

MINUTES OF A REGULAR MEETING OF THE FORT PIERCE UTILITIES AUTHORITY, TUESDAY, NOVEMBER 3, 2009, 4:00 P.M., CITY COMMISSION CHAMBERS

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

Others present: Director of Utilities, FPUA Attorney, Director of Finance, Manager of Risk Management, Director of Electric and Gas Systems, and Director of Water and Wastewater Systems.

The meeting was called to order by Chairman Summerhays.

Invocation by Tom Richards, Director of Electric and Gas Systems

The *Pledge of Allegiance* was recited.

The roll was called and a quorum declared.

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Motion by Mayor Benton, 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 October 20, 2009.
2. Approval of the Island Water Reclamation Deep Injection Well Pump Upgrade Project and the budget transfer in the amount of \$80,000.
3. Approval of Contract Amendment 4 with National Salvage & Service Corporation to revise the final contract price to (\$191,228.10) for demolition of the H.D. King Power Plant.

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Presentation of minor changes in Amendment of Chapter 20, Code of Ordinance of City of Fort Pierce, Florida to add Article IV entitled "Liens" – FPUA Resolution No. UA 2009-10 Allowing Liens to be Placed on Properties of Owners with Unpaid Utility Bills or Fees. Mr. Thiess said that back in May a resolution was brought before the Board that would setup the framework to allow liens primarily for inactive account charges, but it could be used for other items as we saw fit. The next step, our attorney worked with the city attorney to prepare an ordinance which has to be a City ordinance that enacts this lien ability.

Attorney Koblegard said he drafted a resolution that was presented to FPUA Board and it was approved. He took the resolution over to the City and after discussion and revisions, they have agreed on some minor changes as listed in the agenda package. The City's position was that there should be one other due process level before we go on to the lien process. It gives our Customer Service Manager another opportunity to

try and resolve this one last time before going into the lien process. Otherwise the ordinance tracks our resolution; it is just in ordinance form. Mr. Koblegard said if the Board is willing to accept this one minor change, he would suggest that they pass the new amended resolution and he will take it to the City Commission. Mr. Koblegard said he would also suggest that the Board meet with the Commissioners individually to go over the purpose of it.

A motion by Mr. Drummond, seconded by Mrs. Cully and unanimously carried to approve minor changes in Amendment of Chapter 20, Code of Ordinance of City of Fort Pierce, Florida to add Article IV entitled "Liens" – FPUA Resolution No. UA 2009-10 Allowing Liens to be Placed on Properties of Owners with Unpaid Utility Bills or Fees.

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PUBLIC HEARING: Consideration of PURPA Standards 16 and 17 as described under the Energy Independence and Security Act of 2007.

Mr. Summerhays said that we have to have a Public Hearing to do with Public Utility Regulatory Policies Act (PURPA). He opened the Public Hearing and said that we are here for a public hearing to consider certain standards under the 2005 Energy Policy Act. Before starting, he explained the procedures to be followed. First, we will allow the Staff to make a presentation and recommendation. Second, we will allow affected consumers and affected electric utilities to make presentations. Such parties were required to notify us in advance of their intent to participate. Third, the Staff will be allowed to make a final statement, if Staff desires. Finally the public hearing will be closed.

Hayden Alexis, Electrical Engineer, said he was going to be making the presentation on PURPA for the Board's consideration. He said PURPA was enacted in 1978 by the Federal Government with the sole purpose to promote more energy efficient, environmentally friendly consumer energy producers. This law created a market for non-utility electric power producers forcing electrical utilities to buy power from these producers at the avoided cost. Mr. Alexis said that in a nutshell PURPA is the reason why the utility is forced to consider net metering. Since its enactment in 1978, PURPA has undergone two revisions which have introduced new standards for the utilities to consider. The first was in 2005 under the Energy Policy Act (EPACT 2005). Under Subtitle E of this revision, three new sections were added: 1251, 1252 and 1254. Sometime in the past John Tompeck did a presentation to this Board on the EPACT. What is before the Board today is the second revision of PURPA, which is the Energy Independence and Security Act (EISA). The standards proposed by the Act of 2007 EISA are; Integrated Resource Planning (IRP), Rate Design Modification to Promote Energy Efficient Investments, Consideration of Smart Grid Investments, and Smart Grid Information. Mr. Alexis said that we are required by December 19, 2009 to make a determination on whether we are going to reject or adopt these standards. The first standard is Integrated Resource Planning. This standard requires that we should make it a priority to integrate energy efficiency resources into our planning process. He said the description set before the Board is such that because of FPUA's involvement in the All Requirements Project (ARP) this is not a standard that we should give further consideration because we are already involved in a program with our association with

FMPA. The next item is the consideration of Smart Grid Investments. Being part of the ARP does not prevent FPUA from considering Smart Grid Investments. However, the FMPA/FMEA Stimulus Work Group, under CREAC is considering ways to apply for funding under the Transmission Modernization/Smart Grid Grant Program administered by the DOE. CREAC is a joint collaborative proposal between five utilities; Ocala, Key West, FPUA and three others. This standard is one we can choose not to consider because of our involvement in the ARP. What is on the screen now is a reminder of what was presented to the Board in 2005. Net metering was one of the aspects of that presentation.

Mr. Summerhays asked if these needed to be voted on one at a time.

Mr. Koblegard said that is correct, it would be the safer way to go.

Mr. Summerhays said that we have this before us and we have staff's recommendation that we not adopt it. Mr. Summerhays said for this section, we are closing the public hearing.

Mrs. Cully made a motion that we reject the Standard of Integrated Resource Planning.

Mr. Drummond said since it appeared in the presentation that as a result of being a part of the ARP project we are basically in.

Mr. Summerhays said that we are in it and we are basically rejecting applying these standards. We are already doing it through FMPA.

Mr. Drummond seconded the motion and it was unanimously carried to approve the rejection of the Standard of Integrated Resource Planning.

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Mr. Summerhays said the public hearing is reopened for Rate Design Modification to Promote Energy Efficiency Investment.

Mr. Alexis said the electric utility industry, as a whole, is still trying to sort out exactly what this standard really means. Based on the ambiguities, we would like to recommend that this standard be put on hold until further review.

Mr. Drummond asked if we are to not reject it, just put it on hold.

Mr. Alexis said to put it on hold.

Mr. Drummond said we are free to reject it at this point.

Mr. Alexis said it is up to the Board.

Mr. Summerhays asked if there was any public comment.

Mr. Marty Laven of 2400 South Ocean Drive, V-1115, Fort Pierce, Florida said he works for a firm called Climatic Solar as a renewable energy specialist. He said that these are intriguing opportunities for the Board to consider and he does not have the depth of knowledge or understanding of what some of the other municipal utilities are doing or the FMPA. Mr. Laven said he is not here to give them any sense of how they should consider deliberating over these issues. He would suggest that in the light of some recent initiatives on the part of the Federal Government and certain monies that are becoming available for various infrastructure programs, it might behoove FPUA to set aside some decision making until there is more data and information for reflection. He apologized that he has not had a chance to do the due diligence and give the Board recommendations and suggestions, but he thinks there is a unique opportunity in the change in the regulatory environment and that many things are taking place with energy deficiency, smart grids, and integrated programs. Mr. Laven said he knows somebody who is recently working the renewable energy field and it seems like the marketplace is catching up with some of the regulatory intent. He said his only comment would be that it would be wise or instructive to set some time aside to study these determinations a little more extensively. He would be happy offering his assistance in this.

Mr. Summerhays said we are required to act by December 19<sup>th</sup> and as far as the integrated resource planning, we are proceeding in that area, but we are doing it through FMPA since we are buying all of our power from them. On the rate design modification, if nobody understands what it means, he said he cannot see us acting on it now. Mr. Summerhays closed the public hearing.

Mr. Drummond said that as he understands the staff's recommendation. If we do not take action at this time, it would not preclude further input from the public if indeed there are things that Mr. Laven would like to share ahead of staff coming back to us by the 19<sup>th</sup> so we can be in compliance.

Mr. Drummond made a motion that we accept staff's recommendation that we take no action on the Standard for Rate Design Modification to Promote Energy Efficiency Investment at this time. It was seconded by Mayor Benton.

Mayor Benton said that he hopes that the next time the Board sees this we have a lot more information. If this is something that FMPA is sending out to us saying to approve it and we will take care of it, but there must be more to it than this. He said he has a tough time approving something from the Federal Government that we only have two pages for review. There must be more details and he would like to see the details FMPA may have. This is so vague, it is ridiculous.

The roll was called and the motion passed unanimously that we accept staff's recommendation that we take no action on the Standard for Rate Design Modification to Promote Energy Efficiency Investment at this time.

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Mr. Summerhays reopened the public hearing for Consideration of Smart Grid Investments Standard.

Mr. Alexis said because of our involvement with FMPA All Requirements Project in addition to CREAC which is a grant application by several utilities; we once again recommend the Board reject the consideration of this standard as a result of the grant application submitted by FPUA that was denied.

Mr. Summerhays asked if the recommendation is for us to reject this.

Mr. Alexis said yes to rejecting it because Homestead, Ocala, FPUA and other utilities collaborated to apply for a grant from the Federal Government for smart grid metering and as a result of being denied the grant, staff recommends that we do not consider it because of the expense.

Mr. Summerhays said he knew that this was something else that FMPA has been working on. He closed the public hearing.

Mrs. Cully made a motion to reject the Consideration of Smart Grid Investment Standard, seconded by Mr. Drummond, and unanimously approved.

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Mr. Summerhays said the next standard is the Smart Grid Information and this provides that we must require electric purchasers be provided direct access to information from the provider which includes prices, and usage. In other words, if we eventually adopt smart grid, we will tell them about it.

Mr. Alexis said this Standard falls in the same category as Smart Grid Information because it is all a part of the grant application program, same requirements, and same application. Based on that, staff also recommends that the Board does not take this standard for consideration because it is part of the grant application process.

Mr. Summerhays asked if at the time FMPA finishes the joint action, we will do something with that.

Mr. Alexis said that is correct.

Mr. Marty Laven of 2400 South Ocean Drive, V-1115, Fort Pierce, Florida, said he attended a meeting with the Treasure Coast Builders Association in which some of the vendors were talking about various energy control systems within homes and a reference was made to smart grids which obviously is more in FPUA's distribution network. He said the potential for distributed power and the opportunity to benchmark some of these programs is out there. He said he could appreciate that there are programs that other municipal utilities at FMPA are pursuing and he is at a deficit because he does not have the information to share. He is convinced that there are opportunities here for this particular utility to explore these opportunities and perhaps set the standard as opposed to follow others. Mr. Laven said he does not have any data, but he has learned from the short time he has investigated it, there are some great opportunities. He said he does not want to discourage staff in any way, but the complexity of these programs and the opportunity to benchmark them against others is

significant. He is not a consultant and does not know who FPUA's consultants are, but he has this sense that there are some opportunities that could be missed if the Board did not take a little bit more time to investigate them a little more thoroughly.

Mr. Drummond asked if we already have metering in place to allow for individuals to sell back energy to us.

Mr. Thiess said yes we do have the capability for net metering. He said we spent a lot of money, time, and effort to get the Smart Grid grant for our Distribution System. We spent \$30,000 to get an application in for the grant to apply for the \$9.5 million project. Mr. Thiess said we got word a week ago that we did not get the grant. Without the grant, it is a very risky proposition for us to undertake because our rate payers would have to pay for that and we could not come close to guaranteeing it would be a break-even or a money making proposition. He said we did take a lot of time and effort chasing that locally, but we were not included in the grant applicants that were funded, so at that point we have to let it go until another opportunity comes up.

Mr. Lavin said as long as there is another opportunity in the future.

Mr. Summerhays said that is something that makes a lot of sense and something he would like to do himself.

Mr. Lavin said the other point he would like to make for the benefit of those in attendance in the public is the other communities throughout the State of Florida and elsewhere in the country that have been successful procuring the grants are going to be able to put themselves at a position for many potential economic development opportunities in the future. This is a critical aspect of our infrastructure. He said he is not here to discourage anybody and say they did not do their homework. He said he thinks it is such a critical compelling issue and all efforts should be exhausted and then some. Mr. Lavin said when he returns to the dais he will be more informed and less opinionated.

Mr. Summerhays said he personally would appreciate it if Mr. Lavin would forward information as he gets it to Mr. Thiess's office so it can be disseminated into the FPUA. He said we have other sources, but the things Mr. Lavin finds, he would appreciate him involving FPUA in.

Mr. Lavin said he would be happy to do that. He said that Mr. Thiess and he have a comfortable working relationship on some other issues. Mr. Lavin said the point he is trying to make is there is a market opportunity taking place and perhaps those that are out there at these breakpoints could show and educate and inform. He said he would like to share that more knowledge is power and that maybe we all could be a little bit more powerful and more knowledgeable and could learn some good things.

Mr. Summerhays closed the public hearing. He said the recommendation is that we reject.

Mrs. Cully made a motion to reject the Consideration of Smart Grid Information Standard, seconded by Mr. Drummond, and unanimously approved.

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Mr. Summerhays said the last standard is Additional Incentives for Recovery Use of Industrial Waste Energy. He said this is tied in to the other net metering that we talked about before, but seems to involve using industry to generate electricity. Mr. Summerhays opened the public hearing.

Mr. Alexis said this particular standard is required only when a request is made from the public. He said from his understanding that once a request is made then they will have to consider it. It is there for us, but only for us to act upon if a request is made from the public. Other than that, we do not have to even look at it.

Mrs. Cully asked if Mr. Alexis could describe it a little bit better. She said that it states here that the standard focuses on encouraging waste energy recovery on projects that generate net excess power.

Mr. Summerhays said he thinks we are already doing that. He said if we had an industrial customer come to us and say they are going to generate electricity right now and are going to have more than they need and requested FPUA buy it, we would certainly do so, if we could come to terms.

Mr. Thiess said we have the net metering capabilities and that is the only way we have of handling it at this point. That would be "option b" to transport by utility for sale to third party (FMPA). He said we could not purchase that power directly because of the All Requirements Project agreement. FMPA could purchase that power on the net metering agreement and could under "option c" transport that power over private transmission lines. Mr. Thiess said he does not see that this would be applicable to any FPUA customers or current business arrangements with other utilities.

Mr. Summerhays asked if basically we are already doing this.

Mr. Thiess said the net metering part is being done. He said he does not see a need to consider this standard at this time because we have not had any customers that have shown an interest in this. We have some customers with some limited generation. He said that Publix has quite a few generators and some of the gas stations have generators, but we have not had anybody contact us on this. Mr. Thiess said he believes if sometime between now and date certain it requires action; we could bring this back and take a different action. A standard that is rejected today, if something came up a month down the road or prior to the time that we would have to file the determination, this Board could reconsider that standard.

Mr. Summerhays asked if anytime we had somebody come forth with one of these proposals it would end up before the Board.

Mr. Thiess said that he believes that is correct. He said the net metering agreements and the two-party agreements are signed by the Board.

Mr. Drummond asked if in the event we were to reject this particular standard, if after the 19<sup>th</sup> of December someone came to us and wanted to sell energy to us, would that preclude us from being able to do so.

Mr. Thiess said no. We could still handle any project that comes in under the net metering contract at any time.

Mr. Summerhays asked the staff's position.

Mr. Alexis said the staff's position is that whenever a request is made, we are to direct this request to FMPA and they will take it from there.

Mr. Summerhays said we need to decide to reject it or not take any action. We can always reverse ourselves in the future. This is a standard that we have to consider. He declared the public hearing closed.

Mrs. Cully made a motion that we do not give further consideration on this because of FMPA's membership and the ARP at this time, seconded by Mayor Benton, and unanimously approved.

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Mrs. Nina Hurtubise presented the Rate Comparisons for the month of September, 2009. She said this is a comparison of residential electric rates compiled by the Florida Municipal Electric Association and the comparison of the residential electric, water and wastewater rates compiled by FPUA staff for Fort Pierce, Port St. Lucie, St. Lucie County, and Vero Beach. Mrs. Hurtubise said the graph is of the municipal electric bills in the State of Florida for September's usage of 1,000 kWh and each of the rates are made up of a base rate and the additional fuel charges. FPUA is ranked fifth and is the same as it was last month. Since August, twelve utilities have increased their bills and four have decreased their bills. Most notably, Fort Meade decreased \$10.20 and Clewiston decreased \$10.00. On the 2,500 kWh comparisons, FPUA is very close with the top tier, but we are third at this point. Mrs. Hurtubise said our local bill comparison is only slightly different than it was last month. There was a small base increase by FPL between August and September, so the numbers are a little bit more than they were last month, about a 1% increase, and the fuel charge stayed the same.

Mr. Summerhays said he understands that Vero Beach has already voted in water and wastewater increases that are going to phase in over a five-year period.

Mrs. Hurtubise said that is correct, but she is not certain if they are going to go into place in October or January.

Mr. Drummond said he would like to get some additional information in the next presentation to the Board. He would like to suggest that those utilities that have had rate increases, decreases, or power cost adjustments be included in the Board packages in advance.

Mrs. Hurtubise said absolutely she has it every month, but has not provided it to the Board. She will include it in the Board packages.

Mr. Drummond said he knows we are going to get a presentation on the PCA, but he is continually concerned, not so much about what is going on in Vero Beach or Port St. Lucie, as much as he is concerned with this and others that are a part of our same supplier and seeing how we get back to the middle ground aggressively.

Mrs. Cully said she too was wondering the same thing. She said Fort Meade is one of the 15 cities in the ARP and asked why they were able to drop their rate by \$10.20.

Mr. Thiess said they still are very high and at the top of the scale.

Mayor Benton said the chart Mrs. Hurtubise presented is somewhat misleading because some of these utilities do not have a separate authority like we do. They have a City Commission or a City Council in charge, which can offset these costs out of their general revenue fund. He requested a report about some of the cities that do not have any or very little money in their reserve fund because they have done this. Also, Mayor Benton said some of those cities are going to be raising taxes because they have not raised their utility rates. Somehow we need to get this information to the public because it is so misleading that we are on the far end of the scale, but he said Lake Worth is in trouble. Gainesville and several others are also in trouble because that is how they do business. Mayor Benton said he would like to have one meeting where there is a presentation so the public will know.

Mrs. Cully said the \$10.20 reduction does not reflect what is really going on.

Mr. Summerhays said the majority of these other utilities are not a separate utility authority, but are a part of the city. The politicians have free reign to not tell the truth.

Mayor Benton said they will have a problem when they try to get a bond or when their bond rating goes way down. He said Vero Beach is in that predicament now. He asked for staff to put a report together so we can show our citizens and rate payers that some of these cities have offset these costs by raising taxes or their bond rating.

Mr. Thiess said we would certainly pursue that, but that is very difficult information to get from utilities.

Mayor Benton said that maybe Florida League of Cities could assist. He said even if we could use one or two as an example.

Mr. Thiess said that it would probably involve a very complicated public records request, but we could attempt that. He said they are not going to freely give that information to us; we will have to dig hard to get it.

Mayor Benton said to at least show the cities that have a City Council in charge that can use their general fund to offset these increases. He said it would be good if the public saw the numbers and it would be good for us also.

Mr. Thiess said it would be easier to get that information. He said we could put an asterisk over the top of the bars that have a separate board because there are relatively few of them.

Mr. Summerhays said the City could refuse the transfer and we would be in the same boat.

Mayor Benton said that could be the case, but then Mr. Recor would have a very difficult time. He said we could do a study to show how many of these cities have a bigger transfer than we do and what the transfers are. Maybe we should televise that at some time because probably everybody there has a transfer.

Mr. Thiess said he remembers having that information about a year ago and that transfer information is probably readily available.

Mayor Benton suggested that at a meeting where there is not a lot on the agenda that we have a little report on that so the public knows we are not the only ones and some are getting a lot more than the City of Fort Pierce.

Mr. Drummond said he agrees with what everyone is saying and it may come down to a workshop. He thinks at some point we need to have sufficient information so that we can see how, just within this group, these figures are fluctuating which has pushed us up to this edge and what external impacts are being made, up to and including taxes, rejection of transfers, or whatever is occurring. We need to be able to speak intelligently about that because as it sits now, we have to explain with very little information.

Mayor Benton said it would help educate our elected officials because the information we have now does not show the real picture.

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Mr. Thiess said he would like to comment on a couple of things that were stated at the City Commission meeting last night. He said he would like to set the record straight because there were a couple of things that were said that did not paint the right picture and he wants to get it on the record. Mr. Thiess said that Commissioner Alexander made a statement that we are not communicating with our customers particularly on the power cost adjustment (PCA) issue. Mr. Thiess said that he sent out a letter to all customers and it went in their October bill. It explained the entire situation on how we got where we are and at the close of the letter he said the hedges run out at the end of October and very shortly after that we were going to start a power cost adjustment decrease to bring the rates down. Mr. Thiess said that at the time he wrote that letter we were still \$1.5 million under-collected and we could not state a time or an amount that the PCA is coming down, but that we knew it was coming. He said we did share that information in the letter and we also discussed it in this Board meeting previously about December or January being a first reduction in PCA. We worked with our rate consultant last week and we are ready to bring back at our next Board meeting a PCA reduction to be effective December 1<sup>st</sup>.

Mr. Summerhays said the first meeting in December he would appreciate a reduction.

Mr. Thiess said that is up to this Board to decide. He said we will bring it back in two weeks for a December 1<sup>st</sup> implementation or we could have that discussion here. The other option is to bring it back in a December Board meeting for a January 1<sup>st</sup> implementation.

Mr. Drummond asked that we bring it back quickly.

Mr. Thiess said it looks like the consensus is to bring it back at the November 17<sup>th</sup> meeting for enactment for December 1<sup>st</sup>. He said our plan is to lower the PCA approximately \$2.00 and step it down gradually. We do not want to take it down a big jump and miss the guess and end up having to raise it again down the road. What everybody needs to be very clear on, especially our customers, is that every nickel in that over collection is going back to them. If we step it down slowly, we will do it gradually and in April we should be at a sustainable level on the PCA and will not be caught having to raise it. He said if we drop it \$10 and miss our guess, we will have to raise it in June, which is when the bills are the highest due to high consumption. Mr. Thiess said that every nickel is going back to the customer. We will do it in gradual steps and every month we get more information to make that decision. We will evaluate it every month and will continue to do step decreases in a systematic fashion.

Mr. Thiess said we do communicate a lot of this information in the bill stuffers; the letter was a bill stuffer. Sometimes we do a smaller third-of-a-sheet bill stuffer. He said the survey we did with our customers, 75% of our customers said that is the best way they like for communication. Mr. Thiess said he would encourage the other 25% of our customers that are taking that out, throwing it away, and writing the check to look at those inserts because it is good information. It is often related to rates, power cost adjustment, budget, and conservation measures.

Mr. Thiess said that Commissioner Becht made a recommendation that the City Budget Committee looks at our budget too and Commissioner Coke said that FPUA did not want any part of that. Mr. Thiess said he would like to go on the record to say that we would encourage that. Our staff would love to have people look at our budget, we invite participation, and we invite the Commissioners and the public to our budget workshops. He said the more people that are knowledgeable about the budget, the better we will be able to communicate with our customers and get the right message out. The less of that we have, the more we are going to have people that are uninformed and making claims that are not based on facts. We encourage everybody to participate in our workshops and would love to have the Budget Committee be involved in our budget process. This would help our communication between us and the City Commission.

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Attorney Koblegard said the matter before the City Commission last night about the referendum they voted on to reconsider the super majority for our rates and our budget, he said he tried to contact Rob Schwerer today to see if he could be involved in drafting

that ordinance so we could have some input on it. He also was asking about the time frame on it.

Mr. Drummond asked if the intent was to change the number needed on the budget and rate increases.

Attorney Koblegard said that as he understood it, he believes the ordinance addresses a referendum as to whether or not the super majority that is required now on the oversight for our budget and our rates will be replaced by a simple majority on each category. He thinks that is what they discussed and what would be put before the voters.

Mr. Drummond asked if the balance of the Charter would remain constant concerning the need for them to specifically line item address any changes.

Attorney Koblegard said he believes that is correct, but he is not certain of that because he was not at the Commission meeting last night. He said his understanding is it is only to the voting issue as to the super majority or the simple majority, everything else would remain the same.

Mayor Benton said in regard to the line item budget reduction that was talked about instead of where it now requires four votes, it would be changed to require only three votes could change a line item.

Attorney Koblegard said the budget and the rates are the two related items.

Mr. Recor said the discussion centered on a change from a super majority to a simple majority. Mr. Schwerer initially opined that there may be some other ripple effects in the Charter related to a voting change. Mr. Recor said that he welcomes Attorney Koblegard's participation in completion of the ordinance.

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Mrs. Cully said that she attended two meetings Wednesday and Thursday at FMPA. The one on Wednesday was for the Policy Making Liaison Committee and there were six representatives from the fifteen Cities at the meeting and two participated via conference call. The discussions included a status report from the Business Model Working Group. There was a presentation on hedging for those that were not aware of what hedging was and to give them a little bit more information about it. They also discussed conservation and what the Cities are doing concerning conservation. She said it was a really good meeting. Mrs. Cully said that on Thursday she joined Mr. Thiess and Mr. Richards for the meeting of the ARP Executive Committee.

Mrs. Cully said she wanted to make a comment on what she read in the paper because she did not see the Commission meeting last night. She said what she thinks needs to be taken into consideration here based on what she has observed in the past three years is that almost none of the Commissioners have attended any of the budget meetings or the rate workshops which they have been invited to. If they are going to

have a change in how they are going to vote, hopefully they will participate so they are more aware of what they are voting on.

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Mayor Benton said that last night at the Commission meeting he reminded them that there was a big deal made in front of the City Commission about Mr. Thiess supplying every Commissioner with a proposed budget and inviting them to the budget workshop in the last two years. He said in the last two years there have been four Commissioners show up and not all at one time to the budget workshops. Mayor Benton said that he explained if there were three City Commissioners that had an issue with a line item at a budget workshop they would definitely get the attention of this Board and staff, but first you have to show up. He said he tried to explain that we buy power now, we do not make it anymore, and we do not have our own plant. There is a lot of education to the utilities business and how can someone make decisions when you do not have a clue. Mayor Benton said just like Commissioner Sessions who wanted to sit on the Board and go to the FPMA meetings and never went to one meeting and never even got the correspondence that he said he got. Mayor Benton said he hopes the public realizes that we need to keep the people working that understand this a little bit better than the others and the need to keep the politics out of it. Mayor Benton said it was done by our forefathers for a reason and he agrees with that reason. It is political enough, but let somebody that has a little bit more of a business mind with experience to make these decisions versus what sounds good to the public.

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Mr. Summerhays said someone that pays attention would be a good thing because the three people voting last night do not pay a lot of attention and do not understand the business realities. This is a business and they are in real danger of killing this and raising the billing rates. Going in and randomly cutting line items in a utility could be disastrous and he is absolutely certain that at least the people that voted for this resolution last night would not take the time to understand what they were doing. Mr. Summerhays said he was very appalled and he is hoping this is just the law of politics that it appears to be. We have two of those three people running for office and he thinks that this has a lot to do with running for office. He said he hopes that they would not be so foolish to vote that way otherwise.

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There being no further business, the meeting was adjourned.

ATTEST:

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SECRETARY

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CHAIRMAN