

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

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

Not Present: Secretary, Robert W. Summerhays, Jr.

Others Present: Director of Utilities; Director of Electric/Gas Systems; Director of Water/Wastewater Systems; Director of Shared Services; Risk Manager; Cheryl Bouton for Director of Finance; FPUA Attorney.

Chairman Drummond called the meeting to order.

The invocation was given by Mr. Craig Brewer.

The Pledge of Allegiance was recited.

Director of Utilities, Bill Thiess, requested Item A-3 be removed from the Consent Agenda for further discussion.

Motion by Mayor Benton, seconded by Mr. Perona and unanimously carried to approve the remaining items on the Consent Agenda:

1. Approval of the Minutes of the Regular Meeting of September 2, 2008.
2. Bid 5855: Award bid for security monitoring and maintenance to ADT Security Services, Inc. as a sole source in an amount not to exceed \$27,550.
4. Bid 5644: Approve Change Order No. 1 for Hartman Road Substation Upgrade Phase 1 with Nexgen Power, Inc. in the amount of \$38,180.
5. Bid 5863: Authorize piggyback of GSA Contract for procurement of software licenses to upgrade to Microsoft SQL 2005 Enterprise with reporting Services and Microsoft Exchange 2007 Enterprise from CDW Government, Inc. in the total amount of \$162,006.70.

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Mr. Thiess explained that Item A-3 was a recommendation to accept renewal quote from National Union Fire Insurance Company of Pittsburgh, PA through Brown & Brown, Inc. for public officials and employment practices liability insurance effective October 23, 2008 in the amount of \$29,010.

Mr. Thiess explained that National Union Fire Insurance Company is a division of AIG. He thinks we have all heard about the troubles AIG is experiencing. Siver Insurance Consultants recommended that we pull this item today and reconsider, and possibly go with another carrier on that insurance policy.

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Mrs. Nancy Dallaire, Risk Manager, presented a request to accept a renewal quote from Florida Municipal Insurance Trust through the Florida League of Cities in the amount of \$654,952.

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Mrs. Dallaire explained this coverage is for our various property and liability insurance premiums or what is called a package policy. The policy consists of property, auto and general liability and workers comp insurance. The renewal period is for Fiscal Year 2009. It is effective October 1, 2008.

This quote represents a decrease of \$188,000 from the Fiscal Year 2008 premium. In addition, she would like to inform the Board that the Florida Municipal Insurance Trust has also approved a return premium for the members in good standing during Fiscal Year 2007, and our share is expected to be at least \$133,000, which we should receive by the end of this calendar year.

In summary, the insurance premiums for Fiscal Year 2009 will be \$321,000 less than Fiscal Year 2008. She imagines the Board is wondering how Fort Pierce Utilities Authority could come across this good fortune. There are a few reasons. Two of them are actually the same reasons we had for a substantial decrease last year. One is the cost of the insurance for the Trust. The Florida Municipal Insurance Trust passes the cost of its reinsurance on to its clients just like Fort Pierce Utilities Authority passes on the cost of fuel in the fuel adjustment to the customer. We had eight major hurricanes in 2004 and 2005, which caused the reinsurance to skyrocket, and ever since then, 2006 to 2008, things have been relatively quiet with claims and hurricanes, so that resulted in a lower cost of insurance, which the Trust is passing on to its customers. The second reason for the decrease relates to decommissioning of the power plant. The power plant reached its peak value in 2005, and at that time 50% of the property insurance premium was attributed to the power plant. In 2007 we were able to justify changing the value of the power plant from replacement value to no value based on the revenue stream or capacity payments. Gradually, periodically we would write that value down until now it is no longer part of the premium. The end results is the property insurance premium went from \$535,000 last year to \$394,000 in 2009, which is \$141,000 of the \$188,000 decrease for the year. One other reason for the decrease is that \$25,000 of the decrease is related to the Workers Compensation premium. There was also a decrease in the Workers Comp rate over the year, and the Fort Pierce Utilities Authority had good claims experience, which contributed to another 5% decrease in the Workers Comp premium.

Mrs. Dallaire said that is the extent of her presentation. In conclusion she is asking the Board to accept the renewal quote provided by the League of Cities and approve funding for \$654,952 for the various premiums.

Motion by Mrs. Cully, seconded by Mr. Perona and unanimously carried to accept renewal quote from Florida Municipal Insurance Trust through Florida League of Cities for general liability, automobile liability, property and Workers' Compensation insurance effective October 1, 2008 in the amount of \$654,952.

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Mrs. Cheryl Bouton, Assistant Controller, presented the July 2008 Financial Operating Results.

Mrs. Bouton reported that we did experience decreases in all system unit sales for the month of July when we compare it to the same period last year. The good news is that the income before City distribution, extraordinary expenses, and capital contributions totaled \$7,876,000.

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Capital contributions are still strong, just over \$17 million. In the units sold, when broken up by system, Electric unit sales for the month are down 8.5%; Water unit sales are down 3.5%; Wastewater unit sales are down 5.4%; and Natural Gas unit sales are down 4.7%.

Mayor Benton asked if that means people are conserving? Mrs. Bouton said she hopes so. She is hoping that is what it means, and it is not strictly a loss of customers. Mayor Benton said we shouldn't be losing customers, so, hopefully, this means people are conserving. Mrs. Bouton said in the Electric system, year to date sales are still up a little bit by 1.7% in total. Natural Gas is up; however, Water and Wastewater will fluctuate because of the correlation of the billing cycle.

Mrs. Bouton said in operating revenues compared to the same period in Fiscal Year 2007, Electric revenues are up 17%; Water revenues are up 3%; Wastewater revenues are up 6.29%, and Natural Gas revenues are up 9%. Those increases, even though we just talked about decreases in unit sales, are truly a result of either the PCA or the PGA. Overall, operating revenues for the total systems are up 14% compared to the same period last year.

Mrs. Bouton said there is a direct correlation between the debt service coverage ratio and operating income. For the 12 months ended July 2008, the debt service coverage ratio was 2.85. She showed the Board a break out of the contributed capital through July 31<sup>st</sup>. Capital Improvement Charges totaled \$2.3 million. Contributed capital cash for the year is just over \$7 million, and contributed capital non-cash is \$8.2 million.

We did collect \$1.5 million from the South Florida Water Management District grant. We did see a decrease in depreciation expense for July as a result of the King Plant demolition. The City distribution is still projected to be based on the 40% of operating income calculation versus the 6% of gross revenue. This concludes her presentation, and she will be happy to answer any questions.

The Board thanked Mrs. Bouton for her presentation.

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Mr. Tom Richards made a presentation to the Board regarding stabilizing our gas prices.

Mr. Richards stated he is here today to tell the Board about our program to stabilize our gas prices. This is related to the gas supply that we purchase for our natural gas customers and that we distribute to about 4,000 gas customers. In an attempt to keep those prices in a stable mode, we've made a purchase through our contract in the gas market, and this is essentially a hedging strategy.

The purpose of hedging is to reduce volatility and to increase our price certainty. The basis for our hedging program is that we do have a need for gas. We have a product that we need to purchase in order to run our business. That contrasts us to persons who may be speculators in a commodities market. Some things that hedging does not do, include the following. It is not intended to lower prices. It is not intended for us to make money or to speculate. There are people, especially in the financials commodities markets, who will buy and sell these products in order to generate profits and for no other reason. They don't have a need for the product. Those players provide a purpose in the market. They provide a liquidity. That is not our purpose for being in the market.

Simple kinds of supply strategy would include unhedged strategy that would be purchasing gas as you go made at the market prices. Actually, the way we would do that would be some of our gas at the beginning of the month and additional amounts daily, depending on whether the gas is higher or lower than that monthly amount that we committed to. This is all done by Florida Gas Utility. They do it not only for Fort Pierce, but for the other twenty or so municipal LDC systems that are in the group. They do it as a pool and trade demands back and forth. There is quite a bit of advantage of having that group working. Other kinds of simple hedging strategies would be to have a physical contract with a fixed price for gas. Those could be for just a month's worth of gas or a season, annually, or a longer term. More sophisticated supply strategies might include financial futures, which is to purchase futures contracts. That is a contract in the financial market that would be tied to a specific amount of gas to be delivered at a specific point in a specific month. Those can be done on the New York Mercantile Exchange, which is a clearing house for standardized contracts. Those are the ones you see quoted in the newspapers all the time. Or, it can be done with an International Slop Dealers Association Agreement between two parties, us and a counter-party, somebody like AIG. It could be anybody. The nice thing about the New York Mercantile Exchange is it does guarantee liquidity, and it is essentially very difficult for anybody to default on those agreements. These do require a small margin payment. In other words, for example, one simple contract is for 10,000 MMBTU's of gas for a specific month, and it is delivered at the Henry Hub, which is a kind of an interchange of gas in Texas. Those are traded every day, every minute the New York Mercantile Exchange is open. Prices vary. They use the typical outcry system for auctioning. He has been on that floor and has seen it done. They stand around and yell at each other and get each other's attention and trade the tickets. You have buyers and sellers in there, and you get to the right price where the supply and demand is balanced. Another option is for us to do options. Instead of purchasing a contract, we could say we would like to purchase an option on a contract. That is a little more complicated. Essentially, you can buy a call, which means purchasing an option to purchase gas at a particular price in a particular month, but you don't have to. It is the right, but not the obligation to purchase. The flip side of that is you could also purchase a put. A put would be the right, but not the obligation to sell gas to somebody at a price. Both of those kinds of options go on in the market. Those are kind of complicated to put together and to explain. We typically don't try the options method or the futures method.

Mr. Richards further stated he does not want the Board to think we had not thought about our gas supply going forward. We have already in place pre-purchase of gas supply acquisition projects. Project No. 1 actually expires in a couple of months. It was a ten year project. It was to buy a fixed amount of gas delivered to Fort Pierce at a price that was based on the first of the month's index, which is a Florida Gas Transmission index less \$.19. That is a very firm supply. There is almost no way that could be interrupted. There was no way the other party could renege on the deal, because it was guaranteed by a surety contract, which no longer can be purchased. A \$.19 discount off of \$10.00 gas is not a big discount. It was valuable in the day when gas was \$3.00, but it is not so valuable today when gas is \$10.00. We have also enrolled in Project No. 2, Gas Supply Acquisition Project No. 2. This is again through Florida Gas Utility. We are grouped up with some other utilities. This begins December 1 for us, so it picks up where the other one leaves off. It is for a lesser amount of gas. This one we have scheduled for gas deliveries in the wintertime when we use more gas and no gas deliveries in the summer. That is based on first of the month pricing minus \$.57. If gas is \$10.00 and we will get it for \$9.43. We have also previously purchased reserves in

the ground. Public Gas Partners Pool No. 2 is one we are doing on the coattails of FMPA. This is a pre-purchase of reserves in the ground. It is financed over the life of the reserves. It is really small potatoes for us. It is a small financial benefit to our gas system. It is, maybe, a \$1,000 per month benefit for us. It is almost not worth talking about at this point.

He showed the Board graphs from the first of the calendar year, which show a run up on prices for gas. These are prompt month prices. Prompt month means the next futures contract that hasn't been settled yet. The closest one to us in the future is the prompt month, so right now the prompt month is October. October will settle in the last week of September. That is a pretty good indicator of almost real time prices. These are daily prices. This graph goes all over the place. You can see the general trend from January through July was through the roof in the \$7.00 range up to the \$13.50. It dropped precipitously back to where it was at the beginning of the year. He showed the Board another graph showing the monthly price, but it goes back 15 years for prompt prices. The interesting thing here is you will see that we have occasional run ups in the price, but it always settles back down. If you take a long term look at this – you can go back 100 years and look at this kind of pricing and, also, oil pricing, which is tied pretty closely to natural gas – and you can see when they have these run ups, the price settles back down, but after it settles back down, the trend is back up. In the long term, the general trend is up even as you settle back from the peaking events. He says all that to say we felt like we didn't want to get caught in an upward trend. We felt like prices were probably not going to go any lower, and we wanted to stabilize our prices, so we made a deal through Florida Gas Utility to purchase fixed price gas for the next 12 months starting in October. Specifically what we've done is purchase one contract, which is 10,000 a month per month for the winter season of November through March, 5 months, and an additional contract for one contract per month for 12 months, October through September. That makes essentially 17 contracts. He put the pricing information in the Board packets.

He showed the Board a graph of quantities starting in October for 12 months. The black line on top is what our estimated load forecast is. The reddish line is the contract purchase he just mentioned, which starts at 10,000 in October and jumps up to 20,000 in November. It stays at 20,000 through March and drops to 10,000 in April and that goes through September. On top of that he has stacked the Gas Supply Acquisition Project he mentioned earlier that we're committed to for the wintertime to give you an idea of how much gas we have in firm supply now. The amount shown under the reddish line amounts to about 60% of our gas needs for the entire year. It is a little different each month, but on an annual basis it is about 60% based on our forecast. The blue line gives us additional supply at a discount based on the first of the month index. The rest of the gas will come from Florida Gas Utilities weighted system supply of gas. They buy some at the beginning of the month and some daily as they try to keep the prices as low as possible. Based on that he estimated our gas bill to Florida Gas Utility for our gas compared to our budget. The budget the Board approved for gas was at about \$12.00, which was high, but we think, based on the New York Mercantile Exchange futures prices, which change every day, that our gas cost will come in at about the reddish line. Instead of about \$3.5 million we have budgeted, we think our gas bill will come to about \$2.7 million. Even if the market changes quite a bit, that reddish line won't change very much. That is his report. He showed them the total estimated price per month. The graph he displayed before was per unit.

Mr. Drummond said if his math is correct, we're anticipating about an \$800,000 savings during the course of the budget year. Mr. Richards said that would be a savings to our

customers. The cost of gas is passed on to our customers dollar for dollar, so savings we see dollar for dollar will also be passed on to our gas customers. Mr. Drummond said we will do that in terms of staff bringing to us an adjustment to the PGA on a monthly basis. Mr. Richards said that is correct.

Mr. Perona said he knows Mr. Richards is involved with FMPA, and now that gas prices are at an all time low, are they making any moves to purchase or hedge their gas purchases in the future. Mr. Richards said yes. They are always active. They are active every day recognizing that they made a number of moves during the market run-up to try to limit that run-up, they are now trying to make adjustments to their portfolio. Mr. Perona said it was \$10.00 the last time. Mr. Richards said yes, and that is kind of a broad assumption. It depends on the month and exactly which days, so they are trying to adjust some of those things to take advantage of the lower market.

Chairman Drummond thanked Mr. Richards for his presentation. It is very good news.

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Mr. Tim Perkins, Director of Water/Wastewater Systems, presented a request for approval of an agreement for brine disposal.

Mr. Perkins explained this agreement will be between FPUA and Allied New Technologies. They are in the process of designing, permitting and building a new liquid chlorine production plant on Glades Cut Off Road, and as part of that process they will produce a brine reject, which needs to be disposed of. Initially, it will amount to about 11,000 gallons per day and at build out of their plant, about 21,600 gallons per day. This product is very similar to the R/O reject water we produce at our water treatment plant and dispose of in our industrial injection well. It is somewhat more concentrated, but very similar. Rather than having them invest the large amount of capital it would require to build their own injection well for a small quantity of reject, we worked out an agreement where we will charge them a flat monthly charge for the service, and they will bear the cost of construction of facilities to accept, store and pump the waste into our well, including access road and landscaping. It is a win-win agreement for both parties. It is a three year contract with two one year renewals. If it works out well, it could be extended for many years.

Mrs. Cully said she was excited to hear about this. She wondered how deep the injection well is, and what is going down into the well? Mr. Perkins said the well is about 3,000 feet deep. The brine reject is very similar to the water that is already in the boulder zone where we inject the waste. It has a little more saline but not a significant amount.

Mayor Benton asked if we bid this. Mr. Perkins said no, we are actually providing the service for them and are not bidding anything. The contract will be for us to provide disposal service for their brine. There is an option in the contract that we can accept in lieu of cash payment, a delivery of liquid chlorine for our use. If we did that, we would piggyback the price on one of their other contracts.

Motion by Mr. Perona, seconded by Mrs. Cully and unanimously carried to approve the Brine Disposal Agreement with Allied New Technologies, Inc.

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Mr. Thiess stated September is typically the time we bring salary increases for the non-exempt employees to the Board for consideration. This year is the first year we've rolled the exempt and non-exempt together. We just looked at the pay plan and all raises would occur beginning the first of the fiscal year under normal circumstances. We have discussed it internally and have decided at this point to forego any consideration of salary increases for both exempt and non-exempt for at least six months, April, the midpoint of the year. We are making no commitments for raises at this time but are not ruling out the possibility of doing something for our employees in the second half of the fiscal year.

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Mr. Drummond reported that he was appointed to the Board for another four year term at last night's City Commission meeting and thanked the Mayor and Commission for their continued confidence and support for another four years. The vote was unanimous, and he appreciates the opportunity to continue to serve.

Mayor Benton said Mr. Drummond has been serving the citizens of Fort Pierce for quite a few years now. Mr. Drummond said he has had a tremendous number of years in the public sector participating on both elected and volunteer boards and has had the pleasure of working through many of those years with Dennis Beach, the retiring City Manager. He told Mr. Beach he has enjoyed that experience and feels the City has been well served by Mr. Beach's service and we'll miss him. He hopes he enjoys his retirement. Mr. Beach thanked Mr. Drummond and said he intends to do just that.

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Mayor Benton asked Mr. Thiess if he would comment for the public's sake on a memo that came to us the other day about a cost savings on the A1A underground utilities project that could send over \$1 million back to the FPRA.

Mr. Thiess said our electric staff was working with City Engineers looking at ways to reduce the cost on that project. Originally the project was designed pretty much for build-out on the island. In the interest of trying to economize and save everybody money, we are looking a design now that, instead of doing build-out and putting in all the conductors and equipment, just putting in conduits for future expansions. We probably have enough in the facilities as constructed to service at least ten years out and maybe longer. If a big project comes in that is not on the radar screen now, we would deal with those projects and would have the conduit in place to pull the conductors in and set the equipment to serve the project. We would do that in the typical fashion where we work with the developer. We usually have a contribution somewhere in the neighborhood of four years revenue and the developer puts up a contribution in aide to fund those improvements. By doing that, just putting in the conduits and not pulling the conductors and setting the equipment, it is a savings of over \$1 million to the FPRA. We are committing to more expenses on the part of FPUA in the future, but they are way out in the future and are expenses we can handle, but the immediate savings for the FPRA is over \$1 million. He thinks this is a time the City, and FPRA really need those funds.

Mayor Benton said we were expecting that development to occur in the last few years, but with the market the way it is, things have backed off. It is the City's intent to make developers pay for that, and he thinks it is good that we have found a way to save some money. Fort Pierce Utilities Authority takes a lot of heat from the City lately, for it seems like everything we do, but now there is a cost savings of over \$1 million coming back to the taxpayers and to the

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Fort Pierce Redevelopment Agency. The Mayor said he wants to compliment staff and everyone for looking for a better way and saving some money at a time when we really need to save as much as possible.

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Mrs. Cully asked Mr. Thiess what is happening regarding the marketing we have discussed and what we will be doing in the future.

Mr. Thiess said we have work going on several fronts. The one that is taking up most of our time at this point is trying to push the weatherization conservation program to completion. We are taking that to the next FPRA Board Meeting. At that time the package we will be taking to the FPRA Board will be a really good, fairly detailed, overall outline of the project. It will have the bid packages we put out for contractors to do the work, strategies, budget for FPRA funds and monies FPUA will be expending. It will be a really good, comprehensive overall look at that package. We hope to get that to Jon Ward soon, so he has some time to look at it and discuss it with the FPRA Board before we actually take it to them. That is our biggest effort. It will be advertised and marketed. We are trying to start off slowly, so we don't get snowballed in the beginning. It will gain momentum as it goes.

Mr. Thiess said we are also establishing a Speakers Forum. We are trying to get around to different groups, such as homeowners associations, churches, etc. Levette Dixon has prepared a list of these two groups and has made telephone contacts. He thinks we have some lined up for September. We will try to do at least two per month. We could probably handle four or five a month if we could get enough interest out there.

Mr. Thiess reported we are working with FMPA on a conservation program they are initiating. That should result in about \$75,000. The FPRA is funding about \$500,000, but that can only be used within the FPRA area. The FMPA funds we can use system-wide. We would obviously use it outside the FPRA, since we are heavily funded within the FPRA. We anticipate a portion of the FMPA funds will be utilized at FMPA producing materials, such as a DVD on conservation and some pamphlets. The balance of that, which we hope is \$50,000 to \$60,000 will come back to us to spend on our customers as we see fit. We see most of that going to an Energy Star rebate program. Similar to what we will do in the FPRA area, we are going to start out with air conditioning, and then we will add appliances to that as we become more experienced. Our AC rebate program will be a mirror image of FPL's program. Our customers will get the same rebate on air conditioners as an FPL customer would get. That is rolling out very shortly, too.

For implementation of the Weatherization Program, we're hoping for mid to late October. The Rebate program schedule is still being worked on. It will be late in the year or maybe the first of next year. We still have to wait for completion of some work at FMPA. Our program to get the word out involves us continually working on bill stuffers. We try to hit different topics every month. He thinks the next topic will be the Power Cost adjustment. We are going to try in very simple terms to define it and give a little history on it and help the customers understand the power cost adjustment, what it means and what it does. We will intersperse those with conservation tips and try to switch it up and do different things in different months. You will see a lot more visible efforts in the conservation and weatherization areas in the months ahead.

Mr. Drummond said on that line he doesn't want to slow this process down, because he knows staff has been taking quite a hit from some members of the City Commission with the rolling out of this program and the time delays, but he knows we, as a Board, have signed off on moving forward and cooperating with this, but he doesn't know if we've ever formally voted on the roll out on this. He would want an opportunity for us to agree ahead of it actually being rolled out. He doesn't know how that works with Mr. Thiess' meeting with the FPRA, but he doesn't want to lose our ability to have some input into the final product.

Mr. Thiess said our thinking on that, because it is FPRA's money, that we wouldn't go to our Board first for them to approve it, but go to the FPRA Board and then come to our Board. We could bring an item to the Board at the next meeting. That would be right after the FPRA considers it on the 29<sup>th</sup>. Mr. Drummond said he doesn't want to have a say in how their dollars are spent, but any items in this envisioned roll out that will have financial impact on us, he would certainly want to be sure we're on the same page. Mr. Thiess said that will be part of our presentation to our Board following the FPRA approval. He thinks we had it scheduled to go to the FPRA Board at the end of September and he believes the next Board Meeting, October 7<sup>th</sup>, it will come to this Board. What comes to this Board will be the FPRA package with \$500,000 and the estimated costs for Fiscal Year 2009 from our side. There are some incidental expenses, but most of the expense on FPUA's part will be labor. There is close to \$100,000 in labor we will require. We are not hiring additional people. We are using existing staff. There is a big time commitment involved in this, but those costs will be in the proposal we bring to this Board for approval in October.

Mr. Perona said he also sits on that committee. There was a push to move this ahead faster than our staff was able to get the information together, since we're charged with the administration of this, and he cautiously informed the group that our Board was very clear on the fact that we do not want to go into anything we can't be successful with. He thinks the final product we've all talked about in conversations, and when it is presented to the Board he thinks it is something we will move forward with. It is a benefit to the community. It is being funded through many different sources. The staff members involved are doing it because they really believe in it, and it is moving forward faster than he would have imagined. It has a great energy behind it. When we do come before this Board, he is sure we will all jump on it. He agrees it is something this Board needs to see and adopt before it goes further.

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Mayor Benton said last night he asked the City Commission if they would be willing to sit down with this Board and try to hash out some of our differences. There has been a lot of animosity, a lot of shots taken at Fort Pierce Utilities, and he thought it was time. The budget is out of the way. There is some serious business we need to get back on track, and they agreed to meet after our October 6 meeting when the Task Force Chairman is going to make a presentation to the City Commission. He is asking this Board if you would be willing to sit down with the City Commission. This would not be a workshop. This would be something he hopes to facilitate. He wants to try to put some items on the table that have concerned both boards, and see if we can hash out these things and get the appropriate information from this Task Force out to the public and get things back on track. He is asking this Board if you would be willing to meet. It would probably be sometime in the middle of October.

Mr. Perona asked if this isn't a workshop, what exactly is it going to be? Mayor Benton said a workshop has been put together by one staff or the other in the past. That hasn't gone over

too well. What he would like to do is ask board members from both boards if they have one or two items at the most that they feel should be discussed. The meeting could take two to four hours, but he thinks we deserve, the public deserves, both the City Commission and Fort Pierce Utilities to get back on track and work together. He would like to take a shot at it, because he sits on both boards, and he thinks the information that is going to come from this Task Force is going to stop some of the misinformation that has been put out in this community in the last couple of years. From that, he thinks we need to pick up the pieces and get things on track. There have been things the City Commission wanted staff to do. There are some things the UA staff could work with the City to do, and there were some things they couldn't. He thinks that needs to be explained. He just doesn't want it to look like Fort Pierce Utilities or the City is running this workshop. He wants the board members to sit down and have a heart to heart and find out if we can work as a team. We have a lot sitting here. This Utilities is probably the best thing going for the City of Fort Pierce. We basically can determine our future with our own utility. He thinks after hurricanes when we get power back on compared to other areas.... He thinks it is time we take a look at what we do have and get back on track. Hopefully, with the decisions that have been made by this Task Force, it will get us through the past, the last year and get us moving on to the future. As Mayor he thinks he needs to take a shot at this.

Mrs. Cully said she is very glad to hear that. You are right. There is a lot of ruffling of the feathers, you might say. With so many other things going on in our lives and in our community and the economy, the last thing we need is a split in our community. We need everyone to come together and work together. Talking things out is the best way to work it out, she thinks.

Mr. Perona asked the Mayor if there is a consensus with his group that everyone is going to show up to the meeting. Mayor Benton said yes. In the past, he knows there has been some discussion if the Utilities Authority set it up, there wasn't enough discussion or touching base with the Commissioners making sure they can meet these timeframes. The Mayor will make sure his secretary calls everyone, all ten, and that we set a time when everybody can be there. He is looking to get both full boards there and have some really good discussion and end some of this animosity that has been going around. He thinks we can get things back on track. We have too much to lose the way things are going.

Mr. Perona said he agrees with that, but he thinks the animosity comes from the City Commission. He thinks this Board has been reticent, and it has been very difficult for him, because, unlike some City Commissioners, there are some things he would like to say but he is not going to say them, because this Utility Board needs to be above that and move forward on issues that are important to this community. We are an asset of this community, and if we start doing these types of things, it will take our focus away from the important issues at hand. We are not going to do that. Mr. Perona said he would love to sit down with the City Commission, and he thinks this Board would benefit from an open communication line with City Commissioners, and they would benefit from an understanding of the Utilities Authority and how it operates and what issues and challenges are in front of us. He thinks from that standpoint it would be a good thing if we walk into this meeting with an open mind. He looks forward to that, also.

Mayor Benton said that is what he wants to do, because he knows everybody on both boards and has for some time. We have good people on both boards, and a lot of business people

here. He doesn't know whether some of the new Commissioners know the resumes this Board brings to the table, but each person here is a business person with a lot of business experience. You have no need or desire to go out and push people to pay more on their electric bills. He thinks we also need some education on, number one, why we are paying what we are paying and what we are looking at in the future. He would bet our Commissioners don't have a clue what Cap and Trade and Carbon Tax are or how it will affect, especially, the poor people in America. These people are going to have a tougher time in the near future in the next few years paying their electric bills, because of what Congress is doing to our coal and our industry. Somehow that information needs to be brought forward so there can be an understanding and the common person can understand. It has been pretty complicated for all of us to understand what these new regulations are going to do. Unfortunately, when it comes to utilities, things are going to get worse with costs before it gets better. We all need to have this understanding, and he doesn't think there has been enough communication between the two boards. He is hoping this is a start to make things better, and as the Mayor he has no choice but to try to get this animosity out of the way and to move forward with a better line of communication.

Mr. Perona said he applauds the Mayor's efforts. He appreciates them. He also appreciates the Mayor's comments in the City Commission Meetings. He told the Mayor we all sit and watch them, and it seems like it gets away from you once in a while, but you stand up for what you believe. You do sit on both boards. He can't even imagine the time and effort it takes from your standpoint to stay up on both issues, because the Utility Board, itself, takes an enormous amount of time, and he is sure the City Commission does the same. You do a good job with that, and he also applauds that.

Mr. Drummond said he would suggest, given the Mayor's unique position on both boards and willingness to facilitate this, he thinks it could be a very productive meeting, and he thinks you have consensus here. This Board will be eager to participate.

Mayor Benton said he felt that from the Commission last night also. He thinks we can get the past behind us and move on and with the findings from the minutes he's read from the Task Force meetings, he thinks it will send a positive message going into this.

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There being no further business, the meeting was adjourned.

ATTEST:

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SECRETARY

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CHAIRMAN