

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

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

Others Present: Director of Utilities; Director of Electric/Gas Systems; Director of Water/Wastewater Systems; Director of Finance; Director of Shared Services; Communications Manager; UA Attorney; Risk Manager.

Chairman Cully called the meeting to order.

The Invocation was given by The Reverend Bill McClain of St. Lucie Presbyterian Church.

The Pledge of Allegiance was recited.

The roll was called and a quorum declared.

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

1. Approval of the Minutes of the Regular Meeting of December 20, 2009.
2. Bid 5887: Award lowest and best bid that met specifications to Electromark for purchase of asset tags in the amount of \$49,000.00.
3. Approve the Federal Housing Assistance Program Service Linkage Agreement.
4. Approve post budget work order to increase unit price contract with Ditchdiggers in an amount not to exceed \$85,000.00 for replacement of existing sewer system in conjunction with The Oaks at Moore's Creek.
5. Bid 5873: Approval to piggyback State of Florida contract for procurement of two copy machines in the total amount of \$28,226.00 for the Administration Building and the Electrical Engineering Department.

The following letter of appreciation was noted:

A letter was received from the Salvation Army expressing appreciation to FPUA employees for their participation in The Salvation Army's Angel Tree Program.

Mr. Hayden Alexis of the Electric Engineering Department presented a request for approval of a Specific Authorization with R. W. Beck for the Hartman Road Substation upgrade project.

Mr. Alexis advised the Board this Specific Authorization will allow engineering work for the completion of the Hartman Road Substation Project. R. W. Beck has given us a cost estimate not to exceed \$55,000. We are confident this will complete the project. He drew the Board's attention to the itemized list included in the Agenda packet on page 2. The changes and scope are listed there. The changes are a result of coordination between FPUA, R. W. Beck and FPL.

Motion by Mayor Benton, seconded by Mr. Summerhays, seconded by Mr. Perona and unanimously carried to approve Specific Authorization RWB-005 with R. W. Beck to provide engineering services in an amount not to exceed \$55,000 for the Hartman Road substation upgrade project.

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

Mrs. Hurtubise presented the comparison of electric rates as compiled by the Florida Municipal Electric Association and comparison of Electric, Water and Wastewater rates compiled by staff for Fort Pierce, Port St. Lucie and Vero Beach.

The comparison of municipal electric utilities in the State of Florida for 1,000 kilowatt hours of usage indicate FPUA to be fourth highest in the State. We have moved one notch higher than the last comparison. Tallahassee, Key West and Fort Meade have rates that exceed ours. Since November, seven utilities have increased their bills and eight have decreased their bills. Williston decreased their rate by \$17.50 after two very high increases in October and November. In November, Williston was the second highest in the State. Fort Meade reflects an increase in rates of \$12.00. They moved above us. Quincy reflects a decrease of \$10.68. Key West, although still well above our rates, decreased their rates by \$8.50. Tallahassee is now the highest. The municipal average decreased by 81 cents. The IOU average increased by 9 cents.

Mr. Thiess said the bar graph does not take into account the PCA decrease our Board adopted at the last meeting of \$5.00. That would move us at least two positions to the left. We won't see that until the comparison in February.

Mrs. Cully said Williston dropped by \$17.50. Mrs. Hurtubise explained that is correct. In October they increased by \$17.50 and another \$10.30 in November. She can't imagine what their citizens are feeling with such huge swings within a couple of months. Mrs. Cully asked if we know why they had such large changes in such a short time. Mrs. Hurtubise said she can't imagine.

Mrs. Cully said she has noticed Key West's base rate is so out of line with every else's. Do you have any idea why that would be the case? Mrs. Hurtubise said they must have a very large portion of the fuel contained within their base rate. Mr. Summerhays said they have kind of a special situation there. He noticed yesterday our consultant told us Jacksonville is about to raise their rates above ours. If you will notice, they are all the way down in the lower quarter. If they are going to raise above us, that will be quite a jump. They are one of the municipals that has been hanging back, apparently subsidizing their utility with tax money.

Mrs. Hurtubise displayed the comparison of 2,500 kilowatt hours' usage. We are in a similar position as we are in the 1,000 kilowatt hour category. She doesn't have an update to our Power Cost Adjustment schedule, which she will begin to present along with this. We don't have our January bill from FMPA yet, so she cannot update the over and under collection situation. When she does the January comparison, the Board will see this.

The local comparisons have not changed since October. They are the same numbers she has presented in months past. As we discussed yesterday, Vero Beach has the lowest water and wastewater rates of all local utilities from Ormond Beach to Martin County. It puts them in a fairly

advantageous position at this time. It was disclosed to us yesterday that they are undergoing a rate study to determine whether or not they need an increase in rates.

Mr. Thiess thanked the Board for attending our Rate Workshop yesterday. Commissioner Coke from the City of Fort Pierce attended, also. He appreciates everyone's attendance. It is a very good forum to get our information out there and to get input back from the Board and Commissioners and move forward with everyone understanding what is going on.

Mr. Thiess informed the Board we initiated the second phase of our rebate program. It went into effect January 30th. Back in November we started a rebate program for central air conditioning, provided it met certain efficiency standards. That program has been underway for a couple of months. At the end of January we started a rebate program for high efficiency room air conditioners. Most of these are Energy Star products. The program also includes refrigerators, insulation, programmable thermostats, close washers and solar water heaters. Effective on January 30th, customers can come into the lobby, get that information, make sure their appliances meet the high efficiency standards and receive the rebates for all those appliances.

Mr. Summerhays said he was told we had very few takers on the central air conditioners. Mr. Thiess confirmed that. We only had one application and they did not have a high enough SEER (Standard Energy Efficiency Rating) rating to meet the standards. He thinks the standards require 14 SEER minimum to get the rebate. Mr. Summerhays said he is having his air conditioner replaced on Friday. Part of the reason is the \$1,020 rebate. It makes it so he can recover the cost of the new system before the warranty runs out. It is something he thinks people should consider doing unless their unit is the latest and highest efficiency. The air conditioning contractor anticipates it will reduce his average electrical bill by \$60.00 to \$65.00 per month. Mr. Thiess said Mr. Summerhays will see every bit of that. He replaced his back in October, and he was ahead of the rebate program. His usage has come down substantially by 600 to 800 kilowatt hours usage per month compared to last year.

Mrs. Cully asked how we are getting the information out to the customers about the rebate program. Mrs. Levette Dixon updated the Board. Currently, the air conditioning rebate program is on WFTP-TV. It is also advertised in the Customer Service lobby. There is a bill insert going out this month that will have the information about all the new rebates. The new rebates will also be on WFTP-TV. They will be advertised in the Customer Service lobby. A Press release will be done. Next week we are also starting radio advertising. Mrs. Cully asked what the timeline is for this. Mrs. Dixon said it is on-going until funds are exhausted. Mr. Thiess said the funds appear at this point to be renewable. FPRA's intentions are to renew them, and he thinks FMPA funds will be available annually.

Mr. Thiess advised we also intend to bring some periodic reports back to the Board on the Conservation/Weatherization Program. We are just a couple of months into it, so we don't have enough to give a good report. Maybe in the next month or so we will bring back an information status report on the Weatherization and Rebate programs.

Mrs. Dixon said there is no income qualification for the rebates. They are for any residential electrical customer on our service. We do have other programs geared toward low incomes, but the rebates are not.

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Mr. Thiess said today we discussed raising the income limit on weatherizations. The applications started to taper off and weren't going at the pace we wanted to set to reach our goal of 200 plus units during the year, so we are going to raise the income level to twice the federal poverty level. Right now it is at 1-1/2 times the federal poverty level. For a single household, it will jump about \$27,000. If the applications start to taper off at that level, we will raise it again.

Mrs. Cully asked who customers would speak to about that. Mrs. Dixon said anyone in Customer Service can assist customers with any of the rebates or weatherization program.

Mayor Benton said there was some discussion last night at the City Commission meeting about the utility tax transfer that comes from the Utilities Authority to the City each month. He asked if Nina would explain that, because it was implied that the UA has been late with their payments, and that is not the case. He asked Nina to explain the payments and how they are made.

Mrs. Hurtubise said we collect Sanitation fees from the City's customers each month. At the end of each month we calculate how much was collected. It is based upon what is collected from the customer, not what is billed to the customer. We pay that within the next month. What is probably happening is we are putting a check in the mail, and it may not be getting to the City quickly enough, so that the City is recording it in the same month we are sending it out. We will make the payment a little sooner and may put it on EFT and send it electronically, so the funds will be received a little quicker. Mayor Benton said that is the best bet. He asked if it is the same with the utility tax that is added to the bill each month. Mrs. Hurtubise said yes. Mayor Benton said we do it within 30 days, and it has never been done within 15 days. Mrs. Hurtubise said we have not been doing it within 15 days. Mayor Benton said he wanted to clear the air on that. We are a brother to the UA and he wants everyone to know there is no problem with the payments. They are getting there on time. Also, the City, in the past, has been a little bit late with their utility bill payments at times. We cover each other. It is all the same people paying the bills.

Mr. Drummond asked if there is a formal agreement that speaks to when we will transfer those funds. Mrs. Hurtubise said she doesn't believe there is, no.

Mrs. Cully asked if there has been some discussion about putting solid waste fees on the property tax bills. Mayor Benton said he is going to place that on the next City Commission agenda for discussion on whether we should take a look at it closer and do like the County does and put it on the tax bill. Mrs. Cully said she thinks that is really something we should look into. When people look at their utility bill, they are thinking all these charges are for their utility bill and don't really realize that some of it is mixed in and not separated.

Mrs. Hurtubise said we do bill and pay out to other entities quite a large portion of the utility bill. She thinks in the future, we will present some detail to the Board as to how much FPUA actually gets to keep and how much we pay out to the State of Florida, the County and the City of Fort Pierce. There are a number of different entities that we collect funds for. Mrs. Cully said she would like to see that happen sooner than later.

Mr. Thiess said the City of Port St Lucie also places the sanitation fees on the tax bills.

There being no further comments the meeting was adjourned.

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ATTEST:

Secretary

Chairman