (CMOs) are derivatives. (1) Financial instruments whose return profile is linked to, or derived from, the movement of one or more underlying index or security, and may include a leveraging factor, or (2) financial contracts based upon notional amounts whose value is derived from an underlying index or security (interest rates, foreign exchange rates, equities or commodities).

Derivative Security. Financial instrument created from, or whose value depends upon, one or more underlying assets or indexes of asset values.

Designated Bond. Farm Credit Designated Bonds are high credit quality, liquid, non-callable and callable securities. New issues of Designated Bonds are \$1 billion or larger for non-callable securities and \$500 million or larger for callable securities. Reopens of existing Designated Bond issues are generally a minimum of \$100 million. Designated Bonds generally have a two to ten-year original maturity and are offered through a syndicate of two to six Bond Dealers. Callable Designated Bonds will contain one-time only "European" redemption features.

Discount Notes. Unsecured general obligations issued by Federal Agencies at a discount. Discount notes mature at par and can range in maturity from overnight to one year. There are very large primary (new issue) and secondary markets.

Discount Rate. Rate charged by the system of Federal Reserve Banks on overnight loans to member banks. Changes to this rate are administered by the Federal Reserve and closely mirror changes to the "fed funds rate."

Discount Securities. Non-interest-bearing money market instruments that are issued at discount and redeemed at maturity for full face value. Examples include U.S. Treasury Bills, Federal Agency Discount Notes, Bankers' Acceptances and Commercial Paper.

Discount. The amount by which a bond or other financial instrument sells below its face value. See also "Premium."

Diversification. A method of reducing risk by investing in a variety of assets.

Dollar Price. A bond's cost expressed as a percentage of its face value. For example, a bond quoted at a dollar price of 95 ½, would have a principal cost of \$955 per \$1,000 of face value.

Duration. The weighted average maturity of a security's or portfolio's cash flows, where the present values of the cash flows serve as the weights. The greater the duration of a security/portfolio, the greater its percentage price volatility with respect to changes in interest rates. Used as a measure of risk and a key tool for managing a portfolio versus a benchmark and for hedging risk. There are also different kinds of duration used for different purposes (e.g. MacAuley Duration, Modified Duration).

Fannie Mae. See "Federal National Mortgage Association."

Fed Money Wire. A computerized communications system that connects the Federal Reserve System with its member banks, certain U. S. Treasury offices, and the Washington D.C. office of the Commodity Credit Corporation. The Fed Money Wire is the book entry system used to transfer cash balances between banks for themselves and for customer accounts.

Fed Securities Wire. A computerized communications system that facilitates book entry transfer of securities between banks, brokers and customer accounts. Used primary for settlement of U.S. Treasury and Federal Agency securities.

Fed. See "Federal Reserve System."

Federal Agency Security. A debt instrument issued by one of the federal agencies. Federal agencies are considered second in credit quality and liquidity only to U.S. Treasuries.

Federal Agency. Government sponsored/owned entity created by the U.S. Congress, generally for the purpose of acting as a financial intermediary by borrowing in the marketplace and directing proceeds to specific areas of the economy considered to otherwise have restricted access to credit markets. The largest Federal Agencies are GNMA, FNMA, FHLMC, FHLB, FFCB, SLMA, and TVA.

Federal Deposit Insurance Corporation (FDIC). The insurance coverage of public unit accounts depends upon the type of deposit and the location of the insured depository institution. All time and savings deposits owned by a public unit and held by the same official custodian in an insured depository institution within the State in which the public unit is located are added together and insured up to \$250,000. Separately, all demand deposits owned by a public unit and held by the same official custodian in an insured depository institution within the State in which the public unit is located are added together and insured up to \$250,000. For the purpose of these rules (Deposit Insurance for Accounts Held by Government Depositors), the term ‘savings deposits’ includes NOW accounts and money market deposit accounts but does not include interest-bearing demand deposit accounts (which will be permitted after July 21, 2011) The term ‘demand deposits’ means deposits payable on demand and for which the depository institution does not reserve the right to require advance notice of an intended withdrawal.

For the period from December 31, 2010 through December 31, 2012, the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act) provides separate and unlimited deposit insurance coverage for accounts that meet the definition of a ‘non-interest-bearing transaction account.’ This unlimited coverage for such accounts is separate from the \$250,000 coverage provided for other types of accounts. Also, beginning on July 21, 2011, the Dodd-Frank Act provides that insured depository institutions will be permitted to pay interest on demand deposit accounts.

Federal Farm Credit Bank (FFCB). A Government Sponsored Enterprise (GSE) system that is a network of cooperatively owned lending institutions that provides credit services to farmers, agricultural cooperatives and rural utilities. The FFCBs act as financial intermediaries that borrow money in the capital markets and use the proceeds to make loans and provide other assistance to farmers and farm-affiliated businesses. Consists of the consolidated operations of the Banks for Cooperatives, Federal Intermediate Credit Banks, and Federal Land Banks. Frequent issuer of discount notes, agency notes and callable agency securities. FFCB debt is not an obligation of, nor is it guaranteed by the U.S. government, although it is considered to have minimal credit risk due to its importance to the U.S. financial system and agricultural industry. FFCB also issues notes under its “designated note” program.

Federal Funds (Fed Funds). Funds placed in Federal Reserve Banks by depository institutions in excess of current reserve requirements, and frequently loaned or borrowed on an overnight basis between depository institutions.

Federal Funds Rate (Fed Funds Rate). The interest rate charged by a depository institution lending Federal Funds to another depository institution. The Federal Reserve influences this rate by establishing a "target" Fed Funds rate associated with the Fed's management of monetary policy.

Federal Home Loan Bank System (FHLB). A Government Sponsored Enterprise (GSE) system, consisting of wholesale banks (currently twelve district banks) owned by their member banks, which provides correspondent banking services and credit to various financial institutions, financed by the issuance of securities. The principal purpose of the FHLB is to add liquidity to the mortgage markets. Although FHLB does not directly fund mortgages, it provides a stable supply of credit to thrift institutions that make new mortgage loans. FHLB debt is not an obligation of, nor is it guaranteed by the U.S. government, although it is considered to have minimal credit risk due to its importance to the U.S. financial system and housing market. Frequent issuer of discount notes, agency notes and callable agency securities. Also issues notes under its “global note” and “TAP” programs.

Federal Home Loan Mortgage Corporation (FHLMC or "Freddie Mac"). A government sponsored public corporation (GSE) that provides stability and assistance to the secondary market for home mortgages by purchasing first mortgages and participation interests financed by the sale of debt and guaranteed mortgage-backed securities. FHLMC debt is not an obligation of, nor is it guaranteed by the U.S. government, although it is considered to have minimal credit risk due to its importance to the U.S. financial system and housing

market. Frequent issuer of discount notes, agency notes, callable agency securities and MBS. Also issues notes under its “reference note” program.

Federal National Mortgage Association (FNMA or "Fannie Mae"). A government sponsored public corporation (GSE) that provides liquidity to the residential mortgage market by purchasing mortgage loans from lenders, financed by the issuance of debt securities and MBS (pools of mortgages packaged together as a security). FNMA debt is not an obligation of, nor is it guaranteed by the U.S. government, although it is considered to have minimal credit risk due to its importance to the U.S. financial system and housing market. Frequent issuer of discount notes, agency notes, callable agency securities and MBS. Also issues notes under its “benchmark note” program.

Federal Reserve Bank. One of the 12 distinct banks of the Federal Reserve System.

Federal Reserve System (The Fed). The independent central bank system of the United States that establishes and conducts the nation's monetary policy. This is accomplished in three major ways: (1) raising or lowering bank reserve requirements, (2) raising or lowering the target Fed Funds Rate and Discount Rate, and (3) in open market operations by buying and selling government securities. The Federal Reserve System is made up of twelve Federal Reserve District Banks, their branches, and many national and state banks throughout the nation. It is headed by the seven-member Board of Governors known as the “Federal Reserve Board” and headed by its Chairman.

Fiscal Agent/Paying Agent. A bank or trust company that acts, under a trust agreement with a corporation or municipality, in the capacity of general treasurer. The agent performs such duties as making coupon payments, paying rents, redeeming bonds, and handling taxes relating to the issuance of bonds.

Fitch Investors Service, Inc. One of several Nationally Recognized Statistical Rating Organization (NRSRO) that provide credit ratings on corporate and municipal debt issues.

Floating Rate Security (FRN or “floater”). A bond with an interest rate that is adjusted according to changes in an interest rate or index. Differs from variable-rate debt in that the changes to the rate take place immediately when the index changes, rather on a predetermined schedule. See also “Variable Rate Security.”

Freddie Mac. See "Federal Home Loan Mortgage Corporation".

Ginnie Mae. See "Government National Mortgage Association".

Global Notes: Notes designed to qualify for immediate trading in both the domestic U.S. capital market and in foreign markets around the globe. Usually large issues that are sold to investors worldwide and therefore have excellent liquidity. Despite their global sales, global notes sold in the U.S. top U.S. investors are typically denominated in U.S. dollars.

Government National Mortgage Association (GNMA or "Ginnie Mae"). A government-owned corporation within the Department of Housing and Urban Development (HUD). Today, Ginnie Mae securities are the only mortgage-backed securities that offer the full faith and credit guaranty of the United States government. It acquires, packages, and resells mortgages and mortgage purchase commitments in the form of mortgage-backed securities and is the largest issuer of mortgage pass-through securities.

Government Securities. An obligation of the U.S. government backed by the full faith and credit of the government. These securities are regarded as the highest quality of investment securities available in the U.S. securities market. See "Treasury Bills, Notes, Bonds, and SLGS."

Government Sponsored Enterprise (GSE). Privately owned entity subject to federal regulation and supervision, created by the U.S. Congress to reduce the cost of capital for certain borrowing sectors of the economy such as students, farmers, and homeowners. GSEs carry the implicit backing of the U.S. Government, but they are not direct obligations of the U.S. Government. For this reason, these securities will

offer a yield premium over Treasuries. Some consider GSEs to be stealth recipients of corporate welfare. Examples of GSEs include: FHLB, FHLMC, and FNMA.

Government Sponsored Enterprise Security. A security issued by a Government Sponsored Enterprise. Considered Federal Agency Securities.

ICE BAML 1-3 Year Treasury Index. Also known as the ICE BofA 1-3 Year US Treasury Index, the ICE BofA 1-3 Year US Treasury index is a subset of the ICE BofA US Treasury Index including all securities with a remaining term to final maturity of less than three years. The ICE BofA US Treasury Index tracks the performance of US dollar-denominated sovereign debt publicly issued by the US government in its domestic market.

Index. A compilation of statistical data that tracks changes in the economy or in financial markets.

Interest-Only (IO) STRIP. A security based solely on the interest payments from the bond. After the principal has been repaid, interest payments stop and the value of the security falls to nothing. Therefore, IOs are considered risky investments. Usually associated with mortgage-backed securities.

Internal Controls. An internal control structure designed to ensure that the assets of the entity are protected from loss, theft, or misuse. The internal control structure is designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that 1. the cost of a control should not exceed the benefits likely to be derived and 2. the valuation of costs and benefits requires estimates and judgments by management. Internal controls should address the following points:

1. **Control of collusion** - Collusion is a situation where two or more employees are working in conjunction to defraud their employer.
2. **Separation of transaction authority from accounting and record keeping** - By separating the person who authorizes or performs the transaction from the people who record or otherwise account for the transaction, a separation of duties is achieved.
3. **Custodial safekeeping** - Securities purchased from any bank or dealer including appropriate collateral (as defined by state law) shall be placed with an independent third party for custodial safekeeping.
4. **Avoidance of physical delivery securities** - Book-entry securities are much easier to transfer and account for since actual delivery of a document never takes place. Delivered securities must be properly safeguarded against loss or destruction. The potential for fraud and loss increases with physically delivered securities.
5. **Clear delegation of authority to subordinate staff members** - Subordinate staff members must have a clear understanding of their authority and responsibilities to avoid improper actions. Clear delegation of authority also preserves the internal control structure that is contingent on the various staff positions and their respective responsibilities.
6. **Written confirmation of transactions for investments and wire transfers** - Due to the potential for error and improprieties arising from telephone and electronic transactions, all transactions should be supported by written communications and approved by the appropriate person. Written communications may be via fax if on letterhead and if the safekeeping institution has a list of authorized signatures.
7. **Development of a wire transfer agreement with the lead bank and third-party custodian** - The designated official should ensure that an agreement will be entered into and will address the following

points: controls, security provisions, and responsibilities of each party making and receiving wire transfers.

Inverse Floater. A floating rate security structured in such a way that it reacts inversely to the direction of interest rates. Considered risky as their value moves in the opposite direction of normal fixed-income investments and whose interest rate can fall to zero.

Investment Advisor. A company that provides professional advice managing portfolios, investment recommendations and/or research in exchange for a management fee.

Investment Adviser Act of 1940. Federal legislation that sets the standards by which investment companies, such as mutual funds, are regulated in the areas of advertising, promotion, performance reporting requirements, and securities valuations.

Investment Company Act of 1940. Law that regulates mutual funds and other companies that engage in investing, reinvesting, and trading securities. Goal is to protect investors.

Investment Manager A company that actively manages fixed income portfolios which include operating funds, capital reserves, insurance reserves, proceeds from the sale of bonds and other funds.

Investment Grade. Bonds considered suitable for preservation of invested capital; bonds rated a minimum of Baa3 by Moody's, BBB- by Standard & Poor's, or BBB- by Fitch. Although "BBB" rated bonds are considered investment grade, most public agencies cannot invest in securities rated below "A."

Liquidity. Relative ease of converting an asset into cash without significant loss of value. Also, a relative measure of cash and near-cash items in a portfolio of assets. Also, a term describing the marketability of a money market security correlating to the narrowness of the spread between the bid and ask prices.

Local Government Investment Pool (LGIP). An investment by local governments in which their money is pooled as a method for managing local funds, (i.e., Florida PRIME).

Long-Term Core Investment Program. Funds that are not needed within a one-year period.

Market Value. The fair market value of a security or commodity. The price at which a willing buyer would pay for a security.

Mark-to-market. Adjusting the value of an asset to its market value, reflecting in the process unrealized gains or losses.

Master Repurchase Agreement. A widely accepted standard agreement form published by the Bond Market Association (BMA) that is used to govern and document Repurchase Agreements and protect the interest of parties in a repo transaction.

Maturity Date. Date on which principal payment of a financial obligation is to be paid.

Medium Term Notes (MTNs). Used frequently to refer to corporate notes of medium maturity (5-years and under). Technically, any debt security issued by a corporate or depository institution with maturities from 1 to 10 years and issued under an MTN shelf registration. Usually issued in smaller issues with varying coupons and maturities and underwritten by a variety of broker/dealers (as opposed to large corporate deals issued and underwritten all at once in large size and with a fixed coupon and maturity).

Money Market. The market in which short-term debt instruments (bills, commercial paper, bankers' acceptance, etc.) are issued and traded.

Money Market Mutual Fund (MMF). A type of mutual fund that invests solely in money market instruments, such as Treasury bills, commercial paper, bankers' acceptances, and repurchase agreements. Money market mutual funds are registered with the SEC under the Investment Company Act of 1940 and are subject "rule 2a-7" which significantly limits average maturity and credit quality of holdings. MMFs are

managed to maintain a stable net asset value (NAV) of \$1.00. Many MMFs carry ratings by a NRSRO.

Moody's Investors Service. One of several NRSROs that provide credit ratings on corporate and municipal debt issues.

Mortgage Backed Securities (MBS). Mortgage-backed securities represent an ownership interest in a pool of mortgage loans made by financial institutions, such as savings and loans, commercial banks, or mortgage companies, to finance the borrower's purchase of a home or other real estate. The majority of MBS are issued and/or guaranteed by GNMA, FNMA and FHLMC. There are a variety of MBS structures, some of which can be very risky and complicated. All MBS have reinvestment risk as actual principal and interest payments are dependent on the payment of the underlying mortgages which can be prepaid by mortgage holders to refinance and lower rates or simply because the underlying property was sold.

Mortgage Pass-Through Securities. A pool of residential mortgage loans with the monthly interest and principal distributed to investors on a pro-rata basis. Largest issuer is GNMA.

Municipal Note/Bond. A debt instrument issued by a state or local government unit or public agency. The vast majority of municipals are exempt from state and federal income tax, although some non-qualified issues are taxable.

Mutual Fund. Portfolio of securities professionally managed by a registered investment company that issues shares to investors. Many different types of mutual funds exist (bond, equity, money fund); all except money market funds operate on a variable net asset value (NAV).

National Association of Securities Dealers (NASD). Organization of brokers and dealers who trade securities in the United States, supervised by the SEC, and which provides regulatory exams for industry participants.

Negotiable Certificate of Deposit (Negotiable CD). Large denomination CDs (\$100,000 and larger) that are issued in bearer form and can be traded in the secondary market.

Net Asset Value. The market value of one share of an investment company, such as a mutual fund. This figure is calculated by totaling a fund's assets which includes securities, cash, and any accrued earnings, subtracting this from the fund's liabilities and dividing this total by the number of shares outstanding. This is calculated once a day based on the closing price for each security in the fund's portfolio. (See below.)

$$[(\text{Total assets}) - (\text{Liabilities})] / (\text{Number of shares outstanding})$$

NRSRO. Acronym for Nationally Recognized Statistical Rating Organization. A designated rating organization that the SEC has deemed a strong national presence in the U.S. NRSROs provide credit ratings on corporate and bank debt issues. Only ratings of a NRSRO may be used for the regulatory purposes of rating. Includes Moody's, S&P, Fitch and Duff & Phelps.

Offered Price. See also "Ask Price."

Open Market Operations. Federal Reserve monetary policy tactic entailing the purchase or sale of government securities in the open market by the Federal Reserve System from and to primary dealers in order to influence the money supply, credit conditions, and interest rates.

Par Value. Face value stated value or maturity value of a security.

Physical Delivery. Delivery of readily available underlying assets at contract maturity.

Portfolio. Collection of securities and investments held by an investor.

Premium. The amount by which a bond or other financial instrument sells above its face value. See also "Discount."

Primary Dealer. Any of a group of designated government securities dealers designated by to the Federal Reserve Bank of New York. Primary dealers can buy and sell government securities directly with the Fed. Primary dealers also submit daily reports of market activity and security positions held to the Fed and are subject to its informal oversight. Primary dealers are considered the largest players in the U.S. Treasury securities market.

Prime Paper. Commercial paper of high quality. Highest rated paper is A-1+/A-1 by S&P and P-1 by Moody's.

Principal. Face value of a financial instrument on which interest accrues. May be less than par value if some principal has been repaid or retired. For a transaction, principal is par value times price and includes any premium or discount.

Prudent Investor Standard. Standard that requires that when investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency. More stringent than the "prudent person" standard as it implies a level of knowledge commensurate with the responsibility at hand.

Qualified Public Depository - Per Florida Statute 280, means any bank, saving bank or savings association that:

1. Is organized and exists under the laws of the United States, the laws of this state or any other state or territory of the United States;
2. Has its principal place of business in this state or has a branch office in this state which is authorized under the laws of this state or of the United States to receive deposits in this state.,
3. Has deposit insurance under the provision of the Federal Deposit Insurance Act, as amended, 12 U.S.C. ss.1811 seq.
4. Meets all requirements of F.S. 280
5. Has been designed by the Treasurer as a qualified public depository.

Range Note. A type of structured note that accrues interest daily at a set coupon rate that is tied to an index. Most range notes have two coupon levels; a higher accrual rate for the period the index is within a designated range, the lower accrual rate for the period that the index falls outside the designated range. This lower rate may be zero and may result in zero earnings.

Rate of Return. Amount of income received from an investment, expressed as a percentage of the amount invested.

Realized Gains (Losses). The difference between the sale price of an investment and its book value. Gains/losses are "realized" when the security is actual sold, as compared to "unrealized" gains/losses which are based on current market value. See "Unrealized Gains (Losses)."

Reference Bills: FHLMC's short-term debt program created to supplement its existing discount note program by offering issues from one month through one year, auctioned on a weekly or on an alternating four-week basis (depending upon maturity) offered in sizeable volumes (\$1 billion and up) on a cycle of regular, standardized issuance. Globally sponsored and distributed. Reference Bill issues are intended to encourage active trading and market-making and facilitate the development of a term repo market. The program was designed to offer predictable supply, pricing transparency and liquidity, thereby providing alternatives to

Treasury bills. FHLMC's Reference Bills are unsecured general corporate obligations. This program supplements the corporation's existing discount note program. Issues under the Reference program constitute the same credit standing as other FHLMC discount notes; they simply add organization and liquidity to the short-term Agency discount note market.

Reference Notes: FHLMC's intermediate-term debt program with issuances of 2, 3, 5, 10 and 30-year maturities. Initial issuances range from \$2 - \$6 billion with reopenings ranging \$1 - \$4 billion. The notes are high-quality bullet structures securities that pay interest semiannually. Issues under the Reference program constitute the same credit standing as other FHLMC notes; they simply add organization and liquidity to the intermediate- and long-term Agency market.

Repurchase Agreement (Repo). A short-term investment vehicle where an investor agrees to buy securities from a counterparty and simultaneously agrees to resell the securities back to the counterparty at an agreed upon time and for an agreed upon price. The difference between the purchase price and the sale price represents interest earned on the agreement. In effect, it represents a collateralized loan to the investor, where the securities are the collateral. Can be DVP, where securities are delivered to the investor's custodial bank, or "tri-party" where the securities are delivered to a third-party intermediary. Any type of security can be used as "collateral," but only some types provide the investor with special bankruptcy protection under the law. Repos should be undertaken only when an appropriate BMA approved master repurchase agreement is in place.

Reverse Repurchase Agreement (Reverse Repo). A repo from the point of view of the original seller of securities. Used by dealers to finance their inventory of securities by essentially borrowing at short-term rates. Can also be used to leverage a portfolio and in this sense, can be considered risky if used improperly.

S&P Rated GIP All Index 30-Day Gross of Fees Yield. The United States S&P Rated GIP Indices are performance indicators of rated government investment pools that maintain a stable net asset value of \$1.00 per share. The All Index includes only AAA and AA rated government investment pools.

Safekeeping. Service offered for a fee, usually by financial institutions, for the holding of securities and other valuables. Safekeeping is a component of custody services.

Secondary Market. Markets for the purchase and sale of any previously issued financial instrument.

Securities Lending. An arrangement between an investor and a custody bank that allows the custody bank to "loan" the investor's investment holdings, reinvest the proceeds in permitted investments, and shares any profits with the investor. Should be governed by a securities lending agreement. Can increase the risk of a portfolio in that the investor takes on the default risk on the reinvestment at the discretion of the custodian.

Sinking Fund. A separate accumulation of cash or investments (including earnings on investments) in a fund in accordance with the terms of a trust agreement or indenture, funded by periodic deposits by the issuer (or other entity responsible for debt service), for the purpose of assuring timely availability of moneys for payment of debt service. Usually used in connection with term bonds.

Spread. The difference between the price of a security and similar maturity Treasury investments, expressed in percentage terms or basis points. A spread can also be the absolute difference in yield between two securities. The securities can be in different markets or within the same securities market between different credits, sectors, or other relevant factors.

Standard & Poor's (S&P). One of several NRSROs that provide credit ratings on corporate and municipal debt issues.

STRIPS (Separate Trading of Registered Interest and Principal of Securities). Acronym applied to Treasury securities that have had their coupons and principal repayments separated into individual zero-coupon Treasury securities. The same technique and "strips" description can be applied to non-Treasury securities (e.g. FNMA strips).

Structured Notes. Notes that have imbedded into their structure options such as step-up coupons or

derivative-based returns.

Swap. Trading one asset for another.

TAP Notes: Federal Agency notes issued under the FHLB TAP program. Launched in 6/99 as a refinement to the FHLB bullet bond auction process. In a break from the FHLB's traditional practice of bringing numerous small issues to market with similar maturities, the TAP Issue Program uses the four most common maturities and reopens them up regularly through a competitive auction. These maturities (2, 3, 5 and 10 year) will remain open for the calendar quarter, after which they will be closed and a new series of TAP issues will be opened to replace them. This reduces the number of separate bullet bonds issued but generates enhanced awareness and liquidity in the marketplace through increased issue size and secondary market volume.

Tennessee Valley Authority (TVA). A wholly owned corporation of the United States government that was established in 1933 to develop the resources of the Tennessee Valley region in order to strengthen the regional and national economy and the national defense. Power operations are separated from non-power operations. TVA securities represent obligations of TVA, payable solely from TVA's net power proceeds, and are neither obligations of nor guaranteed by the United States. TVA is currently authorized to issue debt up to \$30 billion. Under this authorization, TVA may also obtain advances from the Treasury of up to \$150 million. Frequent issuer of discount notes, agency notes and callable agency securities.

Total Return. Investment performance measured over a period of time that includes coupon interest, interest on interest, and both realized and unrealized gains or losses. Total return includes, therefore, any market value appreciation/depreciation on investments held at period end.

Treasuries. Collective term used to describe debt instruments backed by the U.S. Government and issued through the U.S. Department of the Treasury. Includes Treasury bills, Treasury notes, Treasury Inflation-Protected Securities (TIPS) and Treasury bonds. Also a benchmark term used as a basis by which the yields of non-Treasury securities are compared (e.g., "trading at 50 basis points over Treasuries").

Treasury Bills (T-Bills). Short-term direct obligations of the United States Government issued with an original term of one year or less. Treasury bills, or T-bills, are sold in terms ranging from a few days to 52 weeks. Bills are typically sold at a discount from the par amount (also called face value). For instance, you might pay \$990 for a \$1,000 bill. When the bill matures, you would be paid \$1,000. The difference between the purchase price and face value is interest. It is possible for a bill auction to result in a price equal to par, which means that Treasury will issue and redeem the securities at par value.

Treasury Bonds. Long-term interest-bearing debt securities backed by the U.S. Government issued Treasury bonds pay a fixed rate of interest every six months until they mature and are issued in a term of 30 years.

Treasury Inflation-Protected Securities (TIPS) Provide protection against inflation. The principal of a TIPS increases with inflation and decreases with deflation, as measured by the Consumer Price Index. When a TIPS matures, you are paid the adjusted principal or original principal, whichever is greater. TIPS pay interest twice a year, at a fixed rate. The rate is applied to the adjusted principal; so, like the principal, interest payments rise with inflation and fall with deflation.

Treasury Notes. Intermediate interest-bearing debt securities backed by the U.S. Government and issued with maturities ranging from one to ten years by the U.S. Department of the Treasury. Treasury Notes earn a fixed rate of interest every six months until maturity. Notes are issued in terms of 2, 3, 5, 7, and 10 years.

Trustee. A bank designated by an issuer of securities as the custodian of funds and official representative of bondholders. Trustees are appointed to ensure compliance with the bond documents and to represent bondholders in enforcing their contract with the issuer.

Uniform Net Capital Rule. SEC regulation 15C3-1 that outlines the minimum net capital ratio (ratio of indebtedness to net liquid capital) of member firms and non-member broker/dealers.

Unrealized Gains (Losses). The difference between the market value of an investment and its book value. Gains/losses are “realized” when the security is actual sold, as compared to “unrealized” gains/losses which are based on current market value. See also “Realized Gains (Losses).”

Variable-Rate Security. A bond that bears interest at a rate that varies over time based on a specified schedule of adjustment (e.g., daily, weekly, monthly, semi-annually or annually). See also “Floating Rate Note.”

Weighted Average Maturity Average Maturity. The average maturity of all securities and investments of a portfolio, determined by multiplying the par or principal value of each security or investment by its maturity (days or years), summing the products, and dividing the sum by the total principal value of the portfolio. A simple measure of risk of a fixed-income portfolio.

Weighted Average Maturity to Call. The average maturity of all securities and investments of a portfolio, adjusted to substitute the first call date per security for maturity date for those securities with call provisions.

Yield Curve. A graphic depiction of yields on like securities in relation to remaining maturities spread over a timeline. The traditional yield curve depicts yields on Treasuries, although yield curves exist for Federal Agencies and various credit quality corporates as well. Yield curves can be positively sloped (normal) where longer-term investments have higher yields, or “inverted” (uncommon) where longer-term investments have lower yields than shorter ones.

Yield to Call (YTC). Same as “Yield to Maturity,” except the return is measured to the first call date rather than the maturity date. Yield to call can be significantly higher or lower than a security’s yield to maturity.

Yield to Maturity (YTM). Calculated return on an investment, assuming all cash flows from the security are reinvested at the same original yield. Can be higher or lower than the coupon rate depending on market rates and whether the security was purchased at a premium or discount. There are different conventions for calculating YTM for various types of securities.

Yield. There are numerous methods of yield determination. In this glossary, see also "Current Yield," "Yield Curve," "Yield to Call" and "Yield to Maturity."

Attachment B
Investment Pool/Fund Questionnaire

1. A description of eligible investment securities, and a written statement of investment policy and objectives.
2. A description of interest calculations and how it is distributed, and how gains and losses are treated.
3. A description of how the securities are safeguarded (including the settlement processes), and how often the securities are priced and the program audited.
4. A description of who may invest in the program, how often, what size deposit and withdrawal are allowed.
5. A schedule for receiving statements and portfolio listings.
6. Are reserves, retained earnings, etc. utilized by the pool/fund?
7. A fee schedule, and when and how is it assessed.
8. Is the pool/fund eligible for bond proceeds and/or will it accept such proceeds?
9. Are there any liquidity gates?
10. Are there any redemption fees?
11. Does the pool/fund follow GASB 79?

File Number: 2024-795

Agenda Date: November 6, 2024

Department: Gainesville Regional Utilities

Title: 2024-795 Financial Reporting Cadence (B)

Department: Gainesville Regional Utilities/ Budget, Finance and Accounting

Description: This item details schedules for various accounting and budget processes. GRU's Budget, Finance & Accounting Department manages a number of different processes each fiscal year.

This item details schedules for:

- The FY26 budget calendar
- Recurring financial statement delivery to the GRU Authority, and
- The FY24 annual external audit process

Fiscal Note: No impact at this time.

Recommendation: This is an informational item only.

Financial Reporting Cadence

November 6, 2024

FY26 Budget Calendar

Board meeting	Budget Workshop & Board Meeting	Budget Workshop & Board Meeting	Budget Workshop & Board Meeting	Budget Workshop & Board Meeting	Board Meeting	Board Meeting	
November 6	December 4	January 8	April TBD	May 7	June TBD	June 4	June 30
<ul style="list-style-type: none">• GRU Authority approves budget calendar• Debt policy• Investment Policy	<ul style="list-style-type: none">• Electric system rate tiers• No base rate increases in Electric System for 10 years	<ul style="list-style-type: none">• Debt overview & cash, liquidity, and reserves• Cash Balance policy	<ul style="list-style-type: none">• Connection charges & lighting rates• Customer, sales & revenue forecasts	<ul style="list-style-type: none">• Operations & Maintenance, capital and fuels budgets	<ul style="list-style-type: none">• CEO presents draft budget to Authority	<ul style="list-style-type: none">• Final review & approval of budget by Authority	<ul style="list-style-type: none">• Authority submits approved budget to City Commission

Recurring Reporting

December 2024	February 2025	May 2025	August 2025	September 2025
September 2024 year over year financial statements	December 2024 year over year financial statements	March 2025 year over year financial statements	June 2025 year over year financial statements	Preliminary 2025 fiscal year financial results
September 2024 budget to actual statements	December 2024 budget to actual statements	March 2025 budget to actual statements	June 2025 budget to actual statements	
September 2024 board level visual highlights of financial statements	December 2024 board level visual highlights of financial statements	March 2025 board level visual highlights of financial statements	June 2025 board level visual highlights of financial statements	
September 2024 ratio analysis		March 2025 ratio analysis	June 2025 ratio analysis	
Basket of services benchmarking	Basket of services benchmarking	Basket of services benchmarking	Basket of services benchmarking	Basket of services benchmarking

FY24 Audit Process

June 2024 <ul style="list-style-type: none"> • Planning for interim fieldwork begins • COMPLETED 	August 12, 2024 <ul style="list-style-type: none"> • Interim fieldwork audit request list submitted by audit firm (Baker Tilly) • COMPLETED 	September 18 & 19, 2024 <ul style="list-style-type: none"> • Baker Tilly on-site for preliminary fieldwork • COMPLETED 	November 12, 2024 <ul style="list-style-type: none"> • GRU provides completed bank & debt confirmations along with attorney representation letters 	November 22, 2024 <ul style="list-style-type: none"> • GRU provides trial balance and audit workpapers to Baker Tilly 	December 2, 2024 <ul style="list-style-type: none"> • Two weeks of audit fieldwork begin 	December 23, 2024 <ul style="list-style-type: none"> • GRU provides draft financial statements and notes, including pension and OPEB disclosures
January 24, 2025 <ul style="list-style-type: none"> • Baker Tilly provides comments on draft financial statements and notes • Pending pension information from General Government 	January 29, 2025 <ul style="list-style-type: none"> • GRU provides final draft financial statements and notes to Baker Tilly 	January 30, 2025 <ul style="list-style-type: none"> • Baker Tilly performs internal pre-issuance review of financial statements and notes 	February 6, 2025 <ul style="list-style-type: none"> • Baker Tilly provides final comments on notes to GRU, if any 	February 13, 2025 <ul style="list-style-type: none"> • Baker Tilly finalizes audit opinion and report to GRU Authority • SAS 99 conversations between Authority and Baker Tilly 	March 2025 <ul style="list-style-type: none"> • Baker Tilly presents report to GRU Authority 	

File Number: 2024-808

Agenda Date: November 6, 2024

Department: Gainesville Regional Utilities

Title: 2024-808 Deerhaven Renewable Outage Discovery (B)

Department: Energy Supply

Description: During the planned maintenance and 10-year turbine inspection outage at Deerhaven Renewable (DHR), GRU uncovered serious concerns in returning the plant to service. The turbine's first-stage blade wheel was found to exhibit 35 cracks in the dampening wire that placed the integrity of the turbine in jeopardy. Rather than place the plant at risk of catastrophic failure, the rotor has been shipped to our turbine manufacturer (Siemens) shop in Charlotte, North Carolina, for repairs.

Siemens located suitable components in Switzerland and immediately arranged for their transport to their shop to complete the necessary repairs.

GRU conducts its power plant outages in the shoulder months (those times where heating and cooling are not at peak capacity) to have ample time to make these types of repairs upon their discovery. It's the best utility practice that has proved beneficial in this situation.

Fiscal Note: Estimated cost to repair is \$1.1 million and 2-3 additional months of downtime to repair.

Recommendation: GRU will repair the turbine rotor prior to returning it to service to prevent further damage. This item is for information only purposes to the GRU Authority notifying them of the situation and repair.

DHR Outage Discovery

Nov. 6, 2024



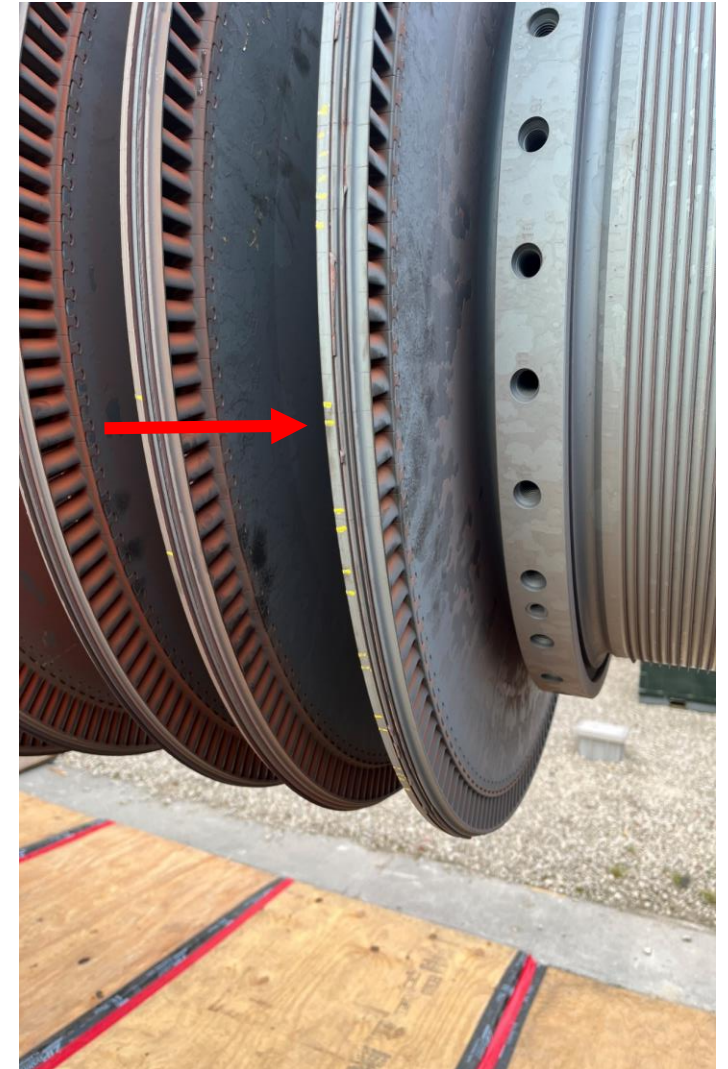
Findings

- Planned outage for steam turbine inspection: Sept. 9-Nov. 16
- First required turbine inspection since operational in 2013
- Found significant cracks in first-stage turbine blade wheel (35 cracks)
- Further maintenance needed to prevent ancillary damage



Next Steps

- Replace first-stage blades and dampening wire
- Siemens found required parts in Switzerland
- Repairs to take place at Siemens' NC shop (shipped 10/28)
- Estimated cost: \$1.1 million
- Estimated time: 2-3 months
- DHR back in service: Jan/Feb



DHR Outage Discovery Report

Overview

This report outlines the critical findings and actions taken during the DHR Outage scheduled from September 28 to November 16, 2024. The primary focus of this quarter was the inspection of the steam turbine, which is essential for maintaining operational integrity.

Summary of Findings and Actions

During the inspection, it was discovered that the first-stage blade wheel exhibited 35 cracks in the dampening wire. This finding poses a significant risk, as it could lead to catastrophic failures. Both GRU and Siemens concur that these issues must be addressed before reassembling the turbine.

The required replacement parts, including the blades and dampening wire, are typically specific to each turbine design. Unfortunately, suitable components were only found in Switzerland. The repairs will take place at Siemens' facility in North Carolina, and they are currently coordinating with us to arrange the shipment of our turbine rotor.

As a result of these necessary repairs, the outage, initially planned to conclude on November 16, 2024, is expected to extend into late January or early February 2025. GRU Production Assurance Support is committed to ensuring timely, high-quality, and safe repairs while effectively managing costs.

Details

As part of the planned DHR Outage from September 28 to November 16, 2024, we conducted a critical inspection of the steam turbine. This inspection, the first since the unit began commercial operation in December 2013, revealed significant findings on the first-stage turbine blade wheel during the rotor inspection on October 17, 2024.

The first-stage blade wheel, which is the initial set of blades at the high-pressure steam inlet, experiences the highest steam pressure, temperature, and pressure differential. Siemens used non-destructive testing (NDT) and discovered over 35 cracks in the dampening wire surrounding this wheel. Made from Nimonic metal (a nickel-based alloy), the dampening wire is hydraulically pressed into a J-seal groove in the blade shroud. This design is intended to secure the blades and mitigate vibrations.

Cracks in the dampening wire pose serious risks, including potential wire breaks that could cause extensive damage to downstream rotor and casing components and significant vibration due to individual blade movement. Given the turbine's operational speed of 3600 revolutions per minute (RPM), any failure could jeopardize both turbine integrity and personnel safety. Therefore, GRU and Siemens agree that immediate repairs are necessary.

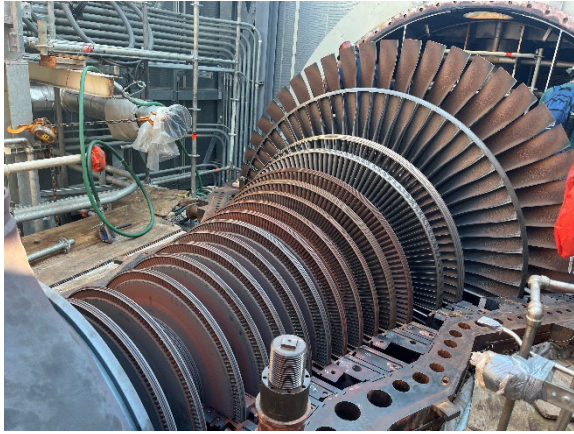
The required repairs involve replacing the first-stage blades and dampening wire. Since replacement blades are not readily available, Siemens searched both domestically and internationally. While no domestic options were found, they located suitable materials from Switzerland. We are moving forward with acquiring these replacement blades, which will be manufactured at Siemens' facility in Charlotte, NC. The blades will be shipped directly to Charlotte, and we plan to send our turbine rotor there during the week of October 28, 2024.

We are also coordinating with Siemens to assess the resources and costs for the repairs, including a high-speed rotor balancing once the work is complete. Preliminary estimates suggest an additional cost of approximately \$1.1 million, with a potential outage extension of 2.5 months, delaying restoration to late January or early February 2025, compared to the original end date of November 16, 2024.

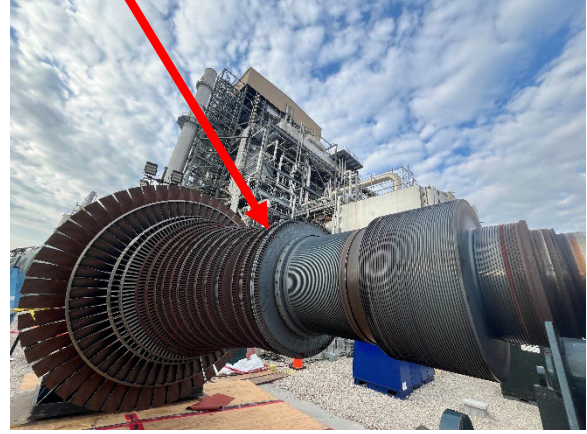
As we continue the planning process, we will provide further details on cost and schedule impacts. GRU Production Assurance Support is dedicated to ensuring timely, high-quality, and safe repairs while managing costs effectively.

Please see pictures below.

Turbine Rotor 1st Stage Blade



Turbine rotor in casing

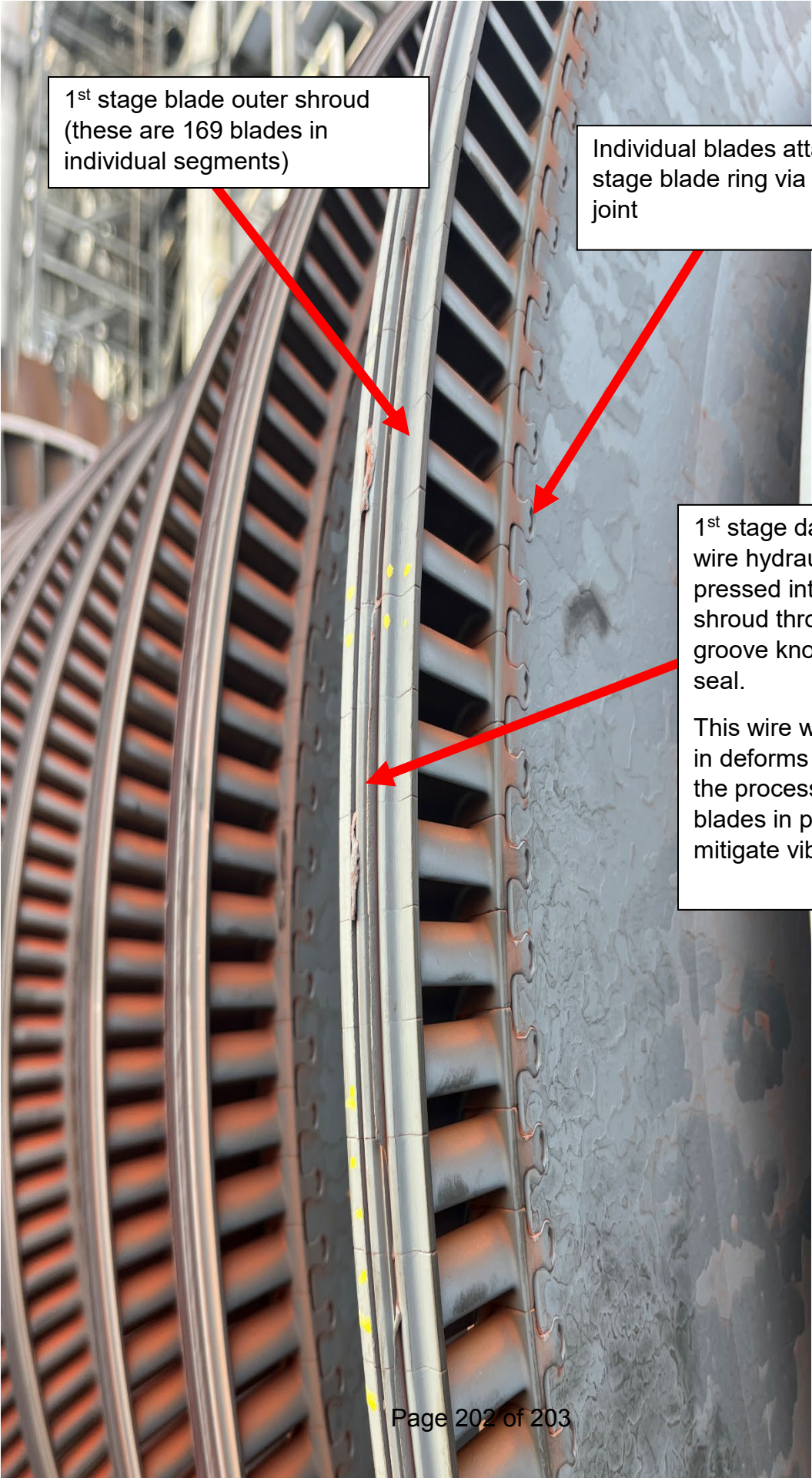


Turbine rotor out of casing

Turbine Rotor 1st Stage Blade



Siemens contractors setting up for NDE testing of rotor blade rings



1st stage blade outer shroud
(these are 169 blades in
individual segments)

Individual blades attached to 1st
stage blade ring via dovetail
joint

1st stage dampening
wire hydraulically
pressed into the outer
shroud through a
groove known as J-
seal.

This wire when pressed
in deforms shrouds in
the process, to hold all
blades in place in
mitigate vibration.

Along the outer blade ring each of these yellow hand markings is an NDE inspection point where Siemens found cracks in the dampening wire that goes around entire circumference of blade wheel.

Blade wheel end view showing 1st stage dampening wire that is hydraulically pressed into the outer shroud through a groove known as J-seal.

