1 A bill to be entitled 2 An act relating to the City of Gainesville, Alachua 3 County; amending chapter 12760, Laws of Florida (1927), as amended by chapter 90-394, Laws of Florida; 4 5 repealing section 3.06, relating to the general 6 manager for utilities; creating the Gainesville 7 Regional Utilities Commission, a regional independent 8 utilities commission, and prescribing its authority; 9 repealing applicable existing and conflicting charter 10 provisions and ordinances; providing a ballot 11 statement; requiring a referendum; providing an 12 effective date. 13 14 Be It Enacted by the Legislature of the State of Florida: 15 Section 3.06 of Article III of section 1 of 16 Section 1. 17 chapter 90-394, Laws of Florida, is repealed. Section 2. Article VII is added to chapter 12760, Laws of 18 19 Florida (1927), as amended by chapter 90-394, Laws of Florida, 20 to read: 21 22 ARTICLE VII GAINESVILLE REGIONAL UTILITIES COMMISSION 23 24 7.01 Establishment.— 25 There is hereby created and made a part of the 26 government of the City of Gainesville ("city"), a regional

Page 1 of 22

independent utilities commission to be known and designated as the "Gainesville Regional Utilities Commission," ("utilities commission") which shall consist of five voting members. For the purposes of this act, unless otherwise designated, the term "utilities commission" shall mean the Regional Utilities Commission of the City of Gainesville as a legal entity, organization, or governing body and the term "member" shall mean a member of the utilities commission. The term "utilities" shall mean, unless otherwise specified, the electric utility system, water utility system, wastewater utility system, reuse water utility system, natural gas utility system, communications utility system, and such other utility systems as are acquired in the future.

- (2) As specified in this article, the utilities commission shall be created and remain an independent, not-for-profit enterprise and municipal legal entity with plenary authority and shall be governed by an independent governing commission consisting of five appointed members who are to be appointed by the city commission in compliance with the provisions of this act. Further, the utilities commission shall remain a part of the government of the City of Gainesville. The utilities commission is owned by the citizens of the City of Gainesville.
- (3) The Regional Utilities Commission of the City of

 Gainesville is created with plenary authority for the express

 purpose of acquiring, constructing, operating, providing,

financing, and otherwise having complete authority with respect to utilities.

7.02 Commission voting members.—

- (1) (a) There shall be five voting members of the utilities commission, each appointed by a simple majority vote of the city commission to a 4-year term, with terms staggered as set forth in this article.
- (b) To qualify for appointment as a voting member, a
 person must:
- 1. Reside year-round within the utilities commission's electric service territory of the electric utility system.
- 2. Receive service as a customer of the utilities commission.
- 3. Possess, at a minimum, a 4-year baccalaureate degree from an accredited institution with a major area of study in public affairs, business, law, economics, accounting, engineering, finance, energy, or another field substantially related to the duties and functions of the utilities commission or, alternatively, be an owner of, or partner or officer in, a business with sales exceeding \$5 million in its fiscal year ended before the appointment.
- 4. Have not been convicted of a felony as defined by general law and have not been convicted under a plea of nolo contendere to any charge involving a felony as defined by general law.

Page 3 of 22

Each voting member must maintain these qualifications and representative obligations throughout the term of appointment and comply with other member requirements established in this article.

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- (c) In addition to these qualifications, each voting member must be a qualified elector of the City of Gainesville, except that:
- 1. At all times, a minimum of one voting member must be a qualified elector of Alachua County, appointed from the unincorporated area of Alachua County ("county").
- 2. The composition of the utilities commission shall be adjusted to reflect the ratio of total electric meters serving customers in the unincorporated area of Alachua County to total electric meters serving all electric customers based on the most recent annual information provided by the utilities commission to the city commission. For example, at such time as the ratio of total electric meters serving customers in the unincorporated area of Alachua County to total electric meters serving all electric customers reaches 40 percent, the city commission must appoint a second voting member from the unincorporated area of the county to serve the next term that would otherwise be served by a qualified elector of the City of Gainesville. If the ratio subsequently falls below 40 percent, the city commission must appoint a qualified elector of the City of Gainesville to serve the next term that would otherwise be served by a qualified elector from the unincorporated area of the county.

(d) The utilities commission shall have the power to make and adopt such rules and regulations, consistent with and not in violation of this act and applicable law, as it deems prudent for the management, administration, and regulation of the fiduciary, business, and other affairs of the utilities commission.

- (2) Each voting member shall be and remain qualified as stated within this act. Until January 1, 2020, no current or previous employee having been employed with the city after January 1, 2000, or with the county after January 1, 2000, nor current or previous elected or appointed officer or official of the city after January 1, 2000, or the county after January 1, 2000, shall become a member, except that a qualified voting member initially first appointed to the utilities commission in 2016 as provided for in this act shall be considered for subsequent reappointment provided that such individual remains otherwise qualified and chooses to be considered for reappointment. Further, no voting member who has been properly appointed for two full, consecutive 4-year terms shall succeed herself or himself.
 - 7.03 Voting member terms.-

(1) The city commission shall make initial utilities

commission member appointments within 90 calendar days after the approval of the referendum required by this act. The initial terms of office for the five appointed members shall commence at 12:01 a.m. on October 4, 2016. The said appointments called for

Page 5 of 22

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in this act and shall be as follows: one member will be designated to serve 1 year after the first Wednesday after said appointment in 2016; one member will be designated to serve 2 years after the first Wednesday after said appointment in 2016; one member will be designated to serve 3 years after the first Wednesday after said appointment in 2016; one member will be designated to serve 4 years after the first Wednesday after said appointment in 2016; and one member will be designated to serve 5 years after the first Wednesday after said appointment in 2016. Members subsequently appointed in each respective year beginning in 2017 will be appointed to and serve a full 4-year term. Members will normally hold office for 4-year terms commencing at 12:01 a.m. of the first Wednesday after the referendum anniversary day of the year in which they are appointed or until their successors in office are appointed or as may be provided elsewhere in this act.

- appointment session and fill any utilities commission voting member vacancy within 2 months after a permanent vacancy occurs on the utilities commission or becomes known by virtue of resignation, death, or removal in order to fill the remaining period of the vacant member term provided that such remaining term exceeds 3 months.
- (3) As provided for elsewhere in this article, a voting member may be removed from office as provided by law upon conviction of malfeasance or misfeasance as a member or while

Page 6 of 22

holding another public office or upon conviction of a felony. A voting member may also be removed for failure to maintain all voting member qualifications or for violation of a provision of this act or a provision of stipulated governance policies as may be subsequently adopted and enforced by the utilities commission.

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- 7.04 Utilities commission; initial meeting, organization, and oath.—
- The first appointed utilities commission shall (1)initially meet at the utilities commission's headquarters at 6:00 p.m. on the second Wednesday of October after the initial appointment of all members in 2016. The utilities commission shall meet at least once each month at the offices of the utilities commission or as otherwise may be determined. All meetings of the utilities commission shall be open to the public and minutes shall be kept of all meetings. The utilities commission shall have plenary authority to promulgate policies, rules, and regulations for the conduct of its meetings and the operation and management of its utilities. The initial meeting of the first appointed utilities commission and at each subsequent first regular meeting of the utilities commission after each regularly scheduled annual appointment occurs as specified in section 7.03 shall include an organizational agenda item during this organizational meeting in which the new utilities member shall be sworn by the Mayor of the City of Gainesville and the voting members shall elect a chairperson, a

Page 7 of 22

vice chairperson, and a secretary/treasurer from among its
voting membership.

(2) Before taking office for any term each member shall swear or affirm: "I do solemnly swear (or affirm) that I will support, honor, protect, and defend the Constitution and Government of the United States and of the State of Florida; that I am duly qualified to hold office under the Constitution of the State and under the Charter of the City of Gainesville, or the Charter of the County of Alachua; that I am a full-time city or county resident and customer within the electric service territory of the Regional Utilities Commission of the City of Gainesville; and that I will well and faithfully perform the duties and maintain the qualifications of a member of the Regional Utilities Commission of the City of Gainesville on which I am now about to enter."

7.05 Member compensation.—Each member shall be paid such salary as may change from time to time and shall be a salary of 60 percent each month of the salary of a city commissioner and include adjustments linked to the consumer price index, and necessary individual expenses incurred solely in carrying on and conducting the business of the utilities commission shall be paid in accordance with utilities commission policy and procedures and subject to the approval of the utilities commission. No supplemental benefits are provided for a member position.

7.06 Appointment of chief executive officer/general manager.—

- (1) The utilities commission shall have full and exclusive authority over the management, operation, and control, now or hereafter, over the city's utilities and shall employ and discharge all employees only through the chief executive officer/general manager ("CEO/GM") who directs and administers utilities functions under the policies and authority authorized solely by the utilities commission.
 - (2) A member shall not be selected as the first CEO/GM.
 - 7.07 General provisions.—

- (1) All business of the utilities commission shall be overseen by its members.
- (2) The utilities commission shall operate only as a municipally owned, cost-based, not-for-profit, and political subdivision of the state with no ad valorem taxing authority.
- (3) The utilities commission is comprised of voting and nonvoting members. Nonvoting members shall consist of the nondiscretionary utilities commission's CEO/GM at a minimum; additional discretionary nonvoting members consisting of other utilities commission staff executives with the concurrence of the utilities commission's CEO/GM; and external individuals who reside in the electric service area of the utilities commission and who are appointed and removed solely by the utilities commission. Such discretionary nonvoting members shall not exceed a total of three members at any given time and shall not

retain such appointments for more than 2 years, and such discretionary nonvoting members may only be designated as a member of the utilities commission for administrative participation purposes and serve only in the capacity as the utilities commission formally shall designate. Such discretionary nonvoting members may be reappointed once for no more than 2 additional years. Such discretionary nonvoting members shall receive no compensation for said service except for necessary individual expenses incurred solely in carrying on and conducting the business of the utilities commission only in the capacity the utilities commission has formally designated and in accordance with commission policy and procedures and subject to the approval of the utilities commission.

- (4) (a) Members may only be removed or suspended from office by the Governor, upon request by the utilities commission acting in accordance with general law and as specified by this act. Upon complaint or on its own motion, the utilities commission, by unanimous resolution specifying facts sufficient to advise a member as to the basis for the commission's action and after reasonable notice to the member and an opportunity for the member to be heard:
- 1. May request that the Governor suspend or remove a member for malfeasance, misfeasance, neglect of duty, habitual drunkenness, incompetence, permanent inability to perform official duties, or failure to maintain the qualifications established in this article.

Page 10 of 22

2. May request that the Governor suspend a member who is arrested for a felony or for a misdemeanor related to the duties of office or who is indicted or informed against for the commission of any federal felony or misdemeanor or state felony or misdemeanor.

- 3. May request that the Governor remove from office any municipal board member who is convicted of a federal felony or misdemeanor or state felony or misdemeanor. For the purposes of this subparagraph, any person who pleads guilty or nolo contendere or who is found guilty shall be deemed to have been convicted, notwithstanding a suspension of sentence or the withholding of adjudication.
- (b) Upon consideration of a written independent report prepared at the request of the utilities commission in relation to a matter for which the commission has requested suspension of a member, the utilities commission, by majority vote, may reinstate the member at any time before his or her removal.
- (c) The suspension of a member by the Governor creates a temporary vacancy during the suspension which shall be filled by a temporary appointment by the city commission for the period of the suspension, not to extend beyond the term of the suspended member. The temporary appointment shall be made in the same manner as provided in this article for the filling of a permanent vacancy.
- (d) If the member is acquitted or found not guilty or is otherwise cleared of the charges which were the basis of the

Page 11 of 22

arrest, indictment, or information by reason of which he or she was suspended, the Governor shall revoke the suspension and reinstate the member to office.

- (e) A member who is the subject of a proceeding to request suspension or removal or a proceeding to consider reinstatement under this paragraph may not participate in the utilities commission's deliberations, debate, or vote on the matter.
- (5) The private tangible and intangible property of any individual member of the utilities commission shall not be subject to the payment of, and no member of the utilities commission shall be individually responsible for, commission debts to any extent whatsoever.
- (6) (a) Any person who is or was an officer, executive, or member of the utilities commission and who is or was a party to any threatened, pending, or completed proceeding, by reason of the fact that he or she is or was an officer, executive, or member of the utilities commission legitimately acting in the course of his or her duties or is or was serving at the request of the utilities commission as an officer, executive, or member or agent of a corporation, company, partnership, joint venture, trust, or other enterprise shall be indemnified by the utilities commission to the full extent permitted by law against all expenses and liabilities incurred in connection with such proceeding, including any appeal thereof. Notwithstanding the foregoing, the utilities commission shall indemnify such person in connection with a proceeding initiated by that person only if

such proceeding was authorized by the utilities commission; provided, however, that the utilities commission shall indemnify such person in connection with a proceeding to enforce such person's rights under this provision. Such person shall also be entitled to advancement of expenses incurred in defending a proceeding in advance of its final disposition to the full extent permitted by law, subject to the conditions imposed by law.

- (b) Any indemnification or advance of expenses under this article shall be paid promptly, but within 30 calendar days, under any event after the receipt by the utilities commission of a written request therefore from the person to be indemnified, unless with respect to a claim for indemnification, the person is not entitled to indemnification under this provision. Unless otherwise provided by law, the burden of proving that the person is not entitled to indemnification shall be on the utilities commission.
- (c) The right of indemnification under this article shall be a contract right inuring to the benefit of the persons entitled to be indemnified hereunder and no amendment or repeal of this article shall adversely affect any right of such persons existing at the time of such amendment or repeal.
- (d) The indemnification provided hereunder shall inure to the benefit of the heirs, executors, and administrators of a person entitled to indemnification hereunder.

(e) The right of indemnification under this article shall be in addition to and not exclusive of all other rights to which persons entitled to indemnification hereunder may be entitled.

Nothing contained in this article shall affect any rights to indemnification to which persons entitled to indemnification hereunder may be entitled by contract or otherwise under law.

- governing authority and control of land, facilities, equipment, licenses, debt, funds, entitlements, or any other appropriate utilities activity exercised by the utilities commission under the authority of this act, the city commission and the city shall create such conveyance instruments, power of attorney, or other appropriate instruments as necessary for execution by and at the will of the utilities commission to be used in accordance with this act. Furthermore, the city commission and the city shall not encumber such conveyance by establishing conditions precedent or administrative requirements before or after the effective date of this article.
- (8) A special meeting with the city commission shall be held whenever called by the chairperson or if demanded by the city commission in writing and delivered to the secretary/treasurer.
- (9) The CEO/GM, through assigned staff, is responsible for providing an orientation and training program for new members which includes providing information designed to familiarize new members with the utilities commission's business and general

Page 14 of 22

industry; its strategic plans; its significant financial,
accounting, and risk management issues; its compliance programs;
its code of business conduct and ethics; its principal officers
and executives; its internal and independent auditors; and its
key policies and practices. This orientation is designed to be
conducted within a reasonable period of time after the meeting
at which new members are sworn. In addition to the orientation
program, staff management also will periodically provide
materials or briefing sessions for all members on subjects that
would assist them in discharging their duties. Commission
members are also encouraged to attend appropriate sessions or
programs and review materials relating to the responsibilities
of members of publicly owned utilities.

7.08 Powers and duties.-

(1) Consistent with the provisions and effective date of this act, such previous applicable utilities-related ordinances, policies, rates, fees, rules, regulations, budgets, and other provisions previously adopted under the Charter of the City of Gainesville are hereby considered as adopted, reenacted, or assumed by the utilities commission for transition purposes until such time that the utilities commission alone, through appropriate commission actions and resolutions, shall subsequently change, publish, and enforce such policies, rates, fees, rules, regulations, budgets, and other provisions and requirements stipulated by this act.

Page 15 of 22

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(2) Exercise the power of eminent domain to acquire property, except state or federal, located within Alachua County, and exercise the power of eminent domain outside the county where permitted by general law, for the sole purpose of locating electrical generating, transmission, or distribution facilities of any of its utilities; water production, treatment, transmission, and distribution facilities; and for a nonstated use by the utilities commission in the performance and exercise of any of its duties, rights, or plenary authority.

(3) Have the exclusive power and authority to bill and collect the prescribed fees or charges for all utilities and services rendered under its control and, when collected, the flow of funds shall be: first, the payment of all operating and maintenance expenses of said utilities; second, the funding of all commission discretionary or required reserves, including those established by revenue certificates previously issued by the city or said commission for projects under commission control, including the debt service payments of all such revenue certificates as the same become due; and, third, the payment to the general fund of the city from revenues of the utilities under the utilities commission's control a sum, after the effective date of this legislation, not to exceed 9 percent or to be less than 7 percent of the gross revenues. Said designated payments by the utilities commission to the city's general fund shall be made monthly. At the sole discretion of the utilities commission, any surplus, if any, may be paid to the general fund

Page 16 of 22

of the city after reserving an adequate fund for operation and maintenance expenses, capital improvements, and other contingencies as solely determined by the utilities commission.

- (4) Submit to the city a monthly statement showing all sums or amounts received, operating expenses, amount charged to depreciation and extensions, reserve fund and amount appropriated to interest, and sinking funds. The fiscal year of the utilities commission shall begin October 1 and end September 30 of each year.
- (5) Diligently enforce and collect all fees, rates, or other charges for the services and facilities of the utilities, and take all steps, actions, and proceedings for the enforcement and collection of such fees, rates, or other charges which shall become delinquent to the full extent permitted or authorized by the laws of the State of Florida.
- (6) Ensure that no entity of the city, county, or state, no elected city or county official, no officer or executive of the city or county, not the utilities commission, and no member may dictate any employment for commission positions or in any manner interfere with the independence of commission officers, executives, or employees in the performance of their duties.

 Except for the purpose of an inquiry for information or public records, the city commission or the Alachua County Board of County Commissioners and all of their members must communicate with the utilities commission solely through the utilities commission secretary/treasurer regarding commission business,

and the city commission, the Alachua County Board of County
Commissioners, any respective city or county commissioners, the
Gainesville Regional Utilities Commission, and members may not
give, either publicly or privately, any individual orders to or
interfere with any direct or indirect subordinates of the
CEO/GM, including staff officers and executives, employees,
contractors, consultants, or other agents.

- (7) Ensure that individual members are granted complete access to the utilities commission's management, any and all records and documents, and any and all transactions in accordance with law and subject to reasonable advance notice to the CEO/GM and reasonable efforts to avoid disruption to management, business, and operations. The utilities commission and each committee shall have access to any independent legal, financial, or other advisors, as they may deem necessary in their sole discretion. However, inquiry and information requests considered by the CEO/GM as excessive or interfering with an employee's or work unit's performance of its duties may be presented to the chairperson for mediation before filing a formal interference complaint by the CEO/GM with the utilities commission.
- (8) Ensure that the utilities commission does not, in any manner, dispose of or agree to sell or convey the utilities commission's used and useful assets exceeding 5 percent of the respective individual utility's total assets, using depreciated

Page 18 of 22

book value, unless the utilities commission does so with the prior approval of a simple majority vote of the city commission.

- (9) Ensure that to the full extent permitted by law, the city will not grant, cause, consent to, or allow the granting of any franchise or permit to any person, firm, corporation, body, agency, or instrumentality whatsoever, for the furnishing of services which will compete with those of the utilities commission. No discriminatory franchise, right-of-way, license, permit, tax, or usage fee shall be levied upon the utilities commission or its utilities by the city or by the county unless provided by general law.
- indirectly, any free utilities, subsidies, sponsorships, grants, contributions, donations, free services, or in-kind services of any nature from the utilities or commission, nor will any preferential rates be established for users of the same class; the utilities commission and the city or county, including its departments, agencies, and instrumentalities, shall use the services provided by the utilities commission within the utilities commission's service areas, or any part thereof, and the same rates, fees, or charges applicable to other customers receiving like services under similar circumstances shall be charged to the utilities commission and the city or county and any such department, agency, or instrumentality. Such charges shall be paid as they become due. The revenues so received shall be deemed to be revenues derived from the operation of the

utilities and shall be deposited and accounted for in the same manner as other revenues derived from such operation of the utilities.

- authority, laws, ordinances, resolutions, and administrative regulations, interpretations, franchises, and controls directly and indirectly affecting and controlling said utilities are hereby conveyed to and exclusively vested within said commission and its respective governance and authority as contained herein. All rights, claims, actions, orders, and legal or administrative proceedings involving the utilities commission immediately prior to the effective date of this act shall continue, except as modified pursuant to the provisions of and plenary authority granted by this act.
- a code of business conduct policy which shall be reviewed at least biennially. Such policy and code shall be adhered to in accordance with this act and any additional adherence requirements which may subsequently be approved by the utilities commission. Members, as well as all officers, executives, and management and supervisory employees, shall each acknowledge annually in writing their compliance with the utilities commission's Code of Ethics and Business Conduct. Any waiver of this requirement for a member, said officer, said executive, or said employee shall only be granted unanimously by vote of the full commission. Any member of the utilities commission who

Page 20 of 22

requests a waiver may not participate in the deliberations, debate, or vote on the request.

- (13) Ensure, except as otherwise specifically provided in this act, that the rights or privileges, if any, of persons who were city utility employees immediately before the effective date of this act are not affected or impaired.
- Section 3. (1) SEVERABILITY.—Headings and sections of this act are not intended to be construed, limiting, or interpreted in isolation from each other. If any word, phrase, clause, paragraph, section, or provision of this act or the application hereof to any person or circumstance is held invalid or unconstitutional, such finding shall not affect the other provisions or applications of this act which can be given effect without the invalid or unconstitutional provisions or application, and to this end the provisions of this act are declared severable.
- (2) TRANSITION.—In order to provide for the transitional administrative needs and orderly compliance with the provisions in this act, upon the effective date of this act, utility commission functions as described in section 7.08(5) are authorized and shall continue until amended, changed, or repealed by the utilities commission. The chairperson and secretary/treasurer are authorized, upon their respective appointment by the utilities commission, to execute documents required for the transition as may be appropriate or otherwise determined by the utilities commission and to provide required

542 direction and administration of utilities functions for up to 60 543 calendar days during such time as the selection of the CEO/GM or 544 a conservator/CEO/GM, interim/CEO/GM, or temporary/CEO/GM is in 545 process as provided in section 7.06 of the charter. (3) 546 CONFLICT WITH LAWS.—All laws or parts of laws in 547 conflict with this act are repealed. City of Gainesville and 548 Alachua County Charter provisions, ordinances, resolutions, 549 decrees, or parts thereof, in conflict herewith are to the 550 extent of such conflict hereby also repealed. 551 Section 4. The referendum question shall be posed as 552 follows: 553 Shall the Charter of the City of Gainesville be amended by 554 creating the Gainesville Regional Utilities Commission, a 555 municipally owned, independent, appointed, and representative 556 commission? 557 Yes 558 No 559 Section 5. This act shall take effect only upon its 560 approval by a majority vote of those qualified electors of the 561 City of Gainesville voting in a referendum to be held in 562 conjunction with the next presidential preference primary 563 election to be held in Alachua County, except that this section 564 and section 4 shall take effect upon becoming a law.

Page 22 of 22