

MINUTES OF A JOINT MEETING OF THE CITY COMMISSION OF THE CITY OF FORT PIERCE, THE ST. LUCIE COUNTY BOARD OF COUNTY COMMISSIONERS, AND THE FORT PIERCE UTILITIES AUTHORITY BOARD, HELD IN THE ST. LUCIE COUNTY COMMISSION CHAMBERS, 2300 VIRGINIA AVENUE, FORT PIERCE, FLORIDA, AT 2:00 P.M. ON THURSDAY, MARCH 2, 2006.

County Chairperson Doug Coward called the meeting to order.

Upon Roll Call, those present for the St. Lucie County Board of County Commissioners were: Chairperson Doug Coward; County Commissioners Christopher Craft, Frannie Hutchinson, Paula Lewis, and Joseph Smith; County Administrator Doug Anderson; and County Attorney Dan McIntyre. Those absent: None.

Upon Roll Call, those present for the Fort Pierce City Commission were: Mayor Robert Benton; City Commissioners Rufus Alexander, Edward Becht, Christine Coke, and R. Duke Nelson; City Manager Dennis Beach; City Attorney Robert Schwerer; and City Clerk Cassandra Steele. Those absent: None.

Upon Roll Call, those present for the Fort Pierce Utilities Authority were: Chairman Robert Summerhays, Vice Chairman Thomas Perona, Secretary Darrell Drummond, Deputy Secretary Pam Cully, Mayor Robert Benton; Executive Director Elie J. Boudreaux; FPUA Attorney Rupert N. Koblegard. Those absent: None.

The purpose of the Special Joint Meeting was to discuss Regionalization of Water Supply and Wastewater Treatment; and to discuss Relocation of Sewage Treatment Plant from Hutchinson Island.

County Chairman Doug Coward said at this time he will hand the meeting off to the Vice Chairman of the County Commission, Commissioner Craft, who has served as the Board's liaison to the Utility Task Force.

County Commissioner Craft said first of all he would like to thank everyone for over the past few months that has taken the time to meet with them. He believes they have met with every member except for Mrs. Cully. He forgot, it is his fault, he messed up. They were asked early on last year to see if they could come up with some sort of regional approach to their water and wastewater issues here in St. Lucie County. All three entities agreed to set up a task force that was made up of himself, Mr. Anderson from the County, Eddie Becht, Dennis Beach, Darrell Drummond, and Bud Beaudreaux from the UA. Mr. Drummond said they were moving to fast for him so he asked for a marathon runner to fill his spot and Tom Perona stepped up to the plate. They spent time speaking with everyone in trying to address the concerns that have come up in the past as to their utilities, water and wastewater, and what is it that ultimately they want to achieve. He thinks they have all agreed that they would like to see a regional approach to their water and wastewater so they could better manage their natural resources. They are going to go through a presentation that they have put together here. (Mr. Craft showed slides during his presentation.) By the way this was a unanimous support for this. This isn't really a plan, it is kind of an overview and a suggestion and recommendation. There is obviously a lot more detail that has to be worked out with this if the three entities decide to move forward. The first thing they did, they wanted to set up a Mission Statement: To provide the highest standard of service in meeting the water and wastewater needs of the citizens of St. Lucie County and Ft. Pierce at the lowest possible cost. As they go through this, he would really like to have conversation. If there is anything that they would like to address while they are

on that topic, let's deal with it then as opposed to trying to get through the end of the presentation and going back through it. Then they established some Goals. They wanted to find a comprehensive approach to water management that is beneficial to all three parties and their constituents - FPUA, City of Ft. Pierce, and St. Lucie County. They also wanted to find a cost effective way to relocate the South Hutchinson Island Wastewater Reclamation Plant to the mainland and maximize the use of reclaimed water, which they don't do a very good job of at the moment. They wanted to ensure the availability of an adequate supply of water for all uses deemed reasonable and beneficial, and to maintain the functions of our natural systems and the overall present level of surface and groundwater quality. This was put in by South Florida Water Management District (SFWMD). The reason for a regional approach is to do exactly that, it is to better manage that natural resource and groundwater. Additional goals, to identify the sources of water and funding to meet the needs of all reasonable-beneficial uses within St. Lucie County planning area through the year 2025, to meet one-in-ten drought probabilities, while sustaining the water resource and related natural systems. South Florida Water Management District also put that in, that is their goal. What is their Objectives? One, to manage water resources on a regional scale such that it is beneficial to the resource, and the citizens of St. Lucie County and Ft. Pierce. Two, to conserve water and develop alternative water supplies to reduce the dependency on drought susceptible water sources. And that goes back to the reclaimed reuse water. Three, to protect and enhance the water quality of the St. Lucie River and Estuary and Indian River Lagoon through effective management of water resources. Now here is where things starts to get a little bit complicated. They are trying to assess today's situation and then determine where they want to go. Assessing the cost of relocating the South Hutchinson Island Wastewater Reclamation Facility. FPUA has already done that. Can someone give him an idea of the cost that CH2M Hill came up with to relocate the wastewater plant? He thinks it is \$120 million.

Mr. Elie J. Boudreaux, Director of Fort Pierce Utilities, said higher.

FPUA Chairman Summerhays said it is higher than that. His memory is about \$160 million, but it is tax season and he doesn't remember much.

County Commissioner Craft said Mr. Boudreaux keeps saying higher, higher, higher.

FPUA Chairman Summerhays said he is probably right.

Mr. Boudreaux said he thinks the high end was about \$300 million and the low end was around \$200 million; and that was depending on a lot of things, like when do they start and how big of an area are they serving with that system.

City Commissioner Becht said the other variables that are in that, if he read the report correctly, include replacing an older system with brand new facilities. And they couldn't duplicate what is over there now because they have to meet current codes. What he had wanted to ascertain from the report is not able to be ascertained from the report; which is, what would it cost to just decommission the plant? And that is not a number that is easily grasped or ascertained. So the numbers they are getting are

decommissioning an old plant and creating two new plants in two different areas in the County. And then the numbers vary depending when they create additional capacity. The upwards of \$300 million is where he thinks they create two 15 million gallons per day capacity in two different locations of the County. So it is not apples to apples. That number should not be, and he would try to impress on them, not to associate a \$300 million figure for just relocating the wastewater treatment plant. It is a combination of things. It is decommissioning that plant, creating state of the art facilities. And again, the upwards number of \$300 million is a huge almost tripling of the capacity that the plant on the island has right now.

City Commissioner Nelson said he is talking about decommissioning one and building two?

City Commissioner Becht said everything is open for discussion. And that decision - not to be rude here, he is very grateful that all of them are gathered here today - but that is a question that would be left to the engineers to try and figure out what is the best system that will service the projected needs of hopefully FPUA and the County, if they can get the County and the FPUA and the City together on this. So the current concept, and they really almost have the cart before the horse, is to create two different plants - one on Selvitz Road, because that is already mostly permitted if not fully permitted, and then another one in north County, which accommodates some County concerns near the airport and there has been some movement on that he thinks already. So all of this is in concept. And rather than having the politicians here trying to figure out where they are going to go and what they are going to do, his goal is to put the utilities back where it belongs, which is the hands of engineers. Again, he believes they have a lot more to go on here before they get into that discussion. He just wanted to point out the numbers they have been given are more than just decommissioning the plant. If they had another way of handling sewage and they just shut the thing down, the number is going to be less than \$60 million. The numbers they have obtained encompass maintaining a viable wastewater treatment facility at the same time and putting it in state of the art condition.

County Commissioner Lewis said not to quibble with the picture as he is presenting it, but wouldn't the plant in the Midway Road/Selvitz Road area, wouldn't that go on whether this other plant were moved or not? Isn't that something they need to meet capacity?

City Commissioner Becht said that's one of his points.

County Commissioner Craft said that is one of the points that he is making is that the UA is already in the process of replacing or adding additional capacity to the system. So now they are just trying to take a look at the balance. What additional capacity do they need to handle today's use with also making and building the plants so they are expandable to tomorrow's use, and have the developers obviously pay their way on as they come on board.

County Commissioner Lewis said she just wants to make sure she has the dimensions firmly in mind. Whatever happens to the South Hutchinson Island Plant, they need a new one.

County Commissioner Craft said absolutely.

City Commissioner Becht said the FPUA, he doesn't want to speak for them all day, but as he understands that in order to stay ahead of the demand - which is nice, they have seen what has happened with St. Lucie West - so in order to stay ahead of the curve, that plant is well underway, he doesn't know if it is permitted or not, the Glades Road facility.

FPUA Chairman Summerhays said no, the engineering is underway.

County Chairman Coward said just one quick question. To put into perspective, the two 15 million gallon a day facilities, is that what he said?

City Commissioner Becht said he is quoting from a report that he read over a month ago, and he can't remember what he ate for breakfast.

County Chairman Coward said he is just trying to put that in perspective relative to the size of the existing...

County Commissioner Craft said 10 mgd.

County Chairman Coward asked so they are going to go from 10 mgd to 30 mgd?

County Commissioner Craft said that is one of the things that Commissioner Becht was saying, is that they need to back off that number a little bit to get a real true number of what it costs to actually just replace the existing capacity today. That is the goal of the UA.

County Chairman Coward said he is just trying to compare what there as opposed to the conceptual idea.

FPUA Chairman Summerhays said that study was a maximum amount as projected by CH2M Hill. It is unlikely... They are not talking about that immediately right out of the blocks, that is something that would be phased into.

County Commissioner Craft said they need to talk about the funding sources for that as they go on through this a little bit later. The next point is, and he thinks this one everyone around the table can agree to, is that their current Interlocal Agreement can be improved. That is today's situation. They don't have a regional approach to their water resources planning or management. They are competing users for the same resource, it is not cost effective nor is it efficient use of their resource. There is no regional plan to conserve or develop alternative water supplies, i.e. reclaimed water. Now the UA is addressing some of that with the Selvitz Plant, using some of the reclaimed water from that facility to help cool the power plant they are putting on line.

FPUA Chairman Summerhays said actually it is on Glades Cut-Off.

City Commissioner Alexander asked when they speak of regional, are they just including the regional within the St. Lucie County boundaries, or are they expecting to go beyond the County?

County Commissioner Craft said Commissioner Becht keeps beating him over the head and saying babysteps. Until they are of equal size of some of the larger entities that are in their region, they are not going to be able to get them on the same page to play ball with

them. What their goal is, is to work towards regionalizing theirs; and then once they reach a certain level, then it is going to make it much more appetizing for the City of Port St. Lucie, Indian River County, some of other folks to come into this plant. And South Florida Water Management District is really excited about hearing that that's ultimately where they want to be.

City Commissioner Alexander said he's just making sure they clarify the word regional and that is multiple.

County Commissioner Craft said they are talking about City of Fort Pierce and unincorporated St. Lucie County.

City Commissioner Becht said for right now. In an earlier meeting Commissioner Alexander asked why isn't Port St. Lucie there? And they heard him. SFWMD has invited Port St. Lucie and they have asked staff to invite them. And he doesn't think that what they are trying to do is really of any interest to Port St. Lucie at this point in time, they have their own basket of problems that they are trying to deal with; so they are less interested today in sitting down with them and talking about regionalization. As Commissioner Craft just said, if they get to the point where they are a large sole provider, they have combined, then he thinks that not only will they be talking to Port St. Lucie, but if SFWMD has its way or if the demographics go where they are going, they are going to be talking to Okeechobee and they are going to be talking to Indian River County. Because there is only so much water to go around and they are going to have to share it.

City Commissioner Alexander said he just wanted to clarify regional. Regional, that means South Florida entirely?

City Commissioner Becht said today regional means County, the folks that are sitting at this set of tables. Tomorrow's regional he would expect would be much larger. But it does take the baby step of getting them on the same page before they can do that.

County Commissioner Craft said to that point, Mr. Boudreaux was a part of Tampa when they regionalized over there; and through Southwest Florida Water Management District, they were able to get \$180 million from the State to help them with that approach. That is really important. This is probably the most important bullet for him. When he came to this realization, he thinks it helped him make strides forward in this process. The FPUA has no guarantees on future service areas of unincorporated St. Lucie County under their existing plan, under their existing Bulk Water Agreement with FPUA. He believes the County currently has a 5-year notice in to build their own facility, so that is use the UA is not getting, so they are not going to be able to plan for it. The County also has the ability to write a 15 year out clause. They can write them a note saying they are going to eliminate or they are not going to no longer be using their bulk services in 15 years. So there is no guarantees. And also, at the end of the 30 years that the contract is for, the County can potentially get all that capacity back and they will leave the UA sitting there with a bunch of capacity and no customers to service. Once they started talking to Mr. Boudreaux about what they were trying to achieve here, he understood the goal and he appreciated the goal; and that is when Mr. Boudreaux included the CH2M Hill study to include a location in north County. Because then, if they were able to move forward with the approach they are getting ready to get into, what they are going to suggest is it allows the UA to really plan, it gives them

a guarantee of future customer service knowing that the County is not going to take that customer service away from them in the future. Today's situation - and Commissioner Becht alluded to this earlier - they have an aging poorly located wastewater treatment plant that could potentially impact the lagoon. That is not a big surprise. The thinks everyone around this table, that is one point they can all agree on, is that they would love to get rid of that from the island. And this is kind of a harsh statement - St. Lucie County Utilities has one of the highest rates in the region. They do. And they also have through an MSBU one of the lowest on the island in a very small area. So what they are looking at is possibly a global approach. The Task Force took and looked at all of today's current situations and they met with everyone around here and the took the information from them and they moved forward to a list of recommendations. He said in this Chambers about 10 or 11 months ago that he would not use the word merger. So he had to look in his thesaurus and see if there was another word he could use. And they call it consolidated. So they are looking at consolidating both utilities. Roll all the County utilities into the UA. The UA is already an established utility authority. The make-up for the Board, including County representation, can be determined at a later date. And that could be done in many different ways. That could be giving the County representation weighted votes for any of their projects that are in the unincorporated areas. It could be made up of a higher level of representation. But what they would really like, if they decide to move forward, is to bring a consultant in who can negotiate with all three parties and see what they can get to the position that makes the most sense for all of them. The FPUA would assume the debt service of St. Lucie County Utilities.

City Commissioner Nelson asked they envision the UA taking on the debt service of the County?

County Commissioner Craft said yes, they are going to take over the whole utilities.

City Commissioner Nelson asked does he have any idea what the debt service of the County is at this time?

County Commissioner Craft said all of that would be determined. He thinks he knows a roundabout number, but he thinks all that...

City Commissioner Becht said they have received the revenue, not projections, but the actual revenue from St. Lucie County Utilities for last year. And their revenue, which included even some capital improvements, exceeded their expenses. So there is enough money flowing through their current customers to incorporate the debt service, the employees, and every thing else in a fashion that they would say can be made more efficient when these three Boards agree there is some consolidation of services. Currently, it is marginally profitable and they think it will be more profitable or perhaps they can adjust rates. But again, that is not something that is done on a politician level, it is done on a level where the engineers and the consultants come in and say it can be done. But there is more than enough revenue just from the St. Lucie County resources to pay their existing debt service. Which he thinks is the question Commissioner Nelson wanted answered.

City Commissioner Nelson said that is good. As long as it doesn't come out of their pockets.

County Commissioner Craft said he wouldn't want that to happen either. In return, the FPUA would pay a 6% gross receipt transfer fee, which is the same fee that the City receives now. They receive that on electric as well as their utilities. And also there is one part of this that they haven't figured in, is there is also a fee that they would be getting for the reclaimed water that they would be selling as well. FPUA would expand its reclaimed water program, including servicing customer in the unincorporated areas as approved by the BOCC.

City Commissioner Becht said he wants him to stop there, because he has some discussion - and he is going to hit this head on - concerning the issue of control. The issue of control of the development in the County is and always will be controlled by the County. The fact that FPUA may or may not be able to supply water, and whatever they want to call the new entity, if there is going to be a new entity, would be decided by a Board that would be comprised of a mix that will be figured out later. But as the projects are approved or not approved, those projects are going to be approved by the Board of County Commissioners. On that very issue, they added serving customers in the unincorporated areas as approved by the Board of County Commissioners, to reinforce the fact that their control is not diluted over those projects that are in their area.

City Commissioner Nelson said to a certain extent, the present UA is somewhat autonomous - they have their own Board, they make their own rules. And they at the City don't override anything they do except they approve their budget, of course, and they approve their rate increases. Are they contemplating having the County do something similar or different if and when they establish the new board that is going to govern the consolidated UA?

City Commissioner Becht said they have to get through whether they think this is a good idea to get to that issue. That issue got to be addressed. They are going to see later that the FPUA has to do a Charter amendment. And as that issue is addressed, then perhaps some of the other issues he is talking about, how is the County going to handle rate increases in the County and those kind of issues. But his goal would be to garner as much control as they can in the newly formed FPUA, so it is somewhat segregated from political influences, and still allow St. Lucie County control its development and allow Fort Pierce to control its development through the proper mechanism, which is zoning, rezoning, site plans, and that stuff. But Commissioner Coward had something he wanted to say.

County Chairman Coward said he wanted to follow up on the comment he had made about the control issue and that would be in the hands of the Board of County Commissioners as it relates to the development of the unincorporated county. And he knows the answer, but he just wanted to make it part of the record. He thinks that same safeguard needs to be there for the public to know that there is not going to be this new utility organization that can somehow supercede any Board action as it relates to growth management issues. Main issue he wants to make sure is that the utility is consistent with their growth management plans. So obviously that is where the Board control comes in.

County Commissioner Craft said absolutely.

City Commissioner Becht said absolutely, and now on record.

County Commissioner Craft said also, he wants to make a point because he is not sure that they put it in here. But the current annexation policy that they have, the box, stays in existence. He doesn't think that they discussed that in the presentation, but he knows they have talked about that there will still be an annexation box that the City of Fort Pierce can still use that as leverage for utilities.

City Commissioner Alexander said what he was speaking about, the FPUA would be paying the 6% transfer fees, that is for outside the box that he just talked about.

County Commissioner Craft said that is correct.

City Commissioner Alexander said so that is where their control is still with the Board of County Commissioners?

County Commissioner Craft said yes.

City Commissioner Alexander said okay, he is just trying to clarify what he is receiving. When they are speaking about control and continued control of the County Commission, that is outside the box.

County Commissioner Craft said yes.

County Chairman Coward said when Commissioner Becht was speaking, he thinks he used the phrase, FPUA may or may not be able to provide service. He is trying to think of a scenario where there would be development occurring that is consistent with the County Comprehensive Plan that got Board approval, would there be an instance where the utility could not provide service to that development?

City Manager Beach said it could be capacity related.

City Commissioner Becht said he can't answer the question. It would be capacity related.

FPUA Chairman Summerhays said it is possible that that situation could arise. But allow him point out to them the FPUA is an Enterprise Fund. It is basically a business that belongs to the citizens of the City of Fort Pierce and the City Commission appoints the Board of Directors. They are not going to turn down any situation where they can profitably provide services to an area that needs to be developed.

County Commissioner Craft said he thinks that is the same position that their utility company is in. They are not going to provide services for someone that is going to have to be paid for by the existing customer base.

County Chairman Coward said so there is language that would say that if it couldn't profitably be provided, then the developer would have to incur those costs. But they are going to get service, it is not going to be a scenario where they would not get service in an area for development to occur.

City Commissioner Becht said the County is doing an excellent job of extracting those funds out of developers as it is now. It would just be easier now to extract the monies, knowing that this is an entity that is in part controlled by the County and these are where

the lines are going go because this is the vision of the County for the County's area.

County Commissioner Craft said another advantage that St. Lucie County would have is they can depend on 32 years of experience of the Fort Pierce Utilities Authority. Service to the approved customers of the unincorporated areas of St. Lucie County. Additional advantages to consolidation for St. Lucie County is a direct voice from the BOCC on the Board of Directors of the FPUA. And again, the make-up of that Board what additions would be made to it whether it is one person, two persons, or three, they can determine that at a later point as they go through this process. And really probably the most important part of this is it takes the politics out of the utilities. And the second most important part is no more water wars. They spend too much money arguing with each other and fighting each other over their current agreement.

County Commissioner Smith said he'll ask the question, he's not sure if anyone else is wondering, but he heard a few times this afternoon, it takes the politics out of the utilities. There are some organizations that he is sure throughout the state who chose to have direct representation as in whether it is a City Council or the Commissioners actually run the utility themselves and they seem to be doing a pretty good business, rather profitable, things of that nature. If they could expound on the issue of the politics in the utilities and why is that such a bad thing?

City Commissioner Becht said he thinks their experience locally is that politics has been a problem to the efficient administration of utilities in this particular county. And not just those at this table, but they have some friends down in Port St. Lucie that it had made it difficult. The numbers he has read on those communities that have more politically controlled utilities is that their rate structures are usually higher. He doesn't mean this in an ugly way, but it becomes an area where they have a bunch more employees than they really need to provide the service. When it is run as a business, rather than as a government, they can do things that they can't do when it is a straight government. He would tell them there are efficiencies in it the way that Fort Pierce has set it up that are not present in one that is more heavily influenced by politics. He thinks they have made a very admirable statement that they are going to take politics out of it. They can't take all the politics out of it because there is inevitably going to be politics in it. They have politics in it now, their Mayor serves on that Board. When citizens come to the City Commission and complain about rates, they burn hours and hours of meetings trying to see if there is something that they can do as a politicians to encourage their business people who are on the Board of the Utilities Authority to try and find a solution for the citizens that may not make sense from a business perspective but does make sense from a political perspective. In point, right here today they are talking about relocating a wastewater treatment plant, which does not make sense from a business perspective. It works, it functions, it does what it is supposed to do, and it will continue to do so for the next 10 years, depending on growth. The goal they are going to set today he hopes, to relocate the wastewater treatment plant, is truly not a business decision, it is a political decision. And some may argue with him on that. But if they have something that's good for 10 years, why are they decommissioning it early?

Mayor Benton said he would like to add to that, one thing about the UA Board, he is the only elected official on that Board; but they are basically set up with business people. He will show them a classic example. If they look at Lake Worth and they remember how long it took for them to get power back on, that is because elected officials were running the show. They need business people on board. If they look at Tallahassee, Gainesville, and some of the other cities and municipalities that have elected officials running their utilities, they are not in the shape as they are. It is very important as much as they can keep the politics out. They can't give away power. They have to try to do it reasonably. And sometime elected officials don't understand that.

County Commissioner Craft said the disadvantage of consolidation for St. Lucie County is less control. So he thinks they can look at it from both points. In the discussion they just had, it is both an advantage and disadvantage. For Fort Pierce Utilities Authority, advantages to consolidation, at the top of the list for them is there are no more water wars.

County Chairman Coward asked can he back up and talk about this for a second? Expand on that a little bit in terms of the loss of control. Because the utility would not work for them, but if they are able to provide more cost-effective service and there is a guarantee that service will be provided if it is cost feasible, otherwise the developer incurs that cost, what are other issues are there beyond that? They wouldn't have their own utility, but they are still going to have service provided.

City Commissioner Becht said he is not going to say that this Board has done that, but when a Board or a County Commission or a Port St. Lucie or a Fort Pierce desires to make something happen, it can make things happen with its utilities. Now that may not make sense from a business standpoint. But to the extent that the Board of County Commissioners elected for political reasons to do something with its utilities, for political reasons they can do so now and they are not accountable to a business board, such as the FPUA has. So they do lose the ability to control for political purposes their utilities authority and that is the disadvantage, that is the control that he thinks they are losing. As Commissioner Craft just said, maybe that is a good thing that it is less political.

FPUA Chairman Summerhays said he would think it would be more along the lines of giving up direct control and substituting indirect control. If they follow the model that FPUA currently has, the Board members are appointed by the City Commission. And presumably the representation, whatever they eventually negotiated that the County had on it, would be appointed by the County Commission. So they have indirect control from that viewpoint. The Mayor also serves as a Director. They conceivably could do something where a County Commissioner also serves. These are details that would be negotiated later. But it is just a matter of substituting indirect for direct control.

County Chairman Coward said he thinks if they look at one of the primary reasons the Board may want to control the utility as it relates to growth management - and he doesn't want to open up a can of worms - but if they look at what happened in the south County when the utility was transferred to Port St. Lucie, their Comprehensive Plan basically got blown out of the water in the process because they were able to basically disregard the Comprehensive Plan, the urban service boundary, and just go ahead

and annex huge areas in connection with their utilities. That is the key issue. If they are going to give up control, he doesn't want it to throw their Comprehensive Plan out the window, that is the key issue. But if that retained, then that control is not the concern he has. His concern is that the utility then becomes an opportunity to basically side step the Comprehensive Plan and the growth management laws.

County Commissioner Craft said he thanks Chairman Coward for bringing that up because that was at the top of their list while they were looking at this. Obviously, he knows what their Board's concerns are as to what happened in south County in relation to turning their utility company over with no strings attached. They are saying that they want to turn it over, but they want to attach the strings this time. They want to make sure that they have a voice in the future of the utilities that comes into the unincorporated County. They want to make sure they leave intact an annexation policy, a region in which they will allow Fort Pierce to use the utilities as leverage to annex. So they have addressed those things, very cognizant of what the position of their Board is.

City Commissioner Becht said Mr. Anderson pointed out to him that these things can be addressed and should be addressed in the new Interlocal Agreement to make sure that the County's concerns are addressed and make sure that they don't have a repeat of what has occurred in south County. One of his goals is, he believes that there is more consistency between the County Commission and the City of Fort Pierce on those development issues than there is between the City of Fort Pierce and Port St. Lucie. He doesn't mean to criticize them, but it is just a different philosophy. So he thinks they are more in harmony than they would be with them. And he thinks that if they do regionalize that Fort Pierce is better equipped and the County is better equipped to offer developers something that can't be offered by Port St. Lucie at the present time.

Mayor Benton said to add to that, being both parties - both the County and the City he believes - are updating their Comprehensive Plans, if they regionalize and they put that into their Comprehensive Plan, he thinks that sets the pace for development. Because they both send a message to whatever the make-up is of that UA Board. They have power, but it is outside of the UA. Would they agree, as far as that Comprehensive Plan? Right now, that is their route to go.

County Chairman Coward said right.

County Commissioner Craft said Fort Pierce Utilities Authority's advantages. Top of the list, no more water wars. A guarantee of future customer base and that goes back to the key. It allows them to manage the utilities much more efficiently because they know which service areas are their's in the future. They don't have to worry about the County being upset and saying they are going to take their customers back in 15 or 30 years. They are able to delay the rate increase to the City residents. And what they are talking here is economies of scale - having a larger facility that is able to be more efficient, it is up to date, it is modern - and it can keep the rates low, at least that is what the goal is. Helps establish a plan for the future expansion.

City Commissioner Nelson said they are sort of guaranteeing a future customer base. He questions that in that it might be they have a more predictable customer base. They don't know, they can't ensure, they can't guarantee the developers are going to come into a particular area and build. But they do predict, they project the fact that they are going to come in because of the availability of the land and the movement of populous from the south, etc.

County Commissioner Craft said but what they can guarantee is that this region is going to all fall under the auspices of the Fort Pierce Utilities Authority. They have that guarantee, so it allows them to make those predictions more accurate.

City Commissioner Nelson said the ones they have got, they are going to keep. So that in itself is a guarantee.

County Commissioner Craft said absolutely. This has got to be a little scary for the UA and for the City. The disadvantage is, opens the UA for a referendum. They are in a position now where it is set up by referendum. If the Board makeup is changed, whatever is set up under that referendum is changed, it has to be sent back out for referendum. And when they open that up, there is going to be people who will want to tack this on to it or tack that on to it. And they want to keep it simple and only deal with what they are talking about here today.

City Commissioner Coke asked what obligation would they have to open a referendum to whatever John Q. Citizen or whomever would like to tack on to it?

County Commissioner Craft said there is no obligation. But its when they open it up for referendum, it happens more on a State level than it does on a local level, that people want to tack their little things onto it; and they don't want to allow that to happen, they want to keep it simple.

Mayor Benton said they would be the ones wording this referendum, so they have control of that.

County Commissioner Craft said absolutely. Advantages to City of Fort Pierce is no more water wars. He is trying to think of other advantages that there is to the City other than a guarantee of their annexation area that exists today. Disadvantages to consolidation, the City's annexation policy stays intact. Well, the reason they put that as a disadvantage is because there is obviously some work that the attorneys are going to have to do to make sure that it stays intact. And that may require a secondary Board of the UA is set up or some other thing. But they are going to leave that up to the attorneys to figure out.

City Commissioner Becht said the reason that is a disadvantage is because Mr. Schwerer is going to have to get involved to figure out how to solve it. He is sure he can get it done.

County Chairman Coward said they just need to add two years to the time frame.

Mayor Benton said he doesn't think there is a disadvantage because they are talking about... Just because they are resident of Fort Pierce, they are also a resident of St. Lucie County. And he thinks everybody is tired of hearing these fights.

County Commissioner Craft said he couldn't agree with him more. But they put it in there because he thought it needed to be stated and they needed to have conversation.

City Commissioner Becht said let him be serious for just a second. The City's annexation policy is essential and vital to its surviving. He is an attorney, but the complexities of it, he doesn't wish to get into and he truly doesn't understand. He does rely on Mr. Schwerer to make sure that that annexation policy is valid and continues to be valid. Mr. Schwerer has mentioned to him and the Task Force that there are some issues that do have to be worked through. He does not have a clear cut A to Z direction on how to solve all the legal issues that come up with the concept of a consolidation of the two utilities, because it complicates the annexation policy of the City. Rather than empower him or authorize him to go off on a legal research hunt to figure out how to do it, they need direction from these three Boards today on, are they serious about this? Because now they are going to put it to vote at the end of it. They are going to ask them if they are serious enough for them to move forward with this? Or have they wasted...? Not wasted their time, because he thinks it has been a valid exercise. But the disadvantage is, is that truly it is going to be a little bit of a legal hiccup that has to be worked through. He minimized earlier, but the annexation policy has to be preserved and there are some serious legal issues. He does have confidence in Mr. Schwerer that he will work through it in a timely manner.

County Chairman Coward said in the intro they didn't talk about any of the past improvements that were made and he thinks it is worth noting. The Interlocal Agreement they passed two years ago roughly, he thinks Mr. Boudreaux had described that as a foundation for them to build on. And that is really the way he views it too. He thought it was a monumental first step of reaching out and trying to work together. And this is really the next step after that. That Interlocal Agreement, he thinks he is the only remaining Board member who actually voted for it, but he still is firmly behind that and he thinks they made the right decision. He thinks this is only possible because of that first step.

County Commissioner Craft said he just hopes the other guys didn't see what was coming and that is the reason they jumped ship. A disadvantage to the City is a voter referendum to change the makeup of the Board. And the third is - and he doesn't think it is worded properly - dilution of control of FPUA Board. Because the City doesn't control the Board, they control the makeup of the Board, the representation. They decide who they are going to put on that Board.

County Commissioner Smith said he is just wondering if they could spend a few minutes speaking of the City's annexation policy remaining intact. Would he at least give just a brief summary of, when he says that, what exactly is it that he means?

City Commissioner Becht said if he wants he can give a more lengthy explanation and have Mr. Schwerer come up and start, but he is assuming they don't want that. When the City generates water and they provide it to a retail customer on the south side of the street at a rate and they provide it via bulk service to a customer on the north side of the street, without combining the two utilities authorities, that is easy to say there is a clear distinction between what they are doing retail and what they are doing bulk. When they bring the County in and they create a new

entity and that new entity... And what they want is just one entity, that is the goal. When they create one entity, when that one entity has retail service now on both sides of the street, it complicates the issue of the annexation question. He thinks case law supports bulk sales on one side and retail on their side; but when it is retail on both sides, then it becomes a complicated question. Did he put that in snapshot form?

City Attorney Schwerer said correct. It is simple. How do they distinguish between a resident on one side of the street and the resident on the other side of the street, why does one have to sign the annexation agreement and the other doesn't? It is quite simple, that is basically it.

City Commissioner Becht said when it is wholesale on one side, that supports the annexation policy. He sincerely believes that if they agree that this is something they want to step forward on, that staff is going to accomplish what they want, they are going to figure out how to do it. The Task Force has not figured out how to do it. They have met with everybody here, some several times, trying to build a consensus of what the vision is and come back to them with what the vision of their cohorts are, so that they can all talk about it at one time at this sitting. He thanks all of them for putting the time in to meet with them and again today. But they have got to come up with a consensus before they can move to the next step. Because a year ago, he thinks there were several people that didn't even want to talk about merger. They can call it consolidation, they can call it merger, they can call it whatever they want to call it; but that is what it is going to be and they have got to figure out if this is something they want to do.

County Commissioner Craft said if he could point out something, when he was talking the m-word back a few months ago, he had exactly the same recommendations then as to what they are doing now. It is basically a new Board. The make-up has representation from the City, has representation of the County, and they are working towards the common goal of managing the natural resource that is under this dirt they are sitting on. They have to do that. If they don't it on their terms, if they don't come to grips with this and do it under their terms, he thinks they all know what is going to happen, they are going to do it under the way the State says to do it. That is really what they are trying to do, is come to a consensus that everyone can live with that is going to be more advantageous to the ratepayers and the citizens of St. Lucie County.

Mayor Benton said number one he wants to thank everybody that is sitting around this table, because a couple years ago they wouldn't have been here. He thinks the Interlocal Agreement was a first step. But he wants to thank the Task Force for getting them this far. He thinks this is very important. He does support what he has heard today. He thinks getting through the details is very easy. But he just thinks it makes sense because of the cost of facilities today and to move facilities and build facilities. The County doing it by themselves is going to run into problems. And the City can't afford to move the plant off the island, but they are going to run into problems there with a spill. He thinks it is so important that they move forward, work out the details. He is sure a referendum will go through fine as long as they educate the public on this issue. It is just a win-win for everybody in the County north of Midway Road. Hopefully in the future they will

bring Port St. Lucie on board. Regionalization is the only way to go.

City Commissioner Nelson said the bulk versus retail, should they merged as proposed, would there will be a continued difference for the cost of bulk services versus retail services?

County Commissioner Craft said there would not be bulk customers at that point from the County's standpoint. They would no longer be a customer. All those customers of St. Lucie County Utilities at that point would become customers of the Utilities Authority and then the County would just receive a 6% transfer fee on that. So there is not a bulk customer.

City Commissioner Becht said they are starting to get into the details; and as they say, the devil is always in the details. But let's go to this particular issue. The simple way of addressing the high end utilities would be to have one billing service. That is one of the efficiencies that they are talking about. If there is one billing service and it bills everybody retail, the goal is to have the money come back to one place. If they bill it all retail and it comes back to one place, Mr. Schwerer has a headache over the annexation policy because it is now they are billing a retail customer. This is an issue that if they want to do this, they can direct staff. They don't need to figure out the answer here.

City Commissioner Nelson said he is wondering whether there would be a need for continuation of the bulk sales.

County Commissioner Craft said there wouldn't. That is what they are explaining.

City Commissioner Becht said there probably would not be. He doesn't want to eliminate the possibility because there may be a reason why they want to do it, to the Seminoles or whatever Indian nation is out there. What he needs from this Board today, what he thinks the Task Force wants from them, is these are their recommendations. He hopes they have accurately reflected most of what they all told them they wanted. It isn't something they created on their own. They took feedback, they tried to listen, and they made some recommendations. But they need further directions from them here in a public setting to make certain that they have heard them correctly and they have correctly incorporated their comments.

County Commissioner Hutchinson said first off, she wants to thank them. It is not easy to sit there and do all the research that the Task Force has done and the meetings that they had. So she thanks them for that on behalf of all of them. She does have some questions and she apologizes if they are the devil in the details, but they are the ones that she gets questioned on as late as this weekend at the Fairgrounds from people within the unincorporated area that knew this meeting was taking place. So her questions are the reflection of those concerns even though they may be the devil in the details. She just needs for clarification, Commissioner Craft mentioned the annexation box. Her understanding that was not an annexation box, that was a service agreement box that they would service within that area. So if she has been wrong and misunderstood, then she thinks everybody needs to have that clarified.

County Commissioner Craft said no, that box represents Area A, if he is not mistaken. Area A states that the UA will... It is their service area. So as long as they are within that area, if a customer wants utility service, water and sewer, they have to sign an annexation agreement within Area A if they want to get the service. And that stays intact.

County Commissioner Hutchinson said she agrees. That was not drawn as an annexation box. It was drawn as a service box.

County Commissioner Craft said maybe he used the wrong language, but that policy would still stay in place within Area A.

City Commissioner Becht said that box, that service area has further significance because it defines the transfer fee. Because water sold on the outside of that line into the County generates a 6% transfer fee. Wastewater coming in across that line generates a transfer fee to the County. So they are going to have to have a line somewhere which defines or creates a transfer point.

County Commissioner Hutchinson said she understands that. But the impression that it was an annexation box, she doesn't think that is what it was, it was a service box.

County Commissioner Craft said she is right. He thanks her for clarifying that.

County Commissioner Hutchinson said the other question, she understands the Charter of the FPUA requires they go back out for referendum on the makeup of the Board or any changes in that. She is assuming that does have to go back to the City of Fort Pierce also? They have to put that out for referendum also or how do they do that?

Mayor Benton said it would just be one referendum, right? He would have to ask the City Attorney.

City Attorney Schwerer said he hasn't looked at that Charter provision, but Mr. Koblegard probably has. It is pretty clear in the Charter what is required. They will just simply look at the Charter and determine what is required.

Mayor Benton said he would hope it would be one referendum because they are talking about the same people.

City Attorney Schwerer said it should be one referendum.

County Commissioner Hutchinson said they are getting to the part of her question coming up. Who is it that votes on that? Is it just FPUA residents? Is it the residents within the City limits? Or in this case when they are asking the unincorporated residents to then join in, are they too going to be included in?

City Attorney Schwerer said this would be City residents.

County Commissioner Hutchinson said she thinks Commissioner Becht talked about this when he met with her in her office. At what point, if any, do the unincorporated residents have an opportunity to vote? Whether it be representation on the Board, the makeup of it since they will now become partners in that? Or are they denied that right?

County Commissioner Craft said as the Board exists today, the only time that it goes up for referendum is if there is a change made to the actual makeup of the Board of the Utilities Authority itself. The representation of the Board is made up directly by the City Commission, they make the appointments. And what the Task Force is suggesting is that the County has direct representation on that Board as does the City. But also they may potentially get an additional appointee or appointees, however they decide to work it out, if they decide to move forward today. When is the last time the UA went our for referendum? Never.

City Attorney Schwerer said 1972.

City Commissioner Becht said let's answer her question first about representation. Funny that he would be one answering the question, he's usually the one trying to dodge them. The representation comes in whatever form they agree on for the number of delegates that would be Board of County Commission approved to be serving on this newly formed Board. So the representation comes in that fashion. That's really not different in practice from what the City of Fort Pierce enjoys. The representation doesn't come through the referendum process. The representation comes because the City Commission appoints at this juncture four of the representatives and the Mayor serves. What they had talked about is that they are trying to figure something out here, but they had thrown some numbers of representation, they bandied those about. And what they ended up was pulling numbers off the table, they had talked about two and something like that. And what they decided on is that it would probably be better to let a consultant come back and tell them what the proper representation could be. Because the representation might be tied to population, it might be tied to the volume. Currently the County's volumes are one-fifth of what the City's volumes are. If they put two people on the Board of seven, then their representation is more than what their volume represents. But this is the representation, if he is answering her question, is going to be via a Board of County Commissioners appointment to the new FPUA Board. Which is equal to, he means the process is the same as it is with Fort Pierce.

County Commissioner Hutchinson said maybe she just didn't ask the question right. She is concerned at what time or at what point - and maybe this is more directed to the Board of County Commissioners - do the residents of the unincorporated area have a say as to whether or not they would agree to the consolidation?

City Commissioner Becht said if they want to conduct their own referendum, then they can conduct their own referendum. He doesn't think there is any prohibition on that.

FPUA Chairman Summerhays said he would recommend it. Because then they can't change it without going back to the voters.

Mr. Drummond said he is a little confused. He thought the opening of the referendum was with regard to the representation on the newly formed Board, not as to whether or not they were in favor of consolidating.

County Commissioner Craft said correct.

City Commissioner Coke asked so the County is saying they want to have a referendum to see if their citizens...?

County Chairman Coward said no, a County Commissioner.

City Commissioner Coke said a County Commissioner is questioning whether or not they should have a referendum to see if their citizens are...

City Commissioner Becht said that's up to their Board.

County Commissioner Hutchinson asked the City's referendum is strictly on the makeup of the Board itself, not whether to expand it out?

Mr. Drummond said correct.

City Commissioner Becht said correct.

Mayor Benton said he also like to add, he thinks they should at least start with the Chairman of the County Commission, as the Mayor sits on the FPUA Board. He thinks that would be the right thing to do is have the Chairman of the County Commission on that Board also.

City Commissioner Becht said he respectfully disagrees with the Mayor. The problem with that is that is he is the Mayor for roughly four years and the County Commissioners rotate their Chair every year.

County Chairman Coward said they will figure it out.

FPUA Chairman Summerhays said if the Mayor thinks about it, he wasn't very effective the first year, but by the second year... Well, he was the same way. That first year he really didn't know anything.

City Commissioner Becht said they can quickly can see that politics is involved. Because that is why Mr. Summerhays wouldn't know not to say that.

City Commissioner Alexander said his question goes back to, and not being the devil's advocate, but the annexation agreements versus service areas. At what point were they speaking of retail being on both sides of the line, which would be the service agreement of the FPUA? At what point are they speaking about a newly formed Board? At what point would they consolidate with the County that they may be questioned or asked about the name of the Board? And they are speaking of the City of Fort Pierce. Now it is no longer going to be entirely just the City of Fort Pierce, it is going to be the County, which the City sits within the County. Now again, he is in agreement with this 100%, but again he knows this question is going to come up and that is something that they just need to take back and discuss it.

County Commissioner Craft said on that issue, members may elect to change the name. Personally, he lives in Lakewood Park, but his mail comes to Fort Pierce. He thinks everything north of Midway Road is Fort Pierce. And he doesn't have an issue with leaving the name there. Quite frankly, he is very proud of Fort Pierce.

City Commissioner Alexander said so is he. But again, they have individuals that are going to question that. Because number one, they are speaking about an individual that is within that service area, he has to sign annexation agreements. But once he just

crossed the street there, they have individuals that don't have, getting the same service and is no surcharge to it. Now that what the County was doing with the bulk water, right? They were allowed to have a surcharge attached that there it is feasible for the County to be in business. He doesn't know if the County does that, but he does know some other incorporated areas of Fort Pierce have a surcharge.

City Commissioner Becht said the surcharge is something he can't address. But both Commissioner Alexander and at least Commissioner Hutchinson are concerned about the service area. He wants to tell them quite honestly that he thinks the service area is probably going to get redefined at County request in the next year or two because of the agricultural research park, because they are already pressing to have the lines readjusted because of that issue. He is going to tell them that 40 years down the road with the population that is going to happen in the unincorporated County, they could expect to see an entirely different situation with representation on this newly formed utility authority. They might see that it is more heavily weighted in the County because there is more County usage and there is more County residents. What they are trying to do is transition from fighting with one another, to an Interlocal Agreement two years ago, to maybe a new entity if they think they can work through the details. And there aren't any immediate details that just are... They are not going to work through them.

City Commissioner Alexander said but he just wants to let them know he wants to be on the top of the hill when this comes in; and his support, not only prior to the Interlocal Agreement with this, it is continued since then and at the present. He is in support of this and greatly appreciates these gentlemen going out and putting forth this effort. It was no easy row to hoe, they had doors slammed in their face when they got started, but not by him.

County Commissioner Lewis said she is kind of confused by some of the details that are floating around, so she is going to ask a real simple question. If they were to discuss this consolidation, is Area A going to go away?

County Commissioner Craft said no.

City Commissioner Becht said no.

County Commissioner Lewis said she doesn't understand what the confusion would be over... Or does their policy state that retail customers are subject to the annexation agreement? And that is what the question is.

County Commissioner Craft said he thinks the problem is with the State law. It is State law holding up the City's annexation policy. Because one side of the street they are in Area B and the other side they are in Area A, that is the concern that Mr. Schwerer brought up is, how does the City maintain their annexation agreement, how do they keep that intact for their Area A if the same provider is providing the service on both sides of the street?

County Chairman Coward said she understands.

County Commissioner Lewis said she still does not though, because they are talking about there is suddenly a problem arising where there isn't one now. Why can't they just look at Area A as being the determination...

County Commissioner Craft said because St. Lucie County is servicing the customers in Area B today, not the UA.

County Chairman Coward said through bulk.

County Commissioner Craft said they are servicing them through the County's utility company.

County Chairman Coward said through a bulk water agreement.

County Commissioner Lewis said let her proceed and see if the way she is understanding is correct. If they proceed to make a determination on the basis of the artificial box they have drawn, they would be treating their customers differently and that might be a problem. Is that what they are looking at?

County Commissioner Craft said yes.

County Commissioner Lewis said is it some legal equality kind of thing.

City Commissioner Becht said the law as they currently have things set up supports the annexation agreement. Which is within this service area they have a clear ability to require the customers to sign annexation agreements and they have clear legal authority to enforce the annexation agreements. The law is not crystal clear on a combined utility and what its ability would be even within the box to require the customers to sign annexation agreements and enforce those annexation agreements. It is just not crystal clear. So Mr. Schwerer was kind enough to point out this is an issue that he is going to have to work through to maintain the vitality of their annexation agreements within Service Area A within the defined area. Without Mr. Schwerer looking at all the details, he wanted to raise the issue that they may have diluted his ability to enforce their annexation agreements within the Service Area A. Does that answer her question?

County Commissioner Lewis said let her think about this and decide what question she needs to ask, because it is not squaring, but she is not really sure how to say it.

City Commissioner Nelson said he was confronted with this some time ago, servicing in Area A versus serving across the street in Area B. He thought the interpretation of the law was the fact that if they were to service in Area A, that if people in Area B wanted service without an annexation agreement, then they had to in fact service those people. He thinks that is where the lawyer people might be saying they need to make perfectly clear there. Because if they service on one side of the street with an annexation agreement, and the people on the other side street want it without an annexation agreement, then they have to be able to give it to them.

City Commissioner Alexander said one thing is clear, they won't be able to resolve this today.

County Chairman Coward said let's get a summary comment from the City Attorney and then they will try to proceed here.

City Attorney Schwerer said respectfully, if he could take minute. The issue of what may or may not be required to preserve the City's annexation policy is going to be a legal issue and he would

encourage them not to debate that today. There are any number of options available to work through those legal issues and those options will be presented to this joint board at some later date and depending upon which option they selected. But they will certainly be willing to work through those options to reach the common goal. He encourages the Board not spend much time debating it, because it clearly is a legal issue and they will work through that.

County Chairman Coward said for the sake of the conceptual agreement that is on the table though, the line that was drawn for Service Area A will not change. It may in terms of retail or bulk or in terms of the annexation component that is built into that - whether they call it an annexation box or not - that is not changing.

City Commissioner Becht said that is his position. They have enough that they are trying to get fourteen different people to agree on without trying to... And it took them a long time to get that line agreed upon.

County Chairman Coward said so any unincorporated County resident who is watching this or listening here today who is interested in getting utilities does not have to worry about a change that would then require annexation because they are outside of that service area. They will still be getting utilities without annexation. The question will be whether it is through the County Utilities or whether they can more cost effectively provide it in a consolidated form through this discussion here today.

City Commissioner Becht said well said.

County Commissioner Hutchinson said she just has one other question just going back so she can get clarification on her notes. In the very beginning of today's commentary that Commissioner Craft and Commissioner Becht gave in regards to the money figure, the \$200 million to \$300 million, depending on... She just wants to make sure that number included the decommissioning of the South Beach plant with the possibility of two new plants, locations yet undecided, one being Selvitz Road, and also the possibility of tripling capacity of what is presently used. Did that include the infrastructure of the piping that is going to be necessary, or was that extra?

County Commissioner Craft said yes, it did; and it looped the whole system together, if he is not mistaken. Two plants - one in north, one in south - and it is all looped together.

County Commissioner Hutchinson said so it is all included in that figure. As they see the conversation on the annexation and all that, that is going to be an issue; and she agrees with Mr. Schwerer, that is going to be a legal one. Whether they get there or not is another story. The other question or concern she would have is that the County actively has an incentive program that they use for economic development. One of the things that they are floating around at their strategic - and it has not been formally brought before the Board - but if there are incentive possibilities to use through the utilities, how would that fit into the consolidation? Because that is a real big issue.

County Commissioner Craft said they get a 6% transfer fee. They can put that 6% transfer fee in a fund that they currently have.

They create a fund to help with those incentives that she is speaking of exactly.

County Chairman Coward asked if they try and put an estimate on that amount, the City is currently getting is what, \$3.5 million a year?

County Commissioner Craft said that includes their electric through, be careful with that.

City Commissioner Becht said they get \$4.7 million, but that includes electric. If he understands Mr. Boudreaux correctly, he thinks he said roughly a one-third is water. But that water is currently County and City water via bulk sales.

County Chairman Coward said so it is \$1 million to \$1.5 million and they said the customer base from the County is 20% of that. So they are looking at several hundred thousand dollars as a real ballpark figure as a starting point. And as the customer base grows, that amount grows with it.

County Commissioner Craft said he thinks the number, he thinks he did the math...

City Commissioner Becht said he is not going to represent numbers to them.

County Chairman Coward said no, he doesn't mean to... It's just a real rough guess.

County Commissioner Craft said he thinks it is somewhere around \$360,000 for year one, if they used their current customer base.

County Chairman Coward said okay.

County Commissioner Hutchinson said again, it is not a number issue to her; and that sounds nice and pretty, but there are companies that require a great deal of water that have been looking to come here. So she doesn't know if that number figure is ever going to match what the need would be. There is a need for an incentive utility based. She just throws that out that she will know as they move forward and get there that that is going to be one detail that she will insist be included in any type of consolidation. That the ability to use a utility incentive for economic development be included in at some point, details to be determined.

City Commissioner Becht said she and her Board can direct that. What he is trying to do is, he doesn't think they currently through the Utilities Authority have an incentive program. Do they?

County Commissioner Hutchinson said no.

City Commissioner Becht said he will respectfully disagree with her, if they want to have the incentive, he thinks the incentive can be done with the 6% money that they get and not tampering with what ought to be an Enterprise Fund. But that is up to their Board to figure out how they want to handle that.

City Commissioner Coke said in theory, she likes the idea. She thinks as they progress further, if they are going to progress further, they need some more clear cut answers. Of course, number one concern is annexation. Number two, representation. She knows

Commissioner Nelson is going to complain where is his check from the Utilities Authority every year and how will that be affected. But more importantly, in the beginning they were all talking about \$200 million to \$300 million to create these two new plants and get rid of the plant on the island. Can anybody tell her where this \$200 million to \$300 million is coming from?

County Commissioner Craft said they were going to get into a discussion about that in a few minutes.

City Commissioner Coke said because unless they have a good outline for that to pursue to this, she doesn't know about the County, but she doesn't have that kind of money sitting around in her back pocket.

City Commissioner Becht said they can go look for money once they know it is worthwhile to look for the money. There is money and they have been verbally promised money from SFWMD. He thinks that is State money. But there is also an issue of trying to sell the property or long term lease the property that the wastewater treatment plant sits upon. And this is the point he was trying to make, the big number they are looking at is not just to build a new 10 billion gallon a day facility. And that would be silly, to replace just what they have. So the consultant tried to create not just the number they were looking for, but a long term planning number for the FPUA. Which is, if they have this kind of demand, they need to have this number of facilities; and if they want to decommission the plant on the island, then they are going to have to duplicate that capacity somewhere. So it is a very complicated report to understand and he could not pull a clean number out of it to just shut down the wastewater treatment plant. Her point is well taken, they need money and where is it going to come from? Part of it is coming from the State, part of it may come from the FPRA (Fort Pierce Redevelopment Agency). The City would have to go back to the FPRA and see if there is enough incentive for the additional revenues that might be generated if the property was converted. He believes that there would be. If they convert the wastewater treatment plant, they immediately increase the value to the east of it. So maybe the FPRA would see its way, with real numbers in hand, to say they would bond something to help relocate it because they know they will increase values and have a revenue stream to support it.

County Commissioner Craft said if they can get the wastewater treatment plant property on the tax rolls alone. He spoke to the property owner, Ashton DePeyster, on his property which is directly east of the wastewater treatment plant site, and equivalent size acreage-wise is 18 acres. The difference is he has submerged land there. But he pulled off the table a \$45 million contract on his property.

City Commissioner Becht said waiting to see what they do.

County Commissioner Craft said waiting to see what they do. So if the wastewater treatment plant is back on the tax roll, there is an immediate hit to the City's general fund through the taxes it would generate, as well as using the funds from that property.

City Commissioner Coke said if they want to start discussing what should be with that property, it should be used for the public good, or there may be a majority of the people that feel that it should be intended for the public good.

County Commissioner Craft said the definition of public good is a very broad term.

Mayor Benton said when they were in Tallahassee last week, they spoke to their Legislative Delegation back in December, and it appears there is a move from their local delegation to put \$10 million out of this year's budget into SFWMD's budget, if they regionalize. That is just a start. But what they heard is, on the west coast they got \$80 million to regionalize. So they are on track and he thinks they can do this and still keep that land in public hands. That is very important to him also. He thinks the money is there if they go down this road and it will make it affordable. Also, they can do it and keep the rates down.

County Chairman Coward said one last issue on this topic is the fact that there is a lot of pending development activity. The customer base that was referenced in here that is in the unincorporated County. There is a window of opportunity for them. If they do not finalize this deal, the money from the development community is going to go into the ground and tie into their old plant and basically be wasted. If they do this in a timely fashion, they will have the ability to take those investment dollars and put it into the new facilities, instead of wasting it. So the timing issue is important too, so they are dovetailing those together.

City Commissioner Becht said to paraphrase to Jerry Maguire, if this is something they want to do, they will show her the money.

City Commissioner Coke said okay.

County Commissioner Lewis said first of all, she is being slow today, she wants to make sure what she understood what he said and she understood correctly. Area A will remain as it is. Outside of Area A, Area B for whatever better terminology, she doesn't know what to call it, there is no annexation issue?

City Commissioner Becht said this Task Force is not proposing that the Service Area be modified at all. Service Area A and Service Area B will stay the same. County residents are not going to be impacted by an annexation issue in regard to this agreement. Unincorporated County residents will not impacted vis-a-vis the annexation issue as a result of this recommendation. There is potential for City residents to be impacted by this. And Mr. Schwerer will work through it.

County Commissioner Lewis said given the fact that Area A includes unincorporated residents as well as City residents, and she realizes she is paranoid on the issue, but they have all heard about this from their residents from time immemorial it seems. Until she understands what the legal issues are, she is going to be a little bit leery about it, so just bear with her. She has another issue.

County Chairman Coward said let's stay on that issue until they have it resolved.

City Commissioner Becht said he is trying to help her grasp it. The City's ability to demand annexation within Service Area A is not enhanced by the proposal they are making today. So the unincorporated residents within Service Area A are not, to the extent that they will not want to be annexed, they are not

increasing the chances that they will be annexed by the proposal that they made.

County Chairman Coward said the legal issues are internal for the City. It does not change their policy in regards to the Interlocal Agreement for annexation. It is not the County's issue, it is the City's. Their annexation agreement through the Interlocal Agreement stays the same. Annexation is inside that box as a part of the utility agreement. Outside, it stays the same.

County Commissioner Lewis said but inasmuch as the City's policies are carried out by the Utilities Authority, and they are talking about becoming a part of the utility, she is just concerned that she doesn't quite understand what the legal difficulty is. But she will take that on faith for the moment.

County Chairman Coward said they will let Mr. McIntyre have a private session with her.

County Commissioner Lewis said that's fine. Like she said, she is thinking slowly today. They did raise the question of referendum and she thinks they probably need to have a talk about that at Board level before they proceed. Because if they are going to do that, they need to have that answered before they proceed.

County Commissioner Craft said he thinks what they have to do before they can even address the referendum is get to a point that all three entities can agree to. Because they may get a few months into this process with the attorneys and the consultant and they may find out that they can't do this. So he thinks the discussion as to how the referendum moves forward needs to be put off for a later date until they are ready to move forward, then they can discuss that.

Mayor Benton said they are not finalizing anything today. What they are trying to do is take the recommendations from the Task Force and take it to the next step and see if they can get through the details.

County Commissioner Lewis said they are talking of putting a lot of work into it and she just was concerned by proceeding with that.

County Chairman Coward said if he could weigh in on the same topic, he is not sure if he would support a referendum because he thinks it is a slippery slope. There may be folks in the unincorporated County who would not tie into the utilities who would end up voting on an issue. But he does definitely agree with the sentiment that they need to have public input and they need to have public workshops. And they will have to work out those details of about how is the best way to proceed. But he is not sure if a referendum is necessarily the answer.

County Commissioner Lewis said that is why she wanted to discuss it at Board level. She is not sure either, but she thought they need to determine what their policy would be on that before they proceeded. She sees what he is saying. That is fine with her.

County Chairman Coward said he agrees with her.

County Commissioner Smith said just to chime in with that issue, he guesses the other part of that is, for those who have already signed their annexation agreements, would they also have an

opportunity or are they considering them as County residents at that? Do they consider them County residents, or if they have already signed volunteer annexation agreements, do they have an opportunity to vote on the referendum?

County Commissioner Craft said if they are not in the City today, if they are not annexed into the City, the only thing the referendum at this point - other than what Commissioner Hutchinson has spoke of - is for representation on the Board, what is the makeup of the Board. Is it going to be two members from the County Commission? Is the number going to be weighted votes?

County Commissioner Smith said he understands. He guesses they started to talk about referenda and it just kind of bloomed a little bit. He will go into his original question. They talked about marginal profit. And he does see that there is some financial gains in the City of Fort Pierce from this. He is just wondering what does their utility make now, what is their marginal profit and what is the financial benefit to the unincorporated County and their County Utility for consolidation? What is the benefit for the County in this, outside from those points that they brought up? He saw financial benefit for the City of Fort Pierce, he saw financial benefit for the Utilities Authority; but he didn't really see even on this sheet of paper what the financial benefit is for unincorporated County even with the 6%. Because if the 6% is less...

County Commissioner Craft asked less than what they are making now? Mr. Bowers made sure to remind him of this, that they are not set up today to really generate a tremendous amount of profit. They run it pretty much at a zero balance or pretty close to it if he is not mistaken.

Mr. Mike Bowers, St. Lucie County Utilities Director, said that is correct.

County Commissioner Craft said so they are not really making dollars at this point. They are operating their facilities to kind of break even.

County Chairman Coward asked isn't what he is essentially saying is the consolidation creates economies of scale? And the ability to potentially or hopefully provide the customers with a lower rate, or at least not have to increase it, or reduce the increase over time.

County Commissioner Craft said slower rate of increase.

County Chairman Coward said so there is clearly a benefit to them not creating a second utility that then competes where both of them have excess capacity and they have to make huge capital investments, but they are not even using all that capacity, and they have overhead with all the management and staff. Clearly the economies of scale generates cost effectiveness to unincorporated County residents.

County Commissioner Smith said let's talk briefly about the actual differences in the rates. What is the rate for the City of Fort Pierce today and what is the rate for the County?

County Commissioner Craft said they have many rates. He thinks that is one of the problems.

Mr. Bowers said about four different rates.

County Commissioner Craft said that is one of the things Mr. Bowers is currently working on now, is to get so they can have a consistent rate across the board. But when he in the presentation said they are among the highest, they do have one of the highest and they also have one of the lowest. And it is because of South Hutchinson, when they combined the utilities for St. Lucie County Utilities over there through an MSBU, they are actually paying a tax on top of the service fee that they are receiving.

City Commissioner Becht said they say that sometimes if you could figure out how to draft the question, you can steer things. The question he would ask them to ask is not so much what the rate payers are paying today, but what are they going to be paying five years from now if they don't do this? There is benefit to the City and there is a benefit to the County. And he is a County resident. If they can fix this situation five years from now, the rates will be more stable because they won't have to duplicate capital investments that will have to be made by the City of Fort Pierce and by the County if they don't come to an agreement.

County Commissioner Lewis asked the 6% gross receipts transfer fee, is that an additional charge to the ratepayer?

County Commissioner Craft said no.

Commissioner Nelson asked the recommendation in Item H in their packet, is that the one they are prepared to address at this time or needed in a form of a motion to move forward?

County Commissioner Craft said he would like clear direction from his Board whether he needs to continue to work with the Task Force on this issue. And he would really like to have a formal vote today so that they know what they want to do.

Mayor Benton said all three Boards need a formal vote today.

City Commissioner Nelson said he is ready to make a motion.

County Chairman Coward said before they make any motions, he would recommend one thing. They have voiced today the importance of having public input and he doesn't want to put a motion on the table without allowing for public input. Their agenda has a Public Comment portion on the meeting. Let's hear from the public before they take a vote.

County Commissioner Hutchinson asked before he opens that up, can she have one last question? She hasn't heard anything in regards to this, but the County presently uses MSBU's usually in conjunction with the City water. Has there been given any thought or has the Task Force looked into how those would be affected? Because some of them have been quoted prices and so forth. Some of them have no annexation included, i.e. Indian River Estates. Some of them have included it. So how do those fit into this proposal?

Commissioner Craft said Indian River Estates is outside of the Area A, if he is not mistaken.

County Commissioner Hutchinson said right.

Commissioner Craft said they don't change at all. If anything, he would imagine the rates would be less looking at it from economies of scale, to adding future service such as Lakewood Park, if they decide to bring it on.

County Commissioner Hutchinson asked but what about the smaller ones? Would they be grandfathered-in? Because they have debt service on many of those MSBU's. They carry those on their books and then they are paid back on the taxes.

Commissioner Craft said that can be worked out in the future. But he is certain that those taxes would still have to be paid to pay for that debt service. It is not County debt, it is a debt of the people of the MSBU.

County Chairman Coward said they will definitely put that on the list of things to look at in further detail, if the consensus here today is to move forward.

County Commissioner Smith said he guesses as with Commissioner Hutchinson, he guesses that is the issue he is having as well. How do they say that the decision of a Board that was made a two years ago is the starting point for what they are about to do now, why aren't they looking at the entire picture all over again? He understands the precedence of previous Board action. But it just seems a little bit unfair to him that there are certain people in the community who don't have to be subject to annexation, i.e. Indian River Estates, while there are other parts of the County and within his district that are within that subject box who have to have that type of decision thrust upon them. And now they are looking at changing in the middle of the game and he a little hesitant about that.

County Chairman Coward asked can he just add something? And certainly if he is off base, please correct him. The line itself was not just drawn haphazardly. The box was drawn based around where lines were in the ground, that was largely the driving process, where the utilities already have their service boundaries largely defined. And by law, another utility can not come in and cross those lines. So by law they had already established a service area. So they essentially drew lines that closely mimicked where those lines were in the ground. So he doesn't feel like they treated one group differently than the other. They looked at the current situation and the bundle of rights and laws that go with it and basically built an Interlocal Agreement around that. So he doesn't know if they have the ability to go into portions of their districts and say it is in the unincorporated County and they don't want to have annexation attached to it and have another utility provider come in when they have already been surrounded.

City Commissioner Becht said unfortunately, he was there when they negotiated this agreement, and it was a negotiation of give and take. Not everybody on this current County Board liked it. But there was give and take on the City Commission side and there was give and take on the County Commission side. He would represent to him that Fort Pierce backed off of Indian River Estates to make the deal go. The County Commissioners can do whatever they want to do. But he is going to urge Commissioner Smith, before he opens up completely the Interlocal Agreement, he sit down with Dan McIntyre and Doug Anderson. And understand, if they want to open it up, all the good they got out of it is also going to be off the table, because there is no reason for Fort Pierce to make sacrifices to

have an agreement that solves a lot of problems that were both City problems and County problems. The County was looking at the threat of imminent litigation, the inability to provide service needs that some people said that they had committed to. And they worked out a deal. In his opinion, it was a good deal at the time and he thinks it still a good deal. It is not perfect. But what scares him with what Commissioner Smith just said is, let's just forget what they negotiated and let's renegotiate everything again. If they are going to do that, then they are going to renegotiate every time there is a change in their County Commission or the City Commission, and that is not good for their constituents.

Mayor Benton said that is how they got to the agreement two years ago, because of agreements that were made many years in the past and most of those were eight or ten years or longer. So let's not talk about two years, because that is a very short period. Let's hope that every time they have a different makeup of the Board they are not looking at dissolving Interlocal Agreements, because they are going to take three steps backwards.

Commissioner Becht said he wants to make a commitment to Commissioner Smith. If he has a specific objection to the Interlocal Agreement, let them sit down together and let him know what his concerns are and he will do his best to address his concerns or explain to him why he cannot address his concerns.

Mr. Mark Elsner, Director of Implementation Division, South Florida Water Management District, said he just wanted to compliment the Task Force and these three bodies and the success they have had over the last 10 or 11 months. He, Mr. Lindahl, and Mr. Dean were here addressing the three bodies (April 21, 2005), talking about a cooperative approach and they think they have made great headway. They think it is the direction to go, to work cooperatively for many of the reasons stated here - economies of scale, duplication of services, using other groups such as their consultant for a permit process to resolve problems. They think it is better done through this avenue and cooperatively than elsewhere. They have seen what they are talking about, this proved very successful in other areas. They are a growing community. They have huge growth pressures going on here. They need the facilities. And they believe working together is the best way to provide that. Mr. Lindahl wished he could have been here because he is very interested in this and in making sure they are successful; and he asked him to pass along accolades and congratulations on getting to this point, and he is strongly believes that this cooperative approach is the best way to address the challenges facing them. Mr. Lindahl also committed that he will do everything he can legislatively and Water Management District-wise to go ahead and support them in this endeavor to ensure their success.

County Chairman Coward said to steal Commissioner Becht's quote from earlier, the Jerry Maguire quote, he thinks the sentiment is show me the money, because they are going to need help in this partnership. So they appreciate them being involved.

Mr. Charles Grande, South Hutchinson Island, said he needs to speak from two sides today. First, this discussion is the best thing that has happened regarding the utilities countywide in years. He congratulates the committee for how far they have gotten so quickly. And getting them together needs to happen, there is absolutely no question about that. He has one reservation he wants to put on the table. Speaking for South Hutchinson Island, they

are - he doesn't want to say unique - but they have their own utility out there under the County's auspice. And it is the cheapest in the County, rate-wise. The reason it is, is from the very beginning in putting that effort together a citizens group was put together to work with the utility people from the beginning of the planning stage through the commissioning of the plant. And the rates were looked at very carefully. The dollar impact on the customers was looked at very carefully. A very careful plan was put together for paying off the utility up front by the specific users of the utility. It is threatening to them to look at becoming part of a single rate structure and he thinks that needs to be looked at very carefully. He would also suggest to them that in going forward they need to include community residents and community business representatives in the planning process so that the joint utility can be as practical as possible. He would also like to add one thing and that is an observation of FPUA over the years. They are not in the FPUA service area, but he can only say good things about FPUA, what a professional operation that is. And he thinks one of the keys to the success of this venture is going to be keeping FPUA as the driving force from the utility side.

County Chairman Coward said he really likes the second part of his suggestion about involving the public. And that may be the next step to address some of the concerns that were raised earlier, that as they proceed that the Task Force may be expanded to incorporate representatives from the areas that are currently getting utilities from the County or maybe both the City as well. But let's get the community involved and let them better understand it see what they are trying to achieve; and then hopefully they will become advocates for this so that it doesn't become controversial. The less they know, the more likely they are to be concerned. But if the public is involved and understand they are trying to be more cost effective, they are trying to be environmentally sound, they are trying to keep the rates down. If the public is involved and see that, they are much more like to succeed. He does think that is an excellent suggestion. If there is not other public comment, he thinks they are at the point now where they are going to try to reach some consensus. Why don't they start with the County Commission. Commissioner Craft was a Utility Task Force Member, does he want to weigh in here and try to help them craft a consensus motion to move them along here?

Commissioner Craft asked does he want a motion from him or does he want him to lay it out and have someone else...?

County Chairman Coward said as the Chair he is not supposed to make the motion and he thinks Commissioner Craft is in the perfect spot to make the motion to start this process.

Commissioner Craft said he makes the motion that the Board of County Commissioners give direction to the Task Force to move forward with the recommendations stated today and note the questions that were posed by the Board and that they move forward with that plan and see what the next step is.

County Commissioner Smith said just for clear delineation, if Commissioner Craft would be so kind as to actually say what is it that he would them to vote on.

Commissioner Craft said let him retract that motion, make a new motion that he would like for the Board of County Commissioners to authorize him as the Task Force representative, that they move

forward to pursue opportunities of consolidating the County Utility company with Fort Pierce Utilities Authority.

County Commissioner Hutchinson asked can she have clarification? She is still not clear on the motion.

Commissioner Craft said she can put it in words that she is comfortable with, he would be more than happy to...

County Commissioner Hutchinson asked when he is asking to move forward, is he asking to move forward to get more detailed information to bring back?

Commissioner Craft said he is asking that they move forward, saying yes they would like to pursue, not saying that they are going to vote on it today, but see if they can get more detailed information that they can come to a consensus at that point as to whether or not they want to consolidate.

County Commissioner Hutchinson asked on the issues that were discussed earlier that they all brought to the table?

Commissioner Craft said on Page 8-9 (Utilities Task Force Recommendation).

County Commissioner Hutchinson said she thinks they have gone over that in their discussion today. She thinks Commissioner Coke pointed those out, the issues that she saw in the discussion were detailed specifics on the annexation, representation, financial makeup, the benefit, the proposed Board member, and the MSBU concerns.

Commissioner Craft said he thinks what they need to do, he thinks they need to bring on a consultant at this point.

County Commissioner Hutchinson said that is what she is trying to get to, what is it specifically that he is asking.

Commissioner Craft said he would like for them to jointly, all three entities, hire a consultant to come in and see if they can work out an agreement that makes sense to all three entities.

County Commissioner Hutchinson asked covering all the issues that were discussed today?

Commissioner Craft said covering all the issues. Because this consultant will go around and meet with each Commissioner independently, find out what their concerns are in addition to what they have already brought up today.

County Commissioner Hutchinson asked just for the public's clarification, and she thinks this one is more for staff, would that be done through an RFP process for a consultant, or the one already on? Is that done through the County or the Utility or the City, how is that going to work and who pays?

Mr. Anderson said there is one thing going on that he doesn't think was really mentioned today; and that is, South Florida Water Management District has already hired a consultant and they are just starting the work now he believes. They just entered into an agreement with Metcalf & Eddy, is that correct?

Mr. Elsner said yes.

Mr. Anderson said so there is a study going there. When is that to be completed?

Mr. Elsner said within 30 to 60 days they hope to have the existing information documented - facilities, future water supply plans - sort of pull together whatever everybody is doing, put it into one consolidated document. And then based on the outcome of this, they could further direct the consultant...

County Commissioner Hutchinson asked so they have already moved forward then with a lot of this?

Mr. Elsner said no, they didn't know what was being discussed today.

Mr. Anderson said not what they discussed today.

Commissioner Craft said the consultant is looking at determining future needs, where to place the facilities, and how to connect those facilities.

Commissioner Becht said let him weigh in here. They had a meeting of the Task Force that South Florida (SFWMD) was kind enough to attend, as they have attended most of their meetings. South Florida presented them with a twelve or thirteen page long Scope of Services and the Task Force said no. What they want is they want them to spend 30 days - and it was 30, not 30 to 45 - to gather the information that they need regarding their existing facilities. Because this consultant did not understand their facilities, either the City's or the County's. And they said they cannot give them direction to go forward because they don't know what the Boards want to do. But they can start at South Florida's expense, because this is all at South Florida's expense, to gather the information necessary so that after they have this meeting, they can come back to them, they will have gathered their information, and they can give them the direction how this Board wants to move forward. So what he is going to be presenting to his Commission - and the County Board is different and has its different concerns - but he is going to be asking for his Commission to authorize him to proceed on the recommendations found on Pages 8 and 9, coupled with that all of the concerns that they have raised and everybody else has raised, which will be in the Minutes of today's meeting. That is what he will be looking for.

County Commissioner Hutchinson said that is what she was asking.

Commissioner Craft said he thought that is what he said, maybe not as clearly because he is not an attorney.

COUNTY CHAIRMAN COWARD PASSED THE GAVEL TO COUNTY VICE CHAIRMAN CRAFT.

County Commissioner Hutchinson said she will make a motion, she just wanted clarification on what it was they were going to be asking and who they are asking. Again, is this still going to be continued to go through South Florida Water Management District, they have agreed then to continue paying for the consultant on this?

Commissioner Craft said he will withdraw his motion.

Motion was made by County Commissioner Coward, seconded by County Commissioner Craft, to recommend that they give conceptual approval to the Task Force recommendations presented here today, specifically Pages 8 and 9; and also direct their staff to continue in joint efforts to moving forward with these recommendations and also to address the specific issues raised by all Commissioners here today, and that would include working with South Florida Water Management District and their consultant; and also to try to look at expansion of the Task Force to include the public and also have public workshops so they can get the public involved.

Those voting in favor of the motion were: Commissioners Craft, Hutchinson, Lewis, Smith, and Coward. Those opposed: None.

COUNTY VICE CHAIRMAN CRAFT RETURNED THE GAVEL TO COUNTY CHAIRMAN COWARD.

Motion was made by City Commissioner Becht, seconded by City Commissioner Nelson, to conceptually endorse the Task Force recommendations on Pages 8 and 9; to ask the Task Force and South Florida Water Management District and its consultants to try and address all the concerns that were raised by all of the Commissioners here today, and they are going to try to involve the public going forward in some form of public meetings, charrettes, or whatever. (REFERENCE: Pages 8 & 9: Utilities Task Force Recommendation - Subject to Interlocal Agreement - Consolidate Both Utilities: (1) Roll all county utilities into the FPUA; (2) The make-up of the Board including county representation to be discussed and determined at future date; (3) The FPUA would assume the debt service of St. Lucie County Utilities; (4) FPUA would pay a 6% gross receipt transfer fee to St. Lucie County for all sales outside the FPUA Service Area. (This fee is consistent to the fee received by the City of Fort Pierce.); and (5) FPUA would expand its reclaimed water program, including servicing customers in the unincorporated areas as approved by Board of County Commissioners.

Commissioner Alexander asked can they be assured that everyone here will receive this information prior to their next meeting so they can comprehend some of that?

Commissioner Becht said yes.

Those voting in favor of the motion were: Commissioners Alexander, Becht, Coke, Nelson, and Benton. Those opposed: None.

Motion was made by Mr. Perona, seconded by Mr. Drummond, in relationship to the Task Force recommendation on Pages 8 and 9, all the issues that were raised today, plus whatever involvement the Utilities Authority may have on the public sector, that the FPUA Board is in agreement with that.

Those voting in favor of the motion were: Ms. Cully, Mr. Drummond, Mr. Perona, Mayor Benton, and Mr. Summerhays. Those opposed: None.

Commissioner Nelson said he felt rather pessimistic about this Task Force when they formed it. He must commend them with respect to how they went about this and what they were able to accomplish in this short period of time. He thinks it will be a credit to all the citizens of this County for their efforts and he appreciates it very much.

Chairman Coward said if he could, he would like to echo that. He wants to thank them for their vision and leadership, they have done a great job to move this forward.

Commissioner Alexander said he just wants to let the Task Force know that they are not the new kids on the block anymore.

FPUA Chairman Summerhays said from the point of view of the Utilities Authority, he would like to thank Darrell Drummond for all the time he spent right up to the last meeting and to thank Tom Perona for stepping into his shoes.

There being no further business, the meeting was adjourned at 3:55 p.m.

Adjournment.

ATTEST:

CITY CLERK

MAYOR COMMISSIONER

