

MINUTES OF A REGULAR MEETING OF THE FORT PIERCE UTILITIES AUTHORITY,
TUESDAY, NOVEMBER 4, 2008, 4:00 P.M., CITY COMMISSION CHAMBERS.

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

Excused: Vice Chairman, Robert W. Summerhays, Jr.

Others Present: Acting Director of Utilities/Director Electric and Gas Systems, Thomas W. Richards; Director of Shared Services; Director of Finance; Director of Water/Wastewater Systems; Risk Manager; Communications Manager

Chairman Cully called the meeting to order.

The Invocation was given by Mr. Tom Richards.

The *Pledge of Allegiance* was recited.

Motion by Mr. Drummond, seconded by Mr. Perona and unanimously carried that the items listed on the Consent Agenda be approved:

1. Approval of the Minutes of the Regular Meeting of October 21, 2008.
2. Excuse Mr. Summerhays from this meeting, as he is out of town.
3. Approve payment of FMEA Annual Dues Assessment in the amount of \$35,910.00 for the period of 10/2008 through 9/2009.
4. Approve payment in the amount of \$34,452.29 to the City of Fort Pierce for utility improvements for the Indian River Drive road reconstruction project.
5. RFP 5616: Approve renewal of annual maintenance for Voice Over Internet Protocol phone system with AT&T Solutions, Inc. in the amount of \$26,293.49 for the period of 11/1/08 – 10/31/09 with annual renewal options mutually agreed upon in writing by both parties.

Cathy Gordon of Siver Insurance Consultants presented Siver's recommendations for the 2008 employee benefit plan.

She explained that the request for proposals was released in July of 2008, and proposals were received on September 15th. Proposals were received from WebTPA, Blue Cross Blue Shield of Florida (BCBSFL) and United Healthcare, which included numerous options for stop-loss insurance and for plan designs. Siver has recommended FPUA select BCBSFL with Symetra stop-loss as the most cost effective option. Their recommendation is based upon the strong network in the St. Lucie County area and similarity in plan design. This would represent an annual savings of over \$400,000 from the current 2008 plan and a savings of over \$800,000 from the renewal option with WebTPA.

Ms. Gordon explained they did consider the proposal from United Healthcare very carefully, but their plan design includes an increase in retail prescription co-pays, and their provider

network is not as extensive as the BCBSFL network, which would force more employees to need to change physicians.

Some benefit differences in the BCBSFL plan and the current plan include elimination of the deductible crossover benefits, the out-of-pocket crossover benefit and the fourth quarter carryover deductible benefit. Currently when the in-network deductible is met, the full \$250 also applies to the out-of-network deductible. That is not the case with the BCBSFL plan. Also, the current FPUA plan includes a coinsurance crossover benefit, which means that when the in-network out-of-pocket is met, the \$1,500 also applies to the out-of-network out-of-pocket. That is not the case with the BCBSFL plan. The current FPUA plan includes a fourth quarter carryover deductible benefit which means that if a member meets their deductible in October, November or December of the plan year, they do not need to meet the deductible in the following plan year. That is not included in the BCBSFL plan.

The BCBSFL plan includes reductions in the Home Health Care benefit and the Hospice benefit, as well as a reduction in the chiropractic/spinal manipulations and physical therapy benefits.

There are also differences that are considered improvements or neutral changes in coverage. The urgent care benefit, including medical walk-in clinics, is improved with BCBSFL. Currently, FPUA's plan includes coverage for urgent care facilities, but employees are responsible for the deductible and coinsurance. The BCBSFL plan allows employees to pay a \$15 copay for these visits. The benefit for maternity for dependent daughters is improved with BCBSFL. The non-preferred brand retail prescription copay will decrease from \$40 to \$35 for a thirty day supply with BCBSFL. Considered neutral is the requirement to use either CVS, Publix or other stores, but not Walgreens, for the ninety-day supply of maintenance drugs at the mail order copay.

In addition to those already mentioned, there are some administrative differences and network differences. The major hospitals will be the same. BCBSFL is less flexible administratively than WebTPA and some changes in processes should be anticipated. Employees should be aware if they use an out-of-network provider, BCBSFL sends benefit payments to the employee, not to the provider.

Ms. Gordon referred to a chart outlining three different funding level options for 2009.

The first example shows the employee continuing to pay the same dollar amount for dependent coverage as they are currently paying, making the percentage for 2009 rise to 29%. Since the costs are dropping, the percentage would go up. The second example shows the employees paying at the current 25% of dependent coverage, whereby the amount they would be paying would decrease for 2009, and the last example shows increasing the employees' contribution to 30%.

Mr. Perona asked if this indicates any type of trend in the industry that shows that costs are starting to go down and will continue to go down year after year. Ms. Gordon said no. Mr. Perona said simply put, if you give the benefit and stay with the same percentage, taking advantage of the \$400,000 savings, and next year it is double this amount, the perceived benefit we would be giving our employee turns into a monstrous amount, and we wouldn't accomplish what we were trying to do.

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Ms. Gordon said if you think of health care costs in general doing an escalation every year – somewhere around 10% per year – by making this change to BCBSFL, you are taking a step down. She doesn't think there is any reason to believe the second year will have another step-down. There may be. Sort of what has happened here is BCBSFL is projecting how much savings their network will bring to the UA's plan. If we've been a little conservative on that projection, the second year could mean a reduction or no increase. Once we take that all into account, unless the system changes drastically, she thinks it is reasonable to assume that the second year will go back to the step increases unless other changes are made.

Mr. Drummond asked if she would suggest the shift or reduction she is anticipating is a result of moving to Blue Cross and not because of any reduction brought about as a result of our experience. Ms. Gordon said she believes that the reduction here is almost solely because of the change to Blue Cross.

Mr. Perona said because of that, conveniently, we are to believe this is apples to apples compared to what benefits we have had in the past. He questions that, saying that all of a sudden if it looks like a great deal, he has to suspect there is a lack of service or benefits somewhere. He is very concerned that any benefit that turns into a nightmare for our employees is not a benefit at all. He would like to keep that level of medical and dental at least a constant, especially in light of the dollars employees will be spending for dependent care.

Ms. Gordon said the benefit differences are minor, but there are some benefit differences. There is a hassle factor for employees any time you change, particularly when you change networks. While the Blue Cross network is very broad, there are some employees going to doctors in the ECN network, whose doctor won't be in the Blue Cross network. For them it will be a painful transition. Their instructions were to try to find the UA the best quality for the best money on the health plan, and she does believe that is what Blue Cross is. However, she doesn't believe you are getting this for free. There is less flexibility with Blue Cross than you have had with WebTPA. The service with WebTPA is extraordinarily good. She doesn't think Blue Cross's service is bad. She doesn't mean to imply that, but she thinks there will be a transition and less flexibility for staff in dealing with Blue Cross.

Mayor Benton asked if this policy mirrors the City's policy. Ms. Gordon said yes and no. It mirrors a change. The City became fully insured with Blue Cross and went away from the self-insured structure and payment funding. The plan designs are different. In terms of the hassle factor, some similar things will happen. She knows there have been some complaints at the City.

Mayor Benton asked if she knows what the City is doing now with dependent care. He knows there are some negotiations with unions. Ms. Gordon said it is her understanding that in June the City went from about 22 or 23 percent to 30%. The plan is to go to 40% in June of 2009 and 50% in June of 2010.

Mr. Drummond asked the Mayor if these things will be negotiated. Mayor Benton said in some cases you have to notify the union. It is not really negotiated, but you have to give them time and explain it to them. At the end of each budget year the City was having to come up with somewhere close to a million dollars or more, because we were self-insured. He can tell you prescriptions in the plan the City has now with Blue Cross Blue Shield have gone up in

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costs. He knows we have no choice. The City and UA are looking to trim some budgets, and times are tough. A lot of the residents out there don't even have insurance. It is a tough issue, but it is the price we have to pay, because insurance has gone sky high.

Mr. Drummond said he doesn't know if we ever had a formal discussion. He knows there was a request from the Commission that we look in terms of our dependent coverage for employees, and he is sensitive to that. He recognizes costs continue to rise. He is also sensitive to the fact that things continue to increase as it relates to costs for our employees, and he knows this year we didn't look in terms of salary increases and that is a real burden as well. So, he wants to make sure in looking at cost savings that we are not just shifting those costs to our employees. He doesn't think that would be fair either. He is torn between recognizing that we have a big savings and this gives us an opportunity to look at it, and at the same time if we have a great increase the next year and we've now gone with an arbitrary number, that number will reflect in a real cost increase to our employees for next year. So that is why he is a little concerned about saying we can do it, because there is no impact. That's this year.

Mrs. Cully said she agrees with Mr. Drummond. She also realizes we do have to look at costs ourselves. She hates the fact that we are going to have to end up possibly having our employees spend more money on health care than they have had to in the past, along with no increases in salaries. She does feel we should look at this and follow it this year. She knows going back and forth between insurances is not a good thing. But, it is a great savings for us, and she thinks we should see how it works. To be honest, she doesn't care for Blue Cross Blue Shield. She has had bad service when she's had it before, and she's heard stories about it.

Mr. Perona said since we have several other local governmental agencies joining Blue Cross Blue Shield, that is going to make the market place, as far as medical and dental communities, pay attention to that. They will have to open their doors to that. It might be an adjustment for our employees and all the people using Blue Cross Blue Shield. The numbers and dollars are great. Siver did a fantastic job with it. He is applauding them. He really wants to make sure that not only the savings are there, but we have maintained a certain level of benefits. He would expect in times like this it might be a worse situation to give up coverages and pay a little bit more. He just wanted some clarification that our employees will be able to find medical benefits in this plan. They may have to jump through an extra hoop or go a different route, but they will find it, and it won't be a major inconvenience for them. Mrs. Gordon said we wouldn't recommend it if we didn't think that was possible. What we don't want to do is recommend it and make it sound like there are going to be no differences. There will be differences. She thinks when people have had bad service experiences, those are resolvable, but there is an effort involved in resolving them. Your staff does a great job in assisting employees with resolving those issue. We are recommending you use a broker who does a great job at resolving those differences. We think Blue Cross has made a really strong commitment to this geographic area. They have sort of been actively pursuing and winning the business of Florida governments in this area. We think that will mean more physicians and providers in their network, which is a positive thing. She also doesn't want you to think there are no changes.

Mrs. Cully said in looking through this, there are some changes, but these are times we have to look at less for now. But in another year or two that could change.

Ms. Gordon said just as a thought, if you were going to leave employee contributions at 25% this year, that would give employees that were purchasing coverage for one dependent, about a \$20 savings per month. If they are getting family coverage, it would be about a \$32 savings per month. That is not a huge dollar amount, but when they are being asked to change their pharmacies or doctors, to have that small savings might make it an easier transition if it is easier, economically.

Mrs. Cully said she was thinking we would be better off if we kept it the same as they are paying right now, because they are used to paying that. Next year, if we have to go up even more, it would feel worse. Mr. Perona said he went over this in his mind. Basically, if you can get to a point in time where somebody doesn't raise the amount you are paying, that is in itself a savings. Cable bills are going up; utility bills have gone up, taxes have gone up, fees and services generally go up. He would be inclined to keep the dependent coverage dollars the same and go with the 29%.

Mr. Drummond said he is not opposed to going to the 29%. He is not opposed to recognizing the market place and knowing we have got to look at it over time. He just thinks it is easy this year, and he would want to be sure we would not close the door to being willing to look at it if for some reason next year there is an extreme increase, and it is just automatically passed on.

Mayor Benton said we have seen a presentation Port St. Lucie made about a clinic. He knows there have been talks with the County, UA and the City. There was a cost savings in Port St. Lucie that could help get these numbers down even more, helping with prescriptions and other things. He thinks that is something we're going to be looking at, hopefully, this year.

Ms. Gordon said the status of the clinic right now is the County has an RFP to take bids for a clinic. They are looking at a pretty convenient location at the old Sam's Club as a possible location for the clinic. The UA is going to be in a position to work with the County and share the benefits of that if they choose to, as it goes forward over the next couple of months.

Ms. Gordon said what happens is when people use the clinic, there is an upfront cost to support your portion of the clinic if you were to share with the County, for example, but then your claims dollars will drop as employees use the clinic. You will be paying a fixed cost for that medical care, and you won't be paying the Blue Cross health insurance bill or prescriptions. She and Mr. Giel toured the clinic in Port St. Lucie a few months ago, and it really is impressive. It is very positive for employees, and is something we absolutely want to leave as an opportunity for the future. Mr. Drummond said if that is indeed what happens, we would see Blue Cross coming back and lowering the premiums? Ms. Gordon said they really don't lower the premiums, per se, but your claims projections for the future go down, so your funding estimates go down, probably after the first year or six months of using the clinic to be conservative. It is a very exciting potential for the future. She actually hoped we would be back talking about it within six months.

Mayor Benton said he hopes so too. There are cost savings and convenience of an employee not having to miss as much work. You have an appointment scheduled, and you are the only person there. You don't wait in a waiting room for an hour. You are in and out. You get your

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prescriptions. It works very well. The numbers could come down considerably if we have the employees of the County and the City, the Fire District and the School Board participating.

Motion by Mr. Perona that FPUA approve the proposal from Blue Cross Blue Shield of Florida with employee participation for dependent coverage at the 29% level for medical, dental, flexible spending, life insurance and long term disability benefit changes. Motion seconded by Mr. Drummond and unanimously carried.

Mrs. Nina Hurtubise, Director of Finance, presented the rate comparisons for the month of September, 2008.

She displayed the graph showing cost per 1,000 kilowatt hours of electric usage for the month of September. We are a little better off than last month, but not significantly. Each of the utilities have base rates and varying amounts of power cost adjustment. Different amounts of power costs are already built into the rates. You really can't compare, but have to look at the total rate, altogether. Since August, nine utilities have increased their bills and six have decreased their bills. The most notable is Bushnell. They had a \$13 increase and Gulf Power, an Investor Owned Utility, which is not listed, increased their rates \$11.25 during the month of September. As a result the IOU average increased by \$1.98.

The 2,500 kilowatt hour comparison looks about the same. October and April are traditionally the months utilities adjust their power costs. We did not do that this year. We held the line in the month of October. If we were to see any improvement in our position relatively speaking, it might be in the month of October. There are changes being made in the month of October that we haven't seen yet. It is all subject to speculation.

Mr. Perona asked everyone to look at Gainesville. It is number 15 in line on the 1,000 kilowatt hour comparison. If you go to the 2,500 comparison, it is right next to Ft. Pierce in the number 5 position. It seems their base rate changes for usages above the residential norm. He thought that was curious. That is not so typical. He went through the others and they are evened up. He wondered if that is something we might look at in the future. Mrs. Hurtubise said that would be a complete change in the structure of our rates. We charge an equal amount of power cost adjustment across the board, no matter how much consumption you have. But, FPL increases the amount of the power cost adjustment. If you use more, you pay more. It is a matter of a different rate structure. It is something we could look at in the future. Mr. Perona said when he looked at it, when the usage went up into the 2,500 kilowatt hour rate, those customers got hammered a little more. It gives a benefit to the smaller user like residents. We might want to look at it in the future. Any way we can help the residential users would be something he would be interested in doing.

Mr. Drummond would be curious to know if they are calculating it on the usage having a greater percentage of cost or it is purely just a disincentive to get them to use less? Mrs. Hurtubise said she will look into it and report back next month at the latest if not at the next meeting.

Mrs. Cully asked if there probably will not be any more adjustments from October to the following April. Mrs. Hurtubise said right. October is traditionally when many of the municipals make the adjustments to their power costs. We like to hold it for a six month period and

unfortunately, we've not been able to and a lot of others haven't been able to hold out either. Mrs. Cully said she noticed some of the base rates, such as Jacksonville, Orlando and Blountstown, have very little PCA. She asked Mr. Richards if he could give us an explanation on the differences there. Mr. Richards said on the chart you are looking at now, Blountstown has the lowest all in costs. It has no fuel adjustment at all. They set their rates, and if they are not making enough money, they go back and set their rates again with a full blown rate hearing. Blountstown is a small community in the panhandle, and they do get some hydropower from the Southeast Power Authority, so they have the advantage of getting something that helps them with their rates a little bit. Each of these different cities have different base costs. He can't testify for the rest of those cities, but he knows in our base rate there is already \$49.90 worth of power cost adjustment. The adjustments you see in Fort Pierce are for costs above or below \$49.90. Other cities have varying amounts of power already in their base rates. It is not fair to look at just the fuel adjustment or just the base rate. You really have to look at their all in costs, which is what you see at the top of the bar.

Mrs. Cully said Mr. Richards also mentioned that some use coal and not natural gas as fuel. Mr. Richards said there certainly are a number of utilities that have a greater share of their resources dedicated to coal. They would typically have more stable rates in these times when gas prices are high. Gainesville is one of them, and Orlando is another one that has a high percentage of coal use.

Mr. Drummond asked as we are seeing fuel costs come down if we are looking at our collection of power costs from our customers, as that percentage increases, we won't necessarily wait until April if we see we are trending toward over collection, will we? Mrs. Hurtubise said that is correct. As soon as we recover what we have under collected, and we have quite a substantial under collection at this time, we will look at reducing the power cost adjustment as soon as we can do so. Mr. Drummond said we will not artificially wait until April. Mrs. Hurtubise said no, we will not. We certainly did not wait when we had to raise it.

Mrs. Hurtubise presented information regarding electric, water and wastewater surcharges outside the city limits.

She stated Fort Pierce Utilities Authority customers who live outside the city limits pay a surcharge on their electric, water and wastewater services. She displayed a chart depicting the information Mr. Summerhays requested of her two weeks ago with regard to dollars we collect through surcharges. We collected approximately \$478,494 in 2008 in electric surcharges; a little more in water. The electric surcharge is 10%, while the water and wastewater surcharge is 25%. We collected about \$538,459 from water for 2008, and \$261,637 for wastewater.

Two weeks ago a letter was presented to the Board. The letter was received from the Mayors of North Miami Beach and North Miami. The letter said the Miami-Dade County legislative delegation and the Miami-Dade Board of County Commissioners are pressuring the Florida legislature to eliminate these surcharges. It means a lot to us. If that were to happen, the additional cost to serve the outside city customers would be borne by all FPUA customers. She showed the Board three different scenarios. If we were to make the water surcharge equal to the utility tax inside the city, it would have a 4% effect on the water rates and a 3-

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1/2% effect on the wastewater rates. The other two scenarios show smaller reductions and lesser increases to the customers.

Mrs. Cully asked if Mrs. Hurtubise means we would have to increase our rates by that amount. Mrs. Hurtubise said yes. In order to make up the shortfall we were receiving in surcharges from the outside city customers, every customer would have to pay an extra approximate 4% to make up that difference in revenue in just the water rates.

Mrs. Hurtubise said a group of affected utilities and their representatives attended a meeting on October 27th to organize opposition to this proposal. A draft resolution opposing elimination of utility surcharges was circulated and all entities and municipal governments with a financial interest in this were urged to adopt a similar resolution. FPUA staff will provide that resolution to the Board in two weeks on November 18th. We will forward the draft resolution to the City of Fort Pierce for their consideration as well. We want to fight this in any way we possibly can.

Mayor Benton asked if he could get a copy of that resolution as soon as possible so he can have it on the next City Commission Agenda. He knows we meet with the legislative delegation usually in the first week or two of December. He would like to have it in hand.

Mayor Benton said he would like to say for the record the reason we are doing this. With the city tax, if this was eliminated, people outside the city limits would be paying less for water and sewer than people inside the city limits. Mrs. Hurtubise said that is why she has not even listed that as a scenario to consider. Mayor Benton said on your utility bill there is a city tax. He tried to explain this to some residents of Golden Ponds the other day. The reason we have this surcharge is the residents of incorporated Fort Pierce made the initial investment before impact fees for our water and sewer plants. That is why residents outside the city pay a little bit more. They weren't part of that investment. We are just covering ourselves and our residents.

Mr. Drummond asked if this information is being shared with all the members of the City Commission. Mayor Benton said it will be. They have the letter, but he was waiting for the numbers. He will make certain they receive copies tomorrow. Mr. Drummond said that is good. He is in total agreement that we should not in any instance consider doing anything outside the city limits that is going to cost our ratepayers a penny. When the city is out there speaking in terms of annexation, they need to be always able to demonstrate that there is a reason for being a part of the city.

Mayor Benton said last night the City took the first step to annex the Educational Research Park. We have had meetings with several businesses that want to come into the park, and their concerns were the utility rates. Right now, we will save them 25% on water and sewer if they annex into the city.

Mr. John Tompeck, Capital Projects Engineer, presented a request for approval of Contract Amendment No. 2 to the National Salvage & Service Corporation Contract.

Mr. Tompeck said at the last Board Meeting, Mr. Thiess gave the Board a preview of this item, which is demolition of the intake structure at the Marina. The original plan for this area

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was to remove the equipment consisting of pumps, motors, intake screens, trash racks and all the electrical equipment and leave the concrete structure intact. This was agreed upon during a walk-through back in September, 2007, with the City of Fort Pierce and was the basis for the preparation of the demolition specs, which are a part of the contract.

In May of this year, the City Manager requested that we remove the entire structure, and we sat with the City on October 21st and hammered out the final details as to how we will demolish the structure. The work is fairly complex and obviously a rather expensive modification to the original plan. The existing boardwalk will have to be removed. Sheet piles will be installed, so the area can be dewatered. The concrete deck and piles will have to be removed. We need to install new load bearing piles on the north side of the structure. What makes it so expensive is most of the work has to be done from a barge. There will be an additional wall across the No. 5 intake canal that will have to be built. The cost of the change order is \$324,000. Schedule duration is two months, and they will probably start on or about February 1st.

Mr. Tompeck further explained the original contract with National was approved by the Board on May 6, 2008. The first amendment to bring the site to four feet below grade was approved by the Board on May 14th. We had a couple of small changes. One was wrapping the No. 6 boiler and the other was removing some transite panels, which the Board approved during the September 2nd meeting as part of the Consent Agenda. Those two small changes, along with demolition of the intake structure, are included in this amendment.

Mr. Perona said he has a comment. Mr. Tompeck has given great reports to the Board from the very beginning. He remembers the walk-through with the City of Fort Pierce, and it seemed that we had an understanding with the City. He doesn't want to throw barbs, but he has a feeling that if this had been included with the original scope of work, we would be talking about a lot less money today than \$324,000. He doesn't need Mr. Tompeck to make a comment, but he is saying from a Board Member's standpoint, it doesn't make him very happy. We sat here trying to get a plan using good communication with the City. Mr. Tompeck has been excellent at this. He walked through it and when things weren't clear, he walked through it again. The Board was regularly updated by Mr. Tompeck. He remembers this issue was one of the first ones we had left hanging, and we talked about it and talked about it and there was an agreement. Now, the \$900,000 plus dollars we were getting back is getting eroded more and more. He is just wondering if this is the end of it. He knows it is not the Utilities Authority's fault, and he hates having to pay for something that could have been avoided.

Mr. Tompeck said we tried our best to clarify the scope of work and make sure it was clear and the specifications were clear. This issue came up later. During the October 21st meeting, we sat down with the City of Fort Pierce and FPRA to see if there was a way it could be funded elsewhere. Unfortunately, that didn't work out. Mr. Perona asked if FPUA will have to bear 100% of this work. Mr. Tompeck said yes. Mr. Perona said okay.

Mr. Tompeck said in answer to Mr. Perona's other question, he and Mr. Richards had a discussion today, and there are going to be some additional changes. What happens and what he suspected would happen from the beginning, is as we go through the project, we are finding other things. There was no way we could predict we would find hazardous materials in the bottom of the No. 6 boiler. We have some hazardous waste we are going to have to get

rid of. We are trying to come up with the best way to do that. There are a couple of ways to do it. We can ship it as is, which is very expensive. We can stabilize it and ship it locally. He doesn't think these are tremendous costs, but they will chip away at the \$421,000 that is left.

Mr. Perona said looking at the costs for scrap metal, they have gone into the barrel lately. The only positive thing is that we did this a year or so ago, and we dealt with the amounts for scrap metals back then when they were really high. If we were doing this today, we would be talking about a whole lot less money coming back. Mr. Tompeck said he thinks that is true. The first shipment of copper the contractor sent out, they got about \$3.10 per pound, and they shipped about 80,000 pounds of it. Right now, they would be lucky to get \$1.70 or \$1.80 per pound.

Mr. Tompeck said originally the contractor felt they could get about \$300 per ton for scrap steel. They are not getting that for scrap steel now. As a matter of fact, they are having trouble getting rid of it. That is going to be a problem. In talking with the Superintendent of National today, they are not even taking it; they won't even talk about it until after the first of the year. We are starting to pile up some scrap steel at the site.

Mr. Perona said we told the Mayor that he can have a picnic on a grassy lot sometime in January. Hopefully, we can still make that. Mayor Benton said he expects sixty to ninety days. He has been watching that daily, so it will surprise him if they are finished in January. Mr. Tompeck said we talked to National a couple of times, and based upon our observation of how they are doing, he thinks they will be fine. We've asked them to see what they can do to speed it up. The original schedule showed the site being down to grade by the end of December, and then we added the amendment to take it four feet below grade. That essentially added about sixty days to the schedule. The additional change today will add about thirty days. He thinks we can run some of these things in parallel. But, they are behind. He expects they are about six to eight weeks behind based on reviewing the schedule.

Mr. Perona said in his mind he thinks communication coming back from the City cost the Utilities Authority several thousands of dollars, and that doesn't make him feel really good. It does show our participation in trying to improve the Marina and the walkway. Our commitment is to get the job done to the satisfaction of the citizens of this community. He sure doesn't want the UA to be counted as being remiss for not watching this and planning for this accordingly. He remembers Mr. Tompeck's words a little over a year ago, and they were specific. This was a little thing we left out there that he thought was agreed upon. He wants the minutes to reflect that is the way it was agreed upon and that is not how it turned out. We want to leave it better than we found it. He just doesn't want to see anything like this happen again.

Motion by Mayor Benton, seconded by Mr. Drummond to approve Contract Amendment No. 2 to the National Salvage & Service Corporation Contract to include demolition of intake structure in the marina at a cost of \$324,008.50, plus two items previously approved by the Board in the amount of \$28,494.82, modifying the total contract amount not to exceed -\$421,496.68.

Mayor Benton said he disagrees with Mr. Perona, because he thinks an intake structure, as are the cooling towers, is a part of the power plant. When you remove a power plant, you remove all the structures associated with it. To leave that facility there would have been

something that we would have had to go in later at a bigger cost, bringing in a new contractor. Somebody would have had to remove it. To him it was just an oversight on one or the other. The point is it is part of the job, and he is glad we've got it taken care of.

Mr. Perona said his clarification on that is that he does not want it to be an oversight. He thinks Mr. Tompeck did an excellent job, and he recalls that specific event of going there and leaving that item open. He thinks it was through a walk-through, and there was an agreement made with the City that it was okay to do what minimal work we had to do and leave it as such. He asked Mr. Tompeck if that is his understanding?

Mr. Tompeck said yes it is. With all due respect to the Mayor, when we scope a job, we develop a specification, and that specification is part of the contract. When we developed this specification, we had an agreement with the City of Fort Pierce that the intake structure was going to remain as is. He doesn't have any problem changing it, but that was the agreement when we put the specifications together and went out to bid.

Mayor Benton said in his opinion, it could have been filled with concrete instead of being removed if that would have been cheaper. He didn't see those agreements, but he just thinks it is part of the power plant and eventually somebody would have to remove it. Mr. Perona said he thinks if the Mayor had done the walk-through with Mr. Tompeck, it would have been removed and would have been a part of the contract and would have saved FPUA a lot of money. Mayor Benton said, probably so.

The roll was called and the motion unanimously carried.

Mr. Richards presented a request for approval of our customary, periodic bid for fuels for the coming fiscal year. This is a cooperative bid with other local agencies to join together to purchase fuels. There is a markup based upon an index. This comes over from the Purchasing Department, and he would recommend we participate along with everyone else.

Motion by Mr. Drummond, seconded by Mr. Perona and unanimously carried to approve Treasure Coast Cooperative Bid 08-39 to accept lowest and best bid from Glover Oil Company in the amount not to exceed \$368,000, annually, for purchase of gasoline and diesel fuel effective through June 30, 2010, with three, one-year renewal options.

Mayor Benton said it appears we have set a date for the joint meeting with the City Commission and FPUA Board. It is scheduled for 2:00 p.m. on November 18th prior to the FPUA Board Meeting at 4:00 p.m.

Mayor Benton said any items that Board Members would like to have discussed, please put in writing. He would like to start with Mr. Thiess, and the history of how we got where we are today. A lot of the shots coming at both Boards – the Charters were set up and the guidelines we go by were set up before any of us came along. We are doing the job we were set up to do. He thinks the history will help as a starting point, anyway. Maybe the Commissioners at the time and how things were done at the time need to be brought to both Boards. Maybe our forefathers had a little insight as to why they did this. That should get everyone's attention to start with, he hopes. Hopefully, we can get things on track.

Mrs. Cully said she thinks that is a good start and, hopefully, some good, positive things will come out of it. Mayor Benton said that is his intent, anyway. He knows this Board feels that way, and he believes the City Commission really feels that way, too.

There being no further business, the meeting was adjourned.

ATTEST:

CHAIRMAN

SECRETARY