

MINUTES OF A REGULAR MEETING OF THE FORT PIERCE UTILITIES AUTHORITY, TUESDAY, DECEMBER 16, 2008, 4:00 P.M., CITY COMMISSION CHAMBERS

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

Others Present: Director of Utilities; Director of Electric/Gas Systems; Director Water/Wastewater Systems; Director of Shared Services; Mr. Putnam Moreman representing Risk Manager; Communications Manager; Purchasing Manager; FPUA Attorney

Chairman Cully called the meeting to order.

The Invocation was given by The Reverend Ted Rice of St. Peters Lutheran Church.

The *Pledge of Allegiance* was recited.

The roll was called and a quorum declared.

Motion by Mr. Perona, seconded by Mr. Summerhays and unanimously carried to approve the items listed on the Consent Agenda:

1. Approve Post Budgeted Project/Budget Request in the amount of \$90,000 for FPUA Wireless Networking for Fort Pierce Police Department and other external customers.
2. Bid 5575: Approve additional funding to the MasTec of North America Contract for the Information Technology Services Department to install and build out the fiber infrastructure for FPUA's communication system expansion in the amount not to exceed \$103,000.
3. Bid 5878: Authorize piggyback of Florida Sheriff's Association Bid for purchase of one Sierra 2500 HD ¾ ton pickup truck from Alan Jay Pontiac, Buick, GMC in the amount of \$27,174.

The following letter of appreciation was noted:

A letter was received from Mustard Seed Ministries thanking FPUA customers for contributions amounting to \$333.10 through Project Care.

Chairman Cully asked Mr. Thiess to explain Project Care for those who may not be familiar with it. Mr. Thiess said Project Care has been around for a good number of years and is a program we have for our customers which allows them to round up to the next dollar on their utility bill and designate that money to go towards those that are less fortunate. Also, a customer may add any amount they would like per month to their utility payment and specify that it go toward Project Care. The funds are accumulated on a monthly basis and sent to Mustard Seed Ministries where they are used to pay the bills of those less fortunate.

Mrs. Cully feels this is a great program and hopes anyone who may be watching will participate if they are able to do so.

Motion by Mr. Drummond, seconded by Mr. Perona and carried that the Minutes of the Regular Meeting of December 2, 2008 be approved. Those voting yes were Mr. Drummond, Mr. Perona, Mayor Benton and Mrs. Cully. Mr. Summerhays abstained as he was not present at the December 2nd meeting.

Mr. Thiess explained the next item has been before the Board on numerous occasions. It is Phase II-B of the A1A Project. It has been budgeted, and we are currently under budget on this project. Mr. Bo Hutchinson with Water/Wastewater Engineering will present the request.

Mr. Hutchinson explained this project runs along A1A from the east side of the South Bridge to near Bayshore Boulevard. Utilities within this corridor include two sixteen inch water mains, one eight inch water main, a sixteen inch forcemain and a twelve inch forcemain. Significant utility relocations are required to facilitate the proposed roadway and drainage improvements. Dickerson Florida, Inc. currently has a contract with the City of Fort Pierce to perform the roadway and drainage improvements. Dickerson has also provided a proposal to perform the required utility relocations in conjunction with the roadway improvements. Staff has negotiated these prices with Dickerson and is satisfied with the proposal. Staff recommends awarding the utility work to Dickerson and funding the Change Order No. 1 to Dickerson's contract with the City of Fort Pierce in the not to exceed amount of \$622,678.90. This includes a 20% contingency for any unforeseen conflicts that may arise.

Mr. Drummond said he had a couple of concerns when he was looking at the breakdown. Typically speaking when we go in on these projects, because the City already has the road open, he thought we would avoid any restoration costs and was surprised to see that. Since they are already there, he didn't understand the charges for mobilization either.

Mr. Hutchinson said there is a portion of this project that includes extending a sixteen inch force main that is currently built to the east side of Harbour Isle. It was actually constructed by the Harbour Isles developer with oversizing contributions from FPUA. This portion of the project would complete construction of that sixteen inch force main from its current location on the west side of Harbour Isle to Bayshore Boulevard and tie it into that existing lift station. That is outside of the roadway construction itself, therefore, we are responsible to put the driveways back and all the typical restoration.

With regard to the mobilization issue, that is mislabeled. That was questioned by staff early on, as well. This is a boiler plate template that Dickerson uses. There is no line item in a DOT contract for supervision, per se. This item actually includes the Project Manager's costs for being on-site the entire time the work is going on. It comes to \$96.39 per hour for the Superintendent and a little less than \$16.00 per hour for his pickup truck. That comes to \$563.08, and they rounded it off to \$560.00 times 8 hours a day times 91 days of utility relocations. This totals \$50,960.

Mr. Thiess said if it wasn't in the mobilization slot on this form, it would be spread amongst the other items somewhere. It had to be put in the contract somewhere.

Mr. Drummond asked if staff's original estimate for this project was \$620,000? Mr. Thiess said the original estimate was \$651,800. Mr. Drummond said we are hopeful that we will get out of this for \$520,000. Mr. Hutchinson said he believes so. We have expended a good amount of time doing due diligence for this phase, and that actually resulted in the elimination of two potential conflicts already. We have a much better idea going into this phase than we did in the prior phase of what is in the

ground. That is not to say it is going to be perfect. They are still buried utilities, but staff will monitor the contingency very closely, and hopefully we won't have to tap into it at all.

Mr. Drummond asked if the \$373,000 is a lump sum. Mr. Hutchinson said it is a lump sum. If you look at the items themselves, each of the deflections that are proposed is taken as an additional lump sum item. Mr. Drummond said if these items don't actually go in, we will not be responsible for paying the full amount. Mr. Hutchinson said that is correct.

Mrs. Cully asked if the project is due to be completed by the end of 2009. Mr. Hutchinson confirmed this.

Motion by Mayor Benton, seconded by Mr. Drummond and unanimously carried to approve Change Order No. 1 to City of Fort Pierce contract with Dickerson Florida, Inc. to perform utility relocations for State Road A1A Phase IIB in an amount not to exceed \$622,678.90.

Mr. Thiess explained that the next item has been before the Board previously. We did receive grant funding from the CDBG funds from the City for this Avenue Q project. Mrs. Valerie Schulte of Water/Wastewater Engineering will present the request.

Mrs. Schulte stated the FPRA is providing Community Development Block Grant funds for this project. We will need to increase our Unit Price Contract with Ditchdiggers in order to cover total construction costs. This additional money will give us enough to do that. The project will provide sewer lines on Avenue Q between 25th and 29th Streets in areas where there are septic tank failures.

Mr. Drummond asked if we have a proposed start date on this. Mrs. Schulte said we are waiting to receive funds for which we have invoiced FPRA, and once those are deposited we will be ready to go. Mr. Drummond asked if this has already been approved by FPRA. Mr. Thiess and Mayor Benton said they believe these funds have been approved. Mr. Thiess said we have to have the funds in hand before we can begin writing checks. The first thing we do is order concrete structures and before we make that financial commitment, we need the CDGB funds in hand. Mr. Drummond said he tends to believe he trusts the City. He would love for us to get this project moving. He would hate for us to be holding this up just based upon waiting on the monies to be transferred. He would hope we could start ordering and get this project moving, because as it says here, this has been going on for over two years now. He would like to get it started. Mr. Thiess said if that is the direction of the Board, that is how we will proceed. Mayor Benton told Mr. Thiess to walk up to Mr. Ward's office after this meeting, and he is sure the check will be ready if you ask. Mrs. Cully said that would be good.

Mrs. Cully asked how long it will take to complete this project. Mrs. Schulte said she believes it will take three months. Mr. Thiess said we have to work with the contractor's schedule. We couldn't schedule the work to begin tomorrow if we get the check today. As soon as we can work it into his schedule and free him up from the work he is doing right now, that would be his next project. Ditchdiggers should be able to start within 30 days of notification. Mr. Drummond said we can go ahead and ask them to work it into their schedule now. We don't have to have the monies deposited for that, do we? Mrs. Schulte said Ditchdiggers is aware of this project. Our Engineers have been working with them on it. They are just waiting for us to give the go-ahead. Mr. Thiess said we will go ahead and lock it into their schedule now, and we will have contact with Mr. Ward's office to get the funds in our possession, so that we can start writing checks on them. Mr. Drummond said that is very good.

Motion by Mr. Drummond, seconded by Mr. Perona and unanimously carried to approve the not to exceed amount of \$192,125 for Avenue Q Gravity Sewer Project to be performed by Ditchdiggers, Inc. under the Unit Price Contract as approved by the Board on December 2, 2008.

Mr. Thiess explained the next item on the agenda is a project that has been before the Board several times, and Valerie Schulte will address this one also.

Mrs. Schulte stated we are at the point where we will be finishing up the Harmony Heights MSBU by the end of this month or the first part of January. There were a lot of items, such as overlays and sod work, that we were negotiating with the contractor and the inspector on-site to see how much we would have to replace. There are a lot of water services they have not billed us for yet. The amount we are asking for today should cover all the remaining additional items on the project. This project covered 790 existing lots.

Mr. Drummond said he wanted to be clear that we are not taking monies from the Sunland Garden MSBU in order to finish the Harmony Heights MSBU and not replace it. He wants to be sure this is just a scheduling matter and the funds will be replenished and will not increase our contribution for either project. Mrs. Schulte said that is correct.

Motion by Mr. Summerhays, seconded by Mr. Perona and unanimously carried to approve the not to exceed amount of \$120,000 for Harmony Heights MSBU to be performed by Ditchdiggers, Inc. under the Unit Price Contract as approved by the Board on December 2, 2008.

Mr. Bill Abramowicz, Customer Service Manager, addressed the Board to request approval of a new form for Service Upgrade Installment Payment for Electric, Water and Wastewater Services to existing Commercial and Residential customers.

Mr. Abramowicz said we had an agreement adopted by the Board in May of 2003, regarding residential water installations to assist residential customers to obtain our water service. That allowed a payment agreement in those cases. The agreement before the Board today mirrors the previous agreement; however, it is for both residential and commercial upgrades. We have customers that come to us for various upgrades to their services. They need to upsize their water meters, upgrade their electrical services based upon renovations at their location or additional load at their location. This agreement would allow them to make a payment arrangement with FPUA on the Capital Improvement Charges, etc. for amounts under \$10,000 with 20% down at 6% interest. This is not for new services but is for upgrades. A lien on the property is included with the agreement. We had a recent customer who obtained a loan to do an upgrade at his location to renovate his building. When he got into the renovations, he realized he needed additional electrical upgrades, and his funding had run short at that point. An agreement such as this would allow him, as a long time customer in this case, to lien the property, sign off on the agreement and collect the money over the agreed upon period.

Motion by Mr. Summerhays, seconded by Mr. Perona and unanimously carried to approve form for Service Upgrade Installment Payment Agreement for Electric, Water and Wastewater Services to Existing Commercial and Residential Customers.

Mr. Abramowicz explained to the Board that we made a few revisions to our general rules and regulations governing provision of utility services to our customers. This is covered in a very detailed resolution. During a workshop, the Board had requested that we assist the City of Fort Pierce with infill. About a year and a half ago we adopted the inactive account customer charges. Those charges were for all meters whether active or inactive. Our Attorney interpreted that to mean whether the meters were there or not. The Board requested that we assist the City of Fort Pierce with their infill and make it more attractive for people to come in and develop a piece of property that may have had a previous facility on that property. We have added when a meter is removed for involuntary reasons, such as a demolition, the inactive account customer charges stop at that point, do not continue to accumulate against the property, and when the customer comes back for a new service, they would only be charged for the meter re-installation. In addition, we recently had the FACTAct that was presented to the Board, and pieces of this resolution had to do with applications by agents, service address assignments, and information needed for service, so we changed a few of those portions of the resolution to reflect compliance with that Act.

Mr. Abramowicz further explained with regard to life sustaining medical equipment, we have in place that it would be a priority with customers who had life sustaining medical equipment. While the hospital and nursing homes are a priority in case of outage, it is very difficult to get it down to the residential home for those reconnections and priorities of those reconnections. We do have a program in place for customers who do have life sustaining medical equipment. We provide a form to them to give to their doctor stating they do have that equipment in their home. We don't get into reasons, but only that the doctor signs off on it. We keep that information on file and when the customer comes up for disconnect for non-payment, we send a registered letter to them letting them know that payment is due, and they have a certain amount of time to make that payment. The day before disconnection and after the registered letter is sent, a supervisor actually visits the location to discuss the situation with the resident. On the day of the disconnect the supervisor again goes to the location with a representative to make sure alternate arrangements are made, call an ambulance or a relative or whatever the need may be to make sure we don't disconnect in an unfavorable position at that point. We can't really give a priority to a residential house in a neighborhood as far as reconnections go, so we felt we should remove that from the resolution.

With regard to postponement of delinquent account disconnections, we do make arrangements in specific cases with customers who have situations where they can't pay their bills. We like to make those arrangements prior to the disconnect for non-payment, so we ask customers to please make their arrangements prior to that. We have included that in the resolution as well.

The rest of the changes were cosmetic. We had references to Fort Pierce Utilities Authority as "UA," and we changed that to FPUA.

Mr. Summerhays referred to item five on page fifteen. It says that customer should contact FPUA in writing. He believes he heard that we actually have a form rather than forcing our customers to draft a letter. Mr. Abramowicz said that is correct. We have a form available, which we give to the customer to provide to their physician. It states their name, address, phone number, physician's signature. We place a seal on that account and mark it in our computer so we know in advance that we are dealing with this situation. Mr. Summerhays said that satisfies the terms of this number five. Mr. Abramowicz said yes, it does.

Mr. Drummond said this speaks to the inactive charge where we spoke in terms of wanting to give a little more time for those vacant lots as a result of demolition and that sort of thing for sixty months. How does that affect our policy as it relates to Capital Improvement Charges? Do we still have that in place for those which are already platted or have had service before? Mr. Abramowicz said if they had service before and the meter has been removed, we will just stop the charges, but we still have the sixty months limit. If the meter has been removed and sixty months goes by, at that point they have given up their reservation and are subject to the capital improvement charges. The resolution previously read that under sixty months, even if the meter was gone, we would charge them the monthly fees, and they would accumulate until they came back, and we would make them pay it all. The new resolution says we won't charge those monthly fees if the meter is removed. Mr. Abramowicz said we are kind of looking at it as a voluntary versus involuntary situation. Voluntary is when a customer says they don't want the meter there and don't want to pay for it. The customer signs the meter removal form and have given up the rights to that water connection. Mr. Drummond said you are saying that the Capital Improvement Charges are also sixty months. Mr. Abramowicz said, correct, but in this case we are going to look at it as an involuntary removal. The building is being demolished and we prefer the meter be removed, so we're not going to charge the customer the monthly charges. That encourages infill. If a customer is looking to build a house in an area that never had service, he is immediately subject to the Capital Improvement Charges. If he builds it on a demolished piece of property that had service before and it is under the sixty months, he is able to build a new residence and pay the reinstall fees.

Mr. Perona said he believes that was in response to a workshop we had. The citizens of our community came out and spoke to that issue. It is good to see that the Utilities Authority sat down and talked about something that came from the citizens. We don't like making a lot of exceptions, but this works for everybody and encourages the infill. We want to partner in that. He thinks it is important to identify the fact that this request for change came from the community. Mr. Abramowicz said that is correct. It came about as a result of the workshop.

Motion by Mr. Summerhays, seconded by Mr. Perona and unanimously carried to approve Resolution UA 2008-14 Revising the General Rules and Regulations Governing the Provision of Utility Service.

Mr. Thiess reported that he will be on vacation next week. There will be several Acting Directors during that period. If you have an issue that needs to go to the Acting Director, he would suggest calling Kenna. We will have coverage through the holidays. He will return on the Monday or Tuesday after Christmas.

Mr. Thiess also stated staff is suggesting that the Board Meeting of January 6th be cancelled. In order to get an agenda package ready for the January 6th meeting, it would have to be completed this week. We really don't have any active agenda items to work with at this time. The offices will be closed on Wednesday and Thursday of next week and a large portion of the staff will be off on Friday.

The Board was in agreement, so the Chairman declared the January 6, 2009, Board Meeting cancelled. Our next meeting will be the regularly scheduled meeting of January 20th.

Mr. Koblegard mentioned to the Board at the last meeting that we were anticipating a meeting with Harbour Isle concerning the irrigation issues and impact fees. We did meet with their Engineer, Butch Terpening, and David Mellert, Valerie Schulte and himself were there. The meeting was about two

hours long and was cordial. They asked David a lot of questions, which he answered. They did give us their file or what they selected from their file consisting of three inches of materials or more for us to review. They asked us to look at some different issues. He thinks one of their points was that they thought they had covered the irrigation issues by paying Capital Improvement Charges on the domestic water side and wanted us to look at that. Once we did look at it, it is very clear from our rates and our regulations that irrigation on multifamily units is outside of that. It is a separate charge. We will report that back to them. David is still doing some figuring on some other issues they asked us to check on, but the bottom line is they still did not inform us of the capacity of the irrigation they are using, which is substantial. They did say at one point that they just assumed that we knew what they were doing. That didn't get very far. They said they wished we had brought it up earlier, because at that time they could have passed it on to the unit owners. It doesn't impact one way or the other what we do, but it might be a consideration for the Board in how you want to go forward. He thinks we would like to get to the bottom line on whether or not that is accurate. He is not disputing what they say, but he would like to find out a little more about that before you make a final decision. From what we've seen, the figures we gave them should stand up. They owe the money. Once we get the other figures finalized, he will bring it back to the Board and discuss how to proceed.

Mr. Drummond asked if we spoke to them at the beginning of the program with regard to working with us on a grant for using reclaimed water for their irrigation. Mr. Koblegard said we gave them three choices. They were well aware of the grant. Once they found out what their costs would be, they didn't want to do it. Mr. Drummond said they had to have known then that there were going to be costs associated with the irrigation if they chose not to go that route. Mr. Koblegard said there would have been different expenses for them depending upon how they wanted to handle it. What ended up happening was they used the domestic water lines for irrigation and didn't make us aware of that. Their actual use of water is far and away greater than what they permitted for and what they represented to us they would be using. That is the important point.

Mr. Koblegard said David Mellert is working on more information to get back to Mr. Koblegard. When he receives the information he will draft a new letter and bring it to the Board to review to see what you think about proceeding further based upon our latest determination.

Mr. Drummond said he has had several conversations with Mr. Thiess, and he has assured him that in January, even though we are not meeting on the 6th, we will have our second meeting on the 20th, and staff will be prepared to speak to us in terms of a PCA adjustment. He is very hopeful we will be in a position to look very hard at doing something very quickly with regard to movement, and he hopes it is toward the south end on the PCA costs to our customers. Mr. Thiess said that is our anticipation. We hope to bring a significant adjustment downward on the 20th of January to go into effect February 1st. We are waiting to see what comes in on the January 12th FMPA bill. We are optimistic that will be a positive cash flow in our direction as far as the Power Cost Adjustment goes, and we are looking to bring a downward adjustment to the Board on the 20th.

Mayor Benton said he would like to wish everybody a Merry Christmas and a happy Hanukkah and hopes everybody has a safe holiday season.

Mrs. Cully congratulated our UA Teams. Last week Main Street Fort Pierce had their 20th Sights and Sounds Christmas parade, and FPUA had three entries from Electric, Water and Wastewater. The

Water Department received first place for best governmental public agency, and the Electric Department received second and our Wastewater Department received third place. She thinks that's great.

Mr. Perona said he has called Bill Abramowicz a lot this month because of customer service issues, and he wants to thank him and his staff. They take on an unbelievable task for this utility. Mr. Perona did get involved with a couple of them, and he is thrilled to know we have that quality of people, and they are that well trained. They have a lot more patience than he does. On all the issues we've accomplished more satisfaction than he would have ever guessed. He wants to thank our Customer Service Department and Mr. Abramowicz, especially, because he calls him when he gets in trouble and you guys are doing a great job. Mr. Abramowicz thanked Mr. Perona for his comments.

There being no further business, the meeting was adjourned.

ATTEST:

Secretary

Chairman