

MINUTES OF A REGULAR MEETING OF THE FORT PIERCE UTILITIES AUTHORITY,
TUESDAY, JUNE 6, 2006, 4:00 P.M., ENERGY SERVICES CENTER.

Members Present: Vice Chairman, Tom Perona; Secretary, Darrell Drummond; Deputy Secretary, Pamela K. Cully; Mayor Robert J. Benton III.

Others Present: Director of Utilities; FPUA Attorney; Director of Electric/Gas Systems; Director Water/Wastewater Systems; Director of Corporate Services; Director of Shared Services; Community/Corporate Relations Manager.

Excused: Chairman, Robert W. Summerhays, Jr.

Vice Chairman Perona called the meeting to order.

The Invocation was given by Pastor Todd Smith of Common Ground Vineyard.

The Pledge of Allegiance was recited.

The roll was called and a quorum declared.

Mr. Bill Thiess stated we have Karen Smith from the South Florida Water Management District with us today. She is going to present the Board with a check. This is the third alternative water supply grant associated with the R/O Plant and the well field, bringing the total to \$900,000 that South Florida Water Management District has contributed towards the funding of that project. In the years to come, we have ten to twelve projects that are listed on the Upper East Coast Plan. All of those projects will be eligible for funding, also. This is a continuing partnership, and we are very glad to have Ms. Smith here today.

Ms. Smith presented the check to Mr. Bill Thiess in the amount of \$500,000. She thanked the Board for their continued leadership and partnership in Water Resources Development projects. They are very important to the future of Florida and for future water conservation in this area. She stated now is the time period that is open for applications to SFWMD's issues team process. That is a legislative funding process where the \$7.8 million came from this year. She would like to see FPUA in that process, again, so you can continue to have your projects funded.

Mr. Mark Mathis advised the Board he has been employed with FPUA since 1983 and has served as Pretreatment Coordinator for the past six years. It is truly a pleasure to participate in the Environmental Stewardship Award Program. The National Pretreatment Program was born out of the Clean Water Act to protect the nation's waters. The Environmental Protection Agency delegated the Pretreatment Program enforcement responsibilities to the State. The Florida Department of Environmental Protection requires FPUA to operate a pretreatment program to protect the water reclamation facility from industrial discharges that could otherwise, upset the biological treatment process, pass through the plant untreated, and, possibly, endanger public health. We regulate discharges by requiring our industrial customers to meet established water quality standards. The FPUA pretreatment program, currently, has twelve permitted industrial customers. Two of the twelve were fully compliant during calendar year 2005. We are working diligently with the other ten to bring them into compliance. Recognizing the need to reward compliant behavior, lead staff to develop the Excellence in Environmental Stewardship Award.

Mr. Mathis further explained that to qualify for this award our industrial customers have to comply with all their permit conditions for not less than one year and adopt best management practices to

conserve potable water. Today, FPUA publicly and proudly recognizes the H. D. King Generating Plant and Sunshine Mirror Company for outstanding environmental stewardship efforts. We have some gifts to present to our award recipients.

He asked Mr. John Tompeck, representing the H. D. King Generating Station, to come forward. Mr. Mathis explained the generating plant discharged over 12 million gallons of water in 2005; produced 22, 573 megawatts of power, and reached a peak load of 125 megawatts on August 17, 2005. They did all that and complied with their water quality standards. That's a big achievement. He presented Mr. Tompeck with a plaque and a desktop crystal globe. He thanked the Power Generating Station of their diligence in achieving compliance. Mr. Tompeck thanked Mr. Mathis on behalf of all the King Plant employees. We take our environmental responsibilities very seriously, so this recognition is very important to us.

Mr. Mathis asked Mr. Doyle Dyer of Sunshine Mirror to come forward to receive the award. It may interest everyone to know that Sunshine Mirror Company used over 4.5 million gallons of water during 2005. They produced over 6 million square feet of mirror and were fully compliant with their pretreatment standards. He presented Mr. Dyer with a plaque and crystal globe. Mr. Dyer thanked FPUA for keeping them abreast of environmental responsibilities. His employees realize it is important to keep it clean.

Motion by Mayor Benton, seconded by Mrs. Cully and unanimously carried that Mr. Robert W. Summerhays, Jr., Chairman, be excused from the meeting today.

Motion by Mr. Drummond, seconded by Mrs. Cully and unanimously carried to approve the items listed on the Consent Agenda:

1. Approval of the Minutes of the Regular Meeting of May 16, 2006.
2. Purchased Gas Adjustment for Firm Gas Service for the period of June 1, 2006 through June 30, 2006, will be +\$.57/CCF.
3. Comparison of Residential Electric Rates for the Month of April, 2006.

The following letters of appreciation were noted:

1. Notes were received from The Reverend Sharon Britcher of Mustard Seed thanking FPUA for contributions of \$318.96 through Project Care.
2. A letter was received from Peter Genero of 1904 York Court complimenting Eddie Keane and Claude Marshall of the Electric Transmission and Distribution Department for their quick response and excellent work in restoring power after a lightning storm.
3. A thank you note and Publix Gift Cards were received from Mr. Wayland Willis of Ibis Avenue in appreciation for Ron Roark and Ralph Goodson of the Water/Wastewater Operations Department, finding and returning his lost wallet, drivers license and credit cards. (Publix gift cards were donated to the food bank.)

Mr. Don Landin presented a request for approval of a post-budgeted work order for Treasure Coast Energy Center (TCEC) fiber optic service.

He stated, as everyone is aware, Florida Municipal Power Agency (FMPA) is building a new energy center power plant off Glades Cut-off Road. It will be staffed by FPUA employees. FMPA has requested fiber services to the TCEC. We are also going to need fiber services at the planned water reclamation facility, which will be adjacent to the TCEC location. These fiber services will give them the ability to have e-mail, file sharing, TeamUA connectivity, internet access, forms, Great Plains, and Cogsdale. In addition, contractors who will be working on-site for the first two years, will need to have internet access and e-mail.

To provide these services, we have planned a fiber loop with two routes to that location for redundancy. In 2006, we are planning the overhead route from 35th Street and Virginia Avenue to that area along Selvitz Road. We are requesting a \$180,000 transfer from existing budgeted funds.

Mr. Drummond asked, in the event there is a need for additional funds for the A-1-A project, would we have to have an emergency transfer of funds for that? Mr. Landin said it is very unlikely we will need the entire \$180,000 that is being requested in the few months that are left in this year. Typically, if we were to need money, there would be another budget item we could transfer funds from. If there were no other budgeted items we could transfer funds from, then, yes, we would need an emergency transfer. Mr. Drummond said there would be no slow down in the project based on that. Mr. Landin said that is correct. We wouldn't let that happen.

Motion by Mrs. Cully, seconded by Mr. Drummond and unanimously carried to approve a post-budgeted work order for Treasure Coast Energy Center fiber optic service in the amount of \$180,000.

Mr. Peter Helmich requested approval of the form of the Natural Gas Builder Agreement. Mr. Helmich explained around February of this year, the Gas Department was approached by Brownstone Classic Homes to supply service to 21 green built houses. Green built houses is a statewide building program which is environmentally constructed and has economical benefits. The development is called Treasure Ridge. It is located on the east side of 25th Street, south of St. Lucie Boulevard and north of Bryant Boulevard. After we calculated our four year payback, we found the development qualified for aid to construction. In reviewing our two previously approved facility agreements, he was uncomfortable using those agreements for a multi-family development. What you have in front of you is a new gas builder agreement. This agreement spells out exactly what is expected of the builder to qualify for aid to construction. If the builder fails to meet the terms of the agreement, FPUA will recalculate the four year payback and expect to be compensated for the difference. The agreement also spells out what is expected of FPUA. He wrote the agreement about ten years ago and recently pulled it out, dusted it off, and added a few things to it. The main reason for the agreement is to protect FPUA's investment. He is requesting approval of the form of the agreement and that the Chairman and Secretary be authorized to sign future agreements without further Board review unless there are significant changes in the terms of the contract or unless the contract exceeds the approval authority of the Director of Utilities. We are trying to be able to use this agreement for future builders. This will be the first one.

Mr. Perona asked Mr. Koblegard if he has reviewed this. Mr. Koblegard said yes. As far as approval of the form and signing by the Secretary and Chairman, we've done that on Water and Wastewater Agreements in the past, and, unless there is a major change, they are not required to come back before

the Board for approval. The Charter provides all contracts will be signed by the Chairman and Secretary, but it does not say the Board has to approve each contract. The Board has the power to approve the form of the agreement.

Motion by Mayor Benton, seconded by Mrs. Cully and unanimously carried to approve the form of the Natural Gas Builder Agreement and authorize Chairman or Vice Chairman and Secretary to execute future agreements without further Board or Attorney review unless significant changes in the terms of the contract are made or unless the contract exceeds the signature authority of the Director of Utilities and to approve the agreement with Brownstone Classic Homes of St. Lucie, LLC.

Mr. Frank Varella requested approval of Resolution UA 2006-04. He stated staff is always trying to allow those new customers that are creating work for us, to pay for that work, so that our existing ratepayers do not have to sustain an increase to their rates because of the additional work. With all the growth we have going on in our community at this time, it has become necessary to institute some new fees. The first one is to establish a new procedure for processing annexation agreements. This is a processing and recording fee. The next one is a capital charge installment payment agreement/release of lien processing and recording fee. There is a meter verification fee and a new false gas leak service call.

The Annexation Agreement recording fees and the capital charge installment payment agreement/release of lien processing and recording fee are necessary because we have so many new annexation agreements that it is nearly impossible for Mr. Koblegard to process them and get them recorded with his existing staff. This fee will enable him to add another person to his staff to take care of these on a timely basis.

Mr. Koblegard said he doesn't want the Board to think this is just their Attorney requesting this. Actually, his office spends as much time on these as the Water/Wastewater Engineering Department does. The Engineering Department presently meets the customers, has them sign the documents, and sends them to him for recording. On many occasions these agreements have to be sent back to the Engineering Department to be resigned or redrafted or to have the correct names put on them. This requires the agreements to go back and forth between his office and the Engineering Department. If the new process is approved, the Engineering Department will send everyone directly to his office. He will take care of everything. Although his workload will increase, substantially, it will decrease the workload in the Engineering Department, also. We don't do this with easements, because they are a benefit to the FPUA. Annexation Agreements are not. It seems, since the City will not take it over or pay for it, it is only fair to have the property owner, developer or corporation be responsible for the cost of processing them.

Mr. Perona asked if the fees will reflect actual costs as far as labor and recording. Mr. Koblegard said yes. Some of these agreements have to go back and forth a number of times under the current procedure. If the right person doesn't sign on the LLC agreements, we have to get a resolution, so we will know the correct person has signed them. A lot of times they are out of state corporations. We are going to use the developer agreements to make sure we have the entire legal description to cover the entire development. If we do, and we record it, we will not have to have every resident within the development sign an annexation agreement. He has to ensure the legal description is correct and all the mortgage holders have signed off. That should be a responsibility of the developer as part of his costs.

Mr. Perona said we are not generating new fees. We are attaching direct costs to the services we are providing, so it isn't a cost to the other ratepayers. Mr. Koblegard said the UA has done this at no charge for many years, and there is a cost attached to it. Mr. Perona said he would like the people causing these costs to be responsible for them.

Mr. Varella said the next fee is a meter verification fee in the Gas Department. During the winter rush, especially, when a cold front comes through, a customer will call to make an appointment to have their gas service turned on. Staff will have to extend it a week or two, because they cannot do it immediately. That same customer might call the trouble desk that same night and report a leak. While the employee is out investigating the leak report, they will ask him to turn on their gas at the same time since they are already there. It has become obvious to our technicians what is going on. We are trying to put a charge to that, so that the customer we are providing that service to will pay for it and rightfully so. It is another instance of the person who is creating the work, paying for that work.

Mr. Perona wants to be clear that the fee goes to turning on the service and only to that. Mr. Varella said that is correct. Mr. Perona said it is not being charged just for a gas leak call. Mr. Varella said no. Mr. Perona said he doesn't want it to be misunderstood that we are charging for a leak, because we encourage people to call in even if they are not sure the gas is leaking. Mr. Varella said that is correct. He believes it clearly states this in the resolution. If the technician goes there and finds something that is a possible leak, the customer will not be charged.

Mr. Varella said the last new fee is the meter verification fee. We are getting a lot of developments now. The developers' responsibility is to identify each meter to each residence it is serving. It has become apparent that FPUA needs to check behind the developer. When we don't check behind them, a year down the road a customer will call to have service disconnected, and we will go out to disconnect the utilities as identified on the meter, but it will turn out to be someone else's service. The new fee allows us to charge the developer up front when he is paying all his other fees, such as the capital improvement charges, meter fees, etc. This will allow us to fund an employee who we will be able to dedicate to getting this job done. With existing staff, we can't get the verification process done.

Mr. Drummond asked if we have a high percentage of meters out there that we feel are not connected properly. Mr. Varella said we run across a number of services that are not properly connected in the period of a year. That creates a big problem for us in having to correct that customer's bill and having to go to another customer and correct their bill, possibly charging them more, and then it becomes a real big problem. What we find also is the contractor will establish the service and identify it, and it will be changed after that. We don't understand that, but it happens, also. Mr. Drummond asked if this will be geared toward developers coming in for new services. Mr. Varella said it is only for developers with new services. Either commercial or residential developments are the problem. Mr. Drummond asked how we will address the existing ones. Mr. Varella said the only way we can find existing customer problems is when we go out and disconnect someone, and another customer informs us that we cut their power off. That is the only way we find these.

Motion by Mayor Benton, seconded by Mr. Drummond and unanimously carried to approve Resolution UA 2006-04: A RESOLUTION RESCINDING AND RESTATING THE SCHEDULE OF SERVICE CHARGES CONTAINED IN RESOLUTION NO. UA 2005-15; FOR THE FACILITIES AND SERVICES FURNISHED BY FORT PIERCE UTILITIES AUTHORITY, FORT PIERCE, FLORIDA, IN ACCORDANCE WITH THE CHARTER OF THE CITY OF FORT PIERCE, FLORIDA, ARTICLE XII, SUPERSEDING AND RESCINDING THOSE SERVICE CHARGES SET FORTH IN RESOLUTION NO. UA 2005-15 OF FORT PIERCE UTILITIES AUTHORITY; ESTABLISHING THE NEW ANNEXATION

AGREEMENT PROCESSING AND RECORDING FEES; CAPITAL CHARGE INSTALLMENT PAYMENT AGREEMENT/RELEASE OF LIEN PROCESSING AND RECORDING FEES; NEW FALSE GAS LEAK CALL FEE; METER VERIFICATION FEE AND PROVIDING FOR AN EFFECTIVE DATE HEREOF.

Mr. Boudreaux reminded the Board that the Regular Meeting of July 4th is on a holiday, and we are recommending that meeting be rescheduled to July 5th.

Motion by Mrs. Cully, seconded by Mr. Drummond and unanimously carried to change the meeting of July 4, 2006, to July 5, 2006.

Mr. Boudreaux said it is also his recommendation that the meeting scheduled for July 18th be cancelled, as it conflicts with the FMEA/FMPA Annual Conference and many members of the Board and staff will be attending that meeting.

Motion by Mr. Drummond, seconded by Mayor Benton and unanimously carried to cancel the Board Meeting of July 18, 2006.

Mr. Boudreaux reminded the Board that the APPA conference is next week. Itineraries and packages were for the trip were given to each Board Member tonight before the meeting.

Mayor Benton said at the last Board Meeting he requested the Board to allow him to sit down with City staff and the City Attorney and the FPUA staff and Attorney in order to has out those issues regarding the electric underground situation. We are going to have a joint workshop between the City Commission and the FPUA Board. Maybe, we can come up with a method to finance the undergrounding. We will be setting a date in the near future that is agreeable to all parties.

Mr. Perona said the Mayor had stated he would like to look into some grants for that sort of thing. Mayor Benton said we will be looking into that. He has asked the City's grant writer to look into that.

Mayor Benton said that Senator Pruitt said the Governor signed the \$10 million grant that will come to us through the South Florida Water Management District for help in the relocation of the water reclamation facility. That is a start. Mr. Thiess said the grant amount was pared down to \$7.82 million.

Mr. Drummond asked, in the short term, how is the City proceeding to enforce it's ordinance regarding underground electric services. Mayor Benton said if there is damage to the feed coming into a customer's house, they are required to get a permit to put the services underground. If a feed is taken out in a storm or if a customer is going to be remodeling or putting on a new addition to their home, they are required to put the electric underground. Mr. Drummond said he heard a suggestion with regard to possible installation of a generator would require the electric to be placed underground. Mayor Benton said he couldn't answer that question. That is one for the City's Building Department.

Mr. Perona asked if the meeting that is going to be set up fits into the timeline for the City Engineer's 25th Street Project. Mayor Benton said the City has given the word that it will be underground. Mr. Perona said we just don't know whose going to pay for it. Mayor Benton said that's what it comes down to. Mr. Perona said we are writing out checks that nobody knows who is going to fund. Mayor

Benton said this isn't going to be done until 2008. Mr. Drummond said the engineering will go on. Mrs. Cully asked if the Mayor is saying that the work on 25th Street will not be begun until 2008. Mayor Benton said that is correct. Only the design work will be done in the near future. The word was given by the City Commission that it will be underground. Mr. Perona said he will look forward - to that meeting.

There being no further business, the meeting was adjourned.

ATTEST:

Secretary

Chairman