

MINUTES OF A REGULAR MEETING OF THE FORT PIERCE UTILITIES AUTHORITY,  
4:00 PM, TUESDAY, AUGUST 5, 2008, CITY COMMISSION CHAMBERS.

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

Others Present: Director of Utilities, Director of Finance, Director of Electric/Gas Systems, Director of Water/Wastewater Systems; Communications Manager; Purchasing Manager; Putnam Moreman for Risk Manager, FPUA Attorney (by telephone).

Chairman Drummond called the meeting to order.

The Invocation was given by Mr. Craig Brewer.

The Pledge of Allegiance was recited.

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

1. Approval of the Minutes of the Regular Meeting of July 1, 2008.
2. Approval of the Minutes of the Regular Rescheduled Meeting of July 14, 2008.
3. Approve Amendment to FEC Railway Blanket Agreement for Selvitz Road 12-inch force main crossing in the amount of \$52,160.00.
4. Bid 5836: Award lowest and best bid to Lucier Chemical Industries (LCI, Ltd.) for purchase of 90 tons of hydrofluorosilicic Acid in the amount not to exceed \$41,850 annually for the period of 8/21/08 – 8/20/09 with two, one-year renewal options.
5. Approve Specific Authorization #KA-01 with Kimley-Horn and Associates for design, bid and construction phase services related to the South Hutchinson Island Repump #2 and storage facility upgrades in the not to exceed amount of \$71,100.
6. Bid 5822: Accept lowest and best bid received from Birmingham Control Systems, Inc. in the amount of \$66,216.00 for purchase of line relay panels for Hartman Substation Upgrade.

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A note was received from the Mustard Seed thanking FPUA for a contribution of \$687.79 from Project Care.  
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Mr. John Tompeck presented PURPA Standards for the Board's consideration.

He explained that the Energy Policy Act of 2005 contained amendments to the Public Utilities Regulatory Policies Act (PURPA) that included five new standards that must be considered for implementation by FPUA. Today, we will talk about three of those standards. While the Act does not mandate that we implement these standards, we must consider each one and

make a determination as to whether or not it is appropriate to implement the standard. Public Notice for these standards was published on June 15, 2008. FPUA's position paper was posted on our website for public review. No comments or questions have been received.

The first standard is No. 11, Net Metering. Net metering is an electric policy for consumers who own generally small renewable energy facilities, such as wind or solar power. Electric energy generated from an eligible on-site generating facility and delivered to the local distribution system can be used to offset the electric energy provided by the utility to the consumer during the applicable billing period. The Public Service Commission (PSC) has already adopted a rule requiring the investor owned utilities to allow interconnection and net metering of the customer owned renewable generation. The PSC also expects municipal utilities to substantially comply with the rule or explain why they are not meeting the rule. FMPA has been working on a program for net metering for the past several months. Since we are required by contract to buy all our power from them, it is important that we are a part of their program as it relates to our ability to provide this service to our customers.

The essence of the program includes three items. The first is a tri-party agreement between FMPA, FPUA and the customer, where FMPA agrees to purchase any excess power, which is sent to the grid at the avoided rate. The second part is a standard interconnection agreement, which will be used by FPUA and the customer and will outline FPUA and customer responsibilities. The third part of it is an inspection of the customer's facilities to make sure they are up to code.

FMPA finalized their program during the June Executive Committee Meeting and details of our program will be finalized in the near future. Based on this information, staff recommends that Standard 11, Net Metering, be adopted by FPUA.

Chairman Drummond called to order the Public Hearing on PURPA Standard 11, Net Metering. He asked if anyone would like to be heard. There being no one present who wanted to be heard, the public hearing was closed.

Motion by Mr. Summerhays, seconded by Mr. Perona and unanimously carried to approve staff's recommendation to adopt Standard 11, Net Metering.

Mr. Tompeck stated the second standard is No. 12, Fuel source. This standard requires each electric utility to develop a plan to minimize dependence on one fuel source and to diversify its generation portfolio. As noted earlier, FPUA is contractually obligated to purchase all our power from FMPA. FMPA has developed a generation portfolio that consists of a diversified mix of FMPA owned generation, member owned generation and wholesale power purchases. FMPA has prepared and revised every two years an integrated resource plan, which is an in-depth fifteen year supply plan. Its purpose is to provide long term power needs and a schedule of power resource additions in order to achieve the most reliable and economic mix. As a member of the All Requirements Project, FPUA has participated in the study on an on-going basis. Since we have been participating in FMPA's Integrated Resource Plan, staff feels that no further action is required and recommends this standard not be adopted by FPUA.

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Chairman Drummond called to order the Public Hearing on PURPA Standard 12, Fuel Sources. He asked if anyone would like to be heard. There being no one present who wanted to be heard, the public hearing was closed.

Motion by Mrs. Cully, seconded by Mr. Summerhays that staff's recommendation not to adopt PURPA Standard 12, Fuel Sources, be approved.

Mr. Perona said for clarification, he wanted to make certain he is voting not to approve Standard 12. Mr. Drummond said that is correct. You are approving staff's recommendation not to adopt Standard 12.

The roll was called and the motion unanimously carried.

Mr. Tompeck advised the third standard we are considering is No. 13, Fossil Fuel Generation Efficiency.

This standard promotes improved efficiency of fossil generation. As with the fuel sources standard we just discussed, FPUA, being a part of the All Requirements Project, is a participant in all plans that will be implemented to increase efficiency of FMPA generating resources. This is done through the Integrated Resource Planning we just discussed. Since FPUA is now a non-generating city, efficiency improvements to our facility are no longer applicable. As in the case of Standard 12, staff recommends that FPUA not adopt this standard. Our continued participation in the All Requirements Project is deemed sufficient, especially since we are no longer a generating city.

Chairman Drummond called to order the Public Hearing on PURPA Standard 13, Fossil Fuel Generation Efficiency. He asked if there was anyone who wanted to be heard. There being no one present who wished to be heard, the public hearing was closed.

Motion by Mr. Summerhays, seconded by Mayor Benton and unanimously carried that staff's recommendation be accepted not to adopt PURPA Standard 13, Fossil Fuel Generation Efficiency.

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

Mrs. Hurtubise advised both the comparison prepared by the Florida Municipal Electric Association and the local municipal comparison of Fort Pierce, Port St. Lucie and Vero Beach will be discussed.

The 1,000 kilowatt hour comparison shows that there are 26 municipalities with rates lower than ours and 6 that are higher. For the 2,500 kilowatt hour usage, there are 27 municipalities with rates lower than ours and 5 that are higher.

We are on the top in the three city comparison for the total of all three utilities: water, wastewater and electric. For average consumption, FPUA's total is \$214.66; Port St. Lucie's total is \$195.60 and Vero's total is \$197.35. Although Vero's electric rates are higher than

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ours, still the grand total for all three utilities shows Fort Pierce to be higher. The difference is about \$19.06.

Mr. Drummond said we are headed in the right direction, and he trusts that as the months progress the other utilities will have to make adjustments that we have already initiated. Mrs. Hurtubise said if not in July, certainly it will happen in August. Mr. Summerhays said theirs will probably go up substantially more than what we had to increase ours, because they delayed increasing it. They have to make up some backlog. With FPL's increases that have already been approved, he expects we will see Port St. Lucie either catch up with us or slip ahead of us on the total.

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Mr. John Tompeck, Job Planning Engineer, presented a request for approval of contracts for Phase II environmental assessment of the King Plant property.

Mr. Tompeck stated as part of the overall demolition and decommissioning of the King Plant, environmental clean up of the site is planned prior to turnover of the site to the City. Environmental closeout is normally a three phase process. Phase I is a study of site history and usage of the property. Phase II is the environmental assessment of the known or suspected problems identified in Phase I, and Phase III is the actual remediation where required.

The Board approved the Phase I work in September of 2007, and the Phase I report was finalized in December. The report identified one recognized environmental condition and fifteen areas of interest (AOI). These AOI's are suspect areas that require additional testing and evaluation under the Phase II program. A listing of the AOI's and suspected contaminants is contained in the Agenda Memorandum. It was called to his attention today that the top four lines were cut off of the table. It starts at AOI 4. The contaminants we're looking at include petroleum compounds, PCB's, heavy metals, asbestos and lead. The asbestos and lead are being handled under the National Salvage Contract. We have been doing asbestos abatement at the power plant for the last five weeks.

Based on the findings of the Phase I report, staff along with our consultant, S&ME, prepared a site assessment work plan, which describes the process for the Phase II work. It includes the actual work plan for performing the work, field sampling and analysis, standard operating procedures, and a health and safety plan. The field sampling and analysis section is the key part of the plan. In this section of the plan all the testing is identified that is required by AOI and the parameter suite. The parameter suite is the type of contaminant you are looking at, and it is usually based upon site usage that came out of the Phase I report and any other consultant expertise that is available. We sat down with DEP on June 12<sup>th</sup> and went through the plan. They had no problems with us continuing, so we are proceeding with implementation.

In terms of implementation of Phase II work, staff decided to divide the work between two contactors, Enviro-Logical Solutions (ELS) and S&ME Corporation. ELS has previously been involved with the recognized environmental conditions for the lead assessment around the No. 5 tank. They have also done previous work on the evaluation of the marina dredge spoil area. In addition, several of the AOI's, specifically 1, 5 and 13, are concentrated around the No. 5 tank and the combustion turbine. It makes sense in terms of timing and sampling that

ELS do this work. The balance of the assessment would be the responsibility of S&ME. S&ME has broad experience with these types of evaluations. They came highly recommended to us from Jacksonville Electric Authority and were instrumental in the environmental close out of JEA's south side generating station. That was one of the original pilot programs for the Brownfield redevelopment program, and it was a particularly dirty site. It was on top of an old ship building facility, so in addition to what the power plant left behind, it was what the Navy left behind as well. They had retention ponds full of PCB's. It was a mess compared to anything we would be looking at.

The duration schedule for obtaining samples and the analysis work is approximately two months. Gathering the samples is dependent upon the demolition progress, since some of the samples can't be collected until certain structures have been demolished.

There are a couple of key items the Board should be aware of. The Phase II work must be done in concert with the demolition. Excavation of the site to four feet below grade is dependent in some areas on the results of the evaluation, so where we have a potential area that has to be evaluated, either we're not going to dig it out to four feet until we've done the evaluation, or we will have to segregate the soil until the evaluation is done.

Another item is that cost estimates for environmental assessments are notoriously tricky. You evaluate the area and decide on a reasonable boundary and test. If the test comes back higher than the cleanup target limits, you have to go back and increase your area and retest. We are hopeful that the risk is balanced by some of the areas where only limited testing is expected. In addition, the estimates you see are based on doing the work in series, and there is a good opportunity to consolidate some of the AOI's to limit the cost and time.

One of the other items is that completion of a portion of this program is heavily dependent upon DEP review time. After we've done testing and analysis, we submit a report to DEP, and you wait until they review it and tell you it's okay. Historically, they have been brutally slow in reviewing our reports. It is not unusual to have to wait four to six months for their review.

Based on this information, staff is requesting Board approval for the two contracts.

Mr. Drummond asked if we have risk with regard to potential delays brought about by any findings, jeopardizing our contract with the demolition contractor if they are forced to stop the demolition work. Mr. Tompeck said no. He doesn't think so. If we get into a difficult area, we can get them to excavate, and we can do testing afterwards. In terms of actually finishing the final grading, there may be a problem. It is a possibility, but he is hoping to start some of the evaluation as early as next week. We have some areas like the south side of the plant where the marina dredging project deposited their spoils, that we can start to do right away. There are several other areas we can do right away. There are areas we are going to test that are essentially under the existing foundation, so until the foundation is excavated to four feet or below, we won't be able to test those. Mr. Drummond asked if there is any way we can somewhat shield ourselves based on this history of DEP being slow in terms of their evaluation. Mr. Tompeck said he is not sure. We met with DEP and explained our schedule for the demolition and requested their review as quickly as possible. One of the reasons we wanted to get into the Brownfield program was because they have a separate staff that does

the review and gives you an expedited review of the results. We are still waiting on word from that effort. We will do whatever we can to push DEP.

Motion by Mr. Summerhays, seconded by Mr. Perona and unanimously carried to approve Phase II Environmental Assessment of the King Plant property and execute contracts with S&ME, Inc. in the amount of \$140,430.00 and Enviro-Logical Solutions, Inc. in the amount of \$95,513.00 as a single source and waive the competitive procurement process.

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Mrs. Nina Hurtubise, Director of Finance, presented a request for approval of the Annual Budget for FY ending September 30, 2009 and amending the FY 2008 Budget.

There is a decrease in the 2009 original budget of \$13,000,000 from the 2008 budget. This represents a 9% decrease in the 2009 proposed budget. The Operations and Maintenance is virtually the same with a slight decrease. There is a \$19 million decrease in the capital budget. That represents a 40% decrease. This is far from business as usual. We cut everywhere we possibly could.

Mr. Beach said you have your revenues, O&M and capital. They don't equal up to your revenues. Do you have additional sources of capital that you contribute there? How do you do that? Mrs. Hurtubise said through the Pooled Loan. We make up the difference with pooled loan funds. Mr. Beach said okay. Also, in your O&M expenses you have an \$11 million depreciation figure. Do you actually make that depreciation figure a part of your rate structure? Is that funded depreciation or is it unfunded depreciation? Mrs. Hurtubise said it is not included in the rate structure. What is funded is the capital outlay, not the depreciation. When the rate study is performed, the depreciation is removed. The rate study is basically on a cash basis like you would use your check book. Mr. Beach said okay. Mrs. Hurtubise said the budget is prepared on the full accrual basis, which is exactly the other end of the spectrum. We do record things such as depreciation and amortization of costs and things like that, non cash items, things we have spent money on in years past. We allocate the costs over the period to which they actually relate. Mr. Beach said you have answered my question. Thank you.

Mrs. Hurtubise said regarding total revenues, again, a decrease from 2008 to 2009. There is about a \$13 million or 9% decrease. What you are also seeing is an increase in revenues from 2007 to 2008. The biggest number here is our sales revenue. These are from rates we charge our customers. There is a very modest 1% increase expected in sales revenues comparing the original 2009 budget to the original 2008 budget. The other operating revenues are things like penalties and interest charges, field contact charges, turn ons and turn offs, things that relate to operations. It also includes Manatee Center operating revenue, FPUAnet operating revenues, guaranteed revenue charges and accrued guaranteed revenue charges. They are recurring in nature. The non-operating revenues do not necessarily relate to our operations. The decrease you're seeing in the non-operating revenues is related to a grant that was received over the past two years, and we will not be receiving that in 2009. The other predominate element of non-operating revenues is investment income.

There is a \$14 million drop in revenues in contributed capital cash. This reflects revenues we did not receive to fund the Hartman Road Substation improvements and plans the developers did not come through with. We have \$8 million in non-cash contributed capital. This is only

that which has actually been received. Extraordinary income relates to the demolition of the power plant.

You will see very modest increases in each of the utility systems. We are anticipating a gradual increase in unit sales for water. The big drop was caused by the water restrictions imposed in March of 2007. Wastewater unit sales dropped dramatically in 2007 based on water consumption. We do see a gradual increase in revenues. In the natural gas area, there are very few if any, increases anticipated.

Purchases for resale are budgeted based upon what we anticipated for our revenues. In the event that we overestimate or underestimate, the revenues will be too high or too low. The relationship is one to one. There is an increase of 6% in the personnel services line. This is a result of filled vacancies we have had over the years and have been able to fill and retain personnel. Our benefit costs are down 2%, primarily as a result of the decrease in the retirement contribution.

All of our purchases in excess of \$10,000 are bid formally by the City of Fort Pierce Procurement Department. Every time we have to renew a contract, it is evaluated as to whether we are getting the best price. Anything over \$1,500 up to \$10,000 we take three informal quotes to make sure we're saving money wherever we possibly can.

Employee insurance is pretty flat, but we're going out for proposals, and we are hoping our costs for insurance will decrease. We are considering participating in St. Lucie County's health clinic. Workers Comp costs are flat. They are not going up. This is a reflection on the safety program we have in place.

Mr. Summerhays said going back to personnel services for a moment, we have not budgeted any salary increases. Is that correct? Mrs. Hurtubise said we have no future salary increases budgeted.

Mrs. Hurtubise said the commodities line item consists of things we buy. Being construction oriented, there are a lot of costs that have been rising at a tremendous rate. The fact that we have a zero percent increase, demonstrates that we have made huge cutbacks. The cost has gone up so much, the fact that we show no increase, actually indicates a decrease. Some materials that are true commodities include copper. Copper is up 392% over the past five years or 78% per year. Aluminum is up 71% over the past three years. Chemicals for both our water and wastewater services reflect an 18% increase, but over the last four years it was about 114% per year. Over four years sulfuric acid has increased 74% per year.

Depreciation has dropped. The \$2.3 million represents the power plant depreciation. Our interest expense is down a little. That is a reflection of the lower interest rates. We have about 30% of our debt portfolio in adjustable rate pooled loan funds. Right now it is working out well for us. In other fixed and sundry category we have property and liability insurance and claims. That is expected to decrease next year, so we are very pleased with that. We have expected increases in utility bad debt. Over all the decrease in Operations and Maintenance expenditures is 4% from the original budget for 2008.

She presented a chart intended to display from 2005 electric purchases for resale, what a large portion of our budget goes for purchases of power. The actual 2005, excluding the

electric purchases for resale, was about \$52 million; 2009, the budget excluding electric purchases for resale is about \$60 million, amounting to an \$8 million increase. Over four years this comes to about 4% per year, which is extremely reasonable.

Based on preliminary estimates it appears that we will have to make our distribution to the City at the 40% of net rate. The 2008 distribution payable in 2009 is estimated to be \$4,849,105.00. The calculation is on page 46 of the budget book. This calculation is not based upon any revenues received for power cost adjustment or purchased gas adjustment.

The proposed capital budget for 2009 is \$29 million. Historically, we generally do not spend as much as we project we are going to. We are projecting a significantly smaller budget than we did in 2008. It comes to a \$19 million decrease. Why did the capital budget decrease? There are two significant reasons. We did pull \$7.4 million out of the 2009 budget as a result of simply finding out projects were not going to be moving forward or determining that the funds were just not available. We also have some very large projects in 2008 that are nearing completion. In 2009, there are three large projects. One is the Sunland Gardens MSBU, which is a water project. That is pretty much expected to begin and end in 2009. The amount of \$3.5 million is expected to be spent on this project in 2009. The total for the project is \$3.6 million. Hartman Substation has been going on for quite a while and in the year 2009, \$2.8 million is budgeted. The cost of the project overall is \$9.6 million. The South A1A road reconstruction project affects our electric, water and wastewater systems. In 2009, we anticipate spending \$2.7 million on that project. The overall cost of the project is \$8.7 million.

Mr. Drummond said the improvements we anticipate in 2009 for A1A, does this include the projected work the City is now talking about for the new phase between Seaway and Coconut? Mr. Beach said the next phase, he thinks, is from the foot of the bridge on the east side to Binney Drive. The final phase is everything in the middle. Mr. Drummond asked if that is envisioned in 2009. Mrs. Hurtubise said yes. There is another phase on A1A that is south of Blue Heron, but she isn't sure if that relates to any City project. We have that budgeted also, and it is not included in the numbers she just quoted.

Mrs. Perona asked about renewals and replacements. Are those a part of capital? Mrs. Hurtubise said yes.

We have some regulatory agencies that require that we do the work that we do. We have to maintain certain standards. The projects we're showing in summary amount to about 69% of the total capital requests. Some of the regulatory agencies include FDEP, Department of Homeland Security, Environmental Protection Agency, North American Reliability Corporation, National Electric Safety Code, Public Service Commission and the South Florida Water Management District. The remainder of the projects are R&R and something we do not want to let go. We need to continue our renewals and replacements. The problem with renewals and replacements is they do not generate any revenue. That is something we cannot fund with pooled loans or Capital Improvement Charges.

Mr. Perona said if you take a look at the broad spectrum, they are a delayed expense if we don't keep up with them. The longer we delay the more it costs and the more inconvenience we have to our ratepayers. Mrs. Hurtubise said there is some cost savings on the operation and maintenance side. It is a lot better to replace something in an organized manner than having to do it in an emergency. Mr. Summerhays said our customers would probably prefer

to continue to have water and electricity rather than doing without for a period of time. Mr. Perona said it is an invisible thing we have to handle here. The cost savings he was referring to is it is not a cost savings to neglect doing renewals and replacements. Those expenses get bigger as you let them go. We have done a pretty good job when we've had active development by making developers upsize and put in new pipes and this type thing. He is looking at what is going to happen in the future with development in our location, and it doesn't seem like that is going to be there. He would want to maintain moving forward with renewals and replacements regardless. Mr. Thiess said you do have some savings on operation and maintenance costs, too, because you have lower O&M costs on a new line than you do on a leaky line you're repairing every other week.

Mrs. Hurtubise asked, where do we expect to receive funding from? If we do not receive the grants anticipated, we will not expend the funds. The Federal Emergency Management funding has already been preapproved. It is a matter of making the improvements and obtaining the reimbursements. Contributions in aid of construction are in large part developer driven. If the developments do not come to fruition, the improvements will not be made. Capital Improvement Charges – those are what we anticipate being able to fund. We do collect more than the amount shown in a given year, but we are limited only to funding new construction. On the electric side we're limited to substation improvements. We are very limited as to what we can spend the money on. We will spend them as needed. Fort Pierce Redevelopment Agency is predominately funding South A1A. The \$17 million of \$29 million is paid through rates.

Mr. Perona said pooled loans aren't part of this. Don't we use pooled loans for capital expenditures? Mrs. Hurtubise said at this time those funds have not been factored in. Mr. Perona said when Mr. Beach asked the question earlier, he assumed pooled loans would make up the difference, and he doesn't see it here. Where are the pooled loan dollars going to go? Mrs. Hurtubise said they would have to be for capital. Mr. Beach said this addresses the question he had. There is a difference in your revenue and expenditure column, and they didn't balance. The reason they didn't balance is these revenue figures were not projected into the overall – what he was looking for was revenues from charges. This is additional revenue that the agency is getting and this is how they are accounting for it. That explains why they don't balance. Mr. Perona said he assumed the pooled loans made up for it in the capital expenditures, and he is looking here and the capital loans we have made are not represented here at all. He is wondering where they are. Mr. Drummond said what is here is what we propose to expend on capital. If we don't spend the pooled loans, it doesn't need to be shown here if he is understanding it. Mr. Summerhays said we don't set out budgeting to borrow. That is something we do to fill in. If we have a large repair and don't have funding for it or we're not going to get reimbursed by FEMA for a long time and we need to fill in for it, that is what the pooled loan funds are used for.

Mrs. Hurtubise said on page 47 of the budget it takes our revenues and expenses and brings them down to more of a cash basis. It pulls out the depreciation and tiny differences. We are seeing funds available for capital and other of \$23,800,000 for 2009. The total capital budget is \$29,000,000. If we don't spend all of that, we have \$24 million, approximately, that is available. Mr. Summerhays said the problem is this is not cash, it is on an accrual basis. It has to come out on a cash basis, but it doesn't have to come out on an accrual basis, at least, not as far as budgeting is concerned. When you actually spend it, yes. Mrs. Hurtubise said another example of a non-cash item – of course, that is going to reduce what is available

instead increasing it – are the principal payments on our debt, \$6 million per year. That is cash that is spent that isn't in our revenues. Mr. Summerhays said if you add back the \$11 million in depreciation and the \$6 million in principal payments to the \$23 million, you have the \$29 million budget. That is way oversimplified. It is there, but it is hard to find. Accrual basis is much more accurate, but it is also confusing.

Mrs. Hurtubise said if the Board approves this annual budget today, it will be brought before the City Commission on August 18<sup>th</sup>. She thanked all the participants within FPUA who assisted in preparing the budget. It is a major production every year. She is thankful to have an excellent bunch of people to work with to help produce this document. All the departments participated. She can't say enough about the people who helped, particularly those in the Finance Department.

Mr. Drummond asked if we will be forwarding this budget to the Commissioners immediately or wait until it goes out in their packets? Mrs. Hurtubise said we will certainly have it to them by their due date, which she believes is next Tuesday. We would have a week to get it over to the City. We try to print them up and bring them over as soon as possible. Mr. Drummond would encourage we get it to them as quickly as possible.

Motion by Mr. Summerhays, seconded by Mr. Perona and unanimously carried to Adopt Resolution UA 2008-10 adopting the annual budget for FY ended September 30, 2009 and amending the FY 2008 budget.

Mr. Drummond expressed his appreciation to Mrs. Hurtubise and her staff for a very comprehensive and complete, well done job. Mrs. Hurtubise thanked the Chairman.

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Mr. Thiess said he would like to re-announce the Inactive Account Fees Workshop scheduled for Monday, August 25, 2008, at 2:00 p.m. in the Administrative Conference Room at 206 South 6<sup>th</sup> Street.

The public is welcome. It is noticed on our website, FPUA.com. Mr. Drummond asked if we are going to do anything in the way of public announcement or press release with regard to it. He was surprised at the location, so he would want to make sure everyone knows exactly where it is going to be. Mr. Thiess said we can come up with a short press release. We are going to go through the inactive account charges. We have a lot of background information we're bringing through our rate consultant, PRMG. Hopefully, we can make some headway on some of those issues raised by the customers.

He would also like to announce that Roger Fontes has resigned as CEO and General Manager of FMPA. That was a bit of a surprise to most of us. He thinks Mr. Fontes' last day in the office is September 5<sup>th</sup>. There was an emergency meeting in Orlando at the FMPA offices today at noon, and the Board of Directors moved toward appointing Nick Guarriello of R. W. Beck as interim CEO when Mr. Fontes leaves office. It will go to the FMPA Board of Directors next Wednesday, he believes, and will be official at that time.

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Mayor Benton reported that he and Mr. Summerhays and Nina Hurtubise went to the County's workshop on the health clinic and heard what Port St. Lucie has done. It appears

that the County could save \$7 million in three years. It definitely caught his attention, and he hopes it was the same for everyone. The City of Fort Pierce has just changed their insurance carrier due to costs, and if this can save us that kind of money with both the City and FPUA involved, we should look closely at this. It will be located in part of the old Sam's building. If we were to buy into it along with the School Board and the Fire District, there would be a need for another clinic. The amount of time employees would save going to the doctor would be worthwhile. Instead of taking off a half a day, you are assured a 20 minute time slot without waiting in line. Unless it is something major, you would have the ability to go right to the doctor and back to work. Between the prescriptions and everything else, it can be a big savings. He hopes we look very closely at that.

Mr. Summerhays said it was interesting to him, because he had assumed this was some kind of employer operated HMO, but that is not it at all. The way it worked in Port St. Lucie, their insurance continued just the way it was, and this clinic was a choice. However, they made it a very attractive choice, because there were no co-pays, the employees did not have to use sick time to go to the clinic, and there was a limited list of non-controlled drugs that were free if you got them from the clinic. It is surprising to him that they were able to save the amount of money they did. Mr. Summerhays said he and Doug Giel and Nina Hurtubise looked at each other at the end of the presentation and said it sounds too good to be true. He hopes staff spends a lot of time looking into this. If the cost savings they are talking about are true, they are significant. It is certainly something we have to pay a whole lot of attention to and investigate very thoroughly.

Mr. Drummond said he looks forward to hearing more about it as it goes forward and finding out what the long term benefits are. Mayor Benton said it is something we've been looking for a long time.

There being no further business, the meeting was adjourned.

ATTEST:

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SECRETARY

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CHAIRMAN