

MINUTES OF A REGULAR MEETING OF THE FORT PIERCE UTILITIES AUTHORITY, TUESDAY, October 6, 2009, 4:00 P.M., CITY COMMISSION CHAMBERS

Members Present: Chairman, Pamela K. Cully; Vice Chairman, Robert W. Summerhays, Jr.; Secretary, Thomas K. Perona (arrived at 4:05); Deputy Secretary, Darrell Drummond, Mayor Robert J. Benton III and Ex-Officio Member/City Manager, David Recor

Others present: Director of Utilities, FPUA Attorney, Controller, Director of Shared Services, Manager of Risk Management, and Director of Procurement.

The meeting was called to order by Chairman Cully.

Invocation by Reverend David Dangerfield of St. Andrews Lutheran Church

The *Pledge of Allegiance* was recited.

The roll was called and a quorum declared.

Levette Dixon, Communication Manger, presented to the Board an Award FPUA received from Natalie's Orchid Island Juice Company. She said that Natalie's recently celebrated 20 years of providing service to Fort Pierce and the community. During the anniversary celebration, they presented FPUA with an award to thank us for caring about jobs, building partnerships, and contributing to resources to help improve the City's quality of life and for making area businesses successful. She said they were extremely appreciative for all the efforts that FPUA has given to help them keep in compliance with the governmental regulations. They specifically thanked Mark Mathis and Customer Service for their efforts.

Levette Dixon presented to the Board the Business of the Year Award received by FPUA in the category of Manufacturing & Industrial received from the St. Lucie County Chamber of Commerce. She said this award was for the efforts of FPUA and FMFA with what we have accomplished with our state of the art Treasure Coast Energy Center. To receive this award, we were judged on our community involvement, economic impact on the community, Chamber participation, and work environment.

Mrs. Cully said that these are great awards and we should be very pleased to have received them.

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

1. Approval of the Minutes of the Regular Meeting of September 15, 2009.

2. Approval to Piggyback Gainesville Regional Utilities Bid No. 2007-77, for the procurement of concrete poles for stock, from Dura-Stress, Inc., Leesburg, Florida, in the amount not to exceed \$45,841.00.
3. Approval to Piggyback State of Florida Contract #250-000-03-1, for the Procurement of fifty-eight (58) personal computers in the amount of \$90,000.00 and thirty-one (31) laptops in the amount of \$55,800.00, from Dell Marketing LP, for a total award of \$145,800.00.
4. Bid No. 5951 (Single Source), GSA Contract #GS-35F-0195J: Approval of Microsoft Licenses Software Assurance Maintenance from C.D.W. Government, Inc., Vernon Hills, Illinois, in the amount of \$50,889.00 with a three year renewal option on terms and conditions that are mutually acceptable to the parties.
5. Approval of payment of up to \$80,000.00 to the City of Fort Pierce for South A1A, Phase II and III for water facilities adjustments associated with the FDOT roadway construction.
6. Approval of final payment to the City of Fort Pierce for the 7th Street project in the amount of \$27,895.40.
7. RFP No. 5776, (Single Source), H.D. King Generating Station Decommissioning: Approval of Additional Environmental Services of the King Plant Property and Execution of Contract with S & ME, Inc., Spartanburg, South Carolina, in the amount of \$51,483.00.
8. Bid No. 5937: Authorization to accept the lowest and best responsive bid from The Dumont Company, Oviedo, Florida, for approximately 90 tons of Hydrofluorosilicic Acid in the amount of \$640.00 per ton, for a total not to exceed \$57,600.00 annually.

A letter was received from Mark Titone of Titone Properties, LLC, thanking Cindy Bullington of Customer Service for her effectiveness and diligence in troubleshooting and resolving many of the issues he had surrounding some properties he owns in the City of Fort Pierce.

Mrs. Cully thanked Cindy Bullington for a job well done.

Mr. Perona entered the meeting at 4:05.

Mr. Thiess said that the cooperation of St. Lucie County on this next item was exceptional. He said they came to the plate willing to front about half the funds on this.

This represents a whole new level of cooperation between FPUA and the County and we are very pleased with it.

Valerie Schulte, Supervising Engineer for Water/Wastewater, presented the Interlocal Agreement with St. Lucie County for the utility relocations associated with the Juanita Avenue Bridge Project. She said this is for a project to replace the bridge across Taylor Creek at Juanita Avenue. Mrs. Schulte said that it came to their attention earlier last year that St. Lucie County was doing this project and we did not get a lot of advance notice. We originally thought we would get some of the stimulus money, but it was determined that it did not fund utilities that way. To replace that funding, the County decided that we would go with this Interlocal Agreement and they would fund and advance some of the money to us to cover the cost we have not budgeted for the project. This includes the gas main, electrical relocations, and also the relocation of an 18" water main.

Mayor Benton asked Mr. Thiess if about a month and a half ago this was not the case. He said that when he spoke with Mr. Thiess, it was thought that there would be a fight with the County Engineer.

Mr. Thiess said it has been back and forth for some time, but we had pretty good cooperation at the County Engineer level for a while and they seemed willing to help if there was money in the budget to do this. He said there was a snag with the Assistant County Administrator, but when Fay Outlaw, the County Administrator, got involved, we worked it through with her. She worked it through with her staff and we ended up today where we are. It is the first time the County has stepped up to the plate on something like this. Mr. Thiess said our position was that it was not much of a stimulus if our rate payers have to fork out half a million dollars or more to do the utility adjustments. He said it was very good cooperation. We are going to help out with in-kind services and are helping to design the water and wastewater backbone force main/water main for the Treasure Coast Education Research Park. We have some other things going with the county, but it is really a good thing to start trading off and helping each other out. This is a really good example of the county stepping up to the plate and doing their part.

Mayor Benton said he is glad to hear that because a month or so ago it did not sound like it was going so well.

Motion by Mr. Summerhays, seconded by Mr. Perona, and unanimously carried to approve the Interlocal Agreement with St. Lucie County for the utility relocations associated with the Juanita Avenue Bridge Project.

Mrs. Schulte presented the Annual Unit Price Contract for Installation of Underground Utilities to be used for Sunland Gardens and the Juanita Water Main relocation. She said this project was approved last year to use the Unit Price Contractor and it is still ongoing. We need Board approval to continue using them for Sunland Gardens and for the Juanita water main relocation. Mrs. Schulte said they anticipate using Ditchdiggers to do that work because they are familiar with our standards and the type of construction that we are going to have is a very critical 18-inch water main that feeds

North Hutchinson Island. This item will increase the Unit Price Contract for those two projects.

Mr. Perona said he is really thrilled that this company is local and we are spending money here at home. They do high quality work. Mr. Perona said he keeps asking how they compare amongst the rest and they always receive the highest marks. It is good to see we are spending money that way.

Motion by Mr. Perona, seconded by Mr. Summerhays, and unanimously carried to approve Bid No. 5740, Annual Unit Price Contract for Installation of Underground Utilities for Water/Wastewater Systems: Approval of an additional amount not to exceed \$2,560,000.00 for contract with Ditchdiggers, Inc., Fort Pierce, Florida. This will bring the total contract amount for the second year renewal through September 30, 2010, from \$1,000,000.00 to \$3,560,000.00. The additional funding is needed for Sunland Gardens Phase II Water MSBU at a cost not to exceed \$2,300,000.00 and Juanita Water Main Relocation at Taylor Creek at a cost not to exceed \$260,000.00.

John Tompeck, Superintendent of Gas Operations presented Contract Amendment No. 3 for the H.D. King Generating Station Decommissioning with National Salvage & Service Corporation. He said this is related to the completion of demolition at the King Plant. This Amendment lowers the contract price to -\$208,421.61 and this revised contract amount reflects the inclusion of several change orders that were implemented during the demolition process. Mr. Tompeck said the change orders were primarily associated with collection, trucking, and disposal of contaminated material encountered during demolition activities. He said that in the agenda package, there is a detail of the running budget status which includes the change orders #5 through #10, which are part of the contract amendment. Change orders #5 through #8 are relatively small changes, which required removal of contaminated material found during demolition. This needed to be done to continue with the demolition. Change orders #9 and #10 were a little bit larger and were associated with problems identified during the excavation of the sites to four feet below grade. Change order #9 was for removal of transite pipe. Transite pipe was used as electrical conduit many years ago and contains asbestos. The cost of this change order primarily includes the labor to dig out the lines, the wrapping of the concrete and the transite pipe, trucking, and disposal fees. The disposal fees were very expensive since they are based on the weight and we were not allowed to separate the concrete from the transite pipe, so we are paying for all the concrete to be thrown away. The total cost for that change order was a little over \$79,000. Change order #10 had to do with an old oil line that was discovered during the excavation and this line ran about 200 feet and contained Bunker C, which is a thick residual oil that was used in the plant. The primary cost of this change order was disposal of contaminated soil. We shipped off about 1,000 cubic yards, which had to be dug out, trucked to Okeechobee, and disposed of. The total cost of that change order was in excess of \$91,000. Mr. Tompeck said on the running budget status, it is noted that we now owe National Salvage \$191,578.39. He said the actual contract price is still -\$208,421.61, the difference being the \$400,000 they have already paid us. On the positive side, the completion of these change orders will assist us with the environmental close out of the site. FPUA sent the Site Assessment Report to FDEP on August 31st and as part of that

October 6, 2009

Page 5

report we requested close out of certain items which included these change orders #5 through #8, for disposal of contaminated soil. The balance of the cleanup is being handled under a sub-grant agreement with EPA Region 4 through Treasure Coast Regional Planning Council and the FPRA. To follow up on a question that Mr. Thiess asked earlier today, there were some other costs we already paid to the environmental consultants who prepared the Site Assessment Report. They did an excellent job and it is a report that could be used for a boat anchor that is about 500 pages long. Mr. Tompeck said that those were contracts that the Board previously approved back in June or July of 2008. We spent about \$250,000 on those contracts. Earlier today on the consent agenda there was a contract for \$51,000 for S & ME to provide us some continued support. We have sent in the report, but we have not received any feedback from FDEP and it could be a month to six months before they get back to us and start asking some questions.

Mrs. Cully asked if the -\$208,421.61 is what we have left from the total amount they have given us.

Mr. Tompeck said that is correct. He said if you take away the \$400,000 that they have given us and we now owe them \$191,578.39, which equals the -\$208,421.61. He could not modify the amendment to take out the \$400,000 because they have already paid us that amount.

Mrs. Cully said that even though we have this amount, we still have paid out over \$11 million.

Mr. Tompeck said that we have put out a lot of money associated with the Hartman upgrade.

Mrs. Cully said that she wanted everyone to be aware of that.

Mr. Tompeck said that it is important to recognize a similar situation where he went up to JEA before this project started. He said JEA spent over \$20 million in demolishing their plant including the environmental cleanup. They trucked out close to 250,000 cubic yards of contaminated soil. Mr. Tompeck said we are in very good shape. The areas that we have identified in the report are essentially splinter contamination that is 5' x 10' and about 4 or 5 feet down to the water table that had to be removed. The contamination is really very little compared to the JEA demolition. The JEA site is a little bit larger than ours and they had a little larger plant.

Mrs. Cully said that for a 100-year old plant it is amazing.

Mr. Tompeck said it is a miracle.

Mrs. Cully asked if this project will be completed in a couple of weeks.

Mr. Tompeck said that National Salvage is doing the last bit of clean up and some final grading. He said we were fortunate enough to get some free fill from a City project on

October 6, 2009

Page 6

Moore's Creek between 9th and 14th. We had the fill tested and it was okay, so it is being trucked and dumped for nothing.

Mrs. Cully asked if the area will be sodded by the City.

Mr. Tompeck said it is part of our scope to sod it.

Mr. Drummond asked if there was going to be additional costs associated with the cleanup.

Mr. Tompeck said there is one issue that he is fighting with National Salvage a little bit right now. The specifications said they originally had to regrade the property to the original grade and what we have done with the grading plan is raised the elevation to assist in the drainage of the property. They are saying that is not in the scope. We are still hacking around with that and it will not be a lot of money. There may be an additional item of us removing the fence at the City's request.

Mr. Perona said in the past we have dealt with issues where we have acted responsibly such as sending off transformers and we had a liability that came back to this utility. He asked if there was some guarantee or feeling of completion that when we are finished with this environmental cleanup, that we will be done with this environmental cleanup forever. Is this something that can come back at us or are we going to have some certification or guarantee that whatever we did is complete? Mr. Perona said Mr. Tompeck has been very meticulous at turning every page, every rock, every shovel full of sand to make sure we are cleaned up when we turn this back over to the City. He asked what his comfort level on this is.

Mr. Tompeck said his comfort level is that once the area that was dug up, they retest the area to make sure that we have gotten all of the contamination, we send those results to FDEP. FDEP issues a "No Further Action". They will say that the particular area is clean. Once we have all the "No Further Actions", for each of the areas, the property is finished. Mr. Tompeck said another thing that they have been very careful of is that we had a couple of transformers and we made sure they were shipped to the proper facility. We have the manifest, which will be kept as permanent record in case it ever comes back. All the contaminated material or soil, we have a pile of manifests and we have records that we processed it properly.

Motion by Mr. Summerhays, seconded by Mayor Benton, and unanimously carried to approve RFP No. 5776, Contract Amendment No. 3, H.D. King Generating Station Decommissioning: Approval of Amendment No. 3 to the Contract with National Salvage & Service Corporation, for changes related to Environmental Cleanup encountered during the demolition process, modifying the total contract amount to -\$208,421.61.

Doug Giel, Director of Shared Services, presented the Weatherization Program Report that was presented to the City of Fort Pierce Redevelopment Program last Wednesday.

He said that it was exactly one year ago that FPUA started the Weatherization Program. It was funded by the FPRA and they gave us three increments of \$100,000 over the course of the year. Mr. Giel said a month ago, FPRA asked for a status report so they could make a decision as to whether they wanted to fund additional money to the Weatherization Program. The FPRA did approve an additional \$100,000 at their meeting on September 30th after our presentation to them. When we finish the homes that we currently have in process, we will be finishing 204 homes. We currently have information on 114 homes that have been completed long enough to generate the FPRA-requested information. The FPRA Board requested kWh consumption one month after weatherization compared to the same month one year prior. We have completed 114 homes and 204 homes will be completed around November 1st. For all of the 204 homes, we expect to spend approximately \$321,111, which is an average of about \$1,574 per home. The housing stock is an interesting statistic and is very old. Statistically, 75% of the 114 homes that we looked at are older than 1970, and the average year that the homes were built is 1961. 19% of the homes have air conditioning with no permit, which means that these AC installations were not inspected by the city. 82% of the homes are owner-occupied homes. Mr. Giel said that one of the concerns we had when we started the Weatherization Program was whether the renters would be able to make application for weatherization. The annual income is \$17,068 of those 144 that made application and that was verified by the City Community Development Office. 64% of the homes occupied by the homeowners are on Social Security, disability, retired, or unemployed. This means that we have mostly people that are home all day long with their air conditioners running and are not able to set their thermostat higher, go to work, and then come back and lower it when they come home. The annual savings for kWh used is \$2,314 on the electric alone, which is 12% per month on savings. The savings on water was \$563 or 7%. The combined savings total \$2,878 per month for electric, water, and wastewater is \$34,524 per year. That equates to about \$25.70 per month for each of those 114 homes or \$304 per year for each home, which based on one year's savings that would be a return or payback of 5.1 years. It could be more if the Cooling Degree Days (CDD) were less, but this year the CDD is 10% higher than it was last year, which indicates that we had a hotter year this year. Mr. Giel said that lowering the thermostat by one degree would lower the electric bill by about 7-9%. The FPRA Board granted the additional \$100,000 and that will weatherize about another 45 to 50 additional homes at the \$1,574 cost per home. This item is information only and does not require Board action.

Mr. Perona asked if those that applied for weatherization and got the benefit of it, did we also teach them on conservation because the two go together and it would double the benefit. He said the habits that we have learned since birth have to be relearned to save them some money.

Mr. Giel said that was part of the program. He said a home energy auditor goes out with the owner who occupies the home. They walk through the whole house together and there is a checklist of items. The homeowner signs off on the checklist. One of the items is to go out and find their meter and learn how to read it. They also check to see if they have a leak by observing their water meter. This is all a part of the Weatherization Program. They are shown how to change the light bulbs into the compact florescent light bulbs and changing out the shower heads.

Mr. Drummond said he was at the last FPRA meeting and there was a question concerning a survey of the individuals that participated in the program as to their satisfaction.

Mr. Giel said that FPRA asked that they be provided some kind of feedback as to whether the customers are satisfied with the program. He said one of the things that we do in the program is ask the customer to fill out a "How did we do?" report and we compiled the results and forwarded it to the FPRA. Mr. Giel said all the results came back positive.

Mr. Drummond asked for a copy of that report.

Mr. Giel said he would forward the Board a copy. He also said the customers are very appreciative of this. We go into their home and spend \$1,500, educate them, walk them through and spend a lot of time, and the auditor that goes out initially also goes back to make sure the work was done to the satisfaction of the homeowner. The homeowner then fills out the "report card" or evaluation form and we compile all the results. The customers are very happy with this program. We are fixing up poor people's homes that do not have the wherewithal to actually do it themselves. These are very old homes and it is going to make a difference in the amount of money they will have to pay for the utilities over a long period of time. They have to adhere to the conservation tips that we have shown them and they know that.

Mrs. Cully said this is a great program and is glad that the FPRA gave another \$100,000 to continue this for a while. She said that people will ask if this will cost them anything.

Mr. Giel said it is no charge to the homeowner. He said applications are available in the Customer Service lobby and at the FPRA office in City Hall. We help the customers fill out the application, if they need help and assistance. He said it is a very good program and they are putting people to work also.

Mr. Perona said for those people that might be watching this and think they may not qualify for the benefit through the FPRA, there is a way that they can learn about weatherization and conservation. Do we have the survey available to them?

Mr. Giel said if they are not in the FPRA area, we have a Home Energy Audit available to them at a cost of \$25.00 and FPUA pays for the balance.

Mr. Perona asked how someone would get that information.

Mr. Giel said they can come to the Customer Service lobby and fill out an application and they can get in line for a survey.

Mr. Perona asked if they could call in for it and what amount they have to pay for it.

Mr. Giel said it is \$25.00.

Mr. Perona said it is \$25.00 for them and the utility pays the other \$75.00. He said he knows of several people that have paid the \$25.00 and saved from \$50 to \$80 a month and are upset with themselves for not doing it three years ago. They are thinking about how much money they would have saved by now. He said it is a good idea and they can contact FPUA and they do not have to be on low income to take advantage of the Home Energy Audit for \$25.00 and save a whole lot of money.

Mrs. Cully thanked Mr. Giel for all the hard work of his staff on this program.

Mrs. Cully said that we have election of officers and every year we have a slate staff gives us, which is a routine rotation of this Board depending when you came on the Board. At this time we need a motion.

Mr. Perona said that Mrs. Cully has done such a great job that he would like to leave her there forever.

Motion by Mr. Perona, seconded by Mr. Drummond, and unanimously carried to approve the Election of Officers as follows: Mr. Summerhays, Chairman; Mr. Perona, Vice Chairman; Mr. Drummond, Secretary; Mrs. Cully, Deputy Secretary, and Mayor Benton, Mayor/Member.

Mrs. Cully handed the gavel over to Mr. Summerhays.

Mr. Summerhays thanked Mrs. Cully for the excellent job she has done this past year. He remembers back to the first meeting when she froze in place and he told her that she would get it right and she has gotten it right and did a great job.

Mr. Larry Pelton, President of the Economic Development Council (EDC), did a presentation of what EDC has done in our service territory and throughout the county. He said he wanted to explain to the Board what is going on since January with their recruitment activities for new companies to the County. Mr. Pelton said that as of this date they have closed projects totaling 2,000 new jobs for this county. He said he was at a meeting in Jacksonville a couple of months ago and sat next to the Executive Vice President of EDC of Miami/Dade County and he mentioned that number to her. She told them they had just closed 1,500 jobs in Miami and Dade County. He said he is very proud of the results this county has been able to produce in this period of time. Mr. Pelton said that the Beacon Council has a staff of about 50 staff members and a budget of \$8 million. Compared to his four staff members and a budget of about \$700,000, he is proud of the leadership in this county and city and the cooperation they receive from the cities. Of the projects they closed this year, 700 of those jobs will occur in the Fort Pierce area. Mr. Pelton said Oxford Management moved into their space in January 2009 and increased their hiring goal from 200 to 300. He said they helped them get a training grant from the State to train local hires and they have aggressively recruited

employees from the Fort Pierce area. Oxford is located in the Orange Blossom Mall right next door to the School Board. The other project is J.J. Taylor that they helped get an incentive package to bring their distributorship here. They will locate on Okeechobee Road near Red Lobster. Project Vision is a company that they hoped to announce today, but there has been a slight delay and will announce next month at their luncheon. It is an optics company and they manufacture coatings for the Optometry Industry and will employ 200 employees in shifts with a 25,000 square foot lease. They will be highly skilled and will be also training people. Mr. Pelton said that Project Can Do is a pharmaceutical manufacturing company. It will be going into the Airport Industrial Park and it is a 200,000 square foot facility. The company manufactures a pharmaceutical product that is close to being approved in the UK and it has not received FDA approval in the United States. They are pursuing the European market first. This company had the option of going to Ireland and they were being recruited heavily to locate in Ireland. They will employ 165 employees initially and will add more shifts to their operations so that their long term intent is to be at 300 employees. This will be a great manufacturing company for the work force here in Fort Pierce. They will sign a lease on a site in the Industrial Park by the end of this week. Mr. Pelton said they did a lot of work with Orchid Island. The Mayor, the City Manager, and Bill Thiess were instrumental in keeping Orchid Island in the Fort Pierce area. The particular issue that they dealt with was their electric rates. Orchid Island's peak operating hours are midnight to 6:00 a.m. and they were running extraordinary high rates on their electric consumption. They actually brought the issue to the EDC that Publix was paying less in electric utility fees than they were. If Mr. Thiess had not jumped on this issue with the EDC, we would have lost this company from this area because they could not afford to stay there. Mr. Thiess put his staff on this project and helped lower their utility bills substantially enough that they could continue to be located and operate here. Mr. Pelton said that Liberty Medical is in Port St. Lucie, but they are expanding to hire well over 800 new employees. Liberty Medical at one time was considering moving to Virginia and consolidating operations up there so keeping them here was very important to EDC. Mr. Pelton apologized for the names that they come up with for their projects like Project Ham. He said it was disclosed recently in the Palm Beach Post that Palm Beach County was recruiting a company called Project Bacon and EDC wanted to show them up so they came up with the name Project Ham. Project Ham is the digital animation studio that will locate in Port St. Lucie, but there is a great outreach by this company throughout the County. An ideal situation for them is to be integrated with the school system, especially the K-12 school system. He said every child in our school system has more skill at operating games than he could ever dream of. This company is building a 150,000 square foot animation studio. The company that is building this is owned by Digital Domain in California. Digital Domain just received an Oscar for makeup for the movie Benjamin Button and there is no makeup in the first 52 minutes of that movie. The head on the actor is digital. This company did all of that animation and did not disclose that to the film industry. The makeup person for the movie received an Oscar for the movie for makeup and never disclosed it. The actor that has the digital head placed on his body is going around Hollywood bragging about the fact that he was in a movie with Brad Pitt. This company took Brad Pitt's face and did 1,500 different animations of every expression that would be utilized in the movie. They filmed that and they recreated and grew him to the age of 90. This company also did Titanic, Tron, and Transformers. Mr. Pelton said this is amazing work and they will be contracted with the

Department of Defense. They can create such realistic scenery in their studios that the Department of Defense can utilize them for all of their training videos. They are also going to do their own digital animated g-rated movies. They plan to go into film making also in this location. Mr. Pelton thanked the Board for their support in the past and since their organization was founded. EDC appreciates that and said FPUA has a position on their Board with Don Landin being FPUA's representative.

Mrs. Cully said it seemed like a couple of years ago there was not a whole lot going on even when the market was doing fairly well and things have slowed down. She thanked Mr. Pelton for his work with the EDC.

Mr. Pelton said he has not even begun to mention projects that the Mayor and Mr. Recor have worked on that did not happen or come to this area. He promised that he would continue to put the effort in trying to expand the job market in Fort Pierce.

Mr. Perona said he is on the Treasure Coast Education, Research, and Development Authority Board and there is a lot of activity happening with that at this time. He said it is interesting to see that eyes are on this community for a place to bring a business. We all knew that we lived in the promise land here and it is paradise. People are starting to figure it out and thanks to the EDC that is loud enough out there that people are turning their head to look.

Mayor Benton said he wanted to complement Mr. Pelton. When he came to the Federal Courthouse a little over a year ago and they were looking for a contractor, knowing that in the past they came in way above bids, Mr. Pelton was one of the first persons Mayor Benton called when he got back from Washington. Mayor Benton had asked for Mr. Pelton's help with his connections so that they could get bids throughout Florida. He said with Mr. Pelton's assistance it helped them get a contractor for the Federal Courthouse. Mayor Benton said that when he needed help with the City Marina, with the Governor and the Cabinet or a phone call with our local Legislators because it was a big stimulus package for Fort Pierce, Mr. Pelton was very helpful. Mayor Benton said he wanted to thank Mr. Pelton and that it has been a joy working with him.

Mr. Pelton said he wanted to mention one other project. He is working with a company called Arch Aluminum and Glass and the company is located in Fort Pierce. They have been here 15 years and have been in existence for 40 years. They have plants in 34 states and are a privately held company. Mr. Pelton said that they have had tours of the plant and they manufacture glass mirrors here. They are the largest purchaser of glass in the United States. They also have an aluminum company in Homestead and have patented a tower for solar panels. He said in a third of an acre, in their towers, they have the same capacity that a ground based solar film has in five acres. They have perfected the manufacturer of curved glass and mirrors for the solar industry. EDC is working diligently to help the company go after a federal grant and any state money that is available to get a demonstration project in with FPUA. He said that at first he thought about doing feed-in kind of projects, but the practicality is that they also do thin film photovoltaic cells. EDC is talking with Mr. Thiess about solarizing one of FPUA's water plants and using the towers and their manufactured solar panels here. He said that Mr. Thiess has gotten EDC in touch with FMPA so that if they can do the demo here and it

succeeds, then the company would want EDC to take this out to the other smaller municipal areas that have their own utility authority. Mr. Pelton said he thinks he can create some real economies of scale.

Mr. Summerhays said that he has a soft spot for solar generation so he is very happy to hear this.

Motion by Mr. Perona, seconded by Mayor Benton, and unanimously carried to approve a Contribution in the amount of \$15,000.00 by FPUA to the Economic Development Council (EDC) of St. Lucie County to Further EDC Efforts at Developing the Community and Customer Base of FPUA.

Nina Hurtubise, Finance Director, presented the Rate Comparisons for the month of August, 2009. Mrs. Hurtubise said she is presenting the residential electric rates as compiled by the Florida Municipal Electric Association as well as the comparison of residential electric, water and wastewater rates as compiled by FPUA staff for Fort Pierce, Port St. Lucie, St. Lucie County Utilities, and Vero Beach. For the 1,000 kWh comparisons for the municipal electric bills in the State of Florida, FPUA is number five. She said this is one notch below where we were last month. The 2,500 kWh comparison shows that we are number six which is an improvement from last month where we were at number four. Since July, five utilities have increased their rates and nine have decreased their bills. There is only one city that had any kind of notable change and that was Quincy had a decrease of \$17.60 in their rates between July and August. The rest were all less than \$10 changes up and down. Mrs. Hurtubise said the electric rate comparison slide shows three years of data, month by month. She said the blue bars on the bottom are FPUA's base rate, the green bars above are FPUA's power cost adjustment and it shows a trend upward for all the utilities and not just us. The orange line is the IOU average, the red line is the Non-All Requirements Power (ARP) municipal average, and the yellow line represents the FMPA ARP municipal average. Those are the averages the utilities that are participating in the ARP with FMPA and the blue line is the municipal average overall. Mrs. Hurtubise said that back in June, we were right at the FMPA ARP municipal average. Although we were higher during this time frame, we are closing in on it. The difference between what we charge and the average is very close. We were lower for about 1 ½ years, but this last 1 ½ years has been tough and we are looking forward to better things in the future. Mrs. Hurtubise said the local comparison is absolutely unchanged from July. She said this is an information item only and no action is required by the Board.

Mr. Thiess said the discussion last night at the City Commission meeting there was an item on the agenda that was addressing the inactive account charges. He prepared a memo to the Mayor in advance of the meeting to give them some of the background on that and the Mayor did a good job on trying to explain some of the history and how they got there. Mr. Thiess said there were some misconceptions, some confusion, and some inaccurate statements that were made. He does not believe there is a thorough understanding of what the inactive account charges are, how they were developed, and what they represent. Rather than let those inaccurate statements hang out there, Mr.

Thiess said he has started a memo to address some of those issues that he heard last night and set the record straight so that everybody understands what they are and how they came about. There was a proposal mentioned that will not work and he said he will comment on that also. Mr. Thiess said he will get the memo out and copy the Board, the Mayor, and the Commissioners to make sure we are going forward on accurate information.

Mr. Koblegard said he apologizes for not getting this on the agenda, but he has been out of the country and did not have time to get this work done until he got back yesterday. Before the meeting Mr. Koblegard handed out a copy of a letter that he would like the Board to approve which is FPUA's adoption of the County's objection. He said this pertains strictly to our Cloud Grove property in the northwest section of the County. What he is doing is filing an objection adopting the St. Lucie County's objection. We do not have to state objections of our own because the County's cover it all. As the bulk water provider, we are going to adopt their objection. Mr. Koblegard summarized what the County's objection consists of as follows: "The St. Lucie County Commission established the St. Lucie County Water and Sewer District on June 15, 2004. Within the District Boundary, the District has the exclusive right to provide water and wastewater utility service. Pursuant to Chapter 153, no water or wastewater facilities may be constructed without the prior consent of the District. The District currently has a 20-Year Water Consumptive Use Permit issued by the South Florida Water Management District on March 13, 2008, to serve the 20-year potable water needs for the District. Pursuant to the District's adopted Utility Extension Policy, the property owners within the St. Lucie County Territory may obtain water and wastewater utility service from the District in accordance with the terms of the Utility Extension Policy. Accordingly, there is no need for water and wastewater utility service to the St. Lucie County Territory by Grove Land." Mr. Koblegard said as far as the County is concerned there is no need for a private utility to move in. He said that is what FPUA would be adopting. He said this would be an isolated thing, but there is another one coming right behind this called Bluefield, which is on Okeechobee Road by the same utility provider and that will come to the Board to be considered to adopt the County's objection. Mr. Koblegard said he asking the Board today to adopt the County's objection and he will sign the objection and get it up to Tallahassee tomorrow.

Mrs. Cully asked if this water and wastewater utility is similar to what Holiday Pines has.

Mr. Koblegard said he believes that would be correct and that they serve a certain development.

Mr. Thiess said that is what this entity is trying to do. He said the County has set up a process so they can actually do that, but in the County's process, the County eventually takes over those facilities. This is independent and outside of that process and what the County says is we already have that process in place and they have to go through their process. Mr. Thiess said as far out as that is, it is unlikely, that anytime in the near future we would be a bulk supplier to that, but who knows where we will be 20 years from now. The other project is on the Okeechobee, Martin, St. Lucie County corner. He said this is out in the far southwest and again we would probably not be a bulk

supplier anytime soon, but we are partners with the County on the Bulk Agreement and would support them on issues like this.

Motion by Mrs. Cully, seconded by Mr. Perona, and unanimously carried to adopt the objection prepared by our Attorney.

Mr. Summerhays said he had the results of the Medtronic Twin Cities Marathon in which an elderly Board Member, Tom Perona, finished 4th out of 239 in his division, 404th out of 8,429 in the overall standings, and 314th out of 4,921 in his gender. Mr. Summerhays said that Mr. Perona must have worn himself out so much he could not make it to the meeting on time today. He congratulated Mr. Perona.

Mr. Perona said it was a great experience and he got to visit an area that has 45 to 50 degree weather and they did not have to turn on the heat or air conditioner once. He said it was very comfortable and a great experience. He ran as an elite runner and met a lot of the nation's best athletes and they tolerated him very well.

Mr. Summerhays said Medtronic is a manufacturer of medical tracking devices and he found it very appropriate that he would run in that.

Mrs. Cully said that she attended a 2-day meeting at FMPA in Orlando a couple of weeks ago with Mr. Thiess and Mr. Richards. She attends once a month as a liaison, but the Executive Committee formed a Business Model Working Group. The Member Cities have decided to get together as this group or committee to look over all the operations and the financials of the FMPA and see what needs to be improved upon. Mrs. Cully said she was very impressed and that it was very informative and very optimistic to hear them come together as cities, which she feels has been lacking for some time. She said she wanted the Board to know and perhaps we will see some new things come up. Mrs. Cully said she met Nick Guarriello, who was the Interim Manager this past year and is now the General Manager. He is doing some reorganization at FMPA.

Mr. Thiess said there is a heightened sense of awareness and involvement by the member utilities. He said there probably was a little bit of complacency in the agency about a year and a half ago when the staff was doing really well and things were running along real competitive. There probably was not enough involvement of the decision makers, the ARP Executive Committee, when those hedging decisions were made. At the meetings like Mrs. Cully is talking about there is good participation and good exchange of information. This last group was focused strictly on hedging and the staff came up with what we thought were good hedging policies. It is minimal hedging with almost negative costs and it is focused on knocking off only those big peaks in prices. They are looking at hedging maybe three or four months out and doing it in a very economical manner, not purchasing futures and spending a lot of money on trades. The next Business Model Working Group meeting will be this Friday, which is another session devoted to hedging. Mr. Thiess said the next big issue that we will be taking up is the rate setting because we have talked that the rates go up and down throughout the

year. In the fall we are getting money back and in May we are shoveling it back out to make up that 60-day cash requirement. He said he is very optimistic with the new leadership and the new focus of these groups. This Business Model Working Group is going to turn out its results as quick as it can. We are not going to wait until we get to the end of the process and then feed everything in a year later. When the hedging decisions are made, it will be fed to the Executive Committee right away. When they come up with the analysis of how we might do better at setting up the rate methodology so we do not swing up and down all year, we will forward that as soon as we get it. With the hedges coming off in October and the involvement that we have from all the member agencies and utilities, we will get this thing turned around very quickly.

Mr. Summerhays said that he has asked Mrs. Cully to continue serving as our Board representative at FMPA/FMEA since she is the Vice Chairman of the Policy Makers Committee, it would be a good idea. She has been doing a good job.

There being no further business, the meeting was adjourned.

ATTEST:

SECRETARY

CHAIRMAN