

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

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

Others present: William G. Thiess, Director of Utilities; Rupert N. Koblegard, III, FPUA Attorney; Nina Hurtubise, Director of Finance; Thomas W. Richards, Director Electric and Gas Systems; Timothy E. Perkins, Director of Water/Wastewater Systems; Levette Dixon, Communications Manager; Douglas W. Giel, Manager of Special Projects; Evelyn I. Walker, Director of Shared Services; and Nancy Dallaire, Risk Manager.

The meeting was called to order by Chairman Summerhays.

The Invocation was given by Pastor Djumy Septembre of Christian Action & Relief for Haiti.

The *Pledge of Allegiance* was recited.

The roll was called and a quorum declared.

Nina Hurtubise, Director of Finance, presented the Distinguished Budget Presentation Award for FY 2010 as received from the Government Finance Officers Association. She said it was her pleasure to present this award and that it represents a significant achievement. It reflects the commitment of the Board and staff to meeting the highest principles of governmental budgeting. Ms. Hurtubise said that FPUA has received this award since FY 1997, 14 years. She said in order to receive this award, the budget was rated proficient in all four of the following different areas; Policy Document, Financial Plan, Operations Guide, and a Communication's Device. Ms. Hurtubise thanked everyone throughout the entire company who made contributions toward making this document the high quality document that it is. She said they are very pleased to have received this award this year.

Mr. Summerhays said congratulations.

A motion was made by Mayor Benton, seconded by Mr. Perri, and unanimously carried to approve the following items listed on the Consent Agenda:

1. Approval of the Minutes of the Regular Meeting of April 20, 2010.
2. Confirm appointment of Evelyn Walker as Director of Shared Services to replace Doug Giel, who is retiring.

3. Approval of the purchase of one Transformer, 1000 KVA for the Harbor Branch Project from CG Power Systems through Florida Municipal Power Agency bidding process for a total of \$27,921.00.
4. Approval to purchase three (3) S & C Submersible Switchgear, for SR A1A, Phase I, from HD Utilities Supply, Orlando, Florida in the amount of \$38,059.00 per unit, for a total of \$114,177.00.

Ms. Hurtubise presented the rate comparisons for March 2010. She said the graph that is displayed shows March's comparison of the residential electric rates as compiled by the Florida Municipal Electric Association. The graph displays the municipal electric bills in the State of Florida for the usage of 1,000 kWh. FPUA is identified with green and yellow and represents FPUA's relative position compared to the other municipal electric utilities and they are the 4th highest. FPUA is one position higher than it was last month on this comparison. Since February, seven utilities have increased their bills and nine have decreased their bills. There were three that were most notable. Williston, which is now higher than FPUA, is number two. They had an increase of \$18.10 in the month of March and another increase in February of \$30.20, with a total of \$48.30 in two months. The City of Quincy reflects an increase of \$11.90 and Havana reflects a decrease of \$13.93.

Mr. Summerhays said that his understanding is our placement is before the power cost adjustment (PCA) decrease that was passed at the last meeting.

Ms. Hurtubise said that is correct. This presentation is for the month of March with the PCA of \$48 and the \$44 PCA will be going into effect in May. She said we will have another rate comparison that will still be showing the \$48 PCA. Ms. Hurtubise said the 2,500 kWh graph shows FPUA as 6th highest in the State of Florida, which is where we were last month. She said the next table displays March's comparison of residential electric, water, and wastewater rates as compiled by staff. The comparison is between Fort Pierce, Port St. Lucie, SLC Utilities, and Vero Beach. The changes as compared to last month is there was a decrease in FPL's storm charge, which was partially offset by increases in both the customer charge and the non fuel rate, but overall they decreased slightly. There was a decrease in Vero Beach's bulk power cost. Ms. Hurtubise said this is an information only item and no action is required by the Board.

Mr. Thiess said that on the consent agenda we had the replacement of our Director of Shared Services, Doug Giel, who is retiring in September with Eve Walker who was our ITS Manager. He had Ms. Walker stand up to be recognized and said that she is very capable of filling the position that Mr. Giel will be vacating in September.

Mr. Thiess said that he emailed the Board this afternoon the Fitch Ratings on our bonds and they have gone up two notches from an A- to A+ across the board on all our bonds. He said that is good news, but it would have been nice if it happened before we did the

last Bond Issue. We might have had a lower interest rate, but it is good news to be A+ on all our bonds.

Mr. Thiess said the Lien Ordinance was approved last night by the City Commission. He said there was some discussion that the Lien Ordinance was going to hurt our customers, the people that are having a hard time paying their bills. Mr. Thiess said that he stressed to them that it does not affect somebody in their house with the utilities on, does not affect renters in any shape or form, and it only affects foreclosures and properties that have been vacant for a long time. To this date there are 16 customers out of 26,000 customers that would be subject to the Lien Ordinance with the threshold that is set at \$1,000. It is a very small amount of customers and it does not adversely affect our customers.

Mr. Thiess said before the meeting he gave each Board Member a copy of the survey summary from our customers on the meeting times. He said that we had 246 responses to the survey and 3 1/2 % wanted to keep the current time of the meetings at 4:00, 22% said they would prefer that the public hearings be after 6:00, if there is a public hearing to allow public input; 35% wanted all Board meetings after 6:00, and 39% did not care what time the Board meetings were. Mr. Thiess said either they do not watch the meetings or are happy watching them on television when they are reruns. He said the 246 responses constitute less than 1% of all our customers and that is not necessarily a statically valid sample of our customers. It does reflect the desires of those that did answer the survey. This is what we were tasked to do and the Board can discuss the results and staff will be glad to follow the Board's direction.

Mr. Perri said that the 39% that said it did not matter should have that number thrown out and therefore 35% or 85 customers prefer that the meeting be changed to after 6:00 pm. He said that we should try the change for a period of three to six months and if we do not get any participation from the public, then go back to the 4:00 meeting.

Mr. Drummond said that the problem he has is that the 39% or 97 customers did take the time to respond and should have as much validity as any of the other decisions that individuals voiced. He said from his standpoint, there are two things operating here; one is that we continue to rebroadcast our meetings so a large percentage may not have responded because they have an opportunity to see the meetings. He does think it is valid that the individuals who are suggesting that at least for the public hearings, they would like an opportunity to participate and that seems to be the area where individuals would have an opportunity to have some real input other than under our comments from the public. If we want to look in terms of doing something different and to be responsive, he would be more inclined to look in terms of trying that ahead of making the more aggressive change of our entire meeting time on the basis of that small sample.

Mrs. Cully said that she agrees with Mr. Drummond that the number of people that did take the time to express their opinion that we should at least acknowledge them and

possibly do as Mr. Drummond suggests and have the meetings that are for public hearings around the 6:00 time. Mrs. Cully said she does not know if those that want to hear what is being said can listen at home and if they have something they feel that is necessary for them to bring up, they will be at our meetings. She said that we do not have many people that come to make public comment at all to our meetings. Those that feel strongly would attend these meetings. For public hearings she thinks it would be a good idea to see how it would work out.

Mr. Summerhays said he was struck by the fact that 99+% of our customers did not bother to respond at all and of them, 42% plus either likes it the way it is or have no opinion. We are dealing with a very small, very tiny minority that would like to have our meetings held after 6:00 or would like to have the public hearings after 6:00. Mr. Summerhays said he does not see any reason to change our policy, but he is one vote. If there is a motion and a second and it passes, so be it, but he said he really does not see a reason to do it.

Mayor Benton said he would agree when it comes to the public hearings that it might be convenient. He said that the City usually has two public hearings and that maybe if FPUA would stagger them and have one during the day and one in the evening so that we could try to please everyone. The other meetings, it seems that most people do not care. During the public hearings, when they do have the ability to speak up when it comes to issues like rate increase, it would be more convenient at night.

Mr. Summerhays said that FPUA has two maybe three meetings that are public hearings.

Mayor Benton said that usually they are all at one meeting.

Mr. Perri said that we have had one public hearing since he has been on the Board.

Mr. Thiess said that we take the budget, any rate increase, and the PURPA standards for electric to a public hearing.

Mr. Perri said that he would like to reiterate the fact that working people cannot attend this meeting and have no public comment. He said he feels like until we try to give them the opportunity, we will never have any public comment. Mr. Perri said his reason for wanting to change the time anyway was so the working people would not have to take off work if they have an issue. He said he knows they can look at it on television, but once the decisions are made, looking at a television is to avail to them. If they have an issue and they wanted to talk to us, they have to take off work to do it right now. Mr. Perri said he thinks that is unfair to the public, to the rate payers, the citizens, and whoever else may be doing business with FPUA. He said that was his reason for bringing it up and he is only one vote also.

Mayor Benton said that when his family was younger, a lot of times when you have both parents working with kids in school, even when you get off work, in his opinion, when you get home anytime before 7:00, it is dinner time. He said a lot of people have told

him that is why they have not had a chance to vote because by the time they have sat down and fed the family, it is 7:00 and the polls are closed. Mayor Benton said his biggest concern is hearing from families and in some of the jobs that he has had it would have been easier to get off an hour earlier if it was something very important before the kids were out of school and everybody came home. He said he was one of those people that did take off work and unfortunately he remembers a lot of County Commission meetings where they shut them down early because County Commissioners were going to school. At one time the City Commission talked about staggering their meetings like the County has them, one in the morning and one in the evening, but it never became a reality. There was not enough interest to do that. The public hearings at least we would have more input and usually when we looked at rate increases they were all at one meeting.

Mr. Thiess said that FPUA did all three at the same meeting so that it would be three public hearings back to back. He said we have not had one of those for a while and we will not have one of those probably in the next year or so. When we do have them, it is all together.

Mr. Drummond made a motion that in an effort to try to seek some responses, he would suggest that for our public hearing meetings to agenda those as close as possible to 6:00 pm, seconded by Mrs. Cully, and unanimously approved.

There being no further business, the meeting was adjourned.

ATTEST:

SECRETARY

CHAIRMAN