

MINUTES OF A REGULAR MEETING OF THE FORT PIERCE UTILITIES AUTHORITY,
TUESDAY, AUGUST 15, 2006, CITY COMMISSION CHAMBERS, 4:00 P.M.

Members Present: Chairman, Robert W. Summerhays, Jr.; Vice Chairman, Thomas K. Perona; Secretary, Darrell Drummond; Deputy Secretary, Pamela K. Cully; Mayor Robert J. Benton III; Ex-Officio Member/City Manager, Dennis Beach.

Others Present: Director of Utilities; Director of Corporate Services; Director Electric/Gas Systems; Internal Auditor/Risk Manager; Corporate and Community Relations Manager; Director of Shared Services, FPUA Attorney.

Chairman Summerhays 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, Director of Utilities, requested Item A-8 be removed from the Consent Agenda for further clarification.

Motion by Mr. Drummond, Seconded by Mr. Perona and unanimously carried to approve Items 1 through 7 of the Consent Agenda:

1. Approval of the Minutes of the Regular Meeting of August 1, 2006.
2. Standard and Poor's Credit Rating on FPUA – For Information.
3. RFQ 5516: Authorize piggyback of City of Fort Pierce Streetscape Construction contract for electric utility improvements from Burkhardt Construction in the amount not to exceed \$75,000 for the period of 7/5/06 – 7/4/07 with two 1-year renewal options.
4. Bid 5629: Accept lowest and best bid received from J. A. Taylor Roofing, Inc. in the amount of \$47,877.00 to re-roof Lift Station A.
5. Bid 5636: Accept lowest and best bid received from West Florida Maintenance, Inc. in the amount of \$28,500.00 for repainting steel beams and sprinkler piping at the Energy Services Center.
6. Approve purchase of one padmount stainless steel transformer from Pauwels Transformer through the Florida Municipal Power Agency bidding process for a total of \$25,222.00.
7. Approve contract with American Residential Service of Florida, Inc. dba ARS Service Express for a yearly amount of \$9,640.00 with two 1-year renewal options with optional increases up to 5% per year.

Mr. Craig Brewer explained the item removed from the Consent Agenda. This was for approval of sole source Participation Agreement with Florida Municipal Power Agency to provide training sessions. Mr. Brewer explained that during the course of putting this agenda item together, we had an oversight on the actual amount of the agreement. It is approximately \$12,000, instead of the \$20,640 listed in the agenda item.

August 15, 2006

Page - 2

Motion by Mayor Benton, seconded by Mr. Perona and unanimously carried to approve sole source Participation Agreement with Florida Municipal Power Agency to provide eight quarterly safety training sessions by the Municipal Electric Authority of Georgia in the approximate amount of \$12,000.00 with an option to renew the contract.

Mr. Thiess explained the next item is a confirmation of the date, time and place for the Finance 101 Workshop for the Board. It will be held on August 29, 2006, at 2:00 p.m. at the Energy Services Center.

Mr. Summerhays asked, since it is now official that Mr. Thiess is our new Director of Utilities, how is your name pronounced? Mr. Thiess said the "h" is silent.

Mr. Doug Giel addressed the request for approval of a Specific Authorization with CH2M Hill for architectural services for facilities planning.

Mr. Giel explained approval of this item will allow CH2M Hill to work with us to develop a facilities plan. We started the facilities plan in January of this year. We started to look at growth in the St. Lucie County area and our needs for the future in terms of personnel, space requirements, and equipment. We requested information from all Department Heads, which we compiled in a spreadsheet. A copy of that spreadsheet is in your agenda packets. Mr. Giel referred to page 4 where the summary of findings is located. We expect the number of electric, water, wastewater and gas services to increase from 62,000 to 105,000 in a ten year period of time. On this page, you will also see the personnel requirement, which goes from 291, this year, to 402 in 2016. This does not include the water expansion in St. Lucie County. This is for normal growth in the existing service area as opposed to expanding into St. Lucie County.

Mr. Giel said the last time we built a facility was in 1993, when we built the Energy Services Center. In 1994, we bought the Federal Courthouse and thought it would provide ample space for us for some time into the future. The purchase was in the amount of \$184,000 and consisted of 24,000 square feet. We have a ten year lease with the federal government for that building, which expires in 2012. In 2001, we leased 8,333 square feet on Second Street. That lease expires in July, 2009. We are looking at a lot of change.

We are asking CH2M Hill to come in and do a walk through of our existing facilities to determine if the best use is in place, especially at the Energy Services Center. We are, also, trying to determine what the possibilities are for building an administration building on the cooling tower site at the power plant, possibly, after we decommission the power plant. We are also looking at purchasing a new tract of land and taking a look at what land would be available to build an administrative complex on and sell our existing facilities. We are asking CH2M Hill to prepare a report with a site plan with square foot data and cost considerations.

Mr. Drummond asked if there is a reason why staff is suggesting this be done by CH2M Hill. Mr. Giel said CH2M Hill has an architectural division. We already have a service agreement with them. They were actually the company whose architectural division helped us build the Energy Services Center. Mr. Drummond asked if there is a threshold we reach where we have to send out an RFP for something of this nature. Mr. Thiess said there is a threshold with CCNA. We are well within the threshold. We

August 15, 2006

Page - 3

have run this by our Attorney, and he is comfortable with assigning the task. CH2M Hill bought the firm that did the architectural design on the ESC. Some of those personnel are still there, and we felt it was a natural fit. Plus, there is a time issue. We would like to get this going, because we are looking at a July, 2009, date when we have to be out of the Second Street location. If we go through the RFP process, it kills another three or four months.

Mr. Perona asked what is the importance of having the administrative building close to Second Street or close to Sixth Street. Mr. Giel said the primary consideration is to have the administration building in one location. It saves much more on the economy of scale as far as telephones and computers are concerned. It would be a better, general utilization of our facilities. Whether it is on Second Street or Sixth Street or at the ESC, he doesn't think it much matters to us.

City Manager Beach said it would matter to the City if you attempted to move it out to your Energy Services Center. Mr. Giel asked in what way? Mr. Beach said it would matter in our redevelopment efforts for the downtown area.

Mr. Perona said the company we contract with will take a look at all of the options and look at the needs of the Authority and come up with a list of recommendations, and we can take it from there to find out what a good fit would be for both FPUA and the City of Fort Pierce. Mr. Giel said this is just a first pass with CH2M Hill. They will come back to us with a final report. They will probably start at Sixth Street. He is not sure how long it will take, but we will be pushing them to get a result quickly.

Mayor Benton said he hopes when they come here they will sit down with the City Commission, too, because he knows where the cooling towers are is the area where the City has looked at to put a parking garage in the future. The other day we had a little charette talking about Veterans Park, and the big issue is parking. What better place for a parking garage than a block away, next to the railroad tracks. Before we allow anyone to sit down and plan this, you need to bring the City into the picture and make it a team effort.

Motion by Mr. Perona, seconded by Mrs. Cully and unanimously carried to approve Specific Authorization 2006-05 with CH2M Hill for an estimated \$38,900 for architectural services for facilities planning.

Regarding the next item, Mr. Summerhays said he needs to announce a conflict. Engineering Design and Construction, Inc. is 100% owned by his son-in-law, and he will be abstaining from voting.

Mr. James Carnes of Water/Wastewater Engineering presented the request to the Board. Mr. Carnes explained this a request for approval of a Water/Wastewater Supply Agreement between FPUA, Engineering Design and Construction, Inc., and Consolidated Properties of Fort Pierce, LLC. The name of the project is Port Consolidated. Port Consolidated is a petroleum supplier who is going to be building a mechanical substation on Jenkins Road about 500 feet north of Orange Avenue. The developer's engineers determined that a four inch force main and an eight inch water main are required to supply this project. Staff is recommending that the eight inch water main be upsized to a twelve inch in the not to exceed amount of \$17,825.00. Concurrently, staff is recommending that we increase the size of the force main from a four inch to a twelve inch in the not to exceed amount of \$35,350.00. These improvements are necessary to ensure that the utility infrastructure expansions are consistent with FPUA's Master Plan. Therefore, FPUA's total contribution to the off-site utilities on this project

August 15, 2006

Page - 4

will be the not to exceed amount of \$53,175.00. This is a standard supply agreement approved by Mr. Koblegard.

Motion by Mr. Drummond, seconded by Mr. Perona and carried to approve Water/Wastewater Supply Agreement between FPUA, Engineering Design and Construction, Inc. and Consolidated Properties of Fort Pierce, LLC, including FPUA contribution for offsite main upsizing in the not-to-exceed amount of \$53,175.00 with Mrs. Cully, Mr. Drummond, Mr. Perona, and Mayor Benton voting yes. Mr. Summerhays abstained.

Mr. Richard Stenberg presented a request for rejection of bid 5623 and approval of bid 5637 for repair and replacement of sluice gates at the Water Reclamation Facility. Mr. Stenberg explained that sluice gates are large, aluminum gates located at the WRF. There are five gates that direct the flow to the different processes and different tanks within the WRF. We went out to bid and received one bid. We deemed it to be extremely high, so we recommended that the bid be rejected. We put it out for bid, again, through City Purchasing and only one bid was received. The initial bidder did not bid, again, the second time. The bid we received the second time was much more palatable as far as costs. It is substantially lower, and staff recommends that we go with that bid.

Mr. Drummond asked, given that we went back out to bid, is it necessary to reject the first bid. Mr. Koblegard said he believe it would be appropriate to do that. Mr. Koblegard asked Mr. Stenberg if the rejection of the first bid was ever brought before the Board? Mr. Stenberg said we sent a rejection letter to the City Purchasing Department recommending rejection of the bid. He doesn't know why it never came to the Board.

Mr. Perona said he has talked to Mr. Thiess about this, but it really shocked him when he saw 251 vendors were solicited, and we only got one bid. It is either that we sent it to people that don't do this work, or this is so minor a repair that nobody really wants to deal with it. He asked Mr. Stenberg's opinion. Mr. Stenberg said the City puts this out via the internet. There is some sort of electronic means of putting this out to all the vendors. We do recommend certain companies that we have dealt with in the past when we send it over to Purchasing. It does go out through a multi-faceted group of contractors. We do believe, because of the current construction activities in the water/wastewater business, that this job is just too small for a lot of these companies. This is not a dire emergency. We want it done, obviously. Mr. Perona asked if the amount of the second bid is what Mr. Stenberg expected to pay. Mr. Stenberg said it is a little higher than we thought it would be, but it is within our feeling of comfort.

Motion by Mr. Perona, seconded by Mrs. Cully and unanimously carried to Approve rejection of Bid 5623 and approve award of bid 5637 to Power and Pumps, Inc. in the amount of \$48,200.00 for repair of one sluice gate and replacement of five other sluice gates at the Water Reclamation Facility.

Mr. Frank Varella presented a request for approval of a resolution adopting the annual budget for FY 2007. This reflects all the information staff brought to the Board at our last meeting. This is the comprehensive budget, which includes many sections. This budget is comparable to what has been approved by the Board in past years.

Mr. Dennis Beach referred to page 27 of the budget book. Under South 25th Street distribution rebuild, there is a figure of \$337,000. That was the subject of a joint meeting of the City and FPUA. Is this the

August 15, 2006

Page - 5

amount you are anticipating to spend on 25th Street? His recall is that the Board authorized some other figure for the undergrounding of those utilities. Mr. Varella said he believes this is a multi-year project. He thinks this amount is for a lot of engineering and getting started. In years after that, it will include the other costs.

Motion by Mr. Perona, seconded by Mr. Drummond and unanimously carried to adopt Resolution UA 2006-08 Adopting the Annual Budget for FY ending 9/30/07 and amending the FY 2006 budget.

Mr. Thiess presented a request to approve a resolution establishing signature authorizations with Riverside National Bank. We have four authorized signatures with Riverside National Bank. One of those signatures was Mr. Boudreaux. The others were Frank Varella, Tom Richards and Bill Thiess. This resolution moves Bill Thiess to the Director of Utilities' signature position, and we will put Nancy Dallaire in his former slot until we have our new Director of Water/Wastewater Systems.

Motion by Mr. Perona, seconded by Mrs. Cully and unanimously carried to adopt Resolution UA 2006-09 establishing Signature Authorizations for FPUA banking with Riverside National Bank of Florida.

Mr. Frank Varella introduced a Finance Department staff member, Sandy Pitman, our Budget Officer. The Board may think he did all the work in the budget book that is almost 200 pages long. It involves a lot of people like Sandy who put in hours and hours trying to get the figures right, as well as, department heads, Nina Hurtubise, and his Secretary, Cathy Kane. He wanted to acknowledge those employees. Mr. Perona said good job.

There being no further business, the meeting was adjourned.

ATTEST:

Secretary

Chairman