

MINUTES OF A REGULAR MEETING OF THE FORT PIERCE UTILITIES AUTHORITY, TUESDAY, JANUARY 5, 2010, 4:00 P.M., CITY COMMISSION CHAMBERS

Members Present: Chairman, Robert W. Summerhays, Jr.; Secretary, Darrell Drummond; Deputy Secretary, Pamela K. Cully; Deputy Secretary, Michael A. Perri, Jr.; Mayor Robert J. Benton III; and Ms. Anne Satterlee, Acting City Manager.

Others present: William G. Thiess, Director of Utilities; Rupert N. Koblegard, III, FPUA Attorney; Nina Hurtubise, Director of Finance; Nancy Dallaire, Risk Manager; Thomas W. Richards, Director of Electric and Gas Systems; Douglas W. Giel, Director of Shared Services; Timothy E. Perkins, Director of Water and Wastewater Systems; Levette Dixon, Communications Manager; and Jan Gorham, City of Fort Pierce Purchasing Manager.

The meeting was called to order by Chairman Summerhays.

The Invocation was given by Craig Brewer, Electric T&D Superintendent.

The *Pledge of Allegiance* was recited.

The roll was called and a quorum declared.

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

1. Approval of the Minutes of the Regular Meeting of December 15, 2009.
2. Approval of the Pine Avenue and Forest Terrace Water Rehabilitation Project, budget transfer of \$85,000, and authorize the use of the Unit Price Contractor to complete the construction at a cost of \$80,000.

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A letter of appreciation was received from Austin Hunt, Founder & Executive Director of Harvest Food & Outreach Center, thanking FPUA employees for their food contributions to assist them being able to provide seventy-thousand Thanksgiving meals to children and families.

Mr. Summerhays said it is always good to see our employees helping the community.

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Mr. Thiess said the 13<sup>th</sup> Street project was a City stimulus project and we had budgeted it at a 50% level of funding, assuming that the stimulus funds or FPRA were going to cover the other half. He said a lot of things have changed since then. The scope of the project has changed and the cost of the project has changed. We have worked with the City to get our costs down. Mr. Thiess said that after communicating with the City, there

are no stimulus funds available because of the restrictions on the funds and there are no FPRA funds available. He said this item that is coming before the Board is the slimmed down package with the current costs and our participation in the water, sewer, and gas adjustments at 100%.

James Carnes, Environmental Engineer for Water/Wastewater/Gas Engineering, said North 13<sup>th</sup> Street is a reconstruction project that has been on the City of Fort Pierce project radar for about a decade. He said in the previous years, the City Engineers have approached FPUA with segmented/phased versions of this project and have asked us to plan and design utility improvements for this corridor. We have budgeted for utility replacements this year in anticipation of receiving some stimulus funds in support of the replacements. Mr. Carnes said that the stimulus funds are not slated for utility improvements so FPUA is borne with the full costs. He said to help minimize these costs, they have worked with City staff to include all the restoration within the City's roadway contract, as well as coordinating construction of the drainage and the water and sewer replacements to facilitate minimization of the project timeline and costs to FPUA. We have estimated about \$280,000 to complete the work. Of the \$280,000, \$155,000 is for water, \$110,000 for wastewater, and \$14,000 for design, permitting and construction phase services. This leaves a shortfall of \$55,000 for water and \$25,000 for wastewater. Staff recommends the Board's approval of the \$80,000 budget transfer for utility replacements on North 13<sup>th</sup> Street from Orange Avenue to north of Moore's Creek for a total project cost of \$160,000 for water, \$120,000 for wastewater and further authorize the use of the Unit Price Contractor to complete the construction for a total cost of \$266,000.

Mr. Thiess said that the electric budget has been left at \$108,000 for the overhead to overhead replacement. He said he sent a letter to the City Manager's office last week giving a summary of the FPRA funds that were on South A1A and approximately \$340,000 left over. If the City wishes to underground that 3 ½ blocks, this is a potential source of funding for that. He said he has not heard back on that letter, so we do not know the City's position on this.

Mayor Benton said that the City's new Commissioner, Tom Perona, who used to sit on the FPUA Board, now sits on the TPO Board, which designates the money for road work in Martin and St. Lucie County. Mr. Perona is the City's voice and hopefully he will make it loud and clear that we run into problems when stimulus money does not include the relocation of power lines, water and wastewater lines, and gas lines. Utilities need to be included in the stimulus, because at this time we cannot afford to raise rates to make these changes.

Mrs. Cully said that she wanted to make it clear that the shortfall is going to come from other projects.

Mr. Thiess said that is correct, it will be transferred from other projects, which will leave us a little thin if something else comes up within the course of the year. We do have the funds this early in the fiscal year because we are only one quarter into it.

A motion was made by Mrs. Cully, seconded by Mr. Perri, and unanimously carried to approve the \$80,000 budget transfer for the utility replacements on 13<sup>th</sup> Street from Orange Avenue to North of Moore's Creek for a project cost of \$160,000 for the water replacements and \$120,000 for the wastewater replacements and authorize the use of the Unit Price Contractor to complete the construction at a total cost of \$266,000.

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Nina Hurtubise, Director of Finance, presented the Rate Comparisons for the month of November 2009. She said this is the Florida Municipal Electric Association (FMEA) bill comparison as well as our local bill comparison. These are the November 2009 comparison of residential rates that are compiled by the FMEA. Mrs. Hurtubise said the graph displays the municipal electric bills in the State of Florida for 1,000 kWh usage. Each bar is made up of the base rate shown in red and the fuel shown in blue. FPUA is the fifth highest on the comparison and this is an improvement over last month. She said we hope to see an improvement next month with the reflection of the first \$2.00 decrease in the power cost adjustment (PCA). This is the first of two. Mrs. Hurtubise said that since October, ten utilities have increased their bills and seven have decreased their bills. She said the most notable of those changes is Green Cove Springs reflects a decrease of \$14.78, Starke reflects a decrease of \$14.40, Chattahoochee shows an increase of \$11.24. Mrs. Hurtubise said that ironically, each of these three cities had equivalent opposite changes last month so their rates are going up and down and bouncing all over the place, while ours remains stable. Williston had an increase of \$13.80. On the 2,500 kWh comparison, FPUA is the fourth highest and is almost the same as last month. This is November's comparison and we hope to see an improvement next month because December was the first decrease in the PCA. The next table displayed is compiled by staff and shows the November residential comparison of the electric, water, and wastewater rates of Fort Pierce, Port St. Lucie (PSL), St. Lucie County (SLC), and Vero Beach. Mrs. Hurtubise said that FPL had a number of changes in their bill this past month. They increased their base rate and decreased the fuel charge. She said that for someone that consumes 1,000 kWh, they offset one another dollar for dollar, but the real impact shown on the chart is that there was an increase in their storm charge of \$2.17 for 1,000 kWh so there will be an increase in the electric portion of PSL's bill. In the months past, we had erroneously included in SLC's FPL bill the utility tax and there was no utility tax on folks outside the city, so that is why you will see a difference now with PSL being a little bit higher than SLC. PSL dropped a little bit because the proposed water and wastewater increases did not take place so the numbers are back to what they were two months ago. Fort Pierce and Vero Beach bills are almost equal at this point for 1,000 kWh and 6,000 gallons of water and wastewater service. Mrs. Hurtubise said this is an information only item, no action required.

Mrs. Cully said that the FMEA Residential Electric Rate Report sheet is very helpful in this packet.

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Florinda Mazzarella, Senior Executive Staff Assistant to the Director of Utilities read the following Resolution:

**RESOLUTION U.A. 2009-16**

**A RESOLUTION OF FORT PIERCE UTILITIES  
AUTHORITY IN APPRECIATION OF THE SERVICES  
OF THOMAS K. PERONA**

**WHEREAS, THOMAS K. PERONA** has served as a Member of Fort Pierce Utilities Authority from October 2, 2002 until October 18, 2009; and

**WHEREAS,** he served as Chairman of the Board from 2003 to 2004, and again from 2006 to 2007; and

**WHEREAS,** during Mr. Perona's seven years in office, he has devoted many hours of service to Fort Pierce Utilities Authority and its customers; and

**WHEREAS,** he has been a great source of inspiration, counsel, support and wisdom for the Director of Utilities; and

**WHEREAS,** he has served with great distinction and has always displayed a compassionate sense of moral integrity and vision when addressing both customer and employee-related issues; and

**WHEREAS,** he has at all times ably represented the positions and interests of Fort Pierce Utilities Authority in its dealings with other governmental and private entities.

**NOW, THEREFORE, BE IT RESOLVED** by Fort Pierce Utilities Authority of the City of Fort Pierce, Florida, in Regular Session assembled, that on behalf of the Board Members of Fort Pierce Utilities Authority, the people of the City of Fort Pierce, and Fort Pierce Utilities Authority Department Heads and Staff, hereby acknowledges with a deep sense of gratitude the services of **THOMAS K. PERONA** as a Member of Fort Pierce Utilities Authority.

**BE IT FURTHER RESOLVED** that a copy of this Resolution be presented to **THOMAS K. PERONA** and spread upon the minutes of Fort Pierce Utilities Authority as a permanent record of their appreciation.

**ADOPTED** this 5th day of January, 2010.

A motion was made by Mayor Benton and seconded by Mr. Drummond to approve Resolution UA 2009-16: In Appreciation of the Services of Thomas K. Perona.

Mr. Summerhays presented the framed resolution to Mr. Perona.

Mr. Perona said that it has been a real privilege to serve on FPUA. He said that this vote on this resolution came very close to being a rubber stamp. Mr. Perona said that he looks forward to working with FPUA in his new position as a commissioner and

hopefully he can bridge the gap and know that he is taking all the knowledge and experiences with him. He said he really enjoyed serving on this Board and that all are immensely talented and qualified and he knows for sure that it is solid ground when we talk about the Utility Authority of Fort Pierce. He looks for great things to happen in this New Year.

Mayor Benton said that last night at the City Commission meeting Mr. Perona was appointed to be the liaison to FMPA.

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Mr. Thiess reminded the Board and the public that there will be a Public Workshop on January 14<sup>th</sup> at 1:30 PM at the Energy Services Center, 1701 South 37<sup>th</sup> Street. The workshop will be on the power cost adjustment and the General Manager from FMPA will be there to talk about what they are doing to get the wholesale rates under control and the rate forecasting. Murray Hamilton with Public Resources Management Group, our rate consultant, will be there to look at some scenarios we can do with the PCA. We will have some spreadsheets where we can plug in some numbers and see what happens. Mr. Thiess said that he encourages all our Board Members to attend and anybody else that has an interest on where we stand with the PCA. He said we will probably include a part about looking forward to the 2010-2011 budget and what our thought process is going into that budget.

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There being no further business, the meeting was adjourned.

ATTEST:

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SECRETARY

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CHAIRMAN