

MINUTES OF A REGULAR MEETING OF THE FORT PIERCE UTILITIES AUTHORITY, TUESDAY, NOVEMBER 17, 2009, 4:00 P.M., CITY COMMISSION CHAMBERS

Members Present: Acting Chairman, 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, Risk Manager, Director of Electric and Gas Systems, and Director of Water and Wastewater Systems, Director of Shared Services.

Absent: Robert W. Summerhays, Jr.

The meeting was called to order by Acting Chairman Drummond.

Invocation by Bill Baldwin, Supervising Engineer, Electric Engineering

The *Pledge of Allegiance* was recited.

The roll was called and a quorum declared.

Mr. Drummond welcomed Mr. Mike Perri, who was sitting in the audience and was appointed to the FPUA Board last night at the City Commission meeting. He said he looks forward to working with him.

Motion by Mrs. Cully, seconded by Mayor Benton, and unanimously carried to approve the items listed on the Consent Agenda:

1. Approval of the Minutes of the Regular Meeting of November 3, 2009.
2. Approval of Sole Source purchase of three new deep injection well pumps at a cost of \$24,997.00 each, for a total cost of \$74,991.00 from Tom Evans Environmental, Inc. of Lakeland, Florida.
3. Approval of request for purchase of postage as a Sole Source, for the Mail Insertion Machine, in the amount not to exceed \$155,000.00 from Pitney Bowes, of West Palm Beach, Florida.
4. Approval of a post-budgeted work order in the amount of \$64,000.00 to provide new underground service and site lighting to the JJ Taylor Distribution Center on Crossroads Parkway.
5. Approval of a post-budgeted work order in the amount of \$82,000.00 to provide new underground service to the Coral Squares Shoppes.

Nina Hurtubise, Director of Finance, presented the Restated Actuarial Valuation Report for years ending September 30, 2008 and 2009, Other Postemployment Benefits (OPEB). Mrs. Hurtubise said she was very thrilled to receive this revised Actuarial Report. On Page B-1 of the report is where we are today. She said that we received our original evaluation back in February at the end of our audit report. It was the last component of our audit and as a result, we received a report and rapidly got the financials produced. The Annual Required Contribution, which is the estimation of the value of the Other Post Employment Benefits (OPEB), the health insurance for our retirees, was \$2.5 million. We believed that the numbers were way too high. We looked a lot closer at the assumptions that were made and there were a couple of assumptions that were incorrect. They did not show up in the report so it was not obvious to us. Mrs. Hurtubise said that the plan documents are what the Actuaries used and it was not clear in their report. Two key assumptions made in the initial valuation were incorrect: 1) Employees who leave FPUA's health insurance plan are not allowed to re-enter the plan at a future date. They were assuming that they could enter the plan later on and that was a huge exposure. 2) Coverage is assumed to coordinate with Medicare for all covered retirees on attainment of age 65. It was originally assumed that was not mandatory, but it is. Mrs. Hurtubise said that the Actuaries were asked to re-evaluate this and the numbers have come down dramatically. She said, as a point of reference, the City's FY 2008 ARC is \$348,000 so ours is half of theirs at \$158,263. Ours is supposed to be less than theirs. We will be restating our fiscal 2008 Financial Statements as a result because of this \$2.5 million change in estimate. There was no expense in 2008 and there will be a small amount of expense in 2009. Historically, we have never booked a liability or a cost to this because it has always been our position that the retirees pay the full value of the benefit. In fiscal year 2008, they actually paid more than what this ARC was so there is zero expense, going from \$2.5 million to zero. In fiscal year 2009, we will book about a \$13,000 expense for the difference between what has been estimated as our ARC and what the retirees paid into the plan. This is an information only item and no action is required by the Board.

Mr. Drummond said that he was excited to see the change in numbers and he said he trusts that this information will make it over to the City Commission by Mayor Benton and Mr. Recor because when the auditor made his presentation, the Commission had quite a few questions with regard to the difference between the City's number and ours.

Mayor Benton said he will see to it that the Commissioners get a copy.

Mr. Thiess said that Staff would like to pull the next item from the agenda, which is the Interlocal Agreement with St. Lucie County and TCERDA for the utility improvements in Rock Road between Okeechobee Road and Orange Avenue. This is to set up the partnership between us and the County to build the trunk force mains and water mains for the research park west of Kings Highway. He said we have the Interlocal Agreement that is in your agenda package ready to go and we were optimistic that we were going to get the County's final sign off on that prior to this Board meeting. We did not get that and so we are going to pull it from this agenda. We will bring it back to the Board as soon as we get the County to sign off.

Mrs. Nina Hurtubise, Director of Finance, said that it is with great please that she comes before the Board today to propose a \$2.00 decrease in our Power Cost Adjustment (PCA). She said that as she goes through her presentation, the Board will understand why it is not more at this time. Mrs. Hurtubise said that in the month of October, we added about \$900,000 increase to our over recovery so it now sits at about \$955,000. That sounds like a lot of money, but unfortunately this is less than what the assumptions were based upon in terms of the projection of lowering the PCA. The proposed decrease in the PCA was based on \$1.3 million, not \$900,000. She said that puts us under the projections about \$370,000 for just one month. Mrs. Hurtubise said that what we are being charged is very difficult to predict and we find ourselves in reactive mode. She said we have to base our projections on what FMPA provides to us. The next chart presented gives a perspective of how volatile FMPA's cost per MWH has been over the last two years. She pointed out that the blue line that is up and down is the cost per MWH purchased. The light pink line represents FPUA's PCA that is charged to the customer and they basically track one another. There are times when FMPA's costs are higher and there are times like now where what we are recovering is a little bit more than what FMPA is charging us. Mrs. Hurtubise said the total energy cost paid to FMPA for October increased by \$12.35 and this was not anticipated. It was \$77.15 in September and \$90.40 in October. The \$103.52 is the base power cost plus the PCA and that is what we are recovering. This is why we are recovering more than what we were charged. She said that what happened is the October energy charge was \$12.35 more than FMPA projected in September for October. For one month the projections were out of whack by \$12.35 per MWH. When we do our projections for PCA, we base them on what their projections are because we cannot estimate what their costs are going to be. We have to rely on projections and understand how volatile and unpredictable these charges are. We are still recommending reducing the PCA by \$2.00, from \$54 per 1,000 kWh to \$52 per 1,000 kWh. This will reduce the customer that is using 1,000 kWh per month from \$149.84 to \$147.84 a month. Mrs. Hurtubise said that she will continue to report to the Board every month and keep them posted as to where we stand. She said the next couple of months we do expect to over recover even with the reduction. We do hope to lower the PCA again, but FMPA's projection may vary significantly from what we are actually charged. We have to wait from month to month to see what it turns out to be.

Mayor Benton asked if there was a way to put a chart together to compare the PCA to other power companies in the southeast region. He said we should all be getting our power from probably the same sources in the southeast. He would like to compare FMPA to the other public power companies.

Mrs. Hurtubise asked if he meant wholesale providers.

Mayor Benton replied yes.

Mrs. Hurtubise said it would take some doing, but she is not sure if those numbers are published.

Mr. Thiess said that FMPA has a comparison that they come out with periodically on wholesale comparisons of all the wholesale suppliers in the State. He said we can get that. One chart that we do prepare and occasionally update the Board with it is the one where we plot the FMPA utilities and breakout the All Requirements Projects (ARP) and the non All Requirements Projects utilities. We plot the average of the investor-owned utilities and our rates with that as a bar chart. Mr. Thiess said that chart is pretty revealing as far as how we compare to the ARP utilities, FMPA utilities as a group, and the non-ARP/FMPA utilities. He said there was a chart that he received from FMPA that compared all of the wholesale power rates and there were five or six wholesale contracts in the State.

Mayor Benton asked if that information could come from the APPA. He said he does not want to hear from FMPA. He would like to see how they compare to the other public power companies in the southeast. If we are going to get after their costs, he would like to see how they compare to what others are charging and if they are close. If they are considerably one way or the other, we would have that ammunition in hand. It would be good for our knowledge and he would expect that they should not be too far apart.

Mr. Thiess said there is quite a discrepancy in the rates and the comparisons that we receive from FMPA do come from another source. It is not generated from FMPA. He said we can get that.

Mr. Drummond said that he was disappointed because everyone got the preliminary analysis that was done by PRMG concerning rates and their forecast for a 12-month period. He said that he thought, as a Board, they could talk policy as it would relate to the PCA because it laid out several scenarios that we could go; whether or not we felt comfortable with 70% probability, or 80% probability rates, or if we wanted to have a levelized versus a high winter or low summer. Those are discussions that occurred at the staff level to determine the comparability for the \$2.00 recommendation today, but he thinks it is a policy decision that needs to be made at this level. Mr. Drummond said he is to the point where he thinks we should be a lot more aggressive. He is not comfortable in just taking a conservative approach and looking at it each month. He would like to have some in depth discussion, if it is a workshop so be it, where we can determine where we are going to go. We can hit the rate payers with a \$5.00 increase, but we are very hesitant to hit them with a \$5.00 going down. We get very stingy on the going down part and we continue being aggressive at the top end. Mr. Drummond said he is for being conservative and recognizes that we got almost \$4 million in the negative, which for him he thought was fair. We should be in the negative because it was mistakes made by FMPA, not our rate payers. We need to aggressively look at what our policy should be and make a decision on how we go forward and make a plan for a PCA reduction that will be a little bit more aggressive than \$2.00 now and \$2.00 in June. He said he recognizes that some of it is being driven by FMPA's inability to do a better job at predicting rates and we need to work on that. He is positive that staff as well as our Board Member is working very diligently on our side. We need to have a plan. We have been telling individuals that November was the target for some of these hedges coming off and that we would start seeing some real reductions. Now we are starting to speak in terms of maybe next spring or next summer we can see some real

reductions. He said he is not comfortable with that. Mr. Drummond said he would like for staff to look in terms of scheduling something more aggressive.

Mr. Thiess said that the main decision that the staff would want the Board to decide is do they want to level the rates across the year with a constant PCA or do we want to let the PCA fluctuate by being higher in the winter and lower in the summer. He said that would tend to take some of the variability out of the bills from summer and winter because in summer we have the greater consumption. Do we want to keep the rate level year round and try to flat line the PCA or do we go ahead and let it creep up \$5.00 in the winter and lower it \$5.00 in the summer or whatever that number is. Whatever that decision is, if we had made that prior to today or last month, it would not have made any difference on the staff's recommendation to bring \$2.00 today to the Board. He said if we had decreased any more than \$2.00, we put be putting ourselves in jeopardy. If we get a surprise next week like the \$12.00 we got this month, we might be back real quick with another \$2.00. If we gamble and say that if everything goes right and the 60% to 70% rates come in instead of the 80% rates and we shoot for \$6.00 or \$8.00 now, we could be in very bad shape in May or June when the consumption is going up and our customers are getting the highest bills. Mr. Thiess said his personal opinion is to leave it a little high in the winter when the bills are low and people have much lower consumption and then give ourselves the latitude to bring it down further in May or June when they are going to start getting 1,500 kWh bills instead of 1,000 kWh bills. Staff will take direction from the Board on whichever way they want to go. At this point where we are at less than \$1 million on over collection to do anything more than \$2.00 at this meeting would be putting ourselves in jeopardy down the road. Mrs. Cully is working with us with the Business Model Working Group; Tom Richards and I both go regularly. One of the topics coming up is the rates and setting up a better rate methodology at FMPA. It has been very inconsistent, they recognize it, we recognize it, and all the other members recognize it. To come from one month and thirty days later have a \$12.50 surprise, we thought those days were over. Back when we had the hedging and the liquidity issues and their needing \$7.00 a month for four months to handle the liquidity on the futures that we were purchasing, that could be understood. We thought that was going to go away with the hedges winding down and we do not know the reason for the latest \$12.50 jump. Maybe we need to discuss this will the full Board and we would like to know if the Board concurs that we tend not to be overly aggressive in the winter and if we are going to be aggressive, we would do it in May or June when we are going into our peak use season. If we could get on the same page with that, we would have a better understanding when we lay out a 12-month strategy where we want to be now and where we want to be in June.

Mr. Drummond said that he agrees and that is his point. This Board needs to set some policy as to where we want to be and what our goal is. One of the things that was not discussed and this is an opportunity; we may just say as a Board, we want to be at the mean in 12 months. We would then charge staff to come up with the methodology on how we get there. We say we want to be in the middle of the pack, but we keep waiting for it to happen based on whatever happens externally. He said he needs to know and it will probably require some greater discussion, maybe with our consultant and with a full Board as to how do we get there versus we just pray that it one day happens.

Mrs. Cully said that she agrees with Mr. Thiess to a certain extent. She does believe that we should take a look at the different sources and see where they are and compare ourselves with them over a long term, not a short term. She said she does not think it is wise, just because we want so badly to drop this PCA, but if in the long term we are going to go back to where we were it is not going to be worth it. She is very pleased that we can drop the PCA by \$2.00 and we were hoping and thinking it was going to continue to drop it on a regular basis. It looks like FMPA is not going along the way we want. Mrs. Cully said the Working Group at FMPA that she has been meeting with along with Mr. Thiess and Mr. Richards are just getting started on this and we have to give them time. They have recognized the problem and a problem like this cannot be solved overnight. We have to have everybody working together to make a decision and the right decision and then follow through with it. This cannot be done in two or three months. They have talked about it being six months to a year before this gets worked out. We can see the volatility in the market and that has to be considered. Mrs. Cully said she would like to see some more information and have a workshop to discuss it more and like Mr. Thiess said, have the Board decide on which way they would like to go.

Mr. Thiess asked Mrs. Hurtubise to put the bar chart back up on the screen. He said looking at the bar chart, you can see where the wholesale rate took a pretty good dive starting in June 2009 and bottomed out in August 2009. If we had not had that little jump there and it flat lined at \$80, we could project that out for 12 months and that would mean our PCA could come down about \$22.00. He said he is optimistic that we will be able to do some much more significant reductions than the \$2.00. We did not get entirely off the hedges at the end of October. We are probably hedged from 30% to 50% still, but they are not all bad hedges at \$9 or \$10. Some of them are \$7.00 and we are still buying market gas for 50% to 60%. Mr. Thiess said he is confident that we are going to see something more positive than the \$2.00. We just do not want to gamble. We feel like it is better to be conservative in the winter and aggressive in the summer because if we got into June and look back where we did an \$8.00 adjustment in December and then wish that we held that because we would then have to raise it at the beginning of the summer, this Board would be disappointed. He said that overall the 100% hedging will wind out in October and will be good for us. The cost should be significantly lower than we were paying last year and that will be reflected back to the power cost adjustment. Mr. Thiess said he wants to make sure our customers understand that every nickel that is over collected all goes back to them. He said if we end up a little bit conservative, the payoff is that here we are in May and June with a bit over collection and then we can give it back in the summer when the customers need it. They will get every penny of it back, it is just a matter of whether or not they get it back now, in the winter, or we hold a little bit to make sure they do not get a raise in June. We will develop a plan, have PM&G redo their model based on the latest month's information, and he will send the spreadsheet back out to the Board Members with the scenarios updated. We can take a look at it and at the next meeting, if we have a full Board, we can have that discussion whether you want to have a higher PCA in the winter, lower PCA in the summer, or whether you want to flat line the PCA and go for a stable rate. He said he believes that is the main decision that needs to be made.

Mr. Drummond said he would never advocate the Board doing anything that is irresponsible, but he believes there are policies that we need to decide at the Board level where we are targeting where we want to be and making decisions in a reasonable manner on how we want to get there. If we cannot get there, then we just cannot get there. He said he would like to know that we are working on some target that we have set versus we are acting on what external groups are doing in terms of our wholesale costs.

Mayor Benton said that he agrees, but what he would like and he believes a workshop will be needed; he would like to hear from some of the folks at FMPA. He would like to see them personally show up and tell us why their projections are not better. Last year at this time or a year ago from the end of the summer, the futures were bouncing all around, especially natural gas. That has not been happening from his observations for at least the last eight months. If a percentage of our power is coming from St. Lucie I and II, nuclear power should not be bouncing around, only natural gas. He said he does not see where coal is going anywhere. Mayor Benton said he would like to hear their explanations on why things have not been flat lined a little bit better and they are still bouncing around, and why they cannot project any better. We need to get this information about what other public power companies are charging in the southeast and he does not see that bouncing around for Progress Energy in the North Carolinas. He would like to do some comparisons and if they match up, fine, but if they do not, he would like some explanation. He believes some of the other boards throughout the state are going to be looking for some explanation. Maybe the problem has been fixed temporarily a little bit, but we are looking for a bigger fix. He does not want to speak out of line until he sees the facts, but he cannot understand why they cannot project things a little bit better. Just like the price of oil, it has leveled off between \$60 and \$70 a barrel now for many months.

Mrs. Cully said she thinks the Board does need a little bit better explanation.

Mr. Thiess said there are two pieces to this equation, the wholesale side and our side. On the electric side we have \$103 that goes up to Orlando to pay the bill and \$46 stays here to run the utility. Going into this budget year, the upper limit for the budget for 2011 is going to be what we set this year for a zero rate increase budget. We might want to crank that down a little bit more and have some workshops ahead of the budget workshops to decide if we want to stick with the same budget assumptions or do we want to do some cuts where we have not gone before. We can work on the retail side and the wholesale side and between squeezing down both of those; we may get where we want to be.

Mrs. Cully said she would like to look at all the options.

Motion by Mayor Benton, seconded by Mrs. Cully, and unanimously carried to approve the decrease in the Electric Power Cost Adjustment (PCA) for the period from December 1, 2009 through December 31, 2009, until further notice, to \$52.00 per kWh.

Mayor Benton said that hopefully in the very near future we can reduce it more than \$2.00, but this is a start and maybe we will get some answers soon and the prices will come down more soon.

Don Landin, FPUAnet Sales Account Executive presented the Interlocal Agreement with St. Lucie County Board of County Commissioners for their ongoing purchases of FPUAnet Communication Services. He said that the St. Lucie County Board of County Commissioners has purchased six services from FPUAnet so far, but they would like to have a more constant document, something that is solid that has been negotiated like an Interlocal Agreement that they can depend on for stable terms and conditions as well as making it quicker and easier to add and negotiate a service. Mr. Landin said that the Board has the Interlocal Agreement and two types of documents that are associated with it. There is a sample sales order for if they want to get an internet connection at one particular location there would be a sales order for that location. Each instance of use of the Interlocal Agreement will have a sales order associated with it. In addition, there is a Service Level Assurance (SLA) document for service type so if they have Dedicated Internet Access (DIA) there is an SLA, for fiber connections there is an SLA, and for wireless band width connections, there is an SLA. Each one defines the standard specification of that service and then the sales order can deviate from that somewhat. If they need to have a certain speed, then that is spelled out in the sales order. If they need it for a certain term, like 36 or 48 months, that is spelled out in the sales order. The address or addresses of the service or the services, those are spelled out in the sales order. Mr. Landin said this is essentially our standard sales order that was approved by the Board years ago and is commonly used for FPUAnet Communications for our customers. There will be a special note on that sales order that the terms and the conditions are defined in the Interlocal Agreement. The Interlocal will apply to seven entities; not just the County, but also the Constitutional Offices, and the 19th Judicial Court System in St. Lucie County. It does open up an opportunity for more business from these entities. We have seven services that we are providing to the sheriff's office already, but we have the opportunity to work with the tax collector, property appraiser, and so on. Mr. Landin said we have a total of thirteen services that are with these entities totaling about \$7,700 a month in revenue. He said we anticipate at least another \$10,000 per month as the business develops from this Interlocal Agreement. This Interlocal Agreement has a larger than normal upfront cost, a non-recurring setup fee that is associated with these services. There is always that part of the revenue to look at and it amounted to a lot in 2009 with all the services we had, especially the School Board. He said in order to reduce our risks, we increased their setup charges to the maximum that is allowed by the E-Rate Program and then lowered their monthly rate accordingly. Essentially, they bought down the monthly rate.

Mrs. Cully asked if the \$10,000 a month was in addition to the \$7,700 a month.

Mr. Landin yes and that it may take a couple of years to achieve that, but it is what is anticipated.

Motion by Mrs. Cully, seconded by Mayor Benton, and unanimously carried to approve the Interlocal Agreement with the St. Lucie County Board of County Commissioners for their ongoing purchases of FPUAnet Communication Services.

Mr. Thiess said that Mrs. Hurtubise is going to give an overview of the two Resolutions No.UA 2009-14 and UA 2009-15 being brought before the Board today. He said that Mr. Dwayne Draper of Bryant Miller Olive, our Bond Counsel, will speak after Mrs. Hurtubise. Mr. Thiess said that our Financial Advisor, Mitch Owens is also in the audience.

Mrs. Hurtubise said she is presenting the two Resolutions, one that is a fairly short Resolution that very briefly recaps what our plan is to refinance the FMPA Pooled loans. She said that back in June we were notified of an accelerated amortization. The FMPA is no longer able to provide us with what has been a very good deal in terms of interest rate, but as a result we are having to refinance a little bit over \$30 million in these pooled loans that we are going to convert to fixed rate over 20 years with what is called a wrapped amortization. Mrs. Hurtubise said that what she really likes about the wrapped amortization is that it levelizes the cash we put out each year for debt service. It makes it much easier to budget and everything is much more stable that way. It is much like a mortgage payment that you pay the same amount each month and in this case, we pay the same amount each year. The second Resolution has probably every detail that you could possibly want to know about the bond deal and then some. There are a number of different attachments and exhibits, but basically what the Board is approving is authorizing us to pay back the pooled loans and issue new debt. The reason the new debt is the amount that it is, is because the new bond insurer is requiring that we put up a cash debt reserve. It is a little bit more than what we would have otherwise refinanced. The interest rate is hovering at about 5% and it will not be locked in until we actually do the deal, but that is approximately where it is. Another large component of the Resolution is once it is approved, the Board is delegating the authority to Mr. Thiess to basically take the deal the rest of the way through.

Mrs. Cully asked how more are we going to be financing.

Mrs. Hurtubise said about \$3.3 million more, about 10%.

Mr. Drummond said that Mrs. Hurtubise said that it was hovering around 5%, but he said he saw something in the Resolution that it would not exceed 6%.

Mrs. Hurtubise said that is why she said it is hovering about 5% to make sure that it covers it.

Mr. Drummond said that the Resolution is speaking to Mr. Thiess to negotiate a term, which means he has the ability based on the Resolution to negotiate up to the 6%.

Mrs. Hurtubise said that is correct, but we do not anticipate that to be the case.

Mrs. Cully asked if there is a chance that the rate would go down to 4 ½%.

Mr. Mitch Owens of RBC Capital Markets, Financial Advisor for FPUA said that if he knew a lot about the rate coming down, we would not worry about FPUA electric rates or anything else. He said unfortunately he does not think it is good policy and he does not think this Board has ever tried to speculate on where rates were. Mr. Owens said the Board has always tried to take advantage of rates and what they have done is, if you look into the market place in today's environment, we are in a historical low fixed rate interest rate, especially in the latter several months. The rates have gone up on the long end recently and there have been some indications that rates will remain steady. There are concerns and what we have tried to put into place in these Resolutions is the authority for FPUA to go out into the marketplace. He said their goal was to maximize the savings and to get ourselves out of the FMPA pool loan and access the market prior to the end of the year.

Mayor Benton asked for an explanation of the FMPA pool loan. He said we have this existing loan with them and we are getting out of that, bonding that debt, and it is going to cost us more.

Mr. Owens said the FMPA program has been around for many years. FPUA has utilized that pool as a vehicle for short term financing or financing during construction periods because it is a variable interest rate. The variable rates were based on the fact that FMPA obtained a Letter of Credit from a bank and was able to go into the market place and get a low variable interest rate which it passed along to FPUA. With the volatility in the banking market that it has occurred in the last two years, FMPA could not go back in and renew its Letter of Credit and therefore could no longer offer the program. Basically, they told FPUA that they have to get out of the program and therefore the way we get out of the program is to come up with cash to pay them the amount they have loaned us. The most economical way for FPUA at this moment is to go into a fixed rate bond program and wrap it around our existing debt to give us a balance aggregate debt service and take advantage of low long term fixed rates right now.

Mr. Thiess said that it was not an action by FMPA; it was the banking industry that moved this forward.

Mr. Drummond asked if we typically go out and attempt to bid that rate out in order to get the best rate.

Mr. Owens said that they took a position to look into the market place and try to take advantage of the interest rates in the market. He said in the most recent history, they have done negotiated sales that have been based on a competitive process. That is what we are doing now. We are following the Charter provisions and taking advantage of getting competitive bids and then taking advantage of negotiating those fees with the low bidders.

Mr. Dwight Draper of Bryant Miller Olive Bond Counsel said he is here to answer questions or explain in very brief fashion the two Resolutions that are before the Board.

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Motion by Mayor Benton, seconded by Mrs. Cully, and unanimously carried to approve Resolution No. UA 2009-14.

Motion by Mrs. Cully, seconded by Mayor Benton, and unanimously carried to approve Resolution No. UA 2009-15.

Mr. Thiess said that he would like to join the Board in welcoming Mr. Mike Perri as our new Board Member and that he looks forward to working with him over the coming months and years.

Mrs. Cully said she is glad to have Mr. Perri on the Board and she said that she is pleased that we could drop the PCA by \$2.00 and hope for the best in the near future.

There being no further business, the meeting was adjourned.

ATTEST:

SECRETARY

CHAIRMAN