

**RESOLUTION NO. 2022-599**

**A RESOLUTION OF THE CITY OF GAINESVILLE, FLORIDA AUTHORIZING AMENDMENTS TO SWAP TRANSACTIONS ENTERED INTO BETWEEN THE CITY D/B/A GAINESVILLE REGIONAL UTILITIES AND WELLS FARGO BANK, NATIONAL ASSOCIATION AND BANK OF AMERICA, N.A. TO AMEND THE FIXED RATES PAYABLE BY THE CITY THEREUNDER AND RECEIVE IN EXCHANGE UPFRONT PAYMENTS; APPROVING ENTERING INTO A QUALIFIED HEDGING CONTRACT TO LOCK IN THE INTEREST RATE ON FUTURE FIXED RATE BONDS EXPECTED TO BE ISSUED IN CALENDAR YEAR 2023 FOR FINANCING CAPITAL PROJECTS; DELEGATING AUTHORITY TO NEGOTIATE THE FINAL TERMS AND PRICING OF SUCH SWAP AND TO AWARD THE SWAP TO THE SUCCESSFUL BIDDER AS DETERMINED PURSUANT TO THIS RESOLUTION; AUTHORIZING AMENDMENTS TO SWAP TRANSACTIONS ENTERED INTO BETWEEN THE CITY D/B/A GAINESVILLE REGIONAL UTILITIES AND GOLDMAN SACHS BANK USA AND CITIBANK, N.A. TO AMEND THE NOTIONAL AMOUNT IN EXCHANGE FOR THE CITY TO RECEIVE AN UPFRONT PAYMENT; DELEGATING AUTHORITY TO DETERMINE CERTAIN OTHER MATTERS IN CONNECTION THEREWITH, SUBJECT TO CERTAIN DELEGATION PARAMETERS; AUTHORIZING CERTAIN CITY OFFICIALS TO TAKE OTHER ACTIONS IN CONNECTION WITH THE EXECUTION OF TRANSACTIONS THEREUNDER; PROVIDING CERTAIN OTHER MATTERS IN CONNECTION THEREWITH, SUBJECT TO CERTAIN DELEGATION PARAMETERS; AND PROVIDING AN EFFECTIVE DATE.**

**WHEREAS**, the City of Gainesville, Florida (the "City") has heretofore adopted Resolution No. 170395 incorporating by reference the Second Amended and Restated Utilities System Revenue Bond Resolution adopted by the City on September 21, 2017, as amended, authorizing the issuance of its Bonds and other obligations (as amended, the "General Bond Resolution"); and

**WHEREAS**, the City has heretofore entered into an ISDA Master Agreement, Credit Support Annex and Schedule with Wells Fargo Bank, National Association ("Wells"), each dated as of April 7, 2020 (the "Wells Swap Agreement") and a Confirmation thereunder with a trade date of April 9, 2020 and a termination date of October 1, 2047, Reference No. 37667877 (the "Wells Confirmation"), pursuant to which the City makes fixed rate payments to Wells of 1.171% and Wells makes floating rate payments to the City of 70% of one month USD-LIBOR-BBA on an original notional amount of \$153,820,000 (the "Wells Transaction") hedging the interest rate on a future Series of Bonds to refund the City's Utility System Revenue Bonds, 2019 Series A; and

**WHEREAS**, the City has heretofore entered into an ISDA Master Agreement, Credit Support Annex and Schedule with Bank of America, N.A. ("BofA" and together with Wells, the "2020 Swap Providers"), each dated as of April 7, 2020 (the "BofA Swap Agreement" and together with the Wells Swap Agreement, the "2020 Swap Agreements") and a Confirmation thereunder with a trade date of April 8, 2020 and a termination date of October 1, 2044, Reference No. 61944778 (the "BofA Confirmation" and together with the Wells Confirmation, the "2020 Confirmations"), pursuant to which the City makes fixed rate payments to BofA of 1.054% and BofA makes floating rate payments to the City of 70% of one month USD-LIBOR-BBA on an original notional amount of \$34,025,000 (the "BofA Transaction" and together with the Wells Transaction, the "2020 Transactions") hedging the interest rate on a future Series of Bonds to refund the City's Utility System Revenue Bonds, 2014 Series A; and

**WHEREAS**, the City has determined based on advice of the Financial Advisor that it may be advantageous to amend the 2020 Transactions to modify the interest rate payable by the City in each respective 2020 Transaction in return for upfront payment by the 2020 Swap Providers, subject to the parameters set forth herein; and

**WHEREAS**, the City expects to issue a series of fixed rate Bonds in calendar year 2023 the proceeds of which when issued will be used to finance capital projects identified on the System capital improvement plan, including, but not limited to the projects listed on Exhibit "A" attached hereto (the "2023 Bonds");

**WHEREAS**, based on the advice of the Financial Advisor, in order to moderate interest rate fluctuations with respect to the expected issuance of future fixed rate 2023 Bonds, the City desires to enter into a cash settled forward swap rate (the "Forward Swap") with the successful bidder pursuant to a negotiated bid process with Qualified Hedging Contract Providers among outstanding Qualified Hedging Contracts and with TD Bank, N.A. (or an affiliate thereof) (such selected counterparty, the "Forward Swap Provider"), and to enter into a trade confirmation with respect thereto (the "Forward Swap Confirmation"), upon satisfying the conditions set forth herein that upon the mandatory early termination date of the such interest rate hedge agreement or sooner termination there shall be a termination payment, based on interest rates existing on such date payable by the City to the Forward Swap Provider or received by the City from the Forward Swap Provider;

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

**WHEREAS**, the City has heretofore entered into an ISDA Master Agreement, Credit Support Annex and Schedule with Goldman Sachs Bank USA ("GS"), each dated as of November 7, 2017 (the "GS Swap Agreement") and an amended and restated Confirmation thereunder with a trade date of February 26, 2020, Reference No. LTAAB4SJ333FJRZMCH (the "GS Confirmation"), pursuant to which the City makes fixed rate payments to GS of 1.76% and GS makes floating rate payments to the City of 70% of one month USD-LIBOR-BBA on an original

notional amount of \$105,000,000 (the "GS Transaction") in order to hedge the floating rate risk of the City's Variable Rate Utilities System Revenue Bonds, 2020 Series B ( the "2020 Bonds"); and

**WHEREAS**, the City has heretofore entered into an ISDA Master Agreement, Credit Support Annex and Schedule with Citibank, N.A. ("Citi" and together with GS, the "2017 Swap Providers"), each dated as of November 7, 2017 (the "Citi Swap Agreement" and together with the GS Swap Agreement, the "2017 Swap Agreements") and an amended and restated Confirmation thereunder with a trade date of April 22, 2020, Reference No. MS43547 (the "Citi Confirmation" and together with the GS Confirmation, the "2017 Confirmations"), pursuant to which the City makes fixed rate payments to Citi of 1.559% and Citi makes floating rate payments to the City of 70% of one month USD-LIBOR-BBA on an original notional amount of \$45,000,000 (the "Citi Transaction" and together with the GS Transaction, the "2017 Transactions") in order to hedge the floating rate risk of the City's \$45,000,000 Variable Rate Utilities System Revenue Bonds, 2017 Series B (together with the 2020 Bonds, the "2017/2020 Bonds"); and

**WHEREAS**, the City has determined that it may be advantageous to refund the 2017/2020 Bonds with fixed rate bonds maturing approximately three years from the date of issue and in connection therewith to amend the 2017 Transactions to modify the notional amounts for each respective 2017 Transaction to eliminate the requirement for the City to pay a fixed rate thereunder and the counterparty to make floating rate payments during such time as the 2017/2020 Bonds are bearing interest at a fixed interest rate, in exchange for upfront payments by the 2017 Swap Provider to the City, subject to the parameters set forth herein; and

**WHEREAS**, all capitalized undefined terms used herein shall have the meanings provided in the General Bond Resolution and in Section 1.02 hereof; and

**WHEREAS**, the City desires to delegate to the General Manager for Utilities and Chief Financial Officer, or either of them, subject to the delegation parameters and limitations set forth herein, the authority to negotiate amendments to the 2020 Confirmations and the 2017 Confirmations in a manner they determine is in the best interest of the City, the authority to select the successful bidder of the Forward Swap, to complete the negotiation of the Forward Swap Confirmation and the Forward Swap, and to pay any associated costs from legally available funds of the City;

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY OF GAINESVILLE, FLORIDA THAT:**

## **ARTICLE I DEFINITIONS AND STATUTORY AUTHORITY**

**Section 1.01 Authority.** This Resolution is adopted pursuant to the provisions of the Act.

**Section 1.02 Definitions.** In this Resolution, in addition to the terms elsewhere defined herein, the following terms shall have the meanings as set forth below:

"Chief Financial Officer" shall mean the Chief Financial Officer for Utilities and who is the Utility Finance Director as referenced in the General Bond Resolution.

"City Attorney" shall mean the City Attorney to the City or such other assistant City Attorney in the City Attorney's absence or unavailability.

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

"Financial Advisor" means PFM Financial Advisors LLC, PFM Swap Advisors, LLC or such other financial advisor as the City may designate.

"General Manager" shall mean the General Manager for Utilities.

"Mayor" shall mean the Mayor of the City or the Mayor-Commissioner Pro Tempore or such other member of the Commission delegated to act on behalf of the Mayor by the Commission.

## ARTICLE II AUTHORIZATION TO AMEND 2020 CONFIRMATIONS; DELEGATION PARAMETERS

**Section 2.01 Authorization of Amendments.** The General Manager, the Chief Financial Officer or other Authorized Officer (as defined herein), each are individually, upon the advice of the Financial Advisor, authorized and directed to negotiate with the 2020 Swap Providers and, subject to the delegation parameters set forth in Section 2.02, execute and deliver, amendments to the 2020 Confirmations or to amend and restate the 2020 Confirmations, and deliver such other documents as may be required in connection therewith (collectively, the "2020 Amendments"), in order to amend the fixed interest rates pursuant to which the City's payments to the 2020 Swap Providers under the 2020 Confirmations are calculated and to receive an upfront payment from such 2020 Swap Provider. Amounts received by the City from the 2020 Amendments are expected to be applied to costs of capital projects of the System.

The City hereby reaffirms the grant of a lien on the Trust Estate (as defined in the General Bond Resolution) to secure the City's obligations under the 2020 Transactions as Parity Hedging Contract Obligations in the manner and to the extent provided in the General Bond Resolution. In furtherance of the foregoing, the obligations of the City to make monthly payments under interest rate hedging transactions entered into pursuant to the 2020 Swap Agreements and the 2020 Confirmations, as amended, have been and shall continue to be designated as Parity Hedging Contract Obligations under the General Bond Resolution and shall continue to be entitled to the rights and benefits of such obligations thereunder, and the obligations of the City to make any termination payments and any other Hedge Charges under the 2020 Transactions are and will continue to be designated as Subordinated Hedging Contract Obligations under the General Bond Resolution, entitled to the benefits thereof on a parity with other obligations issued or incurred by the City under the Subordinated Bond Resolution.

**Section 2.02 Delegation Parameters.** The 2020 Amendments shall not be executed by such Authorized Officer, until such time as the following conditions have been satisfied:

- (i) The fixed rate payable by the City, as amended, shall not be more than 2.50% with respect to the Wells Swap Agreement and not be more than 2.50% with respect to the BofA Swap Agreement; and

(ii) The settlement payment payable to the City, as a result of the foregoing change in the interest rates, exclusive of costs and expenses of the City incurred in connection therewith, shall be at least \$5,100,000 with respect to the Wells Swap Agreement and at least \$1,200,000 with respect to the BofA Swap Agreement; and

(iii) The 2020 Amendments shall be entered into by the City with a trade date on or before December 31, 2023.

The Authorized Officer may rely conclusively upon the Financial Advisor for a determination that the City has complied with the conditions above and execution by such officer of the 2020 Amendments to be conclusive evidence of such approval. Either or both (or neither) of the BofA Confirmation or the Wells Confirmation, that satisfies the delegation parameters set forth in Section 2.02, are authorized to be entered into as provided herein.

The 2020 Amendments described herein shall relate only to the applicable 2020 Confirmations and shall not affect any other transactions of the City with the 2020 Swap Providers or other parties.

### **ARTICLE III FORWARD SWAP**

**Section 3.01 Authorization of Forward Swap Documents; Delegation.** The Forward Swap shall be used to moderate interest rate fluctuations with respect to the expected issuance of the 2023 Bonds, bearing interest at a fixed rate and the proceeds of which when issued will be used to finance capital projects of the System, including, but not limited to the projects listed on Exhibit "A" attached hereto, all in accordance with term sheet attached as Exhibit "B" hereto and subject to the delegation parameters set forth in Section 3.02.

The General Manager, the Chief Financial Officer or other Authorized Officer, each are individually, upon the advice of the Financial Advisor, authorized and directed to conduct a negotiated bid of the Forward Swap with Qualified Hedging Contract Providers which have outstanding Qualified Hedging Contracts or with TD Bank, N.A. (or an affiliate thereof), to select the successful bidder, to enter into the Forward Swap, to complete the negotiation of the Forward Swap Confirmation and deliver all other documents necessary to effectuate one or more interest rate hedges thereunder that will provide for a cash settled forward rate swap, subject to the delegation parameters in Section 3.02. If the successful Forward Swap Provider has an existing Qualified Hedging Contract the Forward Swap shall be issued under the existing Forward Swap Documents for such Forward Swap Provider. If the successful Forward Swap Provider shall be TD Bank, N.A. (or an affiliate thereof), the Authorized officer is, authorized to negotiate the terms of the Forward Swap Documents, including the Credit Support Annex, Dodd Frank Protocols and other documents necessary to effectuate the Forward Swap, secured in a manner similar to those with the existing Qualified Hedging Contract Providers which have outstanding Qualified Hedging Contracts and to determine such other matters, including the amortization schedule, and percentage of the index which the swap counterparty shall pay, execution of the Forward Swap Documents to be conclusive evidence of such approval. Such officers, or either of them, are further authorized to negotiate and execute the Forward Swap Confirmation and other documents necessary or related to effectuate the Forward Swap, and to take such further action, all as may be necessary or desirable

to effectuate the Forward Swap, provided in each case that the parameters described herein are satisfied.

Amounts received by the City upon the termination of the Forward Swap are expected to be applied to reduce the principal amount of the 2023 Bonds when issued.

**Section 3.02 Forward Swap Delegation Parameters.** The Forward Swap Confirmation and Forward Swap Documents, as applicable, shall not be executed by the Authorized Officer and the Forward Swap shall not be effectuated, until such time as the following conditions have been satisfied:

(i) The notional amount of the Forward Swap shall not exceed \$75,000,000; and

(ii) The mandatory early termination date of the Forward Swap shall be no later than December 31, 2023, but may be terminated earlier at the option of the City; and

(iii) The termination value of the swap shall be based on (a) a fixed rate payable by the City under the Forward Swap of not to exceed 6.00%; and (b) a floating interest rate based on the Secured Overnight Financing Rate Index, or such other comparable index as shall be recommended by the Financial Advisor; and

(iv) The termination payments and other Hedge Charges due thereunder shall constitute Subordinated Hedging Contract Obligations for purposes of the General Bond Resolution; and

(v) The Forward Swap shall be entered into by the City with a trade date on or before September 30, 2023.

The execution by such officers of the Forward Swap Documents, as applicable and Forward Swap Confirmation to be conclusive evidence of such approval. Notwithstanding anything to the contrary herein, if the Authorized Officer determines that due to market conditions it is not in the best interest of the City to issue the 2023 Bonds, it may negotiate with the Forward Swap Provider to extend the termination date for up to 180 days from the original termination date and to pay any associated costs from legally available Revenues. The distribution of the term sheet to swap counterparties for the Forward Swap, in substantially the form attached as Exhibit "B" hereto, with such changes as shall be recommended by the Financial Advisor and approved by the Authorized Officer, is hereby approved.

## **ARTICLE IV 2017 TRANSACTIONS**

**Section 4.01 Authorization of Amendments to 2017 Confirmations; Delegation.** The General Manager and the Chief Financial Officer or other Authorized Officer, each are individually, upon the advice of the Financial Advisor, authorized and directed to negotiate with the 2017 Swap Providers and, subject to the delegation parameters set forth in Section 4.02, to execute and deliver, amendments to the 2017 Confirmations or to amend and restate the 2017 Confirmations, and such other documents as may be required in connection therewith (collectively,

the "2017 Amendments"), pursuant to which the City would amend the notional amounts under the 2017 Confirmations to eliminate any payment obligation of the City for the period during which the 2017/ 2020 Bonds are expected to bear interest at a fixed interest rate, and in return to receive an upfront payment from the 2017 Swap Provider(s) with respect to such 2017 Confirmation that is amended. Amounts received by the City from the 2017 Amendments are expected to be applied to pay principal on the 2017/ 2020 Bonds and costs of capital projects of the System. The General Manager and the Chief Financial Officer or other Authorized Officer, each are individually, based on the advice of the Financial Advisor, authorized to amend the 2017 Confirmations to adjust the notional amounts such that it remains approximately equal to the amount of the 2017/ 2020 Bonds expected to be outstanding when the corresponding hedge payments resume.

The City hereby reaffirms the grant of a lien on the Trust Estate (as defined in the General Bond Resolution) to secure the City's obligations under the 2017 Transactions as Parity Hedging Contract Obligations in the manner and to the extent provided in the General Bond Resolution. In furtherance of the foregoing, the obligations of the City to make monthly payments under interest rate hedging transactions entered into pursuant to the 2017 Swap Agreements and the 2017 Confirmations, as amended, have been and shall continue to be designated as Parity Hedging Contract Obligations under the General Bond Resolution and shall continue to be entitled to the rights and benefits of such obligations thereunder, and the obligations of the City to make any termination payments and any other Hedge Charges under the 2017 Transactions are and will continue to be designated as Subordinated Hedging Contract Obligations under the General Bond Resolution, entitled to the benefits thereof on a parity with other obligations issued or incurred by the City under the Subordinated Bond Resolution.

**Section 4.02 Delegation Parameters.** The 2017 Amendments shall not be executed by the Authorized Officer, until such time as the following conditions have been satisfied:

(i) The settlement payment to the City, as a result of the 2017 Amendments, exclusive of costs and expenses of the City incurred in connection therewith, shall be at least \$1,300,000 with respect to the Citi Confirmation and \$2,700,000 with respect to the GS Confirmation; and

(ii) The notional amount on the swap shall be reduced to zero (0) dollars for a period of not to exceed four years from the trade date of the amendment and during such time, except for the settlement payment referenced in clause (i) above there shall be no recurring payments required to be made by either the City or the applicable 2017 Swap Provider; and

(iii) The 2017 Amendments shall be entered into by the City with a trade date on or before September 30, 2023.

The Authorized Officer may rely conclusively upon the Financial Advisor for a determination that the City has complied with the conditions above and execution by such officer of the 2017 Amendments to be conclusive evidence of such approval. Either or both (or neither) of the GS Confirmation or the Citi Confirmation, that satisfies the delegation parameters set forth in Section 4.02, are authorized to be entered into as provided herein.

The 2017 Amendments described herein shall relate only to the applicable 2017 Confirmations and shall not affect any other transactions of the City with the 2017 Swap Providers or other parties.

## **ARTICLE V CERTAIN FINDINGS AND DETERMINATIONS; ADDITIONAL AUTHORIZATIONS**

**Section 5.01 Certain Findings and Determinations.** The City hereby finds and determines that:

(a) The factual recitals set forth in the recitals of this Resolution are hereby incorporated in this section as findings as if expressly set forth herein.

(b) The General Bond Resolution has been duly adopted and is in full force and effect.

(c) The City has determined, after detailed analysis of risk factors and mitigates, and after consultation with its Financial Advisor, that each of the 2020 Amendments, Forward Swap and 2017 Amendments are necessary to properly manage the City's resources to effect the lowest possible costs combined with prudent management of the utilities, and the best possible method for moderating interest rate fluctuations, reducing interest costs and financing capital costs of the System.

## **ARTICLE VI MISCELLANEOUS**

**Section 6.01 Further Authority.** The Mayor and Clerk, the General Manager, the Chief Financial Officer, or their respective designees (each an "Authorized Officer" and collectively, the "Authorized Officers"), and the City Attorney, are authorized and empowered to execute and deliver or cause to be executed and delivered the 2020 Amendments, the 2017 Amendments, the Forward Swap Confirmation and Forward Swap Documents, as applicable and such other documents and opinions and to do all such acts and things as may be necessary or desirable in connection with the adoption of this Resolution and the execution and delivery of the 2020 Amendments, the 2017 Amendments, Forward Swap Confirmation, and Forward Swap Documents, as applicable, for the full punctual and complete performance of all the terms, covenants and agreements contained herein and in the 2020 Confirmations, Amendments, 2017 Confirmations, 2017 Amendments, Forward Swap Confirmation and Forward Swap Documents, as applicable and the Clerk is authorized to attest such signatures to the extent required by the 2020 Amendments, the 2017 Amendments, the Forward Swap Confirmation, and Forward Swap Documents, as applicable subject to the approval of the City Attorney as to form and legality. The Authorized Officers, or their respective designees, the Clerk and the City Attorney are each authorized and directed to execute and deliver any and all papers, instruments and opinions and to do and cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated hereunder.

**Section 6.02 Severability.** If any one or more of the covenants, agreements or provisions of this Resolution should be held contrary to any express provision of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or shall for any reason



whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed separate from the remaining covenants, agreements or provisions of this Resolution.

**Section 6.03 No Third-Party Beneficiaries.** Except as herein otherwise expressly provided, nothing in this Resolution expressed or implied is intended or shall be construed to confer upon any person, firm or corporation other than the parties described herein, any right, remedy or claim, legal or equitable, under or by reason of this Resolution or any provision hereof, this Resolution and all its provisions being intended to be and being for the sole and exclusive benefit of the parties described herein.

**Section 6.04 Controlling Law; Members of Issuer Not Liable.** All covenants, stipulations, obligations and agreements of the City contained in this Resolution shall be deemed to be covenants, stipulations, obligations and agreements of the City to the full extent authorized by the Act and provided by the Constitution and laws of the State. No covenant, stipulation, obligation or agreement contained herein shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future member, agent or employee of the City in his individual capacity, and neither the members of the City nor any official executing the 2020 Amendments, the 2017 Amendments, the Forward Swap Confirmation or Forward Swap Documents, as applicable shall be liable personally on the 2020 Swap Agreements, the 2017 Swap Agreements, the Forward Swap, the Forward Swap Documents, as applicable or this Resolution or shall be subject to any personal liability or accountability by reason of the issuance or the execution by the City or such members thereof.

**Section 6.05 Effective Date.** This Resolution shall be fully effective immediately upon adoption.

*[Signature Page Follows]*

Passed and duly adopted in public session of the City Commission of the City of Gainesville, Florida on the 6th day of October, 2022.

CITY COMMISSION OF THE CITY OF  
GAINESVILLE, FLORIDA

ATTESTED:

By: \_\_\_\_\_

Lauren Poe

Mayor

By: \_\_\_\_\_

Omicelle Gainey

City Clerk

APPROVED AS TO FORM AND  
LEGALITY:

By: \_\_\_\_\_

Daniel Nee

Interim City Attorney

# EXHIBIT "A"

## LIST OF PROJECTS

Deerhaven 2 Boiler	3,515,000
Deerhaven Renewable Boiler	910,000
Kelly CT4 Gas Turbine	4,065,000
Deerhaven 1 Steam Turbine	765,000
Deerhaven CT3 Gas Turbine	1,245,000
Deerhaven 2 Regulatory Safety Environmental	765,000
Underground Main Line Improvements	3,670,000
Overhead Main Line Improvements	5,100,000
Distribution Substation Improvements	1,690,000
Transmission Substation Improvements	2,545,000
138kV Oil Circuit Breaker Replacement	2,950,000
Sugarfoot 15kV Breaker Replacement	714,680
Sugarfoot Transformer Replacement T102	5,775,000
Electric Vehicle Charging Stations	1,000,000
Solar Interconnection Tap Station	1,300,000
Poly B Replacement	3,330,000
Water Distribution Large Meters	1,445,000
Water Distribution Mains - Extensions	3,045,000
Murphree Water Treatment Plant - Wells	1,565,000
Murphree Water Treatment Plant - Water Treatment Equipment	3,480,000
Murphree Water Treatment Plant - Pumping Equipment	3,895,000
Murphree Water Treatment Plant - Structures & Improvements	3,080,000
Water Distribution Mains - System Improvements	4,325,000
Lift Station Upgrades	2,420,000
Wastewater Collection - New Cleanouts	2,500,000
Wastewater Collection - Force Mains Pipe Replacements	2,605,000
Wastewater Collection - Gravity System Projects - Pipe Replacements	2,860,000
Wastewater Collection - Gravity System Projects - New Development Extensions	991,000
Main Street Water Reclamation Facility - Treatment & Disposal Equipment	27,405,000
Kanapaha Water Reclamation Facility - Treatment & Disposal Equipment	2,170,000
Lift Stations - Pumping & Equipment	2,970,000
Wastewater Collection - Gravity System Projects - System Improvements	8,410,000
Wastewater Collection Force Main Projects - System Improvements	2,255,000
Wastewater Collection - Force Mains Projects - Extensions	1,745,000
Reclaimed Water Mains Projects - Inf. Wetlands	5,275,000
Install Residential Gas Services	400,000
Residential Meter Installations	805,000

EXHIBIT "B"

TERM SHEET

#178180949\_v6



## **DRAFT REQUEST FOR INTEREST RATE SWAP**

**pfm**

1735 Market Street  
43<sup>rd</sup> Floor  
Philadelphia, PA 19103  
215.567.6100

[pfm.com](http://pfm.com)

TO: Qualified Bidders  
FROM: PFM Swap Advisors LLC  
DATE: October [ ], 2022  
SUBJECT: Request for Interest Rate Swap

PFM Swap Advisors LLC ("PFMSA") has been authorized by Gainesville Regional Utilities ("GRU") to serve as swap advisor and QIR for GRU in arranging and bidding the following Interest Rate Swap (the "Swap"), in order to hedge the interest rate risk associated with the issuance of GRU's [2023 Bonds], expected to be issued on or around [June 15], 2023. GRU intends to procure the Swap through a competitive process by requesting all-in trading spreads to the Swap's indicative mid-market fixed rates from swap providers prior to finalizing documents and executing the Swap with the selected swap provider(s).

### **Hedged Bonds:**

### **[2023 Bonds]**

**Notional Amount:** [72,290,000] (subject to adjustment in accordance with the amortization schedule set forth under Appendix A)

**Trade Date:** TBD

**Effective Date:** [June 15], 2023

**Termination Date:** [October 1, 2053]

**Fixed Rate Payer:** GRU

**Fixed Rate Payment Dates:** Quarterly, on the 1st day of each month, commencing on [July 1<sup>st</sup>], 2023 and subject to adjustment in accordance with the Following Business Day Convention

**Fixed Rate:** TBD

**Fixed Rate Day Count Fraction:** 30/360



**Fixed Rate Period End** No Adjustment

**Dates:**

**Business Days:** New York

**Floating Rate Payer:** Counterparty

**Floating Rate:** USD-SOFR-COMPOUND x [80%]

**Compounding:** Compounding with 2 business days lookback

**Floating-Rate Day  
Count Fraction:** Actual/360

**Floating Rate Payer  
Payment Dates:** Monthly on the 1st day of each month starting on [May 1st], 2023 to and including the Termination Date, subject to adjustment in accordance with the Modified Following Business Day Convention and there will be no adjustment to the Calculation Period.

**Floating Rate Reset  
Date:** The last day of each calculation period

**Floating Rate Method  
of Averaging:** Inapplicable

**Business Days:** New York

**Optional Early  
Termination:** The Counterparty will grant to GRU the Option to early terminate and cancel the Swap, in whole or in part (on a pro-rata basis), on the Effective Date of Cancellation without payment of any Settlement Amount, breakage costs, or other amounts representing the future value of the Swap. Following any such early termination and cancellation, the parties shall be relieved of all further payment obligations hereunder on the terminated portion of the Swap except for payment of all accrued but yet unpaid amounts calculated to but excluding the Effective Date of Cancellation, if any.

**Effective Date of  
Cancellation:** [July 1], 2033



**Mandatory Early Termination**

1. Early Termination:

Mandatory Early Termination: Applicable

2. Settlement Terms:

Mandatory Early Termination Date: [June 15], 2023

Business Day Convention for  
Mandatory Early Termination Date: Following

Cash Settlement Valuation Time: 11:00 a.m. New York time

Cash Settlement Valuation Date: Two (2) Business Days before  
the Mandatory Early  
Termination Date

Valuation Business Days: New York and London

Cash Settlement Method: Collateralized Cash Price

Cash Settlement Currency: USD

Cash Settlement Reference Banks: As defined in the Definitions

Quotation Rate: Mid

3. The cash settlement payment shall be a Subordinated Hedging  
Contract obligation under the Bond Resolution.



## APPENDIX A

### Notional Principal Amortization Schedule\*

<u>From and Including</u>	<u>To but Excluding</u>	<u>Applicable Notional Amount</u>
15-Jun-23	1-Oct-48	72,290,000
1-Oct-48	1-Oct-49	63,620,000
1-Oct-49	1-Oct-50	54,517,500
1-Oct-50	1-Oct-51	44,962,500
1-Oct-51	1-Oct-52	34,927,500
1-Oct-52	1-Oct-53	17,890,000
1-Oct-53		0